

# Oil & Gas

Sector Update

April 29, 2026

OMC Coverage

Name of the Company	Rating	CMP (INR)	TP (INR)
Bharat Petroleum Corporation	Accumulate	308	332
Hindustan Petroleum Corporation	Accumulate	380	421
Indian Oil Corporation	Accumulate	145	163

## Demand destruction in the making?

**Quick Pointers**

- Supply deficit of 4.8mbpd needs to be compensated.
- IEA estimates decline in demand of ~2.5mbpd in Apr'26.

The ongoing conflict in West Asia has tightened global oil supply, driving prices higher and increasing volatility. While disruptions are broad-based, the US and China remain relatively insulated in the near term, supported by production of >13mbpd, crude inventories of ~870.8mb, and elevated product stocks (gasoline ~228.4mb; jet fuel ~43.7mb as of 17 Apr'26) in US. China benefits from strong imports (~146.9mmt in Jan-Mar'26) and sustained stock addition (~165mmt since 2021), alongside tighter product export controls. Strategic release of ~400mb by IEA and alternative export routes bypassing the Hormuz (~6.2 mbpd) offset the supply loss of 15mbpd crude oil from the Hormuz partially, leaving an imbalance of ~4.8mbpd, which is expected to be absorbed via demand destruction. Higher prices are already weighing on demand, with early signs of slowdown. IEA expects global oil demand to contract by a sharp ~1.5mbpd decline in 2Q26, with ~2.3mbpd in Apr'26 vs industry estimate of ~4.0mbpd. Against a supply balance of ~4.8mbpd, such expected demand destruction will partially rebalance market dynamics further, putting a downward pressure on crude prices. As a result, we remain positive on OMCs (IOCL, BPCL and HPCL) as demand destruction led lower crude prices are expected to help improve marketing margins, partly offset by volume softness.

The ongoing conflict in West Asia has triggered a significant disruption in global fuel markets, tightening supply and increasing volatility in energy prices. A key flashpoint is the blockade of the Strait of Hormuz, a critical artery responsible for transporting ~20% of global crude oil supply. Oil-importing nations, especially those reliant on Middle Eastern supplies, are facing acute challenges in securing alternative crude. The situation is compounded by logistical bottlenecks, elevated freight and insurance costs, and limited availability of substitute routes or suppliers. As a result, several economies are experiencing severe supply shortages. In contrast, the **US and China are relatively better positioned to absorb the shock in the near term.** Both countries benefit from strong crude inventories and controlled export dynamics, insulating them from immediate physical disruptions.

Supply disruption of ~15mbpd supply disruption has been partly offset by rerouting, emergency releases, and selective Hormuz access (~10.1mbpd), leaving a residual gap of ~4.8mbpd. Demand is adjusting quickly, with EIA cutting US/Europe demand by ~1.0mbpd for 2026, while IEA estimates ~2.5mbpd demand destruction in Apr'26.

If demand absorption of the residual imbalance materializes, crude prices are likely to soften from elevated levels. Based on this, we revise our target multiples for IOCL/BPCL/HPCL to 0.9x/1.3x/1.1x (earlier 0.8x/1.2x/1.0x), resulting in revised target prices of INR163/332/421. We revise HPCL's rating to "Accumulate" from "Buy" and maintain "Accumulate" on BPCL/IOCL.

Volume - XXVI



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### Not so Straight Strait of Hormuz

The disruptions in one of the richest commercial hubs during 10<sup>th</sup>-17<sup>th</sup> century- The Strait of Hormuz, controlling 14-15mbpd of crude oil transit, 1mbpd of LPG and 2mbpd of middle distillates currently, has kept global equity markets under stress for the past few days. Ongoing US/Israel-Iran war engulfing the whole of Middle East, has sent Brent surging from USD63.6/bbl in Q3FY26 to USD84/bbl currently. Attacks on regional refineries has sent diesel cracks surging from USD22.5/bbl in Q3FY26 to USD55/bbl currently. Similarly, petrol crack spread has also jumped from USD13/bbl in Q3FY26 to USD16/bbl currently.

How long will these continue, only time will tell. However, if history is to be believed, the Strait of Hormuz has never been closed for an elongated period of time. We delve into instances of disruptions in the Strait of Hormuz since 2000.

Largely, two instances have been there, one in 2011-12 and the other in 2019.

**US/EU embargo on export of Iranian crude oil:** By Dec'2011, when US/EU started to put sanctions against Iranian Central Bank as a part of sanctions against export of Iranian crude, Iran started threatening to block the Strait of Hormuz. Iran started naval exercises as a precursor to the blockade. Amidst these events, the US and its allies deployed a large naval presence by Jan-Feb'12. The Strait was never closed and oil prices, which had jumped by 10-12%, started to cool off by Mar'12.

**Sabotage of Saudi Arabian oil field:** In May'19, four vessels were damaged just outside the Strait of Hormuz. In Jun'19, few more tankers were attacked in The Gulf of Oman. Iran's Revolutionary Guards were largely believed to be responsible for this. In Jul'19, Britain and Iran seized each other's tankers. Operation Sentinel was launched involving US, UK, Australia, Bahrain, Saudi Arabia and UAE. In Sep'19, Abqaiq and Khualis oil assets of Saudi Arabia were attacked cutting supply of 5.7mbpd of oil temporarily. This resulted in 20% jump in oil prices immediately. Once again, the Strait was never closed and oil prices normalized by Oct'19.

**Will 2026 be any different?** Hard to say, honestly, Iranian government has been cornered critically, which has resulted in nearly an all-out war across the Middle East. We have already been witnessing a fledgling global economy. Large parts of Europe are either already in recession or near recession. The US witnessed 1.4% growth in Q4O'25. Chinese economy grew by 5% in 2025. Official target is to grow by 4.5-5% in 2026, the lowest growth target since 1990s. Sustained high oil prices may challenge global growth further and may strain whatever temporary boost these expansions in cracks and Brent may give to few companies through lower equity flows.

**Our picks:** Post the recent volatility, we maintain our positive stand on OMCs, RIL, Mahanagar Gas and GAIL. Among the OMCs, we prefer HPCL, trading at ~1x P/E. With Rajasthan refinery also being commissioned, we expect its debt to start coming off. RIL is likely to benefit from strong cracks and expected consolidation in Petrochem capacities globally. Mahanagar Gas is expected to maintain strong volume growth. GAIL is also expected to see volume growth in the medium term, while short-term issues could be there due to force majeure of Qatar Gas.

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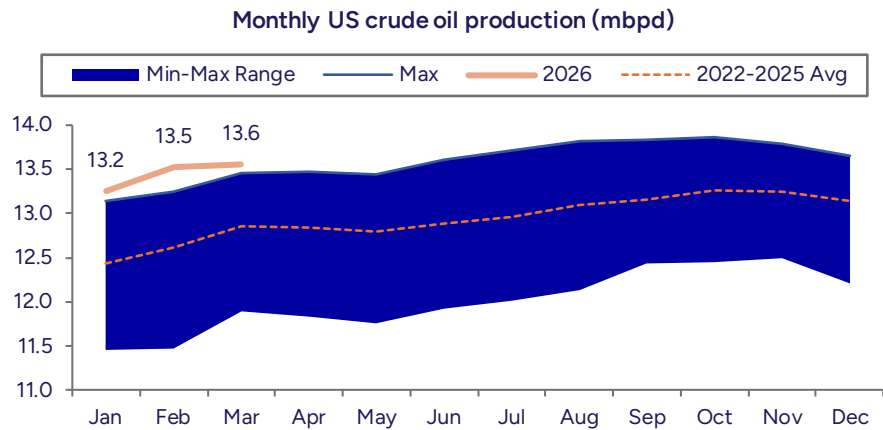
March 5, 2026 | MANTHAN gives thoughts breeding in our brains, which we believe would help our investors!

### US – active stock building

US crude production is running higher than the historical range (2022-25), at ~13.6mbpd as of Mar'26 (Exhibit 1). This sustained level of production reduces the country's reliance on imported crude and limits direct exposure to supply disruptions stemming from the escalating tensions in West Asia.

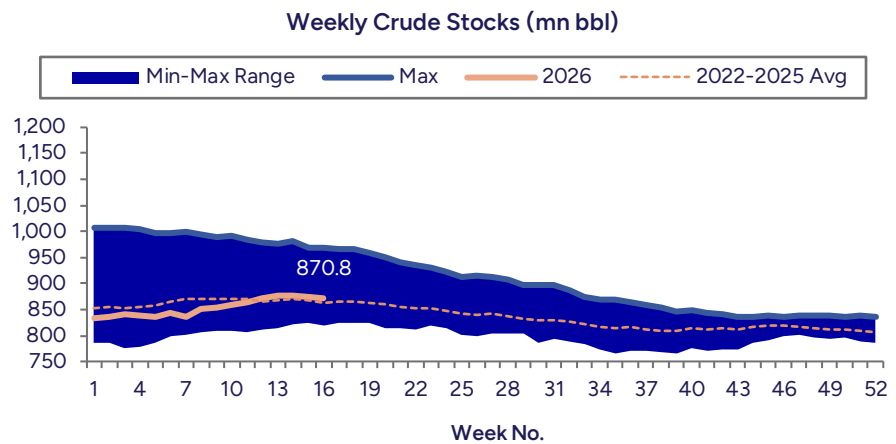
Total weekly US crude stocks have grown by 3.9% YoY to ~870.8mb (million barrels) (Exhibit 2) for the week ending 17<sup>th</sup> April'26 as per EIA. While inventories remain slightly near the 2022-2025 average, they are expected to continue improving, supported by sustained high levels of domestic crude production. **EIA forecasts U.S. crude oil inventories to remain above average levels.**

**Exhibit 1: Monthly US oil production trending at higher level (min-max range – 2022-25)**



Source: EIA, PL

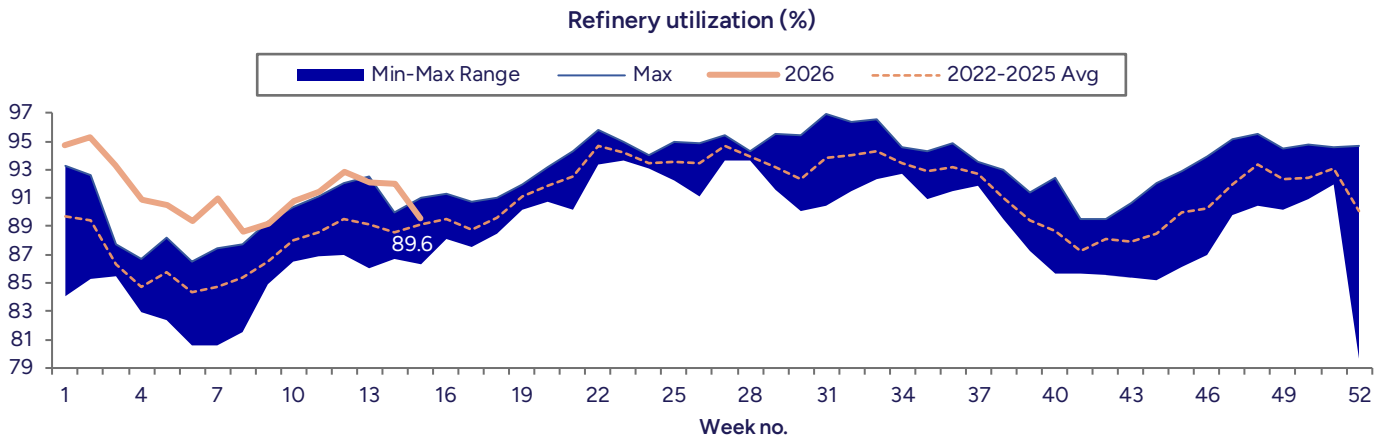
**Exhibit 2: Weekly US crude stock trending towards the average**



Source: EIA, PL

Refining utilization stood at ~89% (Exhibit 3) for the week ending 10<sup>th</sup> Apr'26, within the range seen over 2022–25. This follows a brief period in the prior 2 weeks when refinery runs were above 90%, where major planned turnarounds took place in US. Although, the drop in the week ending 10<sup>th</sup> April'26 was driven by ExxonMobil's Baytown crude unit turnaround spilling into April'26. It also likely reflects refiners trimming crude runs amid demand-side uncertainty tied to the broader macro environment.

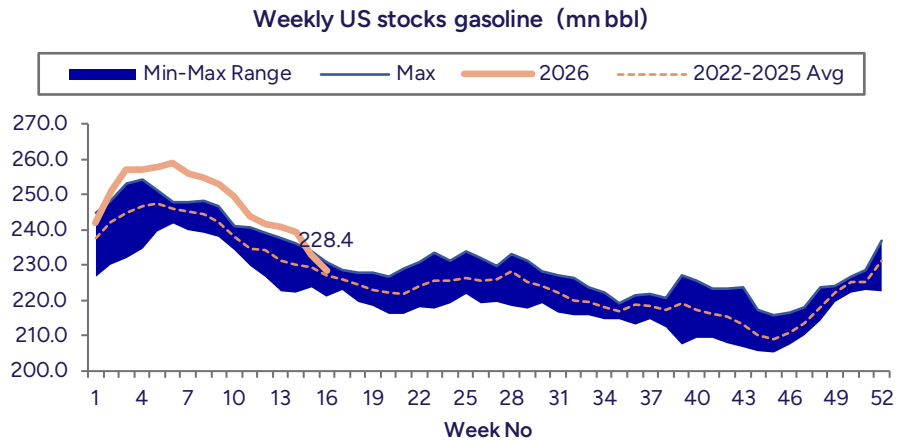
Exhibit 3: Refining utilization trending lower near the avg range



Source: EIA, PL

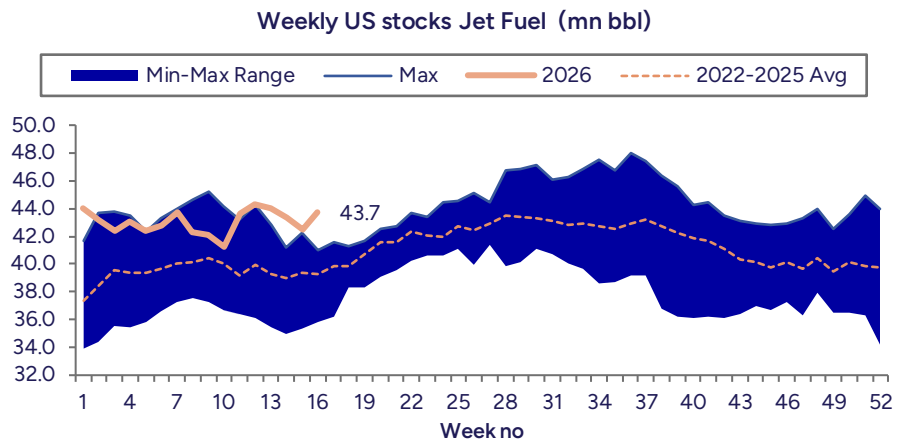
US gasoline and jet fuel inventories remain comfortable. Gasoline stocks are currently above the historical average range, while jet fuel inventories are running above the 2022–25 range as of 17<sup>th</sup> Apr'26 (Exhibit 4 and 5). Gasoline inventories stood at ~228.4mb, while jet fuel stocks were at ~43.7mb. In contrast, distillate inventories remain below their historical averages, at ~108.1mb (Exhibit 6), indicating tight supplies and higher demand.

Exhibit 4: Weekly US gasoline stock remain robust



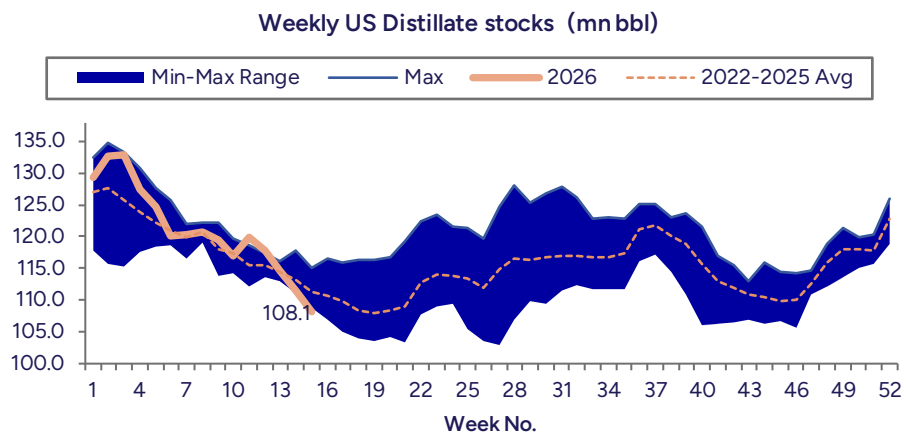
Source: EIA, PL

Exhibit 5: Weekly US jet fuel stock trending higher than the historical range



Source: EIA, PL

Exhibit 6: Weekly US diesel stock trending lower than average



Source: EIA, PL

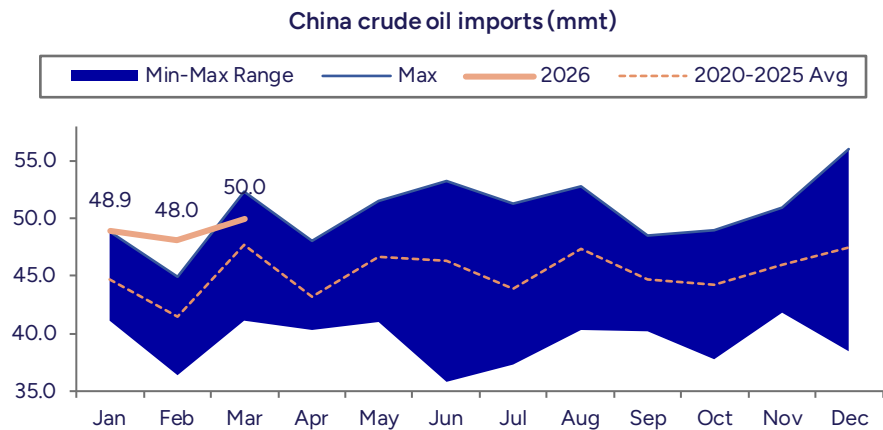
The combination of strong domestic production, adequate refining flexibility, and elevated gasoline & jet fuel stocks points to a balanced energy buffer in the US. Taken together, these factors suggest that the US is not currently facing an energy emergency in the near term, thereby reducing the immediate urgency for aggressive intervention to resolve tensions linked to the Iran conflict, in comparison to more import-dependent economies. However, over the medium term, a prolonged conflict could necessitate stock replenishment, particularly if inventories are drawn down. This could tighten balances and gradually increase the US's sensitivity to supply disruptions.

### China – entering the disruption with a strong position

China's crude oil imports remained elevated above its historical average range (2020-25). China imported 146.9mmt in Jan-March'26, up 8.6% compared to same period last year (Exhibit 7). As India scaled back purchases of Russian crude after US imposed sanctions, China stepped in to take advantage, increasing its intake of Russian crude. As per Reuters, China's crude imports from Russia grew 14% YoY in Mar'26 to 2.4mbpd. While total imports from Malaysia and Indonesia stood at 2.5mbpd in Mar'26, up 21.9% YoY.

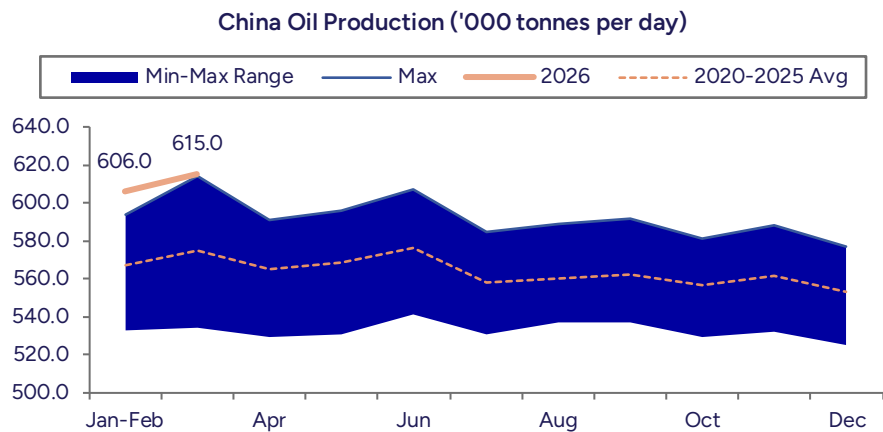
In addition, China's domestic oil production is providing an additional, growing buffer. As per National Bureau of Statistics of China (NBS), crude oil production increased from 606 thousand tons per day (mtpd) in the combined Jan-Feb'26 period. Crude production in Mar'26 stood at 615mtpd, flat YoY (Exhibit 8).

Exhibit 7: China crude oil imports trending above average (min-max range – 2020-25)



Source: China Customs, PL

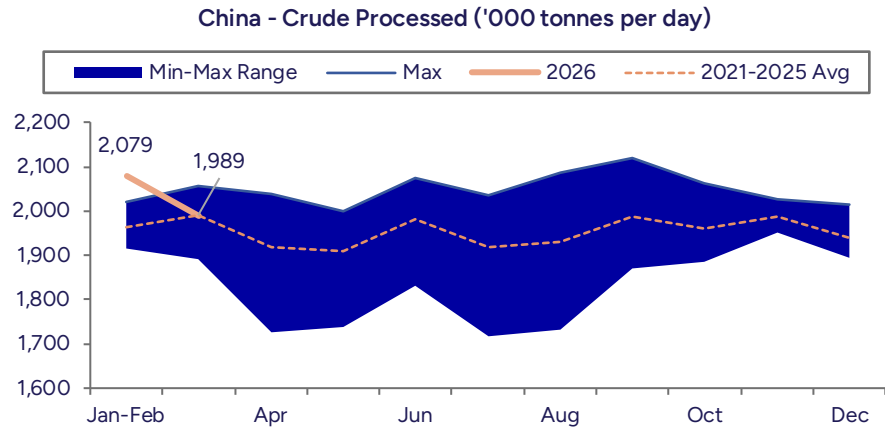
Exhibit 8: China crude oil production - above the historical range (min-max range – 2020-25)



Source: NBS China, PL. China reports together Jan-Feb data together due to Chinese new year in Jan-Feb

As per NBS China, crude throughput in Mar'26 trended closer to the historical average observed over 2021-25. Crude processing volumes fell 4.3% MoM to 1,989mtpd compared with 2,079mtpd in Feb'26 (Exhibit 9). The decline was driven by a combination of seasonal spring maintenance turnarounds at state-owned refineries and war-related disruptions, with the latter emerging as the dominant factor. Media reports indicate that Sinopec reduced throughput by over 10% from its initial Mar'26 plan due to crude supply constraints linked to the conflict. According to OilChem, refinery utilization fell to ~68.8% in Mar'26, down 450bps MoM and ~90bps YoY. Several refiners, including Zhejiang Petrochemical Corp and Fujian Refinery, began trimming runs as early as Mar'26.

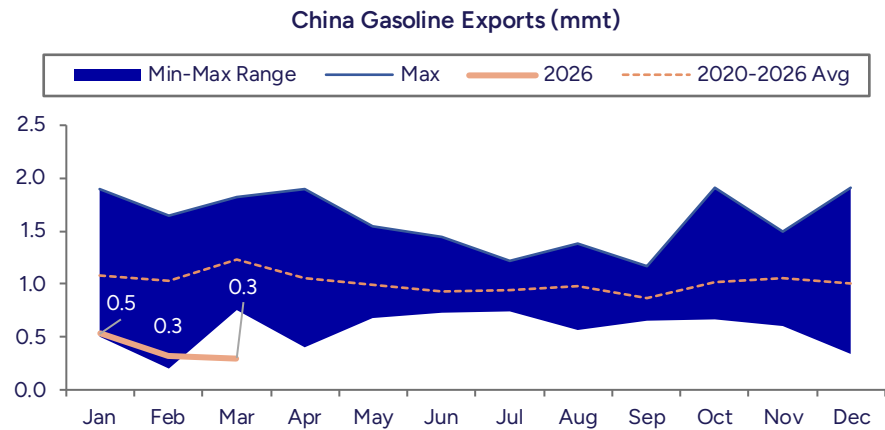
Exhibit 9: China's crude processing trend lower towards the average (min-max range – 2021-25)



Source: NBS China, PL. China reports together Jan-Feb data together due to Chinese new year in Jan-Feb.

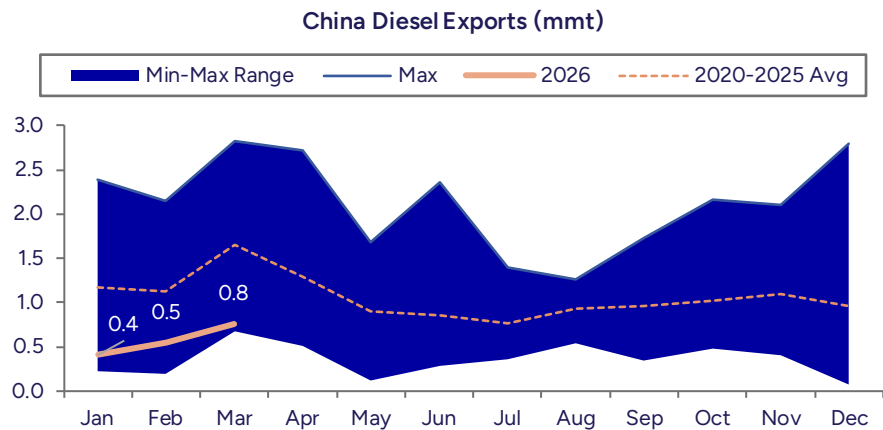
According to a Bloomberg report, China has redirected refined product output toward domestic consumption, curtailing exports to strengthen internal supply security. On 5<sup>th</sup> Mar'26, just 6 days into the conflict, the government instructed the country's major refiners to suspend exports of diesel and gasoline. The National Development and Reform Commission (NDRC) directed state-owned refiners and traders to halt clean product exports. As a result, diesel and gasoline exports fell below the lower end of their historical 2020-25 range, with volumes at 0.8mmt and 0.3mmt, respectively, in Mar'26 (Exhibit 10 and 11).

Exhibit 10: China gasoline exports (min-max range – 2020-25)



Source: China Customs, PL

Exhibit 11: China diesel exports (min-max range – 2020-25)

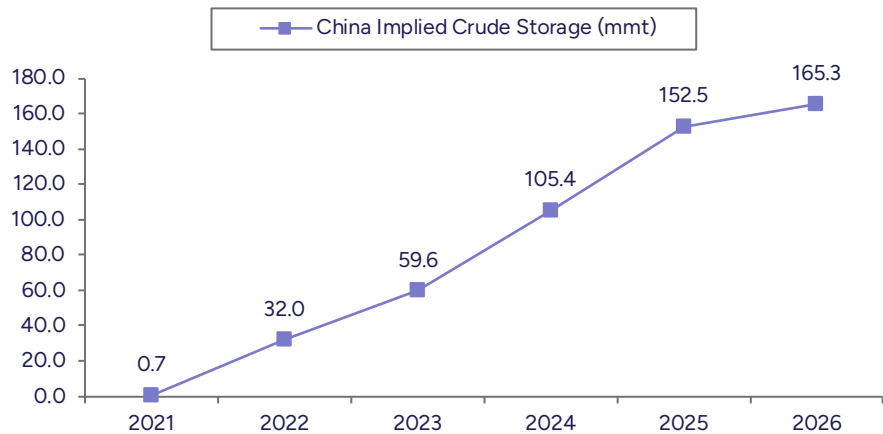


Source: China Customs, PL

**Crude storage:** As per the US EIA, commercial crude oil inventories in China, including inventories held at refineries, stood at estimated 1bn bbl as of Dec'25, compared with 411mn bbl held commercially in the US. This indicates that China has more than 2x of the strategic oil reserves of the US.

In absence of a concrete information of crude storage in China, we have calculated implied storage using crude imports, exports and processing. Based on that, China is expected to have added ~165.3mmt of crude oil to its storage from 2021 to Mar'26 (Exhibit 12).

Exhibit 12: China crude storage – Cumulative from 2021 to Mar'26



Source: China Customs, PL

In conclusion, China's sensitivity to disruptions arising from the West Asia conflict is expected to remain limited. Export restrictions, steady domestic production, reduced refining throughput, and a growing implied storage position collectively strengthen its defensive buffer. This positions Beijing to better withstand potential disruptions, providing flexibility to navigate geopolitical tensions without facing an immediate domestic energy constraint.

**Demand destruction needed to factor in balance demand-supply.**

Prior to the war, the Strait of Hormuz exported nearly 15mbpd of crude oil and ~5mbpd of products representing nearly 20% of global seaborne oil trade. ~34% of global crude oil trade, passed through the Strait of Hormuz in 2025 with most of the exports destined for Asia. China and India combined received 44% of these exports.

**Alternative routes to bypass Hormuz**

Saudi Arabia and the UAE retain strategic flexibility with established bypass routes around the Hormuz, whereas Iraq remains structurally constrained, with only limited access to the Kirkuk-Ceyhan pipeline to Turkey, offering minimal diversification.

**Saudi Arabia - East-West Crude Oil Pipeline** - This pipeline has a base capacity of ~5 mbpd, expanded to ~7 mbpd by Saudi Aramco in Mar'25. Pre-war the pipeline had a throughput of ~0.7mbpd. Following the disruption, flows were rapidly ramped up; as of early Apr'26, the pipeline is operating at maximum export capacity, with ~4-4.5 mbpd of crude directed to exports, while the remainder supplies domestic refineries. However, Red Sea routing via Yanbu remains vulnerable, with the Bab el-Mandeb Strait posing a key disruption risk from Houthi's.

**UAE - Abu Dhabi Crude Oil Pipeline (ADCOP)** – This pipeline has a nameplate capacity of 1.5mbpd and a reported operational capacity of ~1.8mbpd. Prior to the war, the UAE was exporting ~1.1mbpd through this route. During the crisis, exports rose to ~1.5–1.6mbpd by Mar'26.

**Iraq – Kirkuk-Ceyhan Pipeline** – The Kirkuk–Ceyhan pipeline (nameplate capacity: ~1.6 mbpd) offers only limited relief. It serves northern Iraqi fields, while the bulk of exports originate from southern Basra fields, which lacks connectivity to this route. Pre-war the pipeline had a throughput of ~0.0mbpd. Moreover, despite partial reactivation, current flows are only ~200-300kbpd, far below capacity.

**Selective passage of ship through Hormuz by Iran** – Iran has allowed ship of selective countries to pass through the blockade. In addition, some Iranian crude continues to move from the Strait which is expected to be ~1.0mbpd.

**Exhibit 13 : Exports of Crude oil and refined products from Hormuz in 2025.**

Country	Crude oil (including condensates) (mbpd)	Products (mbpd)	Total
Bahrain	0.0	0.2	0.2
Iran	1.7	0.7	2.4
Iraq	3.3	0.3	3.6
Kuwait	1.4	1.0	2.4
Qatar	0.7	0.7	1.4
Saudi Arabia	5.4	0.8	6.2
Saudi-Kuwaiti Neutral Zone	0.4	0.0	0.4
United Arab Emirates	2.0	1.2	3.2
<b>Total Hormuz</b>	<b>15.0</b>	<b>4.9</b>	<b>19.9</b>

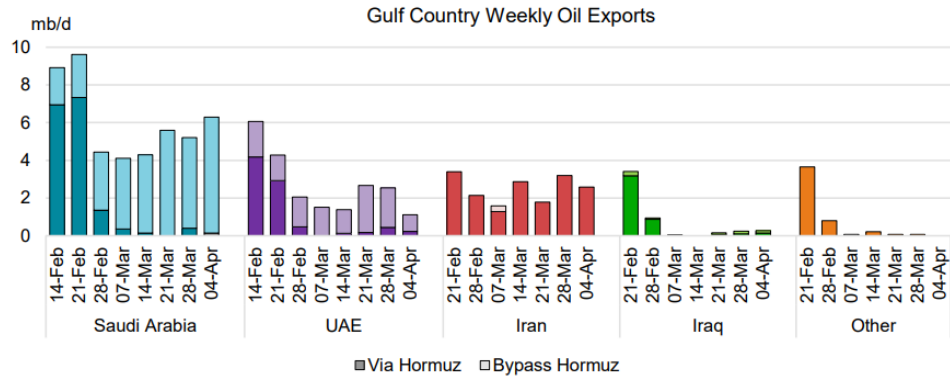
Source: IEA, PL

**Exhibit 14 : Comparison of flow through alternate routes pre and post war in West Asia.**

Alternate routes	Pre-war flow (mbpd)	Post-war flow (mbpd)	Source
Saudi East West Pipeline	~0.7	~4.0-4.5	IEA
UAE - Abu Dhabi Crude Oil Pipeline	~1.1	~1.5-1.6	Reuters
Iraq - Kirkuk–Ceyhan Pipeline	~0.0 (closed)	~0.2-0.3	Al Jazeera

Source: Company, PL

Exhibit 15 : Weekly Oil exports bypassing Hormuz



Source: Kpler, IEA calculations. Notes: Other includes Kuwait, Qatar, and Bahrain. Bypass options includes loadings from Saudi Arabia's Red Sea ports, the UAE's Fujairah port, the Iraqi-Türkiye pipeline (ITP) terminus at Ceyhan and Iran's Jask Oil Terminal.

Source: IEA, PL

**IEA Emergency Stock Release**

In Mar'26, IEA agreed to release 400mb of oil from its emergency reserves which is one of the largest coordinated emergency stock release in the history. The current release, at 400mb over ~120 days, implies a combined rate of ~3.3 mbpd. The U.S. will release 172mb over a 120-day period. This implies ~1.4mbpd of release. Other reserves contain a mix of crude and products. Based on an assumption that 90% of the release relates to crude oil, we estimate that 0.3mbpd is expected to be products. Hence in total, ~3.0mbpd are expected to be pure crude release. (US - 1.4mbpd, Other - 1.6mbpd)

**Balance - Demand destruction needed**

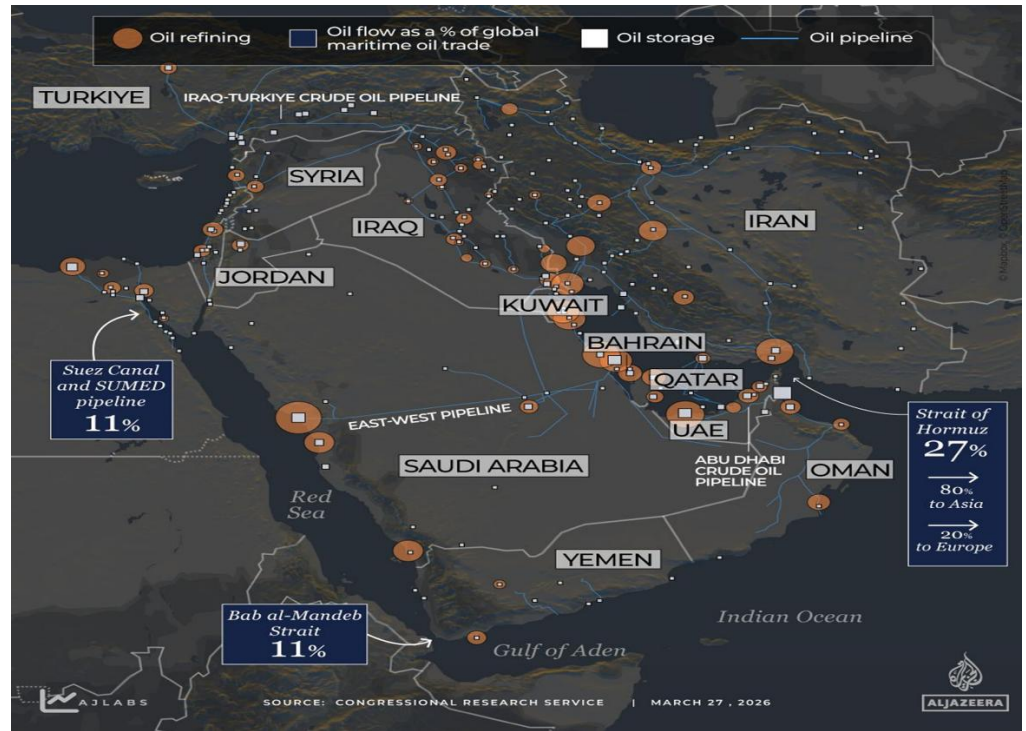
The net crude balance requiring demand destruction is estimated at ~4.8mbpd (Exhibit 16). This represents the volume of crude supply that is currently absent from global markets and cannot be offset, unless some extra releases take place.

Exhibit 16 : Estimated demand destruction needed to create down pricing pressure.

Component	Crude oil Volume (mbpd)	Notes
A. Crude Loss from Hormuz blockade	15	Pre-war crude oil exports from Hormuz
B. Rerouted via Alternative Pipelines	6.2	Saudi Yanbu (4.5) + UAE Fujairah (1.5) + Iraq-Turkey Ceyhan (0.2)
C. Iranian Crude Still Transiting Hormuz	1.0	Selective permitted countries (China, Russia, India, Iraq, Pakistan) 400mn bbls over 120 days, including 172mn bbls from US (~1.4mbpd).
D. IEA SPR Release (Crude Equivalent)	3.0	Assuming 0.3mbpd to be products out of 3.3mbpd release
E. Total Supply arrangements	10.2	
Net Supply balance (A-E)	4.8	Demand Destruction needed

Source: IEA, Multiple news sources, PL

Exhibit 17 : Overview (Map) of alternate routes

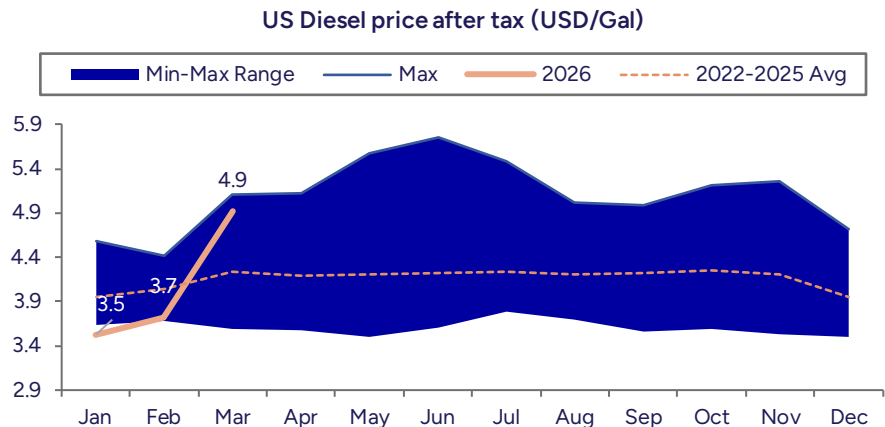


Source: Al-Jazeera, PL

**Demand destruction emerging as prices rise**

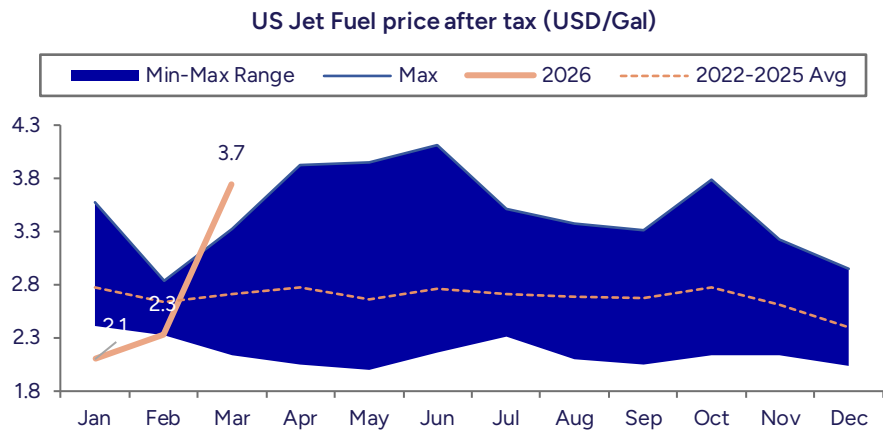
The sharp rise in crude oil prices has translated into higher retail fuel prices globally, which is expected to weigh on consumption. Market data confirms that demand destruction is already underway in price-sensitive markets. As prices increase, end-users tend to moderate usage, particularly in discretionary segments. In the US, diesel, jet fuel, and gasoline prices rose by ~37.3%, ~75.4%, and ~17.5% YoY, respectively, in Mar'26 (Exhibit 18,19 and 20), underscoring mounting pressure on consumers. In addition, US EIA has revised down its demand outlook for FY26 (Apr–Dec) by ~0.1 mbpd. Elevated prices are already dampening discretionary travel, limiting the pace of seasonal gasoline inventory draws during the spring period.

Exhibit 18: US diesel price trend higher moving above the historical range



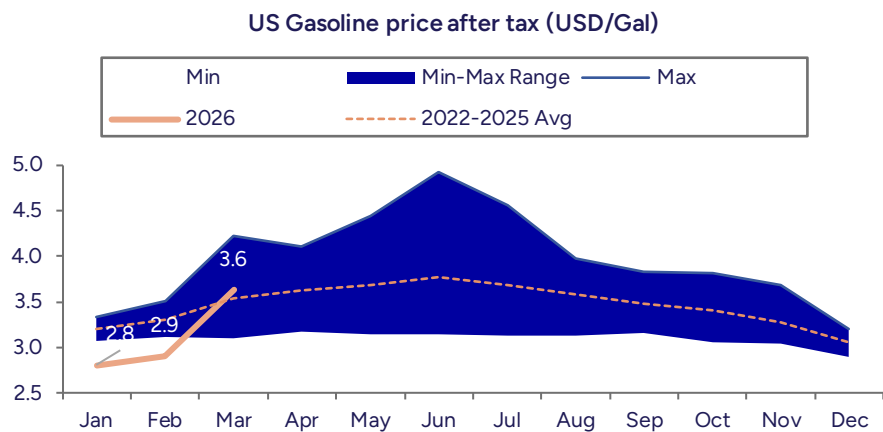
Source: EIA, PL

Exhibit 19: US jet fuel price trend higher moving above the historical range



Source: EIA, PL

Exhibit 20: US gasoline price trend higher moving above average

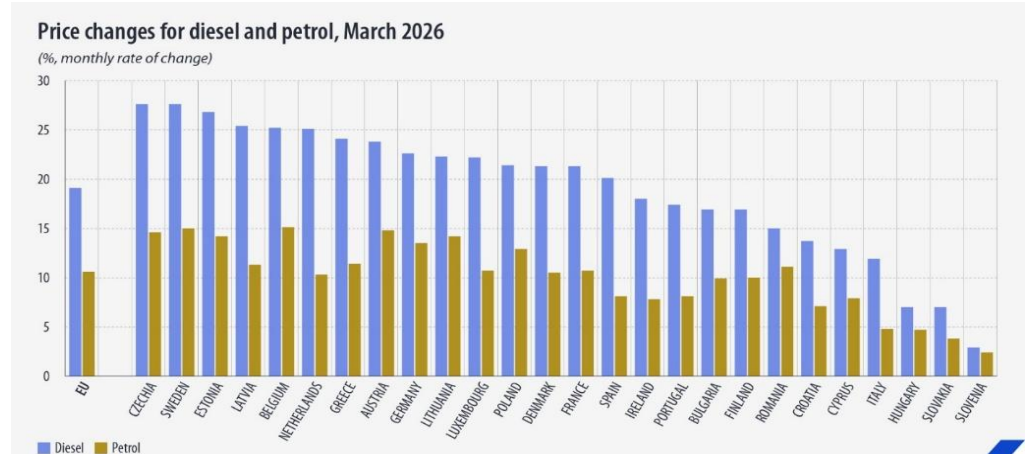


Source: EIA, PL

In Europe, a similar trend is playing out, with diesel and petrol prices rising by ~18% and ~11% YoY, respectively, in Mar'26 (Exhibit 21). The increase has been particularly sharp in countries such as the Czech Republic, Sweden, Belgium, and the Netherlands. In addition, US EIA has lowered Europe's consumption from OECD and non-OECD countries for FY26 (Apr-Dec) by ~0.1mbpd on an average, indicating a similar trend observed in US demand forecasts.

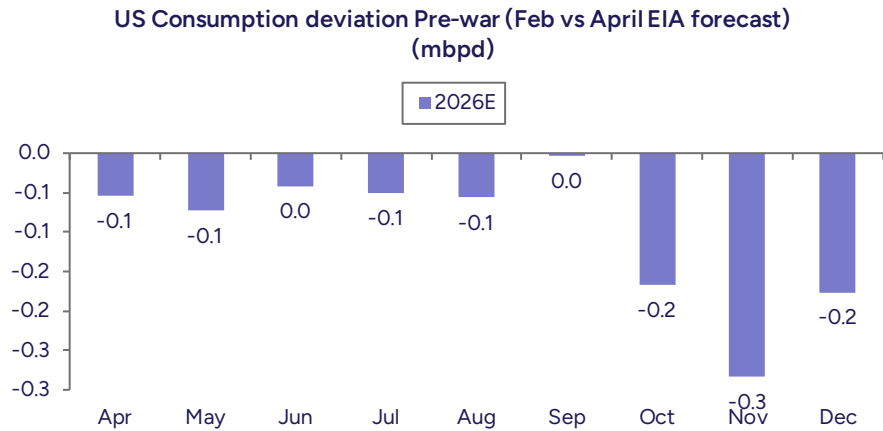
Soaring oil prices function as the main driver of demand destruction, especially in the OECD where the pass-through into retail fuel prices is already well advanced. The surge in diesel and jet fuel prices to record high has cut deeply into transport demand – grounding aircrafts and curtailing shipping activity. This demand destruction is no longer confined to Asia. It is now spreading to Europe, which relies on the Middle East for around 10% of its crude imports and more than half of its jet fuel demand as per IEA.

Exhibit 21: Europe gasoline & diesel price increased across the continent



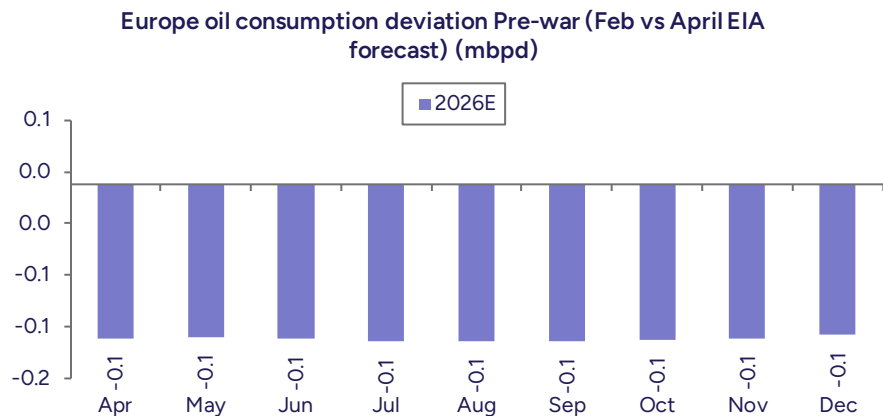
Source: Eurostat, PL

Exhibit 22: EIA downgraded US consumption estimates



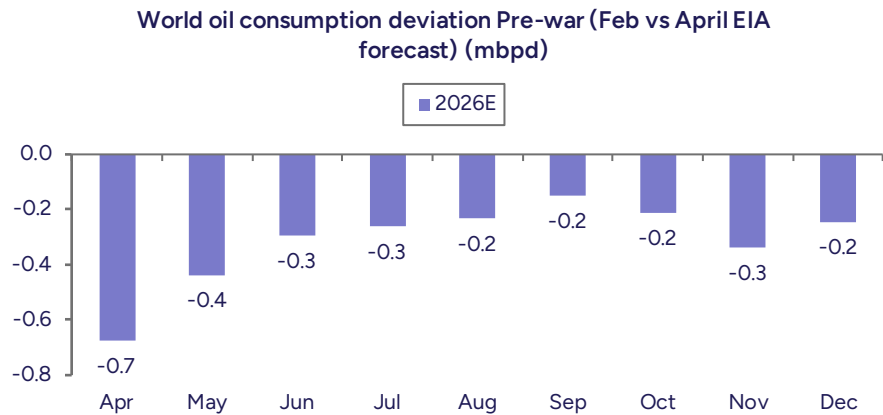
Source: EIA, PL

Exhibit 23: EIA downgraded Europe consumption estimates



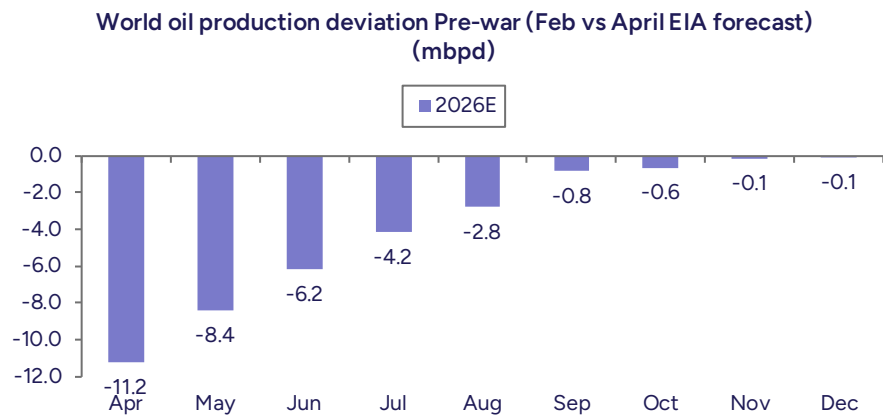
Source: EIA, PL

Exhibit 24: Expected global consumption downgraded by EIA



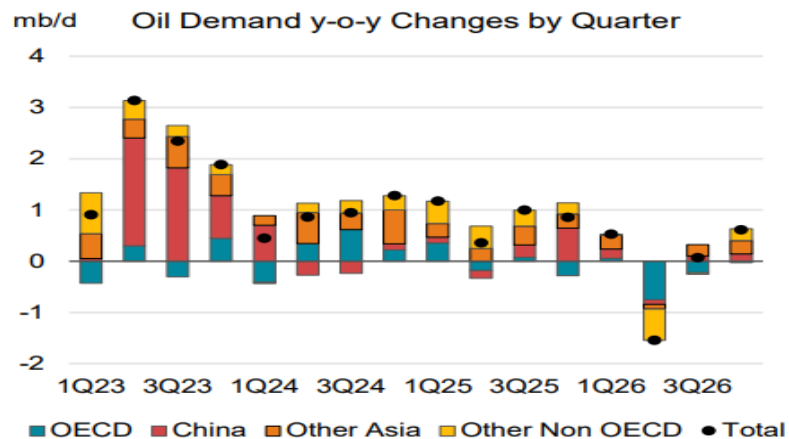
Source: EIA, PL

Exhibit 25: Expected global supply downgraded by EIA



Source: EIA, PL

Exhibit 26 : IEA estimates ~1.5mbpd demand impact in Q2'26 (Apr-Jun)



Source: IEA, PL

IEA projects global oil demand to contract by ~80kbpd in 2026, with Q2'26 (Apr-Jun) estimated demand decline of ~1.5 mbpd, the steepest since the COVID-19 pandemic. Notably, industry estimates indicate a more pronounced impact, with global demand estimated to have fallen by ~4mbpd since the onset of the Middle East conflict, compared to the IEA's ~2.3mbpd estimate for April'26. Against an estimated supply balance of 4.8mbpd, expected demand destruction of ~2.5mbpd as per IEA in Apr'26 is expected to further rebalance the supply-demand dynamics of the oil market.

Initial demand weakness is expected to be concentrated in the Middle East and APAC; however, as supply tightness persists and prices remain elevated, demand destruction is likely to broaden across regions. Governments in consuming countries may increasingly step in with mandates or policy measures to curb consumption. Over time, such coordinated demand restraint is expected to help rebalance the market and put downward pressure on crude prices. Based on this, **we remain positive on OMCs**, demand destructed led decline in crude oil prices may improve marketing margins, partly offset by volume softness, provided the demand slowdown is not severe.

Exhibit 27 : Some of measures taken by respective governments

	Work from home: encourage or mandate remote work	Cooling: temperature limits of air conditioners	Government travel: limit air and road travel by public officials	Schools and universities: close or limit opening times	Campaign: ask or mandate consumers to limit energy demand	Transport: limit vehicle use, ration fuel, lower speed limits, promote public transport
Australia					Encourage citizens to voluntarily reduce their fuel use to help ensure supply.	
Bangladesh		Limit to 25 degrees		Public and private university closure	Ask public and businesses to save energy, including unnecessary lighting	Fuel supply limits for vehicles; promote public transport
Cambodia	Hold meetings online for civil servants	Encourage limit to 24-25 degrees in public offices	Reduce long-distance official travel and avoid commuting in peak hours		State-owned electricity company urging the public to reduce electricity use	Reductions in import taxes for products related to EVs, renewables, electric stoves
Egypt	One day remote work for public sector		Limit travel by public officials	Close administrative capital daily at 6pm to turn off lighting and electronic devices	Ask public to save fuel, limit commercial and public lighting, close shops from 9pm and 10pm on weekends. Launch campaign to raise awareness at universities and institutes to save energy and improve efficiency	Promote public transport and government administrations must cut fuel use
India					Cap industry natural gas usage, speed up rollout of piped natural gas to replace LPG, ration commercial LPG use	
Indonesia	Work from home on Fridays for civil servants		Limit travel by public officials		Encourage energy saving strategies in government office buildings	Accelerate biodiesel programme and limit purchases of subsidized fuel
Jordan		Ban AC use in public offices	Temporary ban of international travel for public officials and hosting of foreign delegations			Curb use of government vehicles
Korea			Mandate 2-day odd-even no driving, by number plate, for public sector workers. Private companies joining in voluntarily		Run public campaign on practical saving actions, and encourage top oil-using companies to reduce energy use and submit energy saving plans	Ask private vehicles to not drive 1 day per week, limit public parking access accordingly based on license plates
Lao PDR	Remote work and rotating shifts for civil servants			Shorten school week from five to three days	Ask public to conserve fuel in campaign	Encourage public transport, lower fees and taxes on electric vehicles, encourage uptake of electric trucks
Malaysia	Remote work for civil servants	Encourage local councils to limit to 24 degrees	Limit travel by public officials, permit and encourage more direct flight paths		Instruct local authorities to optimize building energy use, and install solar panels and LED lighting	

	Work from home: encourage or mandate remote work	Cooling: temperature limits of air conditioners	Government travel: limit air and road travel by public officials	Schools and universities: close or limit opening times	Campaign: ask or mandate consumers to limit energy demand	Transport: limit vehicle use, ration fuel, lower speed limits, promote public transport
Myanmar	Mandatory remote work on Wednesdays for public officials					Alternate driving days, ration fuel
Nepal			Restrict use of government vehicles		Ration LPG for cooking (half-fill cylinders), ask public to limit travel and adopt efficient practices	
Pakistan	4-day work week for public officials, and 50% remote work on the remaining days		Ban on foreign travel by public officials	100% online classes, remote work encouraged	Ask local governments to save energy. No official dinners, no physical meetings. Close markets and commercial centers from 8pm, and food and events establishments from 10pm	Reduce speed limit on highways, vehicle purchase ban for public officials, temporarily free public transport
Peru	Encourage public and private sector to work remotely			Shift schools to online classes		
Philippines	4-day work week for public officials	Encourage limit to 24 degrees in public offices	Limit non-essential government travel		Declare national energy emergency, ask public agencies to reduce fuel consumption, ask consumers to limit demand and promote energy audits	Provide free bus rides for students and workers in selected cities
Singapore		Encourage raising AC temperature setpoints to 25 degrees, priorities use of fans			Urge public to conserve energy and use efficient appliances, expand business efficiency grant to all sectors. Launched the "Let's Save Energy Together" campaign, encourage uptake of climate voucher scheme	Encourage less private car use, more public transport and carpooling
Spain					Reduce personal income tax for renovations, solar energy installation and electrification measures	
Sri Lanka	Encourage less private car use, more public transport and carpooling	Limit offices to 26 degrees. Encourage 1-2 hr switch off daily, prioritizing fans	Limit public official travel, encourage public transport	Close schools and universities on Wednesdays	Introduce nationwide QR code-based fuel rationing system, switch off billboard lighting at 9pm, launch energy saving campaign	Introduce fuel quotas for private cars and motorcycles
Thailand	Encourage remote work and video conferencing in all public and private sectors	Encourage limit to 26 degrees	Avoid overseas travel for public officials		Ask office workers to limit demand (incl. taking stairs, turning off devices)	Encourage carpooling and limit unnecessary travel, ensure higher-biofuel-content gasoline is cheaper
United Kingdom					Increase the grant for households to switch from LPG- or oil-based heating to heat pumps; announce plan to ease rules for installation of cross-pavement electric vehicle charging	

Source: IEA, PL

## Exhibit 28 : Valuation Summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR bn)				EBITDA (INR bn)				Adj. PAT (INR bn)				EPS (Rs)				RoE (%)				P/BV (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Bharat Petroleum Corporation	C	Accumulate	308	332	1,335.2	4,402.7	4,595.2	4,978.8	5,022.6	254.0	382.4	290.2	237.3	137.1	238.5	164.7	122.6	31.6	55.0	38.0	28.2	17.5	27.3	16.8	11.6	1.6	1.4	1.3	1.2
Hindustan Petroleum Corporation	C	Accumulate	380	421	808.8	4,341.1	4,640.1	5,325.9	5,401.9	165.5	258.2	259.6	234.0	67.4	156.1	149.5	123.1	31.6	73.4	70.2	57.9	13.7	27.5	22.1	15.9	1.6	1.3	1.1	1.0
Indian Oil Corporation	C	Accumulate	145	163	2,002.2	7,581.1	7,876.4	8,708.1	9,681.5	359.9	709.1	542.5	550.9	119.5	376.8	253.3	249.8	8.7	27.4	18.4	18.1	6.5	18.9	11.4	10.4	1.1	0.9	0.9	0.8

Source: Company, PL

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	ACCUMULATE	452	422
2	Bharat Petroleum Corporation	Accumulate	307	277
3	Bharti Airtel	Accumulate	2313	2038
4	Clean Science and Technology	HOLD	720	732
5	Deepak Nitrite	REDUCE	1354	1473
6	Fine Organic Industries	BUY	5311	4492
7	GAIL (India)	Buy	170	145
8	Gujarat Fluorochemicals	HOLD	3316	3330
9	Gujarat Gas	Accumulate	342	313
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Buy	383	331
12	Indian Oil Corporation	Accumulate	145	134
13	Indraprastha Gas	Buy	174	148
14	Jubilant Ingrevia	HOLD	657	635
15	Laxmi Organic Industries	REDUCE	116	125
16	Mahanagar Gas	Accumulate	1114	955
17	Mangalore Refinery & Petrochemicals	Sell	143	186
18	Navin Fluorine International	ACCUMULATE	6816	6062
19	NOCIL	HOLD	163	165
20	Oil & Natural Gas Corporation	Accumulate	309	287
21	Oil India	Accumulate	511	482
22	PCBL Chemical	HOLD	267	270
23	Petronet LNG	Accumulate	269	255
24	Reliance Industries	BUY	1635	1328
25	SRF	HOLD	2531	2435
26	Sudeep Pharma	Reduce	638	682
27	Vinati Organics	ACCUMULATE	1372	1284

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<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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