

15 August 2025

India | Equity Research | Results Update

## Bharat Petroleum Corporation

Oil &amp; Gas

### Ahead of estimates, driven by stronger marketing performance

BPCL's Q1FY26 EBITDA/PAT of INR 96.6bn/INR 61.2bn jumped 71%/2x YoY (+24%/91% QoQ). This was despite a USD 3/bbl YoY dip in GRMs, as stronger marketing earnings and higher other income have offset the GRM weakness. While GRMs and retail margins have both moderated QoQ, the imminent payout of INR 75–80bn towards LPG losses and steadily reducing LPG losses (INR 50/cyn rise in prices and lower international LPG prices have helped pare losses to INR 100/cyn, from INR 150/cyn in Q1) help offset the weakness. Our **BUY** rating stays, driven by: 1) likely uptick in GRM aided by demand recovery; 2) steady retail fuel margins; 3) lower LPG losses; 4) comfortable leverage; 5) robust dividend yield; and 6) revival of Mozambique project. Our TP stands revised to INR 390 (from INR 380).

### Healthy refining/marketing volumes; retail margins help offset GRM softness

Refinery throughput of 10.4mt in Q1 was up 3% YoY and in line. GRMs of USD 4.9/bbl dipped USD 3/USD 4.3 per bbl YoY/QoQ driven by higher inventory losses and Russian discounts narrowing sharply (USD 1.5/bbl in Q1). At the same time, blended marketing margin of INR 10,030/t jumped 93% YoY (above estimate of INR 8,518/t) with blended retail margins of INR 8.8/ltr, up 2.9x YoY/+38% QoQ. Marketing volume of 14mt has also shown 4.5% YoY growth. Q2FY26 is likely to see headwinds with lower Russian crude supplies/discounts, lower product spreads, moderate retail margins, offset by the LPG payout and sharply lower LPG losses (down 30–40% QoQ).

### LPG losses to narrow, marketing margins/GRMs to improve

LPG loss of INR 20.7bn in Q1 (cumulative INR 125.2bn till date) has been a material drag on earnings over FY25–Q1FY26. Yet, BPCL has managed to deliver a relatively strong quarter (its highest quarterly earnings in the last 7 quarters). For FY26, the government has allowed an INR 50/cyn hike in LPG prices and international LPG prices have also started to moderate, in line with softer crude prices – this has helped pare losses to INR 100/cyn in Q2FY26–TD; INR 50/cyn lower vs. Q1 averages. With the approval of INR 300bn compensation (in 12 tranches starting FY26), earnings will likely remain resilient, despite moderating GRMs and retail margins.

### Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	44,02,719	38,06,668	40,71,585	44,84,542
EBITDA	2,54,014	2,62,839	2,91,170	3,19,918
EBITDA %	5.8	6.9	7.2	7.1
Net Profit	1,36,197	2,05,314	1,63,641	1,76,048
EPS (INR)	31.4	47.3	37.7	40.6
EPS % Chg YoY	(48.5)	50.7	(20.3)	7.6
P/E (x)	10.1	6.7	8.4	7.8
EV/EBITDA (x)	7.3	6.8	6.2	5.8
RoCE (Pre-tax) (%)	13.3	12.4	12.4	12.1
RoE (%)	17.3	22.9	15.8	15.2

#### Probal Sen

probal.sen@icicisecurities.com  
+91 22 6807 7274

#### Hardik Solanki

solanki.hardik@icicisecurities.com

#### Market Data

Market Cap (INR)	1,380bn
Market Cap (USD)	15,758mn
Bloomberg Code	BPCL IN
Reuters Code	BPCL.BO
52-week Range (INR)	376 /234
Free Float (%)	45.0
ADTV-3M (mn) (USD)	27.1

Price Performance (%)	3m	6m	12m
Absolute	1.8	26.7	(2.2)
Relative to Sensex	2.7	20.6	(4.0)

ESG Score	2023	2024	Change
ESG score	65.4	64.8	(0.6)
Environment	38.7	46.0	7.3
Social	63.7	65.0	1.3
Governance	85.8	82.1	(3.7)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E	FY28E
Revenue	0.0	0.0	0.0
EBITDA	1.9	1.7	0.8
EPS	1.8	2.3	1.0

#### Previous Reports

04-05-2025: [Q4FY25 results review](#)

23-01-2025: [Q3FY25 results review](#)

### Near-term outlook has turned uncertain

Given the uncertainty in the demand outlook, the Trump administration's tariff moves and gradual restoration of the ~2mb/d supply cuts of OPEC+ over FY26, we believe that Brent crude prices may range between USD 65–70bbl in the short-term. Together, these could keep retail margins for OMCs well-above historical levels. Going forward, we expect some recovery in GRMs, as supply adjusts to weaker demand, while there is some recovery in Chinese demand over the next 12 months. Nevertheless, we factor into our estimates a softer-than-earlier GRM trend over the next 24 months with relatively stronger performance of complex refineries in the BPCL portfolio.

### Capex plans turn aggressive

BPCL has laid out an ambitious roadmap to expand its petchem output, grow the CGD business and establish a meaningful renewables portfolio over the next 5–7 years. The Bina expansion/petchem project (INR 490bn investment) aims to raise Bina refining capacity to 11mt, also adding ~3mt of petchem output to the plant. Further, a 9mt greenfield project is planned in Andhra Pradesh (including ~4mt petchem) and the company has bagged a 150MW renewable power supply project for NTPC and a 30MW supply project for NHPC. This is to support near-term plans to add ~2GW of renewable capacity by CY30. The near-term impact of such ambition is, however, an increase in capex; therefore, lower return ratios are likely over FY26–28E.

### Valuation remains comfortable; upstream valuations to return into Street's estimates

We have revised our FY26/27/28E EPS up marginally by 1.8/2.3/1% to factor in marginally higher marketing margins. At current levels, BPCL trades at 8.4x FY28E EPS, 6.2x EV/EBITDA and 1.3x P/BV – near its 5-year average bands. We note, since the time the multi-billion-dollar Mozambique project went into *force majeure*, Street has largely written-off BPCL's USD 2.15bn investment till date in the project. With greater visibility of resuming commissioning activities at the project, H2FY26 onwards, we believe investments in Mozambique, Russia and Brazil deserve to be looked at in the overall SoTP of BPCL; and, in our view, adding meaningful upside to BPCL's overall value. Our valuation, based on 5.5x EV/EBITDA for core refining + marketing business, CMP for listed investments and 2–4/boe EV for upstream assets delivers a TP of INR 390, viz. a 23% upside. Maintain **BUY**.

**Key downside risks:** 1) Sharper-than-expected fall in GRMs; 2) sharper price cut in retail fuels; 3) capex delays and execution challenges; and 4) sharp rise in crude price.

**Key upside risks:** 1) Sharp fall in crude price; 2) improvement in refining markets; and 3) stronger fuel consumption growth and petchem demand growth in India.

## BPCL Q1FY26 conference call takeaways

### Macro outlook

- Global GDP growth has been raised by IMF despite the near-term tariff related uncertainties
- RBI has maintained its estimates for Indian economic growth at 6.5%
- IEA projects Indian crude oil demand to keep rising steadily by ~2.8% annually, supporting refined product consumption over the next 4-5 years
- Management projects Brent crude demand at ~USD 67-68/bbl levels for FY26

### Quarterly performance

- BPCL achieved refining throughput of 10.4MT with distillate yield of ~85%
- During the quarter, Russian crude was 34% of total, but the discount narrowed to USD 1-1.5/bbl (down from ~USD 3/bbl levels in FY25). Reported GRM of USD 4.9/bbl
- Lower GRM for BPCL was driven by lower Russian crude discount, lower product cracks, and higher inventory losses as the company stocked up a much higher inventory of ~2.9mt at beginning of the FY to handle the volatility seen in global supply chains
- Company has diversified its crude slate with a much higher % of crude from North and South America to balance uncertainties around Russian crude supply
- The company's lubricant volumes were at 78.7tmt in Q1, down from 83.4tmt in Q1FY25
- The company reported throughput for retail outlet of 153kl/month higher than other PSUs' average in Q1FY26 driven by access to strategic locations and strong network amongst the highways
- Gross DER at standalone level was at 0.12 and on consol level it was 0.4.
- The Bina Petchem project achieved 14% mechanical completion, with INR 8bn invested till date (total investment of INR 68bn)
- The Polypropylene Project at Kochi is at 12.2%, with INR 2.6bn invested out of total INR 12bn
- BPCL is planning a major revamp at the Mumbai refinery to replace the CCU and FCCU units and improve distillate yield – investment required is INR 142bn, with completion date of FY29
- Pre project activities of the planned greenfield refinery in Andhra Pradesh are ongoing
- Other plans include 26 CBG plants, 100 MW of wind farms, and other RE projects, on its own or through JVs

### LPG under-recovery

- With LPG's INR 50/cyn price hike in Apr'25 and the reduction in international prices of LPG to <USD 530-550/t, current LPG under-recovery stands at INR 100/cyn vs. INR 150/cyn in Q1.
- The under-recovery is expected to further reduce to INR 30/cyn by Sep'25, in line with futures indicating LPG prices to decline to ~USD 520/t.

- The company expects its share of LPG compensation (INR 300bn total) to be ~25% or INR 75-80bn.

### Capex

- Capex plan for FY26 is INR 200. Break up of which is -INR 65bn towards refinery and petchem, INR 14bn towards pipeline, INR 40 bn for retail outlet expansion includes INR 14bn for CGD, INR 25bn towards equity investment in BPRL and INR 20bn for other projects
- Capex guidance for FY27/FY28 stands at INR 250bn/INR 340bn (excluding Andra Pradesh refinery project) – major capex would be towards CGD, petchem, Mozambique and Brazil projects
- In Q3FY25, the board approved INR 61bn capex for pre-project activities, including land identification, feasibility studies, and environmental assessment for greenfield refinery petchem complex in Andhra Pradesh.
- BPCL is working with two configurations for the Andra Pradesh greenfield refinery project – one with 9mmt and the other with 12mmt. The 9mmt project has 40% petchem intensity – 4–4.5mmt refinery products and 3.4–3.8mmt petchem intensity
- The project would take 48 months to commission from the start of the project (expected to start by end-CY25)

### Mozambique project

- Mozambique project – upliftment of *force majeure* is expected by Aug-Sep'25
- Mozambique project – side contracts are valid and also SPA is valid and some are renewed. Even project financing of USD 4.7bn remains intact
- Initially, project cost was estimated at USD 15.4bn, which was revised to USD 19.4bn for two trains of total 13mtpa capacity
- BPCL has invested USD 2.3bn in Mozambique (INR 190bn) and has a further commitment of USD 2.1bn over the next couple of years

### Management Guidance

- The company expects brent crude price to range USD 67-68/bbl in the near term, which should help OMCs in generating strong marketing margins
- Mumbai refinery shall benefit with increase in OPEC production

### Others

- BPCL commissioned 317 new retail outlets (ROs) during Q1, taking total network to 23,958
- Added 99 new CNG stations, taking total CNG network to 2607. Added 839 EV charging stations, taking total EV network to 7,402
- Achieved ethanol blending of 19.7% in Q1FY26
- First LNG cargo based on US Henry Hub prices received as part of the contract with ADNOC

## Exhibit 1: Standalone Q1FY26 result snapshot

INRm	1QFY26	1QFY25	YoY%	4QFY25	QoQ %
Net Sales	11,25,147	11,30,960	-0.5	11,11,790	1.2
Adj EBITDA	96,631	56,505	71.0	77,649	24.4
<b>Adjusted PAT</b>	<b>61,239</b>	<b>30,148</b>	<b>103.1</b>	<b>45,517</b>	<b>34.5</b>
Reported PAT	61,239	30,148	103.1	32,141	90.5
<b>Adjusted EPS(INR)</b>	<b>14.1</b>	<b>6.9</b>	<b>103.1</b>	<b>10.5</b>	<b>34.5</b>
Reported EPS(INR)	14.1	6.9	103.1	7.4	90.5
Interest	3,735	4,435	-15.8	5,469	-31.7
Forex gain (loss)	200	(30)		(450)	
Marketing inventory gain (loss)	(8,350)	4,070		5,230	
Average GRM (USD/bbl)	4.9	7.9	-37.9	9.2	-47.0
Gross Margin (INR mn)	1,67,105	1,24,865	33.8	1,57,511	6.1

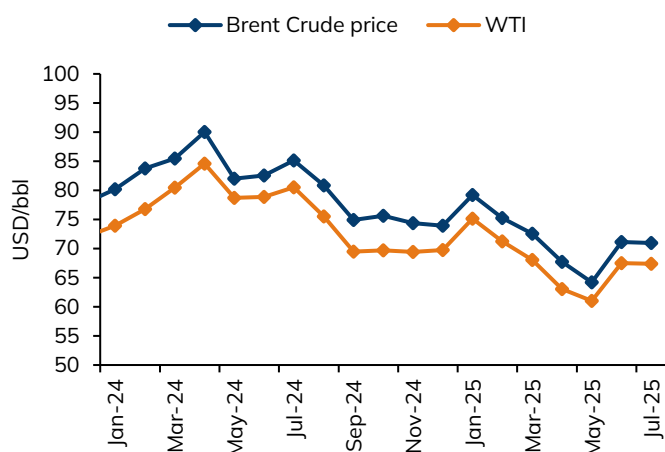
Source: I-Sec research, Company data

## Exhibit 2: Consolidated Q1FY26 result snapshot

INR mn	Q1FY26	Q1FY25	YoY%	Q4FY25	QoQ %
Net Sales	11,25,515	11,30,949	-0.5	11,12,302	1.2
EBITDA	96,779	56,266	72.0	77,365	25.1
Interest	7,577	8,890	-14.8	9,185	-17.5
<b>Depreciation</b>	<b>18,890</b>	<b>16,861</b>	12.0	<b>19,821</b>	-4.7
PAT	68,390	28,415	140.7	43,918	55.7
<b>Adjusted PAT</b>	<b>68,894</b>	<b>29,482</b>	<b>133.7</b>	<b>44,675</b>	54.2
Reported EPS(INR)	15.8	6.5	140.7	10.1	55.7
<b>Adjusted EPS(INR)</b>	<b>15.9</b>	<b>6.8</b>	<b>133.7</b>	<b>10.3</b>	54.2
Refining throughput (mt)	10.4	10.1	3.1	10.6	-1.5
<b>Domestic sales (mt)</b>	<b>13.6</b>	<b>13.2</b>	3.2	<b>13.4</b>	1.2
Exports (mt)	0.5	0.3	66.7	0.3	50.0

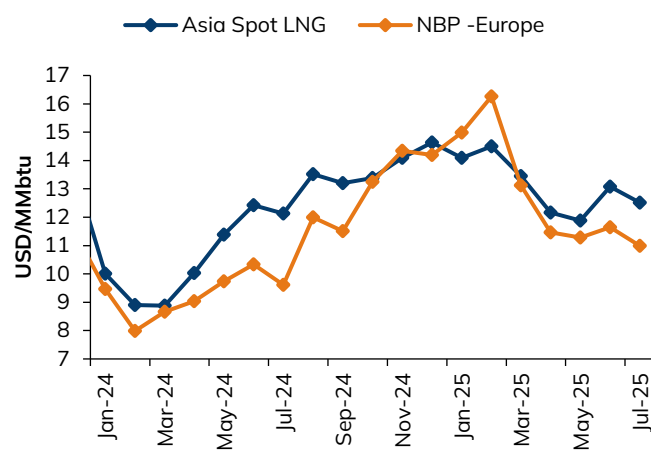
Source: I-Sec research, Company data

## Exhibit 3: Crude prices have decreased sharply in last 6 months

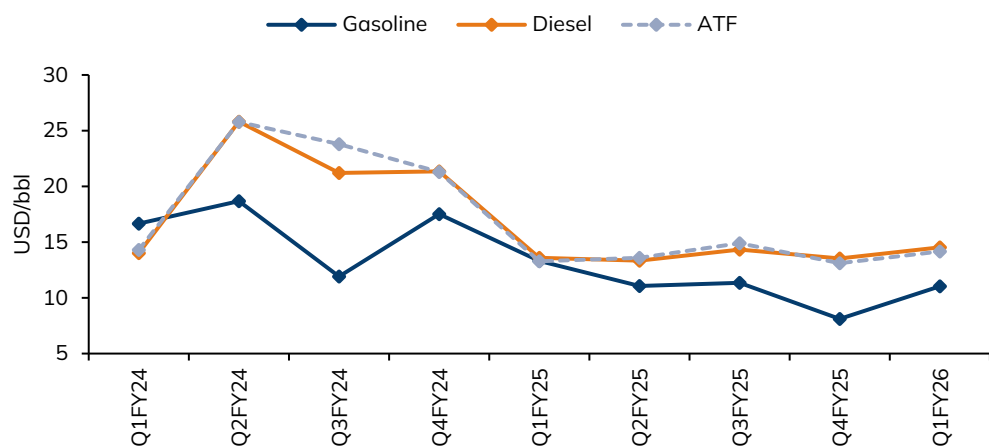


Source: Bloomberg, I-Sec research

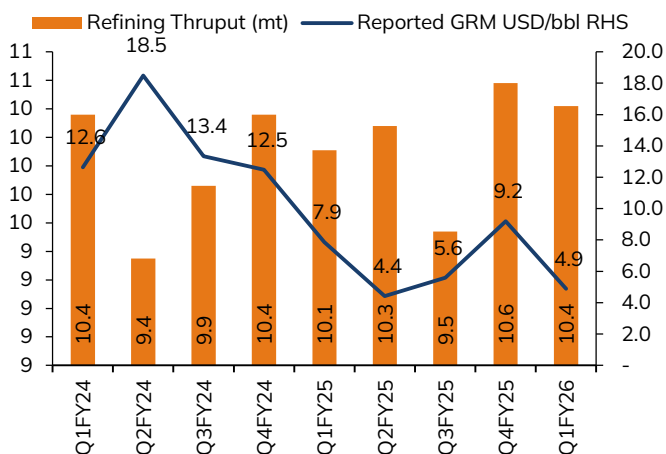
## Exhibit 4: LNG prices have also declined in last 6 months



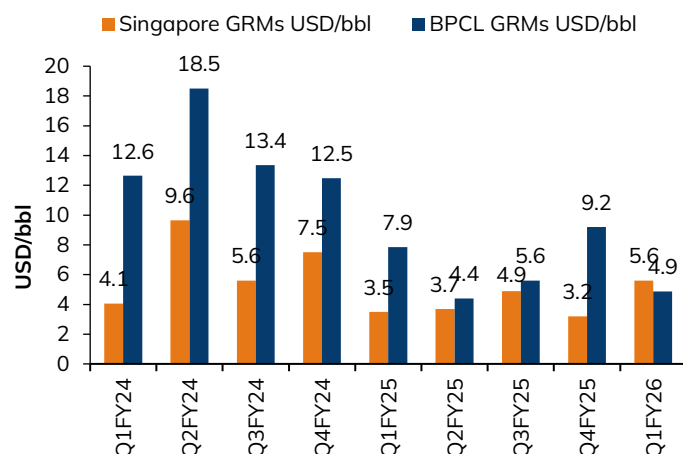
Source: Bloomberg, I-Sec research

**Exhibit 5: Diesel, gasoline and ATF spreads have improved in Q1FY26**

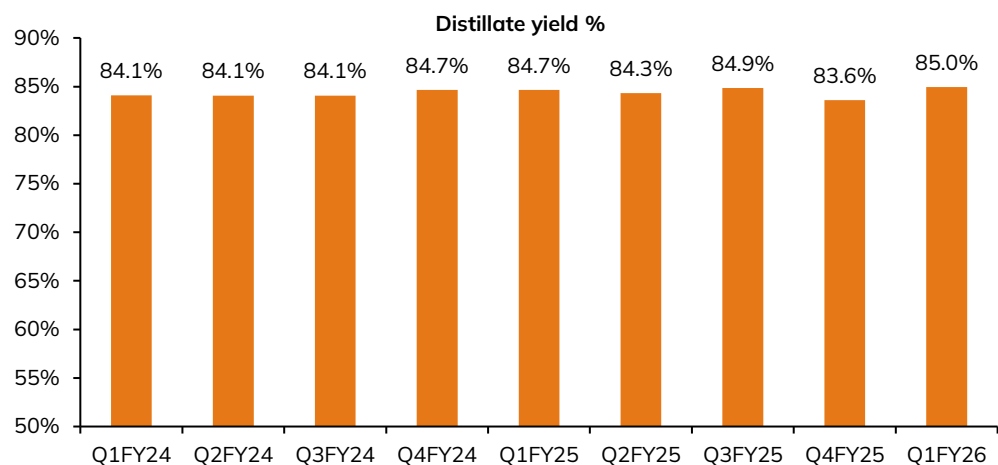
Source: Company data, I-Sec research

**Exhibit 6: Q1FY26 GRMs declined sharply QoQ**

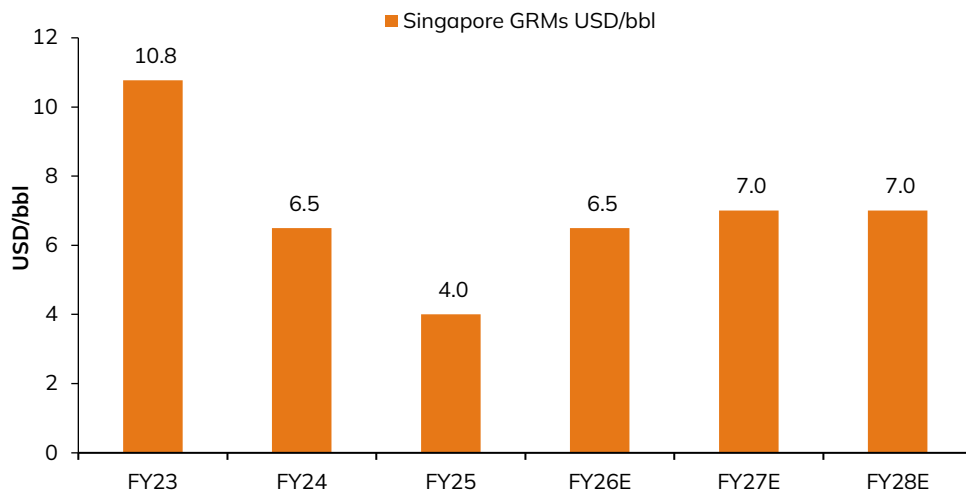
Source: Company data, I-Sec research

**Exhibit 7: Premium to Singapore GRMs**

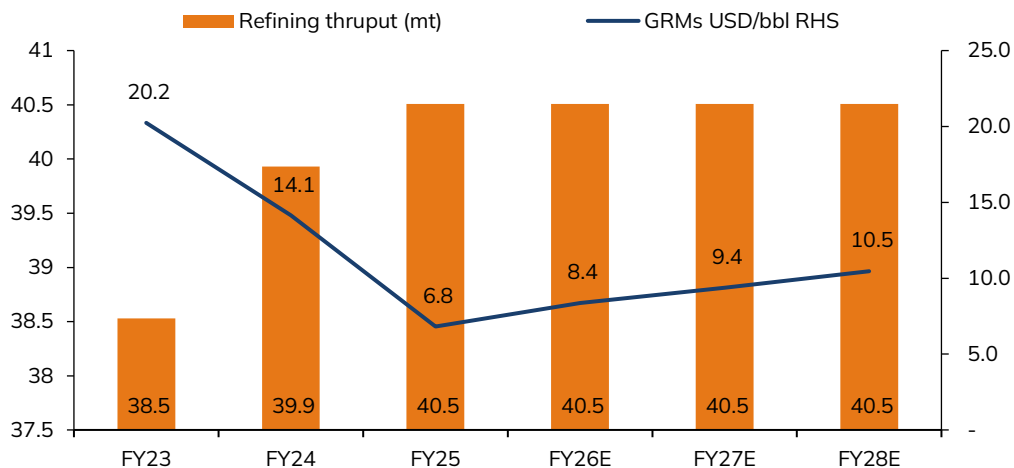
Source: Company data, I-Sec research

**Exhibit 8: Distillate yields remain improved in Q1FY26**

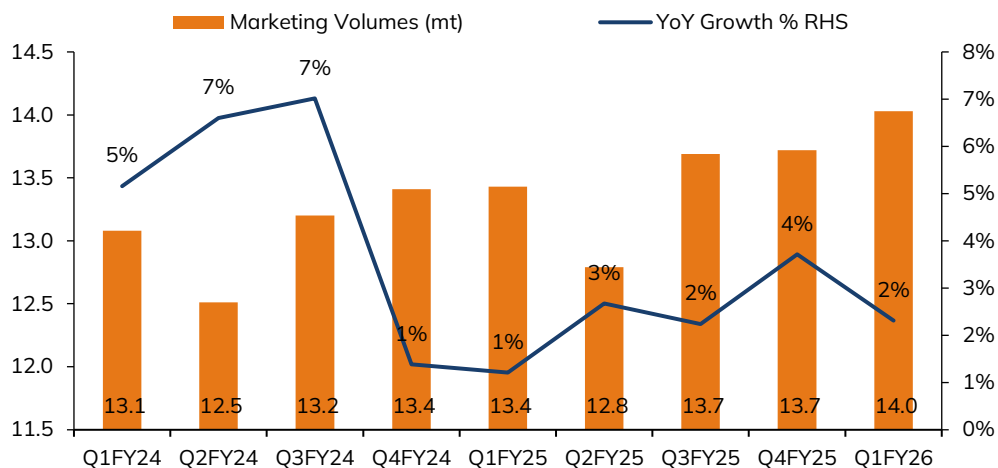
Source: Company data, I-Sec research

**Exhibit 9: Singapore GRM estimates for FY23–28**

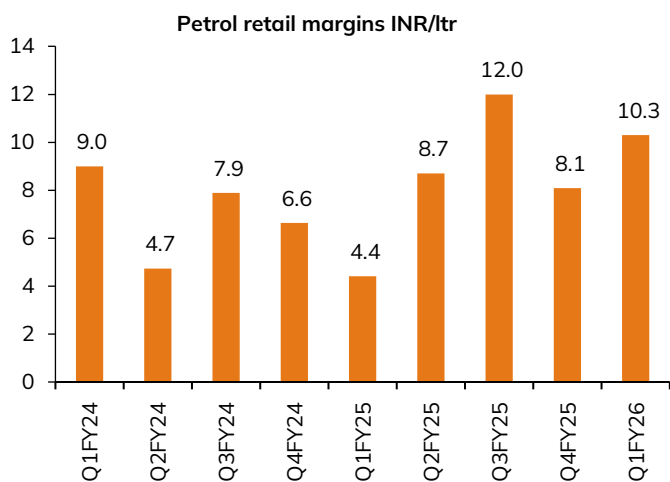
Source: Company data, I-Sec research

**Exhibit 10: GRM estimates and throughputs for BPCL over FY23–28**

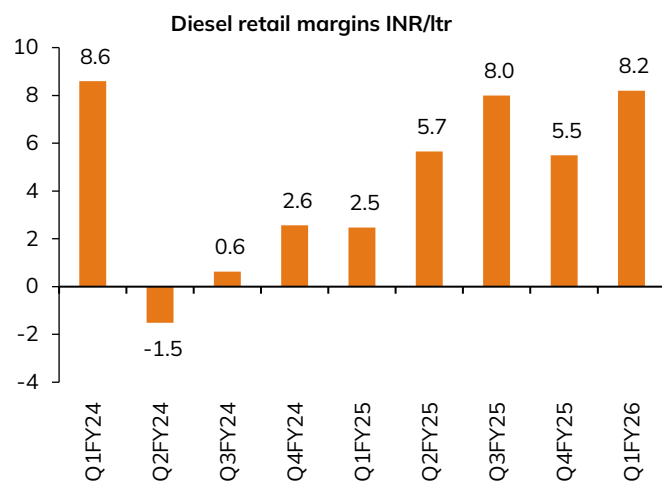
Source: Company data, I-Sec research

**Exhibit 11: Marketing volumes improved YoY**

Source: Company data, I-Sec research

**Exhibit 12: Petrol retail margin improved in Q1FY26 QoQ**

Source: Company data, I-Sec research

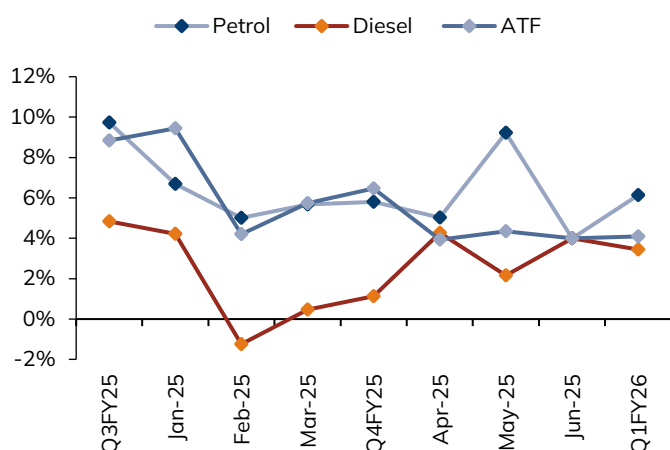
**Exhibit 13: Diesel retail margin also increased in Q1FY26 QoQ**

Source: Company data, I-Sec research

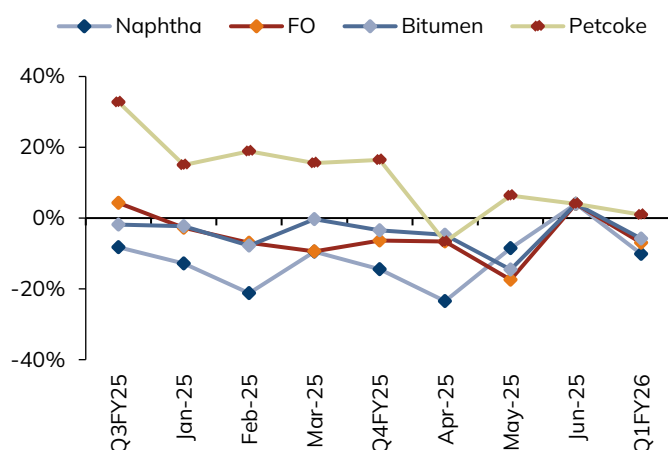
**Exhibit 14: Gross margin trends**

INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Gross Margins	1,92,335	1,35,815	1,70,125	1,24,865	1,14,587	1,52,072	1,57,511	1,67,105
Marketing Inventory gain/(loss)	14,970	-3,690	-7,650	4,070	-11,130	-7,220	5,230	-8,350
Net under-recovery	-	-	-	-	-	-	-	-
Earnings (adjusting for net under-recovery)	1,77,365	1,39,505	1,77,775	1,20,795	1,25,717	1,59,292	1,52,281	1,75,455
Refining earnings	1,04,332	80,015	78,357	48,159	27,725	32,831	61,540	31,738
Pipeline margins	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Marketing earnings	70,033	56,490	96,417	69,635	94,992	1,23,461	87,741	1,40,717
Marketing margin (INR/mt)	5,598	4,280	7,190	5,185	7,427	9,018	6,395	10,030
Marketing margin (USD/bbl)	9.3	7.0	11.9	8.6	12.1	14.7	10.1	16.1

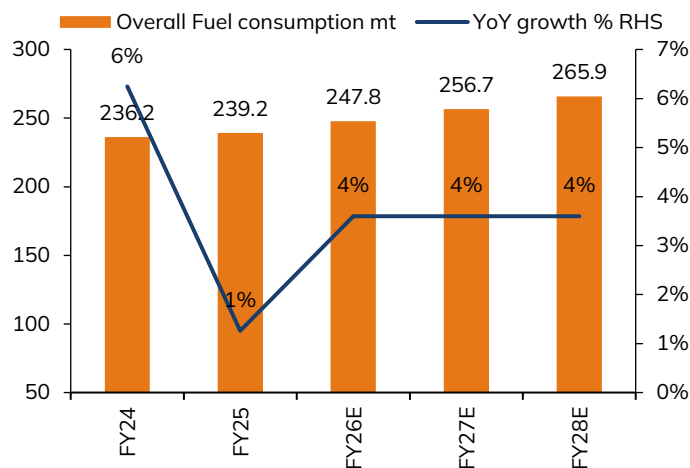
Source: Company data, I-Sec research

**Exhibit 15: Transport fuel demand growth stays strong**

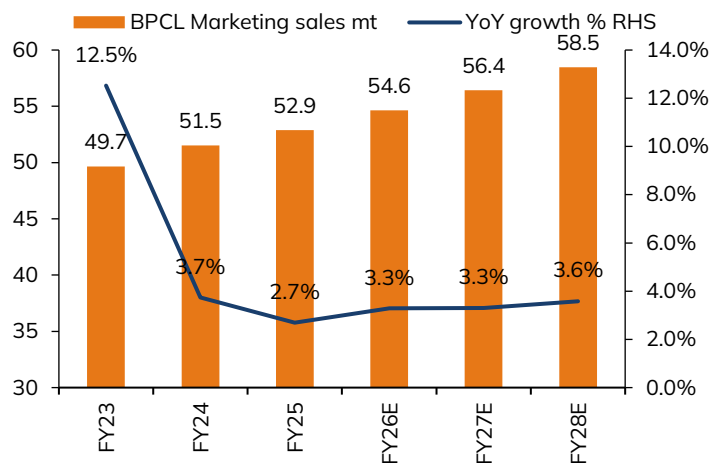
Source: Company data, I-Sec research

**Exhibit 16: Industrial fuel demand growth trends**

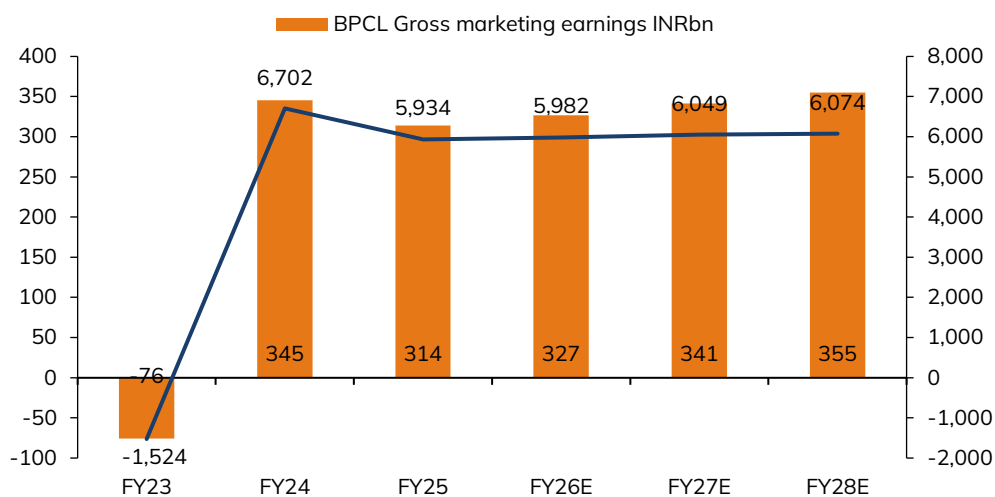
Source: Company data, I-Sec research

**Exhibit 17: India fuel consumption growth trends**

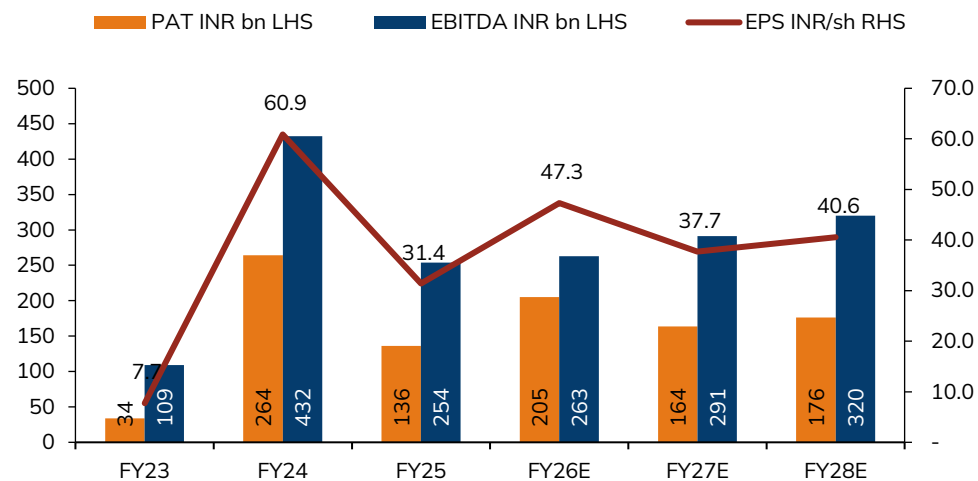
Source: Company data, I-Sec research

**Exhibit 18: BPCL fuel consumption growth estimates**

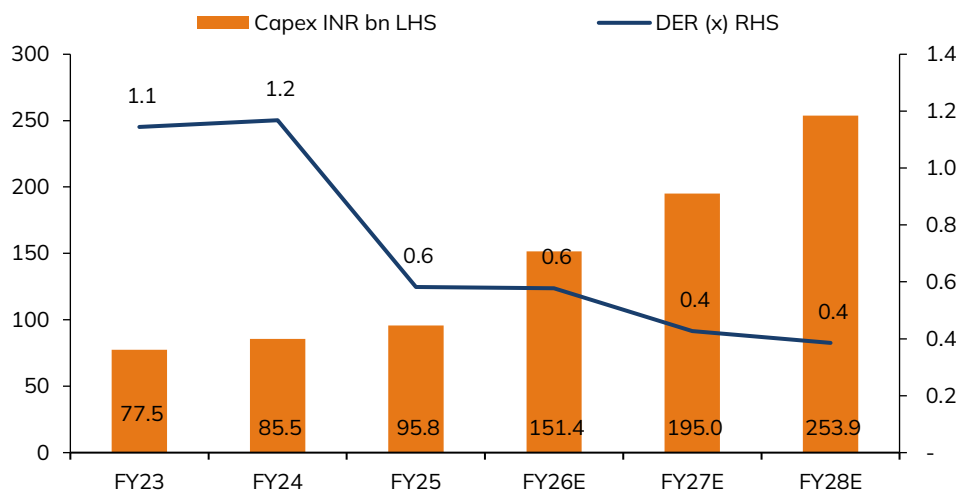
Source: Company data, I-Sec research

**Exhibit 19: Expect marketing margins to remain strong over FY26–28E**

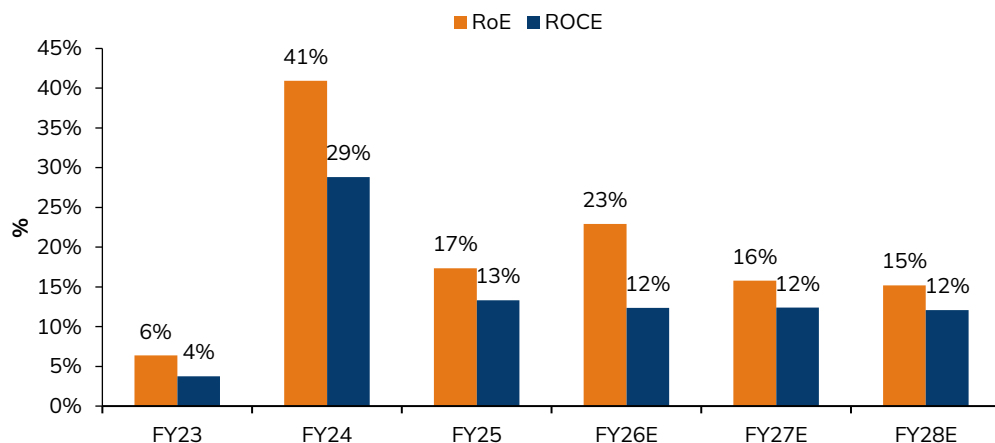
Source: Company data, I-Sec research

**Exhibit 20: Expect earnings to improve over FY26–28E**

Source: Company data, I-Sec research

**Exhibit 21: Capex likely to increase over FY25–28E; DER remains comfortable**

Source: Company data, I-Sec research

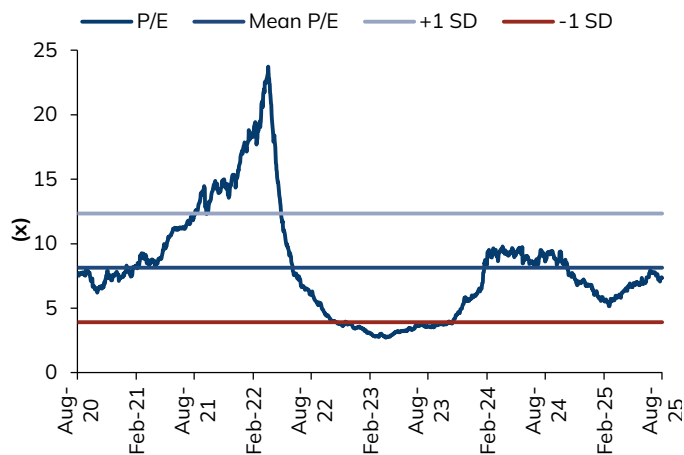
**Exhibit 22: Return ratios likely to follow earnings trajectory and capex trends**

Source: Company data, I-Sec research

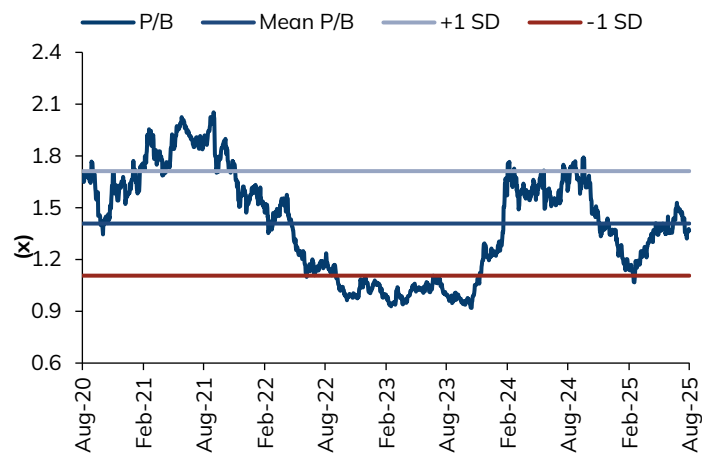
**Exhibit 23: Valuation summary**

	INR mn
<b>FY27E EBITDA</b>	<b>3,19,918</b>
Multiple	5.5
EV	17,72,348
Less: net debt	4,22,333
Add: Market value of investments and oil bonds	1,32,133
Value of oil & gas reserves in Mozambique & Russia	2,08,344
<b>Equity value</b>	<b>16,90,493</b>
<b>TP (INR/share)</b>	<b>390</b>
<b>CMP</b>	<b>318</b>
<b>Upside</b>	<b>23%</b>

Source: Company data, I-Sec research

**Exhibit 24: BPCL P/E trading near 5-year bands**

Source: Company data, I-Sec research

**Exhibit 25: BPCL P/B trading near 5-year bands**

Source: Company data, I-Sec research

**Exhibit 26: Shareholding pattern**

%	Dec'24	Mar'25	Jun'25
Promoters	53.0	53.0	53.0
Institutional investors	35.8	35.7	37.7
MFs and others	11.5	11.2	11.8
FIs/Banks	0.1	0.1	0.1
Insurance	9.5	9.8	10.3
FIIIs	14.7	14.6	15.5
Others	11.2	11.3	9.3

Source: Bloomberg, I-Sec research

**Exhibit 27: Price chart**

Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 28: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>44,02,719</b>	<b>38,06,668</b>	<b>40,71,585</b>	<b>44,84,542</b>
<b>EBITDA</b>	<b>2,54,014</b>	<b>2,62,839</b>	<b>2,91,170</b>	<b>3,19,918</b>
EBITDA Margin (%)	5.8	6.9	7.2	7.1
Depreciation & Amortization	72,567	80,351	92,721	1,07,128
EBIT	1,81,447	1,82,488	1,98,449	2,12,790
Interest expenditure	35,914	32,107	31,254	33,190
Other Non-operating Income	26,847	1,05,432	32,000	35,200
<b>PBT</b>	<b>1,68,596</b>	<b>2,55,813</b>	<b>1,99,195</b>	<b>2,14,801</b>
<b>Profit / (Loss) from Associates</b>	<b>13,227</b>	<b>13,889</b>	<b>14,583</b>	<b>15,312</b>
Less: Taxes	48,458	64,388	50,137	54,065
PAT	1,20,138	1,91,425	1,49,058	1,60,735
Less: Minority Interest	-	-	-	-
<b>Net Income (Reported)</b>	<b>1,33,366</b>	<b>2,05,314</b>	<b>1,63,641</b>	<b>1,76,048</b>
Extraordinaries (Net)	(3,784)	-	-	-
<b>Recurring Net Income</b>	<b>1,36,197</b>	<b>2,05,314</b>	<b>1,63,641</b>	<b>1,76,048</b>

Source Company data, I-Sec research

### Exhibit 29: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	7,30,090	6,09,702	6,26,654	6,59,715
of which cash & bank	1,04,756	96,180	1,21,205	1,05,277
Total Current Liabilities & Provisions	6,76,049	5,86,927	6,20,089	6,51,140
<b>Net Current Assets</b>	<b>54,041</b>	<b>22,776</b>	<b>6,565</b>	<b>8,575</b>
Other Non Current Assets	-	-	-	-
Net Fixed Assets	8,86,281	9,87,777	11,35,056	12,82,928
Other Fixed Assets	-	-	-	-
Capital Work in Progress	2,63,868	2,77,061	2,90,914	3,05,460
Non Investment	2,65,306	2,67,959	2,70,639	2,73,345
Current Investment	36,631	36,631	36,631	36,631
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>15,06,127</b>	<b>15,92,204</b>	<b>17,39,805</b>	<b>19,06,939</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>6,11,006</b>	<b>5,50,168</b>	<b>5,80,168</b>	<b>6,20,168</b>
<b>Deferred Tax Liability</b>	<b>81,280</b>	<b>65,409</b>	<b>65,409</b>	<b>65,409</b>
Lease Liability	-	-	-	-
Other Liabilities	-	-	-	-
Equity Share Capital	42,726	42,726	42,726	42,726
Reserves & Surplus*	7,71,115	9,33,901	10,51,502	11,78,636
<b>Total Net Worth</b>	<b>8,13,841</b>	<b>9,76,627</b>	<b>10,94,228</b>	<b>12,21,362</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>15,06,127</b>	<b>15,92,204</b>	<b>17,39,805</b>	<b>19,06,939</b>

Source Company data, I-Sec research

### Exhibit 30: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	10,27,904	11,31,358	11,11,790	11,25,147
% growth (YOY)	0%	-2%	-5%	-1%
EBITDA	45,464	75,804	77,649	96,631
Margin %	4%	7%	7%	9%
Other Income	8,896	8,285	7,930	7,487
Extraordinaries	0	0	17,739	0
Adjusted Net Profit	23,972	46,492	45,517	61,239

Source Company data, I-Sec research

### Exhibit 31: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Cash Flow from operation before working Capital</b>	<b>2,67,607</b>	<b>2,62,839</b>	<b>2,91,170</b>	<b>3,19,918</b>
Working Capital Changes	9,068	6,817	41,236	(17,938)
Tax	(39,897)	(64,388)	(50,137)	(54,065)
<b>Operating Cashflow</b>	<b>2,36,778</b>	<b>2,05,268</b>	<b>2,82,268</b>	<b>2,47,915</b>
Capital Commitments	(1,51,037)	(1,95,040)	(2,53,853)	(2,69,546)
<b>Free Cashflow</b>	<b>85,741</b>	<b>10,228</b>	<b>28,415</b>	<b>(21,631)</b>
Others CFI	18,558	1,16,668	43,904	47,806
<b>Cashflow from Investing Activities</b>	<b>(1,32,480)</b>	<b>(78,372)</b>	<b>(2,09,949)</b>	<b>(2,21,740)</b>
Inc (Dec) in Borrowings	31,413	(60,837)	30,000	40,000
Interest Cost	(28,210)	(32,107)	(31,254)	(33,190)
Others	(65,609)	(42,528)	(46,039)	(48,914)
<b>Cash flow from Financing Activities</b>	<b>(62,406)</b>	<b>(1,35,472)</b>	<b>(47,294)</b>	<b>(42,104)</b>
<b>Chg. in Cash &amp; Bank balance</b>	<b>41,892</b>	<b>(8,576)</b>	<b>25,025</b>	<b>(15,929)</b>
Closing cash & balance	1,04,756	96,180	1,21,205	1,05,277

Source Company data, I-Sec research

### Exhibit 32: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Per Share Data (INR)</b>				
Recurring EPS	31.4	47.3	37.7	40.6
Diluted EPS	31.4	47.3	37.7	40.6
Recurring Cash EPS	48.1	65.8	59.1	65.3
Dividend per share (DPS)	10.0	9.8	10.6	11.3
Book Value per share (BV)	187.6	225.1	252.2	281.5
Dividend Payout (%)	31.9	20.7	28.1	27.8
<b>Growth (%)</b>				
Net Sales	(1.6)	(13.5)	7.0	10.1
EBITDA	(41.2)	3.5	10.8	9.9
EPS	(48.5)	50.7	(20.3)	7.6
<b>Valuation Ratios (x)</b>				
P/E	10.1	6.7	8.4	7.8
P/CEPS	6.6	4.8	5.4	4.9
P/BV	1.7	1.4	1.3	1.1
EV / EBITDA	7.3	6.8	6.2	5.8
EV / Operating Income	8.9	6.2	7.8	7.5
Dividend Yield (%)	3.1	3.1	3.3	3.5
<b>Operating Ratios</b>				
EBITDA Margins (%)	5.8	6.9	7.2	7.1
Effective Tax Rate (%)	28.7	25.2	25.2	25.2
Net Profit Margins (%)	2.7	5.0	3.7	3.6
NWC / Total Assets (%)	3.6	1.4	0.4	0.4
Fixed Asset Turnover (x)	3.5	2.8	2.6	2.4
Working Capital Days	20.7	20.3	21.7	22.0
Net Debt / Equity %	57.7	42.7	38.6	39.2
<b>Profitability Ratios</b>				
RoCE (%)	9.5	9.3	9.3	9.1
RoCE (Pre-tax) (%)	13.3	12.4	12.4	12.1
RoE (%)	17.3	22.9	15.8	15.2

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet\_babbar@icicisecuritiesinc.com, Rishi\_agrawal@icicisecuritiesinc.com and Kadambari\_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)  
**BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return**

## ANALYST CERTIFICATION

I/We, Probal Sen, CA, MBA; Hardik Solanki, CA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

### Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icicidirect.com](http://icicidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. 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 Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. 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 customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed 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, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

---

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

---