

BPCL

Refer to important disclosures at the end of this report

In-line EBITDA as better GRMs were offset by weak volumes and marketing margins

CMP: Rs 413
as of (August 14, 2020)

TP: Rs 480 (₹)
12 months

Rating: BUY (₹)

Upside: 16.0 %



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- BPCL reported Q1FY21 standalone EBITDA/PAT of Rs39.7bn/20.8bn, in line/10% lower than our estimates. PAT miss was due to higher-than-expected depreciation, interest and taxes. EBITDA was supported by a decline in opex which came in lower than estimates.
- Reported GRM was USD0.4/bbl in Q1 – a miss vs. our est. of USD2.5. Core GRM, however, came in at USD1.9/bbl, better than peers and our expectation, with Rs4.4bn of refining inventory loss. Refinery utilization was a slight miss at 75%, or 5.1mmt in volumes.
- Marketing inventory gain was Rs10bn, implying blended margin of Rs8.3/kg, up 37% qoq but a 9% miss. Domestic/total sales volume was down 32%/27% yoy (weaker than industry and peers at 26-28%). Core EPS of Rs9.2 (at 25% tax rate) was a ~50% beat.
- We maintain our estimates and TP of Rs480. Retain Buy rating and OW stance on BPCL in sector EAP. We remain positive on the OMC space, with HPCL being our top pick. Volume and GRM recovery remain the key triggers.

Result highlights: Interest cost rose 30%/1% yoy/qoq to Rs5.9bn, depreciation was up 5/9%, while other income was down 17% yoy to Rs5.9bn. Other expenditure fell 16% yoy/28% qoq (18% lower than est.), while employee cost was down 4%/3% (7% lower). BPCL continued with the older tax regime with the effective rate at 29%. There was forex loss of Rs566mn. The Kochi refinery's core GRM was strong at USD2.8/bbl. Marketing volume trends were weaker than the industry and peers although exports were up. Petrol/diesel sales fell 39%/36% yoy vs. the industry decline of 36%/33%. Gross debt fell 15% qoq to Rs405.5bn (up 32% yoy) which includes Rs60bn of IndAS 116 lease liability. Capex was Rs9bn in Q1.

Management guidance: Refining volumes in July/August stood at 70-73% of the normal in response to demand and inventory levels. There was inventory loss in Q1 as Mar'20-end-valued inventory continued, with volumes being low. The same was reported for June-end as well. Marketing volumes declined more than peers due to high urban-metro exposure. Cities saw a 50% fall in volume. Q1 marketing margins were high, but for the full year, they should be stable with long-term rate at Rs2.0-2.5/ltr for auto-fuels. Capex target for FY21 was lowered to Rs80bn as Q1 was already muted. Rs23bn/35bn/8bn/8bn would be on refining/marketing/petchem/E&P. Major projects are back on track as the lockdown was eased. Govt subsidy O/S fell from Rs62bn to Rs43bn qoq. The divestment Eol is delayed as extensive physical inspection is required by bidders and there are flight issues. PDPP is also delayed due to foreign licensors not able to fly in. VRS is a regular feature. BORL/NRL's GRMs stood at USD3/25/bbl in Q1, while net loss/PAT stood at Rs2.38bn/4.62bn

Valuation: We value BPCL on a SOTP basis at 7x blended core FY22E EV/EBITDA, BORL-NRL at 5-6x and holdco discount to investments. Key risks are adverse petroleum prices-margins, currency, project issues, Covid-19-related overhangs and divestment uncertainties.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	2,972,751	2,843,830	2,319,561	2,931,188	3,429,469
EBITDA	126,646	83,017	119,445	149,102	167,881
EBITDA Margin (%)	4.3	2.9	5.1	5.1	4.9
APAT	71,320	37,689	54,287	79,963	91,722
EPS (Rs)	36.3	19.2	27.6	40.7	46.6
EPS (% chg)	(10.6)	(47.2)	44.0	47.3	14.7
ROE (%)	22.1	18.6	15.6	20.7	21.0
P/E (x)	11.4	21.6	15.0	10.2	8.9
EV/EBITDA (x)	8.3	14.9	9.7	7.6	6.4
P/BV (x)	2.2	2.4	2.2	2.0	1.8

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	27.6	40.7
Consensus	27.4	40.2
Mean Consensus TP (12M)	Rs 441	

Stock Details

Bloomberg Code	BPCL IN
Face Value (Rs)	10
Shares outstanding (mn)	2,169
52 Week H/L	550 / 252
M Cap (Rs bn/USD bn)	896 / 11.97
Daily Avg Volume (nos.)	11,346,090
Daily Avg Turnover (US\$ mn)	60.4

Shareholding Pattern Jun '20

Promoters	53.0%
FIIs	12.0%
DIIIs	20.5%
Public and Others	14.6%

Price Performance

(%)	1M	3M	6M	12M
Absolute	11	33	(13)	17
Rel. to Nifty	5	9	(6)	15

Relative price chart



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q1FY21)

Rs bn	Actual	Estimate (Emkay)	Consensus Estimate (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	387.9	440.1	421.7	-12%	-8%	
Adjusted EBITDA	39.7	39.9	28.5	0%	40%	Lower margins and volumes offset by opex drop
EBITDA Margin (%)	10%	9%	7%	117bps	349bps	
Adjusted Net Profit	20.8	23.0	15.7	-10%	32%	Higher depreciation, interest, FX loss; older ETR

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	yoy	qoq	FY19	FY20	yoy
Revenue	763,179	643,408	747,328	689,914	387,851	-49%	-44%	2,971,821	2,843,830	-4%
COGS	692,816	568,210	669,101	629,243	306,223	-56%	-51%	2,646,902	2,559,369	-3%
Gross Profit	70,364	75,198	78,227	60,672	81,628	16%	35%	324,919	284,460	-12%
Opex	48,565	47,581	50,234	54,749	41,904	-14%	-23%	199,202	201,129	1%
Total Expenditure	741,381	615,791	719,335	683,992	348,126	-53%	-49%	2,846,104	2,760,498	-3%
EBITDA	21,799	27,617	27,993	5,923	39,724	82%	571%	125,717	83,331	-34%
Depreciation	9,141	9,523	9,731	9,474	9,959	9%	5%	31,893	37,869	19%
Interest	4,524	6,388	5,121	5,786	5,871	30%	1%	13,190	21,819	65%
Other Income	5,070	8,713	5,148	11,568	5,933	17%	-49%	30,766	30,499	-1%
Exceptional Items	-	-	-	(10,808)	-			-	(10,808)	
Forex Gain/(Losses)	315	(3,868)	(959)	(12,111)	(566)			(7,004)	(16,623)	
PBT	13,518	16,551	17,330	(20,689)	29,262	116%		104,396	26,710	-74%
Tax	2,767	(533)	4,724	(7,079)	8,500	207%		33,076	(122)	
PAT	10,751	17,085	12,606	(13,610)	20,762	93%		71,320	26,832	-62%
Adjusted PAT	10,751	17,084	12,606	(6,500)	20,762	93%		71,320	33,942	-52%
Adjusted EPS (Rs)	5.5	8.7	6.4	(3.3)	10.6	93%		36.3	17.3	-52%
Tax Rate	20%	-3%	27%	34%	29%			32%	0%	
Core EBITDA	26,319	27,877	22,623	44,134	34,074	29%	-23%	114,347	120,953	6%
Core PAT	11,875	13,855	8,656	27,096	18,085	52%	-33%	67,020	61,482	-8%
Core EPS (Rs)	6.0	7.0	4.4	13.8	9.2	52%	-33%	34.1	31.3	-8%
Refining Volumes (mmt)	7.5	7.7	8.4	8.4	5.1	-31%	-39%	31.0	31.9	3%
Reported GRM (USD/bbl)	2.8	3.4	3.2	0.8	0.4	-86%	-48%	4.6	2.5	-46%
Core GRM (USD/bbl)	3.7	3.8	2.2	6.5	1.9	-47%	-70%	4.0	4.1	3%
Adjusted Refining EBITDA	1,880	4,543	5,377	(5,425)	(6,890)			37,680	6,374	-83%
Marketing Volumes (mmt)	11.3	10.8	12.3	11.2	8.3	-27%	-26%	45.0	45.7	2%
Diesel	5.4	4.6	5.1	4.8	3.5	-36%	-27%	20.4	19.9	-3%
Petrol	2.0	1.9	2.0	1.9	1.3	-39%	-33%	7.4	7.8	5%
Marketing Margin (Rs/mt)	5,203	5,421	4,968	6,048	8,309	60%	37%	5,398	5,398	0%
Adjusted Marketing EBITDA	17,911	21,255	20,641	9,415	45,260	153%	381%	80,147	69,222	-14%
Marketing Inventory Gain/(Losses)	(1,270)	1,490	820	(12,562)	10,030			1,740	(11,522)	
Estimated Pipeline Volumes (mmt)	3.7	3.5	3.7	3.6	2.4	-35%	-32%	15.0	14.5	-3%
Implied Pipeline EBITDA	1,806	1,637	1,777	1,740	1,219	-33%	-30%	7,102	6,961	-2%
Gross Debt	306,470	317,560	301,340	478,187	405,460	32%	-15%	290,990	478,187	64%
Implied Net Debt	252,690	264,793	248,551	426,524	354,012	40%	-17%	237,215	426,524	80%
Net Under-recovery	-	-	-	-	-	-	-	-	-	-

Source: Company, Emkay Research

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

Concall highlights

Covid-19 and volumes

- Petrol (MS)/diesel (HSD) volumes fell to 38%/68% of the normal (yoy levels) in April/May though recovering to 85% (87/82%) in June/July and 90% in August. July had the monsoon impact. ATF sales were weak at just 20% but LPG was up 11% yoy.
- BPCL restricted refining throughput in line with demand conditions. Crude volumes in July were 70-73% of the normal and a similar run-rate was seen in August too due to high inventories. It does not make sense to export also as international markets are weak now. Throughput would scale up as demand recovers. Mumbai/Kochi refineries can process up to 15/17mmtpa crude.

Refining

- GRMs were weak as MS/HSD cracks fell from USD5/13/bbl in Q1FY20 to USD0.5/7 in Q1FY21. Kochi core GRM was better than Mumbai due to different crude mix, inventory, etc.
- Crude inventories as of Jun'20-end stood at 1.62mmt (1mmt now) at USD38/bbl valuation. Finished product inventories stood at 3mmt, with 2mmt of MS/HSD.
- Mar'20-end-valued inventory continued as volumes were low in Q1 and saw same reporting in June as well. April had the lowest crude price levels at up to USD18/bbl, with May/June seeing a recovery.
- The Kochi refinery can process almost all types of heavy crude but current pricing is not attractive. It can process up to 97% of high sulfur crude. Currently, volumes are being restricted.
- Refinery opex has decreased in Q1FY21 on absolute terms with Mumbai/Kochi at Rs2.95bn/3.39bn. Opex in general was USD2/bbl.

Marketing

- BPCL's marketing volume decline was more than peers due to higher urban-metro exposure. Cities saw a 50% volume decline, especially those in Maharashtra and Tamil Nadu where BPCL is strong. As the situation normalizes, it would be able to cover up better than peers.
- Marketing margins have been stable for some years now. It may fluctuate on a quarterly basis but should even out annually. Q1 margins were very high, but for the full year they should be stable.
- Long-term margins would hover around Rs2-2.5/ltr for MS-HSD. It is in line with the last fiscal. BS VI recovery is incorporated in margins.
- The company has 16,492 retail outlets (ROs) and plans to add 1,000+ this year. It has already added 250 outlets in Q1.
- BPCL plans to further utilize ROs for CNG sales. Currently, it has 531 outlets selling CNG. A provision for CNG is there in many ROs based on locations.

Capex and debt

- Capex for FY21 stands reduced from Rs125bn earlier to Rs80bn now. Q1FY21 capex was Rs9bn, equally divided between refining and marketing. Capex is lower as Q1 was already much low. However it should meet the Rs80bn target.
- Of Rs80bn FY21 capex, Rs23bn/35bn/8bn/8bn would be on refining/marketing/petchem/E&P. The Mozambique project's finance agreement was signed for USD14bn in July. The timeline remains the same with 4 years to complete the project.
- No impact on major projects though minor ones up to Rs1.5bn each are being reviewed. Major projects are back on track as the lockdown has eased.
- Debt had Rs60bn of lease obligation. Debt-equity ratio fell to 0.98x as of Jun'20-end.
- Govt subsidy O/S fell from Rs62bn to Rs43bn qoq. No under-recovery is there on kerosene while LPG subsidy has also come down now.
- As on date, working capital requirement is high as volumes are recovering but as it normalizes working capital should ease.

Others

- The Kochi PDPP petchem project is delayed as European licensors are required for commissioning, and due to Covid-19 flight restrictions they are not able to come. It can be commissioned within three months after they arrive. BPCL has reviewed the project under current situation and is sees it as viable with a positive impact.
- BORL/NRL reported GRMs of USD3/25/bbl in Q1FY21. PAT was Rs2.38bn loss/Rs4.62bn in Q1. JV share of earnings was down due to BORL.
- BPCL converted BORL warrants in March with a 63% stake now. Hence, it is a subsidiary but for official purpose it is still considered as a JV, as per investor agreement and joint control with Oman Oil. The company did not confirm on the change of this status in the backdrop of disinvestment. The company is in discussion with Oman Oil.
- As per DIPAM, the disinvestment is on schedule with March 2021 as the deadline. The EoI delayed as physical inspection is required and there are flight issues as of now. Bidders would interact intensely with senior management, check environmental status and visit sites. It is an extensive process and should take time.
- The non-fuel business initiative is to increase footfalls in ROs. The share of earnings is very less now.
- E&P activities are going on and take time to generate returns. Mozambique and Brazil are promising. Brazil (Sergipe) should see regulatory approval by December-end. Russia and UAE, etc. are doing okay.
- VRS is a regular feature and was done in CY11 and CY14. It is for targeted groups, in the non-officer category who are redundant, not adaptable and lower qualified. It will take weeks and the announcement should come by Q2-end. The company said it will ensure that no talent is going out. It has received VRS applications in excess of estimates.
- There is no intention to sell out IGL, PLNG, Oil India stakes due to divestment. Only NRL will be sold off before it.
- The company said it has been able to report profits over the years and will ensure the same going ahead as well. Volatility is there but will have decent profits.
- There is no impact from Covid-19 on long-term continuity, useful asset life and financial position.

Exhibit 3: Value of investments

Rs/sh/mn	Shares (mn)	Price	Value
IGL	158	490	77,175
Petronet LNG	188	250	46,875
Oil India	27	90	2,408
Total			126,458
Investment value at 30% haircut			88,520
Upstream value at 50% discount to latest transaction value			31,909
BORL at 5x EV/EBITDA			5,598
NRL at 6x EV/EBITDA			122,391
Total Investment Value (Rs/sh)			126

Source: Company, Emkay Research

Exhibit 4: Core business valuation

Mar'22 Estimates (Rs.bn)	EBITDA	Multiple (x)	EV	EV/Share
Refining	55	6.0	327	166
Pipelines	7	7.0	50	25
Petrochemicals	5	5.0	23	11
Marketing	83	7.8	642	327
Total EV	149	7.0	1,042	530
Less: Net Debt (Mar-21 End)			347	177
Fair Value/M-Cap			695	353
No. Of Shares O/S bn)			2.0	

Source: Company, Emkay Research

Exhibit 5: SOTP valuation

Rs/sh	Value
EV/EBITDA	353
Investments	126
Target Price	480

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	2,972,751	2,843,830	2,319,561	2,931,188	3,429,469
Expenditure	2,846,104	2,760,813	2,200,116	2,782,087	3,261,588
EBITDA	126,646	83,017	119,445	149,102	167,881
Depreciation	31,893	37,869	44,290	49,524	55,843
EBIT	94,754	45,148	75,154	99,578	112,039
Other Income	29,836	30,813	31,563	32,716	35,375
Interest expenses	13,190	21,819	25,691	25,391	24,791
PBT	111,400	54,142	81,026	106,902	122,622
Tax	33,076	(10,979)	26,738	26,939	30,901
Extraordinary Items	(7,004)	(27,432)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	71,320	26,832	54,287	79,963	91,722
Adjusted PAT	71,320	37,689	54,287	79,963	91,722

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	19,669	19,669	19,669	19,669	19,669
Reserves & surplus	347,708	312,475	343,962	390,340	443,539
Net worth	367,377	332,144	363,630	410,009	463,207
Minority Interest	0	0	0	0	0
Loan Funds	290,993	478,190	433,190	423,190	413,190
Net deferred tax liability	61,690	59,673	63,720	67,807	71,935
Total Liabilities	720,060	870,007	860,540	901,006	948,333
Net block	464,881	569,511	600,716	650,147	705,984
Investment	175,470	173,343	175,076	177,353	179,663
Current Assets	445,264	426,789	347,251	427,424	524,668
Cash & bank balance	954	1,158	33,214	48,066	91,960
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	436,213	394,683	367,055	459,515	535,900
Net current assets	9,051	32,106	(19,804)	(32,091)	(11,232)
Misc. exp	0	0	0	0	0
Total Assets	720,060	870,007	860,540	901,006	948,333

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	81,564	23,329	49,463	74,186	87,247
Other Non-Cash items	5,089	(9,066)	0	0	0
Chg in working cap	(19,685)	(24,868)	88,013	31,227	27,163
Operating Cashflow	76,449	63,578	180,719	153,389	164,143
Capital expenditure	(93,072)	(166,889)	(85,000)	(100,000)	(80,000)
Free Cash Flow	(16,623)	(103,311)	95,719	53,389	84,143
Investments	(3,556)	2,127	(1,733)	(2,277)	(2,310)
Other Investing Cash Flow	(9,653)	41,173	0	0	0
Investing Cashflow	(76,445)	(92,776)	(55,171)	(69,561)	(46,935)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	57,486	187,197	(45,000)	(10,000)	(10,000)
Dividend paid (incl tax)	(41,883)	(57,378)	(22,801)	(33,584)	(38,523)
Other Financing Cash Flow	(3,288)	(78,598)	0	0	0
Financing Cashflow	(875)	29,402	(93,492)	(68,976)	(73,314)
Net chg in cash	(871)	204	32,056	14,852	43,894
Opening cash position	1,825	954	1,158	33,214	48,066
Closing cash position	954	1,158	33,214	48,066	91,960

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	4.3	2.9	5.1	5.1	4.9
EBIT Margin	3.2	1.6	3.2	3.4	3.3
Effective Tax Rate	29.7	(20.3)	33.0	25.2	25.2
Net Margin	2.6	2.3	2.3	2.7	2.7
ROCE	18.5	9.6	12.3	15.0	15.9
ROE	22.1	18.6	15.6	20.7	21.0
RoIC	21.5	8.4	13.1	17.8	19.1

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	36.3	19.2	27.6	40.7	46.6
CEPS	56.0	52.4	50.1	65.8	75.0
BVPS	186.8	168.9	184.9	208.5	235.5
DPS	19.0	16.5	9.7	14.2	16.3

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	11.4	21.6	15.0	10.2	8.9
P/CEPS	7.4	7.9	8.2	6.3	5.5
P/BV	2.2	2.4	2.2	2.0	1.8
EV / Sales	0.4	0.4	0.5	0.4	0.3
EV / EBITDA	8.3	14.9	9.7	7.6	6.4
Dividend Yield (%)	4.6	4.0	2.3	3.4	3.9

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.7	1.3	1.0	0.8	0.6
Net Debt/EBIDTA	1.9	5.1	2.9	2.2	1.6
Working Cap Cycle (days)	12.0	16.3	7.8	7.8	7.8

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	25.7	(4.3)	(18.4)	26.4	17.0
EBITDA	6.7	(34.5)	43.9	24.8	12.6
EBIT	2.8	(52.4)	66.5	32.5	12.5
PAT	(10.6)	(62.4)	102.3	47.3	14.7

Quarterly (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Revenue	763,179	643,408	747,328	689,914	387,851
EBITDA	21,799	27,617	27,993	5,923	39,724
EBITDA Margin (%)	2.9	4.3	3.7	0.9	10.2
PAT	10,751	17,085	12,606	(13,610)	20,762
EPS (Rs)	5.5	8.7	6.4	(6.9)	10.6

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoters	53.3	53.3	53.0	53.0	53.0
FIIIs	15.3	14.6	14.1	12.3	12.0
DIIIs	15.6	18.0	18.5	19.6	20.5
Public and Others	15.8	14.2	14.5	15.1	14.6

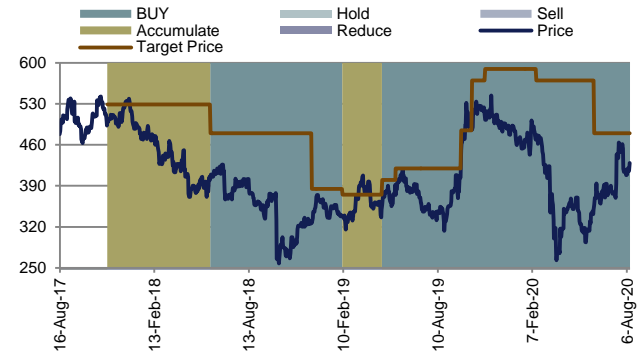
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
17-Jul-20	444	480	12m	Buy	Sabri Hazarika
4-Jun-20	357	480	12m	Buy	Sabri Hazarika
3-Jun-20	349	570	12m	Buy	Sabri Hazarika
6-May-20	344	570	12m	Buy	Sabri Hazarika
11-Mar-20	404	570	12m	Buy	Sabri Hazarika
14-Feb-20	476	570	12m	Buy	Sabri Hazarika
24-Jan-20	466	590	12m	Buy	Sabri Hazarika
4-Dec-19	501	590	12m	Buy	Sabri Hazarika
8-Nov-19	503	590	12m	Buy	Sabri Hazarika
25-Oct-19	524	570	12m	Buy	Sabri Hazarika
14-Oct-19	486	570	12m	Buy	Sabri Hazarika
23-Sep-19	451	485	12m	Buy	Sabri Hazarika
13-Aug-19	343	420	12m	Buy	Sabri Hazarika
10-Jun-19	390	420	12m	Buy	Sabri Hazarika
21-May-19	374	420	12m	Buy	Sabri Hazarika
25-Apr-19	358	400	12m	Buy	Sabri Hazarika
8-Feb-19	337	375	12m	Accumulate	Sabri Hazarika
28-Jan-19	349	385	12m	Buy	Sabri Hazarika
31-Dec-18	363	385	12m	Buy	Sabri Hazarika
11-Dec-18	327	385	12m	Buy	Sabri Hazarika
4-Sep-18	351	480	12m	Buy	Sabri Hazarika
13-Jul-18	387	480	12m	Buy	Sabri Hazarika
8-Jun-18	410	480	12m	Buy	Sabri Hazarika
31-May-18	404	480	12m	Buy	Sabri Hazarika
15-Nov-17	505	529	12m	Accumulate	Dhaval Joshi

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Oil & Gas



Analyst: Sabri Hazarika

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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	13.62	13.58	0%	-4	100.00
BPCL	0.55	0.59	7%	4	4.32
GAIL	0.29	0.28	-4%	-1	2.02
Gujarat Gas	0.09	0.10	13%	1	0.76
Gujarat State Petronet	0.10	0.11	11%	1	0.81
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00
HPCL	0.26	0.30	17%	4	2.22
Indian Oil	0.35	0.34	-3%	-1	2.47
Indraprastha Gas	0.22	0.22	-2%	0	1.62
Petronet LNG	0.33	0.30	-9%	-3	2.17
Oil India	0.05	0.00	-100%	-5	0.00
ONGC	0.40	0.38	-7%	-3	2.76
Reliance Industries	10.98	10.97	0%	-1	80.56
Cash	0.00	0.04	NA	4	0.3

Source: Emkay Research

* Not under coverage: Equal Weight

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

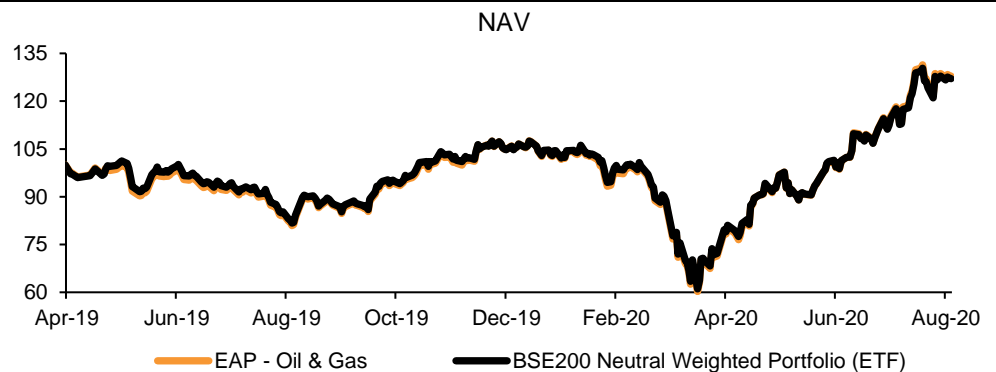
Sector portfolio NAV

	Base					Latest
	01-Apr-19	11-Nov-19	13-Feb-20	14-May-20	14-Jul-20	13-Aug-20
EAP - Oil & Gas	100.0	99.9	99.1	91.0	117.1	127.9
BSE200 Neutral Weighted Portfolio (ETF)	100.0	101.0	99.9	91.0	116.5	127.1

*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: 14 Aug 2020 23:25:40 (SGT)

Dissemination Date: 14 Aug 2020 23:26:40 (SGT)

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