

ONGC

Refer to important disclosures at the end of this report

Better-than-expected earnings on a sharp decline in expenses

CMP: Rs 80
as of (September 2, 2020)

TP: Rs 100 (▼)
12 months

Rating: BUY (■)

Upside: 24.3 %

- ONGC reported standalone revenue/EBITDA/APAT of Rs130.1bn/47.8bn/4.96bn in Q1FY21. EBITDA was 16% higher than our estimate on lower production cost (down 21% yoy/49% qoq) and dry wells write-off (down 61%/79%). Interest cost fell 24% yoy/43% qoq.
- Nominated block (NB) crude realization discount to Brent re-expanded to USD2.7/bbl at USD28.7/bbl, while total production (incl. VAP) fell 10% yoy/6% qoq. Hence, revenue was a 4% miss. JV crude revenue fell 62% yoy/40% qoq with lower sales/production run-rate.
- NB crude production was down 1% yoy/3% qoq to 5.1mmt, while gas fell 13%/8% to 5.4bcm due to Covid-19 off-take issues. VAP output fell 21%/18% to 0.7mmt with a decline in naphtha volumes. NB/JV gas realization fell 25%/41% qoq to USD2.7/3.2/mmbtu NCV. We raise FY21/22E PAT by 7%/13% on lower opex but offset by output cut and 33% tax for FY21. We however reduce EV/EBITDA multiple to 3.5x from 4x due to higher oil prices now and 4-6% ROE. We cut TP by 5% to Rs100. Maintain Buy with an EW stance in EAP.

Result highlights: ONGC's employee cost fell 18% yoy/qoq, while Other Expenditure was lower by 16%/48%. DD&A was up 2% yoy but fell 24% qoq as Q4 had an impairment. Other income came in lower at Rs4.4bn, while the tax rate was high at 45% as the older regime was continued. JV crude realization fell 40% qoq to USD28.5/bbl. Gas sales are now normal after the gradual unlocking. ONGC does not see any impact on internal controls and liquidity due to Covid-19. OVL's consolidated revenue/EBITDA/net loss stood at Rs22.9bn/11.4bn/3.3bn in Q1FY21 with output down 10% yoy/5% qoq. ONGC/OVL's Q1 capex as per PPAC was Rs56.3bn/14.4bn.

Management guidance: Production costs declined due to an Rs0.7-1bn reduction in work-over, repair & maintenance, manpower and transport expense each, along with lower gas usage (by Rs2.4bn) in the Dahej C2-C3 plant. Overall opex should substantially decrease ahead on supply-chain efficiencies, among other factors. Total FY21 crude/gas production guidance is 22.69mmt/24.89bcm. Production will be driven by KG 98/2 which has faced delays in FY21 due to Covid-19 force majeure. Active consideration is there with Govt on current non-uniform gas regimes and low gas prices will stir thinking for some reforms. Govt is sympathetic to upstream's plight, and duty relief could be there though oil prices are at USD45/bbl now. The debt limit of Rs450bn is not new and the board proposal was due to the merging of 3-4 approvals. Gross debt was Rs158.1bn at June-end and now down by Rs25bn. FY21 capex would be Rs260bn+ vs. Rs320bn planned due to Covid-19. OPAI performance should improve ahead. OVL's breakeven is USD40/bbl oil, so it is comfortable now.

Valuation: We value ONGC at FY22E core EV/EBITDA and listed investments at a 50% holdco discount to CMP. Key risks are adverse oil-gas prices, policy issues, divestment, cost overruns, Covid-19-led delays and dry holes. Triggers are duty relief and gas reforms.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,096,546	962,136	717,789	802,317	846,244
EBITDA	514,482	406,033	268,330	312,790	333,825
EBITDA Margin (%)	46.9	42.2	37.4	39.0	39.4
APAT	272,568	166,782	77,495	108,411	117,023
EPS (Rs)	21.7	13.3	6.2	8.6	9.3
EPS (% chg)	38.0	(38.8)	(53.5)	39.9	7.9
ROE (%)	13.9	9.3	3.9	5.3	5.6
P/E (x)	3.7	6.1	13.0	9.3	8.6
EV/EBITDA (x)	2.4	2.8	3.9	3.3	2.9
P/BV (x)	0.5	0.5	0.5	0.5	0.5

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	6.9/12.8
Target Price change (%)	(4.6)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	6.2	8.6
Consensus	5.4	11.9
Mean Consensus TP (12M)	Rs 99	

Stock Details

Bloomberg Code	ONGC IN
Face Value (Rs)	5
Shares outstanding (mn)	12,580
52 Week H/L	150 / 50
M Cap (Rs bn/USD bn)	1,010 / 13.83
Daily Avg Volume (nos.)	21,601,460
Daily Avg Turnover (US\$ mn)	24.3

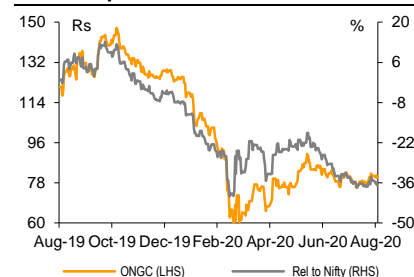
Shareholding Pattern Jun '20

Promoters	60.4%
FIIIs	8.1%
DIIIs	17.4%
Public and Others	14.1%

Price Performance

(%)	1M	3M	6M	12M
Absolute	3	(5)	(10)	(34)
Rel. to Nifty	(2)	(18)	(13)	(37)

Relative price chart



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q1FY21)

Rs mn	Actual	Estimate (Emkay)	Consensus Estimate (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	130,113	135,570	138,110	-4%	-6%	Due to lower realization, gas-JV vol
Comparable EBITDA	47,808	41,198	47,070	16%	2%	Due to lower opex, dry wells
EBITDA Margin (%)	37%	30%	34%	635bps	266bps	
Adjusted Net Profit	4,960	(4,041)	(543.4)	NM	NM	Lower Other Income, 45% ETR

Source: Company, Emkay Research

Exhibit 2: Standalone quarterly details

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY	QoQ	FY19	FY20	YoY
Revenue	265,547	244,926	237,101	214,562	130,113	-51%	-39%	1,096,546	962,136	-12%
COGS+OPEX	52,070	53,420	57,459	80,613	41,227	-21%	-49%	236,883	243,561	3%
Statutory Levies	62,361	58,606	56,671	48,070	29,809	-52%	-38%	265,004	225,708	-15%
Survey+Dry Wells	23,298	15,979	17,176	30,384	11,269	-52%	-63%	87,569	86,837	-1%
EBITDA	127,819	116,922	105,795	55,495	47,808	-63%	-14%	507,090	406,030	-20%
DD&A	37,380	46,574	53,019	49,986	38,223	2%	-24%	157,412	186,960	19%
EBIT	90,439	70,347	52,776	5,509	9,585	-89%	74%	349,677	219,070	-37%
Finance Charges	6,461	6,818	6,264	8,695	4,918	-24%	-43%	24,921	28,237	13%
Other Income	7,167	26,853	14,025	13,256	4,368	-39%	-67%	76,610	61,302	-20%
Exceptional Items	0	0	0	(48,991)	-			-	(48,991)	
PBT	91,145	90,383	60,537	(38,920)	9,035	-90%		401,366	203,145	-49%
Total Tax	31,343	27,752	18,273	(7,938)	4,075	-87%		132,259	69,430	-48%
PAT	59,802	62,631	42,265	(30,983)	4,960	-92%		269,107	133,715	-50%
Adjusted PAT	59,802	62,631	42,265	8,017	4,960	-92%	-38%	269,107	172,714	-36%
Adjusted EPS (Rs)	4.8	5.0	3.4	0.6	0.4	-92%	-38%	21.0	13.7	-35%
Crude Production (mmt)	5.9	5.8	5.8	5.8	5.7	-3%	-3%	24.2	23.4	-4%
Gas Production (bcm)	6.4	6.3	6.2	6.0	5.5	-14%	-8%	25.8	24.9	-4%
VAP Production (mmt)	0.9	0.9	0.9	0.9	0.7	-21%	-18%	3.6	3.5	-3%
NB Net Oil Realization (USD/bbl)	66.3	60.3	59.7	49.0	28.7	-57%	-41%	68.2	58.8	-14%
NB Gas Realization (Rs/scm)	10.4	10.5	9.3	9.1	7.2	-31%	-21%	9.0	9.8	10%

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: OVL quarterly details (consolidated)

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY	QoQ	FY19	FY20	YoY
Revenue	47,720	37,310	46,750	37,780	22,910	-52%	-39%	174,350	169,560	-3%
COGS+OPEX	9,470	10,670	11,070	9,250	9,500	0%	3%	45,600	40,460	-11%
Statutory Levies	3,190	3,400	2,970	3,210	2,060	-35%	-36%	13,130	12,770	-3%
EBITDA	35,060	23,240	32,710	25,320	11,350	-68%	-55%	115,620	116,330	1%
DD&A	9,310	9,710	10,100	6,770	8,720	-6%	29%	35,610	35,890	1%
EBIT	25,750	13,530	22,610	18,550	2,630	-90%	-86%	80,010	80,440	1%
Finance Charges	4,260	4,000	3,530	6,910	4,790	12%	-31%	16,350	18,700	14%
Other Income	1,900	1,790	1,150	1,430	1,040	-45%	-27%	4,600	6,270	36%
Exceptional Items	-	-	-	-	-			-	-	
PBT	23,390	11,320	20,230	13,070	(1,120)			68,260	68,010	0%
Total Tax	10,940	8,320	10,440	2,700	2,140	-80%	-21%	35,690	32,400	-9%
Core PAT (excl. impairment)	12,450	3,000	9,790	10,370	(3,260)			32,570	35,610	9%
ONGC EPS Contr. (Rs.)	1.0	0.2	0.8	0.8	(0.3)			2.6	2.0	-22%
Crude Production (mmt)	2.5	2.5	2.4	2.4	2.2	-10%	-5%	10	10	-3%
Gas Production (bcm)	1.3	1.3	1.3	1.3	1.2	-10%	-6%	5	5	10%
Crude Realization (USD/bbl)	31.9	23.8	31.8	24.4	12.9	-59%	-47%	29.5	28.0	-5%
Gas Realization (USD/mmbtu)	2.1	2.1	2.1	2.0	2.1	-1%	3%	1.8	2.1	14%

Source: Company, Emkay Research; Rs31.3bn was impairment including which reported PAT was Rs4.5bn for FY20 and net loss of Rs20.7bn in Q4

Exhibit 4: Changes in assumptions

	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Net Oil Realization (USD/bbl)	44.9	44.9	0%	49.8	49.9	0%	52.3	52.3	0%
Gas Realization (Rs/scm)	7.0	7.0	0%	7.2	7.2	0%	7.2	7.2	0%
Crude Oil Production (mmt)	23.0	22.7	-1%	23.4	22.9	-2%	23.8	23.2	-2%
Natural Gas Production (bcm)	24.1	24.3	1%	24.8	25.0	1%	25.2	25.5	1%
Total Production Growth	-3%	-3%	-5bps	2%	2%	-52bps	2%	2%	0bps

Source: Company, Emkay Research

Exhibit 5: Changes in estimates

Rs bn	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	722	718	-1%	812	802	-1%	858	846	-1%
EBITDA	244	268	10%	294	313	6%	332	334	0%
EBITDA Margins	34%	37%	358bps	36%	39%	272bps	39%	39%	70bps
PAT	73	77	7%	96	108	13%	118	117	-1%
EPS (Rs)	5.8	6.2	7%	7.6	8.6	13%	9.4	9.3	-1%

Source: Company, Emkay Research

Concall Highlights

Results

- ONGC's revenue was impacted by lower oil and gas realizations. Gas production was hit due to the pandemic, leading to customer offtake issues.
- The JV's (Cairn) output drop was significantly higher and surprising. The company is in discussions with partners. The asset should be comfortable at USD40-45/bbl oil.
- Production costs declined yoy due to a Rs720-1,000mn reduction in work-over, repair & maintenance, manpower and transport expense each. Consumption of material was down by Rs2.4bn due to lower gas usage in Dahej C2-C3 plants. Against this, there was Rs3bn on PM Cares/CSR contribution.
- Finance cost was down both due to a reduction in both loans and interest rate.
- Onshore segment EBIT improved qoq in Q1FY21 as Q4 had an impairment. Onshore cost of production also fell from USD49/bbl to USD39.89/bbl qoq in Q1 due to lower levies.
- Dry wells write-off cost was down due to a reduction in exploration activities due to the pandemic in Q1, along with the seasonal impact. Activities should pick up in H2.

Output

- Crude oil/natural gas production guidance for FY21 is 22.69mmt/24.89bcm, including JVs. Production was 23.35mmt/24.89bcm in FY20.
- Production will be driven by KG 98/2 going ahead, which faced delays in the current fiscal year due to Covid-19 force majeure by vendors. Discussions are in progress with vendors. International supply chains have been affected significantly due to travel restrictions with equipment and experts waiting to come. The auction for additional gas will happen as per project schedule.
- KG-DWN-98/2 gas production started in February 2020 with one well under trial testing tied to GAIL for offtake. Although the pandemic situation stopped GAIL's offtake in April, ONGC wants to maintain output. The well was/is producing 0.24mmcmd gas and pricing is market determined. ONGC is satisfied with the long-term contract.
- VAP nameplate capacity is based on gas production run-rate and is currently in the 3-3.5mmtpa range. ONGC is in process of upgrading the Hazira plant, among others, so capacity should go up by 10%. Naphtha/LPG/C2-C3 capacity stands at 1.3/1.0/1.5mmtpa. The company has had 3.64mmtpa of VAP production in peak. It will be within 10% range of capacity, and after expansion can even touch 4mmtpa.

Pricing and policy

- Active consideration is there with Govt regarding current non-uniform gas regimes and low rates in India. The company believes that low prices (APM) will stir thinking and some reforms could be there. It hopes to get remunerative prices in the future.
- ONGC is trying different formulas for KG 98/2. It believes it should be LNG-linked though the existing framework of ceiling will be there. With global gas prices being low, the ceiling has been affected now.
- There has been active engagement with Govt when oil prices crashed in April. Govt is sympathetic to upstream's plight, and cess and royalty relief could be there as reported by media. It is still under consideration though oil prices having revived to USD45/bbl, the attention may now have been reduced.
- Govt is making efforts to streamline the upstream sector. Developments like gas exchange, revival of activity in all assets, gas pipeline and CGD expansion are all positive. After this process is over, markets would become deregulated.

Debt, capex and opex

- The borrowing limit of Rs450bn is not new and the board proposal-approval was due to the merging of 3-4 approvals into one document, which warranted a revisit of limits. This is as per change in regimes and compliances. The limit is no more than what was already there previously. Standalone debt-equity ratio is comfortable at 6-7% and there are no plans for fund raising as of now.
- June 2020-end debt was Rs158.12bn and currently it is down by another Rs25bn. Consolidated debt was Rs1.12tn at June-end.
- The capex target for FY21 was Rs320bn but Covid-19/lockdowns reduced project activities in terms of ground work and international supply chain disruptions. Hence, the capex will get delayed and the company is expected to do Rs260bn+ this year. ONGC has not consciously cut capex.
- Expenditure has reduced due to the pandemic but overall opex should substantially decrease going ahead and sustain on supply chain efficiencies, among other factors. Unallocated expenditure should also fall. DD&A would not reduce as new projects get expensed.
- ONGC has launched an initiative being location agnostic. Support services would be able to work remotely entirely. It expects this in a year which should help cut manpower costs.

Others

- ONGC's cost of production in FY20 was USD40/bbl on an average, with onshore cost higher at USD40-45 vs. USD36-37 for offshore. Statutory levies are within this cost at 32% of revenues.
- The company has MAT credit of Rs50bn. It will take preliminary assessment on the tax regime by December 2020 and decision to move or not will depend on Q3 earnings and prevailing scenario then which is volatile now.
- There was some reserve downgrade in Assam, among others, which had a bearing on depletion levels.
- PMT should not have profit petroleum now. Clarity on PMT arbitration is expected by FY21-end or early FY22. The GST issue has seen no change in position or any updates as of now.
- The share of associate/JV loss in consolidated numbers for Q1 may be due to MRPL.
- ONGC made three discoveries in FY21 YTD, including in KG basin.

OPaL

- OPaL continued to operate during the pandemic and losses reduced from Rs5.11bn to Rs3.17bn yoy in Q1.
- OPaL has the potential for 100% utilization since February 2020 and has at times operated at those levels. Covid-19 led to 45% utilization but now it is ramped up to 90%.
- OPaL is in a sweet spot considering post Covid-19 recovery and expects to improve performance ahead. Its feedstock mix is 1.95mmcmd domestic and remaining is LNG, including term and spot.

OVL

- OVL is comfortable at current USD44-45/bbl oil prices and should make some profit. Its breakeven is USD40/bbl. Sakhalin is the major contributor in OVL and its terms and conditions are favorable to contractors. OVL production in Q1 also saw the impact of the pandemic and OPEC production cuts.
- ONGC's equity in OVL is Rs150bn. Its PAT was Rs4.54bn in FY20 vs. Rs12.45bn in FY19 and has reported peak profits of Rs44.45bn.
- OVL's acquisitions are through bidding and done at full value assuming USD45-50/bbl long-term oil prices. Hence, if oil prices fall below this, there will be losses. There is a wide variation in OVL's profitability.
- OVL is open to good acquisition opportunities but would look at buying under low oil prices.
- OVL's debt is Rs420bn with all long-term debt guaranteed by ONGC.

Exhibit 6: Value of investments

Rs/sh/mn	Shares (mn)	Price	Value
MRPL - CMP	1,255	35	43,937
PLNG - CMP	188	250	46,875
IOCL - CMP	1,337	85	113,662
GAIL - CMP	217	100	21,720
HPCL - CMP	779	205	159,678
Total			385,872

Source: Company, Emkay Research

Exhibit 7: SOTP valuation

Mar'22 Estimates (Rs.bn)	Earnings/Value	Multiple (x)	EV/FV	Value/sh
Standalone				
EV/EBITDA Valuation	313	3.5	1,095	87
Less: Net Debt (Mar'21E End)			32	3
FV			1,063	85
Listed Investments - 50% HairCut	386	50%	193	15
Target Price			1,256	100

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,096,546	962,136	717,789	802,317	846,244
Expenditure	582,063	556,104	449,459	489,527	512,419
EBITDA	514,482	406,033	268,330	312,790	333,825
Depreciation	154,561	186,169	183,141	201,941	222,282
EBIT	359,921	219,864	85,189	110,849	111,543
Other Income	72,653	61,050	52,532	55,736	64,197
Interest expenses	24,921	28,237	21,536	21,651	19,293
PBT	407,653	252,677	116,185	144,934	156,447
Tax	132,645	69,242	38,690	36,523	39,425
Extraordinary Items	(7,362)	(48,991)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	267,646	134,445	77,495	108,411	117,023
Adjusted PAT	272,568	166,782	77,495	108,411	117,023

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	62,902	62,902	62,902	62,902	62,902
Reserves & surplus	1,954,994	1,880,479	1,934,726	1,999,773	2,064,135
Net worth	2,017,896	1,943,381	1,997,628	2,062,674	2,127,037
Minority Interest	0	0	0	0	0
Loan Funds	215,936	139,491	80,000	40,000	0
Net deferred tax liability	274,261	263,441	268,441	273,541	278,743
Total Liabilities	2,508,093	2,346,313	2,346,069	2,376,215	2,405,779
Net block	1,219,357	1,276,991	1,270,227	1,334,627	1,336,150
Investment	1,143,770	1,057,702	1,061,036	1,064,403	1,067,804
Current Assets	283,451	269,860	242,154	227,279	274,785
Cash & bank balance	5,041	9,682	48,052	10,319	45,947
Other Current Assets	110,632	121,620	90,733	101,418	106,971
Current liabilities & Provision	488,988	620,495	593,226	619,631	646,192
Net current assets	(205,537)	(350,635)	(351,072)	(392,352)	(371,407)
Misc. exp	0	0	0	0	0
Total Assets	2,508,093	2,346,313	2,346,069	2,376,215	2,405,779

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	335,000	191,627	63,653	89,198	92,250
Other Non-Cash items	84,242	111,811	0	0	0
Chg in working cap	(32,636)	138,919	43,807	8,647	19,885
Operating Cashflow	423,038	577,853	273,329	284,795	314,164
Capital expenditure	(174,301)	(255,555)	(180,000)	(270,000)	(227,500)
Free Cash Flow	248,738	322,298	93,329	14,795	86,664
Investments	3,227	86,068	(3,334)	(3,367)	(3,401)
Other Investing Cash Flow	(127,406)	(237,303)	118	119	121
Investing Cashflow	(225,827)	(345,740)	(130,684)	(217,512)	(166,583)
Equity Capital Raised	(1,265)	0	0	0	0
Loans Taken / (Repaid)	(39,986)	(76,445)	(59,491)	(40,000)	(40,000)
Dividend paid (incl tax)	(40,220)	0	0	0	0
Other Financing Cash Flow	(95,905)	(122,790)	(23,249)	(43,364)	(52,660)
Financing Cashflow	(202,297)	(227,471)	(104,275)	(105,015)	(111,954)
Net chg in cash	(5,086)	4,642	38,369	(37,732)	35,628
Opening cash position	10,127	5,041	9,682	48,052	10,319
Closing cash position	5,041	9,682	48,052	10,319	45,947

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	46.9	42.2	37.4	39.0	39.4
EBIT Margin	32.8	22.9	11.9	13.8	13.2
Effective Tax Rate	32.5	27.4	33.3	25.2	25.2
Net Margin	25.1	19.1	10.8	13.5	13.8
ROCE	17.4	11.6	5.9	7.1	7.4
ROE	13.9	9.3	3.9	5.3	5.6
RoIC	36.9	22.8	9.5	12.3	12.1

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	21.7	13.3	6.2	8.6	9.3
CEPS	34.1	29.4	20.7	24.7	27.0
BVPS	160.4	154.5	158.8	164.0	169.1
DPS	7.0	5.0	1.8	3.4	4.2

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	3.7	6.1	13.0	9.3	8.6
P/CEPS	2.4	2.7	3.9	3.3	3.0
P/BV	0.5	0.5	0.5	0.5	0.5
EV / Sales	1.1	1.2	1.5	1.3	1.1
EV / EBITDA	2.4	2.8	3.9	3.3	2.9
Dividend Yield (%)	8.7	6.2	2.3	4.3	5.2

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.1	0.1	0.0	0.0	0.0
Net Debt/EBIDTA	0.4	0.3	0.1	0.1	(0.1)
Working Cap Cycle (days)	(1.6)	3.9	1.3	3.4	3.7

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	29.0	(12.3)	(25.4)	11.8	5.5
EBITDA	38.0	(21.1)	(33.9)	16.6	6.7
EBIT	57.8	(38.9)	(61.3)	30.1	0.6
PAT	34.2	(49.8)	(42.4)	39.9	7.9

Quarterly (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Revenue	265,547	244,926	237,101	214,562	135,570
EBITDA	127,819	116,922	105,795	55,495	41,198
EBITDA Margin (%)	48.1	47.7	44.6	25.9	30.4
PAT	59,802	62,631	42,265	(30,983)	(4,041)
EPS (Rs)	4.8	5.0	3.4	(2.5)	(0.3)

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoters	64.3	63.0	62.8	60.4	60.4
FIs	7.9	8.2	8.7	7.6	8.1
DIs	14.4	16.0	15.7	17.9	17.4
Public and Others	13.5	12.8	12.8	14.1	14.1

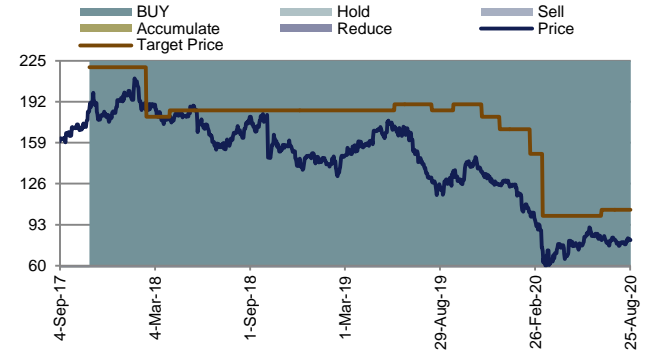
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
1-Jul-20	80	105	12m	Buy	Sabri Hazarika
6-May-20	79	100	12m	Buy	Sabri Hazarika
11-Mar-20	72	100	12m	Buy	Sabri Hazarika
16-Feb-20	103	150	12m	Buy	Sabri Hazarika
24-Jan-20	118	170	12m	Buy	Sabri Hazarika
20-Dec-19	125	170	12m	Buy	Sabri Hazarika
4-Dec-19	130	180	12m	Buy	Sabri Hazarika
16-Nov-19	136	180	12m	Buy	Sabri Hazarika
25-Oct-19	140	190	12m	Buy	Sabri Hazarika
23-Sep-19	136	190	12m	Buy	Sabri Hazarika
13-Aug-19	128	185	12m	Buy	Sabri Hazarika
10-Jun-19	165	190	12m	Buy	Sabri Hazarika
3-Jun-19	172	190	12m	Buy	Sabri Hazarika
1-Apr-18	178	185	12m	Buy	Sabri Hazarika
15-Feb-18	188	180	12m	Buy	Sabri Hazarika
30-Oct-17	187	220	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	13.08	13.08	0%	-1	100.00
BPCL	0.52	0.57	10%	5	4.39
GAIL	0.28	0.26	-5%	-1	2.02
Gujarat Gas	0.09	0.09	7%	1	0.71
Gujarat State Petronet	0.09	0.10	9%	1	0.77
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00
HPCL	0.24	0.26	10%	2	2.00
Indian Oil	0.33	0.32	-3%	-1	2.46
Indraprastha Gas	0.22	0.21	-4%	-1	1.62
Petronet LNG	0.29	0.29	-2%	-1	2.18
Oil India	0.05	0.01	-86%	-4	0.05
ONGC	0.40	0.39	-3%	-1	2.95
Reliance Industries	10.57	10.57	0%	0	80.80
Cash	0.00	0.01	NA	1	0.05

Source: Emkay Research

* Not under coverage: Equal Weight

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

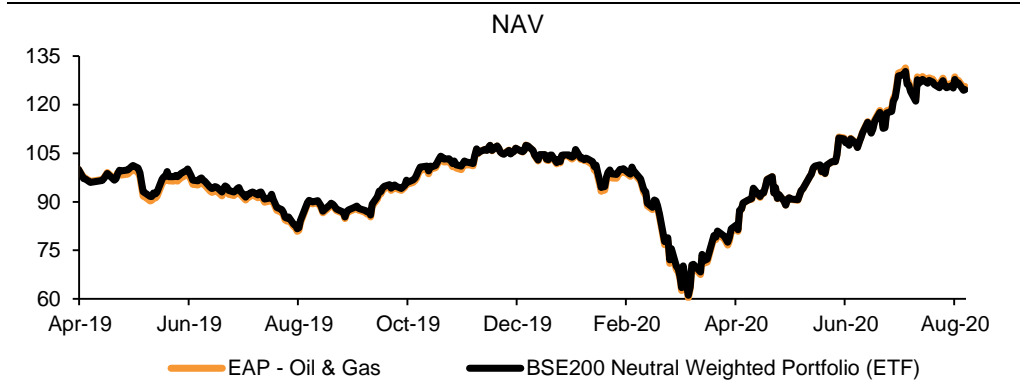
Sector portfolio NAV

	Base					Latest
	1-Apr-19	29-Nov-19	3-Mar-20	2-Jun-20	31-Jul-20	1-Sep-20
EAP - Oil & Gas	100.0	105.7	89.8	97.7	124.9	125.6
BSE200 Neutral Weighted Portfolio (ETF)	100.0	105.9	90.6	97.7	124.1	124.7

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

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

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

“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: 02 Sep 2020 22:16:32 (SGT)

Dissemination Date: 02 Sep 2020 22:17:32 (SGT)

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