

27 June 2025

India | Equity Research | Company Update

## GAIL India

Oil &amp; Gas

### Tariff order remains a key monitorable; operational prospects steady

GAIL's FY25 performance was steady, with ~8% growth in EBITDA and ~7% growth in PAT. Going forward, the company is set to see strong profitability via the imminent tariff increase in the transmission business, but the company is cognizant of headwinds in gas demand for FY26. Guidance for the same has been reduced by 3-4 mmscmd and similarly for FY27-28. Similarly, with a larger portion of gas tied up in back-to-back contracts and a narrowing US HH to spot LNG differential, prospects for gas trading are also lower than earlier estimates. Despite the cuts to FY26-28 estimates (see below earning revision table below), we see long-term prospects as unchanged; also, factoring in ~14-16% of tariff increase in transmission, our revised TP of INR 245 still implies a strong 31% upside. Reiterate **BUY**.

### Transmission/trading volume guidance lowered

FY25 transmission volumes of ~127mmscmd grew ~7mmscmd YoY, but guidance for FY26 has been lowered to ~6mmscmd from management's earlier assessment of >10mmscmd. Management has pointed to the following key reasons for the lowering of guidance: 1) Some delays in last-mile commissioning of the JHBDPL, which has pushed connectivity of some sections to end-FY26E. 2) Shutdown of a fertiliser plant (Kanpur Fertiliser). 3) Lower demand from the power sector. 4) Switch of some demand in the refinery/petchem segments to liquid fuels driven by a moderation in crude and product prices. While some of these factors may yet turn around, we believe more conservative growth estimates are reasonable; thus, we have revised our estimates accordingly.

### Overall prospects remain promising, but some blips emerge

GAIL's prospects remain strong to drive sustained outperformance over the next 2-3 years. Growing domestic gas supplies, LNG liquefaction capacity and the expectation of relatively moderate pricing of the same along with normalisation of LPG prices are all positives. Further, tariff revision – upward by 15-20% by H1FY26E – may also be seen as a strong possibility, LPG/LHC volumes see some respite by 0.3mmscmd of New Well Gas allocation (50% of deallocated gas); and petchem volumes and margins should see recovery via capacity expansion and lower gas costs, respectively. Overall, we believe, post a muted FY26E, growth should pick up sharply over FY27-28E.

### Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	14,19,035	9,47,046	10,49,614	11,39,927
EBITDA	1,54,318	1,48,998	1,76,399	1,95,854
EBITDA %	10.9	15.7	16.8	17.2
Net Profit	1,06,172	1,02,637	1,24,086	1,39,257
EPS (INR)	16.1	15.6	18.9	21.2
EPS % Chg YoY	7.3	(3.3)	20.9	12.2
P/E (x)	11.6	12.0	9.9	8.8
EV/EBITDA (x)	9.2	9.1	7.4	6.4
RoCE (Pre-tax) (%)	11.3	9.9	11.7	12.4
RoE (%)	13.1	11.6	12.9	13.3

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#### Market Data

Market Cap (INR)	1,228bn
Market Cap (USD)	14,330mn
Bloomberg Code	GAIL IN
Reuters Code	GAIL.BO
52-week Range (INR)	246 /151
Free Float (%)	41.0
ADTV-3M (mn) (USD)	30.5

Price Performance (%)	3m	6m	12m
Absolute	7.3	(5.5)	(12.5)
Relative to Sensex	(1.1)	(12.2)	(18.9)

ESG Score	2023	2024	Change
ESG score	73.3	67.3	(6.0)
Environment	64.9	64.7	(0.2)
Social	74.8	73.1	(1.7)
Governance	74.4	65.7	(8.7)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E	FY28E
Revenue	(2.4)	(2.3)	(1.4)
EBITDA	(5.3)	(4.1)	0.3
EPS	(5.8)	(4.6)	0.0

#### Previous Reports

15-05-2025: [Q4FY25 results review](#)

28-03-2025: [Company Update](#)

## Reiterate BUY: Attractive valuation, solid prospects

We have factored in lower estimates for trading EBITDA (6–10% decrease over FY26–27E vs. previous estimates) and for transmission volumes (2–6mmscmd lower vs. previous estimates for FY26–28E), offset by marginally higher tariff estimates. Resultantly, FY26E/FY27E EPS sees a cut of ~5.8%/4.6%, while FY28E EPS stays largely unchanged.

We continue to see multiple drivers of optimism for the stock. Nearly 15-18mmscmd of volume addition over FY26–28E and stronger tariffs and additional delta from petchem (JBF acquisition to add capacity) imply that GAIL could see steady earnings growth over FY26–28E. Post a muted stock movement in the last six months (down 7%), valuations of 9.9x FY27E EPS and 7.4x FY27E EV/EBITDA are attractive; separately, our revised TP of INR 245 (FY28E multiples) offers ~31% upside from CMP. Maintain **BUY**.

### Key downside risks

1) Sharply lower gas consumption trends. 2) Higher gas price impact on petchem/LPG segments. 3) Reduction in pricing gap between US LNG and Asian spot LNG prices.

### Key upside risks

1) Higher gas demand. 2) Higher-than-expected moderation in gas costs. 3) Successful upward revision in tariffs by regulator to factor in GAIL's submissions on cost of internal usage of gas.

## Management meet takeaways

### Transmission business

- The company has guided for transmission volume of 132-135/142mmscmd for FY26/FY27, down 4-5-mmscmd for each year vs. previous guidance. The major reasons for the downgrade in volume include –
  - Fall in refineries demand – refineries switching to alternative fuel (FO) led to a decline in gas demand. Crude prices have ebbed, but LNG prices continue to show some strength.
  - Also, delay in obtaining the necessary permissions (Right of Use, or RoU) to lay or operate a pipeline from localities (farmers) and relevant authorities impacted the commissioning of the eastern pipeline. RoU prices have jumped 10x in the last few years.
  - Delhi's weather has been relatively mild – both in May'25 and Jun'25; thus, impacting power demand offtake. Q4FY25 power demand was 19mmscmd and is down to <14mmscmd in Q1FY26 so far.
  - One fertiliser plant (Kanpur Fertiliser) had debt related issues and has gone to NCLT (the plant was consuming ~2mmscmd of volumes).
- The revised tariff order is expected to come by Jul'25. As per management, expected tariff rate is INR 72/MMBtu vs. current tariff of INR 58.61/MMBtu, implying a material 20-25% boost from current levels.
- Spot prices have moved to USD 14/MMBtu, from USD 12/MMBtu levels in the last two weeks. With Europe's inventory-filling season arriving soon, this should keep spot prices at elevated levels vs. earlier expectations in the near term. Long-term prospects remain sanguine, with large capacity additions in global liquefaction capacity to moderate LNG prices for the next 5-7 years.
- Fertiliser industry's gas consumption is 55mmscmd, which can increase to a maximum of 57mmscmd. 25GW of power plants are operational in India with total theoretical consumption of 90mmscmd at full PLF. 1GW requires 3.5mmscmd of gas.

- The company has entered three new gas sourcing contracts to bolster LNG supplies – 1mt with Vitol, 0.5mt with ADNOC and 0.75mt with Qatar.
- IGGL phase-I is expected to get completed in Jun'25 with successive phases' commissioning by FY26-27E

#### **Marketing segment**

- Management has guided for gas marketing volume of 105/110mmscmd for FY26/FY27. 0.75mt (2.7mmscmd) additional volume should come in FY26 (Qatar) and 1.5mt (5.5mmscmd- Vitol and ADNOC contracts) additional volume should flow in FY27. Margin guidance for FY26 stands at INR 40-45bn.
- The company has most of the contract back-to-back signed on which it earns fixed margins and additional delta is earned from spot/unhedged volumes.
- Out of 105mmscmd of volume for FY26, 40/21/16.5mmscmd should be APM/HH/Qatar volumes with estimated fixed margins of INR 0.25/1.2/0.8 per scm. Out of the balance 28mmscmd volumes - Gorgon volume is 1.5mmscmd (0.43mt), 10mmscmd is from SEFE Marketing & Trading Singapore Pte Ltd (SM&TS), 3mmscmd is additional Qatar volume and rest is spot.
- The unhedged position in the marketing segment is 1-2mmscmd of HH (Henry Hub) linked contract. SM&TS' 2.85mt (10mmscmd) are sourced on 9 months' average prices and sold on 3 months average crude prices. 4-5mmscmd of Henry Hub linked contracted are diverted to PATA petrochemical plant.
- Unlike the last few years' HH prices of USD 1.5-2/MMBtu, prices have jumped to USD 3.5/MMBtu; thus, the difference has come down vs. spot, which shall impact the segmental profitability.
- Dabhol break water is completed now and utilisation of terminal is expected to move to 50% in FY26E. Dabhol did 21 cargoes in FY25 and management expects to do 34 cargoes in FY26 and reach 80 cargoes in FY27.
- Dabhol plant was earlier integrated with the power plant (now owned and run by NTPC). So, now, GAIL is setting up its own utility infra and is also looking at expanding the capacity of the terminal to ~6.3mtpa.

#### **LPG and petchem**

- With reduction in APM allocation, LPG production should see an impact of 500tonnes per day; thus, FY26 should see volume of 820KTPA with total APM gas supply of 1.44mmscmd vs. 951KTPA production in FY25 and gas requirement of ~1.75mmscmd.
- Petchem continues to face challenges with realisation at INR 90,000/t. At this price, neither naphtha nor gas (input cost) is supporting profitability. Gas consumption for petchem segment is 5mmscmd at 100% utilisation. Petchem realisation in FY23 was INR 115,000/t.
- PDHPP plant at Usar is expected to commissioned by end of CY26, JBF should come online in Feb'26 and PP plant at PATA should complete in FY26.

#### **CGD business**

- CGD business is expected to grow at 10-12%. The company is considering listing of GAIL Gas. It is also in the process of merging GAIL's 6 GAs (geographical areas) into GAIL Gas.
- GAIL Gas has CNG volume of 3.5mmscmd and bulk volume of 4mmscmd. Bangalore alone has achieved volume of 1mmscmd. In the 6 of GAIL's own GAs, total volume is 0.4mmscmd.

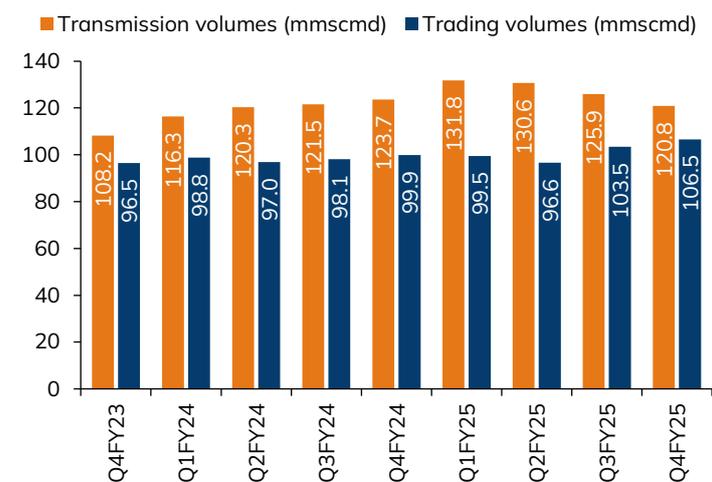
#### **Others**

- Capex guidance of FY26 is INR 107bn and may be slightly lower in FY27.
- The company aims to build 1.7GW and 2.4GW renewable energy by CY30/35. Currently, it has 145MW of renewable energy and 500MW of projects are in the pipeline.

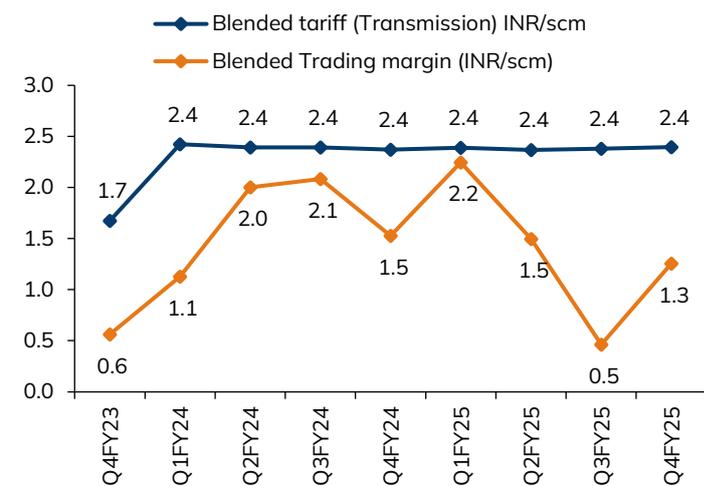
**Exhibit 1: Q4FY25 standalone result snapshot**

INR mn	Q4FY25	Q4FY24	YoY% Chg	Q3FY25	QoQ% Chg	FY25	FY24	YoY % Chg
Net Sales	3,56,852	3,23,177	10.4	3,49,371	2.1	13,72,078	13,05,731	5.1
EBITDA	32,164	35,578	(9.6)	28,378	13.3	1,43,272	1,33,044	7.7
EBIT	23,130	23,973	(3.5)	20,056	15.3	1,07,275	99,736	7.6
Rep. PAT	20,490	21,770	(5.9)	38,674	(47.0)	1,13,123	88,365	28.0
Adj. PAT	20,490	21,770	(5.9)	20,415	0.4	94,864	88,365	7.4
Adj. EPS (INR)	3.1	3.3	(5.9)	3.1	0.4	14.4	13.4	7.4
<b>Volumes</b>								
NG transmission (mmscmd)	120.8	123.7	(2.3)	125.9	(4.0)	127.3	120.5	5.7
NG sales (mmscmd)	106.5	99.9	6.6	103.5	3.0	101.5	98.5	3.1
Petchem sales (kt)	229.0	242.0	(5.4)	221.0	3.6	845.0	787.0	7.4
LPG & liquid hydrocarbons (kt)	198.0	261.0	(24.1)	282.0	(29.8)	951.0	999.0	(4.8)
<b>Segment EBIT</b>								
Natural Gas transmission (Adj)	12,684	9,798	29.5	13,703	(7.4)	54,884	45,101	21.7
LPG transmission	1,152	756	52.4	1,400	(17.7)	4,214	3,171	32.9
Natural Gas Trading	12,037	13,887	(13.3)	4,410	173.0	50,063	60,673	(17.5)
Petrochemicals	(1,580)	2,623	(160.2)	47		(372)	(1,366)	
LPG and Liquid Hydrocarbon	2,920	3,266	(10.6)	3,785	(22.9)	11,492	7,695	49.3
Others	1,158	(701)	(265.1)	864	34.0	5,155	3,709	39.0
<b>Total</b>	<b>28,370</b>	<b>29,629</b>	<b>(4.2)</b>	<b>24,207</b>	<b>17.2</b>	<b>1,25,436</b>	<b>1,18,983</b>	<b>5.4</b>

Source: Company data, I-Sec research

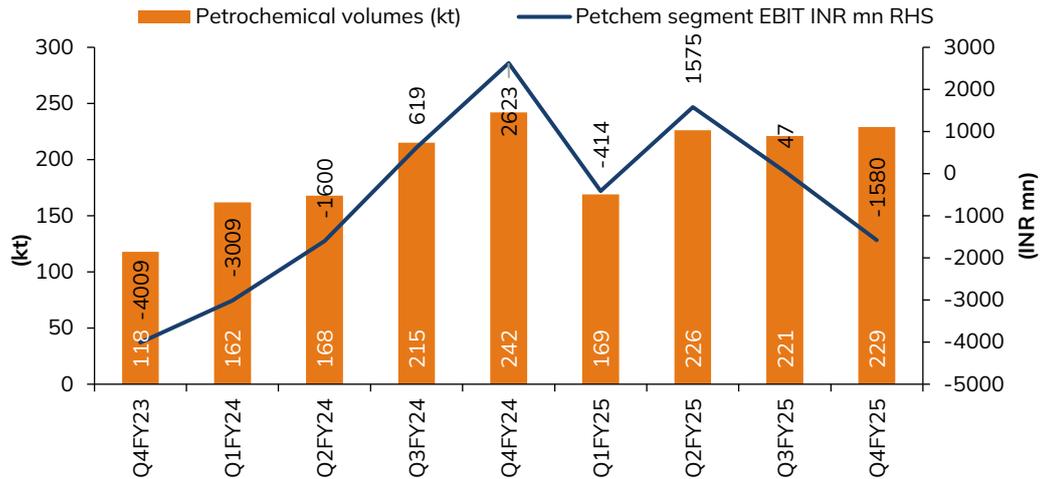
**Exhibit 2: Transmission volumes remain muted QoQ/YoY in Q4FY25 while trading volumes improved...**


Source: Company data, I-Sec research

**Exhibit 3: ...blended trading margin improved QoQ**


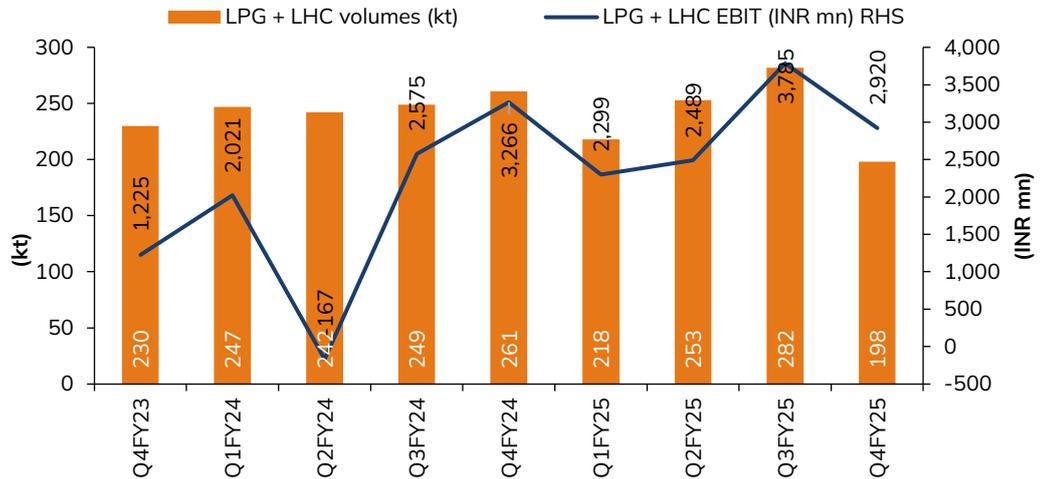
Source: Company data, I-Sec research

**Exhibit 4: Petchem margins and volumes declined YoY**



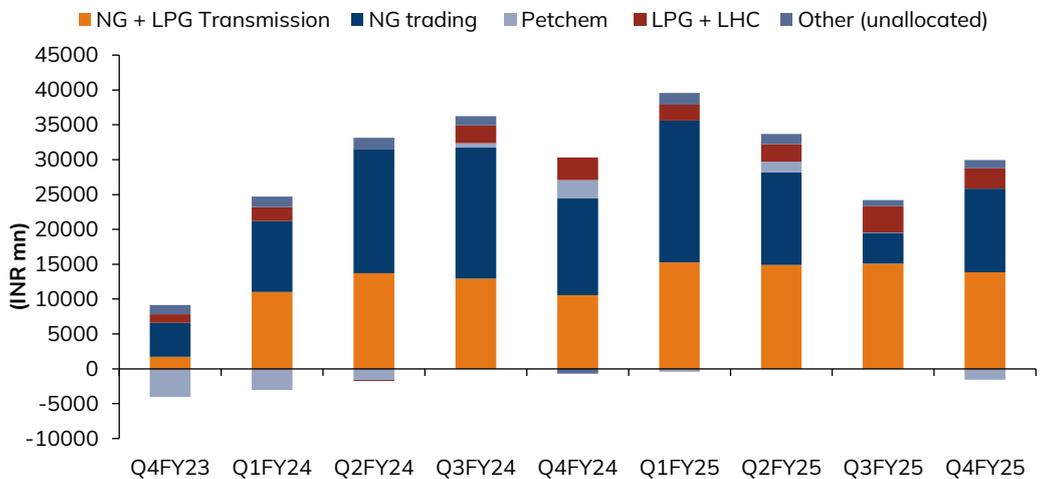
Source: Company data, I-Sec research

**Exhibit 5: LPG segment earnings and volumes declined sharply QoQ/YoY**



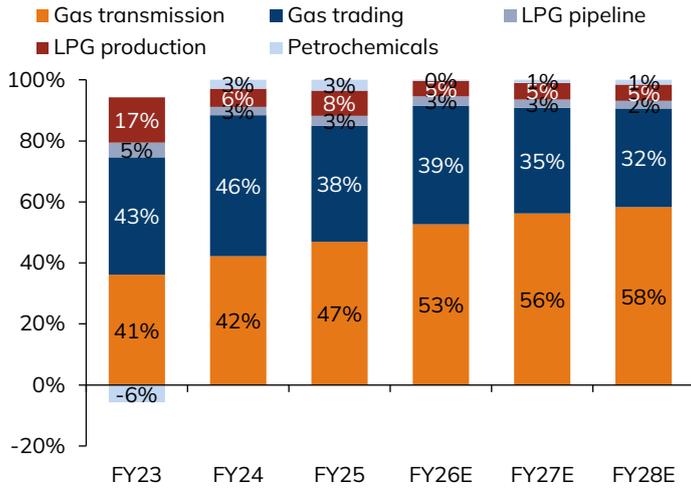
Source: Company data, I-Sec research

**Exhibit 6: Petchem and trading segments remained weak in Q4FY25**



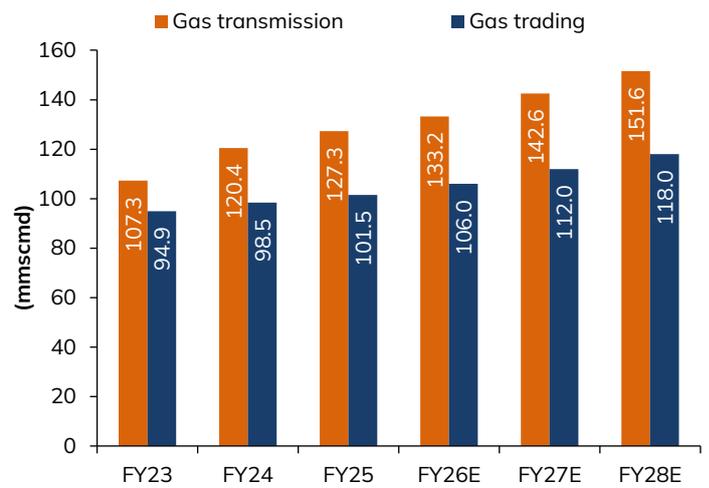
Source: Company data, I-Sec research

**Exhibit 7: Diversified EBITDA mix; gas transmission and trading are the largest contributors**



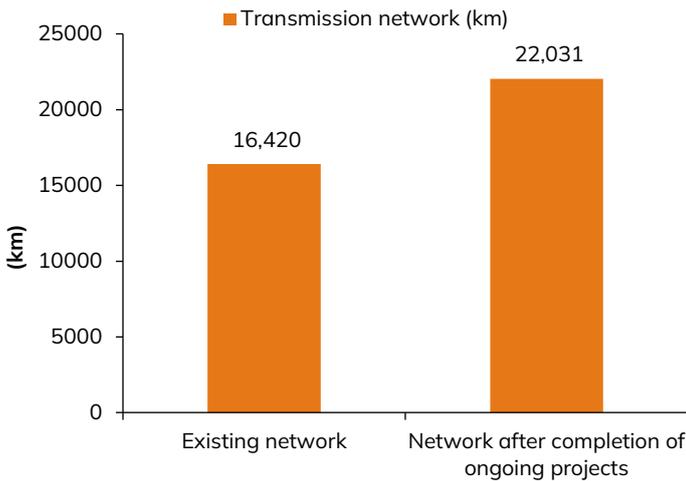
Source: Company data, I-Sec research

**Exhibit 8: Transmission and trading volumes to grow steadily over FY26–28E**



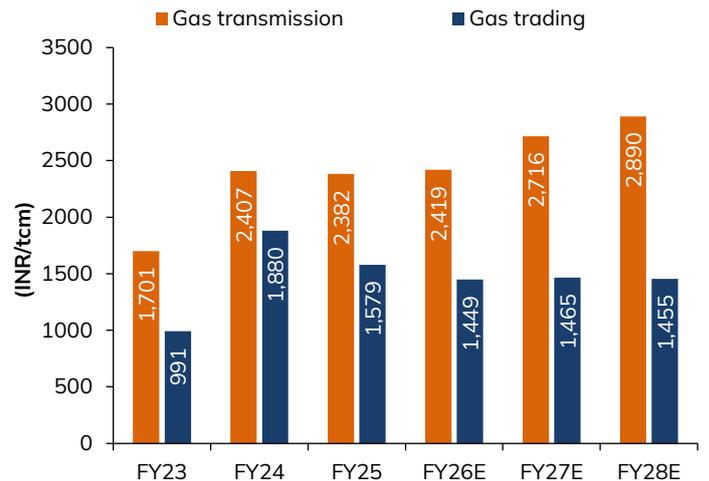
Source: Company data, I-Sec research

**Exhibit 9: Pipeline network**



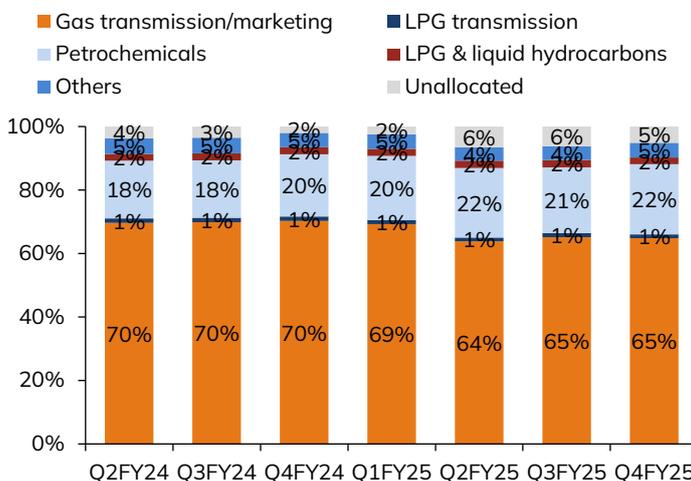
Source: Company data, I-Sec research

**Exhibit 10: Improvement in blended margins for transmission over FY26–28E**



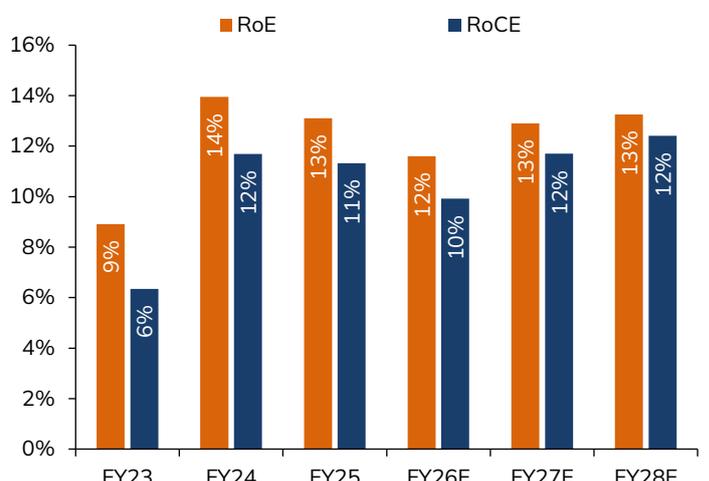
Source: Company data, I-Sec research

**Exhibit 11: Gas transmission remains key component of overall capital employed**



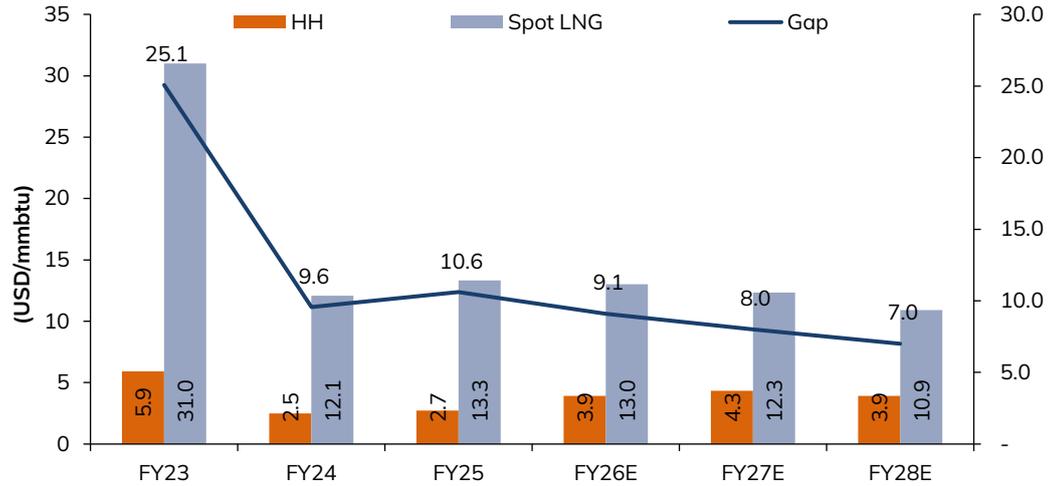
Source: Company data, I-Sec research

**Exhibit 12: Return ratios remain healthy**



Source: Company data, I-Sec research

**Exhibit 13: Gap in US HH, term and spot LNG remains material**



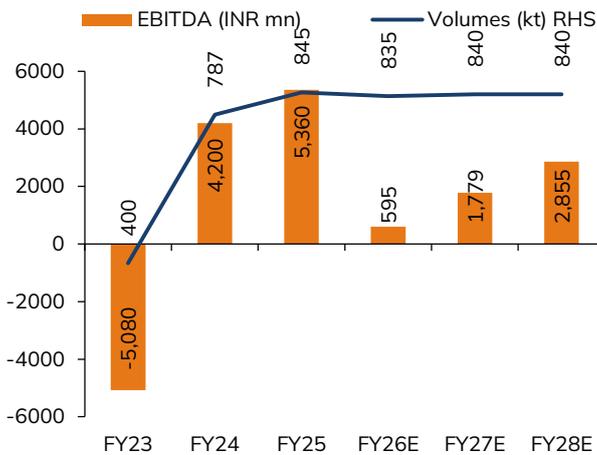
Source: Bloomberg, CME futures, I-Sec research

**Exhibit 14: Sensitivity of trading gains to differential with term and spot LNG prices**

	vs. Spot LNG	vs. Term LNG	vs. Spot LNG	vs. Term LNG
Price (USD/mmbtu)	3.5	4	3.5	4
Delivered Price (USD/mmbtu)	9.0	9.6	9.0	9.6
Spot LNG Slope Assumed	20%	13%	20%	13%
Brent (USD/bbl)	68	68	70	70
USD/mmbtu	13.6	9.8	14.0	10.1
Premium/(discount) of Spot to HH Delivered price	4.6	0.2	5.0	0.5
Assumed volumes unhedged (mmt)	1.0	1.0	1.0	1.0
Additional margin potential (INR mn)	20,276	1,064	22,049	2,216

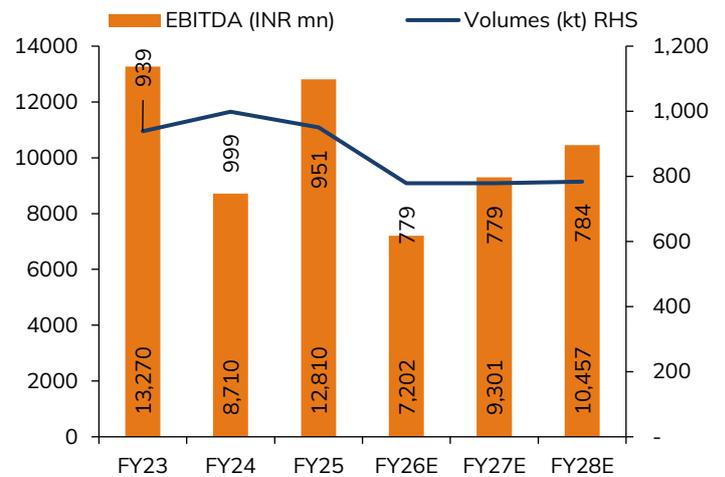
Source: Company data, Bloomberg, I-Sec research

**Exhibit 15: Petchem EBITDA to improve gradually over FY26-28E**

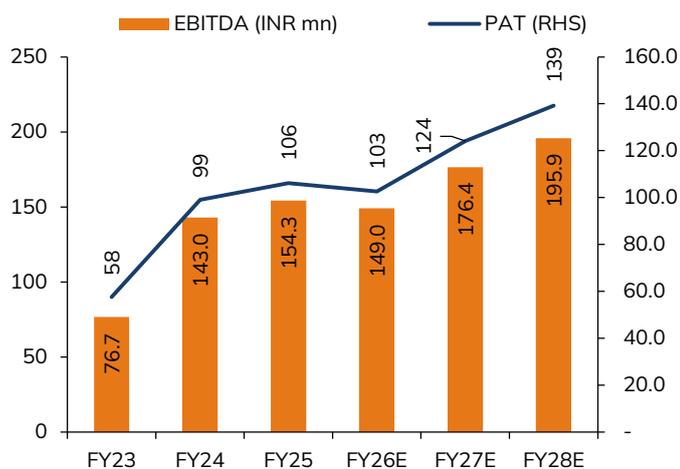


Source: Company data, I-Sec research

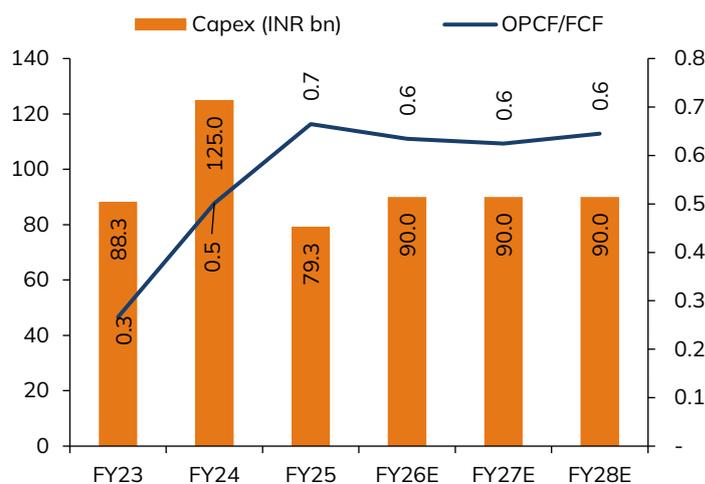
**Exhibit 16: LPG production and EBITDA likely to improve over FY26-28E**



Source: Company data, I-Sec research

**Exhibit 17: EBITDA and PAT to grow at 14.6%/16.4% CAGR over FY26–28E**


Source: Company data, I-Sec research

**Exhibit 18: Strong cashflow to suffice for capex requirements**


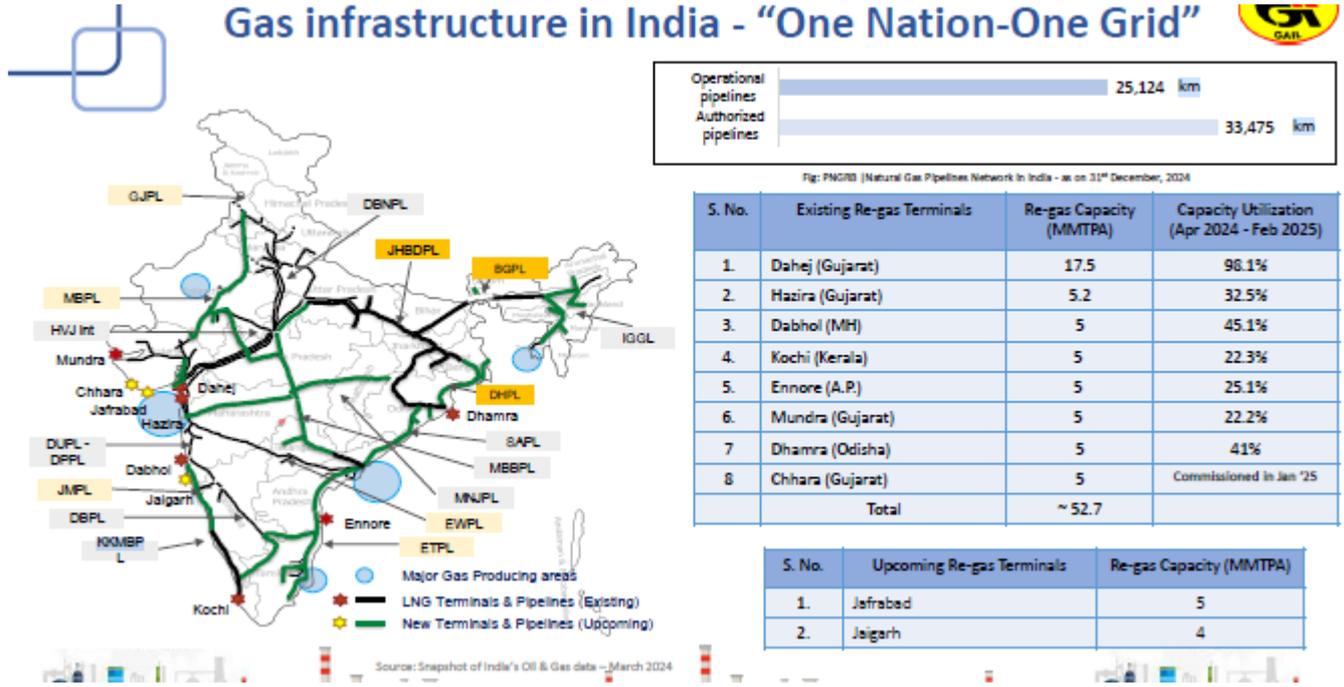
Source: Company data, I-Sec research

**Exhibit 19: Subsidiaries and associates' profits – sharp reduction in Dabhol losses, will turn profitable in FY26E**

INR mn	% Share holding	Investment	PAT (FY25)	PAT (FY24)
GAIL			1,13,120	88,360
<b>Subsidiaries</b>		<b>50,960</b>	<b>3,520</b>	<b>4,150</b>
GAIL GAS	100%	20,610	4,550	3,180
GGSPCL	100%	530	180	110
GGUI	100%	1,870	-180	-130
Bengal Gas Company Limited	88%	8,040	-90	-110
<b>Konkan LNG Limited</b>	<b>93%</b>	<b>8,860</b>	<b>-1,250</b>	<b>-2,490</b>
TNGCL	49%	150	440	410
GMPL	100%	10,900	10	3,220
Less: Minority Interest	-		-130	-40
<b>Associates</b>		<b>28,440</b>	<b>12,490</b>	<b>14,360</b>
MGL	33%	320	3,380	4,150
PLL	13%	990	5,030	4,560
BCPL	70%	9,920	110	-1,120
IGL	23%	320	3,870	4,470
OPaL	49%	9,950	-1,560	0
China Gas	3%	970	1,030	1,440
Fayum Gas	19%	80	30	30
Ramagundam Fertilizer	14%	2,700	600	660
ONGC Tripura Power Company Ltd	26%	3,190	20	180
<b>Joint Ventures (JVs)</b>		<b>16,820</b>	<b>2,490</b>	<b>2,510</b>
MNGL		2,300	1,470	1,370
CGD JVs & Others (BGL, CUGL, GGL, MNGL, AGL, VGL, TAPI, IGGL)		13,540	14,530	1,020
<b>Adjustments</b>				
Add: Elimination of Dividend			-5,920	-6,810
Add: Elimination Profit/Loss recognized from investments			0	0
Less: Others			-1,350	3580
<b>Consolidated</b>			<b>1,24,500</b>	<b>98,990</b>

Source: Company data, I-Sec research

Exhibit 20: Pipeline and re-gas terminal in India



Source: Company data, I-Sec research

Exhibit 21: Major petchem and pipeline projects

Major Pipeline (INR bn)	Lengths of Pipelines (Km)/Capacity	Commissioned length (Km)	Expected Completion Date	Approved Cost	Capital Commitment	Actual Capex up to 31.03.2025
Durgapur-Haldia P/L (JHBDPL 3B)	294	132*	31st Dec'25	2.4	2.4	2.2
Dhamra-Haldia P/L	253	150	31st Dec'25	1.0	1.0	0.8
KKBMP - II P/L - Krishnagiri - Coimbatore Section	322	-	31st Dec'25	2.4	1.8	1.3
Srikakulam-Angul P/L	743	421 (completed)	30th Jun'25	2.8	2.5	2.2
Mumbai-Nagpur-Jharsuguda P/L	1,702	-	30th Jun'25	7.8	7.2	6.2
Gurdaspur - Jammu P/L	152	-	11th July'26	0.5	0.3	0.1
C2/C3 Pipeline (Vijaipur to Pata)	360	-	15th Jan'27	1.8	1.0	0.0
<b>Major PC Projects</b>						
Propane Dehydrogenation & Polypropylene Project (PDH-PP), Usar	500 KTPA	NA	Dec'25 (Mech Completion)	11.3	10.3	6.5
IPA, USAR	50 KTPA	NA	August'27	0.5	0.0	0.0
Polypropylene Project (PP), PATA	60 KTPA	NA	June'25	1.3	1.2	1.0
GMPL - PTA Plant	1,250 KTPA	NA	February'26	4.2	3.7	2.6

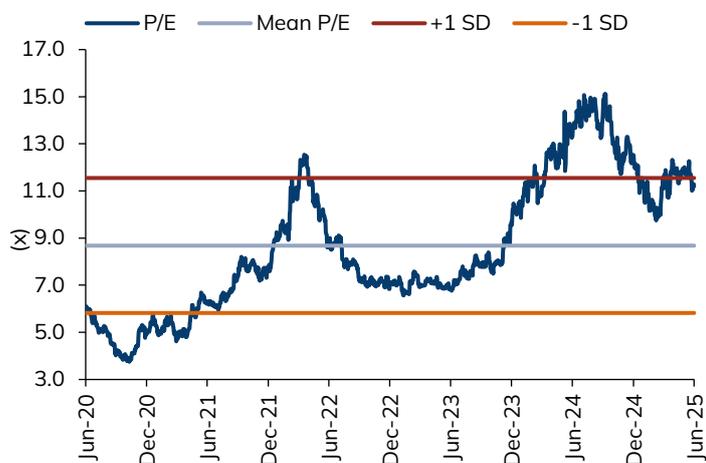
Source: I-Sec research, Company data- GAIL presentation PPT

**Exhibit 22: Valuation summary – material upside from CMP seen over next 12–18 months**

Business		INR-bn	INR/share	Break-up
Gas and LPG transmission	DCF	868	132	51%
Gas trading	EV/EBITDA (6x FY28E)	388	59	23%
Petrochemicals	EV/EBITDA (6.5x FY28E)	19	3	1%
LPG and other hydrocarbon production	EV/EBITDA (6x FY28E)	63	10	4%
CGD entities other than IGL/MGL	15x FY28E EPS	100	15	6%
Investments	Market value	255	39	15%
		1,693	257	100%
Less: net debt		83	13	
<b>Sum of parts valuation</b>		<b>1,492</b>	<b>245</b>	
<b>CMP</b>			<b>187</b>	
Upside (downside) %			31%	

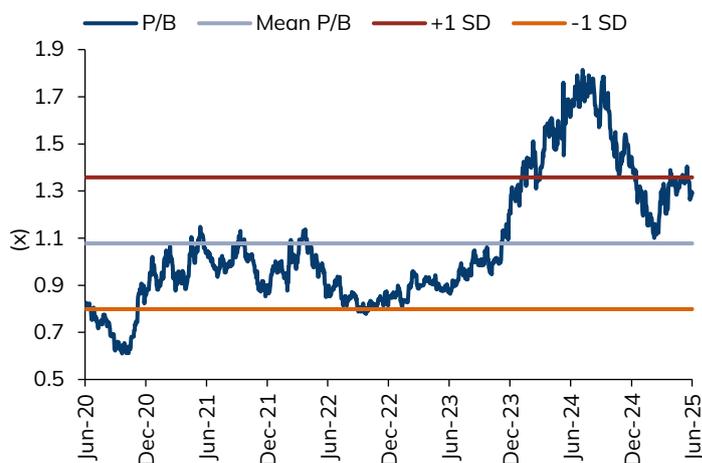
Source: Company data, I-Sec research

**Exhibit 23: P/E valuation trading near upper band**



Source: Company data, I-Sec research

**Exhibit 24: P/B valuation trading near upper band**



Source: Company data, I-Sec research

**Exhibit 25: Shareholding pattern**

%	Sep'24	Dec'24	Mar'25
Promoters	51.9	51.9	51.9
Institutional investors	32.2	32.6	32.8
MFs and other	9.1	10.1	11.4
FIs/ Banks	1.1	0.0	0.0
Insurance Cos.	6.8	6.5	6.6
FIIIs	15.2	16.1	14.8
Others	15.9	15.5	15.3

Source: Bloomberg, I-Sec research

**Exhibit 26: Price chart**



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 27: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>14,19,035</b>	<b>9,47,046</b>	<b>10,49,614</b>	<b>11,39,927</b>
<b>EBITDA</b>	<b>1,54,318</b>	<b>1,48,998</b>	<b>1,76,399</b>	<b>1,95,854</b>
EBITDA Margin (%)	10.9	15.7	16.8	17.2
Depreciation & Amortization	37,992	42,356	45,956	49,556
EBIT	1,16,326	1,06,642	1,30,443	1,46,298
Interest expenditure	7,480	6,599	3,840	1,995
Other Non-operating Income	12,676	10,210	11,274	13,084
<b>PBT</b>	<b>1,45,923</b>	<b>1,10,252</b>	<b>1,37,877</b>	<b>1,57,386</b>
<b>Profit / (Loss) from Associates</b>	<b>14,902</b>	<b>20,135</b>	<b>20,912</b>	<b>21,485</b>
Less: Taxes	36,326	27,751	34,704	39,614
PAT	1,09,596	82,502	1,03,173	1,17,772
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>1,24,498</b>	<b>1,02,637</b>	<b>1,24,086</b>	<b>1,39,257</b>
Extraordinaries (Net)	24,400	-	-	-
<b>Recurring Net Income</b>	<b>1,06,172</b>	<b>1,02,637</b>	<b>1,24,086</b>	<b>1,39,257</b>

Source Company data, I-Sec research

### Exhibit 28: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	2,15,017	1,89,320	2,28,950	2,78,599
of which cash & bank	27,205	33,692	57,432	92,511
Total Current Liabilities & Provisions	2,20,531	2,23,479	2,47,518	2,69,379
<b>Net Current Assets</b>	<b>(5,514)</b>	<b>(34,159)</b>	<b>(18,568)</b>	<b>9,220</b>
Other Non Current Assets	-	-	-	-
Net Fixed Assets	5,88,355	6,35,999	6,80,043	7,20,486
Other Fixed Assets	-	-	-	-
Capital Work in Progress	2,74,211	2,74,211	2,74,211	2,74,211
Non Investment	2,53,905	2,53,905	2,53,905	2,53,905
Current Investment	-	-	-	-
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>11,10,957</b>	<b>11,29,955</b>	<b>11,89,590</b>	<b>12,57,822</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>2,15,954</b>	<b>1,65,190</b>	<b>1,40,190</b>	<b>1,15,190</b>
<b>Deferred Tax Liability</b>	<b>42,598</b>	<b>42,598</b>	<b>42,598</b>	<b>42,598</b>
Lease Liability	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	65,751	65,751	65,751	65,751
Reserves & Surplus*	7,84,225	8,53,986	9,38,621	10,31,853
<b>Total Net Worth</b>	<b>8,49,976</b>	<b>9,19,737</b>	<b>10,04,372</b>	<b>10,97,604</b>
Minority Interest	2,429	2,429	2,429	2,429
<b>Total Liabilities</b>	<b>11,10,957</b>	<b>11,29,955</b>	<b>11,89,590</b>	<b>12,57,822</b>

Source Company data, I-Sec research

### Exhibit 29: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	3,36,738	3,29,117	3,49,371	3,56,852
% growth (YOY)	4.2%	-2.3%	6.2%	2.1%
EBITDA	45,281	37,450	28,378	32,164
Margin %	13.4%	11.4%	8.1%	9.0%
Other Income	3,716	7,135	7,497	5,664
Extraordinaries	-	-	24,400	-
Adjusted Net Profit	27,240	26,719	20,415	20,490

Source Company data, I-Sec research

### Exhibit 30: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Cash Flow from operation before working Capital</b>	<b>1,81,467</b>	<b>1,48,998</b>	<b>1,76,399</b>	<b>1,95,854</b>
Working Capital Changes	787	35,132	8,149	7,291
Tax	(24,903)	(27,751)	(34,704)	(39,614)
<b>Operating Cashflow</b>	<b>1,57,350</b>	<b>1,56,380</b>	<b>1,49,845</b>	<b>1,63,530</b>
Capital Commitments	(79,297)	(90,000)	(90,000)	(90,000)
<b>Free Cashflow</b>	<b>78,053</b>	<b>66,380</b>	<b>59,845</b>	<b>73,530</b>
Others CFI	21,439	30,345	32,186	34,569
<b>Cashflow from Investing Activities</b>	<b>(57,858)</b>	<b>(59,655)</b>	<b>(57,814)</b>	<b>(55,431)</b>
Inc (Dec) in Borrowings	(32,124)	(50,764)	(25,000)	(25,000)
Interest Cost	(14,858)	(6,599)	(3,840)	(1,995)
Others	(42,426)	(32,876)	(39,451)	(46,026)
<b>Cash flow from Financing Activities</b>	<b>(89,409)</b>	<b>(90,238)</b>	<b>(68,291)</b>	<b>(73,021)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>10,084</b>	<b>6,487</b>	<b>23,740</b>	<b>35,079</b>
Closing cash & balance	27,205	33,692	57,432	92,511

Source Company data, I-Sec research

### Exhibit 31: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Per Share Data (INR)</b>				
Recurring EPS	16.1	15.6	18.9	21.2
Diluted EPS	16.1	15.6	18.9	21.2
Recurring Cash EPS	21.9	22.1	25.9	28.7
Dividend per share (DPS)	7.5	5.0	6.0	7.0
Book Value per share (BV)	129.3	139.9	152.8	166.9
Dividend Payout (%)	46.4	32.0	31.8	33.1
<b>Growth (%)</b>				
Net Sales	6.5	(33.3)	10.8	8.6
EBITDA	7.9	(3.4)	18.4	11.0
EPS	7.3	(3.3)	20.9	12.2
<b>Valuation Ratios (x)</b>				
P/E	11.6	12.0	9.9	8.8
P/CEPS	8.5	8.5	7.2	6.5
P/BV	1.4	1.3	1.2	1.1
EV / EBITDA	9.2	9.1	7.4	6.4
EV / Operating Income	11.0	11.6	9.3	7.8
Dividend Yield (%)	4.0	2.7	3.2	3.7
<b>Operating Ratios</b>				
EBITDA Margins (%)	10.9	15.7	16.8	17.2
Effective Tax Rate (%)	24.9	25.2	25.2	25.2
Net Profit Margins (%)	7.5	10.8	11.8	12.2
NWC / Total Assets (%)	(0.5)	(3.0)	(1.6)	0.7
Fixed Asset Turnover (x)	1.8	1.1	1.1	1.1
Working Capital Days	20.5	18.5	24.0	23.7
Net Debt / Equity %	22.2	14.3	8.2	2.1
<b>Profitability Ratios</b>				
RoCE (%)	8.5	7.4	8.7	9.3
RoCE (Pre-tax) (%)	11.3	9.9	11.7	12.4
RoE (%)	13.1	11.6	12.9	13.3

Source Company data, I-Sec research

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