

Rating: HOLD | CMP: Rs303 | TP: Rs296

January 22, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		HOLD	
Target Price	296		322	
Sales (Rs bn)	11	12	12	13
% Chng.	(8.4)	(7.7)		
EBITDA (Rs bn)	9	10	10	11
% Chng.	(10.5)	(7.5)		
EPS (Rs.)	14.1	15.5	15.0	16.7
% Chng.	(6.3)	(7.4)		

### Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	10.1	9.1	11.0	12.3
EBITDA (Rs. bn)	8.1	7.0	8.8	10.1
Margin (%)	80.2	77.3	80.4	82.1
PAT (Rs. bn)	8.1	7.5	7.9	8.7
EPS (Rs.)	14.3	13.3	14.1	15.5
Gr. (%)	(37.1)	(7.3)	5.9	10.0
DPS (Rs.)	5.0	4.0	4.2	4.6
Yield (%)	1.7	1.3	1.4	1.5
RoE (%)	7.7	6.8	6.8	7.2
RoCE (%)	5.8	4.3	5.4	6.0
EV/Sales (x)	15.0	16.6	13.7	12.0
EV/EBITDA (x)	18.6	21.5	17.0	14.6
PE (x)	21.1	22.8	21.5	19.5
P/BV (x)	1.6	1.5	1.4	1.4

### Key Data

	GSPT.BO   GUJS IN
52-W High / Low	Rs.373 / Rs.261
Sensex / Nifty	82,307 / 25,290
Market Cap	Rs.171bn/ \$ 1,863m
Shares Outstanding	564m
3M Avg. Daily Value	Rs.281.91m

### Shareholding Pattern (%)

Promoter's	37.63
Foreign	15.21
Domestic Institution	24.87
Public & Others	22.29
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	2.8	(8.9)	(15.9)
Relative	6.9	(9.1)	(22.0)

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# Gujarat State Petronet (GUJS IN)

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## EBITDA in line; volume declines slightly

### Quick Pointers:

- Transmission volume declined from 28.5mmcmd to 27.5mmcmd QoQ.
- Volume from refinery/petchem segment grew 5.8%, and CNG segment remained flat QoQ.

**Gujarat State Petronet (GUJS)** reported a 1.0mmcmd QoQ decline in transmission volume to 27.5mmcmd in Q3FY26 (vs. 28.5mmcmd in Q2FY26), driven by a sharp 51.8% QoQ drop in power segment volume. This was partly offset by a 5.8% and 2.1% QoQ increase in refinery/petrochem and other segment volume, respectively. EBITDA declined 4.4% QoQ to Rs1.7bn (PLe: Rs1.7bn; BBGe: Rs1.8bn), due to higher other expenses. PAT fell 70.1% QoQ to Rs1.1bn, reflecting lower other income. On YoY basis, PAT declined 15.7% due to lower EBITDA. For 9MFY26, EBITDA/PAT declined 21.2%/13.3% YoY to Rs5.4bn/Rs6.4bn. We reiterate our 'HOLD' rating, as volume recovery remains slower than anticipated. Investments in Gujarat Gas (54.2% stake) and Sabarmati Gas (27.5% stake) at a 25% holding discount, provide a valuation of Rs204. We continue to value the core business at 10x Dec'27E adj EPS, implying a value of Rs92.5/share, leading to a combined TP of Rs296 (earlier: Rs322).

**Transmission volume declines:** Transmission volume stood at 27.5mmcmd in Q3FY26 vs. 28.5mmcmd in Q2FY26. Among segments, Power witnessed the sharpest QoQ decline of 51.8% in volume from 2.6mmcmd to 1.3mmcmd. Growth in CNG volume remained flat QoQ. Refinery/Petrochem volume grew 5.8% QoQ. Almost all segments saw a YoY volume decline, except fertilizer, which improved by 3.7%.

**Implied tariff improves QoQ:** Implied tariff increased to Rs853/mscm in Q3FY26 from Rs839/mscm in Q2FY26, though it declined YoY from Rs870/mscm in Q3FY25.

Exhibit 1: Valuation Table

Valuation	Adj. EPS (Rs)	P/E Multiple (x)	Value (Rs/share)	Remarks
GSPL	9.3	10	92.5	Dec'27E EPS
Value of investments post 25% discount			204	54.2% stake in Gujarat Gas; 27.5% in Sabarmati Gas
<b>Fair Value</b>			<b>296</b>	

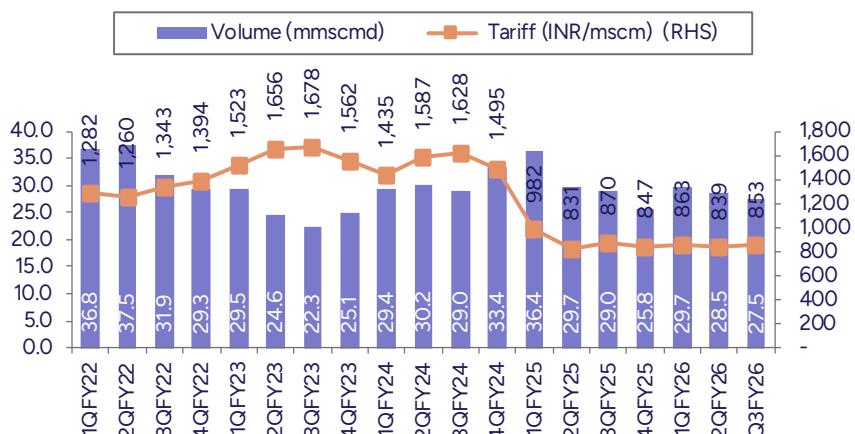
Source: PL

Exhibit 2: Quarterly Financials (Rs bn)

Y/e March	Q3FY26	Q2FY26	QoQ gr.	Q3FY26E	% Var	Q3FY25	YoY gr.	9MFY26	9MFY25	YoY gr.
<b>Net Sales</b>	<b>2.2</b>	<b>2.3</b>	<b>-3.8%</b>	<b>2.3</b>	<b>-2.8%</b>	<b>2.4</b>	<b>-7.3%</b>	<b>6.9</b>	<b>8.1</b>	<b>-14.9%</b>
YoY Change (%)	-7.3	-4.4		-4.6		0.0		-14.9		
Total Expenditure	0.5	0.5	-1.8%	0.5	-1.3%	0.4	22.1%	1.5	1.2	20.0%
<b>EBITDA</b>	<b>1.7</b>	<b>1.7</b>	<b>-4.4%</b>	<b>1.7</b>	<b>-3.3%</b>	<b>1.9</b>	<b>-14.0%</b>	<b>5.4</b>	<b>6.9</b>	<b>-21.2%</b>
<b>Margins (%)</b>	<b>75.7%</b>	<b>76.2%</b>		<b>76.0%</b>		<b>81.5%</b>		<b>78.6</b>	<b>84.8</b>	
Depreciation	0.5	0.5	0.4%	0.6	-2.2%	0.5	7.2%	1.6	1.5	8.0%
Interest	0.0	0.0	-1.1%	0.0	-5.3%	0.0	10.4%	0.0	0.0	-7.1%
Other Income	0.4	3.1	-85.9%	0.5	-20.3%	0.4	5.0%	3.9	3.7	6.7%
<b>PBT</b>	<b>1.5</b>	<b>4.2</b>	<b>-63.9%</b>	<b>1.7</b>	<b>-9.1%</b>	<b>1.8</b>	<b>-15.8%</b>	<b>7.7</b>	<b>9.0</b>	<b>-14.7%</b>
Tax	0.4	0.4	-5.8%	0.4	-8.7%	0.5	-15.9%	1.3	1.6	-21.4%
Rate (%)	25.3	9.7		25.2		25.3		16.7	18.1	
<b>Reported PAT</b>	<b>1.1</b>	<b>3.8</b>	<b>-70.1%</b>	<b>1.3</b>	<b>-9.3%</b>	<b>1.4</b>	<b>-15.7%</b>	<b>6.4</b>	<b>7.4</b>	<b>-13.3%</b>
<b>Transmission vol (mmscmd)</b>	27.5	28.5	-3.5%	28.0	-1.8%	25.8	6.7%	28.5	31.7	-9.9%
<b>Implied Tariff (Rs/mscm)</b>	853	839	1.6%	845	0.9%	831	2.6%	852	900	-5.4%

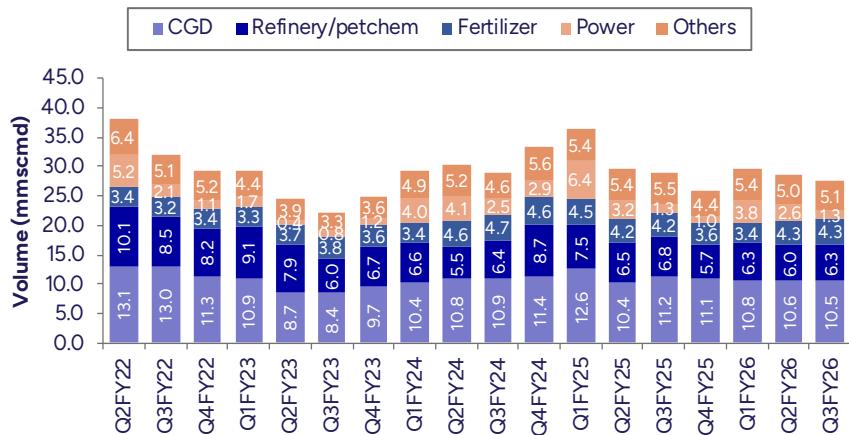
Source: Company, PL

Exhibit 3: Transmission volume declines to 27.5mmscmd



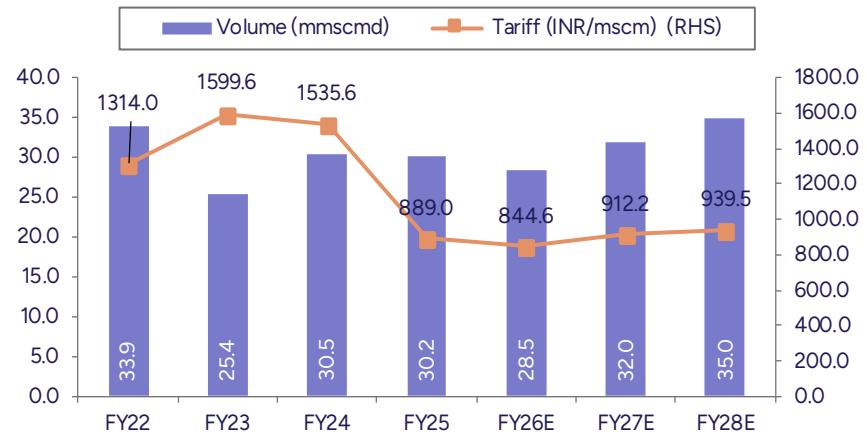
Source: Company, PL

Exhibit 4: Power segment main contributor to QoQ decline



Source: Company, PL

Exhibit 5: Volume estimated at 35mm scmd for FY28E



Source: Company, PL

## Financials

### Income Statement (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>10.1</b>	<b>9.1</b>	<b>11.0</b>	<b>12.3</b>
YoY gr. (%)	(42.5)	(10.1)	20.6	12.3
Cost of Goods Sold	-	-	-	-
Gross Profit	10.1	9.1	11.0	12.3
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	0.9	0.9	0.9	0.9
Other Expenses	1.1	1.2	1.3	1.3
<b>EBITDA</b>	<b>8.1</b>	<b>7.0</b>	<b>8.8</b>	<b>10.1</b>
YoY gr. (%)	(46.1)	(13.3)	25.3	14.6
Margin (%)	80.2	77.3	80.4	82.1
Depreciation and Amortization	2.0	2.2	2.6	2.8
<b>EBIT</b>	<b>6.1</b>	<b>4.8</b>	<b>6.3</b>	<b>7.3</b>
Margin (%)	60.1	52.6	57.1	59.1
Net Interest	0.1	0.0	0.0	0.0
Other Income	4.0	4.4	4.4	4.4
<b>Profit Before Tax</b>	<b>10.0</b>	<b>9.1</b>	<b>10.6</b>	<b>11.7</b>
Margin (%)	99.2	100.2	96.7	94.8
Total Tax	2	2	3	3
Effective tax rate (%)	19.5	17.8	25.2	25.2
<b>Profit after tax</b>	<b>8.1</b>	<b>7.5</b>	<b>7.9</b>	<b>8.7</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>8.1</b>	<b>7.5</b>	<b>7.9</b>	<b>8.7</b>
YoY gr. (%)	(37.1)	(7.3)	5.9	10.0
Margin (%)	79.9	82.3	72.3	70.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>8.1</b>	<b>7.5</b>	<b>7.9</b>	<b>8.7</b>
YoY gr. (%)	(37.1)	(7.3)	5.9	10.0
Margin (%)	79.9	82.3	72.3	70.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8.1	7.5	7.9	8.7
<b>Equity Shares O/s (bn)</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
<b>EPS (Rs)</b>	<b>14.3</b>	<b>13.3</b>	<b>14.1</b>	<b>15.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>54.7</b>	<b>60.4</b>	<b>67.2</b>	<b>74.1</b>
Tangibles	54.7	60.4	67.2	74.1
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>19.0</b>	<b>21.3</b>	<b>23.8</b>	<b>26.7</b>
Tangibles	19.0	21.3	23.8	26.7
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>35.6</b>	<b>39.2</b>	<b>43.4</b>	<b>47.5</b>
Tangibles	35.6	39.2	43.4	47.5
Intangibles	-	-	-	-
Capital Work In Progress	2.8	4.1	4.3	4.4
Goodwill	-	-	-	-
Non-Current Investments	53.4	53.4	53.4	53.4
Net Deferred tax assets	(4.3)	(4.3)	(4.3)	(4.3)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	2.6	2.6	2.8	2.8
Trade receivables	1.1	1.0	1.2	1.3
Cash & Bank Balance	19.3	19.6	20.8	22.9
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>119.9</b>	<b>124.5</b>	<b>131.4</b>	<b>138.4</b>
<b>Equity</b>				
Equity Share Capital	5.6	5.6	5.6	5.6
Other Equity	102.2	107.4	113.0	119.1
<b>Total Networth</b>	<b>107.8</b>	<b>113.1</b>	<b>118.6</b>	<b>124.7</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	0.8	0.8	0.8	0.9
Other current liabilities	7.0	6.3	7.6	8.5
<b>Total Equity &amp; Liabilities</b>	<b>119.9</b>	<b>124.5</b>	<b>131.4</b>	<b>138.4</b>

Source: Company Data, PL Research

**Cash Flow (Rs bn)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	10.0	9.1	10.6	11.7
Add. Depreciation	2.0	2.2	2.6	2.8
Add. Interest	0.1	0.0	0.0	0.0
Less Financial Other Income	4.0	4.4	4.4	4.4
Add. Other	(3.9)	(4.4)	(4.4)	(4.4)
Op. profit before WC changes	8.2	7.0	8.8	10.1
Net Changes-WC	3.1	(0.2)	0.1	0.1
Direct tax	(2.0)	(1.6)	(2.7)	(2.9)
<b>Net cash from Op. activities</b>	<b>9.4</b>	<b>5.3</b>	<b>6.2</b>	<b>7.2</b>
Capital expenditures	(2.2)	(7.0)	(7.0)	(7.0)
Interest / Dividend Income	1.0	-	-	-
Others	(5.0)	4.4	4.4	4.4
<b>Net Cash from Inv. activities</b>	<b>(6.2)</b>	<b>(2.6)</b>	<b>(2.6)</b>	<b>(2.6)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(2.8)	(2.2)	(2.4)	(2.6)
Interest paid	-	0.0	0.0	0.0
Others	0.0	-	-	-
<b>Net cash from Fin. activities</b>	<b>(2.8)</b>	<b>(2.3)</b>	<b>(2.4)</b>	<b>(2.7)</b>
<b>Net change in cash</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>2.0</b>
Free Cash Flow	7.2	(1.7)	(0.8)	0.2

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	14.3	13.3	14.1	15.5
CEPS	17.9	17.3	18.6	20.5
BVPS	191.3	200.6	210.5	221.3
FCF	12.7	(3.1)	(1.4)	0.4
DPS	5.0	4.0	4.2	4.6
<b>Return Ratio(%)</b>				
RoCE	5.8	4.3	5.4	6.0
ROIC	6.0	4.6	5.7	6.3
RoE	7.7	6.8	6.8	7.2
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	1,092	1,110	1,150	1,171
<b>Valuation(x)</b>				
PER	21.1	22.8	21.5	19.5
P/B	1.6	1.5	1.4	1.4
P/CEPS	16.9	17.5	16.3	14.8
EV/EBITDA	18.6	21.5	17.0	14.6
EV/Sales	15.0	16.6	13.7	12.0
Dividend Yield (%)	1.7	1.3	1.4	1.5

Source: Company Data, PL Research

**Quarterly Financials (Rs bn)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
YoY gr. (%)	(55.7)	(27.7)	(4.4)	(7.3)
Raw Material Expenses	-	-	-	-
Gross Profit	-	-	-	-
Margin (%)	-	-	-	-
<b>EBITDA</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>
YoY gr. (%)	(67.0)	(32.8)	(10.2)	(14.0)
Margin (%)	61.8	83.4	76.2	75.7
Depreciation / Depletion	1	1	1	1
<b>EBIT</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Margin (%)	35.9	61.2	52.1	50.6
Net Interest	-	-	-	-
Other Income	-	-	3	-
<b>Profit before Tax</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>
Margin (%)	51.3	78.6	186.2	69.9
Total Tax	-	-	-	-
Effective tax rate (%)	31.7	25.3	9.7	25.3
<b>Profit after Tax</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>
YoY gr. (%)	(72.9)	(32.8)	(1.8)	(15.7)
Margin (%)	35.1	58.7	168.1	52.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>
YoY gr. (%)	(72.9)	(32.8)	(1.8)	(15.7)
Margin (%)	35.1	58.7	168.1	52.2
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>
Avg. Shares O/s (bn)	1	1	1	1
<b>EPS (Rs)</b>	<b>1.3</b>	<b>2.5</b>	<b>6.8</b>	<b>2.0</b>

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Volume (mmscmd)	30	29	32	35
Implied Tariff (Rs/mscm)	889	845	912	940

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	Hold	322	319
2	11-Nov-25	Hold	311	301
3	03-Oct-25	Accumulate	339	325
4	13-Aug-25	Accumulate	348	304
5	03-Jul-25	Hold	348	335
6	23-May-25	Hold	348	339
7	08-Apr-25	Hold	288	288
8	10-Feb-25	Hold	327	334

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	401	375
2	Bharat Petroleum Corporation	Hold	374	371
3	Bharti Airtel	Accumulate	2,259	2,113
4	Clean Science and Technology	Hold	892	865
5	Deepak Nitrite	Hold	1,729	1,626
6	Fine Organic Industries	BUY	5,103	4,274
7	GAIL (India)	BUY	202	169
8	Gujarat Fluorochemicals	Hold	3,639	3,485
9	Gujarat Gas	Accumulate	422	399
10	Gujarat State Petronet	Hold	322	319
11	Hindustan Petroleum Corporation	Hold	501	482
12	Indian Oil Corporation	Accumulate	175	164
13	Indraprastha Gas	Hold	196	190
14	Jubilant Ingrevia	Hold	755	744
15	Laxmi Organic Industries	Reduce	153	162
16	Mahanagar Gas	BUY	1,356	1,074
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	6,722	5,751
19	NOCIL	Hold	152	148
20	Oil & Natural Gas Corporation	BUY	307	242
21	Oil India	BUY	538	426
22	Petronet LNG	Hold	281	295
23	Reliance Industries	BUY	1,683	1,458
24	SRF	Hold	2,894	2,883
25	Vinati Organics	BUY	1,887	1,615

PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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