

28 March 2024

India | Equity Research | Sector Update

## Oil & Gas

### IEA Q1CY24 gas market report – demand returns, to pick up pace over CY24

The latest report on global gas markets by the IEA (International Energy Agency) provides interesting insights. Takeaways: i) Post a decline of 1.5% YoY in global demand in CY22, CY23 returned to growth of 0.5% YoY. ii) CY24 may see stronger momentum with 2.5% YoY growth driven by Asia Pac, ME and Africa. iii) Supply growth keeps pace, mainly driven by US LNG exports, with the expansion of key offtake pipelines to support growth. iv) Overall LNG trade may rise by 3.5% YoY (~13.7mt) in CY24, with Africa becoming a major contributor. v) Geopolitical risks weigh heavily on these estimates and create material downside risks. vi) Prices to remain moderate, with Dutch TTF and JKM Asia LNG prices for CY24 forecast at USD 10/MMBtu and USD 11/MMBtu, respectively.

#### Demand returns to positive territory in CY23, to grow stronger in CY24

Post Russia-Ukraine conflict and disruption of Russian piped supply to Europe, global gas consumption itself declined, with 1.5% YoY decline seen in demand. CY23 has seen growth returning, with 1.5% YoY demand growth, mainly driven by strong demand growth seen in North America (1%, 27mmscmd growth), Asia Pacific (2.5%, China alone grew 7%) and the Middle East (2% growth). CY24 is set to see faster growth of 2.5%, driven by N. America (1.5%), Asia Pac (4%); and the Middle East & Africa (3%) even as Europe (+3%) also shows some recovery post two weak years. Sectoral demand mix is varied across regions, with power sector growing strongly in North America and China while industrial demand is stronger in Central-South America and India. Interestingly, major gas consumers in Asia other than China and India remained subdued, with a surge in nuclear power, milder weather and renewable development dragging demand in Korea and Japan, down 3/8% in 10MCY23, respectively.

#### Supply to keep pace, but uncertainty remains!

Previous forecasts by the IEA and comments in this outlook support this contention that supply will keep up with demand growth. US remains the engine for global gas supplies, emerging as the world's largest LNG exporter over CY23 – exports aggregated 88mt, more than 7mt ahead of the two next biggest exporters Qatar and Australia, who exported 80.7mt each in CY23. CY24 may see a further 13.7mt expansion in available LNG supplies and global traded LNG to grow by 3.5% to >391mt in CY24. Overall gas production of 4.2tcm is likely to keep pace with demand growth but continued US and ME supply growth will be crucial to meet these forecasts.

However, forecasts of supply availability face formidable regulatory and geopolitical risks over medium term. The disruption of seaborne shipments across Panama Canal due to draught and the impact of ongoing conflict in the ME on other routes can impact supply certainty and reliability materially over the next couple of months. At the very least, due to longer transit times, pricing may be impacted on the upside over CY24. Additional wrinkle comes via the recent US government decision to put all new LNG export terminal approvals on hold, pending a re-evaluation of their economic and ecological impact (see [here](#)) which can disrupt long term LNG supply materially.

**Probal Sen**
 probal.sen@icicisecurities.com  
 +91 22 6807 7274
**Hardik Solanki**

solanki.hardik@icicisecurities.com

**GAIL (BUY)**  
**MGL (BUY)**  
**IGL (ADD)**  
**GUJGA (SELL)**  
**GSPL (ADD)**  
**PLNG (REDUCE)**

### Sharp decline seen in CY23 prices vs CY22 highs, but remain well above long-term averages

Pricing benchmarks across regions have seen sharp declines when measured against the high base of CY22, but prices for CY23 remained well above the last 5-year averages. European TTF prices averaged USD 13/MMBtu, down 70% YoY, JKM LNG prices averaged USD 14/MMBtu, down 60% YoY, and US HH prices fell 60% YoY to USD 2.7/MMBtu in CY23. Notably TTF, JKM and HH prices were 2.5x, >2x and on par with 5-year averages, respectively. Given the healthy inventory levels in Europe, continued momentum in US, Africa and ME LNG supplies and structural changes to demand patterns in Japan & Korea, forecast prices of IEA of USD 10/MMBtu and JKM of USD 11/MMBtu appear reasonable, with US HH likely to increase by 15% to USD 3.1/MMBtu.

### Storage levels remain comfortable

Muted weather conditions, aggressive procurement strategies and structural changes in demand patterns mean higher storage levels across Europe, US and key consuming countries of Japan and Korea. While weather for CY24 winter season will be a key monitorable, barring a severe weather shock, storage adequacy is a key buffer for comfortable prices over the next 12 months.

### Implications for coverage universe

Moderation in pricing expectations is a material positive for Indian gas companies. The 12-month average level of USD 10-11/MMBtu is an extremely comfortable level for CGDs to sustain our base case EBITDA/scm for FY25E of INR 7.7/13.4/6.0 for IGL/MGL/GUJGA, respectively.

Additionally, even with crude @USD 85/bbl levels, term LNG ~@13% linkage may also average USD 11.3/MMBtu or so – this translates to average gas costs for India to remain flat at USD 10/MMBtu for FY25-26E. At these levels, we see a robust demand environment for gas in India and this directly translates to a positive macro for GAIL, which can benefit both from: i) Improving gas demand, which helps in transmission and trading profitability and ii) moderate LNG prices help margins in petrochemical segment materially.

**We continue to be positive on gas space, with GAIL and MGL being our preferred picks in the space.**

Petronet LNG may no doubt benefit from the moderation in LNG prices over FY25E and utilisation at Dahej should be stronger than it has been for the past 2-3 years. However, concerns on long-term capital allocation plans cloud our assessment of short-term returns. We believe until clarity emerges on the economic case for the upcoming petchem project of the company, investors should avoid this stock.

As for IGL, while we believe the EV threat has been overplayed and margins do not seem to be under any material threat despite the recent price cut, we acknowledge that sentiment around IGL can remain subdued till results prove out slower than expected EV transition impact.

We remain cautious on GUJGA (and hence by extension GSPL) due to sustained vulnerability to Morbi propane – gas economics, slower ramp-up of new area volumes despite high capex (and hence declining return ratios), and relatively stronger valuations.

Demand to see stronger growth in CY24; Africa, Asia and Middle East to be key contributors

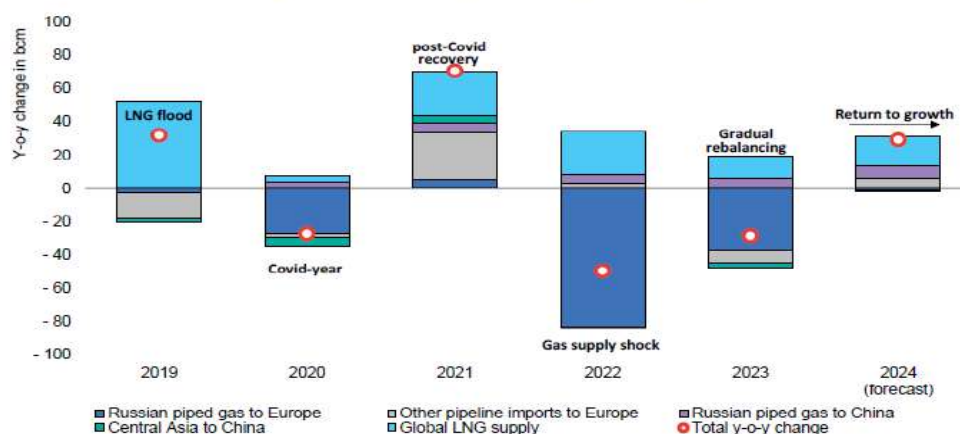
**Exhibit 1: World natural gas demand by region and key country (bcm)**

	CY21	CY22	CY23	CY24	CY23/CY22	CY24/CY23
Africa	169	170	175	180	2.9%	2.9%
<b>Asia Pacific</b>	<b>891</b>	<b>877</b>	<b>901</b>	<b>937</b>	<b>2.7%</b>	<b>4.0%</b>
of which China	367	364	391	414	7.4%	5.9%
Central and South America	153	150	149	151	-0.7%	1.3%
Eurasia	649	622	629	641	1.1%	1.9%
of which Russia	516	487	493	503	1.2%	2.0%
Europe	609	524	488	502	-6.9%	2.9%
Middle East	562	580	591	605	1.9%	2.4%
North America	1091	1144	1156	1173	1.0%	1.5%
of which United States	874	919	926	939	0.8%	1.4%
<b>World</b>	<b>4124</b>	<b>4067</b>	<b>4089</b>	<b>4190</b>	<b>0.5%</b>	<b>2.5%</b>

Source: IEA, I-Sec research

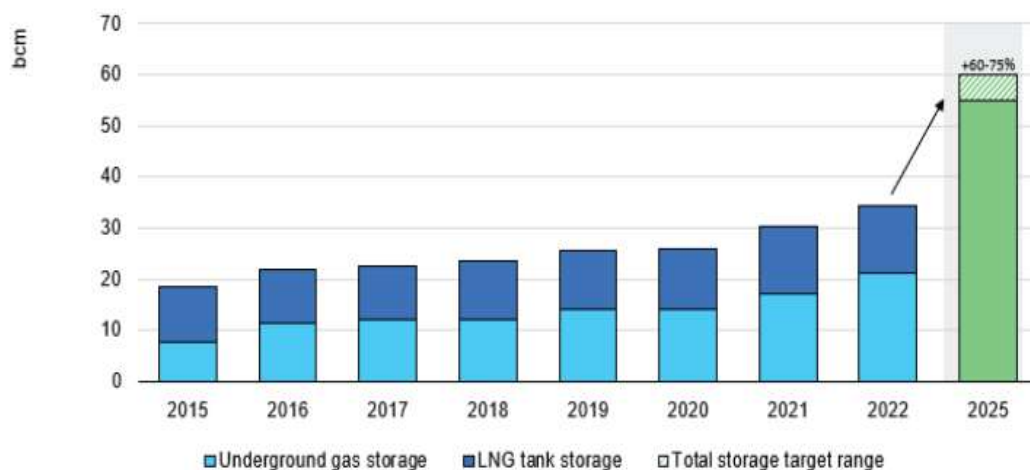
**Exhibit 2: Global natural gas trade is likely to return to growth in CY24**

Year-on-year change in key piped natural gas trade and global LNG supply, 2019-2024



Source: IEA, I-Sec research

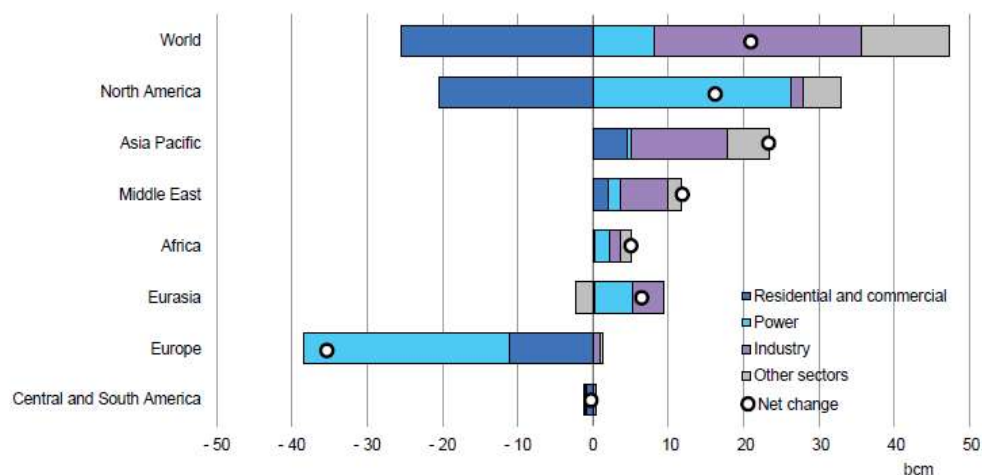
**Exhibit 3: Natural gas storage development remains key to China's gas market growth strategy**



Source: IEA, I-Sec research

Industrial and power sectors led gas demand growth in CY23; overall China saw robust growth while US saw a decline in residential and commercial demand; Europe consumption was subdued

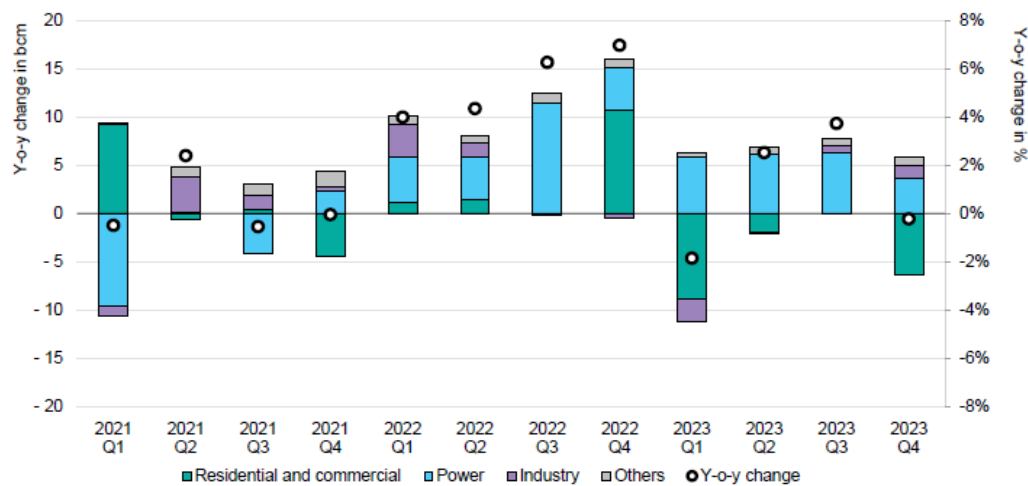
**Exhibit 4: Industrial and power sectors were the key drivers of gas demand growth in CY23**



Source: IEA, I-Sec research

**Exhibit 5: US gas consumption increased in CY23 despite a decline in residential and commercial demand**

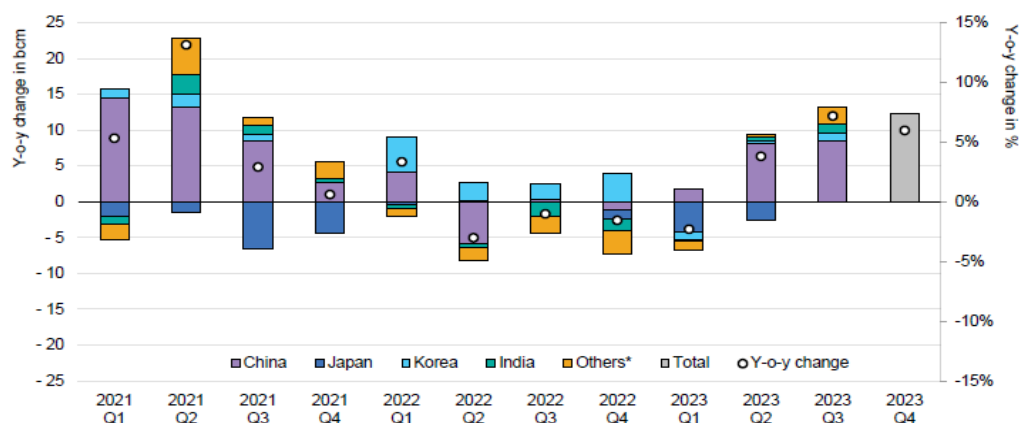
Estimated quarterly change in gas demand, United States, 2021-2023



Source: IEA, I-Sec research

### Exhibit 6: China drove Asia's natural gas demand recovery in CY23

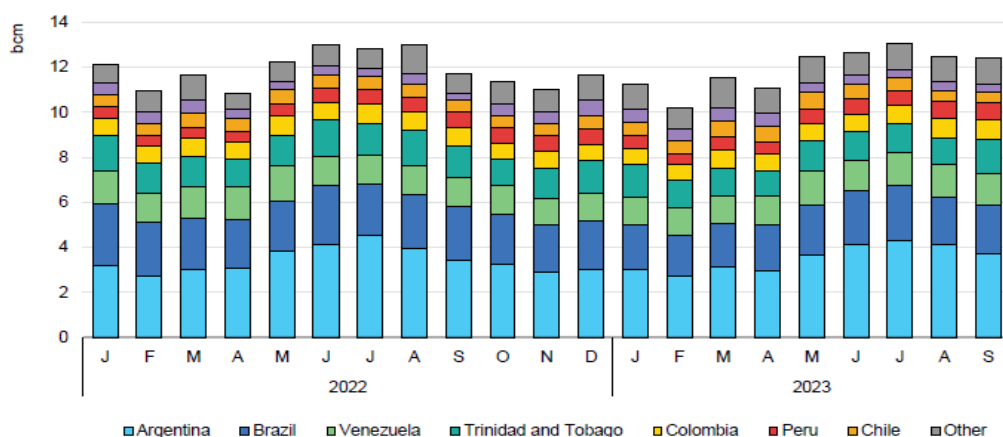
Estimated quarterly change in gas demand, selected Asian markets, 2021-2023



Source: IEA, I-Sec research

### Exhibit 7: Gas demand in Central and South America returned to growth in Q3CY23

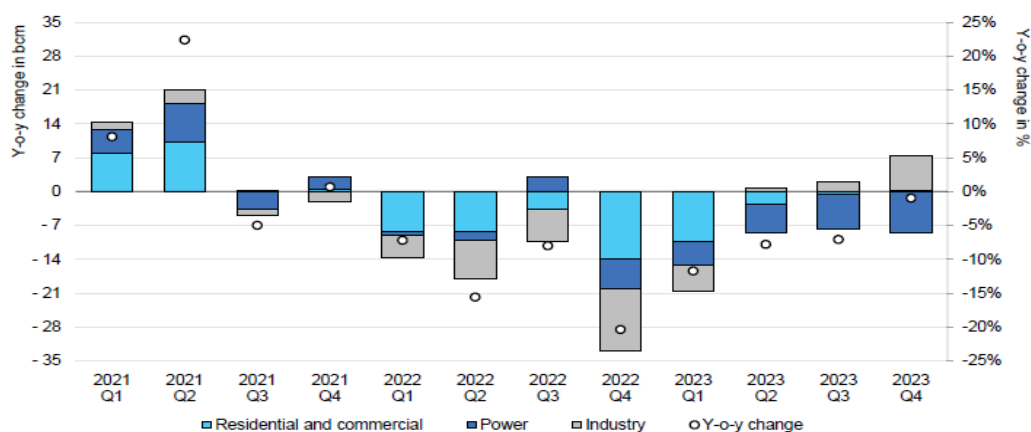
Monthly natural gas consumption, Central and South America, 2022 and Q1-Q3 2023



Source: IEA, I-Sec research

### Exhibit 8: European gas consumption hit the lowest in CY23 since CY1995 as lower gas burn in power sector continued to weigh on demand

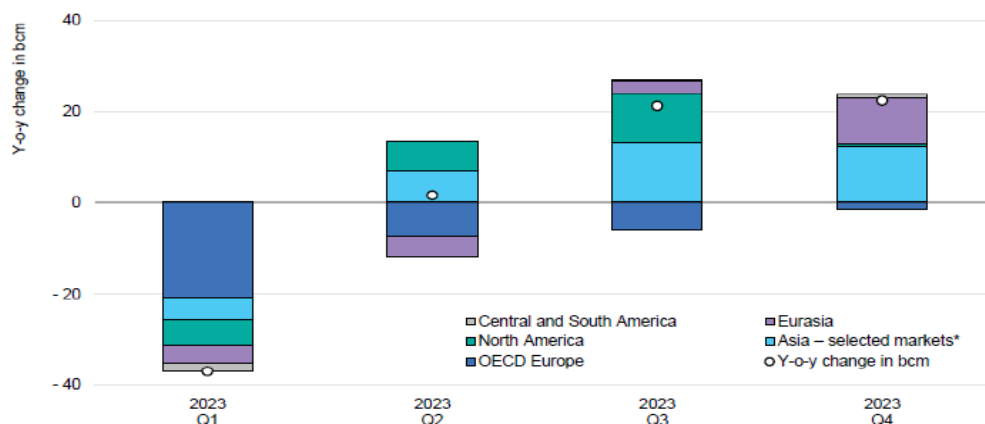
Estimated quarterly change in gas demand, OECD Europe, 2021-2023



Source: IEA, I-Sec research

### Exhibit 9: Gas demand returned to growth across all key markets in H2CY23, except Europe

Estimated quarterly change in natural gas demand in key regions, 2022-2023



Source: IEA, I-Sec research

Supply growth from US and Middle East to suffice gas consumption requirement

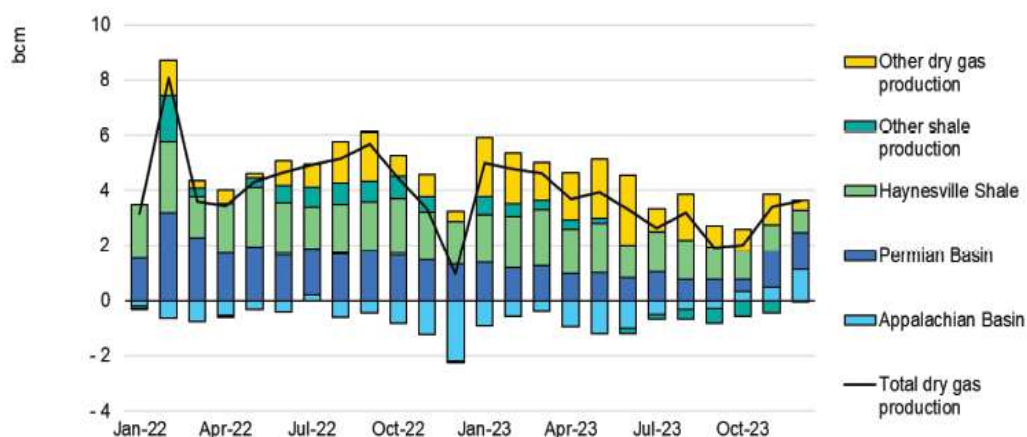
### Exhibit 10: World natural gas production by region and key country (bcm)

	CY21	CY22	CY23	CY24	CY23/CY22	CY24/CY23
Africa	260	251	253	260	0.8%	2.8%
<b>Asia Pacific</b>	<b>648</b>	<b>660</b>	<b>669</b>	<b>683</b>	<b>1.4%</b>	<b>2.1%</b>
of which China	205	216	229	239	6.0%	4.4%
Central and South America	148	151	149	153	-1.3%	2.7%
Eurasia	961	865	832	855	-3.8%	2.8%
of which Russia	762	672	640	664	-4.8%	3.8%
Europe	222	230	215	220	-6.5%	2.3%
Middle East	692	716	722	745	0.8%	3.2%
North America	1183	1232	1275	1297	3.5%	1.7%
of which United States	984	1021	1061	1081	3.9%	1.9%
World	4112	4105	4116	4214	0.3%	2.4%

Source: IEA, I-Sec research

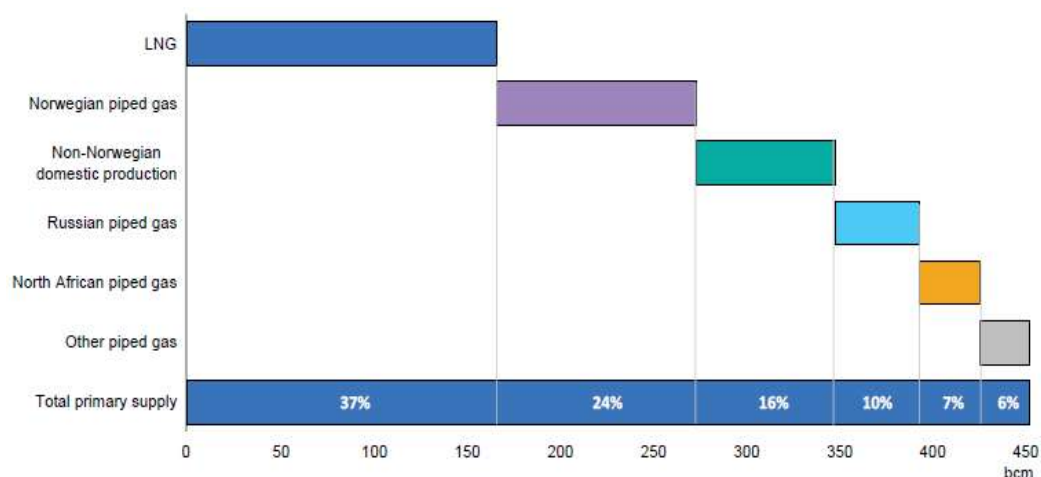
### Exhibit 11: Permian and Haynesville continue to drive US gas production growth

Y-o-y change in monthly US dry gas production, 2022-2023



Source: IEA, I-Sec research

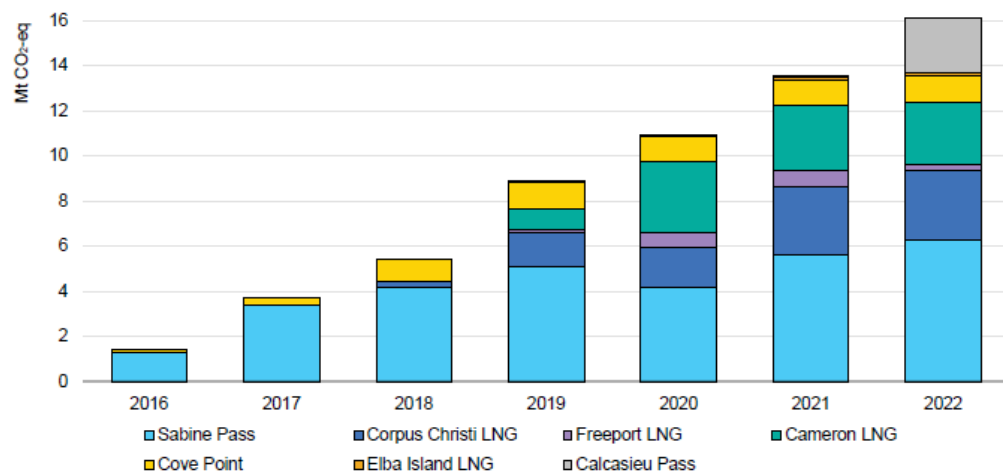
### Exhibit 12: LNG accounted for a record 37% of Europe's primary gas supply in CY23



Source: IEA, I-Sec research

Higher GHG emissions led to a pause on approving new US LNG export projects ([link](#))

### Exhibit 13: GHG emissions from US LNG production have risen more than 10x since CY16

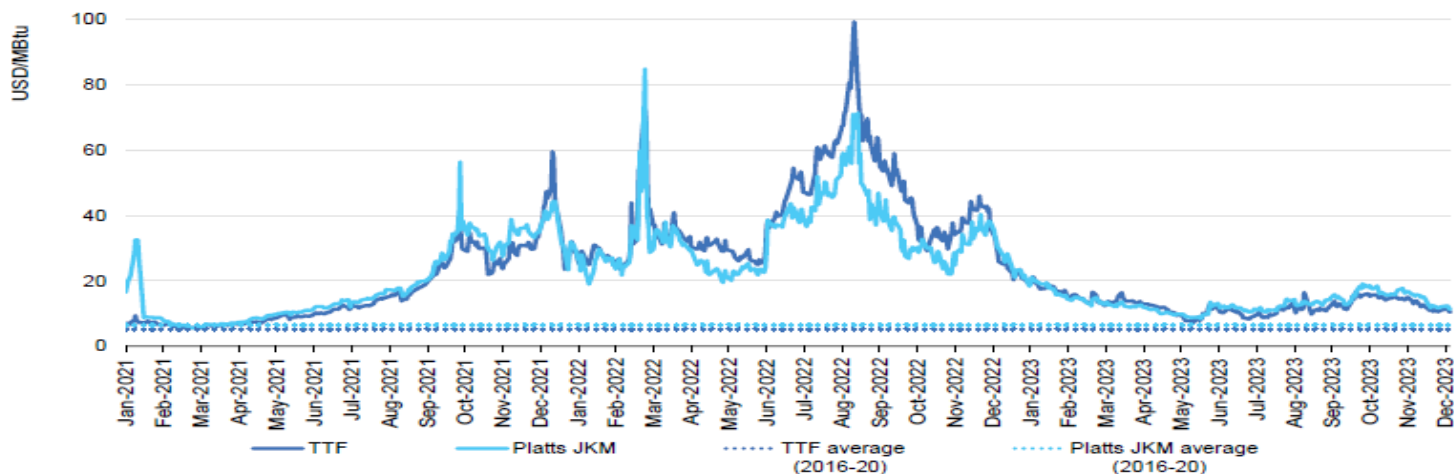


Source: IEA, I-Sec research



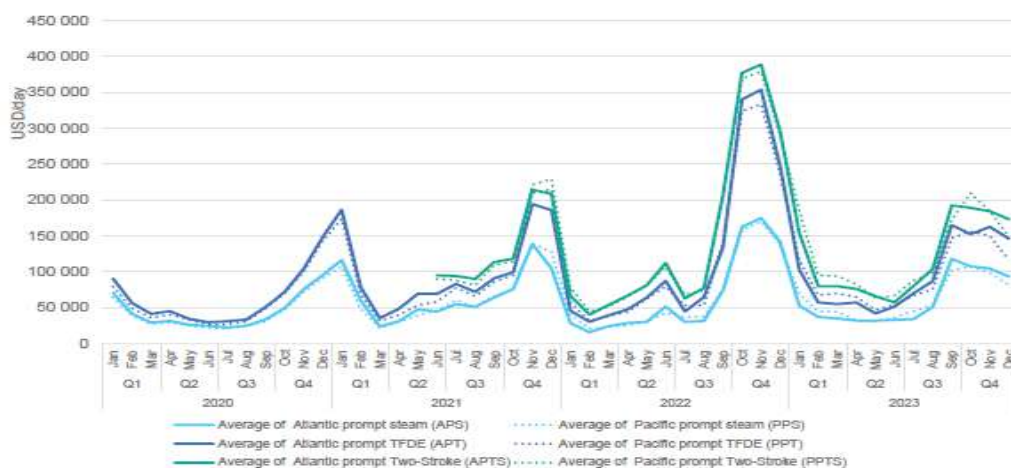
Natural gas prices moderated in CY23; despite Panama Canal and security risks in ME, prices remain muted

**Exhibit 14: Natural gas prices moderated in CY23; however, they remain well above historical averages in Asia and Europe**



Source: IEA, I-Sec research

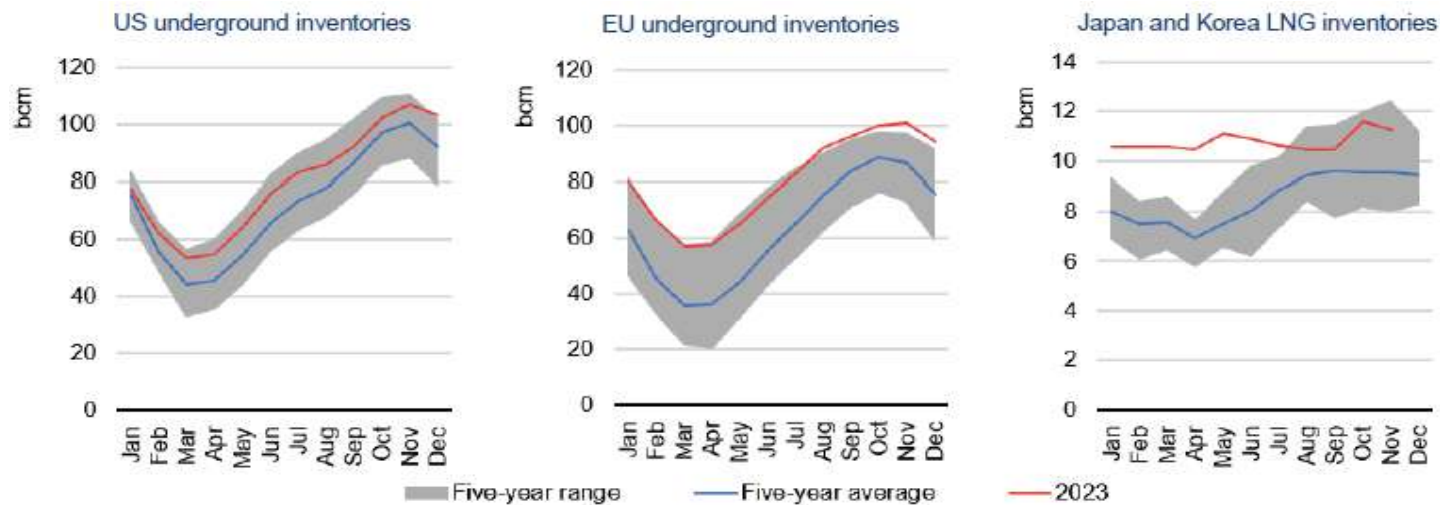
**Exhibit 15: Despite congestion in Panama Canal and security risks in Middle East, LNG spot freight rates for Q4CY23 remain at 3-year low**



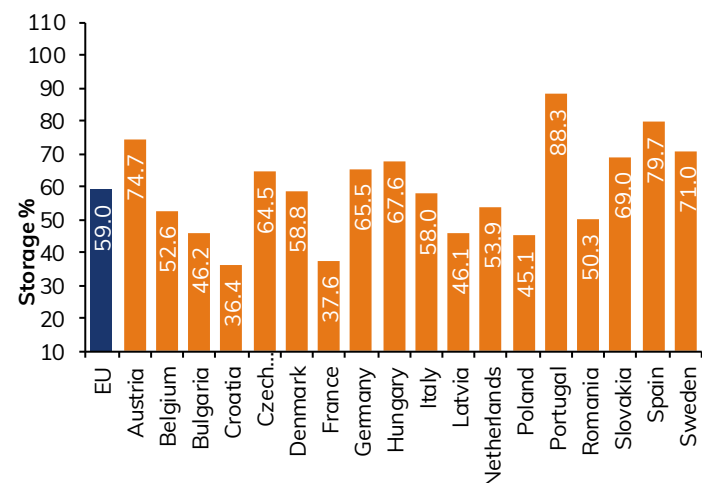
Source: IEA, I-Sec research



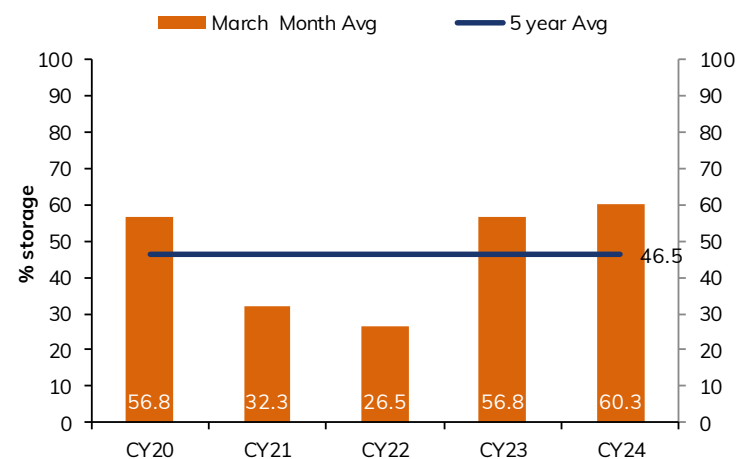
## Inventory levels remain above historical averages

**Exhibit 16: Storage inventories remained above average across key markets in CY23**

Source: IEA, I-Sec research

**Exhibit 17: EU inventory as on Mar 25, '24**

Source: AGSI data, I-Sec research

**Exhibit 18: Mar'24 Europe gas storage remains above 5-year average**

Source: AGSI data, I-Sec research

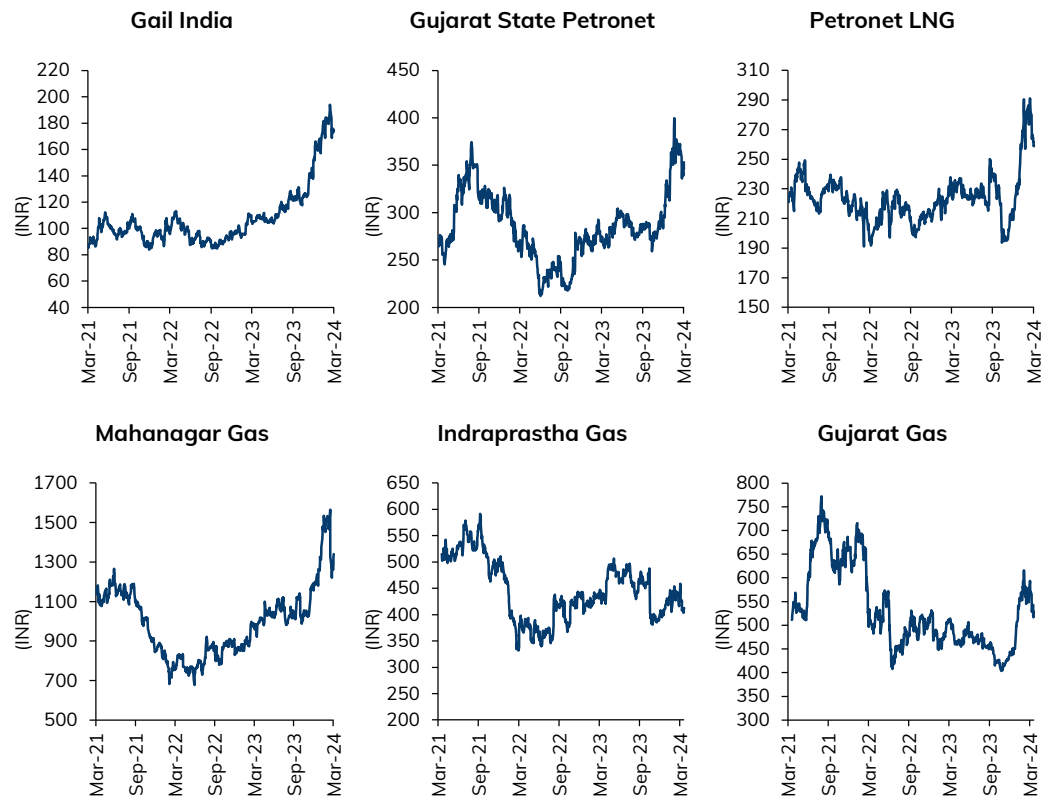
## Overall gas costs for India may remain lower for FY25E and FY26E

**Exhibit 19: After a sharp fall in FY24, overall gas cost for India to see a marginal decline in FY25E**

Production / Consumption	Volume				Slope	USD/bbl	95.0	85.0	85.0	85.0
	FY23	FY24E	FY25E	FY26E			FY23	FY24E	FY25E	FY26E
ONGC	53.9	55.0	54.5	54.5			7.7	7.3	7.3	7.9
ONGC New (KG)	-	2.0	6.0	10.0				12.4	12.1	11.2
Oil India	8.3	8.5	9.1	9.7			9.5	7.3	7.3	7.9
Other domestic	9.0	9.0	9.1	9.2			7.7	7.3	7.3	7.9
Gazprom	1.8	9.0	9.0	9.0	14%	USD/mmbtu	13.3	11.9	11.9	11.9
Gorgon	5.2	5.2	5.2	5.2	14%	USD/mmbtu	13.3	11.9	11.9	11.9
Rasgas	27.5	30.6	30.6	30.6	13%	USD/mmbtu	12.6	11.3	11.3	11.3
RIL	18.0	28.0	30.0	30.0	14%	USD/mmbtu	14.6	11.9	11.9	11.9
Spot LNG	34.3	39.7	42.9	48.1		USD/mmbtu	31.0	12.0	11.0	11.5
Total Gas consumption	158.0	187.0	196.4	206.2		USD/mmbtu	14.7	10.1	9.9	10.3
YoY % change		18%	5%	5%				-32%	-1%	3%

Source: Company data, I-Sec research

Price charts



Source: Bloomberg

## Financial Summary - Gail India

### Exhibit 20: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>10,31,660</b>	<b>11,40,148</b>	<b>11,89,953</b>	<b>12,06,324</b>
<b>EBITDA</b>	<b>1,25,053</b>	<b>1,46,200</b>	<b>1,57,355</b>	<b>1,72,100</b>
EBITDA Margin (%)	12.1	12.8	13.2	14.3
Depreciation & Amortization	28,251	31,551	34,551	37,551
EBIT	96,802	1,14,649	1,22,805	1,34,549
Interest expenditure	2,715	23	(2,012)	(3,850)
Other Non-operating Income	12,856	13,014	13,871	15,640
<b>PBT</b>	<b>1,06,944</b>	<b>1,27,639</b>	<b>1,38,687</b>	<b>1,54,039</b>
<b>Profit / (Loss) from Associates</b>	<b>21,729</b>	<b>23,572</b>	<b>24,475</b>	<b>25,469</b>
Less: Taxes	26,918	32,127	34,907	38,772
PAT	80,026	95,513	1,03,779	1,15,267
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>1,01,755</b>	<b>1,19,084</b>	<b>1,28,254</b>	<b>1,40,736</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>1,01,755</b>	<b>1,19,084</b>	<b>1,28,254</b>	<b>1,40,736</b>

Source Company data, I-Sec research

### Exhibit 21: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Total Current Assets</b>	<b>1,74,180</b>	<b>1,96,963</b>	<b>2,33,546</b>	<b>2,81,078</b>
of which cash & bank	10,905	17,323	45,183	88,093
<b>Total Current Liabilities &amp; Provisions</b>	<b>2,19,556</b>	<b>2,41,155</b>	<b>2,54,383</b>	<b>2,69,654</b>
<b>Net Current Assets</b>	<b>(45,376)</b>	<b>(44,191)</b>	<b>(20,837)</b>	<b>11,425</b>
Other Non Current Assets	-	-	-	-
<b>Net Fixed Assets</b>	<b>5,58,718</b>	<b>6,02,167</b>	<b>6,42,617</b>	<b>6,80,066</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	1,66,465	1,66,465	1,66,465	1,66,465
Non Investment	2,09,067	2,09,067	2,09,067	2,09,067
Current Investment	-	-	-	-
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>8,88,874</b>	<b>9,33,508</b>	<b>9,97,312</b>	<b>10,67,023</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>1,24,974</b>	<b>89,974</b>	<b>64,974</b>	<b>39,974</b>
<b>Deferred Tax Liability</b>	<b>43,951</b>	<b>43,951</b>	<b>43,951</b>	<b>43,951</b>
Lease Liability	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	65,751	65,751	65,751	65,751
Reserves & Surplus*	6,52,403	7,32,037	8,20,841	9,15,551
<b>Total Net Worth</b>	<b>7,18,154</b>	<b>7,97,788</b>	<b>8,86,592</b>	<b>9,81,302</b>
Minority Interest	1,796	1,796	1,796	1,796
<b>Total Liabilities</b>	<b>8,88,874</b>	<b>9,33,508</b>	<b>9,97,312</b>	<b>10,67,023</b>

Source Company data, I-Sec research

### Exhibit 22: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>3,28,432</b>	<b>3,22,121</b>	<b>3,18,068</b>	<b>3,42,365</b>
% growth (YOY)	-7.1%	-1.9%	-1.3%	7.6%
<b>EBITDA</b>	<b>4,872</b>	<b>24,327</b>	<b>34,913</b>	<b>38,226</b>
Margin %	1.5%	7.6%	11.0%	11.2%
Other Income	10,172	2,676	5,609	8,121
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>7,382</b>	<b>14,120</b>	<b>24,049</b>	<b>28,426</b>

Source Company data, I-Sec research

### Exhibit 23: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Cash Flow from operation before working Capital</b>	<b>1,25,053</b>	<b>1,46,200</b>	<b>1,57,355</b>	<b>1,72,100</b>
Working Capital Changes	45,932	5,234	4,505	10,649
Tax	(26,918)	(32,127)	(34,907)	(38,772)
<b>Operating Cashflow</b>	<b>1,44,067</b>	<b>1,19,307</b>	<b>1,26,953</b>	<b>1,43,977</b>
Capital Commitments	(90,000)	(75,000)	(75,000)	(75,000)
<b>Free Cashflow</b>	<b>54,067</b>	<b>44,307</b>	<b>51,953</b>	<b>68,977</b>
Others CFI	34,585	36,586	38,346	41,109
<b>Cashflow from Investing Activities</b>	<b>(55,415)</b>	<b>(38,414)</b>	<b>(36,654)</b>	<b>(33,891)</b>
Inc (Dec) in Borrowings	(53,188)	(35,000)	(25,000)	(25,000)
Interest Cost	(2,715)	(23)	2,012	3,850
Others	(32,876)	(39,451)	(39,451)	(46,026)
<b>Cash flow from Financing Activities</b>	<b>(88,778)</b>	<b>(74,474)</b>	<b>(62,439)</b>	<b>(67,176)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>(125)</b>	<b>6,419</b>	<b>27,860</b>	<b>42,910</b>
Closing cash & balance	10,905	17,323	45,183	88,093

Source Company data, I-Sec research

### Exhibit 24: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Per Share Data (INR)</b>				
Recurring EPS	15.5	18.1	19.5	21.4
Diluted EPS	15.5	18.1	19.5	21.4
Recurring Cash EPS	19.8	22.9	24.8	27.1
Dividend per share (DPS)	5.0	6.0	6.0	7.0
Book Value per share (BV)	109.2	121.3	134.8	149.2
Dividend Payout (%)	32.3	33.1	30.8	32.7
<b>Growth (%)</b>				
Net Sales	(29.2)	10.5	4.4	1.4
EBITDA	63.1	16.9	7.6	9.4
EPS	76.9	17.0	7.7	9.7
<b>Valuation Ratios (x)</b>				
P/E	11.7	10.0	9.2	8.4
P/CEPS	9.1	7.9	7.3	6.6
P/BV	1.7	1.5	1.3	1.2
EV / EBITDA	10.5	8.7	7.8	6.7
EV / Operating Income	12.0	10.0	9.0	7.7
Dividend Yield (%)	2.8	3.3	3.3	3.9
<b>Operating Ratios</b>				
EBITDA Margins (%)	12.1	12.8	13.2	14.3
Effective Tax Rate (%)	25.2	25.2	25.2	25.2
Net Profit Margins (%)	9.9	10.4	10.8	11.7
NWC / Total Assets (%)	(5.1)	(4.7)	(2.1)	1.1
Fixed Asset Turnover (x)	1.5	1.4	1.4	1.3
Working Capital Days	19.0	24.0	23.4	23.3
Net Debt / Equity %	15.9	9.1	2.2	(4.9)
<b>Profitability Ratios</b>				
RoCE (%)	8.7	9.9	10.0	10.2
RoCE (Pre-tax) (%)	11.6	13.2	13.3	13.6
RoE (%)	14.9	15.7	15.2	15.1

Source Company data, I-Sec research

## Financial Summary - Gujarat State Petronet

### Exhibit 25: Profit & Loss

(INR mn, year ending March )

	FY23A	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>1,86,634</b>	<b>1,74,654</b>	<b>2,07,679</b>	<b>2,35,026</b>
<b>EBITDA</b>	<b>36,797</b>	<b>32,280</b>	<b>38,072</b>	<b>41,823</b>
EBITDA Margin (%)	19.7	18.5	18.3	17.8
Depreciation & Amortization	6,205	6,724	7,661	8,473
EBIT	30,592	25,556	30,411	33,351
Interest expenditure	701	122	100	95
Other Non-operating Income	1,330	2,604	959	1,122
<b>PBT</b>	<b>12,286</b>	<b>16,890</b>	<b>16,904</b>	<b>18,651</b>
<b>Profit / (Loss) from Associates</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
Less: Taxes	7,828	8,074	9,037	9,926
PAT	23,392	19,965	22,233	24,451
Less: Minority Interest	7,005	5,354	6,697	7,327
<b>Net Income (Reported)</b>	<b>16,415</b>	<b>14,639</b>	<b>15,564</b>	<b>17,152</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>16,415</b>	<b>14,639</b>	<b>15,564</b>	<b>17,152</b>

Source Company data, I-Sec research

### Exhibit 26: Balance sheet

(INR mn, year ending March )

	FY23A	FY24E	FY25E	FY26E
<b>Total Current Assets</b>	<b>31,356</b>	<b>27,995</b>	<b>34,742</b>	<b>44,365</b>
of which cash & bank	13,726	10,885	14,733	21,832
<b>Total Current Liabilities &amp; Provisions</b>	<b>29,895</b>	<b>30,748</b>	<b>33,390</b>	<b>35,927</b>
<b>Net Current Assets</b>	<b>1,461</b>	<b>(2,753)</b>	<b>1,353</b>	<b>8,438</b>
Other Non Current Assets	6,693	7,362	8,098	8,908
<b>Net Fixed Assets</b>	<b>1,04,795</b>	<b>1,17,728</b>	<b>1,29,567</b>	<b>1,40,595</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	14,088	21,895	22,895	23,895
Non Investment	14,689	16,689	18,689	20,689
Current Investment	1,538	1,538	1,538	1,538
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>1,43,264</b>	<b>1,62,459</b>	<b>1,82,140</b>	<b>2,04,063</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>1,494</b>	<b>1,607</b>	<b>1,607</b>	<b>1,607</b>
<b>Deferred Tax Liability</b>	<b>12,699</b>	<b>12,699</b>	<b>12,699</b>	<b>12,699</b>
Lease Liability	1,494	1,494	1,494	1,494
Other Liabilities	2,187	2,406	2,647	2,912
Equity Share Capital	5,642	5,642	5,642	5,642
Reserves & Surplus*	88,847	1,02,358	1,15,100	1,29,431
<b>Total Net Worth</b>	<b>94,489</b>	<b>1,08,000</b>	<b>1,20,742</b>	<b>1,35,073</b>
Minority Interest	32,394	37,748	44,445	51,772
<b>Total Liabilities</b>	<b>1,43,264</b>	<b>1,62,459</b>	<b>1,82,140</b>	<b>2,04,063</b>

Source Company data, I-Sec research

### Exhibit 27: Quarterly trend

(INR mn, year ending March )

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>4,430</b>	<b>4,412</b>	<b>5,293</b>	<b>5,542</b>
% growth (YOY)	10.1%	-0.4%	20.0%	4.7%
<b>EBITDA</b>	<b>2,947</b>	<b>3,364</b>	<b>4,103</b>	<b>3,796</b>
Margin %	66.5%	76.3%	77.5%	68.5%
Other Income	476	180	2,663	211
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>2,243</b>	<b>2,293</b>	<b>5,320</b>	<b>2,622</b>

Source Company data, I-Sec research

### Exhibit 28: Cashflow statement

(INR mn, year ending March )

	FY23A	FY24E	FY25E	FY26E
<b>Cash Flow from operation before working Capital</b>	<b>36,996</b>	<b>32,280</b>	<b>38,072</b>	<b>41,823</b>
Working Capital Changes	3,754	922	(753)	(532)
Tax	(7,349)	(8,074)	(9,037)	(9,926)
<b>Operating Cashflow</b>	<b>33,400</b>	<b>25,129</b>	<b>28,282</b>	<b>31,365</b>
Capital Commitments	(12,780)	(27,464)	(20,500)	(20,500)
<b>Free Cashflow</b>	<b>20,620</b>	<b>(2,335)</b>	<b>7,782</b>	<b>10,865</b>
Others CFI	75	632	(1,013)	(850)
<b>Cashflow from Investing Activities</b>	<b>(12,705)</b>	<b>(26,832)</b>	<b>(21,513)</b>	<b>(21,350)</b>
Inc (Dec) in Borrowings	(5,898)	113	-	-
Interest Cost	(387)	(122)	(100)	(95)
Others	(1,761)	(1,128)	(2,821)	(2,821)
<b>Cash flow from Financing Activities</b>	<b>(8,046)</b>	<b>(1,138)</b>	<b>(2,921)</b>	<b>(2,916)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>12,649</b>	<b>(2,841)</b>	<b>3,848</b>	<b>7,099</b>
Closing cash & balance	13,726	10,885	14,733	21,832

Source Company data, I-Sec research

### Exhibit 29: Key ratios

(Year ending March )

	FY23A	FY24E	FY25E	FY26E
<b>Per Share Data (INR)</b>				
Recurring EPS	29.1	25.9	27.6	30.4
Diluted EPS	29.1	25.9	27.6	30.4
Recurring Cash EPS	40.1	37.9	41.2	45.4
Dividend per share (DPS)	5.0	2.0	5.0	5.0
Book Value per share (BV)	167.5	191.4	214.0	239.4
Dividend Payout (%)	17.2	7.7	18.1	16.4
<b>Growth (%)</b>				
Net Sales	1.9	(6.4)	18.9	13.2
EBITDA	5.1	(12.3)	17.9	9.9
EPS	(0.3)	(10.8)	6.3	10.2
<b>Valuation Ratios (x)</b>				
P/E	12.1	13.6	12.8	11.6
P/CEPS	8.8	9.3	8.6	7.8
P/BV	2.1	1.8	1.6	1.5
EV / EBITDA	5.0	6.2	5.2	4.5
EV / Operating Income	5.8	7.1	6.3	5.5
Dividend Yield (%)	1.4	0.6	1.4	1.4
<b>Operating Ratios</b>				
EBITDA Margins (%)	19.7	18.5	18.3	17.8
Effective Tax Rate (%)	25.1	28.8	28.9	28.9
Net Profit Margins (%)	8.8	8.4	7.5	7.3
NWC / Total Assets (%)	1.0	(1.7)	0.7	4.1
Fixed Asset Turnover (x)	1.3	1.1	1.2	1.2
Working Capital Days	11.0	10.5	11.8	11.5
Net Debt / Equity %	(14.6)	(10.0)	(12.1)	(16.1)
<b>Profitability Ratios</b>				
RoCE (%)	19.0	13.2	13.8	13.4
RoCE (Pre-tax) (%)	25.4	18.5	19.4	18.8
RoE (%)	18.9	14.5	13.6	13.4

Source Company data, I-Sec research

## Financial Summary - Petronet LNG

### Exhibit 30: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>5,98,994</b>	<b>7,79,129</b>	<b>8,69,608</b>	<b>10,24,884</b>
<b>EBITDA</b>	<b>48,540</b>	<b>52,737</b>	<b>55,807</b>	<b>60,053</b>
EBITDA Margin (%)	8.1	6.8	6.4	5.9
Depreciation & Amortization	7,643	8,020	8,845	10,220
EBIT	40,896	44,717	46,963	49,833
Interest expenditure	-	-	-	-
Other Non-operating Income	5,231	5,630	5,361	5,571
<b>PBT</b>	<b>42,822</b>	<b>47,382</b>	<b>49,448</b>	<b>52,619</b>
<b>Profit / (Loss) from Associates</b>	<b>1,380</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
Less: Taxes	10,944	11,926	12,446	13,244
PAT	31,878	35,456	37,002	39,374
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>33,258</b>	<b>36,656</b>	<b>38,202</b>	<b>40,574</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>33,258</b>	<b>36,656</b>	<b>38,202</b>	<b>40,574</b>

Source Company data, I-Sec research

### Exhibit 31: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Total Current Assets</b>	<b>1,09,773</b>	<b>1,27,900</b>	<b>1,42,482</b>	<b>1,51,525</b>
of which cash & bank	56,858	59,723	66,644	62,539
<b>Total Current Liabilities &amp; Provisions</b>	<b>26,259</b>	<b>31,613</b>	<b>34,323</b>	<b>38,935</b>
<b>Net Current Assets</b>	<b>83,514</b>	<b>96,288</b>	<b>1,08,159</b>	<b>1,12,591</b>
Other Non Current Assets	4,907	4,925	4,944	4,963
<b>Net Fixed Assets</b>	<b>87,903</b>	<b>92,384</b>	<b>98,539</b>	<b>1,13,319</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	11,259	11,259	11,259	11,259
Non Investment	4,986	5,036	5,087	5,137
Current Investment	8,697	8,784	8,872	8,961
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>2,01,266</b>	<b>2,18,676</b>	<b>2,36,859</b>	<b>2,56,229</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>33,450</b>	<b>32,450</b>	<b>31,450</b>	<b>30,450</b>
<b>Deferred Tax Liability</b>	<b>7,026</b>	<b>7,026</b>	<b>7,026</b>	<b>7,026</b>
Lease Liability	33,450	32,450	31,450	30,450
Other Liabilities	8,145	8,226	8,308	8,391
Equity Share Capital	15,000	15,000	15,000	15,000
Reserves & Surplus*	1,37,646	1,55,974	1,75,075	1,95,362
<b>Total Net Worth</b>	<b>1,52,646</b>	<b>1,70,974</b>	<b>1,90,075</b>	<b>2,10,362</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>2,01,266</b>	<b>2,18,676</b>	<b>2,36,859</b>	<b>2,56,229</b>

Source Company data, I-Sec research

### Exhibit 32: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>1,38,739</b>	<b>1,16,561</b>	<b>1,25,320</b>	<b>1,42,897</b>
% growth (YOY)	-7.6%	-16.0%	7.5%	14.0%
Adj EBITDA	9,431	11,818	12,147	12,485
Margin %	6.8%	10.1%	9.7%	8.7%
Other Income	1,538	1,467	1,567	1,565
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>6,142</b>	<b>7,899</b>	<b>8,181</b>	<b>7,332</b>

Source Company data, I-Sec research

### Exhibit 33: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Cash Flow from operation before working Capital</b>	<b>54,012</b>	<b>52,737</b>	<b>55,807</b>	<b>60,053</b>
Working Capital Changes	(15,941)	(9,845)	(4,887)	(8,472)
Tax	(12,380)	(11,926)	(12,446)	(13,244)
<b>Operating Cashflow</b>	<b>25,690</b>	<b>30,965</b>	<b>38,474</b>	<b>38,337</b>
Capital Commitments	(10,577)	(12,500)	(15,000)	(25,000)
<b>Free Cashflow</b>	<b>15,113</b>	<b>18,465</b>	<b>23,474</b>	<b>13,337</b>
Others CFI	22,163	6,694	6,423	6,631
<b>Cashflow from Investing Activities</b>	<b>11,586</b>	<b>(5,806)</b>	<b>(8,577)</b>	<b>(18,369)</b>
Inc (Dec) in Borrowings	(6,177)	(1,000)	(1,000)	(1,000)
Interest Cost	(253)	(2,966)	(2,876)	(2,786)
Others	(17,250)	(18,328)	(19,101)	(20,287)
<b>Cash flow from Financing Activities</b>	<b>(23,681)</b>	<b>(22,293)</b>	<b>(22,977)</b>	<b>(24,073)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>13,595</b>	<b>2,865</b>	<b>6,920</b>	<b>(4,104)</b>
Closing cash & balance	56,858	59,723	66,644	62,539

Source Company data, I-Sec research

### Exhibit 34: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Per Share Data (INR)</b>				
Recurring EPS	22.2	24.4	25.5	27.0
Diluted EPS	22.2	24.4	25.5	27.0
Recurring Cash EPS	27.3	29.8	31.4	33.9
Dividend per share (DPS)	10.0	12.2	12.7	13.5
Book Value per share (BV)	101.8	114.0	126.7	140.2
Dividend Payout (%)	45.1	50.0	50.0	50.0
<b>Growth (%)</b>				
Net Sales	38.8	30.1	11.6	17.9
EBITDA	(7.5)	8.6	5.8	7.6
EPS	(3.3)	10.2	4.2	6.2
<b>Valuation Ratios (x)</b>				
P/E	11.9	10.8	10.4	9.8
P/CEPS	9.7	8.9	8.4	7.8
P/BV	2.6	2.3	2.1	1.9
EV / EBITDA	7.5	6.8	6.3	5.9
EV / Operating Income	7.9	7.1	6.7	6.4
Dividend Yield (%)	3.8	4.6	4.8	5.1
<b>Operating Ratios</b>				
EBITDA Margins (%)	8.1	6.8	6.4	5.9
Effective Tax Rate (%)	25.6	25.2	25.2	25.2
Net Profit Margins (%)	5.6	4.7	4.4	4.0
NWC / Total Assets (%)	41.5	44.0	45.7	43.9
Fixed Asset Turnover (x)	4.5	5.6	5.7	5.9
Working Capital Days	23.3	22.7	21.2	21.8
Net Debt / Equity %	(21.0)	(21.1)	(23.2)	(19.5)
<b>Profitability Ratios</b>				
RoCE (%)	17.0	17.2	16.5	16.1
RoCE (Pre-tax) (%)	22.9	23.0	22.1	21.6
RoE (%)	23.0	22.7	21.2	20.3

Source Company data, I-Sec research



## Financial Summary - Mahanagar Gas

### Exhibit 35: Profit & Loss

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>62,773</b>	<b>61,904</b>	<b>66,338</b>	<b>72,084</b>
<b>EBITDA</b>	<b>11,842</b>	<b>19,154</b>	<b>18,520</b>	<b>18,709</b>
EBITDA Margin (%)	18.9	30.9	27.9	26.0
Depreciation & Amortization	2,311	2,930	3,350	3,770
EBIT	9,531	16,224	15,170	14,939
Interest expenditure	94	50	50	50
Other Non-operating Income	1,119	1,653	2,019	2,513
<b>PBT</b>	<b>10,556</b>	<b>17,827</b>	<b>17,139</b>	<b>17,402</b>
<b>Profit / (Loss) from Associates</b>	-	-	-	-
Less: Taxes	2,655	4,484	4,311	4,377
PAT	7,901	13,343	12,828	13,025
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>7,901</b>	<b>13,343</b>	<b>12,828</b>	<b>13,025</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>7,901</b>	<b>13,343</b>	<b>12,828</b>	<b>13,025</b>

Source Company data, I-Sec research

### Exhibit 36: Balance sheet

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Total Current Assets</b>	<b>6,964</b>	<b>15,317</b>	<b>21,140</b>	<b>27,622</b>
of which cash & bank	2,279	11,726	17,367	23,624
<b>Total Current Liabilities &amp; Provisions</b>	<b>15,612</b>	<b>20,671</b>	<b>23,247</b>	<b>26,078</b>
<b>Net Current Assets</b>	<b>(8,648)</b>	<b>(5,354)</b>	<b>(2,107)</b>	<b>1,545</b>
Other Non Current Assets	2,918	2,918	2,918	2,918
<b>Net Fixed Assets</b>	<b>30,257</b>	<b>34,327</b>	<b>37,977</b>	<b>41,207</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	7,086	7,086	7,086	7,086
Non Investment	-	-	-	-
Current Investment	13,098	14,408	15,849	17,434
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>44,711</b>	<b>53,384</b>	<b>61,723</b>	<b>70,189</b>
<b>Liabilities</b>				
<b>Borrowings</b>	-	-	-	-
<b>Deferred Tax Liability</b>	<b>2,086</b>	<b>2,086</b>	<b>2,086</b>	<b>2,086</b>
Lease Liability	-	-	-	-
Other Liabilities	1,283	1,283	1,283	1,283
Equity Share Capital	988	988	988	988
Reserves & Surplus*	40,354	49,027	57,366	65,832
<b>Total Net Worth</b>	<b>41,342</b>	<b>50,015</b>	<b>58,353</b>	<b>66,820</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>44,711</b>	<b>53,384</b>	<b>61,723</b>	<b>70,189</b>

Source Company data, I-Sec research

### Exhibit 37: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>16,031</b>	<b>15,332</b>	<b>15,651</b>	<b>15,632</b>
% growth (YOY)	-3.8%	-4.4%	2.1%	-0.1%
<b>EBITDA</b>	<b>3,897</b>	<b>5,213</b>	<b>4,789</b>	<b>4,487</b>
Margin %	24.3%	34.0%	30.6%	28.7%
Other Income	336	390	437	481
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>2,688</b>	<b>3,684</b>	<b>3,385</b>	<b>3,172</b>

Source Company data, I-Sec research

### Exhibit 38: Cashflow statement

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Cash Flow from operation before working Capital</b>	<b>12,197</b>	<b>19,154</b>	<b>18,520</b>	<b>18,709</b>
Working Capital Changes	134	6,154	2,394	2,605
Tax	(2,638)	(4,484)	(4,311)	(4,377)
<b>Operating Cashflow</b>	<b>9,693</b>	<b>20,824</b>	<b>16,603</b>	<b>16,938</b>
Capital Commitments	(7,127)	(7,000)	(7,000)	(7,000)
<b>Free Cashflow</b>	<b>2,566</b>	<b>13,824</b>	<b>9,603</b>	<b>9,938</b>
Others CFI	(2,092)	343	578	928
<b>Cashflow from Investing Activities</b>	<b>(9,218)</b>	<b>(6,657)</b>	<b>(6,422)</b>	<b>(6,072)</b>
Inc (Dec) in Borrowings	-	-	-	-
Interest Cost	-	(50)	(50)	(50)
Others	(2,848)	(4,670)	(4,490)	(4,559)
<b>Cash flow from Financing Activities</b>	<b>(2,848)</b>	<b>(4,720)</b>	<b>(4,540)</b>	<b>(4,609)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>(2,373)</b>	<b>9,447</b>	<b>5,641</b>	<b>6,257</b>
Closing cash & balance	2,279	11,726	17,367	23,624

Source Company data, I-Sec research

### Exhibit 39: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Per Share Data (INR)</b>				
Recurring EPS	80.0	135.1	129.9	131.9
Diluted EPS	80.0	135.1	129.9	131.9
Recurring Cash EPS	103.4	164.7	163.8	170.0
Dividend per share (DPS)	26.0	47.3	45.5	46.2
Book Value per share (BV)	418.5	506.3	590.7	676.5
Dividend Payout (%)	32.5	35.0	35.0	35.0
<b>Growth (%)</b>				
Net Sales	77.5	(1.4)	7.2	8.7
EBITDA	28.1	61.7	(3.3)	1.0
EPS	32.4	68.9	(3.9)	1.5
<b>Valuation Ratios (x)</b>				
P/E	17.1	10.1	10.6	10.4
P/CEPS	13.3	8.3	8.4	8.1
P/BV	3.3	2.7	2.3	2.0
EV / EBITDA	10.1	5.7	5.5	5.0
EV / Operating Income	11.3	6.1	5.9	5.4
Dividend Yield (%)	1.9	3.5	3.3	3.4
<b>Operating Ratios</b>				
EBITDA Margins (%)	18.9	30.9	27.9	26.0
Effective Tax Rate (%)	25.2	25.2	25.2	25.2
Net Profit Margins (%)	12.6	21.6	19.3	18.1
NWC / Total Assets (%)	(19.3)	(10.0)	(3.4)	2.2
Fixed Asset Turnover (x)	1.6	1.4	1.3	1.2
Working Capital Days	(0.6)	(11.3)	(48.4)	(57.1)
Net Debt / Equity %	(37.2)	(52.3)	(56.9)	(61.4)
<b>Profitability Ratios</b>				
RoCE (%)	18.5	26.6	21.0	17.9
RoCE (Pre-tax) (%)	24.7	35.5	28.0	23.9
RoE (%)	20.4	29.2	23.7	20.8

Source Company data, I-Sec research

## Financial Summary - Indraprastha Gas

### Exhibit 40: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>1,41,459</b>	<b>1,44,233</b>	<b>1,60,070</b>	<b>1,70,628</b>
<b>EBITDA</b>	<b>20,398</b>	<b>24,282</b>	<b>25,458</b>	<b>25,381</b>
EBITDA Margin (%)	14.4	16.8	15.9	14.9
Depreciation & Amortization	3,634	4,385	5,040	5,708
EBIT	16,764	19,898	20,419	19,673
Interest expenditure	106	78	28	3
Other Non-operating Income	2,619	2,687	3,794	5,060
<b>PBT</b>	<b>19,277</b>	<b>22,507</b>	<b>24,184</b>	<b>24,729</b>
<b>Profit / (Loss) from Associates</b>	-	-	-	-
Less: Taxes	4,827	5,636	6,056	6,192
PAT	14,450	16,871	18,128	18,537
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>14,450</b>	<b>16,871</b>	<b>18,128</b>	<b>18,537</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>14,450</b>	<b>16,871</b>	<b>18,128</b>	<b>18,537</b>

Source Company data, I-Sec research

### Exhibit 41: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Total Current Assets</b>	<b>38,088</b>	<b>43,908</b>	<b>54,777</b>	<b>65,425</b>
of which cash & bank	26,332	32,908	43,625	54,520
<b>Total Current Liabilities &amp; Provisions</b>	<b>42,791</b>	<b>43,631</b>	<b>48,421</b>	<b>51,615</b>
<b>Net Current Assets</b>	<b>(4,704)</b>	<b>277</b>	<b>6,356</b>	<b>13,809</b>
Other Non Current Assets	-	-	-	-
<b>Net Fixed Assets</b>	<b>57,335</b>	<b>64,611</b>	<b>71,731</b>	<b>78,183</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	14,337	14,337	14,337	14,337
Non Investment	3,807	3,807	3,807	3,807
Current Investment	4,191	4,191	4,191	4,191
Deferred Tax Assets	(3,168)	(3,168)	(3,168)	(3,168)
<b>Total Assets</b>	<b>71,800</b>	<b>84,056</b>	<b>97,255</b>	<b>1,11,161</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>828</b>	<b>428</b>	<b>28</b>	<b>28</b>
<b>Deferred Tax Liability</b>	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	107	110	112	115
Equity Share Capital	1,400	1,400	1,400	1,400
Reserves & Surplus*	69,466	82,119	95,715	1,09,618
<b>Total Net Worth</b>	<b>70,866</b>	<b>83,519</b>	<b>97,115</b>	<b>1,11,018</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>71,800</b>	<b>84,056</b>	<b>97,255</b>	<b>1,11,161</b>

Source Company data, I-Sec research

### Exhibit 42: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>36,872</b>	<b>34,070</b>	<b>34,585</b>	<b>35,562</b>
% growth (YOY)	-0.6%	-7.6%	1.5%	2.8%
<b>EBITDA</b>	<b>4,663</b>	<b>6,424</b>	<b>6,569</b>	<b>5,641</b>
Margin %	12.6%	18.9%	19.0%	15.9%
Other Income	654	457	1,340	550
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>3,298</b>	<b>4,384</b>	<b>5,348</b>	<b>3,921</b>

Source Company data, I-Sec research

### Exhibit 43: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Cash Flow from operation before working Capital</b>	<b>20,670</b>	<b>24,282</b>	<b>25,458</b>	<b>25,381</b>
Working Capital Changes	6,469	1,598	4,641	3,443
Tax	(4,833)	(5,636)	(6,056)	(6,192)
<b>Operating Cashflow</b>	<b>22,306</b>	<b>20,245</b>	<b>24,044</b>	<b>22,632</b>
Capital Commitments	(11,221)	(11,660)	(12,160)	(12,160)
<b>Free Cashflow</b>	<b>11,085</b>	<b>8,585</b>	<b>11,884</b>	<b>10,472</b>
Others CFI	15,217	2,687	3,794	5,060
<b>Cashflow from Investing Activities</b>	<b>3,996</b>	<b>(8,973)</b>	<b>(8,366)</b>	<b>(7,100)</b>
Inc (Dec) in Borrowings	-	-	-	-
Interest Cost	-	(78)	(28)	(3)
Others	(13,586)	(4,618)	(4,932)	(4,634)
<b>Cash flow from Financing Activities</b>	<b>(13,586)</b>	<b>(4,696)</b>	<b>(4,961)</b>	<b>(4,638)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>12,716</b>	<b>6,576</b>	<b>10,717</b>	<b>10,894</b>
Closing cash & balance	26,332	32,908	43,625	54,520

Source Company data, I-Sec research

### Exhibit 44: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Per Share Data (INR)</b>				
Recurring EPS	20.6	24.1	25.9	26.5
Diluted EPS	20.6	24.1	25.9	26.5
Recurring Cash EPS	25.8	30.4	33.1	34.6
Dividend per share (DPS)	13.0	6.0	6.5	6.6
Book Value per share (BV)	101.2	119.3	138.7	158.6
Dividend Payout (%)	63.0	25.0	25.0	25.0
<b>Growth (%)</b>				
Net Sales	83.5	2.0	11.0	6.6
EBITDA	8.4	19.0	4.8	(0.3)
EPS	9.9	16.8	7.5	2.3
<b>Valuation Ratios (x)</b>				
P/E	20.6	17.7	16.4	16.1
P/CEPS	16.5	14.0	12.9	12.3
P/BV	4.2	3.6	3.1	2.7
EV / EBITDA	13.1	10.8	9.8	9.4
EV / Operating Income	13.8	11.6	10.3	9.7
Dividend Yield (%)	3.1	1.4	1.5	1.6
<b>Operating Ratios</b>				
EBITDA Margins (%)	14.4	16.8	15.9	14.9
Effective Tax Rate (%)	25.0	25.0	25.0	25.0
Net Profit Margins (%)	10.2	11.7	11.3	10.9
NWC / Total Assets (%)	(6.6)	0.3	6.5	12.4
Fixed Asset Turnover (x)	2.1	1.8	1.7	1.6
Working Capital Days	(4.5)	(9.3)	(11.3)	(11.5)
Net Debt / Equity %	(41.9)	(43.9)	(49.2)	(52.9)
<b>Profitability Ratios</b>				
RoCE (%)	17.7	19.2	16.9	14.2
RoCE (Pre-tax) (%)	23.6	25.6	22.6	18.9
RoE (%)	20.6	21.9	20.1	17.8

Source Company data, I-Sec research



## Financial Summary - Gujarat Gas

### Exhibit 45: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>1,67,594</b>	<b>1,58,443</b>	<b>1,93,721</b>	<b>2,21,239</b>
<b>EBITDA</b>	<b>23,920</b>	<b>20,489</b>	<b>24,277</b>	<b>27,109</b>
EBITDA Margin (%)	14.3	12.9	12.5	12.3
Depreciation & Amortization	4,283	4,787	5,291	5,795
EBIT	19,637	15,702	18,987	21,315
Interest expenditure	404	82	42	2
Other Non-operating Income	1,013	878	757	649
<b>PBT</b>	<b>20,247</b>	<b>16,499</b>	<b>19,702</b>	<b>21,962</b>
<b>Profit / (Loss) from Associates</b>	-	-	-	-
Less: Taxes	4,992	4,068	4,857	5,415
PAT	15,255	12,431	14,844	16,547
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>15,255</b>	<b>12,431</b>	<b>14,844</b>	<b>16,547</b>
Extraordinaries (Net)	-	-	-	-
<b>Recurring Net Income</b>	<b>15,255</b>	<b>12,431</b>	<b>14,844</b>	<b>16,547</b>

Source Company data, I-Sec research

### Exhibit 46: Balance sheet

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Total Current Assets</b>	<b>19,792</b>	<b>18,230</b>	<b>26,099</b>	<b>34,055</b>
of which cash & bank	6,810	6,675	13,405	20,843
<b>Total Current Liabilities &amp; Provisions</b>	<b>27,750</b>	<b>25,053</b>	<b>29,473</b>	<b>32,197</b>
<b>Net Current Assets</b>	<b>(7,958)</b>	<b>(6,823)</b>	<b>(3,373)</b>	<b>1,858</b>
Other Non Current Assets	-	-	-	-
<b>Net Fixed Assets</b>	<b>73,364</b>	<b>80,577</b>	<b>87,287</b>	<b>93,492</b>
Other Fixed Assets	-	-	-	-
Capital Work in Progress	9,831	9,831	9,831	9,831
Non Investment	-	-	-	-
Current Investment	5,964	6,464	6,964	7,464
Deferred Tax Assets	(8,461)	(8,461)	(8,461)	(8,461)
<b>Total Assets</b>	<b>72,740</b>	<b>81,588</b>	<b>92,247</b>	<b>1,04,184</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>1,523</b>	<b>1,023</b>	<b>523</b>	<b>23</b>
<b>Deferred Tax Liability</b>	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	1,261	1,286	1,312	1,338
Equity Share Capital	1,377	1,377	1,377	1,377
Reserves & Surplus*	68,579	77,902	89,036	1,01,446
<b>Total Net Worth</b>	<b>69,956</b>	<b>79,279</b>	<b>90,412</b>	<b>1,02,823</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>72,740</b>	<b>81,588</b>	<b>92,247</b>	<b>1,04,184</b>

Source Company data, I-Sec research

### Exhibit 47: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
<b>Net Sales</b>	<b>39,286</b>	<b>37,815</b>	<b>38,454</b>	<b>39,291</b>
% growth (YOY)	-15.9%	-26.9%	-3.3%	6.6%
<b>EBITDA</b>	<b>5,603</b>	<b>3,880</b>	<b>4,966</b>	<b>4,007</b>
Margin %	14.3%	10.3%	12.9%	10.2%
Other Income	320	239	298	230
Extraordinaries	-	-	-	-
<b>Adjusted Net Profit</b>	<b>3,694</b>	<b>2,151</b>	<b>2,978</b>	<b>2,203</b>

Source Company data, I-Sec research

### Exhibit 48: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Cash Flow from operation before working Capital</b>	<b>24,336</b>	<b>20,489</b>	<b>24,277</b>	<b>27,109</b>
Working Capital Changes	4,052	(1,244)	3,306	2,233
Tax	(4,608)	(4,068)	(4,857)	(5,415)
<b>Operating Cashflow</b>	<b>23,780</b>	<b>15,177</b>	<b>22,726</b>	<b>23,928</b>
Capital Commitments	(10,915)	(12,000)	(12,000)	(12,000)
<b>Free Cashflow</b>	<b>34,694</b>	<b>27,177</b>	<b>34,726</b>	<b>35,928</b>
Others CFI	518	378	257	149
<b>Cashflow from Investing Activities</b>	<b>(10,397)</b>	<b>(11,622)</b>	<b>(11,743)</b>	<b>(11,851)</b>
Inc (Dec) in Borrowings	(4,779)	(500)	(500)	(500)
Interest Cost	(381)	(82)	(42)	(2)
Others	(1,624)	(3,108)	(3,711)	(4,137)
<b>Cash flow from Financing Activities</b>	<b>(6,784)</b>	<b>(3,690)</b>	<b>(4,253)</b>	<b>(4,639)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>6,599</b>	<b>(134)</b>	<b>6,730</b>	<b>7,438</b>
Closing cash & balance	6,810	6,675	13,405	20,843

Source Company data, I-Sec research

### Exhibit 49: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
<b>Per Share Data (INR)</b>				
Recurring EPS	22.2	18.1	21.6	24.0
Diluted EPS	22.2	18.1	21.6	24.0
Recurring Cash EPS	28.4	25.0	29.2	32.5
Dividend per share (DPS)	6.6	4.5	5.4	6.0
Book Value per share (BV)	101.6	115.2	131.3	149.4
Dividend Payout (%)	30.0	25.0	25.0	25.0
<b>Growth (%)</b>				
Net Sales	1.8	(5.5)	22.3	14.2
EBITDA	15.2	(14.3)	18.5	11.7
EPS	17.8	(18.5)	19.4	11.5
<b>Valuation Ratios (x)</b>				
P/E	24.4	30.0	25.1	22.5
P/CEPS	19.1	21.7	18.5	16.7
P/BV	5.3	4.7	4.1	3.6
EV / EBITDA	15.1	17.6	14.5	12.7
EV / Operating Income	17.5	21.8	17.9	15.7
Dividend Yield (%)	1.2	0.8	1.0	1.1
<b>Operating Ratios</b>				
EBITDA Margins (%)	14.3	12.9	12.5	12.3
Effective Tax Rate (%)	24.7	24.7	24.7	24.7
Net Profit Margins (%)	9.1	7.8	7.7	7.5
NWC / Total Assets (%)	(10.9)	(8.4)	(3.7)	1.8
Fixed Asset Turnover (x)	1.7	1.5	1.6	1.7
Working Capital Days	5.8	17.2	19.7	18.8
Net Debt / Equity %	(16.1)	(15.3)	(22.0)	(27.5)
<b>Profitability Ratios</b>				
RoCE (%)	22.0	15.6	16.7	16.6
RoCE (Pre-tax) (%)	29.3	20.7	22.2	22.0
RoE (%)	24.2	16.7	17.5	17.1

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: [Mr. Prabodh Avadhoot](mailto:Mr.Prabodh.Avadhoot) Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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