

# Oil India

Refer to important disclosures at the end of this report

## Earnings beat on lower opex; Highly attractive valuation and dividend yield

- Oil India's Q3FY23 S/A revenue/EBITDA/PAT of Rs58.8/28.6/17.5bn was 1%/24%/32% above our estimates. EBITDA/PAT reported a sizeable beat on lower opex (Rs10.0bn vs. Rs14.3bn), owing to lower sundry expenses and contract costs and provisions write-back.
- Total crude output rose 7% YoY to 0.81mmt (largely in-line), while gas output was up 2% to 0.81bcm (slight beat). Statutory levies were 6% lower due to windfall levies at Rs6.2k/mt against our Rs7.6k/mt estimate. Transportation income was up 85% YoY to Rs1.6bn.
- Crude realization fell 12% QoQ to USD88.3/bbl, with premium to Brent shrinking to nil vs. USD1.5/bbl QoQ. Gas realization was at USD9.0/mmbtu vs. USD9.5 NCV APM price, in-line. NRL's basic GRM was stable at USD13.5/bbl with PAT of Rs8.0bn, up 10% QoQ.
- We have raised our FY23E consol. EPS by 23% on lower opex run-rate and higher NRL GRMs, while we have increased FY24/25E EPS by 8% each on higher crude output and NRL GRMs. We roll over to Mar-24, revising our TP by 7% to Rs290. We retain BUY.

**Other Highlights:** Sales to production ratios were broadly in-line. Other expenditure fell 40% YoY/34% QoQ to Rs5.5bn on lower sundry expenses (CSR, forex loss, and wells write-off etc.) and negative provisions of Rs215mn (Rs1.4bn of Mizoram reversal). DD&A fell 3% YoY but was up 7% QoQ to Rs4.5bn (up QoQ due to production-led depletion). Interest costs declined 5% QoQ to Rs2bn with S/A debt at ~Rs112bn. Total statutory levies except windfall taxes were largely in-line. Windfall tax/mt was lower than expected, possibly due to sales-production mismatch. Share of profits from assoc./JV in consolidated accounts was negative Rs2.7bn in Q3 vs. positive Rs3.9bn in Q2 (due to Suntera, License 61, ruble depreciation etc.). Consolidated EPS for Q3FY23 was up 76% YoY/20% QoQ at Rs21.1/share. OIL's S/A capex in 9MFY23 was Rs29bn as per PPAC, while NRL reported capex stood at Rs41.4bn. The board declared second interim dividend of Rs10.

**Management KTAs:** Management expects 3.2mmt of crude/3bcm+ of gas production in FY23 and the current run rate is in-line. In FY24, targets are 3.4mmt/3.3bcm, while by CY25, it would touch the 4mmtpa/4bcm+ targets of the accelerated drilling program. The eventual target for gas is 5bcm. This does not need large investments, though execution is difficult. Northeast gas grid, being extended to OIL's fields, can support volumes. OIL is not accepting any further liability from Baghjan. It has already taken lot of bio-remedial steps. NRL expansion is on schedule for completion by FY25. Rs80bn has been spent so far. NRL has paid Rs7.6bn as dividend to OIL in FY23 YTD. OIL's dividend payout will be in-line with trends (excess of 30% mandated). Capex target remains at Rs30-40bn p.a., including NRL equity.

**Valuation:** We value OIL on an SOTP basis, comprising standalone (using DCF) and NRL (DDM). Investments are valued at our TP or CMP, with a 30% Holdco discount. Key risks: Adverse oil-gas prices, policy issues, local tensions, cost overruns, outages, and dry holes.

### Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	2,24,841	3,00,112	3,99,852	3,47,711	3,00,932
EBITDA	56,885	1,05,004	1,46,813	95,659	91,066
EBITDA Margin (%)	25.3	35.0	36.7	27.5	30.3
APAT	39,508	56,216	90,132	55,037	51,142
EPS (Rs)	36.4	51.8	83.1	50.8	47.2
EPS (% chg.)	3.5	42.3	60.3	(38.9)	(7.1)
ROE (%)	15.1	20.7	25.1	12.8	11.0
P/E (x)	6.1	4.3	2.7	4.4	4.7
EV/EBITDA (x)	7.4	3.7	2.6	4.2	4.7
P/BV (x)	1.0	0.8	0.6	0.5	0.5

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 224</b> as of (February 12, 2023)	<b>Rs 290 (▲)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>29.6 %</b>

### Change in Estimates

EPS Chg. FY23E/FY24E (%)	23/8
Target Price change (%)	7.3
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs. Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	83.1	50.8
Consensus	73.1	66.7
Mean Consensus TP (12M)	Rs 250	

### Stock Details

Bloomberg Code	OINL IN
Face Value (Rs)	10
Shares outstanding (mn)	1,084
52 Week H/L	306 / 168
M Cap (Rs bn/USD bn)	242 / 2.94
Daily Avg. Volume (nos.)	11,30,636
Daily Avg. Turnover (US\$ mn)	2.9

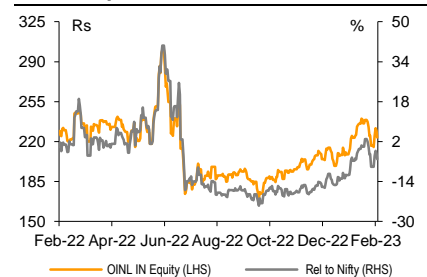
### Shareholding Pattern Dec-22

Promoters	56.7%
FIIIs	11.5%
DIIIs	16.1%
Public and Others	15.8%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	4	14	20	(3)
<b>Rel. to Nifty</b>	5	15	17	(4)

### Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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**Exhibit 1: Actual vs. Estimates (Q3FY23)**

Standalone (Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	58,794	58,164	56,124	1%	5%	
Adjusted EBITDA	28,553	22,984	21,302	24%	34%	Lower opex
EBITDA Margin (%)	48.6%	39.5%	38.0%	905bps	1061bps	
Adjusted Net Profit	17,461	13,229	15,312	32%	14%	Lower DDA, interest, and tax rate

Source: Company, Emkay Research

**Exhibit 2: Quarterly summary**

Rs mn (S/A)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	YoY	QoQ	9MFY22	9MFY23	YoY
<b>Revenue</b>	<b>37,367</b>	<b>44,786</b>	<b>59,676</b>	<b>57,760</b>	<b>58,794</b>	<b>57%</b>	<b>2%</b>	<b>1,00,516</b>	<b>1,76,229</b>	<b>75%</b>
COGS+OPEX	13,806	12,429	16,348	12,850	11,386	-18%	-11%	36,405	40,584	11%
Statutory Levies	10,399	12,957	16,436	25,112	18,686	80%	-26%	28,190	60,234	114%
Survey+Dry Wells	490	-185	529	1,316	170	-65%	-87%	1,816	2,014	11%
<b>EBITDA</b>	<b>12,672</b>	<b>19,585</b>	<b>26,364</b>	<b>18,482</b>	<b>28,553</b>	<b>125%</b>	<b>54%</b>	<b>34,105</b>	<b>73,398</b>	<b>115%</b>
DD&A	4,678	2,113	3,868	4,236	4,536	-3%	7%	12,855	12,640	-2%
<b>EBIT</b>	<b>7,995</b>	<b>17,471</b>	<b>22,496</b>	<b>14,246</b>	<b>24,017</b>	<b>200%</b>	<b>69%</b>	<b>21,250</b>	<b>60,758</b>	<b>186%</b>
Finance Charges	1,748	1,993	2,042	2,113	2,010	15%	-5%	5,838	6,165	6%
Other Income	9,685	4,943	623	8,949	1,022	-89%	-89%	14,032	10,594	-25%
Exceptional Items	-	-	-	-	-	-	-	-	-	-
PBT	15,932	20,421	21,077	21,081	23,029	45%	9%	29,444	65,187	121%
Total Tax	3,483	4,121	5,522	3,876	5,568	60%	44%	6,871	14,966	118%
PAT	12,449	16,300	15,555	17,205	17,461	40%	1%	22,573	50,221	122%
<b>Adjusted PAT</b>	<b>12,449</b>	<b>16,300</b>	<b>15,555</b>	<b>17,205</b>	<b>17,461</b>	<b>40%</b>	<b>1%</b>	<b>22,573</b>	<b>50,221</b>	<b>122%</b>
Adjusted EPS (Rs)	11.5	15.0	14.3	15.9	16.1	40%	1%	20.8	46.3	122%
Crude Production (mmt)	0.75	0.75	0.78	0.79	0.81	7%	2%	2.26	2.38	5%
Gas Production (bcm)	0.79	0.73	0.77	0.82	0.81	2%	-2%	2.31	2.40	4%
NB Gross Oil Realization (USD/bbl)	78.6	98.1	112.7	100.6	88.3	12%	-12%	72.4	100.6	39%
NB Net Oil Realization (USD/bbl)	78.6	98.1	112.7	100.6	88.3	12%	-12%	72.4	100.6	39%
NB Gas Realization (Rs/scm)	7.9	8.4	17.2	17.8	26.3	232%	48%	5.9	20.4	244%
NRL Volumes (mmt)	0.62	0.69	0.79	0.77	0.80	30%	3%	1.93	2.36	22%
NRL Basic GRMs (USD/bbl)	12.5	25.3	32.4	13.8	13.5	8%	-3%	10.4	19.9	91%
NRL Reported EBITDA	11,690	16,530	19,883	10,697	11,218	-4%	5%	35,195	41,797	19%
NRL Reported PAT	7,941	11,322	14,067	7,278	7,991	1%	10%	24,294	29,336	21%
NRL Capex	8,934	15,774	11,839	15,968	13,615			19,388	41,422	

Source: Company, Emkay Research

**Exhibit 3: Change in core assumptions**

	FY23E			FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Brent (USD/bbl)	100.0	96.0	-4%	85.0	85.0	0%	75.0	75.0	0%
USD/INR	79.5	80.0	1%	81.0	81.0	0%	82.0	82.0	0%
Net Oil Realization (USD/bbl)	97.3	93.3	-4%	82.8	82.8	0%	73.0	73.0	0%
Gas Realization (Rs/scm)	20.2	21.9	8%	17.9	17.8	0%	14.8	14.8	0%
Crude Oil Production (mmt)	3.1	3.2	2%	3.2	3.2	2%	3.2	3.3	2%
Natural Gas Production (bcm)	3.1	3.1	0%	3.2	3.2	0%	3.3	3.3	0%
Total Production Growth	2.7%	4.0%	123bps	2.4%	2.4%	-bps	1.5%	1.5%	-bps

Source: Company, Emkay Research

**Exhibit 4: Change in estimates**

Consolidated (Rs mn)	FY23E			FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	4,06,459	3,99,852	-2%	3,45,560	3,47,711	1%	2,98,848	3,00,932	1%
EBITDA	1,19,246	1,46,813	23%	89,284	95,659	7%	85,060	91,066	7%
EBITDA Margin	29.3%	36.7%	738bps	25.8%	27.5%	167ps	28.5%	30.3%	180bps
PAT	73,074	90,132	23%	50,939	55,037	8%	47,402	51,142	8%
EPS (Rs)	67.4	83.1	23%	47.0	50.8	8%	43.7	47.2	8%

Source: Company, Emkay Research

## Concall Takeaways

### Production

- OIL expects 3.2mmt of crude oil and 3bcm+ of natural gas production in FY23 and the current run rate is in-line with this target. In FY24, targets are 3.4mmt and 3.3bcm, respectively, while by CY25, it would touch the 4mmtpa and 4bcm+ targets of the accelerated drilling program in the five fields. The company is planning to drill 70 wells in FY24. The company has made new discoveries also, which have added up.
- IGGL (northeast gas grid) is progressing better than scheduled. By CY23-end, it should be completed with some portion commissioning by early CY24 and should start fully one year from then. The grid being in-place can lift OIL's volumes, though the same has to be extended till Upper Assam to OIL's fields (for now it is up to Central Assam and further extension will take some time).
- The eventual target for gas is 5bcm, which is the natural course for the company, and OIL has taken up infra projects. This does not need very large investments, though the execution is difficult in terms of pipeline projects. One line is under construction from Arunachal Pradesh to Assam, which should be ready by CY24. Although the line is just 30km long, it passes through the forest area where permissions have to be taken. Moreover, there are populated areas and river crossings as well.
- The sequential decline in gas production in Q3FY23 was due to seasonal demand patterns from tea gardens, which is a major customer. Their offtake is lower during this period.
- Management does not expect further liabilities from Baghjan, as the company has already paid Rs4.5bn. Baghjan is contributing healthily to production as of now and is fully operational.
- OIL is not accepting any additional liability from Baghjan and, hence, it is unascertainable (NGT has been asked to relook at it by the Supreme Court). It is a two-year old case and the company has already taken a number of bio-remedial steps and restored flora and fauna there.
- OIL's RRR has been 1+. Success in OALP would lift its RoCE.

### NRL

- NRL's GRM reported is basic excluding excise duty benefit or windfall tax hit. Excise benefit has been generally USD10-11/bbl+. EBITDA was down YoY due to SAED.
- The expansion project is on schedule for completion by FY25. Rs80bn has been spent so far, funded by internal accruals and debt.
- NRL has paid Rs7.6bn as a dividend to OIL in FY23 YTD, which included the final dividend of FY22 being paid in Q1 and an interim dividend in Q2. Payout has been in-line with trends so far but may dip going ahead due to the high capex.
- NRL's product evacuation pipeline network is being expanded and, as per PM Gatishakti Scheme, a multi-modal network would be developed with waterways being set up in Jogighopa for exports to Bangladesh. Bhutan, Myanmar, and Nepal would also be other markets.
- OIL's equity infusion in NRL would be Rs5-6bn p.a. Excise duty benefit will continue at NRL expansion.

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### Q3FY23 results, capex, debt, and dividends

- OIL's Q3 opex was lower due to lesser wells written off, while CSR expenditure was also lower being lumpy in nature. Forex losses reduced from Rs2.9bn to Rs490mn QoQ. Provision reversals included Rs1.44bn from Mizoram assets.
- The share of profits from associates/JVs was lower due to a hit in Suntera Nigeria and License 61 Russia, along with adverse ruble vs. dollar movement (in Russia). BCPL profits were stable.
- OIL's dividend payout will be in-line with trends. While guidelines call for 30%, it should be in excess of that. The decline in potential NRL dividend payout going ahead would be offset by IOCL, which should keep OIL's overall dividend income in-line.
- Capex target remains at Rs30-40bn p.a., including NRL equity infusion. Consolidated debt as of Dec-22 end was Rs178bn, of which standalone was Rs112.44bn, while Rs33bn was from NRL. OIL has fully paid NRL's acquisition debt.
- Russian assets (Taas and Vankor) dividends pending was USD175mn at Singapore level and USD120mn at Russia level. The company will have a Board meeting in Mar-23 to decide on the same (steps to repatriate).

### Others

- The company will start the oil and gas auction process in the next fiscal. Lot of ground work has to be done before that.
- Pipeline (transportation) profitability is lower as expansion and modernization have been done by OIL, these being old assets. Revenue would be on cost-plus basis and OIL is discussing the same with refiners for higher tariffs. Reverse pumping has also been done.
- The logic behind RTP adjustment for standalone refiners (like NRL) being in-line with export duties is prices, and margins have been very good for refineries; hence, some passing of benefits makes sense. Upstream is also providing the same and it has been range-bound.
- HP-OIL CGD JV is progressing well with many CNG stations being set up in Kolhapur and Kurukshetra-Ambala GAs. The latter also saw PNG supplies being started. Purba Bharati Gas (in Assam) has also set up CNG stations with the Assam Government ordering 100 CNG buses.
- BCPL's feedstock subsidy is given by the government and not OIL. The company cannot comment on what the government will decide on the Kirit Parikh gas price report. The company expects near-term gas prices to be strong.

## Valuation

### Exhibit 5: Oil India – Standalone DCF Valuation

Assumptions		Standalone	Rs mn
Risk-Free Rate	7.0%	NPV Of FCF (Mar-25–Mar-36)	1,55,378
Risk Premium	5.3%	Terminal Value	1,01,946
Beta	0.82	PV Of TV	29,032
Cost Of Equity	11.3%	Total Value	1,84,410
Cost Of Debt	7.5%	Less: Net Debt (Mar-23E)	57,999
Post-Tax Cost Of Debt	5.6%	<b>Equity Value</b>	<b>1,26,411</b>
Average Debt:Equity Ratio	5.0%	No. Of Shares O/S (mn)	1,084
<b>WACC</b>	<b>11.0%</b>	<b>Fair Value of Oil India S/A (Rs/share)</b>	<b>117</b>
Terminal Growth Rate	-1.0%		

Source: Company, Emkay Research

### Exhibit 6: NRL's Standalone DDM Valuation

Assumptions		Standalone	Rs mn
Risk-Free Rate	7.0%	Value of Explicit Period Dividend	1,08,712
Risk Premium	5.3%	Terminal Value	2,03,311
Beta	0.82	PV of TV	61,461
Cost Of Equity	11.3%	Total Value	1,70,173
Cost Of Debt	8.5%	<b>Oil India's Value</b>	<b>1,18,492</b>
Post-Tax Cost Of Debt	6.4%	<b>Value/Share (Rs)</b>	<b>109</b>
Average Debt:Equity Ratio	20.0%		
<b>WACC</b>	<b>10.5%</b>		
Terminal Growth Rate	-1.0%		

Source: Company, Emkay Research

### Exhibit 7: SOTP Valuation – Mar-24E

Components (Rs mn)	Basis	Mar-24 Eq. Val.	Value/sh (Rs)	Comments
Oil India Standalone	DCF	1,26,411	117	WACC/TG at 11.3%/-1.0%
NRL (69.6% Stake)	DDM	1,18,492	109	WACC/TG at 11.3%/-1.0%
Mozambique Upside	DCF	-	-	
<b>Core Business Valuation</b>		<b>2,44,903</b>	<b>226</b>	
Value of Investments	TP/BV	69,191	64	At 30% Holdco Discount
<b>Target Price-Fair Value</b>		<b>3,14,094</b>	<b>290</b>	

Source: Company, Emkay Research

### Exhibit 8: Schedule and Value of Investments (Mar-24E Valuation)

Listed+Unlisted	Type	Basis of Valuation	TP/CMP (Rs/sh)	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)	90	1,239	5.2%	64	30%	45	41
OIL International Pte (Russia)	Subsidiary	BV		35	100.0%	35	30%	24	23
<b>Total</b>						<b>99</b>		<b>69</b>	<b>64</b>

Source: Company, Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>2,24,841</b>	<b>3,00,112</b>	<b>3,99,852</b>	<b>3,47,711</b>	<b>3,00,932</b>
<b>Expenditure</b>	<b>1,67,956</b>	<b>1,95,108</b>	<b>2,53,039</b>	<b>2,52,052</b>	<b>2,09,866</b>
<b>EBITDA</b>	<b>56,885</b>	<b>1,05,004</b>	<b>1,46,813</b>	<b>95,659</b>	<b>91,066</b>
Depreciation	18,441	18,245	21,290	23,281	24,888
<b>EBIT</b>	<b>38,444</b>	<b>86,759</b>	<b>1,25,522</b>	<b>72,378</b>	<b>66,178</b>
Other Income	11,056	11,426	15,643	17,708	17,697
Interest expenses	6,605	9,401	8,236	9,282	8,877
<b>PBT</b>	<b>42,895</b>	<b>88,784</b>	<b>1,32,930</b>	<b>80,804</b>	<b>74,998</b>
Tax	2,227	22,710	33,326	20,363	18,900
Extraordinary Items	(260)	0	0	0	0
Minority Int./Income from Assoc.	(900)	(9,857)	(9,472)	(5,405)	(4,957)
<b>Reported Net Income</b>	<b>39,508</b>	<b>56,216</b>	<b>90,132</b>	<b>55,037</b>	<b>51,142</b>
<b>Adjusted PAT</b>	<b>39,508</b>	<b>56,216</b>	<b>90,132</b>	<b>55,037</b>	<b>51,142</b>

**Balance Sheet**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	10,844	10,844	10,844	10,844	10,844
Reserves & surplus	2,25,820	2,94,775	4,00,810	4,36,657	4,69,213
<b>Net worth</b>	<b>2,36,664</b>	<b>3,05,619</b>	<b>4,11,654</b>	<b>4,47,502</b>	<b>4,80,058</b>
<b>Minority Interest</b>	<b>11,433</b>	<b>26,143</b>	<b>36,789</b>	<b>43,427</b>	<b>49,679</b>
<b>Loan Funds</b>	<b>1,97,184</b>	<b>1,67,205</b>	<b>1,63,000</b>	<b>1,95,000</b>	<b>2,20,000</b>
Net deferred tax liability	31,905	31,449	29,533	30,343	31,072
<b>Total Liabilities</b>	<b>4,77,186</b>	<b>5,30,417</b>	<b>6,40,976</b>	<b>7,16,272</b>	<b>7,80,809</b>
<b>Net block</b>	<b>1,45,860</b>	<b>1,57,791</b>	<b>1,51,271</b>	<b>1,63,402</b>	<b>1,73,658</b>
<b>Investment</b>	<b>2,62,512</b>	<b>2,85,832</b>	<b>2,97,280</b>	<b>3,02,231</b>	<b>3,07,466</b>
<b>Current Assets</b>	<b>99,033</b>	<b>95,302</b>	<b>1,52,235</b>	<b>1,46,171</b>	<b>1,32,271</b>
Cash & bank balance	15,866	15,503	17,072	26,745	27,598
Other Current Assets	31,986	22,737	6,919	6,160	5,430
<b>Current liabilities &amp; Provision</b>	<b>75,758</b>	<b>77,766</b>	<b>1,06,837</b>	<b>1,09,377</b>	<b>1,04,195</b>
<b>Net current assets</b>	<b>23,275</b>	<b>17,536</b>	<b>45,398</b>	<b>36,793</b>	<b>28,077</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>4,77,186</b>	<b>5,30,417</b>	<b>6,40,976</b>	<b>7,16,272</b>	<b>7,80,809</b>

**Cash Flow**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>31,839</b>	<b>77,358</b>	<b>1,17,287</b>	<b>63,096</b>	<b>57,301</b>
Other Non-Cash items	7,161	12,374	(1,175)	(1,233)	(1,295)
Chg in working cap	(19,353)	4,920	(28,209)	19,088	10,299
<b>Operating Cashflow</b>	<b>52,353</b>	<b>93,096</b>	<b>79,910</b>	<b>92,834</b>	<b>80,761</b>
Capital expenditure	(60,789)	(53,895)	(92,540)	(1,02,230)	(92,907)
<b>Free Cash Flow</b>	<b>(8,436)</b>	<b>39,201</b>	<b>(12,630)</b>	<b>(9,396)</b>	<b>(12,146)</b>
Investments	8,938	(23,319)	(11,448)	(4,951)	(5,235)
Other Investing Cash Flow	(44,332)	23,857	8,469	(144)	83
<b>Investing Cashflow</b>	<b>(85,128)</b>	<b>(41,931)</b>	<b>(79,876)</b>	<b>(89,617)</b>	<b>(80,361)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	70,489	(29,979)	(4,205)	32,000	25,000
Dividend paid (incl tax)	(5,422)	(15,450)	(29,062)	(17,372)	(15,990)
Other Financing Cash Flow	(48,351)	3,302	43,038	1,110	320
<b>Financing Cashflow</b>	<b>10,111</b>	<b>(51,528)</b>	<b>1,535</b>	<b>6,456</b>	<b>454</b>
<b>Net chg in cash</b>	<b>(22,664)</b>	<b>(364)</b>	<b>1,570</b>	<b>9,673</b>	<b>853</b>
Opening cash position	38,530	15,866	15,503	17,072	26,745
<b>Closing cash position</b>	<b>15,866</b>	<b>15,503</b>	<b>17,072</b>	<b>26,745</b>	<b>27,598</b>

Source: Company, Emkay Research

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**Key Ratios**

<b>Profitability (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EBITDA Margin	25.3	35.0	36.7	27.5	30.3
EBIT Margin	17.1	28.9	31.4	20.8	22.0
Effective Tax Rate	5.2	25.6	25.1	25.2	25.2
Net Margin	18.1	22.0	24.9	17.4	18.6
ROCE	10.8	19.5	24.1	13.3	11.2
ROE	15.1	20.7	25.1	12.8	11.0
RoIC	29.6	41.2	55.4	30.7	28.5

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	36.4	51.8	83.1	50.8	47.2
CEPS	53.7	68.7	102.7	72.2	70.1
BVPS	218.2	281.8	379.6	412.7	442.7
DPS	5.0	14.2	26.8	16.0	14.7

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	6.1	4.3	2.7	4.4	4.7
P/CEPS	4.2	3.3	2.2	3.1	3.2
P/BV	1.0	0.8	0.6	0.5	0.5
EV / Sales	1.9	1.3	0.9	1.2	1.4
EV / EBITDA	7.4	3.7	2.6	4.2	4.7
Dividend Yield (%)	2.2	6.4	12.0	7.2	6.6

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	0.8	0.5	0.3	0.4	0.4
Net Debt/EBIDTA	3.2	1.4	0.9	1.7	2.0
Working Cap Cycle (days)	52.4	37.2	39.5	42.4	39.8

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	84.8	33.5	33.2	(13.0)	(13.5)
EBITDA	77.0	84.6	39.8	(34.8)	(4.8)
EBIT	129.2	125.7	44.7	(42.3)	(8.6)
PAT	3.5	42.3	60.3	(38.9)	(7.1)

<b>Quarterly (Rs mn) – Standalone</b>	<b>Q3FY22</b>	<b>Q4FY22</b>	<b>Q1FY23</b>	<b>Q2FY23</b>	<b>Q3FY23</b>
Revenue	37,367	44,786	59,676	57,760	58,164
EBITDA	12,672	19,585	26,364	18,482	22,984
<b>EBITDA Margin (%)</b>	<b>33.9</b>	<b>43.7</b>	<b>44.2</b>	<b>32.0</b>	<b>39.5</b>
PAT	12,449	16,300	15,555	17,205	13,229
<b>EPS (Rs)</b>	<b>11.5</b>	<b>15.0</b>	<b>14.3</b>	<b>15.9</b>	<b>12.2</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-21</b>	<b>Mar-22</b>	<b>Jun-22</b>	<b>Sep-22</b>	<b>Dec-22</b>
Promoters	56.7	56.7	56.7	56.7	56.7
FIIs	10.1	11.2	12.4	11.8	11.5
DIIs	17.9	16.8	15.5	15.4	16.1
Public and Others	15.3	15.3	15.4	16.2	15.8

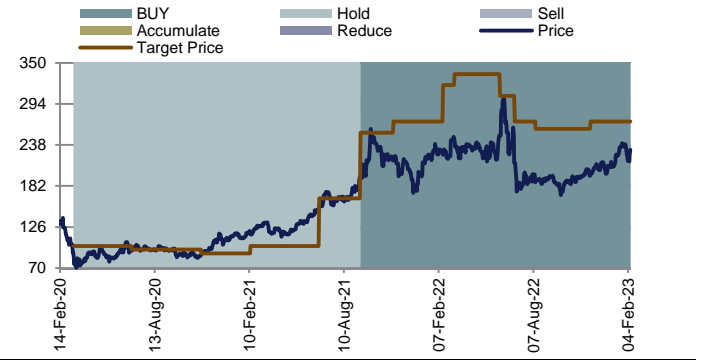
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
06-Dec-22	211	270	12m	Buy	Sabri Hazarika
01-Dec-22	207	270	12m	Buy	Sabri Hazarika
24-Nov-22	197	270	12m	Buy	Sabri Hazarika
02-Oct-22	174	260	12m	Buy	Sabri Hazarika
07-Sep-22	196	260	12m	Buy	Sabri Hazarika
11-Aug-22	188	260	12m	Buy	Sabri Hazarika
15-Jul-22	182	270	12m	Buy	Sabri Hazarika
02-Jul-22	214	270	12m	Buy	Sabri Hazarika
28-Jun-22	250	305	12m	Buy	Sabri Hazarika
04-Jun-22	251	305	12m	Buy	Sabri Hazarika
22-May-22	239	335	12m	Buy	Sabri Hazarika
01-Apr-22	239	335	12m	Buy	Sabri Hazarika
09-Mar-22	243	335	12m	Buy	Sabri Hazarika
15-Feb-22	225	320	12m	Buy	Sabri Hazarika
25-Dec-21	177	270	12m	Buy	Sabri Hazarika
23-Nov-21	197	270	12m	Buy	Sabri Hazarika
12-Nov-21	222	270	12m	Buy	Sabri Hazarika
16-Sep-21	212	255	12m	Buy	Sabri Hazarika
10-Sep-21	195	255	12m	Buy	Sabri Hazarika
26-Jul-21	161	165	12m	Hold	Sabri Hazarika
23-Jun-21	153	165	12m	Hold	Sabri Hazarika
29-May-21	133	100	12m	Hold	Sabri Hazarika
23-Apr-21	116	100	12m	Hold	Sabri Hazarika
23-Mar-21	118	100	12m	Hold	Sabri Hazarika
18-Feb-21	122	100	12m	Hold	Sabri Hazarika
12-Feb-21	116	100	12m	Hold	Sabri Hazarika
26-Nov-20	97	90	12m	Hold	Sabri Hazarika
10-Nov-20	89	90	12m	Hold	Sabri Hazarika
27-Oct-20	88	95	12m	Hold	Sabri Hazarika
28-Sep-20	89	95	12m	Hold	Sabri Hazarika
22-Aug-20	100	95	12m	Hold	Sabri Hazarika
30-Jun-20	94	95	12m	Hold	Sabri Hazarika
06-May-20	93	100	12m	Hold	Sabri Hazarika
11-Mar-20	85	100	12m	Hold	Sabri Hazarika

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 13 Feb 2023 17:36:18 (SGT)

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