

Oil and Gas

3Q preview: Steady to weak quarter, OMCs the exception

In 3QFY25, we expect RIL's EBITDA to grow 7.3% QoQ led by improvement in GRM and pass-through of Telecom tariff hikes while muted growth in Retail business continues. ONGC/Oil India's 3QFY25 EBITDA likely to be flattish to slightly higher QoQ as some increase in crude & gas sales volume might be offset by a tad lower crude realisation. OMCs' 3QFY25 EBITDA could jump sharply QoQ driven by strong marketing margin (partly offset by LPG losses), improvement in GRM and minimal inventory loss. GAIL EBITDA may decline 6% QoQ on moderation in gas trading margin; GSPL PAT is likely to be flattish QoQ while PLNG PAT could grow 5% QoQ. CGD companies' earnings could decline sharply due to sharp APM allocation cuts and limited CNG price hike. We maintain BUY on RIL as we believe CMP is trading near our bear-case valuation of INR 1,230, net debt will decline gradually as capex will moderate and be fully funded internally, and EPS could grow by 14-15% CAGR over the next 3-5 years. We reiterate BUY on ONGC/Oil India given ~12%/25% production growth outlook in the next 1-3 years and our expectation of OPEC+ supporting crude ~USD 70-75/bbl. We also maintain our BUY on GAIL and GGas. However, we maintain our cautious view on OMCs (SELL on HPCL and IOCL; HOLD on BPCL) as risk-reward is still unfavourable. We maintain our SELL on IGL and MGL due to significant downside risk to earnings and multiple on account of deterioration in their pricing power due to sharp APM allocation cuts; we maintain HOLD on PLNG due to capital misallocation concerns.

- **RIL's 3QFY25 EBITDA is likely to grow 7.3% QoQ led by improvement in GRM and pass-through of Telecom tariff hikes while muted growth in Retail business continues:** RIL's 3QFY25 EBITDA is likely to grow 7.3% QoQ to INR 419bn led by 10.3% QoQ growth in O2C EBITDA on account of improvement in GRM and 4.6% QoQ growth in Digital EBITDA as the Jul'24 tariff hike continues to pass-through their ARPU; however, muted growth in Retail business EBITDA continues (up 5.8% QoQ, but down 1.1% YoY) due to scale-down in the B2B business. Key assumptions: **a)** O2C EBITDA may grow 10.3% QoQ to INR 137bn due to improvement in GRM to ~USD 8.6/bbl vs. S'pore Dubai GRM of USD 5.0/bbl (and vs. RIL's implied GRM of ~USD 7.1/bbl in 2QFY25) due to recovery in diesel cracks while refining throughput could be ~2% lower QoQ at 16.0mmt; however, weakness in petchem margin is expected to continue, though flattish QoQ; **b)** E&P EBITDA to be flattish QoQ at INR 53bn due to largely flattish gas output and price; **c)** Retail EBITDA is likely to decline 1% YoY to INR 62bn due to scale-down in B2B business; **d)** Digital EBITDA is expected to grow 4.6% QoQ to INR 169bn on 4.6% QoQ rise in ARPU to INR 204 as the Jul'24 tariff hike continues to pass through their ARPU - **Exhibit 1**.
- **ONGC/Oil India's 3QFY25 EBITDA likely to be flattish to slightly higher QoQ as some increase in crude & gas sales volume might be offset by a tad lower crude realisation:** ONGC and Oil India's net crude realisation adjusted for windfall tax will be lower ~USD 1/bbl QoQ at USD 71-73/bbl in 3QFY25 given fall in Brent crude price below USD 75/bbl (Brent averaged at USD 74.7/bbl in 3QFY25 vs. USD 80.3/bbl in 2QFY25); removal of windfall tax is positive but much impact won't be seen in 3QFY25. ONGC and Oil India's gas realisations could be slightly higher QoQ with domestic APM gas realisation being capped at USD 6.5/mmbtu and 5-7% of APM gas (~4.7mcmd for ONGC as per management during 2QFY25 concall) being reclassified as New Well Gas (NWG) with higher realisation of ~USD 9/mmbtu. ONGC's crude and gas sales volume is likely to be up ~1% QoQ due to gradual ramp-up in KG DW 98/2 output; Oil India crude and gas sales volume is also likely to be up ~1% QoQ. Hence, ONGC's 3QFY25 EBITDA is expected to be largely steady QoQ while Oil India's 3QFY25 EBITDA is expected to be ~3% higher QoQ — **Exhibit 2**.
- **OMCs' 3QFY25 EBITDA to jump sharply QoQ driven by strong marketing margin (partly offset by LPG losses), improvement in GRM and minimal inventory loss:** OMCs are likely to report significant QoQ improvement in EBITDA (on a low base) on strong auto-fuel marketing margin (partly offset by LPG losses), improvement in GRMS aided by recovery in diesel cracks and minimal inventory loss — **Exhibit 3**. OMCs' weighted average auto-fuel gross marketing margin has further strengthened to INR 9.5/lt in 3QFY25 (vs. INR 6.4/lt in 2QFY25), though this is likely to be partly offset by QoQ rise in OMCs LPG under-recoveries to (~INR 100-110bn in 3QFY25 vs INR 78.7bn in 2QFY25) in the absence of any government compensation — **Exhibit 11**. Further we expect OMCs' 3QFY25 reported GRM to improve to USD 6.0-7.4/bbl (vs. USD 1.6-4.4/bbl reported in 2QFY25) driven by recovery in diesel cracks (USD 14.6/bbl in 3QFY25 vs. USD 12.8/bbl in 2QFY25) and minimal crude inventory loss

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(of USD 0.1-0.2/bbl in 3QFY25 vs. loss of USD 1.5-2/bbl in 2QFY25) as Brent crude price averaged at USD 73.8/bbl in Dec'24 vs. USD 74.3/bbl in Sep'24) — **Exhibit 4-8**. Hence, we expect 3QFY25 EBITDA to jump sharply by 202% QoQ for IOCL, 93% QoQ for HPCL and 70% QoQ for BPCL on a low base.

- **GAIL's EBITDA to decline 6% QoQ on moderation in gas trading margin; GSPL's PAT seen flattish QoQ while PLNG PAT could grow 5% QoQ:** India's domestic gas demand in 3QFY25 is expected to decline by a marginal ~1% QoQ driven by high spot LNG prices — **Exhibit 17**. GAIL could see largely flattish QoQ growth in gas transmission volume at 130mmscmd and gas trading volume at 99mmscmd; petchem sales volume may be a tad lower QoQ at 220kt (from 226kt in 2QFY25) while LPG sales volume could be flattish QoQ at 255kt. GAIL's 3QFY25 EBITDA could decline 6.2% QoQ due to moderation in gas trading margin on account of high US HH gas price and lower oil-linked LNG price, and some moderation in petchem segment EBITDA due to global prices. GSPL could also see ~1% QoQ rise in transmission volume to 30.0mmscmd driven by recovery in volume for Gujarat Gas while transmission EBITDA margin may be steady QoQ at ~INR 990/tcm. Hence, we expect GSPL's 3QFY25 EBITDA to be flattish QoQ at INR 1.9bn. PLNG's 3QFY25 PAT is expected to be up 5% QoQ with regas volume and margin likely to be steady QoQ; we expect inventory/trading gain of INR 1.0bn — **Exhibit 14**.
- **CGD companies' earnings to decline sharply due to sharp APM allocation cuts and limited CNG price hike:** IGL's 3QFY25 EBITDA could decline by a sharp ~40% QoQ as we expect EBITDA margin to decline sharply to ~INR 3.6/scm (from INR 6.5/scm) on account of sharp ~30% APM allocation cuts and limited CNG price hike (no hike in Delhi); volume growth is expected to be steady at 1.2% QoQ and 7.7% YoY (at 9.1mmscmd). MGL's 3QFY25 EBITDA is likely to decline by sharp ~26% QoQ as we expect EBITDA margin to fall sharply to ~INR 7.9/scm (from INR 10.7/scm) on account of sharp ~30% APM allocation cuts and limited CNG price hike; volume growth is expected to be steady at 0.7% QoQ and 10.9% YoY (at 4.1mmscmd). For Gujarat Gas (GGas), we expect EBITDA to decline by 13% QoQ as we expect EBITDA margin to decline sharply to ~INR 5.1/scm (from INR 6.5/scm) on account of ~30% APM allocation cuts and limited CNG price hike; however, volume could grow 8.3% QoQ on a low base to 9.5mmscmd led by recovery in volumes in Morbi — **Exhibit 13**.
- **Change in estimates and TP:** We have cut ONGC's FY25-27 EBITDA by 2-4% to account for 3QFY25 result expectations, slight moderation in production growth estimate and slightly higher opex; hence, TP has been cut slightly to INR 315 (from INR 320). We have cut GAIL's FY25-27 EBITDA estimate by 5-7% to account for potential cut of entire 1.75mmscmd of APM allocation for its LPG & OHC business (after recent reduction of ~0.64mmscmd); hence, TP has been reduced to INR 235 (from INR 250). We have cut GSPL's TP to INR 425 (from INR 435) due to reduction in value of its stake in GGas (which we value at CMP less 20% holding discount) (**Exhibit 19**).
- **Prefer RIL, ONGC/Oil India, GGas and GAIL; maintain cautious view on OMCs, IGL, MGL and PLNG:** We **reiterate BUY on RIL (TP INR 1,660)** as we believe CMP is trading near our [bear-case valuation of INR 1,230](#), net debt could decline gradually as capex will moderate and be fully funded internally, and EPS is expected to grow by 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, Jio's listing in the next 9-12 months could lead to be a potential re-rating trigger. We also **reiterate BUY on ONGC (revised TP of INR 315) and Oil India (TP INR 615)** given ~12%/25% production growth outlook in the next 1-3 years and our expectation of OPEC+ supporting crude ~USD 70-75/bbl; Oil India also benefits from lucrative NRL capacity expansion — **Exhibit 20**. Further, we **maintain BUY on GAIL** (revised TP of INR 235) on steady growth visibility in gas transmission business; we also **reiterate BUY on GGas** (TP of INR 600) as we expect spot LNG prices to moderate in the medium to long term. However, we maintain our [cautious view on OMCs](#) (SELL on HPCL and IOCL; HOLD on BPCL) as risk-reward is still not favourable despite the recent weakness. We **maintain our SELL on IGL and MGL** due to significant downside risk to earnings and multiple on account of deterioration in their pricing power due to sharp APM allocation cuts. We maintain [HOLD on PLNG](#) due to capital misallocation concerns; PNGRB's recent paper on need to regulate regas tariff is a key overhang.

Exhibit 1: Detailed 3QFY25 estimates of RIL

	3QFY25E	3QFY24	2QFY25	YoY (%)	QoQ (%)	Comment
RIL (Consolidated)						
Sales (INR mn)	2,258,520	2,250,860	2,315,350	0.3	-2.5	
EBITDA (INR mn)	419,283	406,560	390,580	3.1	7.3	
EBITDA margin (%)	18.6	18.1	16.9	50 bps	170 bps	Assumed a) O2C EBITDA to grow 10.3% QoQ to INR 137bn due to improvement in GRM to ~USD 8.6/bbl vs. S'pore Dubai GRM of USD 5.0/bbl (and vs. RIL's implied GRM of ~USD 7.1/bbl in 2QFY25) due to recovery in diesel cracks while refining throughput could be ~2% lower QoQ at 16.0mmt; however, weakness in petchem margin is expected to continue, though flattish QoQ; b) E&P EBITDA to be flattish QoQ at INR 53bn due to largely flattish gas output and realisation; c) Retail EBITDA is likely to decline 1% YoY to INR 62bn due to scale down in B2B business; d) Digital EBITDA is expected to grow 4.6% QoQ to INR 169bn on 4.6% QoQ rise in ARPU to INR 204 as the Jul'24 tariff hike continues to pass through their ARPU.
PBT (INR mn)	271,035	259,860	252,590	4.3	7.3	
PAT after minority (INR mn)	175,124	172,650	165,630	1.4	5.7	
Segment wise EBITDA break-up						
O2C	136,854	140,640	124,130	-2.7	10.3	
E&P	53,034	58,040	52,900	-8.6	0.3	
Organised retail	62,010	62,710	58,610	-1.1	5.8	
Digital service	168,884	142,610	161,390	18.4	4.6	
Total	441,283	423,710	418,090	4.1	5.5	

Source: Company, JM Financial

Exhibit 2: Detailed 3QFY25 estimates of upstream PSUs

	3QFY25E	3QFY24	2QFY25	YoY (%)	QoQ (%)	Comment
ONGC (Standalone)						
Sales (INR mn)	321,054	347,881	338,809	-7.7	-5.2	
EBITDA (INR mn)	182,591	171,640	182,364	6.4	0.1	
EBITDA margin (%)	56.9	49.3	53.8	753 bps	305 bps	
PBT (INR mn)	120,291	126,103	150,360	-4.6	-20.0	
PAT (INR mn)	89,978	98,917	119,840	-9.0	-24.9	Assumed a) net crude realisation at USD72.5/bbl (vs USD 74.3/bbl in 2QFY25) in line with Brent price less windfall tax (NIL) on domestic crude output; b) domestic APM gas realisations to remain capped at USD 6.5/mmbtu with 5-7% of APM gas being reclassified as New Well Gas (NWG) with higher realisation of ~USD 9/mmbtu; c) overall crude sales volume up 1.4% QoQ; and d) overall gas sales volume up 0.4% QoQ.
Operational details						
Gross Crude Realisation (USD/bbl)	72.5	80.9	78.3	-10.5	-7.4	
Windfall tax on domestic crude (USD/bbl)	0.0	9.0	3.9	-100.0	-100.0	
Net Crude Realisation (USD/bbl)	72.5	71.9	74.3	0.7	-2.5	
Gas Price Realisation (USD/mmbtu)	7.3	7.1	7.1	2.3	2.0	
Crude Sales Volume (mmt)	4.65	4.72	4.59	-1.5	1.4	
Gas Sales Volume (bcm)	3.90	3.97	3.88	-1.8	0.4	
Oil India (Standalone)						
Sales (INR mn)	52,781	58,150	55,190	-9.2	-4.4	
EBITDA (INR mn)	25,591	23,642	24,756	8.2	3.4	
EBITDA margin (%)	48.5	40.7	44.9	783 bps	363 bps	
PBT (INR mn)	22,941	19,331	23,054	18.7	-0.5	
PAT (INR mn)	17,160	15,843	18,341	8.3	-6.4	Assumed a) net crude realisation at USD 70.7/bbl (vs USD 71.6/bbl in 2QFY25) in line with Brent price less windfall tax (NIL) on domestic crude output; b) domestic APM gas realisations to remain capped at USD 6.5/mmbtu; c) overall crude sales volume to be flat QoQ; and d) overall gas sales volume up 2.2% QoQ.
Operational details						
Gross Crude Realisation (USD/bbl)	70.7	81.1	76.9	-12.8	-8.1	
Windfall tax on domestic crude (USD/bbl)	0.0	9.5	5.3	-100.0	-100.0	
Net Crude Realisation (USD/bbl)	70.7	71.6	71.6	-1.3	-1.3	
Gas Price Realisation (USD/mmbtu)	6.9	7.0	6.8	-0.9	1.0	
Crude Sales Volume (mmt)	0.84	0.85	0.84	-1.0	0.0	
Gas Sales Volume (bcm)	0.66	0.68	0.65	-2.5	2.2	

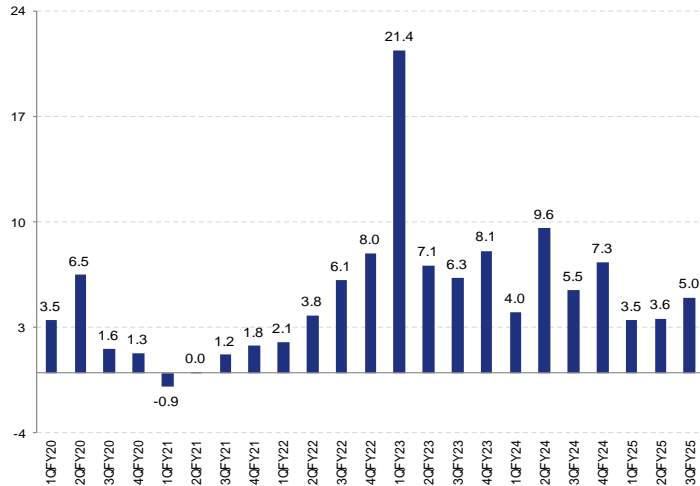
Source: Company, JM Financial

Exhibit 3: Detailed 3QFY25 estimates of OMCs

	3QFY25E	3QFY24	2QFY25	YoY (%)	QoQ (%)	Comment	
IOCL (Standalone)							
Sales (INR mn)	2,219,096	2,230,124	1,951,489	-0.5	13.7		
EBITDA (INR mn)	113,860	154,887	37,724	-26.5	201.8		
EBITDA margin (%)	5.1	6.9	1.9	-181 bps	320 bps		
PBT (INR mn)	64,460	107,682	1,728	-40.1	3629.7		
PAT (INR mn)	48,216	80,634	1,800	-40.2	2578.5		
Segment wise EBITDA details							
Refining	19,243	107,916	-24,837	-82.2	NM		
Marketing	72,410	30,636	43,221	136.4	67.5	Assumed a) reported GRM at USD 6.0/bbl (vs. USD 1.6/bbl in 2QFY25) based on core GRM of USD 6.2/bbl and crude inventory loss of USD 0.2/bbl (or INR 2.4bn crude inventory loss); b) crude throughput at 17.5mmt (up 4.6% QoQ) and marketing sales volume at 22.3mmt (up 9.1% QoQ); c) rise in auto fuel gross marketing margin to +INR 9.5/tr in 3QFY25 (vs INR 6.4/tr in 2QFY25) while assuming product inventory loss of INR 1.1bn.	
Pipeline	19,500	18,953	20,113	2.9	-3.0		
Petchem	6,207	4,910	5,974	26.4	3.9		
Total	124,360	169,416	51,472	-26.6	141.6		
Operational details							
Core GRM (USD/bbl)	6.2	10.0	3.1	-38.1	99.3		
Inventory gain/(loss) (USD/bbl)	-0.2	3.5	-1.5	NM	NM		
Reported GRM (USD/bbl)	6.0	13.5	1.6	-55.9	275.5		
Crude throughput (mmt)	17.5	18.5	16.7	-5.3	4.6		
Marketing sales volume (mmt)	22.3	22.3	20.4	-0.2	9.1		
Implied Marketing normalised EBITDA (INR/ton)	3,300	2,108	2,610	56.6	26.4		
Implied integrated Reported EBITDA margin (USD/bbl)	6.6	10.1	1.5	-34.6	353.3		
BPCL (Standalone)							
Sales (INR mn)	1,149,473	1,299,756	1,179,517	-11.6	-2.5		
EBITDA (INR mn)	77,440	62,263	45,464	24.4	70.3		
EBITDA margin (%)	6.7	4.8	3.9	195 bps	288 bps		
PBT (INR mn)	61,391	45,801	31,936	34.0	92.2		
PAT (INR mn)	45,430	33,973	23,972	33.7	89.5		
Segment wise EBITDA details							
Refining	24,691	62,459	8,917	-60.5	176.9	Assumed a) reported GRM at USD 7.4/bbl (vs. USD 4.4/bbl in 2QFY25) based on core GRM of USD 7.5/bbl and crude inventory loss of USD 0.1/bbl (or INR 0.4bn crude inventory loss); b) crude throughput at 9.0mmt (down 12.5% QoQ) and marketing sales volume at 13.3mmt (up 4.3% QoQ); c) rise in auto fuel gross marketing margin to +INR 9.5/tr in 3QFY25 (vs INR 6.4/tr in 2QFY25) while assuming product inventory loss of INR 0.6bn.	
Marketing	52,749	-196	36,547	NM	44.3		
Total	77,440	62,263	45,464	24.4	70.3		
Operational details							
Core GRM (USD/bbl)	7.5	16.4	5.8	-54.1	29.1		
Inventory gain/(loss) (USD/bbl)	-0.1	-3.0	-1.4	NM	NM		
Reported GRM (USD/bbl)	7.4	13.4	4.4	-44.4	68.4		
Crude throughput (mmt)	9.0	9.9	10.3	-8.8	-12.5		
Marketing sales volume (mmt)	13.3	13.2	12.8	1.1	4.3		
Implied Marketing normalised EBITDA (INR/ton)	4,000	265	3,728	1411.3	7.3		
Implied integrated Reported EBITDA margin (USD/bbl)	9.3	7.7	5.8	21.3	61.9		
HPCL (Standalone)							
Sales (INR mn)	1,164,377	1,184,429	1,082,164	-1.7	7.6		
EBITDA (INR mn)	52,623	21,636	27,244	143.2	93.2		
EBITDA margin (%)	4.5	1.8	2.5	269 bps	200 bps		
PBT (INR mn)	32,207	7,681	8,354	319.3	285.5		
PAT (INR mn)	23,833	5,290	6,312	350.5	277.6		
Segment wise EBITDA details							
Refining	11,598	17,943	465	-35.4	2391.7	Assumed a) reported GRM at USD 6.1/bbl (vs. USD 3.1/bbl in 2QFY25) based on core GRM of USD 6.2/bbl and crude inventory loss of USD 0.1/bbl (or INR 0.3bn crude inventory loss); b) crude throughput at 6.4mmt (up 1.4% QoQ) and marketing sales volume at 12.0mmt (up 3.4% QoQ); c) rise in auto fuel gross marketing margin to +INR 9.5/tr in 3QFY25 (vs INR 6.4/tr in 2QFY25) while assuming product inventory loss of INR 0.6bn.	
Marketing	40,274	2,943	26,029	1268.6	54.7		
Total	52,623	21,636	27,244	143.2	93.2		
Operational details							
Core GRM (USD/bbl)	6.2	10.8	4.8	-42.5	29.3		
Inventory gain/(loss) (USD/bbl)	-0.1	-2.3	-1.7	NM	NM		
Reported GRM (USD/bbl)	6.1	8.5	3.1	-27.9	96.3		
Crude throughput (mmt)	6.4	5.3	6.3	19.7	1.4		
Marketing sales volume (mmt)	12.0	11.9	11.6	1.0	3.4		
Implied Marketing normalised EBITDA (INR/ton)	3,400	247	2,885	1274.9	17.8		
Implied integrated Reported EBITDA margin (USD/bbl)	7.0	2.9	3.7	142.6	87.8		

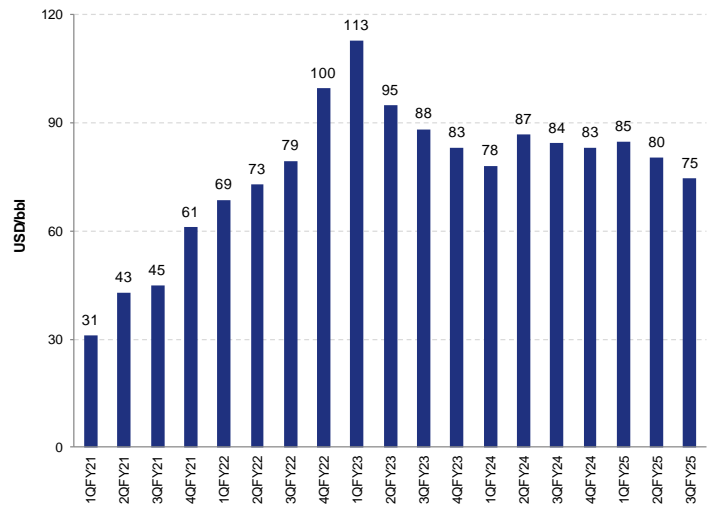
Source: Company, JM Financial

Exhibit 4: S'pore Dubai GRM recovered to USD 5/bbl in 3QFY25 led by recovery in diesel crack



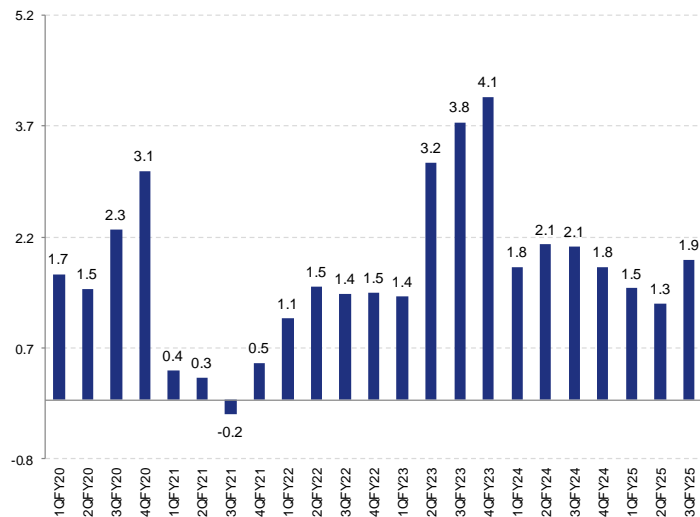
Source: Bloomberg, Company, JM Financial

Exhibit 5: Brent crude moderated to ~USD 75/bbl in 3QFY25



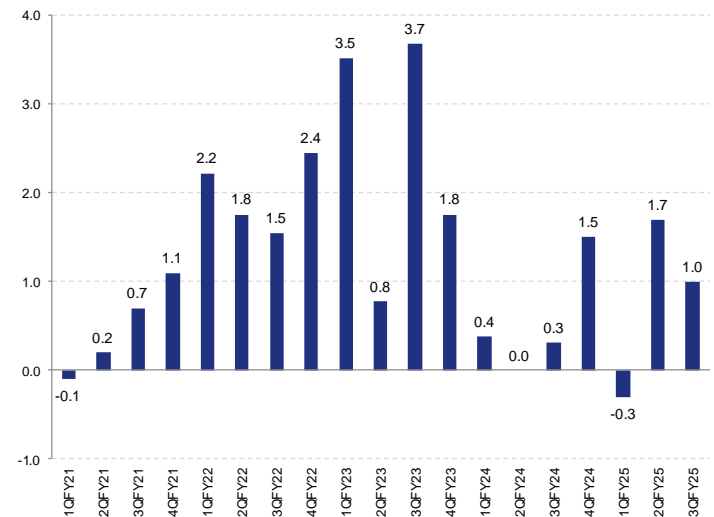
Source: Bloomberg, JM Financial

Exhibit 6: Arab light-Arab heavy crude spread at USD 1.9/bbl in 3QFY25 (USD/bbl)



Source: Bloomberg, JM Financial

Exhibit 7: Brent Dubai crude spread at USD 1.0/bbl in 3QFY25 (USD/bbl)



Source: Bloomberg, JM Financial

Exhibit 8: Refining margin and product crack trend (USD/bbl) – GRM recovered in 3QFY25 on recovery in diesel cracks

	Dec-24	Nov-24	Oct-24	3QFY25	2QFY25	1QFY25	4QFY24	3QFY24	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17
Refining margin & product cracks (USD/bbl)																
S'pore GRM (USD/bbl)	5.3	6.0	3.8	5.0	3.6	3.5	7.3	5.5	6.6	10.8	5.0	0.5	3.2	4.9	7.2	6.2
Product cracks (USD/bbl)																
Diesel	15.3	16.1	12.6	14.6	12.8	13.9	21.2	20.3	20.5	35.7	10.5	4.7	13.6	14.4	13.2	11.1
Petrol	12.6	11.7	10.1	11.4	10.7	13.3	17.6	11.8	16.2	19.1	13.7	4.6	10.0	8.4	14.6	14.9
Naptha	-4.1	-2.9	-1.4	-2.8	-5.6	-9.9	-5.9	-12.0	-11.8	-12.1	1.6	-0.8	-5.4	-3.9	0.2	1.2
LPG	-21.6	-19.7	-17.6	-19.6	-23.5	-31.6	-28.3	-25.5	-29.7	-36.3	-15.1	-6.9	-22.2	-22.3	-13.2	-11.4
Jet Fuel	15.3	16.1	12.6	14.6	12.8	13.9	21.2	20.3	20.5	32.9	10.5	4.7	13.6	14.4	13.2	11.1
Fuel Oil	-3.5	-1.8	-3.0	-2.8	-6.0	-5.5	-10.6	-11.8	-9.4	-18.4	-6.5	-2.2	-6.9	-1.5	-3.2	-4.8
Brent (USD/bbl)	73.8	74.4	75.7	74.6	80.4	84.9	83.1	84.3	83.0	94.7	80.0	44.7	60.9	70.2	57.6	49.0

Source: Company, JM Financial

Exhibit 9: China's refinery throughput and oil & gas export import details: Crude imports and oil product exports higher YoY in Nov'24

	CY19	CY20	CY21	CY22	CY23	CY24TD	CY23TD	% YoY	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	% YoY	
Refinery Throughput																							
Total Throughput (mmt)	N/A	N/A	N/A	673.9	738.4	N/A	678.3	N/A	59.5	60.1	N/A	N/A	63.8	58.8	60.5	58.3	59.1	59.1	58.7	59.5	58.5	-1.7%	
Total Throughput (mmbpd)	N/A	N/A	N/A	13.5	14.8	N/A	14.8	N/A	14.5	14.2	N/A	N/A	15.0	14.3	14.3	14.2	13.9	14.3	14.3	14.0	14.2	-1.7%	
Exports																							
Diesel (mmt)	21.4	19.8	17.2	10.9	13.8	7.9	13.1	-39%	1.2	0.7	0.6	0.6	1.4	0.8	1.1	0.8	0.5	0.9	0.4	0.5	0.4	-65.5%	
Gasoline (mmt)	16.4	16.0	14.6	12.7	12.3	9.1	11.5	-20.7%	0.9	0.8	0.8	0.7	1.2	0.4	0.9	0.9	0.8	0.8	0.7	0.7	1.3	41.6%	
Total oil product exports (mmt)	66.9	61.9	60.3	53.8	62.8	54.4	58.2	-6.5%	5.1	4.6	4.6	4.2	6.0	4.6	5.4	5.4	5.0	4.9	5.2	4.0	5.2	3.0%	
Imports																							
Crude (mmt)	505.9	542.4	513.2	508.4	564.3	505.7	515.9	-2.0%	42.4	48.4	44.2	44.1	49.1	44.7	47.0	46.5	42.3	49.1	45.5	44.7	48.5	14.3%	
Crude (mmbpd)	10.1	10.8	10.3	10.2	11.3	11.0	11.3	-2.3%	10.3	11.4	10.4	11.1	11.6	10.9	11.1	11.3	10.0	11.6	11.1	10.5	11.8	14.3%	
Total oil product imports (mmt)	30.6	28.5	27.1	26.3	47.8	45.5	43.1	6%	4.2	4.8	4.1	3.5	4.6	5.7	4.5	3.0	3.3	4.5	4.5	3.9	4.1	-2.0%	
LNG (mmt)	60.7	67.3	79.9	63.8	71.8	70.2	63.4	10.7%	6.8	8.4	7.3	6.0	6.7	6.2	6.6	5.6	5.9	6.5	6.8	6.6	6.2	-9.6%	
Piped natural gas (mmt)	36.3	34.5	42.4	45.8	48.7	50.6	44.4	14.0%	4.2	4.3	4.3	4.7	4.1	4.1	4.8	4.8	5.0	5.2	5.2	4.0	4.7	12.0%	

Source: Bloomberg, JM Financial

Exhibit 10: Russia's share in India's crude imports remain robust at ~41% in Oct'24 (in line with +40% during May-Aug'23); discount on Russian crude rises MoM to USD 2.5/bbl in Oct'24 (but still lower than USD 6-10/bbl in 1HCY23)

Year/Month	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Value (USD bn)	Qty (mmbpd)	Average Cost (USD/bbl)	Russia's share	Russia crude	Russia crude
							in India's crude imports	premium/ (discount) (%)	premium/ (discount) (\$/bbl)
Annual									
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
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
Aug-24	7.8	3.02	83.4	2.7	1.07	81.6	35.4%	-2%	-1.8
Sep-24	9.5	3.97	79.5	4.2	1.76	78.8	44.3%	-1%	-0.7
Oct-24	14.6	6.02	78.6	5.8	2.44	76.1	40.5%	-3%	-2.5

Source: CMIE, JM Financial

Exhibit 11: OMCs' auto-fuel gross marketing margin improved to INR 9.5/ltr in 3QFY25 (from INR 6.4/ltr in 2QFY25) on lower crude prices

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	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	9.3	5.9
Petrol GMM (INR/ltr)	7.4	4.3	5.7	5.7	2.7	7.2	9.9	8.2
Wt Avg GMM for Diesel & Petrol (INR/ltr)	8.8	3.3	2.8	4.5	3.3	6.4	9.5	6.7
Historical average GMM (INR/ltr)	3.5	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	14.7	15.5
Petrol refining product crack (USD/bbl)	16.5	18.8	11.8	17.6	13.3	10.7	11.4	10.1
Historical average diesel/petrol product crack (USD/bbl)	15.0	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	7.8	8.4
Petrol refining product crack (INR/ltr)	8.5	9.8	6.2	9.2	7.0	5.6	6.1	5.4
Historical average diesel/petrol product crack (INR/ltr)	7.8	7.8	7.8	7.8	7.9	7.9	8.0	8.1
OMCs integrated gross refining and marketing margin (INR/ltr of marketing volume) — 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	17.0	14.3
Petrol integrated gross margin (INR/ltr)	16.0	14.1	11.8	14.9	9.6	12.8	16.0	13.6
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	16.4	15.8	12.0	15.0	10.4	12.7	16.7	14.1
Historical average integrated gross margin for Diesel & Petrol (INR/ltr)	11.3	11.3	11.3	11.3	11.4	11.4	11.5	11.6
HPCL integrated gross refining and marketing margin (INR/ltr of marketing volume) — 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	13.8	10.9
Petrol integrated gross margin (INR/ltr)	12.5	10.1	9.3	11.1	6.8	10.5	13.5	11.4
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	13.3	10.7	8.2	10.7	7.5	10.1	13.7	11.0
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	8.3
BPCL integrated gross refining and marketing margin (INR/ltr of marketing volume) — 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	15.8	12.9
Petrol integrated gross margin (INR/ltr)	14.5	12.5	10.8	13.4	8.5	11.9	14.9	12.7
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	15.1	13.7	10.4	13.2	9.2	11.7	15.5	12.8
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	10.2
IOCL integrated gross refining and marketing margin (INR/ltr of marketing volume) — 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	17.0	14.3
Petrol integrated gross margin (INR/ltr)	16.0	14.1	11.8	14.9	9.6	12.8	16.0	13.6
Wt Avg integrated gross margin for Diesel & Petrol (INR/ltr)*	16.4	15.8	12.0	15.0	10.4	12.7	16.7	14.1
IOCL historical average integrated gross margin for Diesel & Petrol (INR/ltr)	11.3	11.3	11.3	11.3	11.4	11.4	11.5	11.6

Source: Company, JM Financial Note: *Margin is based on spot Brent price of ~USD 76.2/bbl and current diesel crack of ~USD16/bbl and petrol crack of ~USD10/bbl.

Exhibit 12: India's Nov'24 oil demand is down 9.3% YoY with a) diesel demand up 8.5% YoY, b) gasoline demand up 9.6% YoY

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Volume (mmt)													
Diesel	7.53	7.60	7.42	7.44	8.01	7.93	8.41	7.98	7.19	6.50	6.37	7.64	8.17
Gasoline	3.13	2.99	3.10	3.02	3.32	3.28	3.46	3.30	3.30	3.36	3.15	3.41	3.43
LPG	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.3	2.6	2.7	2.6	2.7	2.7
Kerosene	0.0	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	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7
Others	4.8	6.3	5.9	6.4	6.8	5.8	6.0	5.6	6.3	5.0	4.5	5.4	5.4
Naphtha	1.0	1.4	1.3	1.1	1.1	1.2	1.1	1.0	1.2	1.2	1.0	1.2	1.1
FO & LSHS	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.6	0.6	0.5
Petroleum coke	1.3	1.7	1.6	2.1	2.2	1.8	1.7	1.5	2.4	1.7	1.2	1.7	1.8
Others	1.9	2.6	2.4	2.6	2.9	2.3	2.6	2.5	2.2	1.6	1.7	1.9	2.0
Total	18.7	20.3	19.9	20.2	21.6	20.2	21.1	19.9	20.2	18.3	17.4	20.0	20.4
YoY growth (%)													
Diesel	(3.1)	(2.4)	3.4	6.3	2.7	1.4	2.4	1.0	4.5	(2.5)	(1.9)	0.1	8.5
Gasoline	9.4	0.2	9.6	8.9	6.9	14.2	3.4	4.6	10.5	8.6	3.0	8.7	9.6
LPG	1.0	2.3	7.6	9.0	8.6	10.1	2.7	3.9	10.9	8.3	2.3	9.4	7.5
Kerosene	16.0	2.4	7.5	8.5	4.8	(11.9)	(27.7)	(28.8)	(18.0)	(33.5)	14.5	(3.3)	(19.3)
ATF	11.6	9.2	7.3	12.6	10.1	13.2	10.9	10.1	9.6	8.1	10.5	9.4	8.5
Others	(10.3)	14.0	11.2	9.4	(4.9)	12.4	(0.7)	1.7	19.1	(15.7)	(16.6)	(0.4)	11.8
Naphtha	12.4	33.2	15.8	7.0	0.5	9.4	(5.8)	(4.1)	17.3	(4.2)	(0.9)	(1.2)	0.5
FO & LSHS	(11.8)	(9.1)	(5.5)	(9.2)	(10.8)	(9.9)	3.0	12.5	(9.9)	(3.7)	3.3	23.5	3.2
Petroleum coke	(12.0)	21.4	15.1	32.7	14.4	30.9	(4.9)	(4.0)	42.7	(1.9)	(19.2)	2.8	34.7
Others	(17.9)	7.4	10.8	0.5	(16.4)	8.0	3.9	5.9	8.9	(33.9)	(26.5)	(8.3)	4.4
Total	(2.2)	3.7	7.3	8.2	1.7	7.8	1.9	2.3	10.7	(3.1)	(4.4)	2.9	9.3

Source: PPAC, JM Financial

Exhibit 13: Detailed 3QFY25 estimates of CGDs

	3QFY25E	3QFY24	2QFY25	YoY (%)	QoQ (%)	Comment
IGL (Standalone)						
Sales (INR mn)	37,507	35,562	36,973	5.5	1.4	
EBITDA (INR mn)	3,214	5,641	5,359	-43.0	-40.0	
EBITDA margin (%)	8.6	15.9	14.5	-730 bps	-593 bps	
PBT (INR mn)	2,739	5,155	5,645	-46.9	-51.5	
PAT (INR mn)	2,027	3,921	4,311	-48.3	-53.0	
Operational details						
CNG Sales Volume (mmscm)	630	582	624	8.2	1.0	Assumed a) CNG volume of 630mmscm (up 1% QoQ and 8.2% YoY), PNG volume of 210mmscm (up 1.7% QoQ and 6.1% YoY) implying overall volume of 840mmscm or 9.1 mmscmd (up 1.2% QoQ and 7.7% YoY); and b) margins (EBITDA/\$scm) to be lower QoQ at INR 3.6/\$scm (vs. INR 6.5/\$scm in 2QFY25) on account of sharp ~30% APM allocation cuts and limited CNG price hike (and NIL price hike in Delhi).
PNG Sales Volume-(mmscm)	210	198	207	6.1	1.7	
Overall Sales Volume-(mmscm)	840	780	830	7.7	1.2	
Overall sales volume-(mmscmd)	9.1	8.5	9.0	7.7	1.2	
Net realisation (INR/\$scm)	44.4	45.6	44.5	-2.6	-0.3	
Average cost of gas (INR/\$scm)	35.3	32.7	32.6	8.2	8.4	
Blended gross spread (INR/\$scm)	9.1	12.9	11.9	-29.9	-24.0	
Other expense (INR/\$scm)	5.5	5.7	5.5	-3.8	0.3	
EBITDA (INR/\$scm)	3.6	7.2	6.5	-50.5	-44.6	
Average cost of gas (USD/mmbtu)	11.6	10.9	10.8	6.7	7.5	
GGas (Standalone)						
Sales (INR mn)	42,248	39,291	37,818	7.5	11.7	
EBITDA (INR mn)	4,461	4,007	5,142	11.3	-13.2	
EBITDA margin (%)	10.6	10.2	13.6	36 bps	-304 bps	
PBT (INR mn)	3,481	2,964	4,152	17.4	-16.2	
PAT (INR mn)	2,576	2,203	3,069	16.9	-16.1	
Operational details						
PNG Industrial Sales Volume-(mmscm)	506	509	452	-0.6	12.0	Assumed a) Industrial volume of 506mmscm (up 12% QoQ but down 0.6% YoY); overall volume of 871mmscm or 9.5mmscmd (up 8.3% QoQ and 3.4% YoY); and b) margin (EBITDA/\$scm) to be lower QoQ to INR 5.1/\$scm (from INR 6.4/\$scm in 2QFY25) on account of sharp ~30% APM allocation cuts and limited CNG price hike.
CNG Sales Volume (mmscm)	278	256	270	8.6	3.0	
Overall Sales Volume-(mmscm)	871	843	805	3.4	8.3	
Overall sales volume-(mmscmd)	9.5	9.2	8.8	3.4	8.3	
Net realisation (INR/\$scm)	48.5	46.6	47.0	4.0	3.2	
Average cost of gas (INR/\$scm)	39.6	38.3	36.6	3.4	8.1	
Blended gross spread (INR/\$scm)	8.9	8.4	10.4	6.5	-14.1	
Other expense (INR/\$scm)	3.8	3.6	4.0	4.7	-4.8	
EBITDA (INR/\$scm)	5.1	4.8	6.4	7.6	-19.9	
Average cost of gas (USD/mmbtu)	13.0	12.8	12.1	2.0	7.2	
MGL (Standalone)						
Sales (INR mn)	17,350	15,688	17,116	10.6	1.4	
EBITDA (INR mn)	2,944	4,487	3,985	-34.4	-26.1	
EBITDA margin (%)	17.0	28.6	23.3	-1163 bps	-631 bps	
PBT (INR mn)	2,614	4,258	3,731	-38.6	-29.9	
PAT (INR mn)	1,935	3,172	2,828	-39.0	-31.6	
Operational details						
CNG Sales Volume (mmscm)	268	242	265	10.7	1.0	Assumed a) CNG volume of 268mmscm (up 1% QoQ and 10.7% YoY), PNG volume at 106mmscm (up 0.1% QoQ and 11.4% YoY) implying overall volume of 375mmscm or 4.1mmscmd (up 0.7% QoQ and 10.9% YoY); and b) margin (EBITDA/\$scm) to be lower QoQ to INR 7.9/\$scm (from INR 10.7/\$scm in 2QFY25) on account of sharp ~30% APM allocation cuts and limited CNG price hike.
PNG Sales Volume-(mmscm)	106	95.6	106	11.4	0.1	
Overall Sales Volume-(mmscm)	375	338	372	10.9	0.7	
Overall sales volume-(mmscmd)	4.1	3.7	4.0	10.9	0.7	
Net realisation (INR/\$scm)	46.3	46.5	46.0	-0.3	0.6	
Average cost of gas (INR/\$scm)	32.2	27.3	29.0	17.9	10.9	
Blended gross spread (INR/\$scm)	14.1	19.1	17.0	-26.2	-16.9	
Other expense (INR/\$scm)	6.2	5.8	6.3	7.1	-0.3	
EBITDA (INR/\$scm)	7.9	13.3	10.7	-40.8	-26.7	
Average cost of gas (USD/mmbtu)	10.6	9.1	9.6	16.2	10.0	

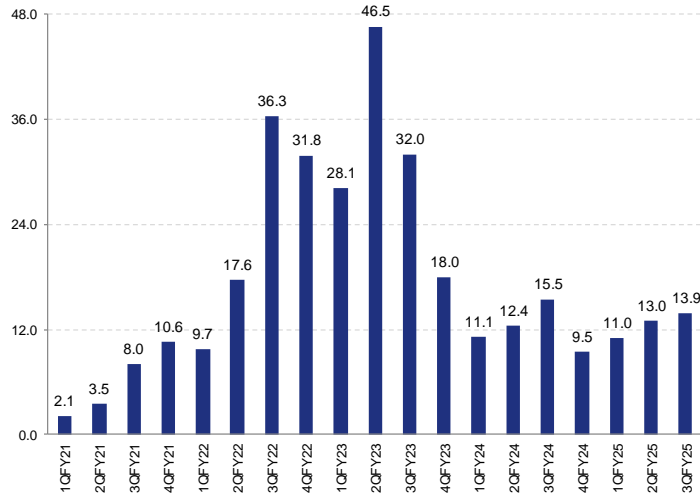
Source: Company, JM Financial

Exhibit 14: Detailed 3QFY25 estimates of GAIL, GSPL and PLNG

	3QFY25E	3QFY24	2QFY25	YoY (%)	QoQ (%)	Comment
GAIL (Standalone)						
Sales (INR mn)	329,878	342,365	329,117	-3.6	0.2	
EBITDA (INR mn)	35,128	38,226	37,450	-8.1	-6.2	
EBITDA margin (%)	10.6	11.2	11.4	-52 bps	-73 bps	
PBT (INR mn)	31,678	36,940	34,531	-14.2	-8.3	
PAT (INR mn)	23,695	28,426	26,719	-16.6	-11.3	
Segment wise EBITDA details						
Gas transmission	17,940	15,610	18,060	14.9	-0.7	
Gas trading	14,131	20,730	15,120	-31.8	-6.5	Assumed a) gas transmission EBITDA to be largely flattish QoQ on flattish volume of 130mmscmd and integrated pipeline tariff to be largely steady at -INR 2,130/tcm; b) gas trading EBITDA to moderate -7% QoQ on some normalisation of margin due to rise in US HH gas price while crude linked LNG price might be lower; volume to be largely flattish QoQ at 96mmscmd; c) petchem earnings expected to decline QoQ due to lower petchem sales volume and margins QoQ; and d) LPG earnings to rise QoQ in line with higher global LPG prices.
LPG and LHC	3,592	2,800	2,770	28.3	29.7	
Petrochemicals	1,942	2,050	2,810	NM	-30.9	
LPG pipeline	1,023	1,010	1,050	1.3	-2.6	
Total	41,128	46,350	44,580	-11.3	-7.7	
Operational details						
Gas transmission volume (mmscmd)	130	122	131	7.0	-0.5	
Gas transmission tariff (INR/tcm)	2,130	2,171	2,133	-1.9	-0.2	
Gas trading volume (mmscmd)	96	98	97	-2.2	-0.6	
Gas trading EBITDA (INR/tcm)	1,600	2,296	1,701	-30.3	-6.0	
Petchem sales volume (kt)	220	215	226	2.3	-2.7	
Petchem margins (INR/ton)	8,827	9,535	12,434	-7.4	-29.0	
LPG-LHC sales volume (kt)	255	249	253	2.4	0.8	
LPG margins (INR/ton)	14,088	11,245	10,949	25.3	28.7	
GSPL (Standalone)						
Sales (INR mn)	2,832	5,542	2,580	-48.9	9.8	
EBITDA (INR mn)	1,922	3,796	1,929	-49.4	-0.4	
EBITDA margin (%)	67.8	68.5	74.8	-65 bps	-695 bps	
PBT (INR mn)	1,731	3,506	4,346	-50.6	-60.2	
PAT (INR mn)	1,294	2,622	3,893	-50.6	-66.7	Assumed a) transmission volume at 30mmscmd (up 1.1% QoQ) due to rise in Ggas sales volume; and b) EBITDA margin to decline slightly QoQ to -INR 660/tcm (from INR 666/tcm in 2QFY25).
Operational details						
Transmission Volume (mmscmd)	30.0	29.0	29.7	3.4	1.1	
Transmission Revenue (INR/tcm)	990	1,797	996	-44.9	-0.7	
Cash Opex (INR/tcm)	330	454	330	-27.2	-0.1	
Transmission EBITDA (INR/tcm)	660	1,343	666	-50.9	-0.9	
PLNG (Standalone)						
Sales (INR mn)	129,705	147,472	130,218	-12.0	-0.4	
EBITDA (INR mn)	12,523	17,060	12,005	-26.6	4.3	
EBITDA margin (%)	9.7	11.6	9.2	-191 bps	44 bps	
PBT (INR mn)	11,903	15,973	11,404	-25.5	4.4	
PAT (INR mn)	8,904	11,907	8,476	-25.2	5.0	
Operational details						
Dahej volume (TBTU)	223	218	225	2.3	-0.9	Assumed a) Dahej regas volume to decline slightly QoQ to 223TBTU (vs. 225TBTU reported in 2QFY25) implying -98% 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; and d) inventory/trading gain of INR 1.0bn (from INR 1.1bn in 2QFY25)
Kochi volume (TBTU)	14	14	14	0.0	0.0	
Total volume (TBTU)	237	232	239	2.2	-0.8	
Dahej capacity utilisation (%)	98%	96%	99%	2 bps	-1 bps	
Kochi capacity utilisation (%)	22%	22%	22%	0 bps	0 bps	
Overall capacity utilisation (%)	81%	79%	82%	2 bps	-1 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	56.6	59.4	11.1	5.8	

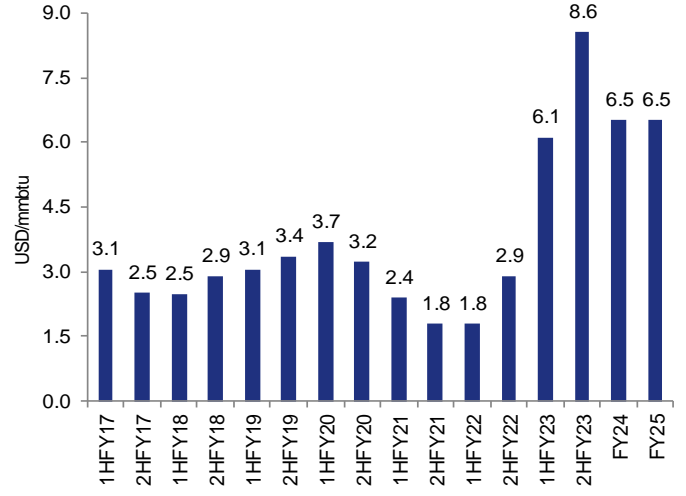
Source: Company, JM Financial

Exhibit 15: Spot LNG average price further elevates to ~USD ~14/mmbtu in 3QFY25



Source: Bloomberg, Reuters, JM Financial

Exhibit 16: 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 17: India's gas demand remains moderate in Oct'24-Nov'24 on elevated spot LNG prices (mmscmd)

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Domestic gas													
Fertiliser	11.4	8.1	7.5	7.1	7.4	6.3	7.2	5.8	5.3	6.7	9.6	9.1	8.5
Power	17.6	17.1	19.3	17.9	17.0	17.7	23.2	17.6	16.8	16.3	16.3	15.2	15.2
City Gas	24.8	28.0	26.5	26.8	27.2	26.4	29.1	27.5	26.7	26.1	31.6	27.6	25.7
Others	48.6	46.6	47.0	47.4	45.5	44.6	45.7	45.7	45.3	45.7	42.4	46.0	46.6
-Refinery	6.5	5.8	5.7	6.0	6.0	5.6	4.0	3.9	4.2	4.2	4.0	3.9	3.9
-Petrochemical	2.6	2.7	2.5	2.9	1.8	1.9	2.5	2.1	1.9	2.1	2.1	3.1	4.5
-Other	39.5	38.1	38.8	38.6	37.7	37.1	39.2	39.7	39.3	39.4	36.3	39.0	38.2
Total domestic gas consumption	102.4	99.8	100.3	99.2	97.1	95.0	105.2	96.7	94.2	94.8	100.0	97.9	96.0
LNG													
Fertiliser	49.6	52.1	54.3	48.4	48.1	48.7	48.5	49.9	52.8	49.8	45.6	46.5	50.1
Power	1.2	3.3	5.1	6.5	4.9	13.8	17.0	19.6	6.5	6.1	7.4	5.9	1.6
City Gas	11.6	10.2	11.1	12.3	12.7	14.0	12.2	13.8	13.9	13.3	10.4	13.2	14.0
Others	22.6	24.6	24.7	28.4	32.9	26.5	30.2	28.4	29.9	28.6	28.3	31.2	30.5
-Refinery	9.0	9.4	10.0	13.0	14.6	15.3	11.8	11.6	12.6	11.8	12.5	13.1	12.0
-Petrochemical	4.4	5.1	4.9	4.2	5.7	2.0	7.8	7.5	7.2	6.3	5.8	5.5	6.7
-Other	9.2	10.1	9.9	11.3	12.6	9.1	10.6	9.2	10.1	10.5	10.1	12.6	11.7
Total	85.0	90.1	95.2	95.7	98.6	102.9	107.9	111.6	103.2	97.8	91.7	96.9	96.2
Total													
Fertiliser	61.0	60.2	61.8	55.5	55.5	55.0	55.6	55.7	58.1	56.4	55.2	55.6	58.5
Power	18.8	20.4	24.4	24.3	21.9	31.5	40.2	37.2	23.3	22.4	23.7	21.2	16.9
City Gas	36.4	38.1	37.5	39.2	39.9	40.4	41.3	41.3	40.7	39.5	42.0	40.8	39.8
Others	71.2	71.2	71.7	75.9	78.4	71.0	75.9	74.1	75.3	74.3	70.8	77.2	77.1
-Refinery	15.5	15.2	15.7	19.0	20.6	20.9	15.9	15.5	16.8	16.0	16.4	17.0	15.9
-Petrochemical	7.0	7.8	7.4	7.1	7.5	3.9	10.3	9.7	9.1	8.4	7.9	8.5	11.3
-Other	48.7	48.3	48.6	49.8	50.3	46.2	49.7	48.9	49.3	49.9	46.4	51.6	49.9
Total	187.4	189.9	195.5	194.9	195.7	198.0	213.1	208.3	197.4	192.6	191.7	194.8	192.2

Source: PPAC, JM Financial

Exhibit 18: Spot LNG price rose to ~USD 14/mmbtu, higher than historical average of ~15% of Brent; also at a premium vs. other alternate fuels

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Spore spot LNG prices (USD/mmbtu)	28.1	46.5	32.0	18.0	11.2	12.3	15.4	9.4	11.1	13.0	13.9
Fuel oil price (USD/MT)	621	441	372	396	435	507	447	439	499	469	441
LPG/Propane prices (USD/MT)	847	682	617	700	520	473	607	627	592	592	632
Naphtha price (USD/MT)	699	622	615	624	589	610	612	615	619	626	619
Brent crude price (USD/bbl)	112.4	91.7	82.3	81.2	78.1	86.4	84.6	83.0	84.9	80.3	74.7
Converting all product prices into USD/bbl based on energy equivalance											
Spore spot LNG prices (USD/bbl)	168.6	278.7	192.2	107.7	67.2	73.8	92.7	56.4	66.7	77.9	83.2
Fuel oil price (USD/bbl)	93.3	66.2	55.9	59.4	65.4	76.1	67.1	65.9	74.9	70.4	66.2
LPG/Propane prices (USD/bbl)	73.0	58.8	53.2	60.3	44.8	40.8	52.3	54.0	51.0	51.0	54.5
Naphtha price (USD/MT)	82.2	73.1	72.4	73.5	69.3	71.7	72.0	72.3	72.8	73.7	72.9
Brent crude price (USD/bbl)	112.4	91.7	82.3	81.2	78.1	86.4	84.6	83.0	84.9	80.3	74.7
Spot LNG price as % of Fuel oil	181%	421%	344%	181%	103%	97%	138%	86%	89%	111%	126%
Spot LNG price as % of LPG/Propane	231%	474%	361%	178%	150%	181%	177%	104%	131%	153%	153%
Spot LNG price as % of Naphtha	205%	381%	265%	147%	97%	103%	129%	78%	92%	106%	114%
Spot LNG price as % of Brent	150%	304%	234%	133%	86%	85%	109%	68%	78%	97%	111%

Source: JM Financial, Bloomberg

Changes in Estimates and TP

Exhibit 19: 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	9,362,611	10,472,551	11,945,829	1,598,620	1,954,640	2,276,320	701,650	880,836	1,057,271	1,660	BUY
Old	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	1,660	BUY
Change	-0.5%	-0.2%	0.0%	-1.5%	-0.5%	0.0%	-1.7%	-0.5%	0.0%	0%	
IOCL											
New	7,891,638	8,297,144	8,297,144	435,163	503,314	512,006	215,826	259,200	253,177	140	SELL
Old	7,824,600	8,227,119	8,227,119	430,470	508,216	517,005	214,042	261,161	254,519	140	SELL
Change	0.9%	0.9%	0.9%	1.1%	-1.0%	-1.0%	0.8%	-0.8%	-0.5%	0%	
BPCL											
New	4,228,565	4,399,399	4,577,135	258,161	263,903	268,950	138,223	140,856	142,643	315	HOLD
Old	4,228,565	4,399,399	4,577,135	258,161	263,903	268,950	138,223	140,856	142,643	315	HOLD
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	
HPCL											
New	4,147,251	4,352,056	4,567,737	177,955	193,563	201,238	103,587	109,257	100,662	315	SELL
Old	4,147,251	4,352,056	4,567,737	177,955	193,063	200,228	103,587	108,882	99,906	315	SELL
Change	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	0.0%	0.3%	0.8%	0%	
ONGC											
New	5,690,540	6,066,465	6,348,401	1,026,156	1,169,553	1,212,497	500,015	582,906	606,716	315	BUY
Old	6,446,785	6,818,758	7,122,944	1,063,497	1,190,981	1,232,198	549,663	619,492	642,407	320	BUY
Change	-11.7%	-11.0%	-10.9%	-3.5%	-1.8%	-1.6%	-9.0%	-5.9%	-5.6%	-2%	
Oil India											
New	333,504	355,439	583,521	138,220	148,814	199,323	85,004	92,719	122,970	615	BUY
Old	325,034	345,966	570,630	138,023	148,115	197,734	84,858	92,298	121,872	615	BUY
Change	2.6%	2.7%	2.3%	0.1%	0.5%	0.8%	0.2%	0.5%	0.9%	0%	
Gujarat Gas											
New	154,277	184,735	205,620	20,688	24,769	27,436	12,300	15,132	16,901	600	BUY
Old	154,277	184,735	205,620	20,688	24,769	27,436	12,300	15,132	16,901	600	BUY
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	
IGL											
New	146,314	177,855	197,648	20,034	21,717	23,878	14,497	15,704	17,301	350	SELL
Old	144,220	172,108	190,517	19,991	21,725	23,712	14,464	15,711	17,177	350	SELL
Change	1.5%	3.3%	3.7%	0.2%	0.0%	0.7%	0.2%	0.0%	0.7%	0%	
MGL											
New	64,377	70,699	76,959	13,862	14,599	15,650	9,300	9,663	10,270	1100	SELL
Old	64,377	70,699	76,959	13,862	14,599	15,650	9,300	9,663	10,270	1100	SELL
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	
PLNG											
New	478,912	524,002	528,798	57,277	61,843	71,770	38,499	40,145	46,230	285	HOLD
Old	478,912	524,002	528,798	57,277	61,843	71,770	38,499	40,145	46,230	285	HOLD
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	
GAIL											
New	1,349,493	1,434,167	1,549,626	155,012	155,173	174,514	102,067	101,038	112,970	235	BUY
Old	1,389,419	1,465,044	1,569,728	165,863	166,438	184,361	107,922	107,226	118,072	250	BUY
Change	-2.9%	-2.1%	-1.3%	-6.5%	-6.8%	-5.3%	-5.4%	-5.8%	-4.3%	-6%	
GSPL											
New	11,316	11,863	12,436	8,020	8,411	8,822	7,295	7,709	8,144	425	HOLD
Old	11,316	11,863	12,436	8,020	8,411	8,822	7,295	7,709	8,144	435	HOLD
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2%	

Source: JM Financial

Exhibit 20: 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	1,660	34%	25.0	19.9	16.6	2.1	1.9	1.7	12.6	10.3	8.8	8.5	9.9	10.9
IOCL	SELL	140	3%	9.0	7.5	7.7	1.0	0.9	0.9	7.3	6.3	6.1	11.5	13.0	11.9
BPCL	HOLD	315	11%	9.1	9.0	8.8	1.5	1.4	1.3	5.8	5.8	5.8	17.3	16.0	14.8
HPCL	SELL	315	-19%	8.4	8.0	8.7	1.6	1.5	1.3	8.8	8.2	7.9	20.7	19.4	16.0
Oil India	BUY	615	30%	9.2	8.4	6.3	1.4	1.3	1.1	7.4	6.9	5.1	16.4	15.8	18.2
ONGC	BUY	315	19%	6.5	5.6	5.4	0.9	0.8	0.7	4.2	3.6	3.4	14.2	15.1	14.4
Gujarat Gas	BUY	600	19%	28.7	23.3	20.9	4.1	3.7	3.3	16.4	13.4	11.7	15.1	16.6	16.5
IGL	SELL	350	-18%	21.3	19.7	17.8	3.3	2.9	2.7	14.5	13.1	11.6	16.1	15.7	15.6
MGL	SELL	1,100	-11%	13.9	13.4	12.6	2.2	2.0	1.8	7.9	7.4	6.7	17.0	15.8	15.0
PLNG	HOLD	285	-14%	12.8	12.3	10.6	2.6	2.3	2.1	7.3	6.9	5.9	21.4	19.9	20.5
GAIL	BUY	235	26%	12.3	12.4	11.1	1.8	1.7	1.5	8.2	8.1	7.1	15.2	13.9	14.4
GSPL	HOLD	425	19%	28.4	26.9	25.4	1.9	1.8	1.7	17.6	16.0	14.5	6.9	6.9	7.0

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.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
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.

* REITs refers to Real Estate Investment Trusts.

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