

GEL/SEC/2026/1581

10th June, 2026

BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai Company Code: BSE - 539336	National Stock Exchange of India Ltd, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai Company Code: NSE - GUJGASLTD
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Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating Rationale published by CRISIL Ratings Limited

Dear Sir/ Madam,

Please find attached the Rating Rationale dated 9th June, 2026 published by CRISIL Ratings Limited on its website viz. www.crisilratings.com. CRISIL Ratings has reaffirmed its “CRISIL AAA/Stable” rating on the Long-term Bank Facilities of Gujarat Energy Limited (Erstwhile Gujarat Gas Limited).

You are requested to take the above on your records.

Thanking you,

For, Gujarat Energy Limited
(Erstwhile Gujarat Gas Limited)

Sandeep Dave
Company Secretary

Rating Rationale

June 09, 2026 | Mumbai

Gujarat Energy Limited

Rating reaffirmed at 'Crisil AAA / Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.3350 Crore
Long Term Rating	Crisil AAA/Stable (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AAA/Stable' rating on the long-term bank facilities of Gujarat Energy Limited (GEL, erstwhile Gujarat Gas Ltd [GGL]).

The rating continues to reflect the strong business risk profile of GEL after amalgamation of Gujarat State Petroleum Corporation (GSPC), Gujarat State Petronet Ltd (GSPL) and GSPC Energy Ltd (GSENL) with GGL, and demerger of transmission business into GSPL Transmission Limited (GTL), with the scheme taking effect from May 1, 2026. Moreover, the name of the merged entity has changed from GGL to GEL, effective May 14, 2026. The merged entity is the largest city gas distribution (CGD) player in India and holds a strong position in the natural gas trading business, while also has a strong financial risk profile.

The revenue of the merged entity, GEL, degrew by ~13% on-year for fiscal 2026 (transmission business was not consolidated in fiscal 2026 financials). Moreover, CGD sales volume dipped in fiscal 2026 to 8.69 million metric standard cubic meters per day (mmscmd) from 9.62 mmscmd in fiscal 2025, while price realization was also impacted. Decline in CGD volume was due to fall in demand of Morbi clusters on the back of increasing premium of natural gas over propane. However, compressed natural gas (CNG) and other piped natural gas (PNG) industrial and commercial (I&C) segments witnessed improvement in volume backed by increasing infrastructure. While the company has taken steps to improve volumes, especially in the Morbi cluster, near-term sales volume will be monitorable due to geopolitical uncertainties due to West Asia conflict. Furthermore, merger of the trading business is also expected to result in synergy gains to CGD business and support profitability of GEL.

Meanwhile, GEL is net debt negative. Capital expenditure (capex) for CGD is expected to be incurred from internal accrual only. Moreover, Crisil Ratings understands that the trading arm of the company does not have any material capex plan and hence, balance sheets are expected to remain net debt negative.

The management, however, has appointed external consultant with the objective of evaluating new business opportunities and expansion. Any major expansion or investment, leveraging the combined balance sheet, will remain monitorable.

These strengths are partially offset by exposure to volatility in liquefied natural gas (LNG) and domestic natural gas prices, the project risk involved on timely and cost-efficiently setting up its CGD network in the newer geographical areas (GAs) awarded, and the exposure to regulatory risks.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of GEL and its subsidiaries.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Largest CGD player in India, with diversified customer profile, and country's third largest gas trading company

GEL's strong and established market position in the CGD industry in India is indicated by its industry-leading presence, with 27 CGD licences spread across 44 districts in six states and one union territory in Gujarat, Maharashtra, Rajasthan, Haryana, Punjab, Madhya Pradesh and Union Territory of Dadra & Nagar Haveli. The company's user base comprises more than 24 lakh domestic connections, 839 CNG stations and close to 4,460 industrial units as on March 31, 2026, providing strong revenue diversity.

Gas trading arm has been India's third-largest gas marketing entity. The arm has a significant presence in Gujarat, which is the country's largest natural gas consumer. Owing to its scale, it has business moats such as long-term sourcing agreements with major natural gas suppliers and extensive access to the necessary infrastructure from its presence across the value chain through its subsidiaries/investments. In the past, the arm was focused on gas trading and exploration and production (E&P) of oil and natural gas; however, it has now largely exited the E&P business.

Sustained healthy operating performance

The company has a healthy track record of being able to sustain its operating performance, despite volatility faced in the movement of liquefied natural gas (LNG) prices.

While GEL's CGD customer base is skewed towards the price-sensitive PNG-I segment, it has been able to grow its absolute profitability, even in cycles with high gas prices. The Ebitda (earnings before interest, taxes, depreciation and amortisation) per standard cubic meter (scm) has sustained at Rs 5.5–6.0/scm. This is on account of the company's ability to pass on rise in input prices in CNG and piped natural gas - domestic (PNG- D) segments and balance its volumes in PNG-I segment to maximise its cash accrual. In the trading business, the company has managed to sustain healthy Ebitda margin over the last five fiscals.

Strong financial risk profile

GEL has a strong financial risk profile, backed by growth in accrual while being net debt negative. The increase in cash accrual helped fund its capex and prepayment of existing term liabilities. As on March 31, 2026, the company is net debt negative.

Capex for CGD over the medium term is expected to be incurred from internal accrual only. Moreover, Crisil Ratings understands that the trading arm of the company does not have any material capex plan and hence, balance sheets are expected to remain net debt negative.

Key Rating Drivers - Weaknesses

Moderate risk in gas availability

As per the government directives announced in 2014, CGD companies were to be given priority in terms of allocation of cheaper domestic gas for CNG and domestic PNG sales. However, considering the pace at which the CGD industry is expected to grow its volumes, domestic administered pricing mechanism (APM) gas may not be sufficient to meet the entire requirement of CGD companies. As such, companies would increasingly have to resort to the costlier non-APM domestic gas or imported R-LNG to meet its supply requirement. Thus, GEL's ability to pass on the price hikes to its end consumers will be monitorable.

Exposure to competition from alternate sources

After the end of the marketing exclusivity period for authorised geographical areas (GAs), the CGD business remains exposed to competition that could set in from other CGD players, though limited to 20% open access.

About ~50% of GEL's current CGD volume mix accrues from the I&C segment, which is generally price sensitive to the pricing of alternate fuels. However, GEL has demonstrated a healthy track record of supplying gas with its authorised GAs, wherein it has been able to grow its customer base, despite competition from alternate fuels.

Liquidity Superior

Liquidity is supported by healthy cash and bank balance of more than ~Rs 5,000 crore as on March 31, 2026. GEL is expected to generate annual cash accrual of Rs 3,000–3,600 crore, which should be sufficient to support annual capex of Rs 800–1,000 crore, limiting any material reliance on external funding. Liquidity is further supported by unutilised working capital bank limit.

Outlook Stable

Crisil Ratings believes GEL will continue to maintain its market leading position in the industry, with a robust operating performance, backed by healthy volume growth and stable realisation.

Rating sensitivity factors

Downward factors

- Material dilution in the business risk profile or any significant delays in project execution having material impact on operating performance
- Large, debt-funded capex or acquisitions leading to net debt/Ebitda position exceeding 1 time on a sustained basis

About the Company

GEL houses India's largest CGD arm by gas sales volume. It has 27 CGD licences spread across 44 districts in six states and one union territory across Gujarat, Maharashtra, Rajasthan, Haryana, Punjab and Madhya Pradesh and Union Territory of Dadra & Nagar Haveli. Gas trading arm of GEL has been India's third-largest gas marketing entity.

Key Financial Indicators*

Particulars	Unit	2026	2025
Revenue	Rs crore	24,425	28,313

Profit after tax (PAT)	Rs crore	1,678	3,979
PAT margin	%	6.86	14.05
Adjusted debt/adjusted networth	Times	0.16	0.12
Interest Coverage	Times	12.16	11.97

*Crisil Ratings adjusted numbers

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Non-Fund Based Limit&	NA	NA	NA	3350.00	NA	Crisil AAA/Stable

& - Interchangeable with fund based working capital limits

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Gujarat Energy Ltd	Full	Holding company
Gujarat State Energy Generation Ltd	Full	Subsidiary
Guj Info Petro Ltd	Full	Subsidiary
GSPC Pipavav Power Company Ltd	Full	Subsidiary
GSPC LNG Ltd	Full	Subsidiary
GSPC (JPDA) Ltd	Full	Subsidiary
Social Welfare Trust	Full	Subsidiary
Sabarmati Gas Ltd	Proportionate	Joint venture
Alcock Ashdown (Gujarat) Ltd	Proportionate	Associate

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2026 (History)		2025		2024		2023		Start of 2023
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT		--		--		--	09-12-24	Crisil AAA/Stable	18-08-23	Crisil AAA/Stable	Crisil AAA/Stable
			--		--		--	10-09-24	Crisil AAA/Watch Developing	03-08-23	Crisil AAA/Stable	--

Non-Fund Based Facilities	LT	3350.0	Crisil AAA/Stable	09-03-26	Crisil AAA/Stable	--	09-12-24	Crisil AAA/Stable	18-08-23	Crisil AAA/Stable	Crisil AAA/Stable
			--		--	--	10-09-24	Crisil AAA/Watch Developing	03-08-23	Crisil AAA/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Non-Fund Based Limit ^{&}	1300	HDFC Bank Limited	Crisil AAA/Stable
Non-Fund Based Limit ^{&}	850	IDBI Bank Limited	Crisil AAA/Stable
Non-Fund Based Limit ^{&}	1200	Kotak Mahindra Bank Limited	Crisil AAA/Stable

[&] - Interchangeable with fund based working capital limits

Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be

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^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for consolidation](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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