

Brigade Enterprises

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BRGD IN
Equity Shares (m)	204
M.Cap.(INRb)/(USD\$)	56.3 / 0.8
52-Week Range (INR)	281 / 91
1, 6, 12 Rel. Per (%)	0/61/-7
12M Avg Val (INR M)	57

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Net Sales	26.3	19.2	29.3
EBITDA	6.6	4.7	7.8
EBITDAM %	25.2	24.6	26.7
NP (INRb)	1.5	(0.2)	1.6
EPS (INR)	7.1	(0.8)	7.9
EPS Gr. (%)	(39)	NM	NM
BV/Sh. (INR)	112	109	116
Ratios			
Net D:E	1.6	1.6	1.4
RoE (%)	6.6	(0.7)	7.0
RoCE (%)	6.2	3.4	6.0
Valuations			
P/E (x)	37.8	-331	34.3
P/BV (x)	2.4	2.5	2.3
EV/EBITDA (x)	13.8	19.3	11.4
EV/Sales (x)	3.5	4.8	3.0

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	47.8	47.3	46.8
DII	20.9	20.6	16.8
FII	11.7	11.4	12.8
Others	19.6	20.8	23.6
FII Includes depository receipts			

CMP: INR270 TP: INR324 (+20%) Buy

Residential continues to shine; Office business steady

- Brigade Enterprises (BRGD)'s Residential segment stole the show with the best ever performance seen in terms of presales in a quarter (1.53msf in volume / INR9.2b in value). Commercial Office Leasing held ground with steady rental collections (99%), and the Retail business continued to see marked improvement in performance. However, Hospitality's performance remains hinged on the resumption of work-related travel, which is still some time away.
- We remain positive on the medium- to long-term outlook for BRGD; our optimism is driven by (a) a robust outlook for the Residential business and (b) an expected uptick in Commercial Leasing. Reiterate **Buy**.

Residential continues heavy lifting; Commercial remains steady

- Best ever performance for Residential business:** BRGD reported presales of 1.53msf (up 41% YoY) and booking value of INR9,232m (up 53%) in 3QFY21 – the highest sales seen in a quarter. Average price realization (INR/sf) was up 8% YoY to INR6,022.
- Office stands steady; Retail recovering gradually:** The Office Leasing business remained stable, with rent collections at 99% in 3QFY21 for office leasing assets and an active leasing pipeline of ~1msf. Tenant occupancy at malls was higher, with consumption at 70% of pre-COVID levels.
- Green shoots in Hospitality albeit near-term challenges:** The segment turned operational positive with gross operating profit (GOP) of INR41m and a GOP margin at 16% (v/s -45% in 2QFY21), supported by a) improved average occupancy (27% in 3QFY21 v/s 15% in 2QFY21) and b) increased traction in the F&B and Banquet segments. Persisting restrictions on work-related travel would remain a near-term drag on full-blown recovery in Hospitality.
- Financial performance:** In 3QFY21, revenue rose 17% YoY, while EBITDA declined 5%, with the EBITDA margin contracting 515bp YoY to 23%. Adjusted PAT was down 67% YoY in 3QFY21 (v/s our expectation of INR232m).

Key management commentary highlights

- New launches contributed 33% to presales in 3QFY21. Brigade Citadel, Hyderabad (launched in Nov'20), saw a strong response with 0.45msf presales bookings (75% of launched area of 0.6msf).
- The management remains positive on the outlook for Office demand; progress on the Brigade Twin Towers construction remains well on track and is expected to be completed over the next ~two years (capex outlay of ~INR6b).

Valuation and view

- a) Continued traction in the Residential segment, b) a steady performance in the Office segment, and c) improved traction in pre-leasing activity across key projects in Bengaluru and Chennai are key positives for the company.
- We revise our presales value estimates on the upside by 32%/19% to INR24.8b/INR28.5 for the Residential segment for FY21E/FY22E, while broadly maintaining our estimates for the Leasing and Hospitality segments. Maintain Buy, with revised TP of INR324/share.

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	7,087	7,353	5,523	6,359	2,033	3,108	6,446	7,601	26,322	19,188
YoY Change (%)	1.4	-11.0	-19.7	-16.3	-71.3	-57.7	16.7	19.5	-11.5	-27.1
Total Expenditure	5,264	5,451	3,967	5,008	1,559	2,234	4,962	5,710	19,689	14,465
EBITDA	1,823	1,902	1,556	1,352	474	874	1,484	1,891	6,632	4,723
Margins (%)	25.7	25.9	28.2	21.3	23.3	28.1	23.0	24.9	25.2	24.6
Depreciation	383	473	501	563	556	562	591	623	1,920	2,332
Interest	796	940	863	805	891	821	856	917	3,403	3,485
Other Income	83	163	164	84	105	113	90	87	494	395
PBT before EO expense	727	653	356	67	-868	-397	127	438	1,803	-699
Extra-Ord expense	0	0	0	205	0	0	400	0	205	400
PBT	727	653	356	-138	-868	-397	-273	438	1,597	-1,099
Tax	269	281	-49	-28	-219	-86	-52	80	474	-277
Rate (%)	37.0	43.1	-13.7	NM	25.2	21.6	19.1	18.3	29.7	25.2
MI & Profit/Loss of Asso. Cos.	46	-2	-89	-137	-122	-140	-59	-10	-182	-332
Reported PAT	412	374	493	27	-527	-171	-161	368	1,306	-491
Adj PAT	412	374	493	182	-527	-171	162	368	1,461	-167
YoY Change (%)	-34.7	-45.3	0.9	-69.5	NM	-145.7	-67	102.4	-39.1	-111.4
Margins (%)	5.8	5.1	8.9	2.9	-25.9	-5.5	2.5	4.8	5.6	-0.9

E: MOFSL Estimates

**Management commentary highlights**

- **Residential segment:** A favorable product mix and strategic project locations as well as strong brand recall have led to a strong operational performance. The Residential business continues to show momentum, with robust demand for homes of INR5–15m ticket size.
- **Target markets:** BRGD would continue to focus on the Real Estate markets in South – the key focus would be on Bengaluru, Chennai, and Hyderabad.
- **Office segment:** Rent collections remained steady across operational assets, with 99% rent collections in 3QFY21, with ~1.0msf of office leasing pipeline. Expect leasing activity to improve as offices start to open up. No pressure is seen on rentals thus far. The company expects rentals to commence at BTG, Bengaluru from Mar'21.
- **Hospitality segment:** All of the eight hotels remain operational. The new hotel Holiday Express in Bengaluru OMR clocked 26% occupancy for 3QFY21, driven by large group bookings. **Trend:** The F&B and Banquet businesses are seeing good momentum, while the Rooms business continues to see an uptick. Nevertheless, room rentals remain under pressure, impacted by travel restrictions.

- **Land acquisitions:** BRGD acquired 30 acres of land in 3QFY21 and ~35 acres of land acquisition is under the process of due diligence. The total developmental potential of these land assets would be ~12msf.
- The company plans to launch ~40msf of projects over the next five years to capitalize on the Residential upcycle.

Key exhibits

Exhibit 1: Booking value up 53% YoY in 3QFY21

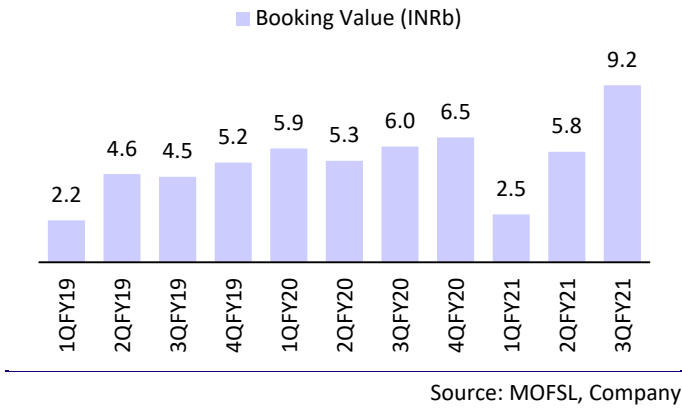


Exhibit 2: Presales volumes down 41% YoY in 3QFY21

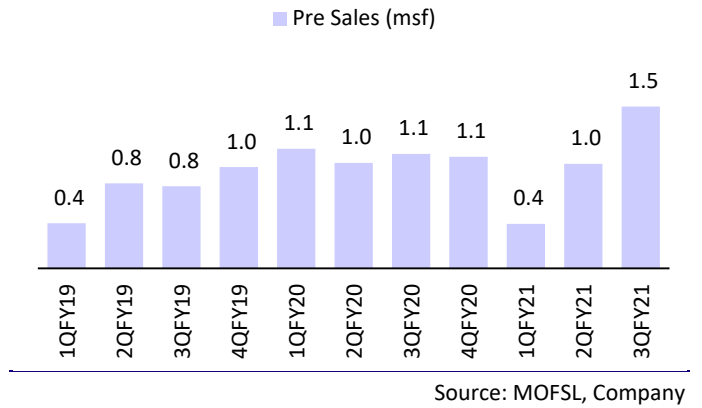


Exhibit 3: Leasing revenue trend

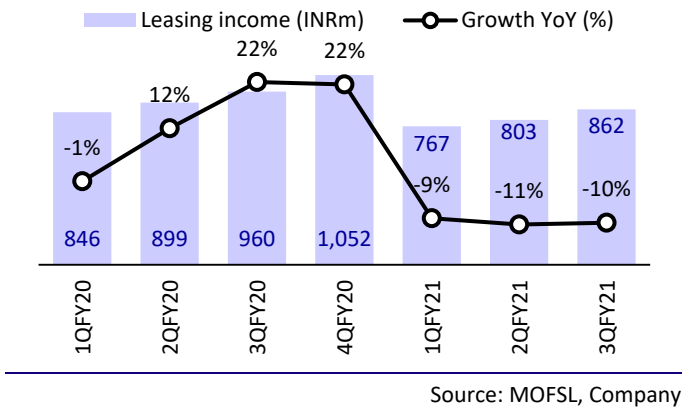


Exhibit 4: Hospitality revenue trend

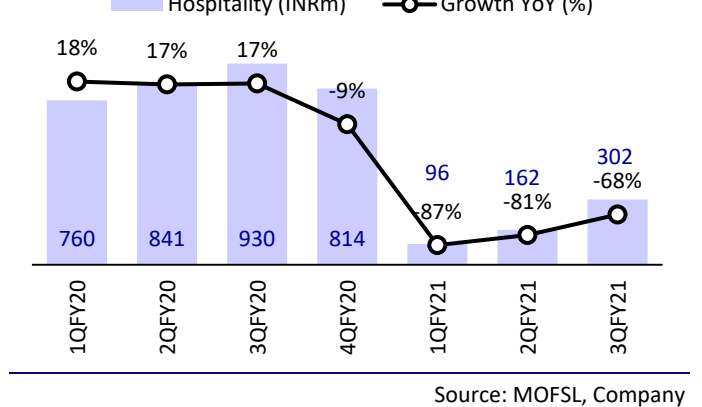
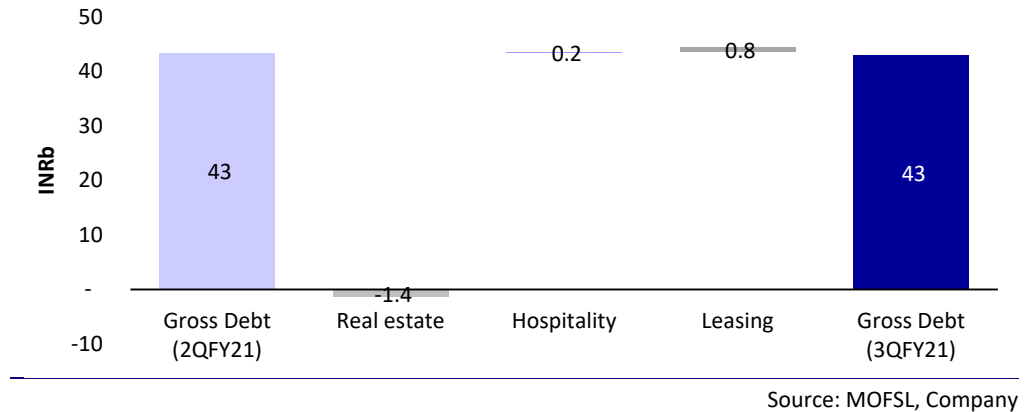


Exhibit 5: Segmental gross debt profile



Valuation and view**Medium- to long-term outlook remains positive**

- Consolidation in the sector continues to swing demand for homes toward Grade A developers, which continues to help BRGD scale newer heights. Thus, we revise our presales value estimates on the upside by 32%/19% to INR24.8b/INR28.5 for the Residential segment for FY21E/FY22E. In our view, BRGD would be among the key beneficiaries of the revival in residential demand, driven by: (a) a favorable product mix (~90% of inventory below INR15m, catering to the mid-income and AFH segments), (b) robust execution capabilities, and (c) a sharp focus on South markets, which are relatively resilient.
- The Office segment is seeing higher inquiries for new leasing and stable rentals for already leased area, which shows resilience. Furthermore, recovery in the Retail segment has also been gaining traction with improved mall occupancies. We expect the Leasing portfolio to post a 31% revenue CAGR over FY20–23E, driven by incremental leasing in newly constructed assets and ramp-ups.
- The Hospitality business would continue to be a drag on performance over the short-to-medium term, weighed by restricted travel and tourism activity in FY21 and the early part of FY22.
- We remain positive on the medium- to long-term outlook for BRGD; our optimism is driven by (a) a robust outlook for the Residential business and (b) an expected uptick in Commercial Leasing. Maintain **Buy**, with revised TP of INR324/share.

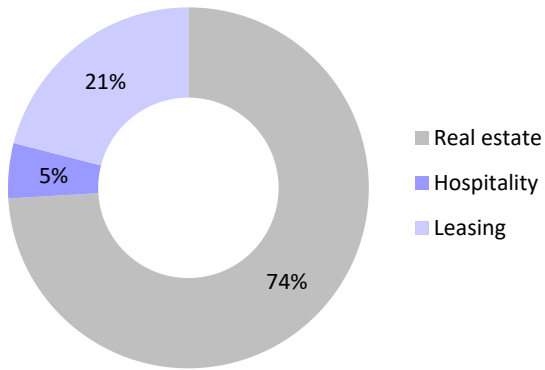
Exhibit 6: Valuation

NAV Calculation	Method	Metrics	INR m	per share (INR)	%
Real Estate	NPV		23,764	116	25%
Leasing	DCF	DF-13%, Cap -8.5%	50,470	247	53%
Hospitality	EV/EBITDA	12x FY23E	14,545	71	15%
Land Bank Value		Amount paid for	7,123	7,010	34
Gross Asset Value			95,789	469	100%
Less: Net Debt			29,479	144	31%
Net Asset Value			66,310	324	69%
CMP				270	
Up/down				20%	

Source: MOFSL, Company

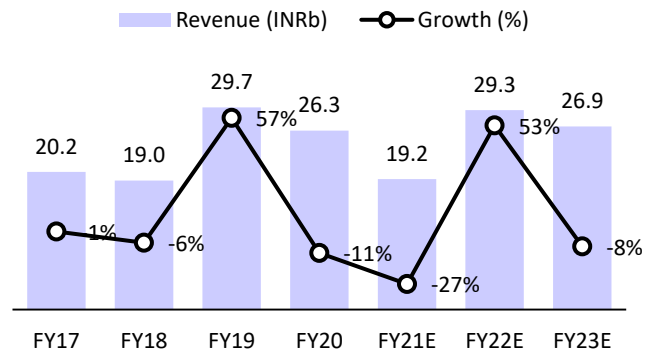
Story in charts

Exhibit 7: Segmental revenue mix (1HFY21)



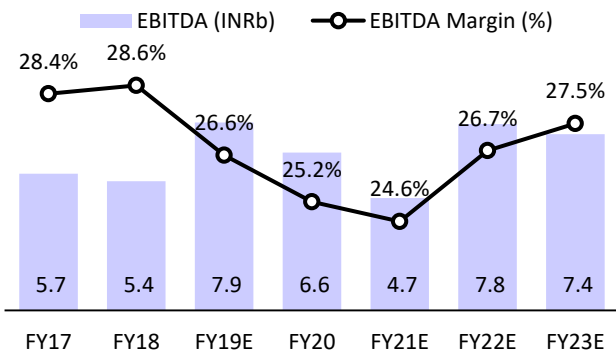
Source: MOFSL, Company

Exhibit 8: Revenue trend



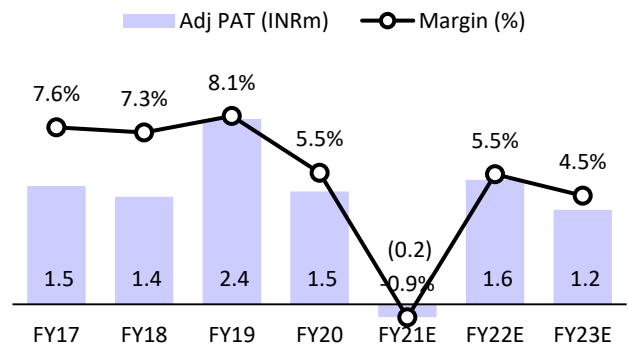
Source: MOFSL, Company

Exhibit 9: Improving EBITDA margin trend



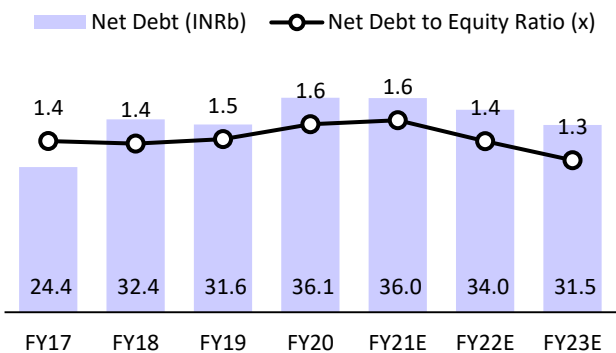
Source: MOFSL, Company

Exhibit 10: Adj. PAT trend



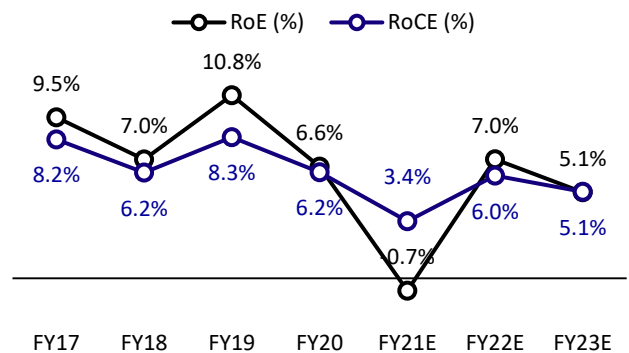
Source: MOFSL, Company

Exhibit 11: Declining net debt to equity trend



Source: MOFSL, Company

Exhibit 12: RoE and RoCE trend



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Total Income from Operations	20,241	18,972	29,728	26,322	19,188	29,332	26,936
Change (%)	-0.7	-6.3	56.7	-11.5	-27.1	52.9	-8.2
Total Expenditure	14,498	13,543	21,831	19,689	14,465	21,500	19,529
% of Sales	71.6	71.4	73.4	74.8	75.4	73.3	72.5
EBITDA	5,744	5,429	7,897	6,632	4,723	7,832	7,407
Margin (%)	28.4	28.6	26.6	25.2	24.6	26.7	27.5
Depreciation	1,226	1,377	1,400	1,920	2,332	3,215	3,615
EBIT	4,518	4,053	6,497	4,712	2,391	4,617	3,793
Int. and Finance Charges	2,465	2,594	2,785	3,403	3,485	3,367	3,127
Other Income	342	498	563	494	395	435	478
PBT bef. EO Exp.	2,396	1,957	4,274	1,803	-699	1,685	1,144
EO Items	0	0	0	-205	-400	0	0
PBT after EO Exp.	2,396	1,957	4,274	1,598	-1,099	1,685	1,144
Total Tax	732	628	1,455	474	-277	424	288
Tax Rate (%)	30.5	32.1	34.0	29.6	25.2	25.2	25.2
Minority Interest	133	-63	420	-182	-332	-348	-366
Reported PAT	1,531	1,392	2,399	1,306	-491	1,609	1,222
Adjusted PAT	1,531	1,392	2,399	1,461	-167	1,609	1,222
Change (%)	23.5	-9.1	72.3	-39.1	NM	NM	-24.1
Margin (%)	7.6	7.3	8.1	5.5	-0.9	5.5	4.5

Consolidated - Balance Sheet

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	1,137	1,361	1,362	2,044	2,044	2,044	2,044
Total Reserves	15,813	21,510	20,332	20,768	20,277	21,640	22,615
Net Worth	16,949	22,871	21,694	22,811	22,321	23,683	24,659
Minority Interest	2,274	2,231	1,884	1,659	1,327	979	613
Total Loans	25,763	33,896	33,778	39,107	40,107	39,107	38,107
Deferred Tax Liabilities	619	259	0	0	0	0	0
Capital Employed	45,606	59,257	57,357	63,577	63,755	63,770	63,379
Gross Block	5,292	21,624	14,267	17,182	37,682	42,682	47,682
Less: Accum. Deprn.	798	3,619	5,019	6,939	9,271	12,485	16,100
Net Fixed Assets	4,494	18,005	9,248	10,243	28,411	30,196	31,582
Goodwill on Consolidation	43	43	43	43	43	43	43
Capital WIP	15,637	21,291	20,097	20,975	2,049	2,280	1,982
Total Investments	10,310	2,359	14,452	20,414	20,414	20,414	20,414
Curr. Assets, Loans&Adv.	33,016	36,400	64,158	70,935	69,543	68,365	65,327
Inventory	22,639	21,795	48,161	52,094	53,135	49,416	45,957
Account Receivables	374	1,770	4,208	4,306	3,680	3,616	3,321
Cash and Bank Balance	1,363	1,466	2,222	3,049	4,093	5,067	6,621
Loans and Advances	8,640	11,370	9,567	11,486	8,635	10,266	9,428
Curr. Liability & Prov.	17,894	18,840	50,642	59,032	56,705	57,529	55,969
Account Payables	5,161	5,356	6,081	5,005	3,765	5,596	5,083
Other Current Liabilities	12,585	13,204	44,464	53,922	52,844	51,787	50,751
Provisions	148	280	97	105	96	147	135
Net Current Assets	15,123	17,559	13,516	11,903	12,838	10,836	9,358
Misc Expenditure	0	0	0	0	0	0	0
Appl. of Funds	45,606	59,257	57,357	63,577	63,755	63,770	63,379

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Basic (INR)							
EPS	7.5	6.8	11.7	7.1	-0.8	7.9	6.0
Cash EPS	13.5	13.5	18.6	16.5	10.6	23.6	23.7
BV/Share	82.9	111.9	106.1	111.6	109.2	115.9	120.7
DPS	1.4	1.7	1.3	1.0	0.0	1.0	1.0
Payout (%)	22.4	29.3	13.7	18.9	0.0	15.3	20.2
Valuation (x)							
P/E	36.0	39.6	23.0	37.8	-331.2	34.3	45.2
Cash P/E	20.0	19.9	14.5	16.3	25.5	11.4	11.4
P/BV	3.3	2.4	2.5	2.4	2.5	2.3	2.2
EV/Sales	3.9	4.6	2.9	3.5	4.8	3.0	3.2
EV/EBITDA	13.9	16.1	11.0	13.8	19.3	11.4	11.7
Dividend Yield (%)	0.5	0.6	0.5	0.4	0.0	0.4	0.4
FCF per share	1.4	-42.3	-6.5	23.5	17.3	25.2	26.7
Return Ratios (%)							
RoE	9.5	7.0	10.8	6.6	-0.7	7.0	5.1
RoCE	8.2	6.2	8.3	6.2	3.4	6.0	5.1
RoIC	17.9	10.5	15.7	16.7	6.4	9.4	8.1
Working Capital Ratios							
Fixed Asset Turnover (x)	3.8	0.9	2.1	1.5	0.5	0.7	0.6
Asset Turnover (x)	0.4	0.3	0.5	0.4	0.3	0.5	0.4
Inventory (Days)	408	419	591	722	1,011	615	623
Debtor (Days)	7	34	52	60	70	45	45
Creditor (Days)	93	103	75	69	72	70	69
Leverage Ratio (x)							
Current Ratio	1.8	1.9	1.3	1.2	1.2	1.2	1.2
Interest Cover Ratio	1.8	1.6	2.3	1.4	0.7	1.4	1.2
Net Debt/Equity	1.4	1.4	1.5	1.6	1.6	1.4	1.3

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
OP/(Loss) before Tax	2,408	1,957	4,274	1,803	-699	1,685	1,144
Depreciation	1,226	1,377	1,400	1,920	2,332	3,215	3,615
Interest & Finance Charges	2,198	2,391	2,583	2,909	3,090	2,932	2,649
Direct Taxes Paid	0	-948	-1,117	-474	277	-424	-288
(Inc)/Dec in WC	-1,890	-4,141	-2,363	2,440	108	2,977	3,032
CF from Operations	3,941	635	4,777	8,599	5,108	10,384	10,152
Others	37	-148	-105	0	0	0	0
CF from Operating incl EO	3,978	487	4,672	8,599	5,108	10,384	10,152
(Inc)/Dec in FA	-3,686	-9,140	-6,005	-3,792	-1,574	-5,231	-4,702
Free Cash Flow	292	-8,652	-1,333	4,807	3,534	5,153	5,450
(Pur)/Sale of Investments	259	-1,751	1,601	-5,962	0	0	0
Others	808	189	40	494	395	435	478
CF from Investments	-2,619	-10,702	-4,364	-9,260	-1,179	-4,797	-4,224
Issue of Shares	26	4,936	5	1	0	0	0
Inc/(Dec) in Debt	1,240	8,002	3,925	5,329	1,000	-1,000	-1,000
Interest Paid	-2,350	-2,232	-3,154	-3,403	-3,485	-3,367	-3,127
Dividend Paid	-1	-408	-328	-246	0	-246	-246
Others	0	19	-1	-192	-400	0	0
CF from Fin. Activity	-1,085	10,317	448	1,488	-2,885	-4,613	-4,374
Inc/Dec of Cash	274	102	756	827	1,044	975	1,554
Opening Balance	1,089	1,363	1,466	2,222	3,049	4,093	5,067
Closing Balance	1,363	1,466	2,222	3,049	4,093	5,067	6,621

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 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 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.

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.: INP000000670); 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.