Chalet Hotels Ltd. (CHAHOT)

CMP: ₹829 | Target ₹ 1000 (21%) | Target Period: 12 months | BUY

November 5, 2026

Resorts strengthening growth...

About the stock: Chalet Hotels Ltd (Chalet) is an owner, developer and operator of premium hotels, commercial office spaces and residential properties in India.

Q2FY27 performance: Chalet's consolidated revenues (ex-residential) grew by 10.7% YoY to Rs.511cr in Q2FY27 with hotel segment growing by 8.2% YoY and annuity business growing by 22% YoY in Q2FY27. EBITDA margins (ex-residential) improved by 112bps YoY to 44.5% in Q2FY27. EBITDA (ex-residential) grew by 13.6% YoY to Rs.227.5cr. Reported PAT grew by 40% YoY to Rs.216.3cr in Q2FY27.

Investment Rationale:

Hospitality business poised for stronger growth in H2FY27: Chalet's hospitality business revenue grew by 8.4% YoY in H1FY27 to Rs.830cr, with room revenues growing ~10% to Rs.529.7cr and F&B revenues growing by ~7.5% to Rs.244.2cr. Performance in key business locations such as Mumbai, Bengaluru and Hyderabad was impacted by lower air traffic, subdued MICE activity and heavy rainfall in Mumbai, which weighed on business hotel demand (RevPAR grew by modest 5% YoY). In contrast, the resort portfolio continued to witness strong demand, with all 3 resorts reporting healthy growth (RevPAR grew by 26.4% YoY). Management expects hospitality business performance to improve in H2FY27, supported by a pickup in MICE and social events, sustained wedding demand and recovery in business hotel activity. At Powai, restoration of direct access to banquets following the reopening of the porch will enable the property to resume large MICE and social events, while the gradual easing of construction-related disruptions is expected to support business recovery from Q3FY27 onwards. The company has already secured a crew contract for 20 rooms per day against the earlier loss of ~100 rooms per day. Further, Hyderabad continues to benefit from healthy GCC and corporate demand, while Bengaluru is witnessing gradual absorption of newly added room inventory. A potential recovery in international traveller arrivals as geopolitical conditions stabilise could provide an additional boost to business hotel demand, particularly in Bengaluru. Looking ahead, the commissioning of Taj Delhi International Airport in early FY28, along with the company's planned hotel additions and expansion under the Athiva brand, is expected to further strengthen the hospitality portfolio and support sustained revenue growth over the medium term. We expect hospitality business to grow at a CAGR of 14.5% over FY26-28E to Rs.2271.3cr.

Annuity business to drive stable, high-margin earnings growth: Chalet Hotels' annuity business maintained its strong growth momentum, with revenue growing 20% YoY in H1FY27 to Rs.176.6cr. Monthly rental run rate improved to Rs.30cr in Sept'26 (Rs.29cr in Jun'26). Management expects rentals to further scale up to Rs.32cr per month by Mar'27, supported by improved leasing at Bengaluru, where an additional LOI for the entire remaining space will take occupancy to 95%, and ongoing leasing discussions at CIGNUS I, Powai. Further, commissioning of CIGNUS II, with ~1mn sq. ft. of leasable area, will drive a significant step-up in rental income from FY28 onwards. The company is targeting an annual rental run rate of ~Rs.500cr over the medium term. With an EBITDA margin of ~83%, the annuity business provides lever to strengthen overall profitability while steady cash flows will help support funding requirements for the company's hospitality expansion. We expect annuity business revenues to grow at a CAGR of 24% over FY26-28E to Rs.467cr.

Rating and Target Price: We recommend **Buy** with a **SOTP based revised price target of Rs.1000.**

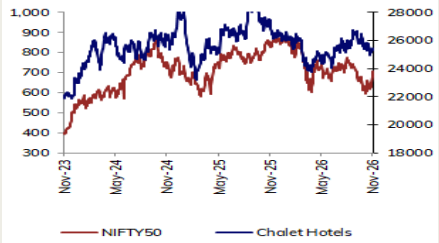
Particulars

Particuar	Amount
Market Capitalisation (₹ crore)	18,155
Debt (FY26) -₹ crore	2,368
Cash (FY26) - ₹ crore	309
EV (Rs crore)	20,214
52-week H/L (₹)	970 / 691
Equity capital (₹ crore)	219.0
Face value (₹)	10.0

Shareholding pattern

Particular	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	67.3	67.3	67.3	67.3
FII	5.1	4.7	4.3	4.2
DII	24.0	24.6	25.0	25.5
Others	3.5	3.5	3.5	3.5

Price Chart



Key risks

- Any adverse event such as terrorist attack or geopolitical tension will affect the near-term business.
- Delay in operationalisation of new hotels.
- Delay in repayment of debt.

Research Analyst

Kaustubh Pawaskar
kaustubh.pawaskar@icicisecurities.com

Abhishek Shankar
abhishek.shankar@icicisecurities.com

Sonal Rajpal
sonal.rajpal@icicisecurities.com

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26*	3-year CAGR (FY23-26)	FY27E*	FY28E	2-year CAGR (FY26-28E)
Revenues	1417.3	1717.7	2769.8	39.8	2935.3	2738.2	16.8
EBITDA	584.6	735.8	1187.4	42.5	1251.7	1231.3	18.7
EBITDA Margins (%)	41.2	42.8	42.9		42.6	45.0	
Adjusted PAT	213.5	382.3	645.8	73.9	679.4	661.2	20.0
EPS (Rs.)	9.8	17.5	29.5		31.0	30.2	
PE (x)	84.8	47.4	28.1		26.7	27.5	
EV to EBITDA (x)	35.9	27.9	17.0		15.5	15.4	
RoE (%)	12.6	15.6	19.2		16.8	14.0	
RoIC(%)	9.8	10.8	16.6		18.1	16.7	

Source: Company, ICICI Direct Research ** FY26/FY27E includes revenues and EBITDA of residential business*

Result Update

ICICI Securities – Retail Equity Research

Exhibit 1: SOTP Valuation

Particulars	Method	Multiple (x)	Rev/EBITDA (FY28E)	EV/NAV (₹ cr.)
Hotels	EV/EBITDA	19	990	18815
Commercial	Capitalisation rate	8	387	4839
Residential property	NAV			293
Enterprise value (A)				23947
Total Debt				2368
Cash				309
Net Debt (B)				2059
Equity value (A-B)				21888
Number of shares (cr.)				21.9
Target price				**1000**

Source: Company, ICICI Direct Research

Capex guidance of Rs.3,400-3,600cr over FY27-FY29, largely to be funded through internal accruals

Chalet Hotels has outlined a capex plan of Rs.3,400-3,600cr over FY27-FY29 across its hospitality and commercial real estate portfolio. The guidance revised upwards from ~Rs.3000cr following the addition of 2 Athiva properties at Hyderabad and Pune. Among key projects, CIGNUS II Powai is targeted for completion by FY27-end, while Taj Delhi International Airport is expected to launch its entire inventory in early FY28, subject to monitoring of GRAP-related restrictions. Ritz-Carlton Hyderabad and Hyatt Regency Airoli are progressing as per schedule. Management expects the planned capex to be largely funded through internal accruals, supported by strong hospitality cash flows and stable rental income from its annuity portfolio. Further, the CRE portfolio provides potential LRD borrowing eligibility of ~Rs.2,500cr, offering additional funding flexibility. The company is targeting an operational portfolio of 5,500+ keys over the next five years while maintaining balance sheet discipline.

Exhibit 2: Pipeline of assets



Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- Chalet's performance is not comparable on YoY basis due to one-off impact of residential business last year.
- Chalet's consolidated revenues (ex-residential) reported 10.7% YoY growth to Rs.511cr in Q2FY27. Hospitality business revenues grew by 8.2% YoY while Annuity business revenues grew by 22% YoY in Q2FY27.
- Hospitality segment revenues grew by 8.2% YoY growth to Rs.411.5cr aided by 7.2% YoY growth in RevPAR to Rs.8702/night. ADR grew by 11.3% YoY to Rs.13,546/night. ADR growth was partially offset by lower occupancy levels. Occupancy declined by ~250bps YoY to 64.2% in Q2FY27.
- Annuity business revenues reported 22% YoY growth to Rs.90.1cr in Q2FY27. Occupancy improved to 91% in Q2FY27 from 77% in Q2FY26. Leased operating area improved to 2.1msf. in Q2FY27 from 1.8msf in Q2FY26.
- Consolidated EBITDA (ex-residential) stood at Rs.227.5cr witnessing 13.6% YoY growth while margins expanded 112bps YoY to 44.5% driven by good performance across hospitality and annuity business during the quarter.
- Reported PAT (incl. residential) stood at Rs.216.3cr in Q2FY27 witnessing 40% YoY growth. Tax expense was lower during the quarter due to deferred tax credit.

Exhibit 3: Q2FY27 Consolidated result Overview (ex-residential) (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Total Income	**511.0**	**461.6**	**10.7%**	**514**	**-0.6%**
Total Expenditure	283.5	261.3	8.5%	274	3.5%
EBITDA	**227.5**	**200.3**	**13.6%**	**240**	**-5.2%**
EBITDA Margin (%)	**44.5%**	**43.4%**	**112**	**46.7%**	**-217**

Source: Company, ICICI Direct Research

Exhibit 4: Q2FY27 Consolidated result Overview (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Net revenue	**502.0**	**735.3**	**-31.7**	**512.3**	**-2.0**
Food and beverages cons.	30.8	30.5	1.0	31.6	-2.6
Employee cost	73.3	69.7	5.2	74.0	-0.9
Operating Supplies Cons.	10.8	10.2	5.9	8.6	26.7
Real Estate Development Cost	0.0	164.1	-	3.3	-
Other expenditure	169.5	161.6	4.9	160.8	5.4
Total expenditure	284.4	436.1	-34.8	278.3	2.2
EBITDA	**217.5**	**299.2**	**-27.3**	**234.0**	**-7.0**
Other income	9.4	8.5	10.7	9.0	4.2
Interest expenses	41.7	45.4	-8.1	39.5	5.8
Depreciation	61.1	57.4	6.5	61.2	-0.2
Profit Before Tax	124.1	204.9	-39.4	142.4	-12.8
Tax	-92.1	50.1	-283.8	48.9	-288.6
Adjusted PAT	**216.3**	**154.8**	**39.7**	**93.5**	**131.3**
Extra-ordinary gain / loss	0.0	0.0	-	-7.4	-
Reported PAT	**216.3**	**154.8**	**39.7**	**86.1**	**151.1**
Adjusted EPS (Rs.)	9.9	7.1	39.1	4.3	130.3
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	93.9	95.9	-199	93.8	4
EBITDA Margin (%)	43.3	40.7	264	45.7	-235
NPM (%)	43.1	21.1	2202	18.3	2482
Tax rate (%)	-74.2	24.5	-	34.3	-

Source: Company, ICICI Direct Research

H1FY27 – Key Performance Highlights

- Consolidated revenues (ex-residential) grew by 10.1% YoY to Rs.1025cr in H1FY27. Growth was supported by 8.4% YoY growth in hospitality business and 20.1% YoY growth in Annuity business.
- Consolidated EBITDA (ex-residential) grew by 14.4% YoY to Rs.467.5cr. EBITDA margins improved 171bps YoY to 45.6% I H1FY27.
- Adjusted PAT (incl. residential) stood at Rs.302.4cr in H1FY27.

Exhibit 5: H1FY27 Consolidated result Overview (ex-residential) (₹ crore)

Particulars	H1FY27	H1FY26	y-o-y (%)
Total Income	**1025.0**	**931.0**	**10.1%**
Total Expenditure	557.5	522.3	6.7%
EBITDA	**467.5**	**408.7**	**14.4%**
EBITDA Margin (%)	**45.6%**	**43.9%**	**171**

Source: Company, ICICI Direct Research

Business wise highlights

- **Hospitality:** Hospitality business revenues grew by 8.2% YoY to Rs.411.5cr. Room Revenue reported double digit growth of 9.7% YoY to Rs.269.4cr and F&B revenues grew by 6.4% YoY growth to Rs.116.4cr. RevPAR grew by 7.2% YoY growth to Rs.8702/night. ADR grew by 11.3% YoY to Rs.13,546/night. Occupancy declined by 250bps YoY to 64.2%. Resort business occupancy improved by 853bps YoY to 41.2% led by ramp up in Athiva Khandala while corporate groups and long weekends during the quarter helped boost demand. Business hotel occupancy declined 385bps YoY to 67.8%. Mumbai witnessed impact of lower air travel while heavy rainfall in July disrupted events and travel. MMR reported 887bps YoY decline in occupancy to 67.3%. Refurbishment and re-branding of FPS Vashi to Athiva Pulse would have also likely contributed towards lower occupancy in MMR/Mumbai. Business hotels ADR improved by 11.4% YoY largely driven by MMR ADR (+13.5% YoY) while resort hotels ADR grew by 6.1% YoY in Q2FY27. Business hotels RevPAR grew by 5.4% YoY to Rs.9,083/night while Resort hotels RevPAR grew by 34% YoY to Rs.6,208/night. EBITDA margins improved by 110bps YoY to 41.1% led by better performance in the resort hotels (margin accretive). EBITDA grew by 11.2% YoY to Rs.169.1cr in Q2FY27. In H1FY27, hospitality revenues grew by 8.4% YoY to Rs.830cr with margins expanding by 101bps YoY to 41.9%.

- **Annuity:** Annuity business revenues continued its strong momentum reporting 22% YoY growth to Rs.90.1cr in Q2FY27. The company's monthly rentals stood at ~Rs.30cr during the quarter (as per our calculation) and has improved from ~Rs.25cr in Q2FY26. Occupancy for the quarter stood at 91% improving from 78% in Q2FY26. EBITDA margins witnessed 100bps YoY expansion to 83% in Q2FY27. EBITDA grew by 24% YoY to Rs.75cr. In H1FY27, revenues grew by 20.1% to Rs.176.6cr, EBITDA grew by 22.2% YoY to Rs.148.5cr and margins expanded by 144bps YoY to 41.9%.

Exhibit 6: Q2FY27 Segmental revenues and results (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y %	Q1FY27	q-o-q %

Hospitality business					
Room revenue	269.4	245.5	9.7	260.3	3.5
F&B revenue	116.4	109.4	6.4	127.8	-8.9
Other	25.7	25.3	1.6	30.4	-15.5
Total Hospitality revenue (Rs. crore)	**411.5**	**380.2**	**8.2**	**418.5**	**-1.7**
EBITDA (Rs. crore)	178.4	160.8	10.9	224.8	-20.6
EBITDA Margin (%)	41.1	40.0	109	42.6	-153
Annuity business					
Revenue (Rs. crore)	90.1	73.8	22.1	86.5	4.2
EBITDA (Rs. crore)	75.0	60.7	23.6	73.5	2.0
EBITDA Margin (%)	83.2	82.2	99	85.0	-173

Source: Company, ICICI Direct Research

Exhibit 7: H1FY27 Segmental revenues and results (₹ crore)

Particulars	H1FY27	H1FY26	y-o-y %/(bps)
Hospitality business			
Room revenue	529.7	481.1	10.1
F&B revenue	244.2	227.1	7.5
Other	56.1	57.6	-2.6
Total Hospitality revenue (Rs. crore)	**830.0**	**765.8**	**8.4**
EBITDA (Rs. crore)	347.5	312.9	11.1
EBITDA Margin (%)	41.9	40.9	101
Annuity business			
Revenue (Rs. crore)	176.6	147.0	20.1
EBITDA (Rs. crore)	148.5	121.5	22.2
EBITDA Margin (%)	84.1	82.7	144

Source: Company, ICICI Direct Research

Exhibit 8: Q1FY27 Operational Performance (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%/bps)	Q1FY27	q-o-q (%/bps)
ADR (Rs.)	13546.0	12170.0	11.3	13247.0	2.3
Occupancy (%)	64.2	66.7	-250	64.8	-60
RevPAR (Rs.)	8702.0	8115.0	7.2	8582.0	1.4

Source: Company, ICICI Direct Research

Q2FY27 Earnings call highlights

- **Demand Trends**

- Management believes the Indian hospitality industry continues to witness demand outpacing supply, with MICE and domestic travel expected to remain key growth drivers. Despite geopolitical uncertainties in West Asia, higher fuel prices and moderation in international air traffic, the industry has demonstrated resilience.
- Foreign tourist arrivals are expected to improve as geopolitical conditions stabilise. A recovery in foreign tourist arrivals would particularly benefit markets such as Bangalore, which have a higher dependence on international travellers.
- Mumbai witnessed a recovery in business activity following a weak July, supported by large MICE events in August and September. Hyderabad continues to benefit from GCC and corporate demand, while Pune is witnessing healthy traction from corporate and retail demand.
- Management remains optimistic about the leisure portfolio as its resorts move towards stabilisation. Wedding demand continues to remain healthy and is expected to sustain in H2FY27.

- **Segment Wise trends and outlook**
  - **Hospitality – Improving operating performance:** Management expects operating performance to improve as newly added hotels, and leisure assets stabilise. City hotel margins have remained steady, while leisure properties and new additions are expected to contribute progressively through higher occupancy and operating leverage.
  - **Powai business recovery:** With the Porch back in service, direct access to the banquets has been restored, enabling the property to resume large MICE and social events. As construction at CIGNUS II enters its final stages, management expects business improvement from Q3FY27 onwards. The company has already signed a crew contract for 20 rooms per day, against the earlier loss of approximately 100 rooms per day due to construction activity.
  - **Among resort hotels,** Westin Rishikesh has witnessed strong demand and has grown by ~50% YoY in Q2FY27. Athiva Khandala is witnessing strong demand during weekends. Marriott Aravalli, Delhi has witnessed subdued growth in H1FY27 due to off-season H2FY27 performance is expected to improve aided by weddings and MICE.
  - **F&B outlook**: Management expects F&B performance to improve in H2FY27, supported by MICE and social events. While standalone outlets continue to perform well, large-group business has remained relatively subdued. Wedding demand continues to be healthy.
  - **FY28 revenue growth visibility:** Commissioning of CIGNUS II Powai and Taj Delhi International Airport is expected to contribute at least double-digit revenue growth in FY28, over and above growth from the existing portfolio, assuming the operating environment remains stable. Taj Delhi is expected to launch its entire inventory in early FY28, while CIGNUS II is targeted for substantial completion by FY27-end.
  - **CRE – Rental growth guidance:** Management expects monthly rental run rate to increase to n320mn by March 2027, supported by leasing traction at Signals One, Powai and improved occupancy at Bangalore. Commissioning of CIGNUS II, with approximately 1mn sq. ft. of leasable area, will drive a significant step-up in CRE growth from FY28 onwards.
  - **Athiva brand expansion**: Management is targeting an approximately 1,200-key portfolio under Athiva, with around 900

keys already in the pipeline across 5 properties in 4 locations. The brand is expected to be an important growth driver alongside global brand partnerships.

- **Debt Outlook**
  - Management highlighted that net debt has remained broadly stable over the last 7 quarters despite significant capex, acquisitions and repayment of preference capital. Of the Rs.2000cr net debt as of Sept'26, approximately Rs.1400ce is attributable to assets under construction or yet to be operationalised.
  - Existing annual rental income provides potential Lease Rental Discounting (LRD) borrowing eligibility of approximately Rs.2500cr. Stable annuity income from CRE assets supports debt servicing, thereby allowing hospitality cash flows to be deployed towards funding the expansion pipeline.
  - Management expects operating cash flows from hospitality, complemented by stable rental income from CRE, to largely fund the announced capex pipeline while maintaining balance sheet discipline. The recent credit rating upgrade to IND AA provides additional financial flexibility to pursue future growth opportunities.

Revision in earnings estimates

We have fine-tuned our earnings estimates for FY27E. We have upgraded our earnings estimates for FY28E by ~4% considering better revenue growth led by opening of new properties and higher EBITDA aided by improved portfolio mix and stabilisation of assets across the portfolio.

Exhibit 9: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	2893.1	2935.3	1.5	2670.0	2738.2	2.6
EBITDA	1227.1	1251.7	2.0	1177.9	1231.3	4.5
EBITDA margin (%)	42.4	42.6		44.1	45.0	
PAT	664.2	679.4	2.3	636.7	661.2	3.9
EPS (Rs.)	30.3	31.0	2.3	29.1	30.2	3.9

Source: Company, ICICI Direct Research

Exhibit 10: Key Operating Assumptions

Particulars	FY25	FY26	FY27E	FY28E	CAGR%
Hotel business (existing and upcoming properties)					
Rooms	3314	3389	3389	3,769	5.5
Revenues (Rs. Cr)	1521.0	1731.1	1947.2	2271.3	14.5
EBITDA (Rs. Cr)	680.3	760.3	876.2	990.3	14.1
EBITDA margins (%)	44.7	43.9	45.0	43.6	
Annuity & Rental business					
Revenues (Rs. Cr)	196.4	306.1	372.0	466.9	23.5
EBITDA (Rs. Cr)	154.0	254.4	316.6	387.1	23.4
EBITDA margins (%)	78.4	83.1	85.1	82.9	
Residential business					
Revenues (Rs. Cr)		738.3	616.1	-	
EBITDA (Rs. Cr)		272.8	234.1	-	
EBITDA margins (%)		36.9	38.0	-	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 11: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**1717.7**	**2769.8**	**2935.3**	**2738.2**
Growth (%)	21.2	61.2	6.0	-6.7
Cost of food and beverages cons.	116.8	129.8	167.0	193.0
Gross Profit	1600.9	2640.0	2768.3	2545.1
Employee Expenses	234.5	287.9	331.0	377.4
Operating Supplies Consumed	42.5	43.6	60.3	71.2
Other Expenditure	588.1	1121.1	743.3	865.3
Total Operating Expenditure	981.9	1582.3	1301.6	1506.9
EBITDA	**735.8**	**1187.4**	**1251.7**	**1231.3**
Growth (%)	25.9	61.4	5.4	-1.6
Interest	159.1	180.5	145.7	125.0
Depreciation	178.8	230.0	233.4	257.2
Other Income	36.3	42.7	39.4	38.4
PBT	434.2	819.7	912.0	887.5
Less Tax	51.9	173.9	232.6	226.3
Adjusted PAT (before exceptional item)	**382.3**	**645.8**	**679.4**	**661.2**
Growth (%)	79.1	68.9	5.2	-2.7
Exceptional item	-240	-1	0	0
Reported PAT	**142.4**	**645.0**	**679.4**	**661.2**
Growth (%)	-43.9	352.9	5.3	-2.7
EPS (Adjusted)	17.5	29.5	31.0	30.2

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	346.0	603.1	640.0	622.8
Add: Depreciation & Amortization	178.8	230.0	233.4	257.2
Other income	36.3	42.7	39.4	38.4
Changes in the working capital	155.4	27.7	-128.7	75.8
CF from Operating activities	**716.5**	**903.4**	**784.1**	**994.3**
(Purchase)/Sale of Fixed Assets	-1129.7	-662.3	-14.3	-500.0
Investments	0.0	0.0	0.0	0.0
Bank balance	-27.0	-67.5	-55.5	0.0
Others	-79.9	-74.8	-29.0	-30.4
CF from Investing activities	**-1236.7**	**-804.7**	**-98.8**	**-530.4**
(inc)/Dec in Loan	-350.9	-184.0	-234.4	-479.4
Change in equity & reserves	812.5	5.7	0.0	0.0
Dividend paid	0.0	0.0	0.0	0.0
Other	85.461	134.399	0	0
CF from Financing activities	**547.1**	**-44.0**	**-234.4**	**-479.4**
Net Cash Flow	27.0	54.8	450.9	-15.6
Cash and Cash Equivalent (opening)	82.3	109.2	164.0	614.9
Cash	**109.2**	**164.0**	**614.9**	**599.3**
Free Cash Flow	**-413.2**	**241.1**	**769.8**	**494.3**

Source: Company, ICICI Direct Research

Exhibit 13: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	218.5	219.0	219.0	219.0
Reserve and Surplus	2827.2	3478.2	4157.6	4818.8
Total Shareholders' funds	3045.7	3697.2	4376.6	5037.8
Minority Interest	0.0	0.0	0.0	0.0
Total Debt	2604.0	2367.7	2114.8	1615.2
Deferred Tax Liability	85.5	219.9	219.9	219.9
Other Non-Current Liabilities	131.7	184.0	202.5	222.7
Total Liabilities	**5866.9**	**6468.7**	**6913.8**	**7095.6**
Gross Block - Fixed Assets	6520.2	6911.8	7294.3	7794.3
Accumulated Depreciation	1602.6	1789.5	2022.9	2280.1
Net Block	5124.8	5608.3	5271.4	5514.2
Capital WIP	183.2	132.5	250.0	250.0
Fixed Assets	5307.9	5740.8	5521.4	5764.2
Goodwill & Other intangible assets	85.6	85.1	85.4	85.4
Other non-Current Assets	504.8	579.7	608.6	639.1
Inventory	632.5	269.3	662.3	658.2
Debtors	78.2	68.7	104.6	103.9
Other Current Assets	268.2	256.6	264.3	272.2
Loans & Advances	0.0	0.0	0.0	0.0
Cash	109.2	164.0	614.9	599.3
Bank balance	77.0	144.5	200.0	200.0
Total Current Assets	1165.1	903.1	1846.0	1833.6
Creditors	171.3	164.9	395.1	384.7
Provisions	8.7	10.2	8.0	8.0
Other Current Liabilities	1016.5	664.8	744.6	833.9
Total Current Liabilities	1196.5	839.9	1147.6	1226.6
Net Current Assets	-31.4	63.2	698.4	606.9
Application of Funds	**5866.9**	**6468.7**	**6913.8**	**7095.6**

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	17.5	29.5	31.0	30.2
Cash EPS	25.7	40.0	41.7	41.9
BV per share	139.4	168.9	199.9	230.1
Operating Ratios (%)				
Operating EBITDA margins (%)	42.8	42.9	42.6	45.0
PAT Margins	8.3	23.3	29.3	24.1
Return Ratios (%)				
RoE	15.6	19.2	16.8	14.0
RoCE	11.0	16.2	15.8	14.5
RoIC	10.8	16.6	18.1	16.7
Valuation Ratios (x)				
P/E	47.4	28.1	26.7	27.5
EV / EBITDA	27.9	17.0	15.5	15.4
EV / Sales	12.0	7.3	8.4	6.9
Market Cap / Sales	10.5	6.6	7.8	6.6
Price to Book Value	5.9	4.9	4.1	3.6
Solvency Ratios (x)				
Net Debt / EBITDA	3.3	1.7	1.0	0.7
Debt / Equity	0.9	0.6	0.5	0.3

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Kaustubh Pawaskar, PGDBA (Finance), Abhishek Shankar, PGDM-RM, Sonal Rajpal, PGDM, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".