

Reduce

Muted performance, upbeat outlook!

- Lemon Tree Hotels (LTH) Q1FY22 was disappointing. ARR decline and flat occupancies YoY were key disappointments. Healthy recovery from Jul'21 pin hopes of revival. Mgmt remains upbeat with Q2FY22 performance to be similar to Q4FY21 (220% of Q1FY22), Q3FY22 to be 75-80% and Q4FY22 to be similar to pre-covid. Cost rationalization benefits are likely to be structural. Low-inventory supply and consolidation are likely to be other benefits. LTH with its superior positioning in ~Rs 4-5k ARR bracket in mid-market segment, high-dependency on domestic clients (~85-90%) and room revenues (~75%) is well-poised for recovery especially as corporate travel revives.
- We marginally increase our FY22 estimates and maintain FY23/24E. We have factored additional Rs 1.25bn fund infusion by APG in FY22 (Rs 1.75bn in FY21) and conversion of Rs 3bn CCPS into equity in FY24 @ Rs 60/sh. Reiterate Reduce with TP of Rs 43 @ 20x Jun-23E EV/EBITDA (previous TP Rs 43 @ 20x Jun-23E EV/E). The worst phase for the industry is likely behind. But, revival may be gradual to hit the historic ~75% occupancies and Rs 4-5k ARR in our view. Expect LT to undergo time correction similar to trailing six months.

Key operating and financial highlights

LT revenue stood at Rs 422mn, up modest 3.7% YoY. LT/IHCL/Chalet/EIH revenue were 27/37/27/30% of Q1FY20. EBITDA was Rs -1mn vs. Rs 44mn YoY (and Rs 448mn in Q1FY20). Costs control is appreciable but revival in revenues is inevitable. Cash profit for Q1FY22 stood at Rs -336 mn vs Rs 28/-6 mn in Q1FY21/Q4FY21

Operating inventory stood at 87.9% of total inventory against 71.5% in Q1FY21. Occupancy stood at 29.6% (vs 28.9/55.8% YoY/QoQ). ARR Rs 2,362 (vs. Rs 2,626/2,498 YoY/QoQ viz. -10.1/-5.4%) and thus RevPAR Rs 700 (vs 759/1,481 YoY/QoQ viz. -7.8/-52.7%). However, Jul has seen a healthy revenue recovery with further improvement in Aug'21. Mgmt attributed muted performance to mix change between traditional vs. non-traditional (Covid, Vande Bharat etc in Q1FY21) business YoY.

Q1FY22 Result (Rs Mn)

Particulars	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)
Revenue	422	407	3.7	951	(55.7)
Total Expense	422	363	16.3	666	(36.5)
EBITDA	(1)	44	(101.8)	285	(100.3)
Depreciation	262	271	(3.4)	261	0.2
EBIT	(262)	(227)	15.4	24	(1187.1)
Other Income	21	31	(31.8)	19	12.4
Interest	432	469	(7.9)	431	0.1
EBT	(673)	(665)	1.2	(388)	73.3
Tax	(75)	(71)	5.9	(142)	(46.7)
RPAT	(401)	(419)	(4.2)	(168)	138.6
APAT	(401)	(419)	(4.2)	(168)	138.6
			(bps)		(bps)
Gross Margin (%)	92.4	94.3	(188)	92.7	(29)
EBITDA Margin (%)	(0.2)	10.7	(1090)	30.0	(3019)
NPM (%)	(95.2)	(103.0)	779	(17.7)	(7749)
Tax Rate (%)	11.2	10.7	50	36.5	(2528)
EBIT Margin (%)	(62.2)	(55.9)	(634)	2.5	(6478)

CMP	Rs 41
Target / Upside	Rs 43 / 7%
NIFTY	16,364

Scrip Details

Equity / FV	Rs 7,904mn / Rs 10
Market Cap	Rs 34bn
	USD 460mn
52-week High/Low	Rs 50/ 25
Avg. Volume (no)	3,766,820
Bloom Code	LEMONTRE IN

Price Performance	1M	3M	12M
Absolute (%)	(6)	7	38
Rel to NIFTY (%)	(11)	(6)	(5)

Shareholding Pattern

	Dec'20	Mar'21	Jun'21
Promoters	25.9	25.9	25.9
MF/Banks/FIs	15.8	15.3	14.2
FIIIs	22.5	22.8	22.2
Public / Others	35.9	36.0	37.8

Valuation (x)

	FY22E	FY23E	FY24E
P/E	(30.7)	(15025.9)	85.1
EV/EBITDA	51.1	18.3	15.0
ROE (%)	(12.0)	0.0	3.6
RoACE (%)	0.9	5.4	6.8

Estimates (Rs mn)

	FY22E	FY23E	FY24E
Revenue	4,082	7,138	8,604
EBITDA	1,089	3,111	3,849
PAT	(1,110)	(2)	401
EPS (Rs.)	(1.3)	0.0	0.5

VP - Research: Himanshu Shah

Tel: +91 22 4096 9737

E-mail: himanshu.shah@dolatcapital.com

Associate: Aastha Bhatia

Tel: +91 22 40969736

E-mail: aasthab@dolatcapital.com

Key takeaways from conference call

Demand Highlights

- LTH Q1FY22 was muted YoY as Q1FY21 included higher ARR covid, healthcare workers etc business. Q1FY22 had higher proportion of retail (staycation) business at lower pricing.

Exhibit 1: Occupancy and demand Overview in trailing year

Quarter	Occupancy	Demand Type
Q4FY20	61%	95% from regular business
Q1FY21	29%	Majority Quarantine business
Q4FY21	56% (operational 59%)	Majority business was contributed by retail, followed by SME.
Q1FY22	29%	20% - quarantine business, 80% - non quarantine

Source: DART, Company

- However, management remains upbeat of healthy recovery. QTD revenue has exceeded Q1FY22. Mgmt expects Q2FY22 revenues to be ~220% of Q1FY22 (and similar to Q4FY21). Further, Q3FY22 (~Rs 15mn/day) to be 75-80% of pre-covid and Q4FY22 (~Rs 17.5mn/day) to be similar to pre-covid run-rate.
- SME business has started coming back and corporate business is expected to come back.
- Keys Hotel performance was impacted due to higher share of rooms from Bangalore and Kerala.
- Gurugram and Bangalore are expected to see late revival due to dependency on IT industry and oversupply in Gurugram.

Long term Industry Trends

- Management highlighted pan industry occupancy normalization will be followed by ADR normalization but with a 3-month lag. We believe this may take around 6-12 months' post demand normalization.
- 3-5% of corporate travel demand will be permanently erased due to work from home, cost cuttings etc. Corporate travel accounts for 20% of the business. Retail which comprises of ~40% of total demand is growing at a CAGR of 15-20%. The retail room rates are ~1.25x of portfolio average. Thus overall impact on revenue should be negligible to positive.

Consolidation / Supply overview

- Management believes a decent proportion of hotels won't be coming back.
- When hotels re-open, it takes upto 1.5 years to be operational on account of renovation and staff training.
- ECLGS scheme beneficial only for loans >Rs5 bn. Thus standalone hotels may find it difficult to avail the benefit of the scheme.
- Management believes consolidation is likely in 6-12m as moratorium benefits starts receding.

Debt & Liquidity

- Management highlighted that the EBITDA impact of the increase in inventory of ~1800 rooms (Keys, Pune, Kolkata and Udaipur), which occurred just prior to COVID is yet to be reflected. This has led to rise in debt. Assuming ~Rs 10mn cost of construction/room, a large proportion of debt is attributable to new additions. Since these are in premium categories with high EBITDA/room potential, on recovery the growth in EBITDA too would be steep making EBITDA to debt ratio reasonable. Thus, the management does not wish to further raise funds.
- Net debt increased by Rs 580mn QoQ (Rs 340mn operating loss, Rs 120mn capex on Mumbai Aurika and Rs 120mn working capital and interest) to ~Rs 20bn. Management highlighted that since major debt repayments are after 6-7 years, company needs to service ~Rs 100 crores of debt obligations this year which can be funded by ECLGS scheme in the worst case.

Exhibit 2: Actual vs. Estimates

(Rs Mn)	Actual	Estimates	% Variance	Comments
Revenue	422	484	(13.0)	LT's Q1FY22 revenues were below estimates on muted expectations. Yet, EBITDA was better than estimate led by robust cost controls.
EBITDA	(1)	(12)	(93.7)	
EBITDA Margin (%)	(0.2)	(2.6)	239 bps	
PAT	(401)	(481)	(16.7)	

Source: DART, Company

Exhibit 3: Change in estimates

Rs Mn	FY22E			FY23E			Comments
	New	Old	Chg %	New	Old	Chg %	
Revenue (Rs Mn)	4,082	3,858	5.8	7,138	7,085	0.8	Our estimates for FY23/24E are largely unchanged. Increase in FY22E led by healthy bounce back in Jul/Aug.
EBITDA (Rs Mn)	1,089	902	20.8	3,111	3,075	1.2	
EBITDA Margin (%)	26.7	23.4	330 bps	43.6	43.4	18 bps	
APAT (Rs Mn)	(1,110)	(1,297)	(14.4)	(2)	(38)	(94.0)	

Source: DART, Company

Exhibit 4: Consolidated Quarterly Financials

Rs Mn	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Chg YoY (%)	Chg QoQ (%)
Revenue	407	476	684	951	422	3.7	(55.7)
Cost of F&B	23	32	54	69	32	37.7	(53.9)
Employee costs	178	143	158	226	174	(2.0)	(22.8)
Other expenses	162	218	271	371	216	33.3	(41.7)
Total Operating Cost	363	393	483	666	422	16.3	(36.5)
EBITDA	44	83	201	285	(1)	(101.8)	(100.3)
D&A	271	270	273	261	262	(3.4)	0.2
Finance Cost (net)	469	463	454	431	432	(7.9)	0.1
Other Income	31	60	22	19	21	(31.8)	12.4
Share of profit/(loss) of associates	(12)	(7)	(1)	(21)	(1)	(94.1)	(96.6)
PBT	(677)	(597)	(505)	(409)	(673)	(0.5)	64.8
Tax	(71)	(61)	(48)	(142)	(75)	5.9	(46.7)
PAT	(606)	(536)	(457)	(267)	(598)	(1.2)	123.9
Minority Interest	(187)	(164)	(145)	(99)	(197)	5.4	98.9
APAT	(419)	(372)	(312)	(168)	(401)	(4.2)	138.6

Source: DART, Company

Increase in other expenses YoY on account of higher share of revenues from retail and consequently higher commissions

Exhibit 5: Margin Analysis

% of Net revenue	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Chg YoY (bps)	Chg QoQ (bps)
Revenue	100.0	100.0	100.0	100.0	100.0	-	-
Cost of food and beverages consumed	5.7	6.8	7.8	7.3	7.6	188	29
Employee benefits expense	43.7	30.0	23.1	23.7	41.3	(238)	1,758
Other expenses	39.9	45.8	39.7	39.0	51.3	1,141	1,232
Operating Cost	89.3	82.5	70.6	70.0	100.2	1,090	3,019
EBITDA	10.7	17.5	29.4	30.0	(0.2)	(1,090)	(3,019)
D&A	66.6	56.8	40.0	27.5	62.1	(456)	3,459
Finance Cost (net)	115.2	97.4	66.4	45.3	102.4	(1,283)	5,706
Other Income	7.7	12.6	3.3	2.0	5.0	(262)	306
Share of profit/(loss) of associates	(2.9)	(1.4)	(0.1)	(2.2)	(0.2)	278	200
PBT	(166.4)	(125.4)	(73.9)	(43.0)	(159.8)	665	(11,678)
Tax	(17.5)	(12.9)	(7.0)	(14.9)	(17.9)	(38)	(300)
PAT	(148.9)	(112.5)	(66.9)	(28.1)	(141.9)	703	(11,378)
Minority Interest	(45.9)	(34.5)	(21.2)	(10.4)	(46.7)	(76)	(3,629)
APAT	(103.0)	(78.1)	(45.7)	(17.7)	(95.2)	779	(7,749)
Tax as % of PBT	10.5	10.3	9.4	34.6	11.2	68	(2,345)

Source: DART, Company

Exhibit 6: Key assumptions table

Particulars	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Rooms (No)	2,537	2,727	2,822	3,019	3,277	3,570	5,192	5,192	5,192	5,192	5,192
ADR (Rs)	-	-	-	3,449	3,896	4,180	4,327	2,577	2,889	4,033	4,519
Occupancy (%)	-	-	-	76.8%	75.9%	76.3%	71.5%	39.9%	54.6%	69.6%	74.1%
RevPAR (Rs)	-	-	-	2,648	2,955	3,190	3,093	1,029	1,577	2,807	3,349
Room Revenue (Rs Mn)	1,450	1,867	2,411	2,717	3,345	3,880	4,760	1,949	3,046	5,282	6,281
Non-Room Rev (Rs Mn)	767	1,037	1,268	1,404	1,498	1,624	1,935	568	1,037	1,856	2,323
Total Revenue (Rs Mn)	2,217	2,904	3,680	4,121	4,843	5,504	6,694	2,517	4,082	7,138	8,604
Operating expenses	1,984	2,397	2,668	2,956	3,481	3,817	4,311	1,905	2,993	4,027	4,754
EBITDA (Rs Mn)	233	507	1,012	1,165	1,361	1,688	2,383	613	1,089	3,111	3,849
EBITDA margin (%)	10.5	17.5	27.5	28.3	28.1	30.7	35.6	24.3	26.7	43.6	44.7
Change YoY (%/bps)											
Rooms (No)	32.1	7.5	3.5	7.0	8.5	8.9	45.4	-	-	-	-
ADR (Rs)					13.0	7.3	3.5	(40.5)	12.1	39.6	12.0
Occupancy (%)					(1.2)	0.5	(6.3)	(44.1)	36.7	27.5	6.5
RevPAR (Rs)					11.6	8.0	(3.0)	(66.7)	53.3	78.0	19.3
Room Revenue (Rs Mn)	0.9	28.8	29.2	12.7	23.1	16.0	22.7	(59.0)	56.2	73.4	18.9
Non-Room Rev (Rs Mn)	8.0	35.1	22.3	10.7	6.7	8.4	19.1	(70.7)	82.6	79.0	25.2
Total Revenue (Rs Mn)	3.2	31.0	26.7	12.0	17.5	13.7	21.6	(62.4)	62.2	74.9	20.5
Operating expenses	11.9	20.8	11.3	10.8	17.8	9.6	13.0	(55.8)	57.2	34.6	18.0
EBITDA (Rs Mn)	(37.7)	117.3	99.5	15.1	16.9	24.0	41.2	(74.3)	77.8	185.6	23.7
EBITDA margin (%)	(692)	694	1,003	77	(15)	255	494	(1,126)	234	1,690	116

Source: DART, Company

Exhibit 7: Valuation summary

Particulars	Consolidated (100%)			Proportionate Ownership (75%)*		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
EBITDA (Rs Mn)	1,089	3,111	3,849	817	2,333	2,887
(-) IndAS116 EBITDA contribution (Rs Mn)	387	426	469	290	319	351
Core EBITDA (Rs Mn)	702	2,685	3,381	527	2,014	2,536
Multiple (x)	20	20	20	20	20	20
Enterprise Value (Rs Mn)	14,040	53,702	67,619	10,530	40,277	50,714
Net debt (Rs Mn)	21,485	22,846	23,595	15,039	15,992	16,517
(-) IndAS 116 debt (Rs Mn)	5,021	5,398	5,802	3,766	4,048	4,352
(-) Debt for u/c assets/CWIP (Rs Mn)	5,497	6,871	8,588	4,122	5,153	6,441
Core Net debt (Rs Mn)	10,967	10,577	9,205	7,151	6,791	5,724
Equity Value (Rs Mn)	3,073	43,125	58,414	3,379	33,486	44,991
O/s shares (Mn)	840	840	840	840	840	840
Value per share (Rs)	4	51	70	4	40	54
CMP (Rs)	41	41	41	41	41	41
Upside/Downside (%)	-91%	26%	71%	-90%	-2%	32%

Source: DART, Company: * We value LTH on proportionate ownership basis as 60% of its operational portfolio is in subsidiary Fleur where it owns 58% stake. Effective ownership at entity level on room basis is ~72%. But LTH standalone also earns ~4-5% brand and management fees from subsidiaries.

Profit and Loss Account

(Rs Mn)	FY21A	FY22E	FY23E	FY24E
Revenue	2,517	4,082	7,138	8,604
Total Expense	1,905	2,993	4,027	4,754
COGS	178	352	642	796
Employees Cost	704	1,110	1,460	1,612
Other expenses	1,022	1,531	1,925	2,347
EBIDTA	613	1,089	3,111	3,849
Depreciation	1,076	1,102	1,122	1,144
EBIT	(463)	(13)	1,989	2,705
Interest	1,817	1,806	2,059	2,164
Other Income	133	60	66	73
Exc. / E.O. items	0	0	0	0
EBT	(2,147)	(1,759)	(5)	614
Tax	(322)	(273)	(1)	111
RPAT	(1,231)	(1,110)	(2)	401
Minority Interest	(595)	(377)	(1)	102
Profit/Loss share of associates	0	0	0	0
APAT	(1,231)	(1,110)	(2)	401

Balance Sheet

(Rs Mn)	FY21A	FY22E	FY23E	FY24E
Sources of Funds				
Equity Capital	7,904	7,904	7,904	8,404
Minority Interest	6,174	5,797	5,796	2,898
Reserves & Surplus	1,272	1,402	1,397	4,303
Net Worth	9,176	9,306	9,301	12,707
Total Debt	20,574	21,742	23,458	23,851
Net Deferred Tax Liability	29	34	39	45
Total Capital Employed	35,953	36,879	38,594	39,500

Applications of Funds

Net Block	30,964	30,075	30,016	29,559
CWIP	2,418	5,497	6,871	8,588
Investments	2,464	2,538	2,613	2,690
Current Assets, Loans & Advances	2,303	1,184	1,750	1,584
Inventories	72	79	87	96
Receivables	308	464	716	936
Cash and Bank Balances	1,421	258	612	255
Loans and Advances	0	0	1	1
Other Current Assets	501	383	334	296
Less: Current Liabilities & Provisions	2,195	2,414	2,656	2,921
Payables	788	866	953	1,048
Other Current Liabilities	1,407	1,548	1,703	1,873
	<i>sub total</i>			
Net Current Assets	108	(1,230)	(905)	(1,337)
Total Assets	35,954	36,879	38,594	39,500

E – Estimates

Important Ratios

Particulars	FY21A	FY22E	FY23E	FY24E
(A) Margins (%)				
Gross Profit Margin	92.9	91.4	91.0	90.8
EBIDTA Margin	24.3	26.7	43.6	44.7
EBIT Margin	(18.4)	(0.3)	27.9	31.4
Tax rate	15.0	15.5	27.5	18.1
Net Profit Margin	(48.9)	(27.2)	0.0	4.7
(B) As Percentage of Net Sales (%)				
COGS	7.1	8.6	9.0	9.3
Employee	28.0	27.2	20.5	18.7
Other	40.6	37.5	27.0	27.3
(C) Measure of Financial Status				
Gross Debt / Equity	2.2	2.3	2.5	1.9
Interest Coverage	(0.3)	0.0	1.0	1.3
Inventory days	10	7	4	4
Debtors days	45	41	37	40
Average Cost of Debt	9.0	8.5	9.1	9.1
Payable days	114	77	49	44
Working Capital days	16	(110)	(46)	(57)
FA T/O	0.1	0.1	0.2	0.3
(D) Measures of Investment				
AEPS (Rs)	(1.5)	(1.3)	0.0	0.5
CEPS (Rs)	(0.2)	0.0	1.3	1.8
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	10.9	11.1	11.1	15.1
RoANW (%)	(14.1)	(12.0)	0.0	3.6
RoACE (%)	0.0	0.9	5.4	6.8
RoAIC (%)	(1.3)	0.0	5.3	7.0
(E) Valuation Ratios				
CMP (Rs)	41	41	41	41
P/E	(27.7)	(30.7)	(15025.9)	85.1
Mcap (Rs Mn)	34,121	34,121	34,121	34,121
MCap/ Sales	13.6	8.4	4.8	4.0
EV	53,275	55,606	56,967	57,717
EV/Sales	21.2	13.6	8.0	6.7
EV/EBITDA	87.0	51.1	18.3	15.0
P/BV	3.7	3.7	3.7	2.7
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	(62.4)	62.2	74.9	20.5
EBITDA	(74.3)	77.8	185.6	23.7
EBIT	(130.6)	(97.3)	(15885.3)	36.0
PBT	(43944.2)	(18.1)	(99.7)	(12932.2)
APAT	1691.7	(9.8)	(99.8)	(17765.0)
EPS	1691.7	(9.8)	(99.8)	(17764.2)

Cash Flow

(Rs Mn)	FY21A	FY22E	FY23E	FY24E
CFO	1,214	1,537	3,143	3,813
CFI	(748)	(3,301)	(2,442)	(2,404)
CFF	502	601	(346)	(1,766)
FCFF	(1,199)	(1,755)	705	1,408
Opening Cash	452	1,420	258	612
Closing Cash	1,420	258	612	255

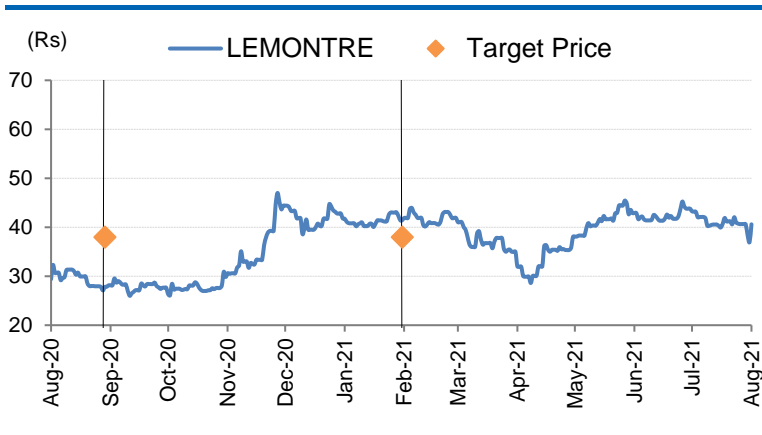
E – Estimates

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Sep-20	BUY	38	28
Feb-21	Sell	38	41

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
--------------------	--------------------------	--------------------------------	------------------------

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
--------------------------	-------------------------	------------------------------	------------------------

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Anjana Jhaveri	VP - FII Sales	anjanaj@dolatcapital.com	+9122 4096 9758
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may 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. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) 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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. Entity/ persons only: "This Report is considered independent third-party research and was prepared by Dolat Capital Market Private Limited, with headquarters in India. The distribution of this Research is provided pursuant to the exemption under Rule 15a-6(a) (2) and is only intended for an audience of Major U.S. Institutional Investors (MUSIIs) as defined by Rule 15a-6(b)(4). This research is not a product of StoneX Financial Inc. Dolat Capital Market Private Limited has sole control over the contents of this research report. StoneX Financial Inc. does not exercise any control over the contents of, or the views expressed in, any research reports prepared by Dolat Capital Market Private Limited and under Rule 15a-6(a) (3), any U.S. recipient of this research report wishing to affect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through StoneX Financial Inc. Please contact Paul Karrlsson-Willis at +1 (407) 741-5310 or email Paul.Karrlsson-Willis@stonex.com and/or Igor Chernomorskiy at +1 (212)379-5463 or email Igor.Chernomorskiy@stonex.com. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through the Dolat Capital Market Private Limited."



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685

Registered office: Unit no PO6-02A - PO6-02D, Tower A, WTC, Block 51, Zone-5, Road 5E, Gift City, Gandhinagar, Gujarat – 382355

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
