

● **RATING: BUY**

GAIL: Steady improvement likely over next one year

● **18–20 mmscmd gas transmission addition seen during FY25–27**

GAIL'S Q3FY25 RESULT disappointed the street, with multiple one-offs dragging trading segment earnings and reigniting the long-held apprehension on the unpredictability of trading segment. The stock has reacted negatively, with 23% decline over the last 6 months. However, we believe earnings may improve steadily over the next 12 months, driven by: (i) One-offs impacting trading have resolved somewhat in Q4-TD and should have limited impact over FY26 led by: (ii) Sustained volume growth for transmission/trading as gas demand grows over FY26–27E, (iii) gas costs



for petchem may remain flat and realisation should somewhat improve, (iv) tariff order gets closer, with release of PCD on tariff norms and (v) valuation remains attractive.

Q3FY25 result for GAIL was impacted by one-offs, with mis-

FINANCIALS

Y/E March (₹ cr)	FY24A	FY25E	FY26E	FY27E
Net revenue	1,33,228.5	1,03,443.5	1,05,756.4	1,13,281
Ebitda	14,296.3	15,131.2	16,954.9	17,701.9
Ebitda %	10.7	14.6	16.0	15.6
Net Profit	9,902.8	10,984.3	12,514.2	13,122.7
EPS (₹)	15.1	16.7	19.0	20.0
EPS % chg y-o-y	72.2	10.9	13.9	4.9
P/E (x)	12.1	10.9	9.5	9.1
EV/Ebitda (x)	9.8	9.0	7.8	7.2
RoCE (Pre-tax) (%)	11.7	11.1	12.2	11.8
RoE (%)	14.0	13.6	14.2	13.5

match of crudebased contract tenures, unhedged HH-based volumes and procuring spot cargoes on short notice to meet unplanned rise in demand.

Indian gas demand is set to grow steadily over the next couple of

years, with overall demand seeing growth via fertiliser and CGD (city gas distribution) segments and from industrial sector. Overall gas demand has grown by 40 mmscmd for 10MFY25, with further growth ahead, led by (i) rising CGD, (ii) addi-

tional fertiliser plant commissioning/demand along the Eastern gas grid, (iii) growth in industrial demand and (iv) forecasts implying strong growth in power demand in the country, which may drive better utilisation of gas fired powerplants. Driven by this along with completion of multiple expansion plans by GAIL, we expect steady 9–10mmscmd growth in transmission/trading volumes for GAIL over the next 3–5 years.

Nearly 18–20mmscmd of volume addition over FY25–27E, stronger tariffs, steady trading margins and additional delta from petrochemicals (JBF acquisition should also add capacity) imply GAIL could see steady earnings growth over FY25–27E, despite the record earnings seen in FY24.

ICICI SECURITIES





BUSINESS STANDARD (BS 1000), Delhi, 1.4.2025

Page No: 18, Size: (58.37)cms X (37.42)cms.

BS1000

TOTAL REVENUES

RANK		COMPANY, CITY	TOTAL REVENUES		OPERATING PROFIT		NET PROFIT			NET WORTH			TOTAL ASSETS		DIVIDEND		EMPLOYEE COST		DIRECT TAX		RONW	ROCE	MARKET CAP		SECTOR	BUSINESS HOUSE	FSI RANK	
2024	2023		FY24	% CHG	FY24	% CHG	FY24	% CHG	RANK	FY24	% CHG	RANK	FY24	% CHG	RANK	FY24	% CHG	FY24	% CHG	FY24	% CHG	%	%	₹ CR				RANK
1	1	Reliance Industries, Mumbai	9,22,391	0.2	1,78,677	15.8	69,621	4.4	1	6,61,174	9.7	1	12,64,663	7.4	1	6,766	11.1	25,679	3.2	25,707	26.2	10.5	10.5	17,64,482	1	Oil & Gas	Mukesh Ambani	454
2	2	Indian Oil Corporation, Delhi/NCR	7,80,509	-8.5	81,035	126.3	41,730	326.2	4	1,78,670	31.2	3	3,21,772	9.5	4	16,526	300.0	11,671	24.7	14,127	323.8	26.7	21.2	2,06,562	36	Oil & Gas	Govt of India	172
3	3	Oil & Natural Gas Corp., Dehradun	6,10,642	-4.4	1,15,817	52.0	49,221	34.1	2	3,09,050	17.9	2	5,42,427	16.1	2	15,411	8.9	15,281	2.6	19,759	84.7	18.4	17.3	3,30,205	13	Oil & Gas	Govt of India	290
4	4	Bharat Petroleum Corporation, Mumbai	4,53,373	-5.1	47,115	250.2	26,859	1160.4	7	75,635	41.3	14	1,32,680	6.1	16	8,972	953.4	3,577	28.9	9,336	1252.8	41.6	31.3	1,34,626	52	Oil & Gas	Govt of India	138
5	6	Tata Motors, Mumbai	4,46,155	24.7	65,211	69.5	31,399	1200.6	6	76,742	101.7	12	2,25,172	7.1	7	2,300	200.2	42,487	26.2	-3,852	-	48.8	17.4	3,03,807	16	Automobile	Tata	311
6	5	HPLC, Mumbai	4,40,314	-0.7	28,653	***	16,015	***	12	46,921	45.4	27	1,14,605	10.4	19	4,470	-	3,470	15.6	4,486	-	40.5	21.1	84,074	97	Oil & Gas	Govt of India	224
7	8	Tata Consultancy Services, Mumbai	2,45,315	7.2	67,760	8.1	45,908	8.9	3	89,424	-0.2	7	1,00,043	0.0	24	26,426	-37.2	1,40,131	9.9	15,898	8.9	51.0	62.9	15,20,014	2	Technology-Software	Tata	2
8	7	Tata Steel, Mumbai	2,26,665	-8.7	16,243	-52.0	-4,437	**	999	90,029	-10.2	6	1,92,597	-4.7	10	4,495	2.1	24,510	9.3	3,763	-63.0	7.3	6.6	1,85,678	38	Mining & Metals	Tata	499
9	10	Larsen & Toubro, Mumbai	2,24,364	18.0	33,712	12.2	13,059	24.7	16	70,169	-6.5	18	2,04,383	-3.2	9	4,674	38.6	41,171	10.6	4,947	10.3	17.7	14.5	4,98,272	8	Construction & Infrastructure	L&T	548
10	9	Hindalco Industries, Mumbai	2,16,194	-2.3	25,391	5.9	10,155	0.6	20	1,06,135	12.0	5	1,70,731	4.7	13	777	16.7	14,547	14.1	3,857	22.7	10.1	10.7	1,52,195	47	Mining & Metals	Birla AV	283
11	11	NTPC, Delhi/NCR	1,83,892	2.8	56,646	12.9	20,812	23.1	10	1,56,296	9.2	4	4,07,226	7.5	3	7,515	6.9	7,534	1.0	6,809	0.2	13.9	10.3	3,72,515	10	Power	Govt of India	643
12	12	JSW Steel, Mumbai	1,79,686	5.6	29,657	48.1	8,812	112.6	24	75,562	17.4	15	1,68,937	13.3	14	2,227	117.6	4,591	17.3	4,407	190.7	12.5	13.5	2,38,079	29	Mining & Metals	Sajjan Jindal	542
13	15	Infosys, Bengaluru	1,58,381	6.0	41,136	8.7	26,233	8.9	8	75,667	16.4	13	98,840	14.6	25	19,090	35.4	82,620	5.4	9,740	5.7	37.1	44.7	7,85,372	4	Technology-Software	Infosys	42
14	17	Bharti Airtel, Delhi/NCR	1,54,127	9.4	74,864	3.6	7,467	-10.5	30	58,474	20.1	22	3,10,509	-2.2	5	4,603	102.8	5,323	10.2	4,121	-3.6	17.1	13.7	9,22,836	3	Telecommunications	Bharti	679
15	16	Coal India, Kolkata	1,52,241	4.6	56,367	11.0	37,402	17.8	5	81,878	36.3	10	1,74,475	15.3	12	15,715	5.2	48,783	-1.3	11,443	-0.9	52.1	30.5	2,68,591	23	Mining & Metals	Govt of India	302
16	13	Vedanta, Mumbai	1,49,898	-0.9	40,551	9.4	4,239	-59.9	41	19,375	-34.1	53	1,27,184	-1.5	17	10,974	-70.9	3,300	6.5	12,826	122.3	10.7	17.6	1,85,166	39	Mining & Metals	Vedanta	549
17	20	Maruti Suzuki India, Delhi/NCR	1,46,584	20.7	22,874	47.2	13,488	63.2	15	85,636	14.8	9	89,061	13.4	27	3,930	44.6	6,302	18.7	3,936	81.0	16.8	21.0	3,60,743	12	Automobile	Foreign-Suzuki	111
18	18	Mahindra & Mahindra, Mumbai	1,43,831	11.5	28,190	16.3	11,269	9.6	17	54,872	20.2	24	1,83,756	16.8	11	2,530	30.0	10,624	9.8	3,708	38.1	20.0	13.8	3,70,068	11	Automobile	Mahindra	819
19	14	GAIL (India), Delhi/NCR	1,35,968	-9.7	16,986	64.6	9,899	76.3	21	76,799	18.6	11	1,05,399	18.0	20	3,616	10.0	2,481	16.5	2,692	62.1	14.0	13.7	1,35,512	51	Oil & Gas	Govt of India	184
20	19	Gasim Industries, Mumbai	1,32,498	8.4	27,979	10.5	5,624	-17.6	36	38,366	11.0	32	3,09,770	23.9	6	664	0.8	7,963	10.7	3,774	3.4	11.9	8.2	1,73,415	41	Diversified	Birla AV	948
21	23	HCL Technologies, Delhi/NCR	1,11,365	8.2	25,693	7.1	15,702	5.7	13	68,255	4.3	19	77,468	6.3	30	14,118	8.3	62,480	13.0	5,257	13.2	23.5	28.6	5,06,042	7	Technology-Software	Shiv Nadar	22
22	21	Steel Authority of India, Delhi/NCR	1,10,239	-1.1	11,814	19.4	3,067	40.9	56	57,101	4.3	23	1,02,478	7.6	22	826	33.3	11,766	-2.5	995	39.0	6.4	7.3	50,116	147	Mining & Metals	Govt of India	544
23	25	Samarvadhana Motherson, Delhi/NCR	99,070	25.0	9,462	49.7	2,716	81.6	60	24,094	17.4	47	48,413	27.9	44	542	23.1	23,539	31.3	821	11.6	12.4	13.1	1,25,419	56	Auto Ancillaries	Motherson	391
24	24	Wipro, Bengaluru	92,363	-0.4	19,383	4.4	11,045	-2.7	18	74,399	-4.1	16	96,503	-2.1	26	523	-4.8	54,930	2.2	3,609	6.2	14.6	16.4	2,99,401	18	Technology-Software	Wipro	179
25	22	MRPL, Delhi/NCR	91,734	-15.0	7,899	17.2	3,597	35.5	50	13,283	34.6	81	26,628	-2.9	66	526	-	772	10.6	1,925	20.3	31.1	24.6	27,399	217	Oil & Gas	Govt of India	231
26	27	ITC, Kolkata	74,225	1.1	29,036	4.4	20,459	6.6	11	74,124	7.8	17	75,682	7.8	32	17,166	-10.9	6,134	6.9	6,389	-0.8	28.9	37.3	6,00,576	5	Consumer Staples	Independent	74
27	28	UltraTech Cement, Mumbai	71,630	11.5	13,536	21.6	7,005	38.3	31	60,172	10.9	21	72,545	9.4	34	2,021	84.2	3,038	10.9	2,418	3.2	12.2	15.0	3,26,939	14	Cement & Bldg Materials	Birla AV	191
28	29	Hyundai Motor India, Mumbai	71,441	16.0	10,606	22.6	6,060	28.7	33	10,666	-46.8	98	13,507	-41.3	118	10,782	131.7	1,975	11.8	2,180	33.2	39.5	46.0	1,48,144	48	Automobile	Foreign-Hyundai	1
29	33	Interglobe Aviation, Delhi/NCR	71,226	27.5	18,683	134.5	8,172	***	25	1,996	-	402	64,843	35.2	36	-	-	6,462	34.8	-123	-	-809.0	19.5	1,68,731	42	Air Transport Service	Interglobe	530
30	26	Chennai Petroleum Corporation, Chennai	67,409	-11.2	4,523	-20.8	2,745	-22.3	58	8,821	36.2	114	11,644	8.1	134	819	103.7	547	-1.7	949	-25.6	35.9	35.0	10,342	415	Oil & Gas	Govt of India	96
31	31	Tata Power Company, Mumbai	64,981	7.2	14,152	6.7	3,696	10.8	47	26,378	12.9	43	1,02,107	6.8	23	639	0.0	4,255	11.9	1,452	-11.9	14.0	10.5	1,37,405	50	Power	Tata	690
32	30	Hindustan Unilever, Mumbai	62,911	2.6	15,476	6.0	10,277	1.6	19	51,013	1.9	26	59,239	8.0	38	9,870	7.7	3,009	5.4	3,644	13.8	20.3	25.0	5,94,155	6	Consumer Staples	Foreign-Unilever	277
33	42	Adani Power, Ahmedabad	60,281	40.1	28,111	96.4	20,829	94.2	9	43,145	44.4	30	84,098	9.7	28	-	-	644	12.9	-37	-	57.1	30.1	2,17,445	32	Power	Adani	504
34	41	Titan Company, Bengaluru	54,289	25.9	5,826	12.3	3,496	7.6	52	9,393	-20.4	105	25,212	17.5	71	979	10.0	1,864	13.2	1,127	-3.9	32.9	22.5	2,97,833	19	Jewellery	Titan	345
35	32	Petronet LNG, Delhi/NCR	53,338	-11.7	5,814	8.1	3,652	9.8	48	17,410	14.1	59	21,160	8.9	84	1,500	0.0	215	15.8	1,221	11.5	21.6	24.8	50,772	142	Oil & Gas	Joint Sector	38
36	34	Tech Mahindra, Pune	52,923	-2.5	5,434	-37.7	2,358	-51.2	68	26,192	-4.6	44	31,818	-6.0	58	3,907	-19.8	29,128	5.2	828	-47.9	8.8	11.0	1,66,691	43	Technology-Software	Mahindra	54
37	39	Avenue Supermarts, Mumbai	51,619	18.7	4,250	12.8	2,536	6.6	64	18,698	16.3	54	19,300	15.4	89	-	-	906	21.3	926	35.8	14.6	19.5	2,54,598	27	Retail	Damani Radhakishan	37
38	36	Jindal Steel & Power, Delhi/NCR	50,557	-6.7	10,357	10.1	5,938	87.1	35	43,881	14.3	29	62,200	17.5	37	200	-0.3	1,288	13.6	298	-76.9	14.3	13.1	95,728	82	Mining & Metals	Naveen Jindal	374
39	38	Sun Pharmaceuticals Industries, Mumbai	49,595	9.7	13,883	14.6	9,576	13.0	22	60,228	14.3	20	67,855	6.3	35	3,239	17.4	9,429	13.7	1,439	69.8	16.1	17.2	4,40,280	9	Pharmaceuticals	Sun Pharma	127
40	51	Adani Enterprises, Ahmedabad	47,892	35.8	12,523	29.7	3,240	31.5	53	33,966	20.4	33	1,16,302	21.3	18	148	8.3	2,331	24.2	1,632	57.2	9.1	8.9	3,14,097	15	Diversified	Adani	767
41	40	Ashok Leyland, Chennai	47,336	9.8	8,016	52.4	2,484	100.5	66	6,195	-1.8	156	51,079	25.3	42	1,453	90.4	3,715	12.8	1,410	55.6	30.7	15.4	65,488	116	Automobile	Hinduja	892
42	37	Power Grid Corporation, Delhi/NCR	47,001	0.2	40,382	-0.7	15,573	1.0	14	87,145	5.0	8	2,15,096	-0.4	8	10,463	1.7	2,697	-2.5	2,941	28.9	18.3	12.7	3,02,276	17	Power	Govt of India	627
43	45	Bajaj Auto, Pune	46,650	21.9	10,465	28.1	7,708	27.2	28	28,962	-1.4	38	30,912	4.7	59	2,233	-43.6	1,627	9.6	2,332	30.9	26.4	33.4	2,75,189	22	Automobile	Bajaj	15
44	35	LPL, Mumbai	43,581	-19.6	4,528	-57.5	-1,200	**	987	16,908	-7.5	61	55,166	6.9	39	75	-90.0	4,682	-7.4	-209	-	-6.7	3.8	40,162	168	Agro Chemicals	Excel Shroff	818
45	43	Vodafone																										

Regulator moots tweaks in pipeline tariffs

THE PETROLEUM AND Natural Gas Regulatory Board (PNGRB) has proposed a new framework for determining pipeline tariffs for gas transportation. The proposal includes charging city gas entities supplying CNG and piped natural gas (PNG) to households at the lowest rates to encourage investments and increase gas consumption.

The regulator has floated a public consultation document to revise the zonal tariffs levied on pipelines that transport natural gas from production fields or import terminals to end-users such as power plants, fertiliser units, and city gas distributors (CGDs).

“The proposed changes are progressive and make deliv-



ered domestic gas costs for CGDs nearly uniform. However, as overall transmission costs are low compared to gas costs, the impact is small. CGDs in the hinterland, such as IGL, will benefit. The impact will be largely neutral for MGL and marginally positive for GAIL,” said Kotak Institutional Equities.

The brokerage noted that

since a unified tariff system is already in place across the national gas grid — and because pipeline tariffs account for only a small portion of the total gas cost — the overall impact remains limited.

“For IGL, we estimate an overall benefit of ₹42/mmbtu (US\$0.5/mmbtu), with an EBITDA benefit of ₹1.6/scm. This will bring some respite for IGL, which has struggled to raise prices in Delhi-NCT. For MGL, the impact will be minimal,” the brokerage stated.

PNGRB is responsible for regulating the transmission tariffs for natural gas pipelines which are fixed to provide a 12% normative return on capital employed. —FE BUREAU

CNG to cost more as govt hikes APM gas price by 4%

THE GOVERNMENT ON Monday raised the price of natural gas produced from old legacy fields called APM — the key input used to make CNG — by 4%. The APM price has been hiked to \$6.75 per million British thermal units effective April 1 from \$6.50 per MMBtu, the petroleum planning & analysis wing of the oil ministry said.

APM gas is produced by state-owned firms ONGC and Oil India from fields that were given to them on a nomination basis. —PTI

