

Estimate change	↔
TP change	↓
Rating change	↔

Motilal Oswal values your support in the EXTEL POLL 2024 for India Research, Sales, Corporate Access and Trading team. We [request your ballot.](#)



Bloomberg	SOBHA IN
Equity Shares (m)	107
M.Cap.(INRb)/(USDb)	153.7 / 1.8
52-Week Range (INR)	2178 / 819
1, 6, 12 Rel. Per (%)	-5/-13/67
12M Avg Val (INR M)	698

Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	31.0	42.0	50.3
EBITDA	2.8	6.3	11.4
EBITDA (%)	8.9	15.0	22.7
PAT	0.5	3.4	7.1
EPS (INR)	5.2	33.6	70.8
EPS Gr. (%)	-52.1	549.7	110.5
BV/Sh. (INR)	265.1	377.5	445.4

Ratios

Net D/E	0.5	(0.3)	(0.2)
RoE (%)	2.0	10.7	17.2
RoCE (%)	4.7	9.4	14.4
Payout (%)	61.6	8.9	4.2

Valuations

P/E (x)	296	46	22
P/BV (x)	6	4	3
EV/EBITDA (x)	57	23	13
Div Yield (%)	0.2	0.2	0.2

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	52.8	52.3	52.3
DII	23.4	18.6	15.0
FII	10.9	11.5	11.2
Others	12.9	17.7	21.6

CMP: INR1,534 **TP: INR2,213 (+44%)** **Buy**

Landbank rationalization; pipeline provides healthy visibility

Best ever quarter for Kerala

- Sobha Ltd (SOBHA) reported bookings of INR11.8b (41% below estimate) in 2QFY25, down 32%/ 37% YoY/QoQ. The decline in performance was due to slower sales in recently launched projects. SOBHA has launched new projects with a total area of 0.5msf.
- Total volume for the quarter stood at 0.9msf, down 45%/21% YoY/QoQ. However, the realizations improved 24% YoY while declining 41% QoQ to INR12,675/sft as Gurgaon's contribution declined in 2QFY25.
- Kerala contributed 30% (the highest ever) to the quarterly sales value with INR3.4b, while Bangalore regained its top spot with 52% contribution for the quarter.
- In line with its strategy to accelerate the monetization of the existing pipeline, SOBHA has consistently scaled up its launches since 3QFY24, which led to a 9msf inventory at ongoing projects (vs 3.6msf in 2QFY24). The overall pipeline (incl. inventory) stood at 30msf in 2QFY25 (vs 28msf in 1QFY25), thus providing healthy growth visibility.
- Total collections were down 3% YoY to INR12b, which led to a 19% YoY decline in OCF to INR2b. The company increased spending on land to INR1.7b. The company utilized surplus cash flows along with rights issue cash to repay debt, which decreased to INR2.8b or 0.08x net D/E.
- **P&L performance** – Revenue was up 26% YoY to INR9.4b (36% lower than our estimate), with 80% contribution from the real estate segment, which came in at INR7.8b. The company delivered 0.9msf in 2QFY25. EBITDA was up 8% YoY to INR0.8b, with a margin of 8.3% (vs 8.7% in 1QFY25). The margin in both residential and contractual segments remained subdued, which impacted the overall profitability. Adj. PAT stood at INR261m, up 75% YoY.
- For 1HFY25, the company reported INR15.7b revenue, which was a 5% decline and 37% of our FY25E. EBITDA came in at INR1.3b, which was a 6% decline YoY, while the margin stood at 8.5%. Adj. PAT came in at INR321m, up 19% YoY.

Highlights from the management commentary

- **Launches and guidance:** SOBHA intends to launch one project in Bangalore (1.1msf), for which it has already received approval in 3QFY25, while Town Park (3.5msf) and another 0.7msf project awaits approval, which is expected in one to three months. In 2HFY25, the company expects to launch 5.5msf, taking the yearly launches to ~9msf across four projects in Bangalore and thereby retaining its pre-sales guidance of INR85b. Further, the company plans to launch 10msf in FY26.

- **New markets:** SOBHA entered Greater Noida with 3.6 acres of land through auction and has 0.7msf of development potential, which will allow the company to navigate the full project cycle from acquisition to launch and then delivery. The company is pursuing multiple opportunities in this area.
- SOBHA now intends to foray into Mumbai using a calibrated approach. Unlike other cities, Mumbai offers a range of opportunities across segments, and the management intends to build a strong presence in the city over the long term.
- **Margins:** Sales generated since FY23 have a project-level EBITDA of 30%+ and will be reflected in P&L as these projects get delivered. Lower-margin projects along with front loading of overheads on new projects are adversely impacting current profitability. The P&L will gradually improve from FY26 onwards.

Valuation and view

- SOBHA continues to provide strong growth visibility by unlocking its vast land reserves. Additionally, the ongoing fund raise and strong cash flows will enable the company to focus on new land acquisitions, which will further enhance its growth pipeline.
- We incorporate the updated launch pipeline and new projects acquired during the year. The ongoing and upcoming projects are likely to generate INR150b of gross cash flows and value the same at INR95b.
- SOBHA's ~190msf of balance land reserve is valued at INR90b, assuming 25-75 years of monetization. The company trades at 8.5x FY25E EV/EBITDA (based on FY25E pre-sales), which is at a 15-30% discount to its comparable peers (PEPL, GPL, MLDL, and Sunteck).
- **We reiterate our BUY rating on the stock with an unchanged TP of INR2,213, indicating a 44% upside potential.**

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	
Net Sales	9,079	7,412	6,849	7,629	6,404	9,336	10,918	15,334	30,969	41,991	10,078	-7%
YoY Change (%)	60.8	11.1	-21.1	-36.9	-29.5	25.9	59.4	101.0			36.0	
Total Expenditure	8,425	6,658	6,108	7,008	5,845	8,565	9,280	12,003	28,199	35,693	8,827	
EBITDA	654	754	741	621	559	771	1,638	3,331	2,770	6,299	1,251	-38%
Margins (%)	7.2	10.2	10.8	8.1	8.7	8.3	15.0	21.7	8.9	15.0	12.4	-416bps
Depreciation	183	193	201	205	204	232	225	205	782	867	208	
Interest	611	639	614	590	539	494	469	440	2,455	1,942	512	
Other Income	313	324	288	284	295	317	331	697	1,209	1,640	373	
PBT before EO expense	173	247	214	109	111	362	1,275	3,382	742	5,130	904	-60%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	173	247	214	109	111	362	1,275	3,382	742	5,130	904	-60%
Tax	52	97	63	39	50	101	431	1,153	251	1,736	306	
Rate (%)	30.2	39.4	29.4	35.5	45.4	28.0	33.8	34.1	33.8	33.8	33.8	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	121	149	151	70	61	261	843	2,230	491	3,395	598	-56%
Adj PAT	121	149	151	70	61	261	843	2,230	491	3,395	598	
YoY Change (%)	168.3	-22.2	-52.6	-85.5	-49.8	74.6	459.3	3,071.1	-52.9	591.1	300.1	
Margins (%)	1.3	2.0	2.2	0.9	0.9	2.8	7.7	14.5	1.6	8.1	5.9	
Key metrics												
Sale Volume (msf)	1.4	1.7	1.7	1.3	1.2	0.9	2.0	3.0	5.5	7.1	1.8	-48%
Sale Value (INRb)	14.6	17.2	19.5	15.0	18.7	11.8	22.0	32.7	66.4	85.2	20.0	-41%
Collections (INRb)	11.5	12.6	12.9	13.3	13.9	12.2	17.0	23.3	50.3	66.4	16.0	
Realization (INR/sft)	10,537	10,224	11,735	11,230	15,879	12,673	11,000	10,816	12,128	11,948	11,111	14%

Source: MOFSL, Company

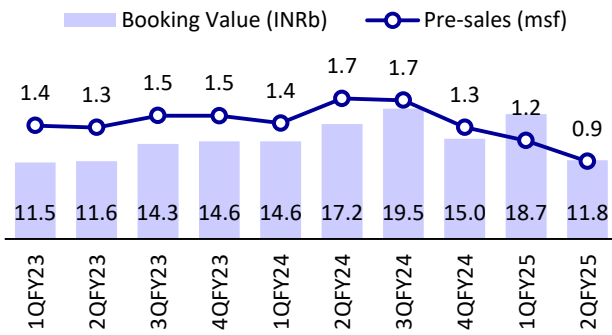


Key highlights from the management commentary

- SOBHA has a robust pipeline of 19.29msf across 18 residential projects in eight cities and a commercial pipeline of 1.19msf across four projects spread in all cities, scheduled for launch in the next six to eight quarters.
- In 2HFY25, the company expects to launch 5.5msf, taking the yearly launches to ~9msf across four projects in Bangalore. It also plans to launch 10msf in FY26.
- The company's immediate launches for 2HFY25 include a mix of 1/2/3/4bhk. Hence, the pace of sales is expected to improve in the coming quarters.
- The management has retained its pre-sales guidance of INR85b for FY25 and the company expects to launch all its intended projects provided approvals are received on time.
- Rights issue will be utilized toward the repayment of certain borrowings, project-related expenses, the payment per page, and strategic land acquisition.
- The company has spent INR3.27b in land outflow for H1FY25 compared to INR1.1b in H1FY24, which is aligned with its growth and expansion plan.
- Due to rights issue, the company's net debt reduced to INR2.8b and net D/E stood at 0.08x, while the borrowing cost remained steady at 9.45%.
- SOBHA intends to launch one project in Bangalore (1.1msf), for which it has already received approval in 3QFY25, while the Town Park (3.5msf) and another 0.7msf project awaits approval, which is expected in one to three months.
- SOBHA has entered Greater Noida with a small parcel, which will allow it to understand the full project cycle from acquisition to launch and then delivery. The company is pursuing multiple opportunities in this area.
- For Gurgaon, the company has three projects in the pipeline, which will be brought to the market in FY26.
- Except 20.8msf, the company has 26.3msf of demarked projects, on which it will start the approval process, and 1,878 acres of land bank.
- From the 1,878 acres of the land bank, 180 acres of land in Hosur is well-suited for plotted development.
- Moreover, the company plans to use ~100 acres from the land bank to ramp up its manufacturing business as well as some part for plotted development.
- In the contract and manufacturing business, civil and glazing witnessed a contraction in margins while others, such as electric, plumbing, interior, and concrete, experienced an expansion. The margins for the contract & manufacturing business are expected to expand from FY26.
- In the long run, the company intends to achieve +20% margin at operating level while for the residential business, it intends to achieve 22-25%.
- The management opines that demand is getting steady instead of continuously increasing.
- The company is comfortable keeping gross debt levels to INR15b, while net debt is lower due to rights issue and will move up as the company deploys it in the next two years.

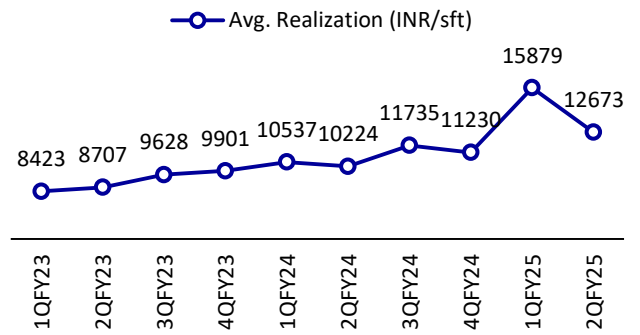
Key exhibits

Exhibit 1: SOBHA reported sales of INR0.9b, a 45% YoY decline



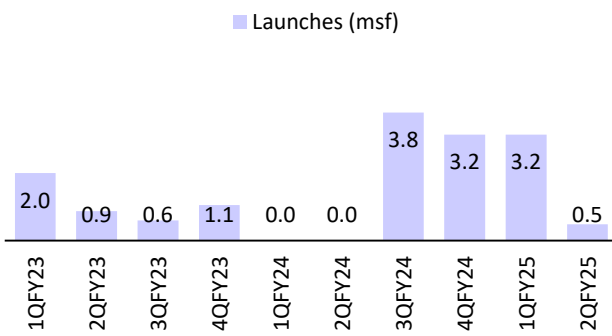
Source: Company, MOFSL

Exhibit 2: Realization declined as Gurugram's contribution was lower



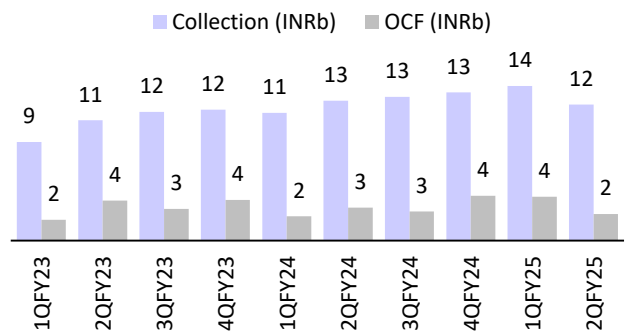
Source: Company, MOFSL

Exhibit 3: Approval delay resulted in lower launches in 2QFY25



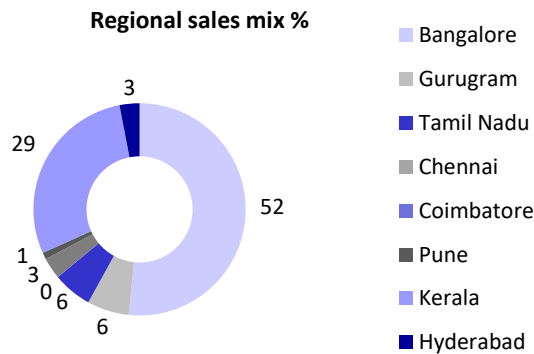
Source: MOFSL, Company

Exhibit 4: Residential collections affected by lower launches, declined 3% YoY, and OCF stood at INR2b



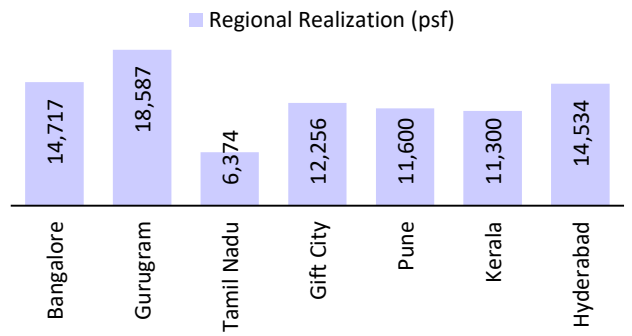
Source: MOFSL, Company

Exhibit 5: Kerala had the highest share in total bookings



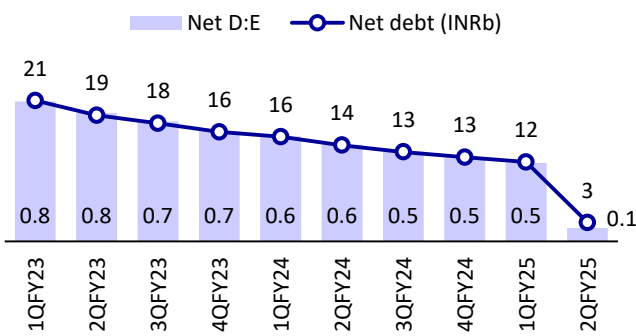
Source: Company, MOFSL

Exhibit 6: Realization/sft in SOBHA's key markets



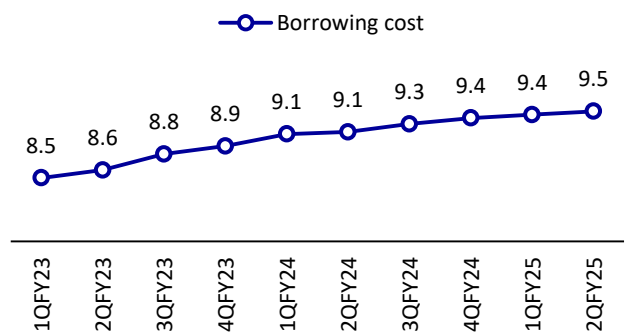
Source: Company, MOFSL

Exhibit 7: Net debt declined due to rights issue money



Source: MOFSL, Company

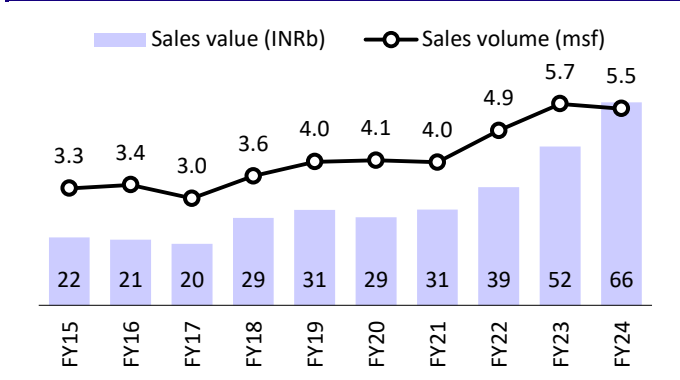
Exhibit 8: Cost of debt stood at 9.5%



Source: MOFSL, Company

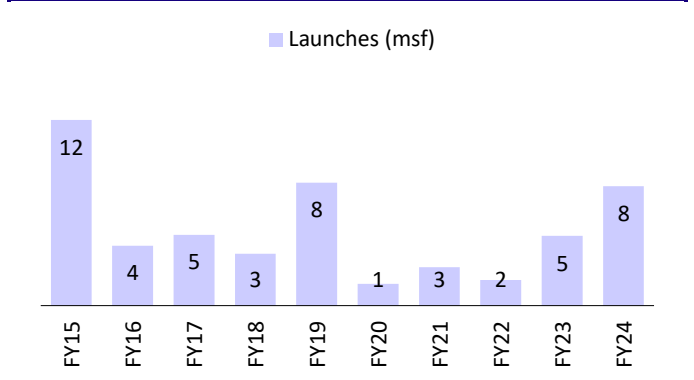
Story in charts

Exhibit 1: Sales have improved sharply over the last three years



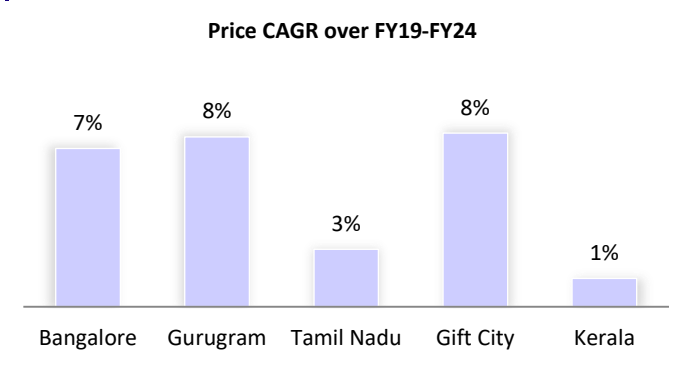
Source: Company, MOFSL

Exhibit 2: SOBHA has witnessed a gradual increase in new launches since FY20



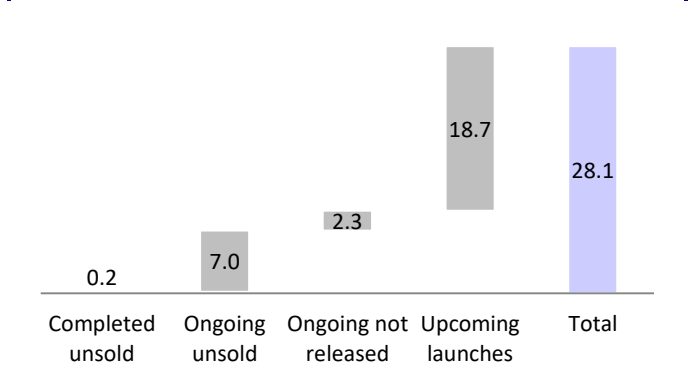
Source: Company, MOFSL

Exhibit 3: Healthy price growth witnessed across markets



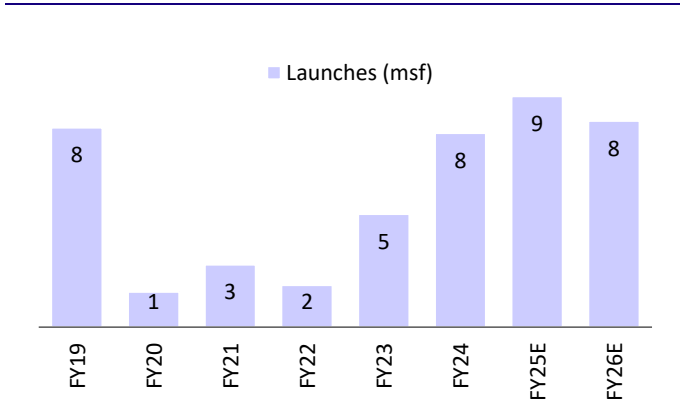
Source: MOFSL, Company

Exhibit 4: SOBHA has a pipeline of 28msf (incl. 7msf of inventory) and is working on an additional 20msf from its captive land



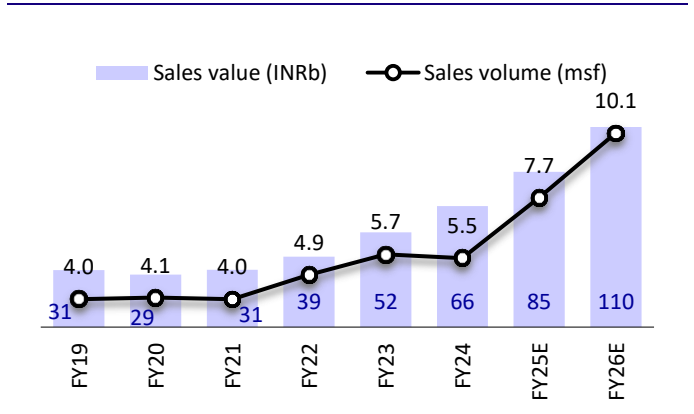
Source: MOFSL, Company

Exhibit 5: Expect SOBHA to release 8-10msf annually over the next two to three years



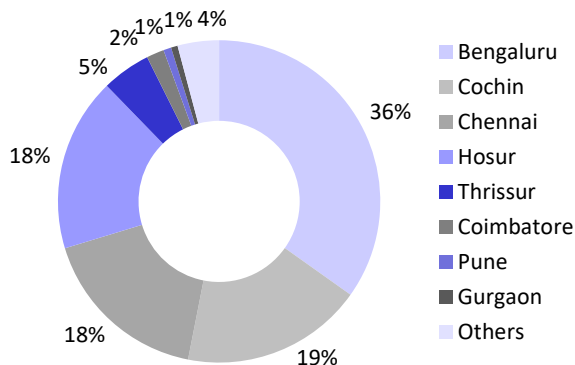
Source: Company, MOFSL

Exhibit 6: Pre-sales can increase to over INR100b by FY26



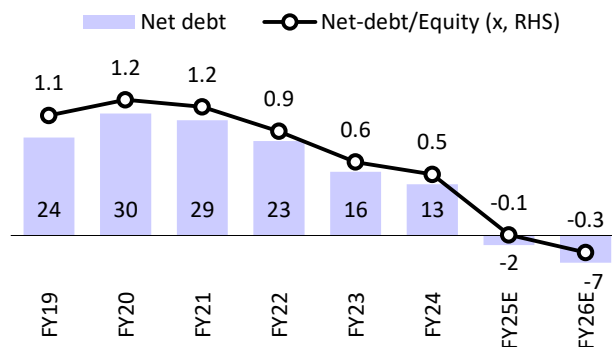
Source: Company, MOFSL

Exhibit 7: SOBHA owns large land parcels in key markets such as Bengaluru, Kochi, Chennai, and Hosur



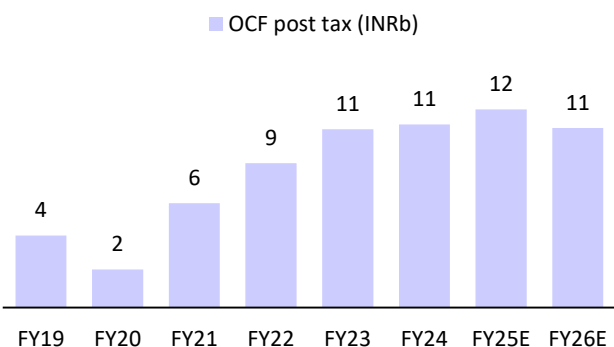
Source: Company, MOFSL

Exhibit 8: Net cash in FY25 due to rights issue cash



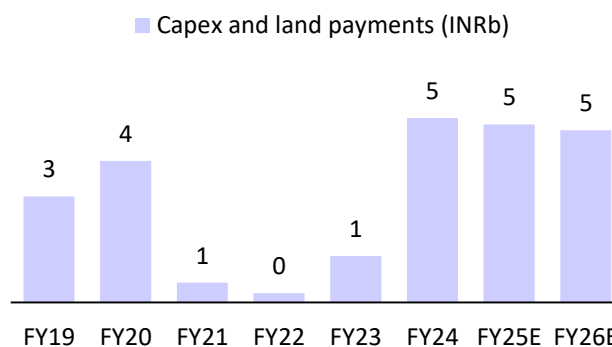
Source: Company, MOFSL

Exhibit 9: SOBHA to generate an OCF of INR12b in FY25



Source: Company, MOFSL

Exhibit 10: Spending on lands may increase to INR3-4b/year



Source: Company, MOFSL

Exhibit 11: Our earnings revisions

(INR b)	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	42	50	42	50	0%	0%
EBITDA	6	11	6	11	0%	0%
Adj. PAT	3	7	3	7	0%	0%
Pre-sales	85	110	85	110	0%	0%
Collections	66	76	66	76	0%	0%

Source: MOFSL, Company

Valuation and view

- We value SOBHA based on our SoTP approach, wherein:
 - its ongoing inventory and the upcoming pipeline are valued using NAV, with expected cash flow discounted over the next four to six years at a WACC of 11.2%.
 - cash flow potential of its 190msf land bank is discounted at a WACC of 11.2% over 20-75 years, assuming marginal expansion in existing sales velocity across markets that the company is exposed to.
 - operational commercial projects are valued at an 8.5% cap rate on FY24E EBITDA and ongoing projects on a DCF basis.
 - SOBHA's contractual business is valued at an EV/EBITDA of 10x on FY24E EBITDA.

Based on the above approach, we arrive at a GAV of INR221b. Adding net cash of INR2b for FY25E, we derive a NAV of INR223b, or INR2,213/share, indicating a potential upside of 44%.

Exhibit 12: Our SoTP-based approach denotes 44% upside for SOBHA based on CMP; reiterate BUY

NAV summary	Description	INR b	Per share	As a percentage of NAV (%)
Ongoing projects	❖ INR80b of net cash surplus, excluding overheads discounted at a WACC of 11.2% over the next four years	47	465	21
Upcoming projects	❖ Around 20msf of unreleased, ongoing, and upcoming pipeline discounted over five years at a WACC of 11.2%	49	488	22
Value of ongoing and upcoming projects			96	952
Commercial properties	❖ Operational assets valued at a cap rate of 8% and ongoing projects through DCF	9	88	4
Land bank (net of cost payable)	❖ Cash flow potential from 195msf land bank discounted at WACC of 11.3% over 25-75 years, depending on the size of the land parcel	101	1,000	45
Contractual and manufacturing	❖ FY26E EBITDA at an EV/EBITDA of 5x	15	149	7
Gross asset value		221	2,190	99
Net debt	❖ FY25E net debt	2	23	1
Net asset value		223	2,213	100
Shares outstanding		100.9		
Target Price		2,213		
CMP		1,532		
Upside		44%		

Source: MOFSL

Financials and Valuation

Consolidated Profit & Loss

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	21,098	25,613	33,101	30,969	41,991	50,333	58,105
Change (%)	-43.8	21.4	29.2	-6.4	35.6	19.9	15.4
Project Cost & Subcontractor Charges	9,281	14,129	21,022	19,048	26,035	27,683	31,958
Employees Cost	1,771	2,512	2,945	3,526	3,359	3,695	4,065
Other Expenses	3,294	3,644	5,440	5,625	6,299	7,550	8,716
Total Expenditure	14,346	20,285	29,407	28,199	35,693	38,929	44,739
% of Sales	68.0	79.2	88.8	91.1	85.0	77.3	77.0
EBITDA	6,752	5,328	3,694	2,770	6,299	11,405	13,367
Margin (%)	32.0	20.8	11.2	8.9	15.0	22.7	23.0
Depreciation	794	719	678	782	867	899	931
EBIT	5,958	4,609	3,016	1,988	5,432	10,506	12,436
Int. and Finance Charges	6,012	3,083	2,490	2,455	1,942	1,674	1,407
Other Income	807	840	923	1,209	1,640	1,966	2,269
PBT bef. EO Exp.	752	2,366	1,449	742	5,130	10,797	13,298
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	752	2,366	1,449	742	5,130	10,797	13,298
Total Tax	129	634	407	251	1,736	3,653	4,499
Tax Rate (%)	17.2	26.8	28.1	33.8	33.8	33.8	33.8
Minority Interest	0	0	0	0	0	0	0
Reported PAT	623	1,732	1,042	491	3,395	7,144	8,799
Adjusted PAT	623	1,732	1,042	491	3,395	7,144	8,799
Change (%)	-77.9	177.8	-39.8	-52.9	591.2	110.5	23.2
Margin (%)	3.0	6.8	3.1	1.6	8.1	14.2	15.1

Consolidated Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	949	949	948	948	1,009	1,009	1,009
Total Reserves	23,329	24,157	23,998	24,192	37,085	43,927	52,424
Net Worth	24,277	25,106	24,947	25,141	38,094	44,936	53,433
Minority Interest	0	0	0	0	0	0	0
Total Loans	30,031	24,630	20,268	19,397	16,897	14,397	11,897
Deferred Tax Liabilities	342	151	126	149	-26	-3,248	-626
Capital Employed	54,650	49,887	45,341	44,687	54,965	56,085	64,704
Gross Block	11,892	12,384	12,488	14,961	15,447	16,086	16,585
Less: Accum. Deprn.	3,558	4,277	4,955	5,737	6,604	7,502	8,433
Net Fixed Assets	8,334	8,107	7,533	9,224	8,843	8,584	8,151
Goodwill on Consolidation	0	0	172	172	172	172	172
Capital WIP	701	65	86	122	413	392	263
Total Investments	1,143	1,149	1,149	1,149	1,149	1,149	1,149
Curr. Assets, Loans&Adv.	1,01,924	1,04,779	1,15,721	1,26,298	1,41,808	1,44,656	1,55,784
Inventory	71,246	74,271	87,610	93,764	91,921	90,656	1,04,186
Account Receivables	2,361	4,069	2,375	2,039	2,876	2,758	3,184
Cash and Bank Balance	2,041	1,783	4,514	6,733	28,115	23,559	16,457
Loans and Advances	26,275	24,656	21,222	23,762	18,896	27,683	31,958
Curr. Liability & Prov.	57,452	64,214	80,542	92,277	97,420	98,868	1,00,816
Account Payables	7,318	6,753	5,987	6,165	10,757	11,732	13,483
Other Current Liabilities	49,844	57,131	74,123	85,643	86,028	86,374	86,454
Provisions	290	330	432	469	635	762	879
Net Current Assets	44,473	40,565	36,574	34,021	44,389	45,788	54,968
Misc Expenditure	0	0	0	0	0	0	0
Appl. of Funds	54,650	49,886	45,513	44,687	54,965	56,085	64,704

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	6.5	18.0	10.8	5.2	33.6	70.8	87.2
Cash EPS	14.7	25.4	17.9	13.4	42.2	79.7	96.4
BV/Share	252.1	260.7	259.0	265.1	377.5	445.4	529.6
DPS	7.0	3.5	3.2	3.2	3.0	3.0	3.0
Payout (%)	106.5	19.2	29.0	61.6	8.9	4.2	3.4
Valuation (x)							
P/E	236.7	85.2	141.6	295.9	45.5	21.6	17.6
Cash P/E	104.1	60.2	85.8	114.1	36.3	19.2	15.9
P/BV	6.1	5.9	5.9	5.8	4.1	3.4	2.9
EV/Sales	8.2	6.6	4.9	5.1	3.4	2.9	2.6
EV/EBITDA	25.7	31.6	43.6	57.0	22.8	12.8	11.2
Dividend Yield (%)	0.5	0.2	0.2	0.2	0.2	0.2	0.2
FCF per share	60.3	99.7	108.3	55.2	141.1	-23.7	-51.9
Return Ratios (%)							
RoE	2.6	7.0	4.2	2.0	10.7	17.2	17.9
RoCE	10.2	7.7	6.0	4.7	9.4	14.4	15.6
RoIC	9.4	6.9	5.0	3.4	11.6	24.7	21.1
Working Capital Ratios							
Fixed Asset Turnover (x)	1.8	2.1	2.7	2.1	2.7	3.1	3.5
Asset Turnover (x)	0.4	0.5	0.7	0.7	0.8	0.9	0.9
Inventory (Days)	1,233	1,058	966	1,105	799	657	654
Debtor (Days)	41	58	26	24	25	20	20
Creditor (Days)	127	96	66	73	94	85	85
Leverage Ratio (x)							
Current Ratio	1.8	1.6	1.4	1.4	1.5	1.5	1.5
Interest Cover Ratio	1.0	1.5	1.2	0.8	2.8	6.3	8.8
Net Debt/Equity	1.2	0.9	0.6	0.5	-0.3	-0.2	-0.1

Consolidated Cash flow

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	752	2,366	1,449	742	5,130	10,797	13,298
Depreciation	652	719	678	782	867	899	931
Interest & Finance Charges	6,012	7,497	2,490	2,455	1,942	1,674	1,407
Direct Taxes Paid	-266	-515	-679	-772	-1,911	-6,876	-1,876
(Inc)/Dec in WC	-789	-409	7,635	3,980	10,630	-6,303	-16,362
CF from Operations	6,361	9,658	11,573	7,188	16,658	192	-2,602
Others	-231	-661	-71	-713	-1,640	-1,966	-2,269
CF from Operating incl EO	6,130	8,997	11,502	6,474	15,018	-1,774	-4,871
(Inc)/Dec in FA	-414	461	-1,234	-1,237	-777	-618	-370
Free Cash Flow	5,716	9,458	10,268	5,238	14,242	-2,392	-5,241
(Pur)/Sale of Investments	0	-6	-1,327	-3,875	0	0	0
Others	82	-85	192	363	1,640	1,966	2,269
CF from Investments	-332	370	-2,369	-4,749	863	1,347	1,899
Issue of Shares	0	0	0	0	9,897	0	0
Inc/(Dec) in Debt	-756	-5,595	-5,198	-974	-2,500	-2,500	-2,500
Interest Paid	-3,391	-2,916	-2,247	-2,123	-1,593	-1,328	-1,328
Dividend Paid	-664	-332	-303	-285	-303	-303	-303
Others	-23	0	0	0	0	0	0
CF from Fin. Activity	-4,834	-8,843	-7,748	-3,382	5,501	-4,130	-4,130
Inc/Dec of Cash	964	524	1,385	-1,657	21,383	-4,557	-7,102
Opening Balance	1,078	2,042	3,111	8,390	6,733	28,115	23,559
Closing Balance	2,042	2,566	4,496	6,733	28,115	23,559	16,457

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

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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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.

This report is meant for the clients of Motilal Oswal only.

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/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH00000412 . 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.