

BSE SENSEX 63,143
S&P CNX 18,716

Motilal Oswal values your support in the Asiamoney Brokers Poll 2023 for India Research, Sales, Corporate Access and Trading team. We [request your ballot](#).



Bloomberg	OBER IN
Equity Shares (m)	364
M.Cap.(INRb)/(USD\$b)	357.8 / 4.3
52-Week Range (INR)	1088 / 726
1, 6, 12 Rel. Per (%)	2/8/9
12M Avg Val (INR M)	618

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	41.9	45.4	54.5
EBITDA	21.1	19.1	24.9
EBITDA Margin (%)	50.4	42.2	45.6
Adj PAT	19.0	12.9	17.0
Cons. EPS (INR)	52.4	35.5	46.7
EPS Growth (%)	81.9	-32.2	31.6
BV/Share (INR)	335.8	369.3	414.1

Ratios

Net D:E	0.3	0.2	0.1
RoE (%)	16.8	10.1	11.9
RoCE (%)	12.4	8.7	10.7
Payout (%)	3.8	5.6	4.3

Valuations

P/E (x)	18.4	27.2	20.7
P/BV (x)	2.9	2.6	2.3
EV/EBITDA (x)	18.3	19.7	14.8
Div. yield (%)	0.2	0.2	0.2

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	67.7	67.7	67.7
DII	12.1	12.5	9.1
FII	17.8	17.3	20.3
Others	2.4	2.5	2.9

FII Includes depository receipts

CMP: INR984 TP: INR1,140 (+16%) Buy

A big launch year ahead

INR120b of launches to drive pre-sales growth in FY24

We met Mr. Saumil Daru, CFO of Oberoi Realty (OBER), to understand the company's launch plans in FY24, its growth prospects beyond FY24 via business development, its leasing strategy in the annuity segment, and demand sentiment in the Thane market.

Rubbing off a subdued year with strong launch pipeline

- OBER ended FY23 with a relatively moderate performance due to delays in the launch of key projects. It was the only company in our coverage universe that posted a decline in pre-sales in FY23.
- It now plans to rub off a subdued FY23 with the launch of multiple projects in FY24, including the first phase of its flagship project at Pokhran road in Thane with a development potential of 2.5msf and GDV of INR62b.
- Its smaller project at Kolshet road in Thane is also expected to be launched in FY24. The overall size of the project is 1.8msf across five towers. The company will initially launch three towers with expected GDV of INR22b.
- Finally, its ongoing project at Goregaon (Elysian) will also witness a new tower launch with 1msf development size and GDV of INR32b. Overall, OBER has a very strong launch pipeline with cumulative GDV of ~INR120b, which can help the company make up for its weak performance in FY23.
- Overall, given a strong project pipeline, we estimate OBER to clock bookings of INR56b in FY24 (up 73% YoY), with INR26b coming in from new projects.

Pokhran Road II in Thane will be monetized over 15 years

- After the acquisition of adjacent land parcels, the company's Pokhran road project in Thane has a development potential of 15msf (carpet area) and the company intends to develop group housing, a hotel and a school in the first phase with a cumulative development size of 3-4msf, (of which we estimate ~2.5msf will be carved out for residential).
- Given the multiple retail destinations in the micro-market, OBER intends to develop a small high-street retail to cater to the needs of captive audience.
- Although there are no plans to undertake office development, management is flexible to take it up in future if the market matures to become a preferred office destination given the evolving residential/retail catchment.
- Overall, the development potential in Thane is as large as its project in Goregaon, which is being monetized in over 20 years. Given that the Thane market is much more evolved (compared to what Goregaon was 20 years ago), the management expects a shorter monetization timeline.

Optimistic about land acquisition in FY24

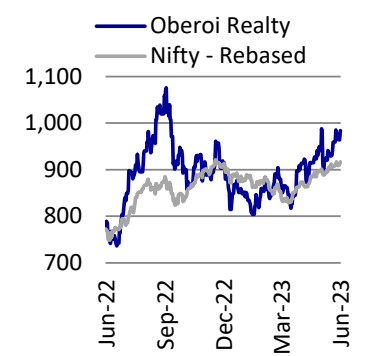
- While the management has always reiterated its intent to acquire new projects, except for an ~15acre land acquired from Blue Star and NRB Bearings at its existing location in Pokhran Road, Thane, no major new land deal has materialized yet.

Pritesh Sheth - Research Analyst (Pritesh.Sheth@MotilalOswal.com)

Sourabh Gilda - Research Analyst (Sourabh.Gilda@motilalosal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Stock Performance (1-year)

- **Outside MMR:** The management is also hopeful about the acquisition of ~50-acre land in Gurugram and expects to conclude the transaction soon. It is also evaluating opportunities in Bengaluru but will be more inclined to do office as a part of its strategy to exploring standalone commercial projects.
- **MMR:** It is in active discussion for the purchase of a large land parcel in Andheri, but it is still some time away from materializing, given that it falls under MHADA redevelopment.
- Few of the large ongoing residential projects, such as Sky City Phase 1, 360-West and Eternia-Enigma, are nearly complete and have the potential to cumulatively generate INR15b+ of surplus cash annually in the next 4-5 years.
- The above-mentioned factors, along with a gradual scale-up in rentals, will lead to significant cash accumulation, which can accelerate business development.

Borivali mall to be operational in 1HFY25; rentals to see sharp scale-up

- Initially, the plan was to open the Borivali mall during the festive season of FY24, but the anchor tenants are unlikely to be ready by that time. Hence, it is expected to commence operations in 1HFY25.
- Given the importance of the tenant mix in the success of the mall, the management focuses on getting it right before commencing the operation.
- Commerz-III rentals will commence in Apr'24 and the target is to achieve 75% occupancy by Oct'24 while the balance leasing can take 6-12 months.
- At full occupancy, Commerz-III has the potential to generate INR6.0-6.5b of annual rentals (including CAM) beginning in FY26. The Borivali mall is likely to stabilize in FY25 and it has the potential to generate annual rentals of INR2.5b. Overall, the company's annuity rentals are projected to surge to INR12b by FY26 from INR3b in FY23.

Valuation and view: FY24 expected to be an eventful year for launches and business development; reiterate BUY

- We believe OBER can significantly scale up its residential segment in FY24 as its key projects are finally set for launch. The conclusion of new transactions can help OBER sustain robust sales beyond FY24.
 - Therefore, we see the following re-rating triggers in OBER: a) launch of the Thane project and customer response to the same, b) new project additions, c) healthy traction at 360-West, and d) significant scale-up in rentals.
 - We believe strong cash generation will allow the company to look for aggressive business development opportunities, which will provide further growth visibility.
- We retain BUY on OBER with our SOTP-based TP of INR1,140, implying 16% upside potential.**

Other key takeaways

Status on Peddar road and Tardeo Project

- OBER also plans to develop a luxury project on its land parcel at Peddar Road and Tardeo. The Peddar Road project is a redevelopment one and the company has bought out tenants. At Tardeo, work has commenced for a rehab tower.

Worli project

- For its Worli land parcel, the management is hopeful of taking a call soon on the nature of development but is more inclined for a residential project given the gap between capitalized office rents and residential realizations (INR3,600/sqft annual rent in office capitalized at 9% fetches ~40-45k/sqft vs. ~60-80k/sqft realization for residential project).
- A commercial project will be more lucrative if its gets higher FSI, which can compensate for the gap between residential and commercial realization.

Leasing status of existing office assets

- Due to a smaller floor plate and relatively aged building, the attractiveness of Commerz-I is marginally lower compared to other two office towers. Commerz-II has seen some good progress recently and management is confident about fully leasing it in FY24.
- **Rentals:** Rents at Goregaon office assets have remained steady without much escalation as the management is focused on occupancy and did not wanted to increase the rent, especially as 50% of Commerz-III is yet to be leased.

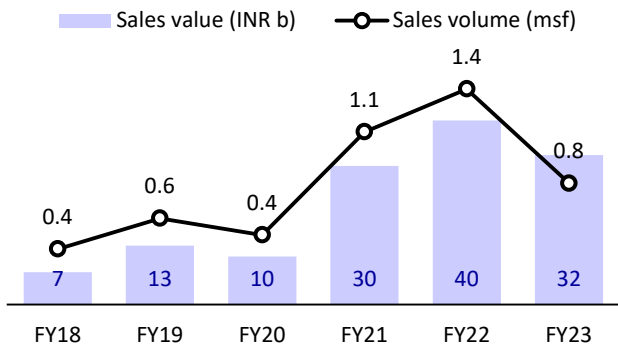
Exhibit 1: Based on SoTP, we arrive at NAV of INR414b or INR1,140/share, indicating 16% upside potential

NAV calculation	Rationale	INR b	Per share (INR)	(%)
Residential	❖ DCF of five years' cash flow at WACC of 11.3% and terminal value assuming 5% long-term growth	304	837	73%
Leasing – Offices and Malls	❖ Cap rate of 8.5% for operational assets and DCF for ongoing and planned assets	118	325	29%
Hospitality	❖ FY24E EBITDA at 17.5x EV/EBITDA	12	33	3%
Gross Asset Value		435	1196	105%
Less: Net Debt	❖ FY24 estimate	(20)	(56)	(5%)
Net Asset Value		414	1140	100%
CMP			984	
Up/down (%)				16%

Source: MOFSL, Company

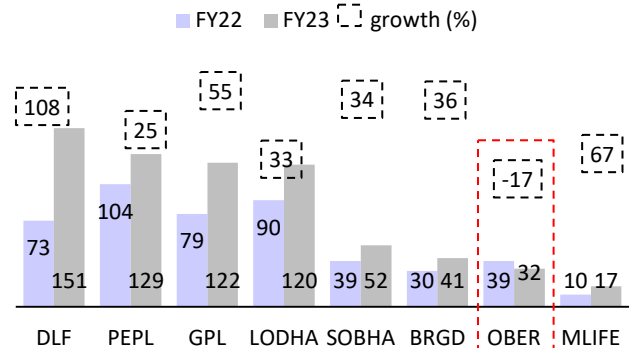
Story in Charts

Exhibit 1: Lack of new launches hurt sales in FY23...



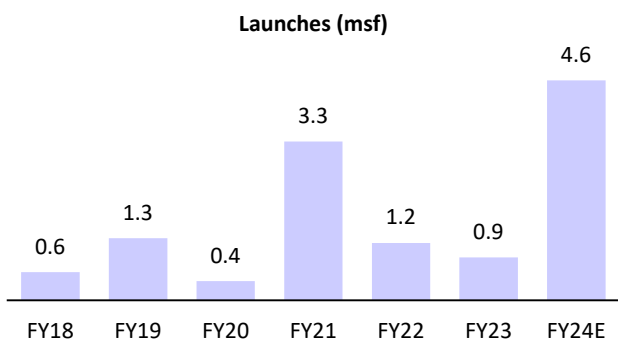
Source: Company, MOFSL

Exhibit 2: ...with OBER being the only company to register decline among coverage universe



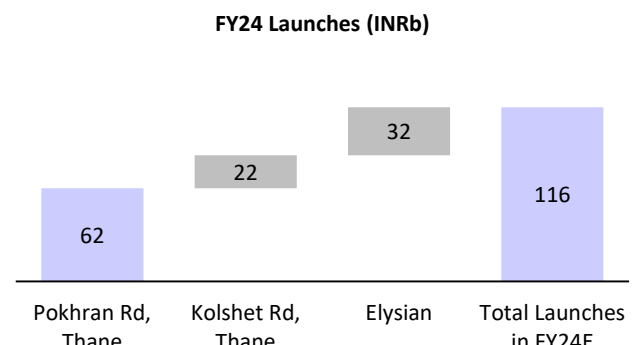
Source: Company, MOFSL

Exhibit 3: Despite strong pipeline, OBER could launch just ~1msf in FY23...



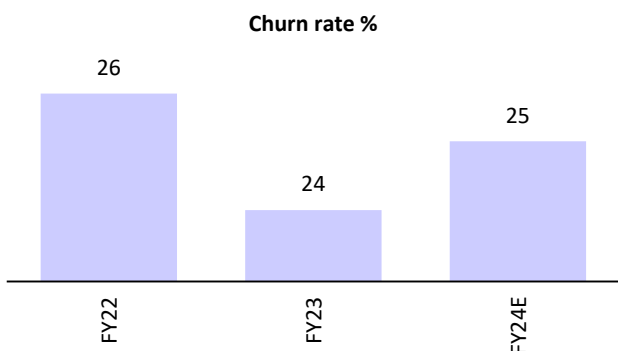
Source: Company, MOFSL

Exhibit 4: ...but can make up for relatively moderate performance, given strong launch plans in FY24



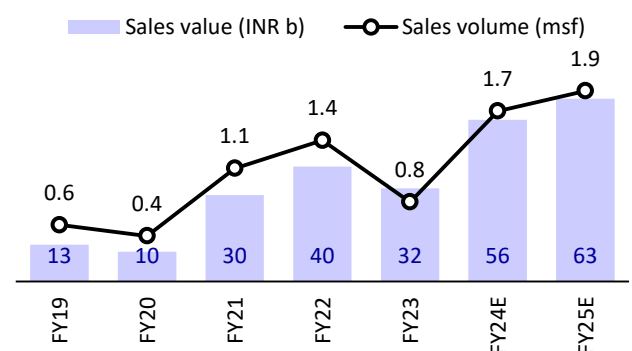
Source: Company, MOFSL

Exhibit 5: Expect inventory churn ratio to remain steady....



Source: Company, MOFSL

Exhibit 6:and deliver 73% YoY growth in pre-sales in FY24



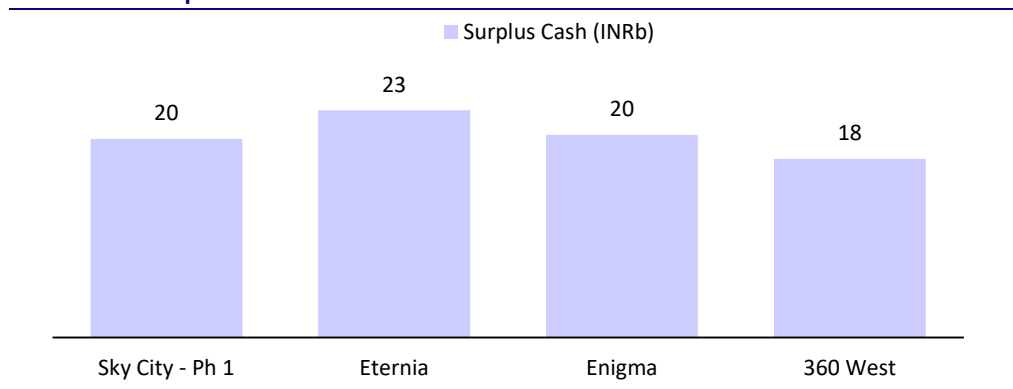
Source: Company, MOFSL

Exhibit 7: Overall, OBER has a pipeline of 20msf across four projects

Project	Pending area to be launched	Comment
Sky City	0.8	❖ Expects to launch the next phase at Sky-City in the next 12 months
Worli	0.0	❖ Still contemplating between residential and commercial projects at this site; Being adjacent to 360-West, the launch will only happen post FY24
Elysian	2.1	❖ Planning to launch another phase in 2HFY24
Pokhran Rd - Thane	15.0	❖ Looking to launch the first phase of Thane project by 3QFY24
Kolshet Rd - Thane	1.7	❖ Scheduled for a launch in 2HFY24
Total	20	

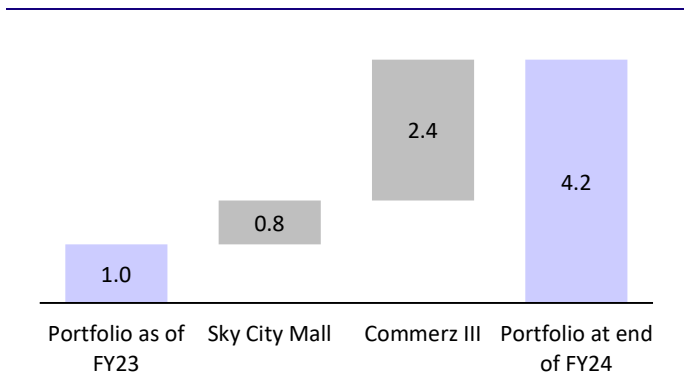
Source: MOFSL, Company

Exhibit 8: Completed projects can generate INR80b of surplus cash, enabling to accelerate business development



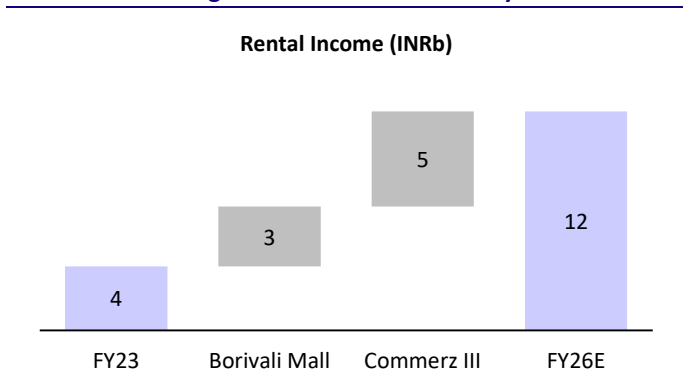
Source: Company, MOFSL

Exhibit 9: Commercial portfolio set to expand to 4.2msf by FY24...



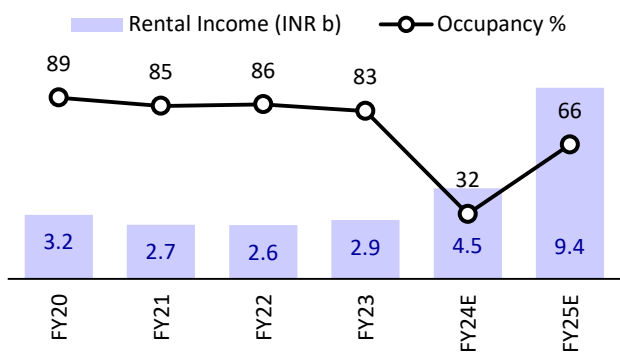
Source: Company, MOFSL

Exhibit 10:and generate INR12b income by FY26



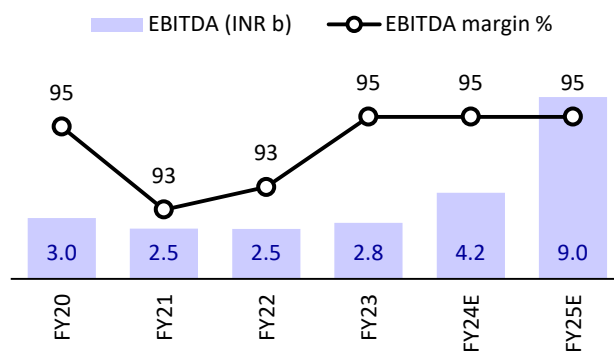
Source: Company, MOFSL

Exhibit 11: Expect rental income to rise by 3x over FY23-25



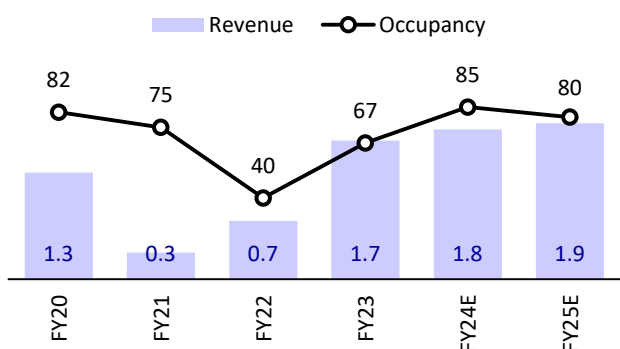
Source: MOFSL, Company

Exhibit 12: EBITDA margin to recover to 95%+



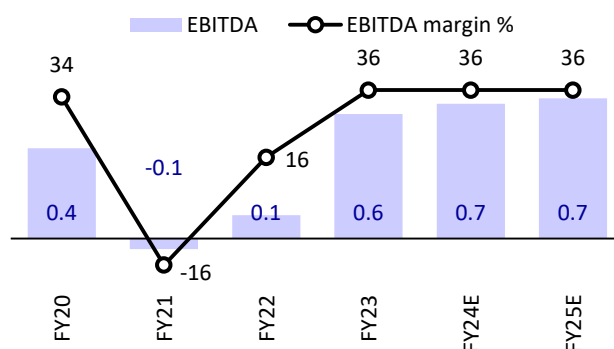
Source: MOFSL, Company

Exhibit 13: Steady occupancy and a gradual rise in ARR to support hospitality sales (INR b)



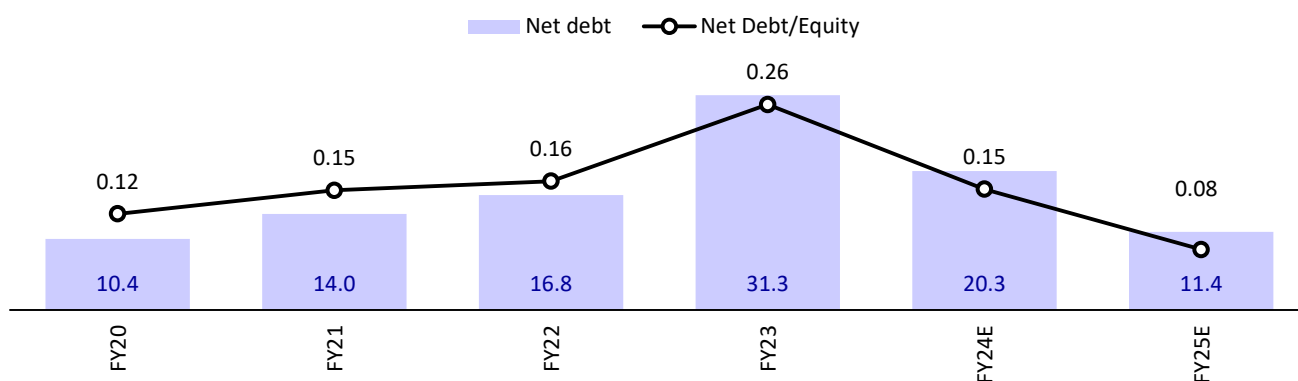
Source: Company, MOFSL

Exhibit 14: EBITDA margin to sustain at 35%+



Source: Company, MOFSL

Exhibit 15: Annual post-tax cash flow run-rate of INR15-30b over the next 3-4 years would enable OBER to retain its financial strength and focus on business development



Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	
Total Income from Operations	25,825	22,376	20,526	26,940	41,926	45,372	54,530	
Change (%)	104.1	-13.4	-8.3	31.2	55.6	8.2	20.2	
Total Expenditure	14,271	11,897	10,522	15,126	20,808	26,229	29,668	
As a percentage of Sales	55.3	53.2	51.3	56.1	49.6	57.8	54.4	
EBITDA	11,554	10,480	10,004	11,813	21,117	19,143	24,861	
Margin (%)	44.7	46.8	48.7	43.9	50.4	42.2	45.6	
Depreciation	440	449	412	398	398	1,132	1,862	
EBIT	11,113	10,031	9,592	11,416	20,720	18,011	22,999	
Int. and Finance Charges	194	885	760	860	1,691	1,722	1,222	
Other Income	856	484	380	585	1,006	1,044	1,036	
PBT bef. EO Exp.	11,776	9,630	9,212	11,140	20,036	17,333	22,813	
EO Items	0	0	0	0	0	0	0	
PBT after EO Exp.	11,776	9,630	9,212	11,140	20,036	17,333	22,813	
Total Tax	3,607	2,796	1,851	3,065	3,193	4,420	5,817	
Tax Rate (%)	30.6	29.0	20.1	27.5	15.9	25.5	25.5	
Minority Interest/Profit from JV	0	59	32	2,396	2,204	0	0	
Reported PAT	8,169	6,893	7,393	10,471	19,046	12,913	16,996	
Adjusted PAT	8,169	6,893	7,393	10,471	19,046	12,913	16,996	
Change (%)	78.1	-15.6	7.2	41.6	81.9	-32.2	31.6	
Margin (%)	31.6	30.8	36.0	38.9	45.4	28.5	31.2	

Consolidated Balance Sheet							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	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	1,18,465	1,30,651	1,46,919	
Net Worth	80,292	86,295	93,691	1,04,161	1,22,101	1,34,287	1,50,555	
Minority Interest	0	0	0	0	0	0	0	
Total Loans	8,361	11,439	15,338	28,555	39,441	29,441	19,441	
Deferred Tax Liabilities	260	284	348	247	155	155	155	
Capital Employed	88,912	98,018	1,09,378	1,32,964	1,61,697	1,63,882	1,70,151	
Gross Block	12,526	12,824	12,907	12,965	13,055	60,555	60,555	
Less: Accum. Deprn.	1,910	2,359	2,771	3,169	3,566	4,698	6,560	
Net Fixed Assets	10,616	10,465	10,136	9,796	9,488	55,857	53,994	
Goodwill on Consolidation	0	0	0	0	0	0	0	
Capital WIP	1,261	3,055	19,799	32,975	40,312	4,723	14,726	
Total Investments	29,378	24,062	16,196	26,794	7,027	7,027	7,027	
Curr. Assets, Loans, and Adv.	69,983	74,632	74,405	87,340	1,29,584	1,19,909	1,15,591	
Inventory	41,655	53,173	46,626	50,361	85,431	84,998	84,124	
Account Receivables	1,094	1,153	1,280	1,246	10,983	1,243	1,494	
Cash and Bank Balance	4,253	1,083	1,331	2,932	5,129	4,177	3,076	
Loans and Advances	22,981	19,223	25,168	32,802	28,040	29,492	26,897	
Curr. Liability and Prov.	22,325	14,196	11,158	23,942	24,713	23,633	21,187	
Account Payables	2,323	859	938	4,247	2,423	1,797	2,032	
Other Current Liabilities	19,974	13,294	10,194	19,108	21,817	21,778	19,085	
Provisions	28	43	26	587	474	58	70	
Net Current Assets	47,658	60,436	63,247	63,398	1,04,870	96,276	94,404	
Appl. of Funds	88,912	98,018	1,09,378	1,32,964	1,61,697	1,63,883	1,70,151	

Financials and valuations

Ratios							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)							
EPS	22.5	19.0	20.3	28.8	52.4	35.5	46.7
Cash EPS	23.7	20.2	21.5	29.9	53.5	38.6	51.9
BV/Share	220.8	237.3	257.7	286.5	335.8	369.3	414.1
DPS	2.3	2.3	0.0	3.0	2.0	2.0	2.0
Payout (%)	10.0	14.3	0.0	10.4	3.8	5.6	4.3
Valuation (x)							
P/E	42.6	50.5	47.1	33.3	18.4	27.2	20.7
Cash P/E	40.5	47.4	44.6	32.0	18.1	25.0	18.6
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	9.2	8.3	6.7
EV/EBITDA	30.5	34.2	36.2	31.7	18.3	19.7	14.8
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	-82.1	33.0	32.6
Return Ratios (%)							
RoE	11.6	8.3	8.2	10.6	16.8	10.1	11.9
RoCE	10.0	8.0	7.7	7.2	12.4	8.7	10.7
RoIC	14.8	11.5	10.8	11.6	19.4	10.4	11.7
Working Capital Ratios							
Fixed Asset Turnover (x)	2.1	1.7	1.6	2.1	3.2	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	0.3	0.2	0.1

Consolidated Cash Flow Statement							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	11,776	9,689	9,244	13,536	22,240	17,333	22,813
Depreciation	440	449	412	398	398	1,132	1,862
Interest and Finance Charges	-251	885	760	860	1,691	1,722	1,222
Direct Taxes Paid	-3,243	-2,221	-2,031	-2,911	-4,779	-4,420	-5,817
(Inc.)/Dec. in WC	-6,997	-11,205	-998	1,765	-40,226	7,641	772
CF from Operations	1,725	-2,404	7,387	13,648	-20,678	23,408	20,851
Others	-269	-416	-362	-2,961	-3,154	-1,044	-1,036
CF from Operations incl. EO	1,456	-2,820	7,025	10,687	-23,831	22,364	19,815
(Inc.)/Dec. in FA	-1,707	-2,261	-13,241	-13,241	-6,018	-10,361	-7,953
Free Cash Flow	-251	-5,081	-6,216	-2,554	-29,850	12,003	11,862
(Pur.)/Sale of Investments	0	5,863	39	171	342	0	0
Others	-5,053	-857	6,687	-829	24,616	1,044	1,036
CF from Investments	-6,760	2,745	-6,515	-13,900	18,941	-9,318	-6,917
Issue of Shares	11,827	0	0	0	0	0	0
Inc./(Dec.) in Debt	-1,103	-508	317	13,250	10,817	-10,000	-10,000
Interest Paid	-1,516	-1,711	-1,480	-1,628	-2,637	-3,272	-3,272
Dividend Paid	-819	-877	0	0	-1,091	-727	-727
Others	0	0	-1	-199	0	0	0
CF from Fin. Activity	8,389	-3,095	-1,164	11,422	7,088	-13,999	-13,999
Inc./Dec. in Cash	3,085	-3,169	-654	8,210	2,198	-953	-1,101
Opening Balance	1,167	4,253	1,985	1,331	2,932	5,129	4,177
Closing Balance	4,253	1,083	1,331	9,541	5,129	4,177	3,076

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances.

The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL); INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.