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

BUY GAIL

Strong show continues

Emkay Your success is our success

Oil & Gas | Result Update | **November 01, 2026** | **CMP (Rs): 168 | TP (Rs): 200**

GAIL's 2QFY27 SA EBITDA/APAT of Rs64.1/Rs46.5bn was a 25%/32% beat to our estimates, driven by robust performance across most segments. Gas marketing delivered another strong quarter, with 2Q/1H PBT at Rs31.5/65.0bn, driven by higher returns on the HH portfolio amid elevated crude prices and spot sales, and timing benefits under the JCC contract. While management expects these benefits to normalize in 2H, it raised FY27 PBT guidance to Rs90-95bn, with FY28 guidance at normalized levels of Rs45-50bn. Gas transmission volumes recovered sequentially to 130mmscmd, with FY27/FY28 guidance at 126-127/134-135mmscmd. Petchem earnings were near breakeven in 2Q, with a similar performance expected for FY27. LPG-LHC earnings were weighed down by lower realizations and higher gas costs. We raise FY27E EBITDA by 30% on stronger gas marketing and petchem run-rate in 1H, while FY28/FY29E EBITDA increases by 3%/2% on better petchem and transmission earnings. We retain BUY with an unchanged TP of Rs200.

Results highlights

GAIL's 2QFY27 SA EBITDA/APAT rose 2.0x/2.1x yoy (up 1%/8% qoq). D/A rose 4% qoq to Rs9.0bn, while other income of Rs6.4bn missed estimate by 20% (down 19% yoy). Gas transmission EBITDA rose 7% qoq on lower unit opex, while volume was up 6% qoq to 130.1mmscmd (4% miss). Gas marketing EBITDA was a 35% beat at Rs35.9bn (up 131% yoy/down 5% qoq), with RLNG margin up at $1.57/mmbtu (Emkay: $1.0/mmbtu). Marketing volume rose 4% qoq to 97.2mmscmd (3% miss). LPG transmission EBITDA rose 7% qoq to Rs1.5bn. Petchem EBITDA turned positive to Rs900mn vs loss of Rs110mn in 1Q on higher utilization (100% in 2Q vs 25% in 1Q) and lower unit opex. LPG-LHC EBITDA, however, declined 41% qoq to Rs4.7bn on lower realization and higher gas costs. GAIL's opex at Rs29.1bn was 46% below estimate (up 3% yoy/8% qoq), with other expenses up 5% yoy/11% qoq to Rs4.1bn (50% below estimate).

Earnings call highlights

GAIL sourced 18 spot LNG cargoes in 2Q vs 8 in 1Q as Indian gas demand recovered. Highest transmission volumes of 147.8mmscmd were recorded on 21-Sep-26. FY28 petchem breakeven assumes gas costs of $9–10/mmbtu and realizations of Rs90–95/kg. PDH-PPU commissioning is targeted for Jun-27, while Dabhol's heating system is slated for commissioning during Mar/Sep-27, raising effective capacity to 5mmtpa (80 cargoes pa). Six GAs, comprising 219 CNG stations and 0.3mn billed DPNG customers, are to be transferred to GAIL Gas from GAIL. GAIL Gas recorded 1H volumes of 6.79mmscmd and targets adding 275 CNG stations and 0.37mn DPNG customers over the next two years.

Valuation

We value GAIL via SOTP-EV/EBITDA method, with investments at a 30% holdco discount and unlisted investments at 1.0x BV. We slightly lower our blended Sep-28E EV/EBITDA to 6.5x from 6.7x owing to segmental realignment. Key risks: Adverse commodity and currency movements, regulations, outages, and project delays.

Target Price – 12M	Sep-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	19.0

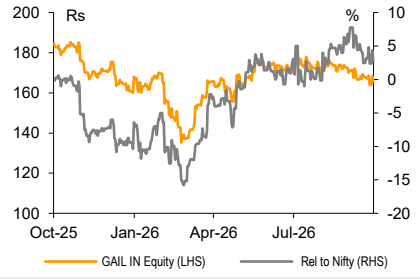
Stock Data	**GAIL IN**
52-week High (Rs)	187
52-week Low (Rs)	134
Shares outstanding (mn)	6,575.1
Market-cap (Rs bn)	1,105
Market-cap (USD mn)	11,633
Net-debt, FY27E (Rs mn)	174,415.8
ADTV-3M (mn shares)	9.5
ADTV-3M (Rs mn)	1,547.1
ADTV-3M (USD mn)	16.3
Free float (%)	41.0
Nifty-50	23,053.1
INR/USD	95.0

Shareholding,Sep-26	
Promoters (%)	51.5
FPIs/MFs (%)	16.5/17.9

Price Performance

(%)	1M	3M	12M
Absolute	(1.5)	(3.2)	(8.2)
Rel. to Nifty	(3.3)	2.1	3.0

1-Year share price trend (Rs)



GAIL: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,372,078	1,384,680	1,524,239	1,729,828	1,723,535
EBITDA	143,272	110,425	223,180	173,153	188,073
Adj. PAT	94,504	72,098	149,859	113,529	125,142
Adj. EPS (Rs)	14.4	11.0	22.8	17.3	19.0
EBITDA margin (%)	10.4	8.0	14.6	10.0	10.9
EBITDA growth (%)	7.1	(22.9)	102.1	(22.4)	8.6
Adj. EPS growth (%)	6.9	(23.7)	107.9	(24.2)	10.2
RoE (%)	13.2	10.1	19.3	13.5	13.8
RoIC (%)	15.1	11.1	21.9	14.7	15.5
P/E (x)	11.7	15.3	7.4	9.7	8.8
EV/EBITDA (x)	8.9	11.9	5.7	7.1	6.3
P/B (x)	1.6	1.5	1.4	1.3	1.2
FCFF yield (%)	5.7	2.8	6.2	9.3	9.5

Source: Company, Emkay Research

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Exhibit 1: GAIL – Actuals vs estimates (2QFY27)

(Rs bn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total revenue	458.9	502.6	403.3	-9%	14%	
Adjusted EBITDA	64.1	51.2	45.2	25%	42%	Significant beat on marketing and better petchem and transmission
EBITDA margin	*14.0%*	*10.2%*	*11.2%*	*378bps*	*277bps*	
Adjusted net profit	46.5	35.3	31.4	32%	48%	Lower ETR and finance cost, partly offset by lower other income

Source: Company, Emkay Research

Exhibit 2: GAIL – Quarterly summary

Standalone (Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy	qoq	1HFY26	1HFY27	yoy
Revenue	350,081	340,515	347,725	389,527	458,949	31%	18%	696,440	848,476	22%
COGS	289,820	288,356	298,137	298,923	365,768	26%	22%	580,293	664,690	15%
Gross profit	**60,260**	**52,159**	**49,589**	**90,604**	**93,182**	**55%**	**3%**	**116,147**	**183,786**	**58%**
Opex	28,355	25,607	29,628	26,846	29,067	3%	8%	52,234	55,913	7%
EBITDA	**31,906**	**26,552**	**19,961**	**63,758**	**64,115**	**101%**	**1%**	**63,912**	**127,873**	**100%**
Depreciation	9,302	10,543	8,594	8,648	8,978	-3%	4%	18,130	17,626	-3%
Interest	2,298	2,504	2,526	3,097	3,149	37%	2%	4,391	6,246	42%
Other income	7,926	6,795	6,448	5,719	6,394	-19%	12%	10,625	12,113	14%
Exceptionals	-	-	481	-	-			1,550	-	
PBT	28,232	20,300	15,771	57,732	58,382	107%	1%	53,566	116,114	117%
Tax	6,060	4,274	3,149	14,809	11,880	96%	-20%	12,530	26,689	113%
Reported PAT	**22,172**	**16,026**	**12,622**	**42,923**	**46,502**	**110%**	**8%**	**41,036**	**89,425**	**118%**
Adjusted PAT	22,172	16,026	12,237	42,923	46,502	110%	8%	39,882	89,426	124%
Adjusted EPS (Rs)	3.4	2.4	1.9	6.5	7.1	110%	8%	6.1	13.6	124%
Gas transmission										
Volume (mmscmd)	123.6	125.5	119.0	122.4	130.1	5%	6%	122.1	126.3	3%
Adjusted tariff (Rs/scm)	2.2	2.1	2.5	2.5	2.5	15%	-2%	2.2	2.5	15%
Reported EBITDA	18,300	19,220	18,830	21,420	22,980	26%	7%	37,990	44,400	17%
LPG Transmission										
Volume (mmt)	1.2	1.2	1.1	1.1	1.1	-3%	5%	2.3	2.2	-4%
Tariff (Rs/mt)	1,971	1,953	2,002	2,089	2,062	5%	-1%	1,976	2,075	5%
Reported EBITDA	1,490	1,500	830	1,390	1,490	0%	7%	2,880	2,880	0%
Gas Marketing										
Volume (mmscmd)	105.5	104.0	101.9	93.8	97.2	-8%	4%	105.5	95.5	-9%
Reported EBITDA	15,510	11,050	1,040	37,660	35,860	131%	-5%	28,660	73,520	157%
EBITDA margin ($/mmbtu)	0.4	0.3	0.2	1.1	1.0	160%	-11%	0.4	1.0	175%
Petchem										
Sales volume (kt)	209	218	180	37	188	-10%	408%	386	225	-42%
Reported EBITDA	-1,450	-3,450	-3,910	-110	900	NM	NM	-2,720	790	NM
EBITDA/mt ($)	-79	-178	-238	-31	46	NM	NM	-81	33	NM
LPG & LHC										
Sales volume (kt)	223	200	195	224	258	16%	15%	421	482	14%
Reported EBITDA	1,430	660	1,690	8,020	4,700	229%	-41%	3,770	12,720	237%
EBITDA/mt ($)	73	29	50	347	173	136%	-50%	99	254	158%

Source: Company, Emkay Research; Note: Adjusted PAT may not fully match that in the exhibits with annual numbers due to a different adjustment method in the Emkay detailed annual model

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Earnings call highlights

- Despite 2QFY27 being a challenging quarter in terms of gas price volatility (spot was up to $30-32/mmbtu) and supply issues, GAIL reported robust performance through portfolio flexibility and spot purchases, which helped maintain adequate supplies to customers. There was ~8.5mmscmd recovery in India's gas consumption qoq in 2Q, contributed by power (2mmscmd or 10-12% up qoq), fertilizer (4.5, 32-33%), and petchem (3-3.5, as plants like OPaL and Pata recovered). CGD was also good. 190mmscm of PLNG volumes under a term contract were received with normal margins (no one-offs in earnings).
- GAIL's transmission volumes recovered qoq and it clocked the highest ever volume of 147.55mmscmd on 21-Sep-26. Guidance is 126-127mmscmd for FY27 and 134-135mmscmd for FY28. FY28 would be driven by CGD (up from 45mmscmd in FY26 to 55mmscmd) and refineries (which is consuming 5mmscmd less currently vs historical levels). MNJJPL and SAPL (gas pipelines) are currently supplying small volumes to CGDs, but larger customers are there in the Jharsuguda belt with 2-3mmscmd potential.
- GAIL sourced 18 spot LNG cargoes in 2Q vs 8 in 1Q as gas consumption normalized. There was mixing of gas at country level, comprising spot, oil-linked, and HH (at $9-10/mmbtu). GAIL's gas marketing PBT (margin) was Rs31.48bn in 2Q vs Rs33.53bn in 1Q as HH portfolio yielded better returns from strong crude prices and spot sales. The 9M JCC-linked pricing also aided in 1H, but same would go in 2H. The marketing PBT guidance for FY27 is revised to Rs90-95bn, while FY28 should see normalized run-rate of Rs45-50bn on 100mmscmd+ volumes. There is no shortage of ships for GAIL as it has 6 time-charters and outside ships are also available. Spot LNG is on DES basis.
- Petchem recorded near-breakeven earnings in 2Q and FY27 should also be at similar levels. The gas mix was 40-50% HH ($9/mmbtu) and 40-50% spot (priced at $20-30/mmbtu in 2Q). Blended gas cost hence was $13.6/mmbtu, with realizations at Rs136-137/kg, which implies breakeven earnings for the segment. In FY28, breakeven is expected on assumption of $9-10/mmbtu and Rs90-95/kg, respectively. The PDH-PPU should commission in Jun-27, with 6 months of standard deviation.
- In LHC, GAIL restarted operations at the Gandhar plant and increased volumes qoq with PBT of Rs4.42bn vs Rs7.72bn in 1Q, down as prices fell by Rs18/kg. Domestic gas supply of 1.9mmscmd (1.12/0.7 of APM/NWG) was allotted for the same. LPG transmission pipeline utilization was 98% of capacity in 2Q as VSPL flows resumed. Dabhol LNG terminal heater would see completion and commissioning between Mar-Sep-27, which would raise effective terminal capacity to 5mmtpa or 80 cargoes pa.
- 2Q capex was Rs14.25bn, while FY27 guidance is Rs129bn. Major pipelines like JHBDPL, DHPL, KKMBPL (only 3-4km left now), and Pata C2-C3 would be commissioned in FY27, while VBPL and DUPL-DPPL expansion would be completed in FY28. JLPL augmentation would be done by FY29. GMPL is at an advanced stage of commissioning, with production likely to start shortly. PDH-PP would come live in FY28.
- In CGD, PNGRB gave its nod for the transfer of the 6 GAs (219 CNG stations, 3 lakh billed DPNG customers) from parent GAIL to GAIL Gas. GAIL Gas's listing process is underway currently. It operates 16 direct and 9 JV GAs. It has 593 CNG stations and 800k DPNG customers, and aims to add 275 stations and 370k customers in next 2 years. 2Q PAT was up 50%. Volumes in 1HFY27 were at 6.79mmscmd, comprising 1.67/0.58/0.05/0.09mmscmd in CGD side, ie CNG/IPNG/CPNG/DPNG, while 1.62/3.6mmscmd was supplied to TTZ/bulk.
- GAIL has listed 10 CBG plants under the GobarDhan portal, with Rs1bn capital assistance for 5 under-construction plants. It has 1 CBG plant operational, while 3 are under approval and 1 more under construction. GAIL targets net zero by 2035. It has 180MW of operational solar capacity, while 908MW is under construction, along with 572MW of BESS. Trade receivables were up in 1H due to higher gas prices (there were no payment delays). In the gas transmission segment, fuel cost was up qoq.

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Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Gas Transmission									
Volumes (mmscmd)	125.8	127.1	1%	134.7	134.7	0%	143.3	142.8	0%
Adj Tariff (Rs/scm)	*2.5*	*2.5*	0%	*2.5*	*2.5*	0%	*2.7*	*2.7*	1%
Adj EBITDA (Rs bn)	71.7	73.2	2%	76.8	77.7	1%	86.0	88.6	3%
LPG Transmission									
Volumes (mmt)	4.6	4.6	0%	4.7	4.7	0%	4.7	4.7	0%
Adj EBITDA (Rs bn)	4.8	4.8	0%	4.9	4.9	0%	5.0	5.0	0%
Gas Marketing									
Volumes (mmscmd)	95.0	95.0	0%	108.0	105.5	-2%	113.0	109.5	-3%
Margin ($/mmbtu)	0.5	0.8	69%	0.4	0.4	-1%	0.4	0.4	1%
Adj EBITDA (Rs bn)	62.0	105.6	70%	65.3	63.4	-3%	65.1	64.1	-2%
Petchem									
Capacity Utilization	75%	75%	0%	100%	100%	0%	100%	100%	0%
EBITDA/mt ($)	38.0	94.2	148%	39.8	59.2	49%	66.7	103.0	54%
Adj EBITDA (Rs bn)	2.3	5.8	150%	3.3	4.9	50%	5.5	8.5	55%
LPG and LHC									
EBITDA/mt ($)	258.2	293.8	14%	89.4	140.5	57%	148.5	129.6	-13%
Adj EBITDA (Rs bn)	19.7	22.5	14%	6.8	10.8	58%	11.3	9.9	-12%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	1,471	1,524	4%	1,723	1,730	0%	1,760	1,724	-2%
EBITDA	171	223	30%	168	173	3%	185	188	2%
EBITDA margins	*11.7%*	*14.6%*	*299bps*	*9.8%*	*10.0%*	*23bps*	*10.5%*	*10.9%*	*40bps*
PAT	111	150	35%	110	114	3%	122	125	2%
EPS (Rs)	16.9	22.8	35%	16.7	17.3	3%	18.6	19.0	2%

Source: Company, Emkay Research

Exhibit 5: SOTP-based valuation (Sep-27E)

Components	Basis	Sep-28E EBITDA (Rs bn)	Multiple (x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Gas Transmission – Standalone	EV/EBITDA	83	8.0	665	101	
LPG Transmission – Standalone	EV/EBITDA	5	8.0	39	6	
Gas Marketing – Standalone	EV/EBITDA	64	5.0	319	48	
Petrochemicals – Standalone	EV/EBITDA	7	6.0	40	6	
LPG and LHC – Standalone	EV/EBITDA	10	5.5	57	9	
Others – Standalone	EV/EBITDA	12	5.0	59	9	
Core Business EV		**181**	**6.5**	**1,179**	**179**	
Less: Adj Net Debt (Sep-27E End)				86	13	
Core Business Valuation				**1,093**	**166**	
Value of Listed Investments	TP/CMP			162	25	At 30% HoldCo Discount
Value of Unlisted Investments	BV			60	9	At 1.0x PBV
Target Price/Fair Value				**1,315**	**200**	

Source: Company, Emkay Research

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Exhibit 6: Schedule and value of listed investments

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	GAIL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contri to SOTP (Rs bn)	Per Share Value (Rs)
PLNG	JV	TP (Emkay)	360	540	12.5%	68	30%	47	7
IGL	JV	CMP	140	196	22.5%	44	30%	31	5
MGL	JV	TP (Emkay)	1,300	128	32.5%	42	30%	29	4
ONGC	Financial	CMP	220	2,768	2.5%	68	30%	47	7
China Gas Holding	Financial	CMP	60	313	2.9%	9	30%	6	1
Gujarat Industries Power Co (GIPCL)	Financial	CMP	160	242	0.4%	1	30%	1	0
Total Listed						**231**		**162**	**25**
Unlisted									
GAIL Gas	Subsidiary	BV		Value of Stake		21	0%	21	3
Other Unlisted CGDs+IGX	Subsidiary	BV		Value of Stake		13	0%	13	2
K-LNG+BCPL+OTPC+IGGL	Subsidiary	BV		Value of Stake		27	0%	27	4
Total Unlisted						**60**		**60**	**9**
Grand Total Investments						**291**		**222**	**34**

Source: Company, Emkay Research

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GAIL: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**1,372,078**	**1,384,680**	**1,524,239**	**1,729,828**	**1,723,535**
Revenue growth (%)	5.1	0.9	10.1	13.5	(0.4)
EBITDA	**143,272**	**110,425**	**223,180**	**173,153**	**188,073**
EBITDA growth (%)	7.1	(22.9)	102.1	(22.4)	8.6
Depreciation & Amortization	35,998	32,129	35,062	35,777	39,032
EBIT	**107,275**	**78,296**	**188,118**	**137,376**	**149,041**
EBIT growth (%)	6.8	(27.0)	140.3	(27.0)	8.5
Other operating income	3,459	3,680	3,754	3,829	3,906
Other income	24,013	23,868	26,073	28,202	30,029
Financial expense	7,442	9,421	13,845	13,801	11,767
PBT	**123,845**	**92,743**	**200,346**	**151,776**	**167,303**
Extraordinary items	24,400	(3,107)	0	0	0
Taxes	35,122	19,954	50,487	38,248	42,160
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**113,123**	**69,683**	**149,859**	**113,529**	**125,142**
PAT growth (%)	28.0	(38.4)	115.1	(24.2)	10.2
Adjusted PAT	**94,504**	**72,098**	**149,859**	**113,529**	**125,142**
Diluted EPS (Rs)	**14.4**	**11.0**	**22.8**	**17.3**	**19.0**
Diluted EPS growth (%)	6.9	(23.7)	107.9	(24.2)	10.2
DPS (Rs)	**6.5**	**6.0**	**11.4**	**8.6**	**9.5**
Dividend payout (%)	**37.8**	**56.6**	**50.0**	**50.0**	**50.0**
EBITDA margin (%)	10.4	8.0	14.6	10.0	10.9
EBIT margin (%)	7.8	5.7	12.3	7.9	8.6
Effective tax rate (%)	28.4	21.5	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**76,852**	**61,451**	**140,712**	**102,757**	**111,482**
Shares outstanding (mn)	6,575	6,575	6,575	6,575	6,575

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	65,751	65,751	65,751	65,751	65,751
Reserves & Surplus	639,886	674,992	749,921	806,686	869,257
Net worth	**705,637**	**740,743**	**815,672**	**872,437**	**935,008**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	50,935	59,013	67,386	75,926	84,637
Total debt	**184,434**	**218,460**	**207,537**	**186,783**	**149,426**
Total liabilities & equity	**941,006**	**1,018,216**	**1,090,595**	**1,135,145**	**1,169,071**
Net tangible fixed assets	432,432	516,771	633,571	656,236	675,631
Net intangible assets	33,028	34,356	0	0	0
Net ROU assets	56,198	51,541	0	0	0
Capital WIP	188,429	158,951	160,540	162,146	163,767
Goodwill	-	-	-	-	-
Investments [JV/Associates]	174,836	203,043	205,073	207,124	209,195
Cash & equivalents	**11,041**	**8,862**	**33,121**	**57,428**	**66,726**
Current assets (ex-cash)	263,053	252,142	270,051	296,050	296,123
Current Liab. & Prov.	218,010	207,450	211,762	243,839	242,371
NWC (ex-cash)	**45,043**	**44,692**	**58,289**	**52,212**	**53,752**
Total assets	**941,006**	**1,018,216**	**1,090,595**	**1,135,145**	**1,169,071**
Net debt	173,393	209,598	174,416	129,355	82,700
Capital employed	941,006	1,018,216	1,090,595	1,135,145	1,169,071
Invested capital	**510,502**	**595,819**	**691,860**	**708,448**	**729,382**
BVPS (Rs)	107.3	112.7	124.1	132.7	142.2
Net Debt/Equity (x)	0.2	0.3	0.2	0.1	0.1
Net Debt/EBITDA (x)	1.2	1.9	0.8	0.7	0.4
Interest coverage (x)	17.6	10.8	15.5	12.0	15.2
RoCE (%)	**15.2**	**11.0**	**21.6**	**15.9**	**16.7**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	99,833	68,875	174,273	123,575	137,273
Others (non-cash items)	22,095	21,887	22,834	21,377	20,770
Taxes paid	(23,531)	(16,864)	(42,115)	(29,708)	(33,449)
Change in NWC	9,434	8,429	(5,225)	14,618	7,171
Operating cash flow	**151,270**	**123,878**	**198,674**	**179,441**	**182,564**
Capital expenditure	(77,472)	(88,319)	(119,095)	(60,048)	(60,048)
Acquisition of business	303	(28,207)	(2,030)	(2,051)	(2,071)
Interest & dividend income	14,338	16,678	26,073	28,202	30,029
Investing cash flow	**(53,157)**	**(92,654)**	**(95,052)**	**(33,897)**	**(32,090)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(7,670)	34,025	(10,923)	(20,754)	(37,357)
Payment of lease liabilities	(20,426)	4,657	51,541	0	0
Interest paid	(7,442)	(9,421)	(13,845)	(13,801)	(11,767)
Dividend paid (incl tax)	(42,739)	(39,445)	(74,929)	(56,764)	(62,571)
Others	1,004	(611)	0	0	0
Financing cash flow	**(77,273)**	**(10,795)**	**(48,156)**	**(91,319)**	**(111,695)**
Net chg in Cash	20,840	20,429	55,465	54,224	38,779
OCF	151,270	123,878	198,674	179,441	182,564
Adj. OCF (w/o NWC chg.)	141,836	115,449	203,899	164,823	175,394
FCFF	73,797	35,559	79,579	119,393	122,516
FCFE	80,693	42,817	91,807	133,793	140,778
OCF/EBITDA (%)	105.6	112.2	89.0	103.6	97.1
FCFE/PAT (%)	71.3	61.4	61.3	117.8	112.5
FCFF/NOPLAT (%)	**96.0**	**57.9**	**56.6**	**116.2**	**109.9**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	9.8	15.9	7.4	9.7	8.8
P/CE(x)	8.9	10.5	6.0	7.4	6.7
P/B (x)	1.6	1.5	1.4	1.3	1.2
EV/Sales (x)	0.9	0.9	0.8	0.7	0.7
EV/EBITDA (x)	9.0	11.7	5.8	7.4	6.9
EV/EBIT(x)	12.0	16.5	6.9	9.4	8.7
EV/IC (x)	2.5	2.2	1.9	1.8	1.8
FCFF yield (%)	5.7	2.8	6.2	9.3	9.5
FCFE yield (%)	7.3	3.9	8.3	12.1	12.7
Dividend yield (%)	3.9	3.6	6.8	5.1	5.7
DuPont-RoE split					
Net profit margin (%)	6.5	5.3	9.8	6.6	7.3
Total asset turnover (x)	1.6	1.5	1.5	1.6	1.5
Assets/Equity (x)	1.3	1.3	1.3	1.3	1.3
RoE (%)	**13.2**	**10.1**	**19.3**	**13.5**	**13.8**
DuPont-RoIC					
NOPLAT margin (%)	5.6	4.4	9.2	5.9	6.5
IC turnover (x)	2.7	2.5	2.4	2.5	2.4
RoIC (%)	**15.1**	**11.1**	**21.9**	**14.7**	**15.5**
Operating metrics					
Core NWC days	12.0	11.8	14.0	11.0	11.4
Total NWC days	**12.0**	**11.8**	**14.0**	**11.0**	**11.4**
Fixed asset turnover	2.1	1.9	1.8	1.9	1.8
Opex-to-revenue (%)	7.2	7.8	7.8	7.2	7.3

Source: Company, Emkay Research

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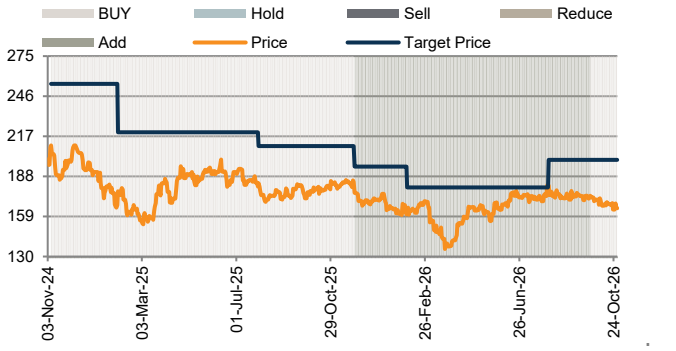
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
24-Sep-26	174	200	Buy	Sabri Hazarika
02-Aug-26	181	200	Add	Sabri Hazarika
24-May-26	161	180	Add	Sabri Hazarika
05-Mar-26	157	180	Add	Sabri Hazarika
03-Feb-26	163	180	Add	Sabri Hazarika
28-Nov-25	176	195	Add	Sabri Hazarika
02-Nov-25	183	210	Buy	Sabri Hazarika
29-Jul-25	183	210	Buy	Sabri Hazarika
16-May-25	186	220	Buy	Sabri Hazarika
31-Jan-25	177	220	Buy	Sabri Hazarika
07-Nov-24	210	255	Buy	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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