

**ONGC**

Refer to important disclosures at the end of this report

# Getting back in the saddle again

- We reiterate our Buy rating and OW stance on ONGC on the back of buoyant oil prices and potential overhaul in nominated block (APM) gas pricing. Brent prices have risen to USD65/bbl, driven by demand recovery, OPEC+ cuts, stimulus and extreme cold weather.
- Arrival of summer-driving season in US-Europe and shift to personal mobility should support oil prices further. Hence, there is upside risk to our USD55/bbl Brent assumption for FY22. Subsidy risk based on Union Budget and LPG price hikes is low in our view.
- ONGC management has remained upbeat on the government agreeing to remunerative gas pricing, which should at least cover the USD3.5-3.7/mmbtu cost of production. Every USD1/mmbtu rise in APM rate implies Rs2.6/sh EPS increase for the company.
- We value ONGC at 4x FY23E EV/EBITDA to arrive at Rs130 TP, assuming USD2.3/2.7 APM prices for FY22/23. Under a blue sky scenario - USD60/bbl Brent, USD3.5/mmbtu gas price and KG-DWN-98/2 ramp up, FV comes above Rs170/sh.

**Oil prices at USD65/bbl, aided by fundamentals, stimulus:** Brent prices have recovered to USD65/bbl as demand recovery and strict output-cut compliance by OPEC+ have led to a supply deficit and inventory destocking. Further, large Covid-19-led stimulus announcements and recent extreme cold conditions in Texas affecting operations have also weighed in. With the arrival of summer driving season and personal mobility preference, higher gasoline demand should support prices ahead. For every USD5/bbl increase in oil realization, ONGC's EPS would grow by Rs3/sh. Our Brent assumption for FY22/23 is conservative at USD55/56 per barrel. With the government budgeting Rs282/125bn of subsidy and LPG price hikes also continuing, upstream subsidy burden risk is low, up to USD60/bbl+ Brent.

**Management maintains narrative of remunerative APM gas pricing:** Management reiterated that it is only a matter of time before the gas pricing anomaly is set right. ONGC seeks remunerative rates. Cost of production is USD3.5-3.7/mmbtu and USD1.5/mmbtu+ of ROI, implies realization at USD5/mmbtu+. Our calculations suggest, cost of production of USD3.2/mmbtu (NCV), based on USD1.3/mmbtu of cash opex and levies (variable)+DD&A of USD1.9/mmbtu. For every USD1mmbtu rise in gas prices, ONGC's EPS grows by Rs2.6/sh. We build in USD2.3/2.7 NCV for FY22/23E, hence USD3.2/mmbtu realization in FY22 implies Rs2.3/sh or 20% upside to our EPS estimate.

**KG-DWN-98/2 ramp up, improving OPaL and gas foray other positives:** ONGC has also indicated 98/2 output ramping up from current 0.3mmscmd to ~3mmscmd by May'21, 8-9mmscmd in FY23 and 15mmscmd peak by FY24. Other positive factors include improving OPaL performance, consolidation of downstream entities OMPL-MRPL-HPCL and subsequent synergies, foray into gas marketing (cleaner sunrise sector) and GST in gas.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Oil & Gas \(Page 10\)](#)

## Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	1,096,546	962,136	682,911	857,688	903,980
EBITDA	514,482	414,509	263,140	375,874	402,634
EBITDA Margin (%)	46.9	43.1	38.5	43.8	44.5
APAT	272,569	172,377	89,645	175,494	187,381
EPS (Rs)	21.7	13.7	7.1	13.9	14.9
EPS (% chg)	38.0	(36.8)	(48.0)	95.8	6.8
ROE (%)	13.9	9.7	4.5	8.6	8.8
P/E (x)	4.8	7.6	14.6	7.4	7.0
EV/EBITDA (x)	2.9	3.7	5.7	4.0	3.5
P/BV (x)	0.6	0.7	0.7	0.6	0.6

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
<b>Rs 104</b> as of (February 17, 2021)	<b>Rs 130 (■)</b> 12 months
<b>Rating</b>	<b>Upside</b>
<b>BUY (■)</b>	<b>25.1 %</b>

### Change in Estimates

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

### Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	7.1	13.9
Consensus	7.2	14.1
Mean Consensus TP (12M)	Rs 113	

### Stock Details

Bloomberg Code	ONGC IN
Face Value (Rs)	5
Shares outstanding (mn)	12,580
52 Week H/L	108 / 50
M Cap (Rs bn/USD bn)	1,305 / 17.95
Daily Avg Volume (nos.)	38,059,520
Daily Avg Turnover (US\$ mn)	48.6

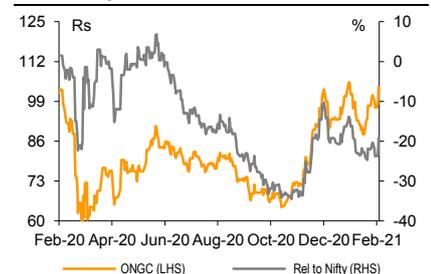
### Shareholding Pattern Dec '20

Promoters	60.4%
FIIIs	7.7%
DIIIs	17.7%
Public and Others	14.2%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	2	43	35	-
<b>Rel. to Nifty</b>	(4)	19	(2)	(21)

### Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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## Story in Charts

**Exhibit 1: Global oil supply-demand balance implies bullish fundamentals**

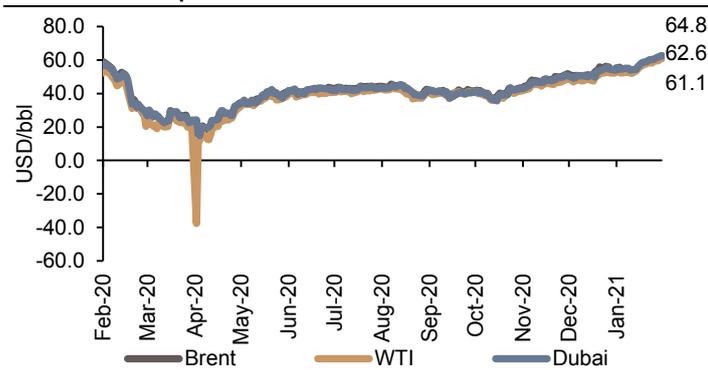
Global Oil Supply							
mb/d	CY17	CY18	CY19	CY20	CY21E	Q4CY20	Q1CY21E
<b>Non-OPEC</b>							
USA	14.4	16.7	18.4	17.6	17.8	17.3	17.3
Russia	11.2	11.3	11.4	10.4	10.2	10.1	10.0
Canada	4.9	5.3	5.4	5.2	5.4	5.4	5.3
China	4	4	4.1	4.2	4.2	4.1	4.2
Brazil	3.3	3.3	3.6	3.7	3.9	3.5	3.7
Others	22.4	22.5	22.3	21.6	21.8	21.5	21.8
<b>Total Non-OPEC</b>	<b>60.2</b>	<b>63.1</b>	<b>65.2</b>	<b>62.7</b>	<b>63.3</b>	<b>62.0</b>	<b>62.4</b>
<b>OPEC</b>							
Saudi Arabia	10.0	10.3	9.8	9.2		9.0	9.1
Iraq	4.5	4.4	4.6	4.0		3.9	3.8
UAE	3.0	3.0	3.1	2.8		2.6	2.6
Kuwait	2.7	2.7	2.7	2.4		2.3	2.3
Iran	3.9	3.6	2.4	2.0		2.0	2.1
Others	8.1	7.8	6.9	5.2		5.6	5.6
Total OPEC	32.0	31.9	29.3	25.6	26.5*	25.3	25.5
<b>Total Global Supply</b>	<b>92.2</b>	<b>95.0</b>	<b>94.5</b>	<b>88.3</b>	<b>89.8</b>	<b>87.3</b>	<b>87.9</b>

\*assuming current OPEC output+1mb/d Saudi supplies

Global Oil Demand							
mb/d	CY17	CY18	CY19	CY20	CY21E	Q4CY20	Q1CY21E
US	20.3	20.8	20.9	19.2	19.8	19.2	19.5
China	12.5	13.0	13.5	13.0	14.1	14.3	12.6
India	4.5	4.7	4.9	4.4	5.0	5.2	5.0
Russia	3.5	3.5	3.6	3.3	3.5	3.4	3.6
Others	56.9	57.0	57.1	50.4	53.7	51.9	52.7
<b>Total Global Demand</b>	<b>97.7</b>	<b>99.1</b>	<b>100.0</b>	<b>90.3</b>	<b>96.1</b>	<b>93.9</b>	<b>93.2</b>
<b>Demand-Supply</b>	<b>5.5</b>	<b>4.2</b>	<b>5.4</b>	<b>1.9</b>	<b>6.3</b>	<b>6.6</b>	<b>5.3</b>

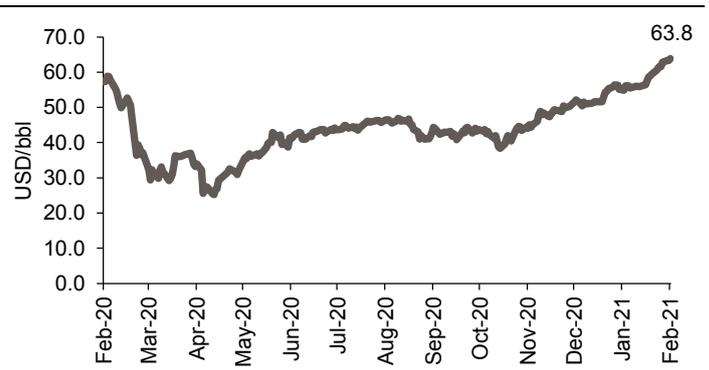
Source: OPEC, Emkay Research

**Exhibit 2: Crude prices are back to the 60s**

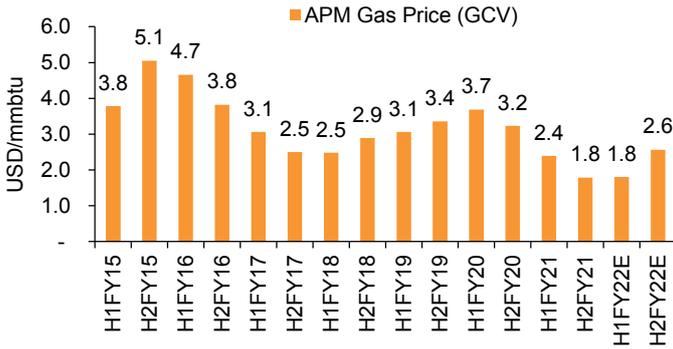


Source: Bloomberg, Emkay Research

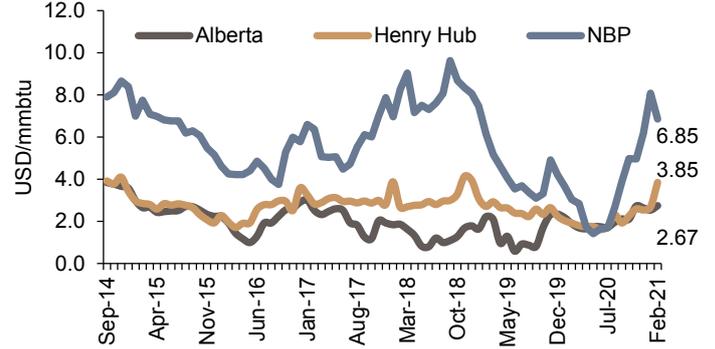
**Exhibit 3: Forward Brent at USD60/bbl+**



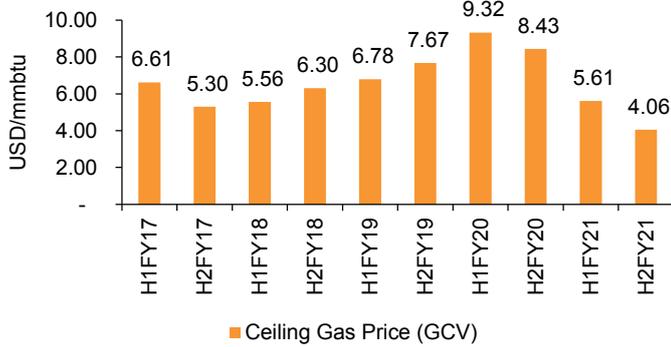
Source: Bloomberg, Emkay Research

**Exhibit 4: Existing formula implies 40% hike in gas prices in Oct'21**

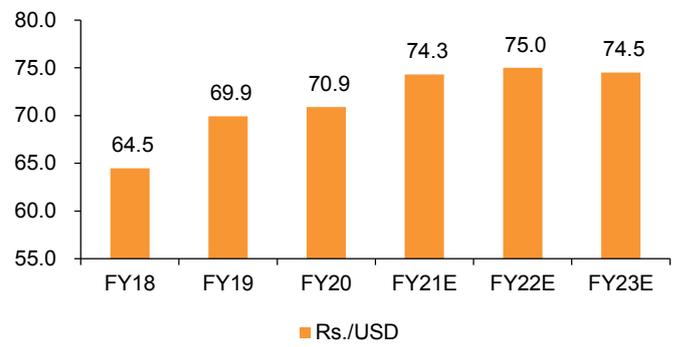
Source: PPAC, Emkay Research

**Exhibit 5: Global gas prices have recovered**

Source: Bloomberg, Emkay Research

**Exhibit 6: Deepwater ceiling gas price at USD4.1/mmbtu currently**

Source: PPAC, Emkay Research

**Exhibit 7: Expect Rs/USD to be 75.0/74.5 in FY22/23E**

Source: Bloomberg, Emkay Research

**Exhibit 8: Subsidy budget scenario is comfortable**

Rs.bn	FY18	FY19	FY20	FY21RE	FY22BE
Brent (USD/bbl)	57.6	70.2	60.9	43.5	60.0
Currency (Rs/sUSD)	64.5	69.9	70.9	74.3	73.0
Gross Reported Under-recoveries	257	374	245	74	235
Less LPG Uncompensated Costs	28	43	35	25	40
Actual Under-recoveries	229	331	210	49	195
Govt. Subsidy in Budget	218	207	337	282	125
Previous Year Rollover	155	166	290	163	(70)
Subsidy Left for the Year	63	41	47	119	195
Supplementary Grants	-	-	-	-	-
Total subsidy Till Feb/Mar (Budget)	63	41	47	119	195
Rollover/Q4 Govt. Subsidy	166	290	163	(70)	-
Govt. Subsidy Actual	229	331	210	49	195
<b>Upstream/Refinery Subsidy</b>	-	-	-	-	-
Net OMCs Under-recoveries	-	0	(0)	0	0

Source: India Budget, Company, Emkay Research

**Exhibit 9: ONGC's gas business is making EBIT loss now**

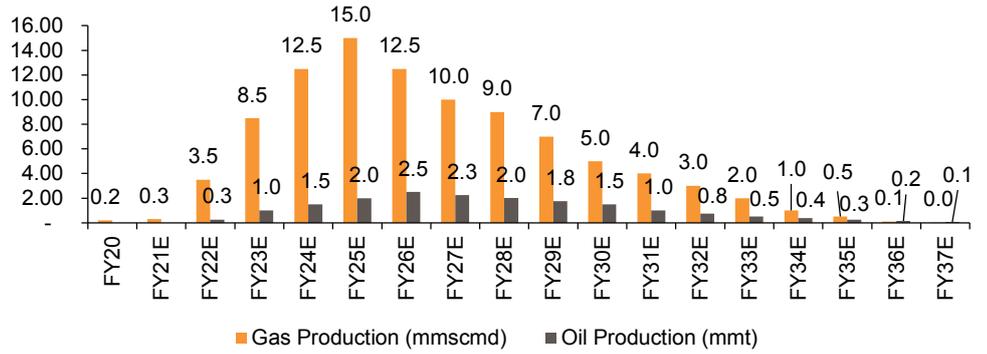
USD/bbl/mmbtu/boe	Crude	Gas	Blended	Q3FY21
Volumes (mmt/bcm)	5.6	5.8	11.4	11.4
Realization	43.0	2.0	26.6	25.0
Production Cost	12.5	1.3	9.6	6.7
Levies	12.9	0.2	6.9	6.0
Survey+Drywells	-	-	0.0	2.7
EBITDA	17.6	0.5	10.1	9.5
DD&A	4.0	1.8	6.9	6.5
EBIT	13.6	-1.3	3.3	3.05
Net Other Income	-	-	1.1	1.1
PBT	-	-	4.3	4.1
Tax	-	-	1.4	1.4
PAT	-	-	2.9	2.8
Dividend	-	-	1.0	0.9
Capex	-	-	12.9	12.9
FCF	-	-	-4.1	-4.5
EPS (Rs)	-	-	1.4	1.4

Source: Company, Emkay Research

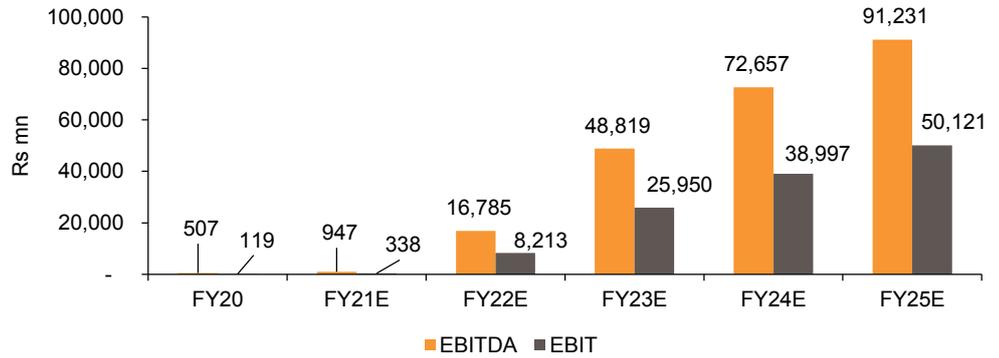
**Exhibit 10: Our base assumptions conservative as of now**

	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Oil Realisation (\$/bbl)	54.1	67.3	58.2	41.4	53.1	54.1
Gas Realization (Rs/scm)	7.2	9.3	10.1	6.5	6.6	7.6

Source: Company, Emkay Research

**Exhibit 11: KG98/2 expected to start ramping up in next couple of months**

Source: Company, Emkay Research

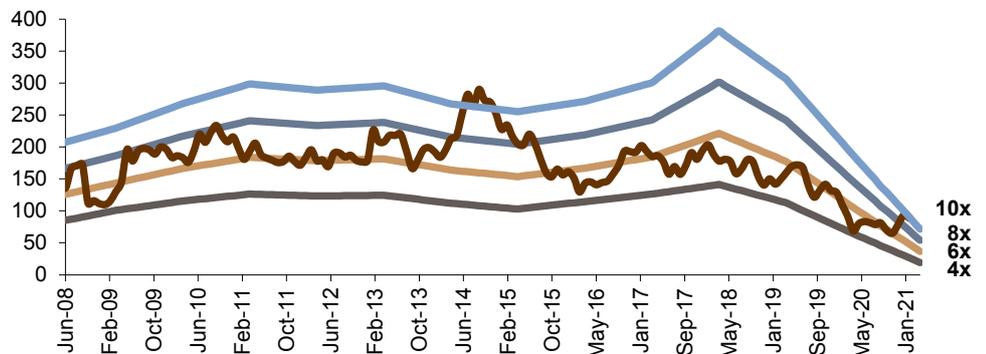
**Exhibit 12: KG 98/2 earnings based on guidance is material (assuming USD5-6/mmbtu gas price)**

Source: Company, Emkay Research

**Exhibit 13: OPaL has reported PAT of Rs1.8bn in Q3FY21**

Rs mn	FY16	FY17	FY18	FY19	FY20	H1FY21	Q3FY21
Revenue	38	1,094	55,918	97,387	101,829	45,987	
RMC	42	6,546	36,017	59,750	71,195	24,082	
Stock in Trade	(1)	(6,664)	(2,464)	1,952	(3,966)	4,331	
Gross Profit	(4)	1,212	22,365	35,685	34,600	17,573	
Staff Cost	-	164	1,031	1,229	1,442	685	
Other Expenses	166	1,915	17,893	26,250	24,663	9,466	
Opex	166	2,079	18,924	27,479	26,105	10,151	
<b>EBITDA</b>	<b>(170)</b>	<b>(867)</b>	<b>3,441</b>	<b>8,206</b>	<b>8,495</b>	<b>7,423</b>	
Depreciation	248	3,427	11,509	11,987	12,454	6,360	
EBIT	(418)	(4,294)	(8,069)	(3,781)	(3,959)	1,063	
Interest	312	7,052	16,787	18,410	20,575	8,219	
Other Income (incl FX & exceptional items)	1	44	273	167	(6,022)	(1,800)	
PBT	(729)	(11,302)	(24,583)	(22,024)	(30,557)	(8,956)	
Tax	1,020	(2,480)	(5,448)	(7,521)	(9,660)	(1,892)	
<b>PAT</b>	<b>(1,749)</b>	<b>(8,822)</b>	<b>(19,135)</b>	<b>(14,503)</b>	<b>(20,897)</b>	<b>(7,063)</b>	<b>1,773</b>
<b>Gross Debt</b>	<b>188,386</b>	<b>243,749</b>	<b>213,757</b>	<b>220,684</b>	<b>235,591</b>	<b>228,159</b>	
<b>EBITDA Margin</b>			<b>6.2%</b>	<b>8.4%</b>	<b>8.3%</b>	<b>16.1%</b>	<b>23.0%</b>
Interest & Finance Charge	312	7,052	16,787	18,410	20,575	8,219	
Effective Interest Rate	0.2%	3.3%	7.3%	8.5%	9.0%	3.6%	
<b>Capacity (ktpa)</b>							
Ethylene					1,100		
Propylene					400		
LLDPE/HDPE Swing					720		
HDPE					340		
PP					340		
Benzene					150		
BD					115		
Py-Gasoline					135		
CBFS					100		
Plant Utilization			46%	70%	70%		
<b>Volumes - Polymers (kt)</b>			<b>692</b>	<b>1,050</b>	<b>1,050</b>		
<b>Gross Margin/Delta (USD/mt)</b>			<b>501.7</b>	<b>486.0</b>	<b>464.9</b>		
<b>EBITDA (USD/mt)</b>			<b>77.2</b>	<b>111.8</b>	<b>114.1</b>		

Source: Company, Emkay Research

**Exhibit 14: ONGC's valuation is reasonable**

Source: Bloomberg, Emkay Research

**Exhibit 15: Assuming conservative production estimates for now**

	FY18	FY19	FY20	FY21E	FY22E	FY23E
Crude Oil Production (mmt)	25.4	24.2	23.4	22.7	22.9	23.2
Natural Gas Production (bcm)	24.6	25.8	24.9	22.9	24.1	24.8

Source: Company, Emkay Research

## Valuation

### Exhibit 16: Value of investments

Rs/sh/mn	Shares (mn)	Price	Value
MRPL - CMP	1,255	35	43,937
PLNG - CMP	188	240	45,000
IOCL - CMP	1,337	95	127,034
GAIL - CMP	217	130	28,236
HPCL - CMP	779	225	175,256
<b>Total</b>			<b>419,463</b>

Source: Company, Emkay Research

### Exhibit 17: SOTP valuation

Mar'23 Estimates (Rs bn)	Earnings/Value	Multiple (x)	EV/FV	Value/sh
<b>Standalone</b>				
EV/EBITDA Valuation	403	4.0	1,611	128
Less: Net Debt (Mar'22E End)			188	15
<b>FV</b>			<b>1,423</b>	<b>113</b>
Listed Investments - 50% HairCut	419	50%	210	17
<b>Target Price</b>			<b>1,632</b>	<b>130</b>

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>1,096,546</b>	<b>962,136</b>	<b>682,911</b>	<b>857,688</b>	<b>903,980</b>
<b>Expenditure</b>	<b>582,063</b>	<b>547,627</b>	<b>419,771</b>	<b>481,814</b>	<b>501,346</b>
<b>EBITDA</b>	<b>514,482</b>	<b>414,509</b>	<b>263,140</b>	<b>375,874</b>	<b>402,634</b>
Depreciation	154,561	186,169	163,992	180,402	197,267
<b>EBIT</b>	<b>359,921</b>	<b>228,340</b>	<b>99,148</b>	<b>195,472</b>	<b>205,367</b>
Other Income	72,653	61,050	52,532	55,736	61,624
Interest expenses	24,921	28,237	17,882	16,589	16,483
<b>PBT</b>	<b>407,653</b>	<b>261,154</b>	<b>133,799</b>	<b>234,618</b>	<b>250,509</b>
Tax	132,645	69,241	44,925	59,124	63,128
Extraordinary Items	(7,362)	(57,467)	(12,380)	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>267,646</b>	<b>134,445</b>	<b>76,494</b>	<b>175,494</b>	<b>187,381</b>
<b>Adjusted PAT</b>	<b>272,569</b>	<b>172,377</b>	<b>89,645</b>	<b>175,494</b>	<b>187,381</b>

**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	1,925,305	2,021,827	2,124,886
<b>Net worth</b>	<b>2,017,896</b>	<b>1,943,381</b>	<b>1,988,206</b>	<b>2,084,728</b>	<b>2,187,787</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>215,936</b>	<b>237,757</b>	<b>220,000</b>	<b>195,000</b>	<b>125,000</b>
Net deferred tax liability	274,261	263,441	259,816	256,118	252,347
<b>Total Liabilities</b>	<b>2,508,093</b>	<b>2,444,579</b>	<b>2,468,022</b>	<b>2,535,847</b>	<b>2,565,134</b>
<b>Net block</b>	<b>1,219,357</b>	<b>1,276,991</b>	<b>1,320,506</b>	<b>1,376,445</b>	<b>1,409,733</b>
<b>Investment</b>	<b>1,143,770</b>	<b>1,057,702</b>	<b>1,061,036</b>	<b>1,064,403</b>	<b>1,067,804</b>
<b>Current Assets</b>	<b>283,451</b>	<b>269,860</b>	<b>204,102</b>	<b>238,938</b>	<b>253,388</b>
Cash & bank balance	5,041	9,682	19,432	7,005	8,936
Other Current Assets	110,632	121,620	86,324	108,417	114,269
<b>Current liabilities &amp; Provision</b>	<b>488,988</b>	<b>522,229</b>	<b>483,500</b>	<b>513,476</b>	<b>539,023</b>
<b>Net current assets</b>	<b>(205,537)</b>	<b>(252,369)</b>	<b>(279,398)</b>	<b>(274,539)</b>	<b>(285,635)</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>2,508,093</b>	<b>2,444,579</b>	<b>2,468,022</b>	<b>2,535,847</b>	<b>2,565,134</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>335,000</b>	<b>200,104</b>	<b>81,267</b>	<b>178,882</b>	<b>188,884</b>
Other Non-Cash items	84,242	103,334	(12,380)	0	0
Chg in working cap	(32,636)	40,654	33,153	(20,984)	9,257
<b>Operating Cashflow</b>	<b>423,038</b>	<b>577,853</b>	<b>238,870</b>	<b>295,647</b>	<b>348,642</b>
Capital expenditure	(174,301)	(255,555)	(211,130)	(240,000)	(234,250)
<b>Free Cash Flow</b>	<b>248,737</b>	<b>322,298</b>	<b>27,740</b>	<b>55,647</b>	<b>114,392</b>
Investments	3,227	86,068	(3,334)	(3,367)	(3,401)
Other Investing Cash Flow	(127,406)	(237,303)	118	119	121
<b>Investing Cashflow</b>	<b>(225,827)</b>	<b>(345,740)</b>	<b>(161,814)</b>	<b>(187,512)</b>	<b>(175,906)</b>
Equity Capital Raised	(1,265)	0	0	0	0
Loans Taken / (Repaid)	(39,986)	21,821	(17,757)	(25,000)	(70,000)
Dividend paid (incl tax)	(40,220)	0	0	0	0
Other Financing Cash Flow	(95,905)	(221,055)	(31,668)	(78,973)	(84,321)
<b>Financing Cashflow</b>	<b>(202,297)</b>	<b>(227,471)</b>	<b>(67,307)</b>	<b>(120,562)</b>	<b>(170,804)</b>
<b>Net chg in cash</b>	<b>(5,086)</b>	<b>4,642</b>	<b>9,750</b>	<b>(12,427)</b>	<b>1,932</b>
Opening cash position	10,127	5,041	9,682	19,432	7,005
<b>Closing cash position</b>	<b>5,041</b>	<b>9,682</b>	<b>19,432</b>	<b>7,005</b>	<b>8,936</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	46.9	43.1	38.5	43.8	44.5
EBIT Margin	32.8	23.7	14.5	22.8	22.7
Effective Tax Rate	32.5	26.5	33.6	25.2	25.2
Net Margin	25.1	19.9	13.0	20.5	20.7
ROCE	17.4	11.7	6.2	10.0	10.5
ROE	13.9	9.7	4.5	8.6	8.8
RoIC	36.9	22.6	9.7	18.5	18.6

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	21.7	13.7	7.1	13.9	14.9
CEPS	34.1	30.1	20.1	28.3	30.6
BVPS	160.4	154.5	158.0	165.7	173.9
DPS	7.0	5.0	2.5	6.3	6.7

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	4.8	7.6	14.6	7.4	7.0
P/CEPS	2.8	3.2	4.8	3.4	3.2
P/BV	0.6	0.7	0.7	0.6	0.6
EV / Sales	1.4	1.6	2.2	1.7	1.6
EV / EBITDA	2.9	3.7	5.7	4.0	3.5
Dividend Yield (%)	6.7	4.8	2.4	6.1	6.5

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	0.1	0.1	0.1	0.1	0.1
Net Debt/EBIDTA	0.4	0.6	0.8	0.5	0.3
Working Cap Cycle (days)	(1.6)	3.2	2.3	5.1	4.7

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	29.0	(12.3)	(29.0)	25.6	5.4
EBITDA	38.0	(19.4)	(36.5)	42.8	7.1
EBIT	57.8	(36.6)	(56.6)	97.2	5.1
PAT	34.2	(49.8)	(43.1)	129.4	6.8

<b>Quarterly (Rs mn)</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>
Revenue	237,101	214,562	130,113	169,171	170,238
EBITDA	105,795	55,495	47,808	69,894	65,076
<b>EBITDA Margin (%)</b>	<b>44.6</b>	<b>25.9</b>	<b>36.7</b>	<b>41.3</b>	<b>38.2</b>
PAT	42,265	(30,983)	4,960	28,778	13,782
<b>EPS (Rs)</b>	<b>3.4</b>	<b>(2.5)</b>	<b>0.4</b>	<b>2.3</b>	<b>1.1</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>
Promoters	62.8	60.4	60.4	60.4	60.4
FIIIs	8.7	7.6	8.1	7.7	7.7
DIIs	15.7	17.9	17.4	17.5	17.7
Public and Others	12.8	14.1	14.1	14.4	14.2

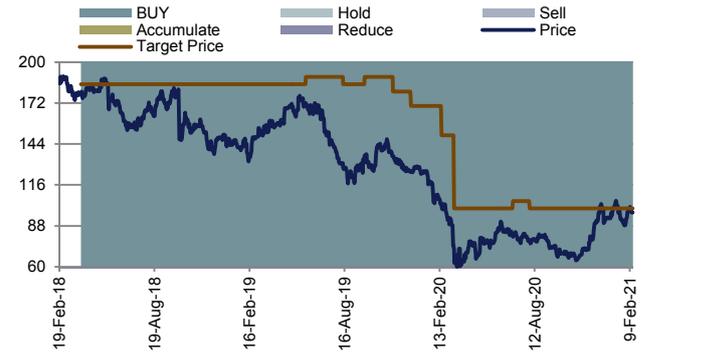
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
15-Feb-21	98	130	12m	Buy	Sabri Hazarika
6-Jan-21	97	100	12m	Buy	Sabri Hazarika
26-Nov-20	80	100	12m	Buy	Sabri Hazarika
17-Nov-20	71	100	12m	Buy	Sabri Hazarika
27-Oct-20	67	100	12m	Buy	Sabri Hazarika
28-Sep-20	72	100	12m	Buy	Sabri Hazarika
2-Aug-20	78	100	12m	Buy	Sabri Hazarika
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

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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+91 22 6612 1282

#### 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)
<b>Oil &amp; Gas</b>	<b>10.20</b>	<b>10.20</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
BPCL	0.39	0.43	10%	4	4.20
GAIL	0.29	0.29	1%	0	2.83
Gujarat Gas	0.09	0.08	-7%	-1	0.83
Gujarat State Petronet	0.08	0.08	1%	0	0.81
Gulf Oil Lubricants	0.00	0.05	NA	5	0.52
HPCL	0.21	0.23	10%	2	2.23
Indian Oil	0.28	0.26	-7%	-2	2.58
Indraprastha Gas	0.22	0.23	2%	0	2.24
Petronet LNG	0.21	0.21	-2%	0	2.05
Oil India	0.05	0.03	-42%	-2	0.29
ONGC	0.44	0.49	10%	5	4.76
Reliance Industries	7.94	7.82	-1%	-12	76.66
<b>Cash</b>	<b>0.00</b>	<b>0.01</b>	<b>NA</b>	<b>0</b>	<b>0.02</b>

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	19-Feb-20	19-Aug-20	19-Nov-20	18-Jan-21	17-Feb-21
EAP - Oil & Gas	100.0	100.0	128.2	119.9	124.5	129.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	100.7	127.4	118.9	123.7	129.0

\*Performance measurement base date 1<sup>st</sup> April 2019

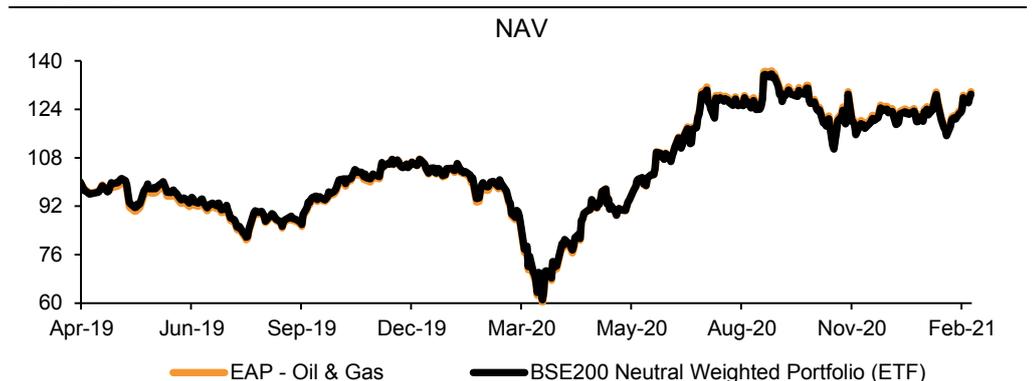
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Oil & Gas	4.3%	8.3%	1.3%	29.8%
BSE200 Neutral Weighted Portfolio (ETF)	4.3%	8.4%	1.3%	28.0%

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”

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

Completed Date: 18 Feb 2021 17:32:16 (SGT)

Dissemination Date: 18 Feb 2021 17:33:16 (SGT)

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