

Oil India | BUY

Operational earning largely in line, PAT hit by sharp jump in dry well write-off

Oil India's 2QFY26 standalone EBITDA, at INR 23.1bn, was better than JMFe/consensus of INR 21.1bn/INR 22bn led by higher transportation income at INR 4.5bn vs. JMFe of INR 1.6bn and aided by slightly better crude realisation but partly offset by lower gas realisation and oil and gas sales volume. However, PAT, at INR 10.4bn, was significantly lower than JMFe/consensus of INR 15.5bn/INR 15.4bn, due to sharply higher dry-well write-off of INR 9.8bn vs. JMFe of 1.6bn. NRL's 2QFY26 GRM was strong at USD10.6/bbl (before excise duty benefit), resulting in higher EBITDA of INR 9.9bn. Consolidated EBITDA was also higher QoQ at INR 32.9bn in 2QFY26 (vs. INR 28.1bn in 1QFY26) aided by higher EBITDA from NRL. We maintain BUY (unchanged TP of INR 515) based on our Brent crude price assumption of USD 70/bbl (while CMP is discounting ~USD 60/bbl of net crude realisation). Further, Oil India's earnings is likely to grow at a robust ~16% CAGR over the next 3-5 years driven by: a) strong 20-25% output growth in the next 1-3 years aided by commissioning of the Indradhanush gas pipeline; and b) expansion of NRL refinery from 3mmtpa to 9mmtpa. Further, Oil India is also a robust dividend play (4-5%). At CMP, Oil India trades at 6.1x FY28E EPS and 1.0x FY28E BV.

- **Standalone EBITDA at INR 23.1bn, better on higher transportation income; however, PAT significantly lower at INR 10.4bn due to higher dry-well write-off of INR 9.8bn:** Oil India's 2QFY26 standalone EBITDA, at INR 23.1bn, was better than JMFe/cons of INR 21.1bn/INR 22bn led by higher transportation income at INR 4.5bn vs. JMFe of INR 1.6bn (and vs. INR 1.4bn-1.6bn historically) and aided by slightly better crude realisation but partly offset by lower gas realisation and oil and gas sales volume. However, PAT, at INR 10.4bn, was significantly lower than JMFe/consensus of INR 15.5bn/INR 15.4bn, due to sharply higher dry-well write-off of INR 9.8bn vs. JMFe of 1.6bn (drywell write-off tends to be seasonally low during 2Q due to the monsoon). Hence, standalone 2QFY26 EPS was lower at INR 6.4/share. Dry well write-off seems to be higher as Oil India exited from one block in Gabon (SHAKTI-11 G-245) and accordingly penalty towards unfinished work programme of INR 0.4bn along with provision of INR 1.9bn towards impairment of wells & other assets has been charged to P&L. Consolidated EBITDA was also higher QoQ at INR 32.9bn in 2QFY26 (vs. INR 28.1bn in 1QFY26) aided by higher EBITDA from NRL. However, consolidated PAT was lower at INR 14.3bn, due to lower share of profit of associate/JVs at INR 2bn (vs. positive INR 7.2bn in 1QFY26).
- **Crude sales volume and production lower than JMFe (though realisation better); further, gas sales volume and realisation was lower than JMFe:** In 2QFY26, crude sales volume was slightly lower than JMFe (at 0.83mmt, up 0.6% QoQ but down 1.4% YoY); further, crude production was also lower than JMFe (at 0.848mmt, down 0.6% QoQ and down 3.1% YoY); hence, sales as % of production was in line at ~98% vs. historical 97-99%. However, computed net crude realisation was slightly better at USD 66.1/bbl vs. JMFe of USD 65.4/bbl. But gas sales volume was also 3% lower than JMFe (at 0.66bcm, down 5.2% QoQ but up 2.2% YoY) while gas production was also lower than JMFe (at 0.804bcm, down 2.8% QoQ but up 0.6% YoY). Further, domestic gas realisation was also lower at USD 6.8/mmbtu.
- **NRL's 2QFY26 GRM was strong at USD10.6/bbl (before excise duty benefit), resulting in higher EBITDA at INR 9.9bn:** NRL's GRM (before excise duty benefit) was strong at USD10.6/bbl in 2QFY26 (vs. JMFe of USD 7.0/bbl and vs. USD 5.02/bbl in 1QFY26); however crude throughput was slightly lower at 753tmt or 100% utilisation (vs. 799tmt in 1QFY26). Hence, NRL's EBITDA was higher at INR 9.9bn in 2QFY26 vs JMFe of INR 8.7bn (and vs. INR 7.9bn in 1QFY26); so, PAT was also higher at INR 7.3bn vs. JMFe of INR 5.5bn (and vs. INR 4.9bn in 1QFY26).



Dayanand Mittal

dayanand.mittal@jmfl.com | Tel: (91 22) 66303063

Shivam Gupta

shivam.gupta@jmfl.com | Tel: (91 22) 66303082

Anupam Jakhotia

anupam.jakhotia@jmfl.com | Tel: (91 22) 69703686

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	515
Upside/(Downside)	17.8%
Previous Price Target	515
Change	-0.1%

Key Data – OINL IN

Current Market Price	INR437
Market cap (bn)	INR710.6/US\$8.0
Free Float	26%
Shares in issue (mn)	1,626.6
Diluted share (mn)	1,626.6
3-mon avg daily val (mn)	INR957.2/US\$10.8
52-week range	529/322
Sensex/Nifty	84,563/25,910
INR/US\$	88.7

Price Performance

%	1M	6M	12M
Absolute	5.5	4.3	-8.1
Relative*	2.3	0.3	-15.7

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	3,49,856	3,47,957	3,04,689	5,19,792	6,45,948
Sales Growth (%)	-11.4	-0.5	-12.4	70.6	24.3
EBITDA	1,25,042	1,12,163	1,25,183	1,75,355	1,98,080
EBITDA Margin (%)	34.4	31.0	39.2	32.7	29.8
Adjusted Net Profit	87,007	65,509	73,185	1,06,842	1,24,746
Diluted EPS (INR)	53.5	40.3	45.0	65.7	76.7
Diluted EPS Growth (%)	-0.3	-24.7	11.7	46.0	16.8
ROIC (%)	24.4	16.0	14.9	19.0	18.6
ROE (%)	20.0	13.4	13.9	17.7	17.6
P/E (x)	8.2	10.9	9.7	6.7	5.7
P/B (x)	1.5	1.4	1.3	1.1	0.9
EV/EBITDA (x)	7.4	8.8	8.1	5.9	5.2
Dividend Yield (%)	2.4	2.6	2.8	3.3	3.8

Source: Company data, JM Financial. Note: Valuations as of 14/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Maintain BUY as CMP discounting ~USD 60/bbl crude realisation; also driven by robust oil & gas production growth expectation and expansion of NRL refinery:** We reiterate BUY (unchanged TP of INR 515) based on our Brent crude price assumption of USD 70/bbl (while CMP is discounting ~USD 60/bbl of net crude realisation). Further, Oil India's earnings is likely to grow at a robust ~16% CAGR over the next 3-5 years driven by: **a)** strong 20-25% output growth in the next 1-3 years aided by commissioning of Indradhanush gas pipeline; and **b)** expansion of NRL refinery from 3mmtpa to 9mmtpa (given the management guidance of excise duty benefits continuing for the expanded capacity as well). Every USD 7/bbl rise/fall in net crude realisation results in increase/decrease in our consolidated EPS and valuation by ~7-10% — **Exhibit 8-9**. Further, Oil India is also a robust dividend play (4-5%). At CMP, Oil India trades at 6.1x FY28E EPS and 1.0x FY28E BV

2QFY26 Result Review

Exhibit 1. Oil India standalone quarterly snapshot

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Sales (INRm)	58,397	55,190	52,397	55,189	50,125	54,567	(1.1)	8.9
Operating Costs	32,975	30,433	29,776	33,865	29,484	31,484		
EBITDA (INR mn)	25,422	24,756	22,621	21,324	20,640	23,083	(6.8)	11.8
EBITDA margin (%)	44%	45%	43%	39%	41%	42%	-255bps	112bps
EBITDA (US\$/boe of sales)	29.0	28.6	25.6	23.4	22.9	25.6		
Interest (INRm)	1,970	2,299	2,442	1,952	1,534	2,603	13.2	69.7
Depreciation (INRm)	4,558	5,036	5,268	4,325	5,315	5,777	14.7	8.7
Dry well write off / Impairment Loss (INRm)	762	2,924	1,293	1,482	4,577	9,834	236.3	114.9
Other income(INRm)	1,617	8,556	1,886	6,639	1,761	8,307	(2.9)	371.7
Extra-ordinary items	0	0	0	0	0	0		
PBT (INRm)	19,750	23,054	15,503	20,203	10,976	13,176	(42.8)	20.0
Tax (INRm)	5,082	4,713	3,285	4,288	2,841	2,736	(42.0)	(3.7)
Reported PAT (INR mn)	14,668	18,341	12,218	15,915	8,135	10,440	(43.1)	28.3
PAT Margin(%)	25%	33%	23%	29%	16%	19%		
EPS (INR)	9.0	11.3	7.5	9.8	5.0	6.4		

Source: Company, JM Financial

Exhibit 2. Oil India consolidated quarterly snapshot

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Sales (INRm)	93,509	81,359	90,891	95,878	87,499	91,754	12.8	4.9
EBITDA (INR mn)	32,182	28,283	28,075	30,086	28,086	32,869	16.2	17.0
EBITDA margin (%)	34%	35%	31%	31%	32%	36%	106bps	372bps
Interest (INRm)	2,417	2,795	3,037	2,443	1,991	3,052	9.2	53.3
Depreciation (INRm)	5,535	6,075	6,239	5,334	6,271	6,712	10.5	7.0
Dry well write off (INRm)	762	2,924	1,293	1,482	4,577	9,834		
Other income(INRm)	2,309	7,510	3,021	3,823	2,557	5,172	(31.1)	102.3
Extra-ordinary items	0	0	0	0	0	0		
PBT (INRm)	25,777	23,998	20,526	24,651	17,805	18,442		
Tax (INRm)	6,852	5,566	4,594	6,957	4,586	4,039		
Reported PAT before Minority interest	20,163	20,692	14,572	14,970	20,465	16,438		
Reported PAT after Minority interest	18,858	20,162	13,389	13,101	18,964	14,288	(29.1)	(24.7)
PAT Margin (%)	20%	25%	15%	14%	22%	16%		
Reported EPS after Minority interest (INR)	11.6	12.4	8.2	8.1	11.7	8.8		

Source: Company, JM Financial

Exhibit 3. Realisation and volume details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Revenue break-up (INR mn)								
CRUDE								
Total (inc.JV)	41,979	39,730	36,503	38,893	33,039	35,068	(11.7)	6.1
GAS								
Total (inc.JV)	14,220	13,274	13,821	13,826	14,693	14,187	6.9	(3.4)
Others								
LPG	482	433	341	528	352	463	7.0	31.6
Condensate	125	125	125	125	125	125	0.0	0.0
Transportation income	1,253	1,361	1,465	1,643	1,572	4,449	226.8	183.1
TOTAL	58,059	54,923	52,254	55,015	49,781	54,292	(1.1)	9.1
Realisation break -up:								
CRUDE (USD/ bbl)								
Gross computed crude realisation (inc.JV)	82.1	76.9	71.3	72.0	63.9	66.1	(14.1)	3.4
Less: Windfall tax on domestic crude	9.9	5.3	0.0	0.0	0.0	0.0		
Net computed crude realisation (incl JV)	72.2	71.6	71.3	72.0	63.9	66.1	(7.7)	3.4
Brent	84.9	80.3	74.7	75.7	67.9	69.1	(14.0)	1.8
GAS (USD/mmbtu)								
Total (inc.JV)	7.0	6.8	6.7	6.7	6.9	6.8	0.4	(0.2)
Production volume break-up								
CRUDE (mmt)								
Total (inc.JV)	0.871	0.875	0.868	0.844	0.853	0.848	(3.1)	(0.6)
GAS (bcm)								
Total (inc.JV)	0.818	0.799	0.829	0.806	0.827	0.804	0.6	(2.8)
Sales volume break-up								
CRUDE (mmt)								
Total (inc.JV)	0.83	0.84	0.83	0.85	0.82	0.83	(1.4)	0.6
GAS (bcm)								
Total (inc.JV)	0.68	0.65	0.68	0.67	0.70	0.66	2.2	(5.2)

Source: Company, JM Financial

Exhibit 4. NRL financial and operational details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	% YoY	% QoQ
Physical Operational Details								
Crude Throughput (TMT)	764	683	808	810	799	753	10.2	(5.8)
Utilisation (%)	102%	91%	108%	108%	107%	100%		
Distillate Yield (%)	87%	84%	87%	88%	85%	86%	2.5	1.0
GRM before excise duty benefit (USD/bbl)	6.4	2.3	2.1	9.3	5.0	10.56	369.3	110.4
Financial Performance (INRmn)								
Operating Income	64,658	51,974	65,548	69,269	62,802	64,424	24.0	2.6
EBITDA	7,337	3,989	6,567	10,022	7,857	9,883	147.8	25.8
PBT	5,958	2,517	5,074	8,604	6,532	8,606	241.9	31.8
PAT	4,305	1,751	3,854	6,168	4,882	7,248	314.1	48.5

Source: Company, JM Financial

Key Assumptions and Estimates

Exhibit 5. Key assumptions

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
Macro assumptions									
Brent (USD/bbl)	44.7	80.0	95.4	83.1	78.9	70.0	70.0	70.0	
Exchange rate (INR/USD)	71.9	74.5	80.4	82.8	84.6	87.1	88.8	90.6	
Oil India domestic business									
Production									
Crude production (kbpd)	60	61	64	68	70	73	79	80	Based on historical trend and new growth
Gas production (bcm)	2.6	3.0	3.2	3.2	3.3	3.3	3.7	4.2	Based on historical trend and new growth
Crude and gas production (kboepd)	105	113	119	122	126	131	142	153	
Crude production (%)	57%	54%	54%	55%	55%	56%	55%	52%	
Gas production (%)	43%	46%	46%	45%	45%	44%	45%	48%	
Realisation									
Gross crude realisation (USD/bbl)	44.0	79.0	81.6	75.8	78.9	70.0	70.0	70.0	Based on crude price assumption
Less: Windfall tax (USD/bbl)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net realisation (USD/bbl)	44.0	79.0	81.6	75.8	78.9	70.0	70.0	70.0	
Gas realisation (USD/mmbtu)	2.6	2.8	8.8	8.0	7.8	8.4	8.8	9.1	Based on domestic gas price formula
Standalone EBITDA (INR Mn)	13,718	55,321	102,428	97,798	94,123	101,344	115,986	129,683	

Source: Company, JM Financial

Exhibit 6. Change in estimates

	New	Old	Divergence
TP (INR)	515	515	0%
Rating	BUY	BUY	
EBITDA (INR Mn)			
FY26	125,183	125,183	0.0%
FY27	175,355	175,355	0.0%
FY28	198,080	198,080	0.0%
PAT (INR Mn)			
FY26	73,185	73,305	-0.2%
FY27	106,842	107,065	-0.2%
FY28	124,746	124,583	0.1%
EPS (INR)			
FY26	45.0	45.1	-0.2%
FY27	65.7	65.8	-0.2%
FY28	76.7	76.6	0.1%

Source: JM Financial

Valuation

Exhibit 7. Valuation

	INR/share	Comment
Standalone business		
FY28 standalone core EPS (INR)	50.6	
P/E multiple used (x)	6.0	
Equity value of standalone business (INR/share)	303	
NRL		
FY29E EPS from NRL adjusted for Oil India's 69.6% stake	25.2	Assumed 9mmtpa throughput in FY29 and USD 25.6/bbl GRM
P/E multiple used (x)	7.0	
Oil India's Equity Value in NRL (INR/share)	154	After discounting by 1 year to FY28
Other investments		
Value on IOCL's stake (5.0% stake)	57	At 20% discount to CMP
Total equity value (INR/share)	515	

Source: JM Financial

If FY26 net crude realisation changes by USD7.0/bbl, our FY26 consolidated EPS will change by +/- 9.9%. Similarly if gas realisation changes by +/- 0.85 USD/mmbtu, our FY26 consolidated EPS will change by +/-4.6%.

Exhibit 8. Oil India consolidated FY26 EPS sensitivity to net crude realisation and gas price (INR/share)

		FY26 Gas Price (USD/mmbtu)						
		5.9	6.8	7.6	8.4	9.3	10.1	11.0
Net crude realisation (USD/bbl)	49	25.3	27.4	29.5	31.6	33.7	35.8	37.9
	56	29.8	31.9	34.0	36.1	38.2	40.2	42.3
	63	34.3	36.4	38.4	40.5	42.6	44.7	46.8
	70	38.7	40.8	42.9	45.0	47.1	49.2	51.3
	77	43.2	45.3	47.4	49.5	51.5	53.6	55.7
	84	47.6	49.7	51.8	53.9	56.0	58.1	60.2
	91	52.1	54.2	56.3	58.4	60.5	62.6	64.6

Source: Company, JM Financial

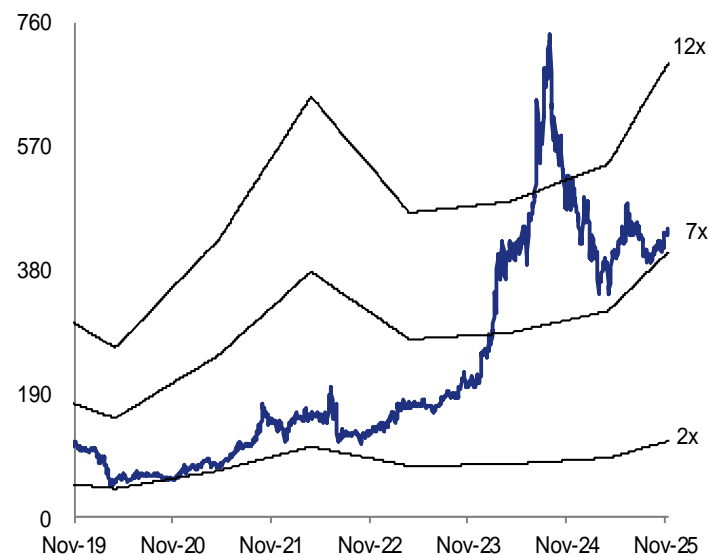
If FY26 net crude realisation changes by USD7.0/bbl, our valuation will change by +/- INR 39/share (or +/-7.5%). Similarly if gas realisation changes by +/- 0.85 USD/mmbtu, our valuation will change by INR +/- 12/share (or +/-2.3%).

Exhibit 9. Oil India valuation sensitivity to FY26 net crude realisation and gas price (INR/share)

		FY26 Gas Price (USD/mmbtu)						
		5.9	6.8	7.6	8.4	9.3	10.1	11.0
Net crude realisation (USD/bbl)	49	364	375	387	399	411	422	434
	56	402	414	426	437	449	461	473
	63	441	453	464	476	488	499	511
	70	479	491	503	515	526	538	550
	77	518	530	541	553	565	576	588
	84	556	568	580	592	603	615	627
	91	595	607	618	630	642	654	665

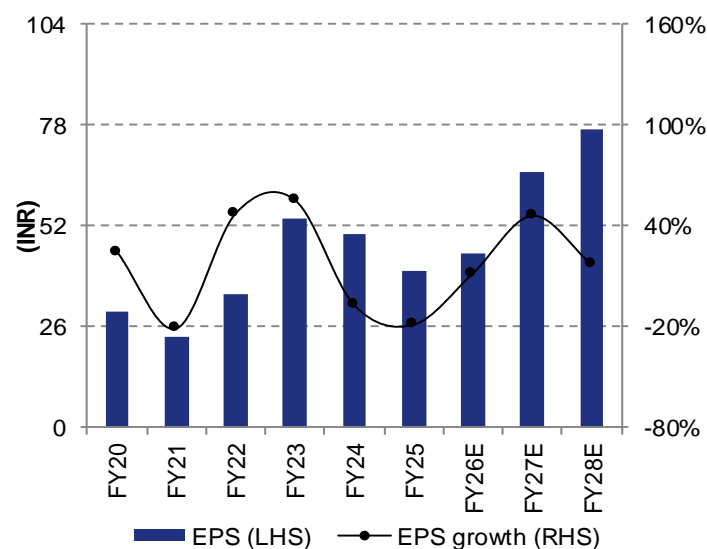
Source: Company, JM Financial

Exhibit 10. 1-year forward PE Chart



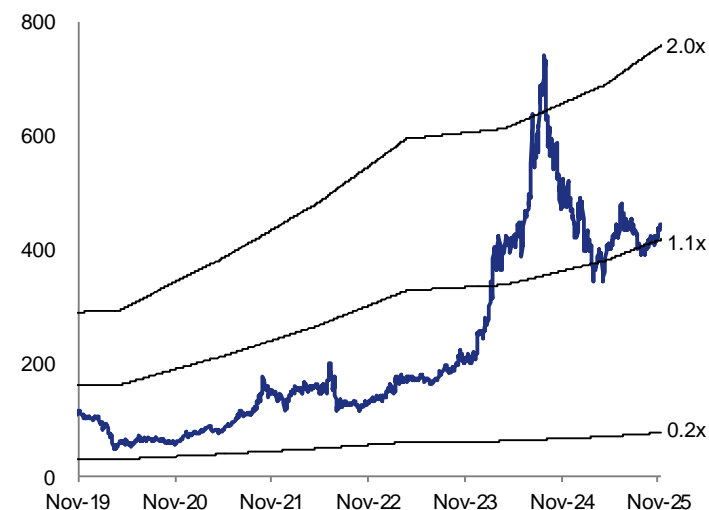
Source: JM Financial, Company

Exhibit 11. EPS vs. EPS growth



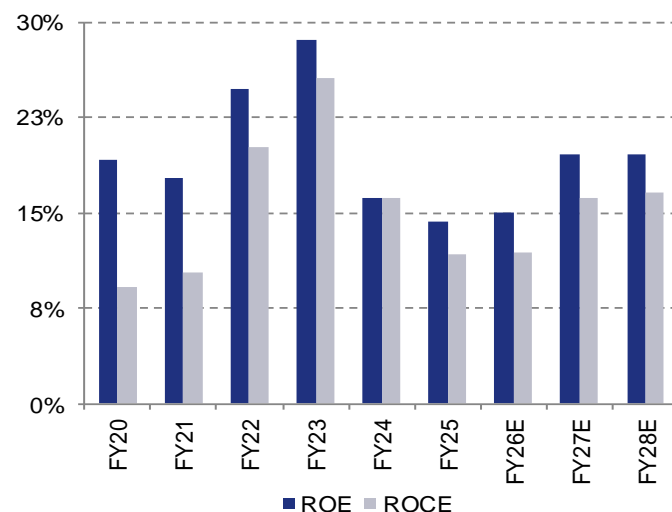
Source: JM Financial, Company,

Exhibit 12. 1-year forward PB Chart



Source: JM Financial, Company

Exhibit 13. RoE vs. RoCE



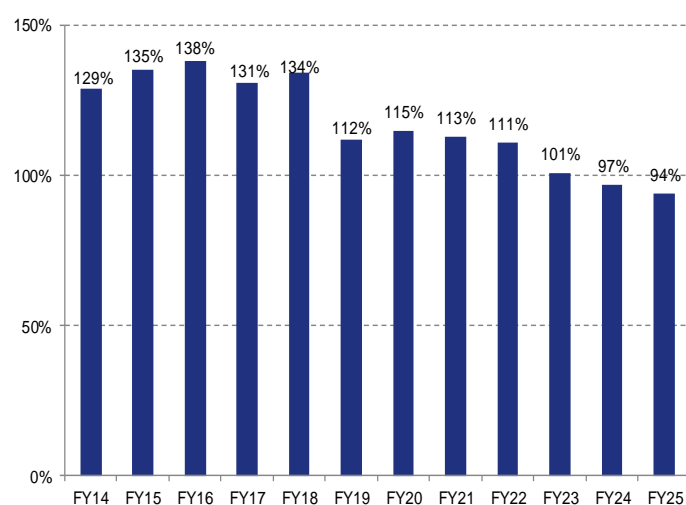
Source: JM Financial, Company

Exhibit 14. 1-year forward EV/2P reserves



Source: JM Financial, Company

Exhibit 15. Reserve replacement ratio



Source: JM Financial, Company

Exhibit 16. Global E&P companies' valuation snapshot

Company	EV/EBITDA (x)			EBITDA Margins (%)			P/E (x)			P/B (x)			ROE (%)		
	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26	FY25/CY24	FY26/CY25	FY27/CY26
US peers															
EOG Resources	5.0	5.3	4.9	54.0	53.5	55.6	9.6	10.9	10.2	2.1	2.0	1.8	22.4	18.3	18.2
Murphy Oil	3.3	3.8	3.6	52.9	52.3	55.3	10.2	24.0	18.9	0.9	0.8	0.8	8.8	3.4	4.4
Canadian Natural Res	7.0	6.5	6.6	46.8	47.4	48.7	13.0	12.8	13.7	2.4	2.4	2.3	18.8	18.9	16.6
US peers average	5.1	5.2	5.1	51.3	51.1	53.2	10.9	15.9	14.3	1.8	1.7	1.7	16.7	13.5	13.1
European peers															
PTT Exploration & Production	2.1	2.3	2.3	74.9	70.5	70.5	5.8	6.8	7.1	0.8	0.7	0.7	15.0	11.2	10.2
Santos	5.2	5.5	4.4	67.5	67.3	69.2	10.6	13.5	11.0	0.9	0.9	0.9	8.6	6.4	7.9
INPEX	3.5	3.5	3.7	65.6	73.8	71.1	10.3	10.0	10.2	0.9	0.8	0.7	8.8	7.9	7.5
European peers average	3.6	3.8	3.5	69.4	70.5	70.3	8.9	10.1	9.4	0.9	0.8	0.8	10.8	8.5	8.6
Asian peers															
JX Holdings	8.4	6.8	6.5	4.5	6.4	6.6	16.4	15.8	11.0	0.9	0.9	0.9	4.4	5.3	7.6
ONGC	5.1	4.8	4.5	14.5	15.6	16.3	7.2	7.7	6.9	0.9	0.8	0.8	12.4	11.9	12.1
Oil India	7.9	8.1	6.8	34.7	33.8	30.6	9.7	10.0	8.2	1.3	1.3	1.1	14.6	16.0	16.6
CNOOC	3.0	3.2	3.2	60.6	61.5	61.5	6.7	7.4	7.5	1.3	1.2	1.1	20.2	16.7	15.3
Asian peers average	6.1	5.7	5.3	28.6	29.4	28.7	10.0	10.2	8.4	1.1	1.0	1.0	12.9	12.5	12.9
Global peers average	5.1	5.0	4.7	47.6	48.2	48.5	9.9	11.9	10.5	1.2	1.2	1.1	13.4	11.6	11.7
Global peers median	5.1	5.1	4.5	53.5	52.9	55.5	9.9	10.4	10.2	0.9	0.9	0.9	13.5	11.5	11.2

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	3,49,856	3,47,957	3,04,689	5,19,792	6,45,948
Sales Growth	-11.4%	-0.5%	-12.4%	70.6%	24.3%
Other Operating Income	13,181	13,680	14,950	16,574	18,932
Total Revenue	3,63,036	3,61,638	3,19,639	5,36,367	6,64,880
Cost of Goods Sold/Op. Exp	2,37,994	2,49,475	1,94,457	3,61,012	4,66,800
Personnel Cost	0	0	0	0	0
Other Expenses	0	0	0	0	0
EBITDA	1,25,042	1,12,163	1,25,183	1,75,355	1,98,080
EBITDA Margin	34.4%	31.0%	39.2%	32.7%	29.8%
EBITDA Growth	-18.1%	-10.3%	11.6%	40.1%	13.0%
Depn. & Amort.	21,290	23,182	25,501	23,970	25,169
EBIT	1,03,752	88,981	99,682	1,51,385	1,72,911
Other Income	13,429	16,663	18,521	19,016	21,559
Finance Cost	9,637	10,693	11,469	11,741	11,878
PBT before Excep. & Forex	1,07,544	94,951	1,06,733	1,58,660	1,82,593
Excep. & Forex Inc./Loss(-)	-23,656	0	0	0	0
PBT	83,888	94,951	1,06,733	1,58,660	1,82,593
Taxes	18,655	23,968	26,683	39,665	43,822
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	11,024	4,301	5,692	10,980	12,851
Reported Net Profit	63,351	65,509	73,185	1,06,842	1,24,746
Adjusted Net Profit	87,007	65,509	73,185	1,06,842	1,24,746
Net Margin	24.0%	18.1%	22.9%	19.9%	18.8%
Diluted Share Cap. (mn)	1,626.6	1,626.6	1,626.6	1,626.6	1,626.6
Diluted EPS (INR)	53.5	40.3	45.0	65.7	76.7
Diluted EPS Growth	-0.3%	-24.7%	11.7%	46.0%	16.8%
Total Dividend + Tax	17,079	18,706	19,890	23,226	26,913
Dividend Per Share (INR)	10.5	11.5	12.2	14.3	16.5

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	4,83,390	4,97,677	5,57,250	6,52,433	7,63,704
Share Capital	10,844	16,266	16,266	16,266	16,266
Reserves & Surplus	4,72,546	4,81,411	5,40,984	6,36,167	7,47,438
Preference Share Capital	0	0	0	0	0
Minority Interest	42,867	49,381	49,381	49,381	49,381
Total Loans	2,36,403	2,98,156	3,21,816	3,49,073	3,29,649
Def. Tax Liab. / Assets (-)	32,000	31,674	31,674	31,674	31,674
Total - Equity & Liab.	7,94,659	8,76,888	9,60,121	10,82,560	11,74,408
Net Fixed Assets	4,04,851	5,31,139	6,13,121	6,91,882	7,69,717
Gross Fixed Assets	2,04,574	2,35,871	2,57,853	6,36,614	7,14,449
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	2,00,277	2,95,268	3,55,268	55,268	55,268
Investments	3,91,619	3,76,151	3,91,667	3,91,667	3,91,667
Current Assets	1,25,059	1,37,156	1,19,984	1,78,116	2,00,606
Inventories	0	0	0	0	0
Sundry Debtors	0	0	0	0	0
Cash & Bank Balances	3,160	6,132	-1,643	4,046	-4,645
Loans & Advances	0	0	0	0	0
Other Current Assets	1,21,899	1,31,025	1,21,627	1,74,070	2,05,250
Current Liab. & Prov.	1,26,870	1,67,559	1,64,651	1,79,105	1,87,581
Current Liabilities	0	0	0	0	0
Provisions & Others	1,26,870	1,67,559	1,64,651	1,79,105	1,87,581
Net Current Assets	-1,811	-30,402	-44,667	-988	13,024
Total - Assets	7,94,659	8,76,888	9,60,121	10,82,560	11,74,408

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	88,459	94,364	1,06,147	1,58,073	1,82,006
Depn. & Amort.	21,290	23,182	25,501	23,970	25,169
Net Interest Exp. / Inc. (-)	-2,495	-3,214	-2,284	-1,078	-1,625
Inc (-) / Dec in WCap.	-6,778	-2,563	7,446	-37,016	-21,709
Others	35,646	22,443	0	0	0
Taxes Paid	-26,791	-20,892	-26,683	-39,665	-43,822
Operating Cash Flow	1,09,331	1,13,320	1,10,126	1,04,285	1,40,019
Capex	-1,20,628	-1,29,690	-1,07,483	-1,02,731	-1,03,004
Free Cash Flow	-11,297	-16,370	2,643	1,554	37,015
Inc (-) / Dec in Investments	-16,579	-16,952	-16,471	-974	-994
Others	11,195	11,499	13,753	12,818	13,502
Investing Cash Flow	-1,26,012	-1,35,142	-1,10,200	-90,887	-90,496
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	48,446	57,322	23,660	27,257	-19,424
Others	-32,011	-32,528	-31,360	-34,966	-38,790
Financing Cash Flow	16,434	24,794	-7,700	-7,709	-58,214
Inc / Dec (-) in Cash	-246	2,972	-7,775	5,689	-8,691
Opening Cash Balance	3,406	3,160	6,132	-1,643	4,046
Closing Cash Balance	3,160	6,132	-1,643	4,046	-4,645

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	24.0%	18.1%	22.9%	19.9%	18.8%
Asset Turnover (x)	0.5	0.4	0.3	0.5	0.6
Leverage Factor (x)	1.6	1.7	1.7	1.7	1.6
RoE	20.0%	13.4%	13.9%	17.7%	17.6%

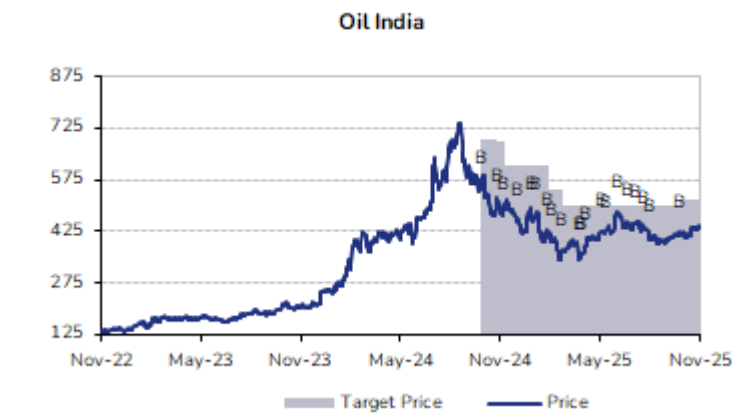
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	297.2	306.0	342.6	401.1	469.5
ROIC	24.4%	16.0%	14.9%	19.0%	18.6%
ROE	20.0%	13.4%	13.9%	17.7%	17.6%
Net Debt/Equity (x)	0.4	0.5	0.5	0.4	0.4
P/E (x)	8.2	10.9	9.7	6.7	5.7
P/B (x)	1.5	1.4	1.3	1.1	0.9
EV/EBITDA (x)	7.4	8.8	8.1	5.9	5.2
EV/Sales (x)	2.6	2.7	3.2	1.9	1.5
Debtor days	0	0	0	0	0
Inventory days	0	0	0	0	0
Creditor days	0	0	0	0	0

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
7-Oct-24	Buy	695	
5-Nov-24	Buy	685	-1.5
18-Nov-24	Buy	615	-10.2
13-Dec-24	Buy	615	0.0
7-Jan-25	Buy	615	0.0
17-Jan-25	Buy	615	0.0
8-Feb-25	Buy	545	-11.4
14-Feb-25	Buy	545	0.0
5-Mar-25	Buy	500	-8.3
6-Apr-25	Buy	500	0.0
8-Apr-25	Buy	500	0.0
17-Apr-25	Buy	500	0.0
18-May-25	Buy	500	0.0
22-May-25	Buy	500	0.0
15-Jun-25	Buy	500	0.0
3-Jul-25	Buy	500	0.2
16-Jul-25	Buy	500	0.0
2-Aug-25	Buy	500	0.0
13-Aug-25	Buy	500	0.0
6-Oct-25	Buy	515	2.9

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfirancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.