

**Indigo posted Q4FY26 SA EBITDA of Rs56bn, beating our estimate by 18% on lower opex, while yield at Rs5.2 was a 1% beat (down 2% YoY); CASK (ex-fuel/forex) was 5% lower than estimated. PBT (ex-forex/exceptionals) at Rs26bn was a ~2x beat. Indigo booked exceptional items of Rs2.5bn owing to the impact of labor code in Q4FY26. Jan/Feb-26 ASK growth was healthy at ~10% YoY, but Middle East (ME) disruptions limited Q4FY26 ASK growth to 3% at 43.6bn (1% miss). RPK rose 2% YoY, with load factor at 85.8% (Emkay estimate: 85.6%). Q1FY27 ASK growth guidance is 3-4% YoY, impacted by capacity optimization and lower international deployment amid the ME conflict. However, PRASK is expected to rise by mid-teens YoY, aided by fuel surcharge and a low base. Near-term CASK (ex-fuel/forex) is expected to remain elevated in mid-to-high single digits, pressuring near-term margins, as higher costs have not been fully passed on. However, outlook hinges on utilization recovery and geopolitical developments. While we await full-year guidance, we cut FY27E EBITDA by 9%, building in slightly lower RASK and higher fuel cost/ASK, while trimming FY28E EBITDA by 2%. However, we cut AEPS estimate by 19%/5% for FY27/FY28 due to below-the-line adjustments. We cut our Mar-28E TP by ~5% to Rs5,200 from Rs5,500; retain BUY.**

### Results highlights

Reported net loss in Q4FY26 stood at Rs26.6bn vs our estimate of Rs34.5bn, driven by 22% higher other income of Rs13.9bn (up 46% YoY/31% QoQ) owing to currency hedging gains, while forex loss of Rs48.8bn was below our Rs50.3bn estimate. RASK was up 1% YoY/2% QoQ to Rs5.3, while fuel cost per ASK was down 5% YoY/flat QoQ (4% above estimates). Aircraft and engine rentals were 6% higher than expected, at Rs7.6bn, due to higher damp leases, while airport charges/other expenses were lower by 8%/6%; supplementary rentals and employee costs were 9% and 17% lower, respectively. D/A rose 1% QoQ to Rs28.0bn, while finance charges were also up 1% QoQ. Damp leases increased to 20 from 16 in Q3, with fleet up at 441 aircraft as of FY26-end. Core gross debt and total cash balance were largely flat QoQ at Rs243bn and Rs517bn, respectively. Free cash was down 2% QoQ to Rs362bn. PBT/ASK (ex-forex) of Rs0.61 was a ~2x beat.

### Management KTAs

Forex impact, though heavy, is largely MTM in nature, arising from USD-denominated lease liabilities and maintenance accruals, which are, however, payable over 8-10 years. Fuel cost pass-through is calibrated between fare hikes and demand elasticity. However, despite fare hikes, no meaningful elasticity has been observed so far, and May air demand is better. International operations were hurt from the conflict, with ~160 daily flights to the ME and Europe disrupted. Operations gradually resumed thereafter (2/3<sup>rd</sup> recovered).

### Valuation

We value Indigo at P/E-based TP of Rs5,200 (~20x Mar-28E AEPS). Although it would benefit from accumulated tax losses well up to FY28, we adjust APAT to reflect normalized taxation. Key risks: Adverse currency/fuel prices, economic slowdown, stake sale, and operational issues.

Target Price – 12M	Mar-27
Change in TP (%)	(5.5)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.0

Stock Data	INDIGO IN
52-week High (Rs)	6,233
52-week Low (Rs)	3,895
Shares outstanding (mn)	386.7
Market-cap (Rs bn)	1,703
Market-cap (USD mn)	17,928
Net-debt, FY27E (Rs mn)	232,166.0
ADTV-3M (mn shares)	2.0
ADTV-3M (Rs mn)	8,030.8
ADTV-3M (USD mn)	84.5
Free float (%)	43.0
Nifty-50	23,547.8
INR/USD	95.0

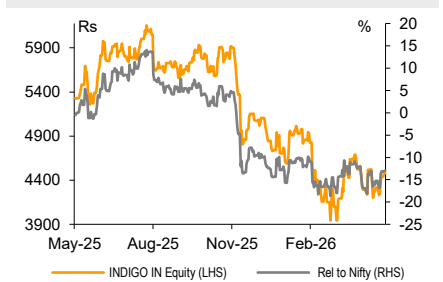
### Shareholding, Mar-26

Promoters (%)	41.6
FPIs/MFs (%)	21.6/31.2

### Price Performance

(%)	1M	3M	12M
Absolute	1.4	(8.7)	(17.2)
Rel. to Nifty	4.1	(2.4)	(12.7)

### 1-Year share price trend (Rs)



### InterGlobe Aviation: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	808,030	849,619	1,016,492	1,160,256	1,282,855
EBITDA	196,251	208,948	211,832	293,556	328,098
Adj. PAT	72,533	(4,406)	54,212	100,507	114,060
Adj. EPS (Rs)	187.7	(11.4)	140.2	260.0	295.0
EBITDA margin (%)	24.3	24.6	20.8	25.3	25.6
EBITDA growth (%)	16.4	6.5	1.4	38.6	11.8
Adj. EPS growth (%)	(9.6)	NM	NM	85.4	13.5
RoE (%)	129.1	(31.8)	67.8	64.4	40.9
RoIC (%)	39.0	25.1	20.0	31.1	31.0
P/E (x)	23.5	NM	31.4	16.9	14.9
EV/EBITDA (x)	10.4	10.5	9.8	6.8	5.7
P/B (x)	18.3	26.4	13.5	7.4	5.2
FCFF yield (%)	11.4	10.3	16.7	17.3	20.9

Source: Company, Emkay Research

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## Exhibit 1: Actuals vs estimates (Q4FY26)

(Rs bn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	224	224	222	0%	1%	
Adjusted EBITDA	56	47	22	18%	152%	Lower opex
EBITDA Margin	25.1%	21.2%	10.0%	383bps	1,505bps	
Net Profit	-27	-34	-27	NM	NM	Higher other income and lower D/A and finance costs

Source: Company, Emkay Research

## Exhibit 2: Quarterly Summary

Standalone (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY	QoQ	FY25	FY26	YoY
<b>Total Revenue</b>	<b>221,520</b>	<b>204,963</b>	<b>185,553</b>	<b>234,719</b>	<b>224,384</b>	<b>1%</b>	<b>-4%</b>	<b>808,030</b>	<b>849,619</b>	<b>5%</b>
Change in Stock	-4	24	-17	3	-24			-2	-14	
Purchases	1,078	1,019	1,144	1,358	1,442	34%	6%	3,834	4,963	29%
Fuel Expense	67,530	58,326	59,618	69,445	66,503	-2%	-4%	261,973	253,892	-3%
Employee Cost	17,509	18,299	18,235	18,770	18,297	5%	-3%	67,301	73,601	9%
Airport Fees	15,635	16,269	15,155	17,180	16,878	8%	-2%	57,531	65,482	14%
Aircraft-Engine Rentals	8,641	4,925	3,200	5,093	7,629	-12%	50%	30,103	20,847	-31%
Supplementary Rentals	30,168	30,787	32,692	33,924	32,090	6%	-5%	112,227	129,493	15%
Other Expenses	21,515	21,792	21,024	24,250	25,341	18%	4%	78,812	92,407	17%
<b>Total Expenditure</b>	<b>162,072</b>	<b>151,441</b>	<b>151,051</b>	<b>170,023</b>	<b>168,156</b>	<b>4%</b>	<b>-1%</b>	<b>611,779</b>	<b>640,671</b>	<b>5%</b>
<b>EBITDA</b>	<b>59,448</b>	<b>53,522</b>	<b>34,502</b>	<b>64,696</b>	<b>56,228</b>	<b>-5%</b>	<b>-13%</b>	<b>196,251</b>	<b>208,948</b>	<b>6%</b>
Depreciation	24,771	25,531	26,293	27,681	28,009	13%	1%	86,366	107,514	24%
EBIT	34,677	27,991	8,209	37,015	28,219	-19%	-24%	109,885	101,434	-8%
Finance Costs	13,831	14,026	14,749	15,570	15,743	14%	1%	50,889	60,088	18%
Other Income	9,531	10,465	10,450	10,640	13,940	46%	31%	33,068	45,495	38%
PBT Before Exceptionals	30,377	24,430	3,910	32,085	26,416	-13%	-18%	92,064	86,841	-6%
Forex Gains	1,375	-1,476	-29,048	-11,169	-48,816			-16,189	-90,509	
Exceptional Items	0	0	0	-14,668	-2,497			0	-17,165	
PBT	31,752	22,954	-25,138	6,248	-24,897	NM	NM	75,875	-20,833	NM
Current Tax	1,014	1,343	1,003	-1,548	-798			3,338	0	
Deferred Tax	4	0	0	1,670	2,522			4	4,192	
Total Tax	1,018	1,343	1,003	122	1,724			3,342	4,192	
<b>Reported PAT</b>	<b>30,734</b>	<b>21,611</b>	<b>-26,141</b>	<b>6,126</b>	<b>-26,621</b>	<b>NM</b>	<b>NM</b>	<b>72,533</b>	<b>-25,025</b>	<b>NM</b>
<b>Reported EPS (Rs)</b>	<b>79.5</b>	<b>55.9</b>	<b>-67.6</b>	<b>15.8</b>	<b>-68.9</b>	<b>NM</b>	<b>NM</b>	<b>187.8</b>	<b>-64.7</b>	<b>NM</b>
Total Pax (mn)	31.9	31.0	28.8	31.9	31.6	-1%	-1%	118.6	123.3	4%
<b>ASK (mn)</b>	<b>42,101</b>	<b>42,257</b>	<b>41,220</b>	<b>45,413</b>	<b>43,553</b>	<b>3%</b>	<b>-4%</b>	<b>157,474</b>	<b>172,443</b>	<b>10%</b>
RPK (mn)	36,800	35,730	34,040	38,410	37,390	2%	-3%	135,390	145,570	8%
PLF	87.4%	84.6%	82.6%	84.6%	85.8%	-156bps	127bps	86.0%	84.4%	-156bps
RASK (Rs)	5.26	4.86	4.55	5.20	5.30	1%	2%	5.14	4.99	-3%
<b>Yield (Rs)</b>	<b>5.32</b>	<b>4.98</b>	<b>4.69</b>	<b>5.33</b>	<b>5.20</b>	<b>-2%</b>	<b>-2%</b>	<b>5.15</b>	<b>5.06</b>	<b>-2%</b>
Fuel Cost/ASK (Rs)	1.60	1.38	1.45	1.53	1.53	-5%	0%	1.66	1.47	-11%
CASK ex-Fuel and Forex (Rs)	2.94	2.90	3.01	2.96	3.17	8%	7%	3.09	3.21	4%
PBT/ASK (Rs)	0.75	0.54	-0.61	0.14	-0.57	NM	NM	0.48	-0.12	NM
PAT ex-Forex	29,359	23,087	2,907	17,295	22,195	-24%	28%	88,722	65,484	-26%
EBITDARM	31.4%	27.9%	5.8%	19.3%	8.5%	-2285bps	-1075bps	26.3%	15.6%	-1068bps
Free Cash	331,531	348,019	385,167	369,445	362,163	9%	-2%	331,531	362,163	9%
Restricted Cash	150,174	146,038	149,985	146,624	154,343	3%	5%	150,174	154,343	3%
ROU Assets	493,052	508,000	540,443	551,100	588,654	19%	7%	493,052	588,654	19%
<b>Fleet Size (no of)</b>	<b>434</b>	<b>416</b>	<b>417</b>	<b>440</b>	<b>441</b>	<b>7</b>	<b>1</b>	<b>434</b>	<b>441</b>	<b>7</b>
Domestic Destinations (no of)	91	91	94	96	97	6	1	91	97	6
International Destinations (no of)	40	41	41	44	45	5	1	40	45	5
OTP	81%	83%	90%	77%	80%	-140bps	330bps	74%	82%	865bps

Source: Company, Emkay Research

## Concall highlights

- Indigo's FY26 performance was impacted by multiple external disruptions across all quarters. Q1 was affected by geopolitical developments in the Indian subcontinent, which disrupted operations across 10+ airports. Q2 saw deliberate capacity rationalization amid seasonally weak demand conditions. Q3 was severely impacted by the Dec-25 operational disruption. Q4 witnessed fresh disruptions from escalating Middle East tensions, which affected airspace availability, international routes, aircraft utilization, and travel demand, besides leading to a jump in jet fuel prices. Despite these headwinds, Indigo carried a record 123mn passengers during FY26. ASK grew 9.5% YoY for FY26, while passenger growth stood at 4-5%.
- The Dec-25 operational disruption materially impacted both profitability and operations. The impact extended into the first half of Jan-26 as the airline continued restoring schedules, network stability, and operational discipline. Since then, operational resilience measures have been strengthened materially, resulting in consistent improvement in OTP throughout the quarter.
- The primary driver of the loss for FY26 was forex losses, with the rupee depreciating more than 11% against USD, alongside exceptional items recognized in Q3 and Q4 for the Dec-25 disruption and the new Labour Code impact. The forex impact, largely market-to-market in nature, arose primarily from USD-denominated lease liabilities and maintenance accruals (which are, however, payable over 8-10 years). Excluding forex and exceptional items, underlying net profit was Rs75bn in FY26 vs Rs89bn in FY25. Beyond the Rs5.8bn reported as exceptional for the Dec-25 disruption, there was an estimated incremental impact of Rs15-16bn from lower capacity and reduced unit revenue, implying that, adjusted for one-offs, the year would have been meaningfully stronger than the prior year.
- Q4FY26 marked a gradual operational recovery post the Dec-25 disruption, with Jan-26 as a whole and Feb-26 seeing improvement in network stability and schedule normalization. However, geopolitical tensions in the Middle East once again disrupted demand and international operations during March. The Middle East and Europe together accounted for ~18% of Indigo's capacity or ~160 daily flights, resulting in meaningful disruption to utilization and revenues. While ASK growth in Jan-Feb-26 remained ~10% YoY, the Middle East disruptions reduced overall Q4FY26 ASK growth to just 3%.
- Q4FY26 net loss was largely driven by Rs48.8bn forex loss arising from a 5% QoQ decline in currency. PRASK was also lower YoY, largely due to the high Q4FY25 base created by Mahakumbh-related travel demand. Indigo also recognized an additional Rs2.5bn provision related to the implementation of the new Labour Code in Q4FY26, taking the total FY26 labor code provision to Rs12.2bn. Sequential decline in employee costs during the quarter was driven by the reversal of certain leadership-related accruals. Excluding this, employee costs continue to grow in line with normal annual inflation and increments.
- Fuel costs remained volatile amid Middle East geopolitical tensions. Benchmark Singapore jet fuel prices increased sharply over the past three months, materially impacting operating economics. However, timely support from the government, airports, and OMCs partially softened the impact domestically. International fuel prices rose over 100%, while domestic fuel price increases were limited to ~25%. Indigo introduced fuel surcharge hikes to offset part of these higher costs, though not entirely. The airline indicated that domestic fare hikes have largely passed through the fuel cost increases, aided by the government and airports providing waiver on airport charges, whereas international operations continue to face greater pricing pressure.
- Fuel cost pass-through remains a calibrated balancing exercise between fare increases and demand elasticity. Indigo indicated that demand has remained resilient despite fare hikes, with no meaningful elasticity observed so far. Q4 fuel cost was not reflective of the current trend due to the lag in Indian ATF pricing. Apr-26 remained weak due to lingering geopolitical disruptions, although May-26 demand improved materially, with stronger load factors and pricing trends.
- Q1FY27 PRASK is expected to improve by mid-teens YoY, driven by calibrated fuel surcharge increases and a weak Q1FY26 base impacted by geopolitical disruptions. However, elevated fuel prices, currency depreciation, and annual contractual cost escalations continue to pressure margins, and the entire increase in costs has not yet been fully passed on through fares.

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- Q1FY27 ASK growth guidance stands at 3-4% YoY, primarily impacted by lower international deployment and reduced aircraft utilization amid Middle East disruptions. International operations were severely affected following the conflict escalation, with ~160 daily flights to the Middle East and Europe disrupted. Operations gradually resumed thereafter, with current capacity restored to two-thirds of pre-disruption levels, and full restoration targeted by Jun-26-end subject to ongoing risk assessments. Capacity deployment during Q1FY27 is expected to be more skewed toward domestic routes, especially leisure destinations, reflecting seasonal trends and weaker international deployment.
- The airline expects a seasonally softer demand environment from mid-Jun-26 onward. Therefore, it is adopting a calibrated capacity optimization approach similar to last year's. This includes the rationalization of select routes, return of expensive damp-lease aircraft, lower utilization of older CEO-generation aircraft and redelivery due to elevated fuel consumption, and discussions with widebody partners to optimize long-haul operations amid airspace restrictions and higher fuel prices. No changes are currently planned in Indigo's core aircraft delivery schedule from its existing order book.
- CASK (ex-fuel/forex) for Q4FY26 was higher owing to currency depreciation, lower aircraft utilization due to geopolitical disruptions, annual increases in airport charges and maintenance costs, and higher USD-linked expenses (~50%). The airline expects CASK (ex-fuel/forex) to remain elevated in mid-to-high single digits over the coming quarters, although outlook remains highly dependent on fuel prices, geopolitical developments, and utilization recovery. Indigo continues to focus on cost optimization through fleet rationalization.
- The P&W-related AOG count remained in the 40s during Q4FY26 and is expected to improve gradually into the 30s by FY27-end. No further visibility has been provided by OEMs beyond this point.
- Fleet expansion remained strong during FY26, with 51 aircraft inducted from the original order book and 21 aircraft added through damp leases, resulting in 72 gross additions. The airline redelivered 73 aircraft from its original fleet and 28 damp-lease aircraft during the year, ending FY26 with a fleet of 441 aircraft.
- Indigo's international expansion strategy continued, with operations spanning 97 domestic and 45 international destinations by FY26-end. New international destinations such as Reunion Island and Shanghai were added, while domestic connectivity continued expanding into tier-2, tier-3, and underserved airports. The narrowbody A320/A321 fleet will remain the core of its business model, while A321XLRs and future A350 widebodies would progressively expand its hybrid long-haul international strategy.
- India's first A321XLR was inducted during FY26 and has already been deployed on Athens and Istanbul routes. The XLR is expected to become a key pillar of Indigo's long-haul international expansion strategy, enabling direct connectivity to Europe and Asia. Additional XLR inductions are expected to progressively expand the international network. The long-haul network optimization would continue dynamically, depending on demand conditions, fuel environment, and geopolitical developments.
- Indigo continues to strengthen its balance sheet through higher aircraft ownership and lower lease dependence. During FY26, the airline announced an USD820mn investment in its GIFT City entity for the acquisition of aviation assets, and repaid loans linked to 17 aircraft. Indigo now has 36 unencumbered aircraft with aggregate book value exceeding Rs95bn, along with 53 aircraft under finance lease ownership structures. The strategy is aimed at reducing financing costs, lowering forex exposure, improving asset control, and enhancing long-term balance sheet durability.
- Total debt, including capitalized operating lease liabilities, stood at Rs777bn at FY26-end, while capitalized operating lease liabilities stood at Rs535bn. RoU assets stood at Rs521bn. Total cash balance stood at Rs516bn, including free cash of Rs362bn and restricted cash of Rs154bn. Indigo aims to maintain liquidity equivalent to 20-25% of annual revenue as a strategic buffer, while deploying surplus cash toward aircraft ownership and prepayment of financing obligations. During FY26, Indigo prepaid ~USD450mn (Rs43.4bn) of finance obligations linked to the GIFT City entity.
- The airline is focused on strengthening its customer ecosystem and loyalty platform. The BluChip loyalty program has crossed 11mn registered members and continues expanding through co-branded partnerships with SBI, Kotak, Axis Bank, and IDFC Bank, along with

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partnerships across hospitality and consumer spending ecosystems, including Swiggy, EasyDiner, Postcard Hotels, and Adani Duty Free.

- The airline has significantly expanded its currency hedging program amid heightened forex volatility. Earlier hedging policy focused only on 12-month cash flow obligations with a target of USD1bn hedge coverage. This has now been expanded to USD3bn, of which USD1bn pertains to short-term (12-month) cash flow hedging and the remaining USD2bn will cover medium-term exposures across 2-5 years. Current hedge coverage stands at USD1.3bn. Net forex sensitivity is broadly unchanged at ~Rs9bn impact for every Rs1 depreciation against the USD.
- Fuel hedging is also under internal evaluation following the recent sharp rise in fuel prices. However, discussions remain at an early stage, with current focus still centred around operating a fuel-efficient fleet and reducing operational fuel consumption. Discussions are on with the government and OMCs for optimal fuel economics.
- The airline continues to dynamically redeploy capacity amid ongoing disruptions. Additional domestic deployment is expected toward expansion projects in metros, including Navi Mumbai and Jewar airports, as well as leisure-focused domestic markets during the peak travel season. All capacity decisions will continue to be evaluated dynamically, based on evolving geopolitical conditions, fuel environment, utilization trends, and demand conditions.
- Leadership strengthening continued during the quarter with the appointment of Willie Walsh as the next CEO, joining from Aug-26, and Alope Singh as Chief Strategy Officer. Walsh's global aviation experience is expected to support Indigo's next phase of scale and international evolution. However, the A320/A321 narrowbody business will remain the central pillar of Indigo's operating model, while the long-haul international business through XLRs and future A350s would evolve gradually as a complementary hybrid strategy.
- Readiness wrt FDTL norms is complete. No dividend was recommended for FY26 in view of the financial performance and distributable reserve position.

#### Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
ASK (bn)	187.4	187.0	0%	209.9	213.2	2%	234.5
PLF (%)	86%	86%	-5bps	87%	87%	0bps	87%
RASK (Rs)	5.7	5.6	-2%	5.6	5.6	0%	5.6
Fuel Cost/ASK (Rs)	1.9	1.9	3%	1.7	1.7	1%	1.6
CASK (ex-Fuel and Forex) (Rs)	3.4	3.2	-3%	3.3	3.3	0%	3.3
PBT/ASK (Rs)	0.5	0.4	-24%	0.7	0.7	-2%	0.7

Source: Company, Emkay Research

#### Exhibit 4: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	1,058.1	1,016.5	-4%	1,159.8	1,160.3	0%	1,282.9
EBITDA	233.8	211.8	-9%	300.1	293.6	-2%	328.1
EBITDA margin	22.1%	20.8%	-125bps	25.9%	25.3%	-57bps	25.6%
PBT (ex-forex)	89.6	72.5	-19%	142.1	134.4	-5%	152.5
APAT	67.0	54.2	-19%	106.3	100.5	-5%	114.1
EPS (Rs)	173.4	140.2	-19%	275.0	260.0	-5%	295.0

Source: Company, Emkay Research

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**Exhibit 5: PER-based valuation (Mar-28E)**

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>
Standalone EPS (Rs)	-8.2	207.7	187.7	-11.4	140.2	260.0
Target P/E (x)						20.0
<b>Target Price (Rs)</b>						<b>5,200</b>

Source: Company, Emkay Research

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## InterGlobe Aviation: Standalone Financials and Valuations

## Profit &amp; Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Revenue</b>	<b>808,030</b>	<b>849,619</b>	<b>1,016,492</b>	<b>1,160,256</b>	<b>1,282,855</b>
Revenue growth (%)	17.3	5.1	19.6	14.1	10.6
<b>EBITDA</b>	<b>196,251</b>	<b>208,948</b>	<b>211,832</b>	<b>293,556</b>	<b>328,098</b>
EBITDA growth (%)	16.4	6.5	1.4	38.6	11.8
Depreciation & Amortization	86,366	107,514	124,750	145,006	161,264
<b>EBIT</b>	<b>109,885</b>	<b>101,434</b>	<b>87,082</b>	<b>148,550</b>	<b>166,834</b>
EBIT growth (%)	5.1	(7.7)	(14.1)	70.6	12.3
Other operating income	31,843	22,215	24,500	17,150	12,005
Other income	32,981	45,495	56,058	66,628	75,867
Financial expense	50,889	60,088	70,664	80,810	90,214
<b>PBT</b>	<b>91,977</b>	<b>86,841</b>	<b>72,476</b>	<b>134,368</b>	<b>152,487</b>
Extraordinary items	(16,102)	(107,674)	(4,500)	0	0
Taxes	3,342	4,192	3,399	20,155	38,427
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>72,533</b>	<b>(25,025)</b>	<b>64,577</b>	<b>114,212</b>	<b>114,060</b>
PAT growth (%)	(11.2)	0	0	76.9	(0.1)
<b>Adjusted PAT</b>	<b>72,533</b>	<b>(4,406)</b>	<b>54,212</b>	<b>100,507</b>	<b>114,060</b>
<b>Diluted EPS (Rs)</b>	<b>187.7</b>	<b>(11.4)</b>	<b>140.2</b>	<b>260.0</b>	<b>295.0</b>
Diluted EPS growth (%)	(9.6)	0	0	85.4	13.5
<b>DPS (Rs)</b>	<b>0</b>	<b>10.0</b>	<b>8.4</b>	<b>29.5</b>	<b>35.4</b>
<b>Dividend payout (%)</b>	<b>0</b>	<b>(15.4)</b>	<b>5.0</b>	<b>10.0</b>	<b>12.0</b>
EBITDA margin (%)	24.3	24.6	20.8	25.3	25.6
EBIT margin (%)	13.6	11.9	8.6	12.8	13.0
Effective tax rate (%)	3.6	4.8	4.7	15.0	25.2
<b>NOPLAT (pre-IndAS)</b>	<b>105,892</b>	<b>96,538</b>	<b>82,998</b>	<b>126,267</b>	<b>124,791</b>
Shares outstanding (mn)	386	387	387	387	387

Source: Company, Emkay Research

## Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	58,996	41,346	16,418	67,739	76,620
Others (non-cash items)	19,997	26,594	57,440	70,717	78,066
Taxes paid	(4,130)	(2,407)	(3,399)	(20,155)	(38,427)
Change in NWC	44,636	20,232	94,758	19,716	39,807
<b>Operating cash flow</b>	<b>240,647</b>	<b>233,794</b>	<b>343,610</b>	<b>337,109</b>	<b>376,719</b>
Capital expenditure	(20,398)	(21,494)	(20,000)	(20,000)	(20,000)
Acquisition of business	0	0	0	0	0
Interest & dividend income	11,473	13,521	0	0	0
<b>Investing cash flow</b>	<b>(127,836)</b>	<b>(90,271)</b>	<b>(29,594)</b>	<b>(29,863)</b>	<b>(30,139)</b>
Equity raised/(repaid)	418	39	0	0	0
Debt raised/(repaid)	(917)	63	(17,563)	(400)	(50)
Payment of lease liabilities	(68,483)	(90,595)	(146,631)	(113,339)	(217,019)
Interest paid	(40,767)	(48,446)	(17,021)	(26,724)	(30,825)
Dividend paid (incl tax)	0	(3,865)	(3,229)	(11,421)	(13,687)
Others	18,439	46,983	(44,222)	(28,950)	34,910
<b>Financing cash flow</b>	<b>(91,310)</b>	<b>(95,821)</b>	<b>(228,665)</b>	<b>(180,834)</b>	<b>(226,672)</b>
Net chg in Cash	21,501	47,702	85,350	126,412	119,909
OCF	240,647	233,794	343,610	337,109	376,719
Adj. OCF (w/o NWC chg.)	196,011	213,562	248,852	317,394	336,913
FCFF	220,249	212,300	323,610	317,109	356,719
FCFE	180,833	165,733	252,946	236,299	266,506
OCF/EBITDA (%)	122.6	111.9	162.2	114.8	114.8
FCFE/PAT (%)	249.3	(662.3)	391.7	206.9	233.7
<b>FCFF/NOPLAT (%)</b>	<b>208.0</b>	<b>219.9</b>	<b>389.9</b>	<b>251.1</b>	<b>285.9</b>

Source: Company, Emkay Research

## Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	3,864	3,866	3,866	3,866	3,866
Reserves & Surplus	89,204	60,654	122,002	224,794	325,167
<b>Net worth</b>	<b>93,068</b>	<b>64,520</b>	<b>125,868</b>	<b>228,660</b>	<b>329,033</b>
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(4,192)	0	0	0	0
<b>Total debt</b>	<b>670,884</b>	<b>852,463</b>	<b>816,647</b>	<b>848,148</b>	<b>848,833</b>
<b>Total liabilities &amp; equity</b>	<b>911,564</b>	<b>1,146,578</b>	<b>1,230,879</b>	<b>1,387,404</b>	<b>1,520,019</b>
Net tangible fixed assets	515,168	624,995	650,338	668,067	678,881
Net intangible assets	480	480	480	480	480
Net ROU assets	-	-	-	-	-
Capital WIP	30	361	365	368	372
Goodwill	-	-	-	-	-
Investments [JV/Associates]	17,443	96,947	98,886	100,864	102,881
<b>Cash &amp; equivalents</b>	<b>435,172</b>	<b>491,947</b>	<b>584,861</b>	<b>718,778</b>	<b>846,809</b>
Current & ex-cash	69,624	81,895	97,982	111,840	123,658
Current Liab. & Prov.	243,383	280,360	345,514	371,240	407,133
<b>NWC (ex-cash)</b>	<b>(173,759)</b>	<b>(198,463)</b>	<b>(247,531)</b>	<b>(259,400)</b>	<b>(283,475)</b>
<b>Total assets</b>	<b>911,564</b>	<b>1,146,578</b>	<b>1,230,879</b>	<b>1,387,404</b>	<b>1,520,019</b>
Net debt	235,712	360,988	232,166	129,369	2,025
Capital employed	911,564	1,146,578	1,230,879	1,387,404	1,520,019
<b>Invested capital</b>	<b>341,889</b>	<b>427,012</b>	<b>403,286</b>	<b>409,146</b>	<b>395,886</b>
BVPS (Rs)	240.9	166.9	325.6	591.5	851.1
Net Debt/Equity (x)	2.5	5.6	1.8	0.6	-
Net Debt/EBITDA (x)	1.2	1.7	1.1	0.4	-
Interest coverage (x)	2.8	2.4	2.0	2.7	2.7
<b>RoCE (%)</b>	<b>22.0</b>	<b>17.5</b>	<b>15.4</b>	<b>21.3</b>	<b>21.5</b>

Source: Company, Emkay Research

## Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	23.5	(68.1)	26.4	14.9	14.9
P/CE(x)	10.7	20.6	9.0	6.6	6.2
P/B (x)	18.3	26.4	13.5	7.4	5.2
EV/Sales (x)	2.5	2.5	2.0	1.6	1.3
EV/EBITDA (x)	9.9	9.9	9.1	6.2	5.2
EV/EBIT(x)	17.6	20.3	22.2	12.3	10.2
EV/IC (x)	5.7	4.8	4.8	4.5	4.3
FCFF yield (%)	11.4	10.3	16.7	17.3	20.9
FCFE yield (%)	10.6	9.7	14.9	13.9	15.6
Dividend yield (%)	0	0.2	0.2	0.7	0.8
<b>DuPont-RoE split</b>					
Net profit margin (%)	9.0	(2.9)	6.4	9.8	8.9
Total asset turnover (x)	1.1	0.8	0.9	0.9	0.9
Assets/Equity (x)	13.6	13.1	12.5	7.4	5.2
<b>RoE (%)</b>	<b>129.1</b>	<b>(31.8)</b>	<b>67.8</b>	<b>64.4</b>	<b>40.9</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	13.1	11.4	8.2	10.9	9.7
IC turnover (x)	3.0	2.2	2.4	2.9	3.2
<b>RoIC (%)</b>	<b>39.0</b>	<b>25.1</b>	<b>20.0</b>	<b>31.1</b>	<b>31.0</b>
<b>Operating metrics</b>					
Core NWC days	(78.5)	(85.3)	(88.9)	(81.6)	(80.7)
<b>Total NWC days</b>	<b>(78.5)</b>	<b>(85.3)</b>	<b>(88.9)</b>	<b>(81.6)</b>	<b>(80.7)</b>
Fixed asset turnover	1.2	0.9	1.0	1.0	1.0
Opex-to-revenue (%)	75.2	74.8	78.5	74.1	73.8

Source: Company, Emkay Research

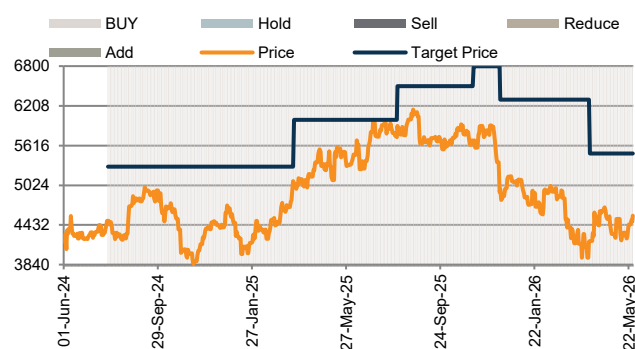
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Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
02-Apr-26	4,194	5,500	Buy	Sabri Hazarika
07-Mar-26	4,404	6,300	Buy	Sabri Hazarika
23-Jan-26	4,705	6,300	Buy	Sabri Hazarika
09-Dec-25	4,968	6,300	Buy	Sabri Hazarika
05-Nov-25	5,637	6,800	Buy	Sabri Hazarika
31-Jul-25	5,911	6,500	Buy	Sabri Hazarika
22-May-25	5,503	6,000	Buy	Sabri Hazarika
21-Mar-25	5,044	6,000	Buy	Sabri Hazarika
25-Jan-25	4,162	5,300	Buy	Sabri Hazarika
26-Oct-24	4,366	5,300	Buy	Sabri Hazarika
05-Aug-24	4,220	5,300	Buy	Sabri Hazarika
27-Jul-24	4,493	5,300	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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