

# Indian Hotels Company

## HOLD

Strong rebound in RevPAR led to outperformance

### Summary

Indian Hotels Company Ltd. (IHCL) had reported a strong comeback post initial hiccup of second wave of Covid-19 in Q1FY22. The company's outperformance on key parameters was majorly driven by healthy growth in occupancy and ADR in both domestic and international operation. Net sales shot up by 184% YoY to Rs7.2bn. EBITDA came in at Rs728mn compared to negative Rs1,503mn in Q2FY21. The company's net loss has come down significantly from Rs2,300mn to Rs1,206mn. Focus on prudent cost management, inventory addition through management contract and improved operations of Qmin and Chambers would be the key drivers to sustainable earnings growth in future. We have introduced FY24E in this report and recommend maintain Hold with a revised TP of Rs228, assigning 20x EV/EBITDA to FY24E.

### Key Highlights and Investment Rationale

#### ■ Another quarter of strong recovery in RevPAR

After an initial hiccup in Q1FY22 due to second wave of Covid-19, the company has shown strong recovery in both occupancy and ADR in Q2FY22. For domestic operations, the company's occupancy improved by 2,430bps YoY to 56.6%, while ADR was higher by 52% YoY to Rs8,273. This resulted in 2.5x jump in RevPAR to Rs4,679 in Q2FY22 in the domestic operations.

#### ■ Prudent cost management supported operating margin

The company's effective cost management initiatives led to EBITDA of Rs723mn in Q2FY22. Our interaction with the management suggests that these cost saving initiatives will continue and drive further EBITDA margin improvement in future.

#### ■ Strong growth outlook for FY24E, HOLD with a TP of Rs228

Global hospitality segment is on a robust recovery mode led by increasing travel confidence owing to vaccination drive. After a lull, business travel is showing early signs of recovery, which bodes well for the overall sector growth in near term. We maintain our positive outlook on IHCL and recommend HOLD with a TP of Rs228.

<b>TP</b>	<b>Rs228</b>
<b>CMP</b>	<b>Rs 214</b>
Potential upside / downside	+7%
Previous Rating	HOLD

### V/s Consensus

EPS (Rs)	FY23E	FY24E
IDBI Capital	3.2	5.4
Consensus	3.0	5.1
% difference	8.3	6.3

### Shareholding Pattern (%)

Promoters	40.8
FII	13.5
DII	26.9
Public	18.9

### Price Performance (%)

	-1m	-3m	-12m
Absolute	30.1	49.5	112.9
Rel to Sensex	26.9	32.8	63.3

### Key Stock Data

Bloomberg / Reuters	IH IN / IHTL.BO
Sector	Hotels
Shares o/s (mn)	1,189
Market cap. (Rs mn)	254,382
Market cap. (US\$ mn)	3,376
3-m daily avg Trd value(Rs mn)	105.6
52-week high / low	Rs238 / 92
Sensex / Nifty	60,924 / 18,178

### Relative to Sensex (%)



### Financial snapshot

Year	FY20	FY21	FY22E	FY23E	FY24E
Revenue	44,631	15,752	31,651	44,944	52,135
EBITDA	9,675	(3,618)	4,748	10,742	13,868
EBITDA (%)	21.7	(23.0)	15.0	23.9	26.6
Adj. PAT	3,228	(8,556)	(1,741)	3,841	6,416
EPS (Rs)	2.7	-	-	3.2	5.4
EPS Growth (%)	11.5	-	-	-	67.0
PE (x)	78.8	-	-	66.2	39.7
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.7
EV/EBITDA (x)	28.3	-	58.5	25.5	19.4
RoE (%)	7.4	(21.4)	(4.9)	10.7	16.7
RoCE (%)	6.6	(8.4)	0.4	7.1	10.6

Source: IDBI Capital Research;

**Concall Highlights:****Industry Dynamics:**

- According to STR Global, IHCL has outperformed industry in terms of Revpar recovery in Q2FY22 as compared to precovid levels. In Metro cities namely Mumbai, Delhi, Bengaluru IHCL's performance has been far better than industry.
- Ease of travel restrictions has resulted in 70% growth in domestic air traffic in Q2, positive consumer sentiments for travel is driving leisure travel and business travel. Also, wedding, MICE has shown signs of recovery.

**Company Performance:**

- As per management, revenue recovery in Q2FY22 has been of ~86% for domestic hotels and ~62% for international hotels as compared to Q2FY19/20. In Q2FY22 IHCL witnessed firm recovery ~70% of precovid levels and had posted highest RevPAR in September and management has witnessed the trend continuing in October.
- Domestic hotel leisure occupancy in Q2FY22 51% compared to 20% in Q1FY22 & ARR at Rs10,305 in Q2FY22 compared to Rs9,098 in Q1FY21. In Non-leisure domestic hotels occupancy in Q2FY22 57% compared to 30% in Q1FY22 & ARR at Rs5,697 in Q2FY22 compared to Rs4,530 in Q1FY21.
- **Key international geographies occupancy and ARR** : USA occupancy stood at 41% in Q2FY22 compared to 27% in Q1FY22 and ARR stood at Rs45,463 in Q2FY22 compared to Rs44,706 in Q1FY22, UK occupancy stood at 41% in Q2FY22 compared to 14% in Q1FY22 and ARR stood at Rs28,967 in Q2FY22 compared to Rs24,852 in Q1FY22, Maldives occupancy stood at 59% in Q2FY22 compared to 32% in Q1FY22 and ARR stood at Rs33,874 in Q2FY22 compared to Rs29,912 in Q1FY22, Dubai occupancy stood at 66% in Q2FY22 compared to 65% in Q1FY22 and ARR stood at Rs8,180 in Q2FY22 compared to Rs8,896 in Q1FY22.
- **IHCL's domestic network occupancy %** - July- 49.9%, Aug - 53.6% & Sept - 58.2% and for overall Q2FY22 occupancy stood at 53.9% (Previous Quarter 28.6%).
- **IHCL's domestic network ARR in Rs.** - July- Rs5,808, Aug - 5,896 & Sept - 5,924 and for overall Q2FY22 ARR stood at 5,878 (Previous Quarter 4,656).
- **IHCL's domestic network RevPAR in Rs.** - July- Rs2,900, Aug - 3,162 & Sept - 3,447 and for overall Q2FY22 RevPAR stood at 3,168 (Previous Quarter 1,331).

- **City wise revenue recovery in domestic hotels:** Mumbai CY 66%/PY 33%, Delhi & NCR CY 64%/PY 23%, Bengaluru CY 55%/PY 23%, Goa CY 121%/PY 22%, Chennai CY 73%/PY 24%, Rajasthan CY 152%/PY 44%, Hyderabad CY 85%/PY 18%, Kolkata CY 73%/PY 21%, Kerala CY 67%/PY 33%.
- **International hotels revenue recovery:** USA CY 56%/PY 13%, UK CY 56%/PY 16%, Maldives CY 108%/PY 26%, Dubai CY 136%/PY 64%, Africa CY 40%/PY 1%, Sri Lanka CY 19%/PY 25%.
- Occupancy in USA improved by 27% in Q1 to 41% in Q2 the ADR was higher than precovid levels at \$612, Pierre has posted positive EBITDA in Q2.
- Occupancy in UK improved from 14% in Q1 to 41% in Q2 the ADR was close to precovid levels ~£ 274, St James Court posted EBITDA positive in Q2 and H1.
- Company has a portfolio of 225 hotels, 27700+ rooms including pipeline. 13+ new openings are expected in FY22.

#### **Cost controls:**

- As per management as compared to precovid levels in Q2FY22 total expenditure is down 23% ,total fixed cost is lower by 19% and corporate overheads is lower by 16%.
- As per management, staff to room ratio has reduced substantially across brands for IHCL it stands at 1.1 in Sept-21 as compared to 1.14 in March-21. Management expects the staff to room ratio to increase to ~1.2 to 1.22 as normalcy returns.
- Management mentioned that strengthening balance sheet is a priority for IHCL, the consolidated net debt of the company increased by 86% from precovid levels
- **Qmin:** Qmin expanded its presence to across 19 cities. It has received 16 Lac+ orders and 75% of the orders are from 5 metro cities. As on date Qmin has 4 lac+ app downloads. Qmin has managed to achieve ~500mn revenue in 1HY22
- As per management, Chambers has very strong demand and company will be adding Chambers in Bangalore and New York.
- Management said that Qmin and Chambers going forward should contribute ~25% to topline and ~35% to EBITDA which is currently 5-7%.
- **Ama Stays:** Ama has 59 properties in its portfolio and is present in ~30 locations in India. 21 Ama's are signed till date in current fiscal and 15 Ama's are opened till date in current fiscal, Management mentioned that it expects to achieve 100 Ama stays properties by end of year.

- **Ginger:** Ginger brand has portfolio of 80+ hotels. In Q2FY22 ginger revenues stood at 84% precovid levels, EBITDA margins were higher and it managed to report positive EBITDA on a quarterly as well as half yearly basis.
- Management mentioned that roots corporation will become a 100% subsidiary. IHCL will buy out of remaining 39.8% stake so as to unlock strong synergies benefits within IHCL.
- **Equity Issuance:** Management has increased the amount of equity issuance from 30,000mn to 40,000mn (20,000mn right issue and 20,000mn QIP). According to management, the issuance will focus on debt repayment, capex and growth plans

#### **Management Outlook:**

- According to management corporate demand is showing signs of recovery and the company is witnessing bookings and enquiries for conferences etc. They expect Bleisure and Business to come back as more and more people go back to work. Management mentioned that corporate travel is even witnessing positive indicators such as opening up of international travel, allowance for visas etc.
- Business destinations such as Delhi & Mumbai & Bangalore are lagging behind but are recovering faster than before the occupancy rates are increasing rapidly which will increase the rates.
- Management mentioned that there is 50% recovery for MICE and weddings combined, restaurants are already back as visitations to restaurants has increased as a result of pent-up demand
- Management mentioned that there is a direct correlation in vaccination and travel as people feel more secure or less prohibitive.

**Exhibit 1: Financial snapshot**

Particulars (Rs mn)	Q2FY22	Q1FY22	QoQ (%)	Q2FY21	YoY (%)
<b>Total revenues</b>	<b>7,284</b>	<b>3,446</b>	<b>111.4</b>	<b>2,567</b>	<b>183.8</b>
Total expenditure	6,555	4,934	32.9	4,070	61.1
<b>EBIDTA</b>	<b>728</b>	<b>(1,488)</b>	-	<b>(1,503)</b>	-
<i>EBIDTA margin (%)</i>	<i>10.0</i>	<i>(43.2)</i>	-	<i>(58.6)</i>	-
Depreciation	1,018	1,025	(0.8)	1,028	(1.1)
Interest cost	1,139	1,097	3.7	968	17.7
Other income	239	258	(7.1)	669	(64.2)
Exceptional Item	(108)	203	-	205	-
PBT	(1,189)	(3,353)	-	(2,831)	-
Tax	(113)	(450)	-	(429)	-
<b>Adj. net profit</b>	<b>(1,075)</b>	<b>(2,903)</b>	-	<b>(2,402)</b>	-
share of profit of JV and associate	(126)	(315)	-	(324)	-
Minority int. & exceptional items	(5)	446	-	426	-
<b>consolidated profit</b>	<b>(1,206)</b>	<b>(2,773)</b>	-	<b>(2,300)</b>	-
EPS (INR)	(1.0)	(0.8)	-	(1.9)	-

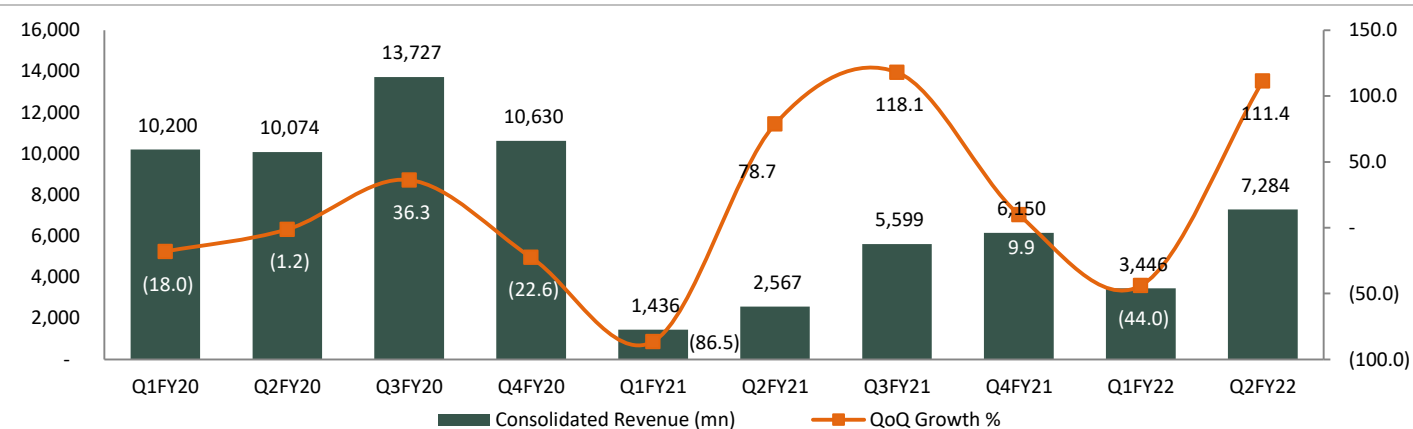
Source: Company; IDBI Capital Research

**Exhibit 2: Actual vs Estimates**

Particulars (Rs mn)	Q2FY22A	Q2FY22E	Variance (%)
<b>Net Sales</b>	<b>7,284</b>	<b>5,755</b>	<b>26.6</b>
<b>EBITDA</b>	<b>728</b>	<b>81</b>	<b>799.3</b>
<i>EBITDA Margin (%)</i>	<i>10.0</i>	<i>1.4</i>	<i>860bps</i>
<b>Net Profit</b>	<b>(1,206)</b>	<b>(1,303)</b>	-
EPS, Rs	(1.0)	(1.1)	-

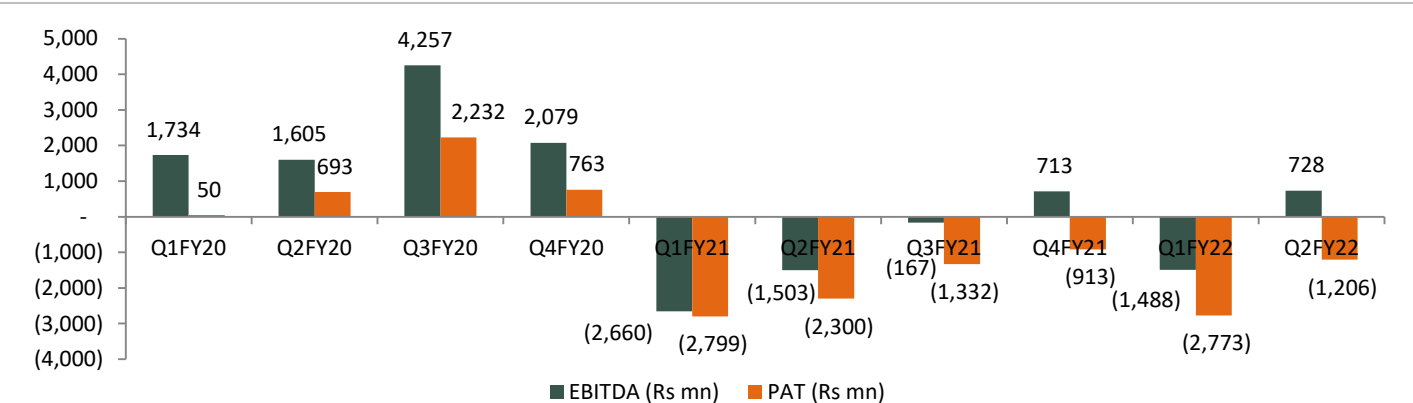
Source: Company; IDBI Capital Research

**Exhibit 3: Consolidated revenue**



Source: Company; IDBI Capital Research

**Exhibit 4: EBITDA/PAT**



Source: Company; IDBI Capital Research

## Financial Summary

### Profit & Loss Account

(Rs mn)

Year-end: March	FY21	FY22	FY23E	FY24E
<b>Net sales</b>	<b>15,752</b>	<b>31,651</b>	<b>44,944</b>	<b>52,135</b>
<i>Growth (%)</i>	-	100.9	42.0	16.0
Operating expenses	(19,369)	(26,903)	(34,202)	(38,267)
<b>EBITDA</b>	<b>(3,618)</b>	<b>4,748</b>	<b>10,742</b>	<b>13,868</b>
<i>Growth (%)</i>	-	-	126.3	29.1
Depreciation	(4,096)	(4,418)	(4,583)	(4,693)
<b>EBIT</b>	<b>(7,714)</b>	<b>329</b>	<b>6,158</b>	<b>9,175</b>
Interest paid	(4,028)	(3,643)	(3,532)	(3,160)
Other income	2,647	1,988	2,038	2,090
<b>Pre-tax profit</b>	<b>(9,095)</b>	<b>(1,325)</b>	<b>4,664</b>	<b>8,104</b>
Tax	1,553	333	(922)	(1,788)
<i>Effective tax rate (%)</i>	17.1	25.2	19.8	22.1
Minority Interest	(1,014.2)	(750.0)	100.0	100.0
<b>Net profit</b>	<b>(8,556)</b>	<b>(1,741)</b>	<b>3,841</b>	<b>6,416</b>
Exceptional items	-	-	-	-
<b>Adjusted net profit</b>	<b>(8,556)</b>	<b>(1,741)</b>	<b>3,841</b>	<b>6,416</b>
<i>Growth (%)</i>	-	-	-	67.0
<i>Shares o/s (mn nos)</i>	1,189	1,189	1,189	1,189

### Cash Flow Statement

(Rs mn)

Year-end: March	FY21	FY22	FY23E	FY24E
Pre-tax profit	(9,095)	(1,325)	4,664	8,104
Depreciation	4,096	4,418	4,583	4,693
Tax paid	51	384	(1,060)	(2,056)
Chg in working capital	10,897	2,060	1,276	1,478
Other operating activities	-	-	-	-
<b>Cash flow from operations (a)</b>	<b>5,949</b>	<b>5,537</b>	<b>9,463</b>	<b>12,219</b>
Capital expenditure	(7,888)	(3,582)	(3,104)	(2,092)
Chg in investments	(864)	(378)	(289)	(364)
Other investing activities	-	-	-	-
<b>Cash flow from investing (b)</b>	<b>(8,752)</b>	<b>(3,960)</b>	<b>(3,393)</b>	<b>(2,455)</b>
Equity raised/(repaid)	-	-	-	-
Debt raised/(repaid)	1,743	1,354	(2,468)	(2,482)
Dividend (incl. tax)	(580)	(725)	(725)	(2,176)
Chg in minorities	(2,318)	(750)	100	100
Other financing activities	2,339	(329)	(2,124)	(2,393)
<b>Cash flow from financing (c)</b>	<b>1,184</b>	<b>(450)</b>	<b>(5,218)</b>	<b>(6,951)</b>
<b>Net chg in cash (a+b+c)</b>	<b>(1,619)</b>	<b>1,126</b>	<b>852</b>	<b>2,813</b>

**Balance Sheet**

(Rs mn)

Year-end: March	FY21	FY22	FY23E	FY24E
Net fixed assets	58,930	58,094	56,615	54,013
Investments	5,394	5,772	6,060	6,424
Other non-curr assets	39,264	39,807	40,290	40,862
<b>Current assets</b>	<b>11,539</b>	<b>13,471</b>	<b>15,131</b>	<b>19,023</b>
Inventories	929	975	1,034	1,116
Sundry Debtors	2,198	2,308	2,424	2,593
Cash and Bank	1,536	2,663	3,515	6,327
Marketable Securities	-	-	-	-
Loans and advances	1,056	1,151	1,220	1,306
<b>Total assets</b>	<b>1,15,127</b>	<b>1,17,144</b>	<b>1,18,096</b>	<b>1,20,322</b>
<b>Shareholders' funds</b>	<b>36,484</b>	<b>34,767</b>	<b>36,783</b>	<b>39,923</b>
Share capital	1,189	1,189	1,189	1,189
Reserves & surplus	35,295	33,578	35,594	38,734
<b>Total Debt</b>	<b>24,664</b>	<b>26,018</b>	<b>23,550</b>	<b>21,068</b>
Secured loans	22,238	23,350	21,015	18,914
Unsecured loans	2,425	2,668	2,534	2,154
Other liabilities	20,052	20,120	20,005	19,757
<b>Curr Liab &amp; prov</b>	<b>27,582</b>	<b>29,893</b>	<b>31,412</b>	<b>33,228</b>
Current liabilities	24,607	26,790	28,164	29,817
Provisions	2,975	3,103	3,248	3,411
<b>Total liabilities</b>	<b>72,297</b>	<b>76,031</b>	<b>74,967</b>	<b>74,053</b>
<b>Total equity &amp; liabilities</b>	<b>1,15,127</b>	<b>1,17,144</b>	<b>1,18,096</b>	<b>1,20,322</b>
<b>Book Value (Rs)</b>	<b>29</b>	<b>28</b>	<b>30</b>	<b>32</b>

Source: Company; IDBI Capital Research

**Financial Ratios**

Year-end: March	FY21	FY22	FY23E	FY24E
Adj EPS (Rs)	(7.2)	(1.5)	3.2	5.4
Adj EPS growth (%)	-	-	-	67.0
EBITDA margin (%)	(23.0)	15.0	23.9	26.6
Pre-tax margin (%)	(57.7)	(4.2)	10.4	15.5
ROE (%)	(21.4)	(4.9)	10.7	16.7
ROCE (%)	(8.4)	0.4	7.1	10.6
<b>Turnover &amp; Leverage ratios (x)</b>				
Asset turnover (x)	0.1	0.3	0.4	0.4
Leverage factor (x)	2.9	3.3	3.3	3.1
Net margin (%)	(54.3)	(5.5)	8.5	12.3
Net Debt/Equity (x)	0.6	0.7	0.5	0.4
<b>Working Capital &amp; Liquidity ratio</b>				
Inventory days	22	11	8	8
Receivable days	51	27	20	18
Payable days	60	47	39	36

**Valuation**

Year-end: March	FY21	FY22	FY23E	FY24E
PER (x)	-	-	66.2	39.7
Price / Book value (x)	7.3	7.7	7.2	6.6
PCE (x)	-	95.0	30.2	22.9
EV / Net sales (x)	17.6	8.8	6.1	5.2
EV / EBITDA (x)	(76.7)	58.5	25.5	19.4
Dividend Yield (%)	0.2	0.2	0.2	0.7





# Notes

Dealing

(91-22) 6836 1111

dealing@idbicapital.com

**Key to Ratings Stocks:****BUY:** 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.**IDBI Capital Markets & Securities Ltd.****Equity Research Desk**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 2217 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

**SEBI Registration:** BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578**Compliance Officer:** Christina D'souza; Email: compliance@idbicapital.com; Telephone: (91-22) 2217 1907**Disclaimer**

This report has been published by IDBI Capital Markets & Securities Ltd.(hereinafter referred to as "IDBI Capital") for private circulation. This report should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this report. The information contained herein is strictly confidential and meant for 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 the prior written consent of IDBI Capital.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behavior of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

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 IDBI Capital and associates 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 report may come are required to inform themselves of and to observe such restriction.

E-mail is not a secure method of communication. IDBI Capital cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s).

This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrived late. IDBI Capital, its directors or employees or associates accept no liability for any damage caused, directly or indirectly, by this email.

## Analyst Disclosures

We, Archana Gude and Jyoti Amonkar, hereby certify that the views expressed in this report accurately reflect my personal views about the subject companies and / or securities. I also certify that no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, I will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

## Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as "IDBI Capital") was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India's leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on [www.idbicapital.com](http://www.idbicapital.com) IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% or more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or 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 their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative's may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com) and [www.economicstimes.indiatimes.com/markets/stocks/stock-quotes](http://www.economicstimes.indiatimes.com/markets/stocks/stock-quotes).