

July 21, 2025

Q1FY26 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		HOLD	
Target Price	152		146	
Sales (Rs. m)	906	941	937	977
% Chng.	(3.3)	(3.7)		
EBITDA (Rs. m)	49	59	60	61
% Chng.	(19.0)	(4.1)		
EPS (Rs.)	10.5	13.7	15.5	15.0
% Chng.	(32.4)	(8.8)		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	904	947	906	941
EBITDA (Rs. bn)	77	23	49	59
Margin (%)	8.5	2.4	5.4	6.2
PAT (Rs. bn)	36	1	18	24
EPS (Rs.)	20.5	0.3	10.5	13.7
Gr. (%)	36.3	(98.6)	3,526.8	30.9
DPS (Rs.)	3.0	-	2.1	2.7
Yield (%)	2.2	-	1.5	2.0
RoE (%)	31.2	0.4	13.5	15.7
RoCE (%)	24.6	3.7	13.4	16.6
EV/Sales (x)	0.4	0.4	0.4	0.3
EV/EBITDA (x)	4.8	16.2	7.1	5.6
PE (x)	6.8	482.2	13.3	10.2
P/BV (x)	1.8	1.9	1.7	1.5

Key Data

MRPL.BO | MRPL IN

52-W High / Low	Rs.225 / Rs.99
Sensex / Nifty	82,200 / 25,091
Market Cap	Rs.244bn/ \$ 2,826m
Shares Outstanding	1,753m
3M Avg. Daily Value	Rs.594.44m

Shareholding Pattern (%)

Promoter's	88.58
Foreign	1.69
Domestic Institution	1.48
Public & Others	8.25
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.0	(1.3)	(35.6)
Relative	3.3	(8.9)	(36.9)

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Strong GRM drives earnings

Quick Pointers:

- Core GRM at US\$5.9/bbl with inventory loss of USD2/bbl
- Lower throughput, higher implied opex, inventory loss result in net loss of Rs2.7bn

Mangalore Refinery & Petrochemicals (MRPL) had a partial shutdown in the quarter due to which, throughput declined from 4.6mmt in Q4FY25 to 3.5mmt. Decline in oil prices resulted in inventory loss of USD2/bbl, worsening the reported GRM from USD6.23/bbl in Q4FY25 to USD3.9/bbl. Higher shutdown related costs further worsened EBITDA to Rs1.8bn (Ple Rs11.8bn, BBGe Rs10.9bn, -70% YoY, -84% QoQ). Poor EBITDA resulted in PAT loss of Rs2.7bn in the quarter. We build in a core GRM of USD7.1/7.5/bbl for FY26/27E. The stock is currently trading at 14.3/10.9x FY26/27 EPS and 7.5/5.9x FY26/27E EV/EBITDA. We upgrade our rating from 'HOLD' to 'ACCUMULATE' rating on the stock with a TP of Rs152 due to expected strength in the coming quarter in GRM as well as inventory gains. Our target price is based on 5x FY27 EV/EBITDA and adding the option value of Rs45 for its chemicals foray.

- Core GRM improves marginally, inventory loss drags:** The company reported a core GRM of USD5.9/bbl vs USD3.8/bbl in Q1FY25 and USD5.8/bbl in Q4FY25. However, inventory loss of USD2/bbl resulted in reported GRM of USD3.9/bbl vs USD4.7/bbl in Q1FY25 and USD6.2/bbl in Q4FY25.
- Throughput declines due to partial shutdown:** Throughput stood at 3.5mmt during the quarter against 4.4mmt in Q1FY25 and 4.6mmt in Q4FY25. Shutdown also resulted in implied opex standing at USD3.6/bbl vs USD2.8/bbl in Q1 & Q4FY25.
- Concall Highlights:** 1) plant shutdown and inventory loss of USD2/bbl resulted in loss 2) shutdown resulted in additional cost of USD2/bbl 3) capex during the quarter stood at Rs5.4bn, expected to rise to Rs10bn by year end 4) expect to add 100 retail outlets to the current 170 outlets 5) sold 68,000kl during the quarter, expected to sell 500tkl in FY27 6) HSD is 38-40% of the product slate 7) one refinery each in California and UK has been announced for closure 8) reformat added USD0.5/bbl to the refining margin 9) gross debt stands at Rs136bn 10) 11.4% fuel & loss due to the shutdown compared to 10% during normal operations; also targeting reduction of 1% in fuel & loss 11) factory acceptance test for IBB has been completed; mechanical completion of IBB pilot plant to be completed by Aug'25 and plant trials to start by Sep'25post customer approval, full scale plant would come up

Exhibit 1: Q1FY26 Result Overview (Rs bn)

Y/e March	Q1FY26	Q4FY25	QoQ gr.	Q1FY26E	% Var.	Q1FY25	YoY gr.	FY26E	FY25	YoY gr.
Net Sales	173.6	246.0	-29.4%	184.2	-5.8%	232.5	-25.3%	905.9	946.8	-4.3%
YoY Change (%)	-25.3	-2.9		-20.8		9.8				
Total Expenditure	171.8	234.7	-26.8%	172.4	-0.4%	226.4	-24.1%	857.0	923.9	-7.2%
EBITDA	1.8	11.3	-84.1%	11.8	-84.8%	6.1	-70.3%	49.0	22.9	113.5%
Margins (%)	1%	5%		6%		3%				
Depreciation	3.6	3.4	7.5%	3.7	-1.3%	3.4	8.4%	14.7	13.5	9.3%
Interest	2.6	2.5	4.8%	2.7	-4.0%	2.1	19.9%	10.7	10.1	6.2%
Other Income	0.4	0.4	0.7%	0.3	22.6%	0.4	-15.0%	0.6	1.8	-65.8%
PBT	-4.0	5.8	NA	5.8	NA	1.0	NA	24.1	1.1	2029.6%
Tax	-1.3	2.2	-159.2%	1.5	-190.1%	0.4	NA	5.8	0.6	821.5%
Rate (%)	32.5	37.9		25.2		34.8		23.9	55.3	
Reported PAT	-2.7	3.6	NA	4.3	NA	0.7	NA	18.3	0.5	3526.8%
Adj PAT	-2.7	3.6	NA	4.3	NA	0.7	NA	18.3	0.5	3526.8%
Refining throughput (mmt)	3.52	4.64	-24.1%	3.80	-7.4%	4.4	-19.1%	17.50	18.17	-3.7%
Core GRM (USD/bbl)	5.9	5.8	1.1%	9.2	-36.2%	3.8	55.3%	7.1	4.8	47.5%
Reported GRM (USD/bbl)	3.9	6.2	-37.7%	7.2	-46.2%	4.7	-17.4%	6.6	4.4	49.2%

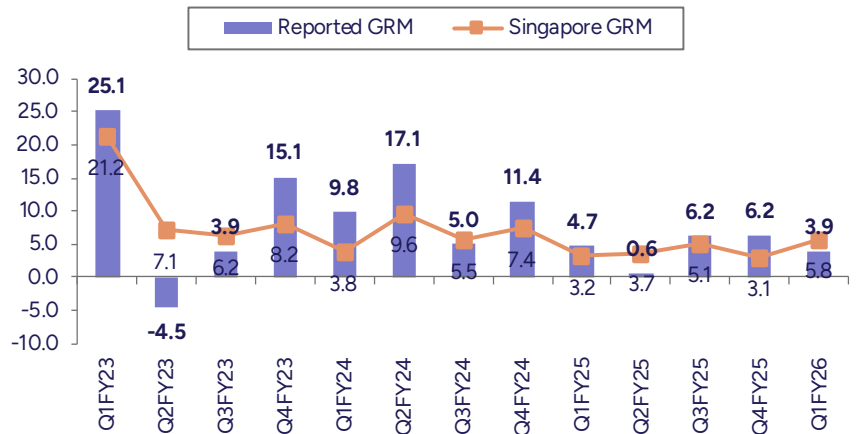
Source: Company, PL

Exhibit 2: Valuation Table

Standalone EBITDA @ FY27 (Rs mn)	58,595
Target EV/EBITDA (x)	5.0
EV (Rs, mn)	292,974
Net Debt FY26 (Rs, mn)	105,256
Equity Value (Rs, mn)	187,718
12m target price (Rs/share)	107
Chemicals Project Valuation	
Capacity (ktpa)	150
Realization(Rs/kg)	175
Revenue (Rsmn)	26250
Margin	20%
EBITDA (Rs mn)	5250
Multiple (x)	15
EV (Rsmn)	78750
No of shares	1752.6
Chemicals Target (Rs)	45
Target Price	152

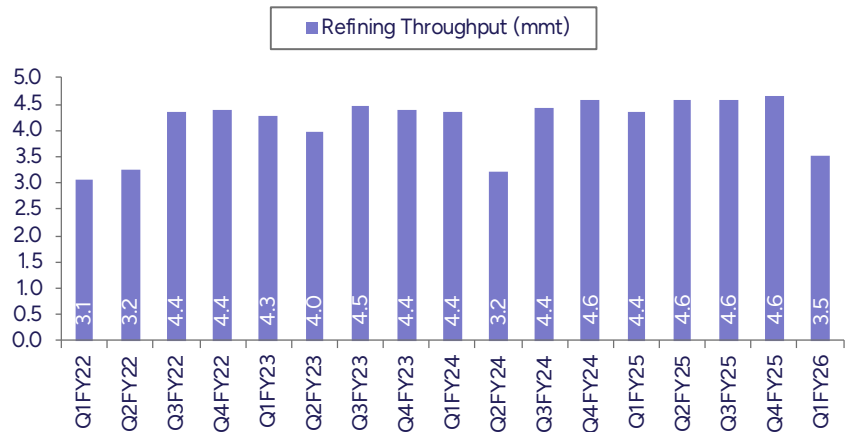
Source: PL

Exhibit 3: Reported GRM declines due to inventory loss (USD/bbl)



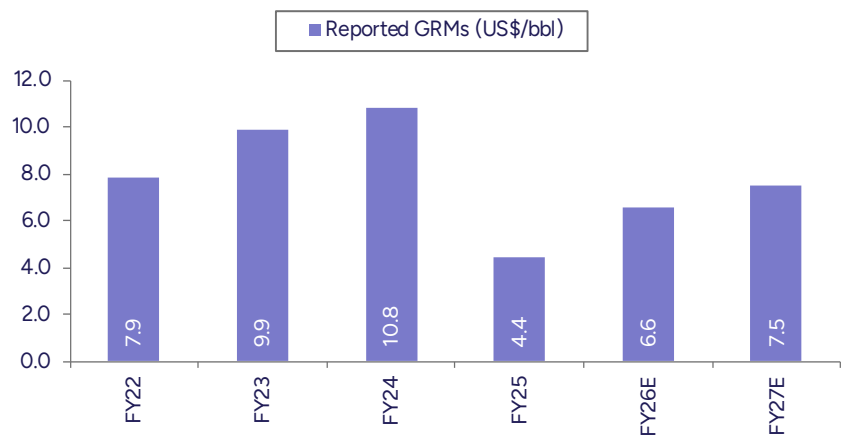
Source: Company, PL

Exhibit 4: Throughput declines due to partial shutdown



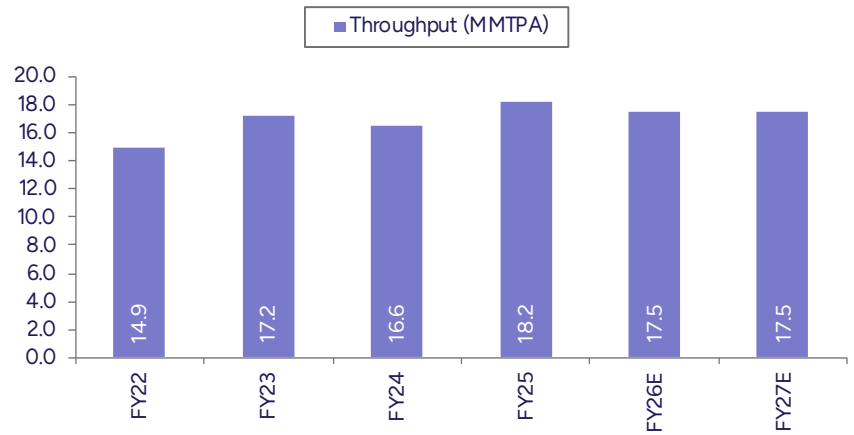
Source: Company, PL

Exhibit 5: FY26/27E GRM expected at US\$6.6/7.5/bbl



Source: PL, Company

Exhibit 6: FY26/27 throughput expected at 17mmt



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	904	947	906	941
YoY gr. (%)	(17.1)	4.7	(4.3)	3.9
Cost of Goods Sold	797	892	830	858
Gross Profit	107	55	76	83
Margin (%)	11.8	5.8	8.4	8.9
Employee Cost	8	7	8	8
Other Expenses	22	32	27	25
EBITDA	77	23	49	59
YoY gr. (%)	18.5	(70.2)	113.5	19.7
Margin (%)	8.5	2.4	5.4	6.2
Depreciation and Amortization	13	13	15	16
EBIT	64	9	34	43
Margin (%)	7.1	1.0	3.8	4.5
Net Interest	11	10	11	11
Other Income	2	2	1	1
Profit Before Tax	55	1	24	32
Margin (%)	6.1	0.1	2.7	3.4
Total Tax	19	1	6	8
Effective tax rate (%)	34.9	55.3	23.9	25.2
Profit after tax	36	1	18	24
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	36	1	18	24
YoY gr. (%)	36.3	(98.6)	3,526.8	30.9
Margin (%)	4.0	0.1	2.0	2.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	36	1	18	24
YoY gr. (%)	36.3	(98.6)	3,526.8	30.9
Margin (%)	4.0	0.1	2.0	2.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	36	1	18	24
Equity Shares O/s (m)	2	2	2	2
EPS (Rs)	20.5	0.3	10.5	13.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	342	352	362	372
Tangibles	342	352	362	372
Intangibles	-	-	-	-
Acc: Dep / Amortization	145	158	173	189
Tangibles	145	158	173	189
Intangibles	-	-	-	-
Net fixed assets	197	194	189	183
Tangibles	197	194	189	183
Intangibles	-	-	-	-
Capital Work In Progress	7	7	7	7
Goodwill	-	-	-	-
Non-Current Investments	7	7	7	7
Net Deferred tax assets	3	2	-	-
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	83	77	70	72
Trade receivables	39	35	34	35
Cash & Bank Balance	0	0	4	16
Other Current Assets	-	-	-	-
Total Assets	351	342	331	341
Equity				
Equity Share Capital	18	18	18	18
Other Equity	115	112	126	144
Total Networth	133	129	143	162
Non-Current Liabilities				
Long Term borrowings	125	129	109	98
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	93	80	72	75
Other current liabilities	4	6	6	6
Total Equity & Liabilities	351	342	331	341

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	55	1	24	32
Add. Depreciation	13	13	15	16
Add. Interest	11	10	11	11
Less Financial Other Income	2	2	1	1
Add. Other	0	(1)	-	-
Op. profit before WC changes	79	24	50	60
Net Changes-WC	1	(4)	2	(2)
Direct tax	(10)	(1)	(6)	(8)
Net cash from Op. activities	71	19	46	50
Capital expenditures	(15)	(10)	(10)	(10)
Interest / Dividend Income	0	-	-	-
Others	0	0	2	-
Net Cash from Invt. activities	(15)	(9)	(8)	(10)
Issue of share cap. / premium	-	-	-	-
Debt changes	(43)	4	(19)	(11)
Dividend paid	(2)	(4)	(4)	(6)
Interest paid	(10)	(9)	(11)	(11)
Others	0	0	-	-
Net cash from Fin. activities	(55)	(9)	(34)	(28)
Net change in cash	0	-	4	12
Free Cash Flow	55	9	36	40

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	20.5	0.3	10.5	13.7
CEPS	27.7	8.0	18.9	22.9
BVPS	75.6	73.8	81.8	92.3
FCF	31.5	5.2	20.4	22.7
DPS	3.0	-	2.1	2.7
Return Ratio(%)				
RoCE	24.6	3.7	13.4	16.6
ROIC	18.4	2.8	10.5	13.1
RoE	31.2	0.4	13.5	15.7
Balance Sheet				
Net Debt : Equity (x)	0.9	1.0	0.7	0.5
Net Working Capital (Days)	16	14	15	15
Valuation(x)				
PER	6.8	482.2	13.3	10.2
P/B	1.8	1.9	1.7	1.5
P/CEPS	5.0	17.5	7.4	6.1
EV/EBITDA	4.8	16.2	7.1	5.6
EV/Sales	0.4	0.4	0.4	0.3
Dividend Yield (%)	2.2	-	1.5	2.0

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	250	219	246	174
YoY gr. (%)	29.8	(11.3)	(2.9)	(25.3)
Raw Material Expenses	247	200	227	164
Gross Profit	3	19	19	10
Margin (%)	1.1	8.6	7.9	5.6
EBITDA	(5)	10	11	2
YoY gr. (%)	(121.1)	(12.9)	(51.7)	(70.3)
Margin (%)	(1.9)	4.7	4.6	1.0
Depreciation / Depletion	3	3	3	4
EBIT	(8)	7	8	(2)
Margin (%)	(3.3)	3.2	3.2	(1.1)
Net Interest	3	3	2	3
Other Income	1	-	-	-
Profit before Tax	(10)	5	6	(4)
Margin (%)	(4.2)	2.1	2.4	(2.3)
Total Tax	(4)	2	2	(1)
Effective tax rate (%)	34.5	35.2	37.9	32.5
Profit after Tax	(7)	3	4	(3)
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	(7)	3	4	(3)
YoY gr. (%)	(164.4)	(21.4)	(68.1)	(514.8)
Margin (%)	(2.7)	1.4	1.5	(1.6)
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	(7)	3	4	(3)
YoY gr. (%)	(164.4)	(21.4)	(68.1)	(514.8)
Margin (%)	(2.7)	1.4	1.5	(1.6)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(7)	3	4	(3)
Avg. Shares O/s (m)	2	2	2	2
EPS (Rs)	(3.9)	1.7	2.1	(1.6)

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Crude (US\$/bbl)	83.3	78.9	72.0	75.0
US\$/Rs	83.3	84.6	85.9	86.5
GRM (US\$/bbl)	10.8	4.4	6.6	7.5
Refining throughput (mmt)	17	18	18	18

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jul-25	Hold	146	144
2	28-Apr-25	Hold	136	136
3	08-Apr-25	Sell	109	129
4	21-Jan-25	Hold	137	144
5	08-Jan-25	Accumulate	168	145
6	23-Oct-24	Accumulate	169	147
7	19-Oct-24	Sell	124	166
8	07-Oct-24	Sell	128	173
9	23-Jul-24	Sell	130	215

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	420	477
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,148	2,030
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,440	5,269
7	GAIL (India)	Hold	184	191
8	Gujarat Fluorochemicals	Reduce	3,541	3,522
9	Gujarat Gas	Sell	404	499
10	Gujarat State Petronet	Hold	348	335
11	Hindustan Petroleum Corporation	Sell	360	437
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	221
14	Jubilant Ingrevia	Hold	713	788
15	Laxmi Organic Industries	Reduce	172	197
16	Mahanagar Gas	Hold	1,425	1,510
17	Mangalore Refinery & Petrochemicals	Hold	146	144
18	Navin Fluorine International	Accumulate	5,161	4,933
19	NOCIL	Reduce	172	200
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	PCBL Chemical	BUY	464	409
23	Petronet LNG	Reduce	315	302
24	Reliance Industries	Accumulate	1,555	1,476
25	SRF	Hold	3,069	3,231
26	Vinati Organics	Accumulate	1,882	1,944

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance Research Analysts, 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.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

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

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Swarnendu Bhushan- IIT, MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com