Mahindra Lifespace Developers

New launches and strong sales velocity to drive growth…

Mahindra Lifespace Developers (MLF) is the Real Estate company of Mahindra group. The company benefits from the strong pedigree, brand name, trust and reputation of the Mahindra group. We also believe that over last few years, the company has shaped and executed its business strategy very well, positioning it for strong revenue and earnings growth, as well as market share gains over the coming years.

Speedy execution & even speedier sales: The company has diversified its portfolio well by taking-up multiple small to mid-sized residential projects across multiple cities (currently 11 projects are under implementation in cities like, Chennai, Delhi NCR, Nagpur, Pune, Hyderabad, Bangalore, Mumbai). The company's project-wise data shows that it has maintained a consistent and relatively fast completion of the projects (4-4.5 years in Mumbai, other-wise 3-3.5 years across other cities), compared to other listed/ unlisted developers. More positively, the sales cycle has in 83% of the projects been even faster than execution cycle, contrary to industry trends. Even in a market like Delhi NCR, the company's Luminare P-I project has sold 73% since 6 quarters of launch, ahead of completed 41%. This strategy of fast execution and sales in our view is the optimal strategy, as it helps the company in revenue recognition, inventory cycle (better than Oberoi, DLF), cash flows and profitability. Even more importantly, it helps in consolidation of the company's brand image and create virtuous cycle of continuous fast growth and translate to market share gains.

Strong revenue growth visibility in short-to-long run: MLF as of 1QFY2017 is pursuing sale of ~4.0mn sq. ft. of total ~20.3mn sq. ft. of its saleable area. Having sold ~56% of the ongoing projects, we expect MLF to launch 1.48mn sq.ft. of saleable area (includes, Banerghatta project- 0.23 mn sq.ft., Vivante project- 0.23 mn sq.ft., Palghar project- 0.36 mn sq.ft.) in a rational way during 3QFY2017-2QFY2018E, across 4 cities. Maturity from existing projects, new launches give better revenue visibility for the medium-term. We expect MLF to report an impressive 25.5% consol. adj. sales CAGR during FY2016-18E to ₹1,300cr. In line with the top-line growth, given the unlevered balance sheet, we expect consol. profits to grow to ₹147cr in FY2018E. Further, MLF is sitting on a land bank of 11.4mn sq.ft across 3 cities (majorly from Chennai), which allays any concern over the long-term revenue growth visibility. Further, in our view, over longer-term organized, professional run and well funded players which enjoy strong trust due to reliable and fast execution strategy, will gain market share. This would be further amplified once the real estate bill is implemented, as players with already good business practices like MLF would stand to gain the most.

Attractive valuations: Given the ongoing improvement in company's fundamentals, strong earnings growth visibility and the long-term growth outlook, we believe at current valuations of 1.0x FY2018E P/BV, MLF stock looks attractive. **We initiate coverage on MLF with a BUY recommendation and target price of ₹522.**

Key Financials

Y/E Mar (₹ cr)	FY13	FY14	FY15	FY16	FY17E	FY18E
Net Sales	738	705	1,086	826	1,152	1,300
% chg	*5.3*	*(4.5)*	*54.0*	*(23.9)*	*39.5*	*12.8*
Net Profit	141	101	266	93	123	147
% chg	*18.7*	*(28.8)*	*164.5*	*(65.0)*	*31.8*	*19.9*
EBITDA (%)	32.8	24.1	39.1	20.1	22.7	24.6
EPS (₹)	35	25	65	23	29.9	35.8
P/E (x)	12.5	17.5	6.7	19.0	14.4	12.1
P/BV (x)	1.4	1.4	1.2	1.1	1.1	1.0
RoE (%)	10.9	7.9	19.5	6.1	7.6	8.6
RoCE (%)	11.4	6.5	15.3	5.1	8.1	10.0
EV/Sales (x)	3.5	4.4	2.7	3.7	2.2	1.9
EV/EBITDA (x)	10.7	18.2	6.9	18.6	9.9	7.7

Source: Company, Angel Research; CMP as of August 22, 2016

BUY

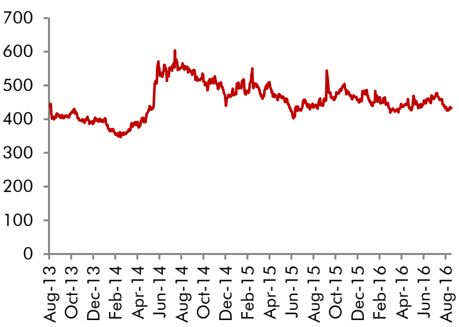
CMP	₹432
Target Price	₹522
Investment Period	12 Months

Stock Info	
Sector	Real Estate
Market Cap (₹ cr)	1,773
Net debt (₹ cr)	1,325
Beta	0.4
52 Week High / Low	559/415
Avg. Daily Volume	16,422
Face Value (₹)	10
BSE Sensex	27,986
Nifty	8,629
Reuters Code	MALD.BO
Bloomberg Code	MLIFE IN

Shareholding Pattern (%)	
Promoters	50.8
MF / Banks / Indian Fls	1.2
FII / NRIs / OCBs	25.6
Indian Public / Others	22.4

Abs. (%)	3m	1yr	3yr
Sensex	3.6	8.7	51.1
Mahindra Lifespace	(5.4)	0.2	(1.5)

3-Year Daily price chart



Source: Company, Angel Research

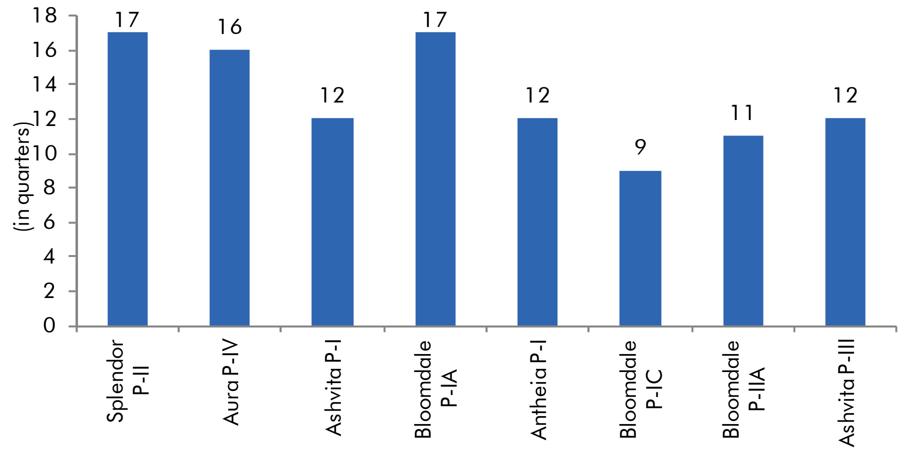
Yellapu Santosh
022 – 3935 7800 Ext: 6811
santosh.yellapu@angelbroking.com

Investment Rationale

Focus on sales and project execution velocity

MLF unlike its peers does not pursue the strategy of building land banks. Most developers execute a project in 8-10 years; they block their capital for long periods and look to benefit from an appreciation in property prices. Instead, MLF looks to buy a land parcel, get fast approvals and execute the entire project in 3-5 years. MLF is able to drive sales velocity by (1) leveraging on the strong brand value of the parent, (2) implementing attractive pricing strategies (most of the times, pricing is at par with competitors in nearby areas), and (3) purchasing relatively smaller land parcels of ~0.5/1.0mn sq.ft. and launching them in a phased manner.

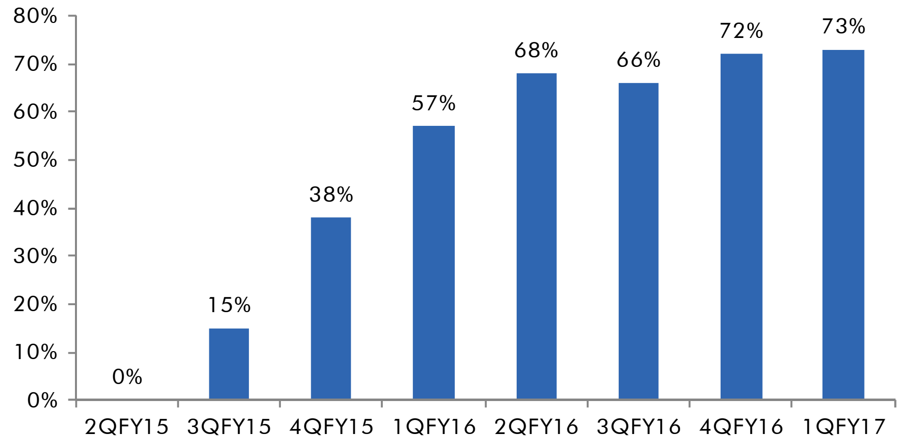
Exhibit 1: Faster sales churn



Source: Company, Angel Research; Note: Exc. time period from land parcel acquisition to getting approvals, which in our view could stretch the project by another 1-2 years.

The table above clearly highlights that MLF has been able to deliver projects in 3-5 years. What impresses us is that 2 phases of the completed projects were from inventory overhang markets like Delhi NCR/Mumbai, which got completed in ~16/17 quarters time, respectively. Luminare P-I, their ongoing project in Delhi has already reported 73% of sales in the 7 quarters since launch.

Exhibit 2: Luminare P-I (% sold)

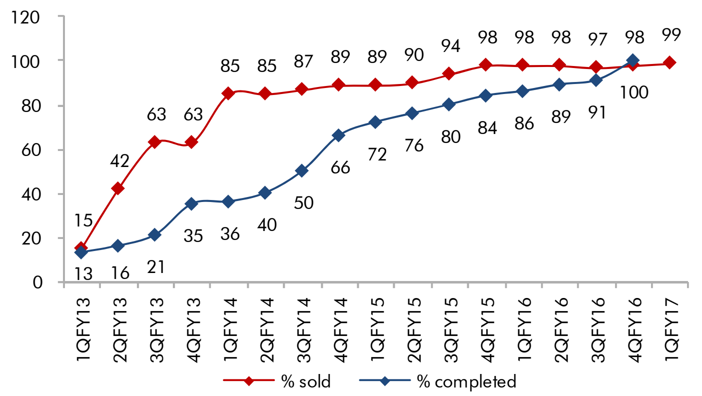


Source: Company, Angel Research

In line with the sales booking cycle, MLF unlike some of its peers, also focuses on prompt execution of its projects. The company usually executes the project with a lag of just 4-5 quarters of sales booking, which allows it in following an optimal cash flow cycle.

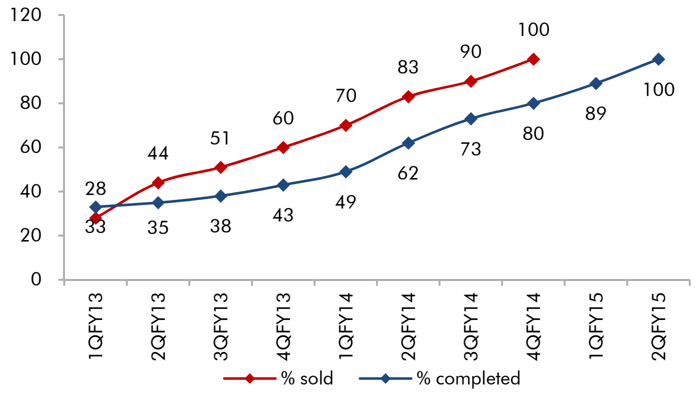
MLF follows prudent strategy of depending on advances/collections from its home-buyers to fund its projects, rather than depending on stop-gap financing arrangements, a strategy followed by most of the peers. Many developers follow a land bank strategy, thus putting stress on their cash flow cycles, which is not the case with MLF. The following charts depict the same.

Exhibit 3: Bloomdale P-IB



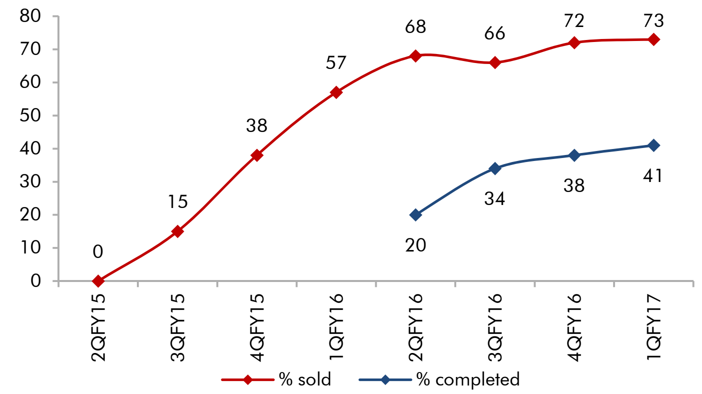
Source: Company, Angel Research

Exhibit 4: Aqualily Villas P-III



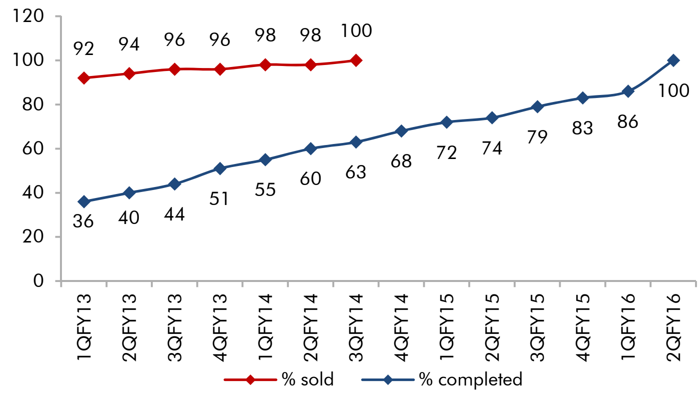
Source: Company, Angel Research

Exhibit 5: Luminare P-I



Source: Company, Angel Research

Exhibit 6: Aura P-IV



Source: Company, Angel Research

Revenue recognition from a project happens when 25% of construction costs, 25% of sales and 10% of collections from customers is achieved. The above tables highlight that as MLF books 35%+ of its project sales, 25%+ of construction costs in first 3-5 quarters of launch. Thus, this enables the company to recognise revenues from a project in 3-5 quarters of launch, which is not the case with most of the other developers.

Focus on launching smaller projects in phases across cities

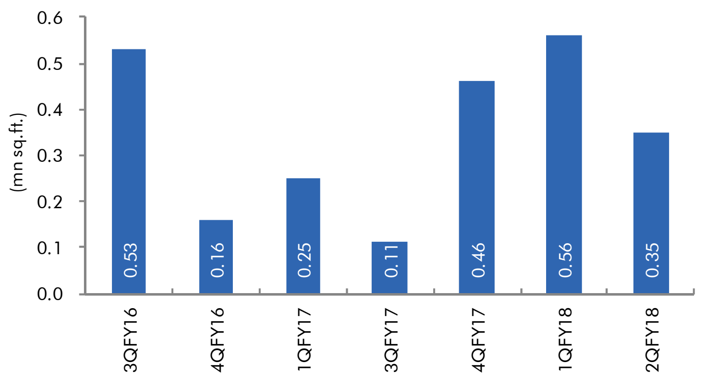
Another differentiating factor for MLF is that it focuses on launching smaller projects in phases across cities. MLF takes up projects of up to 0.5mn sq.ft. in Mumbai and up to 1 mn sq.ft. in non-Mumbai areas. Despite the smaller project size, MLF launches the project in a phased manner. This strategy when coupled with focus on driving the sales velocity helps it attain revenue recognition threshold levels in 3-5 quarters of launch across most of its projects.

Strong project launch pipeline visibility

MLF as of 1QFY2017 is sitting on land parcels with total saleable area of ~20.3mn sq.ft. Of this, MLF is pursuing projects covering ~4.0mn sq.ft. of saleable area (Delhi NCR-20%, Pune-20% and Mumbai-17%). As of 1QFY2017, MLF has sold ~56% of the total ~4.0mn sq.ft. saleable area, which leaves no option for the company but to launch new projects sooner.

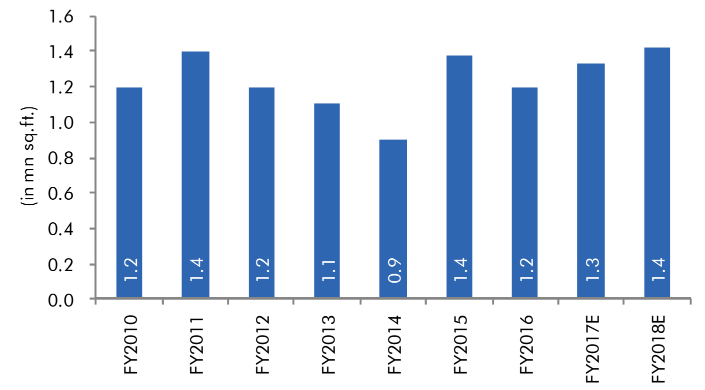
We expect MLF to launch ~1.48mn sq. ft. of saleable area during 3QFY2017-2QFY2018E. A major 0.98mn sq. ft. of the launches planned are in the Mumbai and surrounding markets.

Exhibit 7: Pipeline of projects to be launched



Source: Company, Angel Research

Exhibit 8: Sale volumes trends



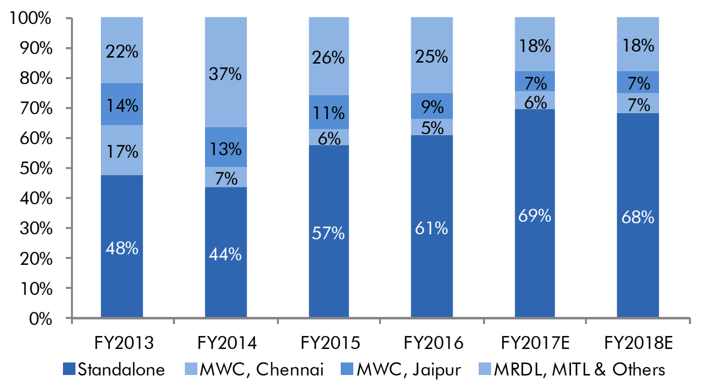
Source: Company, Angel Research

Historically, MLF has seen yearly sales of ~1-1.2mn sq.ft. At the backdrop of ~1.48mn sq.ft. of saleable area planned to be launched during 3QFY2017-2QFY2018E, when coupled with company's focus on sales velocity, comforts us that the yearly sales volume would gradually catch-up from here on. We expect sale volumes to increase from 0.9mn sq.ft. in FY2014 to 1.4mn sq.ft. in FY2018E.

Standalone business to drive profits during FY2015-18E

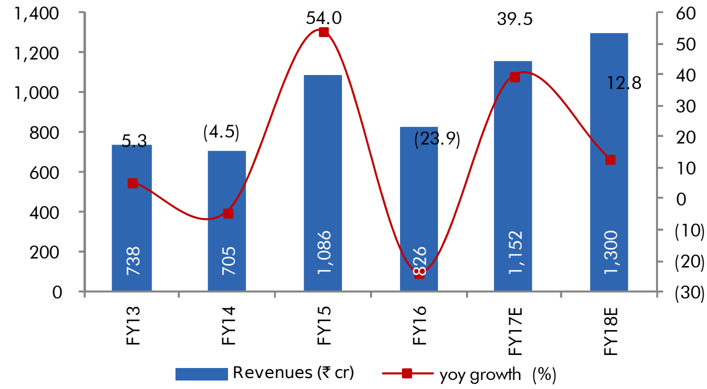
During 1QFY2015 MLF completed sale of its 5-acre land parcel at Byculla, Mumbai, for which it fetched ₹325cr. On adjusting for the same, MLF reported FY2015 consol. sales of ₹761cr. In absence of any such one-time transactions, in FY2016 M-Life reported consol. sales of ₹826cr, reflecting 8.6% yoy growth. As highlighted above, we expect sale volumes to increase from 0.9mn sq.ft. in FY2014 to 1.4mn sq.ft. in FY2018E. Uptick in sale volumes coupled with expected increase in blended sale realizations (led by higher contribution kicking-in from Mumbai, Bangalore and Delhi based projects) would lead to strong top-line growth at standalone level. Led by strong growth across the standalone business, we expect adj. consol. sales to report 25.5% CAGR during FY2016-18E to ₹1,300cr.

Exhibit 9: Std. revenues contribution to increase



Source: Company, Angel Research

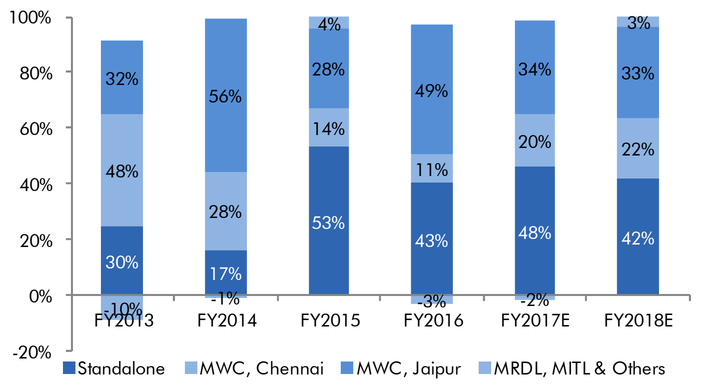
Exhibit 10: Consolidated revenues set to grow



Source: Company, Angel Research

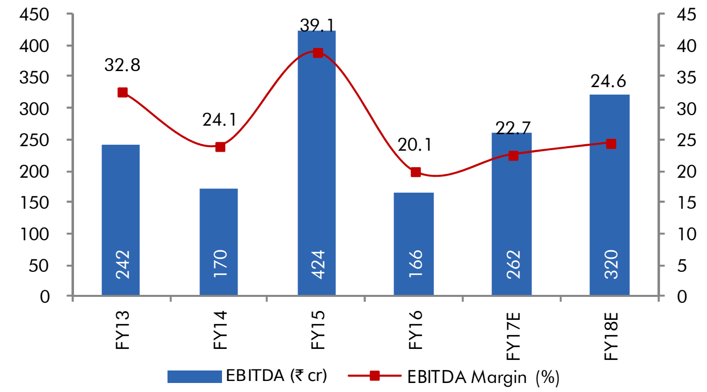
With shift further getting skewed towards residential business mix (standalone financials) when coupled with increased contribution from Tier-1 cities (Mumbai, Delhi and Bangalore), there exists scope for EBITDA margin expansion. We expect adj. EBITDA to report an impressive 38.7% CAGR during FY2016-18E to ₹320cr. In-line with EBITDA growth, we expect overall profitability to report strong growth to ₹147cr in FY2018E.

Exhibit 11: Std. business to drive consol. EBITDA



Source: Company, Angel Research

Exhibit 12: Consolidated EBITDA% to be at ~25% levels

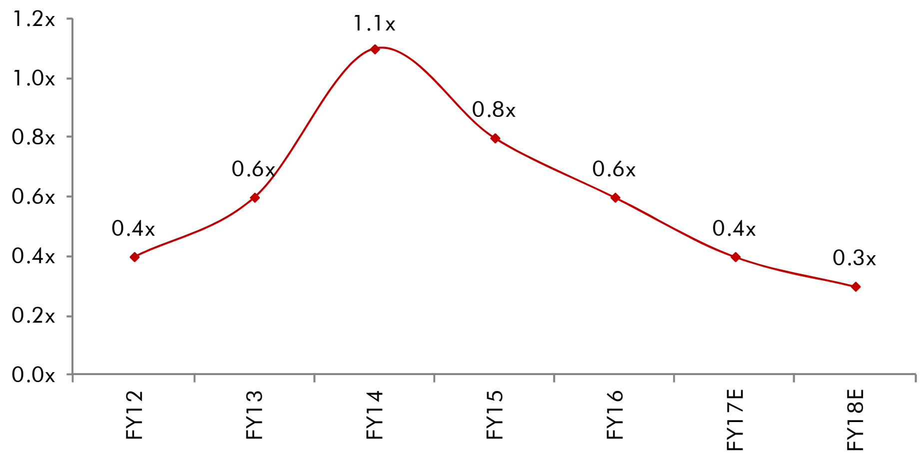


Source: Company, Angel Research

Better Net debt to equity ratio...

MLF reported comfortable consol. net debt to equity ratio of 0.8x as of 4QFY2016. We expect it to come down to 0.4x by FY2018E, as we believe cash flows generated from residential and SEZ sales would compensate for the capex. At the standalone level, MLF has a strong balance sheet and is currently sitting on net debt of ₹476cr, reflecting net D/E ratio of 0.3x. We believe focus on collections from home buyers, and lower dependency on external borrowings has led MLF in maintaining unlevered balance sheet. We expect the company's unlevered balance sheet and unique business strategies help it to continue reporting growth, going forward.

Exhibit 13: Net D/E ratio at comfortable levels....



Source: Company, Angel Research

Management's impressive track record

MLF is a subsidiary of the Mahindra Group, which has a well diversified presence across automobile, defense, financial services, and IT services sectors. Considering the group's track record of emerging as one of the top player within the sector it enters, we are of the view that MLF would continue to focus on growing its business. Also, their parent's brand name, unique business strategies have helped them deliver projects in a timely manner, which has created the trust factor with its home buyers.

The new Real Estate bill augurs well for MLF's growth

Central Government having passed the new Real Estate regulatory bill in both the houses, now it is the turn of respective state governments to implement this bill. Tamil Nadu has emerged as the first state to implement this bill in their state, with states like Andhra Pradesh following the implementation of the bill. This bill is being perceived negative by some of the industry participants. Some of the key features include- (1) adherence to declared plans, (2) deposit 50% of the amounts realized from home-buyers towards project level escrow account, (3) mandatory registration and public disclosure of real estate projects, (4) functions of real estate agents, as well as regulatory authority.

MLF is a professionally run organization, with defined processes in place. This when coupled with the company's business strategy, where sales cycle is ahead of the execution cycle, leads us to anticipate that it would face minimal impact on the day-to-day business operations.

Further, many of the smaller developers in our view are not professionally run and do not follow ideal industry practices. As a result, they are exposed to higher business risks in the case of the bill getting passed. This unearths huge potential for MLF to scale up its business at the cost of unorganized small developers, which would eventually lose business. The reason for we forming a view that MLF should be a key beneficiary is owing to its financially strong position, professionally well run management, and ideal industry practices being put in to place.

On the whole, we see the passage of this bill to be positive for MLF in the long run given that it is well placed to see minimal changes to the conduct of its business and huge business opportunities emerging.

SEZ business a long-term story

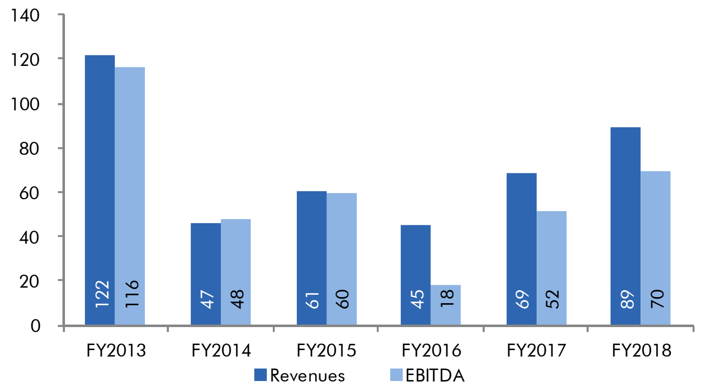
MLF is developing two integrated business cities "Mahindra World City (MWC)", ie one each in Chennai (~1,600 acres) and Jaipur (~3,000 acres) with total area of ~4,600 acres on lines of work-live-plug-n-play infrastructure. These cities are meticulously planned and have been divided into zones for business and lifestyle. These comprise of Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The lifestyle zone, located in close proximity to the Business Zone, offers residential units, school, medical centers, retail malls, business hotels, and recreation and leisure facilities amidst wide open green spaces.

Mahindra World City Chennai has been in existence for the last 13 years, with 3 broad sectors functioning- IT Services, Apparel & Fashion Accessories, and Auto Ancillaries (which is a domestic tariff area, DTA). The entire business zone has 64 customers (51 operational) and provides employment to ~38,000 people. 804 acres of the total 848 acres of industrial area and 257 acres of the total 289 acres of residential and social area have been leased, indicating that the project has attained maturity.

MLF expects to leverage on its MWC success and is in the process of launching ~300 acres of integrated development project in North Chennai, home to large industries in the engineering and automobile sector. It expects to invest ₹375cr towards the development of this property. In 1QFY2016, MLF announced a tie-up with Sumitomo Corp in 60/40 ratio to execute this project.

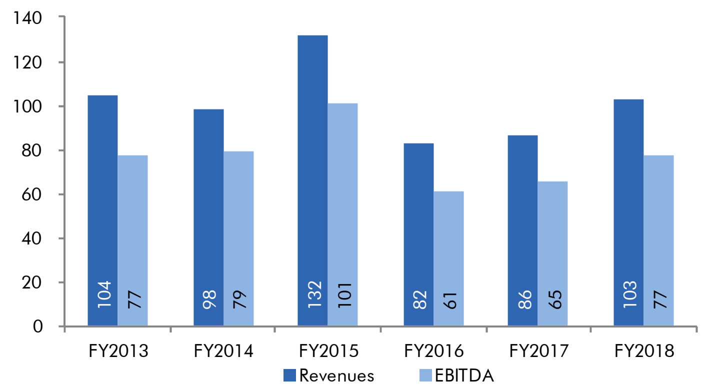
With 95% of the industrial area and 89% of residential areas being leased at MWC Chennai, we expect the revenues to be stagnant for FY2017-18E. With likely commencement of operations at North Chennai development project, we expect FY2018E revenues to see 30% yoy revenue growth to ₹30cr. On the same lines, we expect EBITDA also to be flat in FY2017E, and see strong yoy growth in FY2018E to ₹70cr.

Exhibit 14: MWC Chennai business performance



Source: Company, Angel Research

Exhibit 15: MWC Jaipur business performance



Source: Company, Angel Research

Trying to replicate its MWC Chennai's success, MLF entered the Jaipur SEZ market through its 74% subsidiary MWC, Jaipur. Of the total ~2,061 acres of saleable area, the SEZ accounts for 1,026 acres, DTA accounts for 349 acres and the remaining 686 acres are residential. ~366 acres of SEZ area (36% of SEZ area) and 316 acres of DTA area (91% of DTA area) has been leased. Given the better than expected absorption of DTA, MWC Jaipur applied for conversion of residential land to DTA and it recently got all approvals for the 500 acres land parcel. As a result, now DTA area stands at 793 acres and the residential areas stands at 186 acres. The residential area is yet to be launched. We expect that on attaining more maturity from DTA space, the company would announce launch of its residential project.

Even though the Jaipur SEZ has a long-way to turn successful, we expect the following favorable reasons to contribute to its growth, (1) proximity to Delhi NCR's industrial cluster and ports on the west coast, (2) as per our estimate, over a third of the Delhi-Mumbai freight corridor would pass through Rajasthan, (3) incentives/ tax benefits for SEZ/DTA. Even though the current capex cycle is slow, we expect all the above factors to gradually contribute to MWC Jaipur's growth from here on.

We expect MWC Jaipur to report 16.1% top-line and 13.0% EBITDA CAGR during FY2016-18E, to ₹97.3cr and ₹104.6cr, respectively.

Valuation

At the current market price of ₹432, the stock is trading at 1.0x FY2018E P/BV. Considering the quality of Management and better leverage position, we believe the current valuations are attractive. We are initiating coverage on MLF with a BUY recommendation and target price of ₹522, using the NAV methodology, as it captures the true and long-term value of the SEZ and real estate business. To arrive at NAV value, (1) we have considered discounting rate of 15% for SEZ and real estate business, (2) valued commercial property at 9% cap rate.

In terms of vertical wise break-up, the residential segment contributes 75% to our target price valuation, followed by SEZ contributing 20% to our target valuation.

Exhibit 16: NAV based valuation

Project Details	FY2017E FCFE Value (₹ cr)	MLD Stake (%)	Stake Value (₹ cr)	Value/ share (₹)
MWC, Chennai & N-Chennai SEZ	72	89	64	16
MITL	39	97	38	9
MRDL	73	100	73	18
Avadi	51	100	51	12
MWC Jaipur SEZ	492	74	364	89
MWC Jaipur (Residential)	90	74	67	16
Andheri	289	100	289	70
Sakinaka	260	100	260	63
Kandivalli	74	100	74	18
Boisar	30	100	30	7
Alibaug	74	100	74	18
Thane	114	100	114	28
Palghar	121	100	121	29
Bengaluru	179	50	90	22
Aura- Delhi NCR	29	100	29	7
Luminare- Delhi NCR	537	50	269	66
Pune	334	100	334	81
Hyderabad	71	100	71	17
Nagpur	90	70	63	15
Land Parcel (paid) & Others	420	100	420	102
Gross Totals	**3,439**		**2,895**	**703**
Net Debt (Std.)				(89)
NAV /share				**614**
Discount to NAV- @15%				522
CMP				432
Upside (%)				**20.8**

Source: Company, Angel Research

Risk & Concerns

Delays in getting project as well as land approvals across cities could delay the projects. These delays could act as a major risk to our execution estimates.

Removal of MAT exemption or Rajasthan government exemptions, may impact SEZ demand outlook, which in-turn could affect our revenue growth assumptions.

Profit & Loss Statement

Y/E March (₹ cr)	FY13	FY14	FY15	FY16	FY17E	FY18E
Net Sales	**738**	**705**	**1,086**	**826**	**1,152**	**1,300**
% Chg	*5.3*	*(4.5)*	*54.0*	*(23.9)*	*39.5*	*12.8*
Total Expenditure	496	535	662	660	890	980
Operating Expenses	398	426	501	502	718	791
Employee benefits Expense	35	40	55	67	74	83
Admin. & Other Expenses	63	69	106	91	98	106
EBITDA	**242**	**170**	**424**	**166**	**262**	**320**
% Chg	*26.4*	*(29.6)*	*149.2*	*(60.8)*	*57.4*	*22.3*
EBIDTA %	*32.8*	*24.1*	*39.1*	*20.1*	*22.7*	*24.6*
Depreciation	9	10	13	19	21	22
EBIT	233	160	411	147	241	298
% Chg	*28.1*	*(31.3)*	*156.5*	*(64.2)*	*63.9*	*23.5*
Interest and Fin. Charges	31	50	51	51	47	42
Other Income	34	51	61	51	39	42
PBT	236	161	421	147	233	298
Exceptional Item	0	0	0	0	0	0
PBT after Exceptional Item	236	161	421	147	233	298
Tax Expenses	80	51	138	50	76	97
% of PBT	*33.9*	*31.6*	*32.7*	*34.1*	*32.8*	*32.5*
PAT before Minority Interest	156	110	283	97	156	201
Minority Interest	(15)	(9)	(17)	(4)	(34)	(54)
Rep. PAT	**141**	**101**	**266**	**93**	**123**	**147**
% Chg	*18.7*	*(28.8)*	*164.5*	*(65.0)*	*31.8*	*19.9*
PAT %	*19.1*	*14.3*	*24.5*	*11.3*	*10.6*	*11.3*
Diluted EPS	35	25	65	23	29.9	35.8
% Chg	*18.7*	*(28.8)*	*163.4*	*(65.0)*	*31.8*	*19.9*

Balance Sheet

Y/E March (₹ cr)	FY13	FY14	FY15	FY16	FY17E	FY18E
Sources of Funds						
Equity Capital	41	41	41	41	41	41
Reserves & Surplus	1,252	1,221	1,434	1,522	1,619	1,724
Networth	1,293	1,262	1,475	1,563	1,660	1,765
Total Debt	966	1,401	1,238	1,505	1,260	1,288
Minority Interest	86	84	97	170	204	258
Deferred Tax Liability	37	43	56	40	40	40
Total Liabilities	2,382	2,790	2,866	3,279	3,165	3,352
Application of Funds						
Gross Block	256	276	317	337	432	475
Accumulated Depreciation	47	56	66	85	106	128
Net Block & C-WIP	216	236	259	255	330	350
Goodwill	95	102	102	102	102	102
Investments	133	301	222	382	382	382
Current Assets	2,414	2,787	3,026	3,635	3,207	3,465
Inventories	1,631	1,776	1,970	2,423	1,946	2,077
Sundry Debtors	90	109	59	74	161	178
Cash and Bank Balance	144	67	77	181	440	609
Loans & Advances	433	693	694	632	319	318
Other Current Asset	115	142	225	326	341	283
Current Liabilities	476	637	743	1,096	856	947
Net Current Assets	1,937	2,150	2,283	2,540	2,351	2,518
Total Assets	2,382	2,790	2,866	3,279	3,165	3,352

Cash Flow Statement

Y/E March (₹ cr)	FY13	FY14	FY15	FY16	FY17E	FY18E
Profit after tax	141	101	266	93	123	147
Depreciation	9	10	13	19	21	22
Change in Working Capital	(407)	(360)	(54)	(263)	525	98
Net Interest & Fin. Charges	(3)	(1)	(10)	(0)	8	0
Direct taxes & Other Adj.	16	(4)	11	(67)	(76)	(97)
Cash Flow from Operations	**(244)**	**(255)**	**226**	**(217)**	**600**	**171**
(Inc)/ Dec in Fixed Assets	(22)	(30)	(49)	(16)	(95)	(42)
(Inc)/ Dec in Investments	191	(165)	92	51	39	42
Cash Flow from Investing	**169**	**(195)**	**42**	**36**	**(56)**	**(0)**
Dividend & oth. Adj.	(3)	(132)	(53)	(5)	(26)	(42)
Inc./ (Dec.) in Loans	284	575	(158)	341	(211)	82
Goodwill on consolidation	(66)	(7)	0	0	0	0
Interest Expenses	(31)	(50)	(51)	(51)	(48)	(42)
Cash Flow from Financing	**184**	**386**	**(263)**	**285**	**(285)**	**(3)**
Inc./(Dec.) in Cash	109	(64)	6	104	259	168
Opening Cash balances	**150**	**122**	**58**	**77**	**181**	**440**
Closing Cash balances	**259**	**58**	**64**	**181**	**440**	**608**

Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17E	FY18E
Valuation Ratio (x)						
P/E (on FDEPS)	12.5	17.5	6.7	19.0	14.4	12.1
P/CEPS	11.8	15.9	6.3	15.8	12.4	10.5
Dividend yield (%)	1.4	1.4	2.6	1.2	1.1	1.2
EV/Sales	3.5	4.4	2.7	3.7	2.2	1.9
EV/EBITDA	10.7	18.2	6.9	18.6	9.9	7.7
EV / Total Assets	1.1	1.1	1.0	0.9	0.8	0.7
Per Share Data (₹)						
EPS (fully diluted)	35	25	65	23	30	36
Cash EPS	37	27	68	27	35	41
DPS	6	6	16	4	5	9
Book Value	317	309	360	381	405	430
Returns (%)						
RoCE (Pre-tax)	11.4	6.5	15.3	5.1	8.1	10.0
Angel RoIC (Pre-tax)	9.4	4.2	12.8	3.3	8.1	10.1
RoE	10.9	7.9	19.5	6.1	7.6	8.6
Turnover ratios (x)						
Asset Turnover (Gross Block) (X)	2.9	2.6	3.4	2.5	2.7	2.7
Inventory / Sales (days)	806	919	662	1,071	617	583
Receivables (days)	45	56	20	33	51	50
Payables (days)	236	330	250	484	271	266
Leverage Ratios (x)						
D/E ratio (x)	0.7	1.1	0.8	1.0	0.8	0.7
Interest Coverage Ratio (x)	7.5	3.2	8.0	2.9	5.1	7.1

Research Team Tel: 022 - 39357800 E-mail: research@angelbroking.com Website: www.angelbroking.com

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1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on expected returns over 12 months investment period):	*Buy (> 15%)*	*Accumulate (5% to 15%)* *Reduce (-5% to -15%)*	*Neutral (-5 to 5%)* *Sell (< -15)*