

GAIL (India) Limited

CMP : Rs 309.50

May 24, 2018

Net sales rose 15%

GAIL (India) reported profit after tax of Rs 1020.92 crore in Q4FY18 up by 292% compared to Rs 260.16 crore in Q4FY17 while net sales of the company rose 15% to Rs 15430.69 crore. OPM of the company fell 60 bps to 11% in Q4FY'18 compared to Q4FY'17 leading to 9% increase in operating profits to Rs 1695.27 crore. Cost of material consumed as a percentage of adjusted net sales fell 20 bps to 6.8%. Purchase of stock in trade was up 280 bps to 72%. Employee benefit expense fell 130 bps to 2.3%. Other expenses fell 30 bps to 8%.

Other income was down 41% to Rs 275.58 crore. As a result PBDIT decreased 3% to 1970.85 crore. Interest cost rose 52% to Rs 33.3 crore while depreciation rose 4% to Rs 360.84 crore. PBT before EO was down 5% to Rs 1576.71 crore. The company had EO income of Rs 27.69 crore in FY'18 (write back of impairment of investment) compared to net EO expense of Rs 788.04 crore related to accounting of impairment of Investments in RGPPL. PBT after EO was up 85% to Rs 1604.4 crore. Effective rate of taxes decreased to 37.2% from 70%. Profit after tax was up 292% to Rs 1020.92 crore.

During the quarter, the company registered growth in physical performance in all segments as compared to corresponding period of the previous year with Natural Gas Marketing up by 8%, Natural Gas Transmission volumes up by 5%, Liquid Hydrocarbon Sales rising by 17%, LPG Transmission volumes increasing by 8% and Petrochemicals sales up by 3%.

Performance for the year ended March 2018

For FY'18 sales of the company rose 11% to Rs 53661.58 crore compared to FY'17. OPM of the company rose 90 bps to 14.2%. As a result Operating income was up 19% to Rs 7633.93 crore. Other income was down 16% to Rs 1176.27 crore. As a result PBDIT increased 14% to 8620.93 crore. Interest cost fell 43% to Rs 275.11 crore while depreciation was up 1% Rs 1415.14 crore. PBT before EO was up 21% to Rs 6930.68 crore. The company had EO income of Rs 27.69 crore in FY'18 (write back of impairment of investment) compared to net EO expense of Rs 298.73 crore (Rs 489.31 crore gain from stake sale in Mahanagar Gas and Rs 788.04 crore on impairment of investment). PBT after EO was up 29% to Rs 6958.37 crore. Effective tax rate fell to 33.9% from 35% leading 32% increase in profit after tax to Rs 4618.41 crore.

During the year, the company registered 5% growth in Natural Gas Marketing as well as in Natural Gas Transmission volumes while sales quantity in Petrochemicals, LHC and LPG Transmission segment rose by 17%, 15% and 11% respectively. The increased profit was mainly supported by profit from liquid hydrocarbons and natural gas transmission segments. High sales volumes in Petrochemical segment helped to mitigate the lower price realizations and higher input costs.

During FY18, GAIL issued Bonus share in ratio of one bonus share for every three equity shares held.

The Board has recommended a final dividend of Rs. 1.44 /share on post bonus enhanced equity (subject to approval of shareholders) making the total dividend of Rs 7.18 per share on post bonus enhanced equity for the year.

INDEX DETAILS

SENSEX	34663.11
NIFTY (S&P CNX)	10513.85

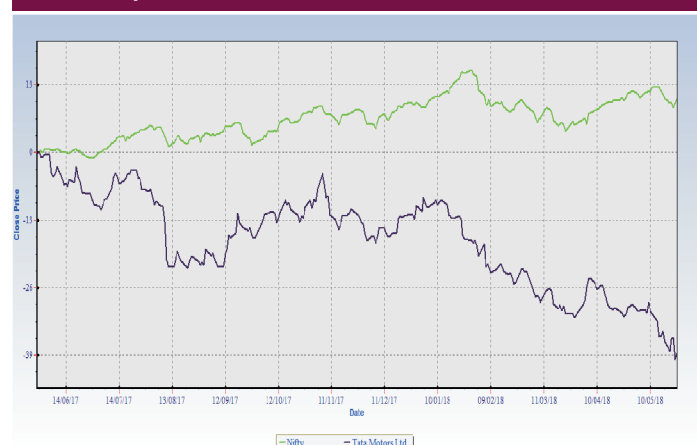
SCRIP DETAILS

Industry	Utilities:Non-Elec.
Mkt Cap (Rs in Crore)	93679.33
Book Value (Rs)	69.51
Free Float (%)	63.63
Avg Vol Weekly (NSE)	22358306
52 Week H/L (NSE)	487.00 / 284.70
Dividend Yield (%)	0.00
BSE Code	532155
NSE Code	GAIL

SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	36.37	36.37
FIIs	20.26	21.40
DIIIs	17.48	16.94
Others	25.89	25.29
Totals	100	100

Price Comparison with Sensex



Gail (India): Standalone Results

Particulars	Q4FY18	Q4FY17	Var (%)	FY18	FY17	Var (%)
Net sales	15430.69	13452	15	53661.58	48148.85	11
OPM(%)	11	11.6		14.2	13.3	
OP	1695.27	1555.34	9	7633.93	6409.42	19
OI	275.58	467.71	-41	987	1176.27	-16
PBIDT	1970.85	2023.05	-3	8620.93	7585.69	14
Interest	33.3	21.96	52	275.11	479.36	-43
PBDT	1937.55	2001.09	-3	8345.82	7106.33	17
Depreciation	360.84	347.12	4	1415.14	1396.78	1
PBT before EO	1576.71	1653.97	-5	6930.68	5709.55	21
EO	-27.69	788.04		-27.69	298.73	
PBT after EO	1604.4	865.93	85	6958.37	5410.82	29
Tax	370.68	361.89	2	1654.1	1319.52	25
Deferred Tax	225.58	243.88	-8	706.64	573.38	23
PAT	1008.14	260.16	288	4597.63	3517.92	31
PPA	-12.78	0		-20.78	15.01	
Net profit after PPA	1020.92	260.16	292	4618.41	3502.91	32
EPS(Rs)*	17.6	8.8		20.3	16.5	

GAIL (India): Segment wise Results

Particulars	Q4FY18	Q4FY17	% of total	Var (%)	FY18	FY17	% of total	Var (%)
Revenue:								
Transmission Services								
1) Natural Gas	1187.86	1186.7	7	0	4974.16	4649.86	9	7
2) LPG	151.49	139.84	1	8	564.8	514.21	1	10
Natural Gas Marketing	12128.02	10368.42	73	17	41095.82	37387.01	71	10
Petrochemicals	1638.51	1775.74	10	-8	5855.45	5667.61	10	3
LPG and Liquid Hydrocarbons	1206.9	988.99	7	22	4329.83	3193	8	36
Others	217.25	186.4	1	17	746.28	716.31	1	4
Unallocated	83.6	2	1		84.19	5.81	0	1349
Total	16613.63	14648.09	100	13	57650.53	52133.81	100	11
Less: Inter Segment Revenues	1182.94	974		21	3825.04	3250.82		18
Net Revenue from operation	15430.69	13674.09		13	53825.49	48882.99		10
PBIT:								
Transmission Services								
1) Natural Gas	713.49	559.77	42	27	2920.53	2446.74	40	19
2) LPG	67.6	67.43	4	0	272.61	257.28	4	6
Natural Gas Marketing	158.29	448.52	9	-65	1256.06	1518.62	17	-17
Petrochemicals	36.6	77.59	2	-53	266.68	477.22	4	-44
LPG and Liquid Hydrocarbons	657	504.61	38	30	2304.25	1246.27	32	85
Others	79.52	81.53	5	-2	262.16	200.38	4	31
Total	1712.5	1739.45	100	-2	7282.29	6146.51	100	18
Capital Employed:								
Natural gas trading / transmission	21128.65	22507.13	52	-6	21128.65	22507.13	52	-6
LPG transmission	860.01	817.84	2	5	860.01	817.84	2	5
Petrochemicals	9353.83	9632.14	23	-3	9353.83	9632.14	23	-3
LPG & liquid hydrocarbons	763.49	808.98	2	-6	763.49	808.98	2	-6
Others	1582.98	1781.21	4	-11	1582.98	1781.21	4	-11
Unallocable	6639.16	2602.07	16	155	6639.16	2602.07	16	
Total Capital Employed	40328.12	38149.37	100	6	40328.12	38149.37	100	6

NOTES :-

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