

|                 |    |
|-----------------|----|
| Estimate change | ↔↔ |
| TP change       | ↔↔ |
| Rating change   | ↔↔ |

|                       |             |
|-----------------------|-------------|
| Bloomberg             | PLNG IN     |
| Equity Shares (m)     | 1500        |
| M.Cap.(INRb)/(USDb)   | 452.1 / 5.2 |
| 52-Week Range (INR)   | 385 / 270   |
| 1, 6, 12 Rel. Per (%) | 4/3/-16     |
| 12M Avg Val (INR M)   | 942         |

## Financials & Valuations (INR b)

| Y/E March        | FY25  | FY26E | FY27E |
|------------------|-------|-------|-------|
| Sales            | 509.8 | 495.2 | 521.7 |
| EBITDA           | 55.2  | 56.7  | 67.0  |
| Adj. PAT         | 39.3  | 39.1  | 46.4  |
| Adj. EPS (INR)   | 26.2  | 26.1  | 30.9  |
| EPS Gr. (%)      | 11.0  | -0.4  | 18.7  |
| BV/Sh.(INR)      | 129.2 | 145.3 | 164.5 |
| <b>Ratios</b>    |       |       |       |
| Net D:E          | -0.5  | -0.4  | -0.3  |
| RoE (%)          | 21.6  | 19.0  | 20.0  |
| RoCE (%)         | 22.7  | 19.4  | 19.7  |
| Payout (%)       | 38.2  | 38.2  | 38.2  |
| <b>Valuation</b> |       |       |       |
| P/E (x)          | 11.5  | 11.6  | 9.8   |
| P/BV (x)         | 2.3   | 2.1   | 1.8   |
| EV/EBITDA (x)    | 6.6   | 6.4   | 5.5   |
| Div. Yield (%)   | 3.3   | 3.3   | 3.9   |

## Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 50.0   | 50.0   | 50.0   |
| DII      | 10.9   | 11.2   | 12.9   |
| FII      | 29.0   | 28.8   | 25.6   |
| Others   | 10.1   | 10.1   | 11.6   |

FII Includes depository receipts

**CMP: INR301**

**TP: INR410 (+36%)**

**Buy**

## Core business expansion to drive earnings

- PLNG's 1QFY26 revenue came in line, while EBITDA was 5% below our estimate at INR11.6b. Marketing margins missed our estimate as spot volumes were nil for the quarter, owing largely to muted power demand. PAT came in line with our estimate as other income was above estimate. EBITDA/PAT, adj. for UoP provisions (INR1.4b), stood at 6%/20% above our estimates.
- Total volumes came in 6% above our estimate, primarily due to higher third-party and service cargos. Dahej utilization was 8% above estimates, while Kochi utilization stood 18% below est. We note that Spot LNG prices remain elevated at USD13/mmbtu in Jul'25'td (INR12.4/mmbtu in 1QFY26).
- We recently upgraded PLNG to BUY ([Tide is turning, slowly](#)) with a DCF-based TP of INR410. According to our DCF analysis (WACC: 11.2%), at CMP, PLNG is pricing in an unrealistic scenario of a 20% decline in tariffs at both the Dahej and Kochi terminals in FY28, with no tariff hike thereafter and 0% terminal growth. Additionally, the street narrative that competing terminals are taking away market share has not played out so far, as utilization at competitor terminals continues to languish at 14-43%. Moreover, the narrative has overlooked PLNG's strong scale, historical capex, and connectivity advantages. While there are concerns around a potential tariff cut in FY28, we highlight that a sharp tariff cut at Dahej in FY28 can lead to industry-wide pressure, as competing terminals were built at ~2x the capital cost (Dahej capex/mmtpa = ~INR5b vs. ~INR9-11b for competitors). This would further increase the relative attractiveness of the Dahej terminal, especially as its expanded capacity comes online.
- At 9.7x FY27E P/E and 4% dividend yield, we believe valuations are at absolute rock-bottom levels. We now value PLNG using DCF-based TP (earlier 10x FY27E PE) and assume a 10% tariff cut in Dahej and Kochi in FY28, 4% escalation thereafter, 2% terminal growth, and 11.2% WACC, leading to a TP of INR410/share. While we build in full capex for the petchem venture, we value it at only 0.5x equity.

## Highlights from the management commentary

- Drop in 1Q volumes at Kochi was due to a 1.5-month shutdown at a consumer plant, which reduced volume off-take by ~1mmscmd.
- The company has provided a **capex guidance of INR50b for FY26**, primarily allocated toward the third jetty, the upcoming petrochemical complex, the Gopalpur LNG terminal (INR3b), the new corporate office (INR1b), and over 25 compressed biogas (CBG) plants (INR1b). Capex in FY27 is expected to exceed FY26 levels.
- In 1Q, inventory gain stood at INR420m. Trading gains were nil during the quarter. Regas contribution stood at INR6.4b.
- The Gopalpur terminal is **35km away from a major trunk pipeline (GAIL's Srikakulam Angul pipeline)**. Once connected, off-take will not be an issue.

## Beat on volumes; performance largely in line

- PLNG's 1QFY26 revenue was in line with our estimate at INR119b.
- EBITDA fell 26% YoY to INR11.6b (5% below our estimate).

- The company booked additional provisions of INR1.4b against UoP dues during the quarter. No UoP trade receivables were waived off during 1Q.

- Reported PAT was in line with our estimate at INR8.5b, down 25% YoY, supported by higher-than-expected other income. EBITDA/PAT, adj. for UoP provisions (INR1.4b), stood 6%/20% above our estimates.

- Spot LNG prices fell QoQ in 1Q, averaging USD12.4/mmbtu (USD14 in 4Q).

#### Operational performance:

- Total volumes came in 6% above our estimates, primarily due to higher long-term and service volumes. No spot volumes were recorded during the quarter, mainly due to subdued power demand.
- Dahej utilization was 8% above estimates, while Kochi utilization stood 18% below est.
- As of Jun'25, provisions on UoP dues stood at INR6.1b.
- UoP dues of INR14.2b (net provision INR8.1b) were included in trade receivables as of Jun'25. PLNG has obtained bank guarantees from customers to recover UoP charges. While some customers have not given balance confirmations toward these dues, management is confident of recovering such charges.
- The board has approved an additional investment for setting up a 5mmtpa land-based LNG terminal at Gopalpur, Odisha, replacing the earlier approved 4mmtpa FSRU-based terminal. The revised project entails an overall investment of INR64b, including taxes and duties, with an incremental cost of INR40b over the previous plan, which will be financed through debt and equity. It is expected to be commissioned in the next three years.

#### Valuation and view

- PLNG trades at 9.7x FY27E EPS, compared to its historical one-year forward P/E of 10.9x. Under a variety of bearish scenarios, our DCF-based valuation implies -4% to 21% upside from the current price. Our DCF-based TP of INR410 (WACC: 11.2%, TG = 2%) assumes a 10% tariff cut in FY28, followed by a 4% increase for both the terminals. While we have incorporated the full capex for the petchem plant, we value it conservatively at 0.5x FY29E P/B and discount this back to FY27.

#### Standalone - Quarterly Earning Model

(INR b)

| Y/E March           | FY25         |              |              |              | FY26         |              |              |              | FY25         | FY26E        | FY26         | Var. (%)   |  |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |              |              |              |            |  |
| <b>Net Sales</b>    | <b>134.2</b> | <b>130.2</b> | <b>122.3</b> | <b>123.2</b> | <b>118.8</b> | <b>126.1</b> | <b>122.9</b> | <b>128.8</b> | <b>509.8</b> | <b>496.7</b> | <b>121.6</b> | <b>-2%</b> |  |
| YoY Change (%)      | 15.1         | 3.9          | -17.1        | -10.7        | -11.4        | -3.2         | 0.5          | 4.6          | -3.3         | -2.6         | -9.4         |            |  |
| <b>EBITDA</b>       | <b>15.6</b>  | <b>12.0</b>  | <b>12.5</b>  | <b>15.1</b>  | <b>11.6</b>  | <b>14.9</b>  | <b>14.3</b>  | <b>15.7</b>  | <b>55.2</b>  | <b>56.5</b>  | <b>12.2</b>  | <b>-5%</b> |  |
| Margin (%)          | 11.7         | 9.2          | 10.2         | 12.3         | 9.8          | 11.8         | 11.6         | 12.2         | 10.8         | 11.4         | 10.0         |            |  |
| Depreciation        | 1.9          | 2.0          | 2.1          | 2.1          | 2.1          | 2.0          | 2.1          | 2.0          | 8.1          | 8.2          | 2.2          |            |  |
| Interest            | 0.7          | 0.7          | 0.7          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 2.6          | 2.4          | 0.8          |            |  |
| Other Income        | 2.2          | 2.0          | 2.0          | 2.0          | 2.4          | 1.4          | 1.4          | 1.3          | 8.2          | 6.5          | 1.8          |            |  |
| <b>PBT</b>          | <b>15.2</b>  | <b>11.4</b>  | <b>11.7</b>  | <b>14.5</b>  | <b>11.4</b>  | <b>13.7</b>  | <b>13.0</b>  | <b>14.4</b>  | <b>52.8</b>  | <b>52.4</b>  | <b>11.0</b>  | <b>3%</b>  |  |
| Rate (%)            | 24.9         | 25.7         | 25.8         | 26.0         | 25.1         | 25.2         | 25.2         | 24.9         | 25.6         | 25.7         | 25.2         |            |  |
| <b>Reported PAT</b> | <b>11.4</b>  | <b>8.5</b>   | <b>8.7</b>   | <b>10.7</b>  | <b>8.5</b>   | <b>10.2</b>  | <b>9.7</b>   | <b>10.8</b>  | <b>39.3</b>  | <b>38.9</b>  | <b>8.2</b>   | <b>4%</b>  |  |
| YoY Change (%)      | 44.5         | 3.6          | -27.2        | 45.1         | -25.5        | 20.6         | 11.8         | 0.8          | 11.0         | -0.9         | -28.1        |            |  |
| Margin (%)          | 8.5          | 6.5          | 7.1          | 8.7          | 7.2          | 8.1          | 7.9          | 8.4          | 7.7          | 7.8          | 6.8          |            |  |

#### Key Assumptions

|                       |       |       |       |       |       |       |       |       |       |       |       |      |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| Total Volumes (TBtu)  | 262.0 | 239.0 | 228.0 | 205.0 | 220.0 | 237.0 | 237.0 | 243.8 | 934.0 | 937.7 | 207.1 | 6%   |
| Dahej utilization (%) | 112%  | 102%  | 96%   | 85%   | 94%   | 100%  | 100%  | 75%   | 99%   | 92%   | 87%   | 8%   |
| Kochi utilization (%) | 22%   | 22%   | 24%   | 25%   | 21%   | 25%   | 25%   | 29%   | 23%   | 25%   | 25%   | -18% |

**Exhibit 1: PLNG - DCF valuation**

| PLNG - DCF Valuation      | FY25          | FY26E         | FY27E         | FY28E         | FY29E         | FY30E         | FY31E         | FY32E         |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>PLNG EBITDA (INRm)</b> | <b>55,241</b> | <b>56,650</b> | <b>66,991</b> | <b>67,139</b> | <b>79,309</b> | <b>82,531</b> | <b>87,242</b> | <b>94,994</b> |
| Depreciation              | 8,062         | 8,229         | 8,307         | 9,037         | 9,891         | 10,861        | 11,311        | 11,268        |
| <b>EBIT</b>               | <b>47,179</b> | <b>48,421</b> | <b>58,683</b> | <b>58,102</b> | <b>69,417</b> | <b>71,670</b> | <b>75,931</b> | <b>83,726</b> |
| <i>Tax rate (%)</i>       | 26            | 26            | 26            | 26            | 26            | 26            | 26            | 26            |
| Capital expenditure       | 14,518        | 35,000        | 40,000        | 50,000        | 45,000        | 30,000        | 10,000        | 7,500         |
| Change in WC              | 1,730         | -388          | 705           | 453           | 1,260         | 416           | 571           | 998           |
| <b>FCFF (INRm)</b>        | <b>26,930</b> | <b>9,658</b>  | <b>11,281</b> | <b>1,830</b>  | <b>15,300</b> | <b>33,789</b> | <b>57,256</b> | <b>65,088</b> |
| Year                      | 0             | 1             | 2             | 3             | 4             | 5             | 6             |               |
| Discount factor           | 1.00          | 0.90          | 0.81          | 0.73          | 0.65          | 0.59          | 0.53          |               |
| <b>PV(FCFF) (INR m)</b>   | <b>9,658</b>  | <b>10,145</b> | <b>1,480</b>  | <b>11,127</b> | <b>22,098</b> | <b>33,674</b> | <b>34,425</b> |               |

Source: Company, MOFSL

**Exhibit 2: PLNG – one-year forward DCF valuation**

|  |                 |
|--|-----------------|
| Terminal cash flow (INRm)              | 65,088          |
| Terminal growth rate                   | 2.0%            |
| Terminal value (INRm)                  | 7,21,630        |
| <b>PV (Terminal Value)</b>             | <b>3,81,668</b> |
| <b>PV of cash flows</b>                | <b>1,22,607</b> |
| <b>Enterprise value (INRm)</b>         | <b>5,04,275</b> |
| Net debt (INRm)                        | -88,776         |
| Equity value (INRm)                    | 5,93,051        |
| <b>Fair value (INR)</b>                | <b>395</b>      |
| Add: Petrochemical complex at 0.5x P/B | 15              |
| <b>Target Price (INR)</b>              | <b>410</b>      |

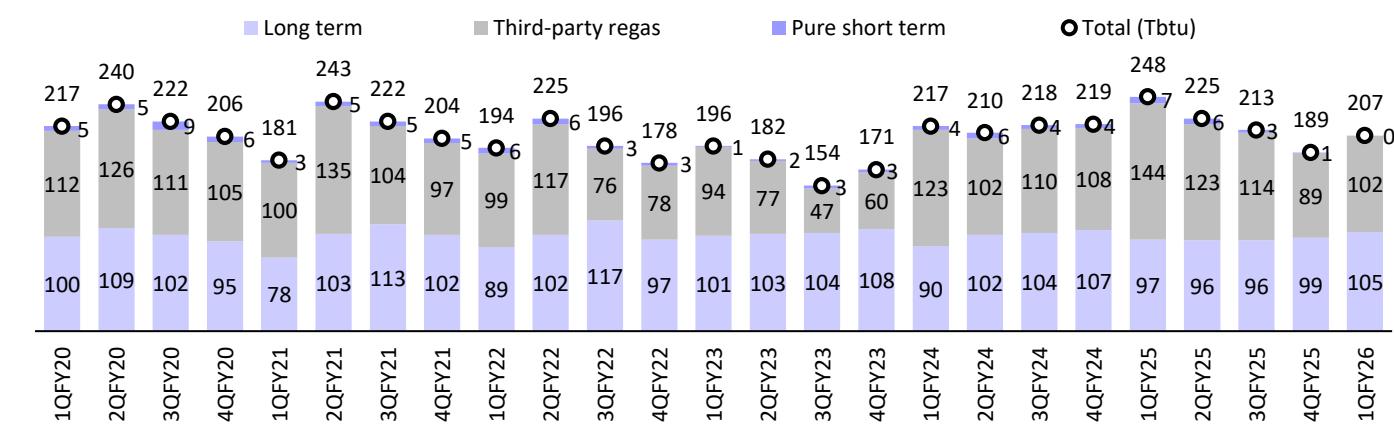
Source: Company, MOFSL

**Exhibit 3: PLNG – key assumptions**

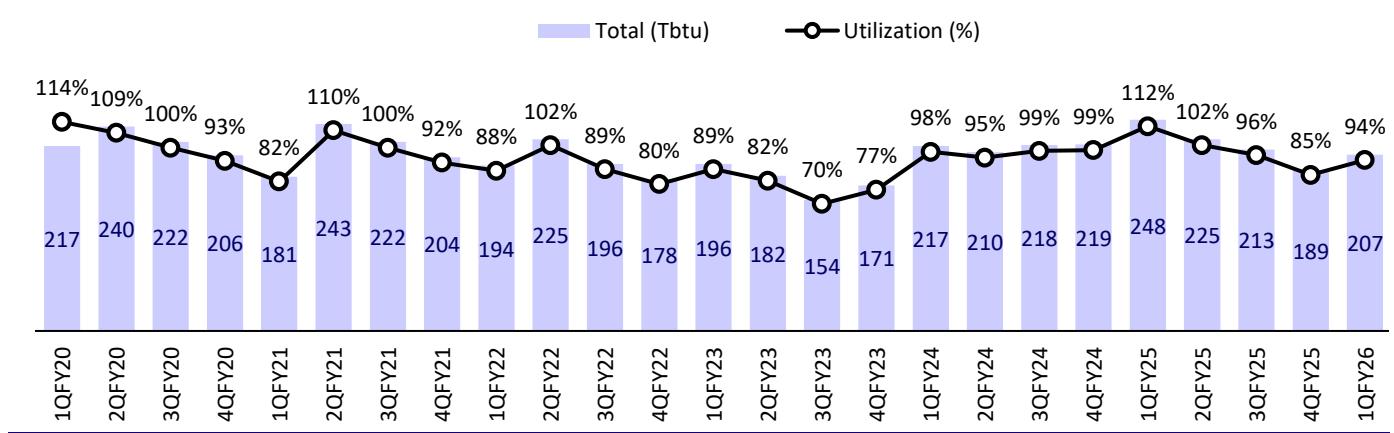
| Key assumptions                 | FY25        | FY26E       | FY27E       | FY28E       | FY29E       | FY30E       | FY31E       | FY32E       |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Volume sold (mmtpa)</b>      |             |             |             |             |             |             |             |             |
| Dahej terminal                  | 17.3        | 17.3        | 18.3        | 18.9        | 19.5        | 20.1        | 20.6        | 21.2        |
| <i>Terminal utilization</i>     | 99%         | 92%         | 81%         | 84%         | 87%         | 89%         | 92%         | 94%         |
| Kochi terminal                  | 1.2         | 1.3         | 1.3         | 1.4         | 1.7         | 1.9         | 2.1         | 2.4         |
| <i>Terminal utilization</i>     | 23%         | 25%         | 25%         | 29%         | 34%         | 38%         | 43%         | 47%         |
| <b>Total</b>                    | <b>19.5</b> | <b>19.5</b> | <b>20.3</b> | <b>21.2</b> | <b>22.0</b> | <b>22.9</b> | <b>23.7</b> | <b>24.5</b> |
| <b>Regas tariff (INR/mmbtu)</b> |             |             |             |             |             |             |             |             |
| Dahej terminal                  | 63.7        | 66.9        | 70.2        | 63.2        | 65.7        | 68.3        | 71.1        | 73.9        |
| <i>YoY increase/(decrease)</i>  | 5%          | 5%          | 5%          | -10%        | 4%          | 4%          | 4%          | 4%          |
| Kochi terminal                  | 89.3        | 93.8        | 98.5        | 88.6        | 92.2        | 95.8        | 99.7        | 103.7       |
| <i>YoY increase/(decrease)</i>  | 5%          | 5%          | 5%          | -10%        | 4%          | 4%          | 4%          | 4%          |

Source: Company, MOFSL

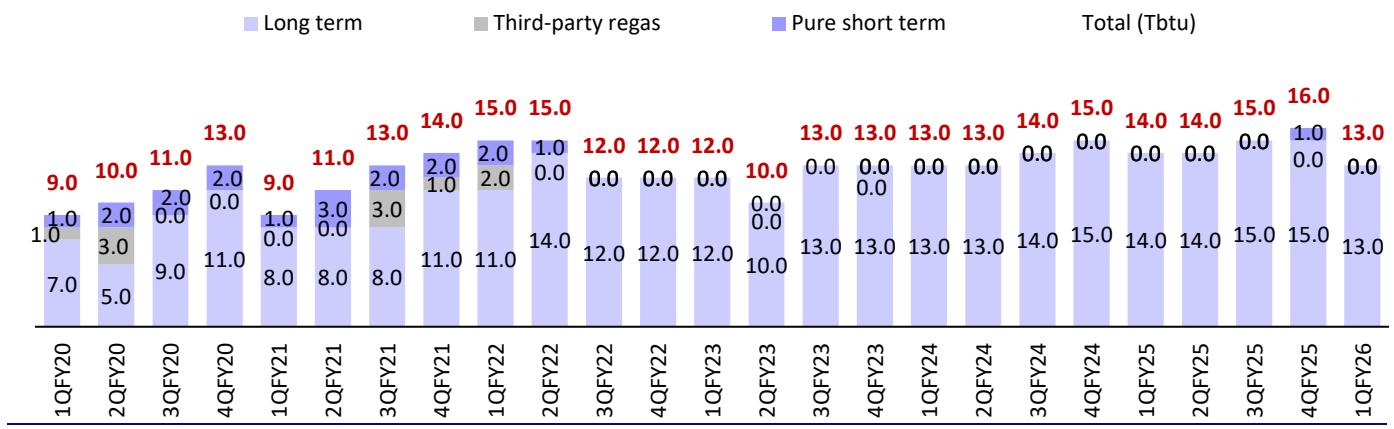
**Exhibit 1: Dahej total volumes at 207Tbtu, down 17% YoY**



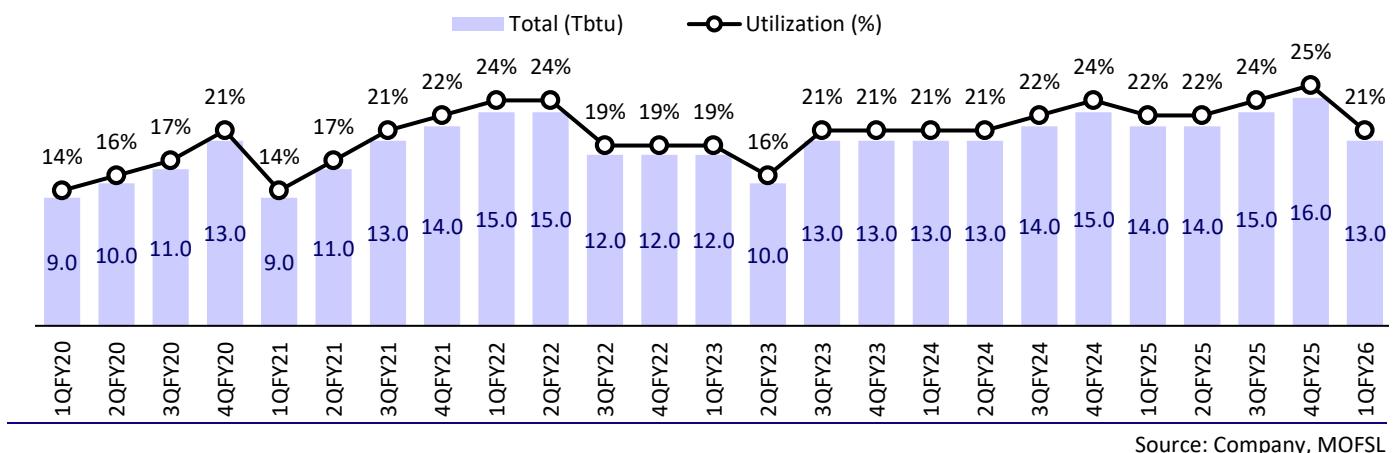
**Exhibit 2: Dahej terminal utilization at 94% in 1QFY26**



**Exhibit 3: Kochi volumes at 13Tbtu, down 7% YoY**



**Exhibit 4: Kochi terminal utilization at 21% in 1QFY26**



Source: Company, MOFSL



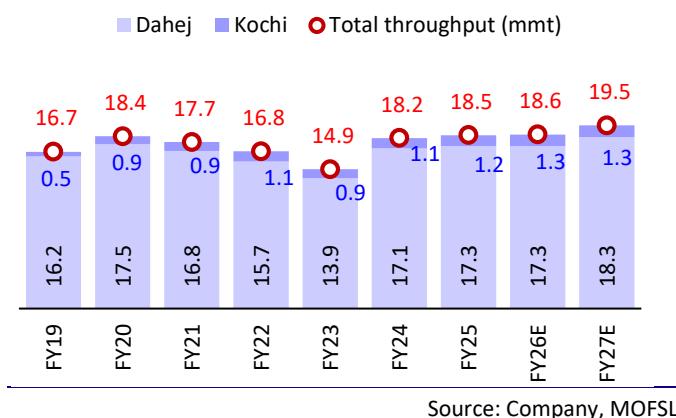
### Highlights from the management commentary

- **Contract with Deepak Fertilizer:**
  - Volumes: 0.5mmtpa (can go up to 0.6mmtpa).
  - Regas charges are similar to that of Dahej's existing capacity.
- **Slowdown in demand in 1Q:**
  - Demand has picked up QoQ. Long-term (LT) crude-linked gas prices remain at an affordable level and will support LT volumes. The LT vs. spot gas price difference is still high, leading to pressure on spot volumes. However, with ample LNG availability globally in the coming years, spot prices could soften, resulting in better spot volumes.
- In 1Q, inventory gains stood at INR420m. Trading gains were nil during the quarter. Regas contribution stood at INR6.4b.
- **Kochi utilization:**
  - Drop in 1Q volumes was attributed to a 1.5-month shutdown at a consumer plant (it reduced off-takes by ~1mmscmd), leading to slight decline (similar case happened in 1QFY25).
  - After connecting to the National Gas Grid by CY25/FY26'end, utilization could improve.
  - Major off-taker is BPCL (refinery and customers). Others are GAIL and IOCL (fertilizer cos and refineries).
- **Gorgon contract:**
  - Existing contract: 1.4mmtpa.
  - Another 1.2mmtpa contract from Dec'25 (initially 0.5mmtpa for 2 years).
- **Gopalpur terminal:**
  - LT off-take contracts: Discussions are ongoing. Major off-takers will be promoters of the company. The terminal construction will start in 2-3 months.
  - The terminal is 35km away from a major trunk pipeline (GAIL's Srikakulam Angul pipeline). Once connected, off-take will not be an issue.
  - Key demand centers: Access to North and Northeast and South India with connection to National Gas Grid.
  - Shift to land-based terminal: Cost of FSRU has gone up significantly. Hence, with savings in opex, the land-based terminal becomes more viable.

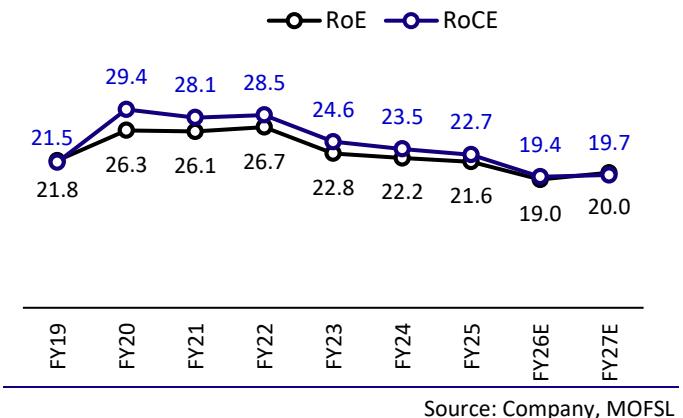
- Competition: The company is not worried about competition. With decades of experience and optionality of swapping cargoes across coasts, the Gopalpur terminal will be able to maintain good utilization.
- **Dahej expanded capacity:**
  - Some minor spillages in construction due to early monsoon and war situation. Likely to get completed by Dec'25. Stable operational terminal by 1QFY27.
  - Third Jetty construction is going on as per schedule (CY27).
- **UoP provisioning policy:** 20%/30%/50% provision in 1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> year of payment delay.
- **Updates on the ongoing PDH-PP project:**
  - The project construction is on-track.
- **Capex guidance:**
  - FY26: INR50b toward 3rd Jetty, Petchem complex, Gopalpur terminal (INR3b), corporate office (INR1b), CBG plants (25+, INR1b).
  - FY27 capex shall be higher than FY26 capex.
  - Long-term capex plan is INR30b, mainly allocated to the petchem plant.
  - Petchem project: INR5b spent till date.
- **Macro view:**
  - PLNG sees 6-7% growth in natural gas consumption in India.
  - India's LNG demand is expected to double by CY30.
  - ~180mmtpa LNG supply capacity increase in the next 2-3 years globally, resulting in soft Spot LNG prices.
  - With a lot of gas pipeline infrastructure coming up in the next few years on the East coast, Gopalpur terminal will be the biggest beneficiary. PLNG sees this terminal as the next Dahej terminal.

## Story in charts

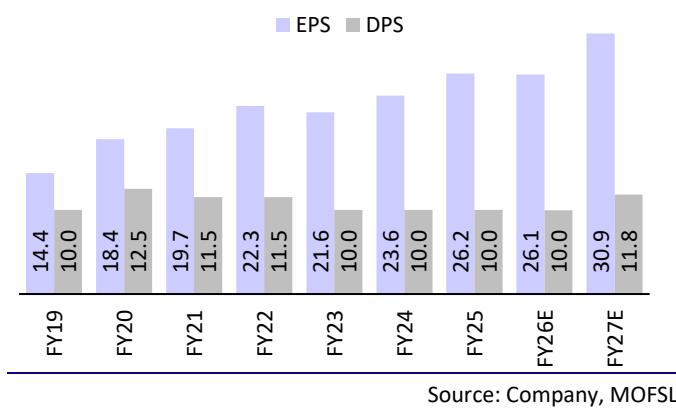
**Exhibit 5: Volume snapshot for PLNG**



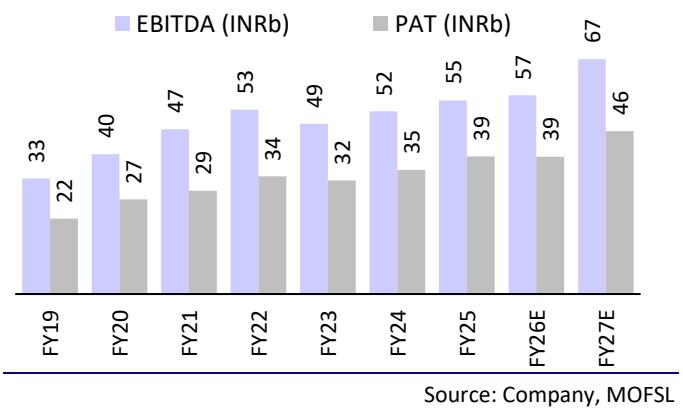
**Exhibit 6: Return ratios profile**



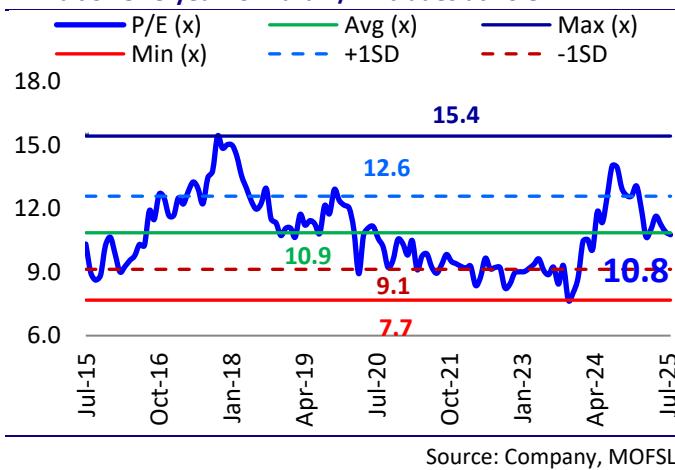
**Exhibit 7: Payout ratios**



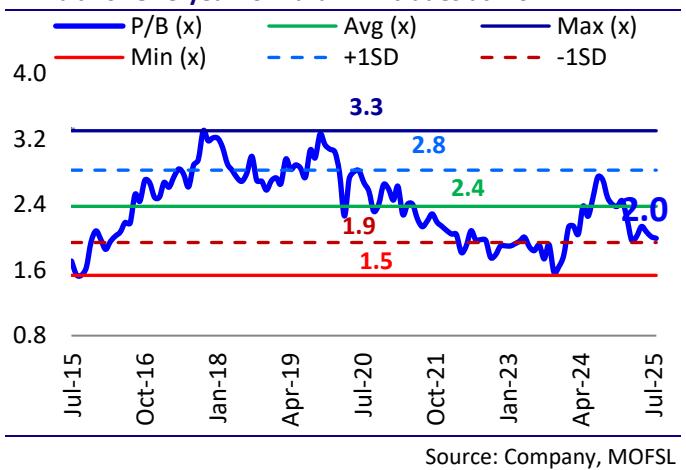
**Exhibit 8: EBITDA/PAT snapshot**



**Exhibit 9: One-year forward P/E – trades at 10.8x**



**Exhibit 10: One-year forward P/B – trades at 2.0x**



## Financials and valuations

| Standalone - Income Statement       |              |              |              |              |              | (INR b) |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------|
| Y/E March                           | FY23         | FY24         | FY25         | FY26E        | FY27E        |         |
| <b>Total Income from Operations</b> | <b>599.0</b> | <b>527.3</b> | <b>509.8</b> | <b>495.2</b> | <b>521.7</b> |         |
| Change (%)                          | 38.8         | -12.0        | -3.3         | -2.9         | 5.4          |         |
| <b>EBITDA</b>                       | <b>48.6</b>  | <b>52.1</b>  | <b>55.2</b>  | <b>56.7</b>  | <b>67.0</b>  |         |
| Margin (%)                          | 8.1          | 9.9          | 10.8         | 11.4         | 12.8         |         |
| Depreciation                        | 7.6          | 7.8          | 8.1          | 8.2          | 8.3          |         |
| <b>EBIT</b>                         | <b>40.9</b>  | <b>44.3</b>  | <b>47.2</b>  | <b>48.4</b>  | <b>58.7</b>  |         |
| Int. and Finance Charges            | 3.3          | 2.9          | 2.6          | 2.4          | 2.9          |         |
| Other Income                        | 5.7          | 6.2          | 8.2          | 6.5          | 6.6          |         |
| <b>PBT after EO Exp.</b>            | <b>43.3</b>  | <b>47.6</b>  | <b>52.8</b>  | <b>52.5</b>  | <b>62.4</b>  |         |
| Total Tax                           | 10.9         | 12.2         | 13.5         | 13.4         | 15.9         |         |
| Tax Rate (%)                        | 25.3         | 25.7         | 25.6         | 25.6         | 25.6         |         |
| <b>Reported PAT</b>                 | <b>32.4</b>  | <b>35.4</b>  | <b>39.3</b>  | <b>39.1</b>  | <b>46.4</b>  |         |
| Change (%)                          | -3.4         | 9.1          | 11.0         | -0.4         | 18.7         |         |
| Margin (%)                          | 5.4          | 6.7          | 7.7          | 7.9          | 8.9          |         |

| Standalone - Balance Sheet          |              |              |              |              |              | (INR b) |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------|
| Y/E March                           | FY23         | FY24         | FY25         | FY26E        | FY27E        |         |
| Equity Share Capital                | 15.0         | 15.0         | 15.0         | 15.0         | 15.0         |         |
| Total Reserves                      | 134.3        | 154.6        | 178.8        | 203.0        | 231.7        |         |
| <b>Net Worth</b>                    | <b>149.3</b> | <b>169.6</b> | <b>193.8</b> | <b>218.0</b> | <b>246.7</b> |         |
| Total Loans                         | 0.0          | 0.0          | 0.0          | 10.0         | 20.0         |         |
| Deferred Tax Liabilities            | 7.0          | 6.2          | 5.9          | 5.9          | 5.9          |         |
| <b>Capital Employed</b>             | <b>156.4</b> | <b>175.8</b> | <b>199.8</b> | <b>233.9</b> | <b>272.6</b> |         |
| Gross Block                         | 110.6        | 115.4        | 150.2        | 180.9        | 217.5        |         |
| Less: Accum. Deprn.                 | 46.1         | 53.8         | 61.9         | 70.1         | 78.4         |         |
| <b>Net Fixed Assets</b>             | <b>64.5</b>  | <b>61.5</b>  | <b>88.4</b>  | <b>110.8</b> | <b>139.1</b> |         |
| Capital WIP                         | 11.3         | 15.5         | 16.4         | 20.8         | 24.2         |         |
| <b>Total Investments</b>            | <b>33.8</b>  | <b>21.7</b>  | <b>12.2</b>  | <b>12.2</b>  | <b>12.2</b>  |         |
| Lease Liabilities                   | 30.7         | 26.0         | 21.8         | 21.8         | 21.8         |         |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>114.6</b> | <b>152.0</b> | <b>151.0</b> | <b>157.1</b> | <b>166.5</b> |         |
| Inventory                           | 11.5         | 14.7         | 12.0         | 11.7         | 12.3         |         |
| Account Receivables                 | 38.4         | 36.3         | 32.7         | 31.7         | 33.4         |         |
| Cash and Bank Balance               | 56.8         | 74.1         | 91.0         | 98.8         | 105.1        |         |
| Cash                                | 0.6          | 17.2         | 7.8          | 9.0          | 8.7          |         |
| Bank Balance                        | 56.2         | 56.9         | 83.2         | 89.8         | 96.4         |         |
| Loans and Advances                  | 7.9          | 27.0         | 15.3         | 14.9         | 15.7         |         |
| <b>Curr. Liability &amp; Prov.</b>  | <b>37.1</b>  | <b>49.0</b>  | <b>46.5</b>  | <b>45.2</b>  | <b>47.6</b>  |         |
| Account Payables                    | 16.4         | 28.6         | 25.6         | 24.9         | 26.2         |         |
| Other Current Liabilities           | 18.8         | 17.9         | 18.5         | 17.9         | 18.9         |         |
| Provisions                          | 1.9          | 2.4          | 2.4          | 2.3          | 2.4          |         |
| <b>Net Current Assets</b>           | <b>77.5</b>  | <b>103.0</b> | <b>104.5</b> | <b>111.9</b> | <b>118.9</b> |         |
| <b>Appl. of Funds</b>               | <b>156.4</b> | <b>175.8</b> | <b>199.8</b> | <b>233.9</b> | <b>272.6</b> |         |

## Financials and valuations

### Ratios

| Y/E March                     | FY23        | FY24        | FY25        | FY26E       | FY27E       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |             |             |             |             |             |
| <b>EPS</b>                    | <b>21.6</b> | <b>23.6</b> | <b>26.2</b> | <b>26.1</b> | <b>30.9</b> |
| Cash EPS                      | 26.7        | 28.8        | 31.6        | 31.6        | 36.5        |
| BV/Share                      | 99.6        | 113.1       | 129.2       | 145.3       | 164.5       |
| DPS                           | 10.0        | 10.0        | 10.0        | 10.0        | 11.8        |
| Payout (%)                    | 46.3        | 42.4        | 38.2        | 38.2        | 38.2        |
| <b>Valuation (x)</b>          |             |             |             |             |             |
| P/E                           | 14.0        | 12.8        | 11.5        | 11.6        | 9.8         |
| Cash P/E                      | 11.3        | 10.5        | 9.6         | 9.6         | 8.3         |
| P/BV                          | 3.0         | 2.7         | 2.3         | 2.1         | 1.8         |
| EV/Sales                      | 0.7         | 0.7         | 0.7         | 0.7         | 0.7         |
| EV/EBITDA                     | 8.2         | 7.3         | 6.6         | 6.4         | 5.5         |
| Dividend Yield (%)            | 3.3         | 3.3         | 3.3         | 3.3         | 3.9         |
| FCF per share                 | 9.7         | 26.9        | 19.6        | 5.7         | 6.9         |
| <b>Return Ratios (%)</b>      |             |             |             |             |             |
| RoE                           | 22.8        | 22.2        | 21.6        | 19.0        | 20.0        |
| RoCE                          | 24.6        | 23.5        | 22.7        | 19.4        | 19.7        |
| RoIC                          | 53.4        | 55.3        | 48.6        | 39.5        | 37.4        |
| <b>Working Capital Ratios</b> |             |             |             |             |             |
| Fixed Asset Turnover (x)      | 5.4         | 4.6         | 3.4         | 2.7         | 2.4         |
| Asset Turnover (x)            | 3.8         | 3.0         | 2.6         | 2.1         | 1.9         |
| Inventory (Days)              | 7           | 10          | 9           | 9           | 9           |
| Debtor (Days)                 | 23          | 25          | 23          | 23          | 23          |
| Creditor (Days)               | 10          | 20          | 18          | 18          | 18          |
| <b>Leverage Ratio (x)</b>     |             |             |             |             |             |
| Current Ratio                 | 3.1         | 3.1         | 3.2         | 3.5         | 3.5         |
| Interest Cover Ratio          | 12.4        | 15.3        | 18.3        | 20.1        | 20.0        |
| Net Debt/Equity               | -0.4        | -0.4        | -0.5        | -0.4        | -0.3        |

### Standalone - Cash Flow Statement

(INR b)

| Y/E March                    | FY23         | FY24         | FY25         | FY26E        | FY27E        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| OP/(Loss) before Tax         | 43.3         | 47.6         | 52.8         | 52.5         | 62.4         |
| Depreciation                 | 7.6          | 7.8          | 8.1          | 8.2          | 8.3          |
| Interest and Finance charges | 3.3          | 2.9          | 2.6          | 2.4          | 2.9          |
| Direct Taxes Paid            | -12.4        | -12.4        | -13.4        | -13.4        | -15.9        |
| (Inc)/Dec in Wkg. Capital    | -15.9        | 5.9          | -1.7         | 0.4          | -0.7         |
| Others                       | -0.8         | -3.0         | -4.3         | -6.5         | -6.6         |
| <b>CF from Op. Activity</b>  | <b>25.2</b>  | <b>48.7</b>  | <b>44.0</b>  | <b>43.6</b>  | <b>50.3</b>  |
| (Inc)/Dec in FA & CWIP       | -10.6        | -8.4         | -14.5        | -35.0        | -40.0        |
| <b>Free Cash Flow</b>        | <b>14.6</b>  | <b>40.3</b>  | <b>29.5</b>  | <b>8.6</b>   | <b>10.3</b>  |
| (Pur)/Sale of Investments    | 0.4          | 9.2          | -10.0        | 0.0          | 0.0          |
| Others                       | -1.2         | -11.4        | -7.4         | 0.0          | 0.0          |
| <b>CF from Inv. Activity</b> | <b>-11.4</b> | <b>-10.6</b> | <b>-31.9</b> | <b>-35.0</b> | <b>-40.0</b> |
| Inc / (Dec) in Debt          | -0.2         | 0.0          | 0.0          | 10.0         | 10.0         |
| Interest paid                | -0.3         | -0.1         | -0.1         | -2.4         | -2.9         |
| Dividends Paid (incl.tax)    | -17.3        | -15.0        | -15.0        | -14.9        | -17.7        |
| <b>CF from Fin. Activity</b> | <b>-23.7</b> | <b>-21.5</b> | <b>-21.5</b> | <b>-7.4</b>  | <b>-10.7</b> |
| <b>Inc / ( Dec) in Cash</b>  | <b>-9.8</b>  | <b>16.6</b>  | <b>-9.4</b>  | <b>1.3</b>   | <b>-0.3</b>  |
| Add: Opening Balance         | 10.5         | 0.6          | 17.2         | 7.8          | 9.0          |
| <b>Closing Balance</b>       | <b>0.6</b>   | <b>17.2</b>  | <b>7.8</b>   | <b>9.0</b>   | <b>8.7</b>   |

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|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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