BUY

Oil India

Robust oil output; stellar NRL; upgrade to BUY

Oil & Gas ▸ Result Update ▸ **August 11, 2026**

CMP (Rs): 453 | TP (Rs): 575

We upgrade Oil India (OIL) to BUY from Add on attractive valuation and strong production outlook, retaining our FY27-29E earnings and TP of Rs575 (Jun-27E). OIL's 1QFY27 SA revenue was largely in line, with crude production a 3% beat, while gas was 5% lower. EBITDA at Rs40.8bn was a 4% beat on lower production costs/statutory levies, while PAT of Rs28.7bn was a 24% beat, largely driven by higher other income. Crude production rose 11% yoy to 0.95mmt, with the current run-rate higher at ~11ktpd; the management expects ~1mmt output each in 2Q-4Q, implying FY27 production of +3.95-4mmt, and targets 4.2mmtpa by FY29. Gas output fell 8% yoy to 0.76bcm, due to downstream shutdowns/seasonality. However, evacuation bottlenecks are expected to ease by CY27-end, enabling 3.5-4mmscmd of incremental volumes from 1QCY28, while NRL expansion would add ~1.5mmscmd by 3QFY28. 200mtr of DNPL-IGGL connectivity is pending, after which the national grid would be linked in 2-3 months. NRL reported robust GRMs despite windfall taxes and lower excise duty. The expansion is on track for completion by Mar-27, with utilization to ramp up to 75% by FY28-end. OIL targets 100 wells in FY27, with drilling to rise 10% annually, with increasing focus on deepwater. We factor in $85/80 crude in FY27/28E; material decline in crude prices remains a key risk.

Results highlights

OIL's crude sales-to-production ratio declined to 96% vs 98% qoq, while gas was slightly higher at 81%. Crude realization for 1Q stood at $98.7/bbl (2% miss), while gas realization was 9% higher qoq at ~$7.4/mmbtu (in line). Employee costs fell 8% yoy/12% qoq to Rs4.3bn (14% below estimate), while other expenses were down 38% qoq to Rs13.0bn (5% below estimate) on lower contract costs and provisions. NRL's EBITDA/APAT of Rs18.9bn/14.1bn was up 33%/44% qoq, largely supported by stronger GRMs, with reported basic GRM higher at $36.0/bbl vs $21.2/bbl in 4Q. Other income of Rs5.2bn (up 3x yoy) was higher than the Rs1.8bn we estimated, largely owing to exceptional dividend income from Singapore/Russia. SA DD&A of Rs6.2bn (flat qoq) was 15% below estimate, on lower depreciation.

Management KTAs

The FY28 gas production target is 3.8bcm, with all new gas qualifying as NWG. OIL is focused, on well intervention, optimization, and workovers under a more integrated approach. In 1Q NEEPCO cut gas usage amid higher prices and BCPL faced financial issues, with 30 gas wells now shut due to lower offtake. DNPL is now a common carrier, while IGGL DFL should be ready by FY28-end. The Vijayapuram-4 well in Andaman is slated for drilling in Dec-26. Deepwater drilling would commence with rigs tendered for Jul-27/Mar-28. Post-expansion, NRL opex should decline to $3.5/bbl from $4-4.5/bbl, while PNCPL is targeted for commissioning by Dec-26.

Valuation

We value both OIL and NRL using a DCF methodology, with an implied target PER of 8.5x Jun-28E consolidated EPS. We lower our WACC estimate to 11.0%/9.7%, for OIL/ NRL. Key risks: Adverse oil and gas prices, policy issues, local tensions, cost overruns, outages, dry holes.

Target Price – 12M	Jun-27
Change in TP (%)	**-**
Current Reco.	BUY
Previous Reco.	ADD
Upside/(Downside) (%)	26.9

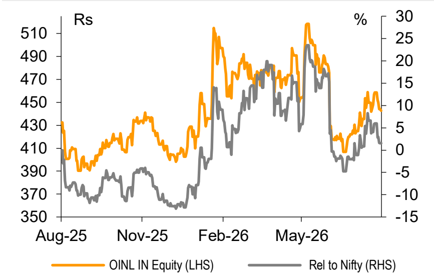
Stock Data	**OINL IN**
52-week High (Rs)	531
52-week Low (Rs)	385
Shares outstanding (mn)	1,626.6
Market-cap (Rs bn)	737
Market-cap (USD mn)	7,732
Net-debt, FY27E (Rs mn)	315,971.6
ADTV-3M (mn shares)	5.7
ADTV-3M (Rs mn)	2,165.1
ADTV-3M (USD mn)	22.7
Free float (%)	33.0
Nifty-50	24,583.8
INR/USD	95.3

Shareholding,Jun-26	
Promoters (%)	56.7
FPIs/MFs (%)	7.3/20.1

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	6.6	(0.3)	4.8
Rel. to Nifty	5.0	(1.9)	3.8

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	415,098	572,493	792,742
EBITDA	112,163	104,455	155,431	205,824	222,857
Adj. PAT	65,509	66,199	91,675	106,013	119,855
Adj. EPS (Rs)	40.3	40.7	56.4	65.2	73.7
EBITDA margin (%)	31.0	28.2	37.4	36.0	28.1
EBITDA growth (%)	(10.3)	(6.9)	48.8	32.4	8.3
Adj. EPS growth (%)	(16.6)	(0.5)	38.5	15.6	13.1
RoE (%)	13.4	12.3	14.7	15.0	15.4
RoIC (%)	37.3	31.3	22.2	18.8	19.6
P/E (x)	11.2	11.3	8.0	7.0	6.1
EV/EBITDA (x)	8.6	10.1	6.8	5.1	4.4
P/B (x)	1.5	1.3	1.1	1.0	0.9
FCFF yield (%)	(1.7)	(2.4)	(0.6)	4.9	9.9

Source: Company, Emkay Research

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Exhibit 1: Actuals vs estimates (1QFY27)

Standalone (Rs mn)	Actual	Estimates (Emkay)	Consensus estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total revenue	79,581	79,655	77,805	0%	2%	
EBITDA	40,840	39,246	37,146	4%	10%	Lower-than-expected production cost and statutory levies
EBITDA margin	*51.3%*	*49.3%*	*47.7%*	*205bps*	*358bps*	
Adjusted net profit	28,702	23,155	22,529	24%	27%	Higher other income and lower D/A, finance costs and ETR

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Standalone (Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	FY25	FY26	yoy
Revenue	50,125	51,815	49,161	59,607	79,581	59%	34%	221,172	210,707	-5%
COGS+OPEX	16,513	28,608	23,562	25,794	18,114	10%	-30%	70,501	94,477	34%
Statutory levies	12,155	12,710	12,516	15,607	20,627	70%	32%	63,010	52,989	-16%
EBITDA	**21,456**	**10,497**	**13,084**	**18,205**	**40,840**	**90%**	**124%**	**87,661**	**63,242**	**-28%**
DD&A	5,315	5,777	6,409	6,168	6,156	16%	0%	19,187	23,668	23%
EBIT	16,142	4,720	6,675	12,037	34,684	115%	188%	68,474	39,574	-42%
Finance charges	1,534	2,603	2,665	2,859	2,473	61%	-13%	8,663	9,661	12%
Other income	1,761	8,307	5,467	11,392	5,206	196%	-54%	18,699	26,926	44%
Exceptional items	-5,393	2,752	-	-	-			-	-2,641	
PBT	10,976	13,176	9,477	20,570	37,417	241%	82%	78,510	54,199	-31%
Total tax	2,841	2,736	1,394	2,675	8,715			17,368	9,645	-44%
PAT	**8,135**	**10,440**	**8,083**	**17,895**	**28,702**	**253%**	**60%**	**61,142**	**44,553**	**-27%**
Adjusted PAT	12,132	8,259	8,083	17,895	28,702	137%	60%	61,142	46,370	-24%
Adjusted EPS (Rs)	7.5	5.1	5.0	11.0	17.6	137%	60%	37.6	28.5	-24%
Crude production (mmt)	0.85	0.85	0.86	0.89	0.95	11%	7%	3.46	3.45	0%
Gas production (bcm)	0.83	0.80	0.80	0.75	0.76	-8%	0%	3.25	3.19	-2%
NB gross oil realization ($/bbl)	66.2	68.2	62.8	77.9	98.7	49%	27%	78.1	68.8	-12%
NB net oil realization ($/bbl)	66.2	68.2	62.8	77.9	98.7	49%	27%	78.1	68.8	-12%
NB gas realization (Rs/scm)	21.1	21.3	21.4	22.0	24.8	17%	13%	20.7	21.4	4%
Net debt	100,860	88,106	103,458	110,536	116,994	16%	6%	80,919	110,536	37%
Capex	33,510	22,100	30,030	30,360	30,510			84,670	116,000	
NRL volumes (mmt)	0.80	0.75	0.75	0.81	0.79	-1%	-2%	3.07	3.11	2%
NRL basic GRMs ($/bbl)	5.0	10.6	16.3	21.2	36.0	616%	70%	5.1	13.3	160%
NRL reported EBITDA	7,857	9,883	13,019	15,065	18,435	135%	22%	27,914	45,824	64%
NRL reported PAT	4,882	7,248	8,667	9,775	13,052	167%	34%	16,078	30,572	90%
NRL capex	15,920	12,080	32,000	23,170	13,750	-14%	-41%	90,380	83,170	-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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Concall highlights

Production

- Oil India (OIL) reported strong crude oil production in 1QFY27 (up +11% yoy), with 27-Jun-26 recording the highest level till 1QFY27 at 10,921mt/d. Crude production further increased to 11,017mt/d on 3-Aug-26, and the company expects 2Q-4QFY27 at ~1mmt per quarter, taking FY27 to +3.95-4mmtpa, if circumstances are normal. OIL is looking at a crude target of 4.2mmtpa in FY29 and beyond from MPA and Rajasthan, as ~4mmtpa should be achieved in FY27-28, through near-field exploration and workovers.
- The company is focusing on well intervention, optimization, and workovers, with systemic improvement. A high-level planning committee comprising the Directors of Operations and Exploration oversees well-site selection, better monitoring, etc. There is also a portfolio management board, and operations are now managed differently, in an integrated manner. There is no impact of the recent Assam floods on operations.
- Natural gas production is affected by the shutdown of downstream industries and seasonal variations. NEEPCO, which has both gas and hydel power, is going for more hydel due to higher gas prices. BCPL (petchem), which is supported by subsidy, also had some financial issues. Currently, however, it is stable at 1.25-1.35mmscmd of gas consumption. 30 gas wells are being shut now, and at times up to 60 are shut because of this.
- The infra bottlenecks would be over by CY27-end, when all the evacuation gas pipelines are ready, with a 3.5-4mmscmd increase in volumes from 1QCY28, being supplied to the rest of India too. In the near term, 200mtr of connectivity between DNPL and IGGL is pending within NRL premises, which can happen in the next 2-3 months as—post cooling of geopolitical issues—NRL may shortly be able to take a short shutdown to connect these lines. DNPL is already a common carrier, and hence the gas would get connected to IGGL and the national grid (if NRL is shut, that gas can also be diverted to the mainland).
- Further, NRL post-expansion (completion by FY27-end) would consume 1.5mmscmd more gas, and from Jan-27 gas offtake would start ramping up, with full impact by 3QFY28. The 3.5mmscmd IGGL DFL and other spur lines would all be ready by FY28-end. For DFL, OIL already has ROUs in most places except 30-40km, and the project has seen PMC selected and 20% physical progress so far. The Assam government is pushing for CGD development, and OIL is in talks with Assam Gas, etc, to increase intake. The FY28 gas production target is 3.8bcm, while a post-DFL-readiness peak of 5bcm will be achieved. All new gas production would qualify as NWG.

Exploration and development

- E/D activities are progressing well, with 7/10 wells drilled in 1QFY27. The FY27 total target is 100 (including offshore) vs 17 drilled in 1Q, and the company is on track. The target is to increase well drilling by 10% every year thereafter. Onshore wells are being drilled with own resources.
- In Andaman (shallow water), 3 wells (Vijayapuram, V) have been drilled so far. V-1 could not be tested and was kept aside for revisiting, while V-2 had gas discovered but flow was intermittent. V-3 gas flow was continuous. OIL is now going back to V-1 to test the sands using hydrofrack (a month-long, 1,100mtr program,), and a call on this will be taken by August-end. It has demobilized the semisub, as the contract has ended. V-3 testing was done in July and an appraisal campaign would be taken there based on new 300km of 3D seismic data (in V-2, 300km of 3D data was also acquired). The V-4 well with a jack-up rig would be drilled by Dec-26 (90mtr depth in Andaman North); this rig is drilling in KG offshore now. By Mar-27, after V-4, some assessment will be done and a call on appraisal wells will be taken, followed by appraisal drilling and figures on reserves, production, etc.
- 50% of OIL's offshore acreages are in deep and ultra-deepwaters. There are a lot of opportunities, as the company can apply beyond the exploration lease too. In Mahanadi (MN), a Rs8bn well will be drilled next year under the government's stratigraphic well initiative, and OIL is further derisking through collaboration with Total. Petrobras has also come on board and will do an independent assessment of the data.

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- OIL is awaiting the details of Samudra Manthan. It has acquired 2D and 3D data for KG and MN of up to 4,000-5,000sq km, and by Jan-27 will finish seismic fully. OIL has tendered out the first rig for Jul-27 and the second for Mar-28, which would kickstart deepwater drilling.

NRL

- NRL recorded $36/bbl of basic GRM, which had $2-3/bbl of inventory gains, with core at ~$33/bbl. GRMs were supported by high petrol and diesel cracks (vs $7-8/bbl normal benchmark GRMs), though there was an adverse impact from discounts, windfall taxes, and lower excise duties on auto fuels. The SAED on petrol/diesel was Rs13/Rs10 per liter at the start of 1Q, which fell to Rs3/Rs0 by end, but has now reappeared, capping GRMs. NRL's unit opex was up, as certain commissioning costs were put under P&L. Post-expansion, NRL's opex should come down to $3.5/bbl from the current $4-4.5/bbl.

- Under the NRL expansion, the CDU/VDU was mechanically completed in 1QFY27, with OISD and PESO inspection done. The DHDT is also ready, but the SRU would take a couple of months, after which both units would commission by Oct-26. The rest of the units should be ready by Mar-27. The ramp is expected at 75% capacity utilization (on total 9mmtpa) by FY28-end. There is good progress on PNCPL, with ROU of only 8km pending, and it has received good state government support, with the crude pipeline expected to be mechanically completed by Oct-26 and commissioned by Dec-26.

Capex and debt

- OIL's 1Q capex was Rs30.5bn, of which survey/exploration/development/capital equipment/equity investments were Rs4.5/12.3/7.0/3.5/3.2bn. The FY27 target as of now is Rs86.0bn but is subject to change (FY26 was Rs130.26bn). The company spent Rs22/35bn on exploration/development drilling in FY26, while the target for FY27 is Rs22/52bn and FY28 is Rs42/57bn, including deepwater offshore.

- NRL has already invested Rs300bn of the Rs340-350bn refinery expansion capex. The PPU would cost another Rs72-73bn. Current NRL debt is Rs190bn. OIL's consolidated debt includes a $1.4bn loan under standalone for Mozambique and $550mn of dollar bond for Russia, to be repaid on May-27. Consolidated debt is hence at Rs372.33bn currently.

Others

- Many milestones were achieved by the company in 1QFY27 on revenue, earnings, margins, etc. Core activities performed well. Gas production was weak but up 0.4% qoq. NRL had capacity utilization of 105%.

- OIL's contract cost has been up due to G&G costs in offshore.

- The Assam land tax issue will be deliberated in the legislature, and the Act can be repealed. It is a contingent liability as of now but if the Assam government withdraws it, OIL will remove the same.

- The GST on royalty is being provided for, as the Court had given 6 months to settle it. It is under dispute.

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Exhibit 3: Change in assumptions

	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Brent ($/bbl)	86.0	85.0	-1%	80.0	80.0	0%	80.0	80.0	0%
USD/INR	92.5	94.5	2%	92.5	94.5	2%	92.5	94.5	2%
Net oil realization ($/bbl)	82.5	80.0	-3%	76.7	76.0	-1%	76.9	77.0	0%
Gas realization (Rs/scm)	24.9	23.9	-4%	25.9	25.7	-1%	27.1	27.0	0%
Crude oil production (mmt)	3.6	3.8	5%	3.7	3.9	7%	3.8	4.0	7%
Natural gas production (bcm)	3.6	3.0	-16%	4.0	3.5	-12%	4.4	4.0	-8%
Total production growth	*8.3%*	*2.3%*	*-604bps*	*6.5%*	*9.5%*	*295bps*	*6.1%*	*8.1%*	*195bps*
NRL throughput (mmt)	4.5	3.0	-34%	7.2	5.0	-31%	8.1	7.2	-11%
NRL book GRM ($/bbl)	20.7	32.5	57%	21.6	31.4	45%	19.1	23.9	25%

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	567,875	415,098	-27%	757,446	572,493	-24%	860,164	792,742	-8%
EBITDA	150,579	155,431	3%	202,941	205,824	1%	213,583	222,857	4%
EBITDA margin	*26.5%*	*37.4%*	*1093bps*	*26.8%*	*36.0%*	*916bps*	*24.8%*	*28.1%*	*328bps*
PAT	90,599	91,675	1%	107,481	106,013	-1%	118,320	119,855	1%
EPS (Rs)	55.7	56.4	1%	66.1	65.2	-1%	72.7	73.7	1%

Source: Company, Emkay Research

Exhibit 5: Oil India – Standalone DCF-based valuation

Assumptions		**Standalone**	**(Rs mn)**
Risk-free rate	6.9%	NPV of FCF (Jun-28-Jun-39)	341,910
Risk premium	6.0%	Terminal value	873,815
Beta	0.765	PV of TV	249,098
Cost of equity	11.5%	Total value	591,008
Cost of debt	8.5%	Less: Net debt (Jun-27E)	122,101
Post tax cost of debt	6.4%	Equity value	468,907
Average Debt:Equity ratio	0.1	No of shares O/S (mn)	1,627
WACC	**11.0%**	**Fair Value of Oil India S/A (Rs)**	**288**
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 (Jun-28-Jun-39)	453,389
Risk premium	6.0%	Terminal value	685,538
Beta	0.765	PV of TV	226,853
Cost of equity	11.5%	Total value	680,243
Cost of debt	8.5%	Less: Net debt (Jun-27E)	162,681
Post tax cost of debt	6.4%	**NRL's 100% equity value**	**517,562**
Average Debt:Equity ratio	0.6	**NRL's equity value to OIL**	**360,378**
WACC	**9.7%**	No of shares O/S (mn) - OIL	1,627
Terminal growth rate	0.0%	**Fair value of NRL (Rs)**	**222**

Source: Company, Emkay Research

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

Components (Rs mn)	Basis	Jun-28E equity value	Value/Sh (Rs)	Comments
Oil India standalone	DCF	468,907	288	WACC/TvG at 11.0%/0%
NRL (69.6% stake)	DCF	360,378	222	WACC/TvG at 9.7%/0%
Mozambique upside	DCF		-	
Core business valuation		**829,285**	**510**	
Value of investments	TP/BV	106,029	65	At 30% HoldCo Discount
Target price/fair value (Rs)		**935,314**	**575**	

Source: Company, Emkay Research

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

Listed+Unlisted	Type	Basis of valuation	TP/CMP (Rs)	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)	160	2,259	5.2%	117	30%	82	50
OIL International Pte (Russia)	Subsidiary	BV		35	100.0%	35	30%	24	15
Total						**151**		**106**	**65**

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	56.4	65.2	73.7
Target PER (x)					**8.5**	
Jun-27E TP (Rs)					**575**	

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**	**415,098**	**572,493**	**792,742**
Revenue growth (%)	(0.4)	2.4	12.0	37.9	38.5
EBITDA	**112,163**	**104,455**	**155,431**	**205,824**	**222,857**
EBITDA growth (%)	(10.3)	(6.9)	48.8	32.4	8.3
Depreciation & Amortization	23,182	27,120	39,552	53,901	56,761
EBIT	**88,981**	**77,335**	**115,880**	**151,924**	**166,096**
EBIT growth (%)	(14.2)	(13.1)	49.8	31.1	9.3
Other operating income	0	0	0	0	0
Other income	16,663	19,312	32,753	36,147	40,162
Financial expense	10,693	12,043	17,612	35,788	32,002
PBT	**94,951**	**84,604**	**131,020**	**152,283**	**174,256**
Extraordinary items	0	0	0	0	0
Taxes	23,968	20,313	33,017	38,375	43,912
Minority interest	(4,887)	(9,307)	(6,328)	(7,895)	(10,488)
Income from JV/Associates	(587)	11,216	0	0	0
Reported PAT	**65,509**	**66,199**	**91,675**	**106,013**	**119,855**
PAT growth (%)	3.4	1.1	38.5	15.6	13.1
Adjusted PAT	**65,509**	**66,199**	**91,675**	**106,013**	**119,855**
Diluted EPS (Rs)	**40.3**	**40.7**	**56.4**	**65.2**	**73.7**
Diluted EPS growth (%)	(16.6)	1.1	38.5	15.6	13.1
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	31.0	28.2	37.4	36.0	28.1
EBIT margin (%)	24.6	20.9	27.9	26.5	21.0
Effective tax rate (%)	25.2	24.0	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**66,520**	**58,768**	**86,678**	**113,639**	**124,240**
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	655,218	725,037	801,332
Net worth	**497,677**	**579,984**	**671,484**	**741,303**	**817,599**
Minority interests	49,381	58,038	64,366	72,261	82,749
Non-current liab. & prov.	31,674	31,879	29,025	28,394	27,826
Total debt	**306,452**	**374,780**	**357,470**	**362,470**	**322,470**
Total liabilities & equity	**902,088**	**1,063,731**	**1,145,129**	**1,238,184**	**1,299,981**
Net tangible fixed assets	206,225	238,326	604,959	651,157	696,918
Net intangible assets	5,437	5,437	5,437	5,437	5,437
Net ROU assets	-	-	-	-	-
Capital WIP	320,095	415,386	119,202	141,502	153,852
Goodwill	-	-	-	-	-
Investments [JV/Associates]	309,693	363,451	370,720	378,135	385,698
Cash & equivalents	**78,411**	**60,454**	**41,498**	**54,163**	**68,289**
Current assets (ex-cash)	108,680	128,580	178,406	221,701	283,790
Current Liab. & Prov.	142,359	174,749	204,933	252,170	343,943
NWC (ex-cash)	**(33,680)**	**(46,170)**	**(26,527)**	**(30,468)**	**(60,153)**
Total assets	**902,088**	**1,063,731**	**1,145,129**	**1,238,184**	**1,299,981**
Net debt	228,042	314,326	315,972	308,307	254,181
Capital employed	902,088	1,063,731	1,145,129	1,238,184	1,299,981
Invested capital	**177,983**	**197,594**	**583,869**	**626,126**	**642,202**
BVPS (Rs)	306.0	356.6	412.8	455.7	502.6
Net Debt/Equity (x)	0.5	0.5	0.5	0.4	0.3
Net Debt/EBITDA (x)	2.0	3.0	2.0	1.5	1.1
Interest coverage (x)	9.9	8.0	8.4	5.3	6.4
RoCE (%)	**13.0**	**10.4**	**14.1**	**16.6**	**17.2**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	77,701	76,508	98,267	116,136	134,094
Others (non-cash items)	34,007	43,409	0	0	0
Taxes paid	(20,892)	(24,248)	(33,017)	(38,375)	(43,912)
Change in NWC	(2,563)	(19,711)	(18,902)	6,495	33,584
Operating cash flow	**113,320**	**106,838**	**103,512**	**173,944**	**212,529**
Capital expenditure	(129,690)	(131,709)	(110,000)	(122,400)	(114,872)
Acquisition of business	0	0	0	0	0
Interest & dividend income	11,499	13,180	30,360	32,995	36,513
Investing cash flow	**(135,142)**	**(103,814)**	**(86,909)**	**(111,819)**	**(90,921)**
Equity raised/(repaid)	2,398	2,403	0	0	0
Debt raised/(repaid)	52,602	32,208	(17,310)	5,000	(40,000)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(10,112)	(7,909)	(17,612)	(35,788)	(32,002)
Dividend paid (incl tax)	(21,093)	(22,564)	(32,355)	(35,912)	(36,217)
Others	10,625	(23,045)	31,719	2,240	(4,262)
Financing cash flow	**34,421**	**(18,907)**	**(35,560)**	**(64,460)**	**(112,481)**
Net chg in Cash	12,599	(15,883)	(18,956)	(2,335)	9,126
OCF	113,320	106,838	103,512	173,944	212,529
Adj. OCF (w/o NWC chg.)	115,883	126,548	122,414	167,449	178,944
FCFF	(16,370)	(24,872)	(6,488)	51,544	97,657
FCFE	(15,563)	(23,735)	6,260	48,752	102,169
OCF/EBITDA (%)	101.0	102.3	66.6	84.5	95.4
FCFE/PAT (%)	(23.8)	(35.9)	6.8	46.0	85.2
FCFF/NOPLAT (%)	**(24.6)**	**(42.3)**	**(7.5)**	**45.4**	**78.6**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	11.2	11.1	8.0	7.0	6.1
P/CE(x)	8.3	7.9	5.6	4.6	4.2
P/B (x)	1.5	1.3	1.1	1.0	0.9
EV/Sales (x)	2.7	2.8	2.5	1.8	1.3
EV/EBITDA (x)	8.6	10.1	6.8	5.1	4.4
EV/EBIT(x)	10.8	13.6	9.1	6.9	6.0
EV/IC (x)	5.4	5.3	1.8	1.7	1.5
FCFF yield (%)	(1.7)	(2.4)	(0.6)	4.9	9.9
FCFE yield (%)	(2.1)	(3.2)	0.8	6.6	13.9
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	18.1	17.9	22.1	18.5	15.1
Total asset turnover (x)	0.4	0.4	0.4	0.5	0.6
Assets/Equity (x)	1.7	1.8	1.8	1.7	1.6
RoE (%)	**13.4**	**12.3**	**14.7**	**15.0**	**15.4**
DuPont-RoIC					
NOPLAT margin (%)	18.4	15.9	20.9	19.8	15.7
IC turnover (x)	2.0	2.0	1.1	0.9	1.3
RoIC (%)	**37.3**	**31.3**	**22.2**	**18.8**	**19.6**
Operating metrics					
Core NWC days	(34.0)	(45.5)	(23.3)	(19.4)	(27.7)
Total NWC days	**(34.0)**	**(45.5)**	**(23.3)**	**(19.4)**	**(27.7)**
Fixed asset turnover	1.0	0.9	0.6	0.6	0.8
Opex-to-revenue (%)	69.0	71.8	62.6	64.0	71.9

Source: Company, Emkay Research

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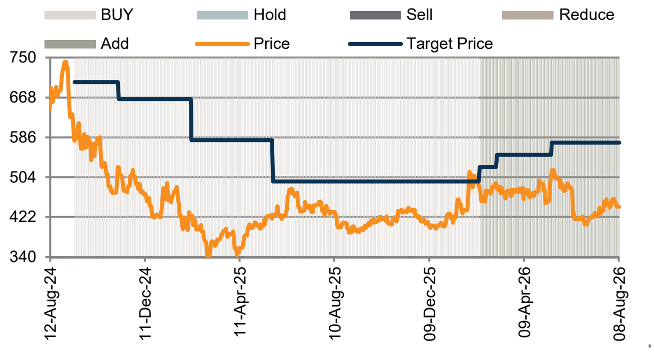
Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-May-26	518	575	Add	Sabri Hazarika
05-Mar-26	479	550	Add	Sabri Hazarika
11-Feb-26	479	525	Add	Sabri Hazarika
17-Nov-25	436	495	Buy	Sabri Hazarika
26-Sep-25	410	495	Buy	Sabri Hazarika
18-Jun-25	470	495	Buy	Sabri Hazarika
29-May-25	444	495	Buy	Sabri Hazarika
23-May-25	426	495	Buy	Sabri Hazarika
08-Feb-25	425	580	Buy	Sabri Hazarika
15-Jan-25	464	665	Buy	Sabri Hazarika
07-Nov-24	525	665	Buy	Sabri Hazarika
18-Oct-24	533	700	Buy	Sabri Hazarika
12-Sep-24	579	700	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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