

Oil India (OINL) - SELL

Q3FY26 Result Update

Current Market Price (CMP) Rs.479	Fair Value (FV) Rs.260
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Rationale:

- Rising expenses amid declining volumes.
- We are skeptical of Oil India's oil and gas production target of 40 lakh mt and 500 cr cm, respectively.
- Its near-term production guidance also looks too optimistic.
- In our view, the production and realization outlook is far brighter for ONGC (rising production, higher share of New Well Gas).
- Reiterate SELL with an FV of Rs260 (earlier Rs275).

👍 Positives:

- Gas realizations of US\$6.4/mmbtu (up 1.1% yoy, down 1.6% qoq) were largely in line.

👎 Negatives:

- OIL's Q3 revenue was down 6% yoy/9.9% qoq; 4.6% below kotak estimates.
- Oil production (858 kt, down 1.2% yoy) was 1.2% below Kotak.
- Oil sales (816 kt, down 1.1% yoy) were 3.6% below the estimate.
- Gross crude price realization of \$62.8/bbl (down 15% yoy) were 1.4% below estimate.
- EBITDA was down 20% yoy/22% qoq; 19% below our estimates.
- Reported PBT was down 39% qoq & 28% qoq; 42% below Kotak estimate.

EBITDA: Earnings Before Interest, Tax, Depreciation & Amortization. PBT: Profit Before Tax. Kt: Thousand tons. Mmbtu: Million metric British Thermal Unit. Bbl: Barrels. 1 Million = 10 Lakhs. MT: Metric Ton.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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