

29 July 2025

India | Equity Research | Results Update

## GAIL India

Oil &amp; Gas

### Muted quarter, prospects continue to be strong

GAIL India (GAIL) reported 29%/34% YoY dip in Q1FY26 adj. EBITDA/PAT (flat/-13% QoQ) driven by weaker performance of gas trading and petchem. Gas trading performance declined by 47%/11% QoQ/YoY with sharply lower margins offsetting a 6mmscmd YoY jump in volume. Transmission volumes were down 8% YoY due to lower offtake by fertiliser segment (unplanned maintenance), refineries (better liquid fuel pricing) and power (early monsoon), but FY26–28E volume CAGR of 5.0% remains likely, with an imminent uptick in tariffs. During the quarter, there was one-off revenue of INR 1.3bn relating to difference in unified tariff. We cut FY26/27/28E EPS by 6.3%/4.2%/5.6% to factor in lower transmission volumes. Reiterate **BUY** with FY26–28E EPS CAGR of 17%, TP of INR 226 (vs. INR 245).

### Transmission, petchem disappoint; FY26 volume guidance cut for second time since FY25 results

Gas transmission volume of 121mmscmd (-8%/flattish YoY/QoQ) was below our/street's estimates due to lower offtake from fertiliser, refinery and petchem segments. Due to weak demand trends and higher competition from alternate fuels, GAIL has cut guidance for FY26E volumes to 127–128mmscmd (from 132–133 earlier). The earlier guidance was lowered from 137–138mmscmd in the post FY25 results briefing. For petchem, volumes of just 177kt (up 9% YoY/down 18% QoQ) were impacted by higher input costs and a shutdown, which we believe will likely normalise over the next few quarters. Profitability remains elusive, with weak realisations sustaining over the near term.

### 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 with tariff revision – upward by 20–25% in H1FY26E – being a strong possibility (**now partly** baked into our estimates). 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.

### Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	14,19,035	9,32,767	10,23,746	11,09,356
EBITDA	1,54,318	1,40,476	1,69,900	1,86,061
EBITDA %	10.9	15.1	16.6	16.8
Net Profit	1,06,172	96,129	1,18,876	1,31,406
EPS (INR)	16.1	14.6	18.1	20.0
EPS % Chg YoY	7.3	(9.5)	23.7	10.5
P/E (x)	11.3	12.5	10.1	9.2
EV/EBITDA (x)	9.0	9.6	7.6	6.7
RoCE (Pre-tax) (%)	11.3	9.1	11.2	11.7
RoE (%)	13.1	10.9	12.5	12.7

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#### Market Data

Market Cap (INR)	1,203bn
Market Cap (USD)	13,859mn
Bloomberg Code	GAIL IN
Reuters Code	GAIL.BO
52-week Range (INR)	246 /151
Free Float (%)	41.0
ADTV-3M (mn) (USD)	27.5

Price Performance (%)	3m	6m	12m
Absolute	(3.5)	10.7	(21.1)
Relative to Sensex	(4.8)	4.5	(21.1)

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	(1.5)	(2.5)	(2.7)
EBITDA	(5.7)	(3.7)	(5.0)
EPS	(6.3)	(4.2)	(5.6)

#### Previous Reports

27-06-2025: [Company Update](#)

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

### Reiterate BUY: Attractive valuation

We have factored in Q1FY26's muted performance (along with softer management guidance) and bake in lower transmission/trading volumes with lower margin assumptions for petchem. Resultantly, we revise our FY26/27/28E EPS down by 6.3/4.2/5.6%.

We continue to see multiple drivers of optimism for the stock. Nearly 16–18mmscmd of volume addition over FY26–28E, stronger tariffs and additional delta from petchem (JBF acquisition to add capacity) imply GAIL could see steady earnings growth over FY26–28E. Post muted stock movement in the last 12 months (down 21%), valuations of 10.1x FY27E EPS and 7.6x FY27E EV/EBITDA are attractive, and at our revised TP of INR 226 offers ~23% 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.

## Q1FY26 conference call takeaways

### Quarterly performance

- In Q1FY26, GAIL reported a one-off revenue of INR 1.3bn related to some revision in zonal division of tariffs charged earlier as part of the review process of Integrated vs. Unified tariff by the Petroleum and Natural Gas Regulatory Board (PNGRB).
- During the quarter, pipeline utilisation stood at 58%, while integrated pipeline utilization was 67%.
- Polymer production was impacted because of the annual maintenance shutdown taken in Q1FY26.
- The company reported a marketing margin of INR 9.9bn in Q1FY26, and management maintains its guidance of INR 40–45bn for FY26.

### Pipeline

- Durgapur-Kolkata pipeline section was completed on 18 Jul'25. It connects Bengal Gas Company to the national natural gas grid, with a potential volume of 0.4 mmscmd.
- The Mumbai-Nagpur-Jharsuguda Pipeline, Jagdishpur-Haldia-Bokaro-Dhamra Pipeline, Kochi-Koottanad-Mangalore-Bangalore Pipeline, and Srikakulam-Angul Pipeline are expected to come online in FY26. The Gurdaspur-Jammu Pipeline is scheduled to be completed in FY27.

### Capex

- GAIL has received authorisation from the PNGRB to expand the capacity of its Jamnagar-Loni LPG pipeline from 3.25mt tonnes to 6.5mt. The project is expected to be completed in 3 years, with a capex of INR 50bn.

- The company incurred capex of ~INR 31bn in Q1FY26: INR 5.4bn toward pipelines, INR 5.4bn toward petrochemicals, INR 15bn toward equity contributions, and INR 1.5bn toward other operational capex.
- Capex guidance for FY26 stands at INR 120bn, with allocations as: INR 40bn for petrochemicals, INR 2bn for CGD, INR 25bn for other petrochemicals, INR 5bn for exploration and production, INR 20bn for net-zero initiatives and INR 14bn for operational expenditure.
- Regarding the proposed ethane cracker project in Madhya Pradesh, the company has not yet made an investment decision.

### **CGD**

- GAIL has six geographical areas (GAs), with a total 212 CNG stations and 0.44 mn domestic PNG connections as on 30 Jun'25 (26,000 connections were added in Q1FY26). Volume during the quarter was 0.46 mmscmd, with an APM gas share of 0.17 mmscmd and 0.29 mmscmd of RLNG.
- The company plans to add 85 CNG stations and 0.15 mn domestic PNG connections over the next 2 years.
- GAIL Gas, a wholly owned subsidiary of GAIL, reported a PBT of INR 1.5 n (up 1% QoQ) and a PAT of INR 1.1bn (up 6% QoQ) in Q1FY26, with volumes of 7.03mmscmd. GAIL Gas, along with its JVs, added ~23,500 domestic PNG connections and 3 CNG stations during the quarter.
- It has a total of 0.11mn domestic PNG connections and 664 CNG stations as of June 30'25. It plans to add 216 CNG stations and 0.26 mn domestic PNG connections over the next 2 years.

### **Petchem**

- The PDH-PP plant at Usar (500 KTPA) is delayed due to civil construction and is expected to be commissioned in FY27. The 60 KTPA PP plant at PATA and GAIL Mangalore (JBF) Petrochemicals' 1,250 KTPA capacity are expected to be completed in FY26.
- The loss in the petchem segment in Q1FY26 was due to the PATA annual maintenance shutdown, pressure on polymer prices from international oversupply, and a sharp rise in Henry Hub gas prices (Q1FY26 averaged USD 3.5/MMBtu vs USD 1.77/MMBtu in Q1 FY25).
- The company is hedging input prices for the PATA plant and expects the segment to approach breakeven in FY26.

### **Transmission segment**

- Management has revised transmission volume guidance downward to 128 mmscmd for FY26 (from 132mmscmd earlier) and to 136mmscmd for FY27 (from 142mmscmd). This decline is due to:
  - 3mmscmd reduction in refining (switch to alternate fuels),
  - 1.6mmscmd drop in power (early onset of monsoon),
  - 1.4mmscmd loss in the fertilizer segment (unscheduled shutdowns and the KFCL plant not being operational).
- FY27 volume guidance of 132mmscmd is supported by: 3.5mmscmd from CGD, 1–2 mmscmd from power, some incremental volumes from refineries (e.g. Barauni, Haldia, Guwahati). According to management, CGD demand is growing at 12%

per year (~5mmscmd), and GAIL owns 65–70% of India's gas pipeline network (implying 3.5mmscmd from this will flow to GAIL).

- Q2FY26TD volumes are ~127mmscmd, driven by increased demand from fertilizer and the PATA plant. ~20% of total volumes come from the petchem and refinery segments, which are price-sensitive.
- Regarding tariff revision, the PNGRB has completed the consultation process, and the final order is pending. Once approved, the revised tariff will be applicable from the following month. Periodic review takes place every 3–5 years.

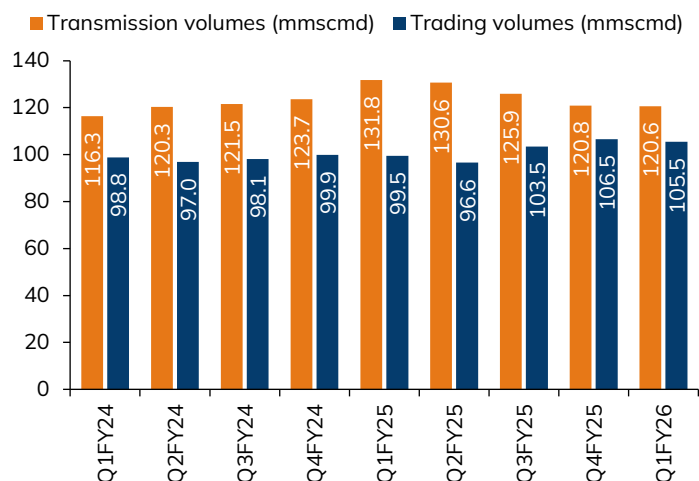
#### Others

- Management expects crude prices to remain in the USD 60–70/bbl range for the next few years. Alternate fuels such as naphtha and furnace oil are linked to refinery complexity and subdued propane prices, which is a concern. Spot LNG prices have remained firm post-winter, leading to difficulty competing with alternate fuels.
- The PDH-PP plant is expected to generate a project IRR of 13–14%.
- The company has signed an agreement with BPCL for propane sourcing, benchmarked to the Saudi Aramco CP index.

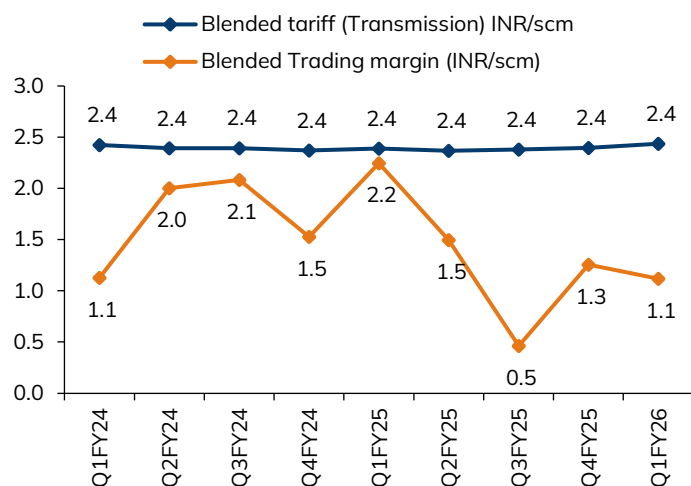
#### **Exhibit 1: Q1FY26 (standalone) result snapshot**

INR mn	Q1FY26	Q1FY25	YoY % Chg	Q4FY25	QoQ % Chg
Net Sales	3,46,359	3,36,738	2.9	3,56,852	(2.9)
EBITDA	32,007	45,281	(29.3)	32,164	(0.5)
EBIT	23,179	34,792	(33.4)	23,130	0.2
Rep. PAT	18,863	27,240	(30.8)	20,490	(7.9)
Adj. PAT	17,868	27,240	(34.4)	20,490	(12.8)
Adj. EPS (INR)	2.7	4.1	(34.4)	3.1	(12.8)
<b>Volumes</b>					
NG transmission (mmscmd)	120.6	131.8	(8.5)	120.8	(0.2)
NG sales (mmscmd)	105.5	99.5	6.0	106.5	(1.0)
Petchem sales (kt)	177.0	169.0	4.7	229.0	(22.7)
LPG & liquid hydrocarbons (kt)	198.0	218.0	(9.2)	198.0	-
<b>Segment EBIT</b>					
Natural Gas transmission (Adj)	14,246	14,469	(1.5)	12,684	12.3
LPG transmission	1,203	808	48.9	1,152	4.4
Natural Gas Trading	10,716	20,328	(47.3)	12,037	(11.0)
Petrochemicals	(2,486)	(414)	500.6	(1,580)	
LPG and Liquid Hydrocarbon	2,050	2,299	(10.8)	2,920	(29.8)
Others	1,912	1,675	14.2	1,158	65.2
<b>Total</b>	<b>27,640</b>	<b>39,163</b>	<b>(29.4)</b>	<b>28,370</b>	<b>(2.6)</b>

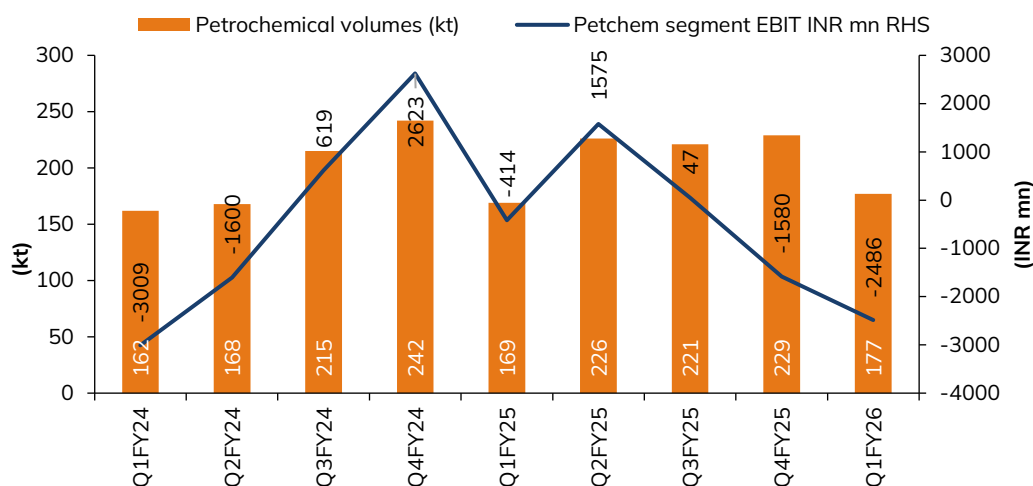
Source: I-Sec research, Company data

**Exhibit 2: Transmission volumes remain muted YoY in Q1FY26 while trading volumes improved...**


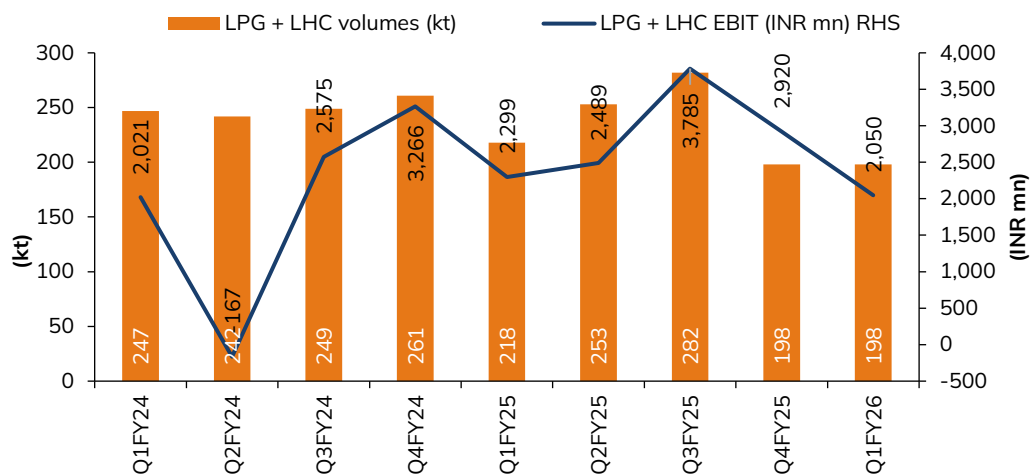
Source: Company data, I-Sec research

**Exhibit 3: ...blended trading margin declined QoQ/YoY**


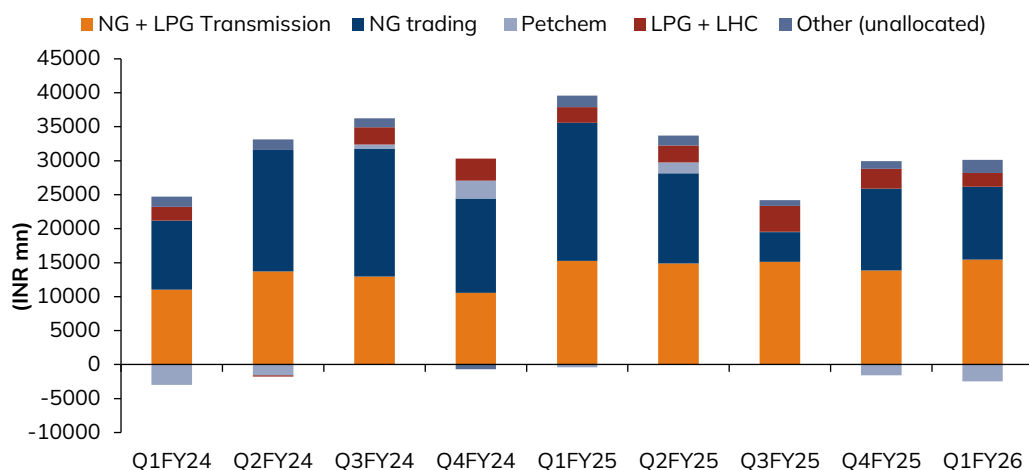
Source: Company data, I-Sec research

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


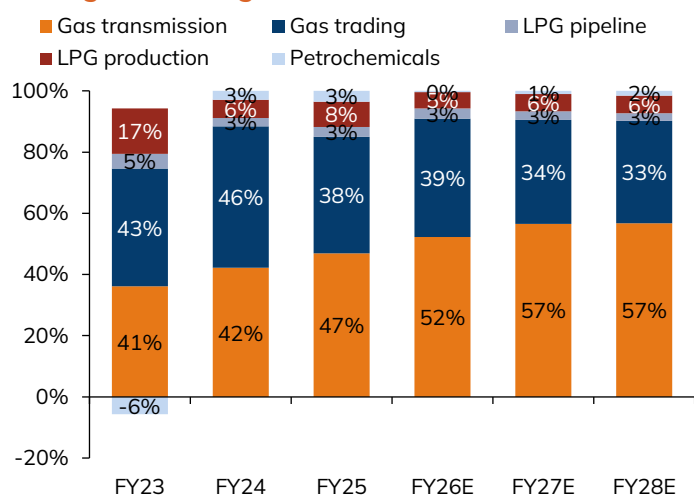
Source: Company data, I-Sec research

**Exhibit 5: LPG segment earnings and volumes declined YoY**


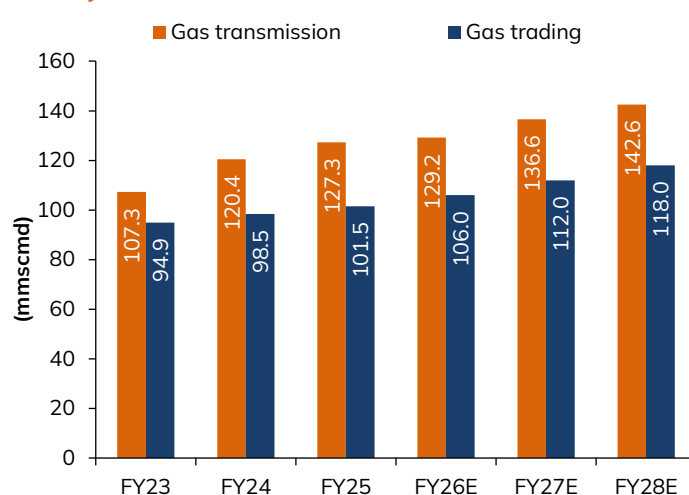
Source: Company data, I-Sec research

**Exhibit 6: Petchem and trading segments remained weak in Q1FY26**

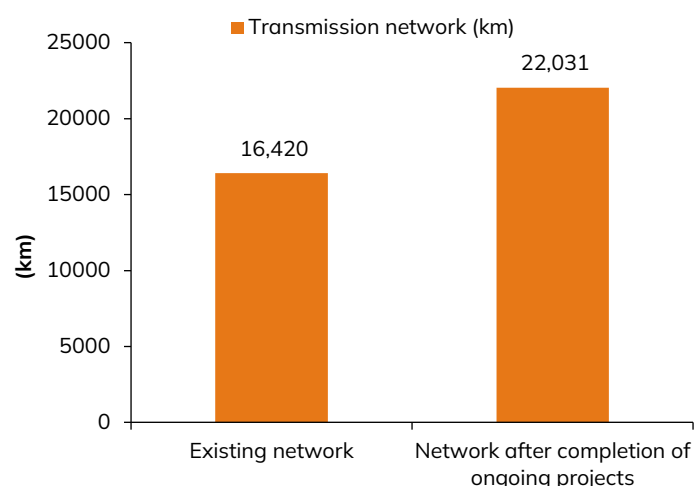
Source: Company data, I-Sec research

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

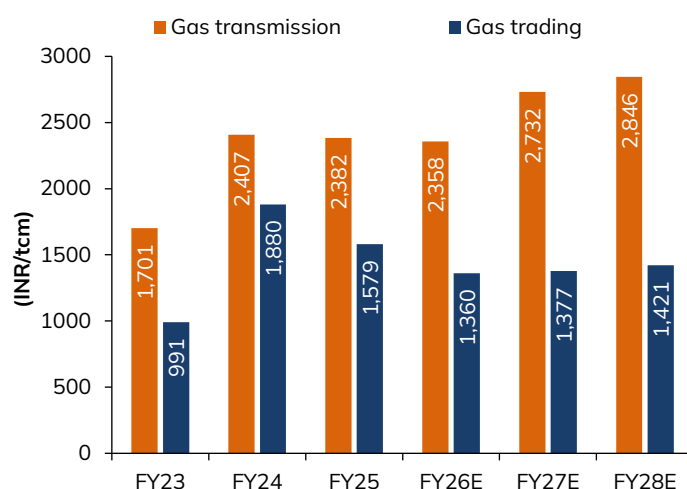
Source: Company data, I-Sec research

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

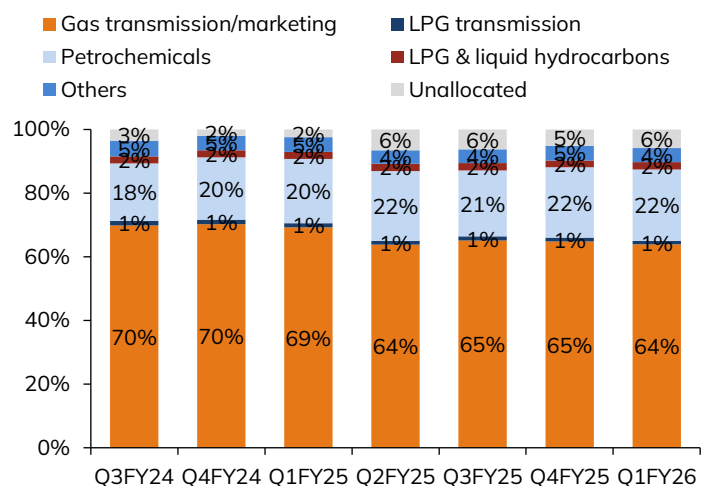
Source: Company data, I-Sec research

**Exhibit 9: Pipeline network**

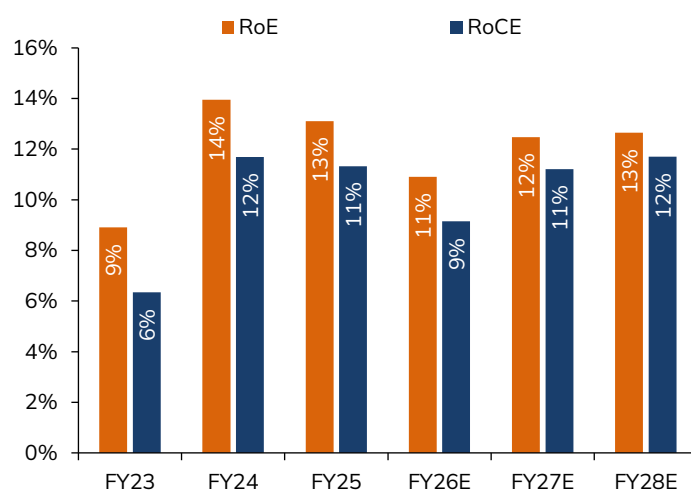
Source: Company data, I-Sec research

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

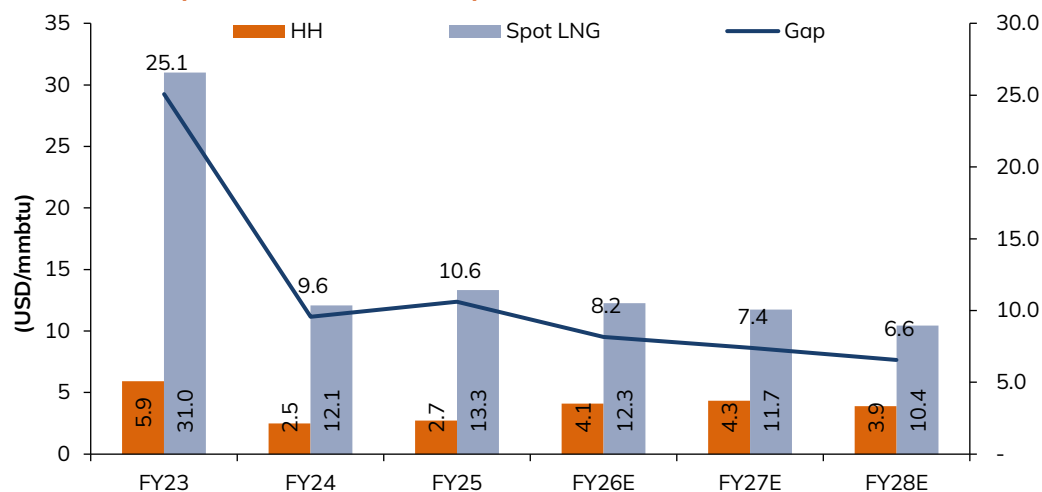
Source: Company data, I-Sec research

**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

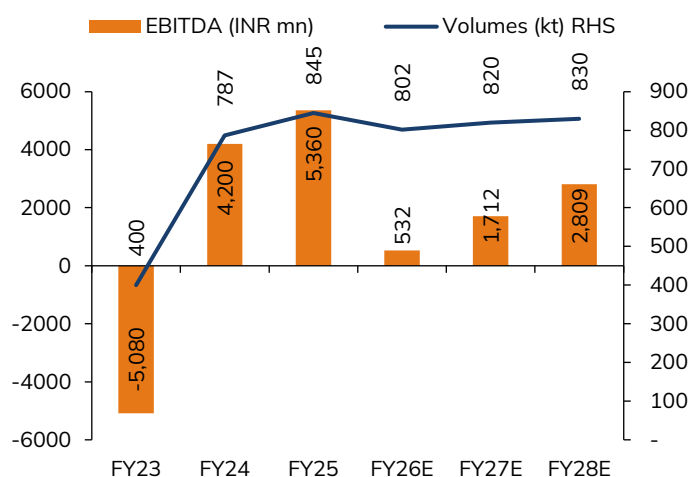
**Exhibit 13: Gap in US HH, term and spot LNG remains material**

Source: Bloomberg, CME futures I-Sec research

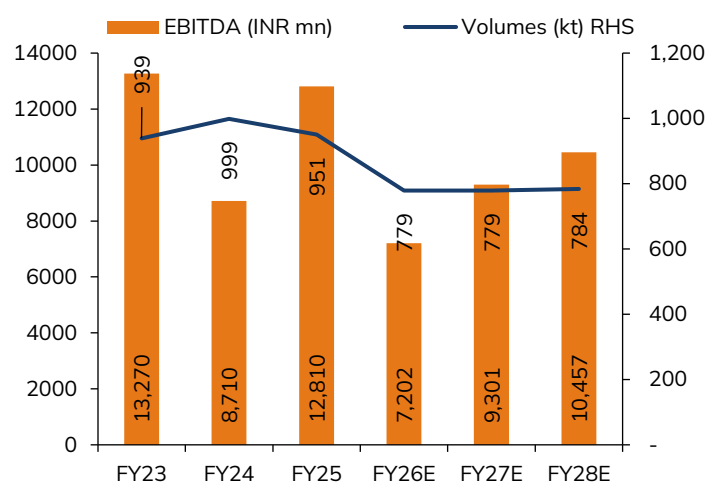
**Exhibit 14: Sensitivity of trading gains to differential with term and spot LNG prices**

	vs. Spot LNG	vs. Term LNG	vs. Spot LNG	vs. Term LNG
Price (USD/mmbtu)	3.3	3.9	3.3	3.9
Delivered Price (USD/mmbtu)	8.8	9.5	8.8	9.5
Spot LNG Slope Assumed	16%	13%	16%	13%
Brent (USD/bbl)	68	68	70	70
USD/mmbtu	10.9	9.8	11.2	10.1
Premium/(discount) of Spot to HH Delivered price	2.1	0.4	2.4	0.6
Assumed volumes unhedged (mmt)	1.0	1.0	1.0	1.0
Additional margin potential (INR mn)	9,023	1,536	10,408	2,661

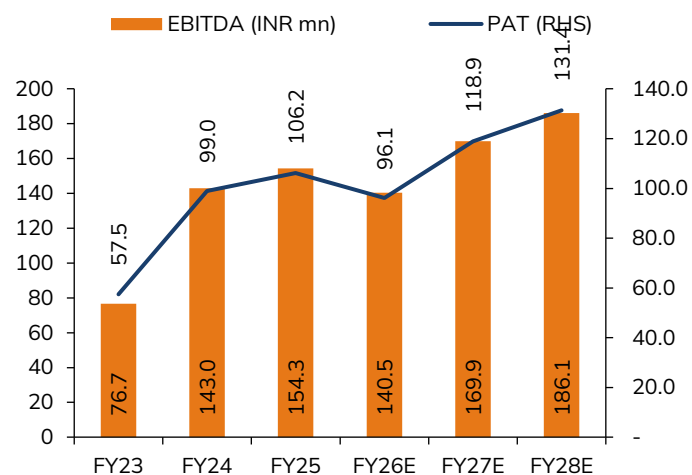
Source: Company data, Bloomberg, I-Sec research

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


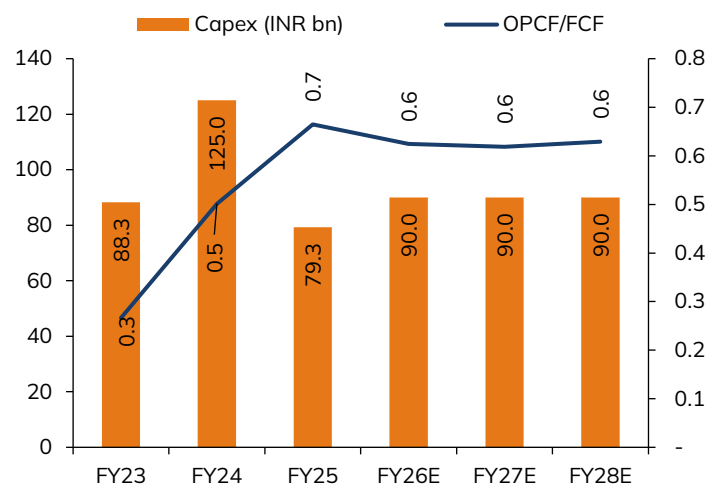
Source: Company data, I-Sec research

**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 15.1%/16.9% CAGR over FY26–28E**


Source: Company data, I-Sec research

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


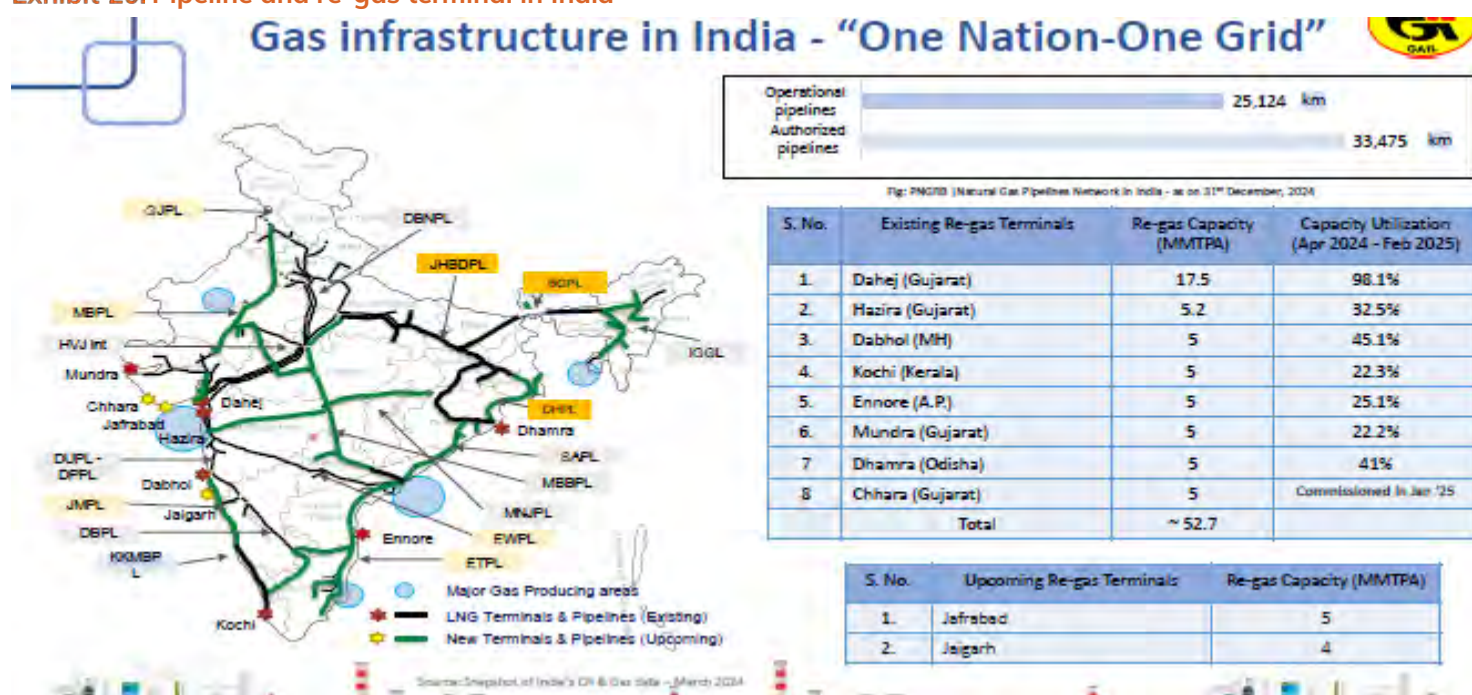
Source: Company data, I-Sec research



**Exhibit 19: Subsidiaries and associates' profits**

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
GGSPIL	100%	530	180	110
GGUI	100%	1,870	-180	-130
Bengal Gas Company Limited	88%	8,040	-90	-110
Konkan LNG Limited	93%	8,860	-1,250	-2,490
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			-1350	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**

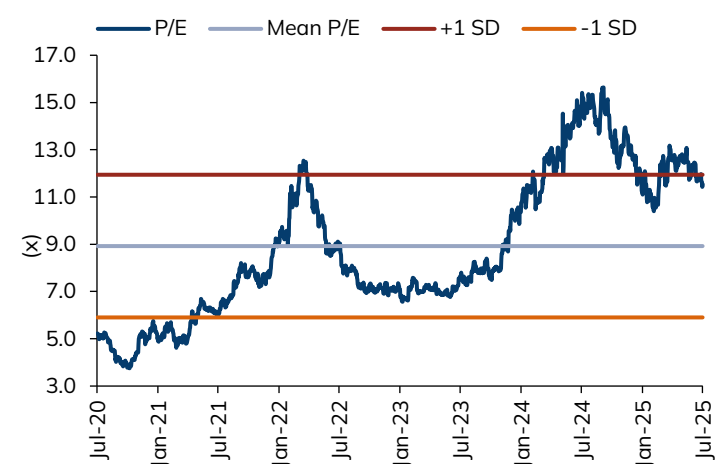
Major Pipeline (INR bn)	Lengths of Pipelines (Km)/Capacity	Commissioned length (Km)	Expected Completion Date	Approved Cost	Capital Commitment	Actual Capex up to 31.03.2025
Durgapur-Haldia P/L (JHBDPL 3B)	294	132	31st Dec'25	2.4	2.4	2.2
Dhamra-Haldia P/L	253	150	31st Dec'25	1.0	1.0	0.8
KKBMPL – II P/L – 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	-	Fy27	0.5	0.3	0.1
C2/C3 Pipeline (Vijaipur to Pata)	360	-	15th Jan'27	1.8	1.0	0.0
Major PC Projects						
Propane Dehydrogenation & Polypropylene Project (PDH-PP), Usar	500 KTPA	NA	Fy27	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

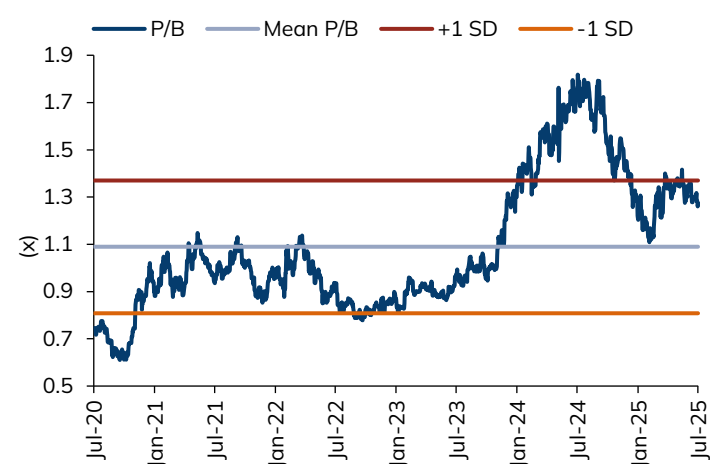
**Exhibit 22: Valuation summary – material upside from CMP seen over next 12–18 months**

Business		INR-bn	INR/share	Break-up
Gas and LPG transmission	DCF	778	118	49%
Gas trading	EV/EBITDA (6x FY28E )	367	56	23%
Petrochemicals	EV/EBITDA (6.5x FY28E )	17	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	16%
		1,580	240	100%
Less: net debt		94	14	
<b>Sum of parts valuation</b>		<b>1,380</b>	<b>226</b>	
<b>CMP</b>			<b>183</b>	
Upside (downside) %			23%	

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**

%	Dec'24	Mar'25	Jun'25
Promoters	51.9	51.9	51.9
Institutional investors	32.6	32.8	32.8
MFs and other	10.1	11.4	11.0
FIs/ Banks	0.0	0.0	0.0
Insurance Cos.	6.5	6.6	6.8
FII	16.1	14.8	14.9
Others	15.5	15.3	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>9,32,767</b>	<b>10,23,746</b>	<b>11,09,356</b>
<b>EBITDA</b>	<b>1,54,318</b>	<b>1,40,476</b>	<b>1,69,900</b>	<b>1,86,061</b>
EBITDA Margin (%)	10.9	15.1	16.6	16.8
Depreciation & Amortization	37,992	42,356	45,956	49,556
EBIT	1,16,326	98,120	1,23,944	1,36,505
Interest expenditure	7,480	6,599	3,840	1,995
Other Non-operating Income	12,676	10,034	10,811	12,384
<b>PBT</b>	<b>1,45,923</b>	<b>1,01,555</b>	<b>1,30,915</b>	<b>1,46,894</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	25,561	32,951	36,973
PAT	1,09,596	75,994	97,964	1,09,921
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>1,24,498</b>	<b>96,129</b>	<b>1,18,876</b>	<b>1,31,406</b>
Extraordinaries (Net)	24,400	-	-	-
<b>Recurring Net Income</b>	<b>1,06,172</b>	<b>96,129</b>	<b>1,18,876</b>	<b>1,31,406</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	1,80,415	2,14,128	2,58,174
of which cash & bank	27,205	26,671	45,944	75,998
Total Current Liabilities & Provisions	2,20,531	2,21,083	2,44,414	2,61,949
<b>Net Current Assets</b>	<b>(5,514)</b>	<b>(40,668)</b>	<b>(30,286)</b>	<b>(3,774)</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>11,23,446</b>	<b>11,77,872</b>	<b>12,44,827</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	8,47,478	9,26,903	10,18,859
<b>Total Net Worth</b>	<b>8,49,976</b>	<b>9,13,229</b>	<b>9,92,654</b>	<b>10,84,610</b>
Minority Interest	2,429	2,429	2,429	2,429
<b>Total Liabilities</b>	<b>11,10,957</b>	<b>11,23,446</b>	<b>11,77,872</b>	<b>12,44,827</b>

Source Company data, I-Sec research

### Exhibit 29: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	3,29,117	3,49,371	3,56,852	3,46,359
% growth (YOY)	-2.3%	6.2%	2.1%	-2.9%
EBITDA	37,450	28,378	32,164	32,007
Margin %	11.4%	8.1%	9.0%	9.2%
Other Income	7,135	7,497	5,664	2,919
Extraordinaries	-	24,400	-	1,330
<b>Adjusted Net Profit</b>	<b>26,719</b>	<b>20,415</b>	<b>20,490</b>	<b>17,868</b>

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>1,40,476</b>	<b>1,69,900</b>	<b>1,86,061</b>
Working Capital Changes	787	34,620	8,891	3,542
Tax	(24,903)	(25,561)	(32,951)	(36,973)
<b>Operating Cashflow</b>	<b>1,57,350</b>	<b>1,49,535</b>	<b>1,45,840</b>	<b>1,52,630</b>
Capital Commitments	(79,297)	(90,000)	(90,000)	(90,000)
<b>Free Cashflow</b>	<b>78,053</b>	<b>59,535</b>	<b>55,840</b>	<b>62,630</b>
Others CFI	21,439	30,169	31,724	33,869
<b>Cashflow from Investing Activities</b>	<b>(57,858)</b>	<b>(59,831)</b>	<b>(58,276)</b>	<b>(56,131)</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)	(39,451)
<b>Cash flow from Financing Activities</b>	<b>(89,409)</b>	<b>(90,238)</b>	<b>(68,291)</b>	<b>(66,446)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>10,084</b>	<b>(534)</b>	<b>19,273</b>	<b>30,054</b>
Closing cash & balance	27,205	26,671	45,944	75,998

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	14.6	18.1	20.0
Diluted EPS	16.1	14.6	18.1	20.0
Recurring Cash EPS	21.9	21.1	25.1	27.5
Dividend per share (DPS)	7.5	5.0	6.0	6.0
Book Value per share (BV)	129.3	138.9	151.0	165.0
Dividend Payout (%)	46.4	34.2	33.2	30.0
<b>Growth (%)</b>				
Net Sales	6.5	(34.3)	9.8	8.4
EBITDA	7.9	(9.0)	20.9	9.5
EPS	7.3	(9.5)	23.7	10.5
<b>Valuation Ratios (x)</b>				
P/E	11.3	12.5	10.1	9.2
P/CEPS	8.3	8.7	7.3	6.6
P/BV	1.4	1.3	1.2	1.1
EV / EBITDA	9.0	9.6	7.6	6.7
EV / Operating Income	10.8	12.4	9.6	8.3
Dividend Yield (%)	4.1	2.7	3.3	3.3
<b>Operating Ratios</b>				
EBITDA Margins (%)	10.9	15.1	16.6	16.8
Effective Tax Rate (%)	24.9	25.2	25.2	25.2
Net Profit Margins (%)	7.5	10.3	11.6	11.8
NWC / Total Assets (%)	(0.5)	(3.6)	(2.6)	(0.3)
Fixed Asset Turnover (x)	1.8	1.1	1.1	1.1
Working Capital Days	20.5	18.1	23.9	23.6
Net Debt / Equity %	22.2	15.2	9.5	3.6
<b>Profitability Ratios</b>				
RoCE (%)	8.5	6.8	8.4	8.7
RoCE (Pre-tax) (%)	11.3	9.1	11.2	11.7
RoE (%)	13.1	10.9	12.5	12.7

Source Company data, I-Sec research

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