kotak Securities

Dated: 12 Jan 2026

InterGlobe Aviation (INDIGO) - ADD

Company Update

Current Market Price (CMP)	Fair Value
Rs.4844	Rs.5300

Rationale:

- Daily flights for IndiGo have stabilized at ~6% below pre-December levels, adjusted for seasonality; reflects the impact of IndiGo’s 10% domestic curtailment.
- International: Indigo continues to make inroads in a tough market on pricing.
- IndiGo’s flight reduction following regulatory order has not been captured by competitors so far.
- We lower estimates by 1-4% on higher exchange rate, lower oil price assumption and lower international yields.
- We have altered our FV to Rs5,300 from Rs5,350; retain ADD.
- The ongoing scrutiny by the regulator and the CCI poses key downside risks to our FV.

Positives:

- Domestic: Steady performance, limited competitive moves seen so far.
- IndiGo has ~22% share in international flights to/from India, with the latest gain in Q2 coming from capturing Air India's share.

Negatives:

- IndiGo’s unit fare reflects the varying competitive intensity across routes, which may be at risk if there are constraints on free pricing following the CCI’s probe.

(CCI: Competition Commission of India)

Holding Period: 12 months

Rating Scale (Private Client Group)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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