



**3R MATRIX**

	+	=	-
Right Sector (RS)	✓	■	■
Right Quality (RQ)	✓	■	■
Right Valuation (RV)	✓	■	■
	+ Positive	= Neutral	- Negative

**What has changed in 3R MATRIX**

	Old		New
RS	■	↔	■
RQ	■	↔	■
RV	■	↔	■

**ESG Disclosure Score** NEW

<b>ESG RISK RATING</b>	<b>26.03</b>			
Updated Jul 08, 2022				
<b>Medium Risk</b>				
NEGL	LOW	<b>MED</b>	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

Source: Morningstar

**Company details**

Market cap:	Rs. 38,443 cr
52-week high/low:	Rs. 276 / 129
NSE volume: (No of shares)	65.7 lakh
BSE code:	500850
NSE code:	INDHOTEL
Free float: (No of shares)	87.8 cr

**Shareholding (%)**

Promoters	38.2
FII	15.8
DII	29.6
Others	16.4

**Price chart**



**Price performance**

(%)	1m	3m	6m	12m
Absolute	10.2	20.4	28.5	95.0
Relative to Sensex	2.0	11.6	26.7	86.8

Sharekhan Research, Bloomberg

**Indian Hotels Company Ltd**

**Robust Q1; occupancies, ARRr exceed pre-covid levels**

Consumer Discretionary

Sharekhan code: **INDHOTEL**

Reco/View: **Buy**

CMP: **Rs. 271**

Price Target: **Rs. 320**

↑ Upgrade ↔ Maintain ↓ Downgrade

**Summary**

- Indian Hotels Company Ltd's (IHCL's) registered robust performance in Q1FY2023 with revenues growing by 3.7x y-o-y (grew by 7% on 3-year CAGR basis) and EBITDA margin standing at 29.8% (vs. 17% in Q1FY2020).
- IHCL's domestic hotel occupancies and ARRr grew by 9% and 31% respectively over Q1FY2020 as compared to industry growth of 4% and 16%, respectively, over Q1FY2020.
- Sustained momentum in the domestic leisure travel, recovery in the corporate travel and expected improvement in demand from inbound tourism (likely in Q3) will maintain the strong growth momentum in coming quarters. New businesses are scaling-up well.
- On track with its ambition of achieving 33% EBITDA margin, no debt on books and 50:50 hotel portfolio between own: management contract, the company will deliver consistent profitable earnings growth in the coming years. We maintain a Buy on the stock with a revised price target of Rs. 320.

Indian Hotels Company Ltd (IHCL) registered one of the strong quarter in the post pandemic era led by strong room demand in the domestic market especially from domestic leisure travel segment and recovery in the corporate travels. IHCL revenues grew by 3.67x to Rs. 1,266.1 crore (3-year CAGR of 7%). This is much better than our as well as street expectation of Rs. 1,145.0 crore and Rs. 1,173.0 crore. IHCL domestic hotels occupancy and ARR grew by 9% and 31% respectively over Q1FY2020 compared to industry growth of 4% and 16% respectively over Q1FY2020. IHCL's domestic occupancy ratio stood at 68% in Q1FY2023 vs. 62% in Q1FY2020 while Average room rentals stood at Rs. 8,423 per room compared to Rs. 6,438 per room in Q1FY2020. Key international destinations such as USA and St James Court, London registered a revenue/EBITDA growth of 85%/123% and 111%/109% respectively. Ginger achieved EBITDA margins of 41% (higher compared to base margins) and is PBT Positive in Q1. Qmin, achieved Rs. 100 crore revenue marks within two years of inception. EBITDA margins improved at 29.8%. EBITDA stood at Rs. 377.9 crore in Q1FY2023 as against a loss of Rs. 149 crore in Q1FY2022.

**Key positives**

- IHCL RevPar key domestic markets Mumbai, New Delhi and Bengaluru (business towns) witness strong improvement in RevPar by 133%, 120% and 122% due to recovery in the corporate travels.
- New business EBITDA contribution has improved to 22% in Q1FY2023 from 18% in Q1FY2020.
- Fixed cost, variable cost and corporate overheads as percentage to sales was down by 900 bps, 200 bps and 230 bps, respectively over Q1FY2020.
- Increase in revenues from management fees to 46% in Q1FY2023 from 39% in Q1FY2020; Management fees revenues grew by 72% y-o-y to Rs. 81 crore.
- The company generated free cash flows of Rs. 198 crore by generating free cash each month during the quarter.

**Key negatives**

- International hotels occupancy ratio is yet to reach pre-covid levels and currently stand at 55% in Q1FY2023 compared to 61% in Q1FY2019 on like-to-like basis.

**Management Commentary**

- After Lull Q4 impacted by COVID-19 wave, IHCL registered strong performance in Q1FY2023 with healthy recovery in occupancies and ARRr. IHCL domestic hotel occupancies recovered to 68% in Q1FY2023 vs. 62% in Q1FY2020 and ARRr recovered by 131% over the same period. This was on back of consistent improvement in room demand from domestic leisure travel, high demand from wedding/social events, recovery in demand from the segments such as corporate/MICE after two years of muted performance.
- Room demand from domestic leisure travel continues to gain momentum (July saw good momentum continuing). The demand for segments such as MICE and corporate travels is improving and expected to remain ahead of pre-pandemic level in FY2023. Further foreign tourist arrival is yet to witness revival and could provide uptick to the room demand in the second half of the year.
- IHCL international hotels in key foreign destination has witness good pickup in demand with overall improvement in the International travels. Recent inflationary environment is unlikely to have any material impact on the RevPar.
- A recovery in the overall business, cost-saving measures and increase in the contribution from new high-margin businesses (including Ginger, Q-Min & Ama) will help EBITDA margins to remain high in FY2023 (likely to stay ahead of FY2020). The company has retained its target of achieving EBITDA margins of 33% by FY2025 with new businesses' EBITDA margins improving to 35%. Ginger registered EBITDA margins of 41% is expected to see strong scale-up in the business performance.
- IHCL did signing of 25 hotels in FY2023 (with 15 signings likely to happen by end of FY2023). It will be opening 18 new hotels (14 will be opened by end of FY2023). The company will have 8,107 rooms in the pipeline as FY2022-23.

**Revision in estimates** – We have raised our earnings estimates for FY2023 and FY2024 to factor in the better than expected performance and strong outlook indicated by the management over the next 3-4 years.

**Our Call**

**View: Retain Buy with a revised price target of Rs. 320:** Room demand is expected to remain ahead of room supply for next 2-3 years which will help occupancies to remain high. The company has charted a strong growth plan by FY2025-26 with strong improvement in cash flows and strengthening the balance sheet with focus on becoming improving cash flows. Pent up demand in the domestic leisure travel along with recovery in inbound tourism will help in posting strong performance in the coming quarters. EBITDA margins will consistently improve in the coming years. Thus we maintain IHCL as one of our top picks in the hospitality space. The stock trades at 26.1x/18.9x its FY2023E/24E EV/EBITDA. We maintain a Buy recommendation on the stock with a revised price target of Rs. 320.

**Key Risks**

Any emergence of fourth COVID-19 wave in next four to five months or slow recovery in inbound and outbound tourism industry would act as a key risk to our earnings estimates.

**Valuation (Consolidated)**

Particulars	FY21	FY22	FY23E	FY24E
Revenue	1,575	3,056	5,133	5,903
EBITDA margin (%)	-23.0	13.3	28.0	30.5
Adjusted PAT	-822	-235	665	984
Adjusted EPS (Rs.)	-7.8	-2.0	4.8	7.1
P/E (x)	-	-	47.4	32.0
P/B (x)	7.5	5.0	4.7	4.2
EV/EBITDA (x)	-	89.8	26.1	18.9
RoNW (%)	-	-	8.4	11.3
RoCE (%)	-	1.4	9.9	13.9

Source: Company; Sharekhan estimates

## Revenues grew by 3.7x y-o-y with strong improvement in profitability

Indian Hotels Company Ltd (IHCL) consolidated revenues grew by 3.67x y-o-y to Rs. 1,266.1 crore, registering three-year CAGR of 7%. IHCL's ARR, occupancy and RevPAR improved by 31%, 9% and 42% versus pre-COVID level (Q1FY2020). All brands displayed growth and key metro cities such as Mumbai, New Delhi and Bengaluru showcased RevPAR levels (occupancies & ARR. stood above pre-covid levels) exceeding that of Q1FY20. Ginger achieved EBIDTA margins of 41% (higher compared to base margins) and is PBT positive in Q1. Qmin achieved Rs. 100-crore revenue mark within two years of inception. Consolidated EBIDTA margins improved at 29.8% (much ahead of 17% EBIDTA margins in Q1FY2020). EBIDTA stood at Rs. 377.9 crore in Q1FY2023 as against a loss of Rs. 149 crore in Q1FY2022. Reduction in debt resulted in 43.2% y-o-y reduction in the interest cost to Rs. 62.4 crore. Strong operating performance along with reduction in interest cost resulted in PAT of Rs. 175.3 crore as against loss of Rs. 290.4 crore in Q1FY2022.

## Strong performance at enterprise and standalone level

IHCL Enterprise (summation of all hotels including Ginger, all corporates & Taj SATS Air Catering, agnostic of ownership) reported 1.4x/2.3x revenue/EBITDA growth over Q1FY2020 to Rs. 2,420 crore /Rs. 719 crore, respectively in Q1FY2023. EBITDA Margin stood at 29.7% against pre-covid level of 17.5%. IHCL standalone reported 1.3x/2.0x revenue/EBITDA growth over Q1FY2020 to Rs. 788 crore /Rs. 287 crore, respectively in Q1FY2023. EBITDA margin stood at 36.5% against pre-COVID level of 24%.

## Operating performance improved vs per-COVID level (of Q1FY2020)

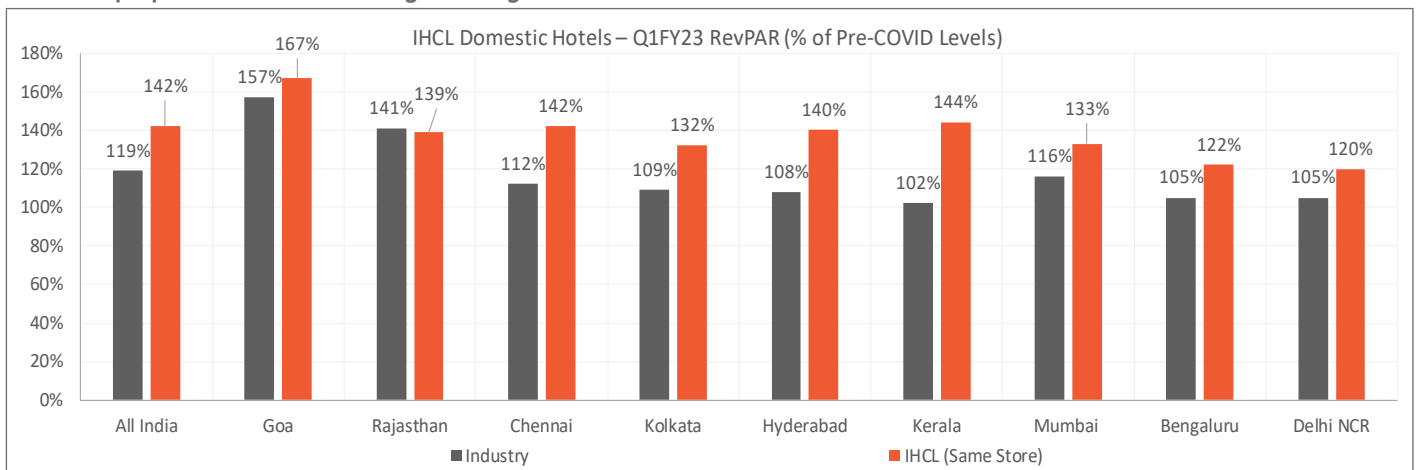
IHCL delivered strong operating performance in Q1FY2023 registering ARR, occupancy and RevPAR growth of 31%, 9% and 42%, respectively over Q1FY2020 (pre-COVID). In Q1FY2023, domestic occupancy/ARR/RevPAR stood at 65.2%/Rs. 8,315/Rs. 5,424, respectively, up from 61.8%/Rs. 6,299/Rs. 3,893, respectively in Q1FY2020. Among cities, key metros such as Mumbai, New Delhi and Bengaluru showcased RevPAR levels at 133%, 120% and 122%, respectively versus Q1FY2020.

### Brand-wise operating performance vs Q1FY2020

Particulars	Taj	Seleqtions/Vivanta	Ginger
ARR	+22%	+17%	+34%
Occupancy	+6%	+21%	-11%
RevPAR	+30%	+41%	+20%

Source: Company; Sharekhan Research

### Domestic properties witnessed strong recovery in RevPar



Source: Company; Sharekhan Research

## International properties and subsidiaries posted good performance

IHCL's US properties and St. James Court, London posted strong performance in Q1 on back of strong recovery in international travels with improved room demand and higher room rentals. US property revenues grew by 85% y-o-y to Rs. 198 crore with EBIDTA margin standing at 10.6% vs. pre-covid level margins of 7.3%. On the other hand, St. James, London revenues grew by 111% over pre-COVID levels to Rs. 110 crore, while EBIDTA margin improved to 37.5% in-line with pre-covid levels of 38%. US occupancy ratio improved to 59% in Q1FY2023 vs. 85% in Q1FY2019 while ARR. stood at \$660 per room in Q1FY2023 from \$511 per room in Q1FY2020. UK occupancy ratio improved to 59% in Q1FY2023 vs. 85% in Q1FY2019 while ARR. stood at \$660 per room in Q1FY2023 from \$511 per room in Q1FY2020. Some of the key subsidiaries, such as PIEM Hotels, Roots Corporation and Benares Hotels revenues stood at Rs. 113 crore, Rs. 70 crore and Rs. 20 crore, respectively during the quarter. Management is confident of achieving good growth momentum in the international properties and subsidiaries in the quarters ahead.

## Strong performance by new businesses and initiatives

In Q1FY2023, the new brands and initiatives which includes Ginger, Qmin, amã and Chambers contributed 14% (vs 9% in Q1FY2020) to revenue and 22% (vs 18% in Q1FY2020) to EBITDA. For Ginger, domestic occupancy/ARR/RevPAR came in at 58%/Rs. 3,004/Rs. 1,741 reporting a LFL growth of 89%/134%/120% versus Q1FY2019. Ginger achieved an EBITDA margin of 41% and positive PBT in Q1FY2023. Qmin, IHCL's culinary platform, achieved the Rs. 100 crore revenue mark within two years of its inception, and is currently present in over 20 cities with 15 outlets and three food trucks. Total income from Chambers came in at Rs. 26 crore versus Rs. 16 crore in Q1FY2020, registering a growth of 62.5%. Chambers added over 60 members during the quarter taking the total to 2,496 members at Q1FY2023-end. amã Stays & Trails currently has 51 operational properties and 39 properties are in the pipeline taking the total to 90 properties.

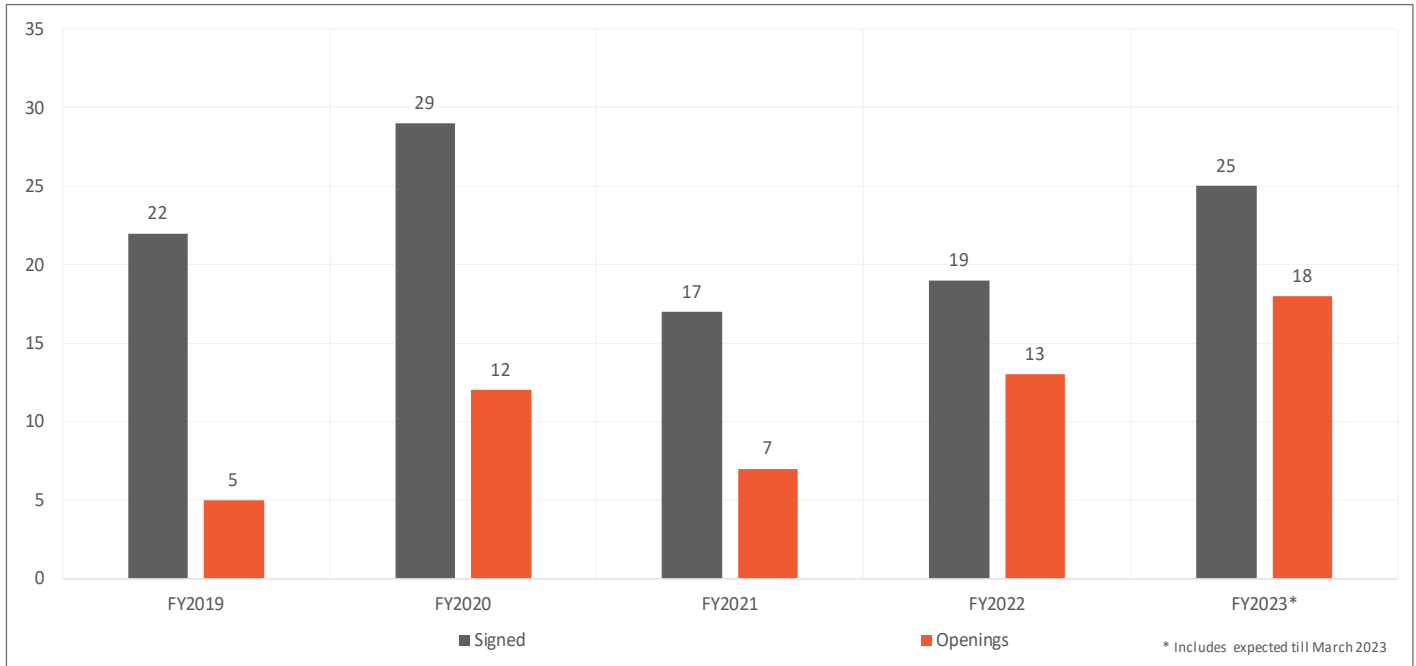
## Margin expansion aided by various cost-saving initiatives

IHCL's Q1FY2023 EBIDTA margins improved to 29.8% from 17% in Q1FY2020. Strong operational performance from existing hotel contributed ~10% increase in the EBIDTA margins, ~1% contribution came in from new hotels, 1.3% expansion in the margins came from new businesses and 1.1% addition came from The Chambers. Margin expansion is backed by various initiatives such as adoption of asset light model, higher contribution from management fees, reduction in manpower/room and reducing operating costs. With the adoption of asset light model, management fees grew by 72% over Q1FY2020 to Rs. 81 crore. Also, managed properties now contribute 46% to revenue as compared to 39% in Q1FY2020. The company undertook manpower rationalization through redeployments (IHCL redeployed 449 Associates) and by reimaging ways of working (Multiskilling, cluster approach, shared services). Manpower/room has witnessed a fall in all of the brands. Fixed costs/variable costs/corporate overheads as a % of revenue have gone down to 35%/36%/5.5% from 46%/38%/7.8%, respectively in Q1FY2020. With improvement in margins, IHCL Consolidated has reported a strong free cash flow of Rs. 198 crore s in Q1FY2023 and continues to be net cash positive.

## Room inventory to grow

IHCL has signed 10 hotels so far in FY2023 and expects to sign another 15 hotels till March 2023. Number of hotels opened during the year so far is at 4 and the company plans to open 14 more hotels (1,280 rooms) in the remaining part of FY2023. As on June 30, 2022, IHCL has 178 hotels operational with 20,826 rooms.

Trend in hotels signed/openend



Source: Company, Sharekhan Research

Key highlights of the conference call

- ◆ **Strong performance in Q1:** After a dull Q4 impacted by COVID-19 wave, IHCL registered strong performance in Q1FY2023 with healthy recovery in occupancies and ARRs. Domestic hotel occupancies recovered to 68% in Q1FY2023 versus 62% in Q1FY2020 and ARRS recovered by 131% over the same period. This was on back of consistent improvement in room demand from domestic leisure travel, high demand from wedding/social events, recovery in demand from the segments such as corporate/MICE after two years of muted performance.
- ◆ **Room demand to remain strong:** Room demand from domestic leisure travel continues to gain momentum (July saw good momentum continuing). The demand for segments such as MICE and corporate travels is improving and expected to remain ahead of pre-pandemic level in FY2023. Further foreign tourist arrival is yet to witness revival and could provide uptick to the room demand in the second half of the year.

Results (Consolidated)

Particulars	Rs cr				
	Q1FY23	Q1FY22	Y-o-Y %	Q4FY22	Q-o-Q %
<b>Net Sales</b>	<b>1,266.1</b>	<b>344.6</b>	-	<b>872.1</b>	<b>45.2</b>
Foods & Beverage consumed	103.9	28.1	-	69.0	50.6
Employee cost	359.6	248.6	44.6	310.2	15.9
Other operating expenses	424.7	216.7	96.0	333.9	27.2
<b>Total expenditure</b>	<b>888.2</b>	<b>493.4</b>	<b>80.0</b>	<b>713.1</b>	<b>24.6</b>
<b>EBITDA</b>	<b>377.9</b>	<b>-148.8</b>	-	<b>159.0</b>	-
Other income	27.1	25.8	5.3	82.8	-67.2
Interest cost	62.4	109.7	-43.2	79.2	-21.3
Depreciation	102.6	102.5	0.0	101.9	0.7
<b>PBT</b>	<b>240.1</b>	<b>-335.4</b>	-	<b>60.7</b>	-
Tax	64.8	-45.0	-	-2.6	-
<b>Adjusted PAT</b>	<b>175.3</b>	<b>-290.4</b>	-	<b>63.4</b>	-
Share of profit from associates	14.7	-31.5	-	-8.2	-
Extraordinary item	-9.1	20.3	-	16.4	-
<b>Reported PAT</b>	<b>180.8</b>	<b>-301.6</b>	-	<b>71.6</b>	-
EPS (Rs.)	1.2	-2.4	-	0.5	-
			<b>bps</b>		<b>bps</b>
GPM (%)	91.8	91.9	-6	92.1	-29
EBITDA margin (%)	29.8	-43.2	-	18.2	-
NPM (%)	13.8	-84.3	-	7.3	658
Tax rate (%)	27.0	13.4	-	-4.3	-

Source: Company; Sharekhan Research

Domestic business performance

Particulars	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Occupancy (%)	28.6	53.9	62.7	54.5	65.2
ARR (Rs.)	4,656	5,878	8089	7671	8,315
RevPAR (Rs.)	1,331	3,168	5,070	4,183	5,424
<b>Amount (Rs. cr)</b>					
Room revenue	201	488	793	652	859
F&B revenue	149	378	709	564	757
Other revenue	65	84	243	300	265
<b>Total revenue</b>	<b>415</b>	<b>950</b>	<b>1745</b>	<b>1516</b>	<b>1881</b>

Source: Company; Sharekhan Research

Key subsidiaries performance in Q1

Legal entity	Revenue (Rs. crore)	EBIDTA (Rs. crore)	EBITDA (%)	EBITDA (%)*
UOH Inc. USA	168	18	10.7	-
St. James Court – UK	110	35	31.8	37.5%
PIEM Hotels Ltd	113	26	23.0	28.0%
Roots Corporation	70	27	38.6	41.0%
Benaras Hotels	20	8	40.0	46.0%

Source: Company; Sharekhan research; \*EBITDA margin before fees to IHCL

## Outlook and Valuation

### ■ Sector Outlook – Strong growth expected in FY2023

Demand was impacted in January 2022 and for the first two weeks of February 2022 because of the Omicron wave, but the hotel industry has witnessed healthy recovery post that aided by leisure, festive and wedding season and gradual pick-up in business travel. Travel bookings for most hotel companies between March to May 2022 have surpassed March to May 2019 levels. With significant improvement in demand, RevPARs are expected to improve to pre-COVID levels in FY2023. EBITDA margins are also expected to record closer to pre-COVID levels owing to improved operating leverage and as benefits of some of the cost saving initiatives undertaken during the pandemic sustain. However, the concerns hovering around possibility of a fourth/fifth COVID wave in domestic and international markets will continue to act as a risk on demand and business performance of hotel companies in the short term.

### ■ Company Outlook – Business will recover ahead of pre-COVID levels in FY2023

After Lull Q4 impacted by covid-19 wave, IHCL registered strong performance in Q1FY2023 with healthy recovery in occupancies and ARR. IHCL domestic hotel occupancies recovered to 68% in Q1FY2023 vs. 62% in Q1FY2020 and ARRS recovered by 131% over the same period. Room demand from domestic leisure travel continues to gain momentum (July saw good momentum continuing). The demand for segments such as MICE and corporate travels is improving and expected to remain ahead of pre-pandemic level in FY2023. Further foreign tourist arrival is yet to witness revival and could provide uptick to the room demand in the second half of the year. Overall FY2023 and FY2024 will be one of strongest financial years for IHCL business on back of room demand staying ahead of room supply with strong momentum in domestic and international leisure travel.

### ■ Valuation – Retain Buy with a revised price target of Rs. 320

Room demand is expected to remain ahead of room supply for next 2-3 years will help occupancies to remain high. The company has charted a strong growth plan by FY2025-26 with strong improvement in cash flows and strengthening the balance sheet with focus on becoming improving cash flows. Pent up demand in the domestic leisure travel along with recovery in inbound tourism will help in posting strong performance in the coming quarters. EBITDA margins will consistently improve in the coming years. Thus we maintain IHCL as one of our top picks in the hospitality space. The stock trades at 26.1x/18.9x its FY2023E/24E EV/EBITDA. We maintain a Buy recommendation on the stock with a revised price target of Rs. 320.

#### Peer Comparison

Particulars	P/E (x)			EV/EBITDA (x)			RoCE (%)		
	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Lemon tree Hotels	-	-	64.0	63.2	19.4	16.2	1.0	8.3	9.5
Indian Hotels Company	-	47.2	31.8	89.5	26.0	18.8	1.4	9.9	13.9

Source: Company, Sharekhan estimates

## About company

IHCL and its subsidiaries bring together a group of brands and businesses that offer a fusion of warm Indian hospitality and world-class service. Incorporated by the founder of the Tata Group, Jamsetji Tata, the company opened its first hotel - Taj Mahal Palace, in Bombay in 1903, and currently has 240 hotels globally in its portfolio, including presence in India, North America, UK, Africa, Middle East, Malaysia, Sri Lanka, Maldives, Bhutan, and Nepal.

## Investment theme

The hotel industry's business fundamentals have improved in recent times with room demand outpacing room supply. A strong recovery in domestic leisure travel would help IHCL in posting better performance in the medium term. Strong focus on building an asset-light model, market share gains in key markets and recovery in the business environment will help IHCL recover to 100% of pre-COVID levels in FY2023 with strong growth in profitability. Further the company is focusing on strengthening its balance sheet by a sustained reduction in debt, which augurs well from a long-term perspective.

## Key Risks

- ◆ On the backdrop of economic slowdown, room supply is going ahead of room demand, which will affect overall business fundamentals of the hotel industry and performance of hotel companies.
- ◆ Any disruption in the performance of international properties will affect the consolidated performance of IHCL in the coming years.

## Additional Data

### Key management personnel

N Chandrasekaran	Chairman
Puneet Chhatwal	CEO & Managing Director
Giridhar Sanjeevi	Chief Financial Officer
Beejal Desai	Company Secretary

Source: Company Website

### Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Nippon Life India Asset Management Company	4.97
2	HDFC Asset Management Co.	4.80
3	SBI Funds Management	2.64
4	Vanguard Group Inc	2.10
5	Life Insurance Corp of India	1.87
6	ICICI Prudential Life Insurance Co.	1.80
7	Amansa Capital Pvt Ltd	1.76
8	Axis AMC	1.73
9	Canara Robeco AMC	1.66
10	HDFC Life Insurance Co	1.65

Source: Bloomberg

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.



## Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research



# Sharekhan

by BNP PARIBAS

Know more about our products and services

For Private Circulation only

**Disclaimer:** This document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This Document is subject to changes without prior notice. This document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. 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. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report.

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 SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

The analyst certifies that the analyst has not dealt or traded directly or indirectly in securities of the company and that all of the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst and SHAREKHAN further certifies that neither he or his relatives or Sharekhan associates has any direct or indirect financial interest nor have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report nor have any material conflict of interest nor has served as officer, director or employee or engaged in market making activity of the company. Further, the analyst has also not been a part of the team which has managed or co-managed the public offerings of the company and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Limited or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either, SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Compliance Officer: Ms. Priya Sonavane; Tel: 022-61150000; email id: [compliance@sharekhan.com](mailto:compliance@sharekhan.com);

For any queries or grievances kindly email [igc@sharekhan.com](mailto:igc@sharekhan.com) or contact: [myaccount@sharekhan.com](mailto:myaccount@sharekhan.com)

**Registered Office:** Sharekhan Limited, The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai-400028, Maharashtra, INDIA, Tel: 022-67502000 / Fax: 022-24327343. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183.

**Disclaimer:** Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.sharekhan.com](http://www.sharekhan.com); Investment in securities market are subject to market risks, read all the related documents carefully before investing.