

Earnings miss on sales, 'other income'; valuation attractive

Oil & Gas ▶ Result Update ▶ February 8, 2025

TARGET PRICE (Rs): 580

Oil India clocked Q3FY25 SA EBITDA of Rs21.3bn – a 5% miss, mainly on the 3% revenue miss due to lower realizations, crude sales. SA PAT of Rs12.2bn missed our estimates by 19% on lower Other Income. Crude/gas output rose 1% YoY each to 0.87mmt/0.83bcm (in-line). NRL's EBITDA recovered by 65% QoQ to Rs6.6bn, led by 18% QoQ uptick in throughput amid a weak basic GRM of USD2.1/bbl (hit by inventory loss). The management guided to oil/gas output of ~3.5mmt/3.3bcm for FY25 with 4mmt/5cm Mission 4+ targets by FY27/28. DNPL expansion would be fully complete by Mar-26 and support gas output growth as expanded NRL capacity would also be commissioned by then. New well gas quantity approval from the MOPNG is expected soon. We cut FY25E/26E/27E consol EPS by 12%/10%/5%, building in lower production, higher opex, and lower Other Income, besides the slight cut in NRL earnings. We cut Dec-25E TP by ~13% to Rs580 (10x target P/E vs 11x earlier). BUY.

Oil India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	410,260	363,036	356,420	392,208	689,584
EBITDA	152,551	125,042	113,527	131,817	164,653
Adj. PAT	87,286	78,560	73,129	84,890	97,021
Adj. EPS (Rs)	53.7	48.3	45.0	52.2	59.6
EBITDA margin (%)	37.2	34.4	31.9	33.6	23.9
EBITDA growth (%)	45.3	(18.0)	(9.2)	16.1	24.9
Adj. EPS growth (%)	55.3	(10.0)	(6.9)	16.1	14.3
RoE (%)	25.3	20.0	14.1	14.7	15.4
RoIC (%)	59.0	49.6	40.9	42.0	27.9
P/E (x)	7.9	8.8	9.4	8.1	7.1
EV/EBITDA (x)	5.5	6.9	7.9	7.1	5.3
P/B (x)	1.8	1.4	1.3	1.1	1.0
FCFF yield (%)	3.4	(1.3)	(8.3)	(0.5)	10.2

Source: Company, Emkay Research

Result Highlights

OIL's crude sales-to-production ratio was 95% vs 96% QoQ, with gas slightly higher at 82% (from 81% QoQ). Crude realization for Q3FY25 stood at USD73.8/bbl, whereas gas realization was slightly down QoQ at ~USD6.8/mmbtu. Employee costs were up 14% YoY and 3% QoQ, at Rs4.7bn (4% above estimate). Other Expenses rose 10% YoY/11% QoQ to Rs12.9bn (1% above estimate). DD&A was up 5% QoQ at Rs5.3bn. Finance cost rose 6% QoQ to Rs2.4bn. Other Income fell 63% YoY to Rs1.9bn and as against our estimate of Rs5bn due to lower dividend income. Total statutory levies were 2% lower than estimated, at Rs13.3bn, mainly on lower royalty. NRL's volume recovered 18% QoQ to 0.81mmt while basic GRM stood at USD2.1/bbl (vs USD2.3 QoQ). Share of loss from associates/JVs in consolidated accounts was Rs1.36bn in Q3FY25 vs profit of Rs2.26bn QoQ. Consolidated adj EPS for Q3 was down 43% YoY/34% QoQ at Rs8.2. The Board declared a second interim dividend of Rs7/sh, with ex-dividend date of 17-Feb-2025.

Management KTAs

OIL's production has been hit by gas sales seasonality and shutdown, which also affect associated oil and condensate production. The company is attempting to mitigate this by laying more pipelines and seeking underground storage. Two more areas/fields have been added to the Mission 4+ project. OIL aims to achieve ~3.5mmt/tpa crude production in FY25; it targets 3.6mmt/tpa in FY26 and touching 4mmt/tpa by FY27. In gas, FY25/26 target is 3.3/4.0bcm, with 5bcm production by FY28. DNPL expansion is ongoing which would raise capacity to +2.5mmscmd from 1mmscmd now, with Phase 1 to be completed by Mar-25 and Phase 2 by Mar-26. OIL is positive on NWG, and expects a large portfolio in coming 2 years. NRL expansion has achieved 78% physical progress as of end-Q3FY25, and is on schedule for completion by Dec-25.

Valuation

We value OIL on SOTP basis, comprising of SA and NRL numbers, using DCF methodology; investments are valued at our TP/BV with 30% holdco discount. We rollover to Dec-26E earnings. Key risks: Adverse oil and gas prices, policy issues, local tensions, cost overruns, outages, and dry holes.

Target Price – 12M	Dec-25
Change in TP (%)	(12.7)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	36.8
CMP (07-Feb-25) (Rs)	424.3

Stock Data	Ticker
52-week High (Rs)	768
52-week Low (Rs)	296
Shares outstanding (mn)	1,626.6
Market-cap (Rs bn)	690
Market-cap (USD mn)	7,893
Net-debt, FY25E (Rs mn)	204,080
ADTV-3M (mn shares)	3
ADTV-3M (Rs mn)	1,519.5
ADTV-3M (USD mn)	17.4
Free float (%)	33.0
Nifty-50	23,560
INR/USD	87.4
Shareholding, Dec-24	
Promoters (%)	56.7
FPIs/MFs (%)	9.4/17.3

Price Performance

(%)	1M	3M	12M
Absolute	(10.6)	(19.1)	30.5
Rel. to Nifty	(10.0)	(16.9)	21.5

1-Year share price trend (Rs)



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Exhibit 1: Actuals vs Estimates (Q3FY25)

Standalone (Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	52,397	54,034	53,785	-3%	-3%	Lower oil sales/production and oil-gas realizations
Adjusted EBITDA	21,327	22,545	23,586	-5%	-10%	Lower revenue
EBITDA Margin	40.7%	41.7%	43.9%	-102bps	-315bps	
Adjusted Net Profit	12,218	15,115	16,745	-19%	-27%	Higher D/A and finance cost and lower other income

Source: Company, Emkay Research

Exhibit 2: Quarterly Summary

Rs mn (Standalone)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY	QoQ	9MFY24	9MFY25	YoY
Revenue	58,150	57,567	58,397	55,190	52,397	-10%	-5%	163,731	165,983	1%
COGS+OPEX	18,238	17,795	14,319	16,874	17,758	-3%	5%	40,583	48,952	21%
Statutory Levies	18,855	16,416	19,417	16,483	13,311	-29%	-19%	52,452	49,212	-6%
Survey+Dry Wells	-	-	-	-	-			-	-	
EBITDA	21,058	23,357	24,660	21,832	21,327	1%	-2%	70,696	67,819	-4%
DD&A	4,992	4,551	4,558	5,036	5,268	6%	5%	13,200	14,862	13%
EBIT	16,065	18,806	20,102	16,796	16,059	0%	-4%	57,496	52,957	-8%
Finance Charges	1,814	1,893	1,970	2,299	2,442	35%	6%	5,708	6,711	18%
Other Income	5,080	8,332	1,617	8,556	1,886	-63%	-78%	15,513	12,060	-22%
Exceptional Items	-	-	-	-	-			-25,091	-	
PBT	19,331	25,244	19,750	23,054	15,503	-20%	-33%	42,210	58,306	38%
Total Tax	3,489	4,956	5,082	4,713	3,285			6,980	13,079	87%
PAT	15,843	20,288	14,668	18,341	12,218	-23%	-33%	35,230	45,227	28%
Adjusted PAT	15,843	20,288	14,668	18,341	12,218	-23%	-33%	52,153	45,227	-13%
Adjusted EPS (Rs)	9.7	12.5	9.0	11.3	7.5	-23%	-33%	32.1	27.8	-13%
Crude Production (mmt)	0.86	0.85	0.87	0.88	0.87	1%	-1%	2.51	2.61	4%
Gas Production (bcm)	0.82	0.81	0.82	0.80	0.83	1%	4%	2.38	2.45	3%
NB Gross Oil Realisation (USD/bbl)	84.1	84.3	84.9	79.3	73.8	-12%	-7%	82.6	79.3	-4%
NB Net Oil Realisation (USD/bbl)	84.1	84.3	84.9	79.3	73.8	-12%	-7%	82.6	79.3	-4%
NB Gas Realisation (Rs/scm)	20.9	20.5	21.0	20.6	20.3	-3%	-2%	20.6	20.6	0%
Net Debt	96,185	76,815	92,338	52,294	101,649	6%	94%	96,185	101,649	6%
Capex (Cumulative/Annual)	-	39,164	-	20,829	-			-	-	
NRL Volumes (mmt)	0.85	0.81	0.76	0.68	0.81	-5%	18%	1.70	2.26	33%
NRL Basic GRMs (USD/bbl)	12.7	13.3	6.4	2.3	2.1	-83%	-7%	13.1	3.6	-72%
NRL Repoprted EBITDA	12,182	10,989	7,337	3,989	6,567	-46%	65%	22,976	17,892	-22%
NRL Reported PAT	8,587	6,435	4,305	1,751	3,854	-55%	120%	15,167	9,909	-35%
NRL Capex	24,500	26,480	19,900	22,380	NA			59,370	NM	

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

Concall KTAs

Production and Operations

- Oil India's production is impacted by gas sales seasonality and shutdown, which also affect associated oil and condensate production. The company is looking to mitigate it not just by setting more local pipelines (20km connected), but underground gas storage too, with one being already looked at in the Naharkatiya area. OIL has drilled the deepest onshore well at 5.8km and is producing 40klpd oil there.
- The Mission 4+ project, which has identified 5 high potential areas for accelerated drilling, has seen one area under-performing (drilling problems, depleting fields) but two more new areas (Barekuri and Sesa Bill) have been identified where drilling is ongoing; this should boost output going ahead (to 3.6-3.7mmtpa).
- The 2 new areas (fields)—Barekuri and Sesa Bill—will have 15 wells and 3-4 wells to be drilled, respectively, besides the ongoing work at the existing 5. In Khumchai, 2 rigs would be set up simultaneously. OIL has also entered the North Brahmaputra bank where it has identified hydrocarbons (oil is being tested for the first time, with a petroleum system being put in place). Seismic and geological studies are already complete, and drilling can be directly commenced. The company is looking to start work in more such areas nearby.
- A gas pipeline from Arunachal Pradesh to Kusijan station (central GGS) is already in place; this could help monetize 1mmscmd of potential gas. In Rajasthan too, G&G and petroleum system modelling studies are under way, with international consultants being roped in.
- OIL aims to achieve 3.48-3.5mmtpa crude production in FY25, while the FY26 target is 3.6mmtpa and it plans to touch 4mmtpa by FY27. In gas, FY25/26 target is 3.3/3.8-4.0bcm while 5bcm production would be achieved by FY28. OIL is seeing aggressive exploration in new areas/fields.
- The company also needs approval from the MOPNG, for increasing gas output allocation to customers, and has applied for this with the government.

Gas Pipelines and Sales

- DNPL expansion is ongoing which would raise the pipeline's capacity to 2.5-2.75mmscmd from 0.9-1mmscmd now. Expansion would happen in a phased manner: Ph-1 of 63-68km to be completed by Mar-25, and Ph-2 of 53-119km by Mar-26, with total capex of Rs2.33bn. The expansion is synced with the NRL expansion, and the refinery will draw +2.5mmscmd gas vs 0.9mmscmd currently.
- The IGGL (NE Gas Grid) proposal to directly connect Duliajan (3.3mmscmd capacity, 42-inch pipeline) has been approved by the MOPNG, and is now with the PNGRB for authorization, which can come any time; post which construction of the pipeline would take 1.5 years. The Kharsang field will also be connected by a 80km pipeline through Changlang district. The Khumchai field is already connected. IGGL will connect various CGDs in the northeast and help AGCL expand to middle- and lower-Assam as well as the north bank.
- OIL's current gas sale is 1.35mmscmd to BCPL, 1mmscmd to NRL, 1.4mmscmd to NEEPCO (power), 1.16mmscmd to APDCL (Assam discom: 2 plants in Namrup and Lakwa), 1.1mmscmd to BVFCL (fertilizer), 0.5mmscmd to APL (petchem), 0.3mmscmd to AOD (IOCL), 0.1-0.15mmscmd to GAIL and other industries, and 0.723mmscmd to ~650 tea gardens through AGCL. AGCL has the ability to double the number of tea gardens by connecting outside upper-Assam; discussions are ongoing with regard to this. New fertilizer plants announced (Budget: +1mmtpa capacity) can pull up sector sales to 2.3mmscmd.
- OIL is positive on NWG, for which a large portfolio will come in the next 2 years, with major share in gas production. The company has submitted volume estimate to the DGH, which has vetted the quantity recently; now, MOPNG approval is awaited which should come soon and likely coincide with the DNPL augmentation and NRL expansion.

NRL

- NRL's GRMs are down YoY in 9M, as benchmarks are also down besides inventory adjustments (loss of ~USD2/bbl), with 9MFY25 core GRM at USD5.74/bbl, on which excise duty benefit of USD18/bbl is to be added; this totals to USD24/bbl.

- NRL expansion has achieved 78% overall physical progress as of Q3FY25-end, with major units seeing 90% progress. This is on schedule for mechanical completion by Dec-25 which will be followed by stabilization, with year-1 utilization likely at 50-60%, 75% thereafter, and eventually 100%. Capex incurred was Rs230bn with Rs120bn of project debt.
- The Paradip Numaligarh crude pipeline is under construction, along with the Numaligarh Siliguri product pipeline (90% done), and these pipelines will commission along with the NRL expanded capacity.
- The Rs72bn petchem project will take >3 years to complete, with Dec-28 being the target. Rs9.9bn has been spent so far, but the project is going slower now as the refinery expansion would commission first. All approvals, including EC, have been received though.
- The existing NRL unit would not have any major shutdown, as it is different from the new unit, which is commissioning. No major shutdown of NRL is expected, as of now.

Others

- OIL is adding more and more acreage through OALP, with 6-7x increase in the last few years (>0.1mn sqkm post the recent OALP round). OIL would be aggressive in exploration here. In Andaman blocks (ie two blocks) exploration has started, and a well has been spudded, with 4 total locations identified. It is a 3.5km reservoir. Three more wells would be drilled. The company is expanding into other new acreages like Mahanadi, Gujarat-Cambay, etc.
- The company is looking at partnerships with international players wrt technology, PI, and knowledge. A TSA has been signed with TotalEnergies for deepwaters and advanced stage discussions are ongoing with other players.
- OIL has been able to reduce flaring (0.2mmscmd) by connecting remote installations with pipelines, besides setting new compressor facilities in 11 sites, through which low pressure gas can be tapped and put in the distribution system. The first compressor would come by Mar-25. In %age terms, flaring has reduced from 8% to 4% now, and would reduce to 1-1.5% in FY26. It is part of the company's green efforts.
- Other Income was down in 9MFY25 as dividend income was Rs6.9bn vs Rs11-12bn YoY. NRL was Rs1.8bn vs Rs1.64bn YoY, but IOCL gave Rs3.1bn – lower YoY. This time around, the company did not receive any dividend income from the Singapore subsidiary vs Rs2.09bn last year, nor any payouts from BCPL or DNPL. Seismic cost was Rs5.35/2.10bn in 9M/Q3FY25 vs Rs3.90/1.25bn YoY.

Exhibit 3: Change in assumptions

	FY25E			FY26E			FY27E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Brent (USD/bbl)	80.0	80.0	0%	80.0	80.0	0%	80.0	80.0	0%
USD/Re	83.5	84.5	1%	83.5	87.0	4%	83.5	87.0	4%
Net Oil Realization (USD/bbl)	78.0	77.3	-1%	78.5	77.4	-1%	79.0	77.5	-2%
Gas Realization (Rs/scm)	20.5	20.7	1%	22.2	22.8	3%	23.4	24.1	3%
Crude Oil Production (mmt)	3.5	3.5	-1%	3.7	3.7	-1%	3.9	3.8	-1%
Natural Gas Production (bcm)	3.4	3.3	-3%	3.6	3.4	-4%	3.8	3.8	-1%
Total Production Growth	5.5%	3.5%	-203bps	5.9%	5.0%	-88bps	4.9%	6.9%	199bps
NRL Throughput (mmt)	2.9	2.9	0%	3.0	3.0	0%	6.3	6.3	0%
NRL Book GRM (USD/bbl)	23.0	21.8	-5%	24.0	22.4	-7%	23.0	22.4	-3%

Source: Company, Emkay Research

Exhibit 4: Change in estimates

Consolidated (Rs mn)	FY25E			FY26E			FY27E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	355,399	356,420	0%	380,629	392,208	3%	661,671	689,584	4%
EBITDA	123,830	113,527	-8%	140,355	131,817	-6%	167,218	164,653	-2%
EBITDA margin	34.8%	31.9%	-299bps	36.9%	33.6%	-327ps	25.3%	23.9%	-139bps
APAT	82,834	73,129	-12%	93,931	84,890	-10%	102,405	97,021	-5%
Adj EPS (Rs)	50.9	45.0	-12%	57.7	52.2	-10%	63.0	59.6	-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 (Dec-26E to Dec-37E)	427,895
Risk Premium	5.3%	Terminal Value	798,820
Beta	0.85	PV of TV	228,335
Cost Of Equity	11.5%	Total Value	656,230
Cost Of Debt	8.5%	Less: Net Debt (Dec-25E)	51,598
Post Tax Cost Of Debt	6.4%	Equity Value	604,632
Average Debt:Equity Ratio	0.1	No of shares O/S (mn)	1,627
WACC	11.0%	Fair Value of Oil India SA (Rs)	372
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 (Dec-26E to Dec-37E)	304,057
Risk Premium	5.3%	Terminal Value	615,438
Beta	0.85	PV of TV	195,907
Cost Of Equity	11.5%	Total Value	499,964
Cost Of Debt	8.5%	Less: Net Debt (Dec-25E)	164,848
Post Tax Cost Of Debt	6.4%	NRL's 100% Equity Value	335,116
Average Debt:Equity Ratio	0.4	NRL's Equity Value to OIL	233,341
WACC	10.0%	No of shares O/S (mn) - OIL	1,627
Terminal Growth Rate	0.0%	Fair Value of NRL (Rs)	143

Source: Company, Emkay Research

Exhibit 7: SOTP-based Valuation – Dec-25E

Components (Rs mn)	Basis	Dec-25E Equity Val	Value/sh (Rs)	Comments
Oil India - Standalone	DCF	604,632	372	WACC/TvG at 11%/0%
NRL (69.6% Stake)	DCF	233,341	143	WACC/TvG at 10%/0%
Mozambique Upside	DCF	-	-	
Core Business Valuation		837,973	515	
Value of Investments	TP/BV	106,029	65	At 30% HoldCo Discount
Target Price-Fair Value		944,002	580	

Source: Company, Emkay Research

Exhibit 8: Schedule and value of investments (Dec-25E Valuation)

Listed+Unlisted	Type	Basis of Valuation	TP/CMP (Rs)	Equity Value (Rs bn)	Oil India Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contri to SOTP (Rs bn)	Per Share Value (Rs)
IOCL	Financial	TP (Emkay)	160	2,259	5.2%	117	30%	82	50
OIL International Pte (Russia)	Subsidiary	BV		35	100.0%	35	30%	24	15
Total						151		106	65

Source: Company, Emkay Research

Exhibit 9: P/E-based valuation

	FY22	FY23	FY24	FY25E	FY26E	FY27E
Consol EPS (Rs)	34.6	53.7	48.3	45.0	52.2	59.6
Target P/E (x)						10.0
TP - Dec-25E (Rs)						580

Source: Company, Emkay Research

Oil India: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	410,260	363,036	356,420	392,208	689,584
Revenue growth (%)	36.7	(11.5)	(1.8)	10.0	75.8
EBITDA	152,551	125,042	113,527	131,817	164,653
EBITDA growth (%)	45.3	(18.0)	(9.2)	16.1	24.9
Depreciation & Amortization	19,469	21,290	24,020	26,706	35,745
EBIT	133,082	103,752	89,507	105,110	128,908
EBIT growth (%)	53.4	(22.0)	(13.7)	17.4	22.6
Other operating income	7,323	13,429	19,975	22,234	25,019
Other income	7,323	13,429	19,975	22,234	25,019
Financial expense	9,009	9,637	9,383	9,015	18,579
PBT	131,396	107,544	100,100	118,329	135,348
Extraordinary items	0	(8,446)	0	0	0
Taxes	32,895	18,655	23,615	29,819	34,108
Minority interest	11,258	6,454	4,270	4,580	5,228
Income from JV/Associates	43	4,571	914	960	1,008
Reported PAT	87,286	78,560	73,129	84,890	97,021
PAT growth (%)	55.3	(10.0)	(6.9)	16.1	14.3
Adjusted PAT	87,286	78,560	73,129	84,890	97,021
Diluted EPS (Rs)	53.7	48.3	45.0	52.2	59.6
Diluted EPS growth (%)	55.3	(10.0)	(6.9)	16.1	14.3
DPS (Rs)	13.3	10.5	15.4	18.1	20.7
Dividend payout (%)	24.8	21.7	34.2	34.6	34.7
EBITDA margin (%)	37.2	34.4	31.9	33.6	23.9
EBIT margin (%)	32.4	28.6	25.1	26.8	18.7
Effective tax rate (%)	25.0	17.3	23.6	25.2	25.2
NOPLAT (pre-IndAS)	99,765	85,755	68,391	78,622	96,423
Shares outstanding (mn)	1,084.4	1,084.4	1,626.6	1,626.6	1,626.6

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	131,396	107,544	100,100	118,329	135,348
Others (non-cash items)	37,185	54,441	12,513	12,527	28,297
Taxes paid	(33,422)	(26,791)	(23,615)	(29,819)	(34,108)
Change in NWC	(21,097)	(6,778)	1,213	14,496	19,329
Operating cash flow	114,104	109,331	90,211	115,534	148,867
Capital expenditure	(85,246)	(120,628)	(164,067)	(120,150)	(60,150)
Acquisition of business	0	0	0	0	0
Interest & dividend income	5,059	11,195	19,975	22,234	25,019
Investing cash flow	(91,314)	(126,012)	(149,578)	(115,469)	(52,820)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	7,095	45,472	19,595	(10,000)	(37,000)
Payment of lease liabilities	(2,172)	(2,974)	(2,974)	(2,974)	(2,974)
Interest paid	(8,266)	(8,619)	(9,383)	(9,015)	(18,579)
Dividend paid (incl tax)	(24,940)	(21,035)	(25,856)	(30,182)	(32,355)
Others	22,412	25,643	46,272	6,405	8,087
Financing cash flow	(3,700)	41,461	30,629	(42,793)	(79,847)
Net chg in Cash	19,090	24,780	(28,738)	(42,727)	16,200
OCF	114,104	109,331	90,211	115,534	148,867
Adj. OCF (w/o NWC chg.)	93,007	102,553	91,424	130,030	168,197
FCFF	28,859	(11,297)	(73,856)	(4,616)	88,717
FCFE	24,909	(9,738)	(63,264)	8,603	95,157
OCF/EBITDA (%)	74.8	87.4	79.5	87.6	90.4
FCFE/PAT (%)	28.5	(12.4)	(86.5)	10.1	98.1
FCFF/NOPLAT (%)	28.9	(13.2)	(108.0)	(5.9)	92.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	10,844	10,844	16,266	16,266	16,266
Reserves & Surplus	373,971	472,546	535,215	583,954	644,210
Net worth	384,815	483,390	551,481	600,220	660,477
Minority interests	33,711	42,867	47,137	51,717	56,945
Deferred tax liability (net)	33,178	32,000	30,078	29,808	29,565
Total debt	188,318	240,405	260,000	250,000	213,000
Total liabilities & equity	640,021	798,661	888,696	931,745	959,986
Net tangible fixed assets	164,317	181,667	194,557	240,025	549,239
Net intangible assets	2,323	5,437	5,437	5,437	5,437
Net ROU assets	3,836	4,956	4,956	4,956	4,956
Capital WIP	130,040	213,415	313,814	361,790	76,981
Goodwill	0	0	0	0	0
Investments [JV/Associates]	290,412	352,094	352,450	359,349	366,387
Cash & equivalents	41,430	65,528	55,920	2,862	32,885
Current assets (ex-cash)	106,472	98,433	176,287	127,339	204,356
Current Liab. & Prov.	98,809	122,867	214,725	170,013	280,255
NWC (ex-cash)	7,663	(24,435)	(38,438)	(42,674)	(75,899)
Total assets	640,021	798,661	888,696	931,745	959,986
Net debt	146,887	174,878	204,080	247,138	180,115
Capital employed	640,021	798,661	888,696	931,745	959,986
Invested capital	178,140	167,625	166,512	207,744	483,733
BVPS (Rs)	236.6	297.2	339.0	369.0	406.0
Net Debt/Equity (x)	0.4	0.4	0.4	0.4	0.3
Net Debt/EBITDA (x)	1.0	1.4	1.8	1.9	1.1
Interest coverage (x)	0.1	0.1	0.1	0.1	0.1
RoCE (%)	24.0	16.3	13.0	14.0	16.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	7.9	8.8	9.4	8.1	7.1
P/CE(x)	6.5	6.4	7.1	6.2	5.2
P/B (x)	1.8	1.4	1.3	1.1	1.0
EV/Sales (x)	2.1	2.4	2.5	2.4	1.3
EV/EBITDA (x)	5.5	6.9	7.9	7.1	5.3
EV/EBIT(x)	6.3	8.3	10.0	8.9	6.8
EV/IC (x)	4.7	5.2	5.4	4.5	1.8
FCFF yield (%)	3.4	(1.3)	(8.3)	(0.5)	10.2
FCFE yield (%)	3.6	(1.4)	(9.2)	1.2	13.8
Dividend yield (%)	3.1	2.5	3.6	4.3	4.9
DuPont-RoE split					
Net profit margin (%)	21.3	24.0	20.5	21.6	14.1
Total asset turnover (x)	0.7	0.5	0.4	0.4	0.7
Assets/Equity (x)	1.7	1.7	1.6	1.6	1.5
RoE (%)	25.3	20.0	14.1	14.7	15.4
DuPont-RoIC					
NOPLAT margin (%)	24.3	23.6	19.2	20.0	14.0
IC turnover (x)	0.0	0.0	0.0	0.0	0.0
RoIC (%)	59.0	49.6	40.9	42.0	27.9
Operating metrics					
Core NWC days	40.9	52.4	70.2	49.0	47.7
Total NWC days	40.9	52.4	70.2	49.0	47.7
Fixed asset turnover	1.4	1.1	0.9	0.9	1.0
Opex-to-revenue (%)	62.8	65.6	68.1	66.4	76.1

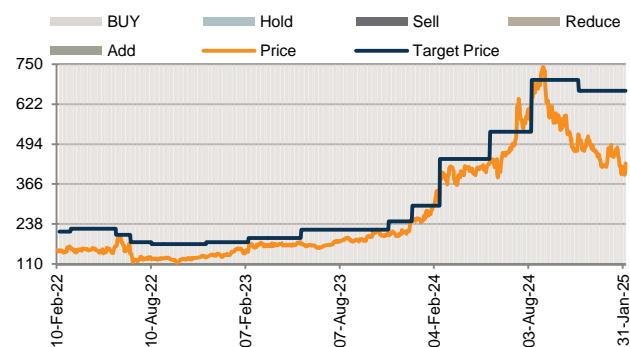
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
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
09-Nov-23	202	247	Buy	Sabri Hazarika
09-Aug-23	184	220	Buy	Sabri Hazarika
05-Jun-23	169	220	Buy	Sabri Hazarika
25-May-23	174	220	Buy	Sabri Hazarika
13-Feb-23	161	193	Buy	Sabri Hazarika
06-Dec-22	141	180	Buy	Sabri Hazarika
01-Dec-22	138	180	Buy	Sabri Hazarika
24-Nov-22	131	180	Buy	Sabri Hazarika
02-Oct-22	116	173	Buy	Sabri Hazarika
07-Sep-22	130	173	Buy	Sabri Hazarika
11-Aug-22	125	173	Buy	Sabri Hazarika
15-Jul-22	122	180	Buy	Sabri Hazarika
02-Jul-22	143	180	Buy	Sabri Hazarika
28-Jun-22	166	203	Buy	Sabri Hazarika
04-Jun-22	167	203	Buy	Sabri Hazarika
22-May-22	160	223	Buy	Sabri Hazarika
01-Apr-22	159	223	Buy	Sabri Hazarika
09-Mar-22	162	223	Buy	Sabri Hazarika
15-Feb-22	150	213	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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REDUCE	5% upside to 15% downside
SELL	<15% downside

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