Wealth Management

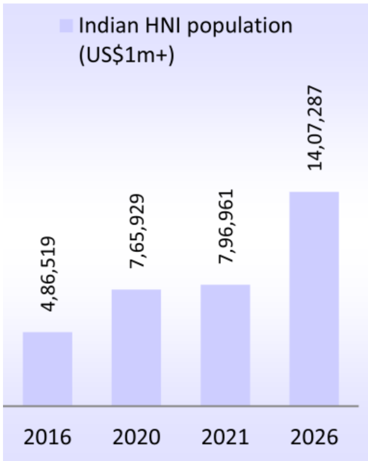
Evolving landscape of Wealth Management Ecosystem

- **Wealth management business in India is well poised to register a healthy CAGR of 12-15% over the next five years. We are confident that all segments: UHNI, HNI, mass affluent, and retail offer significant growth opportunities.**
- **As per the Knight Frank Wealth Report 2022, the Indian UHNI population and HNI population is expected to clock a CAGR of 7% and 12%, respectively, over 2021-26.**
- **The UHNI space is experiencing a transformative phase marked by several key drivers. These include: 1) inter-generational wealth transfer, 2) increased interest in complex products such as international investments and 3) evolution from a purely physical to a 'phygital' model (Tech plays a more prominent role for RM than for clients).**
- **The HNI and mass affluent segments are being serviced through innovative, tech driven, AI, and ML-led modes. Account aggregation will be one of the key enablers for further accentuated growth in this segment.**
- **New-age wealth management firms are also taking a more holistic approach by integrating banking and lending services and emerging as a comprehensive, one-stop solution for clients, thereby increasing the value of their relationship.**
- **Drivers for Wealth Management in India**
  - **Rise in HNIs & affluent segment:** The rise in HNI & affluent investors will continue to drive the demand for wealth management services tailored to the unique financial needs of these individuals. We expect the mass affluent segment to grow at ~15% over the medium term with technology and platform services being the key differentiator in this fierce competitive landscape.
  - **Digital Transformation:** AI-Powered chatbots, Robo-Advisory, and Digital Platforms are paving the way for next-gen wealth management solutions. These solutions are a huge success in the matured markets. In India, as the sector matures, it is likely to witness further innovation and competition, leading to more diverse offerings and enhanced services for investors.
  - **RM-led Advisory:** RM-led advisory services are essential to effectively serve the UNHI segment. There is a noticeable shift in customer behavior, with clients increasingly willing to invest in high-quality advice. Wealth managers play an integral role in nurturing and enhancing client relationships. However, this shift also brings about the challenge of talent scarcity within the industry.
  - **Customization:** The wealth management industry in India has been placing significant emphasis on crafting tailored portfolios for its customers. Its relevance has grown even more in the current ecosystem, wherein the industry is transitioning from distribution-oriented models to advisory-focused ones. Tech is playing a substantial role in facilitating this transformation.
- **We believe 360ONE is well placed to gain out of the emerging trends as it 1) enhances its reach in the lower tier cities (earlier focus was on metros and top 10 cities), 2) diversifies into the INR50-250m networth customer base vs INR250m+ earlier, and 3) invests in technology to strengthen its phygital approach.**
- **We expect 360ONE to register an AUM CAGR of 13% over FY23-25 and the cost-to-income ratio to decline to 44% in FY25 from 45.9% in FY23, translating into an earnings CAGR of 12%. With a healthy dividend payout of 80% and RoE of 26% by FY25, we find valuations reasonable at P/E of 21x FY25E EPS. We maintain our BUY with a one-year price target of INR620.**

Indian UHNI population to register a CAGR of 7% over 2021-26

Source: The Knight Frank Wealth 2022, MOFSL

Indian HNI population to register a CAGR of 12% over 2021-26



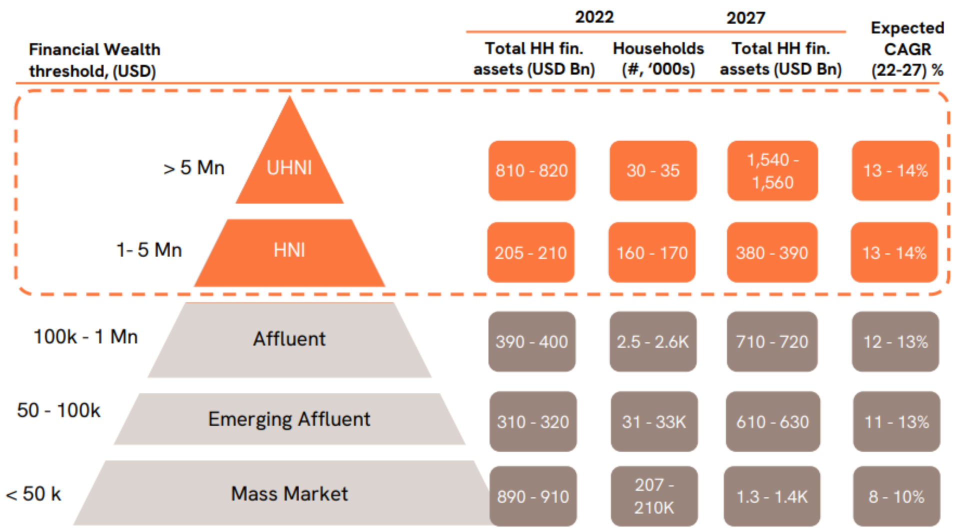
Source: The Knight Frank Wealth 2022, MOFSL

Prayesh Jain - Research Analyst (Prayesh.Jain@motilaloswal.com)
Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com) | **Nemin Doshi - Research Analyst** (Nemin.Doshi@MotilalOswal.com

All eyes on growing HNI and Mass Affluent segment

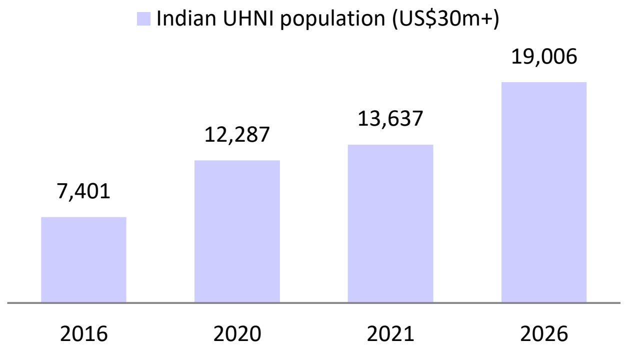
- The HNI and mass affluent segment represents a significant and growing market for wealth management services in India. Traditionally, these segments were generally served by the domestic banks.
- It was necessary to transition from a product-oriented strategy and adopt a solution-oriented approach due to the increasing demand for personalized services. Only a scalable wealth management player with "Full Platform" capabilities would be able to provide this holistic solution. This led to a shift in market from banks to specialized wealth & asset management firms.
- **360ONE is expected to launch a product for the mass affluent segment** to cater to clients with networth in the range of INR50-250m. It will use a phygital model, relying heavily on technology. Distinctive features for this mid-market proposition outlined by 360ONE are: 1. A unique assortment of curated and approved products available on the platform and 2. to expand the client base of RMs to 100 from 50 clients.
- Nuvama Wealth is one of the wealth management players in the affluent and HNI client segment. It services 1m+ clients (managed by ~900 RMs) with ~INR 550b client assets under management (Mar'23).
- Even for ICICI Securities (ISEC), one of the five focus areas for growth include wealth management business, which is primarily the mass affluent segment. Here, customers are acquired through 1) open market sourcing, and 2) utilizing data analytics to tap into the untapped potential within the existing pool of ICICI Direct customers.
- We expect the mass affluent segment to grow at ~15% over the medium term with technology and platform services being the key differentiator in this fierce competitive landscape.

Exhibit 1: Total addressable asset pool



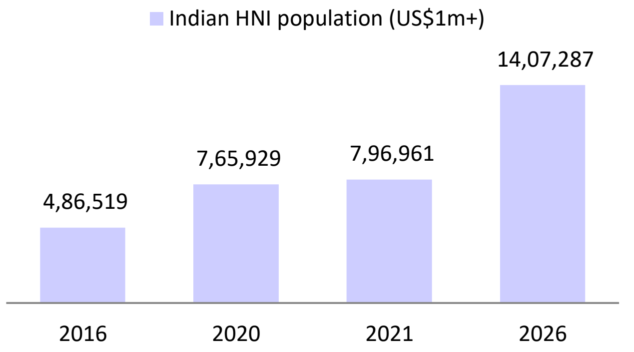
Source: McKinsey Global Wealth Pools analysis, 360ONE WAM, MOFSL

Exhibit 2: Indian UHNI population to register a CAGR of 7% over 2021-26



Source: The Knight Frank Wealth 2022, MOFSL

Exhibit 3: Indian HNI population to register a CAGR of 12% over 2021-26



Source: The Knight Frank Wealth 2022, MOFSL

Product-side evolution fostering efficient risk-reward equation

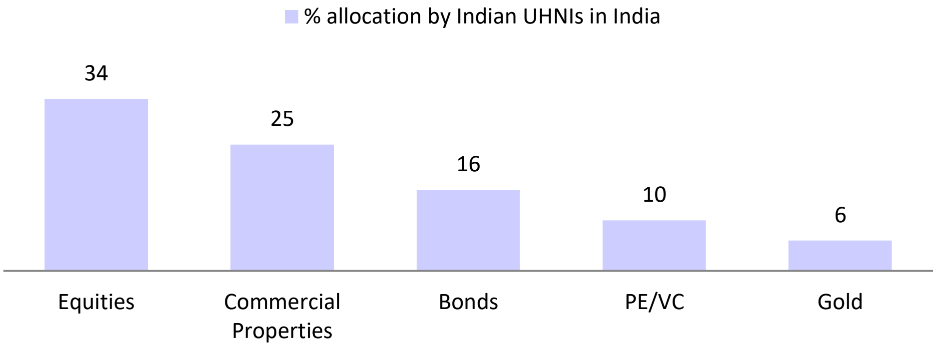
- In the past, wealth management firms primarily focused on selling investment products and generating commission-based revenues from transactions.
- However, with the rise of sophisticated clients and increased competition, the firms have shifted to an advisory-based approach that emphasizes holistic, long-term relationships with clients.
- As a result, the firms are becoming more comprehensive, offering a wide range of services that go beyond traditional investment products.
- They provide advice on tax planning, estate planning, retirement planning, philanthropy, and more, with a stringent focus on building stronger relationships with clients, becoming more integrated into their lives, and offering customized solutions that meet their unique needs.
- Wealth managers have found it necessary to undertake product-side evolution, making a decisive shift from mere debt and equity solutions to alternatives and other sophisticated products to enable optimal diversification and foster an efficient risk-reward equation.
- Wealth management firms have, therefore, evolved to offer a wider range of products, including hedge funds, private equity, real estate, and commodities.
- These products often have higher risk profiles and require specialized expertise to manage, but they also have the potential to deliver higher returns and help savvy clientele achieve their financial goals.
- New-age wealth management firms are also taking a more holistic approach by integrating banking and lending services and emerging as a comprehensive, one-stop solution for clients, thereby increasing the value of their relationship.

Exhibit 4: India to become the 4th largest private wealth market globally by 2028

Asset Class	AUM CAGR last 10 years	AUM/Premium to GDP (India)	AUM/Premium to GDP (US)
Mutual Funds	20%	16%	116%
AIF	70%	1%	13%
Insurance	13%	4%	11%

Source: Nuvama Wealth, MOFSL

Exhibit 5: Proportion of investable wealth for asset classes by Indian UNHIs



Source: Knight Frank Wealth Report 2023, MOFSL

Digitization as a Key Enabler

- The Wealth Managers have also shifted their focus on the growing Indian HNI & the affluent segment clientele. These clients are serviced digitally over a platform.
- Digitization encourages personalization of services for clients. It is a highly efficient management process and analysis of copious amounts of data that result in more informed investment decisions.
- Digitization also plays a key role in better regulatory compliance by automating checks and ensuring that all necessary documentation is in place.
- There is no doubt that optimal digitization can prove to be an absolute competitive advantage for first-movers in the asset management space, ensuring better client engagement and retention in an increasingly challenging industry.
- The space is experiencing significant adoption of technology and automation, leading to increased efficiency and, thus profitability.
- Recent technology advancements in this space includes -
- **Robo-Advisors:** Robo-advisors are automated, algorithm-driven platforms that provide financial planning and investment management services. They use technology to create and manage diversified portfolios based on clients' risk tolerance and financial goals. Robo-advisors are cost-effective and accessible, making them popular among both retail and high-net-worth investors.
- **CRM software:** It helps wealth managers track client interactions, preferences, and financial goals. It enables personalized communication and tailored financial planning.
- **Risk Assessment Tools:** Technology assists in assessing clients' risk tolerance accurately. It helps wealth managers recommend suitable investment products and strategies that align with clients' risk profiles.
- **Portfolio Management Software:** Wealth managers use software solutions that help them construct, monitor, and rebalance client portfolios efficiently. These tools take into account risk profiles, asset allocation, and market conditions to optimize investment strategies.
- **AI-Powered Chatbots:** AI-driven chatbots provide instant customer support and answer clients' inquiries 24/7. They can assist with basic account queries, account management, and provide information on investment options

- **Data Analytics:** Advanced data analytics and machine learning algorithms are used to analyze vast amounts of financial data. This helps in identifying trends, making investment recommendations, and improving portfolio management. Predictive analytics also assist in risk assessment and fraud detection.
- **Digital Platforms**: Wealth management firms have developed digital platforms that allow clients to access their accounts, track investments, and receive financial advice online or through mobile apps. These platforms provide convenience and real-time access to financial information.

Relationship Managers led advisory model

- The Wealth Managers cater to the UHNI clientele in a "phygital" manner thus requiring the RM to provide a higher level of service and strengthen relationships with clients.
- Wealth managers are also realizing that while digital tools can enhance the efficiency and customization of services, they cannot replace the value of a human touch. These digital solutions are, therefore, being developed to serve as enablers for wealth managers.
- They are starting to adopt a 360-degree view of client requirements, with future ready wealth managers now delivering more than just performance and adopting a 'plus-plus' attitude toward their offerings.
- To retain key talent necessary for the sustained growth, 360ONE WAM implemented a comprehensive long-term deferred variable pay plan through 'Employee Stock Option Scheme 2023'. Focused on the senior leadership, ~15% of the total employees are expected to be covered under this program.
- 360ONE aims to improve the efficiency of RMs by providing tech support to them. The number of families per RM is expected to increase to 40-45 from 30-35.
- Nuvama in the UNHI segment has an AUM of INR 1.25t managed by 100 RMs (excluding supervisory personnel with ~60% them having a vintage of more than 3 years) and 50 junior-level RMs.

Exhibit 6: FY23 - RM vintage data

RM Vintage	360 ONE WAM	Nuvama Private Wealth - Ultra HNI
>5 years	72%	73%
3-5 years	17%	17%
0-3 years	11%	10%

Source: Company, MOFSL

Customization: The new standard of expectation

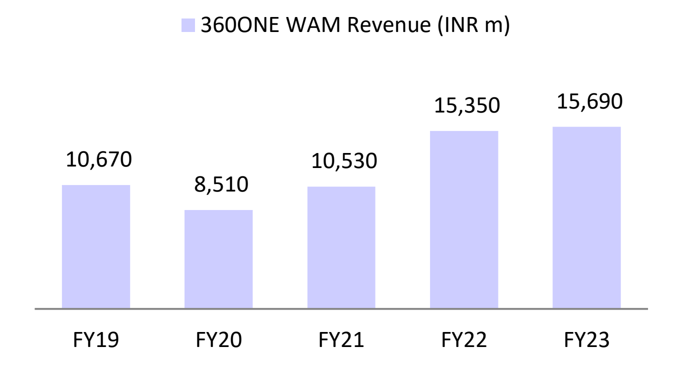
- Over the years, customization in wealth & asset management has become exceptionally important due to the varying investment landscape and the surging demand for tailored investment solutions from investors.
- Wealth managers who desire to remain resilient and relevant must prioritize customization as it helps them build portfolios that align with the unique needs, goals, and risk tolerances of individual investors and boost outcomes.

- Further, customized portfolios are preferred, owing to the increased flexibility and control offered by such plans. Investors get more flexibility with the option to adjust portfolios based on their changing needs and circumstances, thus mitigating risk and maximizing returns over time.
- Many investors today are also keen on customization as it boosts tax efficiency, making it a win-win scenario for the new-age clientele seeking hyper-personalized experiences.
- Wealth & Asset managers who offer bespoke solutions also enjoy a competitive advantage over their peers as clients today are willing to pay more for tailored services.
- 360 ONE Plus, earlier known as IIFL-ONE is a unique engagement model designed to provide solutions for the Core Portfolio of clients. It is a transparent fee-only pricing model that ensures genuine alignment with client’s interest.
- “One Nuvama” by Nuvama Wealth is a unique business model, enabling value and seamless client solutioning across ecosystem

Valuation and view

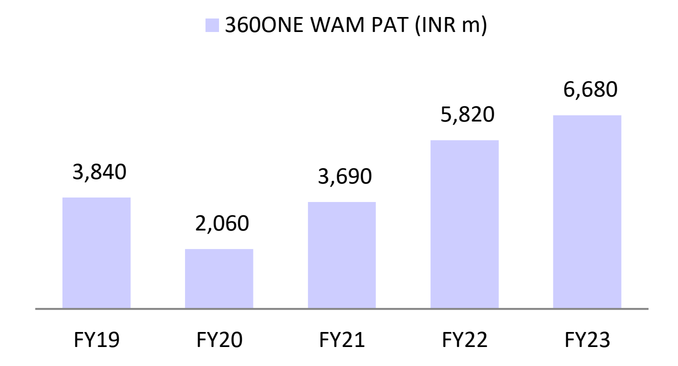
- Over the past decade, 360ONE (erstwhile IIFL Wealth) has evolved into one of the best wealth management franchises in India. It has become one of the largest alternative asset managers with unique product offerings.
- With 360 ONE Plus, the company aims to revolutionize the landscape of wealth management in India, prioritizing recurring revenue over the traditional transaction-based model.
- In order to grow ARR AUM, 360ONE is focusing on a five-point strategy: 1) increase wallet share among existing clients, 2) expand into new geographies, 3) increase share in inter-generation wealth transfer, 4) chase new money and 5) scale up AMC.
- We believe 360ONE is well placed to gain out of the emerging trends as it 1) enhances its reach in the lower tier cities (earlier focus was on metros and top 10 cities), 2) diversifies into the INR50-250m networth customer base vs INR250m+ earlier, and 3) invests into technology to strengthen its phygital approach.
- We expect 360ONE to register an AUM CAGR of 13% over FY23-25 and the cost-to-income ratio to decline to 44% in FY25E from 45.9% in FY23, translating into an earnings CAGR of 12%. With a healthy dividend payout of 80% and RoE of 26% by FY25, we find valuations reasonable at P/E of 15x FY25E EPS. We maintain our BUY with a one-year price target of INR620.

Exhibit 7: Trend in revenue growth for 360ONE WAM



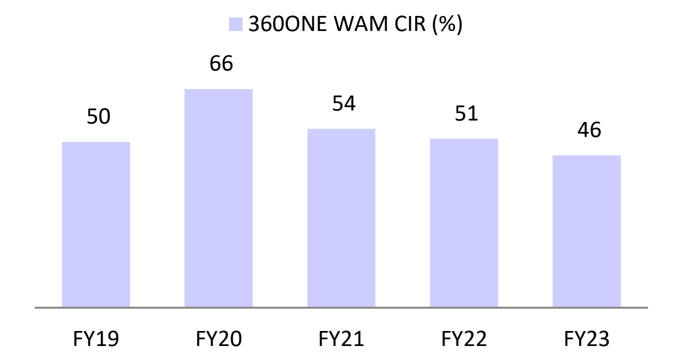
Source: MOFSL, Company

Exhibit 8: Trend in PAT growth for 360ONE WAM



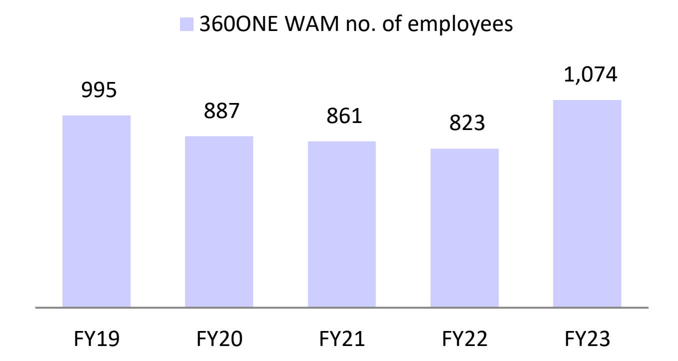
Source: MOFSL, Company

Exhibit 9: Declining cost-to-income ratio



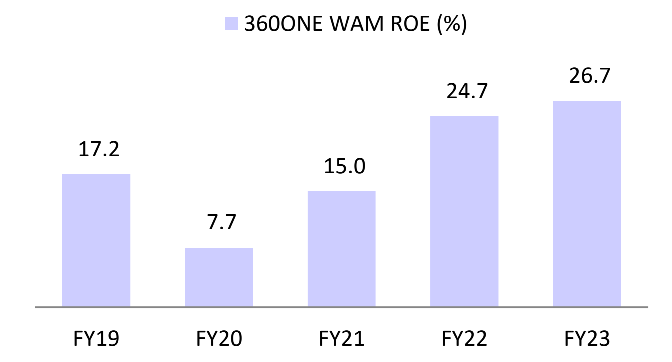
Source: MOFSL, Company

Exhibit 10: Steady increase in no. of employees



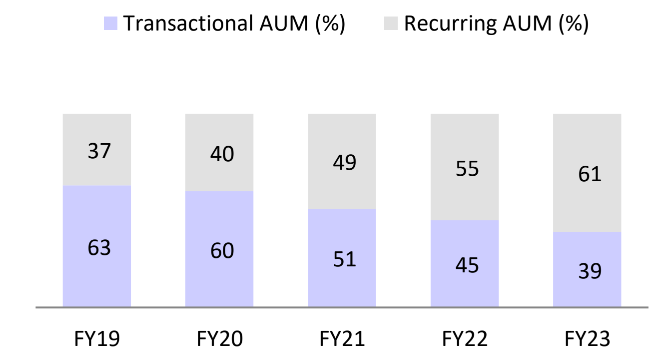
Source: MOFSL, Company

Exhibit 11: ROE (excl. goodwill & Intangible) inching higher



Source: MOFSL, Company

Exhibit 12: Mix shifting toward recurring AUM



Source: MOFSL, Company

Financials and valuations (360ONE)

Income Statement								(INR m)
Y/E March	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Annual Recurring Revenues Assets	3,670	4,437	5,345	5,828	9,120	10,495	13,367	15,335
Transactional/Broking Revenues Assets	6,618	5,794	3,855	3,325	4,862	5,154	3,698	4,167
Net Revenues	**10,288**	**10,231**	**9,200**	**9,154**	**13,982**	**15,649**	**17,065**	**19,502**
Change (%)	45.3	-0.5	-10.1	-0.5	52.8	11.9	9.0	14.3
Operating Expenses	5,652	5,297	5,645	5,679	7,841	7,184	7,942	8,578
Core Profit Before Tax	**4,636**	**4,934**	**3,555**	**3,474**	**6,141**	**8,465**	**9,123**	**10,924**
Change (%)	51.2	6.4	-28.0	-2.3	76.8	37.8	7.8	19.7
Other Income	140	445	-691	1,375	1,372	37	450	400
Profit Before Tax	**4,775**	**5,380**	**2,864**	**4,849**	**7,513**	**8,502**	**9,573**	**11,324**
Change (%)	24.2	12.7	-46.8	69.3	54.9	13.2	12.6	18.3
Tax	1,099	1,634	853	1,157	1,736	1,924	2,202	2,605
Tax Rate (%)	23.0	30.4	29.8	23.9	23.1	22.6	23.0	23.0
PAT	**3,676**	**3,746**	**2,011**	**3,692**	**5,777**	**6,578**	**7,371**	**8,720**
Change (%)	37.0	1.9	-46.3	83.5	56.5	13.9	12.1	18.3
Proposed Dividend	785	848	2,018	6,150	4,858	4,418	5,897	6,976

Balance Sheet								(INR m)
Y/E March	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Equity Share Capital	160	169	174	176	177	356	356	356
Reserves & Surplus	18,469	28,935	29,741	28,102	29,798	30,685	32,160	33,904
Net Worth	**18,629**	**29,104**	**29,915**	**28,278**	**29,976**	**31,041**	**32,516**	**34,260**
Borrowings	69,663	61,145	88,381	47,116	58,075	67,473	66,881	66,881
Other Liabilities	7,374	7,553	11,967	12,006	19,345	13,406	14,747	16,222
Total Liabilities	**95,666**	**97,802**	**1,30,263**	**87,400**	**1,07,396**	**1,11,921**	**1,14,143**	**1,17,362**
Cash and Investments	18,564	33,300	76,911	33,010	49,566	43,347	44,051	45,124
Change (%)	-43.6	79.4	131.0	-57.1	50.2	-12.5	1.6	2.4
Loans	**70,561**	**49,665**	**36,319**	**37,206**	**40,549**	**49,101**	**48,670**	**48,670**
Net Fixed Assets	523	5,100	5,754	8,153	8,163	8,798	9,678	10,646
Net Current Assets	6,017	9,737	11,278	9,030	9,117	10,675	11,745	12,922
Total Assets	**95,666**	**97,802**	**1,30,263**	**87,400**	**1,07,396**	**1,11,921**	**1,14,143**	**1,17,362**

E: MOFSL Estimates

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
AUM (Ex Custody assets) (INR B)	**1,309**	**1,555**	**1,569**	**2,070**	**2,617**	**2,743**	**3,205**	**3,697**
Change (%)	33.1	18.7	0.9	32.0	26.4	4.8	16.8	15.3
Annual Recurring Revenue Assets	449	583	626	1,020	1,444	1,672	2,164	2,655
Transactional/Brokerage Assets	861	972	943	1,051	1,173	1,072	1,042	1,042

E: MOFSL Estimates

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
As a percentage of Net Revenues								
ARR Income	35.7	43.4	58.1	63.7	65.2	67.1	78.3	78.6
TRB Income	64.3	56.6	41.9	36.3	34.8	32.9	21.7	21.4
Total Cost (Cost to Income Ratio)	54.9	51.8	61.4	62.0	56.1	45.9	46.5	44.0
Employee Cost	37.9	32.4	40.5	44.7	43.0	33.3	33.5	31.7
PBT	45.1	48.2	38.6	38.0	43.9	54.1	53.5	56.0
Profitability Ratios (%)								
RoE	21.7	15.7	6.8	12.7	19.8	21.6	23.2	26.1
Dividend Payout Ratio	21.4	22.6	100.3	166.6	84.1	67.2	80.0	80.0

Financials and valuations (360ONE)

Dupont Analysis (Bps of AAAUM)

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Operating Income	89.7	71.4	58.9	50.3	59.7	58.4	57.4	56.5
Operating Expenses	49.3	37.0	36.1	31.2	33.5	26.8	26.7	24.9
Core Profit Before Tax	**40.4**	**34.5**	**22.8**	**19.1**	**26.2**	**31.6**	**30.7**	**31.7**
Other Income	1.2	3.1	-4.4	7.6	5.9	0.1	1.5	1.2
Profit Before Tax	**41.6**	**37.6**	**18.3**	**26.6**	**32.1**	**31.7**	**32.2**	**32.8**
Tax	9.6	11.4	5.5	6.4	7.4	7.2	7.4	7.5
ROAAAUM	**32.1**	**26.2**	**12.9**	**20.3**	**24.6**	**24.5**	**24.8**	**25.3**

Valuations	2018	2019	2020	2021	2022	2023	2024E	2025E
BVPS (INR)	58	86	86	80	84	87	91	96
Change (%)	19.8	47.5	-0.4	-6.3	5.0	3.2	4.7	5.4
Price-BV (x)	**8.9**	**6.0**	**6.1**	**6.5**	**6.2**	**6.0**	**5.7**	**5.4**
EPS (INR)	12	11	6	11	16	18	21	24
Change (%)	33.9	-3.8	-47.9	82.0	55.0	13.5	12.1	18.3
Price-Earnings (x)	**45.1**	**46.9**	**90.1**	**49.5**	**31.9**	**28.1**	**25.1**	**21.2**
DPS (INR)	2	3	5	17	14	12	17	20
Dividend Yield (%)		**0.5**	**1.0**	**3.4**	**2.6**	**2.4**	**3.2**	**3.8**

E: MOFSL Estimates

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://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. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
5 Research Analyst has not served as director/officer/employee in the subject company
6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
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.