Indian Hotel

BSE SENSEX	S&P CNX
77,578	23,519

CMP: INR754 TP: INR880 (+17%) BUY

Stock Info

Bloomberg	IH IN
Equity Shares (m)	1423
M.Cap.(INRb)/(USDb)	1073.3 / 12.7
52-Week Range (INR)	761 / 412
1, 6, 12 Rel. Per (%)	15/28/64
12M Avg Val (INR M)	2258
Free float (%)	61.9

Financials Snapshot (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	84.2	101.6	111.4
EBITDA	28.1	35.2	40.8
Adj. PAT	16.7	21.0	25.0
EBITDA Margin (%)	33.4	34.6	36.6
Cons. Adj. EPS (INR)	11.8	14.8	17.6
EPS Gr. (%)	33.0	25.6	18.7
BV/Sh. (INR)	79.2	93.2	110.0
Ratios			
Net D:E	(0.3)	(0.4)	(0.5)
RoE (%)	16.2	17.2	17.3
RoCE (%)	15.9	17.4	17.4
Payout (%)	6.0	5.4	4.6
Valuations			
P/E (x)	63.9	50.9	42.8
EV/EBITDA (x)	37.1	29.1	24.5
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.5	1.9	2.3

Redefining hospitality leadership

Indian Hotels (IH) has emerged as a compelling growth story in the Indian hospitality sector following its transformative journey during FY17 to FY24. With a notable financial turnaround, expansions across traditional and new businesses, and a clear strategy for long-term growth, IH has become a market leader in the industry. At its Capital Market Day conference, IH has laid out its roadmap for the next five years – ACCELERATE 2030.

- **IH aims to become the most valued, responsible, and profitable hospitality ecosystem in South Asia. The company plans to expand its portfolio to 700 hotels (including pipeline), double consolidated revenues to INR150b, and achieve 25%+ of revenues from innovative and reimagined businesses like Ginger, Qmin, and TajSATS.**
- **Traditional businesses (75% of revenues) will grow through RevPAR leadership, asset management, and managed inventory expansion, with management fees surpassing INR10b. New ventures, scaling at a 30%+ CAGR, and reimagined businesses will help IH sustain high margins and 20%+ RoCE, supported by a capital-light growth model and operational excellence.**
- **IH anticipates industry tailwinds to remain intact in the longer run, driven by higher demand (9-11% CAGR) and limited supply (7-8% CAGR). Most of the supply is coming in Tier 2/3 cities, thereby benefiting Tier 1 markets. It also plans to tap into the growth in the MICE segment (Meetings, Incentives, Conferences and Exhibitions), in which the industry clocked 18% CAGR. Emerging trends like wellness, sustainable tourism, and digital nomad-friendly stays also offer strong growth opportunities.**
- **We believe the company's strong operational performance, portfolio diversification, and focus on sustainability will provide a robust foundation for its ambitious 2030 goals. We have largely maintained our FY26 EBITDA estimates (+3%) and raised our FY27 estimates by 8% to incorporate healthy ARR growth (~7% YoY), a robust hotel pipeline and an increase in F&B revenue, backed by healthy MICE growth. We maintain BUY with a TP of INR880 (based on FY27E SoTP).**

Unveils plans for accelerated growth

- IH has showcased a robust transformation journey from 2017 to 2024, with significant revenue growth (8% CAGR), profitability enhancement (EBITDA margin expansion from 16% to 33%), operational expansion (from 155 hotels to 350+), and the creation of strategic new brands and businesses (Ginger, ama, Qmin and Chambers).
- IH has laid out its next five-year business plan "**Accelerate 2030**" in its Capital Market Day event, outlining key growth targets to be achieved by FY30.
- Growth will be driven by **three core strategies:** 1) portfolio expansion to 700+ hotels (from 350+ currently), 2) evolution of brandscape (healthy synergy between all brands), and 3) operational excellence.
- IH plans to **double its hotel portfolio by 2030** to 700+ (including pipeline) with over 500 operational hotels across brands. While the like-for-like revenue growth is expected to clock high single digit CAGR 7-9% over FY24-30, IH targets **to double its consolidated revenue by CY30 to over INR150b** (i.e. ~14% CAGR).

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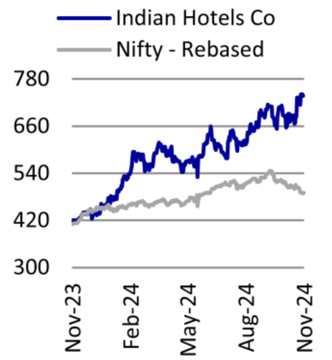
Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	38.1	38.1	38.2
DII	18.8	18.4	23.3
FII	27.4	27.2	22.2
Others	15.6	16.3	16.4

FII Includes depository receipts

Stock performance (one-year)



- The **revenue target** will be achieved by **four key factors:** growing traditional hotel business (RevPAR growth and hotel expansion), stable strong momentum in new business (Ginger, Qmin, ama, Tree of Life - expected CAGR of 30%), healthy growth in management fees led by addition of new units (expecting 15-18% CAGR), and increasing contribution from reimagined business (TajSATS and Chambers).
- A healthy momentum in portfolio expansion and robust revenue growth will boost **EBITDA margins**. Although management has not given any margin target, it expects margin to be directionally positive, aided by an improving mix of value-added business, continued cost rationalization & digitalization, and operating leverage. While TajSATS' consolidation will result in margin reduction due to its lower margin profile, we believe this will be absorbed by healthy growth in other new businesses.
- And lastly, management touched upon its **capital allocation strategy,** which has a good mix of growth capex (brownfield/improvements- 20-25% of EBITDA and greenfield – 15-20%), dividends (12-15%) and inorganic opportunities (10-20%). The company has earmarked capex of ~INR50b over the next five years for building new properties (Ranchi, Shiroda, Lakshadweep, Aguada Plateau & Bandstand), expanding existing hotels, renovations, and digital upgrades.
- With all these initiatives, **IH targets to generate over 20% RoCE by FY30 vs. ~15% in FY24.**

Multi-business strategy accelerates growth

- IH's consolidated revenue is projected to grow from ~INR68b in FY24 to over INR150b by FY30, with an enterprise revenue target of over INR300b. This growth is expected to be driven by high-value expansions in traditional businesses and accelerated contributions from new ventures.
- The company expects **traditional businesses** to be driven by RevPAR growth, asset management initiatives, and ongoing expansions. Within traditional businesses, assets are owned under Taj, Vivanta, SeleQtions, and Gateway brands.
- The company expects <u>like-for-like business growth in high single digits going ahead,</u> led by ARR growth amid limited supply in active development across key cities. All-India branded inventory is expected to clock a 6.6% CAGR over FY24-29 vs. 6.9% CAGR over FY19-24. As per the management, ARRs have to grow at a sustainable rate of ~7-10% going ahead for any new greenfield projects to be viable.
  - Growth in traditional businesses is also expected to come from the repositioning of key assets (protecting and polishing crown jewels e.g. Taj Mansingh, Taj Usha Kiran, St James court, Taj Cape town etc.).
  - For expanding its traditional asset base, IH is focusing on Tier 2/3/4 cities in India, leveraging untapped potential. Its international expansion is concentrated on the Middle East, South Asia, and Western markets via capital-light models.
- New **businesses** such as Ginger, Qmin, Ama's and Tree of Life are expected to **clock a CAGR of over 30%**.
  - **Ginger**, reimagined in 2018, is positioned as a scalable mid-scale brand with 100 operational hotels as of Oct'24, and IH plans to expand to 200+ by 2030. Success stories like Ginger Santacruz, with 87% occupancy, ~INR6,000 ARR and ~52%

margins, highlight its strong growth potential. Ginger Santacruz has revenue potential of ~INR1b (vs. current revenue of ~INR520m).

- Qmin: Expansion of Qmin includes delivery services, standalone QSR outlets, and in-hotel restaurants, and leveraging the brand’s synergy with TajSATS kitchens. IH will maintain the capital-light growth approach to new Qmin stores (Airports and Kiosks) and QSR.
- **amã Stays & Trails** portfolio will be dominated by management contracts, with only few propertied to be kept on the balance sheet (currently 15 in portfolio). IH currently has a portfolio of 227 bungalows (as on 31st Oct'24), which it expects to increase to over 750 bungalows by CY30.
- **Tree of Life** - This boutique hotel brand will continue to grow through capital-light leases & management contract. IH has a portfolio of ~19 properties (as on 31st Oct'24) and expects to reach ~100 properties by CY30.

- **Management fee** is expected to clock ~15-18% CAGR, primarily driven by net unit growth. IH will continue increasing the share of capital-light inventory to ~57% in FY30. The company expects management hotel rooms to clock ~12-15% CAGR and management fees are expected to cross INR10b by CY30.
- **Reimagined businesses** such as TajSATS and Chambers will maintain their growth momentum.
  - TajSATS currently has ~59-60% market share, with revenue expected to more than double by CY30. It will focus on expanding capacity in existing kitchens and putting up new kitchens at Noida, MOPA & Gurugram. IH has launched a new brand in Taj SATs, called Nekta (similar to Qmin), and this is expected to generate 20-25% of TajSATS business going ahead. Revenue from TajSATS is expected to grow significantly as air travel recovers and catering demand rises.
  - The Chambers (exclusive business club) is expanding into premium markets like New Delhi, Dubai, and London, which ensures steady revenue growth. New Chambers are planned at Taj Frankfurt by FY26, adding to its portfolio of high-value offerings.
- **Expected revenue mix by FY30: ~60-65% from traditional businesses, 15-18% from new businesses, 12-14% from reimagined businesses, and 7-10% from management fees (vs. ~86%/6%/2%/6% in FY24 and ~91%/4%/1%/4% in FY17).**

Industry tailwinds to continue in longer run

- IH expects multiple 'long-term structural tailwinds' will aid its growth trajectory going ahead. These include: i) resilient consumption within the industry, and ii) favorable demand-supply dynamics, with demand growth (~9-11% CAGR) outpacing supply growth (~7-8% CAGR).
- Supply will continue to be constrained due to multiple challenges involved in building a hotel. Further, ~75% of the new hotels will be coming up in Tier 2/3/4 cities, leading to more favorable demand-supply dynamic within Tier 1 cities.
- Apart from this, the company will continue to focus on MICE as the hotel industry is expected to clock an 18% CAGR in MICE by CY30.
- IH is witnessing multiple emerging trends within the industry, such as increasing inclination toward wellness, sustainable tourism, and digital nomad-friendly stays, which the company will look forward to tapping into.

Valuation and view

- IH is a frontrunner in the hospitality sector with its strategic vision, operational excellence, and innovative growth avenues. Its 'Accelerate 2030' plan highlights its ambitious growth strategy, with a focus on doubling its hotel portfolio, driving 14% revenue CAGR, and achieving a balanced revenue mix from traditional and new businesses. The company's capital-light approach, emphasis on RevPAR leadership, and expansion into emerging trends like wellness and sustainable tourism will ensure IH captures the robust demand.
- We believe the company's financial discipline and operational agility position it to achieve its 2030 goals. Over FY24-27, we expect IH to deliver a CAGR of 18%/24%/26% in revenue/EBITDA/Adj. PAT.
- We have largely maintained our FY26 EBITDA estimates (+3%) and raised our FY27 estimates by 8% to incorporate healthy ARR growth (~7% YoY), a robust hotel pipeline and an increase in F&B revenue, backed by healthy MICE growth. **We maintain BUY with a TP of INR880 (based on FY27E SoTP).**

Exhibit 1: Valuation methodology

Particulars	Methodology	Metrics	FY27	Multiple	Value (INRm)	Value/ share (INR)
IHCL- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	36,509	30	10,84,328	763
Less: Net Debt					78,861	56
Less: Minority Interest					-7,445	-5
Sub Total					11,55,744	814
JV/Associate						
Taj GVK (IHCL's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	5,141	0.8	4,113	3
Oriental Hotel (IHCL's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	11,301	0.8	9,041	6
Taj Sats	P/E (x)	PAT (51% holding)	1,607	50	80,369	57
Sub Total					**93,523**	**66**
Target Price					**12,49,267**	**880**

Source: MOFSL

Other key takeaways from the Capital Market Day:

- **Route to international growth**
  - The company focuses on the Middle East region and expects to deepen its presence in Dubai, Bahrain and KSA.
  - Similarly, it is looking to build destination itineraries in South Asian countries such as Singapore and Thailand.
  - Within the western hemisphere, the company has presence in key gateway destinations such as Paris, Berlin, Ireland and UK.
  - For the rest of the world, it will select destinations depending on opportunities.

- **Vision 2030**
  - IH has envisioned its goal for CY30. This includes:
  - Reaching portfolio of 700 hotels (including pipeline) with over 500 operational hotels.
  - It expects a portfolio of ~300 hotels (including ~225 operational hotels) under the brands of Taj, SeleQtions and Vivanta. The remaining 400 hotels (including ~275 operational hotels) will be under the brands of Gateway, Ginger and Tree of Life.
  - The company expects enterprise revenue to reach INR300b and consolidated revenue to reach INR150b by CY30.
  - It expects to more than double its revenue, aided by long-term demand tailwinds and a favorable demand-supply balance amid limited supply.
  - IH expects ROCE to increase to 20% from ~15% currently.

- **Margins**
  - The company expects EBIDTA margin to maintain an uptrend, but has not given guidance for FY30.
  - It expects operating leverage and efficiency to kick in from improvements in the performance of international assets (EBITDA margin up 140bp in 1HFY25), a favorable revenue mix, and increased contribution from D2C channels (loyalty program & website).
  - TajSATS' consolidation will also have an impact on consolidated margins.

- **Capital Allocation**
  - IH expects free cash flow before capex to be ~70-75% of EBITDA.
  - Out of that, it expects to spend ~20-25% on renovations, ongoing new constructions, and digital capex.
  - It expects to give out a dividend of ~12-15% of EBITDA (dividend payout is linked to consolidated PAT as per latest policy – around 20-40%).
  - ~15-20% will be utilized for future greenfield projects (including projects such in Ranchi, Shiroda, Lakshadweep, Aguada Plateau & Bandstand).
  - The balance 10-20% will be reserved as cash accrual for new projects, inorganic opportunities and strategic reserves.
  - The company expects to expand its RoCE by ~500bp, led by asset management initiatives, increased share from capital-light business, high ROCE investments like brownfield expansions, and unlocking of non-cash generating assets.
  - IH expects to clock around mid-teens IRR for any new greenfield projects

- **Sea Rock**
  - The company will be uploading final documents for Sea Rock soon and will be able to share development plans for this hotel by next quarter.
  - IH expects to start construction by Apr-Jun'25 if all approvals are received, and it will take ~3-3.5 years for development.
  - The company expects capital allocation of ~INR7.75-8.75b for the project, with ~50% already on the balance sheet (including land cost).
  - It will look for a partner but the majority stake will be with IH. The partner can be a turnkey contractor.
- **Others**
  - IH has 350 hotels and over 42,500 keys within the portfolio (including pipeline).
  - It will continue to drive differentiated growth strategy.
  - The company's current mix in terms of capital heavy: light asset is ~60:40. It targets to take it to 50:50 going ahead.
  - The company aims to become the most iconic valued & responsible hospitality ecosystem in the world.
  - Big events, such as celebrity wedding and global scale events, generate substantial revenue in F&B and account for room revenue for equivalent to 15-20 days.
  - IH's strategy to win includes i) expansion of portfolio, ii) evolution of brandscape, and iii) excellence in operation.

Exhibit 2: Long term structural tailwinds

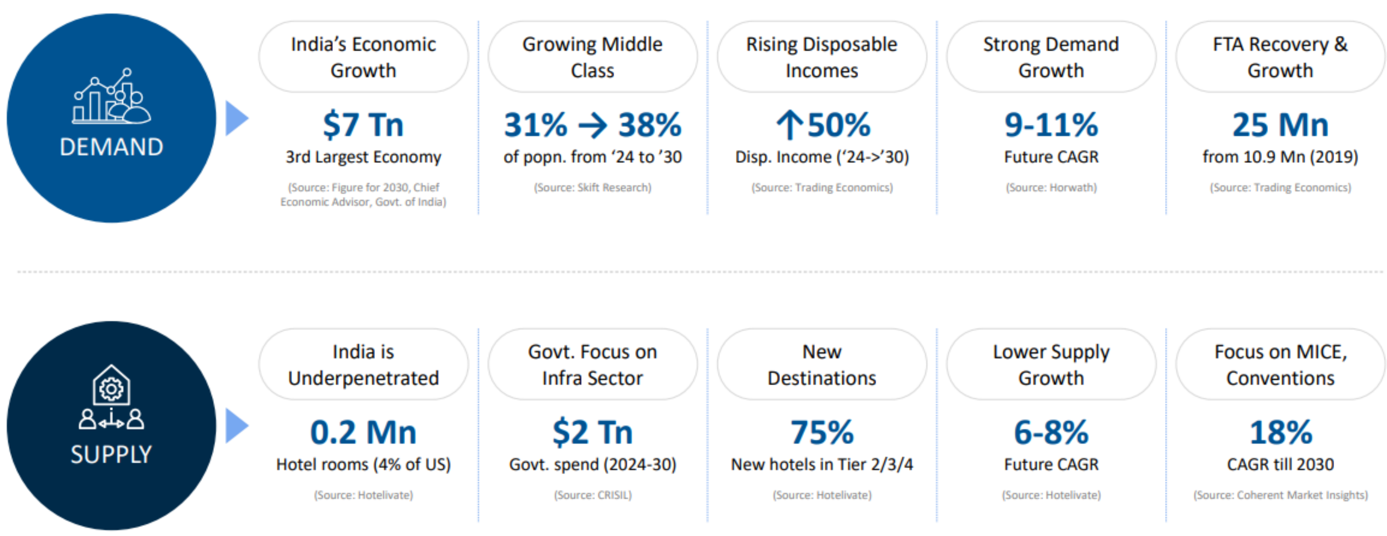


Exhibit 3: Guidance under accelerate 2030

	PORTFOLIO	OPERATIONAL	REVENUE	BALANCE SHEET
Where We Are In 2024	350 Hotels	232 Hotels	₹ 13,000 Cr Enterprise Revenue ₹ 7,000 Cr Consol. Revenue	15% ROCE ₹ 2,000 Cr Net Cash
Where We Want To Be In 2030	700+ Hotels	500+ Hotels	₹ 30,000+ Cr Enterprise Revenue ₹ 15,000+ Cr Consol. Revenue	20%+ ROCE* Sustain +ve Net Cash Position

Source: Company, MOFSL

Exhibit 4: ACCELERATE 2030

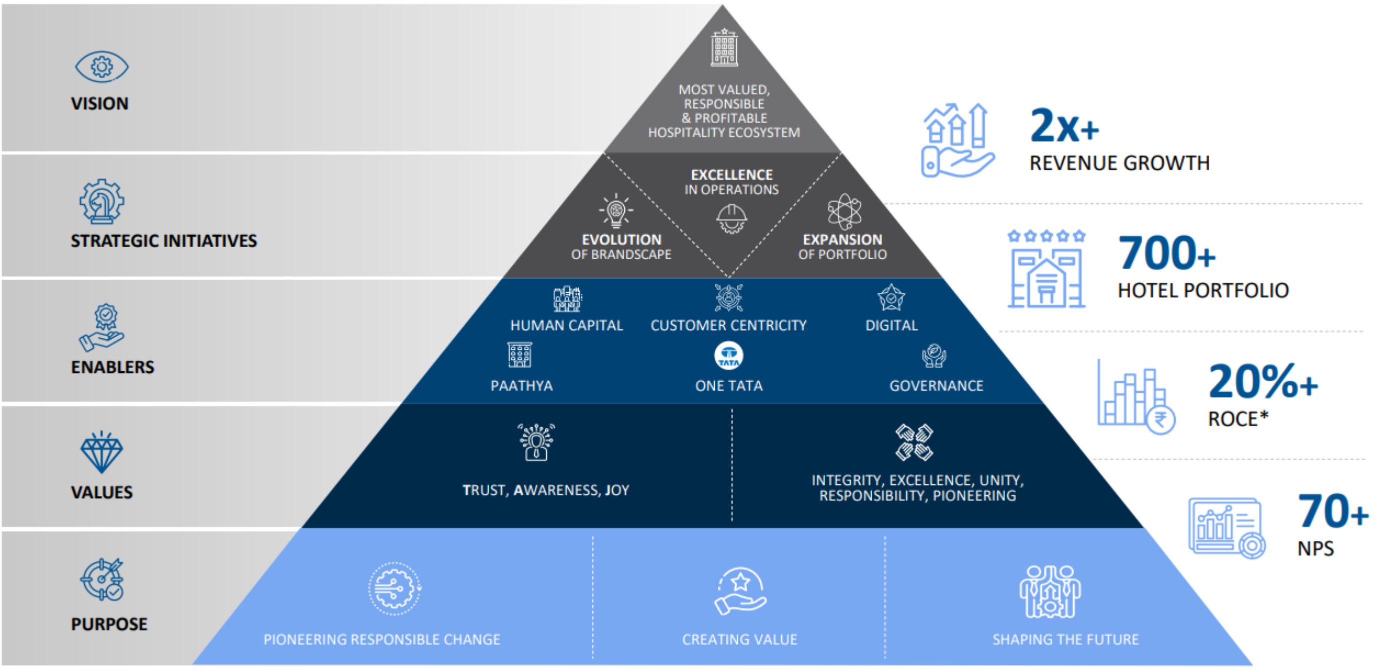
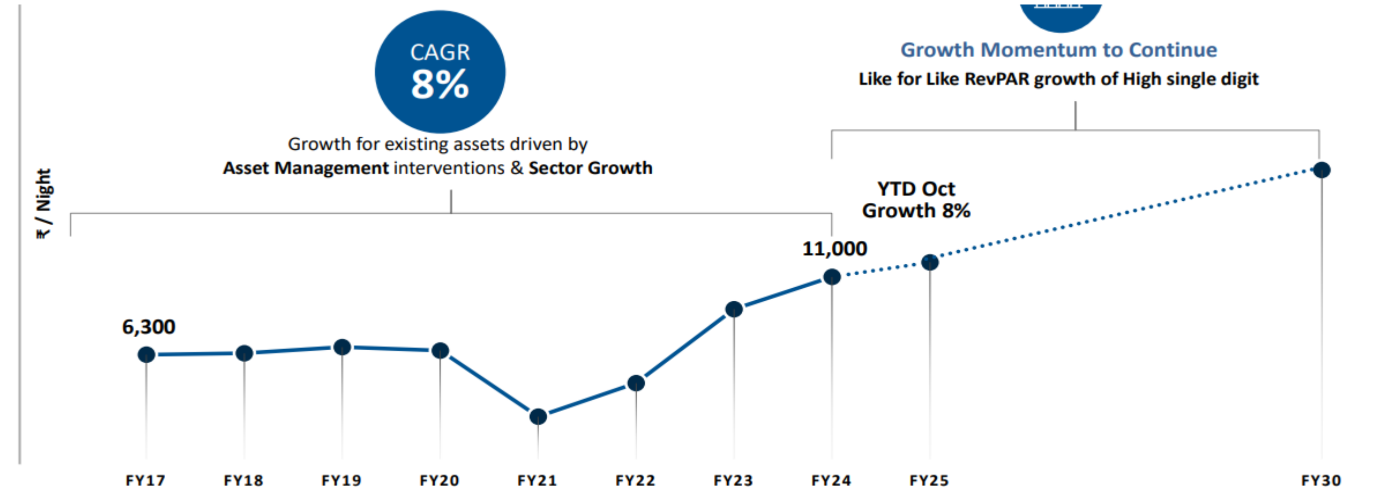


Exhibit 5: RevPAR CAGR momentum to continue



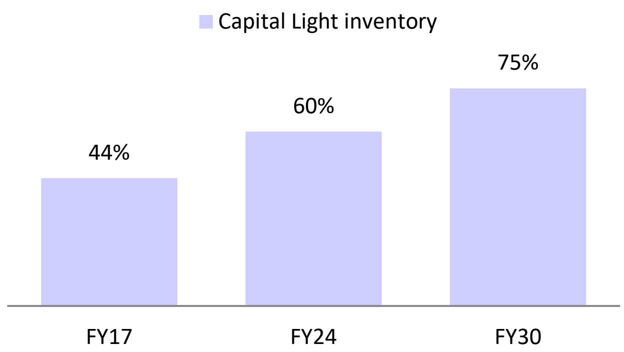
Source: Company, MOFSL

Exhibit 6: 2030 goals to target more than double the portfolio

BRANDS	PORTFOLIO INCL. PIPELINE		OPERATIONAL HOTELS		
	Oct-24	Mar-30	Oct-24	Mar-30	
Steady Growth Brands (Taj, SeleQtions, Vivanta)	209	300	137	225	15 Signings p.a 15 Openings p.a
Accelerated Growth Brands (Gateway, Ginger, Tree of Life)	141	400	95	275	50 Signings p.a 30 Openings p.a
TOTAL	**350**	**700**	**232**	**500**	

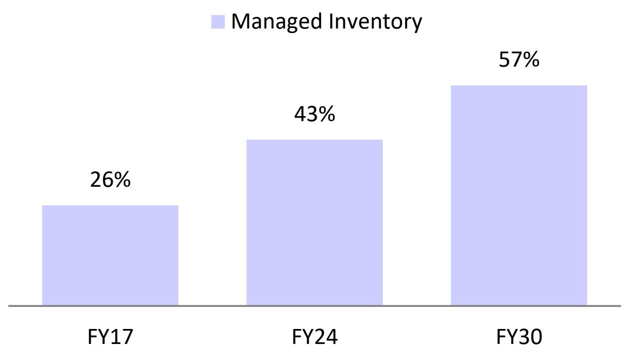
Source: Company, MOFSL

Exhibit 7: Increasing share of capital light inventory



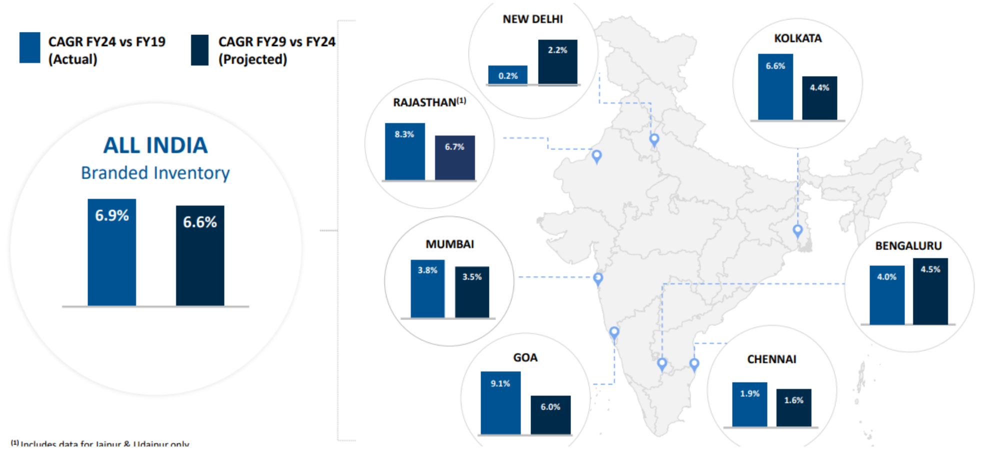
Source: Company, MOFSL

Exhibit 8: Increasing share of managed inventory



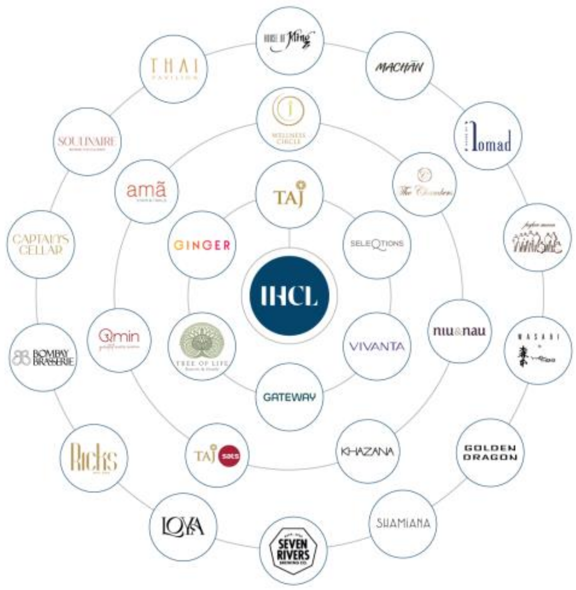
Source: Company, MOFSL

Exhibit 9: Limited active supply in key markets



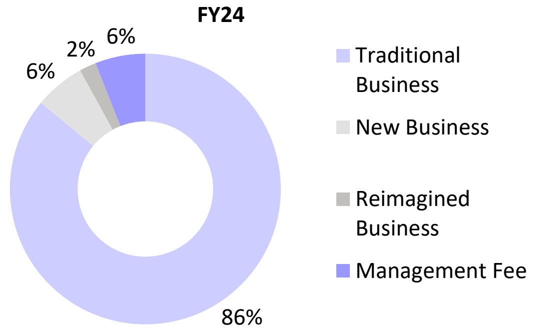
Source: Company, MOFSL

Exhibit 10: Bouquet of brands under IH's portfolio

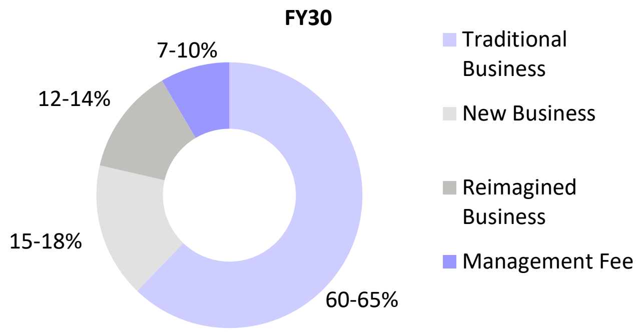


Source: Company

Exhibit 11: Leading to a diversified consolidated revenue mix



Source: Company, MOFSL



Source: Company, MOFSL

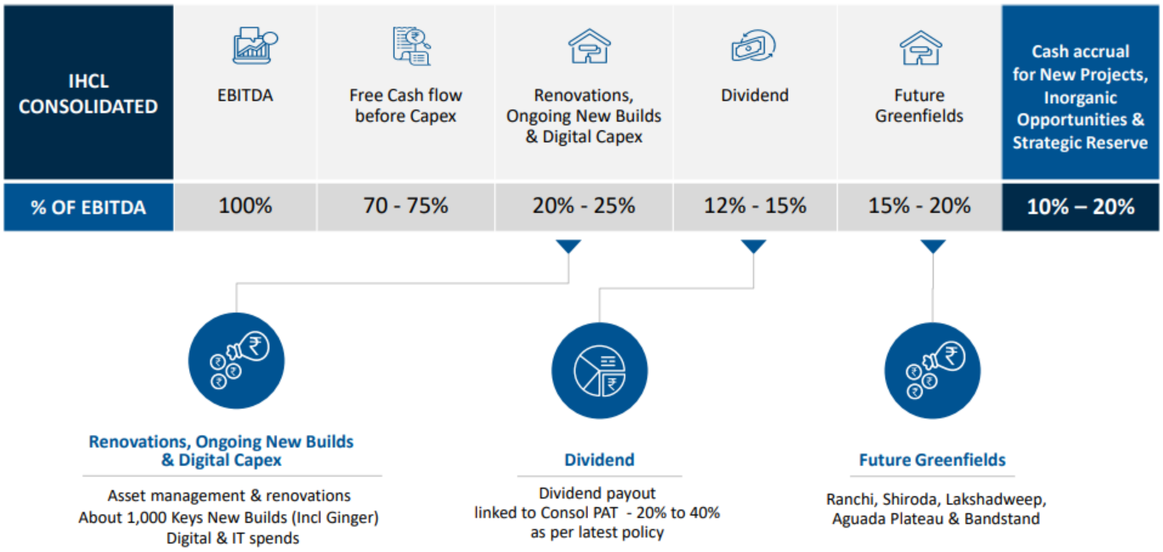
Exhibit 12: Reimagining TajSATS

Source: Company, MOFSL

Exhibit 13: Doing business the responsible way

Source: Company, MOFSL

Exhibit 14: Capital Allocation guidelines



Source: Company, MOFSL

Exhibit 15: Investing to strengthen & build future moats

Source: Company, MOFSL

Story in Charts

Exhibit 16: Consolidated revenue trend

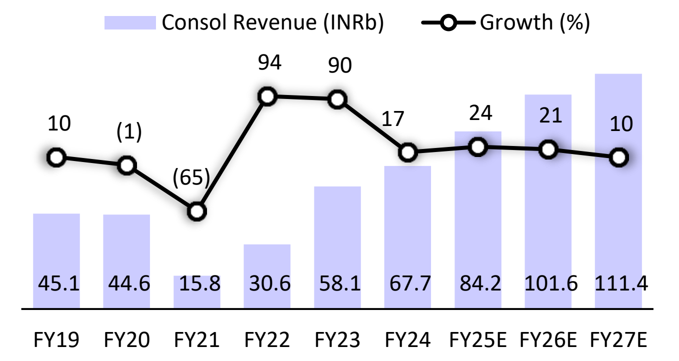


Exhibit 17: Consolidated EBITDA trend

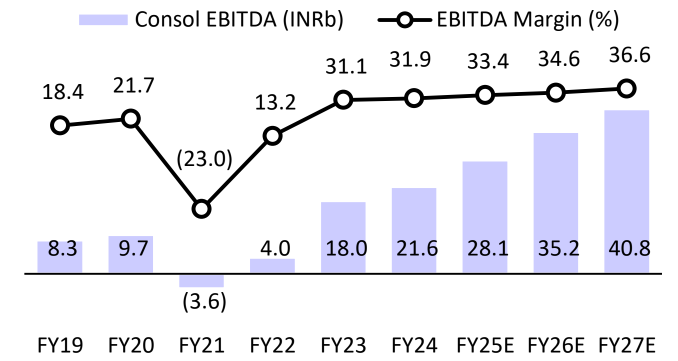


Exhibit 18: Standalone ARR to surpass FY20 levels by FY24E

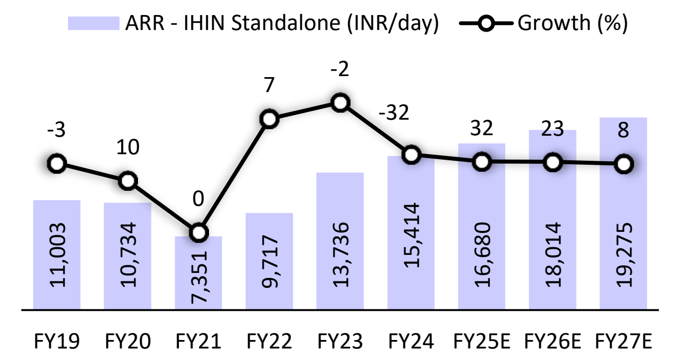


Exhibit 19: Standalone occupancy trends

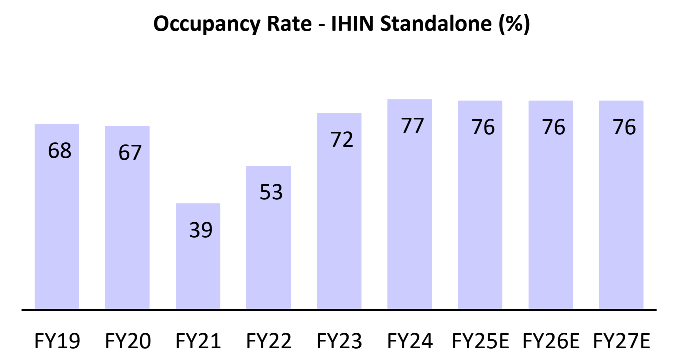


Exhibit 20: Consolidated adjusted PAT trend

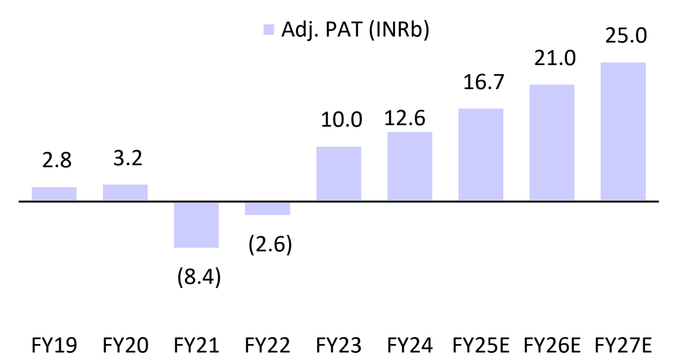


Exhibit 21: Trend in net debt-to-equity ratio

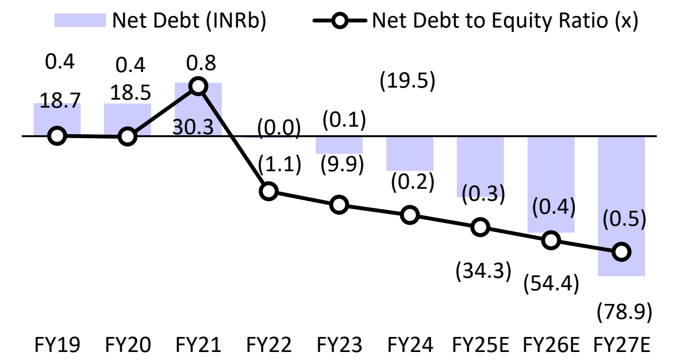
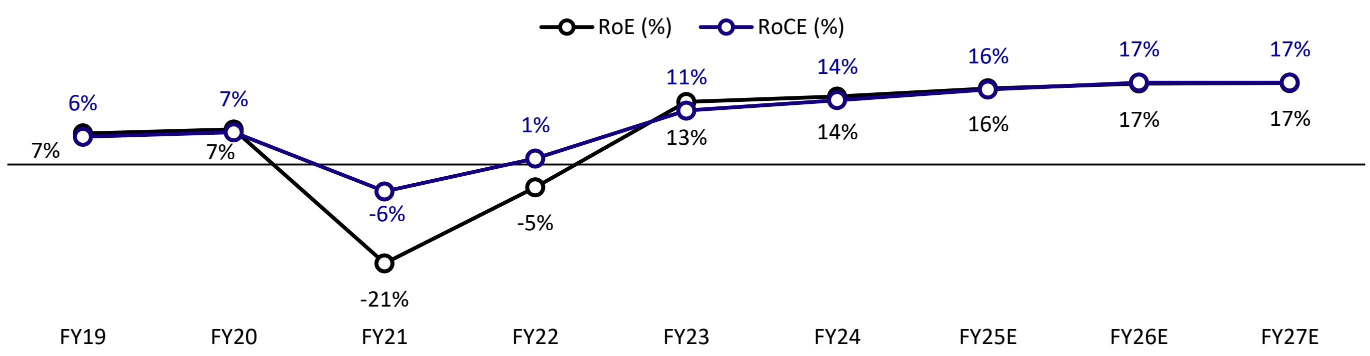


Exhibit 22: Consolidated RoE and RoCE trends



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Total Income from Operations	**44,631**	**15,752**	**30,562**	**58,099**	**67,688**	**84,173**	**1,01,636**	**1,11,400**
Change (%)	-1.1	-64.7	94.0	90.1	16.5	24.4	20.7	9.6
Food and beverages consumed	3,706	1,438	2,572	4,729	5,208	8,428	10,177	11,154
Employees Cost	14,946	8,940	11,502	15,823	18,052	20,819	22,696	24,292
Power & Fuel Cost	2,699	1,729	2,250	3,486	3,926	4,882	5,793	6,350
Licence Fees	1,459	756	1,681	3,486	3,858	4,461	5,285	5,793
Other Expenses	12,147	6,506	8,509	12,530	15,072	17,471	22,497	23,003
Total Expenditure	**34,956**	**19,369**	**26,515**	**40,054**	**46,116**	**56,061**	**66,449**	**70,592**
% of Sales	78.3	123.0	86.8	68.9	68.1	66.6	65.4	63.4
EBITDA	**9,675**	**-3,618**	**4,048**	**18,046**	**21,571**	**28,111**	**35,187**	**40,808**
Margin (%)	21.7	-23.0	13.2	31.1	31.9	33.4	34.6	36.6
Depreciation	4,042	4,096	4,061	4,161	4,543	4,964	5,177	5,402
EBIT	**5,633**	**-7,714**	**-13**	**13,885**	**17,028**	**23,147**	**30,011**	**35,406**
Int. and Finance Charges	3,411	4,028	4,277	2,361	2,202	2,052	2,080	2,080
Other Income	1,324	1,647	1,552	1,389	1,829	2,086	2,462	2,698
PBT bef. EO Exp.	**3,546**	**-10,095**	**-2,738**	**12,914**	**16,655**	**23,181**	**30,392**	**36,024**
EO Items	410	1,600	156	33	0	-3,074	0	0
PBT after EO Exp.	**3,955**	**-8,495**	**-2,582**	**12,946**	**16,655**	**26,255**	**30,392**	**36,024**
Total Tax	448	-1,553	-358	3,232	4,639	6,970	9,118	10,807
Tax Rate (%)	11.3	18.3	13.9	25.0	27.9	26.5	30.0	30.0
Minority Interest	-37	259	253	-312	-575	230	241	253
Reported PAT	**3,544**	**-7,201**	**-2,477**	**10,026**	**12,591**	**19,055**	**21,033**	**24,963**
Adjusted PAT	**3,237**	**-8,401**	**-2,594**	**10,001**	**12,591**	**16,750**	**21,033**	**24,963**
Change (%)	14.8	-359.5	-69.1	-485.5	25.9	33.0	25.6	18.7
Margin (%)	7.3	-53.3	-8.5	17.2	18.6	19.9	20.7	22.4
								0.0

Consolidated - Balance Sheet								(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Equity Share Capital	1,189	1,189	1,420	1,420	1,423	1,423	1,423	1,423
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0
Total Reserves	42,379	35,295	69,202	78,399	93,143	1,11,062	1,30,959	1,54,786
Net Worth	**43,568**	**36,484**	**70,623**	**79,820**	**94,567**	**1,12,485**	**1,32,382**	**1,56,209**
Minority Interest	7,649	6,346	5,930	6,601	6,721	6,950	7,192	7,445
Total Loans	26,020	36,328	19,848	8,183	2,605	2,605	2,605	2,605
Lease Liability	18,987	18,464	18,604	22,760	24,247	24,247	24,247	24,247
Deferred Tax Liabilities	1,869	781	876	1,567	1,437	1,437	1,437	1,437
Capital Employed	**98,093**	**98,403**	**1,15,880**	**1,18,930**	**1,29,576**	**1,47,724**	**1,67,863**	**1,91,943**
Gross Block	73,316	81,772	85,655	89,962	98,598	1,03,696	1,09,416	1,14,710
Less: Accum. Deprn.	14,706	18,802	22,863	27,023	31,566	36,530	41,707	47,109
Net Fixed Assets	**58,610**	**62,970**	**62,792**	**62,939**	**67,032**	**67,166**	**67,709**	**67,600**
Goodwill on Consolidation	6,146	6,110	6,229	6,536	6,623	6,623	6,623	6,623
Right-of-Use assets	15,833	15,297	15,134	18,789	19,703	19,703	19,703	19,703
Capital WIP	2,441	1,650	1,933	3,242	2,310	3,712	3,492	3,198
Total Investments	**14,266**	**14,832**	**19,668**	**18,910**	**22,611**	**22,611**	**22,611**	**22,611**
Current Investment	**4,362**	**4,486**	**9,025**	**7,573**	**7,242**	**7,242**	**7,242**	**7,242**
Curr. Assets, Loans&Adv.	**17,887**	**14,269**	**25,139**	**26,271**	**30,279**	**52,724**	**77,548**	**1,04,644**
Inventory	936	929	1,008	1,092	1,164	1,690	2,003	2,127
Account Receivables	2,900	2,198	2,553	4,465	4,765	6,226	7,518	8,241
Cash and Bank Balance	3,156	1,536	11,878	10,534	14,855	29,657	49,732	74,224
Loans and Advances	10,895	9,605	9,700	10,180	9,495	15,151	18,294	20,052
Curr. Liability & Prov.	**17,090**	**16,724**	**15,016**	**17,757**	**18,983**	**24,815**	**29,824**	**32,437**
Account Payables	3,893	3,178	3,873	4,766	5,194	6,297	7,464	7,929
Other Current Liabilities	10,441	10,921	8,233	9,732	10,389	14,309	17,278	18,938
Provisions	2,756	2,625	2,909	3,259	3,400	4,209	5,082	5,570
Net Current Assets	**798**	**-2,456**	**10,123**	**8,514**	**11,296**	**27,909**	**47,724**	**72,207**
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	**98,093**	**98,403**	**1,15,880**	**1,18,930**	**1,29,576**	**1,47,724**	**1,67,863**	**1,91,943**

Financials and valuations

Ratios								
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Basic (INR)								
EPS	**2.3**	**-5.9**	**-1.8**	**7.0**	**8.9**	**11.8**	**14.8**	**17.6**
Cash EPS	5.1	-3.0	1.0	10.0	12.1	15.3	18.5	21.4
BV/Share	30.7	25.7	49.7	56.2	66.6	79.2	93.2	110.0
DPS	0.4	0.4	0.4	0.6	0.8	0.8	0.8	0.8
Payout (%)	20.5	-9.6	-28.0	8.5	9.0	6.0	5.4	4.6
Valuation (x)								
P/E	330.4	-127.3	-412.3	106.9	84.9	63.9	50.9	42.8
Cash P/E	146.9	-248.5	729.5	75.5	62.4	49.3	40.8	35.2
P/BV	24.5	29.3	15.1	13.4	11.3	9.5	8.1	6.8
EV/Sales	24.6	70.2	35.2	18.4	15.6	12.4	10.1	9.0
EV/EBITDA	113.2	-305.8	265.5	59.1	49.0	37.1	29.1	24.5
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FCF per share	1.7	-7.6	1.7	7.4	7.5	11.2	14.7	17.6
EV/ Adj Rooms (INRm)	106.3	107.2	103.2	101.8	92.6	87.2	81.9	77.5
EBITDA/ Room (INR)	6,039	-7,214	4,374	10,456	10,652	13,814	14,869	16,321
Return Ratios (%)								
RoE	7.4	-21.0	-4.8	13.3	14.4	16.2	17.2	17.3
RoCE	6.8	-5.7	1.3	11.5	13.6	15.9	17.4	17.4
RoIC	7.1	-7.9	0.0	12.4	14.0	18.7	22.9	26.9
Working Capital Ratios								
Fixed Asset Turnover (x)	0.6	0.2	0.4	0.6	0.7	0.8	0.9	1.0
Asset Turnover (x)	0.5	0.2	0.3	0.5	0.5	0.6	0.6	0.6
Inventory (Days)	8	22	12	7	6	7	7	7
Debtor (Days)	24	51	30	28	26	27	27	27
Creditor (Days)	32	74	46	30	28	27	27	26
Leverage Ratio (x)								
Current Ratio	1.0	0.9	1.7	1.5	1.6	2.1	2.6	3.2
Interest Cover Ratio	1.7	-1.9	0.0	5.9	7.7	11.3	14.4	17.0
Net Debt/Equity	0.4	0.8	0.0	-0.1	-0.2	-0.3	-0.4	-0.5

Consolidated - Cash Flow Statement								(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
OP/(Loss) before Tax	3,955	-10,095	-2,738	12,914	16,655	23,181	30,392	36,024
Depreciation	4,042	4,096	4,061	4,161	4,543	4,964	5,177	5,402
Interest & Finance Charges	2,087	2,381	2,725	972	373	-34	-382	-618
Direct Taxes Paid	-448	1,553	358	-3,232	-4,639	-6,970	-9,118	-10,807
(Inc)/Dec in WC	-1,402	-2,722	2,155	1,633	1,539	-1,811	260	9
CF from Operations	**8,235**	**-4,786**	**6,560**	**16,447**	**18,470**	**19,331**	**26,330**	**30,010**
Others	0	1,600	156	33	0	3,074	0	0
CF from Operating incl EO	**8,235**	**-3,187**	**6,716**	**16,480**	**18,470**	**22,404**	**26,330**	**30,010**
(Inc)/Dec in FA	-5,855	-7,629	-4,286	-5,922	-7,792	-6,500	-5,500	-5,000
Free Cash Flow	**2,380**	**-10,816**	**2,431**	**10,557**	**10,679**	**15,904**	**20,830**	**25,010**
(Pur)/Sale of Investments	-915	-566	-4,836	758	-3,701	0	0	0
Others	1,750	6,998	-7,303	3,719	1,829	2,086	2,462	2,698
CF from Investments	**-5,019**	**-1,197**	**-16,425**	**-1,446**	**-9,663**	**-4,414**	**-3,038**	**-2,302**
Issue of Shares	0	0	231	0	3	0	0	0
Inc/(Dec) in Debt	2,760	10,308	-16,481	-11,665	-5,578	0	0	0
Interest Paid	-3,411	-4,028	-4,277	-2,361	-2,202	-2,052	-2,080	-2,080
Dividend Paid	-725	-693	-693	-852	-1,136	-1,136	-1,136	-1,136
Others	-1,093	-2,823	41,270	-1,500	4,427	0	0	0
CF from Fin. Activity	**-2,470**	**2,764**	**20,050**	**-16,378**	**-4,487**	**-3,189**	**-3,216**	**-3,216**
Inc/Dec of Cash	**746**	**-1,620**	**10,342**	**-1,344**	**4,321**	**14,802**	**20,075**	**24,492**
Opening Balance	2,409	3,156	1,536	11,878	10,534	14,855	29,657	49,732
Closing Balance	**3,156**	**1,536**	**11,878**	**10,534**	**14,855**	**29,657**	**49,732**	**74,224**

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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

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