

## Embarking on path of expansion...

Mahindra Lifespace Developers (MLD), despite a weak H1FY21 wherein sales value witnessed de-growth of 32% YoY, staged a strong comeback with FY21 sales value reaching ₹ 695 crore, up 4% YoY. The management also walked the talk by acquiring three land parcels at Kalyan, Kanakpura in Bengaluru and Pune with total sales potential of ~₹ 1500 crore. With launch pipelines, new team in place and further plans of land acquisition, we expect MLD to expand the residential segment, going ahead.

## Residential business to expand sharply

Despite a washout Q1FY21 and weak phase of Q2FY21 owing to Covid-19 Pandemic, MLDL has achieved net sales of ₹ 695 crore in FY21 (up from ₹ 670 crore in FY20). **The management has shifted gears and outlined a five year plan wherein by FY25, it has a goal to achieve a sales value of ₹ 2500 crore. For the same, MLDL is targeting roughly four land transactions every year aggregating to ~₹ 2,000 crores worth sales potential. This will entail annual outlay of ~₹ 500 crore.** MLDL has concluded a) two land transactions during FY21 in Kalyan, Kanakpura in Bengaluru and b) one land deal in April, 2021 in Pimpri Pune (totalling saleable area of ~2.4 msf with sales value potential of ~₹ 1500 crore), clearly signalling the conversion of intent into action. **We expect annual sales volume to grow 1.6x to 1.7 msf in FY23 with annual sales value jumping 1.9x to ~₹ 1341 crore in FY23E, based on the launch pipelines, with further upsides also possible if further new land is added and launched within this period.**

## IC & IC business to benefit from PLI, manufacturing push

In FY21, the integrated cities and industrial clusters (IC & IC) business leased 55.6 acres worth ₹ 128.7 crores. Also, there was sales of 9.2 acres in FY21 for land outside MWC boundaries. We note that transactions have been delayed in this segment due to travel restrictions in FY21. Going ahead, triggers such as PLI schemes, softening of interest rates and credit availability, lower tax rates for new manufacturing facilities, coupled with global realignment of manufacturing, supply chains will drive IC & IC business. Also, leasing from Ahmedabad will give a push to the overall momentum. **The company has targeted an annual leasing run rate of ~₹ 500 crore from IC & IC business by 2025.**

## Valuation & Outlook

We like MLDL given its strong parentage, management's focus on expanding its overall scale of operation and a comfortable balance sheet. The change in management and execution has started to show initial signs of transformation with new land purchase. Group focus (expecting the overall size to expand to US\$ 1 bn vs ~375 US\$ million) also lends confidence. Hence, we upgrade MLDL to BUY (vs. HOLD earlier) recommendation with a target price of ₹ 675/share (earlier ₹ 300/share).

### Key Financial Summary

	FY19	FY20	FY21	FY22E	FY23E	FY24-25E CAGR (%)
Net Sales (₹ crore)	592.8	610.9	166.3	123.5	781.6	116.8
EBITDA (₹ crore)	25.8	(56.8)	(93.5)	(78.5)	137.4	LP
Net Profit (₹ crore)	119.7	(193.4)	(71.7)	(24.5)	138.9	LP
EPS - Diluted (₹)	23.3	(37.7)	(14.0)	(4.8)	27.1	
P/E (x)	22.2	NM	NM	NM	19.1	
Price / Book (x)	1.4	1.6	1.6	1.6	1.6	
EV/EBITDA (x)	99.3	NM	NM	NM	21.3	
RoCE	3.8	(1.5)	(4.1)	(3.0)	7.6	
RoE	6.2	(11.4)	(4.4)	(1.5)	8.1	

Source: Company, ICICI Direct Research



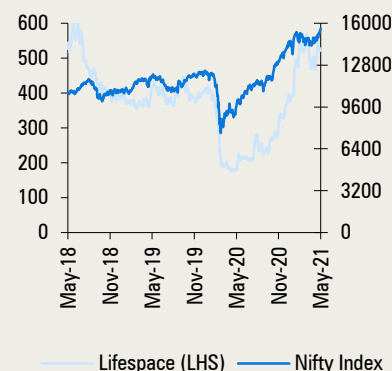
### Particulars

Particular	Amount (₹ crore)
Market Capitalization	2,681.1
Total Debt	243.4
Cash and Investments	135.5
EV	2,789.0
52 week H/L (₹)	580 / 175
Equity capital	51.4
Face value	₹ 10

### Key Risks

- Any slowdown in residential segment
- Extended pandemic tail impacting the IC & IC business pickup

### Price Performance



### Research Analyst

Bhupendra Tiwary, CFA  
bhupendra.tiwary@icicisecurities.com

Lokesh Kashikar  
lokesh.kashikar@icicisecurities.com

### Research Analyst

Bhupendra Tiwary, CFA  
bhupendra.tiwary@icicisecurities.com

## Q4FY21, FY21 Performance highlights

- **Industry update:** The real estate industry witnessed strong demand in Q4FY21 across major key markets mainly driven by a) lower mortgage rates, b) regulatory interventions such as stamp-duty cuts, and c) pent-up demands during H2FY21 (arising after disruptions caused by Covid-19 in H1FY21). Additionally, the management has indicated towards customer's preference towards large developers, which are currently better placed with a) lower cost of capital (large developers are getting interest rate advantage of ~500-600 bps over small developers), b) land owners preferring large developers for deals/joint developments and c) consolidation in real estate industry
- **Residential business update:** Despite a washout Q1FY21 and weak phase of Q2FY21 owing to Covid-19 Pandemic, MLDL has achieved net sales of ₹ 695 crore in FY21 (up from ₹ 670 crore reported in FY20) largely contributed by mid-premium (60%) and affordable segment (40%). Finished goods contributed 34% to overall FY21 sales while newly launched products contribution was at 37%. Average price realisation for FY21 was at ₹ 6,528 per sq ft. Additionally, collection has improved to ₹ 758 crore in FY21 with handing over of 605 units. Similarly, net sales for Q4FY21 were strong at ₹ 346 crore (~50% of overall FY21 sales). As per the management, the company is witnessing a sharp demand recovery across its project portfolio backed by a) buyers preferring better quality homes, b) sharp decline in interest rates and c) stamp duty cuts in some particular states. Also, preference towards large organised players are facilitating better pricing. Going forward, the management is endeavouring to reach sales of ₹ 2,500 crore in the residential segment by FY25 and feels confident of achieving the same with a) newer product launches seeing higher customers' acceptability and b) robust land pipeline (target to buy about four land parcels every year (aggregating to ₹ 2,000 crore sales potential)
- **New launches:** MLDL launched four projects in Q4FY21 spread across 0.94 mn sq ft, which includes a) Vicino at MMR region (91 units launched, 19 units sold), b) Alcove at MMR region (155 units launched, 38 units sold), c) Happinest Palghar at MMR region (485 units launched, 247 units sold) and d) Happinest Tathawade at Pune location (440 units launched, 340 units sold). Additionally, the company has concluded a) two land transactions in FY21 at Kalyan, MMR and Kanakpura, Bengaluru locations having development potential of ~1.88 mn sq ft and b) one land deal in April 2021 in Pimpri Pune (3.2 acres of land; project likely to offer ~0.325 mn sq ft of carpet area). These projects are likely to get launched in FY22 with approvals are at advances stages. Additionally, its land pipeline having mix of outright sales, joint development agreements and redevelopment opportunity are robust offering potential target of ₹ 4,500 crore. The focus regions would be Bangalore, Mumbai, Navi Mumbai and Pune
- **Integrated cities & industrial clusters:** MLDL has leased 55.6 acres, 27.8 acres during FY21, Q4FY21 with total value of ₹ 128.7 crore, ₹ 66.4 crore, respectively. According to the management, the deal pipeline is robust and is receiving a lot of enquires from MNC players. However, transactions are getting delayed with large restrictions on international travel (manufacturing/factory deals requires physical presence and site visits). The company is also getting enquires for built-to-suit facilities and warehousing services in industrial parks segment and are currently in evaluation stage

### Other highlights

- Labour strength had reached ~80-90% of pre-Covid levels across its project sites in Q4FY21. However, availability has dropped to ~60% at present with the second-wave of Covid-19 triggering migration to native places. Also, increase in raw material prices is another worrying factor currently
- Consolidated debt, cash at the end of FY21 was at ₹ 244crore, ₹ 135 crore, respectively
- Cost of borrowing has dropped currently to 7.05%, 5.9% at consolidated, standalone levels, respectively

## Residential business poised to expand with new land buys

We expect MLDL's residential business to expand multiple times over the next four to five years as **the management has shifted gears and outlined a five year plans wherein by FY25, it has a goal to achieve sales value of ₹ 2500 crore (vs. FY21 sales value of ₹ 695 crore).** For the same, the company is targeting roughly four land transactions every year aggregating to ~₹ 2,000 crores worth of sales potential. This will entail annual outlay of ~₹ 500 crore.

The company expects the following four factors to be key drivers of strong growth for MLDL

- Demand is migrating to formal players, given the historical records/stressed balance sheet of small/local developers
- Significant advantage to large developers both in terms of access and cost of capital
- Land supply consolidation - Land owners are comfortable dealing with only well-funded formal players with surety of deal being consummated is high
- Talent getting attracted to formal players with corporate structure

The first sign of this was visible over the last one year, wherein the company acquired three land banks viz Kanakpura (Bengaluru), Kalyan and Pune (acquired in April, 2021) totalling saleable area of ~2.4 msf with sales value potential of ~₹ 1500 crore. One of the positive developments is the shortening of time lag between the land acquisition and project launch. That is clearly shown by their intent to launch the acquired lands in FY22E itself.

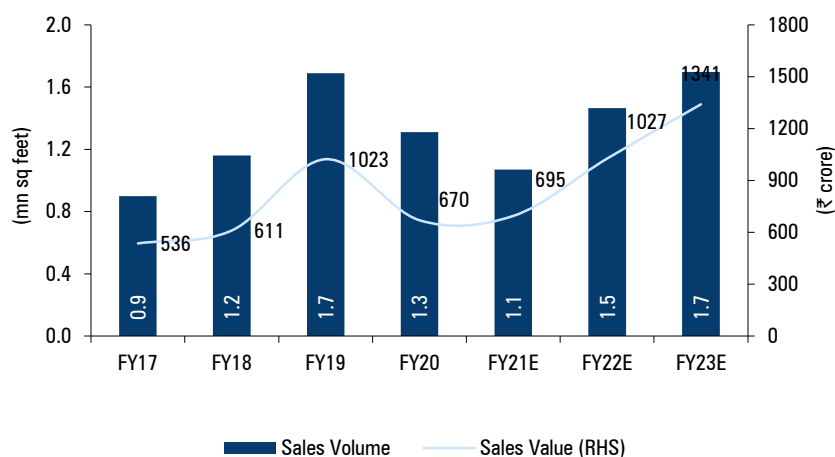
The company has a forthcoming residential project pipeline of 4.7 msf (of which ~2.4 msf is for existing projects new phases and 2.3 msf is new projects). It also has ongoing projects' unsold inventory of ~1.4 msf and finished goods inventory of ~0.1 msf. Furthermore, 0.5 msf of new Pune land bank (acquired in April, 2021, will also come into the fold. **We expect the annual sales volume to grow 1.6x to 1.7 msf in FY23 with annual sales value jumping 1.9x to ~₹ 1341 crore in FY23E.** Also, any new projects led by land purchase and faster launch could even push sales volumes further. There is also residential development in MWC Chennai and Jaipur, which will further push the overall traction.

Exhibit 1: Forthcoming residential project pipeline

	Location	Project	ESA (mn sft)
Existing projects new phases	MMR	Vicino	0.1
	MMR	Alcove #	0.2
	MMR	Serenes	0.1
	NCR	Luminare #	0.4
	Chennai	Aqualily	0.1
	Chennai	Lakewoods	0.6
	Chennai	Happinest Avadi	0.0
	MMR	Happinest Palghar Ph2	0.2
	Pune	Happinest Tathawade	0.7
		<b>Total</b>	
New Projects	MMR	New Project (Kalyan)	1.1
	Bengaluru	New Project (Kanakpura)	0.8
	Chennai	MWC Chennai Residential 21	0.4
	<b>Total</b>		<b>2.3</b>
<b>Ongoing/Finished Projects Unsold Inventory</b>			<b>1.5</b>
Pune New Land bank			0.5
<b>Total Inventory pipeline</b>			<b>6.7</b>

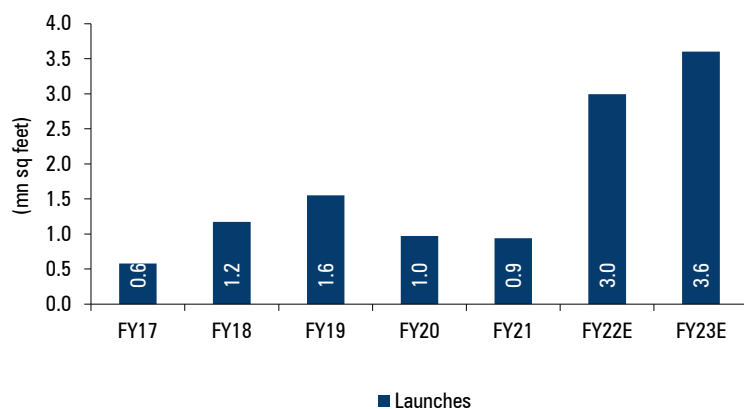
Source: Company, ICICI Direct Research

Exhibit 2: Annual sales volume to grow



Source: Company, ICICI Direct Research

Exhibit 3: Led by robust launches



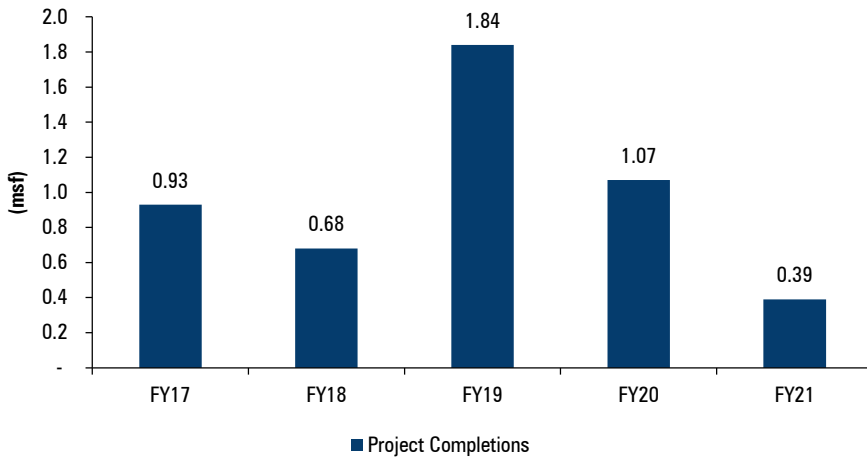
Source: Company, ICICI Direct Research

Exhibit 4: Projected cash flows (by company)

Cash Flow Potential		Value (₹ crore)
Ongoing and Finished Projects	Sales Completed	1648
	Amount Collected	655
	<b>Net amount to be collected on completed sales (A)</b>	<b>993</b>
	Future Sales from finished goods & balance inventory in ongoing projects	1158
	Balance Construction Cost to be spend	925
Future Phases of Ongoing Projects	<b>Net amount to be collected on future sales (B)</b>	<b>233</b>
	Sales Potential	1738
	Est. Construction Cost	942
New Projects - Not Launched	<b>Cashflow from future phases of ongoing projects (C)</b>	<b>796</b>
	Sales Potential	1275
	Est. Construction Cost	780
<b>Cashflow from new projects to be launched (D)</b>	<b>495</b>	
<b>Total Potential Cash Flows</b>		<b>2517</b>

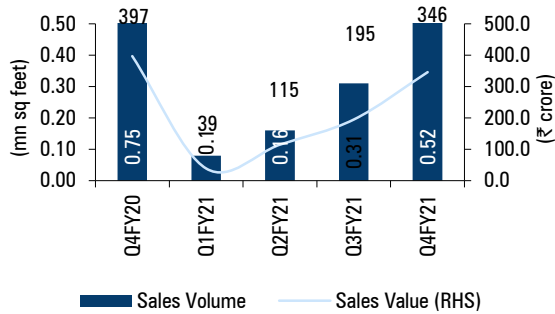
Source: Company, ICICI Direct Research

Exhibit 5: Completion trend



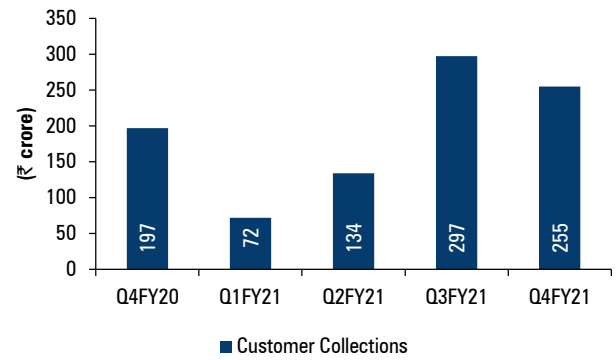
Source: Company, ICICI Direct Research

Exhibit 6: Quarterly sales volume



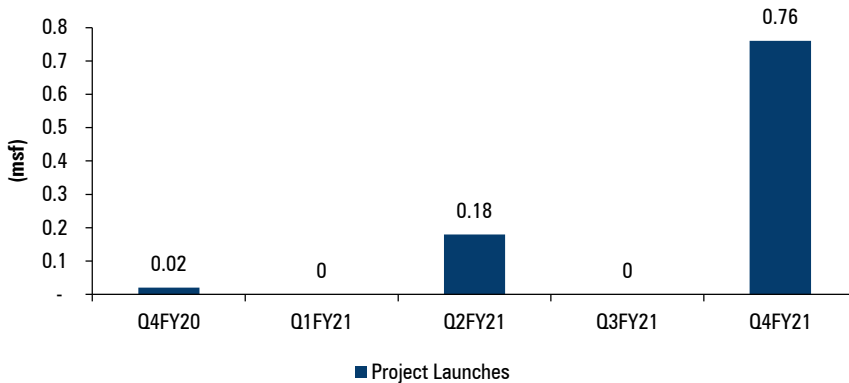
Source: Company, ICICI Direct Research

Exhibit 7: Quarterly collection



Source: Company, ICICI Direct Research

Exhibit 8: Quarterly launch trend



Source: Company, ICICI Direct Research

## IC & IC Business – Manufacturing/PLI drive to push growth

The company is a pioneer in the Integrated Cities and Industrial Clusters (IC & IC) segment with two operational cities: **Mahindra World City, Chennai and Jaipur**. With two smaller industrial clusters, **Origins, Chennai and Origins, Ahmedabad** — where development work is currently in progress — the company is moving ahead with its strategy to have projects in important growth corridors, which will allow it to offer multiple destinations to prospective customers and cater to all major industrial sectors

### MWC Chennai

Mahindra World City (MWC), Chennai, is being implemented by Mahindra World City Developers (MWCDL), an 89:11 joint venture between the company and the Tamil Nadu Industrial Development Corporation (TIDCO), respectively.

At the end of FY21, the project had a total area of 1,524 acres (leasable area of 1145 acres). The company is focusing on clients for social infrastructure, having leased almost entire industrial land inventory (~25 acres left). The company is also looking to some convert some earlier planned residential lands also to sell as industrial. There is also 68 acres of land outside MWC boundaries, which is yet to be sold. Additionally, within this entity, it has 237 acres which is planned as phase II of Origins.

### MWC Jaipur

Mahindra World City (MWC), Jaipur, is being implemented by Mahindra World City (Jaipur) (MWCJL), a 74:26 joint venture between the company and Rajasthan State Industrial Development & Investment Corporation (RIICO), a Government of Rajasthan enterprise, respectively. The project is spread across 2,913 acres (leasable area of 2011 acres) of land and offers multi product SEZ, along with domestic tariff area (DTA) and social & residential infrastructure. The company currently has 1148 acres of inventory in this project (~908 acres of SEZ/DTA) and 240 acres of residential and social). The company has partnered with International Finance Corporation (IFC), a member of the World Bank Group for the development of MWC, Jaipur. IFC has invested ~₹ 194.8 crore in MWCJL and is entitled to economic rights to the extent of 50% on 500 acres of gross land comprising first 250 acres of SEZ and first 250 acres of DTA.

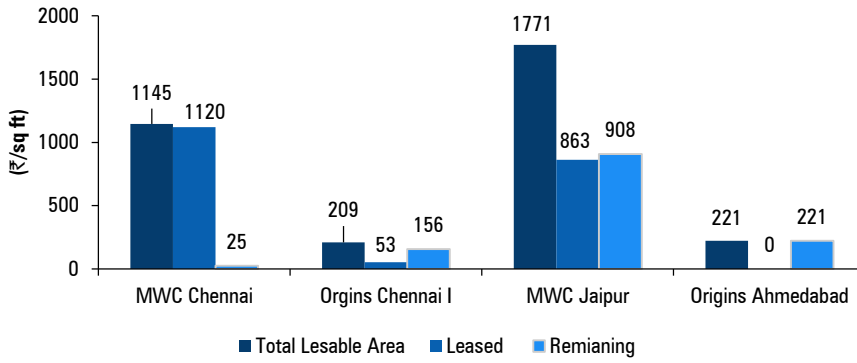
### Origins Chennai

Mahindra Industrial Park Chennai (MIPCL), is a 60:40 joint venture between MWCDL and Sumitomo Corporation, Japan, respectively. MIPCL is setting up an industrial cluster in North Chennai (the NH-16 corridor) on ~289 acres (~209 acres leasable area) under the brand 'Origins by Mahindra World City'. The company currently has 156 acres of inventory in this project.

### Origins Ahmedabad

Mahindra Industrial Park Pvt Ltd (MIPPL), a wholly owned subsidiary of the company, has acquired around 340 acres of contiguous land at Jansali near Ahmedabad for setting up an industrial cluster. The company has partnered with International Finance Corporation (IFC), a member of the World Bank Group for the development of upcoming project at Jansali. The project will be marketed under the brand 'Origins by Mahindra World City'. It is likely to start leasing from FY22.

Exhibit 9: IC & IC business remaining monetisable land

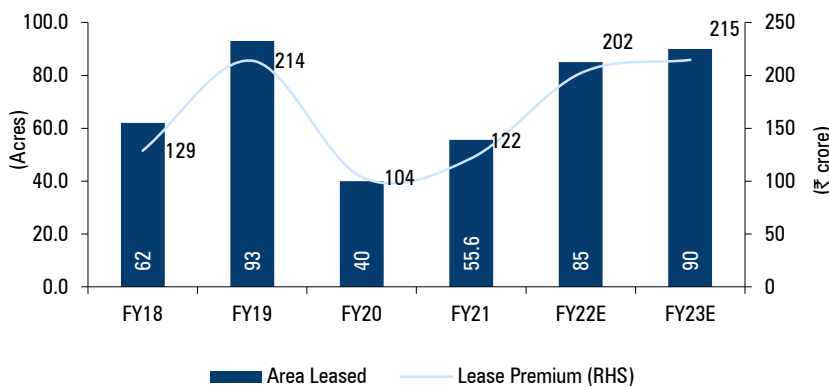


Source: Company, ICICI Direct Research \*MWC Jaipur's only industrial area is considered

In FY21, the integrated cities and industrial clusters business leased around 55.6 acres aggregating ₹ 128.7 crores vs. 40 acres of land aggregating to ₹ 104 crore in FY20. Furthermore, the company also completed sales of 9.2 acres in FY21 (~3 acres' sales in FY20) for land outside MWC boundaries. We highlight that H1FY21 was impacted by Covid-19 and full conversion of deals remain beyond full potential owing to travel restriction.

Going ahead, the company expects that **given the initiatives that the government has taken such as PLI schemes, the softening of interest rates and credit availability, the lower tax rates for new manufacturing facilities, coupled with the global realignment of manufacturing, supply chains etc., the IC & IC business will witness strong growth, going ahead.** Furthermore, leasing from Ahmedabad will also give a push to the overall momentum. **The company has targeted an annual leasing run rate of ~₹ 500 crore from IC & IC business by 2025.**

Exhibit 10: IC & IC leasing to grow sharply



Source: Company, ICICI Direct Research



## Valuation & Outlook

We like MLDL given its strong parentage, the management’s focus on expanding its overall scale of operation and a comfortable balance sheet. The new land purchases could enable it to scale its residential business. The change in management and execution has started to show initial signs of transformation. Hence, we upgrade to BUY (vs. **HOLD** earlier) recommendation with a target price of ₹ 675/share (vs. ₹ 300/share, earlier).

The sharp increase in target price is owing to baking in the development value of the residential pipeline, including the new land bought recently. We also assign value to land bank (such as Murud, Pune and Thane) at 50% discount to market price, given the lack of clarity right now on the overall plans ahead. We highlight that fructification of big land deals, finalisation of existing land bank usage and quick launch, thereof can provide further upside.

Exhibit 11: Valuation

Particulars	Stake value	Value / share	Comment
<b>Residential</b>	<b>1579.8</b>	<b>307</b>	We have only taken projects which have been given as forthcoming projects by company
<b>IC&amp; IC Business</b>	<b>1569.3</b>	<b>305</b>	This includes the MWC Chennai (remaining land), MWC Jaipur (remaining land), Origins Chennai and Ahmedabad and rental assets like Evolve and Mahindra Tower in Delhi
<b>Land Bank</b>	<b>422.5</b>	<b>82</b>	Land bank like Murud, Pune and Thane at 50% discount to market value
<b>Less Net Debt</b>	<b>107.9</b>	<b>21</b>	
<b>NAV Valuation</b>	<b>3463.7</b>	<b>674</b>	
<b>Rounded off Target price</b>		<b>675</b>	

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(₹ Crore)	FY20	FY21	FY22E	FY23E
Net Sales	610.9	166.3	123.5	781.6
Other Income	35.0	21.6	23.7	26.1
<b>Total operating income</b>	<b>645.9</b>	<b>187.8</b>	<b>147.2</b>	<b>807.7</b>
Operating Expenses	483.0	117.3	49.0	480.0
Employee Expenses	82.2	75.7	79.5	83.5
Administrative Expenses	102.5	66.8	73.4	80.8
Total Operating Expenditure	667.8	259.7	201.9	644.2
<b>EBITDA</b>	<b>(56.8)</b>	<b>(93.5)</b>	<b>(78.5)</b>	<b>137.4</b>
Interest	7.6	11.0	14.0	21.8
Depreciation	7.7	7.0	5.1	5.1
Other income	35.0	21.6	23.7	26.1
Exceptional Items	(134.6)	-	-	-
PBT	(196.2)	(77.7)	(32.4)	186.1
Taxes	(1.7)	(6.3)	(8.2)	46.9
PAT before MI	(194.5)	(71.4)	(24.2)	139.2
Minority Interest	1.1	(0.3)	(0.3)	(0.3)
<b>PAT</b>	<b>(193.4)</b>	<b>(71.7)</b>	<b>(24.5)</b>	<b>138.9</b>
PAT Growth rate	NA	NA	NA	NA
EPS	(37.7)	(14.0)	(4.8)	27.0

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(₹ Crore)	FY20	FY21	FY22E	FY23E
<b>Profit after Tax</b>	<b>(193.4)</b>	<b>(71.7)</b>	<b>(24.5)</b>	<b>138.9</b>
Depreciation	7.7	7.0	5.1	5.1
Add: Interest	7.6	11.0	14.0	21.8
Other Income	(35.0)	(21.6)	(23.7)	(26.1)
Cash Flow before wc changes	(214.8)	(81.6)	(37.4)	186.6
Changes in Working Capital	(63.8)	52.1	(159.1)	(125.8)
Taxes Paid	(3.9)	(4.0)	8.2	(46.9)
<b>Net CF from operating activities</b>	<b>(282.4)</b>	<b>(33.5)</b>	<b>(188.3)</b>	<b>13.9</b>
(Purchase)/Sale of Fixed Assets	(13.5)	(2.7)	(17.0)	44.5
(Purchase)/Sale of Investment	139.5	(9.9)	-	-
Other Income	35.0	21.6	23.7	26.1
<b>Net CF from Investing activities</b>	<b>161.5</b>	<b>9.5</b>	<b>6.7</b>	<b>70.6</b>
Issue/(Repayment of Debt)	3.7	36.4	70.6	11.0
Changes in Minority Interest	(1.6)	0.0	-	-
Changes in Networth	(34.9)	1.5	7.6	(43.1)
Interest	(7.6)	(11.0)	(14.0)	(21.8)
<b>Net CF from Financing activities</b>	<b>(40.4)</b>	<b>27.0</b>	<b>64.2</b>	<b>(54.0)</b>
Net Cash flow	(161.3)	3.0	(117.4)	30.6
Opening Cash	293.8	132.4	135.5	18.1
Closing Cash/ Cash Equivalent	<b>132.4</b>	<b>135.5</b>	<b>18.1</b>	<b>48.6</b>

Source: Company, ICICI Direct Research

Exhibit 14: Balance sheet				
	₹ crore			
(₹ Crore)	FY20	FY21	FY22E	FY23E
Equity Capital	51.4	51.4	51.4	51.4
Reserve and Surplus	1,649.9	1,579.7	1,562.8	1,658.6
Total Shareholders funds	1,701.3	1,631.1	1,614.2	1,710.0
Minority Interest	41.9	42.0	42.0	42.0
Total Debt	207.0	243.4	314.0	324.9
Deferred Tax Liability (Net)	7.7	(2.6)	(2.6)	(2.6)
<b>Total Liabilities</b>	<b>2,190</b>	<b>1,958</b>	<b>1,914</b>	<b>1,968</b>
Gross Block	33.5	33.9	50.9	6.4
Less Acc. Dep	22.5	29.5	34.6	39.6
Net Block	11.0	4.4	16.3	(33.3)
Goodwill on Consolidation	66.0	66.0	66.0	66.0
Capital WIP	12.2	14.6	14.6	14.6
Total Fixed Assets	89.3	85.0	96.9	47.3
Investments	687.8	548.2	558.1	558.1
Inventory	1,204.3	1,344.7	1,466.9	1,765.5
Sundry Debtors	114.4	56.4	121.8	31.0
Loans & Advances	83.4	88.3	70.6	29.2
Cash & Bank Balances	132.4	135.5	18.1	48.6
Other Current Assets	348.7	281.7	279.4	279.4
Total Current Assets	1,883.2	1,906.6	1,956.8	2,153.7
Other Current Liabilities	570.3	640.7	655.2	705.2
Provisions	13.5	15.5	9.5	0.1
Net Current Assets	1,299.4	1,250.3	1,292.1	1,448.4
<b>Total Assets</b>	<b>2,190</b>	<b>1,958</b>	<b>1,914</b>	<b>1,968</b>

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
	FY20	FY21	FY22E	FY23E
<b>Per Share Data (₹)</b>				
EPS - Diluted	(37.7)	(14.0)	(4.8)	27.1
Cash EPS	(36.2)	(12.6)	(3.8)	28.0
Book Value	331.5	317.8	314.5	333.1
Dividend per share	-	-	-	8.4
<b>Operating Ratios (%)</b>				
EBITDA / Net Sales	(9.3)	(56.2)	(63.5)	17.6
PAT / Net Sales	(31.7)	(43.1)	(19.9)	17.8
<b>Return Ratios (%)</b>				
RoE	(11.4)	(4.4)	(1.5)	8.1
RoCE	(1.5)	(4.1)	(3.0)	7.6
RoIC	(3.6)	(5.8)	(4.4)	6.6
<b>Valuation Ratios (x)</b>				
EV / EBITDA	NM	NM	NM	21.3
P/E (Diluted)	NM	NM	NM	19.1
EV / Net Sales	4.5	16.6	23.9	3.8
Market Cap / Sales	4.3	16.0	21.5	3.4
Price to Book Value	1.6	1.6	1.6	1.6
<b>Solvency Ratios (x)</b>				
Debt / Equity	0.1	0.1	0.2	0.2
Debt / EBITDA	NM	NM	NM	2.4
Current Ratio	3.0	2.7	2.9	3.0
Quick Ratio	0.9	0.6	0.7	0.5

Source: Company, ICICI Direct Research

## RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com**

## ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, MBA (Finance), Lokesh Kashikar, MMS, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

## Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

ICICI Securities is one of the leading merchant bankers/underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icicidirect.com](http://icicidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. 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 of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. 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. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities and affiliates 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.