

Petronet LNG

Refer to important disclosures at the end of this report

Earnings beat on better Dahej volumes and margins, upgrade to Buy

CMP: Rs 254

as of (August 18, 2020)

TP: Rs 300 (▲)

12 months

Rating: BUY (▲)

Upside: 18.0 %

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- We upgrade PLNG to Buy with an EW stance. We raise the TP by 4% to Rs300 as we roll over to Sep'22E. We raise FY22/23E EPS by 9%/4%, building in high Dahej volumes and Kochi regas tariff. PLNG is a value pick on resilient earnings and high ROEs.
- While the Tellurian MoU is on till Dec'20 and PLNG is also going for the east-coast terminal, we believe that management is targeting low spot pricing for new LNG and 30% base utilization for a new terminal, implying judicious capital allocation.
- Q1FY21 EBITDA/APAT declined 11%/13% yoy (up 30%/down 8% qoq) to Rs9.1/5.2bn, beating estimates by 17%/15%, due to 10% higher Dahej volumes, 21% lower Other Expenditure and Kochi tariff/implied spot LNG marketing margin above our estimates.
- Dahej terminal operated at 82% capacity and Kochi at 14% (in line). Dahej long-term volumes fell 20%, but tolling was down by only 5% qoq. EBITDA/mmbtu rose 6% yoy/50% qoq (due to Ind-AS 116 impact) to Rs47.9. Spot margin was USD1.9 vs USD0.5/mmbtu est.

Results highlights: Total volumes declined 13% qoq/16% yoy to 190tbu, a 9% beat. Other Expenditure was down 29% yoy/75% qoq to Rs1.0bn due to low variable cost like cargo handling/receiving, power & fuel and repairs as volumes fell with the lockdown. Interest cost fell 15% qoq to Rs881mn, while the tax rate was 25.3%. Other Income fell 35% yoy (40% miss) on low interest income. Regas service income was Rs5bn in Q1FY21, while Gorgon volumes to Dahej was 8tbu. Ind-AS 116 impact in Q1 lowered PBT/depreciation/interest by Rs0.68/0.87/0.84bn, while gross profit was high by Rs1.01bn. The share of JV was a loss of Rs204mn in Q1. No going concern impact from Covid-19 has been assessed.

Management guidance: Q2FY21 performance is expected to improve further, with Dahej utilization at 102-104% and Kochi ~20%. There was no impact/force majeure on term volumes in Q2. PLNG expects Kochi terminal utilization to gradually reach 30-35% by FY21-end, with the pipeline to be ready by August-end now. The 1mmtpa RFI-implied suppliers are ready for a 10-15-year contract at the spot pricing, which PLNG is seeking. PLNG has not decided yet how to go forward. The Kochi regas tariff was hiked by 5% in April to Rs83.1/mmbtu. PLNG expects negotiations with off-takers to be over in Q2. Spot LNG prices are up at USD3.7-4.2/mmbtu due to Gorgon issues but do not see any impact on PLNG supplies. PLNG expects spot to be within USD5 as idle US plants would resume now, keeping the market well supplied. Coal displacement is happening in the Indian power sector due to low spot LNG prices. FY21 capex of Rs3.48bn would include Rs0.5-1.0bn on new Dahej tanks and jetty. The east coast terminal will be linked to GAIL's Angul Srikakulam pipeline with a 20km tap, which PLNG may lay. It is yet to take it to the board but should decide within six months.

Valuation: We use DCF and reduce WACC to 10.7% from 11%. Key risks are adverse petroleum/gas prices, slowdown, competition, second Covid wave and capital misallocation.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	383,954	354,520	295,241	349,267	377,672
EBITDA	34,725	42,659	41,460	49,678	52,237
EBITDA Margin (%)	9.0	12.0	14.0	14.2	13.8
APAT	22,348	25,875	24,983	31,173	32,205
EPS (Rs)	14.9	17.2	16.7	20.8	21.5
EPS (% chg)	7.6	15.8	(3.4)	24.8	3.3
ROE (%)	23.8	27.9	22.1	25.6	24.5
P/E (x)	17.1	14.7	15.3	12.2	11.8
EV/EBITDA (x)	10.4	9.0	9.0	7.3	6.8
P/BV (x)	3.8	3.5	3.3	3.0	2.8

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	1.4/9.0
Target Price change (%)	3.5
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	16.7	20.8
Consensus	18.0	21.4
Mean Consensus TP (12M)	Rs 301	

Stock Details

Bloomberg Code	PLNG IN
Face Value (Rs)	10
Shares outstanding (mn)	1,500
52 Week H/L	296 / 170
M Cap (Rs bn/USD bn)	381 / 5.09
Daily Avg Volume (nos.)	3,914,366
Daily Avg Turnover (US\$ mn)	13.3

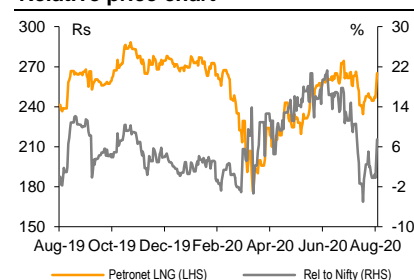
Shareholding Pattern Jun '20

Promoters	50.0%
FIIIs	29.2%
DIIIs	7.9%
Public and Others	13.0%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(3)	12	(1)	7
Rel. to Nifty	(6)	(9)	6	6

Relative price chart



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q1FY21)

Rs mn	Actual	Estimate (Emkay)	Consensus Estimate (Bloomberg)	Variation		Comment
				Emkay	Consensus	
Total Revenue	48,836	49,701	62,823	-2%	-22%	
EBITDA	9,099	7,801	8,192	17%	11%	Higher Dahej vol, Kochi tariff, mkt margin; lower opex
EBITDA Margin (%)	19%	16%	13%	294bps	559bps	
Net Profit	5,202	4,520	4,879	15%	7%	Other income was a miss

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY	QoQ	FY19	FY20	YoY
Net sales	80,614	87,302	82,832	80,442	43,836	-46%	-46%	367,414	331,190	-10%
Regas service income^	5,520	6,310	6,270	5,230	5,000	-9%	-4%	16,540	23,330	41%
Total revenue	86,134	93,612	89,102	85,672	48,836	-43%	-43%	383,954	354,520	-8%
Raw material cost	74,182	80,229	76,189	74,360	38,365	-48%	-48%	342,980	304,959	-11%
Employee cost	293	268	407	289	360	23%	25%	1,049	1,258	20%
Other expenses	1,421	1,510	1,431	4,048	1,011	-29%	-75%	4,992	8,408	68%
Total expenditure	75,895	82,007	78,027	78,696	39,736	-48%	-50%	349,020	314,625	-10%
EBITDA	10,239	11,605	11,076	6,975	9,099	-11%	30%	34,935	39,895	14%
Depreciation	1,899	1,960	1,960	1,942	1,936	2%	0%	4,112	7,761	89%
EBIT	8,340	9,645	9,116	5,033	7,164	-14%	42%	30,822	32,134	4%
Interest cost	1,005	1,051	940	1,035	881	-12%	-15%	989	4,032	308%
Other income	1,044	975	842	865	684	-35%	-21%	3,903	3,726	-5%
PBT before exceptional	8,379	9,568	9,017	4,863	6,966	-17%	43%	33,736	31,827	-6%
Exceptional items	-	-721	-	-	-			-1,400	-721	
PBT	8,379	8,848	9,017	4,863	6,966	-17%	43%	32,336	31,107	-4%
Current tax	2,880	1,920	2,150	1,650	1,880	-35%	14%	7,895	8,600	9%
Deferred tax	-104	-4,104	115	-378	-116			2,887	-4,470	
Total tax	2,777	-2,184	2,265	1,272	1,764	-36%	39%	10,782	4,131	-62%
Reported PAT	5,603	11,031	6,752	3,590	5,202	-7%	45%	21,554	26,976	25%
Rep. EPS (Rs.)	3.7	7.4	4.5	2.4	3.5	-7%	45%	14.4	18.0	25%
Adjusted PAT	5,950	6,618	6,752	5,643	5,202	-13%	-8%	22,491	24,963	11%
Adj. EPS (Rs.)	4.0	4.4	4.5	3.8	3.5	-13%	-8%	15.0	16.6	11%
Shares O/S (mn)	1,500	1,500	1,500	1,500	1,500	0%	0%	1,500	1,500	0%
EBITDA margin	12%	12%	12%	8%	19%			9%	11%	
NPM	7%	12%	8%	4%	11%			6%	8%	
Effective tax rate	33%	-25%	25%	26%	25%			33%	13%	
Dahej Utilization	113%	108%	99%	93%	82%			108%	103%	
Dahej Volumes (mmt)	4.3	4.7	4.4	4.1	3.6	-17%	-12%	16.2	17.4	8%
Long Term (tbtu)	100	109	102	95	78	-22%	-18%	437	406	-7%
3rd Party Regas (tbtu)	112	126	111	105	100	-11%	-5%	360	454	26%
Spot LNG (tbtu)	5	5	9	6	3	-40%	-50%	23	25	9%
Kochi Utilization	14%	16%	17%	21%	14%			10%	17%	
Kochi Volumes (mmt)	0.2	0.2	0.2	0.3	0.2	0%	-31%	0.5	0.8	77%
Long Term (tbtu)	7	5	9	11	8	14%	-27%	24	32	33%
3rd Party Regas (tbtu)	1	3	-	-	-			-	4	
Spot LNG (tbtu)	1	2	2	2	1	0%	-50%	0	7	2233%
Total Volumes (tbtu)	226	250	233	219	190	-16%	-13%	844	928	10%
Regas Tariff (Rs./mmbtu)										
Dahej	49.3	49.3	49.3	51.7	51.7	5%	0%	47.5	49.9	5%
Kochi	79.1	79.1	79.1	79.1	83.1	5%	5%	95.7	79.1	-17%
Services Regas Tariff (Rs./mmbtu) ^	48.8	48.9	56.5	49.8	50.0	2%	0%	46.0	51.0	11%
Cal. MM (USD/mmbtu)	2.4	2.7	1.0	0.5	1.9	-20%	313%	1.0	1.6	59%
EBITDA/mmbtu (Rs.)	45.3	46.4	47.5	31.9	47.9	6%	50%	41.4	43.0	4%
Avg. real. (USD/mmbtu)	10.2	10.2	9.5	9.7	6.4	-37%	-34%	10.8	9.9	-8%

Source: Company, Emkay Research; ^not reported in results release

*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

Rs mn	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
EBITDA/mmbtu (Rs.)	46.6	46.2	-1%	49.2	49.9	1%	50.9	50.4	-1%
Blended Regas Tariff (Rs/mmbtu)	60.3	59.5	-1%	63.4	61.4	-3%	66.6	63.3	-5%
Volumes (mmt)	17.4	17.6	1%	18.4	19.5	6%	19.4	20.3	5%
Growth	-4%	-3%	106bps	6%	11%	518bps	5%	4%	-120bps

Source: Company, Emkay Research

Exhibit 4: Changes in estimates

Rs mn	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	301,003	295,241	-2%	341,888	349,267	2%	373,996	377,672	1%
EBITDA	41,378	41,460	0%	46,275	49,678	7%	50,302	52,237	4%
EBITDA Margins	14%	14%	30bps	14%	14%	69bps	13%	14%	38bps
PAT	24,648	24,983	1%	28,595	31,173	9%	31,028	32,205	4%
EPS (Rs)	16.4	16.7	1%	19.1	20.8	9%	20.7	21.5	4%

Source: Company, Emkay Research

Concall highlights

Outlook and volumes

- Q2FY21 performance is expected to be better than Q1FY21. Dahej send-out is currently at 62-64mmscmd, which implies 102-104% capacity utilization. PLNG did 66mmscmd today. Kochi should also do ~20% utilization. Volumes should be similar to yoy levels.
- The Kochi-Mangalore pipeline was delayed by Chandragiri river crossing, and the rocky terrain is challenging for drilling. It should now be completed by August-end vs. July-end stated earlier.
- PLNG expects Kochi terminal utilization to gradually reach 30-35% by FY21-end after the pipeline commissions. It would make positive net income.
- The company does not see any long-term volume impact/force majeure (FM) from Q2. In July, planned 23 term cargoes had come. Only Q1 had FM on 8 Rasgas and 1 Gorgon cargoes. FM negotiations are at a premature stage or ongoing and PLNG cannot comment on the status now. The epidemic clause is in the contract for FM. However, there is also a mitigation clause and hence, may take these cargoes in future, but no timeline for that.
- The 1mmtpa RFI was not a tender. PLNG appointed a consultant and was able to find out that suppliers are ready to place volume for a long-term 10-15-years contract at a price, which is as good as spot LNG.
- PLNG wants to secure volumes at or below JKM/DES India spot rates. At such a rate, it should be able to do back-to-back tie-ups also. It has nothing to do with RasGas or other term volumes now but sourcing LNG is a part of strategy eventually as RasGas expires in next 10-11 years. It has not decided how to go forward yet. It is an activity just undertaken.
- There was no update or major development on Tellurian. The MoU deadline is Dec'20-end. Market conditions are volatile. PLNG will announce as soon as something happens.

Tariffs and prices

- PLNG charged Rs79.14/mmbtu as Kochi terminal tariff in FY20, which was raised by 5% to Rs83.10/mmbtu in FY21. It is in talks with off-takers and would try to maintain it so that no impairment is there. It should be able to complete negotiations and finalize it by Q2FY21.
- Current spot LNG prices are at USD3.6-3.7/mmbtu, with October JKM at USD4.18/mmbtu. This is due to Gorgon issues.
- Gorgon Train 2 is under maintenance as per media reports, but due to design issues as per Australian Govt directive, Train 1 and 3 will also be looked at. The contract, however, allows supplier to supply from other sources as well. There was no impact on scheduled cargoes as per Exxon communique to PLNG.
- Coal displacement is happening in the Indian power sector due to low spot LNG prices. Jun'20 saw the highest-ever power sector gas demand. CGD is also ramping up. Refinery and fertilizer demand is range-bound.
- A lot of global LNG supplies is there. Many US plants were not producing at USD2/mmbtu prices but as it hits USD3.5-4.0, same would come back. Hence, it expects spot LNG prices to be within USD5/mmbtu.

Capex

- PLNG retained its Rs3.48bn capex for FY21. It would include Rs0.5-1.0bn for 2 new tanks and a jetty at Dahej, where tenders are invited. The 7th/8th tank and jetty would cost Rs6bn each (Rs12bn total) and Rs13bn, respectively and would take 39 months to complete.
- It is looking forward to USD300mn Sri Lanka project also and is in discussion with them now. The Bangladesh project is at the tendering stage only but PLNG is not sure if it will get as a lot of contenders are there.
- PLNG is going for the east coast terminal and is looking at tying up 20-30% capacity (trying for 30%). The terminal will be linked to GAIL's Angul-Srikakulam pipeline with a 20km tap off which PLNG may have to lay. The aim is to have a terminal in the eastern side as only two are there now. It would wait for the GAIL pipeline. The matter is yet to be taken to the board but should take a decision in 6 months.

Q1FY21 results

- Other expenditure was down by Rs500-600mn due to variable costs like cargo handling and receiving, power & fuel and repair & maintenance, etc. as volumes were low (11 cargoes less yoy) and the lockdown was going on.
- Q1 saw Covid-19 impact on volumes. Q1 earnings also included benefits of Rs1.7bn Ind-AS 116 and other items, compared to Q4FY20, which recorded Rs1bn CSR, Rs310mn inventory loss and Rs1.78bn forex loss.
- The Q1 employee cost included Rs50mn relating to LTA, leave encashment, etc. and Rs20mn in salary hikes.
- Q1 capex was very less. Other income was low because of investment income due to lower returns.
- The quarter recorded Rs5bn in regas service income and 8tbtu Gorgon volumes in Dahej. The impact of IndAS 116 on gross profit/depreciation/interest/PBT was +Rs1.01/-0.87/-0.84/-0.68bn for the quarter.

Others

- The LNG retail business would include truck-loading charges. Marketing margin treatment is under discussion. It would be a next big business segment. Stations would be set up by CGD/OMCs and PLNG would be a facilitator. It is a 7-8mmtpa potential.
- Gross margin is a factor of volumes, trading margins and regas charges. The impairment is tested across the asset life.

Exhibit 5: DCF valuation

DCF assumptions		Sept'22E (Rs mn)	
Risk Free Rate	8.0%	NPV Of FCF	251,832
Risk Premium	5.0%	Terminal Value	491,502
Beta	0.95	PV Of TV	177,524
Cost Of Equity	12.8%	Total Value	429,356
Cost Of Debt	8.0%	Less: Net Debt (Y/E)	-20,711
Post Tax Cost Of Debt	6.0%	Equity Value	450,067
Average Debt:Equity Ratio	30.0%	No. Of Shares O/S (mn)	1,500
WACC	10.7%	Target Price (Rs.)	300
Terminal Growth Rate	0.0%		

Source: Company, Emkay Research

Exhibit 6: PE-based valuation

Rs.	FY18	FY19	FY20	FY21E	FY22E	FY23E
Adjusted EPS	13.9	14.9	17.2	16.7	20.8	21.5
Target Multiple (x)						14.2
DCF Target Price						300

Source: Company, Emkay Research

Key Financials (Standalone)

Income Statement

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	383,954	354,520	295,241	349,267	377,672
Expenditure	349,230	311,861	253,780	299,588	325,435
EBITDA	34,725	42,659	41,460	49,678	52,237
Depreciation	4,112	7,761	8,059	8,260	9,997
EBIT	30,612	34,898	33,401	41,418	42,240
Other Income	3,903	3,726	4,029	4,289	4,874
Interest expenses	989	4,032	4,030	4,032	4,060
PBT	33,526	34,592	33,399	41,675	43,054
Tax	9,988	5,232	8,417	10,502	10,850
Extraordinary Items	(1,190)	(3,485)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	21,554	26,976	24,983	31,173	32,205
Adjusted PAT	22,348	25,875	24,983	31,173	32,205

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	15,000	15,000	15,000	15,000	15,000
Reserves & surplus	85,661	94,530	102,025	111,376	121,038
Net worth	100,661	109,530	117,025	126,376	136,038
Minority Interest	0	0	0	0	0
Loan Funds	18,195	50,489	49,833	49,330	49,331
Net deferred tax liability	13,360	8,883	8,983	9,084	9,186
Total Liabilities	132,216	168,902	175,840	184,790	194,554
Net block	76,651	111,882	104,718	103,311	100,545
Investment	9,893	3,491	3,509	3,528	3,546
Current Assets	60,823	71,570	79,299	90,796	103,690
Cash & bank balance	29,603	44,320	55,473	62,547	72,615
Other Current Assets	1,737	3,085	3,702	4,443	5,331
Current liabilities & Provision	18,632	18,088	14,686	17,345	18,852
Net current assets	42,190	53,483	64,613	73,452	84,838
Misc. exp	0	0	0	0	0
Total Assets	132,216	168,902	175,840	184,790	194,554

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	29,623	30,866	29,371	37,386	38,180
Other Non-Cash items	(655)	(489)	0	0	0
Chg in working cap	(7,002)	(1,053)	123	(1,664)	(1,216)
Operating Cashflow	21,414	28,631	33,559	37,909	40,573
Capital expenditure	(1,746)	(39,557)	(3,849)	(8,353)	(8,356)
Free Cash Flow	19,668	(10,926)	29,710	29,557	32,217
Investments	31,330	6,402	(18)	(19)	(19)
Other Investing Cash Flow	(8,446)	46,062	0	0	0
Investing Cashflow	25,040	16,633	161	(4,082)	(3,501)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(9,172)	32,295	(657)	(503)	1
Dividend paid (incl tax)	(18,083)	(18,083)	(17,488)	(21,821)	(22,543)
Other Financing Cash Flow	2,768	(40,726)	(393)	(397)	(401)
Financing Cashflow	(25,476)	(30,547)	(22,568)	(26,753)	(27,003)
Net chg in cash	20,978	14,717	11,152	7,074	10,068
Opening cash position	8,625	29,603	44,320	55,473	62,547
Closing cash position	29,603	44,320	55,473	62,547	72,615

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	9.0	12.0	14.0	14.2	13.8
EBIT Margin	8.0	9.8	11.3	11.9	11.2
Effective Tax Rate	29.8	15.1	25.2	25.2	25.2
Net Margin	6.1	8.3	8.5	8.9	8.5
ROCE	25.8	25.7	21.7	25.3	24.8
ROE	23.8	27.9	22.1	25.6	24.5
RoIC	35.5	33.2	28.4	36.3	37.2

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	14.9	17.2	16.7	20.8	21.5
CEPS	18.4	24.7	22.0	26.3	28.1
BVPS	67.1	73.0	78.0	84.3	90.7
DPS	10.0	12.5	11.7	14.5	15.0

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	17.1	14.7	15.3	12.2	11.8
P/CEPS	13.8	10.3	11.5	9.7	9.0
P/BV	3.8	3.5	3.3	3.0	2.8
EV / Sales	0.9	1.1	1.3	1.0	0.9
EV / EBITDA	10.4	9.0	9.0	7.3	6.8
Dividend Yield (%)	3.9	4.9	4.6	5.7	5.9

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.2)	0.0	(0.1)	(0.1)	(0.2)
Net Debt/EBIDTA	(0.6)	0.1	(0.2)	(0.3)	(0.5)
Working Cap Cycle (days)	5.0	7.8	7.9	7.8	7.8

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	25.5	(7.7)	(16.7)	18.3	8.1
EBITDA	4.8	22.9	(2.8)	19.8	5.2
EBIT	5.5	14.0	(4.3)	24.0	2.0
PAT	3.7	25.2	(7.4)	24.8	3.3

Quarterly (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Revenue	86,134	93,612	89,102	85,672	48,836
EBITDA	10,239	11,605	11,076	6,975	9,099
EBITDA Margin (%)	11.9	12.4	12.4	8.1	18.6
PAT	5,603	11,031	6,752	3,590	5,202
EPS (Rs)	3.7	7.4	4.5	2.4	3.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoters	50.0	50.0	50.0	50.0	50.0
FII	27.0	27.2	28.6	29.3	29.2
DII	10.3	10.0	9.2	7.8	7.9
Public and Others	12.7	12.8	12.2	12.9	13.0

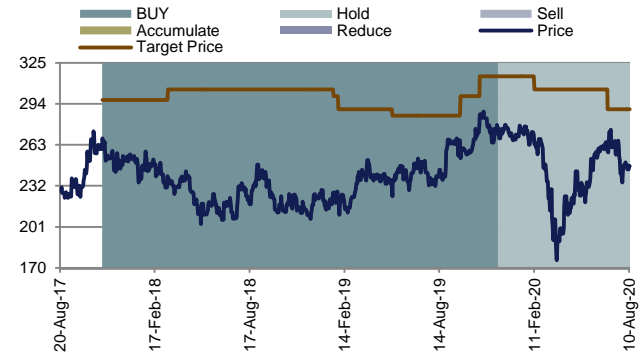
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
30-Jun-20	258	290	12m	Hold	Sabri Hazarika
6-May-20	234	305	12m	Hold	Sabri Hazarika
11-Feb-20	264	305	12m	Hold	Sabri Hazarika
24-Jan-20	277	315	12m	Hold	Sabri Hazarika
4-Dec-19	276	315	12m	Hold	Sabri Hazarika
30-Oct-19	286	315	12m	Buy	Sabri Hazarika
29-Oct-19	279	300	12m	Buy	Sabri Hazarika
25-Oct-19	271	300	12m	Buy	Sabri Hazarika
24-Sep-19	256	300	12m	Buy	Sabri Hazarika
23-Sep-19	253	300	12m	Buy	Sabri Hazarika
8-Aug-19	239	285	12m	Buy	Sabri Hazarika
10-Jun-19	239	285	12m	Buy	Sabri Hazarika
16-May-19	224	285	12m	Buy	Sabri Hazarika
22-Mar-19	242	290	12m	Buy	Sabri Hazarika
2-Feb-19	221	290	12m	Buy	Sabri Hazarika
28-Jan-19	219	300	12m	Buy	Sabri Hazarika
24-Jan-19	226	300	12m	Buy	Sabri Hazarika
31-Dec-18	224	305	12m	Buy	Sabri Hazarika
11-Dec-18	207	305	12m	Buy	Sabri Hazarika
5-Nov-18	218	305	12m	Buy	Sabri Hazarika
4-Sep-18	237	305	12m	Buy	Sabri Hazarika
28-Aug-18	232	305	12m	Buy	Sabri Hazarika
27-Jul-18	232	305	12m	Buy	Sabri Hazarika
13-Jul-18	212	305	12m	Buy	Sabri Hazarika
8-Jun-18	226	305	12m	Buy	Sabri Hazarika
22-May-18	211	305	12m	Buy	Sabri Hazarika
14-Mar-18	238	305	12m	Buy	Sabri Hazarika
9-Nov-17	268	297	12m	Buy	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	13.49	13.49	0%	-1	100.00
BPCL	0.54	0.57	6%	3	4.22
GAIL	0.29	0.29	-1%	0	2.12
Gujarat Gas	0.09	0.10	11%	1	0.72
Gujarat State Petronet	0.10	0.11	11%	1	0.80
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00
HPCL	0.26	0.29	12%	3	2.15
Indian Oil	0.35	0.34	-3%	-1	2.53
Indraprastha Gas	0.23	0.22	-2%	0	1.64
Petrinet LNG	0.31	0.31	0%	0	2.32
Oil India	0.05	0.01	-73%	-4	0.10
ONGC	0.41	0.38	-8%	-3	2.80
Reliance Industries	10.87	10.87	0%	-1	80.54
Cash	0.00	0.01	NA	1	0.1

Source: Emkay Research

* Not under coverage: Equal Weight

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

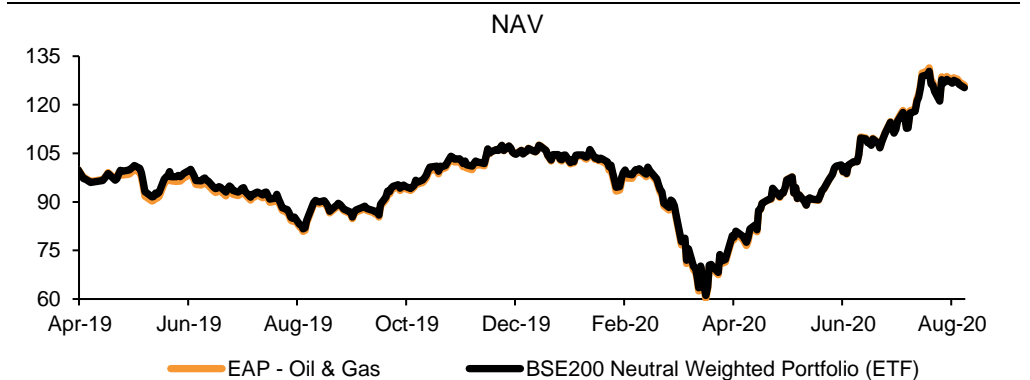
Sector portfolio NAV

	Base					Latest
	01-Apr-19	14-Nov-19	17-Feb-20	18-May-20	17-Jul-20	17-Aug-20
EAP - Oil & Gas	100.0	101.4	98.4	90.3	118.2	126.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	102.2	99.0	90.2	117.5	125.3

*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: 18 Aug 2020 23:24:36 (SGT)
Dissemination Date: 18 Aug 2020 23:25:36 (SGT)

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