

# Indian Hotels

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	IH IN
Equity Shares (m)	1,420
M.Cap.(INRb)/(USDb)	447.9 / 5.5
52-Week Range (INR)	349 / 171
1, 6, 12 Rel. Per (%)	-13/26/48
12M Avg Val (INR M)	1643

## Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	30.6	55.1	62.0
EBITDA	4.0	16.3	19.8
PAT	-2.6	7.6	10.2
EBITDA (%)	13.2	29.6	32.0
EPS (INR)	(1.8)	5.4	7.2
EPS Gr. (%)	(69.1)	393.2	34.4
BV/Sh. (INR)	49.7	54.5	60.9

## Ratios

Net D/E	(0.0)	(0.1)	(0.2)
RoE (%)	(4.8)	10.3	12.5
RoCE (%)	1.3	10.1	13.0
Payout (%)	(28.0)	11.2	11.1

## Valuations

P/E (x)	(172.6)	58.9	43.8
EV/EBITDA (x)	111.8	27.3	22.0
Div Yield (%)	0.1	0.2	0.3
FCF Yield (%)	0.5	2.2	2.4

## Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	38.2	38.2	40.8
DII	29.3	29.7	27.1
FII	16.3	15.1	13.5
Others	16.2	17.1	18.7

FII Includes depository receipts

**CMP: INR315**

**TP: INR365 (+16%)**

**Buy**

## Occupancy and ARR sustain above pre-Covid levels

### Operating performance misses estimate on higher-than-expected cost

- Indian Hotels (IH)'s consolidated revenue/EBITDA in 2QFY23 sustained above pre-Covid levels (2QFY20) by 22%/1.8x, led by a strong recovery in standalone occupancy/ARR (up 200bp/27% v/s 2QFY20), respectively.
- Occupancy (like-for-like) in the Business/Leisure segments remained above 2QFY20 levels by 4pp/6pp to 76%/54% in 2QFY23, while the same for Palaces/Ginger is lower by 3pp/10pp to 43%/58%, respectively.
- We largely retain our FY23/FY24 EBITDA estimates aided by robust demand in 2HFY23E due to the strong wedding season, increase in inbound travel, and India assuming the G20 presidency (meetings across India). **Maintain BUY with an SoTP-based TP of INR365.**

### Resilient demand continues to drive revenue

- IH's consolidated revenue in 2QFY23 grew 69% YoY (-3% QoQ) to INR12.3b (est. INR11.9b). EBITDA surged 4x YoY (-22% QoQ) to INR2.94b (est. INR3.35b). Adjusted PAT stood at INR1.1b (est. INR1.3b) v/s a loss of INR1.1b in 2QFY22. IH witnessed an EBITDA flow through of 59% from 2QFY20 levels.
- Standalone revenue/EBITDA in 2QFY23 surpassed pre-Covid levels by 25%/76% to INR7.5b/INR2.2b (up 63%/3.5x YoY, down 1%/18% QoQ), led by a strong recovery in both Occupancy/ARR (up 200bp/27% v/s 2QFY20), respectively. EBITDA jumped 3.5x YoY (-18% QoQ) to INR2.1b. IH witnessed an EBITDA flow through of 61% from 2QFY20 levels.
- Subsidiary (consolidated less standalone) sales surged 81% YoY (-4% QoQ) to INR4.8b, led by 16%/43%/62% YoY growth in revenue from PIEM/Roots/Benares v/s 2QFY20 levels. Subsidiary EBITDA grew 6.6x YoY (-31% QoQ) to INR812m during the quarter.
- For 1HFY23, revenue surged 2.3x YoY to INR25b while EBITDA/PAT stood at INR6.7b/INR2.9b v/s loss of INR760m/INR4.1b in 1HFY22, respectively. Net cash stood at INR3.9b v/s net debt of INR35.7b in 1HFY22.

### Highlights from the management commentary

- RevPAR growth in key cities such as Mumbai/Bengaluru/Delhi & NCR was higher by 28%/20%/20% in 2QFY23 v/s 2QFY20, respectively.
- As per HVS Anarock and STR Global, all-India RevPAR/Occupancy/ARR are projected to increase 13%/120bp/11% to INR5,085/70%/INR7,260 in 3QFY23 v/s 3QFY20 (pre-Covid level), respectively.
- Higher employee cost in 2QFY23 was attributed to increments coupled with one-time wage settlements taken place during the pandemic (reflecting now). Manpower per room for Taj/Vivanta/Ginger in Sep'22 stood at 1.88x/1.2x/0.43x v/s 2.17x/1.48x/0.48x in Apr'22, respectively.

### Valuation and view

- We expect the strong momentum to continue in FY23 and FY24, led by: a) a further improvement in ARR and occupancy due to favorable demand-supply dynamics; b) higher income from management contracts; and c) unlocking value by launching reimagined and new brands.

- We largely retain our FY23/FY24 EBITDA estimates aided by robust demand in 2HFY23E due to the strong wedding season, increase in inbound travel, and India assuming the G20 presidency (meetings across India). **Maintain BUY with an SoTP-based TP of INR365.**

**Consolidated - Quarterly Earning Model**

(INR m)

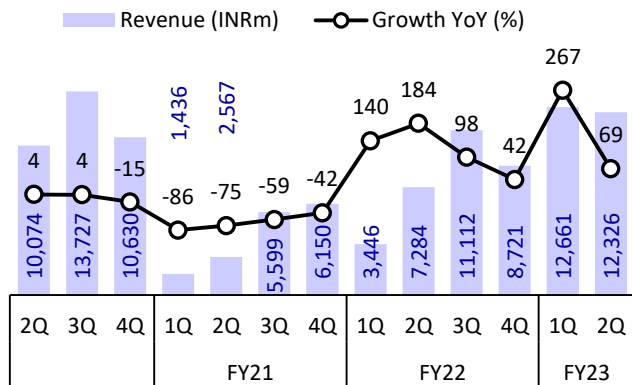
Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	
<b>Gross Sales</b>	<b>3,446</b>	<b>7,284</b>	<b>11,112</b>	<b>8,721</b>	<b>12,661</b>	<b>12,326</b>	<b>15,724</b>	<b>14,346</b>	<b>30,562</b>	<b>55,056</b>	<b>11,945</b>	<b>3</b>
YoY Change (%)	139.9	183.8	98.5	41.8	267.5	69.2	41.5	64.5	94.0	80.1	64.0	
Total Expenditure	4,934	6,555	7,895	7,131	8,882	9,386	10,315	10,191	26,515	38,774	8,591	
<b>EBITDA</b>	<b>-1,488</b>	<b>728</b>	<b>3,218</b>	<b>1,590</b>	<b>3,779</b>	<b>2,940</b>	<b>5,408</b>	<b>4,155</b>	<b>4,048</b>	<b>16,282</b>	<b>3,354</b>	<b>-12</b>
Margins (%)	-43.2	10.0	29.0	18.2	29.8	23.9	34.4	29.0	13.2	29.6	28.1	
Depreciation	1,025	1,018	999	1,019	1,026	1,026	1,050	1,090	4,061	4,192	1,050	
Interest	1,097	1,139	1,249	792	624	600	580	570	4,277	2,374	600	
Other Income	258	239	227	828	271	250	300	400	1,552	1,221	300	
<b>PBT before EO expense</b>	<b>-3,354</b>	<b>-1,189</b>	<b>1,197</b>	<b>607</b>	<b>2,401</b>	<b>1,564</b>	<b>4,078</b>	<b>2,895</b>	<b>-2,738</b>	<b>10,938</b>	<b>2,004</b>	
Extra-Ord expense	-203	108	102	-164	91	-123	0	0	-156	-32	0	
<b>PBT</b>	<b>-3,150</b>	<b>-1,297</b>	<b>1,095</b>	<b>771</b>	<b>2,309</b>	<b>1,687</b>	<b>4,078</b>	<b>2,895</b>	<b>-2,582</b>	<b>10,970</b>	<b>2,004</b>	
Tax	-450	-113	232	-26	648	443	1,224	869	-358	3,183	661	
Rate (%)	14.3	8.7	21.2	-3.4	28.1	26.3	30.0	30.0	13.9	29.0	33.0	
Minority Interest & Profit/Loss of Asso. Cos.	73	22	103	55	-39	28	108	58	253	155	23	
<b>Reported PAT</b>	<b>-2,773</b>	<b>-1,206</b>	<b>760</b>	<b>742</b>	<b>1,701</b>	<b>1,216</b>	<b>2,747</b>	<b>1,969</b>	<b>-2,477</b>	<b>7,632</b>	<b>1,320</b>	
<b>Adj PAT</b>	<b>-2,926</b>	<b>-1,125</b>	<b>837</b>	<b>619</b>	<b>1,769</b>	<b>1,123</b>	<b>2,747</b>	<b>1,969</b>	<b>-2,594</b>	<b>7,608</b>	<b>1,320</b>	<b>-15</b>
YoY Change (%)	-15.1	-54.2	NA	NA	NA	NA	228.2	217.9	NA	NA	NA	
Margins (%)	-84.9	-15.4	7.5	7.1	14.0	9.1	17.5	13.7	-8.5	13.8	11.0	

**Key Performance Indicators**

Y/E March	FY22				FY23				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Revenue Growth (%)</b>										
Standalone	117.8	179.3	81.3	27.9	267.0	62.6	35.5	62.4	76.8	73.7
Subs	183.5	191.8	145.1	84.4	268.1	80.7	53.5	69.1	138.2	92.5
<b>EBITDA Margin (%)</b>										
Standalone	(46.5)	13.1	35.2	27.5	34.2	28.4	40.1	38.4	19.4	35.8
Subs	(38.1)	4.6	16.4	(1.6)	9.6	30.7	42.5	16.9	1.6	18.9
<b>Cost Break-up</b>										
F&B Cost (% of sales)	8.1	8.6	8.8	7.9	8.2	8.4	8.4	8.4	8.4	8.3
Staff Cost (% of sales)	72.2	38.3	28.1	35.6	28.4	30.5	24.8	27.2	37.6	27.5
Other Cost (% of sales)	62.9	43.1	34.2	38.3	33.5	37.3	32.5	35.5	40.7	34.6
Gross Margins (%)	91.9	91.4	91.2	92.1	91.8	91.6	91.7	91.7	91.6	91.7
EBITDA Margins (%)	-43.2	10.0	29.0	18.2	29.8	23.9	34.4	29.0	13.2	29.6
EBIT Margins (%)	-73.0	-4.0	20.0	6.5	21.7	15.5	27.7	21.4	0.0	22.0

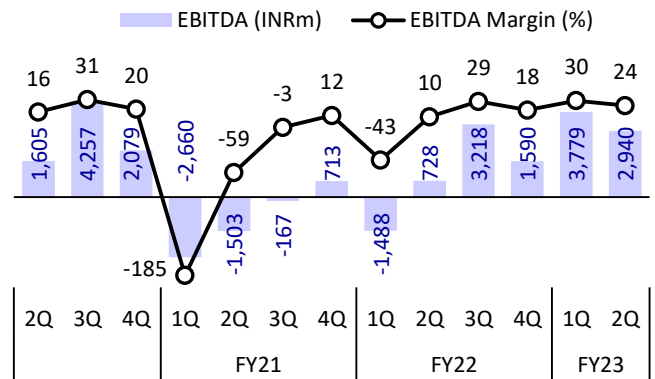
## Key exhibits

Exhibit 1: Consolidated revenue trend



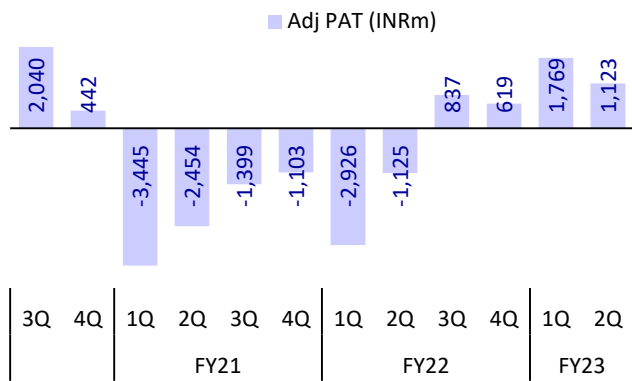
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



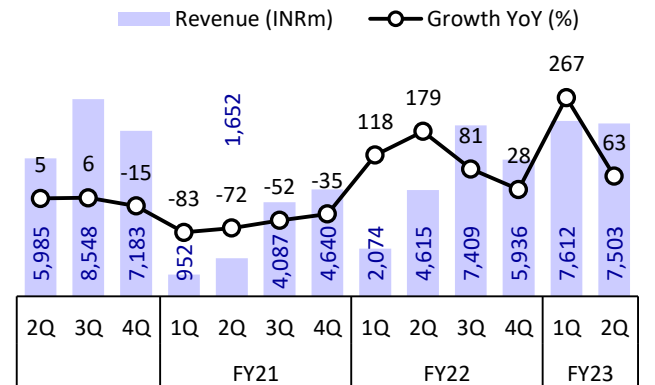
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



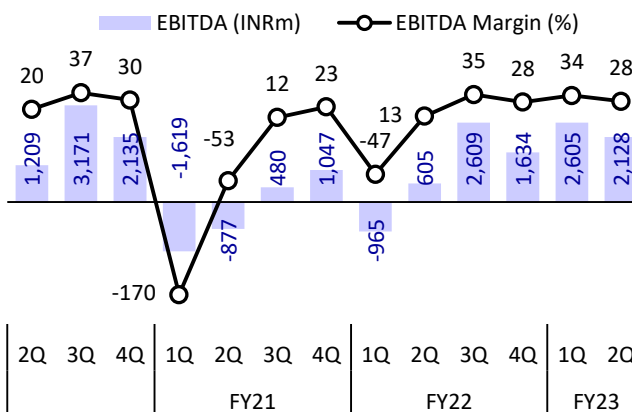
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



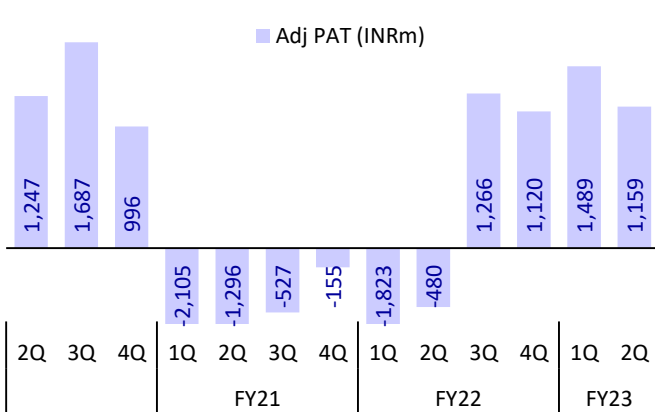
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend



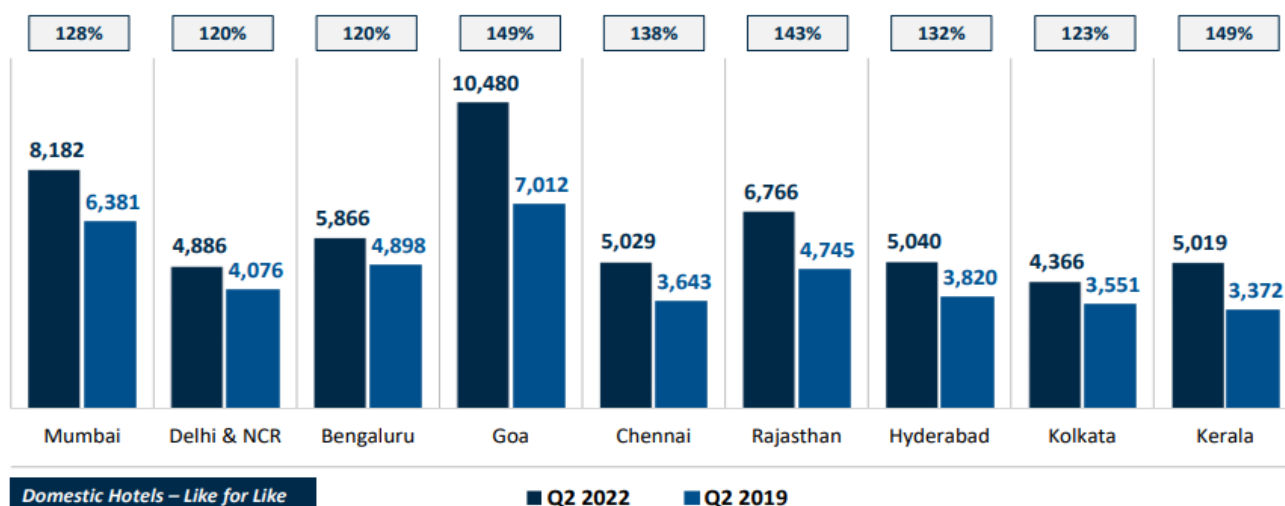
Source: Company, MOFSL

Exhibit 6: Standalone adjusted PAT trend



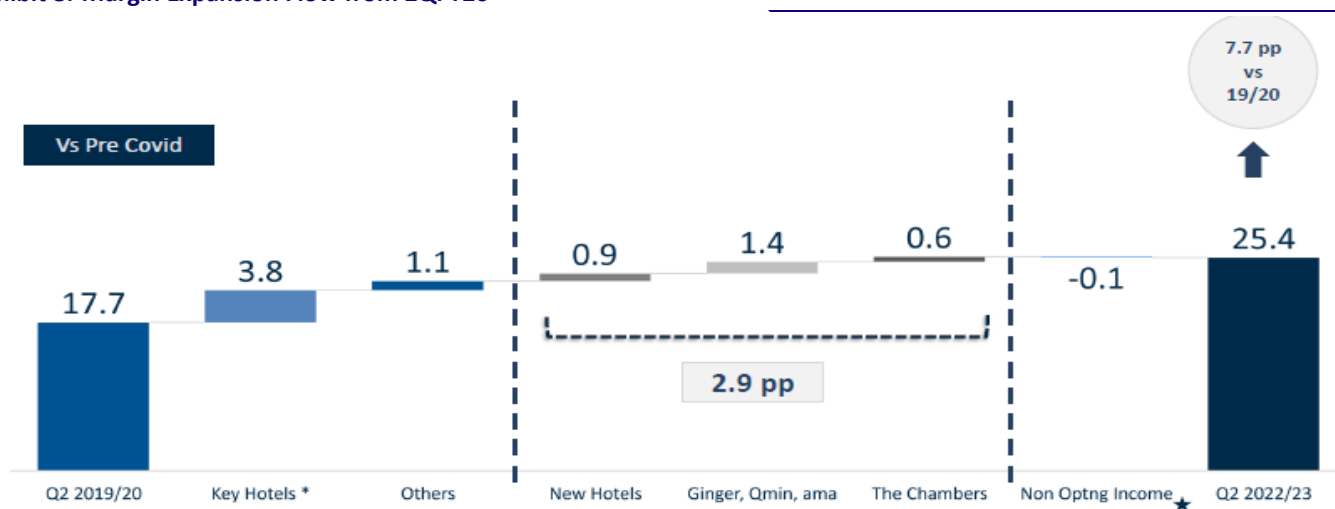
Source: Company, MOFSL

Exhibit 7: Industry-leading recovery across key markets



Source: STR Global, Company, MOFSL

Exhibit 8: Margin Expansion Flow from 2QFY20



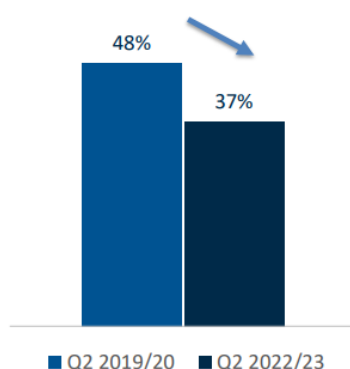
\*Asset management in key hotels + New hotels and businesses yielding results

\* Non-Operating Income includes Sale of Flats INR80m in 2QFY20

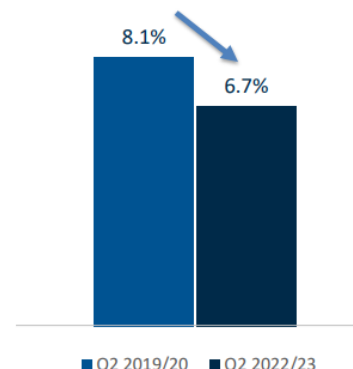
Source: Company, MOSL

Exhibit 9: IH's focus on costs strengthening drives margin expansion

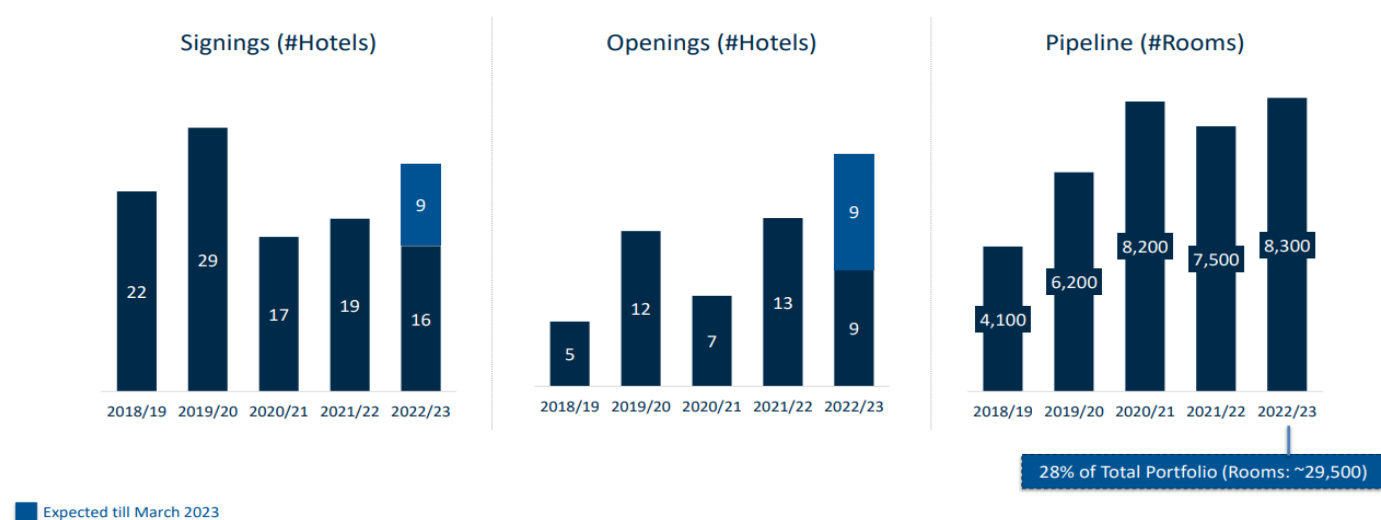
## Fixed Costs as % of Revenue



## Corp. Overheads as % of Rev.



Source: Company, MOFSL

**Exhibit 10: IH's Robust Growth In Signings, Openings and Pipeline**

Source: MOFSL, Company

**Exhibit 11: Domestic Hotels RevPAR & Recovery v/s Pre- Covid – By Category – Like For Like (LFL)**

Domestic Hotels - LFL	Occ %			ARR in ₹			RevPAR in ₹		
	Q2 2022	Q2 2019	%	Q2 2022	Q2 2019	%	Q2 2022	Q2 2019	%
Business	76%	70%	109%	7,977	6,907	115%	6,069	4,835	126%
Leisure	54%	50%	108%	12,505	8,082	155%	6,738	4,039	167%
Palaces	43%	46%	93%	26,247	16,362	160%	11,341	7,581	150%
Ginger	58%	68%	85%	2,857	2,153	133%	1,668	1,473	113%
<b>Total Domestic</b>	<b>66%</b>	<b>65%</b>	<b>102%</b>	<b>8,049</b>	<b>6,130</b>	<b>131%</b>	<b>5,347</b>	<b>3,983</b>	<b>134%</b>

Source: Company, MOFSL

**Exhibit 12: RevPAR Recovery By Domestic destination v/s Pre - Covid –LFL**

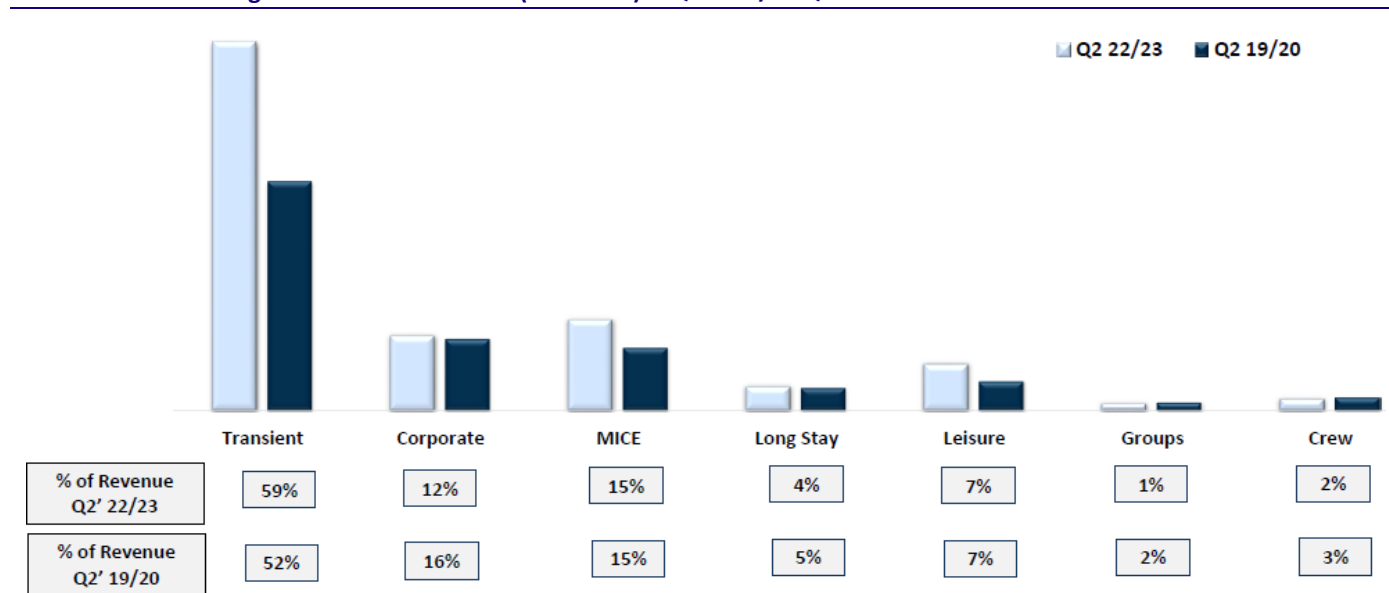
Domestic Hotels - LFL	Occ %			ARR in ₹			RevPAR in ₹		
	Q2 2022	Q2 2019	Recovery%	Q2 2022	Q2 2019	Recovery%	Q2 2022	Q2 2019	Recovery%
Mumbai	81%	75%	108%	10,064	8,455	119%	8,182	6,381	128%
Delhi & NCR	73%	78%	93%	6,684	5,204	128%	4,886	4,076	120%
Bengaluru	73%	68%	106%	8,083	7,174	113%	5,866	4,898	120%
Goa	73%	71%	102%	14,407	9,832	147%	10,480	7,012	149%
Chennai	74%	65%	113%	6,820	5,574	122%	5,029	3,643	138%
Rajasthan	45%	49%	93%	14,953	9,764	153%	6,766	4,745	143%
Hyderabad	68%	63%	108%	7,437	6,106	122%	5,040	3,820	132%
Kolkata	72%	59%	122%	6,041	6,017	100%	4,366	3,551	123%
Kerala	60%	61%	98%	8,334	5,510	151%	5,019	3,372	149%
<b>Grand Total</b>	<b>66%</b>	<b>65%</b>	<b>102%</b>	<b>8,049</b>	<b>6,130</b>	<b>131%</b>	<b>5,347</b>	<b>3,983</b>	<b>134%</b>

Source: Company, MOFSL

**Exhibit 13: RevPAR Recovery By International destination v/s Pre - Covid –LFL**

International Hotels - LFL	Occ %			ARR in \$			RevPAR in \$		
	Q2 2022	Q2 2019	%	Q2 2022	Q2 2019	%	Q2 2022	Q2 2019	%
USA	59%	82%	73%	641	509	126%	380	415	92%
UK	76%	91%	84%	416	362	115%	317	329	96%
Maldives	54%	50%	108%	526	480	109%	283	241	118%
Dubai	82%	78%	106%	154	120	128%	126	93	135%
Others	38%	57%	66%	89	98	91%	34	56	61%
<b>Total</b>	<b>54%</b>	<b>69%</b>	<b>79%</b>	<b>290</b>	<b>245</b>	<b>118%</b>	<b>157</b>	<b>168</b>	<b>94%</b>

Source: Company, MOFSL

**Exhibit 14: Market Segment – Room Revenue (All Hotels): 2QFY23 v/s 2QFY20**

Source: Company, MOFSL

**Exhibit 15: IH – standalone revenue metrics**

Particulars	2QFY20	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	v/s 2QFY20 %	YoY %	QoQ %
Occupancy (%)	68	56.6	66.6	58.4	70.4	70	200bp	1340bp	-40bp
ARR (INR)	8,696	8,273	11,348	10,569	11,397	11,003	27	33	-3
RevPAR (INR)	5,932	4,679	7,559	6,176	8,021	7,681	29	64	-4
Room revenue (INR m)	2,360	1,990	3,110	2,500	3,250	3,180	35	60	-2
F&B revenue (INR m)	2,430	1,650	2,840	2,000	2,810	2,840	17	72	1
Other revenue (INR m)	1,470	1,160	1,760	2,250	1,810	1,730	18	49	-4
Total revenue (INR m)	<b>6,260</b>	<b>4,800</b>	<b>7,710</b>	<b>6,750</b>	<b>7,870</b>	<b>7,750</b>	<b>24</b>	<b>61</b>	<b>-2</b>

Source: Company, MOFSL

**Exhibit 16: Revenue metrics for its domestic network**

Particulars	2QFY20	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	v/s 2QFY20 %	YoY %	QoQ %
Occupancy (%)	65	53.9	62.7	54.5	65.2	62	-300bp	810bp	-320bp
ARR (INR)	7,589	5,878	8,089	7,671	8,315	9,952	31	69	20
RevPAR (INR)	4,897	3,168	5,070	4,183	5,424	5,942	21	88	10
Room revenue (INR m)	7,880	4,940	7,930	6,520	8,590	11,220	42	127	31
F&B revenue (INR m)	6,910	4,190	7,090	5,640	7,570	8,970	30	114	18
Other revenue (INR m)	2,640	1,630	2,430	3,000	2,650	3,260	23	100	23
Total revenue (INR m)	<b>17,430</b>	<b>10,760</b>	<b>17,450</b>	<b>15,160</b>	<b>18,810</b>	<b>23,450</b>	35	118	25

Source: Company, MOFSL

**Highlights from the management interaction****Operating Performance**

- RevPAR growth in Mumbai/Bengaluru/Delhi & NCR stood at 28%/20%/20% in 2QFY23 v/s 2QFY20.
- IH witnessed growth in domestic business with ARR/Occupancy/RevPAR of 31%/2%/34% over pre-Covid levels (2QFY20).
- Occupancy (like-for-like) in the Business/Leisure segment remained above 2QFY20 levels by 4pp/6pp to 76%/54% in 2QFY23, while the same for Palaces/Ginger is lower by 3pp/10pp to 43%/58%.
- Fixed cost/Corporate overheads as a percentage of revenue has decreased from 48%/8.1% in 2QFY20 to 37%/6.7% in 2QFY23
- Occupancy is lower in states such as Delhi and Rajasthan as compared to pre Covid levels due to renovation of certain hotel. The management is expecting better occupancy going forward as the work has completed. Further, more than 100 rooms are expected to come onboard in 3QFY23 due to completion of the renovation
- For the upcoming G20 summit, India being the host will result in inbound travel of delegations across the country thereby boosting the demand.
- EBITDA margins for key subsidiaries like UOH Inc. USA/St James / Piem / Roots / Benares stood at -2%/35%/23%/37%/38% in 2QFY23 v/s pre-Covid levels of -11%/39%/12%/22%/22%.

**International business**

- RevPAR in UK and US is ~82% and ~96% of pre-Covid levels respectively. The management expects the same to reach 100% in 3QFY23.
- The management has indicated that the focus will be on room rates in UK and US rather than occupancy which will result in better RevPar.
- In UK, London business is performing well for the company.
- Overall international business is performing well barring Sri Lanka which is operating at ~50% occupancy levels.

**Qmin and ama stays**

- The Qmin portfolio has reached to 25 outlets during the quarter with ~eight of them situated in Ginger hotels.
- Qmin has crossed the GMV of ~INR1.25b since inception
- ama Stays portfolio has crossed ~100 homestays of which ~57 are in operation while rest are in various stages of completion

### Outlook

- As per HVS Research and STR Global, all-India RevPAR is projected to increase to INR5,085 in 3QFY23 v/s INR4,499 in 3QFY20 (pre-Covid levels). Similar occupancy is expected to go to 70% in 3QFY23 v/s 68.8% in 3QFY20. ADR is expected to be ~INR7,260 in 3QFY22 v/s INR6,540 in 3QFY20
- Air passenger traffic is expected to reach pre pandemic level on back of strong traction from the corporate and domestic leisure travel. International travel is also picking up.
- Domestic business is expected to witness high growth from Tier 2 and Tier 3 cities.
- Further, UDAN scheme of government is aiming to add 50 more airports leading to more demand of rooms in that location

### Employee expenses and attrition

- The employee expenses incurred for 2QFY22 was ~INR3.76b v/s ~INR3.65b in pre pandemic period
- IH gives increment to employees in second quarter of every financial year. Thus employee expenses are slightly inflated, but are expected to stay stable for the rest of the year.
- Attrition has not impacted the company significantly. Overall attrition is a challenge for the sector. However, company is not in venerable position due to its strong brand and ethos.
- In UK, all Hotel companies are struggling with attrition; however, IHCL has sent some staff from India to UK to manage the hotels there which helps the company in reducing the attrition rate along with giving the employee a good international exposure.

### Collaboration with Tata Group

- Loyalty led revenue is ~INR10b. ~5% of that has come from the TATA Neu App
- TATA Group is upgrading the TATA Neu app. Ginger will be coming on the app by Nov'22.

### G20 summit

- Company is working closely with government for the bookings of G20 summit.
- ~50+ destinations will be covered by the summit. IHCL is in much better position to capitalize the opportunity with presence in ~ 100+ locations

### Corporate negotiation

- The corporate negotiation has gone well. Company is witnessing more than ~10% rate hikes.
- Going forward, certain rooms will be given at negotiated rates, but anything above that will be charged differently
- Up gradations of assets have also led to rate hikes as the company has upgraded ~17 hotels just before Covid-19.

### Others highlights

- Company has installed ~225+ EV charging ports in its hotels in partnership with Tata Power
- Company has opened nine hotels during 1HFY23 and nine more are expected to open during 2HFY23 (five of them to be from ginger)

- Recent opening includes Sawai Man Palace in Rajasthan and Taj Wayanad in Kerala. Company has opened Ginger hotels in Ahmedabad and Mumbai
- The company has undertaken new concepts of 'Loya' in Taj Mahal Palace, Mumbai.
- Wedding business is performing strongly with rates as well as number of events going up.
- Growth is coming from increasing room rates. Rates are constantly increasing due to constraint of supply. Rates have risen globally and there is no reason why the rates in India will not increase.
- Management is looking to incur capex of ~4-5% of annual revenues going ahead.

### Valuation and view

- IH's asset-light model as well as new/reimagined revenue-generating avenues with higher EBITDA margin bodes well for an expansion in RoCE.
- We expect the strong momentum to continue in FY23 and FY24, led by: a) a further improvement in ARR and occupancy due to favorable demand-supply dynamics; b) higher income from management contracts; and c) unlocking value by launching reimagined and new brands.
- We largely retain our FY23/FY24 EBITDA estimates aided by robust demand in 2HFY23E due to the strong wedding season, increase in inbound travel, and India assuming the G20 presidency (meetings across India). **Maintain BUY with an SoTP-based TP of INR365.**

#### Exhibit 17: Valuation methodology

Particulars	Methodology	Metrics	FY24	Multiple (x)	Value (INR m)	Value/ share (INR)
<b>IHCL- ex JV/ Associate</b>						
EV	EV/EBITDA (x)	EBITDA	21,498	23	5,00,462	352
Less: Net Debt					17,519	12
Less: Minority Interest					-5,930	-4
Sub Total					5,12,051	360
<b>JV/Associate</b>						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	3,131	0.8	2,505	1.8
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	5,282	0.8	4,226	3.0
<b>Sub Total</b>					<b>6,731</b>	<b>4.7</b>
<b>Target Price</b>					<b>5,18,781</b>	<b>365</b>

Source: MOFSL

#### Exhibit 18: Change in estimates

Earnings Change (INR m)	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	53,533	60,537	55,056	61,960	3%	2%
EBITDA	16,822	20,530	16,282	19,813	-3%	-3%
Adj. PAT	7,623	10,301	7,608	10,223	0%	-1%

Source: MOFSL

## Financials and valuations

### Consolidated - Income Statement

	(INR m)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>40,230</b>	<b>40,206</b>	<b>41,036</b>	<b>45,120</b>	<b>44,631</b>	<b>15,752</b>	<b>30,562</b>	<b>55,056</b>	<b>61,960</b>
Change (%)	-4.0	-0.1	2.1	10.0	-1.1	-64.7	94.0	80.1	12.5
Food and beverages consumed	3,669	3,640	3,764	4,041	3,706	1,438	2,572	4,580	5,143
Employees Cost	14,233	13,647	13,466	14,708	14,946	8,940	11,502	15,160	15,874
Power & Fuel Cost	2,754	2,586	2,591	2,736	2,699	1,729	2,250	3,303	3,594
Licence Fees	2,408	2,502	2,544	2,758	1,459	756	1,681	3,303	3,532
Other Expenses	11,644	11,736	11,967	12,580	12,147	6,506	8,509	12,428	14,005
<b>Total Expenditure</b>	<b>34,709</b>	<b>34,110</b>	<b>34,332</b>	<b>36,823</b>	<b>34,956</b>	<b>19,369</b>	<b>26,515</b>	<b>38,774</b>	<b>42,147</b>
% of Sales	86.3	84.8	83.7	81.6	78.3	123.0	86.8	70.4	68.0
<b>EBITDA</b>	<b>5,521</b>	<b>6,096</b>	<b>6,704</b>	<b>8,297</b>	<b>9,675</b>	<b>-3,618</b>	<b>4,048</b>	<b>16,282</b>	<b>19,813</b>
Margin (%)	13.7	15.2	16.3	18.4	21.7	-23.0	13.2	29.6	32.0
Depreciation	2,848	2,994	3,012	3,279	4,042	4,096	4,061	4,192	4,434
<b>EBIT</b>	<b>2,673</b>	<b>3,102</b>	<b>3,692</b>	<b>5,019</b>	<b>5,633</b>	<b>-7,714</b>	<b>-13</b>	<b>12,091</b>	<b>15,379</b>
Int. and Finance Charges	3,756	3,238	2,690	1,901	3,411	4,028	4,277	2,374	2,019
Other Income	997	549	617	834	1,324	1,647	1,552	1,221	1,487
<b>PBT bef. EO Exp.</b>	<b>-86</b>	<b>413</b>	<b>1,618</b>	<b>3,951</b>	<b>3,546</b>	<b>-10,095</b>	<b>-2,738</b>	<b>10,938</b>	<b>14,847</b>
EO Items	-827	-108	225	66	410	1,600	156	32	0
<b>PBT after EO Exp.</b>	<b>-913</b>	<b>306</b>	<b>1,843</b>	<b>4,017</b>	<b>3,955</b>	<b>-8,495</b>	<b>-2,582</b>	<b>10,970</b>	<b>14,847</b>
Total Tax	906	1,137	1,211	1,571	448	-1,553	-358	3,183	4,454
Tax Rate (%)	-99.3	372.2	65.7	39.1	11.3	18.3	13.9	29.0	30.0
Minority Interest	493	-200	-376	-422	-37	259	253	155	170
<b>Reported PAT</b>	<b>-2,312</b>	<b>-632</b>	<b>1,009</b>	<b>2,868</b>	<b>3,544</b>	<b>-7,201</b>	<b>-2,477</b>	<b>7,632</b>	<b>10,223</b>
<b>Adjusted PAT</b>	<b>-1,692</b>	<b>-551</b>	<b>840</b>	<b>2,819</b>	<b>3,237</b>	<b>-8,401</b>	<b>-2,594</b>	<b>7,608</b>	<b>10,223</b>
Change (%)	NA	NA	NA	235.4	14.8	-359.5	-69.1	-393.2	34.4
Margin (%)	-4.2	-1.4	2.0	6.2	7.3	-53.3	-8.5	13.8	16.5

### Consolidated - Balance Sheet

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	989	989	1,189	1,189	1,189	1,189	1,420	1,420	1,420
Total Reserves	24,813	24,188	40,622	42,291	42,379	35,295	69,202	75,982	85,068
<b>Net Worth</b>	<b>25,803</b>	<b>25,177</b>	<b>41,811</b>	<b>43,480</b>	<b>43,568</b>	<b>36,484</b>	<b>70,623</b>	<b>77,402</b>	<b>86,488</b>
Minority Interest	7,429	7,378	7,774	7,999	7,649	6,346	5,930	5,930	5,930
Total Loans	45,260	33,830	24,270	23,260	26,020	36,328	19,848	9,148	1,148
Lease Liability	0	0	0	0	18,987	18,464	18,604	18,604	18,604
Deferred Tax Liabilities	2,382	2,820	3,563	3,768	1,869	781	876	876	876
<b>Capital Employed</b>	<b>80,874</b>	<b>69,206</b>	<b>77,418</b>	<b>78,506</b>	<b>98,093</b>	<b>98,403</b>	<b>1,15,880</b>	<b>1,11,960</b>	<b>1,13,046</b>
Gross Block	64,751	57,923	63,356	69,051	73,316	81,772	85,655	91,201	94,811
Less: Accum. Deprn.	2,661	5,506	7,385	10,663	14,706	18,802	22,863	27,054	31,488
<b>Net Fixed Assets</b>	<b>62,090</b>	<b>52,417</b>	<b>55,971</b>	<b>58,388</b>	<b>58,610</b>	<b>62,970</b>	<b>62,792</b>	<b>64,147</b>	<b>63,323</b>
Goodwill on Consolidation	5,527	5,737	5,655	5,835	6,146	6,110	6,229	6,229	6,229
Right-of-Use assets					15,833	15,297	15,134	15,134	15,134
Capital WIP	2,900	2,227	1,970	1,162	2,441	1,650	1,933	1,387	2,777
<b>Total Investments</b>	<b>15,152</b>	<b>12,437</b>	<b>15,965</b>	<b>13,351</b>	<b>14,266</b>	<b>14,832</b>	<b>19,668</b>	<b>19,668</b>	<b>19,668</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>12,305</b>	<b>13,173</b>	<b>14,184</b>	<b>17,102</b>	<b>17,887</b>	<b>14,269</b>	<b>25,139</b>	<b>24,064</b>	<b>26,139</b>
Inventory	802	804	857	804	936	929	1,008	1,169	1,270
Account Receivables	2,420	2,721	3,286	3,214	2,900	2,198	2,553	3,620	4,074
Cash and Bank Balance	1,825	2,471	2,703	2,409	3,156	1,536	11,878	8,815	9,642
Loans and Advances	7,258	7,177	7,338	10,675	10,895	9,605	9,700	10,461	11,153
<b>Curr. Liability &amp; Prov.</b>	<b>17,099</b>	<b>16,785</b>	<b>16,328</b>	<b>17,331</b>	<b>17,090</b>	<b>16,724</b>	<b>15,016</b>	<b>18,670</b>	<b>20,224</b>
Account Payables	3,240	3,370	3,513	3,253	3,893	3,178	3,873	4,355	4,734
Other Current Liabilities	11,846	11,305	10,349	11,579	10,441	10,921	8,233	11,011	12,392
Provisions	2,013	2,110	2,465	2,500	2,756	2,625	2,909	3,303	3,098
<b>Net Current Assets</b>	<b>-4,794</b>	<b>-3,612</b>	<b>-2,143</b>	<b>-229</b>	<b>798</b>	<b>-2,456</b>	<b>10,123</b>	<b>5,394</b>	<b>5,914</b>
<b>Appl. of Funds</b>	<b>80,874</b>	<b>69,206</b>	<b>77,418</b>	<b>78,507</b>	<b>98,093</b>	<b>98,403</b>	<b>1,15,880</b>	<b>1,11,960</b>	<b>1,13,046</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>-1.2</b>	<b>-0.4</b>	<b>0.6</b>	<b>2.0</b>	<b>2.3</b>	<b>-5.9</b>	<b>-1.8</b>	<b>5.4</b>	<b>7.2</b>
Cash EPS	0.8	1.7	2.7	4.3	5.1	-3.0	1.0	8.3	10.3
BV/Share	18.2	17.7	29.4	30.6	30.7	25.7	49.7	54.5	60.9
DPS	0.0	0.2	0.2	0.4	0.4	0.4	0.4	0.6	0.8
Payout (%)	0.0	-53.9	41.9	25.3	20.5	-9.6	-28.0	11.2	11.1
<b>Valuation (x)</b>									
P/E	NA	-812.2	532.9	158.9	138.3	-53.3	-172.6	58.9	43.8
Cash P/E	387.3	183.3	116.2	73.4	61.5	-104.0	305.4	38.0	30.6
P/BV	17.4	17.8	10.7	10.3	10.3	12.3	6.3	5.8	5.2
EV/Sales	12.4	12.1	11.5	10.5	10.6	30.8	14.8	8.1	7.0
EV/EBITDA	90.0	79.7	70.7	57.2	49.0	-133.9	111.8	27.3	22.0
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3
FCF per share	1.8	6.7	-0.1	1.4	1.7	-7.6	1.7	6.9	7.5
EV/ Adj Rooms (INR m)	53.6	51.4	48.5	47.5	46.0	46.9	43.2	41.7	40.1
EBITDA/ Room (INR)	3,759	4,129	4,341	5,193	5,974	-7,214	4,605	9,550	10,670
<b>Return Ratios (%)</b>									
RoE	-7.0	-2.2	2.5	6.6	7.4	-21.0	-4.8	10.3	12.5
RoCE	3.4	3.8	4.6	5.9	6.8	-5.7	1.3	10.1	13.0
RoIC	8.9	-14.9	2.3	5.2	7.1	-7.9	0.0	10.4	13.2
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.6	0.7	0.6	0.7	0.6	0.2	0.4	0.6	0.7
Asset Turnover (x)	0.5	0.6	0.5	0.6	0.5	0.2	0.3	0.5	0.5
Inventory (Days)	7	7	8	7	8	22	12	8	7
Debtor (Days)	22	25	29	26	24	51	30	24	24
Creditor (Days)	29	31	31	26	32	74	46	29	28
<b>Leverage Ratio (x)</b>									
Current Ratio	0.7	0.8	0.9	1.0	1.0	0.9	1.7	1.3	1.3
Interest Cover Ratio	0.7	1.0	1.4	2.6	1.7	-1.9	0.0	5.1	7.6
Net Debt/Equity	1.6	1.2	0.4	0.4	0.4	0.8	0.0	-0.1	-0.2

### Consolidated - Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	-912	306	1,618	4,017	3,955	-10,095	-2,738	10,938	14,847
Depreciation	2,848	2,994	3,012	3,279	4,042	4,096	4,061	4,192	4,434
Interest & Finance Charges	3,293	3,015	2,073	1,068	2,087	2,381	2,725	1,153	532
Direct Taxes Paid	-900	-868	-1,425	-1,571	-448	1,553	358	-3,183	-4,454
(Inc)/Dec in WC	948	-599	-1,033	323	-1,402	-2,722	2,155	1,666	307
<b>CF from Operations</b>	<b>5,278</b>	<b>4,848</b>	<b>4,246</b>	<b>7,115</b>	<b>8,235</b>	<b>-4,786</b>	<b>6,560</b>	<b>14,765</b>	<b>15,665</b>
Others	910	498	675	0	0	1,600	156	32	0
<b>CF from Operating incl EO</b>	<b>6,188</b>	<b>5,345</b>	<b>4,920</b>	<b>7,114</b>	<b>8,235</b>	<b>-3,187</b>	<b>6,716</b>	<b>14,797</b>	<b>15,665</b>
(Inc)/Dec in FA	-3,657	4,193	-5,094	-5,067	-5,855	-7,629	-4,286	-5,000	-5,000
<b>Free Cash Flow</b>	<b>2,531</b>	<b>9,538</b>	<b>-174</b>	<b>2,048</b>	<b>2,380</b>	<b>-10,816</b>	<b>2,431</b>	<b>9,797</b>	<b>10,665</b>
(Pur)/Sale of Investments	5,028	4,425	-1,462	2,614	-915	-566	-4,836	0	0
Others	1,196	496	912	-1,428	1,750	6,998	-7,303	1,221	1,487
<b>CF from Investments</b>	<b>2,567</b>	<b>9,114</b>	<b>-5,644</b>	<b>-3,882</b>	<b>-5,019</b>	<b>-1,197</b>	<b>-16,425</b>	<b>-3,779</b>	<b>-3,513</b>
Issue of Shares	0	0	14,999	0	0	0	231	0	0
Inc/(Dec) in Debt	-9,850	-11,719	-9,498	-1,010	2,760	10,308	-16,481	-10,700	-8,000
Interest Paid	-1,880	-1,637	-4,089	-1,901	-3,411	-4,028	-4,277	-2,374	-2,019
Dividend Paid	-235	-458	-447	-725	-725	-693	-693	-852	-1,136
Others	-1	0	-7	110	-1,093	-2,823	41,270	-155	-170
<b>CF from Fin. Activity</b>	<b>-11,966</b>	<b>-13,814</b>	<b>957</b>	<b>-3,527</b>	<b>-2,470</b>	<b>2,764</b>	<b>20,050</b>	<b>-14,081</b>	<b>-11,326</b>
<b>Inc/Dec of Cash</b>	<b>-3,211</b>	<b>645</b>	<b>233</b>	<b>-294</b>	<b>746</b>	<b>-1,620</b>	<b>10,342</b>	<b>-3,063</b>	<b>827</b>
Opening Balance	5,036	1,826	2,471	2,704	2,409	3,156	1,536	11,878	8,815
<b>Closing Balance</b>	<b>1,825</b>	<b>2,471</b>	<b>2,704</b>	<b>2,409</b>	<b>3,156</b>	<b>1,536</b>	<b>11,878</b>	<b>8,815</b>	<b>9,642</b>

## 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](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

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

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

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

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

#### Regional Disclosures (outside India)

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

#### For Hong Kong:

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

#### For U.S.

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

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

#### For Singapore

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

#### Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

#### **Analyst Certification**

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

#### **Terms & Conditions:**

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

#### **Disclaimer:**

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980

4263; [www.motilaloswal.com](http://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](mailto:na@motilaloswal.com), Contact No.:022-71881085.

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