

Steady outlook; LPG subsidy approved

Oil & Gas ▶ Result Update ▶ August 10, 2025

CMP (Rs): 410 | TP (Rs): 500

HPCL reported a 6% miss in Q1FY26 earnings, with standalone EBITDA/PAT at Rs76.7/43.7bn. However, core PAT was 3% above our estimate, driven by better marketing and a lower opex run rate. Inventory losses were higher, although core GRM of USD6.6/bbl was decent amid a lower Russian crude share (13% in Q1) and discounts. Reported GRM came in at USD3.1/bbl. Blended marketing margin rose to Rs9.3/kg, driven by autofuels and lower LPG under-recoveries (Rs21.5bn). Vizag refinery operated at 15mmtpa capacity with 111% utilization. HPCL's outlook is steady despite geopolitical upheavals as Russian crude share is not sizeable; completion of Vizag Resid project by early Q3 should support GRMs, and the government approving a total of Rs300bn of LPG sector subsidy would lower debt by ~Rs80bn. Crude prices despite periodic volatilities is on average below USD70/bbl. We keep our estimates largely unchanged, building in USD70/bbl of Brent; we retain BUY with a TP of Rs500.

Results highlights

HPCL's refining volume rose 16% YoY at 6.7mmt, with steady overall utilization at 109% vs 100% YoY. Distillate yield was slightly lower at 74% vs 75% QoQ. Domestic sales volume rose 1.6% YoY to 12.3mmt vs industry growth of 0.8%, with overall volumes up 3% YoY at 13.0mmt (in line). Exports grew 32% QoQ at 0.78mmt. Sale of petrol rose 5.6% YoY/diesel fell 0.9% vs industry growth of 7.1%/2.6%. Pipeline volume rose 1% QoQ to 6.7mmt (down 2% YoY). Total opex was up 5% YoY at Rs55.2bn (4% lower than our estimate). D/A declined 2% QoQ to Rs15.5bn, while interest cost grew 6% at Rs7.5bn. Other income of Rs5.2bn was at a 9% miss (down 34% QoQ; flat YoY). Share of loss from associates/JV stood at Rs1.1bn vs Rs3.5bn profit QoQ. Gross debt dipped 11% YoY and 19% QoQ at Rs510bn, while capex for Q1FY26 stood at Rs28.6bn.

Management KTAs

HPCL has not received any direction from the Indian government with respect to Russian crude sourcing; however, due to lower discounts, reduction would not have a significant impact. Vizag Resid project's commissioning is likely by early Q3. Once stabilized by Oct/Nov-25, distillate yield would be up ~4% to ~83%. Barmer project is ~88% complete, with the refinery/petchem now 95%/73% finished. HPCL launched Project Samridhi in May-25 – an EBITDA enhancement initiative targeting Rs10–15bn in savings by Mar-26, equivalent to ~USD0.6/bbl. In Q1FY26, the company achieved Rs2.5bn in savings. In addition, HPCL launched Project Abhyuday, focused on boosting throughput per retail outlet. Despite stronger cracks QoQ, core GRMs were slightly lower, primarily due to higher inventory of intermediate stock as diesel units were under maintenance.

Valuation

We value HPCL on an SOTP-EV/EBITDA-based method, with investment at a 30% holdco discount. We assign nil value to HMEL, offsetting the same with lower debt from LPG subsidy. We retain our blended target Mar-27E EV/EBITDA of 6.5x. **Key risks:** adverse pricing and margins, currency, government policies, and project issues.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	22.0

Stock Data	HPCL IN
52-week High (Rs)	457
52-week Low (Rs)	288
Shares outstanding (mn)	2,127.8
Market-cap (Rs bn)	871
Market-cap (USD mn)	9,940
Net-debt, FY26E (Rs mn)	591,570.2
ADTV-3M (mn shares)	6
ADTV-3M (Rs mn)	2,194.8
ADTV-3M (USD mn)	25.0
Free float (%)	45.0
Nifty-50	24,363.3
INR/USD	87.7

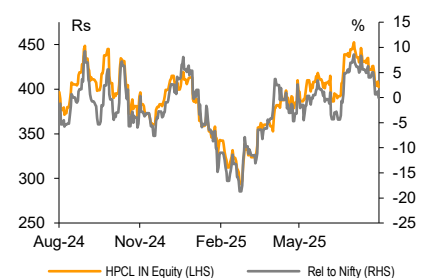
Shareholding, Jun-25

Promoters (%)	54.9
FPIs/MFs (%)	13.6/23.2

Price Performance

(%)	1M	3M	12M
Absolute	(8.1)	6.0	8.7
Rel. to Nifty	(5.1)	4.5	8.7

1-Year share price trend (Rs)



HPCL: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,335,249	4,337,281	4,394,193	4,521,409	4,635,434
EBITDA	250,967	170,557	226,687	239,490	248,813
Adj. PAT	146,938	73,649	107,082	114,766	122,886
Adj. EPS (Rs)	69.0	34.6	50.3	53.9	57.7
EBITDA margin (%)	5.8	3.9	5.2	5.3	5.4
EBITDA growth (%)	NM	(32.0)	32.9	5.6	3.9
Adj. EPS growth (%)	NM	(49.9)	45.4	7.2	7.1
RoE (%)	42.7	16.9	32.6	19.0	18.1
RoIC (%)	19.9	9.8	10.6	11.8	12.0
P/E (x)	5.9	11.8	5.2	7.6	7.1
EV/EBITDA (x)	5.8	8.9	6.5	5.9	5.4
P/B (x)	2.1	1.9	1.5	1.4	1.2
FCFF yield (%)	9.8	3.7	8.5	7.3	9.0

Source: Company, Emkay Research

Sabri Hazarika

 sabri.hazarika@emkayglobal.com
 +91-22-66121282

Arya Patel

 arya.patel@emkayglobal.com
 +91-22-66121285

Exhibit 1: Actual vs Estimates (Q1FY26)

(Rs bn)	Actual	Estimates (Emkay)	Consensus (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	1,107.7	998.7	1,063.0	11%	4%	
Adjusted EBITDA	76.7	81.9	75.2	-6%	2%	Lower-than-expected GRMs amid elevated inventory losses
EBITDA margin	6.9%	8.2%	7.1%	-127bps	-15bps	
Adjusted Net Profit	43.7	46.4	43.6	-6%	0%	

Source: Company, Emkay Research

Exhibit 2: Quarterly Summary

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY	QoQ	FY24	FY25	YoY
Revenue	1,138,226	999,259	1,105,054	1,094,924	1,107,674	-3%	1%	4,325,352	4,337,463	0%
COGS	1,064,286	918,821	983,403	979,471	975,772	-8%	0%	3,873,619	3,945,981	2%
Gross Profit	73,940	80,438	121,651	115,453	131,902	78%	14%	451,733	391,482	-13%
Opex	52,683	52,470	57,134	58,173	55,160	5%	-5%	209,348	220,460	5%
Total Expenditure	1,116,968	971,291	1,040,537	1,037,644	1,030,932	-8%	-1%	4,082,967	4,166,440	2%
EBITDA	21,258	27,968	64,517	57,280	76,742	261%	34%	242,385	171,023	-29%
Depreciation	14,757	15,216	15,097	15,831	15,491	5%	-2%	55,524	60,900	10%
Interest	7,307	9,424	9,291	7,087	7,493	3%	6%	25,157	33,109	32%
Other Income	5,233	5,750	4,791	7,925	5,226	0%	-34%	22,507	23,698	5%
Exceptional Items	-	-	-	-	-			9,897	-	
Forex Gain/(Losses)	285	(724)	(4,815)	758	(724)			(2,577)	(4,497)	
PBT	4,712	8,354	40,104	43,044	58,259	1136%	35%	191,531	96,215	-50%
Tax	1,154	2,043	9,875	9,495	14,550	1161%	53%	44,593	22,566	-49%
PAT	3,558	6,312	30,229	33,550	43,709	1128%	30%	146,938	73,649	-50%
Adjusted PAT	3,558	6,312	30,229	33,550	43,709	1128%	30%	139,568	73,649	-47%
Adjusted EPS (Rs)	2	3	14	16	21	1128%	30%	66	35	-47%
Tax Rate	24%	24%	25%	22%	25%			23%	23%	
Core EBITDA^	24,838	41,968	72,667	46,020	97,612	293%	112%	242,485	185,493	-24%
Core PAT^	5,989	17,262	39,696	23,208	59,730	897%	157%	137,865	86,156	-38%
Core EPS (Rs)^	2.8	8.1	18.7	10.9	28.1	897%	157%	97.2	40.5	-58%
Refining Volumes (mmt)	5.8	6.3	6.5	6.7	6.7	16%	-1%	22.3	25.3	13%
Reported GRM (USD/bbl)	5.0	3.1	6.0	8.4	3.1	-39%	-64%	9.1	5.7	-37%
Core GRM (USD/bbl)^	5.4	4.8	6.9	7.1	6.6	23%	-7%	8.8	6.1	-31%
Adjusted Refining EBITDA^	5,367	-693	10,811	21,051	-1,748	-133%	-108%	77,992	36,535	-53%
Marketing Volumes (mmt)	12.6	11.6	12.9	12.7	13.0	3%	3%	46.8	49.8	6%
Diesel	5.5	4.5	5.4	5.1	5.5	-1%	7%	20.1	20.5	2%
Petrol	2.5	2.4	2.5	2.5	2.6	6%	6%	9.2	9.8	7%
Marketing Margin (Rs/mt)^	4,341	6,208	7,632	5,520	9,313	115%	69%	6,808	5,927	-13%
Adjusted Marketing EBITDA^	12,366	25,257	50,058	32,714	74,892	506%	129%	151,383	120,395	-20%
Marketing Inventory Gain/(Losses)^	-2,450	-7,500	-4,600	5,480	-6,350			-4,000	-9,070	
Pipeline Volumes (mmt)	6.8	6.5	6.9	6.6	6.7	-2%	1%	25.8	26.9	4%
Implied Pipeline EBITDA	3,525	3,404	3,649	3,515	3,597	2%	2%	13,009	14,092	8%
Gross Debt	574,050	656,663	540,204	633,234	509,954	-11%	-19%	602,540	633,234	5%
Implied Net Debt	517,453	599,662	484,534	578,896	455,616	-12%	-21%	546,347	578,896	6%

Source: Company, Emkay Research; Note: ^Is estimated as the inventory figure, and segmental EBITDA is not reported properly

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Key Concall Takeaways

- Despite a volatile macro environment, driven by geopolitical turmoil and global supply chain disruptions, HPCL has maintained strong operational momentum, consistently delivering PAT of over Rs30bn in the past three quarters.
- Refining throughput rose 16% YoY to 6.66mmt, supported by capacity expansion at the Vizag refinery, which is now operating at its 15mmtpa nameplate capacity. HPCL is also focused on improving operational efficiency, having recorded its lowest-ever F&L in Q1FY26.
- HPCL is actively diversifying its crude basket and exploring innovative sourcing strategies. During the quarter, it processed four new crude grades and continued efforts to upgrade procurement processes and expand supplier participation. The share of Russian crude declined to 13.2% in Q1FY26 and the reduction was not due to any geopolitical reason but due to economic reasons. The company has not received any guidance or direction from the government for sourcing Russian crude. Further, due to lower discounts, reduction in the Russian share would not have a significant impact. Russian crude was processed only at Vizag refinery, while more cost-effective grades were sourced for the Mumbai refinery, including higher volumes from West Africa due to improved product realization and favorable landed costs.
- Pre-commissioning activities for the Vizag Bottoms/Resid Upgrade Project are underway, with OISD and PESO inspections completed. As a first-of-its-kind large-scale project, commissioning may take a few weeks, with likely completion by end-Q2FY26 or early Q3. Once stabilized (expected by Oct/Nov-25), the unit will enhance distillate yield by ~4% to ~83%. Additionally, operational optimization through natural gas usage (pending pipeline availability) is expected to support EBITDA uplift. Vizag refinery reported a loss in Q1FY26, primarily due to inventory losses.
- Once commissioned, the Resid Unit at Vizag refinery will allow HPCL to process a broader range of crudes, yielding collateral benefits across the value chain. Together with the Barmer refinery, HPCL will gain enhanced flexibility to handle dirty crudes, supporting better IRRs and overall value integration across the business. The company remains cautiously optimistic about the timely completion of the Barmer refinery.
- The Barmer refinery project is ~88% complete, with the refinery section now over 95% finished. 12 of 28 packages have already been commissioned, and safety and regulatory approvals are being processed. HPCL is targeting crude-in within the next few months, prioritizing refinery operations ahead of petchem. The petchem unit stands at 73% completion. While no significant hard cost escalations are expected, minor increases in project cost may arise due to working capital and interest-related expenses from delays. All the projects are on track. The LPG cavern is ready and awaiting motion control before feed-in.
- HPCL's near-term priority is the completion of the Barmer refinery, after which operational optimization initiatives like debottlenecking are lined up. While petchem spreads have remained under pressure in recent years due to overcapacity, spreads are beginning to improve. With the highest petchem intensity (26%) among peers, the Barmer refinery is designed for high energy efficiency and cost-effective integration, ensuring low production costs. It also has scope to optimize intake crude cost.
- The four key strategic priorities are: 1) Enhancing operational efficiency; 2) Planning the next phase of growth; 3) Strengthening enablers such as manpower and digital transformation; and 4) Deepening external stakeholder engagement.
- To drive operational efficiency, HPCL launched Project Samriddhi in May-25—an EBITDA enhancement initiative targeting Rs10–15bn in savings by Mar-26, equivalent to a ~USD0.6/bbl benefit. The company is confident of achieving Rs10bn+ in savings, while aggressively pursuing the aspirational Rs15bn target. In Q1FY26 alone, the company achieved Rs2.5bn in savings, or 16% of the target, primarily through operational improvements.
- Project Samriddhi is a comprehensive initiative, encompassing multiple actions across the value chain such as optimizing product sourcing and logistics. HPCL is shifting from

conventional methods to more efficient alternatives like leveraging coastal routes or others. On the sourcing front, the company has transitioned from procuring one cargo per week to four, significantly enhancing optimization. It has also upgraded digital tools to support improved decision-making and supply-chain efficiency.

- In addition, HPCL launched Project Abhyuday, focused on boosting throughput per retail outlet. Initiated two months ago, the project currently covers 4,500 outlets, with early results showing low single-digit KL improvement, which is expected to improve further. In line with this, the company has also upped dealer engagement and is dealing with a lot more dealers. While HPCL's per-outlet throughput currently trails BPCL, efforts are underway to narrow the gap. Expansion of the retail network is now governed by stricter internal metrics, with a focus on improving throughput, asset utilization, site selection, and network density.
- HPCL is also focusing on capital allocation with more stringent practices. The company aims to improve its Debt-to-Equity ratio and reduce leverage. Gross debt declined QoQ, largely due to seasonal reduction in short-term borrowings (typically elevated by Rs60–80bn in Q4). While the Debt-to-Equity ratio was 1.01x in Q1FY26, FY26 levels may be slightly higher but are expected to remain within the guided range of 1.15x–1.2x.
- Despite stronger cracks and spreads QoQ, core GRMs were slightly lower, primarily due to higher inventory of intermediate stock (ISD). This was a result of diesel-converting units being under maintenance, leading to accumulation of ISD, which carries a lower valuation, thereby reducing the reported core GRM. However, the value of this stock is expected to be realized once processed in the following quarter. Further, refineries are complex assets, thus slight fluctuation happens here and there; however, HPCL is continuously looking at opportunities to improve and optimize and knows areas where it wants to improve. GRMs are expected to improve ahead, with the commissioning of the resid unit and benefits from ongoing operational initiatives.
- Operating a large and diversified customer base requires strategic inventory decisions, including carrying higher crude and product inventories as needed. During the quarter, amid geopolitical uncertainties, HPCL maintained elevated inventory levels, which led to higher inventory losses.
- HPCL reported a YoY decline in market share for diesel and gasoline, largely attributable to a high base in Q1FY25 (market share spiked to 5.5% in Q1FY25). However, it saw improved market share performance in July, attributed to sharpened focus on internal strengths and customer experience rather than competitors' actions. HPCL's strategy emphasizes increased dealer involvement, customer connect, and enhanced throughput. In industrial fuels, HPCL consciously opted to not pursue market share at the expense of margins, avoiding sales below RSP, unlike certain competitors with surplus volumes.
- Over the past few months, the company has been in active dialogue with the government regarding LPG subsidy and has submitted all required documentation. While it's uncertain whether the compensation will cover only FY25 or extend into FY26, HPCL is optimistic about a comprehensive, holistic resolution. Although the exact amount is unclear, HPCL, with a 27% market share in LPG, expects to receive a proportional share of any announced subsidy. A large portion of the subsidy, once received, is expected to be directed toward debt reduction, potentially bringing down leverage significantly.
- LPG under-recoveries stood at Rs109bn in FY25 and Rs21.5bn in Q1FY26. With Saudi CP trending lower—and a significant reduction seen in Aug-25—Q2FY26 under-recoveries are projected to decline by ~Rs10bn. Under-recoveries per cylinder in April, May, and June stood at Rs167, Rs164, and Rs155, respectively, and are expected to decline to ~Rs50/cyl in Sep-25.
- HPCL's ethanol blending currently stands at 19.95%, close to the government-mandated 20% target, which the company aims to fully achieve by FY26-end. While adhering to the mandate, HPCL is also pursuing optimization opportunities across ethanol sourcing and blending, including initiatives like rail-based logistics. Ethanol prices are based on feedstock and the company goes by government-listed price. The company is focusing on optimizing logistics, inventory management, and blending processes to improve efficiency within its controllable areas.

- Ethanol is priced slightly higher than retail petrol RSP, which exerts some pressure on marketing margins. As blending levels increase, margins may face some compression; however, the company remains committed to the government mandate and is actively working on improving operational efficiencies in ethanol management.
- Break water is not yet completed at the Chhara terminal, preventing cargo offloading during monsoons. However, from Oct-25, HPCL plans to handle four cargoes annually for itself, besides looking for spot cargo opportunities and exploring options to give out capacity to third parties. Breakwater completion is targeted for FY26, with expected terminal utilization of 10–15% in FY26, ramping up to 35–40% in FY27.
- CNG sales rose to 32tmt in Q1FY26, compared to 27tmt YoY and 22tmt QoQ. HPCL currently operates ~2,070 CNG stations, including ~350 within its own GAs. The company's gas business remains EBITDA-positive. HMEL GRM during the quarter was +USD7/bbl, while EBITDA stood at Rs10bn.
- HPCL has signed a 10-year gas supply agreement with ADNOC, with deliveries commencing at the Chhara terminal from CY28. Additionally, the company has secured four LNG cargoes for delivery by CY27.
- HPCL has also signed a green hydrogen tender for the 5ktpa capacity at Vizag at an attractive rate of Rs328/kg, which is lowest discovered rate in the Indian market.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Valuation

Exhibit 3: SOTP-based valuation

Components	Basis	Mar-27E EBITDA	Multiple(x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Refining Standalone	EV/EBITDA	73	6.5	474	223	
Pipelines Standalone	EV/EBITDA	16	6.5	103	48	
Petrochemicals Standalone	EV/EBITDA	-	-	-	-	
Marketing Standalone	EV/EBITDA	151	6.5	980	460	
Core Business EV		239	6.5	1,557	731	Blended multiple at 6.5x
Less: Adj Net Debt (Mar-26E End)				533	250	
Core Business Valuation				1,024	481	
Value of HMEL Stake	P/E			-	-	
Value of Listed Investments	CMP			39	19	At a 30% HoldCo discount
Target Price-Fair Value					500	

Source: Emkay Research

Exhibit 4: Schedule and value of listed investments

Listed	Type	Basis of Valuation	TP/CMP (Rs)	Equity Value (Rs bn)	HPCL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr to SOTP (Rs bn)	Per Share Value (Rs)
MRPL	Financial	CMP	123	215	17.0%	36	30%	25	12.0
Oil India	Financial	TP (Emkay)	495	805	2.5%	20	30%	14	6.5
Total Listed						56		39	19

Source: Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

HPCL: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,335,249	4,337,281	4,394,193	4,521,409	4,635,434
Revenue growth (%)	(0.3)	-	1.3	2.9	2.5
EBITDA	250,967	170,557	226,687	239,490	248,813
EBITDA growth (%)	0	(32.0)	32.9	5.6	3.9
Depreciation & Amortization	55,524	60,900	62,654	76,368	79,973
EBIT	195,444	109,656	164,033	163,122	168,839
EBIT growth (%)	0	(43.9)	49.6	(0.6)	3.5
Other operating income	18,222	20,987	22,036	23,138	24,295
Other income	23,822	24,164	26,128	28,744	30,636
Financial expense	25,157	33,109	41,002	38,436	35,190
PBT	194,109	100,712	149,158	153,431	164,286
Extraordinary items	(2,577)	(4,497)	75,000	0	0
Taxes	44,593	22,566	56,488	38,665	41,400
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	146,938	73,649	167,670	114,766	122,886
PAT growth (%)	0	(49.9)	127.7	(31.6)	7.1
Adjusted PAT	146,938	73,649	107,082	114,766	122,886
Diluted EPS (Rs)	69.0	34.6	50.3	53.9	57.7
Diluted EPS growth (%)	0	(49.9)	45.4	7.2	7.1
DPS (Rs)	10.0	11.0	27.6	19.4	21.4
Dividend payout (%)	14.5	31.7	35.0	36.0	37.0
EBITDA margin (%)	5.8	3.9	5.2	5.3	5.4
EBIT margin (%)	4.5	2.5	3.7	3.6	3.6
Effective tax rate (%)	23.0	22.4	37.9	25.2	25.2
NOPLAT (pre-IndAS)	150,544	85,086	101,912	122,015	126,292
Shares outstanding (mn)	2,128	2,128	2,128	2,128	2,128

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	170,287	76,547	123,030	124,686	133,649
Others (non-cash items)	21,566	16,399	75,000	0	0
Taxes paid	(2,835)	3,854	(53,538)	(35,686)	(38,391)
Change in NWC	(26,846)	(44,759)	(3,777)	(216)	459
Operating cash flow	239,200	142,757	244,372	203,588	210,881
Capital expenditure	(95,913)	(86,936)	(120,000)	(100,000)	(90,000)
Acquisition of business	(11,786)	(18,692)	0	0	0
Interest & dividend income	8,722	7,447	26,128	28,744	30,636
Investing cash flow	(134,120)	(102,823)	(96,295)	(73,703)	(61,836)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(98,315)	20,454	(48,500)	(43,818)	(59,681)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(38,482)	(41,348)	(41,002)	(38,436)	(35,190)
Dividend paid (incl tax)	(21,305)	(23,363)	(58,685)	(41,316)	(45,468)
Others	51,160	2,467	0	0	0
Financing cash flow	(106,943)	(41,789)	(148,187)	(123,570)	(140,338)
Net chg in Cash	(1,862)	(1,856)	(111)	6,315	8,706
OCF	239,200	142,757	244,372	203,588	210,881
Adj. OCF (w/o NWC chg.)	266,046	187,515	248,149	203,804	210,422
FCFF	143,287	55,820	124,372	103,588	120,881
FCFE	126,853	30,158	109,497	93,897	116,327
OCF/EBITDA (%)	95.3	83.7	107.8	85.0	84.8
FCFE/PAT (%)	86.3	40.9	65.3	81.8	94.7
FCFF/NOPLAT (%)	95.2	65.6	122.0	84.9	95.7

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	14,189	21,282	21,282	21,282	21,282
Reserves & Surplus	396,108	438,301	547,287	620,737	698,155
Net worth	410,298	459,583	568,569	642,019	719,437
Minority interests	-	-	-	-	-
Non-current liab. & prov.	69,899	77,571	80,521	83,500	86,509
Total debt	641,195	674,478	625,978	582,159	522,478
Total liabilities & equity	1,312,795	1,410,999	1,478,422	1,515,100	1,539,994
Net tangible fixed assets	777,130	803,019	913,682	934,826	942,315
Net intangible assets	10,858	10,858	10,858	10,858	10,858
Net ROU assets	-	-	-	-	-
Capital WIP	166,788	177,725	124,407	126,895	129,433
Goodwill	-	-	-	-	-
Investments [JV/Associates]	204,954	209,823	211,921	214,041	216,181
Cash & equivalents	55,351	34,193	34,407	41,051	50,089
Current assets (ex-cash)	469,332	540,307	547,397	563,245	577,449
Current Liab. & Prov.	424,872	450,954	451,140	463,573	474,966
NWC (ex-cash)	44,461	89,353	96,257	99,671	102,483
Total assets	1,312,795	1,410,999	1,478,422	1,515,100	1,539,994
Net debt	585,845	640,285	591,570	541,108	472,389
Capital employed	1,312,795	1,410,999	1,478,422	1,515,100	1,539,994
Invested capital	832,448	903,231	1,020,797	1,045,356	1,055,656
BVPS (Rs)	192.8	215.9	267.2	301.7	338.0
Net Debt/Equity (x)	1.4	1.4	1.0	0.8	0.7
Net Debt/EBITDA (x)	2.3	3.8	2.6	2.3	1.9
Interest coverage (x)	8.7	4.0	4.6	5.0	5.7
RoCE (%)	21.8	12.2	16.3	15.9	16.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	5.9	11.8	5.2	7.6	7.1
P/CE(x)	4.3	6.5	3.8	4.6	4.3
P/B (x)	2.1	1.9	1.5	1.4	1.2
EV/Sales (x)	0.3	0.4	0.3	0.3	0.3
EV/EBITDA (x)	5.8	8.9	6.5	5.9	5.4
EV/EBIT(x)	7.5	13.8	8.9	8.7	8.0
EV/IC (x)	1.8	1.7	1.4	1.4	1.3
FCFF yield (%)	9.8	3.7	8.5	7.3	9.0
FCFE yield (%)	14.6	3.5	12.6	10.8	13.4
Dividend yield (%)	2.4	2.7	6.7	4.7	5.2
DuPont-RoE split					
Net profit margin (%)	3.4	1.7	3.8	2.5	2.7
Total asset turnover (x)	3.5	3.2	3.0	3.0	3.0
Assets/Equity (x)	3.6	3.1	2.8	2.5	2.2
RoE (%)	42.7	16.9	32.6	19.0	18.1
DuPont-RoIC					
NOPLAT margin (%)	3.5	2.0	2.3	2.7	2.7
IC turnover (x)	5.7	5.0	4.6	4.4	4.4
RoIC (%)	19.9	9.8	10.6	11.8	12.0
Operating metrics					
Core NWC days	3.7	7.5	8.0	8.0	8.1
Total NWC days	3.7	7.5	8.0	8.0	8.1
Fixed asset turnover	4.3	3.9	3.5	3.3	3.1
Opex-to-revenue (%)	4.9	5.1	5.4	5.5	5.6

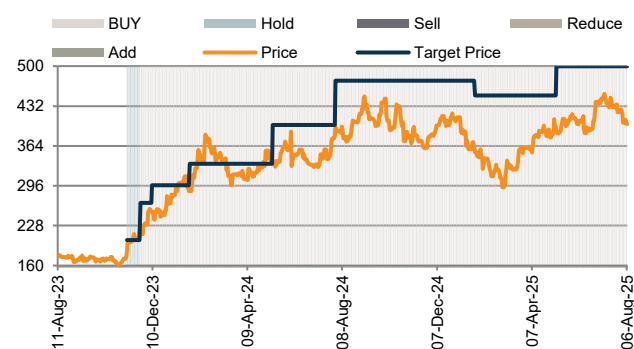
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
18-Jun-25	394	500	Buy	Sabri Hazarika
12-Jun-25	393	500	Buy	Sabri Hazarika
08-May-25	388	500	Buy	Sabri Hazarika
24-Jan-25	353	450	Buy	Sabri Hazarika
15-Jan-25	363	475	Buy	Sabri Hazarika
29-Oct-24	389	475	Buy	Sabri Hazarika
12-Sep-24	413	475	Buy	Sabri Hazarika
20-Aug-24	397	475	Buy	Sabri Hazarika
30-Jul-24	396	475	Buy	Sabri Hazarika
11-May-24	334	400	Buy	Sabri Hazarika
15-Mar-24	313	333	Buy	Sabri Hazarika
20-Feb-24	375	333	Buy	Sabri Hazarika
26-Jan-24	287	333	Buy	Sabri Hazarika
09-Dec-23	252	297	Buy	Sabri Hazarika
30-Nov-23	232	267	Buy	Sabri Hazarika
24-Nov-23	213	267	Buy	Sabri Hazarika
07-Nov-23	186	203	Hold	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of August 10, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of August 10, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the August 10, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)