

MANGALORE REFINERY & PETROCHEMICALS (MRPL) - SELL

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.143	Rs.129

Rationale:

- Reported a PAT of Rs.1,451 cr vs a PAT of Rs.627 cr in Q2FY26.
- PAT growth was supported by higher implied refining margins, higher crude throughput & a sharp reduction in borrowings.
- Currently, ~200 retail outlets are operational & plans to exit FY26E with 250 retail outlets.
- In next three years, company plans to reach 500 retail outlets & in next five years, it plans to have 1000 retail outlets.
- We have valued the stock at a P/E (price to earnings multiple) of 6x FY28E earnings.
- We maintain SELL recommendation on the stock with a price target of Rs.129.

👍 Positives:

- In Q3FY26, MRPL's throughput was 47 lakh MT (higher than our estimate of 44 lakh MT) as against 46 lakh MT in Q3FY25.
- Management is aggressively focusing on retail expansion as marketing margins trades higher as compare to refining margins.

👎 Negatives:

- India's average benchmark refining margins stood lower at \$9.3/bbl in Q4FY26 till date as against \$13.8/bbl in Q3FY26.

MT: Metric Ton. PAT: Profit after Tax. PE: Price to Earnings.



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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.
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NA	– Not Available or Not Applicable. The information is not available for display or is not applicable
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NOTE	– Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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