BUY Oil India

Robust oil output; higher provisions weigh on earnings

Oil & Gas | Result Update | **November 13, 2026** | **CMP (Rs): 443 | TP (Rs): 600**

OIL's 2QFY27 SA revenue was a 2% miss on lower-than-expected crude sales and realization, partly offset by better gas production, sales, and realization. EBITDA/APAT of Rs30.0/22.6bn missed our estimates by 23%/10%, primarily due to higher provisions (Vijayapuram-1 write-off), partly offset by lower statutory levies of Rs19.5bn (9% below estimate). Crude output rose 20% yoy to 1.02mmt, with the current run rate at 11–11.2ktpd (~4.05mmtpa). The management is confident of ~4mmt oil output in FY27 and a subsequent increase toward 4.2-4.3mmtpa. Gas output fell 2% yoy to ~0.79bcm amid offtake and evacuation constraints, though FY27 production is expected to marginally exceed FY26. DNPL–IGGL physical hookup is targeted by Nov-26-end, with gas flow expected by Jan-27-end. NRL's GRM moderated sequentially as product FOB prices fell more sharply than crude costs, while the SAED burden remained broadly unchanged. NRL expansion remains on track for mechanical completion by Mar-27, with the additional 6mmtpa capacity targeted to achieve 50–60% utilization by 3QFY28 and 100% in FY29. OIL targets ~100 wells in FY27 and 100–110 annually thereafter. We largely retain FY27-29E EBITDA but cut our Sep-27E TP by ~4% to Rs600 from Rs625, factoring in higher capex, with the implied target consol PER moderating to 8.8x from 9.0x; retain BUY.

Results highlights

OIL's crude sales-to-production ratio was largely flat qoq at 96%, while gas was higher at 83% vs 81% qoq. Crude realization in 2Q stood at $92.2/bbl (1% miss), while the discount to Brent widened to $4.8/bbl vs $0.9/bbl yoy. Gas realization was flat qoq at ~$7.4/mmbtu (1% beat). Employee costs rose 8% yoy/31% qoq to Rs5.7bn (3% above estimate), while other expenses were up 10% yoy/95% qoq to Rs25.3bn (65% above estimate) on higher provisions, which rose to Rs14.8bn from Rs2.5bn qoq. NRL's EBITDA/APAT of Rs10.5bn/7.0bn was down 45%/50% qoq, largely owing to weaker GRMs amid the SAED impact, with reported basic GRM at $20.7/bbl vs $36.0/bbl in 1Q. Other income of Rs8.4bn (up 2% yoy/62% qoq) was higher than our estimate of Rs4.0bn, while SA DD&A was up 11% qoq to Rs6.8bn (2% below estimate), on higher depletion. The Board recommended an interim dividend of Rs7/share.

Earnings call highlights

Crude production peaked at ~11.3ktpd. OIL drilled 16/26 exploratory/development wells in 1H, with success rates of ~82%/100%. 29 rigs are operational, with 5–6 more in the pipeline. FY27 capex is targeted at Rs135–140bn, while NRL targets Rs75bn/60bn in FY27/28. Vijayapuram-4 spudding is targeted by mid-Dec-26. Gas indications in Vijayapuram-2/3 prompted the acquisition of ~600sq km of additional 3D seismic. PNCPL completion has shifted to 4QFY27. NRL's existing refinery will undergo a one-month turnaround in Oct-27.

Valuation

We value both OIL and NRL using a DCF methodology, with an implied target PER of 8.8x Sep-28E consolidated EPS. We retain our WACC estimate at 11.0%/9.5% for OIL/ NRL. Key risks: adverse oil and gas prices, policy issues, local tensions, cost overruns, outages, and dry holes.

Target Price – 12M	Sep-27
Change in TP (%)	**(4.0)**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	35.4

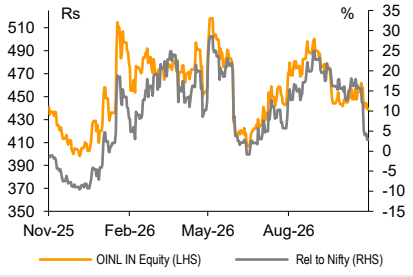
Stock Data	**OINL IN**
52-week High (Rs)	531
52-week Low (Rs)	396
Shares outstanding (mn)	1,626.6
Market-cap (Rs bn)	720
Market-cap (USD mn)	7,643
Net-debt, FY27E (Rs mn)	380,124.4
ADTV-3M (mn shares)	3.6
ADTV-3M (Rs mn)	1,029.0
ADTV-3M (USD mn)	10.9
Free float (%)	33.0
Nifty-50	25,144.3
INR/USD	94.2

Shareholding,Sep-26	
Promoters (%)	56.7
FPIs/MFs (%)	7.1/20.7

Price Performance

(%)	1M	3M	12M
Absolute	(0.5)	(7.7)	1.9
Rel. to Nifty	(10.1)	(10.4)	4.9

1-Year share price trend (Rs)



Oil India: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	361,638	370,496	486,958	610,242	835,279
EBITDA	112,163	104,455	180,576	205,748	229,107
Adj. PAT	65,509	66,199	117,356	103,162	118,469
Adj. EPS (Rs)	40.3	40.7	72.1	63.4	72.8
EBITDA margin (%)	31.0	28.2	37.1	33.7	27.4
EBITDA growth (%)	(10.3)	(6.9)	72.9	13.9	11.4
Adj. EPS growth (%)	(16.6)	(0.5)	80.0	(12.1)	14.8
RoE (%)	13.4	12.3	18.5	14.3	15.0
RoIC (%)	37.3	31.3	26.0	16.8	17.2
P/E (x)	11.0	11.0	6.1	7.0	6.1
EV/EBITDA (x)	8.5	9.9	6.1	5.5	4.9
P/B (x)	1.4	1.2	1.1	1.0	0.9
FCFF yield (%)	(1.7)	(2.4)	(8.7)	2.7	5.7

Source: Company, Emkay Research

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Refer to Important Disclosures at the end of this report

Exhibit 1: Actuals vs estimates (2QFY27)

Standalone (Rs mn)	Actual	Estimates (Emkay)	Consensus estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total revenue	80,713	81,959	78,314	-2%	3%	Lower-than-expected crude sales and realizations
EBITDA	30,010	38,844	39,187	-23%	-23%	Higher provisions partly offset by lower statutory levies
EBITDA margin	*37.2%*	*47.4%*	*50.0%*	*-1,021bps*	*-1,286bps*	
Adjusted net profit	22,594	24,993	25,830	-10%	-13%	Higher other income and lower D/A and ETR

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Standalone (Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy	qoq	1HFY26	1HFY27	yoy
Revenue	51,815	49,161	59,607	79,581	80,713	56%	1%	101,939	160,295	57%
COGS+OPEX	28,608	23,562	25,794	18,114	31,164	9%	72%	45,121	49,278	9%
Statutory levies	12,710	12,516	15,607	20,627	19,539	54%	-5%	24,866	40,166	62%
EBITDA	**10,497**	**13,084**	**18,205**	**40,840**	**30,010**	**186%**	**-27%**	**31,953**	**70,851**	**122%**
DD&A	5,777	6,409	6,168	6,156	6,810	18%	11%	11,092	12,967	17%
EBIT	4,720	6,675	12,037	34,684	23,200	392%	-33%	20,861	57,884	177%
Finance charges	2,603	2,665	2,859	2,473	2,977	14%	20%	4,137	5,450	32%
Other income	8,307	5,467	11,392	5,206	8,449	2%	62%	10,068	13,655	36%
Exceptional items	2,752	-	-	-	-			-2,641	-	
PBT	13,176	9,477	20,570	37,417	28,672	118%	-23%	24,151	66,090	174%
Total tax	2,736	1,394	2,675	8,715	6,078			5,576	14,793	165%
PAT	**10,440**	**8,083**	**17,895**	**28,702**	**22,594**	**116%**	**-21%**	**18,575**	**51,296**	**176%**
Adjusted PAT	8,259	8,083	17,895	28,702	22,594	174%	-21%	20,391	51,296	152%
Adjusted EPS (Rs)	5.1	5.0	11.0	17.6	13.9	174%	-21%	12.5	31.5	152%
Crude production (mmt)	0.85	0.86	0.89	0.95	1.02	20%	7%	1.70	1.97	16%
Gas production (bcm)	0.80	0.80	0.75	0.76	0.79	-2%	4%	1.63	1.54	-5%
NB gross oil realisation ($/bbl)	68.2	62.8	77.9	98.7	92.2	35%	-7%	67.2	95.5	42%
NB net oil realisation ($/bbl)	68.2	62.8	77.9	98.7	92.2	35%	-7%	67.2	95.5	42%
NB gas realisation (Rs/scm)	21.5	21.4	22.0	24.8	25.2	17%	1%	21.3	25.0	17%
Net debt	88,106	103,458	110,536	116,994	107,484	22%	-8%	88,106	107,484	22%
Capex	16,358	-	55,665	-	43,461			16,358	43,461	
NRL volumes (mmt)	0.75	0.75	0.81	0.79	0.80	7%	1%	1.55	1.59	3%
NRL basic GRMs ($/bbl)	10.6	16.3	21.2	36.0	20.7	96%	-42%	7.7	28.3	267%
NRL reported EBITDA	9,883	13,019	15,065	18,435	11,085	12%	-40%	17,740	29,520	66%
NRL reported PAT	7,248	8,667	9,775	13,052	7,016	-3%	-46%	12,131	20,068	65%
NRL capex	12,080	32,000	23,170	13,750	16,520	37%	20%	28,000	30,270	8%

Source: Company, Emkay Research; Note: Adjusted PAT may not fully match the annual tables due to a different adjustment method in the Emkay detailed annual model

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Earnings call highlights

- Oil India's (OIL) combined oil and gas production stood at 1.807mmtoe in 2QFY27 and 3.514mmtoe in 1HFY27. 2Q crude production rose 20% yoy to 1.021mmt, while gas production was 0.786bcm. Performance was supported by sustained drilling and field development activities, higher production from mature fields, and faster monetization of near-field discoveries.
- OIL remains confident of achieving ~4mmt crude production in FY27, with internal targets slightly higher. Daily production reached 11,300mt on 30-Sep-26 and subsequently peaked at 11,347mt, with the current rate hovering at 11,000–11,200mt/d, equivalent to an annualized run rate of ~4.05mmt. Some operational fluctuations are possible, but the full-year target remains broadly intact.
- Crude production has progressively increased from ~9,700mt/d in 1HFY26 to 10,566mt/d at FY26-end and >11,000mt/d currently. Beyond achieving 4mmt, the aim is to increase output toward 4.2–4.3mmt. Near-field exploration is yielding positive results, enabling faster monetization through existing infrastructure.
- FY27 gas production is expected to be slightly above FY26, with a sharper increase constrained by customer offtake and evacuation connectivity. Downstream shutdowns continue to affect production, with a fertilizer customer announcing shutdown today. A material ramp-up depends on completion of the evacuation infrastructure.
- OIL drilled 42 wells in 1HFY27, comprising 16 exploratory and 26 development wells. The FY27 internal target is ~100 wells, vs 74 in FY26 and 38-45 annually a few years ago. There are 29 drilling rigs operational, with another 5-6 in the pipeline. Annual drilling of 100-110 wells is expected to become norm going forward.
- Additional rigs will partly support deeper and more complex drilling, rather than translating proportionately into higher well counts. Wells are increasingly being drilled to 5,500–6,000mtr, with plans to reach ~6,500mtr, involving harder formations and greater subsurface complexity in tectonically active regions. Exploratory drilling success is ~82%, while development drilling success is 100%.
- Mature fields have a natural decline rate of 12–15%, which is being offset through drilling, reservoir management, and production interventions, while still delivering strong net production growth. Deeper drilling and greater resource deployment are supporting record output but will also entail higher capex and production costs.
- A shallow-depth oil discovery in the Cambay basin has been notified, and work is underway to accelerate monetization. The crude has a relatively high pour point. While the potential addition may not be large, it provides an incremental source of production beyond the existing fields.
- In Kerala-Konkan, the first well was drilled in ~60mtr water depth to a total well depth of 6,250mtr. Testing is underway across five identified objects. A second well is planned to a depth of ~6,500mtr to more fully assess the basin's hydrocarbon potential.
- In the KG DSF block, an appraisal well has established gas in a previously undiscovered zone. Another zone is currently undergoing testing and is producing oil at an encouraging rate, with further details expected in the following days. These results from previously untested sands could lead to revisions in the field development plan and exploration strategy.
- After completion of testing in KG, the rig will move to Andaman to drill the fourth well there, located west of the islands. Spudding is targeted by mid Dec-26, with completion within FY27. Three of the four wells under the original Andaman drilling program have been drilled so far.
- Gas indications in Vijayapuram-2 and Vijayapuram-3 prompted the acquisition of ~600sq km of additional 3D seismic, beyond the committed work program. These wells had originally been drilled using 2D data. The new 3D data should improve structural interpretation and help identify better appraisal locations; around two appraisal wells are being considered, one each around Vijayapuram-2 and Vijayapuram-3.

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- Vijayapuram-3 has not been written off pending interpretation of the new seismic data, as it may be suitable for re-entry, side-tracking to a structurally better position, or deepening. Study results are expected by Jan-27, following which a decision will be taken on further utilization or write-off. The well cost is estimated at Rs8.5–9.0bn, and a write-off is conditional on the study outcome.
- Capex in Vijayapuram-1 was ~Rs14.0bn, vs ~Rs9.5bn for Vijayapuram-2. Vijayapuram-1 carried a higher capex because it was the first well in the offshore campaign and absorbed initial rig mobilization from Nigeria and bundled service costs. Subsequent wells have incurred lower capex as these initial expenses were concentrated in the first well.
- 1HFY26 well provisions were ~Rs14.4bn, including ~Rs9.5bn for Vijayapuram-2. Provisioning for Vijayapuram-1 in 1HFY27 was the main driver of higher provisioning. FY26 also included provisions for Gabon and Bangladesh, while no overseas-operation provisions were taken in the current period. Other provisions included ~Rs1.68bn in the western satellite area, Rs650mn in central fields, ~Rs440mn for another onshore well, and ~Rs200mn for the Ashoknagar JV block in West Bengal.
- NRL operated at 107.02% utilization in 2QFY27, with distillate yield of 87.01%; 1H distillate yield was 87.15%. 2Q total production was ~810tmt, including HSD of 542tmt and MS of 193tmt. HSD/MS production increased from 526/169tmt in 1QFY27 and 507/182tmt in 2QFY26.
- NRL's reported GRM declined to $20.71/bbl in 2Q from $35.95/bbl in 1Q, while 1H GRM was $28.24/bbl vs $7.73/bbl yoy. Reported GRMs for both quarters are after SAED adjustment. 2Q included inventory gains of $5.78/bbl. The sequential GRM decline was attributed to product FOB prices falling more sharply than crude prices, while the SAED burden remained broadly unchanged. MS FOB prices declined from ~$129/bbl in 1Q to $110/bbl in 2Q, and HSD from ~$175/bbl to $138/bbl. There was no material change in the crude procurement/logistics cost structure.
- NRL's refinery expansion remains targeted for mechanical completion by Mar-27. The existing 3mmtpa refinery and additional 6mmtpa capacity have been configured to operate independently, so commissioning the expansion does not require a shutdown of the existing refinery.
- The additional 6mmtpa capacity is targeted to reach 50–60% utilization by 3QFY28 and 100% in FY29. Separately, the existing 3mmtpa refinery is scheduled for a regular turnaround in Oct-27, involving a shutdown of ~1 month as part of its four-year maintenance cycle.
- The Paradip–Numaligarh crude pipeline (PNCPL) is ~95% complete, with ~1,600km of the total ~1,640km laid and the remaining ~40km under execution. Residual land/ROW issues are being resolved. Completion has shifted from the earlier Dec-26 target to 4QFY27, but the pipeline is expected to be ready ahead of the refinery expansion and by Mar-27. The Numaligarh–Siliguri product pipeline (NSPL) is complete and will support the refinery expansion as the additional capacity comes on stream.
- OIL's 1HFY27 capex was ~Rs60bn, with FY27 spending expected to rise to Rs135–140bn, including ~Rs12bn for surveys, Rs40bn for exploration and development drilling, Rs45bn for capital equipment, and Rs3–3.5bn for other JVs/subsidiaries. No significant overseas investment is envisaged in FY27.
- Investment has been approved for the 168km gas evacuation pipeline (DFL), which is under construction and is expected to take ~18 months from commencement. The associated gas processing facility is planned with a maximum capacity of ~5mmscmd, with average supply envisaged at ~3.5mmscmd.
- DNPL–IGGL interconnection within NRL premises is being executed by NRL and IGGL. Physical interconnection is targeted by Nov-26-end, followed by statutory clearances, including PESO/OISD approvals and PNGRB authorization. Gas flow is expected by Jan-27-end.

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- Crude realization was ~$98/bbl in 1QFY27 and ~$92/bbl in 2Q, with the 1H average at $95.38/bbl. Pricing is determined monthly using separate crude baskets for the three producing areas, comprising combinations of ~12–14 international crude grades,

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including linkages to Brent and Dubai. Consequently, the difference vs spot Brent reflects the basket-based pricing methodology rather than a separately applied uniform discount.

- Condensate forms a negligible share of production and is billed at the same price as crude. 1H normal crude production was ~1.968mmt, with condensate of ~0.003mmt, while 2Q condensate was ~0.002mmt within total production of 1.021mmt. Condensate mix therefore has no meaningful adverse impact on blended realization.
- 2Q gas realization was $7.19/mmbtu vs $6.75/mmbtu yoy. Gas from three NELP blocks enjoys pricing without a ceiling, supporting blended realization above the $7/mmbtu APM ceiling. Such production is ~0.5mmscmd, compared with total gas output of 8–8.5mmscmd.
- The recent Tengakhat tank-farm fire has had a limited operational impact. The facility handles ~1,000kl/d of crude, and flows are being diverted through bypass arrangements to nearby oil collection stations. Some production is temporarily being controlled at the wellheads, but the shortfall is expected to be recovered subsequently. Permission to evacuate oil from the affected facility had been received, while work on a complete bypass and related approvals was underway. Residual disruption was expected to be limited to another 2–3 days.
- NRL's debt drawdown stood at ~Rs205bn against tied-up financing of Rs280bn. FY27 capex is targeted at Rs75bn and remains on track, while FY28 spending is expected at ~Rs60bn as ongoing projects move toward completion.
- OIL's 1HFY27 dividend income increased to ~Rs8.94bn from Rs6.10bn a year ago. Major contributions comprised ~Rs4.66bn from a foreign subsidiary, Rs3.36bn from NRL, and Rs910mn from IOCL.

Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Brent ($/bbl)	85.0	95.0	12%	80.0	80.0	0%	80.0	80.0	0%
USD/INR	94.5	95.0	1%	94.5	95.0	1%	94.5	95.0	1%
Net oil realization ($/bbl)	80.0	88.0	10%	76.0	75.5	-1%	77.0	77.0	0%
Gas realization (Rs/scm)	24.4	25.2	3%	26.2	26.3	1%	27.4	27.6	1%
Crude oil production (mmt)	3.9	4.0	2%	4.1	4.1	-1%	4.2	4.2	-2%
Natural gas production (bcm)	3.0	3.1	3%	3.5	3.6	3%	4.0	4.1	3%
Total production growth	*4.0%*	*6.5%*	*249bps*	*9.9%*	*8.3%*	*-167bps*	*8.5%*	*8.1%*	*-44bps*
NRL throughput (mmt)	3.2	3.2	0%	5.2	5.2	0%	7.5	7.5	0%
NRL book GRM ($/bbl)	37.0	34.5	-7%	29.1	29.6	2%	23.1	23.1	0%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

Consolidated (Rs mn)	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Revenue	434,685	486,958	12%	605,677	610,242	1%	828,576	835,279	1%
EBITDA	176,797	180,576	2%	208,429	205,748	-1%	230,354	229,107	-1%
EBITDA margin	*40.7%*	*37.1%*	*-359bps*	*34.4%*	*33.7%*	*-70bps*	*27.8%*	*27.4%*	*-37bps*
PAT	101,007	117,356	16%	105,163	103,162	-2%	119,785	118,469	-1%
EPS (Rs)	62.1	72.1	16%	64.7	63.4	-2%	73.6	72.8	-1%

Source: Company, Emkay Research

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Exhibit 5: Oil India – Standalone DCF-based valuation

Assumptions		Standalone	(Rs mn)
Risk-free Rate	6.9%	NPV of FCF (Sep-28E to Sep-39E)	403,924
Risk premium	6.0%	Terminal value	1,086,625
Beta	0.754	PV of TV	311,780
Cost of equity	11.4%	Total value	715,703
Cost of debt	8.5%	Less: Net debt (Sep-27E)	120,663
Post tax cost of debt	6.4%	Equity value	595,040
Average Debt:Equity	0.1	No of shares O/S (mn)	1,627
WACC	**11.0%**	**Fair value of Oil India S/A (Rs)**	**366**
Terminal growth rate	0.0%		

Source: Company, Emkay Research

Exhibit 6: NRL – Standalone DCF-based valuation

Assumptions		Standalone	(Rs mn)
Risk-free rate	6.9%	NPV of FCF (Sep-28E to Sep-39E)	399,676
Risk premium	6.0%	Terminal value	708,787
Beta	0.754	PV of TV	238,549
Cost of equity	11.4%	Total value	638,224
Cost of debt	8.0%	Less: Net debt (Sep-27E)	236,355
Post tax cost of debt	6.0%	**NRL's 100% equity value**	**401,870**
Average Debt:Equity	0.6	**NRL's equity value to OIL**	**279,822**
WACC	**9.5%**	No of shares O/S (mn) - OIL	1,627
Terminal growth rate	0.0%	**Fair value of NRL (Rs)**	**172**

Source: Company, Emkay Research

Exhibit 7: SOTP-based valuation – Sep-27E

Components (Rs mn)	Basis	Sep-28E equity value	Value/sh (Rs)	Comments
Oil India standalone	DCF	595,040	366	WACC/TvG at 11.0%/0%
NRL (69.6% stake)	DCF	279,822	172	WACC/TvG at 9.5%/0%
Mozambique upside	DCF		-	
Core business valuation		**874,862**	**538**	
Value of investments	TP/BV	100,928	62	At 30% HoldCo Discount
Target price/Fair value (Rs)		**975,790**	**600**	

Source: Company, Emkay Research

Exhibit 8: Schedule and value of investments (Sep-27E valuation)

Listed+Unlisted	Type	Basis of valuation	TP/CMP (Rs/sh)	Equity value (Rs bn)	Oil India stake	Pro-rata value (Rs bn)	HoldCo discount	Contribution to SOTP (Rs bn)	Per share value (Rs)
IOCL	Financial	TP (Emkay)	150	2,118	5.2%	109	30%	77	47
OIL International Pte (Russia)	Subsidiary	BV		35	100.0%	35	30%	24	15
Total						**144**		**101**	**62**

Source: Company, Emkay Research

Exhibit 9: P/E-based valuation

	FY24	FY25	FY26	FY27E	FY28E	FY29E
Consolidated EPS (Rs)	48.3	40.3	40.1	72.1	63.4	72.8
Target PER (x)					**8.8**	
Sep-27E TP (Rs)					**600**	

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Source: Company, Emkay Research

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Oil India: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**361,638**	**370,496**	**486,958**	**610,242**	**835,279**
Revenue growth (%)	(0.4)	2.4	31.4	25.3	36.9
EBITDA	**112,163**	**104,455**	**180,576**	**205,748**	**229,107**
EBITDA growth (%)	(10.3)	(6.9)	72.9	13.9	11.4
Depreciation & Amortization	23,182	27,120	31,228	49,627	54,827
EBIT	**88,981**	**77,335**	**149,348**	**156,121**	**174,280**
EBIT growth (%)	(14.2)	(13.1)	93.1	4.5	11.6
Other operating income	8,127	8,460	0	0	0
Other income	16,663	19,312	32,408	31,754	34,373
Financial expense	10,693	12,043	13,670	46,611	45,153
PBT	**94,951**	**84,604**	**168,086**	**141,264**	**163,501**
Extraordinary items	0	0	0	0	0
Taxes	23,968	20,313	42,358	35,599	41,202
Minority interest	(4,887)	(9,307)	(10,615)	(4,747)	(6,073)
Income from JV/Associates	(587)	11,216	2,243	2,243	2,243
Reported PAT	**65,509**	**66,199**	**117,356**	**103,162**	**118,469**
PAT growth (%)	3.4	1.1	77.3	(12.1)	14.8
Adjusted PAT	**65,509**	**66,199**	**117,356**	**103,162**	**118,469**
Diluted EPS (Rs)	**40.3**	**40.7**	**72.1**	**63.4**	**72.8**
Diluted EPS growth (%)	(16.6)	1.1	77.3	(12.1)	14.8
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	31.0	28.2	37.1	33.7	27.4
EBIT margin (%)	24.6	20.9	30.7	25.6	20.9
Effective tax rate (%)	25.2	24.0	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**66,520**	**58,768**	**111,713**	**116,779**	**130,362**
Shares outstanding (mn)	1,627	1,627	1,627	1,627	1,627

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	16,266	16,266	16,266	16,266	16,266
Reserves & Surplus	481,411	563,718	669,657	737,267	813,474
Net worth	**497,677**	**579,984**	**685,923**	**753,533**	**829,740**
Minority interests	49,381	58,038	68,654	73,400	79,473
Non-current liab. & prov.	31,674	31,879	29,025	28,394	27,826
Total debt	**306,452**	**374,780**	**427,470**	**442,470**	**442,470**
Total liabilities & equity	**902,088**	**1,063,731**	**1,238,162**	**1,334,116**	**1,431,606**
Net tangible fixed assets	206,225	238,326	656,605	712,895	766,496
Net intangible assets	5,437	5,437	5,437	5,437	5,437
Net ROU assets	-	-	-	-	-
Capital WIP	320,095	415,386	125,879	147,512	159,261
Goodwill	-	-	-	-	-
Investments [JV/Associates]	309,693	363,451	370,720	378,135	385,698
Cash & equivalents	**78,411**	**60,454**	**47,345**	**38,354**	**45,202**
Current assets (ex-cash)	108,680	128,580	246,896	255,456	273,337
Current Liab. & Prov.	142,359	174,749	247,575	243,725	255,696
NWC (ex-cash)	**(33,680)**	**(46,170)**	**(679)**	**11,731**	**17,641**
Total assets	**902,088**	**1,063,731**	**1,238,162**	**1,334,116**	**1,431,606**
Net debt	228,042	314,326	380,124	404,115	397,267
Capital employed	902,088	1,063,731	1,238,162	1,334,116	1,431,606
Invested capital	**177,983**	**197,594**	**661,363**	**730,063**	**789,574**
BVPS (Rs)	306.0	356.6	421.7	463.3	510.1
Net Debt/Equity (x)	0.5	0.5	0.6	0.5	0.5
Net Debt/EBITDA (x)	2.0	3.0	2.1	2.0	1.7
Interest coverage (x)	9.9	8.0	13.3	4.0	4.6
RoCE (%)	**13.0**	**10.4**	**16.6**	**15.3**	**15.9**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	77,701	76,508	137,921	111,754	131,370
Others (non-cash items)	34,007	43,409	(4,486)	(4,486)	(4,486)
Taxes paid	(20,892)	(24,248)	(42,358)	(35,599)	(41,202)
Change in NWC	(2,563)	(19,711)	(43,458)	(10,379)	(1,952)
Operating cash flow	**113,320**	**106,838**	**92,518**	**157,527**	**183,709**
Capital expenditure	(129,690)	(131,709)	(188,564)	(127,550)	(120,177)
Acquisition of business	0	0	0	0	0
Interest & dividend income	11,499	13,180	30,015	28,602	30,725
Investing cash flow	**(135,142)**	**(103,814)**	**(165,818)**	**(106,363)**	**(97,014)**
Equity raised/(repaid)	2,398	2,403	0	0	0
Debt raised/(repaid)	52,602	32,208	52,690	15,000	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	(10,112)	(7,909)	(13,670)	(46,611)	(45,153)
Dividend paid (incl tax)	(21,093)	(22,564)	(32,355)	(35,912)	(36,217)
Others	10,625	(23,045)	53,527	7,367	1,523
Financing cash flow	**34,421**	**(18,907)**	**60,191**	**(60,155)**	**(79,847)**
Net chg in Cash	12,599	(15,883)	(13,109)	(8,991)	6,848
OCF	113,320	106,838	92,518	157,527	183,709
Adj. OCF (w/o NWC chg.)	115,883	126,548	135,976	167,907	185,662
FCFF	(16,370)	(24,872)	(96,047)	29,977	63,533
FCFE	(15,563)	(23,735)	(79,701)	11,968	49,105
OCF/EBITDA (%)	101.0	102.3	51.2	76.6	80.2
FCFE/PAT (%)	(23.8)	(35.9)	(67.9)	11.6	41.4
FCFF/NOPLAT (%)	**(24.6)**	**(42.3)**	**(86.0)**	**25.7**	**48.7**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	11.0	10.9	6.1	7.0	6.1
P/CE(x)	8.1	7.7	4.8	4.7	4.2
P/B (x)	1.4	1.2	1.1	1.0	0.9
EV/Sales (x)	2.7	2.9	2.3	1.8	1.3
EV/EBITDA (x)	8.5	9.9	6.1	5.5	4.9
EV/EBIT(x)	10.7	13.4	7.4	7.2	6.4
EV/IC (x)	5.3	5.2	1.7	1.5	1.4
FCFF yield (%)	(1.7)	(2.4)	(8.7)	2.7	5.7
FCFE yield (%)	(2.2)	(3.3)	(11.1)	1.7	6.8
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	18.1	17.9	24.1	16.9	14.2
Total asset turnover (x)	0.4	0.4	0.4	0.5	0.6
Assets/Equity (x)	1.7	1.8	1.8	1.8	1.7
RoE (%)	**13.4**	**12.3**	**18.5**	**14.3**	**15.0**
DuPont-RoIC					
NOPLAT margin (%)	18.4	15.9	22.9	19.1	15.6
IC turnover (x)	2.0	2.0	1.1	0.9	1.1
RoIC (%)	**37.3**	**31.3**	**26.0**	**16.8**	**17.2**
Operating metrics					
Core NWC days	(34.0)	(45.5)	(0.5)	7.0	7.7
Total NWC days	**(34.0)**	**(45.5)**	**(0.5)**	**7.0**	**7.7**
Fixed asset turnover	1.0	0.9	0.7	0.6	0.8
Opex-to-revenue (%)	69.0	71.8	62.9	66.3	72.6

Source: Company, Emkay Research

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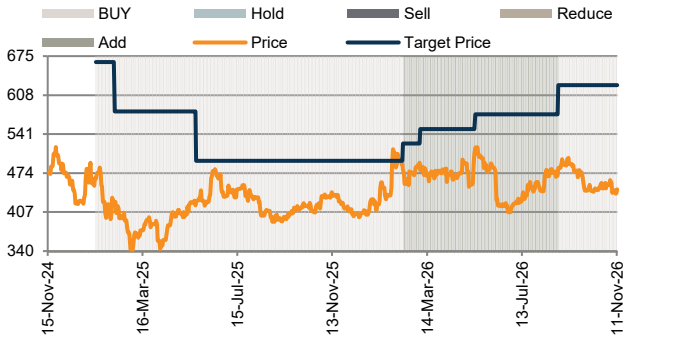
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Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
28-Aug-26	483	625	Buy	Sabri Hazarika
14-May-26	518	575	Add	Sabri Hazarika
05-Mar-26	479	550	Add	Sabri Hazarika
11-Feb-26	479	525	Add	Sabri Hazarika
17-Nov-25	436	495	Buy	Sabri Hazarika
26-Sep-25	410	495	Buy	Sabri Hazarika
18-Jun-25	470	495	Buy	Sabri Hazarika
29-May-25	444	495	Buy	Sabri Hazarika
23-May-25	426	495	Buy	Sabri Hazarika
08-Feb-25	425	580	Buy	Sabri Hazarika
15-Jan-25	464	665	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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