Oil India

Project execution is a key monitorable

We maintain BUY on Oil India (OIL) with a revised TP of INR 568 per share. In the next three years, company's earnings will be led by (i) gradual ramp-up in NRL's refinery crude throughput and (ii) increase in natural gas sales volumes. NRL's 6mmtpa expansion project should be commissioned by Q3FY27-end along with crude supply pipeline, PNCPL from Paradip, Odisha. The refinery crude throughput should gradually increase to 6.1mmtpa by end of FY28E and further to 7.6mmtpa in FY29E. Along with its JV partner, OIL is investing in pipelines that should enable it to connect with customers in the northeast states and with national gas grid. OIL's natural gas production is restricted owing to lack of pipeline connectivity. The company has ~125bcm of natural gas reserves but demand is low and seasonal in the northeast. As a result, production is a constraint. OIL India is expanding pipeline connectivity and augmenting natural gas processing facilities, which should ramp up production from 3.1bcm (8.7mmscmd) in FY26 to 4.0bcm (10.1mmscmd) in FY29E.

Further, NRL is setting up a 0.4mmtpa petrochemical complex for an investment of INR 72-73bn. It is also investing in supporting marketing infrastructure for refinery products. It will continue to enjoy excise duty benefits on the entire refinery production. Operational catalysts across both upstream and downstream businesses shall drive earnings. However, we remain cautious about project execution. Commissioning of expanded capacity of NRL and further ramp-up in crude throughput hinges upon timely completion of crude supply pipeline. Increase in gas sales volumes subject to timely completion of pipeline connectivity with national gas grid and ramp-up in NRL production. Thus, project execution is a strategic imperative. We value OIL's standalone business at INR 354/share (6.5x Sep-27E EPS) and investments at INR 214/share, resulting in a target price of INR 568/share.

Strengthening gas processing infrastructure

Natural gas production is likely to rise from 3.1bcm (8.7mmscmd) currently to 4.0bcm (10.1mmscmd). The Baghjan Field Gas Gathering Station (FGGS) will support this. Currently, this field is producing ~1.8mmscmd and gas is being treated at Early Production System (EPS) or Quick Production Setup (QPS) around the producing well. The company is setting up a permanent gas treatment facility at Baghjan for regulatory compliance as well as handling large gas volumes.

At Baghjan, the FGGS facility was set up for an investment of INR4.24bn. It can handle 5mmscmd of natural gas, ~1,100 klpd of liquid condensate, and 1,000klpd of treated water. The plant's mechanical completion was over in Jul 2026, while it should be commissioned by Dec 2026.

The project envisages a facility for production of non-associated gas from Baghjan field along with an ETP, gas dehydration plant, non-luminous flare stake, and associated facilities. The Baghjan FGGS facility is spread across 57,000 square meters and connected to 20 high pressure natural gas wells in the Baghjan field. This installation receives gas along with condensate and water from various wells in the field. At the installation, primary physical methods are used to separate condensate and water from natural gas. It receives effluent water from a nearby EPS. The water is treated in the ETP, and the treated water is disposed back into the reservoir via disposal wells.

Baghjan FGGS, along with Barekuri and Chabua, is equipped to handle gas treatment. OIL is ready with production, reservoirs, production wells to ramp up production. Once the evacuation infrastructure is completed and treatment facility is commissioned by Dec 2026, gas production should increase.

BUY

CMP *(as on 07 Sep 2026)*	**INR 487**
Target Price	**INR 568**
NIFTY	**23,779**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 602	INR 568
EPS change	**FY27E**	**FY28E**
	+45.4%	+25.4%

KEY STOCK DATA	
Bloomberg code	OINL IN
No. of Shares (mn)	1,627
MCap (INR bn) / ($ mn)	792/8,383
6m avg traded value (INR mn)	2,382
52 Week high / low	INR 531/390

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	0.8	0.5	22.9
Relative (%)	(1.8)	4.0	28.5

SHAREHOLDING PATTERN (%)

	Mar-26	**Jun-26**
Promoters	56.66	56.66
FIs & Local MFs	19.44	20.14
FPIs	7.67	7.28
Government	9.87	9.87
Public & Others	6.36	6.06
Pledged Shares	0.00	0.00

Source: BSE

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Financial summary (Consolidated)

Year Ending March (Rs mn)	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	128.9	100.1	28.7	87.5	47.3	361.6	370.5	600.2	695.4	804.3
EBITDA	57.9	32.8	76.6	23.5	146.4	112.2	104.5	210.6	196.7	192.2
APAT	36.3	21.0	72.9	19.0	91.4	65.5	66.2	136.9	110.9	103.8
Diluted EPS (Rs)	22.3	12.9	72.9	11.7	91.4	40.3	40.7	84.2	68.2	63.8
P/E (x)						12.0	11.9	5.8	7.1	7.6
EV / EBITDA (x)						9.5	11.1	5.5	5.9	5.8
RoE (%)						13.4	12.3	20.9	14.0	11.5

Source: Company, HSIE Research

Change in estimates

Y/E Mar	FY27E Old	FY27E New	% Ch	FY28E Old	FY28E New	% Ch
EBITDA (INR bn)	169.4	210.6	24.3	169.0	196.7	16.4
Adj. EPS (INR/sh)	57.9	84.2	45.4	54.4	68.2	25.4

Source: Company, HSIE Research

HSIE vs Consensus estimates

Y/E Mar	FY27E HSIE	FY27E Consensus	% Deviation	FY28E HSIE	FY28E Consensus	% Deviation
EBITDA (INR bn)	210.6	163.9	28.5	196.7	186.3	5.6
Adj. EPS (INR/sh)	84.2	58.7	43.4	68.2	63.3	7.7

Source: Company, HSIE Research, Bloomberg.

SOTP valuation table

SOTP valuation	Unit	Sep-27E
Value of core business		
EPS	Rs/share	59.3
Less: Dividend income	Rs/share	4.8
Net earnings	Rs/share	54.5
PE multiple	(x)	6.5
Value of core business	**Rs/share**	**354**
Value of investments		
IOCL @25% discount	Rs/share	87.9
NRL	Rs/share	86.0
Other investment	Rs/share	40.1
Total value of investments	**Rs/share**	**214**
PER based target price	**Rs/share**	**568**

Source: Company, HSIE Research

Pipeline connectivity to national grid will boost production

OIL's natural gas production is limited due to lack of pipeline connectivity. The company has ~125bcm of natural gas reserves but demand is low and seasonal in the northeast. As a result, production is a constraint. Currently, Numaligarh Refinery (NRL) is off-taking ~0.6mmscmd of natural gas through DNPL (Duliajan-Numaligarh gas pipeline) for its existing 3mmtpa refinery operation. NRL's natural gas requirement will increase gradually from Jan 2027 onwards with commissioning of refinery operation. The incremental gas demand will be ~1.5mmscmd by FY28-end for the 6mmtpa incremental refinery capacity.

DNPL capacity has doubled from 1.2mmscmd to 2.5mmscmd. Mechanical completion was achieved last fiscal while the pipeline will be commissioned this year along with refinery commissioning. DNPL pipeline will be connected to Indradhanush Gas Grid Ltd (IGGL). Once the DNPL is connected with IGGL and national gas grid, it will enable the company to connect with more customers.

Further, Petroleum and Natural Gas Regulatory Board (PNGRB) has approved Duliajan Feeder Line (DFL) for dedicated IGGL hook-up for OIL's gas output through Northeast Gas Grid (NEGG). IGGL is executing this project which is expected to be commissioned by FY28E. DFL will connect prolific upper Assam gas-producing hub with the Northeast Gas Grid, which will significantly enhance gas transportation capacity and enable efficient market connectivity.

Crude oil production gradually ramping up to 4mmtpa

The company has 90 million tonnes of oil equivalent (mmtoe) of crude oil 2P reserves as of Mar 2026, of which 69mmtoe are domestic. OIL will be drilling ~100 wells, which includes onshore as well as offshore, of which the company has drilled 17 wells in Q1. Currently, oil production has improved to more than 11,000mtpd and is on track to achieve crude oil production of 4mmtpa in FY27.

Unlocking growth via refining, petrochemicals, pipeline infra

Numaligarh Refinery Ltd (NRL) is executing a massive capacity expansion backed by an active capex pipeline of ~INR 500bn (~USD 5bn) across 4 key verticals: 1) Refinery Expansion (NREP), 2) Pipelines & Infrastructure, 3) Petrochemicals (PPU), and 4) Bio-Refinery Integration. These projects will be financed via a 70:30 debt-to-equity ratio, backed by a consortium of 12 banks led by SBI, NaBFID, OIDB, and NCDs.

- **Brownfield refinery expansion (NREP):** NRL is tripling its refining capacity from 3 MMTPA to 9 MMTPA, backed by a total capex outlay of INR 339bn (including pipeline infrastructure). The project is being executed via hybrid EPC/EPCM/BOO model. The refinery facility will be rolled out in two phases: a) Phase 1 (target Dec '26E) will bring online the primary CDU/VDU, Diesel Hydrotreating Unit (DHTU), and core utilities. b) Phase 2 (target Mar '27E) will activate complex secondary units, including India's second ebullient-bed LC-Fining/Resid Block (RPTU), PFCC, GDS, and MSB.

- **Pipelines and infrastructure:**
    a) **Paradip–Numaligarh crude oil pipeline (PNCPL–1,644 kms):** This pipeline is designed to feed NRL's expanded 9 MMTPA refinery. The project is nearing completion, having achieved 99.6% RoU acquisition, 98.4% welding, 1,591kms of lowering, and 1,044kms of hydrotesting. However, the pipeline is facing few temporary blockages due to local resistance across 33 km stretch in Odisha (5.4 kms), West Bengal Phase-1 (6.9 kms), West Bengal Phase-2/Jalpaiguri (10 kms),

and Bihar (2kms). Management has guided mechanical completion by Oct'26, with full commissioning by Mar'27E.

b) **Siliguri–Muzaffarpur–Varanasi pipeline (SMVPL–700kms):** This pipeline is planned to aid post-NREP volumes (specifically MS/HSD), thereby reducing reliance on high-cost rail transports. This route will connect Siliguri–Khagaria (276 kms) to Muzaffarpur (158 kms) to Varanasi (272 kms). With an estimated investment of INR 35bn, the project is expected to generate annual savings of INR 9bn (INR 3.6n from lower rail freight, INR 3bn from reduced Central Sales Tax, and INR 2.4bn from northeast excise benefits). The project is jointly developed by BPCL/OIL and NRL. Detailed Feasibility Report is expected by Jan'27E.

c) **Other pipelines**: 1) Indo-Bangla Friendship Pipeline (IBFPL): This 1.0 MMTPA cross-border pipeline supplies diesel to Bangladesh. Post-NREP, exports will be optimized down to 0.5 MMTPA to redirect higher domestic excise benefits. 2) Numaligarh–Siliguri Product Pipeline (NSPL) – It has a 5.5 MMTPA product pipeline Numaligarh refinery to Siliguri Marketing Terminal. Post NREP, NRL plans to load full ATF rakes to provide greater evaluation flexibility.

- **Petrochemical (Polypropylene-PPU):** NRL is developing 360KTPA Polypropylene Unit (PPU) for a total capex outlay of INR 72-73bn (including INR 45bn for the core units and balance for shared offsites/utilities with NREP). The project expects mechanical completion by Mar'28E (achieved physical progress of 14.6% vs target of 27.8%). NRL aims to raise the Petrochemical Intensity Index (PII) to 10-12% by 2035 (from current 4%), aided by higher propylene capacity, increased PFCC utilization, and evaluating naphtha/distillate crackers of 700 KTPA (it is in the feasibility stage, awaiting board approval).

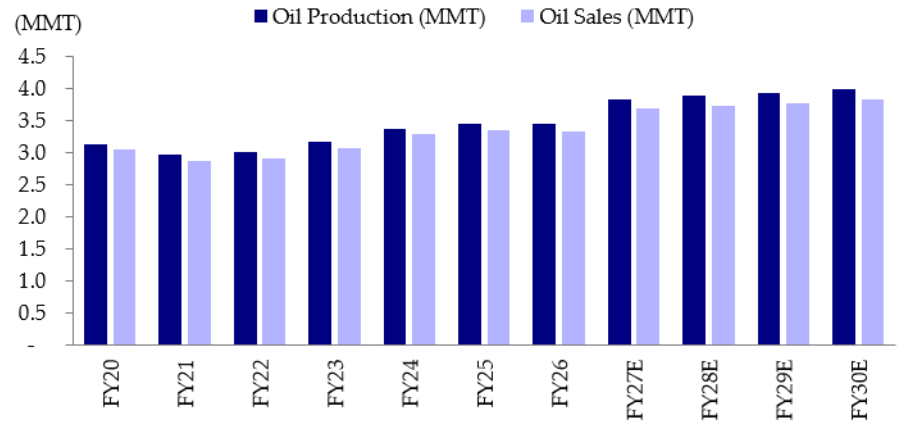
- **Bio-refinery integration:** NRL's 50 KTPA 2G bamboo-based bioethanol plant is in the stabilization phase with integrated operation to normalize in the coming months. This plant is a key enabler of NRL's net-zero target 2038. Further, Rajabari industrial hub (130-acre) will house down-stream/ancillary units using feedstock from the bio-refinery/PPU, creating a local value-added ecosystem.

- **Other key highlights: 1) Revenue target:** NRL is targeting 3x revenue growth over the next 2-3 years to reach USD 8.5bn. **2) Industry 4.0 Hub:** It has been selected by DPE to develop Guwahati as an Industry 4.0 digital hub, connecting 20–25 CPSEs. **3) Evacuation target by 2030:** Road sales to increase from 1.2 to 1.7 MMTPA; rail to initially rise to 4.2MMTPA, then moderate to 1.5MMTPA post-SMVPL pipeline commissioning. **4) Green hydrogen:** 2.4KTPA plant under execution, with another 10 KTPA plant planned under the BOO model. **5) Dhabi Dubi LPG Bottling:** New bottling facility planned with 700KTPA capacity.

Exhibit 1: NRL's key projects, capital expenditure, and execution timelines.

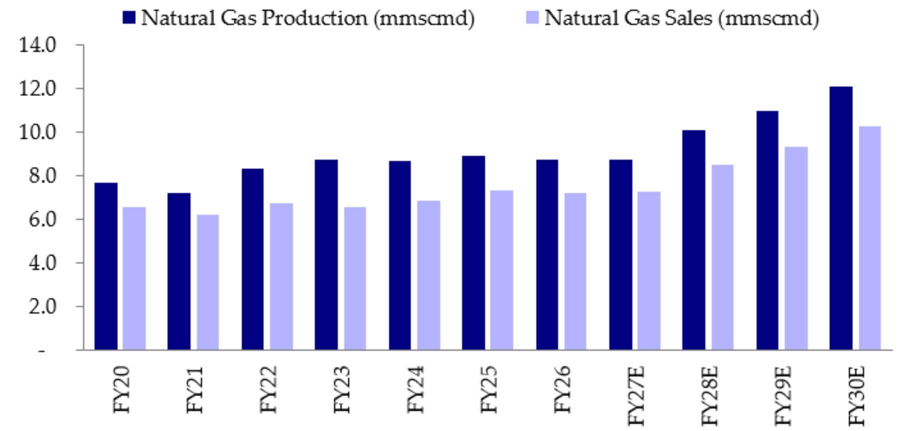
Project/Initiatives	Capex/Budget	Scope/Capacity	Current Status	Target Timeline
Numaligarh Refinery Expansion Project (NREP)	INR 340–350 bn	Expand refining capacity from 3 MMTPA to 9 MMTPA (includes primary CDU/VDU, DHDT, SRU, PFCC & RPTU units).	• CDU & VDU mother units achieved mechanical completion; under OISD & PESO statutory inspections. • DHDT unit ready. • SRU nearing completion.	• Late 2026: SRU completion & DHDT startup. • Late 2026/Early 2027: PFCC & RPTU commissioning. • FY27: Full complex commissioning. • Ramp-up: 50% in Q4FY27E, 75% in late FY28E, 100% by Q2FY29E.
Paradip-Numaligarh Crude Oil Pipeline (PNCPL)	Part of combined capex of INR 460-500 bn	1,644 kms crude pipeline from Paradip (Odisha) to Numaligarh for imported crude.	• 92% physical completion (as of late April 2026). • 99% Right of Use (ROU) acquired.	• Oct 26: Mechanical completion. • Dec 26: Target commissioning.
Duliajan Feeder Line (DNPL)	Part of combined capex of INR 460-500 bn	Connect Northeast gas field to Indradhanush Gas Grid (IGGL)	20% at progress	Mechanical completion expected by FY28E.
Numaligarh-Siliguri Product Pipeline (NSPL)	INR 7.5 bn (below budget of INR 8.6 bn)	Expanded product evacuation pipeline from 1.72 MMTPA to 5.5 MMTPA.	Completed and Operational	• Oct 25: Commissioned. • Mar 26: Formally inaugurated.
Duliajan-Numaligarh Pipeline (DNPL)	Part of combined capex of INR 460-500 bn	Natural gas pipeline capacity expanded from 1.2 MMSCMD to 2.5 MMSCMD for refinery gas.	• Mechanical completion achieved (Nov 2025). • Final commissioning pending scheduled shutdown.	• Requires 7-day refinery shutdown for final hook-up & commissioning.
Petrochemical - Polypropylene Unit (PPU)	INR 72-73 bn	Polypropylene manufacturing diversification (Total 360 KTPA) • Raffia: 190 KTPA • Non-woven spun bond: 90 KTPA • Non-woven melt blown: 25 KTPA • Injection moulding Homopolymer: 55 KTPA	Under execution/ implementation phase.	• End of FY27-28: Commissioning target. • Q2FY28-29: Full capacity operation.
Green Hydrogen Plants	• 2.4 KTPA at INR 1.38 bn (captive unit) • 10 KTPA at INR 279/kg (< USD 3 per kg)	• 2.4 KTPA captive plant to displace grey hydrogen. • 10 KTPA plant via BOO (Build-Own-Operate) mechanism.	• 2.4 KTPA unit under construction. • 10 KTPA project competitive bidding finalized.	2.4 KTPA to be commissioned by end of 2026.
Bamboo-Based 2G Bio-Refinery	Part of combined capex of INR 460-500 bn	India's 1st bamboo 2G bioethanol plant (Golaghat) – 49 KTPA. Products: Green ethanol, furfural, acetic acid, biochar.	Completed and Operational	Sep 25: Inaugurated and operational.
Compressed Biogas (CBG)	N.A.	Mandated by the government to develop 25 compressed biogas (CBG) projects.	• 2 plants under construction (Bhubaneswar & Tinsukia). • 2 plants awarded in Jorhat and Agartala. • Other projects under various stages of DPR/tendering.	Target 25 CBG by FY30E
Assam Valley Fertilizer Corp. (AVFCL)	Investment of INR 5.7bn	18% Joint Venture stake (NRL / Oil India) to supply natural gas to a new fertilizer plant.	Partner investment & supply agreement active.	Ongoing implementation.
Andhra Pradesh Refinery JV (BPCL Project)	Strategic Equity Proposal	Expressed interest in acquiring a 10% stake in BPCL's proposed 12 MMTPA high-end refinery & petrochemical complex.	Expression of interest submitted	Under review/negotiation.

Exhibit 2: Crude oil production/sales CAGR (+4%/+3%, FY26–30E)



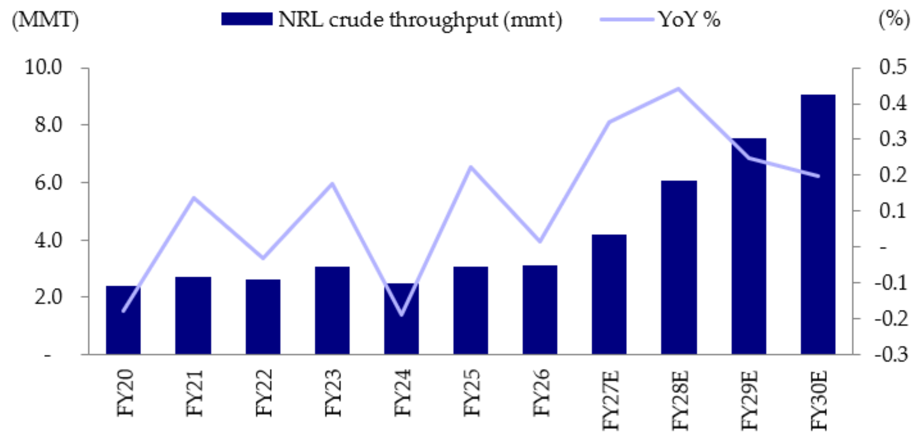
Source: Company, HSIE Research

Exhibit 3: Natural gas production/sales CAGR (+8%/+9%, FY26–FY30E)



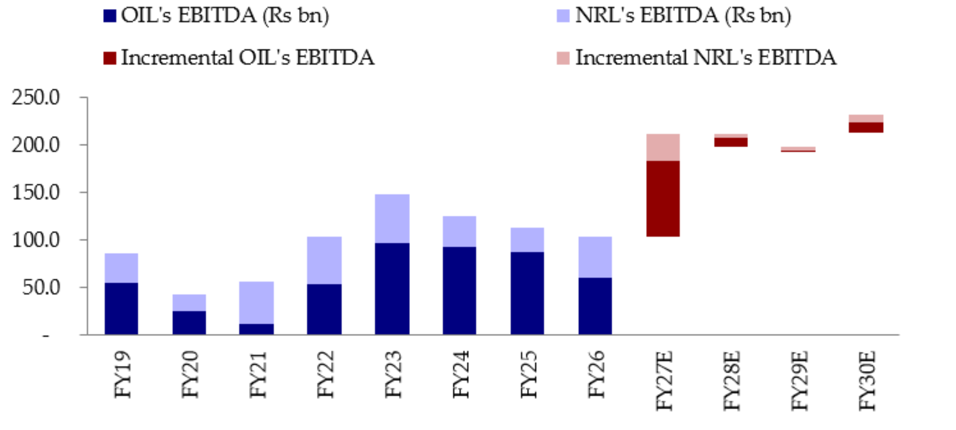
Source: Company, HSIE Research

Exhibit 4: NRL crude throughput CAGR (+31% from FY26–FY30E)



Source: Company, HSIE Research

Exhibit 5: OIL/NRL projected EBITDA CAGR (+24%/+13%, FY26–FY30E)



Source: Company, HSIE Research

Exhibit 6: OIL's standalone EPS sensitivity with oil price realization and USD/INR

OIL's standalone business (FY27E)		Brent price (USD)				
		96.0	95.0	90.0	85.0	80.0
USD/INR	92.0	60.6	59.8	55.5	51.2	47.0
	93.0	61.8	61.0	56.7	52.3	48.0
	94.0	63.1	62.2	57.8	53.5	49.1
	95.2	64.5	63.6	59.2	54.8	50.3
	96.4	65.9	65.0	60.5	56.1	51.6
	98.0	67.9	67.0	62.5	57.9	53.4
	101.0	71.6	70.6	65.9	61.2	56.5

OIL's standalone business (FY28E)		Brent price (USD)				
		96.0	95.0	90.0	85.0	80.0
USD/INR	92.0	60.8	59.9	55.6	51.3	47.0
	93.0	62.1	61.2	56.8	52.5	48.1
	94.0	63.4	62.5	58.0	53.6	49.2
	95.2	64.8	63.9	59.5	55.0	50.5
	96.4	66.3	65.4	60.9	56.4	51.8
	98.0	68.4	67.5	62.9	58.3	53.7
	101.0	72.2	71.3	66.5	61.8	57.0

Source: Company, HSIE Research

Financials (Consolidated)

INCOME STATEMENT

INR bn	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	**363.0**	**361.6**	**370.5**	**600.2**	**695.4**	**804.3**
Growth %	***-11.5***	***-0.4***	***2.4***	***62.0***	***15.8***	***15.7***
Material cost	74.1	75.0	66.5	122.5	222.0	319.3
Statutory Levies						
Employee Cost	22.4	22.3	23.8	25.2	26.5	27.9
Other Expenses	141.5	152.2	175.8	242.0	250.2	264.9
EBIDTA	**125.0**	**112.2**	**104.5**	**210.6**	**196.7**	**192.2**
EBIDTA Margin %	***34.4***	***31.0***	***28.2***	***35.1***	***28.3***	***23.9***
EBIDTA Growth %	***-18.1***	***-10.3***	***-6.9***	***101.6***	***-6.6***	***-2.3***
Depreciation	21.3	23.2	27.1	28.0	40.4	48.4
EBIT	**103.8**	**89.0**	**77.3**	**182.5**	**156.3**	**143.9**
Other Income (Exc. EO Items)	13.4	16.7	19.3	17.4	18.7	20.0
Interest	9.6	10.7	12.0	12.8	32.0	33.8
PBT	**107.5**	**95.0**	**84.6**	**187.1**	**143.0**	**130.1**
Tax	18.7	24.0	20.3	47.2	36.0	32.8
EO (Loss) / Profit (Net Of Tax)	-23.7	0.0		0.0	0.0	0.0
Share of Profit of Associates and Joint Ventures	**4.6**	**-0.6**	**11.2**	**11.2**	**11.2**	**11.2**
Consolidated RPAT	**69.8**	**70.4**	**75.5**	**151.2**	**118.2**	**108.5**
Minority interest	**6.5**	**4.9**	**9.3**	**14.3**	**7.2**	**4.8**
Consolidated APAT	**82.9**	**65.5**	**66.2**	**136.9**	**110.9**	**103.8**
Consol PAT Growth %	*-5.0*	*-21.0*	*1.1*	*106.8*	*-19.0*	*-6.5*
Adjusted EPS (Rs)	51.0	40.3	40.7	84.2	68.2	63.8
EPS Growth (%)	*-5.0*	*-21.0*	*1.1*	*106.8*	*-19.0*	*-6.5*

Source: Company, HSIE Research

BALANCE SHEET

INR bn	FY24	FY25	FY26	FY27E	FY28E	FY29E
SOURCES OF FUNDS						
Share Capital	10.8	16.3	16.3	16.3	16.3	16.3
Reserves And Surplus	472.5	481.4	563.7	714.9	833.1	941.6
Total Equity	**483.4**	**497.7**	**580.0**	**731.2**	**849.3**	**957.8**
Minority Interest	**42.9**	**49.4**	**58.0**	**72.3**	**79.5**	**84.3**
Long-term Debt	194.9	280.3	359.5	436.4	506.4	458.4
Short-term Debt	43.6	20.5	8.9	15.0	21.1	27.1
Total Debt	**238.5**	**300.8**	**368.4**	**451.4**	**527.4**	**485.5**
Deferred Tax Liability	32.0	31.7	31.9	32.4	33.0	33.5
Long-term Provision	13.6	16.3	16.5	1.0	2.0	3.2
TOTAL SOURCES OF FUNDS	**810.4**	**895.9**	**1054.8**	**1288.3**	**1491.3**	**1564.3**
APPLICATION OF FUNDS						
Net Block	192.1	211.7	243.8	479.2	633.6	715.1
Capital WIP	213.4	320.1	415.4	303.0	243.3	188.4
Goodwill on consolidation	0.0	0.0	0.0	0.0	0.0	0.0
LT Loans And Advances	6.2	8.2	19.3	22.2	25.3	29.3
Non-current investments	334.8	309.7	363.5	373.8	383.8	394.0
Non-current assets	7.7	7.7	7.6	8.7	10.0	11.5
Total Non-current Assets	**754.1**	**857.4**	**1049.4**	**1187.0**	**1296.0**	**1338.4**
Inventories	44.9	50.4	54.8	89.7	103.8	119.5
Debtors	33.3	32.8	45.2	79.6	88.2	98.8
Cash and Cash Equivalent	59.4	72.0	56.1	153.1	234.6	252.7
ST Loans And Advances	3.9	10.5	8.8	10.5	12.6	15.1
Other Current Assets	26.0	21.3	24.2	21.4	22.2	23.0
Total Current Assets	**167.4**	**187.1**	**189.0**	**354.3**	**461.4**	**509.1**
Creditors	18.2	24.6	35.4	66.3	81.4	97.1
Other Current Liabilities & Provns	93.0	123.9	148.3	186.7	184.6	186.1
Total Current Liabilities	**111.2**	**148.6**	**183.6**	**253.0**	**266.0**	**283.2**
Net Current Assets	**56.2**	**38.5**	**5.4**	**101.3**	**195.4**	**225.9**
TOTAL APPLICATION OF FUNDS	**810.4**	**895.9**	**1054.8**	**1288.3**	**1491.3**	**1564.3**

Source: Company, HSIE Research

CASH FLOW STATEMENT

INR bn	FY24	FY25	FY26	FY27E	FY28E	FY29E
Reported PBT	107.5	95.0	84.6	187.1	143.0	130.1
Non-operating & EO Items	-32.5	-17.2	-8.1	-6.2	-7.5	-8.8
Interest Expenses	9.6	10.7	12.0	12.8	32.0	33.8
Depreciation	21.3	23.2	27.1	28.0	40.4	48.4
Working Capital Change	25.0	30.3	17.3	1.1	-12.6	-12.5
Tax Paid	-19.8	-24.3	-20.1	-46.6	-35.5	-32.2
OPERATING CASH FLOW (a)	**111.1**	**117.6**	**112.8**	**176.3**	**159.8**	**158.7**
Capex	-126.3	-149.5	-154.5	-151.1	-135.0	-75.0
Free Cash Flow (FCF)	*-15.1*	*-31.9*	*-41.7*	*25.2*	*24.8*	*83.7*
Investments	-59.9	25.1	-53.8	-10.4	-10.0	-10.2
Non-operating Income	13.4	16.7	19.3	17.4	18.7	20.0
Others	6.7	-2.0	-10.9	-4.1	-4.4	-5.6
INVESTING CASH FLOW (b)	**-166.1**	**-109.7**	**-199.9**	**-148.2**	**-130.7**	**-70.8**
Debt Issuance/(Repaid)	51.6	62.3	67.6	83.0	76.0	-41.9
Interest Expenses	-9.6	-10.7	-12.0	-12.8	-32.0	-33.8
FCFE	*26.8*	*19.8*	*13.8*	*95.4*	*68.8*	*8.0*
Share Capital Issuance	0.0	5.4	0.0	0.0	0.0	0.0
Dividend	-25.6	-18.7	-18.7	-35.4	-32.1	-31.8
Others	63.4	-33.6	34.4	34.1	40.4	37.7
FINANCING CASH FLOW (c)	**79.8**	**4.8**	**71.2**	**68.9**	**52.3**	**-69.8**
NET CASH FLOW (a+b+c)	**24.8**	**12.6**	**-15.9**	**97.0**	**81.5**	**18.1**

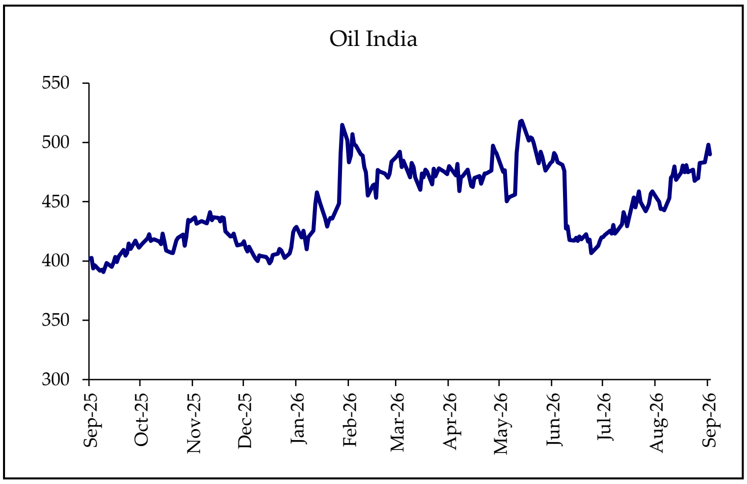
Source: Company, HSIE Research

KEY RATIOS

	FY24	FY25	FY26	FY27E	FY28E	FY29E
PROFITABILITY %						
EBITDA margin	34.4	31.0	28.2	35.1	28.3	23.9
EBIT margin	28.6	24.6	20.9	30.4	22.5	17.9
APAT margin	22.8	18.1	17.9	22.8	16.0	12.9
RoE	19.1	13.4	12.3	20.9	14.0	11.5
RoIC (or Core RoCE)	16.0	12.2	11.4	19.5	13.3	10.8
RoCE	12.4	8.6	7.7	12.5	9.7	8.4
EFFICIENCY						
Tax rate %	17.3	25.2	24.0	25.2	25.2	25.2
Fixed Asset Turnover (x)	1.1	0.9	0.8	0.8	0.8	0.8
Inventory (days)	45.1	50.9	53.9	54.5	54.5	54.2
Debtor (days)	33.5	33.1	44.6	48.4	46.3	44.8
Other Current Assets (days)	30.0	32.2	32.5	19.4	18.2	17.3
Payables (days)	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liab (days)	93.5	125.1	146.1	113.5	96.9	84.4
Cash conversion cycle (days)	15.1	-8.9	-15.1	8.8	22.1	31.9
Net Debt/EBITDA (x)	1.4	2.0	3.0	1.4	1.5	1.2
Net D/E	0.4	0.5	0.5	0.4	0.3	0.2
Interest coverage	10.8	8.3	6.4	14.3	4.9	4.3
PER SHARE DATA (Rs)						
EPS	51.0	40.3	40.7	84.2	68.2	63.8
CEPS	64.1	54.5	57.4	101.4	93.0	93.5
Book Value	297.2	306.0	356.6	449.5	522.1	588.9
DPS	15.8	11.5	11.5	21.8	19.7	19.6
VALUATION						
P/E (x)	9.5	12.0	11.9	5.8	7.1	7.6
P/BV (x)	1.6	1.6	1.4	1.1	0.9	0.8
EV/EBITDA (x)	8.1	9.5	11.1	5.5	5.9	5.8
EV/Revenues (x)	2.8	3.0	3.1	1.9	1.7	1.4
OCF/EV (%)	11.0	11.0	9.7	15.2	13.8	14.4
FCF/EV (%)	-1.5	-3.0	-3.6	2.2	2.1	7.6
FCFE/MCap (%)	3.4	2.5	1.8	12.1	8.7	1.0
Dividend yield (%)	3.2	2.4	2.4	4.5	4.1	4.0

Source: Company, HSIE Research

Price history



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: >10% Downside return potential

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