ONGC

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	ONGC IN
Equity Shares (m)	12580
M.Cap.(INRb)/(USDb)	3447.6 / 36
52-Week Range (INR)	308 / 229
1, 6, 12 Rel. Per (%)	-3/21/16
12M Avg Val (INR M)	3779

Financials & Valuations (consol.) (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	6,622	6,235	5,947
EBITDA	1,133	1,036	1,109
Adj. PAT	501	444	450
Adj. EPS (INR)	39.8	35.3	35.8
EPS Gr. (%)	30.4	(11.4)	1.4
BV/Sh. (INR)	289.7	312.5	335.8
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	14.0	11.5	10.8
RoCE (%)	15.4	13.0	13.7
Payout (%)	33.5	34.1	33.4
Valuations			
P/E (x)	6.9	7.8	7.7
P/BV (x)	0.9	0.9	0.8
EV/EBITDA (x)	4.0	4.1	3.5
Div. Yield (%)	4.8	4.4	4.4
FCF Yield (%)	17.3	15.8	17.9

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	58.9	58.9	58.9
DII	29.6	30.0	30.2
FII	8.0	7.4	7.1
Others	3.5	3.7	3.8

FII includes depository receipts

CMP: INR274 TP: IN265 (-3%) Neutral

Production volume growth disappoints

- ONGC's 4QFY26 standalone revenue came in line with our est. at INR359b. Crude oil/gas sales were 4%/5% below our est. at 4.6mmt/3.8bcm. Reported oil realization was USD78.3/bbl. Crude oil production declined 3%/6% QoQ/YoY, and natural gas production declined 4%/3% QoQ/YoY. Weakness in oil production was attributed to 1) geological complexities at the 98/2 field in the Eastern offshore, and 2) operational issues at the DUDP project. SA EBITDAX came in 7% below our est. at INR178b. Other expenses were above our est. Exchange loss stood at INR11.8b in 4QFY26. SA APAT stood 11% below our est. at INR67b.
- **Key things we liked about the result:** 1) ONGC has extended the technical service provider contract to cover the entire Western Offshore after a promising outcome in the Mumbai High field. 2) OPaL's performance improved as it reported a loss of INR0.7b in 4QFY26 (vs. a loss of INR5.4b/ INR13.3b in 3QFY26/4QFY25). OPAL faced some temporary operational issues in Mar'26, including gas diversion towards LPG, affecting production and earnings. Management remains confident of a turnaround as overseas assets stabilize and new projects ramp up. 3) New well gas contribution continues to ramp up, with production already above 9mmscmd from Apr'26 and another ~3mmscmd expected via Daman Upside. NW gas now contributes ~25% of ONGC's gas output (vs. 17% earlier) and is expected to rise to ~30% in FY27 and ~34-36% by FY28. 4) Under "Project DeepX" and the "Samudra Manthan" initiative, ONGC plans to double deepwater drilling activity over the next two years, intensifying focus on frontier exploration.
- **Key investor concerns:** 1) Crude oil production declined 3%/6% QoQ/YoY, while natural gas production fell 4%/3% QoQ/YoY, largely due to geological complexities at the 98/2 field in the Eastern offshore and operational issues at the DUDP project. 2) Due to reservoir complexities, KG 98/2 is currently producing ~24kb/d of oil and 2.3mmscmd of gas, with management expecting production to recover to earlier levels of 25-30kb/d oil and 3-4mmscmd gas over the next year. ONGC could see soft production volumes in 1HFY27.
- **Valuation and view: We reiterate our Neutral rating** on the stock and arrive at our SoTP-based TP of INR265 as we model a CAGR of 2.7%/3.7% in oil/gas production volumes over FY26-28.

Abhishek Nigam – Research Analyst (Abhishek.Nigam@MotilalOswal.com)
Rishabh Daga - Research Analyst (Rishabh.Daga@MotilalOswal.com)

APAT miss due to high dry-well write-offs

- In 4QFY26, ONGC's revenue came in line with our est. at INR359b.
  - Crude oil/gas sales came 4%/5% below our est. at 4.6mmt/3.8bcm. VAP sales stood at 595tmt (est. 599tmt).
  - Reported oil realization was USD78.3/bbl.
  - Crude oil production declined 3%/6% QoQ/YoY, while natural gas production declined 4%/3% QoQ/YoY.
  - Weakness in oil production was attributed to 1) geological complexities at the 98/2 field in the Eastern offshore, 2) operational issues at the DUDP project.
- EBITDAX came in 7% below our est. at INR178b.
  - Other expenses stood above est. Exchange loss stood at INR11.8b in 4QFY26.
- ONGC booked additional impairment at Mozambique (INR2.1b) and Sakhalin (INR5b) assets in 4QFY26.
- APAT stood 11% below our estimate at INR67b.
  - Dry well write-offs were above our est. Finance costs and other income stood in line with our estimate.
- ***ONGC has extended the technical service provider contract to cover the entire Western Offshore after a promising outcome in the Mumbai High field.***
- **ONGC Videsh:**
  - OVL's oil and gas production was down YoY at 1.74mmt/0.77bcm (1.86mmt/0.81bcm in 4QFY25).
  - Crude oil sales stood at 1.05mmt, while gas sales came in at 0.35bcm.
  - OVL's revenue (incl. other income) was INR44.4b, and PBDT stood at INR30.8b.
- **ONGC Petro additions Limited (OPaL):**
  - OPaL's average capacity utilization for 4QFY26 stood at 93% (vs 85%/95% in 3QFY26/4QFY25).
  - OPaL reported a loss of INR0.7b in 4QFY26 (vs. a loss of INR5.4b/INR13.3b in 3QFY26/4QFY25).
- The Board declared a final dividend of INR1/sh (interim dividend: INR12.25/sh) (FV: INR5/sh).

Valuation and view

- In the past few quarters, ONGC has struggled to raise production/sales, with no meaningful production/sales growth YoY in FY26. Further, we like the increased exploration intensity (which is key to building a robust development pipeline), though we believe it will likely be accompanied by higher dry well write-offs, which will weigh on earnings. Further, the benefits of an increased new well gas proportion for ONGC will be mostly offset by subdued gas realization amid a weaker crude oil price outlook.
- We arrive at our SoTP-based TP of INR265 as we model a CAGR of 2.7%/3.7% in oil/gas production volume growth over FY26-28.

Standalone - Quarterly Earnings Model

(INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**352.7**	**338.8**	**337.168**	**349.8**	**320.0**	**330.3**	**315.5**	**359.3**	**1,378.5**	**1,325.1**	**364.1**	**-1%**
YoY Change (%)	*4.3*	*0.2*	*-4.1*	*0.6*	*-7.6*	*-6.3*	*-6.9*	*6.6*	*-0.4*	*-3.9*	*8.0*	
EBITDAX	**187.5**	**182.4**	**190.6**	**190.1**	**186.6**	**177.0**	**173.2**	**177.7**	**750.5**	**714.5**	**191.8**	**-7%**
Margin (%)	*53.2*	*53.8*	*56.5*	*54.3*	*58.3*	*53.6*	*54.9*	*49.5*	*54.4*	*53.9*	*52.7*	*-0.1*
Depreciation	59.0	56.0	67.8	60.8	65.3	63.7	66.1	56.2	243.5	251.3	66.9	-16%
Exploration cost written off	16.4	12.1	19.3	50.5	14.7	11.0	20.5	51.1	98.3	97.3	42.1	21%
Interest	11.8	11.6	10.7	11.9	11.2	11.1	11.5	11.4	46.0	45.3	11.2	2%
Other Income	19.3	47.7	17.2	20.7	12.1	34.2	30.9	26.3	105.0	103.6	26.4	-1%
PBT	**119.6**	**150.4**	**110.0**	**87.7**	**107.4**	**125.4**	**106.0**	**85.2**	**467.6**	**424.1**	**98.1**	**-13%**
Tax	30.2	30.5	27.6	23.2	27.2	27.0	22.3	18.7	111.5	95.2	23.1	-19%
Rate (%)	*25.2*	*20.3*	*25.1*	*26.5*	*25.3*	*21.5*	*21.0*	*22.0*	*23.8*	*22.4*	*23.5*	*-0.1*
Reported PAT	**89.4**	**119.8**	**82.4**	**64.5**	**80.2**	**98.5**	**83.7**	**66.5**	**356.1**	**328.9**	**75.0**	**-11%**
Adj PAT	**89.4**	**119.8**	**82.4**	**64.5**	**80.2**	**98.5**	**83.7**	**66.5**	**356.1**	**328.9**	**75.0**	**-11%**
YoY Change (%)	*-10.8*	*17.3*	*-16.7*	*-34.7*	*-10.2*	*-17.8*	*1.6*	*3.1*	*-11.0*	*-7.6*	*16.4*	
Margin (%)	*25.3*	*35.4*	*24.4*	*18.4*	*25.1*	*29.8*	*26.5*	*18.5*	*25.8*	*24.8*	*20.6*	
Key Assumptions (USD/bbl)												
Oil Realization (pre-windfall tax)	83.1	78.3	72.6	73.7	66.1	67.3	61.6	78.3	76.9	68.4	77.9	1%
Crude Oil Sold (mmt)	4.6	4.6	4.7	4.8	4.7	4.8	4.7	4.6	18.7	18.8	4.8	-4%
Gas Sold (bcm)	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.8	15.5	15.5	3.9	-5%
VAP Sold (tmt)	629	608	649	645	616	592	662	595	2,531	2,465	599	-1%

Major Assumptions

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Exchange Rate (INR/USD)	70.0	70.9	74.3	74.5	80.4	82.8	84.6	88.3	91.0	94.0
Net gas price realised (USD/mmBtu)	3.5	3.8	2.3	2.6	7.3	6.6	6.5	7.2	7.3	6.9
Brent crude price (USD/bbl)	70.1	61.2	44.4	80.5	96.1	83.0	78.6	69.7	75.0	65.0
Production Details (mmtoe)										
Domestic Oil Production (mmt)	24.2	23.4	22.5	21.7	21.5	21.2	20.9	20.5	21.1	21.6
Domestic Gas Production (bcm)	25.8	24.9	22.8	21.7	21.4	20.6	20.2	20.0	20.8	21.5
Domestic Production (mmtoe)	**50.0**	**48.3**	**45.3**	**43.4**	**42.8**	**41.8**	**41.1**	**40.5**	**41.9**	**43.1**
OVL Production (mmtoe)	**14.8**	**15.0**	**13.0**	**12.3**	**10.2**	**10.5**	**10.4**	**9.7**	**10.2**	**10.2**
Group Production (mmtoe)	**64.9**	**63.2**	**58.4**	**55.7**	**53.0**	**52.3**	**51.4**	**50.1**	**52.1**	**53.3**
Oil Price Realization (USD/bbl)										
Gross	68.9	58.8	42.8	76.4	92.1	80.8	76.9	68.4	73.5	63.5
Windfall tax	0.0	0.0	0.0	0.0	13.0	10.4	5.4	0.0	0.0	0.0
Net (post-windfall)	**68.9**	**58.8**	**42.8**	**76.4**	**79.0**	**70.4**	**71.5**	**68.4**	**73.5**	**63.5**
Consolidated EPS	**27.7**	**13.3**	**16.5**	**32.9**	**32.0**	**44.9**	**30.6**	**39.8**	**35.3**	**35.8**

Highlights from the management commentary

- **Weak 4QFY26 production performance:**
  - FY26 production was impacted by reservoir complexities in the 98/2 Eastern Offshore field, delays in Daman Upside Development Project (DUDP)/pipeline replacement projects amid the West Asia crisis, and temporary shutdowns linked to hook-up activities in Western Offshore.
- **Production volume outlook:**
  - While management has not given specific crude oil and natural gas production guidance, gas production is expected to grow by 7-8% (via DSF: 5-6mmscmd), KG 98/2
  - ONGC plans to drill ~500+ wells p.a. (100+ exploratory wells).
  - The recently commissioned DUDP is expected to add gas production equivalent to ~9% of current ONGC gas output, supporting medium-term growth visibility.
  - Four out of fifteen wells have been opened. For full commissioning, it takes 6-7 months. All wells should open by Sep'26.
  - 3-4mmscm gas volumes shall flow when all wells open. Peak production (typically 2 years away) shall be 5mmscmd.
  - ONGC is **executing INR331b worth of projects in Western Offshore**, among the highest capex programs in recent years, **aimed at reversing production decline and driving output growth.**
  - TSP-2 (Technical Service Provider) contract awarded to BP for the entire Western Offshore following encouraging production improvement under the Mumbai High TSP-1 program. ~60% of ONGC's oil and ~70% of its gas come from the western offshore. Mumbai High is 38% of the western offshore. Now 100% of the Western offshore is with BP as TSP.
  - At BP-led technical interventions at Mumbai High, oil/gas output reached 102%/108% of baseline targets within the first year.
  - Current KG 98/2 oil/gas production: 24kb/d oil, 2.3mmscmd gas
  - Will take a year to come back to the previous level of production, i.e. 25-30kb/d oil and 3-4mmscmd gas production.
- **Exploration performance:**
  - Under "Project DeepX" and the "Samudra Manthan" initiative, ONGC plans to **double deepwater drilling activity over the next two years, intensifying focus on frontier exploration.**
  - FY26 exploration activity remained robust with 4 ultra-deepwater exploratory wells drilled in the Andaman Basin and significant seismic acquisition in the Mahanadi Basin.
  - ONGC drilled 13 exploratory wells across Category-II & III basins during FY26, highlighting increased exploration intensity in underexplored regions including Andaman, Bengal, Kutch, Ganga, Narmada and South-Reva basins.
  - The company declared 3 hydrocarbon discoveries in FY26, all in Mumbai Offshore shallow waters, including 2 new prospects and 1 new pool discovery.
  - ONGC monetized 3 discoveries during FY26 along with a Rajasthan DSF block, indicating continued progress in translating discoveries into commercial production.

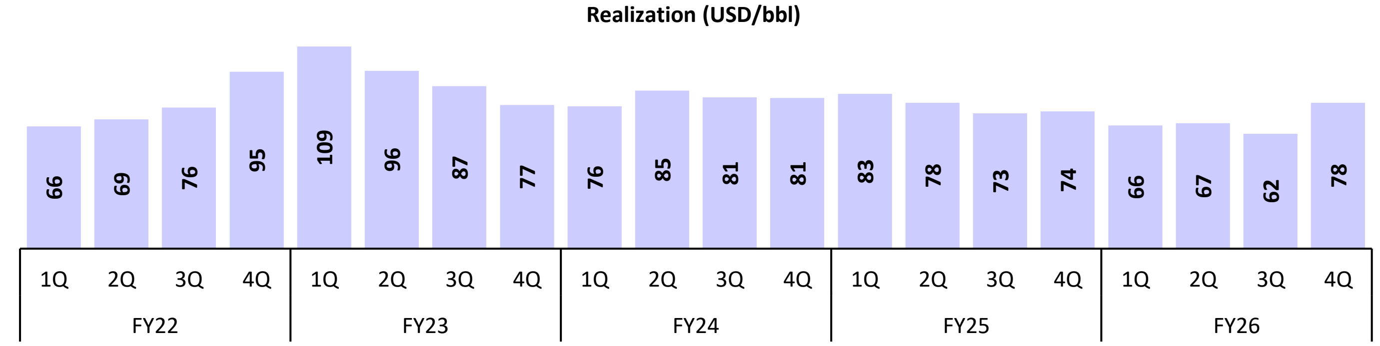
- **Reserve Replacement Ratio (2P)** stood strong at 1.17x in FY26, reflecting healthy reserve accretion and long-term sustainability of domestic E&P operations.
- **Higher other expenses in 4QFY26:**
  - Provisions and write-offs increased in FY26 largely due to one-off charges booked in 4QFY26.
  - Key exceptional items included: (i) INR2.35b GST and royalty provision, (ii) INR2.6b KG-98/2 related expenditure write-off as per ICAI accounting opinion, and (iii) INR2.6b provision for old outstanding receivables.
  - Exchange losses increased sharply in FY26 primarily due to ~11% INR depreciation against the US dollar (INR9/USD YoY) along with upward revaluation of foreign currency liabilities.
- **New well gas:**
  - 9mmscmd+ from Apr'26, another 3mmscmd (via Daman Upside) shall be added.
  - From 17%, NW gas is already ~25% of ONGC's gas now. This year, ONGC shall have ~30% NW gas.
  - In FY28, NW gas would be 34%-36% of ONGC's gas now.
- **ONGC Green Limited:**
  - ONGC will achieve 3GW RE capacity in FY27.
- **Cost-saving program:**
  - Management highlighted that cost reduction remains a key strategic focus area, with ~INR40b savings achieved against the targeted INR50b.
  - Despite strong cost-saving execution, benefits were largely offset by external headwinds, including an increase in GST on oil & gas inputs from 12% to 18%, which alone hit profitability by INR20b annually.
  - Sharp INR depreciation and related forex impacts further eroded the gains from operational savings during the year.
  - Management reiterated confidence in achieving the longer-term INR100b cost optimization target over the coming years.
- **Capex:**
  - E&P capex p.a.: INR320b-330b; INR110-110b non-E&P (if some business opportunity comes up).
  - Capex split: Offshore (mostly western offshore)/onshore -70%/30%
  - Pure exploration capex is ~INR80-100b p.a.
- **Dry-well write-off:**
  - In 4QFY26, there was a one-off of INR18b.
- **Overseas portfolio remains resilient despite geopolitical disruptions**
  - Russia's Sakhalin production remains broadly stable despite the Ukraine conflict, with management indicating production levels are largely unchanged from pre-war levels.
  - ONGC Videsh remains optimistic on recovery of stuck dividends and operational continuity from the Sakhalin-1 asset after securing its 20% stake in the project.
  - Mozambique LNG project is progressing rapidly with large-scale execution underway; management expects LNG production to commence around CY28, providing a major long-term gas growth trigger.
  - Management expects Venezuela production to improve materially over the coming years, aided by potential easing of US sanctions and expected regulatory approvals/licenses.

- From Brazil's BCM field, ONGC should get 1.3mmtpa additional production by CY30.

- **OPAL turnaround:**
  - **EBITDA recovery trajectory remains intact despite temporary disruptions**
  - Management indicated EBITDA recovery was largely on track, with FY26 EBITDA reaching INR12b versus an internal aspiration of ~INR15b.
  - The shortfall was attributed to **temporary operational issues in Mar'26**, including **gas diversion towards LPG requirements,** which impacted production and earnings.
  - Management reiterated confidence in turning around operations as overseas assets stabilize and new projects ramp up over the medium term.

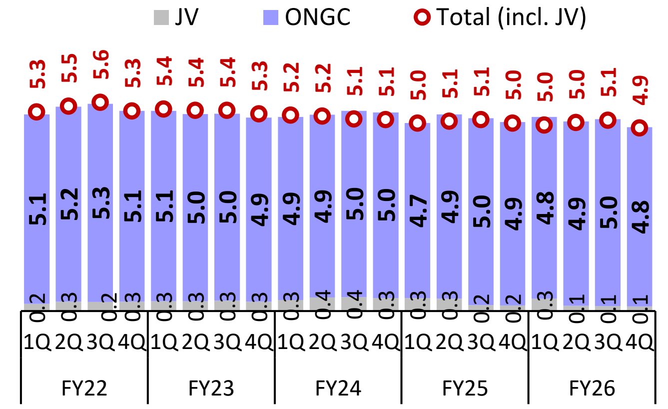
Story in charts

Exhibit 1: Oil price realization (USD/bbl)



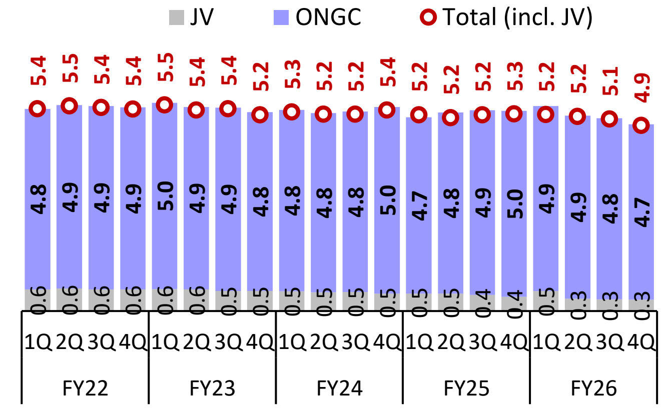
Source: Company, MOFSL

Exhibit 2: Oil production (mmt)



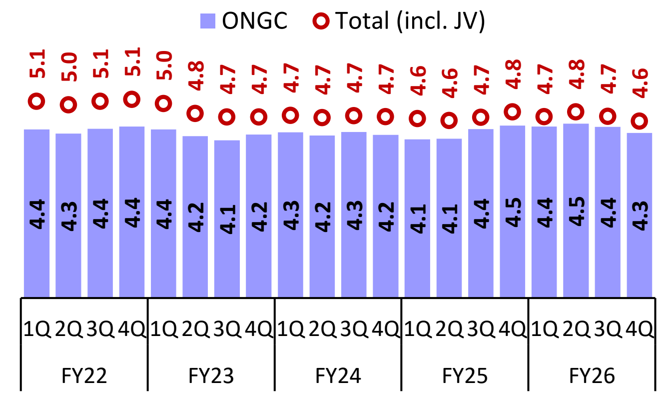
Source: Company, MOFSL

Exhibit 3: Gas production (bcm)



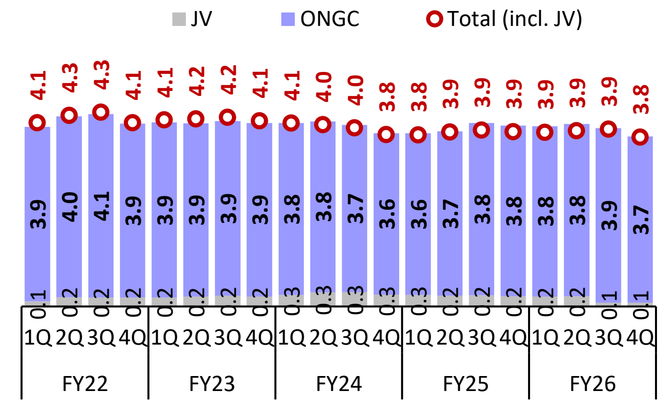
Source: Company, MOFSL

Exhibit 4: Oil sales (mmt)



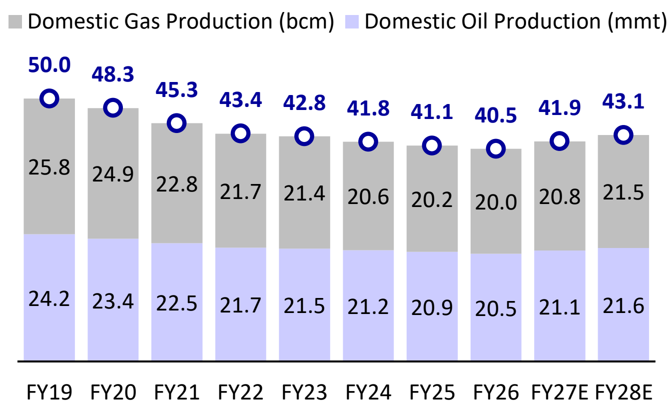
Source: Company, MOFSL

Exhibit 5: Gas sales (bcm)



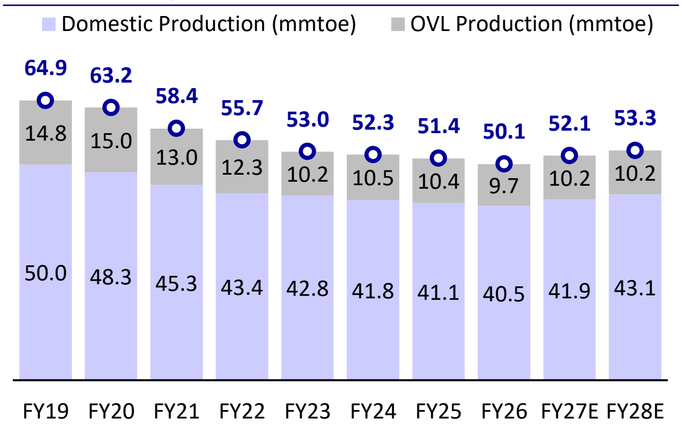
Source: Company, MOFSL

Exhibit 6: Oil/Gas production to increase



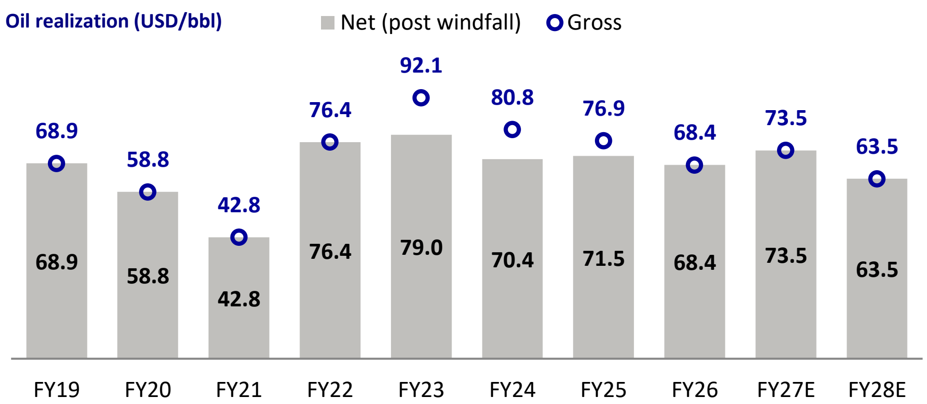
Source: Company, MOFSL

Exhibit 7: OVL production to increase



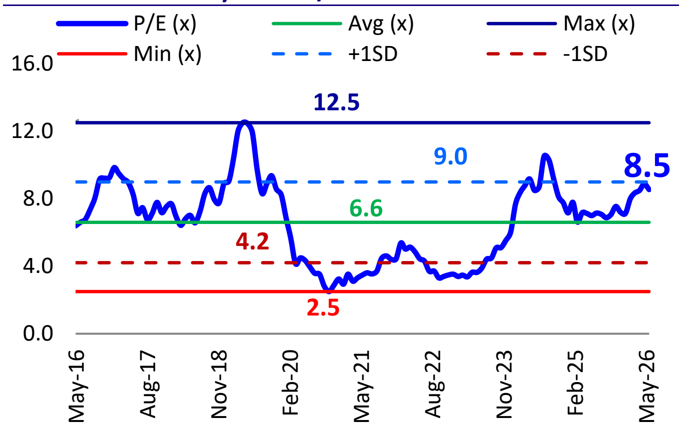
Source: Company, MOFSL

Exhibit 8: Realization of ONGC (USD/bbl)



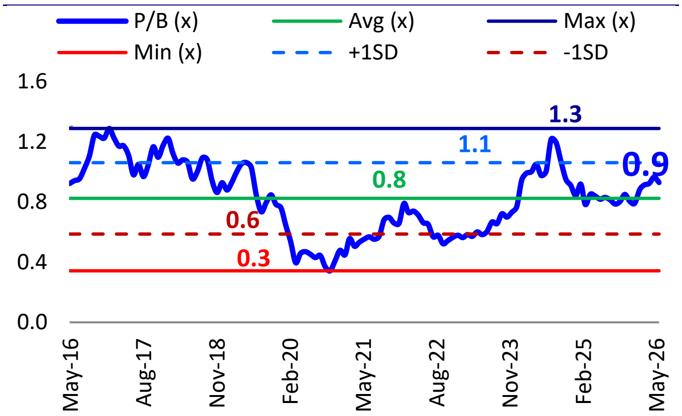
Source: Company, MOFSL

Exhibit 9: ONGC: 1-yr fwd. P/E band chart



Source: Company, MOFSL

Exhibit 10: ONGC: 1-yr fwd. P/B band chart



Source: Company, MOFSL

Financials and Valuations (consolidated)

Consolidated - Income Statement (INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**3,606**	**5,318**	**6,848**	**6,532**	**6,633**	**6,622**	**6,235**	**5,947**
Change (%)	*-15.15%*	*47.48%*	*28.78%*	*-4.62%*	*1.55%*	*-0.15%*	*-5.86%*	*-4.61%*
EBITDAX	**566**	**858**	**857**	**1,082**	**989**	**1,133**	**1,036**	**1,109**
Margin (%)	*15.70%*	*16.13%*	*12.52%*	*16.56%*	*14.90%*	*17.11%*	*16.62%*	*18.64%*
Depreciation & exploratory well write-offs	327	328	330	363	452	476	485	512
EBIT	**239**	**530**	**527**	**719**	**537**	**657**	**551**	**597**
Int. and Finance Charges	51	57	79	130	145	130	83	69
Other Income	93	74	81	120	124	124	122	129
PBT bef. EO Exp.	**282**	**547**	**528**	**709**	**515**	**651**	**590**	**657**
EO Items	9	-21	-81	-16	-2	-4	0	0
PBT after EO Exp.	**291**	**526**	**447**	**693**	**514**	**646**	**590**	**657**
Total Tax	88	48	107	184	141	178	154	170
Tax Rate (%)	*30.13%*	*9.12%*	*23.93%*	*26.48%*	*27.39%*	*27.59%*	*26.02%*	*25.91%*
Share of associates/JVs/Minority int	-10	-15	0	-43	-10	-30	-7	36
Reported PAT	**213**	**493**	**340**	**553**	**383**	**498**	**444**	**450**
Adjusted PAT	**207**	**414**	**402**	**565**	**384**	**501**	**444**	**450**
Change (%)	*23.77%*	*99.78%*	*-2.71%*	*40.36%*	*-31.94%*	*30.36%*	*-11.40%*	*1.45%*
Margin (%)	*5.74%*	*7.78%*	*5.88%*	*8.65%*	*5.80%*	*7.57%*	*7.12%*	*7.57%*

Consolidated - Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	63	63	63	63	63	63	63	63
Total Reserves	2,147	2,532	2,783	3,328	3,372	3,655	3,947	4,247
Net Worth	**2,210**	**2,595**	**2,845**	**3,391**	**3,434**	**3,718**	**4,010**	**4,310**
Minority Interest	216	238	150	206	308	379	402	468
Total Loans	1,098	1,078	1,636	1,577	1,536	1,421	1,207	1,026
Deferred Tax Liabilities	427	349	271	318	317	332	332	332
Capital Employed	**3,951**	**4,260**	**4,903**	**5,492**	**5,595**	**5,849**	**5,951**	**6,136**
Gross Block	4,642	5,039	5,476	6,235	6,779	7,200	7,929	8,491
Less: Accum. Deprn.	2,348	2,617	2,863	3,167	3,519	3,893	4,378	4,890
Net Fixed Assets	**2,293**	**2,422**	**2,613**	**3,068**	**3,260**	**3,307**	**3,551**	**3,601**
Goodwill on Consolidation	135	112	120	121	128	138	138	138
Capital WIP	629	715	957	917	870	915	636	524
Exploratory wells under progress	374	352	205	240	253	248	248	248
Total Investments	**609**	**677**	**766**	**1,022**	**970**	**1,026**	**1,026**	**1,026**
Curr. Assets, Loans&Adv.	**1,365**	**1,544**	**1,708**	**1,988**	**2,035**	**2,210**	**2,232**	**2,421**
Others	626	686	710	771	857	872	896	919
Inventory	446	542	460	538	590	649	570	531
Account Receivables	186	217	213	222	236	246	227	216
Cash and Bank Balance	72	68	291	418	272	322	418	633
Cash	40	54	26	41	46	16	112	327
Bank Balance	32	14	265	377	226	306	306	306
Loans and Advances	36	31	34	39	80	121	121	121
Curr. Liability & Prov.	**1,454**	**1,561**	**1,467**	**1,865**	**1,922**	**1,995**	**1,880**	**1,822**
Account Payables	1,045	1,131	1,009	1,288	1,308	1,380	1,265	1,207
Provisions	410	430	457	576	614	615	615	615
Net Current Assets	**-90**	**-17**	**242**	**124**	**113**	**215**	**352**	**599**
Appl. of Funds	**3,951**	**4,260**	**4,903**	**5,492**	**5,595**	**5,849**	**5,951**	**6,136**

Financials and Valuations (consolidated)

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**16.5**	**32.9**	**32.0**	**44.9**	**30.6**	**39.8**	**35.3**	**35.8**
Cash EPS	41.6	57.8	57.1	72.3	65.2	76.1	72.4	75.0
BV/Share	172.2	202.2	221.7	264.2	267.6	289.7	312.5	335.8
DPS	3.6	10.5	11.3	12.3	12.3	13.3	12.0	12.0
Payout (%)	21.2	26.8	41.6	27.9	40.2	33.5	34.1	33.4
Valuation (x)								
P/E	16.7	8.3	8.6	6.1	9.0	6.9	7.8	7.7
Cash P/E	6.6	4.7	4.8	3.8	4.2	3.6	3.8	3.7
P/BV	1.6	1.4	1.2	1.0	1.0	0.9	0.9	0.8
EV/Sales	1.2	0.8	0.7	0.7	0.7	0.7	0.7	0.6
EV/EBITDA	7.9	5.2	5.6	4.3	4.8	4.0	4.1	3.5
Dividend Yield (%)	1.3	3.8	4.1	4.5	4.5	4.8	4.4	4.4
FCF per share	12.0	35.7	37.9	48.5	39.9	47.3	43.2	48.9
Return Ratios (%)								
RoE	9.7	17.2	14.8	18.1	11.3	14.0	11.5	10.8
RoCE	10.4	17.3	14.9	17.7	13.3	15.4	13.0	13.7
RoIC	9.1	19.5	18.5	23.8	16.2	18.5	14.7	15.2
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	1.1	1.3	1.0	1.0	0.9	0.8	0.7
Asset Turnover (x)	0.9	1.2	1.4	1.2	1.2	1.1	1.0	1.0
Inventory (Days)	45	37	24	30	32	36	33	33
Debtor (Days)	19	15	11	12	13	14	13	13
Creditor (Days)	106	78	54	72	72	76	74	74
Leverage Ratio (x)								
Current Ratio	0.9	1.0	1.2	1.1	1.1	1.1	1.2	1.3
Interest Cover Ratio	4.7	9.3	6.7	5.5	3.7	5.0	6.7	8.6
Net Debt/Equity	0.5	0.4	0.5	0.3	0.4	0.3	0.2	0.1

Consolidated - Cash Flow Statement

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	301	541	447	736	524	676	620	687
Depreciation	255	269	246	304	352	374	485	512
Interest expense	51	57	79	130	145	130	83	69
(Inc)/Dec in WC	-39	37	87	2	14	75	-41	-32
Others	-21	12	157	-39	14	64	0	0
CF from Operating incl EO	**472**	**780**	**861**	**988**	**909**	**1,127**	**994**	**1,066**
(Inc)/Dec in FA	-321	-331	-384	-379	-407	-532	-450	-450
Free Cash Flow	**151**	**449**	**477**	**610**	**502**	**595**	**544**	**616**
(Pur)/Sale of Investments	-12	-12	-28	-22	8	-8	0	0
Others	-59	-61	-339	-174	-31	-37	0	0
CF from Investments	**-391**	**-405**	**-751**	**-575**	**-430**	**-577**	**-450**	**-450**
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	53	-130	174	-112	-74	-160	-213	-181
Dividend Paid	-31	-129	-176	-129	-170	-170	-151	-151
Others	-111	-102	-136	-158	-231	-234	-83	-69
CF from Fin. Activity	-89	-361	-138	-399	-474	-563	-447	-401
Inc/Dec of Cash	**-8**	**14**	**-28**	**15**	**4**	**-13**	**96**	**215**
Opening Balance	48	40	54	26	41	28	16	112
Closing Balance	**40**	**54**	**26**	**41**	**46**	**16**	**112**	**327**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.