

Hotels

Momentum in room rates to sustain in H2FY24

Sector Report

▶ Sector-specific monthly notes ▶ December 4, 2023

NIFTY 50: 20,268

Data released by HVS Anarock for October 2023 indicates a pick-up in occupancy of +6 percentage points (pp) YoY and +2pp MoM, aided by the Cricket World Cup. New Delhi, Mumbai, Pune, and Hyderabad witnessed over 20% YoY improvement in ADR along with increased occupancy of over +5pp YoY. A similar strength in trend was observed in domestic air travel passengers in India, which was up 11% YoY in Oct-23. Foreign Tourist Arrival (FTA) was up 18% YoY in Sep-23, though it is still below pre-COVID levels by ~16% YTD CY23, indicating scope for further improvement. We see continued strength in average hotel rates in Q3/Q4FY24 for three hotel companies under our coverage. Given favorable demand-supply dynamics over the long term, we reiterate our ADD rating on our hotel names, i.e., Indian Hotels Co. Ltd. (IHCL), Lemon Tree Hotels (LTH), and Chalet Hotels.

Santosh Sinha

santosh.sinha@emkayglobal.com
+91 22 6624 2414

Kevin Shah

kevin.shah@emkayglobal.com
+91 22 6612 1340

Upward trajectory in average rates continues amid strength in demand

HVS Anarock has released its Oct-23 data for hospitality. The occupancy rate has further increased +6pp YoY and +2pp MoM. National hotel occupancy rates for October 2023 exceeded pre-pandemic levels by 1-3pp, aided by ICC Men's Cricket World Cup. The Cricket World Cup, in particular, improved hotel occupancy in various markets hosting the matches. Occupancy was up 10-15pp YoY in Kolkata and New Delhi. Average rates in key markets hosting the cricket matches witnessed a YoY increase ranging from 15% to 33%. New Delhi, Mumbai, Pune, and Hyderabad witnessed an improvement of over 20% YoY in ADR along with increased occupancy of over +5pp YoY. Goa witnessed a YoY increase in average rates by 1-3% only due to the Cricket World Cup. ADR grew 15% YoY in Oct-2023 (+8% MoM) on average, indicating continued strong demand in the sector. As a result, RevPAR was up 27% YoY in Oct-2023 (+12% MoM) on average. We expect this trend to continue in H2FY24, aided by high seasonal demand and marriages.

FTA picking up from below pre-COVID levels; domestic demand stays strong

Domestic air travel passengers in India were up 11% YoY in Oct-2023 at 12.6mn, 3% above pre-pandemic Oct-2019 numbers, which is positive for the hospitality sector. FTA is picking up on a YoY basis. FTA increased 18% YoY in Sep-2023 and rose 23% YoY in Aug-2023. However, FTA in India, as of YTD CY23, still stands below pre-COVID levels by ~16%. Even though FTA has lagged pre-COVID levels, strength in domestic demand (aided by rising spending on leisure and weddings) has helped the hotels maintain elevated occupancy over the past two years in India. **We see continued strength in average hotel rates in Q3/Q4FY24** for three hotel companies under our coverage, as per the room rates available on company websites. We expect room rates to pick up further in Q4FY24 for most hotels, as business-related occupancy picks up. Chalet is witnessing an uptick in ARR for Mumbai in Q3 and the trend will continue in Q4.

Rating, Target Price and Valuation

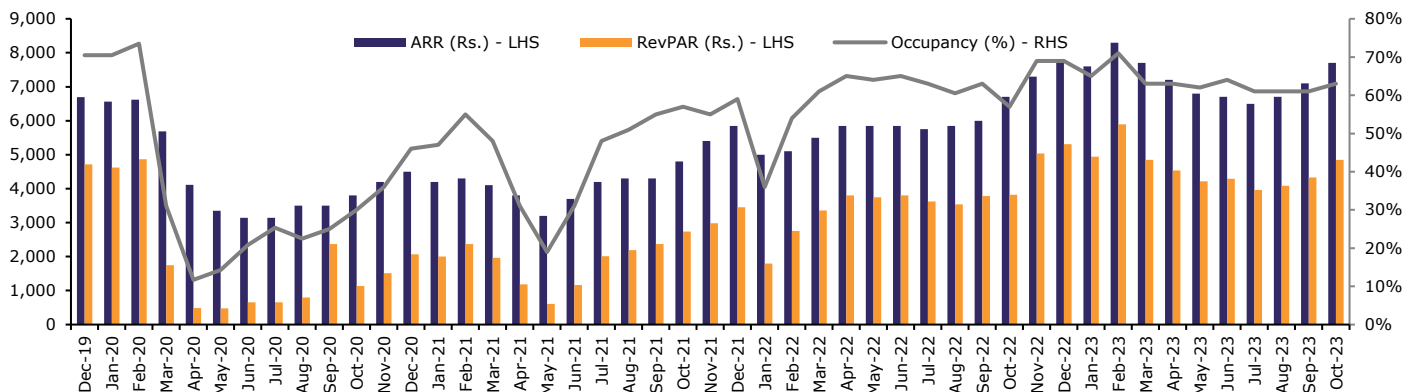
| | Rating | CMP (Rs) | TP (Rs) | Upside (%) | EV/EBITDA (x) | | RoE (%) | |
|-------------------|--------|----------|---------|------------|---------------|------|---------|------|
| | | | | | FY24 | FY25 | FY24 | FY25 |
| Chalet Hotels | Add | 585 | 620 | 6 | 24.9 | 17.7 | 15.5 | 18.4 |
| Indian Hotels | Add | 426 | 455 | 7 | 26.9 | 22.7 | 15.7 | 16.5 |
| Lemon Tree Hotels | Add | 113 | 130 | 15 | 19.5 | 12.7 | 17.7 | 24.3 |

Source: Company, Emkay Research

Oct-23 was another strong month for hotels

As per HVS Anarock, Oct-23 was another strong month for the Indian hotel industry with the industry's RevPAR increasing ~27% YoY, benefitting from continued strength in the hospitality industry and aided by additional demand from the Cricket World Cup. There can be some headwinds in the form of wars and fear from the rise in China's respiratory illness. However, given favorable demand-supply dynamics over the long term, with industry demand expected to post a ~7.4% CAGR over FY23-28E vs. room supply CAGR of ~6% over the same period (link), we expect occupancy to remain elevated for hotels in India. We reiterate our ADD rating on our coverage hotels, i.e., Indian Hotels Co. Ltd. (IHCL), Lemon Tree Hotels (LTH), and Chalet Hotels.

Exhibit 1: Hotel industry's trend



Source: HVS Anarock, Emkay Research

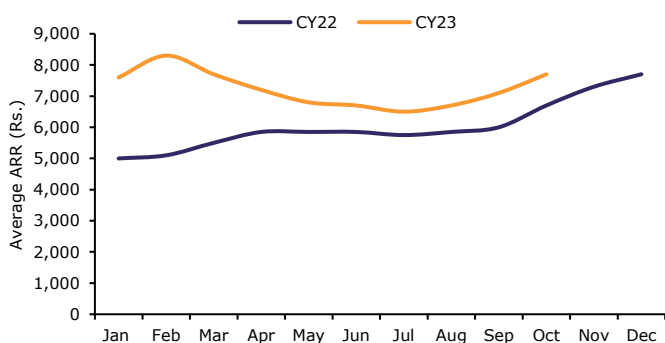
Exhibit 2: Industry trends as per HVS Anarock

| | Avg. ARR (Rs) | | | Avg. RevPAR (Rs) | | | Occupancy (Rs) | | |
|-----|---------------|-------|---------|------------------|-------|---------|----------------|------|-----------|
| | CY22 | CY23 | YoY (%) | CY22 | CY23 | YoY (%) | CY22 | CY23 | YoY (PP*) |
| Jan | 5,000 | 7,600 | 52% | 1,795 | 4,940 | 175% | 36% | 69% | 33% |
| Feb | 5,100 | 8,300 | 63% | 2,755 | 5,894 | 114% | 54% | 65% | 11% |
| Mar | 5,500 | 7,700 | 40% | 3,355 | 4,852 | 45% | 61% | 71% | 10% |
| Apr | 5,850 | 7,200 | 23% | 3,804 | 4,537 | 19% | 65% | 63% | -2% |
| May | 5,850 | 6,800 | 16% | 3,745 | 4,217 | 13% | 64% | 63% | -1% |
| Jun | 5,850 | 6,700 | 15% | 3,804 | 4,289 | 13% | 65% | 62% | -3% |
| Jul | 5,750 | 6,500 | 13% | 3,624 | 3,966 | 9% | 63% | 64% | 1% |
| Aug | 5,850 | 6,700 | 15% | 3,540 | 4,088 | 15% | 61% | 61% | 1% |
| Sep | 6,000 | 7,100 | 18% | 3,781 | 4,332 | 15% | 63% | 61% | -2% |
| Oct | 6,700 | 7,700 | 15% | 3,820 | 4,852 | 27% | 57% | 63% | 6% |
| Nov | 7,300 | | | 5,038 | | | 69% | | |
| Dec | 7,700 | | | 5,314 | | | 69% | | |

Source: HVS Anarock

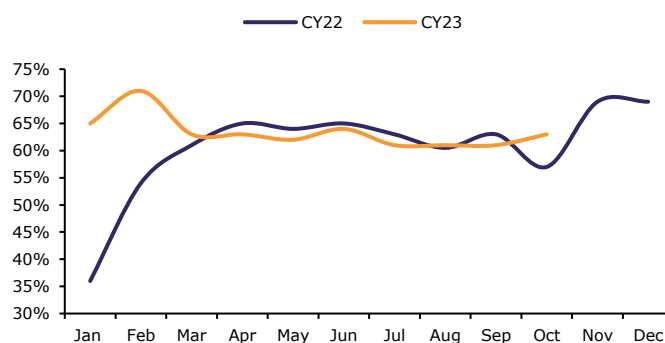
*PP = Percentage point

Exhibit 3: Avg. ARR above CY22 levels; ARR to increase further

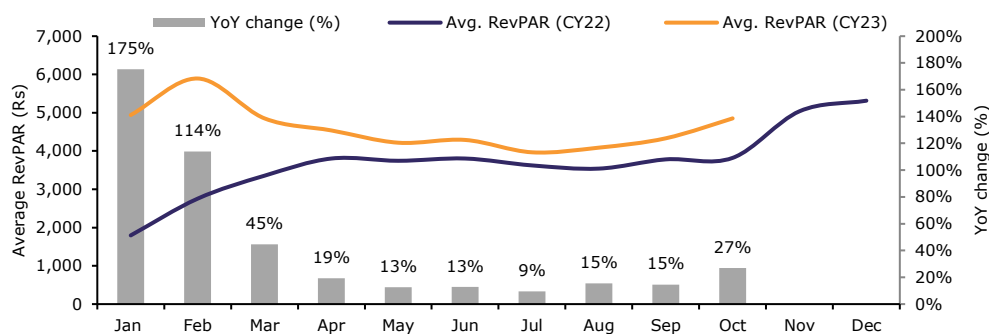


Source: HVS Anarock

Exhibit 4: Occupancy to improve in November and



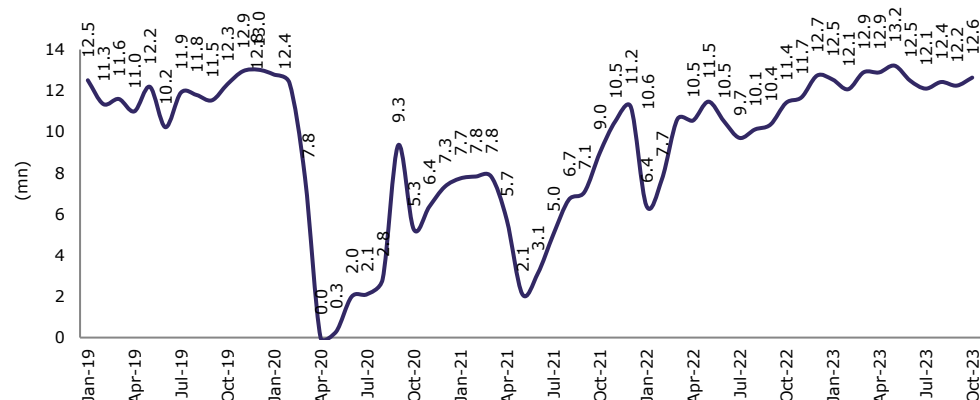
Source: HVS Anarock

Exhibit 5: RevPAR is up 27% YoY supported by the Cricket World Cup

Source: Company, Emkay Research

Domestic air travel remains strong

Domestic air travel continues to exhibit strength with the number of passengers increasing 11% YoY in Oct-2023 to 12.6mn. This is 3% above pre-pandemic Oct-2019 numbers. For Jan-Oct 2023, air passenger travel increased 27% YoY and rose 8% vs. Jan-Oct 2019 (pre-pandemic).

Exhibit 6: Domestic air travel continues to exhibit strength

Source: DGCA

Exhibit 7: Domestic air passengers (mn)

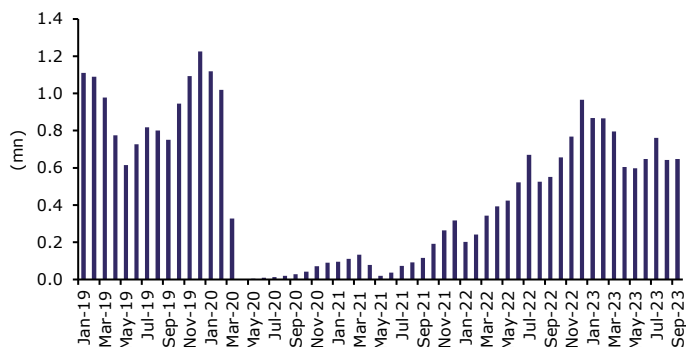
| | CY19 | CY22 | CY23 | CY23 vs. CY22 | CY23 vs. CY19 |
|------|-------|------|-------|---------------|---------------|
| Jan | 12.5 | 6.4 | 12.5 | 96% | 0% |
| Feb | 11.3 | 7.7 | 12.1 | 57% | 6% |
| Mar | 11.6 | 10.6 | 12.9 | 21% | 11% |
| Apr | 11.0 | 10.5 | 12.9 | 22% | 17% |
| May | 12.2 | 11.5 | 13.2 | 15% | 8% |
| Jun | 10.2 | 10.5 | 12.5 | 19% | 22% |
| Jul | 11.9 | 9.7 | 12.1 | 25% | 2% |
| Aug | 11.8 | 10.1 | 12.4 | 23% | 5% |
| Sep | 11.5 | 10.4 | 12.2 | 18% | 6% |
| Oct | 12.3 | 11.4 | 12.6 | 11% | 3% |
| YTD* | 116.4 | 98.8 | 125.5 | 27% | 8% |

Source: DGCA, Emkay Research *Year till date data

FTA in India still below pre-COVID levels

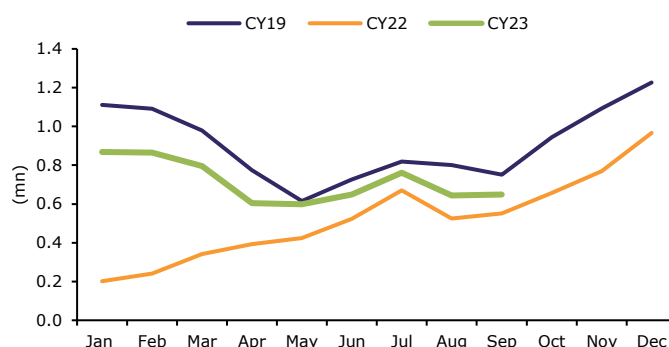
FTA in India, as of YTD CY23, still stands below pre-COVID levels by ~16%. However, tourist arrival is picking up on a YoY basis. FTA increased 18% YoY in Sep-23 and was up 23% YoY in Aug-23. We expect FTA to pick up further with the start of the tourist season from Oct-23. We see the pick-up in FTA to be positive for our covered hotels, as higher FTA will help increase the occupancy further.

Exhibit 8: FTA still lower than pre-COVID levels



Source: MoT, Emkay Research

Exhibit 9: FTA to pick up at year-end



Source: MoT, Emkay Research

Exhibit 10: FTA in India continues to log below pre-COVID level

| (Mn) | CY19 | CY22 | CY23 | CY23 vs. CY22 | CY23 vs. CY19 |
|------------------|-------------|-------------|-------------|---------------|---------------|
| Jan | 1.11 | 0.20 | 0.87 | 331% | -22% |
| Feb | 1.09 | 0.24 | 0.87 | 259% | -21% |
| Mar | 0.98 | 0.34 | 0.80 | 132% | -19% |
| Apr | 0.77 | 0.39 | 0.60 | 54% | -22% |
| May | 0.62 | 0.42 | 0.60 | 41% | -3% |
| Jun | 0.73 | 0.52 | 0.65 | 24% | -11% |
| Jul | 0.82 | 0.67 | 0.76 | 14% | -7% |
| Aug | 0.80 | 0.52 | 0.64 | 23% | -20% |
| Sept | 0.75 | 0.55 | 0.65 | 18% | -14% |
| YTD total | 7.67 | 3.87 | 6.43 | 66% | -16% |

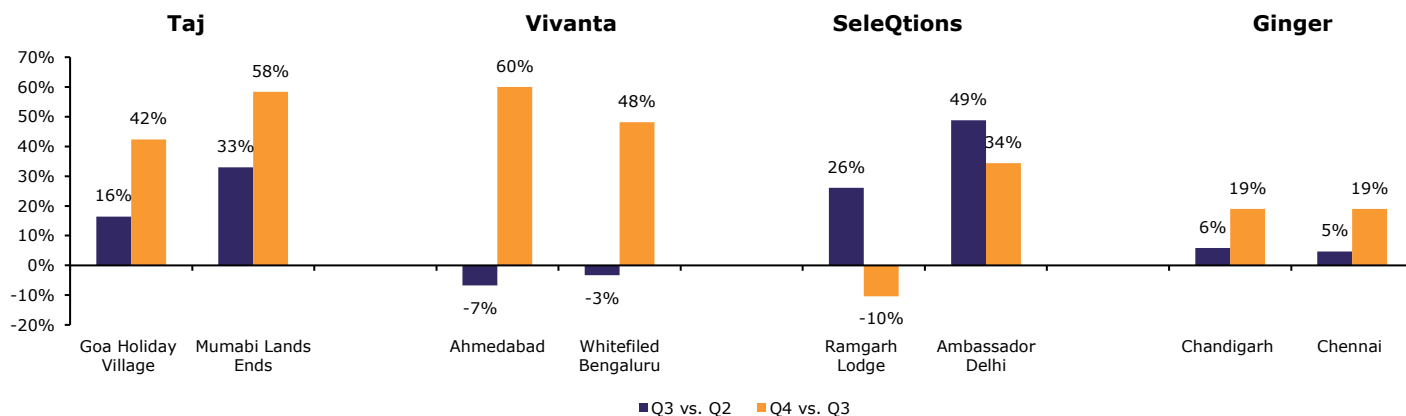
Source: MoT, Emkay Research

Continued strength in hotel rates is expected in Q3 and Q4

Hotel rates of the three hotel companies under our coverage indicate continued strength in ARR on a QoQ basis (as we do not have data for YoY comparison). This is as per the room rates available on company websites.

- **Indian Hotel:** We expect further improvement for Taj and SeleQtions rates QoQ in Q3 and Q4. Although rates of Vivanta and Ginger are going soft QoQ in Q3, ARR is expected to pick up in Q4 on a QoQ basis.

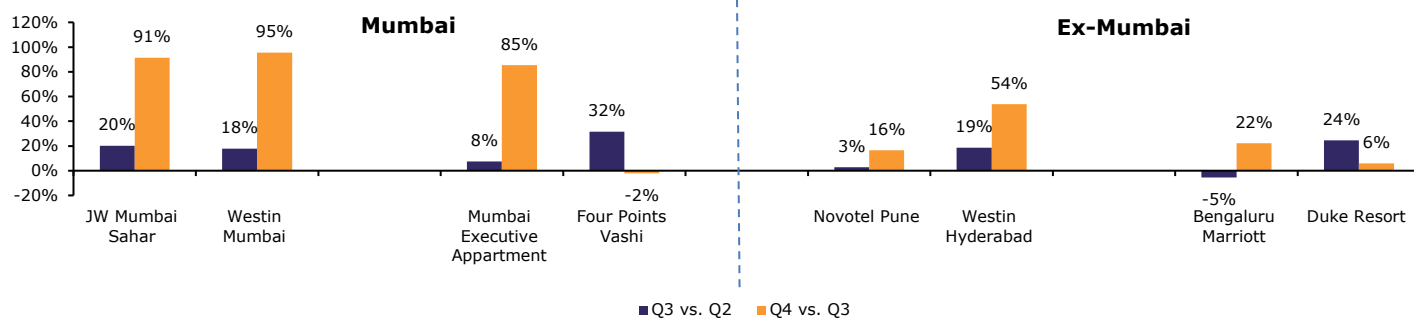
Exhibit 11: Indian Hotels ARR change QoQ (%) – Taj and SeleQtions rates are going strong



Source: Company website, Emkay Research

- **Chalet Hotel:** Chalet is witnessing an uptick in ARR for Mumbai in Q3, and the trend will continue in Q4. Non-Mumbai region was soft QoQ in Q3 but will pick up further in Q4. Q4 is a seasonally strong quarter for Chalet, as business-related occupancy dips in Q3 (with the holiday season) and then picks up in Q4. Dukes Resort, on the other hand, is expected to witness a slowdown in Q4 post pickup in Q3 (Lonavala), as the holiday season gets over.

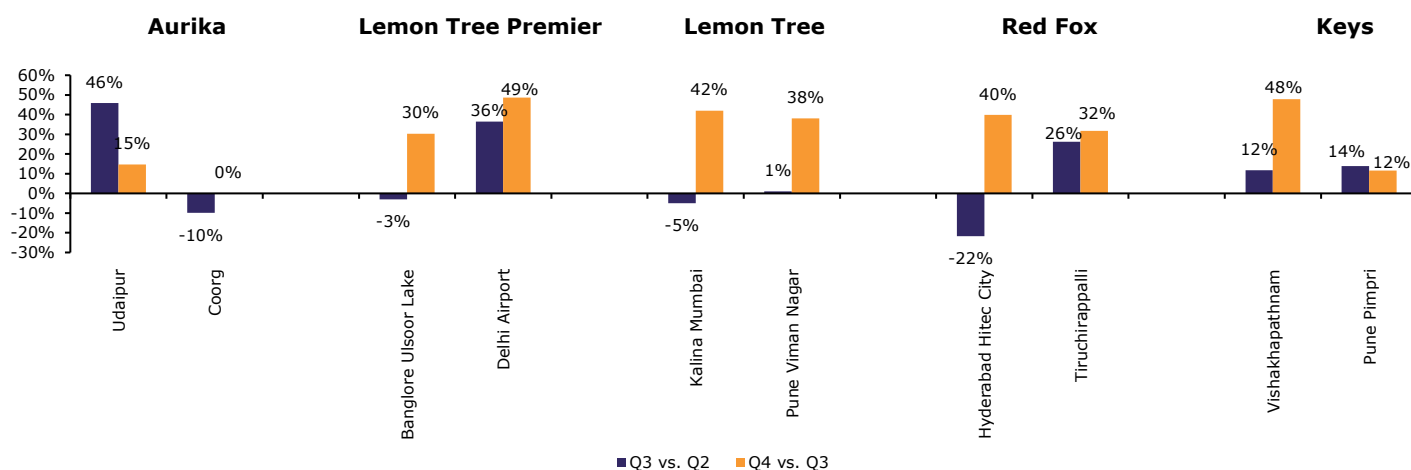
Exhibit 12: Chalet Hotels' ARR change QoQ (%) – Strength in Mumbai ARR to continue



Source: Company website, Emkay Research

- **Lemon Tree:** Aurika (Udaipur) and Keys are seeing improvement in ARR in Q3 with the start of the holiday season. Lemon Tree's room rate is expected to increase in Q4 across different categories, as travel for business picks up in Q4.

Exhibit 13: Lemon Tree ARR change QoQ (%) – ARR to pick up further QoQ in Q4



Source: Company website, Emkay Research

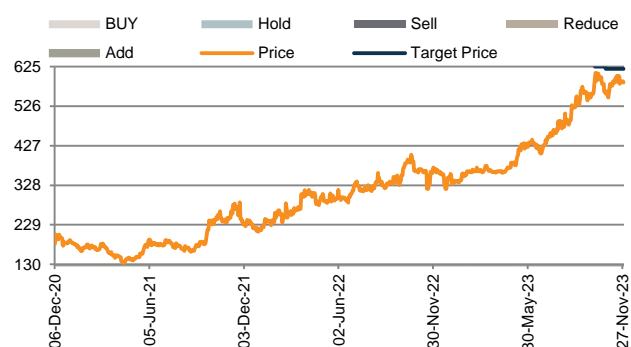
CHALET HOTELS

RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (INR) | TP (INR) | Rating | Analyst |
|-----------|---------------------|----------|--------|---------------|
| 30-Nov-23 | 590 | 620 | ADD | Santosh Sinha |
| 26-Oct-23 | 557 | 620 | Hold | Santosh Sinha |
| 05-Oct-23 | 593 | 625 | Hold | Santosh Sinha |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

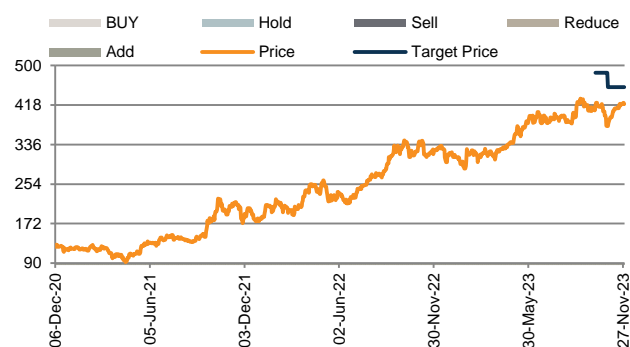
INDIAN HOTELS

RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (INR) | TP (INR) | Rating | Analyst |
|-----------|---------------------|----------|--------|---------------|
| 30-Nov-23 | 422 | 455 | ADD | Santosh Sinha |
| 29-Oct-23 | 375 | 455 | Buy | Santosh Sinha |
| 05-Oct-23 | 418 | 485 | Buy | Santosh Sinha |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

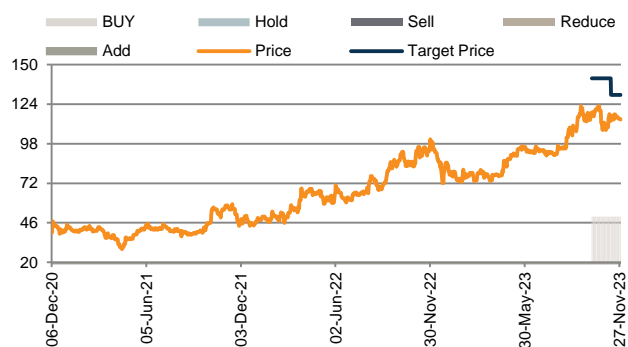
LEMON TREE HOTELS

RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (INR) | TP (INR) | Rating | Analyst |
|-----------|---------------------|----------|--------|---------------|
| 30-Nov-23 | 114 | 130 | ADD | Santosh Sinha |
| 11-Nov-23 | 113 | 130 | Buy | Santosh Sinha |
| 05-Oct-23 | 118 | 141 | Buy | Santosh Sinha |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. 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.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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 Financial Institutions Regulatory Authority (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 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. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of December 4, 2023
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of December 4, 2023
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the December 4, 2023
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

| Ratings | Expected Return within the next 12-18 months. |
|---------------|---|
| BUY | >15% upside |
| ADD | 5-15% upside |
| REDUCE | 5% upside to 15% downside |
| SELL | <15% downside |

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL 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 public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives 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 public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.