BUY

Indus Towers

In-line results; contract renewal overhang persists

Emkay

Your success is our success

Telecommunications | Result Update | **July 29, 2026**

CMP (Rs): 382 | TP (Rs): 475

Indus Towers (Indus)'s 1QFY27 results were broadly in line with expectations, with both sustained tenancy addition and flat realizations resulting in 4.6% yoy revenue growth. EBITDA margin declined by 140bps qoq to 53.2% due to lower energy margin. Management highlighted the company's strong order book and expects the tower addition to accelerate in coming quarter. On one hand, Vodafone Idea (VI)'s capex can accelerate Indus's tenancy addition, while on the other, uncertainty of Reliance Jio (RJio)'s contract renewal can impact up to 15% of the revenue, in our view. Indus's valuations at 6.4x/6.0x FY27E/FY28E EV/EBITDA remain at a discount to those of global peers. Given the lack of visibility on RJio's contract renewal, we cut our TP by 12% to Rs475 from Rs540; maintain BUY on attractive valuations and strong cash generation.

In-line operational performance

Indus reported revenue of Rs84.3bn (up 4.6% yoy), 2.2% ahead of street estimates with steady tenancy addition (4,236 vs 6,192 in 4QFY26) and flat revenue per tenancy. Tenancy ratio was stable at 1.62x, while the company added 3,097 towers (vs 4,892 in 4QFY26), taking the total tower base to 267,611. Energy margin declined by 100bps qoq to 4.6% due to seasonality and settlement timing. EBITDA margin declined by 145bps qoq to 53.3% due to drop in both energy and core margins. Capex declined to Rs17.2bn (Rs23.3bn in 4QFY26), in line with the lower tower additions. FCF stood at Rs14.4bn (Rs11.1bn in 4QFY26). PAT declined 2.4% yoy to Rs17.5bn as a result of the base year seeing a Rs883mn reversal of provisions.

Key tenant contract renewal overhang; Africa foray in progress

We see up to 15% revenue impact due to RJio's decision not to renew its contract with Indus Towers. Considering the high operating leverage, the revenue loss would largely flow through to EBITDA. While Management stated the next 3-4-quarter orderbook is healthy, it did not give any specific details regarding renewal of the contract. Indus's Africa foray is advancing per plan, with regulatory and operating licenses in place for all three countries. The company has secured orders from an anchor customer, initiated partner onboarding processes, and placed key supply orders. Rollouts are expected to commence from next quarter itself and capex will be largely debt-funded.

Outlook and valuations – Steady growth, attractive valuations

We build in 4.5%/5.3% FY26-28E revenue/EBITDA CAGR for Indus. Indus's valuations, at 6.4x/6.0x FY27E/FY28E EV/EBITDA, are at a significant discount to global peers. The company's foray into Africa is on track and likely to drive growth in coming quarters. However, uncertainty on RJio's contract renewal remains a key overhang for the company. Hence, we reduce our target multiple to 7x from 8x earlier, and roll forward to 1QFY29E TTM EV/EBITDA. We maintain BUY on the stock while cutting our TP by 12% to Rs475.

Indus Towers: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	301,228	324,931	340,733	354,921	374,600
EBITDA	206,500	178,225	185,036	197,550	211,160
Adj. PAT	105,939	72,688	75,292	83,315	89,775
Adj. EPS (Rs)	40.2	27.6	28.5	31.6	34.0
EBITDA margin (%)	68.6	54.9	54.3	55.7	56.4
EBITDA growth (%)	41.9	(13.7)	3.8	6.8	6.9
Adj. EPS growth (%)	80.9	(31.4)	3.6	10.7	7.8
RoE (%)	35.6	20.2	17.7	17.0	16.0
RoIC (%)	37.9	23.5	20.9	21.5	22.3
P/E (x)	10.2	13.8	13.4	12.1	11.2
EV/EBITDA (x)	5.6	6.5	6.2	5.8	5.5
P/B (x)	3.1	2.5	2.2	1.9	1.7
FCFF yield (%)	11.2	6.1	7.8	9.1	11.2

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**(12.0)**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	24.3

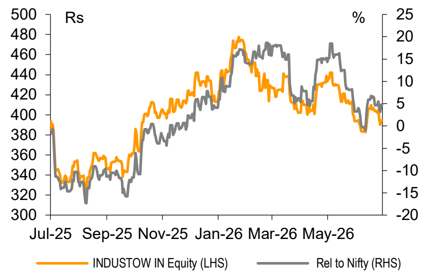
Stock Data	**INDUSTOW IN**
52-week High (Rs)	482
52-week Low (Rs)	313
Shares outstanding (mn)	2,639.0
Market-cap (Rs bn)	1,007
Market-cap (USD mn)	10,505
Net-debt, FY27E (Rs mn)	142,588.9
ADTV-3M (mn shares)	6.6
ADTV-3M (Rs mn)	3,012.5
ADTV-3M (USD mn)	31.4
Free float (%)	0.5
Nifty-50	23,985.3
INR/USD	95.9

Shareholding,Jun-26	
Promoters (%)	51.3
FPIs/MFs (%)	23.2/21.5

Price Performance

(%)	1M	3M	12M
Absolute	(3.0)	(7.8)	(0.8)
Rel. to Nifty	(2.8)	(7.8)	2.1

1-Year share price trend (Rs)



Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91-22-66121350

Aryan Tripathi
aryan.tripathi@emkayglobal.com
+91-22-6612337

Samruddhi Athanikar
samruddhi.athanikar@emkayglobal.com
+91-22-66242429

Exhibit 1: Indus Towers – 1QFY27 results summary

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Rental revenue	51,068	52,417	52,735	53,060	53,716	*5.2*	*1.2*
Energy reimbursements	29,474	29,453	28,689	27,879	30,540	*3.6*	*9.5*
Net sales	**80,542**	**81,870**	**81,424**	**80,939**	**84,256**	*4.6*	*4.1*
Power and Fuel costs	30,687	30,869	29,517	28,883	31,953	*4.1*	*10.6*
as % of sales	38.1	37.7	36.3	35.7	37.9		
Employee expenses	2,133	2,051	2,291	2,307	2,140	*0.3*	*(7.2)*
as % of sales	2.6	2.5	2.8	2.9	2.5		
Repair and maintenance expenses	3,697	3,765	3,507	3,702	3,714	*0.5*	*0.3*
as % of sales	4.6	4.6	4.3	4.6	4.4		
Other expenses	144	-937	1,037	1,429	1,232	*755.6*	*(13.8)*
as % of sales	0.2	-1.1	1.3	1.8	1.5		
Charity and Donation	406	406	406	406	427	*5.2*	*5.2*
as % of sales	0.5	0.5	0.5	0.5	0.5		
Total expenditure	**37,067**	**36,154**	**36,758**	**36,727**	**39,466**	*6.5*	*7.5*
Reported EBITDA	**43,475**	**45,716**	**44,666**	**44,212**	**44,790**	*3.0*	*1.3*
Provisions for doubtful debt	-883	-1,952	-13	153	233		
Adjusted EBITDA	**42,592**	**43,764**	**44,653**	**44,365**	**45,023**	*5.7*	*1.5*
Depreciation	17,043	18,008	17,979	18,378	18,936	*11.1*	*3.0*
EBIT	**26,432**	**27,708**	**26,687**	**25,834**	**25,854**	*(2.2)*	*0.1*
Other Income	851	829	1,538	1,552	1,212	*42.4*	*(21.9)*
Interest	3,965	3,758	4,035	3,758	3,579	*(9.7)*	*(4.8)*
Exceptional items	0	0	0	0	0		
PBT	**23,318**	**24,779**	**24,190**	**23,628**	**23,487**	*0.7*	*(0.6)*
Tax	5,970	6,391	6,444	4,578	5,577	*(6.6)*	*21.8*
PAT	**17,348**	**18,388**	**17,746**	**19,050**	**17,910**	*3.2*	*(6.0)*
(%)						*(bps)*	*(bps)*
EBITDAM	54.0	55.8	54.9	54.6	53.2	*(82)*	*(146)*
Adj EBITDAM	52.9	53.5	54.8	54.8	53.4	*55*	*(138)*
EBITM	32.8	33.8	32.8	31.9	30.7	*(213)*	*(123)*
EBTM	29.0	30.3	29.7	29.2	27.9	*(108)*	*(132)*
PATM	21.5	22.5	21.8	23.5	21.3	*(28)*	*(228)*
Effective Tax rate	25.6	25.8	26.6	19.4	23.7	*(186)*	*437*

Source: Company, Emkay Research

Exhibit 2: Indus Towers – Reported KPIs

(no of)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Total towers	251,773	256,074	259,622	264,514	267,611	*6.3*	*1.2*
Total tenants	411,212	415,717	421,822	428,014	432,250	*5.1*	*1.0*
Tenancy (x)	1.63	1.63	1.62	1.62	1.62	*(0.6)*	-
Closing Tenancy (x)	1.63	1.62	1.62	1.62	1.62	*(0.6)*	-
Sharing revenue per tower per month (Rs)	67,036	67,924	67,285	66,604	66,416	*(0.9)*	*(0.3)*
Sharing revenue per operator per month (Rs)	41,132	41,714	41,429	41,078	41,082	*(0.1)*	*0.0*
Net tower addition	2,468	4,301	3,548	4,892	3,097	*25.5*	*(36.7)*
Net tenant addition	5,777	4,505	6,105	6,192	4,236	*(26.7)*	*(31.6)*
Lean co-locations	14,024	14,044	13,989	13,963	13,935	*(0.6)*	*(0.2)*
Gross addition	8,623	4,525	6,050	6,166	4,208	*(51.2)*	*(31.8)*
Lean product co-location net addition	**2,846**	**20**	**-55**	**-26**	**-28**	*(101.0)*	*7.7*

Source: Company, Emkay Research

Exhibit 3: Energy spread trend

Rs mn	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Energy reimbursements	29,474	29,453	28,689	27,879	30,540	3.6	9.5
Power and fuel costs	30,687	30,869	29,517	28,883	31,953	4.1	10.6
Spread	-1,213	-1,416	-828	-1,004	-1,413	16.5	40.7
% Margin	**-4.1%**	**-4.8%**	**-2.9%**	**-3.6%**	**-4.6%**	**-51** bps	**-103** bps

Source: Company, Emkay Research

Exhibit 4: Capex trend

Capex trend (Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Capex	19,477	25,587	19,799	23,307	17,188	(11.8)	(26.3)
-Maintenance and General Corporate capex	5,513	5,605	5,310	5,388	5,127	(7.0)	(4.8)
No of tower additions	4,301	3,548	4,892	3,097	3,097	(28.0)	-

Source: Company, Emkay Research

Investment thesis

- **Vi continuity risk decisively resolved:** DoT reduced VI's AGR dues by Rs236bn (to Rs640bn). It also restructured the payment timeline, deferring the immediate Rs164bn Mar-26 payout to a nominal Rs1bnpa from FY32, with the balance staggered across FY36–41. This frees up VI's cash flow to redirect toward network upgrades and 5G rollout. With VI contributing over 30% to Indus's revenue and historical payables already cleared, this regulatory relief removes the primary overhang on Indus's key customer and underpins clear visibility on incremental tenancy additions, supporting our 5.6% revenue CAGR projection.

- **Tenancy upside from VI's Rs450bn capex not included in street estimates:** VI's proposed three-year Rs450bn capex program drives incremental tenancy and tower additions for Indus as the largest passive infrastructure provider in India and VI's preferred partner for network expansion. Street estimate of ~6% revenue CAGR over FY26–28 does not factor in the additional growth runway from VI's accelerated rollout, leaving room for upward earnings revisions as the rollout plan crystallizes. Indus is already capturing a major share of industry tower and tenancy additions, with the tenancy ratio biased to improve as VI scales up.

- **Africa capital allocation concerns overdone:** Annual capex outgo toward the Africa expansion is estimated at <4% of annual EBITDA—a small proportion of the overall capital deployment—with revenue accruing almost immediately upon site installation. Underpenetrated African markets (Nigeria, Uganda, Zambia) offer long-term structural growth, driven by sub-50% smartphone penetration and a high customers-per-tower ratio (4.54k vs 1.06k in India). Currency depreciation—the principal pushback—can be substantively mitigated through hedging and USD-denominated billing arrangements with anchor customers, in our view.

Key risks

- Client concentration risk, given the high reliance on VI as a major tenant. Renewal of contract with a key customer remains a material overhang.

- African market execution risks, including currency depreciation, challenges in upstreaming dividends from foreign operations, and execution hurdles around regulatory approvals and operating model setup.

- Suboptimal capital structure, with the absence of consistent dividend payouts or share buybacks potentially exacerbating an already net-cash balance sheet.

Exhibit 5: Change in our estimates

	New			Old			Change		
(Rs mn)	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
Revenue	340,733	354,921	374,600	335,736	354,931	373,657	*1.5%*	*0.0%*	0.3%
EBITDA	185,036	197,550	211,160	188,407	202,052	215,047	-1.8%	-2.2%	-1.8%
EBITDA margin	54.3%	55.7%	56.4%	56.1%	56.9%	57.6%	*-181 bps*	*-127 bps*	-118 bps
EBIT	110,867	123,067	132,964	115,861	127,581	137,491	-4.3%	-3.5%	-3.3%
PBT	100,170	111,339	119,972	105,164	115,849	121,944	-4.7%	-3.9%	-1.6%
PAT	75,292	83,315	89,775	78,694	86,690	91,250	-4.3%	-3.9%	-1.6%
EPS (Rs)	27.1	29.8	32.9	29.2	31.8	34.6	-9.2%	-9.2%	-5.0%

Source: Company, Emkay Research

Earnings call KTAs

Operational Performance

- The management commented on a strong rollout momentum during 1Q, with movement of the customer’s expired tower portfolios to Indus, leading to addition of ~3,100 macro towers (6.3% yoy growth) and ~4,200 co-locations (5.1% yoy growth). Total number of macro towers and colocations stand at ~267,600 and 432,300, respectively. Tower manufacturing was impacted at the start of 1Q due to the West Asia conflict, which has resolved now.
- Tenancy ratio is stable at 1.62, including lean towers. Incremental tenancy ratio stands at 1.3-1.4. Ratios will track this range, subject to capital infusion of one customer. Average revenue per tenant (ARPT) is impacted by the mix of towers, as older legacy towers demand lower rental in comparison to new leaner towers.
- **5G subscription base:** The base grew by 36mn to 427mn in 4QFY26. Operators have helped increase the installed base of 563k by 32k in 1Q which has led to sustained investment.
- Uptime of 99.955%.
- **Green network:** 13% yoy reduction in diesel consumption. Solar installed base stands at 259MW. Indus plans to replace diesel-based operations with lithium-ion batteries. Lithium-ion batteries have a larger life cycle than lead-acid batteries. Hence, despite a higher initial capex, overall capex will reduce. Only batteries at the end of their life-cycle are replaced.
- The company states that it has a strong orderbook for the next 3-4 quarters and refrained from giving guidance for growth. Indus, however, has also guided for improvement in momentum with an improvement in tower supplies. The company does not expect the crises to have any more impact on tower additions due to suppliers having made adequate provisions. The impact is visible on battery supply, which is not affecting tower additions.
- The company closely tracks extension plans of customers, while ensuring it garners bulk of their expansion share. Indus has not seen a disproportionate churn from any customer. While it is a customer's choice to either create a new tenancy or move towers, the company is focused on executing the order book .
- Indus remains focused on towers, lean towers, IBS, and installing telecom infrastructure in different buildings, metro stations, etc. Its four core strategic pillars are market share, cost efficiency, network uptime, and sustainability.
- **Airtel synergies:** Indus is looking to maximize synergies with Bharti Airtel in India. Airtel has no conditions attached with the increase in shareholding.

Africa foray

- Regulatory approvals and operating license has been received for all 3 markets—Nigeria, Uganda, and Zambia; the company has initiated preliminary processes including securing orders from anchor customer (Bharti Airtel). Rollouts are expected to commence from next quarter.
- Bharti Airtel being the anchor customer is already locked-in; Indus sees higher potential in African markets.
- Africa capex, largely debt-funded, to be smaller in comparison to the India capex. The company's strategy is to avail returns even at a single tenant in Africa.

Financial performance

- Gross revenue grew 4.6% yoy/4.1% qoq, to Rs84.3bn. Rental revenue is up 5.2% yoy/1.2% qoq to Rs53.2bn. The company's key customer continues to expand its footprint. Rental revenue growth is seen coming in primarily from co-locations and tower additions, as growth from 5G is smaller in comparison, discounts are given on rental renewals per the framework, and given the revenue equalization.
- The gross revenue increase is spearheaded by energy revenue growth of 9.5% qoq, due to an increase in diesel prices and consumption. Indus plans to eliminate diesel from the ecosystem.
- EBITDA is up 3% yoy and 1.2% qoq to Rs45.2bn. EBITDA margin was lower, at 1.5ppts yoy and 0.9ppt yoy, as the base year saw reversal of provision of doubtful debts. Adjusting for this, EBITDA grew 5.2% yoy. The EBITDA margin slowdown will be recuperated through the year, as the weather improves.
- PAT is up 0.5% yoy, and stands at 4.8% adjusted for one-offs. Trailing pre-tax ROCE stands at 25.4% and trailing post-tax ROE at 18.9%.
- Capex: Indus targets expanding capex for various parameters, such as towers, maintenance, solar, battery, etc.
- The Africa foray will not impact dividend distribution/cash distribution.

Others

- **Regulatory developments:** Right Of Way Rules 2024 was implemented across India. The Green Energy Open Access Framework strengthened across UP, Rajasthan, and Delhi.
- Indus has expanded its product portfolio, offering integrated IBS.
- The company has launched an internal platform aimed at simplifying tower design and site planning.
- The digital operations program is on track for network reliability and operating efficiency, leveraging telemetry, IoT connectivity, AI LED image analytics, etc.
- **ESG:** Indus was given the 13 Gallup Exceptional Workplace Award. Indus's programs—Saksham Pragati, along with Bhartiya Foundation (education, skill development, health and hygiene, etc) and Nari Samman (health and hygiene)—have touched 12mn lives and 11mn lives, respectively in 1Q.

Indus Towers: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**301,228**	**324,931**	**340,733**	**354,921**	**374,600**
Revenue growth (%)	5.3	7.9	4.9	4.2	5.5
EBITDA	**206,500**	**178,225**	**185,036**	**197,550**	**211,160**
EBITDA growth (%)	41.9	(13.7)	3.8	6.8	6.9
Depreciation & Amortization	64,021	71,408	74,169	74,482	78,196
EBIT	**142,479**	**106,817**	**110,867**	**123,067**	**132,964**
EBIT growth (%)	68.7	(25.0)	3.8	11.0	8.0
Other operating income	-	-	-	-	-
Other income	3,600	4,770	4,000	4,000	4,000
Financial expense	7,920	15,516	14,697	15,728	16,993
PBT	**138,159**	**96,071**	**100,170**	**111,339**	**119,972**
Extraordinary items	0	0	0	0	0
Taxes	32,220	23,383	24,878	28,024	30,197
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**105,939**	**72,688**	**75,292**	**83,315**	**89,775**
PAT growth (%)	78.6	(31.4)	3.6	10.7	7.8
Adjusted PAT	**105,939**	**72,688**	**75,292**	**83,315**	**89,775**
Diluted EPS (Rs)	**40.2**	**27.6**	**28.5**	**31.6**	**34.0**
Diluted EPS growth (%)	80.9	(31.4)	3.6	10.7	7.8
DPS (Rs)	**0**	**0**	**6.0**	**6.0**	**6.0**
Dividend payout (%)	**0**	**0**	**21.0**	**19.0**	**17.6**
EBITDA margin (%)	68.6	54.9	54.3	55.7	56.4
EBIT margin (%)	47.3	32.9	32.5	34.7	35.5
Effective tax rate (%)	23.3	24.3	24.8	25.2	25.2
NOPLAT (pre-IndAS)	**109,252**	**80,818**	**83,332**	**92,091**	**99,497**
Shares outstanding (mn)	2,638	2,638	2,638	2,638	2,638

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	26,381	26,381	26,381	26,381	26,381
Reserves & Surplus	298,602	370,075	429,538	497,025	570,971
Net worth	**324,983**	**396,456**	**455,919**	**523,406**	**597,352**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	4,049	7,662	7,662	7,662	7,662
Total debt	**164,789**	**175,294**	**188,075**	**203,746**	**223,051**
Total liabilities & equity	**533,811**	**623,121**	**695,599**	**778,756**	**872,007**
Net tangible fixed assets	294,082	332,328	361,879	387,664	401,402
Net intangible assets	380	483	533	583	633
Net ROU assets	149,337	162,331	172,379	186,454	202,570
Capital WIP	5,672	6,301	6,311	6,311	6,311
Goodwill	-	-	-	-	-
Investments [JV/Associates]	0	104	0	0	0
Cash & equivalents	**18,561**	**15,523**	**45,486**	**88,598**	**153,413**
Current assets (ex-cash)	110,737	139,661	143,681	146,279	148,611
Current Liab. & Prov.	97,868	90,030	91,081	93,544	97,343
NWC (ex-cash)	**12,869**	**49,631**	**52,601**	**52,735**	**51,268**
Total assets	**533,811**	**623,121**	**695,609**	**778,766**	**872,017**
Net debt	146,228	159,771	142,589	115,148	69,638
Capital employed	533,811	623,121	695,599	778,756	872,007
Invested capital	**306,951**	**381,959**	**414,479**	**440,399**	**452,670**
BVPS (Rs)	123.2	150.3	172.8	198.4	226.4
Net Debt/Equity (x)	0.4	0.4	0.3	0.2	0.1
Net Debt/EBITDA (x)	0.7	0.9	0.8	0.6	0.3
Interest coverage (x)	18.4	7.2	7.8	8.1	8.1
RoCE (%)	**32.0**	**21.0**	**18.9**	**18.5**	**17.7**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	131,537	95,978	100,170	111,339	119,972
Others (non-cash items)	(59,159)	(10,872)	233	0	0
Taxes paid	(18,746)	(19,929)	(24,878)	(28,024)	(30,197)
Change in NWC	64,397	4,740	(4,921)	(2,528)	(1,481)
Operating cash flow	**196,450**	**156,841**	**159,469**	**170,998**	**183,482**
Capital expenditure	(67,840)	(86,258)	(69,680)	(65,842)	(54,693)
Acquisition of business	-	-	-	-	-
Interest & dividend income	2,841	1,971	0	0	0
Investing cash flow	**(109,105)**	**(101,983)**	**(69,576)**	**(65,842)**	**(54,693)**
Equity raised/(repaid)	8	0	0	0	0
Debt raised/(repaid)	62,584	0	0	0	0
Payment of lease liabilities	(35,473)	(25,131)	(43,549)	(45,663)	(47,593)
Interest paid	(2,762)	(17,076)	(553)	(553)	(553)
Dividend paid (incl tax)	0	0	(15,829)	(15,829)	(15,829)
Others	(110,836)	(13,689)	0	0	0
Financing cash flow	**(86,479)**	**(55,896)**	**(59,930)**	**(62,044)**	**(63,974)**
Net chg in Cash	866	(1,038)	29,963	43,112	64,815
OCF	196,450	156,841	159,469	170,998	183,482
Adj. OCF (w/o NWC chg.)	132,053	152,101	164,390	173,525	184,963
FCFF	128,610	70,583	89,789	105,156	128,789
FCFE	123,531	57,038	75,093	89,428	111,797
OCF/EBITDA (%)	95.1	88.0	86.2	86.6	86.9
FCFE/PAT (%)	116.6	78.5	99.7	107.3	124.5
FCFF/NOPLAT (%)	**117.7**	**87.3**	**107.7**	**114.2**	**129.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	10.2	13.8	13.4	12.1	11.2
EV/CE(x)	2.4	2.0	1.8	1.6	1.4
P/B (x)	3.1	2.5	2.2	1.9	1.7
EV/Sales (x)	3.8	3.5	3.4	3.2	3.1
EV/EBITDA (x)	5.6	6.5	6.2	5.8	5.5
EV/EBIT(x)	8.1	10.8	10.4	9.4	8.7
EV/IC (x)	3.8	3.0	2.8	2.6	2.5
FCFF yield (%)	11.2	6.1	7.8	9.1	11.2
FCFE yield (%)	12.3	5.7	7.5	8.9	11.1
Dividend yield (%)	0	0	1.6	1.6	1.6
DuPont-RoE split					
Net profit margin (%)	35.2	22.4	22.1	23.5	24.0
Total asset turnover (x)	0.8	0.8	0.7	0.6	0.6
Assets/Equity (x)	1.2	1.2	1.2	1.1	1.1
RoE (%)	**35.6**	**20.2**	**17.7**	**17.0**	**16.0**
DuPont-RoIC					
NOPLAT margin (%)	36.3	24.9	24.5	25.9	26.6
IC turnover (x)	1.0	0.9	0.9	0.8	0.8
RoIC (%)	**37.9**	**23.5**	**20.9**	**21.5**	**22.3**
Operating metrics					
Core NWC days	15.6	55.8	56.3	54.2	50.0
Total NWC days	**15.6**	**55.8**	**56.3**	**54.2**	**50.0**
Fixed asset turnover	0	0	0	0	0
Opex-to-revenue (%)	31.4	45.1	45.7	44.3	43.6

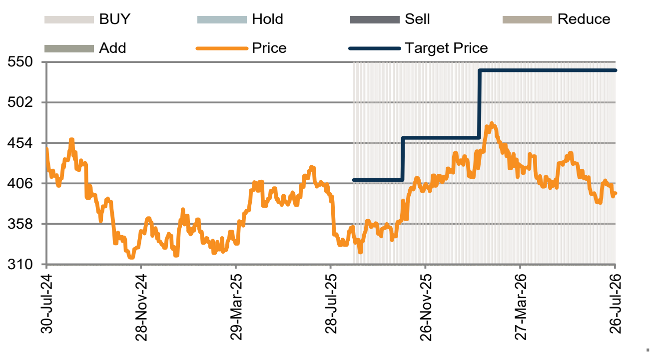
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
03-May-26	410	540	Buy	Pranav Kshatriya
26-Mar-26	428	540	Buy	Pranav Kshatriya
03-Feb-26	439	540	Buy	Pranav Kshatriya
28-Oct-25	386	460	Buy	Pranav Kshatriya
03-Sep-25	324	410	Buy	Pranav Kshatriya
26-Aug-25	343	410	Buy	Pranav Kshatriya

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of July 29, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 29, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 29, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.07.29 00:10:30 +05'30'