PL Capital
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# GAIL (India) (GAIL IN)

## Rating: BUY | CMP: Rs183 | TP: Rs218

November 1, 2025

## Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

### Change in Estimates

| | Current | | Previous | |
|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E |
| Rating | BUY | | ACCUMULATE | |
| Target Price | 218 | | 199 | |
| Sales (Rs. m) | 1,435 | 1,489 | 1,432 | 1,486 |
| *% Chng.* | *0.2* | *0.2* | | |
| EBITDA (Rs. m) | 158 | 175 | 155 | 171 |
| *% Chng.* | *2.1* | *1.9* | | |
| EPS (Rs.) | 15.8 | 17.3 | 15.4 | 16.9 |
| *% Chng.* | *2.4* | *2.2* | | |

### Key Financials - Standalone

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Sales (Rs. bn) | 1,373 | 1,496 | 1,435 | 1,489 |
| EBITDA (Rs. bn) | 143 | 138 | 158 | 175 |
| *Margin (%)* | *10.4* | *9.3* | *11.0* | *11.7* |
| PAT (Rs. bn) | 89 | 91 | 104 | 114 |
| EPS (Rs.) | 13.5 | 13.8 | 15.8 | 17.3 |
| *Gr. (%)* | *0.9* | *2.3* | *14.1* | *9.8* |
| DPS (Rs.) | 7.5 | 6.0 | 6.9 | 7.5 |
| *Yield (%)* | *4.1* | *3.3* | *3.8* | *4.1* |
| *RoE (%)* | *13.2* | *12.4* | *13.2* | *13.4* |
| *RoCE (%)* | *13.0* | *11.9* | *13.1* | *13.6* |
| EV/Sales (x) | 1.0 | 0.9 | 0.9 | 0.9 |
| EV/EBITDA (x) | 9.3 | 9.6 | 8.5 | 7.7 |
| PE (x) | 13.5 | 13.2 | 11.6 | 10.6 |
| P/BV (x) | 1.7 | 1.6 | 1.5 | 1.4 |

| Key Data | GAIL.BO \| GAIL IN |
|---|---|
| 52-W High / Low | Rs.217 / Rs.151 |
| Sensex / Nifty | 83,939 / 25,722 |
| Market Cap | Rs.1,202bn/ $ 13,537m |
| Shares Outstanding | 6,575m |
| 3M Avg. Daily Value | Rs.1686.03m |

### Shareholding Pattern (%)

| | |
|---|---|
| Promoter's | 51.92 |
| Foreign | 15.20 |
| Domestic Institution | 18.13 |
| Public & Others | 14.75 |
| Promoter Pledge (Rs bn) | - |

### Stock Performance (%)

| | 1M | 6M | 12M |
|---|---|---|---|
| Absolute | 3.7 | (3.3) | (8.6) |
| Relative | (0.9) | (7.6) | (13.6) |

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## *Results in-line, steady outlook*

**Quick Pointers:**

- Guidance of 124mmscmd in FY26
- Potential value unlocking of GAIL Gas Ltd

***GAIL's transmission volume stood in line at 124mmscmd (-5.4% YoY, +2.1% QoQ). Trading volume stood at 105.5mmscmd (+9.2% YoY, flat QoQ). Higher-than-expected EBIT in LPG transmission and gas trading was balanced by lower-than-expected EBIT in petrochem, LPG/liq HCs and unallocated. As a result, EBITDA of Rs31.9bn was in-line with our estimate (PIe Rs32.8bn, BBGe Rs30.4bn, -14.8% YoY, -4.3% QoQ). PAT also came in-line at Rs22.2bn (PIe Rs21.7bn, BBGe Rs20.9bn, -17% YoY, +17.5% QoQ). The stock currently trades at 10.9x Sept'27E EPS. Expected increase in tariffs and transmission volume of 8-10mmscmd in FY27 remains a catalyst. Moreover, value unlocking through potential listing of GAIL Gas Ltd offers upside. As a result, we upgrade our valuation multiple from 11x to 12x adj standalone eps of FY27/FY28E and add Rs33 for investments at 25% holding company discount, leading to a target price of Rs218 (previously Rs199); we also upgrade the rating to "Buy" from Accumulate.***

- **Transmission volume grew QoQ:** Transmission volume grew 2.1% QoQ to 123.6mmscmd in Q2FY26 vs 121.0mmscmd in Q1FY26, while it fell by 5.4% YoY (130.6mmscmd in Q2FY26) due to above normal monsoon impacting power demand, and shifting of industries to alternate fuels. GAIL expects tariff revision of its integrated pipeline to ~Rs70/mmBtu soon.

- **GAIL Gas Ltd:** GAIL Gas reported revenue of Rs32.4bn in Q2FY26 (up from Rs29.3bn in Q1FY26), with PBT up 1% QoQ to Rs1.5bn and PAT up 3% QoQ to Rs1.1bn. Gas sales stood at 7.7mmscmd in Q2FY26. Co. added 44,512 new DPNG connections and 1 CNG station, (including JVs/subsidiaries) to 1.2mn DPNG connections and 665 CNG stations. GAIL is studying a potential listing of GAIL Gas.

- **Trading EBIT improves**: Trading volume stood at 105.5mmscmd in Q2FY26, flat QoQ, while it improved YoY by 9.2% (96.6mmscmd in Q2FY25). Trading EBIT stood at Rs13bn vs Rs13.3bn in Q2FY25 and Rs10.7bn in Q1FY25 (-1.9% YoY and +10.7% QoQ)

- **Concall highlights: 1)** SAPL has been commissioned, while MNJPL, JSPDPL, and KKMBP-Phase 2 will be completed this year. The Gurdaspur-Jammu pipeline is targeted for FY26-27. New pipelines are expected to add 2mmscmd. Petchem - 60 KTA PP project at Pata will be commissioned this year, and 500 KTA PDH-PP plant at Usar is slated for FY27-28. Dabhol LNG terminal is expected to operate at 50% utilization this year. **2)** Guidance - **a)** Gas Marketing - expect to achieve PBT of Rs40-Rs45bn in FY26. **b)** Transmission – expect 125mmscmd in H2FY26 and 123-124mmscmd in FY26. Co. expects 133-134mmscmd in FY27, an addition of ~8-10mmscmd (CGD- 3-4mmscmd, Power - 1-2mmscmd, recovery from impacted pipelines - 1-1.5). **3)**

Secured PNGRB approval for a 105 km, 3 mmscmd Vijaipur–Bina pipeline (Rs4.5bn CapEx) to connect the BPCL Bina refinery. JLPL LPG pipeline - capacity will be expanded from 3.25-6.5mmtpa, with revenue potential Rs7bn at current tariffs. **4)** Around Rs130–140bn to be capitalized in FY26, mainly from MNJPL (Rs85bn), Pata Petrochem PP project (Rs13bn), KKMBPL-Phase 2 (Rs20–25bn), and remaining from Jagdishpur projects.

**Exhibit 1: GAIL's Valuation Table**

| Valuation Table | | Remarks |
|---|---|---|
| Adj EPS | 15.4 | FY27/28 |
| Multiple (x) | 12.0 | |
| Core Business (Rs/share) | 185 | |
| Listed Investments (Rs/share) | 27 | Investments in ONGC, IGL, MGL, PLNG at 25% holding discount |
| Unlisted Investments (Rs/share) | 6 | Investment in subsidiaries, associate companies at 25% discount |
| **Target Price (Rs/share)** | **218** | |

*Source: Company, PL*

**Exhibit 2: GAIL's Quarterly and full year Financials**

| (Rs bn) | Q2FY26 | Q1FY26 | *QoQ gr.* | Q2FY26E | *% Var* | Q2FY25 | *YoY gr.* | H1FY26 | H2FY25 | *YoY gr.* |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **350.3** | **347.9** | ***0.7%*** | **359.6** | ***-2.6%*** | **329.3** | ***6.4%*** | **698.2** | **666.2** | ***4.8%*** |
| *YoY Change (%)* | *0.2* | *5.7* | | *2.9* | | *-3.9* | | | | |
| Raw Materials Consumption | 291.7 | 281.2 | *3.8%* | 171.1 | *70.5%* | 262.9 | *11.0%* | 572.9 | 529.6 | *8.2%* |
| Employee Costs | 5.4 | 5.3 | *1.5%* | 5.5 | *-1.8%* | 5.2 | *3.1%* | 10.7 | 10.4 | *2.5%* |
| Other Expenses | 21.3 | 28.1 | *-24.3%* | 16.9 | *25.7%* | 23.7 | *-10.3%* | 49.4 | 43.5 | *13.7%* |
| **EBITDA** | **31.9** | **33.3** | ***-4.3%*** | **32.8** | ***-2.7%*** | **37.4** | ***-14.8%*** | **65.2** | **82.7** | ***-21.1%*** |
| *Margin (%)* | *9.1%* | *9.6%* | | *9.1%* | | *11.4%* | | *9.3%* | *12.4%* | |
| Depreciation | 9.3 | 8.8 | *5.4%* | 8.9 | *5.1%* | 8.2 | *14.1%* | 18.1 | 18.6 | *-2.7%* |
| Interest | 2.3 | 2.1 | *9.7%* | 1.4 | *61.5%* | 1.9 | *20.9%* | 4.4 | 4.0 | *10.0%* |
| Other Income | 7.9 | 2.9 | *171.5%* | 6.6 | *19.5%* | 7.1 | *11.1%* | 10.8 | 10.9 | *-0.1%* |
| Extra-ordinary Gain | 0.0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | 0.0 | |
| **PBT** | **28.2** | **25.3** | ***11.4%*** | **29.2** | ***-3.2%*** | **34.5** | ***-18.2%*** | **53.6** | **70.9** | ***-24.5%*** |
| Tax | 6.1 | 6.5 | *-6.4%* | 7.5 | *-18.8%* | 7.8 | *-22.4%* | 12.5 | 17.0 | *-26.2%* |
| *Rate (%)* | *21.5* | *25.5* | | *25.6* | *-4.1%* | *22.6* | | *23.4* | *23.9* | |
| **PAT** | **22.2** | **18.9** | ***17.5%*** | **21.7** | ***2.2%*** | **26.7** | ***-17.0%*** | **41.0** | **54.0** | ***-24.0%*** |
| **Adj PAT** | **22.2** | **18.9** | ***17.5%*** | **21.7** | ***2.2%*** | **26.7** | ***-17.0%*** | **41.0** | **54.0** | ***-24.0%*** |
| | | | | | | | | | | |
| **Segmental EBIT (Rs bn)** | | | | | | | | | | |
| Gas Transmission | 14.1 | 15.6 | *-9.2%* | 13.8 | *2.2%* | 14.0 | *0.8%* | 29.7 | 28.5 | *4.3%* |
| LPG Transmission | 1.3 | 1.2 | *7.1%* | 1.0 | *30.4%* | 0.9 | *50.6%* | 2.5 | 1.7 | *49.8%* |
| Natural Gas Trading | 13.0 | 10.7 | *21.7%* | 10.2 | *28.2%* | 13.3 | *-1.9%* | 23.8 | 33.6 | *-29.3%* |
| Petrochemicals | -3.0 | -2.5 | *20.4%* | -0.9 | *NA* | 1.6 | *NA* | -5.5 | 1.2 | *NA* |
| LPG & Liq.HC (pre-subsidy) | 1.1 | 2.1 | *-45.5%* | 2.2 | *-50.1%* | 2.5 | *-55.1%* | 3.2 | 4.8 | *-33.8%* |
| Unallocated; GAILTEL | 1.5 | 1.9 | *-23.3%* | 4.3 | *-65.7%* | 1.5 | *0.5%* | 3.4 | 3.1 | *7.8%* |

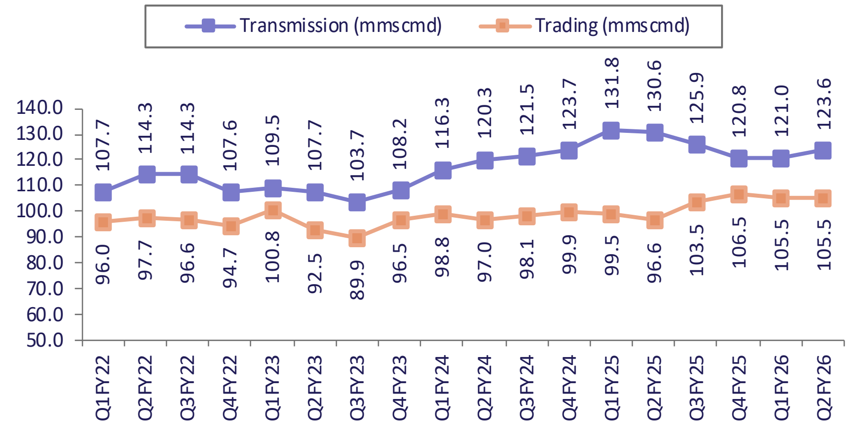
*Source: Company, PL*

**Exhibit 3: Segment wise performance**

| Segment Wise Performance (Rs bn) | Q2FY26 | Q1FY26 | QoQ gr. | Q2FY25 | YoY gr. |
|---|---|---|---|---|---|
| **Gas Transmission Business** | | | | | |
| Volume (mmscmd) | 123.6 | 121.0 | *2.1%* | 130.6 | *-5.4%* |
| Gross Revenue | 27.4 | 28.1 | *-2.5%* | 28.5 | *-3.9%* |
| EBITDA | 18.3 | 19.7 | *-7.1%* | 18.1 | *1.3%* |
| EBIT | 14.1 | 15.6 | *-9.2%* | 14.0 | *0.8%* |
| Average tariff (Rs/mscm) | 2405.7 | 2547.8 | *-5.6%* | 2368.1 | *1.6%* |
| EBITDA (Rs/mscm) | 1609.5 | 1788.2 | *-10.0%* | 1502.8 | *7.1%* |
| EBIT (Rs/mscm) | 1243.5 | 1414.5 | *-12.1%* | 1167.3 | *6.5%* |
| **LPG Transmission Business** | | | | | |
| Volumes ('000 MT) | 1167.0 | 1131.0 | *3.2%* | 1124.0 | *3.8%* |
| Gross Revenues | 2.3 | 2.3 | *2.3%* | 1.9 | *24.9%* |
| EBITDA | 1.5 | 1.4 | *7.2%* | 1.1 | *41.9%* |
| EBIT | 1.3 | 1.2 | *7.1%* | 0.9 | *50.6%* |
| Average tariff (Rs/mscm) | 1985.7 | 2002.3 | *-0.8%* | 1650.5 | *20.3%* |
| EBITDA (Rs/mscm) | 1276.8 | 1229.0 | *3.9%* | 934.2 | *36.7%* |
| EBIT (Rs/mscm) | 1103.4 | 1063.4 | *3.8%* | 760.8 | *45.0%* |
| **Gas Trading Business** | | | | | |
| Volumes (mmscmd) | 105.5 | 105.5 | *0.0%* | 96.6 | *9.2%* |
| Revenues | 314.2 | 310.0 | *1.4%* | 287.5 | *9.3%* |
| EBIT | 13.0 | 10.7 | *21.7%* | 13.3 | *-1.9%* |
| Revenue(Rs/mscm) | 32377.6 | 32308.5 | *0.2%* | 32346.1 | *0.1%* |
| EBIT (Rs/mscm) | 1343.7 | 1116.7 | *20.3%* | 1495.2 | *-10.1%* |
| **Petrochemicals Business** | | | | | |
| Volumes ('000 MT) | 209.0 | 177.0 | *18.1%* | 226.0 | *-7.5%* |
| Gross Revenues | 20.0 | 16.8 | *19.1%* | 21.8 | *-8.0%* |
| EBITDA | -1.5 | -1.3 | *14.2%* | 2.8 | *-151.6%* |
| EBIT | -3.0 | -2.5 | *20.4%* | 1.6 | *-290.0%* |
| Realization (INR/kg) | 95.8 | 95.0 | *0.8%* | 96.3 | *-0.5%* |
| EBITDA (INR/kg) | -6.9 | -7.2 | *-3.3%* | 12.4 | *-155.8%* |
| EBIT (INR/kg) | -14.3 | -14.0 | *1.9%* | 7.0 | *-305.5%* |
| **LPG & Liquid Hydrocarbons Business** | | | | | |
| Volumes ('000 MT) | 223.0 | 198.0 | *12.6%* | 253.0 | *-11.9%* |
| Gross Revenues | 11.5 | 11.1 | *4.1%* | 13.0 | *-11.3%* |
| EBITDA | 1.4 | 2.3 | *-38.9%* | 2.8 | *-48.4%* |
| EBIT | 1.1 | 2.1 | *-45.5%* | 2.5 | *-55.1%* |
| Realization (INR/MT) | 51578.5 | 55828.3 | *-7.6%* | 51235.6 | *0.7%* |
| EBITDA (INR/MT) | 6412.6 | 11818.2 | *-45.7%* | 10948.6 | *-41.4%* |
| EBIT (INR/MT) | 5013.0 | 10354.0 | *-51.6%* | 9839.5 | *-49.1%* |

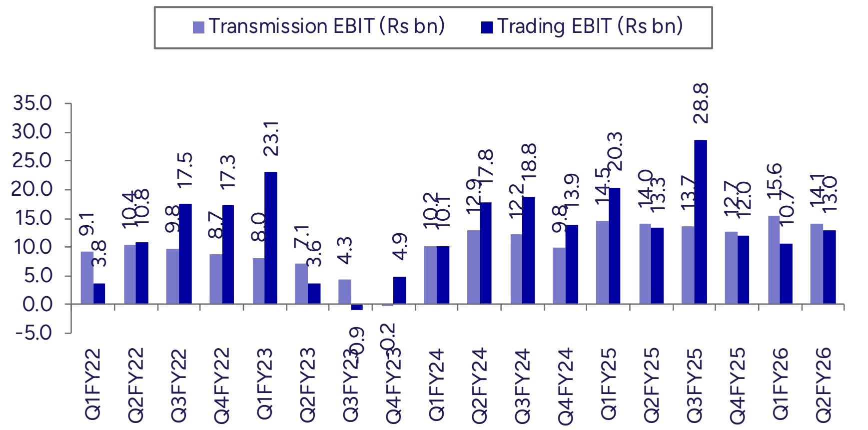
*Source: Company, PL*

**Exhibit 4: Transmission volume marginally improves QoQ**



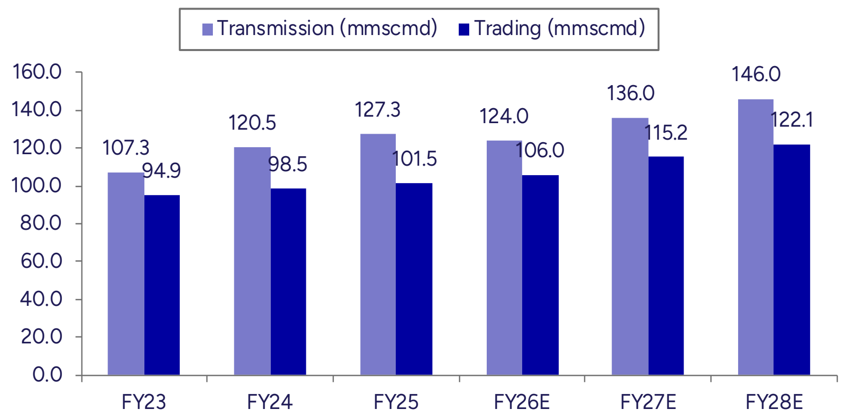

*Source: Company, PL*

**Exhibit 5: Trading EBIT improves marginally QoQ**




*Source: Company, PL*

**Exhibit 6: Transmission/trading volumes to grow to 136/115mmscmd by FY27E**




*Source: Company, PL*

# Financials

**Income Statement (Rs bn)**

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| **Net Revenues** | **1,373** | **1,496** | **1,435** | **1,489** |
| *YoY gr. (%)* | *5.1* | *9.0* | *(4.1)* | *3.7* |
| Cost of Goods Sold | 1,131 | 1,267 | 1,176 | 1,211 |
| Gross Profit | 242 | 229 | 259 | 277 |
| *Margin (%)* | *17.7* | *15.3* | *18.0* | *18.6* |
| Employee Cost | 20 | 21 | 22 | 22 |
| Other Expenses | 79 | 69 | 79 | 80 |
| | | | | |
| **EBITDA** | **143** | **138** | **158** | **175** |
| *YoY gr. (%)* | *8.0* | *(3.4)* | *14.2* | *10.5* |
| *Margin (%)* | *10.4* | *9.3* | *11.0* | *11.7* |
| | | | | |
| Depreciation and Amortization | 36 | 34 | 35 | 36 |
| | | | | |
| **EBIT** | **107** | **104** | **123** | **139** |
| *Margin (%)* | *7.8* | *7.0* | *8.6* | *9.3* |
| | | | | |
| Net Interest | 7 | 6 | 6 | 7 |
| Other Income | 24 | 23 | 22 | 21 |
| | | | | |
| **Profit Before Tax** | **148** | **121** | **138** | **152** |
| *Margin (%)* | *10.8* | *8.1* | *9.6* | *10.2* |
| | | | | |
| Total Tax | 35 | 31 | 35 | 38 |
| *Effective tax rate (%)* | *23.7* | *25.2* | *25.2* | *25.2* |
| | | | | |
| **Profit after tax** | **113** | **91** | **104** | **114** |
| Minority interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| | | | | |
| **Adjusted PAT** | **89** | **91** | **104** | **114** |
| *YoY gr. (%)* | *0.9* | *2.3* | *14.1* | *9.8* |
| *Margin (%)* | *6.5* | *6.1* | *7.2* | *7.6* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| | | | | |
| **Reported PAT** | **89** | **91** | **104** | **114** |
| *YoY gr. (%)* | *0.9* | *2.3* | *14.1* | *9.8* |
| *Margin (%)* | *6.5* | *6.1* | *7.2* | *7.6* |
| | | | | |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 89 | 91 | 104 | 114 |
| **Equity Shares O/s (bn)** | **7** | **7** | **7** | **7** |
| **EPS (Rs)** | **13.5** | **13.8** | **15.8** | **17.3** |

*Source: Company Data, PL Research*

**Balance Sheet Abstract (Rs bn)**

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | **815** | **985** | **1,085** | **1,185** |
| Tangibles | 815 | 985 | 1,085 | 1,185 |
| Intangibles | - | - | - | - |
| | | | | |
| **Acc: Dep / Amortization** | **350** | **384** | **419** | **455** |
| Tangibles | 350 | 384 | 419 | 455 |
| Intangibles | - | - | - | - |
| | | | | |
| **Net fixed assets** | **465** | **601** | **665** | **730** |
| Tangibles | 465 | 601 | 665 | 730 |
| Intangibles | - | - | - | - |
| | | | | |
| Capital Work In Progress | 188 | 119 | 119 | 119 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 231 | 231 | 231 | 231 |
| Net Deferred tax assets | (51) | (51) | (51) | (51) |
| Other Non-Current Assets | - | - | - | - |
| | | | | |
| **Current Assets** | | | | |
| Investments | - | - | - | - |
| Inventories | 60 | 65 | 63 | 65 |
| Trade receivables | 103 | 112 | 107 | 111 |
| Cash & Bank Balance | 11 | 17 | 21 | 40 |
| Other Current Assets | 40 | 40 | 40 | 40 |
| **Total Assets** | **1,159** | **1,245** | **1,307** | **1,396** |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | 66 | 66 | 66 | 66 |
| Other Equity | 640 | 691 | 750 | 814 |
| **Total Networth** | **706** | **757** | **815** | **880** |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term borrowings | 136 | 149 | 163 | 178 |
| Provisions | - | - | - | - |
| Other non current liabilities | - | - | - | - |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade payables | - | - | - | - |
| Other current liabilities | 267 | 289 | 278 | 288 |
| **Total Equity & Liabilities** | **1,159** | **1,245** | **1,307** | **1,396** |

*Source: Company Data, PL Research*

### Cash Flow (Rs bn)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| PBT | 148 | 121 | 138 | 152 |
| Add. Depreciation | 36 | 34 | 35 | 36 |
| Add. Interest | 7 | 6 | 6 | 7 |
| Less Financial Other Income | 24 | 23 | 22 | 21 |
| Add. Other | (21) | - | - | - |
| Op. profit before WC changes | 171 | 161 | 180 | 195 |
| Net Changes-WC | 9 | 13 | (6) | 6 |
| Direct tax | (24) | (31) | (35) | (38) |
| **Net cash from Op. activities** | **156** | **144** | **138** | **163** |
| Capital expenditures | (69) | (100) | (100) | (100) |
| Interest / Dividend Income | - | - | - | - |
| Others | 8 | - | - | - |
| **Net Cash from Invt. activities** | **(61)** | **(100)** | **(100)** | **(100)** |
| Issue of share cap. / premium | - | - | - | - |
| Debt changes | (28) | 13 | 14 | 15 |
| Dividend paid | (43) | (40) | (45) | (50) |
| Interest paid | (11) | (6) | (6) | (7) |
| Others | (10) | - | - | - |
| **Net cash from Fin. activities** | **(92)** | **(32)** | **(37)** | **(41)** |
| **Net change in cash** | **3** | **11** | **1** | **21** |
| Free Cash Flow | 87 | 44 | 38 | 63 |

*Source: Company Data, PL Research*

### Key Financial Metrics

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| **Per Share(Rs)** | | | | |
| EPS | 13.5 | 13.8 | 15.8 | 17.3 |
| CEPS | 19.0 | 19.0 | 21.1 | 22.8 |
| BVPS | 107.3 | 115.1 | 124.0 | 133.8 |
| FCF | 13.2 | 6.6 | 5.9 | 9.5 |
| DPS | 7.5 | 6.0 | 6.9 | 7.5 |
| **Return Ratio(%)** | | | | |
| RoCE | 13.0 | 11.9 | 13.1 | 13.6 |
| ROIC | 9.3 | 8.5 | 9.6 | 10.2 |
| RoE | 13.2 | 12.4 | 13.2 | 13.4 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | 0.2 | 0.2 | 0.2 | 0.2 |
| Net Working Capital (Days) | - | - | - | - |
| **Valuation(x)** | | | | |
| PER | 13.5 | 13.2 | 11.6 | 10.6 |
| P/B | 1.7 | 1.6 | 1.5 | 1.4 |
| P/CEPS | 9.6 | 9.6 | 8.7 | 8.0 |
| EV/EBITDA | 9.3 | 9.6 | 8.5 | 7.7 |
| EV/Sales | 1.0 | 0.9 | 0.9 | 0.9 |
| Dividend Yield (%) | 4.1 | 3.3 | 3.8 | 4.1 |

*Source: Company Data, PL Research*

### Quarterly Financials (Rs bn)

| Y/e Mar | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|---|---|---|---|---|
| **Net Revenue** | **350** | **357** | **348** | **350** |
| *YoY gr. (%)* | *2.1* | *10.4* | *3.3* | *6.4* |
| Raw Material Expenses | 294 | 299 | 290 | 290 |
| Gross Profit | 56 | 58 | 57 | 60 |
| *Margin (%)* | *15.9* | *16.2* | *16.5* | *17.3* |
| **EBITDA** | **28** | **32** | **33** | **32** |
| *YoY gr. (%)* | *(25.8)* | *(9.6)* | *(26.4)* | *(14.8)* |
| *Margin (%)* | *8.1* | *9.0* | *9.6* | *9.1* |
| Depreciation / Depletion | 8 | 9 | 9 | 9 |
| **EBIT** | **20** | **23** | **25** | **23** |
| *Margin (%)* | *5.7* | *6.5* | *7.0* | *6.5* |
| Net Interest | 2 | 2 | 2 | 2 |
| Other Income | 7 | 6 | 3 | 8 |
| **Profit before Tax** | **50** | **27** | **25** | **28** |
| *Margin (%)* | *14.4* | *7.6* | *7.3* | *8.1* |
| Total Tax | 12 | 7 | 6 | 6 |
| *Effective tax rate (%)* | *23.1* | *24.1* | *25.5* | *21.5* |
| **Profit after Tax** | **39** | **20** | **19** | **22** |
| Minority interest | - | - | - | - |
| Share Profit from Associates | - | - | - | - |
| **Adjusted PAT** | **14** | **20** | **19** | **22** |
| *YoY gr. (%)* | *(49.8)* | *(5.9)* | *(30.8)* | *(17.0)* |
| *Margin (%)* | *4.1* | *5.7* | *5.4* | *6.3* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **39** | **20** | **19** | **22** |
| *YoY gr. (%)* | *36.0* | *(5.9)* | *(30.8)* | *(17.0)* |
| *Margin (%)* | *11.1* | *5.7* | *5.4* | *6.3* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **39** | **20** | **19** | **22** |
| Avg. Shares O/s (bn) | 7 | 7 | 7 | 7 |
| **EPS (Rs)** | **2.2** | **3.1** | **2.9** | **3.4** |

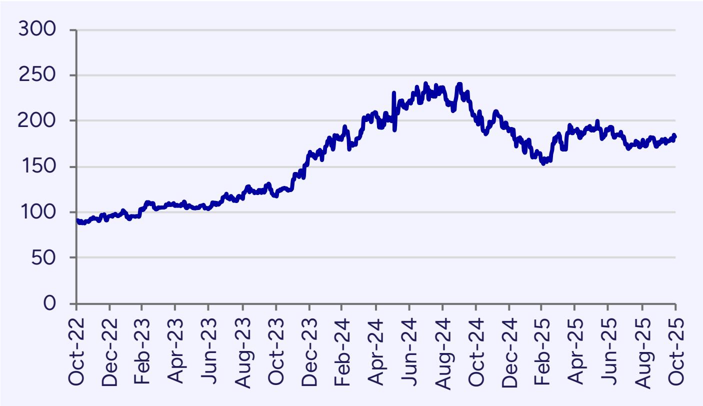
*Source: Company Data, PL Research*

### Key Operating Metrics

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| Transmission Volume (mmscmd) | 127 | 124 | 136 | 136 |
| Transmission EBIT (Rs/mscm) | 1,181 | 1,216 | 1,349 | 1,354 |
| Trading Volume (mmscmd) | 102 | 106 | 115 | 115 |
| Trading EBIT (Rs/mscm) | 2,010 | 1,115 | 1,133 | 1,136 |
| Petchem (kt) | 845 | 810 | 203 | 203 |
| Petchem EBIT (Rs/kg) | (15) | (5) | (4) | (4) |
| LPG (kt) | 4,478 | 4,529 | 1,147 | 1,183 |
| LPG EBIT (Rs/mt) | 941 | 987 | 918 | 923 |

*Source: Company Data, PL Research*

**Price Chart**




**Recommendation History**

| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|---|---|---|---|---|
| 1 | 03-Oct-25 | Accumulate | 199 | 177 |
| 2 | 29-Jul-25 | Hold | 180 | 181 |
| 3 | 03-Jul-25 | Hold | 184 | 191 |
| 4 | 14-May-25 | Hold | 191 | 184 |
| 5 | 08-Apr-25 | Accumulate | 185 | 169 |
| 6 | 05-Feb-25 | Accumulate | 204 | 180 |
| 7 | 31-Jan-25 | Accumulate | 192 | 167 |
| 8 | 08-Jan-25 | Hold | 203 | 186 |
| 9 | 06-Nov-24 | Hold | 204 | 209 |

**Analyst Coverage Universe**

| Sr. No. | CompanyName | Rating | TP (Rs) | Share Price (Rs) |
|---|---|---|---|---|
| 1 | Aarti Industries | Hold | 395 | 377 |
| 2 | Bharat Petroleum Corporation | Hold | 347 | 342 |
| 3 | Bharti Airtel | Accumulate | 2,090 | 1,930 |
| 4 | Clean Science and Technology | Hold | 1,111 | 1,068 |
| 5 | Deepak Nitrite | Hold | 1,924 | 1,844 |
| 6 | Fine Organic Industries | BUY | 5,571 | 4,651 |
| 7 | GAIL (India) | Accumulate | 199 | 177 |
| 8 | Gujarat Fluorochemicals | Hold | 3,742 | 3,643 |
| 9 | Gujarat Gas | Hold | 442 | 436 |
| 10 | Gujarat State Petronet | Accumulate | 339 | 325 |
| 11 | Hindustan Petroleum Corporation | Accumulate | 458 | 446 |
| 12 | Indian Oil Corporation | Accumulate | 166 | 155 |
| 13 | Indraprastha Gas | Reduce | 192 | 209 |
| 14 | Jubilant Ingrevia | Hold | 695 | 677 |
| 15 | Laxmi Organic Industries | Reduce | 192 | 198 |
| 16 | Mahanagar Gas | BUY | 1,531 | 1,271 |
| 17 | Mangalore Refinery & Petrochemicals | Accumulate | 159 | 142 |
| 18 | Navin Fluorine International | Accumulate | 5,601 | 5,009 |
| 19 | NOCIL | Hold | 187 | 181 |
| 20 | Oil & Natural Gas Corporation | BUY | 278 | 244 |
| 21 | Oil India | BUY | 525 | 415 |
| 22 | Petronet LNG | Hold | 290 | 279 |
| 23 | Reliance Industries | BUY | 1,668 | 1,417 |
| 24 | SRF | Hold | 3,123 | 3,028 |
| 25 | Vinati Organics | BUY | 1,946 | 1,690 |

**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 |

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