



A COMPARATIVE STUDY ON IOCL, HPCL AND BPCL

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Abstract: The study is made to know the common and different elements in the major Public Sector Oil Companies who are in retail business during the financial year 2020 -21. Also the study dealt in the market share of the respective companies and products dealt by the above corporates.

Index Terms - Comparative Study, Revenue, Oil Companies, Public sector.

INTRODUCTION

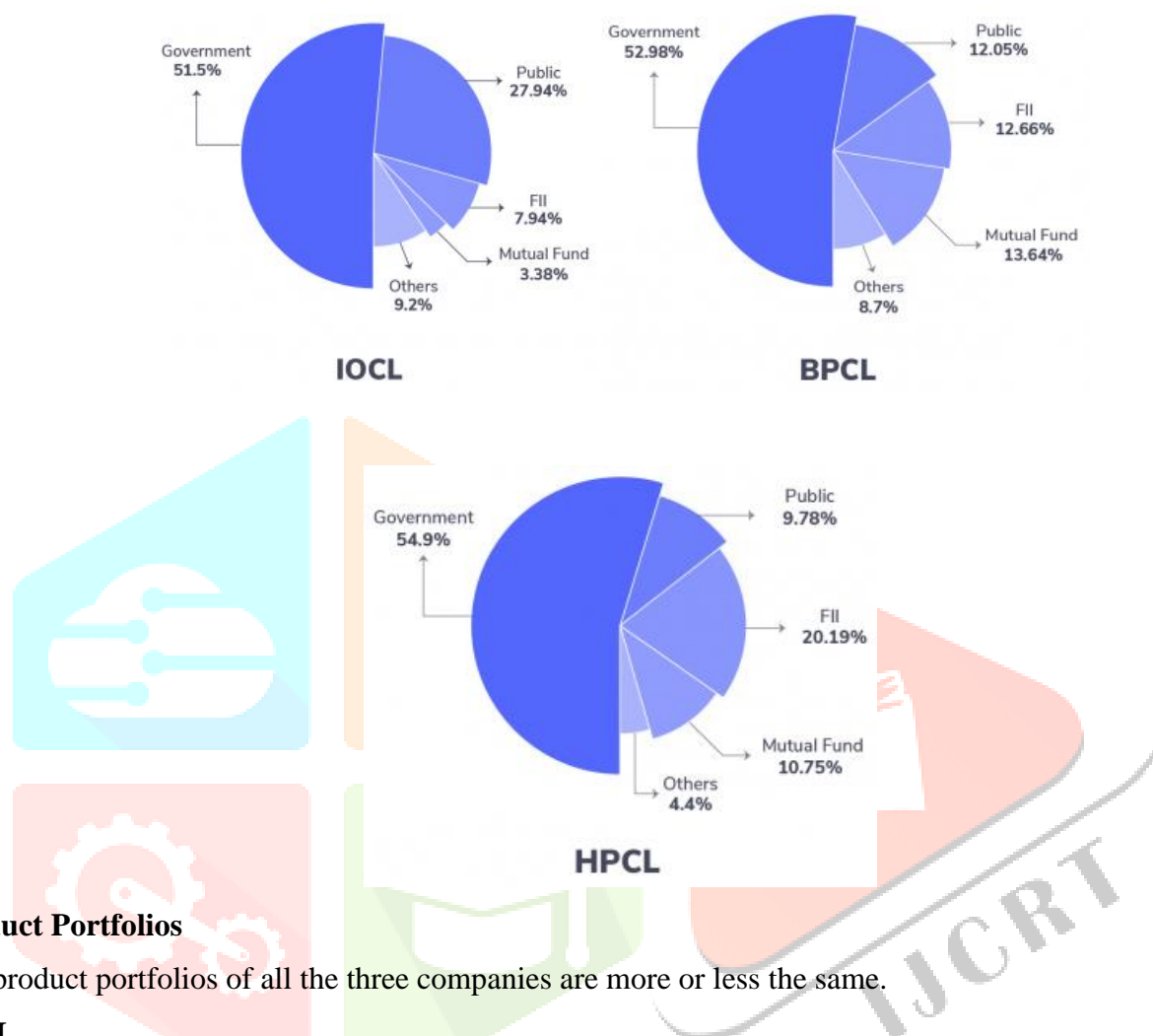
The major Indian Public Limited Oil Companies, Hindustan Petroleum, Bharat Petroleum, and Indian Oil has something in common. All of them are Indian downstream oil firms. As of March 21, 2022, they are the only downstream companies that are mentioned. Petroleum products, among which gasoline and diesel are two that we are more familiar with, are sold by downstream companies.

The government of India controls these businesses in large part, which is another thing that unites them. They are all Maharatna PSUs as well. Of the three, Indian Oil continues to hold the largest market share. The availability of common industry-specific characteristics makes comparing businesses within the same sector simpler. Here is a thorough analysis of India's top three oil marketing companies (OMCs).

Ownership Pattern

The Central Government's Ministry of Petroleum and Natural Gas owns a majority of the three OMCs. While BPCL has drawn the most interest from mutual fund companies among its rivals,

HPCL has had the largest investment from overseas portfolio investors. IOCL has received the most public investment out of the three companies.



Product Portfolios

The product portfolios of all the three companies are more or less the same.

IOCL

- | | | |
|-----------------|-------------------|------------|
| Natural gas | Petrol and diesel | Jet fuel |
| Industrial fuel | Kerosene | Bitumen |
| Petrochemicals | Crude oil | Lubricants |
| Greases. | | |

IOCL operates 1,059 CNG stations in the country in addition to a gas pipeline network of 1,100+ kilometers. The corporation has a group refining capacity of 80.55 MMTPA and operates an oil pipeline network of 15,000+ kilometers.

BPCL on the other hand produces and sells:

LPG Automotive LPG

Petrochemicals like benzene, toluene, naphtha, aviation fuel, diesel, petrol, kerosene, fuel oil.

The company also produces bitumen, sulfur, and lube oil base stock.

HPCL's product list comprises fuel oil, naphtha, sulfur, lubricants and greases, gasoline, diesel, polyethylene, polypropylene, and sulfur.

Number of petrol pumps

IOCL has the highest number of petrol pumps in the country. However, it has entered into an agreement with Malaysia's Petronas and may sell some of their petrol pumps. BPCL and HPCL are neck-to-neck with almost a similar number of petrol pumps in the country.

IOCL 32,303

BPCL 18,766

HPCL 18,776

Throughput

The entire amount of crude oil utilized as a raw material and fed into the production of petrochemical goods is known as refinery throughput.

The highest throughput was reported by IOCL in FY 2020–21 at 76 MMTPA, followed by BPCL at 26,4 MMTPA and HPCL at 16,42 MMTPA.

The greatest market sales during that time were recorded by IPCL at over 81 MMTPA, followed closely by BPCL and HPCL with 38.7 MMTPA and 36.6 MMTPA, respectively.

Crude Oil Throughput

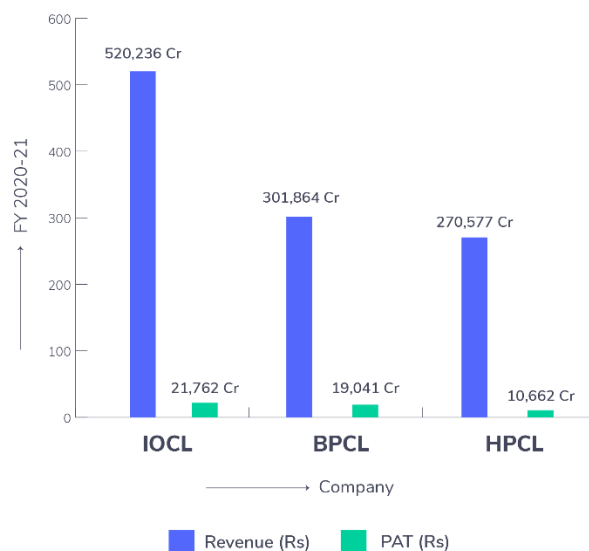
Company	Refinery Throughput (MMTPA)	Market Sales (MMTPA)
IOCL	76	81.03
BPCL	26.4	38.74
HPCL	16.42	36.63

Revenue breakup

Petroleum products accounted for Rs 4,93,127 crore of IOCL's total revenue in the fiscal year (2021-2022). It has the largest market share among its listed competitors, which can account for the highest revenue. In the same year, IPCL received an additional Rs 19,169 crore in revenue from the sale of petrochemicals.

On the other side, BPCL claimed that its downstream petroleum business brought in Rs 3,04,197 crore in revenue while hydrocarbon exploration and production contributed Rs 68 crore in FY 20-21.

In FY 20-21, HPCL recorded downstream petroleum income of Rs 2,70,333 crore and additional revenue of Rs 244 crore from other companies.



Considering IOCL's size and scope, it can boast larger revenue, income, and PAT than its two competitors. In FY 20-21, IOCL recorded a PAT of Rs 21,762 crore, followed by BPCL at Rs 19,041 crore and HPCL at Rs 10,662 crore.

However, it's important to notice that IOCL and BPCL are comparable in terms of PAT despite having a significant disparity between their sales and total income. Even more intriguing is the fact that BPCL has the highest EPS among its competitors, at Rs 96.44 per share. Third place goes to IOCL with an EPS of Rs 23.57, while HPCL comes in at Rs 70.57 per share.

Gross Refining Margin

When comparing OMCs, it's necessary to take Gross Refining Margin, or GRM, into account. GRM is the amount of money a corporation makes while turning a barrel of crude oil into fuel.

IOCL recorded the highest GRM at \$5.64 per barrel for the fiscal year 2020–21, followed by BPCL and HPCL.

Company	GRM
IOCL	\$5.64/ barrel
BPCL	\$4.06/ barrel
HPCL	\$3.86/ barrel

Ratios

Due to the high capital requirements of the oil and gas sector, all three companies' debt-to-equity ratios are a little on the high side. As a result, BPCL, followed by IOCL and HPCL, has the lowest debt-to-equity ratio among its two competitors.

Performance Ratios

Company	Debt-to-Equity Ratio	PE	Dividend Yield
IOCL	103.40	5.15	8.65
BPCL	101.82	4.46	9.06
HPCL	114.78	3.99	8.08

About the companies

Indian Oil Corporation Limited (IOCL)

- IOCL is a public business, with the Indian government owning the bulk of the stock. The largest government-owned oil corporation in India is IOCL, and among its range of goods and services include the exploration and production of petrochemicals, crude oil, and natural gas.
- It focuses on oil extraction, refinement, pipeline transportation, and petrochemical product marketing.
- It has a total annual refining capacity of 80.7 million tonnes and runs 11 of India's 23 refineries.
- It operates through its subsidiaries in Sri Lanka, Mauritius, and the Middle East.

Bharat Petroleum Corporation Limited (BPCL)

- Another state-owned oil company is BPCL. The company was founded in British India in 1891 as Rangoon Oil and Exploration Company to investigate the possibility of oil in North Eastern India. It was incorporated in 1952.
- One of the country's oldest oil companies has two refineries, one each in Mumbai and Kochi.
- While Petronet LNG imports and distributes LNG in the nation, Indraprastha Gas Limited (IGL), a subsidiary of BPCL, distributes gas in Delhi-NCR.

Hindustan Petroleum Corporation Limited (HPCL)

- A division of ONGC, the government-owned oil and gas company.
- It operates two refineries, one in Mumbai and the other in Visakhapatnam, in India.
- It holds an interest in Mangalore Refinery and Petrochemicals Limited (MRPL) that is close to 17%.
- It is constructing a new refinery in Barmer, Rajasthan. Additionally, HPCL owns and runs the largest lubricant facility in India, which generates 40% of all lubricants used in the nation.

Conclusion

In terms of size, volume, and the quantity of crude oil it handles, IOCL is the biggest OMC. However, as of March 2022, the market might be assigning larger valuations to HPCL and BPCL, the other two biggest oil marketing companies in the nation. With a vast network of gas stations and gasoline pumps across the entire nation, all three are government-controlled and significantly contribute to the growth and development of the country.