

The PNGRB has approved the Second Amendment to the Natural Gas Pipeline Tariff Regulations, 2025. The amendment entails relief to far flung customers, especially CGDs, through zonal realignment, besides gas cost optimization and a development reserve for pipeline players. The unified tariff (UFT) for Zone 3 has been eliminated, with CNG and domestic PNG to come under Zone 1, irrespective of the distance from the gas source, and pipeline operators are mandated to procure 75% of their SUG (system use gas) through long-term contracts, thus boosting predictability and affordability for customers. Fifty percent of net tax earnings for pipelines above 75% utilization would be parked in a development reserve for future capex, while the other 50% would be passed on to customers via tariff adjustments vs 100% currently. In the listed universe, IGL seems to be the material beneficiary, as core NCR and northern GAs fall largely under Zone 2, and changing this to Zone 1 tariff can boost blended EBITDA/scm by ~10%, if retained. The uptick in Zone 1 tariff from this realignment can adversely impact MGL's EBITDA/scm by 3-5%, while Gujarat Gas with a dominant I/CPNG portfolio would see negative impact, besides being largely in Zone 1. For GSPL, the pipeline development reserve would be beneficial, though its capex is low; hence, the impact may not be meaningful. GAIL management in the past has said that HVJ nearing 75% utilization will benefit in the future from this. We raise IGL's earnings by 15-16% and TP by 9% to Rs230, building in Rs7/scm EBITDA now, in line with management guidance vs Rs6 earlier; retain ADD. We maintain earnings and TP and our BUY on MGL and our REDUCE on Gujarat Gas. We await more numerical details from the management and the PNGRB.

CGD priority sector zonal realignment to benefit IGL and far-flung CGDs

Currently, UFT for Zones 1/2/3 is Rs42/80/107 per mmbtu. In our O&G universe, IGL is largely in Zone 2, while Gujarat Gas and MGL are in Zone 1. As UFT is revenue-neutral for pipeline operators, the elimination of Zone 3 would increase Zone 1 and 2 rates, while shifting all CNG and DPNG to Zone 1 would further increase the rates. We await more details on this, though we believe Zone 1 rate could rise to ~Rs55/mmbtu while that for Zone 2 would be ~Rs85, assuming Zone 1 is 66% of Zone 2. At this rate, IGL/MGL—for which the priority sector is 81%/85% of total volumes—would see blended EBITDA/scm impact of +Rs0.7/-Rs0.4, which is ~10%/4% of the current assumed runrate. For Gujarat Gas, this could be ~10%. We await more details from companies and the PNGRB. We now assume Rs7/scm EBITDA for IGL, per management guidance, given there is enough room for this. However, with 20-25% of Oil India's gas volumes being qualified as NWG following the DNPL common carrier, expected toward CY25-end, we expect further APM allocation cuts for the priority sector. For MGL/Gujarat Gas, we maintain our assumptions.

Gas pipeline development reserve sentimentally positive for GSPL and GAIL

GSPL with more than 75% pipeline utilization would benefit from this, though given the low capex runrate the impact may not be material. GAIL management also stated that HVJ, which is nearing 75% utilization, would see a positive effect of this amendment in the future; however, being part of the integrated network, it is challenging to calculate any impact. We retain our estimates, TP, and ratings on the two companies (GAIL: BUY; GSPL: ADD). For GAIL, the tariff hike is the key trigger being awaited.

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Rating, Target Price and Valuation (Standalone)

	Rating	CMP (Rs)	TP (Rs)	Upside (%)	EV/EBITDA (x)		P/E (x)		P/B (x)	
					FY26	FY27	FY26	FY27	FY26	FY27
Mahanagar Gas	BUY	1,543	1,700	10	8.6	7.8	14.0	13.1	2.3	2.1
Indraprastha Gas	ADD	227	230	1	11.1	9.9	17.4	16.0	3.1	2.7
Gujarat Gas	REDUCE	485	480	(1)	15.5	13.5	24.7	21.4	3.6	3.2

Source: Company, Emkay Research

Indraprastha Gas Valuation

Exhibit 1: Change in assumptions

	FY26E			FY27E		
	Previous	Revised	Variance	Previous	Revised	Variance
EBITDA/scm (Rs)	6.0	6.9	15%	6.1	7.0	15%
Sales Volumes (mmscmd)	9.8	9.8	0%	10.6	10.6	0%
Growth	8.9%	8.9%	0bps	8.5%	8.5%	0bps

Source: Company, Emkay Research

Exhibit 2: Change in estimates

(Rs mn)	FY26E			FY27E		
	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	168,151	168,151	0%	184,799	184,799	0%
EBITDA	21,528	24,815	15%	23,575	27,065	15%
EBITDA margin	12.8%	14.8%	195bps	12.8%	14.6%	189bps
PAT	15,782	18,240	16%	17,223	19,834	15%
EPS (Rs)	11.3	13.0	16%	12.3	14.2	15%

Source: Company, Emkay Research

Exhibit 3: DCF-based valuation (Mar-26E)

Assumptions (Rs mn)	Mar-27E	Core IGL	CUGL 50%	MNGL 50%	Consol
Risk Free Rate	7.0% NPV Of FCF	129,149	4,096	35,579	
Risk Premium	5.3% Terminal Value	270,582	9,100	55,910	
Beta	0.7 PV Of TV	81,384	2,737	16,816	
Cost Of Equity	10.5% Total Value	210,532	6,833	52,395	
Cost Of Debt	8.0% Less: Adj Net Debt (Mar-26E)	-48,996	-1,676	-968	
Post Tax Cost Of Debt	6.0% Equity Value	259,528	8,509	53,363	321,400
Average Debt:Equity Ratio	0.0% No of Shares O/S (mn)	1,400	1,400	1,400	1,400
WACC	10.5% Target Price (Rs)	185	6	38	230
Terminal Growth Rate					
IGL	0.0%				
CUGL	0.0%				
MNGL	0.0%				

Source: Company, Emkay Research

Exhibit 4: PER-based valuation (Mar-27E EPS)

(Rs)	FY22	FY23	FY24	FY25	FY26E	FY27E
IGL's Core EPS	9.2	10.3	12.5	9.9	13.0	14.2
Less: CUGL/MNGL Dividend Income	0.3	0.4	0.5	0.6	0.6	0.7
IGL Adjusted EPS	8.9	9.9	12.0	9.3	12.4	13.5
CUGL/MNGL EPS Contri	1.6	1.8	2.4	2.6	2.8	3.1
Consol EPS	10.5	11.7	14.4	11.9	15.2	16.6
Implied Target Multiple (x)						13.8
DCF Target Price						230

Source: Company, Emkay Research

Mahanagar Gas Valuation

Exhibit 5: DCF-based valuation (Mar-26E)

DCF Assumptions	MGL Std	UEPL Mar-27E (Rs mn)	MGL Std	UEPL	Total
Risk Free Rate	7.0%	7.0% NPV Of FCF	114,586	31,529	146,115
Risk Premium	5.3%	5.3% Terminal Value	90,168	29,900	120,069
Beta	0.7	0.7 PV Of TV	6,839	2,553	9,392
Cost Of Equity	10.4%	10.4% Total Value	121,425	34,082	155,507
Cost Of Debt	8.0%	8.0% Less: Adjusted Net Debt (Y/E)	-16,101	3,635	-12,466
Post Tax Cost of Debt	6.0%	6.0% Equity Value	137,526	30,447	167,973
Average Debt:Equity Ratio	0.0%	12.8% No Of Shares O/S (mn)	99	99	99
WACC	10.4%	9.9% Target Price (Rs)	1,392	308	1,700
Terminal Growth Rate	0.0%	0.0%			

Source: Emkay Research

Exhibit 6: PER-based valuation (Mar-27E EPS)

	FY22	FY23	FY24	FY25*	FY26E	FY27E
MGL's Adjusted Consol EPS (Rs)	60.4	80.0	130.5	101.7	110.7	121.6
Target Multiple (x)						14.0
DCF-based Target Price (Rs)						1,700

Source: Emkay Research

Gujarat Gas Valuation

Exhibit 7: SOTP-based proforma valuation of merged GGL and GSPL based on swap ratio

SA PAT and Recurring PE	(Rs)	Target P/E (x)	Value (Rs bn)
GGL	18,431	17.0	313
GSPL	8,500	7.5	64
GSPC	6,919	7.5	52
Power	575	7.0	4
Tax Benefit			17
Total	34,425	12.5	450
Per-share value for GGL (Rs)	37		480
Per-share value for GSPL (Rs)			369

Source: Company, Emkay Research

Indraprastha Gas: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	140,000	148,134	168,151	184,799	202,157
Revenue growth (%)	(0.9)	5.8	13.5	9.9	9.4
EBITDA	23,669	18,646	24,815	27,065	29,388
EBITDA growth (%)	16.9	(21.2)	33.1	9.1	8.6
Depreciation & Amortization	4,138	4,741	5,447	6,314	7,045
EBIT	19,531	13,905	19,368	20,751	22,343
EBIT growth (%)	17.5	(28.8)	39.3	7.1	7.7
Other operating income	534	668	714	764	818
Other income	3,632	4,416	5,122	5,870	6,598
Financial expense	92	92	104	106	107
PBT	23,072	18,228	24,386	26,516	28,834
Extraordinary items	0	1,141	0	0	0
Taxes	5,591	4,693	6,145	6,682	7,266
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	17,481	14,676	18,240	19,834	21,567
PAT growth (%)	21.0	(16.0)	24.3	8.7	8.7
Adjusted PAT	17,481	13,812	18,240	19,834	21,567
Diluted EPS (Rs)	12.5	9.9	13.0	14.2	15.4
Diluted EPS growth (%)	21.0	(21.0)	32.1	8.7	8.7
DPS (Rs)	4.5	4.3	5.2	5.4	5.7
Dividend payout (%)	36.0	40.5	40.0	38.0	37.0
EBITDA margin (%)	16.9	12.6	14.8	14.6	14.5
EBIT margin (%)	14.0	9.4	11.5	11.2	11.1
Effective tax rate (%)	24.2	25.7	25.2	25.2	25.2
NOPLAT (pre-IndAS)	14,798	10,325	14,488	15,522	16,712
Shares outstanding (mn)	1,400	1,400	1,400	1,400	1,400

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	19,440	13,813	19,264	20,646	22,236
Others (non-cash items)	1,924	3,777	0	0	0
Taxes paid	(4,871)	(3,951)	(5,316)	(5,853)	(6,437)
Change in NWC	(3,828)	5,518	1,643	1,850	1,864
Operating cash flow	15,357	22,053	21,141	23,062	24,814
Capital expenditure	(12,021)	(11,216)	(13,021)	(13,022)	(12,022)
Acquisition of business	0	0	0	0	0
Interest & dividend income	2,096	2,864	5,122	5,870	6,598
Investing cash flow	(11,849)	(13,231)	(8,166)	(7,422)	(5,701)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	0	(399)	0	0	0
Payment of lease liabilities	(540)	0	0	0	0
Interest paid	0	0	(104)	(106)	(107)
Dividend paid (incl tax)	(2,797)	(7,348)	(7,296)	(7,537)	(7,980)
Others	0	0	0	0	0
Financing cash flow	(3,337)	(7,747)	(7,401)	(7,642)	(8,087)
Net chg in Cash	171	1,075	5,575	7,997	11,027
OCF	15,357	22,053	21,141	23,062	24,814
Adj. OCF (w/o NWC chg.)	19,185	16,535	19,499	21,212	22,950
FCFF	3,335	10,837	8,120	10,041	12,793
FCFE	5,339	13,609	13,137	15,806	19,284
OCF/EBITDA (%)	64.9	118.3	85.2	85.2	84.4
FCFE/PAT (%)	30.5	92.7	72.0	79.7	89.4
FCFF/NOPLAT (%)	22.5	105.0	56.0	64.7	76.5

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,400	2,800	2,800	2,800	2,800
Reserves & Surplus	84,117	90,040	100,984	113,282	126,869
Net worth	85,517	92,840	103,784	116,082	129,669
Minority interests	-	-	-	-	-
Non-current liab. & prov.	3,695	4,563	5,391	6,220	7,049
Total debt	0	0	0	0	0
Total liabilities & equity	105,164	114,635	127,819	142,355	158,183
Net tangible fixed assets	63,763	69,489	78,528	86,551	92,709
Net intangible assets	86	86	86	86	86
Net ROU assets	2,139	2,134	2,155	2,176	2,198
Capital WIP	13,964	14,857	13,371	12,034	10,830
Goodwill	-	-	-	-	-
Investments [JV/Associates]	5,896	7,202	7,202	7,202	7,202
Cash & equivalents	30,299	35,859	41,700	49,968	61,272
Current assets (ex-cash)	13,254	10,391	11,445	12,323	13,237
Current Liab. & Prov.	26,042	27,251	28,631	30,047	31,517
NWC (ex-cash)	(12,788)	(16,861)	(17,186)	(17,724)	(18,280)
Total assets	105,164	114,635	127,819	142,355	158,183
Net debt	(30,299)	(35,859)	(41,700)	(49,968)	(61,272)
Capital employed	105,164	114,635	127,819	142,355	158,183
Invested capital	51,061	52,715	61,428	68,913	74,515
BVPS (Rs)	61.1	66.3	74.1	82.9	92.6
Net Debt/Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Net Debt/EBITDA (x)	(1.3)	(1.9)	(1.7)	(1.8)	(2.1)
Interest coverage (x)	253.1	198.9	234.4	252.3	271.5
RoCE (%)	29.6	20.5	24.9	24.2	23.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	18.2	21.6	17.4	16.0	14.7
P/CE(x)	14.7	16.4	13.4	12.1	11.1
P/B (x)	3.7	3.4	3.1	2.7	2.4
EV/Sales (x)	2.1	1.9	1.6	1.5	1.3
EV/EBITDA (x)	12.1	15.1	11.1	9.9	8.7
EV/EBIT(x)	14.7	20.3	14.2	12.9	11.5
EV/IC (x)	5.6	5.3	4.5	3.9	3.4
FCFF yield (%)	1.2	3.8	2.9	3.8	5.0
FCFE yield (%)	1.7	4.3	4.1	5.0	6.1
Dividend yield (%)	2.0	1.9	2.3	2.4	2.5
DuPont-RoE split					
Net profit margin (%)	12.5	9.9	10.8	10.7	10.7
Total asset turnover (x)	1.5	1.4	1.4	1.4	1.4
Assets/Equity (x)	1.2	1.2	1.2	1.2	1.2
RoE (%)	22.4	16.5	18.6	18.0	17.6
DuPont-RoIC					
NOPLAT margin (%)	10.6	7.0	8.6	8.4	8.3
IC turnover (x)	3.2	2.9	2.9	2.8	2.8
RoIC (%)	33.6	19.9	25.4	23.8	23.3
Operating metrics					
Core NWC days	(33.3)	(41.5)	(37.3)	(35.0)	(33.0)
Total NWC days	(33.3)	(41.5)	(37.3)	(35.0)	(33.0)
Fixed asset turnover	1.8	1.7	1.7	1.6	1.6
Opex-to-revenue (%)	13.0	12.7	12.3	12.3	12.3

Source: Company, Emkay Research

Mahanagar Gas: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	62,445	68,603	77,165	84,962	92,578
Revenue growth (%)	(0.9)	9.9	12.5	10.1	9.0
EBITDA	18,426	14,464	16,209	17,664	19,029
EBITDA growth (%)	55.6	(21.5)	12.1	9.0	7.7
Depreciation & Amortization	2,736	3,063	3,605	4,186	4,788
EBIT	15,690	11,402	12,604	13,478	14,241
EBIT growth (%)	64.6	(27.3)	10.5	6.9	5.7
Other operating income	208	215	230	244	256
Other income	1,753	1,840	2,060	2,272	2,490
Financial expense	115	134	156	174	191
PBT	17,328	13,108	14,507	15,577	16,540
Extraordinary items	0	634	0	0	0
Taxes	4,437	3,292	3,656	3,925	4,168
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	12,891	10,449	10,851	11,652	12,372
PAT growth (%)	63.2	(18.9)	3.9	7.4	6.2
Adjusted PAT	12,891	9,967	10,851	11,652	12,372
Diluted EPS (Rs)	130.5	100.9	109.9	118.0	125.2
Diluted EPS growth (%)	63.2	(22.7)	8.9	7.4	6.2
DPS (Rs)	30.0	30.0	33.0	41.3	50.1
Dividend payout (%)	23.0	28.4	30.0	35.0	40.0
EBITDA margin (%)	29.5	21.1	21.0	20.8	20.6
EBIT margin (%)	25.1	16.6	16.3	15.9	15.4
Effective tax rate (%)	25.6	25.1	25.2	25.2	25.2
NOPLAT (pre-IndAS)	11,672	8,538	9,428	10,082	10,652
Shares outstanding (mn)	99	99	99	99	99

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	15,575	11,267	12,447	13,305	14,050
Others (non-cash items)	538	1,077	0	0	0
Taxes paid	(4,240)	(2,687)	(3,316)	(3,582)	(3,821)
Change in NWC	907	830	754	777	675
Operating cash flow	15,631	13,685	13,647	14,860	15,883
Capital expenditure	(7,698)	(10,686)	(11,500)	(11,000)	(10,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	507	387	2,060	2,272	2,490
Investing cash flow	(10,810)	(11,160)	(9,546)	(8,834)	(7,617)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(350)	(395)	11	11	11
Payment of lease liabilities	-	-	-	-	-
Interest paid	0	0	(156)	(174)	(191)
Dividend paid (incl tax)	(2,766)	(2,964)	(3,255)	(4,078)	(4,949)
Others	0	0	0	0	0
Financing cash flow	(3,116)	(3,359)	(3,401)	(4,241)	(5,129)
Net chg in Cash	1,706	(834)	701	1,785	3,136
OCF	15,631	13,685	13,647	14,860	15,883
Adj. OCF (w/o NWC chg.)	14,724	12,854	12,893	14,082	15,208
FCFF	7,933	2,999	2,147	3,860	5,883
FCFE	8,324	3,251	4,051	5,958	8,182
OCF/EBITDA (%)	84.8	94.6	84.2	84.1	83.5
FCFE/PAT (%)	64.6	31.1	37.3	51.1	66.1
FCFF/NOPLAT (%)	68.0	35.1	22.8	38.3	55.2

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	988	988	988	988	988
Reserves & Surplus	50,441	57,905	65,501	73,075	80,498
Net worth	51,429	58,893	66,489	74,062	81,486
Minority interests	-	-	-	-	-
Non-current liab. & prov.	2,441	2,771	3,111	3,454	3,802
Total debt	1,393	1,643	1,653	1,663	1,673
Total liabilities & equity	64,748	73,379	82,075	90,756	99,178
Net tangible fixed assets	35,360	40,972	49,354	56,631	62,283
Net intangible assets	70	70	70	70	70
Net ROU assets	-	-	-	-	-
Capital WIP	7,743	9,742	9,254	8,792	8,352
Goodwill	-	-	-	-	-
Investments [JV/Associates]	8,143	8,856	8,856	8,856	8,856
Cash & equivalents	14,172	13,693	14,499	16,390	19,633
Current assets (ex-cash)	4,438	5,214	5,865	6,457	7,036
Current Liab. & Prov.	7,512	8,660	9,750	10,765	11,765
NWC (ex-cash)	(3,074)	(3,446)	(3,886)	(4,308)	(4,729)
Total assets	64,748	73,379	82,075	90,756	99,178
Net debt	(12,780)	(12,050)	(12,846)	(14,727)	(17,961)
Capital employed	64,748	73,379	82,075	90,756	99,178
Invested capital	32,356	37,596	45,538	52,394	57,624
BVPS (Rs)	520.6	596.2	673.1	749.8	824.9
Net Debt/Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Debt/EBITDA (x)	(0.7)	(0.8)	(0.8)	(0.8)	(0.9)
Interest coverage (x)	151.3	98.6	93.8	90.7	87.5
RoCE (%)	36.6	23.4	22.8	21.9	21.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	11.8	14.6	14.0	13.1	12.3
P/CE(x)	9.8	11.3	10.5	9.6	8.9
P/B (x)	3.0	2.6	2.3	2.1	1.9
EV/Sales (x)	2.2	2.1	1.8	1.6	1.5
EV/EBITDA (x)	7.6	9.7	8.6	7.8	7.1
EV/EBIT(x)	8.9	12.3	11.1	10.2	9.4
EV/IC (x)	4.3	3.7	3.1	2.6	2.3
FCFF yield (%)	5.7	2.1	1.5	2.8	4.4
FCFE yield (%)	5.5	2.1	2.7	3.9	5.4
Dividend yield (%)	1.9	1.9	2.1	2.7	3.2
DuPont-RoE split					
Net profit margin (%)	20.6	15.2	14.1	13.7	13.4
Total asset turnover (x)	1.1	1.0	1.0	1.0	1.0
Assets/Equity (x)	1.3	1.3	1.2	1.2	1.2
RoE (%)	27.8	18.9	17.3	16.6	15.9
DuPont-RoIC					
NOPLAT margin (%)	18.7	12.4	12.2	11.9	11.5
IC turnover (x)	2.1	2.0	1.9	1.7	1.7
RoIC (%)	39.1	24.4	22.7	20.6	19.4
Operating metrics					
Core NWC days	(18.0)	(18.3)	(18.4)	(18.5)	(18.6)
Total NWC days	(18.0)	(18.3)	(18.4)	(18.5)	(18.6)
Fixed asset turnover	1.4	1.3	1.2	1.1	1.1
Opex-to-revenue (%)	12.6	13.9	14.4	15.1	15.6

Source: Company, Emkay Research

Gujarat Gas: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	156,902	164,870	184,878	207,326	231,035
Revenue growth (%)	(6.4)	5.1	12.1	12.1	11.4
EBITDA	18,764	18,798	21,140	23,793	26,566
EBITDA growth (%)	(21.6)	0.2	12.5	12.5	11.7
Depreciation & Amortization	4,743	5,106	5,590	6,061	6,503
EBIT	14,021	13,691	15,551	17,732	20,063
EBIT growth (%)	(28.6)	(2.4)	13.6	14.0	13.1
Other operating income	933	945	954	964	974
Other income	1,078	2,100	2,695	3,267	3,818
Financial expense	293	325	206	124	58
PBT	14,805	15,466	18,039	20,875	23,823
Extraordinary items	557	0	0	0	0
Taxes	3,934	4,011	4,546	5,260	6,003
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	11,428	11,455	13,493	15,614	17,819
PAT growth (%)	(25.1)	0.2	17.8	15.7	14.1
Adjusted PAT	11,013	11,455	13,493	15,614	17,819
Diluted EPS (Rs)	16.0	16.6	19.6	22.7	25.9
Diluted EPS growth (%)	(27.8)	4.0	17.8	15.7	14.1
DPS (Rs)	5.7	5.8	6.9	7.9	9.1
Dividend payout (%)	34.1	35.0	35.0	35.0	35.0
EBITDA margin (%)	12.0	11.4	11.4	11.5	11.5
EBIT margin (%)	8.9	8.3	8.4	8.6	8.7
Effective tax rate (%)	26.6	25.9	25.2	25.2	25.2
NOPLAT (pre-IndAS)	10,295	10,141	11,632	13,263	15,007
Shares outstanding (mn)	688	688	688	688	688

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	13,728	13,366	15,344	17,608	20,005
Others (non-cash items)	1,005	832	0	0	0
Taxes paid	(3,227)	(3,115)	(4,056)	(4,766)	(5,504)
Change in NWC	(201)	1,544	(407)	(463)	(489)
Operating cash flow	16,340	18,059	16,677	18,565	20,573
Capital expenditure	(8,371)	(7,508)	(10,499)	(9,332)	(9,332)
Acquisition of business	(1,038)	(12,841)	0	0	0
Interest & dividend income	622	1,136	2,695	3,267	3,818
Investing cash flow	(8,787)	(19,213)	(7,804)	(6,065)	(5,514)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(293)	(548)	(80)	(14)	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(273)	(299)	(206)	(124)	(58)
Dividend paid (incl tax)	(4,575)	(3,891)	(4,723)	(5,465)	(6,237)
Others	39	224	0	0	0
Financing cash flow	(5,103)	(4,513)	(5,009)	(5,603)	(6,295)
Net chg in Cash	2,451	(5,667)	3,865	6,897	8,764
OCF	16,340	18,059	16,677	18,565	20,573
Adj. OCF (w/o NWC chg.)	16,541	16,515	17,084	19,027	21,062
FCFF	7,970	10,551	6,179	9,232	11,241
FCFE	8,299	11,362	8,667	12,376	15,001
OCF/EBITDA (%)	87.1	96.1	78.9	78.0	77.4
FCFE/PAT (%)	72.6	99.2	64.2	79.3	84.2
FCFF/NOPLAT (%)	77.4	104.0	53.1	69.6	74.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,377	1,377	1,377	1,377	1,377
Reserves & Surplus	75,516	83,160	91,930	102,080	113,662
Net worth	76,893	84,537	93,307	103,456	115,039
Minority interests	-	-	-	-	-
Non-current liab. & prov.	9,108	9,589	10,079	10,573	11,073
Total debt	1,503	1,500	1,420	1,406	1,406
Total liabilities & equity	102,930	111,885	121,553	132,686	145,285
Net tangible fixed assets	72,241	76,581	82,329	86,355	89,863
Net intangible assets	5,374	5,374	5,374	5,374	5,374
Net ROU assets	-	-	-	-	-
Capital WIP	9,180	8,389	7,550	6,795	6,116
Goodwill	-	-	-	-	-
Investments [JV/Associates]	1,364	1,477	1,477	1,477	1,477
Cash & equivalents	9,261	3,594	7,459	14,355	23,119
Current assets (ex-cash)	13,027	26,058	27,832	29,780	31,825
Current Liab. & Prov.	13,654	14,266	15,286	16,413	17,601
NWC (ex-cash)	(627)	11,792	12,546	13,366	14,224
Total assets	102,930	111,885	121,553	132,686	145,285
Net debt	(7,759)	(2,094)	(6,039)	(12,949)	(21,713)
Capital employed	102,930	111,885	121,553	132,686	145,285
Invested capital	76,988	93,747	100,248	105,095	109,461
BVPS (Rs)	111.7	122.8	135.5	150.3	167.1
Net Debt/Equity (x)	(0.1)	-	(0.1)	(0.1)	(0.2)
Net Debt/EBITDA (x)	(0.4)	(0.1)	(0.3)	(0.5)	(0.8)
Interest coverage (x)	51.5	48.6	88.5	169.7	413.6
RoCE (%)	20.1	19.2	20.2	21.0	21.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	29.2	29.1	24.7	21.4	18.7
P/CE(x)	20.6	20.2	17.5	15.4	13.7
P/B (x)	4.3	3.9	3.6	3.2	2.9
EV/Sales (x)	2.1	2.0	1.8	1.6	1.4
EV/EBITDA (x)	17.4	17.6	15.5	13.5	11.7
EV/EBIT(x)	23.3	24.2	21.1	18.1	15.6
EV/IC (x)	4.2	3.5	3.3	3.1	2.9
FCFF yield (%)	2.4	3.2	1.9	2.9	3.6
FCFE yield (%)	2.5	3.4	2.6	3.7	4.5
Dividend yield (%)	1.2	1.2	1.4	1.6	1.9
DuPont-RoE split					
Net profit margin (%)	7.3	6.9	7.3	7.5	7.7
Total asset turnover (x)	1.6	1.5	1.6	1.6	1.7
Assets/Equity (x)	1.3	1.3	1.3	1.3	1.3
RoE (%)	15.6	14.2	15.2	15.9	16.3
DuPont-RoIC					
NOPLAT margin (%)	6.6	6.2	6.3	6.4	6.5
IC turnover (x)	2.1	1.9	1.9	2.0	2.2
RoIC (%)	13.8	11.9	12.0	12.9	14.0
Operating metrics					
Core NWC days	(1.5)	26.1	24.8	23.5	22.5
Total NWC days	(1.5)	26.1	24.8	23.5	22.5
Fixed asset turnover	1.5	1.4	1.5	1.5	1.6
Opex-to-revenue (%)	8.0	8.4	8.2	7.9	7.6

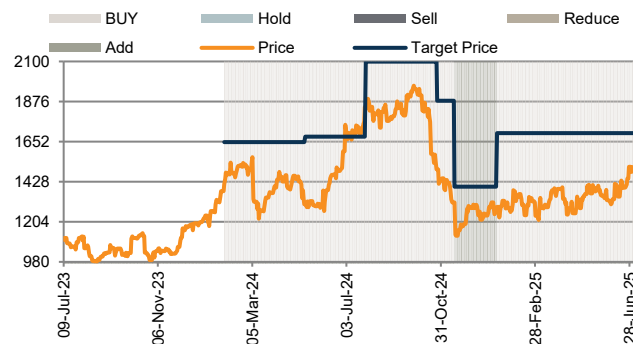
Source: Company, Emkay Research

MAHANAGAR GAS RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
08-May-25	1,369	1,700	Buy	Sabri Hazarika
30-Jan-25	1,304	1,700	Buy	Sabri Hazarika
10-Jan-25	1,286	1,700	Buy	Sabri Hazarika
24-Dec-24	1,249	1,400	Add	Sabri Hazarika
17-Nov-24	1,313	1,400	Add	Sabri Hazarika
26-Oct-24	1,497	1,880	Buy	Sabri Hazarika
18-Oct-24	1,582	2,100	Buy	Sabri Hazarika
27-Jul-24	1,846	2,100	Buy	Sabri Hazarika
08-Jun-24	1,381	1,680	Buy	Sabri Hazarika
11-May-24	1,300	1,680	Buy	Sabri Hazarika
07-Mar-24	1,316	1,650	Buy	Sabri Hazarika
29-Jan-24	1,414	1,650	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



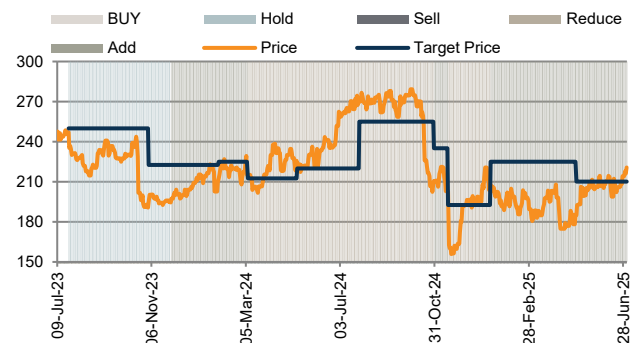
Source: Company, Bloomberg, Emkay Research

INDRAPRASTHA GAS RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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
09-May-24	220	220	Reduce	Sabri Hazarika
07-Mar-24	215	213	Reduce	Sabri Hazarika
30-Jan-24	213	225	Add	Sabri Hazarika
30-Nov-23	195	223	Add	Sabri Hazarika
02-Nov-23	195	223	Hold	Sabri Hazarika
20-Oct-23	202	250	Hold	Sabri Hazarika
26-Jul-23	235	250	Hold	Sabri Hazarika
23-Jul-23	247	250	Hold	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



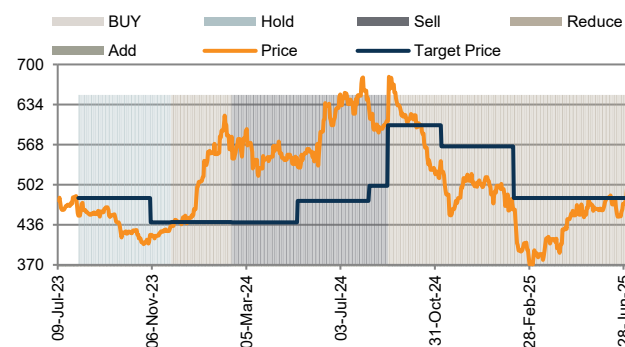
Source: Company, Bloomberg, Emkay Research

GUJARAT GAS RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
24-May-25	462	480	Reduce	Sabri Hazarika
08-Feb-25	461	480	Reduce	Sabri Hazarika
08-Nov-24	524	565	Reduce	Sabri Hazarika
18-Oct-24	563	600	Reduce	Sabri Hazarika
01-Sep-24	607	600	Reduce	Sabri Hazarika
08-Aug-24	622	500	Sell	Sabri Hazarika
09-May-24	532	475	Sell	Sabri Hazarika
15-Feb-24	581	440	Sell	Sabri Hazarika
03-Jan-24	499	440	Reduce	Sabri Hazarika
30-Nov-23	433	440	Reduce	Sabri Hazarika
04-Nov-23	419	440	Hold	Sabri Hazarika
04-Aug-23	451	480	Hold	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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