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India | Equity Research | Results update

Hindustan Petroleum

Oil & Gas

Q3FY26 update: Framework for sustainable growth taking shape!

HPCL's Q3FY26 standalone EBITDA/PAT of INR 70.2bn/INR 40.8bn rose 17.6%/34.7% YoY (+2/+6% QoQ) vs. I-Sec est. of INR 73.7/INR 41.6bn. Contamination in an oil cargo at the Mumbai refinery (MR) and subsequent cleanup impacted MR's GRM by USD 3.5/bbl, offset by lower LPG losses (down INR 7bn QoQ) and LPG compensation of INR 13.2bn. FY26–28E is likely to see momentum, led by: 1) higher and more complex refining capacity; 2) resilient GRM trends; 3) operational efficiencies; and 4) deleveraging. Average EBITDA run-rate for last four quarters is at INR 68bn vs. last 14 quarters' avg. of INR 43.8bn; we see similar trends for Q4FY26–H1FY27E, helped by higher GRMs, Vizag residual commissioning (incremental USD2-2.5/bbl benefit) and steady retail margins. Maintain **BUY** with revised TP of INR 630.

Healthy volumes, steady margins

Refinery throughput at 6.4mt, down 1.4% YoY. GRM of USD 8.9/bbl (~USD1.3/bbl inventory loss, ~USD1.3/bbl impact of the Mumbai refinery disruption due to contamination of a crude cargo) was flattish QoQ. With the commissioning of the bottom upgradation units at Vizag and Rajasthan refinery being on course for likely commissioning in Q4FY26, we see HPCL's portfolio materially benefiting in the next 2–3 years. Volume in marketing was steady – domestic sales grew 3% YoY to 12.7mt, and overall volume grew 3.7% YoY to 13.3mt. The margin environment has been favourable in the last few quarters; with crude also at comfortable levels of USD 65/bbl, both GRMs and marketing margins look set to stay above their historical levels for HPCL.

LPG losses to reduce; INR 13bn compensation received

HPCL reported LPG loss of just INR 5bn in Q3 (vs. cumulative losses of INR 109bn in FY25). The company received monthly LPG compensation of INR 6.6bn from Nov'25. With the fall in propane prices coupled with the INR 50/cylinder increase in subsidies, LPG losses reduced in Q3 to INR 35/cylinder. However, with a rise in propane prices by USD 30–35/t, LPG under-recovery is expected to reach 100–120/cylinder in Q4. Assuming crude stays in a narrow band of USD 65–67/bbl, LPG losses are expected to clock in at sharply lower levels for FY27E vs FY26, while INR 46bn payout of past losses (7 monthly instalments due in FY27E) will also support margins.

Financial Summary

Y/E March (INR Mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	43,41,062	38,66,739	41,96,172	44,17,423
EBITDA	1,65,512	2,87,875	2,95,871	3,26,961
EBITDA %	3.8	7.4	7.1	7.4
Net Profit	67,357	1,27,068	1,46,123	1,77,063
EPS (INR)	31.7	59.7	68.7	83.2
EPS % Chg YoY	(57.9)	88.6	15.0	21.2
P/E (x)	13.5	7.2	6.2	5.1
EV/EBITDA (x)	9.5	5.5	4.9	4.2
RoCE (Pre-tax) (%)	8.8	17.5	16.8	18.2
RoE (%)	13.7	22.9	22.6	23.5

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Market Data

Market Cap (INR)	910bn
Market Cap (USD)	9,934mn
Bloomberg Code	HPCL IN
Reuters Code	HPCL.BO
52-week Range (INR)	508 /288
Free Float (%)	45.0
ADTV-3M (mn) (USD)	22.5

Price Performance (%)	3m	6m	12m
Absolute	(6.1)	(0.4)	15.6
Relative to Sensex	(3.6)	(0.5)	7.8

ESG Score	2024	2025	Change
ESG score	64.9	62.2	(2.7)
Environment	49.4	49.8	0.4
Social	69.5	66.6	(2.9)
Governance	76.6	70.5	(6.1)

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	1	4	3
EBITDA	(1)	0	1
EPS	(1)	2	3

Previous Reports

31-10-2025: [Q2FY26 results review](#)

10-08-2025: [Q1FY26 results review](#)

Material deleveraging in store

Despite volatility in global energy markets and geopolitical uncertainties, HPCL's performance has improved in scale and consistency over the last 4–5 quarters. The higher and sustained improvement in cashflow is likely to replicate itself over FY26–28E; also, capex in large projects winding-down, coupled with higher operating earnings, could drive significant deleveraging of debt over FY26–28E. Net DER is likely to decline to 0.8x in FY27E, from current levels of ~1x in FY26E. The next wave of capital allocation will likely include renewable energy projects, CGD expansion, fuel marketing infrastructure, CBG plants, LNG infrastructure development, with smaller capex towards debottlenecking and capacity additions at refineries.

Operating metrics should improve

We see the following factors enabling sustained improvement in operational prospects over FY26–28E: 1) Targeted investments in improving scale and complexity of downstream business. 2) Diversification that is aligned to margin improvement. 3) Improving leverage.

The completion of the Vizag expansion along with commissioning of residue upgradation unit and the imminent commissioning of the Rajasthan refinery may add some much-needed petchem output to the traditional refined product yield for HPCL. This could allow FY26–28E to see a steep change in scale and scope of business.

Building operational efficiency

Under the Samriddhi program, HPCL has captured operational efficiency benefits totalling INR 12.6bn in FY26; of which, INR 5.2bn represents recurring benefits. HPCL is launching Samriddhi 2.0 with support from external consultants. The initiative would focus on digital transformation and value capture, process improvement and efficiency enhancement, future-ready preparation and fundamental changes to the cost structure.

We remain optimistic; Maintain BUY

With minor upgrades in earnings (FY27/28E EPS raised by 2/3%), we believe HPCL's current valuation leaves scope for a material uptick in its stock price over the next 12–18 months. We see structural changes in scale and scope of operations over the next three years. EPS CAGR of 18% (FY26–28E), dividend yield of 5–6% and RoE/RoCE of 23%/18% (FY28E) are not reflecting in valuations of just 5.1x FY28E PER, 4.2x FY28E EV/EBITDA 1.1x P/BV. We revise TP to INR 630 (earlier INR 620), implying a 47% upside from CMP. Reiterate **BUY**.

Upside risks: 1) Faster-than-expected revival in benchmark GRMs; 2) recovery in petchem price realisation; 3) stronger retail fuel margin; and 4) valuations of associated businesses (CGDs, renewables etc.) playing into Street's estimates.

Downside risks: 1) Execution delays and longer stabilisation time of the expanded capacity; 2) prolonged downturn in both refining and petchem cycles; and 3) adverse promoter (government) intervention in retail fuel pricing.

Q3FY26 conference call takeaways

Major project updates

- The Vizag residual upgradation project was commissioned in Jan'26, set to improve distillate yield by ~10% and convert upto ~90% of bottom of the barrel residuals to middle distillates. The facility features three reactors, each weighing 2,200 tonnes with 25cm thick walls. The performance guarantee test by its vendor is due in Mar'26, wherein all units should be running at 100% utilisation for 5–7 days continuously for testing purpose. The expansion is expected to deliver an incremental GRM benefit of USD 2.5/bbl for the Vizag refinery. The refinery should ramp up gradually Q1FY27 onwards.
- With regard to the Rajasthan Refinery (HRRL), all four pipelines for crude and natural gas have been commissioned. Multiple units have been completed, and the commissioning process for the CDU is currently in the middle of its sequence. The first tranche of products from HRRL is expected in Feb'26, with a gradual ramp-up anticipated in Q1FY27. The petchem units are expected to be commissioned by FY28. Total capex remains at the budgeted ~INR 800bn, with no cost overruns. Primary focus remains on execution excellence of the petchem project and capturing internal efficiencies, rather than speculating on the future margin environment.

LNG and crude sourcing

- HPCL has closed a sales purchase agreement with ADNOC for 0.5 mtpa of gas for a 10-year period. LNG is likely to be received at the Chhara terminal; although, flexibility exists for alternative destinations, if needed. The gas consumption would be both for internal use and for selling in the market. The gas deal is Brent-linked and considered competitive compared to other deals in India. Additionally, HPCL had earlier signed 0.5mtpa of LNG Henry Hub contract with ADNOC.
- The HPCL LNG terminal at Chhara is currently EBITDA positive, but operating below capacity. Utilisation is expected to pick up over the next 12 months. The breakwater construction is expected to be completed in the next few quarters; after which, the terminal should reach cash breakeven.
- The company is optimising its crude sourcing model to capture pricing benefits including the use of AI-based tools to analyse pricing patterns. The Vizag expansion provides the capability to process a more diverse slate of crude oils, enabling greater value-capture on the cost side.
- HPCL also has the capability to process Venezuelan crude. It would evaluate opportunities as they arise; although, this crude has its own processing challenges.
- The company sources ~6 mmt of LPG annually through imports. HPCL, along with two other OMCs, has collectively closed a deal for a propane-butane mix sourcing from US.

Operational performance

- The company achieved strong physical performance with significant sales growth on the retail side. Refinery throughput operated at 103% capacity utilisation. However, GRM was impacted by the HOEC crude incident at the Mumbai refinery, which affected GRM due to high salt content.
- Due to the above-mentioned incident and subsequent clean up and operational disruptions, Mumbai refinery GRMs were impacted by USD 3.5 /bbl in Q3, resulting in an overall GRM impact of USD 1.3/bbl for HPCL. Excluding this impact, the GRM for HPCL is estimated by management to be USD 10.24/bbl vs. reported GRM of USD 8.85/bbl.

- HPCL saw an inventory gain of INR 140mn in the marketing segment and an inventory loss of INR 5.4bn in the refining segment during the quarter.
- HMEL (Hindustan Mittal Energy Limited) generated EBITDA of INR 40bn during 9MFY26 despite undergoing a 40-day turnaround (in Q3FY26). However, the subsidiary reported PAT losses of INR 940mn/INR 180bn in Q3FY26/9MFY26.
- LPG under-recovery stood at INR 35/cylinder (loss of INR 5bn) in Q3. For Q4, the under-recovery is estimated at INR 100–120/cylinder. Specifically, Jan'26 saw losses of INR 95/cylinder while Feb'26 losses are estimated at INR 120/cylinder due to higher Saudi Contract Prices of LPG in Asia.

Operational efficiency improvements

- The company has achieved significant operational efficiency gains in the last few quarters. Operating expenses as a percentage of revenue improved to 1.37% in Q3FY26, from 1.6% in Q3FY25. This potentially implies that HPCL is now spending less money for every INR 1,000 of revenue earned. On a per-tonne basis, operating expenses reduced by 9% YoY for 9MFY26 and 13% for Q3FY26, respectively.
- Under the Samriddhi program, the company has captured operational efficiency benefits totalling INR 12.6bn. Of this amount, INR 5.2bn represents recurring benefits while INR 7.5bn is one-time in nature.
- HPCL is launching Samriddhi 2.0 with support from external consultants. The initiative would focus on digital transformation and value capture, process improvement and efficiency enhancement, future-ready preparation and fundamental changes to the cost structure
- The debt-to-equity (DER) ratio stood at 1.37x at the beginning of FY26 and improved to 0.86x by Q3FY26. Interest costs have decreased due to lower leverage and refinancing at better rates. While the ratio may fluctuate due to the cyclical nature of the business, it is expected to remain well below the 1.15x guidance level given earlier for FY26 (we estimate 0.8-0.9x Net DER for FY27-28E).

Capital expenditure

- Capital expenditure for FY26 is expected to be INR 130bn–140bn, lower than the budgeted INR 150bn.
- The company is developing plans for the next wave of capital allocation, which will likely include renewable energy projects, CGD expansion, fuel marketing infrastructure, CBG plants, LNG infrastructure development with limited capex towards debottlenecking and capacity additions at refineries.
- Several customer-focused initiatives are underway. These include retail outlet renovation programs, which drive better retention and higher volumes, introduction of EV chargers at retail outlets, and expansion of non-fuel retail options.
- The company has targeted retail outlet renovation plans and expects meaningful changes to be visible over the next five years.
- For FY27, the company's focus would be on capturing benefits from the Vizag expansion, commissioning and stabilising the Rajasthan refinery and continued focus on operational efficiencies.

Production and self-sufficiency

- Management has guided for Vizag refinery's distillate yield of 82% post-expansion/stabilisation of rough unit vs. ~70% two years ago. This represents a substantial improvement in the refinery's product slate.
- Post the Vizag expansion, HPCL expects to source 86% of diesel requirements internally, with this figure reaching 100% after HRRL commissioning. For petrol Only 11% would be required via external procurement after HRRL comes online.
- HPCL has not lost market share in retail diesel. The reduction in volumes is primarily in the bulk segment, where the company has deliberately reduced sales due to sub-optimal margins.

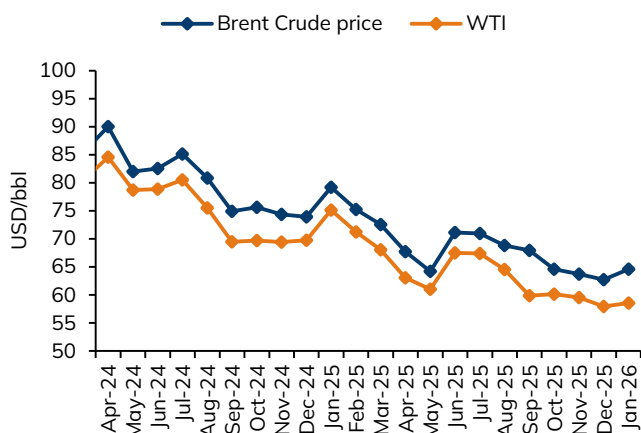
Others

- The company is building a larger customer-facing lubricants business with multi-year plans developed in consultation with external advisors. Key initiatives include: building on-ground presence through brand awareness campaigns, establishing racer stations and other customer-facing initiatives, launching new high-grade product ranges including synthetic lubricants, expanding into allied products such as greases and Ramping up R&D capabilities
- Most assets have already been capitalised, including one month of RUF (Vizag expansion) operations. The full effect of RUF depreciation will be visible from Q4 onwards.
- HPCL is preparing for potential volatility – arising possibly out of excise duty hike and INR depreciation – by lowering its break-even costs and improving operational efficiency.
- A separate CGD vertical has been created with a focus on growth and value capture. The CGD business is already EBITDA positive.

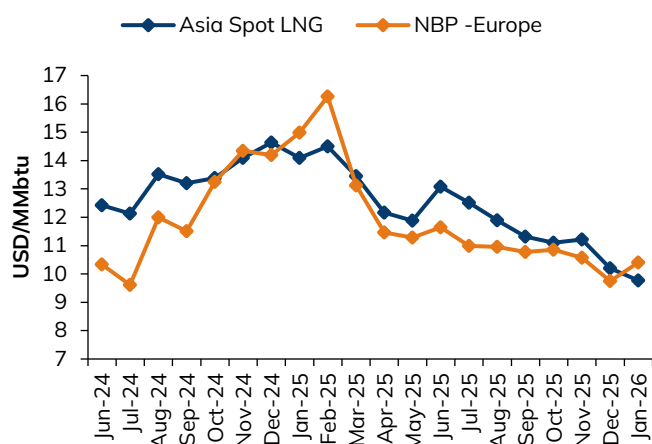
Exhibit 1: Q3FY26 result snapshot

INR mn	Q3FY26	Q3FY25	YoY chg%	Q2FY26	QoQ chg%	9MFY26	9MFY25	YoY chg%
Sales	11,50,538	11,05,054	4.1	10,07,811	14.2	32,66,023	32,42,358	0.7
EBITDA	70,194	59,702	17.6	68,910	1.9	2,15,122	1,08,022	99.1
Adj PAT	40,730	30,229	34.7	38,304	6.3	1,22,742	40,099	206.1
Reported PAT	40,730	30,229	34.7	38,304	6.3	1,22,742	40,099	206.1
Adj EPS	19.1	14.2	34.7	18.0	6.3	57.7	18.8	206.1
Depreciation	16,189	15,097	7.2	15,570	4.0	47,251	45,069	4.8
Interest	6,741	9,291	(27.5)	7,611	(11.4)	21,845	26,022	(16.1)
Employee expense	8,480	9,516	(10.9)	8,132	4.3	25,583	24,675	3.7
Other Income	6,862	4,791	43.2	5,460	25.7	17,548	16,239	8.1
Marketing Inventory gain (loss)	140	(4,600)		5,690		(170)	(14,550)	
Forex gain (loss)	(2,440)	(4,810)		(7,262)		(10,422)	(5,250)	
Average GRM(USD/bbl)	8.9	6.0	47.3	8.8	0.6	6.9	4.7	46.2

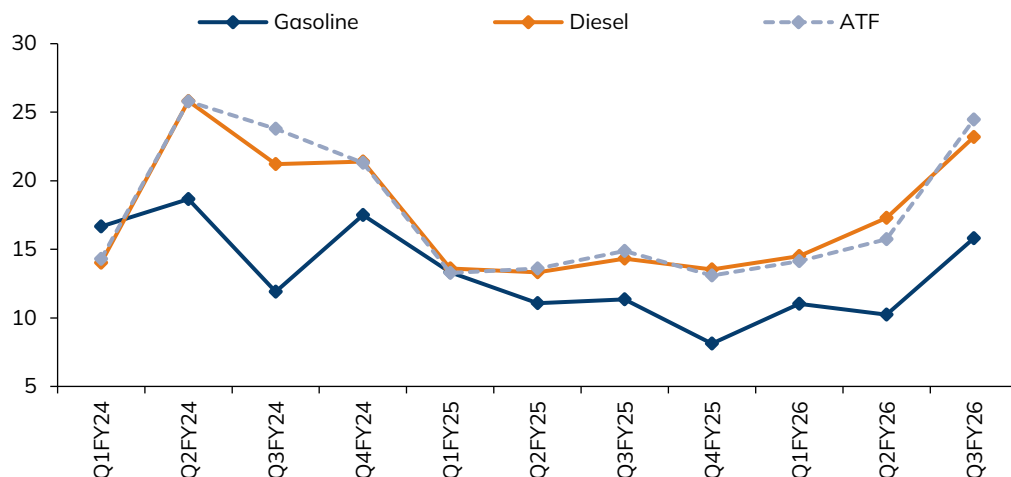
Source: I-Sec research, Company data

Exhibit 2: Crude prices fell sharply in last 6 months

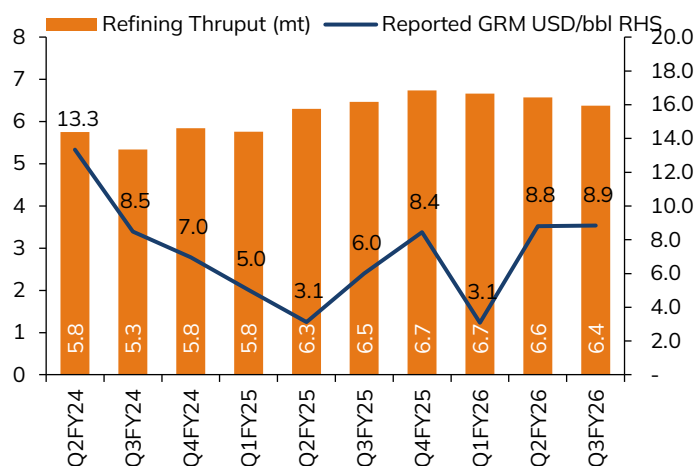
Source: Bloomberg, I-Sec research

Exhibit 3: LNG prices have also declined in last 6 months

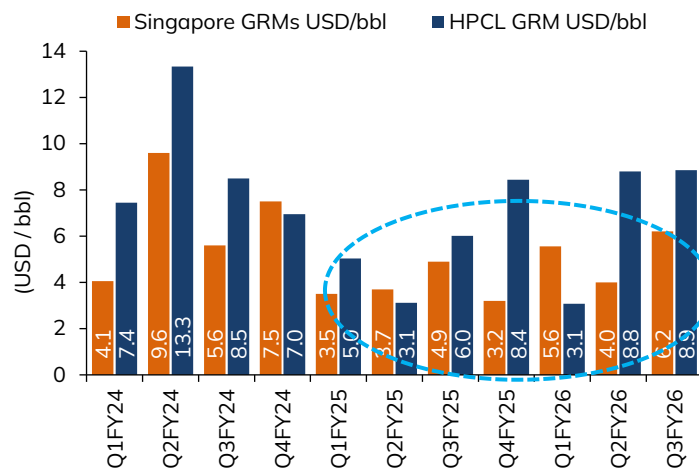
Source: Bloomberg, I-Sec research

Exhibit 4: Diesel, petrol and ATF spreads improved in Q3FY26 QoQ

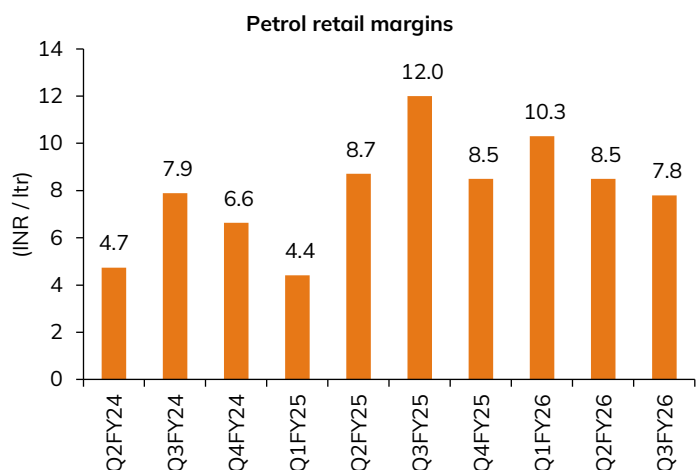
Source: I-Sec research, Company data

Exhibit 5: Q3FY26 GRM improved YoY

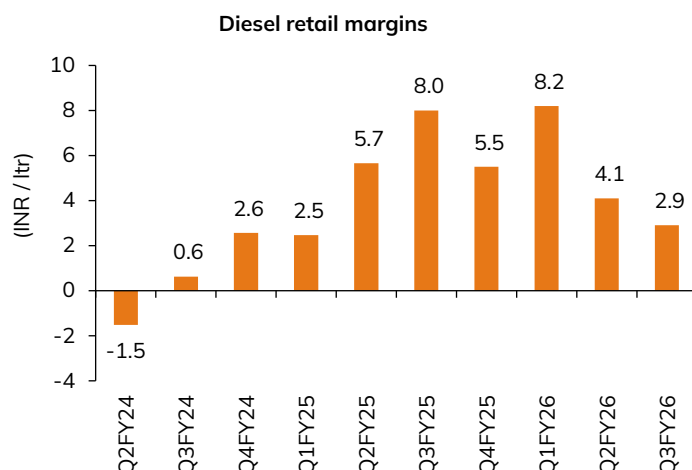
Source: Company data, I-Sec research

Exhibit 6: Premium to Singapore GRM

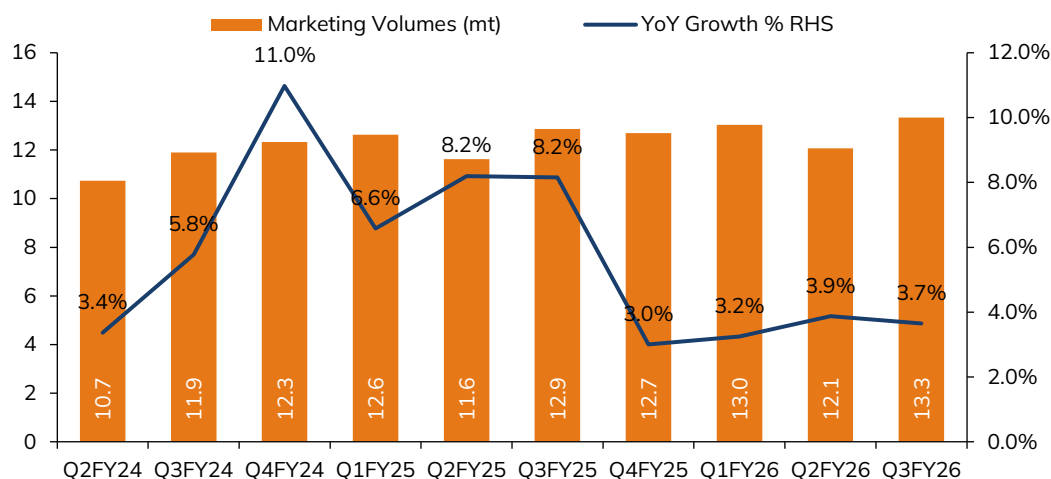
Source: Company data, I-Sec research

Exhibit 7: Petrol retail margin declined in Q3FY26 QoQ/YoY


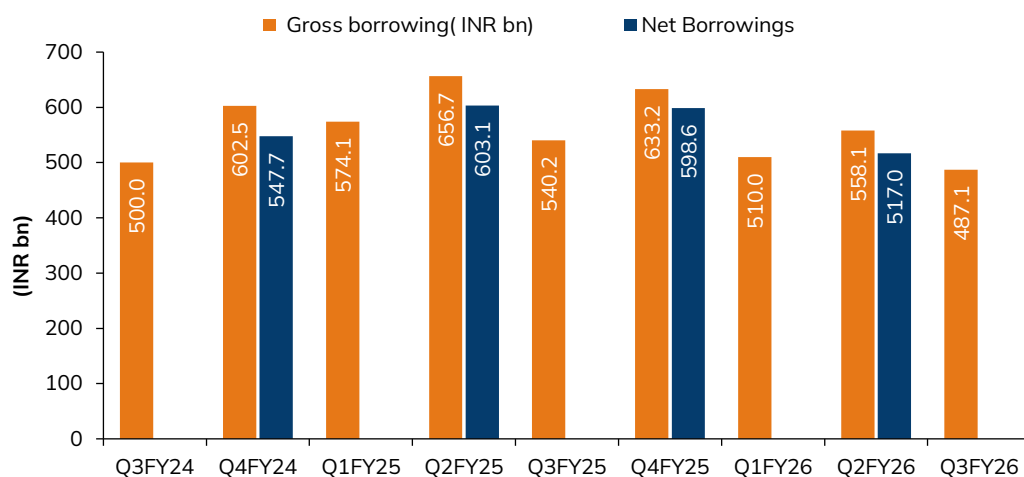
Source: Company data, I-Sec research

Exhibit 8: Diesel retail margin also declined in Q3FY26 QoQ/YoY


Source: Company data, I-Sec research

Exhibit 9: Strong marketing volumes YoY


Source: Company data, I-Sec research

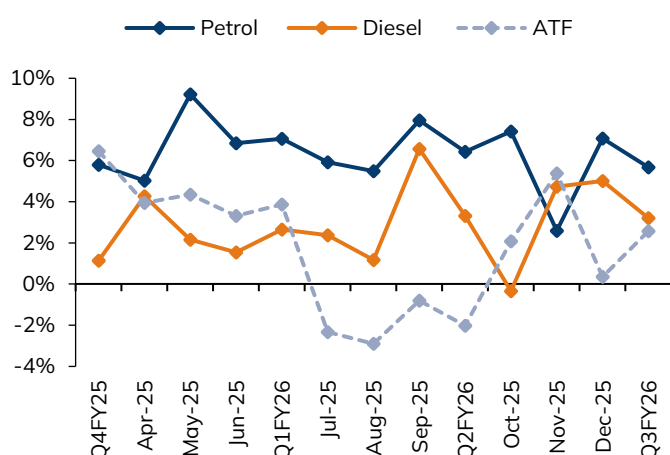
Exhibit 10: Net borrowings decreased YoY (INR bn)


Source: Company data, I-Sec research

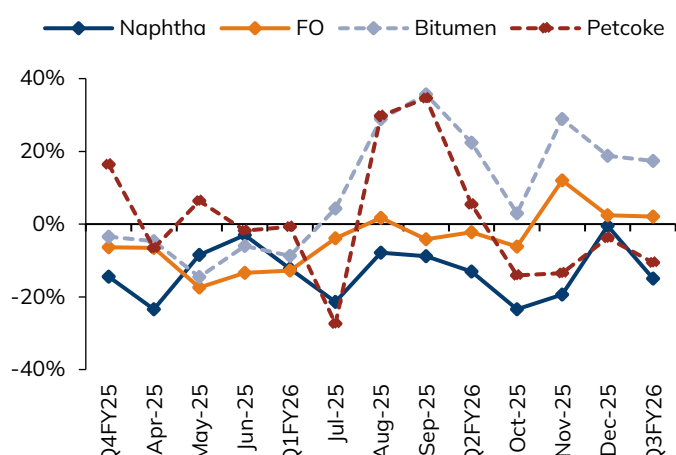
Exhibit 11: Gross margin trends

INR mn	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Gross Margins	73,722	80,438	1,21,651	1,15,453	1,31,902	1,29,745	1,32,153
Inventory gains	-2,450	-7,500	-4,600	5,500	-6,000	5,690	140
Net under-recovery	-	-	-	-	-	-	-
Adj Earnings	76,172	87,938	1,26,251	1,09,953	1,37,902	1,24,055	1,32,013
Refining earnings	17,639	12,021	23,896	35,966	12,818	36,803	36,725
Pipeline margins	4,440	4,245	4,505	4,297	4,355	3,978	4,056
Marketing earnings	54,093	71,673	97,850	69,690	1,20,729	83,273	91,232
Marketing margin (INR/mt)	4,283	6,168	7,603	5,487	9,258	6,899	6,839
Marketing margin (USD/bbl)	7.0	10.1	12.4	8.7	14.8	10.8	10.5

Source: Company data, I-Sec research

Exhibit 12: Transport fuel demand growth slowed in Q3[why are we talking of Q2?]

Source: Company data, I-Sec research

Exhibit 13: Industrial fuel demand growth trends

Source: Company data, I-Sec research

Exhibit 14: Refining capacity of HPCL + JVs to rise by 9.5mt over FY25–28E

Refinery Capacity Additions (MTPA)	FY25	FY28	Capacity Addition
MR (Mumbai)	9.5	9.5	0
VR (Visakhapatnam)	15	15	0
HMEL (JV)	11.3	11.8	0.5
HRRL (Rajasthan)	0	9	9
Total	35.8	45.3	9.5

Source: Company data, I-Sec research

Exhibit 15: Refinery expansion status and project cost

Project	Physical Progress	Project Cost (INR bn)
MR Expansion (7.5 to 9.5 MMTPA)	Commissioned	53.8
VR Modernisation (8.3 to 15.0 MMTPA)	Dedicated to Nation	306.1
HRRL – 9 MMTPA Green Field Refinery Petrochemical complex	90.4%	72.9
Lube Modernization & Bottom Upgradation Project at MR	6.9%	4.7

Source: Company data, I-Sec research

Exhibit 16: Capacity expansion to earn 9–10% pre-tax RoCE

		HRRL (Rajasthan Refinery)	Vizag*	Total
Capex	USD mn	8,800	3,200	12,000
Capacity	MMT	9.0	6.7	16
GRM	USD/bbl	20.5	11.0	32
Gross Refinery margin	USD mn	1,352	540	1,893
Less Opex	USD mn	165	123	288
EBITDA	USD mn	1,187	417	1,605
Depreciation	USD mn	352	128	480
EBIT	USD mn	835	289	1,125
RoCE Pre-tax		9.5%	9.0%	9.4%

* Expansion of Vizag facility, from 8.3 to 15MMT

Source: Company data, I-Sec research

Exhibit 17: Petchem diversification boosts margin compared to traditional refinery margin potential

		HRRL (Rajasthan Refinery)	Vizag	Total
Petchem	MMT	2.4	0.15	2.55
Gross Margin	USD/t	365	365	365
Gross Margin	USD mn	876	55	931
vs. Traditional Refinery Product				
GRM	USD/bbl	10	10	10
Gross Margin	USD mn	176	11	187
Additional Gross margin due to Petchem	USD mn	700	44	744

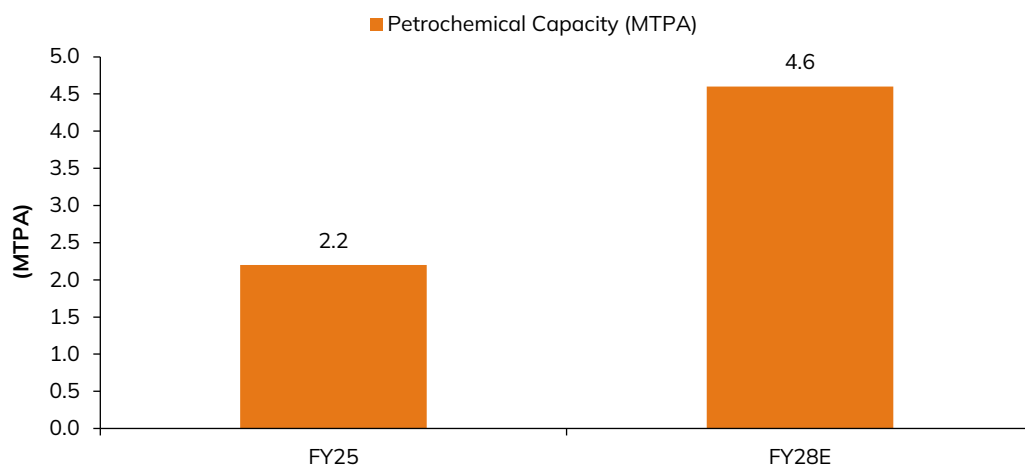
Source: Company data, I-Sec research

Exhibit 18: HPCL's Rajasthan refinery capacity and product yield – a one of its kind configurations for Indian downstream projects

Rajasthan Refinery	
Feed	MTPA
Rajasthan Crude	1.5
Imported Crude	7.5
	MTPA
Refinery process unit	9
Petchem unit	4
Products	KTPA
PP	1073
LLDPE	479
HDPE	479
Butadiene	146
Benzene	134
Toulene	104
MS	995
HSD	4035
Sulphur	157
Total	7602

Source: Elite petrochemical conference, HPCL, I-Sec research

Petchem capacity at HPCL's Rajasthan Refinery Ltd (JVC) would be ~2.4MMTPA

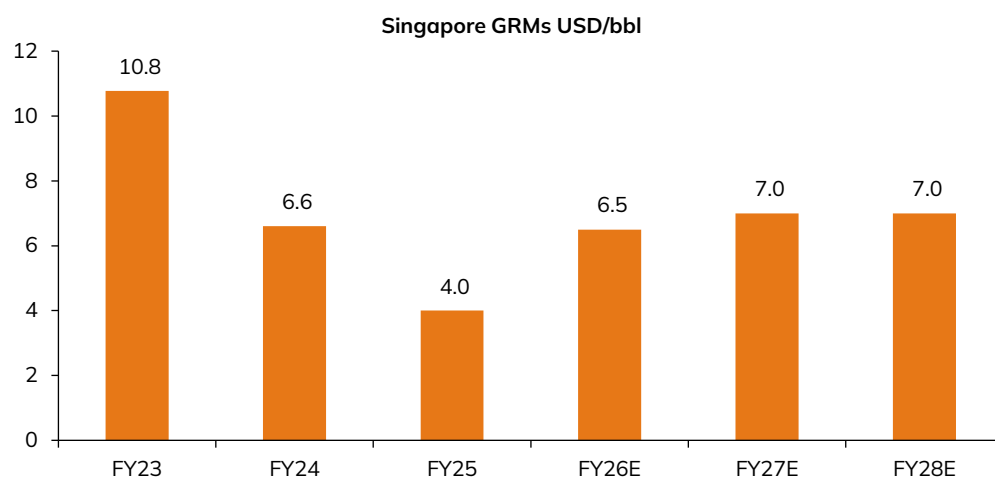
Exhibit 19: Petrochemical capacity to increase by 2.4MMT over FY25–28E

Source: Company data, I-Sec research

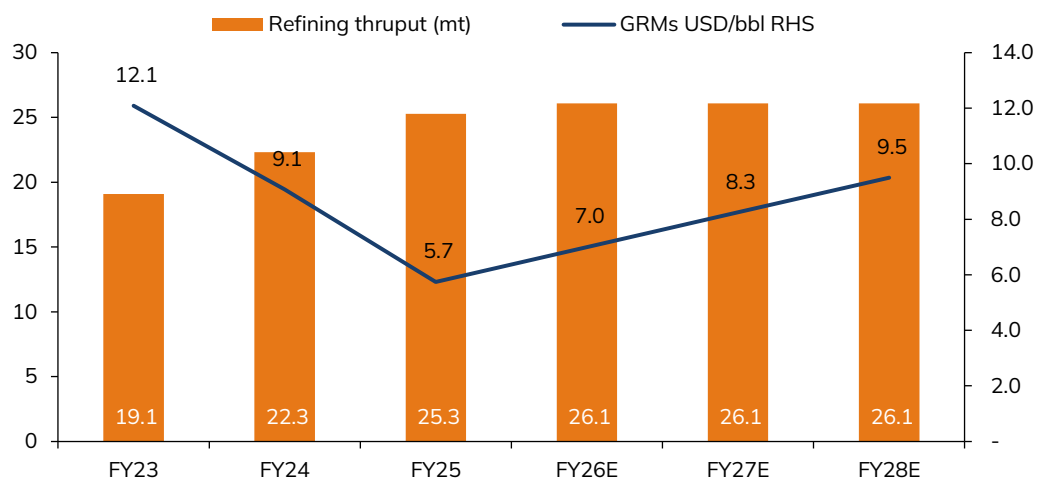
Exhibit 20: Investments in last five years across segments have been material

Area of Value Chain	Investment (INR bn)
Refining Capacity Expansions	243.5
Expansion of Pipeline Network	65.0
LPG Plants / POL Depots / Capacity Augmentations	88.5
Expansion of CGD Network	38.0
Enhancing Biofuels & Renewable capacities	12.6
Expanding Customer touch points	96.3
Others (R&D, Digital Transformation etc.)	24.8
Equity Investment in JVs & Subsidiaries	161.7
Investments during last 5 years	730.3

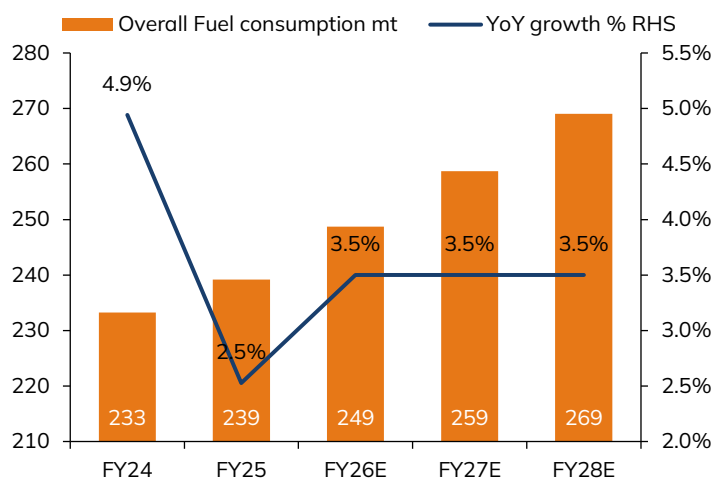
Source: I-Sec research, Company data

Exhibit 21: Singapore GRM estimates for FY26–28E

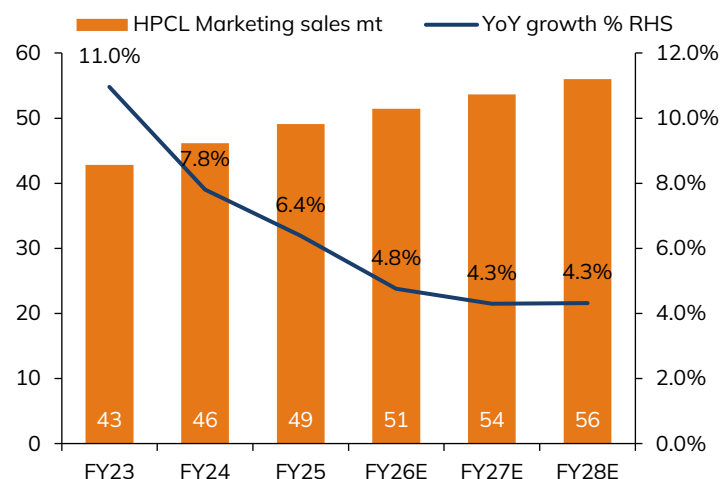
Source: Company data, I-Sec research

Exhibit 22: GRM estimates and throughput for HPCL to improve over FY26–28E

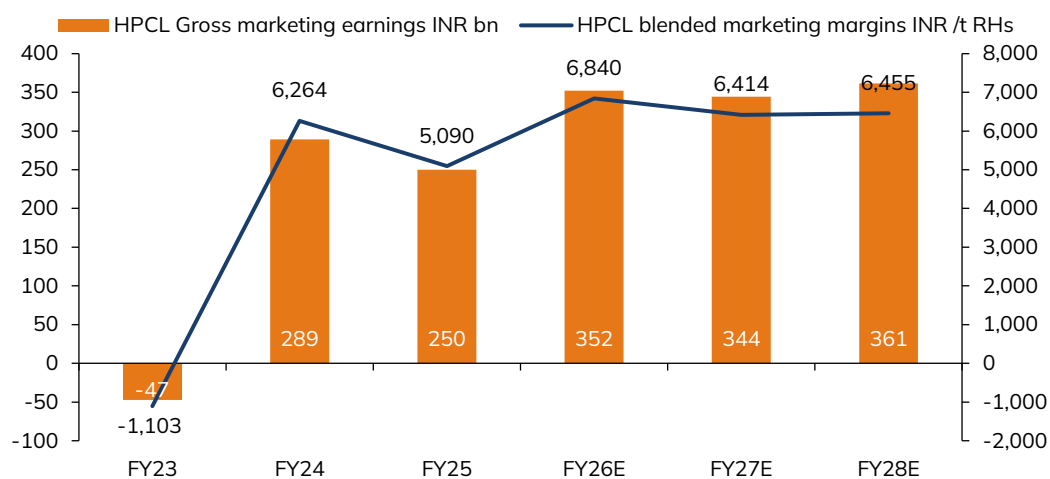
Source: Company data, I-Sec research

Exhibit 23: India fuel consumption growth trends

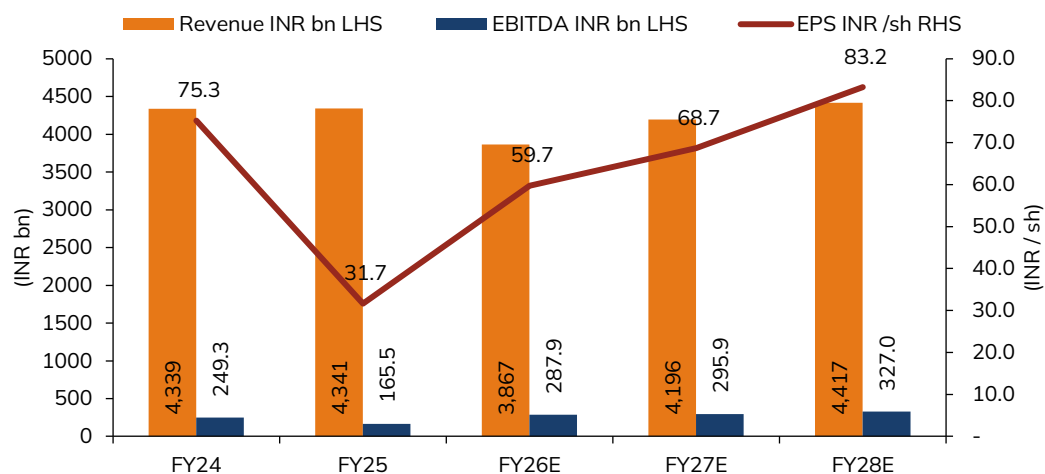
Source: Company data, I-Sec research

Exhibit 24: HPCL fuel consumption growth estimates for FY26–28E

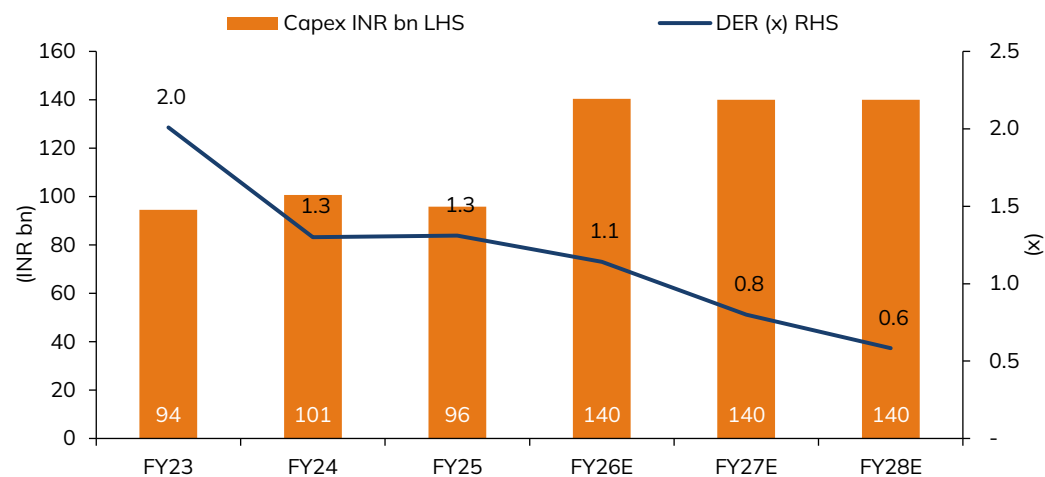
Source: Company data, I-Sec research

Exhibit 25: Marketing margins trend over FY23–28E

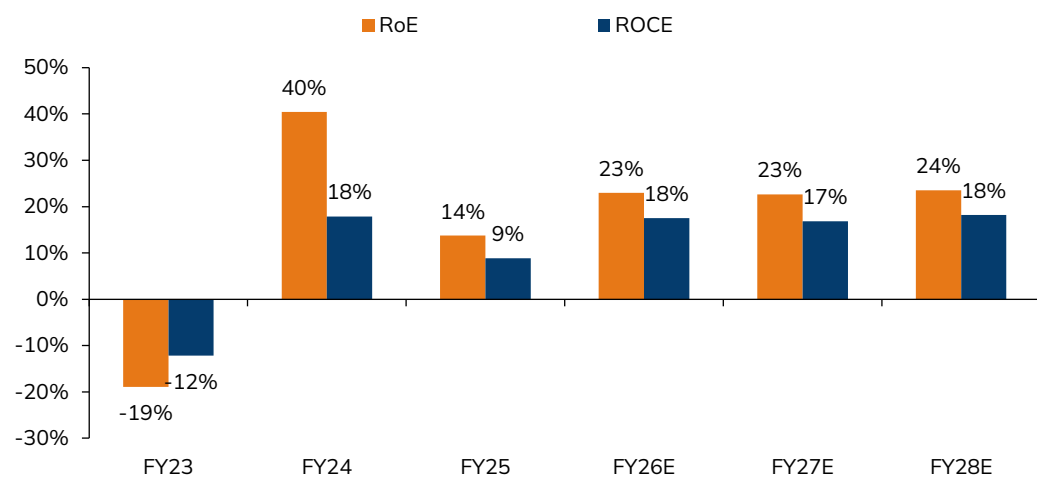
Source: Company data, I-Sec research

Exhibit 26: We expect earnings to improve over FY26–28E

Source: Company data, I-Sec research

Exhibit 27: Capex to remain high, but DER may reduce over FY26–28E

Source: Company data, I-Sec research

Exhibit 28: Return ratios to follow earnings trajectory and capex trends

Source: Company data, I-Sec research

Valuation remains at a comfortable level

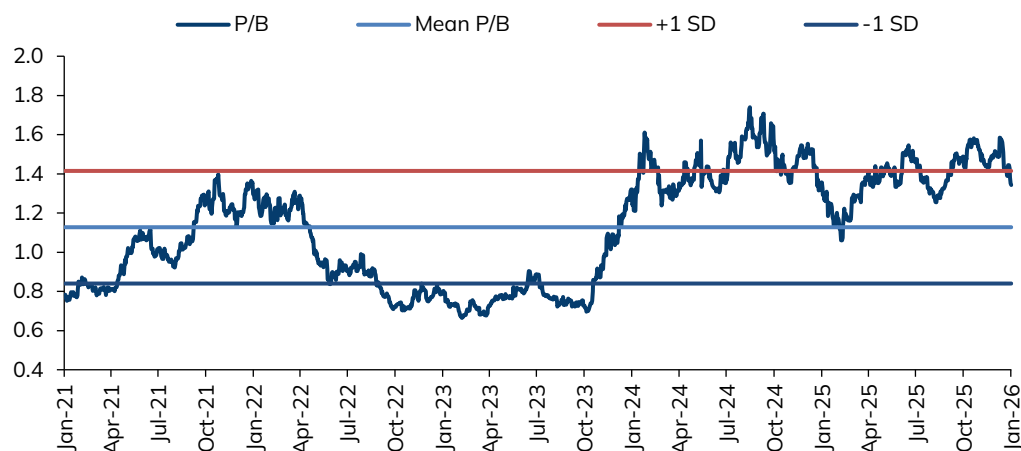
With Rajasthan (9mmt) refinery and Vizag residual refinery capacity coming onstream over FY26–27, we believe current valuations of just 5.1x FY28E P/E and 4.2x FY28E EV/EBITDA are favourable. We assign 5.25x EV/EBITDA multiple to FY28E EBITDA to arrive at our enterprise value. Maintain BUY with target price of INR 630/sh.

Exhibit 29: Valuation summary

INR mn	FY28E
EV	14,14,046
Mcap	9,08,580
Debt	6,41,582
Cash & Cash Eqv.	85,867
Market value of investments and oil bonds (20% Disc)	50,249
Unlisted Invested (20% Disc)	1,29,497
EBITDA	3,26,961
EV at EBITDA of 5.25x	17,16,545
Less Net Debt	5,55,716
Add Investments	1,79,747
Equity value	13,40,576
Target Price (INR/sh)	630
CMP	428
Upside	47%

Source: Company data, I-Sec research

Exhibit 30: HPCL's P/B trading near upper band



Source: Company data, I-Sec research

Exhibit 31: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	54.9	54.9	54.9
Institutional investors	36.8	36.8	37.1
MFs and other	19.0	18.8	17.2
FIs/ Banks	0.1	0.1	0.1
Insurance Cos.	3.9	3.2	3.2
FIIIs	13.8	14.7	16.6
Others	8.3	8.3	8.0

Source: Bloomberg, I-Sec research

Exhibit 32: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 33: Profit & Loss

(INR Mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Net Sales	43,41,062	38,66,739	41,96,172	44,17,423
EBITDA	1,65,512	2,87,875	2,95,871	3,26,961
EBITDA Margin (%)	3.8	7.4	7.1	7.4
Depreciation & Amortization	61,541	65,157	71,877	78,597
EBIT	1,03,971	2,22,718	2,23,994	2,48,364
Interest expenditure	33,655	28,743	27,463	24,583
Other Non-operating Income	20,879	23,923	25,291	26,419
PBT	91,195	2,17,898	2,21,822	2,50,200
Profit / (Loss) from Associates	(1,196)	(35,985)	(19,866)	(10,162)
Less: Taxes	22,642	54,845	55,832	62,975
PAT	68,553	1,63,053	1,65,989	1,87,225
Less: Minority Interest	-	-	-	-
Net Income (Reported)	67,357	1,27,068	1,46,123	1,77,063
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	67,357	1,27,068	1,46,123	1,77,063

Source Company data, I-Sec research

Exhibit 34: Balance sheet

(INR Mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	5,44,524	5,33,076	5,00,213	5,28,793
of which cash & bank	2,538	19,151	53,342	81,553
Total Current Liabilities & Provisions	6,42,460	5,95,265	6,22,870	6,48,522
Net Current Assets	(97,937)	(62,188)	(1,22,657)	(1,19,729)
Other Non Current Assets	-	-	-	-
Net Fixed Assets	8,61,792	9,36,635	10,04,758	10,66,162
Other Fixed Assets	-	-	-	-
Capital Work in Progress	1,79,672	1,80,000	1,80,000	1,80,000
Non Investment	3,28,935	3,28,935	3,28,935	3,28,935
Current Investment	32,525	32,525	32,525	32,525
Deferred Tax Assets	-	-	-	-
Total Assets	13,04,986	14,15,906	14,23,561	14,87,892
Liabilities				
Borrowings	7,05,582	7,31,582	6,41,582	5,87,582
Deferred Tax Liability	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	87,961	87,961	87,961	87,961
Equity Share Capital	21,282	21,282	21,282	21,282
Reserves & Surplus*	4,90,161	5,75,081	6,72,736	7,91,067
Total Net Worth	5,11,443	5,96,363	6,94,018	8,12,349
Minority Interest	-	-	-	-
Total Liabilities	13,04,986	14,15,906	14,23,561	14,87,892

Source Company data, I-Sec research

Exhibit 35: Quarterly trend

(INR mn, year ending)

	Mar-25	Jun-25	Sep-25	Dec-25
Net Sales	10,94,924	11,07,674	10,07,811	11,50,538
% growth (YOY)	-4%	-3%	1%	4%
EBITDA	58,038	76,018	68,910	70,194
Margin %	5%	7%	7%	6%
Other Income	7,925	5,226	5,460	6,862
Extraordinaries	0	0	0	0
Adjusted Net Profit	33,550	43,709	38,304	40,730

Source Company data, I-Sec research

Exhibit 36: Cashflow statement

(INR Mn, year ending)

	FY25A	FY26E	FY27E	FY28E
Cash Flow from operation before working Capital	1,82,783	2,87,875	2,95,871	3,26,961
Working Capital Changes	(44,359)	(19,136)	94,660	25,283
Tax	3,854	(54,845)	(55,832)	(62,975)
Operating Cashflow	1,42,277	2,13,894	3,34,698	2,89,268
Capital Commitments	(94,312)	(1,40,329)	(1,40,000)	(1,40,000)
Free Cashflow	47,966	73,566	1,94,698	1,49,268
Others CFI	(8,779)	(12,062)	5,425	16,257
Cashflow from Investing Activities	(1,03,091)	(1,52,390)	(1,34,575)	(1,23,743)
Inc (Dec) in Borrowings	25,910	26,000	(90,000)	(54,000)
Interest Cost	(43,930)	(28,743)	(27,463)	(24,583)
Others	(23,363)	(42,148)	(48,469)	(58,731)
Cash flow from Financing Activities	(41,382)	(44,891)	(1,65,932)	(1,37,314)
Chg. in Cash & Bank balance	(2,196)	16,613	34,191	28,211
Closing cash & balance	2,538	19,151	53,342	81,553

Source Company data, I-Sec research

Exhibit 37: Key ratios

(Year ending)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Recurring EPS	31.7	59.7	68.7	83.2
Diluted EPS	31.7	59.7	68.7	83.2
Recurring Cash EPS	60.6	90.3	102.5	120.2
Dividend per share (DPS)	10.5	19.8	22.8	27.6
Book Value per share (BV)	240.4	280.3	326.2	381.8
Dividend Payout (%)	33.2	33.2	33.2	33.2
Growth (%)				
Net Sales	0.1	(10.9)	8.5	5.3
EBITDA	(33.6)	73.9	2.8	10.5
EPS	(57.9)	88.6	15.0	21.2
Valuation Ratios (x)				
P/E	13.5	7.2	6.2	5.1
P/CEPS	7.1	4.7	4.2	3.6
P/BV	1.8	1.5	1.3	1.1
EV / EBITDA	9.5	5.5	4.9	4.2
EV / Operating Income	12.6	6.4	5.9	5.0
Dividend Yield (%)	2.5	4.6	5.3	6.5
Operating Ratios				
EBITDA Margins (%)	3.8	7.4	7.1	7.4
Effective Tax Rate (%)	24.8	25.2	25.2	25.2
Net Profit Margins (%)	1.6	3.3	3.5	4.0
NWC / Total Assets (%)	(7.5)	(4.4)	(8.6)	(8.0)
Fixed Asset Turnover (x)	3.7	3.0	2.9	2.8
Working Capital Days	17.4	19.2	15.2	13.4
Net Debt / Equity %	131.1	114.0	80.1	58.3
Profitability Ratios				
RoCE (%)	6.6	13.1	12.6	13.6
RoCE (Pre-tax) (%)	8.8	17.5	16.8	18.2
RoE (%)	13.7	22.9	22.6	23.5

Source Company data, I-Sec research

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