

Indraprastha Gas | REDUCE

Volume growth and margin remain subdued

IGL's 3QFY26 standalone reported EBITDA was INR 4.7bn, slightly lower than JMFe/consensus of INR 4.8bn/INR 4.9bn, as overall sales volume was 1% below JMFe at 9.4mmcmd (up 1.2% QoQ and up only 3.5% YoY). However, EBITDA margin was in line with JMFe at INR 5.4/scm, with higher opex being offset by lower gas cost. Employee cost was slightly higher at INR 0.8bn in 3QFY26 (INR 0.5bn in 2QFY26) due to impact of INR 0.3bn on account of the new labour code. Reported PAT was largely in line with JMFe at INR 3.6bn (a little below consensus of INR 3.7bn) aided by slightly lower taxes. Further, IGL's share of PAT of CUGL and MNGL was INR 776mn in 3QFY26 (INR 827mn in 2QFY26). The board approved an interim dividend of INR 3.25/share (or 42% payout of 9MFY26 standalone EPS of INR 7.8/share). We maintain REDUCE (revised TP of INR 170) as the ongoing structural reduction in APM gas allocation is likely to continue to pose a risk to IGL's pricing power in CNG (which constitutes ~70% of its total volume) and, hence, to its volume growth and margin assumption. At CMP, IGL trades at consolidated FY28P/E of 10.8x and consolidated FY28 P/B of 1.7x.

- Overall sales volume was 1% below JMFe at 9.4mmcmd (up 1.2% QoQ and up only 3.5% YoY):** Sales volume was 1% below JMFe at 867mmscm or 9.4mmcmd (up 1.2% QoQ and up only 3.5% YoY) as CNG volume was 1% below JMFe at 6.9mmcmd (down 0.5% QoQ and up only 3.4% YoY). Further PNG sales volume was also 1.1% below JMFe at 230mmscm (up 6.5% QoQ and up 3.8% YoY) with industrial/commercial PNG sales volume at 112mmscm (up 5.3% QoQ and up 2.3% YoY) and domestic PNG sales volume at 71mmscm (up 13.5% QoQ and up 7.8% YoY).
- EBITDA margin in line at INR 5.4/scm – higher opex was offset by lower gas cost:** Gross margin was higher at INR 11.1/scm in 3QFY26 versus JMFe at INR 10.5/scm (INR 10.3/scm in 2QFY26) led by lower average cost of gas at USD 11.2/mmbtu or INR 35.8/scm versus JMFe of INR 36.3/scm (USD 11.7/mmbtu or INR 36.7/scm in 2QFY26) – this could be partly due to some fall in APM gas cost due to fall in Brent price as highlighted by MGL management. Net sales realisation was largely in line with JMFe at INR 46.9/scm (INR 47/scm in 2QFY26). However, opex was higher at INR 5.6/scm versus JMFe of INR 5.1/scm (INR 5.1/scm in 2QFY26). Hence EBITDA margin was in line with JMFe at INR 5.4/scm (and versus INR 5.2/scm in 2QFY26).
- Maintain REDUCE due to structural risk to pricing power in CNG:** We cut FY26-27 EBITDA by 4-5% factoring in slightly lower volume growth and margin, hence TP has been cut to INR 170 (INR 180). We maintain REDUCE as we believe the structural reduction in APM gas allocation by 7-10% p.a. for the CNG business is likely to continue as: **a)** entire incremental growth of 5-6% p.a. in CNG volume needs to be met via non-APM gas sources including high-cost LNG given the gradual decline in APM gas output; and **b)** low-cost APM gas is likely to be gradually replaced by higher cost NWG gas at a rate of ~7.5% p.a. This is likely to continue to pose a risk to the company's pricing power in CNG (which constitutes ~70% of its total volume) and, hence, its volume growth and margin assumption. At CMP, IGL is trading at consolidated FY28P/E of 10.8x and consolidated FY28 P/B of 1.7x.



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Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	REDUCE
Current Price Target (12M)	170
Upside/(Downside)	0.5%
Previous Price Target	180
Change	-5.2%

Key Data – IGL IN

Current Market Price	INR170
Market cap (bn)	INR237.5/US\$2.6
Free Float	41%
Shares in issue (mn)	1,400.0
Diluted share (mn)	1,400.0
3-mon avg daily val (mn)	INR530.1/US\$5.9
52-week range	229/169
Sensex/Nifty	83,675/25,807
INR/US\$	90.6

Price Performance

%	1M	6M	12M
Absolute	-7.8	-17.7	-11.0
Relative*	-7.9	-20.8	-19.0

* To the BSE Sensex

Financial Summary					
Y/E March	FY24A	FY25A	FY26E	FY27E	(INR mn)
Net Sales	1,40,000	1,49,275	1,58,656	1,69,627	1,87,426
Sales Growth (%)	-1.0	6.6	6.3	6.9	10.5
EBITDA	23,669	19,786	19,178	22,753	25,342
EBITDA Margin (%)	16.9	13.3	12.1	13.4	13.5
Adjusted Net Profit	17,481	14,676	14,401	17,024	18,929
Diluted EPS (INR)	12.5	10.5	10.3	12.2	13.5
Diluted EPS Growth (%)	21.0	-16.0	-1.9	18.2	11.2
ROIC (%)	21.9	15.5	13.5	15.2	16.0
ROE (%)	22.4	16.5	14.8	15.8	15.9
P/E (x)	13.6	16.2	16.5	14.0	12.6
P/B (x)	2.8	2.6	2.3	2.1	1.9
EV/EBITDA (x)	9.5	11.1	11.4	9.3	8.1
Dividend Yield (%)	2.6	2.5	2.1	2.5	2.8

Source: Company data, JM Financial. Note: Valuations as of 12/Feb/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

3QFY26 result review

Exhibit 1. Quarterly snapshot

INR Mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Net Sales	35,206	36,973	37,591	39,474	39,139	40,233	40,672	8.2	1.1
Operating expenditure	29,388	31,614	33,954	34,533	34,021	35,805	35,947	5.9	0.4
EBITDA	5,819	5,359	3,636	4,940	5,118	4,428	4,725	29.9	6.7
EBITDA Margin %	16.5%	14.5%	9.7%	12.5%	13.1%	11.0%	11.6%	194 bps	61 bps
Depreciation	1,143	1,184	1,216	1,198	1,238	1,279	1,311	7.8	2.5
Other Income	727	1,493	1,288	940	901	1,626	1,301	1.0	(20.0)
Exceptional income/(expense)									
PBT	5,380	5,645	3,687	4,656	4,758	4,754	4,695	27.3	(1.2)
Tax	1,366	1,334	829	1,164	1,199	1,029	1,109	33.7	7.8
PAT	4,015	4,311	2,858	3,492	3,559	3,725	3,586	25.5	(3.7)
EPS (INR)	2.9	3.1	2.0	2.5	2.5	2.7	2.6	25.5	(3.7)
Tax rate	25.4%	23.6%	22.5%	25.0%	25.2%	21.6%	23.6%		
IGL's share of CUGL & MNGL profit	808	905	819	1,081	748	827	776	(5.3)	(6.2)
Consolidated EPS (INR)	3.4	3.2	2.3	3.3	3.1	2.8	2.8	20.6	1.9

Source: Company, JM Financial Note: Net Sales include one-off income of INR 1.15bn in 4QFY25 on account of reversal of provision for trade margin paid to OMCs after negotiation with OMCs got concluded

Exhibit 2. Operational details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Gas Volume									
CNG Sales Volume (mmSCM)	587	624	617	604	618	641	637	3.4	(0.5)
PNG Sales Volume-(mmSCM)	199	207	221	223	213	216	230	3.8	6.5
Industrial/commercial Volume	92	100	109	109	100	107	112	2.9	5.3
Domestic Volume	61	60	66	68	67	63	71	7.8	13.5
Natural Gas volume	46	47	46	45	46	46	46	0.0	(0.4)
Overall Sales Volume-(mmSCM)	786	830	838	826	831	857	867	3.5	1.2
Overall sales volume (mmSCMD)	8.6	9.0	9.1	9.2	9.1	9.3	9.4	3.5	1.2
CNG Sales Volume (mmSCMD)	6.5	6.8	6.7	6.7	6.8	7.0	6.9	3.4	(0.5)
Gas Volume growth (% YoY)	67.6%	66.2%							
CNG Sales Volume (in KGs)	4.6%	8.5%	5.9%	4.1%	5.2%	2.7%	3.4%		
CNG Sales Volume (in SCM)	4.6%	8.5%	5.9%	4.1%	5.2%	2.7%	3.4%		
PNG Sales Volume (mmSCM)	7.6%	9.3%	11.8%	3.9%	7.2%	4.4%	3.8%		
Industrial/commercial Volume	5.6%	11.4%	14.4%	5.4%	8.9%	6.3%	2.9%		
Domestic Volume	16.0%	12.4%	16.8%	4.7%	10.6%	5.7%	7.8%		
Natural Gas volume	1.9%	1.7%	0.3%	-0.4%	-0.5%	-1.2%	0.0%		
Overall Sales Volume (mmSCM)	5.3%	8.7%	7.4%	4.1%	5.7%	3.2%	3.5%		
Gas Volume growth (% QoQ)									
CNG Sales Volume (in KGs)	1.2%	6.2%	-1.1%	-2.1%	2.3%	3.8%	-0.5%		
CNG Sales Volume (in SCM)	1.2%	6.2%	-1.1%	-2.1%	2.3%	3.8%	-0.5%		
PNG Sales Volume	-7.2%	4.0%	7.1%	0.6%	-4.3%	1.2%	6.5%		
Industrial/commercial Volume	-11.2%	9.0%	8.8%	0.1%	-8.2%	6.5%	5.3%		
Domestic Volume	-6.8%	-2.2%	11.3%	3.1%	-1.5%	-6.5%	13.5%		
Natural Gas volume	1.3%	1.9%	-1.6%	-1.8%	1.1%	1.2%	-0.4%		
Overall Sales Volume	-1.0%	5.7%	0.9%	-1.4%	0.5%	3.1%	1.2%		
IGL per unit break-up (INR/scm)									
Realisation	44.8	44.5	44.9	46.4	47.1	47.0	46.9		
Average cost of gas	31.6	32.6	35.1	35.6	35.2	36.7	35.8		
Blended gross spread	13.2	11.9	9.7	10.8	11.9	10.3	11.1		
Other expense	5.8	5.5	5.4	6.2	5.7	5.1	5.6		
EBITDA	7.4	6.5	4.3	4.6	6.2	5.2	5.4		
Depreciation	1.5	1.4	1.5	1.4	1.5	1.5	1.5		
Interest exp net of other income	-0.9	-1.8	-1.5	-1.1	-1.1	-1.9	-1.5		
PBT	6.8	6.8	4.4	4.3	5.7	5.5	5.4		
Tax	1.7	1.6	1.0	1.4	1.4	1.2	1.3		
PAT	5.1	5.2	3.4	2.8	4.3	4.3	4.1		

Source: Company, JM Financial Note: Net Realisation is adjusted for one-off income of INR 1.15bn in 4QFY25 on account of reversal of provision for trade margin paid to OMCs after negotiation with OMCs got concluded

Assumptions and estimates

Exhibit 3. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
GAS VOLUME BREAK-UP (mmscm)								
CNG	1,847	2,209	2,298	2,431	2,540	2,692	2,854	
PNG- Domestic	182	197	227	255	273	300	330	
PNG-Industrial/Commercial	352	364	376	411	436	462	489	
PNG-Sale to other CGD cos	170	182	182	184	186	197	209	
Total sales volume	2,551	2,952	3,084	3,281	3,435	3,652	3,883	
Internal consumption and normal loss	65	76	79	84	88	93	99	Normal loss is 1.4% and internal consumption is 1.2% of sales
Total quantity of gas purchased	2,616	3,028	3,163	3,365	3,523	3,745	3,982	
Total gas sold (mmcmd)	7.0	8.1	8.5	9.0	9.4	10.0	10.6	
Total gas purchased (mmcmd)	7.2	8.3	8.7	9.2	9.7	10.3	10.9	
Gas sales volume change Y-o-Y								
CNG	36%	20%	4%	6%	5%	6%	6%	Factoring 6% growth from FY26 onwards
PNG- Domestic	8%	8%	15%	12%	7%	10%	10%	Expect 10-12% volume growth to continue
PNG-Industrial/Commercial	23%	3%	3%	9%	6%	6%	6%	Factoring 6% growth from FY25 onwards
PNG-Sale to other CGD cos	29%	7%	0%	1%	1%	6%	6%	
Overall	31%	16%	4%	6%	5%	6%	6%	
Gas sales volume composition								
CNG	72%	75%	75%	74%	74%	74%	74%	CNG to continue to dominate gas mix with ~75% volume
PNG- Domestic	7%	7%	7%	8%	8%	8%	9%	Domestic PNG segment share to be 8-10%
PNG-Industrial/Commercial	7%	6%	6%	6%	5%	5%	5%	Industrial segment share to be ~6%
PNG-Sale to other CGD cos	14%	12%	12%	13%	13%	13%	13%	
GAS SOURCING & COST BREAK-UP								
Gas sourcing mix (mmcmd)								
APM gas	5.0	5.5	5.6	4.8	3.2	2.9	2.5	
Non-APM/RIL/Vedanta/Cairn HPHT gas	0.6	0.8	1.0	1.4	2.4	2.7	3.2	
Long term RasGas LNG	0.5	1.0	1.9	2.5	3.5	3.5	3.5	Long-term contract that is valid till CY28 at 12.67% linkage to JCC crude price
Spot LNG/mid-term LNG	1.1	1.0	0.1	0.6	0.5	1.1	1.7	Assumed 100% industrial and commercial segment demand to be met via LNG imports; hence, excess demand is met via spot LNG
Total gas purchased	7.2	8.3	8.7	9.2	9.7	10.3	10.9	
Gas cost (USD/mmmbtu)								
APM gas/Uniform price gas from GAIL for CNG/dom PNG	4.2	8.0	8.0	8.0	8.3	8.0	8.0	Based on domestic gas price formula
Non-APM/RIL/Vedanta/Cairn HPHT gas	5.5	11.2	12.0	11.5	10.9	10.2	10.2	
Long term RasGas LNG	11.5	15.1	15.7	13.7	12.5	11.5	11.5	
Spot LNG/mid-term LNG	14.0	32.0	22.0	19.7	14.5	13.5	13.5	
Weighted average gas cost	6.3	11.9	10.4	10.8	10.8	10.3	10.6	
OVERALL MARGINS (INR/scm)								
Overall								
Net realisation	30.2	47.9	45.4	45.5	46.2	46.5	48.3	
Average cost of gas	17.2	35.4	31.8	33.8	35.0	34.6	36.1	
Blended gross margin	13.0	12.6	13.6	11.7	11.2	11.9	12.2	
Other expense	5.6	5.7	5.9	5.7	5.7	5.6	5.6	
EBITDA	7.4	6.9	7.7	6.0	5.6	6.2	6.5	Expect EBITDA ~ INR 6.5-7.5/SCM
Depreciation	1.2	1.2	1.3	1.4	1.5	1.6	1.7	
Interest exp net of other income	-0.8	-0.9	-1.1	-1.3	-1.5	-1.5	-1.6	
PBT	6.9	6.5	7.5	5.9	5.5	6.2	6.4	
Tax	1.8	1.6	1.8	1.4	1.3	1.5	1.6	
PAT	5.1	4.9	5.7	4.5	4.2	4.7	4.9	Hence, expect PAT/scm at ~INR 4.5-5.5/scm

Source: JM Financial, Company Note: Net Realisation is adjusted for one-off income of INR 1.15bn in FY25 on account of reversal of provision for trade margin paid to OMCs after negotiation with OMCs got concluded

Exhibit 4. Changes in estimates and TP

	New	Old	Divergence
TP (INR)	170	180	-5%
Rating	REDUCE	REDUCE	
Revenue (INR Mn)			
FY26	158,656	159,781	-0.7%
FY27	169,627	171,104	-0.9%
FY28	187,426	189,069	-0.9%
EBITDA (INR Mn)			
FY26	19,178	20,092	-4.6%
FY27	22,753	23,840	-4.6%
FY28	25,342	26,550	-4.6%
PAT (INR Mn)			
FY26	14,401	14,508	-0.7%
FY27	17,024	17,222	-1.2%
FY28	18,929	19,176	-1.3%
EPS (INR)			
FY26	10.3	10.4	-0.7%
FY27	12.2	12.3	-1.2%
FY28	13.5	13.7	-1.3%

Source: JM Financial

Valuation

Exhibit 5. Valuation

Terminal FCF (INR Mn)	17,435
Terminal Growth Rate	3%
WACC	10.8%
Terminal Value (INR Mn)	229,428
PV of Terminal Value (INR Mn)	100,801
PV of Cash Flow (INR Mn)	59,831
Enterprise Value	160,632
Net Debt /(Net cash)	(23,741)
Equity Value excluding unlisted equity investments (INR Mn)	184,373
Add: Unlisted equity investments (15x CUGL and MNGL FY25 PAT)	54,192
Total Equity value (INR Mn)	238,565
No of shares (Mn)	1,400
Valuation (INR)	170

Source: JM Financial

If FY27 EBITDA changes by +/- INR0.2/scm, our valuation will change by +/- INR5/share (or +/- 3.2%). Similarly, if FY27 volume growth changes by +/- 2%, our valuation will change by +/- INR 3/share (or +/- 1.5%).

Exhibit 6. Valuation sensitivity to volume growth and EBITDA margin

FY27 EBITDA (INR/scm)	FY27 volume growth						
	0%	2%	4%	6%	8%	10%	12%
5.6	148	150	152	154	156	159	161
5.8	153	155	157	159	162	164	167
6.0	158	160	163	165	167	170	173
6.2	164	166	168	170	173	176	178
6.4	169	171	173	176	178	181	184
6.6	174	176	179	181	184	187	190
6.8	179	182	184	187	190	192	196

Source: Company, JM Financial

If FY27 EBITDA changes by +/- INR0.2/scm, our EPS will change by +/-3.0%. Similarly, if FY27 volume growth changes by +/- 2%, our EPS will change by +/- 0.5%.

Exhibit 7. FY27 EPS sensitivity to volume growth and EBITDA margin

FY27 EBITDA (INR/scm)	FY27 volume growth						
	0%	2%	4%	6%	8%	10%	12%
5.6	12.6	12.7	12.8	12.9	12.9	13.0	13.1
5.8	13.1	13.1	13.2	13.3	13.3	13.4	13.5
6.0	13.5	13.5	13.6	13.7	13.8	13.8	13.9
6.2	13.9	14.0	14.0	14.1	14.2	14.3	14.3
6.4	14.3	14.4	14.4	14.5	14.6	14.7	14.8
6.6	14.7	14.8	14.9	14.9	15.0	15.1	15.2
6.8	15.1	15.2	15.3	15.4	15.4	15.5	15.6

Source: Company, JM Financial

Exhibit 8. 1-year forward PE chart



Exhibit 9. EPS versus EPS growth

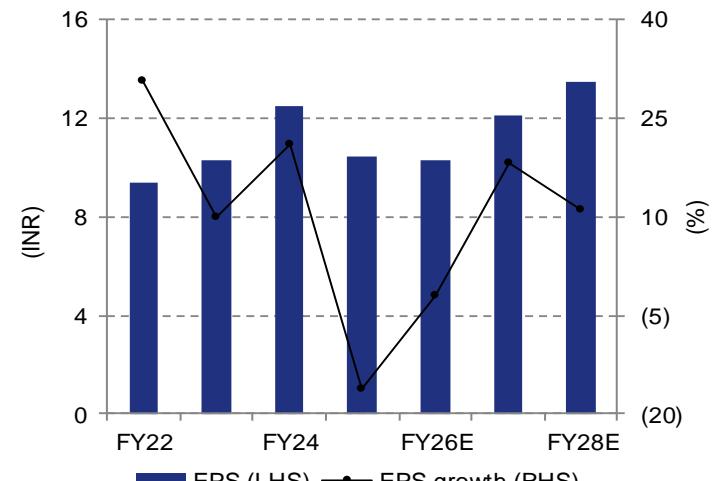


Exhibit 10. 1-year forward PB chart

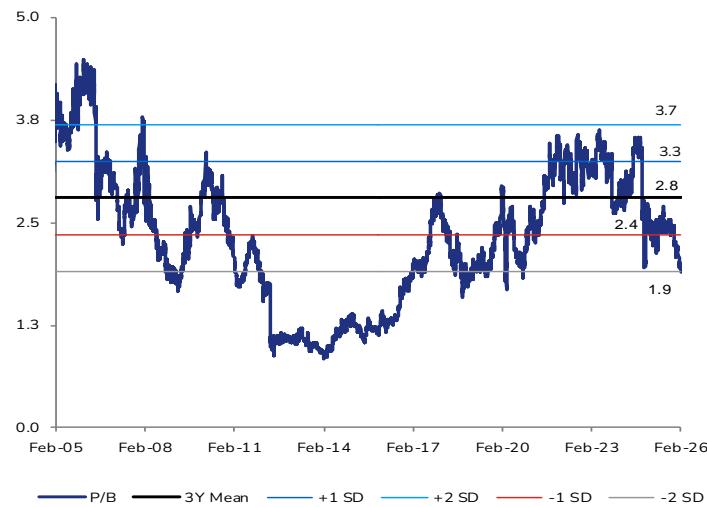


Exhibit 11. RoE versus RoCE

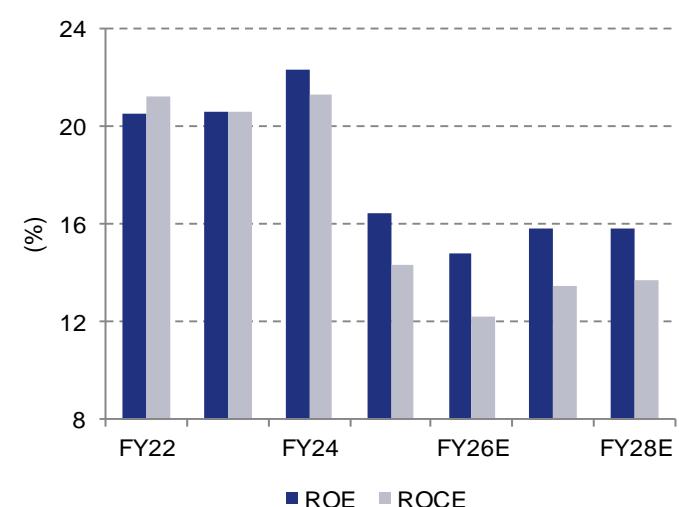


Exhibit 12. Global gas companies' valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)			FY26-FY28 CAGR (%)		
	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	EBITDA CAGR	PAT CAGR	
US Peers																		
Sempra Energy	17.2	15.8	15.9	19.8	17.8	16.5	1.6	1.5	1.5	41.7	43.4	44.2	8.4	9.2	9.4	3.8	10.2	
Nsoures	13.6	12.1	11.0	23.7	21.8	20.1	2.1	2.0	1.8	47.7	50.0	52.7	9.4	9.7	9.8	11.3	11.3	
Atmos Energy	14.5	12.8	11.4	21.2	19.8	18.2	2.0	1.9	1.8	50.8	52.3	55.5	9.3	9.2	9.2	12.9	11.7	
US peers average	15.1	13.6	12.8	21.6	19.8	18.3	1.9	1.8	1.7	46.8	48.6	50.8	9.0	9.4	9.5	9.4	11.1	
European Peers																		
Engas	9.6	10.4	9.9	13.4	16.4	15.3	1.6	1.6	1.6	75.3	77.6	78.8	11.8	9.8	10.3	-1.4	NM	
European peers average	9.6	10.4	9.9	13.4	16.4	15.3	1.6	1.6	1.6	75.3	77.6	78.8	11.8	9.8	10.3	-1.4	NM	
Asian peers																		
ENN Energy	7.2	6.8	6.3	10.3	9.6	8.9	1.4	1.3	1.2	10.7	11.0	11.4	13.9	14.0	14.0	6.7	8.2	
Tow gas China	9.5	8.9	7.2	8.2	7.9	7.5	0.5	0.5	0.5	15.4	15.9	19.4	6.7	6.8	6.9	14.6	5.0	
Hong Kong & China Gas	16.6	15.8	14.8	24.1	22.8	21.3	2.5	2.5	2.5	22.1	22.5	23.2	10.3	10.9	11.7	5.7	6.2	
China Resources Gas	8.1	7.8	7.4	12.8	11.9	10.9	1.2	1.1	1.1	10.8	10.9	11.3	9.0	9.4	9.7	4.4	8.2	
China Gas Holdings	10.8	10.4	10.1	13.6	12.8	11.9	0.8	0.8	0.8	12.0	12.3	12.5	5.6	6.0	6.3	3.3	8.0	
Beijing Enterprises	8.5	9.4	10.0	8.1	7.7	7.5	0.5	0.5	0.4	15.2	13.3	11.8	6.2	6.2	6.3	-8.1	3.3	
Korea Gas	9.1	9.2	9.3	4.9	4.5	4.2	0.3	0.3	0.3	12.2	12.7	12.5	7.2	7.4	7.4	-0.9	7.4	
Petronas Gas BHD	10.7	10.3	10.1	20.1	19.2	18.7	2.6	2.5	2.4	53.2	54.7	54.9	12.8	13.1	13.0	2.8	3.6	
IGL	9.4	8.0	7.3	15.7	13.3	12.0	2.3	2.1	1.9	12.7	13.6	13.9	15.7	16.5	16.5	13.3	13.1	
MGL	6.9	6.4	6.0	12.1	11.5	10.9	1.7	1.6	1.4	18.7	18.0	17.5	15.4	14.6	14.1	6.8	5.0	
Gujarat Gas	15.5	13.9	12.3	25.6	22.7	20.0	3.2	2.9	2.7	12.3	12.3	12.6	12.9	13.4	13.9	12.3	12.9	
Petrojet LNG	6.7	5.8	5.2	12.0	10.6	10.2	2.1	1.8	1.6	11.0	11.5	11.6	18.0	18.2	17.2	13.3	9.0	
GAIL	10.3	8.3	7.6	13.9	11.7	10.7	1.4	1.3	1.2	8.8	10.3	10.6	10.5	11.7	12.0	16.4	14.4	
GSP	21.2	18.8	17.3	23.4	21.9	20.4	1.6	1.5	1.4	66.9	69.8	70.0	6.6	6.9	7.1	10.5	7.5	
Asian peers average	10.7	10.0	9.4	14.6	13.4	12.5	1.6	1.5	1.4	20.1	20.6	20.9	10.8	11.1	11.1	7.2	8.0	
Global peers average	11.4	10.6	10.0	15.7	14.6	13.6	1.6	1.5	1.5	27.6	28.5	29.1	10.5	10.7	10.8	7.1	8.5	
Global peers median	9.9	9.8	9.9	13.7	13.0	12.0	1.6	1.6	1.5	15.3	14.8	15.7	9.9	9.7	10.1	6.7	8.2	

Source: Bloomberg, JM Financial

Financial Tables (Standalone)

Income Statement (INR mn)						Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,40,000	1,49,275	1,58,656	1,69,627	1,87,426	Shareholders' Fund	85,517	92,840	1,02,201	1,13,266	1,25,570
Sales Growth	-1.0%	6.6%	6.3%	6.9%	10.5%	Share Capital	1,400	2,800	2,800	2,800	2,800
Other Operating Income	0	0	0	0	0	Reserves & Surplus	84,117	90,040	99,401	1,10,466	1,22,770
Total Revenue	1,40,000	1,49,275	1,58,656	1,69,627	1,87,426	Preference Share Capital	0	0	0	0	0
Cost of Goods Sold/Op. Exp	98,131	1,10,732	1,20,059	1,26,246	1,40,218	Minority Interest	0	0	0	0	0
Personnel Cost	2,266	2,003	2,163	2,336	2,476	Total Loans	0	0	0	0	0
Other Expenses	15,935	16,754	17,257	18,292	19,390	Def. Tax Liab. / Assets (-)	3,695	4,563	4,563	4,563	4,563
EBITDA	23,669	19,786	19,178	22,753	25,342	Total - Equity & Liab.	89,213	97,403	1,06,763	1,17,829	1,30,132
<i>EBITDA Margin</i>	16.9%	13.3%	12.1%	13.4%	13.5%	Net Fixed Assets	79,954	86,565	95,665	1,03,690	1,11,357
<i>EBITDA Growth</i>	16.0%	-16.4%	-3.1%	18.6%	11.4%	Gross Fixed Assets	87,699	98,160	1,12,120	1,25,620	1,39,390
Depn. & Amort.	4,138	4,741	5,158	5,779	6,412	Intangible Assets	0	0	0	0	0
EBIT	19,531	15,046	14,020	16,974	18,930	Less: Depn. & Amort.	21,710	26,451	31,608	37,387	43,799
Other Income	3,632	4,416	5,078	5,586	6,144	Capital WIP	13,964	14,857	15,154	15,457	15,766
Finance Cost	92	92	92	92	92	Investments	11,576	16,217	12,973	14,271	15,698
PBT before Excep. & Forex	23,072	19,369	19,006	22,468	24,982	Current Assets	39,676	39,105	45,870	51,199	58,668
Excep. & Forex Inc/Loss(-)	0	0	0	0	0	Inventories	522	488	518	554	612
PBT	23,072	19,369	19,006	22,468	24,982	Sundry Debtors	10,185	7,078	7,523	8,043	8,887
Taxes	5,591	4,693	4,605	5,444	6,053	Cash & Bank Balances	2,128	1,361	7,201	11,504	17,576
Extraordinary Inc./Loss(-)	0	0	0	0	0	Loans & Advances	3,127	4,277	4,490	4,715	4,951
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	Other Current Assets	23,714	25,902	26,137	26,384	26,642
Reported Net Profit	17,481	14,676	14,401	17,024	18,929	Current Liab. & Prov.	41,993	44,484	47,745	51,331	55,590
Adjusted Net Profit	17,481	14,676	14,401	17,024	18,929	Current Liabilities	24,672	26,148	27,576	29,145	31,185
Net Margin	12.5%	9.8%	9.1%	10.0%	10.1%	Provisions & Others	17,321	18,336	20,169	22,186	24,405
Diluted Share Cap. (mn)	1,400.0	1,400.0	1,400.0	1,400.0	1,400.0	Net Current Assets	-2,317	-5,379	-1,875	-132	3,078
Diluted EPS (INR)	12.5	10.5	10.3	12.2	13.5	Total - Assets	89,213	97,403	1,06,763	1,17,829	1,30,132
Diluted EPS Growth	21.0%	-16.0%	-1.9%	18.2%	11.2%						
Total Dividend + Tax	6,300	5,950	5,040	5,958	6,625						
Dividend Per Share (INR)	4.5	4.3	3.6	4.3	4.7						

Source: Company, JM Financial

Cash Flow Statement (INR mn)						Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E	Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	23,072	19,369	19,006	22,468	24,982	Net Margin	12.5%	9.8%	9.1%	10.0%	10.1%
Depn. & Amort.	4,138	4,741	5,158	5,779	6,412	Asset Turnover (x)	1.5	1.4	1.3	1.3	1.3
Net Interest Exp. / Inc. (-)	-2,468	-2,904	-4,986	-5,494	-6,052	Leverage Factor (x)	1.2	1.2	1.2	1.2	1.2
Inc (-) / Dec in WCap.	-3,828	5,518	1,497	1,677	1,937	RoE	22.4%	16.5%	14.8%	15.8%	15.9%
Others	-685	-720	0	0	0						
Taxes Paid	-4,871	-3,951	-4,605	-5,444	-6,053						
Operating Cash Flow	15,357	22,053	16,069	18,986	21,225						
Capex	-12,021	-11,216	-14,258	-13,803	-14,079						
Free Cash Flow	3,335	10,837	1,812	5,182	7,146						
Inc (-) / Dec in Investments	-1,022	-6,722	3,243	-1,297	-1,427						
Others	2,096	2,864	5,078	5,586	6,144						
Investing Cash Flow	-10,948	-15,074	-5,936	-9,515	-9,362						
Inc / Dec (-) in Capital	0	0	0	0	0						
Dividend + Tax thereon	-3,337	-7,747	-5,132	-6,050	-6,717						
Inc / Dec (-) in Loans	0	0	840	882	926						
Others	0	0	0	0	0						
Financing Cash Flow	-3,337	-7,747	-4,292	-5,168	-5,791						
Inc / Dec (-) in Cash	1,072	-767	5,841	4,302	6,072						
Opening Cash Balance	1,056	2,128	1,361	7,201	11,504						
Closing Cash Balance	2,128	1,361	7,201	11,504	17,576						

Source: Company, JM Financial

History of Recommendation and Target Price				Recommendation History
Date	Recommendation	Target Price	% Chg.	Indraprastha Gas
2-Nov-23	Buy	250		
25-Jan-24	Buy	235	-6.1	
7-May-24	Buy	235	0.2	
7-Jul-24	Buy	275	17.0	
24-Jul-24	Buy	275	0.0	
7-Oct-24	Buy	300	9.0	
18-Oct-24	Sell	218	-27.4	
28-Oct-24	Sell	218	0.0	
17-Nov-24	Sell	175	-19.5	
7-Jan-25	Sell	175	-0.1	
9-Jan-25	Sell	175	0.0	
27-Jan-25	Sell	175	0.0	
8-Apr-25	Sell	175	0.1	
15-Apr-25	Sell	175	0.0	
28-Apr-25	Sell	170	-2.9	
3-Jul-25	Sell	185	9.0	
30-Jul-25	Sell	185	0.0	
6-Oct-25	Sell	185	-0.2	
12-Nov-25	Sell	185	0.0	
6-Jan-26	REDUCE	180	-2.9	

Indraprastha Gas

Legend: Target Price (Grey Shaded Area), Price (Blue Line)

APPENDIX I

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

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Rating	Meaning
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