



## GAIL Q2 net slips 35% to ₹1,167 crore

NEW DELHI, 10 NOVEMBER

State-run GAIL India Ltd has reported a 35 per cent drop in September quarter net profit as margins on natural gas marketing slumped and petrochemical business slipped into a loss.

It reported a consolidated net profit of Rs 1,167.58 crore, or Rs 2.59 per share, in July-September compared with Rs 1,788.98 crore, or Rs 3.96 per share, profit after tax in the year-ago period.

While pre-tax profit from natural gas transmission business fell by 10 per cent to Rs 803 crore, petrochemical business logged a Rs 82.32 crore loss. Natural gas marketing business saw pre-tax profit drop by 70 per cent to Rs 241.72 crore. Pre-tax profit on LPG and liquid hydrocarbon business fell by 68 per cent to Rs 245.35 crore.

PTI

## Utilisation rate is important for Gail Ltd



GAIL (India)'s second quarter FY20 EBITDA was at ₹1,560 crore billion and profit after tax was ₹1,060 crore, down 47 per cent and 46 per cent year-on-year basis due to weak gas marketing, gas transmission and LPG & LHC earnings. Transmission had ₹186 crore in one-offs related to fixed-charge refund after the HVJ tariff order, adjusted for which, tariffs were flat quarter-on-quarter. Volumes grew three per cent QoQ to 108.7mmcmd. Marketing margins fell 76 per cent QoQ due to spot market fire-sale from delay in fertiliser off-take. Petchem EBIT loss narrowed to ₹89.4 crore in Q2 from ₹220 crore in Q1 on a strong 112 per cent capacity utilisation rate, though realisations were weak. LPG & LHC EBIT declined 52 per cent QoQ on a 26 per cent fall in realisation and higher opex. LPG transmission EBIT rose 32 per cent QoQ. The broking house maintains its buy recommendation with a lower target of the stock ₹160.

**Broking firm:** Emkay  
**Rating:** Buy  
**Closing price:** ₹127.05