

OIL INDIA LTD (CMP: 481.75 P. Close: 472.20)

Buying Price	Stop-Loss	Target	Time Frame
481.75	445 (7.45%)	553 (14.91%)	1.5 - 2 Months

Daily Chart-



Oil India is consolidating above a key support zone of ₹458 - ₹470 after a strong prior up move, indicating absorption of supply rather than distribution. Price stability near this zone suggests buyers are defending higher levels, forming a tight base. The structure reflects range-bound compression, often a precursor to a directional breakout. Volumes remain steady, signaling no aggressive selling pressure, while RSI is holding near 50, indicating neutral-to-positive momentum. MACD is flattening, suggesting bearish momentum is fading. As long as price sustains above ₹458, the setup favors a continuation move towards ₹553. A breakdown below ₹445 would weaken the structure and shift bias negative.

Income / Expenditure Statement

(Rs in Millions)

Description	202503	202403	202303	202203	202103
Net Sales	325124.80	324660.30	360844.20	259055.90	176160.50
Total Income	342072.90	338719.30	368434.70	270980.30	188108.90
Total Expenditure	213247.20	200248.90	208560.50	154550.70	120167.70
PBIDT	128825.70	138470.40	159874.20	116429.60	67941.20
PAT	70396.30	69804.50	98543.90	67192.20	41459.70
Dividend %	115	145	200	142.5	50
Adj. EPS (Rs)	40.27	38.95	53.66	34.56	21.69

Oil India Limited reported broadly stable operational performance in Q3FY26, with oil production at ~0.9 mmt (+1.2% QoQ) and gas output at ~0.8 bcm (flat QoQ), resulting in total production of ~1.7 mmt. The company is accelerating drilling activity, targeting ~75 wells in FY26 and ~100 wells in FY27 across key basins including Assam-Arunachal Pradesh and Rajasthan, alongside exploration in frontier regions such as Andaman & Nicobar and Kerala-Konkan. Management has guided total production at ~7.5 mmt in FY27 and ~8.0-8.5 mmt in FY28, with crude output expected to reach ~3.8 mmt and ~4.0 mmt respectively, while gas production is targeted to ramp up from ~8 mmscmd to ~13 mmscmd supported by evacuation infrastructure such as the DNPL and Paradip-Numaligarh pipelines. Integrated refining subsidiary Numaligarh Refinery Limited remains a key earnings lever, with GRMs improving sharply to USD16.3/bbl in Q3FY26 and the ongoing refinery expansion (CDU/VDU commissioned in Dec'25) expected to gradually ramp utilisation to 100% by Q2FY28, after which meaningful refining margin contribution is anticipated.

The integrated petrochemical complex is scheduled for commissioning in late FY28, positioning FY29 as the first full year of combined refinery and petchem operations. Elevated drilling intensity and expanded exploration acreage are expected to drive higher capex (~₹88bn+ in FY26 and ~₹92bn in FY27), supporting medium-term production growth and stronger integrated earnings visibility. Additionally, elevated geopolitical tensions around the Strait of Hormuz have supported global crude prices, which could act as a near-term tailwind for realizations and profitability for upstream producers such as Oil India. We expect revenue and EPS to grow at ~23% & ~39% respectively over FY26-FY27. In FY27, we expect the company's EPS to be ~₹50 and is expected to trade at ~11x.

Assets and Liabilities

(Rs in Millions)

Share Capital	16266.10 Net Block	221295.10
Reserve	546309.80 Long term Investments	359821.80
Share Holder's Funds	562575.90 Short term investments	9693.40
Long Term Debt - Calc	343221.00 Total Investments	369515.20
Short Term Debt - Calc	4484.50 Cash and Bank Bal	92944.00
Total Debt - Calc	347705.50 Net Current Assets	76700.00