

# Lemon Tree Hotels

Estimate change



TP change



Rating change



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Bloomberg	LEMONTRE IN
Equity Shares (m)	786
M.Cap.(INRb)/(USDb)	54.3 / 0.7
52-Week Range (INR)	71 / 36
1, 6, 12 Rel. Per (%)	-3/37/60
12M Avg Val (INR M)	343

## Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	4.0	8.2	9.5
EBITDA	1.3	4.0	4.8
PAT	(0.76)	0.82	1.28
EBITDA (%)	33.3	48.5	50.1
EPS (INR)	(1.0)	1.1	1.6
EBITDA Gr. (%)	118.6	197.4	19.4
BV/Sh. (INR)	10.6	11.6	13.3

## Ratios

Net D/E	2.0	1.9	1.7
RoE (%)	(8.7)	9.4	13.1
RoCE (%)	1.1	7.8	9.2
Payout (%)	-	-	-

## Valuations

P/E (x)	NA	65.3	42.0
EV/EBITDA (x)	56.5	19.3	16.3
Div Yield (%)	-	-	-
FCF Yield (%)	1.3	1.8	3.4

## Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	23.9	24.0	25.9
DII	11.4	12.2	14.2
FII	28.0	28.9	22.4
Others	36.6	35.0	37.5

CMP: INR69

TP: INR90 (+31%)

Buy

## Buoyant demand drives ARR growth

### Operating performance better than our expectation

- LEMONTRE posted robust revenue growth (up 4.2x YoY) in 1QFY23, led by strong demand on account of increased corporate travel and greater demand for MICE (Meetings, Incentives, Conferences, and Exhibitions). This led to ARR surpassing pre-COVID levels by 20%.
- We raise our FY23/FY24 EBITDA estimate by 4%/5% and maintain our **Buy** rating on the stock with a TP of INR90.

### Higher occupancy and ARR drive performance

- Revenue grew 4.2x YoY and 61% QoQ to INR1.9b (est. INR1.8b) in 1QFY23, led by higher ARR, which surpassed 1QFY20 levels by 20% (up 2x YoY) to INR4,822, and improvement in occupancy to 65.1% from 46% in 4QFY22. Consequently, RevPAR grew 4.5x YoY to INR3,138.
- EBITDA margin stood at 48.1% (est. 46.7%) in 1QFY23. EBITDA stood at INR924m v/s an operating loss of INR1m in 1QFY22 (est. INR860m).
- RevPAR rose 1.7x QoQ on the back of a sequential improvement in occupancy and ARR after the lifting of COVID-related lockdowns in Jan'22. ARR grew 18% QoQ.
- Adjusted PAT stood at INR174m in 1QFY23 (est. INR196m) v/s a net loss of INR401m in 1QFY22.
- In 1QFY23, Keys Hotels generated a revenue of INR171m (up 2.1x QoQ and 4.5x YoY), with an EBITDA of INR38m v/s an operating loss of INR11m in 1QFY22. It operated at 56% occupancy (up 37pp YoY), with an ARR of INR3,211 (up 1.8x YoY).

### Highlights from the management commentary

- Market scenario:** Overall, occupancy improved in Delhi/Hyderabad/Bengaluru/Mumbai to 73%/73%/76%/74% in 1QFY23, while it lagged in Gurugram at 57%. However, the management expects a much better occupancy in Gurugram in 2HFY23.
- The low occupancy at **Aurika – Udaipur**, at 37%, was due to unrest in Udaipur and the management's strategy to hold room tariffs above INR11,000. With similar price levels, it expects occupancy to improve in coming quarters.
- Staff-to-room ratio** stood at 0.95x in FY20, which have reduced to 0.64x in FY22. For 1QFY23, it stood at 0.63x, with the management expecting it to sustain at 0.66x going forward.

### Valuation and view

- LEMONTRE is well-placed to capitalize on the impending opportunity in the domestic Hospitality industry and the expected upcycle, due to: a) its strong presence in the Mid-Priced Hotel segment, b) stabilization of Hotels launched before the outbreak of the COVID-19 pandemic in greater demand and higher ARR markets, and c) an increase in the number of rooms through management contracts.

- With improving traction in corporate travel, resumption in international travel, and an improvement in MICE activity, LEMONTRE is expected to witness strong growth as it garners ~86% of its business from Business Hotels.
- We expect LEMONTRE to deliver a revenue/EBITDA CAGR of 54%/88% to INR9.5b/INR4.8b over FY22-24 and RoE to improve to 13% by FY24.
- We increase our FY23/FY24 EBITDA estimate by 4%/5%. We maintain our **Buy** rating on the stock with a TP of INR90 (assigning an 18x one-year forward EV/EBITDA multiple to FY24E EBITDA).

## Reported Consolidated Quarterly Performance

(INRm)

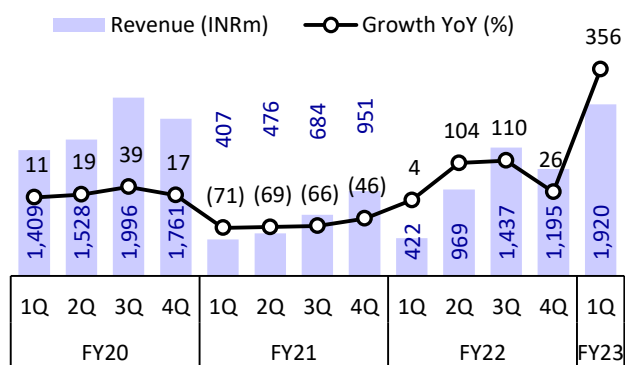
Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
<b>Gross Sales</b>	<b>422</b>	<b>969</b>	<b>1,437</b>	<b>1,195</b>	<b>1,920</b>	<b>1,837</b>	<b>2,251</b>	<b>2,197</b>	<b>4,022</b>	<b>8,206</b>	<b>1,842</b>	<b>4</b>
YoY Change (%)	3.7	103.6	110.1	25.7	355.6	89.6	56.7	83.8	59.8	104.0	336.9	
Total Expenditure	422	630	804	827	997	978	1,133	1,116	2,683	4,224	981	
<b>EBITDA</b>	<b>-1</b>	<b>339</b>	<b>633</b>	<b>368</b>	<b>924</b>	<b>859</b>	<b>1,118</b>	<b>1,081</b>	<b>1,339</b>	<b>3,982</b>	<b>860</b>	<b>7</b>
Margins (%)	-0.2	35.0	44.1	30.8	48.1	46.8	49.7	49.2	33.3	48.5	46.7	
Depreciation	262	262	254	265	245	265	270	275	1,043	1,055	270	
Interest	432	446	438	424	429	450	530	532	1,740	1,941	440	
Other Income	21	19	24	76	3	21	25	69	140	118	22	
<b>PBT before EO expense</b>	<b>-673</b>	<b>-351</b>	<b>-36</b>	<b>-245</b>	<b>252</b>	<b>165</b>	<b>343</b>	<b>343</b>	<b>-1,304</b>	<b>1,104</b>	<b>172</b>	
Extra-Ord expense	0	0	0	153	48	0	0	0	153	48	0	
<b>PBT</b>	<b>-673</b>	<b>-351</b>	<b>-36</b>	<b>-397</b>	<b>204</b>	<b>165</b>	<b>343</b>	<b>343</b>	<b>-1,456</b>	<b>1,056</b>	<b>172</b>	
Tax	-75	-14	20	-3	71	17	34	48	-72	170	26	
Rate (%)	11.2	4.1	-56.2	0.7	34.9	10.0	10.0	14.0	5.0	16.1	15.0	
MI & P/L of Asso. Cos.	-196	-128	-37	-148	-5	-9	59	56	-510	101	-49	
<b>Reported PAT</b>	<b>-401</b>	<b>-208</b>	<b>-19</b>	<b>-246</b>	<b>138</b>	<b>157</b>	<b>250</b>	<b>240</b>	<b>-874</b>	<b>785</b>	<b>196</b>	
<b>Adj PAT</b>	<b>-401</b>	<b>-208</b>	<b>-19</b>	<b>-132</b>	<b>174</b>	<b>157</b>	<b>250</b>	<b>240</b>	<b>-760</b>	<b>833</b>	<b>196</b>	<b>-11</b>
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Margins (%)	-95.2	-21.5	-1.3	-11.0	9.1	8.6	11.1	10.9	-18.9	10.2	10.6	

## Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Occupancy (%)	29.6	51.0	57.6	46.1	65.1	65.5	72.2	71.2	50.3	69.6
ARR (INR)	2,362	3,028	3,901	4,093	4,822	5,020	5,456	5,412	3,216	5,103
Change (%)	(10.1)	14.1	54.3	54.2	104.1	65.8	39.9	32.2	19.1	58.7
RevPAR (INR)	700	1,544	2,246	1,888	3,138	3,290	3,940	3,854	1,618	3,549
Change (%)	(7.8)	79.7	109.3	27.5	348.3	113.1	75.4	104.1		
<b>Cost Break-up</b>										
F&B Cost (% of sales)	7.6	6.7	6.8	7.0	6.0	6.0	7.0	7.0	6.9	6.6
Staff Cost (% of sales)	41.3	23.8	19.5	24.1	18.0	18.5	17.3	17.6	24.2	17.8
Power and fuel (% of sales)	18.0	12.2	9.2	9.4	9.4	9.5	8.0	8.2	10.9	8.7
Other Cost (% of sales)	33.3	22.3	20.5	28.7	18.5	19.2	18.0	18.0	24.7	18.4
Gross Margins (%)	92.4	93.3	93.2	93.0	94.0	94.0	93.0	93.0	93.1	93.4
EBITDA Margins (%)	-0.2	35.0	44.1	30.8	48.1	46.8	49.7	49.2	33.3	48.5
EBIT Margins (%)	-62.2	7.9	26.4	8.6	35.3	32.3	37.7	36.7	7.4	35.7

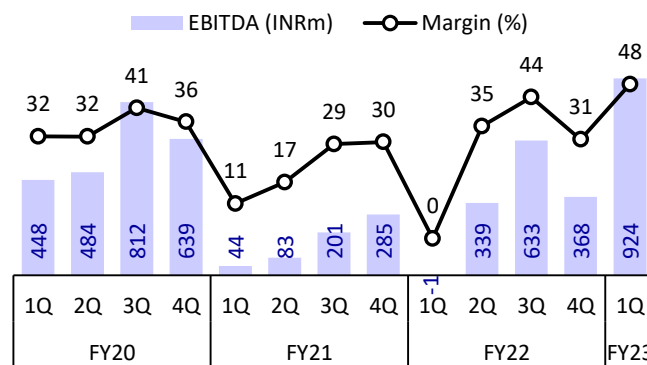
## Key exhibits

Exhibit 1: Consolidated revenue trend



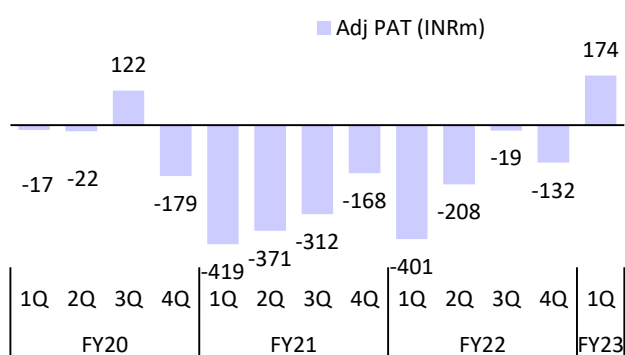
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



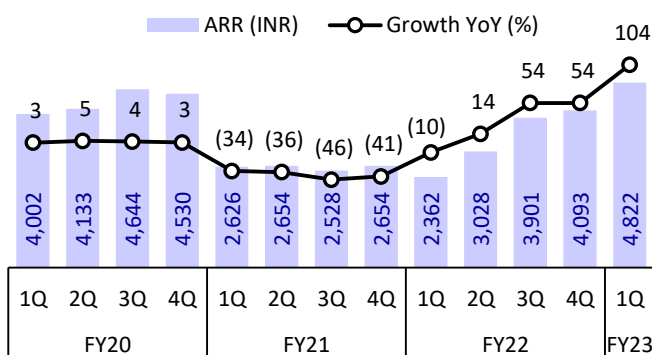
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



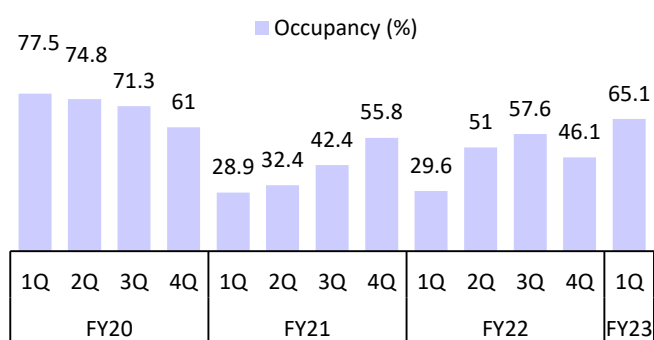
Source: Company, MOFSL

Exhibit 4: ARR trend



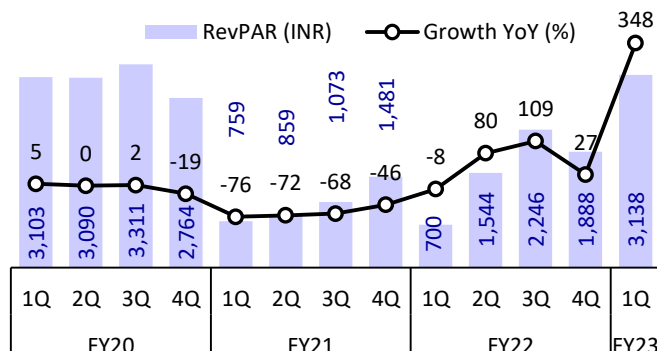
Source: Company, MOFSL

Exhibit 5: Occupancy trend



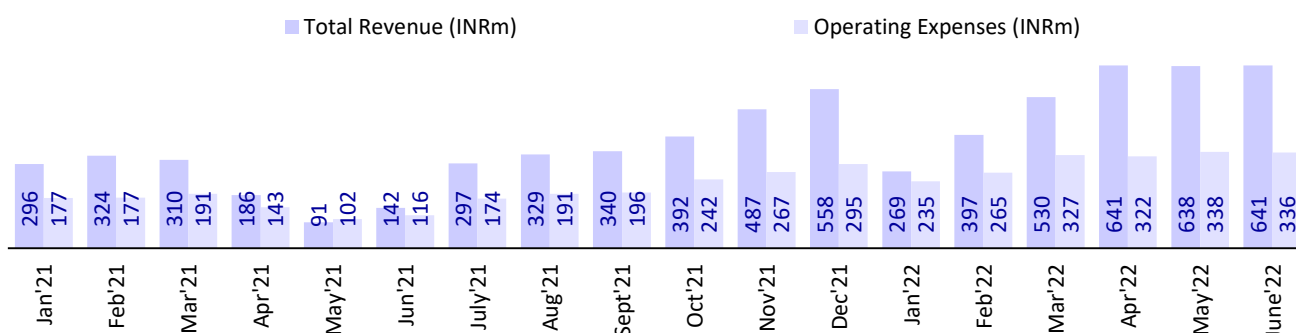
Source: Company, MOFSL

Exhibit 6: RevPAR trend



Source: Company, MOFSL

Exhibit 7: Monthly revenue and expense trend



Total revenue includes revenue from owned and leased Hotels and fees from managed Hotels | Operating expenses include operating expenses for owned and leased Hotels (including shut Hotels) | Source: Company, MOFSL

**Exhibit 8: Portfolio breakup as of 30<sup>th</sup> June'22 – operational**

Operational Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	139	0	0	1	55	2	194
Lemon Tree Premier	7	1442	2	161	9	911	18	2514
Lemon Tree Hotels	13	1241	4	321	22	1305	39	2867
Red Fox by Lemon Tree Hotels	5	759	1	91	6	551	12	1401
Keys Prima by Lemon Tree Hotels	0	0	0	0	1	40	1	40
Keys Select by Lemon Tree Hotels	7	936	0	0	3	235	10	1171
Keys Lite by Lemon Tree Hotels	0	0	0	0	2	64	2	64
<b>Total</b>	<b>33</b>	<b>4517</b>	<b>7</b>	<b>573</b>	<b>44</b>	<b>3161</b>	<b>84</b>	<b>8251</b>

Source: Company, MOFSL

**Exhibit 9: Portfolio breakup as of 30<sup>th</sup> June'22– pipeline**

Pipeline Portfolio	Owned (incl. on leased land)		Leased		Managed/ Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Aurika Hotels & Resorts	1	669	0	0	1	132	2	801
Lemon Tree Premier	0	0	0	0	1	80	1	80
Lemon Tree Hotels	1	69	0	0	18	1291	17	1207
Red Fox by Lemon Tree Hotels	0	0	0	0	0	0	0	0
Keys Prima by Lemon Tree Hotels	0	0	0	0	0	0	0	0
Keys Select by Lemon Tree Hotels	0	0	0	0	2	92	0	0
Keys Lite by Lemon Tree Hotels	0	0	0	0	2	91	2	91
<b>Total</b>	<b>2</b>	<b>738</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>1686</b>	<b>26</b>	<b>2424</b>

Source: Company, MOFSL

**Exhibit 10: Brand-wise operating performance trend**

	1QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23
<b>Lemon Tree Premier</b>										
Occupancy (%)	78.8	39.9	46.0	55.9	71.7	45.7	65.0	68.0	59.0	71.0
ARR (INR)	4,820	3,257	2,846	2,492	2,624	2,480	3,212	4,199	4,452	5,896
Hotel level EBITDAR/room (INRm)	0.21	0.05	0.05	0.06	0.06	0.03	0.10	0.16	0.12	0.27
Hotel level EBITDAR Margin (%)	43.7	39.6	39.0	35.2	28.3	20.5	43.0	48.0	40.0	56.0
<b>Lemon Tree Hotels</b>										
Occupancy (%)	77.4	27.5	27.0	38.9	56.8	24.0	50.0	62.0	48.0	68.0
ARR (INR)	3,920	2,467	2,498	2,799	2,791	2,527	2,910	3,755	3,965	4,751
Hotel level EBITDAR/room (INRm)	0.13	0.01	0.01	0.05	0.06	0.00	0.07	0.13	0.06	0.19
Hotel level EBITDAR Margin (%)	35.0	9.2	14.0	37.0	34.3	2.6	36.0	47.0	27.0	49.0
<b>Red Fox Hotels</b>										
Occupancy (%)	76.1	23.1	30.0	39.7	52.0	25.7	49.0	53.0	36.0	64.0
ARR (INR)	3,039	2,095	2,296	1,808	1,951	2,075	2,213	3,005	3,159	3,712
Hotel level EBITDAR/room (INRm)	0.10	0.01	0.06	0.02	0.06	0.01	0.04	0.08	0.02	0.11
Hotel level EBITDAR Margin (%)	42.4	12.0	9.0	28.0	52.0	11.7	34.0	44.0	20.0	47.0
<b>Aurika</b>										
Occupancy (%)	0.0	0.0	19.0	29.2	45.1	3.8	54.0	52.0	36.0	37.0
ARR (INR)	0	0	7,780	10,652	10,195	8,754	10,430	15,468	16,108	11,207
Hotel level EBITDAR/room (INRm)	0.00	0.00	0.06	0.22	0.38	-0.02	0.39	0.69	0.46	0.26
Hotel level EBITDAR Margin (%)	0.0	0.0	34.0	56.4	61.7	-29.9	61.0	68.0	64.0	48.0

EBITDAR – Earnings before interest, taxes, depreciation, amortization, and rent

Source: Company, MOFSL

**Exhibit 11: Consolidated profit and loss break-up in 1QFY23**

	Total without Keys Hotels			Key Hotels			Total		
	1QFY23	1QFY22	YoY change	1QFY23	1QFY22	YoY change	1QFY23	1QFY22	YoY change
Inventory	4,154	4,256	-2%	936	936	0%	5,090	5,192	-2%
ARR	5,119	2,445	2.1x	3,211	1,737	85%	4,822	2,362	2x
Occupancy	67.2%	31.9%	3530 bp	55.6%	19.1%	3650 bp	65.1%	29.6%	3550 bp
RevPAR	3,440	780	4.4x	1,784	333	5.4x	3,138	700	4.5x
Revenue from operations	1,750	383	4.6x	171	38	4.5x	1,920	422	4.6x
Total expenses	862	373	2.3x	135	49	2.8x	997	422	2.4x
EBITDA	888	10	88.8x	36	-11		923	0	
EBITDA margin (%)	50.7%	2.6%		21.1%	-28.9%		48.1%	0.0%	
PBT	230	-600		-23	-73		207	-673	

Source: Company, MOFSL

**Exhibit 12: Operational performance by region**

Parameters	Occupancy rate (%)					Average daily rate (INR)				
	1QFY22	4QFY22	1QFY23	Change YoY (bp)	Change QoQ (bp)	1QFY22	4QFY22	1QFY23	Change YoY (%)	Change QoQ (%)
by region (rooms)										
Delhi (636)	38%	64%	73%	3,458	900	2,298	3,912	4,895	113%	25%
Gurugram (529)	24%	36%	57%	3,304	2,100	2,775	4,186	4,758	71%	14%
Hyderabad (663)	42%	45%	73%	3,092	2,800	2,084	4,125	5,300	154%	28%
Bengaluru (874)	19%	39%	76%	5,738	3,700	2,000	3,399	4,352	118%	28%
Mumbai (303)	72%	69%	74%	198	500	2,615	4,762	7,114	172%	49%

Source: Company, MOFSL



## Highlights from the management commentary

### Operational highlights:

- Revenue grew 4.6x YoY due strong demand on account of increased corporate travel, resulting in a recovery in business destinations. The quarter saw increased demand for MICE which supported the growth.
- The ARR increased 2x YoY and 18% QoQ to INR4,822. ARR in 1QFY23 is highest ever since listing and 20% higher than pre-covid levels.
- Occupancy during the quarter stood at 65.1% on full inventory (+35pp YoY and +19pp QoQ.)
- EBITDA margins expanded by 1,500bp v/s 1QFY20 on back of lower expenses such as F&B expense (-273bps), employee expense (-595bp), power and fuel expenses (-112bp) and other expenses (-531bp). EBITDA margin expansion was driven by permanent cost rationalization executed by LEMONTRE.
- LEMONTRE signed new hotels in Vishakhapatnam, Malad (Mumbai), Jaipur, Assam, and Kharar (Chandigarh) during the quarter. Further, it operationalized a Keys hotel in Tapovan (Rishikesh).

### Market scenario:

- In 1QFY23, occupancy improved in Delhi/Hyderabad/ Bengaluru/Mumbai to 73%/73%/76%/74% in 1QFY23, while it lagged in Gurugram at 57%. However, the management expects a much better occupancy in Gurugram in 2HFY23.
- The low occupancy at **Aurika – Udaipur**, at 37%, was due to unrest in Udaipur and the management's strategy to hold room tariffs above INR11,000. With similar price levels, it expects occupancy to improve in coming quarters.
- Keys hotel in Bangalore & Pune have bounced back with occupancy in 70-80% range. While in Kerala, Ludhiana and Vizag are laggards as these are under renovation. Keys hotel occupancy to be in range of 65-70% in FY23 and account for 18% of the portfolio.
- Keys hotel in Bangalore and Pune has bounced back. However, other regions like Vishakhapatnam are big laggards.

### Cost

- **Staff to room ratio:** Staff per room ratio was at 0.95x in FY20 which have reduced to 0.64x in FY22. For 1QFY23, it stood at 0.63x with management expecting it to sustain at 0.66x going forward.
- Overall staff per room has come down on account of conscious efforts by the LEMONTRE. However, cost per employee has gone up, from INR27,500 to INR31,500/month i.e. increased by 15%.
- **Overall cost rationalization:** LEMONTRE has rationalized its staff and brought down staff to room ratio. Further, it has re-engineered the menu and redesigned the buffet to reduce food cost from 9% earlier to current levels of 6%.

### Other key Highlights

- **Capex:** Currently two hotels are under development viz. 'Lemon Tree Mountain Resort, Shimla' with 69 rooms and 'Aurika, Mumbai International Airport' (MIAL) with 669 rooms. Total estimated project cost is ~INR10b out of which INR4.4b is already incurred as on 30<sup>th</sup> June 2022.
- **Aurika-MIAL:** Construction of LEMONTRE largest hotel, Aurika, Mumbai (MIAL) is on track and is set to open by the end of CY23 with expected ARR of ~INR12,000. Capex for the hotel will be fully funded by internal accruals
- **Reduction in room:** LEMONTRE has terminated its Redfox hotel in Chandigarh (102 rooms) on account of disputes on certain terms with the landlord. Accordingly, it has terminated the lease in Mid-May'22. Further, one additional hotel in Goa (130 rooms), was closed down as the landlord was not agreeing to renovate the hotels as per the LEMONTRE standards.
- **Debt:** Gross debt has gone down marginally from INR17b as on FY22 to INR16.9m in 1QFY23. LEMONTRE is looking to go debt free in next four to five years.
- **Corporate: Retail Mix-** Revenue from corporates has dropped from 50% to ~43% while that from retail has increased from 35% to ~45% in FY22. LEMONTRE is focusing on retail sector and is looking to grow in the segment as management expect better pricing from retail customers.
- Generally, pricing in retail is dynamic. Retail prices are less than corporate in summer and much higher in winter. However, Management prefers the dynamic pricing system of retail over the fixed corporate prices as it can charge as per the availability and demand during the season.

### Management guidance:

- Company looks to deliver better profitability going forward on account of favorable operating leverage.
- Management expects Q1 revenue to be ~21% of annual revenue for FY23. Overall numbers of Q2 is expected to be on similar lines that of Q1. However, Q3 and Q4 are expected to be significantly better with foreign traveler coming in.
- Accordingly, considering the tailwinds and increasing MICE, overall occupancy is expected to be in range of 75-80% for 2HFY23.
- Management expects the ARR for 2HFY23 to be higher than INR5,500.
- Management expect very good years going ahead as it takes three to five years in the hotel industry to operationalize the supply. Therefore it will be very good cycle for hotels in next few years. However, additional supply will kick in thereafter
- **Management fee income** – Management fee income for 1QFY23 is ~INR80m on consolidated basis. Management expects the same to reach ~INR360m for FY23 and ~INR550m for FY24.



## Valuation and view

- LEMONTRE is well placed to capitalize on the impending opportunity in the domestic Hospitality industry and the expected upcycle, due to: a) its strong presence in the Mid-Priced Hotel segment, b) stabilization of hotels launched prior to the outbreak of the COVID-19 pandemic in greater demand and higher ARR markets, and c) an increase in the number of rooms through management contracts.
- With improving traction in corporate travel, resumption in international travel, and an improvement in MICE activity, LEMONTRE is expected to witness strong growth as it garners ~86% of its business from Business Hotels.
- We expect LEMONTRE to deliver a revenue/ EBITDA CAGR of 54%/88% to INR9.5b/INR4.8b over FY22-24 and RoE to improve to 13% by FY24.
- We increase our FY23/FY24 EBITDA estimates by 4%/5% and maintain our **BUY** rating on the stock with a TP of INR90 (assigning an 18x one-year forward EV/EBITDA multiple to FY24E EBITDA).

### Exhibit 13: Valuation methodology

Particulars		FY24E
EBITDA (FY24E)	INR m	4,755
EV/ EBITDA multiple	x	18
EV	INR m	85,123
Add: Capex for Aurika, Mumbai hotel	INR m	9,500
Less: Net debt (FY24E)	INR m	(17,730)
Less: Minority interest (FY24E)	INR m	(6,064)
Target value	INR m	70,829
No. of shares	m	786
Target price	INR	90

Source: MOFSL

### Exhibit 14: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	8,067	9,214	8,206	9,483	2%	3%
EBITDA	3,811	4,521	3,982	4,755	4%	5%
Adj. PAT	708	880	821	1,276	16%	45%

Source: MOFSL



## Financials and valuations

### Consolidated - Income Statement

	(INRm)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>3,680</b>	<b>4,121</b>	<b>4,843</b>	<b>5,495</b>	<b>6,694</b>	<b>2,517</b>	<b>4,022</b>	<b>8,206</b>	<b>9,483</b>
Change (%)	26.7	12.0	17.5	13.5	21.8	-62.4	59.8	104.0	15.6
F&B Consumed	346	353	436	498	570	178	279	538	759
Employees Cost	854	969	1,096	1,205	1,553	704	973	1,462	1,612
Other Expenses	1,468	1,633	1,949	2,104	2,137	1,022	1,432	2,224	2,357
<b>Total Expenditure</b>	<b>2,668</b>	<b>2,955</b>	<b>3,481</b>	<b>3,807</b>	<b>4,260</b>	<b>1,905</b>	<b>2,683</b>	<b>4,224</b>	<b>4,728</b>
% of Sales	72.5	71.7	71.9	69.3	63.6	75.7	66.7	51.5	49.9
<b>EBITDA</b>	<b>1,012</b>	<b>1,166</b>	<b>1,362</b>	<b>1,688</b>	<b>2,434</b>	<b>613</b>	<b>1,339</b>	<b>3,982</b>	<b>4,755</b>
Margin (%)	27.5	28.3	28.1	30.7	36.4	24.3	33.3	48.5	50.1
Depreciation	522	510	526	541	922	1,076	1,043	1,055	1,078
<b>EBIT</b>	<b>490</b>	<b>656</b>	<b>836</b>	<b>1,146</b>	<b>1,512</b>	<b>-463</b>	<b>296</b>	<b>2,927</b>	<b>3,677</b>
Int. and Finance Charges	720	776	784	847	1,565	1,817	1,740	1,941	2,015
Other Income	58	118	126	145	58	133	140	118	152
<b>PBT bef. EO Exp.</b>	<b>-172</b>	<b>-2</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,304</b>	<b>1,104</b>	<b>1,814</b>
EO Items	0	0	0	0	0	0	153	-48	0
<b>PBT after EO Exp.</b>	<b>-172</b>	<b>-2</b>	<b>178</b>	<b>445</b>	<b>5</b>	<b>-2,147</b>	<b>-1,456</b>	<b>1,056</b>	<b>1,814</b>
Total Tax	126	48	38	-111	109	-322	-72	170	272
Tax Rate (%)	-73.3	-2058.7	21.3	-25.0	2220.8	15.0	5.0	16.1	15.0
MI/ share of profit from associates	14	10	-2	27	-9	-555	-510	101	266
<b>Reported PAT</b>	<b>-312</b>	<b>-61</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-874</b>	<b>785</b>	<b>1,276</b>
<b>Adjusted PAT</b>	<b>-312</b>	<b>-61</b>	<b>142</b>	<b>529</b>	<b>-95</b>	<b>-1,271</b>	<b>-760</b>	<b>821</b>	<b>1,276</b>
Change (%)	NA	NA	NA	271.9	-118.0	1,232.4	-40.2	-208.1	55.4
Margin (%)	-8.5	-1.5	2.9	9.6	-1.4	-50.5	-18.9	10.0	13.5

### Consolidated - Balance Sheet

	(INRm)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	7,780	7,812	7,864	7,893	7,903	7,904	7,908	7,908	7,908
Preference Capital	0	0	0	0	0	0	0	0	0
Total Reserves	319	274	284	857	1,986	1,272	404	1,190	2,465
<b>Net Worth</b>	<b>8,099</b>	<b>8,086</b>	<b>8,148</b>	<b>8,750</b>	<b>9,889</b>	<b>9,176</b>	<b>8,312</b>	<b>9,098</b>	<b>10,374</b>
Minority Interest	4,277	4,284	4,286	4,322	5,559	6,174	5,676	5,789	6,064
Total Loans	6,248	7,987	10,110	12,042	15,775	16,850	16,986	17,886	18,386
Lease Liability	0	0	0	0	4,619	4,671	4,247	4,247	4,247
Deferred Tax Liabilities	69	67	43	0	0	0	0	0	0
<b>Capital Employed</b>	<b>18,693</b>	<b>20,424</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>37,020</b>	<b>39,072</b>
Gross Block	12,823	15,114	16,044	18,068	35,073	35,016	34,637	34,737	34,837
Less: Accum. Deprn.	507	998	1,513	2,054	2,977	4,052	5,096	6,151	7,229
<b>Net Fixed Assets</b>	<b>12,316</b>	<b>14,116</b>	<b>14,531</b>	<b>16,014</b>	<b>32,097</b>	<b>30,964</b>	<b>29,542</b>	<b>28,587</b>	<b>27,608</b>
Goodwill on Consolidation	0	67	68	0	951	951	951	951	951
Capital WIP	2,593	3,508	5,591	6,639	1,896	2,418	2,968	4,968	7,968
<b>Total Investments</b>	<b>58</b>	<b>63</b>	<b>146</b>	<b>373</b>	<b>164</b>	<b>79</b>	<b>114</b>	<b>114</b>	<b>114</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>5,092</b>	<b>4,363</b>	<b>4,247</b>	<b>4,693</b>	<b>2,521</b>	<b>3,737</b>	<b>2,776</b>	<b>4,803</b>	<b>5,204</b>
Inventory	54	49	54	60	82	72	81	69	78
Account Receivables	245	314	525	844	503	308	291	585	676
Cash and Bank Balance	139	176	210	314	408	1,411	543	456	657
Loans and Advances	4,654	3,823	3,458	3,475	1,528	1,945	1,861	3,693	3,793
<b>Curr. Liability &amp; Prov.</b>	<b>1,366</b>	<b>1,694</b>	<b>1,994</b>	<b>2,605</b>	<b>1,786</b>	<b>1,278</b>	<b>1,128</b>	<b>2,403</b>	<b>2,773</b>
Account Payables	511	604	811	958	842	788	585	926	971
Other Current Liabilities	825	1,053	1,140	1,592	877	412	319	1,231	1,707
Provisions	29	36	43	55	67	78	224	246	95
<b>Net Current Assets</b>	<b>3,726</b>	<b>2,669</b>	<b>2,253</b>	<b>2,088</b>	<b>734</b>	<b>2,459</b>	<b>1,648</b>	<b>2,400</b>	<b>2,430</b>
Misc Expenditure	0	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>18,693</b>	<b>20,424</b>	<b>22,588</b>	<b>25,114</b>	<b>35,841</b>	<b>36,870</b>	<b>35,223</b>	<b>37,020</b>	<b>39,072</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.7</b>	<b>-0.1</b>	<b>-1.6</b>	<b>-1.0</b>	<b>1.1</b>	<b>1.6</b>
Cash EPS	0.3	0.6	0.9	1.4	1.1	-0.2	0.4	2.4	3.0
BV/Share	10.4	10.4	10.4	11.2	12.7	11.7	10.6	11.6	13.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>									
P/E	-171.8	-883.0	376.9	101.4	-561.9	-42.2	-70.5	65.3	42.0
Cash P/E	255.6	119.1	80.2	50.1	64.8	-274.6	189.0	28.6	22.8
P/BV	6.6	6.6	6.6	6.1	5.4	5.8	6.4	5.9	5.2
EV/Sales	17.4	15.9	14.0	12.6	11.1	29.8	18.8	9.4	8.2
EV/EBITDA	63.2	56.3	49.7	41.1	30.6	122.6	56.5	19.3	16.3
EV/Room (INRm)	22.9	23.2	20.6	19.4	17.5	17.6	17.8	15.6	15.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-0.8	-1.4	-2.4	-1.5	-9.5	-1.5	0.9	1.2	2.4
<b>Return Ratios (%)</b>									
RoE	-3.8	-0.7	1.8	6.3	-1.0	-13.3	-8.7	9.4	13.1
RoCE	2.6	3.4	3.8	4.4	4.5	-0.9	1.1	7.8	9.2
RoIC	2.3	3.0	3.8	5.0	4.4	-1.0	0.7	7.0	10.1
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.3	0.3	0.3	0.3	0.2	0.1	0.1	0.2	0.3
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2
Inventory (Days)	5	4	4	4	4	10	7	3	3
Debtor (Days)	24	28	40	56	27	45	26	26	26
Creditor (Days)	51	54	61	64	46	114	53	41	37
<b>Leverage Ratio (x)</b>									
Current Ratio	3.7	2.6	2.1	1.8	1.4	2.9	2.5	2.0	1.9
Interest Cover Ratio	0.7	0.8	1.1	1.4	1.0	-0.3	0.2	1.5	1.8
Net Debt/Equity	0.7	1.0	1.2	1.3	1.5	1.7	2.0	1.9	1.7

### Consolidated - Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	-173	-25	178	445	5	-2,147	-1,446	1,104	1,814
Depreciation	523	510	526	541	922	1,076	1,043	1,055	1,078
Interest & Finance Charges	667	704	658	702	1,507	1,685	1,786	1,823	1,863
Direct Taxes Paid	-122	-40	-38	111	-109	322	-17	-170	-272
(Inc)/Dec in WC	-297	133	450	25	-754	-1,009	27	-839	171
<b>CF from Operations</b>	<b>598</b>	<b>1,282</b>	<b>1,775</b>	<b>1,824</b>	<b>1,572</b>	<b>-74</b>	<b>1,394</b>	<b>2,973</b>	<b>4,654</b>
Others	83	-66	-629	43	-62	-635	-41	76	285
<b>CF from Operating incl EO</b>	<b>681</b>	<b>1,216</b>	<b>1,145</b>	<b>1,867</b>	<b>1,510</b>	<b>-709</b>	<b>1,353</b>	<b>3,049</b>	<b>4,939</b>
(Inc)/Dec in FA	-1,320	-2,343	-3,012	-3,004	-8,969	-465	-668	-2,100	-3,100
<b>Free Cash Flow</b>	<b>-639</b>	<b>-1,127</b>	<b>-1,867</b>	<b>-1,138</b>	<b>-7,459</b>	<b>-1,174</b>	<b>685</b>	<b>949</b>	<b>1,839</b>
(Pur)/Sale of Investments	271	-3	-82	-228	210	85	132	0	0
Others	21	54	495	337	2,677	-276	-56	118	152
<b>CF from Investments</b>	<b>-1,028</b>	<b>-2,292</b>	<b>-2,600</b>	<b>-2,895</b>	<b>-6,082</b>	<b>-656</b>	<b>-591</b>	<b>-1,982</b>	<b>-2,948</b>
Issue of Shares	25	1	52	29	10	1,750	8	0	0
Inc/(Dec) in Debt	847	1,739	2,124	1,931	3,733	1,075	134	900	500
Interest Paid	-687	-737	-784	-847	-1,565	-1,817	-1,400	-1,941	-2,015
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	0	110	97	18	2,488	1,361	-372	-112	-276
<b>CF from Fin. Activity</b>	<b>185</b>	<b>1,113</b>	<b>1,489</b>	<b>1,131</b>	<b>4,667</b>	<b>2,368</b>	<b>-1,630</b>	<b>-1,153</b>	<b>-1,790</b>
<b>Inc/Dec of Cash</b>	<b>-162</b>	<b>37</b>	<b>35</b>	<b>103</b>	<b>94</b>	<b>1,003</b>	<b>-869</b>	<b>-86</b>	<b>200</b>
Opening Balance	301	139	176	211	314	408	1,411	543	456
<b>Closing Balance</b>	<b>139</b>	<b>176</b>	<b>211</b>	<b>314</b>	<b>408</b>	<b>1,411</b>	<b>543</b>	<b>456</b>	<b>657</b>

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
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