ADD

Indian Oil

Lag impact drives profit, as Q1FY27 to see losses

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Oil & Gas ▸ Result Update ▸ **May 21, 2026**

CMP (Rs): 138 | TP (Rs): 160

IOCL's Q4FY26 SA adjusted EBITDA/APAT of Rs233.1/100.9bn came at a significant beat to our estimates, largely driven by better margins (due to the lag effect in crude pricing), lower opex, and inventory gains. While the company did not disclose GRMs, integrated margins at USD12.6/bbl came at an 18% beat, likely driven by the marketing beat. Benchmark GRMs have strengthened sharply in Q1FY27; however, elevated crude prices and weaker marketing margins are likely to cause losses in Q1FY27. IOCL booked Rs36.2bn of LPG subsidy, while LPG under-recoveries rose to Rs24.0bn from Rs9.6bn QoQ. Project SPRINT delivered savings of Rs22bn in FY26, with IOCL targeting Rs25bn savings in FY27. Refinery expansion projects are expected to be commissioned by Aug-Dec '26, with utilization expected at 60%/80%/100% in Year-1/2/3. FY26 capex stood at Rs314bn, while FY27 target is Rs327bn. We largely retain FY27-28E EBITDA. We maintain ADD and our TP of Rs160.

Results highlights

IOCL's refinery volumes rose 6% YoY to 19.7mmt (in-line), with robust utilization at 114%. Fuel & loss declined to 8.1% from 8.6% QoQ, while distillate yield was lower at 79%. Petchem EBIT turned positive to Rs12.1bn vs losses of Rs3.6bn QoQ and Rs2.1bn YoY, potentially owing to the lag effect. Opex was up 7% YoY/11% QoQ to Rs164.8bn (7% below estimate), with other expenses up 12% YoY/18% QoQ. Domestic marketing sales grew 6.0% YoY to 26.1mmt vs industry growth of 2.7% YoY, thereby outperforming peers and gaining market share. Overall volumes were up 5% YoY to 27.3mmt (2% beat), with exports down 5% YoY. Petrol/diesel sales grew 6.0%/6.6% YoY vs industry growth of 6.7%/5.3%. Pipeline volume was largely flat QoQ at 27.7mmt. Gas EBIT turned negative to Rs11.5bn, owing to elevated gas cost amid supply disruption. D/A rose 27% QoQ to Rs51.7bn, while other income was up 39% YoY/33% QoQ to Rs16.3bn (32% beat). Interest cost declined 10% YoY/6% QoQ to Rs18.5bn, while net debt was down 18% YoY/5% QoQ to Rs1.1trn. Forex losses stood at Rs43.3bn. Q4FY26 capex stood at Rs80.7bn. The Board recommended a final dividend of Rs1.25/sh (~32% annual payout).

Management KTAs

Despite a volatile macro environment, IOCL maintained uninterrupted energy supplies through diversified crude sourcing. While impact of the higher energy prices was limited in Q4 due to lagged sourcing, Q1FY27 is likely to see losses. Petchem EBIT was supported by improved realizations, while gas volumes and margins were impacted by elevated RM costs. GRMs are expected to remain structurally elevated over the next 1–2 years amid geopolitical turmoil, while RO expansion has supported market-share expansion. Given the brownfield expansion, refinery capacity is expected to ramp up faster than expected.

Valuation and outlook

We value IOCL on SOTP-EV/EBITDA-based method, with investments valued at 30% holdco discount. We retain our blended target EV/EBITDA of 6.0x. Key risks: Adverse pricing and margins; currency fluctuations; GoI policies; and project issues.

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	15.9

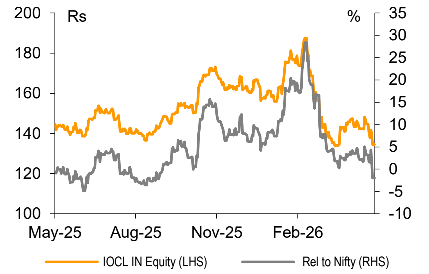
Stock Data	**IOCL IN**
52-week High (Rs)	189
52-week Low (Rs)	130
Shares outstanding (mn)	14,121.2
Market-cap (Rs bn)	1,952
Market-cap (USD mn)	20,161
Net-debt, FY27E (Rs mn)	1,165,083.0
ADTV-3M (mn shares)	17.3
ADTV-3M (Rs mn)	3,216.6
ADTV-3M (USD mn)	33.2
Free float (%)	27.0
Nifty-50	23,659.0
INR/USD	96.8

Shareholding, Mar-26	
Promoters (%)	51.5
FPIs/MFs (%)	9.9/9.2

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	(5.9)	(20.5)	(2.6)
Rel. to Nifty	(3.1)	(14.0)	1.6

1-Year share price trend (Rs)



Indian Oil: Financial Snapshot (Standalone)

Y/E March (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	7,559,496	7,781,220	8,970,787	9,405,109	9,567,519
EBITDA	355,415	723,438	349,695	501,828	551,635
Adj. PAT	116,167	340,345	93,900	184,878	213,591
Adj. EPS (Rs)	8.4	24.7	6.8	13.4	15.5
EBITDA margin (%)	4.7	9.3	3.9	5.3	5.8
EBITDA growth (%)	(49.8)	103.5	(51.7)	43.5	9.9
Adj. EPS growth (%)	(70.8)	193.0	(72.4)	96.9	15.5
RoE (%)	7.3	19.2	7.4	8.2	8.9
RoIC (%)	9.0	22.9	4.5	8.6	8.9
P/E (x)	16.4	5.6	20.3	10.3	8.9
EV/EBITDA (x)	9.1	4.2	8.8	6.1	5.4
P/B (x)	1.1	0.9	0.9	0.8	0.8
FCFF yield (%)	0.1	15.0	1.1	3.6	5.6

Source: Company, Emkay Research

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Exhibit 1: Actuals vs estimates (Q4FY26)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates	Variation		Comments
			(Bloomberg)	Emkay	Consensus	
Total Revenue	2,042,617	2,606,322	2,368,000	-22%	-14%	
Adjusted EBITDA	233,115	155,431	147,082	50%	58%	Lower opex and higher integrated margins, likely aided by inventory gains
EBITDA margin	*11.4%*	*6.0%*	*6.2%*	*545bps*	*520bps*	
Adjusted Net Profit	100,936	51,703	85,388	95%	18%	Higher other income and lower finance costs, partly offset by higher D/A

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Standalone (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY	QoQ	FY25	FY26	YoY
Revenue	1,949,670	1,929,706	1,788,797	2,020,101	2,042,617	5%	1%	7,559,496	7,781,220	3%
COGS	1,662,084	1,650,911	1,476,426	1,674,714	1,644,668	-1%	-2%	6,610,205	6,446,718	-2%
Gross Profit	287,586	278,795	312,371	345,387	397,950	38%	15%	949,291	1,334,502	41%
Opex	154,721	152,086	145,063	149,080	164,835	7%	11%	593,887	611,064	3%
Total Expenditure	1,816,805	1,802,997	1,621,488	1,823,794	1,809,502	0%	-1%	7,204,093	7,057,782	-2%
EBITDA	**132,865**	**126,709**	**167,308**	**196,306**	**233,115**	**75%**	**19%**	**355,403**	**723,438**	**104%**
Depreciation	39,144	38,428	38,711	40,771	51,738	32%	27%	152,841	169,648	11%
Interest	20,458	19,727	21,694	19,777	18,493	-10%	-6%	87,316	79,690	-9%
Other Income	11,734	6,132	15,228	12,224	16,299	39%	33%	49,638	49,883	0%
Exceptional Items	(1,370)	(17)	(86)	19,503	17,291			16,479	36,691	123%
Forex Gain/(Losses)	4,240	(620)	(21,390)	(7,570)	(43,250)			(22,540)	(72,830)	
PBT	87,867	74,049	100,656	159,916	153,224	74%	-4%	158,823	487,844	207%
Tax	15,219	17,163	24,551	38,657	39,449	159%	2%	29,208	119,820	310%
PAT	**72,648**	**56,886**	**76,104**	**121,259**	**113,775**	**57%**	**-6%**	**129,616**	**368,024**	**184%**
Adjusted PAT	73,781	56,899	76,170	106,470	100,936	37%	-5%	112,986	340,475	201%
Adjusted EPS (Rs)	5.4	4.1	5.5	7.7	7.3	37%	-5%	8.2	24.7	201%
Tax Rate	17%	23%	24%	24%	26%			18%	25%	
Core EBITDA*	100,063	191,709	144,508	215,806	124,115	24%	-42%	377,601	676,138	79%
Core PAT*	39,042	104,485	74,300	125,277	52,497	34%	-58%	139,938	356,559	155%
Core EPS (Rs)*	2.8	7.6	5.4	9.1	3.8	34%	-58%	10.2	25.9	155%
Refining Volumes (mmt)	18.5	18.7	17.6	19.4	19.7	6%	2%	71.6	75.5	5%
Adjusted Refining EBITDA*	51,013	(15,757)	80,350	108,983	173,843	NM	60%	61,731	347,418	463%
Marketing Volumes (mmt)	25.9	26.3	24.3	27.2	27.3	5%	1%	100.3	105.1	5%
Diesel	9.3	10.1	8.3	10.0	9.9	7%	0%	36.7	38.3	4%
Petrol	3.9	4.2	4.0	4.2	4.1	6%	-1%	15.7	16.5	5%
Marketing Margin (Rs/mt)*	**6,553**	**9,158**	**6,794**	**6,317**	**4,572**	**-30%**	**-28%**	**6,836**	**6,685**	**-2%**
Adjusted Marketing EBITDA*	60,263	118,266	62,648	65,194	21,132	-65%	-68%	206,972	267,240	29%
Marketing Inventory Gain/(Losses)*	4,002	(9,500)	3,500	(3,000)	9,000			(33,698)	-	
Pipeline Volumes (mmt)	25.8	26.3	24.1	27.6	27.7	7%	0%	100.5	105.6	5%
Pipeline EBITDA*	21,090	21,700	20,110	23,230	23,540	12%	1%	81,000	88,580	9%
Petchem EBITDA*	500	2,500	4,200	(1,100)	14,600	2820%	NM	5,700	20,200	254%
Gross Debt	1,344,660	1,215,470	1,282,386	1,159,480	1,106,682	-18%	-5%	1,344,660	1,106,682	-18%
Implied Net Debt*	1,307,830	1,180,344	1,248,965	1,124,327	1,069,797	-18%	-5%	1,307,830	1,069,797	-18%

*Source: Company, Emkay Research; Note: *is estimated as the marketing inventory figure, and segmental EBITDA is not reported; cash is not known for Q1 and Q3*

Key concall takeaways

- The ongoing conflict in the Middle East and disruptions in the Strait of Hormuz (which handles ~20% of global oil trade) have led to vessel movement constraints, creating uncertainty across global supply chains and heightened volatility in crude oil, LPG, and natural gas markets. Consequently, the average Indian Basket crude price increased 30% QoQ to USD83.01/bbl in Q4FY26. Ras Laffan, which accounts for ~20% of global gas supply, has also come under attack, leading to *force majeure* declarations and disruptions in global natural gas supplies.
- Global energy prices have surged due to supply disruptions in the Middle East, increasing inflationary pressures worldwide and are potentially likely to keep interest rates elevated for a longer period. Simultaneously, the Indian rupee witnessed significant volatility, depreciating ~11% YoY in FY26, and remains under pressure in the current fiscal due to ongoing geopolitical uncertainties.
- Despite the challenging macro environment, IOCL has responded swiftly to ensure uninterrupted energy supplies through diversification of crude and gas sourcing geographies and supply routes, optimization of crude procurement strategies, refinery diet adjustments, and ramp-up in domestic LPG production to mitigate supply disruptions. The company remains fully committed to maintaining operational resilience across the value chain while ensuring uninterrupted energy availability for the nation. IOCL maintains strong focus on project execution and long-term strategic growth initiatives, with commitment toward timely completion of projects to meet India's growing energy demand. This underscores the strength of the company's integrated business model, robust infrastructure network, and operational capabilities. Given the fluid nature of the situation, the company continues to monitor developments closely on a day-to-day basis, and is taking timely decisions at appropriate levels to safeguard both national energy security and its financial viability.
- Since the conflict commenced in early Mar-26, the impact on FY26 profitability has remained largely contained, supported by inventory procured at pre-conflict prices. As a result, FY26 and Q4FY26 earnings were not materially impacted by the sharp increase in global energy prices.
- IOCL's diversified crude sourcing strategy has ensured uninterrupted crude availability, with all refineries currently operating at full capacity and crude inventory levels exceeding one month. While LPG availability was impacted initially, the situation has been effectively managed through diversified sourcing, higher domestic production, and supply rationalization measures. Although LPG inventory levels have moderated, the company maintains adequate availability and supply stability.
- Refining margins remained volatile during the period. Benchmark GRMs have strengthened sharply in Q1FY27, although the benefit may not fully translate into reported profitability, while marketing earnings have seen some moderation. Quarterly GRMs were not disclosed as it is an integrated energy company, the focus is now on overall EBITDA and PAT performance rather than standalone segmental profitability.
- FY26 was a landmark year for IOCL across key operational parameters, with the company reporting record-high crude throughput, petroleum product sales, lubricant sales, and petrochemical volumes. During FY26, refinery crude throughput reached an all-time high of 75.5mmt, translating into capacity utilization of 107.4%, while Q4FY26 throughput stood at 19.7mmt with strong utilization of 113.9%.
- Similar refining throughput levels from existing capacities are expected in FY27, despite planned maintenance shutdowns, including certain shutdowns deferred from FY26 to FY27. Consequently, standalone refinery throughput is expected to remain at ~75mmtpa in FY27.
- Pipeline throughput also reached a record high, of 105.6mmt in FY26, with capacity utilization improving to 73.7% compared to 100.5mmt and 71.7% utilization in FY25. In Q4FY26, pipeline throughput stood at 27.7mmt, implying capacity utilization of ~78.3%.
- Domestic demand trends remained healthy during FY26, with HSD consumption growing 4% YoY, MS consumption rising 6% YoY, and overall petroleum product consumption

increasing 2% YoY. IOCL outperformed industry growth by delivering record domestic petroleum sales volume growth of 4.8%, resulting in market share gains. During the year, the company commissioned 2,597 retail outlets, taking the total network to 42,818 outlets, including a record 909 outlets in D1 markets (national highways), further strengthening its retail presence and supporting market share expansion. The lubricants business also achieved record sales of 905tmt, reflecting robust growth of 16% YoY.

- In FY26, IOCL reported record petchem sales volumes of 3.396mmt, while Q4FY26 petchem sales stood at 0.901mmt. Total gas sales during FY26 were 7,276tmt, including 188tmt from the CGD business, while Q4FY26 gas sales stood at 1,814tmt, including CGD sales of 54tmt.
- Project SPRINT continued to deliver meaningful operational efficiencies, with FY26 savings amounting to Rs22bn through initiatives focused on reduction in repair and maintenance costs, energy efficiency improvements and supply chain optimization. Of the total savings, ~Rs12bn was attributable to lower other expenses, while the remaining ~Rs10bn came from energy efficiency initiatives, supporting margin expansion. The FY27 savings target under Project SPRINT has been set at Rs25bn. The broader objective of the initiative continues as offering support to IOCL's growth and capex plans while optimizing non-remunerative expenditure and improving maintenance capex efficiency. Q4FY26 operating expenditure was relatively higher, primarily due to currency depreciation and associated forex losses.
- The petchem segment delivered a strong performance in Q4FY26, benefiting from improved realizations and additional margin contribution. Going forward, petchem sales volumes should remain robust, while the segment is also expected to continue generating healthy returns.
- Elevated gas costs amid the Middle East conflict adversely impacted gas marketing margins and sales volumes, resulting in losses in Q4FY26. However, the CGD business has shown steady improvement, turning EBITDA positive from Q1FY26 and PAT positive by FY26-end. The company expects CGD volumes to continue scaling up. While there are no constraints in sourcing gas, elevated global gas prices remain a challenge. The company, however, remains confident of passing-through higher input costs over time. *Force majeure* declarations by several global gas suppliers also increased dependence on spot LNG sourcing, leading to higher gas procurement costs during the quarter.
- Refining margins are expected to remain structurally elevated over the next 1–2 years amid geopolitical disruptions and supply uncertainties. Further, GRMs have remained healthy over the past five years, supporting the long-term refining outlook. This is expected to significantly benefit IOCL, particularly in light of its upcoming refinery expansion projects. Given India's strong and growing fuel demand, the company does not expect any material sustainable export surplus even after capacity additions, although seasonal export opportunities may arise periodically.
- LPG under-recoveries stood at ~Rs100/cylinder in Q4FY26, which further increased to Rs171/cylinder in Apr-26 and sharply to Rs670/cylinder in May-26 amid elevated international LPG prices. LPG losses during Q4FY26 stood at Rs24.1bn, while FY26 LPG losses aggregated to Rs92.1bn, excluding LPG subsidy.
- FY26 capex stood at Rs314bn, with the majority directed toward refinery and petchem expansion projects. Key projects across Panipat, Gujarat, Barauni, and Paradip are currently at advanced stages of execution and are expected to be commissioned during CY26. The FY27 capex target has been set at Rs327bn, largely toward ongoing refining and petchem expansion projects. Although physical completion of projects is expected in CY26, cash outflows are likely to continue due to commissioning-related expenditures and payment cycles. Additionally, the company plans to invest ~Rs50bn toward renewable energy projects in FY27. From FY28 onward, capex intensity in the refining business is expected to moderate.
- The Panipat refinery expansion project is expected to be completed by Dec-26, with ~Rs270bn already incurred of the total estimated project cost of Rs380bn. Similarly, the Barauni refinery expansion is expected to be commissioned by Aug-26, with ~Rs130bn spent, of the total Rs180bn project cost. The Gujarat refinery expansion is targeted for commissioning by Nov-26, with ~Rs135bn already incurred against the total project cost

of Rs190bn. The company is targeting utilization levels of 60%, 80% and 100% in the first, second, and third year of operations, respectively. However, given that these are brownfield expansions, ramp-up would potentially be faster than the stated targets.

- IOCL reduced its borrowings by ~Rs52.8bn during Q4FY26 and by ~Rs238bn over FY26, taking total borrowings down to ~Rs1.1trn as of FY26-end. The reduction was primarily driven by stronger profitability and favorable working capital movements. As of FY26-end, the company's gross debt-to-equity stood at a comfortable 0.45x, while net debt-to-equity, adjusted for financial investments, further improved to 0.32x, reflecting a healthy balance sheet and comfortable leverage profile.
- Urja Bharat Pte (UBPL), a 50:50 joint venture of IOCL, announced an oil discovery in the operated Onshore Block-1 in United Arab Emirates on 30-Jan-26. The exploration concession for the block was originally awarded to the JV in Mar-19.
- The company's 10ktpa green hydrogen plant at the Panipat refinery is expected to be commissioned by Dec-27. IOCL is actively developing an integrated in-house green hydrogen ecosystem, including indigenous technologies aimed at enabling low-cost green hydrogen production. Notably, IOCL is also dispensing hydrogen through retail fuel stations. At its R&D center in Faridabad as well as the Gujarat refinery, the company is undertaking field trials for hydrogen fuel cell buses and conducting viability studies for *Hyundai Nexo*. IOCL has also partnered with Tata Motors to conduct hydrogen fuel cell bus trials across four major highway corridors. Additionally, the company plans to establish two new hydrogen dispensing stations along the Mumbai–Pune and Jamshedpur corridors.
- IOCL achieved ethanol blending of 19.97% on an all-India basis up to Mar-26, reflecting strong progress toward India's biofuel blending targets. Terra Clean, a wholly-owned subsidiary of IOCL, has secured connectivity approvals for 2.6GW of renewable energy capacity across central and state transmission networks. The company is also progressing on utility-scale project development activities, including land aggregation and tendering for long lead items such as transformers and wind equipment. Simultaneously, IOCL is actively engaging with commercial and industrial customers across India for long-term green power supply agreements. The company has set an ambitious target of developing 31GW of renewable energy capacity by CY30.
- IOCL commenced India's first-ever LNG exports by road to Nepal. The company has also established cryogenic storage and regasification facilities at Simara, laying the foundation for Nepal's industrial LNG ecosystem and promoting cleaner fuel adoption in the region.

Exhibit 3: Change in estimates

(Rs bn)	FY27E			FY28E			FY29E
	Previous	Revised	Variance	Previous	Revised	Variance	Introduced
Revenue	9,200	8,971	-2%	9,702	9,405	-3%	9,568
EBITDA	348	350	1%	505	502	-1%	552
EBITDA margin	*3.8%*	*3.9%*	*12bps*	*5.2%*	*5.3%*	*13bps*	*5.8%*
PAT	98	94	-4%	192	185	-4%	214
EPS (Rs)	7.1	6.8	-4%	14.0	13.4	-4%	15.5

Source: Emkay Research

Exhibit 4: SOTP-based valuation (Mar-27E)

Components	Basis	Mar-28 EBITDA (Rs bn)	Multiple(x)	EV (Rs bn)	EV/sh (Rs)	Comments
Refining Standalone	EV/EBITDA	221	6.0	1,315	95	
Pipelines Standalone	EV/EBITDA	101	6.0	601	44	
Petrochemicals Standalone	EV/EBITDA	11	6.0	65	5	
Marketing Standalone	EV/EBITDA	170	6.0	1,010	73	
Core Business EV		**502**	**6.0**	**2,991**	**217**	Blended Multiple at 6.0x
Less: Adj Net Debt (Mar-27 end)				1,165	85	
Core Business Valuation				**1,826**	**133**	
Value of Investments	TP/CMP			380	28	At 30% HoldCo Discount
Target Price/Fair Value				**2,205**	**160**	

Source: Emkay Research

Exhibit 5: Schedule and value of listed investments

Listed	Type	Basis of Valuation	TP/CMP (Rs)	Equity Value (Rs bn)	IOCL stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contribution to SOTP (Rs bn)	Per Share Value (Rs)
CPCL	Subsidiary	CMP	982	146	51.9%	76	30%	53	3.9
Lanka IOC	Subsidiary	CMP	39	18	75.1%	14	30%	10	0.7
PLNG	JV	TP (Emkay)	360	540	12.5%	68	30%	47	3.4
ONGC	Financial	TP (Emkay)	315	3,963	7.8%	311	30%	217	15.8
GAIL	Financial	TP (Emkay)	180	1,184	2.4%	29	30%	20	1.4
Oil India	Financial	TP (Emkay)	575	935	4.9%	46	30%	32	2.3
Total Listed						**542**		**380**	**28**

Source: Emkay Research

Indian Oil: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**7,559,496**	**7,781,220**	**8,970,787**	**9,405,109**	**9,567,519**
Revenue growth (%)	(2.4)	2.9	15.3	4.8	1.7
EBITDA	**355,415**	**723,438**	**349,695**	**501,828**	**551,635**
EBITDA growth (%)	(49.8)	103.5	(51.7)	43.5	9.9
Depreciation & Amortization	152,841	169,648	183,828	214,448	235,336
EBIT	**202,574**	**553,790**	**165,867**	**287,380**	**316,298**
EBIT growth (%)	(64.0)	173.4	(70.0)	73.3	10.1
Other operating income	42,859	45,000	48,150	50,558	53,085
Other income	49,638	49,883	49,193	51,994	54,403
Financial expense	87,316	79,690	89,525	92,211	85,152
PBT	**164,896**	**523,983**	**125,534**	**247,164**	**285,549**
Extraordinary items	(6,073)	(36,139)	84,502	0	0
Taxes	29,208	119,820	52,929	62,285	71,958
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**129,616**	**368,024**	**157,107**	**184,878**	**213,591**
PAT growth (%)	(67.3)	183.9	(57.3)	17.7	15.5
Adjusted PAT	**116,167**	**340,345**	**93,900**	**184,878**	**213,591**
Diluted EPS (Rs)	**8.4**	**24.7**	**6.8**	**13.4**	**15.5**
Diluted EPS growth (%)	(70.8)	193.0	(72.4)	96.9	15.5
DPS (Rs)	**3.0**	**8.2**	**0**	**4.7**	**5.4**
Dividend payout (%)	**31.9**	**30.9**	**0**	**35.0**	**35.0**
EBITDA margin (%)	4.7	9.3	3.9	5.3	5.8
EBIT margin (%)	2.7	7.1	1.8	3.1	3.3
Effective tax rate (%)	17.7	22.9	42.2	25.2	25.2
NOPLAT (pre-IndAS)	**166,692**	**427,154**	**95,932**	**214,960**	**236,591**
Shares outstanding (mn)	13,772	13,772	13,772	13,772	13,772

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	137,716	137,716	137,716	137,716	137,716
Reserves & Surplus	1,649,053	1,907,728	2,064,835	2,185,006	2,323,840
Net worth	**1,786,769**	**2,045,443**	**2,202,550**	**2,322,721**	**2,461,555**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	182,526	189,354	191,553	193,708	195,819
Total debt	**1,443,678**	**1,226,026**	**1,236,307**	**1,260,146**	**1,196,514**
Total liabilities & equity	**3,458,715**	**3,515,024**	**3,685,694**	**3,832,965**	**3,911,406**
Net tangible fixed assets	1,826,028	1,882,193	2,338,741	2,577,462	2,634,978
Net intangible assets	32,478	32,478	32,478	32,478	32,478
Net ROU assets	-	-	-	-	-
Capital WIP	762,143	850,941	510,564	357,395	364,543
Goodwill	-	-	-	-	-
Investments [JV/Associates]	609,012	647,711	654,188	660,730	667,338
Cash & equivalents	**105,320**	**66,213**	**71,224**	**101,682**	**100,620**
Current assets (ex-cash)	1,360,111	1,346,765	1,552,654	1,627,825	1,655,935
Current Liab. & Prov.	1,345,788	1,400,328	1,564,096	1,615,449	1,636,235
NWC (ex-cash)	**14,322**	**(53,563)**	**(11,443)**	**12,376**	**19,700**
Total assets	**3,458,715**	**3,515,024**	**3,685,694**	**3,832,965**	**3,911,406**
Net debt	1,338,358	1,159,813	1,165,083	1,158,464	1,095,894
Capital employed	3,458,715	3,515,024	3,685,694	3,832,965	3,911,406
Invested capital	**1,872,828**	**1,861,108**	**2,359,776**	**2,622,317**	**2,687,156**
BVPS (Rs)	129.7	148.5	159.9	168.7	178.7
Net Debt/Equity (x)	0.7	0.6	0.5	0.5	0.4
Net Debt/EBITDA (x)	3.8	1.6	3.3	2.3	2.0
Interest coverage (x)	2.9	7.6	2.4	3.7	4.4
RoCE (%)	**8.1**	**18.6**	**6.4**	**9.7**	**10.2**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	115,258	474,100	76,342	195,169	231,147
Others (non-cash items)	15,211	69,327	84,502	0	0
Taxes paid	(27,973)	(99,110)	(50,730)	(60,130)	(69,847)
Change in NWC	4,890	37,210	(41,927)	(23,613)	(7,104)
Operating cash flow	**332,863**	**713,986**	**341,539**	**418,084**	**474,684**
Capital expenditure	(328,466)	(253,054)	(306,477)	(306,542)	(306,607)
Acquisition of business	(11,787)	(5,833)	0	0	0
Interest & dividend income	47,781	44,435	49,193	51,994	54,403
Investing cash flow	**(293,771)**	**(176,618)**	**(258,504)**	**(255,792)**	**(253,474)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	136,846	(317,666)	10,281	23,839	(63,632)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(81,525)	(81,827)	(89,525)	(92,211)	(85,152)
Dividend paid (incl tax)	(96,424)	(137,692)	0	(64,707)	(74,757)
Others	(1,133)	(127)	0	0	0
Financing cash flow	**(42,236)**	**(537,312)**	**(79,244)**	**(133,079)**	**(223,541)**
Net chg in Cash	(3,145)	56	3,791	29,214	(2,331)
OCF	332,863	713,986	341,539	418,084	474,684
Adj. OCF (w/o NWC chg.)	327,972	676,776	383,466	441,697	481,788
FCFF	4,396	460,932	35,062	111,543	168,076
FCFE	(35,138)	425,677	(5,270)	71,326	137,327
OCF/EBITDA (%)	93.7	98.7	97.7	83.3	86.1
FCFE/PAT (%)	(27.1)	115.7	(3.4)	38.6	64.3
FCFF/NOPLAT (%)	**2.6**	**107.9**	**36.5**	**51.9**	**71.0**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	14.7	5.2	12.1	10.3	8.9
P/CE(x)	6.7	3.5	5.6	4.8	4.2
P/B (x)	1.1	0.9	0.9	0.8	0.8
EV/Sales (x)	0.4	0.4	0.3	0.3	0.3
EV/EBITDA (x)	9.1	4.2	8.8	6.1	5.4
EV/EBIT(x)	16.0	5.5	18.5	10.7	9.5
EV/IC (x)	1.7	1.6	1.3	1.2	1.1
FCFF yield (%)	0.1	15.0	1.1	3.6	5.6
FCFE yield (%)	(1.8)	21.8	(0.3)	3.7	7.0
Dividend yield (%)	2.2	6.0	0	3.4	3.9
DuPont-RoE split					
Net profit margin (%)	1.7	4.7	1.8	2.0	2.2
Total asset turnover (x)	2.3	2.2	2.5	2.5	2.5
Assets/Equity (x)	1.9	1.8	1.7	1.7	1.6
RoE (%)	**7.3**	**19.2**	**7.4**	**8.2**	**8.9**
DuPont-RoIC					
NOPLAT margin (%)	2.2	5.5	1.1	2.3	2.5
IC turnover (x)	4.1	4.2	4.3	3.8	3.6
RoIC (%)	**9.0**	**22.9**	**4.5**	**8.6**	**8.9**
Operating metrics					
Core NWC days	0.7	(2.5)	(0.5)	0.5	0.8
Total NWC days	**0.7**	**(2.5)**	**(0.5)**	**0.5**	**0.8**
Fixed asset turnover	2.9	2.7	2.7	2.5	2.3
Opex-to-revenue (%)	7.9	7.9	7.6	8.1	8.5

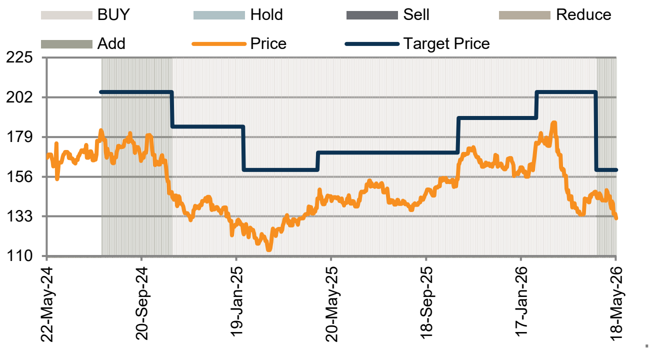
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
23-Apr-26	145	160	Add	Sabri Hazarika
05-Mar-26	172	205	Buy	Sabri Hazarika
06-Feb-26	175	205	Buy	Sabri Hazarika
29-Oct-25	163	190	Buy	Sabri Hazarika
29-Sep-25	149	170	Buy	Sabri Hazarika
24-Aug-25	140	170	Buy	Sabri Hazarika
18-Jun-25	141	170	Buy	Sabri Hazarika
12-Jun-25	143	170	Buy	Sabri Hazarika
03-May-25	143	170	Buy	Sabri Hazarika
30-Apr-25	138	160	Buy	Sabri Hazarika
28-Jan-25	123	160	Buy	Sabri Hazarika
15-Jan-25	127	185	Buy	Sabri Hazarika
29-Oct-24	144	185	Buy	Sabri Hazarika
12-Sep-24	173	205	Add	Sabri Hazarika
20-Aug-24	172	205	Add	Sabri Hazarika
30-Jul-24	183	205	Add	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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