BOBCAPS
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**HOLD**
**TP: Rs 406 | ▲ 2%**

**GUJARAT GAS** | Oil & Gas | 01 June 2026

## Transitioning from CGD Utility to Energy Conglomerate

- **Revenue declined by 9.0%YoY, on account of decrease in CGD and gas trading businesses. Gujarat Gas is now an integrated energy company**
- **Positive on CNG & D-PNG volumes, supported by infra & household demand; industrial volumes are expected to remain subdued**
- **Maintain HOLD; revise TP to Rs406, reflecting a subdued outlook for the CGD and gas trading businesses amid weak industrial volumes**

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**Gujarat Gas is now an integrated energy conglomerate post Scheme of Arrangement. As compared to City gas business earlier, Gujarat Gas now has additional businesses – gas trading, Exploration & Production (E&P) and Wind power, which came from GSPL and GSPC.**

**Performance:** Overall revenue came at Rs58bn (-9.0%YoY, -3.4%QoQ); EBITDA came at Rs6bn (+27.7%YoY, -34.9% QoQ). For its earlier business of CGD - revenue came at Rs38bn (-6.0%YoY, +5.4%QoQ) and was 10% above our estimates. EBIT came at Rs3bn (-19.2%YoY, -2.5% QoQ); and was 10% above our estimates. EBITDA got impacted due to constraints on LNG supply from the Middle East, which led to an increase in the LNG cost.

**Volumes:** Volumes for Q4 came at 8.9mmscmd, lower by 4.6%YoY and higher by 5.8%QoQ. CNG volumes growth was strong at 11.8%YoY; while PNG domestic (D-PNG) volume growth at 2.2%YoY; PNG commercial volumes higher at 6.3%YoY. However, industrial volumes were weak at 4.2mmscmd; lower by 16.7%YoY.

**Operational performance and outlook:** EBITDA spread for CGD business in FY26 stood at 6.2/scm. EBIT was weak in the CGD business with a decline of 19.2%YoY with higher gas cost. We are positive on the outlook for CNG and D-PNG and expect 10-12% volume growth to sustain, on the back of CNG infra expansion and household penetration. LNG supply constraints and its elevated price will likely continue impacting industrial volumes. Gujarat Gas has been exploring long-term contracts to offset any hike in costs arising from the imported gas cost. Industrial volumes (49% of total volumes) are expected to remain subdued in near term.

**Capex intensity:** Gujarat Gas incurred a capex of Rs9,53mn in FY26.

**Maintain HOLD; revise TP:** We remain positive on CNG & D-PNG volume growth. However, weak industrial volumes will likely be a concern. We maintain HOLD, reflecting a subdued outlook for the CGD & gas trading businesses, revise TP to Rs406 from Rs379; based on 17.0x P/E on Mar.28E EPS.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◀▶ |

| | |
|---|---|
| Ticker/Price | GUJGA IN/Rs 397 |
| Market cap | US$ 2.9bn |
| Free float | 44% |
| 3M ADV | US$ 7.1mn |
| 52wk high/low | Rs 509/Rs 302 |
| Promoter/FPI/DII | 56%/11%/25% |

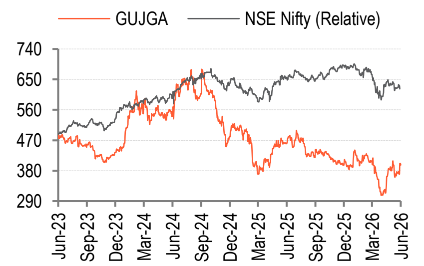
Source: NSE | Price as of 1 Jun 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 236,144 | 242,077 | 257,535 |
| EBITDA (Rs mn) | 30,520 | 33,089 | 36,290 |
| Adj. net profit (Rs mn) | 21,687 | 20,222 | 22,499 |
| Adj. EPS (Rs) | 23.1 | 21.6 | 24.0 |
| Adj. ROAE (%) | 10.4 | 10.7 | 11.2 |
| Adj. P/E (x) | 17.1 | 18.4 | 16.5 |
| EV/EBITDA (x) | 9.2 | 8.6 | 7.6 |
| Adj. EPS growth (%) | (56.4) | (6.8) | 11.3 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

### Fig 1 – Quarterly performance (Consolidated)

| (Rs mn) | Q4FY26 | Q3FY26 | QoQ (%) | Q4FY25 | YOY (%) | FY26 | FY25 | YOY (%) |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **57,919** | **59,977** | **(3.4)** | **63,634** | **(9.0)** | **236,144** | **276,149** | **(14.5)** |
| **EBITDA** | **6,088** | **9,348** | **(34.9)** | **4,768** | **27.7** | **30,520** | **34,744** | **(12.2)** |
| EBITDA margin (%) | 10.51 | 15.59 | (507bps) | 7.49 | 302bps | 12.92 | 12.58 | 34bps |
| Depreciation | 2,236 | 2,291 | (2.4) | 2,030 | 10.1 | 8,990 | 8,641 | 4.0 |
| Interest | 456 | 819 | (44.3) | 684 | (33.3) | 2,511 | 2,902 | (13.5) |
| Other income | 1,588 | 1,312 | 21.1 | 2,345 | (32.3) | 5,475 | 5,567 | (1.6) |
| PBT | 4,984 | 7,549 | (34.0) | 4,400 | 13.3 | 24,495 | 28,768 | (14.9) |
| Tax | 2,217 | 2,018 | 9.9 | 471 | 371.1 | 7,634 | (12,442) | 161.4 |
| Reported PAT | 4,978 | 6,591 | (24.5) | 5,920 | (15.9) | 16,776 | 39,787 | (57.8) |
| Exceptional item | (1,466) | (32) | NA | (5,608) | 73.9 | (1,498) | (8,623) | 82.6 |
| **Adjusted PAT** | **3,512** | **6,558** | **(46.4)** | **312** | **1024.3** | **18,274** | **48,410** | **(62.3)** |
| Adj. PATM (%) | 6.06 | 10.93 | (487bps) | 0.49 | 557bps | 7.74 | 17.53 | (979bps) |
| **EPS (Rs)** | **3.75** | **7.00** | **(46.4)** | **0.33** | **1036.4** | **21.55** | **43.92** | **(50.9)** |

Source: Company

### Fig 2 – Q4FY26 Actual v/s our estimates (CGD Business)

| Particulars | Q4 Actual | Estimates | VAR(%) |
|---|---|---|---|
| Revenue (Rs mn) | 38,560 | 34,997 | 10.2 |
| EBIT (Rs mn) | 3,257 | 2,957 | 10.1 |
| EBIT margin (%) | 8.4 | 8.4 | 0bps |

Source: Company, Bloomberg

### Fig 3 – Business parameters

| Particulars | Q4FY26 | Q3FY26 | QoQ (%) | Q4FY25 | YOY (%) | FY26 | FY25 | YOY (%) |
|---|---|---|---|---|---|---|---|---|
| PNG-Industrial volume (mmscmd) | 4.2 | 3.9 | 6.6 | 5.0 | (16.7) | 4.3 | 5.7 | (24.1) |
| CNG volume (mmscmd) | 3.6 | 3.5 | 4.3 | 3.2 | 11.8 | 3.4 | 3.1 | 11.8 |
| PNG-Domestic volume (mmscmd) | 0.9 | 0.8 | 9.6 | 0.9 | 2.2 | 0.8 | 0.8 | 8.3 |
| PNG-Commercial volume (mmscmd) | 0.2 | 0.2 | 0.0 | 0.2 | 6.3 | 0.2 | 0.1 | 8.5 |
| **Total Volume (mmscmd)** | **8.9** | **8.4** | **5.8** | **9.3** | **(4.6)** | **8.7** | **9.6** | **(9.6)** |
| **Realization/scm (Rs)** | **48.3** | **47.5** | **1.8** | **49.0** | **(1.4)** | **47.8** | **45.6** | **4.8** |

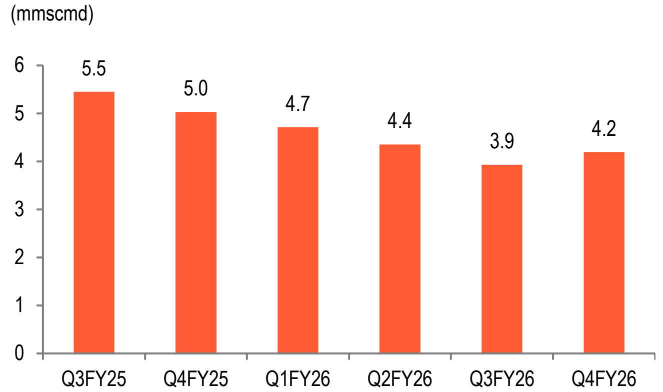
Source: Company

### Fig 4 – Segmental performance

| Revenue (Rs mn) | Q4FY26 | Q3FY26 | QoQ (%) | Q4FY25 | YOY (%) | FY26 | FY25 | YOY (%) |
|---|---|---|---|---|---|---|---|---|
| E&P | 240 | 200 | 20.5 | 225 | 6.9 | 929 | 825 | 12.6 |
| Gas Trading | 39,641 | 42,340 | (6.4) | 44,248 | (10.4) | 160,860 | 199,936 | (19.5) |
| Power | 853 | 729 | 17.1 | 1,326 | (35.6) | 5,845 | 10,959 | (46.7) |
| Gas Transmission | - | - | - | 2,358 | - | - | 11,132 | - |
| City Gas Distribution | 40,666 | 38,651 | 5.2 | 42,891 | (5.2) | 159,760 | 171,850 | (7.0) |
| Regasification business | 921 | 738 | 24.8 | 697 | 32.1 | 3,111 | 4,624 | (32.7) |
| Unallocated | 144 | 115 | 24.9 | 84 | 71.4 | 454 | 445 | 2.1 |
| **Total** | **82,465** | **82,772** | **(0.4)** | **91,828** | **(10.2)** | **330,959** | **399,772** | **(17.2)** |
| Less- intersegmental | (22,441) | (20,728) | | (23,972) | | (86,712) | (105,533) | |
| **Total revenue** | **60,024** | **62,044** | **(3.3)** | **67,856** | **(11.5)** | **244,247** | **294,239** | **(17.0)** |

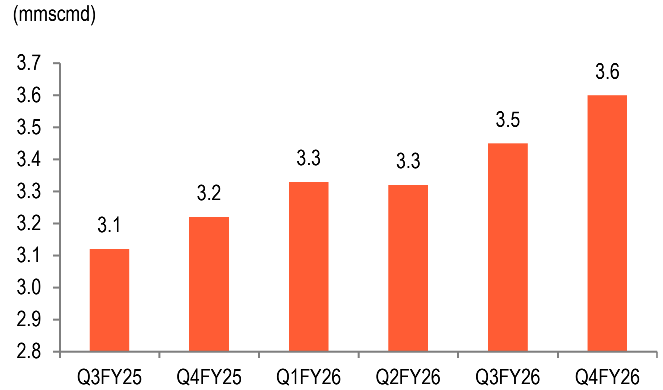
Source: Company

### Fig 5 – PNG Industrial volumes



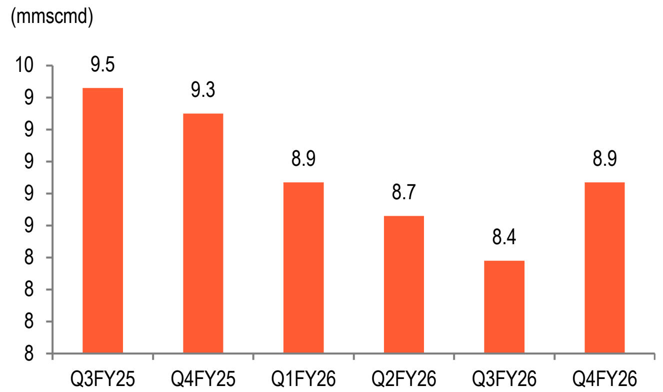

Source: Company

### Fig 6 – CNG Volumes



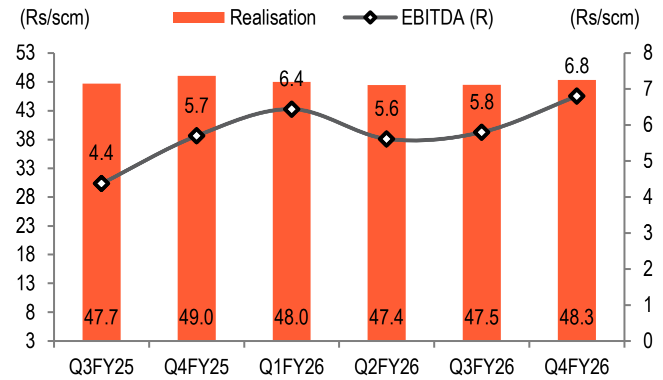

Source: Company

### Fig 7 – Total Volumes




Source: Company

### Fig 8 – Realisation & EBITDA trend

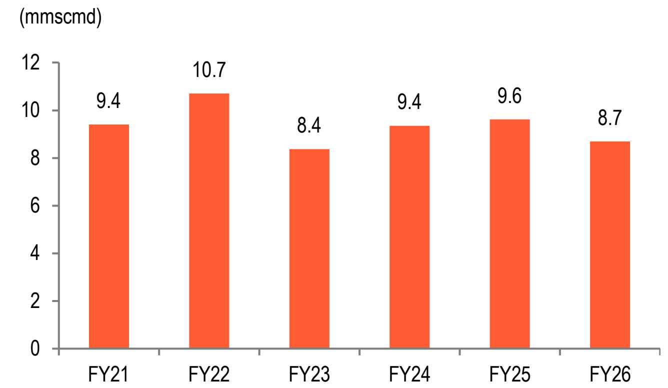



Source: Company

## Other Highlights

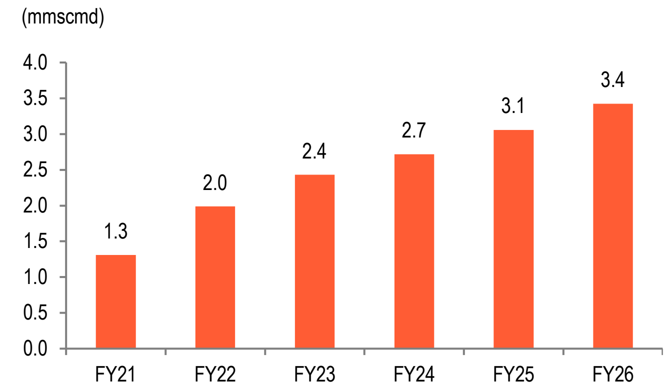
- **Volumes Performance:** CNG volume growth remained strong at 11.8% YoY in Q4FY26, compared with 10.6% YoY in Q3FY26. Domestic PNG and commercial PNG volumes also remained healthy, growing 2.2% YoY and 6.3% YoY, respectively. However, industrial volumes declined 16.7% YoY due to supply constraints. Industrial volumes account for 49% of total volumes, while the volume mix stood at CNG: 41% and PNG: 59%.
  - **CNG outlook:** We remain positive on the CNG volume outlook and expect growth to sustain, driven by network expansion and increasing conversion of private vehicles to CNG.
- **Operational performance:** Overall EBITDA increased 27.7% YoY. However, EBIT from the CGD business declined 19.2% YoY, primarily due to higher gas sourcing costs following the increase in imported LNG prices and INR depreciation against the USD.
- **Business segments:** Gujarat Energy has transformed from a pure-play CGD company into an integrated energy conglomerate with presence across the entire gas value chain.
  - **CGD:** 27 GAs across 6 states and 1 UT, serving 24.2 lakh PNG customers through 839 CNG stations from 828 station in FY25.
  - **Gas trading:** 10.2 mmscmd traded volumes in FY26 and over 480 LNG cargoes since 2009.
  - **E&P:** 16 E&P blocks, including 11 producing fields and 6 operated assets. The portfolio provides upstream exposure through oil and gas production from onshore Gujarat and offshore basins.
  - **Renewables:** operates 123.9MW of wind power capacity across five wind farms in Gujarat under long-term PPAs. The renewable portfolio comprises 79 wind turbine generators.
- **Gas sourcing mix:** The sourcing portfolio comprises 2.0mmscmd of APM gas, 0.5mmscmd of New Well Gas (NWG), 3.5mmscmd under long-term contracts (LTC) and 3.5mmscmd under short-term contracts (STC), with the majority of LNG contracts linked to Brent crude.
- **Capex:** Management has guided FY27 capex of Rs10bn for the CGD business and Rs1bn for the E&P segment. .

**Fig 9 – Total volumes**



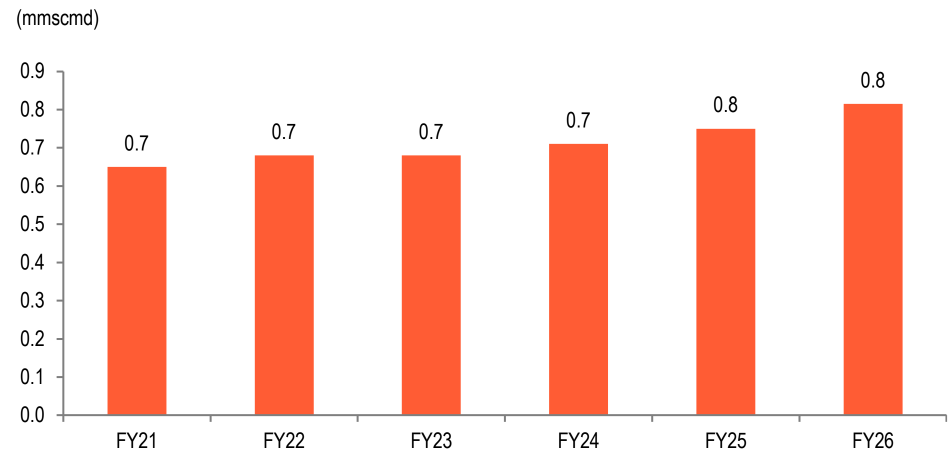

Source: Company

**Fig 10 – CNG volumes**




Source: Company

**Fig 11 – PNG volumes -Domestic**

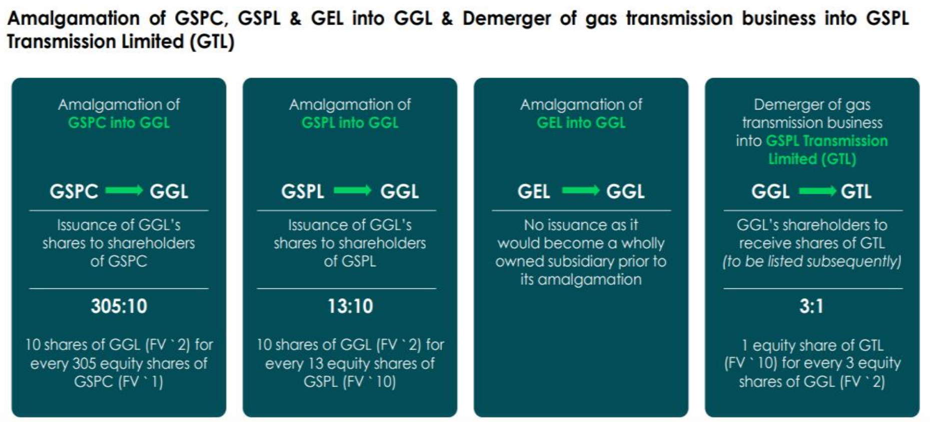



Source: Company

## Update on Scheme of Arrangement

- The Board approved Scheme in August 2024 that involves merger of GSPC, GSPL and GEL (GSPC Energy Ltd) into Gujarat Gas, as well as demerger of the gas transmission business into GSPL Transmission Ltd.
- **As compared to City Gas business earlier, Gujarat Gas has additional businesses at present – Gas trading, Exploration & Production and Wind power, which came from GSPL and GSPC.**
- **Gas transmission business is being demerged into GSPL Transmission Ltd (GTL).**

**Fig 12 – Scheme of Arrangement**




Source: Company

## Valuation Methodology

We remain positive on CNG and domestic PNG growth, driven by CNG infrastructure expansion and rising household penetration. However, the weak growth outlook for industrial volumes, which account for - 49% of total volumes, remains a key concern.

We revise the numbers downwards, primarily for CGD business on subdued outlook on industrial volumes.

- **CNG growth to continue:** We estimate growth sustenance on account of the expansion in outlets and demand.
  - Estimate CNG growth to be 12.0% vs the earlier 11.0%YoY for FY27E and at 12.5% vs the earlier 11.0% in FY28E. Introduce FY29 estimates with 13.0% growth.
- **PNG growth:**
  - **D-PNG:** We estimate growth to continue for D-PNG with 10.0% vs the earlier 9.0% for FY27E and 12.0% vs the earlier 9.0% for FY28E. Introduce FY29E estimates with 12% YoY growth.
  - **Industrial:** Industrial gas demand remained subdued, impacted by weaker industrial activity and supply-chain disruptions stemming from the ongoing Middle East conflict.
- **EBITDA/scm:** Considering the moderation in CGD margins, we revise our EBITDA/scm assumptions to Rs6.2/scm for FY27E (vs. Rs6.3 earlier) and Rs6.5/scm for FY28E (vs. Rs6.6 earlier). We also introduce FY29E EBITDA/scm of Rs7.2.
- USD-INR assumption revised to Rs95.0 vs the earlier Rs91.0 for FY27E and FY28. FY29E with Rs95.0

**The old vs. new comparison is not directly comparable, as previous figures represent the standalone CGD business, whereas the current entity comprises CGD, gas trading, E&P and renewable businesses.**

**Fig 13 – Revision in estimates (CGD business)**

| (Rs mn) | Actual | New | | | Old | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FY26A | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E |
| Revenue | 159,760 | 169,562 | 189,466 | 212,368 | 163,378 | 180,520 | - | 3.8 | 5.0 | - |
| EBITDA | 19,561 | 20,357 | 22,887 | 27,564 | 21,134 | 23,678 | - | (3.7) | (3.3) | - |
| EBITDA % margin | 12.2 | 12.0 | 12.1 | 13.0 | 12.9 | 13.1 | - | (93bps) | (104bps) | - |

Source: Company, BOBCAPS Research

### Fig 14 – Key assumptions

| Particulars | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| USD-INR rate | 87.0 | 90.0 | 95.0 | 95.0 | 95.0 |
| CNG sales price (Rs/kg) | 78.0 | 80.5 | 81.0 | 81.8 | 83.3 |
| **Volumes (mmscmd)** | | | | | |
| CNG | 3.0 | 3.4 | 3.8 | 4.3 | 4.9 |
| YoY growth (%) | 12.1 | 12.0 | 12.0 | 12.5 | 13.0 |
| PNG | 6.5 | 5.3 | 5.1 | 5.3 | 5.6 |
| YoY growth (%) | (1.2) | (19.2) | (2.7) | 4.2 | 4.5 |
| **Total volumes** | 9.6 | 8.7 | 9.0 | 9.7 | 10.5 |
| **YoY (%)** | | | | | |
| D-PNG | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 |
| YoY % | 3.0 | 9.0 | 10.0 | 12.0 | 12.0 |
| I&C | 5.8 | 4.5 | 4.2 | 4.3 | 4.5 |
| YoY % | (1.7) | (23.0) | (5.0) | 2.5 | 2.8 |
| **EBITDA spread (Rs/scm)** | **5.4** | **6.2** | **6.2** | **6.5** | **7.2** |

Source: Company, BOBCAPS Research

## P/E based Valuation Rationale

We maintain HOLD, reflecting a subdued outlook for the CGD & gas trading businesses, revise TP to Rs406 from Rs379; based on 17.0x P/E on Mar.28E EPS. We have taken the multiple of 17x vs earlier 19x which is at a discount to its 10Y average P/E multiple of 24.0x, to account for moderate growth in industrial volumes and lower growth in the additional businesses of gas trading, owing to the subdued outlook.

### Fig 15 – Valuation summary

| Business | Mar.'28E EPS (Rs) | Multiple (x) | Value (Rs/share) |
|---|---|---|---|
| Gujarat Gas | 24.0 | 16.9 | 406 |
| **Target price (Rs)** | | | **406** |

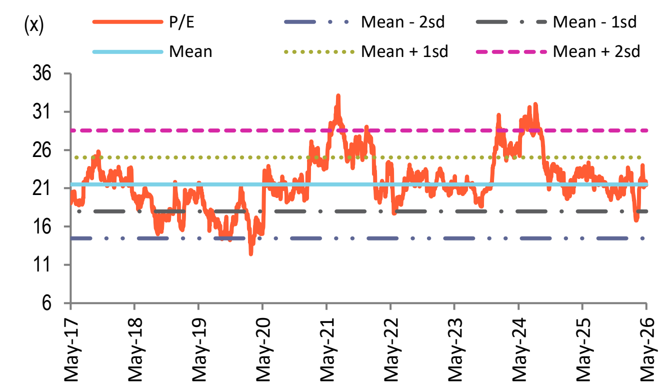
Source: BOBCAPS Research

## Key Risks

Key downside risks to our estimates:

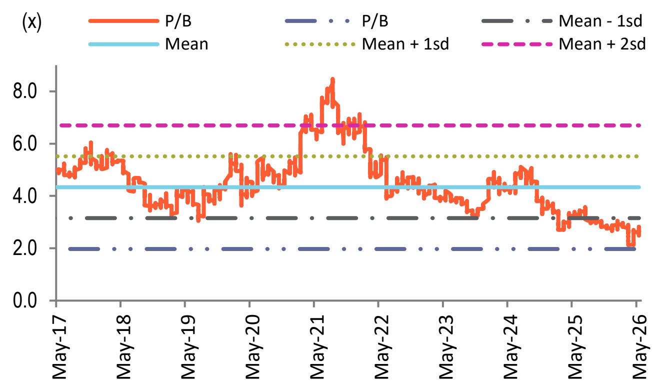
- **APM allocation sourcing mix can raise input gas cost**: APM gas has been limited for CGD companies, due to production constraints from ONGC. This led Gujarat Gas to procure imported gas at elevated prices. Further, elevated LNG prices continue to impact the offtake from industrial customers. So, normalisation of LNG prices is key to future performance.

**Fig 16 – P/E 1YF**




Source: Bloomberg

**Fig 17 – P/B 1YF**




Source: Bloomberg

# Financials

### Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Total revenue** | **276,149** | **236,144** | **242,077** | **257,535** | **276,302** |
| EBITDA | 34,744 | 30,520 | 33,089 | 36,290 | 41,340 |
| Depreciation | (8,641) | (8,990) | (9,589) | (10,221) | (10,881) |
| EBIT | 31,669 | 27,005 | 29,084 | 31,765 | 36,269 |
| Net interest inc./(exp.) | (2,902) | (2,511) | (1,865) | (1,287) | (482) |
| Other inc./(exp.) | 5,567 | 5,475 | 5,584 | 5,696 | 5,810 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 20,145 | 22,997 | 27,220 | 30,478 | 35,787 |
| Income taxes | 12,442 | (7,634) | (8,438) | (9,448) | (11,094) |
| Extraordinary items | (8,623) | (1,498) | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 1,339 | 4,826 | 1,441 | 1,470 | 1,499 |
| **Reported net profit** | **41,146** | **20,189** | **20,222** | **22,499** | **26,192** |
| Adjustments | 8,623 | 1,498 | 0 | 0 | 0 |
| **Adjusted net profit** | **49,769** | **21,687** | **20,222** | **22,499** | **26,192** |

### Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Accounts payables | 15,024 | 16,544 | 17,125 | 18,395 | 19,925 |
| Other current liabilities | 39,657 | 35,605 | 35,605 | 35,605 | 35,605 |
| Provisions | 432 | 593 | 593 | 593 | 593 |
| Debt funds | 29,872 | 30,600 | 22,600 | 15,600 | 5,600 |
| Other liabilities | 4,545 | 3,536 | 3,536 | 3,536 | 3,536 |
| Equity capital | 628 | 628 | 628 | 628 | 628 |
| Reserves & surplus | 233,751 | 182,513 | 194,163 | 207,856 | 225,008 |
| Shareholders' fund | 234,380 | 183,141 | 194,791 | 208,484 | 225,636 |
| **Total liab. and equities** | **330,096** | **275,459** | **279,691** | **287,654** | **296,335** |
| Cash and cash eq. | 30,028 | 13,143 | 15,084 | 19,887 | 25,165 |
| Accounts receivables | 21,458 | 17,524 | 17,964 | 19,111 | 20,504 |
| Inventories | 8,650 | 11,216 | 11,498 | 12,232 | 13,123 |
| Other current assets | 40,953 | 59,406 | 59,406 | 59,406 | 59,406 |
| Investments | 21,756 | 9,050 | 9,050 | 9,050 | 9,050 |
| Net fixed assets | 154,671 | 118,574 | 120,142 | 121,421 | 122,540 |
| CWIP | 11,948 | 8,361 | 8,361 | 8,361 | 8,361 |
| Intangible assets | 17,396 | 17,673 | 17,673 | 17,673 | 17,673 |
| Deferred tax assets, net | 0 | 0 | 0 | 0 | 0 |
| Other assets | (89,387) | 84,340 | 27,958 | 28,248 | 28,408 |
| **Total assets** | **330,096** | **275,459** | **279,691** | **287,654** | **296,335** |

### Cash Flows

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **5,144** | **7,029** | **30,094** | **31,927** | **35,302** |
| Capital expenditures | (106,019) | 30,433 | (11,157) | (11,500) | (12,000) |
| Change in investments | (21,411) | 12,706 | 0 | 0 | 0 |
| Other investing cash flows | (15,456) | 2,637 | 0 | 0 | 0 |
| **Cash flow from investing** | **(142,887)** | **45,776** | **(11,157)** | **(11,500)** | **(12,000)** |
| Equities issued/Others | 497 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 29,872 | 728 | (8,000) | (7,000) | (10,000) |
| Interest expenses | (2,902) | (2,511) | (1,865) | (1,287) | (482) |
| Dividends paid | (5,452) | (8,338) | (8,572) | (8,806) | (9,041) |
| Other financing cash flows | (612) | 136,494 | (59,570) | 1,441 | 1,470 |
| **Cash flow from financing** | **158,509** | **(69,691)** | **(16,996)** | **(15,624)** | **(18,023)** |
| **Chg in cash & cash eq.** | **20,767** | **(16,886)** | **1,941** | **4,803** | **5,279** |
| **Closing cash & cash eq.** | **30,028** | **13,142** | **15,084** | **19,887** | **25,165** |

### Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Reported EPS | 43.9 | 21.5 | 21.6 | 24.0 | 28.0 |
| Adjusted EPS | 53.1 | 23.1 | 21.6 | 24.0 | 28.0 |
| Dividend per share | 5.8 | 8.9 | 9.2 | 9.4 | 9.7 |
| Book value per share | 250.2 | 195.5 | 207.9 | 222.5 | 240.8 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| EV/Sales | 1.0 | 1.2 | 1.2 | 1.1 | 0.9 |
| EV/EBITDA | 7.7 | 9.2 | 8.6 | 7.6 | 6.3 |
| Adjusted P/E | 7.5 | 17.1 | 18.4 | 16.5 | 14.2 |
| P/BV | 1.6 | 2.0 | 1.9 | 1.8 | 1.6 |

### DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Tax burden (Net profit/PBT) | 204.6 | 73.3 | 69.0 | 69.0 | 69.0 |
| Interest burden (PBT/EBIT) | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 |
| EBIT margin (EBIT/Revenue) | 11.5 | 11.4 | 12.0 | 12.3 | 13.1 |
| Asset turnover (Rev./Avg TA) | 1.2 | 0.8 | 0.9 | 0.9 | 0.9 |
| Leverage (Avg TA/Avg Equity) | 1.4 | 1.5 | 1.4 | 1.4 | 1.4 |
| Adjusted ROAE | 31.9 | 10.4 | 10.7 | 11.2 | 12.1 |

### Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **YoY growth (%)** | | | | | |
| Revenue | NA | (14.5) | 2.5 | 6.4 | 7.3 |
| EBITDA | NA | (12.2) | 8.4 | 9.7 | 13.9 |
| Adjusted EPS | NA | (56.4) | (6.8) | 11.3 | 16.4 |
| **Profitability & Return ratios (%)** | | | | | |
| EBITDA margin | 12.6 | 12.9 | 13.7 | 14.1 | 15.0 |
| EBIT margin | 11.5 | 11.4 | 12.0 | 12.3 | 13.1 |
| Adjusted profit margin | 18.0 | 9.2 | 8.4 | 8.7 | 9.5 |
| Adjusted ROAE | 31.9 | 10.4 | 10.7 | 11.2 | 12.1 |
| ROCE | 17.4 | 10.9 | 13.0 | 13.8 | 15.3 |
| **Working capital days (days)** | | | | | |
| Receivables | 28 | 27 | 27 | 27 | 27 |
| Inventory | 11 | 17 | 17 | 17 | 17 |
| Payables | 23 | 29 | 30 | 30 | 31 |
| **Ratios (x)** | | | | | |
| Gross asset turnover | 1.2 | 0.8 | 0.9 | 0.9 | 0.9 |
| Current ratio | 1.8 | 1.9 | 1.9 | 2.0 | 2.1 |
| Net interest coverage ratio | 10.9 | 10.8 | 15.6 | 24.7 | 75.3 |
| Adjusted debt/equity | 0.0 | 0.1 | 0.0 | 0.0 | (0.1) |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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**BUY** – Expected return >+15%

**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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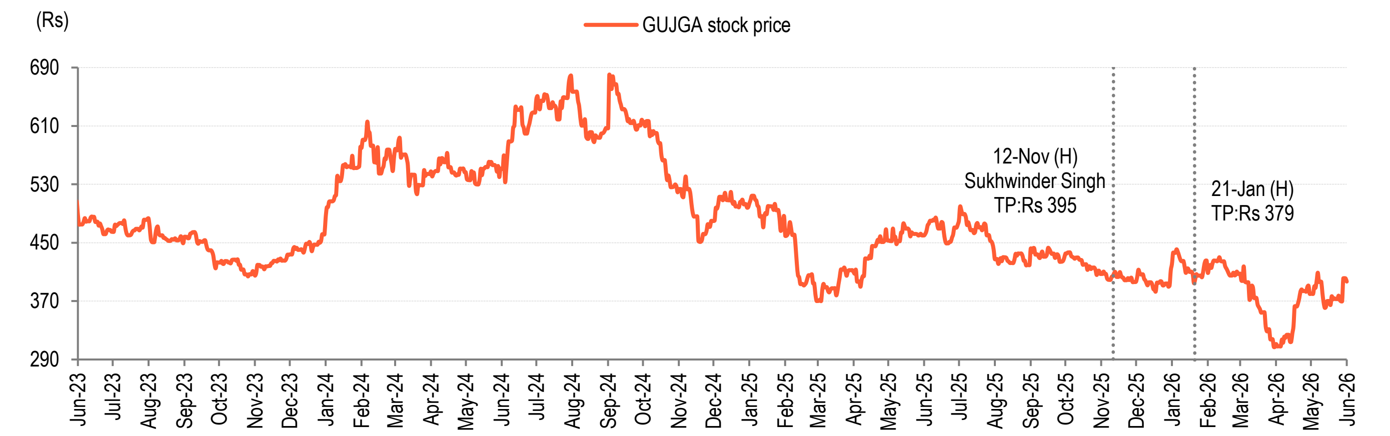
**Ratings and Target Price (3-year history): GUJARAT GAS (GUJGA IN)**

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