Petronet LNG

BSE SENSEX	S&P CNX
81,636	24,968

CMP: INR274 **TP: INR410 (+50%)** **Buy**

Volume recovery, new capacity key triggers for re-rating

- **We recently upgraded PLNG to BUY (Tide is turning, slowly) on inexpensive valuations and strong upcoming capacity growth. In this short note, we reiterate our BUY rating on PLNG and highlight: 1) PLNG's market share in India's LNG imports, which slipped to 69% of total imports in FY25 (FY15: 78%), could start to rise as new Dahej capacity starts operations; 2) Assuming a modest 4.5% CAGR in India's natural gas (NG) consumption over FY25-30 and a 2% CAGR in domestic NG production, India's LNG imports need to grow at a robust 6% CAGR (~32mmscmd increase in LNG imports over FY25-30), and this should benefit PLNG's new expanded capacity; 3) Our current assumptions imply that PLNG secures only ~41% share of incremental import growth (69% of total imports in FY25); 4) Global liquefaction capacity is set to rise by 10%/11% YoY in CY26/27 (historical LNG demand growth: 5%-6%), likely ushering in an era of lower-for-longer LNG prices; 5) While brownfield expansion from existing terminals is a risk, we believe this is unlikely to play out given the lackluster utilization at existing facilities.**
- **As per our DCF analysis (WACC: 10.5%), at CMP, PLNG is pricing in an unrealistic scenario of a 20% decline in tariffs at the Dahej and Kochi terminals in FY28, with no tariff hike thereafter and 0% terminal growth. At 8.9x FY27E P/E and a ~4.3% dividend yield, we believe valuations are at the rock bottom. Reiterate BUY with a DCF-based TP of INR410.**

Well-timed expansion to cement leadership in LNG regasification

- **Constrained capacity additions drag down PLNG's market share in India's LNG imports to 69%:** Over the past decade, India's LNG imports have risen by ~13.7mmt, with LNG now accounting for nearly 50% of the country's total gas consumption (vs. 35% in FY15). However, with limited regasification capacity additions of just 7.5mmtpa (entirely at Dahej), PLNG's market share in India's LNG imports slipped to 69% in FY25 from 78% in FY15.
- **Infra moat and cost advantage to help PLNG sustain its dominance:** With the upcoming 5mmtpa Dahej expansion (commissioning by Dec'25), the company is strategically positioned to capture the next leg of India's LNG import growth. Despite new capacity additions like HPCL's Chhara terminal and expansions such as Dabhol's 5mmtpa project, we believe PLNG is well positioned to strengthen its market share. Its entrenched infrastructural moat, cost-efficient regas tariffs (driven by low incremental capex), and operational/infra challenges at competing terminals should ensure its continued dominance.

India LNG imports slated to clock a robust 6% CAGR over FY25-30

- **India's LNG imports clocked 7.3% CAGR over FY15-25**: Over FY15-25, India's natural gas (NG) consumption grew by a 3.6% CAGR, reaching 195mmscmd in FY25. With only ~1% CAGR in domestic net NG production, LNG imports grew at a 7.3% CAGR to 98mmscmd.

Stock Info

Bloomberg	PLNG IN
Equity Shares (m)	1500
M.Cap.(INRb)/(USDb)	410.4 / 4.7
52-Week Range (INR)	383 / 270
1, 6, 12 Rel. Per (%)	-10/-17/-27
12M Avg Val (INR M)	861
Free float (%)	50.0

Financials Snapshot (INR b)

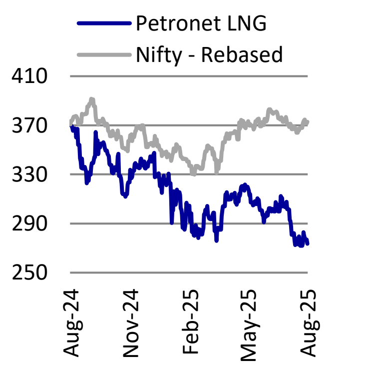
Y/E March	FY25	FY26E	FY27E
Sales	509.8	495.2	521.7
EBITDA	55.2	56.7	67.0
Adj. PAT	39.3	39.1	46.4
Adj. EPS (INR)	26.2	26.1	30.9
EPS Gr. (%)	11.0	-0.4	18.7
BV/Sh.(INR)	129.2	145.3	164.5
Ratios			
Net D:E	-0.5	-0.4	-0.3
RoE (%)	21.6	19.0	20.0
RoCE (%)	22.7	19.4	19.7
Payout (%)	38.2	38.2	38.2
Valuation			
P/E (x)	10.5	10.5	8.9
P/BV (x)	2.1	1.9	1.7
EV/EBITDA (x)	5.8	5.7	4.9
Div. Yield (%)	3.6	3.6	4.3

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

Stock performance (one-year)



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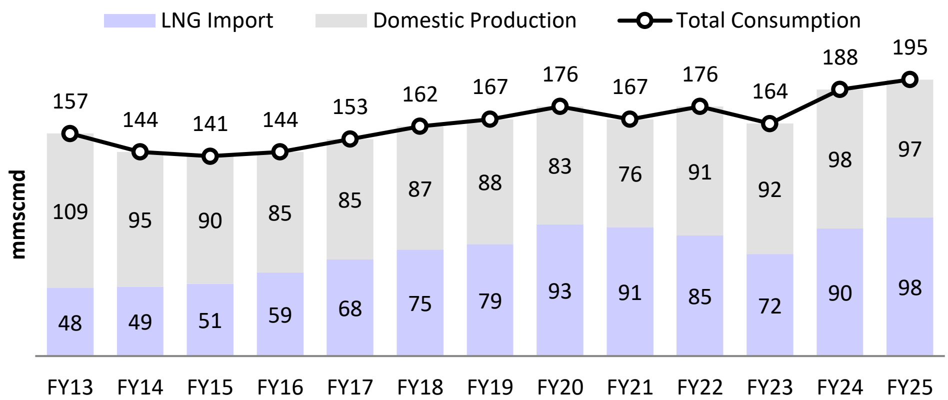
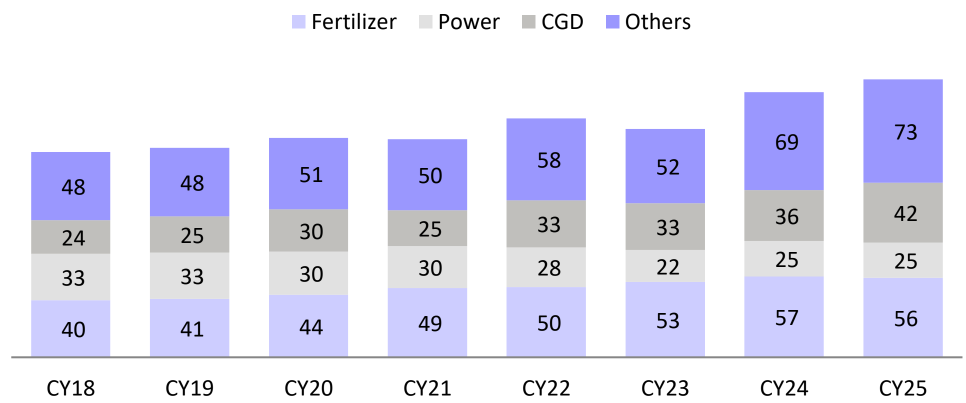
- **CGDs guide for 7-12% YoY NG volume growth over the next few years:** PNGRB expects an 8% CAGR in India's NG consumption over FY24-CY30, primarily driven by 2.5x-3.5x growth in CNG consumption by CY30 from a baseline of ~37mmscmd in FY24. IEA also expects a 6.6% CAGR in India's NG demand over CY23-30, with a 7.4% CAGR in the CGD sector over CY24-30. Under our coverage universe, over FY26-27, MAHGL/IGL/GUJGA are guiding for a 10%/7%/12% YoY growth in CNG volumes, while GAIL expects a ~8-9mmscmd increase in gas transmission volumes.
- **India's NG demand growth implies 6% CAGR in LNG imports over FY25-30:** As per PNGRB, India's LNG imports are likely to more than double by CY30, driven by robust demand growth and only moderate gains in domestic gas production. IEA also estimates only a 0.6% CAGR in domestic NG production, leading to a 10.5% CAGR in LNG demand, reaching 178mmscmd.
- Over FY25-27, we are building in a ~3% CAGR in NG production for OINL/ONGC, and flat gas production volumes for Reliance. **Assuming a modest 4.5% CAGR in India's NG consumption over FY25-30 and a 2% CAGR in domestic NG production (aggressive assumption), India's LNG imports need to grow at a robust 6% CAGR during the period (~32mmscmd increase in LNG imports over FY25-30).**

Exhibit 1: Natural gas consumption pattern in India over FY13-25



Source: Industry, MOFSL

Exhibit 2: Sectoral natural gas consumption pattern in India over FY18-25



Source: Industry, MOFSL

Building only ~41% share of incremental import growth for PLNG

- Despite PLNG's current 69% market share in India's total LNG imports, we build in only ~41% share of incremental import growth (~13mmscmd). This is a conservative assumption given its unmatched scale, infrastructure advantage, and sticky customer base. With other terminals operating at 20-40% utilization, meaningful new regas capacity is unlikely to come up in the near term. We see PLNG as the structural proxy on India's LNG-led energy transition.

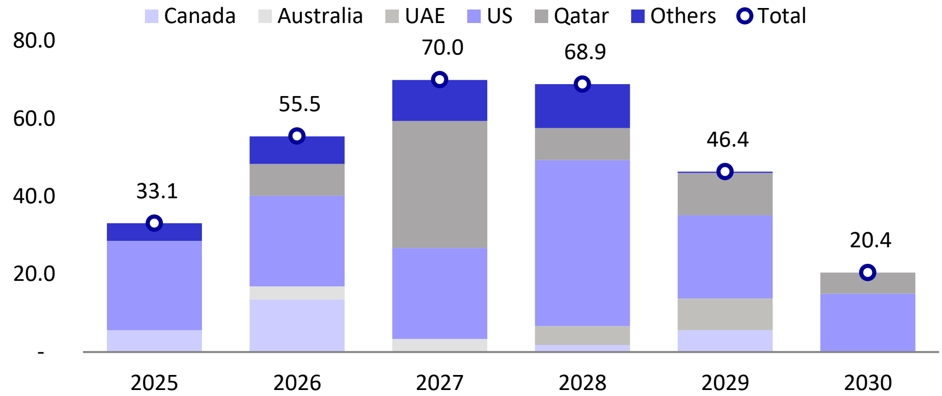
Anchor customer sign-ups for new capacity key catalyst in FY27

- PLNG has signed a 5.5-year regasification service agreement for the recently expanded 5mmtpa capacity at its Dahej terminal. The contract tenure spans from Jul'26 to Dec'31, with committed volumes of ~0.5mmtpa. The company expects to generate revenue of ~INR12b over the contract period through regasification, storage, and facility charges (implying tariff of ~INR93.1/mmbtu), with estimated EBITDA margins of ~90%.
- The agreement covers 10% of the total expanded capacity (we build in 15%/29% capacity utilization from the expanded capacity in FY27/28). Further, PLNG is actively pursuing additional offtake agreements for the expanded Dahej capacity. We believe that over the next 12-18 months, PLNG is likely to secure more long-term contracts, which could improve visibility on volume ramp-up and earnings sustainability, serving as a significant catalyst for the stock.

Global LNG export capacity to rise by ~54% over CY25-30

- **Global liquefaction capacity is set to rise by 10%/11% YoY in CY26/27:** As per IEA, between CY25 and CY30, ~295bcm (54% of current capacity) of new LNG export capacity is projected to come online from projects that have already reached final investment decision (FID) or are currently under construction. Annual liquefaction capacity additions are projected to rise steadily from ~33bcm in CY25 (6% of current capacity) to a peak of ~70bcm (13% of current capacity) in CY27, before moderating during CY28-30. This marks the largest capacity additions in any five-year period in the history of the LNG market.
- **Stalled 67bcm LNG projects could unlock significant supply upside:** Notably, this estimate excludes potential additions from Russia's Arctic LNG 2 (27bcm/year), Mozambique LNG (18bcm/year), and Qatar's North Field West expansion (22bcm/year), all of which have been approved but are not progressing toward commercial operations due to various delays and challenges.
- **LNG prices to remain under pressure in CY26 and beyond:** Historically, global LNG demand has seen a CAGR of 5-6% vs. liquefaction capacity CAGR of 7.5% during CY24-30. As such, we expect global LNG prices to come under pressure in CY26 and beyond.

Exhibit 3: ~295bcm/year LNG liquefaction capacity upcoming globally during CY25-30



Source: IEA, MOFSL

Exhibit 4: LNG projects under construction post-FID and select approved but yet-to-start projects

Region	Country	Project	Status	Year of FID or approval	Expected first LNG	Nameplate capacity (bcm/yr)	Nameplate capacity (mtpa)
Africa	Republic of the Congo	Congo FLNG 2	Under construction	2022	2025	3.3	2.4
Africa	Gabon	Cap Lopez	Under construction	2023	2026	1	0.7
Africa	Nigeria	NLNG	Under construction	2019	2027	10.9	8
Africa	Senegal	Tortue FLNG - Phase 1	Under construction (commissioning)	2018	2025	3.4	2.5
Asia Pacific	Australia	Pluto LNG	Under construction	2021	2026	6.8	5
Asia Pacific	Malaysia	ZFLNG	Under construction	2022	2027	2.7	2
Central and South America	Argentina	Southern Energy FLNG - Phase 1	Under construction	2025	2027	3.3	2.4
Middle East	Oman	Marsa LNG	Under construction	2024	2028	1.3	1
Middle East	**Qatar**	**North Field East (NFE)**	**Under construction**	**2021**	**2026**	**43.5**	**32**
Middle East	**Qatar**	**North Field South (NFS)**	**Under construction**	**2023**	**2028**	**21.8**	**16**
Middle East	**United Arab Emirates**	**Ruwais LNG**	**Under construction**	**2024**	**2028**	**13**	**9.6**
North America	Canada	Cedar LNG	Under construction	2024	2028	4.5	3.3
North America	Canada	LNG Canada	Under construction (commissioning)	2018	2025	19	14
North America	Canada	Woodfibre LNG	Under construction	2022	2027	2.8	2.1
North America	Mexico	ECA LNG - Phase 1	Under construction	2020	2026	4.4	3.2
North America	Mexico	Fast LNG Altamira 2	Under construction	2023	2027	1.9	1.4
North America	**United States**	**Corpus Christi - Stage 3**	**Under construction (partly in service)**	**2022**	**2025**	**13.6**	**10**
North America	United States	Corpus Christi - Midscale Trains 8-9	Under construction	2025	2028	6.8	5
North America	**United States**	**Golden Pass LNG**	**Under construction**	**2019**	**2025**	**21.2**	**15.6**
North America	United States	Plaquemines LNG - Phase 2	Under construction (commissioning)	2023	2025	9.1	6.7
North America	**United States**	**Port Arthur LNG**	**Under construction**	**2023**	**2027**	**18.3**	**13.5**
North America	**United States**	**Rio Grande LNG**	**Under construction**	**2023**	**2027**	**23.9**	**17.6**
North America	**United States**	**Louisiana LNG**	**Under construction**	**2025**	**2029**	**22.4**	**16.5**
North America	**United States**	**CP2 LNG - Phase 1**	**Under construction**	**2025**	**2027**	**19.6**	**14.4**
Africa	Mozambique	Mozambique LNG	Post-FID - on hold	2019		17.5	12.9
Eurasia	Russia	Arctic LNG 2	Post-FID - under sanctions	2019		26.9	19.8
Middle East	Qatar	North Field West (NFW)	Approved - not under construction	2024		21.7	16

Source: IEA, MOFSL

Exhibit 5: Total expected LNG regas terminal capacity in India

Particulars	mmtpa
Current capacity	**47.7**
Dahej expansion	5.0
Dhabol expansion	5.0
Chhara Terminal - HPCL	5.0
Jaffrabad Terminal	5.0
Others	19.2
Total	**86.9**

Source: PNGRB, MOFSL

Phasing out 'one terminal - one tariff' model can lower tariff cut impact

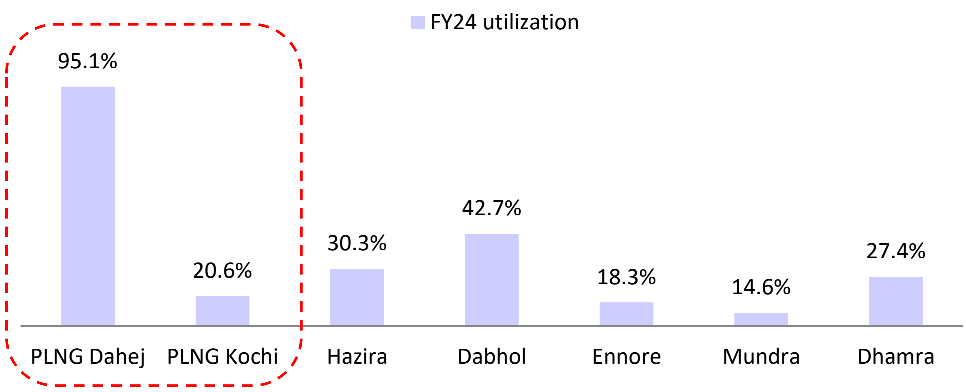
- PLNG has so far followed a 'one terminal - one tariff' model, in which all users are charged a uniform regasification tariff irrespective of the cargo size or term.
- We are currently building in a ~10% cut in the blended tariff, assuming tariff rationalization in the near term as new volumes ramp up and competitive intensity from other terminals remains high. However, PLNG already has the lowest tariff in the country at Dahej, limiting the downside.
- In case PLNG decides to move away from its 'one terminal, one tariff' policy, the actual impact on blended tariffs could be **lower than our estimate**, as legacy volumes may continue at existing rates while only new tie-ups reflect higher tariffs.

Operational/infra bottlenecks at peers to sustain PLNG's dominance

- **Dabhol LNG Terminal:** Dabhol was hindered by the absence of a breakwater since inception, limiting operations during monsoons. While the issue is now resolved, a chronic **air heater issue** continues and constrains regas efficiency, **limiting capacity utilization at ~50%**. Further, only one out of three LNG tanks is operational, suppressing utilization. Pipeline evacuation is restricted by capacity and configuration issues in the **Dabhol-Bengaluru pipeline**, especially at the southern end, limiting gas flow toward Karnataka and Tamil Nadu, while the **Dabhol-Panvel line** offers only partial northern access.
- **Hazira LNG Terminal:** Hazira, though technically sound, is constrained by limited long-term offtake agreements and primarily serves Shell's own portfolio customers. Its pricing and contract structures are less competitive compared to Dahej, and its inland pipeline connectivity is not as robust, which limits wider market access and ramp-up potential.
- **Mundra LNG Terminal:** Mundra has faced delays due to promoter disputes and underutilization because of pipeline bottlenecks. While pipelines from Mundra to Anjar support 5mmtpa evacuation, downstream capacity from Mehsana to Bhatinda is limited to about ~7.5mmscmd (~2mtpa), bottlenecking throughput. A compressor is reportedly planned to increase capacity by around 1.5mmscmd, but overall evacuation constraints persist. This restricts gas evacuation beyond Gujarat, capping utilization at ~40-50%.
- **Chhara LNG Terminal:** Chhara, operated by HPCL, is newly built but lacks sufficient downstream connectivity — no **major trunk pipeline** currently links it to Gujarat's core gas grid. Inadequate evacuation infrastructure and delay in securing anchor customers have hindered its ability to ramp up operations despite the facility being technically ready.

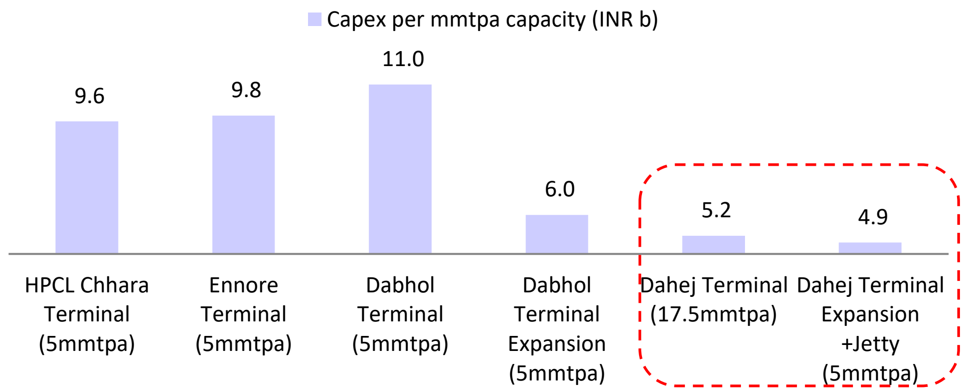
- **Dhamra LNG Terminal:** Despite long-term capacity bookings by GAIL and IOCL, the Dhamra LNG terminal has seen weak ramp-up due to limited local gas demand and the delayed Jagdishpur-Haldia-Bokaro-Dhamra pipeline connectivity. With minimal spot market activity and underutilized downstream infrastructure in eastern India, actual offtake remains well below the contracted levels, keeping terminal utilization subdued.
- **Ennore terminal's** low utilization is primarily attributed to **incomplete pipeline evacuation infrastructure**, **weak regional gas demand**, and the **absence of significant third-party or spot market activity**. Until the full pipeline network is commissioned and demand in southern India scales up, the terminal will likely operate below capacity.

Exhibit 6: Capacity utilization across LNG regas terminals in India



Note: PNGRB, Company, MOFSL

Exhibit 7: Capex per mmtpa capacity for LNG regas terminals across India



Note: PNGRB, Company, MOFSL

Valuations imply the stock is at a point of maximum pessimism

PLNG trades at 8.9x FY27E EPS compared to its historical one-year forward P/E of 10.4x. Our DCF-based TP (WACC: 10.5%, 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 FY27E. In an extreme bear-case DCF scenario, we assume 0% terminal growth and no tariff hike after a 20% cut in FY28, implying a valuation of INR274/sh. **At 8.9x FY27E P/E and a ~4.3% dividend yield, we believe valuations are at the rock bottom. Reiterate BUY with a DCF-based TP of INR410.**

Exhibit 8: PLNG – key assumptions – base case

Key assumptions	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Volume sold (mmtpa)								
Dahej terminal	**17.3**	**17.3**	**18.3**	**18.9**	**19.5**	**20.1**	**20.6**	**21.2**
Terminal utilization	*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**
Terminal utilization	*23%*	*25%*	*25%*	*29%*	*34%*	*38%*	*43%*	*47%*
Total	**19.5**	**19.5**	**20.3**	**21.2**	**22.0**	**22.9**	**23.7**	**24.5**
Regas tariff (INR/mmbtu)								
Dahej terminal								
YoY increase/(decrease)	63.7	66.9	70.2	63.2	65.7	68.3	71.1	73.9
Kochi terminal	*5%*	*5%*	*5%*	*-10%*	*4%*	*4%*	*4%*	*4%*
YoY increase/(decrease)	89.3	93.8	98.5	88.6	92.2	95.8	99.7	103.7

Source: Company, MOFSL

Exhibit 9: PLNG - DCF valuation – base case

PLNG - DCF Valuation	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
PLNG EBITDA (INRm)	**55,241**	**56,650**	**66,991**	**59,503**	**64,102**	**68,829**	**75,313**	**80,761**
Depreciation	8,062	8,229	8,307	9,037	9,891	10,861	11,311	11,223
EBIT	**47,179**	**48,421**	**58,683**	**50,467**	**54,210**	**57,968**	**64,002**	**69,539**
Tax rate (%)	*26*	*26*	*26*	*26*	*26*	*26*	*26*	*26*
Capital expenditure	14,518	35,000	40,000	50,000	45,000	30,000	10,000	1,500
Change in WC	1,730	-388	705	-51	873	1,352	503	360
FCFF (INRm)	**26,930**	**9,658**	**11,281**	**-3,349**	**4,368**	**22,654**	**48,445**	**61,121**
Year		0	1	2	3	4	5	6
Discount factor		1.00	0.90	0.82	0.74	0.67	0.61	0.55
PV(FCFF) (INR m)		**9,658**	**10,209**	**-2,743**	**3,237**	**15,192**	**29,400**	**33,566**

Source: Company, MOFSL

Exhibit 10: PLNG – one-year forward DCF valuation – base case

Terminal cash flow (INRm)	61,121
Terminal growth rate	2.0%
Terminal value (INRm)	7,36,769
PV (Terminal Value)	**4,04,613**
PV of cash flows	**98,518**
Enterprise value (INRm)	**5,03,131**
Net debt (INRm)	-88,776
Equity value (INRm)	5,91,907
Fair value (INR)	**395**
Add: Petrochemical complex at 0.5x P/B	15
Target Price (INR)	**410**

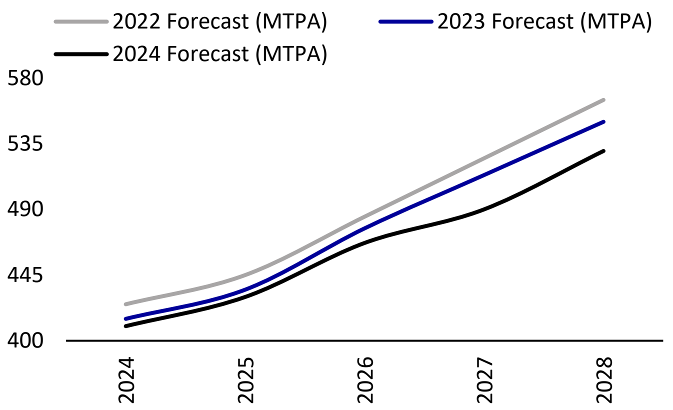
Source: Company, MOFSL

Exhibit 11: PLNG – one-year forward DCF valuation – extreme bear case

Terminal cash flow (INRm)	44,875
Terminal growth rate	0.0%
Terminal value (INRm)	4,27,177
PV (Terminal Value)	**2,34,594**
PV of cash flows	**64,573**
Enterprise value (INRm)	**2,99,167**
Net debt (INRm)	-88,776
Equity value (INRm)	3,87,943
Fair value (INR)	**259**
Add: Petrochemical complex at 0.5x P/B	15
Target Price (INR)	**274**

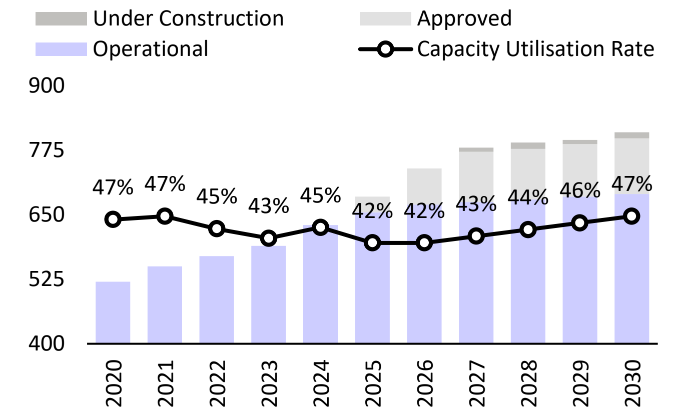
Source: Company, MOFSL

Exhibit 12: Shell reduced 2028 LNG supply forecast by ~30mmtpa in two years



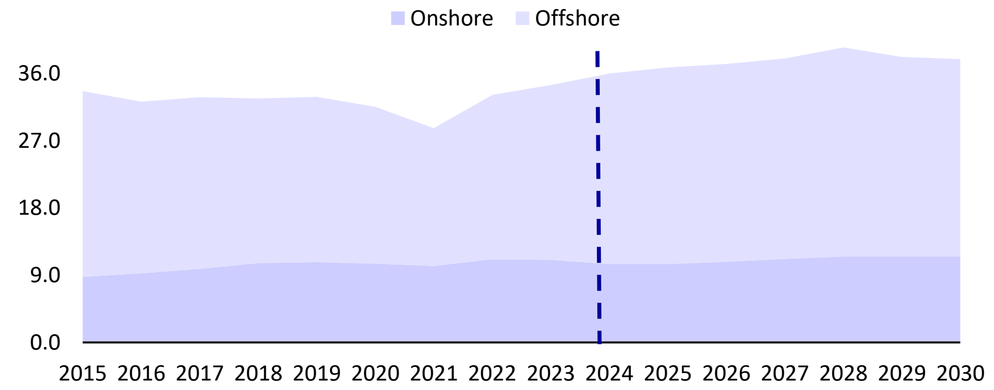
Source: Shell, MOFSL

Exhibit 13: Regasification capacity in Asia



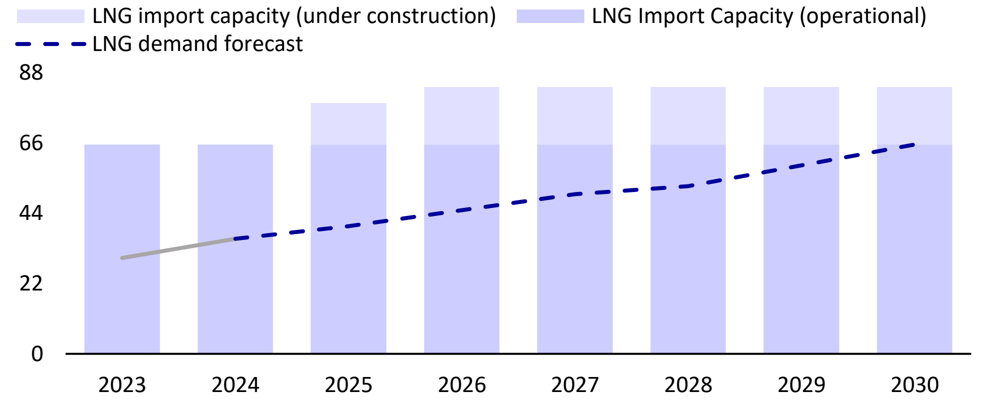
Source: Shell, MOFSL

Exhibit 14: Annual natural gas production in India during 2015-2030



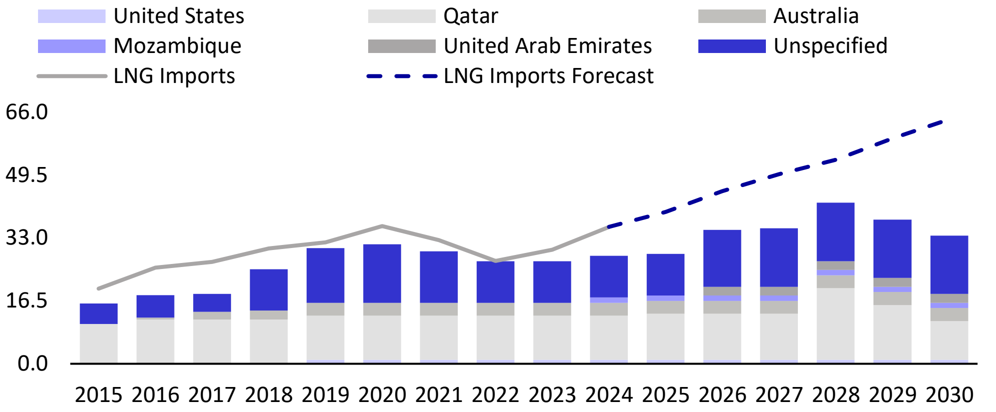
Source: IEA, MOFSL

Exhibit 15: LNG demand forecast and import capacity in India during 2023-2030



Source: IEA, MOFSL

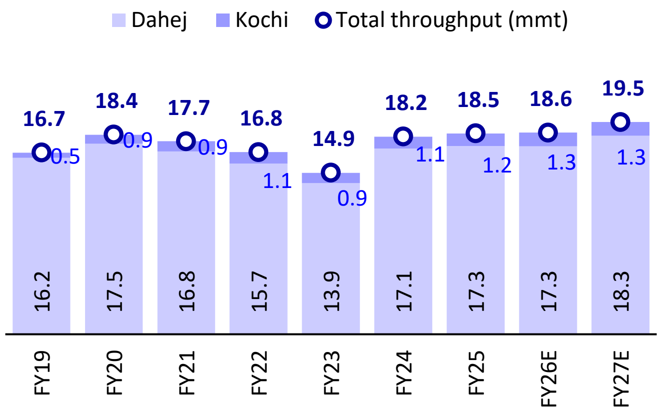
Exhibit 16: Total LNG imports and volumes under long-term contracts by source and by calendar year in India, 2015-2030



Source: IEA, MOFSL

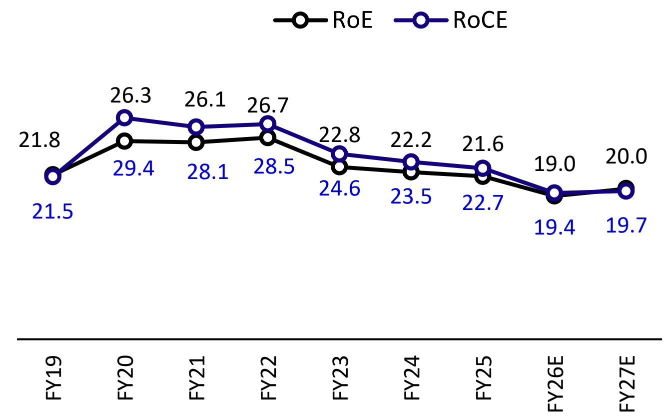
Story in charts

Exhibit 17: Volume snapshot for PLNG



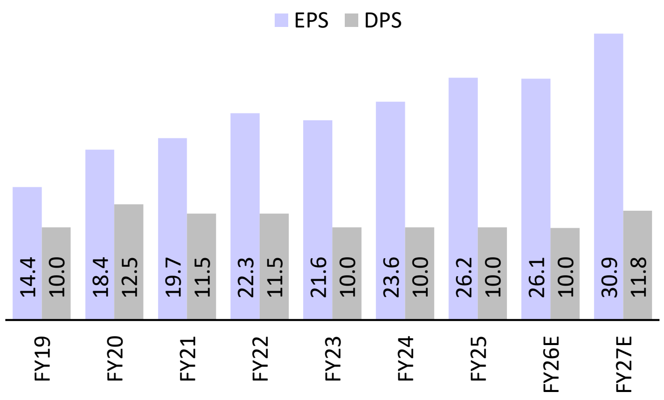
Source: Company, MOFSL

Exhibit 18: Return ratios



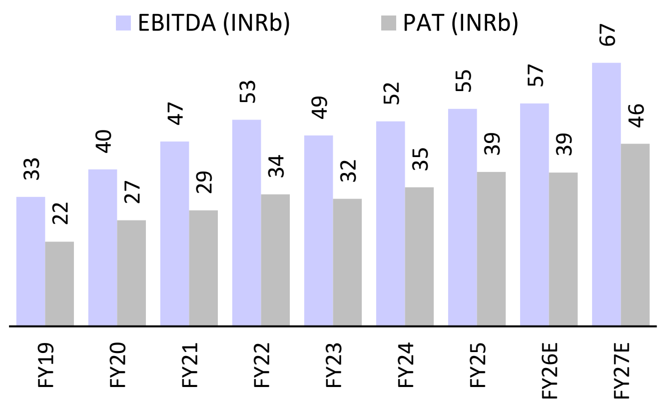
Source: Company, MOFSL

Exhibit 19: Payout ratios



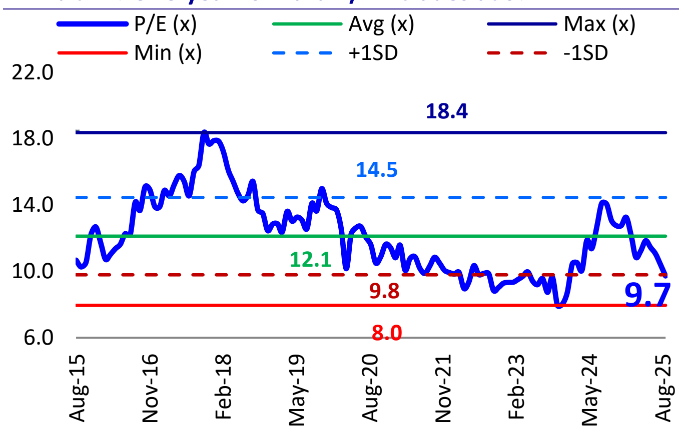
Source: Company, MOFSL

Exhibit 20: EBITDA/PAT snapshot



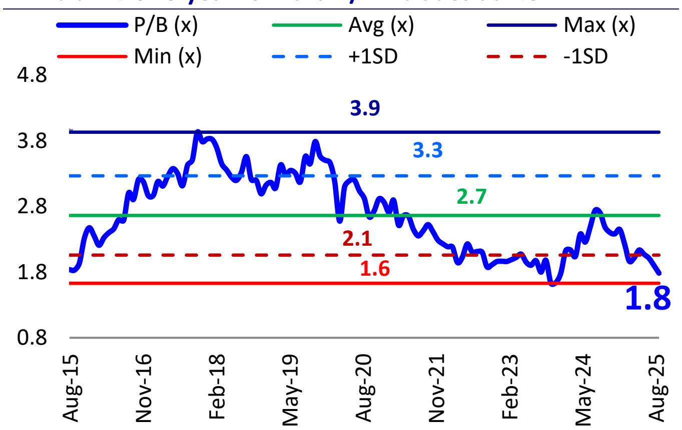
Source: Company, MOFSL

Exhibit 21: One-year forward P/E – trades at 9.7x



Source: Company, MOFSL

Exhibit 22: One-year forward P/B – trades at 1.8x



Source: Company, MOFSL

Financials and valuations

Standalone - Income Statement (INR b)

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	**599.0**	**527.3**	**509.8**	**495.2**	**521.7**
Change (%)	38.8	-12.0	-3.3	-2.9	5.4
EBITDA	**48.6**	**52.1**	**55.2**	**56.7**	**67.0**
Margin (%)	8.1	9.9	10.8	11.4	12.8
Depreciation	7.6	7.8	8.1	8.2	8.3
EBIT	**40.9**	**44.3**	**47.2**	**48.4**	**58.7**
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
PBT after EO Exp.	**43.3**	**47.6**	**52.8**	**52.5**	**62.4**
Total Tax	10.9	12.2	13.5	13.4	15.9
Tax Rate (%)	25.3	25.7	25.6	25.6	25.6
Reported PAT	**32.4**	**35.4**	**39.3**	**39.1**	**46.4**
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
Net Worth	**149.3**	**169.6**	**193.8**	**218.0**	**246.7**
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
Capital Employed	**156.4**	**175.8**	**199.8**	**233.9**	**272.6**
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
Net Fixed Assets	**64.5**	**61.5**	**88.4**	**110.8**	**139.1**
Capital WIP	11.3	15.5	16.4	20.8	24.2
Total Investments	**33.8**	**21.7**	**12.2**	**12.2**	**12.2**
Lease Liabilities	30.7	26.0	21.8	21.8	21.8
Curr. Assets, Loans&Adv.	**114.6**	**152.0**	**151.0**	**157.1**	**166.5**
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
Curr. Liability & Prov.	**37.1**	**49.0**	**46.5**	**45.2**	**47.6**
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
Net Current Assets	**77.5**	**103.0**	**104.5**	**111.9**	**118.9**
Appl. of Funds	**156.4**	**175.8**	**199.8**	**233.9**	**272.6**

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)					
EPS	**21.6**	**23.6**	**26.2**	**26.1**	**30.9**
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
Valuation (x)					
P/E	12.7	11.6	10.5	10.5	8.9
Cash P/E	10.3	9.5	8.7	8.7	7.5
P/BV	2.8	2.4	2.1	1.9	1.7
EV/Sales	0.6	0.6	0.6	0.7	0.6
EV/EBITDA	7.3	6.5	5.8	5.7	4.9
Dividend Yield (%)	3.6	3.6	3.6	3.6	4.3
FCF per share	9.7	26.9	19.6	5.7	6.9
Return Ratios (%)					
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
Working Capital Ratios					
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
Leverage Ratio (x)					
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
CF from Op. Activity	**25.2**	**48.7**	**44.0**	**43.6**	**50.3**
(Inc)/Dec in FA & CWIP	-10.6	-8.4	-14.5	-35.0	-40.0
Free Cash Flow	**14.6**	**40.3**	**29.5**	**8.6**	**10.3**
(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
CF from Inv. Activity	**-11.4**	**-10.6**	**-31.9**	**-35.0**	**-40.0**
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
CF from Fin. Activity	**-23.7**	**-21.5**	**-21.5**	**-7.4**	**-10.7**
Inc / (Dec) in Cash	**-9.8**	**16.6**	**-9.4**	**1.3**	**-0.3**
Add: Opening Balance	10.5	0.6	17.2	7.8	9.0
Closing Balance	0.6	17.2	7.8	9.0	8.7

Explanation of Investment Rating	
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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