

November 17, 2020



**GAIL (India) Limited**

**Current Price: ₹ 93.50**

### STOCK DATA

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

### VALUE PARAMETERS

52 W H/L(Rs)	133.30/65.70
Mkt. Cap.(Rs Cr)	42169.83
Latest Equity(Subscribed)	4510.14
Latest Reserve (cons.)	46459.08
Latest EPS (cons.) -Unit Curr.	18.89
Latest P/E Ratio -cons	4.95
Latest Bookvalue (cons.) -Unit Curr.	113.01
Latest P/BV - cons	0.83
Dividend Yield -%	6.84
Face Value	10.00

### SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2020
Foreign	15.84
Institutions	19.93
Govt Holding	8.26
Non Promoter Corp. Hold.	0.44
Promoters	51.76
Public & Others	3.77

### Financial Results

	Qtr Ended Sept. 20	Qtr Ended Sept. 19	In Cr. VAR %
Net sales	13796.29	18235.45	-24
OPM(%)	10.30	9.10	
OP	1423.08	1654.14	-14
OI	294.94	235.29	25
PBIDT	1718.02	1889.43	-9
Interest	31.66	32.76	-3
PBDT	1686.36	1856.67	-9
Depreciation	545.87	468.51	17
PBT	1140.49	1388.16	-18
Tax	363.84	539.03	-33
PAT	776.65	849.13	-9
Share of profit or loss of JV and Associates	291.51	318.31	-8
MI	-43.62	0.51	
Net profit	1111.78	1166.93	-5
PPA	0.00	-0.14	
Net profit after PPA	1111.78	1167.07	-5
EPS (Rs)	2.47	2.59	

### GAIL Q2 Results, profit surges, revenue up 13% as gas demand revives

GAIL (India) consolidated net sales of the company fell 24% to Rs 13796.29 crore in Q2FY21 compared to Q2FY20. OPM of the company rose 120 bps to 10.3% leading to 14% decrease in operating profits to Rs 1423.08 crore.

Other income was up 25% to Rs 294.94 crore. As a result PBDIT decreased 9% to 1718.02 crore. Interest cost fell 3% to Rs 31.66 crore while depreciation rose 17% to Rs 545.87 crore. PBT was down 18% to Rs 1140.49 crore.

Tax expenses fell 33% to Rs 363.84 crore compared to tax expense of Rs 539.03 crore. Profit after tax was down 9% to Rs 776.65 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 5% to Rs 1111.78 crore.

After relaxations in the lockdown imposed due to pandemic COVID-19 in Q 1 and with the resumption of economic activities, the volumes picked up in all segments of the company to normal levels in Q2 FY21 resulting in increase in the profit as compared to Q1 FY21. The Physical Performance improved by 18% in Natural Gas Transmission, 9% in Gas Marketing, 10% in LPG Transmission, 22% in Petrochemical Sales and 12% in Liquid Hydrocarbon Sales.

GAIL's Petrochemical business has seen a major turnaround. The plant is operating back to normal levels with jump in production by 65% to 221 TMT as against 134 TMT in Q1 of FY21. On account of better physical performance and price realization, the profitability of the segment has reached Rs. 170 crore during Q2 FY21.

<b>Segment Result</b>				<b>In Cr.</b>
<b>Particulars</b>	<b>Qtr Ended Sept. 20</b>	<b>Qtr Ended Sept. 19</b>	<b>% of Total</b>	<b>VAR %</b>
<b>Revenue:</b>				
Transmission Services				
1) Natural Gas	1539.95	1414.98	9	9
2) LPG	169.46	161.18	1	5
Natural Gas Marketing	12330.68	16857.98	70	-27
Petrochemicals	1684.72	1619.16	9	4
LPG and Liquid Hydrocarbons	803.04	960.53	5	-16
City Gas	998.93	1376.74	6	-27
Others	208.36	276.39	1	-25
Unallocated	0.18	0.77	0	
Total	17735.32	22667.73	100	-22
Less: Inter Segment Revenues	3925.46	4417.83		-11
Net Revenue from operation	13809.86	18249.90		-24
<b>PBIT:</b>				
Transmission Services				
1) Natural Gas	1021.18	802.75	73	27
2) LPG	88.24	81.37	6	8
Natural Gas Marketing	-334.55	241.72	-24	
Petrochemicals	176.31	-82.32	13	-314
LPG and Liquid Hydrocarbons	280.15	245.35	20	14
City Gas	72.79	53.47	5	36
Others	96.50	188.14	7	-49
Total	1400.62	1530.48	100	-8

Figures in Rs crore  
Var (%) exceeding 999 has been truncated to 999

Segment wise, natural gas transmission revenue stood at Rs 1539.95 crore, up by 9% YoY and accounted for 9% of sales. PBIT from the same was up by 27% to Rs 1021.18 crore with PBIT margin at 66.3% as compared to 56.7% for Sep20 quarter.

LPG transmission revenues stood at Rs 169.46 crore up by 5% YoY and accounted for 1% of sales. PBIT from the same rose 8% to Rs 88.24 crore.

Natural gas marketing segment revenue stood at Rs 12330.68 crore down by 27% YoY and accounted for 70% of sales. PBIT from the same was loss of Rs 334.55 crore compared to profit of Rs 241.72 crore in Sep19 quarter.

Petrochemicals segment revenue stood at Rs 1684.72 crore compared to Rs 1619.16 core in Sep20 quarter and accounted for 9% of sales. PBIT from the same was profit of Rs 176.31 crore compared to loss of Rs 82.32 crore.

LPG and liquid hydrocarbon segment revenue stood at Rs 803.04 crore down by 16% YoY and accounted for 5% of sales. PBIT from the same rose 14% to Rs 280.15 crore.

City gas segment revenue stood at Rs 998.93 crore down by 27% YoY and accounted for 6% of sales. PBIT from the same reported profit of Rs 72.79 crore compared to profit of Rs 53.47 crore.

## Consolidated Performance for the half year ended Sep20

For H1FY'21 sales of the company fell 29% to Rs 25970.44 crore compared to H1FY'20. OPM of the company fell 270 bps to 8.2%. As a result operating income was down 47% to Rs 2116.81 crore. Other income was up 15% to Rs 453.44 crore. As a result PBDIT decreased 42% to 2570.25 crore. Interest cost rose 34% to Rs 84.22 crore while depreciation was up 18% Rs 1066.98 crore. PBT was down 59% to Rs 1419.05 crore.

Tax expense was Rs 449.61 crore compared to Rs 1342.82 crore. Profit after tax decreased 54% to Rs 969.44 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 34% to Rs 1766.11 crore. The increase in PAT is mainly due to adoption of lower tax regime.

## Management Comments

**Mr. Manoj Jain, Chairman & Managing Director, GAIL** said that the company's plants and pipelines have achieved pre-COVID level of performance. He further added that though the Capex during the 1st quarter was affected due to lockdown, GAIL has moved swiftly to make up for the lost time and is trying to accelerate the progress in its ongoing projects.

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