

Maha Kumbh to churn nectar for tourism sector

Celebrated once every 12 years, Maha Kumbh mela is one of the largest and most sacred gathering in Hinduism. Devotees from across the country gather for a royal bath that rotates among four religious sites namely - Prayagraj, Haridwar, Ujjain and Nashik. In 2025, celestial bodies have chosen the holy city of Prayagraj wherein the Maha Kumbh will be held from 13th Jan to 26th Feb.

Apart from its religious significance, Maha Kumbh is set to have a profound impact on the economy as well. As per GoI, ~400mn pilgrims are set to throng Prayagraj this time for a holy dip. Assuming a per pilgrim spend of Rs5,000, economic impact from the religious congregation could be Rs2,000bn! Brief economic impact of varying spends by pilgrims is given in the table below:-

Exhibit 1: Economic impact of Maha Kumbh 2025

No of pilgrims (In mn)	Spend per pilgrim (Rs)	Economic impact (Rs bn)
400	2,500	1,000
400	5,000	2,000
400	7,500	3,000

Source: PL Notes:- 1) Pilgrim expectation is from press information bureau of India 2) Spend per pilgrim is our assumption

We believe there can be a multiplier effect to economic spends given other holy destinations like Varanasi, Ayodhya, Mathura and Vrindavan are not far away from Prayagraj. Thus, a pilgrim visiting Prayagraj is most likely to visit other places as well. Brief distance amongst key holy spots is given in the table below: -

Exhibit 2: Distance from Prayagraj to other holy sites

Origin	Destination	Distance	Incentive to visit
Prayagraj	Varanasi	~122 km	Kashi Vishwanath Temple
Prayagraj	Ayodhya	~164 km	Ram Temple
Prayagraj	Mathura	~540 km	Krishna Janma Bhoomi

Source: Google Maps

Key sectors that could benefit from Maha Kumbh mela include hotels, airlines and railways. However, even the informal economy will be benefitted to a large extent by this mega event. Sub-sectors like street F&B, tea & flower vendors, boatmen & rickshaw pullers, remote travel aggregators, retailers, lighting vendors etc are likely to see their business multiply manifold.

In order to assess airline demand, we figured out airfares from key metro cities to Prayagraj. We have chosen dates coinciding with Maha Kumbh and are a week apart from each other. Brief findings are given in the table below: -

Exhibit 3: Mumbai to Prayagraj airfare during Maha Kumbh (In Rs)

Date	Highest Fare	Lowest Fare	Indigo Fare
13th Jan	18,611	16,656	18,611
20th Jan	21,505	15,548	18,611
27th Jan	29,740	27,266	27,851
03rd Feb	27,845	9,500	21,341
10th Feb	27,266	18,611	18,611
17th Feb	27,266	19,976	19,976
24th Feb	21,341	8,870	21,341

Source: MMT

Jinesh Joshi
 jineshjoshi@plindia.com |
 91-22-66322238

Stuti Beria
 stutiberia@plindia.com |
 91-22-66322246

Dhvanit Shah
 dhvanitshah@plindia.com |

Exhibit 4: Bangalore to Prayagraj airfare during Maha Kumbh (In Rs)

Date	Highest Fare	Lowest Fare	Indigo Fare
13th Jan	16,950	10,198	16,950
20th Jan	13,170	11,079	13,170
27th Jan	29,340	12,171	29,340
03rd Feb	16,950	11,625	16,950
10th Feb	23,880	11,625	23,880
17th Feb	21,053	18,210	18,210
24th Feb	22,410	11,079	22,410

Source: MMT

Exhibit 5: Kolkata to Prayagraj airfare during Maha Kumbh (In Rs)

Date	Highest Fare	Lowest Fare	Indigo Fare
13th Jan	14,732	14,732	14,732
20th Jan	14,732	14,732	14,732
27th Jan	16,412	16,412	16,412
03rd Feb	No non-stop flights	No non-stop flights	No non-stop flights
10th Feb	No non-stop flights	No non-stop flights	No non-stop flights
17th Feb	No non-stop flights	No non-stop flights	No non-stop flights
24th Feb	9,167	9,167	9,167

Source: MMT

Exhibit 6: Delhi to Prayagraj airfare during Maha Kumbh (In Rs)

Date	Highest Fare	Lowest Fare	Indigo Fare
13th Jan	15,508	9,418	9,418/15,508
20th Jan	12,043	4,993	12,043
27th Jan	24,643	11,669	24,643/16,768
03rd Feb	13,198	4,993	13,198/9,418
10th Feb	21,073	5,947	21,073/10,258
17th Feb	15,508	4,993	15,508/9,418
24th Feb	16,768	4,993	16,768/9,418

Source: MMT

Key notes to the read the exhibits 3,4,5 and 6: -

- There are 3 flight options from Mumbai to Prayagraj, 2 flight options from Bangalore to Prayagraj, 4-6 flight options from Delhi to Prayagraj and only 1 flight option from Kolkata to Prayagraj.
- If two rates are listed for Indigo, it means it has 2 flights on that route.
- Only Indigo operates flight from Kolkata Prayagraj. Thus, if demand increases Indigo will have considerable pricing power.
- All rates are as of 10th Jan 2025.

Similarly, in order to assess hospitality demand, we figured out hotel prices in Prayagraj and adjoining holy cities. Given these sites are not very well entrenched in terms of branded inventory penetration we have used our judgement in selecting the hotels. We have chosen 3/4 star properties for our analysis. Brief findings can be found in the table below: -

Exhibit 7: Hotel ARR's in Prayagraj during Maha Kumbh (In Rs)

Particulars	The Legend Hotel	Divya Kumbh Luxury Retreat by BluSalzz	Rudraksh The Hotel, Prayagraj	Zone Connect by the Park	Hotel Ravisha Continental
13th Jan	27,085	21,342	22,072	23,911	13,791
20th Jan	23,415	19,075	Sold out	19,309	8,271
27th Jan	27,959	19,075	16,550	19,309	8,271
03rd Feb	17,470	Sold out	17,470	23,911	13,791
10th Feb	17,470	19,075	16,596	19,309	8,271
17th Feb	17,470	19,075	16,596	19,309	8,271
24th Feb	17,470	19,075	16,596	19,309	8,271

Source: MMT

Exhibit 8: Hotel ARR's in Varanasi during Maha Kumbh (In Rs)

Particulars	Taj Nadesar Palace, Varanasi	Taj Ganges, Varanasi	Ramada Plaza by Wyndham JHV, Varanasi	Ramada by Wyndham, Varanasi Katesar	DoubleTree By Hilton, Varanasi
13th Jan	99,999	24,999	12,000	7,499	9,500
20th Jan	77,999	28,999	13,000	12,499	10,500
27th Jan	65,999	24,999	11,000	12,499	10,500
03rd Feb	85,999	23,999	15,000	Sold out	14,500
10th Feb	85,999	29,999	14,000	Sold out	13,500
17th Feb	85,999	23,999	14,000	Sold out	13,500
24th Feb	85,999	23,999	Sold out	Sold out	14,500

Source: MMT

Exhibit 9: Hotel ARR's in Ayodhya during Maha Kumbh (In Rs)

Particulars	Praveg Tent City Ayodhya, Saryu	Park Inn By Radisson Ayodhya	Country Inn Ayodhya	Ira By Orchid, Ayodhya	The Ramayana Hotel, Ayodhya
13th Jan	11,707	13,500	8,812	7,000	11,532
20th Jan	11,560	11,700	8,812	7,500	10,014
27th Jan	11,560	26,010	8,812	8,000	10,014
03rd Feb	11,560	18,900	8,812	9,500	13,659
10th Feb	11,560	17,100	8,812	9,500	13,114
17th Feb	11,240	17,100	8,812	9,500	10,014
24th Feb	11,240	18,450	8,812	9,500	10,014

Source: MMT

Key notes to read the exhibits 7,8 and 9:-

- All rates are excluding taxes and for a single room with double occupancy.
- Do not miss the ARR's for Taj Nadesar.
- All rates are as of 10th Jan 2025.

Our view: As is evident, Maha Kumbh is set to revolutionize the tourism landscape in India over the next 45 days. As a result, we believe airlines and hotels are likely to continue their dream run in 4QFY25E as well. While we have analysed airfares from only a few cities to Prayagraj but given the proximity of other destinations to Triveni Sangam, airfares in those routes are also likely to get a boost (example:- Mumbai to Varanasi). Thus, the airline beneficiary canvas of Maha Kumbh can be quite wide. As far as hotels are concerned, the benefit could be limited to UP.

Over the next few days, as pilgrims indulge into a spiritual cleansing exercise, UP will transcend into a "Kumbh" economy contributing materially to the tourism sector of India. We maintain our positive bias on hotels and aviation sector. Retain ACCUMULATE on Indigo/Chalet Hotels with a TP of Rs4,919/1,076 respectively and a BUY on Lemon Tree with a TP of Rs179.

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	Accumulate	1,076	940
2	Delhivery	Hold	361	335
3	DOMS Industries	BUY	3,337	2,740
4	Imagicaaworld Entertainment	BUY	108	71
5	Indian Railway Catering and Tourism Corporation	Hold	835	770
6	InterGlobe Aviation	Accumulate	4,919	4,262
7	Lemon Tree Hotels	BUY	179	147
8	Mahindra Logistics	UR	-	371
9	Navneet Education	Hold	139	140
10	Nazara Technologies	BUY	1,201	985
11	PVR Inox	Hold	1,319	1,178
12	S Chand and Company	BUY	322	205
13	Safari Industries (India)	BUY	2,939	2,560
14	TCI Express	BUY	1,027	814
15	V.I.P. Industries	Hold	483	478
16	Zee Entertainment Enterprises	Hold	138	134

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, 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 related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, 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 subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

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

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

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an 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.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com