

IGL's Q4FY26 SA EBITDA/APAT of Rs4.2/2.8bn missed our estimates by 15%/20%, largely owing to higher RM gas costs and opex. Volumes grew 6% YoY to 9.7mmscmd (up 3% QoQ; in-line), with CNG volume rising 5% YoY (in-line); impacted by lower offtake from DTC buses. Ex-DTC, CNG volume growth stood at ~10%. IGL is witnessing 16-17% volume growth from new GAs, with the management guiding for ~1mmscmd volume addition by Q4FY27, driven by 10-13% growth in CNG and ~20% in DPNG, with billed DPNG customer additions expected at 0.3-0.4mn vs 0.2-0.25mn earlier YoY. While IGL is expected to see margin weakness in Q1FY27, long-term EBITDA/scm guidance remains intact at Rs7-8. FY26 capex was Rs11.7bn, while the FY27 target is Rs14-15bn. We cut FY27E EPS by 12%, building lower EBITDA margins amid a volatile outlook. We slightly raise FY28E EPS by 3% on better volumes. We roll forward to Mar-28E, cutting our TP by ~5% to Rs180 from Rs190; retain ADD.

Result Highlights

SA EBITDA/APAT in Q4FY26 was up 11%/5% YoY and down 16%/27% QoQ. PNG volume grew 6% YoY (2% beat), driven by 13% YoY growth in DPNG (in-line), while I/C PNG growth was 4%. Gross margin fell 2% QoQ to Rs10.9/scm (5% miss), as unit gas cost rose 3% QoQ to Rs36.8/scm (3% above estimate), partly offset by 2% QoQ uptick in net book realization to Rs47.7/scm. Unit opex fell 2% YoY to Rs6.1/scm, although it was up 14% QoQ and 5% higher than estimated; other expense was 4% higher at Rs4.7bn, while employee cost was up 19% YoY. EBITDA/scm declined 16% QoQ to Rs4.8 (up 5% YoY; a 15% miss). Other income was up 8% YoY to Rs1.0bn (down 22% QoQ; in-line), while ETR was higher at 28%. Finance cost at Rs74mn was significantly higher than the estimated Rs24mn. Profit share from CUGL-MNGL was down 39% YoY/15% QoQ to Rs660mn. IGL's FY26 SA revenue/EBITDA/APAT was Rs161.7/18.8/13.9bn, up 9%/up 2%/flat YoY, with EBITDA/scm down 3% YoY to Rs5.5; total volume grew 4% YoY to 9.4mmscmd. The Board recommended a final dividend of Rs1.5/sh (49% annual payout).

Management KTAs

Q4 volume growth was 0-1%/6-8%/16-17% in Delhi/NCR/new GAs. DTC volume is now negligible (<1,000kg/day), with only 25 operational CNG buses; the number of DIMTS buses are 1,790. The higher spot LNG cost was fully passed on to I/CPNG customers, with some markup. 1mn DPNG customers remain connected albeit unbilled; of these, ~0.5mn are easily convertible. Gurugram offers high expansion potential, with 47% of new vehicle sales being CNG, and peers supplying ~0.8mn kg/d vs ~0.2mn kg/d by IGL in its GA. Haryana's new EV policy has allowed CNG vehicles for 4W cab aggregators and delivery fleets. Unit gas costs are up 25% from pre-conflict; pricing is being monitored.

Valuation

We value IGL on DCF-SoTP basis. Mar-27E TP of Rs180 implies ~11.0x Mar-28E consol target P/E. Key risks: Lower gas allocation, adverse pricing, margin, currency scenarios; open access; rate of EV adoption; project delays.

Target Price – 12M	Mar-27
Change in TP (%)	(5.3)
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	13.9

Stock Data	IGL IN
52-week High (Rs)	229
52-week Low (Rs)	142
Shares outstanding (mn)	1,400.0
Market-cap (Rs bn)	221
Market-cap (USD mn)	2,284
Net-debt, FY27E (Rs mn)	(44,188.9)
ADTV-3M (mn shares)	3.5
ADTV-3M (Rs mn)	697.2
ADTV-3M (USD mn)	7.2
Free float (%)	50.0
Nifty-50	23,618.0
INR/USD	96.5

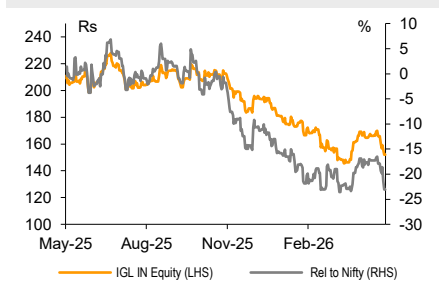
Shareholding, Mar-26

Promoters (%)	45.0
FPIs/MFs (%)	17.1/23.3

Price Performance

(%)	1M	3M	12M
Absolute	(7.0)	(6.2)	(25.5)
Rel. to Nifty	(4.1)	1.1	(21.4)

1-Year share price trend (Rs)



Indraprastha Gas: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	147,983	161,670	181,739	198,792	211,384
EBITDA	18,494	18,783	21,064	26,900	30,026
Adj. PAT	13,812	13,855	15,796	20,140	22,811
Adj. EPS (Rs)	9.9	9.9	11.3	14.4	16.3
EBITDA margin (%)	12.5	11.6	11.6	13.5	14.2
EBITDA growth (%)	(21.9)	1.6	12.1	27.7	11.6
Adj. EPS growth (%)	(21.0)	0.3	14.0	27.5	13.3
RoE (%)	16.5	14.2	15.1	17.6	18.0
RoIC (%)	19.5	18.3	17.7	20.6	20.7
P/E (x)	16.0	15.9	14.0	10.9	9.7
EV/EBITDA (x)	10.0	9.4	8.4	6.4	5.5
P/B (x)	2.4	2.2	2.0	1.8	1.7
FCFF yield (%)	5.8	3.5	1.2	3.9	5.8

Source: Company, Emkay Research

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Exhibit 1: Actuals vs Estimates (Q4FY26)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	41,626	40,992	40,172	2%	4%	
EBITDA	4,229	4,958	4,045	-15%	5%	Higher than expected gas costs and opex
EBITDA margin	10.2%	12.1%	10.1%	-194bps	9bps	
Adjusted Net Profit	2,771	3,443	2,993	-20%	-7%	Higher finance charge and ETR

Source: Company, Emkay Research

Exhibit 2: Standalone quarterly summary

(Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY	QoQ	FY25	FY26	YoY
CNG sales	31,766	33,197	34,359	34,242	34,174	8%	0%	124,775	135,972	9%
Less Excise	3,899	4,128	4,226	4,215	4,219	8%	0%	15,429	16,787	9%
PNG sales	10,466	10,069	10,100	10,645	11,671	12%	10%	38,637	42,485	10%
Net revenue	38,333	39,139	40,233	40,672	41,626	9%	2%	147,983	161,670	9%
Dec/(Inc) in Stock In Trade	(5)	4	(4)	(7)	(13)			(24)	(21)	
Raw Material cost	29,418	29,279	31,415	31,062	32,121	9%	3%	110,755	123,877	12%
Total COGS	29,412	29,284	31,411	31,055	32,108	9%	3%	110,732	123,856	12%
Gross profit	8,921	9,855	8,823	9,617	9,519	7%	-1%	37,251	37,814	2%
Employee cost	510	566	530	523	604	19%	15%	2,003	2,223	11%
Other expenses	4,611	4,172	3,865	4,086	4,685	2%	15%	16,754	16,807	0%
Total Opex	5,121	4,738	4,395	4,609	5,289	3%	15%	18,757	19,030	1%
Total Expenditure	34,533	34,021	35,805	35,664	37,397	8%	5%	129,489	142,887	10%
EBITDA	3,800	5,118	4,428	5,008	4,229	11%	-16%	18,494	18,783	2%
Depreciation	1,198	1,238	1,279	1,311	1,319	10%	1%	4,741	5,146	9%
EBIT	2,601	3,880	3,149	3,698	2,910	12%	-21%	13,753	13,637	-1%
Interest	26	22	22	21	74	185%	253%	92	139	50%
Other Income	940	901	1,626	1,301	1,012	8%	-22%	4,567	4,840	6%
PBT before exceptional	3,516	4,758	4,754	4,978	3,849	9%	-23%	18,228	18,338	1%
Exceptional items	1,141	-	-	(283)	-			1,141	(283)	
PBT	4,656	4,758	4,754	4,695	3,849	-17%	-18%	19,369	18,056	-7%
Current tax	760	1,119	862	1,001	908	19%	-9%	3,825	3,890	2%
Deferred tax	404	80	166	108	171		58%	868	525	
Total tax	1,164	1,199	1,029	1,109	1,078	-7%	-3%	4,693	4,415	-6%
Reported PAT	3,492	3,559	3,725	3,586	2,771	-21%	-23%	14,676	13,641	-7%
Reported EPS (Rs)	2.5	2.5	2.7	2.6	2.0	-21%	-23%	10.5	9.7	-7%
Adjusted PAT	2,637	3,559	3,725	3,802	2,771	5%	-27%	13,820	13,857	0%
Adjusted EPS (Rs)	1.9	2.5	2.7	2.7	2.0	5%	-27%	9.9	9.9	0%
CUGL/MNGL Gross PAT	2,162	1,495	1,653	1,551	1,321	-39%	-15%	7,226	6,020	-17%
CUGL/MNGL EPS Contribution (Rs)	0.8	0.5	0.6	0.6	0.5	-39%	-15%	2.6	2.2	-17%
Consol Adj EPS ex Dividend (Rs)	2.7	3.1	3.3	3.3	2.5	-8%	-25%	12.5	12.0	-3%
Shares O/S (mn)	1,400	1,400	1,400	1,400	1,400			1,400	1,400	
EBITDA margin	10%	13%	11%	12%	10%			12%	12%	
Standalone Reported NPM	9%	9%	9%	9%	7%			10%	8%	
Effective tax rate	25%	25%	22%	24%	28%			24%	24%	
Total Sales (mmscmd)	9.2	9.1	9.3	9.4	9.7	6%	3%	9.0	9.4	4%
CNG Volumes (mmscm)	604	618	641	637	637	5%	0%	2,433	2,533	4%
PNG Volumes (mmscm)	222	213	216	230	236	6%	3%	848	894	5%
Domestic	68	67	63	71	78	13%	8%	255	279	9%
Industrial+Commercial	109	100	107	112	113	4%	1%	411	433	5%
3rd party Trading	45	46	46	46	45	0%	-2%	182	182	0%
Gross Margin (Rs/scm)	10.8	11.9	10.3	11.1	10.9	1%	-2%	11.4	11.0	-3%
Adj EBITDA/scm (Rs)	4.6	6.2	5.2	5.8	4.8	5%	-16%	5.6	5.5	-3%
CNG Real (Rs/kg)	73.7	74.6	74.7	74.4	74.0	0%	-1%	71.9	74.4	4%
PNG Real (Rs/scm)	47.0	47.3	46.8	46.3	49.5	5%	7%	45.5	47.5	4%
Average Real (Rs/scm)	46.4	47.1	47.0	46.9	47.7	3%	2%	45.1	47.2	5%
Capex	3,050	2,900	2,900	2,670	3,250	7%	22%	11,050	11,720	6%

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

Concall Key Takeaways

- Indraprastha Gas (IGL)'s CNG station network expanded to 1,024 stations as of Q4FY26-end, while the number of DPNG connections stood at 3.44mn, including 0.37mn additions during FY26. The billed DPNG customer base increased to 2.45mn, with over 0.2mn net additions during the year. IGL added 250-inch km of steel pipelines and 2,470-inch km of MDPE pipelines in FY26. The CPNG and IPNG customer base stood at ~7,500 and ~5,500, respectively, while FY26 volume growth for CPNG and IPNG was 9% and 4% YoY, respectively. The company commissioned its second LNG station at CONCOR Dadri.
- Q4FY26 CNG volume growth was subdued in Delhi at ~0-1% YoY, while NCR (Noida-Ghaziabad) and new GAs reported stronger growth of ~6-8% and ~16-17% YoY, respectively. DTC volumes have nearly phased out, declining to ~3,000kg/day in Q4FY26 vs total CNG sales of 5.13mn kg/day, while DIMTS volumes stood at ~130,000kg/day. Excluding the DTC impact, overall CNG volume growth for IGL was 9.8-10% YoY. Passenger cars account for ~48% of IGL's CNG sales mix, with app-based cab aggregators contributing ~12-13%. IGL's peak gas sales touched ~10.2mmscmd in Feb-26, prior to the Middle East supply disruption. DTC volumes have now reduced to under 1,000kg/day, with only 25 CNG buses operational, while the DIMTS fleet stands at ~1,790 buses.
- The management highlighted strong traction under the National PNG Drive 2.0, which aims to replace LPG with DPNG in already connected households. IGL expects billed DPNG customer additions to increase to ~0.3-0.4mn annually vs earlier run-rate of ~0.2-0.25mn. The company currently has ~1mn connected albeit non-billed customers, providing significant conversion potential. The management expects DPNG volumes to witness ~20% growth over the next few years, with ~0.5mn customers easily convertible (~14-15,000 can come from the defence department servant quarters that were using LPG, but the Defence Ministry has now ordered PNG). 0.16mn billed customers have already been added under the PNG Drive 2.0 initiative.
- Haryana's new EV policy has emerged as a positive development for IGL, as it permits CNG usage for four-wheeler cab aggregators and delivery vehicles, although three-wheelers remain excluded for now; however, IGL is trying to work that in its favor. The Delhi EV policy stance has softened compared to earlier proposals. Haryana volumes currently stand at ~0.8mmscmd, with CNG/PNG at 0.65/0.16mmscmd. Overall growth across four GAs in Haryana is healthy at ~11-12% YoY.
- Gurugram continues to be a high-potential GA for IGL, with ~47% of new vehicle registrations being CNG-based. Monthly vehicle conversions in Gurugram are running at ~6,000 compared to ~10,000 in Delhi. Currently, IGL operates in roughly one-third of the city, with CNG sales of ~0.2mn kg/day; the other party sells ~0.8mn kg/day, indicating substantial headroom for growth as network expansion progresses. Hence, as and when IGL is granted the area, it can set up more CNG stations in bordering points, etc. Regarding the Faridabad area too, the transfer issue is *sub judice* and IGL has not yet accepted the authorization (an additional 1/3rd area would be allowed).
- IGL guided for exit volumes of ~10.6mmscmd by Q4FY27, driven by expected CNG volume growth of ~10-13% YoY. Growth is expected to be supported by robust vehicle conversions following GST reductions on CNG vehicles, which improved demand momentum. Average monthly vehicle conversions stood at ~23,000 in FY26, with peak additions reaching ~26,000/month. Contribution to new CNG vehicle additions was ~40% from Delhi and ~60% from other GAs. In India, the FY26 vehicle registration mix comprised ~34% CNG, ~35% petrol, ~25% diesel, and ~8-10% EVs.
- Q4FY26 was impacted by the Middle East conflict and subsequent supply disruptions, which led to sharp spikes in global gas prices. Following *force majeure* by Qatar Energy, the government introduced a notification ensuring 100% allocation for the average six-month priority sector (CNG + DPNG) volumes, along with pooled gas supply support. IGL is currently receiving ~105% allocation for DPNG requirements, while CNG allocation stands at ~35-40%. DPNG margins remained protected, as APM gas price hikes were passed through via retail price increases. IGL had to buy spot LNG at USD17-21/mmbtu during the crisis period, but cost was fully passed on to I/CPNG customers with some mark-up. Demand remained resilient despite the price hike. I/CPNG margins had seen slight reduction initially, but is mostly stable now. Overall I/CPNG prices were raised by ~35-40% compared to pre-conflict levels.

- IGL's unit gas cost has risen 25% from pre-conflict level (from Rs32/scm to Rs39-40/scm), while it has taken a Rs3/kg hike in CNG prices so far recently. It is closely monitoring the situation and will take a call on further price changes accordingly, depending on alternate fuel pricing and oil price, reduction of which would reduce NWG prices, etc. Henry Hub gas volumes are also being restored, with prices stable at USD2.5-3.0/mmbtu. The UFT re-zoning and lowering of pipeline cost are also supporting margins. While Q1FY27 would see margin weakness, long-term EBITDA/scm guidance remains intact at Rs7-8.
- IGL's broad sourcing in Q4FY26 was 37% APM, 8% NWG, 1% CBG, 4% HP-HT, 3% IGX-spot, 1% CBM, and remaining R-LNG, which is 4.8mmscmd – 2/3rd of this is HH and 1/3rd oil-linked LNG. Deviation in this was met by pooled gas and spot LNG. Currently, pricing of various gas sources is USD7.7/mmbtu for APM-CBG mix, >USD13/mmbtu for NWG, USD14-15 for Pooled Gas, and USD17-18 for spot LNG. RLNG contracts are expiring in CY28 and discussions are ongoing for renewal.
- IGL's capex in FY26 was Rs11.72bn, while the FY27 target is Rs14-15bn. Q4 unit opex is generally higher QoQ due to CSR, etc. IGL is forming a stakeholder communication group, including investors for better coordination.
- The management does not consider gas as a transition fuel, rather as a destination fuel, given linkages with hydrogen, CBG, etc. The industry is facing labor/plumber issues for connecting customers; however, IGL is not witnessing any challenges as apt skills are available within its core Gas (including NCR).

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
EBITDA/scm (Rs)	6.5	5.5	-15%	6.5	6.5	0%	7.0
Sales volume (mmscmd)	10.1	10.4	3%	10.9	11.3	4%	11.8
Growth	7.2%	11.0%	380bps	7.5%	8.0%	50bps	5.0%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs mn)	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	175,920	181,739	3%	191,541	198,792	4%	211,384
EBITDA	23,966	21,064	-12%	25,886	26,900	4%	30,026
EBITDA margin	13.6%	11.6%	-203bps	13.5%	13.5%	2bps	14.2%
PAT	18,013	15,796	-12%	19,471	20,140	3%	22,811
EPS (Rs)	12.9	11.3	-12%	13.9	14.4	3%	16.3

Source: Company, Emkay Research

Exhibit 5: DCF-based valuation (Mar-27E)

DCF assumptions	Mar-28E (Rs mn)	Core IGL	CUGL 50%	MNGL 50%	Consol
Risk Free Rate	6.7%	NPV of FCF	97,434	2,384	29,093
Risk Premium	6.0%	Terminal Value	207,267	5,073	50,210
Beta	0.8	PV of TV	55,870	1,367	13,534
Cost of Equity	11.5%	Total Value	153,303	3,752	42,627
Cost of Debt	8.0%	Less: Adj Net Debt (Mar-27E)	-50,981	-1,674	268
Post Tax Cost of Debt	6.0%	Equity Value	204,285	5,426	42,359
Average Debt:Equity Ratio	0.0%	No of Shares O/S (mn)	1,400	1,400	1,400
WACC	11.5%	Target Price (Rs)	146	4	30
Terminal Growth Rate					
IGL	0.0%				
CUGL	0.0%				
MNGL	0.0%				

Source: Company, Emkay Research

Exhibit 6: PER-based valuation (Mar-28E EPS)

	FY23	FY24	FY25	FY26	FY27E	FY28E
IGL's Core EPS (Rs)	10.3	12.5	9.9	9.9	11.3	14.4
Less: CU/MNGL Dividend Income (Rs)	0.4	0.5	0.6	0.5	0.5	0.6
IGL Adjusted EPS (Rs)	9.9	12.0	9.3	9.4	10.8	13.8
CUGL/MNGL EPS contribution (Rs)	1.8	2.4	2.6	2.2	2.2	2.6
Consolidated EPS (Rs)	11.7	14.4	11.9	11.6	13.0	16.4
Implied Target Multiple (x)						11.0
DCF-based Target Price (Rs)						180

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Indraprastha Gas: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	147,983	161,670	181,739	198,792	211,384
Revenue growth (%)	5.7	9.2	12.4	9.4	6.3
EBITDA	18,494	18,783	21,064	26,900	30,026
EBITDA growth (%)	(21.9)	1.6	12.1	27.7	11.6
Depreciation & Amortization	4,741	5,146	5,945	6,754	7,531
EBIT	13,753	13,637	15,119	20,145	22,495
EBIT growth (%)	(29.6)	(0.8)	10.9	33.2	11.7
Other operating income	516	604	634	665	699
Other income	4,567	4,840	5,870	6,598	7,786
Financial expense	92	139	67	67	68
PBT	18,228	18,338	20,922	26,676	30,213
Extraordinary items	1,141	(283)	0	0	0
Taxes	4,693	4,415	5,126	6,536	7,402
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	14,676	13,641	15,796	20,140	22,811
PAT growth (%)	(16.0)	(7.1)	15.8	27.5	13.3
Adjusted PAT	13,812	13,855	15,796	20,140	22,811
Diluted EPS (Rs)	9.9	9.9	11.3	14.4	16.3
Diluted EPS growth (%)	(21.0)	0.3	14.0	27.5	13.3
DPS (Rs)	4.3	4.8	4.9	6.3	7.3
Dividend payout (%)	40.5	48.8	43.0	44.0	45.0
EBITDA margin (%)	12.5	11.6	11.6	13.5	14.2
EBIT margin (%)	9.3	8.4	8.3	10.1	10.6
Effective tax rate (%)	25.7	24.1	24.5	24.5	24.5
NOPLAT (pre-IndAS)	10,212	10,354	11,415	15,210	16,983
Shares outstanding (mn)	1,400	1,400	1,400	1,400	1,400

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	13,661	13,499	15,052	20,078	22,427
Others (non-cash items)	3,777	2,384	0	0	0
Taxes paid	(3,951)	(3,954)	(4,601)	(6,011)	(6,877)
Change in NWC	5,518	4,305	645	326	498
Operating cash flow	21,901	19,469	17,107	21,215	23,647
Capital expenditure	(11,216)	(13,229)	(15,021)	(14,521)	(14,021)
Acquisition of business	0	0	0	0	0
Interest & dividend income	2,864	3,420	5,870	6,598	7,786
Investing cash flow	(13,079)	(5,637)	(9,427)	(8,206)	(6,523)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	0	0	0	0	0
Payment of lease liabilities	(399)	(494)	0	0	0
Interest paid	0	0	(67)	(67)	(68)
Dividend paid (incl tax)	(7,348)	(6,649)	(6,792)	(8,862)	(10,265)
Others	0	0	0	0	0
Financing cash flow	(7,747)	(7,144)	(6,859)	(8,929)	(10,333)
Net chg in Cash	1,075	6,688	821	4,080	6,791
OCF	21,901	19,469	17,107	21,215	23,647
Adj. OCF (w/o NWC chg.)	16,383	15,164	16,463	20,889	23,149
FCFF	10,685	6,240	2,086	6,694	9,626
FCFE	13,457	9,522	7,890	13,224	17,344
OCF/EBITDA (%)	118.4	103.6	81.2	78.9	78.8
FCFE/PAT (%)	91.7	69.8	49.9	65.7	76.0
FCFF/NOPLAT (%)	104.6	60.3	18.3	44.0	56.7

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	2,800	2,800	2,800	2,800	2,800
Reserves & Surplus	90,040	97,067	106,071	117,350	129,895
Net worth	92,840	99,867	108,871	120,150	132,695
Minority interests	-	-	-	-	-
Non-current liab. & prov.	4,563	5,100	5,625	6,150	6,675
Total debt	0	0	0	0	0
Total liabilities & equity	115,436	123,030	132,733	144,712	157,958
Net tangible fixed assets	69,489	77,864	88,399	97,477	105,145
Net intangible assets	86	86	86	86	86
Net ROU assets	2,134	2,097	2,118	2,139	2,160
Capital WIP	14,857	14,805	13,325	11,992	10,793
Goodwill	-	-	-	-	-
Investments [JV/Associates]	7,202	3,324	3,324	3,324	3,324
Cash & equivalents	35,859	43,092	44,189	48,551	55,630
Current & ex-cash	10,391	12,733	13,974	15,034	15,823
Current Liab. & Prov.	26,450	31,297	33,025	34,252	35,382
NWC (ex-cash)	(16,060)	(18,564)	(19,050)	(19,218)	(19,559)
Total assets	115,436	123,030	132,733	144,712	157,958
Net debt	(35,859)	(43,092)	(44,189)	(48,551)	(55,630)
Capital employed	115,436	123,030	132,733	144,712	157,958
Invested capital	53,516	59,386	69,435	78,346	85,672
BVPS (Rs)	66.3	71.3	77.8	85.8	94.8
Net Debt/Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Debt/EBITDA (x)	(1.9)	(2.3)	(2.1)	(1.8)	(1.9)
Interest coverage (x)	198.9	133.4	315.2	397.6	445.7
RoCE (%)	20.5	19.2	20.1	23.4	24.0

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	15.0	16.2	14.0	10.9	9.7
P/CE(x)	11.4	11.7	10.1	8.2	7.3
P/B (x)	2.4	2.2	2.0	1.8	1.7
EV/Sales (x)	1.3	1.1	1.0	0.9	0.8
EV/EBITDA (x)	10.0	9.4	8.4	6.4	5.5
EV/EBIT(x)	13.4	13.0	11.7	8.5	7.3
EV/IC (x)	3.5	3.0	2.5	2.2	1.9
FCFF yield (%)	5.8	3.5	1.2	3.9	5.8
FCFE yield (%)	6.1	4.3	3.6	6.0	7.9
Dividend yield (%)	2.7	3.0	3.1	4.0	4.7
DuPont-RoE split					
Net profit margin (%)	9.9	8.4	8.7	10.1	10.8
Total asset turnover (x)	1.4	1.4	1.4	1.5	1.4
Assets/Equity (x)	1.2	1.2	1.2	1.2	1.2
RoE (%)	16.5	14.2	15.1	17.6	18.0
DuPont-RoIC					
NOPLAT margin (%)	6.9	6.4	6.3	7.7	8.0
IC turnover (x)	2.8	2.9	2.8	2.7	2.6
RoIC (%)	19.5	18.3	17.7	20.6	20.7
Operating metrics					
Core NWC days	(39.6)	(41.9)	(38.3)	(35.3)	(33.8)
Total NWC days	(39.6)	(41.9)	(38.3)	(35.3)	(33.8)
Fixed asset turnover	1.7	1.6	1.6	1.5	1.4
Opex-to-revenue (%)	12.7	11.8	12.0	12.0	12.0

Source: Company, Emkay Research

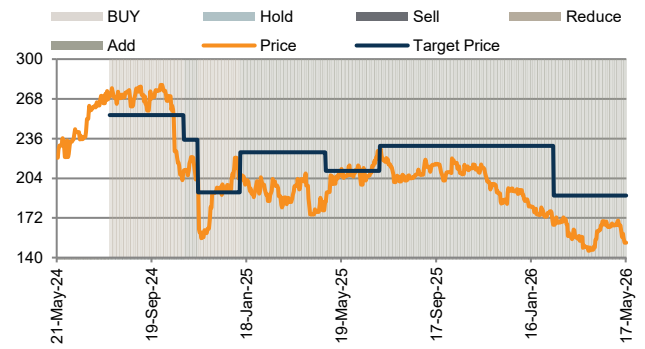
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Feb-26	167	190	Add	Sabri Hazarika
17-Dec-25	193	230	Add	Sabri Hazarika
01-Aug-25	202	230	Add	Sabri Hazarika
07-Jul-25	227	230	Add	Sabri Hazarika
29-Apr-25	185	210	Add	Sabri Hazarika
29-Jan-25	195	225	Add	Sabri Hazarika
10-Jan-25	206	225	Add	Sabri Hazarika
24-Dec-24	199	193	Reduce	Sabri Hazarika
17-Nov-24	203	193	Reduce	Sabri Hazarika
30-Oct-24	210	235	Add	Sabri Hazarika
18-Oct-24	226	255	Reduce	Sabri Hazarika
27-Jul-24	270	255	Reduce	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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