

Front runner in digital initiatives

Key focus remains on digitalization, Artificial Intelligence and open architecture

To get an update on the business and sectoral trends, we interacted with Mr. Vijay Chandok, Managing Director and CEO, and Mr. Harvinder Jaspal, CFO, of ICICI Securities (ISEC). Here are the key insights from that discussion:

Targeting multiple channels for customer acquisition

In FY20, incremental NSE active client market share for ISEC increased by ~225bp to 11.5%. However, the same has seen some moderation in FY21 YTD. FY20 MS gain was aided by a higher focus on ICICIBC's affluent, privilege and higher-end customer engagement initiatives, including new terms with the bank for activation. **While over 95% of the customer onboarding process was 'phygital' (physical + digital) prior to the COVID-19 outbreak, the sudden lockdown impacted customer acquisition, where discount brokers were better placed. ISEC has corrected this now with a digital end-to-end customer acquisition process.** The management is focusing on: a) open architecture, b) tie-up with newer banks similar to its arrangement with ICICIBC, c) increasing sub-brokers and IFA network, and d) faster processing of digital leads. The management remains confident of regaining MS in incremental customer acquisition. With the open architecture in place, non-ICICIBC customers now constitute one-third of new acquisitions. Also, share of sourcing from non-ICICI Bank segments (branches, sub-brokers, etc.) has increased from 15-20% to 45%.

Limited impact of new regulations so far

Higher margin requirement for intraday, a key concern for the industry, has not impacted meaningfully. Like its peers, ISEC has seen some moderation in low-yielding futures and intraday volumes. However, delivery volumes in the higher yielding cash segment have picked up as of now. The lower volumes are likely to be compensated by higher commission rates, leading to not much of an impact on Brokerage revenues. After the initial teething issues, the pledge/re-pledge system has stabilized now. The company has not seen any impact related to the same.

New product launches to take on competition

ISEC recently launched NEO plan specifically targeted at customers with a higher churn or trading volumes. This plan has free futures trading and a fixed rate for intraday equity trading. It also launched a 'Chotta Prime' plan with a lower annual commitment of INR299 (vs INR999 in Prime), but with a slightly higher brokerage rate for cash delivery (27bp v/s 25bp earlier). It has also undertaken a soft launch of the ICICIdirect Money app (focused on MF investments) with features like immediate liquidity, research-based recommendations, etc. All product launches are keeping in mind increasing volumes MS and ARPU from customers. The management is considering a new brand for its discount broking initiatives.

Initiatives in the last 12-18 months are showing strong results

Customer engagement with ISEC has gone up in the last few years, despite rising competition from discount brokers, led by products like Options 20, Prime plan, instant liquidity, etc. In the last one year, the company saw its volumes MS increase by 240bp/150bp in the cash market/F&O segment to 11.1%/8.8%. Under the Options 20 plan, the number of transacting customers increased by 2x, with a spurt in the number of trades carried out. The rise in volumes helped arrest the impact of lower commission rates on revenue. The new arrangement with ICICIBC has helped it increase the activation rate (customer transacting with ISEC in the first 90 days) to 65-70% v/s 30-35% earlier. Based on the experience of Options 20, the management remains confident that the impact on commission rates under the NEO plan would be compensated by volumes.

Research Analyst: Alpesh Mehta (Alpesh.Mehta@MotilalOswal.com) | Piran Engineer (Piran.Engineer@MotilalOswal.com)

Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | Divya Maheshwari (Divya.Maheshwari@motilaloswal.com)

ICICI Securities



Mr. Vijay Chandok
Managing Director and
CEO, ICICI Securities

Mr. Chandok is a member of the advisory committee of NSE and BSE, besides being a member of the secondary markets advisory committee constituted by Sebi. He is also the co-chair of the capital markets committee of Ficci. Mr. Chandok holds a master's degree in management studies and a bachelor's degree in mechanical engineering

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.

Digitalization, ARPU increase and cost containment are key priorities

The management is aggressively filling gaps in its talent pool and offered ESOPs to its frontline staff. It is also focusing on cost containment via its digital initiatives and by reducing the number of branches.

Strong pool of customers; AUM/AUA of INR3t

The company has a total pool of 5m customers, of which 2.9m are ever-active. It is acquiring 30-35k customer on a monthly basis. It has a total AUA/AUM of INR3t, of which Wealth Management accounts for (INR20-250m ticket size) INR1.1t. Between 2017 and 2020, it acquired 1m customers, of which, ~70% are below 30 years of age. Also, 70% of the active clients acquired in the past three years are millennials. ISEC is very strong in the 30-50 years age bracket. About 37% of the customers acquired 15 years back (2001-06) are active even today. Over 65% of Brokerage revenue contribution accrues from customers acquired five years back.

Valuation and view

ISEC is a classic play on increasing financialization of savings and retail participation in the equity market. Its business and profitability is cyclical. Initiatives such as the tie-up with ICICIBC, Prime, and Options 20 have yielded results. The Brokerage segment is benefitting from tailwinds of increased trading activity from retail customers. While there could be some moderation due to the new margin funding regulations that came into effect from 1 December 2020, we expect its strong growth to continue. Distribution income has been weak over the past two years, but seems to have bottomed out. With increased capital market activity, IB revenue is likely to remain robust, although they could vary significantly on a QoQ basis. We expect the company to deliver 22% PAT CAGR over FY20-23E. Maintain Buy with a TP of INR625 per share (23x FY22E EPS).

Story in charts

Exhibit 1: Neo plan – Nil brokerage on futures trading and flat fee on intraday equity

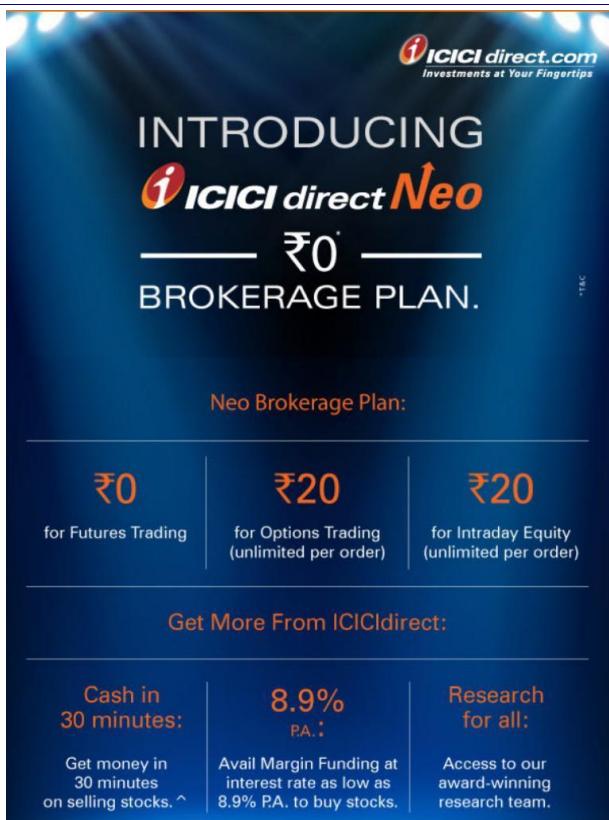
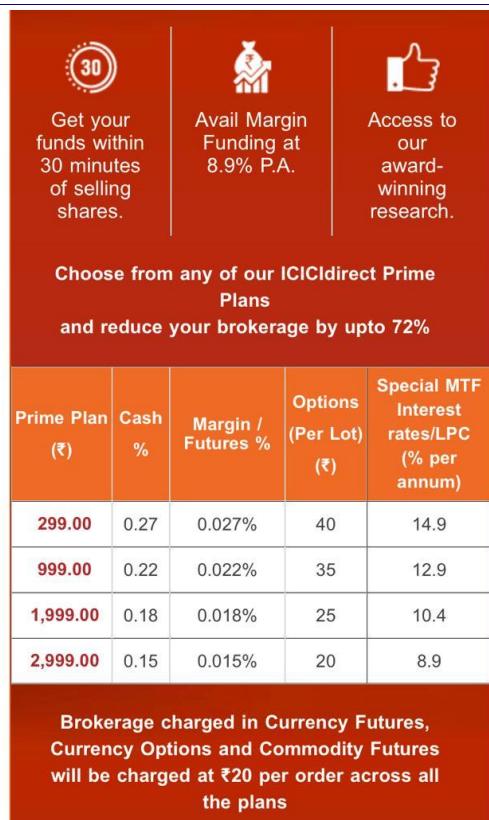


Exhibit 2: Revised Prime Brokerage – Annual subscription plans starting at INR299



Choose from any of our ICICIdirect Prime Plans and reduce your brokerage by upto 72%

Prime Plan (₹)	Cash %	Margin / Futures %	Options (Per Lot) (₹)	Special MTF Interest rates/LPC (% per annum)
299.00	0.27	0.027%	40	14.9
999.00	0.22	0.022%	35	12.9
1,999.00	0.18	0.018%	25	10.4
2,999.00	0.15	0.015%	20	8.9

Brokerage charged in Currency Futures, Currency Options and Commodity Futures will be charged at ₹20 per order across all the plans

Source: MOFSL, Company

Source: MOFSL, Company

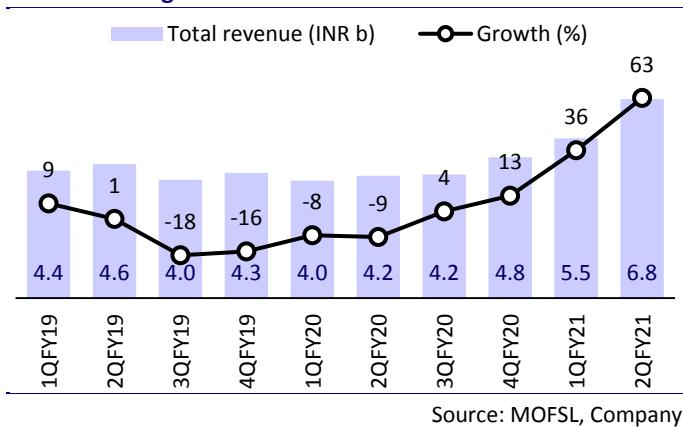
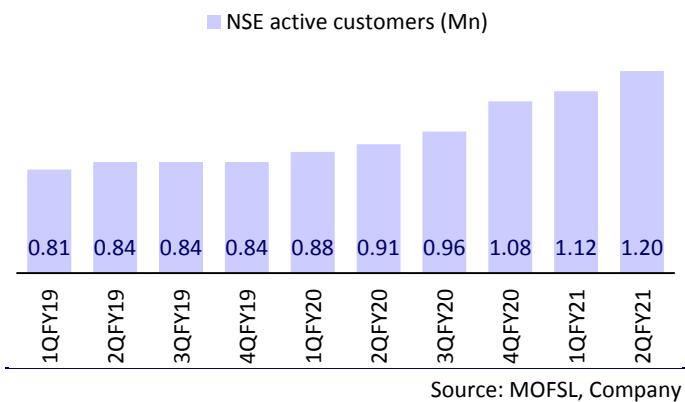
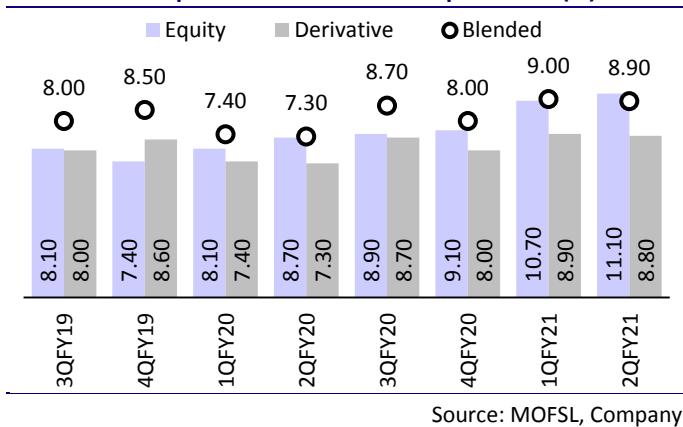
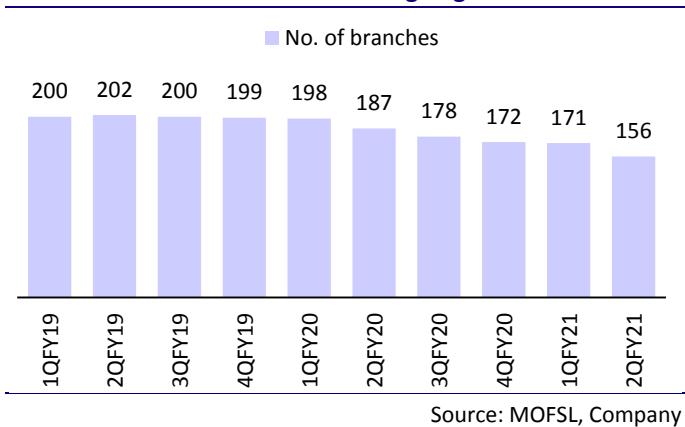
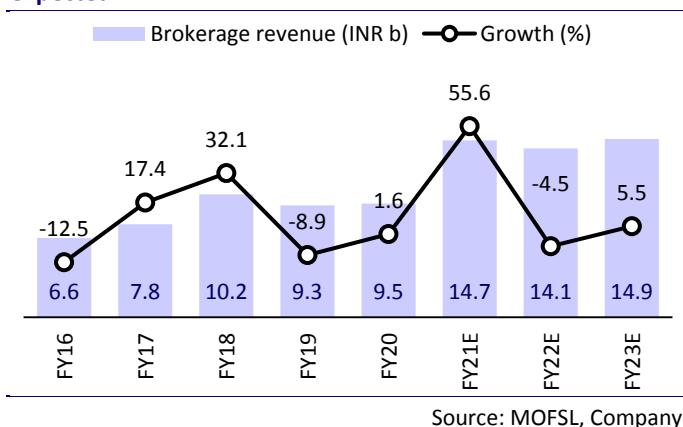
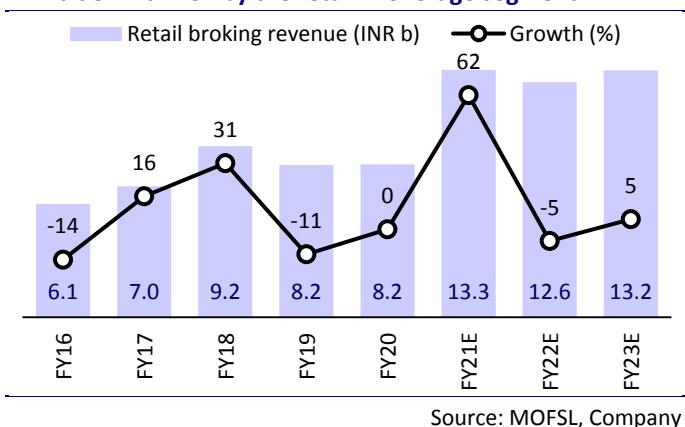
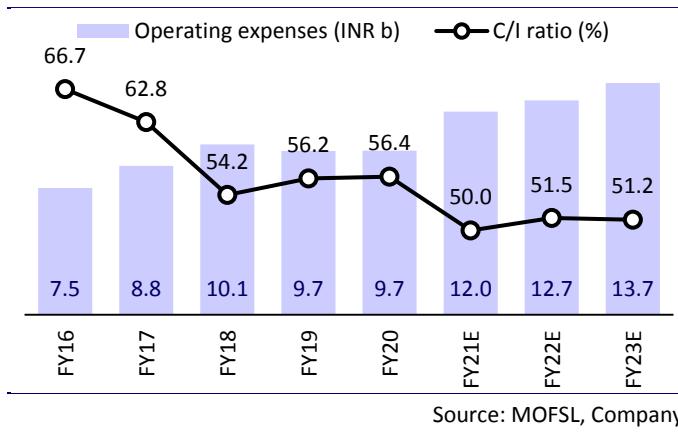
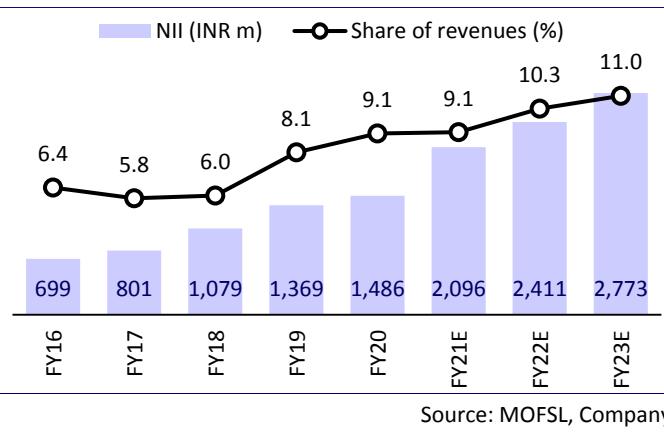
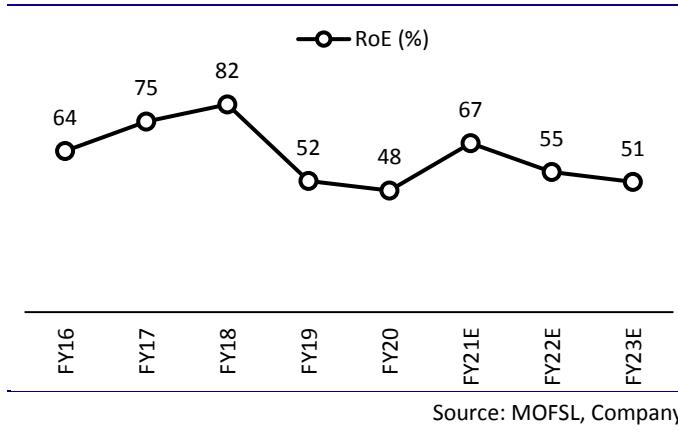
Exhibit 3: Sharp uptick in revenue growth due to elevated retail brokerage volumes

Exhibit 4: NSE active clients on the rise

Exhibit 5: 240bp YoY increase in cash equities MS (%)

Exhibit 6: Branch rationalization on going

Exhibit 7: Normalization of brokerage revenues in FY22 expected...

Exhibit 8: ... driven by the retail Brokerage segment


Exhibit 9: Target C/I ratio closer to ~50% in the medium term


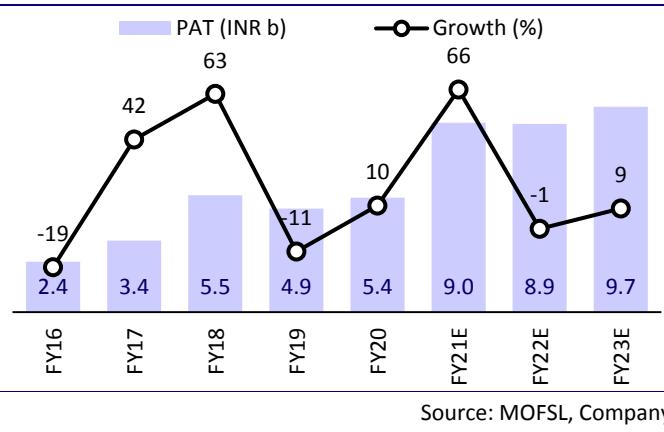
Source: MOFSL, Company

Exhibit 10: Expect share of NII to increase 190bp over FY20-23E


Source: MOFSL, Company

Exhibit 11: RoE to remain healthy


Source: MOFSL, Company

Exhibit 12: Expect 22% CAGR in PAT over FY20-23E


Source: MOFSL, Company

Financials and valuations

Income Statement							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Total Income	11,246	14,042	18,610	17,270	17,249	24,073	24,676	26,800
Change (%)	-7.0	24.9	32.5	-7.2	-0.1	39.6	2.5	8.6
Brokerage Income	6,607	7,756	10,243	9,328	9,476	14,747	14,084	14,862
Income from Services	3,499	4,982	6,552	5,733	5,218	5,766	6,436	7,111
Interest Income	957	1,091	1,574	1,792	2,350	3,220	3,702	4,258
Other Operating Income	182	214	241	193	19	321	431	541
Other Income	0	0	0	225	187	20	24	29
Operating Expenses	7,505	8,822	10,086	9,698	9,720	12,032	12,698	13,734
Change (%)	-1.2	17.6	14.3	-3.8	0.2	23.8	5.5	8.2
Employee expense	4,014	4,847	5,504	5,545	5,338	6,992	7,552	8,156
Interest expense	258	289	495	423	864	1,123	1,292	1,485
Depreciation	160	155	153	150	614	540	565	590
Others	3,073	3,531	3,935	3,580	2,905	3,376	3,290	3,503
Profit Before Tax	3,741	5,220	8,524	7,572	7,529	12,042	11,978	13,066
Change (%)	-16.8	39.5	63.3	-11.2	-0.6	59.9	-0.5	9.1
Tax	1,354	1,835	2,989	2,665	2,109	3,071	3,054	3,332
Tax Rate (%)	36.2	35.1	35.1	35.2	28.0	25.5	25.5	25.5
PAT	2,387	3,386	5,535	4,907	5,420	8,971	8,924	9,735
Change (%)	-18.8	41.8	63.5	-11.3	10.4	65.5	-0.5	9.1
Proposed Dividend	1,939	2,468	3,646	3,646	3,825	6,280	6,247	6,814

Balance Sheet							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611
Reserves and Surplus	2,371	3,404	6,866	8,862	10,485	13,176	15,853	18,773
Net Worth	3,982	5,015	8,477	10,473	12,095	14,787	17,464	20,384
Borrowings	2,356	3,987	6,771	4,518	14,998	13,498	14,848	17,075
Other Liabilities	7,637	11,423	13,491	31,655	17,335	19,069	20,976	23,073
Total Liabilities	13,975	20,424	28,739	46,646	44,428	47,353	53,287	60,532
Cash and Investments	6,406	9,952	15,499	31,515	24,139	23,367	26,149	29,768
Change (%)	-25.0	55.3	55.7	103.3	-23.4	-3.2	11.9	13.8
Loans	1,546	50	5,782	4,033	5,709	7,992	9,591	11,509
Net Fixed Assets	378	375	421	476	2,061	2,267	2,494	2,743
Net Current Assets	5,644	10,048	7,037	10,623	12,520	13,727	15,054	16,512
Total Assets	13,975	20,424	28,739	46,646	44,428	47,353	53,287	60,532

E: MOFSL estimates

Financials and valuations

Ratios								(%)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	2022E	2023E
As a percentage of Revenue								
Brokerage Income	58.8	55.2	55.0	54.0	54.9	61.3	57.1	55.5
Income from Services	31.1	35.5	35.2	33.2	30.2	24.0	26.1	26.5
Interest Income	8.5	7.8	8.5	10.4	13.6	13.4	15.0	15.9
Other Income	1.6	1.5	1.3	2.4	1.2	1.4	1.8	2.1
Total cost	66.7	62.8	54.2	56.2	56.4	50.0	51.5	51.2
Employee Cost	35.7	34.5	29.6	32.1	30.9	29.0	30.6	30.4
Opex (ex-emp.) Cost	31.0	28.3	24.6	24.0	25.4	20.9	20.9	20.8
PBT	33.3	37.2	45.8	43.8	43.6	50.0	48.5	48.8
PAT	21.2	24.1	29.7	28.4	31.4	37.3	36.2	36.3
Profitability Ratios (%)								
RoE	63.6	75.3	82.0	51.8	48.0	66.7	55.3	51.4
Dividend Payout Ratio	81.2	72.9	65.9	74.3	70.6	70.0	70.0	70.0
Valuations								
	FY16	FY17	FY18	FY19	FY20	FY21E	2022E	2023E
BVPS (INR)	12.4	15.6	26.3	32.5	37.5	45.9	54.2	63.3
Change (%)	13.0	25.9	69.0	23.5	15.5	22.3	18.1	16.7
Price-to-BV (x)					12.0	9.8	8.3	7.1
EPS (INR)	7.4	10.5	17.2	15.2	16.8	27.8	27.7	30.2
Change (%)	-18.8	41.8	63.5	-11.3	10.4	65.5	-0.5	9.1
Price-to-Earnings (x)					26.8	16.2	16.3	14.9
DPS (INR)	5.0	6.4	9.4	9.4	11.0	19.5	19.4	21.2
Dividend Yield (%)					2.4	4.3	4.3	4.7

E: MOFSL estimates

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, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). 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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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 alterations 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, nor 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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com; CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579; PMS: INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.