

February 11, 2020



GAIL (India) Limited

Current Price: ₹ 121.80

STOCK DATA

BSE Code	532155
NSE Symbol	GAIL
Reuters	GAIL.BO
Bloomberg	GAIL IN

VALUE PARAMETERS

52 W H/L(Rs)	183.20/110.55
Mkt. Cap.(Rs Cr)	54933.53
Latest Equity(Subscribed)	4510.14
Latest Reserve (cons.)	42916.26
Latest EPS (cons.) -Unit Curr.	13.78
Latest P/E Ratio -cons	8.84
Latest Bookvalue (cons.) -Unit Curr.	105.16
Latest P/BV - cons	1.16
Dividend Yield -%	2.93
Face Value	10

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2019
Foreign	18.48
Institutions	17.13
Govt Holding	8.17
Non Promoter Corp. Hold.	1.33
Promoters	51.76
Public & Others	3.14

Financial Results

	Qtr Ended Dec. 19	Qtr Ended Dec. 18	In Cr. VAR %
Net sales	17882.74	20217.54	-12
OPM(%)	12.1	13.8	
OP	2171.33	2800.05	-22
OI	195.99	129.14	52
PBIDT	2367.32	2929.19	-19
Interest	30.57	32.92	-7
PBDT	2336.75	2896.27	-19
Depreciation	534.85	385.21	39
PBT	1801.9	2511.06	-28
Tax	786.8	872.83	-10
PAT	1015.1	1638.23	-38
Share of profit or loss of JV and Associates	1014.41	158.81	539
MI	4.85	2.08	133
Net profit	2024.66	1794.96	13
Net profit after PPA	2024.66	1794.96	13
EPS(Rs)*	4.49	3.96	

GAIL (India) Ltd.'s profit beats estimates, margin expands.

GAIL (India) consolidated net sales of the company fell 12% to Rs 17882.74 crore in Q3FY20 compared to Q3FY19. OPM of the company fell 170 bps to 12.1% leading to 22% decrease in operating profits to Rs 2171.33 crore..

Other income was up 52% to Rs 195.99 crore. As a result PBDIT decreased 19% to 2367.32 crore. Interest cost fell 7% to Rs 30.57 crore while depreciation rose 39% to Rs 534.85 crore. PBT was down 28% to Rs 1801.9 crore.

Effective rate of taxes increased to 43.7% from 34.8%. Profit after tax was down 38% to Rs 1015.1 crore. Further considering share of profit or loss of JV and associates with minority interest and prior period adjustments net profit of the company rose 13% to Rs 2024.66 crore. The rise in profit is mainly due to better physical performance, better margins in Gas Marketing and LHC.

Segment wise, natural gas transmission revenue stood at Rs 1585.52 crore, up by 8% YoY and accounted for 7% of sales. PBIT from the same was up by 12% to Rs 985.5 crore and accounted for 49% of total PBIT with PBIT margin at 62.2% as compared to 60% for Dec18 quarter.

LPG transmission revenues revenue stood at Rs 168.78 crore up by 10% YoY and accounted for 1% of sales. PBIT from the same was up 22% to Rs 93.47 crore and accounted for 5% of total. PBIT margins stood at 55.4% as compared to 49.8% for Dec18 quarter.

Natural gas marketing segment revenue stood at Rs 17157.64 crore flat YoY and accounted for 75% of sales. PBIT from the same was Rs 452.64 crore compared to Rs 748.35 crore in Dec18 quarter and accounted for 23% of total. PBIT margins stood at 2.6% as compared to 4.4% for Dec18 quarter.

Petrochemicals segment revenue stood at Rs 1482.82 crore compared to Rs 1599.41 core in

Dec18 quarter and accounted for 6% of sales. PBIT from the same was loss of Rs 8.51 crore compared to profit of Rs 29.71 crore.

LPG and liquid hydrocarbon segment revenue stood at Rs 973.63 crore down by 36% YoY and accounted for 4% of sales. PBIT from the same fell 64% to Rs 296.36 crore and accounted for 15% of total PBIT with margins at 30.4% as compared to 55.1% for Dec18 quarter.

City gas segment revenue stood at Rs 1302.96 crore down by 5% YoY and accounted for 6% of sales. PBIT from the same rose 51% to Rs 55.48 crore and accounted for 3% of total PBIT with margins at 4.3% as compared to 2.7% for Dec18 quarter.

Consolidated Performance for the nine months ended December 2019

For 9MFY'20 sales of the company fell 4% to Rs 54585.63 crore compared to 9MFY'19. OPM of the company fell 260 bps to 11.3%. As a result operating income was down 22% to Rs 6183.08 crore. Other income was up 48% to Rs 590.87 crore. As a result PBDIT decreased 19% to 6773.95 crore. Interest cost fell 31% to Rs 93.32 crore while depreciation was up 22% Rs 1440.27 crore. PBT was down 25% to Rs 5240.36 crore.

Effective tax rate rose to 40.6% from 36.8% leading 30% decrease in profit after tax to Rs 3110.88 crore. Further considering share of profit or loss of JV and associates with minority interest and prior period adjustments net profit of the company fell 7% to Rs 4693.68 crore mainly due to reduction in Petrochemical and LHC prices by around 22% and 17% respectively.

The company has declared an interim dividend @ 64% for the financial year FY 2019-20 i.e. Rs 6.40 per equity share

Management Comments

Dr. Ashutosh Karnatak, Chairman & Managing Director, GAIL stated that Company had been able to achieve growth in profit in Q3 FY20 despite significant decline in Petrochemicals prices. This has been due to better operational efficiency and physical performance in comparison to Q2 FY20 accompanied with an increased capacity utilisation of the petrochemical unit at Pata, over 100%. He also stated that GAIL is in step with the Government of India's vision of expanding the share of natural gas to 15% in the energy basket of India by working relentlessly in reshaping the gas economy of the country.

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