

# Lemon Tree

**BSE SENSEX**

53,751

**S&P CNX**

15,990

**CMP: INR66**
**TP: INR86 (+34%)**
**Buy**

Motilal Oswal values your support in the Asiamoney Brokers Poll 2022 for India Research, Sales, Corporate Access and Trading team. We [request your ballot](#).



## Stock Info

Bloomberg	LEMONTRE IN
Equity Shares (m)	786
M.Cap.(INRb)/(USDb)	50.8 / 0.6
52-Week Range (INR)	71 / 36
1, 6, 12 Rel. Per (%)	1/42/45
12M Avg Val (INR M)	343
Free float (%)	76.1

## Financials Snapshot (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	4.0	8.1	9.2
EBITDA	1.3	3.8	4.5
Adj. PAT	(0.76)	0.71	0.88
EBITDA margin (%)	33.3	47.2	49.1
Cons. Adj. EPS (INR)	(1.0)	0.9	1.1
EPS Gr. (%)	118.6	184.6	18.6
BV/Sh. (INR)	10.6	11.5	12.7

## Ratios

Net D:E	2.0	1.9	1.8
RoE (%)	(8.7)	8.2	9.3
RoCE (%)	1.1	7.3	8.5
Payout (%)	-	-	-

## Valuations

P/E (x)	NA	72.8	58.6
EV/EBITDA (x)	54.9	19.6	16.7
Div. Yield (%)	-	-	-
FCF Yield (%)	1.3	1.7	3.3

## A new dawn led by a strong revival in travel and tourism

LEMONTRE is well placed to capitalize on the impending opportunity in the domestic Hospitality industry and the expected upcycle, due to: a) its strong presence in the mid-priced Hotel segment, (b) stabilization of hotels launched prior to the outbreak of the COVID-19 pandemic in greater demand and higher ARR markets, and c) an increase in the number of rooms through management contracts.

Key risks to our call include: a) Another COVID wave can dampen business demand further and delay capex; b) Softening of room rates due to demand normalization; c) and return of cost to pre-COVID levels.

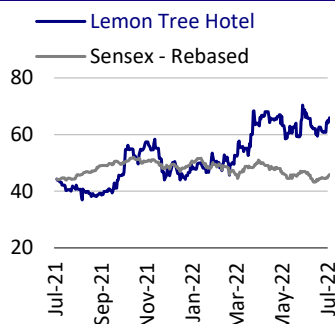
## Pickup in Business travel to benefit LEMONTRE as it has underutilized its new Hotel

- With business travel picking up, LEMONTRE is in a sweet spot as ~86% of its rooms are located in the business destination. Prior to the COVID-19 pandemic (excluding Keys), the company had 71.5% occupancy (i.e. 3,100 rooms occupied per day in a portfolio of 4,300 owned rooms). Occupancy improved significantly in Apr'22, led by a recovery in business travel, pickup in MICE activity, and an improvement in international travel.
- In FY21, LEMONTRE operated 13 Toddler Hotels (operations commenced in the last one-to-three years) with 1,914 rooms, which accounted for 37% of its total owned/leased room inventory. These rooms were under the stabilization phase as the pandemic impacted their performance. Once normalcy is reached, stabilization will drive growth.
- Revenue contribution from three hotels, which commenced operations prior to the COVID-19 pandemic, are yet to be fully realized. These include: i) LTP Hotel in Mumbai with 303 rooms, ii) Aurika Hotel in Udaipur with 139 rooms, and iii) LTP Hotel in Kolkata with 142 rooms. Margin profile of Mumbai and Udaipur properties is estimated to be higher, resulting in margin expansion at the consolidated level.
- Keys, which operates in the Midscale segment, was acquired by LEMONTRE in 3QFY19 (pre-pandemic period) and was not able to operate at optimal capacity due to COVID-related lockdown restrictions. With the situation returning back to normal, Keys will see a recovery as most of its portfolio is in cities where IT demand is picking up.
- During the COVID-led lockdown, the industry slashed rates. Customers, who earlier visited Red Fox or Keys, upscaled to Lemon Tree Hotels. With conditions normalizing to pre-pandemic levels, the waterfall effect is expected to pass, with customers returning to their original consumption habits, thus improving the occupancy prospects of the Keys Hotel brand.

**Shareholding pattern (%)**

As On	Mar-22	Dec-21	Mar-21
Promoter	24.0	25.9	25.9
DII	12.2	13.5	15.3
FII	28.9	23.0	23.1
Others	35.0	37.6	35.7

FII Includes depository receipts

**Stock's performance (one-year)****Incremental room addition to be under management contracts**

- After establishing its presence and brand in the Mid-priced Hotel segment, LEMONTRE is now leveraging the same by adding rooms under the 'management contract' model. It has a strong pipeline of management contracts planned for the next few years across multiple brands. It has 24 signings lined up, with the mix leaning towards Lemon Tree Hotels (17 of 24 signings planned/~1,198 rooms) and major holiday destinations (19 of 24 signings planned/~1,120 rooms). Based on its current pipeline (as of 10<sup>th</sup> Jun'22), the management expects to operate 4,586 managed rooms by the end of FY24, with mix expected to move up to 47% of total rooms by FY24. When the current pipeline becomes operational by CY25, LEMONTRE will be operating ~10,600 rooms in 109 Hotels across 65 destinations.
- Management fee income has improved drastically, with three-year/two-year CAGR of 49%/67% at INR205m/INR174m in FY20/FY19. As the company changes focus to an asset-light model, the share of contribution is expected to increase in the future, pulling up margin.

**Cost rationalization to aid in margin expansion**

- LEMONTRE is focused on maintaining key costs – HLP (heat, light, and power), employee, and raw material cost – lower than pre-pandemic levels.
- The management aims to maintain HLP cost at INR10.5-10.7 per unit. v/s INR11.03 per unit in FY21. The company is looking to maintain its employee-to-room ratio at 0.6-0.7x (i.e. 25-37% lower than its FY20 ratio of 0.96x). Reduction in employee-to-room ratio is being undertaken without compromising on service quality.
- Newly launched higher yield Hotels and Upscale Hotels will drive margin. Increasing share of management fees will help improve its margin profile as it earns management fees at zero cost.

**Fleur Hotels: A substantial part of the group**

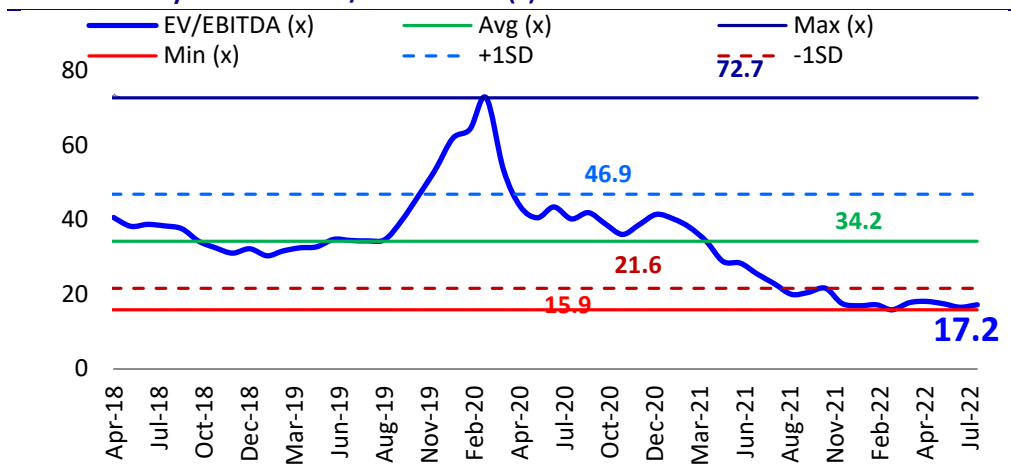
- LEMONTRE holds ~58.91% share in Fleur, with the balance held by the APG Strategic Real Estate Pool N.V. (APG) as of FY22.
- Fleur is a major subsidiary of the company, with a revenue/EBIDTA contribution of 70%/75% in FY21 v/s 40%/35% in FY18.
- It constitutes 40%/66% of LEMONTRE's total rooms/owned and leased as of FY22. LEMONTRE operates owned/leased rooms under Fleur, while management rooms are housed in another subsidiary: Carnations Hotels. Fleur has a total of 3,426 rooms (including Keys) across 17 Hotels in 12 cities.
- Under Fleur, LEMONTRE is building the largest Hotel (with 669 rooms) in Mumbai under the Upscale brand Aurika. The Hotel is expected to commence operations in CY23.

**Revival story intact; maintain our Buy rating**

- With improving traction in corporate travel, resumption in international travel, and an improvement in MICE activity, LEMONTRE is expected to witness strong growth as it garners ~86% of its business from Business Hotels.
- In FY21, LEMONTRE operated 13 Toddler Hotels with 1,914 rooms, which accounted for 37% of its owned/leased room inventory. The performance of these rooms, which were in the stabilization phase, has been impacted by the COVID-19 pandemic. Once normalcy is reached, stabilization will drive growth.

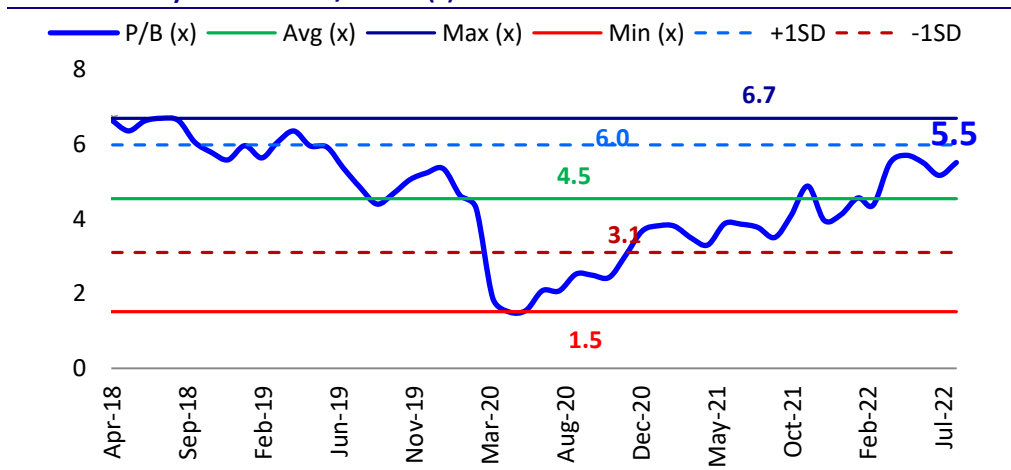
- LEMONTRE is well placed to capitalize on the impending opportunity in the domestic Hospitality industry and the expected upcycle, due to: a) its strong presence in the Mid-Priced Hotel segment, b) stabilization of hotels launched prior to the outbreak of the COVID-19 pandemic in greater demand and higher ARR markets, and c) an increase in the number of rooms through management contracts. We expect LEMONTRE to deliver a revenue/ EBITDA CAGR of 51%/84% to INR9.1b/INR4.5b over FY22-24E and RoE to improve to 9.3% by FY24.
- We have a Buy rating on the stock with a SoTP-based TP of INR86 (assigning an 18x one-year forward EV/EBITDA multiple to FY24E EBITDA).

**Exhibit 1: One-year forward EV/EBITDA ratio (x)**



Source: Bloomberg, MOFSL

**Exhibit 2: One-year forward P/B ratio (x)**



Source: Bloomberg, MOFSL

**Pickup in Business travel to benefit LEMONTRE as it has underutilized its new Hotel**

- With business travel picking up, LEMONTRE is in a sweet spot as ~86% of its rooms are located in the business destination. Prior to the COVID-19 pandemic (excluding Keys), the company had 71.5% occupancy (i.e. 3,100 rooms occupied per day in a portfolio of 4,300 owned rooms). In 3QFY22, the large corporate and MSME component dropped to 900 rooms a day from 1,500 rooms a day, with most rooms being booked by MSME customers. Large corporates were less

than 100 rooms a day. Airlines dropped marginally to 120 rooms a day from 150 rooms, while daily MICE activity dropped to 250 rooms from 350 rooms.

- In Apr'22, corporate demand picked up, with occupied rooms increasing by 90% to 1,560 rooms v/s 820 rooms in 4QFY22. ARR improved by ~10% to INR4,200 v/s INR3,750 in 4QFY22. Revival in demand was also seen in other segments. Rooms occupied/ARR for the Airlines segment improved to 140 rooms/INR4,800 in Apr'22 v/s 120 rooms/INR3,600 in 4QFY22. The Travel and Trade segment was at an average occupied room/ARR of 150 rooms/INR4,900 in 4QFY22, which rose by 47%/12% to 220 rooms/INR5,500 in Apr'22. In the Retail segment, occupied room/ARR stood at an average 1,240 rooms/INR4,200 in 4QFY22. The same increased to 1,500 rooms/INR5,500 in Apr'22.

### Exhibit 3: Strong recovery seen in Apr'22

Current market scenario	4QFY22		Apr'22		Growth (%)	
	Rooms occupied	ARR (INR)	Rooms occupied	ARR (INR)	Occupancy	ARR
Corporate bookings	820	3,500	1,560	4,200	90	20
Retail bookings	1,240	4,200	1,500	5,500	21	31
Airlines segment	120	3,600	140	4,800	17	33
Travel and Trade segment	150	4,900	220	5,500	47	12

Source: MOFSL, Company

- In FY21, LEMONTRE operated 13 Toddler Hotels (operations commenced in the last one-to-three years) with 1,914 rooms, which accounted for 37% of its total owned/leased room inventory. These rooms were under the stabilization phase as the pandemic impacted their performance. Once normalcy is reached, stabilization will drive growth.

### Exhibit 4: Expected stabilization of Toddler Hotels

Parameters	Financial year	Adult Hotels (Stable - older than 3 years)	Toddler Hotels (Stabilizing - between 1-3 years old)	Infant Hotels (New - less than 1 year old)	Under-development hotels
Hotels <sup>1</sup>	FY20	24	6	11	2
	FY21	28	13	0	
Operating Rooms (year-end)	FY20	2,855	715	1,622	738
	FY21	3,278	1,914	-	
Occupancy Rate (%)	FY20	75.2%	67.1%	56.4%	Deep demand Markets (high occupancies)
	FY21	42.1%	35.9%	-	
Average Daily Rate (Rs.)	FY20	4,399	4,027	4,438	2.0x of Adult Hotels in that year*
	FY21	2,531	2,785	-	
Hotel level EBITDAR <sup>2</sup> /room (Rs. Lacs)	FY20	6.9	5.5	2.3	High*
	FY21	1.4	1.6	-	
Hotel level EBITDAR <sup>2</sup> Margin (%)	FY20	44%	39%	39%	High*
	FY21	30%	36%	-	
Hotel level ROCE* <sup>3</sup> (%)	FY20	12%	5%	2%	1.5x of Adult Hotels in that year*
	FY21	2%	1%	-	

Source: Company, MOFSL

**Exhibit 5: 13 Toddler Hotels will propel growth**

Hotel	Rooms
RFH, Dehradun	91
LTP, Pune	201
RFH, Chandigarh	102
LTP, Mumbai	303
LTP, Kolkata	142
Keys Whitefield	222
Keys Hosur Road	159
Keys Pune	101
Keys Ludhiana	95
Keys Kochin	151
Keys Trivandrum	101
Keys Visakhapatnam	107
Aurika, Udaipur	139
<b>Total</b>	<b>1,914</b>

Source: MOFSL, Company

- Before the COVID-19 pandemic, the company commenced operations at four Hotels, but has not been able to realize their full revenue potential. These Hotels include: i) LTP Hotel in Mumbai with 303 rooms, ii) Aurika Hotel in Udaipur with 139 rooms, iii) LTP Hotel in Kolkata with 142 rooms, and iv) LTP, Pune with 201 rooms. We expect the Mumbai and Udaipur Hotels to generate a revenue of INR750-800m each and contribute a combined 18-20% of consolidated sales in FY23 and FY24. Margin profile for both properties is estimated to be higher (55-60%), resulting in margin expansion at the consolidated level. We estimate a combined consolidated EBIDTA of ~21% for the Mumbai and Udaipur Hotel in FY23 and FY24.
- Keys, which operates in the Midscale segment, was acquired by LEMONTRE in 3QFY19 (pre-pandemic period) and was not able to operate at optimal capacity due to COVID-related lockdown restrictions. With the situation returning back to normal, Keys will see a recovery as most of its portfolio is in cities where IT demand is picking up. The company has a total of 936 owned/leased rooms under the Keys portfolio, spread across seven hotels in six cities. In addition, there are 475 management contract rooms across eight hotels in eight cities.

**Exhibit 6: Keys has a total of 936 owned/leased rooms across seven Hotels in six cities**

Sr. no.	Hotel name	Location	Number of rooms
1	Keys Select Hotel, Thiruvananthapuram	Thiruvananthapuram	101
2	Keys Select Hotel, Hosur Road, Bengaluru	Bengaluru	159
3	Keys Select Hotel, Whitefield, Bengaluru	Bengaluru	222
4	Keys Select Hotel, Kochi	Kochi	151
5	Keys Select Hotel, Ludhiana	Ludhiana	95
6	Keys Select Hotel, Pimpri, Pune	Pune	101
7	Keys Select Hotel, Visakhapatnam	Vishakhapatnam	107

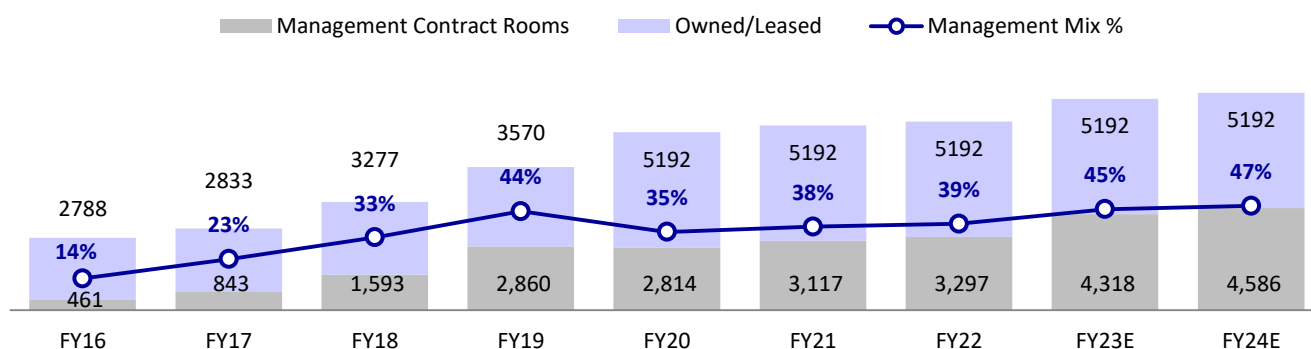
Source: Company, MOFSL

- During the COVID-led lockdown, the industry slashed rates. Customers, who earlier visited Red Fox or Keys, upscaled to Lemon Tree Hotels. With conditions normalizing to pre-pandemic levels, the waterfall effect is expected to pass, with customers returning to their original consumption habits, thus improving the occupancy prospects of the Keys Hotel brand.

### Incremental room addition to be under management contracts

- After establishing its presence and brand in the Mid-priced Hotel segment, LEMONTRE is now leveraging the same by adding rooms under the 'management contract' model. It has a strong pipeline of management contracts planned for FY23/FY24, across multiple brands, with 19 signings lined up (~1,021/268 rooms). The mix is leaning towards major holiday destinations. Based on the current pipeline (as of 10<sup>th</sup> Jun'22), it expects to operate 4,586 managed rooms by the end of FY24. Rooms under the management mix have drastically improved to 39% in FY22 from 14% in FY16, and is expected to inch up to 47% in FY24.

**Exhibit 7: Rooms under management will increase manifold**



Source: MOFSL, Company

**Exhibit 8: Steady pipeline of management contracts (as of 10<sup>th</sup> Jun'22)**

Sr. no.	Management contract pipeline	City	Rooms	Expected opening date
1	Keys Lite, Tapovan, Rishikesh	Rishikesh	39	Apr'22
2	Keys Select by Lemon Tree Hotels, Gandhi Ashram	Ahmedabad	52	Jul'22
3	Lemon Tree Hotel Kalina, Mumbai	Mumbai	70	Aug'22
4	Lemon Tree Hotel, McLeod Ganj	Dharamshala	39	Oct'22
5	Lemon Tree Hotel, Mukteshwar	Uttarakhand	41	Oct'22
6	Lemon Tree Hotel, Gulmarg	Gulmarg	35	Nov'22
7	Lemon Tree Premier, Biratnagar, Nepal	Biratnagar, Nepal	80	Dec'22
8	The Spectrum, operated by Lemon Tree Hotels	Gurugram	260	Dec'22
9	Lemon Tree Resort, Mussoorie	Mussoorie	40	Dec'22
10	Lemon Tree Hotel, Tapovan, Rishikesh	Rishikesh	102	Dec'22
11	Keys Lite, Jaipur	Jaipur	47	Dec'22
12	Lemon Tree Hotel, Bokaro	Bokaro	70	Jan'23
13	Lemon Tree Hotel, Sonmarg	Sonmarg	40	Jan'23
14	Lemon Tree Hotel, Agra	Agra	62	Jan'23
15	Keys Lite by Lemon Tree Hotels, Sreekanya,	Vishakhapatnam	44	Mar'23
16	Lemon Tree Hotel, Trivandrum	Trivandrum	100	Jun'23
17	Lemon Tree Hotel, Kathmandu	Kathmandu, Nepal	75	Sep'23
18	Lemon Tree Hotel, Darjeeling	Darjeeling	55	Oct'23
19	Lemon Tree Resort Thimphu, Bhutan	Thimphu, Bhutan	38	Oct'23
20	Aurika Hotels and Resorts, Rishikesh	Rishikesh	132	Mar'25
21	Lemon Tree Hotel, Kharar, Chandigarh	Kharar, Chandigarh	60	Nov'25
22	Keys Select by Lemon Tree Hotels, Chirang, Assam	Assam	40	Jun'26
23	Bhangeri Durbar Resort, operated by Lemon Tree Hotels, Nepal	Nagarkot, Nepal	51	TBD
24	Lemon Tree Hotel, Ludhiana	Ludhiana	60	TBD
			<b>1,632</b>	

Source: MOFSL, Company

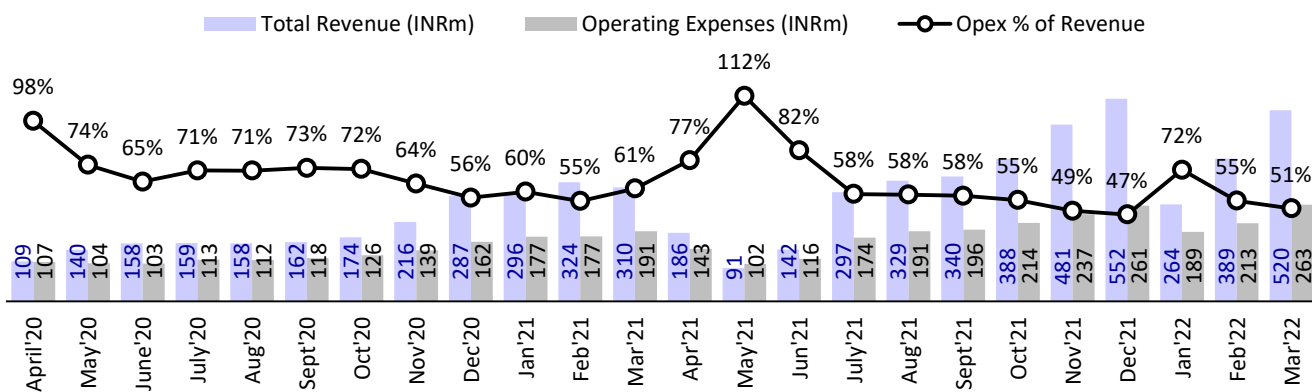


- Management fee income has improved drastically, with a three/two-year CAGR of 49%/67% at INR205m/INR174m in FY20/FY19. As the company changes focus to an asset-light model, the share of contribution is expected to increase in the future, pulling up margin.
- In 4QFY22, LEMONTRE signed a major 132 room agreement in Rishikesh under brand Aurika Hotels & Resorts (Luxury by Lemon Tree Hotels), which is expected to turn operational by Mar'25. Through this signing, the company aims to leverage its capability in the Upscale segment, which usually has a stronger margin, while maintaining an asset-light model.

**Cost rationalization to aid in margin expansion**

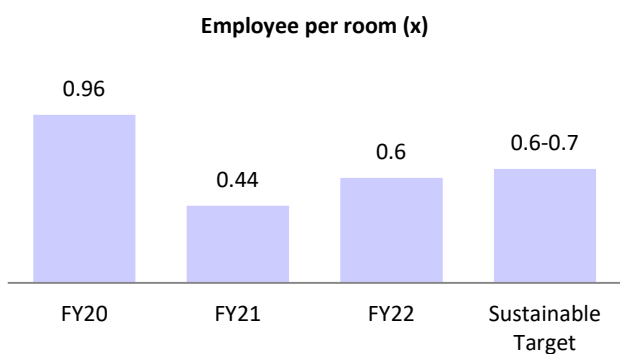
- LEMONTRE is focused on maintaining key costs – HLP, employee, and raw material cost – lower than pre-pandemic levels.
- The management aims to maintain HLP cost per unit at INR10.5-10.7. In FY22, it incurred a HLP cost of INR10.53 per unit v/s INR11.03 in FY21. As a percentage of revenue, power and fuel cost stood at 10.9% in FY22, down from 13% in FY21. We expect this to reduce further on higher sourcing of renewables and optimization of power usage in Hotels.
- During the COVID-19 pandemic, LEMONTRE utilized the opportunity to multi-skill its staff by imparting cross trainings across departments. It aims to maintain its employee-to-room ratio at 0.6-0.7x (i.e. 25-37% lower than its FY20 ratio of 0.96x). Reduction in employee-to-room ratio is being undertaken without compromising on service quality.
- Newly launched higher yield Hotels and Upscale Hotels will drive margin. Increasing share of management fees will help improve its margin profile as it earns management fees at zero cost.

**Exhibit 9: Reduction in OPEX to boost LEMONTRE's margin profile**



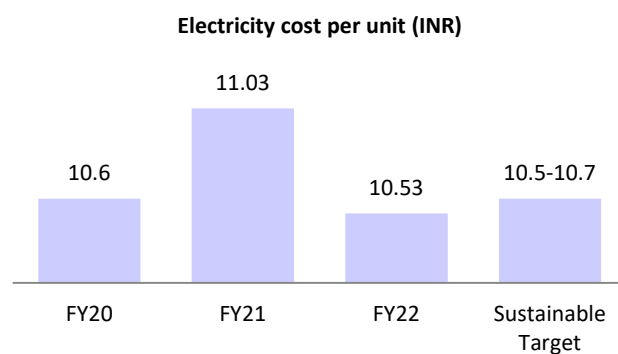
Source: MOFSL, Company

**Exhibit 10: Multi-skilling staff to sustain room ratio**



Source: MOFSL, Company

**Exhibit 11: Aim to sustain HLP cost at efficient levels**

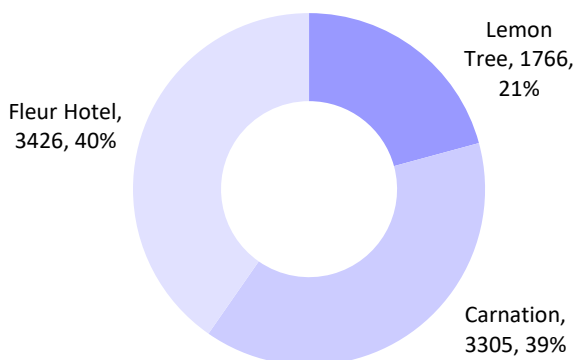


Source: MOFSL, Company

**Fleur Hotels: A substantial part of the group**

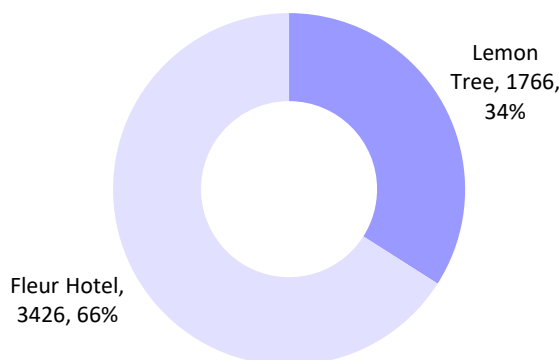
- LEMONTRE holds ~58.91% share in Fleur Hotels Pvt. (Fleur) with the balance held by APG Strategic Real Estate Pool N.V. (APG).
- Fleur is a major subsidiary of the company, with a revenue/EBIDTA contribution of 70%/75% in FY21 v/s 40%/35% in FY18.
- Fleur constitutes 40%/66% of LEMONTRE’s total/owned and leased rooms. Owned/leased rooms constitute Fleur’s entire room portfolio. It has a total of 3,426 rooms (including Keys) across 17 Hotels in 12 cities.
- It also operates Hotels under major brands of LEMONTRE, which are LTP, LTH, Red Fox, Aurika, and Keys.
- The subsidiary is building the largest Hotel (with 669 rooms) in Mumbai under the Upper Upscale brand Aurika. Built at a capex of INR9.5b, this Hotel is expected to commence operations in CY23.
- APG infused the first tranche of INR1.75b into Fleur Hotels in 22<sup>nd</sup> Jun’20. For this, Fleur has issued and allotted 53,76,340 CCPS to APG at an issue price of INR325.5 per share. After this tranche, the shareholding of APG has increased to 44.33% (on a fully dilutive basis) from 41.76% earlier (from page 190 of FY21 AR).
- LEMONTRE have merged its subsidiaries Begonia Hotels Pvt. and Nightingale Hotels Pvt. with Fleur, effective 31<sup>st</sup> Mar’21. Consequently, the effective holding percentage changed to 55.67% after the allotment of shares to shareholders of the above subsidiaries on 20<sup>th</sup> Apr’21 from 54.69% in FY22.

**Exhibit 12: Total room mix (owned/lease + managed)**



Source: MOFSL, Company

**Exhibit 13: Total owned/leased room mix**



Source: MOFSL, Company



**Exhibit 14: Profit & Loss for Fleur Hotels**

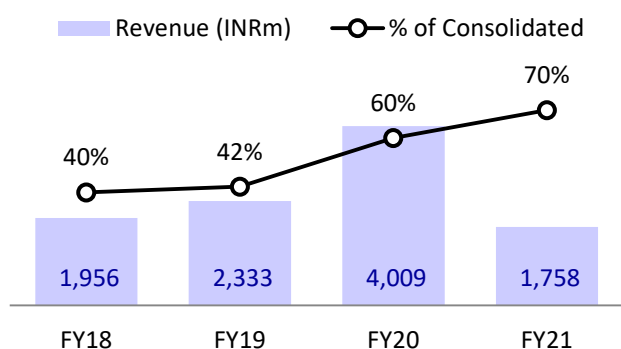
Y/E March (INR m)	FY18	FY19	FY20	FY21
<b>Total income from operations</b>	<b>1,956</b>	<b>2,333</b>	<b>4,009</b>	<b>1,758</b>
Change (%)		19.3	71.8	-56.1
EBITDA	473	633	1,340	460
Margin (%)	24.2	27.1	33.4	26.2
Adjusted PAT	0	44	-310	-1,351
Margin (%)	0.0	1.9	-7.7	-76.9
LEMONTRE's holding (%)	57.98	57.98	58.24	58.91
Minority share of Profit/(Loss)	0	19	-129	-555

Source: Company, MOFSL

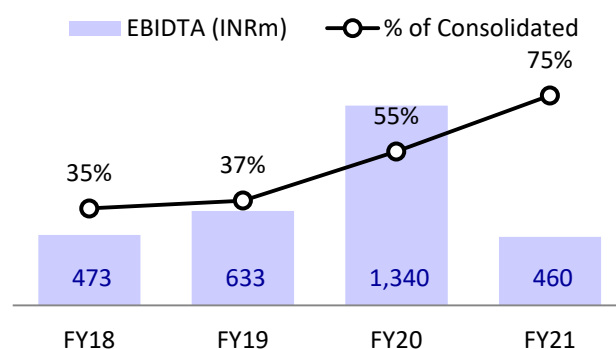
**Exhibit 15: Key metrics for Fleur Hotels**

Particulars	FY18	FY19	FY20	FY21
Total rooms (incl. Keys)	1,512	2,740	3,426	3,426
<b>Revenue mix (INR m)</b>				
Room rental	1,361	1,645	2,983	1,395
F&B (incl. liquor and wine)	417	487	724	254
Others	178	201	302	108
Net debt (INR m)	4,375	7,821	11,603	11,184

Source: Company, MOFSL

**Exhibit 16: Trend in Fleur's revenue mix**

Source: MOFSL, Company

**Exhibit 17: Trend in Fleur's EBIDTA mix**

Source: MOFSL, Company

**Revival story intact; maintain our Buy rating**

- With an improvement in corporate travel, resumption in international travel, and improving MICE activity, LEMONTRE is expected to witness strong growth as it garners ~86% of its business from Business Hotels.
- In FY21, LEMONTRE operated 13 Toddler Hotels, with 1,914 rooms, which accounted for 37% of its owned/leased room inventory. The performance of these rooms, which were in the stabilization phase, have been impacted by the COVID-19 pandemic. Once normalcy is reached, stabilization will drive growth.
- LEMONTRE is well placed to capitalize on the impending opportunity in the domestic Hospitality industry and the expected upcycle due to: a) its strong presence in the Mid-priced Hotel segment, b) stabilization of hotels launched prior to the outbreak of the COVID-19 pandemic in greater demand and higher ARR markets, and c) an increase in the number of rooms through management contracts. We expect LEMONTRE to deliver a revenue/EBITDA CAGR of 51%/84% over FY22-24E to INR9.2b/ INR4.5b, and expect RoE to improve to 9.3% by FY24.
- We have a Buy rating on the stock with a SoTP-based TP of INR86 (assigning an 18x one-year forward EV/EBITDA multiple to FY24E EBITDA).

## Key exhibits

**Exhibit 18: LEMONTRE’s brand positioning**

Brands	Segment	Average ARR (INR)
Aurika Hotels & Resorts	Upper Upscale	Over 15,000
Lemon Tree Premier (LTP)	Upscale	Over 6,000
Lemon Tree Hotels (LTH)	Upper Midscale	Over 4,500
Keys Prima by Lemon Tree Hotels (KPH)		
Red Fox by Lemon Tree Hotels (RFH)	Midscale	Over 3,500
Keys Select by Lemon Tree Hotels (KSH)	Economy	Less than 3,500
Keys Lite by Lemon Tree Hotels (KLH)		

Source: MOFSL, Company

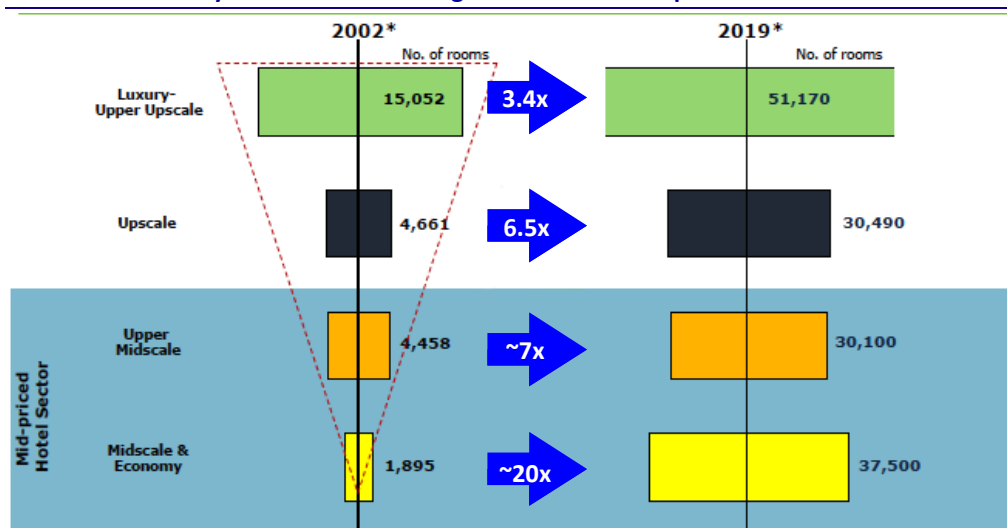
**Exhibit 19: Hotel inventory by segment and LEMONTRE’s brand positioning**

Segment	Industry inventory	LEMONTRE’s inventory	LEMONTRE’s brand positioning
Luxury and Upper Upscale	51,170		Aurika
Upscale	30,490	194	
Upper Midscale	30,100	2554	LTP, KPH
Midscale and Economy	37,500	5741	LTH, KSH, RFH, KLH
Unbranded Standalone	250000*		LTP, LTH, RFH
	1750000^		KPH, KSH, KLH

Source: Hotelivate-Horwah HTL India Market Review CY19, MOFSL, Company

\*suitable for branding under LTP/LTH/RFH; ^suitable for branding under KPH/KSH/KLH

**Exhibit 20: Industry concentration during LEMONTRE’s incorporation and in CY19**



Source: Hotelivate-Horwah HTL India Market Review CY18, MOFSL, Company

\*as of 31<sup>st</sup> December of that year

## Financials and valuations

### Consolidated Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>3,680</b>	<b>4,121</b>	<b>4,843</b>	<b>5,495</b>	<b>6,694</b>	<b>2,517</b>	<b>4,022</b>	<b>8,067</b>	<b>9,214</b>
Change (%)	26.7	12.0	17.5	13.5	21.8	-62.4	59.8	100.6	14.2
F&B Consumed	346	353	436	498	570	178	279	669	825
Employees Cost	854	969	1,096	1,205	1,553	704	973	1,452	1,640
Other Expenses	1,468	1,633	1,949	2,104	2,137	1,022	1,432	2,134	2,229
<b>Total Expenditure</b>	<b>2,668</b>	<b>2,955</b>	<b>3,481</b>	<b>3,807</b>	<b>4,260</b>	<b>1,905</b>	<b>2,683</b>	<b>4,256</b>	<b>4,694</b>
As a percentage of Sales	72.5	71.7	71.9	69.3	63.6	75.7	66.7	52.8	50.9
<b>EBITDA</b>	<b>1,012</b>	<b>1,166</b>	<b>1,362</b>	<b>1,688</b>	<b>2,434</b>	<b>613</b>	<b>1,339</b>	<b>3,811</b>	<b>4,521</b>
Margin (%)	27.5	28.3	28.1	30.7	36.4	24.3	33.3	47.2	49.1
Depreciation	522	510	526	541	922	1,076	1,043	1,110	1,148
<b>EBIT</b>	<b>490</b>	<b>656</b>	<b>836</b>	<b>1,146</b>	<b>1,512</b>	<b>-463</b>	<b>296</b>	<b>2,702</b>	<b>3,373</b>
Int. and Finance Charges	720	776	784	847	1,565	1,817	1,740	1,952	2,141
Other Income	58	118	126	145	58	133	140	137	147
<b>PBT bef. EO Exp.</b>	<b>-172</b>	<b>-2</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,304</b>	<b>887</b>	<b>1,380</b>
EO Items	0	0	0	0	0	0	153	0	0
<b>PBT after EO Exp.</b>	<b>-172</b>	<b>-2</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,456</b>	<b>887</b>	<b>1,380</b>
Total Tax	126	48	38	-111	109	-322	-72	133	207
Tax Rate (%)	-73.3	-2058.7	21.3	-25.0	2220.8	15.0	5.0	15.0	15.0
MI/ share of profit from associates	14	10	-2	27	-9	-555	-510	46	293
<b>Reported PAT</b>	<b>-312</b>	<b>-61</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-874</b>	<b>708</b>	<b>880</b>
<b>Adjusted PAT</b>	<b>-312</b>	<b>-61</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-760</b>	<b>708</b>	<b>880</b>
Change (%)	NA	NA	NA	271.9	-118.0	NA	NA	NA	24.3
Margin (%)	-8.5	-1.5	2.9	9.6	-1.4	-50.5	-18.9	8.8	9.5

### Consolidated Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	7,780	7,812	7,864	7,893	7,903	7,904	7,908	7,908	7,908
Preference Capital	0	0	0	0	0	0	0	0	0
Total Reserves	319	274	284	857	1,986	1,272	404	1,112	1,992
<b>Net Worth</b>	<b>8,099</b>	<b>8,086</b>	<b>8,148</b>	<b>8,750</b>	<b>9,889</b>	<b>9,176</b>	<b>8,312</b>	<b>9,020</b>	<b>9,900</b>
Minority Interest	4,277	4,284	4,286	4,322	5,559	6,174	5,676	5,731	6,030
Total Loans	6,248	7,987	10,110	12,042	15,775	16,850	16,986	17,886	18,686
Lease Liability	0	0	0	0	4,619	4,671	4,247	4,247	4,247
Deferred Tax Liabilities	69	67	43	0	0	0	0	0	0
<b>Capital Employed</b>	<b>18,693</b>	<b>20,424</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>36,885</b>	<b>38,864</b>
Gross Block	12,823	15,114	16,044	18,068	35,073	35,016	34,637	34,737	34,837
Less: Accum. Deprn.	507	998	1,513	2,054	2,977	4,052	5,096	6,206	7,354
<b>Net Fixed Assets</b>	<b>12,316</b>	<b>14,116</b>	<b>14,531</b>	<b>16,014</b>	<b>32,097</b>	<b>30,964</b>	<b>29,542</b>	<b>28,532</b>	<b>27,484</b>
Goodwill on Consolidation	0	67	68	0	951	951	951	951	951
Capital WIP	2,593	3,508	5,591	6,639	1,896	2,418	2,968	4,968	7,968
<b>Total Investments</b>	<b>58</b>	<b>63</b>	<b>146</b>	<b>373</b>	<b>164</b>	<b>79</b>	<b>114</b>	<b>114</b>	<b>114</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>5,092</b>	<b>4,363</b>	<b>4,247</b>	<b>4,693</b>	<b>2,521</b>	<b>3,737</b>	<b>2,776</b>	<b>4,705</b>	<b>5,063</b>
Inventory	54	49	54	60	82	72	81	70	77
Account Receivables	245	314	525	844	503	308	291	575	656
Cash and Bank Balance	139	176	210	314	408	1,411	543	430	643
Loans and Advances	4,654	3,823	3,458	3,475	1,528	1,945	1,861	3,630	3,686
<b>Curr. Liability and Prov.</b>	<b>1,366</b>	<b>1,694</b>	<b>1,994</b>	<b>2,605</b>	<b>1,786</b>	<b>1,278</b>	<b>1,128</b>	<b>2,385</b>	<b>2,715</b>
Account Payables	511	604	811	958	842	788	585	933	964
Other Current Liabilities	825	1,053	1,140	1,592	877	412	319	1,210	1,659
Provisions	29	36	43	55	67	78	224	242	92
<b>Net Current Assets</b>	<b>3,726</b>	<b>2,669</b>	<b>2,253</b>	<b>2,088</b>	<b>734</b>	<b>2,459</b>	<b>1,648</b>	<b>2,320</b>	<b>2,347</b>
Misc. Expenditure	0	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>18,693</b>	<b>20,424</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>36,885</b>	<b>38,864</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.7</b>	<b>-0.1</b>	<b>-1.6</b>	<b>-1.0</b>	<b>0.9</b>	<b>1.1</b>
Cash EPS	0.3	0.6	0.9	1.4	1.1	-0.2	0.4	2.3	2.6
BV/Share	10.4	10.4	10.4	11.2	12.7	11.7	10.6	11.5	12.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>									
P/E ratio	-165.2	-848.9	362.4	97.4	-540.2	-40.5	-67.8	72.8	58.6
Cash P/E ratio	245.7	114.5	77.1	48.2	62.3	-264.0	181.7	28.3	25.4
P/BV ratio	6.4	6.4	6.3	5.9	5.2	5.6	6.2	5.7	5.2
EV/Sales ratio	16.8	15.4	13.5	12.2	10.8	29.0	18.3	9.3	8.2
EV/EBITDA ratio	61.1	54.5	48.2	39.9	29.7	119.2	54.9	19.6	16.7
EV/Room (INR m)	22.2	22.4	20.0	18.8	17.0	17.2	17.3	15.2	15.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-0.8	-1.4	-2.4	-1.5	-9.5	-1.5	0.9	1.1	2.2
<b>Return Ratios (%)</b>									
RoE	-3.8	-0.7	1.8	6.3	-1.0	-13.3	-8.7	8.2	9.3
RoCE	2.6	3.4	3.8	4.4	4.5	-0.9	1.1	7.3	8.5
RoIC	2.3	3.0	3.8	5.0	4.4	-1.0	0.7	6.4	9.3
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.3	0.3	0.3	0.3	0.2	0.1	0.1	0.2	0.3
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2
Inventory (Days)	5	4	4	4	4	10	7	3	3
Debtor (Days)	24	28	40	56	27	45	26	26	26
Creditor (Days)	51	54	61	64	46	114	53	42	38
<b>Leverage Ratio (x)</b>									
Current Ratio	3.7	2.6	2.1	1.8	1.4	2.9	2.5	2.0	1.9
Interest Coverage Ratio	0.7	0.8	1.1	1.4	1.0	-0.3	0.2	1.4	1.6
Net Debt/Equity ratio	0.7	1.0	1.2	1.3	1.5	1.7	2.0	1.9	1.8

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	-173	-25	178	445	5	-2,147	-1,446	887	1,380
Depreciation	523	510	526	541	922	1,076	1,043	1,110	1,148
Interest and Finance Charges	667	704	658	702	1,507	1,685	1,786	1,814	1,993
Direct Taxes Paid	-122	-40	-38	111	-109	322	-17	-133	-207
(Inc.)/Dec. in WC	-297	133	450	25	-754	-1,009	27	-785	186
<b>CF from Operations</b>	<b>598</b>	<b>1,282</b>	<b>1,775</b>	<b>1,824</b>	<b>1,572</b>	<b>-74</b>	<b>1,394</b>	<b>2,893</b>	<b>4,500</b>
Others	83	-66	-629	43	-62	-635	-41	63	306
<b>CF from Operations incl. EO</b>	<b>681</b>	<b>1,216</b>	<b>1,145</b>	<b>1,867</b>	<b>1,510</b>	<b>-709</b>	<b>1,353</b>	<b>2,956</b>	<b>4,806</b>
(Inc.)/Dec. in FA	-1,320	-2,343	-3,012	-3,004	-8,969	-465	-668	-2,100	-3,100
<b>Free Cash Flow</b>	<b>-639</b>	<b>-1,127</b>	<b>-1,867</b>	<b>-1,138</b>	<b>-7,459</b>	<b>-1,174</b>	<b>685</b>	<b>856</b>	<b>1,706</b>
(Pur.)/Sale of Investments	271	-3	-82	-228	210	85	132	0	0
Others	21	54	495	337	2,677	-276	-56	137	147
<b>CF from Investments</b>	<b>-1,028</b>	<b>-2,292</b>	<b>-2,600</b>	<b>-2,895</b>	<b>-6,082</b>	<b>-656</b>	<b>-591</b>	<b>-1,963</b>	<b>-2,953</b>
Issue of Shares	25	1	52	29	10	1,750	8	0	0
Inc./(Dec.) in Debt	847	1,739	2,124	1,931	3,733	1,075	134	900	800
Interest Paid	-687	-737	-784	-847	-1,565	-1,817	-1,400	-1,952	-2,141
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	0	110	97	18	2,488	1,361	-372	-55	-300
<b>CF from Fin. Activity</b>	<b>185</b>	<b>1,113</b>	<b>1,489</b>	<b>1,131</b>	<b>4,667</b>	<b>2,368</b>	<b>-1,630</b>	<b>-1,106</b>	<b>-1,640</b>
<b>Inc./Dec. in Cash</b>	<b>-162</b>	<b>37</b>	<b>35</b>	<b>103</b>	<b>94</b>	<b>1,003</b>	<b>-869</b>	<b>-113</b>	<b>213</b>
Opening Balance	301	139	176	211	314	408	1,411	543	430
<b>Closing Balance</b>	<b>139</b>	<b>176</b>	<b>211</b>	<b>314</b>	<b>408</b>	<b>1,411</b>	<b>543</b>	<b>430</b>	<b>643</b>

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. 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 Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant 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 prior written consent. This report and information herein is solely for informational purpose and may 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. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, 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 MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website [www.motilaloswal.com](http://www.motilaloswal.com).CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)\*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-71881085.

\* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.