

| | |
|------------------|--|
| Estimate changes | |
| TP change | |
| Rating change | |

| | |
|-----------------------|-----------|
| Bloomberg | GUJGA IN |
| Equity Shares (m) | 688 |
| M.Cap.(INRb)/(USDb) | 274.9 / 3 |
| 52-Week Range (INR) | 509 / 360 |
| 1, 6, 12 Rel. Per (%) | 4/-15/-29 |
| 12M Avg Val (INR M) | 209 |

Financials & Valuations (INR b)

| Y/E March | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Sales | 150.9 | 161.4 | 178.4 |
| EBITDA | 18.4 | 20.7 | 22.5 |
| PAT | 11.2 | 12.8 | 14.2 |
| EPS (INR) | 16.3 | 18.7 | 20.6 |
| EPS Gr. (%) | -2.1 | 14.6 | 10.5 |
| BV/Sh.(INR) | 133.6 | 145.9 | 159.5 |
| Ratios | | | |
| Net D:E | -0.1 | -0.1 | -0.2 |
| RoE (%) | 12.7 | 13.4 | 13.5 |
| RoCE (%) | 17.5 | 18.2 | 18.3 |
| Payout (%) | 34.0 | 34.0 | 34.0 |
| Valuations | | | |
| P/E (x) | 24.5 | 21.4 | 19.3 |
| P/BV (x) | 3.0 | 2.7 | 2.5 |
| EV/EBITDA (x) | 14.6 | 12.8 | 11.5 |
| Div. Yield (%) | 1.4 | 1.6 | 1.8 |
| FCF Yield (%) | 1.2 | 2.7 | 3.5 |

Shareholding pattern (%)

| As On | Dec-25 | Sep-25 | Dec-24 |
|----------|--------|--------|--------|
| Promoter | 60.9 | 60.9 | 60.9 |
| DII | 22.1 | 22.0 | 21.2 |
| FII | 3.8 | 3.7 | 4.5 |
| Others | 13.2 | 13.4 | 13.4 |

FII Includes depository receipts

CMP: INR399

TP: INR485 (+21%)

Buy

Volume recovery expected in Morbi

- Gujarat Gas' (GUJGA) 3Q volumes came in line with our estimate at 8.4mmscmd, down 12% YoY. I&C-PNG volumes dipped 27% YoY, while CNG/D-PNG volumes grew 11%/12% YoY. Morbi volumes declined ~0.4mmscmd QoQ to ~1.7mmscmd, primarily due to customers shifting toward cheaper alternate fuels. EBITDA/scm was 7% below our est. at INR5.8 as realization, gas costs, and opex were flat QoQ.
- Industrial volumes are expected to recover in 4Q as propane prices increase and spot LNG prices soften. After an INR4.5/scm I&C-PNG price cut taken by GUJGA in Jan'26, propane is INR2.4/scm cheaper vs piped natural gas in Morbi. The current volume run rate in Morbi has improved to ~2.2mmscmd (vs. 1.7mmscmd in 3Q) and is guided to reach ~2.6-2.7mmscmd by the end of Jan'26. Feb/Mar'26 volumes are likely to average ~3-3.2mmscmd.
- With respect to the propane marketing business, the company plans to own propane infrastructure and is in discussion with port authorities for storage and unloading facilities. While we have not factored in any earnings contribution from the recently announced initiative to sell propane in Morbi and other industrial areas, this remains a key upside risk to our current volume estimates.
- GUJGA currently trades at 23.2x 1-year forward P/E, below its long-term average of 24.9x. While near-term performance may remain subdued given the uncertain volume growth outlook, the merger of GUJGA, GUJS, and GSPC remains a key near-term catalyst for the stock. Shareholder approval has been obtained, and filings have been submitted to the MCA. Final approval is expected by the end of Feb'26.
- We maintain our EBITDA/scm assumption of INR6 over FY27-28 and value the stock on 24x Dec'27E EPS of INR20.1, arriving at our TP of INR485.

Key takeaways from the management commentary

- **Gas sourcing (3QFY26):** 24% APM (down QoQ), 4% NG gas, 39% long-term LNG, 33% short-term (IGX + spot).
- **Zonal tariff change impact:** Neutral at current volumes and up to an incremental 2-3mmscmd CNG volumes. However, every 1mmscmd rise in I&C-PNG could reduce margins by ~INR1/scm.
- **CNG stations:** 833 operational as of now, and the company targets to exceed 1,000 stations over the next 2-3 years.
- GUJGA has guided an EBITDA margin (including other income) of INR5.5-6.5/scm for FY26-28, with CNG and PNG volumes likely to grow at 10-12%.

Miss led by lower-than-estimated EBITDA/scm margin; I&C-PNG volumes disappoint

- GUJGA's total volumes came in line at 8.4mmscmd (down 12% YoY).
- I&C-PNG volumes were down 27% YoY, while CNG/D-PNG volumes grew 11%/12% YoY.
- EBITDA/scm came in 7% below our estimate at INR5.8.
- Realization, gas costs, and opex were flat sequentially.
- Resultant EBITDA stood 8% below our estimate at INR4.5b (up 18% YoY).
- PAT also came in 11% below our estimate. at INR2.7b (up 20% YoY).

- **GUJGA — press release KTAs:**
- CNG volumes rose **11% YoY**, supported by **833 operational stations**.
- Shareholders have approved the Composite Scheme of Amalgamation and Arrangement with a majority on 17 Oct'25. **Filings have been submitted to the MCA (no progress in 3Q).**
- The company has added over **38,600 new domestic customers** during the quarter, taking total connections to ~2.4m households.
- The pipeline network has expanded to 44,540 inch-km cumulatively.

Valuation and view

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan.
- The stock is trading at a P/E of 21.4x FY27E and EV/EBITDA of 12.8x for FY27E. **We reiterate our BUY rating on the stock with a TP of INR485, valuing it at 24x Dec'27E EPS.**

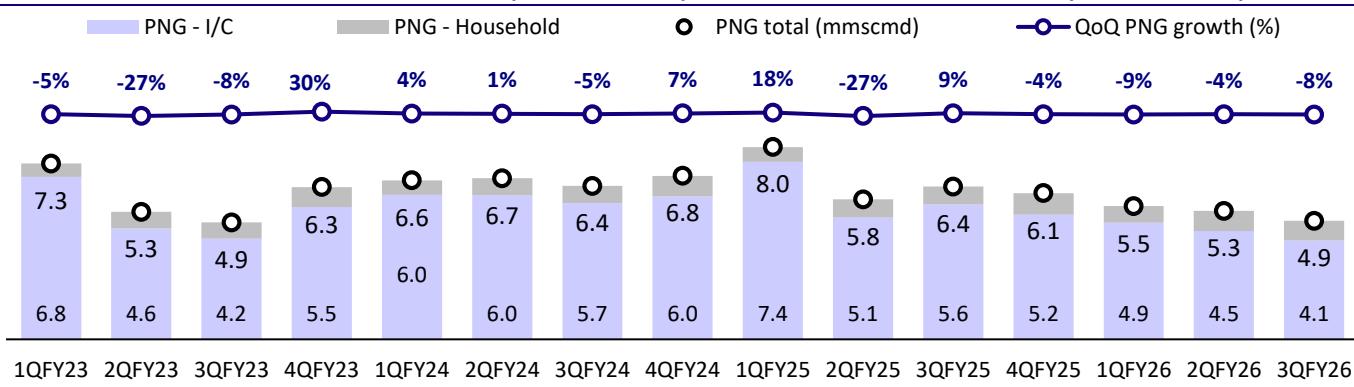
Standalone - Quarterly Earnings Model

| Y/E March | FY25 | | | | | | | | FY26E | | FY25 | FY26E | FY26 | Var |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|-------------|------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | 3QE | (INR m) | | | | |
| Net Sales | 44,503 | 37,818 | 41,529 | 41,020 | 38,709 | 37,804 | 36,584 | 37,714 | 1,64,870 | 1,50,855 | 36,273 | 1% | | |
| YoY Change (%) | 17.7 | -1.7 | 5.7 | -0.8 | -13.0 | 0.0 | -11.9 | -8.1 | 5.1 | -8.5 | -12.7 | | | |
| EBITDA | 5,356 | 5,142 | 3,805 | 4,495 | 5,199 | 4,473 | 4,473 | 4,296 | 18,798 | 18,445 | 4,862 | -8% | | |
| Margin (%) | 12.0 | 13.6 | 9.2 | 11.0 | 13.4 | 11.8 | 12.2 | 11.4 | 11.4 | 12.2 | 13.4 | | | |
| Depreciation | 1,231 | 1,295 | 1,294 | 1,286 | 1,314 | 1,343 | 1,352 | 1,343 | 5,106 | 5,353 | 1,348 | | | |
| Interest | 78 | 80 | 93 | 74 | 79 | 81 | 87 | 87 | 325 | 335 | 86 | | | |
| Other Income | 386 | 386 | 585 | 744 | 594 | 731 | 546 | 439 | 2,100 | 2,310 | 542 | | | |
| PBT | 4,433 | 4,152 | 3,002 | 3,878 | 4,399 | 3,779 | 3,580 | 3,305 | 15,466 | 15,068 | 3,971 | -10% | | |
| Tax | 1,135 | 1,083 | 786 | 1,007 | 1,131 | 969 | 924 | 832 | 4,011 | 3,856 | 1,001 | | | |
| Rate (%) | 25.6% | 26.1% | 26.2% | 26.0% | 25.7% | 25.6% | 25.8% | 25.2% | 25.9% | 25.6% | 25.2 | | | |
| Reported PAT | 3,298 | 3,069 | 2,216 | 2,872 | 3,268 | 2,810 | 2,656 | 2,473 | 11,455 | 11,212 | 2,970 | -11% | | |
| YoY Change (%) | 53.3 | 3.1 | 0.6 | -22.0 | -0.9 | -8.4 | 19.8 | -13.9 | -9.7 | -2.1 | 34.0 | | | |
| Total volume (mmscmd) | 11.0 | 8.8 | 9.5 | 9.3 | 8.9 | 8.7 | 8.4 | 9.0 | 9.6 | 9.1 | 8.5 | -1% | | |
| CNG | 3.0 | 2.9 | 3.1 | 3.2 | 3.3 | 3.3 | 3.5 | 3.5 | 3.1 | 3.2 | 3.4 | 1% | | |
| PNG – Industrial/Commercial | 7.4 | 5.1 | 5.6 | 5.2 | 4.9 | 4.5 | 4.1 | 4.5 | 5.8 | 5.2 | 4.3 | -4% | | |
| PNG – Households | 0.6 | 0.8 | 0.7 | 0.9 | 0.7 | 0.8 | 0.8 | 1.0 | 0.8 | 0.8 | 0.8 | 4% | | |
| EBITDA (INR/scm) | 5.4 | 6.4 | 4.4 | 5.4 | 6.4 | 5.6 | 5.8 | 5.3 | 5.4 | 5.6 | 6.2 | -7% | | |

Operational Highlights

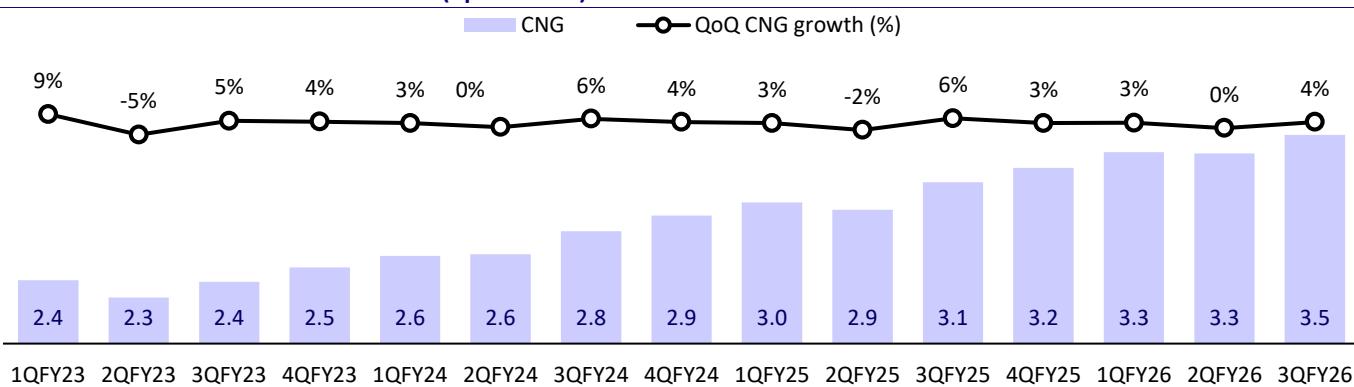
| Particulars | FY23 | | | | FY24 | | | | FY25 | | | | FY26 | | | | 3QFY26 | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|--|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | YoY (%) | QoQ (%) | |
| Net sales (INR b) | 51.7 | 39.8 | 36.8 | 39.3 | 37.8 | 38.5 | 39.3 | 41.3 | 44.5 | 37.8 | 41.5 | 41.0 | 38.7 | 37.8 | 36.6 | -12% | -3% | |
| Realization (INR/scm) | 58.3 | 56.7 | 54.9 | 49.3 | 45.1 | 44.8 | 46.6 | 46.9 | 44.5 | 47.0 | 47.7 | 49.0 | 48.0 | 47.4 | 47.5 | 0% | 0% | |
| Total raw material (INR b) | 43.0 | 30.7 | 28.3 | 30.8 | 30.9 | 30.5 | 32.2 | 31.8 | 35.9 | 29.5 | 34.3 | 32.5 | 30.0 | 29.8 | 28.6 | -16% | -4% | |
| Gas cost (INR/scm) | 48.4 | 43.8 | 42.2 | 38.6 | 36.9 | 35.6 | 38.2 | 36.1 | 35.9 | 36.6 | 39.3 | 38.9 | 37.2 | 37.4 | 37.2 | -6% | -1% | |
| Gross margin (INR b) | 8.7 | 9.1 | 8.6 | 8.5 | 6.9 | 7.9 | 7.1 | 9.5 | 8.6 | 8.3 | 7.3 | 8.5 | 8.7 | 8.0 | 7.9 | 9% | -1% | |
| Gross margin (INR/scm) | 9.8 | 13.0 | 12.8 | 10.6 | 8.2 | 9.2 | 8.4 | 10.8 | 8.6 | 10.4 | 8.3 | 10.1 | 10.8 | 10.0 | 10.3 | 24% | 3% | |
| EBITDA (INR b) | 6.1 | 6.4 | 5.8 | 5.6 | 3.9 | 5.0 | 4.0 | 5.9 | 5.4 | 5.1 | 3.8 | 4.5 | 5.2 | 4.5 | 4.5 | 18% | 0% | |
| EBITDA (INR/scm) | 6.8 | 9.2 | 8.7 | 7.0 | 4.6 | 5.8 | 4.8 | 6.7 | 5.4 | 6.4 | 4.4 | 5.4 | 6.4 | 5.6 | 5.8 | 33% | 3% | |
| PAT (INR b) | 3.8 | 4.0 | 3.7 | 3.7 | 2.2 | 3.0 | 2.2 | 4.1 | 3.3 | 3.1 | 2.2 | 2.9 | 3.3 | 2.8 | 2.7 | 20% | -5% | |
| PAT (INR/scm) | 4.3 | 5.8 | 5.5 | 4.6 | 2.6 | 3.5 | 2.6 | 4.6 | 3.3 | 3.8 | 2.5 | 3.4 | 4.0 | 3.5 | 3.4 | 35% | -2% | |
| Volumes (mmscmd) | | | | | | | | | | | | | | | | | | |
| CNG | 2.4 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.8 | 2.9 | 3.0 | 2.9 | 3.1 | 3.2 | 3.3 | 3.3 | 3.5 | 11% | 4% | |
| PNG - Household | 0.6 | 0.7 | 0.7 | 0.8 | 0.6 | 0.7 | 0.7 | 0.9 | 0.6 | 0.8 | 0.7 | 0.9 | 0.7 | 0.8 | 0.8 | 12% | 0% | |
| PNG - I/C | 6.8 | 4.6 | 4.2 | 5.5 | 6.0 | 6.0 | 5.7 | 6.0 | 7.4 | 5.1 | 5.6 | 5.2 | 4.9 | 4.5 | 4.1 | -27% | -9% | |
| Total | 9.8 | 7.6 | 7.3 | 8.9 | 9.2 | 9.3 | 9.2 | 9.7 | 11.0 | 8.8 | 9.5 | 9.3 | 8.9 | 8.7 | 8.4 | -12% | -3% | |

Exhibit 1: Total PNG volumes were 4.9mmscmd (down 22% YoY), with I/C volumes at 4.1mmscmd (down 27% YoY)

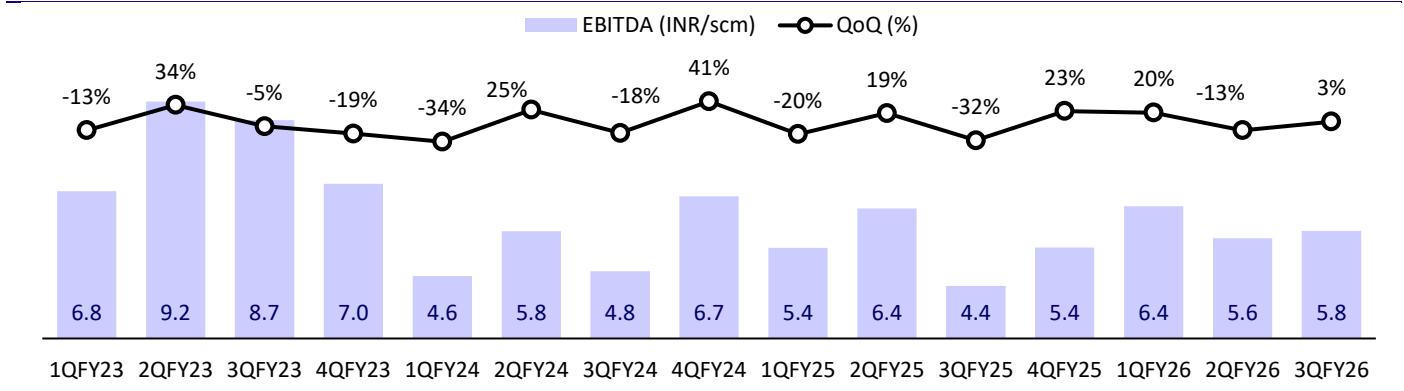


Source: Company, MOFSL

Exhibit 2: CNG volumes were 3.5mmscmd (up 11% YoY)



Source: Company, MOFSL

Exhibit 3: EBITDA/scm stood at INR5.8 (up 33% YoY)


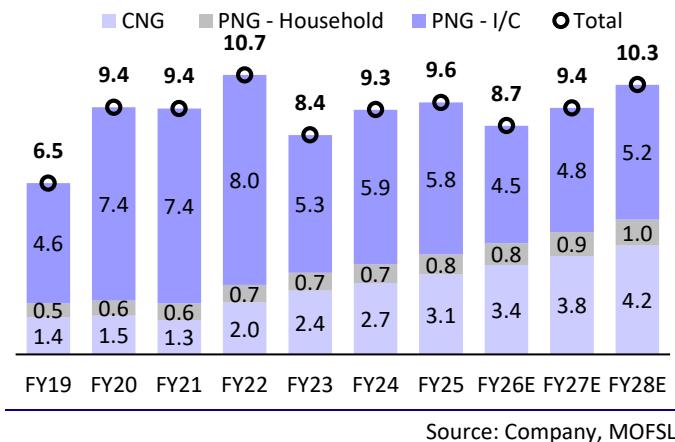
Source: Company, MOFSL


Highlights from the management commentary

- Morbi volumes recovered to ~2.2mmscmd (from 1.68mmscmd) and are guided to reach ~2.6–2.7mmscmd by end-Jan'26; Feb/Mar'26 volumes likely at ~3.0–3.2mmscmd.
- Morbi demand volatility driven by spot LNG (-19% YoY) and Propane prices (-25% YoY), prompting temporary customer switching to Propane.
- Non-Morbi volumes increased 1% QoQ and 7% YoY to 2.25mmscmd in 3QFY26.
- Morbi pricing: I&C-PNG prices cut by INR4.5/scm from Jan'26 to support ceramic demand.
- Fuel economics: NG is ~INR2.4/scm costlier than Propane; Propane prices expected to rise from Feb'26, narrowing the gap.
- CNG volumes at 3.46mmscmd (Gujarat: 2.95; non-Gujarat: 0.51), delivering double-digit growth.
- CNG vehicle base in GUJGA GAs stood at ~1.7mn as of 31 Dec'25 (up 14% YoY); CNG remains ~45%/23% cheaper than petrol/diesel.
- Gas sourcing (3QFY26): 24% APM (down QoQ), 4% NG gas, 39% long-term LNG, 33% short-term (IGX + spot).
- APM allocation: 49% to priority segment; NW gas allocation declined to 0.31mmscmd (vs 0.44mmscmd in 2QFY26).
- Long-term sourcing target: GUJGA aims to raise LT share to ~70% by FY27-end (39% currently); GSCP-signed contracts to start flowing from 4QFY26.
- Zonal tariff impact: Neutral at current volumes and up to an incremental 2–3mmscmd CNG volumes. However, every 1mmscmd rise in I&C-PNG could reduce margins by ~INR1/scm.
- EBITDA margins (including other income) guided at INR5.5–6.5/scm for FY26–28.
- Capex: INR4.1bn in 9MFY26; FY26 guidance at INR6.5–7b, with similar spend expected in FY27–28.
- Propane infrastructure: Board plans to own Propane infra; discussions underway with port authorities for storage and unloading facilities.
- Interim Propane arrangements: Engagements are ongoing with existing infrastructure providers on a short-term basis.
- CNG stations: 833 operational; target to exceed 1,000 stations over the next 2–3 years.
- F-DODO: ~78 agreements signed; stations operational in Jamnagar (Q2FY26) and Morbi (21 Jan'26).
- Corporate actions: MCA final hearing for scheme of arrangement scheduled in Feb'26; completion expected by Apr-May'26, including GTL listing.
- Volume outlook: CNG and PNG volumes guided to grow at 10–12%.

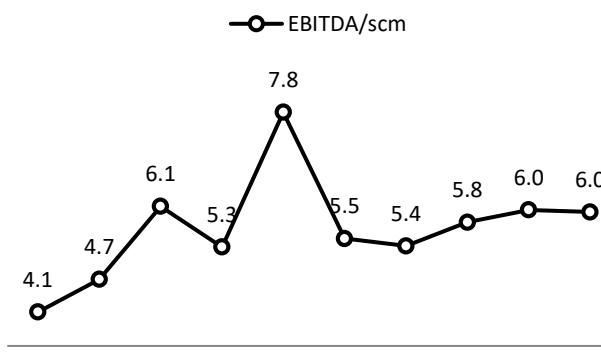
Story in charts

Exhibit 4: Volume snapshot for GUJGA



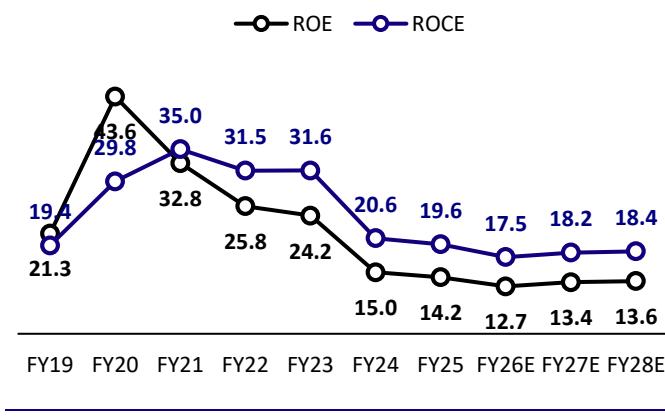
Source: Company, MOFSL

Exhibit 5: EBITDA/scm to be ~INR6 in FY27/28



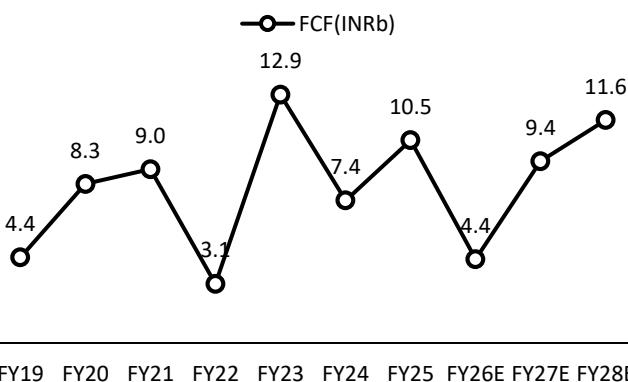
Source: Company, MOFSL

Exhibit 6: Return ratios



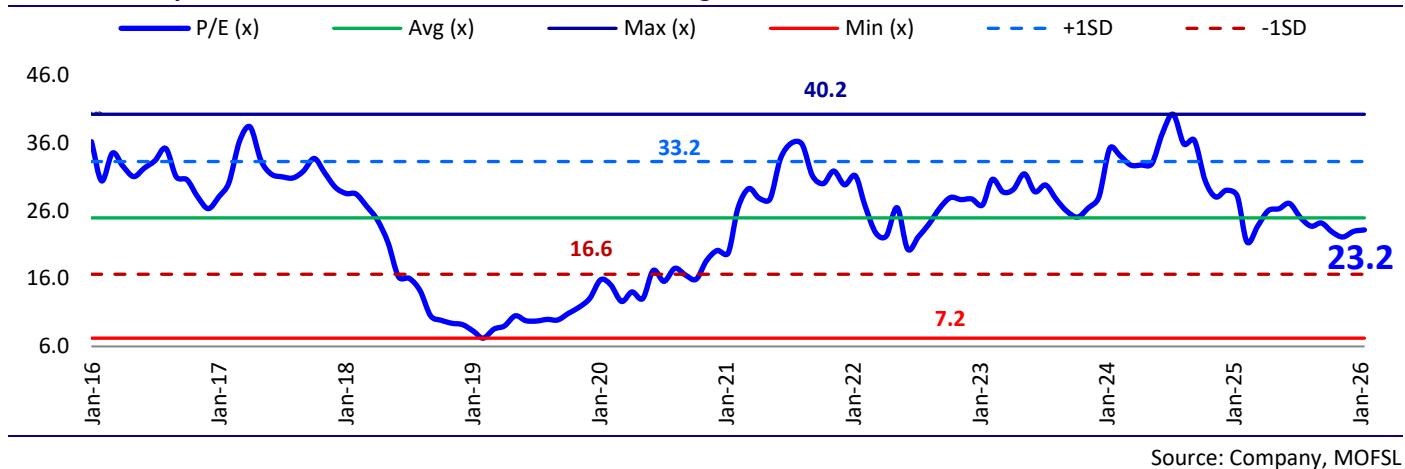
Source: Company, MOFSL

Exhibit 7: Free cash flow



Source: Company, MOFSL

Exhibit 8: One-year forward P/E trades at 23.2x vs. its LT average of 24.9x



Source: Company, MOFSL

Financials and valuations

| Standalone - Income Statement | | | | | | | | | (INR m) |
|-------------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E | |
| Total Income from Operations | 98,664 | 1,64,562 | 1,67,594 | 1,56,902 | 1,64,870 | 1,50,855 | 1,61,386 | 1,78,449 | |
| Change (%) | -4.2 | 66.8 | 1.8 | -6.4 | 5.1 | -8.5 | 7.0 | 10.6 | |
| EBITDA | 20,842 | 20,763 | 23,920 | 18,764 | 18,798 | 18,445 | 20,675 | 22,473 | |
| Margin (%) | 21.1 | 12.6 | 14.3 | 12.0 | 11.4 | 12.2 | 12.8 | 12.6 | |
| Depreciation | 3,436 | 3,849 | 4,283 | 4,743 | 5,106 | 5,340 | 5,339 | 5,337 | |
| EBIT | 17,406 | 16,914 | 19,637 | 14,021 | 13,691 | 13,105 | 15,336 | 17,137 | |
| Int. and Finance Charges | 1,168 | 568 | 404 | 293 | 325 | 335 | 318 | 302 | |
| Other Income | 714 | 907 | 1,013 | 1,078 | 2,100 | 2,310 | 2,194 | 2,238 | |
| PBT bef. EO Exp. | 16,953 | 17,253 | 20,247 | 14,805 | 15,466 | 15,081 | 17,213 | 19,073 | |
| EO Items | 0 | -119 | 0 | 557 | 0 | 0 | 0 | 0 | |
| PBT after EO Exp. | 16,953 | 17,134 | 20,247 | 15,362 | 15,466 | 15,081 | 17,213 | 19,073 | |
| Current Tax | 4,212 | 4,160 | 4,634 | 3,315 | 3,526 | 3,609 | 4,326 | 4,801 | |
| Tax Rate (%) | 25.2 | 25.0 | 24.7 | 25.6 | 25.9 | 25.6 | 25.1 | 25.2 | |
| Reported PAT | 12,682 | 12,856 | 15,255 | 11,428 | 11,455 | 11,221 | 12,887 | 14,272 | |
| Adjusted PAT | 12,682 | 12,946 | 15,255 | 11,013 | 11,455 | 11,221 | 12,887 | 14,272 | |
| Change (%) | 6.3 | 2.1 | 17.8 | -27.8 | 4.0 | -2.0 | 14.8 | 10.7 | |
| Margin (%) | 12.9 | 7.9 | 9.1 | 7.0 | 6.9 | 7.4 | 8.0 | 8.0 | |

| Standalone - Balance Sheet | | | | | | | | | (INR m) |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|---------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E | |
| Equity Share Capital | 1,377 | 1,377 | 1,377 | 1,377 | 1,377 | 1,377 | 1,377 | 1,377 | |
| Total Reserves | 43,110 | 54,616 | 68,579 | 75,516 | 83,160 | 90,566 | 99,071 | 1,08,491 | |
| Net Worth | 44,486 | 55,993 | 69,956 | 76,893 | 84,537 | 91,943 | 1,00,448 | 1,09,868 | |
| Deferred Tax Liabilities | 7,925 | 8,077 | 8,461 | 9,108 | 9,589 | 9,589 | 9,589 | 9,589 | |
| Total Loans | 7,700 | 4,811 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Capital Employed | 60,111 | 68,881 | 78,417 | 86,000 | 94,125 | 1,01,531 | 1,10,037 | 1,19,456 | |
| Gross Block | 81,252 | 90,156 | 1,04,085 | 1,13,079 | 1,22,526 | 1,26,726 | 1,31,526 | 1,36,326 | |
| Less: Accum. Deprn. | 22,590 | 26,439 | 30,721 | 35,464 | 40,571 | 45,911 | 51,250 | 56,586 | |
| Net Fixed Assets | 58,662 | 63,717 | 73,364 | 77,615 | 81,955 | 80,815 | 80,276 | 79,739 | |
| Capital WIP | 7,088 | 9,672 | 9,831 | 9,180 | 8,389 | 11,189 | 14,389 | 17,589 | |
| Total Investments | 1,926 | 2,806 | 317 | 1,364 | 1,477 | 1,477 | 1,477 | 1,477 | |
| Curr. Assets, Loans, and Adv. | 17,411 | 19,358 | 25,439 | 28,425 | 34,330 | 35,926 | 43,562 | 53,358 | |
| Inventory | 525 | 534 | 612 | 587 | 619 | 566 | 606 | 670 | |
| Account Receivables | 7,747 | 9,301 | 10,212 | 10,298 | 10,240 | 9,369 | 10,023 | 11,083 | |
| Cash balance | 2,767 | 164 | 6,747 | 9,160 | 3,269 | 5,787 | 12,730 | 21,402 | |
| Bank balance | 422 | 15 | 63 | 101 | 325 | 325 | 325 | 325 | |
| Loans and Advances | 5,950 | 9,344 | 7,806 | 8,279 | 19,878 | 19,878 | 19,878 | 19,878 | |
| Curr. Liability and Prov. | 24,976 | 26,672 | 30,534 | 30,583 | 32,026 | 27,875 | 29,668 | 32,707 | |
| Account Payables | 4,473 | 4,456 | 7,156 | 7,002 | 7,199 | 6,460 | 6,810 | 7,512 | |
| Other Current Liabilities | 19,740 | 21,349 | 22,554 | 22,787 | 24,076 | 20,665 | 22,108 | 24,445 | |
| Provisions | 763 | 867 | 824 | 794 | 750 | 750 | 750 | 750 | |
| Net Current Assets | -7,565 | -7,314 | -5,095 | -2,158 | 2,305 | 8,050 | 13,895 | 20,651 | |
| Appl. of Funds | 60,111 | 68,881 | 78,417 | 86,000 | 94,125 | 1,01,531 | 1,10,037 | 1,19,456 | |

Financials and valuations

Ratios

| Y/E March (INR) | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|------|------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | |
| EPS | 18.4 | 18.8 | 22.2 | 16.0 | 16.6 | 16.3 | 18.7 | 20.7 |
| Cash EPS | 23.4 | 24.4 | 28.4 | 22.9 | 24.1 | 24.1 | 26.5 | 28.5 |
| BV/Share | 64.6 | 81.3 | 101.6 | 111.7 | 122.8 | 133.6 | 145.9 | 159.6 |
| DPS | 2.0 | 2.0 | 6.7 | 5.7 | 5.7 | 5.5 | 6.4 | 7.0 |
| Payout (%) | 10.9 | 10.7 | 30.0 | 34.1 | 34.0 | 34.0 | 34.0 | 34.0 |
| Valuation (x) | | | | | | | | |
| P/E | 21.7 | 21.2 | 18.0 | 24.9 | 24.0 | 24.5 | 21.3 | 19.2 |
| Cash P/E | 17.0 | 16.4 | 14.1 | 17.4 | 16.6 | 16.6 | 15.1 | 14.0 |
| P/BV | 6.2 | 4.9 | 3.9 | 3.6 | 3.2 | 3.0 | 2.7 | 2.5 |
| EV/Sales | 2.8 | 1.7 | 1.6 | 1.7 | 1.6 | 1.8 | 1.6 | 1.4 |
| EV/EBITDA | 13.4 | 13.5 | 11.2 | 14.1 | 14.4 | 14.6 | 12.7 | 11.3 |
| Dividend Yield (%) | 0.5 | 0.5 | 1.7 | 1.4 | 1.4 | 1.4 | 1.6 | 1.8 |
| FCF per share | 13.1 | 4.5 | 18.8 | 10.8 | 15.3 | 6.3 | 13.7 | 16.8 |
| Return Ratios (%) | | | | | | | | |
| RoE | 32.8 | 25.8 | 24.2 | 15.0 | 14.2 | 12.7 | 13.4 | 13.6 |
| RoCE | 35.0 | 31.5 | 31.6 | 20.6 | 19.6 | 17.5 | 18.2 | 18.4 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 1.2 | 1.8 | 1.6 | 1.4 | 1.3 | 1.2 | 1.2 | 1.3 |
| Asset Turnover (x) | 1.6 | 2.4 | 2.1 | 1.8 | 1.8 | 1.5 | 1.5 | 1.5 |
| Inventory (Days) | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Debtor (Days) | 29 | 21 | 22 | 24 | 23 | 23 | 23 | 23 |
| Creditor (Days) | 17 | 10 | 16 | 16 | 16 | 16 | 15 | 15 |
| Working Cap. Turnover (Days) | -40 | -17 | -26 | -27 | -3 | 5 | 2 | -2 |
| Leverage Ratio (x) | | | | | | | | |
| Current Ratio | 0.7 | 0.7 | 0.8 | 0.9 | 1.1 | 1.3 | 1.5 | 1.6 |
| Debt/Equity ratio | 0.1 | 0.1 | -0.1 | -0.1 | 0.0 | -0.1 | -0.1 | -0.2 |

Standalone - Cash Flow Statement

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | (INR m) FY28E |
|----------------------------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 16,953 | 17,134 | 20,247 | 15,362 | 15,466 | 15,081 | 17,213 | 19,073 |
| Depreciation | 3,436 | 3,849 | 4,283 | 4,743 | 5,106 | 5,340 | 5,339 | 5,337 |
| Interest and Finance Charges | 1,168 | 568 | 404 | 293 | 325 | 335 | 318 | 302 |
| Direct Taxes Paid | -4,166 | -4,363 | -4,608 | -3,227 | -3,115 | -3,859 | -4,326 | -4,801 |
| (Inc.)/Dec. in WC | -437 | -95 | 4,052 | -201 | 1,544 | -3,228 | 1,099 | 1,916 |
| Others | -365 | -476 | -597 | -630 | -1,267 | -2,310 | -2,194 | -2,238 |
| CF from Operations | 16,588 | 16,617 | 23,780 | 16,340 | 18,059 | 11,359 | 17,448 | 19,589 |
| Others | 0 | 119 | 0 | -557 | 0 | 0 | 0 | 0 |
| CF from Operating incl EO | 16,588 | 16,736 | 23,780 | 15,784 | 18,059 | 11,359 | 17,448 | 19,589 |
| (Inc.)/Dec. in FA | -7,556 | -13,663 | -10,867 | -8,371 | -7,517 | -7,000 | -8,000 | -8,000 |
| Free Cash Flow | 9,033 | 3,073 | 12,912 | 7,412 | 10,541 | 4,359 | 9,448 | 11,589 |
| (Pur)/Sale of Investments | 0 | 0 | 0 | -999 | 0 | 0 | 0 | 0 |
| Others | 1,432 | 728 | 454 | 584 | -11,695 | 0 | 0 | 0 |
| CF from Investments | -6,124 | -12,935 | -10,413 | -8,787 | -19,213 | -7,000 | -8,000 | -8,000 |
| Inc./(Dec.) in Debt | -11,016 | -4,193 | -4,779 | 0 | 0 | 0 | 0 | 0 |
| Interest Paid | -1,165 | -531 | -381 | -273 | -299 | -335 | -318 | -302 |
| Dividend Paid | -863 | -1,375 | -1,379 | -4,575 | -3,891 | -3,815 | -4,382 | -4,853 |
| Others | -134 | -185 | -245 | -293 | -548 | 2,310 | 2,194 | 2,238 |
| CF from Fin. Activity | -13,179 | -6,284 | -6,784 | -5,141 | -4,737 | -1,840 | -2,505 | -2,917 |
| Inc./Dec. in Cash | -2,714 | -2,602 | 6,583 | 2,413 | -5,891 | 2,518 | 6,943 | 8,672 |
| Opening Balance | 5,481 | 2,767 | 165 | 6,747 | 9,160 | 3,269 | 5,787 | 12,730 |
| Closing Balance | 2,767 | 165 | 6,747 | 9,160 | 3,269 | 5,787 | 12,730 | 21,403 |

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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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