

IIFL Finance

BSE SENSEX 73,677 S&P CNX 22,356



Bloomberg	IIFL IN
Equity Shares (m)	381
M.Cap.(INRb)/(USDb)	182.3 / 2.2
52-Week Range (INR)	704 / 408
1, 6, 12 Rel. Per (%)	-22/-35/-20
12M Avg Val (INR M)	515
Free float (%)	75.2

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
NII	58.1	68.2	82.4
Total Income	65.9	76.7	91.8
PPoP	37.8	43.5	52.4
PAT (pre-NCI)	21.1	23.8	29.5
PAT (post-NCI)	19.0	21.3	26.5
EPS (INR)	49.8	56.0	69.6
EPS Gr. (%)	26	12	24
BV (INR)	277	329	394

Ratios (%)

NIM	8.0	7.7	7.7
C/I ratio	42.6	43.3	42.9
Credit cost	2.2	2.2	2.0
RoA	3.7	3.5	3.6
RoE	19.4	18.5	19.3

Valuations

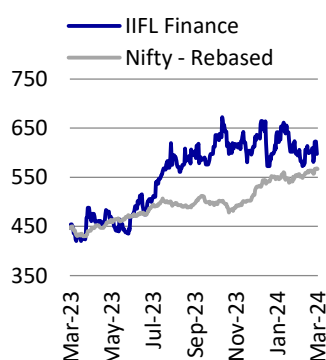
P/E (x)	9.6	8.6	6.9
P/BV (x)	1.7	1.5	1.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	24.8	24.8	24.9
DII	8.3	7.3	3.9
FII	31.3	28.3	27.8
Others	35.7	41.0	43.4

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR478 TP: INR560 (+17%) Buy

RBI ban on gold lending to dampen growth and profitability

Difficult to predict how long it would take to get this ban reviewed and revoked

- IIFL Finance (IIFL) hosted a conference call on 5th Mar'24 to clarify the issues raised by the RBI regarding the company's gold loan business ([RBI press release](#)), the corrective actions taken by the management, and the way forward for the company. IIFL also shared the contribution of the gold loan business to its profitability, the fixed cost of gold loan branches and the sequence of events that culminated in this RBI ban.
- It is difficult to predict how long it could take to work with the regulator and get this ban reviewed and revoked. However, in light of some recent episodes where the RBI banned certain activities/products of financial institutions, our base case assumes that it could take around six months to get the RBI to conduct a special audit and subsequently rectify the observations to the satisfaction of the RBI. After incorporating the impact of this ban on IIFL's gold loan growth in our estimates, we cut our FY24/FY25/FY26 EPS estimates by 2%/14%/15%.
- Beyond the immediate impact on incremental gold loans, IIFL will also have to work with its existing customers and co-lending partners to prevent any damage to its gold loan brand and trust that it has built over last many years. It will also have to make efforts to retain existing customers and employees.
- The actual financial impact will depend on the duration for which this ban remains in force and we will continue to closely monitor the developments over the next few quarters. While there could be near-term price volatility in the stock, we have maintained our BUY rating with our SOTP-based TP of INR560 (based on revised target multiples on each of its standalone, HFC and MFI businesses, in light of the recent observations made by the RBI).
- Key risks:** 1) sharper run-down in the gold loan portfolio and employee attrition if the ban remains in force for longer, and 2) reputational damage which might necessitate renewed investments in building trust in its brand.

Issues identified by RBI and corrective actions proposed by IIFL

- Observation 1:** Serious deviations in gold appraisal and certification of purity and net weight of gold at the time of sanctioning gold loans and at the time of auction upon default; breaches in loan-to-value (LTV) ratio
- Issue 1:** Appraisal of gold jewelry is a manual and subjective process (industry-wide). There were deviations observed by IIFL's internal audit team when they appraised the gold at the time of auctions. IIFL disbursed ~1.89m gold loans in FY23, of which ~82,000 went for auctions and deviation was identified in ~55,000 cases from the auctioned loan pool. The RBI for its inspection has just taken a sample of the auctioned gold loan accounts.

Abhijit Tibrewal - Research analyst (Abhijit.Tibrewal@MotilalOswal.com)

Gautam Rawtani - Research analyst (Gautam.Rawtani@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.

- **Corrective Action 1:** IIFL has taken corrective actions to ensure that these deviations are minimal. Most of its co-lending partners open each and every gold loan packet and make their own assessment of gold purity and weight. Going forward, it will ensure that the quality assessment of gold jewelry will be more stringent.
- **Observation 2:** Significant cash disbursements and collections, which were far in excess of the statutory limit
- **Issue 2:** The RBI has asked IIFL to cap its cash disbursements at INR20k, compared to its earlier practice of cash disbursements of up to INR200k. The management shared that every NBFC in the industry is disbursing gold loans with cash disbursements of up to INR200k.
- **Corrective Action 2:** IIFL will comply with the statutory limit of INR20k on cash disbursements as suggested by the RBI.
- **Observation 3: Non-adherence to the standard auction process**
- **Issue 3:** IIFL used to do e-auctions of gold by leveraging Auction Tiger to get the best realization from gold auctions. This e-auction platform is also leveraged by many other financial institutions, including some of the large banks.
- **Corrective Action 3:** The RBI circular is categorical about auctions at the branch and/or Taluka level. IIFL will implement this and will start doing all auctions at the Taluka level.
- **Observation 4: Lack of transparency in charges being levied on customer accounts**
- **Issue 4:** When IIFL sends notices to customers for auction, it charges them INR200, and an additional INR1,300 was charged only when gold loans were auctioned. This compares to the loan agreement which mentioned that INR1,500 will be charged to customers if gold is auctioned.
- **Corrective Action 4:** The company will specify the split of charges to customers when an auction notice is sent out and subsequently when gold is auctioned.

Economics of gold loans and how IIFL plans to tide over the crisis

- For IIFL, the monthly fixed cost of operating gold loan branches is INR650-700m, while NIM of the gold loan business is ~INR1.25b per month.
- Despite the ban on new gold loan disbursements, there will be no impact on recoveries or collections as permitted by the RBI. IIFL's existing gold loan portfolio will continue to accrue interest income, while the impact on profitability will be contingent on how long this ban remains in force.
- Advertising/promotions, marketing costs and incentives in the gold lending business will be paused until the ban is revoked by the regulator.

Sequence of events which led to the RBI inspection report and the ban

- The RBI inspection/audit was carried out around 31st Oct'23 and IIFL received the inspection report around 18th Jan'24.
- Subsequently, IIFL's senior management team had a couple of meetings with the RBI in the last 45 days.

Management clarification on the RBI observations

- The management clarified that all the RBI observations were operational in nature and that there were no governance or ethical issues highlighted by the regulator. **Notably, there were no compliance issues related to AML and KYC. Additionally, the management shared that there were no ongoing inquiries or inspections in any other product segments or subsidiaries of the company.**
- The management noted that it would like to rectify all the lapses identified by the RBI. The company will take this as an opportunity to introspect and improve its processes and build a stronger franchise in the longer term.
- With the exception of the INR20k cap on cash disbursements, which will be implemented upon resuming disbursals, IIFL has implemented and rectified all other RBI observations. It plans to contact the RBI and request a special audit soon.

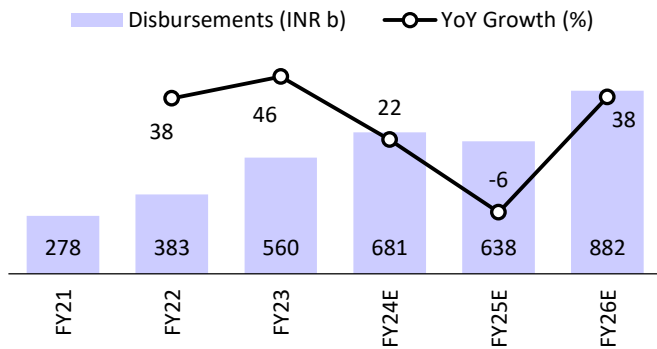
IIFL Finance: SOTP - March 2026

Particulars	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	64	0.8	168	30	1.0	PBV
IIFL Home Finance (HFC)	80	103	1.2	270	48	1.8	PBV
IIFL Samasta Finance (MFI)	100	47	0.6	122	22	1.4	PBV
Target Value		214	2.5	560	100		

Source: MOSL

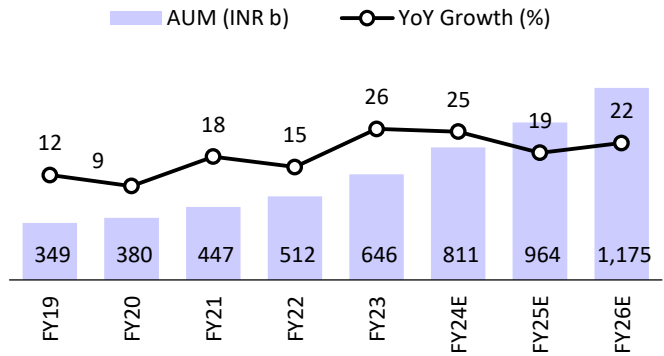
Story in charts

Exhibit 1: Core product disbursements to see ~16% CAGR



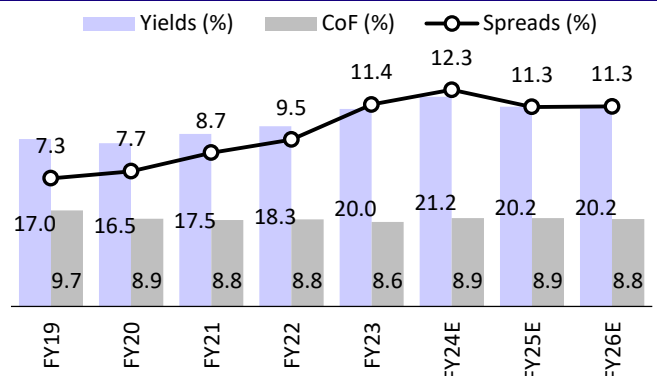
Source: MOFSL, Company

Exhibit 2: Console AUM CAGR of ~22% over FY23-FY26



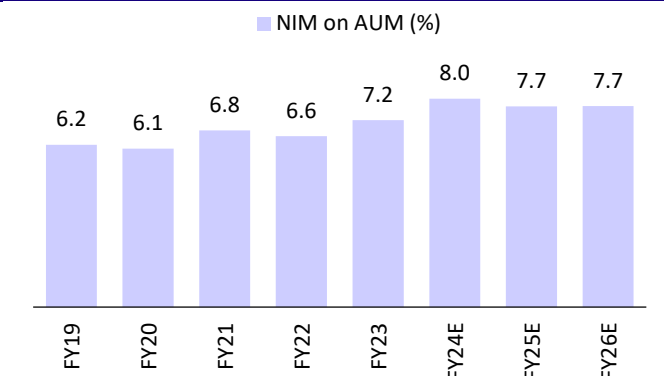
Source: MOFSL, Company

Exhibit 3: Spreads moderation from lower yields



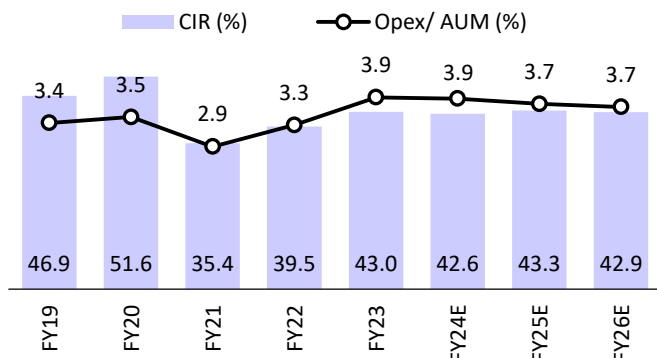
Source: MOFSL, Company

Exhibit 4: NIM of ~7.7% in FY25/FY26 (%)



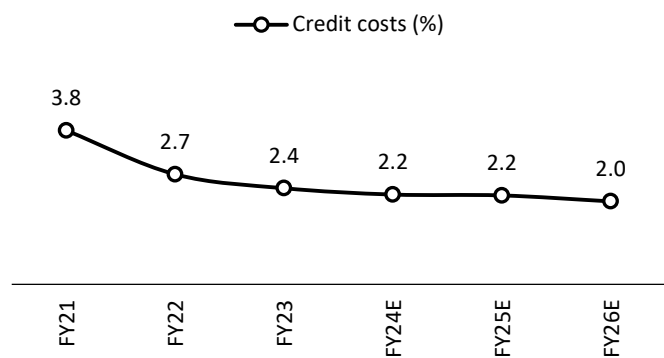
Source: MOFSL, Company

Exhibit 5: Cost ratios to improve led by better productivity



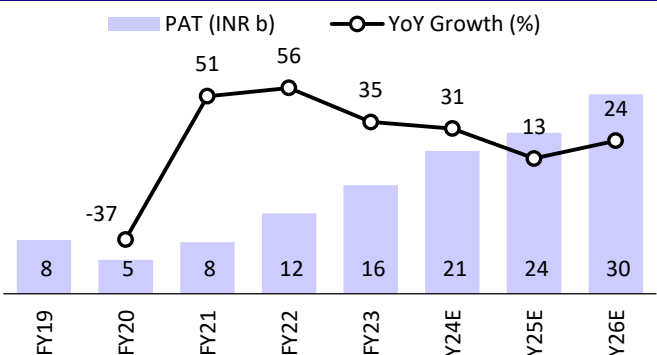
Source: MOFSL, Company

Exhibit 6: Expect credit costs to decline to ~2% in FY26



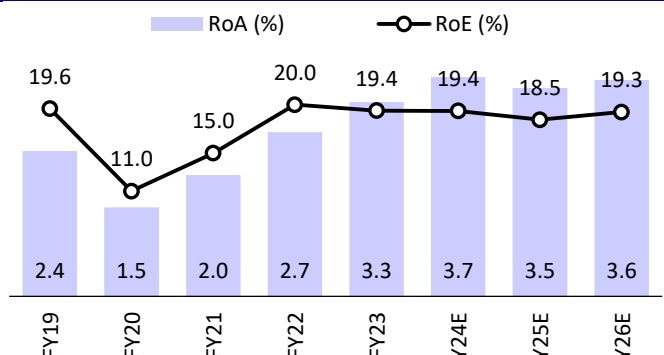
Source: MOFSL, Company

Exhibit 7: PAT CAGR of ~22% over FY23-26E



Source: MOFSL, Company

Exhibit 8: Expect ROA/ROE of ~3.6%/19% by FY26E (%)



Source: MOFSL, Company

Estimates of the gold loan business and its impact on standalone profitability

Exhibit 9: Gold disbursement CAGR of ~10% over FY23-26

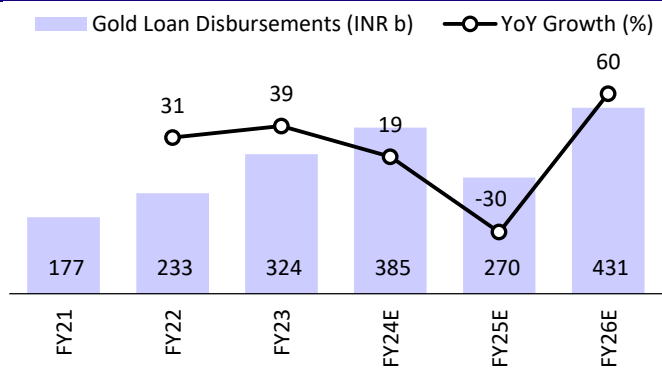


Exhibit 10: Gold AUM CAGR of ~16% over FY23-26

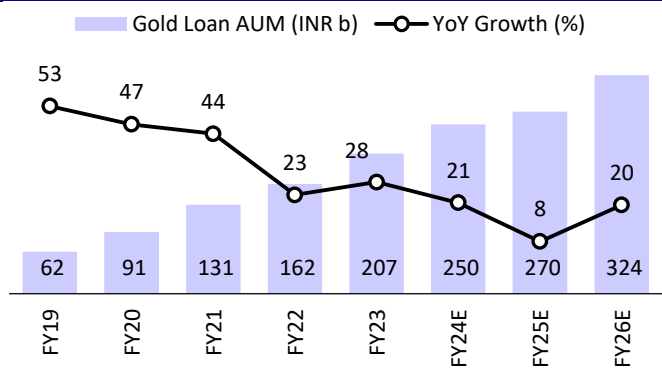
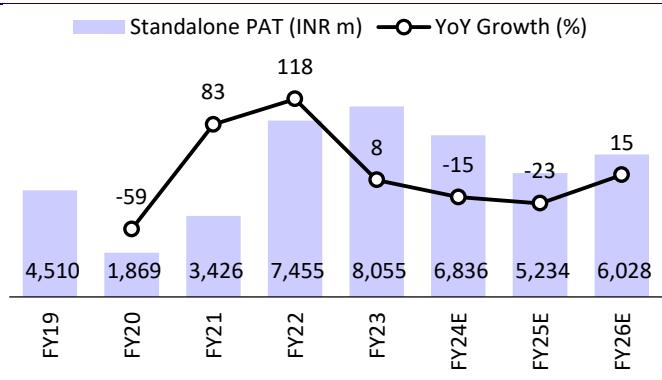
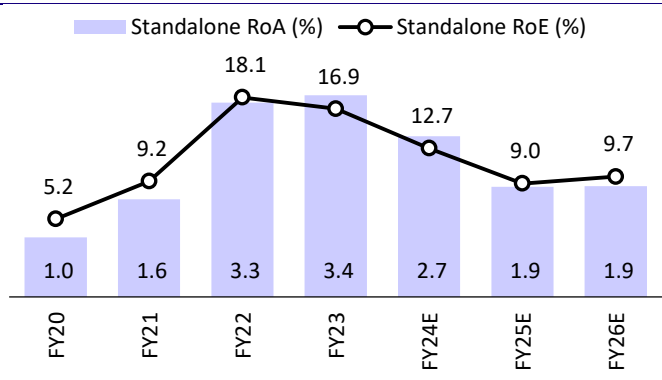


Exhibit 11: Standalone PAT growth expected in FY26



Source: MOFSL, Company

Exhibit 12: Expect standalone ROA of ~1.9% over FY25-26



Source: MOFSL, Company

Exhibit 13: Standalone Du-pont

Standalone RoA Tree	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	13.5	14.8	15.4	14.7	16.8	16.5	16.7
Interest Expended	6.7	7.5	7.1	6.2	6.5	6.5	6.5
Net Interest Income	6.8	7.3	8.3	8.5	10.4	10.0	10.2
Other Operating Income	0.2	1.6	2.5	2.5	0.7	0.8	0.8
Other Income	0.1	0.2	0.1	0.1	0.2	0.2	0.1
Net Income	7.2	9.1	11.0	11.2	11.2	10.9	11.1
Operating Expenses	4.4	3.6	4.4	5.5	5.9	6.0	6.2
PPoP	2.8	5.5	6.5	5.6	5.3	4.9	4.9
Provisions/Write-offs	1.5	3.7	2.3	1.2	1.7	2.5	2.5
PBT	1.3	2.1	4.3	4.4	3.6	2.4	2.4
Tax	0.3	0.4	1.0	1.0	0.9	0.6	0.6
RoA	1.0	1.6	3.3	3.4	2.7	1.9	1.9
Leverage	5.2	5.6	5.5	4.9	4.7	4.8	5.2
RoE	5.2	9.2	18.1	16.9	12.7	9.0	9.7

Exhibit 14: Cut our FY24/FY25/FY26 estimates by 2%/14%/15% to factor in the impact on gold loan growth

INR B	Old Est.			New Est.			% change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
NII	58,946	74,188	90,430	58,135	68,214	82,444	-1.4	-8.1	-8.8
Other Income	7,762	8,509	9,386	7,762	8,509	9,386	0.0	0.0	0.0
Total Income	66,708	82,696	99,816	65,896	76,723	91,830	-1.2	-7.2	-8.0
Operating Expenses	28,203	33,931	40,101	28,060	33,240	39,427	-0.5	-2.0	-1.7
Operating Profits	38,504	48,765	59,715	37,836	43,483	52,402	-1.7	-10.8	-12.2
Provisions	10,073	13,021	15,107	9,971	12,177	13,655	-1.0	-6.5	-9.6
PBT	28,432	35,744	44,608	27,866	31,305	38,748	-2.0	-12.4	-13.1
Tax	6,889	8,488	10,571	6,753	7,467	9,223	-2.0	-12.0	-12.8
PAT (pre-NCI)	21,543	27,256	34,037	21,113	23,838	29,525	-2.0	-12.5	-13.3
NCI	2,140	2,500	3,000	2,140	2,500	3,000	0.0	0.0	0.0
PAT (post-NCI)	19,403	24,756	31,037	18,973	21,338	26,525	-2.2	-13.8	-14.5
AUM	8,29,925	10,25,413	12,52,542	8,10,755	9,64,196	11,75,476	-2.3	-6.0	-6.2
Borrowings	4,66,543	5,67,736	6,77,109	4,58,776	5,51,343	6,57,157	-1.7	-2.9	-2.9
RoA	3.7	3.9	4.1	3.7	3.5	3.6	-1.3	-10.7	-10.7
RoE	19.8	21.0	21.6	19.4	18.5	19.3	-2.0	-12.2	-10.8

Financials and valuations

Income Statement								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	47,547	46,189	54,212	61,345	73,693	96,304	1,13,282	1,35,883
Interest Expenses	25,850	24,050	26,258	29,910	32,218	38,169	45,068	53,439
Net Interest Income	21,697	22,139	27,954	31,435	41,474	58,135	68,214	82,444
Change (%)		2	26	12	32	40	17	21
-NII on on-book	19,245	16,380	20,934	23,713	30,183	42,904	50,507	61,406
-NII on off-book	2,452	5,758	7,020	7,722	11,291	15,231	17,707	21,038
Other Operating Income	2,230	1,635	4,186	7,202	8,896	5,448	5,964	6,587
Other Income	1,071	818	1,499	1,689	1,883	2,313	2,545	2,799
Total Income	24,998	24,591	33,639	40,326	52,253	65,896	76,723	91,830
Change (%)		-2	37	20	30	26	16	20
Total Operating Expenses	11,734	12,677	11,904	15,918	22,466	28,060	33,240	39,427
Change (%)		8	-6	34	41	25	18	19
Employee Expenses	6,901	7,461	7,231	9,307	13,295	16,904	20,406	24,370
Depreciation	318	1,056	1,057	1,217	1,526	1,708	1,969	2,261
Other Operating Expenses	4,514	4,160	3,617	5,394	7,645	9,448	10,865	12,796
Operating Profit	13,265	11,914	21,734	24,408	29,787	37,836	43,483	52,402
Change (%)		-10	82	12	22	27	15	21
Provisions and write-offs	3,012	4,662	11,686	9,048	8,661	9,971	12,177	13,655
PBT	11,299	7,252	10,048	15,359	21,125	27,866	31,305	38,748
Tax Provisions	3,342	2,217	2,440	3,477	5,050	6,753	7,467	9,223
Tax Rate (%)	29.6	30.6	24.3	22.6	23.9	24.2	23.9	23.8
PAT (pre-NCI)	7,957	5,035	7,608	11,882	16,076	21,113	23,838	29,525
Change (%)		-37	51	56	35	31	13	24
Non-Controlling Interest (NCI)	-11	-16	-7	-4	-1,072	-2,140	-2,500	-3,000
PAT (post-NCI)	7,946	5,018	7,601	11,879	15,003	18,973	21,338	26,525
Change (%)		-37	51	56	26	26	12	24

Balance Sheet								(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	756	757	758	759	761	762	762	762
Reserves & Surplus	42,831	46,899	53,177	63,879	89,160	1,05,001	1,24,624	1,49,243
Non-controlling interest				59.0	12,101	14,241	16,741	19,741
Net Worth	43,587	47,656	53,934	64,697	1,02,021	1,20,004	1,42,127	1,69,746
Borrowings	2,65,171	2,77,177	3,22,645	3,57,255	3,96,040	4,58,776	5,51,343	6,57,157
Change (%)		4.5	16.4	10.7	10.9	15.8	20.2	19.2
Other Liabilities	23,631	18,901	30,090	37,150	31,951	43,122	51,493	60,014
Total Liabilities	3,32,389	3,43,734	4,06,669	4,59,102	5,30,012	6,21,902	7,44,963	8,86,918
Cash and Bank	25,216	32,159	47,841	81,569	58,390	33,841	39,684	44,072
Investments	2,124	7,704	316	11,922	35,110	38,314	43,782	49,805
Loans	2,73,775	2,85,347	3,35,332	3,36,929	4,00,011	5,08,399	6,11,741	7,35,018
Change (%)		4.2	17.5	0.5	18.7	27.1	20.3	20.2
Fixed Assets	1,112	3,950	4,102	4,777	5,708	6,196	7,264	8,501
Other Assets	30,162	14,574	19,079	23,908	30,794	35,153	42,492	49,521
Total Assets	3,32,389	3,43,734	4,06,669	4,59,104	5,30,013	6,21,902	7,44,963	8,86,918

Financials and Valuation

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
AUM	3,49,035	3,79,511	4,46,880	5,12,098	6,46,376	8,10,755	9,64,196	11,75,476
Change (%)	12	9	18	15	26	25	19	22
On-book/Off-book Mix (%)								
On-book AUM (%)		74	75	67	62	62	63	62
Assignments (%)		26	25	28	26	23	21	19
Co-lending (%)		0	0	6	12	15	17	19
Total (%)		100	100	100	100	100	100	100
Disbursements			2,78,300	3,83,090	5,59,630	6,81,143	6,38,356	8,82,399
Change (%)				38	46	22	-6	38
Ratios								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Spreads Analysis (%)								
Avg. Yield on Loans	17.0	16.5	17.5	18.3	20.0	21.2	20.2	20.2
Avg Cost of Funds	9.7	8.9	8.8	8.8	8.6	8.9	8.9	8.8
Spread of loans	7.3	7.7	8.7	9.5	11.4	12.3	11.3	11.3
NIM (as % of total AUM)	6.2	6.1	6.8	6.6	7.2	8.0	7.7	7.7
On-book NIM (% of on-book AUM)	6.8	5.9	6.8	7.0	8.1	9.5	9.1	9.2
Profitability Ratios (%)								
RoE	19.6	11.0	15.0	20.0	19.4	19.4	18.5	19.3
RoA	2.4	1.5	2.0	2.7	3.3	3.7	3.5	3.6
Int. Expended / Int.Earned	54.4	52.1	48.4	48.8	43.7	39.6	39.8	39.3
Other Inc. / Net Income	13.2	10.0	16.9	22.0	20.6	11.8	11.1	10.2
Efficiency Ratios (%)								
Op. Exps. / Avg AUM	3.6	3.5	2.9	3.3	3.9	3.9	3.7	3.7
Op. Exps. / Net Income	46.9	52	35	39	43	43	43	43
Empl. Cost/Op. Exps.	58.8	59	61	58	59	60	61	62
Asset-Liability Profile (%)								
Debt-Equity Ratio	6.1	5.8	6.0	5.5	4.4	4.3	4.4	4.4
Assets/Equity	7.6	7.2	7.5	7.1	5.9	5.9	5.9	5.9
Asset Quality (%)								
GNPA (INR m)			6,620	10,740	7,380	7,851	9,425	10,420
GNPA (%)	1.7	2.3	2.1	3.2	1.8	1.6	1.6	1.4
NNPA (INR m)			2,986	6,218	3,771	3,747	4,322	4,600
NNPA (%)	0.5	1.0	1.0	1.8	1.1	0.8	0.7	0.6
PCR (%)			55	42	49	52	54	56
Credit costs	1.1	1.7	3.8	2.7	2.4	2.2	2.2	2.0
Valuations								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Book Value (INR)	115	126	142	170	236	277	329	394
BV Growth (%)		9	13	20	39	17	19	20
P/BV	4.2	3.8	3.4	2.8	2.0	1.7	1.5	1.2
EPS (INR)	21	13	20	31	39	50	56	70
EPS Growth (%)		-37	51	56	26	26	12	24
P/E	22.7	36.1	23.9	15.3	12.1	9.6	8.6	6.9
Dividend	5.0	2.3	3.0	3.5	4.0	4.5	5.0	5.5
Dividend yield	1.0	0.5	0.6	0.7	0.8	0.9	1.0	1.1

E: MOFSL Estimates

Financials and Valuation

Du-Pont (% of avg. assets)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	14.5	13.7	14.4	14.2	14.9	16.7	16.6	16.7
Interest Expended	7.9	7.1	7.0	6.9	6.5	6.6	6.6	6.5
NIM	6.6	6.5	7.5	7.3	8.4	10.1	10.0	10.1
Other income	1.0	0.7	1.5	2.1	2.2	1.3	1.2	1.2
Total income	7.6	7.3	9.0	9.3	10.6	11.4	11.2	11.3
Operating cost	3.6	3.8	3.2	3.7	4.5	4.9	4.9	4.8
PPOP	4.1	3.5	5.8	5.6	6.0	6.6	6.4	6.4
Provision	0.9	1.4	3.1	2.1	1.8	1.7	1.8	1.7
PBT	3.5	2.1	2.7	3.5	4.3	4.8	4.6	4.7
Tax	1.0	0.7	0.7	0.8	1.0	1.2	1.1	1.1
ROA (pre-NCI)	2.4	1.5	2.0	2.7	3.3	3.7	3.5	3.6
NCI	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
ROA (post-NCI)	2.4	1.5	2.0	2.7	3.0	3.3	3.1	3.3
Avg. leverage (x)	8.1	7.4	7.4	7.3	6.4	5.9	5.9	5.9
RoE	19.6	11.0	15.0	20.0	19.4	19.4	18.5	19.3

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. 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 dpgrievances@motilaloswal.com.