

Estimate change



TP change



Rating change



| | |
|-----------------------|-------------|
| Bloomberg | BPCL IN |
| Equity Shares (m) | 4339 |
| M.Cap.(INRb)/(USD\$) | 1349.9 / 16 |
| 52-Week Range (INR) | 376 / 234 |
| 1, 6, 12 Rel. Per (%) | 4/-1/-9 |
| 12M Avg Val (INR M) | 4160 |

Financials & Valuations (INR b)

| Y/E March | FY25 | FY26E | FY27E |
|--------------|-------|-------|-------|
| Sales | 4,403 | 3,311 | 3,382 |
| EBITDA | 254 | 222 | 226 |
| Adj. PAT | 136 | 119 | 121 |
| EPS (INR) | 32 | 28 | 28 |
| EPS Gr.% | -49.7 | -12.8 | 2.0 |
| BV/Sh. (INR) | 190 | 210 | 230 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.5 | 0.5 | 0.5 |
| RoE (%) | 17.3 | 13.9 | 12.9 |
| RoCE (%) | 11.7 | 9.4 | 8.6 |
| Payout (%) | 32.0 | 29.0 | 30.5 |

Valuation

| | | | |
|----------------|-----|------|------|
| P/E (x) | 9.8 | 11.2 | 11.0 |
| P/BV (x) | 1.6 | 1.5 | 1.4 |
| EV/EBITDA (x) | 5.2 | 6.0 | 5.9 |
| Div. yield (%) | 3.2 | 2.6 | 2.8 |
| FCF yield (%) | 6.4 | 1.3 | -0.2 |

Shareholding pattern (%)

| As On | Mar-25 | Dec-24 | Mar-24 |
|----------|--------|--------|--------|
| Promoter | 53.0 | 53.0 | 53.0 |
| DII | 23.2 | 23.2 | 22.2 |
| FII | 14.6 | 14.7 | 16.8 |
| Others | 9.3 | 9.1 | 8.0 |

FII Includes depository receipts

CMP: INR311

TP: INR300 (-4%)

Neutral

Strong earnings but dividend disappoints

- BPCL delivered a 46% beat on EBITDA in 4QFY25, driven by higher-than-estimated GRM (USD9.2/bbl) and marketing margins (INR5.9/lit; INR 0.3/lit due to inventory gain). While BPCL booked an exceptional loss of INR17.7b due to the impairment of investment in BPRL, adj. PAT came in at INR45.5b (71% above our est.).
- While we think the rally in OMC stocks is now entering the last phase, we still see a few positive catalysts: 1) 1QFY26 earnings will likely benefit from lower LPG under-recoveries due to an INR50/cyl domestic LPG price hike recently. The decline in propane prices as winter demand wanes provides additional upside; 2) Russian crude proportion for OMCs is expected to rise again in 1QFY26, supporting GRMs; 3) marketing business earnings momentum has remained robust.
- However, the earnings outlook for OMCs is clouded by: 1) expected inventory losses in 1QFY26 amid weak crude price environment (vs. inventory gain in 4QFY25), 2) risk of further excise duty hikes for MS/HSD, which can crimp marketing margins; historically OMCs have rarely made over INR8-10/ltr gross marketing margin on MS/HSD for more than two quarters (based on data for last 8 years), 3) BPCL's FY25 DPS of INR10 (32% payout) was under-whelming, and on the lower side of its historical payout range. With the capex cycle picking up, we estimate the payout ratio to be only ~30% for both FY26/FY27. BPCL's FY27 estimated dividend yield is ~2.8% vs. HPCL's ~4.2%.
- We continue to prefer HPCL over BPCL because of the following factors: 1) HPCL's higher leverage toward marketing segment, 2) higher dividend yield as HPCL's capex cycle is tapering off while BPCL enters into a new capex cycle; and 3) start-up of HPCL's multiple mega-projects in the next 12 months providing a push to earnings.
- BPCL currently trades at 1.5x 1yr. fwd. P/B vs. 10Y average of 1.8x. We maintain our Neutral rating on the stock with a revised TP of INR300.

Key takeaways from the conference call

- BPCL commissioned 1,805 retail outlets (ROs; 23,642 ROs currently operating) and added 340 new CNG stations (2,370 stations currently operating) in FY25.
- Bina refinery expansion has achieved 11% physical progress as of Mar'25. Andhra refinery shall be 40% petchem integrated.
- Mozambique: Major Lender, US Exim bank, has agreed to project continuation. BPCL shall invest another USD2.1b in Mozambique project.
- BPCL will incur a capex of INR200b/INR250b/INR300b in FY26/27/28.
- Management guided for USD7-9/bbl GRMs at current spreads level.
- BPCL shall spend INR480b on CGD segment over eight years, with INR20b in FY26. CGD segment shall generate healthy EBITDA from FY28.

Beat driven by robust refining & marketing performance

- BPCL's reported GRM came in at ~USD9.2/bbl, above our est. of USD6.5/bbl.
- Refining throughput stood in line with our est. at 10.6mmt (+3% YoY).
- Marketing volumes, excluding exports, were also in line with our est. at 13.4mmt (-2% YoY).
- Marketing margin (including inv.) was 22% above our est. at INR5.9/lit.
- EBITDA stood at INR78.1b (our est. INR53.5b), with marketing inventory gain/forex loss amounting to INR5.2b/INR450m in 4QFY25.
- LPG under-recovery amounted to INR32.2b (flat QoQ).
- In 4Q, BPCL booked an exceptional loss of INR17.7b, on account of impairment of its investment in Bharat PetroResources (BPRL).
- While reported PAT stood 21% above our est. at INR32.1b, adj. PAT came in 71% above est. at INR45.5b.
- Other income came in above our estimates.
- **In FY25**, net sales were flat YoY at INR4.4t, while EBITDA/adj. PAT declined 42%/48% to INR255b/INR146b.
- **As of Mar'25**, BPCL had a cumulative negative net buffer of INR104.5b due to the under-recovery on LPG cylinders (INR72.3b as of Dec'24).
- The board recommended a final dividend of INR5/share (FV: INR10/share).

Valuation and view

- BPCL's GRMs have been at a premium to SG GRMs because of the continuous optimization of refinery production, product distribution, and crude procurement. The use of advanced processing capabilities of Bina and Kochi refineries allows BPCL to process 100% of high-sulfur crude and 50% of Russian crude.
- We maintain our GRM and marketing margin assumptions. The current marketing margins remain healthy and marginally above the INR3.3/lit we are building in for MS/HSD. Singapore GRM averaged USD3.7/bbl in Apr'25 (vs. USD3.2/bbl in 4QFY25). We have a bearish stance on refining over FY26-1HFY28 amid strong ~2.5-3mb/d net refinery capacity additions globally over CY24-26 and demand worries due to rising trade tensions and possibilities of global macro-economic slowdown.
- While valuation appears reasonable and strong marketing performance continues, a muted medium-term refining outlook (our FY26E/FY27E PAT are 17%/18% sensitive to every USD1/bbl change in GRM) and commencement of new capex cycle emerge as key concerns. Hence, we reiterate our Neutral rating with an SoTP-based valuation of INR300/share.

SoTP-based valuation

| Particulars | Amount/Particulars | Multiple | Amount |
|--|------------------------------------|----------|------------------|
| FY27E EBITDA (INR m) | 2,24,817 | 7.0 | 15,62,477 |
| FY27E CGD EBITDA (INR m) | 1,675 | 15.0 | 25,037 |
| (-) FY27E Net Debt (INR m) | | | 5,35,393 |
| Core business value (INR m) | | | 10,52,121 |
| (/) shares outstanding | | | 4,273 |
| Core business value (INR/share) | | | 246 |
| Add: Investments (INR/share) | | | |
| Listed investment (IGL, PLNG & OINL) | @25% discount to CMP | | 22 |
| Mozambique Upstream Area 1 | @40% discount to transaction value | | 15 |
| Other upstream investments | Reserve based valuation @USD7/boe | | 6 |
| Unlisted CGD entities | @15x FY24 P/E | | 11 |
| Target price (INR/share) | | | 300 |

Valuation of Mozambique Upstream Area 1

| Particulars | Unit | Amount |
|--|------------------|-------------------|
| Total Energy acquired 26.5% stake in Sep'19 | USD m | 3,900.0 |
| (x) Exchange rate | INR/USD | 71.0 |
| Total Energy acquired 26.5% stake in Sep'19 | INR m | 2,76,900.0 |
| Total Energy's stake (%) | | 26.5 |
| BPRL's stake (%) | | 10.0 |
| Transaction value for BPRL | INR m | 1,04,490.6 |
| Transaction value for BPRL | INR/share | 24.5 |
| Discount | % | 0.4 |
| Discounted transaction value for BPRL | INR/share | 14.7 |

Standalone - Quarterly Earning Model

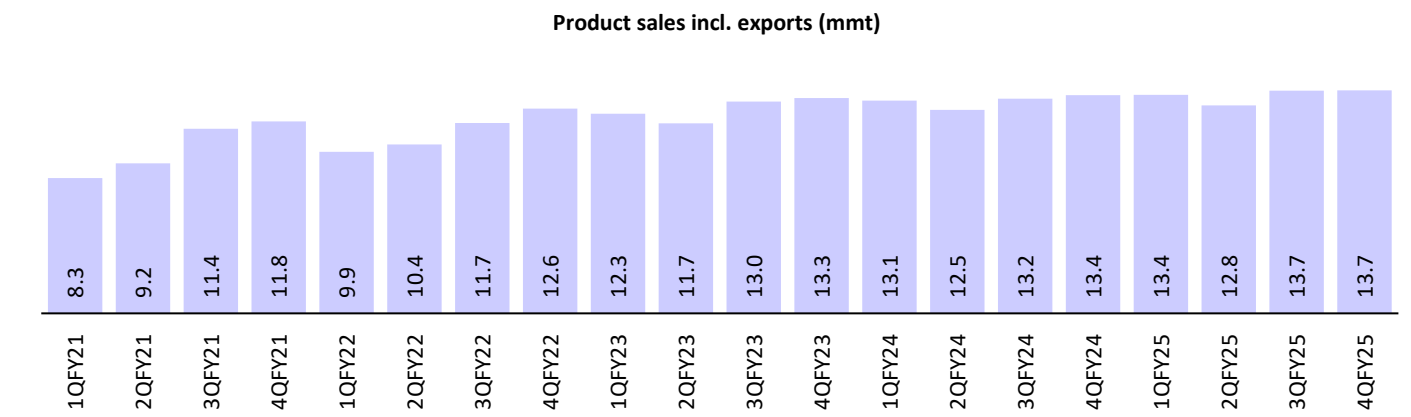
| Y/E March | FY24 | | | | FY25 | | | | | (INR b) | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 4QE | Var (%) | YoY (%) | QoQ (%) |
| Net Sales | 1,129.8 | 1,029.9 | 1,154.9 | 1,165.6 | 1,131.0 | 1,027.6 | 1,131.4 | 1,111.8 | 957.3 | 16% | -5% | -2% |
| YoY Change (%) | -6.7 | -10.3 | -3.1 | -1.3 | 0.1 | -0.2 | -2.0 | -4.6 | -17.9 | | | |
| EBITDA | 158.1 | 130.1 | 62.8 | 92.7 | 56.5 | 45.1 | 75.8 | 78.1 | 53.5 | 46% | -16% | 3% |
| Forex loss | -0.2 | 1.0 | 0.5 | 0.5 | -0.2 | 0.4 | 2.7 | 0.5 | 0.0 | | | |
| Depreciation | 16.1 | 16.0 | 18.2 | 17.2 | 16.8 | 17.7 | 18.0 | 19.7 | 18.7 | | | |
| Interest | 6.8 | 7.7 | 5.0 | 5.2 | 4.4 | 4.7 | 4.3 | 5.5 | 4.6 | | | |
| Other Income | 4.7 | 7.7 | 6.8 | 4.7 | 4.8 | 9.6 | 11.0 | 7.9 | 5.4 | | | |
| PBT before EO expense | 140.1 | 113.1 | 45.8 | 74.4 | 40.3 | 31.9 | 61.8 | 60.4 | 35.5 | 70% | -19% | -2% |
| Extra-Ord expense | 0.0 | 0.0 | 0.0 | 18.0 | 0.0 | 0.0 | 0.0 | 17.7 | 0.0 | | | |
| PBT | 140.1 | 113.1 | 45.8 | 56.4 | 40.3 | 31.9 | 61.8 | 42.6 | 35.5 | 20% | -24% | -31% |
| Rate (%) | 24.7 | 24.8 | 25.8 | 25.1 | 25.2 | 24.9 | 24.7 | 24.6 | 25.2 | | | |
| Reported PAT | 105.5 | 85.0 | 34.0 | 42.2 | 30.1 | 24.0 | 46.5 | 32.1 | 26.5 | 21% | -24% | -31% |
| Adj PAT | 105.5 | 85.0 | 34.0 | 55.7 | 30.1 | 24.0 | 46.5 | 45.5 | 26.5 | 71% | -18% | -2% |
| YoY Change (%) | LP | LP | 73.4 | -47.2 | -71.4 | -71.8 | 36.9 | -18.3 | -52.3 | | | |
| Margin (%) | 9.3 | 8.3 | 2.9 | 3.6 | 2.7 | 2.3 | 4.1 | 2.9 | 2.8 | | | |
| Key Assumptions | | | | | | | | | | | | |
| Refining throughput (mmt) | 10.4 | 9.4 | 9.9 | 10.4 | 10.1 | 10.3 | 9.5 | 10.6 | 10.3 | 3% | 2% | 11% |
| Reported GRM (USD/bbl) | 12.6 | 18.5 | 13.4 | 12.5 | 7.9 | 4.4 | 5.6 | 9.2 | 6.5 | 42% | -26% | 64% |
| Marketing sales volume excld exports (mmt) | 12.8 | 12.2 | 12.9 | 13.2 | 13.2 | 12.4 | 13.4 | 13.4 | 13.7 | -2% | 2% | 0% |
| Marketing GM incld inv (INR/litre) | 9.3 | 5.9 | 3.5 | 5.7 | 4.8 | 5.8 | 7.4 | 5.9 | 4.8 | 23% | 3% | -20% |

Exhibit 1: BPCL – key assumptions

| Y End: March 31 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Exchange Rate (INR/USD) | 70.0 | 70.9 | 74.3 | 74.5 | 80.4 | 82.8 | 84.6 | 86.0 | 86.2 |
| Crude cost (USD/bbl) | 70.1 | 61.2 | 44.4 | 80.5 | 96.1 | 83.0 | 78.6 | 65.0 | 65.0 |
| Domestic Market Sales (mmt) | 43.1 | 43.1 | 38.7 | 42.5 | 48.9 | 51.0 | 52.4 | 54.5 | 56.7 |
| YoY (%) | 5% | 0% | -10% | 10% | 15% | 4% | 3% | 4% | 4% |
| Reported GRM (USD/bbl) | 4.6 | 2.5 | 4.1 | 9.5 | 20.3 | 14.1 | 6.8 | 7.0 | 7.0 |
| Singapore GRM (USD/bbl) | 4.9 | 3.2 | 0.5 | 5.0 | 10.7 | 6.6 | 3.8 | 5.0 | 5.0 |
| Prem/(disc) (USD/bbl) | (0.3) | (0.7) | 3.6 | 4.5 | 9.6 | 7.6 | 3.0 | 2.0 | 2.0 |
| Refinery throughput (mmt) | 31.0 | 31.9 | 26.4 | 34.1 | 38.5 | 39.9 | 40.5 | 42.3 | 42.3 |
| YoY (%) | 9% | 3% | -17% | 29% | 13% | 4% | 1% | 4% | 0% |
| Marketing Margin (INR/ltr) | | | | | | | | | |
| Blended gross marketing margin incld inventory | 4.8 | 4.7 | 6.9 | 5.0 | (1.4) | 6.1 | 6.0 | 4.1 | 4.2 |
| Consolidated EPS | 20.0 | 11.7 | 31.0 | 25.5 | 4.6 | 63.3 | 31.8 | 27.8 | 28.3 |

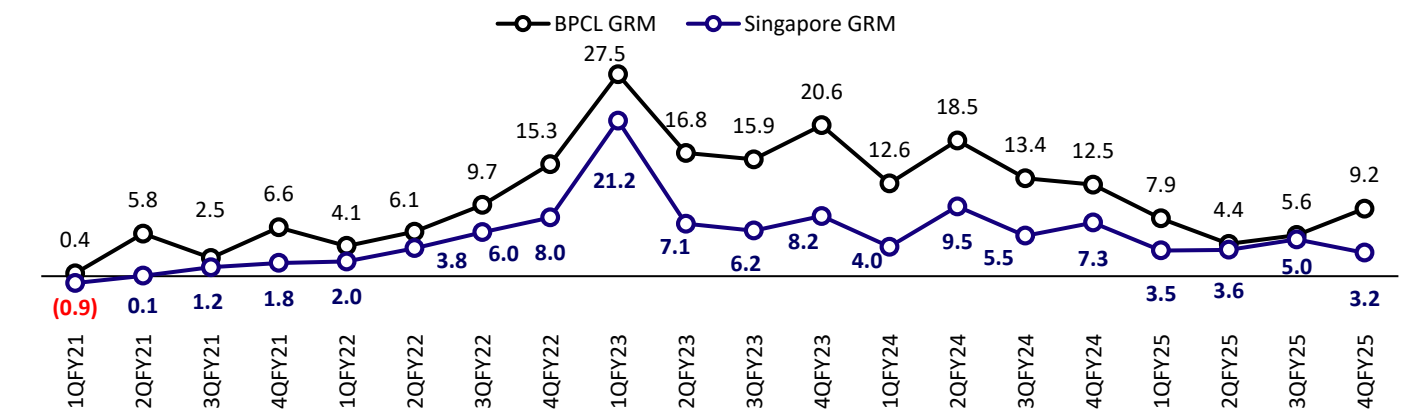
Source: Company, MOSFL

Exhibit 2: Product sales at 13.7mmt (up 2% YoY)



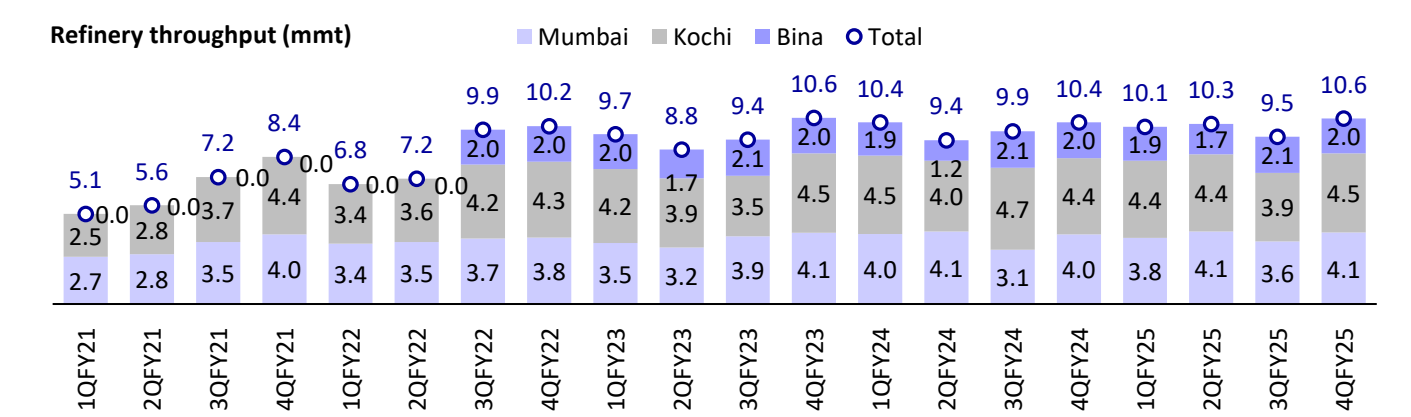
Source: Company, MOSFL

Exhibit 3: Reported GRM at USD9.2/bbl in 4QFY25 vs. USD12.5/bbl in 4QFY24



Source: Company, MOSFL

Exhibit 4: Total refinery throughput was up 2% YoY



Source: Company, MOSFL



Highlights from the management commentary

FY25 / 4QFY25 operational performance:

- BPCL achieved the highest-ever lubricant/gas sales of 472mmt/2.2mmt.
- BPCL commissioned 1,805 ROs during FY25 (23,642 ROs at FY25'end).
- 340 new CNG stations added in FY25.
- 2,370 CNG stations operating (840 in own GAs).
- Highest ever 19.34% Ethanol blending in 4QFY25.
- 104 B-cafes added in FY25.

Update on ongoing projects:

- **Bina refinery expansion:** 11% physical progress has been achieved as of Mar'25.
- **Andhra Pradesh coastal refinery project:**
 - In 3Q, INR61b had been approved by the board for pre-project activities (land acquisition and other studies). Studies are still going on.
 - Timeline: FID expected to complete by CY25'end, project commissioning shall be done 48 months post FID.
- **Planned capacity:** 9mmt-12mmt refining capacity and 3mmt-4mmt petchem capacity.
- Refinery product shall be 4-4.5mmt and targeted petrochemical integration is 40%.
- **Mozambique project:**
 - Positive developments in Mozambique:
 - Major Lender US Exim bank has agreed to project continuation, and all existing contracts are valid.
 - The operator has informed that the onshore main contractor has issued full notices to proceed to three key subcontractors, authorizing them to begin their complete scope of work. This step is aimed at enabling a full restart.
 - Revised cost of the project is ~USD19.4b for two trains of 6.5mmtpa each.
 - Capex: BPCL has already invested USD2.3b and will invest another USD2.1b (gross). Equity contribution will be ~30%.

Capex guidance:

- INR200b annual capex expected in FY26 (172b direct investment, 28b JVs).
- FY27/28 guided capex: INR250b/INR300b.
- CGD, Mozambique and Petchem expansion
- This is excluding Andhra Refinery project capex, which is yet to be approved.

Refining performance in 4Q:

- Average inventory is less than 1 month.
- Bina can process higher Sulphur/Russian crude.
- Russian crude throughput declined to ~24% in 4Q.
- BPCL is able to **source sufficient Russian crude in 1QFY26 (up QoQ to 32%)**.
- **Guidance:** USD7-9/bbl GRMs can be achieved if:
 - Spreads remain constant.
 - BPCL is able to source 35% Russian crude at USD3/bbl discount (in line with current discounts).
- Crude sourced - 3Q vs 4Q:

- Russian: 34% to 24%
- Saudi: 19% to 21%
- Abu Dhabi: 11% to 9%
- US WTI: 13% to 5%

Marketing segment:

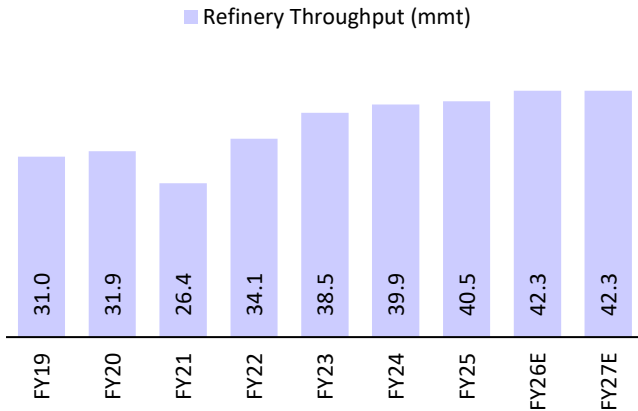
- Current under-recovery per cyl estimate: INR170/cyl (INR6.6-7b per month).
- BPCL is hopeful of some compensation against LPG under-recovery in FY26.
- Most of the companies LPG term-contracts are Arab Gulf based. The company anticipates a potential margin of USD20-30 per metric ton, if they can optimize supply routes by shifting from AG-based to US-based cargoes.
- BPCL expects crude price to remain around USD65/bbl to USD70/bbl, which shall be beneficial for marketing.
- Market share loss:
 - While BPCL has lost some market share in the recent quarters, 5y trajectory is positive.
 - BPCL aims to expand network, focus on customer service and gain market share.

CGD segment:

- BPCL aims to incur a capex of INR480b over eight years on this segment.
- FY26 capex target: INR20b
- Volume growth: FY25 volumes up 81% YoY at 2.2-2.3mmt.
- While current EBITDA is not material, the company shall generate meaningful EBITDA from FY28.
- 340 new CNG stations added in FY25
- 2,370 CNG stations operating (840 in own GAs)
- **Kochi refinery:**
 - Petrochemical segment performance:
 - PDPP production: 251tmt (up 10% YoY)
 - EBITDA contribution: USD0.55/bbl contribution to the refinery.

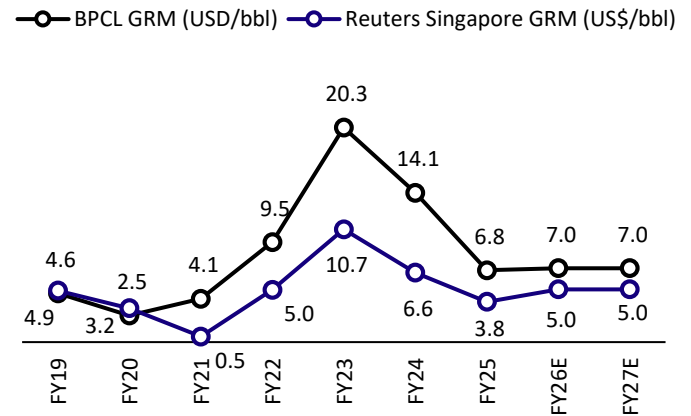
Story in charts

Exhibit 5: Throughput (mmt)



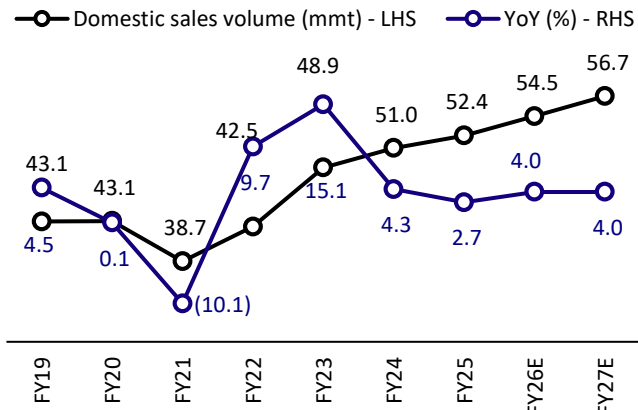
Source: Company, MOFSL

Exhibit 6: GRM trend



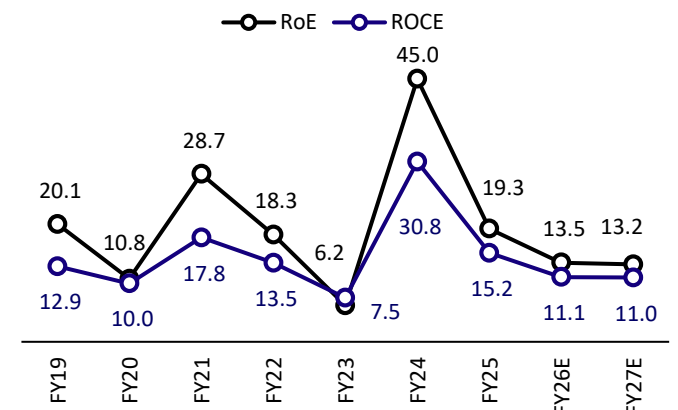
Source: Company, MOFSL

Exhibit 7: Domestic marketing sales volume



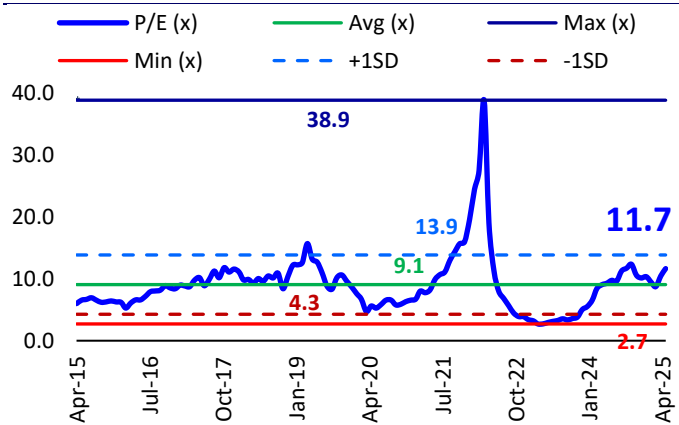
Source: Company, MOFSL

Exhibit 8: Standalone return ratios (%)



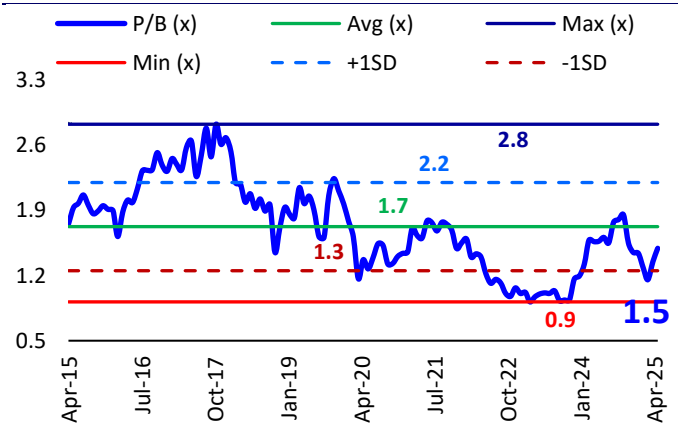
Source: Company, MOFSL

Exhibit 9: One-year forward P/E



Source: Company, MOFSL

Exhibit 10: One-year forward P/B



Source: Company, MOFSL

Financials and valuations (Consolidated)

Consolidated - Income Statement

(INR b)

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Income from Operations | 4,732 | 4,481 | 4,403 | 3,311 | 3,382 |
| Change (%) | 36% | -5% | -2% | -25% | 2% |
| EBITDA | 94 | 443 | 254 | 222 | 226 |
| Margin (%) | 2.0 | 9.9 | 5.8 | 6.7 | 6.7 |
| Depreciation | 64 | 68 | 73 | 76 | 79 |
| EBIT | 30 | 375 | 181 | 146 | 147 |
| Net forex loss | -15 | 2 | 0 | 0 | 0 |
| Int. and Finance Charges | 37 | 41 | 36 | 36 | 37 |
| Other Income | 15 | 22 | 27 | 29 | 31 |
| PBT bef. EO Exp. | 23 | 354 | 172 | 139 | 141 |
| EO Items | -16 | -3 | -4 | 0 | 0 |
| PBT after EO Exp. | 6 | 351 | 169 | 139 | 141 |
| Tax Rate (%) | 109.7 | 26.6 | 28.7 | 25.2 | 25.2 |
| Minority Interest/Share of JVs/associates | 22 | 11 | 13 | 15 | 15 |
| Reported PAT | 21 | 269 | 133 | 119 | 121 |
| Adjusted PAT | 20 | 271 | 136 | 119 | 121 |
| Change (%) | -82% | 1272% | -50% | -13% | 2% |
| Margin (%) | 0.4 | 6.0 | 3.1 | 3.6 | 3.6 |

Consolidated - Balance Sheet

(INR b)

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Equity Share Capital | 21 | 21 | 43 | 43 | 43 |
| Total Reserves | 514 | 735 | 771 | 855 | 939 |
| Net Worth | 535 | 756 | 814 | 898 | 982 |
| Total Loans | 605 | 455 | 511 | 568 | 663 |
| Deferred Tax Liabilities | 79 | 80 | 83 | 83 | 83 |
| Capital Employed | 1,219 | 1,291 | 1,407 | 1,549 | 1,728 |
| Gross Block | 1,735 | 1,491 | 1,582 | 1,642 | 1,702 |
| Less: Accum. Deprn. | 567 | 635 | 707 | 772 | 839 |
| Net Fixed Assets | 1,168 | 856 | 874 | 870 | 863 |
| Capital WIP | 162 | 202 | 264 | 392 | 570 |
| Total Investments | 64 | 266 | 265 | 265 | 265 |
| Curr. Assets, Loans&Adv. | 486 | 700 | 780 | 646 | 674 |
| Inventory | 381 | 428 | 453 | 337 | 345 |
| Account Receivables | 67 | 43 | 93 | 70 | 72 |
| Cash and Bank Balance | 26 | 63 | 105 | 109 | 128 |
| Cash | 23 | 23 | 6 | 10 | 29 |
| Bank Balance | 3 | 40 | 99 | 99 | 99 |
| Loans and Advances | 13 | 166 | 130 | 130 | 130 |
| Curr. Liability & Prov. | 662 | 733 | 776 | 624 | 643 |
| Account Payables | 633 | 700 | 750 | 592 | 605 |
| Provisions | 29 | 33 | 27 | 32 | 38 |
| Net Current Assets | -176 | -33 | 4 | 22 | 30 |
| Appl. of Funds | 1,219 | 1,291 | 1,407 | 1,549 | 1,728 |

Financials and valuations

Ratios

| Y/E March (INR) | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | |
| EPS | 4.6 | 63.3 | 31.8 | 27.8 | 28.3 |
| Cash EPS | 19.5 | 79.2 | 48.8 | 45.6 | 46.9 |
| BV/Share | 125.3 | 177.0 | 190.5 | 210.2 | 229.9 |
| DPS | 5.0 | 21.0 | 10.0 | 8.1 | 8.6 |
| Payout (%) | 100.2 | 33.4 | 32.0 | 29.0 | 30.5 |
| Valuation (x) | | | | | |
| P/E | 67.6 | 4.9 | 9.8 | 11.2 | 11.0 |
| Cash P/E | 16.0 | 3.9 | 6.4 | 6.8 | 6.7 |
| P/BV | 2.5 | 1.8 | 1.6 | 1.5 | 1.4 |
| EV/Sales | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| EV/EBITDA | 14.2 | 3.0 | 5.2 | 6.0 | 5.9 |
| Dividend Yield (%) | 1.6 | 6.7 | 3.2 | 2.6 | 2.8 |
| FCF per share | 9.2 | 61.7 | 20.1 | 3.9 | -0.5 |
| Return Ratios (%) | | | | | |
| RoE | 3.7 | 41.9 | 17.3 | 13.9 | 12.9 |
| RoCE | -0.4 | 24.8 | 11.7 | 9.4 | 8.6 |
| RoIC | -0.3 | 31.9 | 16.9 | 14.0 | 14.2 |
| Working Capital Ratios | | | | | |
| Fixed Asset Turnover (x) | 2.7 | 3.0 | 2.8 | 2.0 | 2.0 |
| Asset Turnover (x) | 3.9 | 3.5 | 3.1 | 2.1 | 2.0 |
| Inventory (Days) | 29 | 35 | 38 | 37 | 37 |
| Debtor (Days) | 5 | 3 | 8 | 8 | 8 |
| Creditor (Days) | 49 | 57 | 62 | 65 | 65 |
| Leverage Ratio (x) | | | | | |
| Current Ratio | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 |
| Interest Cover Ratio | 0.8 | 9.0 | 5.1 | 4.1 | 3.9 |
| Net Debt/EBITDA | 6.2 | 0.9 | 1.6 | 2.1 | 2.4 |
| Net Debt/Equity | 1.1 | 0.5 | 0.5 | 0.5 | 0.5 |

Consolidated - Cash Flow Statement

(INR b)

| Y/E March | FY23 | FY24 | FY25 | FY26E | FY27E |
|----------------------------|------------|-------------|-------------|-------------|-------------|
| OP/(Loss) before Tax | 28 | 362 | 182 | 139 | 141 |
| Depreciation | 64 | 68 | 73 | 76 | 79 |
| Direct Taxes Paid | -8 | -88 | -40 | -35 | -36 |
| (Inc)/Dec in WC | -2 | -12 | 9 | -14 | 10 |
| CF from Operations | 125 | 359 | 237 | 217 | 248 |
| (Inc)/Dec in FA | -85 | -96 | -151 | -200 | -250 |
| Free Cash Flow | 39 | 264 | 86 | 17 | -2 |
| (Pur)/Sale of Investments | -3 | -33 | -64 | 0 | 0 |
| CF from Investments | -78 | -105 | -192 | -200 | -250 |
| Inc/(Dec) in Debt | 14 | 55 | 47 | 58 | 95 |
| Dividend Paid | -13 | -53 | -66 | -34 | -37 |
| CF from Fin. Activity | -45 | -254 | -62 | -13 | 21 |
| Inc/Dec of Cash | 2 | 0 | -17 | 4 | 19 |
| Opening Balance | 22 | 23 | 23 | 6 | 10 |
| Closing Balance | 23 | 23 | 6 | 10 | 29 |

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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