MEHTA
REWARDING RELATIONSHIPS

July - Sept 2024 Edition | Volume: 21 | Issue: 21

MCONNECT

A QUARTERLY MAGAZINE

30 SAAL BEMISAAL
REWARDING RELATIONSHIPS

"The **big money** is not in the buying or selling, but in the waiting."

\- Charlie Munger

MARKET OUTLOOK
Mr. Yogesh Patil
CIO - Equity
LIC Mutual Fund Asset Management Ltd

FUND HOUSE HIGHLIGHTS
on UNION BUDGET 2024-2025
by
DSP MUTUAL FUND

STOCK OF THE QUARTER
Investment Idea | Lemon Tree Hotels Ltd

FUND OF THE QUARTER
LIC MF Infrastructure Fund

OUR PERFORMANCE

Portfolio Performance

(As on 25th July, 2024)

SR No.	Stocks	Recommend Price Date 6th Nov 2023 (₹)	Peak rate Post Recommendation (₹)	Price as on 25th July, 2024	Return as on 25th July, 2024	Peak Gain
1	HDFC BANK	1495	1792	1619	8%	20%
2	L&T	2979	3949	3611	21%	33%
3	TATA MOTORS	646	1088	1086	68%	68%
4	INDIGO	2570	4610	4400	71%	79%
5	TATA POWER	251	464	421	68%	85%
6	ABFRL	218	339	321	47%	56%
7	CROMPTON GREAVES	284	450	444	56%	59%
8	USHA MARTIN	295	427	364	23%	45%
9	DODLA DAIRY	694	1346	1222	76%	94%
10	ASHOKA BUILDCON	138	263	259	88%	91%
11	LG BAL BROS	1150	1525	1406	22%	33%
12	IMAGICAA	47	91	76	62%	95%
			Average return		51%	63%
			Nifty Returns			25.7%

Mconnect Stock of the Quarter Performance

Sr.no	Quarterly Magazine	Date *	Company	Recommend Reported price	CMP as on 25th July, 2024	Returns %
1	April- June 2018	28-Mar-18	Zen technologies ltd	113	1456	1188%
2	July-Sept 2018	28-Jun-18	HDFC Life	467	683	46%
3	Oct -Dec 2018	09-Nov-18	RBL Bank	540	229	-58%
4	Jan- March 2019	21-Jan-19	Kolte Patil	253	408	61%
5	April- June 2019	22-Mar-19	IDFC First Bank	53	75	42%
6	July -Sept 2019	26-Jul-19	Bajaj Electricals Ltd*	312.5	990	217%
7	Jan- March 2020	26-Dec-19	Exide Industries	179	538	201%
8	July -Sept 2020	18-Jul-20	BEL Ltd	95	299	215%
9	Feb- March 2021	02-Mar-21	Midhani Ltd	191	482	152%
10	July- Sept 2021	14-May-21	Power Grid Invit*	100	96	-4%
11	Jan- March 2023	09-Jan-23	Kovai Medical Center	1735	4286	147%
12	April- June 2023	08-May-23	Nexus Select trust REIT*	95	152	60%
13	Oct -Dec 2023	06-Oct-23	Graphite India Ltd	504	530	5%
14	Jan- March 2024	18-Jan-24	JSW Infra Ltd	210	347	65%
15	May-24	23-May-24	JK Tyre	385	437	14%

*Bajaj Electricals Ltd price adjusted after demerger
*Power Grid Invit total dividend distribution is ₹ 34.5 till yet has not been caculated in above returns
*Nexus Select trust REIT total dividend distribution is ₹ 7.07 till yet has not been caculated in above returns
*Dates may vary with recommend price

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CHAIRMAN DESK

Dear Readers,

As I write this column, the performance of Indian stock markets is simply brilliant, and investors are in a joyful and triumphant mood.

Reflecting on the budget event, I recall Warren Buffett's evergreen quote: "IF YOU MIX POLITICS WITH YOUR INVESTMENT DECISIONS, YOU'RE MAKING A BIG MISTAKE." This has proven true repeatedly whenever political events impact the markets. Recent examples from June 4th and July 23rd, 2024, illustrate how political events bring high volatility, which neutralizes post-event.

CA RAKESHH MEHTA
Chairman, MEHTA GROUP

In my assessment, the final budget presented by the Finance Minister has not deviated much from the interim budget of February 2024, with only minor changes. Sector-wise focus remains unchanged, with the highest allocation towards defense. The overall budget aims to balance fiscal prudence with growth, focusing on tax simplification, skill and employee development, dispute resolution, ease of doing business, and infrastructure development while maintaining fiscal consolidation.

From an investor's perspective, the recent proposal to raise long-term and short-term capital gains tax in equity aims at rationalization and simplification of taxes across all financial and non-financial assets. The Government of India encourages long-term investments by raising the short-term capital gains tax to 20% from 15%, aiming to discourage short-term volatility.

I see the government's decision as a confident move, aligning with the markets trading at all-time highs and reflecting expected economic growth. This aligns with India's status as one of the fastest-growing economies in the world. The government's approach is well-timed, given the rapid growth of the Indian economy.

At Mehta Equities, we firmly believe that Finance Minister Sitharaman's Union Budget ushers in a 'NEW LEG TO THE BULL MARKET'. The budget provides significant impetus for domestic-led growth, backed by higher capital expenditure. Consequently, India's domestic growth story will come into play, focusing on sectors such as consumption, defense, railways, hotels, services, and electronics.

I see the Union Budget as a game-changer, representing the BJP government's reforms, with all bullish eyes now aiming for India's ambition to reach the $5 trillion economy goal.

Key Positive Catalysts from the Union Budget:

1 Fiscal Discipline

The government aims to maintain fiscal discipline with a targeted fiscal deficit of 4.9%, which is commendable.

2 Rural Development

The allocation of Rs 2.66 lakh crore for rural development will significantly boost economic activity, create job opportunities, and improve rural living standards and incomes.

3 Infrastructure Spending

The government plans to spend Rs 11.11 trillion on infrastructure and capital expenditure in FY25 (3.4% of GDP).

4 Job Creation

Increased spending on job creation initiatives, with Rs 2 lakh crore allocated and plans to skill 20 lakh youth over five years, is what the nation needs.

5 Abolition of Angel Tax

Removing the 30.6% angel tax will support the entrepreneurial ecosystem, rejuvenate investment flows, enhance investor confidence, and invigorate the startup landscape.

Key Negative Catalysts from the Union Budget:

1 Capital Gains Tax

The increase in long-term and short-term capital gains taxes may be seen as marginally negative for investors, along with the taxation of share buy-back income at the hands of recipients. However, the government is confident that the capital market will outperform in line with economic growth, neutralizing these increases.

2 Middle-Class Concerns

The budget may disappoint middle-class salaried individuals who had high hopes for more tax exemptions and increased tax-free limits.

3 Indexation Benefit

The removal of the indexation benefit may lead to a higher tax burden on real estate sales.

Our advice to investors is not to worry about changes in long-term and short-term capital gain taxes and to believe in India's growth story from $4 trillion to $10 trillion over the next 5-7 years.

Wishing you all a great and successful financial journey. We will be with you through all the ups and downs.

CA Rakeshh Mehta
Chairman, Mehta Group

LIC MUTUAL FUND

WHAT SHOULD INVESTORS DO AT SENSEX 80,000 LEVEL

Mr. Yogesh Patil
CIO - Equity,
LIC Mutual Fund Asset Management Ltd

A new peak in the stock index brings a mix of emotions – happiness, anxiety, worries and more. The BSE Sensex hitting the 80,000 mark is no different. Investors who entered capital markets in the last three-four years wonder if it is time to take money home or if there are more gains ahead. New investors want to know is it the right time to enter the stock market. Seasoned investors, however, smile at the new milestone and stick to their investment plans.

To get an idea where we are headed and if it is the time to invest more, it is better to step back and understand the driving factors behind our capital markets. Stock markets have done phenomenally well, rewarding investors over past three years. Despite the covid19 pandemic shock to the Indian economy, the government remained steadfast on the policy front. Fiscal prudence and pro-growth policy framework ensured that the Indian economy stayed on track. The government encouraged the manufacturing sector in India with the help of policies such as production linked incentives (PLI). At the same time, the government's thrust on infrastructure investments continued. These actions have paved the way for investments in new capacities in sectors such as power, defence, chemicals, renewable energy, engineering and capital goods. The growth story of our economy is expected to be broad-based. As per the Reserve Bank of India, the Indian economy is expected to grow at 7.2% in FY2024-2025.

While the domestic drivers for growth are active, the global scenario is also encouraging. The trend of de-globalisation and 'China plus one strategy' by large developed economies are expected to offer us many opportunities in aforesaid sectors. At the same time, the Indian government securities are included in JP Morgan Government Bond Index – Emerging Market (GBI-EM). This not only indicates positive changes in foreign outlook on India but also ensures large inflows over medium term. This should be constructive of the view that bond yields are likely to ease in the Indian economy. A possible cut in interest rates in the second half of the financial year could further aid the capital expenditure.

These factors indicate a strong upward trend in earnings growth for the Indian listed universe. Strong fundamentals and investors seeking profitable opportunities should drive our equity markets. Currently, the recent leg of bull market in Indian stocks has been primarily driven by the domestic money. Foreign Portfolio Investors (FPI) have played a limited role so far, and many of them are waiting for an opportune time to enter the Indian equities market.

Though everything appears to be perfectly set, do not expect the stock prices to go only upwards. Volatility is inherent in equities and there will always be phases of correction and consolidation. These phases are necessary for the healthy growth of equity markets, as they do away with the excesses of a bull run. Some pockets of the capital markets are currently overvalued. Valuations in general are not cheap. Hence investors should take a measured approach while investing in stocks, especially at this point of time.

Investors may be doing themselves a disservice if they spend too much time analysing the Sensex peak. Remember, 80,000 is just another milestone and in the past, the index itself has crossed all-time highs many times. Also, many companies in high-growth sectors of the Indian economy are not present in the Sensex and other frontline indices. Diversified equity funds can help investors gain exposure to these companies, and their performance may differ meaningfully from that of the frontline index.

Investors should avoid falling for the fear of missing out (FOMO) on future growth. Instead of chasing a bunch of stocks in a particular theme, take mutual fund route to own a professionally managed equity portfolio.

Though the stocks are poised well to reward investors in the medium to long term, trying to predict short term price moves is futile. Therefore, investors should ideally decide based on their asset allocation determined by their risk profile and financial goals.

It is a time to take money home for those who have saved enough for their financial goal. But, if the financial goal is due after five years and the accumulated corpus is not in place, then there is no point pausing or stopping investments; keep investing. Systematic investment plans (SIP) in diversified equity schemes may work for most investors. Multi-cap and flexi-cap schemes maybe looked at for investments. Moderate risk takers and first-time investors may opt for staggered investments in balanced advantage funds as well as aggressive hybrid funds.

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Invest in

LIC MF INFRASTRUCTURE FUND

An open-ended equity scheme investing in Infrastructure sector

Investment Objective

The investment objective of the scheme is to generate long-term growth from a portfolio of equity/equity related instruments of companies engaged either directly or indirectly in the infrastructure sector.
There is no assurance that the investment objective of the Scheme will be realized.

Load Structure

Entry Load - NIL

Exit Load

- 12% of the units allotted shall be redeemed or switched out without any exit load, on or before completion of 90 days from the date of allotment of units.
- 1% on remaining units if redeemed or switched out on or before completion of 90 days from the date of allotment of units.
- Nil, if redeemed or switched out after completion of 90 days from the date of allotment of units.

Minimum Application Amount

` 5,000 and in multiples of ` 1 thereafter.
For Systematic Investment Plan (SIP), the minimum amount is ` 300 (Daily), ` 1,000 (Monthly) & ` 3,000 (Quarterly).
Under all frequencies the investment shall be in multiples of Re. 1 thereafter.

Minimum Additional Amount
(For subsequent investments under an existing folio)

` 500 and in multiples of ` 1 thereafter.

Minimum Redemption Amount

` 500 and in multiples of ` 1 thereafter.

First Tier Benchmark Index

Nifty Infrastructure TRI

SCHEME PERFORMANCE (Regular plan - Growth option)

Period	CAGR (%)			Value of lumpsum investment of ` 10,000/- invested on inception date		
	Scheme	Nifty Infrastructure TRI*	Nifty 50 TRI**	Scheme	Nifty Infrastructure TRI*	Nifty 50 TRI**
1 Year	85.57	60.97	26.74	18,526	16,076	12,666
3 Years	38.02	29.61	16.55	26,268	21,759	15,826
5 Years	27.24	23.75	16.66	33,400	29,059	21,626
Since Inception	10.34	6.48	12.01	49,594	27,770	63,337

Above returns are as on 30th June, 2024. Different plans shall have a different expense structure. The performance details provided herein are of Regular plan - Growth option. Mr. Yogesh Patil has been managing the above scheme since 18th September 2020 and The total no. of schemes managed by him are 6. With effect from 1st July 2024, Mr. Yogesh Patil and Mr. Mahesh Bendre both shall act as the Fund Managers to the Scheme. Past performance may or may not be sustained in the future. Load is not taken into consideration for computation of performance. *First Tier Benchmark, ** Additional Benchmark. The performance of the scheme is benchmarked to the Total Return variant of the index. Inception Date: March 24, 2008.

FUND OF THE QUARTER

Investment Strategy

- Investing pre-dominantly in infrastructure-related companies.
- Identify companies from the universe with strong competitive position in a good business and having quality management.
- Focus on fundamental driven investment.
- Following bottom up approach to stock selection and looking at intrinsic value.

Who Should Invest?

- Those who would like to take concentrated exposure to companies engaged directly or indirectly in the infrastructure sector.
- Those who want to have an exposure to infrastructure funds from a diversification point of view.
- Those who are looking for capital appreciation with a Long-term investment horizon.
- Those who have an investment horizon of more than 3 years.

Asset Allocation

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and equity related instruments of companies engaged either directly or indirectly in the infrastructure sector.	80	100
Debt and Money Market instruments	0	20

Fund Managers

Mr. Yogesh Patil - managing since 18th September, 2020

Mr. Mahesh Bendre - managing since 01st July, 2024

Plans and Options:

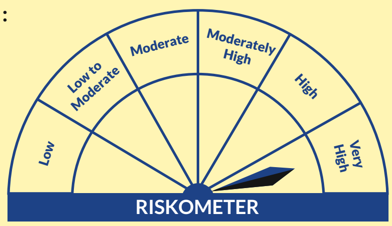
The Scheme offers Regular Plan and Direct Plan. 1. Regular Plan 2. Direct Plan The Regular and Direct plan will be having a common portfolio. TheScheme has the following Options: 1. Growth Option 2. Income Distribution cum Capital Withdrawal (IDCW) Option* IDCW Sub Options are: 1.Reinvestment of Income Distribution cum Capital Withdrawal. 2. Payout of Income Distribution cum Capital Withdrawal. Default Option - GrowthOption (In case Growth Option or IDCW Option is not indicated)

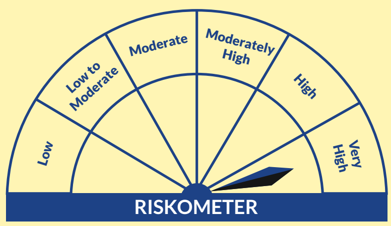
To know more, please consult your **Financial Adviser** OR **Call Toll Free 1800-258-5678**

This product is suitable for investors who are seeking*:

- Long term capital growth
- Investment in equity and equity related instrument of companies engaged either directly or indirectly in infrastructure sector.
- Risk - Very High

Nifty Infrastructure TRI





Investors understand that their principal will be at very high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. The change in Risk-o-meter will be evaluated on amonthly basis. For Scheme related details, including updation in Riskometer (if any) may please be referred on our website: www.licmf.com

DSP MUTUAL FUND

Budget 2024
Pulling The Purse Strings

Budget 2024 choose a path of fiscal consolidation. Fiscal deficit (as % of GDP) for FY25 isestimated at 4.9% vs 5.1% in the interim Budget in Feb'24. The fiscal deficit glide path towards4.6% for FY26 is on course. This means Budget 2024 would create a negative fiscal impulse and will be a drag on growth. It's a fiscal policy for a troublesome global environment, a buffer against global volatility. Yet it isn't focused on growth revival.

Govts borrowing at gross and net levels is nearly the same. This means that bond yields should continue to take cues from stable demand and supply environment for Govt securities. It's a good outcome for the bond market and a stable one for the Indian Rupee, given a stable external environment for the country.

Capital expenditure is budgeted at the same level as interim budget at Rs. 11Trn at 3.4% of GDP, which is a slower up tick than seen over the last few years. GOI's commitment to keep Capex anchored at higher growth rates is visible, although the pace of last 3 years is now slowing. Overall, the Govt Capex growth is likely slowing. Many industries in this sector are priced to perfection or for continued expansion in Govt Capex. That's missing.

The need of the hour was to spend more to revive the patchy consumption cycle, and to validate the efficiency of the Govt CAPEX to manifest into greater private CAPEX. Budget 2024 remains conservative, especially in revenue expenditure with average annual increase over a 3-yearperiod at a mere 5%, half of 10% nominal GDP growth of in Fy25.

Increase in LTCG, STCG, STT for various asset classes would alter post-tax returns for investors,making investors re-assess their asset allocation. As announced, there are likely to be more specific measures for capital markets from various regulators which would be critical for equity markets, especially for the prevailing positive sentiments, as measured by flows, for equities.

2024 BUDGET	INR Billion					YoY				
	RE	PE	Int BE	BE	BE vs IntBE	RE over Actual	PE over Actual	Int BE Over RE	Int BE Over PE	BE Over PE
	Mar-24	Mar-24	Mar-25	Mar-25		Mar-24	Mar-24	Mar-25	Mar-25	Mar-25
Net Revenues	27, 557	27,889	30,803	32,072	4.0%	12%	14%	12%	10%	15%
Gross Tax Revenue	34,372	34648	38,308	38,402		13%	13%	11%	11%	11%
Direct Tax	19,450	19220	21,988	22,070		19%	18%	13%	14%	15%
Indirect Tax	14,922	15,428	16,320	16,332		5%	9%	9%	6%	6%
Net tax revenue	23,239	23265	26,016	25,835	-0.7%	11%	11%	12%	12%	11%
Non-tax revenues	3,758	4019	3,997	5,457	26.8%	32%	41%	6%	-1%	36%
Non-debt capital receipts	560	605	790	780	-1.3%	-22%	-16%	41%	31%	29%
Revenue expenditure	35,402	34940	36,547	37,094	1.5%	3%	1%	3%	5%	6%
Capital Expenditure	9,502	9485	11,111	11,111	0.0%	29%	29%	17%	17%	17%
Total Expenditure	44,905	44,425	47,658	48,205	1.1%	7%	6%	6%	7%	9%
Fiscal Deficit	17,348	16,537	16,855	16,133	-4.5%	0%	-5%	-3%	2%	-2%
Fiscal Deficit (as % of GDP)	5.8	5.6	5.1	4.9						

Int BE- Interim Budget Estimates, BE- Budget Estimates , PE- Provisional Estimates, RE- Revised Estimates

STOCK OF THE QUARTER

Lemon Tree Hotels Ltd

Industry	Hotels & Resorts
CMP	₹ 146
Recommendation	Accumulation

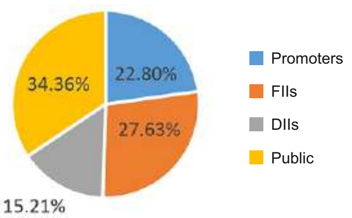
KEY DATA

BSE Code	541233
NSE Code	LEMONTREE
52 Week High (₹)	158.05
52 Week Low (₹)	92.5
Market Cap (₹ Cr)	11,745
Face Value	10

INDUSTRY SNAPSHOT

Customers	Global
Market Presence	Global
Govt Regulations	Neutral
Msearch View	Positive

SHAREHOLDING PATTERN



PROMOTERS/MANAGEMENT

MR. PATANJALI GOVIND KESWANI	CHAIRPERSON, MD
MR. KAPIL SHARMA	EVP - CFO
MR. SUMANT JAIDKA	SR.VP - OPS & COO

KEY RATIOS

PE	79
EPS	1.88
ROE	16.3%
ROCE	11.2%

PRICE CHART

RESEARCH ANALYST

Rajan Shinde
rajan.shinde@mehtagroup.in
022-61507142

Report Dated : 25th July 2024

ABOUT THE COMPANY

Lemon Tree Hotels Limited (LTH) is one of the largest hotel chains in India, which owns/leases/operates/franchises hotels across the upscale, upper-midscale, midscale and economy segments. The company operates under seven brands: Aurika Hotels & Resorts, Lemon Tree Premier, Lemon Tree Hotels, Red Fox Hotels by Lemon Tree Hotels, Keys Prima by Lemon Tree Hotels, Keys Select by Lemon Tree Hotels, and Keys Lite by Lemon Tree Hotels. Under its portfolio it has more than 100 currently operational across 63 cities - 34 owned, 7 leased, and 63 under management or franchisee contracts as on March 31, 2024 and an additional 60 hotels planned for future openings both in India and internationally.

INVESTMENT RATIONALE

Asset-light growth and network effect:

The Company has a robust pipeline of management contracts, contributing significantly to revenue growth with zero capital investment, enhancing profit margins. Management and franchise fees accounted for 12.6% of total revenue in Q4 FY24, up from 11.2% in Q4 FY23. Managed rooms have increased by 60.5% YoY. LTH's asset-light expansion strategy plans to add approximately 4,087 rooms, targeting 166 hotels and 14,019 rooms. Incremental cash flows will focus on debt reduction, aiming for debt-free status in five years. Increased interest from standalone hotel owners, especially in tier-II and tier-III cities, boosts their growth trajectory and extends their market presence. Their new franchise division will further leverage existing brands and expand their network through franchised hotels.

Dominating the Midscale and Economy Segment with Vast Untapped Opportunities:

LTH dominates the midscale and economy hotel segment, holding approximately 14% of the branded industry inventory with 6,444 rooms out of a total industry inventory of 46,137 rooms. Unlike major brands such as Taj, ITC, Oberoi, Hyatt, and Leela, which focus on upscale and luxury markets, LTH targets the largely overlooked midscale and economy categories. This strategic focus provides LTH with a competitive advantage. There is substantial growth potential in this segment, with an estimated 2.8 million unbranded hotels that could be converted into branded properties through management contracts. This presents a significant opportunity for LTH to expand its footprint, capture a larger market share, and solidify its position as a leader in the midscale and economy hotel industry.

Robust Management Contract Pipeline Set to Boost Profit Margins:

The Company has a strong and growing pipeline of management contracts, which allows for 100% flow-through of management income with zero capital investment, enhancing profit margins. In FY 2024, managed and franchised operations contributed Rs. 606.8 cr, a 24% increase from Rs. 489 cr in FY 2023, making up 37.43% of total hotel network revenue. Owned hotel revenue rose from Rs. 841.2 cr in FY 2023 to Rs. 1014.2 cr in FY 2024. Management and franchise fees from third-party-owned hotels grew 40% year-over-year, from Rs. 35.8 cr to Rs. 50.1 cr, and 30% quarter-over-quarter, from Rs. 10.7 cr in 4Q FY 2023 to Rs. 14.4 cr in 4Q FY 2024.

Aurika Potential to transform:

LTH launched Aurika MIAL, the largest hotel in India with 669 rooms, in October 2023 near Mumbai International Airport. Expected ARR for this luxury hotel is Rs. 13,000-15,000, with Q4FY24 occupancy at 66%. The hotel aims for steady occupancy of 65%-70%, similar to Lemon Tree Premier. Despite a soft start due to seasonal factors, robust demand is anticipated. The Rs. 9 billion investments in Aurika MIAL is projected to contribute over 20% to consolidated EBITDA by FY26, aiding LTH in debt reduction. With three Aurika hotels and plans for more, LTH is strategically positioning itself in the upscale market, aiming to boost ARR, occupancy, and management fee income.

RISK

Sustained high inflationary environment or a significant increase in room supply in the coming years.

Delay in the launch of new hotels.

MVIEW

We believe lemon tree presents a great opportunity for investors to tap the strong demand in the hotel industry led by high quantum of domestic travel, continued strong momentum of economic activities, and estimated increase in foreign tourists coupled with limited supplies. LTH's robust asset-light growth strategy and dominant position in the midscale and economy segments, accounting for 14% of the branded industry inventory, highlights substantial growth potential in converting unbranded hotels into branded properties through management contracts. Diversified service offering provides strength and stability to the business risk profile of the company by reducing the risks associated with a single price point and limited locations. We think LTH's launch of Aurika MIAL, the largest hotel in India, signifies its strategic move into the upscale market. With a projected ARR of Rs. 13,000-15,000 and anticipated robust demand, Aurika MIAL is expected to contribute over 20% to consolidated EBITDA by FY26E, aiding in debt reduction and enhancing profitability.

By looking at the financials, the company has shown an impressive growth in revenue from operations in FY 2023 and FY 2024 with 118% and 22%. The growth is driven by improvement in operating metrics in existing hotels and commencement of Aurika SkyCity hotel, Mumbai and management is also confident in projecting more than 20% increase in consolidated revenue over the next three years, driven by growth in ARR, increased occupancy, and expansion in the fee business. LTH also aims to achieve a debt-free status in the next four years, aided by robust operational cash flows. Considering the continuous improvement in operating performance of the current portfolio and strong focus on the upscale and mid-priced segments, followed by healthy inventory addition giving visibility for future earnings growth and favourable industry dynamics, we advocate a long term positive outlook on LTH and recommend investors to accumulate LTH in the range of Rs 140-145 with a target of Rs 210 for next 12-18 months' investment period.

lemon tree PREMIER

FINANCIALS

Particulars (in ₹ Cr.)	Q3 FY 2024	Q4 FY 2024	2022	2023	2024	2025E	2026E
Revenue from Operations	288.69	327.31	402.24	874.99	1071.12	1306.77	1568.12
Growth YoY	-	-	-	118%	22%	22%	20%
Total Expenditure	148.95	155.99	283.57	427.41	547.88	627.2	737.0
EBITDA	139.74	171.32	118.67	447.58	523.24	679.52	831.10
EBITDA Margin	48.4%	52.3%	29.5%	51.2%	48.8%	52.0%	53.0%
PAT	35.4	66.99	-87.43	114.58	148.48	223.04	321.83
PAT Margin	12.3%	20.5%	-21.7%	13.1%	13.9%	17.1%	20.5%
EPS	0.45	0.85	-1.11	1.45	1.88	2.82	4.06
Equity	791.67	791.85	790.81	791.61	791.85	791.85	791.85
Face Value	10	10	10	10	10	10	10
Outstanding Shares	79.17	79.19	79.08	79.16	79.19	79.19	79.19

SOURCE : CAPITALLINE AND MSEARCH DATABASE

TECHNICAL OUTLOOK FOR LEMON TREE HOTELS LTD

Lemon Tree is currently showing robust technical indicators. The stock has established short-term support around the 118 mark, with a significant support level at 100. This positions the stock for potential upward movement, targeting levels of 300 and 350 as the rally progresses. Any pullback towards 118 and 100 should be viewed as an excellent buying opportunity for long-term investment.

Key Indicators

Monthly RSI

Approximately 67, indicating strong momentum.

Price Consolidation

The stock has been consolidating between 115 and 155 over the past few months, suggesting a strong accumulation phase.

Moving Averages

Lemon Tree is trading above its crucial moving averages, which signifies overall strength.

Given these factors, Lemon Tree presents a promising investment opportunity, with potential for significant gains.

By Riyank Arora
Technical Analyst, Mehta Equities

MEHTA

REWARDING RELATIONSHIPS

OUR SERVICES

BROKING

- **EQUITIES -** BSE, NSE & MSEI
- **DERIVATIVES -** NSE
- **COMMODITIES -** MCX & NCDEX
- **CURRENCY -** NSE

WEALTH MANAGEMENT

- **DEMAT SERVICES -** CDSL
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Sell : < -20% within the next 12 Months
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