

Weak quarter amid ME conflict, current scenario supportive

Oil & Gas ▶ Result Update ▶ May 24, 2026

CMP (Rs): 161 | TP (Rs): 180

GAIL's Q4FY26 SA adjusted EBITDA/APAT came in at Rs20.0/12.2bn, implying a 4% miss at the EBITDA level but a 35% beat on APAT. Core earnings from gas transmission and marketing were below estimates (partly offset by a beat in other segments). The PAT beat was driven by lower depreciation (D/A) and ETR, and higher other income. The quarter also saw numerous adjustments pertaining to provisions, reversals, and D/A following the extension of the pipeline-petchem plant life by 10 years. Management guided FY26 marketing PBT at Rs40/45bn under scenarios of ME conflict extending/ending by Q2, while transmission volume guidance remains muted at 115/119mmscmd (volumes fell 30mmscmd in March MoM). Current pipeline volumes are at ~125mmscmd (driven by the power sector) and petchem is operating at 50% utilization amid healthy realizations. GAIL appears well positioned in the current environment, with oil prices above USD100/bbl and US Henry Hub gas prices below USD3/mmbtu. We raise FY27E SA EPS by 5%, while largely maintaining our FY28E earnings. We rollover to Mar-28E earnings, while building in higher capex in line with the guidance. We retain ADD and TP of Rs180.

Results highlights

GAIL's Q4FY26 SA adjusted EBITDA/APAT fell 38%/40% YoY (down 25%/24% QoQ). Adj D/A declined 18% QoQ to Rs4.6bn, while adj other income of Rs6.4bn was a 17% beat (up 14% YoY). Adj transmission EBITDA declined 1% QoQ, with volumes down 5% QoQ to 119.0mmscmd (8% beat). Adj gas marketing EBITDA declined 56% QoQ to Rs4.9bn, with RLNG margins down to USD0.15/mmbtu (51% miss). Marketing volumes fell 2% QoQ to 101.9mmscmd. Adj LPG transmission EBITDA fell 6% QoQ to Rs1.4bn. Petchem EBITDA loss widened to Rs3.9bn from Rs3.5bn QoQ, on elevated gas cost. Sales volumes were a 20% beat, driven by inventory destocking. LPG-LHC EBITDA rose ~2.6x QoQ to Rs1.7bn on better realization. GAIL's opex was higher than expected in Q4. For FY26, GAIL's SA adj EBITDA/PAT fell 23%/24% amid lower transmission volumes and decline in petchem and LHC earnings. Dividend payout was ~52% in FY26.

Management KTAs

Amid the ME conflict, transmission volumes declined to 99.7mmscmd in Mar-26 from 129mmscmd in Jan-Feb'26 but are currently at 125mmscmd. The petchem plant is operating at 50% now; if this continues in FY27 at current realizations and costs, the segment is likely to breakeven, while higher utilization could support profits. Additional APM allocation of 0.79mmscmd for LPG&LHC is supporting higher volumes and profitability. PTA/PDH-PP projects are delayed to FY27/mid-FY28, while JHBDPL, KKMBPL-II, Gurdaspur-Jammu, and C2-C3 lines are expected in FY27. FY27 capex is at Rs116bn.

Valuation

We value GAIL on SOTP-EV/EBITDA, with investments at a 30% holdco discount and unlisted investments at 1.0x BV. We raise our blended EV/EBITDA to 6.5x from 6.3x owing to segmental realignment. Key risks: Adverse commodity and currency movements, regulations, outages, and project delays.

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	11.8

Stock Data	GAIL IN
52-week High (Rs)	203
52-week Low (Rs)	134
Shares outstanding (mn)	6,575.1
Market-cap (Rs bn)	1,057
Market-cap (USD mn)	11,045
Net-debt, FY27E (Rs mn)	220,395.2
ADTV-3M (mn shares)	13.2
ADTV-3M (Rs mn)	2,212.0
ADTV-3M (USD mn)	23.1
Free float (%)	41.0
Nifty-50	23,719.3
INR/USD	95.7

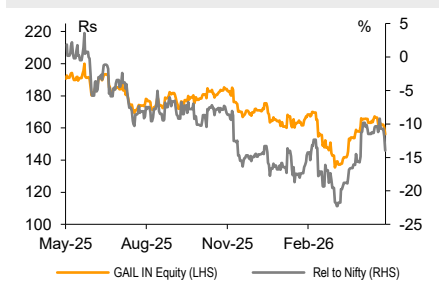
Shareholding, Mar-26

Promoters (%)	51.5
FPIs/MFs (%)	12.9/20.5

Price Performance

(%)	1M	3M	12M
Absolute	(3.2)	(4.6)	(16.5)
Rel. to Nifty	(0.5)	2.9	(13.4)

1-Year share price trend (Rs)



GAIL: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,372,078	1,384,680	1,519,623	1,721,846	1,789,399
EBITDA	143,272	110,425	150,577	156,941	179,548
Adj. PAT	94,504	72,098	94,902	100,161	115,735
Adj. EPS (Rs)	14.4	11.0	14.4	15.2	17.6
EBITDA margin (%)	10.4	8.0	9.9	9.1	10.0
EBITDA growth (%)	7.1	(22.9)	36.4	4.2	14.4
Adj. EPS growth (%)	6.9	(23.7)	31.6	5.5	15.5
RoE (%)	13.2	10.1	12.4	12.3	13.3
RoIC (%)	15.1	10.6	12.6	12.1	13.2
P/E (x)	11.2	14.7	11.1	10.6	9.1
EV/EBITDA (x)	8.7	11.2	8.2	7.9	6.9
P/B (x)	1.5	1.4	1.3	1.3	1.2
FCFF yield (%)	5.9	(1.3)	4.7	6.1	8.2

Source: Company, Emkay Research

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Exhibit 1: Actuals vs estimates (Q4FY26)

(Rs bn)	Actual	Estimates (Emkay)	Consensus estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total revenue	347.7	345.0	335.1	1%	4%	
Adjusted EBITDA	20.0	20.9	24.7	-4%	-19%	Miss on marketing and core gas transmission
EBITDA margin	5.7%	6.0%	7.4%	-31bps	-162bps	
Adjusted net profit	12.2	9.1	12.2	35%	0%	Higher other income, and lower D/A and ETR

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Standalone (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY	QoQ	FY25	FY26	YoY
Revenue	356,852	346,359	350,081	340,515	347,725	-3%	2%	1,372,078	1,384,680	1%
COGS	299,257	290,473	289,820	288,356	298,137	0%	3%	1,130,503	1,166,786	3%
Gross profit	57,595	55,886	60,260	52,159	49,589	-14%	-5%	241,575	217,894	-10%
Opex	25,431	23,880	28,355	25,607	29,628	17%	16%	98,303	107,469	9%
EBITDA	32,164	32,007	31,906	26,552	19,961	-38%	-25%	143,272	110,425	-23%
Depreciation	9,034	8,828	9,302	10,543	8,594	-5%	-18%	35,998	37,266	4%
Interest	1,783	2,094	2,298	2,504	2,526	42%	1%	7,442	9,421	27%
Other income	5,664	2,699	7,926	6,795	6,448	14%	-5%	24,013	23,868	-1%
Exceptionals	-	1,550	-	-	481			24,400	2,031	
PBT	27,011	25,334	28,232	20,300	15,771	-42%	-22%	148,246	89,637	-40%
Tax	6,520	6,471	6,060	4,274	3,149	-52%	-26%	35,122	19,954	-43%
Reported PAT	20,490	18,863	22,172	16,026	12,622	-38%	-21%	113,123	69,683	-38%
Adjusted PAT	20,490	17,709	22,172	16,026	12,237	-40%	-24%	94,358	68,144	-28%
Adjusted EPS (Rs)	3.1	2.7	3.4	2.4	1.9	-40%	-24%	14.4	10.4	-28%
Gas transmission										
Volume (mmscmd)	120.8	120.6	123.6	125.5	119.0	-2%	-5%	127.3	122.2	-4%
Adjusted tariff (Rs/scm)	2.1	2.2	2.2	2.1	2.5	15%	15%	2.1	2.2	4%
Reported EBITDA	16,760	18,140	18,300	19,220	19,070	14%	-1%	72,300	74,730	3%
LPG transmission										
Volume (mmt)	1.1	1.1	1.2	1.2	1.1	-2%	-6%	4.5	4.6	3%
Tariff (Rs/mt)	1,926	1,981	1,971	1,953	2,002	4%	3%	1,838	1,976	8%
Reported EBITDA	1,350	1,390	1,490	1,500	1,410	4%	-6%	4,980	5,790	16%
Gas marketing										
Volume (mmscmd)	106.5	105.5	105.5	104.0	101.9	-4%	-2%	101.5	104.2	3%
Reported EBITDA	14,220	13,150	15,510	11,050	4,877	-66%	-56%	58,520	44,587	-24%
EBITDA margin (USD/mmbtu)	0.4	0.4	0.4	0.3	0.1	-70%	-57%	0.4	0.3	-33%
Petchem										
Sales volume (kt)	229	177	209	218	180	-21%	-17%	845	784	-7%
Reported EBITDA	20	-1,270	-1,450	-3,450	-3,910	NM	NM	5,360	-10,080	NM
EBITDA/mt (USD)	1	-84	-79	-178	-238	NM	NM	66	-144	NM
LPG and LHC										
Sales volume (kt)	198	198	223	200	195	-2%	-3%	951	816	-14%
Reported EBITDA	3,300	2,340	1,430	660	1,690	-49%	156%	12,810	6,120	-52%
EBITDA/mt (USD)	164	134	73	29	72	-56%	144%	139	77	-45%

Source: Company, Emkay Research; Note: Adjusted PAT may not fully match that in the exhibits with annual numbers due to a different adjustment method in the Emkay detailed annual model; Reported EBITDA has provisions and reversals adjusted, but not Other Income (hence not core EBITDA)

Analyst meet key takeaways

- Geopolitical developments disrupted global gas supplies, leading to elevated gas prices, further aggravated by currency depreciation. Timely policy intervention by the central government, however, played a key role in stabilizing the situation. Despite multiple external headwinds, GAIL maintained operational resilience and financial discipline, ensuring reliable and uninterrupted natural gas supplies, particularly to priority sectors. The company's diversified natural gas sourcing portfolio supported overall resilience.
- The Middle East conflict and closure of the Strait of Hormuz significantly disrupted the global LNG industry, with recovery expected to be gradual. Even after normalization of geopolitical tensions, LNG production full recovery is likely to take multiple years, as indicated by Qatar.
- Over the past few months, the company successfully diversified LNG sourcing, with a higher share of spot cargoes, though prices remain highly volatile. Despite prevailing supply-side uncertainties, LNG availability has been maintained, and downstream supplies have remained uninterrupted over the past 1–1.5 months. The key challenge remains elevated prices. While some long-term contracts were impacted, term contracts from the US supported overall supplies, enabling smooth gas procurement. A few US-Middle East cargo swaps were also impacted, but such disruptions are unlikely going forward.
- During FY26, GAIL commissioned ~2,000kms of natural gas pipelines, including major stretches of the Mumbai-Nagpur-Jharsuguda pipeline (except ~200kms pending PESO approval) and the Srikakulam-Angul pipeline. GAIL's gas transmission network currently spans ~18,000kms, commanding ~65% market share. The company also commissioned the 60ktpa petchem project at Pata.
- FY26 revenue increased, driven by higher average gas realizations in the marketing segment, improved gas transmission tariffs, and better LPG realizations. However, PBT moderated due to lower gas marketing margins, elevated input gas costs in the petchem segment resulting in ~Rs14bn higher gas cost during FY26, and higher provisioning. This was partly offset by lower depreciation following revision in useful life of assets, with the revised depreciation run-rate expected ahead.
- The JHBDPL, KKMBPL Phase-II, Gurdaspur-Jammu, and the C2-C3 Pipeline (Vijaipur-Pata) are expected to be completed in FY27, while Vijaipur Bina and DUPL-DPPL augmentation are expected by FY28. 1,500kms of pipeline projects are under construction. The 1,250ktpa PTA plant is also likely to be commissioned in FY27, while the 500ktpa PDH-PP project at Usar is targeted for mid-FY28 commissioning.
- The Mangalore PTA project witnessed minor delays due to licensing-related issues under the NCLT process, though it is now at an advanced stage of completion with no feedstock constraints. The PDH-PP project was delayed due to issues in completion of the 45kms propane supply pipeline arising from local challenges; however, the pipeline is now expected to be completed within 3–4 months. There are no feedstock issues. GAIL is also expanding the Dabhol LNG terminal capacity from 5mmtpa to 6.3mmtpa initially and eventually to 15mmtpa.
- Multiple pipeline projects are currently under execution as the company continues to expand its pipeline infrastructure. Going ahead, GAIL expects authorization for three LPG pipelines where it remains the sole bidder and is actively engaging with authorities for additional pipeline authorizations. Pipeline infrastructure will remain a key strategic focus area.
- GAIL's term LNG sourcing portfolio currently stands at ~16.56mmtpa, with plans to add another 4–5mmtpa by CY30. In the gas marketing business, the company commands ~48% market share in India. Gas marketing volumes increased 3% YoY to 104.21mmscmd in FY26 from 101.49mmscmd in FY25. The segment faced headwinds during the year due to pipeline disruptions, extended monsoons, and geopolitical disruptions, including the Strait of Hormuz closure, resulting in demand and supply disruptions. Current marketing volumes stand at ~95mmscmd.

- The company booked a conservative provision of Rs6.75bn toward subsidy receivables on gas sales to Nagarjuna Fertilizers and Chemicals Limited, which impacted marketing PBT. However, the receivable is expected to be recovered from the government (CCEA decision) in Q1FY27 or Q2FY27, following which the provision will be reversed. It also booked ~Rs6bn FX variation related to shipping lease liabilities during FY26, impacting margins.
- In response to supply disruptions, GAIL undertook targeted measures to diversify and optimize its marketing portfolio. For FY27, minimum marketing PBT guidance is Rs40bn, even if the Middle East conflict persists through the year. If the situation normalizes by mid-Q2FY27, marketing PBT guidance is revised up to ~Rs45bn. FY26 marketing PBT guidance, earlier at Rs35bn, was lowered due to factors mentioned, and FY26 marketing PBT came in at Rs22.8bn.
- Gas transmission volumes declined to 122.18mmscmd in FY26 from 127.32mmscmd in FY25. Average transmission volumes during 9MFY26 stood at ~123mmscmd, improving to ~129mmscmd during Jan-Feb'26. However, supply disruptions arising from the Middle East conflict led to a sharp decline in Mar-26 transmission volumes to 99.71mmscmd, dragging Q4FY26 average volumes to 119mmscmd. Current transmission volumes stand at ~125mmscmd, driven by the power sector.
- Excluding the crisis-led disruptions, GAIL was on track to achieve its guided transmission volume of 124–125mmscmd in FY26. Given the volatile environment, FY27 volume visibility remains limited; however, the company expects volumes of at least ~119mmscmd if the crisis normalizes by mid-Jul'26, while prolonged disruptions throughout FY27 could reduce volumes to ~115mmscmd.
- Petchem utilization during FY26 moderated to 95%. Profitability was impacted due to weak petchem realizations and elevated feedstock prices. Pata profitability was adversely affected by higher natural gas prices, prompting the company to plan a transition from natural gas to ethane as feedstock to improve margin sustainability. Going ahead, the company plans to operate the plant using both ethane and natural gas, thereby maintaining operational flexibility. Transitioning to ethane feedstock is expected to improve profitability, with ethane likely to be sourced from the US.
- The C2-C3 Pipeline (Vijaipur-Pata) project is progressing well and is expected to be commissioned by early CY27. The pipeline will provide incremental C2-C3 feedstock volumes to the Pata complex, increasing capacity by 80–90ktpa. The Dabhol-Vijaipur Ethane Pipeline being planned will subsequently be integrated with this network to facilitate ethane sourcing. Estimated capex for the Dabhol-Vijaipur Ethane Pipeline stands at ~Rs120bn. Petchem offers significant long-term growth potential in India, with per capita polymer consumption at only ~15kgs compared to ~83kgs in China and ~93kgs in the US.
- GAIL is currently operating the Pata petchem plant primarily on natural gas, resulting in profitability volatility linked to gas price fluctuations. During periods of extreme volatility and geopolitical disruptions, the plant has to be temporarily shut due to losses. Recently, the plant was shut following government directives but was later restarted as gas volumes improved and petchem realizations recovered.
- Currently, the plant is operating at ~50% utilization and with petchem realization of ~Rs0.14mn/ton and gas cost of USD12/mmbtu, the segment is at breakeven levels. If current gas costs and realizations sustain and utilization levels go up, profitability is likely to improve. Fixed cost for the petchem segment stands at ~Rs1.3bn/month, including depreciation.
- LPG and LHC utilization declined to 61% in FY26 (14% volume decline), largely due to APM gas deallocation. However, from 3-Apr-26, an additional 0.79mmscmd of APM gas allocation was restored, and the company expects improved and sustainable segment performance subject to continuation of these allocations. FY27 utilization is expected to improve over FY26 levels. It currently has four LPG plants.
- LPG transmission volumes reached an all-time high in FY26, with utilization at ~100%, and similar throughput is expected in FY27. The Jamnagar-Loni LPG pipeline also achieved record throughput of 3.27mmtpa against nameplate capacity of 3.25mmtpa. GAIL has received PNGRB authorization to double the pipeline capacity to 6.5mmtpa.

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- GAIL's CGD business currently operates six GAs directly, which have transitioned from the development phase to a high-growth phase, delivering robust 29% YoY volume growth supported by infrastructure expansion and deeper market penetration. PBT was up 12%. The CGD segment is witnessing accelerated PNG and CNG adoption, aided by strong policy support. Increased industrial and commercial conversion from LPG to PNG is also driving sustained demand growth. Higher government thrust toward gas penetration is expected to further support growth.
- GAIL Gas Limited operates 16 GAs directly and nine GAs through JVs. During FY26, the company added 191,520 new DPNG connections and 88 CNG stations, taking the total base to ~1.298mn DPNG connections and 745 CNG stations. Over the next two years, GAIL Gas targets the addition of ~275 CNG stations and ~0.4mn DPNG connections. FY26 turnover increased to Rs126.8bn from Rs122.3bn in FY25; however, PBT declined 3% YoY to Rs6.0bn from Rs6.2bn, while PAT fell 2% YoY to Rs4.4bn from Rs4.5bn. In Q4FY26, revenue fell to Rs32.27bn from Rs32.93bn, PBT increased 11% QoQ to Rs1.58bn from Rs1.43bn, while PAT rose 10% QoQ to Rs1.17bn from Rs1.06bn.
- GAIL achieved ~88,174MT of CBG sales under the CBG-CGD Synchronization Scheme during FY26, which is more than double its MoU target. The company signed 443 TPAs with 344 CBG producers and 42 CGD entities. Currently, six CBG plants with cumulative production capacity of 95TPD are under construction.
- GAIL is a JV partner in the Talcher coal gasification project, which is 65–70% complete and was initially targeted for commissioning by Dec-26. However, certain delays are likely due to issues with EPC partners (Wuhan). The company is also partnering with Coal India Limited on another coal gasification project, which remains at an initial stage with DFR preparation underway. Estimated project capex stands at ~Rs130bn. Going ahead, the company will evaluate additional opportunities in this segment.
- GAIL is also investing in two fertilizer plants in Maharashtra and Chhattisgarh, involving a total expected capex of ~Rs200bn. The company is currently in discussions with respective state governments to finalize the projects, following which front-end engineering activities will commence.
- FY26 capex stood at Rs95.9bn, comprising Rs29.0bn toward pipelines, Rs24.4bn operational capex, Rs20.6bn toward petchem, Rs15.9bn equity infusion, Rs3.1bn CGD, Rs2.4bn E&P, and Rs440mn toward net zero initiatives. FY27 capex guidance stands at Rs116bn, with planned spends of Rs35.3bn/24.0bn/19.5bn/14.9bn/7.1bn/6.9bn/4.8bn/3.4bn toward operational capex/pipelines/net zero-RE/petchem/equity infusion/other projects/E&P/CGD, respectively. GAIL plans cumulative net-zero capex of ~Rs350bn by CY30.
- The Board has approved renewable energy investments including 600MW of solar capacity with co-located BESS at Jhansi, 178MW of wind capacity in Maharashtra, and 100MW solar capacity in Maharashtra. Consequently, GAIL's renewable energy portfolio is expected to increase to ~1GW by FY28-end from 153MW currently.
- Dividend payout is expected to be stable at 40–45%, although FY26 payout was elevated at ~52%. There was an entry tax provision reversal of Rs2.9bn and an excess provision write-back of Rs870mn in gas marketing and transmission other income, while an additional provision of Rs1.1bn for probable obligations was made in transmission.
- Nearly 63% of global LNG supply currently comes from the US, Australia, and Qatar. Qatar supplies ~84mmtpa of LNG globally, of which India imports ~12mmtpa directly or indirectly, while India imports ~3.2mmtpa out of the 5mmtpa supplied by the UAE. Supply disruptions from Qatar and the UAE increased dependence on higher-cost spot LNG volumes. Part of the supply shortfall is expected to be mitigated by upcoming projects in other countries.
- Over the next five years, global LNG supply is expected to increase significantly, with ~220mmtpa of liquefaction capacity expected to come online across the US, Qatar, and other countries. Several of these projects are currently under various stages of construction.
- Rising CGD demand and increasing LNG usage in transportation are expected to drive India's LNG requirement higher. While the government continues to focus on increasing

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domestic gas production, scaling up production will take time, implying higher dependence on RLNG going ahead. GAIL has participating interest in E&P blocks but is not the operator. Government push toward LPG-to-PNG conversion is also expected to accelerate gas demand growth. Given the anticipated demand increase, India will require additional LNG terminal infrastructure. Natural gas is also expected to gradually replace propane and LPG across multiple applications in India.

Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Gas transmission							
Volumes (mmscmd)	133.9	121.0	-10%	143.3	130.6	-9%	139.8
Adj tariff (Rs/scm)	2.5	2.4	-2%	2.5	2.4	-3%	2.7
Adj EBITDA (Rs bn)	81.4	65.7	-19%	89.0	71.0	-20%	87.2
LPG transmission							
Volumes (mmt)	4.6	4.6	2%	4.6	4.7	2%	4.7
Adj EBITDA (Rs bn)	4.8	4.8	1%	4.8	4.9	2%	5.0
Gas marketing							
Volumes (mmscmd)	111.1	101.9	-8%	116.4	109.4	-6%	114.5
Margin (USD/mmbtu)	0.3	0.4	20%	0.3	0.4	16%	0.4
Adj EBITDA (Rs bn)	47.5	53.5	13%	50.3	56.6	12%	59.8
Petchem							
Capacity utilization	100%	75%	-25%	100%	100%	0%	100%
EBITDA/mt (USD)	-71.3	-47.5	NM	-6.6	19.8	NM	28.8
Adj EBITDA (Rs bn)	-5.2	-2.9	NM	-0.5	1.6	NM	2.3
LPG and LHC							
EBITDA/mt (USD)	37.8	247.2	554%	3.5	152.0	4201%	176.0
Adj EBITDA (Rs bn)	3.2	18.4	468%	0.3	11.3	3632%	13.1

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	1,562	1,520	-3%	1,656	1,722	4%	1,789
EBITDA	144	151	4%	157	157	0%	180
EBITDA margins	9.2%	9.9%	68bps	9.5%	9.1%	-36bps	10.0%
PAT	91	95	5%	99	100	1%	116
EPS (Rs)	13.8	14.4	5%	15.1	15.2	1%	17.6

Source: Company, Emkay Research

Exhibit 5: SOTP-based valuation (Mar-27E)

Components	Basis	Mar-28E EBITDA (Rs bn)	Multiple(x)	EV (Rs bn)	EV/sh (Rs)	Comments
Gas transmission - Standalone	EV/EBITDA	71	7.0	497	76	
LPG transmission - Standalone	EV/EBITDA	5	6.5	32	5	
Gas marketing - Standalone	EV/EBITDA	57	6.0	339	52	
Petrochemicals - Standalone	EV/EBITDA	2	5.0	8	1	
LPG and LHC - Standalone	EV/EBITDA	11	6.5	73	11	
Others - Standalone	EV/EBITDA	12	5.5	63	10	
Core business EV		157	6.5	1,013	154	
Less: Adj net debt (Mar-27E end)				173	26	
Core business valuation				841	128	
Value of listed investments	TP/CMP			194	30	At 30% HoldCo Discount
Value of unlisted investments	BV			146	22	At 1.0x P/B
Target Price/Fair value				1,181	180	

Source: Company, Emkay Research

Exhibit 6: Schedule and value of listed investments

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	GAIL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contri to SOTP (Rs bn)	Per Share Value (Rs)
PLNG	JV	TP (Emkay)	360	540	12.5%	68	30%	47	7.2
IGL	JV	TP (Emkay)	180	252	22.5%	57	30%	40	6.0
MGL	JV	TP (Emkay)	1,300	128	32.5%	42	30%	29	4.4
ONGC	Financial	TP (Emkay)	315	3,963	2.5%	97	30%	68	10.3
China Gas Holding	Financial	CMP	93	485	2.9%	14	30%	10	1.5
Gujarat Industries Power Co (GIPCL)	Financial	CMP	148	224	0.4%	1	30%	1	0.1
Total listed						278		194	30
Unlisted									
Unlisted CGDs & IGGL	Subsidiary	BV		Value of Stake		104	0%	104	16
Brahmaputra Cracker Limited (BCPL)	Subsidiary	BV		Value of Stake		42	0%	42	6
Total unlisted						146		146	22
Grand total investments						424		340	52

Source: Company, Emkay Research

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GAIL: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,372,078	1,384,680	1,519,623	1,721,846	1,789,399
Revenue growth (%)	5.1	0.9	9.7	13.3	3.9
EBITDA	143,272	110,425	150,577	156,941	179,548
EBITDA growth (%)	7.1	(22.9)	36.4	4.2	14.4
Depreciation & Amortization	35,998	32,129	36,121	37,868	42,088
EBIT	107,275	78,296	114,456	119,073	137,460
EBIT growth (%)	6.8	(27.0)	46.2	4.0	15.4
Other operating income	3,271	3,300	3,366	3,433	3,502
Other income	24,013	23,868	25,483	29,085	31,518
Financial expense	7,442	9,421	13,064	14,252	14,252
PBT	123,845	92,743	126,874	133,906	154,726
Extraordinary items	24,400	(3,107)	0	0	0
Taxes	35,122	19,954	31,972	33,744	38,991
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	113,123	69,683	94,902	100,161	115,735
PAT growth (%)	28.0	(38.4)	36.2	5.5	15.5
Adjusted PAT	94,504	72,098	94,902	100,161	115,735
Diluted EPS (Rs)	14.4	11.0	14.4	15.2	17.6
Diluted EPS growth (%)	6.9	(23.7)	31.6	5.5	15.5
DPS (Rs)	6.5	6.0	7.2	7.6	8.8
Dividend payout (%)	37.8	56.6	50.0	50.0	50.0
EBITDA margin (%)	10.4	8.0	9.9	9.1	10.0
EBIT margin (%)	7.8	5.7	7.5	6.9	7.7
Effective tax rate (%)	28.4	21.5	25.2	25.2	25.2
NOPLAT (pre-IndAS)	76,852	61,451	85,613	89,067	102,820
Shares outstanding (mn)	6,575	6,575	6,575	6,575	6,575

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	99,833	68,875	101,391	104,821	123,208
Others (non-cash items)	22,095	21,887	23,703	23,035	24,822
Taxes paid	(23,531)	(16,864)	(23,600)	(25,204)	(30,280)
Change in NWC	9,434	8,429	3,584	7,784	6,154
Operating cash flow	151,270	123,878	154,264	162,556	180,243
Capital expenditure	(77,472)	(139,860)	(95,923)	(87,202)	(78,482)
Acquisition of business	303	(28,207)	(2,030)	(2,051)	(2,071)
Interest & dividend income	14,338	16,678	25,483	29,085	31,518
Investing cash flow	(53,157)	(144,195)	(72,470)	(60,168)	(49,035)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(7,670)	34,025	9,692	(5,000)	(22,500)
Payment of lease liabilities	(20,426)	56,198	0	0	0
Interest paid	(7,442)	(9,421)	(13,064)	(14,252)	(14,252)
Dividend paid (incl tax)	(42,739)	(39,445)	(47,451)	(50,081)	(57,868)
Others	1,004	(611)	0	0	0
Financing cash flow	(77,273)	40,746	(50,823)	(69,333)	(94,620)
Net chg in Cash	20,840	20,429	30,970	33,054	36,588
OCF	151,270	123,878	154,264	162,556	180,243
Adj. OCF (w/o NWC chg.)	141,836	115,449	150,680	154,772	174,089
FCFF	73,797	(15,982)	58,342	75,353	101,761
FCFE	80,693	(8,724)	70,760	90,186	119,027
OCF/EBITDA (%)	105.6	112.2	102.4	103.6	100.4
FCFE/PAT (%)	71.3	(12.5)	74.6	90.0	102.8
FCFF/NOPLAT (%)	96.0	(26.0)	68.1	84.6	99.0

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	65,751	65,751	65,751	65,751	65,751
Reserves & Surplus	639,886	674,992	722,443	772,523	830,391
Net worth	705,637	740,743	788,194	838,274	896,142
Minority interests	-	-	-	-	-
Non-current liab. & prov.	50,935	59,013	67,386	75,926	84,637
Total debt	184,434	218,460	228,152	223,152	200,652
Total liabilities & equity	941,006	1,018,216	1,083,731	1,137,352	1,181,430
Net tangible fixed assets	432,432	602,668	660,880	708,610	743,383
Net intangible assets	33,028	0	0	0	0
Net ROU assets	56,198	0	0	0	0
Capital WIP	188,429	158,951	160,540	162,146	163,767
Goodwill	-	-	-	-	-
Investments [JV/Associates]	174,836	203,043	205,073	207,124	209,195
Cash & equivalents	11,041	8,862	7,756	9,236	12,291
Current & ex-cash	263,053	252,142	269,486	295,073	304,185
Current Liab. & Prov.	218,010	207,450	220,005	244,837	251,391
NWC (ex-cash)	45,043	44,692	49,481	50,237	52,794
Total assets	941,006	1,018,216	1,083,731	1,137,352	1,181,430
Net debt	173,393	209,598	220,395	213,916	188,360
Capital employed	941,006	1,018,216	1,083,731	1,137,352	1,181,430
Invested capital	510,502	647,360	710,361	758,846	796,176
BVPS (Rs)	107.3	112.7	119.9	127.5	136.3
Net Debt/Equity (x)	0.2	0.3	0.3	0.3	0.2
Net Debt/EBITDA (x)	1.2	1.9	1.5	1.4	1.0
Interest coverage (x)	17.6	10.8	10.7	10.4	11.9
RoCE (%)	15.2	11.0	14.2	14.3	15.7

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	9.3	15.2	11.1	10.6	9.1
P/CE(x)	8.5	10.1	8.1	7.7	6.7
P/B (x)	1.5	1.4	1.3	1.3	1.2
EV/Sales (x)	0.9	0.9	0.8	0.7	0.7
EV/EBITDA (x)	8.7	11.2	8.2	7.9	6.9
EV/EBIT(x)	11.6	15.9	10.9	10.4	9.0
EV/IC (x)	2.4	1.9	1.7	1.6	1.6
FCFF yield (%)	5.9	(1.3)	4.7	6.1	8.2
FCFE yield (%)	7.6	(0.8)	6.7	8.5	11.3
Dividend yield (%)	4.0	3.7	4.5	4.7	5.5
DuPont-RoE split					
Net profit margin (%)	6.5	5.3	6.2	5.8	6.5
Total asset turnover (x)	1.6	1.5	1.4	1.6	1.5
Assets/Equity (x)	1.3	1.3	1.4	1.4	1.3
RoE (%)	13.2	10.1	12.4	12.3	13.3
DuPont-RoIC					
NOPLAT margin (%)	5.6	4.4	5.6	5.2	5.7
IC turnover (x)	2.7	2.4	2.2	2.3	2.3
RoIC (%)	15.1	10.6	12.6	12.1	13.2
Operating metrics					
Core NWC days	12.0	11.8	11.9	10.6	10.8
Total NWC days	12.0	11.8	11.9	10.6	10.8
Fixed asset turnover	2.1	1.8	1.7	1.8	1.7
Opex-to-revenue (%)	7.2	7.8	7.0	6.5	6.5

Source: Company, Emkay Research

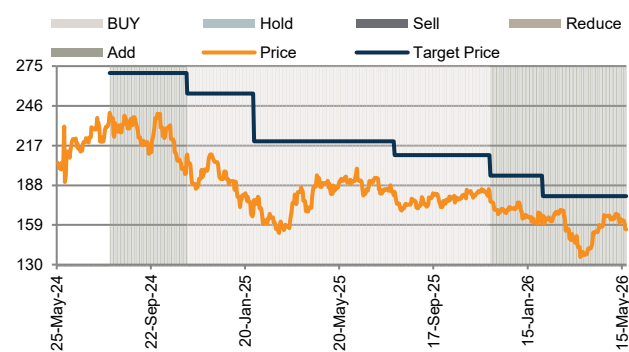
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Mar-26	157	180	Add	Sabri Hazarika
03-Feb-26	163	180	Add	Sabri Hazarika
28-Nov-25	176	195	Add	Sabri Hazarika
02-Nov-25	183	210	Buy	Sabri Hazarika
29-Jul-25	183	210	Buy	Sabri Hazarika
16-May-25	186	220	Buy	Sabri Hazarika
31-Jan-25	177	220	Buy	Sabri Hazarika
07-Nov-24	210	255	Buy	Sabri Hazarika
18-Oct-24	221	270	Add	Sabri Hazarika
31-Jul-24	241	270	Add	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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