

MAX Financial Services

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1040 TP: INR1030 (-1%) Neutral

Bloomberg	MAXF IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	359 / 4.3
52-Week Range (INR)	1140 / 821
1, 6, 12 Rel. Per (%)	4/-3/-1
12M Avg Val (INR M)	1052

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Gross Premiums	295.3	348.4	411.2
Sh. PAT	3.6	4.3	5.7
NBP gr - unwt'd (%)	23.0	22.0	18.0
NBP gr - APE (%)	17.7	21.2	18.0
Premium gr (%)	16.5	18.6	17.9
VNB margin (%)	26.5	24.0	25.0
Op. RoEV (%)	20.2	19.3	19.6
Total AUMs (INRb)	1,508	1,828	2,067
VNB(INRb)	19.7	21.2	26.1
EV per Share	452	539	644

Valuations

P/EV (x)	2.5	2.1	1.7
P/EVOP (x)	14.8	12.9	10.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	6.5	6.5	10.2
DII	40.7	39.9	34.4
FII	46.6	47.7	48.5
Others	6.1	5.9	7.1

FII Includes depository receipts

VNB margin disappoints owing to adverse product mix

Strong APE growth driven by 27% NOP growth

- MAX Financial Services (MAXLIFE) reported a weak performance in 1QFY25, mainly due to a sharp contraction of 470bp in VNB margin. Total APE grew 30.5% YoY to INR14.5b (in line), and absolute VNB rose 3% YoY to INR2.5b (22% miss) during the quarter.
- Surrender charges are likely to impact VNB margins by 100-200bp for the company. Management will distribute the impact among all stakeholders – customers, distributors, and shareholders.
- We have increased our APE growth estimates as 1Q momentum got stronger in Jul'24. However, we have cut our VNB margin assumptions given the adverse product mix trends (higher share of ULIPs). **Reiterate Neutral** with a TP of INR 1,030, premised on 2.0x Mar'26E EV and a holding company discount of 20%.

Margins contract due to a shift of product mix towards ULIPs

- Gross written premium grew to INR54b, +10.8% YoY (7% miss) in 1QFY25. The new business APE increased 30.5% YoY, led by 27% YoY growth in first-year premium. The renewal premium grew 10.3% YoY (in line). Shareholders' PAT grew 51.4% YoY to INR1.6b (12% miss).
- ULIPs reported an exponential growth of 104% YoY. Retail and Group protection grew 63% and 19% YoY, respectively. The non-par savings business declined 7% YoY to INR3.9b.
- On a YoY basis, the business mix moved in favor of ULIPs to 39% (vs. 25% in 1QFY24), and the share of non-PAR savings declined to 27% in 1QFY25 from 38% in 1QFY24.
- Absolute VNB grew 2.8% YoY to INR2.5b (22% miss), and VNB margin came in at 17.5% in 1QFY25 (vs our estimates of 23%).
- AUM grew 24.8% YoY (in line) to INR1.6t.
- On the distribution side, banca APE/proprietary channels grew 9%/60% YoY. The growth in proprietary business was aided by agency, cross-sell, and e-commerce.
- MAXLIFE posted a strong 46% YoY growth in PBT to INR1.5b in 1QFY25. MAXLIFE's EV grew 30% YoY and operating RoEV stood at 14.2%.
- On the cost front, the opex-to-GWP ratio increased 50bp YoY to 17.9%.
- With the infusion of INR16.1b capital by Axis Bank into MAXLIFE, the solvency margin stood at 203% (vs. 188% in 1QFY24).

Highlights from the management commentary

- Absolute VNB is likely to grow in mid-teens in FY25. On the margin front, management maintains the same growth guidance (25-26%) despite surrender charges, as higher premium growth will offset the margin hit. It expects 100-200bp impact on account of surrender charge regulations.

Research Analyst: **Prayesh Jain** (Prayesh.Jain@MotilalOswal.com) / **Nemin Doshi** (Nemin.Doshi@MotilalOswal.com)

Research Analyst: **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com) / **Muskan Chopra** (Muskan.Chopra@MotilalOswal.com)

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

- The product mix is expected to be re-balanced in the coming quarters. Focusing on product innovation, MAXLIFE launched Flexi Cap Fund and Max Life Smart Wealth Annuity Guaranteed Pension Plan during the quarter (contributed 42% growth in the retail annuity segment).

Valuation and view

MAXLIFE reported a weak performance in 1QFY25. Going forward, the surrender charges would hit margins by ~100-200bp, which will be offset by higher premium growth, new product launches, and restructuring of commissions. In terms of growth, banca and online channels are likely to maintain a strong growth momentum. MAXLIFE would maintain the countershare in the range of ~65-70% for the Axis Bank channel, despite Axis Bank partnering with multiple insurance players. We raise our APE growth estimates as 1Q momentum got stronger in Jul'24. However, we cut our VNB margin assumptions given the adverse product mix trends (higher share of ULIPs). **Reiterate Neutral** with a TP of INR 1,030, premised on 2.0x Mar'26E EV and a holding company discount of 20%.

Quarterly performance

(INR m)

Policy holder's A/c (INR b)	FY24				FY25				FY24	FY25	FY25E 1QE	A v/s E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
First Year premium	9.9	15.3	17.6	25.4	12.6	20.0	20.8	28.8	68.2	83.4	13.1	-4%
Growth (%)	8.0%	37.7%	20.7%	5.3%	27.1%	30.5%	18.4%	13.3%	15.7%	22.2%	31.9%	
Renewal premium	30.1	42.0	46.1	66.8	33.2	47.5	54.0	79.9	185.1	215.9	34.5	-4%
Growth (%)	15.1%	7.5%	14.6%	14.6%	10.3%	13.0%	17.1%	19.5%	13.0%	16.6%	14.6%	
Single premium	8.7	8.9	9.3	15.2	8.2	10.7	11.2	17.9	42.0	51.1	10.7	-24%
Growth (%)	52.8%	14.2%	15.5%	66.5%	-5.7%	20.5%	21.0%	18.1%	37.3%	21.7%	23.6%	
Gross premium income	48.7	66.3	73.0	107.4	54.0	78.2	86.1	126.5	295.3	348.4	58.3	-7%
Growth (%)	18.7%	14.2%	16.1%	17.3%	10.8%	18.1%	17.9%	17.8%	16.5%	18.0%	19.7%	
PAT	1.0	1.6	1.5	-0.5	1.6	1.0	1.1	1.3	3.6	4.3	1.8	-12%
Growth (%)	13.2%	196.2%	-34.9%	-186.4%	51.4%	-34.9%	-26.7%		-17.7%	18.3%	72.4%	
Key metrics (INRb)											88	
New Business APE	11.1	16.5	18.0	28.7	14.5	21.1	22.0	30.6	74.3	88.5	14.1	3%
Growth (%)	10.3	38.8	18.9	13.2	30.5	27.6	22.4	6.4	19.8	19.0	27.1	
VNB	2.5	4.2	4.9	8.2	2.5	5.1	5.5	8.1	19.7	21.2	3.3	-22%
Growth (%)	16.0	11.5	-17.5	6.6	2.8	21.6	12.3	-0.8	1.2	7.6	31.8	
AUM (INRb)	1,291	1,342	1,426	1,508	1,612	1,674	1,743	1,828	1,508	1,828	1,555	4%
Growth (%)	20.5	18.4	20.5	22.8	24.8	24.8	22.2	21.2	22.8	21.2	20.4	
Key Ratios (%)												
VNB Margins (%)	22.2	25.2	27.2	28.6	17.5	24.0	25.0	26.7	26.5	24.0	23.0	-550

Quarterly snapshot

Policyholder A/c (INRb)	FY23				FY24				FY25		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Gross premium	41.0	58.0	62.8	91.5	48.7	66.3	73.0	107.4	54.0	11	-50
First year premium	9.2	11.1	14.6	24.1	9.9	15.3	17.6	25.4	12.6	27	-50
Renewal premium	26.2	39.1	40.2	58.3	30.1	42.0	46.1	66.8	33.2	10	-50
Single premium	5.7	7.8	8.0	9.1	8.7	8.9	9.3	15.2	8.2	-6	-46
Shareholders PAT	0.9	0.5	2.3	0.6	1.0	1.6	1.5	-0.5	1.6	51	-406
APE data (INRb)											
PAR	1.7	2.0	1.8	2.6	1.9	3.9	3.3	4.3	1.9	0	-56
Individual Protection	0.7	0.8	1.1	1.2	0.9	1.6	1.6	1.8	1.5	63	-21
Group Protection	1.1	0.7	0.5	0.9	1.2	1.0	1.0	0.5	1.5	19	177
Non-PAR Savings	2.7	4.5	8.3	14.4	4.2	4.6	6.2	10.2	3.9	-7	-62
ULIP	3.8	3.9	3.4	6.4	2.8	5.5	5.8	11.9	5.7	104	-52
APE (% of total)											
PAR	17.0	17.0	12.1	10.1	17.0	23.7	18.5	14.8	13.0	-400	-182
Individual Protection	7.0	7.0	7.0	4.5	8.0	9.7	9.0	6.4	10.0	200	359
Group Protection	11.0	5.5	3.1	3.5	11.0	6.0	5.5	1.8	10.0	-100	818
Non-PAR Savings	27.0	38.1	55.1	56.8	38.0	28.0	34.5	35.6	27.0	-1,100	-859
ULIP	38.0	32.5	22.7	25.1	25.0	33.4	32.5	41.4	39.0	1,400	-235
Distribution mix (%)											
Proprietary	34	36	33	41	40	40	40	40	49	900	900
Banca	65	63	66	58	58	60	59	56	48	-1,000	-841
Others	1	1	1	1	2	0	1	4	2	0	-159
Key Ratios (%)											
Operating ratios											
Opex-to-GWP ratio (%)	22.9	21.0	20.4	20.5	23.6	22.8	22.6	22.0	26.3	270	430
Solvency Ratio	196.0	196.0	200.0	190.0	188.0	184.0	179.0	172.0	203.0	1,500	3,100
Profitability ratios											
VNB margins	21.1	31.3	39.3	30.3	22.2	25.2	27.2	28.6	17.5	-471	-1,111
13th Month	84.0	84.0	83.0	84.0	84.0	84.0	85.0	87.0	87.0	300	0
25th Month	68.0	68.0	68.0	68.0	69.0	70.0	70.0	70.0	71.0	200	100
37th Month	61.0	62.0	62.0	62.0	52.0	62.0	63.0	63.0	64.0	1,200	100
49th Month	56.0	64.0	63.0	63.0	64.0	65.0	65.0	66.0	67.0	300	100
61st Month	50.0	58.0	58.0	58.0	58.0	57.0	58.0	58.0	58.0	0	0
Key Metrics (INRb)											
VNB	2.1	3.7	5.9	7.7	2.5	4.2	4.9	8.2	2.5	3	-69
AUM	1071	1134	1184	1229	1291	1342	1426	1508	1612	25	7
Equity Mix (%)	23.8	23.8	25.2	25.1	26.5	28.1	30.1	30.0	29.7	328	-26

Note: (a) Persistency ratios, Opex ratio and EV for 5M, 8M and 11M

Sources: MOFSL, company reports

Highlights from the management commentary

Business

- In 1Q, New Business Premium for MAXLIFE grew by 12% to INR 20.8b and Individual Adjusted First Year Premium grew by 27% to INR 12.6b leading to private market share gain by 22bp to 8.8%.
- Number of new retail policies grew by 27%. Further, the renewal premium rose 10% YoY to INR 33.23b, taking the Gross Written Premium to INR 54b, an increase of 11% YoY.
- MAXLIFE registered a strong increase in PBT, which grew 46% YoY to INR1.5b in 1QFY25. MAXLIFE's EV rose 30% and operating RoEV stood at 14.2%.
- The new business growth was fueled by strong growth in Protection & Health, Group Credit Life and Retail Annuity business.

- Multiple products have to be refiled. If the replacement products are not launched by 30th Sep'24 then have to go via file and use.
- Non-operating variances grew to INR2.76b, with more positive contributions coming from the equity segment and debt was positive too. The operating variance is also marginally positive
- Focusing on product innovation, MAXLIFE launched a Flexi Cap Fund predominantly for the E-Commerce and Banca Customers in 1QFY25 designed to capitalize increasing interest in Index funds.
- The Company also introduced the Max Life Smart Wealth Annuity Guaranteed Pension Plan - Limited Pay variant with a feature to personalize retirement planning, an industry-first initiative.
- Commission increase of 60% in first year because of strong sales in e-commerce and strong growth in credit life with new partners.

Distribution

- In 1Q, MAXLIFE's proprietary channels' APE grew by 60% YoY in 1QFY25. The contribution of Proprietary channels to total new sales increased from 40% in 1QFY24 to 49% in 1QFY25.
- Protection & Health grew by 53%, Group Credit Life grew 49%, and Retail Annuity business rose 42% on a YoY basis.
- Though the share of Banca channel declined in 1QFY25 but the growth has picked up pace in Ju'24 with Axis bank leading the pack (Axis bank channel grew 45% YoY). Aim to be at 65-70% range as wallet share at Axis Bank. Inclusion of other partners has not impacted the wallet share.
- MAXLIFE has successfully on-boarded 7 new partners in 1QFY25, including CSB Bank

APE and VNB

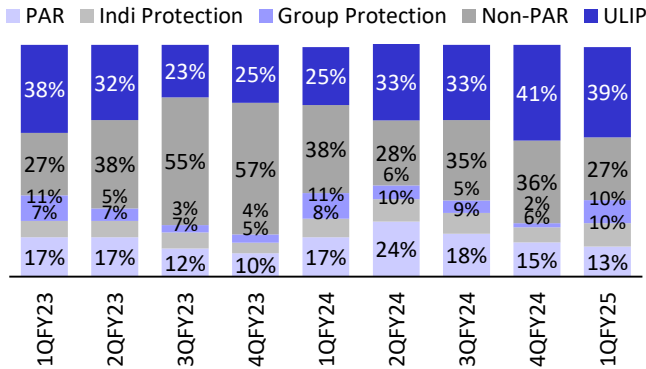
- The company's VNB grew 3% YoY to INR 2.5b during 1QFY25, vs INR 2.47b in 1QFY24. Further, the Total APE rose by 31% to INR 14.5b in 1QFY25.
- Absolute VNB is expected to grow in mid-teens in FY25.
- On the Ecommerce platform, the majority ULIP products sold are capital guarantee ULIP products as the proposition is better. E-commerce has a strong margin profile.
- The product mix is expected to get re-balanced in coming quarters.
- Management maintains the same growth guidance in spite of surrender charges as higher premium growth will offset the margin hit.

Surrender charges

- Max expects 100-200bp impact on account of surrender charges regulations.
- Max believes that the entire life insurance industry will take 3-6 month time to settle as the impact of surrender charges regulations on VNB margins remains dynamic.
- IRR and assumptions are in-line with industry

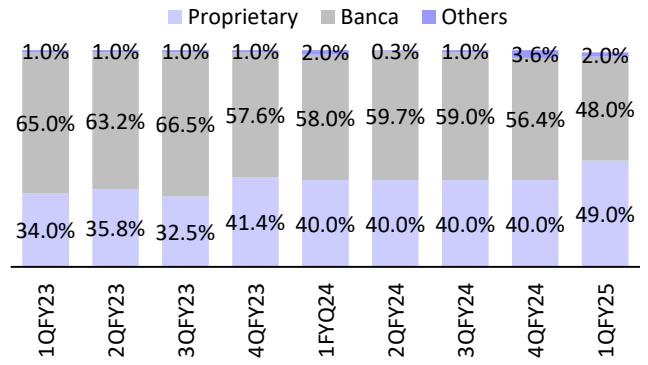
Key exhibits

Exhibit 1: Trend in product mix



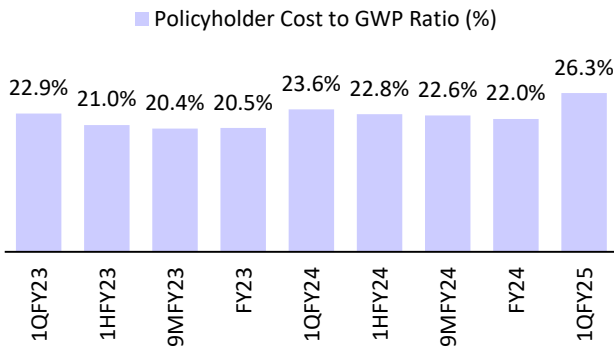
Sources: MOFSL, company reports

Exhibit 2: Banca channel's share reduces



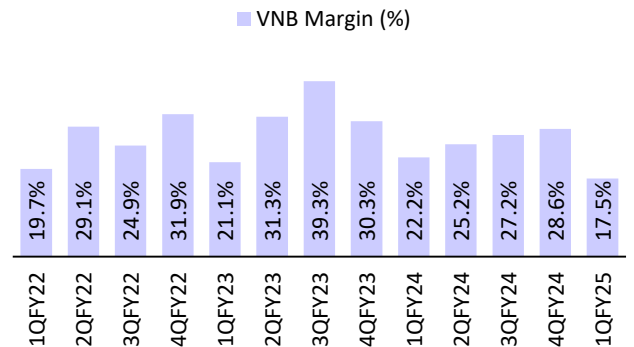
Sources: MOFSL, company reports

Exhibit 3: Opex-to-GWP ratio stood at 26.3% for 1QFY25



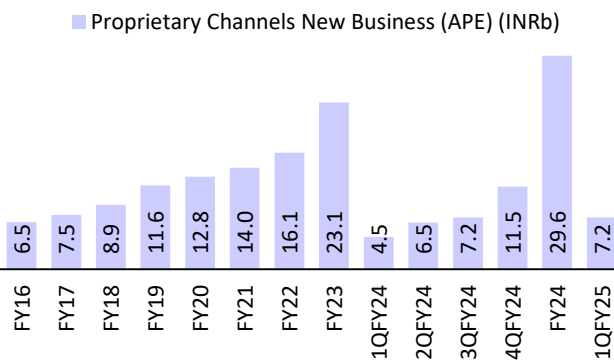
Sources: MOFSL, company reports

Exhibit 4: VNB margin contracted 470bp YoY to 17.5%



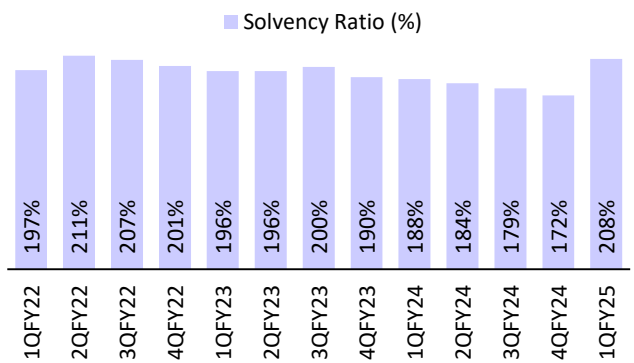
Sources: MOFSL, company reports

Exhibit 5: Proprietary channel APE grew to INR7.2b in 1QFY25



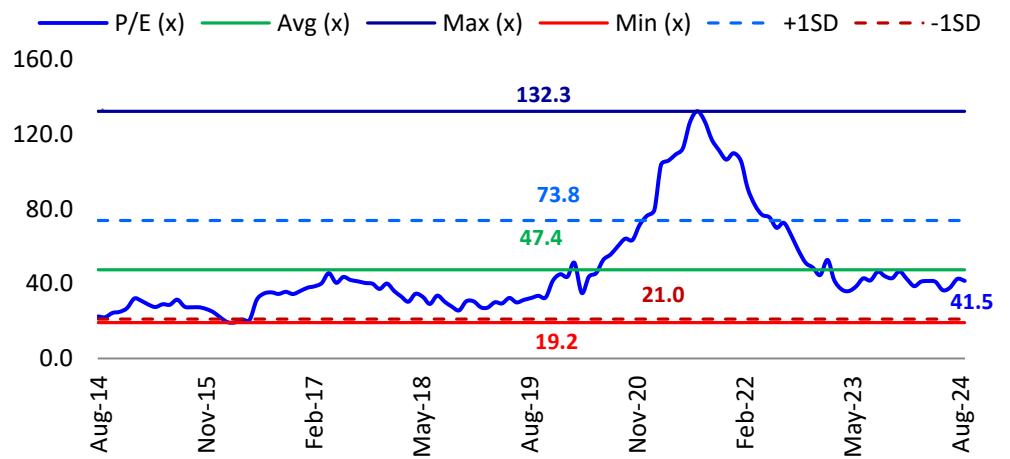
Sources: MOFSL, company reports

Exhibit 6: Solvency ratio stood at 208% as of 1QFY25



Sources: MOFSL, company reports

Exhibit 7: One-year forward P/EV



Source: MOFSL, Company

Exhibit 8: We value MAXLIFE at INR1,030 per share

Appraisal value method (INR b)	Mar'26E
Embedded value	278
New business profit	26.1
Appraisal value	556
MFS stake post deal	80%
MFS Value	445
MFS valuation per share (INR)	1,288
Appraisal value-to-embedded value (x)	2.0
Holding company discount	20%
Target price (INR)	1,030
Upside/Downside	-1%

Source: MOFSL

Financials and valuations

Technical account (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Gross Premiums	1,90,179	2,24,141	2,53,419	2,95,290	3,48,442	4,11,161
Reinsurance Ceded	2,788	4,272	4,601	5,443	6,423	7,579
Net Premiums	1,87,391	2,19,870	2,48,818	2,89,847	3,42,019	4,03,583
Income from Investments	1,21,657	87,408	60,936	1,70,875	92,876	1,04,351
Other Income	730	878	792	77	1,000	1,200
Total income (A)	3,10,230	3,08,155	3,10,547	4,60,800	4,34,920	5,08,198
Commission	12,270	14,028	16,138	23,983	27,875	32,893
Operating expenses	27,008	30,192	35,808	40,861	48,782	57,563
Total commission and opex	39,277	44,220	51,947	64,843	76,657	90,456
Benefits Paid (Net)	70,149	92,772	99,792	1,33,212	1,36,808	1,61,433
Chg in reserves	1,96,686	1,64,581	1,50,603	2,57,486	2,10,873	2,43,587
Prov for doubtful debts	40	18	89	22	-	-
Total expenses (B)	3,06,153	3,01,592	3,02,430	4,55,564	4,24,338	4,95,476
(A) - (B)	4,077	6,564	8,117	5,236	10,583	12,723
Prov for Tax	1,857	2,402	2,120	2,092	3,224	3,760
Surplus / Deficit	2,220	4,162	5,997	3,144	7,359	8,963
Shareholder's a/c (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Transfer from technical a/c	3,864	2,781	4,563	2,612	3,679	4,481
Income From Investments	2,360	3,212	3,143	3,943	4,123	5,566
Total Income	6,351	6,033	7,858	6,858	7,802	10,048
Other expenses	739	707	785	900	1,017	1,149
Contribution to technical a/c	502	1,168	1,999	2,210	2,000	2,500
Total Expenses	1,249	1,862	2,789	3,110	3,017	3,649
PBT	5,102	4,170	5,069	3,749	4,785	6,398
Prov for Tax	(131)	303	694	152	526	704
PAT	5,232	3,867	4,374	3,597	4,259	5,695
Growth	-3%	-26%	13%	-18%	18%	34%
Premium (INR m) & growth (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
New business prem - unwtd	68,262	79,049	89,586	1,10,231	1,34,482	1,58,689
New business prem - WRP	50,327	55,762	62,046	73,028	88,489	1,04,417
Renewal premium	1,21,917	1,45,092	1,63,823	1,85,059	2,15,860	2,54,353
Total premium - unwtd	1,90,179	2,24,142	2,53,409	2,95,290	3,50,342	4,13,042
New bus. growth - unwtd	22.3%	15.8%	13.3%	23.0%	22.0%	18.0%
New business growth - wrp	18.8%	10.8%	11.3%	17.7%	21.2%	18.0%
Renewal premium growth	15.0%	19.0%	12.9%	13.0%	16.6%	17.8%
Total prem growth - unwtd	17.5%	17.9%	13.1%	16.5%	18.6%	17.9%
Premium mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
New business - unwtd						
- Individual mix	91.2%	89.8%	90.2%	90.0%	90.0%	90.0%
- Group mix	8.8%	10.2%	9.8%	10.0%	10.0%	10.0%
New business mix - WRP						
- Participating	20.7%	22.6%	14.8%	20.6%	20.5%	20.4%
- Non-participating	41.6%	38.5%	57.3%	40.3%	40.6%	40.9%
- ULIPs	37.7%	39.0%	27.9%	39.1%	38.9%	38.8%
Total premium mix - unwtd						
- Participating	41.3%	NA	32.6%	41.0%	40.6%	40.2%
- Non-participating	27.7%	NA	41.7%	26.2%	27.2%	28.0%
- ULIPs	30.9%	NA	25.7%	32.8%	32.2%	31.8%
Individual prem sourcing mix (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
Individual agents	25.2%	23.0%	22.4%	20.4%	21.4%	22.4%
Corporate Agents-Banks	63.5%	64.4%	58.9%	53.9%	63.0%	63.0%
Direct Business	7.0%	8.4%	13.1%	19.4%	13.6%	12.6%
Others	4.2%	4.2%	5.6%	6.4%	2.0%	2.0%

Financials and valuations

Balance sheet (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Sources of Fund						
Share Capital	19,188	19,188	19,188	19,188	20,608	20,608
Reserves And Surplus	10,589	12,760	16,208	20,184	37,964	42,486
Shareholders' Fund	30,079	31,959	35,467	39,983	59,250	63,846
Policy Liabilities	5,58,936	6,72,822	8,05,354	9,73,550	7,61,011	8,26,589
Prov. for Linked Liab.	2,54,703	2,94,035	3,03,656	3,87,991	8,21,402	9,71,017
Funds For Future App.	29,819	32,369	35,803	38,727	269	610
Current liabilities & prov.	28,853	37,214	38,656	36,183	39,801	43,781
Total	9,41,082	11,20,549	12,81,208	15,74,399	17,92,502	20,38,212
Application of Funds						
Shareholders' inv	38,484	51,477	55,042	58,484	78,953	1,06,587
Policyholders' inv	5,81,847	6,89,187	8,21,021	10,08,078	11,68,776	13,44,897
Assets to cover linked liab.	2,83,736	3,34,432	3,52,502	4,41,793	4,68,300	4,96,398
Loans	5,322	6,661	9,248	10,605	16,225	24,825
Fixed Assets	2,213	2,604	3,452	4,153	4,859	5,685
Current assets	29,480	36,189	39,942	51,286	55,389	59,820
Total	9,41,082	11,20,550	12,81,208	15,74,399	17,92,502	20,38,212
Operating ratios (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
Investment yield	15.2%	9.0%	5.1%	12.4%	6.0%	6.0%
Commissions / GWP	6.5%	6.3%	6.3%	8.1%	8.0%	8.0%
- first year premiums	17.5%	18.0%	18.7%	27.5%	26.7%	26.7%
- renewal premiums	2.7%	2.5%	2.5%	2.4%	2.4%	2.4%
- single premiums	1.4%	1.8%	1.6%	1.5%	1.0%	1.0%
Operating expenses / GWP	14.2%	13.5%	14.2%	13.8%	14.0%	14.0%
Total expense ratio	20.7%	19.7%	20.5%	22.0%	22.0%	22.0%
Claims / NWP	37.4%	42.2%	40.1%	45.9%	40.0%	40.0%
Solvency ratio	202%	201%	193%	172%	195%	190%
Persistency ratios (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
13th Month	84.0%	85.0%	84.0%	87.0%	88.0%	89.0%
25th Month	71.0%	68.0%	68.0%	70.0%	71.0%	72.0%
37th Month	63.0%	61.0%	62.0%	63.0%	63.5%	64.0%
49th Month	58.0%	56.0%	63.0%	66.0%	66.5%	67.0%
61st Month	54.0%	50.0%	58.0%	58.0%	58.5%	59.0%
Profitability ratios (%)	FY21	FY22	FY23	FY24	FY25E	FY26E
New business margin (%)	25.2%	27.4%	31.2%	26.5%	24.0%	25.0%
RoE (%)	18.7%	12.5%	13.0%	9.5%	8.6%	9.3%
Operating RoEV	18.5%	19.2%	22.1%	20.2%	19.3%	19.6%
RoEV (%)	18.6%	19.8%	14.7%	19.9%	19.2%	19.6%
Valuation ratios	FY21	FY22	FY23	FY24	FY25E	FY26E
Total AUMs (INR bn)	904	1,075	1,229	1,508	1,828	2,067
EPS (INR)	11.0	8.1	9.2	7.6	9.9	13.2
Value of new business (INRb)	12.5	15.3	19.5	19.7	21.2	26.1
Embedded Value (INR b)	118.4	141.8	162.6	194.9	232.4	277.9
EV Per share (INR)	274.3	328.6	377.0	451.9	538.8	644.2
P/EV (x) - after 20% holdco disc	4.1	3.4	3.0	2.5	2.1	1.7
P/EPS (x)	102.4	138.6	122.5	149.0	114.0	85.3
P/EVOP(x)	26.2	21.3	15.5	14.8	12.9	10.6
P/VNB(x)	38.9	31.8	24.9	24.6	22.9	18.6

Note: Valuation ratios adjusted for the MFS stake (80%) and holdco discount (20%)

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

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. 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. 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.

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.

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 dp@motilaloswal.com.