

GAIL

Refer to important disclosures at the end of this report

EBITDA beat driven by petchem, marketing and other segments

CMP: Rs 103
as of (June 25, 2020)

TP: Rs 135 (▲)
12 months

Rating: BUY (■)

Upside: 31.0 %



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- GAIL reported Q4FY20 standalone EBITDA/PAT of Rs24.8/30.2bn. PAT was higher due to the adoption of the new lower tax rate and Rs1bn exceptional income. EBITDA beat estimates by 19% due to better income in petchem, gas marketing and other segments.
- Reported gas transmission EBITDA fell 5% qoq to Rs11.6bn and volumes were down 1% at 109.0mmscmd. Marketing EBITDA grew 20% qoq to Rs6.3bn, driven by volume growth of 2% qoq to 97.8mmscmd and higher blended RLNG margin of USD0.35/mmbtu.
- Petchem EBITDA came in at Rs1.85bn (Rs170mn est.), due to a sharp drop in opex. Pata utilization was 103% but sales fell 18% qoq. LPG-LHC EBITDA of Rs5.5bn missed on 10% volume drop and lower realization to Arab Gulf. Other segment EBITDA jumped 21% yoy.
- We cut FY21E EPS by 9% due to Covid-19 but raise FY22E EPS/TP by 2%/8% due to lower tax and valuing unlisted investments. Maintain Buy with Rs135 TP, but turn EW in EAP from UW. Q1 is expected to be weak but tariff reforms could be a material trigger.

Key highlights: Deferred tax reversal led to negative taxes in Q4, while the exceptional item was impairment write-back on improving performance of the Dabhol terminal (Konkan LNG). Depreciation was in line. LPG transmission EBITDA rose 2% qoq with mostly flat volumes and tariffs. Gas transmission EBITDA was a 5% miss. Petchem realization premium to Korea HDPE was flat qoq at 13%. For FY20, GAIL's standalone EBITDA/APAT fell 15%/6% to Rs83.7bn/58.7bn due to lower gas marketing, petchem and LPG & LHC earnings yoy. Depreciation also rose, while taxation declined. Gross debt was higher at Rs54bn. Capex was Rs61bn, mainly on pipelines. Ind-AS 116 lease impact was negative Rs237mn on PBT, while ROU asset/lease liability was Rs3.8/2.1bn. Konkan LNG is classified as subsidiary with a 69% stake of GAIL (driving consol. gas marketing EBIT). Consolidated AEPS was Rs17/sh.

Management guidance: April saw ~30% impact on gas volumes but the same has recovered to 90% of normal now (transmission at 95-100mmscmd). CNG is still down 50% but should normalize in 1-2 months. Petchem saw a 20-day shutdown in Pata plant in April but now back to 100% utilization. Pipeline projects have started, including JHBDPL, BGPL and KKMBPL (Mangalore supply by July). Most LNG marketing volumes are crude linked, mostly selling to power-fertilizer. It has rescheduled US cargoes but with no penalty or breach of contract. Expect buyers to also honor contracts. Out of 90 total US cargoes, 37 is sold outside India, 70% hedged for FY21, and 9 are unsold. Q1FY21 could be weaker compared to Q4. It has responded to PNGRB's tariff overhaul proposal. Capex guidance is Rs40-45bn for FY21.

Valuation: We value GAIL on the SoTP basis using FY22E EV/EBITDA for the core business and investments at a 30% holdco discount. Key risks are adverse commodity prices-margins and currency, policy-regulatory issues, bifurcation uncertainty, Covid-19 delays and outages.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Oil & Gas \(page 9\)](#)

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	751,263	718,710	560,821	678,739	770,198
EBITDA	95,551	83,694	59,883	73,558	86,405
EBITDA Margin (%)	12.7	11.6	10.7	10.8	11.2
APAT	62,421	58,656	37,453	45,944	53,707
EPS (Rs)	13.8	13.0	8.3	10.2	11.9
EPS (% chg)	35.7	(6.0)	(36.1)	22.7	16.9
ROE (%)	14.8	13.3	8.3	9.6	10.5
P/E (x)	7.4	7.9	12.4	10.1	8.7
EV/EBITDA (x)	4.8	6.1	8.5	6.9	5.9
P/BV (x)	1.1	1.1	1.0	0.9	0.9

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	(9)/2
Target Price change (%)	8.1
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	8.3	10.2
Consensus	10.7	12.3
Mean Consensus TP (12M)	Rs 131	

Stock Details

Bloomberg Code	GAIL IN
Face Value (Rs)	10
Shares outstanding (mn)	4,510
52 Week H/L	157 / 65
M Cap (Rs bn/USD bn)	465 / 6.15
Daily Avg Volume (nos.)	18,318,160
Daily Avg Turnover (US\$ mn)	21.8

Shareholding Pattern Mar '20

Promoters	51.8%
FIIIs	16.2%
DIIIs	18.2%
Public and Others	13.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	18	36	(14)	(33)
Rel. to Nifty	4	10	2	(24)

Relative price chart



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q4FY20)

Rs bn	Actual	Estimate (Emkay)	Consensus Estimate (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	177.5	168.1	169.1	6%	5%	
Adjusted EBITDA	24.8	20.9	19.0	19%	30%	Better petchem, marketing, others
EBITDA Margin (%)	13.9%	12.4%	11.2%	153bps	271bps	
Adjusted Net Profit	18.4	14.2	12.5	29%	47%	Lower tax rate adopted

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	yoy	qoq	FY19	FY20	yoy
Revenue	187,634	183,106	180,399	177,673	177,531	-5%	0%	751,263	718,710	-4%
COGS	151,865	145,315	149,342	140,440	138,509	-9%	-1%	588,642	573,605	-3%
Gross Profit	35,769	37,792	31,058	37,233	39,022	9%	5%	162,622	145,104	-11%
Opex	16,629	15,202	15,431	16,509	14,269	-14%	-14%	64,466	61,410	-5%
EBITDA	19,141	22,590	15,627	20,724	24,754	29%	19%	98,155	83,694	-15%
Depreciation	4,574	4,057	4,398	4,890	5,016	10%	3%	15,502	18,360	18%
Interest	263	239	275	242	329	25%	36%	1,385	1,085	-22%
Other Income	6,359	1,512	4,401	3,124	5,132	-19%	64%	12,844	14,168	10%
Exceptional	-3,263	-	-	-	1,016			-3,263	1,016	
PBT	17,399	19,805	15,355	18,716	25,557	47%	37%	90,848	79,434	-13%
Tax	6,177	6,930	4,713	6,210	-4,625			30,592	13,227	-57%
Rep. PAT	11,222	12,875	10,643	12,507	30,182	169%	141%	60,257	66,206	10%
Adj. PAT	13,327	12,875	10,643	12,507	18,356	38%	47%	62,421	58,656	-6%
Adj. EPS	3.0	2.9	2.4	2.8	4.1	38%	47%	13.8	13.0	-6%
Gas Transmission										
Volume (mmscmd)	109.2	105.4	108.7	110.3	109.0	0%	-1%	107.4	108.4	1%
Adj. Tariff (Rs/scm)	1.3	1.4	1.4	1.4	1.4	4%	1%	1.3	1.4	8%
Reported EBITDA	10,280	10,680	10,200	12,200	11,640	13%	-5%	40,890	44,720	9%
LPG Transmission										
Volume (mmt)	1.0	0.8	1.0	1.0	1.0	2%	0%	4.0	3.9	-2%
Tariff (Rs/mt)	1,691	1,608	1,602	1,620	1,615	-4%	0%	1,545	1,612	4%
Reported EBITDA	1,090	760	960	1,080	1,100	1%	2%	3,590	3,900	9%
Gas Marketing										
Volume (mmscmd)	98.4	96.6	94.7	96.0	97.8	-1%	2%	96.9	96.3	-1%
Reported EBITDA	5,880	8,610	2,540	5,240	6,310	7%	20%	28,590	22,700	-21%
EBITDA Margin (USD/mmbtu)	0.1	0.3	0.1	0.2	0.2	77%	13%	0.2	0.2	-12%
Petchem										
Sales Volume (kt)	213.0	136.0	217.0	211.0	174.0	-18%	-18%	735.0	738.0	0%
Reported EBITDA	890	-1,170	320	1,050	1,850	108%	76%	8,150	2,050	-75%
EBITDA/mt (USD)	42	-116	16	61	122	189%	102%	153	30	-81%
LPG & LHC										
Sales Volume (kt)	335.0	296.0	329.0	337.0	302.0	-10%	-10%	1,329.0	1,264.0	-5%
Reported EBITDA	4,520	5,280	2,730	3,180	5,540	23%	74%	26,300	16,730	-36%
EBITDA/mt (USD)	137	240	92	115	211	55%	84%	252	161	-36%

Source: Company, Emkay Research

*Note: Adjusted PAT may not match with annual tables fully due to different adjustment method in Emkay detailed annual model

Exhibit 3: Changes in assumptions

	FY21E			FY22E			FY23E
	Old	New	% Chg.	Old	New	% Chg.	Introduced
Gas Transmission							
Volumes (mmscmd)	115.1	102.9	-11%	126.6	115.8	-8%	127.4
Adj Tariff (Rs/scm)	1.41	1.37	-3%	1.41	1.38	2%	1.38
Adj EBITDA (Rs.bn)	41.2	36.8	-11%	44.7	41.2	-8%	44.5
LPG Transmission							
Volumes (mmt)	4.0	4.0	-1%	4.1	4.1	0%	4.1
Adj EBITDA (Rs.bn)	3.5	3.4	-3%	3.5	3.4	-3%	3.5
Gas Marketing							
Volumes (mmscmd)	101.2	94.0	-7%	105.8	100.2	-5%	104.5
Margin (USD/mmbtu)	0.1	0.0	-68%	0.1	0.1	-23%	0.1
Adj EBITDA (Rs.bn)	11.7	3.5	-70%	12.1	9.0	-26%	15.4
Petchem							
Capacity Utilization	95%	80%	-1,500bps	96%	95%	-50bps	96%
EBITDA/mt (USD)	(8)	61	NM	71	99	40%	156
Adj EBITDA (Rs.bn)	(0.4)	2.9	NM	3.9	5.6	41%	8.7
LPG & LHC							
EBITDA/mt (USD)	84	101	20%	124	114	-8%	113
Adj EBITDA (Rs.bn)	8.1	9.3	14%	11.9	10.2	-14%	10.0

Source: Emkay Research

Exhibit 4: Changes in estimates

Rs bn	FY21E			FY22E			FY23E
	Old	New	% Chg.	Old	New	% Chg.	Introduced
Revenue	744	561	-25%	797	679	-15%	770
EBITDA	66	60	-9%	78	74	-6%	86
EBITDA Margins	9%	11%	179bps	10%	11%	103bps	11%
PAT	41.2	37.5	-9%	45	46	2%	54
EPS (Rs)	9.1	8.3	-9%	10.0	10.2	2%	11.9

Source: Emkay Research

Concall highlights**Covid-19 impact**

- April saw up to 30% impact on gas volumes but opening up started from 20 April onwards. It has now recovered to 90% of normal. Transmission volumes are at 95-100mmscmd now. The CNG segment is still down at 50% but in 1-2 months should be close to normal.
- Petchem saw 3-week plant shutdown in April but since then demand has picked up and now utilization is at 100%. It should be able to do 100% in remaining 9MFY21. LPG & LHC have been normal. Operational aspects continue to improve.
- Southern and Eastern India pipelines connectivity should see demand/volumes increase for GAIL. SMEs had seen some delays.
- Projects were impacted due to social distancing norms in April, but are now picking up, though yet to come to the full level. In few months, they should reach normal stage.
- Kochi Mangalore pipeline work is in the last stage and by July, gas will reach to Mangalore.
- In JHBDPL, work has started on all fronts except some parts of West Bengal and some forest areas. Work is mostly on schedule with a large portion to be completed by December 2020 and remaining by March 2021.
- BGPL work also stated and December 2021 completion schedule maintained. CGD project work is likely to pick up post monsoon.
- GAIL does not expect Covid-19 to affect long-term business continuity/carrying amounts of assets.

Marketing

- GAIL did 120 LNG cargoes of which 90 was US in FY20 and sold 46 overseas. No take or pay was imposed on customers in Q4FY20.
- In Q1FY21, some cargoes are rescheduled but overall GAIL is able to manage as demand hit was mostly on CNG, which is domestic gas. Q1 is seasonally weak though.
- Most LNG volumes are crude linked and a few are spot volumes, where margins were hit. Mostly the selling is done to power and fertilizer.
- 85-90% US LNG cargoes are already tied up and hedging is also done to protect from volatility. Challenges are there but situation is likely to improve. Most volumes are long term and based on indices. There could be marginal impact on margins.
- GAIL has rescheduled US LNG cargoes but no penalty or breach of contract is there. It expects buyers to also honor contracts and no issues faced so far. No significant force majeure is issued to GAIL and expect situation to improve.
- Out of 5.8mmtpa/90 cargoes total US LNG, 37 is sold outside India. 70% volumes hedged for FY21. 9 US cargoes are unsold.
- In the Eastern India, one new fertilizer plant is expected to start in 3-4 months. Southern India volumes will also grow. Sick fertilizer plants' (3 in no.s) revival would be done by FY22 end. Making up for 2-3 months of Covid-19 delay for these plants will not be difficult.
- Q1FY21 will be different from Q4FY20. Plants, including fertilizer, were to be connected but could not be done due to Covid-19 as work stopped. This fiscal will be more challenging but don't expect anything too drastic in term of huge losses. It would be possible to negotiate and flexibility is there.
- US+Russia term volumes are equal to Qatar (40-45% of total volumes for Qatar).

Transmission

- GAIL has responded to PNGRB's proposal for tariff reforms. A unified tariff is being pursued though no update as of now. The same would be positive is implemented.
- Capital grant (VGF) of Rs39bn was received for Urja Ganga. It spent Rs96bn in Urja Ganga so far, while the capital commitment was Rs135bn as on FY20 end.
- GAIL and its JVs are laying 8,400kms of gas pipelines while other players 8,600kms.
- New gas pipeline projects for GAIL are Srikakulam Angul (700km length, Rs30bn capex, 3 years for commissioning), Mumbai-Nagpur-Jharsuguda (1,705km, Rs78bn, 3 years) and Dharma Haldia (240km, Rs12bn, 2 years). These are authorized and work should start from this year.
- GAIL is also part of 1,650km Rs93bn northeast gas grid. Transmission volumes to grow.
- 100% subsidiary model for the pipeline business is under work and no hiving off as of now. Proposal is under consideration with the govt.

Debt and capex

- GAIL took a Rs43.5bn loan for pipeline capex, with O/S debt at Rs52.57bn as on FY20.
- Capex in FY20 was Rs61bn mostly on pipelines, while FY21 guidance is Rs40-45bn. FY22 target was Rs80-90bn, including the new Usar petchem plant, but net of, it would be Rs40-45bn only including CGD. Work will start on the new pipelines from FY21, with material sourcing, etc.
- Waiting for Mumbai's Covid-19 situation to normalize before going ahead with the Usar petchem plant. GAIL is discussing with the port authority.

Others

- Petchem was supported by reduced gas price, higher volumes, optimized costs and operations. Petchem market share was 17.5%, including BCPL.
- In June, LPG prices have picked up. LPG & LHC volumes should be range bound.
- Employee cost had some provision reversal and new gratuity rules, so it was down yoy in FY20.
- Rs19bn of contingent liability reduction was recorded as 44 income tax cases since 21 years settled under the *Vivad Se Vishwas* scheme. CSR spent was more than 2% of 3 years PAT level mandated at Rs1.25bn.

- Rs23.5bn was given as a feedstock subsidy to BCPL in FY20, which drove BCPL PAT. BCPL utilization stood at 100%.
- 6 CGD GAs under GAIL India are operational with 41 CNG stations. GAIL and its JVs added 9.5lac PNG connections (90% of total addition in India) and 350 CNG stations (60-65%) in FY20.
- GAIL Gas reported Rs51.44/2.03/1.56bn as revenue/PBT/PAT in FY20 (Rs810mn PAT in FY19).
- GAIL took initiative to optimize costs and improve operational efficiencies.
- Dabhol breakwater should be ready by August 2022 and in summer 2022 itself, some additional LNG cargoes can be imported even with partial completion.
- GAIL will look at gas exchange opportunities but it is too early to say now.

Exhibit 5: Value of investments

Rs mn	Shares (mn)	CMP (Rs)	Value
China Gas Holding	150	230	34,454
PLNG	188	260	48,750
MGL	32	1,050	33,705
IGL	158	430	67,725
GIPCL	1	60	34
ONGC	308	80	24,672
Total			209,340
At 30% HoldCo. Discount			146,538
Per Share Value			32
Unlisted CGDs+BCPL			145,267
At 30% HoldCo. Discount			101,687
Per Share Value			23
Total Investment Value			55

Source: Company, Emkay Research

Exhibit 6: Core business valuation

Mar'22E (Rs.mn)	EBITDA	Multiple (x)	EV
Gas Transmission	41,164	6.5	267,563
LPG Transmission	3,418	6.0	20,506
Gas Marketing	9,000	4.0	35,999
Petrochemicals	5,551	4.0	22,203
LPG & LHC	10,171	4.0	40,685
Others	4,255	4.0	17,021
Total	73,558	5.5	403,976
Less Net Debt (Y/E)			42,889
Equity Value			361,086
No. Of Shares O/S (mn)			4,510
Core Standalone FV			80

Source: Company, Emkay Research

Exhibit 7: SOTP valuation

Rs/sh	Value
Core Business	80
Investments	55
Target Price	135

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	751,263	718,710	560,821	678,739	770,198
Expenditure	655,712	635,016	500,938	605,181	683,792
EBITDA	95,551	83,694	59,883	73,558	86,405
Depreciation	15,502	18,360	20,759	24,674	27,713
EBIT	80,049	65,334	39,124	48,884	58,693
Other Income	15,448	14,168	15,194	16,539	17,359
Interest expenses	1,385	1,085	4,247	4,000	4,250
PBT	94,112	78,417	50,071	61,422	71,801
Tax	28,427	20,777	12,618	15,478	18,094
Extraordinary Items	(3,263)	1,016	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	60,257	66,206	37,453	45,944	53,707
Adjusted PAT	62,421	58,656	37,453	45,944	53,707

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	22,551	45,101	45,101	45,101	45,101
Reserves & surplus	418,379	394,610	420,827	448,393	480,617
Net worth	440,929	439,711	465,928	493,494	525,719
Minority Interest	0	0	0	0	0
Loan Funds	10,011	56,174	55,000	56,000	56,000
Net deferred tax liability	59,477	44,972	46,972	48,972	50,972
Total Liabilities	510,417	540,857	567,900	598,466	632,691
Net block	310,861	336,450	411,198	465,042	493,861
Investment	95,282	74,985	75,735	76,492	77,257
Current Assets	145,619	168,083	150,021	168,443	185,209
Cash & bank balance	12,147	8,039	12,111	10,972	12,456
Other Current Assets	18,824	17,282	13,486	16,321	18,521
Current liabilities & Provision	133,369	144,479	121,962	137,965	150,355
Net current assets	12,250	23,604	28,058	30,478	34,854
Misc. exp	0	0	0	0	0
Total Assets	510,417	540,857	567,900	598,466	632,691

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	78,663	64,249	34,877	44,884	54,443
Other Non-Cash items	7,259	1,670	0	0	0
Chg in working cap	15,598	(29,967)	1,617	(1,559)	(892)
Operating Cashflow	78,763	68,881	48,882	56,521	67,420
Capital expenditure	(75,350)	(57,743)	(42,597)	(52,063)	(56,796)
Free Cash Flow	3,414	11,138	6,285	4,458	10,623
Investments	4,249	20,297	(750)	(757)	(765)
Other Investing Cash Flow	1,287	(45,012)	0	0	0
Investing Cashflow	(54,366)	(68,289)	(28,153)	(36,282)	(40,203)
Equity Capital Raised	0	22,551	0	0	0
Loans Taken / (Repaid)	(10,794)	46,164	(1,174)	1,000	0
Dividend paid (incl tax)	(1,417)	(1,132)	(11,236)	(18,378)	(21,483)
Other Financing Cash Flow	(23,948)	(71,197)	0	0	0
Financing Cashflow	(37,544)	(4,699)	(16,657)	(21,378)	(25,733)
Net chg in cash	(13,147)	(4,107)	4,072	(1,139)	1,484
Opening cash position	25,294	12,147	8,039	12,111	10,972
Closing cash position	12,147	8,039	12,111	10,972	12,456

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	12.7	11.6	10.7	10.8	11.2
EBIT Margin	10.7	9.1	7.0	7.2	7.6
Effective Tax Rate	30.2	26.5	25.2	25.2	25.2
Net Margin	8.3	8.2	6.7	6.8	7.0
ROCE	19.5	15.1	9.8	11.2	12.4
ROE	14.8	13.3	8.3	9.6	10.5
RoIC	26.6	19.7	10.0	10.7	11.7

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	13.8	13.0	8.3	10.2	11.9
CEPS	17.3	17.1	12.9	15.7	18.1
BVPS	97.8	97.5	103.3	109.4	116.6
DPS	4.0	6.4	2.5	4.1	4.8

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	7.4	7.9	12.4	10.1	8.7
P/CEPS	6.0	6.0	8.0	6.6	5.7
P/BV	1.1	1.1	1.0	0.9	0.9
EV / Sales	0.6	0.7	0.9	0.8	0.7
EV / EBITDA	4.8	6.1	8.5	6.9	5.9
Dividend Yield (%)	3.9	6.2	2.4	4.0	4.6

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.0	0.1	0.1	0.1	0.1
Net Debt/EBIDTA	0.0	0.6	0.7	0.6	0.5
Working Cap Cycle (days)	13.9	19.6	21.1	21.1	21.1

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	40.0	(4.3)	(22.0)	21.0	13.5
EBITDA	25.2	(12.4)	(28.5)	22.8	17.5
EBIT	28.7	(18.4)	(40.1)	24.9	20.1
PAT	30.5	9.9	(43.4)	22.7	16.9

Quarterly (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue	187,634	183,106	180,399	177,673	177,531
EBITDA	19,141	22,590	15,627	20,724	24,754
EBITDA Margin (%)	10.2	12.3	8.7	11.7	13.9
PAT	13,327	12,875	10,643	12,507	18,356
EPS (Rs)	3.0	2.9	2.4	2.8	4.1

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoters	52.2	52.2	52.2	51.8	51.8
FIs	20.7	20.2	18.7	17.7	16.2
DIs	14.5	14.8	16.1	17.1	18.2
Public and Others	12.6	12.9	13.0	13.4	13.8

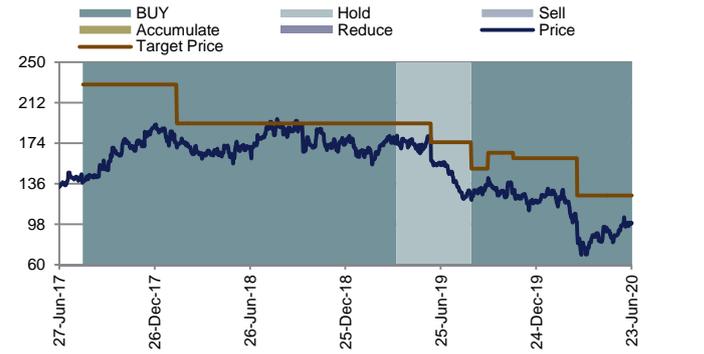
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
6-May-20	95	125	12m	Buy	Sabri Hazarika
11-Mar-20	91	125	12m	Buy	Sabri Hazarika
2-Mar-20	100	160	12m	Buy	Sabri Hazarika
11-Feb-20	129	160	12m	Buy	Sabri Hazarika
24-Jan-20	130	160	12m	Buy	Sabri Hazarika
10-Dec-19	111	160	12m	Buy	Sabri Hazarika
4-Dec-19	123	160	12m	Buy	Sabri Hazarika
10-Nov-19	127	160	12m	Buy	Sabri Hazarika
25-Oct-19	123	165	12m	Buy	Sabri Hazarika
23-Sep-19	141	165	12m	Buy	Sabri Hazarika
22-Aug-19	121	150	12m	Buy	Sabri Hazarika
10-Jun-19	154	175	12m	Hold	Sabri Hazarika
6-Jun-19	158	175	12m	Hold	Sabri Hazarika
28-May-19	174	193	12m	Hold	Sabri Hazarika
1-Apr-19	177	193	12m	Hold	Sabri Hazarika
6-Feb-18	170	193	12m	Buy	Sabri Hazarika
15-Nov-17	168	229	12m	Buy	Dhaval Joshi
11-Aug-17	138	229	12m	Buy	Dhaval Joshi

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Oil & Gas



Analyst: Sabri Hazarika

Contact Details

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Sector

Oil & Gas

Analyst bio

Sabri Hazarika holds an MBA and comes with 11 years of research experience. His team currently covers 12 stocks in the Indian Oil & Gas space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Oil & Gas	12.73	12.67	0%	-6	100.00
BPCL	0.55	0.54	-1%	-1	4.22
GAIL	0.33	0.33	1%	0	2.60
Gujarat Gas	0.09	0.00	-100%	-9	0.00
Gujarat State Petronet	0.11	0.10	-4%	0	0.82
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00
HPCL	0.31	0.36	17%	5	2.81
Indian Oil	0.38	0.37	-3%	-1	2.92
Indraprastha Gas	0.28	0.15	-45%	-13	1.20
Petronet LNG	0.35	0.26	-27%	-9	2.03
Oil India	0.06	0.00	-100%	-6	0.00
ONGC	0.47	0.38	-19%	-9	3.00
Reliance Industries	9.81	10.18	4%	36	79.94
Cash	0.00	0.06	NA	6	0.46

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

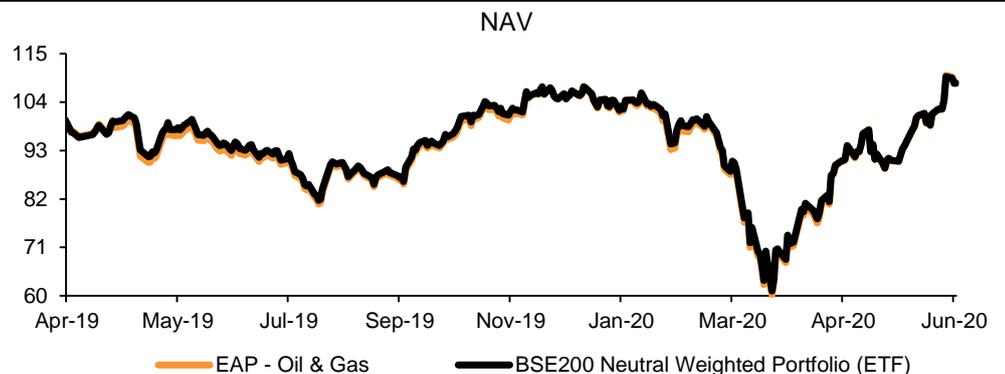
Sector portfolio NAV

	Base					Latest
	1-Apr-19	23-Sep-19	26-Dec-19	25-Mar-20	26-May-20	24-Jun-20
EAP - Oil & Gas	100.0	90.8	102.6	70.2	90.5	108.5
BSE200 Neutral Weighted Portfolio (ETF)	100.0	91.5	102.9	70.4	90.6	108.3

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 26 Jun 2020 00:04:45 (SGT)

Dissemination Date: 26 Jun 2020 00:05:45 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

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