



OIL India limited is coming out with a public issue of shares the details of the issue are listed below

Issue Size # Shares	26,449,982
Issue Size (funds raised Rs Cr)	2,645
Price Band	950-1050
Issue opens	7-Sep-09
Issue closes	11-Sep-09
Minimum application	6 shares
Multiple of application	6 shares
Maximum in retail	90 shares
HNI's maximum of	10% of issue size
Listing	BSE / NSE

OIL is a 'Mini Ratna' public sector undertaking (PSU), promoted by Government of India and is under the administrative control of the Ministry of Petroleum and Natural Gas. At present, the government of India holds 98.13% equity in the company which would get reduced to 78.43% post IPO.

OIL is engaged in the business of exploration, development, production and transportation of crude oil, natural gas and LPG. It has over 1 lakh sq km of Petroleum Exploratory License/Mining Lease areas for its exploration and production activities, most of it in the North East of India. This currently accounts for its entire crude oil production and majority of gas production.

OIL's exploration activities are spread over onshore areas of Ganga Valley and Mahanadi. OIL also has participating interest in NELP exploration blocks in Mahanadi Offshore, Mumbai Deepwater, Krishna Godavari Deepwater, etc. as well as various overseas projects in Libya, Gabon, Iran, Nigeria and Sudan.

They provides various E&P related services and holds 26% equity stake in Numaligarh Refinery Limited.

In 2008-09, the company reported a net profit of Rs 21.6 billion on a turnover of Rs 72 billion. It posted an EPS of Rs 101 during the same period, while its book value per share stood at Rs 436. OIL's return on capital employed (RoCE) and return on equity (RoE) for the year stood at 35% and 25%, respectively.

We feel the long term prospects for OIL are very promising and think there is a good upside potential over the longer term. The valuations also look relatively attractive at 10X historic earning and we recommend a SUBSCRIBE to the issue.

