BUY

Petronet LNG

Earnings beat on better volumes and lower opex

Oil & Gas ▸ Result Update ▸ **July 29, 2025**

CMP (Rs): 301 | TP (Rs): 390

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

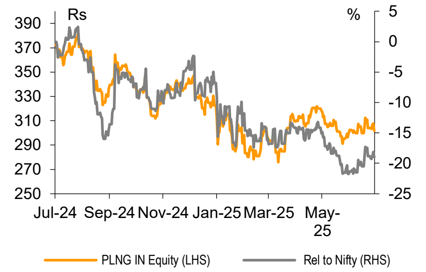
Stock Data	**PLNG IN**
52-week High (Rs)	385
52-week Low (Rs)	270
Shares outstanding (mn)	1,500.0
Market-cap (Rs bn)	452
Market-cap (USD mn)	5,217
Net-debt, FY26E (Rs mn)	(87,900.5)
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	807.3
ADTV-3M (USD mn)	9.3
Free float (%)	50.0
Nifty-50	24,680.9
INR/USD	86.7

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

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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, ~180mmtpa 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 1.2mmtpa, starting with 0.5mmtpa for the initial two years, and ramping up to full capacity thereafter. Combined with the existing Gorgon contract (1.4mmtpa), Kochi will have 2.63mmtpa tied up under long-term contracts.
- The board has granted an in-principle approval to set up a 5mmtpa 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.

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 OPaL'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

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

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	**90,062**	**104,969**	**99,701**	**109,748**	**133,697**
Current assets (ex-cash)	54,796	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

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

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

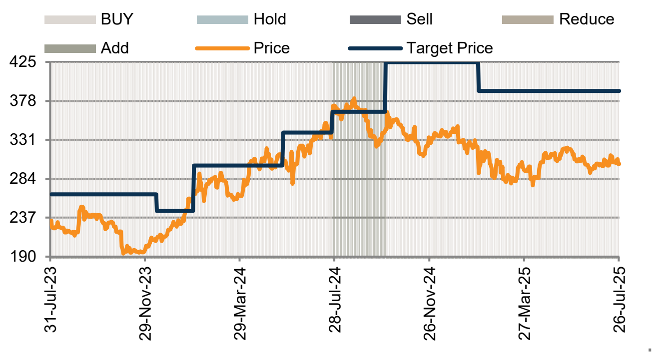
Source: Company, Emkay Research

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

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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