

February 3, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>1,089</b>		<b>1,183</b>	
Sales (Rs. m)	23,830	28,374	23,394	27,673
% Chng.	1.9	2.5		
EBITDA (Rs. m)	10,853	13,288	10,685	12,967
% Chng.	1.6	2.5		
EPS (Rs.)	24.1	32.2	24.0	32.0
% Chng.	0.4	0.4		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	17,178	20,784	23,830	28,374
EBITDA (Rs. m)	7,359	9,137	10,853	13,288
Margin (%)	42.8	44.0	45.5	46.8
PAT (Rs. m)	3,450	4,048	5,266	7,028
EPS (Rs.)	15.8	18.5	24.1	32.2
Gr. (%)	36.0	17.4	30.1	33.5
DPS (Rs.)	-	1.0	2.4	3.2
Yield (%)	-	0.1	0.3	0.4
RoE (%)	14.1	12.5	14.4	16.7
RoCE (%)	10.7	11.7	13.3	15.5
EV/Sales (x)	12.7	10.6	9.2	7.7
EV/EBITDA (x)	29.7	24.0	20.3	16.5
PE (x)	56.7	48.3	37.2	27.8
P/BV (x)	6.4	5.7	5.0	4.3

### Key Data CHAL.BO | CHALET IN

52-W High / Low	Rs.1,082 / Rs.634
Sensex / Nifty	83,739 / 25,728
Market Cap	Rs.196bn / \$ 2,172m
Shares Outstanding	219m
3M Avg. Daily Value	Rs.184.55m

### Shareholding Pattern (%)

Promoter's	67.33
Foreign	5.08
Domestic Institution	23.99
Public & Others	3.61
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.8)	0.6	12.0
Relative	1.6	(3.2)	3.2

### Jinesh Joshi

jineshjoshi@plindia.com | 91-22-66322238

### Stuti Beria

stutiberia@plindia.com | 91-22-66322246

### Dhvanit Shah

dhvanitshah@plindia.com | 91-22-66322258

## RevPAR growth remains strong

### Quick Pointers:

- Received environmental clearance for Hyatt, Airoli.
- Plans to acquire 150 keys hotel in Udaipur for Rs1,710mn.

**In 3QFY26, CHALET IN recognized residential revenues of Rs166mn with EBITDA margin of 24.0% and consequently reported results are not comparable on YoY basis or with our estimates. Excluding residential business, CHALET IN's operating performance was better than our estimates with EBITDA margin of 45.9% (PLe 44.6%) aided by 11.8% growth in RevPAR and strong traction in leasing income. While commercialization of Taj, Delhi has been delayed; addition of keys at Bangalore (129-keys added in 1HFY26) and Khandala (147 keys fully operational from mid-Nov onwards) will support growth in the interim. In addition, receipt of environmental clearance at Hyatt, Airoli paves way for another greenfield addition in foreseeable future. Annuity business is also likely to witness addition of 0.9mn sq ft of area by 4QFY27E (5-slabs already casted). Overall, the growth funnel remains strong with a potential to add ~150 keys in the near term, if the Udaipur acquisition goes through after due diligence. Given the strong project pipeline, we expect sales/EBITDA CAGR of 18%/22% over FY25-FY28E. We broadly retain our estimates and maintain BUY with a TP of Rs1,089 as we value the hotel business at 20x FY28E EBITDA (earlier 24x; multiple re-aligned as we roll-forward), annuity portfolio at a cap rate of 8.5% and the residential project at NAV of Rs17 per share.**

**RevPAR grew 11.8% YoY:** Revenue increased by 27.1% YoY to Rs5,817mn. Excluding residential business, revenue increased 24.9% YoY to Rs5,720mn (PLe Rs5,410mn, CE Rs5,399mn). Hospitality revenue was up 22.9% YoY to Rs4,913mn (PLe Rs4,672mn), while annuity revenue was up 29.0% YoY to Rs744mn (PLe Rs738mn). ARR increased 15.7% YoY to Rs14,970. RevPAR grew 11.8% YoY to Rs10,162 while occupancy stood at 67.9%.

**EBITDA margin (adjusted for residential business) stood at 45.9%:** EBITDA increased by 29.5% YoY to Rs2,651mn. However, EBITDA (adjusted for residential business) increased 28.4% YoY to Rs2,628mn (PLe Rs2,411mn, CE Rs2,426mn) with a margin of 45.9% (PLe 44.6%) as against a margin of 44.7% in 3QFY25. Hospitality/annuity EBITDA stood at Rs2,226mn/Rs621mn with a margin of 45.3%/83.5% respectively.

**PBT of core business increases 40.2% YoY:** As residential income has been recorded during the quarter, PAT comparison would not give the right picture as residential income would be subject to tax. Hence, we compare the reported PBT performance with our estimates. PBT before exceptional items rose 40.2% YoY to Rs1,659mn (PLe Rs1,491mn, CE Rs1,601mn) with a margin of 29.0% (PLe 27.6%) as against a margin of 25.9% in 3QFY25.

**Con-call highlights: 1)** Occupancy declined 2.3% YoY to 67.9% due to addition of 129 keys in Bengaluru, ramp-up of 100 keys at Khandala, renovation-related disruption at Vashi, and temporary crew business impact at Powai due to construction of commercial tower-2. **2)** The NCR resort has been rebranded to Aravali Marriott Resort & Spa, with upgrades including a clubhouse, pool bar, and

enhanced meeting facilities. **3)** Additional 1,50,000 sq. ft. was leased at Powai during 3QFY26, taking occupancy above 80%. Occupancy is expected to exceed 90% in the near term. **4)** The annuity portfolio achieved a rental run rate of Rs250mn per month in Dec-25. The run-rate is expected to increase to Rs280-300mn over FY27E. **5)** Net debt stood at Rs20bn, while the average cost of borrowing declined by 14 bps QoQ to 7.48%. **6)** CWIP and assets pending business commencement totalled Rs7.2bn in 3QFY26. **7)** Capex of ~Rs25bn has been planned over FY27E–FY29E. **8)** Taj, Delhi has been delayed due to pollution-related stoppages, and a partial launch is expected by 4QFY27E with staggered commissioning thereafter. **9)** The Vashi Hotel will be rebranded as ATHIVA in 4QFY26E. **10)** The Koramangala residential project's Phase 2, comprising 168 units, is expected to be handed over in FY27E. **11)** CHALET IN had acquired land in Rishikesh for Rs600mn, which provides an optionality for future expansion, though any development will be evaluated after stabilization of the existing inventory, with early-stage plans indicating potential villa-led format. **12)** Construction at ATHIVA, Varca, South Goa is delayed given pending approvals.

**Exhibit 1: 3QFY26 Result Overview – Consolidated (Rs mn)**

Y/e March	Q3FY26	Q3FY25	YoY gr.	Q3FY26E	% Var.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
<b>Net sales</b>	<b>5,817</b>	<b>4,578</b>	<b>27.1%</b>	<b>5,410</b>	<b>7.5%</b>	<b>7,353</b>	<b>-20.9%</b>	<b>22,115</b>	<b>11,959</b>	<b>84.9%</b>
Real estate development cost	139	21	557.0%	-	NM	262	-47.1%	1,231	64	1832.0%
<i>As a % of sales</i>	<i>2.4%</i>	<i>0.5%</i>		<i>0.0%</i>		<i>3.6%</i>		<i>5.6%</i>	<i>0.5%</i>	
(Inc)/Dec in Stock of trade	(65)	-	NM	-	NM	1,379	NM	3,137	-	NM
<i>As a % of sales</i>	<i>NM</i>	<i>0.0%</i>		<i>0.0%</i>		<i>18.8%</i>		<i>14.2%</i>	<i>0.0%</i>	
Food and beverages consumed	372	312	19.3%	359	3.6%	305	21.9%	981	847	15.7%
<i>As a % of sales</i>	<i>6.4%</i>	<i>6.8%</i>		<i>6.6%</i>		<i>4.1%</i>		<i>4.4%</i>	<i>7.1%</i>	
Operating supplies consumed	132	105	24.9%	135	-2.7%	102	28.6%	336	299	12.4%
<i>As a % of sales</i>	<i>2.3%</i>	<i>2.3%</i>		<i>2.5%</i>		<i>1.4%</i>		<i>1.5%</i>	<i>2.5%</i>	
Employee Cost	729	578	26.1%	714	2.1%	697	4.6%	2,120	1,668	27.1%
<i>As a % of sales</i>	<i>12.5%</i>	<i>12.6%</i>		<i>13.2%</i>		<i>9.5%</i>		<i>9.6%</i>	<i>14.0%</i>	
Other Expenditure	1,860	1,515	22.8%	1,791	3.9%	1,616	15.1%	5,095	4,135	23.2%
<i>As a % of sales</i>	<i>32.0%</i>	<i>33.1%</i>		<i>33.1%</i>		<i>22.0%</i>		<i>23.0%</i>	<i>34.6%</i>	
<b>EBITDA</b>	<b>2,651</b>	<b>2,047</b>	<b>29.5%</b>	<b>2,411</b>	<b>10.0%</b>	<b>2,992</b>	<b>-11.4%</b>	<b>9,216</b>	<b>4,944</b>	<b>86.4%</b>
<i>EBITDA margin</i>	<i>45.6%</i>	<i>44.7%</i>		<i>44.6%</i>		<i>40.7%</i>		<i>41.7%</i>	<i>41.3%</i>	
Depreciation	585	477	22.5%	552	5.9%	574	1.8%	1,698	1,290	31.6%
<b>EBIT</b>	<b>2,066</b>	<b>1,570</b>	<b>31.6%</b>	<b>1,859</b>	<b>11.2%</b>	<b>2,418</b>	<b>-14.6%</b>	<b>7,518</b>	<b>3,654</b>	<b>105.7%</b>
<i>EBIT margin</i>	<i>35.5%</i>	<i>34.3%</i>		<i>34.4%</i>		<i>32.9%</i>		<i>34.0%</i>	<i>30.6%</i>	
Interest cost	459	453	1.4%	471	-2.4%	454	1.2%	1,399	1,108	26.2%
Other income	75	67	13.1%	103	-26.7%	85	-11.5%	298	209	42.8%
<b>PBT</b>	<b>1,683</b>	<b>1,184</b>	<b>42.2%</b>	<b>1,491</b>	<b>12.8%</b>	<b>2,049</b>	<b>-17.9%</b>	<b>6,418</b>	<b>2,755</b>	<b>133.0%</b>
Exceptional items/Share of JVs	10	-	NM	-	NM	-	NM	10	-	NM
Tax expenses	432	218	97.8%	373	15.8%	501	-13.9%	1,588	2,568	-38.2%
<i>Tax rate</i>	<i>25.8%</i>	<i>18.4%</i>		<i>25.0%</i>		<i>24.5%</i>		<i>24.8%</i>	<i>93.2%</i>	
Loss from discontinued operation before tax	-	-	NM	-	NM	-	NM	-	-	NM
<b>PAT</b>	<b>1,241</b>	<b>965</b>	<b>28.5%</b>	<b>1,118</b>	<b>10.9%</b>	<b>1,548</b>	<b>-19.9%</b>	<b>4,820</b>	<b>187</b>	<b>2483.3%</b>
<i>PAT margin</i>	<i>21.3%</i>	<i>21.1%</i>		<i>20.7%</i>		<i>21.1%</i>		<i>21.8%</i>	<i>1.6%</i>	
Noncontrolling interest	(0)	(0)	NM	-	NM	(0)	NM	(1)	(1)	NM
Other comprehensive income (OCI)	4	(2)	NM	-	NM	(1)	NM	3	(6)	NM
<b>PAT inclusive of OCI</b>	<b>1,245</b>	<b>963</b>	<b>29.3%</b>	<b>1,118</b>	<b>11.3%</b>	<b>1,548</b>	<b>-19.6%</b>	<b>4,823</b>	<b>180</b>	<b>2575.0%</b>
<b>EPS (Rs)</b>	<b>5.7</b>	<b>4.4</b>	<b>28.3%</b>	<b>5.1</b>	<b>10.9%</b>	<b>7.1</b>	<b>-19.9%</b>	<b>22.1</b>	<b>0.9</b>	<b>2464.0%</b>

Source: Company, PL

3QFY26 results are not comparable on YoY basis or with our estimates due to revenue recognition from residential business

**Exhibit 2: Snapshot of results excluding residential business**

Particulars (Rs mn)	3QFY26	3QFY25	YoY gr.	2QFY26	QoQ gr.	3QFY26E	% Var
Hospitality revenue	4,913	3,999	22.9%	3,802	29.2%	4,672	5.2%
Annuity revenue	744	576	29.0%	738	0.8%	738	0.8%
<b>Total revenue</b>	<b>5,657</b>	<b>4,575</b>	<b>23.7%</b>	<b>4,540</b>	<b>24.6%</b>	<b>5,410</b>	<b>4.6%</b>
Company wide EBITDA	2,628	2,047	28.4%	1,889	39.1%	2,411	9.0%
EBITDA margin	46.5%	44.7%		41.6%		44.6%	
Company wide PBT	1,659	1,184	40.2%	947	75.3%	1,491	11.3%
PBT margin	29.3%	25.9%		20.8%		27.6%	

Source: Company, PL

**Exhibit 3: Hospitality/Annuity/Real estate business forms 84%/13%/3% of 3QFY26 revenue**

Particulars (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Hospitality revenue	2,656	3,094	2,822	2,845	3,437	3,829	3,255	3,352	3,999	4,604	3,856	3,802	4,913
As a % of sales	91.6%	91.7%	90.8%	90.5%	91.9%	91.5%	90.2%	88.9%	87.4%	88.1%	42.9%	51.6%	84.4%
Rental/Annuity revenue	244	281	285	300	302	354	355	419	576	619	732	738	744
As a % of sales	8.4%	8.3%	9.2%	9.5%	8.1%	8.5%	9.8%	11.1%	12.6%	11.9%	8.2%	10.0%	12.8%
Real estate revenue	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4,391	2,821	166
As a % of sales	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	48.9%	38.3%	2.8%
<b>Total sales</b>	<b>2,899</b>	<b>3,375</b>	<b>3,107</b>	<b>3,144</b>	<b>3,739</b>	<b>4,183</b>	<b>3,610</b>	<b>3,771</b>	<b>4,575</b>	<b>5,223</b>	<b>8,979</b>	<b>7,361</b>	<b>5,823</b>

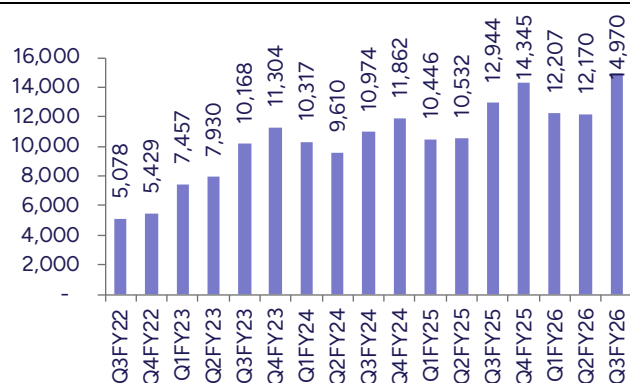
Source: Company, PL

**Exhibit 4: Hospitality/Annuity/Real estate EBITDA margin stood at 45%/83%/25% in 3QFY26**

Particulars (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Hospitality EBITDA	1,085	1,473	1,198	1,180	1,589	1,832	1,341	1,387	1,847	2,228	1,608	1,521	2,226
EBITDA margin	40.9%	47.6%	42.5%	41.5%	46.2%	47.8%	41.2%	41.4%	46.2%	48.4%	41.7%	40.0%	45.3%
Rental/Annuity EBITDA	198	260	227	237	251	272	264	323	455	498	608	607	621
EBITDA margin	81.2%	92.5%	79.6%	79.0%	83.1%	76.9%	74.3%	77.1%	78.9%	80.4%	83.1%	82.3%	83.5%
Real estate revenue	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,628	1,073	41
EBITDA margin	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	37.1%	38.0%	24.7%
<b>Total EBITDA</b>	<b>1,283</b>	<b>1,733</b>	<b>1,425</b>	<b>1,417</b>	<b>1,840</b>	<b>2,104</b>	<b>1,605</b>	<b>1,710</b>	<b>2,302</b>	<b>2,726</b>	<b>3,844</b>	<b>3,201</b>	<b>2,888</b>

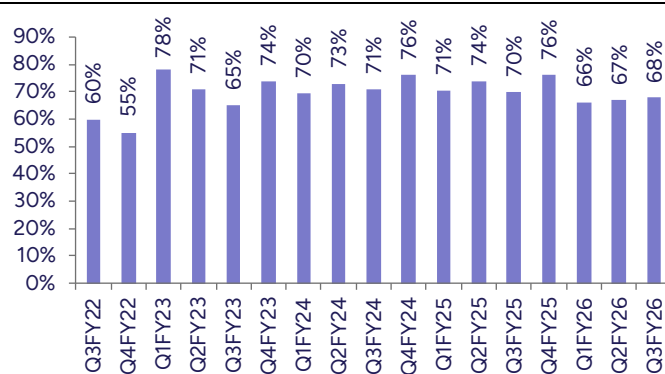
Source: Company, PL

**Exhibit 5: ADR stood at Rs14,970 in 3QFY26 (In Rs)**



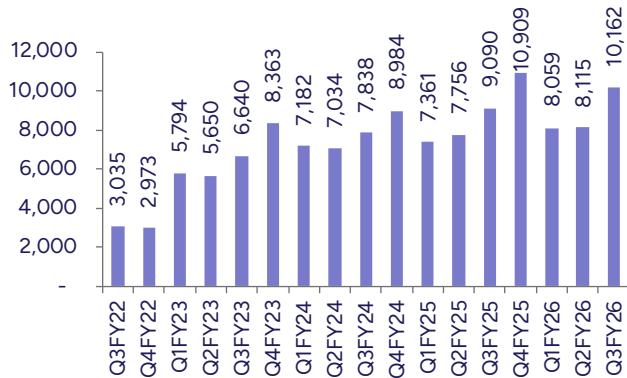
Source: Company, PL

**Exhibit 6: Occupancy levels at 68% for 3QFY26**



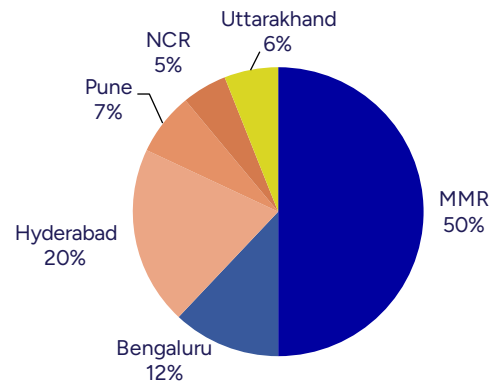
Source: Company, PL

**Exhibit 7: RevPAR for 3QFY26 was at Rs10,162 (In Rs)**



Source: Company, PL

**Exhibit 8: MMR forms 50% of Chalet's revenue**



Source: Company, PL

**Exhibit 9: SOTP valuation of Chalet Hotels**

Particulars (Rs mn)	Methodology	Multiple	EBITDA FY28E	EV
Hotels	EV/EBITDA	20	10,851	2,17,016
Commercial	Capitalization rate	12	3,579	42,105
Residential (Koramangala)	NAV	NA	NA	3,617
Total EV				2,62,738
Less: Debt				26,417
Add: Cash				1,879
Equity value				2,38,200
O/S shares				219
<b>TP (Rs)</b>				<b>1,089</b>

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>17,178</b>	<b>20,784</b>	<b>23,830</b>	<b>28,374</b>
YoY gr. (%)	21.2	21.0	14.7	19.1
Cost of Goods Sold	1,678	1,894	2,199	2,462
Gross Profit	15,500	18,890	21,631	25,912
Margin (%)	90.2	90.9	90.8	91.3
Employee Cost	2,345	2,854	3,055	3,640
Other Expenses	5,797	6,899	7,722	8,984
<b>EBITDA</b>	<b>7,359</b>	<b>9,137</b>	<b>10,853</b>	<b>13,288</b>
YoY gr. (%)	25.9	24.2	18.8	22.4
Margin (%)	42.8	44.0	45.5	46.8
Depreciation and Amortization	1,788	2,297	2,438	2,645
<b>EBIT</b>	<b>5,571</b>	<b>6,839</b>	<b>8,416</b>	<b>10,643</b>
Margin (%)	32.4	32.9	35.3	37.5
Net Interest	1,591	1,850	1,906	1,986
Other Income	363	418	512	714
<b>Profit Before Tax</b>	<b>4,343</b>	<b>5,398</b>	<b>7,021</b>	<b>9,370</b>
Margin (%)	25.3	26.0	29.5	33.0
Total Tax	2,918	1,349	1,755	2,343
Effective tax rate (%)	67.2	25.0	25.0	25.0
<b>Profit after tax</b>	<b>1,425</b>	<b>4,048</b>	<b>5,266</b>	<b>7,028</b>
Minority interest	(1)	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>3,450</b>	<b>4,048</b>	<b>5,266</b>	<b>7,028</b>
YoY gr. (%)	44.6	17.4	30.1	33.5
Margin (%)	20.1	19.5	22.1	24.8
Extra Ord. Income / (Exp)	-	10	-	-
<b>Reported PAT</b>	<b>1,426</b>	<b>4,058</b>	<b>5,266</b>	<b>7,028</b>
YoY gr. (%)	(48.7)	184.7	29.8	33.5
Margin (%)	8.3	19.5	22.1	24.8
Other Comprehensive Income	(1)	-	-	-
Total Comprehensive Income	1,424	4,058	5,266	7,028
<b>Equity Shares O/s (m)</b>	<b>218</b>	<b>218</b>	<b>218</b>	<b>218</b>
<b>EPS (Rs)</b>	<b>15.8</b>	<b>18.5</b>	<b>24.1</b>	<b>32.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>44,709</b>	<b>49,209</b>	<b>53,709</b>	<b>59,709</b>
Tangibles	44,538	49,038	53,538	59,538
Intangibles	171	171	171	171
<b>Acc: Dep / Amortization</b>	<b>13,801</b>	<b>15,416</b>	<b>17,252</b>	<b>19,243</b>
Tangibles	13,668	15,283	17,119	19,111
Intangibles	133	133	133	133
<b>Net fixed assets</b>	<b>51,286</b>	<b>57,209</b>	<b>61,792</b>	<b>65,968</b>
Tangibles	51,248	57,170	61,753	65,930
Intangibles	38	38	38	38
Capital Work In Progress	1,832	1,091	1,356	1,731
Goodwill	817	817	817	817
Non-Current Investments	1,790	1,136	1,050	1,232
Net Deferred tax assets	(711)	(624)	(405)	284
Other Non-Current Assets	3,115	2,286	2,026	1,844
<b>Current Assets</b>				
Investments	988	988	988	988
Inventories	6,325	3,132	979	1,166
Trade receivables	782	854	979	1,166
Cash & Bank Balance	1,862	1,703	969	1,879
Other Current Assets	1,466	1,455	1,549	1,986
<b>Total Assets</b>	<b>70,635</b>	<b>71,024</b>	<b>72,886</b>	<b>79,913</b>
<b>Equity</b>				
Equity Share Capital	2,185	2,185	2,185	2,185
Other Equity	28,278	32,107	36,847	43,172
<b>Total Network</b>	<b>30,462</b>	<b>34,292</b>	<b>39,031</b>	<b>45,357</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	15,530	18,370	18,370	18,370
Provisions	158	145	167	199
Other non current liabilities	414	374	357	426
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	10,013	8,047	8,047	8,047
Trade payables	1,713	2,278	2,612	2,954
Other current liabilities	10,312	5,672	2,801	3,039
<b>Total Equity &amp; Liabilities</b>	<b>70,635</b>	<b>71,024</b>	<b>72,886</b>	<b>79,913</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	4,343	5,398	7,021	9,370
Add. Depreciation	1,788	2,297	2,438	2,645
Add. Interest	1,591	1,850	1,906	1,986
Less Financial Other Income	363	418	512	714
Add. Other	(181)	-	-	-
Op. profit before WC changes	7,541	9,545	11,365	14,002
Net Changes-WC	2,830	(917)	(672)	(875)
Direct tax	(867)	(1,349)	(1,755)	(2,343)
<b>Net cash from Op. activities</b>	<b>9,504</b>	<b>7,278</b>	<b>8,938</b>	<b>10,784</b>
Capital expenditures	(13,459)	(7,460)	(7,265)	(7,175)
Interest / Dividend Income	115	-	-	-
Others	(510)	1,252	151	(102)
<b>Net Cash from Invst. activities</b>	<b>(13,854)</b>	<b>(6,208)</b>	<b>(7,113)</b>	<b>(7,277)</b>
Issue of share cap. / premium	9,903	-	-	-
Debt changes	(3,358)	874	-	-
Dividend paid	-	(219)	(527)	(703)
Interest paid	(1,387)	(1,850)	(1,906)	(1,986)
Others	(203)	(36)	(125)	92
<b>Net cash from Fin. activities</b>	<b>4,956</b>	<b>(1,231)</b>	<b>(2,558)</b>	<b>(2,597)</b>
<b>Net change in cash</b>	<b>606</b>	<b>(160)</b>	<b>(734)</b>	<b>910</b>
Free Cash Flow	(4,007)	(181)	1,673	3,608

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	15.8	18.5	24.1	32.2
CEPS	24.0	29.0	35.3	44.3
BVPS	139.4	157.0	178.7	207.6
FCF	(18.3)	(0.8)	7.7	16.5
DPS	-	1.0	2.4	3.2
<b>Return Ratio(%)</b>				
RoCE	10.7	11.7	13.3	15.5
ROIC	10.4	12.9	14.9	16.6
RoE	14.1	12.5	14.4	16.7
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.7	0.7	0.6	0.5
Net Working Capital (Days)	115	30	(10)	(8)
<b>Valuation(x)</b>				
PER	56.7	48.3	37.2	27.8
P/B	6.4	5.7	5.0	4.3
P/CEPS	37.4	30.8	25.4	20.2
EV/EBITDA	29.7	24.0	20.3	16.5
EV/Sales	12.7	10.6	9.2	7.7
Dividend Yield (%)	-	0.1	0.3	0.4

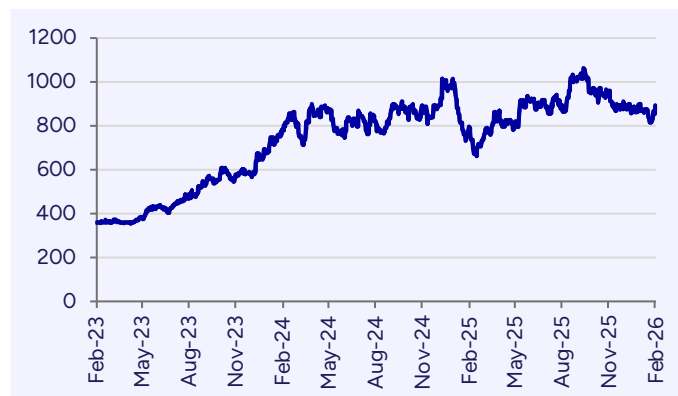
Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>5,220</b>	<b>8,946</b>	<b>7,353</b>	<b>5,817</b>
YoY gr. (%)	24.8	147.8	95.0	27.1
Raw Material Expenses	468	3,059	2,048	577
Gross Profit	4,752	5,887	5,305	5,240
Margin (%)	91.0	65.8	72.1	90.1
<b>EBITDA</b>	<b>2,414</b>	<b>3,573</b>	<b>2,992</b>	<b>2,651</b>
YoY gr. (%)	32.0	154.8	100.1	29.5
Margin (%)	46.3	39.9	40.7	45.6
Depreciation / Depletion	498	539	574	585
<b>EBIT</b>	<b>1,917</b>	<b>3,034</b>	<b>2,418</b>	<b>2,066</b>
Margin (%)	36.7	33.9	32.9	35.5
Net Interest	482	485	454	459
Other Income	154	138	85	75
<b>Profit before Tax</b>	<b>1,588</b>	<b>2,686</b>	<b>2,049</b>	<b>1,672</b>
Margin (%)	30.4	30.0	27.9	28.8
Total Tax	350	655	501	432
Effective tax rate (%)	22.0	24.4	24.5	25.8
<b>Profit after Tax</b>	<b>1,238</b>	<b>2,031</b>	<b>1,548</b>	<b>1,241</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,238</b>	<b>2,032</b>	<b>1,548</b>	<b>1,251</b>
YoY gr. (%)	50.2	234.8	(211.8)	29.6
Margin (%)	23.7	22.7	21.1	21.5
Extra Ord. Income / (Exp)	-	-	-	(10)
<b>Reported PAT</b>	<b>1,238</b>	<b>2,032</b>	<b>1,548</b>	<b>1,241</b>
YoY gr. (%)	50.2	234.8	(211.8)	28.5
Margin (%)	23.7	22.7	21.1	21.3
Other Comprehensive Income	5	(1)	(1)	4
<b>Total Comprehensive Income</b>	<b>1,243</b>	<b>2,031</b>	<b>1,548</b>	<b>1,245</b>
Avg. Shares O/s (m)	218	218	219	219
<b>EPS (Rs)</b>	<b>5.7</b>	<b>9.3</b>	<b>7.1</b>	<b>5.7</b>

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-26	BUY	1,183	874
2	06-Nov-25	BUY	1,183	960
3	07-Oct-25	BUY	1,188	966
4	04-Aug-25	BUY	1,071	882
5	09-Jul-25	BUY	1,130	859
6	14-May-25	BUY	1,130	875
7	09-Apr-25	BUY	1,108	825

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Apeejay Surrendra Park Hotels	BUY	240	131
2	Chalet Hotels	BUY	1,183	874
3	Delhivery	BUY	516	423
4	DOMS Industries	BUY	3,084	2,356
5	Imagicaaworld Entertainment	BUY	73	49
6	Indian Railway Catering and Tourism Corporation	BUY	840	656
7	InterGlobe Aviation	Hold	5,186	4,909
8	Lemon Tree Hotels	BUY	185	149
9	Mahindra Logistics	BUY	407	340
10	Navneet Education	Reduce	119	156
11	Nazara Technologies	Hold	253	279
12	PVR Inox	BUY	1,261	1,043
13	S Chand and Company	BUY	291	185
14	Safari Industries (India)	BUY	2,570	2,119
15	Samhi Hotels	BUY	290	169
16	TCI Express	BUY	705	569
17	V.I.P. Industries	Hold	380	387
18	Zee Entertainment Enterprises	BUY	133	85

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA 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.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

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

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

**[www.plindia.com](http://www.plindia.com)**