Powered by the Sharekhan 3R Research Philosophy

Stock Update

Result Update

Indian Hotels Company Ltd

Mixed bag Q1; Strong outlook for Q2

Consumer Discretionary	Sharekhan code: INDHOTEL

Reco/View: Buy	↔	CMP: **Rs. 577**	Price Target: **Rs. 679** ↔

↑ Upgrade ↔ Maintain ↓ Downgrade

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		↔	

Company details

Market cap:	Rs. 82,168 cr
52-week high/low:	Rs. 663/371
NSE volume: (No of shares)	39.6 lakh
BSE code:	500850
NSE code:	INDHOTEL
Free float: (No of shares)	88.1 cr

Shareholding (%)

Promoters	38.1
FII	25.5
DII	20.8
Others	15.6

Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	-6.3	-3.2	19.8	44.4
Relative to Sensex	-10.6	-13.5	7.4	24.3

Sharekhan Research, Bloomberg

Summary

- Indian Hotels Company Ltd's (IHCL's) Q1FY2025 numbers were a mixed bag, with revenues growing by 5.7% y-o-y while EBIDTA margins rose 103 bps y-o-y to 29%, resulting in better-than-expected PAT growth of 10%.
- Q2 will be among the strongest quarters, with July revenues rising above 20%. H2FY2025 will also see good growth momentum led by higher demand from recovering foreign tourist arrivals and improvement in some of the key international properties.
- Excluding consolidation of Taj SATS, revenues should grow by over 10% in FY2025. New businesses should grow by 30%. EBIDTA margins will see consistent improvement in the quarters ahead.
- We maintain a Buy on the stock with an unchanged PT of Rs. 679. Stock currently trades at 28x/23x its FY2025E/26E EV/EBIDTA, respectively.

IHCL registered mixed performance in Q1FY2025 with consolidated revenues growing by 5.7% y-o-y (lower than our and street expectation of 8-9% y-o-y revenue growth), while EBIDTA margin expansion of 103 bps to 29% led to 10% growth in PAT, ahead of our expectation of flat bottomline during the quarter. Q1 revenue growth was impacted by the general elections, a heatwave across country and 15 lesser auspicious days. Standalone revenues grew by 4% y-o-y, while new businesses registered 37% y-o-y growth and re-imagined business grew by 17% y-o-y. Despite weak revenue performance, cost saving initiatives and operating efficiencies aided EBIDTA margins to rise 103 bps y-o-y to 29%. EBIDTA grew by 9.6% y-o-y to Rs. 450 crore and reported PAT grew by 10.2% y-o-y to Rs 260 crore. Cash on books as of June 30, 2024 stood at Rs. 2,091 crore (post debt repayment and a dividend payout of Rs. 261 crore).

Key positives

- IHCL's domestic RevPar stood at Rs. 6,900; at a 60% premium to industry.
- Ginger (consolidated) revenues grew by 56% y-o-y to Rs. 122 crore; EBIDTA margins reached 41%.
- Taj SATS revenues grew by 18% y-o-y; Market share at 59%.
- UOH Inc. - USA (IHCL's wholly-owned subsidiary) registered revenue growth of 11% y-o-y.

Key negatives

- Domestic occupancies fell 310 bps q-o-q to 76%.
- St. James Court, UK (a subsidiary) registered 4.2% y-o-y dip in revenues.

Management Commentary

- Q2 is a seasonally weak quarter for the hotel industry in India. However, Q2FY2025 will be stronger than Q1FY2024 as July saw an over 20% growth in revenues. One of the large wedding event in Mumbai led to strong room demand and F&B growth for two weeks. Q2 will have 12 higher wedding days compared to last year which will add to revenues.
- Management eyes revenue growth of over 10% in FY2025. H2 would see a good recovery in foreign tourist arrivals (FTA) and some of the international properties such as St. James Court, UK and US hotels are expected to see good recovery post elections.
- New businesses (including Ginger, Q-min and Amma) are expected to grow by 30%+ and Re-imagined businesses (The Chambers & Taj Sats) are expected to grow by 20%. Management contract revenues is expected to grow by over 15%.
- Long term demand growth is expected to be 10%+ with top 8 cities projected to grow by ~9% and 13% growth in key leisure markets. Industry demand from Jan-May 2024 grew by 2.8% while supply grew by just 2.2%.
- EBIDTA margins are expected to improve consistently with cost saving initiatives. Employee cost as percentage to revenues will remain at 26-27% in FY2025.
- Company has guided to open 25 new hotels in FY2025. It has opened 6 hotels in Q1FY2025 and 1 new hotel in July 2024.
- IHCL will consolidate Taj SATS (by August 1, 2024) with board approving certain changes in SSHA agreement. In order to simplify its operating model and the holding structure, it is proposed to combine the business of TIHL with St James Court Hotels Ltd by Q3FY2025.
- IHCL entered into new segment of branded residences with the launch of Taj branded Residences in Chennai having 123 branded residences and 235 hotel rooms. The company will get revenues in the form of branded fees for sale of rooms, maintenance and service charges for housekeeping and various facilities available in the property.

Revision in earnings estimates - We have reduced our earnings estimates for FY2025 marginally by 2% to factor in little lower revenue growth than earlier estimated while we have maintained it for FY2026.

Our Call

View – Retain Buy with an unchanged PT of Rs. 679: IHCL's Q1FY2025 was an aberration and we expect strong recovery in the performance from Q2FY2025. The company has charted a strong growth plan to be achieved by FY2025-26 with a strong improvement in cash flows and strengthening balance sheet with a focus on becoming debt-free. EBITDA margins will consistently improve in the coming years. With strong room inventory, IHCL is the best pick to capture strong growth momentum in domestic tourism in the coming years. The stock trades at 28x/23x its FY2025E/26E EV/EBIDTA, respectively. We maintain a Buy recommendation on the stock with an unchanged price target of Rs. 679.

Key Risks

Any slowdown in corporate travel or a slower recovery in inbound and the outbound tourism industry would act as a key risk to our earnings estimates.

Valuation (consolidated) Rs cr

Particulars	FY23	FY24	FY25E	FY26E
Revenue	5,810	6,769	7,750	9,068
EBITDA margin (%)	31.1	31.9	32.9	34.0
Adjusted PAT	968	1,202	1,519	1,950
Adjusted EPS (Rs.)	7.4	9.3	11.4	14.5
P/E (x)	78.1	61.7	50.7	39.7
P/B (x)	9.5	8.1	7.1	6.1
EV/EBIDTA (x)	40.9	32.6	27.5	22.6
RoNW (%)	11.9	12.8	14.0	15.6
RoCE (%)	13.0	14.8	16.4	18.8

Source: Company; Sharekhan estimates

Mixed Q1 – Miss on revenues; margins surprised positively

IHCL's revenues grew by 5.7% y-o-y to Rs. 1,550 crore, missing ours and the average street expectation of Rs. 1,584 crore and Rs. 1,572 crore, respectively. Standalone room revenues grew by 9.5% y-o-y to Rs. 413 crore, occupancy improved by 120 bps y-o-y to 76% and ARR grew by 2.3% y-o-y to Rs. 12,906 per night. New Businesses' (Ginger, Qmin and amã Stays & Trails) revenues grew by 37% y-o-y to Rs. 162 crore. Reimagined Businesses of TajSATS and The Chambers reported a revenue of Rs. 274 crores, up 17% y-o-y. Management fee income increased by 17% y-o-y to Rs. 114 crore, in line with capital light growth strategy. EBIDTA margins rose 103 bps y-o-y to 29%, driven by operating efficiencies and cost saving measures. EBITDA margin came in higher than our expectation of 27.6% and average consensus estimate of 28.6%. EBIDTA grew by 9.6% y-o-y to Rs. 450 crore. This coupled with lower interest cost led to 11.2% y-o-y growth in the adjusted PAT to Rs. 234 crore, in-line with our expectation of Rs. 235 crore and street average expectation of Rs. 243 crore. Reported PAT stood at Rs. 260 crore. As of June 30, 2024, gross consolidated cash balance stood at Rs. 2,091 crore, with 3x free cash flow generated in Q1FY2025 versus Q1FY2024. During Q1FY2025, IHCL signed 16 hotels and opened 6 hotels taking the portfolio to 326 hotels in more than 130 locations globally.

Q1FY25 performance impacted by multiple one-off factors

Standalone business reported a 5%/11% y-o-y revenue/EBITDA growth to Rs. 931 crore/Rs. 327 crore, respectively. Muted revenue growth was due to impact of elections, heatwave across the country and lesser wedding dates. In the standalone business, room revenue grew by 9.5% y-o-y to Rs. 413 crore and F&B revenue declined by 5% y-o-y to Rs. 304 core. EBITDA margin of the standalone businesses improved by 210 bps y-o-y to 35.1%. Standalone management fees rose by 13% y-o-y to Rs. 108 crore. In Q1FY2025, IHCL Enterprise (the summation of all domestic hotels including Ginger, all corporates & Taj SATS Air Catering, ownership-agnostic) reported a 7%/4% y-o-y revenue/EBITDA growth to Rs. 3,024 crore/Rs. 905 crore, respectively.

Mixed performance across international properties and subsidiaries

For the St. James Court hotel, London, revenues fell by 4.2% y-o-y to Rs. 136 crore and EBITDA margin declined by 240 bps y-o-y to 32%. On the other hand, US property revenues rose by 10.9% y-o-y to Rs. 204 crore and EBITDA margin improved to 4.8% versus 2.6% in Q1FY2024. Revenues from some key subsidiaries, such as PIEM Hotels, Roots Corporation, and Benares Hotels stood at Rs. 126 crore, Rs. 100 crore and Rs. 24 crore in Q1FY2025, registering a y-o-y growth of 3.3%, 28.2% and a decline of 7.7% respectively.

16 signings and 6 openings in Q1FY2025; focus on room addition continues

IHCL continued its portfolio expansion in Q1FY2025, with the signing of 16 hotels and opening of 6 hotels across brands. In Q1FY2025, IHCL signed 6 hotels under the Taj brand, signed 2 hotels and opened 1 hotel under the Seleqtions brand, signed 2 hotels and opened 2 hotels under the Tree of Life brand, signed 3 hotels under the reimagined Gateway brand, while under the Vivanta brand, IHCL signed 1 hotel and opened 1 hotel and under the Ginger brand, it signed 2 hotels and opened two hotels. IHCL's current operational inventory comprises 224 hotels, together with 102 hotels in the pipeline, the company's total portfolio comprises of 326 hotels at present including 114 hotels under the Taj brand, 88 hotels in the Seleqtions/Vivanta brands, 92 hotels under the Ginger brand, 16 hotels in the Gateway brand and 16 hotels under the Tree of Life brand. Company has guided to open 25 new hotels in FY2025.

Strong room addition pipeline across brands

Pipeline – IHCL+Subsidiaries	FY25	FY26	FY27	FY28	FY29	Total
Taj	112	134		183		429
Vivanta		125				125
Ginger	537	150	312	678	667	2,344
Total Owned Pipeline	649	409	312	861	667	2,898
Pipeline - Managed Hotels						
Taj	694	1735	1186	801	684	5,100
Vivanta	100	1397	690	590	239	3,016
SeleQtions	469	721	0	275	19	1,484
Gateway	152	176	435	100	316	1,179
Ginger	134	0	220	325	160	839
Total Managed Pipeline	1,549	4,029	2,531	2,091	1,418	11,618
Grand Total (Owned + Managed)	2,198	4,438	2,843	2,952	2,085	14,516

Source: Company, Sharekhan Research

New businesses and reimaged businesses continue to deliver strong growth

IHCL's new business vertical comprising Ginger, Qmin and amã Stays & Trails reported revenue of Rs. 162 crore, registering a y-o-y growth of 37%, with Ginger (excluding Qmin)/Qmin/Ama registering y-o-y growth of 36%/48%/23%, respectively. Ginger reported enterprise revenue of Rs. 142 crore, registering a growth of 45% y-o-y driven by 65% y-o-y growth in F&B revenue (led by Qminisation of Ginger) and 42% y-o-y growth in the room revenue. Ginger's revenue share increased to 12% from 8% in FY2024 and achieved a healthy RevPAR growth during Q1FY2025. The new flagship Ginger Mumbai Airport clocked revenue of Rs. 21 crore, with 87% occupancy and an ARR of Rs. 5,700 in Q1FY2025. EBITDA margin of Ginger expanded to 41% in Q1FY2025 versus 26% pre-COVID. IHCL targets to improve Ginger's EBITDA margin to ~50% by 2027. Reimagined businesses of TajSATS and The Chambers (membership fee) reported a revenue of Rs. 274 crore, registering a y-o-y growth of 17%, with TajSATS growing by 18% y-o-y and The Chambers growing by 17% y-o-y. TajSATS EBITDA margin was sustained at 24%. Combined contribution of new and reimagined business is expected at ~20% of IHCL's consolidated revenue.

Two corporate actions in line with simplification strategy

- **TajSATS – Amendment to the Subscription cum Shareholders Agreement (SSHA)**
    - IHCL's board has approved certain changes to the SSHA Agreement of TajSATS Ltd which will allow IHCL to consolidate TajSATS as a subsidiary in its consolidated accounts as opposed to equity accounting consolidation.
    - SATS Ltd, Singapore has also approved these changes in its Board Meeting held on July 19, 2024.
    - The consolidation is expected to be effective August 1, 2024.
- **Approval to combine business of St. James & Taj International Hotels Limited (TIHL)**
    - To simplify operating model and the holding structure, it is proposed to combine the business of TIHL with St James Court Hotels Ltd. (St James), through a share swap and simultaneous business transfer agreement.
    - Transaction expected to be completed in Q3 after the closing formalities and will not have any accounting implication in IHCL.
    - IHCL's shareholding (through IHOCO) in St James Court will increase by 1.3% to ~63%.

Entered business of branded residencies

- IHCL entered a new segment of branded residences with the launch of Taj branded Residences, a 23-floor tower in Chennai having 123 Taj-branded residences and 235 hotel rooms.
- The management indicated that there are ~2,300 branded residences registered in India clocking a CAGR of 12%. Aggregate Market Value of branded residencies in India is Rs. 22,800 crore.
- The company will get revenues in the form of branded fees for sale of rooms, maintenance and service charges for housekeeping and various facilities available in the property.

Confident of delivering double-digit growth in FY2025

IHCL expects to post ~10% y-o-y revenue growth in FY2025 driven by –

- Sustained growth in new and reimagined businesses
- Not Like-for-Like Growth
- Normalization of RevPAR growth
- Expected growth in F&B revenue
- Structural tailwinds like pick up in business and MICE activity and higher wedding dates in remaining nine months (July'24-March'25).

Coupled with initiatives such as -

- Focus on digital initiatives (Share of website contribution for Taj Hotels increased by 150 bps y-o-y in Q1FY2025).
- Rise in loyalty revenues (Total loyalty led revenue grew by 8% y-o-y to Rs. 962 crore in Q1FY2025, with loyalty contribution to enterprise revenue at 37%).
- Driving excellence (Consistently high (65%+) customer satisfaction scores for Taj and IHCL).

Results (consolidated) Rs cr

Particulars	Q1FY25	Q1FY24	y-o-y (%)	Q4FY24	q-o-q (%)
Net Sales	**1,550.2**	**1,466.4**	**5.7**	**1,905.3**	**-18.6**
Foods & Beverage consumed	114.3	115.5	-1.0	139.8	-18.3
Employee cost	460.5	428.7	7.4	467.4	-1.5
Other operating & general expenses	525.9	512.1	2.7	638.3	-17.6
Total expenditure	**1,100.6**	**1,056.2**	**4.2**	**1,245.5**	**-11.6**
EBITDA	**449.6**	**410.2**	**9.6**	**659.8**	**-31.9**
Other income	46.0	49.3	-6.7	46.1	-0.2
Interest cost	49.9	56.5	-11.8	51.5	-3.2
Depreciation	117.3	109.1	7.6	119.7	-2.0
PBT	**328.5**	**293.9**	**11.8**	**534.7**	**-38.6**
Tax	94.3	83.3	13.1	141.6	-33.4
Adjusted PAT	**234.2**	**210.6**	**11.2**	**393.1**	**-40.4**
Share of profit from associates	26.0	25.4	2.2	45.2	-42.6
Reported PAT	**260.2**	**236.0**	**10.2**	**438.3**	**-40.6**
EPS (Rs.)	1.6	1.5	11.2	2.8	-40.4
			bps		**bps**
GPM (%)	92.6	92.1	50	92.7	-3
EBITDA margin (%)	29.0	28.0	103	34.6	-563
NPM (%)	15.1	14.4	75	20.6	-552
Tax rate (%)	28.7	28.4	35	26.5	222

Source: Company, Sharekhan Research

Domestic (Standalone) business performance Rs cr

Particulars	Q1FY25	Q1FY24	y-o-y (%)	Q4FY24	q-o-q (%)
Occupancy (%)	76.0	74.8	120	79.1	-310
ARR (Rs.)	12,906	12,613	2.3	17,546	-26.4
RevPAR (Rs.)	9,810	9,433	4.0	13,885	-29.3
Amount (Rs. cr)					
Room revenue	413	377	9.5	600	-31.2
F&B revenue	304	320	-5.0	471	-35.5
Other revenue	255	238	7.1	312	-18.3
Total revenue	**972**	**935**	**4.0**	**1,383**	**-29.7**

Source: Company, Sharekhan Research

Key subsidiaries performance Rs cr

Particulars	Q1FY25	Q1FY24	y-o-y (%)	Q4FY24	q-o-q (%)
UOH Inc. USA	204	184	10.9	128	59.4
St. James Court - UK	136	142	-4.2	83	63.9
PIEM Hotels Ltd	126	122	3.3	165	-23.6
Roots Corporation	100	78	28.2	108	-7.4
Benaras Hotels	24	26	-7.7	37	-35.1

Source: Company, Sharekhan Research

Outlook and Valuation

■ Sector view - Hotel industry to benefit from demand supply gap

Hotels continued strong momentum in FY2024 after delivering a strong comeback in FY2023, post two years of a pandemic-led lull. Higher demand from domestic leisure travellers, recovery in foreign tourist arrivals, and a revival in corporate travels will keep room demand high for hotel companies (also help in achieving higher room rentals) in the short to medium term. Recent industry data shows that demand is expected to continue to grow in double digits (~11%). However, the supply is expected to grow by ~8% over the next 4-5 years. This augurs well for the industry because hotel performance in India is highly sensitive to supply & demand dynamics. Margins of hotel companies are likely to expand, aided by better operating leverage and various cost-saving initiatives undertaken by companies.

■ Company outlook - Strong growth over FY2024-26

With room demand expected to exceed supply, domestic performance would be strong in the coming years. This along with expected recovery in international properties and higher contribution from new ventures, will aid revenues and PAT clock a CAGR of 16% and 27% over FY2024-26E. Cost-saving initiatives undertaken in FY2021 will help operating profit improve in coming years. We expect IHCL's EBIDTA margins to be ~34% in FY2026. Asset-light model will help in high free cash generation. Return ratios are expected to improve with RoE/RoCE expected to increase to 16%/19% in FY2026 from 13%/16% in FY2024.

■ Valuation - Retain Buy with an unchanged PT of Rs. 679

IHCL's Q1FY2025 was an aberration and we expect strong recovery in the performance from Q2FY2025. The company has charted a strong growth plan to be achieved by FY2025-26 with a strong improvement in cash flows and strengthening balance sheet with a focus on becoming debt-free. EBITDA margins will consistently improve in the coming years. With strong room inventory, IHCL is the best pick to capture strong growth momentum in domestic tourism in the coming years. The stock trades at 28x/23x its FY2025E/26E EV/EBIDTA, respectively. We maintain a Buy recommendation on the stock with an unchanged price target of Rs. 679.

Peer Comparison

Companies	P/E (x)			EV/EBIDTA (x)			RoCE (%)		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Lemon tree Hotels	62.2	43.3	33.6	21.9	16.8	14.7	11.1	13.5	15.0
Chalet Hotels	56.5	48.6	37.1	25.9	20.9	17.9	10.5	12.3	13.8
Indian Hotels Company	61.7	50.7	39.7	32.6	27.5	22.6	14.8	16.4	18.8

Source: Company; Sharekhan Research

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. These include Taj, the iconic brand for the most discerning travellers; SeleQtions, a named collection of hotels; Vivanta, sophisticated upscale hotels; and Ginger, which is revolutionising the lean luxe segment. Incorporated by the founder of the Tata Group, Jamsetji Tata, the Company opened its first hotel - The Taj Mahal Palace, in Bombay in 1903. IHCL currently has a portfolio of 326 hotels including 102 under development globally across 4 continents, 13 countries and in over 130 locations.

Investment theme

The hotel industry's business fundamentals have recently improved with room demand outpacing room supply. Strong domestic travel coupled with recovery in foreign travel would help IHCL in posting better performance in the medium term. A strong focus on building an asset-light model, market share gains in key markets and scale-up in the new businesses will help IHCL to deliver strong growth in the coming years 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

- Any drop in room demand due to the emergence of any black swan event/sustained high inflationary environment or a significant increase in room supply in the coming years would be a key risk to our earnings estimates.
- Any delay in the launch of new hotels/rooms will impact profitability.
- 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
Ankur Dalwani	Executive Vice President & Chief Financial Officer
Puneet Chhatwal	Executive Director, Chief Executive Officer & Managing Director
Beejal Desai	Executive Vice President - Corporate Affairs & Company Secretary (Group)

Source: Company

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	HDFC Asset Management Co.	3.74
2	BlackRock Inc	2.62
3	Nippon Life India Asset Management Company	2.45
4	Vanguard Group Inc	2.36
5	Axis AMC	2.31
6	Jhunjhunwala Rekha Rakesh	2.10
7	Franklin Resources Inc	1.40
8	HDFC Life Insurance Co Ltd	1.31
9	Canara Robeco AMC	1.29
10	Republic of Singapore	1.17

Source: Bloomberg

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 detoriating 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

DISCLAIMER

This information/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 information/ document is subject to changes without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply for information/document focused on technical and derivatives research and shall not apply to reports/documents/ information focused on fundamental research.

This information/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 information/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 recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/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 might have dealt or traded directly or indirectly in securities of the company and that all 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 either he or his relatives or Sharekhan associates might have direct or indirect financial interest or might 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. The analyst and SHAREKHAN encourages independence in research report/ material preparation and strives to minimize conflict in preparation of research report. The analyst and SHAREKHAN does not have any material conflict of interest or has not served as officer, director or employee or engaged in market making activity of the company. The analyst and SHAREKHAN has 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 Ltd 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.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Sharekhan/its affiliates undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgement before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

---

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited, Research Analyst Regn No.: INH000006183. (CIN): - U99999MH1995PLC087498.

Registered Office: The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA. Tel: 022-67502000.

Correspondence Office: Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400 708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Other registrations of 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. BSE – 748, NSE – 10733, MCX – 56125, MSEI – 1043.

Compliance Officer: Ms. Binkle R. Oza; Tel: 022-62263303; email id: complianceofficer@sharekhan.com

For any complaints/grievance, email us at igc@sharekhan.com or you may even call Customer Service desk on - 022-41523200/022 - 33054600