

BSE SENSEX	S&P CNX	CMP: INR717	TP: INR782	Buy
16,417	4,986			
Bloomberg	BPCL IN			
Equity Shares (m)	361.5			
52-Week Range (INR)	768/459			
1,6,12 Rel. Perf. (%)	12/32/24			
M.Cap. (INR b)	259.2			
M.Cap. (USD b)	4.7			

Consolidated

- 4QFY12 performance in-line:** Bharat Petroleum Corporation (BPCL) reported EBITDA of INR50.6b for 4QFY12, largely in line with our estimate of INR49b. Losses on petrol (~INR5.7b) and lower GRM at USD4.2/bbl (v/s our estimate of USD4.5/bbl) were compensated by forex gain of INR8.3b (netted from other expenditure). PAT was INR39.6b (v/s our estimate of INR36.6b), led by higher other income of INR4.4b (v/s our estimate of INR2.4b). Comparable PAT was INR9.4b in 4QFY11 and INR31.4b in 3QFY12.
- Consolidated PAT impacted by losses in Bina Refinery:** At INR7.8b, consolidated PAT for FY12 was lower than standalone PAT of INR13.1b, led by losses in Bina Refinery (INR11b) and write-off in domestic E&P business (EBIT loss of INR1.9b). Bina Refinery capitalization was complete in June 2011. However, throughput remained low in FY12 (2mmt v/s capacity of 6mmtpa), resulting in non-commensurate revenue as against depreciation and interest cost. Led by losses in Bina Refinery and E&P business, the implied tax rate at consolidated level stood at 46.8% (v/s standalone tax rate of 30%).
- Nil subsidy sharing in FY12; bears losses on petrol:** As petrol is a decontrolled product, the government did not compensate for losses of ~INR11.4b in FY12 and INR5.7b in 4QFY12. However, in FY12, BPCL received 100% compensation towards controlled products (diesel, kerosene and LPG), as GoI shared 60.3% and upstream shared 39.7%.
- Valuation and view:** E&P upside potential differentiates BPCL from HPCL and IOC. BPCL's E&P portfolio has turned out to be a huge success, with multiple discoveries in its Brazil and Mozambique acreage. We value BPCL's E&P portfolio at INR160/share and believe there could be significant upside, as more clarity on the reserve size at its Mozambique and Brazil discoveries emerges. The stock trades at 15.9x FY13E EPS of INR45.2 and 1.5x FY13E BV. Adjusted for investments and E&P value, BPCL trades at 0.7x FY12E BV. BPCL is our top pick among OMCs. Maintain **Buy**.

Quarterly Performance (Standalone)

Y/E March	FY11				FY12				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY11	FY12
Net Sales	342,415	353,168	366,655	452,515	461,177	422,819	588,245	646,422	1,514,753	2,118,662
Change (%)	34.3	30.5	14.0	20.5	34.7	19.7	60.4	42.9	23.9	39.9
EBITDA	-14,265	24,679	7,284	16,441	-21,861	-27,148	36,874	50,571	34,138	38,436
Change (%)	nm	nm	17.0	45.8	53.3	nm	406.3	207.6	43.5	12.6
% of Sales	-4.2	7.0	2.0	3.6	-4.7	-6.4	6.3	7.8	2.3	1.8
Depreciation	4,007	4,019	3,700	4,828	4,901	4,600	4,667	4,681	16,554	18,849
Interest	2,324	2,780	2,747	3,157	3,349	4,532	5,174	4,941	11,008	17,996
Other Income	3,415	5,522	3,308	5,305	4,492	3,987	4,389	4,382	17,550	17,250
PBT	-17,181	23,402	4,144	13,761	-25,619	-32,293	31,422	45,331	24,126	18,842
Tax	0	1,980	2,270	4,410	0	0	26	5,703	8,660	5,729
Tax rate (%)	0.0	8.5	54.8	32.0	0.0	0.0	0.1	12.6	35.9	30.4
PAT	-17,181	21,422	1,874	9,352	-25,619	-32,293	31,396	39,628	15,467	13,113
Change (%)	nm	nm	-50.6	32.9	49.1	nm	1,575.5	323.8	0.6	-15.2
Adj. PAT	-17,181	21,422	1,874	9,352	-25,619	-32,293	31,396	39,628	15,467	13,113

E: MOSL Estimates; 3QFY11 tax includes prior period provision (from FY03) of INR1b

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Concall highlights

Update on Bina Refinery

- BPCL's consolidated PAT for FY12 was down 50% YoY, primarily on account of INR11b loss made by Bina Refinery.
- In 4QFY12, Bina Refinery's capacity utilization was 55-60% and GRM was USD11/bbl. The refinery is currently operating at 90% capacity, and the management expects it to achieve full capacity utilization in FY13.
- The management expects sustainable GRM to be in the range of USD9-11/bbl. Currently, opex at the refinery is USD2.5-3/bbl and the management expects it to decline to USD2-2.5/bbl, with increasing capacity utilization.
- The management mentioned that the study on Bina Refinery capacity expansion is in progress. It expects capacity expansion from 6mmtpa to 7.5-8mmtpa through de-bottlenecking and modifications in some units.

Update on Mozambique block

- The management mentioned that reserve certification for the Mozambique block will take place in September-December 2013 and FID (final investment decision) will also take place around that time.
- It mentioned that consortium partners are working on development plans and they would be investing in LNG and associated facilities.
- In FY13, BPCL plans to drill 10-12 wells in Mozambique and 8-9 wells in Brazil.

Capex plan

- For FY13, BPCL has earmarked capex of INR50b. It will spend INR15b on E&P, INR7b on Kochi, INR6b-8b on CCR complex in Mumbai Refinery, INR7b-8b on LPG cylinders and INR6b-8b on retail outlets.
- For E&P, BPCL has a capex plan of INR15b-16b in FY13 and INR20b in FY14. Bulk of the expenditure would be in Mozambique and Brazil.
- In FY12, BPCL capex stood at INR36b. It spent INR7b on retail, INR6.5b on LPG cylinders, INR8.5b on E&P, and the rest on upgradation activity at Mumbai and Kochi refineries.

Kochi Refinery expansion

- Kochi Refinery expansion project will increase refinery capacity from 9.5mmtpa to 15.5mmtpa and complexity from 5.5 to 9.
- Kochi Refinery capacity expansion project cost is INR142b. BPCL has planned capex of INR7b in FY13 for this project. The project will take 42 months for completion.
- BPCL also intends to set up a joint-venture petrochemicals complex at Kochi with an investment of INR50b-60b.

Post recent petrol price hike, await price hikes in other controlled products

- After the recent hike of ~12% in petrol prices by OMCs, we wait for the government to raise prices of regulated products - diesel, kerosene and LPG. We believe that the government is now in a more comfortable situation, with (1) the end of the parliament session, and (2) reduction in headline inflation from double-digit levels to 7.2% in April 2011 and expectation that inflation would remain at moderate levels throughout FY13.
- Fuel price hikes in regulated products will be positive for the sector, as these would result in a reduction in overall under-recoveries.

We model OMCs' subsidy sharing at 7%/10% in FY13/14 (INR b)

	FY10	FY11	FY12	FY13E	FY14E
Fx Rate (INR/USD)	47.5	45.6	47.9	52.0	50.0
Brent (USD/bbl)	69.6	86.3	114.5	110.0	100.0
Gross Under recoveries (INR b)					
Auto Fuels	144	375	812	794	362
Domestic Fuels	316	405	573	676	517
Total	461	780	1,385	1,470	880
Sharing (INR b)					
Oil Bonds/Cash	260	410	835	805	451
Upstream	145	303	550	570	341
OMC's sharing	56	67	0	96	88
Total	461	780	1,385	1,470	880
Sharing (%)					
Government	56	53	60	54	51
Upstream	31	39	40	39	39
OMC's sharing	12	9	0	7	10
Total	100	100	100	100	100

Source: Company/MOSL

FY13E under-recovery sensitivity

- For every USD1/bbl variation in oil price:
 - Gross under-recovery (U/R) changes by INR44b
 - Diesel U/R changes by INR31.6b
 - Kerosene U/R changes by INR3.6b
 - LPG U/R changes by INR9.2b
 For every INR1/USD variation in exchange rate, gross U/R changes by INR97b (oil at USD110/bbl).
- Impact of INR1/liter price hike on U/R:
 - Diesel - INR83b,
 - Kerosene - INR11b
- Impact of INR25/cylinder hike in LPG - INR26b.

Nil subsidy sharing on controlled products in FY12; bears losses on petrol

- FY12 subsidy sharing: Of the gross under-recovery of INR326b in FY12, BPCL received INR130b (39.7%) from upstream and INR197b (60.3%) from the government, resulting in nil sharing for BPCL.
- 4QFY12 subsidy sharing: In 4QFY12, BPCL received INR91.5b from the government and INR43.3b from upstream companies, resulting in net over-recovery of INR36b.
- Though petrol is theoretically de-regulated, OMCs make losses on petrol sales, as they are not able to price it freely due to indirect pressure from the government. While the companies demanded compensation for losses on petrol, the government did not provide any. BPCL's losses stood at INR5.7b in 4QFY12 and ~INR11.4b in FY12.

BPCL: Shared nil subsidy in FY12 (INR b)

	FY11				FY12				4QFY12 (%)		FY11	FY12
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ		
Gross Under recovery	46.3	24.6	35.3	73.4	102.9	48.7	76.3	98.5	34.2	29.1	179.6	326.4
Less: Sharing												
Upstream Sharing	15.5	8.2	11.7	34.2	34.1	16.4	35.7	43.3	26.8	21.3	69.6	129.6
Oil Bonds/Cash	0.0	29.5	18.1	46.6	35.2	0.0	69.9	91.5	96.4	30.9	94.2	196.7
Net Under/(over)recovery	30.8	(13.1)	5.5	(7.4)	33.6	32.3	(29.4)	(36.4)	nm	nm	15.8	0.1
As a % of Gross	66.5	nm	15.6	nm	32.6	66.3	nm	nm			8.8	0.0

Source: Company/MOSL

4QFY12 operational highlights

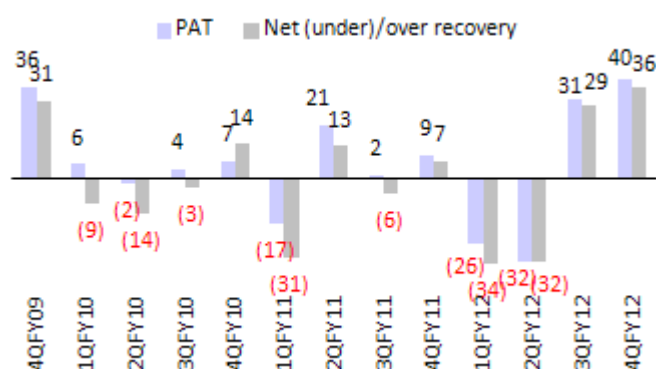
- 4QFY12 GRM stood at USD4.2/bbl (v/s our estimate of USD4.5/bbl), as against USD6.9/bbl in 4QFY11 and USD3.5/bbl in 3QFY12.
- Product inventory adventitious gain stood at INR510m (v/s gain of INR3b in 4QFY11 and INR3b in 3QFY12).
- Refinery throughput stood at 6mmt (in-line), up 8% YoY and down 2% QoQ.
- Marketing volumes increased 6% YoY and 2% QoQ to 8.2mmt.

BPCL: 4QFY12 operational highlights (INR b)

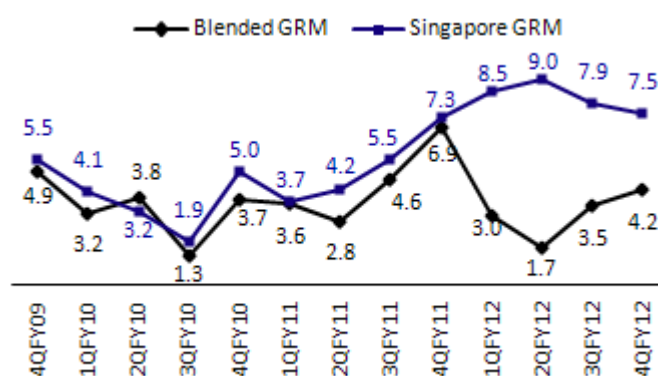
	FY11				FY12				4QFY12 (%)		FY11	FY12
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ		
Product Sales (mmt)	7.3	6.6	7.4	7.8	7.8	7.0	8.0	8.2	6.1	2.4	29.1	31.1
Throughput (mmt)												
Mumbai	3.3	3.4	2.9	3.4	3.3	3.1	3.5	3.4	0.5	(0.6)	13.0	13.3
Kochi	2.3	2.2	2.1	2.1	1.9	2.5	2.7	2.6	20.1	(4.1)	8.8	9.6
Total	5.6	5.6	5.0	5.6	5.2	5.6	6.1	6.0	7.5	(2.1)	21.8	22.9
Blended GRM (USD/bbl)	3.6	2.8	4.6	6.9	3.0	1.7	3.5	4.2	(39.9)	19.3	4.5	3.1

Source: Company/MOSL

Ad-hoc subsidy sharing resulting in volatile quarterly profits (INR b)



4QFY12 GRM at USD4.2/bbl (USD/bbl)



Source: Company/MOSL

We currently value BPCL's E&P business at INR164/sh; expect further increase

BPCL's Mozambique block has been witnessing significant discoveries in recent period. In May 2012, BPCL announced 11th successful well in Mozambique, thereby placing the recoverable reserves at 24-50tcf and in-place resources at 43-95+ tcf of natural gas.

Anadarko (BPCL's JV partner and operator) has decided to build a two-train LNG facility to monetize this large resource base, which is expandable to six trains. The distance of the basin from the shore is only 50km and Mozambique's geographic location is also ideal as it is near to high gas demand areas of Asia. The pre-FEED activity for LNG development is nearing completion and FEED activity is expected to start soon. The final investment decision (FID) is expected to come by July-Aug 2013 and production is expected in 2018-19. We currently value BPCL's E&P portfolio at INR164/sh and expect the value to increase with further exploration and risk mitigation.

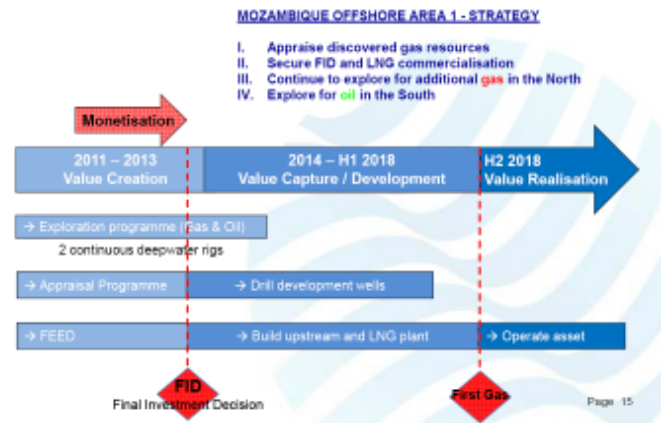
14 discoveries till date in its overseas E&P portfolio

No	Discovery	Date	Basin	BPCL Stake (%)	Oil/Gas	Pay Zone (m)	WaterDepth (m)	Depth(m)
Brazil - Offshore								
1	Wahoo - 1	Oct-08	Campos	12.5	Oil	65		5,660
2	Wahoo-2	Nov-09	Campos	12.5	Oil	59		
3	Barra	Oct-10	Sergipe-Alagoas	20.0	Oil & Gas			2,321
Mozambique - Offshore								
4	Windjammer	Mar-10	Rovuma	10.0	Gas	365	1,465	4,250
5	Barquentine	Oct-10	Rovuma	10.0	Gas	126		
6	Lagosta	Nov-10	Rovuma	10.0	Gas	168		4,221
7	Tubarao	Feb-11	Rovuma	10.0	Gas	34	900	3,337
8	Barquentine-2	Aug-11	Rovuma	10.0	Gas	70	1,650	2,450
9	Camarao	Oct-11	Rovuma	10.0	Gas	73	1,441	2,409
10	Barquentine-3	Nov-11	Rovuma	10.0	Gas	202	1,575	2,509
11	Lagosta-2	Jan-12	Rovuma	10.0	Gas	237	1,467	2,868
12	Lagosta - 3	Feb-12	Rovuma	10.0	Gas	176		
13	Barquentine-4	Apr-12	Rovuma	10.0	Gas	160		
Indonesia - Offshore								
14	Badik-1	Nov-10	Tarakan	12.5	Oil & Gas	40	70	4,358

11 discoveries in Mozambique block; still growing



Mozambique FID expected in 2013; first gas expected in 2018



Brazil: Wahoo Valuation

Resources (mmboe)	200
GCoS (%)	100
Likely recovery (mmboe)	200
Valuation (USD/boe)	8.0
Value (USDm)	1,600
Value (INRm)	83,200
BPCL stake (%)	12.5
Value to BPCL (INRm)	10,400
Value (INR/sh)	29
FY13E value	18

*discounted by 4 years @12%

Mozambique Valuation

Likely recovery (tcf)	30.0
Likely recovery (mmboe)	5,700
Valuation (USD/boe)	3.5
Value (USDb)	20.0
Value (INRb)	1,037
BPCL stake (%)	10
Value to BPCL (INRb)	96
Value (INR/sh)	287
FY13E value*	145

*discounted by 6 years @12%

BPCL's E&P witnessing significant success

BPCL's E&P business has turned out to be a huge success with multiple discoveries in its Brazil and Mozambique acreage. BPCL's E&P activity is carried through its 100% subsidiary Bharat PetroResources Ltd, which has 27 E&P blocks (9 in India and 18 abroad). BPCL has an overseas presence in Australia, Brazil, East Timor, Indonesia, Mozambique and the UK.

BPCL's E&P strategy

BPCL's entry into E&P business is led by the thought of being self-sufficient in sourcing crude requirement for its refineries (shielding it from vagaries of crude price at entity level). BPCL has consciously entered into countries with a very low political risk. Further, at this stage BPCL prefers to enter only into exploratory blocks and would not be entering into producing blocks.

BPCL: Status update of overseas E&P portfolio

Block	Country	Stake (%)	Comments
WA/388/P	Australia	14.0	One dry well. Post well studies are in progress.
AC/P32	Australia	20.0	Likely to relinquish
48/1b & 2c - North Sea	U.K.	25.0	One sub-commercial discovery (Cobra). Well stimulation studies incl. fracking/gas export option & project economics has been completed by the operator. Currently field development options are being studied.
JPDA 06/103	Australia/Timor*	20.0	Of the 4 MWP wells, two wells were drilled in FY10 & 1 indicated hydrocarbon, but was sub-commercial. 3D seismic interpretation and studies are in progress to identify further drilling prospect(s). One year extension granted; subject to 50% relinquishment of area.
TP-15	Australia	50.0	Relinquished
EP-413	Australia		Drilling of an exploratory well has been completed. At present testing of cores etc is in progress and vertical fracking of well is scheduled in the second quarter of 2012.
Sergipe and Alagoas			
SEAL-M-349	Brazil	20.0	3D Seismic Data Interpretation completed and drilling of well (Barra)
SEAL-M-426	Brazil	20.0	completed. 34 mts net pay encountered. Drilling of 2nd well (Capela)
SEAL-M-497	Brazil	20.0	commenced on Aug 26, 2011. Appraisal plan for Barra approved by
SEAL-M-569	Brazil	20.0	regulator, ANP. Drilling of other wells planned from April-12 onwards.
Espirito Santo			
ES-24-588	Brazil	15.0	1 well (Serpa) drilled post salt in Sept-07, later deepened to pre-salt in
ES-24-661	Brazil	15.0	Jan-09. Sub-commercial gas show. Another well (Gauda) was drilled in
ES-24-663	Brazil	15.0	May/June-09 was dry. Now in Phase II (2 years); to drill 2 wells.
Campos			
C-M-30-101	Brazil	12.5	Wahoo#1 Well resulted in oil discovery. Testing at 7,500bpd established capacity to flow at 15,000bpd. Wahoo#2 (North) well non-commercial and Wahoo#3 (South) was dry. Currently, the block is under Evaluation phase till 2015. Two appraisal wells planned in 2012. Subsequent to the results of appraisal wells, the Development of the field will be taken up.
Portiguar			
POT-16-663	Brazil	10.0	3D Seismic Data Interpretation & Sea Bed logging completed. Drilling
POT-16-760	Brazil	10.0	of one prospect finalized and Well, "Ararauna" to be drilled during 2012.
Mozambique Rovuma Basin	Mozambique	10.0	Details in other slides Badik-1 well encountered 40 net mts of oil and natural gas pay. 3D
Nunukan PSC, Tarakan Basin	Indonesia	12.5	seismic data acquisition/processing completed. 2 appraisal wells (Badik-2 and Badik-3) to be drilled in 2012.

Valuation and view

- We model Brent oil price of USD110/100/90/bbl in FY13/FY14/long-term in our estimates. For FY13/14, we model upstream share at 38.7%, OMCs' share at 7%/10% and the rest to be borne by the government.
- Key events to watch (apart from subsidy sharing) are: (a) Bina Refinery GRM performance; (b) E&P developments in the Mozambique block.
- E&P upside potential differentiates BPCL from HPCL and IOC. BPCL's E&P portfolio has turned out to be a huge success, with multiple discoveries in its Brazil and Mozambique acreage. We value BPCL's E&P portfolio at INR160/share and believe there could be significant upside, as more clarity on the reserve size at its Mozambique and Brazil discoveries emerges.
- The stock trades at 15.9x FY13E EPS of INR45.2 and 1.5x FY13E BV. Adjusted for investments and E&P value, BPCL trades at 0.7x FY12E BV. BPCL is our top pick among OMCs. Maintain **Buy**.

We value BPCL at INR782/sh	(INR/sh)	
EV/EBITDA	786	Valued at 5.5x on FY13 basis
P/B	792	Valued at 1x on FY13 basis
P/E	769	Valued at 10x on FY13 basis
Average	782	

Investments valued at INR326/sh

	INRb	INR/sh	
Investments			
Oil India	4.6	13	25% discount to CMP/TP
Petronet LNG	13.0	36	25% discount to CMP/TP
Indraprastha Gas	7.6	21	25% discount to CMP/TP
Treasury Shares	18.5	51	25% discount to CMP/TP
Unlisted Investments			
Bharat Oman	15.5	43	15% discount to investment
E&P Potential	59.2	164	Brazil, Mozambique discoveries
Total	118.0	326	

BPCL: an investment profile

Company description

A Fortune 500 company, Bharat Petroleum Corporation (BPCL) has interests in oil refining and marketing of petroleum products. It is the third-largest refining company in India, with a capacity of 12mmtpa at its Mumbai facility and 7.5mmtpa at Kochi. BPCL has majority stake (63%) in Numaligarh Refineries, a 3mmtpa refinery in the North East. It has investments in Indraprastha Gas (22.5%) and Petronet LNG (12.5%). BPCL is a public sector company, in which the Government of India holds 54.93%.

Key investment arguments

- BPCL's profitability continues to be determined by quantum of under-recoveries and sharing mechanism, rather than fundamentals.
- Bina Refinery commercial production ramp-up is expected in coming quarters. BPCL has 49% stake in the ~INR114b Bina Refinery, which will have a capacity of 6mmtpa.
- BPCL's E&P portfolio is likely to add substantial value, as it completes its appraisal program and gives out the resource/reserve numbers.

Key investment risks

- Delays in diesel de-regulation; ad-hoc subsidy sharing.

- Non-commensurate increase in retail fuel prices (to international oil price rises) leads to under-recoveries for the company and ad-hoc subsidy sharing impacts profits.

Recent developments

- BPCL hiked petrol prices by ~12% (INR7.5/ltr).
- BPCL was fully compensated for its under-recoveries on controlled products in FY12.
- The Board recommended a bonus issue of 1:1 and dividend of INR11/share.

Valuation and view

- The stock trades at 15.9x FY13E EPS of INR45.2 and 1.5x FY13E BV. Maintain **Buy**.

Sector view

- The global economic environment (particularly Europe) will continue to weigh heavily on refining margins. GRMs will be capped in the near term due to new capacities coming online in FY13 and FY14.
- We expect the demand-supply gap to correct only through closure of simple refiners and continuous pick-up in global demand.

Target price and recommendation

Current Price (INR)	Target Price (INR)	Upside (%)	Reco.
717	782	9.1	Buy

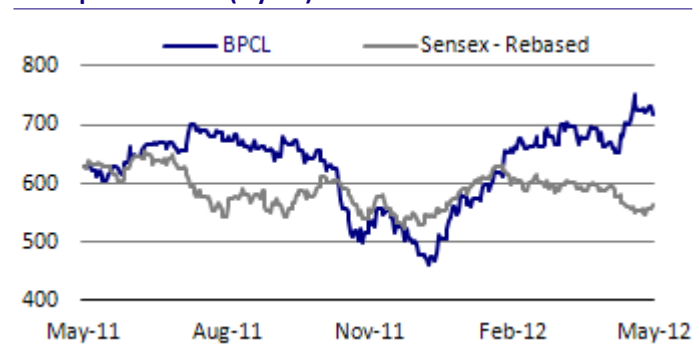
EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY13	45.2	44.4	1.9
FY14	45.7	53.2	-14.1

Shareholding pattern (%)

	Mar-12	Dec-11	Mar-11
Promoter	55.8	55.8	55.8
Domestic Inst	18.8	19.2	20.0
Foreign	8.0	7.3	7.0
Others	17.5	17.8	17.2

Stock performance (1 year)



Financials and Valuation

Income Statement (Consolidated)		(INR Million)			
Y/E March	2011	2012	2013E	2014E	
Net Sales	1,536,450	2,119,639	2,448,978	2,247,148	
Change (%)	24.1	38.0	15.5	-8.2	
Finished Gds Purchase	701,497	918,786	1,085,774	945,577	
RM & Other exp	692,475	1,030,487	1,243,119	1,175,177	
Other operating expen	99,865	123,996	61,216	69,299	
EBITDA	42,612	46,370	58,870	57,095	
% of Net Sales	2.8	2.2	2.4	2.5	
Depreciation	18,914	24,108	25,686	27,322	
Interest	12,468	22,591	19,501	16,805	
Other Income	17,252	16,324	12,757	13,043	
Extraordinary Items (net)	0	0	0	0	
PBT	28,483	15,995	26,439	26,011	
Tax	11,062	7,482	9,102	8,478	
Rate (%)	38.8	46.8	34.4	32.6	
Minority Interest	1,071	705	1,005	1,005	
Exceptional Item					
PAT	16,350	7,809	16,333	16,529	
Adj. PAT	16,350	7,809	16,333	16,529	
Change (%)	0.2	-52.2	109.2	1.2	

Balance Sheet		(INR Million)			
Y/E March	2011	2012	2013E	2014E	
Share Capital	3,615	3,615	3,615	3,615	
Reserves	149,893	153,049	164,729	176,605	
Net Worth	153,508	156,664	168,344	180,221	
Minority interest	9,975	10,679	11,684	12,689	
Loans	251,855	238,053	218,406	218,507	
Deferred Tax	13,074	13,074	13,334	13,585	
Capital Employed	428,412	418,471	411,768	425,001	
Gross Fixed Assets	344,851	366,582	396,907	421,819	
Less: Depreciation	152,581	176,690	202,376	229,698	
Net Fixed Assets	192,269	189,892	194,531	192,121	
Capital WIP	82,864	82,864	82,864	82,864	
Investments	84,600	117,336	122,336	127,336	
Intangibles	3,855	3,855	3,855	3,855	
Curr. Assets, L & Adv.					
Inventory	182,135	171,594	188,835	173,686	
Debtors	28,779	30,945	32,897	30,038	
Cash & Bank Balance	7,971	3,969	2,728	28,153	
Loans & Advances	86,421	86,374	86,374	86,374	
Current Liab. & Prov.					
Liabilities	206,051	234,854	266,228	262,216	
Provisions	34,462	33,537	36,456	37,243	
Net Current Assets	64,792	24,492	8,149	18,792	
Less: Miscellaneous e	33	33	33	33	
Application of Funds	428,412	418,471	411,768	425,001	

E: MOSL Estimates

Ratios		(INR Million)			
Y/E March	2011	2012	2013E	2014E	
Basic (INR)					
EPS	45.2	21.6	45.2	45.7	
Cash EPS	97.5	88.3	116.2	121.3	
Book Value	424.6	433.3	465.6	498.5	
Dividend	14.0	11.0	11.0	11.0	
Payout (incl. Div. Tax.)	39.4	59.6	28.5	28.1	
Valuation (x)					
P/E	15.9	33.2	15.9	15.7	
Cash P/E	7.4	8.1	6.2	5.9	
EV / EBITDA	12.1	10.9	8.3	8.1	
EV / Sales	0.3	0.2	0.2	0.2	
Price / Book Value	1.7	1.7	1.5	1.4	
Dividend Yield (%)	2.0	1.5	1.5	1.5	
Profitability Ratios (%)					
RoE	11.1	5.0	10.1	9.5	
RoCE	5.5	5.3	8.0	7.1	
Turnover Ratios					
Debtors (No. of Days)	7	5	5	5	
Asset Turnover (x)	4.8	6.0	6.4	5.5	
Leverage Ratio					
Debt / Equity (x)	1.6	1.5	1.3	1.2	

Cash Flow Statement		(INR Million)			
Y/E March	2011	2012	2013E	2014E	
OP/(Loss) before Tax	28,632	15,995	26,439	26,011	
Depreciation	18,914	24,108	25,686	27,322	
Interest Paid	12,468	22,591	19,501	16,805	
Direct Taxes Paid	-12,475	-7,482	-8,842	-8,226	
Other operating items	-13,028	0	0	0	
(Inc)/Dec in Wkg. Capi	13,489	36,299	15,101	14,782	
CF from Op. Activity	48,001	91,511	77,885	76,694	
(Inc)/Dec in FA & CWIP	-43,057	-21,731	-30,325	-24,913	
(Pur)/Sale of Investme	38,532	-32,737	-5,000	-5,000	
CF from Inv. Activity	-4,525	-54,468	-35,325	-29,913	
Issue of Shares	0	0	0	0	
Net Inc / (Dec) in Debt	4,137	-13,801	-19,647	101	
Interest paid	-13,967	-22,591	-19,501	-16,805	
Dividends Paid	-6,449	-4,653	-4,653	-4,653	
Other Fi. Activities	3,278	0	0	0	
CF from Fin. Activity	-13,001	-41,045	-43,801	-21,356	
Inc / (Dec) in Cash	30,475	-4,001	-1,241	25,425	
Cash (incl ST borrowin)	-22,504	7,971	3,969	2,728	
Closing Balance	7,971	3,969	2,728	28,153	

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