PL Capital PRABHUDAS LILLADHER

# GAIL (India) (GAIL IN)

Q4FY26 Result Update

May 23, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

### Change in Estimates

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | Buy | | Buy | |
| Target Price | 190 | | 170 | |
| Sales (INR bn) | 1,350 | 1,487 | 1,391 | 1,437 |
| *% Chng.* | *(2.9)* | *3.5* | | |
| EBITDA (INR bn) | 113 | 151 | 137 | 168 |
| *% Chng.* | *(17.5)* | *(10.1)* | | |
| EPS (INR) | 11.0 | 14.9 | 12.4 | 15.6 |
| *% Chng.* | *(11.3)* | *(4.5)* | | |

### Key Data

| Key Data | GAIL.BO \| GAIL IN |
|---|---|
| BSE Code | 532155 |
| NSE Code | GAIL |
| 52-W High / Low | INR 202 / INR 134 |
| Face Value | 10 |
| Sensex / Nifty | 75,415 / 23,719 |
| Market Cap | INR 1,057 bn / $ 11,046 mn |
| Shares Outstanding | 6575.1 mn |
| 3M Avg. Daily Value | INR 2,211.96 mn |

### Shareholding Pattern (%)

| | |
|---|---|
| Promoters | 51.88 |
| FIIs | 13.04 |
| Mutual Funds | 10.30 |
| Domestic Institutions | 10.30 |
| Public & Others | 14.48 |
| Promoter's Pledge (INR bn) | - |

### Stock Performance (%)

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | (3.2) | (4.6) | (12.1) | (16.5) |
| Relative | 0.8 | 4.8 | (0.7) | (10.4) |

### Key Financials - Standalone

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Sales (INR bn) | 1,373 | 1,387 | 1,350 | 1,487 |
| EBITDA (INR bn) | 143 | 103 | 113 | 151 |
| *Margin (%)* | *10.4* | *7.4* | *8.4* | *10.2* |
| PAT (INR bn) | 89 | 70 | 73 | 98 |
| EV (INR bn) | 1,182 | 1,222 | 1,260 | 1,269 |
| Total Debt (INR bn) | 136 | 174 | 209 | 230 |
| C&C Eq. (INR bn) | 11 | 9 | 6 | 18 |
| EPS (INR) | 13.5 | 10.6 | 11.1 | 15.0 |
| *Gr. (%)* | *0.8* | *(21.5)* | *4.3* | *35.4* |
| DPS (INR) | 8.0 | 6.0 | 5.7 | 7.8 |
| *Yield (%)* | *4.7* | *3.4* | *3.6* | *4.8* |
| *RoE (%)* | *13.2* | *9.6* | *9.6* | *12.3* |
| *RoCE (%)* | *13.0* | *8.1* | *8.6* | *11.6* |
| EV/Sales (x) | 0.9 | 0.9 | 0.9 | 0.9 |
| EV/EBITDA (x) | 8.2 | 11.8 | 11.2 | 8.4 |
| PE (x) | 11.9 | 15.2 | 14.5 | 10.7 |
| P/BV (x) | 1.5 | 1.4 | 1.4 | 1.3 |

## Near-term pressure; medium term recovery intact

### Quick Pointers

- FY27 Capex expected at INR115bn
- Expect FY27 Trading PBT of INR40bn under prolonged war scenario

**Transmission volumes declined to 119.0mmscmd in Q4FY26 from 125.5/120.8mmscmd in Q3FY26/Q4FY25 Underlying run-rate remained healthy (~129mmscmd during Jan-Feb'26); however, supply disruptions weighed on average Q4 volumes. Standalone reported EBITDA stood at INR11.5bn (PLe: INR20.6bn; BBGe: INR24.7bn; -56.6%/-64.2% QoQ/YoY), primarily due to weak performance in the Trading and Transmission segments, along with continued losses in petchem business. Reported PAT stood at INR12.6bn (PLe: INR10.0bn; BBGe: INR12.5bn; -21.2%/-38.4% QoQ/YoY), impacted by higher interest expense. Lower depreciation partially supported earnings following an increase in the useful life of certain gas, LPG and petchem pipelines. GAIL expects transmission volumes of 115mmscmd under a prolonged West Asia disruption scenario and 119mmscmd assuming normalization by mid-July. In Trading, GAIL expects PBT of INR40bn under a prolonged disruption scenario, improving to INR45bn if normalization occurs by mid-Q2FY27. We build in Transmission volumes of 115mmscmd and estimate Trading PBT of INR31bn in FY27. We maintain our BUY rating, supported by medium-term volume recovery and a favourable gas demand outlook. Stock is currently trading at 14.5x/10.7x EPS. We value the stock at 11.0x FY28E EPS and add INR40/share for investments at a 25% holding company discount, arriving at a TP of INR190/share (earlier: INR170/share)**

**Transmission volume declined QoQ:** Transmission volume declined -5.1% QoQ/-1.5%YoY to 119.0mmscmd vs 125.5/120.8mmscmd in Q3FY26/Q4FY25). Sequential impact was largely due to supply disruption, where transmission volumes were impacted by 30mmscmd in Mar'26 vs Feb'26. FY26 volumes stood at 122.3mmscmd (guidance 124-125mmscmd), vs 127.3mmscmd in FY25. Underlying run-rate remained healthy (Jan-Feb: ~129mmscmd) However, March volumes fell sharply to 99.7mmscmd due to supply disruptions, dragging Q4 average volumes to 119mmscmd. Excluding crisis-related impacts, transmission volumes were tracking at ~124–125mmscmd, near the guidance.

**Gas Trading under pressure:** Trading volume declined -2.0%/-4.4% QoQ/YoY to 101.9mmscmd due to West Asia disruption. Trading EBIT declined to a loss of INR1.5bn vs INR8.5bn in Q3FY26 and INR12.0bn in Q4FY25. Earnings were impacted by Rs6.8bn provision towards dues receivable from NFCL and ~Rs6.0bn adverse foreign exchange impact.

### Quarter Summary

| Y/e Mar | Q4'26E | Q4'26A | % Var. | Q4'25A | YoY gr. (%) |
|---|---|---|---|---|---|
| Net Sales (INR bn) | 323 | 348 | *8.0* | 357 | *-3.0* |
| EBITDA (INR bn) | 21 | 12 | *-43.0* | 32 | *-63.0* |
| *Margin (%)* | *6.4* | *3.3* | *-310 bps* | *9.0* | *-570 bps* |
| PAT (INR bn) | 10 | 18 | *80.0* | 20 | *-10.0* |

*Source: Company, PL*

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**Petchem losses continued** – Petchem reported a EBIT loss of INR3.8bn in Q4FY26 vs INR4.8bn and INR1.6bn loss in Q3FY26 and Q4FY25 respectively amid weak pricing and elevated input costs. Company is planning to switch Pata petchem complex feedstock from gas to dual-feed capability (gas + ethane) to improve margin sustainability.

**Q4FY26 EBITDA under pressure, but Adj. PAT up QoQ** – Reported EBITDA and PAT declined 56.6% and 21.2% QoQ to INR11.5bn and INR12.6bn respectively. Adj. EBITDA and Adj. PAT stood at INR18.2bn and INR18.0bn respectively, down 31.2% and up 12.5% respectively.

**FY26 EBITDA declines**: Standalone reported EBITDA declined 27.9% YoY to Rs103.3bn due to supply disruptions caused by West Aisa in Mar'26, continued weakness in Petchem segment and provision undertaken in Q4FY26. PAT declined 38.4% YoY to Rs69.7bn. Adj EBITDA and Adj. PAT stood at INR110.1bn and INR75.0bn down 23.2% and 15.4% YoY.

**GAIL Gas Ltd**: GGL added 191k new PNG connections and 88 CNG stations in FY26.Total PNG connections reached 1.3mn with 745 CNG stations operational. FY26 revenue rose to Rs126.8bn (vs Rs122.3bn in FY25); however PBT/PAT declined 3%/2% YoY to Rs6.0bn/Rs4.4bn. Q4 PBT/PAT increased 11%/10% QoQ to Rs1.6bn/Rs1.2bn. Targeting addition of 275 CNG stations and 400k PNG connections over next two years.

**Conference Call Highlights** - 1) **FY27 Outlook** – **Marketing segment** - missed FY26 PBT guidance of Rs35bn. In FY27 - expect marketing PBT of Rs40bn under prolonged West Asia disruptions, rising to Rs45bn if normalization occurs by mid-Q2FY27. **Transmission** - FY27 guidance: ~119mmscmd under mid-July normalization scenario; ~115mmscmd if disruptions persist through the year. **Petchem / Liquid Hydrocarbon / LPG -** Polymer business remained under pressure amid weak pricing and elevated input costs until Feb'26. Company is planning to switch Pata complex feedstock to dual-feed capability (gas + ethane) to improve margin sustainability. **LPG transmission** volumes expected to remain **stable** in FY27. 2) GAIL Gas Ltd - Targeting addition of 275 CNG stations and 400k PNG connections over next two years. **3) Project Updates -** JHBDPL, KKMBPL, Gurdaspur–Jammu and C2-C3 projects remain on track for completion in FY27. Vijaipur–Bina pipeline scheduled for FY27–28 completion. **Petrochemical projects** - GMPL project remains on track for commissioning in FY27. PDH-PP project commissioning has slipped to mid-FY28 due to NCLT approvals and execution-related issues; management indicated feedstock availability is not a concern. Jamnagar–Loni pipeline achieved record annual transmission of 3.27mmtpa; approval received to double capacity to 6.5mmtpa. Investment approvals received for key renewable energy projects. **4) Capex outlook** - FY26 capex stood at INR96bn: pipeline (INR29bn), petchem (INR3.0bncr), JV/subsidiaries (INR16bn), operating capex (INR25bn), with balance towards CGD, E&P and renewables. **FY27 capex guidance at INR115bn. 5) Pata Petrochemical / Ethane Transition -** Current gas feedstock resulted in volatile profitability. Plant had faced shutdowns earlier and was restarted at partial load. Management aims to enable dual-feed capability (gas + ethane) to improve margin stability. Feasibility studies are underway to connect the ethane pipeline to the Pata complex Plant is currently operating at ~50% utilization; at current product and gas prices, management expects breakeven economics. Higher utilization could improve profitability meaningfully. 6) **Capital Allocation / Growth Initiatives -** Evaluating bids for 3 LPG pipeline projects. 7) **Fertilizer Expansion** - Company is evaluating participation in 2 fertilizer projects in Chhattisgarh and Maharashtra. Combined capex opportunity estimated at ~Rs200bn.

**Exhibit 1 : GAIL's Quarterly and full year Financials**

| (Rs bn) | Q4FY26 | Q3FY26 | QoQ gr. | Q4FY26E | % Var | Q4FY25 | YoY gr. | FY26 | FY25 | YoY gr. |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **348.0** | **340.8** | ***2.1%*** | **322.9** | ***7.8%*** | **357.1** | ***-2.5%*** | **1387.0** | **1372.9** | ***1.0%*** |
| *YoY Change (%)* | *-2.5* | *-2.5* | | *-9.6* | | *10.4* | | *1.0* | | |
| Raw Materials Consumption | 298.1 | 288.4 | *3.4%* | 277.1 | *7.6%* | 308.5 | *-3.3%* | 1159.4 | 838.1 | *38.3%* |
| Employee Costs | 4.4 | 4.0 | *8.9%* | 7.3 | *-40.5%* | 4.7 | *-7.6%* | 19.0 | 20.4 | *-6.8%* |
| Other Expenses | 33.9 | 21.8 | *55.4%* | 17.8 | *90.8%* | 11.7 | *189.3%* | 105.2 | 71.0 | *48.1%* |
| **EBITDA** | **11.5** | **26.6** | ***-56.6%*** | **20.6** | ***-44.2%*** | **32.2** | ***-64.2%*** | **103.3** | **143.3** | ***-27.9%*** |
| *Margin (%)* | 3.5 | 10.5 | *-67.2%* | 11.2 | *-69.1%* | 9.0 | *-61.7%* | 32.1 | 36.0 | *-10.7%* |
| Depreciation | 2.5 | 2.5 | *0.9%* | 2.3 | *7.5%* | 1.8 | *41.6%* | 9.4 | 7.4 | *26.6%* |
| Interest | 10.2 | 6.8 | *50.5%* | 6.6 | *54.7%* | 5.7 | *80.6%* | 27.9 | 24.0 | *16.1%* |
| Other Income | 33.9 | 21.8 | *55.4%* | 17.8 | *90.8%* | 11.7 | *189.3%* | 105.2 | 71.0 | *48.1%* |
| Extra-ordinary Gain | 0.0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | 24.4 | |
| **PBT** | **15.8** | **20.3** | ***-22.3%*** | **13.7** | ***14.8%*** | **27.0** | ***-41.6%*** | **89.6** | **148.2** | ***-39.5%*** |
| Tax | 3.1 | 4.3 | *-26.3%* | 3.8 | *-16.8%* | 6.5 | *-51.7%* | 20.0 | 35.1 | *-43.2%* |
| *Rate (%)* | *20.0* | *21.1* | | *27.5* | *-7.6%* | *24.1* | | *22.3* | *23.7* | |
| PAT | **12.6** | **16.0** | ***-21.2%*** | **10.0** | ***26.8%*** | **20.5** | ***-38.4%*** | **69.7** | **113.1** | ***-38.4%*** |
| **Adj PAT** | **18.0** | **16.0** | ***12.5%*** | **10.0** | ***81.0%*** | **20.5** | ***-12.1%*** | **75.1** | **88.7** | ***-15.4%*** |
| | | | | | | | | | | |
| **Segmental EBIT (Rs bn)** | | | | | | | | | | |
| Gas Transmission | 18.8 | 13.8 | *36.7%* | 11.6 | *62.5%* | 12.7 | *48.3%* | 62.3 | 54.9 | *13.5%* |
| LPG Transmission | 0.8 | 1.3 | *-41.6%* | 1.9 | *-59.7%* | 1.2 | *-33.9%* | 4.6 | 4.2 | *8.1%* |
| Natural Gas Trading | -1.5 | 8.5 | *-117.7%* | 6.8 | *-122.1%* | 12.0 | *-112.6%* | 30.8 | 74.5 | *-58.7%* |
| Petrochemicals | -3.8 | -4.8 | *-21.7%* | -5.7 | *-33.6%* | -1.6 | *NA* | -14.1 | -0.4 | *NA* |
| LPG & Liq. HC (pre-subsidy) | 1.4 | 0.3 | *402.6%* | -1.7 | *-184.8%* | 2.9 | *-50.7%* | 4.9 | 11.5 | *-57.4%* |
| Unallocated; GAILTEL | 0.9 | 0.9 | *3.0%* | 3.2 | *-71.2%* | 1.2 | *-21.1%* | 5.2 | 5.2 | *0.5%* |
| **Total** | **16.6** | **19.9** | ***-16.6%*** | **16.1** | ***3%*** | **28.4** | ***-41.4%*** | **94** | **149.8** | ***-37.5%*** |

*Source: Company, PL*

**Exhibit 2 : Segment wise performance**

| Segment Wise Performance (Rs bn) | Q4FY26 | Q3FY26 | QoQ gr. | Q4FY25 | YoY gr. |
|---|---|---|---|---|---|
| **Gas Transmission Business** | | | | | |
| Volume (mmscmd) | 119.0 | 125.5 | *-5.1%* | 120.8 | *-1.5%* |
| Gross Revenue | 29.0 | 27.6 | *5.2%* | 26.0 | *11.6%* |
| EBITDA | 18.8 | 19.2 | *-2.0%* | 16.8 | *12.4%* |
| EBIT | 18.8 | 13.8 | *36.7%* | 12.7 | *48.3%* |
| Average tariff (Rs/mscm) | 2712.0 | 2392.1 | *13.4%* | 2393.3 | *13.3%* |
| EBITDA (Rs/mscm) | 1758.3 | 1665.3 | *5.6%* | 1541.2 | *14.1%* |
| EBIT (Rs/mscm) | 1757.0 | 1192.3 | *47.4%* | 1166.4 | *50.6%* |
| **LPG Transmission Business** | | | | | |
| Volumes ('000 MT) | 1114.0 | 1188.0 | *-6.2%* | 1132.0 | *-1.6%* |
| Gross Revenues | 2.2 | 2.3 | *-4.0%* | 2.2 | *0.3%* |
| EBITDA | 0.8 | 1.5 | *-44.7%* | 1.4 | *-38.5%* |
| EBIT | 0.8 | 1.3 | *-41.6%* | 1.2 | *-33.9%* |
| Average tariff (Rs/mscm) | 2013.4 | 1967.2 | *2.3%* | 1976.1 | *1.9%* |
| EBITDA (Rs/mscm) | 745.1 | 1262.6 | *-41.0%* | 1192.6 | *-37.5%* |
| EBIT (Rs/mscm) | 683.4 | 1097.4 | *-37.7%* | 1017.8 | *-32.9%* |

| Segment Wise Performance (Rs bn) | Q4FY26 | Q3FY26 | QoQ gr. | Q4FY25 | YoY gr. |
|---|---|---|---|---|---|
| **Gas Trading Business** | | | | | |
| Volumes (mmscmd) | 101.9 | 104.0 | -2.0% | 106.5 | -4.4% |
| Revenues | 312.1 | 306.1 | 2.0% | 316.0 | -1.2% |
| EBIT | -1.5 | 8.5 | -117.7% | 12.0 | -112.6% |
| Revenue(Rs/mscm) | 34041.4 | 31993.4 | 6.4% | 32962.0 | 3.3% |
| EBIT (Rs/mscm) | -165.0 | 891.9 | -118.5% | 1255.4 | -113.1% |
| **Petrochemicals Business** | | | | | |
| Volumes ('000 MT) | 180.0 | 218.0 | -17.4% | 229.0 | -21.4% |
| Gross Revenues | 18.7 | 20.2 | -7.4% | 22.1 | -15.4% |
| EBITDA | -3.9 | -3.5 | 13.3% | 0.0 | NA |
| EBIT | -3.8 | -4.8 | -21.7% | -1.6 | 139.0% |
| Realization (INR/kg) | 103.9 | 92.7 | 12.1% | 96.5 | 7.7% |
| EBITDA (INR/kg) | -21.7 | -15.8 | 37.3% | 0.1 | NA |
| EBIT (INR/kg) | -21.0 | -22.1 | -5.2% | -6.9 | 204.1% |
| **LPG & Liquid Hydrocarbons Business** | | | | | |
| Volumes ('000 MT) | 195.0 | 200.0 | -2.5% | 198.0 | -1.5% |
| Gross Revenues | 10.6 | 9.7 | 9.3% | 11.5 | -7.6% |
| EBITDA | 1.7 | 0.7 | 156.1% | 3.3 | -48.8% |
| EBIT | 1.4 | 0.3 | 402.6% | 2.9 | -50.7% |
| Realization (INR/MT) | 54579.0 | 48672.0 | 12.1% | 58183.3 | -6.2% |
| EBITDA (INR/MT) | 8666.7 | 3300.0 | 162.6% | 16666.7 | -48.0% |
| EBIT (INR/MT) | 7379.0 | 1431.5 | 415.5% | 14746.0 | -50.0% |

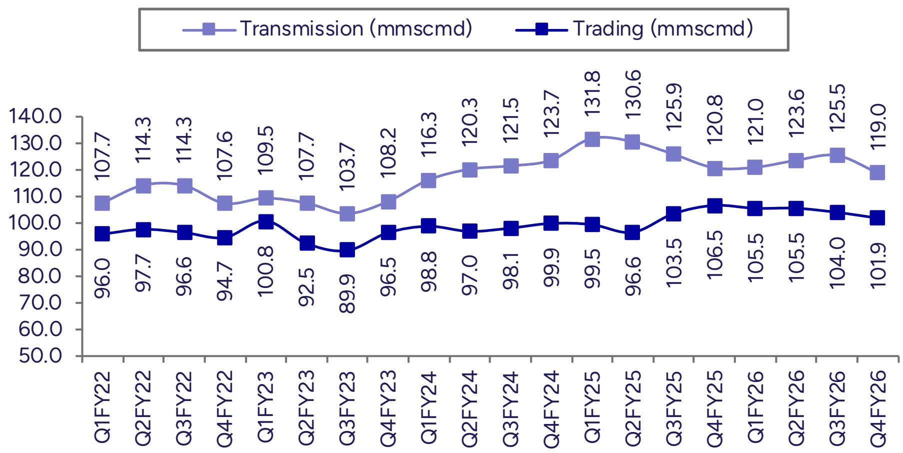
*Source: Company, PL*

**Exhibit 3 : GAIL's Valuation Table**

| Valuation Table | | Remarks |
|---|---|---|
| Adj EPS | 13.6 | FY28E |
| Multiple (x) | 11.0 | |
| Core Business (Rs/share) | 149 | |
| Listed Investments (Rs/share) | 25 | Investments in ONGC, IGL, MGL, PLNG at 25% holding discount |
| Unlisted Investments (Rs/share) | 15 | Investment in subsidiaries, associate companies at 25% discount |
| **Target Price (Rs/share)** | **190** | |

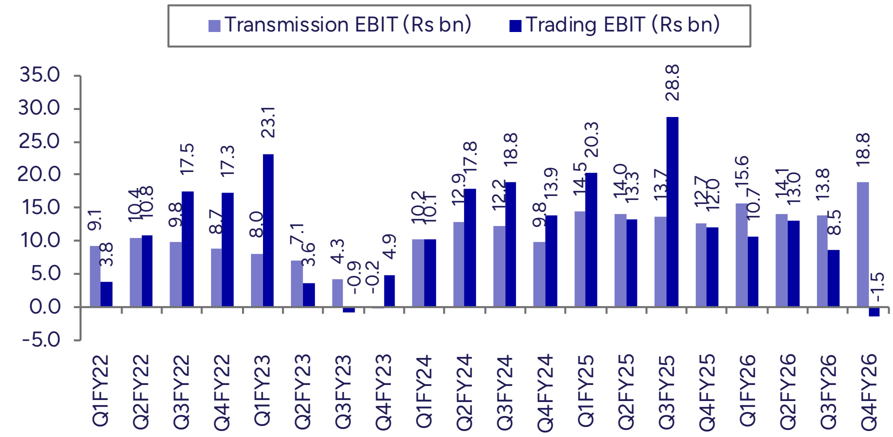
*Source: Company, PL*

**Exhibit 4 : Transmission volume declines QoQ**



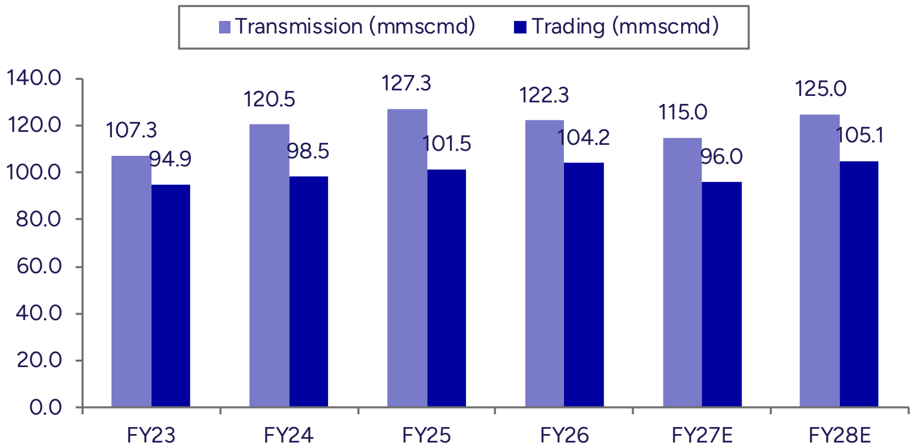

*Source: Company, PL*

**Exhibit 5 : Trading EBIT declines QoQ**




*Source: Company, PL*

**Exhibit 6 : Transmission vol lowered to 115/125mmscmd by FY27/FY28E**




*Source: Company, PL*

# Financials

### Income Statement (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Net Revenues** | **1,373** | **1,387** | **1,350** | **1,487** |
| *YoY gr. (%)* | *5.1* | *1.0* | *(2.6)* | *10.1* |
| Cost of Goods Sold | 1,131 | 1,167 | 1,115 | 1,224 |
| Gross Profit | 242 | 220 | 235 | 262 |
| *Margin (%)* | *17.7* | *15.9* | *17.4* | *17.6* |
| Employee Cost | 20 | 19 | 20 | 20 |
| Other Expenses | 79 | 98 | 103 | 91 |
| | | | | |
| **EBITDA** | **143** | **103** | **113** | **151** |
| *YoY gr. (%)* | *8.0* | *(27.9)* | *9.2* | *33.8* |
| *Margin (%)* | *10.4* | *7.4* | *8.4* | *10.2* |
| | | | | |
| Depreciation and Amortization | 36 | 32 | 31 | 32 |
| | | | | |
| **EBIT** | **107** | **71** | **82** | **119** |
| *Margin (%)* | *7.8* | *5.1* | *6.1* | *8.0* |
| | | | | |
| Net Interest | 7 | 9 | 11 | 12 |
| Other Income | 24 | 28 | 26 | 25 |
| | | | | |
| **Profit Before Tax** | **148** | **90** | **97** | **132** |
| *Margin (%)* | *10.8* | *6.5* | *7.2* | *8.8* |
| | | | | |
| Total Tax | 35 | 20 | 24 | 33 |
| *Effective Tax Rate (%)* | *23.7* | *22.3* | *25.2* | *25.2* |
| | | | | |
| **Profit After Tax** | **113** | **70** | **73** | **98** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| | | | | |
| **Adjusted PAT** | **89** | **70** | **73** | **98** |
| *YoY gr. (%)* | *0.8* | *(21.5)* | *4.3* | *35.4* |
| *Margin (%)* | *6.5* | *5.0* | *5.4* | *6.6* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| | | | | |
| **Reported PAT** | **89** | **70** | **73** | **98** |
| *YoY gr. (%)* | *0.8* | *(21.5)* | *4.3* | *35.4* |
| *Margin (%)* | *6.5* | *5.0* | *5.4* | *6.6* |
| | | | | |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 89 | 70 | 73 | 98 |
| **Equity Shares O/s (bn)** | **7** | **7** | **7** | **7** |
| **EPS (INR)** | **13.5** | **10.6** | **11.1** | **15.0** |

*Source: Company, PL*

### Balance Sheet (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | **815** | **933** | **1,085** | **1,185** |
| Tangibles | 815 | 933 | 1,085 | 1,185 |
| Intangibles | - | - | - | - |
| | | | | |
| **Acc: Dep / Amortization** | **350** | **382** | **413** | **445** |
| Tangibles | 350 | 382 | 413 | 445 |
| Intangibles | - | - | - | - |
| | | | | |
| **Net Fixed Assets** | **465** | **551** | **672** | **739** |
| Tangibles | 465 | 551 | 672 | 739 |
| Intangibles | - | - | - | - |
| | | | | |
| Capital Work In Progress | 188 | 159 | 108 | 108 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 175 | 203 | 203 | 203 |
| Net Deferred Tax Assets | (51) | (59) | (59) | (59) |
| Other Non-Current Assets | - | - | - | - |
| | | | | |
| **Current Assets** | | | | |
| Investments | - | - | - | - |
| Inventories | 60 | 49 | 48 | 53 |
| Trade Receivables | 102 | 83 | 81 | 89 |
| Cash & Bank Balance | 11 | 9 | 6 | 18 |
| Other Current Assets | 97 | 101 | 101 | 101 |
| **Total Assets** | **1,159** | **1,226** | **1,289** | **1,381** |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | 66 | 66 | 66 | 66 |
| Other Equity | 640 | 675 | 710 | 757 |
| **Total Networth** | **706** | **741** | **776** | **823** |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term Borrowings | 136 | 174 | 209 | 230 |
| Provisions | - | - | - | - |
| Other Non Current Liabilities | - | - | - | - |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade Payables | - | - | - | - |
| Other Current Liabilities | 267 | 252 | 245 | 269 |
| **Total Equity & Liabilities** | **1,159** | **1,226** | **1,289** | **1,381** |

*Source: Company, PL*

## Cash Flow (INR bn)

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| PBT | 148 | 90 | 97 | 132 |
| Add. Depreciation | 36 | 32 | 31 | 32 |
| Add. Interest | 7 | 9 | 11 | 12 |
| Less Financial Other Income | 24 | 28 | 26 | 25 |
| Add. Other | (21) | (20) | - | - |
| Op. Profit before WC Changes | 170 | 112 | 139 | 176 |
| Net Changes-WC | 9 | 4 | (4) | 16 |
| Direct Tax | (24) | (17) | (24) | (33) |
| **Net Cash from Op. Activities** | **156** | **99** | **111** | **159** |
| Capital Expenditures | (69) | (72) | (100) | (100) |
| Interest / Dividend Income | - | - | - | - |
| Others | 8 | (6) | - | - |
| **Net Cash from Invt. Activities** | **(60)** | **(77)** | **(100)** | **(100)** |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | (28) | 38 | 35 | 21 |
| Dividend Paid | (43) | (39) | (38) | (51) |
| Interest Paid | (11) | (10) | (11) | (12) |
| Others | (10) | (12) | - | - |
| **Net Cash from Fin. Activities** | **(92)** | **(23)** | **(14)** | **(42)** |
| **Net Change in Cash** | **3** | **(2)** | **(4)** | **16** |
| Free Cash Flow | 87 | 27 | 11 | 59 |

*Source: Company, PL*

## Quarterly Financials (INR bn)

| Y/e Mar | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 |
|---|---|---|---|---|
| **Net Revenues** | **348** | **350** | **341** | **348** |
| *YoY gr. (%)* | *3.3* | *6.4* | *(2.5)* | *(2.5)* |
| Raw Material Expenses | 290 | 290 | 288 | 298 |
| Gross Profit | 57 | 60 | 52 | 50 |
| *Margin (%)* | *16.5* | *17.3* | *15.4* | *14.3* |
| **EBITDA** | **33** | **32** | **27** | **12** |
| *YoY gr. (%)* | *(26.4)* | *(14.8)* | *(6.4)* | *(64.2)* |
| *Margin (%)* | *9.6* | *9.1* | *7.8* | *3.3* |
| Depreciation / Depletion | 9 | 9 | 11 | 3 |
| **EBIT** | **25** | **23** | **16** | **8** |
| *Margin (%)* | *7.0* | *6.5* | *4.7* | *2.3* |
| Net Interest | 2 | 2 | 3 | 3 |
| Other Income | 3 | 8 | 7 | 10 |
| **Profit before Tax** | **25** | **28** | **20** | **16** |
| *Margin (%)* | *7.3* | *8.1* | *6.0* | *4.5* |
| Total Tax | 6 | 6 | 4 | 3 |
| *Effective Tax Rate (%)* | *25.5* | *21.5* | *21.1* | *20.0* |
| **Profit After Tax** | **19** | **22** | **16** | **13** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| **Adjusted PAT** | **19** | **22** | **16** | **18** |
| *YoY gr. (%)* | *(30.8)* | *(17.0)* | *12.3* | *(12.1)* |
| *Margin (%)* | *5.4* | *6.3* | *4.7* | *5.2* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **19** | **22** | **16** | **13** |
| *YoY gr. (%)* | *(30.8)* | *(17.0)* | *(58.6)* | *(38.4)* |
| *Margin (%)* | *5.4* | *6.3* | *4.7* | *3.6* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **19** | **22** | **16** | **13** |
| Avg. Shares O/s (bn) | 7 | 7 | 7 | 7 |
| **EPS (INR)** | **2.9** | **3.4** | **2.4** | **2.7** |

*Source: Company, PL*

## Key Financial Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| **Per Share (INR)** | | | | |
| EPS | 13.5 | 10.6 | 11.1 | 15.0 |
| CEPS | 19.0 | 15.5 | 15.7 | 19.9 |
| BVPS | 107.3 | 112.7 | 118.0 | 125.2 |
| FCF | 13.2 | 4.1 | 1.6 | 8.9 |
| DPS | 8.0 | 6.0 | 5.7 | 7.8 |
| **Return Ratio (%)** | | | | |
| RoCE | 13.0 | 8.1 | 8.6 | 11.6 |
| ROIC | 9.3 | 5.9 | 6.4 | 8.7 |
| RoE | 13.2 | 9.6 | 9.6 | 12.3 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | 0.2 | 0.2 | 0.3 | 0.3 |
| Net Working Capital (Days) | - | - | - | - |
| **Valuation (x)** | | | | |
| PER | 11.9 | 15.1 | 14.5 | 10.7 |
| P/B | 1.4 | 1.4 | 1.3 | 1.2 |
| P/CEPS | 8.4 | 10.3 | 10.2 | 8.0 |
| EV/EBITDA | 8.2 | 11.8 | 11.1 | 8.4 |
| EV/Sales | 0.8 | 0.8 | 0.9 | 0.8 |
| Dividend Yield (%) | 4.6 | 3.4 | 3.5 | 4.8 |
| FCFF Yield (%) | 8.1 | 2.5 | 1.0 | 5.5 |
| PEG Ratio | 14.1 | - | 3.4 | 0.3 |

*Source: Company, PL*

## Key Operating Metrics

| Y/e Mar | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Transmission Volume (mmscmd) | 127 | 122 | 115 | 125 |
| Transmission EBIT (Rs/mscm) | 1,181 | 1,396 | 1,275 | 1,497 |
| Trading Volume (mmscmd) | 102 | 104 | 96 | 105 |
| Trading EBIT (Rs/mscm) | 2,010 | 809 | 1,043 | 1,191 |
| Petchem (kt) | 845 | 784 | 608 | 770 |
| Petchem EBIT (Rs/kg) | (15) | (18) | (6) | 5 |
| LPG (kt) | 4,478 | 4,600 | 4,692 | 4,786 |
| LPG EBIT (Rs/mt) | 941 | 990 | 1,212 | 1,196 |

*Source: Company, PL*

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | Aarti Industries | Accumulate | 529 | 488 |
| 2 | Bharat Petroleum Corporation | Accumulate | 325 | 294 |
| 3 | Bharti Airtel | BUY | 2226 | 1884 |
| 4 | Clean Science and Technology | Hold | 846 | 818 |
| 5 | Deepak Nitrite | REDUCE | 1495 | 1749 |
| 6 | Fine Organic Industries | BUY | 5353 | 4607 |
| 7 | GAIL (India) | Buy | 170 | 145 |
| 8 | Gujarat Fluorochemicals | HOLD | 3316 | 3330 |
| 9 | Gujarat Gas | Accumulate | 342 | 313 |
| 10 | Gujarat State Petronet | Hold | 242 | 236 |
| 11 | Hindustan Petroleum Corporation | Accumulate | 427 | 390 |
| 12 | Indian Oil Corporation | Accumulate | 145 | 135 |
| 13 | Indraprastha Gas | Buy | 181 | 157 |
| 14 | Jubilant Ingrevia | HOLD | 657 | 635 |
| 15 | Laxmi Organic Industries | REDUCE | 116 | 125 |
| 16 | Mahanagar Gas | Accumulate | 1302 | 1174 |
| 17 | Mangalore Refinery & Petrochemicals | Sell | 143 | 186 |
| 18 | Navin Fluorine International | Accumulate | 7297 | 6759 |
| 19 | NOCIL | HOLD | 176 | 182 |
| 20 | Oil & Natural Gas Corporation | Accumulate | 309 | 287 |
| 21 | Oil India | Accumulate | 550 | 507 |
| 22 | Petronet LNG | Accumulate | 310 | 283 |
| 23 | Reliance Industries | BUY | 1635 | 1328 |
| 24 | SRF | REDUCE | 2579 | 2720 |
| 25 | Sudeep Pharma | Reduce | 638 | 682 |
| 26 | Vinati Organics | Accumulate | 1475 | 1288 |

PL's Recommendation Nomenclature (Absolute Performance)

| | | |
|---|---|---|
| **BUY** | : | > 15% |
| **Accumulate** | : | 5% to 15% |
| **Hold** | : | +5% to -5% |
| **Reduce** | : | -5% to -15% |
| **Sell** | : | < -15% |
| **Not Rated (NR)** | : | No specific call on the stock |
| **Under Review (UR)** | : | Rating likely to change shortly |

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