

Oil India reported a significant earnings miss in Q2FY26, due to a Rs7.2bn provision in Andaman and a Rs3.6bn forex loss. Standalone adjusted revenue saw a 1% miss on weak oil production owing to the blockade, while EBITDA was over 50% lower at Rs10.5bn due to a jump in expenses. APAT of Rs8.3bn was down 32% QoQ. Crude oil output fell 3.1% YoY, while gas output rose 0.6%. Other income at Rs8.3bn saw a 66% beat, on higher dividend income. NRL posted better numbers, with EBITDA/PAT of Rs9.9bn/7.2bn, up 26%/48% QoQ (ETR was low at 16%), respectively. Reported basic GRM was USD10.6/bbl, with a minor inventory impact. The management highlighted that oil production has normalized. NRL's expansion is on track, with primary units to be commissioned by Dec-25 and stabilization in the ensuing 2-3 quarters. DNPL has also achieved mechanical completion; commissioning is expected by Apr-26, which should coincide with NRL's ramp-up and higher gas intake. We cut FY26/27/28E consolidated EPS by 5-7% each, building in lower USD65/bbl Brent and H1 run rate in standalone, although assuming better earnings for NRL, given the jump in diesel cracks. We retain our TP of Rs495 as the cut in standalone value is offset by NRL and IOCL investment. We retain BUY on the stock.

Result highlights

OIL's crude sales-to-production ratio improved to 98% vs 96% QoQ, while gas was lower at 82% (from 84% QoQ). Crude realization for Q2 stood at USD68.2/bbl (1% beat), while gas realization was steady at ~USD7.0/mmbtu (5% miss). Employee costs grew 16% YoY and 13% QoQ to Rs5.3bn (13% above estimate) on higher gratuity, while other expenses doubled YoY and QoQ to Rs23.0bn (92% above estimate) on elevated provisioning. DD&A rose 9% QoQ to Rs5.8bn, while finance cost rose 13% YoY to Rs2.6bn. Total statutory levies were 2% lower than estimated at Rs12.7bn, mainly on lower royalty. ETR was lower at 21%. The Board declared an interim dividend of Rs3.5.

Management KTAs

In Q2, the economic blockade by an ethnic group led to restricted movement and well closures, with crude output dropping to 8,100mt/d, although the same has normalized now at 9,600mt/d. The revised oil production guidance for FY26 is 3.55mmt, while for FY27/28, it is likely at ~3.75/4.0mmt, respectively. Gas guidance for FY26/27/28 is 3.6/3.8/4.6bcm. NRL's consumption is currently ~0.92mmscmd, and will rise to 3mmscmd post-expansion. OIL had drilled 18 new wells in Q2, achieving 100% of its drilling target, with 32 wells drilled in H1FY26 (up 28% YoY). OIL would study one of the drilled wells in Andaman; it will drill two more ahead. The results are encouraging, with gas occurrence. FY26 capex target was Rs70bn, of which Rs19.3/17.0/6.5/22.8bn would be for exploration/development/seismic/PPE; 70-75% of this was incurred in H1 at Rs55.6bn.

Valuation

We value OIL on a DCF-based SOTP, comprising standalone and NRL's numbers; investments are valued at our TP/BV, with a 30% holdco discount. **Key risks:** Adverse oil and gas prices, policy issues, local tensions, cost overruns, outages, and dry holes.

Target Price – 12M	Sep-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	13.5

Stock Data	OINL IN
52-week High (Rs)	529
52-week Low (Rs)	322
Shares outstanding (mn)	1,626.6
Market-cap (Rs bn)	710
Market-cap (USD mn)	8,006
Net-debt, FY26E (Rs mn)	262,832.8
ADTV-3M (mn shares)	3
ADTV-3M (Rs mn)	920.8
ADTV-3M (USD mn)	10.4
Free float (%)	33.0
Nifty-50	26,013.4
INR/USD	88.6

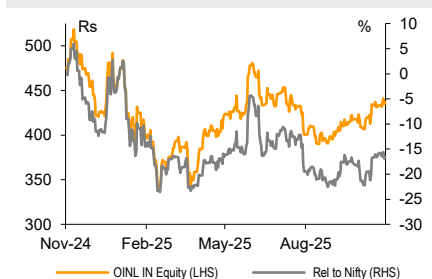
Shareholding, Sep-25

Promoters (%)	56.7
FPIs/MFs (%)	7.6/19.2

Price Performance

(%)	1M	3M	12M
Absolute	6.7	8.9	(8.2)
Rel. to Nifty	5.4	3.1	(17.0)

1-Year share price trend (Rs)



Oil India: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	363,036	361,638	299,327	444,454	576,876
EBITDA	125,042	112,163	112,403	150,919	175,668
Adj. PAT	78,560	65,509	67,721	76,505	82,555
Adj. EPS (Rs)	48.3	40.3	41.6	47.0	50.8
EBITDA margin (%)	34.4	31.0	37.6	34.0	30.5
EBITDA growth (%)	(18.0)	(10.3)	0.2	34.3	16.4
Adj. EPS growth (%)	(10.0)	(16.6)	3.4	13.0	7.9
RoE (%)	14.6	13.4	14.0	13.0	12.9
RoIC (%)	47.6	37.3	34.4	22.3	17.3
P/E (x)	11.2	10.8	9.6	9.3	8.6
EV/EBITDA (x)	7.0	8.4	8.7	6.4	5.4
P/B (x)	1.5	1.4	1.3	1.2	1.1
FCFF yield (%)	(1.3)	(1.7)	(6.4)	3.7	6.3

Source: Company, Emkay Research

Sabri Hazarika

sabri.hazarika@emkayglobal.com
+91-22-66121282

Arya Patel

arya.patel@emkayglobal.com
+91-22-66121285

Exhibit 1: Actuals vs estimates (Q2FY26)

Standalone (Rs mn)	Actual	Estimates (Emkay)	Consensus (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	51,815	52,561	52,736	-1%	-2%	Lower crude realization and lower oil production.
Adjusted EBITDA	10,497	22,311	21,470	-53%	-51%	Higher-than-expected other expenses on elevated provisions.
EBITDA Margin (%)	20.3%	42.4%	40.7%	-2219bps	-2045bps	
Adjusted Net Profit	8,259	15,290	16,538	-46%	-50%	Higher other income and lower ETR.

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn (Standalone)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY	QoQ	H1FY25	H1FY26	YoY
Revenue	55,190	52,397	55,189	50,125	51,815	-6%	3%	113,586	101,939	-10%
COGS+OPEX	16,874	17,758	21,550	16,513	28,608	70%	73%	31,194	45,121	45%
Statutory Levies	16,483	13,311	13,798	12,155	12,710	-23%	5%	35,901	24,866	-31%
Survey+Dry Wells	-	-	-	-	-			-	-	
EBITDA	21,832	21,327	19,842	21,456	10,497	-52%	-51%	46,492	31,953	-31%
DD&A	5,036	5,268	4,325	5,315	5,777	15%	9%	9,594	11,092	16%
EBIT	16,796	16,059	15,517	16,142	4,720	-72%	-71%	36,898	20,861	-43%
Finance Charges	2,299	2,442	1,952	1,534	2,603	13%	70%	4,269	4,137	-3%
Other Income	8,556	1,886	6,639	1,761	8,307	-3%	372%	10,174	10,068	-1%
Exceptional Items	-	-	-	-5,393	2,752			-	-2,641	
PBT	23,054	15,503	20,203	10,976	13,176	-43%	20%	42,804	24,151	-44%
Total Tax	4,713	3,285	4,288	2,841	2,736			9,794	5,576	-43%
PAT	18,341	12,218	15,915	8,135	10,440	-43%	28%	33,009	18,575	-44%
Adjusted PAT	18,341	12,218	15,915	12,132	8,259	-55%	-32%	33,009	20,391	-38%
Adjusted EPS (Rs)	11.3	7.5	9.8	7.5	5.1	-55%	-32%	20.3	12.5	-38%
Crude Production (mmt)	0.88	0.87	0.84	0.85	0.85	-3%	-1%	1.75	1.70	-3%
Gas Production (bcm)	0.80	0.83	0.81	0.83	0.80	1%	-3%	1.62	1.63	1%
NB Gross Oil Realisation (USD/bbl)	79.3	73.8	74.5	66.2	68.2	-14%	3%	82.1	67.2	-18%
NB Net Oil Realisation (USD/bbl)	79.3	73.8	74.5	66.2	68.2	-14%	3%	82.1	67.2	-18%
NB Gas Realisation (Rs/scm)	20.6	20.3	20.8	21.1	21.5	5%	2%	20.8	21.3	3%
Net Debt	52,294	101,649	80,919	100,860	88,106	68%	-13%	52,294	88,106	68%
CFS Capex (Cumulative/Annual)	20,829	-	45,151	-	16,358	-21%		20,829	16,358	-21%
NRL Volumes (mmt)	0.68	0.81	0.81	0.80	0.75	10%	-6%	1.45	1.55	7%
NRL Basic GRMs (USD/bbl)	2.3	2.1	9.3	5.0	10.6	369%	110%	4.5	7.7	73%
NRL Reported EBITDA	3,989	6,567	10,022	7,857	9,883	148%	26%	11,325	17,740	57%
NRL Reported PAT	1,751	3,854	6,168	4,882	7,248	314%	48%	6,056	12,131	100%

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

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Concall Highlights

- Oil India's H1FY26 crude oil production was disrupted by external factors in the northeast, with an unplanned LPG plant shutdown in Q1, while Q2FY26 saw an economic blockade by an ethnic group demanding ST status, which led to restricted movement and forced closure of several wells. The company was on track for production of 10,000mt/d (9,720mt/d at FY25-end); however, production dropped to a low of ~8,100mt/d. Since then, operations have stabilized, and production ramped back to 9,720mt/d toward end-Sep-25 and is currently at 9,600mt/d, which extrapolates annual oil production of 3.5–3.55mmt. The episode impacted 10-11 wells, though OIL has activated other wells, drilled additional ones, and normalized production.
- OIL's Q2FY26 revenue was impacted by an 18% YoY decline in crude oil's realization, while EBITDA and PAT were further affected by provisioning and write-offs. Employee expenses increased during the quarter as gratuity entitlement was raised from 0.2mn to 0.25mn as DA increased to 51.3% (more than 50%), resulting in Rs60mn higher employee cost; the remaining increase reflects normal salary escalation.
- Other expenses were elevated in Q2 due to Rs7.2bn of provisioning for Vijayapuram-2 (well) drilled in the Andaman basin. In Q1, Rs7bn was provided for two blocks—Bangladesh and Gabon. No major further provisioning or write-offs are expected from these blocks, as OIL has decided to exit Gabon with only minor additional closure-related costs, while Bangladesh is now closed and exited. Final write-off is likely by FY26-end for these two.
- The Andaman exploration program gave positive results, with hydrocarbon/gas occurrence. OIL drilled two wells—Vijayapuram-1 and Vijayapuram-2—and is currently drilling a third exploratory well, targeting a total of four wells (including one in Andaman West). The company also plans to appraise Vijayapuram-1 and conduct supplementary seismic studies over the next 3–4 months to determine the extent of hydrocarbon. Post-appraisal, a forward development strategy will be drawn up, with plans for additional drilling. Andaman is a shallow-water block and the rig's daily operating rate is ~Rs20mn.
- Andaman is not yet classified as a discovery, as only hydrocarbon traces have been identified, and further assessment is required. Costs are capitalized only upon establishing a discovery; therefore, expenditure on well 3 and appraisal activities may be provided for going forward, but classification as a discovery would be decided only post appraisal and testing. Provisioning and write-offs are accounting treatments based on assessment: if a well underperforms relative to expectations, it is provided for; if it is certain that there is no discovery and all activity ceases, the well is written off. Capitalization occurs only once a discovery is confirmed, and its volumes and economic viability are evaluated. Exploratory wells can be written off, and provisions can be reversed. Vijayapuram-2 was provided as it does not seem commercial.
- The decline in H1 production will weigh on FY26 guidance, as crude oil output for one month was ~9,000mt/d vs ~10,000mt/d planned. The company is implementing new techniques and strategies to ramp up production. Disruptions affected both oil and gas output; therefore, FY26 gas production is also expected to be slightly below the earlier guidance but above or in line with FY25 levels.
- The revised oil production guidance for FY26 is 3.55mmt (from 3.776mmt earlier), while FY27/28 is likely to see ~3.75/4.0mmt vs official guidance of 3.798/3.98mmt. Gas production guidance for FY26/27/28 is 3.6/3.8/4.6bcm. Gas ramp-up depends on demand, and gas production's ramp-up will be based on a gradual ramp-up of NRL's consumption (currently, ~0.92mmscmd; will rise to 3mmscmd post-expansion). OIL had drilled 18 new wells in Q2, achieving 100% of its drilling target, with 32 wells drilled in H1FY26 (up 28% YoY).
- NRL's expansion remains on schedule, with pre-commissioning activities underway for primary units (CDU/VDU) and DHDT (95% complete). The project is on track for commissioning from Dec-25 wrt primary units when the first crude-in is expected, after which the refinery will gradually ramp up, with stabilization anticipated over 2–3 quarters, given the complexity. The full impact of the expanded capacity will be visible from Q2FY27, with a rapid ramp-up expected after Jun/Jul-26.

- NRL had no shutdown in Q2FY26. Since NRL depends on OIL for crude supply and OIL's production dipped during the quarter, NRL's throughput was lower. From Q3, NRL has accelerated crude sourcing, including an imported parcel expected in Q3, which will support throughput recovery. The refinery undertook a short safety-related shutdown in Q3, and no further shutdowns are planned in FY26 (FY27 will see one). Utilization should be +100% ahead.
- NRL has identified over 100 crude varieties, selecting feedstock based on economic attractiveness, subject to sanctions' compliance. The company may be unable to import Russian crude due to prevailing sanctions but will decide on it when the time comes. NRL's Q2FY26 GRMs stood at USD10.56/bbl, including USD0.44/bbl of inventory impact, while total debt at Q2FY26-end was Rs177.99bn.
- OIL's mid-stream projects are progressing well. The Numaligarh–Siliguri product pipeline was mechanically completed on 12-Oct, raising capacity from 1.77mmtpa to 5.5mmtpa. The DNPL pipeline's capacity expansion is mechanically complete, and OIL is now working toward PNGRB's approval and authorization. The pipeline will need to be connected to the existing line, requiring a ~7-day supply disruption. All activities are on track for commissioning from Apr-26, when NRL will also ramp up.
- FY26 capex target was Rs70bn, of which Rs19.27/17.0/6.5/22.84bn would be in exploration/development/seismic/PPE. 70–75% was incurred in H1 at Rs55.6bn, including Rs5.5bn of equity contribution to NRL. Actual FY26 capex would exceed the Rs70bn budget, in line with historical trends of overshooting. The Rs55.61bn spend includes Rs12.8bn on capital equipment, Rs22.84bn on E&D, Rs5.3bn on survey work, Rs3.4bn on overseas assets, and Rs11.2bn of total equity infusion.
- OIL is actively engaging with major global oil and gas companies. It has a service agreement with TotalEnergies and is leveraging this partnership for well design and exploration planning, besides discussions at an advanced stage, to involve them as technical partners for strategic traps and future deep-water exploration blocks and expanding the scope of service. The company is also reaching out to Woodside Energy to collaborate for technical expertise.
- The 2G bio-ethanol plant was inaugurated by PM Modi in Sep-25. It is India's first bamboo-based bio-ethanol plant. Additionally, Assam Petrochemical (JV) commissioned a 200tpd Formaldehyde plant during the quarter in Bongaigaon, Assam.
- Russian dividend repatriation remains restricted due to Singapore holdcos. The company is evaluating possible mechanisms to repatriate earnings, with some positive developments expected in FY27. Dividend received from TAAS stands at USD474mn against an investment of USD436mn over 8 years, while Vankorneft has generated USD498mn in dividends against a USD598mn investment. OIL holds a 4% stake in Area-1, Mozambique, and the partners have agreed to lift the force majeure there.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 3: Change in assumptions

	FY26E			FY27E			FY28E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Brent (USD/bbl)	70.0	66.5	-5%	70.0	65.0	-7%	70.0	65.0	-7%
USD/Rs	87.0	87.7	1%	87.0	89.0	2%	87.0	89.0	2%
Net Oil Realization (USD/bbl)	67.4	64.0	-5%	67.5	63.0	-7%	67.6	63.1	-7%
Gas Realization (Rs/scm)	22.4	21.4	-4%	23.4	22.0	-6%	23.7	22.3	-6%
Crude Oil Production (mmt)	3.5	3.4	-2%	3.6	3.6	0%	3.6	3.7	1%
Natural Gas Production (bcm)	3.3	3.3	-1%	3.7	3.7	1%	3.9	4.0	2%
Total Production Growth	2.2%	0.7%	-151bps	5.9%	7.9%	202bps	4.5%	5.5%	101bps
NRL Throughput (mmt)	3.0	3.1	2%	5.4	5.4	0%	7.2	7.2	0%
NRL Book GRM (USD/bbl)	25.5	28.5	12%	25.4	27.2	7%	22.8	24.4	7%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

Consolidated (Rs mn)	FY26E			FY27E			FY28E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	312,973	299,327	-4%	473,608	444,454	-6%	612,232	576,876	-6%
EBITDA	126,291	112,403	-11%	153,224	150,919	-2%	175,076	175,668	0%
EBITDA margin	40.4%	37.6%	-280bps	32.4%	34.0%	160ps	28.6%	30.5%	186bps
APAT	78,520	74,078	-6%	82,554	76,505	-7%	86,562	82,555	-5%
Adj EPS (Rs)	48.3	45.5	-6%	50.8	47.0	-7%	53.2	50.8	-5%

Source: Company, Emkay Research

Exhibit 5: Oil India – Standalone DCF-based valuation

Assumptions		Standalone	(Rs mn)
Risk Free Rate	7.0%	NPV Of FCF (Sep-27E to Sep-38E)	270,401
Risk Premium	5.3%	Terminal Value	539,513
Beta	0.84	PV Of TV	154,773
Cost Of Equity	11.4%	Total Value	425,174
Cost Of Debt	8.5%	Less: Net Debt (Sep-26E)	64,282
Post Tax Cost Of Debt	6.4%	Equity Value	360,892
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/sh)	222
Terminal Growth Rate	0.0%		

Source: Company, Emkay Research

Exhibit 6: NRL – Standalone DCF-based valuation

Assumptions		Standalone	(Rs mn)
Risk Free Rate	7.0%	NPV Of FCF (Sep-27E to Sep-38E)	389,243
Risk Premium	5.3%	Terminal Value	766,415
Beta	0.843	PV Of TV	246,026
Cost Of Equity	11.4%	Total Value	635,269
Cost Of Debt	8.5%	Less: Net Debt (Sep-26E)	171,775
Post Tax Cost Of Debt	6.4%	NRL's 100% Equity Value	463,494
Average Debt: Equity Ratio	0.4	NRL's Equity Value to OIL	322,731
WACC	9.9%	No Of Shares O/S (mn) - OIL	1,627
Terminal Growth Rate	0.0%	Fair Value of NRL (Rs/sh)	198

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 7: SOTP-based valuation – Sep-26E

Components (Rs mn)	Basis	Sep-27E Equity Value	Value/Sh (Rs)	Comments
Oil India Standalone	DCF	360,892	222	WACC/TvG at 11%/0%
NRL (69.6% Stake)	DCF	322,731	198	WACC/TvG at 10%/0%
Mozambique Upside	DCF	-	-	
Core Business Valuation		683,622	420	
Value of Investments	TP/BV	121,330	75	At 30% HoldCo Discount
Target Price-Fair Value		804,952	495	

Source: Company, Emkay Research

Exhibit 8: Schedule and value of investments (Sep-26E Valuation)

Listed+Unlisted	Type	Basis of Valuation	TP/CMP (Rs)	Equity Value (Rs bn)	Oil India Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr to SOTP (Rs bn)	Per Share Value (Rs)
IOCL	Financial	TP (Emkay)	190	2,683	5.2%	138	30%	97	60
OIL International Pte (Russia) Subsidiary		BV		35	100.0%	35	30%	24	15
Total						173		121	75

Source: Company, Emkay Research

Exhibit 9: P/E-based valuation

	FY23	FY24	FY25	FY26E	FY27E	FY28E
Consol EPS (Rs)	53.7	48.3	40.3	41.6	47.0	50.8
Target P/E (x)						10.1
TP Sep-26E (Rs)						495

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Oil India: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	363,036	361,638	299,327	444,454	576,876
Revenue growth (%)	(11.5)	(0.4)	(17.2)	48.5	29.8
EBITDA	125,042	112,163	112,403	150,919	175,668
EBITDA growth (%)	(18.0)	(10.3)	0.2	34.3	16.4
Depreciation & Amortization	21,290	23,182	28,453	41,503	49,190
EBIT	103,752	88,981	83,950	109,416	126,478
EBIT growth (%)	(22.0)	(14.2)	(5.7)	30.3	15.6
Other operating income	0	0	0	0	0
Other income	13,429	16,663	22,946	23,416	26,137
Financial expense	9,637	10,693	9,550	22,390	34,361
PBT	107,544	94,951	97,346	110,442	118,254
Extraordinary items	(23,656)	0	8,145	0	0
Taxes	18,655	23,968	23,164	27,831	29,800
Minority interest	(6,454)	(4,887)	(8,248)	(6,105)	(5,898)
Income from JV/Associates	4,571	(587)	0	0	0
Reported PAT	63,351	65,509	74,078	76,505	82,555
PAT growth (%)	(27.4)	3.4	13.1	3.3	7.9
Adjusted PAT	78,560	65,509	67,721	76,505	82,555
Diluted EPS (Rs)	48.3	40.3	41.6	47.0	50.8
Diluted EPS growth (%)	(40.0)	(16.6)	3.4	13.0	7.9
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	34.4	31.0	37.6	34.0	30.5
EBIT margin (%)	28.6	24.6	28.0	24.6	21.9
Effective tax rate (%)	17.3	25.2	23.8	25.2	25.2
NOPLAT (pre-IndAS)	85,755	66,520	63,973	81,843	94,606
Shares outstanding (mn)	1,627	1,627	1,627	1,627	1,627

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	10,844	16,266	16,266	16,266	16,266
Reserves & Surplus	472,546	481,411	546,646	597,898	652,240
Net worth	483,390	497,677	562,912	614,164	668,506
Minority interests	42,867	49,381	57,629	63,735	69,633
Non-current liab. & prov.	32,000	31,674	30,349	30,851	31,302
Total debt	240,405	306,452	313,860	291,860	294,860
Total liabilities & equity	809,818	902,088	973,046	1,013,933	1,082,302
Net tangible fixed assets	186,622	206,225	231,993	576,734	598,156
Net intangible assets	5,437	5,437	5,437	5,437	5,437
Net ROU assets	-	-	-	-	-
Capital WIP	213,415	320,095	402,963	102,816	128,301
Goodwill	-	-	-	-	-
Investments [JV/Associates]	334,912	309,693	315,887	322,205	328,649
Cash & equivalents	68,958	78,411	51,027	34,556	54,542
Current assets (ex-cash)	98,433	108,680	86,377	107,272	125,541
Current Liab. & Prov.	111,711	142,359	129,866	148,016	174,721
NWC (ex-cash)	(13,278)	(33,680)	(43,489)	(40,744)	(49,180)
Total assets	809,818	902,088	973,046	1,013,933	1,082,302
Net debt	171,448	228,042	262,833	257,304	240,318
Capital employed	809,818	902,088	973,046	1,013,933	1,082,302
Invested capital	178,781	177,983	193,942	541,428	554,414
BVPS (Rs)	297.2	306.0	346.1	377.6	411.0
Net Debt/Equity (x)	0.4	0.5	0.5	0.4	0.4
Net Debt/EBITDA (x)	1.4	2.0	2.3	1.7	1.4
Interest coverage (x)	12.2	9.9	11.2	5.9	4.4
RoCE (%)	17.1	13.0	12.0	14.0	15.2

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	98,686	77,701	74,400	87,026	92,117
Others (non-cash items)	19,592	34,007	8,145	0	0
Taxes paid	(26,791)	(20,892)	(23,164)	(27,831)	(29,800)
Change in NWC	(6,778)	(2,563)	7,880	(1,418)	9,645
Operating cash flow	109,331	113,320	105,264	121,670	155,513
Capital expenditure	(120,628)	(129,690)	(167,865)	(86,097)	(96,097)
Acquisition of business	0	0	0	0	0
Interest & dividend income	11,195	11,499	21,264	21,023	22,985
Investing cash flow	(126,012)	(135,142)	(152,796)	(71,392)	(94,557)
Equity raised/(repaid)	0	2,398	0	0	0
Debt raised/(repaid)	45,472	52,602	7,407	(22,000)	3,000
Payment of lease liabilities	-	-	-	-	-
Interest paid	(8,619)	(10,112)	(9,550)	(22,390)	(34,361)
Dividend paid (incl tax)	(21,035)	(21,093)	(30,182)	(32,355)	(35,912)
Others	25,643	10,625	52,473	9,996	11,302
Financing cash flow	41,461	34,421	20,148	(66,749)	(55,971)
Net chg in Cash	24,780	12,599	(27,384)	(16,471)	4,986
OCF	109,331	113,320	105,264	121,670	155,513
Adj. OCF (w/o NWC chg.)	116,109	115,883	97,384	123,088	145,868
FCFF	(11,297)	(16,370)	(62,601)	35,572	59,416
FCFE	(9,738)	(15,563)	(50,887)	34,206	48,040
OCF/EBITDA (%)	87.4	101.0	93.6	80.6	88.5
FCFE/PAT (%)	(15.4)	(23.8)	(68.7)	44.7	58.2
FCFF/NOPLAT (%)	(13.2)	(24.6)	(97.9)	43.5	62.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	11.2	10.8	9.6	9.3	8.6
P/CE(x)	8.4	8.0	6.9	6.0	5.4
P/B (x)	1.5	1.4	1.3	1.2	1.1
EV/Sales (x)	2.4	2.6	3.2	2.2	1.6
EV/EBITDA (x)	7.0	8.4	8.7	6.4	5.4
EV/EBIT(x)	8.5	10.5	11.6	8.8	7.5
EV/IC (x)	4.9	5.3	5.0	1.8	1.7
FCFF yield (%)	(1.3)	(1.7)	(6.4)	3.7	6.3
FCFE yield (%)	(1.4)	(2.2)	(7.2)	4.8	6.8
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	17.5	18.1	24.7	17.2	14.3
Total asset turnover (x)	0.5	0.4	0.3	0.4	0.6
Assets/Equity (x)	1.7	1.7	1.8	1.7	1.6
RoE (%)	14.6	13.4	14.0	13.0	12.9
DuPont-RoIC					
NOPLAT margin (%)	23.6	18.4	21.4	18.4	16.4
IC turnover (x)	2.0	2.0	1.6	1.2	1.1
RoIC (%)	47.6	37.3	34.4	22.3	17.3
Operating metrics					
Core NWC days	(13.3)	(34.0)	(53.0)	(33.5)	(31.1)
Total NWC days	(13.3)	(34.0)	(53.0)	(33.5)	(31.1)
Fixed asset turnover	1.1	1.0	0.7	0.7	0.6
Opex-to-revenue (%)	65.6	69.0	62.4	66.0	69.5

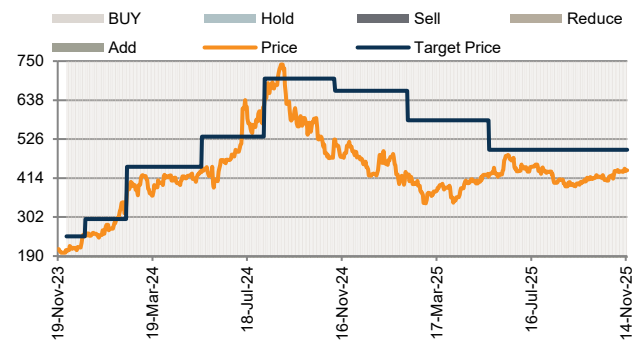
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
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
09-Aug-24	644	700	Buy	Sabri Hazarika
28-May-24	435	533	Buy	Sabri Hazarika
21-May-24	443	533	Buy	Sabri Hazarika
15-Feb-24	375	447	Buy	Sabri Hazarika
24-Dec-23	249	297	Buy	Sabri Hazarika
30-Nov-23	203	247	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of November 17, 2025
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of November 17, 2025
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 17, 2025
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)