

PLNG reported Q1FY26 standalone adjusted EBITDA/APAT of Rs13.0/9.5bn – beating our estimates by 10%/12%, owing to better-than-expected volume. Dahej utilization in Q1 improved QoQ to 93% (6% beat), while Kochi was weaker at 21%, albeit higher than our estimate by 2%. There were no spot volumes at either terminal in Q1FY26. Dahej capacity expansion is slightly delayed due to the monsoons and geopolitical turmoil, and is now expected by CY25-end; on the other hand, petchem and jetty projects are advancing as scheduled. The Board has given in-principle approval for a 5mmtpa land-based terminal in Gopalpur, with Rs63.5bn capex and an estimated construction timeline of over three years. The management remains upbeat about India's gas outlook, and significant liquefaction capacities globally would lead to attractive spot pricing in the medium term. We cut FY26E/27E EPS by 4%/3% on lower volume assumptions. We retain BUY with unchanged TP of Rs390.

Result highlights

Service volume at Dahej rose 15% QoQ to 102tbtu, while the long-term volume rose 6% QoQ to 105tbtu. Total volume was down 16% YoY/up 7% QoQ to 220tbtu (at an 8% beat). Inventory gain was Rs420mn, while Regas service income was Rs6.4bn. Employee cost was up 10% YoY/36% QoQ, to Rs635mn, while other expenditure declined 3%/17% to Rs1.31bn (25% below estimate). EBITDA/mmbtu was down 12% YoY/5% QoQ as there were no trading margins. Other income rose 11% YoY to Rs2.4bn (6% beat). Share of profit from JVs was Rs174mn vs Rs47mn YoY. UoP provision of Rs1.4bn was made in Q1FY26, with total time-based provision at Rs6.1bn, as of Q1FY26-end. Total outstanding UoP receivables stood at Rs14.22bn (Rs6.9/6.1/11.7bn pertaining to CY22/23/24).

Management KTAs

Domestic gas demand is expected to grow 6-7%, with LNG consumption potentially doubling by CY30. Around 180mmtpa of global LNG capacity is scheduled to come online in the next 3-4 years and could ease prices. Demand remains strong with firm throughput and long-term LNG prices remain affordable, supporting volume growth. The Kochi-Bengaluru pipeline should be ready by FY26-end. Offtaker discussions are ongoing for Gopalpur, though the company would proceed with the project simultaneously, targeting 20% initial utilization, gradually ramping it up to 80-90%. It is located ~35km from GAIL's Srikakulam-Angul trunk pipeline. Dahej expansion completion target is now CY25-end, with stable capacity from Q1CY26. The Gorgon Phase II 15-year contract (1.2mmtpa) is expected to commence by FY26-end, starting with 0.5mmtpa for two years before full ramp-up. PLNG strategically aims for Rs1trn turnover and Rs100bn PAT, with Rs400bn capex over five years. While ambitious, it targets at least 50-60% revenue growth (vs current run rate) and Rs300bn of capex. FY26 capex is pegged at Rs50bn.

Valuation

We value PLNG using DCF analysis. Our TP implies ~13.5x Mar-27E target P/E. **Key risks:** adverse petroleum/gas prices, competition, project delays, capital misallocation.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.6

Stock Data	PLNG IN
52-week High (Rs)	385
52-week Low (Rs)	270
Shares outstanding (mn)	1,500.0
Market-cap (Rs bn)	452
Market-cap (USD mn)	5,217
Net-debt, FY26E (Rs mn)	(87,900.5)
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	807.3
ADTV-3M (USD mn)	9.3
Free float (%)	50.0
Nifty-50	24,680.9
INR/USD	86.7

Shareholding, Jun-25

Promoters (%)	50.0
FPIs/MFs (%)	29.0/10.9

Price Performance

(%)	1M	3M	12M
Absolute	(0.3)	(2.9)	(19.1)
Rel. to Nifty	3.5	(4.3)	(18.6)

1-Year share price trend (Rs)



Petronet LNG: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	521,184	508,623	529,463	564,227	598,715
EBITDA	48,602	57,017	56,304	61,378	67,564
Adj. PAT	32,788	40,585	40,341	43,188	48,309
Adj. EPS (Rs)	21.9	27.1	26.9	28.8	32.2
EBITDA margin (%)	9.3	11.2	10.6	10.9	11.3
EBITDA growth (%)	18.8	17.3	(1.3)	9.0	10.1
Adj. EPS growth (%)	25.7	23.8	(0.6)	7.1	11.9
RoE (%)	22.2	21.6	19.6	18.7	18.7
RoIC (%)	35.1	46.0	39.8	38.6	40.8
P/E (x)	12.8	11.5	11.2	10.5	9.4
EV/EBITDA (x)	7.4	6.1	6.5	6.0	5.2
P/B (x)	2.7	2.3	2.1	1.9	1.7
FCFF yield (%)	11.1	8.5	6.1	6.6	9.8

Source: Company, Emkay Research

Sabri Hazarika

sabri.hazarika@emkayglobal.com
+91-22-66121282

Arya Patel

arya.patel@emkayglobal.com
+91-22-66121285

Exhibit 1: Actual vs Estimates (Q1FY26)

Rs mn	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	118,799	113,942	123,137	4%	-4%	
Adjusted EBITDA	12,981	11,826	12,497	10%	4%	Better than expected volumes
EBITDA margin	10.9%	10.4%	10.1%	55bps	78bps	
Adjusted Net Profit	9,542	8,555	8,951	12%	7%	Higher than expected other income

Source: Company, Emkay Research

Exhibit 2: Quarterly Summary

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY	QoQ	FY24	FY25	YoY
Net sales	125,641	122,908	113,869	117,268	112,039	-11%	-4%	495,064	479,686	-3%
Regas service income [^]	8,510	7,310	7,227	5,890	6,760	-21%	15%	26,120	28,937	11%
Total revenue	134,151	130,218	121,096	123,158	118,799	-11%	-4%	521,184	508,623	-2%
Raw material cost	114,666	114,371	105,626	108,316	103,869	-9%	-4%	464,641	442,979	-5%
Employee cost	577	520	629	467	635	10%	36%	1,917	2,194	14%
Other expenses	1,360	1,480	2,012	1,582	1,313	-3%	-17%	5,457	6,434	18%
Total expenditure	116,603	116,371	108,267	110,365	105,817	-9%	-4%	472,015	451,606	-4%
EBITDA	17,548	13,847	12,829	12,793	12,981	-26%	1%	49,169	57,017	16%
Depreciation	1,946	1,963	2,096	2,058	2,070	6%	1%	7,766	8,062	4%
EBIT	15,602	11,885	10,733	10,735	10,912	-30%	2%	41,404	48,955	18%
Interest cost	667	654	651	609	590	-12%	-3%	2,897	2,580	-11%
Other income	2,181	2,016	1,961	1,995	2,423	11%	21%	6,167	8,153	32%
PBT before exceptional	17,117	13,246	12,043	12,122	12,745	-26%	5%	44,674	54,528	22%
Exceptional items	-1,918	-1,842	-352	2,337	-1,384			2,896	-1,776	
PBT	15,199	11,404	11,691	14,458	11,361	-25%	-21%	47,570	52,752	11%
Current tax	4,160	3,330	3,170	3,031	3,150	-24%	4%	13,040	13,691	5%
Deferred tax	-377	-403	-149	726	-295			-832	-203	
Total tax	3,783	2,928	3,021	3,757	2,855	-25%	-24%	12,208	13,488	10%
Reported PAT	11,416	8,476	8,670	10,702	8,506	-25%	-21%	35,362	39,264	11%
Reported EPS (Rs)	7.6	5.7	5.8	7.1	5.7	-25%	-21%	23.6	26.2	11%
Adjusted PAT	12,856	9,846	8,931	8,972	9,542	-26%	6%	33,199	40,605	22%
Adjusted EPS (Rs)	8.6	6.6	6.0	6.0	6.4	-26%	6%	22.1	27.1	22%
Shares O/S (mn)	1,500	1,500	1,500	1,500	1,500	0%	0%	1,500	1,500	0%
EBITDA margin	13%	11%	11%	10%	11%			9%	11%	
NPM	9%	7%	7%	9%	7%			7%	8%	
Effective tax rate	25%	26%	26%	26%	25%			26%	26%	
Dahej Utilization*	112%	101%	95%	86%	93%			97%	99%	
Dahej Volumes (mmt)	4.9	4.4	4.2	3.7	4.1	-17%	10%	17.0	17.2	1%
Long Term (tbtu)	97	96	96	99	105	8%	6%	403	388	-4%
3rd Party Regas (tbtu)	144	123	114	89	102	-29%	15%	443	470	6%
Spot LNG (tbtu)	7	6	3	1	-	-100%	-100%	18	17	-6%
Kochi Utilization*	22%	22%	23%	26%	21%			22%	23%	
Kochi Volumes (mmt)	0.3	0.3	0.3	0.3	0.3	-7%	-19%	1.1	1.2	7%
Long Term (tbtu)	14	14	15	15	13	-7%	-13%	55	58	5%
3rd Party Regas (tbtu)	-	-	-	-	-			-	-	
Spot LNG (tbtu)	-	-	-	1	-			-	1	0%
Total Volumes (tbtu)	262	239	228	205	220	-16%	7%	919	934	2%
Reload Vol (tbtu)	-	-	-	-	-			-	-	
Regas Tariff (Rs/mmbtu)										
Dahej	62.9	62.9	62.9	66.0	66.0	5%	0%	60.6	63.7	5%
Kochi	89.3	89.3	89.3	89.3	93.8	5%	5%	85.1	89.3	5%
Services Regas Tariff (Rs/mmbtu) [^]	59.1	59.4	63.4	66.2	66.3	12%	0%	59.0	62.0	5%
Calculated MM (USD/mmbtu)	7.1	3.6	6.2	10.6	-			2.7	6.1	130%
EBITDA/mmbtu (Rs)	67.0	57.9	56.3	62.4	59.0	-12%	-5%	53.5	61.0	14%
Average realization (USD/mmbtu)	12.8	12.6	11.8	11.7	11.1	-13%	-5%	12.5	12.2	-3%

Source: Company, Emkay Research; Note: i) [^]Not reported in the results release; ii) Some numbers may not fully match those in the annual tables due to a different adjustment method in Emkay's detailed annual model, averaging discrepancies, and past revisions; iii) Use-or-Pay (UoP) income has been classified as exceptional; iv) *Due to conversion differences, the management reported that utilization differs by a couple of percentage points, though actual volume is as is

Concall Highlights

- PLNG delivered a strong operational performance in Q1FY26, with Dahej terminal processing 207tbtu—up 10% QoQ—while total volumes stood at 220tbtu, marking a 7% QoQ rise. The sequential improvement in throughput was driven by stable LNG prices, efficient operations, and higher utilization levels. However, on a YoY basis, volumes were lower in the quarter due to muted demand from the power and fertilizer sectors. However, Indian gas demand has remained quite stable.
- PLNG's term contracts are largely oil-linked, and with crude prices staying subdued in the USD65–70/bbl range, there is limited risk from geopolitical tensions and spike in spot LNG prices. While spot LNG prices have seen volatility, the market has largely stabilized. Though spot remains costlier than alternate fuels, it is still below historical levels.
- PLNG does not anticipate significant competition from other LNG terminals, even with Dabhol now operational year-round. The Indian gas market is resilient and continues to expand steadily, offering sufficient demand for all terminals. Dahej remains the preferred terminal due to its robust pipeline connectivity, storage infrastructure, and strategic positioning, limiting any major impact from new capacities or expansions elsewhere.
- Demand has shown improvement in the current quarter, with throughput remaining firm. Long-term contract prices have stayed affordable, supporting growth in long-term volumes. However, there is a price gap between long-term and spot LNG and this is likely to persist in the near term. From next year onward, with incremental global LNG supply expected to come online, spot prices should soften, which in turn could further stimulate demand.
- Apart from Dahej, no other LNG terminal in India is operating above 50% utilization. However, gas consumption is projected to grow at 6–7% annually, thereby supporting utilization. Over the next 3–4 years, ~180mtpa of global LNG capacity is expected to come online, with India and China emerging key demand centres as markets like Europe and Japan have matured. This influx is likely to make gas prices more affordable, supporting a potential doubling of India's LNG consumption by 2030. Additionally, upcoming pipeline infrastructure is expected to unlock new demand centres across the country.
- Kochi terminal utilization remained subdued, which is a normal phenomenon in Q1. In the quarter, FACT underwent a planned shutdown for 1–1.5 months, impacting volumes by ~0.5–1mmscmd. A similar shutdown occurred in Q1 last year as well. Utilization at Kochi is expected to improve significantly once pipeline connectivity is established, targeted by CY25-end or latest by FY26-end. BPCL is the key offtaker at Kochi, using gas for its refinery and for downstream customers, while GAIL and IOCL also lift volumes for supplying to fertilizer and refinery sectors.
- The Gorgon Phase II contract is expected to commence by FY26-end. The 15-year contract is for 1.2mtpa, starting with 0.5mtpa for the initial two years, and ramping up to full capacity thereafter. Combined with the existing Gorgon contract (1.4mtpa), Kochi will have 2.63mtpa tied up under long-term contracts.
- The board has granted an in-principle approval to set up a 5mtpa land-based terminal at Gopalpur, with a capex of Rs63.5bn. The project is expected to be completed within three years from the date of receiving EC, anticipated in a couple of months—targeting commissioning by CY28–29. The company aims to start operations with ~20% utilization, gradually ramping up to ~80–90% over time.
- Discussions are underway with potential offtakers for the Gopalpur terminal. GAIL, IOCL, and BPCL expected to be the key buyers. However, PLNG does not intend to delay construction while awaiting finalization of offtake agreements. The company plans to progress on both construction and offtake negotiations in parallel to ensure timely commissioning.
- The Gopalpur terminal is located ~35kms from GAIL's Srikakulam–Angul trunk pipeline. Once the connecting spur pipeline is laid, offtake is unlikely to be a constraint. With linkage to the national gas grid, the terminal will have the ability to serve eastern and northern states such as Bihar, Jharkhand, and West Bengal, while the upcoming North-East gas grid will help cater to the northeastern region. In the south, the terminal can supply gas to key industrial consumers including refineries and large steel/aluminium plants.

- PLNG expects Gopalpur to become the 'next Dahej', supported by multiple upcoming pipelines in the eastern region. As gas infrastructure, including the north-east gas grid, expands, demand in eastern India is expected to rise significantly, mirroring the strong growth already witnessed in the west. PLNG is positioning itself to meet this growing demand, while also contributing to India's energy security by diversifying terminal presence across regions. Pipeline hydraulics would also mean one terminal cannot service the length and breadth of country.
- PLNG is not much concerned about competition on the eastern side as the company has inherent advantage of handling Regas terminal for so many years. The company also has the flexibility to offer cargo-swapping arrangements between the western and eastern coasts. Additionally, the presence of several industrial units in the vicinity of Gopalpur will further support the terminal's offtake and utilization levels.
- The company has decided to shift from an FSRU to a land-based terminal due to the significant rise in FSRU costs. Additionally, lower opex associated with land-based terminal makes it a more prudent and cost-effective long-term option.
- Dahej terminal's capacity expansion has seen slight delays, primarily due to monsoon-related disruptions and heightened security concerns amid geopolitical tensions (Indo-Pak war). However, completion is now targeted by CY25-end and stable expanded capacity available from Q1CY26. Jetty construction remains on track and is scheduled for completion by 2027 and will handle LNG along with ethane and propane.
- The petchem project is progressing well and remains on schedule. Out of the required ~11 LLIs and 13 work packages, tenders have been floated for all except a few where timing considerations are being evaluated. Some LLIs have already been awarded. As of Q1FY26-end, the company has incurred a capex of Rs5bn on the project.
- The company has outlined a capex plan of Rs300bn, with the bulk allocated to the petchem project. FY26 capex is pegged at Rs50bn, to be spent across: the third jetty, the petchem project, Rs3bn for the Gopalpur terminal, ~Rs1bn for the new corporate office at Nawroji Nagar, ~Rs1bn for CBG plants (mandated by the ministry with a target of 25 plants), and allocations for small-scale LNG and LNG bunkering at Kochi. FY27 capex is expected to be higher than FY26 levels, and to fund this, the company has floated an RFP for a rupee term loan of ~Rs120bn.
- The recently signed long-term LNG deal with Qatar is structured on the assurance that GAIL, IOCL, and BPCL will lift volumes in a predetermined ratio. Downstream agreements are currently being finalized, with offtakers trying to find optimal agreements. Same should be announced in few quarters, if not earlier.
- The regasification contract with Deepak Fertilizers is for a minimum of 0.5mmtpa, with the option to scale up by 20% based on demand. The Regas tariff under this contract is in line with other long-term agreements while volume upside to 0.6-0.65mmtpa is possible (20% upside).
- UoP dues are recognized as revenue as per contractual terms. However, in line with prudent accounting practices, the company makes a time-based provision (20%/30%/50% in Y1/2/3) — fully provisioning amounts outstanding for over three years. This is purely an accounting adjustment and does not impact cash flows. The company remains confident of recovering the dues, either in cash or through additional volumes. Notably, all UoP dues (Rs3.6bn) for CY21 have already been received.
- Inventory gain in Q1 was Rs420mn while Regas service income was Rs6.43bn. No trading margin was there.

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

Analyst Meet Key Takeaways

- The petchem unit would have Rs1bn of annual savings from harnessing cold energy, thereby being more competitive to peers. There are capex savings also as such utilities are not there. It has already tied up 0.25mmtpa of propylene sales to Deepak Phenolics. Plant is located at the heart of the industrial area (Dahej). It would also set up a product lab for innovation and marketing efforts.
- The third jetty would have more capacity than OPA’s requirement of ethane and would be open for third parties. PLNG can procure ethane for other parties also. However, 22.5mmtpa expanded capacity can be done by two jetties itself and the third is like a backup and provides flexibility during turnaround of existing jetties, etc. Propane would also be imported for third parties. Discussions are on to make PLNG an aggregator.
- PLNG’s strategic plan is to achieve Rs1trn turnover and Rs100bn PAT, with a Rs400bn capex in five years. While this is an aggressive target, it wants to stretch but expects to make at least 50-60% higher revenues versus current run rate and Rs300bn of capex. In CBG, the first five plants would come in 18 months, while 25 more thereafter. It costs Rs0.8-1bn per plant while SS-LNG stations cost Rs100mn per unit with machinery and equipment, which PLNG has supplied for the first four stations set up with IOCL. Additional land for future plants can cost Rs10-20mn more.
- PLNG’s Dahej tariffs are most competitive and all terminals in the country are pegged to it. Hence, if there is tariff reduction, going ahead, they will suffer more and may not be able to survive. PLNG would charge the best tariff for various customers, which is in its interest, going ahead. The tariff related discussions wrt QatarGas renewal should complete in few quarters but volume commitment is already done by offtakers.
- UFT would neutralize transport cost, but geographical diversification is required. So that if for one company, a unit is down (like IOCL Koyali), gas can be sent elsewhere (east coast to Paradip refinery). Hydraulic management is also there.
- PLNG’s new capacities would be absorbed in due course and PLNG aims to do some spot business also. Dahej can store 8 days of LNG demand while 8 tanks provide high flexibility as most other terminals have 2 tanks. 1 tank is equivalent to 1 LNG shipment. Gorgon II volumes would come to Dahej only mostly initially.
- LNG deals are driven by G2G relations. Truck loading is done in both Dahej and Kochi with 40-50 per day and 20 per day respectively. The UoP recovery mechanism for CY22 and CY23 is also approved while CY24 dues were not much. Current LNG volumes are good.

Exhibit 3: Change in assumptions

	FY26E			FY27E			FY28E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
EBITDA/mmbtu (Rs)	58.6	58.1	-1%	59.1	58.3	-1%	60.5
Blended Regas Tariff (Rs/mmbtu)	72.8	72.8	0%	69.9	70.0	0%	73.2
Volumes (mmt)	19.5	18.7	-4%	20.6	20.3	-1%	21.6
Growth	8%	4%	-413bps	6%	9%	284bps	6%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY26E			FY27E			FY28E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	545.3	529.5	-3%	579.2	564.2	-3%	598.7
EBITDA	59.0	56.3	-5%	63.0	61.4	-3%	67.6
EBITDA margin	10.8%	10.6%	-18bps	10.9%	10.9%	1bps	11.3%
PAT	41.9	40.3	-4%	44.4	43.2	-3%	48.3
EPS (Rs)	27.9	26.9	-4%	29.6	28.8	-3%	32.2

Source: Company, Emkay Research

Valuation

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

DCF assumptions	Mar-27E (Rs mn)	
Risk Free Rate	7.0% NPV Of FCF (Mar-27E-Mar-38E)	326,453
Risk Premium	5.3% Terminal Value	599,357
Beta	0.66 PV of TV	181,754
Cost Of Equity	10.5% Total Value	508,207
Cost Of Debt	9.0% Less: Adjusted Net Debt (Y/E)	-76,069
Post Tax Cost Of Debt	6.7% Equity Value	584,276
Average Debt:Equity Ratio	0.0% No of Shares O/S (mn)	1,500
WACC	10.5% Target Price (Rs)	390
Terminal Growth Rate	0.0%	

Source: Company, Emkay Research

Exhibit 6: P/E-based valuation (Mar-27E)

	FY22	FY23	FY24	FY25	FY26E	FY27E
EPS (Rs)	20.3	17.4	21.9	27.1	26.9	28.8
Implied Target Multiple (x)						13.5
DCF-Target Price (Rs)						390

Source: Company, Emkay Research

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

Petronet LNG: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	521,184	508,623	529,463	564,227	598,715
Revenue growth (%)	(11.7)	(2.4)	4.1	6.6	6.1
EBITDA	48,602	57,017	56,304	61,378	67,564
EBITDA growth (%)	18.8	17.3	(1.3)	9.0	10.1
Depreciation & Amortization	7,766	8,062	8,824	10,699	11,531
EBIT	40,836	48,955	47,480	50,679	56,034
EBIT growth (%)	22.8	19.9	(3.0)	6.7	10.6
Other operating income	-	-	-	-	-
Other income	6,167	8,153	9,040	10,248	12,123
Financial expense	2,897	2,580	2,589	3,189	3,572
PBT	44,107	54,528	53,932	57,737	64,585
Extraordinary items	3,463	(1,776)	0	0	0
Taxes	12,208	13,488	13,591	14,550	16,275
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	35,362	39,264	40,341	43,188	48,309
PAT growth (%)	9.1	11.0	2.7	7.1	11.9
Adjusted PAT	32,788	40,585	40,341	43,188	48,309
Diluted EPS (Rs)	21.9	27.1	26.9	28.8	32.2
Diluted EPS growth (%)	25.7	23.8	(0.6)	7.1	11.9
DPS (Rs)	10.0	10.0	10.8	11.5	12.9
Dividend payout (%)	42.4	38.2	40.0	40.0	40.0
EBITDA margin (%)	9.3	11.2	10.6	10.9	11.3
EBIT margin (%)	7.8	9.6	9.0	9.0	9.4
Effective tax rate (%)	27.7	24.7	25.2	25.2	25.2
NOPLAT (pre-IndAS)	29,533	36,845	35,515	37,908	41,913
Shares outstanding (mn)	1,500	1,500	1,500	1,500	1,500

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	37,940	46,374	44,891	47,490	52,462
Others (non-cash items)	9,688	7,982	0	0	0
Taxes paid	(12,373)	(13,383)	(13,796)	(14,757)	(16,275)
Change in NWC	5,654	(1,730)	(431)	(1,437)	(2,008)
Operating cash flow	48,725	43,977	42,077	45,184	49,281
Capital expenditure	(8,408)	(14,568)	(20,000)	(21,000)	(15,000)
Acquisition of business	(16,537)	(13,300)	(28,960)	(15,720)	(7,860)
Interest & dividend income	5,107	5,995	9,040	10,248	12,123
Investing cash flow	(9,884)	(5,569)	(40,060)	(26,613)	(10,880)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	0	(6,421)	11,300	11,800	8,300
Payment of lease liabilities	(6,429)	0	0	0	0
Interest paid	(116)	(96)	(2,589)	(3,189)	(3,572)
Dividend paid (incl tax)	(15,000)	(15,000)	(16,136)	(17,275)	(19,324)
Others	0	0	0	0	0
Financing cash flow	(21,545)	(21,516)	(7,425)	(8,664)	(14,595)
Net chg in Cash	17,297	16,892	(5,408)	9,906	23,806
OCF	48,725	43,977	42,077	45,184	49,281
Adj. OCF (w/o NWC chg.)	43,071	45,707	42,508	46,621	51,289
FCFF	40,317	29,409	22,077	24,184	34,281
FCFE	42,527	32,824	28,528	31,242	42,833
OCF/EBITDA (%)	100.3	77.1	74.7	73.6	72.9
FCFE/PAT (%)	120.3	83.6	70.7	72.3	88.7
FCFF/NOPLAT (%)	136.5	79.8	62.2	63.8	81.8

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	15,000	15,000	15,000	15,000	15,000
Reserves & Surplus	154,628	178,824	203,028	228,941	257,927
Net worth	169,628	193,824	218,028	243,941	272,927
Minority interests	-	-	-	-	-
Non-current liab. & prov.	6,172	5,938	5,733	5,526	5,526
Total debt	0	0	11,800	24,100	32,900
Total liabilities & equity	212,329	231,384	266,949	304,723	342,280
Net tangible fixed assets	61,517	68,407	81,583	84,675	87,063
Net intangible assets	24	24	24	24	24
Net ROU assets	19,929	19,929	19,929	19,929	19,929
Capital WIP	15,524	16,418	14,418	21,627	22,708
Goodwill	-	-	-	-	-
Investments [JV/Associates]	1,748	1,810	30,770	46,490	54,350
Cash & equivalents	90,762	104,969	99,701	109,748	133,697
Current Liab. (ex-cash)	54,096	50,553	52,844	56,552	60,761
Current Liab. & Prov.	38,430	36,625	38,415	40,742	42,996
NWC (ex-cash)	16,367	13,927	14,429	15,810	17,766
Total assets	212,329	231,384	266,949	304,723	342,280
Net debt	(90,062)	(104,969)	(87,901)	(85,648)	(100,797)
Capital employed	212,329	231,384	266,949	304,723	342,280
Invested capital	77,908	82,358	96,037	100,509	104,852
BVPS (Rs)	113.1	129.2	145.4	162.6	182.0
Net Debt/Equity (x)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)
Net Debt/EBITDA (x)	(1.9)	(1.8)	(1.6)	(1.4)	(1.5)
Interest coverage (x)	16.2	22.1	21.8	19.1	19.1
RoCE (%)	29.5	31.4	26.7	24.5	23.8

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	12.8	11.5	11.2	10.5	9.4
P/CE(x)	10.5	9.6	9.2	8.4	7.6
P/B (x)	2.7	2.3	2.1	1.9	1.7
EV/Sales (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x)	7.4	6.1	6.5	6.0	5.2
EV/EBIT(x)	8.9	7.1	7.7	7.2	6.3
EV/IC (x)	4.6	4.2	3.8	3.6	3.4
FCFF yield (%)	11.1	8.5	6.1	6.6	9.8
FCFE yield (%)	9.4	7.3	6.3	6.9	9.5
Dividend yield (%)	3.3	3.3	3.6	3.8	4.3
DuPont-RoE split					
Net profit margin (%)	6.8	7.7	7.6	7.7	8.1
Total asset turnover (x)	2.8	2.5	2.3	2.1	2.0
Assets/Equity (x)	1.1	1.1	1.1	1.2	1.2
RoE (%)	22.2	21.6	19.6	18.7	18.7
DuPont-RoIC					
NOPLAT margin (%)	5.7	7.2	6.7	6.7	7.0
IC turnover (x)	6.2	6.3	5.9	5.7	5.8
RoIC (%)	35.1	46.0	39.8	38.6	40.8
Operating metrics					
Core NWC days	11.5	10.0	9.9	10.2	10.8
Total NWC days	11.5	10.0	9.9	10.2	10.8
Fixed asset turnover	4.6	4.2	3.8	3.6	3.5
Opex-to-revenue (%)	1.5	1.7	1.6	1.8	1.8

Source: Company, Emkay Research

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

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
20-May-25	317	390	Buy	Sabri Hazarika
28-Jan-25	291	390	Buy	Sabri Hazarika
25-Oct-24	338	425	Buy	Sabri Hazarika
01-Oct-24	344	425	Buy	Sabri Hazarika
25-Jul-24	365	365	Add	Sabri Hazarika
23-May-24	308	340	Buy	Sabri Hazarika
30-Jan-24	268	300	Buy	Sabri Hazarika
03-Jan-24	228	245	Buy	Sabri Hazarika
14-Dec-23	212	245	Buy	Sabri Hazarika
30-Nov-23	203	265	Buy	Sabri Hazarika
01-Aug-23	234	265	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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 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.

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

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, 2025
- 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, 2025
- 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, 2025
- 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

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

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.

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