

Estimate change	↓
TP change	↔
Rating change	↔

CMP: INR858

TP: INR1,100 (+28%)

Buy

2QFY23 earnings a mixed bag; growth triggers intact

Strong pre-sales; commercial performance steady but P&L subdued

- Oberoi Realty (OBER) clocked a pre-sales of INR11.5b in 2QFY23, up 39% YoY/52% QoQ and was 28% above our estimate. OBER reopened sales at its ultra-luxury project 360 West (Worli), and reported sales of eight units worth INR6b (>50% contribution). Management expects the momentum to continue.
- Occupancy at Commerz I improved marginally QoQ. Revenue/EBITDA for the commercial portfolio remained flat QoQ at INR711m/INR667m, respectively. ARR at the Westin Hotel improved 5% QoQ and led to flat revenue in the Hospitality segment despite a drop in occupancy to 83% in 2Q from 91% in 1Q.
- Revenue declined 9% YoY/25% QoQ to INR6.9b and was 27% below our estimate due to slower-than-expected execution at Mulund projects. EBITDA margin remained healthy at 45%. PAT stood at INR3.1b, up 20% YoY but down 21% QoQ and was 46% below our estimate.

Strong launch pipeline to drive pre-sales growth in FY23E

- Ex-off Worli project, OBER's performance was a mixed bag as sales sustained QoQ in its Mulund projects (Eternia/Enigma), while there was a sequential drop in sales velocity at Borivali (SkyCity) and Goregaon (Elysian) projects.
- The decline in sales velocity at SkyCity, Borivali was attributed to lower inventory where the company expects to launch a tower in 2HFY23. OBER is also confident to launch its Pokhran Road (Thane) project in 3QFY23E, while the Kolshet Road (Thane) project is likely to be launched in 2HFY23E.
- Aided by strong launch pipeline and higher-than-expected pricing and velocity at 360 West (Worli), we increase our FY23 pre-sales estimates by 11% to INR53b, up 36% YoY.

Key management commentary

- **Pricing:** Depending upon the stage of construction and balance inventory, company has hiked prices by 5-10% across its projects in Borivali, Goregaon and Mulund.
- **Commercial assets:** Construction at Commerz III will be completed by Mar'24 and management highlighted that there is significant leasing interest in the asset. OBER has taken up an SRA project adjacent to the ongoing project at Borivali. The project site is 95% cleared and will be used for commercial development.
- **Business development (BD):** Management continues to remain committed on BD and is close to signing a redevelopment project in Mumbai. Company has also paid some advances in 2QFY23. The decision to develop retail or residential project at Glaxo land will be taken during the current quarter.

Valuation and View

- Because of the delayed execution at Mulund projects, we reduce our FY23/FY24 EBITDA estimates by 13%/12%, respectively.
- Management indicated a strong visibility on business development that will provide further growth visibility and will be a key re-rating trigger. **Reiterate BUY with an unchanged SOTP-based TP of INR1,100, implying 28% upside.**

Bloomberg	OBER IN
Equity Shares (m)	364
M.Cap.(INRb)/(USD\$b)	311.8 / 3.8
52-Week Range (INR)	1088 / 726
1, 6, 12 Rel. Per (%)	-15/-14/-6
12M Avg Val (INR M)	919

Financials & Valuations (INR b)

Y/E Mar	FY22	FY23E	FY24E
Sales	26.9	37.4	43.1
EBITDA	11.8	17.6	19.7
EBITDA (%)	43.9	47.1	45.8
PAT	10.5	14.8	15.4
EPS (INR)	28.8	40.8	42.3
EPS Gr. (%)	41.6	41.6	3.8
BV/Sh. (INR)	286	325	366

Ratios

Net D/E	0.2	0.2	0.2
RoE (%)	10.6	13.3	12.2
RoCE (%)	7.2	9.3	9.3
Payout (%)	10.4	4.9	4.7

Valuations

P/E (x)	33.3	23.5	22.6
P/BV (x)	3.3	2.9	2.6
EV/EBITDA (x)	31.7	21.3	18.7
Div Yield (%)	0.3	0.2	0.2

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	67.7	67.7	67.7
DII	10.0	9.1	6.0
FII	19.4	20.3	23.5
Others	2.9	2.9	2.8

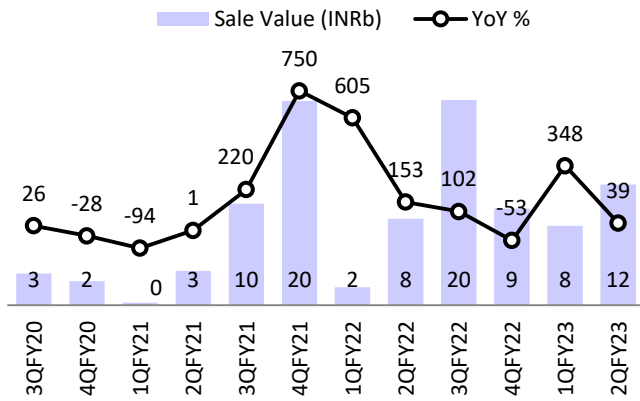
Quarterly performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E	FY23E	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	2,843	7,543	8,320	8,235	9,131	6,886	9,201	11,783	26,940	37,001	9,269	-26%
YoY Change (%)	140.8	138.6	0.4	4.2	221.2	-8.7	10.6	43.1	-27.2	37.3	22.9	
Total Expenditure	1,594	3,811	5,005	4,717	4,209	3,782	4,932	6,732	15,126	19,654	5,010	
EBITDA	1,249	3,731	3,316	3,518	4,922	3,104	4,269	5,052	11,813	17,348	4,259	-27%
Margins (%)	43.9	49.5	39.8	42.7	53.9	45.1	46.4	42.9	43.9	46.9	46.0	-87bp
Depreciation	101	101	99	97	98	101	100	101	398	399	100	
Interest	173	171	200	316	326	363	357	382	860	1,428	326	
Other Income	105	143	142	195	217	232	176	78	585	703	206	
PBT before EO expense	1,080	3,602	3,159	3,300	4,715	2,873	3,988	4,648	11,140	16,224	4,040	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,080	3,602	3,159	3,300	4,715	2,873	3,988	4,648	11,140	16,224	4,040	
Tax	290	954	837	984	1,137	692	1,097	1,279	3,065	4,464	1,111	
Rate (%)	26.9	26.5	26.5	29.8	24.1	24.1	27.5	27.5	27.5	27.5	27.5	
MI & Profit/Loss of Asso. Cos.	17	18	2,353	8	453	1,006	719	699	2,396	2,876	2,829	
Reported PAT	806	2,666	4,675	2,324	4,031	3,186	3,610	4,067	10,471	14,637	5,758	
Adj PAT	806	2,666	4,675	2,324	4,031	3,186	3,610	4,067	10,471	14,637	5,758	-45%
YoY Change (%)	187.2	93.5	62.9	-19.0	400.0	19.5	-22.8	75.1	17.9	39.8	116.0	
Margins (%)	28.4	35.3	56.2	28.2	44.1	46.3	39.2	34.5	38.9	39.6	62.1	
Operational metrics												
Residential												
Sale Volume (msf)	0.09	0.45	1.04	0.52	0.40	0.37	0.89	0.65	2.1	2.3	0.5	-23%
Sale Value (INRb)	1,700	8,287	19,651	9,250	7,611	11,550	16,000	17,571	38,888	52,732	9,000	28%
Collections (INRb)	4,990	5,346	9,815	9,513	5,574	8,778	11,000	8,604.4	29,664	33,956	6,500	35%
Realization (INR/sft)	18,449	18,558	18,884	17,643	18,972	31,216	17,940	27,236	18,486	22,845	18,744	67%
Leasing												
Occupancy (%)	87.5	88.1	88.7	80.5	80.7	81.7	83.1	87.8	86.2	82.6	87.8	-8%
Rental income (excl. CAM)	424	430	643	1,148	726	711	780	928	2,645	3,145	868	-16%
EBITDA (excl. CAM)	388	388	608	1,083	671	667	741	909	2,466	2,988	864	-22%
Hospitality												
Occupancy (%)	38.7	83.7	72.2	74.8	91.3	82.7	82.0	86.7	51	85		
ARR (INR)	4,685	4,378	6,918	7,166	9,116	9,546	8,615	10,974	5,787	9,259		
Revenue	78	164	250	228	348	341	318	432	720	1,419	256.6	
EBITDA	-27	27	60	56	136	111	111	151	116	511	67.2	

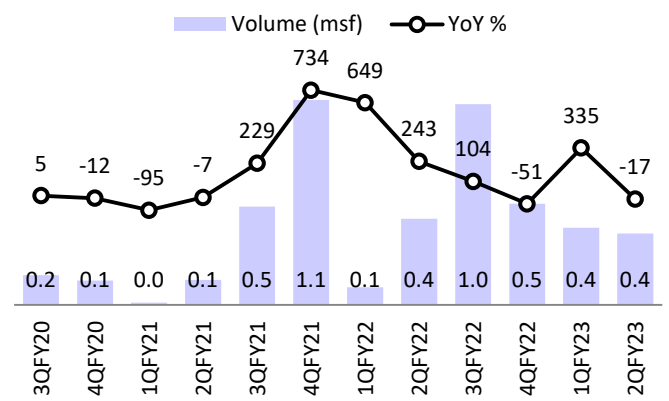
Key exhibits

Exhibit 1: Pre-sales increased 39% YoY to INR12b driven by significant demand uptick at 360 West



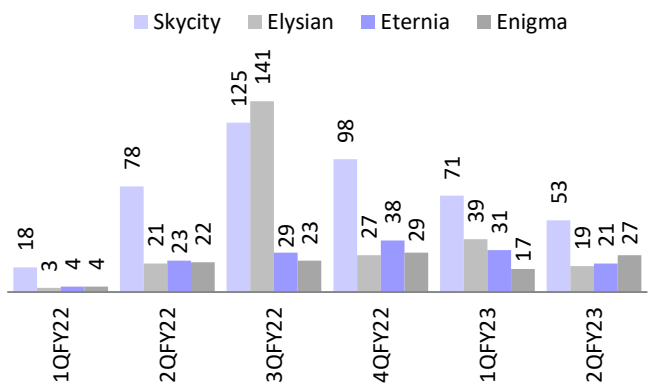
Source: Company, MOFSL

Exhibit 2: Volume declined 17% YoY



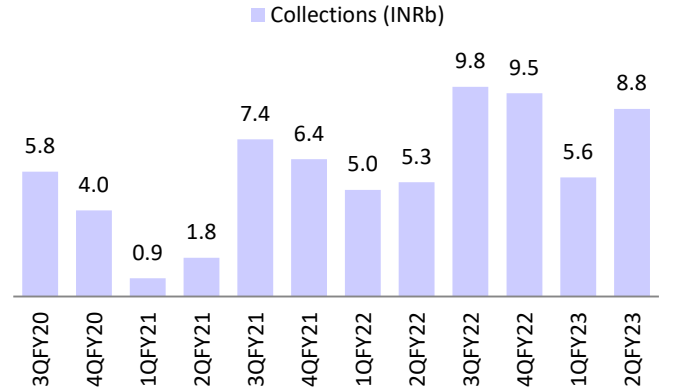
Source: Company, MOFSL

Exhibit 3: Except Enigma, other projects witnessed sequential decline in velocity



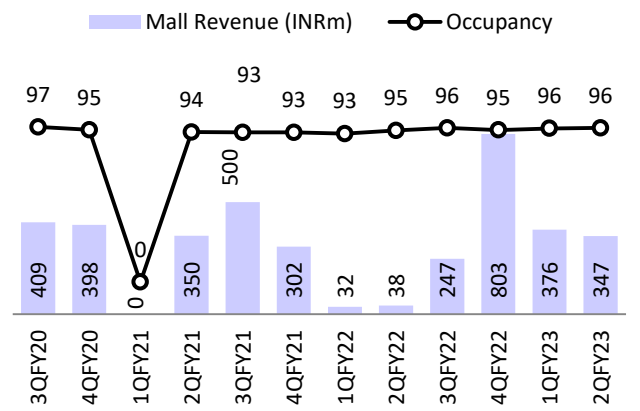
Source: MOFSL, Company

Exhibit 4: Collections reached INR9b as the share of sales from completed projects remained high



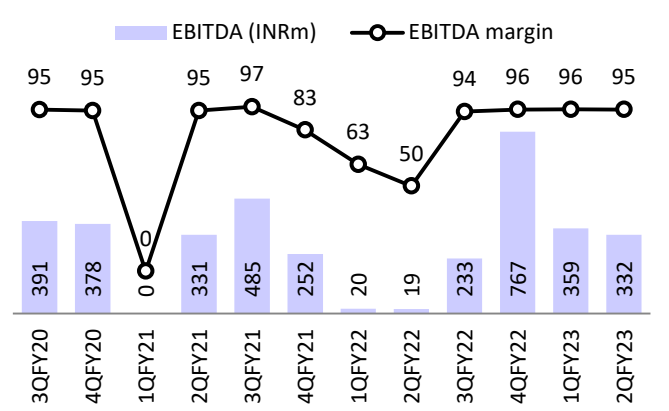
Source: MOFSL, Company

Exhibit 5: Mall revenue in 2QFY23 was INR347m



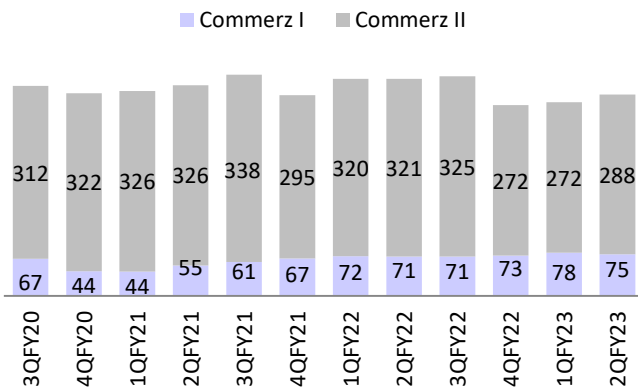
Source: Company, MOFSL

Exhibit 6: EBITDA stood at INR332m, with margins sustaining at 95%+



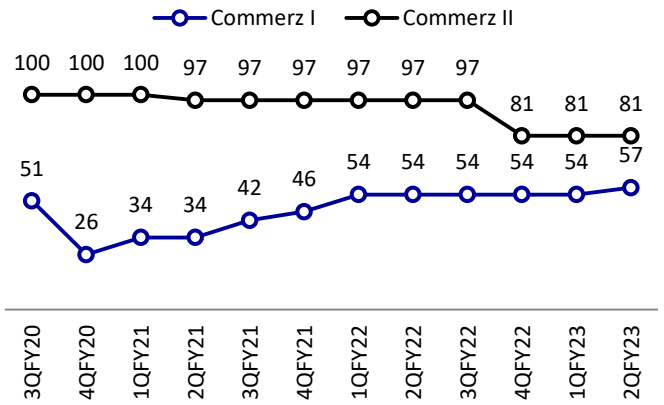
Source: Company, MOFSL

Exhibit 7: Revenue from office assets increased marginally...



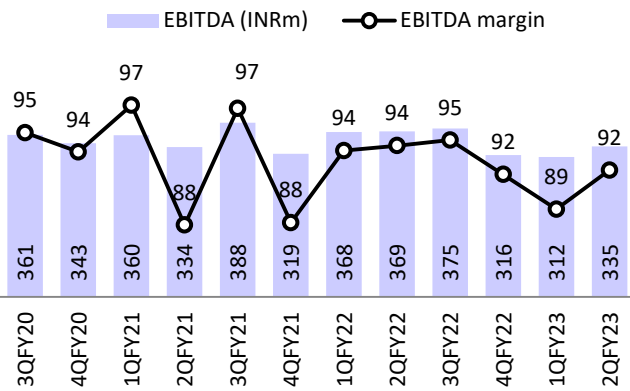
Source: MOFSL, Company

Exhibit 8: ...on account of a 3ppts rise in occupancy at commerz I



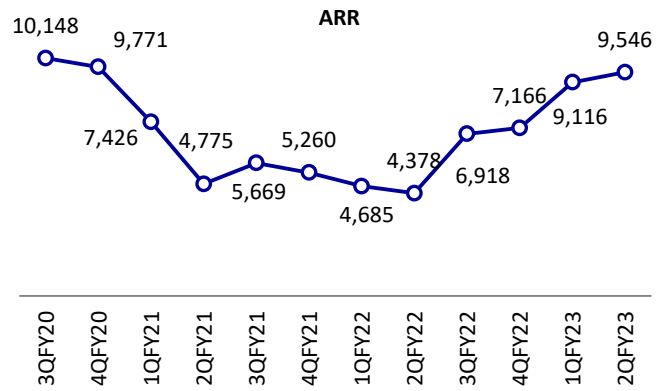
Source: MOFSL, Company

Exhibit 9: EBITDA at INR335m, with 300bp sequential improvement in margin



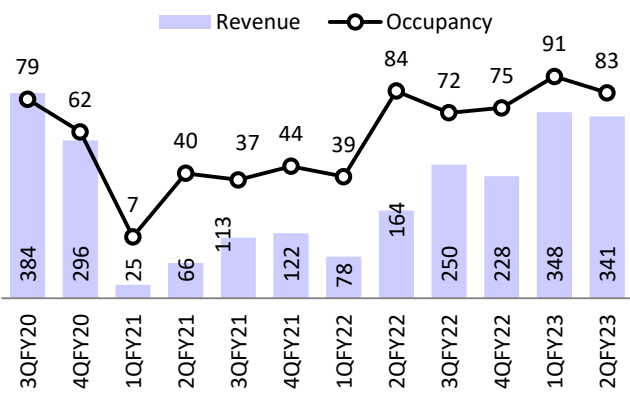
Source: MOFSL, Company

Exhibit 10: Hotel ARR further improved 5% QoQ



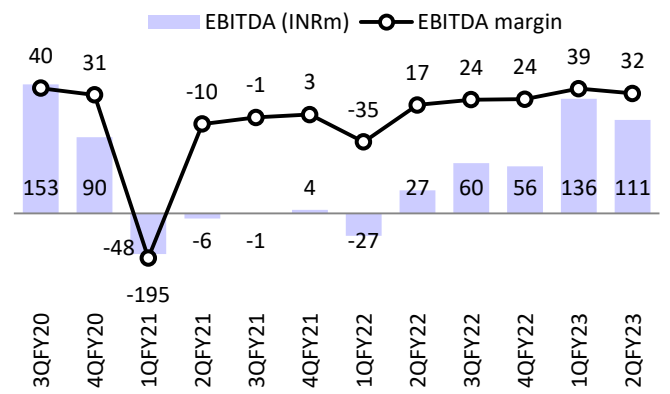
Source: MOFSL, Company

Exhibit 11: Hospitality continued to deliver healthy performance with occupancy breaching pre-Covid levels



Source: MOFSL, Company

Exhibit 12: Expect EBITDA to improve further as occupancy sustains at pre-Covid levels



Source: MOFSL, Company

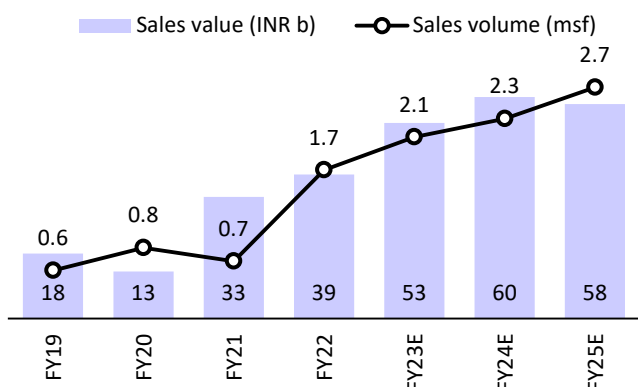
Story in charts

Exhibit 13: To launch 5.5msf of projects in the coming months

Project	Pending area to be launched (msf)	Comment
Sky City	1	❖ Company expects to launch the next phase of Sky City over the next six months
Thane, Kolshet Rd	2.5	❖ The recently acquired JDA project will be launched in 2HFY23
Thane, pokhran Rd	2.5	❖ After a long wait, the company is looking to launch Phase I of the Thane project by 3QFY23E
Total	5.5	

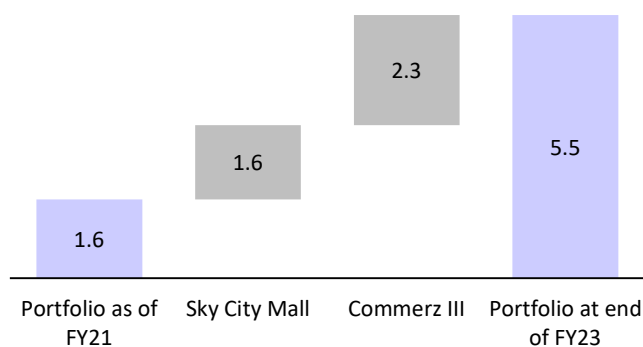
Source: MOFSL, Company

Exhibit 14: OBER to deliver 15% CAGR in sales bookings over FY22–25E on higher base



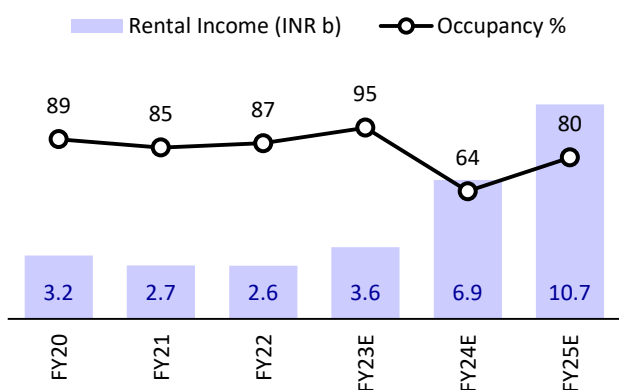
Source: Company, MOFSL

Exhibit 15: Commercial portfolio to treble to 5.5msf by end-FY23E (msf)



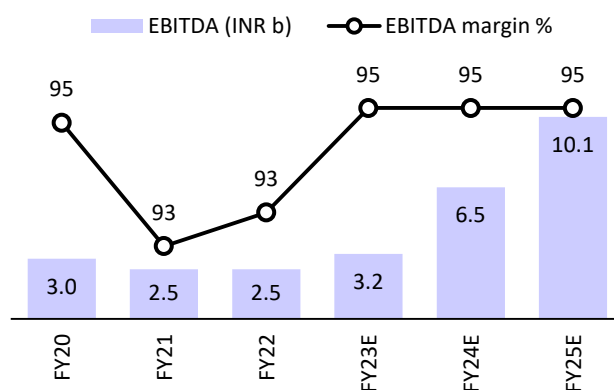
Source: Company, MOFSL

Exhibit 16: Expect rental income to see 59% CAGR over FY22–25



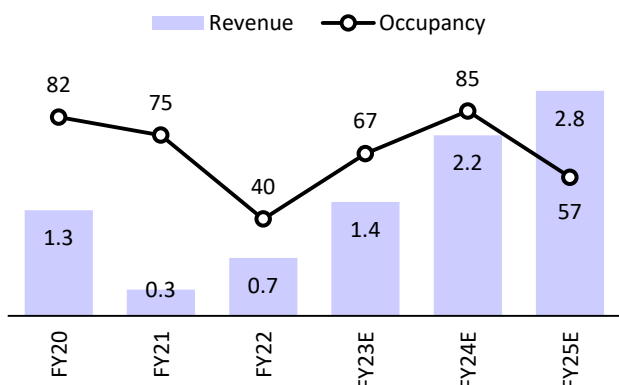
Source: MOFSL, Company

Exhibit 17: EBITDA margin to recover to 95%+



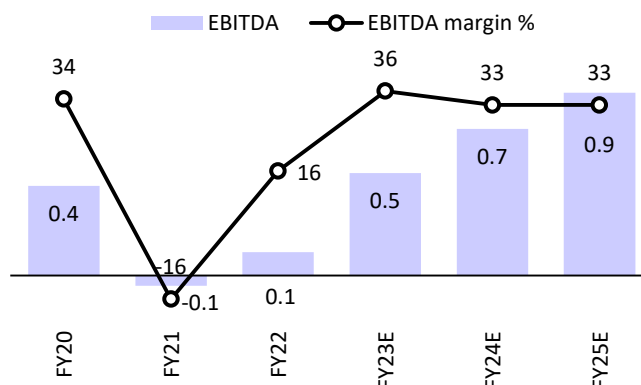
Source: MOFSL, Company

Exhibit 18: Recovery in occupancies and revenue from Worli hotel to boost Hospitality sales to INR2.3b by FY25E



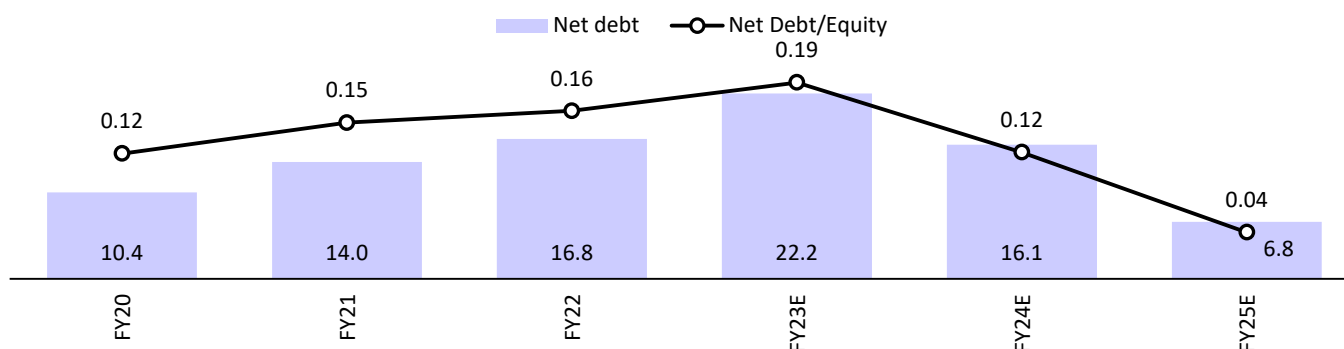
Source: Company, MOFSL

Exhibit 19: Expect blended EBITDA margin to reach 33% by FY24 and improve thereafter as Ritz Carlton stabilizes



Source: Company, MOFSL

Exhibit 20: Annual post-tax cash flow run-rate of INR15-30b over the next 3-4 years to enable OBER to further bolster its financial strength and focus on BD



Source: MOFSL, Company

Exhibit 21: Earnings revision summary

(INR m)	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	43,186	48,412	37,354	43,069	-14%	-11%
EBITDA	20,069	22,486	17,598	19,723	-12%	-12%
Adj. PAT	19,568	18,520	14,823	15,382	-24%	-17%
Pre-sales	47,519	51,996	52,732	59,710	11%	15%
Collections	40,199	43,712	42,778	50,426	6%	15%

Source: MOFSL, Company

Highlights from the management commentary

Three sixty West

- Post-receipt of OC, the project has witnessed strong traction along with healthy price hike. Given the lack of competing supply, management expects the project to witness sustained demand. New sales are in the range of INR100,000/sqft on RERA carpet area basis.

Cash flows

- OCF came in negative at 2QFY23 as the company made certain advances towards land and TDR payments since these transactions formed part of WC.

New launches

- The company is on track to launch its Thane project (Pokhran road) in 3QFY23 and given the limited unsold inventory at Borivali and Goregaon, a tower each at these projects will be also be launched in 3Q.

Valuation and view

We value OBER on a DCF method where:

- its Residential business is valued using DCF of expected cash flows over five years using 12.2% WACC and terminal value using a 5% perpetual growth rate;
- its operational Commercial assets are valued at an 8.5% cap rate on FY24E EBITDA and ongoing projects using DCF;
- Its Hospitality business is valued at 17.5x EV/EBITDA (comparable to IHCL) on FY24E EBITDA

Based on the above approach, we arrive at a GAV of INR417b. Netting-off estimated net debt of INR17b for FY23, we derive a NAV of INR400b, or INR1100 per share, indicating an upside potential of 28%.

Exhibit 22: Based on our SoTP approach, we arrive at a NAV of INR400b, or INR1,100 per share, indicating upside potential of 28%

NAV calculation	Rationale	INR b	Per share (INR)	(%)
Residential	❖ DCF of five-year cash flow at WACC of 12.2% and terminal value assuming 5% long-term growth	288	793	72
Leasing – Offices and Malls	❖ Cap rate of 8.5% for operational assets and DCF for ongoing and planned assets	117	323	29
Hospitality	❖ FY24E EBITDA at 17.5x EV/EBITDA	16	45	4
Gross Asset Value		417	1161	106
Less: Net Debt	❖ FY23E estimate	-22	-61	-6
Net Asset Value		400	1100	100
CMP			858	
Up/down (%)			28	

Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	25,825	22,376	20,526	26,940	37,354	43,069	55,730
Change (%)	104.1	-13.4	-8.3	31.2	38.7	15.3	29.4
Total Expenditure	14,271	11,897	10,522	15,126	19,755	23,346	27,359
As a percentage of Sales	55.3	53.2	51.3	56.1	52.9	54.2	49.1
EBITDA	11,554	10,480	10,004	11,813	17,598	19,723	28,371
Margin (%)	44.7	46.8	48.7	43.9	47.1	45.8	50.9
Depreciation	440	449	412	398	399	1,129	1,859
EBIT	11,113	10,031	9,592	11,416	17,199	18,594	26,512
Int. and Finance Charges	194	885	760	860	1,428	1,303	928
Other Income	856	484	380	585	710	818	1,059
PBT bef. EO Exp.	11,776	9,630	9,212	11,140	16,481	18,110	26,643
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	11,776	9,630	9,212	11,140	16,481	18,110	26,643
Total Tax	3,607	2,796	1,851	3,065	4,534	4,982	7,330
Tax Rate (%)	30.6	29.0	20.1	27.5	27.5	27.5	27.5
Minority Interest/Profit from JV	0	59	32	2,396	2,876	2,254	2,277
Reported PAT	8,169	6,893	7,393	10,471	14,823	15,382	21,590
Adjusted PAT	8,169	6,893	7,393	10,471	14,823	15,382	21,590
Change (%)	78.1	-15.6	7.2	41.6	41.6	3.8	40.4
Margin (%)	31.6	30.8	36.0	38.9	39.7	35.7	38.7

Consolidated Balance Sheet							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	3,636	3,636	3,636	3,636	3,636	3,636	3,636
Total Reserves	76,656	82,659	90,055	1,00,525	1,14,622	1,29,276	1,50,139
Net Worth	80,292	86,295	93,691	1,04,161	1,18,258	1,32,912	1,53,775
Minority Interest	0	0	0	0	0	0	0
Total Loans	8,361	11,439	15,338	28,555	28,555	23,555	13,555
Deferred Tax Liabilities	260	284	348	247	247	247	247
Capital Employed	88,912	98,018	1,09,378	1,32,964	1,47,060	1,56,714	1,67,577
Gross Block	12,526	12,824	12,907	12,965	12,965	60,465	60,465
Less: Accum. Deprn.	1,910	2,359	2,771	3,169	3,568	4,697	6,556
Net Fixed Assets	10,616	10,465	10,136	9,796	9,398	55,769	53,909
Goodwill on Consolidation	0	0	0	0	0	0	0
Capital WIP	1,261	3,055	19,799	32,975	44,469	1,838	3,385
Total Investments	29,378	24,062	16,196	26,794	29,670	31,925	34,202
Curr. Assets, Loans, and Adv.	69,983	74,632	74,405	87,340	83,227	89,510	95,860
Inventory	41,655	53,173	46,626	50,361	54,597	53,310	50,503
Account Receivables	1,094	1,153	1,280	1,246	1,023	1,180	1,527
Cash and Bank Balance	4,253	1,083	1,331	2,932	1,458	2,719	2,032
Loans and Advances	22,981	19,223	25,168	32,802	26,147	32,302	41,798
Curr. Liability and Prov.	22,325	14,196	11,158	23,942	19,704	22,327	19,779
Account Payables	2,323	859	938	4,247	1,353	1,599	1,874
Other Current Liabilities	19,974	13,294	10,194	19,108	18,303	20,673	17,834
Provisions	28	43	26	587	48	55	71
Net Current Assets	47,658	60,436	63,247	63,398	63,522	67,183	76,080
Appl. of Funds	88,912	98,018	1,09,378	1,32,964	1,47,060	1,56,715	1,67,577

Financials and valuations

Ratios							
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)							
EPS	22.5	19.0	20.3	28.8	40.8	42.3	59.4
Cash EPS	23.7	20.2	21.5	29.9	41.9	45.4	64.5
BV/Share	220.8	237.3	257.7	286.5	325.2	365.5	422.9
DPS	2.3	2.3	0.0	3.0	2.0	2.0	2.0
Payout (%)	10.0	14.3	0.0	10.4	4.9	4.7	3.4
Valuation (x)							
P/E	42.6	50.5	47.1	33.3	23.5	22.6	16.1
Cash P/E	40.5	47.4	44.6	32.0	22.9	21.1	14.9
P/BV	4.3	4.0	3.7	3.3	2.9	2.6	2.3
EV/Sales	13.6	16.0	17.7	13.9	10.1	8.6	6.5
EV/EBITDA	30.5	34.2	36.2	31.7	21.3	18.7	12.7
Dividend Yield (%)	0.2	0.2	0.0	0.3	0.2	0.2	0.2
FCF per share	-0.7	-14.0	-17.1	-7.0	3.5	23.8	31.5
Return Ratios (%)							
RoE	11.6	8.3	8.2	10.6	13.3	12.2	15.1
RoCE	10.0	8.0	7.7	7.2	9.3	9.3	12.3
RoIC	14.8	11.5	10.8	11.6	17.6	14.1	15.5
Working Capital Ratios							
Fixed Asset Turnover (x)	2.1	1.7	1.6	2.1	2.9	0.7	0.9
Asset Turnover (x)	0.3	0.2	0.2	0.2	0.3	0.3	0.3
Leverage Ratio (x)							
Net Debt/Equity	0.1	0.1	0.1	0.2	0.2	0.2	0.1

Consolidated Cash Flow Statement							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	11,776	9,689	9,244	13,536	19,358	20,364	28,920
Depreciation	440	449	412	398	399	1,129	1,859
Interest and Finance Charges	-251	885	760	860	1,428	1,303	928
Direct Taxes Paid	-3,243	-2,221	-2,031	-2,911	-4,534	-4,982	-7,330
(Inc.)/Dec. in WC	-6,997	-11,205	-998	1,765	-1,598	-2,400	-9,584
CF from Operations	1,725	-2,404	7,387	13,648	15,052	15,414	14,792
Others	-269	-416	-362	-2,961	-3,586	-3,073	-3,336
CF from Operations incl. EO	1,456	-2,820	7,025	10,687	11,466	12,341	11,457
(Inc.)/Dec. in FA	-1,707	-2,261	-13,241	-13,241	-10,209	-3,696	0
Free Cash Flow	-251	-5,081	-6,216	-2,554	1,257	8,645	11,457
(Pur.)/Sale of Investments	0	5,863	39	171	0	0	0
Others	-5,053	-857	6,687	-829	710	818	1,059
CF from Investments	-6,760	2,745	-6,515	-13,900	-9,499	-2,878	1,059
Issue of Shares	11,827	0	0	0	0	0	0
Inc./(Dec.) in Debt	-1,103	-508	317	13,250	0	-5,000	-10,000
Interest Paid	-1,516	-1,711	-1,480	-1,628	-2,713	-2,475	-2,475
Dividend Paid	-819	-877	0	0	-727	-727	-727
Others	0	0	-1	-199	0	0	0
CF from Fin. Activity	8,389	-3,095	-1,164	11,422	-3,440	-8,202	-13,202
Inc./Dec. in Cash	3,085	-3,169	-654	8,210	-1,473	1,261	-687
Opening Balance	1,167	4,253	1,985	1,331	2,932	1,458	2,719
Closing Balance	4,253	1,083	1,331	9,541	1,458	2,719	2,032

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

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

The associates of MOFSL may have:

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

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-71881085.

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products. Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.