

Oil and Gas



Steady to weak quarter for oil & gas companies

In 2QFY25, we expect RIL's EBITDA to grow 2.5% QoQ to INR 397bn due to sharp tariff-hike-led 9.4% QoQ rise in Digital EBITDA; that, though, is likely to be partly offset by 3.9% QoQ decline in O2C segment driven by lower refining & petchem margins while Retail EBITDA is expected to be flattish QoQ. ONGC/Oil India's 2QFY25 net crude and gas realisation is expected to be stable QoQ; Oil India's EBITDA could grow 11.3% QoQ on 8.5% higher crude sales volume QoQ while ONGC's EBITDA may grow only by 1% QoQ. OMCs' 2QFY25 EBITDA could improve QoQ driven by robust marketing margin, though will be partly offset by continued weakness in refining margin and higher inventory loss. GAIL's EBITDA could decline 7% QoQ due to normalisation of transmission volume and trading margin; GSPL/ PLNG also may see normalisation of volume with end of peak summer demand. IGL/MGL earnings could be steady QoQ as higher CNG price offsets rise in gas cost; Gujarat Gas earnings may be hit due to ~35% QoQ decline in industrial volume. We maintain BUY on RIL as we believe net debt concerns are overdone, and also because RIL has industry leading capabilities across businesses to drive robust 14-15% EPS CAGR over the next 3-5 years. We reiterate BUY on ONGC and Oil India given strong 4-6% dividend potential, ~30%/15% production growth outlook in the next 1-3 years and our expectation of OPEC+ supporting crude ~USD 75-80/bbl. Further, we reiterate BUY on GGas as we expect spot LNG prices to moderate in the medium to long term due to significant LNG supply additions in US and Qatar. However, we maintain our cautious view on OMCs (SELL on HPCL and IOCL; HOLD on BPCL) as risk-reward is still unfavourable.

- **RIL's 2QFY25 EBITDA is likely to grow 2.5% QoQ as the sharp telecom tariff hike is partly offset by weakness in O2C segment and muted growth in the Retail segment:** RIL's 2QFY25 EBITDA is likely to grow 2.5% QoQ to INR 397bn due to tariff-hike-led 9.4% QoQ rise in Digital EBITDA; though that is likely to be partly offset by 3.9% QoQ decline in O2C segment driven by lower refining & petchem margins. Further, Retail EBITDA is expected to be up only 0.6% QoQ and E&P EBITDA up only 0.5% QoQ. Key assumptions: **a)** O2C EBITDA to fall 3.9% QoQ to INR 126bn due to decline in GRM to ~USD 7.2/bbl (vs. implied GRM of ~USD 7.7/bbl in 1QFY25) due to lower diesel cracks while refining throughput could rise 1.6% QoQ to 16.3mmt; further, petchem margin is expected to decline QoQ; **b)** E&P EBITDA to increase 0.5% QoQ to INR 52bn due to largely flattish gas output and price; **c)** Retail EBITDA is likely to grow only by 0.6% QoQ only to INR 57bn due to ongoing store rationalisation and impact of heavy monsoon; **d)** Digital EBITDA is expected to grow 9.4% QoQ to INR 164bn on 7% QoQ rise in ARPU to INR 194, led by tariff hike and aided by upgrades and one more day during the quarter - **Exhibit 1**.
- **ONGC/Oil India's 2QFY25 net crude realisation and sales volume to be higher QoQ; gas realisation largely stable QoQ:** ONGC and Oil India's net crude realisation adjusted for windfall tax will continue to be capped at ~USD 73/bbl with lower gross crude realisation QoQ (as Brent crude price averaged USD 80.3/bbl in 2QFY25 vs. USD 84.9/bbl in 1QFY25) being offset by decline in windfall tax. ONGC and Oil India's gas realisations are also expected to be largely stable QoQ with domestic APM gas realisation being capped at USD 6.5/mmmt. However, Oil India is likely to witness 8.5% QoQ growth in its crude sales volume while ONGC could register 2% QoQ growth in crude sales volume. Hence, Oil India's 2QFY25 EBITDA is expected to be 11.3% higher QoQ while ONGC's 2QFY25 EBITDA is expected to be 1% higher QoQ — **Exhibit 2**.
- **OMCs' 2QFY25 EBITDA to improve QoQ driven by robust marketing margin, though will be partly offset by continued weakness in refining margin and higher inventory loss:** OMCs are likely to report QoQ improvement in EBITDA on robust auto-fuel marketing margin; that, though, will be partly offset by continued weak diesel cracks and higher inventory loss — **Exhibit 3**. We expect OMCs' 2QFY25 reported GRM (adjusted for USD 1.4-2.2/bbl of crude inventory loss) to decline to USD 4.8-6.7/bbl (vs. USD 5-7.9/bbl reported in 1QFY25) driven by continued weak diesel cracks (USD 12.8/bbl in 2QFY25 vs USD 13.9/bbl in 1QFY25) and crude inventory loss (of USD 1.4-2.2/bbl) on account of sharp decline of USD 8.3/bbl in Brent crude price (averaged at USD 74.3/bbl in Sep'24 vs. USD 82.6/bbl in Jun'24) — **Exhibit 4-8**. However, OMCs' weighted average auto-fuel gross marketing margin rose to INR 6.4/ltr in 2QFY25 (vs. INR 3.3/ltr in 1QFY25) — **Exhibit 12**. Hence, we expect 2QFY25 EBITDA to rise by 10% QoQ for BPCL, 16% QoQ for IOCL and up sharp 111% QoQ for HPCL on a low base and given its higher leverage to marketing business.

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- GAIL's EBITDA to decline 7% QoQ due to normalisation of transmission volume and trading margin; GSPL/ PLNG to also see normalisation of volume with end of peak summer demand:** India's domestic gas demand in 2QFY25 is expected to decline by 5-6% QoQ driven by normalisation of LNG demand post peak summer demand and due to high spot LNG prices — **Exhibit 18**. Hence, GAIL could see 3.6% QoQ decline in 2QFY25 gas transmission volume to 127mmscmd while gas trading volume could be flattish QoQ at 99mmscmd; however, Petchem sales volume may recover QoQ to 240kt (from 169kt in 1QFY25) and LPG sales volume could be 15% higher QoQ at 250kt. GAIL's 2QFY25 EBITDA could decline 6.9% QoQ at INR 42.2bn due to: **a)** 2.5% QoQ decline in gas transmission EBITDA; **b)** 10.3% QoQ decline in gas trading EBITDA on a high base; **c)** rise in LPG earnings driven by higher sales volume; and **d)** higher petchem margins on recovery in volume after shut-down in 1QFY25 and slightly higher end-realisation. GSPL could also see 8% QoQ decline in transmission volume to 33.5mmscmd in 2QFY25; however, we expect transmission EBITDA margin to decline to ~INR 660/tcm (vs. INR 878/tcm in 1QFY25 and INR 1,226/tcm in 4QFY24) due to full quarter impact of tariff cuts. Hence, we expect GSPL's 2QFY25 EBITDA to decline by 29% QoQ at INR 2.1bn. PLNG's 2QFY25 PAT is expected to decline 11% QoQ due to 7.3% QoQ fall in regas volume, inventory/trading gain of INR 2.0bn (from INR 3.2bn in 1QFY25) and QoQ flattish regas margin— **Exhibit 15**.
- IGL/MGL earnings to be steady QoQ as higher CNG price offsets rise in gas cost; Gujarat Gas earnings to be hit due to ~35% QoQ decline in industrial volume:** IGL's 2QFY25 EBITDA could rise 4.5% QoQ as we expect EBITDA margins to moderate a tad to INR 7.3/scm (from INR 7.4/scm in 1QFY25) as the INR 1/kg CNG price hike wef 22nd Jun'24 is likely to be offset by higher gas cost (on account of declining proportion of APM gas and rise in spot LNG price (to USD 13/mmbtu in 2QFY25 vs. USD 11/mmbtu in 1QFY25 — **Exhibit 16**); volume growth is expected to be weak at 1.7% QoQ and 5.8% YoY (at 8.8mmscmd). MGL's 1QFY25 EBITDA is likely to be flattish QoQ due to moderation in EBITDA margin (to INR 11.7/scm from INR 11.9/scm in 1QFY25); volume is expected to be steady at 3.9mmscmd (up 1.2% QoQ and 9.3% YoY on a low base). For Gujarat Gas (GGas), we expect EBITDA to decline by 18% QoQ due to ~35% decline in volume for key industrial segment due to: **a)** shutdown of industrial units on account on holidays during festival season, **b)** impact of heavy monsoon; and **c)** lower exports; EBITDA margin is likely to improve slightly to INR 5.6/scm (from INR 5.4/scm in 1QFY25) — **Exhibit 14**.
- Change in estimates and TP:** We roll-forward our valuations to Mar'27, resulting in an increase in TP by 2-14% for gas companies and OMCs; TP is also impacted by changes in earnings estimate as we adjust for 2QFY25 estimate. We have raised FY27 EBITDA estimate for OMCs by 6-10% as we assume FY27 GRMs at the same level as FY26 (vs. moderation assumed earlier); this has led to an 8-10% increase in TP for HPCL and BPCL. Our TP for Oil India is revised slightly lower to INR 695 (from INR 720) as we factor in slightly lower GRM assumption for NRL. Our TP for IGL/MGL has risen by 9-14% due to roll-forward of valuations. We also raise PLNG's TP by 6% to INR 285, GSPL's TP by 7% to INR 490 and GAIL's TP by 2% to INR 255 due to roll-forward; however, we have cut GAIL's FY25-27 EBITDA estimate cut by 5% due to assumption of lower Petchem EBITDA. But given weak refining margin in 1HFY25, continued subdued petchem margin and muted growth in Retail business in 1HFY25 EBITDA, we have cut RIL's FY25-27 EBITDA by 3-6% as we moderate our refining margin estimate to USD 8.5 in FY25 (from USD 10.5/bbl) and USD 10.5/bbl from FY26 onwards (from USD 11/bbl earlier) and moderate Retail business EBITDA growth to 8% in FY25 (from 18% earlier) and to ~20% from FY26 onwards (from 25% earlier). Hence, our TP for RIL has been cut marginally to INR 3,470 (from INR 3,500). (**Exhibit 20**)
- Prefer RIL, ONGC/Oil India and GGas; maintain cautious view on OMCs:** We **maintain BUY on RIL (revised TP of INR 3,470)** as we believe net debt concerns are overdone, and also because RIL has industry leading capabilities across businesses to drive robust 14-15% EPS CAGR over the next 3-5 years with Jio's ARPU expected to rise at 11-12% CAGR over FY24-28. Further, listing of Jio and Retail business over the next few years could lead to a potential re-rating. We **reiterate BUY on ONGC (unchanged TP of INR 340) and Oil India (revised TP of INR 695)** given strong 4-6% dividend potential, ~30%/15% production growth outlook in the next 1-3 years and our expectation of OPEC+ supporting crude ~USD 75-80/bbl; Oil India also benefits from lucrative NRL capacity expansion — **Exhibit 21**. Further, we **reiterate BUY on GGas (unchanged TP of INR 700)** as we expect spot LNG prices to moderate in the medium to long term due to significant LNG supply additions in US and Qatar. However, we maintain our **cautious view on OMCs (SELL on HPCL and IOCL; HOLD on BPCL) as risk-reward is still unfavourable** (click [here](#), [here](#) and [here](#)).

Exhibit 1: Detailed 2QFY25 estimates of RIL

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
RIL (Consolidated)						
Sales (INR mn)	2,307,148	2,318,860	2,317,840	-0.5	-0.5	
EBITDA (INR mn)	397,314	409,680	387,650	-3.0	2.5	
EBITDA margin (%)	17.2	17.7	16.7	-45 bps	50 bps	Assumed a) O2C EBITDA to decline 3.9% QoQ to INR 126bn due to decline in GRM to -USD 7.2/bbl (vs implied GRM of -USD 7.7/bbl in 1QFY25) due to lower diesel cracks while refining throughput up 1.6% QoQ at 16.3mmt; further, petchem margin is expected to decline QoQ; b) E&P EBITDA to increase 0.5% QoQ to INR 52bn due to largely flattish gas output and price; c) Retail EBITDA is likely to grow only by 0.6% QoQ only to INR 57bn due to ongoing store rationalisation and impact of heavy monsoon; d) Digital EBITDA is expected to grow 9.4% QoQ to INR 164bn on 7% QoQ rise in ARPU to INR 194, led by tariff hike and aided by upgrades and one more day during the quarter.
PBT (INR mn)	239,206	265,510	232,310	-9.9	3.0	
PAT after minority (INR mn)	155,181	173,940	151,380	-10.8	2.5	
Segment wise EBITDA break-up						
O2C	125,847	162,810	130,930	-22.7	-3.9	
E&P	52,385	47,660	52,100	9.9	0.5	
Organised retail	57,054	58,310	56,720	-2.2	0.6	
Digital service	163,528	140,710	149,440	16.2	9.4	
Total	418,814	431,490	409,220	-2.9	2.3	

Source: Company, JM Financial

Exhibit 2: Detailed 2QFY25 estimates of upstream PSUs

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
ONGC (Standalone)						
Sales (INR mn)	340,128	351,630	352,664	-3.3	-3.6	
EBITDA (INR mn)	188,069	183,598	186,174	2.4	1.0	
EBITDA margin (%)	55.3	52.2	52.8	308 bps	250 bps	
PBT (INR mn)	122,269	134,720	119,561	-9.2	2.3	
PAT (INR mn)	91,457	102,163	89,381	-10.5	2.3	Assumed a) net crude realisation at USD73.3/bbl (vs USD 73/bbl in 1QFY25) in line with Brent price less windfall tax of -USD4.5/bbl on domestic crude output; b) domestic APM gas realisations to remain flat at USD 6.5/mmbtu; c) overall crude sales volume up 2% QoQ; and d) overall gas sales volume up 2.1% QoQ.
Operational details						
Gross Crude Realisation (USD/bbl)	77.8	83.9	82.7	-7.3	-6.0	
Windfall tax on domestic crude (USD/bbl)	4.5	11.6	9.8	-61.2	-53.9	
Net Crude Realisation (USD/bbl)	73.3	72.3	73.0	1.4	0.4	
Gas Price Realisation (USD/mmbtu)	7.0	7.1	7.0	-0.6	0.2	
Crude Sales Volume (mmt)	4.73	4.67	4.64	1.4	2.0	
Gas Sales Volume (bcm)	3.90	4.05	3.82	-3.7	2.1	
Oil India (Standalone)						
Sales (INR mn)	59,021	59,133	58,397	-0.2	1.1	
EBITDA (INR mn)	28,285	24,906	25,422	13.6	11.3	
EBITDA margin (%)	47.9	42.1	43.5	580 bps	439 bps	
PBT (INR mn)	27,685	1,882	19,750	1371.4	40.2	
PAT (INR mn)	20,708	3,253	14,668	536.6	41.2	Assumed a) net crude realisation at USD 73/bbl (vs USD 72.2/bbl in 1QFY25) in line with Brent price less windfall tax of -USD 4.5/bbl on domestic crude output; b) domestic APM gas realisations to remain flat at USD 6.5/mmbtu; c) overall crude sales volume up 8.5% QoQ; and d) overall gas sales volume up 0.1% QoQ.
Operational details						
Gross Crude Realisation (USD/bbl)	77.5	84.1	82.1	-7.8	-5.6	
Windfall tax on domestic crude (USD/bbl)	4.5	11.0	9.9	-59.1	-54.7	
Net Crude Realisation (USD/bbl)	73.0	73.1	72.2	-0.1	1.2	
Gas Price Realisation (USD/mmbtu)	6.9	6.9	7.0	0.0	-1.8	
Crude Sales Volume (mmt)	0.90	0.85	0.83	5.9	8.5	
Gas Sales Volume (bcm)	0.68	0.65	0.68	3.9	0.1	

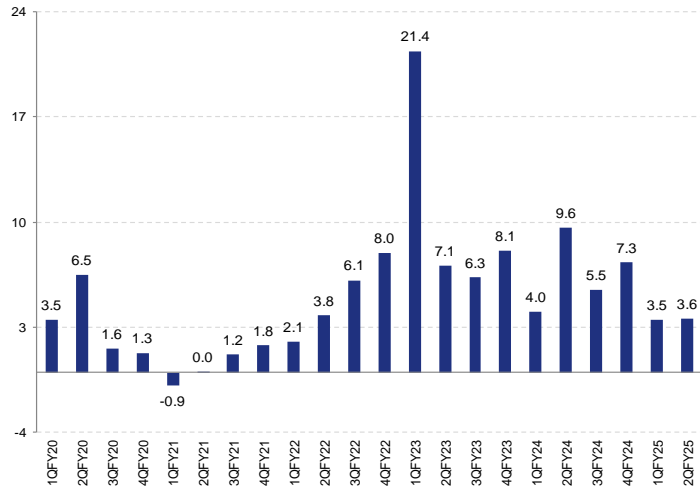
Source: Company, JM Financial

Exhibit 3: Detailed 2QFY25 estimates of OMCs

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
IOCL (Standalone)						
Sales (INR mn)	1,855,181	2,023,120	2,159,888	-8.3	-14.1	
EBITDA (INR mn)	99,710	213,130	86,347	-53.2	15.5	
EBITDA margin (%)	5.4	10.5	4.0	-516 bps	138 bps	
PBT (INR mn)	50,310	171,699	34,527	-70.7	45.7	
PAT (INR mn)	37,632	129,673	26,432	-71.0	42.4	
Segment wise EBITDA details						
Refining	8,970	141,554	21,054	-93.7	-57.4	
Marketing	64,987	47,319	36,904	37.3	76.1	Assumed a) reported GRM at USD 4.8/bbl (vs. USD 6.4/bbl in 1QFY25) based on core GRM of USD 7.1/bbl and crude inventory loss of USD 2.2/bbl (or INR 24bn crude inventory loss); b) crude throughput at 17.4mmt (down 4% QoQ) and marketing sales volume at 21.5mmt (down 5.2% QoQ); c) rise in auto fuel gross marketing margin to +INR 6.4/lt in 2QFY25 (vs INR 3.3/lt in 1QFY25) while assuming product inventory loss of INR 10.3bn.
Pipeline	19,745	18,582	19,719	6.3	0.1	
Petchem	7,507	8,500	7,010	-11.7	7.1	
Total	108,210	222,955	91,686	-51.5	18.0	
Operational details						
Core GRM (USD/bbl)	7.1	16.3	2.8	-56.7	148.9	
Inventory gain/(loss) (USD/bbl)	-2.2	1.8	3.6	NM	NM	
Reported GRM (USD/bbl)	4.8	18.1	6.4	-73.3	-24.3	
Crude throughput (mmt)	17.4	17.8	18.2	-1.8	-4.0	
Marketing sales volume (mmt)	21.5	20.9	22.7	2.8	-5.2	
Implied Marketing normalised EBITDA (INR/ton)	3,500	1,654	1,626	111.6	115.3	
Implied integrated Reported EBITDA margin (INR/ton)	6	15	4	-62.4	34.1	
BPCL (Standalone)						
Sales (INR mn)	1,263,810	1,165,943	1,281,034	8.4	-1.3	
EBITDA (INR mn)	62,274	129,080	56,505	-51.8	10.2	
EBITDA margin (%)	4.9	11.1	4.4	-614 bps	52 bps	
PBT (INR mn)	48,136	113,118	40,320	-57.4	19.4	
PAT (INR mn)	35,621	85,012	30,148	-58.1	18.2	
Segment wise EBITDA details						
Refining	23,321	85,152	30,126	-72.6	-22.6	Assumed a) reported GRM at USD 6.7/bbl (vs. USD 7.9/bbl in 1QFY25) based on core GRM of USD 8.1/bbl and crude inventory loss of USD 1.4/bbl (or INR 8.7bn crude inventory loss); b) crude throughput at 10.3mmt (up 1.5% QoQ) and marketing sales volume at 12.9mmt (down 4% QoQ); c) rise in auto fuel gross marketing margin to +INR 6.4/lt in 2QFY25 (vs INR 3.3/lt in 1QFY25) while assuming product inventory loss of INR 6.2bn.
Marketing	38,953	43,928	26,378	-11.3	47.7	
Total	62,274	129,080	56,505	-51.8	10.2	
Operational details						
Core GRM (USD/bbl)	8.1	15.5	8.4	-47.9	-3.5	
Inventory gain/(loss) (USD/bbl)	-1.4	3.0	-0.5	NM	NM	
Reported GRM (USD/bbl)	6.7	18.5	7.9	-63.8	-14.9	
Crude throughput (mmt)	10.3	9.4	10.1	9.7	1.5	
Marketing sales volume (mmt)	12.9	12.5	13.4	3.1	-4.0	
Implied Marketing normalised EBITDA (INR/ton)	3,500	2,315	1,661	51.2	110.7	
Implied integrated Reported EBITDA margin (INR/ton)	8	17	7	-53.8	14.3	
HPCL (Standalone)						
Sales (INR mn)	1,430,694	1,026,184	1,208,595	39.4	18.4	
EBITDA (INR mn)	44,562	82,169	21,076	-45.8	111.4	
EBITDA margin (%)	3.1	8.0	1.7	-489 bps	137 bps	
PBT (INR mn)	24,705	67,424	4,712	-63.4	424.3	
PAT (INR mn)	18,282	51,182	3,558	-64.3	413.8	
Segment wise EBITDA details						
Refining	7,515	32,594	7,169	-76.9	4.8	Assumed a) reported GRM at USD 5.0/bbl (vs. USD 5.0/bbl in 1QFY25) based on core GRM of USD 6.4/bbl and crude inventory loss of USD 1.4/bbl (or INR 5.2bn crude inventory loss); b) crude throughput at 6.1mmt (up 6.4% QoQ) and marketing sales volume at 12mmt (down 4.9% QoQ); c) rise in auto fuel gross marketing margin to +INR 6.4/lt in 2QFY25 (vs INR 3.3/lt in 1QFY25) while assuming product inventory loss of INR 5.8bn.
Marketing	36,296	48,826	13,157	-25.7	175.9	
Total	44,562	82,169	21,076	-45.8	111.4	
Operational details						
Core GRM (USD/bbl)	6.4	10.8	5.3	-40.8	19.1	
Inventory gain/(loss) (USD/bbl)	-1.4	2.6	-0.3	NM	NM	
Reported GRM (USD/bbl)	5.0	13.3	5.0	-62.6	-0.8	
Crude throughput (mmt)	6.1	5.8	5.8	6.6	6.4	
Marketing sales volume (mmt)	12.0	10.7	12.6	11.9	-4.9	
Implied Marketing normalised EBITDA (INR/ton)	3,500	4,434	1,236	-21.1	183.2	
Implied integrated Reported EBITDA margin (INR/ton)	6	12	3	-52.5	125.6	

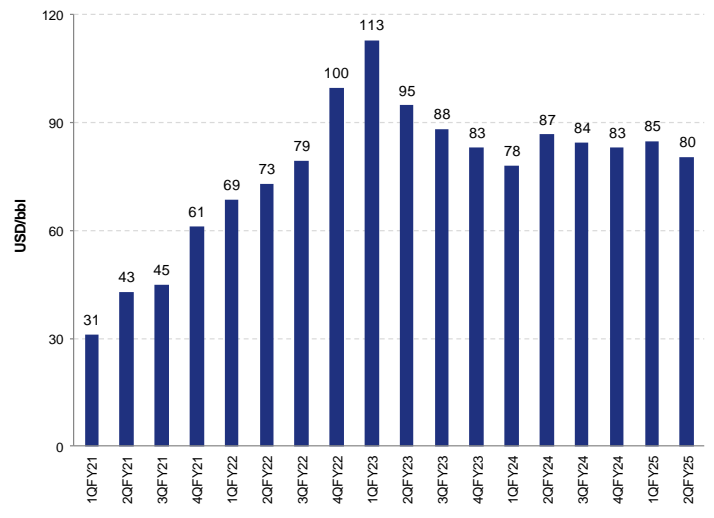
Source: Company, JM Financial

Exhibit 4: S'pore Dubai GRM remained muted at USD 3.6/bbl in 2QFY25 due to weakness in diesel crack



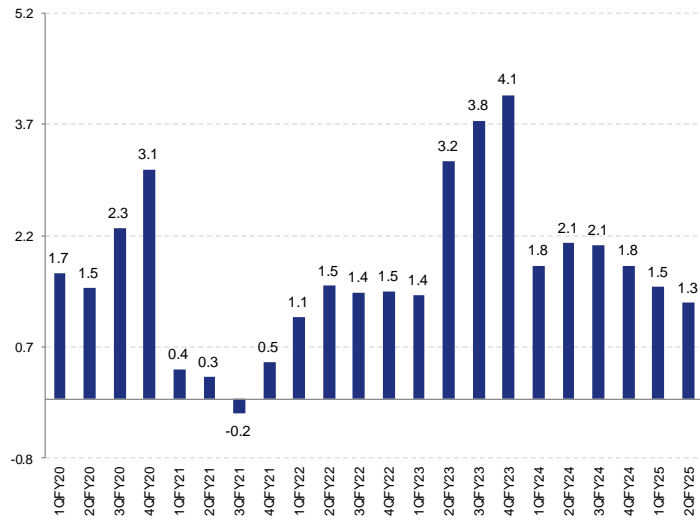
Source: Bloomberg, Company, JM Financial

Exhibit 5: Brent crude moderated to ~USD 80/bbl in 2QFY25



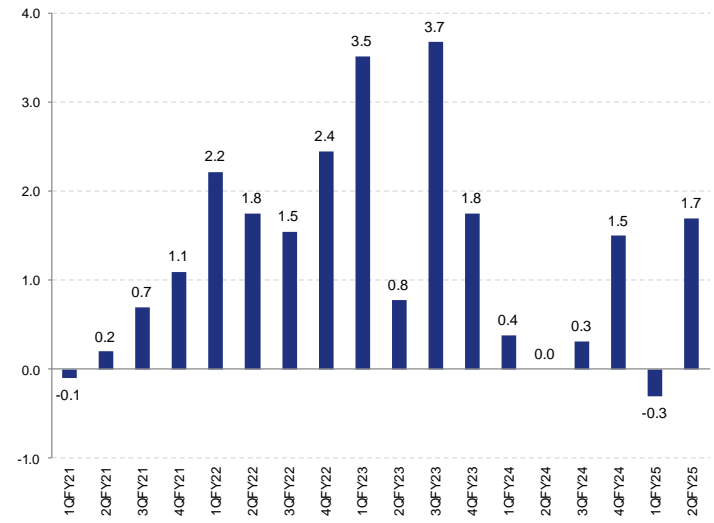
Source: Bloomberg, JM Financial

Exhibit 6: Arab light-Arab heavy crude spread at USD 1.3/bbl in 2QFY25 (USD/bbl)



Source: Bloomberg, JM Financial

Exhibit 7: Brent Dubai crude spread at USD 1.7/bbl in 2QFY25 (USD/bbl)



Source: Bloomberg, JM Financial

Exhibit 8: Refining margin and product crack trend (USD/bbl) – GRM remained muted in 2QFY25 on weak diesel and petrol cracks

	Sep-24	Aug-24	Jul-24	2QFY25	1QFY25	4QFY24	3QFY24	2QFY24	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17
Refining margin & product cracks																
S'pore GRM	2.1	4.3	4.3	3.6	3.5	7.3	5.5	9.6	6.6	10.8	5.0	0.5	3.2	4.9	7.2	6.2
Product cracks																
Diesel	9.9	13.2	15.1	12.8	13.9	21.2	20.3	26.5	20.5	35.7	10.5	4.7	13.6	14.4	13.2	11.1
Petrol	9.3	10.9	11.8	10.7	13.3	17.6	11.8	18.8	16.2	19.1	13.7	4.6	10.0	8.4	14.6	14.9
Naptha	-3.2	-5.1	-8.1	-5.6	-9.9	-5.9	-12.0	-16.4	-11.8	-12.1	1.6	-0.8	-5.4	-3.9	0.2	1.2
LPG	-17.4	-23.0	-29.2	-23.5	-31.6	-28.3	-25.5	-32.1	-29.7	-36.3	-15.1	-6.9	-22.2	-22.3	-13.2	-11.4
Jet Fuel	9.9	13.2	15.1	12.8	13.9	21.2	20.3	26.5	20.5	32.9	10.5	4.7	13.6	14.4	13.2	11.1
Fuel Oil	-6.5	-6.6	-4.8	-6.0	-5.5	-10.6	-11.8	-5.9	-9.4	-18.4	-6.5	-2.2	-6.9	-1.5	-3.2	-4.8
Brent	80.9	80.9	86.3	80.4	84.9	83.1	84.3	86.7	83.0	94.7	80.0	44.7	60.9	70.2	57.6	49.0

Source: Company, JM Financial

Exhibit 9: China's diesel exports remained muted on weak diesel cracks in 2QFY25

	CY19	CY20	CY21	CY22	CY23	CY24TD	CY23TD	% YoY	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	% YoY	
Refinery Throughput																							
Total Throughput (mmt)	NA	NA	NA	673.9	738.4	NA	491.2	N/A	64.7	63.6	63.9	59.5	60.1	NA	NA	63.8	58.8	60.5	58.3	59.1	59.1	-8.7%	
Total Throughput (mmbpd)	NA	NA	NA	13.5	14.8	NA	14.8	N/A	15.2	15.5	15.1	14.5	14.2	NA	NA	15.0	14.3	14.3	14.2	13.9	13.9	-8.7%	
Exports																							
Diesel (mmt)	21.4	19.8	17.2	10.9	13.8	6.7	9.7	-31%	1.3	1.2	1.1	1.2	0.7	0.6	0.6	1.4	0.8	1.1	0.8	0.5	0.9	-30.2%	
Gasoline (mmt)	16.4	16.0	14.6	12.7	12.3	6.5	8.8	-26.1%	1.4	1.1	0.8	0.9	0.8	0.8	0.7	1.2	0.4	0.9	0.9	0.8	0.8	-44.2%	
Total oil product exports (mmt)	66.9	61.9	60.3	53.8	62.8	40.0	42.5	-5.9%	5.9	5.4	5.2	5.1	4.6	4.6	4.2	6.0	4.6	5.4	5.4	5.0	4.9	-16.5%	
Imports																							
Crude (mmt)	505.9	542.4	513.2	508.4	564.3	366.9	378.8	-3.1%	52.8	45.7	49.0	42.4	48.4	44.2	44.1	49.1	44.7	47.0	46.5	42.3	49.1	-7.0%	
Crude (mmbpd)	10.1	10.8	10.3	10.2	11.3	11.0	11.4	-3.5%	12.4	11.1	11.5	10.3	11.4	10.4	11.1	11.6	10.9	11.1	11.3	10.0	11.6	-7.0%	
Total oil product imports (mmt)	30.6	28.5	27.1	26.3	47.8	33.0	30.6	8%	3.5	4.2	4.1	4.2	4.8	4.1	3.5	4.6	5.7	4.5	3.0	3.3	4.5	26.6%	
LNG (mmt)	60.7	67.3	79.9	63.8	71.8	50.7	45.8	10.7%	6.3	5.7	5.2	6.8	8.4	7.3	6.0	6.7	6.2	6.6	5.6	5.9	6.5	3.8%	
Piped natural gas (mmt)	36.3	34.5	42.4	45.8	48.7	36.8	32.2	14.4%	4.6	4.5	3.6	4.2	4.3	4.3	4.7	4.1	4.1	4.8	4.8	5.0	5.2	14.5%	

Source: Bloomberg, JM Financial

Exhibit 10. Windfall tax on diesel exports is NIL in 2QFY25 due to weak diesel crack (USD/bbl)

	FY23	FY24	2QFY25	Fortnight
Spore Diesel crack	34.3	20.5	13.9	10.0
India's windfall tax on Diesel exports	15.0	3.0	0.0	0.0

Source: JM Financial

Exhibit 11: Russia's share in India's crude imports improves to 45% in Jul'24 (in line with +40% during May-Aug'23); discount on Russian crude improved MoM to USD 2.9/bbl in Jul'24 (but still lower than USD 6-10/bbl in 1HCY23)

Year/Month	India's total crude imports			India's crude imports from Russia			Russia crude proportion and discount		
	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Russia's share in India's crude imports	Russia crude premium/ (discount) (%)	Russia crude premium/ (discount) (\$/bbl)
Annual details									
FY14	143.7	3.81	103.4	0.1	0.00	94.9	0.1%	NM	NM
FY15	116.0	3.78	84.0	0.2	0.00	113.2	0.1%	NM	NM
FY16	65.6	4.06	44.1	0.1	0.00	65.8	0.1%	NM	NM
FY17	70.7	4.33	44.8	0.3	0.01	78.5	0.2%	NM	NM
FY18	87.4	4.39	54.5	1.2	0.06	53.7	1.4%	-2%	-0.8
FY19	114.2	4.56	68.6	1.2	0.04	72.6	1.0%	6%	4.0
FY20	102.7	4.44	63.3	1.7	0.07	66.6	1.6%	5%	3.3
FY21	59.3	3.79	42.8	0.9	0.06	46.5	1.5%	9%	3.7
FY22	122.6	4.43	75.8	2.5	0.09	77.9	2.0%	3%	2.0
FY23	162.1	4.77	93.2	31.3	1.02	83.6	21.5%	-10%	-9.5
FY24	139.9	4.67	81.9	46.5	1.67	76.2	35.7%	-7%	-5.7
Monthly details									
Jan-23	12.0	4.85	80.0	3.2	1.40	73.1	28.9%	-9%	-6.9
Feb-23	13.3	6.08	78.3	3.4	1.66	71.9	27.4%	-8%	-6.4
Mar-23	13.6	5.73	76.7	4.0	1.85	70.0	32.3%	-9%	-6.8
Apr-23	10.9	4.73	76.6	3.4	1.69	68.0	35.7%	-11%	-8.6
May-23	12.1	5.23	74.7	4.6	2.11	70.0	40.4%	-6%	-4.7
Jun-23	10.1	4.92	68.2	3.8	2.18	58.1	44.4%	-15%	-10.1
Jul-23	9.0	3.45	83.9	3.4	1.38	78.8	40.0%	-6%	-5.1
Aug-23	13.1	4.48	94.1	4.2	1.76	75.9	39.4%	-19%	-18.2
Sep-23	10.4	3.87	89.7	3.5	1.27	91.6	32.7%	2%	1.9
Oct-23	12.4	4.51	88.8	3.8	1.42	86.0	31.5%	-3%	-2.8
Nov-23	11.9	4.51	87.7	3.6	1.41	85.7	31.2%	-2%	-2.0
Dec-23	11.6	4.58	81.4	3.9	1.63	77.6	35.6%	-5%	-3.8
Jan-24	12.0	4.85	80.1	4.5	1.84	78.6	37.9%	-2%	-1.5
Feb-24	13.3	5.67	80.5	3.6	1.61	77.4	28.3%	-4%	-3.2
Mar-24	13.2	5.21	81.6	4.2	1.70	80.4	32.6%	-1%	-1.1
Apr-24	13.2	5.17	84.9	4.3	1.70	83.9	33.0%	-1%	-1.1
May-24	15.9	6.06	84.9	5.8	2.26	83.5	37.2%	-2%	-1.4
Jun-24	11.3	4.55	82.9	4.7	1.92	81.2	42.1%	-2%	-1.7
Jul-24	10.3	3.91	84.9	4.5	1.75	82.0	44.8%	-3%	-2.9

Source: CMIE, JM Financial

Exhibit 12: OMCs' auto-fuel gross marketing margin rose to INR 6.4/ltr in 2QFY25 (from INR 3.3/ltr in 1QFY25) due to sharp fall in crude price

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	On spot crude price and spot product crack*
OMCs gross marketing margin (GMM, INR/ltr)							
Diesel GMM (INR/ltr)	9.5	2.8	1.4	3.9	3.5	6.0	9.1
Petrol GMM (INR/ltr)	7.4	4.3	5.7	5.7	2.7	7.2	9.1
Wt Avg GMM for Diesel & Petrol (INR/ltr)	8.8	3.3	2.8	4.5	3.3	6.4	9.1
Historical average GMM (INR/ltr)	3.5	3.5	3.5	3.5	3.5	3.5	3.5
OMCs diesel/petrol refining product crack trend (USD/bbl)							
Diesel refining product crack (USD/bbl)	13.8	26.5	20.3	21.2	13.9	12.8	8.8
Petrol refining product crack (USD/bbl)	16.5	18.8	11.8	17.6	13.3	10.7	7.8
Historical average diesel/petrol product crack (USD/bbl)	15.0	15.0	15.0	15.0	15.0	15.0	15.0
OMCs diesel/petrol refining product crack trend (INR/ltr)							
Diesel refining product crack (INR/ltr)	7.1	13.8	10.6	11.1	7.3	6.7	4.6
Petrol refining product crack (INR/ltr)	8.5	9.8	6.2	9.2	7.0	5.6	4.1
Historical average diesel/petrol product crack (INR/ltr)	7.8	7.8	7.8	7.8	7.9	7.9	7.9
OMCs integrated gross refining and marketing margin (INR/ltr) — assuming 1:1 marketing vs refining volume							
Diesel integrated gross margin (INR/ltr)	16.6	16.6	12.0	15.0	10.8	12.7	13.8
Petrol integrated gross margin (INR/ltr)	16.0	14.1	11.8	14.9	9.6	12.8	13.2
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	16.4	15.8	12.0	15.0	10.4	12.7	13.6
Historical average integrated gross margin for Diesel & Petrol (INR/ltr)	11.3	11.3	11.3	11.3	11.4	11.4	11.4
HPCL integrated gross refining and marketing margin (INR/ltr) — assuming 1.7:1 marketing vs refining MS HSD cons volume							
Diesel integrated gross margin (INR/ltr)	13.7	10.9	7.7	10.5	7.8	9.9	11.9
Petrol integrated gross margin (INR/ltr)	12.5	10.1	9.3	11.1	6.8	10.5	11.5
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	13.3	10.7	8.2	10.7	7.5	10.1	11.8
HPCL historical average integrated gross margin for Diesel & Petrol (INR/ltr)	8.1	8.1	8.1	8.1	8.1	8.1	8.2
BPCL integrated gross refining and marketing margin (INR/ltr) — assuming 1.2:1 marketing vs refining MS HSD cons volume							
Diesel integrated gross margin (INR/ltr)	15.4	14.3	10.3	13.2	9.6	11.6	13.0
Petrol integrated gross margin (INR/ltr)	14.5	12.5	10.8	13.4	8.5	11.9	12.5
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	15.1	13.7	10.4	13.2	9.2	11.7	12.9
BPCL historical average integrated gross margin for Diesel & Petrol (INR/ltr)	10.0	10.0	10.0	10.0	10.1	10.1	10.1
IOCL integrated gross refining and marketing margin (INR/ltr) — assuming 1:1 marketing vs refining MS HSD cons volume							
Diesel integrated gross margin (INR/ltr)	16.6	16.6	12.0	15.0	10.8	12.7	13.8
Petrol integrated gross margin (INR/ltr)	16.0	14.1	11.8	14.9	9.6	12.8	13.2
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	16.4	15.8	12.0	15.0	10.4	12.7	13.6
IOCL historical average integrated gross margin for Diesel & Petrol (INR/ltr)	11.3	11.3	11.3	11.3	11.4	11.4	11.4

Source: Company, JM Financial Note: *Margin is based on spot Brent price of ~USD 79.6/bbl and current diesel crack of ~USD9/bbl and petrol crack of ~USD8/bbl.

Exhibit 13: India's Aug'24 oil demand is down 2.6% YoY with a) diesel demand down 2.5% YoY, b) gasoline demand up 8.6% YoY

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Volume (mmt)													
Diesel	6.67	6.49	7.63	7.53	7.60	7.42	7.44	8.01	7.93	8.41	7.98	7.20	6.50
Gasoline	3.09	3.06	3.14	3.13	2.99	3.10	3.02	3.32	3.28	3.46	3.30	3.30	3.36
LPG	2.5	2.6	2.5	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.3	2.6	2.6
Kerosene	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ATF	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Others	5.9	5.4	5.5	4.8	6.3	5.9	6.4	6.8	5.8	6.0	5.6	5.8	5.1
Naphtha	1.2	1.0	1.2	1.0	1.4	1.3	1.1	1.1	1.2	1.1	1.0	1.2	1.2
FO & LSHS	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.5	0.5
Petroleum coke	1.8	1.5	1.6	1.3	1.7	1.6	2.1	2.2	1.8	1.7	1.5	1.7	1.6
Others	2.4	2.4	2.1	1.9	2.6	2.4	2.6	2.9	2.3	2.6	2.5	2.4	1.8
Total	18.8	18.2	19.5	18.7	20.3	19.9	20.2	21.6	20.2	21.1	19.9	19.7	18.3
YoY growth (%)													
Diesel	5.2	3.8	9.3	(3.1)	(2.4)	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)
Gasoline	2.9	8.2	4.8	9.4	0.2	9.6	8.9	6.9	14.2	3.4	4.6	10.5	8.6
LPG	3.0	4.5	4.2	1.0	2.3	7.6	9.0	8.6	10.0	2.5	3.7	10.1	7.7
Kerosene	64.8	(22.5)	0.2	16.0	2.4	7.5	8.5	4.8	(11.9)	(27.7)	(28.8)	(18.0)	(33.5)
ATF	13.6	11.0	12.4	11.6	9.2	7.3	12.6	10.1	13.2	10.9	10.1	9.6	8.1
Others	16.1	14.9	(1.5)	(10.3)	14.0	11.2	9.4	(4.9)	12.4	(0.7)	1.7	8.5	(13.9)
Naphtha	10.8	5.1	38.1	12.4	33.2	15.8	7.0	0.5	9.4	(5.8)	(4.1)	10.5	(3.8)
FO & LSHS	(17.4)	(11.0)	(11.5)	(11.8)	(9.1)	(5.5)	(9.2)	(10.8)	(10.0)	2.9	12.4	(5.7)	3.1
Petroleum coke	43.0	8.5	(4.6)	(12.0)	21.4	15.1	32.7	14.4	30.9	(4.9)	(4.0)	4.2	(8.2)
Others	12.9	34.2	(11.1)	(17.9)	7.4	10.8	0.5	(16.4)	8.0	3.9	5.9	14.9	(26.8)
Total	8.0	7.9	4.8	(2.2)	3.7	7.3	8.2	1.7	7.8	1.9	2.3	7.5	(2.6)

Source: PPAC, JM Financial

Exhibit 14: Detailed 2QFY25 estimates of CGDs

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
IGL (Standalone)						
Sales (INR mn)	36,687	34,585	35,206	6.1	4.2	
EBITDA (INR mn)	6,077	6,569	5,819	-7.5	4.5	
EBITDA margin (%)	16.6	19.0	16.5	-243 bps	4 bps	
PBT (INR mn)	5,941	6,862	5,380	-13.4	10.4	
PAT (INR mn)	4,397	5,348	4,015	-17.8	9.5	
Operational details						
CNG Sales Volume (mmscm)	602	575	587	4.7	2.5	Assumed a) CNG volume of 602mmscm (up 2.5% QoQ and 4.7% YoY), PNG volume of 207mmscm (up 3.9% QoQ and 9.3% YoY) implying overall volume of 808mmscm or 8.8 mmscmd (up 1.7% QoQ and 5.8% YoY); and b) margins (EBITDA/scm) to be slightly lower QoQ at INR 7.3/scm (vs. INR 7.4/scm in 1QFY25).
PNG Sales Volume-(mmscm)	207	189	199	9.3	3.9	
Overall Sales Volume-(mmscm)	808	764	786	5.8	2.9	
Overall sales volume-(mmscmd)	8.8	8.3	8.6	5.8	1.7	
Net realisation (INR/scm)	45.1	45.3	44.8	-0.3	0.8	
Average cost of gas (INR/scm)	32.1	31.2	31.6	3.1	1.7	
Blended gross spread (INR/scm)	13.0	14.1	13.2	-7.7	-1.5	
Other expense (INR/scm)	5.7	5.5	5.8	4.2	-1.2	
EBITDA (INR/scm)	7.3	8.6	7.4	-15.3	-1.6	
Average cost of gas (USD/mmbtu)	10.7	10.5	10.5	1.7	1.3	
GGas (Standalone)						
Sales (INR mn)	35,512	38,454	44,503	-7.6	-20.2	
EBITDA (INR mn)	4,403	4,966	5,356	-11.3	-17.8	
EBITDA margin (%)	12.4	12.9	12.0	-52 bps	36 bps	
PBT (INR mn)	3,488	4,007	4,433	-13.0	-21.3	
PAT (INR mn)	2,581	2,978	3,298	-13.3	-21.7	
Operational details						
PNG Industrial Sales Volume-(mmscm)	429	539	660	-20.5	-35.0	Assumed a) Industrial volume of 429mmscm (down 35% QoQ and 20.5% YoY); overall volume of 780mmscm or 8.5mmscmd (down 22.8% QoQ and 9.1% YoY); and b) margin (EBITDA/scm) to improve slightly QoQ to INR 5.6/scm (from INR 5.4/scm in 1QFY25).
CNG Sales Volume (mmscm)	279	241	271	15.9	3.0	
Overall Sales Volume-(mmscm)	780	857	999	-9.1	-22.0	
Overall sales volume-(mmscmd)	8.5	9.3	11.0	-9.1	-22.8	
Net realisation (INR/scm)	45.5	44.8	44.5	1.5	2.2	
Average cost of gas (INR/scm)	35.7	35.6	35.9	0.1	-0.7	
Blended gross spread (INR/scm)	9.9	9.2	8.6	7.0	14.6	
Other expense (INR/scm)	4.2	3.4	3.3	23.1	29.9	
EBITDA (INR/scm)	5.6	5.8	5.4	-2.5	5.3	
Average cost of gas (USD/mmbtu)	11.8	12.0	12.0	-1.2	-1.1	
MGL (Standalone)						
Sales (INR mn)	16,566	15,709	15,896	5.5	4.2	
EBITDA (INR mn)	4,205	4,789	4,185	-12.2	0.5	
EBITDA margin (%)	25.4	30.5	26.3	-510 bps	-94 bps	
PBT (INR mn)	3,845	4,543	3,837	-15.4	0.2	
PAT (INR mn)	2,845	3,385	2,845	-15.9	0.0	
Operational details						
CNG Sales Volume (mmscm)	259	238	252	8.8	2.5	Assumed a) CNG volume of 259mmscm (up 2.5% QoQ and 8.8% YoY), PNG volume at 101mmscm (up 2% QoQ and 10.5% YoY) implying overall volume of 359mmscm or 3.9mmscmd (up 1.2% QoQ and 9.3% YoY); and b) margin (EBITDA/scm) to decline slightly to INR 11.7/scm (from INR 11.9/scm reported in 1QFY25) due to lower APM allocation and rise in spot LNG price.
PNG Sales Volume-(mmscm)	101	91.3	99	10.5	2.0	
Overall Sales Volume-(mmscm)	359	329	351	9.3	2.4	
Overall sales volume-(mmscmd)	3.9	3.6	3.9	9.3	1.2	
Net realisation (INR/scm)	46.1	47.8	45.3	-3.5	1.8	
Average cost of gas (INR/scm)	28.4	27.3	27.3	3.9	3.9	
Blended gross spread (INR/scm)	17.7	20.4	17.9	-13.4	-1.4	
Other expense (INR/scm)	6.0	5.9	6.0	2.1	-0.6	
EBITDA (INR/scm)	11.7	14.6	11.9	-19.6	-1.8	
Average cost of gas (USD/mmbtu)	9.4	9.2	9.2	2.6	2.5	

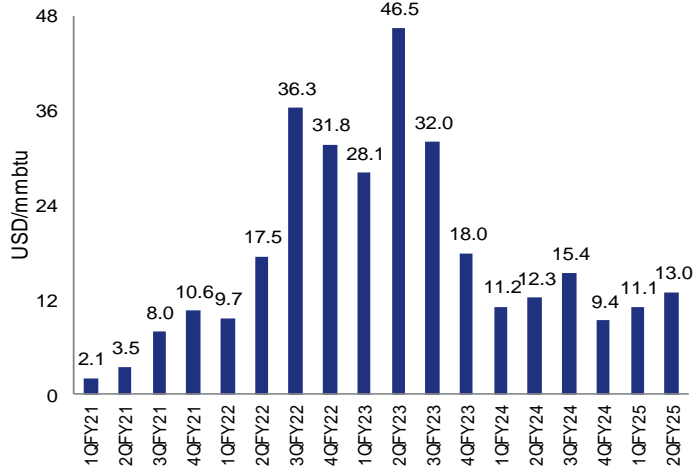
Source: Company, JM Financial

Exhibit 15: Detailed 2QFY25 estimates of GAIL, GSPL and PLNG

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
GAIL (Standalone)						
Sales (INR mn)	336,522	318,068	336,738	5.8	-0.1	
EBITDA (INR mn)	42,172	34,913	45,281	20.8	-6.9	
EBITDA margin (%)	12.5	11.0	13.4	156 bps	-92 bps	
PBT (INR mn)	35,222	31,301	36,416	12.5	-3.3	
PAT (INR mn)	26,346	24,049	27,240	9.6	-3.3	
Segment wise EBITDA details						
Gas transmission	19,162	16,500	19,660	16.1	-2.5	
Gas trading	20,493	19,530	22,850	4.9	-10.3	
LPG and LHC	2,874	50	2,660	5648.0	8.0	
Petrochemicals	3,139	-380	1,240	NM	153.2	
LPG pipeline	1,004	1,040	1,000	-3.4	0.4	
Total	48,172	40,520	49,000	18.9	-1.7	Assumed a) gas transmission EBITDA to be down 2.5% QoQ on 3.6% QoQ decline in gas transmission volume to 127mmscmd and integrated pipeline tariff flat QoQ at -INR 2,180/tcm; b) gas trading earnings to decline with trading volume 0.5% lower QoQ to 99mmscmd and gas trading margin moderating to INR 2,250/tcm (vs. INR 2,524/tcm in 1QFY25); c) petchem earnings expected to improve QoQ with sharp rise in petchem sales volume and margins; and d) LPG earnings to improve QoQ on higher sales volume.
Operational details						
Gas transmission volume (mmscmd)	127	120	132	5.6	-3.6	
Gas transmission tariff (INR/tcm)	2,180	2,204	2,180	-1.1	0.0	
Gas trading volume (mmscmd)	99	97	99	2.1	-0.5	
Gas trading EBITDA (INR/tcm)	2,250	2,189	2,524	2.8	-10.9	
Petchem sales volume (kt)	240	168	169	42.9	42.0	
Petchem margins (INR/ton)	13,080	-2,262	7,337	NM	78.3	
LPG-LHC sales volume (kt)	250	242	218	3.3	14.7	
LPG margins (INR/ton)	11,496	207	12,202	NM	-5.8	
GSPL (Standalone)						
Sales (INR mn)	2,935	5,293	3,543	-44.5	-17.2	
EBITDA (INR mn)	2,134	4,103	3,010	-48.0	-29.1	
EBITDA margin (%)	72.7	77.5	84.9	-481 bps	-1225 bps	
PBT (INR mn)	3,938	6,278	2,835	-37.3	38.9	
PAT (INR mn)	2,945	5,320	2,120	-44.6	38.9	Assumed a) transmission volume at 33.5mmscmd (down 7.9% QoQ); and b) EBITDA margin to decline to -INR 660/tcm (from INR 878/tcm in 1QFY25) due to full quarter impact of sharp tariff cut wef 1stMay24.
Operational details						
Transmission Volume (mmscmd)	33.5	30.2	36.4	10.9	-7.9	
Transmission Revenue (INR/tcm)	920	1,750	1,118	-47.4	-17.7	
Cash Opex (INR/tcm)	260	317	240	-18.1	8.1	
Transmission EBITDA (INR/tcm)	660	1,433	878	-53.9	-24.8	
PLNG (Standalone)						
Sales (INR mn)	141,618	125,320	134,151	13.0	5.6	
EBITDA (INR mn)	14,741	12,147	15,630	21.3	-5.7	
EBITDA margin (%)	10.4	9.7	11.7	72 bps	-124 bps	
PBT (INR mn)	13,596	11,020	15,199	23.4	-10.5	
PAT (INR mn)	10,169	8,181	11,416	24.3	-10.9	
Operational details						
Dahej volume (TBTU)	229	210	248	9.0	-7.7	Assumed a) Dahej regas volume to moderate QoQ to 229TBTU (vs. 248TBTU reported in 1QFY25) implying ~101% utilisation; b) Kochi volume expected to be flat QoQ at 14TBTU; c) Dahej and Kochi regas margins to remain flat QoQ at INR 62.9/mmbtu and INR 89.4/scm respectively as per the agreement.
Kochi volume (TBTU)	14	13	14	7.7	0.0	
Total volume (TBTU)	243	223	262	9.0	-7.3	
Dahej capacity utilisation (%)	101%	92%	109%	8 bps	-8 bps	
Kochi capacity utilisation (%)	22%	20%	22%	2 bps	0 bps	
Overall capacity utilisation (%)	83%	76%	90%	7 bps	-6 bps	
Dahej regas margin (INR/mmbtu)	62.9	59.9	62.9	5.0	0.0	
Kochi regas margin (INR/mmbtu)	89.4	85.1	89.4	5.1	0.0	
Dahej regas service margin (INR/mmbtu)	62.9	58.6	59.1	7.3	6.4	

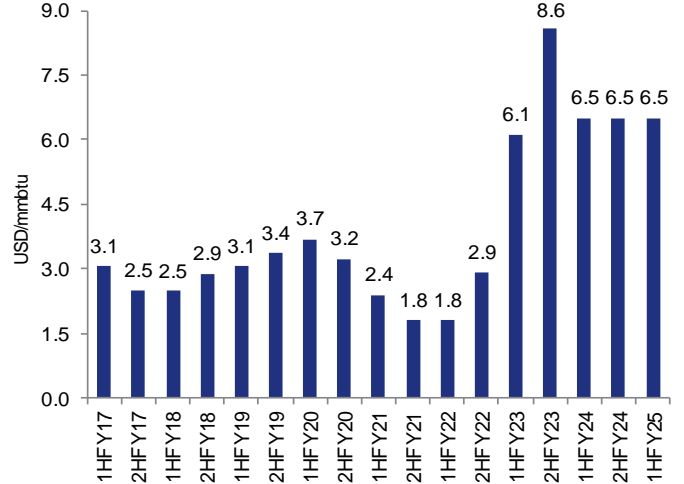
Source: Company, JM Financial

Exhibit 16: Spot LNG average price rose to ~USD 13/mmbtu in 2QFY25



Source: Bloomberg, Reuters, JM Financial

Exhibit 17: Domestic APM gas price capped at USD 6.5/mmbtu for FY24-FY25 (vs. USD 8.6/mmbtu in 2HFY23)



Source: PPAC, JM Financial

Exhibit 18: India's gas demand moderated in Jul'24-Aug'24 on gas demand normalization in Power segment (mmscmd)

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Domestic gas													
Fertiliser	8.2	8.7	8.9	11.4	8.1	7.5	7.1	7.4	6.3	7.2	5.8	5.3	6.7
Power	18.8	17.7	17.6	17.6	17.1	19.3	17.9	17.0	17.7	23.2	17.6	16.8	16.3
City Gas	27.2	29.3	30.2	24.8	28.0	26.5	26.8	27.2	26.3	29.1	27.5	26.7	26.1
Others	49.4	48.0	46.6	48.6	46.6	47.0	47.4	45.5	44.6	45.7	45.7	45.3	45.7
-Refinery	7.7	6.1	6.1	6.5	5.8	5.7	6.0	6.0	5.6	4.0	3.9	4.2	4.2
-Petrochemical	3.5	3.2	3.3	2.6	2.7	2.5	2.9	1.8	1.9	2.5	2.1	1.9	2.1
-Other	38.2	38.7	37.2	39.5	38.1	38.8	38.6	37.7	37.1	39.2	39.7	39.3	39.4
Total domestic gas consumption	103.6	103.8	103.3	102.4	99.8	100.3	99.2	97.1	94.9	105.2	96.7	94.2	94.8
LNG													
Fertiliser	49.0	50.2	52.2	49.6	52.1	54.3	48.4	48.1	48.3	46.3	49.9	52.8	49.8
Power	12.8	9.7	10.7	1.2	3.3	5.1	6.5	4.9	13.8	17.0	19.6	6.5	6.1
City Gas	8.9	7.0	7.7	11.6	10.2	11.1	12.3	12.7	13.9	12.2	13.7	13.9	13.3
Others	23.5	22.0	24.1	22.6	24.6	24.7	28.4	32.9	26.5	32.3	28.4	30.0	28.6
-Refinery	9.0	9.8	9.9	9.0	9.4	10.0	13.0	14.6	15.3	11.8	11.6	12.6	11.8
-Petrochemical	3.8	3.7	4.1	4.4	5.1	4.9	4.2	5.7	2.0	7.8	7.5	7.2	6.3
-Other	10.8	8.5	10.2	9.2	10.1	9.9	11.3	12.6	9.2	12.7	9.2	10.1	10.5
Total	94.3	88.9	94.8	85.0	90.1	95.2	95.7	98.6	102.4	107.9	111.6	103.2	97.8
Total													
Fertiliser	57.3	58.9	61.1	61.0	60.2	61.8	55.5	55.5	54.5	53.5	55.7	58.1	56.4
Power	31.6	27.4	28.3	18.8	20.4	24.4	24.3	21.9	31.5	40.2	37.2	23.3	22.4
City Gas	36.1	36.3	38.0	36.4	38.1	37.5	39.2	39.9	40.2	41.3	41.2	40.7	39.5
Others	73.0	70.0	70.7	71.2	71.2	71.7	75.9	78.4	71.1	78.1	74.1	75.3	74.3
-Refinery	16.7	15.9	15.9	15.5	15.2	15.7	19.0	20.6	20.9	15.9	15.5	16.8	16.0
-Petrochemical	7.3	6.9	7.4	7.0	7.8	7.4	7.1	7.5	3.9	10.3	9.7	9.1	8.4
-Other	49.0	47.2	47.4	48.7	48.3	48.6	49.8	50.3	46.3	51.9	48.9	49.4	49.9
Total	197.9	192.7	198.1	187.4	189.9	195.5	194.9	195.7	197.3	213.1	208.3	197.4	192.6

Source: PPAC, JM Financial

Exhibit 19: Spot LNG price rose to ~USD 13/mmbtu, slightly higher than historical average of ~15% of Brent; also at a premium vs. other alternate fuels

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Spore spot LNG prices (USD/mmbtu)	9.7	17.5	36.3	31.8	28.1	46.5	32.0	18.0	11.2	12.3	15.4	9.4	11.1	13.0
Fuel oil price (USD/MT)	406	452	493	631	621	441	372	396	435	507	447	439	499	469
LPG/Propane prices (USD/MT)	528	648	822	803	847	682	617	700	520	473	607	627	592	592
Naphtha price (USD/MT)	584	607	633	659	699	622	615	624	589	610	612	615	619	626
Brent crude price (USD/bbl)	72.3	77.7	84.3	111.5	112.4	91.7	82.3	81.2	78.1	86.4	84.6	83.0	84.9	80.3
Converting all product prices into USD/bbl based on energy equivalence														
Spore spot LNG prices (USD/bbl)	58.3	105.2	217.9	190.6	168.6	278.7	192.2	107.7	67.2	73.8	92.7	56.4	66.7	77.9
Fuel oil price (USD/bbl)	61.0	67.9	74.0	94.7	93.3	66.2	55.9	59.4	65.4	76.1	67.1	65.9	74.9	70.4
LPG/Propane prices (USD/bbl)	45.5	55.9	70.8	69.3	73.0	58.8	53.2	60.3	44.8	40.8	52.3	54.0	51.0	51.0
Naphtha price (USD/MT)	68.7	71.4	74.4	77.5	82.2	73.1	72.4	73.5	69.3	71.7	72.0	72.3	72.8	73.7
Brent crude price (USD/bbl)	72.3	77.7	84.3	111.5	112.4	91.7	82.3	81.2	78.1	86.4	84.6	83.0	84.9	80.3
Spot LNG price as % of Fuel oil	96%	155%	295%	201%	181%	421%	344%	181%	103%	97%	138%	86%	89%	111%
Spot LNG price as % of LPG/Propane	128%	188%	308%	275%	231%	474%	361%	178%	150%	181%	177%	104%	131%	153%
Spot LNG price as % of Naphtha	85%	147%	293%	246%	205%	381%	265%	147%	97%	103%	129%	78%	92%	106%
Spot LNG price as % of Brent	81%	135%	259%	171%	150%	304%	234%	133%	86%	85%	109%	68%	78%	97%

Source: JM Financial, Bloomberg

Changes in Estimates and TP

Exhibit 20: Change in estimates and TP

	Revenue (INR mn)			EBITDA (INR mn)			PAT (INR mn)			TP (INR)	Rating
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E		
RIL											
New	9,408,999	10,490,150	11,944,531	1,623,031	1,964,914	2,276,557	713,708	885,401	1,056,774	3,470	BUY
Old	9,695,199	10,982,544	12,739,022	1,729,131	2,032,893	2,371,162	790,687	928,891	1,113,948	3,500	BUY
Change	-3.0%	-4.5%	-6.2%	-6.1%	-3.3%	-4.0%	-9.7%	-4.7%	-5.1%	-1%	
IOCL											
New	7,871,526	8,260,169	8,260,169	454,427	518,013	519,671	228,292	267,343	255,579	150	SELL
Old	7,871,526	8,260,169	8,260,169	484,032	517,951	490,024	245,119	262,493	225,615	150	SELL
Change	0.0%	0.0%	0.0%	-6.1%	0.0%	6.1%	-6.9%	1.8%	13.3%	0%	
BPCL											
New	4,228,565	4,399,399	4,577,135	262,374	263,903	262,940	141,640	141,409	138,200	320	HOLD
Old	4,148,144	4,265,372	4,385,939	254,689	262,000	238,594	134,322	136,970	116,591	290	HOLD
Change	1.9%	3.1%	4.4%	3.0%	0.7%	10.2%	5.4%	3.2%	18.5%	10%	
HPCL											
New	4,147,251	4,352,056	4,567,737	179,609	191,118	198,206	104,825	107,427	98,392	315	SELL
Old	4,147,251	4,352,056	4,567,737	178,507	188,194	186,738	104,001	105,238	89,809	290	SELL
Change	0.0%	0.0%	0.0%	0.6%	1.6%	6.1%	0.8%	2.1%	9.6%	8%	
ONGC											
New	6,483,829	6,855,859	7,162,354	1,099,498	1,220,795	1,264,038	573,510	643,078	667,760	340	BUY
Old	6,515,484	6,866,729	7,156,754	1,130,051	1,228,741	1,246,972	588,023	646,992	659,882	340	BUY
Change	-0.5%	-0.2%	0.1%	-2.7%	-0.6%	1.4%	-2.5%	-0.6%	1.2%	0%	
Oil India											
New	326,413	363,668	774,884	138,867	158,949	244,561	85,483	100,333	147,143	695	BUY
Old	330,261	368,574	774,884	142,716	163,856	244,561	87,464	102,996	147,521	720	BUY
Change	-1.2%	-1.3%	0.0%	-2.7%	-3.0%	0.0%	-2.3%	-2.6%	-0.3%	-4%	
Gujarat Gas											
New	150,884	179,501	201,635	21,707	26,740	30,359	13,065	16,610	19,093	700	BUY
Old	160,976	180,761	202,903	23,743	26,869	30,406	14,593	16,709	19,132	700	BUY
Change	-6.3%	-0.7%	-0.6%	-8.6%	-0.5%	-0.2%	-10.5%	-0.6%	-0.2%	0%	
IGL											
New	146,259	176,209	197,931	25,689	28,212	30,164	18,738	20,576	22,016	600	BUY
Old	146,259	176,209	197,931	25,689	28,212	30,164	18,738	20,576	22,016	550	BUY
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9%	
MGL											
New	63,418	70,437	78,095	16,735	17,998	19,761	11,437	12,191	13,328	1900	BUY
Old	63,418	70,437	78,095	16,735	17,998	19,761	11,436	12,189	13,325	1670	BUY
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14%	
PLNG											
New	478,912	524,002	528,798	57,277	61,843	71,770	38,499	40,145	46,230	285	HOLD
Old	478,514	523,785	528,550	56,879	61,626	71,485	38,923	40,929	46,604	270	HOLD
Change	0.1%	0.0%	0.0%	0.7%	0.4%	0.4%	-1.1%	-1.9%	-0.8%	6%	
GAIL											
New	1,389,419	1,465,044	1,569,728	165,863	166,438	184,361	107,922	107,226	118,072	255	BUY
Old	1,396,910	1,492,067	1,596,747	175,406	175,741	193,973	113,281	112,321	123,836	250	BUY
Change	-0.5%	-1.8%	-1.7%	-5.4%	-5.3%	-5.0%	-4.7%	-4.5%	-4.7%	2%	
GSPL											
New	11,837	12,409	13,010	8,394	8,804	9,234	7,582	8,011	8,461	490	HOLD
Old	11,837	12,409	13,010	8,394	8,803	9,234	7,582	8,011	8,461	460	HOLD
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6%	

Source: JM Financial

Exhibit 21: Valuation snapshot

Company	Rating	TP (INR)	Upside/ (downside)	P/E (x)			P/B (x)			EV/EBITDA (x)			ROE (%)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
RIL	BUY	3,470	27%	26.3	21.2	17.8	2.2	2.0	1.9	13.2	10.9	9.3	8.7	10.0	10.9
IOCL	SELL	150	-7%	10.5	8.9	9.3	1.2	1.2	1.1	7.9	6.9	6.8	12.1	13.3	12.0
BPCL	HOLD	320	-5%	10.3	10.3	10.5	1.7	1.6	1.4	6.5	6.5	6.7	17.7	16.0	14.3
HPCL	SELL	315	-20%	9.0	8.8	9.6	1.8	1.6	1.4	9.1	8.7	8.4	21.0	19.1	15.7
Oil India	BUY	695	27%	10.8	9.2	6.3	1.7	1.5	1.2	8.4	7.3	4.8	16.5	17.0	21.2
ONGC	BUY	340	17%	6.5	5.8	5.6	1.0	0.9	0.8	4.3	3.8	3.5	16.2	16.5	15.5
Gujarat Gas	BUY	700	17%	32.4	25.5	22.2	4.9	4.3	3.8	18.8	14.9	12.8	16.0	18.0	18.2
IGL	BUY	600	11%	20.5	18.7	17.5	3.9	3.5	3.1	14.2	12.6	11.4	20.5	19.7	18.6
MGL	BUY	1,900	4%	17.1	16.1	14.7	3.3	2.9	2.5	10.5	9.5	8.4	20.6	19.1	18.4
PLNG	HOLD	285	-18%	13.9	13.3	11.6	2.8	2.5	2.2	8.1	7.6	6.5	21.4	19.9	20.5
GAIL	BUY	255	14%	14.0	14.1	12.8	2.2	2.0	1.8	9.2	9.1	8.0	16.1	14.7	14.9
GSPL	HOLD	490	19%	31.7	30.0	28.4	2.2	2.1	2.0	20.8	19.1	17.4	7.2	7.2	7.2

Source: JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Rating	Meaning
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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

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