

# Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

## GAIL (India)

Current Market Price	Fair Value (FV)
Rs.161	Rs.175

**Date:** 25 May 2026

**Previous Rating:** - **SELL**

**Current Rating:** **ADD**

**Change:** **Upgrade**

### Ratings Rationale

- We believe the worst is behind us now.
- Greater policy push toward piped gas strengthens the Long-Term gas outlook.
- We expect a ~25% EBITDA CAGR over FY26-29E.
- Following a correction (~17%/21% over 1Y/2Y; ~33% from the Sep'24 peak), the risk-reward appears favorable.
- Transmission volumes were in line.
- Realized tariff Rs71.9/mmbtu (up 13.3% yoy, 13.4% qoq) rose on INGPL tariff revision.
- We expect Indian gas consumption at ~6% CAGR driven by CGDs; LNG imports to meet all incremental demand.

(EPS: Earnings Per Share, EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortization, CAGR: Compound Annual Growth Rate, LNG: Liquefied Natural Gas, MMBTU: Metric Million British Thermal Unit, LPG: Liquefied Petroleum Gas, SOTP: Sum-of-the-Parts, LHC: Liquid Hydrocarbons, 1 Million = 10 Lakh, CGD: City Gas Distribution)

### Valuation

Upgrade to ADD (from SELL) with SoTP-based FV of Rs175 (Rs145 earlier).

## RATING SCALE (PRIVATE CLIENT GROUP)

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### Definitions of ratings

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

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