Company Note | Gas Transmission & Dist | India | December 19, 2023

InCred Equities

UPGRADE

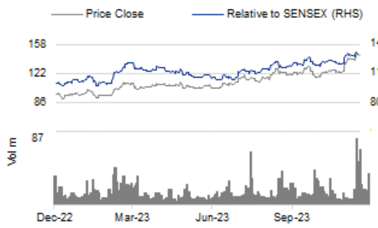
India

ADD *(previously HOLD)*

Consensus ratings*:	Buy 23	Hold 4	Sell 3

Current price:	Rs145
Target price: ▲	Rs200
Previous target:	Rs121
Up/downside:	37.9%
InCred Research / Consensus:	43.2%
Reuters:	GAIL.NS
Bloomberg:	GAIL IN
Market cap:	US$11,482m
	Rs953,718m
Average daily turnover:	US$25.2m
	Rs2093.3m
Current shares o/s:	6,575.1m
Free float:	34.7%

**Source: Bloomberg*



Source: Bloomberg

Price performance	*1M*	*3M*	*12M*
Absolute (%)	14.9	17.4	49.9
Relative (%)	6.0	11.3	28.9

Major shareholders	% held
President of India	51.9
LICI Ulip	8.4
SBI MF	5.0

GAIL India

Volume tailwinds ahead; upgrade to ADD

- Global LNG and European gas prices are falling, with European gas reserves at a record high giving India a sweet spot to fulfill its needs via LNG imports.
- Gas transmission volume is poised to rise, given India's record-high gas usage across sectors, with a significant contribution from CGD & fertilizer sectors.
- Consol. EPS is likely to post a 26% CAGR over FY24F-26F. We upgrade our rating on the stock to ADD (HOLD earlier) with a higher target price of Rs200.

Gas volume to surge amid rising sectoral demand

Global liquefied natural gas or LNG prices and European gas prices are falling. European gas reserves are at an all-time high and incremental imported gas consumption is still below incremental purchases (on a weekly basis, ergo reserves are rising). The era of European power inflation seems to be over, with Europe showing reduced urgency to procure LNG at any cost. This shift is detrimental to coal and LNG prices, as panic buying by Europe was the key driving force behind elevated prices in 2022 and the early part of 2023. With the diminished need to stock coal and LNG, the prices of these commodities are now falling. This trend suggests that Indian city gas distribution or CGD and fertilizer companies are poised for significant volume growth, with the surge in demand likely to contribute to higher volume, benefiting GAIL India or GAIL's volume.

Tailwinds in gas transmission business

Multiple favourable factors are shaping GAIL's transmission business as capacity utilization, which is likely to rise from 52% in FY23 to 58% in FY24F, positions the company to achieve a utilization rate of 70% and touch 145mmscmd by FY26F. This growth is propelled by increased domestic demand, especially from sectors like CGD, fertilizer, industrials, refineries, and power, contributing to India's record gas demand. Moreover, with the implementation of Unified Tariff Regulations from 1 Apr 2023, under 'One Nation, One Grid and One Tariff,' GAIL stands to benefit, particularly with higher tariffs and reduced LNG purchases. Additionally, GAIL's significant gas contribution of 67% to the fertilizer sector in FY22-23 and its role as a pool operator for the Government of India's natural gas pooling initiative further strengthens its position in the market. However, there is a potential risk like the possibility of a decline in propane (LPG) prices if Brent crude oil prices decrease from their current levels. Moreover, there is ongoing pressure in the petrochemicals sector, as is evident in the clear downturn marked by falling spreads. We believe this persistent pressure will continue in the petrochemicals sector.

Growth concerns are behind us; upgrade rating on the stock to ADD

The volume growth trajectory is promising for GAIL, paving the way for a rise in its earnings. We upgraded the rating on the stock to ADD (from HOLD earlier) with a higher target price of Rs200 (from Rs121 earlier). However, downside risks could arise from a double-digit rise in LNG prices or any change in the government's policy for the sector.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	927,698	1,456,683	1,416,266	1,556,649	1,711,450
Operating EBITDA (Rsm)	151,516	73,731	138,557	187,322	219,502
Net Profit (Rsm)	120,018	56,160	101,136	136,521	159,445
Core EPS (Rs)	24.3	6.8	13.7	19.0	22.5
Core EPS Growth	126.1%	(72.2%)	101.8%	39.4%	18.3%
FD Core P/E (x)	5.37	16.98	9.43	6.99	5.98
DPS (Rs)	9.0	4.7	5.4	8.3	9.7
Dividend Yield	6.20%	3.22%	3.71%	5.73%	6.69%
EV/EBITDA (x)	4.52	14.74	7.66	5.45	4.41
P/FCFE (x)	28.42	(10.90)	(45.94)	29.29	17.35
Net Gearing	6.0%	20.2%	13.9%	7.8%	1.5%
P/BV (x)	1.00	1.47	1.24	1.12	1.00
ROE	18.4%	6.9%	12.7%	15.4%	16.4%
% Change In Core EPS Estimates			(31.06%)		
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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InCred Equities

Major beneficiary of volume growth

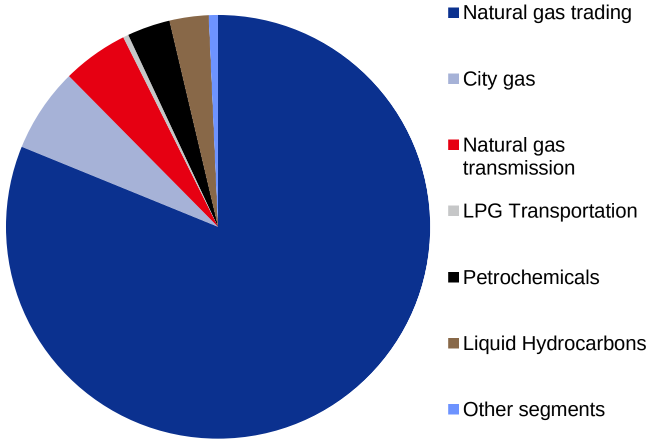
Business overview

GAIL is a major natural gas company in India, with diverse interests across the entire natural gas value chain.

Key activities ›

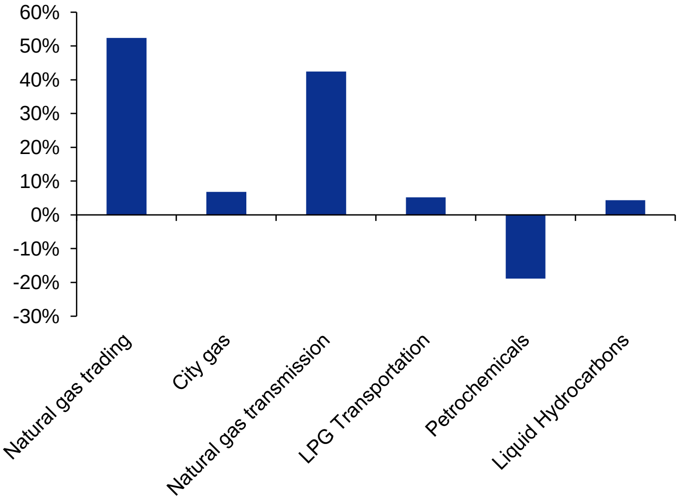
- **Gas trading:** GAIL imports and trades liquefied natural gas (LNG) and domestic natural gas, serving as a key player in ensuring India's energy security.
- **Gas transmission:** GAIL owns and operates a vast network of pipelines across India, transporting natural gas from the producers to the consumers.
- **Marketing and distribution:** GAIL sells natural gas directly to large consumers like power plants and industries and works with distributors to reach smaller consumers through city gas networks.
- **Exploration and production (E&P):** GAIL is involved in exploring new natural gas resources, both domestically and internationally, to expand its supply portfolio.
- **Petrochemicals:** GAIL has investments in petrochemical plants that produce various products like fertilizers, plastics, and chemicals.
- **Other services:** GAIL also offers various services like pipeline construction, city gas infrastructure development, and technical consulting.

Figure 1: Natural gas trading contributes 81% to its overall revenue (12M trailing)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: However, natural gas transmission contributes just 40% to GAIL's PBT



SOURCE: INCRED RESEARCH, COMPANY REPORTS

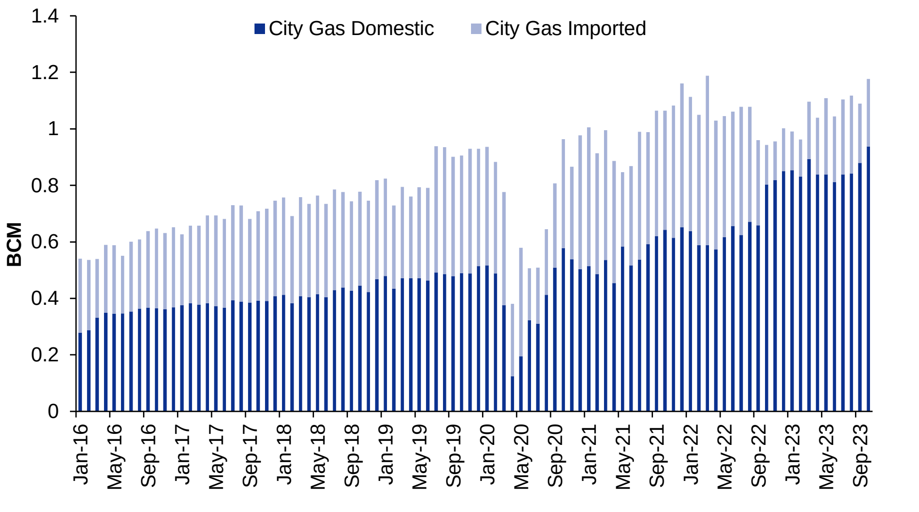
Gas marketing business

Natural gas trading business encompasses both gas trading and city gas operations. However, gas trading makes up 93% of the total gas marketing revenue while city gas contributes 7%. The city gas distribution (CGD) business is characterized by high stability, whereas the trading business experiences significant volatility. In trading, GAIL sources imported and APM/NAPM gas, distributing it across various sectors, including 40% to fertilizer, 25% to CGD, 11% to power, 9% to overseas companies and the remaining 15% to other sectors. (such as steel, refineries, sponge iron, internal consumption, etc.)

Robust growth in CGD volume reflects positive prospects ›

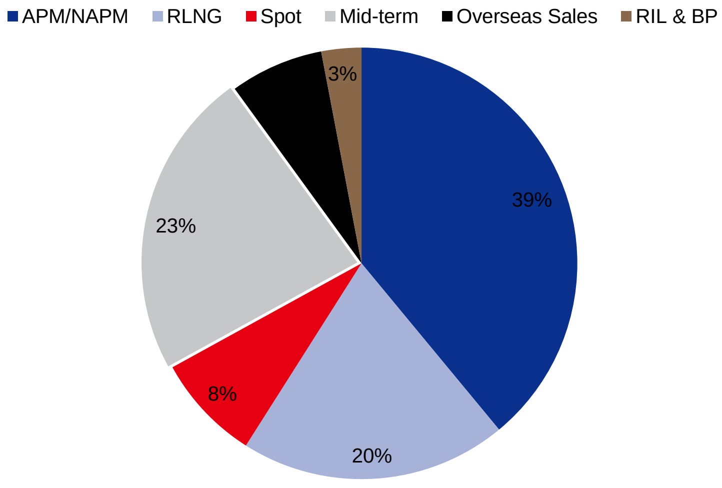
In FY22-23, the company recorded a sales volume of 94.91mmscmd, with 83.03 mmscmd in domestic sales and 11.88mmscmd in overseas sales. Going ahead, in FY23F-24F, we project the transmission business to touch a sales volume of approximately 98mmscmd, benefitting GAIL with a heightened contribution from CGD in the gas marketing segment.

Figure 3: CGD volume is expanding



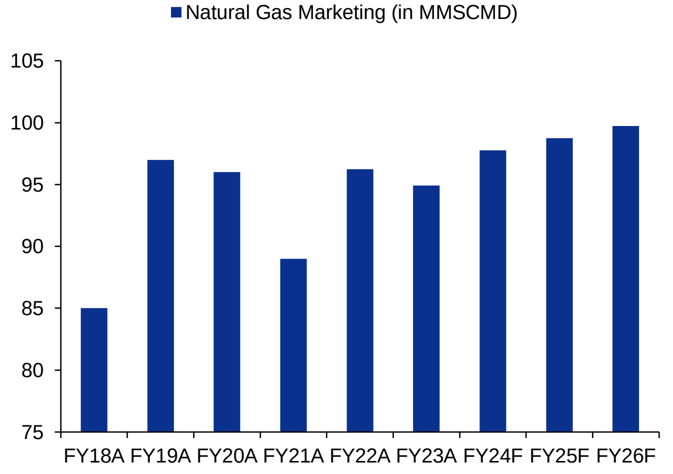
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: GAIL's gas marketing mix



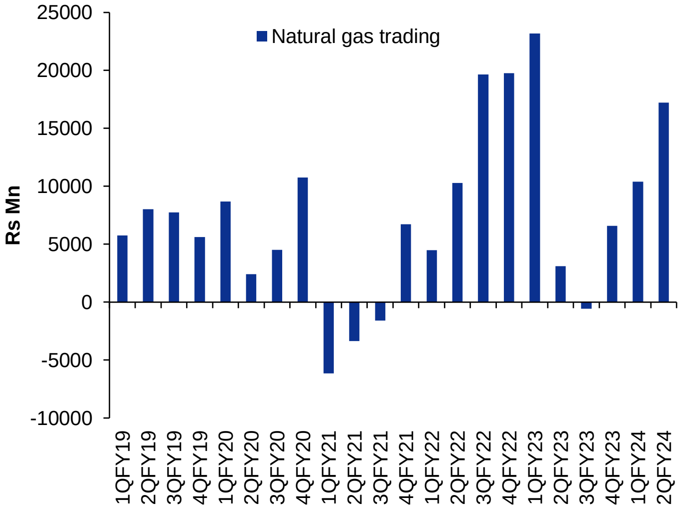
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: GAIL's gas marketing volume is likely to touch 98mmscmd in FY24F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: However, the nature of the gas trading business is highly volatile and sometimes losses are inevitable.

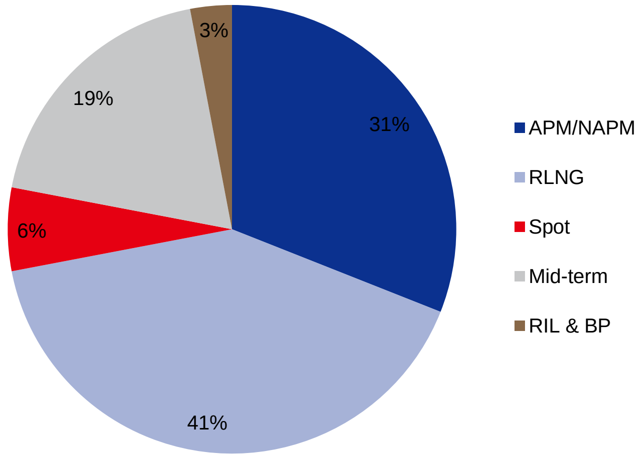


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Gas transmission business ›

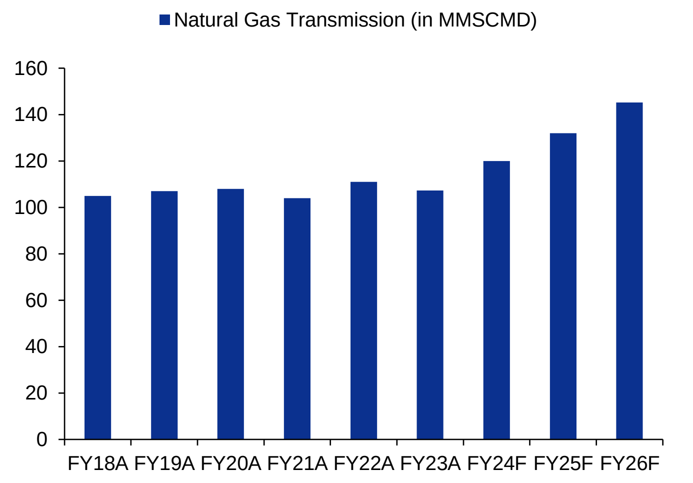
GAIL has significantly expanded its nationwide natural gas pipeline network, totalling around 15,600km. The average gas transmission within this network slightly decreased to 107.28mmscmd in FY22-23. However, we expect the gas transmission business to post a volume of nearly 120mmscmd in FY23-24F. The company maintains a dominant 65% share in the country's natural gas transmission sector.

Figure 7: GAIL's gas transmission mix



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: GAIL's gas transmission volume

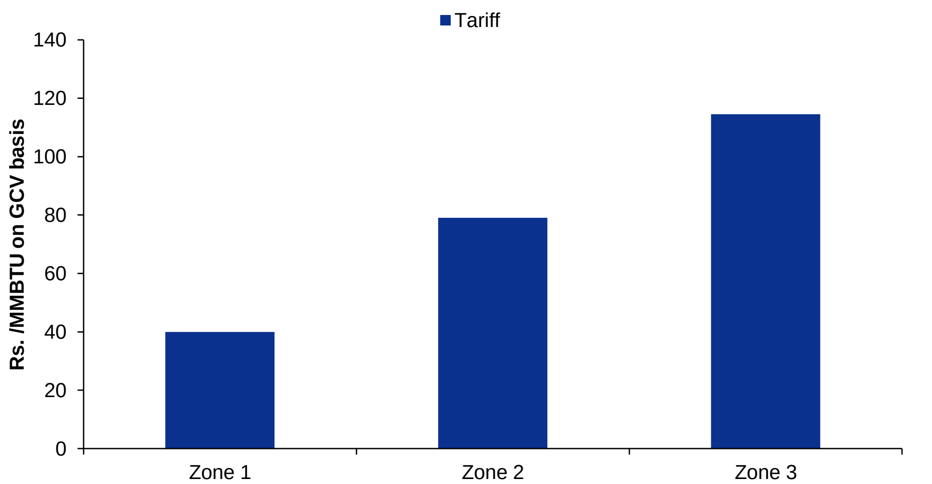


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Unified tariff amid lower LNG prices to potentially contribute to increased transmission volume across the mix ›

The Petroleum and Natural Gas Regulatory Board or PNGRB has implemented Unified Tariff Regulations from 1 Apr 2023 under **'One Nation, One Grid and One tariff'**. According to these regulations, the unified tariff is determined as the weighted average zonal tariff for all constituent natural gas pipelines within the National Gas Grid System (NGGS). Subsequently, the unified tariff is divided into three zones: the first zone covering a distance from the gas source to 300km, the second zone covering more than 300km and up to 1,200 km, and the third zone covering more than 1,200km.

Figure 9: Unified tariff calculation is determined on the basis of anticipated volume for the period - 1 Jul 2023 to 31 Mar 2024

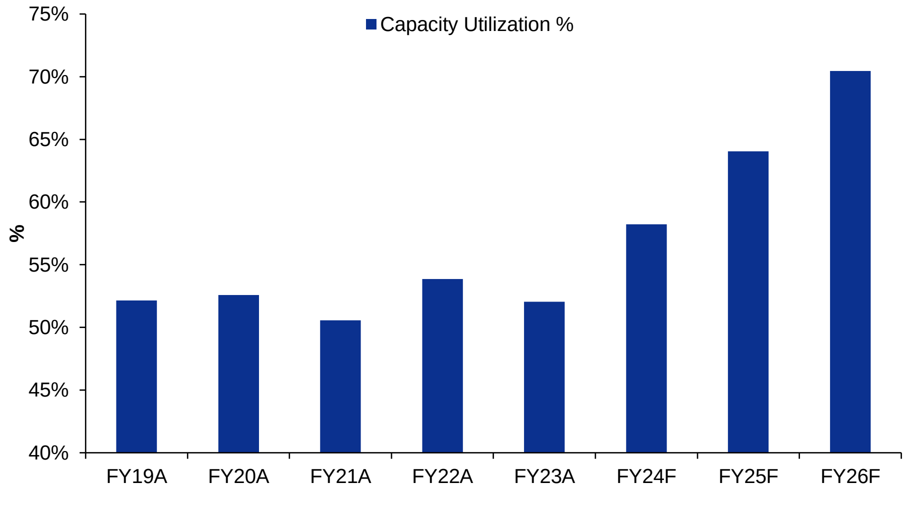


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Capacity utilization to touch 70% by FY26F amidst highest-ever demand for gas from fertilizer, power & CGD sectors

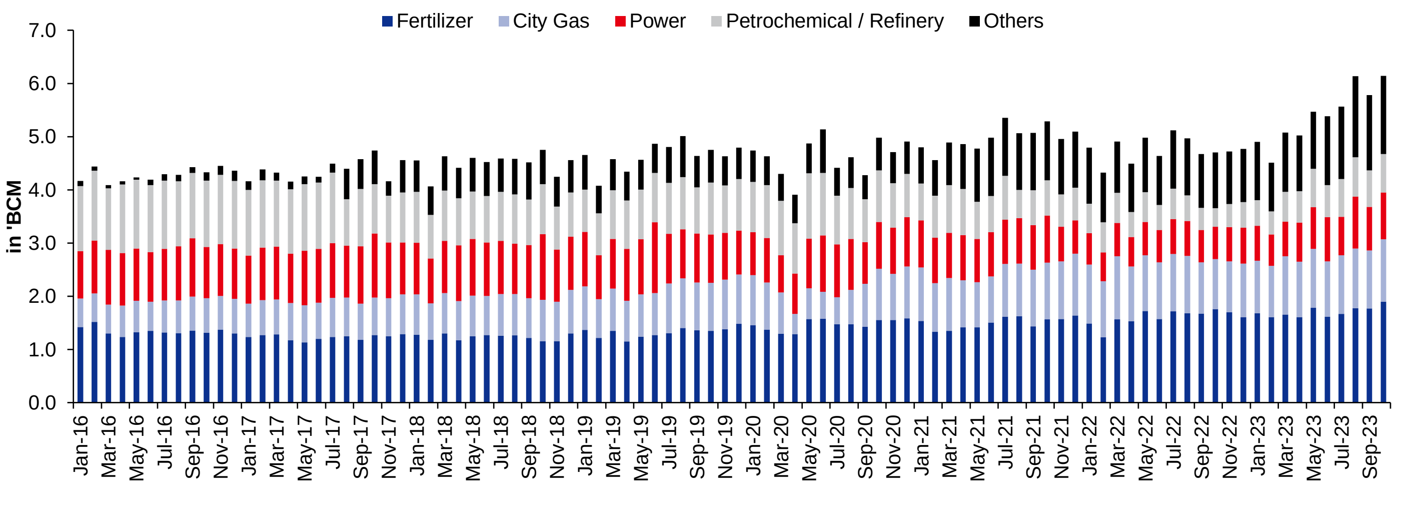
Capacity utilization stood at 52% in FY23 and is projected to touch 58% in FY24F, with GAIL having the potential to easily achieve a capacity utilization rate of 70%, reaching 145mmscmd by FY26F in average pipeline capacity. In 2QFY24, natural gas transmission volume increased to 120.31mmscmd from 116.33mmscmd in 1Q. The pipeline capacity utilization stood at 58% in 2QFY24, driven by increased demand from the domestic market, especially from sectors like fertilizer, power, industrials, refineries and CGD, contributing to India's highest-ever gas demand.

Figure 10: Natural gas transmission capacity utilization rate



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: India's total sectoral gas consumption is at its peak



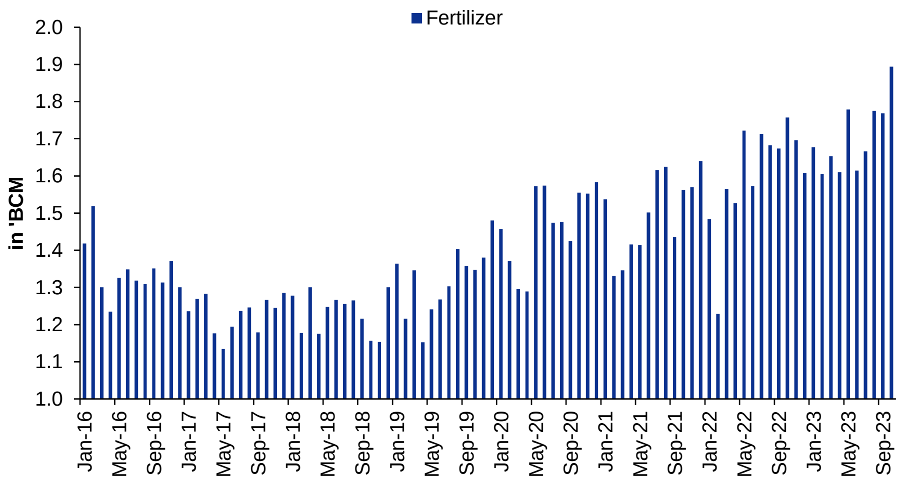
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Urea plants to contribute to the rise in overall gas transmission volume

GAIL provided approximately 67% of the gas utilized in the fertilizer sector in India in FY22-23. Throughout this financial year, the company supplied gas to Matix Fertilizers & Chemicals in Panagarh, as well as to Hindustan Urvarak & Rasayan (HURL) for the commissioning of its Gorakhpur, Sindri and Barauni plants. GAIL played a crucial role in assisting these facilities in achieving successful commercial urea production.

GAIL is serving as a pool operator, following the decision of the Government of India to pool natural gas for urea plants.

Figure 12: Fertilizer sector's gas consumption is at its peak



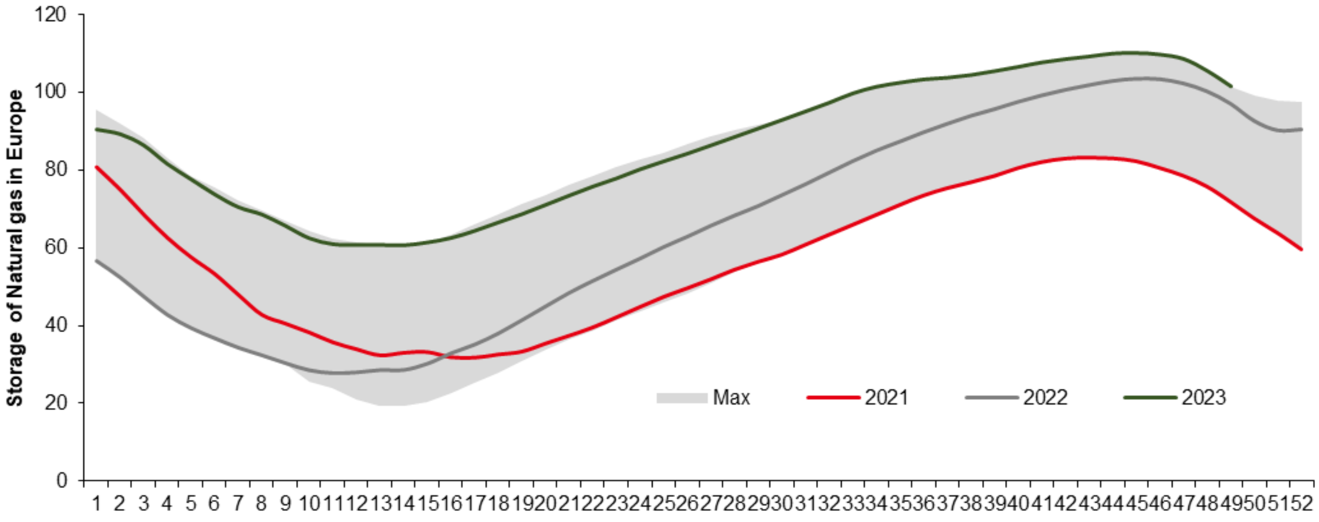
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Falling global LNG and European gas prices in a resilient energy market ➤

LNG prices and European gas power prices are falling. European gas reserves are at an all-time high and incremental imported gas consumption is still below incremental purchases (on a weekly basis, ergo reserves are rising). European power inflation is behind us, and Europe no longer appears to be in a great hurry to buy LNG at any price.

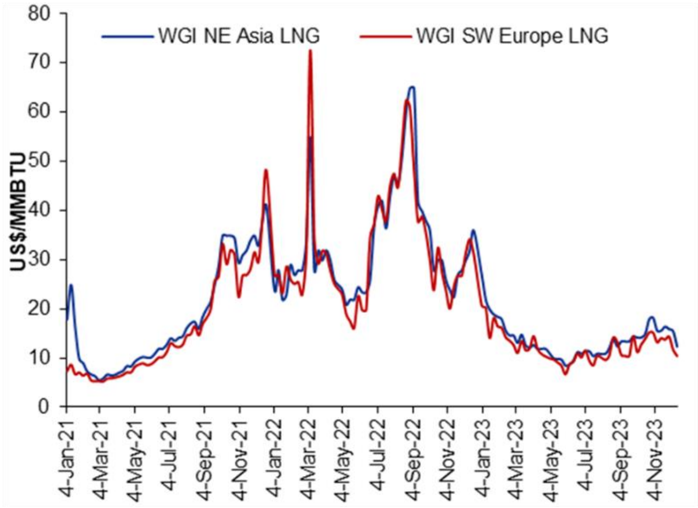
Panic buying by Europe primarily drove LNG and coal prices in 2022 and the early part of 2023. As the need to stock coal/LNG doesn't exist anymore, prices of coal as well as LNG are falling. In the current scenario, GAIL looks very attractive because of volume growth prospects.

Figure 13: European gas reservoir is full



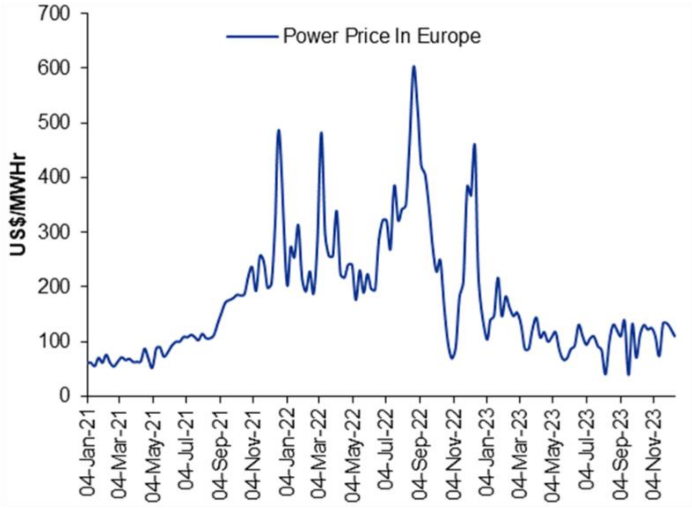
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: LNG prices are falling in Europe and Asia



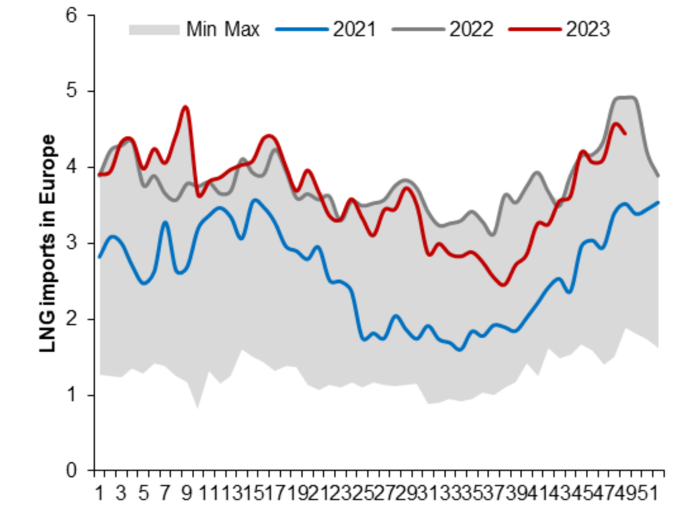
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 15: European power prices are also down



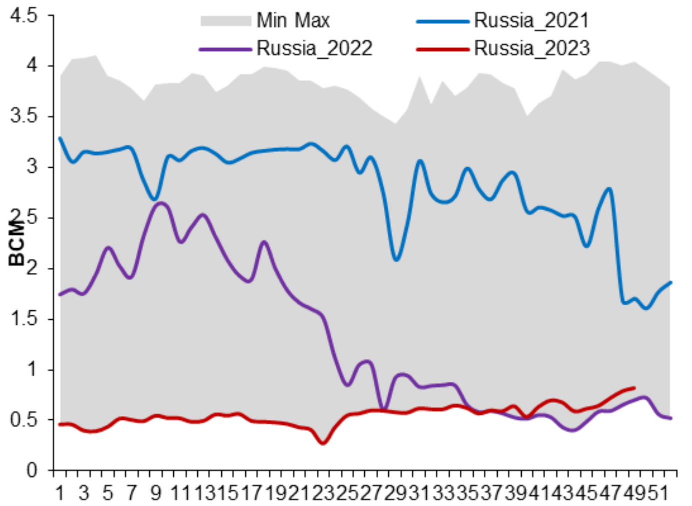
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 16: LNG Imports in Europe are way below last year's level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

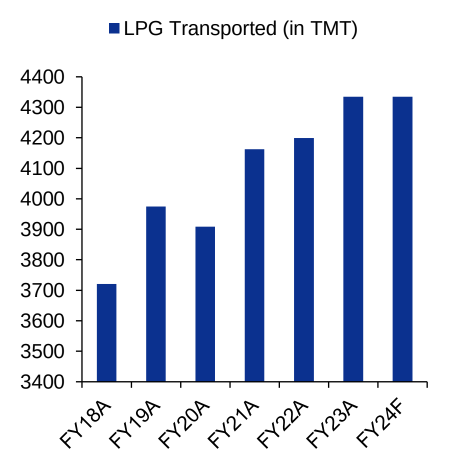
Figure 17: This is despite Russian gas imports being close to their all-time low



SOURCE: INCRED RESEARCH, COMPANY REPORTS

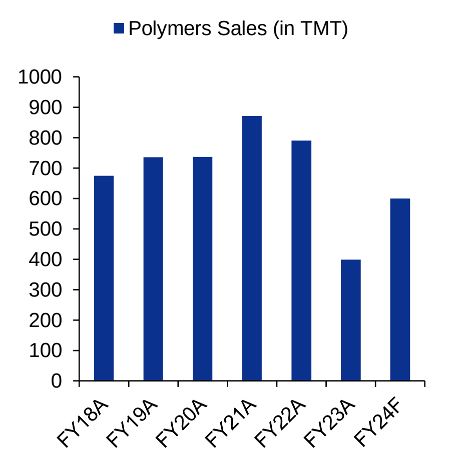
Petchem, liquid hydrocarbons & LPG transportation contibuted 7% to GAIL's overall revenue

Figure 18: LPG transmission volume



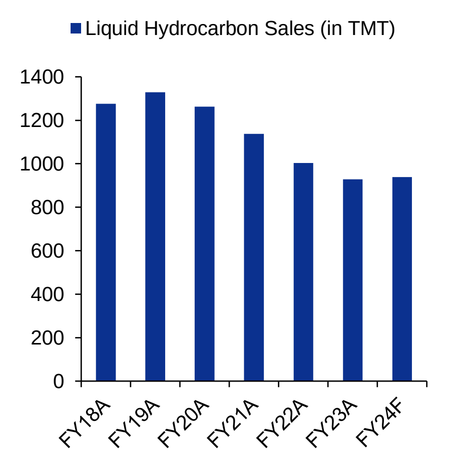
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 19: Petrochemicals sales



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 20: Liquid hydrocarbon sales



SOURCE: INCRED RESEARCH, COMPANY REPORTS

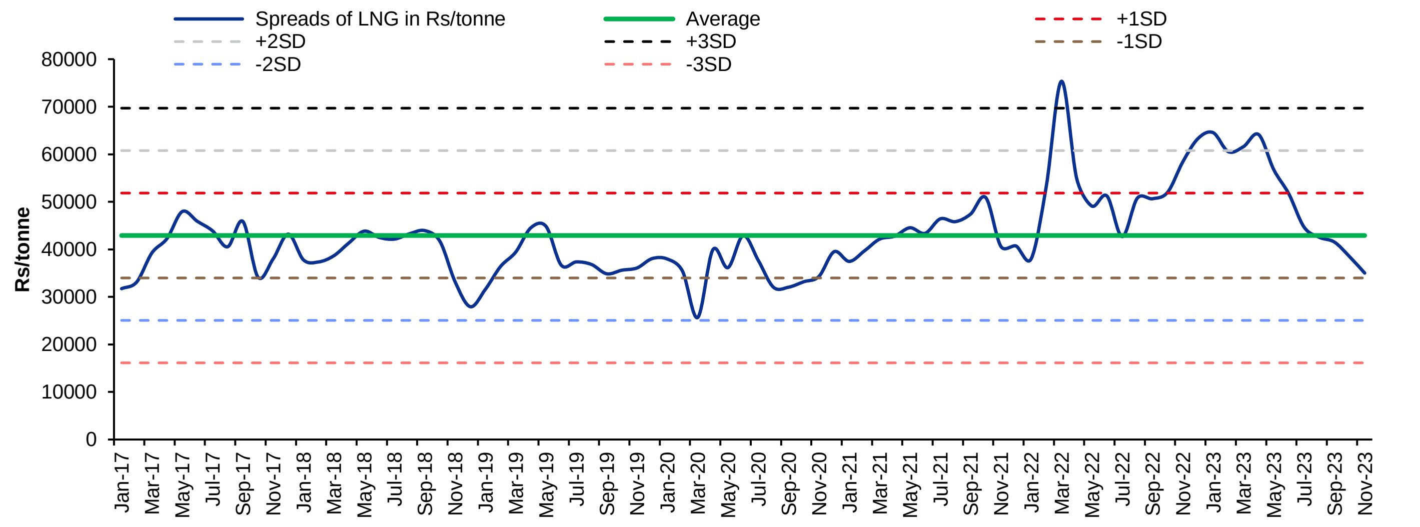
Petrochemicals business

From natural gas GAIL makes ethylene, which is then converted into HDPE (high density polyethylene) and LDPE (low density polyethylene). Apart from PE (polyethylene), the company also makes propylene and butadiene.

GAIL uses natural gas to make ethylene

2.436m Btu per barrel (0.058m Btu per gallon) is the conversion factor for ethylene from natural gas. GAIL gets administered pricing mechanism or APM gas to make ethylene from ONGC and Oil India. The company doesn't sell ethylene in the open market but rather it uses ethylene to make HDPE and LDPE. It's another matter that weakening demand is leading to collapse in ethylene spreads over natural gas.

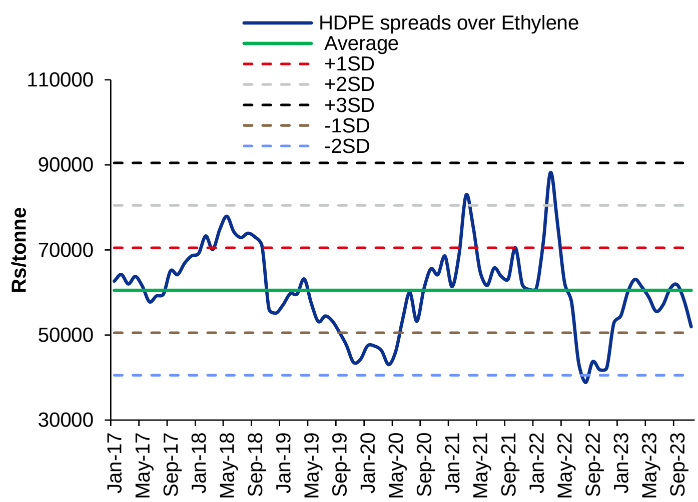
Figure 21: Declining demand is leading to a collapse of ethylene spreads over raw materials



SOURCE: INCRED RESEARCH, COMPANY REPORTS

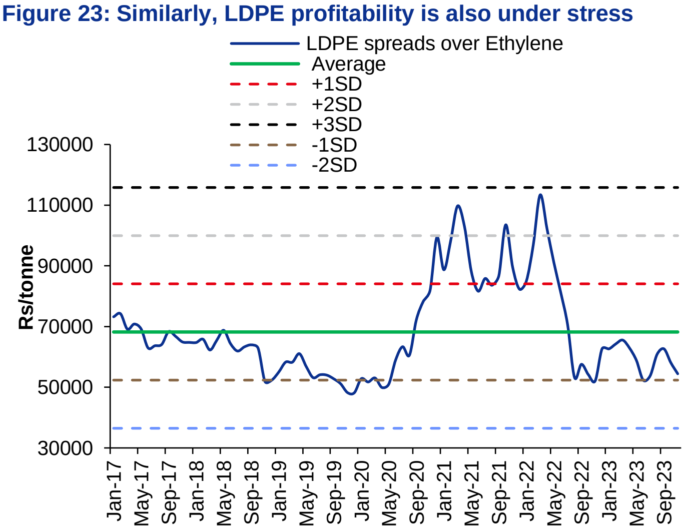
Ethyelene is used to make HDPE and LDPE; like ethylene spreads, HDPE and LDPE spreads are also falling

Figure 22: Demand pressure is showing on HDPE profitability



SOURCE: INCRED RESEARCH, COMPANY REPORTS

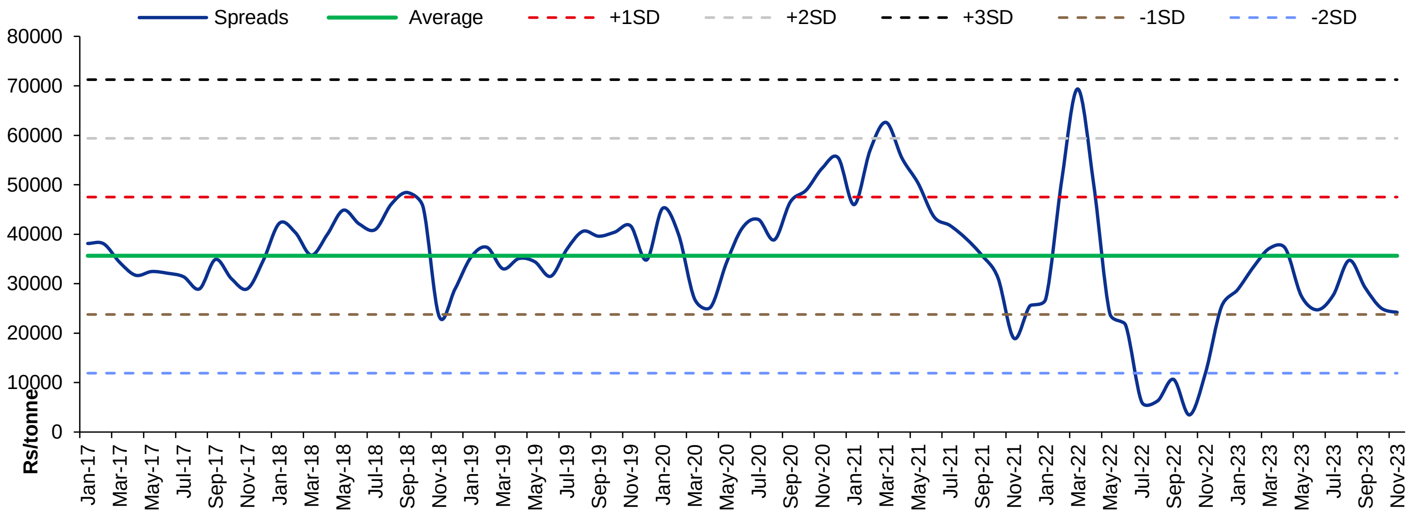
Figure 23: Similarly, LDPE profitability is also under stress



SOURCE: INCRED RESEARCH, COMPANY REPORTS

The profitablity of propylene is no different and it's also under stress

Figure 24: Propylene spreads are under stress



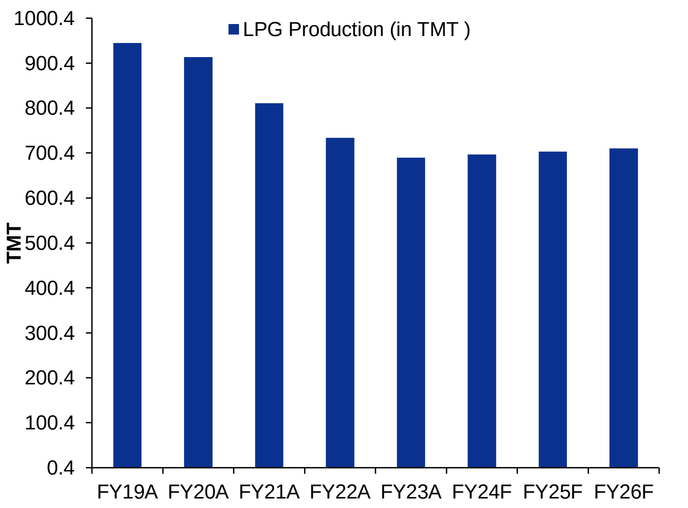
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Liquid hydrocarbon business

Liquid petroleum gas (LPG) is one of the main products in the liquid hydrocarbon business. Apart from LPG, GAIL makes SBP solvents as well as pentane and propane. GAIL has five gas processing units (GPUs) at four locations in the country having a total LPG & LHC production capacity of 1.4mmt. During FY22-23, total liquid hydrocarbon production from GPUs was about 0.93mmt, of which almost 90% constitutes LPG and propane.

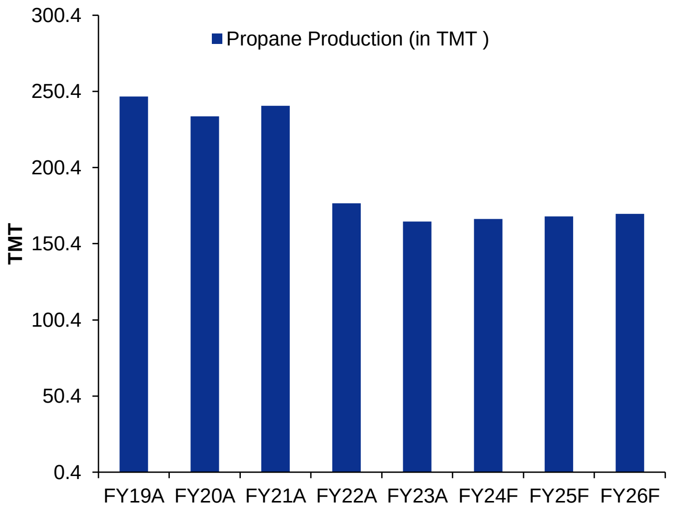
Overall liquid hydrocarbon production has been declining over the past few years

Figure 25: LPG production volume



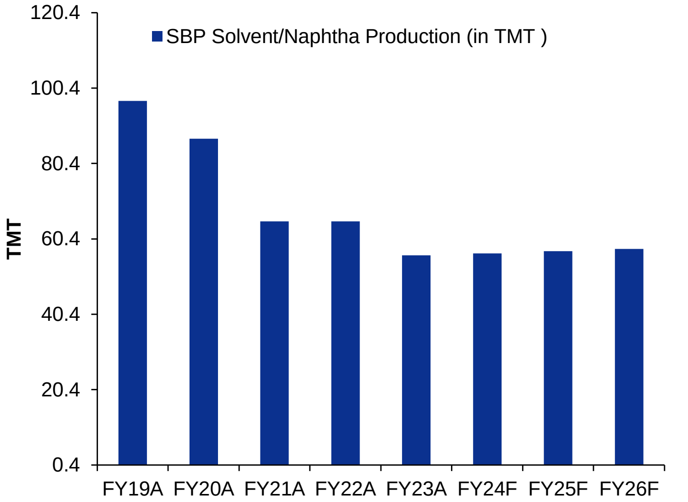
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 26: Propane production volume



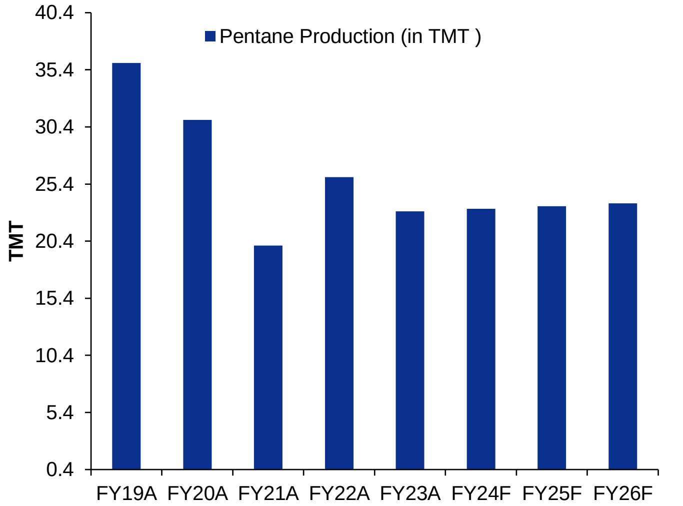
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 27: Solvent/naphtha production volume



SOURCE: INCRED RESEARCH, COMPANY REPORTS

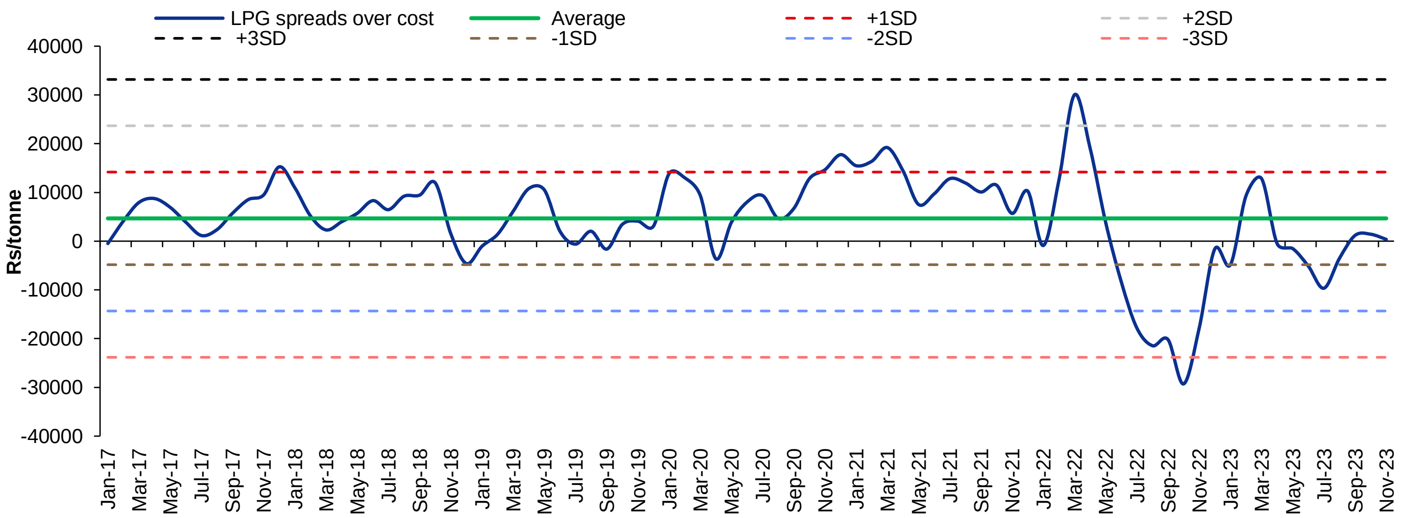
Figure 28: Pentane production volume



SOURCE: INCRED RESEARCH, COMPANY REPORTS

LPG spreads over natural gas determine the segment's profitability for the company ➤

Figure 29: LPG spreads over natural gas have barely remained in the positive territory over the last few years and hence, it's natural that the company is cutting the production of the same



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Naphtha is manufactured from natural gas in the following steps ➤

Natural gas sourcing: Natural gas, primarily comprising methane, is obtained through drilling and extraction processes.

Steam reforming: The natural gas undergoes a process called steam reforming, where it reacts with high-temperature steam in the presence of a catalyst (usually nickel-based) to produce synthesis gas or syngas. This syngas primarily contains hydrogen (H2) and carbon monoxide (CO).

Cracking process: The produced syngas is then subjected to further reactions in a high-temperature furnace in a process known as cracking. This process breaks down the molecules of the syngas into smaller hydrocarbon molecules. The cracking of these molecules produces a mixture of various hydrocarbons, including naphtha.

Fractional distillation: The resulting mixture is subjected to fractional distillation in a distillation tower. This process separates the various hydrocarbons based on their boiling points. Naphtha, being a mixture of hydrocarbons with intermediate boiling points, is collected at a specific range of temperatures within the tower.

Refining and further processing: The collected naphtha might undergo additional refining processes to adjust its composition and properties. It can be further processed in various ways depending on the intended use, such as in the production of gasoline, petrochemicals, or as a feedstock for other chemical processes.

Selling naphtha manufactured through the natural gas route is not viable for GAIL. Hence, the production decline is logical.

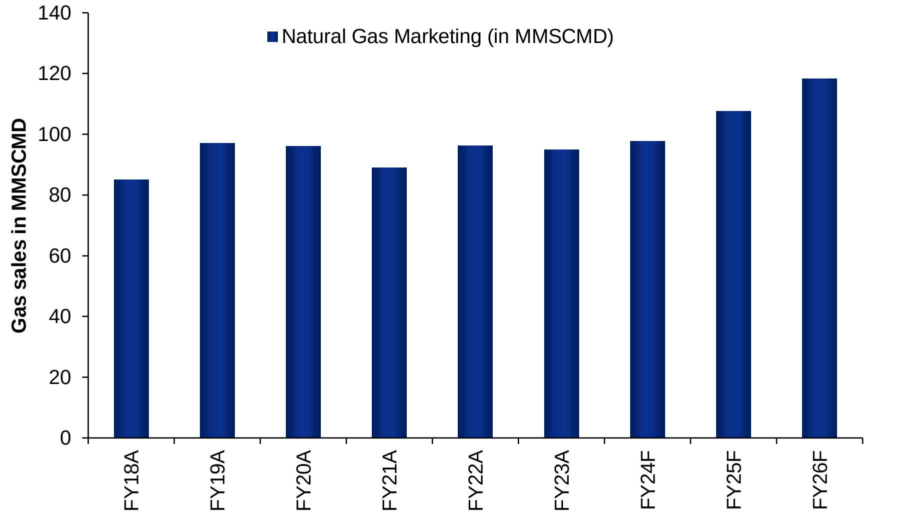
Earnings and valuation

We believe that after the EPS decline in FY23, tremendous growth is likely in FY24F-26F and the EPS is set to grow, as we expect higher volume growth. EBITDA to top the Rs200bn-mark by FY26F.

We expect gas trasmission volume to grow in the coming years

As LNG becomes cheaper in global markets, we are likely to see increased imports and hence, a rise in the transmission volume of GAIL. In the recent tariff order, the levelized tariff of gas has been increased to 58.61/mmBtu. Increased volume, coupled with increased tariff, will lead to a rise in EBIT of the gas transmission segment.

Figure 30: Natural gas marketing volume to pick up

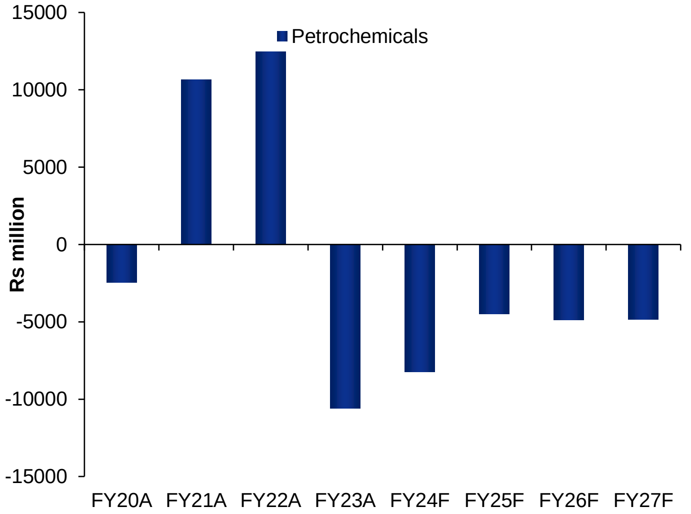


SOURCE: INCRED RESEARCH, COMPANY REPORTS

We don't expect any revival in petrochemicals bsuiness

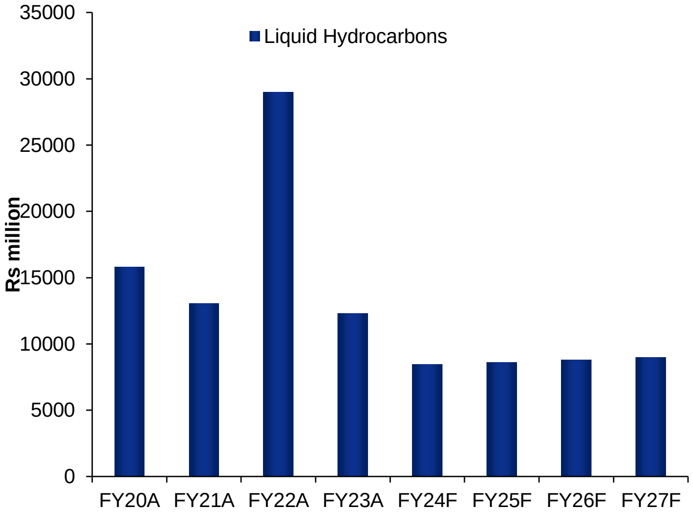
Demand slowdown is hitting the petrochemicals business, and its margins are falling. We don't expect any revival soon, more so when we expect crude oil prices to rally (mainly driven by supply squeeze).

Figure 31: Petrochemicals' PBT is likely to remain in the negative territory in the medium term



SOURCE: INCRED RESEARCH, COMPANY REPORTS

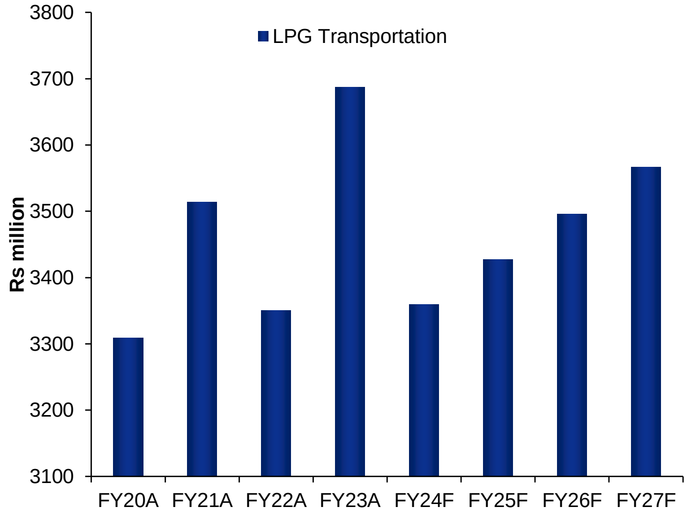
Figure 32: Liquid hydrocarbon, which is mainly LPG, will still be fine compared to petrochemicals



SOURCE: INCRED RESEARCH, COMPANY REPORTS

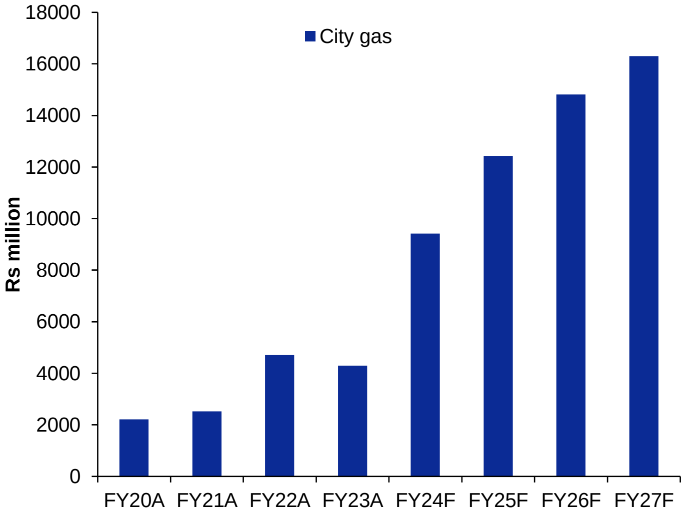
LPG transmission is a steady revenue growth business and we don't expect any big changes here ➤

Figure 33: LPG transmission PBT likely to remain healthy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

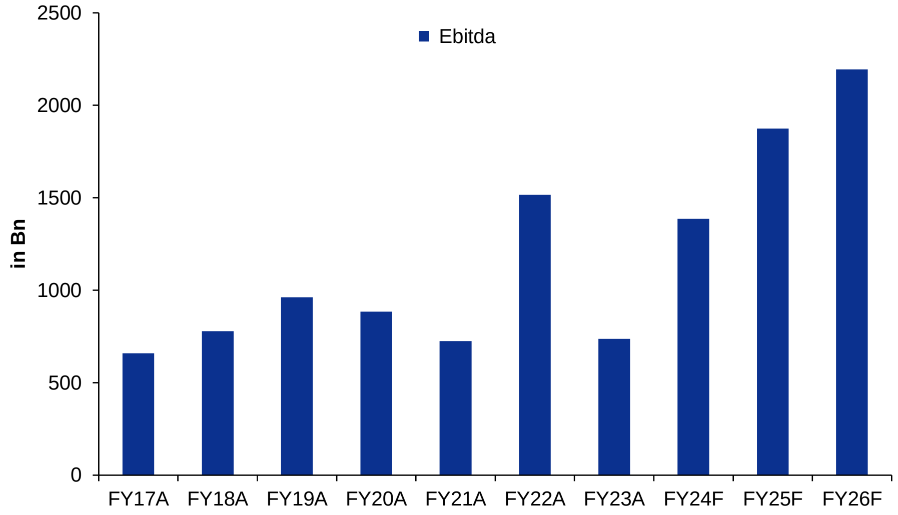
Figure 34: City gas distribution business is only going to improve in the coming days



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Overall EBITDA to grow at a 25% CAGR over FY24F-26F

Figure 35: EBITDA to grow at a 25% CAGR over FY24F-26F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

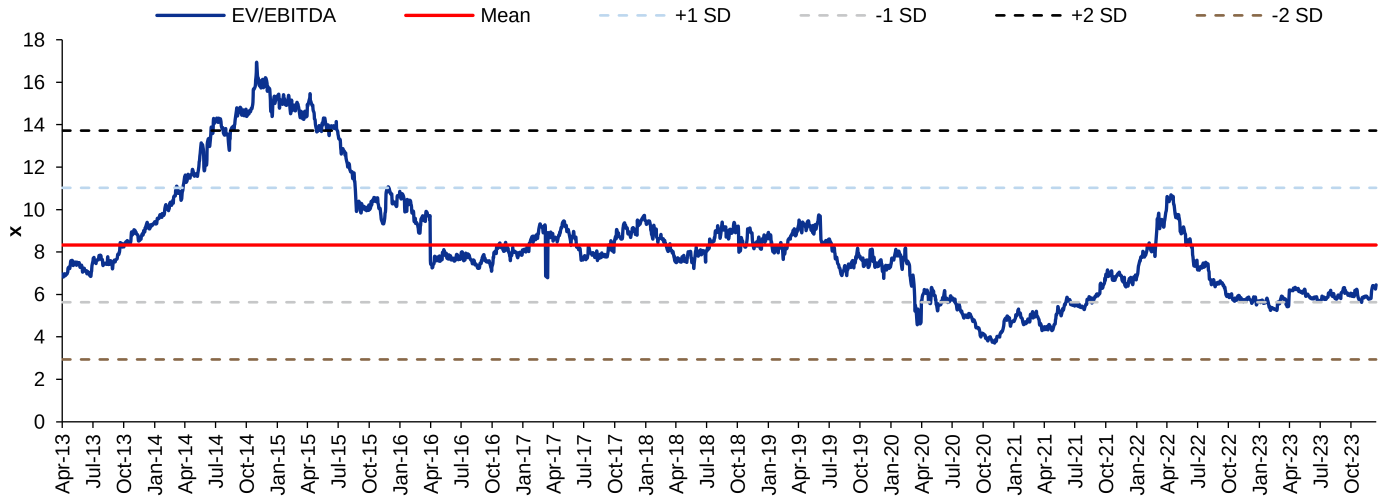
We believe in the voume growth story going ahead; we value the stock at 8.3x EV/EBITDA to its historical mean

Figure 36: We have valued GAIL at its 10-year historical mean to arrive at our higher target price of Rs200; upgrade its rating to ADD

Item	Valuation	Unit
Sep-25 EBITDA	1,62,939	Rs mn
1- year Forward Multiple	8	x
Sept-25 EV	13,57,202	Rs mn
Sept-25 Net Debt	40,587	Rs mn
Sept-25 Equity Value	13,16,615	Rs mn
1-year Forward Price Target	200	Rs/share

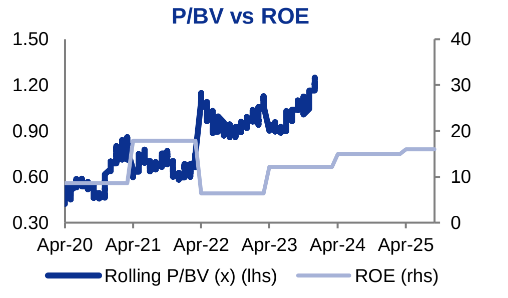
SOURCE: INCRED RESEARCH, COMPANY REPORTS

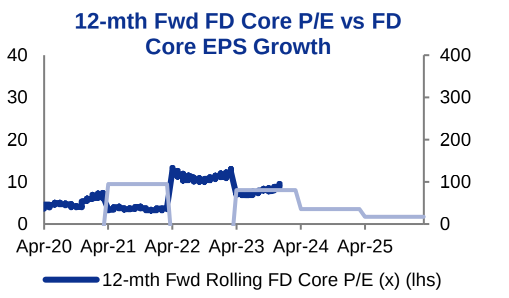
Figure 37: We value the stock at 8.3x EV/EBITDA, at one-year forward to its mean level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS





Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	**927,698**	**1,456,683**	**1,416,266**	**1,556,649**	**1,711,450**
Gross Profit	**226,627**	**168,370**	**244,776**	**304,071**	**347,861**
Operating EBITDA	**151,516**	**73,731**	**138,557**	**187,322**	**219,502**
Depreciation And Amortisation	(24,202)	(27,016)	(29,196)	(30,656)	(32,189)
Operating EBIT	**127,314**	**46,715**	**109,360**	**156,666**	**187,313**
Financial Income/(Expense)	(2,133)	(3,710)	(3,710)	(3,710)	(3,710)
Pretax Income/(Loss) from Assoc.	15,081	15,081	15,081	15,081	15,081
Non-Operating Income/(Expense)	11,830	14,478	14,478	14,478	14,478
Profit Before Tax (pre-EI)	**137,012**	**57,483**	**120,128**	**167,434**	**198,081**
Exceptional Items					
Pre-tax Profit	**152,092**	**72,564**	**135,209**	**182,515**	**213,162**
Taxation	(31,599)	(16,605)	(34,073)	(45,994)	(53,717)
Exceptional Income - post-tax					
Profit After Tax	**120,494**	**55,959**	**101,136**	**136,521**	**159,445**
Minority Interests	(476)	201			
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**120,018**	**56,160**	**101,136**	**136,521**	**159,445**
Recurring Net Profit	108,070	44,530	89,856	125,241	148,165
Fully Diluted Recurring Net Profit	**108,070**	**44,530**	**89,856**	**125,241**	**148,165**

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	151,516	73,731	138,557	187,322	219,502
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(35,981)	(34,291)	(21,480)	(5,000)	(7,059)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(953)	82	(56)	(56)	(56)
Net Interest (Paid)/Received	(4,717)	(6,955)	(3,710)	(3,710)	(3,710)
Tax Paid	(32,842)	(16,138)	(34,073)	(45,994)	(53,717)
Cashflow From Operations	**77,023**	**16,430**	**79,238**	**132,562**	**154,961**
Capex	(69,713)	(88,306)	(100,000)	(100,000)	(100,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	15,352	11,904			
Cash Flow From Investing	**(54,360)**	**(76,401)**	**(100,000)**	**(100,000)**	**(100,000)**
Debt Raised/(repaid)		(13,289)			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(39,954)	(30,693)	(35,398)	(54,608)	(63,778)
Preferred Dividends					
Other Financing Cashflow	787	73,702	62,378	35,811	33,917
Cash Flow From Financing	**(39,167)**	**29,721**	**26,980**	**(18,797)**	**(29,861)**
Total Cash Generated	(16,504)	(30,251)	6,218	13,765	25,100
Free Cashflow To Equity	**22,663**	**(73,260)**	**(20,762)**	**32,562**	**54,961**
Free Cashflow To Firm	**24,795**	**(56,262)**	**(17,052)**	**36,272**	**58,670**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS…cont'd

Balance Sheet

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	28,040	11,030	38,271	81,650	136,365
Total Debtors	74,465	106,796	99,279	109,120	119,972
Inventories	35,766	59,179	49,640	54,560	59,986
Total Other Current Assets	24,800	28,302	29,175	28,366	31,177
Total Current Assets	**163,072**	**205,307**	**216,365**	**273,696**	**347,499**
Fixed Assets	445,721	496,969	521,817	547,908	575,303
Total Investments	318,986	338,948	355,896	373,690	392,375
Intangible Assets					
Total Other Non-Current Assets	71,860	51,551	54,129	56,835	59,677
Total Non-current Assets	**836,566**	**887,468**	**931,841**	**978,434**	**1,027,355**
Short-term Debt	12,196	53,801	56,491	59,315	62,281
Current Portion of Long-Term Debt					
Total Creditors	53,613	71,436	62,823	67,299	73,314
Other Current Liabilities	85,124	91,874	62,823	67,299	73,314
Total Current Liabilities	**150,933**	**217,110**	**182,137**	**193,913**	**208,909**
Total Long-term Debt	54,681	88,797	88,797	88,797	88,797
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	108,977	91,847	62,823	67,299	73,314
Total Non-current Liabilities	**163,658**	**180,644**	**151,620**	**156,096**	**162,111**
Total Provisions	41,992	43,951	46,148	48,456	50,879
Total Liabilities	**356,583**	**441,705**	**379,906**	**398,465**	**421,898**
Shareholders Equity	641,143	649,274	768,300	853,665	952,957
Minority Interests	1,912	1,796			
Total Equity	**643,055**	**651,070**	**768,300**	**853,665**	**952,957**

Key Ratios

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	61.7%	57.0%	(2.8%)	9.9%	9.9%
Operating EBITDA Growth	109.2%	(51.3%)	87.9%	35.2%	17.2%
Operating EBITDA Margin	16.3%	5.1%	9.8%	12.0%	12.8%
Net Cash Per Share (Rs)	(8.75)	(20.01)	(16.28)	(10.11)	(2.24)
BVPS (Rs)	144.39	98.75	116.85	129.83	144.93
Gross Interest Cover	59.70	12.59	29.48	42.23	50.49
Effective Tax Rate	20.8%	22.9%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	38.1%	74.7%	41.1%	45.0%	44.2%
Accounts Receivables Days	21.54	22.71	26.55	24.43	24.43
Inventory Days	17.09	13.45	16.95	15.18	15.33
Accounts Payables Days	25.55	17.71	20.92	18.96	18.82
ROIC (%)	18.5%	6.0%	13.0%	17.7%	20.0%
ROCE (%)	18.3%	5.9%	12.2%	15.6%	17.0%
Return On Average Assets	11.7%	4.2%	7.9%	10.3%	11.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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