

Oil & Gas | Q1FY24 Result Update

Marketing margins a major earning driver

- BPCL's PAT was ahead of estimates due to (1) higher-than-expected marketing margins on oil products & better than expected GRM of US\$12.6/bbl; (2) refinery throughput up 7% YoY; (3) BPCL has been gaining market share in auto fuel among PSU; and (4) 20% YoY fall in operating expense.
- Mega spending on Energy Transition, Net carbon Zero & Energy Security: A plan to invest Rs1,5tn over next 5 to 6 years, capex/annum will accelerate from FY26 onwards. Management has largely maintained capex guidance of Rs100bn/Rs130bn in FY24/FY25. Considering the higher marketing margins we increase assumptions for the FY24E but maintained for FY25E. We maintain Accumulate with a Target Price of Rs440 (vs earlier Rs430)

Marketing margins at peak unlikely to sustain in H2FY24

Our calculation suggests that BPCL incurred a gross loss of Rs2.3/lt on the sale of auto fuel in FY23, to recover the same, we expect BPCL should post Rs6/lt average gross marketing margins (GMM) in FY24 (including the normal margins of Rs3.5/lt in FY24). Considering the super normal GMM in Q1 and the same continue in Q2TD, we believe Govt. has a scope to cut auto fuel prices by Rs3-4/lt. at the Brent of US\$83/bbl. The quantum of reduction could be higher as we are entering into the "Election" era. Auto fuel price reduction cannot be ruled out in Aug/Sept'23. If Govt increases the quantum of the auto fuel price reduction (> Rs4/lt), a key earning risk to the marketing segment of BPCL. Hence, in the near-term stock price can remain under pressure. We expect BPCL GMM on auto fuel would be Rs6/lt for FY24 vs. Rs13/lt in Q1FY24. Not only for auto fuel but also for domestic LPG sales, BPCL earned Rs137/cyl in Q1FY24, and if no price cut then it can earn Rs360/cyl Q2FY24 and will be added to buffer a/c.

Falling discounts on Russian crude, resulting in lower GRM

Ministry data suggest that discounts on Russian crude are declining but the imports are still at record levels (Exhibit no.6). BPCL's Bina & Kochi refinery is capable to process ~45% of Russian crude and processed 35% in Q1FY24 vs. 28% in Q4FY23. However, falling discounts can lower GRM. BPCL has planned a maintenance shutdown of all refineries in Q2FY24, it will impact throughput.

Q1FY24 Result (Rs Mn)

Particulars	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)
Revenue	11,29,782	12,10,659	(6.7)	11,81,121	(4.3)
Total Expense	9,71,685	12,60,047	(22.9)	10,69,584	(9.2)
EBITDA	1,58,098	(49,388)	NA	1,11,537	41.7
Depreciation	16,093	16,107	(0.1)	15,958	0.8
EBIT	1,42,004	(65,495)	NA	95,579	48.6
Other Income	4,920	4,403	11.7	7,330	(32.9)
Interest	6,793	6,155	10.4	8,124	(16.4)
EBT	1,40,131	(67,247)	NA	81,185	72.6
Tax	34,622	(13,969)	NA	16,408	111.0
RPAT	1,05,509	(53,278)	NA	64,777	62.9
APAT	1,05,509	(53,278)	NA	78,377	34.6
			(bps)		(bps)
Gross Margin (%)	19.6	2.4	1718	15.1	441
EBITDA Margin (%)	14.0	(4.1)	1807	9.4	455
NPM (%)	9.3	(4.4)	1374	5.5	385
Tax Rate (%)	24.7	20.8	NA	20.2	450
EBIT Margin (%)	12.6	(5.4)	1798	8.1	448

CMP	Rs 387
Target / Upside	Rs 440 / 14%
NIFTY	19,778

Scrip Details

Equity / FV	Rs 21,295mn / Rs
Market Cap	Rs 827bn
	USD 10.1bn
52-week High/Low	Rs 398/ 288
Avg. Volume (no)	31,19,810
Bloom Code	BPCL IN

Price Performance	1M	3M	12M
Absolute (%)	7	9	19
Rel to NIFTY (%)	2	(1)	0

Shareholding Pattern

	Dec'22	Mar'23	Jun'23
Promoters	53.0	53.0	53.0
MF/Banks/FIs	9.1	9.6	9.6
FIIIs	12.5	12.6	12.6
Public / Others	25.4	27.9	27.9

Valuation (x)

	FY23A	FY24E	FY25E
P/E	25.6	7.3	12.0
EV/EBITDA	11.4	5.6	7.4
ROE (%)	6.2	20.8	11.7
RoACE (%)	6.3	13.3	8.7

Estimates (Rs bn)

	FY23A	FY24E	FY25E
Revenue	4,731.2	3,995.3	3,558.0
EBITDA	109.6	232.8	183.3
PAT	32.3	113.4	68.8
EPS (Rs.)	15.1	53.1	32.2

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Exhibit 1: Actual vs Estimates

Particulars(Rs bn)	Actual	Estimates	% bps Variance	Comments
Revenue	1,129.8	1,147	(1.5)	BPCL reported GRMs are higher than our expectations with 7% YoY jump in oil product sales. In addition, refinery throughput was 7% YoY higher. Reported GRM of US\$12.6/bbl was higher than our estimates of US\$11/bbl.
EBITDA	158.1	125	27	
EBITDA Margin	14	11	284 bps	
PAT	105.5	79.3	33	

Source: Company, DART

Change in estimate

In Q1FY24, BPCL reported record gross margins in the marketing segment, in addition, our calculation suggests that the same will continue in Q2 and we do not expect any price reduction in petrol/diesel till the end of Aug/Sept'2023. Hence, we increase our assumptions for FY24 marketing margins by 27%, which will lead to 46% /94% jump in EBITDA/PAT. It will also reduce the net debt which is leading to a fall in interest cost of FY25E. BPCL's earnings to improve by 2% in FY25.

Exhibit 2: Change in Estimates

	FY24E			FY25E		
	New	Old	% Chg (%)	New	Old	% Chg (%)
Financials (Standalone)						
EBITDA (Rs mn)	2,32,783	1,59,548	45.9	1,83,271	1,83,271	0.0
PAT (Rs mn)	1,13,379	58,577	93.6	68,780	67,547	1.8
EPS (Rs/sh)	53	27.4	93.7	32.2	31.6	1.9
Key drivers						
GRM (USD/bl)	6.5	6.5	0.0	7.0	7.0	0.0
Refining throughput (mt)	37.4	37.4	0.0	37.8	37.8	0.0
Marketing margin (Rs/tn)	6,446	5,057	27.5	5,255	5,255	0.0
Marketing sales (mt)	52.7	52.7	0.0	55.3	55.3	0.0

Source: Company, DART

Maintain "Accumulate"

Our Target Price for BPCL of Rs440/share is based on a SoTP valuation: a) Core business (Refining + Marketing) at an EV of Rs601/sh based on 7x forward EV/EBITDA; b) Investments at 20% discounts to CMP at an EV of Rs66/sh; & c) net debt of Rs226/sh. BPCL trades at 1.4x of Mar'25 P/BV available at cheapest valuation & offering dividend yield of 7%/5% in Y24/FY25. Thus, we maintain "Accumulate" with SoTP based target price of Rs440 (earlier Rs 430). Key risk is rise in crude price & petrol/diesel price cut.

Exhibit 3: BPCL's SoTP Valuation

	Valuation base		Multiple (x)		Enterprise Value	
	Metrics	Value	Multiple	Value (x)	(Rs bn)	(Rs/sh)
Business segments						
Refining business	Mar'25E EBITDA (Rs mn)	1,09,328	EV/EBITDA	7.0	765	358
Marketing business	Mar'25E EBITDA (Rs mn)	73,943	EV/EBITDA	7.0	518	242
Total (a)				7.0	1,283	601
Investments					Equity value	
Indraprastha Gas	NoSH (mn)	158	20% disc to CMP	359	57	27
Petronet LNG	NoSH (mn)	188	20% disc to CMP	174	33	15
Others (mostly BPRL)	Book value (Rs mn)	1,03,358	P/BV	0.5	52	24
Total (b)					141	66
Total Enterprise Value (a+b)					1,424	667
Less: Net debt (Mar'25E)					484	226
Total Equity Value					940	440

Source: Company, DART

Marketing drives the show; supernormal marketing margins boosted EBITDA

Refining: Throughput of 10.4MMT grew 7% YoY but down 3% QoQ, BPCL posted a GRM of US\$12.6/bbl vs. US\$20.6/bbl in Q4FY23. Refining EBITDA of Rs65bn decreased 53% YoY & 45% QoQ. **Marketing:** Overall oil product sales volume improved by 7% YoY to 13.1MMT, primarily led by petrol (up 6% YoY), and diesel (up 9% YoY) & also supported by recovery in ATF volume. In Q1FY24, our calculated gross marketing margins on auto fuel was ~Rs13/lt this implies sharp improvement sequentially which has boosted BPCL's EBITDA.

Revenue: Rs1,130bn (-7% YoY, -4% QoQ), 1% below our estimates, revenue declined due to a sharp fall in oil product prices compared to the previous year.

Gross Profit: Rs221bn (+670% YoY, +24% QoQ), a sharp improvement in gross profit led by 1) super normal gross marketing margins on diesel/petrol Rs13.6/Rs11.2 per ltr; 2) 8% YoY growth in oil product sales volume; and 3) 7% YoY jump in refinery throughput. However, refining gross profits declined 48% YoY on account of a sharp fall in middle distillates.

Gross Refining Margins: GRM of US\$12.6/bbl (-54% YoY, -39% QoQ), slightly ahead of our estimates.

EBITDA: Rs158bn (+420% YoY, +42% QoQ), 27% ahead of our estimates. EBITDA growth is supported by 20% YoY fall in operating expenses.

Adjusted Net Profit: Rs106bn (+298% YoY, +35% QoQ), 33% ahead of our estimates.

Debt: total debt declined 22% QoQ to Rs279bn.

Exhibit 4: BPCL's Key Financials

P & L (Rs in bn)	Q1FY24	Q4FY23	Q1FY23	YoY (%)	QoQ (%)	Est.	vs. Est. (%)
Total Income	1,129.8	1,181.1	1,210.7	(7)	(4)	1,147.0	(1)
Raw material costs	908.9	1,002.3	1,182.0	(23)	(9)		
Gross profit	220.9	178.8	28.7	670	24		
Operating expenses	62.8	67.3	78.1	(20)	(7)		
EBITDA	158.1	111.5	(49.4)	420	42	124.9	27
Depreciation	16.1	16.0	16.1	(0)	1		
EBIT	142.0	95.6	(65.5)	317	49		
Other Income	4.9	7.3	4.4	12	(33)		
Interest	6.8	8.1	6.2	10	(16)		
PBT	140.1	81.2	(67.2)	308	73	106.0	32
Total tax	34.6	16.4	(14.0)	348	111		
PAT (adjusted)	105.5	78.4	(53.3)	298	35	79.3	33
EPS (Rs/sh)	49.4	36.7	(24.9)	298	35		
Segmental Analysis							
Refining segment							
Crude throughput (mt)	10.4	10.6	9.7	7	(3)		
Reported GRM (USD/bl)	12.6	20.6	27.5	(54)	(39)		
Inventory loss/ (gain) (USD/bl)*	-	-	-	-	-		
Core GRM (USD/bl)	12.6	20.6	27.5	(54)	(39)		
Refining gross profit (Rs bn)	79	132	151	(48)	(40)		
Refining EBITDA (Rs bn)	65	118	139	(53)	(45)		
Marketing segment							
Petroleum product sale (mt)	13.1	13.3	12.3	7	(1)		
Gross profit (reported, Rs bn)	142.0	46.7	(122.2)	216	204		
Add: Inventory loss/ (gain) on products	10.7	19.1	3.7				
Gross profit (core, Rs bn)	152.7	65.8	(118.4)	229	132		
Marketing margins (reported, Rs/tn)	10,858	3,526	(9,955)	209	208		
Marketing margins (core, Rs/tn)	11,676	4,969	(9,653)	221	135		
Marketing EBITDA (Rs bn)	92.9	(6.4)	(188.2)	149	1543		

Source: Company, DART

Earning call KTAs

- Mega Capex plan:** BPCL has a plan to invest Rs1.5lakh crore in Energy transition, Energy security, and Net Zero. Over the period of the next 5 to 6 years. Energy Transition side towards the CGD business & EV charging infrastructure. Mega capex also includes the Bina refinery expansion with the set-up of a 2.2MMTPA petrochemical (HDPE/LDPE/PP) facility. Bina refinery capacity will increase from 7.8MMTPA to 11 MMTPA. The new petrochemical facility at Bina will be ready by 2028. Feedstock for the plant would be dual (Naphtha/ Gas). Surplus Naphtha from BPCL refineries will be diverted to the petrochemical unit. However, the company has guided the capex of Rs100bn for FY24 and completed the capex of Rs14.6bn in Q1FY24.
- Refining & Petrochemical:** (1) Kochi PDPP plant utilization in Q1FY24 was 70% and the GRM contribution was US\$0.5/bbl for Kochi Refinery; (2) Mumbai refinery can process maximum 20% high sulfur crude, during the Q1 Mumbai refinery processed lower quantity of Russian crude and also faced shortfall of Hydrogen for processing; (3) Kochi & Bina Refinery can process up-to 45% high sulfur crude.

- **CGD Business:** BPCL has in total 25GA, along with JV BPCL has a 29.1% market share in CNG sales. BPCL would be investing Rs480bn over the life of these 25GA. Over the period of the next 5 years, CGD capex would be Rs150bn. Currently, 1,607 CNG stations are operational, and planning to add 500 CNG stations.
- **Marketing segment:** (1) HSD demand is likely to slow down in the Urban market mostly due to the transition happening towards CNG; (2) BPCL gained market share in MS/HSD in core retail among PSU- 0.2%/1.8% respectively. (3) BPCL has plan to add 1K new retail outlets in FY24 and added 111 during Q1FY24, BPCL has a plan to add 14,200 new retail outlets in the long run. (4) currently BPCL has 774 EV charging stations and 31 battery-swapping stations
- **Right Issue-** Rs180bn is part of capital support announced by the Govt. in the Budget. – This amount will be utilized for the Energy Transition, Net zero, and energy security (for securing the Oil & Gas Asset/exploration blocks).
- **LPG mechanism for over/under-recovery on the sale of domestic LPG cylinder:** As mentioned in press release, any under/over recovery on the sale of the domestic LPG cylinder will be maintained in a separate buffer account for future adjustments. In the beginning of Q1FY24, BPCL had a negative buffer of Rs8.5 billion which is included in revenue from operations in Q1 while as on 30-June-23, no negative buffer is there.
- **Dividend Payout Plans-** BPCL will stick to its dividend policy, i.e., either at least 30% of profit or 5% of net worth will be distributed as dividends.
- **Russian Dividends-** BPCL has around \$130 mn pending in Russian dividends and the dividend proceedings have not yet moved out of Russia.
- **Scheduled Refinery Shutdowns-** Bina refinery is shut down in July, some parts of the Kochi refinery will be shut down in August for 15 days and for the Mumbai refinery, one of the CDU will be shut down in September

Refinery expansion at Bina 10% RoE at GRM of US\$11/bbl

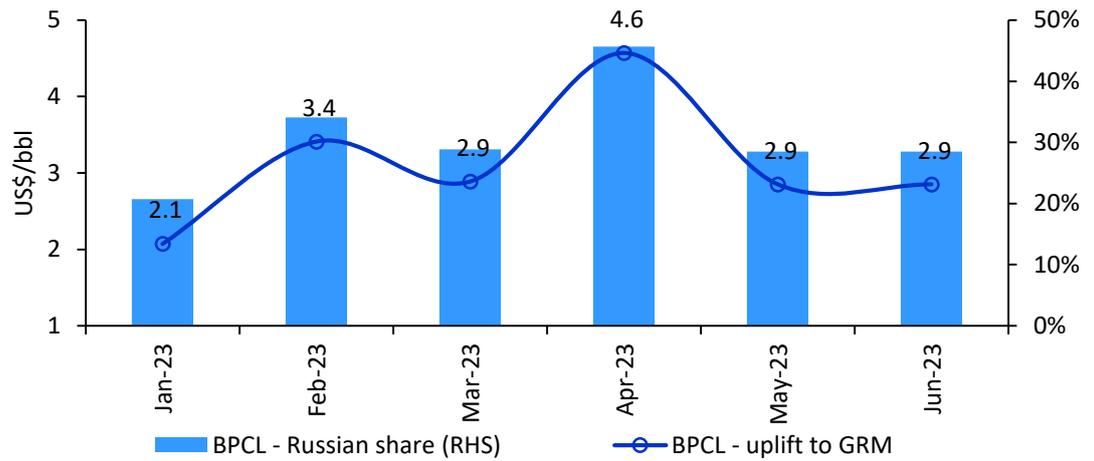
BPCL has approved Rs490bn refinery expansion and a new petrochemical set-up at Bina. Bina refinery to expand from 7.8MMTPA to 11MMTPA with a capital expenditure of ~Rs120bn (Rs38bn/MMT capex for refinery). As per our calculations @ US\$11/bbl GRM, RoE at the Bina refinery expansion would be 10%. Every US\$1/bbl improvement in GRM to expand RoE by 3%. (Exhibit no.5).

Exhibit 5: Bina Refinery capex can provide RoE of 10% at GRM of US\$11/bbl (Assuming capex of Rs120bn- expected completion in next 4 years)

	Unit	FY27E
Exchange rate		83
Bina Refinery capacity addition (7.8 to 11)	MMTPA	3.2
Refining capacity utilisation	%	100
GRM assumption	US\$/bbl	11
Operating expense	US\$/bbl	2.5
EBITDA	US\$/bbl	8.5
EBITDA	Rs bn	16.5
Depreciation on capex @3.5%	Rs bn	4.2
Interest on assumption of 50% debt/equity @ 7.0%	Rs bn	4.2
PBT	Rs bn	8.1
Tax	Rs bn	2.0
PAT	Rs bn	6.1
Equity needed - 50% of the capex	Rs bn	60
ROE %	%	10%

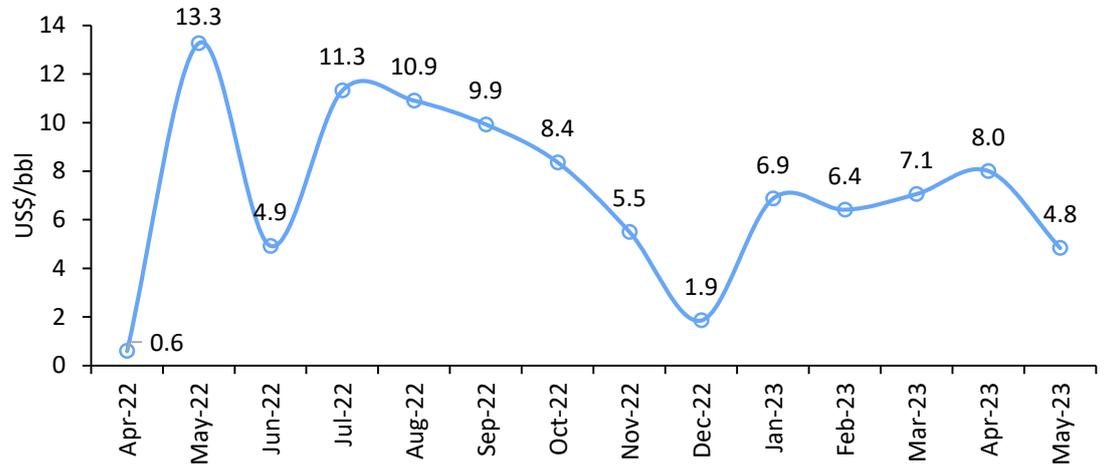
Source: Company, DART, Bloomberg

Exhibit 6: Share of Russian crude in BPCL's basket & calculated boost to BPCL's GRM



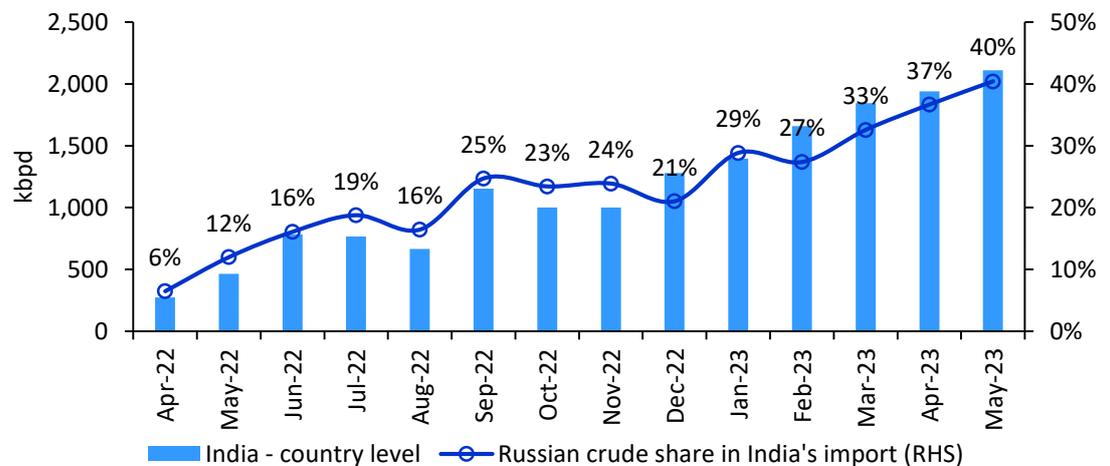
Source: Company, DART

Exhibit 7: Discounts on the Russian crude at bottom – Indian Commerce ministry data



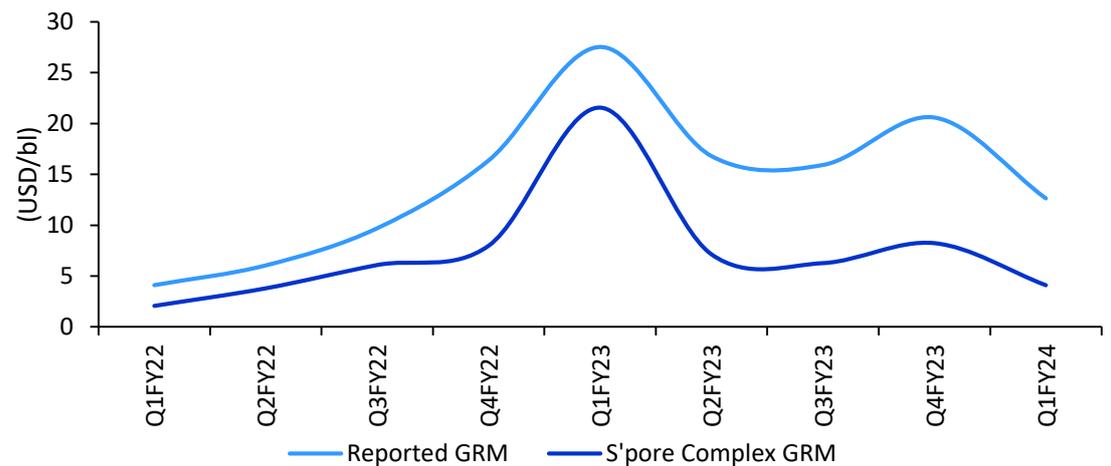
Source: Commerce ministry of India, DART

Exhibit 8: India's Russian crude import touched to 40% in May'23 at peak



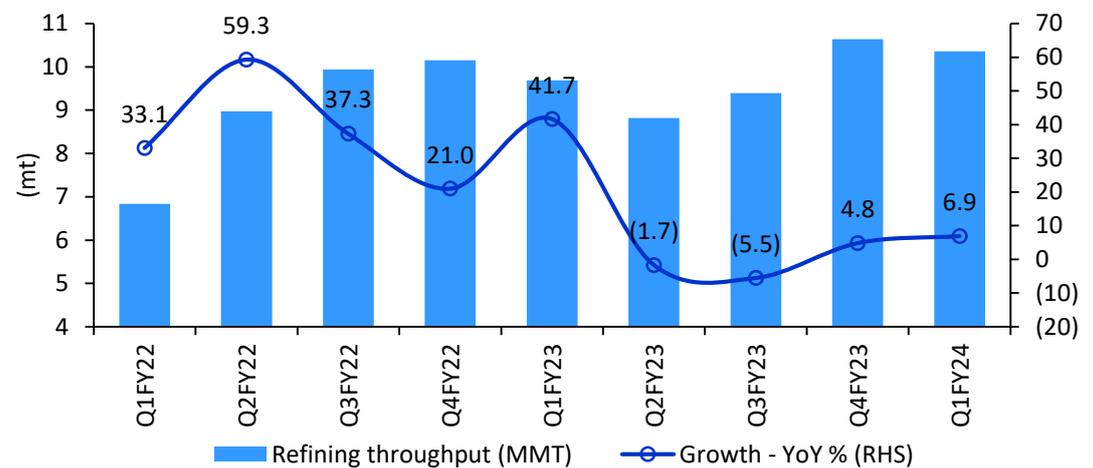
Source: Commerce Ministry, DART

Exhibit 9: BPCL posted GRM of US\$12.6/bbl vs. Singapore GRM of US\$4.1/bbl



Source: Company, DART

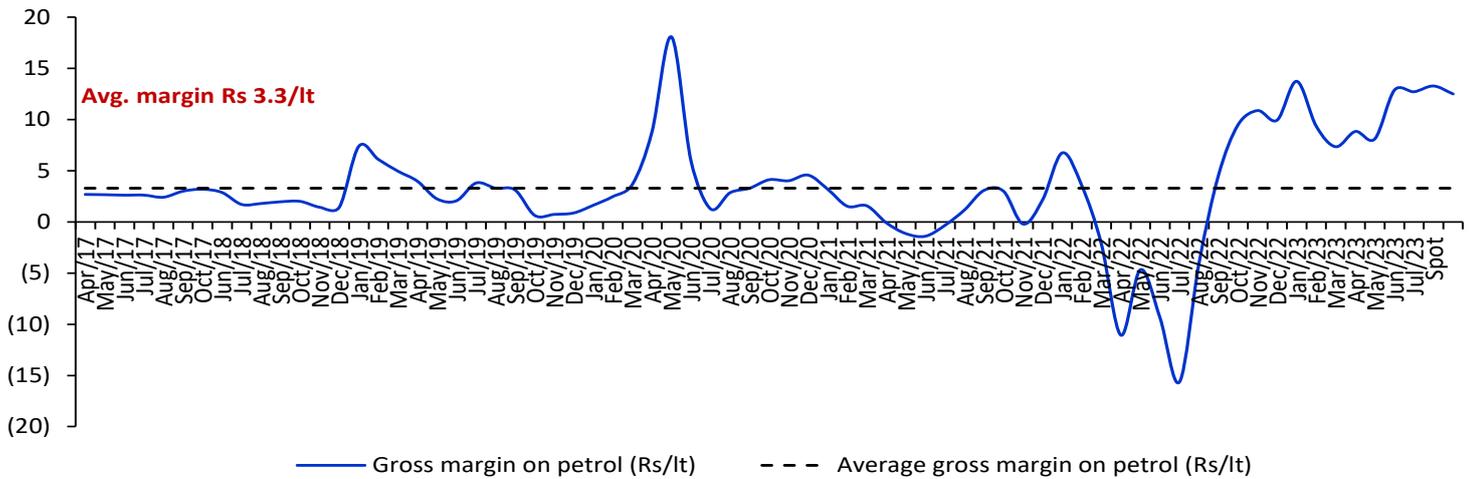
Exhibit 10: BPCL refinery throughput up 7% YoY



Source: Company, DART

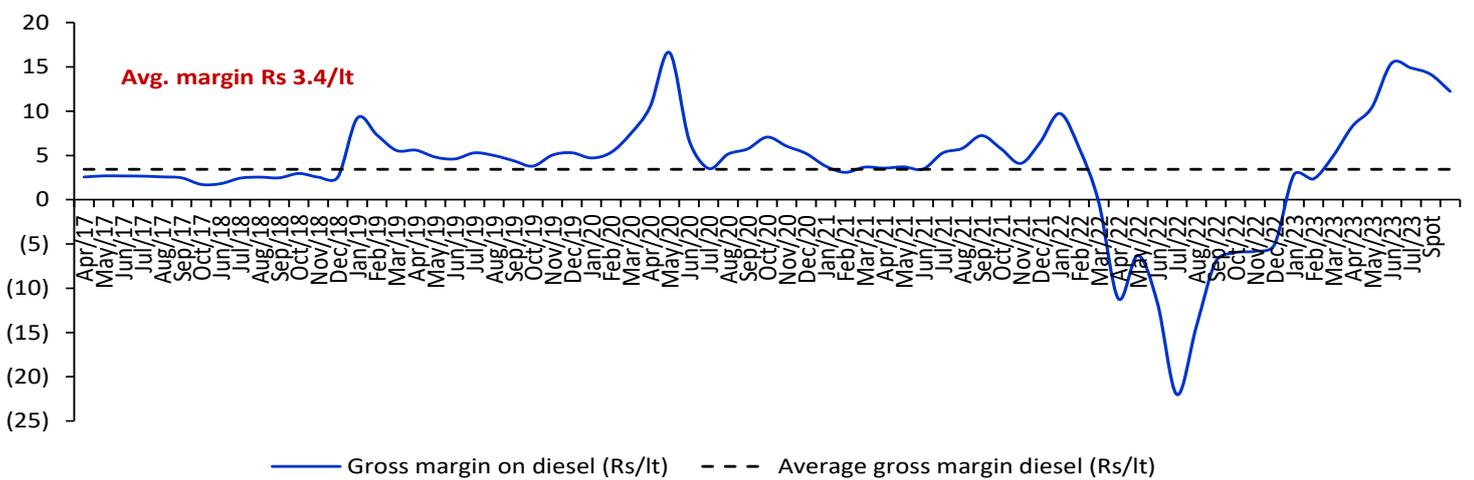
Focus charts – Marketing

Exhibit 11: Gross Marketing margins of petrol positive ~Rs12.5/lt at spot. Super normal level vs. Avg of Rs3.3/lt



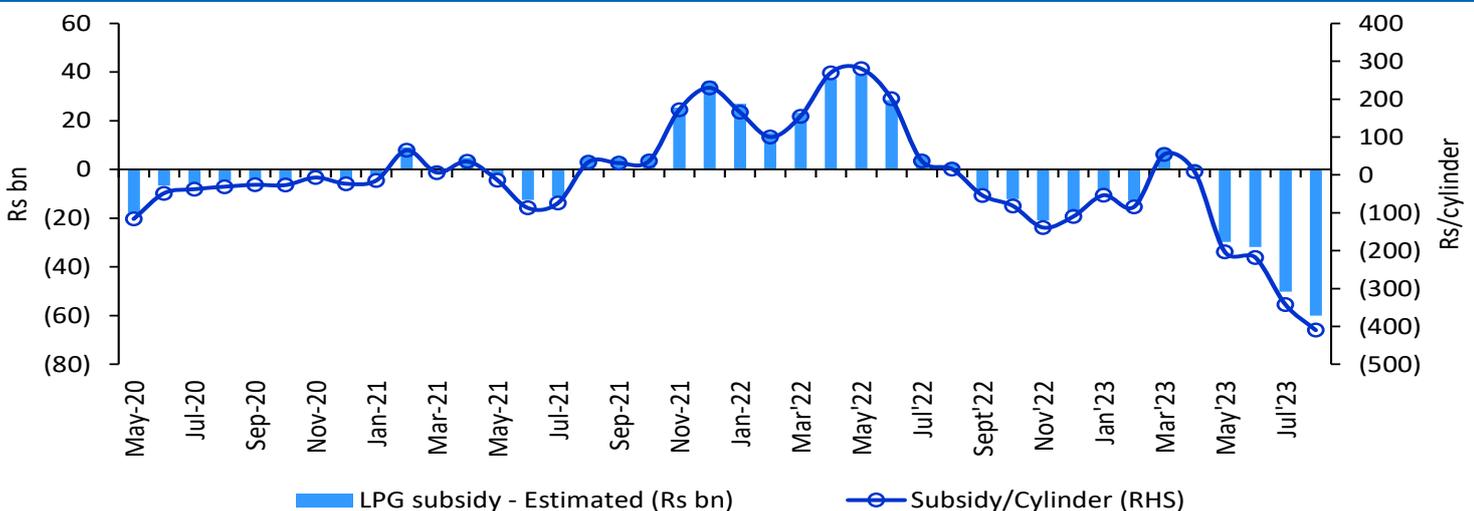
Source: PPAC, DART

Exhibit 12: Gross Marketing margins of diesel positive ~Rs12.2/lt at spot vs. avg. of Rs3.4



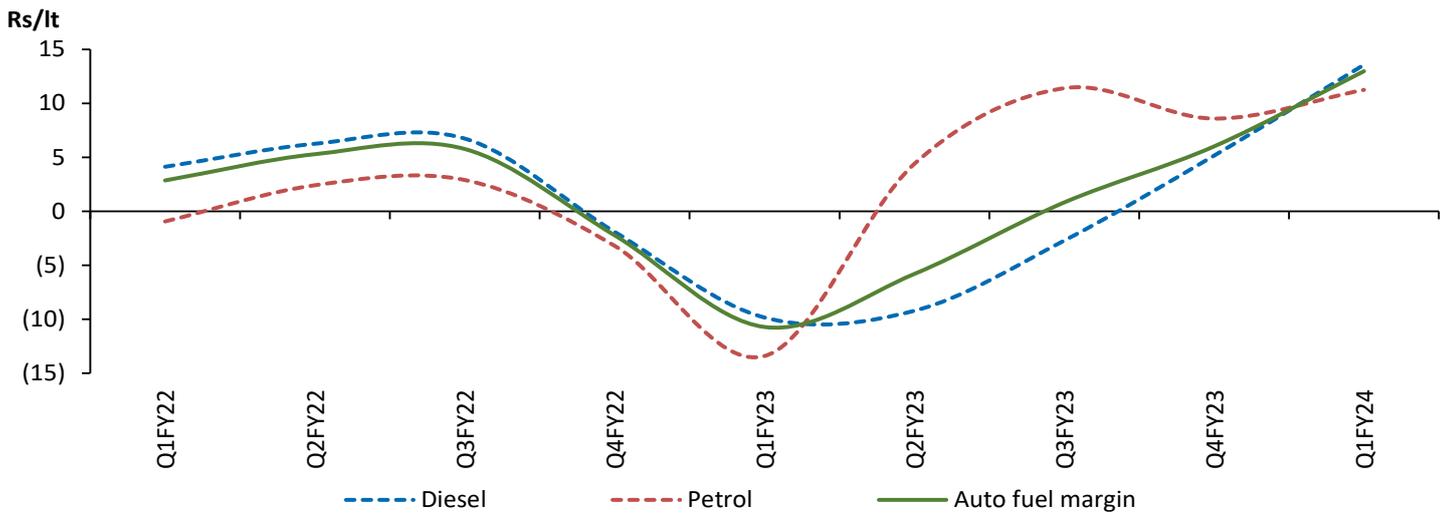
Source: PPAC, DART

Exhibit 13: BPCL earning Rs410/cylinder on sale of domestic LPG in Aug'23, based on the future Saudi CP, BPCL continue to earn over-recovery on sale of domestic LPG



Source: Company, DART

Exhibit 14: Q2FY24TD Auto fuel GMM are Rs11/lit (unlikely to sustain for long time)



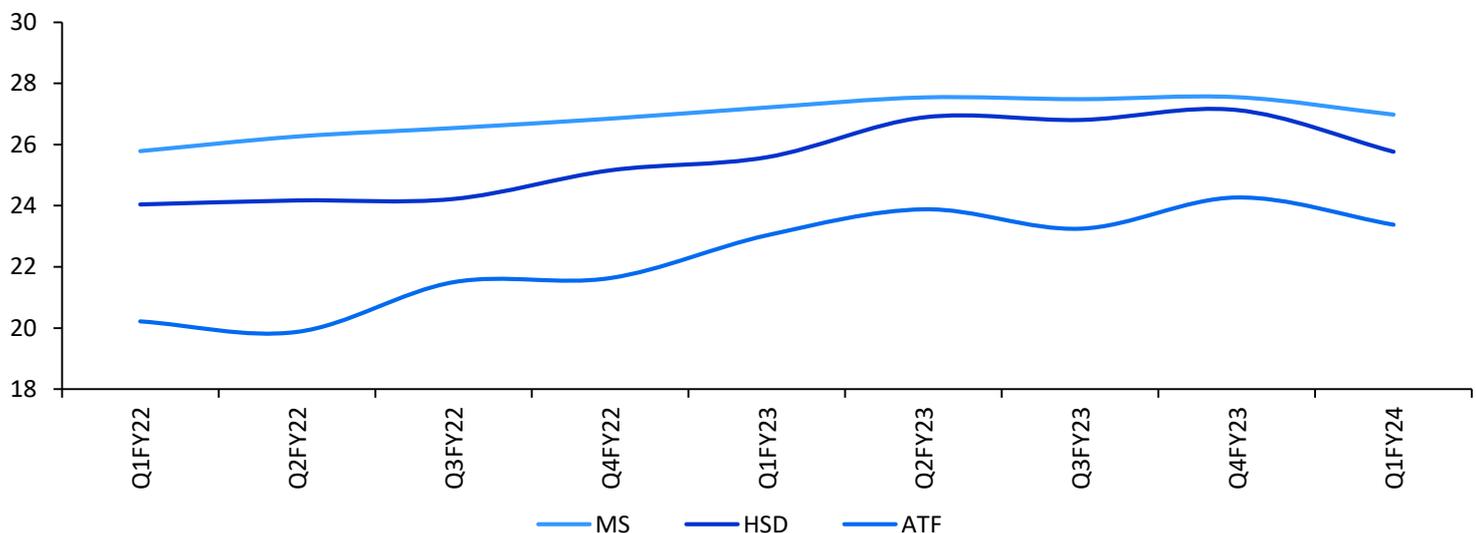
Source: Company, DART

Exhibit 15: BPCL Oil Product sales volume grew by 7% YoY (Petrol & Diesel a major growth driver)



Source: Company, DART

Exhibit 16: BPCL gained market share auto fuel; petrol/diesel market share 27.6%/27.1%



Source: Company, DART

Exhibit 17: BPCL's Key Financials and Drivers

(Rs bn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23A	FY24E	FY25E
Net revenues	2,022	2,363	2,973	2,844	2,325	3,466	4,731	3,995	3,558
EBITDA	108	117	120	66	171	190	110	233	183
EBITDA margin	5.4%	4.9%	4.0%	2.3%	7.4%	5.5%	2.3%	5.8%	5.2%
PAT	80	79	71	38	126	97	32	113	69
PAT margin	4.0%	3.4%	2.4%	1.3%	5.4%	2.8%	0.7%	2.8%	1.9%
EPS	37.6	37.1	33.4	12.6	89.1	53.2	8.8	53.1	32.2
Core EBITDA by segment									
Refining	27.6	56.4	30.2	35.5	(3.6)	146.8	412.7	97.5	109.3
Marketing	39.5	42.1	78.8	71.3	100.7	15.7	(308.2)	135.3	73.9
Drivers									
Refining capacity (Standalone, mta)	21.5	27.5	27.5	27.5	27.5	35.3	35.3	35.3	35.3
Refining capacity (Gross, mta)	33.5	39.5	39.5	39.5	39.5	47.3	47.3	47.3	47.3
Refining capacity (Net, mta)	28.3	34.3	34.3	34.3	34.3	42.1	42.1	42.1	42.1
Refining throughput (mt)	25.4	28.5	31.0	31.9	26.4	35.9	38.5	37.4	37.8
GRM (USD/bl) (RHS)	5.3	6.9	4.6	2.5	4.1	9.7	20.2	6.5	7.0
Marketing volumes (mt)	40.2	43.2	45.0	45.7	40.7	44.6	50.2	52.7	55.3
Marketing margin (Rs/te)	4,646	4,466	5,633	5,315	7,716	5,418	(1,272)	6,446	5,255
Marketing/Refining ratio	1.2	1.1	1.1	1.2	1.0	0.9	1.1	1.1	1.2

Source: Company, DART

Financial Performance

Profit and Loss Account

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
Revenue	34,66,439	47,31,247	39,95,348	35,58,032
Total Expense	32,76,179	46,21,680	37,62,565	33,74,761
COGS	30,34,541	43,32,143	35,08,501	31,07,377
Employees Cost	33,979	27,640	29,574	32,532
Other expenses	2,07,659	2,61,897	2,24,489	2,34,852
EBIDTA	1,90,260	1,09,566	2,32,783	1,83,271
Depreciation	54,179	63,475	68,614	73,153
EBIT	1,36,081	46,091	1,64,169	1,10,118
Interest	22,088	32,165	32,895	35,734
Other Income	26,294	21,840	20,241	17,531
Exc. / E.O. items	0	0	0	0
EBT	1,40,287	35,767	1,51,515	91,916
Tax	43,084	3,466	38,136	23,135
RPAT	97,203	32,301	1,13,379	68,780
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
APAT	97,203	32,301	1,13,379	68,780

Balance Sheet

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
Sources of Funds				
Equity Capital	21,295	21,295	21,295	21,295
Minority Interest	0	0	0	0
Reserves & Surplus	4,95,160	4,98,669	5,50,823	5,81,774
Net Worth	5,16,455	5,19,963	5,72,118	6,03,069
Total Debt	4,22,153	4,47,751	5,19,751	5,79,751
Net Deferred Tax Liability	58,660	70,683	70,683	70,683
Total Capital Employed	9,97,268	10,38,398	11,62,552	12,53,503

Applications of Funds

Net Block	8,38,236	8,66,246	9,47,632	10,34,479
CWIP	49,799	56,451	56,451	56,451
Investments	1,26,320	1,38,724	1,38,724	1,38,724
Current Assets, Loans & Advances	6,27,489	5,46,620	4,86,525	4,40,534
Inventories	4,21,765	3,80,647	3,21,441	2,86,257
Receivables	96,996	67,219	56,763	50,550
Cash and Bank Balances	14,509	21,204	42,833	45,406
Loans and Advances	5,681	16,632	14,045	12,508
Other Current Assets	88,540	60,918	51,443	45,812
Less: Current Liabilities & Provisions	6,44,577	5,69,642	4,66,779	4,16,684
Payables	6,14,130	5,41,030	4,38,167	3,88,072
Other Current Liabilities	30,447	28,612	28,612	28,612
<i>sub total</i>				
Net Current Assets	(17,088)	(23,022)	19,746	23,850
Total Assets	9,97,268	10,38,398	11,62,552	12,53,503

E – Estimates

Important Ratios

Particulars	FY22A	FY23A	FY24E	FY25E
(A) Margins (%)				
Gross Profit Margin	12.5	8.4	12.2	12.7
EBIDTA Margin	5.5	2.3	5.8	5.2
EBIT Margin	3.9	1.0	4.1	3.1
Tax rate	30.7	9.7	25.2	25.2
Net Profit Margin	2.8	0.7	2.8	1.9
(B) As Percentage of Net Sales (%)				
COGS	87.5	91.6	87.8	87.3
Employee	1.0	0.6	0.7	0.9
Other	6.0	5.5	5.6	6.6
(C) Measure of Financial Status				
Gross Debt / Equity	0.8	0.9	0.9	1.0
Interest Coverage	6.2	1.4	5.0	3.1
Inventory days	44	29	29	29
Debtors days	10	5	5	5
Average Cost of Debt	5.8	7.4	6.8	6.5
Payable days	65	42	40	40
Working Capital days	(2)	(2)	2	2
FA T/O	4.1	5.5	4.2	3.4
(D) Measures of Investment				
AEPS (Rs)	45.5	15.1	53.1	32.2
CEPS (Rs)	70.9	44.8	85.2	66.4
DPS (Rs)	74.0	4.0	28.7	17.7
Dividend Payout (%)	162.6	26.6	54.0	55.0
BVPS (Rs)	241.8	243.4	267.8	282.3
RoANW (%)	18.3	6.2	20.8	11.7
RoACE (%)	12.4	6.3	13.3	8.7
RoAIC (%)	14.8	4.6	15.4	9.5
(E) Valuation Ratios				
CMP (Rs)	387	387	387	387
P/E	8.5	25.6	7.3	12.0
Mcap (Rs Mn)	8,27,083	8,27,083	8,27,083	8,27,083
MCap/ Sales	0.2	0.2	0.2	0.2
EV	12,34,726	12,53,630	13,04,001	13,61,428
EV/Sales	0.4	0.3	0.3	0.4
EV/EBITDA	6.5	11.4	5.6	7.4
P/BV	1.6	1.6	1.4	1.4
Dividend Yield (%)	19.1	1.0	7.4	4.6
(F) Growth Rate (%)				
Revenue	49.1	36.5	(15.6)	(10.9)
EBITDA	11.1	(42.4)	112.5	(21.3)
EBIT	3.5	(66.1)	256.2	(32.9)
PBT	(13.2)	(74.5)	323.6	(39.3)
APAT	(22.8)	(66.8)	251.0	(39.3)
EPS	(22.8)	(66.8)	251.0	(39.3)

E – Estimates

Cash Flow

Particulars	FY22A	FY23A	FY24E	FY25E
Profit before tax	1,61,687	67,931	1,84,410	1,27,649
Depreciation & w.o.	39,781	63,475	68,614	73,153
Net Interest Exp	(22,088)	(32,165)	(32,895)	(35,734)
Direct taxes paid	(35,759)	8,557	(38,136)	(23,135)
Change in Working Capital	2,464	12,630	(21,139)	(1,530)
Non Cash	0	0	0	0
(A) CF from Operating Activities	1,46,084	1,20,428	1,60,853	1,40,403
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(1,44,551)	(98,136)	(1,50,000)	(1,60,000)
Free Cash Flow	1,533	22,292	10,853	(19,597)
(Inc.)/ Dec. in Investments	20,177	1,228	0	0
Other	0	0	0	0
(B) CF from Investing Activities	(1,24,374)	(96,908)	(1,50,000)	(1,60,000)
Issue of Equity/ Preference	365	0	0	0
Inc./(Dec.) in Debt	79,969	25,599	72,000	60,000
Interest exp net	0	0	0	0
Dividend Paid (Incl. Tax)	(1,58,070)	(8,602)	(61,224)	(37,829)
Other	0	0	0	0
(C) CF from Financing	(77,735)	16,996	10,776	22,171
Net Change in Cash	(56,026)	40,516	21,628	2,574
Opening Cash balances	70,535	14,509	21,204	42,833
Closing Cash balances	14,509	55,025	42,833	45,406

E – Estimates

Notes

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
May-23	Accumulate	430	362

**Price as on recommendation date*

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