

Rating matrix		
Rating	:	Hold
Target	:	₹ 545
Target Period	:	12 months
Potential Upside	:	-1%

What's changed?	
Target	Changed from ₹ 550 to ₹ 545
EPS FY18E	Changed from ₹ 46.8 to ₹ 45.1
EPS FY19E	Changed from ₹ 48.3 to ₹ 46.2
Rating	Unchanged

Quarterly performance				
₹ Crore	FY16	FY17	FY18E	FY19E
Revenues	179,571.2	213,803.0	238,613.4	243,139.9
EBITDA	7,906.9	10,577.1	8,954.7	9,315.6
Net Profit	3,862.7	6,208.8	4,590.6	4,699.7
EPS (₹)	38.0	61.0	45.1	46.2

Key financials					
	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	58,778.8	42,195.2	39.3	55,540.7	5.8
EBITDA	2,886.0	2,661.3	8.4	2,803.3	2.9
EBITDA (%)	4.9	6.3	-140 bps	5.0	-14 bps
PAT	1,818.8	1,552.9	17.1	1,590.3	14.4

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	14.5	9.0	12.2	11.9
Target P/E	14.3	8.9	12.1	11.8
EV / EBITDA	9.8	6.8	8.5	8.5
P/BV	3.0	2.7	2.4	2.1
RoNW (%)	21.0	29.7	19.4	17.7
RoCE (%)	13.2	20.0	13.0	12.5

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	55,834.9
Total Debt (FY16) (₹ Crore)	21,335.3
Cash and Investments (FY16) (₹ Crore)	17.6
EV (₹ Crore)	77,152.7
52 week H/L	584/266
Equity capital (₹ Crore)	339.0
Face value (₹)	10.0

Price performance				
Return %	1M	3M	6M	12M
HPCL	(9.1)	(10.9)	10.1	81.5
BPCL	(1.7)	3.8	16.5	62.3
IOCL	0.6	14.0	48.0	117.8
ONGC	(4.0)	(11.1)	(5.8)	24.3

Research Analyst	
Mayur Matani	
mayur.matani@icicisecurities.com	
Akshay Gavankar	
akshay.gavankar@icicisecurities.com	

Hindustan Petroleum Corp (HINPET) ₹ 549

Stable operational growth, going ahead...

- Hindustan Petroleum Corporation's (HPCL) Q4FY17 results were above our estimates on both revenue and profitability fronts. The topline increased 5.8% QoQ to ₹ 58778.8 crore (our estimate: ₹ 56566.8 crore)
- HPCL achieved crude throughput of 4.6 MMT in Q4FY17 against 4.7 MMT in Q3FY17, in line with our estimate. GRMs were at US\$8/bbl above our expectation of US\$5.7/bbl on account of a better operational performance and inventory gains. Subsequently, EBITDA at ₹ 2886 crore was higher than our estimate of ₹ 2266 crore. However, EBITDA was partly offset by higher employee expenses
- PAT during the quarter increased 14.4% QoQ to ₹ 1818.8 crore, higher than our estimate of ₹ 1200.5 crore also on account of foreign exchange gains of ₹ 333 crore

GRMs above estimates during quarter

HPCL reported GRMs of US\$ 8/barrel in Q4FY17 vs. our expectation of US\$5.7/barrel. Inventory gains were at ~US\$ 1.5/bbl, which led to better performance despite of increase in employee costs due to implementation of Third Pay Commission recommendations. GRMs in Q4FY17 are expected to remain stable in Q1FY18E due to expected QoQ stability in global product cracks (Singapore GRMs Q1-TD). We expect GRM of US\$5.9/bbl and US\$6.1/bbl for FY18E and FY19E, respectively. Crude throughput during the quarter was at 4.6 MMT largely in line with our estimates of 4.5 MMT. We estimate throughput of 17.2 MMT and 17.6 MMT for FY18E and FY19E, respectively. On the marketing front, sales during the quarter declined 4.4% QoQ to 8.9 MMT marginally lower than our estimate of 9 MMT due to increased market share of private players. Going forward, we expect marketing sales volumes to grow at 4.5-5% CAGR over the next two years with stable marketing margins.

Nil downstream subsidy share provides relief, going ahead

Deregulation of diesel prices, which led to a decline in crude oil gross under-recoveries proved to be a major positive for oil marketing companies. Currently, only kerosene and LPG prices are under the regulatory regime. Also, the hike of 25 paise per month in kerosene prices and scheme of direct benefit transfer (DBT) for LPG cylinders has led to lower gross under-recoveries. Given our assumptions on Brent crude at US\$55/barrel and exchange rate of ₹ 65.5 per US dollar, we expect gross under-recovery of ₹ 27167.2 crore and ₹ 28635.3 crore in FY18E and FY19E, respectively. The government's decision to cap its sharing of kerosene subsidy at ₹ 12/litre, LPG at ₹ 15/kg and the rest by upstream companies is a welcome move for OMCs. Hence, we assume no downstream subsidy share for FY18E and FY19E of the total under-recoveries.

Refinery expansion to further aid operational performance

HPCL's operational performance is expected to remain healthy with capex lined up for Bhatinda refinery (HMEL), expansion of the Mumbai refinery to 9.5 MMTPA and Vizag refinery to 15 MMTPA over the next three or four years. However, at the current market price, we believe the stock is fairly valued. We have a **HOLD** recommendation on the stock with a target price of ₹ 545 (average of P/BV multiple: ₹ 509/share and P/E multiple: ₹ 581 per share).

Variance analysis

	Q4FY17	Q4FY17E	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
Total Revenues	58,778.8	56,566.8	42,195.2	39.3	55,540.7	5.8	
Raw materials costs	45,084.7	43,422.0	34,607.3	30.3	42,407.4	6.3	
Employees Cost	1,116.1	600.0	460.7	142.3	610.4	82.8	Higher on account of implementation of Third Pay Commission recommendations and one time gratuity provisions
Other Expenses	9,692.0	10,278.8	4,465.9	117.0	9,719.5	-0.3	
Total Expenditure	55,892.8	54,300.8	39,533.9	41.4	52,737.4	6.0	
EBITDA	2,886.0	2,266.0	2,661.3	8.4	2,803.3	2.9	Higher than estimated EBITDA due to higher-than-expected GRMs at US\$ 8/bbl against our estimate of US\$ 5.7/bbl
EBITDA margins (%)	4.9	4.0	6.3	-140 bps	5.0	-14 bps	
Depreciation	674.9	619.4	675.4	-0.1	633.6	6.5	
EBIT	2,211.1	1,646.6	1,986.0	11	2,169.8	1.9	
Interest	226.8	117.6	191.3	18.5	53.0	328.3	
Other Income	404.7	262.7	407.9	-0.8	287.8	40.6	Higher other income on account of foreign exchange gains of ₹ 333 crore during the quarter
Extra Ordinary Item	0.0	0.0	0.0	NA	0.0	NA	
PBT	2,389.0	1,791.7	2,202.5	8.5	2,404.6	-0.6	
Total Tax	570.2	591.3	649.5	-12.2	814.3	-30.0	
PAT	1,818.8	1,200.5	1,552.9	17.1	1,590.3	14.4	

Key Metrics

Exchange rate (₹/\$)	67.0	67.0	67.7	-1.0	67.5	-0.8	
Under-recoveries (₹ cr)*	7604.0	8809.3	5485.8	38.6	4297.4	76.9	
Downstream share (%)	0.0	0.0	-18.8	NA	0.0	NA	
Net Under-recovery (₹ cr)	0.0	0.0	-37.0	NA	0.0	NA	
Throughput (mmt)	4.6	4.5	4.7	-1.3	4.7	-0.4	
Sales (mmt)	8.9	9.0	9.1	-2.1	9.3	-4.4	
GRM (\$/barrel)	8.0	5.7	7.5	6.4	3.2	147.8	Better operational performance and inventory gains led to increase in GRMs

Source: Company, ICICIdirect.com Research, * Includes Direct Benefit Transfer(DBT) of LPG

Change in estimates

(₹ Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	240,933.6	238,613.4	-1.0	243,774.2	243,139.9	-0.3	
EBITDA	9,210.7	8,954.7	-2.8	9,562.3	9,315.6	-2.6	Increase in employee expenses and marginal decline in marketing sales volume lead to decline in EBITDA estimates
EBITDA Margin (%)	3.8	3.8	-7 bps	3.9	3.8	-9 bps	
PAT	4,762.1	4,590.6	-3.6	4,914.9	4,699.7	-4.4	
EPS (₹)	46.8	45.1	-3.6	48.3	46.2	-4.4	

Source: Company, ICICIdirect.com Research

Assumptions

	Current				Earlier		Comments
	FY16	FY17	FY18E	FY19E	FY18E	FY19E	
Exchange rate (₹/\$)	65.5	67.1	65.4	65.5	67.5	67.5	
Under-recoveries (₹ cr)	27,570.2	19,728.0	27,167.2	28,635.3	23,662.5	20,933.3	
Downstream share (%)	0.1	0.0	0.0	0.0	0.0	0.0	
Net Under-recovery (₹ cr)	8.0	0.0	0.0	0.0	0.0	0.0	Assuming no downstream share for FY18E & FY19E
Throughput (mmt)	17.2	17.8	17.2	17.6	17.2	17.6	
Sales (mmt)	34.2	35.2	36.8	38.7	37.1	39.0	Marginally reduces estimates to factor in higher private players growth
GRM (\$/barrel)	6.7	6.2	5.9	6.1	5.9	6.1	

Source: Company, ICICIdirect.com Research

Company Analysis

Nil downstream subsidy share provides relief, going ahead

The deregulation of diesel prices, which led to a decline in crude oil gross under-recoveries proved to be a major positive for oil marketing companies. Currently, only kerosene and LPG prices are under the regulatory regime. Also, the hike of 25 paise per month in kerosene prices and scheme of direct benefit transfer (DBT) for LPG cylinders has led to lower gross under-recoveries. Given our assumptions on Brent crude at US\$ 55/barrel and exchange rate of ₹ 65.5 per US dollar, we expect gross under-recovery of ₹ 27167.2 crore and ₹ 28635.3 crore in FY18E and FY19E, respectively. The government's decision to cap its sharing of kerosene subsidy at ₹ 12/litre and LPG at ₹ 15/kg and the rest by upstream companies is a welcome move for OMCs. Hence, we assume no downstream subsidy share for FY18E and FY19E of the total under-recoveries

Exhibit 1: HPCL's share of net under-recoveries

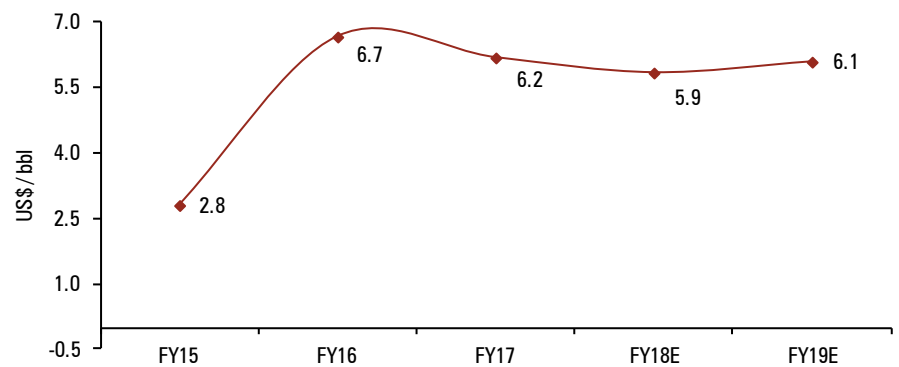
Year	FY15	FY16E	FY17	FY18E	FY19E
Products (₹ Cr)					
HSD	10,935.0	0.0	0.0	0.0	0.0
LPG	40,551.0	16,056.9	12,133.0	20,833.3	22,604.1
SKO	24,799.0	11,513.3	7,595.0	6,333.9	6,031.2
Total	76285.0	27570.2	19728.0	27167.2	28635.3
Sharing Macro (%)					
Upstream	56.1%	4.5%	0.0%	0.5%	0.5%
Downstream	2.9%	0.1%	0.0%	0.0%	0.0%
Government	41.0%	95.4%	100.0%	99.5%	99.5%
Total	100%	100%	100%	100%	100%
Sharing (₹ Cr)					
Upstream	42,822.2	1,251.2	0.0	136.4	129.9
Downstream	2,183.5	17.1	0.0	0.0	0.0
Government	31,279.3	26,301.9	19,728.0	27,030.8	28,505.4
Total	76285.0	27570.2	19728.0	27167.2	28635.3
HPCL share of net under-recoveries (₹ Cr)	495.6	8.0	0.0	0.0	0.0

Source: Company, ICICIdirect.com Research

GRMs above estimates during quarter

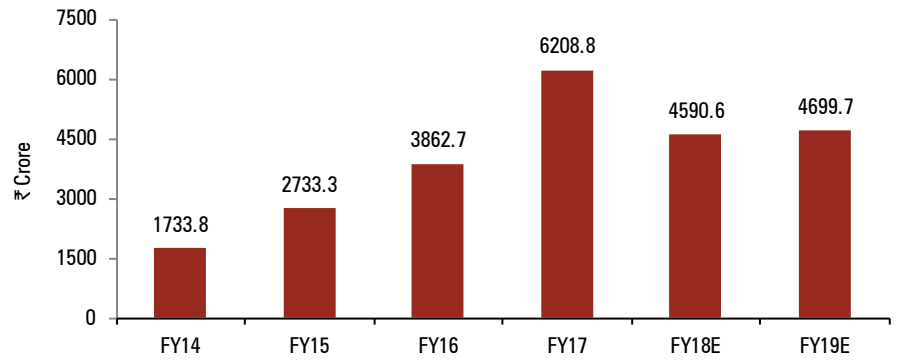
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Exhibit 2: Refining margins trend



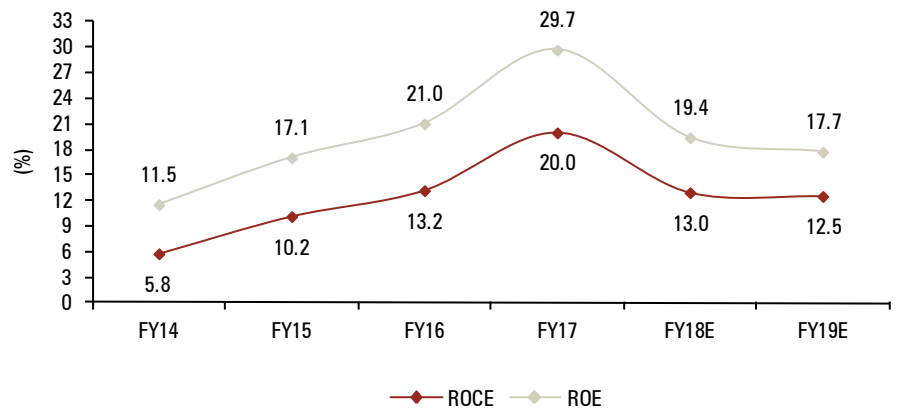
Source: Company, ICICIdirect.com Research

Exhibit 3: Net profit trend



Source: Company, ICICIdirect.com Research

Exhibit 4: Return ratios



Source: Company, ICICIdirect.com Research

Outlook & Valuation

HPCL's operational performance is expected to remain healthy with capex lined up for Bhatinda refinery (HMEL), expansion of the Mumbai refinery to 9.5 MMTPA and Vizag refinery to 15 MMTPA over the next three or four years. However, at the current market price, we believe the stock is fairly valued. We have a **HOLD** recommendation on the stock with a target price of ₹ 545 (average of P/BV multiple: ₹ 509/share and P/E multiple: ₹ 581 per share).

Exhibit 5: Valuation

Valuation based on Price / BV Multiple	
Adjusted Book Value for FY19E (₹ Crore)	25477.1
Adjusted number of shares (Crore)	101.7
Adjusted Book Value per share (₹)	250.5
Add: Listed investments (25% discount of CMP)	32.5
Book Value of core business (₹ per share)	283.0
Multiple	1.8
Fair Value per share (₹)	509
Valuation based on P / E multiple	
Profit after tax for FY19E (₹ Crore)	4699.7
Less: Other Income adjusted for tax (₹ Crore)	861.9
Adjusted profit after tax for FY19E (₹ Crore)	3837.7
Number of shares (Crore)	101.7
Adjusted EPS for FY19E (₹)	37.7
Multiple	13.0
Fair value per share without investments (₹)	491
Add: Value of Investments (₹ per share)	
Listed investments (25% discount of CMP)	32.5
HPCL - Mittal Energy	54.4
Other Investments	3.6
Fair value per share (₹)	581
Weighted Target Price (₹ per share)	545

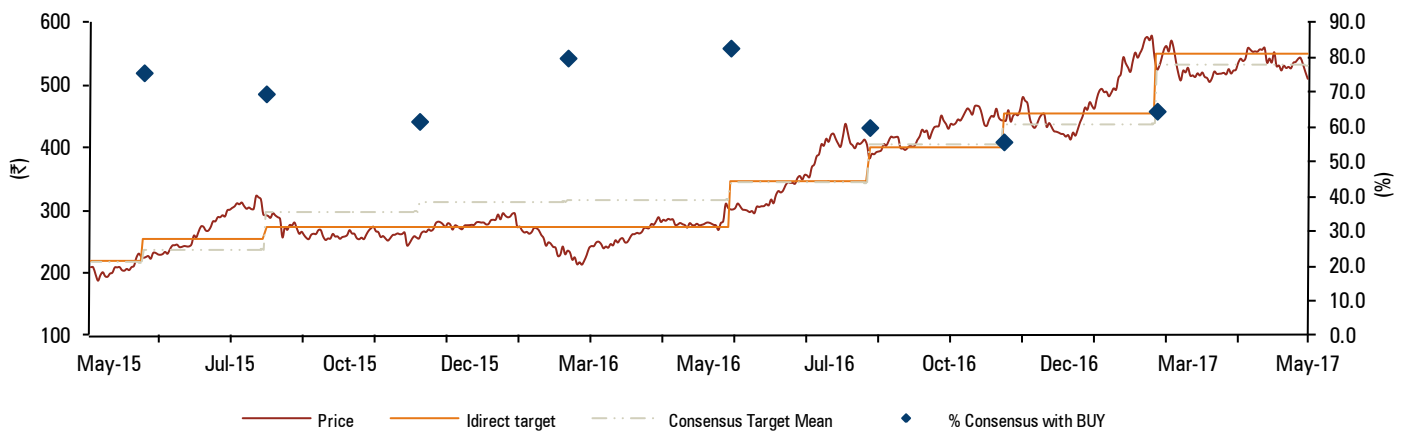
Source: ICICIdirect.com Research

Exhibit 6: Valuations

Year	Sales (₹ Crore)	Sales Gr. (%)	EPS (₹)	EPS Gr. (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	179571.2	-13.1	38.0	41.3	14.5	9.8	21.0	13.2
FY17	213803.0	19.1	61.0	60.7	9.0	6.8	29.7	20.0
FY18E	238613.4	11.6	45.1	-26.1	12.2	8.5	19.4	13.0
FY19E	243139.9	1.9	46.2	2.4	11.9	8.5	17.7	12.5

Source: Company, ICICIdirect.com Research

Recommendation history vs. consensus estimate



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
May-09	Petroleum Minister Murlu Deora indicates lifting cap on petrol and diesel prices after UPA government came into power. He indicated that the proposal would be sent to Cabinet soon
Jun-10	Government decides to deregulate petrol prices and indicates diesel prices would be deregulated soon
Dec-10	Government does not deregulate diesel prices as indicated and under recoveries on diesel continue to mount
Jun-11	Central government announces increase in petroleum product prices, eliminates custom duty on crude oil and reduces excise duties on petrol and diesel
Nov-11	Under recoveries on diesel remain high due to rupee depreciation. Gross under recovery on petroleum products look likely to increase sharply QoQ
May-12	Petrol prices increase sharply by ₹ 7.5-8 per litre
Jan-13	The government takes a brave and bold decision and asks the oil marketing companies (OMCs) to periodically hike diesel prices by 50 paise/month
May-13	Finance Ministry plans to implement export parity pricing (EPP) for pricing of petroleum products for refiners from the current trade parity pricing model. The move, if implemented, would have a huge negative impact on profitability of companies
Aug-13	Sharp rupee depreciation, thereby likely higher under recoveries lead to decline in the stock price
Oct-14	Government announces diesel deregulation
Dec-14	Crude oil prices declines by nearly 50% from the 2014 high's
Aug-15	Government of India caps kerosene subsidy at ₹ 12/litre, LPG at ₹ 18/kg

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Investor Name	Latest Filing Date	% O/S	Position	Change (m)
1	Government of India	31-Mar-17	51.1	519.2	0.0
2	Life Insurance Corporation of India	31-Mar-17	2.1	21.1	0.0
3	Jupiter Asset Management Ltd.	31-Mar-17	1.4	13.8	3.1
4	Birla Sun Life Asset Management Company Ltd.	30-Apr-17	1.2	11.7	-0.3
5	The Vanguard Group, Inc.	31-Mar-17	1.2	11.7	0.1
6	BlackRock Institutional Trust Company, N.A.	30-Apr-17	1.1	10.8	0.4
7	DSP BlackRock Investment Managers Pvt. Ltd.	30-Apr-17	0.9	8.8	0.0
8	SBI Funds Management Pvt. Ltd.	31-Mar-17	0.8	7.6	-0.6
9	Motilal Oswal Asset Management Company Ltd.	30-Apr-17	0.7	6.7	0.1
10	HDFC Asset Management Co., Ltd.	31-Mar-17	0.6	6.4	-4.5

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Mar-16	Jun-16	Sep-16	Dec-16	Mar-16
Promoter	51.1	51.1	51.1	51.1	51.1
FII	19.3	19.4	17.3	17.7	16.9
DII	14.0	14.5	12.3	10.0	9.6
Others	15.6	15.0	19.3	21.2	22.4

Recent Activity

Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
Jupiter Asset Management Ltd.	24.88	3.07	Norges Bank Investment Management (NBIM)	-30.89	-4.76
BlackRock Institutional Trust Company, N.A.	3.08	0.37	HDFC Asset Management Co., Ltd.	-36.22	-4.47
UBS Asset Management (UK) Ltd.	2.81	0.35	Lyxor Asset Management	-12.53	-1.55
DNB Asset Management (Asia) Limited	2.26	0.28	Columbia Threadneedle Investments (US)	-10.49	-1.29
Trilogy Global Advisors, LP	1.40	0.22	Causeway Capital Management LLC	-5.78	-0.89

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Revenue	179,571.2	213,803.0	238,613.4	243,139.9
Growth (%)	-13.1	19.1	11.6	1.9
(Inc.)/(Dec.) in stock in trade	177.4	-4454.1	0.0	0.0
Raw material Costs	40523.8	45137.7	49638.6	50891.7
Purchase of Products	115948.4	122731.7	137720.1	138512.7
Employee Costs	2314.5	2946.1	3000.0	3060.0
Other Expenditure	12700.1	36864.5	39300.0	41360.0
Op. Expenditure	171664.3	203225.9	229658.7	233824.4
EBITDA	7,906.9	10,577.1	8,954.7	9,315.6
Growth (%)	39.6	33.8	-15.3	4.0
Depreciation	2666.8	2535.3	2667.5	2888.5
EBIT	5240.2	8041.8	6287.2	6427.0
Interest	640.1	535.7	618.4	695.4
Other Income	1138.1	1514.7	1182.8	1282.8
PBT	5738.1	9020.8	6851.6	7014.4
Growth (%)	38.1	57.2	-24.0	2.4
Tax	1875.3	2812.0	2261.0	2314.8
Reported PAT	3,862.7	6,208.8	4,590.6	4,699.7
Growth (%)	41.3	60.7	-26.1	2.4
EPS	38.0	61.0	45.1	46.2

Source: Company, ICICIdirect.com Research

Cash flow statement				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Profit after Tax	3,862.7	6,208.8	4,590.6	4,699.7
Less: Dividend Paid	1,406.1	3,672.3	1,836.1	1,836.1
Add: Depreciation	2,666.8	2,535.3	2,667.5	2,888.5
Add: Others	706.9	200.0	200.0	200.0
Cash Profit	5,830.3	5,271.8	5,622.0	5,952.1
Increase/(Decrease) in CL	-1,122.3	8,926.4	909.6	655.2
(Increase)/Decrease in CA	-379.4	-1,586.6	-2,016.7	-316.1
CF from Operating Activities	4328.6	12611.6	4514.9	6291.1
Purchase of Fixed Assets	5,452.3	7,367.6	8,810.0	8,850.0
(Inc)/Dec in Investments	247.2	-187.2	0.0	0.0
Others	0.0	0.0	0.0	0.0
CF from Investing Activities	-5,205.1	-7,554.8	-8,810.0	-8,850.0
Inc/(Dec) in Loan Funds	1,000.0	-2,000.0	5,500.0	0.0
Inc/(Dec) in Sh. Cap. & Res.	-122.6	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
CF from financing activities	877.4	-2,000.0	5,500.0	0.0
Change in cash Eq.	0.9	3,056.9	1,204.9	-2,558.9
Op. Cash and cash Eq.	16.7	17.6	3,074.4	4,279.3
Cl. Cash and cash Eq.	17.6	3,074.4	4,279.3	1,720.4

Source: Company, ICICIdirect.com Research

Balance sheet				
₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Source of Funds				
Equity Capital	339.0	1,017.0	1,017.0	1,017.0
Preference capital	0.0	0.0	0.0	0.0
Reserves & Surplus	18,017.1	19,875.6	22,630.0	25,493.5
Shareholder's Fund	18,356.1	20,892.6	23,647.0	26,510.6
Loan Funds	21,335.3	19,335.3	24,835.3	24,835.3
Deferred Tax Liability	4,810.5	5,010.5	5,210.5	5,410.5
Minority Interest	0.0	0.0	0.0	0.0
Source of Funds	44,501.9	45,238.4	53,692.8	56,756.4
Application of Funds				
Gross Block	52,024.9	56,874.9	61,724.9	66,574.9
Less: Acc. Depreciation	21,614.7	24,132.3	26,839.9	29,728.4
Net Block	30,410.3	32,742.6	34,885.1	36,846.5
Capital WIP	4,912.5	7,412.5	11,412.5	15,412.5
Total Fixed Assets	35,322.7	40,155.1	46,297.5	52,259.0
Investments	10,994.7	11,181.8	11,181.8	11,181.8
Inventories	12,709.1	14,058.3	15,689.6	15,987.3
Debtor	4,192.7	4,393.2	4,903.0	4,996.0
Cash	17.6	3,074.4	4,279.3	1,720.4
Loan & Advance, Other CA	7,232.5	7,269.3	7,144.8	7,070.3
Total Current assets	24,151.8	28,795.3	32,016.8	29,774.1
Current Liabilities	23,810.6	28,409.4	31,706.2	32,307.6
Provisions	2,156.8	6,484.3	4,097.2	4,150.9
Total CL and Provisions	25,967.4	34,893.8	35,803.3	36,458.5
Net Working Capital	-1,815.5	-6,098.5	-3,786.5	-6,684.5
Miscellaneous expense	0.0	0.0	0.0	0.0
Application of Funds	44,501.9	45,238.4	53,692.8	56,756.4

Source: Company, ICICIdirect.com Research

Key ratios				
(Year-end March)	FY16	FY17	FY18E	FY19E
Per share data (₹)				
Book Value	180.5	205.4	232.5	260.7
Cash per share	0.2	30.2	42.1	16.9
EPS	38.0	61.0	45.1	46.2
Cash EPS	64.2	86.0	71.4	74.6
DPS	11.5	30.0	15.0	15.0
Profitability & Operating Ratios				
EBITDA Margin (%)	4.4	4.9	3.8	3.8
PAT Margin (%)	2.2	2.9	1.9	1.9
Fixed Asset Turnover (x)	5.1	5.3	5.2	4.7
Inventory Turnover (Days)	25.8	24.0	24.0	24.0
Debtor (Days)	8.5	7.5	7.5	7.5
Current Liabilities (Days)	48.4	48.5	48.5	48.5
Return Ratios (%)				
RoE	21.0	29.7	19.4	17.7
RoCE	13.2	20.0	13.0	12.5
RoIC	14.0	22.6	14.6	13.3
Valuation Ratios (x)				
PE	14.5	9.0	12.2	11.9
Price to Book Value	3.0	2.7	2.4	2.1
EV/EBITDA	9.8	6.8	8.5	8.5
EV/Sales	0.4	0.3	0.3	0.3
Leverage & Solvency Ratios				
Debt to equity (x)	1.2	0.9	1.1	0.9
Interest Coverage (x)	8.2	15.0	10.2	9.2
Debt to EBITDA (x)	2.7	1.8	2.8	2.7
Current Ratio	0.9	0.8	0.9	0.8
Quick ratio	0.4	0.4	0.5	0.4

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Oil & Gas)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Bharat Petroleum (BHAPET)	757	725	Hold	54,737	55.3	57.6	60.2	13.7	13.1	12.6	10.5	8.9	8.6	20.7	22.5	21.1	26.1	25.7	25.9
Castrol India (CASIND)	418	478	Buy	23,640	13.6	13.5	14.5	30.6	31.1	28.8	19.9	20.2	18.7	156.3	162.7	168.6	109.9	113.7	118.0
GAIL (India) (GAIL)	398	460	Buy	67,312	20.7	26.8	28.7	19.2	14.9	13.9	10.9	9.2	8.9	13.8	15.3	14.7	10.6	12.5	12.4
Gujarat Gas (GUJGAS)	742	805	Hold	10,216	16.2	36.4	44.8	45.8	20.4	16.6	16.7	10.9	9.1	10.5	17.2	19.3	9.8	18.8	19.6
Gujarat State Petronet (GSPL)	170	175	Hold	9,577	8.8	11.9	12.6	19.3	14.2	13.5	11.7	8.8	8.3	13.7	17.7	17.3	11.4	13.8	13.1
Gulf Oil Lubricants (GULO)	782	825	Hold	3,877	24.4	26.1	29.4	32.0	30.0	26.6	20.9	19.4	16.8	32.5	32.7	33.9	34.2	30.2	28.4
Hindustan Petroleum (HINPET)	549	545	Hold	55,835	20.3	15.0	15.4	9.0	12.2	11.9	6.8	8.5	8.5	20.0	13.0	12.5	29.7	19.4	17.7
Indian Oil Corporation (INDOIL)	421	420	Hold	204,433	39.3	32.6	34.8	10.7	12.9	12.1	6.4	6.4	6.0	19.3	16.7	16.7	23.2	17.3	16.7
Indraprastha Gas (INDGAS)	1,033	1,140	Buy	14,462	40.8	46.3	47.8	25.3	22.3	21.6	14.1	11.8	10.9	27.7	26.6	23.6	19.9	19.1	17.1
Mahanagar Gas Ltd (MAHGAS)	973	1,054	Buy	9,611	39.8	45.3	47.9	24.4	21.5	20.3	14.6	12.8	12.1	32.3	32.7	30.8	23.1	23.6	22.5
Mangalore Refinery (MRPL)	130	150	Buy	22,785	20.8	12.8	14.7	6.3	10.2	8.8	3.6	2.9	2.6	26.0	19.6	22.3	41.2	21.8	21.6
Petronet LNG (PETLNG)	440	480	Buy	33,000	12.2	22.7	29.9	19.3	16.8	14.7	NA	NA	NA	22.2	26.0	28.0	22.3	21.9	21.5

Source: Company, ICICIdirect.com Research

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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