nuvama institutional equities

INDIAN HOTELS

RESULT UPDATE

KEY DATA

Rating	HOLD
Sector relative	Neutral
Price (INR)	608
12 month price target (INR)	578
52 Week High/Low	623/331
Market cap (INR bn/USD bn)	865/10.4
Free float (%)	60.9
Avg. daily value traded (INR mn)	2,217.3

SHAREHOLDING PATTERN

	Mar-23	Dec-22	Sep-22
Promoter	38.19%	38.19%	38.19%
FII	18.24%	19%	16.25%
DII	27.59%	26.68%	29.32%
Pledge	0%	0%	0%

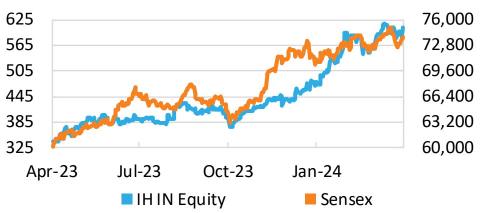
FINANCIALS (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Revenue	58,099	67,786	75,965	82,714
EBITDA	18,044	22,275	27,302	31,019
Adjusted profit	9,993	13,843	17,899	21,595
Diluted EPS (INR)	7.0	9.7	12.6	15.2
EPS growth (%)	nm	nm	79.1	56.0
RoAE (%)	12.9	15.5	17.2	17.6
P/E (x)	85.3	61.6	47.6	39.5
EV/EBITDA (x)	48.0	38.1	30.4	26.0
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY24E	FY25E	FY24E	FY25E
Revenue	67,786	75,965	1.9	4.0
EBITDA	22,275	27,302	2.7	6.7
Adjusted profit	13,843	17,899	4.5	9.1
Diluted EPS (INR)	9.7	12.6	4.5	9.1

PRICE PERFORMANCE



Stable showing; stepping up capex

Indian Hotels (IHCL) reported an in-line Q4FY24 with standalone RevPar growth of 15% (LFL adjusted for Ginger Mumbai impact). Subsidiary performance is stable and overall robust, particularly that of Ginger (Roots Corp). US operations remain weak. IHCL highlighted aggressive capex plans worth INR25bn spread over FY25–27E

Given sustained business traction, we build in 9% RevPar growth for FY25 (6% earlier), which drives up FY25E EBITDA by 7%. This along with a change in our CoE assumption yields a revised DCF-based TP of INR578 (earlier INR476); retain 'HOLD'. At our TP, IHCL's valuation works out to 26x FY26E EBITDA compared to its pre-covid average of 20x. Q1FY25 could be volatile due to potential impact from elections.

Consecutive 8th quarter of best-ever performance; tailwinds at play

IHCL's consolidated revenue increased 17% YoY with standalone revenue outpacing at 19% YoY. Subsidiary revenue rose 14% YoY. Standalone RevPAR stood at ~INR13,879 in Q4FY24 (up 10% YoY) with occupancy at 79% (Q4FY23: 75%) and ARR at ~INR17,546 (up 4% YoY). However, F&B revenue increased only 13% YoY. EBITDA margin improved to 43.7%, up 150bp driven by improved occupancies and operating leverage. EBITDA, hence, shot up 23% YoY to INR5.9bn. IHCL highlighted that this is its best-ever quarter, and they closed the financial year with the best-ever numbers.

Growth robust across cities; Rajasthan records strongest growth

Looking at IHCL's performance across cities (exhibit 3), key cities reported double-digit RevPAR growth. Rajasthan clocked the highest growth—27% YoY—followed by Hyderabad (22%). Delhi & NCR sustained its strong trend with 26% YoY RevPAR growth (Q3FY24: 15%). Bengaluru/Goa posted an -1%/17% rise. IHCL is relaunching the Gateway brand to cater to tier-2 and -3 towns. It will be a full-service hotel offering in its new avatar in the upscale segment. It will roll out 15 properties and will scale up to 100 properties by FY30. By customer segment, business hotels continue to perform better (exhibit 4).

Key takeaways from Q4FY24 conference call

i) IHCL continues to outperform the industry on RevPAR with a premium of 65% over the competition on a pan-India basis. ii) The company targets to open 25 hotels in FY25. iii) Capital-light businesses contribute roughly 14% to consolidated revenue; this should rise to 20% in the near future, iv) Demand is expected to grow 10.6% annually while supply would lag the demand as per experts.

Financials

Year to March	Q4FY24	Q4FY23	% Change	Q3FY24	% Change
Net Revenue	19,053	16,254	17.2	19,638	(3.0)
EBITDA	6,598	5,355	23.2	7,324	(9.9)
Adjusted Profit	4,178	3,283	27.3	4,520	(7.6)
Diluted EPS (INR)	2.9	2.3	27.0	3.2	(7.6)

Nihal Mahesh Jham
Nihal.Jham@nuvama.com

Ashish Vanwari
AshishK.Vanwari@nuvama.com

Financial Statements

Income Statement (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Total operating income	58,099	67,786	75,965	82,714
Gross profit	53,370	61,622	68,981	75,187
Employee costs	15,823	18,114	19,682	21,008
Other expenses	19,503	21,233	21,996	23,160
EBITDA	18,044	22,275	27,302	31,019
Depreciation	4,161	4,505	4,650	4,801
Less: Interest expense	2,361	2,337	2,388	2,371
Add: Other income	1,390	2,001	2,068	2,997
Profit before tax	13,728	18,284	23,267	27,873
Prov for tax	3,232	3,841	4,709	5,552
Less: Other adj	0	0	0	0
Reported profit	9,993	13,843	17,899	21,595
Less: Excp.item (net)	0	0	0	0
Adjusted profit	9,993	13,843	17,899	21,595
Diluted shares o/s	1,420	1,420	1,420	1,420
Adjusted diluted EPS	7.0	9.7	12.6	15.2
DPS (INR)	0	0	0	0
Tax rate (%)	23.5	21.0	20.2	19.9

Balance Sheet (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Share capital	1,420	1,420	1,420	1,420
Reserves	78,399	90,822	1,07,300	1,27,475
Shareholders funds	79,820	92,242	1,08,721	1,28,895
Minority interest	6,601	7,201	7,861	8,587
Borrowings	31,390	36,080	36,080	36,080
Trade payables	4,766	7,429	8,325	9,065
Other liabs & prov	11,538	16,254	18,217	19,837
Total liabilities	1,35,106	1,62,503	1,82,898	2,06,487
Net block	76,160	74,703	73,192	71,667
Intangible assets	12,032	12,032	12,032	12,032
Capital WIP	3,321	3,321	3,321	3,321
Total fixed assets	91,513	90,056	88,545	87,019
Non current inv	11,337	12,187	13,122	14,151
Cash/cash equivalent	18,108	42,776	61,833	84,365
Sundry debtors	4,465	3,714	4,162	4,532
Loans & advances	5,582	7,456	8,356	9,099
Other assets	2,361	4,571	5,138	5,579
Total assets	1,35,106	1,62,503	1,82,898	2,06,487

Important Ratios (%)

Year to March	FY23A	FY24E	FY25E	FY26E
ARR growth (S) - (%)	0	0	0	0
Occupancy (S) - (%)	41.4	13.0	8.0	6.0
Employee exp. (S)-(% YoY)	71.7	74.7	75.7	76.2
EBITDA margin (%)	31.1	32.9	35.9	37.5
Net profit margin (%)	17.2	20.4	23.6	26.1
Revenue growth (% YoY)	90.1	16.7	12.1	8.9
EBITDA growth (% YoY)	345.8	23.4	22.6	13.6
Adj. profit growth (%)	nm	38.5	29.3	20.7

Free Cash Flow (INR mn)

Year to March	FY23A	FY24E	FY25E	FY26E
Reported profit	9,993	13,843	17,899	21,595
Add: Depreciation	4,161	4,505	4,650	4,801
Interest (net of tax)	1,805	1,846	1,905	1,899
Others	2,495	2,881	3,249	3,124
Less: Changes in WC	241	6,349	1,343	1,134
Operating cash flow	16,190	25,583	24,337	27,001
Less: Capex	(4,706)	(3,048)	(3,139)	(3,275)
Free cash flow	11,484	22,535	21,197	23,726

Assumptions (%)

Year to March	FY23A	FY24E	FY25E	FY26E
GDP (YoY %)	8.7	6.4	5.8	5.8
Repo rate (%)	4.0	4.0	4.0	4.0
USD/INR (average)	74.5	80.0	78.0	78.0
Power (S) - (% YoY)	22.0	16.3	5.0	6.4
EBITDA margin - Sub (%)	27.5	3.4	2.5	3.8
Rooms managed (#)	19.8	22.6	26.5	27.7
Capex (INR mn)	6,955.5	8,098.0	9,806.0	12,243.5
Debt repaid (INR mn)	4,705.9	3,047.8	3,139.2	3,275.0

Key Ratios

Year to March	FY23A	FY24E	FY25E	FY26E
RoE (%)	12.9	15.5	17.2	17.6
RoCE (%)	16.0	19.1	20.4	20.9
Inventory days	78	65	64	64
Receivable days	21	17	21	18
Payable days	307	335	342	400
Working cap (% sales)	(6.7)	(11.7)	(11.7)	(11.7)
Gross debt/equity (x)	0.4	0.4	0.3	0.3
Net debt/equity (x)	0.2	(0.1)	(0.2)	(0.4)
Interest coverage (x)	5.9	7.6	9.5	11.1

Valuation Metrics

Year to March	FY23A	FY24E	FY25E	FY26E
Diluted P/E (x)	85.3	61.6	47.6	39.5
Price/BV (x)	10.7	9.2	7.8	6.6
EV/EBITDA (x)	48.0	38.1	30.4	26.0
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY23A	FY24E	FY25E	FY26E
EPS growth (%)	nm	nm	79.1	56.0
RoE (%)	12.9	15.5	17.2	17.6
EBITDA growth (%)	345.8	23.4	22.6	13.6
Payout ratio (%)	0	0	0	0

Q4FY24 conference call takeaways

Q4FY24

- The company has managed to achieve key objectives it laid down under the Avhaan 2025 scheme in 2022.
- IHCL has delivered its best-ever Q4 and full-year financial performance.
- Return ratios have improved significantly, RoE increased 7x to 14%, RoCE increased 3x to 15%, and EPS increased 11x from INR0.8 in FY17–18.
- Company has achieved Zero Net Debt objective long back and currently has cash reserves of INR22bn.
- IHCL continues to outperform the industry on RevPAR with a premium of 65% over the competition on a pan-India basis
- IHCL entered into a strategic alliance with the Ambuja Neotia Group's Tree of Life resorts, offering sales and distribution network with a portfolio of 14 resorts across the country
- Current operational portfolio has a balanced mix of 60% capital-light and 40% capital-heavy assets

Capex

- Capex spends for the next 3 years to be total of INR25bn towards renovation and IT spends. IT Spends include ERP upgradation and a PMS Upgrade. For FY25 planned capex is around INR7.5-8.0bn.
- IHCL targets to open 25 hotels in FY25.

Industry

- Leisure growth should outstrip business segment growth for IHCL
- According to the Industry Experts, Demand is expected to grow at 10.6% annually and supply will lag the demand.
- Hospitality Industry Upcycle is expected to be long and sustained one

Outlook

- New business is expected to grow approx. 30% YoY next year which going forward should come down to 25% given the base effect. It grew 35% last year.
- Capital-light businesses contribute roughly 14% to consolidated revenue which should go to 20% in the near future
- IHCL is launching Gateway Brand a full-service hotel offering in its new avatar in the upscale segment. It will start with rollout of 15 hotels and will take this to 100 by FY2030.
- The company expects double-digit revenue growth in FY25.

Exhibit 1: Presence across brands and cities

MARKET LEADERSHIP *Presence Across Price Points*

	Mumbai	Delhi NCR	Bengaluru	Chennai	Kolkata	Rajasthan	Goa
Luxury	5	5	5	6	3	14	5
Upper Upscale / Upscale	4	5	3	1	3	7	4
Midscale	4	6	3	4	1	3	6
Total	13	16	11	11	7	24	15

 # Includes Hotels operational & in Pipeline

Source: Company, Nuvama Research

Exhibit 2: Capex plans

	FY23	FY24	FY25-27	Total 5 years
Capex Spends (₹ Crores)	471	637	~2,500	~3,500

Completed & Ongoing Renovations

- Taj Mahal, New Delhi
- Taj Lands End, Mumbai
- St James Court, London
- Usha Kiran Palace, Gwalior

Key Upcoming Renovations & New Builds

Chambers
Taj Mahal Palace, Taj Bengal

New Delhi
Taj Palace & Vivanta Dwarka

Goa
Taj Fort Aguada, Taj Holiday Village

New Builds & Expansion
Ekta Nagar, CIAL, Ginger MOPA, Lakshadweep, Lucknow & Benares

Digital & IT Spends (New & Ongoing)

- ERP Upgrade (SAP S4 HANA RISE)
- New Websites
- Data Lake
- PMS Upgrade

Source: Company, Nuvama Research

Exhibit 3: KPIs —Domestic by city

India (LFL) *City Wise Statistics Q4 FY24*

Domestic Hotels (Enterprise)	Occ %		ARR in ₹		RevPAR in ₹	
	FY 23/24	pp vs PY	FY 23/24	% vs PY	FY 23/24	% vs PY
Mumbai	89%	1%	16,555	8%	14,672	9%
Delhi & NCR	82%	2%	11,027	7%	9,055	10%
Bengaluru	73%	3%	10,245	-5%	7,483	-1%
Goa	80%	2%	19,391	13%	15,509	17%
Chennai	79%	6%	8,850	5%	7,032	14%
Rajasthan	65%	5%	33,158	18%	21,435	27%
Hyderabad	76%	4%	12,442	17%	9,443	22%
Kolkata	79%	10%	8,698	4%	6,899	18%
Kerala	69%	6%	8,954	10%	6,212	20%
Grand Total	**75%**	**4%**	**12,582**	**7%**	**9,431**	**14%**

Domestic Hotels including Ginger
LFL – excludes New hotels opened after 1st April 2022, hotels under renovation / Expansion in CY & PY

Source: Company, Nuvama Research

Exhibit 4: Performance by segment

SEGMENT STATISTICS Q4 FY24

DOMESTIC HOTELS LFL (Enterprise)	Occ %		ARR in ₹		RevPAR in ₹	
	23/24	pp vs PY	23/24	% vs PY	23/24	% vs PY
Taj	**77%**	**3%**	**17,829**	**9%**	**13,757**	**13%**
Business	81%	2%	13,775	4%	11,131	6%
Leisure	73%	5%	20,904	12%	15,205	19%
Palaces	63%	3%	53,374	22%	33,374	27%
Vivanta	**75%**	**4%**	**7,918**	**5%**	**5,936**	**12%**
Business	78%	6%	7,472	6%	5,816	15%
Leisure	64%	0%	10,017	4%	6,400	4%
SeleQtions	**74%**	**2%**	**11,755**	**13%**	**8,676**	**17%**
Business	87%	2%	10,846	15%	9,440	18%
Leisure	53%	3%	14,032	8%	7,502	15%
Total Domestic Hotels (Includes Ginger)	**75%**	**4%**	**12,582**	**7%**	**9,431**	**13%**

LFL – excludes New hotels opened after 1st April 2022, hotels under renovation / Expansion /Exit in CY & PY

Source: Company, Nuvama Research

Exhibit 5: KPIs – International by city

International *City Wise Statistics Q4 FY24*

International Hotels (Enterprise)	Occ %		ARR in $		RevPAR in $	
	CY 23/24	pp vs PY	CY 23/24	% vs PY	CY 23/24	% vs PY
USA	49%	-1%	550	-1%	268	-3%
UK	60%	-1%	344	3%	207	1%
Maldives	74%	-5%	584	-10%	433	-16%
Dubai	87%	3%	294	-1%	254	3%
Cape Town	80%	3%	200	19%	161	25%
Sri Lanka	60%	14%	126	33%	76	74%
Grand Total	**66%**	**3%**	**275**	**-3%**	**181**	**2%**

Source: Company, Nuvama Research

Exhibit 6: Performance of subsidiaries

	Q4FY23	Q4FY24	% YoY
Revenues			
UOH Inc. USA	1,200	1,280	6.7
St. James Court, London	790	830	5.1
PIEM Hotels Ltd.	1,430	1,650	15.4
Roots Corporation	820	1,080	31.7
Benares Hotels	280	370	32.1
Balancing	371	473	
Total Subsidiaries (INR mn)	**4,891**	**5,683**	**16.2**
EBITDA			
UOH Inc. USA	-350	-530	51.4
St. James Court, London	10	40	300.0
PIEM Hotels Ltd.	400	550	37.5
Roots Corporation	300	410	36.7
Benares Hotels	110	160	45.5
Balancing	60	153	
Total Subsidiaries (INR mn)	**530**	**783**	**47.6**

Source: Company, Nuvama Research

Exhibit 7: Valuation assumptions

WACC estimate	
Beta (x)	0.8
Equity/Total Capital (%)	50%
Cost of Debt (%)	7.0%
Marginal Tax rate (%)	25.0%
Risk free rate (%)	7.0%
Equity risk premium (%)	5.0%
Cost of equity (%)	11.0%
WACC (%)	8.1%

Source: Company, Nuvama Research

Exhibit 8: Valuation summary

	INR mn
Core business DCF based Mcap	8,15,290
Add: Non-current investment	13,122
Less: Minority interest	7,861
Target Mcap (INR mn)	8,20,551
NOSH (mn)	1,420
Target Price (INR)	578
CMP	600
Upside (%)	-4%

Source: Company, Nuvama Research

Exhibit 9: Quarterly summary (INR mn)

Year to March	Q4FY24	Q4FY23	% YoY	Q3FY24	% QoQ	FY23	FY24E	FY25E
Revenues	19,053	16,254	17.2	19,638	(3.0)	58,099	67,786	75,965
Raw material	1,398	1,255	11.4	1,532	(8.7)	4,729	6,164	6,985
Gross Profit	17,655	14,999	17.7	18,107	(2.5)	53,370	61,622	68,981
Staff costs	4,674	4,218	10.8	4,686	(0.3)	15,823	18,114	19,682
Others	6,383	5,426	17.6	6,096	4.7	19,503	21,233	21,996
Total expenditure	12,455	10,899	14.3	12,315	1.1	40,055	45,511	48,663
EBITDA	6,598	5,355	23.2	7,324	(9.9)	18,044	22,275	27,302
Depreciation	1,197	1,076	11.3	1,143	4.7	4,161	4,505	4,650
EBIT	5,401	4,279	26.2	6,181	(12.6)	13,884	17,770	22,652
Less: Interest Expense	515	570	(9.6)	532	(3.1)	2,361	2,337	2,388
Add: Other income	461	291	58.4	398	15.9	1,390	2,001	2,068
Add: Exceptional items	0	-0	NM	0	NM	33	0	0
Profit Before Tax	5,347	4,000	33.7	6,047	(11.6)	12,946	17,434	22,332
Less: Provision for Tax	1,416	980	NM	1,667	(15.1)	3,232	3,841	4,709
Less: Minority Interest	206	106	NM	250	(17.7)	502	600	660
Add: Share of profit from associates	452	368	NM	389	16.2	814	850	935
Less: Profit from Discontinued Operations								
Reported PAT	4,178	3,283	27.3	4,520	(7.6)	10,026	13,843	17,899
Adjusted net profit	3,931	3,020	30.2	4,380	(10.3)	9,993	13,843	17,899
Equity capital (FV INR 1)	1,423	1,420	0.2	1,423	0.0	1,420	1,420	1,420
No. of Diluted shares outstanding (mn)	1,423	1,420	0.2	1,423	0.0	1,420	1,420	1,420
Adjusted Diluted EPS	2.8	2.1	29.9	3.1	(10.3)	7.1	9.7	12.6
As % of net revenues								
Raw material	7.3	7.7		7.8		8.1	9.1	9.2
Staff expenses	24.5	26.0		23.9		27.2	26.7	25.9
Other expenses	33.5	33.4		31.0		33.6	31.3	29.0
EBITDA	34.6	32.9		37.3		31.1	32.9	35.9
Net profit	20.6	18.6		22.3		17.2	20.4	23.6

Source: Company, Nuvama Research

Company Description

IHCL, incorporated in 1902, is among India's largest hotel operators with a presence in the luxury, business and leisure hotel segments. The company manages ~18,000 rooms (~150 properties) across India and international locations. It entered the budget hotel segment with Ginger in 2004 and also has a presence in adventure tourism with wildlife lodges. In international markets, IHCL is present via operations in Maldives, the US, South Africa, the Middle East, UK and Malaysia. International operations contribute ~30% to group sales (~15% of inventory).

Investment Theme

The hotel sector merrily sprang towards a faster-than expected full recovery in FY23 and a record Q1FY24 driven by: i) sustained domestic leisure travel demand, reviving domestic corporate and a strong wedding season in H1FY23; and ii) potential full recovery for the international business and leisure travel in H2FY23. IHCL has stronger immediate triggers — leisure demand, wedding season and a buoyant Mumbai market.

Key Risks

Any earlier-than-expected resurrection in the industry or sale of noncore assets to pare debt may prompt a relook at our view/assumptions.

Additional Data

Management

CEO	Puneet Chhatwal
CFO	Giridhar Sanjeevi
COO	
Other	
Auditor	BSR & Co.

Holdings – Top 10*

	% Holding		% Holding
HDFC AMC	3.71	Franklin Resour	1.38
Axis AMC	2.84	HDFC Life	1.31
Nippon	2.77	Republic of Sin	1.17
Blackrock	2.42	Canara Robeco A	1.17
Vanguard	2.35	SBI Funds Manag	1.16

**Latest public data*

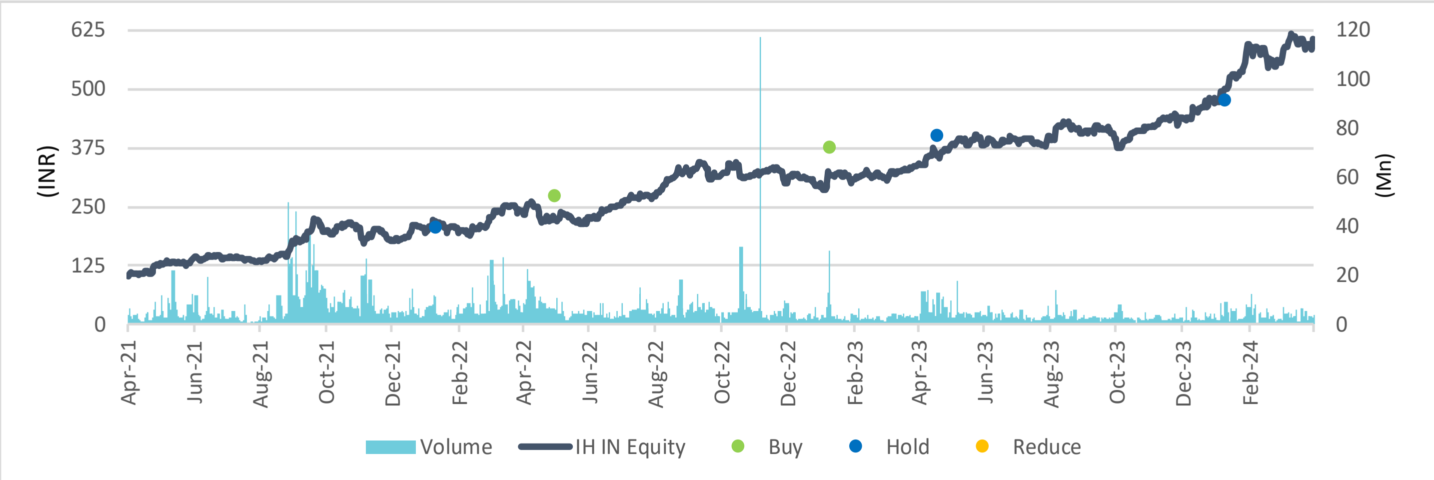
Recent Company Research

Date	Title	Price	Reco
02-Feb-24	Firm showing; sustainability key; *Result Update*	500	Hold
27-Oct-23	Robust domestic offset by international; *Result Update*	375	Hold
27-Jul-23	Steady momentum; cost catching up; *Result Update*	385	Hold

Recent Sector Research

Date	Name of Co./Sector	Title
08-Feb-24	LEMON TREE HOTEL	Stable show but undershooting peers; *Result Update*
20-Nov-23	Leisure & Hotels	Momentum sustains; limited upgrades; *Sector Update*
10-Nov-23	LEMON TREE HOTEL	Stable showing; margin miss; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	209
Hold	<15% and >-5%	61
Reduce	<-5%	24

DISCLAIMER

Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited) (defined as "NWML" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No U67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance/Grievance officer: Mr. Atul Bapna, E-mail address: complianceofficer.nwm@nuvama.com Contact details +91 (22) 6623 3478 Investor Grievance e-mail address-grievance.nwm@nuvama.com.

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form 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 NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report. The security/securities quoted in the above report are for illustration only and are not recommendatory.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (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 subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML (e) Registration granted by SEBI and certification from NISM in no way guarantee performance of NWML or provide any assurance of returns to investors and clients.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its 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. NWML or its associates have not 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 or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No

NWML has financial interest in the subject companies: No

NWML's 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.

Research analyst or his/her relative has 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: No

NWML has 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: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.

A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Additional Disclaimers

Disclaimer for U.S. Persons

This research report is a product of NWML, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by NWML only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc.(formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons

The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the “Order”); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”).

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons

This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons

In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons

This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance “SFO”. 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 report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal,
pseudonym=47IeWj0vIzKRUdWSEFvWUquxP0HUOyNu,
2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c,
postalCode=400098, st=Maharashtra,
serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9,
cn=ABNEESH KUMAR ROY
Date: 2024.04.25 01:05:37 +05'30'
Adobe Acrobat version: 2024.002.20687