Dated: 26 Dec 2025

Castrol India (CSTRL) - ADD

Company Update

Current Market Price (CMP)	Target Price
Rs.189	Rs.210

Rationale:

- BP has announced selling 65% stake in Castrol Group Holding (CGHL; owns 51% stake in Castrol India) to Stonepeak (an alternate investment firm).
- As part of the transaction, the entire 100% stake of CGHL will be transferred to a JV of Stonepeak and BP, with BP having a minority 35% stake.
- As required under SEBI regulations, the acquirer has announced an open offer of 26% public shareholding in Castrol India at Rs194/share.
- BP intends to use cash proceeds from this transaction to reduce its overall debt levels.
- We maintain ADD with a revised FV of Rs210 (Rs215 earlier).

Positives:

- We remain optimistic of Castrol's volume growth outlook.
- This transaction is taking place at a promotor level and we do not foresee any short-to-medium-term impact on the operational performance of Castrol India.

Negatives:

- We have cut our EBITDA numbers for CY25-27E by ~1-2% on weaker currency.

(EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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