

## GUJARAT ENERGY LTD. (GEL)\* – ADD

### Q4FY26 Result Update

Current Market Price (CMP) <b>Rs. 398</b>	Fair Value (FV) <b>Rs.453</b>
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### Rationale:

- Effective 1 May'26, GSPC Group restructuring has come into force, transforming \*Gujarat Gas Ltd. into integrated energy co. under its new name, Gujarat Energy Ltd.
- Along with its core city gas distribution business, GEL now has gas trading, exploration & production assets, wind power generation, & strategic investments.
- Gas trading volumes stood at 10.2 mmsmcd during FY26.
- The Morbi ceramic cluster saw a sharp ramp-up in gas usage, with the number of gas-consuming units increasing from 83 to 675.
- GEL expanded its CNG distribution network to 839 stations as of March 2026.
- The board has recommended a final dividend of Rs.8.90/share.
- We recommend an ADD rating on the stock with a price target of Rs.453/- and value the stock at 17x on PE multiple based on EPS of Rs.26.6 for FY28E.

### 👍 Positives:

- PNG penetration also remained strong during the quarter, with the addition of nearly 43,000 domestic customers in Q4FY26.
- Industrial PNG volumes increased to 4.19 mmsmcd in Q4FY26, registering a 7% qoq growth, driven by higher industrial demand and improved gas availability.

### 👎 Negatives:

- Adj. cons. EBITDA stood at Rs. 609 cr, compared with Rs. 935 cr in Q3FY26.
- PAT stood at Rs. 351 cr v/s Rs. 656 cr in the preceding quarter and Rs.31 cr in Q3FY25.

(EPS: Earnings per share, bbl: barrels, PE: Price to Earnings, MMSCMD: Million Metric Standard Cubic Meter Per Day, 1 million = 10 Lacs, CNG: Compressed Natural Gas, PNG: Piped Natural Gas).



The content of this document has been derived from Kotak Securities PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

## RATING SCALE (PRIVATE CLIENT GROUP)

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<b>BUY</b>	– We expect the stock to deliver more than 15% returns over the next 12 months
<b>ADD</b>	– We expect the stock to deliver 5% - 15% returns over the next 12 months
<b>REDUCE</b>	– We expect the stock to deliver -5% - +5% returns over the next 12 months
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<b>NR</b>	– <b>Not Rated.</b> Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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<b>NA</b>	– <b>Not Available or Not Applicable.</b> The information is not available for display or is not applicable
<b>NM</b>	– <b>Not Meaningful.</b> The information is not meaningful and is therefore excluded.
<b>NOTE</b>	– Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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