Brigade Hotel Ventures Ltd. (BRIHOT)

ICICI Direct

Price Band: ₹ 85-90

UNRATED

July 23, 2025

A Leading Hospitality play in South India...

About the Company: Brigade Hotel Ventures (BHVL) is an owner and developer of hotels in key cities in India. It is the second largest owner of chain-affiliated hotels and hotel rooms in South India among major private hotel asset owners as of March 31,2025. The company has a portfolio of 9 hotels across Bengaluru, Chennai, Kochi, Mysuru and GIFT city with 1604 keys. Its hotels are operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group.

Key triggers/Highlights:

- Brigade Hotel Ventures is the second largest owner of chain-affiliated hotels in South India. It has a portfolio of 9 hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys operated by global hospitality companies such as Marriott, Accor and InterContinental Hotels Group with presence in the upper upscale, upscale, upper-midscale, and midscale segments.
- The company is a subsidiary of Brigade Enterprises Ltd (BEL) which is a real estate developer in India. Association with BEL gives a competitive edge and allows it to leverage its brand reputation, relationships with corporate clients and expertise in developing real estate properties.
- The company is planning to add 5 more hotels by FY29 with a room inventory of 956 rooms taking overall room inventory to 2560 keys.
- BHVL's RevPar grew at a CAGR of 11% over FY23-25 with occupancies improving to 77% in FY25 from 70% in FY23, while average room rentals growing at a CAGR of 6% to Rs6,694 per room night in FY25.
- Prudent asset management practices, optimal space utilisation, staff optimisation and upgradation of facilities aided in improvement in the EBIDTA margins. Staff to room ratio of 0.74x which is less compared with industry average of 0.8-2.0x. EBIDTA margins stood stable at 35% in FY24 and FY25.
- IPO will be predominantly utilised to reduce debt on its books. As on 31st Mar,25, the consolidated debt on books stood at Rs641crore. The company plan to repay Rs468crore of debt through IPO proceeds.
- BHVL has done pre-IPO issuance of 1.40cr equity shares (4.7% of the pre-IPO equity) at a price of Rs90share valued Rs126crore.

Our View & Rating

BHVL has consistent operating performance with revenues and EBIDTA growing at CAGR of 16% and 30% over FY23-25. Highest finance cost continued to put stress on the PAT performance. Decline in debt through IPO proceedings will help finance cost to reduce in the coming years. We assign UNRATED rating of BHVL.

Key risk & concerns

- The company has high debt on books as on 31st March 2025 amounting to Rs. 641cr.
- The company derives 43.8% revenues from 2 hotels exposing it to operational risk in case of termination of agreement.

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25
Revenues	350.2	401.7	468.3
EBIDTA	96.8	141.5	164.4
EBIDTA Margins(%)	27.6%	35.2%	35.1%
Reported PAT	-3.1	31.1	23.7
EPS (Rs.)	-0.1	0.9	0.7
PE (x)	-642.9	102.3	125.0
EV to EBIDTA (x)	34.7	24.0	20.8
RoE (%)	-9.1	53.0	30.1
RoCE (%)	8.6	12.6	13.6

Source: RHP, ICICI Direct Research;

BRIGADE HOTEL VENTURES LIMITED

IPO Details

Issue Details	
Issue opens	24th July, 2025
Issue closes	28th July, 2025
Issue size	₹ 759.6 crore - Fresh Issue
QIB (Institutional) Share	Not less than 75% of the Offer
Non Institutional Share	Not more than 15% of the Offer
Retail share	Not more than 10% of the Offer
Issue Type	Fresh Issue
Price band (₹/share)	₹85-₹90
Market Lot	166 shares
Face value	Rs.10 per share
Bid lot	166 shares
Listing Market Cap @ Upper Price Brand	Rs.3418cr

Shareholding pattern

	Pre-Issue (%)	Post-Issue (%)
Promoters	95.3	74.1
Public	4.7	25.9
Total	100	100

Objects of the issue

Objects of this issue

The issue is a fresh issue of 8.44cr equity shares valued at Rs.759.6cr. The company plans to utilise the Net proceeds from the issue towards repayment of loan availed by the company and its susbidiary totalling to Rs.468.1cr. Proceeds will also be used for payment of consideration for buying undivided share of land from the promoter for Rs.107.5cr while it has also set aside an amount of Rs.95cr for pursuing inorganic growth. It plans to utilise ~Rs.88.9cr for general corporate purposes.

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IPO Review

ICICI Securities – Retail Equity Research

Company Background

Brigade Hotel Ventures Ltd. (BHVL) is an owner and developer of hotels in key cities in India primarily across South India. It is the second largest owner of chain-affiliated hotels and hotel rooms in South India among major private hotel asset owners as of March 31, 2025. The Promoter, Brigade Enterprises Limited (BEL) entered into the hospitality business in 2004 with the development of its first hotel Grand Mercure Bangalore, which commenced operations in 2009. The company has a portfolio of 9 operating hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys. The hotels are operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group and are in the upper upscale, upscale, upper-midscale, and midscale segments

Brigade Hotel Ventures Ltd. is subsidiary of BEL which is a real estate developer in India. The association with BEL gives the company a competitive edge and allows it to leverage its brand reputation, relationships with corporate clients and expertise in developing real estate properties.

Its hotels are typically located in positive demand locations, driven by factors such as population density, premium neighbourhoods, commercial centres and IT hubs. The company focuses on identifying specific locations for its hotels within cities that are conveniently located near airports, business districts, commercial centres and retail hubs with a high footfall. It has a proven track record of developing marquee hotels across various geographies and different hospitality segments. The company's number of keys has grown over the years, from 1,474 keys as of March 31, 2023 to 1,604 keys as of July'25. Further, the average occupancy in FY25 was 76.7% which was higher than the industry annual occupancy in FY25 of 64.5%.

Exhibit 1: Hotel Portfolio

Hotel Name	Segment	Operator	Keys
Grand Mercure Bangalore	Upscale	Accor	126
Sheraton Grand Bangalore at Brigade Gateway	Upper Upscale	Marriott	230
Grand Mercure Mysore	Upscale	Accor	146
Holiday Inn Chennai OMR IT Expressway	Upper midscale	Intercontinental Hotels Group	202
Holiday Inn Bengaluru Racecourse	Upper mid-scale	Intercontinental Hotels Group	272
Four Points by Sheraton Kochi Infopark	Upscale	Marriott	218
Grand Mercure Ahmedabad GIFT City	Upscale	Accor	151
Holiday Inn Express & Suites Bengaluru OMR	Upper Midscale	Intercontinental Hotels Group	129
Ibis Styles Mysuru	Midscale	Accor	130
Total No. of Keys			**1604**

Source: RHP, ICICI Direct Research

Industry Overview

Increased MICE Demand, Recovery in FTA and Robust Domestic Travel aiding Hotel demand

MICE demand contributes hotel revenue for rooms, F&B and other services arising from various business and social events; weddings; corporate, institutional and government sponsored meetings, conferences other events. New convention centres will draw varied domestic and international events demand with related additional MICE demand at upper tier hotels that have sizeable function spaces. The G20 events from December 2022 to September 2023 took international visitors to multiple destinations and provided occupancy, rate and revenue boost to hotels. Bengaluru, Gandhinagar, Chennai, and Hyderabad hosted 11, 6, 5 and 4 G20 events / meetings respectively. Such events serve as a basis to draw other international and national events and delegations.

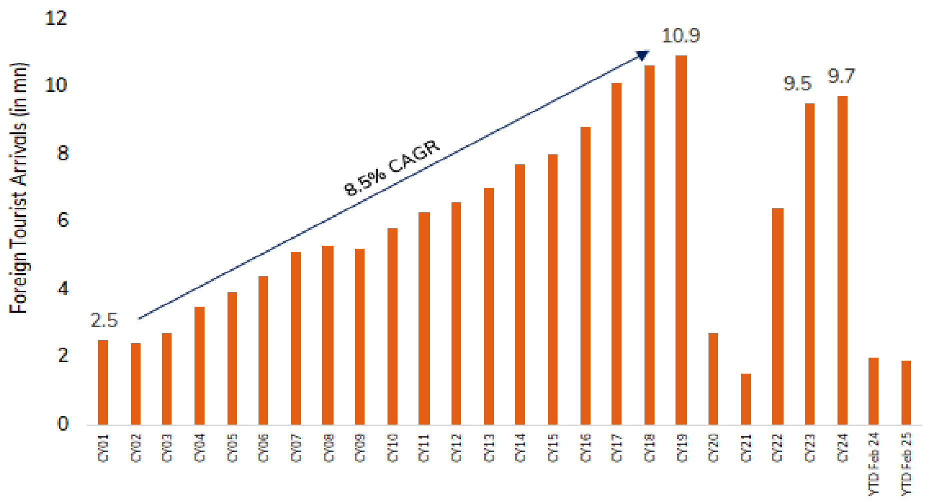
The trend for hosting weddings in city hotels or as destination weddings is expected to continue, in fact gaining momentum as the practice percolates to the mid-market segment. City hotels also benefit from destination wedding concepts. Additionally, the trend of greater importance to various celebratory occasions (anniversaries and landmarks) creates social demand at city hotels and resorts.

Meanwhile, Foreign Travel Arrivals (FTA) aggregated 10.1 million, 10.6 million and 10.9 million for CY17, CY18 and CY19 respectively. After the Covid period decline, FTA recovered to 6.2mn for CY22 (partially constrained by the Omicron wave during the normally very busy months of January and February 2022) and further to 9.2mn for CY23 (84% of calendar year 2019 arrivals).

FTA for CY2024 was 9.7mn, up by 1.4% YoY. While FTA for H1-CY24 reflected 9.1% y-o-y growth. FTA numbers have been impacted since H2-CY24 due to drop in flow of visitors from Bangladesh.

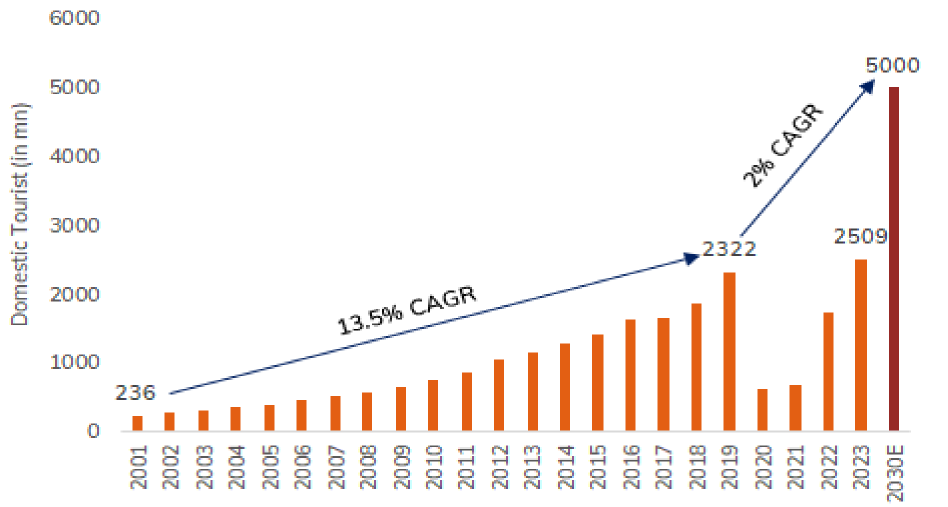
Domestic travel visits grew at 13.5% CAGR between CY01–CY19, from 236mn visits in CY01 to 2.3bn visits in CY19. Domestic travel numbers at 2.5bn visits for CY23 have surpassed CY19 (pre-COVID) by 8%, reflecting strong rebound of travel and an increase of 45% over 1.7bn visits for CY22. The domestic sector has become a key demand generator with leisure, recreation, weddings and MICE demand driving weekend and off-season occupancies and enabling hotels and resorts to achieve significantly higher occupancies. Domestic travel is expected to maintain strong growth, particularly as a large middleclass population, young working population, and overall increased individual incomes drive more discretionary travel, and with supply creation across wider markets (including religious destinations) and segments. demand will also grow from domestic social visits, family events, and travel to pilgrim centres.

Exhibit 2: FTA witnessing recovery, yet to reach pre-covid levels



Source: RHP, ICICI Direct Research

Exhibit 3: Domestic travel has seen recovery; Surpasses pre-covid levels



Source: RHP, ICICI Direct Research

Growth in Air Traffic in Select Markets

Growth in air travel is a material driver of demand and overall market growth. The Select Markets (Bengaluru, Chennai, Kochi, Gandhinagar (Ahmedabad), Mysore and Hyderabad) had 28.7% share of air traffic for FY25, while having 23% supply share of hotel inventory. 4 of the 6 select markets have private-sector led airport development and operations, with periodic capacity expansions. Between FY15 and FY24, passenger movement (domestic + international) at these select markets and on all-India basis grew at 8.6% and 8.0% CAGR.

For FY25, airports at the select markets handled 118mn passengers (30% of all-India passengers). Arrivals for FY24, compared to FY19, show that post Covid recovery was largely complete with only Chennai lagging in full recovery. The passenger numbers for Bengaluru, Hyderabad, Chennai, Ahmedabad and Kochi grew by 12%, 16%, 6%, 15% and 7% respectively in FY25 over FY24. Aggregate passenger capacity at these select markets airports by FY28, including from expansion of certain airports, is estimated to be 170mn passengers per annum.

Bengaluru and Hyderabad: Air traffic at Bengaluru and Hyderabad, stood at 42mn and 29mn respectively for FY25 respectively reflecting 319% and 327% growth over FY08. Bengaluru airport is expected to materially expand in the next 5 years with targets of reaching 90mn passengers by CY30. Hyderabad airport expansion has increased the airport's capacity from 12 mn passengers per annum (MPPA) to 34 MPPA, and increasing to 45 MPPA by CY30.

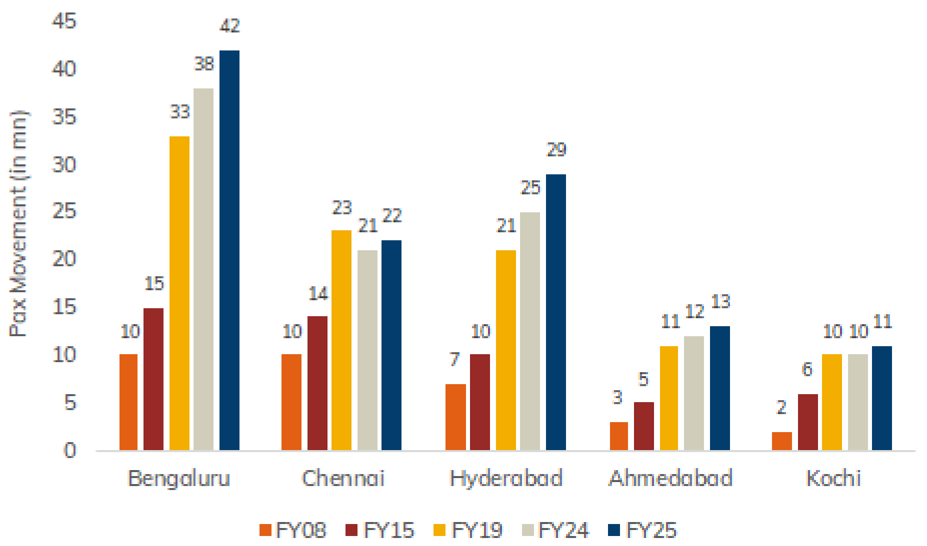
Chennai: The airport handled 21 million and 17 million passengers for FY24 and FY25 respectively. Terminal 2 is undergoing expansion, expected to be completed in 2026, raising its capacity from 25 to 35 MPPA.

Ahmedabad Airport: This airport handled 12mn and 13mn passengers in FY24 and FY25 respectively, surpassing pre-covid levels. Major renovations have been carried out over the past 2 to 3 years, that have upgraded the facilities at this airport. The construction of a new integrated terminal building is planned in FY26 that will, expand the passenger handling capacity to 20mn/annum.

Kochi Airport: This airport achieved 10mn passenger level for FY24, marginally higher than the pre-Covid levels. Passenger movement as of FY25 stands at 11 million, growing by 7% YoY.

Mysore Airport: This airport started consistent operations only post Covid, presently with one daily flight to and from Hyderabad and Chennai. The airport runway is proposed to be extended to accommodate larger aircrafts, which will help in increasing connectivity to other destinations. The state government has approved the release of funds for land acquisition and expansion of the runway.

Exhibit 4: Passenger Movement for Select Markets



Source: RHP, ICICI Direct Research

Future Rooms Supply Lags Demand in Select Markets

Aggregate supply in Select Markets, stood at 47.7k rooms as at FY25, comprises 23% of all India supply; BHVL has 3.4% share of supply in Select Markets. Supply growth, aggregated across the Select Markets was 4.8% CAGR for FY15-FY25 which is much lower than 19.2% CAGR for FY08- FY15.

Select Markets will see limited new supply of only 13.7k rooms being added through March'30. Consequently, the overall supply share of Select Markets will decline from its current level of 22.9% to 19.2%. The new supply is expected to facilitate additional demand creation / absorption so that the overall impact on occupancies in Select Markets will likely be positive, or remain broadly neutral. 34% of supply creation through FY30 will occur in Key Markets (including relevant Select Markets) and 66% will occur outside the Key Markets.

Exhibit 5: Rooms Supply across FY25-30 Lags Demand in Select Markets

Market (FY25-FY30)	Supply CAGR	Demand CAGR
Bengaluru	7.3%	10.1%
Chennai	3.8%	4.9%
Hyderabad	4.8%	8.3%

Source: RHP, ICICI Direct Research

Investment Rationale

Strategically located hotels across positive demand locations

BHVL hotels are typically located in positive demand locations, driven by factors such as population density, premium neighbourhoods, commercial centres, IT hubs or strong leisure potential. The experience and familiarity in the Indian hospitality market, coupled with the expertise of the promoter, BEL, in the Indian real-estate sector enables the company to identify locations for its hotels with growth potential. The company lay emphasis on identification of locations within cities based on their proximity to airports, business districts, commercial centres and retail hubs with high footfalls. Upon identification of a particular micro-market and based on the its assessment of its growth potential, BHVL develops its hotels at a scale which can benefit from the future demand growth. The number of rooms in its hotels is higher than the average number of rooms in hotels in India within the same segments. The Promoter, BEL's experience as a real estate developer in India enabled it to lead supply creation of significance in several micro-markets such as Sheraton Grand Bangalore at Brigade Gateway in North-west Bengaluru (Karnataka) and *Grand Mercure Bangalore* in Koramangala area (Karnataka), Four Points by Sheraton Kochi *Infopark* in the IT Park at Kakanad in Kochi (Kerala) and *Grand Mercure Ahmedabad Gift City* (Gujarat). Further, the hotel Holiday Inn Bengaluru Racecourse was the first to offer large inventory in the upper-midscale segment in its micro-market and is the second largest hotel outside the upper tier in Bengaluru.

BHVL's hotels provide a comprehensive customer experience including fine dining and specialty restaurants, venues for MICE, lounges, swimming pools, outdoor spaces, spas, and gymnasiums. It boasts an aggregate MICE area of approximately 2.15 lakh square feet at its hotels.

Exhibit 6: Presence at positive demand locations

Hotel	Location
Grand Mercure Bangalore	It is located in the centre of Bengaluru's Koramangala region. It offers access to key business hubs, technology parks and a wide variety of dining and entertainment choices.
Sheraton Grand Bangalore at Brigade Gateway	It is situated within the integrated lifestyle precinct of Brigade Gateway in Rajajinagar, Bengaluru (Karnataka), adjacent to the World Trade Center and the Orion Mall.
Grand Mercure Mysore	It is located in close proximity to iconic landmarks such as the Mysore Palace. This proximity provides access to business districts and also allows customers to explore the city's cultural heritage and shopping experiences.
Holiday Inn Chennai OMR IT Expressway	It is strategically located at the beginning of the Old Mahabalipuram Road (OMR), Chennai, offering corporate customers a distinct advantage with its close proximity to IT parks and multinational corporations.
Holiday Inn Bengaluru Racecourse	It is located with a view of the Bengaluru Turf Club's racecourse and is close to Bengaluru's wholesale hub of Chickpet, Gandhinagar and the central railway station which allows customers to have convenient access to business hubs.
Four Points Sheraton Kochi Infopark	It is located just outside Infopark in Kochi, Kerala, a prominent IT hub and demonstrates our commitment to offering travellers with convenience and accessibility. This location serves as a gateway to major corporations and government offices in Kochi, Kerala.
Grand Mercure Ahmedabad Gift City	It is located within GIFT City (Gujarat) which is India's pioneering global financial hub (Source: Horwath HTL Report), offering customers a distinctive advantage in terms of surroundings.
Holiday Inn Express and Suites Bengaluru OMR	It is strategically located along the Old Madras Road in Bengaluru, Karnataka, in proximity to the industrial hub
ibis Styles Mysuru	It is located at KRS road in Mysuru's industrial area.

Source: RHP, ICICI Direct Research

Proven and established track record of the parent, Brigade Enterprises (BEL)

BHVL is subsidiary of BEL which is a multi-asset class real estate developer with projects across real estate, leasing and hospitality businesses. In its real estate business, from January 2021 to March 31, 2025, it has completed 45 projects with an aggregate developable area of 24.57 million square feet and 17.93 million square feet of aggregate saleable area. Further, in its leasing business, from January 2021 to March 31, 2025, it has completed six projects with a developable area of 7.42 million square feet and 4.42 million square feet of aggregate leasable area. With extensive experience in real estate and commercial projects, BEL has a deep understanding of market trends and location opportunities which enable BHVL to locate strategic land parcels for its hotels. Further, BEL's involvement in developing large mixed-use developmental projects provides it with an opportunity to develop hotels as part of these projects, which allows BHVL to provide an integrated experience to its customers by combining hospitality with other amenities and services. Further, leverages BEL's expertise and knowledge to develop hotels with cost-efficiency and high quality in shortened timelines.

Being a subsidiary of BEL allows the company to benefit from its brand reputation and leverage its network, relationships, businesses and credibility which helps us to be a trusted provider of hospitality services.

Expanding its presence by developing new hotels in Select Locations

BHVL intends to expand its operations and market presence by developing new hotels at select locations in India and are focussed on selecting regions with high growth potential and demand. It has recently opened another hotel located in Mysuru, Karnataka under the brand 'ibis Styles Mysuru' with 130 keys. With this new hotel, its total number of keys has increased from 1,474 keys as of March 31, 2023 to 1,604 keys as of July'25.

The company's expansion plans include development of 5 additional hotels. In particular, it plans to develop a luxury beach resort in Chennai (Tamil Nadu) and two upper midscale hotels in Bengaluru (Karnataka). With respect to the luxury beach resort, BHVL has entered into a management agreement with Hyatt to develop the resort under the '*Grand Hyatt*' brand. Similarly, with respect to the two upper midscale hotels in Bengaluru (Karnataka), it has entered into definitive agreements with Marriott to develop these hotels under the 'Fairfield by Marriott' brand. It also intends to develop a luxury hotel under the '*InterContinental*' brand in Hyderabad (Telangana), for which the Promoter, BEL, has entered into a definitive agreement with InterContinental Hotels Group. It also plans to develop a wellness resort on 14.70 acres in Vaikom, Kerala of which it owns 7.08 acres and has signed an memorandum of agreement dated October 21, 2024 with Brigade Hospitality Services Limited to purchase the balance 7.62 acres. BHVL also has entered into a definitive agreement with Marriott to develop the resort under '*The Ritz-Carlton*' brand. The company intends to complete the construction of a luxury beach resort in Chennai (Tamil Nadu) and two upper midscale hotels in Bengaluru (Karnataka) by FY28 and the remaining two hotels by FY29. With these 5 additional hotels, the company estimates to have an inventory of about 2,560 keys by FY29.

The company may consider acquiring new land parcels to expand its portfolio to newer geographies across India such as Goa and South India for developing new hotels. In addition, it intends to explore opportunities for development of resorts and hotels at pilgrimage locations that it believes, offer growth potential.

Exhibit 7: Balanced Portfolio

Hotels	Location	Expected year of completion
Grand Hyatt - Luxury Beach Resort	Chennai	FY28
Fairfield by Marriott (2 Hotels)	Bengaluru	FY29
InterContinental Hotel	Hyderabad	-
Ritz Carlton,	Vaikom, Kerala	-

Source: RHP, ICICI Direct Research

Improving operating efficiencies through prudent Asset Management practices.

The company has a business model where it either owns or leases hotel assets and engage global hospitality companies to operate, maintain and market its hotel assets under management contracts. Its focus is on improving staff productivity and efficiency through training and learning exercises to optimise the staff per room ratio. The company's staff per room ratio was 0.74, 0.74 and 0.66 as of March 31, 2025, 2024 and 2023, respectively. The company also focuses on shared services across its hotels by consolidating certain operations and resources to enhance cost-effectiveness. Certain functions, such as finance, IT, sales, marketing, procurement and learning and development, are also shared amongst the aforesaid hotels. Similarly, its 3 hotels managed by InterContinental Hotels Group collaborate in sharing human resources in the areas of finance, engineering, and IT.

BHVL believes that space utilization significantly impacts utility expenses, repair and maintenance costs and manpower-related expenses. Across its hotels, it has an average super built-up area of 85.28 square metres per room. It aims to optimise the use of space to reduce operating costs and enhance overall efficiency. It has also undertaken various initiatives across its hotels to reduce its energy consumption such as implementing the use of LED lights, installing thermostats to regulate heating, ventilation and air conditioning ("HVAC") systems, upgrading to energy-efficient appliances, and deploying energy management systems to monitor and control various energy-consuming systems.

Risk & Concerns

High Debt on books as on 31st March 2025.

As of March 31, 2025, we had total borrowings of Rs.617.3cr, out of which, Rs.478.6cr is secured borrowings and Rs.138.6cr are unsecured borrowings. The company may also incur additional indebtedness in the future.

The current or future level of leverage could have significant consequences for its shareholders, its future financial results and business prospects, including increasing the vulnerability to a downturn in business in India and other factors which may adversely affect the operations requiring BHVL to dedicate a substantial portion of its cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts. It also will limit the company's flexibility in planning for, or reacting to, changes in its business and the industry in which BHVL operates placing it at a competitive disadvantage to any of its competitors that have less debt.

Further, given that a significant portion of the company's borrowings comprises floating rate borrowings, any increase in interest rates may increase its finance costs, which may adversely affect the business, results of operations, cash flows and financial condition. The financing agreements include provisions providing for interest rates to be periodically reset or changed based on the lender's internal policies. BHVL are susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on its business, results of operations, cash flows and financial condition.

The company derives 43.8% revenues from 2 hotels exposing it to operational risk in case of termination of agreements

BHVL currently has a portfolio of 9 operating hotels. Of these, 4 hotels are operated under Accor brands, 3 hotels are operated under InterContinental Hotels Group, 2 hotels are operated under Marriott brands.

While the company has not experienced any instances of termination, fines or penalties in the last 3 Financial years, it does not assure that it will be able to fully comply with all terms of its agreements entered into with the hotel operators. In the event that any of such agreements are terminated, on account of non-compliance or on other grounds, the company may be required to pay damages to hotel operators. In addition, it may be unable to find another hotel operator for that hotel in a timely manner, or at all, and may have to operate that hotel themselves. Further, if its hotel operator services agreements are terminated or not renewed, BHVL may not be able to use the brands and loyalty programs of the hotel operators to market its hotels. Such occurrences may adversely affect the business, results of operations, financial condition and cash flows.

In the event the agreements with hotel operators are terminated prior to their tenure, or if not renewed, the company may not have access to their brands and their loyalty programs. Further, BHVL may seek to rebrand its hotel assets subject to approval of the hotel operators or reposition its properties by using alternate brands at its hotels. In the event the company is unable to execute agreements with international brands of similar or higher positioning than the existing brands, the business, results of operations, financial condition and cash flows may be adversely affected including due to disruptions and expenses related to such re-branding.

Occurrence of natural or man-made disasters may have impact on the operations of hotels.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect the results of operations, financial condition or cash flows. India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on the company's business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on the business.

Financial summary

Exhibit 8: Profit and loss statement (₹ crore)

(Year-end March)	FY23	FY24	FY25
Total Operating Income	350.2	401.7	468.3
Growth (%)		*14.7*	*16.6*
Raw Material Expenses	35.1	40.3	44.8
Gross Profit	315.1	361.4	423.5
Gross Profit Margins (%)	90.0	90.0	90.4
Employee Expenses	63.3	76.3	86.3
Other Expenditure	155.0	143.6	172.7
Total Operating Exp.	253.4	260.2	303.8
EBITDA	96.8	141.5	164.4
Growth (%)		46.2	16.2
Interest	69.2	68.9	72.6
Depreciation	49.4	43.6	49.8
Other Income	6.2	3.2	2.4
PBT	-15.5	32.1	44.5
Less Tax	-1.5	0.9	20.9
Adjusted PAT	-14.1	31.1	23.7
Exceptional item - gain / (loss)	11.0		
Reported PAT	-3.1	31.1	23.7
Reported EPS	-0.1	0.9	0.7

Source: RHP, ICICI Direct Research

Exhibit 9: Cash flow statement (₹ crore)

(Year-end March)	FY23	FY24	FY25
Profit/(Loss) before taxation	-21.7	28.9	42.1
Add: Depreciation & Amort.	49.4	43.6	49.8
Add:Other income	6.2	3.2	2.4
Tax	-1.5	0.9	20.9
Net Increase in Current Assets	-58.9	11.5	-18.3
less: 'Net Increase in Current Liab.	-48.1	2.8	-8.7
CF from Operating activities	**24.5**	**83.5**	**63.9**
Investments & Bank bal.	-23.3	11.0	0.7
(Purchase)/Sale of Fixed Assets	-705.5	-110.0	-77.3
Intangible assets& goodwill	-1.3	0.4	-0.9
Others	-93.3	-2.5	-12.1
CF from Investing activities	**-823.4**	**-101.1**	**-89.6**
(inc)/Dec in Loan	735.0	17.7	28.5
Change in equity & reserves	61.9	0.1	-0.3
Dividend paid			
Deferred tax liability & others	9.8	0.0	0.3
CF from Financing activities	**806.7**	**17.8**	**28.5**
Net Cash Flow	7.8	0.2	2.8
Opening cash	0.0	7.8	8.0
Closing cash balance	**7.8**	**8.0**	**10.8**

Source: RHP, ICICI Direct Research

Exhibit 10: Balance sheet (₹ crore)

(Year-end March)	FY23	FY24	FY25
Equity Capital	1.0	1.0	281.4
Reserve and Surplus	41.1	66.0	-194.6
Total Shareholders funds	42.1	67.0	86.9
Non-controlling interest	5.7	12.0	15.5
Total Debt	735.0	752.7	781.2
Long-Term Provisions	0.9	1.1	1.6
Other Non Current Liabilities	8.9	8.8	8.6
Total Liabilities	**792.6**	**841.5**	**893.7**
Net Block	626.7	650.8	729.7
Capital WIP	29.4	71.7	20.3
Fixed Assets	656.1	722.5	750.0
Goodwill & Other intangible assets	1.3	0.9	1.8
Investments	0.1	0.1	0.1
Other non-Current Assets	93.3	95.8	107.8
Inventory	4.4	5.9	6.7
Debtors	20.7	21.8	23.0
Current Investments	0.0	0.0	0.0
Other current assets	33.8	19.6	35.8
Cash	7.8	8.0	10.8
Bank balance	23.3	12.3	11.6
Total Current Assets	89.9	67.6	87.9
Creditors	31.5	27.3	38.1
Provisions	1.0	1.4	1.9
Other Current Liabilities	15.6	16.5	13.9
Total Current Liabilities	48.1	45.2	53.9
Net Current Assets	41.8	22.3	34.0
Application of Funds	**792.6**	**841.5**	**893.7**

Source: RHP, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY23	FY24	FY25
Per share data (₹)			
Adjusted EPS	-0.1	0.9	0.7
Cash EPS	462.6	747.8	2.6
BV per share	1.6	2.7	3.5
Operating Ratios (%)			
Gross margins	90.0	90.0	90.4
EBIDTA margins	27.6	35.2	35.1
Adjusted PAT Margins	-4.0	7.8	5.1
Asset Turnover (x)	0.4	0.5	0.5
Return Ratios (%)			
RoE	-9.1	53.0	30.1
RoCE	8.6	12.6	13.6
Valuation Ratios (x)			
P/E	-642.9	102.3	125.0
EV / EBITDA	34.7	24.0	20.8
EV / Net Sales	9.6	8.4	7.3
Market Cap / Sales	9.9	8.6	7.3
Price to Book Value	-	-	-
Solvency Ratios			
Debt / EBITDA	7.6	5.3	4.8
Debt / Equity	15.4	9.5	7.6

Source: RHP, ICICI Direct Research

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Hold: -5% to 15%;

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Sell: <-15%

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