

# Gujarat State Petro. | ADD

## EBITDA miss on higher opex, volume a tad above estimate

GSPL's 2QFY26 standalone EBITDA was significantly lower at INR 1.7bn vs. JMFe/consensus of INR 1.9bn/INR 2.2bn due to lower transmission EBITDA margin at INR 632/tcm (vs. JMFe of INR 700/tcm) on account of higher opex and slightly lower transmission tariff. However, transmission volume was 1.1% above JMFe but down 3.9% QoQ at 28.5mmcmd. Further, PAT was sharply higher at INR 3.8bn vs. JMFe/consensus of INR 3.3bn/INR 3.2bn due to lower tax expense (at INR 0.4bn vs. JMFe of INR 1.1bn). We maintain ADD (revised TP of INR 335) due to reasonable valuations - at CMP, GSPL is trading at 1.4x FY27 P/B (3-year average: 1.6x).

- **Transmission volume was 1.1% above JMFe but down 3.9% QoQ at 28.5mmcmd:** Transmission volume was 1.1% above JMFe at 28.5mmcmd (though down 3.9% QoQ and down 4.0% YoY) vs. JMFe of 28.2mmcmd led by slightly better volume from the fertiliser sector. The break-up of 1.2mmcmd QoQ decline in volume is: **a)** Power segment volume fell by 1.1mmcmd QoQ to 2.6mmcmd; **b)** others segment volume declined by 0.5mmcmd QoQ to 5mmcmd; **c)** Refinery/Petchem segment volume fell by 0.3mmcmd QoQ to 6mmcmd; **d)** CGD segment volume declined by 0.2mmcmd QoQ to 10.6mmcmd (driven by 0.2mmcmd QoQ fall in Gujarat Gas volume); while **e)** Fertiliser segment volume rose by 1mmcmd QoQ to 4.3mmcmd.
- **Implied transmission EBITDA margin was lower at INR 632/tcm vs. JMFe of INR 700/tcm due to higher opex and slightly lower transmission tariff:** Implied transmission EBITDA margin was lower at INR 632/tcm vs. JMFe at INR 700/tcm (vs. INR 714/tcm in 1QFY26) on higher cash opex at INR 772mn or INR 385/tcm vs. JMFe of INR 330/tcm (vs INR 633mn or INR 302/tcm in 1QFY26); further, weighted average tariff was also slightly lower at INR 1,017/tcm in 2QFY26 vs. JMFe of INR 1,030/tcm (and vs. INR 1,016/tcm in 1QFY26).
- **Maintain ADD due to reasonable valuations:** We have cut our FY26-28 EBITDA estimate by 1-4% to account for lower volume growth and slightly lower EBITDA margin; hence, our TP has been reduced to INR 335 (from INR 345). We maintain ADD due to reasonable valuations - at CMP, GSPL is trading at 1.4x FY27 P/B (3-year average: 1.6x). Our TP of INR 335 comprises: **a)** INR 100 for the existing pipeline business based on a DCF valuation, **b)** INR 215 for its 54.17% stake in GGas based on a 20% discount to CMP and **c)** INR 20 for its 27.5% stake in Sabarmati Gas based on 15x FY25 PAT.



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### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	335
Upside/(Downside)	11.5%
Previous Price Target	345
Change	-2.9%

### Key Data – GUJS IN

Current Market Price	INR301
Market cap (bn)	INR169.5/US\$1.9
Free Float	49%
Shares in issue (mn)	564.2
Diluted share (mn)	564.2
3-mon avg daily val (mn)	INR215.6/US\$2.4
52-week range	395/261
Sensex/Nifty	83,871/25,695
INR/US\$	88.6

### Price Performance

%	1M	6M	12M
Absolute	-6.2	-6.5	-21.5
Relative*	-7.7	-11.5	-25.6

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	20,315	11,108	11,112	11,863	12,795
Sales Growth (%)	15.3	-45.3	0.0	6.8	7.9
EBITDA	15,041	8,112	7,945	8,488	9,161
EBITDA Margin (%)	74.0	73.0	71.5	71.5	71.6
Adjusted Net Profit	12,846	8,076	7,460	8,228	8,551
Diluted EPS (INR)	22.8	14.3	13.2	14.6	15.2
Diluted EPS Growth (%)	35.9	-37.1	-7.6	10.3	3.9
ROIC (%)	26.1	12.3	12.7	14.5	13.4
ROE (%)	13.1	7.7	6.8	7.1	7.1
P/E (x)	13.2	21.0	22.8	20.6	19.9
P/B (x)	1.7	1.6	1.5	1.4	1.4
EV/EBITDA (x)	7.4	12.0	11.4	10.1	9.7
Dividend Yield (%)	1.7	1.7	1.5	1.7	1.8

Source: Company data, JM Financial. Note: Valuations as of 11/Nov/2025

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

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

## 2QFY26 Result Review

### Exhibit 1. GSPL quarterly snapshot

INR Mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Sales (INR m)	3,543	2,580	2,604	2,381	2,839	2,741	6.2	(3.5)
<b>EBITDA (INR m)</b>	<b>3,010</b>	<b>1,929</b>	<b>1,925</b>	<b>1,247</b>	<b>2,024</b>	<b>1,732</b>	<b>(10.2)</b>	<b>(14.4)</b>
EBITDA margin (%)	85%	75%	74%	52%	71%	63%	-1158 bps	-807 bps
Interest (INR m)	13	11	9	52	11	10	(11.8)	(7.9)
Depreciation (INR m)	490	511	512	522	539	547	7.1	1.5
Other income (INR m)	328	2,939	412	362	433	3,060	4.1	606.8
<b>PBT (INR m)</b>	<b>2,835</b>	<b>4,346</b>	<b>1,816</b>	<b>1,035</b>	<b>1,907</b>	<b>4,235</b>	<b>(2.5)</b>	<b>122.1</b>
Tax (INR m)	715	453	460	328	482	411	(9.4)	(14.8)
<b>PAT (INR m)</b>	<b>2,120</b>	<b>3,893</b>	<b>1,356</b>	<b>707</b>	<b>1,425</b>	<b>3,825</b>	<b>(1.8)</b>	<b>168.4</b>
EPS (INR/ share)	3.8	6.9	2.4	1.3	2.5	6.8	(1.8)	168.4

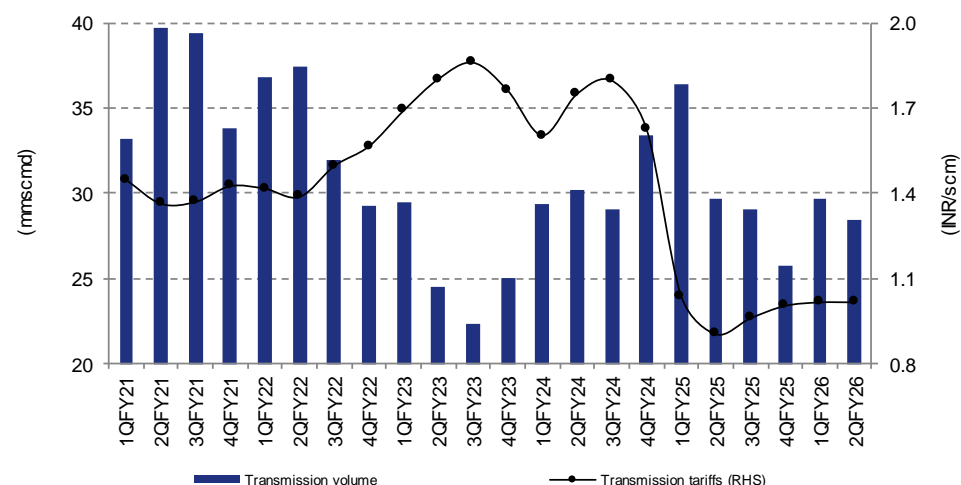
Source: Company, JM Financial

### Exhibit 2. Operating details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Transmission Volume (mmscmd)	36.4	29.7	29.0	25.8	29.7	28.5	(4.0)	(3.9)
Transmission Revenue (INR/tcm)	1,039	904	961	1,004	1,016	1,017	12.4	0.0
Cash Opex (INR/tcm)	161	238	254	489	302	385	61.6	27.3
Transmission EBITDA (INR/tcm)	878	666	706	515	714	632	(5.1)	(11.5)
Depreciation (INR/tcm)	148	187	192	225	200	209	11.5	4.4
Transmission EBIT (INR/tcm)	730	479	514	290	515	424	(11.6)	(17.7)

Source: Company, JM Financial

### Exhibit 3. Transmission volume vs. tariff trend



Source: Company, JM Financial

### Exhibit 4. Sector-wise transmission volume break-up

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	YoY (mmscmd)	QoQ (mmscmd)
<b>Sectors (mmscmd)</b>								
CGD	12.6	10.4	11.2	11.1	10.8	10.6	0.2	-0.2
Refinery/petchem	7.5	6.5	6.8	5.7	6.3	6.0	-0.5	-0.3
Fertilizer	4.5	4.2	4.2	3.6	3.4	4.3	0.2	1.0
Power	6.4	3.2	1.3	1.0	3.8	2.6	-0.6	-1.1
Others	5.4	5.4	5.5	4.4	5.4	5.0	-0.4	-0.5
<b>Total</b>	<b>36.4</b>	<b>29.7</b>	<b>29.0</b>	<b>25.8</b>	<b>29.7</b>	<b>28.5</b>	<b>-1.2</b>	<b>-1.2</b>
<b>Sectors (%)</b>								
CGD	35%	35%	39%	43%	36%	37%		
Refinery/petchem	21%	22%	23%	22%	21%	21%		
Fertilizer	12%	14%	14%	14%	11%	15%		
Power	18%	11%	5%	4%	13%	9%		
Others	15%	18%	19%	17%	18%	17%		

Source: Company, JM Financial

## Assumption and Valuation

### Exhibit 5. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
<b>Volume details</b>								
Gas transmission volume (mmscmd)	33.9	25.4	30.6	30.2	30.0	32.1	34.0	Expect volume growth to gradually normalise from FY27 onwards
<b>Transmission tariff break-up</b>								
Weighted average tariffs (INR/tcm)	1,460	1,676	1,630	979	979	979	999	Assuming lower tariff based on PNGRB's revised tariff order
Cash opex (INR/tcm)	341	327	293	253	270	270	275	
EBITDA (INR/tcm)	1,130	1,360	1,348	735	726	724	738	
Depreciation (INR/tcm)	158	210	172	184	192	162	185	
Interest (INR/tcm)	25	5	4	8	0	0	0	
Other income (INR/tcm)	109	182	300	366	375	374	366	
PBT (INR/tcm)	1,055	1,328	1,472	909	908	936	918	
Tax (INR/tcm)	239	307	320	177	227	234	229	
PAT (INR/tcm)	816	1,021	1,151	732	681	702	688	

Source: JM Financial, Company

### Exhibit 6. Change in estimates

	New	Old	Divergence
<b>TP (INR)</b>	335	345	-2.7%
<b>Rating</b>	ADD	ADD	
<b>Revenue (INR Mn)</b>			
FY26	11,112	11,517	-3.5%
FY27	11,863	12,296	-3.5%
FY28	12,795	12,891	-0.7%
<b>EBITDA (INR Mn)</b>			
FY26	7,945	8,238	-3.6%
FY27	8,488	8,801	-3.6%
FY28	9,161	9,231	-0.8%
<b>PAT (INR Mn)</b>			
FY26	7,460	7,506	-0.6%
FY27	8,228	7,927	3.8%
FY28	8,551	8,249	3.7%
<b>EPS (INR)</b>			
FY26	13.2	13.3	-0.6%
FY27	14.6	14.0	3.8%
FY28	15	14.6	3.7%

Source: JM Financial

**Exhibit 7. Valuation**

Terminal FCF (INR Mn)	10,581
Terminal Growth Rate	4.0%
WACC	13.1%
Terminal Value (INR Mn)	121,199
PV of Terminal Value (INR Mn)	42,632
PV of Cash Flow (INR Mn)	12,285
Enterprise Value (INR Mn)	54,917
Less: Net Debt (INR Mn)	-408
Equity Value from existing pipeline (INR Mn)	55,325
<b>Equity value from existing pipeline (INR/share)</b>	<b>100</b>
Add: Value of new pipeline (INR/share)	0
Add: Value of 27.5% stake in Sabarmati Gas @ 15x FY25 PAT (INR/share)	20
<b>Add: Value of 54.2% stake in Gujarat Gas at CMP less 20% holding discount (INR/share)</b>	<b>215</b>
<b>Total equity value (INR/share)</b>	<b>335</b>

Source: JM Financial, Company

If FY26 tariff changes by +/- 5% our FY26 EPS will change by +/- 5.4%. Similarly, if FY26 volume growth changes by +/- 5%, our FY26 EPS will change by +/- 3.9%.

**Exhibit 8. FY26 standalone EPS sensitivity to volume growth and tariff**

		FY26 volume growth (%)						
		-15%	-10%	-5%	Base case	5%	10%	15%
FY26 Tariff Change(%)	-15%	9.9	10.3	10.7	11.1	11.5	11.9	12.3
	-10%	10.5	10.9	11.4	11.8	12.2	12.7	13.1
	-5%	11.1	11.5	12.0	12.5	13.0	13.5	14.0
	Base case	11.7	12.2	12.7	13.2	13.7	14.3	14.8
	5%	12.3	12.8	13.4	13.9	14.5	15.0	15.6
	10%	12.9	13.5	14.1	14.6	15.2	15.8	16.4
	15%	13.5	14.1	14.7	15.4	16.0	16.6	17.2

Source: Company, JM Financial

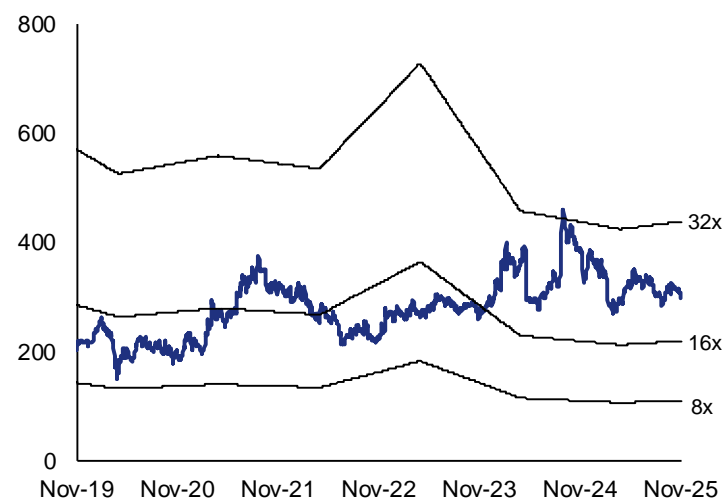
If FY26 tariff changes by +/-5% our valuation will change by +/- INR 11/share (or +/- 3.2%). Similarly, if FY26 volume growth changes by +/- 5%, our valuation will change by +/- INR 8/share (or +/- 2.4%).

**Exhibit 9. Valuation sensitivity to FY26 volume growth and tariff**

		FY26 volume growth (%)						
		-15%	-10%	-5%	Base case	5%	10%	15%
FY26 Tariff Change(%)	-15%	283	290	296	303	309	315	322
	-10%	293	300	307	313	320	327	334
	-5%	302	309	317	324	332	339	347
	Base case	311	319	327	335	343	351	359
	5%	320	329	337	346	355	363	372
	10%	329	339	348	357	366	375	384
	15%	339	348	358	368	377	387	397

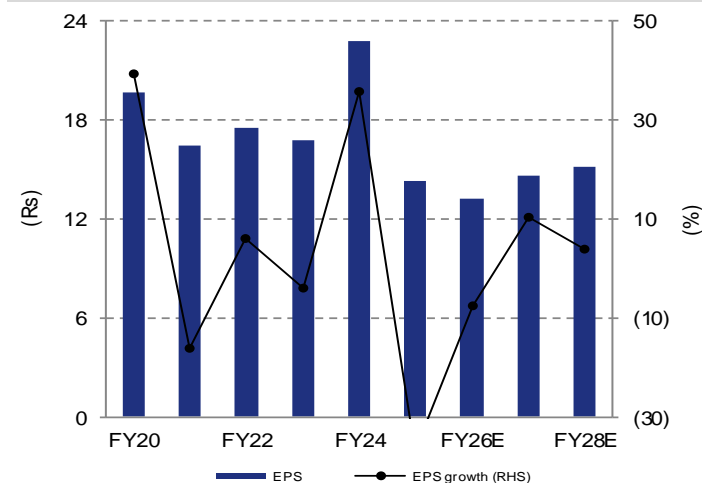
Source: Company, JM Financial

Exhibit 10. GSPL 1- year forward PE band



Source: JM Financial, Company

Exhibit 11. EPS vs. EPS Growth



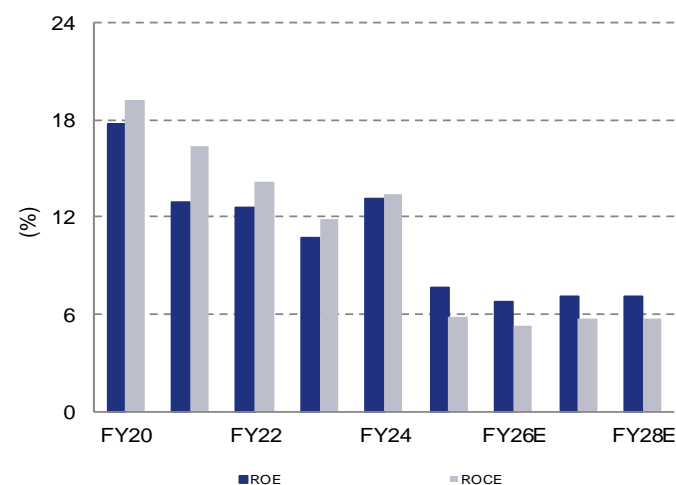
Source: JM Financial, Company

Exhibit 12. GSPL 1- year forward PB band



Source: JM Financial, Company

Exhibit 13. RoE vs. RoCE



Source: JM Financial, Company

Exhibit 14. Global gas companies' valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
<b>US Peers</b>															
Sempra Energy	17.5	17.8	16.8	19.4	20.3	18.1	1.8	1.6	1.6	38.8	41.7	42.3	9.7	9.1	9.3
Nisource	15.0	13.0	11.9	24.2	22.4	20.8	2.3	2.0	1.9	42.6	47.8	50.1	8.6	9.2	9.4
Atmos Energy	15.5	13.6	12.0	23.2	21.6	20.1	2.0	1.9	1.7	49.6	50.9	54.1	9.0	8.8	8.8
<b>US peers average</b>	<b>16.0</b>	<b>14.8</b>	<b>13.6</b>	<b>22.3</b>	<b>21.4</b>	<b>19.7</b>	<b>2.0</b>	<b>1.8</b>	<b>1.7</b>	<b>43.7</b>	<b>46.8</b>	<b>48.8</b>	<b>9.1</b>	<b>9.0</b>	<b>9.2</b>
<b>European Peers</b>															
Enagas	8.3	9.2	10.0	28.1	13.5	15.4	1.4	1.5	1.5	82.8	77.0	77.7	0.8	11.7	9.7
<b>European peers average</b>	<b>8.3</b>	<b>9.2</b>	<b>10.0</b>	<b>28.1</b>	<b>13.5</b>	<b>15.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>82.8</b>	<b>77.0</b>	<b>77.7</b>	<b>0.8</b>	<b>11.7</b>	<b>9.7</b>
<b>Asian peers</b>															
ENN Energy	7.1	7.3	6.9	10.3	10.6	9.8	1.5	1.4	1.3	10.7	10.8	11.0	15.1	14.0	14.1
Towngas China	9.6	9.6	9.0	8.8	8.6	8.1	0.6	0.6	0.5	15.8	15.4	15.9	6.4	6.9	7.0
Hong Kong & China Gas	16.1	15.8	15.1	21.8	22.2	21.3	2.3	2.4	2.4	21.3	22.2	22.5	10.3	10.6	11.1
China Resources Gas	6.4	8.1	7.7	8.7	12.4	11.5	1.1	1.1	1.1	13.2	10.7	10.9	12.1	9.1	9.4
China Gas Holdings	10.3	10.7	10.4	11.4	12.4	11.8	0.8	0.8	0.8	12.2	12.0	12.2	6.9	6.4	6.6
Beijing Enterprises	8.6	8.3	9.2	7.6	7.7	7.4	0.5	0.5	0.5	14.6	15.1	13.3	6.3	6.2	6.2
Korea Gas	8.5	8.7	8.7	4.0	4.9	4.3	0.4	0.3	0.3	11.2	11.7	12.1	9.5	7.2	7.7
Petronas Gas BHD	10.4	10.4	10.2	19.5	19.8	19.0	2.6	2.6	2.5	55.0	53.7	54.3	13.6	13.1	13.3
<b>IGL</b>	<b>13.5</b>	<b>11.7</b>	<b>10.5</b>	<b>17.8</b>	<b>17.8</b>	<b>16.1</b>	<b>3.1</b>	<b>2.9</b>	<b>2.6</b>	<b>13.2</b>	<b>13.8</b>	<b>14.1</b>	<b>16.2</b>	<b>16.8</b>	<b>16.8</b>
<b>IGL</b>	<b>7.7</b>	<b>7.3</b>	<b>6.7</b>	<b>12.2</b>	<b>12.4</b>	<b>11.7</b>	<b>2.2</b>	<b>1.9</b>	<b>1.7</b>	<b>22.0</b>	<b>19.7</b>	<b>19.3</b>	<b>18.6</b>	<b>16.2</b>	<b>15.5</b>
Gujarat Gas	14.8	14.3	12.4	24.5	23.7	20.3	3.3	3.1	2.8	11.6	12.0	12.5	14.1	13.4	14.4
Petronet LNG	6.5	6.3	5.5	11.0	10.9	9.9	2.2	2.0	1.7	10.2	11.1	11.7	20.7	18.9	18.5
GAIL	9.5	10.1	8.7	12.2	13.6	11.8	1.7	1.6	1.5	10.9	9.9	10.9	14.9	12.0	12.9
<b>GSPL</b>	<b>18.5</b>	<b>18.8</b>	<b>17.6</b>	<b>21.2</b>	<b>20.7</b>	<b>20.1</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>72.8</b>	<b>72.5</b>	<b>35.1</b>	<b>7.7</b>	<b>6.9</b>	<b>7.1</b>
<b>Asian peers average</b>	<b>10.5</b>	<b>10.5</b>	<b>9.9</b>	<b>13.6</b>	<b>14.1</b>	<b>13.1</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>21.0</b>	<b>20.8</b>	<b>18.3</b>	<b>12.3</b>	<b>11.3</b>	<b>11.5</b>
<b>Global peers average</b>	<b>11.3</b>	<b>11.2</b>	<b>10.5</b>	<b>15.9</b>	<b>15.3</b>	<b>14.3</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>28.2</b>	<b>28.2</b>	<b>26.7</b>	<b>11.1</b>	<b>10.9</b>	<b>11.0</b>
<b>Global peers median</b>	<b>9.9</b>	<b>10.3</b>	<b>10.1</b>	<b>15.0</b>	<b>13.5</b>	<b>13.6</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>	<b>15.2</b>	<b>15.3</b>	<b>15.0</b>	<b>10.0</b>	<b>9.9</b>	<b>9.6</b>

Source: Bloomberg, JM Financial

## Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	20,315	11,108	11,112	11,863	12,795
Sales Growth	15.3%	-45.3%	0.0%	6.8%	7.9%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>20,315</b>	<b>11,108</b>	<b>11,112</b>	<b>11,863</b>	<b>12,795</b>
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	803	868	0	0	0
Other Expenses	1,728	1,131	0	0	0
<b>EBITDA</b>	<b>15,041</b>	<b>8,112</b>	<b>7,945</b>	<b>8,488</b>	<b>9,161</b>
EBITDA Margin	74.0%	73.0%	71.5%	71.5%	71.6%
EBITDA Growth	19.5%	-46.1%	-2.1%	6.8%	7.9%
Depn. & Amort.	1,920	2,035	2,100	1,901	2,300
EBIT	13,121	6,077	5,845	6,587	6,861
Other Income	3,351	4,041	4,103	4,383	4,540
Finance Cost	49	85	0	0	0
PBT before Excep. & Forex	16,422	10,033	9,947	10,970	11,401
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	16,422	10,033	9,947	10,970	11,401
Taxes	3,576	1,957	2,487	2,743	2,850
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	12,846	8,076	7,460	8,228	8,551
<b>Adjusted Net Profit</b>	<b>12,846</b>	<b>8,076</b>	<b>7,460</b>	<b>8,228</b>	<b>8,551</b>
Net Margin	63.2%	72.7%	67.1%	69.4%	66.8%
Diluted Share Cap. (mn)	564.2	564.2	564.2	564.2	564.2
<b>Diluted EPS (INR)</b>	<b>22.8</b>	<b>14.3</b>	<b>13.2</b>	<b>14.6</b>	<b>15.2</b>
Diluted EPS Growth	35.9%	-37.1%	-7.6%	10.3%	3.9%
Total Dividend + Tax	2,821	2,821	2,606	2,874	2,987
Dividend Per Share (INR)	5.0	5.0	4.6	5.1	5.3

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	16,422	10,033	9,947	10,970	11,401
Depn. & Amort.	1,920	2,035	2,100	1,901	2,300
Net Interest Exp. / Inc. (-)	-3,155	-3,782	-4,102	-4,383	-4,540
Inc (-) / Dec in WCap.	109	3,117	-256	-462	-522
Others	-37	-38	0	0	0
Taxes Paid	-3,534	-1,979	-2,487	-2,743	-2,850
<b>Operating Cash Flow</b>	<b>11,724</b>	<b>9,385</b>	<b>5,202</b>	<b>5,283</b>	<b>5,789</b>
Capex	-4,164	-2,242	-750	-2,500	-10,000
Free Cash Flow	7,561	7,143	4,452	2,783	-4,211
Inc (-) / Dec in Investments	-1,660	-7,581	16,229	-2,803	-2,943
Others	-4,332	3,608	4,103	4,383	4,540
<b>Investing Cash Flow</b>	<b>-10,156</b>	<b>-6,214</b>	<b>19,581</b>	<b>-920</b>	<b>-8,403</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-2,843	-2,844	-2,606	-2,874	-2,987
Inc / Dec (-) in Loans	0	0	335	351	369
Others	0	0	0	0	0
<b>Financing Cash Flow</b>	<b>-2,843</b>	<b>-2,844</b>	<b>-2,271</b>	<b>-2,523</b>	<b>-2,618</b>
<b>Inc / Dec (-) in Cash</b>	<b>-1,274</b>	<b>327</b>	<b>22,513</b>	<b>1,841</b>	<b>-5,232</b>
Opening Cash Balance	1,357	83	409	22,922	24,763
Closing Cash Balance	83	409	22,922	24,763	19,531

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,02,701	1,07,833	1,12,687	1,18,041	1,23,605
Share Capital	5,642	5,642	5,642	5,642	5,642
Reserves & Surplus	97,059	1,02,191	1,07,045	1,12,399	1,17,963
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1	1	1	1	1
Def. Tax Liab. / Assets (-)	4,159	4,324	4,324	4,324	4,324
<b>Total - Equity &amp; Liab.</b>	<b>1,06,861</b>	<b>1,12,158</b>	<b>1,17,013</b>	<b>1,22,366</b>	<b>1,27,930</b>
Net Fixed Assets	37,971	38,470	37,119	37,719	45,418
Gross Fixed Assets	47,296	54,554	52,554	47,554	57,554
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	16,943	18,907	21,007	22,908	25,208
Capital WIP	7,618	2,822	5,572	13,072	13,072
Investments	57,949	72,286	56,057	58,860	61,803
Current Assets	14,889	9,169	31,938	34,294	29,651
Inventories	2,108	2,571	2,572	2,745	2,961
Sundry Debtors	1,412	1,096	1,097	1,171	1,263
Cash & Bank Balances	83	409	22,922	24,763	19,531
Loans & Advances	206	245	257	270	283
Other Current Assets	11,079	4,848	5,091	5,345	5,613
Current Liab. & Prov.	3,948	7,767	8,102	8,507	8,942
Current Liabilities	375	791	791	844	911
Provisions & Others	3,572	6,976	7,311	7,662	8,031
Net Current Assets	10,941	1,403	23,836	25,788	20,709
<b>Total - Assets</b>	<b>1,06,861</b>	<b>1,12,158</b>	<b>1,17,013</b>	<b>1,22,367</b>	<b>1,27,931</b>

Source: Company, JM Financial

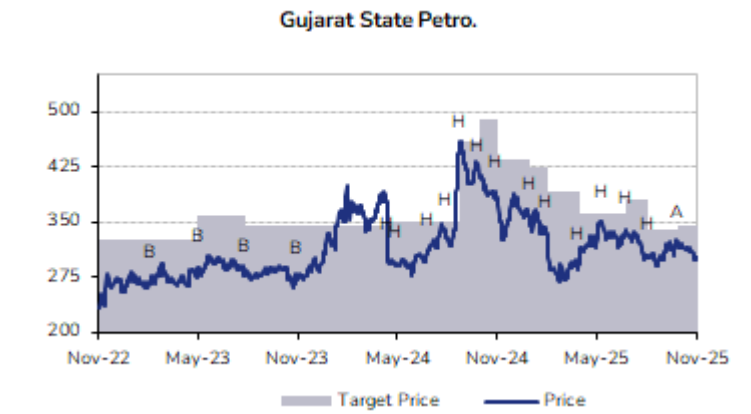
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	63.2%	72.7%	67.1%	69.4%	66.8%
Asset Turnover (x)	0.2	0.1	0.1	0.1	0.1
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	13.1%	7.7%	6.8%	7.1%	7.1%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	182.0	191.1	199.7	209.2	219.1
ROIC	26.1%	12.3%	12.7%	14.5%	13.4%
ROE	13.1%	7.7%	6.8%	7.1%	7.1%
Net Debt/Equity (x)	-0.6	-0.7	-0.7	-0.7	-0.7
P/E (x)	13.2	21.0	22.8	20.6	19.9
P/B (x)	1.7	1.6	1.5	1.4	1.4
EV/EBITDA (x)	7.4	12.0	11.4	10.1	9.7
EV/Sales (x)	5.5	8.7	8.2	7.3	6.9
Debtor days	25	36	36	36	36
Inventory days	38	84	84	84	84
Creditor days	26	96	91	91	91

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
4-Aug-22	Buy	300	
10-Nov-22	Buy	325	8.4
13-Feb-23	Buy	325	0.1
11-May-23	Buy	360	10.5
4-Aug-23	Buy	345	-4.1
6-Nov-23	Buy	345	0.2
22-Apr-24	Hold	350	1.2
8-May-24	Hold	350	0.1
7-Jul-24	Hold	350	0.1
8-Aug-24	Hold	350	0.0
1-Sep-24	Hold	460	31.5
7-Oct-24	Hold	490	6.4
7-Nov-24	Hold	435	-11.1
7-Jan-25	Hold	425	-2.4
8-Feb-25	Hold	390	-8.3
8-Apr-25	Hold	360	-7.6
22-May-25	Hold	360	-0.1
3-Jul-25	Hold	380	5.6
12-Aug-25	Hold	340	-10.6
6-Oct-25	Add	345	1.5

## Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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