

# Indian Hotels Company (IH)

Hospitality | Management Meet

**BUY**

**CMP: Rs781 | Target Price (TP): Rs950 | Upside: 22%**

**June 27, 2025**

## Strategic pivot toward multi-brand growth

### Key Points

- We hosted the management of IHCL in our virtual conference represented by Puneet Chhatwal, CEO & Managing Director, and Ankur Dalwani, CFO, to get a view on the current business trend and the company's future plan. Taj has historically contributed over 95% of IHCL's revenue, but the management plans to gradually reduce this to ~70% in the medium term, and ultimately to ~60% over the next 5-7 years. This strategic shift comes despite strong growth in the flagship Taj properties—such as the Taj Mahal Palace and Tower in Mumbai, which grew from around Rs5,000mn to around Rs8,000mn in FY25. The aim is not to dilute the Taj brand but to rebalance the portfolio and align it with India's evolving travel ecosystem across luxury, midscale, and budget segments.
- Ginger delivered Rs5,770mn revenue in FY25 with its Mumbai airport property alone contributing Rs970mn. IHCL expects Ginger to surpass Rs10,000mn in topline within the next 18 months driven by expansion into metro suburbs and Tier-2/3 cities. Most new Ginger hotels operate at over 50% EBITDA margins, enabled by a lean-luxe design, low construction costs, and capital-light models. With four Ginger hotels already in Mumbai and room for four more, the brand is scalable and suited for deployment across 600+ districts nationwide; every district capital is specifically targeted.
- Given IHCL's strong brand equity, premium positioning, and a healthy development pipeline, we reiterate our BUY rating with a target price of Rs950, based on an SOTP valuation and a blended EV/EBITDA multiple of 29x (vs. the 3-year average of 26x). The company's multi-brand expansion strategy—spanning luxury (Taj), upper midscale (Vivanta, SeleQtions), midscale (Gateway), and lean-luxe (Ginger)—is expected to drive meaningful portfolio growth through new key additions, particularly across Tier 1, 2, and 3 markets. We forecast FY25-FY27E revenue, EBITDA, and PAT at 15%, 20%, and 26% CAGR, respectively, with ROE improving from 16% to 18% supported by operating leverage and brand diversification.

**Midscale push in emerging markets:** Ginger, Vivanta, and Gateway are central to IHCL's strategy in Tier 2 and Tier 3 markets, this is from where the majority of future growth is expected by the company. In Bangalore, IHCL is doubling down—expanding the airport portfolio by 750 rooms (400 Vivanta + 350 Ginger) over the next 14-16 months, alongside the existing 400-room Taj in a combo hotel form with the Bangalore International Airport Limited (BIAL). In Tier 2/3 markets like Ekta Nagar, a 150-room Vivanta + 125-room Ginger combo will launch by Oct-25. These midscale brands are ideal for spiritual and regional hubs, where Taj would be cost-prohibitive, and should benefit from strong F&B and event-driven revenues, thereby supporting attractive IRRs and rapid scale-up.

Est Change	No change
TP Change	No change
Rating Change	No change

### Company Data and Valuation Summary

Reuters	IHTL.BO
Bloomberg	IH IN Equity
Market Cap (Rsbn / US\$bn)	1,114.5 / 12.9
52 Wk H / L (Rs)	895 / 571
ADTV-3M (mn) (Rs / US\$)	3,567.8 / 41.7
Stock performance (%) 1M/6M/1yr	1.1 / (9.8) / 20.5
Nifty 50 performance (%) 1M/6M/1yr	2.2 / 8.8 / 6.3

Shareholding	2QFY25	3QFY25	4QFY25
Promoters	38.1	38.1	38.1
DII's	18.8	18.6	19.2
FII's	27.4	27.8	27.0
Others	15.6	15.5	15.8
Pro pledge	0.0	0.0	0.0

### Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Net Sales	67,688	83,345	96,047	1,09,283
Growth YoY %	16.5	23.1	15.2	13.8
EBITDA	21,571	27,693	33,559	39,913
EBITDA margin %	31.9	33.2	34.9	36.5
PAT	12,591	19,076	21,450	26,611
Growth YoY %	25.9	32.9	28.2	24.1
Adj EPS (Rs)	8.9	11.8	15.1	18.7
RoCE	13.6	16.4	17.2	17.6
RoE	14.4	16.2	17.6	18.2
RoIC	15.3	18.7	20.5	22.1
P/E	88.0	66.2	51.7	41.6
EV/EBITDA	50.8	39.4	32.0	26.3
P/BV	11.7	9.9	8.4	6.9

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links - [4QFY25 Presentation](#)

Please refer to the disclaimer towards the end of the document.

**Redevelopment of Sea Rock:** A landmark luxury project IHCL is set to redevelop the iconic Sea Rock property at Bandstand, Mumbai, into a flagship luxury hotel under the Taj brand. The company is likely to follow an asset-heavy model here, given the high visibility and long-term brand value, with expectation of over Rs10,000mn in annual revenue potential once operational. This project is strategically important due to its prime waterfront location and heritage value and is being positioned as a future landmark akin to the Taj Mahal Palace. The development aligns with IHCL's vision of building timeless, iconic properties in select high-return urban markets.

**Business travel has recovered, leisure still lagging:** Corporate travel has surpassed FY19 levels, led by inbound delegations, MICE events, and rising domestic corporate activity. However, foreign leisure travel—especially from western markets—remains below pre-Covid benchmarks. Management believes this segment is structurally important for India's soft power and forex earnings and is engaging with global tour operators through events like ITB Berlin and Arabian Travel Market to revive demand.

**Indian diaspora's travel rising, but skews FTA stats:** The Indian diaspora is increasingly visiting India with family, especially after opening of the Ram Mandir and other cultural sites. However, many of them stay with family rather than in hotels, thus reducing the impact on actual room nights despite showing up in Foreign Tourist Arrival (FTA) data. IHCL sees potential to target this cohort through curated heritage and resort stays across its portfolio.

**Weddings and spiritual segments provide stability:** IHCL views the wedding and spiritual tourism segments as inherently crisis-resilient, offering stable revenue even during macro disruptions. These events are largely domestic and calendar-linked, providing strong F&B and banqueting revenue in addition to rooms. Taj-branded palaces and resorts remain the preferred choice for ultra-luxury weddings, while Ginger and Gateway cater to more value-conscious customers in cultural hubs.

**Advanced pricing algorithms & shorter booking windows:** With economic prosperity and time-starved lifestyles, customers are now booking hotels with shorter lead times, often within 7-10 days. IHCL has adopted AI-enabled revenue management systems to dynamically adjust pricing based on demand signals. OTAs are also helping enforce pricing discipline, and in many cases command higher retail rates than direct bookings, contrary to common belief.

**Tech & process investments to build for scale:** IHCL continues to invest in being 'future-ready' through projects in ERP, AI, and digital assurance systems. One such initiative, Project SAR, is being built as a robust compliance and control platform that could become an industry benchmark. These systems will help IHCL improve cost efficiency, reduce manual dependencies, and drive scalable growth across brands and locations.

**Balanced capital allocation across models:** While IHCL is focused on capital-light growth via management contracts, it remains open to investing in select strategic or iconic locations. For example, government tenders often require equity participation, especially in heritage or cultural zones like Guwahati, Agartala, and Bandstand in Mumbai. These locations offer long-term returns, government subsidies, and lower land costs, justifying a hybrid asset-light and asset-heavy approach.

## Exhibit 1: 4QFY25 consolidated performance

Particulars (Rsmn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25	FY24	FY25	4Q25E	Var
<b>Net Sales</b>	<b>14,664</b>	<b>14,332</b>	<b>19,638</b>	<b>19,053</b>	<b>15,502</b>	<b>18,261</b>	<b>25,331</b>	<b>24,251</b>	<b>67,688</b>	<b>83,345</b>	24,447	<b>1%</b>
YoY Change (%)	15.8	16.3	16.5	17.2	5.7	27.4	29.0	27.3	16.5	23.1	-	-
<b>EBITDA</b>	<b>4,102</b>	<b>3,548</b>	<b>7,324</b>	<b>6,598</b>	<b>4,496</b>	<b>5,013</b>	<b>9,617</b>	<b>8,568</b>	<b>21,571</b>	<b>27,693</b>	8,548	<b>0.2%</b>
YoY Change (%)	8.5	20.7	22.6	23.2	9.6	41.3	31.3	29.9	19.5	28.4	-	-
Margin (%)	28.0	24.8	37.3	34.6	29.0	27.5	38.0	35.3	31.9	33.2	35%	-
Depreciation	1,091	1,112	1,143	1,197	1,173	1,249	1,339	1,420	4,543	5,182	960	-
Interest	565	591	532	515	499	522	524	539	2,202	2,084	595	-
Other income	493	477	398	461	460	641	587	616	1,829	2,305	854	-
Extraordinary Items	-	-	-	-	-	3,074	-	-26	-	3,048	-	-
<b>PBT (bei)</b>	<b>2,939</b>	<b>2,322</b>	<b>6,047</b>	<b>5,347</b>	<b>3,285</b>	<b>3,882</b>	<b>8,340</b>	<b>7,225</b>	<b>17,942</b>	<b>23,501</b>	7,847	-
<b>PBT</b>	<b>2,939</b>	<b>2,322</b>	<b>6,047</b>	<b>5,347</b>	<b>3,285</b>	<b>6,956</b>	<b>8,340</b>	<b>7,200</b>	<b>17,942</b>	<b>26,549</b>	7,847	<b>-9%</b>
Tax	833	723	1,667	1,416	943	1,224	2,202	1,800	4,639	6,168	1,856	-
ETR (%)	28.4	31.1	27.6	26.5	28.7	17.6	26.4	25.0	25.9	23.2	-	-
Reported PAT	2,224	1,669	4,520	4,178	2,484	5,546	5,823	5,223	12,591	19,076	6,827	-
<b>Adj. PAT</b>	<b>2,106</b>	<b>1,599</b>	<b>4,380</b>	<b>3,931</b>	<b>2,342</b>	<b>5,732</b>	<b>6,138</b>	<b>5,400</b>	<b>12,591</b>	<b>16,736</b>	5,991	<b>11%</b>
YoY Change (%)	30.8	37.3	18.1	27.3	11.7	232.2	28.8	25.0	25.9	32.9	-	-

Source: Company, Nirmal Bang Institutional Equities Research

Margins (%)	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
Gross margin	92.7%	90.1%	90.3%	-235bps	20bps	92.3%	90.7%	-159bps
EBITDA margin	34.6%	38.0%	35.3%	70bps	-264bps	31.9%	33.2%	136bps
EBIT margin	28.3%	32.7%	29.5%	113bps	-320bps	25.2%	27.0%	185bps
PBT margin	27.4%	32.2%	29.0%	155bps	-323bps	24.6%	31.9%	725bps
PAT margin	21.4%	22.5%	21.0%	-40bps	-147bps	18.6%	20.1%	148bps

Common Size	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
Foods, Beverages Consumed	7.3%	9.9%	9.7%	235bps	-20bps	7.7%	9.3%	159bps
Staff costs	24.5%	22.9%	24.3%	-27bps	138bps	26.7%	25.8%	-87bps
Other expenses	33.5%	29.3%	30.7%	-277bps	146bps	33.8%	31.7%	-208bps
Depreciation	6.3%	5.3%	5.9%	-43bps	57bps	6.7%	6.2%	-49bps
Interest	2.7%	2.1%	2.2%	-48bps	15bps	3.3%	2.5%	-75bps
Other income	2.4%	2.3%	2.5%	12bps	23bps	2.7%	2.8%	6bps
ETR	26.5%	26.4%	25.0%	-149bps	-141bps	27.9%	23.2%	-462bps

## Exhibit 2: 4QFY25 standalone performance

Particulars (Rsmn)	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
<b>Net Sales</b>	<b>13,417</b>	<b>14,736</b>	<b>14,763</b>	<b>10.0%</b>	<b>0.2%</b>	<b>44,056</b>	<b>49,165</b>	<b>11.6%</b>
Foods, Beverages Consumed	937	1,052	1,019	8.8%	-3.1%	3,331	3,503	5.2%
<b>Staff costs</b>	<b>12,480</b>	<b>13,685</b>	<b>13,744</b>	<b>10.1%</b>	<b>0.4%</b>	<b>40,725</b>	<b>45,663</b>	<b>12.1%</b>
Other expenses	2,340	2,397	2,561	9.5%	6.9%	8,723	9,423	8.0%
Total expenses	4,279	4,468	4,398	2.8%	-1.6%	14,880	15,919	7.0%
EBITDA	7,555	7,917	7,979	5.6%	0.8%	26,934	28,845	7.1%
Depreciation	5,861	6,820	6,784	15.7%	-0.5%	17,122	20,320	18.7%
EBIT	603	665	685	13.7%	3.1%	2,282	2,573	12.7%
<b>Interest</b>	<b>5,259</b>	<b>6,155</b>	<b>6,100</b>	<b>16.0%</b>	<b>-0.9%</b>	<b>14,840</b>	<b>17,748</b>	<b>19.6%</b>
Other income	258	254	244	-5.6%	-4.0%	1,149	1,001	-12.9%
Exceptional items	415	433	548	32.0%	26.4%	1,845	2,286	23.9%
PBT (bei)	-399	-	-129	-67.7%	NA	-711	-162	-77.1%
PBT	5,416	6,335	6,404	18.2%	1.1%	15,536	19,033	22.5%
Tax	5,017	6,335	6,275	25.1%	-0.9%	14,826	18,870	27.3%
PAT	1,326	1,647	1,463	10.3%	-11.1%	3,877	4,738	22.2%
Adj. PAT	3,691	4,688	4,812	30.4%	2.7%	10,949	14,132	29.1%
EPS (Rs)	3,984	4,688	4,911	23.3%	4.8%	11,474	14,254	24.2%

Margins (%)	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
EBITDA margin	93.0%	92.9%	93.1%	8bps	23bps	92.4%	92.9%	44bps
EBIT margin	43.7%	46.3%	46.0%	227bps	-32bps	38.9%	41.3%	247bps
PBT margin	39.2%	41.8%	41.3%	212bps	-45bps	33.7%	36.1%	241bps
PAT margin	36.3%	41.8%	41.0%	471bps	-77bps	33.7%	38.4%	473bps

Common Size	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
COGS	7.0%	7.1%	6.9%	-8bps	-23bps	7.6%	7.1%	-44bps
Staff costs	17.4%	16.3%	17.3%	-9bps	108bps	19.8%	19.2%	-63bps
Other expenses	31.9%	30.3%	29.8%	-210bps	-53bps	33.8%	32.4%	-140bps
Depreciation	4.5%	4.5%	4.6%	15bps	13bps	5.2%	5.2%	5bps
Interest	1.9%	1.7%	1.6%	-27bps	-7bps	2.6%	2.0%	-57bps
Other income	3.1%	2.9%	3.7%	62bps	77bps	4.2%	4.6%	46bps
ETR	26.4%	26.0%	23.3%	-312bps	-268bps	26.1%	25.1%	-104bps

Source: Company, Nirmal Bang Institutional Equities Research

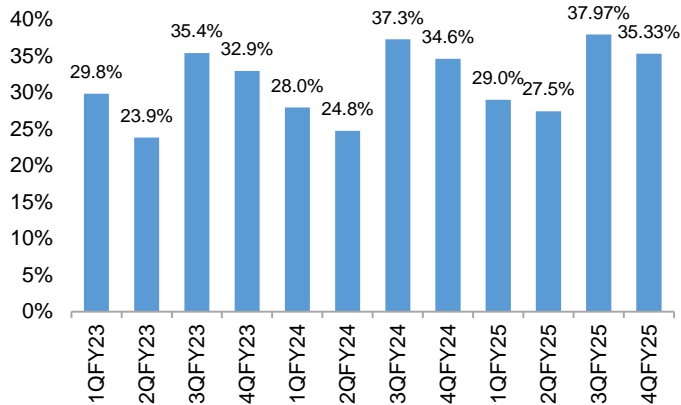
**Exhibit 3: 4QFY25 implied performance of subsidiaries**

Particulars (Rsmn)	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
<b>Net Sales</b>	<b>5,637</b>	<b>10,594</b>	<b>8,914</b>	<b>58.1%</b>	<b>-15.9%</b>	<b>23,632</b>	<b>34,179.60</b>	<b>44.6%</b>
Foods, Beverages Consumed	462	1,453	-992	-315.0%	-168.3%	1,877	4,235	125.6%
<b>Gross Profit</b>	<b>5,175</b>	<b>9,141</b>	<b>9,906</b>	<b>91.4%</b>	<b>8.4%</b>	<b>21,754</b>	<b>29,945.50</b>	<b>37.7%</b>
Staff costs	2,334	3,398	3,745	60.5%	10.2%	9,329	12,084	29.5%
Other expenses	2,105	2,946	3,865	83.6%	31.2%	7,976	10,489	31.5%
Total expenses	4,900	7,797	6,617	35.0%	-15.1%	19,182	26,808	39.8%
<b>EBITDA</b>	<b>737</b>	<b>2,797</b>	<b>2,297</b>	<b>211.8%</b>	<b>-17.9%</b>	<b>4,449</b>	<b>7,372</b>	<b>65.7%</b>
Depreciation	595	675	287	-51.7%	-57.5%	2,261	2,610	15.4%
EBIT	142	2,123	2,010	1316.2%	-5.3%	2,188	4,764.30	117.7%
Interest	257	270	318	23.8%	17.8%	1,053	1,084	2.9%
Other income	46	153	99	115.4%	-35.3%	-16	20	-222.6%
PBT	330	2,006	1,791	442.9%	-10.7%	1,695	3,003.00	77.2%
Tax	90	555	459	412.2%	-17.2%	763	1,430.00	87.4%
Share of Associate	452	187	227	-49.9%	21.1%	1,287	768.00	-40.3%
<b>MI</b>	<b>206</b>	<b>502</b>	<b>404</b>	<b>96.2%</b>	<b>-19.6%</b>	<b>-712</b>	<b>-1,305.00</b>	<b>83.3%</b>
<b>Adj. PAT</b>	<b>605</b>	<b>2,140</b>	<b>1,139</b>	<b>88.3%</b>	<b>-46.8%</b>	<b>1,117</b>	<b>4,822</b>	<b>331.8%</b>

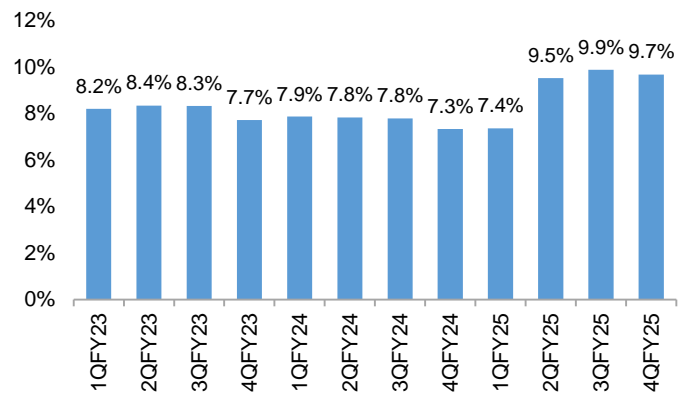
Source: Company, Nirmal Bang Institutional Equities Research

Margins (%)	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
Gross margin	91.8%	86.3%	111.1%	1,932bps	2,485bps	92.1%	87.6%	-444bps
EBITDA margin	13.1%	26.4%	25.8%	1,270bps	-64bps	18.8%	21.6%	274bps
EBIT margin	2.5%	20.0%	22.5%	2,003bps	251bps	9.3%	13.9%	468bps
PBT margin	5.8%	18.7%	19.9%	1,406bps	121bps	7.2%	8.8%	161bps
PAT margin	10.6%	19.9%	21.8%	1,112bps	185bps	4.7%	14.1%	938bps

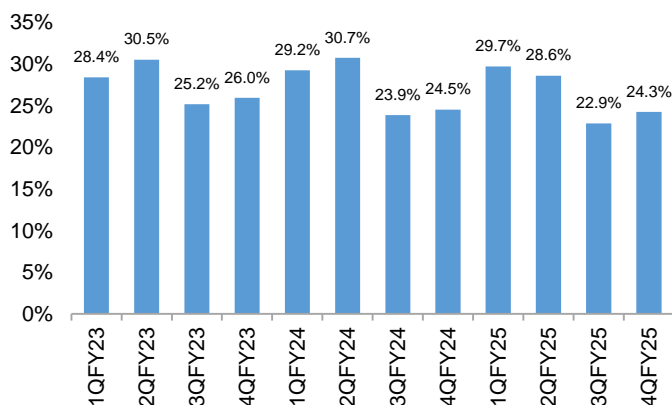
Common Size	4QFY24	3QFY25	4QFY25	YoY %	QoQ %	FY24	FY25	YoY %
Foods, Beverages Consumed	8.2%	13.7%	-11.1%	-1,932bps	-2,485bps	7.9%	12.4%	445bps
Staff costs	41.4%	32.1%	42.0%	61bps	994bps	39.5%	35.4%	-412bps
Other expenses	37.3%	27.8%	43.4%	602bps	1,555bps	33.8%	30.7%	-306bps
Depreciation	10.6%	6.4%	3.2%	-733bps	-315bps	9.6%	7.6%	-193bps
Interest	4.6%	2.6%	3.6%	-99bps	102bps	4.5%	3.2%	-129bps
Other income	0.8%	1.4%	1.1%	30bps	-33bps	-0.1%	0.1%	12bps
ETR	27.2%	27.7%	25.7%	-154bps	-202bps	45.0%	47.6%	261bps

**Exhibit 4: EBITDA margin rose by 70bps YoY**


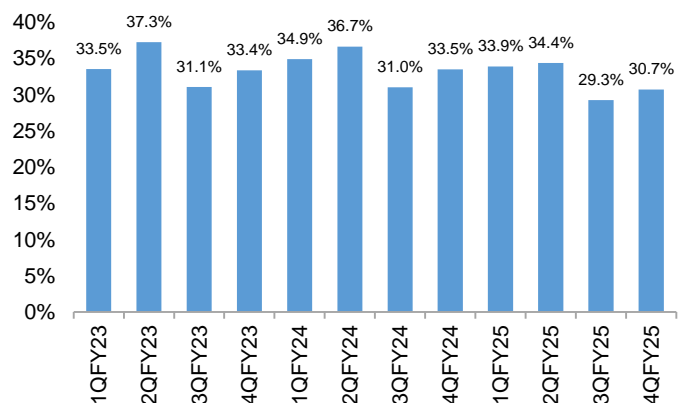
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 5: F&B cost as % of sales grew 230bps YoY**


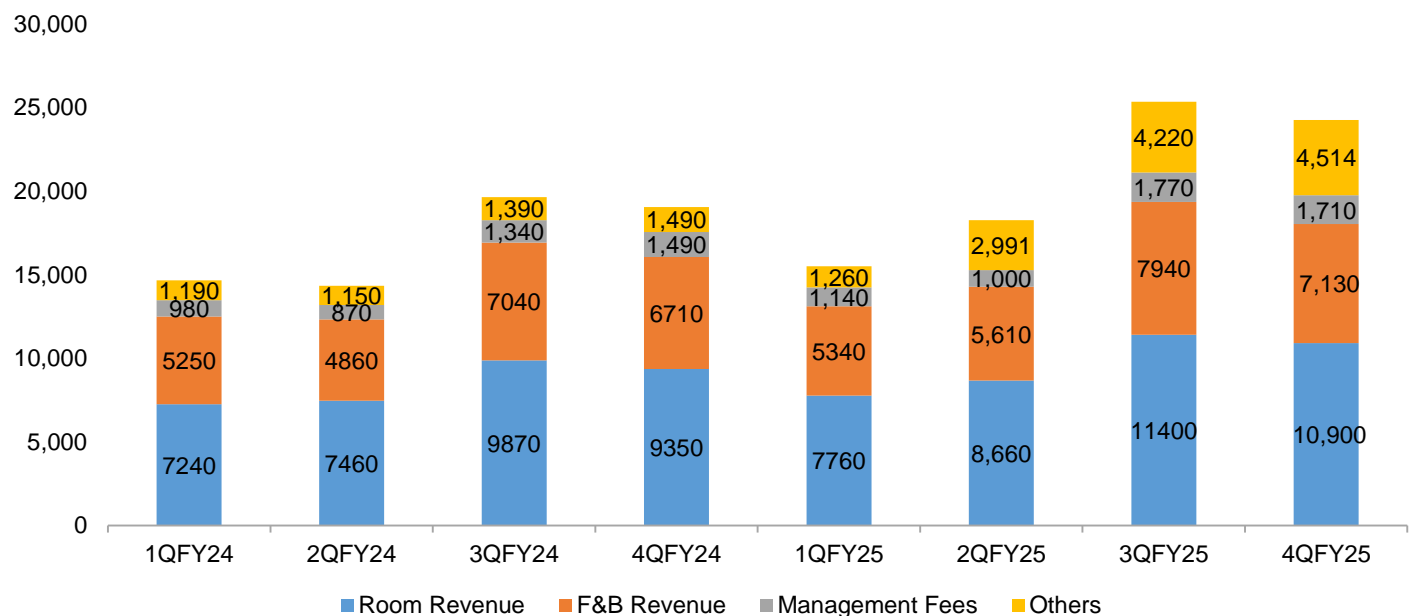
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 6: Staff cost as % of sales fell by 27bps YoY**


Source: Company, Nirmal Bang Institutional Equities Research

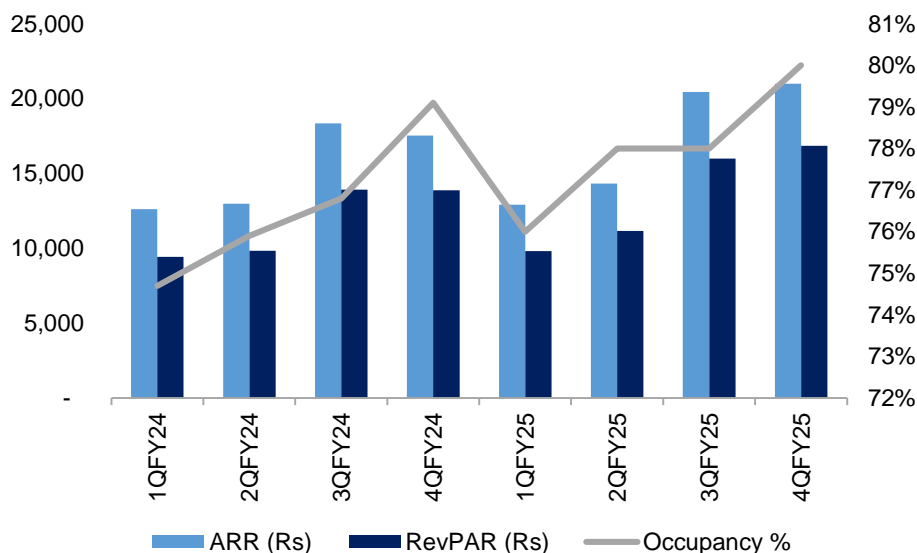
**Exhibit 7: Other expenses as % of sales declined 280bps YoY**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 8: Consolidated revenue from operations breakup**


Source: Company, Nirmal Bang Institutional Equities Research



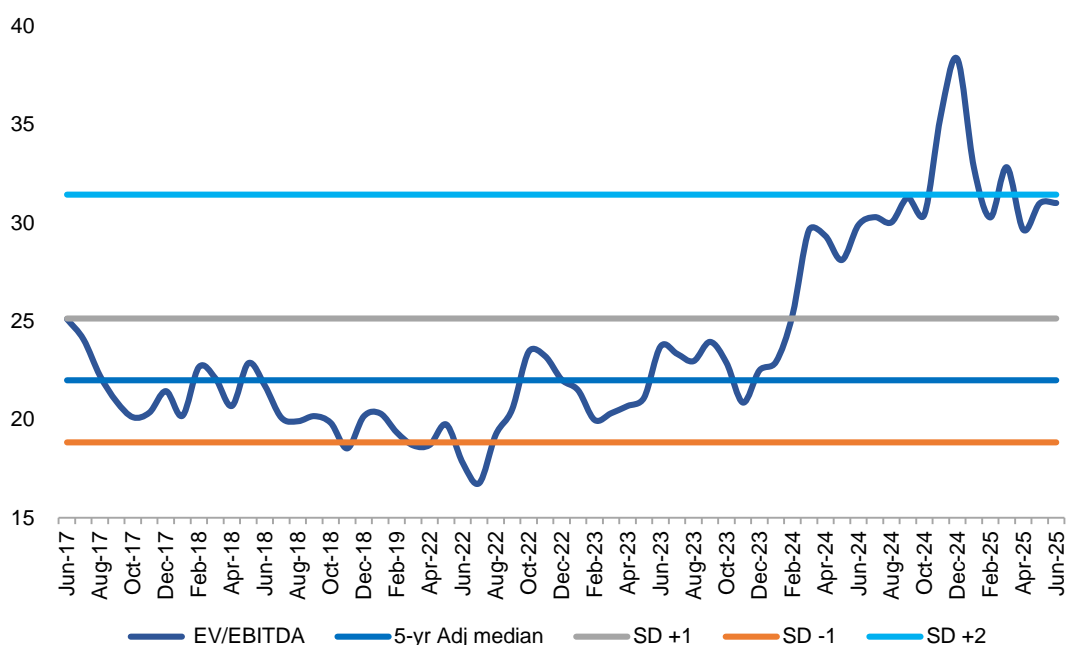
**Exhibit 9: Standalone KPIs**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: Cash generation table**

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
<b>Opening Balance</b>	<b>18,050</b>	<b>12,490</b>	<b>13,950</b>	<b>18,100</b>	<b>22,060</b>	<b>20,910</b>	<b>24,600</b>	<b>28,230</b>
Cash from Operations	2,040	3,580	6,220	5,540	2,430	3,920	7,300	6,110
Other income	320	360	300	300	500	690	520	530
Interest	-440	-160	-90	20	-70	-80	-60	-60
Capex	-1,450	-1,590	-1,660	-1,670	-1,400	-2,040	-3,820	-3,480
Debt Repayment, Investment & Others	-6,030	-730	-620	-230	-2,610	40	-310	-600
<b>Closing Cash</b>	<b>12,490</b>	<b>13,950</b>	<b>18,100</b>	<b>22,060</b>	<b>20,910</b>	<b>24,600</b>	<b>28,230</b>	<b>30,730</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: One-year forward EV/EBITDA**


Source: Bloomberg, Nirmal Bang Institutional Equities Research

## Financials

**Exhibit 12: Income statement**

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
<b>Net Sales</b>	<b>58,099</b>	<b>67,688</b>	<b>83,345</b>	<b>96,047</b>	<b>1,09,283</b>
Growth YoY %	90.1	16.5	23.1	15.2	13.8
Foods, Beverages Consumed	4,729	5,208	7,738	6,240	6,821
% of sales	8.1	7.7	9.3	6.5	6.2
Staff costs	15,823	18,052	21,507	24,452	26,666
% of sales	27.2	26.7	25.8	25.5	24.4
Other expenses	19,502	22,856	26,408	31,797	35,882
% of sales	33.6	33.8	31.7	33.1	32.8
<b>EBITDA</b>	<b>18,046</b>	<b>21,571</b>	<b>27,693</b>	<b>33,559</b>	<b>39,913</b>
Growth YoY %	345.8	19.5	28.4	21.2	18.9
<b>EBITDA margin %</b>	<b>31.1</b>	<b>31.9</b>	<b>33.2</b>	<b>34.9</b>	<b>36.5</b>
Depreciation	4,161	4,543	5,182	5,264	5,584
EBIT	13,885	17,028	22,512	28,295	34,329
Interest	2,361	2,202	2,084	2,247	2,359
Other income	1,389	1,829	2,305	2,408	3,338
PBT (bei)	13,728	17,942	23,501	30,308	37,530
PBT	13,760	17,942	26,549	30,308	37,530
ETR (%)	23	26	23	25	25
<b>PAT</b>	<b>10,026</b>	<b>12,591</b>	<b>19,076</b>	<b>21,450</b>	<b>26,611</b>
Growth YoY %	-482.5	25.9	32.9	28.2	24.1

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 14: Balance sheet**

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share Capital	1,420	1,423	1,423	1,423	1,423
Reserves & Surplus	78,399	93,143	1,10,184	1,30,415	1,58,563
<b>Net worth</b>	<b>79,820</b>	<b>94,567</b>	<b>1,11,607</b>	<b>1,31,838</b>	<b>1,59,986</b>
Long term debt	3,310	467	2,032	467	467
Short term debt	4,873	2,138	216	216	216
<b>Total debt</b>	<b>8,183</b>	<b>2,605</b>	<b>2,247</b>	<b>683</b>	<b>683</b>
<b>Net debt</b>	<b>-9,925</b>	<b>-19,492</b>	<b>-28,557</b>	<b>-47,632</b>	<b>-72,152</b>
Other non-current liabilities	25,766	26,821	30,890	32,296	33,772
<b>Total Equity &amp; Liabilities</b>	<b>1,36,688</b>	<b>1,48,558</b>	<b>1,77,039</b>	<b>1,97,201</b>	<b>2,29,178</b>
Gross block	1,16,440	1,13,898	1,19,695	1,35,695	1,47,695
Accumulated depreciation	28,255	32,798	37,979	42,795	48,379
<b>Net Block</b>	<b>88,185</b>	<b>81,100</b>	<b>81,716</b>	<b>92,900</b>	<b>99,316</b>
CWIP	3,242	2,310	5,758	5,269	5,269
Intangible and others	6,590	20,077	20,434	26,565	26,565
Other non-current assets	7,941	6,835	6,034	6,034	6,034
Investments	12,399	14,793	15,778	19,374	24,407
Trade receivables	4,465	4,765	6,509	6,670	7,488
Inventories	1,092	1,164	1,355	1,628	1,850
Cash & Cash equivalents	18,108	22,097	30,804	48,314	72,835
Other current assets	2,239	2,658	3,032	3,032	3,032
<b>Total current assets</b>	<b>25,903</b>	<b>30,684</b>	<b>41,699</b>	<b>59,644</b>	<b>85,205</b>
Trade payables	4,766	5,194	5,784	6,483	7,186
Other current liabilities	11,553	12,651	13,962	13,353	15,003
<b>Total current liabilities</b>	<b>21,192</b>	<b>19,983</b>	<b>19,962</b>	<b>20,051</b>	<b>22,404</b>
<b>Total Assets</b>	<b>1,36,688</b>	<b>1,48,558</b>	<b>1,77,039</b>	<b>1,97,201</b>	<b>2,29,178</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 13: Cash flow**

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
<b>PBT</b>	<b>12,946</b>	<b>16,655</b>	<b>25,781</b>	<b>30,308</b>	<b>37,530</b>
Depreciation	4,161	4,543	5,182	5,264	5,584
Interest	2,361	2,202	2,084	2,247	2,359
Other adjustments	-1,014	-1,319	-4,758	-2,408	-3,338
Change in Working capital	241	359	-533	-345	1,313
Tax paid	-2,504	-3,089	-5,811	-7,577	-9,382
<b>Operating cash flow</b>	<b>16,190</b>	<b>19,351</b>	<b>21,944</b>	<b>27,489</b>	<b>34,066</b>
Capex	-4,706	-6,370	-10,741	-7,481	-12,000
<b>Free cash flow</b>	<b>11,484</b>	<b>12,982</b>	<b>11,203</b>	<b>20,008</b>	<b>22,066</b>
Other investing activities	-9,171	-14,757	-23,899	-11,842	-16,798
<b>Investing cash flow</b>	<b>-1,446</b>	<b>-12,100</b>	<b>-18,925</b>	<b>-8,669</b>	<b>-13,696</b>
Issuance of share capital	39,820	39,820	39,820	0	0
Movement of Debt	-22,528	-30,469	-38,088	-21,586	-7,776
Other financing activities	-13,306	-11,770	-10,511	12,536	12,477
<b>Financing cash flow</b>	<b>-15,279</b>	<b>-9,847</b>	<b>-5,473</b>	<b>14,341</b>	<b>-883</b>
<b>Net change in cash flow</b>	<b>-534</b>	<b>-2,595</b>	<b>-2,455</b>	<b>33,161</b>	<b>19,487</b>
Opening C&CE	7,835	7,364	4,793	2,569	35,730
Closing C&CE	7,364	4,793	2,569	35,730	55,217

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 15: Key ratios**

Y/E March	FY23	FY24	FY25	FY26E	FY27E
<b>Per share (Rs)</b>					
Adj EPS	7.0	8.9	11.8	15.1	18.7
Book value	56.2	66.6	78.6	92.8	112.6
DPS	-	-	-	-	-
<b>Valuation (x)</b>					
P/Sales	19.1	16.4	13.3	11.5	10.1
EV/EBITDA	61.2	50.8	39.4	32.0	26.3
P/E	110.8	88.0	66.2	51.7	41.6
P/BV	13.9	11.7	9.9	8.4	6.9
EV/Room	110.1	98.3	88.3	84.0	80.1
<b>Return ratios (%)</b>					
ROCE	11.9	13.6	16.4	17.2	17.6
RoCE (pre-tax)	15.6	18.4	21.3	23.0	23.4
RoIC	13.4	15.3	18.7	20.5	22.1
RoE	13.3	14.4	16.2	17.6	18.2
<b>Profitability ratios (%)</b>					
EBITDA margin	31.1	31.9	33.2	34.9	36.5
EBIT margin	23.9	25.2	27.0	29.5	31.4
PAT margin	16.8	18.1	19.5	21.8	23.6
<b>Liquidity ratios (%)</b>					
Current ratio	1.2	1.5	2.1	3.0	3.8
Quick ratio	1.2	1.5	2.0	2.9	3.7
<b>Solvency ratio (%)</b>					
Net Debt to Equity ratio	-0.1	-0.2	-0.3	-0.4	-0.5
<b>Turnover ratios</b>					
Fixed asset turnover ratio (x)	0.5	0.6	0.7	0.8	0.8
Debtor days	22	25	25	25	24
Inventory days	7	6	6	6	6
Creditor days	27	27	24	23	23

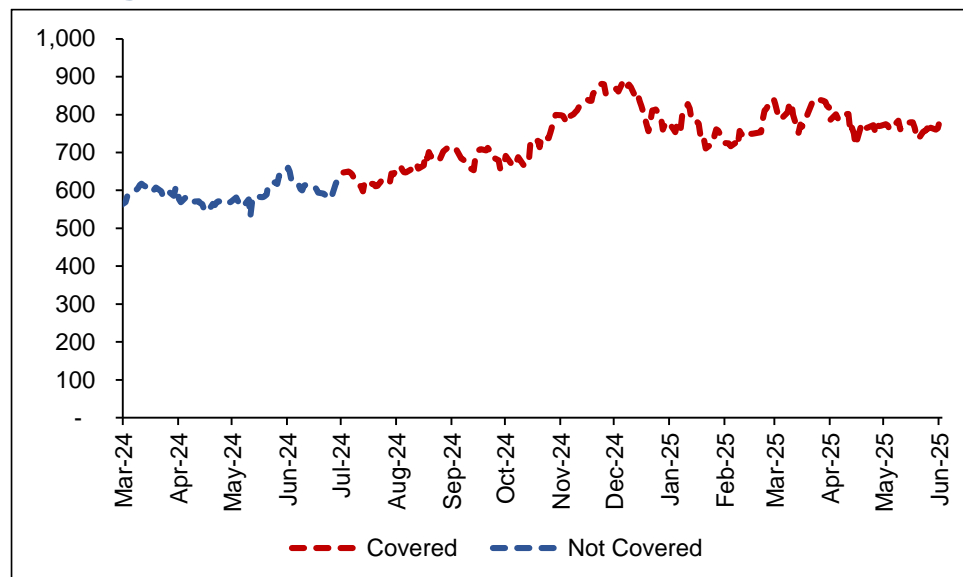
Source: Company, Nirmal Bang Institutional Equities Research



## Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
29 July 2024	Buy	648	750
8 November 2024	Buy	683	790
20 November 2024	Buy	750	860
19 January 2025	Buy	816	950
6 May 2025	Buy	802	950
27 June 2025	Buy	781	950

## Rating Chart



## DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as “NBEPL”) for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** I, Dipak Saha, research analyst the author of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

## Disclaimer

### Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. 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 NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor 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 profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

\*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website [www.nirmalbang.com](http://www.nirmalbang.com)

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

## Nirmal Bang Equities Pvt. Ltd.

### Correspondence Address

B-2, 301/302, Marathon Innova,  
 Nr. Peninsula Corporate Park,  
 Lower Parel (W), Mumbai-400013.

Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010