ADD **BPCL**

Earnings beat, though lagging peers on lower inventories

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Oil & Gas ▸ Result Update ▸ **May 21, 2026** | **CMP (Rs): 293 | TP (Rs): 350**

BPCL's Q4FY26 SA adjusted EBITDA/APAT of Rs91.0/50.3bn beat our estimates by 29%/41%, largely driven by better marketing margins (lag effect) and inventory gains, though lagged peers due to a lower inventory cycle. Reported GRM of USD18/bbl was slightly below our USD19/bbl estimate, but blended marketing margin of Rs4.2/kg was a 61% beat. Despite supply disruptions, BPCL maintained adequate crude sourcing through a diversified mix, with supplies secured until Jul-26. Spot sourcing rose to 50–55% from 45%, while Russian crude share increased to 40–42% from 25% in Q3, with Russian grades currently trading at a premium. Q1FY27 is expected to be challenging amid elevated crude prices, spot premiums (USD10-12/bbl), and higher freight. BPCL booked Rs19.0bn of LPG subsidy and recorded impairment of Rs43.5bn in Brazil upstream. LPG under-recoveries rose to Rs13.4bn in Q4 from Rs4.7bn QoQ, with current under-recoveries at Rs670/cylinder. Apr-26 MS/HSD market share stood at 30%/29.6%; BPCL is targeting ~32%. First cargo from Mozambique is expected by mid-CY28, with no additional equity requirement anticipated. We largely retain FY27-28E EBITDA; Retain ADD and TP of Rs350.

Results highlights

BPCL's refining volumes declined 2% YoY to 10.4mmt (2% miss), with overall utilization at 119%. Distillate yield was largely steady at 84%. Domestic sales volume rose 3.3% YoY to 13.9mmt vs industry growth of 2.7% YoY, with overall volume up 4% YoY to 14.2mmt (2% miss). Exports fell 8% QoQ to 0.35mmt. Petrol/diesel sales volume rose 6.7%/2.2% YoY vs industry growth of 6.7%/5.3% YoY, thereby implying market share loss in diesel. ATF sales rose 29% YoY/5% QoQ, while LPG was down 2% YoY. Total opex rose 36% YoY/39% QoQ to Rs108.0bn (3% above estimate). Finance costs rose 33% QoQ to Rs4.8bn, while net cash was at Rs87.3bn vs Rs39.6bn in Q2FY26-end. D/A rose 3% QoQ to Rs20.4bn, while other income of Rs10.6bn was a 28% beat (up 34% YoY/42% QoQ). Q4/FY26 capex stood at Rs86/204bn.

Management KTAs

Amid supply disruptions, term crude share declined to 45% from 55%, increasing reliance on spot cargoes, with Russian crude share rising from 25% in Q3 to 31% in Q4. BPCL maintained industry-leading RO throughput at 143kl/month in Q4. Crude premiums peaked at USD20–25/bbl from USD4–5/bbl and are at USD10–12/bbl. Bina expansion achieved 23% progress vs 32% planned, impacted by geopolitical and supply chain disruptions. No major cost escalation is expected in ongoing projects. FY27 capex target stands at Rs250bn, while LPG/crude/product inventory is maintained at 15–20/25–27/25 days. Mozambique has achieved 42% completion with no further equity requirement.

Valuation

We value BPCL on SOTP-EV/EBITDA-based methodology, with investments at 30% holdco discount. We retain our blended target EV/EBITDA of 5.7x. Key risks: Adverse pricing and downstream margins, currency movement, GoI policies, and project issues.

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	19.5

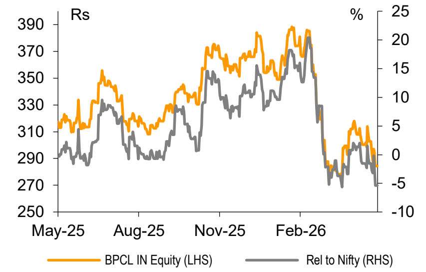
Stock Data	**BPCL IN**
52-week High (Rs)	392
52-week Low (Rs)	267
Shares outstanding (mn)	4,338.5
Market-cap (Rs bn)	1,272
Market-cap (USD mn)	13,140
Net-debt, FY27E (Rs mn)	231,108.3
ADTV-3M (mn shares)	10.2
ADTV-3M (Rs mn)	4,359.5
ADTV-3M (USD mn)	45.0
Free float (%)	44.0
Nifty-50	23,659.0
INR/USD	96.8

Shareholding,Mar-26	
Promoters (%)	53.0
FPIs/MFs (%)	19.6/18.5

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	(7.2)	(19.9)	(6.3)
Rel. to Nifty	(4.4)	(13.5)	(2.2)

1-Year share price trend (Rs)



BPCL: Financial Snapshot (Standalone)

Y/E March (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	4,401,319	4,519,117	5,120,668	5,380,668	5,495,506
EBITDA	258,309	396,580	191,571	278,125	305,378
Adj. PAT	146,084	241,910	97,255	156,495	159,724
Adj. EPS (Rs)	34.2	56.6	22.8	36.6	37.4
EBITDA margin (%)	5.9	8.8	3.7	5.2	5.6
EBITDA growth (%)	(41.6)	53.5	(51.7)	45.2	9.8
Adj. EPS growth (%)	(47.9)	65.6	(59.8)	60.9	2.1
RoE (%)	17.1	26.5	13.1	14.3	13.3
RoIC (%)	17.8	31.3	7.8	11.7	10.7
P/E (x)	8.6	5.2	12.9	8.0	7.8
EV/EBITDA (x)	5.6	3.2	7.7	5.8	5.6
P/B (x)	1.5	1.3	1.2	1.1	1.0
FCFF yield (%)	6.8	25.1	(13.3)	(6.1)	(3.8)

Source: Company, Emkay Research

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Exhibit 1: Actuals vs Estimates (Q4FY26)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total revenue	1,167,509	1,534,186	1,177,000	-24%	-1%	
Adjusted EBITDA	90,981	70,679	77,899	29%	17%	Higher-than-expected marketing margins
EBITDA margin	*7.8%*	*4.6%*	*6.6%*	*319bps*	*117bps*	
Adjusted net profit	50,283	35,594	53,632	41%	-6%	Higher other income partly offset by higher finance costs and D/A

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Standalone (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY	QoQ	FY25	FY26	YoY
Revenue	1,111,790	1,125,147	1,049,125	1,177,337	1,167,509	5%	-1%	4,401,363	4,519,117	3%
COGS	954,278	958,041	871,241	994,088	968,478	1%	-3%	3,852,976	3,791,848	-2%
Gross profit	**157,511**	**167,105**	**177,884**	**183,250**	**199,031**	**26%**	**9%**	**548,387**	**727,269**	**33%**
Opex	79,412	70,474	74,501	77,464	108,050	36%	39%	290,034	330,489	14%
Total expenditure	1,033,691	1,028,515	945,742	1,071,552	1,076,528	4%	0%	4,143,010	4,122,337	0%
EBITDA	**78,099**	**96,631**	**103,383**	**105,785**	**90,981**	**16%**	**-14%**	**258,354**	**396,780**	**54%**
Depreciation	19,746	18,818	19,516	19,723	20,384	3%	3%	72,325	78,441	8%
Interest	5,469	3,735	4,208	3,607	4,791	-12%	33%	18,884	16,340	-13%
Other income	7,930	7,287	11,907	7,501	10,637	34%	42%	30,818	37,333	21%
Exceptional items	(17,739)	-	-	12,657	(24,506)			(17,739)	(11,850)	
Forex gain/(losses)	(450)	200	(5,610)	(1,674)	(9,358)			(3,580)	(16,442)	
PBT	42,625	81,565	85,955	100,940	42,580	0%	-58%	176,643	311,040	76%
Tax	10,485	20,326	21,530	25,487	10,665	2%	-58%	43,891	78,008	78%
PAT	**32,141**	**61,239**	**64,425**	**75,453**	**31,915**	**-1%**	**-58%**	**132,753**	**233,032**	**76%**
Adjusted PAT	45,517	61,239	64,425	65,992	50,283	10%	-24%	146,129	241,940	66%
Adjusted EPS (Rs)	10.7	14.3	15.1	15.4	11.8	10%	-24%	34.2	56.6	66%
Tax rate	25%	25%	25%	25%	25%			25%	25%	
Core EBITDA^	67,869	117,981	84,932	116,715	65,231	-4%	-44%	274,904	384,860	40%
Core PAT^	37,837	76,831	54,690	75,464	37,919	0%	-50%	160,455	244,904	53%
Core EPS (Rs)^	8.9	18.0	12.8	17.7	8.9	0%	-50%	37.6	57.3	53%
Refining volumes (mmt)	10.6	10.4	9.8	10.5	10.4	-2%	-1%	40.5	41.2	2%
Reported GRM (USD/bbl)	**9.2**	**4.9**	**10.8**	**13.3**	**17.6**	**91%**	**32%**	**6.8**	**11.6**	**71%**
Core GRM (USD/bbl)^	8.5	6.9	9.3	14.1	15.7	85%	11%	7.1	11.5	62%
Adjusted refining EBITDA	38,541	9,767	44,463	66,628	93,821	143%	41%	88,594	214,680	142%
Marketing volumes (mmt)	13.7	14.0	13.0	14.5	14.2	4%	-2%	53.6	55.7	4%
Diesel	5.9	6.1	5.2	6.1	6.0	2%	-1%	23.3	23.4	0%
Petrol	2.7	2.9	2.8	2.9	2.9	7%	1%	10.8	11.4	6%
Marketing margin (Rs/mt)	**6,290**	**9,941**	**7,485**	**6,453**	**4,195**	**-33%**	**-35%**	**6,918**	**6,997**	**1%**
Adjusted marketing EBITDA	35,565	83,068	55,377	35,283	(7,202)	NM	NM	155,505	166,526	7%
Marketing inventory gain/(losses)	5,230	(8,350)	8,950	(4,930)	12,750			(9,050)	8,420	
Pipeline volumes (mmt)^	7.5	7.1	6.5	7.1	7.9	5%	12%	27.2	28.6	5%
Implied pipeline EBITDA^	3,993	3,796	3,542	3,874	4,362	9%	13%	14,254	15,574	9%
Gross debt	232,777	107,090	122,619	52,928	104,801	-55%	98%	232,777	104,801	-55%
Implied net debt	103,048	(38,894)	(39,620)	(130,551)	(87,289)	NM	NM	103,048	(87,289)	NM

Source: Company, Emkay Research; Note: ^ is estimated as the refining inventory figure; segmental EBITDA and pipeline volumes not given

Key concall takeaways

Refining

- Refinery operations are strong (115-118% utilization currently), with flexible and diversified crude sourcing. BPCL diversified into eight new crude grades across four geographies during FY26, including Venezuela, Brazil, and Angola. Middle Eastern spot grades such as Murban were also taken. Crude supplies have been secured until Jul-2026. Term crude availability has reduced from planned ~55% at the start of 2026 to 45-46% currently due to supply constraints. Spot sourcing has consequently increased to 50-55%, mostly being Russia.
- Russian crude share increased from ~25% in Q3FY26 to ~31% in Q4FY26 and has further increased to 40-42% currently, largely due to greater spot availability. The Russian differential keeps varying and currently is at a premium vs discounts earlier. Russian sanctions are at entity level and not crude level, hence crude can be purchased from non-sanctioned entities during non-waiver periods. During waivers, crude can be bought from even sanctioned entities.
- Venezuelan crude cannot be processed alone and requires blending with other grades. Distillate yields may vary with changes in crude mix, though overall refinery optimization continues based on commerciality, product demand, and value addition. F&L in Q4FY26 stood at 8.41% overall, with Kochi Refinery at 6.48%, Mumbai 5.64%, and Bina at 9.01%. It has remained broadly within normal operating ranges.
- BPCL's landed crude premiums have increased sharply amid ongoing disruptions. Earlier, some grades such as WTI were available at Brent +USD4-5/bbl, but peak disruptions saw premiums rise to USD20-25/bbl. Currently, it is roughly at +USD10-12/bbl, depending on grade and freight.
- Q4FY26 included some refining inventory gains, though the company does not separately quantify this, given its shorter inventory cycles. Currently, GRM visibility is low amid significant volatility in crude prices, premiums, freight, insurance, and product cracks. Hence, no near-term GRM guidance can be provided.

Marketing

- BPCL continued to maintain leadership in throughput per retail outlet (RO) at 143kl/month during Q4FY26, supported by strong highway presence, retail productivity, and customer-focused initiatives. RO network expanded by 1,691 during FY26, taking the total to 25,323. EV charging expanded to 6,823 stations, while the CNG station network reached 2,650, maintaining leadership among PSU OMCs. Non-fuel retail offerings including convenience stores, Apna Ghar, BeCafe, and wayside amenities continued to expand across the network. Initiatives like UFill and Octane Power also saw good customer traction.
- Retail market share in Apr-26 stood at 30.02% in MS and 29.61% in HSD. Long-term retail strategy continues to focus on improving market share to a target of ~32% through network expansion, customer convenience initiatives, highway-focused outlets and improved service quality. Near-term market share gains due to supply disruptions are viewed as temporary and focus remains on sustainable long-term market share expansion. Marketing margins on non-transport fuels-LPG continue to remain linked to import parity pricing (4-5%) with no major changes in the pricing framework.
- LPG under-recoveries have increased sharply to Rs650/cylinder+ in May due to higher Saudi CP, spot cargo premiums, and elevated freight rates due to longer distances (90 days for US) and overall spikes. Freight was up from USD50-55/mt levels earlier to USD600-700/mt during peak disruptions. Spot LPG is currently commanding premiums of USD200-300/mt above Saudi CP. Term LPG contracts from the US had been signed for ~10% of requirements with pricing linked to Saudi CP +/-USD10-15/mt. Additional spot cargoes are also being sourced from the US through time-chartered vessels, though freight costs are materially higher in such cases.
- LPG remains a regulated product, and government support for LPG under-recoveries is expected to continue. Under-recoveries in auto fuels are currently viewed as a temporary

challenge similar to earlier periods of volatility, such as the Russia-Ukraine conflict. No meaningful fuel shortages (dry outs) have been witnessed despite the geopolitical disruptions. Dealer credit policies remain unchanged with normal credit support continuing. Restrictions are imposed only in cases of payment delays/defaults. BPCL's sales volume has grown by 3.6% vs normal growth of 2.5% in general.

Upstream

- The Mozambique LNG project (10% BPCL stake) has resumed construction activities after force majeure was lifted in Nov-25. ~42% project completion has been achieved and ~6,000 manpower deployed at site. First LNG cargo is expected by mid-2028. The block has 70tcf of resources, of which 13tcf is being developed under Phase 1. Future finance would be at the project level (debt) and not much equity is required. Additional phases can be self-funded thereafter. No impairment was taken on Mozambique assets during Q4FY26.
- The Q4FY26 impairment was in Brazil and entirely due to project delays and not due to changes in reserve assumptions or project economics. The FPSO tender process in Brazil took nearly three years to finalize, leading to project delays. Oil production is now expected by CY31, while gas production is expected by CY32 vs earlier expectation of CY29. The Brazil project's capex stands at ~USD6.4bn, with BPCL's share at ~40% (~USD2.8bn). Future equity contribution requirement is estimated at ~USD1.2bn over the next 3-4 years.
- The Brazil SEAL block currently involves development of only one field, while another similar-sized reserve potential exists in adjacent fields where further exploration/drilling is pending. It is expected to produce ~88,000bpd, with BPCL entitled to equity oil through its JV stake. FID for Brazil has been approved.
- UAE upstream blocks Lower and Upper Zakum continue to produce steadily, with the Indian consortium holding ~10% stake. New discoveries have also been made in UAE blocks through Urja Bharat Pte Ltd, with development planning currently under way. There are good extractable reserves. BPCL's long-term upstream strategy targets 6.5-7mmtpa of equity oil/equity production within the group portfolio.

Capex

- The Bina refinery-petchem expansion project achieved 23% progress vs planned 32%. It is impacted by geopolitical developments, supply chain disruptions, and delays in equipment manufacturing/delivery. However, Rs254bn worth of contracts have already been committed, with cumulative capex standing at Rs47bn and mitigation measures being taken. Long lead items remain on track, and all major packages were awarded by Feb-26.
- Total Bina project cost stands at Rs498bn, of which only Rs65bn has foreign currency exposure, limiting FX sensitivity. Around 75-80% of project contracts have already been awarded on fixed-price basis and only 20-25% of project packages remain, and overall project completion is expected within approved cost range of +/-10%.
- The Rs50bn Kochi polypropylene project has already awarded 85-90% of contracts and is expected to be completed within approved project cost estimates. The PRFCCU project at Mumbai refinery has recently commenced implementation. No major cost escalation is currently foreseen, though clearer assessment would emerge once project progress reaches 30-40%. The proposed Andhra Pradesh refinery-petrochemical complex (9mmtpa capacity) continues progressing with environmental and technical studies completed, while detailed engineering and financial appraisal activities are under way.
- BPCL's FY26 capex stood at Rs204bn, while FY27 capex guidance stands at Rs250bn and potentially reaching Rs270bn. The FY27 capex breakup is Rs110bn for refining/petchem, Rs100bn for marketing/logistics/RO expansion/pipelines, Rs22.5bn for upstream equity, and Rs17bn for CGD expansion. Pipeline projects such as Irugur Devangonthi and Bina-Rasayani and Mumbai-Rasayani are currently under implementation.

- Standalone gross debt-equity stood at 0.11x, while consolidated gross/net debt-equity stood at 0.43/0.25x as on FY26-end. Balance sheet is comfortable despite elevated capex and under-recoveries, aided by strong operating cash flows and investment holdings. Near-term cash flow stress may emerge if current under-recoveries and pricing freezes persist for an extended period (beyond 2 months). It is manageable over short periods, though prolonged disruptions would eventually require burden-sharing and price revisions.

- No review or deferment of announced capex projects is currently being considered, with expectations that crude markets and pricing environment would normalize over time. Long-term leverage philosophy remains conservative, with debt-equity expected to remain below 1x even during peak capex cycle, while normalized leverage target remains around 0.3-0.5x. Foreign currency borrowing exposure remains minimal, limiting FX risk on the balance sheet. Treasury operations continue to actively manage liquidity, cash flows, and borrowing costs amid volatile market conditions.

Others

- Global energy markets have become highly volatile amid ongoing geopolitical disruptions in supply chains. Crude and product prices were broadly range-bound for most of FY26, but sharp volatility was witnessed toward FY26-end due to disruptions through the Strait of Hormuz, coupled with higher freight rates and FX fluctuations. BPCL maintained uninterrupted supply of petroleum products and LPG across the country. The impact of the geopolitical situation was not fully reflected in Q4FY26 due to timing differences and inventory cycles. Q1FY27 is expected to be challenging.
- The de-aromatized solvent project at Mumbai Refinery was commissioned during Q4FY26 with annual capacity of 200tmt. The project is the first of its kind in India and supports import substitution in specialty chemicals. The 425km Krishnapatnam-Hyderabad multi-product pipeline with 2.6mmtpa capacity was also commissioned during Q4. BPCL also commissioned two retail depots, two LPG bottling plants, three aviation fueling stations, and two gas pipelines. Two ethanol plants (1G and 2G) with 100kl/day capacity each were commissioned at Bargarh, Odisha, during Oct-25 and Mar-26, respectively.
- LPG inventory levels are being maintained at 15-20 days, though inventory fluctuates based on cargo arrivals, but situation is comfortable as of now. Crude and product inventory levels are at 25-27 and 24-25 days, respectively, with minor fluctuations of 1-2 days.
- The gas business reported strong growth with FY26 gas sales volume at 2.29mmt, up 26.5% YoY. CGD segment volume stood at 248tmt with robust growth of 62.1% YoY. Regasification capacity booked, with Petronet LNG achieving 100% utilization for the first time since the inception of LNG imports.
- Renewable energy installed capacity currently stands at 251MW, with an additional 100MW under implementation. The capex outlay is Rs15.7bn, with 2GW being the near-term target. RE projects typically generate lower returns (~8-9% IRR), though investments are driven by net-zero commitments, internal refinery power-fuel optimization, and long-term sustainability objectives
- BPCL's investment program includes projects which have commercial returns, diversification, prudent leverage, and sustainable cash flows. Focus areas are petchem due to higher 5-7% growth potential in India, refinery integration economics, value addition and import dynamics; upstream for energy integration (already has moved from exploration to development) and RE. Projects with 4-6-year payback visibility and strong cash flow generation remain preferred for capital deployment.

Exhibit 3: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	5,348	5,121	-4%	5,642	5,381	-5%	5,496
EBITDA	191	192	0%	280	278	-1%	305
EBITDA margins	*3.6%*	*3.7%*	*17bps*	*5.0%*	*5.2%*	*20bps*	*5.6%*
PAT	102	97	-5%	160	156	-2%	160
EPS (Rs)	23.9	22.8	-5%	37.4	36.6	-2%	37.4

Source: Company, Emkay Research

Exhibit 4: SOTP-based valuation (Mar-27E TP)

Components	Basis	Mar-28E EBITDA (Rs bn)	Multiple(x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Refining standalone	EV/EBITDA	163	5.7	929	217	
Pipelines standalone	EV/EBITDA	17	5.7	96	22	
Petrochemicals standalone	EV/EBITDA	-		-	-	
Marketing standalone	EV/EBITDA	98	5.7	560	131	
Core business EV		**278**	**5.7**	**1,585**	**371**	**Blended Multiple at 5.7x**
Less: Adj net debt (Mar-27 end)				192	45	
Core business valuation				**1,393**	**326**	
Value of Mozambique stake	Transaction Value			-	-	No Value
Value of listed investments	TP			103	24	At 30% HoldCo Discount
Target price/fair value				**1,496**	**350**	

Source: Emkay Research

Exhibit 5: Schedule and value of listed investments

Listed	Type	Basis of Valuation	TP (Rs)	Equity Value (Rs bn)	BPCL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contribution to SOTP (Rs bn)	Per Share Value (Rs)
IGL	JV	TP (Emkay)	180	252	22.5%	57	30%	40	9
PLNG	JV	TP (Emkay)	360	540	12.5%	68	30%	47	11
Oil India	Financial	TP (Emkay)	575	936	2.5%	23	30%	16	4
Total Listed						**147**		**103**	**24**

Source: Emkay Research

BPCL: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**4,401,319**	**4,519,117**	**5,120,668**	**5,380,668**	**5,495,506**
Revenue growth (%)	(1.7)	2.7	13.3	5.1	2.1
EBITDA	**258,309**	**396,580**	**191,571**	**278,125**	**305,378**
EBITDA growth (%)	(41.6)	53.5	(51.7)	45.2	9.8
Depreciation & Amortization	72,325	78,441	88,504	103,901	119,102
EBIT	**185,985**	**318,139**	**103,066**	**174,224**	**186,276**
EBIT growth (%)	(50.4)	71.1	(67.6)	69.0	6.9
Other operating income	15,022	16,000	16,800	17,304	17,823
Other income	30,862	37,533	37,982	41,454	47,696
Financial expense	18,884	16,340	11,027	6,460	20,438
PBT	**197,962**	**339,332**	**130,021**	**209,218**	**213,535**
Extraordinary items	(21,319)	(28,292)	44,298	0	0
Taxes	43,891	78,008	43,928	52,723	53,811
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**132,753**	**233,032**	**130,391**	**156,495**	**159,724**
PAT growth (%)	(50.2)	75.5	(44.0)	20.0	2.1
Adjusted PAT	**146,084**	**241,910**	**97,255**	**156,495**	**159,724**
Diluted EPS (Rs)	**34.2**	**56.6**	**22.8**	**36.6**	**37.4**
Diluted EPS growth (%)	(47.9)	65.6	(59.8)	60.9	2.1
DPS (Rs)	**10.0**	**17.5**	**9.2**	**12.8**	**13.1**
Dividend payout (%)	**32.2**	**32.1**	**30.0**	**35.0**	**35.0**
EBITDA margin (%)	5.9	8.8	3.7	5.2	5.6
EBIT margin (%)	4.2	7.0	2.0	3.2	3.4
Effective tax rate (%)	22.2	23.0	33.8	25.2	25.2
NOPLAT (pre-IndAS)	**144,749**	**245,003**	**68,245**	**130,319**	**139,335**
Shares outstanding (mn)	4,273	4,273	4,273	4,273	4,273

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	42,726	42,726	42,726	42,726	42,726
Reserves & Surplus	766,875	909,602	1,000,875	1,102,597	1,206,418
Net worth	**809,601**	**952,327**	**1,043,601**	**1,145,323**	**1,249,143**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	65,409	53,075	38,726	24,233	9,595
Total debt	**333,168**	**214,225**	**300,000**	**410,000**	**650,000**
Total liabilities & equity	**1,231,571**	**1,245,154**	**1,409,130**	**1,607,699**	**1,938,289**
Net tangible fixed assets	877,610	927,638	1,071,952	1,266,161	1,445,151
Net intangible assets	8,186	8,186	8,186	8,186	8,186
Net ROU assets	-	-	-	-	-
Capital WIP	139,579	171,813	188,994	190,884	192,793
Goodwill	-	-	-	-	-
Investments [JV/Associates]	112,897	95,056	96,006	96,966	97,936
Cash & equivalents	**130,460**	**192,900**	**68,892**	**61,150**	**207,376**
Current assets (ex-cash)	584,840	634,720	719,209	755,726	771,856
Current Liab. & Prov.	648,374	826,111	785,471	813,150	827,201
NWC (ex-cash)	**(63,534)**	**(191,391)**	**(66,262)**	**(57,424)**	**(55,345)**
Total assets	**1,231,571**	**1,245,154**	**1,409,130**	**1,607,699**	**1,938,289**
Net debt	202,709	21,325	231,108	348,850	442,624
Capital employed	1,231,571	1,245,154	1,409,130	1,607,699	1,938,289
Invested capital	**822,262**	**744,433**	**1,013,876**	**1,216,923**	**1,397,991**
BVPS (Rs)	189.5	222.9	244.3	268.1	292.4
Net Debt/Equity (x)	0.3	-	0.2	0.3	0.4
Net Debt/EBITDA (x)	0.8	0.1	1.2	1.3	1.4
Interest coverage (x)	11.5	21.8	12.8	33.4	11.4
RoCE (%)	**20.0**	**30.8**	**11.2**	**14.9**	**13.5**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	167,100	301,799	92,039	167,764	165,839
Others (non-cash items)	19,559	90,026	44,298	0	0
Taxes paid	(39,818)	(80,348)	(58,277)	(67,216)	(68,448)
Change in NWC	11,454	86,892	(124,262)	(7,912)	(1,089)
Operating cash flow	**236,048**	**477,033**	**53,330**	**202,998**	**235,840**
Capital expenditure	(137,185)	(157,092)	(250,951)	(300,960)	(300,970)
Acquisition of business	(23,612)	0	(482)	(491)	(501)
Interest & dividend income	15,824	17,685	37,982	41,454	47,696
Investing cash flow	**(137,965)**	**(148,065)**	**(213,451)**	**(259,997)**	**(253,775)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	41,210	(135,503)	99,304	123,529	253,529
Payment of lease liabilities	(13,529)	(13,529)	(13,529)	(13,529)	(13,529)
Interest paid	(11,233)	(9,698)	(11,027)	(6,460)	(20,438)
Dividend paid (incl tax)	(65,609)	(95,247)	(39,117)	(54,773)	(55,903)
Others	0	0	0	0	0
Financing cash flow	**(49,161)**	**(253,977)**	**35,631**	**48,767**	**163,659**
Net chg in Cash	48,922	74,991	(124,490)	(8,233)	145,725
OCF	236,048	477,033	53,330	202,998	235,840
Adj. OCF (w/o NWC chg.)	224,594	390,141	177,592	210,910	236,930
FCFF	98,864	319,941	(197,621)	(97,962)	(65,129)
FCFE	95,803	321,286	(170,667)	(62,968)	(37,871)
OCF/EBITDA (%)	91.4	120.3	27.8	73.0	77.2
FCFE/PAT (%)	72.2	137.9	(130.9)	(40.2)	(23.7)
FCFF/NOPLAT (%)	**68.3**	**130.6**	**(289.6)**	**(75.2)**	**(46.7)**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	9.4	5.4	9.6	8.0	7.8
P/CE(x)	6.1	4.0	5.7	4.8	4.5
P/B (x)	1.5	1.3	1.2	1.1	1.0
EV/Sales (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	5.6	3.2	7.7	5.8	5.6
EV/EBIT(x)	7.8	4.0	14.4	9.2	9.1
EV/IC (x)	1.8	1.7	1.5	1.3	1.2
FCFF yield (%)	6.8	25.1	(13.3)	(6.1)	(3.8)
FCFE yield (%)	7.5	25.3	(13.4)	(4.9)	(3.0)
Dividend yield (%)	3.4	6.0	3.1	4.4	4.5
DuPont-RoE split					
Net profit margin (%)	3.0	5.2	2.5	2.9	2.9
Total asset turnover (x)	3.8	3.6	3.9	3.6	3.1
Assets/Equity (x)	1.5	1.4	1.3	1.4	1.5
RoE (%)	**17.1**	**26.5**	**13.1**	**14.3**	**13.3**
DuPont-RoIC					
NOPLAT margin (%)	3.3	5.4	1.3	2.4	2.5
IC turnover (x)	5.4	5.8	5.8	4.8	4.2
RoIC (%)	**17.8**	**31.3**	**7.8**	**11.7**	**10.7**
Operating metrics					
Core NWC days	(5.3)	(15.5)	(4.7)	(3.9)	(3.7)
Total NWC days	**(5.3)**	**(15.5)**	**(4.7)**	**(3.9)**	**(3.7)**
Fixed asset turnover	3.6	3.4	3.4	3.0	2.6
Opex-to-revenue (%)	6.6	7.3	6.7	6.6	6.7

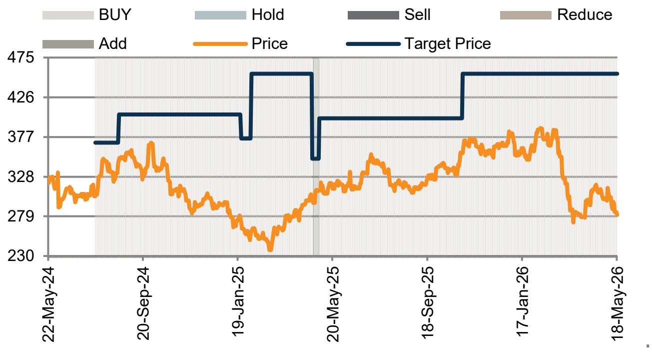
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
02-Nov-25	357	455	Buy	Sabri Hazarika
24-Aug-25	316	400	Buy	Sabri Hazarika
18-Jun-25	316	400	Buy	Sabri Hazarika
12-Jun-25	319	400	Buy	Sabri Hazarika
03-May-25	311	400	Buy	Sabri Hazarika
24-Apr-25	302	350	Add	Sabri Hazarika
05-Feb-25	261	455	Buy	Sabri Hazarika
23-Jan-25	271	375	Buy	Sabri Hazarika
15-Jan-25	267	405	Buy	Sabri Hazarika
29-Oct-24	311	405	Buy	Sabri Hazarika
12-Sep-24	344	405	Buy	Sabri Hazarika
20-Aug-24	349	405	Buy	Sabri Hazarika
21-Jul-24	304	370	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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