

July 29, 2025

RESULT REPORT Q1 FY26 | Sector: Energy

GAIL Ltd

Strong Natural gas transmission performance; gas trading margins disappoint

Gas transmission volumes further lowered on weak demand

Performance - Inline operating performance; decline in other income drags PAT: GAIL's Q1FY26 EBITDA/Adj. PAT were Rs33.3bn/Rs18.9bn, down 26.4%/30.8% YoY and up 3.6%/down 7.9% QoQ (EBITDA was higher than our estimate of Rs32.9bn on better gas transmission margins). The overall performance is in line with our and consensus expectations, it was largely driven by gas transmission while a decline in other income dragged the PAT.

Gas transmission - Strong margins despite weaker volumes: volumes were lower than our expectation at 120.6mmscmd, down 11.2mmscmd YoY from sectors – power and fertilizers and down 0.2mmscmd QoQ on lower fertilizer volumes. Gas capacity utilisation (pipelines) was ~57.4%. Revenue was Rs2,556/tscm (up 7% YoY and 6.8% QoQ). Opex/unit was lower than our expectations. The segment gross margins at Rs 1,794/tscm was up 9.4% YoY and 16.4 QoQ despite lower volumes.

LPG transmission - Healthy margin expansion despite flat volumes: volumes were 1,131 ('000 mt), up 6.2% YoY but flat QoQ. Revenue/ton was Rs2,002, up 18.6% YoY and 1.3% QoQ, while the gross margin/ton was Rs1,229 (up 30.9% YoY and 3.1% QoQ).

Gas trading - Volumes up but weak margins miss expectations: volumes were 105.5mmscmd, up 6% YoY by 6mmscmd but down by 1.1mmscmd QoQ. The adjusted margin was at Rs1,370/tscm (Rs1,483 the prior quarter and Rs2,524 a year ago). The performance was a miss to our expectations on lower margins which were due to possible higher sales in overseas market as the domestic demand were low.

Petchem - Weak quarter with negative margins: production was up 9.3% YoY but down 17.7% QoQ, to 177 ('000 mt). The realisation was down 5.3% YoY and QoQ, gross margin loss at Rs 1,270mn was severely weak as the realization was weaker while gas cost marginally lower QoQ.

LPG and LHC. Sales volumes were up 3.8% YoY and 2.5% QoQ; while the realisation was up 4% YoY but down 4% QoQ.

CGD segment - Accounting change impacts revenue trajectory: The CGD revenue/EBIT at Rs bn 17.2/7.2, down 46.8%/ up 283.1% YoY and up 2.9%/245.1% QoQ. There has been a change in accounting with the bulk CGD gas volumes have been shifted to natural gas marketing segment in the consolidation accounts.

We maintain our rating of BUY with a revised TP of Rs213 (vs 216 earlier), valuing it with a multiple of 1.5x P/BV (Rs 182) on core business and add investments (Rs31).

Other highlights

- **Capex:** The company has incurred Rs38.1bn in Q1FY26 and for FY26 the company targets ~Rs120bn, mainly on pipelines, petchem, equity to JVs, and others.
- **One-off:** GAIL booked a one-off of Rs 1.33bn in gas transmission EBIT related to differential unified tariff settlement for FY24 and FY25

Exhibit 1: Snapshot Overview

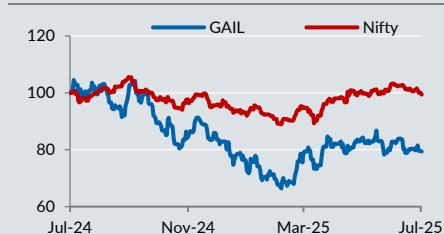
Parameter	Q1 FY26	QoQ (%)	YoY (%)	vs Est	vs Bloom
Revenue	347,689	-2.6	3.3	Inline	Miss
EBITDA	33,337	3.6	-26.4	Beat	Inline
EBITDA Margin (%)	9.59	57 bps	-386 bps	Beat	Beat
Adj PAT	18,863	-7.9	-30.8	Miss	Miss

Reco	: BUY
CMP	: Rs 183
Target Price	: Rs 213
Potential Return	: +16.4%

Stock data (as on Jul 29, 2025)

Nifty	24,821
52 Week h/l (Rs)	246 / 151
Market cap (Rs/USD mn)	1187657 / 13684
Outstanding Shares (mn)	6,575
6m Avg t/o (Rs mn):	2,422
Div yield (%):	3.9
Bloomberg code:	GAIL IN
NSE code:	GAIL

Stock performance



Shareholding pattern (As of Jun'25 end)

Promoter	51.5%
FII+DII	41.2%
Others	6.6%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	213	216

Δ in estimates

(1-Yr)	FY25	FY26E	FY27E
EPS (New)	17.2	13.2	14.2
EPS (Old)	17.2	14.4	14.6
% Change	-	(7.8)	(2.8)

Financial Summary

(Rs bn)	FY25	FY26E	FY27E
Revenue	1,372.1	1,193.0	1,264.6
YoY Growth	5.1	(13.1)	6.0
EBIDTA	143.3	138.5	149.2
OPM %	10.4	11.6	11.8
PAT	113.1	87.0	93.4
YoY Growth	28.0	(23.1)	7.3
ROE	16.8	12.0	12.0
EPS	17.2	13.2	14.2
P/E	10.6	13.8	12.9
BV	107.3	114.1	121.8
EV/EBITDA	9.6	9.9	9.2

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ANALYST VIEW & INVESTMENT THESIS

1-Year View:

GAIL is positioned to deliver steady earnings growth in FY26, underpinned by rising gas volumes and margin stability. Transmission volumes grew 6% YoY to 127 mmscmd in FY25, and further growth is projected to 127–128 mmscmd in FY26, driven by CGD expansion and offtake from IOCL refineries (Barauni, Paradip, Haldia). The finalization of pipeline tariff revisions (expected at Rs72–73/mmbtu vs prior Rs58) should enhance revenue certainty. Dabhol's all-weather breakwater commissioning and increased cargo traffic (34–36 in FY26) will further support storage and regas margins. On the petrochem side, margin tailwinds from PP/PDH/PDTA projects, along with lower Henry Hub-linked feedstock costs for PATA, should improve earnings. City gas distribution (GAIL Gas + GAs) is expected to deliver consistent volume-led EBITDA growth. Overall, GAIL is set for 2.1% CAGR FY25–27e EBITDA growth, with low leverage and a balanced capex cycle.

3-Year View:

GAIL is evolving into a fully integrated midstream-to-downstream gas powerhouse. Management is targeting gas transmission volumes to cross 150mmscmd post FY28. The expansion and timely commissioning of key pipelines (MNY, JHBD, KKBM) by FY26–27, and Gurdaspur–Jammu by FY27, will reinforce network density and volume throughput. Petrochemical capacity additions (PATA PP, USAR PDH, GMPL PTA) coming online in FY26 will diversify earnings streams. Dabhol LNG terminal, already handling 21 cargos in FY25, is expected to scale via 34–36 cargoes in FY26, with recurring revenues from LNG services and breakwater usage. CGD is expanding fast: GAIL Gas is growing rapidly, while other GAs are growing at 25%. Renewable gas initiatives (CBG, bio-CNG) and net-zero investments bring future optionality. With disciplined capex execution (~Rs100bn annually) and regulated margins, GAIL is likely to sustain strong earnings.

Peer Benchmarking:

- **Margins:** GAIL sits atop the sector on earnings stability. Gas transmission tariff upside and petrochemical margin recovery will further improve blended margins.
- **Growth:** GAIL leads in volume CAGR via pipeline expansion, LNG, CGD scale-up, and petchem capacity. Pipeline peers only benefit from transmission growth; CGD peers are more localized.
- **Valuation:** Trades at 9.9/9.2 EV/EBITDA and 1.6/1.5 P/B for FY26e/27e.

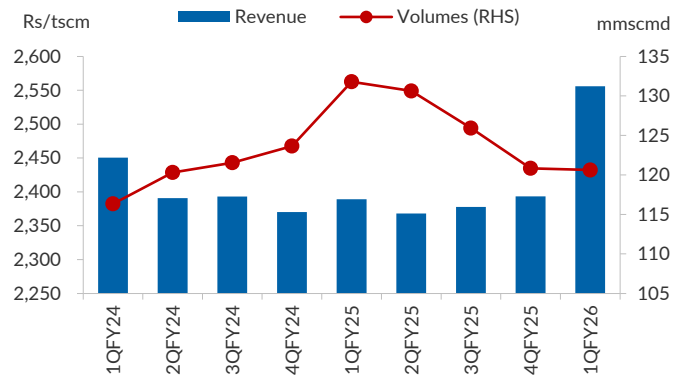
Exhibit 2: Earnings snapshot

Particulars (Rs mn)	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	y/y (%)	q/q (%)	FY24	FY25	y/y (%)
Revenue	336,738	329,117	349,371	356,852	347,689	3.3	(2.6)	1,305,731	1,372,078	5.1
Expenditure	291,457	291,668	320,993	324,688	314,353	7.9	(3.2)	1,172,687	1,228,806	4.8
-Raw Material	269,943	267,301	294,002	299,257	290,473	7.6	(2.9)	1,070,402	1,130,503	5.6
-Staff Cost	5,191	5,209	5,287	4,718	5,290	1.9	12.1	21,002	20,404	(2.8)
- Other Expenses	16,323	19,158	21,704	20,713	18,590	13.9	(10.3)	81,283	77,899	(4.2)
Operating Profit	45,281	37,450	28,378	32,164	33,337	(26.4)	3.6	133,044	143,272	7.7
OPM(%)	13.4	11.4	8.1	9.0	9.6	-386 bps	57 bps	10.2	10.4	25 bps
Other Income	3,716	7,135	7,497	5,664	2,919	(21.4)	(48.5)	22,782	24,013	5.4
Depreciation	10,489	8,153	8,322	9,034	8,828	(15.8)	(2.3)	33,308	35,998	8.1
Interest	2,092	1,901	1,666	1,783	2,094	0.1	17.4	6,972	7,442	6.7
Excpnl Loss/(Profit)	-	-	(24,400)	-	-	n.a.	n.a.	-	(24,400)	n.a.
PBT	36,416	34,531	50,288	27,011	25,334	(30.4)	(6.2)	115,546	148,246	28.3
Tax	9,176	7,812	11,614	6,520	6,471	(29.5)	(0.8)	27,181	35,122	29.2
PAT	27,240	26,719	38,674	20,490	18,863	(30.8)	(7.9)	88,365	113,123	28.0
Adj PAT	27,240	26,719	14,274	20,490	18,863	(30.8)	(7.9)	88,365	88,723	0.4

Exhibit 3: Operating highlights

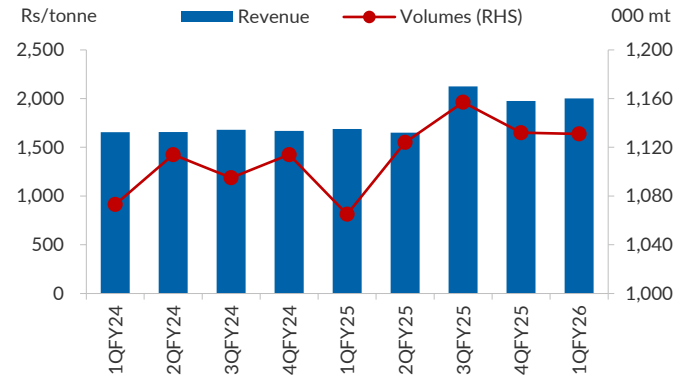
Particulars	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	y/y (%)	q/q (%)	FY24	FY25	y/y (%)
Volumes										
NG Transmission - mmscmd	131.8	130.6	125.9	120.8	120.6	(8.5)	(0.2)	120.5	127.3	5.7
LPG Transmission - mmt	1,065.0	1,124.0	1,157.0	1,132.0	1,131.0	6.2	(0.1)	4,396.0	4,478.0	1.9
Gas Trading - mmscmd	99.5	96.6	103.5	106.5	105.5	6.0	(1.0)	98.5	101.5	3.1
Petchem - tmt	169.0	226.0	221.0	229.0	177.0	4.7	(22.7)	787.0	845.0	7.4
LPG & LHC -tmt	218.0	253.0	282.0	198.0	198.0	(9.2)	-	999.0	951.0	(4.8)
Gross Margin (Rs mn)										
NG Transmission	19,660	18,060	17,820	16,760	19,690	0.2	17.5	61,610	72,300	17.4
LPG Transmission	1,000	1,050	1,580	1,350	1,390	39.0	3.0	4,000	4,980	24.5
Gas Trading	22,850	15,120	6,330	14,220	13,150	(42.5)	(7.5)	67,560	58,520	(13.4)
Petchem	1,240	2,810	1,290	20	(1,270)	(202.4)	(6,450.0)	4,200	5,360	27.6
LPG & LHC	2,660	2,770	4,080	3,300	2,340	(12.0)	(29.1)	8,710	12,810	47.1
Gross margin										
NG Transmission (Rs/tscm)	1,639	1,503	1,538	1,541	1,794	9.4	16.4	1,397	1,556	11.3
LPG Transmission (Rs/ton)	939	934	1,366	1,193	1,229	30.9	3.1	910	1,112	22.2
Gas Trading (Rs/tscm)	2,524	1,701	665	1,483	1,370	(45.7)	(7.6)	1,875	1,580	(15.7)
Petchem (Rs/ton)	7,337	12,434	5,837	87	(7,175)	(197.8)	(8,315.5)	5,337	6,343	18.9
LPG & LHC (Rs/ton)	12,202	10,949	14,468	16,667	11,818	(3.1)	(29.1)	8,719	13,470	54.5
Realisation (Rs/ton)										
Petchem	96,538	96,282	93,686	96,517	91,423	(5.3)	(5.3)	99,381	95,756	(3.6)
LPG & LHC	53,695	51,236	55,366	58,183	55,828	4.0	(4.0)	50,712	54,620	7.7

Exhibit 4: NG Transmission Performance



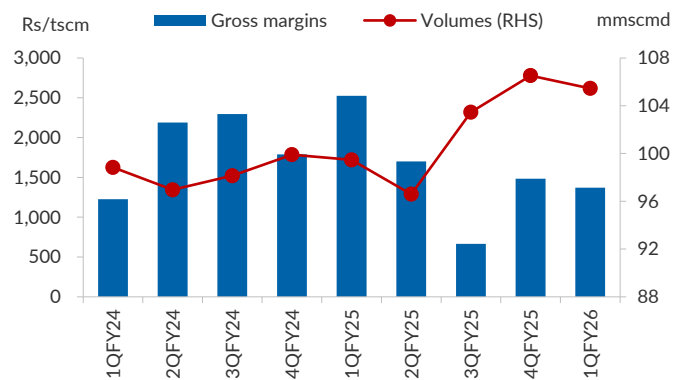
Source: Company, YES Sec

Exhibit 5: LPG Transmission Performance



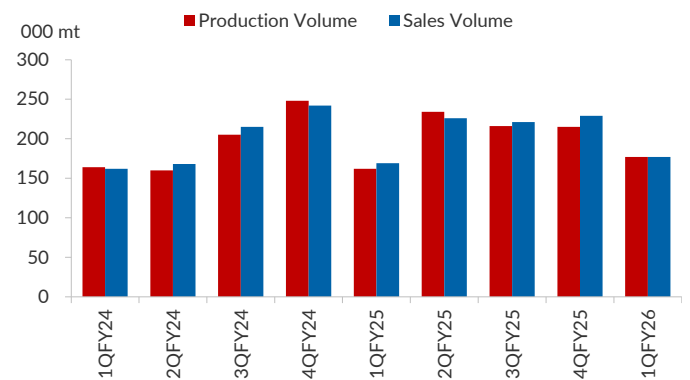
Source: Company, YES Sec

Exhibit 6: Gas Trading Performance



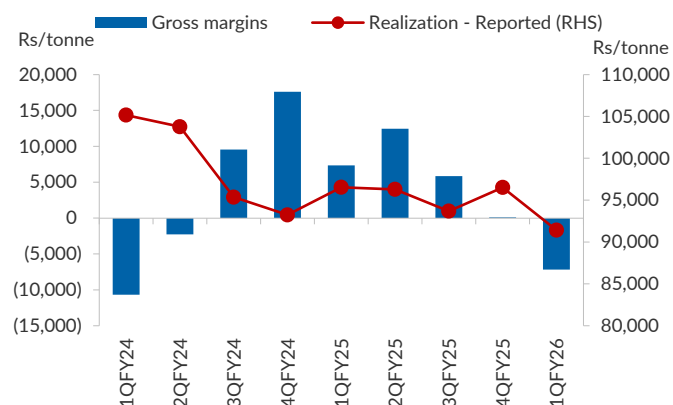
Source: Company, YES Sec

Exhibit 7: Petchem Sales and Production Volume



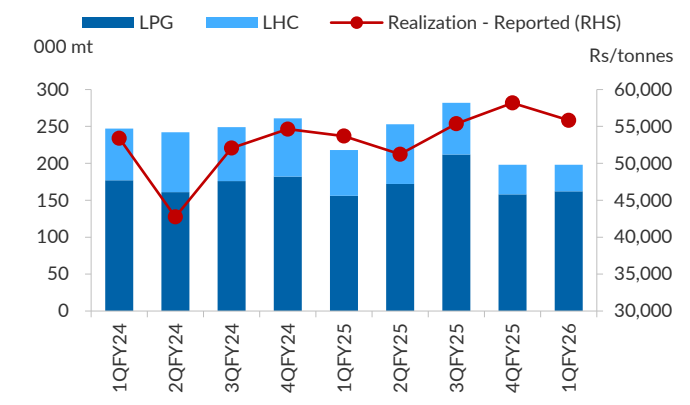
Source: Company, YES Sec

Exhibit 8: Petchem Performance



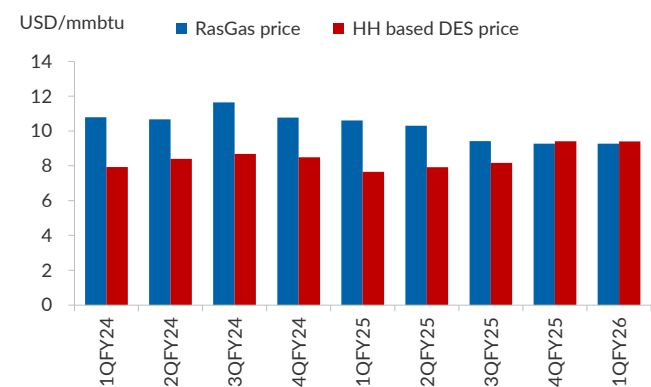
Source: Company, YES Sec

Exhibit 9: LPG and LHC Performance



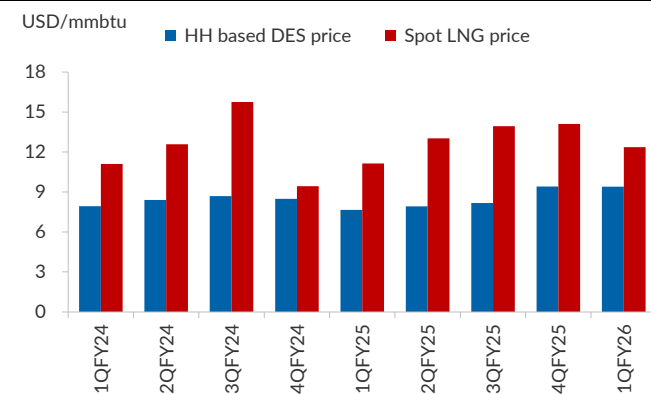
Source: Company, YES Sec

Exhibit 10: RasGas price and HH based DES price



Source: Company, YES Sec

Exhibit 11: HH based DES price and Spot LNG price



Source: Company, YES Sec

CONCALL HIGHLIGHTS

- **Natural Gas Transmission:** Gas transmission volumes averaged 120.62mmscmd in Q1FY26 (vs 120.83mmscmd in Q4FY25), impacted by a combination of refinery fuel-switching (~3mmscmd), lower power demand due to early monsoon (~1.2mmscmd), unscheduled fertilizer plant shutdowns (~1.4mmscmd), and muted CGD uptake (~0.4mmscmd). PATA petchem shutdown also pulled down internal volumes. However, transmission volumes have recovered in Jul'25 to ~127-131mmscmd, with weekday levels often above 130mmscmd.
- **Gas Transmission FY26 guidance:** Management revised its FY26 guidance to 127-128mmscmd (from 132 earlier), implying a steady pick-up through H2 as fertilizer units normalize, PATA resumes operations, and seasonal power demand returns in Sep-Oct. Refinery volumes (along with petchem) currently constitute ~20% of transmitted gas, and are expected to rise as alternate fuels lose competitiveness.
- **Gas Transmission FY27 guidance** of 135-136mmscmd supported by natural CGD growth and new assets. GAIL expects volumes to improve ~8-9mmscmd YoY in FY27, aided by CGD (~3.5mmscmd natural addition), power and fertilizer recovery (~2-3mmscmd), and new volumes from commissioned pipelines (Kolkata, Srikakulam, Mumbai-Nagpur-Jharsuguda). Incremental demand from IOCL refineries (Barauni, Paradip, Haldia, Bongaigaon, Guwahati) is also expected to kick in.
- **Gas marketing volumes steady:** Marketing volumes stood at 105.45mmscmd in Q1FY26 (vs 106.53mmscmd in Q4FY25). FY26 marketing margin guidance of Rs 40-45bn was reaffirmed, with Q1 achieving ~25% of full-year target.
- **One-off:** GAIL booked a one-off of Rs 1.33bn in gas transmission EBIT related to differential unified tariff settlement for FY24 and FY25, following PNGRB's retrospective acceptance of GAIL's revised claims
- **Petrochemicals:** Rs 2.5bn PBT loss in Q1 due to pricing and input cost pressures. Polymer production declined to 177TMT (vs 215TMT in Q4FY25) on account of PATA shutdown in Apr'25. The segment posted a PBT loss, driven by Rs 1000/MT decline in polymer realizations and input gas cost increase (USD3.5/mmbtu vs USD1.9 last year). Henry Hub-linked feed cost nearly doubled YoY, pressuring breakeven levels. Management expects the segment to remain soft and possibly operate closer to breakeven for FY26. Hedging via paper markets (recent trades at ~USD3/mmbtu) and improved plant utilization are expected to cushion downside.
- **LHC segment:** There was a 30% QoQ PBT decline amid costlier feed and weak realizations. LHC production was stable at 199TMT. However, PBT dropped 30% QoQ to Rs 2.1bn due to deallocation of cheaper APM gas and replacement with higher-cost new well gas (~0.32mmscmd). Additionally, LHC prices declined ~Rs 2,000/MT QoQ.
- **LPG Transmission** remains stable at 1,131TMT; 99% utilization sustained. LPG transmission was flat QoQ (1,131TMT vs 1,132TMT in Q4), with segment capacity utilization maintained at 99%.
- **PNGRB Tariffs Revision:** PNGRB has completed the public consultation process for the revised integrated tariff. The tariff is now awaiting board approval, post which GAIL will file its zonal tariffs. Revised tariff will be applicable prospectively from the month following PNGRB's approval. Notably, the revision was triggered by material changes in assumptions: revised network capacity (as per EIL study) and correction in fuel gas cost base (USD3.6/mmbtu APM in last order vs USD11 now per new regulation). While the current review isn't formally "interim," it qualifies as one under regulatory exception clauses.
- **GAIL Gas** volumes at 7.03mmscmd, the turnover stood at Rs 29.3bn (vs Rs 30.5bn in Q4), with PBT of Rs 1.46bn (+1% QoQ) and PAT of Rs 1.08bn (+6% QoQ). 3 CNG stations and 23,593 DPNG connections were added across GAIL Gas and its JVs. The network now comprises 664 CNG stations and 11.3 lakh DPNG connections.
- **Standalone CGDs** (6 GAs under GAIL), volumes held steady at 0.46mmscmd (APM: 0.169, RLNG: 0.291), with 2,600 new DPNG connections added. GAIL plans to add 85 new CNG

stations and 1.5 lakh DPNG connections over the next two years under its own balance sheet. GAIL Gas (with JVs) targets 260 CNG stations and 2.6 lakh DPNG additions in the same period.

- **Capex** of Rs 31.8bn in Q1; Break-up for Q1 includes: pipelines - Rs 5.36bn, petchem - Rs 5.42bn, equity contributions - Rs 14.58bn, and others including CGD, E&P, renewables - Rs 5.49bn. FY26 capex guidance Rs ~120bn: Rs 40bn for pipelines, Rs 25bn for petchem, Rs 20bn for net-zero projects, Rs 14bn for operational capex, Rs 8.50bn equity support, Rs 2bn for CGD, and Rs 5bn for other initiatives.
- **Petchem projects:** PATA PP and GMPL PTA to commission in FY26; PDH-PP pushed to FY27. The 60KTA PP project at PATA and 1.25mmtpa PTA unit at GMPL are expected to be commissioned in FY26. The 500KTA PDH-PP project at Usar has been delayed due to civil contract bottlenecks and will now be commissioned in FY27. Project IRR remains strong at 13-14%. GAIL has signed a 15-year propane sourcing contract with BPCL (Saudi CP index) for this project.
- **Depreciation dip:** Q1 consolidated depreciation fell to ~Rs 8bn (vs Rs >10bn in Q4FY25) due to absence of large one-offs (shutdown-linked overhaul, fully depreciated assets).
- **Project updates:** JHBDPL Bengal section commissioned; LPG capacity expansion approved. The Durgapur-Kolkata section of JHBDPL was commissioned and dedicated on 18-Jul'25, connecting Bengal Gas and three GAs under HPL (~0.4mmcmd immediate opportunity). GAIL also received PNGRB authorization to expand Jamnaga--Loni LPG pipeline capacity from 3.25mmtpa to 6.5mmtpa. Estimated capex is Rs 50bn with a 3-year timeline. Major pipelines: Mumbai-Nagpur-Jharsuguda, JHBDPL balance, Kochi-Mangalore, Srikakulam-Angul remain on track for progressive commissioning in FY26. Gurdaspur-Jammu pipeline is targeted for FY27.

VIEW & VALUATION

BUY with a TP of Rs 213/sh

Exhibit 12: Key Monitorable & Triggers

What to Watch	Why it Matters	Timeline
PNGRB tariff revision on integrated pipelines	Tariff hike (expected Rs72/mmbtu) can boost transmission segment earnings	Expected by Q2FY26
Gas transmission volume ramp-up	Targeted 127-128mmcmd in FY26 vs 127mmcmd in FY25; no growth	Throughout FY26
Dabhol LNG utilization & breakwater monetization	All-weather port status enables year-round cargo handling; revenue boost from 34-36 cargos	Breakwater clearance in Q2
Commissioning of petrochemical projects (PP, PDH, PTA)	Will diversify earnings and improve margin profile	All projects in FY26
LNG prices & Henry Hub indexation	Soft HH gas improves petchem margins (esp. PATA), impacting segmental profitability	Monitor quarterly
Tariff review on new pipeline assets (Gurdaspur-Jammu)	Ensures recovery on new investments; stabilizes returns from long gestation assets	FY27-FY28

We believe GAIL's EBITDA to record a 2.1% CAGR over FY25-27e led by a 6.8% CAGR in gas transmission EBITDA. The gas transmission business has bright prospects (currently contributing ~55% to EBITDA in FY27e, expected to increase further) while the commodity business remains is a little volatile. We maintain our rating of BUY with a revised TP of Rs213 (vs 216 earlier), valuing it with a multiple of 1.5x P/BV (Rs 182) on core business and add investments (Rs31).

Exhibit 13: SOTP Valuation table

Valuation				
Particulars	FY27E			
Core Value	EBITDA	(x)	EV	Rs/Shr
Natural gas transmission	82,690	10.0	826,902	126
LPG Transmission	4,124	10.0	41,241	6
Natural gas trading	55,012	8.0	440,094	67
Petchem	8,055	6.0	48,333	7
LPG & LHC	8,333	7.0	58,329	9
Unallocated	(9,000)	6.0	(54,000)	(8)
Standalone	149,214	9.1	1,360,898	207
Net Debt			163,701	25
Total Core value			1,197,198	182
Total Book Value	800,526	1.5	1,198,618	182
Value of investments				
Listed Investments				
PLNG	59,625	30	41,738	6
ONGC	74,588	30	52,212	8
IGL	64,260	30	44,982	7
China Gas	11,255	30	7,879	1
MGL	45,265	30	31,685	5
Total value of listed investments @ 30% discount	254,994	30	178,496	27
Unlisted Investments				
Brahmaputra Cracker & Polymer Ltd (BCPL)				2
ONGC Petro-Additions Ltd (OPAL)				2
Ramagundam Fertilizers				0
South East Asia Gas Pipeline Company				0
Total value of investments				4
Fair Value				213

Exhibit 14: P/BV (x) band, one-year-forward



Source: Company, YES Sec

Exhibit 15: Estimate Revisions

Metric	Old Est (FY26E)	New Est	% Change	Old Est (FY27E)	New Est	% Change	Reason
Revenue	1,201.5	1,193.0	(0.7)	1,268.4	1,264.6	(0.3)	Gas transmission volumes revised downwards on the company guidance
EBITDA	148.2	138.5	(6.6)	152.8	149.2	(2.3)	
EPS	14.4	13.2	(7.8)	14.6	14.2	(2.8)	

Exhibit 16: Valuation Snapshot

Valuation Metric	FY25	FY26E	FY27E	5Y Avg
P/E (x)	10.6	13.6	12.7	12.4
EV/EBITDA (x)	9.6	9.7	9.0	9.6
ROCE (%)	14.4	12.7	12.9	14.5

FINANCIALS

Exhibit 17: Income statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	1,442,497	1,305,731	1,372,078	1,192,976	1,264,611
Total Expense	1,375,508	1,171,983	1,228,806	1,054,525	1,115,397
Operating Profit	66,989	133,747	143,272	138,451	149,214
Other Income	26,847	22,079	24,013	25,453	26,980
Depreciation	24,881	33,308	35,998	41,818	45,710
EBIT	68,955	122,518	131,287	122,086	130,485
Interest	3,117	6,972	7,442	7,358	7,358
Extraordinary Item	-	-	24,400	-	-
PBT	65,838	115,546	148,246	114,728	123,127
Tax	12,823	27,181	35,122	27,730	29,760
PAT	53,015	88,365	113,123	86,998	93,367
Adj. PAT	53,015	88,365	113,123	86,998	93,367
Eps	8.1	13.4	17.2	13.2	14.2

Exhibit 18: Balance sheet

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Equity capital	65,751	65,751	65,751	65,751	65,751
Reserves	490,786	576,043	639,886	684,146	734,775
Net worth	556,537	641,794	705,637	749,897	800,526
Debt	157,295	192,105	184,434	184,434	184,434
Deferred tax liab (net)	46,628	49,558	50,935	50,935	50,935
Capital Employed	760,460	883,456	941,006	985,266	1,035,895
Fixed assets	579,698	648,185	710,086	758,267	802,557
Investments	127,888	175,139	174,836	174,836	174,836
Net working capital	52,874	60,133	56,084	52,162	58,502
Inventories	52,813	52,911	60,085	45,758	48,506
Sundry debtors	103,663	96,091	92,113	78,924	83,651
Cash & Bank Balance	4,020	7,032	11,041	19,249	22,039
Other current assets	93,235	115,926	110,855	110,855	110,855
Sundry creditors	72,992	67,189	80,755	65,369	69,294
Other liabilities	127,864	144,639	137,255	137,255	137,255
Application of Funds	760,460	883,456	941,006	985,265	1,035,895

Exhibit 19: Cash flow statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT	65,838	115,546	148,246	114,728	123,127
Depreciation & amortization	24,881	33,308	35,998	41,818	45,710
Interest expense	3,117	6,972	7,442	7,358	7,358
(Inc)/Dec in working capital	(21,437)	(18,828)	-	-	-
Tax paid	(30,932)	5,548	8,057	12,130	(3,549)
Less: Interest/Dividend Income Received	(15,178)	(27,982)	(35,122)	(27,730)	(29,760)
Other operating Cash Flow	1,791	3,918	-	-	-
Cash flow from operating activities	28,080	118,482	164,620	148,304	142,885
Capital expenditure	(74,191)	(70,513)	(97,595)	(90,000)	(90,000)
Inc/(Dec) in investments	18,047	14,982	-	-	-
Add: Interest/Dividend Income Received	(9,390)	(24,493)	-	-	-
Cash flow from investing activities	(65,533)	(80,024)	(97,595)	(90,000)	(90,000)
Inc/(Dec) in share capital	-	-	-	-	-
Inc/(Dec) in debt	76,050	13,889	(7,670)	-	-
Interest Paid	(6,567)	(12,003)	(7,442)	(7,358)	(7,358)
Dividend Paid	(30,679)	(36,195)	(49,313)	(42,738)	(42,738)
Others	(13,289)	-	-	-	-
Cash flow from financing activities	25,515	(34,310)	(64,425)	(50,096)	(50,096)
Net cash flow	(11,938)	4,148	2,599	8,208	2,789

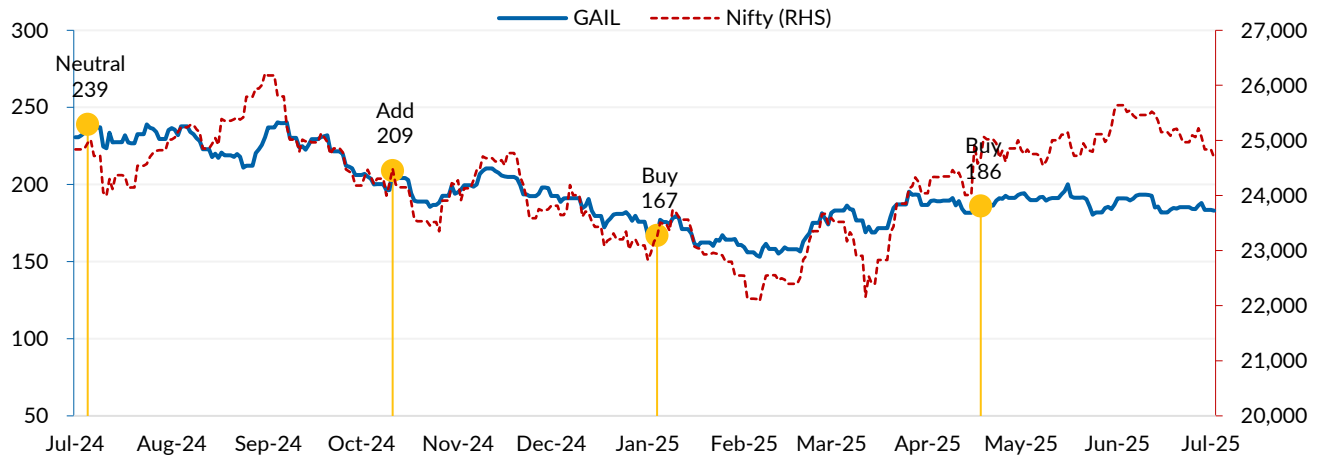
Exhibit 20: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Tax burden (x)	0.8	0.8	0.8	0.8	0.8
Interest burden (x)	1.0	0.9	1.1	0.9	0.9
EBIT margin (x)	0.0	0.1	0.1	0.1	0.1
Asset turnover (x)	1.6	1.3	1.2	1.0	1.0
Financial leverage (x)	1.6	1.7	1.7	1.6	1.6
RoE (%)	9.5	14.7	16.8	12.0	12.0

Exhibit 21: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25	FY26E	FY27E
Growth matrix (%)					
Revenue growth	57.4	(9.5)	5.1	(13.1)	6.0
Op profit growth	(51.6)	99.7	7.1	(3.4)	7.8
EBIT growth	(49.9)	77.7	7.2	(7.0)	6.9
Net profit growth	(48.8)	66.7	28.0	(23.1)	7.3
Profitability ratios (%)					
OPM	4.6	10.2	10.4	11.6	11.8
EBIT margin	4.8	9.4	9.6	10.2	10.3
Net profit margin	3.7	6.8	8.2	7.3	7.4
RoCE	9.6	14.9	14.4	12.7	12.9
RoE	9.5	14.7	16.8	12.0	12.0
RoA	5.8	8.6	10.0	7.4	7.7
Per share ratios					
EPS	8.1	13.4	17.2	13.2	14.2
Dividend per share	4.0	5.5	7.5	6.5	6.5
Cash EPS	11.8	18.5	22.7	19.6	21.2
Book value per share	84.6	97.6	107.3	114.1	121.8
Valuation ratios					
P/E	13.0	13.5	10.6	13.8	12.9
P/CEPS	8.9	9.8	8.1	9.3	8.7
P/B	1.2	1.9	1.7	1.6	1.5
EV/EBIDTA	12.6	10.3	9.6	9.9	9.2
Payout (%)					
Dividend payout	49.6	40.9	43.6	49.1	45.8
Tax payout	19.5	23.5	23.7	24.2	24.2
Liquidity ratios					
Debtor days	26.2	26.9	24.5	24.1	24.1
Inventory days	11.0	16.5	16.8	18.3	15.4
Creditor days	16.9	21.8	22.0	25.3	22.0

Recommendation Tracker



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