

### In-line, upbeat outlook; valuations key restraining factor!

- **IHCL's Q4FY25 performance was in line and healthy. Consolidated Revenue/EBITDA/APAT grew +27/30/26% YoY and 23/28/33% in FY25. Revenue/EBITDA growth (excl. Taj SATS) was impressive at ~13/20% YoY in Q4/FY25 each respectively.**
- **Management maintains its double-digit revenue growth guidance. Q1FY26 remains upbeat, aided by supportive base. However, with FY25 marking the 3<sup>rd</sup> year of industry outperformance, sustaining high growth in FY26/27E could be challenging. Inherent cyclicity, economic slowdown, high base, competition & high valuations are some key risks.**
- **We maintain our FY26/27E estimates. Reiterate 'SELL' rating with TP of Rs 775 @ 30x (Pre IndAS) FY27E EV/E (vs. Rs 775 @ 30x) due to rich valuations notwithstanding IHCL's superior execution, industry tailwinds of demand-supply mismatch (albeit catching up) and healthy BS. We expect Revenue/EBITDA/APAT CAGR of 13/14/16 % over FY25-27E. IHCL trades at ~35/31x FY26/27E EV/E and 60/50x PE.**

### 3<sup>rd</sup> consecutive year of outperformance.....

IHCL's Q4FY25 standalone Rev./EBITDA/APAT grew by +10/16/21% YoY. Superior performance was led by an increase in Weddings, kumbh, mice etc. (Cold play and early onset of IPL). IHCL ended standalone FY25 with revenue/EBITDA/APAT growth of 12/19/23% YoY. In Q4, Consol Rev./EBITDA/APAT grew +27/30/26% YoY (L2L 13/20% in Q4 and FY25).

### .....Upbeat outlook

Mgmt remains confident of achieving low teens revenue growth for FY26. Moderating seasonality, untapped potential in the luxury segment, changing consumer behaviour towards experiential lifestyle, under-penetration of rooms, weak foreign inbound travel, currency depreciation etc., all have set the stage for continued momentum in the Hospitality industry. Apr'25 started on healthy growth of 17%.

### Steady steps towards lasting success

IHCL is well-positioned for sustained growth given favorable industry trends, strong brand presence & exceptional execution capabilities which increase the opportunity size (through healthy hotel openings/signings, robust pipelines of MC, new brand acquisitions like Claridge and Trees of Life, upscaling existing properties/brands, strong BS with gross/net C&CE of ~Rs 31/28bn and superior growth in high margin new businesses). We like IHCL's strong business positioning, but for valuations.

#### Key Data

Nifty	24,461
Equity / FV	Rs 1,423mn / Rs 1
Market Cap	Rs 1,139bn
	USD 13.5bn
52-Week High/Low	Rs 895/ 506
Avg. Volume (no)	3,285,520
Bloom Code	IH IN

	Current	Previous
Rating	SELL	SELL
Target Price	775	775

#### Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%) /bps FY26E	Chg (%) /bps FY27E
Revenue	96	106	1.3	1.3
EBITDA	32	36	3.1	0.6
EBITDA (%)	33.2	34.0	59	(25)
APAT	19	23	2.2	0.3
EPS (Rs)	13.4	16.0	2.2	0.3

#### Valuation (x)

	FY25A	FY26E	FY27E
P/E	67.9	59.8	50.1
EV/EBITDA	41.2	35.3	30.7
ROE (%)	18.5	15.8	16.1
RoACE (%)	12.9	12.7	12.8

#### Q4FY25 Result (Rs Mn)

Particulars	Q4FY25	YoY (%)	QoQ (%)
Revenue	24,251	27.3	(4.3)
Total Expense	15,684	25.9	(0.2)
EBITDA	8,568	29.9	(10.9)
Depreciation	1,420	18.6	6.0
EBIT	7,148	32.3	(13.6)
Other Income	616	33.7	5.0
Interest	539	4.7	2.9
EBT	7,200	34.7	(13.7)
Tax	1,800	27.1	(18.3)
RPAT	5,627	28.4	(11.0)
APAT	5,242	25.5	(10.0)
		(bps)	(bps)
Gross Margin	90.3	(235)	20
EBITDA (%)	35.3	70	(264)
NPM (%)	23.2	20	(177)
Tax Rate (%)	25.0	(149)	(141)
EBIT (%)	29.5	113	(320)

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### Exhibit 1: Actual Vs Dolat Estimates

Particulars (Rs Mn)	Estimate	Actual*	Var (%/bps)	Comments
Revenue (Rs Mn)	23,966	24,251	1.2	Broadly in-line
EBITDA (Rs Mn)	8,341	8,568	2.7	
EBITDA Margin (%)	34.8	35.3	52 bps	
APAT (Rs Mn)	5,048	5,242	3.9	

Source: Company, Dolat Capital Actuals excl Taj Sats

### Exhibit 2: Change in Estimates

Particulars (Rs Mn)	FY26E			FY27E			Remarks
	Old	New	Chg.(%)	Old	New	Chg.(%)	
Revenue	94,916	96,146	1.3	104,902	106,313	1.3	Modest change in estimates
EBITDA	30,992	31,962	3.1	35,937	36,154	0.6	
EBITDA Margin (%)	32.7	33.2	54 bps	34.3	34.0	-29 bps	
APAT	18,650	19,052	2.2	22,663	22,731	0.3	
AEPS	13.1	13.4	2.2	16.0	16.0	0.3	

Source: Company, Dolat Capital

### Exhibit 3: Quarterly Consolidated P&L

Particulars (Rs Mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (%)	Chg QoQ (%)
<b>Revenue</b>	<b>19,053</b>	<b>15,502</b>	<b>18,261</b>	<b>25,331</b>	<b>24,251</b>	<b>27.3</b>	<b>(4.3)</b>
Costs of RM	1,398	1,143	1,740	2,505	2,349	68.0	(6.2)
Employee costs	4,674	4,605	5,225	5,795	5,882	25.9	1.5
Fuel, Power & Light	760	820	880	800	-	(100.0)	(100.0)
Other Expenses	5,623	4,439	5,403	6,614	7,452	32.5	12.7
Total Expenses	12,455	11,006	13,249	15,714	15,684	25.9	(0.2)
<b>EBITDA</b>	<b>6,598</b>	<b>4,496</b>	<b>5,013</b>	<b>9,617</b>	<b>8,568</b>	<b>29.9</b>	<b>(10.9)</b>
D&A	1,197	1,173	1,249	1,339	1,420	18.6	6.0
<b>EBIT</b>	<b>5,401</b>	<b>3,323</b>	<b>3,763</b>	<b>8,277</b>	<b>7,148</b>	<b>32.3</b>	<b>(13.6)</b>
Other Income	461	460	641	587	616	33.7	5.0
Finance Costs	515	499	522	524	539	4.7	2.9
PBT	5,347	3,285	3,882	8,340	7,225	35.1	(13.4)
Exceptional gain/(loss)	-	-	3,074	-	(26)		
Tax	5,347	3,285	6,956	8,340	7,200	34.6	(13.7)
Profit of JV/Associate	1,416	943	1,224	2,202	1,800	27.1	(18.3)
Minority Interest	247	142	(186)	(315)	(177)	(171.8)	(43.8)
RPAT	4,178	2,484	5,546	5,823	5,223	25.0	(10.3)
<b>APAT</b>	<b>4,178</b>	<b>2,484</b>	<b>3,241</b>	<b>5,823</b>	<b>5,242</b>	<b>25.5</b>	<b>(10.0)</b>

Source: Company, Dolat Capital

#### Exhibit 4: Quarterly Consolidated Margin Analysis

Particulars	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (bps)	Chg QoQ (bps)
Revenue	100.0	100.0	100.0	100.0	100.0	-	-
Cost of RM	7.3	7.4	9.5	9.9	9.7	235	(20)
Employee costs	24.5	29.7	28.6	22.9	24.3	(27)	138
Fuel, Power & Light	4.0	5.3	4.8	3.2	-	(399)	(316)
Admin & Other Expenses	29.5	28.6	29.6	26.1	30.7	121	462
Total Expenses	65.4	71.0	72.5	62.0	64.7	(70)	264
<b>EBITDA</b>	<b>34.6</b>	<b>29.0</b>	<b>27.5</b>	<b>38.0</b>	<b>35.3</b>	<b>70</b>	<b>(264)</b>
D&A	6.3	7.6	6.8	5.3	5.9	(43)	57
<b>EBIT</b>	<b>28.3</b>	<b>21.4</b>	<b>20.6</b>	<b>32.7</b>	<b>29.5</b>	<b>113</b>	<b>(320)</b>

Source: Company, Dolat Capital

#### Exhibit 5: Quarterly Standalone P&L

Particulars (Rs Mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (%)	Chg QoQ (%)
<b>Revenue</b>	<b>13,417</b>	<b>9,313</b>	<b>10,353</b>	<b>14,736</b>	<b>14,763</b>	<b>10.0</b>	<b>0.2</b>
Cost of RM	937	669	763	1,052	1,019	8.8	(3.1)
Employee costs	2,340	2,162	2,303	2,397	2,561	9.5	6.9
Fuel, Power & Light*	460	520	-	-	-	(100.0)	-
Other Expenses	3,819	2,691	3,842	4,468	4,398	15.2	(1.6)
Total Expenses	7,555	6,042	6,908	7,917	7,979	5.6	0.8
<b>EBITDA</b>	<b>5,861</b>	<b>3,271</b>	<b>3,445</b>	<b>6,820</b>	<b>6,784</b>	<b>15.7</b>	<b>(0.5)</b>
D&A	603	604	619	665	685	13.7	3.1
<b>EBIT</b>	<b>5,259</b>	<b>2,667</b>	<b>2,827</b>	<b>6,155</b>	<b>6,100</b>	<b>16.0</b>	<b>(0.9)</b>
Other Income	415	404	900	433	548	32.0	26.4
Finance Costs	258	249	254	254	244	(5.6)	(4.0)
PBT before Xo	5,416	2,822	3,472	6,335	6,404	18.2	1.1
Exceptional gain/(loss)	(399)	-	(34)	-	(129)	-	-
PBT after Xo	5,017	2,822	3,439	6,335	6,275	25.1	(0.9)
Tax	1,326	734	894	1,647	1,463	10.3	(11.1)
RPAT	3,691	2,088	2,545	4,688	4,812	30.4	2.7
<b>APAT</b>	<b>4,090</b>	<b>2,088</b>	<b>2,578</b>	<b>4,688</b>	<b>4,941</b>	<b>20.8</b>	<b>5.4</b>

Source: Company, Dolat Capital \*Company has not provided cost breakup from Q2FY25

#### Exhibit 6: Quarterly Standalone Margin Analysis

Particulars	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY(bps)	Chg QoQ(bps)
<b>Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
Costs of RM	7.0	7.2	7.4	7.1	6.9	(8)	(23)
Employee costs	17.4	23.2	22.2	16.3	17.3	(9)	108
Fuel, Power & Light	3.4	5.6	-	-	-	(343)	-
Admin & Other Expenses	28.5	28.9	37.1	30.3	29.8	133	(53)
Total Expenses	56.3	64.9	66.7	53.7	54.0	(227)	32
<b>EBITDA</b>	<b>43.7</b>	<b>35.1</b>	<b>33.3</b>	<b>46.3</b>	<b>46.0</b>	<b>227</b>	<b>(32)</b>
D&A	4.5	6.5	6.0	4.5	4.6	15	13
<b>EBIT</b>	<b>39.2</b>	<b>28.6</b>	<b>27.3</b>	<b>41.8</b>	<b>41.3</b>	<b>212</b>	<b>(45)</b>

Source: Company, Dolat Capital

### Exhibit 7: Implied Quarterly Subsidiaries' P&L

Particulars (Rs Mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY(%)	Chg QoQ (%)
<b>Revenue</b>	<b>5,637</b>	<b>6,190</b>	<b>7,908</b>	<b>10,594</b>	<b>9,488</b>	<b>68.3</b>	<b>(10.4)</b>
Costs of RM	462	474	977	1,453	1,330	188.1	(8.5)
Employee costs	2,334	2,443	2,922	3,398	3,321	42.3	(2.3)
Fuel, Power & Light*	300	300	880	800	-	(100.0)	(100.0)
Admin & Other Expenses	1,805	1,748	1,562	2,146	3,054	69.2	42.3
Total Expenses	4,900	4,965	6,340	7,797	7,705	57.2	(1.2)
<b>EBITDA</b>	<b>737</b>	<b>1,225</b>	<b>1,568</b>	<b>2,797</b>	<b>1,783</b>	<b>142.1</b>	<b>(36.2)</b>
D&A	595	569	631	675	735	23.6	8.9
EBIT	142	656	937	2,123	1,048	638.8	(50.6)
Other Income	46	56	(259)	153	68	48.4	(55.4)
Finance Costs	257	249	268	270	296	14.9	9.4
PBT before Xo	(69)	463	410	2,006	821	(1,288.4)	(59.1)
Exceptional gain/(loss)	399	-	3,107	-	103	(74.1)	-
PBT after Xo	330	463	3,517	2,006	924	180.3	(53.9)
Tax	90	209	330	555	336	274.8	(39.4)
Profit/(loss) of JVs/Assc	247	142	(186)	(315)	(177)	(171.8)	(43.8)
PAT	487	396	3,001	1,136	411	(15.6)	(63.8)
<b>APAT</b>	<b>88</b>	<b>396</b>	<b>662</b>	<b>1,136</b>	<b>302</b>	<b>243.0</b>	<b>(73.4)</b>

Source: Company, Dolat Capital \*Company has not provided cost breakup from Q2FY25..

### Exhibit 8: Quarterly Subsidiaries' Margin Analysis

Particulars	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY(bps)	Chg QoQ(bps)
<b>Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
Costs of RM	8.2	7.7	12.4	13.7	14.0	583	30
Employee costs	41.4	39.5	37.0	32.1	35.0	(640)	293
Fuel, Power & Light	5.3	4.8	11.1	7.6	-	(532)	(755)
Admin & Other Expenses	32.0	28.2	19.7	20.3	32.2	17	1,193
Total Expenses	86.9	80.2	80.2	73.6	81.2	(573)	761
<b>EBITDA</b>	<b>13.1</b>	<b>19.8</b>	<b>19.8</b>	<b>26.4</b>	<b>18.8</b>	<b>573</b>	<b>(761)</b>
D&A	10.6	9.2	8.0	6.4	7.7	(280)	138
<b>EBIT</b>	<b>2.5</b>	<b>10.6</b>	<b>11.8</b>	<b>20.0</b>	<b>11.0</b>	<b>853</b>	<b>(899)</b>

Source: Company, Dolat Capital

### Exhibit 9: Quarterly Standalone Operating and Financial Performance

Particulars	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (bps/%)	Chg QoQ (bps/%)
Rooms (Nos)	4,751	4,627	4,627	4,546	4,621	(2.7)	1.6
Occupancy (%)	79.1	76.0	78.0	78.3	80.7	2.0	3.1
ARR (Rs)	17,546	12,906	14,321	20,440	19,739	12.5	(3.4)
RevPAR (Rs)	13,879	9,809	11,170	15,996	15,926	14.8	(0.4)
<b>Rev. Break-up (Rs Mn)</b>							
Room Revenue	6,000	4,130	4,755	6,690	6,805	13.4	1.7
F&B Revenue	4,710	3,040	3,661	5,050	4,749	0.8	(6.0)
Mgmt fees	-	-	-	1,750	-	-	-
Other Revenues	2,707	2,143	1,937	1,246	3,209	18.6	157.6
<b>Total</b>	<b>13,417</b>	<b>9,313</b>	<b>10,353</b>	<b>14,736</b>	<b>14,763</b>	<b>10.0</b>	<b>0.2</b>

Source: Company, Dolat Capital

### Exhibit 10: Annual Standalone Operating KPIs

Particulars	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Rooms	4,301	4,175	4,229	4,326	4,356	4,459	4,494	4,434	4,514	4,605	4,756	5,031
ARR (Rs)	9,308	10,213	10,722	11,003	10,734	7,351	9,717	13,736	15,414	16,852	17,557	18,259
Occ. %	65.0	66.0	67.0	68.0	67.0	39.4	52.5	71.7	76.7	78.2	78.7	79.1
RevPAR (Rs)	6,050	6,741	7,184	7,482	7,192	2,895	5,103	9,851	11,821	13,225	13,859	14,485
<b>Chg YoY (%)</b>												
Rooms	(3.4)	(2.9)	1.3	2.3	0.7	2.4	0.8	(1.3)	1.8	2.5	3.3	5.8
ARR (Rs)	(2.7)	9.7	5.0	2.6	(2.4)	(31.5)	32.2	41.4	12.2	9.3	4.2	4.0
Occ. %	1.6	1.5	1.5	1.5	(1.5)	(41.2)	33.2	36.6	7.0	2.0	0.6	0.5
RevPAR (Rs)	(1.1)	11.4	6.6	4.2	(3.9)	(59.7)	76.3	93.0	20.0	11.9	4.8	4.5

Source: Company, Dolat Capital

### Exhibit 11: Annual Standalone Revenue Split

Rs Mn	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Room Rev.	9,833	10,582	10,947	11,550	11,355	4,716	8,482	15,940	19,520	22,380	24,189	26,641
F&B	9,182	9,422	10,278	11,367	10,917	4,018	7,145	13,815	15,630	16,500	18,323	20,512
Mgmt. fees	1,490	1,588	2,105	2,225	2,188	905	1,987	3,907	4,633	5,328	6,127	7,046
Others	2,174	2,424	2,510	2,662	2,975	1,693	2,420	3,381	4,273	4,957	5,958	7,033
<b>Total</b>	<b>22,679</b>	<b>24,016</b>	<b>25,840</b>	<b>27,804</b>	<b>27,435</b>	<b>11,332</b>	<b>20,033</b>	<b>37,042</b>	<b>44,056</b>	<b>49,165</b>	<b>54,596</b>	<b>61,231</b>
<b>Chg YoY (%)</b>												
Room Rev.	8.3	7.6	3.5	5.5	(1.7)	(58.5)	79.9	87.9	22.5	14.7	8.1	10.1
F&B	12.9	2.6	9.1	10.6	(4.0)	(63.2)	77.8	93.4	13.1	5.6	11.0	11.9
Mgmt. fees	8.1	6.6	32.5	5.7	(1.7)	(58.6)	119.6	96.7	18.6	15.0	15.0	15.0
Others	31.9	11.5	3.5	6.1	11.7	(43.1)	42.9	39.7	26.4	16.0	20.2	18.0
<b>Total</b>	<b>12.0</b>	<b>5.9</b>	<b>7.6</b>	<b>7.6</b>	<b>(1.3)</b>	<b>(58.7)</b>	<b>76.8</b>	<b>84.9</b>	<b>18.9</b>	<b>11.6</b>	<b>11.0</b>	<b>12.2</b>

Source: Company, Dolat Capital

## Exhibit 12: Annual Financial Snapshot

(Rs Mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Consolidated</b>												
Revenue	40,230	40,206	41,036	45,120	44,631	15,752	30,562	58,099	67,688	83,345	96,146	106,313
Opex	34,709	34,110	34,332	36,823	34,956	19,369	26,515	40,054	46,116	55,652	64,184	70,159
EBITDA	5,522	6,096	6,704	8,297	9,675	(3,618)	4,048	18,046	21,571	27,693	31,962	36,154
Margin %	13.7	15.2	16.3	18.4	21.7	(23.0)	13.2	31.1	31.9	33.2	33.2	34.0
<b>Standalone</b>												
Revenue	22,679	24,016	25,840	27,804	27,435	11,332	20,033	37,042	44,056	49,165	54,596	61,231
Opex	18,455	18,819	19,551	20,510	19,824	12,301	16,151	23,145	26,934	28,845	31,756	34,975
EBITDA	4,223	5,197	6,289	7,294	7,611	(969)	3,883	13,897	17,122	20,320	22,840	26,256
Margin %	18.6	21.6	24.3	26.2	27.7	(8.6)	19.4	37.5	38.9	41.3	41.8	42.9
<b>Subsidiaries</b>												
Revenue	17,552	16,190	15,196	17,316	17,197	4,420	10,529	21,057	23,632	34,180	41,550	45,082
Opex	16,253	15,291	14,781	16,313	15,132	7,069	10,364	16,908	19,182	26,807	32,428	35,184
EBITDA	1,298	899	415	1,003	2,065	(2,649)	165	4,149	4,449	7,373	9,123	9,898
Margin %	7.4	5.6	2.7	5.8	12.0	(59.9)	1.6	19.7	18.8	21.6	22.0	22.0

Source: Company, Dolat Capital

## Exhibit 13: IHCL Valuation Summary

Particulars	FY26E	FY27E
EBITDA (Rs Mn)	31,962	36,154
(-) IndAS 116 EBITDA impact	2,172	2,335
Core EBITDA	29,790	33,819
Target multiple (x)	30	30
Enterprise Value (Rs Mn)	893,712	1,014,575
(-) Core Net Debt (Rs Mn)	(41,180)	(57,961)
Equity Value (Rs Mn)	<b>934,893</b>	<b>1,072,535</b>
O/s shares (Mn)	1,423	1,423
<b>Value per share (Rs)</b>	<b>657</b>	<b>753</b>
Add: Value in TajGVK/Oriental	12	12
Add: Value of TajSATS	0	0
Add: Others	10	10
<b>Value per share (Rs)</b>	<b>680</b>	<b>775</b>
CMP (Rs)	802	802
<b>Upside/Downside (%)</b>	<b>(15.3)</b>	<b>(3.3)</b>

Source: Company, Dolat Capital

## Exhibit 14: Sensitivity of TP to EV/EBITDA Multiple

Multiple	TP	
	FY26E	FY27E
20.0	475	550
25.0	581	670
<b>30.0</b>	<b>680</b>	<b>775</b>
35.0	791	911
40.0	896	1,031

Source: Company, Dolat Capital

**Exhibit 15: Sensitivity of TP to P/E Multiple**

EPS (Rs)	FY26E	FY27E
Multiple (x)	<b>13.4</b>	<b>16.0</b>
30	424	501
40	557	661
<b>50</b>	<b>690</b>	<b>820</b>
60	825	980
70	959	1,140



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Revenue</b>	<b>67,688</b>	<b>83,345</b>	<b>96,146</b>	<b>106,313</b>
<b>Total Expense</b>	<b>46,116</b>	<b>55,652</b>	<b>64,184</b>	<b>70,159</b>
COGS	5,208	7,738	9,910	10,995
Employees Cost	18,052	21,507	24,543	26,732
Other expenses	22,856	26,408	29,731	32,432
<b>EBIDTA</b>	<b>21,571</b>	<b>27,693</b>	<b>31,962</b>	<b>36,154</b>
Depreciation	4,543	5,182	5,678	5,850
<b>EBIT</b>	<b>17,028</b>	<b>22,512</b>	<b>26,284</b>	<b>30,304</b>
Interest	2,202	2,084	1,655	668
Other Income	1,829	2,305	2,365	2,610
Exc. / E.O. items	0	3,048	0	0
<b>EBT</b>	<b>16,655</b>	<b>25,781</b>	<b>26,994</b>	<b>32,246</b>
Tax	4,639	6,168	7,382	8,814
<b>Minority Interest</b>	<b>712</b>	<b>1,305</b>	<b>1,275</b>	<b>1,523</b>
Profit/Loss share of associates	1,287	768	715	822
RPAT	12,591	19,076	19,052	22,731
Adjustments	0	(2,286)	0	0
<b>APAT</b>	<b>12,591</b>	<b>16,790</b>	<b>19,052</b>	<b>22,731</b>

### Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Sources of Funds</b>				
Equity Capital	1,423	1,423	1,423	1,423
Minority Interest	6,721	12,549	13,176	13,835
Reserves & Surplus	93,143	110,184	128,663	151,394
<b>Net Worth</b>	<b>94,567</b>	<b>111,607</b>	<b>130,086</b>	<b>152,817</b>
Total Debt	27,500	31,069	30,537	30,542
Net Deferred Tax Liability	2,437	2,778	3,128	3,478
<b>Total Capital Employed</b>	<b>131,224</b>	<b>158,003</b>	<b>176,927</b>	<b>200,672</b>

### Applications of Funds

Net Block	<b>93,359</b>	<b>109,749</b>	<b>118,344</b>	<b>124,831</b>
CWIP	2,310	5,758	3,770	3,946
Investments	22,206	19,832	21,248	22,825
<b>Current Assets, Loans &amp; Advances</b>	<b>30,684</b>	<b>41,699</b>	<b>54,296</b>	<b>71,595</b>
Current Investments	0	0	0	0
Inventories	1,164	1,355	1,264	1,324
Receivables	4,765	6,509	7,160	7,876
Cash and Bank Balances	22,097	30,804	42,550	58,752
Loans and Advances	86	118	118	118
Other Current Assets	2,573	2,914	3,205	3,525
<b>Less: Current Liabilities &amp; Provisions</b>	<b>17,334</b>	<b>19,036</b>	<b>20,732</b>	<b>22,525</b>
Payables	5,194	5,784	6,362	6,999
Other Current Liabilities	12,141	13,252	14,369	15,526
<i>sub total</i>				
Net Current Assets	13,350	22,663	33,565	49,070
<b>Total Assets</b>	<b>131,224</b>	<b>158,003</b>	<b>176,927</b>	<b>200,672</b>

E – Estimates



### Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
<b>(A) Margins (%)</b>				
Gross Profit Margin	92.3	90.7	89.7	89.7
EBIDTA Margin	31.9	33.2	33.2	34.0
EBIT Margin	25.2	27.0	27.3	28.5
Tax rate	27.9	23.9	27.3	27.3
Net Profit Margin	18.6	22.9	19.8	21.4
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	7.7	9.3	10.3	10.3
Employee	26.7	25.8	25.5	25.1
Other	33.8	31.7	30.9	30.5
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.3	0.3	0.2	0.2
Interest Coverage	7.7	10.8	15.9	45.4
Inventory days	6	6	5	5
Debtors days	26	29	27	27
Average Cost of Debt	7.4	7.1	5.4	2.2
Payable days	28	25	24	24
Working Capital days	72	99	127	168
FA T/O	0.7	0.8	0.8	0.9
<b>(D) Measures of Investment</b>				
AEPS (Rs)	8.8	11.8	13.4	16.0
CEPS (Rs)	12.0	15.4	17.4	20.1
DPS (Rs)	2.7	4.0	4.0	0.0
Dividend Payout (%)	30.1	34.2	30.1	0.0
BVPS (Rs)	66.4	78.4	91.4	107.4
RoANW (%)	14.4	18.5	15.8	16.1
RoACE (%)	11.3	12.9	12.7	12.8
RoAIC (%)	16.1	19.1	20.1	21.9
<b>(E) Valuation Ratios</b>				
CMP (Rs)	801	801	801	801
Mcap (Rs Mn)	1,139,457	1,139,457	1,139,457	1,139,457
EV	1,144,861	1,139,723	1,127,445	1,111,248
MCap/ Sales	16.8	13.7	11.9	10.7
EV/Sales	16.9	13.7	11.7	10.5
P/E	90.5	67.9	59.8	50.1
EV/EBITDA	53.1	41.2	35.3	30.7
P/BV	12.0	10.2	8.8	7.5
Dividend Yield (%)	0.3	0.5	0.5	0.0
<b>(F) Growth Rate (%)</b>				
Revenue	16.5	23.1	15.4	10.6
EBITDA	19.5	28.4	15.4	13.1
EBIT	22.6	32.2	16.8	15.3
PBT	28.6	54.8	4.7	19.5
APAT	24.5	33.4	13.5	19.3
EPS	24.5	33.4	13.5	19.3

E – Estimates

## Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
<b>Profit before tax</b>	<b>17,230</b>	<b>25,244</b>	<b>26,434</b>	<b>31,545</b>
Depreciation & w.o.	4,543	5,182	5,678	5,850
Net Interest Exp	2,202	2,084	1,655	668
Direct taxes paid	(4,639)	(6,168)	(7,382)	(8,814)
Change in Working Capital	671	(606)	844	696
Non Cash	0	(3,048)	0	0
<b>(A) CF from Operating Activities</b>	<b>20,007</b>	<b>22,687</b>	<b>27,229</b>	<b>29,945</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(8,706)	(25,021)	(12,285)	(12,513)
<b>Free Cash Flow</b>	<b>11,302</b>	<b>(2,333)</b>	<b>14,944</b>	<b>17,432</b>
(Inc.)/ Dec. in Investments	2,863	12,244	4,718	(568)
Other	0	3,048	0	0
<b>(B) CF from Investing Activities</b>	<b>(5,843)</b>	<b>(9,729)</b>	<b>(7,567)</b>	<b>(13,081)</b>
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	(4,195)	3,570	(532)	5
Interest exp net	(2,202)	(2,084)	(1,655)	(668)
Dividend Paid (Incl. Tax)	(3,778)	(5,736)	(5,729)	0
Other	0	0	0	0
<b>(C) CF from Financing</b>	<b>(10,175)</b>	<b>(4,251)</b>	<b>(7,917)</b>	<b>(663)</b>
Net Change in Cash	3,989	8,708	11,745	16,202
<b>Opening Cash balances</b>	<b>18,108</b>	<b>22,097</b>	<b>30,804</b>	<b>42,550</b>
<b>Closing Cash balances</b>	<b>22,097</b>	<b>30,804</b>	<b>42,550</b>	<b>58,752</b>

E – Estimates

## Notes

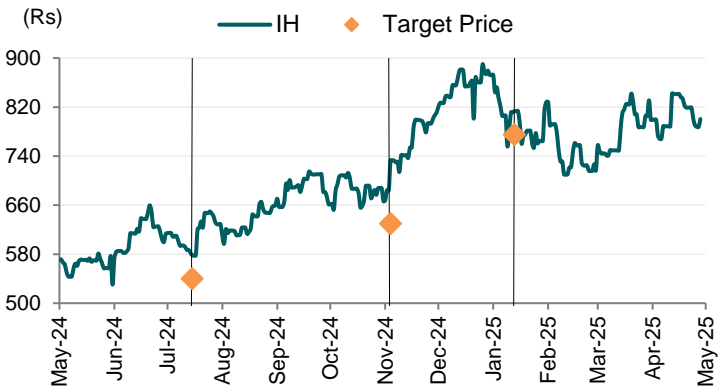
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	0	(3)	40
Rel to NIFTY (%)	(7)	(6)	31

Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	38.1	38.1	38.1
MF/Banks/FIs	18.8	18.6	19.2
FIIIs	27.4	27.8	27.0
Public / Others	15.7	15.5	15.7



Month	Rating	TP (Rs.)	Price (Rs.)
Jul-24	SELL	540	578
Nov-24	SELL	630	733
Jan-25	SELL	775	813

\*Price as on recommendation date

Notes

### Dolat Rating Matrix

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

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