

Indian Hotels

Estimate change



TP change



Rating change



Bloomberg	IH IN
Equity Shares (m)	1,189
M.Cap.(INRb)/(USDb)	254.4 / 3.4
52-Week Range (INR)	238 / 92
1, 6, 12 Rel. Per (%)	27/95/63
12M Avg Val (INR M)	783

Financials & Valuations (INR b)

Y/E Mar	2022E	2023E	2024E
Sales	30.9	48.8	54.9
EBITDA	3.8	13.0	16.4
PAT	-3.7	3.4	5.8
EBITDA (%)	12.2	26.7	29.9
EPS (INR)	(3.1)	2.9	4.9
EPS Gr. (%)	NA	NA	70.7
BV/Sh. (INR)	27.1	29.4	33.7

Ratios

Net D/E	1.0	0.9	0.6
RoE (%)	(10.8)	10.2	15.5
RoCE (%)	0.5	9.4	12.4
Payout (%)	(16.4)	20.9	12.2

Valuations

P/E (x)	(68.8)	74.5	43.6
EV/EBITDA (x)	78.1	22.4	17.4
Div Yield (%)	0.2	0.3	0.3
FCF Yield (%)	0.6	2.6	3.9

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	40.8	40.8	40.8
DII	28.0	29.2	32.9
FII	12.6	12.3	10.9
Others	18.7	17.8	15.5

FII Includes depository receipts

CMP: INR214

TP: INR268 (+25%)

Buy

Better-than-expected recovery

Revenue/EBITDA above est.

- Indian Hotels (IHIN)'s standalone RevPAR nearly doubled on a QoQ and YoY basis owing to ARR growth and occupancy improvement. This came on the back of positive consumer sentiment on travel, leisure travel led recovery, and the resumption of business travel. Additionally, IHIN's operating performance was strong on account of cost-saving measures and operating leverage.
- Revenue/EBITDA for the quarter came in above our estimates. Factoring in the same and better demand visibility, we increase our EBITDA estimates for FY22/FY23/FY24 by 29%/13%/11%. We maintain our Buy rating on the stock, with SoTP-based TP of INR268.

RevPAR-led recovery; cost savings boost performance

- Consolidated revenue grew 184% YoY to INR7,284m (est. INR6,802m). On a QoQ basis, revenue grew 111%. EBITDA stood at INR728m v/s EBITDA loss of INR1,488m in 1QFY22 (est. EBITDA: INR645m). It reported net loss of INR1,125m v/s loss of INR2,454m last year.
- Standalone revenues were up 123% QoQ (+179% YoY) to INR4,615m, on the back of 135% QoQ growth in RevPAR. This was led by 28pp improvement in occupancy to 56.6% and ARR growth of 18%. EBITDA stood at INR605m v/s loss of INR965m in 1QFY22.
- The consolidated performance during the quarter was aided by a reduction in total fixed costs / corporate overheads by 19%/16% (v/s 2QFY20).
- In Sep'21, the staff-to-rooms ratio stood at 1.1x, which declined from 1.53x in Mar'20 (1.14x in Mar'21) due to redeployments, multi-skilling, and new ways of working. The management expects the ratio to be sustainable.
- Subsidiary (consol less standl)** sales grew 95% QoQ (+192% YoY) to INR2,669m. EBITDA stood at INR123m v/s operating loss of INR523m in 1QFY22.

Highlights from management commentary

- Consolidated gross/net debt as of Sep'21 stood at INR40.8b/INR35.7b v/s INR40.4b/INR36.1b as of Jun'21.
- IHIN's board of directors has approved INR40b in fundraise – INR20b would be raised by way of a rights issue and an additional INR20b through QIP, subject to the receipt of the requisite approvals. Funds would be used to pare down debt, for capex, and for the acquisition of balance stake in Roots Corporation. IHIN would bring in financial investors for capex for the Sea Rock project.
- IHIN's board has also approved the purchase of 39.8% shares of Roots Corporation at a maximum acquisition cost of INR5b, consequently making Roots Corporation a wholly owned subsidiary of IHIN.

Valuation and view

- While FY21 earnings are weak, we expect gradual recovery in FY22E and sharp recovery in FY23E on (a) a low base, (b) improvement in ARR once normalization is achieved, (c) improved occupancies, (d) positivity in cost rationalization efforts in FY21, (e) an increase in F&B income as banqueting and conferences resume, and (f) higher income from management contracts. Recovery in business travel is key to watch out for going forward.
- The company is on the right track to grow its EBITDA as new revenue-generating avenues are seeing higher EBITDA margins. This is being done without deploying capital or with very minimal capital, which augurs well for RoCE.
- Revenue/EBITDA during the quarter came in above our estimates. Factoring in the same and better demand visibility, we increase our EBITDA estimates for FY22/FY23/FY24 by 29%/13%/11%. We maintain our Buy rating on the stock, with SoTP-based TP of INR268.

Consolidated - Quarterly Earnings Model

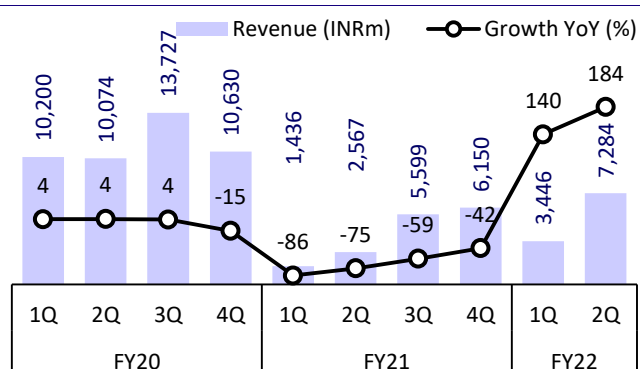
Y/E March									(INR m)			
	FY21				FY22				FY21	FY22	FY22	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	1,436	2,567	5,599	6,150	3,446	7,284	10,301	9,840	15,752	30,871	6,802	7
YoY Change (%)	-85.9	-74.5	-59.2	-42.1	139.9	183.8	84.0	60.0	-64.7	96.0	165.0	
Total Expenditure	4,096	4,070	5,766	5,437	4,934	6,555	7,914	7,707	19,369	27,109	6,157	
EBITDA	-2,660	-1,503	-167	713	-1,488	728	2,388	2,134	-3,618	3,761	645	13
Margins (%)	-185.2	-58.6	-3.0	11.6	-43.2	10.0	23.2	21.7	-23.0	12.2	9.5	
Depreciation	1,001	1,028	1,023	1,043	1,025	1,018	1,090	1,140	4,096	4,273	1,050	
Interest	879	968	1,121	1,061	1,097	1,139	1,150	1,100	4,028	4,486	1,150	
Other Income	317	669	547	115	258	239	383	120	1,647	1,000	334	
PBT before EO expense	-4,223	-2,831	-1,764	-1,277	-3,354	-1,189	530	14	-10,095	-3,998	-1,221	
Extra-Ord expense	-861	-205	-280	-254	-203	108	0	0	-1,600	-95	0	
PBT	-3,362	-2,626	-1,484	-1,023	-3,150	-1,297	530	14	-8,495	-3,903	-1,221	
Tax	-693	-429	-307	-124	-450	-113	175	5	-1,553	-384	-403	
Rate (%)	20.6	16.3	20.7	12.1	14.3	8.7	33.0	33.0	18.3	9.8	33.0	
Minority Interest & Profit/Loss of Asso. Cos.	130	103	12	14	73	22	7	7	259	109	55	
Reported PAT	-2,799	-2,300	-1,189	-913	-2,773	-1,206	349	2	-7,201	-3,628	-873	
Adj PAT	-3,445	-2,454	-1,399	-1,103	-2,926	-1,125	349	2	-8,401	-3,700	-873	
YoY Change (%)	NA	NA	NA	-349.4	-15.1	-54.2	-124.9	-100.2	-359.5	-56.0	-64.4	
Margins (%)	-239.9	-95.6	-25.0	-17.9	-84.9	-15.4	3.4	0.0	-53.3	-12.0	-12.8	

Key Performance Indicators

Y/E March	FY21				FY22				FY21	FY22
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue Growth (%)										
Standalone	-83.3	-72.4	-52.2	-35.4	117.8	179.3	63.0	51.0	(58.7)	79.7
Subs	-89.2	-77.6	-70.8	-56.2	183.5	191.8	140.8	87.6	(74.3)	137.9
EBITDA Margin (%)										
Standalone	(170.0)	(53.1)	11.7	22.6	(46.5)	13.1	25.8	27.2	(8.6)	16.1
Subs	(215.3)	(68.4)	(42.9)	(22.1)	(38.1)	4.6	18.3	8.0	(59.9)	22.9
Cost Break-up										
F&B Cost (% of sales)	6.4	8.5	10.0	9.2	8.1	8.6	9.5	9.5	9.1	9.1
Staff Cost (% of sales)	167.0	79.6	43.2	33.8	72.2	38.3	29.1	29.3	56.8	36.1
Other Cost (% of sales)	111.9	70.5	49.8	45.3	62.9	43.1	38.2	39.6	57.1	42.5
Gross Margins (%)	93.6	91.5	90.0	90.8	91.9	91.4	90.5	90.5	90.9	90.9
EBITDA Margins (%)	-185.2	-58.6	-3.0	11.6	-43.2	10.0	23.2	21.7	-23.0	12.2
EBIT Margins (%)	-254.9	-98.6	-21.3	-5.4	-73.0	-4.0	12.6	10.1	-49.0	-1.7

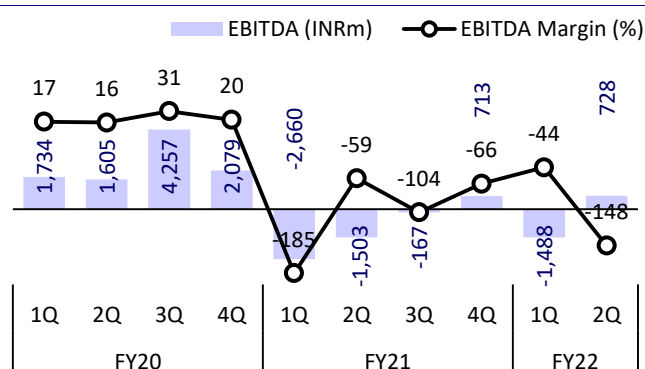
Key exhibits

Exhibit 1: Consolidated revenue trend



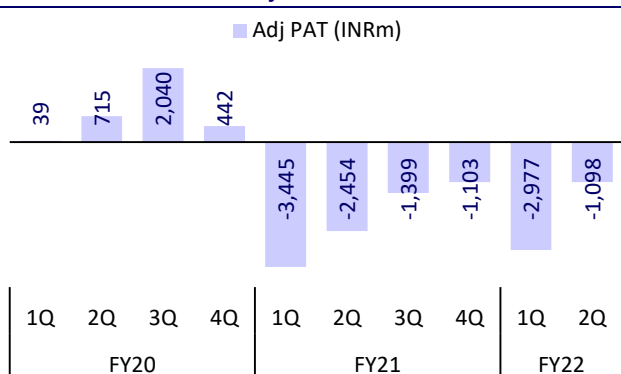
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



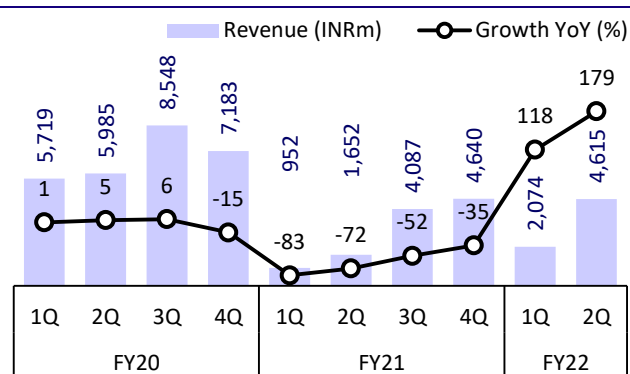
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



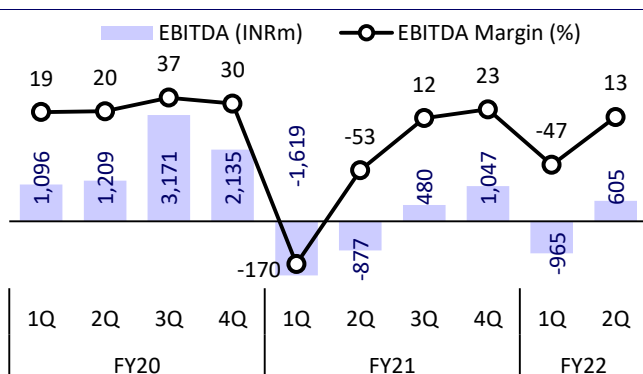
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



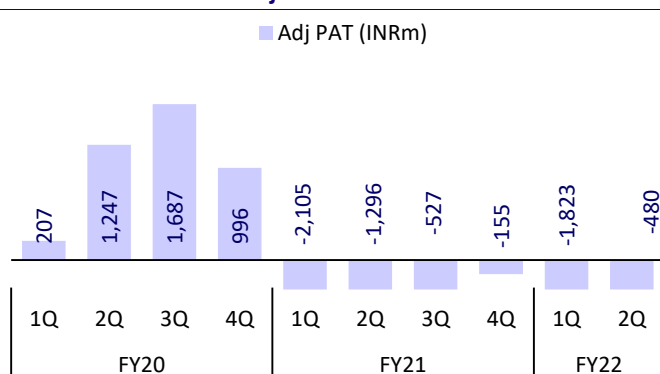
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend

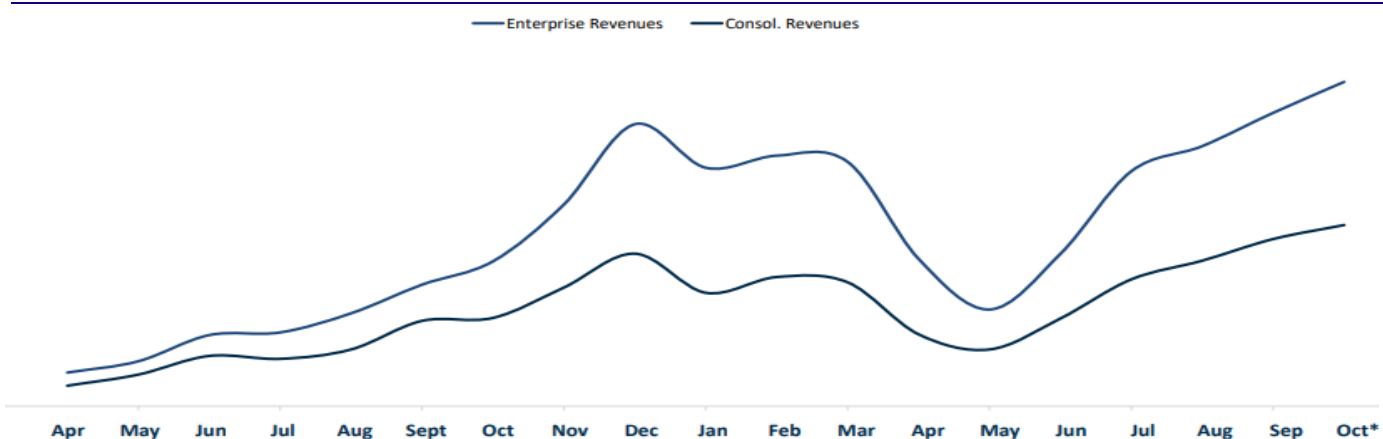


Source: Company, MOFSL

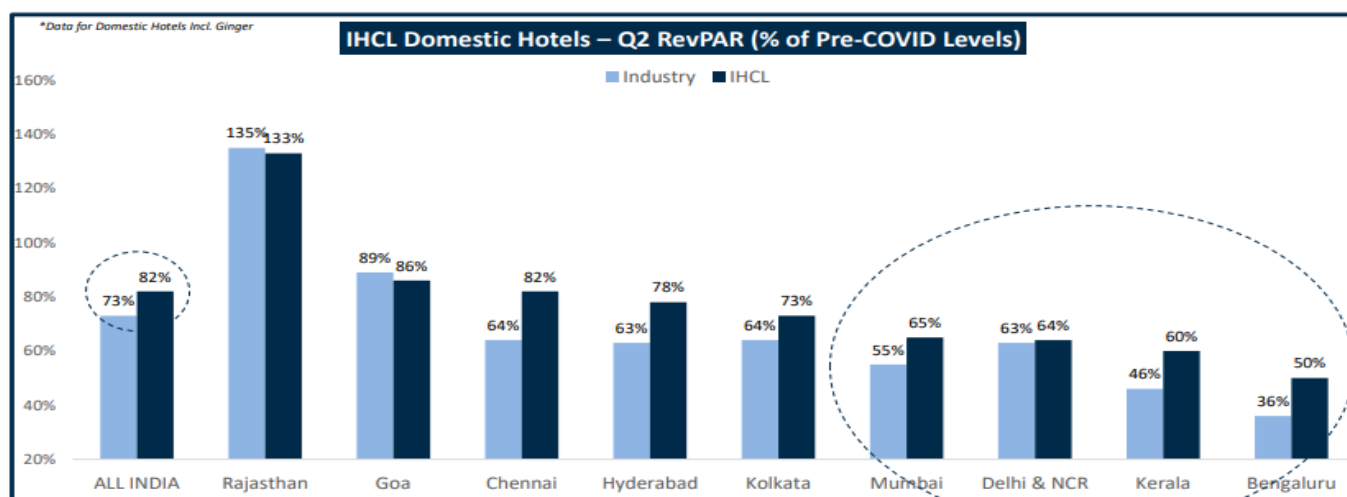
Exhibit 6: Standalone adjusted PAT trend



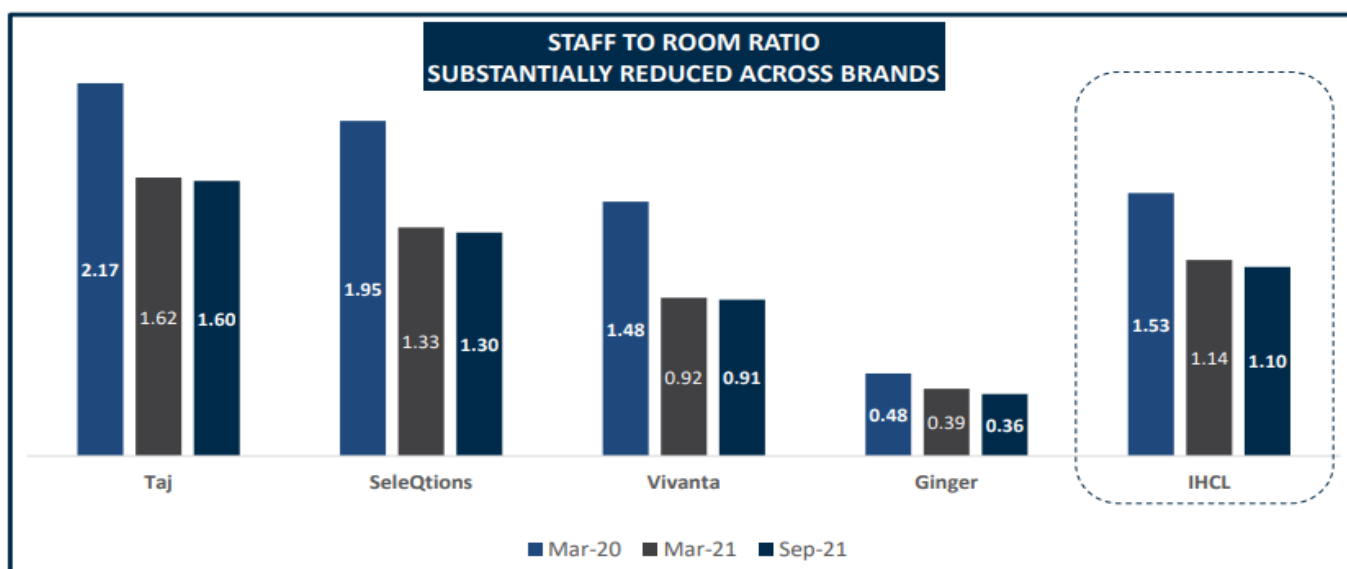
Source: Company, MOFSL

Exhibit 7: Highest pandemic time revenues recorded in Sep'21

Estimated revenue for Oct'21 month | Source: Company, MOFSL

Exhibit 8: IHCL domestic hotels' RevPAR recovery v/s industry

Source: Company, MOFSL

Exhibit 9: Manpower optimization to lead to lower staff-to-rooms ratio

Source: Company, MOFSL

Exhibit 10: Performances of key subsidiaries in 1HFY22 (INR Cr)

Legal Entity	Revenue	EBITDA	PBT Before Exc. Items	PAT
UOH Inc. - USA	138	(18)	(54)	(54)
St. James Court - UK	76	7	(28)	(22)
PIEM Hotels Ltd.	92	(19)	(48)	(34)
Roots Corporation Ltd	73	8	(34)	(27)

Source: Company, MOFSL

Exhibit 11: IHIN – standalone revenue metrics

Particulars	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	YoY %	QoQ %
Occupancy (%)	20.5	32.3	47.4	57.1	28.4	56.6	24.3 pp	28.2 pp
ARR in (INR)	4,848	5,424	8,300	8,537	7,024	8,273	53	18
RevPAR in (INR)	992	1,751	3,936	4,877	1,992	4,679	167	135
Room Revenue (INR m)	400	710	1,600	2,010	820	1,930	172	135
F & B Revenue (INR m)	200	480	1,610	1,730	650	1,660	246	155
Other Revenue (INR m)	570	960	1,130	1,040	790	1,220	27	54
Total Revenue (INR m)	1,170	2,150	4,340	4,780	2,260	4,810	124	113

Source: Company, MOFSL

Exhibit 12: Domestic network revenue metrics

Particulars	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	YoY %	QoQ %
Occupancy (%)	15.3	28.2	45.6	55.9	28.6	53.9	25.7 pp	25.3 pp
ARR in (INR)	3,349	3,759	5,643	5,953	4,656	5,878	56	26
RevPAR in (INR)	513	1,061	2,573	3,329	1,331	3,168	199	138
Room Revenue (INR m)	750	1,540	3,840	4,910	2,010	4,880	217	143
F & B Revenue (INR m)	310	1,060	3,530	3,940	1,490	3,780	257	154
Other Revenue (INR m)	550	520	780	850	650	840	62	29
Total Revenue (INR m)	1,610	3,120	8,150	9,700	4,150	9,500	204	129

Source: Company, MOFSL

Exhibit 13: Consolidated debt position

Consolidated debt position (INR m)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Gross debt	23,190	23,550	22,690	26,020	26,020	34,620	35,880	36,330	40,420	40,810
Liquidity	19,370	19,550	4,340	7,450	6,870	5,200	5,090	5,230	4,300	5,090
Net debt	3,820	4,000	18,350	18,570	19,150	29,420	30,790	31,100	36,120	35,710

Source: Company, MOFSL

Exhibit 14: Standalone debt position

Standalone debt position (INR m)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22
Gross debt	17,910	18,060	17,080	19,430	19,430	24,990	25,950	25,920	28,860	28,860
Liquidity	9,090	9,160	2,690	5,550	5,400	3,890	4,200	4,130	2,710	3,110
Net debt	8,820	8,900	14,390	13,880	14,030	21,100	21,750	21,790	26,150	25,750

Source: Company, MOFSL



Highlights from conference call

- **Recovery:** Recovery in the Hospitality industry is strongly visible with a) the drop in active cases, b) lower positivity rates, c) improvement in air traffic, d) the easing of travel restrictions, and e) recovery in leisure demand (leisure occupancy reaching 70% of pre-COVID levels). Also, the IMF GDP growth outlook for India at 9.5%/8.5% for CY21/CY22 (v/s the global outlook of 5.9%/4.9%) is expected to support demand in Hospitality and allied sectors.
- **RevPAR:** IHIN's all-India RevPAR has improved substantially and reached 82% of pre-COVID levels, against the industry recovery rate of 73%. Recovery in RevPAR was strongly supported by demand revival in Rajasthan (coupled with new launches), Goa, Chennai, Hyderabad, and Kolkata.
- **Staff-to-rooms ratio (STR):** IHIN managed to substantially reduce STR across brands. Overall, STR was reduced to 1.1x in Sep'21 (v/s 1.14x/1.53x in Mar'21/Mar'20), without comprising on the quality of services. Under the Taj/SeleQtions brand, STR was reduced to 1.6x/1.3x in Sep'21 (v/s 1.62x/1.33x in Mar'21 and 2.17x/1.95x in Mar'20).
- **Qmin:** The Qmin brand has seen strong traction in metro cities. 75% of orders are recorded from five metros cities. In 1HFY22, IHIN recorded INR500m in revenue from the Qmin brand. The company continues to expand the brand, which currently stretches to 19 cities.
- Its food delivery platform delivers favorites from across 37 hotels and over 78 IHIN restaurants to 19 cities across India. The Qmin app is also available across nine countries globally, giving people overseas the opportunity to gift meals to their loved ones in India.
- Going forward, IHIN plans to increase the overall revenue/EBITDA contribution from new initiatives (Ginger, revenue from management contracts, Ama, Qmin, and Chambers) to 25%/35% over the next few years.
- **Ama:** Ama Stays' portfolio has 59 properties, of which 34 are currently operational. By end-FY22, IHIN plans to reach 100 properties (the company has already added 15 Ama properties in FY22).
- **Ginger:** The Ginger brand is a portfolio of 18 hotels. In 2QFY22, revenue from Ginger reached 84% of pre-COVID levels, with margins surpassing pre-COVID margin levels (along with positive EBITDA in 1HFY22).
- IHIN's board has also approved the purchase of 39.8% shares of Roots Corporation at a maximum acquisition cost of INR5b, consequently making Roots Corporation a wholly owned subsidiary of IHIN.
- **Sharp revenue recovery:** Domestic hotels saw sharp revenue recovery, with an increase to 86% of FY20 levels in 2QFY22 (v/s 38%/28% in 1QFY22/2QFY21). International revenue recovery was pegged at 62% of FY20 levels in 2QFY22 (v/s 37%/22% in 1QFY22/2QFY21).
- **Cost management:** Corporate overheads stood at INR1,120m in 1HFY22, implying a sharp drop of 25% (v/s INR1,490m in 1HFY20). Overall fixed cost/month fell 21% to INR1,290m in 1HFY22 (v/s INR1,640m in 1HFY20). This was attributable to various cost-saving initiatives taken by the company during the pandemic, including manpower rationalization through redeployments as well as re-skilling and lease rental waivers.

- Before the advent of the pandemic, IHIN upgraded 19 hotels across premier and Ginger brands, and considerable spending was incurred on Taj Mansingh and Chambers. Going forward, the company plans to prudently spend its capital as no major capex plans are in the pipeline.
- IHIN's board of directors has approved INR40b in fundraise – INR20b would be raised by way of a rights issue and an additional INR20b through QIP, subject to the receipt of the requisite approvals. Funds would be used to pare down debt, for capex, and for the acquisition of balance stake in Roots Corporation. IHIN would bring in financial investors for capex for the Sea Rock project.
- **International hotels' performance:** In the US, occupancy rates improved 14pp QoQ to 41% in 2QFY22, with ADR increasing to USD612 (higher v/s pre-COVID levels). In the UK, occupancy rates surged 27pp to 41% in 2QFY22, with corresponding ADR at GBP274.
- **Corporate demand:** Corporate demand has seen good recovery, which is evident from the sharp revival in Ginger's performance. Conference bookings are gradually increasing (marginally offset by restrictions on the number of participants).
- **Leisure demand:** The leisure travel demand trajectory is expected to continue. Recovery in leisure demand is still lower v/s other countries.
- **Demand-supply dynamics:** The supply of new hotels in the industry is expected to be constrained going forward, weighed by cash crunch and consolidation in the Hotels space. With increased demand, existing large players are expected to benefit.
- The impact on branded players is lower v/s unorganized players in the Hospitality space.
- **Length of stay:** The length of stay is gradually increasing with the opening up of businesses and reducing travel restrictions.
- Incremental investments in Qmin/Ama are very low; hence, any growth in revenue would be disproportionately reflected in the margins.

Other highlights

- IHIN's food delivery platform, Qmin, expanded its offerings with the launch of the first Qmin Food Truck in Mumbai.
- The company aims to launch 10+ hotels in FY22.
- The consolidated gross/net debt as of Sep'21 stood at INR40.8b/INR35.7b v/s INR40.4b/INR36.1b as of Jun'21.
- **IHIN opened five new hotels in 1HFY22** – Taj Lakefront, Bhopal is at a landmark location in the heart of the city.
- It is expanding in Goa with the launch of the Vivanta Miramar.
- It is further tapping into the potential of eastern India as a business and tourism destination with the launch of the Vivanta Bhubaneswar in Odisha.
- It is opening up the strategically located Vivanta Thiruvananthapuram in Kerala.
- It is strengthening India's religious tourism circuit with the launch of Pilibhit House, an IHIN SeleQtions hotel in Haridwar, Uttarakhand.
- IHIN signed over 1,200 rooms with eight new hotels in the first half of the year across brands. Under its brand SeleQtions, the company signed hotels in Kolkata, Bhubaneswar, and Nainital and a Ginger hotel in Udaipur and Bengaluru. It signed three Vivanta hotels in Ahmedabad, Hampi, and Bengaluru. The 775-room hotel in Bengaluru would be the combination of a 450-room Vivanta and a 325-room Ginger hotel.

Valuation

- While FY21 earnings are weak, we expect gradual recovery in FY22E and sharp recovery in FY23E on (a) a low base, (b) improvement in ARR once normalization is achieved, (c) improved occupancies, (d) positivity in cost rationalization efforts in FY21, (e) an increase in F&B income as banqueting and conferences resume, and (f) higher income from management contracts. Recovery in business travel is key to watch out for going forward.
- The company is on the right track to grow its EBITDA as new revenue-generating avenues are seeing higher EBITDA margins. This is being done without deploying capital or with very minimal capital, which augurs well for RoCE.
- Revenue/EBITDA during the quarter came in above our estimates. Factoring in the same and better demand visibility, we increase our EBITDA estimates for FY22/FY23/FY24 by 29%/13%/11%. We maintain our Buy rating on the stock, with SoTP-based TP of INR268.

Exhibit 15: Valuation methodology

Particulars	Methodology	Metrics	FY24	Multiple (x)	Value (INR m)	Value/ share (INR)
IHIN- ex JV/ Associate						
EV	EV/EBITDA (x)	EBITDA	16,417	21.0	3,44,750	290
Less: Net Debt					-24,142	(20)
Less: Minority Interest					-6,346	(5)
Sub Total					3,14,263	264
JV/Associate						
Taj GVK (IHIN's share - 25.5%) - JV	20% discount to MCAP	Attributable Mcap	2,440	0.8	1,952	1.6
Oriental Hotel (IHIN's share - 35.7%) - Associate	20% discount to MCAP	Attributable Mcap	2,658	0.8	2,126	1.8
Sub Total					4,079	3.4
Target Price					3,18,341	268

Source: MOFSL

Change in estimates

Earnings Change (INR m)	Old			New			Change		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	28,738	48,244	54,302	30,871	48,753	54,878	7%	1%	1%
EBITDA	2,919	11,514	14,788	3,761	13,008	16,417	29%	13%	11%
Adj. PAT	(4,090)	2,372	4,693	-3,700	3,418	5,834	NA	44%	24%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Total Income from Operations	40,206	41,036	45,120	44,631	15,752	30,871	48,753	54,878
Change (%)	-0.1	2.1	10.0	-1.1	-64.7	96.0	57.9	12.6
Total Expenditure	34,110	34,332	36,823	34,956	19,369	27,109	35,745	38,461
% of Sales	84.8	83.7	81.6	78.3	123.0	87.8	73.3	70.1
EBITDA	6,096	6,704	8,297	9,675	-3,618	3,761	13,008	16,417
Margin (%)	15.2	16.3	18.4	21.7	-23.0	12.2	26.7	29.9
Depreciation	2,994	3,012	3,279	4,042	4,096	4,273	4,450	4,696
EBIT	3,102	3,692	5,019	5,633	-7,714	-512	8,557	11,721
Int. and Finance Charges	3,238	2,690	1,901	3,411	4,028	4,486	4,844	4,581
Other Income	549	617	834	1,324	1,647	1,000	1,560	1,756
PBT bef. EO Exp.	413	1,618	3,951	3,546	-10,095	-3,998	5,273	8,896
EO Items	-108	225	66	410	1,600	95	0	0
PBT after EO Exp.	306	1,843	4,017	3,955	-8,495	-3,903	5,273	8,896
Total Tax	1,137	1,211	1,571	448	-1,553	-384	1,740	2,936
Tax Rate (%)	372.2	65.7	39.1	11.3	18.3	9.8	33.0	33.0
Minority Interest	-200	-376	-422	-37	259	109	115	126
Reported PAT	-632	1,009	2,868	3,544	-7,201	-3,628	3,418	5,834
Adjusted PAT	-551	840	2,819	3,237	-8,401	-3,700	3,418	5,834
Change (%)	NA	NA	235.4	14.8	-359.5	-56.0	-192.4	70.7
Margin (%)	-1.4	2.0	6.2	7.3	-53.3	-12.0	7.0	10.6

Consolidated - Balance Sheet

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity Share Capital	989	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Total Reserves	24,188	40,622	42,291	42,379	35,295	31,072	33,777	38,897
Net Worth	25,177	41,811	43,480	43,568	36,484	32,261	34,966	40,087
Minority Interest	7,378	7,774	7,999	7,649	6,346	6,346	6,346	6,346
Total Loans	33,830	24,270	23,260	26,020	36,330	39,130	37,930	32,930
Lease Liability	0	0	0	18,987	18,464	18,464	18,464	18,464
Deferred Tax Liabilities	2,820	3,563	3,768	1,869	781	781	781	781
Capital Employed	69,206	77,418	78,506	98,093	98,404	96,981	98,486	98,607
Gross Block	57,923	63,356	69,051	73,316	81,772	84,342	87,356	90,759
Less: Accum. Deprn.	5,506	7,385	10,663	14,706	18,802	23,075	27,525	32,221
Net Fixed Assets	52,417	55,971	58,388	58,610	62,970	61,267	59,830	58,537
Goodwill on Consolidation	5,737	5,655	5,835	6,146	6,110	6,110	6,110	6,110
Right-of-Use assets				15,833	15,297	15,297	15,297	15,297
Capital WIP	2,227	1,970	1,162	2,441	1,650	1,580	2,066	2,163
Total Investments	12,437	15,965	13,351	14,266	14,832	14,832	14,832	14,832
Curr. Assets, Loans&Adv.	13,173	14,184	17,102	17,887	14,269	15,439	17,967	19,940
Inventory	804	857	804	936	929	966	979	1,054
Account Receivables	2,721	3,286	3,214	2,900	2,198	2,537	3,206	3,608
Cash and Bank Balance	2,471	2,703	2,409	3,156	1,536	1,748	3,056	4,302
Loans and Advances	7,177	7,338	10,675	10,895	9,605	10,187	10,726	10,976
Curr. Liability & Prov.	16,785	16,328	17,331	17,090	16,723	17,543	17,616	18,272
Account Payables	3,370	3,513	3,253	3,893	3,178	3,342	3,721	4,004
Other Current Liabilities	11,305	10,349	11,579	10,441	10,920	11,422	11,213	11,524
Provisions	2,110	2,465	2,500	2,756	2,625	2,778	2,681	2,744
Net Current Assets	-3,612	-2,143	-229	798	-2,454	-2,104	351	1,667
Appl. of Funds	69,206	77,418	78,506	98,093	98,404	96,981	98,486	98,607

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Basic (INR)								
EPS	-0.5	0.7	2.4	2.7	-7.1	-3.1	2.9	4.9
Cash EPS	2.1	3.2	5.1	6.1	-3.6	0.5	6.6	8.9
BV/Share	21.2	35.2	36.6	36.6	30.7	27.1	29.4	33.7
DPS	0.2	0.3	0.5	0.5	0.4	0.5	0.6	0.6
Payout (%)	-53.9	41.9	25.3	20.5	-6.6	-16.4	20.9	12.2
Valuation (x)								
P/E	NA	302.9	90.3	78.6	-30.3	-68.8	74.5	43.6
Cash P/E	104.2	66.1	41.7	35.0	-59.1	444.0	32.3	24.2
P/BV	10.1	6.1	5.9	5.8	7.0	7.9	7.3	6.3
EV/Sales	7.3	6.8	6.2	6.3	18.5	9.5	6.0	5.2
EV/EBITDA	48.0	41.9	33.9	29.0	-80.5	78.1	22.4	17.4
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3
FCF per share	8.0	-0.1	1.7	2.0	-9.1	1.3	5.6	8.3
EV/ Adj Rooms (INR m)	30.6	28.4	27.9	27.0	27.9	27.7	26.9	25.9
EBITDA/ Room (INR)	4,107	4,313	5,157	5,869	-6,404	3,326	7,664	8,778
Return Ratios (%)								
RoE	-2.2	2.5	6.6	7.4	-21.0	-10.8	10.2	15.5
RoCE	3.8	4.6	5.9	6.8	-5.7	0.5	9.4	12.4
RoIC	-14.9	2.3	5.2	7.1	-7.9	-0.6	7.3	10.1
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.6	0.7	0.6	0.2	0.4	0.6	0.6
Asset Turnover (x)	0.6	0.5	0.6	0.5	0.2	0.3	0.5	0.6
Inventory (Days)	7	8	7	8	22	11	7	7
Debtor (Days)	25	29	26	24	51	30	24	24
Creditor (Days)	31	31	26	32	74	40	28	27
Leverage Ratio (x)								
Current Ratio	0.8	0.9	1.0	1.0	0.9	0.9	1.0	1.1
Interest Cover Ratio	1.0	1.4	2.6	1.7	-1.9	-0.1	1.8	2.6
Net Debt/Equity	1.2	0.4	0.4	0.4	0.8	1.0	0.9	0.6

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
OP/(Loss) before Tax	306	1,618	4,017	3,955	-10,095	-3,998	5,273	8,896
Depreciation	2,994	3,012	3,279	4,042	4,096	4,273	4,450	4,696
Interest & Finance Charges	3,015	2,073	1,068	2,087	2,381	3,486	3,284	2,825
Direct Taxes Paid	-868	-1,425	-1,571	-448	1,553	384	-1,740	-2,936
(Inc)/Dec in WC	-599	-1,033	323	-1,402	-2,722	-138	-1,147	-71
CF from Operations	4,848	4,246	7,115	8,235	-4,786	4,007	10,121	13,410
Others	498	675	0	0	1,600	95	0	0
CF from Operating incl EO	5,345	4,920	7,114	8,235	-3,187	4,102	10,121	13,410
(Inc)/Dec in FA	4,193	-5,094	-5,067	-5,855	-7,629	-2,500	-3,500	-3,500
Free Cash Flow	9,538	-174	2,048	2,380	-10,816	1,602	6,621	9,910
(Pur)/Sale of Investments	4,425	-1,462	2,614	-915	-566	0	0	0
Others	496	912	-1,428	1,750	6,998	1,000	1,560	1,756
CF from Investments	9,114	-5,644	-3,882	-5,019	-1,197	-1,500	-1,940	-1,744
Issue of Shares	0	14,999	0	0	0	0	0	0
Inc/(Dec) in Debt	-11,719	-9,498	-1,010	2,760	10,310	2,800	-1,200	-5,000
Interest Paid	-1,637	-4,089	-1,901	-3,411	-4,028	-4,486	-4,844	-4,581
Dividend Paid	-458	-447	-725	-725	-476	-595	-714	-714
Others	0	-7	110	-1,093	-3,042	-109	-115	-126
CF from Fin. Activity	-13,814	957	-3,527	-2,470	2,764	-2,390	-6,873	-10,421
Inc/Dec of Cash	645	233	-294	746	-1,619	212	1,308	1,246
Opening Balance	1,826	2,471	2,704	2,409	3,156	1,536	1,748	3,056
Closing Balance	2,471	2,704	2,409	3,156	1,536	1,748	3,056	4,302

Explanation of Investment Rating	
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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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