ADD BPCL

Refining resilience cushions a difficult quarter

Oil & Gas | Result Update | **July 24, 2026**

CMP (Rs): 310 | TP (Rs): 370

BPCL reported standalone EBITDA loss/net loss of Rs59.8/53.8bn in 1QFY27, materially better than our loss estimate of Rs160.8/179.0bn, largely driven by better-than-expected refining earnings and lower opex. Reported GRM of $41.4/bbl was above our estimate of $29.7/bbl, while blended marketing margin of negative Rs22/kg was slightly better than estimated. Management highlighted that crude availability remains comfortable with diversified sourcing, while supplies are secured till Aug-26. Spot sourcing rose to 69% from 44% yoy, while Russian crude share stood at ~38%. Spot premiums and freight surged during 1QFY27, but have since materially eased from the peak, although the situation remains fluid. BPCL booked Rs19.0bn of LPG subsidy, while LPG under-recoveries rose to Rs53.8bn in 1Q from Rs13.4bn qoq, with Jul/Aug under-recoveries at Rs490/210 per cylinder. First cargo from Mozambique is expected by FY28-29, with the project estimated to generate ~$350mn of annual revenue. We remain cautious on OMCs amid the uncertain geopolitical environment with significant crude price volatility. We largely retain FY28E/29E EBITDA while revising up our FY27 estimates on stronger 1Q GRM. Rolling over to Jun-28, we raise our TP by ~6% to Rs370 from Rs350; ADD.

Results highlights

BPCL's refining volumes declined 3% yoy to 10.2mmt (1% miss), with overall utilization at 115%. Distillate yield was largely steady at 84%. Domestic sales volume rose 0.3% yoy to 13.6mmt vs 5.0% yoy degrowth for the industry, with overall volume up 1% yoy to 14.1mmt (3% beat). Exports rose 46% qoq to 0.51mmt. Petrol/diesel sales volume rose 8.4%/7.9% yoy vs industry growth of 5.8%/2.8% yoy, thereby implying market share gains. ATF sales rose 7.4% yoy, while LPG was down 21% yoy. Total opex rose 10% yoy but declined 28% qoq to Rs77.4bn (17% below estimate). Finance costs fell 13% qoq to Rs4.2bn, while D/A rose 1% qoq to Rs20.7bn. Adjusted other income of Rs9.1bn came at a 16% beat (up 25% yoy; down 15% qoq), while forex gains stood at Rs3.5bn. Gross debt rose 62% yoy/66% qoq to Rs174bn, while capex stood at Rs44.3bn.

Management KTAs

Landed crude cost premium over the IBC widened to $13-15/bbl in 1Q, driven by elevated freight, insurance, and spot premiums (~$10/bbl). BPCL maintained industry-leading RO throughput at 157kl/month, while focusing on premiumization. Bina refinery achieved 31% progress, while Mumbai PRFCC reached 7% completion. Mozambique project completion stands at 42%; the Brazil FPSO contract has been signed, with first oil/gas expected by FY31/32. FY27 capex guidance is Rs250bn, with spends expected to accelerate in 9MFY27. BPCL retained crude inventory of 3.8mmt (35 days) as of 1Q-end.

Valuation

We value BPCL on SOTP-EV/EBITDA-based methodology, with investments at 30% holdco discount. We slightly increase our blended target EV/EBITDA to 5.8x. Key risks: Adverse pricing and downstream margins, currency movement, GoI policies, and project issues.

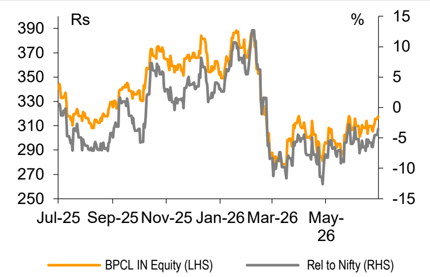
Target Price – 12M	Jun-27
Change in TP (%)	**5.7**
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	19.4

Stock Data	**BPCL IN**
52-week High (Rs)	392
52-week Low (Rs)	267
Shares outstanding (mn)	4,338.5
Market-cap (Rs bn)	1,344
Market-cap (USD mn)	13,920
Net-debt, FY27E (Rs mn)	205,564.1
ADTV-3M (mn shares)	11.3
ADTV-3M (Rs mn)	3,038.7
ADTV-3M (USD mn)	31.5
Free float (%)	44.0
Nifty-50	23,869.6
INR/USD	96.6
Shareholding,Mar-26	
Promoters (%)	53.0
FPIs/MFs (%)	19.6/18.5

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	0.4	0.0	(10.0)
Rel. to Nifty	0.2	1.3	(5.0)

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	5,170,391	5,496,632	5,613,943
EBITDA	258,309	396,580	259,093	282,124	309,417
Adj. PAT	146,084	241,910	147,762	159,486	162,745
Adj. EPS (Rs)	34.2	56.6	34.6	37.3	38.1
EBITDA margin (%)	5.9	8.8	5.0	5.1	5.5
EBITDA growth (%)	(41.6)	53.5	(34.7)	8.9	9.7
Adj. EPS growth (%)	(47.9)	65.6	(38.9)	7.9	2.0
RoE (%)	17.1	26.5	17.8	14.1	13.2
RoIC (%)	17.8	31.3	13.3	11.9	10.9
P/E (x)	9.1	5.5	9.0	8.3	8.1
EV/EBITDA (x)	5.9	3.4	5.9	5.8	5.6
P/B (x)	1.6	1.4	1.2	1.1	1.0
FCFF yield (%)	6.5	23.8	(10.3)	(5.1)	(3.6)

Source: Company, Emkay Research

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Exhibit 1: Actuals vs Estimates (1QFY27)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	1,493,308	1,592,114	1,290,000	-6%	16%	
Adjusted EBITDA	-59,759	-160,833	-137,130	NM	NM	Better-than-expected GRMs and lower opex
EBITDA Margin	*-4.0%*	*-10.1%*	*-10.6%*	*NM*	*NM*	
Adjusted Net Profit	-53,800	-179,011	-126,315	NM	NM	Lower D/A and finance costs and higher other income

Source: Company, Emkay Research

Exhibit 2: Standalone quarterly summary

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	FY25	FY26	yoy
Revenue	1,125,147	1,049,125	1,177,337	1,167,509	1,493,308	33%	28%	4,401,363	4,519,117	3%
COGS	958,041	871,241	994,088	968,478	1,475,682	54%	52%	3,852,976	3,791,848	-2%
Gross Profit	**167,105**	**177,884**	**183,250**	**199,031**	**17,626**	**-89%**	**-91%**	**548,387**	**727,269**	**33%**
Opex	70,474	74,501	77,464	108,050	77,385	10%	-28%	290,034	330,489	14%
Total expenditure	1,028,515	945,742	1,071,552	1,076,528	1,553,067	51%	44%	4,143,010	4,122,337	0%
EBITDA	**96,631**	**103,383**	**105,785**	**90,981**	**(59,759)**	**NM**	**NM**	**258,354**	**396,780**	**54%**
Depreciation	18,818	19,516	19,723	20,384	20,659	10%	1%	72,325	78,441	8%
Interest	3,735	4,208	3,607	4,791	4,153	11%	-13%	18,884	16,340	-13%
Other Income	7,287	11,907	7,501	10,637	9,078	25%	-15%	30,818	37,333	21%
Exceptional Items	-	-	12,657	(24,506)	18,985			(17,739)	(11,850)	
Forex Gain/(Losses)	200	(5,610)	(1,674)	(9,358)	3,456			(3,580)	(16,442)	
PBT	81,565	85,955	100,940	42,580	(53,052)	NM	NM	176,643	311,040	76%
Tax	20,326	21,530	25,487	10,665	(13,431)	NM	NM	43,891	78,008	78%
PAT	**61,239**	**64,425**	**75,453**	**31,915**	**(39,621)**	**NM**	**NM**	**132,753**	**233,032**	**76%**
Adjusted PAT	61,239	64,425	65,992	50,283	(53,800)	NM	NM	146,129	241,940	66%
Adjusted EPS (Rs)	14.3	15.1	15.4	11.8	(12.6)	NM	NM	34.2	56.6	66%
Tax Rate	25%	25%	25%	25%	25%			25%	25%	
Core EBITDA^	117,981	84,932	116,715	65,231	(66,599)	NM	NM	274,904	384,860	40%
Core PAT^	76,831	54,690	75,464	37,919	(61,585)	NM	NM	160,455	244,904	53%
Core EPS (Rs)^	18.0	12.8	17.7	8.9	(14.4)	NM	NM	37.6	57.3	53%
Refining Volumes (mmt)	10.4	9.8	10.5	10.4	10.2	-3%	-2%	40.5	41.2	2%
Reported GRM ($/bbl)	**4.9**	**10.8**	**13.3**	**17.6**	**41.4**	**749%**	**136%**	**6.8**	**11.6**	**71%**
Core GRM ($/bbl)^	6.9	9.3	14.1	15.7	44.9	553%	186%	7.1	11.5	62%
Adjusted Refining EBITDA	9,767	44,463	66,628	93,821	263,035	2593%	180%	88,594	214,680	142%
Marketing Volumes (mmt)	14.0	13.0	14.5	14.2	14.1	1%	-1%	53.6	55.7	4%
Diesel	6.1	5.2	6.1	6.0	6.6	8%	9%	23.3	23.4	0%
Petrol	2.9	2.8	2.9	2.9	3.1	8%	8%	10.8	11.4	6%
Marketing Margin (Rs/mt)	**9,941**	**7,485**	**6,453**	**4,195**	**(21,858)**	**NM**	**NM**	**6,918**	**6,997**	**1%**
Adjusted Marketing EBITDA	83,068	55,377	35,283	(7,202)	(326,944)	NM	NM	155,505	166,526	7%
Marketing Inventory Gain/(Losses)	(8,350)	8,950	(4,930)	12,750	31,340			(9,050)	8,420	
Pipeline Volumes (mmt)^	7.1	6.5	7.1	7.9	7.4	5%	-6%	27.2	28.6	5%
Implied Pipeline EBITDA^	3,796	3,542	3,874	4,362	4,150	9%	-5%	14,254	15,574	9%
Gross Debt	107,090	122,619	52,928	104,801	173,964	62%	66%	232,777	104,801	-55%
Implied Net Debt	(38,894)	(39,620)	(130,551)	(87,289)	(23,125)	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

- BPCL's 1QFY27 refinery throughput stood at 10.15mmt (refineries operated normally), with GRM at $41.41/bbl before the impact of SAED and RIC. However, net GRM after excluding the SAED component was ~$17/bbl. High cracks, particularly diesel and ATF, supported margins, while overall distillate yield was maintained at ~84% across the three refineries combined. Refinery-wise, Bina delivered a higher distillate yield of 87% and GRM of ~$57/bbl, aided by its ability to process a larger share of high-sulfur crude, which trades cheaper than low-sulfur grades; the Mumbai and Kochi refineries posted distillate yields of 84% and 85% with GRMs of ~$34/bbl and ~$39/bbl, respectively.
- Spot crude purchases rose sharply to ~69% of total procurement in 1QFY27 from 44% yoy, as disruptions to tied-up term crude volumes prompted proactive diversification of sourcing outside the Strait of Hormuz across multiple geographies. Russian crude share increased to 38% of total procurement during the quarter, and two new crude grades were procured – from Venezuela and Angola. The diversification was achieved despite hurdles around vessel availability and placement of freight insurance. Of BPCL's 39-40mmt of crude processing requirement, Mumbai High supplies 3mmtpa domestically, with the balance 3-3.2mmt per month being imported.
- Crude availability is not a challenge, and the company has already tied up crude volumes for Aug-26, while Sep-26 sourcing is currently in progress, with a couple of cargos already concluded and the remainder expected to be finalized soon. The recent Red Sea route disruptions could affect a couple of cargos, though supply through Jul-end is sufficiently covered with crude cover maintained at 30-35 days, on average. Crude inventory as of end-Mar-26 was at 3.07mmt, while Jun-26 end saw crude inventory of at 3.8mmt (~35-day cover), with finished goods inventory closing at 3.79mmt.
- The differential between BPCL's landed crude cost and the India crude basket benchmark widened sharply to $13-15/bbl in 1QFY27 versus $4-5/bbl pre-war, driven by elevated freight, insurance, and premiums paid to suppliers amid lower spot crude availability. Premiums on certain cargos exceeded $10/bbl compared with modest discounts of $0.5-1/bbl typically available pre-war. Freight benchmarks (AG-India VLCC worldscale) have eased from the peak of ~600 (versus a pre-war base of 55-60) to ~380-400 currently, with some further easing visible in the most recent week. Given the easing of the Middle East conflict toward Jun-end, Russian crude was available at a discount of ~$3-4/bbl, though based on more recent market developments (August delivery secured), no discounts are currently being offered on Russian crude.
- BPCL's refineries can technically process Venezuelan crude, which though cannot be used directly albeit must be blended with other grades. Venezuelan crude procurement remains opportunistic and commercially driven on a month-on-month basis rather than under term contracts, procured only in months when offers are commercially viable.
- BPCL does not separately quantify crude inventory gains/losses; however, any such impact in 1QFY27 is estimated to have been in the $3-4/bbl range, given Brent softened from ~$99/bbl (average crude cost as of 4QFY26-end) to ~$95-96/bbl currently.
- The Kochi PDPP unit saw no production during 1QFY27, with the entire feedstock stream diverted toward LPG production amid the supply disruption; consequently, there was no profit contribution from PDPP during the quarter.

Marketing

- Domestic sales volume stood at 13.62mmt in 1QFY27, with healthy demand across key products. Retail supplies of petrol and diesel remained largely uninterrupted through the quarter. Retail throughput per outlet averaged at 157kl/month, reinforcing industry-leading productivity, while the retail network expanded to 25,485 outlets and the CNG network grew to 2,700 stations. LNG procurement is also managed through the spot market.
- Premiumization continued, with Speed 97 conversion at 3.88% and Speed 100 now available across 53 retail outlets. The first standalone BeCafe outlet outside a retail

forecourt was launched at Srinagar Airport, taking the total BeCafe count to 220 by 1QFY27-end. Bharat Gas Light Jeep, a 10kg lightweight composite LPG cylinder offering instant new connections and express delivery, was launched in Mumbai, with plans to expand to 100 additional cities across 24 states by 15-Aug-26.

- Non-retail (direct/commercial) sales volumes saw degrowth during the quarter, as a large share of refinery output was diverted toward LPG production, curbing availability of certain grades for the commercial segment; additionally, in select market-linked-price segments, standard margins were protected rather than discounted, resulting in some volume loss, with a partial shift of volumes from direct to retail. Own-sourced (refinery) volumes account for ~80% of sales requirement, with 10-15% procured externally on a month-on-month basis, skewed more toward HSD than MS – depending on relative product realizations as one of the refineries carries ~10% swing capacity to optimize the MS-HSD product slate based on realizations.

- Marketing margins were adversely affected during a large part of the quarter by elevated international product prices. However, a calibrated retail price revision of ~Rs7.5/liter across MS and HSD helped partly mitigate losses in the latter part of the quarter. Marketing inventory gain of Rs31.3bn was recognized in 1QFY27, computed as the fortnightly RTP differential multiplied by inventory held, reflecting the broadly rising RTP trend for most of the quarter. Visibility on the corresponding 2QFY27 impact is limited, given the escalating conflict in the Middle East.

- On ATF, complete pass-through has occurred on the international segment even with cracks near $100/bbl. However, on the domestic segment, the government's proposed market stabilization fund has not yet been signed by any airline, and price increases continue to be passed through in a phased manner – having been raised in stages (including a Rs115/kl hike) before being partially rolled back to Rs110/kl as crude oil prices softened. Domestic ATF continues to see losses, while the international segment (~55-60% of ATF sales vs ~40-45% domestic) is over-recovering.

- The cumulative LPG compensation buffer stood at negative Rs158bn, after adjusting for instalments received against the LPG subsidy announced. Engagement with the government on the compensation mechanism continues, backed by continued government support, though timing remains uncertain. Domestic LPG volumes saw a sharp double-digit degrowth of 14-15% in 1QFY27, driven by supply shortages and tighter demand control mechanisms aimed at curbing diversion to the commercial segment. A similar trend or modest degrowth is expected in 2QFY27. Around 30-40,000 connections shifted from LPG to PNG during the quarter, as part of the government's PNG expansion push in covered geographical areas. LPG under-recovery stood at ~Rs490/cyl in Jul-26 which is expected to decline to ~Rs210/cyl in Aug-26, based on Saudi CP. However, with increase in crude oil price, Saudi CP can increase going ahead, resulting in higher LPG under-recoveries.

- The gas business saw bulk gas sales grow 3% yoy, while CGD gas sales volumes grew 60% yoy to 85tmt, reflecting continued momentum in this growth segment. BEPOLY, a new brand for high-performance polyolefins, was launched as part of the go-to-market strategy for petchems, reinforcing the objective of increasing petchem intensity. Pure marketing under-recovery in MS-HSD-LPG was Rs400-500bn.

Upstream

- BPRL completed the acquisition of the remaining 39.14% stake in IBV Brazil from Videocon Energy Brazil through the insolvency process, taking its holding to 100% in the entity that holds a 40% PI in the Brazil block. The share transfer has been completed and Brazil's trade regulatory authority has accepted the transaction, satisfying all regulatory requirements. During the quarter, the FPSO contract was signed by the operator, with project work set to begin shortly. First oil is expected in FY30-31 and first gas in FY31-32, with the block estimated to produce ~88kbpd, of which BPRL is entitled to its ~40% PI share. This represents an additional revenue stream expected to come onstream in 3-4 years. The consolidated P&L adjustment was on account of this.

- Mozambique's physical project completion stands at 42%, with force majeure having been lifted in prior quarters and manpower now deployed on-site. Project lenders have agreed to continue project financing, and sale-purchase agreements are broadly being honoured for contracted quantities. First gas is expected in FY28-29 from Phase 1 (two LNG trains), with Phase 1 gas production of ~13.2mmtpa; BPRL's 10% stake translates into a working-interest volume of ~1.3mmt. Total potential development involves 16 trains. At 100% Phase 1 volumes and an assumed crude price of $65/bbl, the project is expected to generate ~$350mn of annual revenue (before interest and debt repayment) for the BPCL group.

- Other upstream assets—lower Zakum (UAE) and an Indonesia block currently at the FDP submission stage with no work yet commenced—remain smaller in scale relative to Brazil and Mozambique, which continue to be the two major upstream growth projects.

Capex

- The Bina petchem and refinery expansion project has achieved cumulative progress of 30.7%, with Rs59bn incurred and Rs300bn already committed per contracts. The geopolitical environment has impacted supply-chain procurement and execution timelines, though there has been no significant impact on critical line items so far, and major long-lead equipment has already been ordered.
- The PRFCC project at Mumbai Refinery is 7% complete, with commissioning scheduled for Sep-29; the Kochi polypropylene project is 40% complete, with commissioning targeted for May-28. The associated POL and LOBS installation is also progressing in line with plan.
- 1QFY27 capex stood at Rs44.33bn. Project spends are expected to accelerate through the remainder of the year, in line with execution milestones, with the full-year FY27 capex guidance of Rs250bn unchanged.
- The proposed Andhra Pradesh refinery-petchem project continues to see progress, with license tender evaluation underway, land registration for ~3,082acres completed, while environmental clearance expected from the MoEFCC by 2QFY27 and final approval expected shortly.
- Standalone gross debt-to-equity stood at 0.19x, with gross borrowings of ~Rs174bn; against this, the balance sheet carries investments of ~Rs125bn, translating into net debt of only ~Rs55bn. No deferment of announced capex projects is being considered, given confidence in the long-term returns of committed projects. The current cash-flow stress is expected to be temporary, with normalization expected over the next 1-2 quarters as market conditions stabilize.

Others

- BPCL announced a strategic partnership with Tiki Tar Industries and Shell India, investing 40% (~Rs850mn) in a value-added bitumen joint venture that combines Shell's technology, Tiki Tar's manufacturing capabilities and BPCL's nationwide marketing reach – marking entry into a specialty business aligned with India's infrastructure growth ambitions.
- In renewables, BPCL secured 100MW of capacity through a wind utility tender in Madhya Pradesh at an estimated capex of Rs8.6bn, with project development expected to commence shortly.
- Near-term volatility is not viewed as altering the company's long-term direction, with focus remaining on operational excellence, disciplined growth, and sustainable value creation.
- On the broader crude outlook, global crude markets are viewed as fundamentally in surplus (by ~2mbpd), with the current spike to >$90-95/bbl seen as a short-term dislocation linked to recurring geopolitical flare-ups rather than structural tightness. Prices are expected to soften to $80/bbl as the situation stabilizes, though the near term outlook remains fluid given the pattern of recurring geopolitical flashpoints through the quarter.

Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
GRM ($/bbl)	22.0	24.0	9%	9.0	9.0	0%	9.1	9.1	0%
Marketing Margin (Rs/mt)	-1,931	-1,931	NM	5,853	5,853	0%	6,301	6,301	0%
Growth	*-128.8%*	*-128.8%*	*NM*	*-403.1%*	*-403.1%*	*NM*	*7.7%*	*7.7%*	*0bps*
Marketing Sales (mmt)	58	58	0%	59	59	0%	61	61	0%
Growth	*3.3%*	*3.3%*	*0bps*	*3.3%*	*3.3%*	*0bps*	*2.5%*	*2.5%*	*0bps*

Source: Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Revenue	5,121	5,170	1%	5,381	5,497	2%	5,496	5,614	2%
EBITDA	192	259	35%	278	282	1%	305	309	1%
EBITDA Margins	*3.7%*	*5.0%*	*127bps*	*5.2%*	*5.1%*	*-4bps*	*5.6%*	*5.5%*	*-5bps*
PAT	97	148	52%	156	159	2%	160	163	2%
EPS (Rs)	22.8	34.6	52%	36.6	37.3	2%	37.4	38.1	2%

Source: Company, Emkay Research

Exhibit 5: SOTP-based valuation (Jun-27E TP)

Components	Basis	Jun-28E EBITDA (Rs bn)	Multiple (x)	EV (Rs bn)	EV/sh (Rs)	Comments
Refining Standalone	EV/EBITDA	168	5.8	972	227	
Pipelines Standalone	EV/EBITDA	17	5.8	98	23	
Petrochemicals Standalone	EV/EBITDA	-		-	-	
Marketing Standalone	EV/EBITDA	104	5.8	606	142	
Core Business EV		**289**	**5.8**	**1,676**	**392**	**Blended multiple at 5.8x**
Less: Adj Net Debt (Jun-27 end)				177	41	
Core Business Valuation				**1,499**	**351**	
Value of Mozambique Stake	Transaction Value			-	-	No value
Value of Listed Investments	TP			82	19	At 30% holdco discount
Target Price/Fair Value				**1,581**	**370**	

Source: Emkay Research

Exhibit 6: Schedule and value of listed investments

Listed	Type	Basis of Valuation	CMP (Rs)	Equity Value (Rs bn)	BPCL stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr to SOTP (Rs bn)	Per Share Value (Rs)
IGL	JV	CMP	150	210	22.5%	47	30%	33	8
PLNG	JV	CMP	275	413	12.5%	52	30%	36	8
Oil India	Financial	CMP	460	748	2.5%	18	30%	13	3
Total Listed						**117**		**82**	**19**

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**	**5,170,391**	**5,496,632**	**5,613,943**
Revenue growth (%)	(1.7)	2.7	14.4	6.3	2.1
EBITDA	**258,309**	**396,580**	**259,093**	**282,124**	**309,417**
EBITDA growth (%)	(41.6)	53.5	(34.7)	8.9	9.7
Depreciation & Amortization	72,325	78,441	88,504	103,901	119,102
EBIT	**185,985**	**318,139**	**170,588**	**178,223**	**190,315**
EBIT growth (%)	(50.4)	71.1	(46.4)	4.5	6.8
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**	**197,543**	**213,217**	**217,574**
Extraordinary items	(21,319)	(28,292)	44,298	0	0
Taxes	43,891	78,008	60,944	53,731	54,829
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**132,753**	**233,032**	**180,897**	**159,486**	**162,745**
PAT growth (%)	(50.2)	75.5	(22.4)	(11.8)	2.0
Adjusted PAT	**146,084**	**241,910**	**147,762**	**159,486**	**162,745**
Diluted EPS (Rs)	**34.2**	**56.6**	**34.6**	**37.3**	**38.1**
Diluted EPS growth (%)	(47.9)	65.6	(38.9)	7.9	2.0
DPS (Rs)	**10.0**	**17.5**	**12.7**	**13.1**	**13.3**
Dividend payout (%)	**32.2**	**32.1**	**30.0**	**35.0**	**35.0**
EBITDA margin (%)	5.9	8.8	5.0	5.1	5.5
EBIT margin (%)	4.2	7.0	3.3	3.2	3.4
Effective tax rate (%)	22.2	23.0	30.9	25.2	25.2
NOPLAT (pre-IndAS)	**144,749**	**245,003**	**117,960**	**133,311**	**142,356**
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	1,036,230	1,139,896	1,245,680
Net worth	**809,601**	**952,327**	**1,078,955**	**1,182,621**	**1,288,406**
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**	**1,444,484**	**1,644,998**	**1,977,552**
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**	**94,436**	**99,943**	**248,171**
Current assets (ex-cash)	584,840	634,720	726,193	772,014	788,490
Current Liab. & Prov.	648,374	826,111	782,644	830,931	845,368
NWC (ex-cash)	**(63,534)**	**(191,391)**	**(56,452)**	**(58,917)**	**(56,877)**
Total assets	**1,231,571**	**1,245,154**	**1,444,484**	**1,644,998**	**1,977,552**
Net debt	202,709	21,325	205,564	310,057	401,829
Capital employed	1,231,571	1,245,154	1,444,484	1,644,998	1,977,552
Invested capital	**822,262**	**744,433**	**1,023,686**	**1,215,429**	**1,396,459**
BVPS (Rs)	189.5	222.9	252.5	276.8	301.6
Net Debt/Equity (x)	0.3	-	0.2	0.3	0.3
Net Debt/EBITDA (x)	0.8	0.1	0.8	1.1	1.3
Interest coverage (x)	11.5	21.8	18.9	34.0	11.6
RoCE (%)	**20.0**	**30.8**	**16.4**	**14.8**	**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	159,561	171,763	169,878
Others (non-cash items)	19,559	90,026	44,298	0	0
Taxes paid	(39,818)	(80,348)	(75,293)	(68,223)	(69,466)
Change in NWC	11,454	86,892	(134,072)	3,392	(1,050)
Operating cash flow	**236,048**	**477,033**	**94,026**	**217,293**	**238,900**
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)	(54,269)	(55,820)	(56,961)
Others	0	0	0	0	0
Financing cash flow	**(49,161)**	**(253,977)**	**20,479**	**47,720**	**162,602**
Net chg in Cash	48,922	74,991	(98,946)	5,016	147,727
OCF	236,048	477,033	94,026	217,293	238,900
Adj. OCF (w/o NWC chg.)	224,594	390,141	228,098	213,901	239,951
FCFF	98,864	319,941	(156,925)	(83,667)	(62,069)
FCFE	95,803	321,286	(129,970)	(48,673)	(34,811)
OCF/EBITDA (%)	91.4	120.3	36.3	77.0	77.2
FCFE/PAT (%)	72.2	137.9	(71.8)	(30.5)	(21.4)
FCFF/NOPLAT (%)	**68.3**	**130.6**	**(133.0)**	**(62.8)**	**(43.6)**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	10.0	5.7	7.3	8.3	8.1
P/CE(x)	6.5	4.3	4.9	5.0	4.7
P/B (x)	1.6	1.4	1.2	1.1	1.0
EV/Sales (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	5.9	3.4	5.9	5.8	5.6
EV/EBIT(x)	8.2	4.2	9.0	9.2	9.1
EV/IC (x)	1.9	1.8	1.5	1.3	1.2
FCFF yield (%)	6.5	23.8	(10.3)	(5.1)	(3.6)
FCFE yield (%)	7.1	23.9	(9.7)	(3.6)	(2.6)
Dividend yield (%)	3.2	5.6	4.1	4.2	4.3
DuPont-RoE split					
Net profit margin (%)	3.0	5.2	3.5	2.9	2.9
Total asset turnover (x)	3.8	3.6	3.8	3.6	3.1
Assets/Equity (x)	1.5	1.4	1.3	1.4	1.5
RoE (%)	**17.1**	**26.5**	**17.8**	**14.1**	**13.2**
DuPont-RoIC					
NOPLAT margin (%)	3.3	5.4	2.3	2.4	2.5
IC turnover (x)	5.4	5.8	5.8	4.9	4.3
RoIC (%)	**17.8**	**31.3**	**13.3**	**11.9**	**10.9**
Operating metrics					
Core NWC days	(5.3)	(15.5)	(4.0)	(3.9)	(3.7)
Total NWC days	**(5.3)**	**(15.5)**	**(4.0)**	**(3.9)**	**(3.7)**
Fixed asset turnover	3.6	3.4	3.4	3.1	2.7
Opex-to-revenue (%)	6.6	7.3	6.7	6.5	6.6

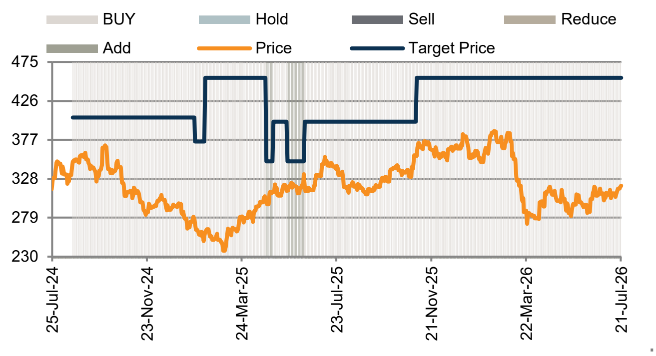
Source: Company, Emkay Research

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
21-May-25	316	350	Add	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

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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