

CMP: ₹ 743

Target: ₹ 915(23%)

Target Period: 12 months

November 6, 2025

Q2 an aberration; strong recovery expected in H2

About the stock: Indian Hotels Company (IHCL) and its subsidiaries bring together a group of brands and businesses that offer fusion of warm Indian hospitality and world class services. It has 392 hotels in its portfolio with 143 hotels under development.

Q2FY26 performance: IHCL consolidated revenues grew by 12% YoY to Rs.2,041cr. Hotel business revenues witnessed slower growth on account of factors such as high base, room innovation and intense rainfall in Q2FY26. Standalone room revenues decreased by 3% while F&B revenues grew by just 2% during the quarter. RevPAR stood at Rs.11000. Consolidated EBITDA margins improved by 49bps YoY to 27.9%. EBITDA grew by 14% YoY to Rs570.1cr. Overall PBT grew by 17%yoy to Rs452.7cr. Higher incidence of tax led to 3% decline in PAT to Rs316cr.

Investment Rationale:

- Hotel business - H1FY26 was relatively soft; strong recovery expected in H2FY26:** IHCL hotel business revenues grew by 9% YoY in H1FY26 (standalone revenues grew by ~7% YoY) affected by global uncertainties, higher rainfall in key regions, high base of events/MICE segment in Q2FY25 and 200+ domestic rooms were under renovation. The management has indicated of strong come back in H2FY26 with RevPar expected to get in double digit driven by high room demand, strong wedding season and operational of 200+ renovated rooms and 278 greenfield rooms will drive double digit revenue growth in H2FY26. With room demand (10% YoY) likely to outpace room supply (8% YoY), addition of greenfield rooms at key locations and consistent growth in management fee income, the consolidated revenues expected to grow at CAGR of 16% over FY25-28E.
- Consistent EBITDA margin improvement:** IHCL's hotel business EBITDA margins improved by 50bps YoY to 28.9% due to cost efficiency measures. Recovery in the performance of the hotel business will further boost profitability in H2. The consistent growth in management fee income (grew by 21% in H1FY26) is expected to incrementally add to the profitability. IHCL subsidiaries (including international properties) witnessed ~100bps improvement in the EBITDA margins in H1FY26. Better performance by the international properties and sustain strong performance of Roots Corporation – Ginger (EBITDA margin – 42%) will aide further margin expansion. Overall EBITDA margins are expected to improve by ~300bps over FY25-28E.
- Capex of Rs1,000-1,200cr p.a. will be done through internal accruals:** IHCL has guided for capex of Rs1,000-1,200cr for FY26 (already done Rs480cr of capex in H1FY26). It will be largely done for greenfield projects and renovation of existing rooms. The management has retained its guidance of Rs1,000-1,200cr for FY27. Majority of the capex is towards the Taj Bandstand and rest would be for other greenfield additions along with renovations. This will be largely done through internal accruals.

Rating and Target Price: Underperformance to broader indices and strong industry tailwinds makes IHCL a better pick in the hotel space. We recommend Buy with a price target of Rs.915 valuing at 32x its FY27E EV/EBIDTA.

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	2 year CAGR (FY23-25)	FY26E	FY27E	FY28E	2 year CAGR (FY25-28E)
Revenues	5809.9	6768.8	8334.5	19.8	9860.7	11383.1	13082.1	16.2
EBIDTA	1804.6	2157.1	2769.3	23.9	3420.7	4087.3	4723.9	19.5
EBIDTA Margins(%)	31.1	31.9	33.2		34.7	35.9	36.1	
Adjusted PAT	1049.5	1330.2	1717.9	27.9	2102.8	2616.5	3085.3	21.6
EPS (Rs.)	6.8	8.4	12.1		14.8	18.4	21.7	
PE (x)	-	79.5	58.9		48.6	39.4	33.6	
EV to EBITDA (x)	49.7	41.4	32.2		25.6	21.2	17.8	
RoE (%)	11.9	12.8	15.2		15.8	17.0	17.3	
RoCE (%)	13.0	14.8	16.7		18.4	20.3	21.1	

Source: Company, ICICI Direct Research

BUY



Particulars

Particular	Amount
Market Capitalisation (₹ crore)	88365
Debt (FY25) - ₹ crore	3628
Cash (FY25) - ₹ crore	2950
EV (Rs crore)	89044
52 week H/L (₹)	894 / 651
Equity capital (₹ crore)	142
Face value (₹)	1.0

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	38.1	38.1	38.1	38.1
FII	27.8	27.8	27.2	26.1
DII	18.4	18.4	18.4	19.4
Others	15.7	15.7	16.3	16.3

Price Chart



Key risks

- Any adverse event such as terrorist attack or pandemic might affect room demand.
- Disruption in the performance of the international properties.
- Delay in launch of new hotels.

Research Analyst

Kaustubh Pawaskar
kaustubh.pawaskar@icicisecurities.com

Abhishek Shankar
Abhishek.shankar@icicisecurities.com

Q2FY26 – Key performance highlights

- Consolidated revenues grew by 12% YoY to Rs.2,041cr. Core hotel business recorded 6% YoY growth in revenues to Rs.1,758cr. Q2FY26 reported softer revenue growth due to headwinds such as high base of last year, intense monsoon in India and lower domestic travel. Under the hotel business, standalone revenues reported 2% YoY growth while international business on the back of strong performance in UK grew by 19% YoY in Q2FY26. Consolidated management fee revenues reported 26% YoY growth to Rs.126cr in Q2FY26.
- Taj Sats reported revenues of Rs.287cr growing by 13% YoY in Q2FY26. Operating EBITDA margins stood at Rs.68cr growing by 9% YoY while margins declined 40bps YoY to 23.3%. Margins were impacted due to Airport levy being routed through P&L resulting in higher expenses, adjusted for the impact, margins would see 130bps YoY expansion.
- Hotel business EBITDA margins improved by 80bps YoY to 28.7%. Margins improved on the back of efficient cost management measures. Overall EBITDA margins improved by 49bps YoY to 27.9%. EBITDA grew by 14% YoY to Rs.570.1cr.
- Higher tax incidence led to 3% YoY decline in adjusted PAT which stood at Rs.316.2cr.

H1FY26 – Key performance highlights

- Consolidated revenues reported 21% YoY growth to Rs.4,226cr. Hotel business revenues reported 9.4% YoY growth in revenues to Rs.3,512cr. H1FY26 was relatively softer due to various headwinds such geopolitical disruptions in Q1 followed by intense rainfall and high base in Q2. Standalone business revenues reported 7% YoY growth to Rs.2105.1cr. International business revenues witnessed 17% YoY growth in revenues on the back of strong performance of US hotels in Q1 and UK hotels in Q2.
- Management fees revenues reported 21% YoY growth in H1FY26 to Rs.259cr on the back of 12% YoY increase in managed room inventory. Managed room inventory stood at 15,353 as of H1FY26.
- New businesses revenues grew 22% YoY to Rs.324cr largely driven by Ginger which reported 7% YoY growth in LFL RevPAR. Ginger EBITDAR margin stood flat at 42% in H1FY26. Ginger's F&B revenues improved by 25% aided by addition of Qmin restaurants across its hotels. As of Sep'25, Ginger has 75 operational hotels with 33 in pipeline, ama stays and trails has 157 operational bungalows and 174 in pipeline and Tree of life has 18 operational properties with 5 more in pipeline.
- Taj Sats reported revenues of Rs.577cr growing by 17% YoY in H1FY26. Operating EBITDA margins stood at Rs.136cr growing by 13% YoY while margins declined 30bps YoY to 23.1%. Margins were impacted due to Airport levy being routed through P&L resulting in higher expenses, adjusted for the impact, margins would see 180bps YoY expansion.
- International Business revenues grew by 17% YoY driven by strong performance in the UK and US. UOH Ltd. (100% US subsidiary) recorded 13.9% YoY growth in revenue to Rs.435cr while St. James Court -UK (72.5% UK subsidiary) witnessed 21.2% YoY growth to Rs.348cr. Margins of US improved to 3.5% and is now EBITDA positive. UK margins stood flat at 30.7%.
- Hotel business EBITDA margins improved by 50bps to 28.9% on the back of various cost management measures. Consolidated EBITDA margins stood flat at 28.2% in H1FY26. Consolidated EBITDA grew by 21% YoY to Rs.1146.2cr.
- Higher other income led to 13.2% YoY growth in PAT to Rs.635.6cr for H1FY26.

Expansion momentum continues

- IHCL opened 26 hotels in H1FY26 (Incl. Clark and Brij) The opening adds 1222 rooms under management and lease contracts and 779 rooms under sales and distribution tie-ups.
- IHCL's total signed pipeline as of 30th September 2025 stood at 22000 rooms with 4000 owned rooms and 18000 managed rooms. The company is on track to open 3000+ rooms in FY26 out of which 600 are owned rooms.

Q2FY26 Earnings call highlights

- Demand and Industry Outlook
 - Q2FY26 was impacted by headwinds such as intense rainfall across the country, High base due to MICE/ big wedding events last year, slowdown in domestic air travel and geopolitical headwinds leading to lower foreign tourist arrivals.
 - The management remains optimistic about the demand momentum guided by favourable tailwinds such as domestic travel growth, robust MICE, strong upcoming wedding season and multiple high profile diplomatic events in H2FY26.
 - Bookings for November-December remain strong, with the management confirming strong business in Q3FY26 and Q4FY26.
 - Supply growth in Tier 1 markets remains below 5% while higher supply in Tier 2/3 towns is on a small base and will be largely be absorbed by unbranded hotels.
 - Corporate travel is normalizing. The management guided that they are shifting to dynamic pricing for corporate bookings which signals greater demand environment.
 - The management reiterated that the current demand cycle is expected to sustain over the next 4-5 years with healthy business, leisure and destination driven travel.
 - Higher direct and digital bookings are being witnessed which is positive for the company as this reduces the operator margins and also strengthens pricing power.
 - Key markets such as Delhi, Bengaluru and Kolkata continue to witness healthy growth. Mumbai's RevPAR remained low due to high base from last year due to major wedding event in Q2FY25.
- Revenue and Margin Outlook
 - Management has retained its guidance of double-digit revenue growth for FY26. H2FY26 is expected to witness accelerated growth in lieu of high-profile diplomatic visits, strong wedding season.
 - Renovated properties (Taj Palace Mumbai, Taj Palace Delhi, Fort Aguada, Taj West end and Taj Bengal) will incrementally add to the revenues clocking higher room rentals due to upgradation.
 - Newer business (Ginger, Qmin, Ama stays and Tree of Life) delivered 22% YoY growth. The management guided that the growth is expected accelerated in H2FY26 with growth of new businesses expected to be at 30%.
 - Management fees income continued to grow in double-digits. With strong pipeline the company expects the momentum to continue which will contribute to EBITDA margins.

- The management guided for low double digit RevPAR growth in FY26, driven by ARR improvements across key regions and stable occupancies.
- About new green projects, renovation and signings
 - The company has received all the approvals pertaining to Taj Bandstand. The management informed that construction of the hotel has commenced.
 - IHCL opened 2 key assets Vivanta and Ginger Ekta Nagar. The management has witnessed mixed trends. With high profile visits, the hotels initially faced lesser occupancies but post the visits, demand has been robust. The company also opened its 250th hotel, Gateway – Palolem, Goa.
 - The company signed 46 hotels, opened 26 hotels in H1FY26, including 14 hotels as a part of Clark and Brij hotels.
 - The integration of Clarks Hotels is expected to be completed in Q3FY26 adding 135 hotels to the Ginger portfolio. Post the addition IHCL will be one of the largest midscale operator with 240+ hotels under the Ginger brand.
 - Renovation activity was heightened in H1FY26. This is generally due seasonally weak period. 115 rooms in Taj Palace Delhi, 76 rooms in Taj President Mumbai and selected suites under West end were under renovation. These are expected to be fully operational in November.
 - The management highlighted that the impact of renovations will be partially visible in Q3FY26 while full benefits will be seen in Q4FY26 translating to better yields and margin accretion,
- International Business Highlights
 - United States- Campton hotels reported robust performance during the quarter and H1FY26. Heightened Leisure and corporate activity were witnessed in San Francisco. The Pierre, New York also maintained steady ARR and improved occupancies aided by recovery in MICE and inbound travels. Both hotels have positively contributed to consolidated margins. The management denied that the news on sale of Pierre asset is a speculation.
 - United Kingdom – Strong occupancy and ARR led to robust performance in the UK operations. Inbound tourism and corporate travel in London remained strong during the quarter. The management expects the performance to sustain ahead in H2FY26 on the back of festive season and strong event calendar in the UK.
 - Germany – The property in Frankfurt is expected to open in March 2026. Expects strong demand due to proximity to Indian consulate and one of the largest Indian IT company. The management expects full benefits of the hotel to flow in FY27.
- Capex & Expansion Outlook
 - As of H1FY26, the capex stood at Rs.480cr. Despite the capex, the cash reserves remained strong at Rs.2850cr which will help in re-investment for further capex.
 - Half of the Rs.480cr (Rs.240-250cr) was attributed to the major renovations taken up during H1FY26.
 - The management retained the capex guidance of Rs.1000-2000cr covering major greenfield assets (Taj Bandstand, MOPA Goa, Lakshadweep, Ranchi and Agartala) and other major renovations.

- Investment in select owned properties continues. 100 Keys expansion at Taj Ganges, Varanasi is expected to open in January 2026 and 95 key Taj Lucknow to open in FY27.
- The management confirmed that internal accruals remain strong and further investments would not need debt.
- The company expects to open 30 hotels in FY26. H2FY26 to witness more openings.
- Framework agreement signed with Ambuja Neotia group for 15 hotels with mix of management contract and revenue share leases.

Revision in earnings estimates

We have reduced our earnings estimates for FY26E and FY27E by ~4% each to factor in muted performance in H1FY26 affected by unavailability of rooms due to renovation and high base of Q2FY25. Further we believe new greenfield facility will take another 3-4 quarters to attain maturity and contribute materially to the margins.

Exhibit 1: Changes in headline estimates

(₹ crore)	FY26E			FY27E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	10093.7	9860.7	-2.3	11649.7	11383.1	-2.3
EBIDTA	3560.7	3420.7	-3.9	4250.0	4087.3	-3.8
EBIDTA margin (%)	35.3	34.7		36.5	35.9	
PAT	2203.6	2102.8	-4.6	2733.6	2616.5	-4.3
EPS (Rs.)	15.5	14.8	-4.6	19.2	18.4	-4.3

Source: Company, ICICI Direct Research

Exhibit 2: Key Operating Assumptions

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Standalone					
Room revenues	1953.0	2238.0	2426.0	2720.5	3038.0
yoy%		14.6	8.4	12.1	11.7
F&B revenues	1563.0	1650.0	1906.9	2219.1	2602.0
yoy%		5.6	15.6	16.4	17.3
Other operating income	427.0	484.0	545.7	631.2	730.1
yoy%		13.3	12.7	15.7	15.7
Management Fees	470.0	562.0	667.7	829.1	987.0
yoy%		19.6	18.8	24.2	19.0
Taj Sats revenues					
		1051.0	1263.6	1517.4	1822.4
yoy%			20.2	20.1	20.1

Source: Company, ICICI Direct Research

Exhibit 3: Q2FY26 consolidated result snapshot (₹ crore)

Particulars	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
Net Sales	2040.9	1826.1	11.8	2041.1	0.0
Foods & Beverage consumed	208.2	174.0	19.7	208.2	0.0
Employee cost	591.1	522.5	13.1	597.6	-1.1
Other operating & general expenses	671.5	628.3	6.9	659.3	1.9
Total expenditure	1470.8	1324.9	11.0	1465.1	0.4
EBITDA	570.1	501.3	13.7	576.0	-1.0
Other income	83.4	64.1	30.0	61.1	36.5
Interest cost	56.1	52.2	7.3	54.6	2.7
Depreciation	144.7	124.9	15.8	142.8	1.4
PBT	452.7	388.2	16.6	439.8	2.9
Tax	136.5	60.9	124.2	120.4	13.4
Adjusted PAT	316.2	327.3	-3.4	319.4	-1.0
Share of profit from associates	2.1	9.5	-78.1	9.9	-79.0
Reported PAT	318.3	582.7	-45.4	329.3	-3.4
Margins	Q2FY26	Q2FY25	bps	Q1FY26	bps
EBITDA margin (%)	27.9	27.5	49	28.2	-28.6
NPM (%)	15.5	17.9	-243	15.6	-15.7
Tax rate (%)	30.2	15.7	1447	27.4	278.3

Source: Company, ICICI Direct Research

Exhibit 4: Q2FY26 Subsidiary Revenue (₹ crore)
Subsidiary Results (₹ crore)

Particulars	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)	Particulars	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
UOH Inc. USA	199.0	178.0	11.8	236.0	-15.7	UOH Inc. USA	35.0	17.0	105.9	-10.0	-
St. James Court - UK	193.0	151.0	27.8	155.0	24.5	St. James Court - UK	34.0	38.0	-10.5	50.0	-32.0
PIEM Hotels Ltd	150.0	135.0	11.1	126.0	19.0	PIEM Hotels Ltd	67.0	54.0	24.1	31.0	116.1
Roots Corporation	136.0	110.0	23.6	153.0	-11.1	Roots Corporation	50.0	40.0	25.0	36.0	38.9
Benaras Hotels	28.0	26.0	7.7	24.0	16.7	Benaras Hotels	20.0	17.0	17.6	11.0	81.8
Taj Sats	289.0	254.0	13.8	288.0	0.3	Taj Sats	74.0	60.0	23.3	52.0	42.3

Source: Company, ICICI Direct Research

Financial summary

Exhibit 5: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	6768.8	8334.5	9860.7	11383.1	13082.1
<i>Growth (%)</i>	<i>16.5</i>	<i>23.1</i>	<i>18.3</i>	<i>15.4</i>	<i>14.9</i>
Raw Material Expenses	520.8	773.8	907.2	1024.5	1177.4
Employee Expenses	1805.2	2150.7	2505.5	2856.3	3256.2
Other Expenditure	2285.6	2640.8	3027.2	3414.9	3924.6
Total Operating Expenditure	4611.6	5565.2	6440.0	7295.7	8358.2
EBITDA	2157.1	2769.3	3420.7	4087.3	4723.9
<i>Growth (%)</i>	<i>19.5</i>	<i>28.4</i>	<i>23.5</i>	<i>19.5</i>	<i>15.6</i>
Interest	220.2	208.4	206.1	204.2	195.2
Depreciation	454.3	518.2	545.3	593.5	642.3
Other Income	182.9	230.5	251.2	344.4	398.8
PBT	1665.5	2273.3	2920.5	3634.0	4285.1
Less Tax	463.9	555.3	817.8	1017.5	1199.8
Adjusted PAT (before exceptional item)	1201.6	1717.9	2102.8	2616.5	3085.3
<i>Growth (%)</i>	<i>24.1</i>	<i>43.0</i>	<i>22.4</i>	<i>24.4</i>	<i>17.9</i>
Profit from associates	128.7	76.8	75.0	65.0	65.0
Exceptional item	0.0	243.3	0.0	0.0	0.0
Reported PAT	1330.2	2038.1	2177.8	2681.5	3150.3
<i>Growth (%)</i>	<i>26.3</i>	<i>53.2</i>	<i>6.9</i>	<i>23.1</i>	<i>17.5</i>
EPS (Adjusted)	8.4	12.1	14.8	18.4	21.7

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	142.3	142.3	142.3	142.3	142.3
Reserve and Surplus	9314.3	11018.4	12769.1	14952.4	17604.5
Total Shareholders funds	9456.7	11160.7	12911.5	15094.8	17746.9
Minority Interest	672.1	1254.9	1317.6	1383.5	1452.7
Total Debt	3239.8	3628.4	3478.4	3328.4	3178.4
Deferred Tax Liability	143.7	147.5	154.9	162.6	170.7
Total Liabilities	13512.3	16191.4	17862.3	19969.2	22548.6
Gross Block - Fixed Assets	11199.6	13367.9	14593.7	15843.7	17093.7
Accumulated Depreciation	3089.6	3607.7	4153.0	4746.5	5388.8
Net Block	8110.0	9760.2	10440.7	11097.2	11704.9
Capital WIP	231.0	575.8	250.0	250.0	250.0
Leased Assets	0	0	0	0	0
Fixed Assets	8341.0	10336.0	10690.7	11347.2	11954.9
Goodwill & Other intangible assets	1225.8	1342.5	1342.5	1342.5	1342.5
Investments	1537.1	1379.9	1500.0	2000.0	2000.0
Other non-Current Assets	561.5	450.9	473.4	497.1	522.0
Inventory	116.4	135.5	160.3	185.0	212.6
Debtors	476.5	650.9	770.1	889.0	1021.6
Current Investments	724.2	898.9	2500.0	3500.0	3500.0
Other Current Assets	161.2	160.8	160.8	168.8	177.3
Loans & Advances	226.7	294.8	309.6	325.0	341.3
Cash	1485.2	2050.8	1698.9	1698.0	3750.9
Total Current Assets	3190.1	4191.7	5599.6	6765.8	9003.8
Creditors	519.4	578.4	669.3	758.2	868.7
Provisions	340.0	392.6	451.4	519.2	597.0
Other Current Liabilities	484.0	538.5	623.2	706.0	808.8
Total Current Liabilities	1343.3	1509.5	1743.9	1983.4	2274.5
Net Current Assets	1846.9	2682.2	3855.7	4782.4	6729.3
Application of Funds	13512.3	16191.4	17862.3	19969.2	22548.6

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Profit/(Loss) after taxation	1330.2	2038.1	2177.8	2681.5	3150.3
Add: Depreciation & Amort.	454.3	518.2	545.3	593.5	642.3
Changes in the working cap.	-489.3	-95.0	75.7	72.3	106.1
CF from Operating activities	1295.2	2461.3	2798.8	3347.3	3898.7
(Purchase)/Sale of Fixed Assets	-848.0	-2513.1	-900.0	-1250.0	-1250.0
Investments & Bank balances	-259.4	-23.6	-1743.8	-1523.7	-24.9
Others	0.0	0.0	0.0	0.0	0.0
CF from Investing activities	-1107.4	-2536.8	-2643.8	-2773.7	-1274.9
(inc)/Dec in Loan	100.8	388.5	-150.0	-150.0	-150.0
Change in equity & reserves	405.5	569.1	62.7	65.9	69.2
Dividend paid	-249.1	-320.3	-427.0	-498.2	-498.2
Other	-13.0	3.8	7.4	7.7	8.1
CF from Financing activities	244.2	641.1	-506.9	-574.6	-570.9
Net Cash Flow	432.1	565.6	-351.9	-0.9	2053.0
Cash and Cash Equivalent (opening)	1053.1	1485.2	2050.8	1698.9	1698.0
Cash	1485.2	2050.8	1698.9	1698.0	3750.9
Free Cash Flow	2143.2	4974.4	3698.8	4597.3	5148.7

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per share data (₹)					
Adjusted EPS	8.4	12.1	14.8	18.4	21.7
Cash EPS	11.6	15.7	18.6	22.6	26.2
BV per share	71.2	87.2	100.0	115.8	134.9
Cash per Share	15.5	20.7	29.5	36.5	50.9
Dividend per share	1.8	2.3	3.0	3.5	3.5
Operating Ratios (%)					
Operating EBITDA margins (%)	31.9	33.2	34.7	35.9	36.1
PAT Margins	17.8	20.6	21.3	23.0	23.6
Cash Conversion Cycle	-9.1	-3.5	-3.5	-3.5	-3.5
Return Ratios (%)					
RoE	12.8	15.2	15.8	17.0	17.3
RoCE	14.8	16.7	18.4	20.3	21.1
Valuation Ratios (x)					
P/E	79.5	58.9	48.6	39.4	33.6
EV / EBITDA	41.4	32.2	25.6	21.2	17.8
EV / Net Sales	13.2	10.7	8.9	7.6	6.4
Market Cap / Sales	13.1	10.6	9.0	7.8	6.8
Price to Book Value	10.4	8.5	7.4	6.4	5.5
Solvency Ratios					
Debt / EBITDA	1.5	1.3	1.0	0.8	0.7
Debt / Equity	0.3	0.3	0.2	0.2	0.2

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, 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: headsquality@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