13 September 2024

Update | Sector: Insurance

ICICI Prudential Life Insurance

BSE SENSEX	S&P CNX
82,963	25,389

Bloomberg	IPRU IN
Equity Shares (m)	1442
M.Cap.(INRb)/(USDb)	1091.3 / 13
52-Week Range (INR)	773 / 463
1, 6, 12 Rel. Per (%)	-1/12/9
12M Avg Val (INR M)	1256
Free float (%)	26.8

Financials Snapshot (INR b)

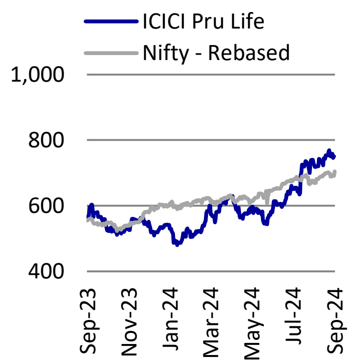
Y/E March	2024	2025E	2026E
Net Premiums	417.6	474.5	544.9
Surplus / Deficit	15.9	16.8	18.9
Sh. holder's PAT	8.5	8.9	11.7
NBP growth unwtd (%)	7.3	16.9	16.2
APE	90.5	112.2	131.0
APE growth - (%)	4.7	24.1	16.8
VNB (INRb)	22.3	27.5	32.8
VNB margin (%)	24.6	24.5	25.0
EV per share	294	351	421
RoEV (%)	18.8	19.5	19.9
Total AUMs (INRt)	2.9	3.5	4.2
Valuations			
P/EV (x)	2.6	2.2	1.8
P/EVOP (x)	21.8	17.2	14.4

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	73.2	73.2	73.3
DII	8.8	8.5	6.3
FII	13.2	13.4	15.4
Others	4.8	4.9	4.9

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR756 TP: INR890 (+18%) Buy

Building a robust business model

- **IPRU held an analyst meet to outline its granular strategy that has helped it deliver industry-beating growth in the past few months and will be key to maintaining the growth momentum in the medium term.**
- **The company has reiterated its target to grow at a faster rate than the industry in a profitable manner.**
- **From Oct'24, new surrender charges will be implemented and the company is getting its products ready to sell in the new environment. With non-linked share at just 17%, the impact would be limited and offset by altering commission structures (mix of trail-based commissions or clawback clause).**
- **IPRU believes that ULIP, despite being margin-dilutive, offers reasonable returns for limited risks to the balance sheet. Annuity and protection have large growth opportunities.**
- **Agency, direct and exclusive partners would be the key channels to support growth over the medium term. The company has invested in these channels over the past couple of years, and scale benefits will accrue over the medium term.**
- **While IPRU aims to grow in lower-tier cities, it is cognizant of varied experiences in terms of mortality, persistency, healthcare access and others. Commensurately it is building an ecosystem to strengthen its underwriting practices.**
- **IFRS and risk-based capital, if implemented together, will lend more substance to the financial statements, along with the release of capital, which can be used for organic and inorganic growth opportunities.**
- **Under a composite license (as and when announced), the company would look at varied options, including a partnership with group company ICICI Lombard.**
- **ICICIPRU is witnessing strong growth in premiums, albeit on a low base of FY24. Sustaining this growth, especially from agency and ex-ICICI banca partners, will drive significant re-rating. Further, the company has been a pioneer in exploring new product and commission constructs. We maintain our BUY rating with a one-year TP of INR890, based on 2.1x FY26E P/EV.**

Developing a holistic strategy to sustain strong growth

- IPRU has seen industry-beating growth of 10%/11.5%/46.8%/34.6% in 3QFY24/4QFY24/1QFY25/Jul-Aug'24 vs. industry growth of 5.9%/0.3%/ 19.7%/14.5% and private industry growth of 9.4%/2.4%/23.8%/21.8%. IPRU aims to sustain industry-beating growth over the medium term.
- IPRU had introduced a 4P strategy in FY19, which included the focus on premium growth, protection, persistency and productivity. While the share of protection, persistency and productivity across channels improved in the following years, volume growth was restricted due to a slowdown in the ICICI Bank channel. Nevertheless, the company created new channels and products of annuity and protection, leading to the doubling of VNB in four years.
- It further expanded the 4D framework, i.e., Data analytics, Diversified positions, Depth in partnerships and Digitalization. Depth in partnership with banks and agency has to be built for granular growth.

Prayesh Jain - Research Analyst (Prayesh.Jain@motilaloswal.com)

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

- IPRU recently introduced the 3C framework: 1) Customer centric 2) Competency, 3) Catalyst. It aims to give customers a seamless onboarding, 24X7 assistance, and the best-in-class servicing and claim settling (industry leading at 99.35% and settlement within 1.2 days). In terms of competency, it is building tools to provide the right product at the right time to meet the dynamic needs of customers. With people as a key catalyst for growth, IPRU is investing in learning and development programs for upskilling its resources.
- The underlying factors behind every innovative product launch by IPRU are: 1) the product should be desirable by customers whether explicitly or implicitly, 2) it should be feasible to be manufactured and distributed, and 3) it should be viable from a profitability perspective.
- Guaranteed Pension Plan (GPP), which has found decent success since its launch, fits across all three parameters. The viability criterion for the product is met via a deferred commission structure. Even for ULIPs, the company believes it earns reasonable margins on the limited risk it brings to the balance sheet.
- Going ahead, annuity and protection segments continue to offer large growth opportunities in the medium term.

Tech and data analytics being used extensively across ecosystem

- IPRU is investing in technology across its ecosystem – 1) pre-sales, which include lead management system, training platforms and digital demand generation tools; 2) onboarding and issuance – complete digital onboarding tool along with quick policy issuance technology; and 3) providing digital tools for partner integration. It has also developed customer apps, which allow them to access end-to-end service requirements.
- Data analytics is being used across the board, with 1) customer segmentation and 'right product to right customer' offering, 2) ML-based upsell/cross-sell propensity models, 3) analytics-driven agent activation, 4) ML-based leads assistance, 5) smart revival identification model, 6) early warning model for customer dissatisfaction, 7) robust claims investigation framework, and 8) robust fraud detection mechanism, among others. IPRU has seen a 71% reduction in cases with higher propensity for fraud claims for savings policies during Oct'23 to Jun'24.

Customer-centric regulations pave way for longer-term growth

- Regarding the surrender charges regulations, IPRU believes that the impact of the first year surrenders can be offset by higher growth (product will now bear better liquidity) and altered commission structures (trail-based commissions and clawback clauses). IPRU has been proactive and has already launched products with 100% surrender rates and trail commission structures.
- IFRS and risk-based capital, if implemented together, will lend more substance to the financial statements, along with the release of capital, which can be used for organic and inorganic growth opportunities.
- In order to facilitate business expansion, IRDAI has issued favorable regulations such as EOM (which gives flexibility to manage expenses across products and channels), no approvals were required for opening of branches, and faster filing of products enabling quick resets of rates, among others. On the other hand, the Insurance Information Bureau has been strengthened and the quantity and quality of information have improved considerably.

Strong risk management practices

- IPRU uses AI/ML models along with data analytics for proactive risk management. It led to a ~71% reduction in cases with a higher propensity for fraud claims
- It has developed strong tools for risk management across the customer's journey: 1) ML models to mitigate insurance risk at onboarding stage, 2) IIB data on policies sourced from other insurers, 3) alert/pattern-based field checks for identifying frauds, 4) regular trainings & communications on early claims, 5) industry collaboration for multi-insurance frauds, etc.
- For investment risk management, IPRU has adopted a product approach, which includes 1) articulated portfolio strategy: Benchmarking of funds & use of ALM principles for fund management; 2) investment norms more stringent than set by regulator, 3) Fixed income: Stringent credit focus ensures quality, 4) Equity: Issuer/sector limits in addition to deviation limit vs. benchmark.

Agency and direct distribution channels to grow faster

- IPRU has a well-diversified distribution channel mix, with the agency and banca channels contributing 29% each, the group and direct channels contributing 15% each, and the balance by partnerships.
- However, it will focus more on growing the share of direct, agency and single-insurer partner at a faster pace.
- A diversified distribution channel will go a long way in terms of reducing the risk, hence IPRU's dependence on ICICI Bank may remain modest.
- It currently has over 216,000 agents and tie-ups with 43 banks with over 21,500 partners at bank branches.
- In the direct channel, the product mix is dominated by ULIPs. IPRU will be focusing more on changing the mix.
- While IPRU aims to grow in the lower-tier cities, it is cognizant of varied experience in terms of mortality, persistency, healthcare access and others. Accordingly, it is building an ecosystem to strengthen underwriting practices.

Valuation and view

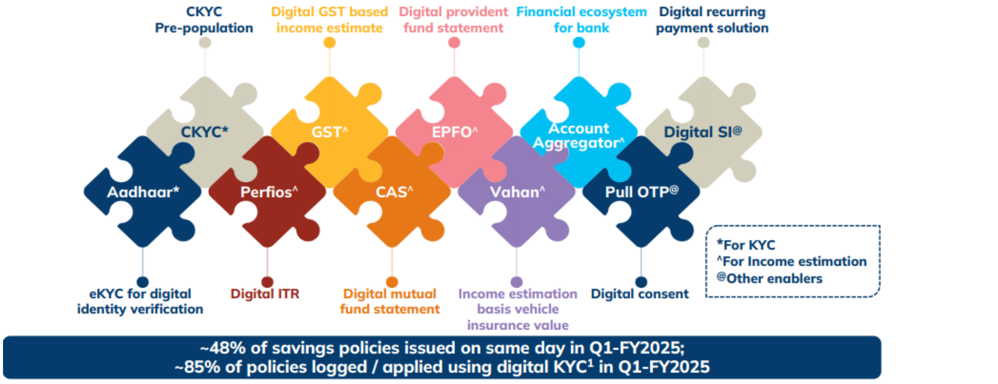
- IPRU has diversified its product mix as well as distribution mix over the past few years. ULIPs have seen increased traction owing to the optimism in the Indian equity markets. Protection momentum is picking up with supply-side pressures easing.
- On the distribution side, the share of the banca channel increased to ~29% in FY24. The company has been investing in the agency and direct channels over the past couple of years.
- IPRU achieved its stated guidance of doubling its FY19 VNB by FY24 and expects healthy growth in VNB to continue, aided by: 1) opportunities in the long-term savings/protection businesses, and 2) improving persistency and cost ratios.
- In FY24, the Protection business accounted for ~17% of total APE, while the Non-Linked business made up 40%.
- **We estimate IPRU to deliver a 21% CAGR in VNB over FY24-26E. VNB growth will be fueled by premium growth and a slight improvement in margins, thereby enabling an operating RoEV of ~20% over FY26E. We reiterate our BUY rating with a TP of INR890 (based on 2.1x Mar'26E EV).**

Exhibit 1: Key parameters

Physical footprint	**458** Branches across India	**>19,600** Employees	**>216,000** Agents[1]	**>21,500** Partner bank branches
Digital footprint	**>3.0 mn** Mobile app downloads	**>24.5 mn** Website visits[2]	**96.2%** Self help[2]	**98.0%** NB application logged digitally[2]
Financial position	**₹ 3.17 tn** Assets managed[1]	**₹ 432.36 bn** Total premium[4]	**₹ 423.37 bn** Embedded value[3]	**₹ 1,087 bn** Market capitalisation[1]
Social footprint	**₹ 35.1 tn** In-force sum assured	**98.4 mn** Lives covered	**₹ 397.46 bn** Total benefit payout[4]	**₹ 317.28 bn** Infrastructure investment

Source: MOFSL, Company

Exhibit 2: Simplified digital onboarding process



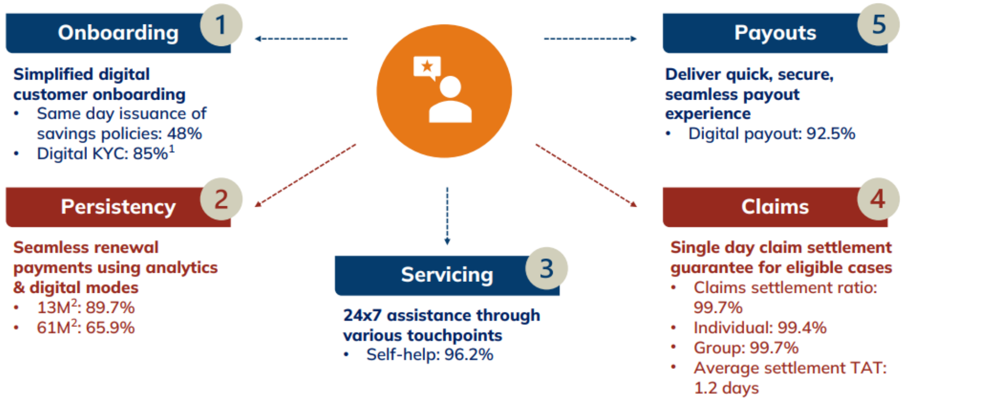
Source: MOFSL, Company

Exhibit 3: Micro-market strategy

Understanding the texture	Clusters within the micro market	Distribution presence	Brand & marketing
• Customer demographics • Segment composition • Savings behavior • Premium affordability	• "Hot spots" within micro-markets with concentration of specific segments • Residential areas, Government staff quarters, commercial complexes, etc.	• Mapping channel & distribution presence to micro market opportunity	• Local & regional preferences factored in marketing initiatives for the micro markets

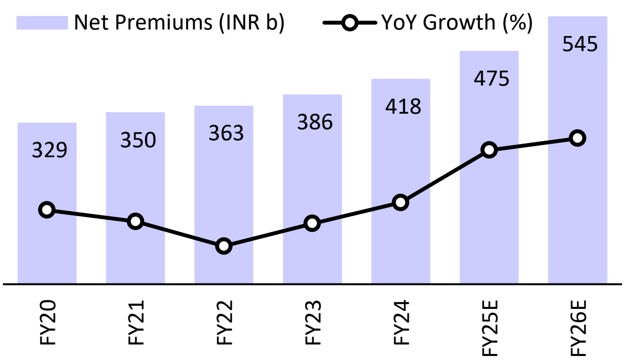
Source: MOFSL, Company

Exhibit 4: Operational efficiency at every stage



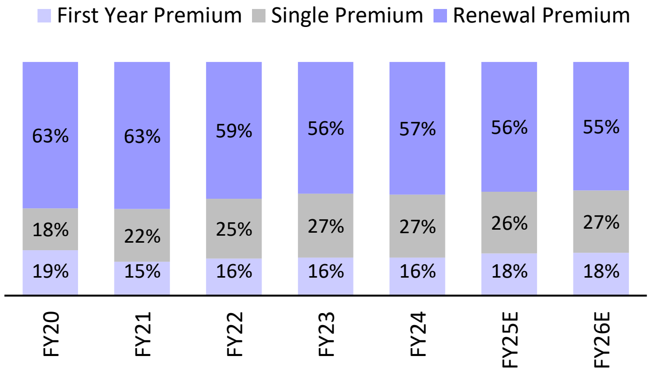
Source: MOFSL, Company

Exhibit 5: Net Premiums are on an increasing trend



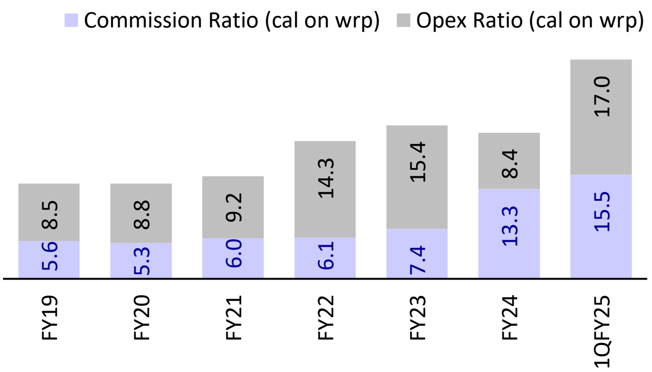
Source: MOFSL, Company

Exhibit 6: Share of first-year premium is stable at 16% (FY24)



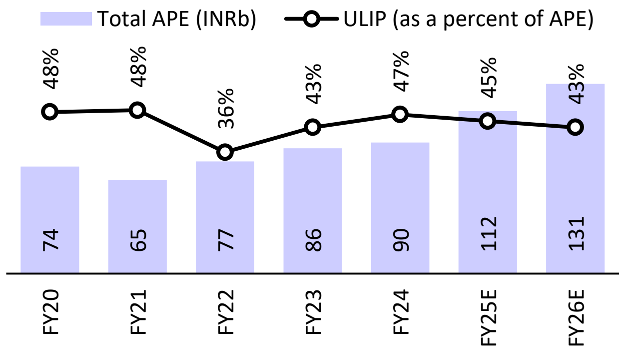
Source: MOFSL, Company

Exhibit 7: Trend in Commission and Opex ratio



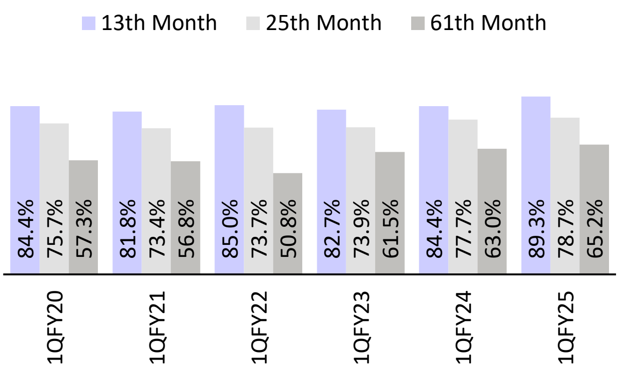
Source: MOFSL, Company

Exhibit 8: Share of ULIP in total APE rose to 47% in FY24



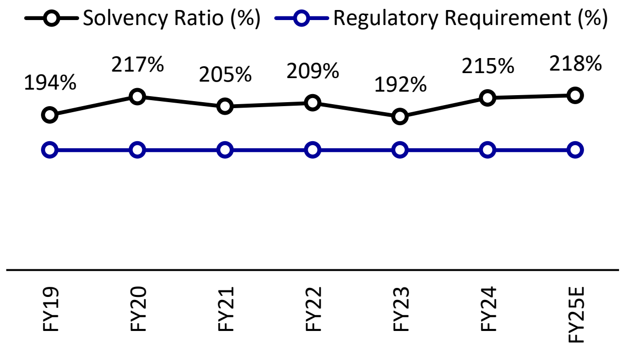
Source: MOFSL, Company

Exhibit 9: Trend in 13th/25th/61st month persistency



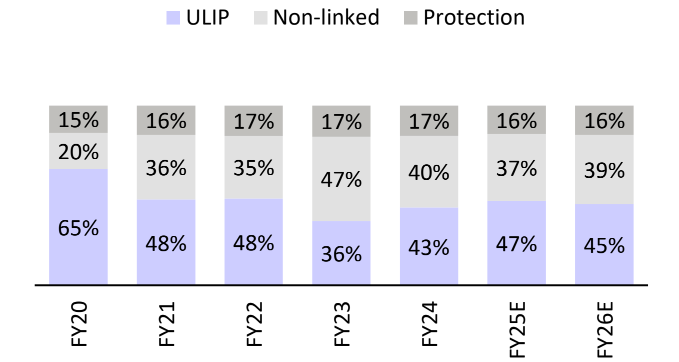
Source: MOFSL, Company

Exhibit 10: Solvency ratio healthy at 215% FY24, well above the regulatory requirement of 150%



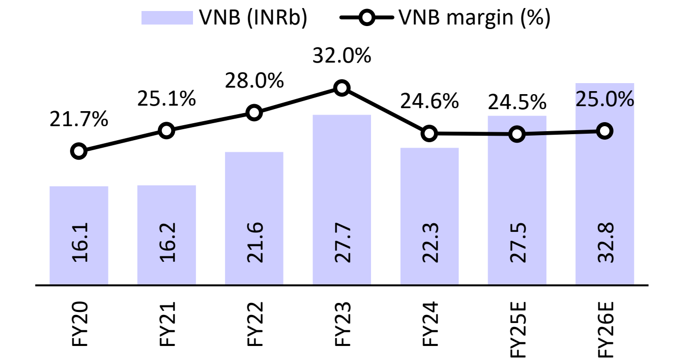
Source: MOFSL, Company

Exhibit 11: Share of protection stood at 17% of total APE, while share of ULIP was at 43% (FY24)



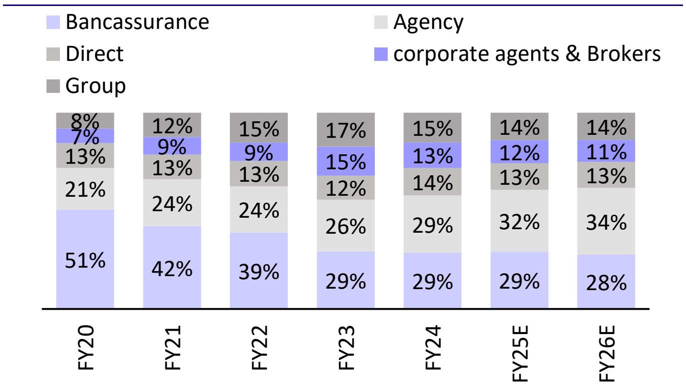
Source: MOFSL, Company

Exhibit 12: VNB margin declined to 24.6% in FY24 driven by shift in product mix



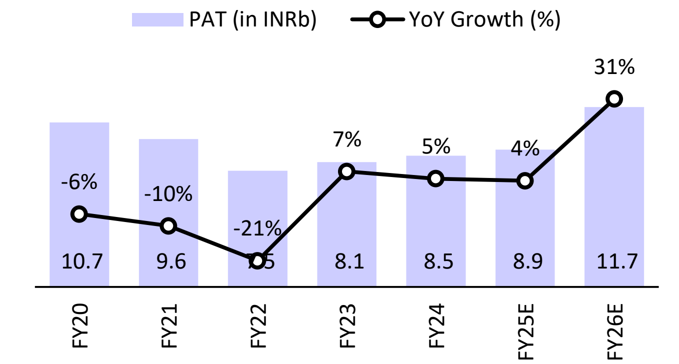
Source: MOFSL, Company

Exhibit 13: Distribution mix



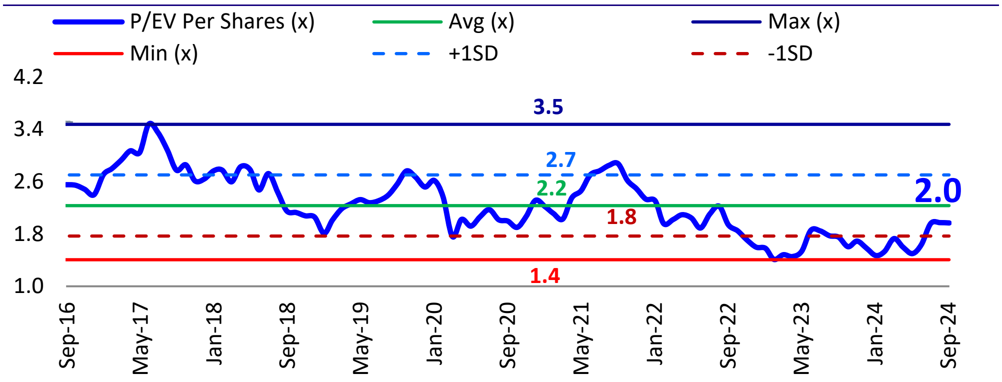
Source: MOFSL, Company

Exhibit 14: Uptrend in PAT



Source: MOFSL, Company

Exhibit 15: One-year forward P/EV chart



Source: MOFSL, Company

Financials and valuations

Technical account (INR b)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Gross Premiums	334	357	375	399	432	491	564
Reinsurance Ceded	6	8	11	14	15	17	19
Net Premiums	329	350	363	386	418	475	545
Income from Investments	(125)	474	250	100	465	458	435
Other Income	16	17	23	20	20	21	22
Total income (A)	**219**	**841**	**636**	**505**	**903**	**954**	**1,003**
Commission	16	15	17	19	37	38	51
Operating expenses	35	33	44	52.44	48	53	60
Total commission and opex	**51**	**48**	**60**	**71**	**85**	**92**	**111**
Benefits Paid (Net)	194	226	291	308	397	397	358
Chg in reserves	(51)	543	260	100	404	448	514
Provisions for doubtful debts	2	0	0	0.63	(0)	(0)	(1)
Total expenses (B)	**196**	**818**	**612**	**480**	**886**	**936**	**982**
(A) - (B)	**23**	**22**	**24**	**25**	**17**	**18**	**20**
Prov for Tax	1	1	2	2	1	1	2
Surplus / Deficit (Calculated)	**22**	**21**	**22**	**23**	**16**	**17**	**19**

Shareholder's a/c (INR m)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Transfer from technical a/c	20	20	22	20	15	17	19
Income From Investments	7	8	10	9	14	14	16
Total Income	**26**	**28**	**32**	**29**	**28**	**30**	**35**
Other expenses	1	1	2	2	1	2	2
Contribution to technical a/c	15	16	22	18	18	19	20
Total Expenses	**16**	**17**	**24**	**20**	**19**	**21**	**22**
PBT	**11**	**11**	**8**	**9**	**9**	**10**	**13**
Prov for Tax	-	1	0	1	1	1	1
PAT	**11**	**10**	**8**	**8**	**9**	**9**	**12**
Growth	***-6%***	***-10%***	***-21%***	***7%***	***5%***	***4%***	***31%***

Balance sheet (INR b)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Sources of Fund							
Share Capital	14	14	14	14	14	14	14
Reserves And Surplus	58	77	77	87	96	107	123
Shareholders' Fund	**72**	**91**	**92**	**101**	**110**	**122**	**137**
FV change	(3)	30	28	28	50	-	-
Policy Liabilities	474	602	737	903	1,102	224	495
Prov. for Linked Liab.	880	1,278	1,405	1,352	1,579	3,056	3,437
Funds For Future App.	103	122	118	105	83	90	99
Current liabilities & prov.	33	37	52	57	55	60	66
Total	**1,560**	**2,160**	**2,432**	**2,546**	**2,978**	**3,553**	**4,234**
Application of Funds							
Shareholders’ inv	74	101	99	99	106	122	140
Policyholders’ inv	468	636	774	943	1,143	1,403	1,770
Assets to cover linked liab.	971	1,385	1,509	1,441	1,648	1,912	2,199
Loans	5	7	9	13	18	19	21
Fixed Assets	5	5	5	6	7	8	8
Current assets	38	39	49	57	68	75	82
Total	**1,560**	**2,160**	**2,432**	**2,546**	**2,978**	**3,553**	**4,234**
	-	-	-	-	-	-	-

Financials and valuations

APE mix (%)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Savings	85	84	83	83	83	84	84
ULIP	65	48	48	36	43	47	45
Non-linked	20	36	35	47	40	37	39
Protection	15	16	17	17	17	16	16
Total APE	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Distribution mix (%)							
Bancassurance	51	42	39	29	29	29	28
Agency	21	24	24	26	29	32	34
Direct	13	13	13	12	14	13	13
corporate agents & Brokers	7	9	9	15	13	12	11
Group	8	12	15	17	15	14	14

Profitability ratios	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
VNB margin (%)	21.7	25.1	28.0	32.0	24.6	24.5	25.0
RoE (%)	15.0	11.8	8.3	8.4	8.1	7.7	9.0
RoIC (%)	22.2	21.5	17.0	18.1	19.4	20.3	26.6
Operating ROEV (%)	15.2	15.2	11.0	17.4	14.1	15.0	15.0
RoEV (%)	6.5	26.4	8.7	12.7	18.8	19.5	19.9

Valuation ratios	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total AUMs (INR b)	1,530	2,142	2,405	2,512	2,942	3,512	4,204
Dividend payout ratio (%)	31.6	-	38.1	9.8	10.1	32.3	32.1
EPS (INR)	7.4	6.7	5.2	5.6	5.9	6.2	8.1
VNB (INR b)	16.1	16.2	21.6	27.7	22.3	27.5	32.8
EV (INR b)	230.2	291.1	316.2	356.3	423.3	506.0	606.6
EV/Per share	160.3	202.7	220.0	247.7	293.8	351.2	421.1
P/AUM (%)	71%	51%	45%	43%	37%	31%	26%
P/EV (x)	4.7	3.8	3.5	3.1	2.6	2.2	1.8
P/EPS (x)	101.8	113.4	144.5	134.5	128.1	122.6	93.6
P/EVOP (x)	33.2	31.1	34.2	19.9	21.8	17.2	14.4

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, it's 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:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) 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 it's 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) 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.
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	**ICICI Prudential Life Insurance**
Analyst ownership of the stock	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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .
In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.
Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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.