

**HOLD**  
 TP: Rs 415 | ▲ 9%

**GUJARAT STATE  
 PETRONET**

| Oil & Gas

| 09 November 2024

**Group reorganisation and GUJGA CGD are key value drivers**

- Q2 EBITDA declined 54% YoY primarily on sharp tariff cut from May'24; GIGL called on GUJS for cash deficit support under sponsor agreement
- With core transmission value not materially linked to volume growth, GUJS value is effectively linked to the GSPC group reorganisation
- Retain HOLD with a lowered TP of Rs 415 (from Rs 480) factoring in the recent derating of CGD business after deallocation of APM gas

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**Q2 reflects full quarter impact of the tariff cut:** Q2FY25 EBITDA at Rs 1.9bn was 15% below Bloomberg consensus but in line with our forecasts. EBITDA declined 36% QoQ due to (a) additional one-month impact of a sharp cut in HP Gas grid transmission tariff to Rs 18.1/MMBtu (from Rs 34) from 1 May 2024 and (b) an 18% pullback in volumes from a seasonally strong Q1.

**Q3 volume is likely to be stable:** Amid higher LNG prices, volumes are likely to be stable in Q3. Morbi gas consumption may pick up to 3.5-4.0mmscmd (vs 2.9 in Q2).

**GIGL equity investment is a cash deficit support:** GUJS contributed Rs 0.4bn of equity to cover cash losses under sponsor support agreement with lenders. Cash losses have widened with the reduction in volume to 3mmscmd from 5.7mmscmd after resumption of IOCL pipeline. GIGL is working to re-route the pending 1.2km main line and 40km spur line to establish connectivity with two key consumers in Punjab – Guru Gobind Singh Refinery and National Fertiliser.

**Limited progress on tariff appeal:** In the absence of quorum at the Appellate Tribunal, GUJS has approached Delhi High Court for tariff appeal against HP Gas's Grid Tariff Order by the Petroleum and Natural Gas Regulatory Board.

**GUJS valuation levers:** GUJS shareholders will get 10 shares of GUJGA and 3.33 shares of GTL for every 13 shares of GUJS upon the completion of the transaction. Based on the post transaction implied per share value of Rs 615 for GUJGA and Rs 236 for GTL, GUJGA's effective value works out to Rs 694/sh prior to the merger and translates to a value of Rs 534 for GUJS.

**HOLD with a lowered TP of Rs 415:** We lower our SOTP-based TP for GUJS to Rs 415 from Rs 480, factoring in the recent derating of the CGD sector with 20% deallocation of APM gas for the CNG segment. We now value the CGD business of GUJGA at 19x FY26 PE on consensus estimates. Our TP is below the transaction implied value of Rs 534 for GUJS with the value of CGD business at a 32% discount to the transaction value. Given 9% upside; retain HOLD.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	GUJS IN/Rs 381
Market cap	US\$ 2.5bn
Free float	51%
3M ADV	US\$ 22.7mn
52wk high/low	Rs 470/Rs 260
Promoter/FPI/DII	38%/15%/25%

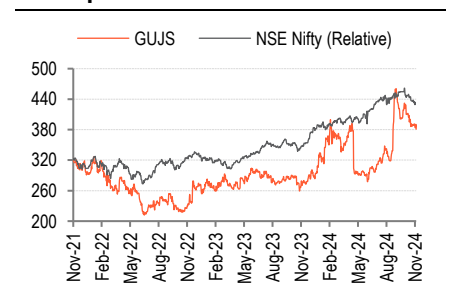
Source: NSE | Price as of 8 Nov 2024

**Key financials**

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	20,147	11,678	12,834
EBITDA (Rs mn)	14,873	8,831	9,672
Adj. net profit (Rs mn)	12,678	8,557	9,063
Adj. EPS (Rs)	22.5	15.2	16.1
Consensus EPS (Rs)	22.5	15.4	15.4
Adj. ROAE (%)	13.0	8.1	8.1
Adj. P/E (x)	16.9	25.1	23.7
EV/EBITDA (x)	14.2	23.7	21.4
Adj. EPS growth (%)	36.5	(32.5)	5.9

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



## Q2 reflects full quarter impact of sharp tariff cut

**Below consensus but in line with us:** GUJS's Q2FY25 EBITDA at Rs 1.9bn was 15% below consensus but in line with our forecast. We modelled in the impact of the tariff cut for one more month as the tariff cut was implemented from 1 May'24. Net income at Rs 3.9bn was higher than consensus and our forecasts due to higher other dividend of Rs 2.6bn from Gujarat Gas (GUJGA) and Sabarmati Gas this quarter.

**Fig 1 – GUJS's Q2 vs consensus and our forecasts**

(Rs mn)	Q2FY25	Consensus	Delta	BOBCAPS	Delta
Revenue	2,580	3,045	(15.3)	2,667	(3.3)
EBITDA reported	1,929	2,256	(14.5)	1,952	(1.1)
PAT	3,893	2,777	40.2	1,338	191.0
EPS (Rs)	6.9	5.1	36	2.4	191.0

Source: Company, Bloomberg, BOBCAPS Research

**Tariff cut led to EBITDA decline:** EBITDA slipped by 36% QoQ driven by additional one-month impact of a sharp cut in HP Gas grid transmission tariff to Rs 18.1/MMBtu (from Rs 34) from 1 May 2024. The fall was accentuated by an 18% pullback in volumes from a seasonally strong Q1. Owing to the tariff impact, gross spreads contracted by Rs 0.14/scm QoQ and EBITDA declined by Rs 0.20/scm QoQ.

**Sharp uptick in volume:** The Q2FY25 volume at 29.7mmscmd was lower than our expectation of 31mmscmd on back down of LNG usage in refinery/ petrochemical and fertiliser segments. We were already factoring in seasonal decline in power post summer and city gas distribution (CGD) segment on lower usage in Morbi.

**Q3 volume is likely to be stable:** Gas consumption has remained stable in Q3 till date. Gujarat Gas (GUJGA) recently indicated a modest pick-up in Morbi gas consumption to 3.5-4.0mmscmd in Q3 from 2.9mmscmd in Q2.

**Affiliate loss widened further in Q2:** Collective share of losses from JVs or affiliates have widened to Rs 183mn in Q2 from Rs 150mn in Q1 and Rs 78mn in Q4. This largely reflects increased losses at GIGL (GSPL India Gasnet).

**GIGL equity contribution to support cash deficit:** GUJS has invested additional equity contribution of Rs 0.4bn in GIGL to support cash losses as per sponsor agreements with lenders. GIGL's volume reduced to 3mmscmd from 5.7mmscmd in FY24 after IOCL's Dadri pipeline resumed operations. GIGL has commissioned 1,302km of pipeline connecting Palanpur in Gujarat to SV-4025 in Bhatinda, Punjab, along with various spur lines including the Rohtak-Panipat spur line. In Bhatinda, ~1.2k of mainline and 40km of spur lines is affected by continuing protests from farmers. Due to this, connectivity with Guru Gobind Singh Refinery of HPCL Mittal Energy and fertiliser plant of National Fertiliser in Punjab remains pending. The company has re-routed spur lines to establish connectivity and plans to commence work in FY25. Volume ramp-up over the next couple of years will help avert cash losses.

**Limited progress on tariff appeal:** GSPL has submitted a tariff appeal with the Appellate Tribunal against the HP Gas grid Tariff Order by Petroleum and Natural Gas

Regulatory Board (PNGRB). However, in the absence of quorum at the Appellate Tribunal, GSPL has approached Delhi High Court and is now awaiting a hearing date.

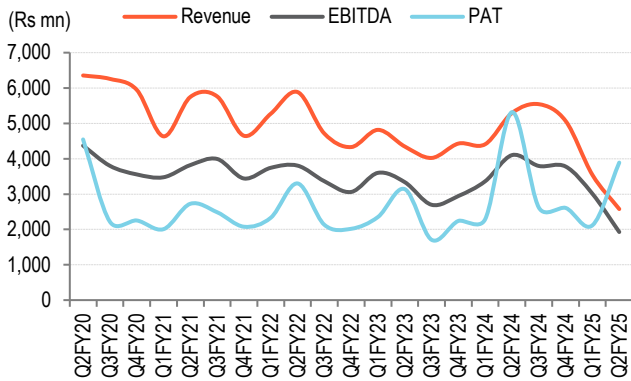
**Capex plan slowly developing:** GUJS is planning to spend Rs 4bn of capex in FY25 with Rs 1.5bn earmarked for Chhara LNG terminal connectivity. The company is also planning to start execution of five projects with aggregate capex of Rs 10bn. Separately, GUJS has submitted the request to PNGRB for the approval of the Anjaar-Palanpur pipeline section.

**Fig 2 – Quarterly performance**

(Rs mn)	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
Revenue	2,580	5,293	(51.3)	3,543	(27.2)	6,123	9,705	(36.9)
Cost of gas	200	760	(73.6)	189	6.0	390	1,236	(68.5)
<b>Gross spread</b>	<b>2,379</b>	<b>4,533</b>	<b>(47.5)</b>	<b>3,354</b>	<b>(29.1)</b>	<b>5,733</b>	<b>8,469</b>	<b>(32.3)</b>
OPEX	450	430	4.5	344	30.7	794	1,002	(20.8)
<b>EBITDA</b>	<b>1,929</b>	<b>4,103</b>	<b>(53.0)</b>	<b>3,010</b>	<b>(35.9)</b>	<b>4,939</b>	<b>7,467</b>	<b>(33.8)</b>
Depreciation	511	477	7.0	490	4.2	1,001	945	5.9
Other income	2,939	2,663	10.3	328	795.8	3,267	2,844	14.9
Interest	11	10	13.6	13	(11.5)	24	20	19.2
Tax	453	958	(52.7)	715	(36.6)	1,168	1,732	(32.5)
<b>PAT</b>	<b>3,893</b>	<b>5,320</b>	<b>(26.8)</b>	<b>2,120</b>	<b>83.6</b>	<b>6,013</b>	<b>7,613</b>	<b>(21.0)</b>
<b>Profitability indicator (Rs/MCM)</b>								
Revenue	945	1,905	(50.4)	1,070	(11.7)	1,013	1,780	(43.1)
Cost of gas	73	274	(73.2)	57	28.5	64	227	(71.6)
<b>Gross spread</b>	<b>871</b>	<b>1,631</b>	<b>(46.6)</b>	<b>1,013</b>	<b>(14.0)</b>	<b>949</b>	<b>1,554</b>	<b>(38.9)</b>
OPEX	165	155	6.4	104	58.5	131	184	(28.5)
<b>EBITDA</b>	<b>707</b>	<b>1,477</b>	<b>(52.1)</b>	<b>909</b>	<b>(22.3)</b>	<b>818</b>	<b>1,370</b>	<b>(40.3)</b>
Depreciation	187	172	8.9	148	26.4	166	173	(4.5)
Other income	1,076	958	12.3	99	986.4	541	522	3.6
Interest	4	4	15.6	4	7.4	4	4	7.5
Tax	166	345	(51.9)	216	(23.1)	193	318	(39.1)
<b>PAT</b>	<b>1,426</b>	<b>1,915</b>	<b>(25.5)</b>	<b>640</b>	<b>122.7</b>	<b>995</b>	<b>1,397</b>	<b>(28.7)</b>
<b>Volumes (mmscmd)</b>								
CGD	10.4	10.8	(3.9)	12.6	(17.4)	11.5	10.6	8.2
Refinery/Petchem	6.5	5.5	18.9	7.5	(13.3)	7.0	6.0	16.5
Fertiliser	4.2	4.6	(8.9)	4.5	(6.5)	4.3	4.0	7.8
Power	3.2	4.1	(22.4)	6.4	(50.0)	4.8	4.1	17.4
Others	5.4	5.2	3.7	5.4	(0.9)	5.4	5.0	7.1
<b>Total</b>	<b>29.7</b>	<b>30.2</b>	<b>(1.7)</b>	<b>36.4</b>	<b>(18.4)</b>	<b>33.0</b>	<b>29.8</b>	<b>10.9</b>
<b>Volume growth (% YoY)</b>								
CGD	(3.9)	24.6	-	20.8	-	8.2	8.5	-
Refinery/Petchem	18.9	(30.7)	-	14.5	-	16.5	(29.0)	-
Fertiliser	(8.9)	24.6	-	30.0	-	7.8	14.9	-
Power	(22.4)	899.5	-	57.9	-	17.4	277.6	-
Others	3.7	34.1	-	10.8	-	7.1	21.4	-
<b>Total</b>	<b>(1.7)</b>	<b>22.9</b>	<b>-</b>	<b>23.9</b>	<b>-</b>	<b>10.9</b>	<b>10.3</b>	<b>-</b>
Revenue per scm excl TOP revenues	904	1,696	(46.7)	1039	(13.0)	1,943	3,135	(38.0)
Revenue per scm adj for gas transport, trading and TOP revenues	831	1,422	(41.6)	982	(15.4)	1,813	2,684	(32.4)
EBITDA per scm excl TOP revenue	707	1,311	(46.1)	909	(22.3)	1,616	2,396	(32.6)

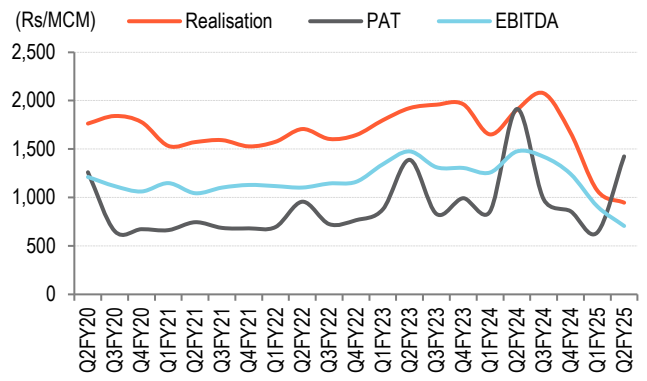
Source: Company, BOBCAPS Research

**Fig 3 – EBITDA declined on full quarter impact...**



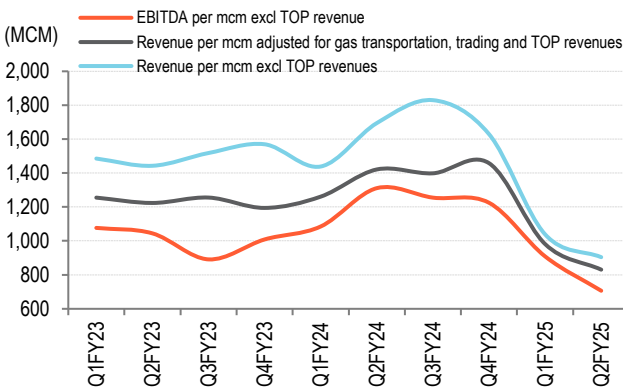
Source: Company, BOBCAPS Research

**Fig 4 – ... of lower HP Gas grid transmission tariff**



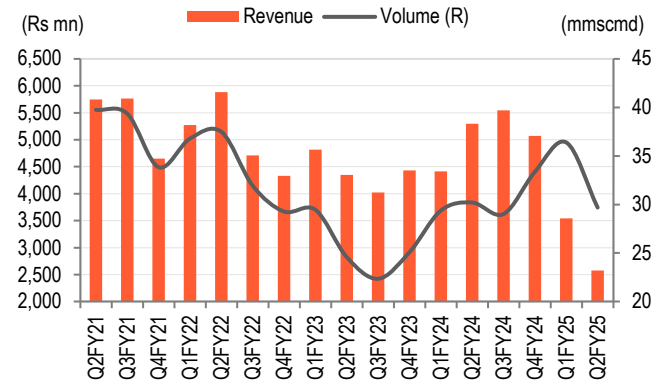
Source: Company, BOBCAPS Research

**Fig 5 – Revenue and EBITDA excluding TOP**



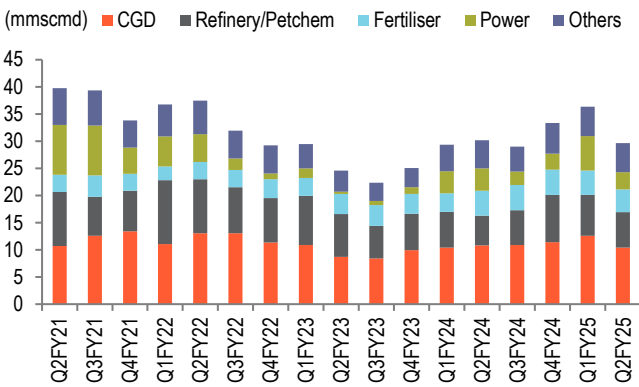
Source: Company, BOBCAPS Research

**Fig 6 – Seasonal decline in volume and lower tariff results in sequential decline in revenue**



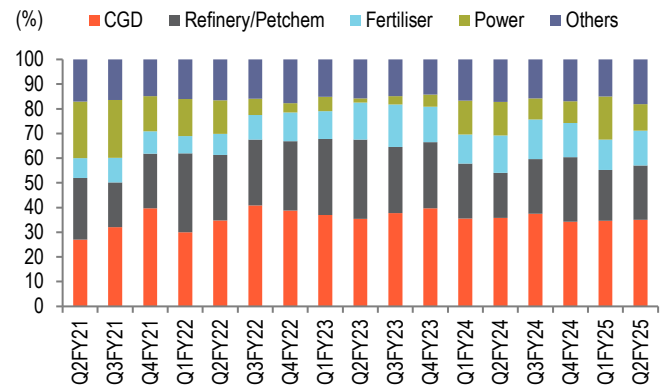
Source: Company, BOBCAPS Research

**Fig 7 – Seasonal decline in volumes**



Source: Company, BOBCAPS Research

**Fig 8 – Volume mix history**



Source: Company, BOBCAPS Research

## Valuation methodology

### Forecast changes

We tweak our estimates factoring in Q2 results. We build in a 40% YoY cut in EBITDA in FY25E on tariff cut, and then assume a 7.6% EBITDA CAGR over FY25-FY27E driven primarily by volume growth.

- **Tariff cut:** We have incorporated a 46% tariff cut for HP Gas's grid to Rs 18.1/MMBtu from 1 May 2024.
- **Volume increase:** We factor in volume growth of 7%/10%/7% for FY25E/FY26E/FY27E assuming growth in gas consumption in India with a gradual moderation in global LNG prices.
- **Realisation drivers:** Besides transmission tariff, blended realisation depends on other revenue elements such as ship or pay, pay out to PIL (Pipeline Infrastructure) from compressor usage charge, revenue collection on behalf of other pipelines under the zonal tariff mechanism as well as opportunistic gas trading. However, we believe most of these components contribute little to EBITDA and are less relevant for forecasting profitability.

**Fig 9 – Revised estimates**

(Rs mn)	Actual	New			Old			Change (%)		
	FY24A	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	20,147	11,678	12,834	13,642	13,925	14,793	15,907	(16.1)	(13.2)	(14.2)
<b>EBITDA</b>	<b>14,873</b>	<b>8,831</b>	<b>9,672</b>	<b>10,218</b>	<b>8,829</b>	<b>9,309</b>	<b>9,944</b>	<b>0.0</b>	<b>3.9</b>	<b>2.8</b>
EBITDA growth YoY (%)	19.7	(40.6)	9.5	5.6	(40.6)	5.4	6.8	-	-	-
Net income	12,678	8,557	9,063	9,348	7,448	7,676	10,441	14.9	18.1	(10.5)

Source: Company, BOBCAPS Research

**Fig 10 – Key assumptions**

	FY24A	FY25E	FY26E	FY27E
Transmission volume (mmscmd)	30.5	32.6	36.0	38.3
Blended tariff (Rs/mscm)	1,774	943	943	943
<b>EBITDA (Rs/scm)</b>	<b>1.3</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
Capex (Rs bn)	4,074	4,959	6,830	6,905
<b>Growth</b>				
Transmission volume (% YoY)	20.3	7.0	10.3	6.5
Blended tariff (% YoY)	(4.0)	(46.9)	(0.0)	-
EBITDA/scm (% YoY)	(0.8)	(44.4)	(0.7)	(0.8)

Source: Company, BOBCAPS Research

## Maintain HOLD with a lower TP of Rs 415

We cut our SOTP-based TP to Rs 415 from Rs 480, factoring in the recent derating of the city gas distribution companies after the 20% deallocation of APM gas for CNG. We continue to use the announced share-swap ratios as per the proposed restructuring transaction. For every 13 shares of GUJS, investors will get 10 shares of GUJGA and 3.33 shares of GTL. Our TP of Rs 415 is below the transaction's implied value of Rs

534, as we now assume 32% discount (15% discount earlier) on the transaction value assumption for GUJGA. Given 8% upside, we maintain our HOLD rating on GUJS.

**Gujarat Gas's (GUJGA) CGD business value:** We now arrive at the value of the CGD business based on FY26E consensus net income and the target multiple of 19x, at the same level as an implied P/E multiple that we use for the valuation of IGL. With competition from propane, we do not have clear visibility on growth in industrial volumes in Morbi. Further, GUJGA will require time to stabilise CNG growth led by investment only by franchisee dealers. GUJGA recently guided for 5-7% annual growth over the next two years till it resets its business model. Our valuation now assumes 32% discount (15% discount earlier) to the transaction value of CGD business used for arriving at share swap ratios.

**GUJGA – new additions:** We assume the value of the gas trading business, addition of other investments, tax shield based on indications by management.

**GTL business value:** We also assume the value of core transmission business, stakes in GIGL and GITL as per the transaction value details given by management.

**Fig 11 – GUJS valuation basis**

	Unit	Value
<b>Value of Gujarat Gas post merger and demerger of GTL</b>	-	-
<b>(a) Value of CGD business</b>	-	-
FY26E Net income (Refinitiv consensus)	Rs bn	15.8
FY26E P/E multiple	x	19.0
<b>Value of CGD business for setting GUJS fair value</b>	<b>Rs bn</b>	<b>300.7</b>
Transaction value for comparison	Rs bn	443.0
Discount to transaction value	-	32%
<b>(b) Value of gas trading, tax shield, cash and other investments</b>	<b>Rs bn</b>	<b>134.0</b>
<b>Value of GUJGA excluding GTL</b>	<b>Rs bn</b>	<b>434.7</b>
GUJGA shares after equity dilution	mn	938.2
<b>Value of GUJGA excluding GTL</b>	<b>Rs/share</b>	<b>463.4</b>
<b>Value of GTL post demerger</b>	-	-
Value of core transmission	Rs bn	35
Value of investments and cash	Rs bn	38.8
<b>Value of GTL</b>	<b>Rs bn</b>	<b>73.8</b>
GTL shares after equity dilution	mn	312.7
<b>Value of GTL</b>	<b>Rs/share</b>	<b>236.0</b>
<b>Effective value of GUJGA prior to merger (inclusive of GUJGA and GTL values)</b>	<b>Rs/share</b>	<b>542.0</b>
<b>Value of GSPL as per share swap (10 shares of GUJGA and 3.33 shares of GTL for every share of GUJS)</b>	<b>Rs/share</b>	<b>417</b>
<b>Target price rounded to nearest Rs 5 as of Aug'25</b>	<b>Rs/share</b>	<b>415</b>

Source: BOBCAPS Research

## Key risks

Key upside/downside risks to our estimates and TP:

- **Regulations:** PNGRB regulates GUJS's pipeline tariffs. Any subsequent reduction in tariffs due to a change in guidelines could impact the value of the transmission pipeline. Any upward revision in the HP Gas grid tariff against a potential appeal on review of the recently approved tariff could impact the value positively.
- **Below-expected volume growth:** Slower recovery in transmission volumes below the level of 32.67mmscmd assumed by the regulator for setting the HP Gas grid tariff could impact revenues and returns for GUJS. However, the regulator has mentioned in the Tariff Order that it would review the tariff next year if volume falls significantly below the assumptions used by the regulator. The company is exposed to delays in obtaining regulatory clearances for new pipelines.
- **Above-expected debt coverage support for two JV pipelines:** Slower volume ramp-up than our current assumptions could result in higher support for debt service coverage from project sponsors.
- **Penalty on GTIL:** PNGRB is yet to finalise the penalty for non-completion of the GTIL pipeline, which is no longer financially viable. At this stage, we do not incorporate any value for GUJS's investment in GTIL.
- **Upside or downside risk to value of GUJGA:** As GUJGA's value is material to the value of GUJS, any upside/downside risk to GUJGA's volume and margin will also impact the value of GUJS.

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Bharat Petroleum Corp	BPCL IN	16.0	310	315	HOLD
Gujarat State Petronet	GUJS IN	2.5	381	415	HOLD
Hindustan Petroleum Corp	HPCL IN	9.7	383	450	BUY
Indian Oil Corp	IOCL IN	23.5	140	155	HOLD
Indraprastha Gas	IGL IN	3.7	442	455	HOLD
Mahanagar Gas	MAHGL IN	1.7	1,422	1,610	HOLD
Petronet LNG	PLNG IN	5.8	329	340	HOLD
Reliance Industries	RIL IN	102.9	1,284	1,720	BUY

Source: BOBCAPS Research, NSE | Price as of 8 Nov 2024

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Total revenue</b>	<b>17,458</b>	<b>20,147</b>	<b>11,678</b>	<b>12,834</b>	<b>13,642</b>
EBITDA	12,427	14,873	8,831	9,672	10,218
Depreciation	(1,939)	(1,920)	(2,037)	(2,140)	(2,360)
EBIT	10,488	12,953	6,795	7,532	7,858
Net interest inc./(exp.)	(47)	(49)	(50)	(50)	(50)
Other inc./(exp.)	1,684	3,351	3,951	4,138	4,178
Exceptional items	0	0	0	0	0
EBT	12,125	16,254	10,696	11,620	11,985
Income taxes	(2,836)	(3,576)	(2,139)	(2,556)	(2,637)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>9,289</b>	<b>12,678</b>	<b>8,557</b>	<b>9,063</b>	<b>9,348</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>9,289</b>	<b>12,678</b>	<b>8,557</b>	<b>9,063</b>	<b>9,348</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	510	375	416	457	486
Other current liabilities	1,914	1,991	6,500	6,500	6,500
Provisions	262	321	400	400	400
Debt funds	0	0	0	0	0
Other liabilities	5,465	5,421	5,396	5,370	5,343
Equity capital	5,642	5,642	5,642	5,642	5,642
Reserves & surplus	87,090	97,059	1,03,048	1,09,393	1,15,937
Shareholders' fund	92,732	1,02,701	1,08,690	1,15,035	1,21,579
<b>Total liab. and equities</b>	<b>1,00,883</b>	<b>1,10,809</b>	<b>1,21,403</b>	<b>1,27,762</b>	<b>1,34,308</b>
Cash and cash eq.	6,917	4,734	10,114	10,343	11,336
Accounts receivables	1,440	1,412	1,077	1,188	1,265
Inventories	2,121	2,108	2,153	2,375	2,530
Other current assets	2,896	11,285	13,734	14,842	15,617
Investments	51,700	53,297	53,431	53,431	53,431
Net fixed assets	31,552	30,353	36,360	39,251	43,766
CWIP	4,257	7,618	4,534	6,332	6,362
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
<b>Total assets</b>	<b>1,00,883</b>	<b>1,10,809</b>	<b>1,21,403</b>	<b>1,27,762</b>	<b>1,34,308</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Cash flow from operations</b>	<b>8,148</b>	<b>2,822</b>	<b>10,096</b>	<b>5,640</b>	<b>6,525</b>
Capital expenditures	(1,952)	(4,074)	(4,959)	(6,830)	(6,905)
Change in investments	37	(1,597)	(134)	0	0
Other investing cash flows	1,684	3,377	2,944	4,138	4,178
<b>Cash flow from investing</b>	<b>(231)</b>	<b>(2,295)</b>	<b>(2,150)</b>	<b>(2,692)</b>	<b>(2,728)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(877)	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(1,128)	(2,821)	(2,567)	(2,719)	(2,805)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(2,006)</b>	<b>(2,821)</b>	<b>(2,567)</b>	<b>(2,719)</b>	<b>(2,805)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>5,911</b>	<b>(2,294)</b>	<b>5,380</b>	<b>229</b>	<b>993</b>
<b>Closing cash &amp; cash eq.</b>	<b>6,775</b>	<b>4,623</b>	<b>10,114</b>	<b>10,343</b>	<b>11,336</b>

### Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	16.5	22.5	15.2	16.1	16.6
Adjusted EPS	16.5	22.5	15.2	16.1	16.6
Dividend per share	2.0	5.0	4.5	4.8	5.0
Book value per share	164.4	182.0	192.6	203.9	215.5

### Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	12.6	10.5	17.9	16.2	15.0
EV/EBITDA	17.7	14.2	23.7	21.4	20.0
Adjusted P/E	23.1	16.9	25.1	23.7	23.0
P/BV	2.3	2.1	2.0	1.9	1.8

### DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	76.6	78.0	80.0	78.0	78.0
Interest burden (PBT/EBIT)	115.6	125.5	157.4	154.3	152.5
EBIT margin (EBIT/Revenue)	60.1	64.3	58.2	58.7	57.6
Asset turnover (Rev./Avg TA)	18.0	19.0	10.1	10.3	10.4
Leverage (Avg TA/Avg Equity)	1.1	1.1	1.1	1.1	1.1
<b>Adjusted ROAE</b>	<b>10.5</b>	<b>13.0</b>	<b>8.1</b>	<b>8.1</b>	<b>7.9</b>

### Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>YoY growth (%)</b>					
Revenue	(13.6)	15.4	(42.0)	9.9	6.3
EBITDA	(11.1)	19.7	(40.6)	9.5	5.6
Adjusted EPS	(5.1)	36.5	(32.5)	5.9	3.1
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	71.2	73.8	75.6	75.4	74.9
EBIT margin	60.1	64.3	58.2	58.7	57.6
Adjusted profit margin	53.2	62.9	73.3	70.6	68.5
Adjusted ROAE	10.5	13.0	8.1	8.1	7.9
ROCE	9.0	10.3	5.1	5.3	5.2
<b>Working capital days (days)</b>					
Receivables	29	26	39	32	33
Inventory	293	265	1,187	1,144	1,163
Payables	42	31	51	50	50
<b>Ratios (x)</b>					
Gross asset turnover	0.4	0.4	0.2	0.2	0.2
Current ratio	5.0	7.3	3.7	3.9	4.2
Net interest coverage ratio	224.1	262.7	135.9	150.6	157.2
<b>Adjusted debt/equity</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>

Source: Company, BOBCAPS Research | Note: TA = Total Assets



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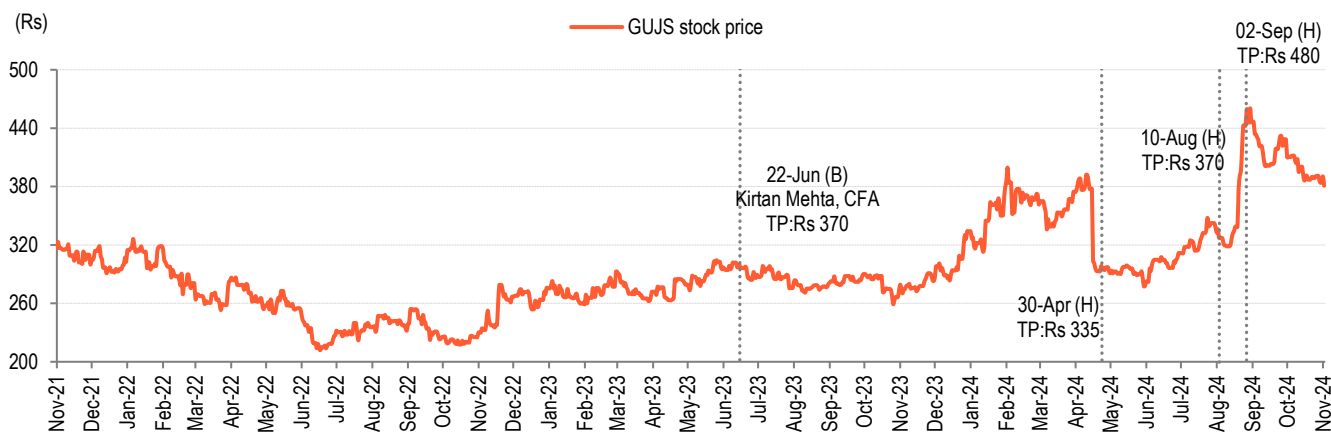
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