Mangalore Refinery & Petrochemicals Ltd.(MRPL)

Refining India’s Energy Future

February 08, 2026

Mangalore Refinery & Petrochemicals Ltd.(MRPL)

Reco BUY

Industry	Refineries & Marketing
LTP (Feb 06, 2026)	Rs. 185.25
Entry Range	**Rs. 180-190**
Add on Dips	**Rs. 165-170**
Base Case Target	**Rs. 202**
Bull Case Target	**Rs. 220**
Time Horizon	**3-4 Quarters**

Stock Info

HDFC Scrip Code	MANREFEQNR
BSE Code	500109
NSE Code	MRPL
Bloomberg	MRPL IN
CMP Feb 06, 2025	Rs. 185.25
Equity Capital (Rs Cr)	1752.6
Face Value (Rs)	10.0
Equity Share O/S (Cr)	175.3
Market Cap (Rs Cr)	32,467
Book Value (Rs)	76.0
Avg. 52 Wk Volumes	2808893
52 Week High	190.7
52 Week Low	98.9

Share Holding Pattern % (Dec'25)

Promoters	88.6
Institutions	3.1
Non-Institutions	8.3
Total	100.0

One Year Price Chart

* Refer at the end for explanation on Risk Ratings

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Strategic Refinery Poised for Medium-Term Growth and Improved Returns

Our Take

- Considering the strategic importance of MRPL's refinery in southern India, the expansion plan and strong promoter background, we expect the financial performance and valuation to improve in the medium term. MRPL's ongoing enhancement projects and expectation of sustained bounce back in GRM could lead to strong earnings visibility and RoE improvement going forward. MRPL has strong asset profile, led by the superior processing capabilities of its refinery as reflected by high Nelson Complexity index, its experienced management team and favourable location, being close to the port. The growth opportunities and challenges associated with a sustainable future are driving MRPL to expand its refinery capacity.

- ***Investors can buy in the Rs 180-190 band and add on dips in the Rs 165-170 band (4.85x FY28E EV/EBITDA). We believe the base case fair value of the stock is Rs 202 (5x FY28E EV/EBITDA) and the bull case fair value of the stock is Rs 220 (5.4x FY28E EV/EVITDA) over the next 3-4 quarters.***

Producing a full range of petroleum products

MRPL is one of the leading refineries in India, established in 1988. MRPL's refinery is capable of producing almost a full range of petroleum products like Naphtha, LPG, Motor Spirit, High-Speed Diesel, Kerosene, Aviation Turbine Fuel, Sulphur, Xylene, Bitumen along with Pet Coke and Polypropylene. With a 15.0 MMTPA refinery to process crude oil of various API (American Petroleum Institute) gravity, the company's refinery is located in Dakshina Kannada District of Karnataka State (India).

Apart from the refinery capacity, the company is also into the manufacturing of value-added petrochemical products and has a polypropylene plant. The company benefits from its sponsor profile with ONGC and HPCL holding 71.63% and 16.96% of the company, respectively. The company's refinery is located on the west coast of India near the New Mangalore port. The coastal location offers certain advantages such as maintaining lower crude oil inventories and incurrence of lower freight costs for the export of finished products.

Better demand environment of various spreads to report better GRM in near term

MRPL's operational profile has improved over the past few years with throughput remaining over 110% since FY2023 and reaching 121% in FY25 registered highest ever refining crude throughput in FY25, refinery has processed crude throughput of 18.18 Million Metric Tons (MMT) in FY25 vs. the previous best was 17.116 MMT in FY23 and 16 MMT in FY24. Refining crude throughput stood at 4.70 MMT. The GRMs improved to ~US$ 12 /bbl in Q3FY26, driven by healthy crack spreads in the quarter vs. US$ 8.6/bbl in Q2FY26 and US$ 6.2 in Q3FY25. A better demand environment of various spreads could help to report better GRM in the near term.

Adding retail pumps to expand marketing margins

The company is planning to incur capex at Rs 1600 crore for FY26E (Rs 400-450 crore for growth projects). No major maintenance planned in FY26. These are turnaround shutdowns every four years. Besides, MRPL has been adding retail pumps to expand marketing margins domestically and in exports, along with the B2B segment, with a few other measures. The company plans to phase out fuel exports over the next 2 to 3 years and expand its retail outlets in southern India to 350 by 2027, from about 235 now (+50 YoY), 250 by FY26-end, 500 in 3 years, and 1,000 in 5 years. This will enable it to diversify its revenue sources and provide a natural hedge by earning marketing margins.

Strong performance with better product margins in Q3FY26

- *MRPL reported strong performance with better product margins in Q3FY26, consolidated net revenue grew 13% YoY to Rs 24,712 crore. This revenue surprise indicates strong demand and effective operational strategies, contributing to the company's robust financial performance this quarter.*
- *The company's EBITDA increased to Rs 2785 crore vs. Rs 1013 crore in Q3FY25 and EBITDA margin stood at 11.3% in Q3FY26 vs. 4.7% in Q3FY25. MRPL's net profit stood at Rs 1451 crore in Q3FY26, vs. Rs 309 crore in Q3FY25.*
- *Refining crude throughput was in line at 4.70 Million Metric Tons (MMT) vs. 4.4 MMT in Q2FY26 and 4.6 MMT in Q3FY25. MRPL's gross refining margin (based on our calculation methodology) was at US$ 12.3/bbl in Q3FY26 vs. US$ 8.63/bbl in Q2FY26 and $6.2 in Q3FY25.*
- *During October 25, commenced storing the crude in the Cavern Storage facility taken on lease from M/s. ISPRL, Mangalore and commenced processing in the refinery.*

Financial Summary

Particulars (Rs Cr)	Q3FY26	Q3FY25	YoY-%	Q2FY26	QoQ-%	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	24712	21871	13.0	22649	9.1	109026	90407	94682	89854	95130	101233
EBITDA	2785	1031	170.0	1489	87.1	6494	7700	2293	6718	7422	8033
APAT	1451	309	369.1	627	131.3	2657	3602	56	3022	3604	4087
Diluted EPS (Rs)	8.3	1.8	369.1	3.6	131.3	15.2	20.6	0.3	17.2	20.6	23.3
RoE-%						31.1	31.1	0.4	21.3	21.2	20.3
P/E (x)						12.2	9.0	577.6	10.7	9.0	7.9
EV/EBITDA (x)						7.6	5.9	19.9	6.6	5.5	4.6

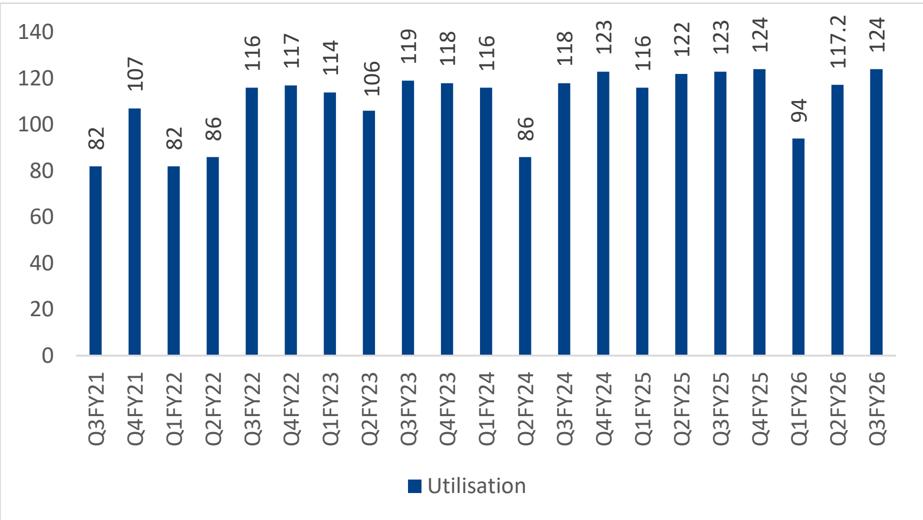
(Source: Company, HDFC sec)

Valuation & Recommendation:

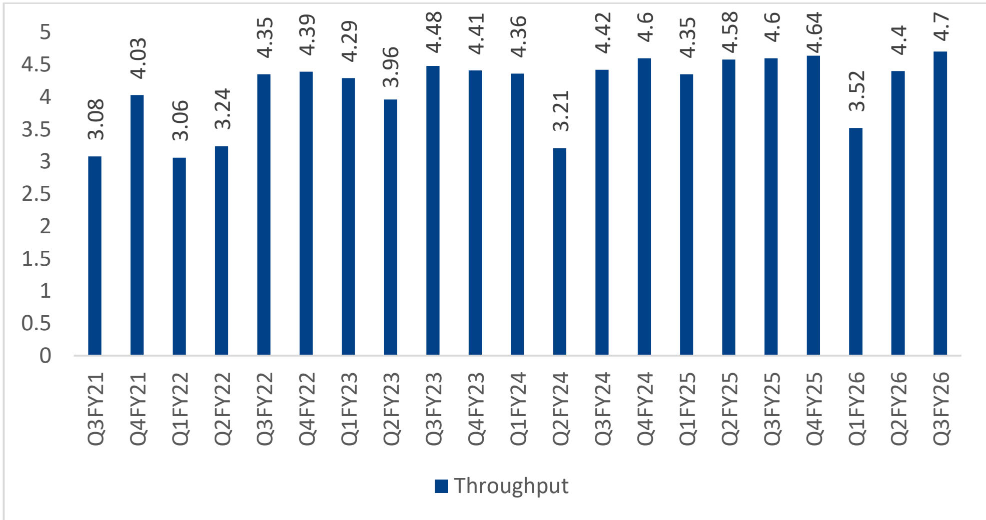
Investors can buy in the Rs 180-190 band and add on dips in the Rs 165-170 band (4.85x FY28E EV/EBITDA). We believe the base case fair value of the stock is Rs 202 (5x FY28E EV/EBITDA) and the bull case fair value of the stock is Rs 220 (5.4x FY28E EV/EVITDA) over the next 3-4 quarters. At a LTP of Rs 185.25, the stock is trades at 4.6x FY28E EV/EBITDA.

Story in Charts

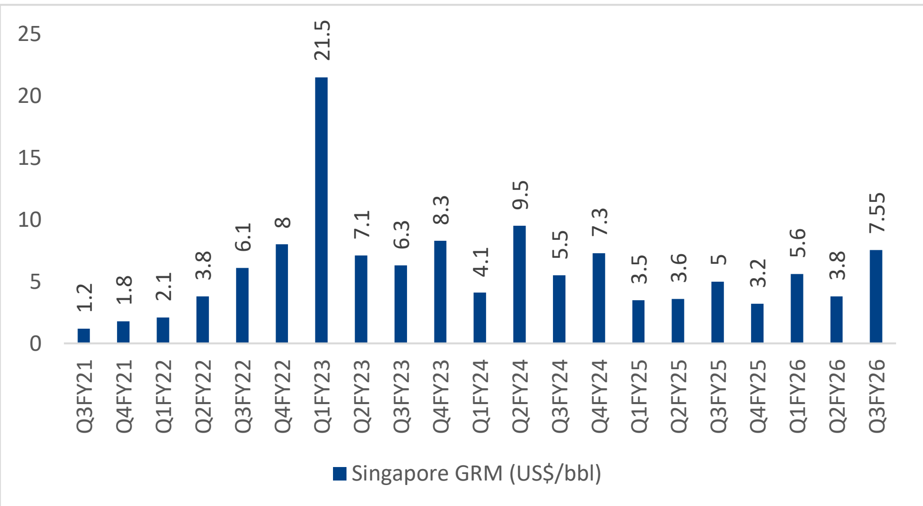
All time high utilisation



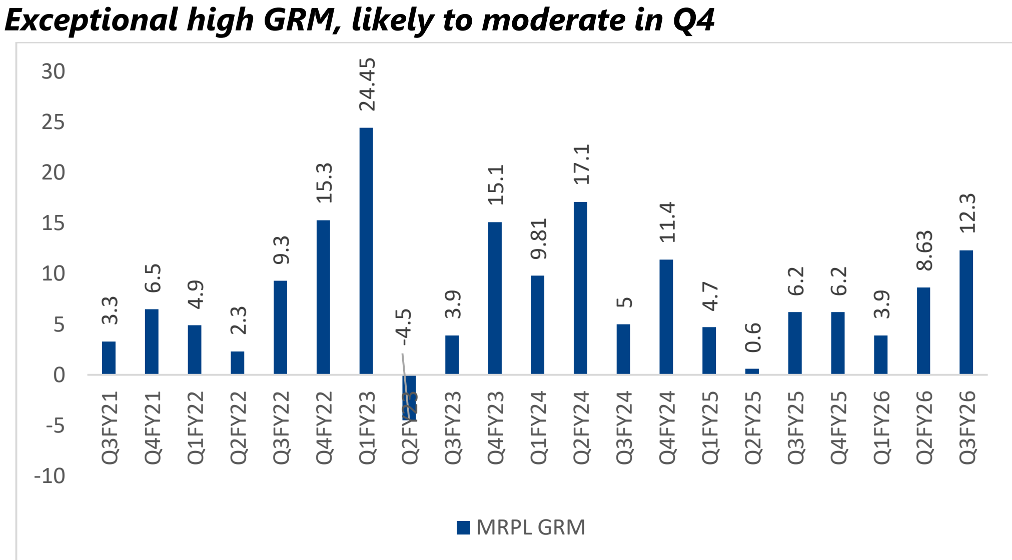
Refining crude throughput was in line in Q3FY26



Best Singapore GRM over the last 9 quarters



Exceptional high GRM, likely to moderate in Q4



(Source: Company, HDFC sec)

Key Drivers

Highest Ever Throughput, Unprecedented Growth

Expectations of healthy throughput and refining margins

- MRPL registered the highest ever refining crude throughput in FY25. The refinery has processed the highest ever gross crude throughput of 18.18 Million Metric Tons (MMT) in FY25, vs. the previous best of 17.116 MMT in FY23 and 16 MMT in FY24. Refining crude throughput stood at 4.70 Million Metric Tons MMT vs. 4.4 MMT in Q2FY26 and 4.6 MMT in Q3FY25.
- Accordingly, the capacity utilization also improved to 121% in FY25 from 106.7% in FY24. On account of improved capacity utilisation along with higher crude prices, the company reported total operating income of Rs 109,278 crore in FY25 as against Rs 105,223 crore in FY24. Its utilisation stood at 124% in Q3FY26 vs. 117% in Q2FY26 and 122% in Q3FY25.
- MRPL's GRMs slipped to US$ 4.4/bbl in FY25 from US$ 10.8/bbl in FY24 due to lower crude prices and slower demand. Furthermore, MRPL's refinery has a high Nelson Complexity Index of 10.6, which enables it to process heavy oil with high quality. It can process crude oil of various API and thus deliver a variety of products such as High-Speed Diesel (HSD), Petrol /Motor spirit (MS), Aviation Turbine Fuel (ATF) etc.

- Increasing demand for petroleum products and cheaper crude oil prices helped refineries run by public sector oil marketing companies (OMC) to witness a surge in gross refining margins (GRM) in 9MFY26. Growth in GRM has come on the back of strong demand for diesel, petrol and aviation turbine fuel (ATF). The GRMs improved to ~US$ 12 /bbl in Q3FY26, driven by healthy crack spreads in the quarter vs. US$ 8.6/bbl in Q2FY26 and US$ 6.2 in Q3FY25. The Russian crude discounts improved QoQ at ~US$3-7/bbl, adding marginal benefit to GRMs despite lower sourcing.
- Benchmark Singapore's gross refining margin (GRM) SG GRM increased 97% QoQ in Q3FY26, owing to supply disruptions due to Russian export sanctions, Ukrainian strikes, and US/Middle East issues, tightening product availability. Besides, diesel and gasoline cracks rose 30-40% QoQ, which helped raise refining margins for Indian players. However, diesel cracks have normalised by Q3 end. MS/HSD marketing margins declined 22%/39% YoY and 3%/8% QoQ, with MS/HSD marketing margins (over Brent) averaging Rs 10.3/Rs 6.3 per lit. A better demand environment of various spreads could help to report better GRM in the near term. With global refining capacity additions, we expect the global refining margin outlook to remain subdued in the long run. S&P Global expects ~1.35mb/d cumulative net refining capacity to be added over 2025-27 vs. ~0.7mb/d cumulative refined product demand growth. However, operational delay in the additional refinery or shutting down the old refinery could increase the demand, and it could help to increase the margin.
- In FY26, with further moderation in crude oil prices, the GRM is expected to remain range-bound at $5-7 per barrel with refineries booking inventory losses in the first quarter of this fiscal. Additionally, normalisation of product cracks to further weigh on the margins (Source: CRISIL). On a conservative scenario, we expect MRP GRM at US$ 6.25/6.75/7 per bbl for FY26E/FY27E/FY28E, respectively

Expects MRP GRM at US$ 6.25/6.75/7 per bbl for FY26E/FY27E/FY28E

Focus on the expansion of the petrochemical business to de-risk its business

- Indian and Chinese refiners, along with majors such as Exxon Mobil Corp., are betting on petrochemicals to underpin future oil demand as the transition to electric vehicles chips away at consumption of transport fuels. India is a net-importer of petrochemicals and the country is facing a make-or-buy decision. There is greater value in capturing production locally.
- MRPL has planned a refinery expansion to boost its petrochemical production capacity, which may cost up to Rs. 47,000 crores ($5.7 billion). A shifting energy landscape, primarily driven by the uptake of electric vehicles, has prompted MRPL to focus on increasing the output of chemicals used in plastics and paints. The company's major investment will be on a new production plant in Karnataka.
- The new MRPL plant is likely to be operational in the next three to five years. MRPL has planned to spend around Rs 30,000-40,000 crore on the new plant, and a further Rs. 6000-7000 crore on smaller petrochemical units. However, MRPL shelved plans to boost the capacity of its west coast refinery to 18 million tons a year from 15 million tons. The plant is still running above operational levels. The investment will contribute to ONGC's overall 1 trillion rupee spend to expand its petrochemical capacity to 8 million tons a year by 2030, from 3.4 million tons. The investment will help to de-risk MRPL's future during the energy transition.

New MRPL plant is likely to be operational in the next three to five years

Phase IV expansion and upcoming various projects to generate its revenue and profitability

MRPL has focused on "crude to chemicals" (petrochemicals) for its Phase IV expansion, and the company is committed to taking up its fourth-phase expansion. With the government's push for electric and natural gas-powered vehicles, the MRPL is mulling a shift away from fuel toward petrochemicals as phase-four expansion becomes a reality. The land acquisition process has been initiated for this, and MRPL could later decide on the land's use (for refining or petrochemicals). About 850 acres will be acquired in the Permude and Kuthethur areas.

The Next Phase of Progress: Transforming Molecules into Momentum

- **Power System Upgradation Project** envisages enhancement of grid connectivity and refinery system upgradation, which includes implementation of Grid connectivity at 220 / 33 KV level to the refinery and grid connectivity at 110/33 KV to Aromatics. Refinery electrical system upgrades, STG and cooling water system modifications, along with other enabling activities, are part of the project's scope. MRPL will draw full power from the KPTCL facility once it is ready. Project activities are in progress, with targeted completion in April 2026.
- **Demo Bio-ATF Project** of 20 KLPD capacity, MRPL is setting up a 20KLPD demo bio-ATF plant integrated with the refinery. Project activities are in progress, targeted project completion is January 2027.
- **Iso Butyl Benzene,** MRPL is now in the process of setting up the IBB demo plant of 200 TPA capacity from captive raw material streams. Project activities are in progress. The plant is targeted to be commissioned soon.

- **Rerouting of Aromatic Complex Pipelines** from Jetty 13 to Jetty 10/11 of NMPA Project envisages Rerouting of the Aromatic complex products & feed cross-country pipelines 18" Para xylene, 16 Inch Benzene & 18 Inch Naphtha from present Jetty 13 to Jetty 10 &11. Project activities are in progress, with targeted completion in July 2026.
- **Replacement of 20 Inch Fuel Oil (FO)** Line from Refinery to Jetty Area with New Above-Ground Line, envisages laying a new 20 Inch FO export line as a replacement for the existing line from the refinery to NMPA. Project activities are in progress, with targeted completion in August 2026.
- **Laying of New treated water Line from MRPL Effluent Treatment Plants 1&2** to APMC point, material of construction of the Pipe shall be upgraded material, i.e., High-Density Polyethene (HDPE). Project activities are in progress, and targets to be completed soon.

Sound financial profile

Gearing Up for a Profitable Future, Steady Throughput, Solid Support from ONGC

- MRPL's operational performance improved in FY25 with a throughput utility of 121% (106% in FY24) and throughput gross refining margin (GRM) of $9.88/bbl ($8.60/bbl in FY22). On a consolidated basis, reported total net operating income of Rs 109,277 crore in FY25 as against Rs 105,223 crore in FY24.
- The oil & gas industry is capital-intensive, requiring substantial capital and time to develop a sound infrastructure. The interest coverage ratio was relatively lower due to lower profitability in FY25, stood at 1x. We expect it at 5.6x/6.3x/7.3x in FY26E/FY27E and FY28E, respectively.
- Net borrowings stood at 13,140 crore as on March 31, 2025. Over the medium term, the gradual revival in economy and improvement in operating performance should reduce the dependence on working capital borrowings. However, liquidity is largely supported by MRPL's status as a subsidiary of ONGC.
- Better profitability could help to report healthy returns going forward.
- Compared to other refiners, MRPL maintains an extra 20-25 days inventory of crude oil as its plant is located in the southern region. This leads to higher inventory gains/losses for the company compared to the other refiners. Inventory days stood at 30 days in FY25.

Risks & Concerns

- Economic slowdown, volatility in oil and gas prices and regulatory changes in Oil and Gas industry could impact its growth story in the future. The changing macroeconomic scenario can have an impact on the growth plan of the company.
- Given the volatility in Crude oil and petroleum product prices, inventory gains/losses in each quarter can be large, affecting the estimates. US sanctions on Russian Oil and shifting to Venezuela for Crude import could increase the cost burden, and falling crude oil price discount from Russia could impact its purchase price and pressure its margins.
- MRPL imports around 80% of its crude oil requirement; any volatility in oil prices impacts operating performance while also exposing it to fluctuations in foreign exchange rates.
- Refining margins could remain volatile from quarter to quarter based on the demand supply dynamics.
- Any adverse government policy impacting refineries, like subsidy sharing, etc., could impact its profitability. However, we believe going forward, the Oil sector could see much more freedom than in the past.
- The company's operations are concentrated to a single refinery and petrochemical complex located at one site. Consequently, the company remains exposed to asset concentration risk.
- MRPL has not been consistent in paying dividends over the past, and its profitability has been volatile over the period. Any significant reduction in MRPL's shareholding by ONGC or weakening of the linkages between MRPL and ONGC.
- Higher than expected debt-funded capital expenditure plans leading to sustained pressure on the capital structure marked by total Debt/EBITDA exceeding 4 times.
- MRPL could face asset concentration risk due to the single location of its refinery, albeit it has adequate insurance cover.

Company Description

MRPL is one of the leading refineries in India, established in 1988. MRPL's Refinery is capable of producing almost a full range of petroleum products like Naphtha, LPG, Motor Spirit, High-Speed Diesel, Kerosene, Aviation Turbine Fuel, Sulphur, Xylene, Bitumen along with Pet Coke and Polypropylene. With a 15.0 MMTPA refinery to process crude oil of various API grades, the company's refinery is located in Dakshina Kannada District of Karnataka State (India). Apart from the refinery capacity, the company is also into the manufacturing of value-added petrochemical products and has a 440 KTPA polypropylene unit.

MRPL sources its requirement of crude oil from India and various national oil companies of exporting countries on a term basis and from the open market on a spot basis. It sells to PSU oil marketing companies (OMCs) and earns income from exports. The company also has 235 retail outlets in Karnataka and Kerala states at present.

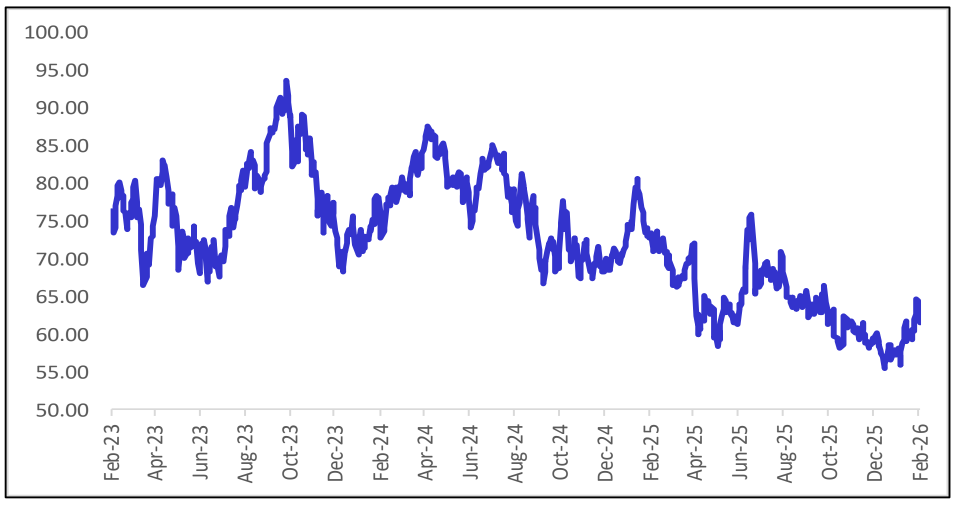
ONGC acquired a 51% stake in MRPL in March 2003, and later increased its stake to 72%. With a change in management, ONGC's fund infusion, and the upturn in the refining margin cycle, the company achieved a financial turnaround in the subsequent periods. The refining capacity was enhanced to 15 MMTPA from 11.82 MMTPA in March 2012 with the commissioning of Phase-III. It also commissioned a 440-KTPA polypropylene unit. In July 2015, MRPL's board approved the merger of its subsidiary, viz. ONGC Mangalore Petrochemicals Limited (OMPL). In January 2021, MRPL acquired ONGC's stake in OMPL, increasing its stake in OMPL to 99.99% from 51%. The Ministry of Corporate Affairs, vide its final order dated April 14, 2022, approved the amalgamation of ONGC Mangalore Petrochemicals Limited with MRPL with April 01, 2021 as the appointed date and the effective date for the scheme of amalgamation as May 01, 2022

Operating Metrics

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Refining Capacity	15	15	15	15	15	15	15
Crude Throughput(MMT)	14.90	17.2	16	18.2	17.25	17.55	18
Core GRM	7.9	9.7	10.8	4.4	6.25	6.75	7
Capacity Utilisation	99.3%	114.7%	106.7%	121.3%	115.%	117%	120%
Realisation-MMT	5778.1	7252.1	6576.5	6004.3	6188.6	6352.6	6501.9

(Source: Company, HDFC sec)

Crude Oil WTI Fut-US$/bbl



(Source: Investing.com)

Financial Statements

Income Statements

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	**109026**	**90407**	**94682**	**89854**	**95130**	**101233**
Growth (%)	***56.3***	***-17.1***	***4.7***	***-5.1***	***5.9***	***6.4***
Operating Expenses	102532	82707	92389	83136	87708	93201
EBITDA	**6494**	**7700**	**2293**	**6718**	**7422**	**8033**
Growth (%)	***32.5***	***18.6***	***-70.2***	***193.0***	***10.5***	***8.2***
EBITDA Margin (%)	***6.0***	***8.5***	***2.4***	***7.5***	***7.8***	***7.9***
Depreciation	1187	1257	1347	1510	1463	1430
EBIT	**5307**	**6443**	**946**	**5209**	**5959**	**6603**
Other Income	229	194	181	198	200	202
Interest expenses	1280	1114	1008	930	858	795
PBT	**4256**	**5523**	**119**	**4477**	**5300**	**6011**
Tax	1600	1925	63	1455	1696	1923
PAT	**2655**	**3597**	**56**	**3022**	**3604**	**4087**
Share of Asso./Minority Int.	-2	-5	0	0	0	0
Adj. PAT	**2657**	**3602**	**56**	**3022**	**3604**	**4087**
Growth (%)	***-10.9***	***35.6***	***-98.4***	***5276.0***	***19.3***	***13.4***
EPS	15.2	20.6	0.3	17.2	20.6	23.3

(Source: Company, HDFC sec)

Balance Sheet

Particulars (in Rs Cr) - As at March	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCE OF FUNDS						
Share Capital	1753	1753	1753	1753	1753	1753
Reserves	8112	11530	11217	13713	16748	20046
Shareholders' Funds	**9865**	**13283**	**12970**	**15466**	**18500**	**21799**
Minority Interest	0	0	0	0	0	0
Total Debt	16939	12687	13143	12393	11443	10593
Other Non-Curr. Liab	607	658	728	655	593	540
Net Deferred Taxes	-1243	-285	-236	-212	-191	-172
Total Sources of Funds	**26167**	**26344**	**26605**	**28302**	**30345**	**32760**
APPLICATION OF FUNDS						
Net Block & Goodwill	20396	20432	20104	20191	19298	18540
CWIP	475	721	720	179	179	179
LT Loan & Advance	187	252	304	334	284	313
Other Non-Curr. Assets	928.78	1021.3	1104.9	1162.9	1003.6	916.63
Total Non-Current Assets	**21986**	**22428**	**22233**	**21867**	**20765**	**19948**
Inventories	6777	8306	7720	7385	8340	8321
Debtors	4469.39	3860.1	3511	3938.8	4170.1	4437.6
Cash & Equivalents	39	39	31	811	2797	5762
Other Current Assets	686	513	703	807	927	1064
Total Current Assets	**11971**	**12718**	**11966**	**12942**	**16234**	**19584**
Creditors	6169	7204	5815	4924	5213	5547
Other Current Liab & Provisions	1622	1598	1779	1584	1440	1225
Total Current Liabilities	**7790**	**8802**	**7594**	**6507**	**6653**	**6772**
Net Current Assets	4181	3916	4372	6435	9581	12812
Total Application of Funds	**26167**	**26344**	**26605**	**28302**	**30345**	**32760**

(Source: Company, HDFC sec)

Cash Flow Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	2,655	3,597	56	4,477	5,300	6,011
Non-operating & EO items	1,710	1,929	-25	-30	50	-28
Interest Expenses	1,269	1,099	983	930	858	795
Depreciation	1,187	1,257	1,347	1,510	1,463	1,430
Working Capital Change	310	119	-406	-1,332	-568	280
Tax Paid	-766	-950	-77	-1,455	-1,696	-1,923
OPERATING CASH FLOW (a)	**6,364**	**7,051**	**1,878**	**4,099**	**5,408**	**6,563**
Capex	-703	-1551	-990	-1150	-1000	-1200
Free Cash Flow	5662	5500	888	2949	4408	5363
Investments	0	0	0	6	6	7
Non-operating income	30	13	20	30	-50	28
INVESTING CASH FLOW (b)	**-673**	**-1,538**	**-970**	**-1,114**	**-1,044**	**-1,165**
Debt Issuance / (Repaid)	-4,596	-4,315	358	-750	-950	-850
Interest Expenses	-1,120	-1,043	-953	-930	-858	-795
FCFE	-55	142	293	1,269	2,599	3,719
Share Capital Issuance	0	0	0	0	0	0
Dividend	27	-166	-343	-526	-570	-789
Others	0	0	0	0	0	0
FINANCING CASH FLOW (c)	**-5,690**	**-5,524**	**-938**	**-2,205**	**-2,378**	**-2,433**
NET CASH FLOW (a+b+c)	**1**	**-12**	**-30**	**780**	**1,986**	**2,965**

(Source: Company, HDFC sec)

Key Ratios

Particulars	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios (%)						
EBITDA Margin	6.0	8.5	2.4	7.5	7.8	7.9
EBIT Margin	4.9	7.1	1.0	5.8	6.3	6.5
APAT Margin	2.4	4.0	0.1	3.4	3.8	4.0
RoE	31.1	31.1	0.4	21.3	21.2	20.3
RoCE	12.5	16.4	2.0	13.5	14.5	14.8
Solvency Ratio (x)						
Net Debt/EBITDA	2.6	1.6	5.7	1.7	1.2	0.6
Net D/E	1.7	1.0	1.0	0.7	0.5	0.2
PER SHARE DATA (Rs)						
EPS	15.2	20.6	0.3	17.2	20.6	23.3
CEPS	21.9	27.7	8.0	25.9	28.9	31.5
BV	56.3	75.8	74.0	88.2	105.6	124.4
Dividend	0.0	3.0	0.0	3.0	3.3	4.5
Turnover Ratios (days)						
Debtor days	15	16	14	16	16	16
Inventory days	23	34	30	30	32	30
Creditors days	21	29	22	20	20	20
Valuation (X)						
P/E	12.2	9.0	577.6	10.7	9.0	7.9
P/BV	3.3	2.4	2.5	2.1	1.8	1.5
EV/EBITDA	7.6	5.9	19.9	6.6	5.5	4.6
EV / Revenues	0.5	0.5	0.5	0.5	0.4	0.4
Dividend Yield (%)	0.0	1.6	0.0	1.6	1.8	2.4
Dividend Payout (%)	0.0	14.6	0.0	17.4	15.8	19.3

(Source: Company, HDFC sec)

HDFC Sec Prime Research Rating description
Green Rating stocks
This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks
This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks
This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicality of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Rating Criteria
Buy - > 15%+ return potential
Add - +5% to +15% return potential
Reduce - -10% to +5% return potential
Sell - >10% downside return potential

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Disclosure:
I, **(Abdul Karim),** Research Analyst, **(MBA),** author and the name 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. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. 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.
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