

BSE SENSEX

76,348

S&P CNX

23,191



Stock Info

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USD\$)	1107.6 / 12.8
52-Week Range (INR)	246 / 151
1, 6, 12 Rel. Per (%)	0/-8/-6
12M Avg Val (INR M)	3887
Free float (%)	48.5

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	1,337.3	1,428.7	1,556.1
EBITDA	141.9	153.5	171.4
Adj. PAT	89.4	106.5	119.7
Adj. EPS (INR)	13.6	16.2	18.2
EPS Gr. (%)	-0.8	19.1	12.3
BV/Sh.(INR)	113.6	123.3	134.2

Ratios

Net D:E	0.2	0.2	0.1
RoE (%)	9.6	14.2	14.6
RoCE (%)	9.4	11.1	11.4
Payout (%)	31.5	40.1	40.1

Valuations

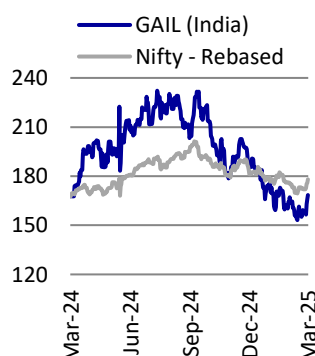
P/E (x)	12.4	10.4	9.2
P/BV (x)	1.5	1.4	1.3
EV/EBITDA (x)	6.4	5.8	5.0
Div. Yield (%)	3.3	3.9	4.3
FCF Yield (%)	5.3	5.9	7.5

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	51.5	51.5	51.5
DII	25.0	24.3	27.1
FII	16.7	17.4	14.9
Others	6.8	6.7	6.5

FII Includes depository receipts

Stock performance (one-year)



CMP: INR168

TP: INR195 (+16%)

Buy

Robust transmission outlook; petchem diversification to fuel growth

- In the last five-and-a-half months, GAIL's share price has corrected ~30% with the stock now trading at 9.2x FY27E P/E. We maintain our positive outlook on GAIL, based on the following factors:
- **Strong transmission and marketing outlook:** We estimate a 7% CAGR in transmission and marketing volumes over FY24-27. The International Energy Agency (IEA) estimates India's natural gas consumption to rise 60% by 2030 from 65bcm in 2023. Further, IEA estimates India's LNG consumption to grow at 11% p.a. over 2023-2030, driven by the city gas distribution (CGD), power and industrial sectors. GAIL will be the key beneficiary of rising gas penetration in India. Key catalysts for GAIL in FY26 include the start of 3,115km new pipelines and a potential tariff hike in 1QFY26 (5% PAT impact).
- **Larger and more diversified petchem capacity to power earnings:** GAIL is set to expand its petrochemical capacity from 810ktpa currently to ~2.7mtpa by FY27 as PDH-PP and Gail Mangalore Petrochemicals Ltd projects commence operations. Further, the petchem product mix is set to diversify, with the share of ethylene and derivatives decreasing from 100% to 30% of the portfolio as new projects come online. Feedstock sources too will be diversified, with PX and propane making up 70%. Overall, we believe a diversified product slate should help to reduce petchem earnings volatility and position the segment as a major profit driver for the company.
- **Valuations are compelling; FY27 dividend yield at 4.3%:** GAIL share price has corrected 30% over the past five-and-a-half months and now trades at 8.1x SA 1yr fwd. P/E (excl. listed investments). We foresee limited downside from the current level amid robust transmission volume growth, a steady marketing outlook and a diversified petchem portfolio. FY27E dividend yield of 4.3% is ~56% above the 10Y median dividend yield and looks attractive. We cut our EBITDA/PAT estimates by 7% to 11% for FY26/FY27, as we 1) lower our petchem margins amid sequentially weak spreads and soft outlook, 2) build in 3-6-month delays in the commissioning of upcoming petchem facilities, 3) slightly moderate our FY26/FY27 transmission volume assumptions to 140/150mmcmd (vs. 144/154mmcmd earlier), 4) marginally lower our marketing segment EBITDA. We now value gas transmission, marketing and petchem segments at EV/EBITDA of 8x/5x/5.5x. Accordingly, we reiterate BUY on GAIL with our SoTP-based TP of INR195.

Transmission volumes to grow by 11/10mmcmd in FY26/FY27

- We are currently building in transmission volumes of 129/140/150mmcmd in FY25/FY26/FY27, in line with management guidance. Management expects ~2-4mmcmd p.a. growth from CGD sector, 1mmcmd from NRL startup, and the rest from refinery and pipeline expansions. Our bullish view is also supported by IEA's strong growth projection for gas demand in India, driven by Power, CGD, and industrial sectors. This is positive for transmission and marketing segments.
- **As per IEA, India's natural gas consumption is projected to rise by nearly 60% by 2030 from 65bcm/year in 2023 to 103bcm/year.**
 - The CGD sector is expected to be the primary driver, supported by the rapid expansion of compressed natural gas (CNG) infrastructure and the cost advantage of gas over liquid fuels for small industrial users.
 - Demand from heavy industrial and manufacturing sectors, including iron and steel production, will contribute an additional 15bcm per year by 2030.

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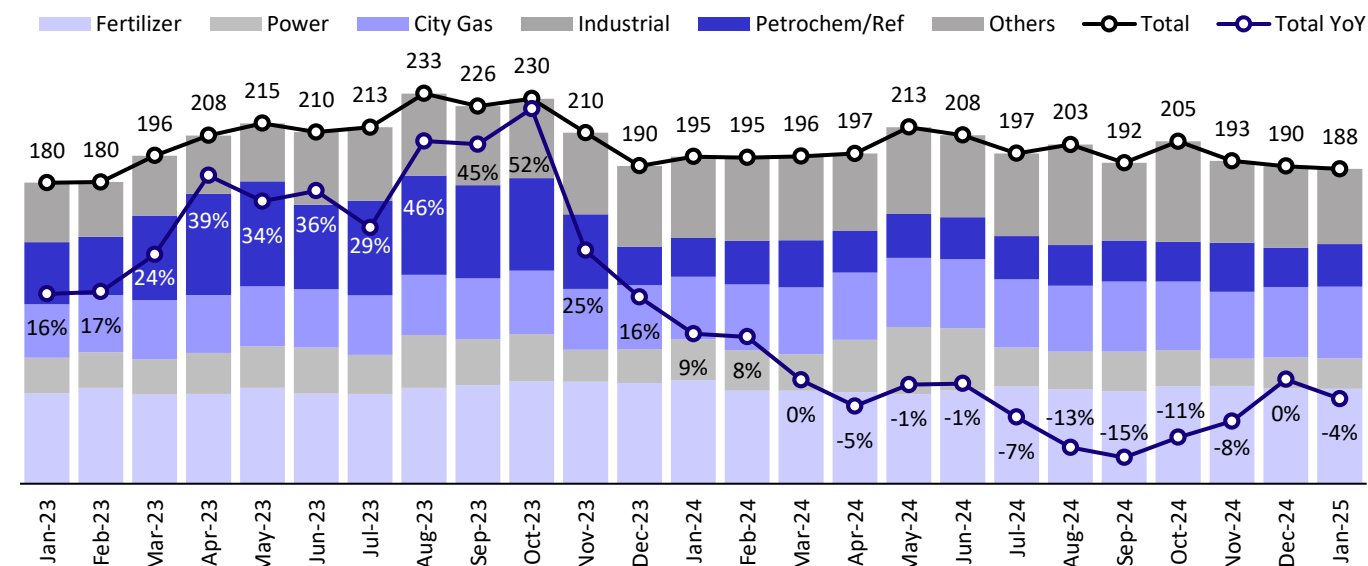
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Gas consumption in oil refining is projected to rise by over 4bcm per year as more refineries connect to the grid. IOCL's Panipat refinery expansion (from 15mmtpa to 25mmtpa) and Gujarat refinery expansion are expected to be completed in FY26.
- As per IEA, with targeted strategies and policy interventions, gas consumption could exceed the current forecasts and reach ~120bcm per year by 2030.

Exhibit 1: Sector-wise natural gas consumption in India (mmscmd)



Source: PPAC, MOFSL

Exhibit 2: Sector-wise domestic gas vs. LNG consumption in India (mmscmd)

	Domestic Gas			LNG			Total		
	Jan-25	Jan-24	Dec-24	Jan-25	Jan-24	Dec-24	Jan-25	Jan-24	Dec-24
Fertilizer	9.5	7.5	8.6	47.2	54.3	48.3	56.7	61.8	57.0
Power	15.5	19.3	15.4	2.7	5.1	3.1	18.3	24.4	18.5
City Gas	28.5	26.5	24.0	14.3	11.1	18.3	42.8	37.5	42.2
Industrial	-	-	-	-	-	-	-	-	-
Petrochem/Ref	8.8	8.2	8.2	16.6	14.9	15.4	25.4	23.1	23.5
Others	33.0	38.8	37.0	12.0	9.9	11.6	45.0	48.6	48.6
Total	95.3	100.3	93.2	92.8	95.2	96.6	188.1	195.5	189.8

Source: PPAC, MOFSL

Exhibit 3: NG demand outlook in India (2023-2030) (bcm)

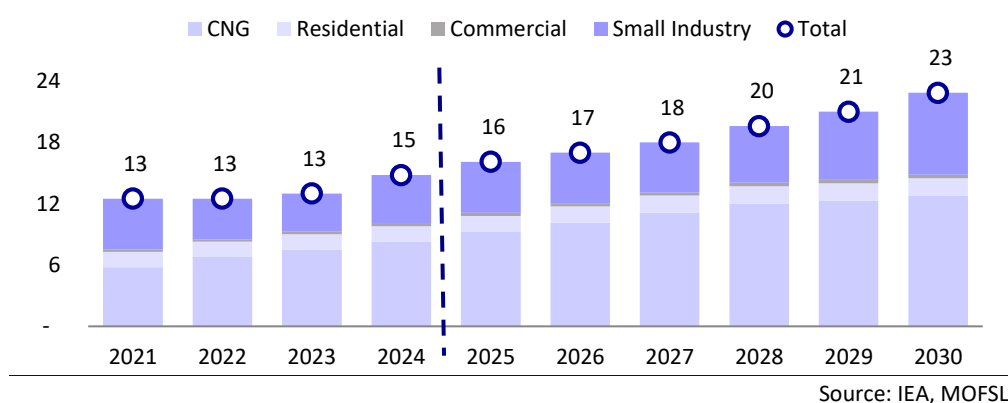
Particulars	bcm
Demand in 2023	65.5
Power	6.1
CGD	9
Refining	4.2
Petrochemicals	1
Fertilizers	1.5
LNG Vehicles	0.2
Others	15
Demand in 2030	102.5

Source: IEA, MOFSL

CGD key driver of natural gas demand

- Between 2023 and 2030, IEA expects city gas demand in India to grow by almost 70%, translating into an annual increase of 9bcm and a CAGR of nearly 8%.
- The majority of this growth will be driven by CNG (5.8bcm/year contribution) and small industries (2.8bcm/year contribution), while residential and commercial users are projected to contribute ~0.5bcm/year.
- During 2023-2030, **CNG consumption is forecast to increase by over 75%, exceeding 13bcm/year by the end of the decade.** This surge is driven by the expansion of the CNG filling station network, the continued cost advantage of CNG at the pump, and growing concerns over urban air pollution, particularly in cities where the transport sector plays a major role.

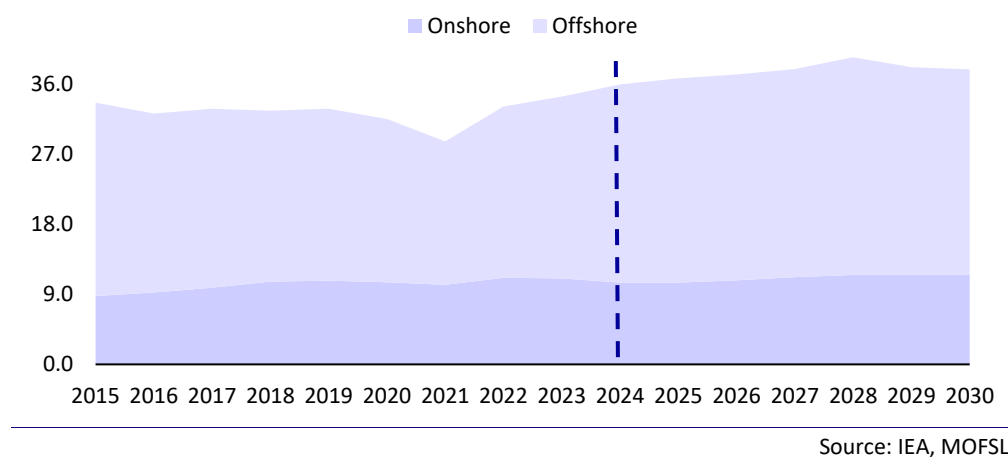
Exhibit 4: Natural gas demand in the CGD sector in India during 2021-2030



India's LNG imports projected to more than double from 2023 to 2030

- Between 2024 and 2030, while production will be supported by increasing onshore output from coal bed methane (CBM) and discovered small fields (DSF), overall growth will be limited by plateauing output from the KG-D6 fields and declining production from legacy assets such as ONGC's Mumbai offshore fields.
- As a result, production in 2030 is projected to reach just under 38bcm, reflecting an increase of only around 8% compared to 2023 levels.

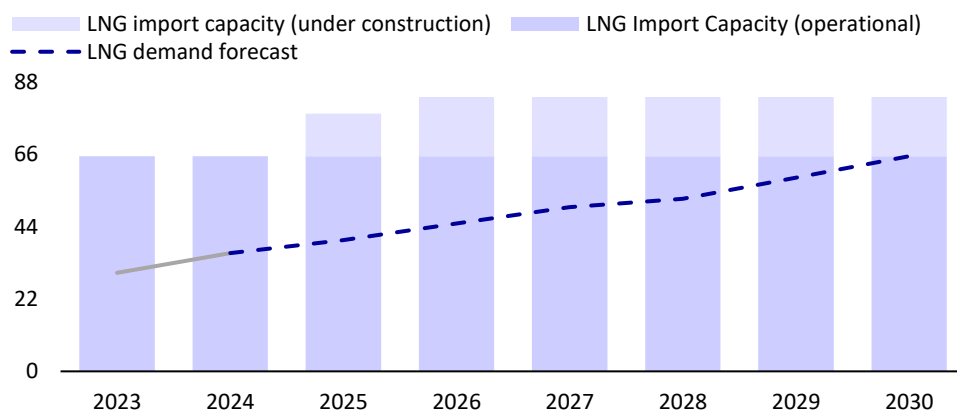
Exhibit 5: Annual natural gas production in India during 2015-2030



LNG consumption to grow at 11% p.a. over 2023-2030

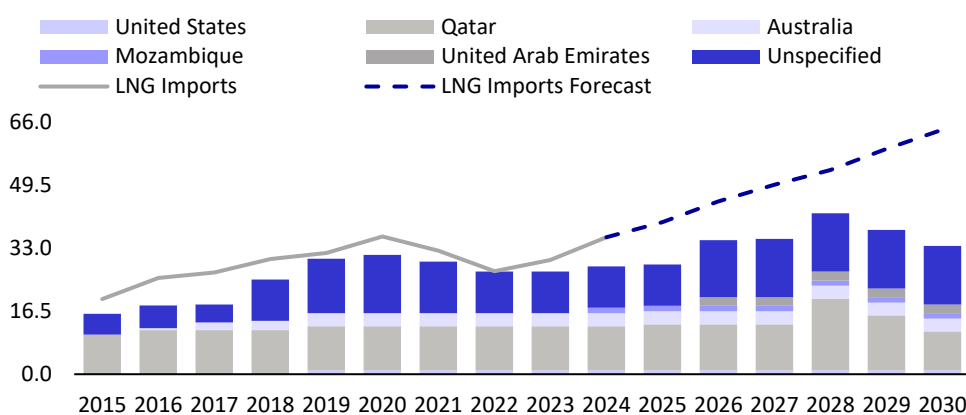
- IEA expects LNG consumption to reach 64bcm per year by 2030, reflecting an average annual growth rate of 11% over the period, a rate that is double what was seen in the previous decade.
- After 2028, the gap between secured LNG contracts and projected demand is anticipated to widen considerably, which could leave India more vulnerable to fluctuations in the spot LNG market unless additional contracts are negotiated.

Exhibit 6: LNG demand forecast and import capacity in India during 2023-2030



Source: IEA, MOFSL

Exhibit 7: Total LNG imports and volumes under long-term contracts by source and by calendar year in India, 2015-2030



Source: IEA, MOFSL

Shell anticipates softer spot LNG market in 2HCY25

- In its LNG outlook 2025 released recently, Shell highlighted that while global LNG demand and supply growth would align in 2025, the majority of supply expansion is anticipated in 2HCY25 and could potentially lead to a tighter spot LNG market in 1HCY25. Out of the expected capacity addition of 17-26mmtpa in 2025, Shell expects ~4-10mmtpa capacity to come up in 1HCY25. However, in 2HCY25, as new capacity becomes operational, LNG prices are expected to soften and should support LNG demand.
- In line with IEA, Shell also expects the long-term demand outlook for LNG to remain robust, notwithstanding the noise around de-carbonization and climate change. India and China are expected to be the primary drivers of global LNG demand growth, with Asia's regasification capacity projected to reach around 800mmtpa by 2030 (~620mmtpa in 2024).

- Shell has also lowered its forecast for additional LNG supply entering the market between 2024 and 2028 by ~30mtpa over the past two years, underscoring persistent delays in supply growth and project timelines. We believe shifting project timelines remain a risk going forward for our/street's base case scenario of softer spot LNG prices in 2HCY25.

Exhibit 8: Global natural gas supply 2024-2040

Particulars	bcm
NG supply in 2024	3,850
Domestic	275
Pipeline	40
LNG	410
NG supply in 2040	4,575

Source: Shell, MOFSL

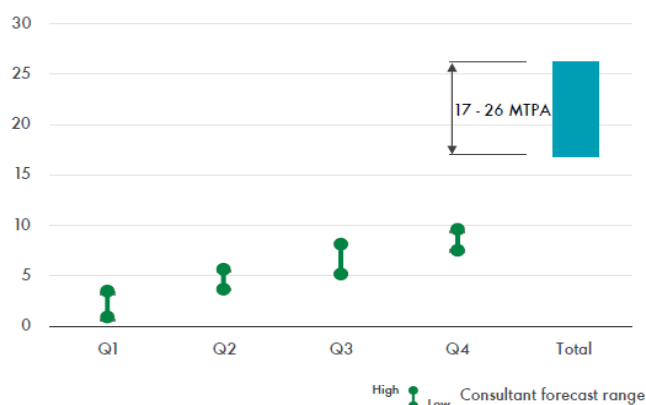
Exhibit 9: Global natural gas demand 2024-2040

Particulars	bcm
NG demand in 2024	3,850
Power	225
Industry	155
Buildings	60
Transport	40
Other	245
NG demand in 2040	4,575

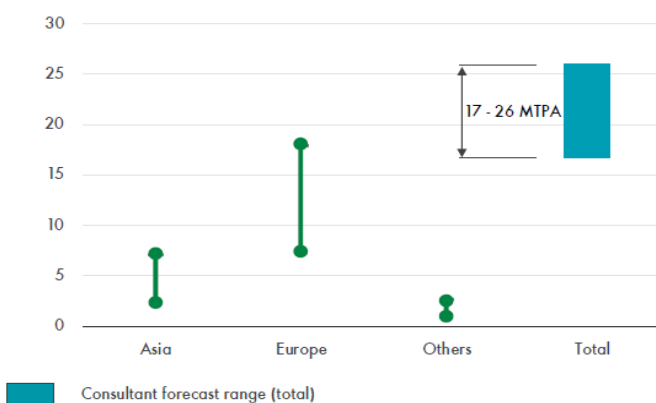
Source: Shell, MOFSL

Exhibit 10: Shell's 2025 LNG demand-supply forecast

Forecast LNG supply growth 2025 (YoY)
MTPA

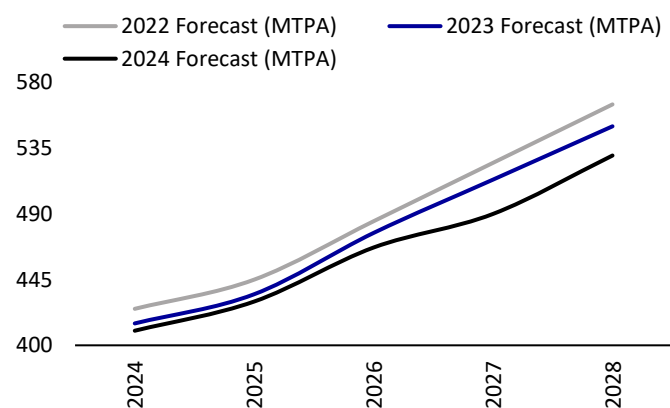


Forecast LNG demand growth 2025 (YoY)
MTPA



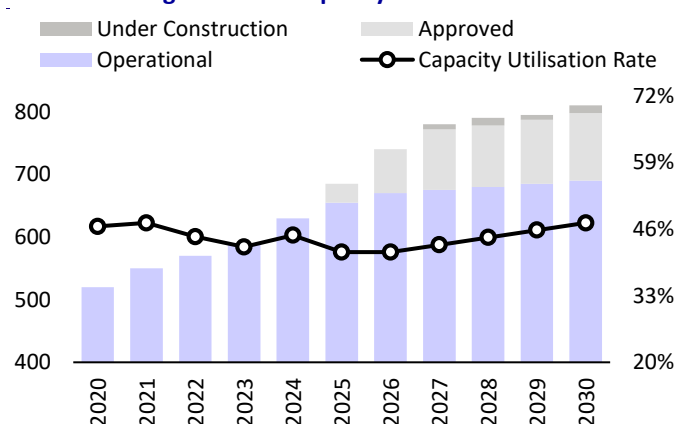
Source: Shell, MOFSL

Exhibit 11: Shell reduced 2028 LNG supply forecast by ~30mtpa in 2 years



Source: Shell, MOFSL

Exhibit 12: Regasification capacity in Asia



Source: Shell, MOFSL

Exhibit 13: Global LNG demand (mmtpa)

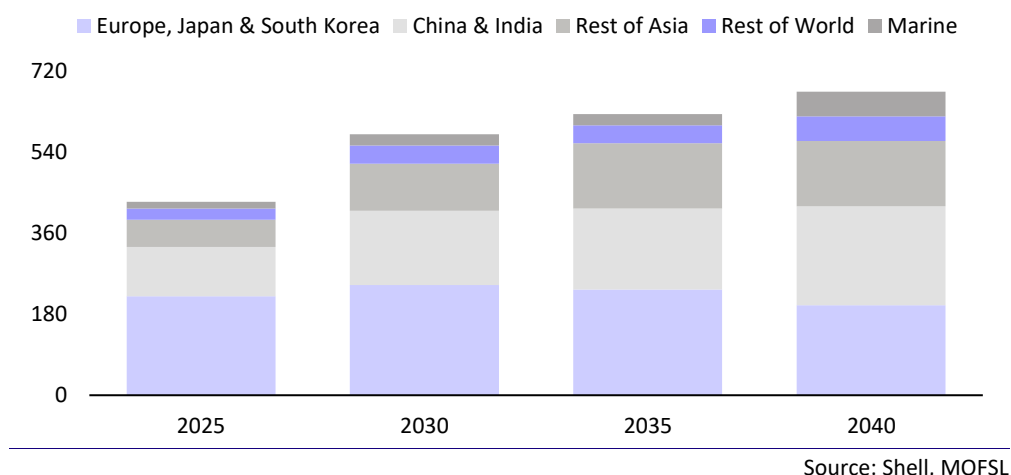
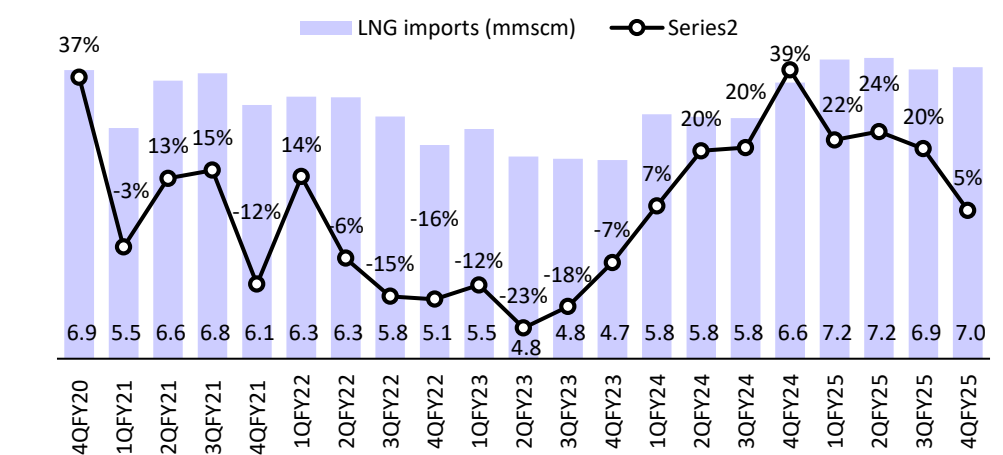
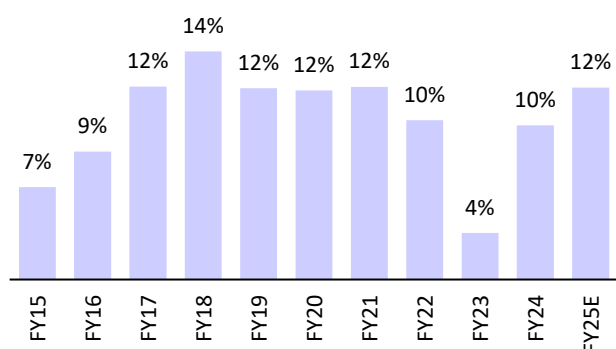


Exhibit 14: India's LNG import trend



Transmission tariff hike, robust volume growth to drive earnings

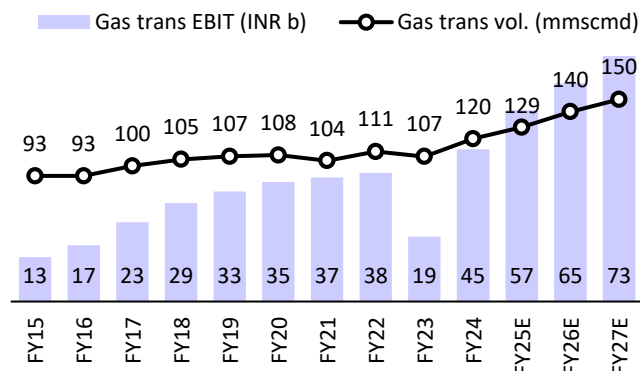
- We believe the probability of gas price-related tariff hikes coming through remains high, as PNGRB had considered a gas price of USD12.46/mmbtu for GUJS recently. We anticipate that GAIL could benefit from a 10-12% tariff increase, potentially boosting the company's FY26E PAT by 5%.
- While gas transmission volumes grew only by 2mmscmd p.a. over FY15-FY24, they grew 9mmscmd during 9MFY25 and are expected to grow by ~10mmscmd p.a. over the next two years. For the same period, transmission business has generated average RoCE of 10% and is expected to generate 12% RoCE in FY25. Hence, with a robust volume growth outlook and strong RoCE generation, we value transmission business at 8x FY27E EV/EBITDA in our SoTP-based valuation.

Exhibit 15: NG transmission business RoCE


Source: Company, MOFSL

Notes: 1) Capital deployed considered for both NG transmission and marketing businesses

2) For FY25, capital deployed as of 31st Dec'24 is considered

Exhibit 16: NG transmission EBIT and volumes trend


Source: Company, MOFSL

Healthy FCF spurt expected in FY26 and beyond as capex winds down

- GAIL is currently constructing 3,115km of gas transmission pipelines, including the Mumbai-Nagpur-Jharsuguda, KKBm and JHBD pipelines, and ramping up its petchem capacity by 1,860ktpa. The company expects to incur a cumulative capex of INR153b for transmission projects and INR173b for petchem projects. They are scheduled for completion next year.
- As earnings contribution from these projects begins, we are building in FY26E RoE of 14%, up from 9.5% in FY23.
- With the impending end of the capex cycle and no major projects ahead, the small-scale LNG and CBG projects or LNG pumps for transport could emerge as potential avenues for capex. However, these are unlikely to entail significant investments and we estimate FCF to rise meaningfully in the coming years.

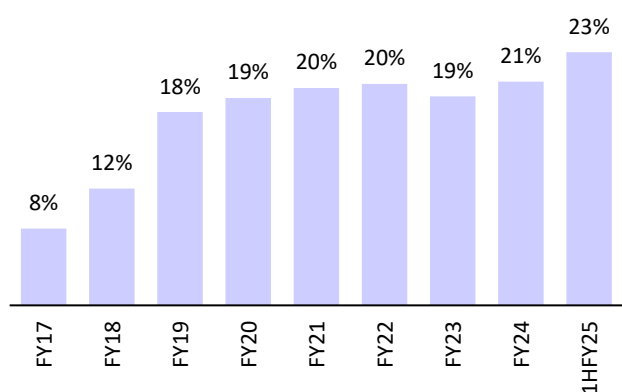
Exhibit 17: Pipelines and petrochemical projects slated for commissioning in FY26

Project	Lengths of Pipelines (km)	Approved cost (INR m)
Mumbai-Nagpur-Jharsuguda P/L	1,755	78,440
Srikakulam-Angul P/L	744	26,580
KKBmPL-II P/L - Under Construction	322	23,650
Durgapur-Haldia P/L (JHBDPL 3B)	294	24,330
Total	3,115	1,53,000

Project	Capacity (ktpa)	Approved cost (INR m)
PDH-PP, Usar (1HFY27)	500	1,12,560
IPA, Usar	50	5,280
PP, Pata	60	12,990
GAIL Mangalore	1,250	42,000
Total	1,860	1,72,830

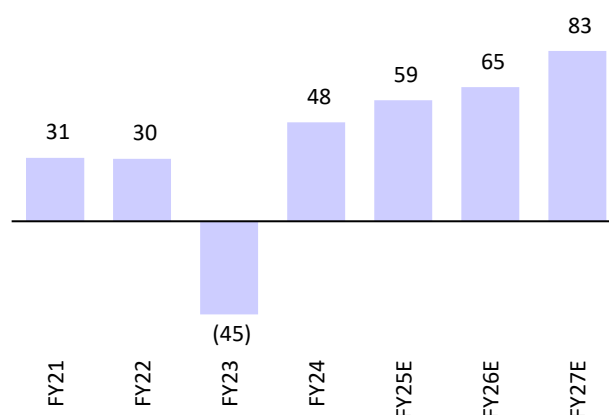
Source: Company, MOFSL

Exhibit 18: CWIP as a % of gross block (standalone)



Source: Company, MOFSL

Exhibit 19: FCF generation trend (INR b)

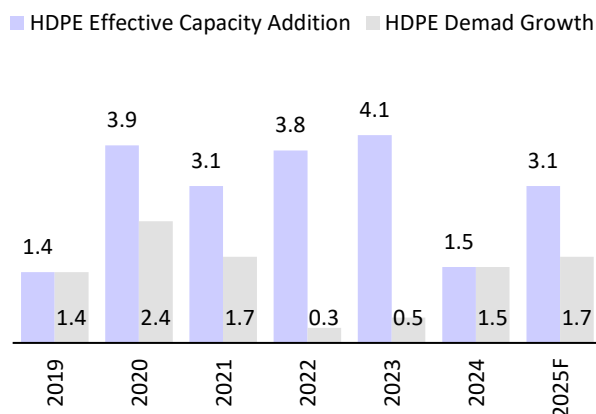


Source: Company, MOFSL

Petchem in transition as capacity ramps up, feedstock/product diversify

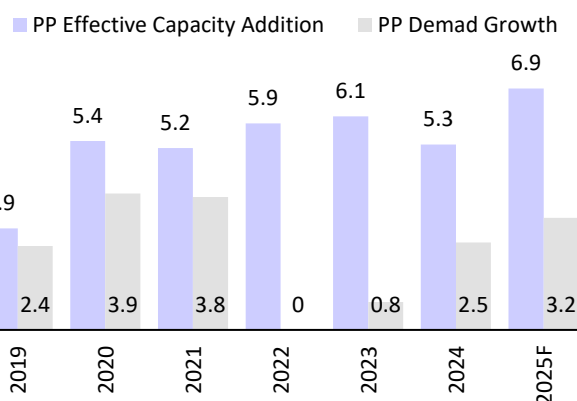
- We believe GAIL's petchem segment is set to undergo a transition as 1) overall petchem capacity is set to rise from 810ktpa to ~2.7mmtpa by FY27 end, 2) overall product slate is set to diversify as ethylene and derivatives will form 30% of product slate (from 100% now) when new projects begin operations, 3) GAIL will achieve feedstock diversification with PX and propane forming 70% of overall feedstock. We think these factors should help GAIL lower earnings volatility and establish the petchem segment as a key profit engine for the company in the coming years.
- GAIL currently has a gas-based petrochemical plant at Pata with a capacity of 810ktpa. The 500ktpa propane-based PDH-PP plant at Usar, 1250ktpa PX-based GAIL Mangalore petrochemical PTA plant and 60ktpa Polypropylene plant at Pata – all are expected to be commissioned in FY26/1H FY27. In the 3QFY25 conference call, management had guided that the current average realization of INR88k/mt at Pata is likely at the bottom already.
- For the PDH-PP plant at Usar, GAIL has already tied up a 15-year propane supply contract.

Exhibit 20: Global HDPE capacity addition vs demand growth



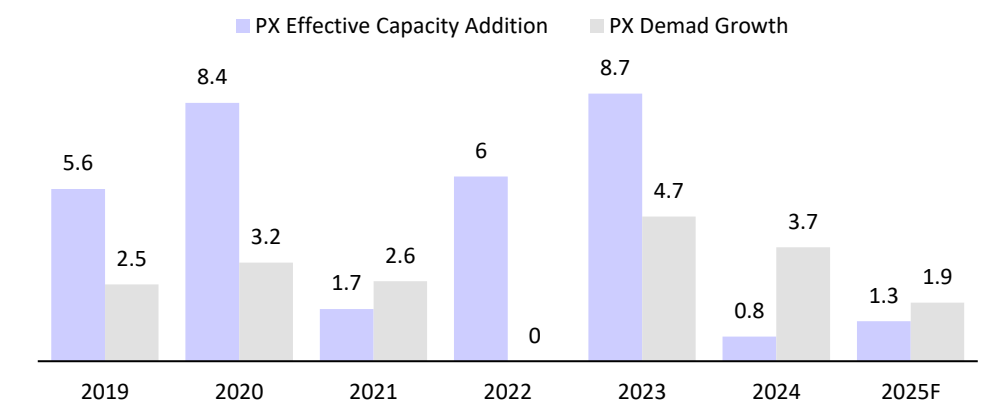
Source: Thai Oil, MOFSL

Exhibit 21: Global PP capacity addition vs. demand growth



Source: Thai Oil, MOFSL

Exhibit 22: Global PX capacity addition vs demand growth



Source: Thai Oil, MOFSL

Major HDPE plant start-up in 20204-2026

Country	Company	Capacity (ktpa)	Start-up
China	❖ Sinopec Tianjin	500	❖ Dec'24 (Delay from Jun'24)
China	❖ Shandong Yulong	600, 750	❖ Jan, Apr'25 (Delay from Oct'24)
China	❖ Inner Mongolia	550, 275	❖ Jan, Apr'25 (Early from Jun'25)
China	❖ Ningbo Huatai	200	❖ Apr'25 (Delay from Jan'25)
China	❖ PetroChina Jilin	400	❖ May'25
China	❖ PetroChina Guangxi	500	❖ Jan'26
China	❖ Satellite Chemical	900	❖ Jun'26
China	❖ Huajin Aramco	675	❖ Jul'26

Major PP plant start-up in 2024-2026

Country	Company	Capacity (ktpa)	Start-up
China	❖ Sinopec Tianjin	1200	❖ Dec'24 (Delay from Jun'24)
China	❖ Inner Mongolia	500	❖ Jan'25 (Early from Jun'25)
China	❖ Shandong Yulong	800, 1100	❖ Jan, Apr'25
China	❖ Sinopec Zhenhai	500	❖ Apr'25 (Delay from Oct'24)
Saudi Arabia	❖ Advanced Polyolefins	800	❖ Jul'25 (Early from Jan'27)
Nigeria	❖ Dangote Oil	900	❖ Jan'26
China	❖ CNOOC Huizhou	900	❖ Jul'26
China	❖ Huajin Aramco	1250	❖ Jul'26

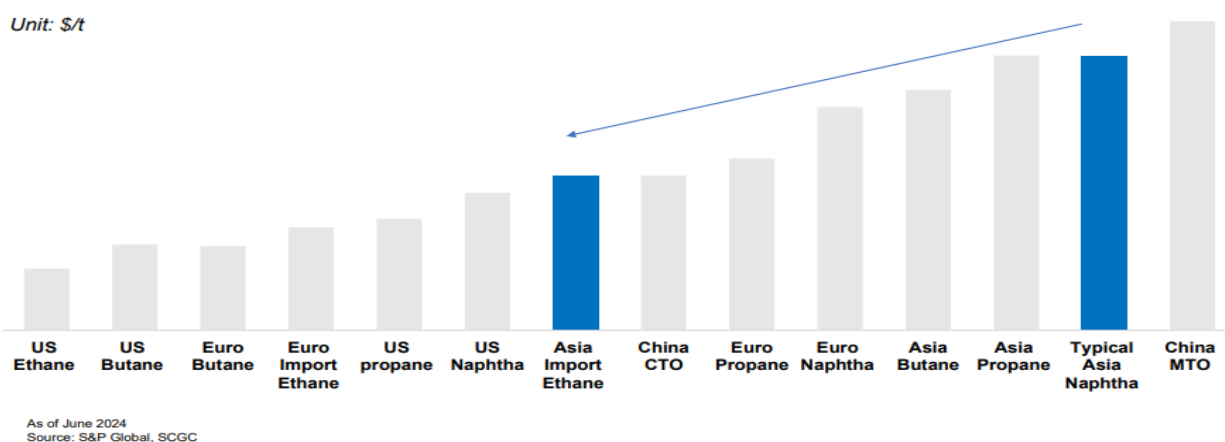
Major PX plant start-up in 2024-2026

Country	Company	Capacity (ktpa)	Start-up
India	❖ Indian Oil	800	❖ Jul'25
Saudi Arabia	❖ Aramco Jizan	800	❖ Aug'25 (Delay from Jan'25)
China	❖ Shandong Yulong PX unit.1	1500	❖ Sep'25
China	❖ Shandong Yulong PX unit.2	1500	❖ Jan'27 (Currently construction)

Source: Thai Oil, MOFSL

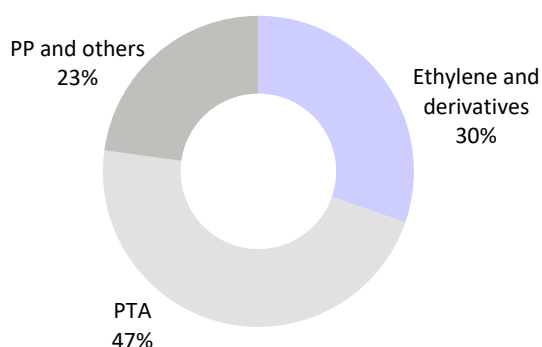
Exhibit 23: Gas crackers could continue to outperform

Global Ethylene Cost curve – not incorporating HVA execution



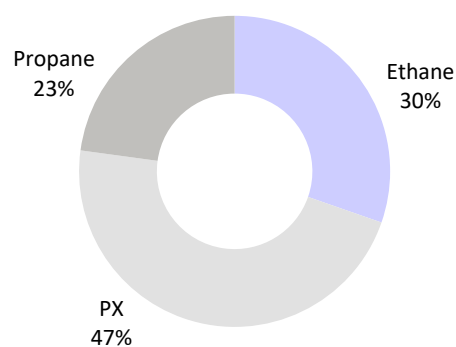
Source: SCG, MOFSL

Exhibit 24: GAIL's FY27E petchem product slate



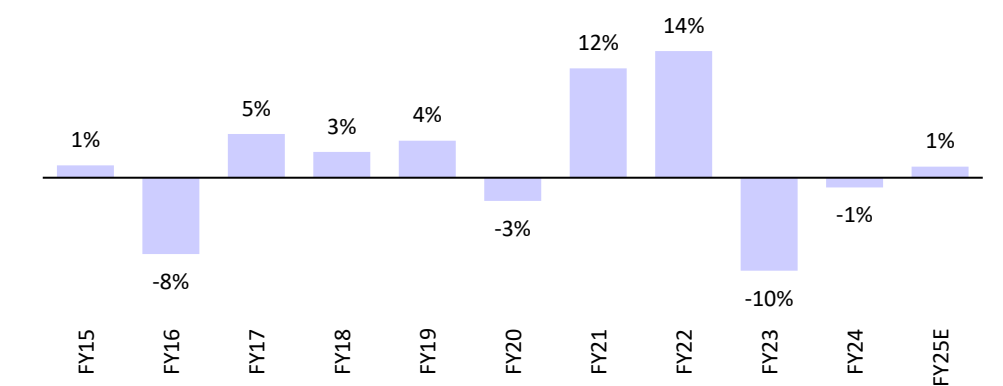
Source: Company, MOFSL

Exhibit 25: GAIL's FY27E petchem feedstock slate



Source: Company, MOFSL

Exhibit 26: Petrochemical business RoCE

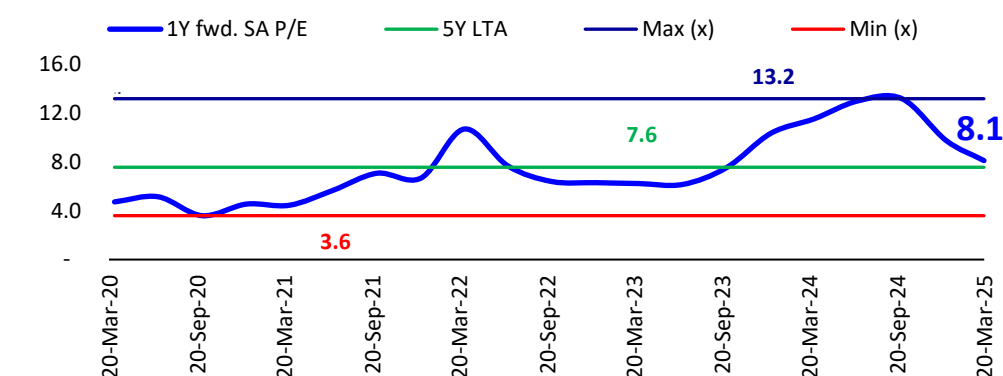


Source: Company, MOFSL

GAIL SA trading at 8.1x FY26E P/E despite strong earnings/FCF outlook

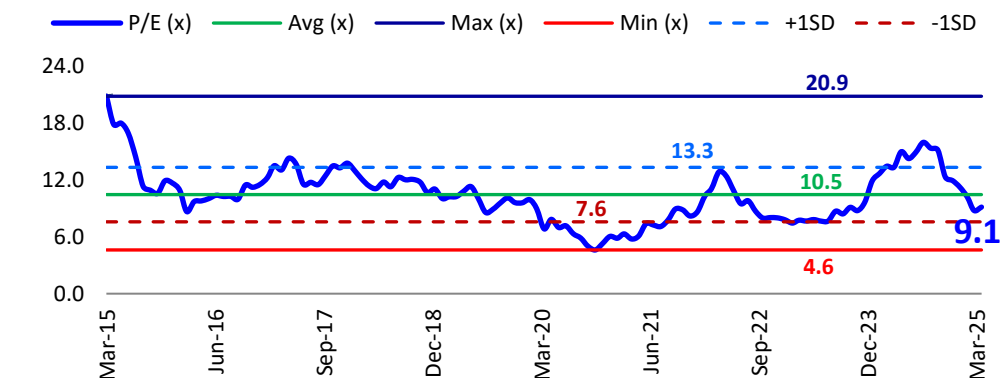
- GAIL's standalone business (excl. listed investments) currently trades at 8.1x 1yr fwd P/E, marginally above its 5y LTA valuation. The valuations have corrected sharply from highs of 13.2x 1yr fwd P/E in Sep'24. As such, we see limited downside for the stock from the current levels given the following factors:
 - A strong earnings outlook for the standalone business and rising free cash flow.
 - We had highlighted recently ([Pockets of value re-emerging](#)) that valuations for the O&G sector are bottoming out. In our SoTP, listed investments account for INR24/sh and improving valuations for O&G stocks can be a source of price upside, we think.
- Now, a 12-month dividend yield, as per Bloomberg, stands at an attractive 4.2%. The current dividend yield is 53%/21% above the media/average 10Y dividend yield.

Exhibit 27: GAILs 1Y forward SA P/E band (ex-listed investments)



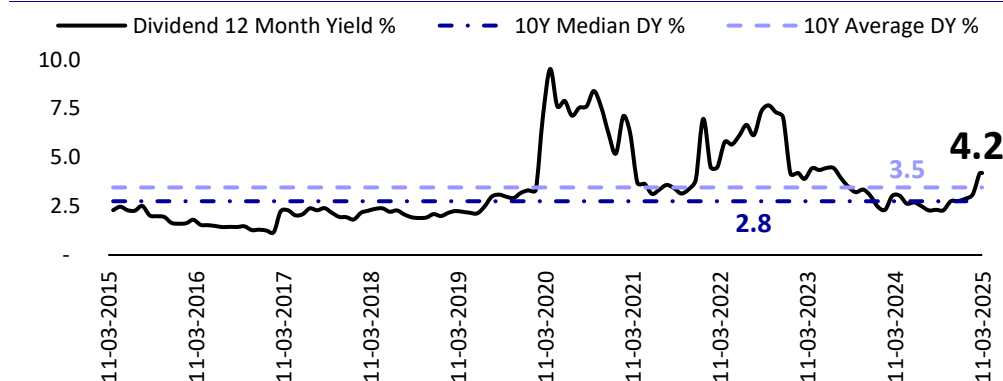
Source: MOFSL

Exhibit 28: GAILs 1Y forward consolidated P/E band



Source: MOFSL

Exhibit 29: GAIL 10Y dividend yield



Source: Bloomberg, MOFSL

Valuation and View

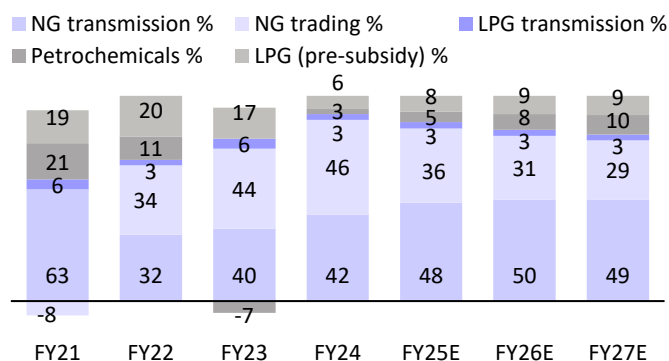
- **We reiterate BUY on GAIL with our SoTP-based TP of INR195.** During FY24-27, we estimate a 10% CAGR in PAT driven by:
 - an increase in natural gas transmission volumes to 150mmcmd in FY27 from 120mmcmd in FY24;
 - substantial improvement in petchem segment's performance over FY26-FY27 as the new petchem capacity will be operational and spreads are bottoming out;
 - healthy trading segment profitability with guided EBIT of at least INR45b/INR40b in FY25/FY26.
- We cut our FY26/FY27 EBITDA/PAT estimates by 7% to 11%, as we 1) lower our petchem margins amid sequentially weak spreads and soft outlook, 2) build in 3-6-month delays in commissioning of upcoming petchem facilities, 3) slightly moderate our FY26/FY27 transmission volume assumptions to 140/150mmcmd (vs. 144/154mmcmd earlier), 4) marginally lower our marketing segment EBITDA. We now value gas transmission, marketing and petchem segments at EV/EBITDA of 8x/5x/5.5x.
- We expect RoE to improve to ~14.2% in FY26E from 9.5% in FY23, with a healthy FCF generation of INR65.2b in FY26 (vs. -INR45.3b in FY23), which we believe can support its valuations.

Exhibit 30: GAIL's SoTP-based valuation

Business	EBITDA (INR b)	Target multiple(x)	Value(INRb)
Gas transmission	84	8.0	672
LPG transmission	5	7.0	32
Gas trading	50	5.0	249
Petrochemicals	16	5.5	90
LPG	16	6.0	95
Investments			293
Enterprise value			1,431
Net Debt			147
Implied Equity value			1,284
Value (INR/sh)			195

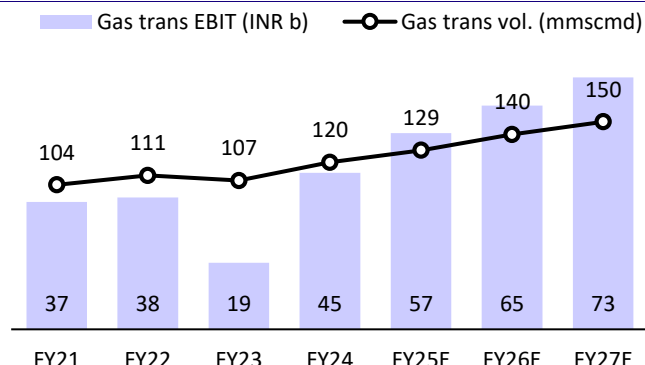
Story in charts

Exhibit 31: Transmission to be major contributor to EBITDA



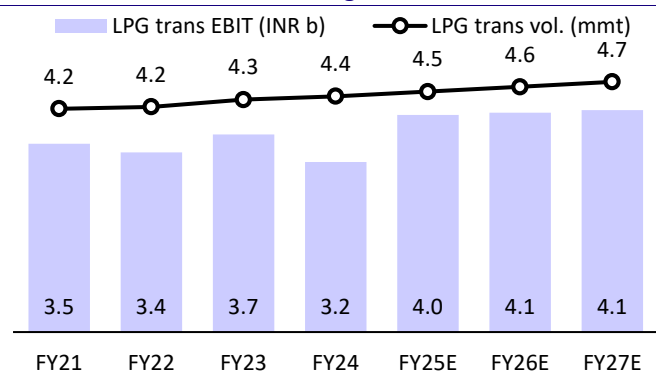
Source: Company, MOFSL

Exhibit 32: Gas transmission volumes & EBIT



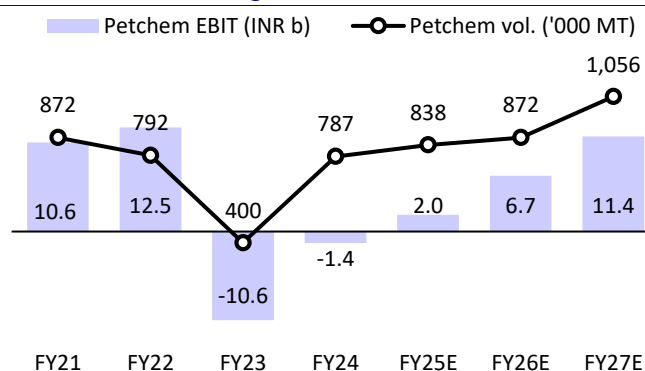
Source: Company, MOFSL

Exhibit 33: LPG transmission segment



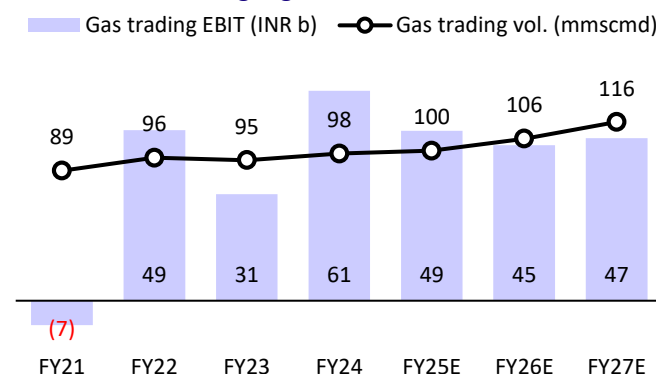
Source: Company, MOFSL

Exhibit 34: Petrochem segment volumes and EBIT



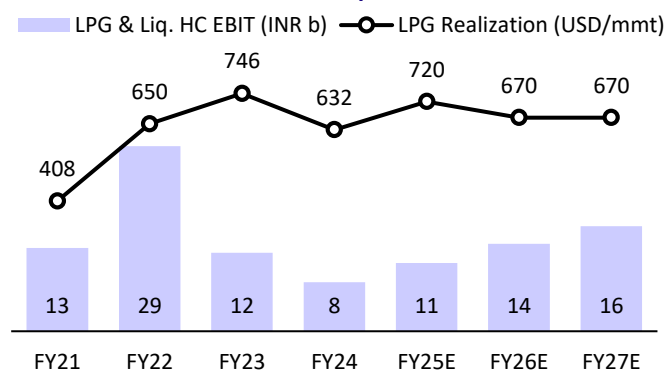
Source: Company, MOFSL

Exhibit 35: Gas trading segment



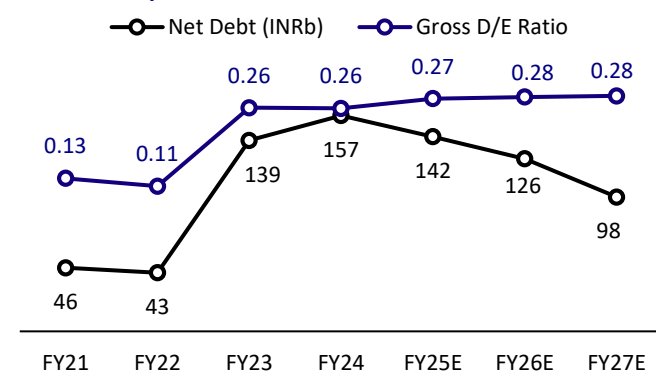
Source: Company, MOFSL

Exhibit 36: EBIT from LPG and Liquid HC



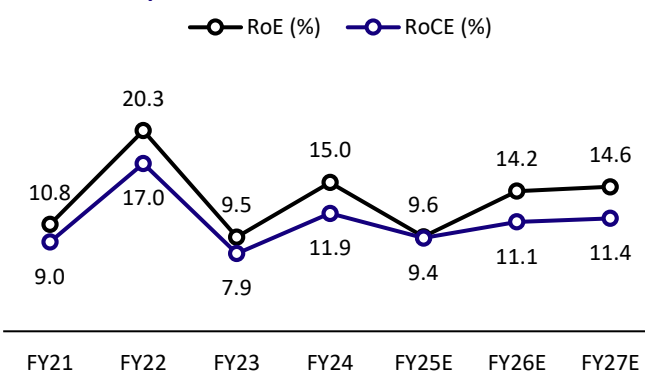
Source: Company, MOFSL

Exhibit 37: Expect D/E ratio to remain below 0.3x



Source: Company, MOFSL

Exhibit 38: Expect return ratios to recover



Source: Company, MOFSL

Financials and valuations

Income Statement					(INR b)
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	1,443.0	1,306.4	1,337.3	1,428.7	1,556.1
Change (%)	57.5	-9.5	2.4	6.8	8.9
EBITDA	67.0	134.8	141.9	153.5	171.4
% of Net Sales	4.6	10.3	10.6	10.7	11.0
Depreciation	24.9	33.3	36.0	38.1	40.3
Interest	3.1	7.0	7.7	6.4	7.1
Other Income	26.8	22.8	26.2	27.9	29.7
EO Items (net)	0.0	0.0	24.4	0.0	0.0
PBT	65.8	117.3	148.8	136.9	153.8
Tax	12.8	27.2	35.0	30.4	34.1
Rate (%)	19.5	23.2	23.5	22.2	22.2
Reported PAT	53.0	90.2	113.8	106.5	119.7
Adjusted PAT	53.0	90.2	89.4	106.5	119.7
Change (%)	-48.8	70.1	26.2	-6.4	12.3

Balance Sheet					(INR b)
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	65.8	65.8	65.8	65.8	65.8
Reserves	490.8	576.0	654.0	717.8	789.5
Net Worth	556.5	641.8	719.8	783.6	855.2
Loans	143.1	164.1	197.0	216.7	238.3
Deferred Tax	46.6	49.6	49.6	49.6	49.6
Capital Employed	746.3	855.5	966.3	1,049.8	1,143.1
Gross Fixed Assets	703.4	767.8	981.6	1,071.6	1,161.6
Less: Depreciation	280.7	314.0	350.0	388.1	428.3
Net Fixed Assets	422.7	453.8	631.6	683.5	733.3
Capital WIP	136.6	158.6	44.8	44.8	44.8
Investments	148.3	210.9	210.9	210.9	210.9
Current Assets					
Inventory	52.8	52.9	54.2	57.9	63.0
Debtors	114.1	106.5	109.1	116.5	126.9
Cash & Bank Balance	4.0	7.0	55.3	91.1	140.5
Cash	1.7	5.9	54.1	89.9	139.4
Bank Balance	2.3	1.1	1.1	1.1	1.1
Loans/Adv. & Other Assets	82.8	105.5	105.5	105.5	105.5
Current Liab. & Prov.					
Liabilities	198.1	219.8	225.0	240.4	261.8
Provisions	16.9	20.0	20.0	20.0	20.0
Net Current Assets	38.7	32.2	79.0	110.5	154.1
Application of Funds	746.3	855.5	966.3	1,049.8	1,143.1

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)					
EPS	8.1	13.7	13.6	16.2	18.2
Cash EPS	11.8	18.8	22.8	22.0	24.3
Book Value	93.5	101.8	113.6	123.3	134.2
DPS	4.0	5.5	5.5	6.5	7.3
Payout (incl. dvd tax)	49.6	40.1	31.5	40.1	40.1
Valuation (x)					
P/E	20.8	12.3	12.4	10.4	9.2
Adj. P/E (for investments)	15.3	9.0	9.1	7.6	6.8
Cash P/E	14.2	8.9	7.4	7.6	6.9
EV / EBITDA	12.0	7.1	6.4	5.8	5.0
EV / Sales	0.8	0.9	0.8	0.7	0.6
Price / Book Value	1.8	1.7	1.5	1.4	1.3
Dividend Yield (%)	2.4	3.3	3.3	3.9	4.3
Profitability Ratios (%)					
RoE	9.5	15.0	16.7	14.2	14.6
RoCE	7.9	11.9	11.1	11.1	11.4
RoIC	8.1	16.7	14.3	13.2	14.1
Turnover Ratios					
Debtors (No. of Days)	29	30	30	30	30
Fixed Asset Turnover (x)	1.9	1.5	1.4	1.4	1.4
Leverage Ratio					
Net Debt / Equity (x)	0.2	0.2	0.2	0.2	0.1

Cash Flow Statement

(INR b)

Y/E March	FY22	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	65.8	115.5	148.8	136.9	153.8
Depreciation	24.9	33.3	36.0	38.1	40.3
Interest charge	3.1	7.0	7.7	6.4	7.1
Tax paid	-15.2	-27.5	-35.0	-30.4	-34.1
(Inc)/Dec in Wkg. Capital	-30.9	5.5	1.4	4.2	5.9
CF from Op. Activity	28.1	118.5	158.9	155.2	172.9
(Inc)/Dec in FA & CWIP	-73.4	-70.4	-100.0	-90.0	-90.0
Free Cash Flow	-45.3	48.1	58.9	65.2	82.9
(Pur)/Sale of Investments	-10.6	-9.9	0.0	0.0	0.0
CF from Inv. Activity	-65.5	-80.0	-100.0	-90.0	-90.0
Interest charge	-5.8	-10.9	-7.7	-6.4	-7.1
Inc / (Dec) in Debt	79.6	21.0	32.8	19.7	21.7
Dividends Paid	-30.7	-36.2	-35.9	-42.7	-48.0
CF from Fin. Activity	25.5	-34.3	-10.7	-29.4	-33.4
Inc / (Dec) in Cash	-11.9	4.1	48.2	35.8	49.5
Add: Opening Balance	13.7	1.7	5.9	54.1	89.9
Closing Balance	1.7	5.9	54.1	89.9	139.4

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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