BUY

Oil India

E&P performance a rare outlier; GRM upcycle driving NRL

Oil & Gas | Company Update | **August 28, 2026**

CMP (Rs): 483 | TP (Rs): 625

We reiterate BUY on OIL and raise TP (Sep-27E) by ~9% to Rs625 from Rs575 as we expect consolidated AEPS to increase from ~Rs40 in FY25-26 to ~Rs62/65/74 in FY27/28/29E, driven by higher O&G realizations and GRMs and sharp rise in NWG sales and NRL capacity. OIL already achieved 4mmtpa crude output target of Mission 4+, with current rate at ~11ktpd. Management expects further uptick to 4.2mmtpa by FY29. Gas currently is constrained by evacuation issues, but 3 offtake channels—DNPL-IGGL connectivity, NRL expansion, and new Duliajan Feeder Line (DFL)—over FY27-28-end would help push production up by >60% to 5bcm by FY29, with all new gas qualifying as premium NWG. OIL aims 10-12mmtoepa output by FY30, which we believe could be 9-10mmtoe from existing and 2-3mmtoe from new areas. SA AEPS should rise from Rs26 in FY26 to Rs64 in FY29. The refining scenario is equally attractive as our FY29-30E EBITDA of Rs75-80bn (on expanded capacity) could be achieved in FY27-28 itself (Rs19bn earned in 1Q) given the current distillate shortage and GRM spike; this should cap debt increase. We estimate OIL's consolidated ROIC to increase from 10% in FY26 to ~15% in FY27-29E and FCFF yield to rise from negative 8-9% in FY26-27 to +4-6% in FY28-29E as the major capex cycle ends. We raise FY27E EPS by 10% and retain FY28/29E EPS.

Outlier production growth in crude oil; gas to see massive jump in 2 years

OIL has reported 11% yoy crude output growth in 1QFY27, at 3.8mmtpa, while Jul-26/current output is further up and sustaining at ~4mmtpa (>15% yoy growth). This is against weak oil output of most Indian peers. Gas, in turn, was down 8% yoy in 1Q, at ~3.0bcm, while Jul-26/current is at ~3.1bcm (down 0-1% yoy). However, this is solely because of demand issues. DNPL expansion from 1 to 2.5mmscmd is already done and declared a common carrier by PNGRB, with a 25-30-day NRL shutdown for IGGL hook-up only pending (target to complete in next 2-3 months); 3.5mmscmd DFL work is also in progress for COD by FY28-end. Hence, gas production by FY29 should reach 5bcm or 13.7mmscmd. We visited the almost-ready new 5mmscmd FGGS in Baghjan.

Current refining upcycle supporting NRL; EBITDA at Rs75-80bn pa run-rate

NRL expansion has faced delays and ~33km of ROU for new Paradip crude line is pending, but management has maintained FY27-end COD target. We visited the facility, and phase-wise commissioning is underway. Despite this, NRL is currently clocking expanded capacity EBITDA due to a sharp uptick in diesel and wax cracks from the global refining shortfall. In 1QFY27, NRL's basic core GRM was $34/bbl despite $29/bbl of windfall taxes, with pure GRM at $63/bbl. EBITDA was hence at Rs19bn. Discussions with BPCL on expanded capacity offtake are underway as the latter will continue to face 1.5-2.0/4.5-5.0mmtpa shortfall in MS-HSD, with a tripartite agreement signed between BPCL, NRL, and OIL. A pipeline from Siliguri to East UP is also planned to alleviate the CST burden.

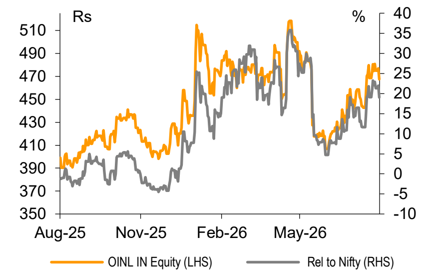
Target Price – 12M	Sep-27
Change in TP (%)	**8.7**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.4

Stock Data	**OINL IN**
52-week High (Rs)	531
52-week Low (Rs)	385
Shares outstanding (mn)	1,626.6
Market-cap (Rs bn)	785
Market-cap (USD mn)	8,234
Net-debt, FY27E (Rs mn)	390,751.5
ADTV-3M (mn shares)	5.4
ADTV-3M (Rs mn)	1,752.2
ADTV-3M (USD mn)	18.4
Free float (%)	33.0
Nifty-50	24,175.7
INR/USD	95.4
Shareholding,Jun-26	
Promoters (%)	56.7
FPIs/MFs (%)	7.3/20.1

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	8.6	(1.1)	23.6
Rel. to Nifty	7.7	(2.2)	25.3

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	434,685	605,677	828,576
EBITDA	112,163	104,455	176,797	208,429	230,354
Adj. PAT	65,509	66,199	101,007	105,163	119,785
Adj. EPS (Rs)	40.3	40.7	62.1	64.7	73.6
EBITDA margin (%)	31.0	28.2	40.7	34.4	27.8
EBITDA growth (%)	(10.3)	(6.9)	69.3	17.9	10.5
Adj. EPS growth (%)	(16.6)	1.1	52.6	4.1	13.9
RoE (%)	13.4	12.3	16.1	14.8	15.3
RoIC (%)	37.3	31.3	24.4	17.4	17.8
P/E (x)	12.0	11.9	7.8	7.5	6.6
EV/EBITDA (x)	9.0	10.5	6.7	5.7	5.1
P/B (x)	1.6	1.4	1.2	1.1	1.0
FCFF yield (%)	(1.6)	(2.3)	(8.1)	3.7	6.0

Source: Company, Emkay Research

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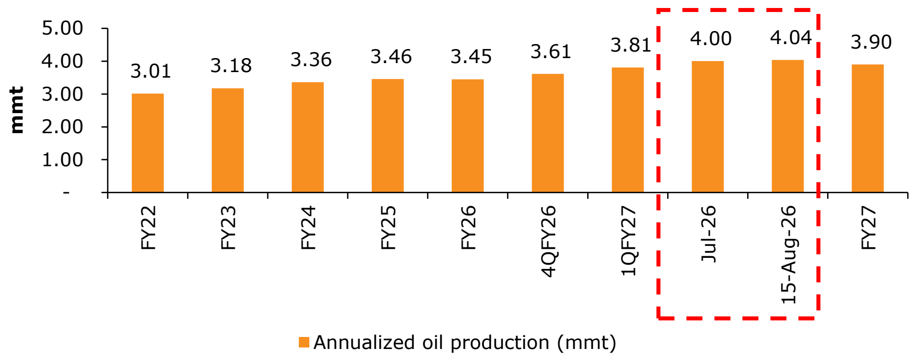
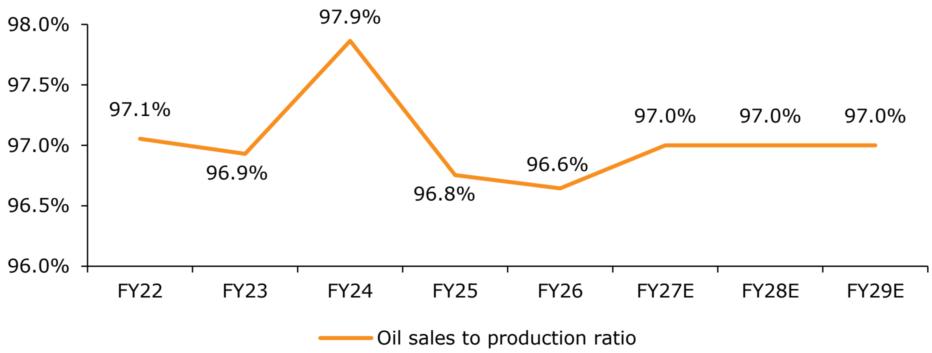
Exhibit 1: OIL has achieved ~4mmtpa crude oil production run-rate, with 2Q sustaining near those levels



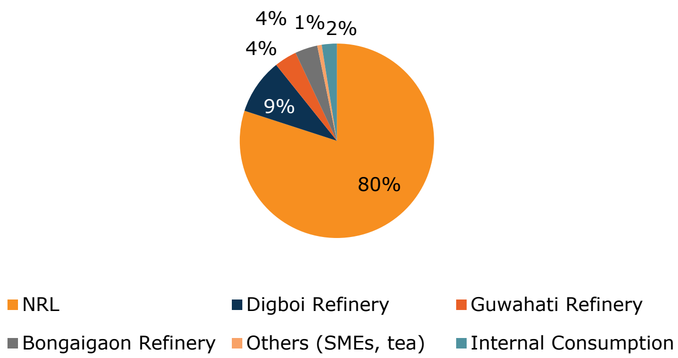
Source: MOPNG, Industry, Emkay Research

Exhibit 2: Oil sales to production steady, with no offtake issues in oil side



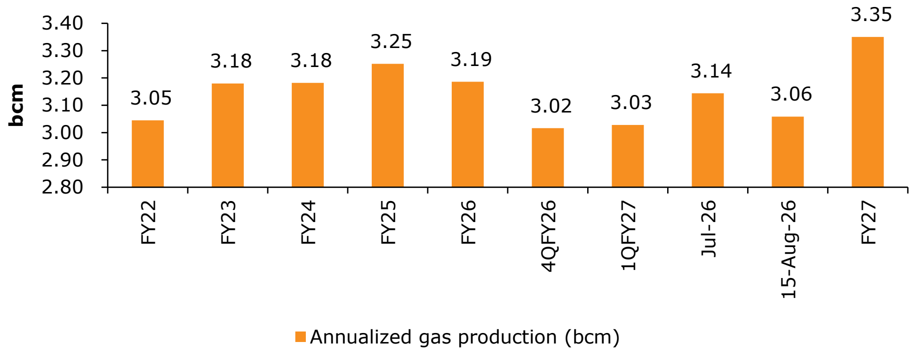
Source: Company, Emkay Research

Exhibit 3: NRL offtakes ~80% of OIL's crude with pit head benefits



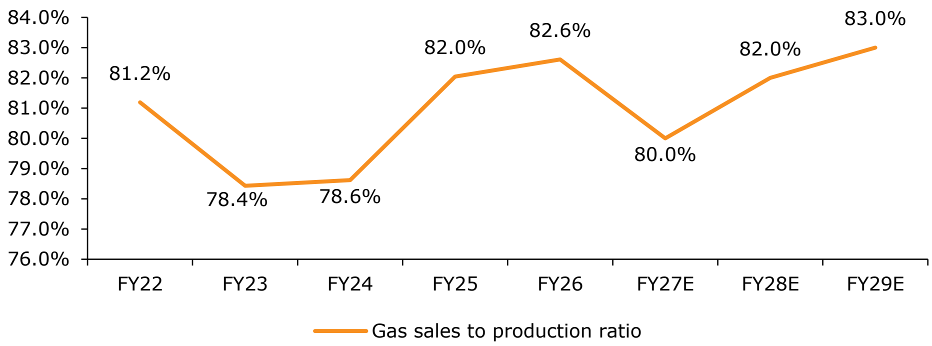
Source: Company, Industry, Emkay Research

Exhibit 4: Gas production currently constrained by evacuation issues, but FY27 guidance still points to growth



Source: Company, Emkay Research

Exhibit 5: Gas sales impacted by low market demand, local issues, and lack of evacuation



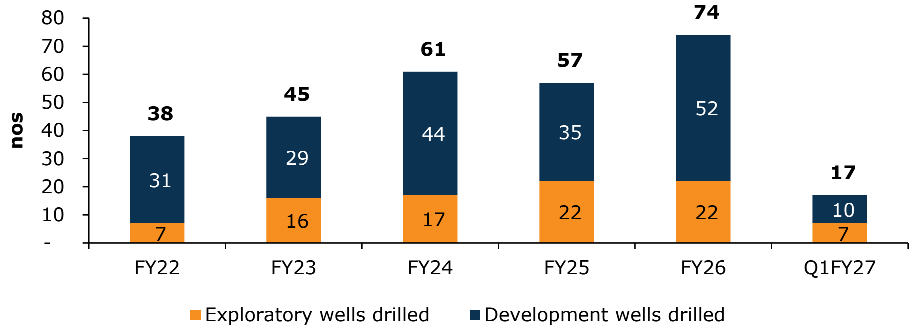
Source: Company, Emkay Research

Exhibit 6: Gas sales mix – Aging fertilizer plants, BCPL feed issues, and higher gas price impact on power plants denting demand

Offtakers	Share
NRL	13%
IOCL	4%
AGCL (CGD)	5%
BVFCL (fertilizer)	8%
Kathalguri CCPP (Neepco-NTPC)	15%
Lakwa Power (APGCL)	6%
Namrup Power (APGCL)	6%
RRVUNL (Rajasthan Power)	5%
BCPL (petchem)	11%
APL (petchem)	5%
Others (SMEs, tea)	3%
Internal Consumption	20%
Total	**100%**

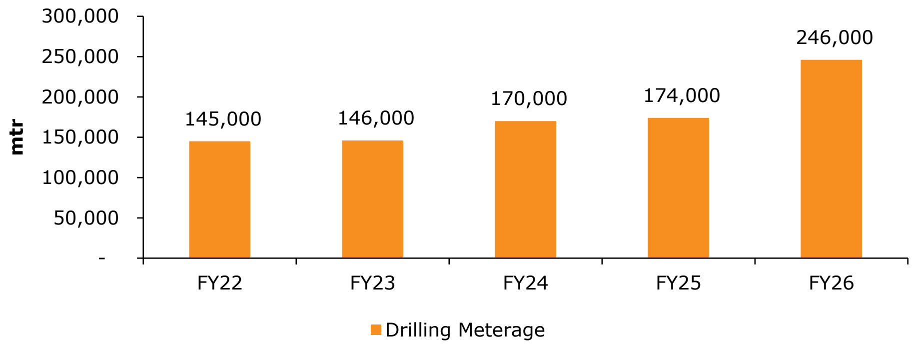
Source: Company, Industry, Emkay Research

Exhibit 7: Well drilling improved in FY26; FY27 target of 100 wells, with 10% yoy increase thereafter



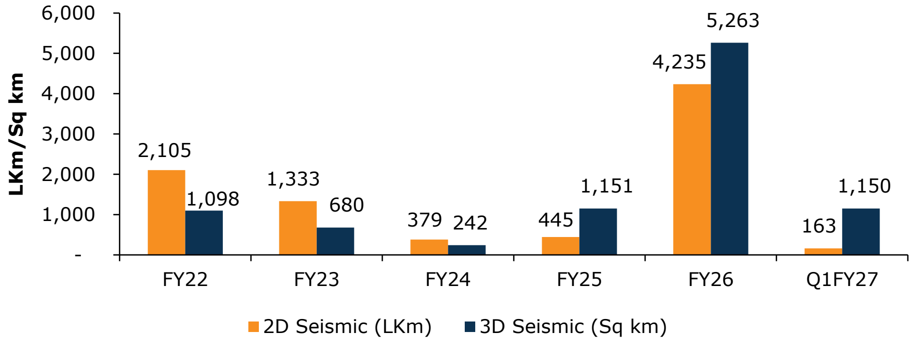
Source: Company, Emkay Research

Exhibit 8: Drilling meterage also improved in FY26, with better optimization and induction of 3,000 HP rigs



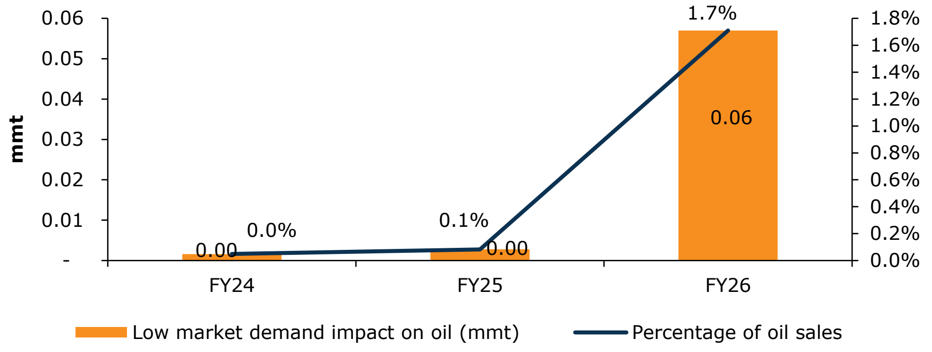
Source: Company, Emkay Research

Exhibit 9: FY26 saw sharp increase in seismic, but same would taper from hereon



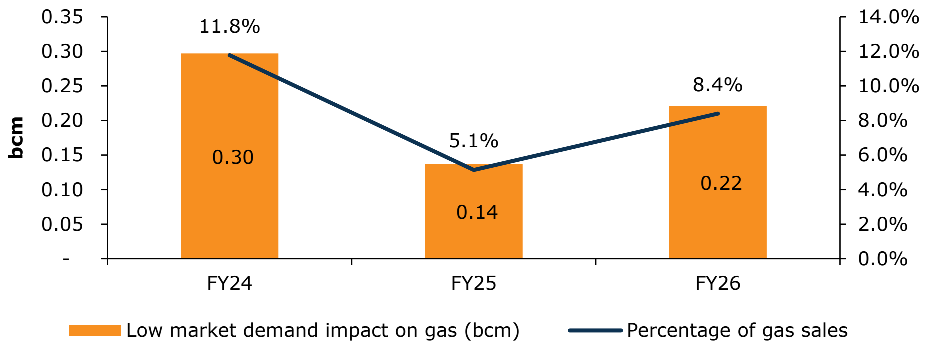
Source: Company, Emkay Research

Exhibit 10: Around 2% of oil production was hit due to low market demand for gas affecting operations



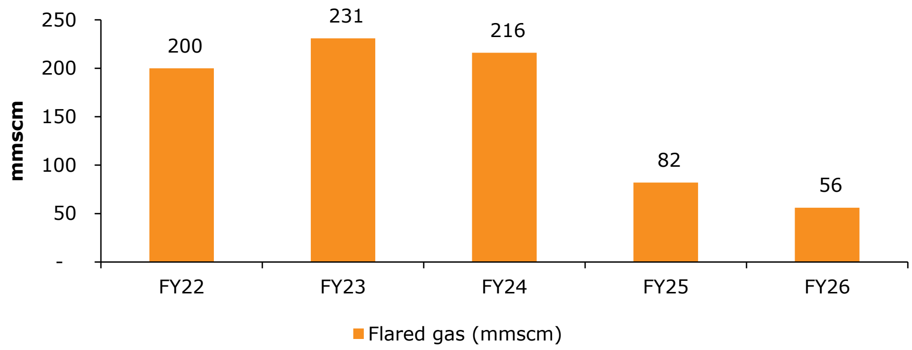
Source: Company, Emkay Research

Exhibit 11: Over 8% of gas production was constrained due to LMD and lack of evacuation



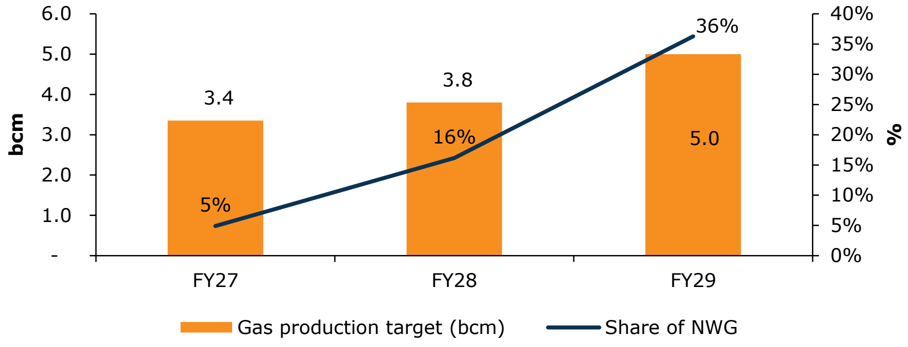
Source: Company, Emkay Research

Exhibit 12: OIL was able to reduce flaring substantially in last 2 years and monetize the same



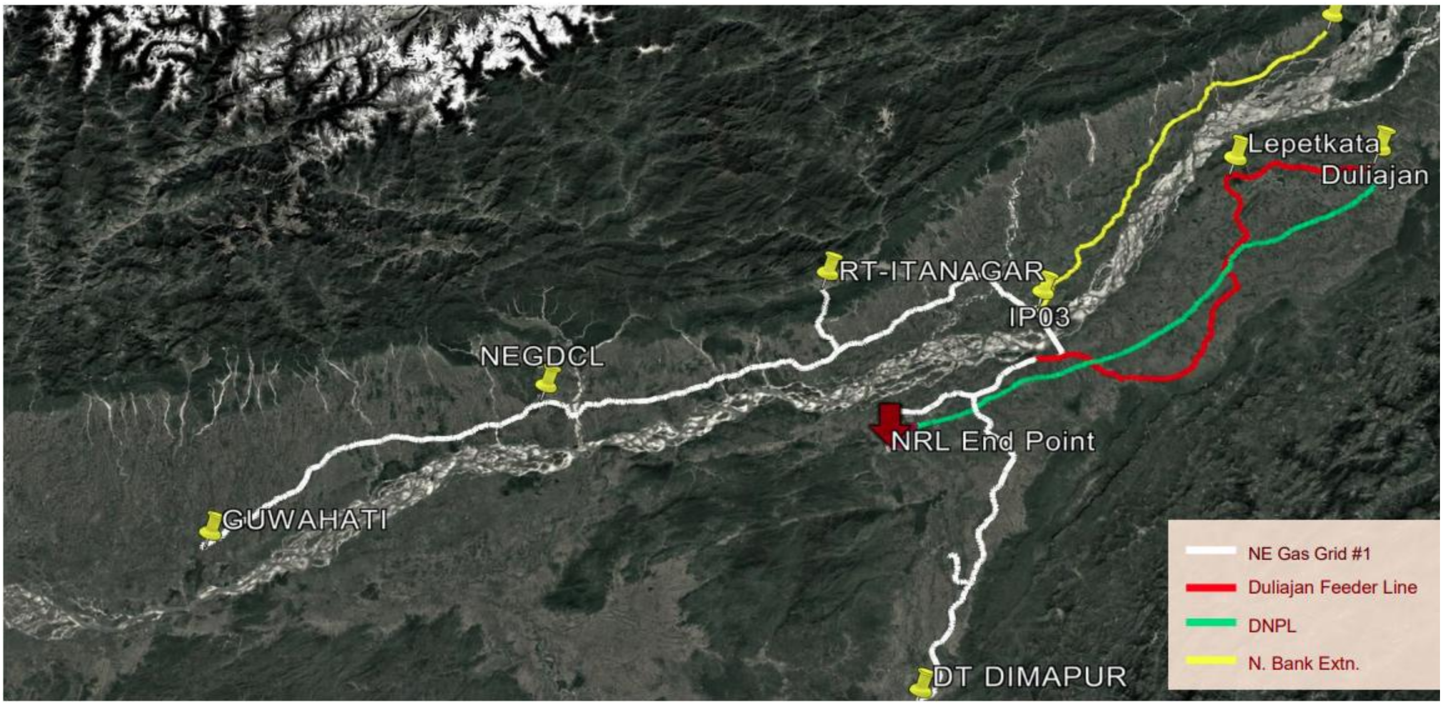
Source: Company, PPAC, Emkay Research

Exhibit 13: Share of premium-priced NWG will grow from hereon, as all incremental output qualifies as NWG



Source: Company, Emkay Research

Exhibit 14: Gas evacuation pipeline map for OIL FHQ Duliajan; 5mmscmd of additional evacuation to be ready by FY29



Source: Company

Exhibit 15: DNPL expansion achieved and common carrier approved by PNGRB; DFL in progress, with large part of ROU already in place

Pipeline	Application	Current Capacity	Planned Capacity	Rationale for expansion/ establishment	Pipeline length (km)	Project capex (Rs bn)	Project status
Duliajan Numaligarh gas pipeline (DNPL)	Gas supply to NRL	0.36bcm (1mmscmd)	0.9bcm (2.5mmscmd)	Capacity augmented to meet NRL's expanded gas requirement driven by 3x refinery scale up, necessitating increase in gas supply from 1 mmscmd to 3 mmscmd	194	4.3	Mechanically completed in 3QFY26; commissioning by Nov-26. To be hooked up with IGGL soon, with only 200mtr section pending.
Feeder line to IGGL	Gas supply from Oil India's fields to national gas grid	-	1.3bcm (3.5mmscmd)	To establish direct national grid connectivity from Oil India's fields, enabling incremental offtake beyond NE India	175	13.3	~19% physical progress achieved as of Jul-26, with construction expected to be completed by Mar-28.

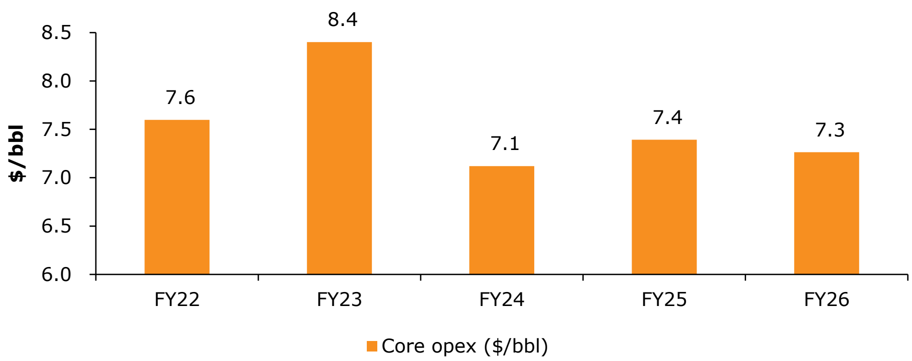
Source: Company, Emkay Research

Exhibit 16: Core upstream capex likely to have peaked in FY26, with FY27 likely to be down yoy; deepwater capex to be partly funded by government under Samudra Manthan, including seismic

Particulars (Rs mn)	FY22	FY23	FY24	FY25	FY26
Balance sheet capex	24,009	36,364	44,952	55,155	74,476
Exploration write-off	1,632	1,988	-118	774	7,456
Provisions	10,314	6,039	8,688	10,977	18,039
Total	**35,955**	**44,391**	**53,522**	**66,906**	**99,972**
Reported core capex	33,626	44,550	48,437	72,010	112,860
Survey	*6,114*	*6,600*	*5,907*	*9,380*	*23,610*
Exploration Drilling	*6,114*	*9,350*	*11,814*	*18,870*	*36,770*
Development Drilling	*9,607*	*13,750*	*12,405*	*14,730*	*19,580*
Capital Equipment	*11,791*	*14,850*	*18,312*	*29,030*	*32,900*

Source: Company, Emkay Research

Exhibit 17: Standalone core opex (ex contract cost, provisions, and forex) has been stable



Source: Company, Emkay Research

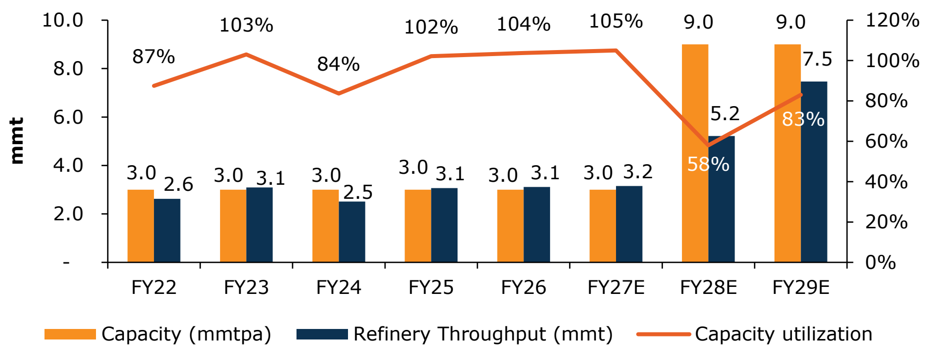
Assam Hydrocarbon Policy to benefit new activities and production

The Assam government has notified the Assam Hydrocarbon Exploration, Production and Upstream Ecosystem Development Policy, 2026, aimed at incentivizing fresh exploration and incremental hydrocarbon production in the state. The policy provides fiscal support, including 50% reimbursement of eligible SGST on plant and machinery and reimbursement of up to 20% of eligible state royalty paid on new commercial production, with the royalty incentive capped at 25% of eligible fixed capital investment. It also provides electricity-duty reimbursement for five years, subject to an annual ceiling of Rs20mn per project, besides relief on stamp duty. This reduces exploration risk by waiving the initial land premium where exploration is unsuccessful, and seeks to expedite land, ROW, and other state-level approvals through a dedicated facilitation mechanism.

Importantly, the incentives are not applicable to the existing production base and are restricted to qualifying projects. These broadly include new upstream projects and approved capacity/production expansion; an expansion is required to entail at least 25% fresh capital investment and a minimum 10% increase in production, thereby ensuring that incentives are linked to incremental investment and output rather than routine maintenance/workovers. The framework also extends benefits to qualifying dormant wells, including wells that have remained inactive for at least three years and are subsequently revived.

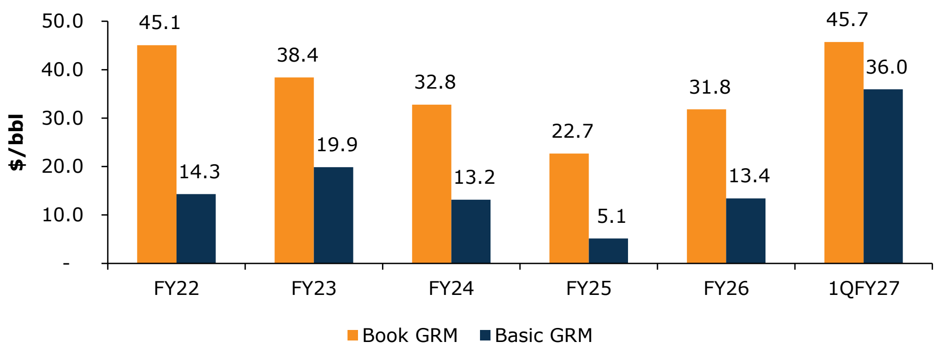
The policy is structurally positive for OIL, given its significant upstream presence and exploration acreage in Assam. The incentives should lower the effective capex for incremental exploration/development, partly mitigate downside risk on unsuccessful exploration, and improve post-discovery project economics through royalty support. The policy should improve returns on OIL's incremental Assam investments and support its ongoing efforts to increase drilling, exploration, and production over the medium term.

Exhibit 18: NRL's expanded capacity utilization to reach 75% by FY28-end



Source: Company, Emkay Research

Exhibit 19: Tight product market drives GRM upcycle; NRL reported strong 1QFY27 GRMs



Source: Company, Emkay Research

Exhibit 20: 1QFY27 GRM breakup; strong core GRMs

Particulars	**($/bbl)**
Core GRM	63
SAED	29
Realized GRM	34
Inventory Gain	2
Basic Reported GRM	36
Excise Benefit	10
Book GRM	46

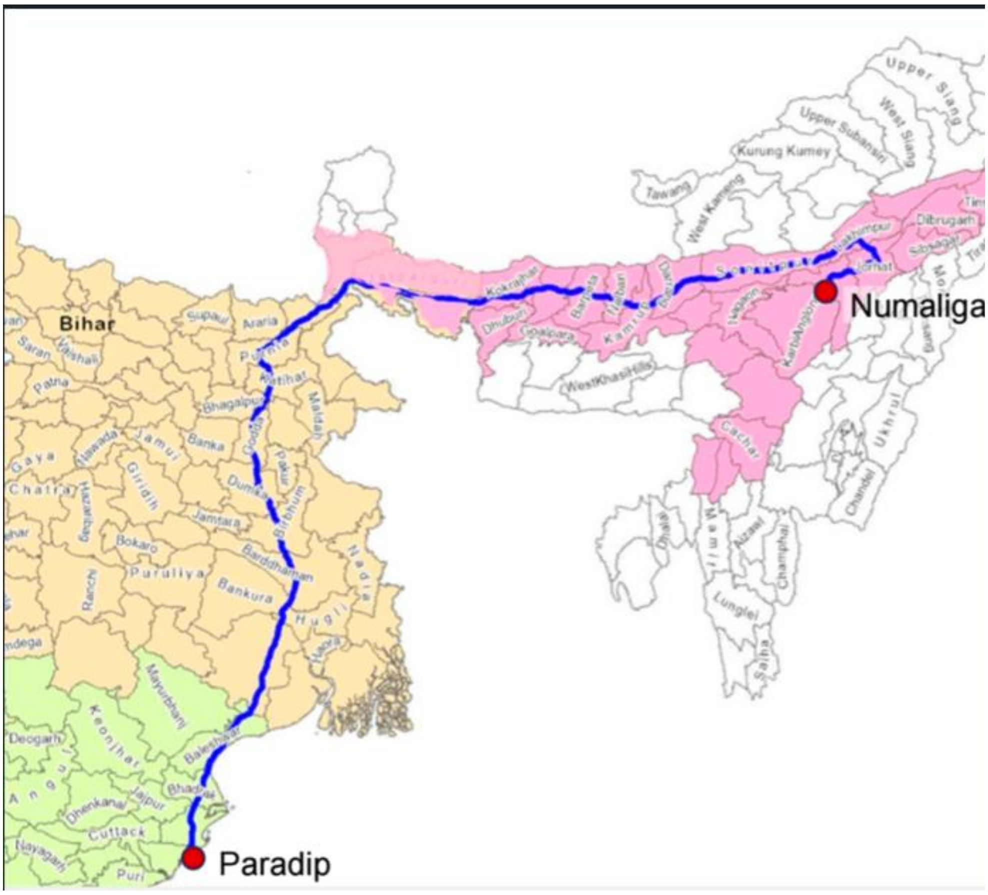
Source: Company, PPAC, Emkay Research

Exhibit 21: NREP ~91% complete; all units to be progressively commissioned by Mar-27

Particulars	Progress (%)
Overall physical progress scheduled	100%
Overall actual physical progress	91%
Pipeline physical progress scheduled	100%
Pipeline actual physical progress	94%
Refinery physical progress scheduled	100%
Refinery actual physical progress	89%
CDU/VDU unit	98%
DHT unit	98%
SRB unit	90%
PFCC unit	86%
GDS unit	81%
MSP unit	90%
RPTU unit	81%
O&U	96%

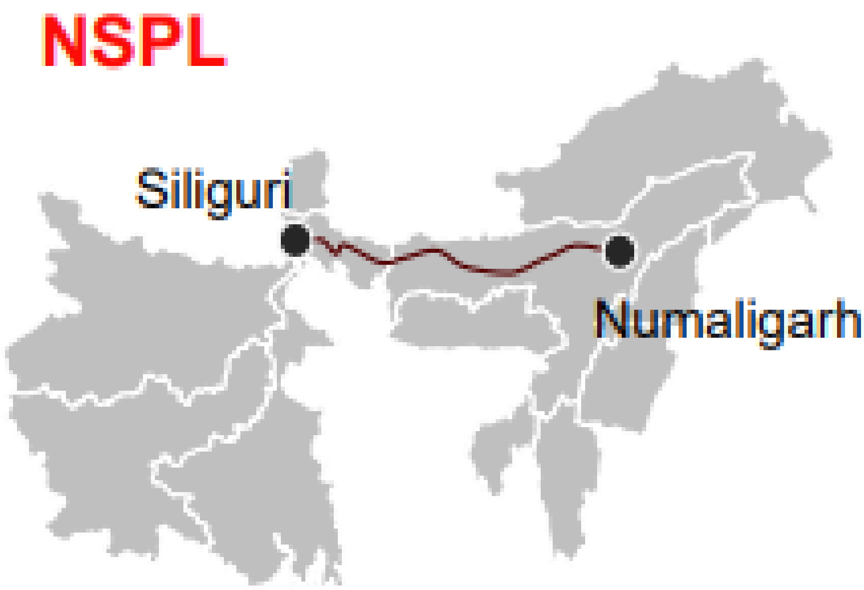
Source: Company, Emkay Research

Exhibit 22: PNCPL remains slated for FY27-end COD, with ~33km ROU pending



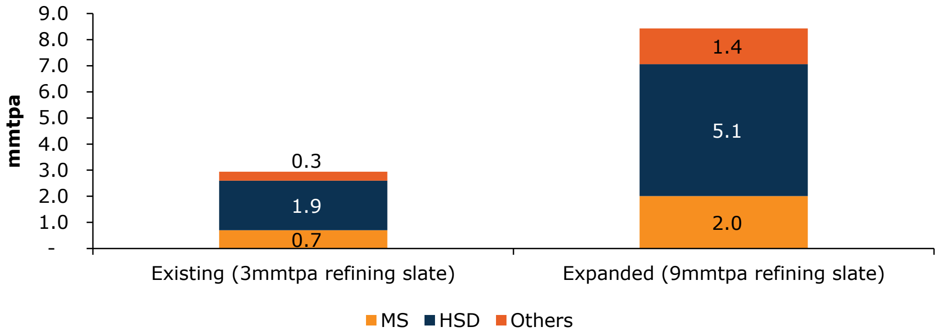
Source: Company, Emkay Research

Exhibit 23: Map of NRL-Siliguri product pipeline; capacity already expanded to 5.5mmtpa from 1.7mmtpa



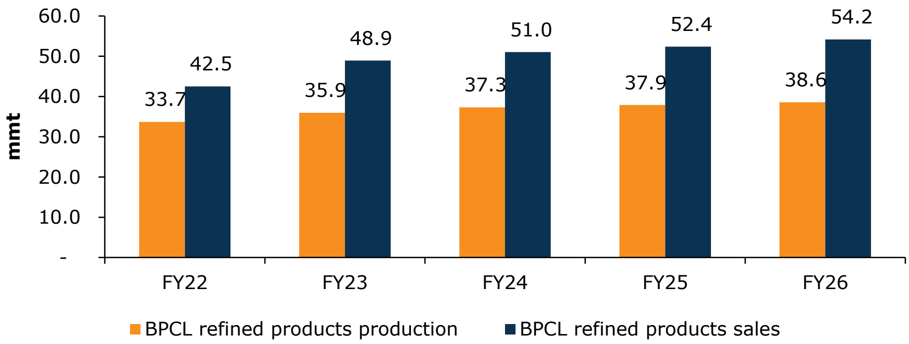
Source: Company, Emkay Research

Exhibit 24: NRL expansion to lift MS+HSD output to ~7mmtpa from ~2.6mmtpa



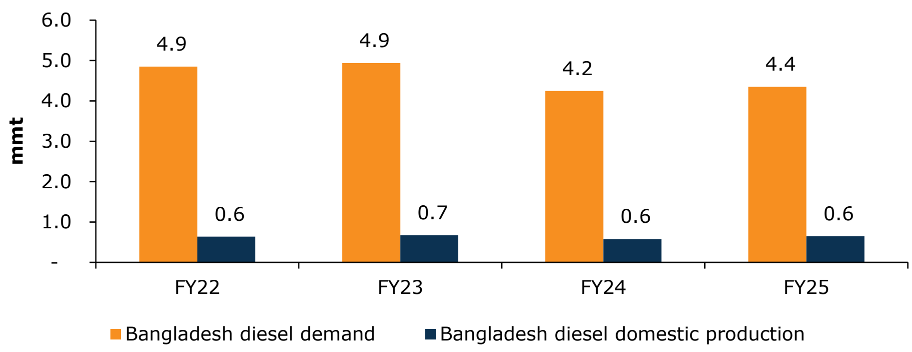
Source: Company, Emkay Research

Exhibit 25: BPCL's product deficit should support absorption of NRL's incremental output



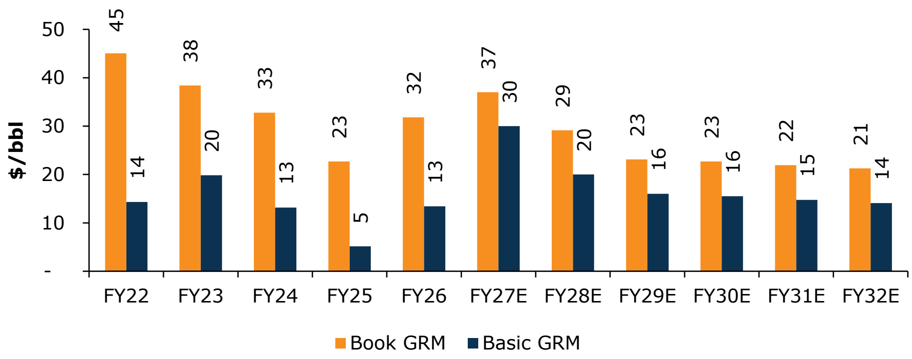
Source: BPCL, Emkay Research

Exhibit 26: Bangladesh's high import dependence supports NRL's export offtake



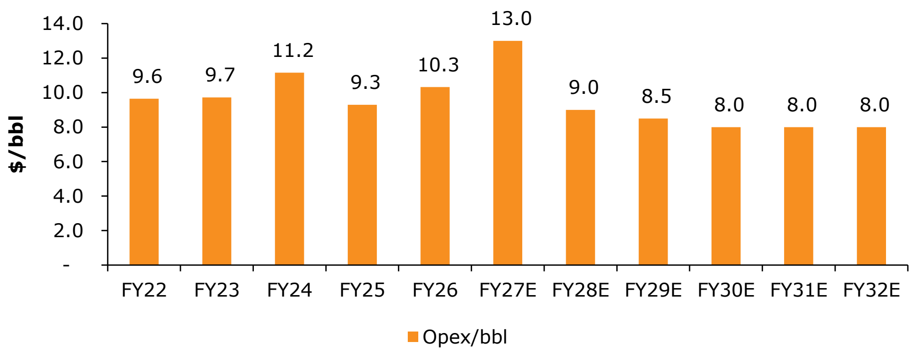
Source: Industry, Emkay Research; Note: Bangladesh follows Jul-Jun fiscal year

Exhibit 27: NRL's GRMs to remain elevated through FY28 amid refined product tightness



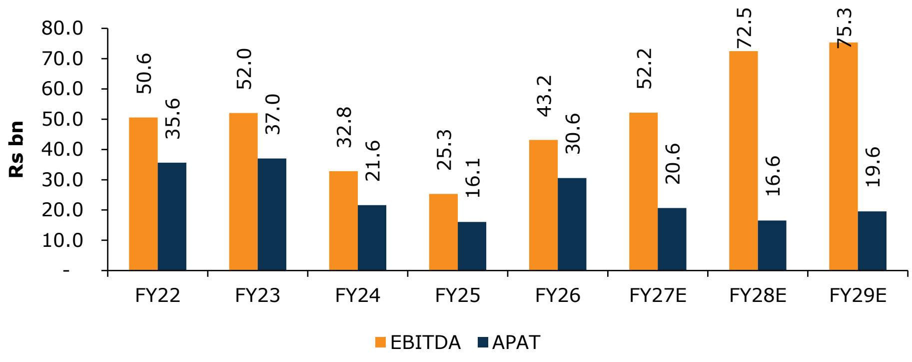
Source: Company, Emkay Research

Exhibit 28: NRL opex to decline to ~$8/bbl on operating leverage and lower CST/freight costs



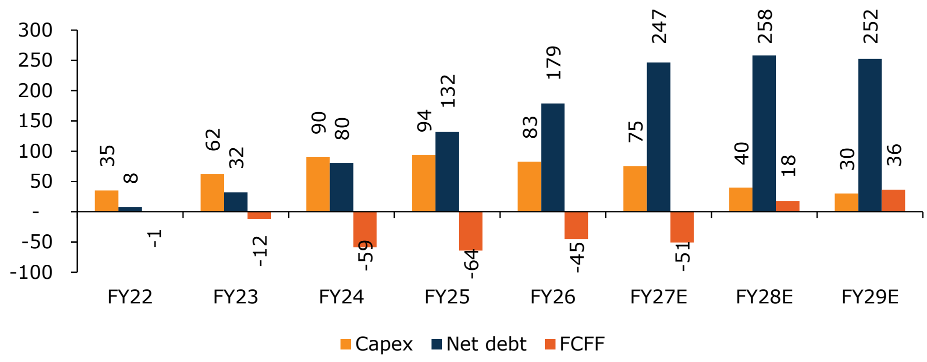
Source: Company, Emkay Research

Exhibit 29: NRL EBITDA estimated to rise to ~Rs75bn by FY29E on higher throughput and steady GRMs



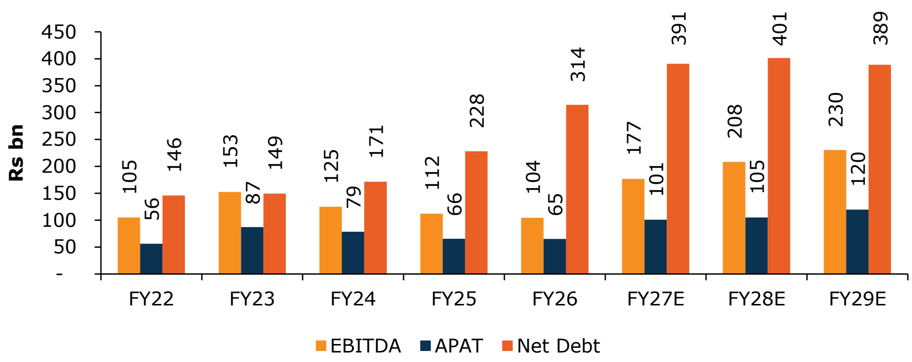
Source: Company, Emkay Research

Exhibit 30: NRL net debt to peak in FY28E; FCFF turns positive as expansion capex winds down



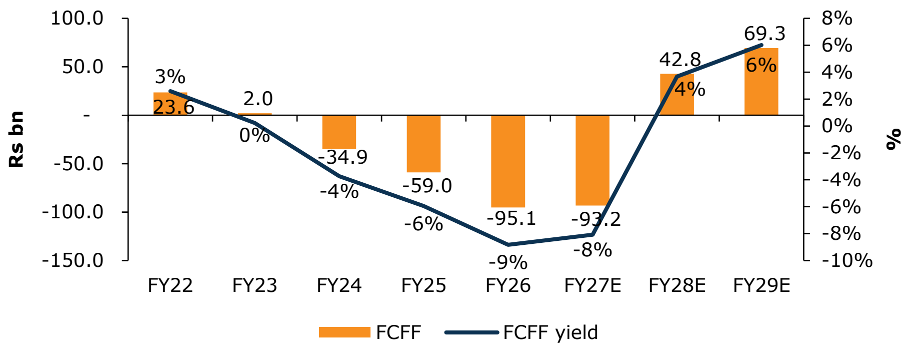
Source: Company, Emkay Research

Exhibit 31: Consolidated earnings estimated to double in next 2-3 years



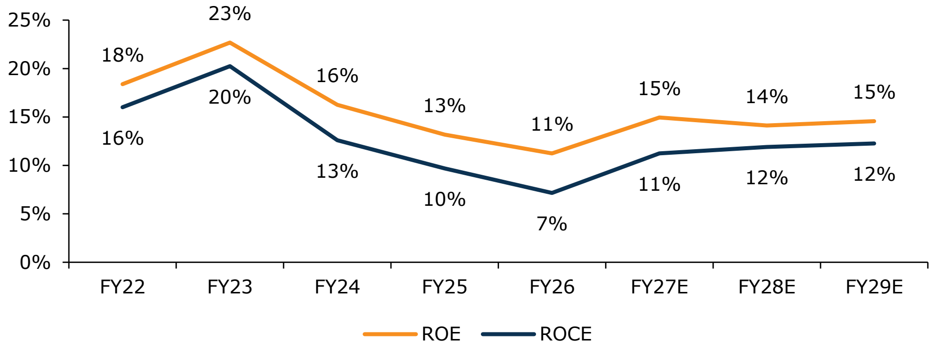
Source: Company, Emkay Research

Exhibit 32: Consolidated FCFF to turn positive from FY28 as major capex cycle (NRL) comes to an end



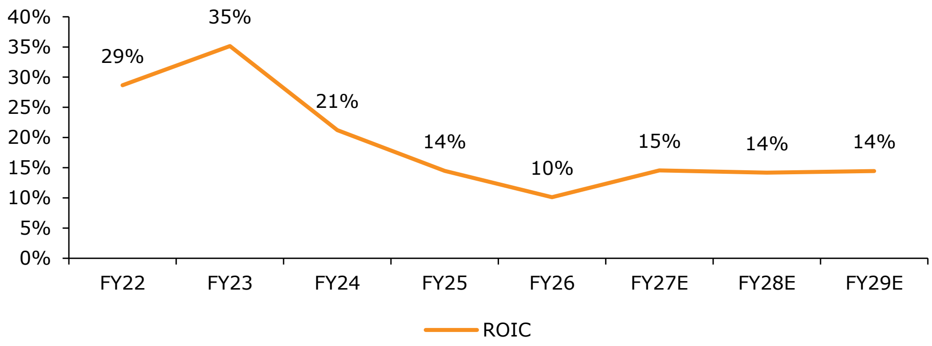
Source: Company, Emkay Research

Exhibit 33: Consolidated return ratios to improve from FY26 bottom



Source: Company, Emkay Research

Exhibit 34: Consolidated ROIC to improve and stabilize at 14-15% during FY27-29E



Source: Company, Emkay Research

Valuation

Exhibit 35: Change in assumptions

	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Brent ($/bbl)	85.0	85.0	0%	80.0	80.0	0%	80.0	80.0	0%
USD/INR	94.5	94.5	0%	94.5	94.5	0%	94.5	94.5	0%
Net Oil Realization ($/bbl)	80.0	80.0	0%	76.0	76.0	0%	77.0	77.0	0%
Gas Realization (Rs/scm)	23.9	24.4	2%	25.7	26.2	2%	27.0	27.4	2%
Crude Oil Production (mmt)	3.8	3.9	3%	3.9	4.1	4%	4.0	4.2	5%
Natural Gas Production (bcm)	3.0	3.0	0%	3.5	3.5	0%	4.0	4.0	0%
Total Production Growth	*2.3%*	*4.0%*	*172bps*	*9.5%*	*9.9%*	*49bps*	*8.1%*	*8.5%*	*41bps*
NRL Throughput (mmt)	3.0	3.2	6%	5.0	5.2	5%	7.2	7.5	4%
NRL Book GRM ($/bbl)	32.5	37.0	14%	31.4	29.1	-7%	23.9	23.1	-3%

Source: Emkay Research

Exhibit 36: Change in estimates

Consolidated (Rs mn)	FY27E			FY28E			FY29E		
	Previous	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**	**Previous**	**Revised**	**Variance**
Revenue	415,098	434,685	5%	572,493	605,677	6%	792,742	828,576	5%
EBITDA	155,431	176,797	14%	205,824	208,429	1%	222,857	230,354	3%
EBITDA margin	*37.4%*	*40.7%*	*323bps*	*36.0%*	*34.4%*	*-154bps*	*28.1%*	*27.8%*	*-31bps*
PAT	91,675	101,007	10%	106,013	105,163	-1%	119,855	119,785	0%
EPS (Rs)	56.4	62.1	10%	65.2	64.7	-1%	73.7	73.6	0%

Source: Emkay Research

Exhibit 37: Oil India – Standalone DCF-based valuation

Assumptions		**Standalone**	**(Rs mn)**
Risk free rate	6.9%	NPV of FCF (Sep-28-Sep-39E)	446,456
Risk premium	6.0%	Terminal value	1,075,675
Beta	0.753	PV of TV	308,820
Cost of equity	11.4%	Total value	755,276
Cost of debt	8.5%	Less: Net Debt (Sep-27E)	119,535
Post-tax cost of debt	6.4%	Equity value	635,741
Average Debt-to-Equity ratio	0.1	No of shares O/S (mn)	1,627
WACC	**11.0%**	**Fair value of Oil India SA (Rs)**	**391**
Terminal growth rate	0.0%		

Source: Company, Emkay Research

Exhibit 38: NRL – Standalone DCF-based valuation

Assumptions		**Standalone**	**(Rs mn)**
Risk free rate	6.9%	NPV of FCF (Sep-28-Sep-39E)	401,942
Risk premium	6.0%	Terminal value	707,385
Beta	0.753	PV of TV	238,178
Cost of equity	11.4%	Total value	640,119
Cost of debt	8.0%	Less: Net Debt (Sep-27E)	244,676
Post-tax cost of debt	6.0%	**NRL's 100% equity value**	**395,443**
Average Debt-to-Equity ratio	0.6	**NRL's equity value to OIL**	**275,347**
WACC	**9.5%**	No of shares O/S (mn) – OIL	1,627
Terminal growth rate	0.0%	**Fair value of NRL (Rs)**	**169**

Source: Company, Emkay Research

Exhibit 39: SOTP-based valuation – Sep-27E

Components (Rs mn)	Basis	Sep-28E equity value (Rs mn)	Value/Sh (Rs)	Comments
Oil India Standalone	DCF	635,741	391	WACC/TvG at 11.0%/0%
NRL (69.6% Stake)	DCF	275,347	169	WACC/TvG at 9.5%/0%
Mozambique Upside	DCF		-	
Core Business Valuation		**911,087**	**560**	
Value of Investments	TP/BV	106,029	65	At 30% HoldCo Discount
Target Price/Fair Value		**1,017,116**	**625**	

Source: Company, Emkay Research

Exhibit 40: Schedule and value of investments (Sep-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 41: PER-based valuation

	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Consolidate EPS (Rs)	53.7	48.3	40.3	40.1	62.1	64.7	73.6
Target PER (x)						**9.0**	
Sep-27E TP (Rs)						**625**	

Source: Company, Emkay Research

Key Risks

- Adverse crude oil and gas prices, refined product cracks, and currency movement can impact realizations and margins. We have built in Brent at $85/80/80 in FY27/28/29E, respectively, while GRMs are assumed higher in FY27E but normalized from FY29E.
- Policy risks pertaining to pricing and subsidy burden/windfall taxes, other taxes and duties, and unfavorable E&P terms; country-specific risks in overseas assets.
- Operational risks pertaining to shutdowns and outages, accidents, local issues, etc. Project-related risks wrt time and cost overruns. Risk of exploration failures leading to sunk costs and reserve downgrade.
- Promoter risks in the form of adverse corporate actions, ETFs. JV risks.
- Risks from events like Covid or geopolitical crises that could affect demand, supply chains, and oil/gas prices.

Oil India: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**361,638**	**370,496**	**434,685**	**605,677**	**828,576**
Revenue growth (%)	(0.4)	2.4	17.3	39.3	36.8
EBITDA	**112,163**	**104,455**	**176,797**	**208,429**	**230,354**
EBITDA growth (%)	(10.3)	(6.9)	69.3	17.9	10.5
Depreciation & Amortization	23,182	27,120	37,688	49,135	54,017
EBIT	**88,981**	**77,335**	**139,109**	**159,295**	**176,338**
EBIT growth (%)	(14.2)	(13.1)	79.9	14.5	10.7
Other operating income	8,127	8,460	0	0	0
Other income	16,663	19,312	29,089	31,637	33,905
Financial expense	10,693	12,043	27,770	46,611	45,153
PBT	**94,951**	**84,604**	**140,428**	**144,321**	**165,091**
Extraordinary items	0	0	0	0	0
Taxes	23,968	20,313	35,388	36,369	41,603
Minority interest	(4,887)	(9,307)	(6,276)	(5,032)	(5,946)
Income from JV/Associates	(587)	11,216	2,243	2,243	2,243
Reported PAT	**65,509**	**66,199**	**101,007**	**105,163**	**119,785**
PAT growth (%)	3.4	1.1	52.6	4.1	13.9
Adjusted PAT	**65,509**	**66,199**	**101,007**	**105,163**	**119,785**
Diluted EPS (Rs)	**40.3**	**40.7**	**62.1**	**64.7**	**73.6**
Diluted EPS growth (%)	(16.6)	1.1	52.6	4.1	13.9
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	31.0	28.2	40.7	34.4	27.8
EBIT margin (%)	24.6	20.9	32.0	26.3	21.3
Effective tax rate (%)	25.2	24.0	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**66,520**	**58,768**	**104,054**	**119,152**	**131,901**
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	659,835	728,646	805,774
Net worth	**497,677**	**579,984**	**676,101**	**744,912**	**822,040**
Minority interests	49,381	58,038	64,314	69,346	75,293
Non-current liab. & prov.	31,674	31,879	29,025	28,394	27,826
Total debt	**306,452**	**374,780**	**427,470**	**442,470**	**442,470**
Total liabilities & equity	**902,088**	**1,063,731**	**1,221,067**	**1,321,245**	**1,419,445**
Net tangible fixed assets	206,225	238,326	644,645	695,762	744,338
Net intangible assets	5,437	5,437	5,437	5,437	5,437
Net ROU assets	-	-	-	-	-
Capital WIP	320,095	415,386	125,879	147,512	159,261
Goodwill	-	-	-	-	-
Investments [JV/Associates]	309,693	363,451	370,720	378,135	385,698
Cash & equivalents	**78,411**	**60,454**	**36,718**	**41,122**	**53,483**
Current assets (ex-cash)	108,680	128,580	220,486	254,306	271,379
Current Liab. & Prov.	142,359	174,749	213,619	240,943	251,827
NWC (ex-cash)	**(33,680)**	**(46,170)**	**6,867**	**13,363**	**19,553**
Total assets	**902,088**	**1,063,731**	**1,221,067**	**1,321,245**	**1,419,445**
Net debt	228,042	314,326	390,752	401,348	388,986
Capital employed	902,088	1,063,731	1,221,067	1,321,245	1,419,445
Invested capital	**177,983**	**197,594**	**656,949**	**714,562**	**769,328**
BVPS (Rs)	306.0	356.6	415.7	458.0	505.4
Net Debt/Equity (x)	0.5	0.5	0.6	0.5	0.5
Net Debt/EBITDA (x)	2.0	3.0	2.2	1.9	1.7
Interest coverage (x)	9.9	8.0	6.1	4.1	4.7
RoCE (%)	**13.0**	**10.4**	**15.4**	**15.7**	**16.2**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	77,701	76,508	113,582	114,927	133,428
Others (non-cash items)	34,007	43,409	(4,486)	(4,486)	(4,486)
Taxes paid	(20,892)	(24,248)	(35,388)	(36,369)	(41,603)
Change in NWC	(2,563)	(19,711)	(51,884)	(3,644)	(2,257)
Operating cash flow	**113,320**	**106,838**	**87,282**	**166,173**	**184,252**
Capital expenditure	(129,690)	(131,709)	(183,064)	(121,885)	(114,342)
Acquisition of business	0	0	0	0	0
Interest & dividend income	11,499	13,180	26,696	28,485	30,257
Investing cash flow	**(135,142)**	**(103,814)**	**(163,637)**	**(100,814)**	**(91,647)**
Equity raised/(repaid)	2,398	2,403	0	0	0
Debt raised/(repaid)	52,602	32,208	52,690	15,000	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	(10,112)	(7,909)	(27,770)	(46,611)	(45,153)
Dividend paid (incl tax)	(21,093)	(22,564)	(32,355)	(35,912)	(36,217)
Others	10,625	(23,045)	60,054	6,567	1,127
Financing cash flow	**34,421**	**(18,907)**	**52,618**	**(60,956)**	**(80,243)**
Net chg in Cash	12,599	(15,883)	(23,736)	4,404	12,362
OCF	113,320	106,838	87,282	166,173	184,252
Adj. OCF (w/o NWC chg.)	115,883	126,548	139,167	169,817	186,509
FCFF	(16,370)	(24,872)	(95,782)	44,288	69,910
FCFE	(15,563)	(23,735)	(96,856)	26,163	55,014
OCF/EBITDA (%)	101.0	102.3	49.4	79.7	80.0
FCFE/PAT (%)	(23.8)	(35.9)	(95.9)	24.9	45.9
FCFF/NOPLAT (%)	**(24.6)**	**(42.3)**	**(92.1)**	**37.2**	**53.0**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	12.0	11.9	7.8	7.5	6.6
P/CE(x)	8.9	8.4	5.7	5.1	4.5
P/B (x)	1.6	1.4	1.2	1.1	1.0
EV/Sales (x)	2.9	3.0	2.7	2.0	1.4
EV/EBITDA (x)	9.0	10.5	6.7	5.7	5.1
EV/EBIT(x)	11.4	14.2	8.5	7.5	6.7
EV/IC (x)	5.7	5.6	1.8	1.7	1.5
FCFF yield (%)	(1.6)	(2.3)	(8.1)	3.7	6.0
FCFE yield (%)	(2.0)	(3.0)	(12.3)	3.3	7.0
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	18.1	17.9	23.2	17.4	14.5
Total asset turnover (x)	0.4	0.4	0.4	0.5	0.6
Assets/Equity (x)	1.7	1.8	1.8	1.8	1.7
RoE (%)	**13.4**	**12.3**	**16.1**	**14.8**	**15.3**
DuPont-RoIC					
NOPLAT margin (%)	18.4	15.9	23.9	19.7	15.9
IC turnover (x)	2.0	2.0	1.0	0.9	1.1
RoIC (%)	**37.3**	**31.3**	**24.4**	**17.4**	**17.8**
Operating metrics					
Core NWC days	(34.0)	(45.5)	5.8	8.1	8.6
Total NWC days	**(34.0)**	**(45.5)**	**5.8**	**8.1**	**8.6**
Fixed asset turnover	1.0	0.9	0.6	0.6	0.8
Opex-to-revenue (%)	69.0	71.8	59.3	65.6	72.2

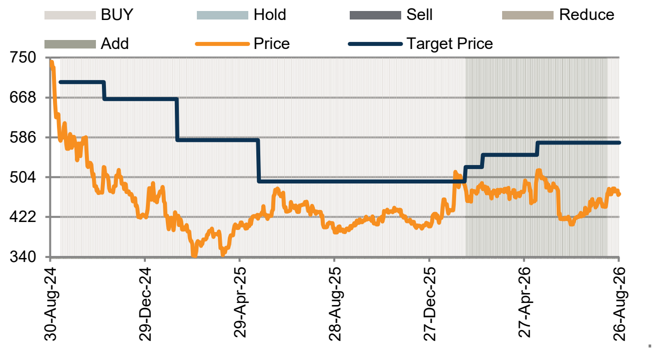
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

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



Source: Company, Bloomberg, Emkay Research

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

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