

August 13, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	581		566	
Sales (Rs bn)	230	256	228	253
% Chng.	1.1	0.9		
EBITDA (Rs bn)	109	130	106	126
% Chng.	3.5	2.9		
EPS (Rs.)	47.6	56.4	45.9	54.8
% Chng.	3.6	3.0		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	221	221	230	256
EBITDA (Rs. bn)	93	88	109	130
Margin (%)	41.8	39.6	47.4	50.7
PAT (Rs. bn)	79	61	77	92
EPS (Rs.)	48.7	37.6	47.6	56.4
Gr. (%)	16.2	(22.8)	26.6	18.6
DPS (Rs.)	10.5	11.5	14.6	17.3
Yield (%)	2.5	2.7	3.4	4.1
RoE (%)	20.2	13.7	16.1	17.0
RoCE (%)	14.8	12.1	14.8	16.4
EV/Sales (x)	3.5	3.5	3.2	2.7
EV/EBITDA (x)	8.4	8.8	6.7	5.3
PE (x)	8.7	11.3	8.9	7.5
P/BV (x)	1.6	1.5	1.4	1.2

Key Data

OILI.BO | OINL IN

52-W High / Low	Rs.768 / Rs.322
Sensex / Nifty	80,236 / 24,487
Market Cap	Rs.691bn / \$ 7,883m
Shares Outstanding	1,627m
3M Avg. Daily Value	Rs.1701.8m

Shareholding Pattern (%)

Promoter's	56.66
Foreign	9.42
Domestic Institution	17.25
Public & Others	16.67
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.7)	1.8	(36.3)
Relative	1.1	(3.3)	(36.8)

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Production growth to remain key monitorable

Quick Pointers:

- Net oil realization stood at USD66.2/bbl, while gas realization came in at USD6.7/mmBtu
- Production target of 3.7mmt of oil and 3.65bcm of gas in FY26

Oil India (OINL) reported decline of 3% QoQ in oil sales while gas sales rose 5% QoQ. Oil price realization declined from USD74.5/bbl in Q4FY25 to USD66.2/bbl during the quarter. The company wrote-off its investments of Rs3.07bn in Bangladesh. Total other expenditure stood at Rs16.9bn against Rs16bn in Q4FY25 and Rs14.5bn in Q1FY25. Due to the higher other expenditure, EBITDA declined 19% QoQ to Rs16.1bn (Ple Rs24.4bn, BBGe Rs22.8bn) despite only 9% decline in sales QoQ. PAT stood at Rs8.1bn (Ple Rs15.2bn, BBGe Rs14.2bn). We build a conservative rise to 3.8mmt of oil and 3.9bcm in FY27E, respectively from 3.4mmt and 3.3bcm in FY25. Given the significant production increase on the horizon, we re-iterate our 'BUY' rating valuing the standalone business at 9x FY27 adj EPS and adding the value of investment in NRL to arrive at our TP of Rs581.

Volume remains the key: In past five years, the company has shown 2% and 3% CAGR in oil and gas production respectively. It maintains long term volume guidance of 4mmt and 5bcm. However, this is subject to expansion of DNPL, completion of IGGL and commissioning of NRL expansion. In the meantime, growth would be aided from reduced flaring and access to mainland. In the meantime, certain shutdowns at consumers like BCPL, BVFCL, LPG plant etc adversely impacted off-take during the quarter.

NRL expansion to be commissioned from Dec'25: Commissioning of Rs300bn NRL expansion is expected to start in Dec'25. The crude pipeline from Paradip to NRL is expected to be completed by Dec'25 too. In H2FY27, the expanded capacity is expected to be 40-45% and is expected to rise to 80% in FY28.

Analyst meet KTAs: **1)** discovered oil in Namrup and commenced production from DSF field in Jaisalmer, **2)** 76% physical completion achieved in NRL expansion and crude pipeline from Paradip to NRL is expected to be commissioned by Q4FY26, **3)** guidance of 3.7mmt of oil and 3.65bcm of gas production in FY26 followed by 3.95mmt of oil and 4.31bcm of gas in FY27, **4)** FY26 capex guidance Rs70bn standalone, Rs91bn NRL followed by Rs76bn standalone and Rs73bn for NRL in FY27, **5)** shutdowns at several consumers like BCPL, BVFCL, LPG plant and lower offtake from NRL affected production during the quarter, **6)** yet to get clearance for 165km feeder pipeline to Duliajan which would run parallel to DNPL and connect to NRL and beyond.

Exhibit 1: Valuation Table

Valuation Table	Remarks
Adj. EPS	49.6 FY27
Target P/E Multiple (x)	9
Fair Value	447
Investments	90 Investment in BCPL and IOCL(at 25% holding company discount)
Valuation of NRL	45 Explained in the table below
Total Valuation (Rs/share)	581

Source: PL

Exhibit 2: NRL Valuation

EBITDA (USD/bbl)	17.0	Includes excise duty benefit
Nameplate capacity	6.0	Stabilization to take time, hence valuing at current capacity, adding CWIP as mentioned below
Utilisation rate	100%	
Throughput (mmtpa)	3.0	
EBITDA (INR mn)	20,416	
EV at 6x (INR mn)	221,078	CWIP of INR170b, 0.7x PBV
Net Debt (INR mn)	80,140	
Market cap (INR mn)	140,938	
OINL's stake (%)	70	
Value for OINL (INR/share)	60	
At 25% holding company discount	45	

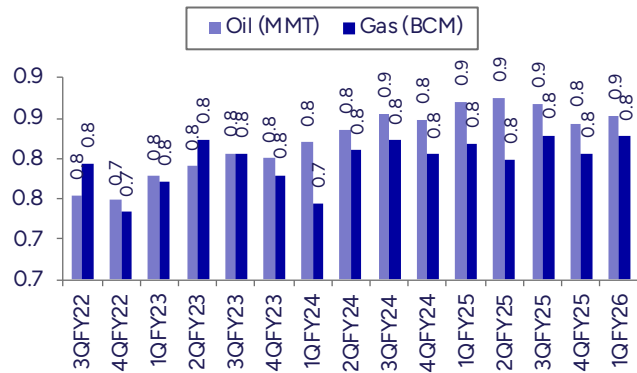
Source: PL

Exhibit 3: Standalone Quarterly and 9MFY25 Financials

(Rs bn)	Q1FY26	Q4FY25	QoQ gr.	Q1FY26E	% Var	Q1FY25	YoY gr.	FY26E	FY25	YoY gr.
Net Sales	50.1	55.2	-9.2%	56.3	-11.0%	58.4	-14.2%	230.3	221.2	4.1%
Change (%)	-14.2	-4.1		-3.5		25.7		4.1		
EBITDA	16.1	19.8	-19.0%	24.4	-34.3%	24.7	-34.9%	109.2	87.7	24.6%
Margin (%)	32.0	35.9		43.4		42.2		47.4	39.6	
D,D&A	5.3	4.3	22.9%	4.9	7.9%	4.6	16.6%	20.0	19.2	4.1%
Interest	1.5	2.0	-21.4%	2.6	-40.9%	2.0	-22.1%	8.5	8.7	-2.4%
Other income	1.8	6.6	-73.5%	3.4	-48.1%	1.6	8.9%	22.6	18.7	21.0%
PBT before exceptional	11.0	20.2	-45.7%	20.3	-46.0%	19.7	-44.4%	103.4	78.5	31.7%
Exceptional item	0.0	0.0		0.0		0.0		0.0	0.0	#DIV/0!
PBT after exceptional	11.0	20.2	-45.7%	20.3	-46.0%	19.7	-44.4%	103.4	78.5	31.7%
Tax	2.8	4.3	-33.8%	5.1	-44.4%	5.1	-44.1%	26.0	17.4	49.9%
Rate (%)	25.9	21.2		25.2		25.7		25.2	22.1	
Adj. PAT	8.1	15.9	-48.9%	15.2	-46.5%	14.7	-44.5%	77.4	61.1	26.6%
Volume										
Oil production (mmt)	0.9	0.8	1.1%	0.9	-0.8%	0.9	-2.1%	3.6	3.5	5.0%
Gas production (bcm)	0.8	0.8	2.6%	0.8	0.2%	0.8	1.1%	3.6	3.3	10.0%
Oil sales (mmt)	0.8	0.8	-3.1%	0.9	-5.3%	0.8	-1.4%	3.5	3.3	5.2%
Gas sales (bcm)	0.7	0.7	4.5%	0.7	-1.1%	0.7	2.8%	2.9	2.7	10.0%

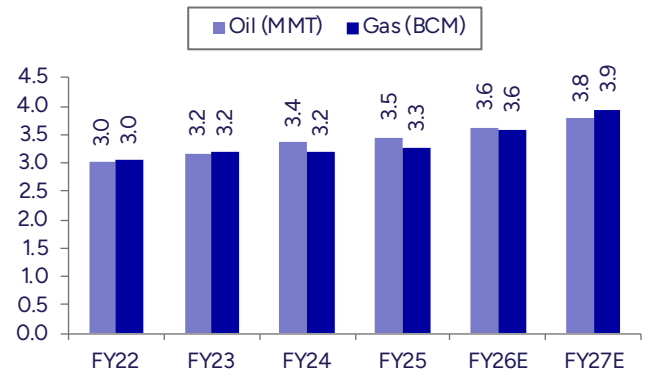
Source: Company, PL

Exhibit 4: Production of oil+gas declines YoY



Source: Company, PL

Exhibit 5: Our forecasts are lower than the guidance



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	221	221	230	256
YoY gr. (%)	(4.9)	(0.1)	4.1	11.1
Cost of Goods Sold	3	2	-	-
Gross Profit	219	219	230	256
Margin (%)	98.9	99.0	100.0	100.0
Employee Cost	18	18	-	-
Other Expenses	108	113	121	126
EBITDA	93	88	109	130
YoY gr. (%)	(4.5)	(5.3)	24.6	18.7
Margin (%)	41.8	39.6	47.4	50.7
Depreciation and Amortization	18	19	20	21
EBIT	75	68	89	109
Margin (%)	33.8	31.0	38.8	42.4
Net Interest	8	9	8	8
Other Income	24	19	23	23
Profit Before Tax	67	79	103	123
Margin (%)	30.5	35.5	44.9	47.9
Total Tax	12	17	26	31
Effective tax rate (%)	17.7	22.1	25.2	25.2
Profit after tax	56	61	77	92
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	79	61	77	92
YoY gr. (%)	16.2	(22.8)	26.6	18.6
Margin (%)	35.8	27.6	33.6	35.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	79	61	77	92
YoY gr. (%)	16.2	(22.8)	26.6	18.6
Margin (%)	35.8	27.6	33.6	35.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	79	61	77	92
Equity Shares O/s (bn)	2	2	2	2
EPS (Rs)	48.7	37.6	47.6	56.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	298	333	373	413
Tangibles	298	333	373	413
Intangibles	-	-	-	-
Acc: Dep / Amortization	145	164	184	205
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	153	168	188	207
Tangibles	153	168	188	207
Intangibles	-	-	-	-
Capital Work In Progress	24	33	32	31
Goodwill	-	-	-	-
Non-Current Investments	385	377	378	380
Net Deferred tax assets	(28)	(27)	(27)	(27)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	16	19	14	15
Trade receivables	26	27	22	24
Cash & Bank Balance	31	42	78	119
Other Current Assets	-	-	-	-
Total Assets	651	694	744	812
Equity				
Equity Share Capital	11	16	16	16
Other Equity	430	438	492	555
Total Network	441	454	508	572
Non-Current Liabilities				
Long Term borrowings	113	121	121	121
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	69	92	88	93
Total Equity & Liabilities	651	694	744	812

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	67	79	103	123
Add. Depreciation	18	19	20	21
Add. Interest	7	8	8	8
Less Financial Other Income	24	19	23	23
Add. Other	19	6	-	-
Op. profit before WC changes	111	111	132	152
Net Changes-WC	(15)	(12)	2	(3)
Direct tax	(19)	(17)	(26)	(31)
Net cash from Op. activities	77	82	108	118
Capital expenditures	(71)	(64)	(40)	(40)
Interest / Dividend Income	3	5	-	-
Others	19	7	-	-
Net Cash from Invt. activities	(49)	(52)	(40)	(40)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(19)	(20)	(24)	(28)
Interest paid	(7)	(8)	(8)	(8)
Others	(2)	1	-	-
Net cash from Fin. activities	(28)	(28)	(32)	(37)
Net change in cash	0	2	36	42
Free Cash Flow	38	37	68	78

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	48.7	37.6	47.6	56.4
CEPS	59.6	49.4	59.9	69.4
BVPS	271.3	279.3	312.3	351.5
FCF	23.4	22.5	42.0	48.1
DPS	10.5	11.5	14.6	17.3
Return Ratio(%)				
RoCE	14.8	12.1	14.8	16.4
ROIC	12.1	10.5	13.4	15.7
RoE	20.2	13.7	16.1	17.0
Balance Sheet				
Net Debt : Equity (x)	0.2	0.2	0.1	-
Net Working Capital (Days)	261	247	247	247
Valuation(x)				
PER	8.7	11.3	8.9	7.5
P/B	1.6	1.5	1.4	1.2
P/CEPS	7.1	8.6	7.1	6.1
EV/EBITDA	8.4	8.8	6.7	5.3
EV/Sales	3.5	3.5	3.2	2.7
Dividend Yield (%)	2.5	2.7	3.4	4.1

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	55	52	55	50
YoY gr. (%)	(6.7)	(9.9)	(4.1)	(14.2)
Raw Material Expenses	1	-	1	-
Gross Profit	54	52	54	50
Margin (%)	98.7	99.6	98.2	99.3
EBITDA	22	21	20	16
YoY gr. (%)	(12.3)	1.3	(15.1)	(34.9)
Margin (%)	39.6	40.7	35.9	32.0
Depreciation / Depletion	5	5	4	5
EBIT	17	16	16	11
Margin (%)	30.4	30.6	28.1	21.4
Net Interest	2	2	2	2
Other Income	9	2	7	2
Profit before Tax	23	16	20	11
Margin (%)	41.8	29.6	36.6	21.9
Total Tax	5	3	4	3
Effective tax rate (%)	20.4	21.2	21.2	25.9
Profit after Tax	18	12	16	8
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	18	12	16	8
YoY gr. (%)	(31.8)	(22.9)	(21.6)	(44.5)
Margin (%)	33.2	23.3	28.8	16.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	18	12	16	8
YoY gr. (%)	(31.8)	(22.9)	(21.6)	(44.5)
Margin (%)	33.2	23.3	28.8	16.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	18	12	16	8
Avg. Shares O/s (bn)	2	2	2	2
EPS (Rs)	11.3	7.5	9.8	5.0

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Oil production (mmt)	3.4	3.5	3.6	3.8
Gas production (bcm)	3.2	3.3	3.6	3.9
Net oil realization (US\$/bbl)	74.9	74.6	68.0	70.0
Gas realization (US\$/mmBtu)	6.5	6.6	6.7	7.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jul-25	BUY	566	436
2	28-May-25	BUY	649	430
3	08-Apr-25	BUY	659	343
4	10-Feb-25	BUY	711	424
5	16-Jan-25	BUY	714	465
6	08-Jan-25	BUY	691	474
7	06-Nov-24	BUY	678	524
8	07-Oct-24	BUY	780	547
9	11-Sep-24	BUY	786	608

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	420	407
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,610	4,807
7	GAIL (India)	Hold	180	181
8	Gujarat Fluorochemicals	Hold	3,580	3,486
9	Gujarat Gas	Hold	432	431
10	Gujarat State Petronet	Accumulate	348	304
11	Hindustan Petroleum Corporation	Accumulate	422	402
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	205
14	Jubilant Ingrevia	Hold	743	777
15	Laxmi Organic Industries	Reduce	179	196
16	Mahanagar Gas	Accumulate	1,559	1,483
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,559	5,198
19	NOCIL	Hold	182	174
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	Petronet LNG	Hold	311	302
23	Reliance Industries	Accumulate	1,555	1,476
24	SRF	Hold	3,071	3,150
25	Vinati Organics	Accumulate	1,882	1,944

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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