

HPCL

Refer to important disclosures at the end of this report

Excise cut-led one-time loss dents marketing margins

- HPCL posted Q3FY22 standalone EBITDA/PAT of Rs18.7bn/Rs8.7bn, down 38%/55% qoq. EBITDA missed estimates by 42% due to low marketing income, which was affected by a one-time inventory loss of Rs17.5bn due to a cut in auto-fuel excise duty in Nov'21.
- Reported GRM of USD6.4/bbl was better than our USD4 est. Refinery utilization was 107% (of pre expansion capacity). Pipeline volumes rose 16% qoq to 5.5mmt, while total marketing volumes saw a 7% beat, with domestic sales down 1% vs. 4% for the industry.
- Based on BPCL's marketing inventory loss, we estimate HPCL's blended margin to be down 10-15% qoq (below est), which could be due to losses in LPG. Gross debt (ex-lease liabilities) was down 1% qoq at Rs377.5bn. HPCL's opex was 11% lower than estimated.
- We slightly raise FY22/FY23/FY24 EPS estimates by 2%/6%/3%, building in higher GRMs, and roll over valuations from Dec'23E to Mar'24E. We raise our Mar'23 SOTP-based TP by 6% to Rs360, keeping target multiples unchanged. Retain Buy.

Highlights: Based on IOCL's normalized GRM of ~USD9/bbl in Q3, we estimate HPCL's core GRM to be ~USD5/bbl, though impacted by the commissioning of Mumbai Refinery expansion. Other Expenditure rose 1% qoq to Rs34.8bn, while employee costs fell 21% to Rs6.2bn. Depreciation rose 8% qoq, while interest cost was also high but in line. There was a forex gain of Rs1.4bn. Petrol/diesel sales volume rose/fell by 3%/5% yoy vs. +2%/-4% of industry. As per our estimate, core EPS was Rs11.5 in Q3. 9MFY22 capex as per PPAC was Rs109.4bn. HMEL reported Rs10.1bn in PAT in Q3.

Guidance: Earnings were hit by an inventory loss due to the excise cut. The full benefit of GRMs was not realized due to the commissioning of Mumbai Refinery (MR) expansion. It is premature to comment on LPG under-recoveries/subsidies affecting results (as it is a controlled item). The full commissioning/stabilization of MR was completed in Q3 and all units are now fully operational with economic benefits expected in Q4. Vizag expansion should be completed by Mar'22 and stabilization within FY23. Resid upgrade should be done by Dec'22 with the full impact from FY24. All orders for Barmer refinery have been placed and the project is likely to be completed by FY24, though pre-commissioning will start before that. HMEL petchem product sales should start from May'22. HPCL is making a roadmap for net zero emissions by CY40. It aims to have 24ktpa of hydrogen capacity. Capex for FY22 and FY23 would be Rs145bn each, and Rs110bn for FY24. It aims for 700 HappyShops in next 5 years. Chhara LNG terminal work is underway in full swing.

Valuation: We value HPCL on the SoTP basis, with a 6.3x blended target Mar'24E EV/EBITDA for the standalone business, 6.0x PE for HMEL stake and listed investments at a 30% holdco discount. Key risks: adverse petroleum price/margin/currency movement and policy actions and new project delays and issues.

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

Financial Snapshot (Standalone)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	26,87,664	23,29,968	37,25,987	36,72,866	37,99,489
EBITDA	59,970	1,59,254	1,23,192	1,24,410	1,38,381
EBITDA Margin (%)	2.2	6.8	3.3	3.4	3.6
APAT	20,088	1,06,639	70,948	59,031	60,190
EPS (Rs)	13.2	73.4	50.0	41.6	42.4
EPS (% chg)	(66.7)	457.1	(31.9)	(16.8)	2.0
ROE (%)	7.0	32.7	18.6	14.1	13.1
P/E (x)	22.1	4.0	5.8	7.0	6.9
EV/EBITDA (x)	13.7	5.0	7.0	7.2	6.5
P/BV (x)	1.5	1.2	1.0	0.9	0.9

Source: Company, Emkay Research

CMP Rs 292 as of (February 2, 2022)	Target Price Rs 360 (▲) 12 months
Rating BUY (■)	Upside 23.4 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	2/6
Target Price change (%)	5.9
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY22E	FY23E
Emkay	50.0	41.6
Consensus	47.5	52.0
Mean Consensus TP (12M)	Rs 380	

Stock Details

Bloomberg Code	HPCL IN
Face Value (Rs)	10
Shares outstanding (mn)	1,419
52 Week H/L	355 / 212
M Cap (Rs bn/USD bn)	414 / 5.53
Daily Avg Volume (nos.)	35,71,322
Daily Avg Turnover (US\$ mn)	15.0

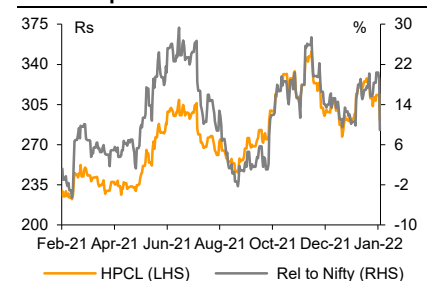
Shareholding Pattern Dec '21

Promoters	54.9%
FIIIs	20.2%
DIIIs	15.1%
Public and Others	9.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	-	(7)	12	34
Rel. to Nifty	(2)	(5)	-	9

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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Exhibit 1: Actual vs. Estimates (Q3FY22)

Rs bn	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	966	999	985	-3%	-2%	
Adjusted EBITDA	19	32	36	-42%	-49%	Excise cut led one-off hit
EBITDA Margin (%)	1.9%	3.2%	3.7%	-130bps	-180bps	
Adjusted Net Profit	9	18	22	-52%	-60%	Depreciation was higher

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	YoY	QoQ	9MFY21	9MFY22	YoY
Revenue	6,86,592	7,48,434	7,24,434	8,30,645	9,66,024	41%	16%	15,81,534	25,21,102	59%
COGS	6,12,038	6,51,674	6,54,333	7,58,140	9,06,271	48%	20%	13,52,567	23,18,744	71%
Gross Profit	74,554	96,761	70,101	72,505	59,753	-20%	-18%	2,28,967	2,02,358	-12%
Opex	41,539	50,097	37,458	42,369	41,045	-1%	-3%	1,16,376	1,20,872	4%
Total Expenditure	6,53,577	7,01,770	6,91,791	8,00,509	9,47,317	45%	18%	14,68,943	24,39,616	66%
EBITDA	33,015	46,664	32,643	30,136	18,707	-43%	-38%	1,12,591	81,486	-28%
Depreciation	8,811	9,372	9,139	9,473	10,247	16%	8%	26,155	28,859	10%
Interest	1,274	2,053	2,542	1,545	2,358	85%	53%	7,095	6,444	-9%
Other Income	5,678	4,036	3,720	3,366	4,088	-28%	21%	13,743	11,175	-19%
Exceptional Items	-	-	-	-	-	-	-	-	-	-
Forex Gain/(Losses)	2,970	1,410	(714)	1,128	1,416	-52%	25%	8,699	1,830	-79%
PBT	31,579	40,685	23,969	23,612	11,607	-63%	-51%	1,01,783	59,187	-42%
Tax	8,032	10,506	6,019	4,377	2,918	-64%	-33%	25,324	13,314	-47%
PAT	23,546	30,180	17,950	19,235	8,689	-63%	-55%	76,459	45,874	-40%
Adjusted PAT	23,546	30,180	17,950	19,235	8,689	-63%	-55%	76,459	45,874	-40%
Adjusted EPS (Rs)	15.7	20.8	12.7	13.6	6.1	-61%	-55%	50.4	32.3	-36%
Tax Rate	25%	26%	25%	19%	25%			25%	22%	
Core EBITDA*	19,785	6,154	(7,357)	18,136	30,307	53%	67%	75,231	41,086	-45%
Core PAT*	11,503	(924)	(11,458)	7,842	16,300	42%	108%	41,682	12,684	-70%
Core EPS (Rs)*	7.7	(0.6)	(8.1)	5.5	11.5	50%	108%	27.5	8.9	-67%
Refining Volumes (mmt)	4.0	4.4	2.5	2.5	4.2	6%	68%	12.0	9.3	-23%
Reported GRM (USD/bbl)	1.9	8.1	3.3	2.4	6.4	242%	162%	2.4	4.5	90%
Core GRM (USD/bbl)*	(1.0)	3.5	0.3	1.0	4.9	-598%	403%	0.3	2.6	753%
Adjusted Refining EBITDA	-3,511	10,771	-1,608	-2,819	6,706			-7,570	2,280	
Marketing Volumes (mmt)	10.4	10.1	8.8	9.1	10.5	1%	16%	26.5	28.5	8%
Diesel	4.6	4.4	4.0	3.7	4.4	-5%	19%	11.3	12.1	7%
Petrol	2.0	1.9	1.6	1.9	2.0	3%	4%	4.9	5.6	15%
Marketing Margin (Rs/mt)*	5,803	4,463	3,074	6,222	5,400	-7%	-13%	6,882	4,942	-28%
Adjusted Marketing EBITDA	33,731	33,328	32,016	30,664	9,295	-72%	-70%	1,13,327	71,975	-36%
Marketing Inventory* Gain/(Losses)	7,070	29,710	36,000	10,000	-15,000	-312%	-250%	23,960	31,000	
Pipeline Volumes (mmt)	5.5	5.4	4.3	4.8	5.5	0%	16%	13.8	14.6	6%
Implied Pipeline EBITDA	2,795	2,564	2,234	2,291	2,706	-3%	18%	6,834	7,231	6%
Gross Debt [^]	3,33,360	4,35,090	3,51,970	3,77,240	3,72,500	12%	-1%	3,33,360	3,72,500	12%
Implied Net Debt	2,79,088	3,80,048	2,97,594	3,23,530	3,18,790	14%	-1%	2,79,088	3,18,790	14%
Net Under-recovery	-	-	-	-	-			-	-	

Source: Company, Emkay Research

*Note: *OMCs have discontinued reporting inventory gain/loss figures, hence these numbers are estimates, Q4FY21 gross debt includes lease liabilities

Con-call Highlights

- HPCL's Q3FY22 results were hit by an inventory loss, while the full benefit of GRMs was also not realized due to the commissioning of Mumbai Refinery (MR) expansion (F&L was also high). The marketing inventory loss was due to the impact of an excise duty reduction (cannot be recovered) in Nov'21, amounting to Rs17.46bn for HPCL. It is, however, a one-time loss due to a sharp change in prices. HPCL has 3mmt of finished goods inventories as of Q3-end. It is premature to comment on LPG under-recoveries/subsidies hitting Q3 earnings as LPG is a controlled item.
- Petroleum products consumption in India during 9MFY22 was 97% of 9MFY20 (pre-Covid levels). Petrol demand was up 14%+ from pre-pandemic levels, while diesel was at 98.5% and ATF at 74%. LPG was already growing. HPCL saw 14.6%/7.1%/2.9% growth in petrol/diesel/LPG in 9M.
- HPCL opened 386 new fuel pumps in Q3 (total 19,602 currently). 91 CNG facilities were added, with 900 ROs having CNG. EV charging is available in 655 ROs and HPCL aims to have it in 5,000 ROs in next 3-4 years. 3 new LPG plants have been commissioned (in Assam, Odisha and UP) and cavern in Mangalore is progressing. HPCL has CGD authorizations in 21 Gas, covering 38 districts in 9 states. It has planned a CGD capex of Rs96bn for the next few years.
- The full commissioning and stabilization of MR revamp/expansion was completed in Q3FY22. It was shut down from April'21 for revamp (affected by Covid and monsoons), but all units are now fully operational with enhanced capacity of 9.5mmtpa, coupled with improved distillate yield and energy efficiency (reduced Co2). MR full economic benefits are expected from Q4FY22.
- Vizag Refinery (VR) is also operating above its design capacity. VR expansion and modernization project (VRMP) should be completed by Mar'22, while stabilization is expected to be completed by FY23. The heavy 2.3kt reactor is installed, which was a challenging part. Resid upgrade project is under construction and should be ready by Dec'22. From Q4FY23-FY24, the full impact of VRMP in volumes and GRMs would be seen.
- All orders for Barmer refinery have been placed. Barmer would see full project completion by FY24, though pre-commissioning will start before that and some units will start in FY23 itself. It will take ~6 months to stabilize. The Barmer-Palanpur pipeline would help in product offtake, while a plastics park is also coming up. HPCL sees demand rising for petchem. HPCL will still be short of products (for marketing).
- HMEL recorded 9M/Q3FY22 PAT of Rs14.0bn/Rs10.13bn. The petchem project should be ready by May'22 with products out by then. It is 98% complete as of now. The three major pipeline projects are moving ahead of schedule. HPCL has an operational pipeline capacity of 29.7mmtpa currently. A dedicated Hisar pipeline would optimize logistics cost.
- HPCL is making a roadmap in collaboration with an internationally renowned consultant for net zero emissions (Stage 1 & 2) by CY40, and details will be unveiled this calendar year. HPCL has placed an order for a 370tpa electrolyzer to be set up at VR by Dec'22 (one of the first OMCs). It aims to have 24ktpa of hydrogen capacity over a period of time.
- HPCL aims to use renewable power for both Vizag and Barmer refineries. In MR, it is already using RE power and was first to use open access power. The larger CDU replacement in MR (9mmtpa) would bring energy efficiency, while zero bottoms in VR would imply energy optimization across units. LNG and CNG are focus areas. Chhara LNG terminal (100% HPCL stake) work is underway in full swing (FY23 commissioning).
- The construction of a 100kl/d 2G bioethanol plant in Bhatinda is underway. HPCL targets 14tpd of CBG, while wind/solar capacity is at 110/48.8MW. It has 2 ethanol-sugar plants-mills in Bihar (8.54mn ltr of ethanol & 37.4kt of sugar output in FY22 YTD). HPCL's R&D center received 116 patents in a short span of 5 years. It was awarded Excellent under the MOU category and was named OMC of the year for 2021.

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- EBP-20 has been announced for implementation by CY25 (grain based 2G). It depends on availability though. Current EBP is at 8.6%, with HPCL being the leader. UP, Maharashtra, etc. have availability and HPCL is moving ethanol by rail etc. (was first). On the way for EBP-20. Pricing is remunerative for suppliers, while for OMCs it is a pass-through.
- HappyShop has received a good response and the aim is to open 10 shops in the immediate future and scale up to 700 in the next five years both online and offline. In Madurai, the physical store is yet to open and is operating online. All stores will be in the online-offline model. Bottled water marketing has also begun.
- Capex for FY22 and FY23 would be Rs145bn each and Rs110bn for FY24. 30%+ of next 5 years capex will be in non-traditional segments like green energy, CGD, non-fuel retail, petchem, gas, hydrogen etc. 20%+ would be on non-fossil fuel. D/A rose by Rs2bn due to MR commissioning.

Exhibit 3: Change in assumptions

	FY22E			FY23E			FY24E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
GRM (USD/bbl)	3.0	4.7	59%	5.0	5.2	4%	5.7	5.7	0%
Marketing Margin (Rs/mt)	5,153	5,319	3%	5,548	5,560	0%	5,607	5,675	1%
<i>Growth</i>	-12.1%	-9.3%	280bps	7.7%	4.5%	-320bps	1.1%	2.1%	100bps
Marketing Sales (mmt)	39	38	-1%	41	40	-1%	42	41	-1%
<i>Growth</i>	6.3%	4.7%	-160bs	4.8%	4.8%	0bps	2.8%	2.3%	-50bps

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY22E			FY23E			FY24E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	3,624	3,726	3%	3,592	3,673	2%	3,716	3,799	2%
EBITDA	120	123	3%	120	124	4%	136	138	2%
<i>EBITDA Margins</i>	3.3%	3.3%	1bps	3.3%	3.4%	6bps	3.6%	3.6%	-1bps
PAT	69	71	2%	55	59	6%	59	60	3%
EPS (Rs)	48.9	50	2%	39.1	41.6	6%	41.3	42.4	3%

Source: Company, Emkay Research

Valuation

Exhibit 5: SOTP Valuation – Mar'23E

Components	Basis	Mar'24E EBITDA	Multiple(x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Refining Standalone	EV/EBITDA	43	6.0	257	181	
Pipelines Standalone	EV/EBITDA	12	6.5	76	53	
Petrochemicals Standalone	EV/EBITDA	-		-	-	
Marketing Standalone	EV/EBITDA	84	6.5	545	384	
Core Business EV		138	6.3	878	619	Blended multiple at 6.3x
Less: Adj. Net Debt (Mar'23 End)				473	333	
Core Business Valuation				405	286	
Value of HMEL Stake	P/E			90	63	
Value of Listed Investments	TP/CMP			16	11	At 30% HoldCo Discount
Target Price-Fair Value					360	

Source: Company, Emkay Research

Exhibit 6: Schedule and Value of Investments

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	HPCL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr. to SOTP (Rs bn)	Per Share Value (Rs)
MRPL	Financial	CMP*1.12x	51	90	17.0%	15	30%	11	7.5
Oil India	Financial	TP (Emkay)	270	293	2.5%	7	30%	5	3.6
Total Listed						22		16	11

Source: Company, Emkay Research * 1.12x is taken as 1 year forward over CMP

Exhibit 7: Value of HMEL Stake

Components	Basis	Mar'24E PAT (Rs bn)	Multiple (x)	Equity value	HPCL stake	Pro-rata value	Holdco Disc.	Contr. To SOTP	Per Sh. Val. (Rs)
HPCL Mittal Energy Limited (HMEL)	P/E	30	6.0	180	50%	90	0%	90	63

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	26,87,664	23,29,968	37,25,987	36,72,866	37,99,489
Expenditure	26,27,695	21,70,714	36,02,795	35,48,456	36,61,108
EBITDA	59,970	1,59,254	1,23,192	1,24,410	1,38,381
Depreciation	33,044	35,527	39,768	50,109	61,254
EBIT	26,926	1,23,728	83,425	74,301	77,127
Other Income	18,382	17,779	18,248	18,876	20,399
Interest expenses	10,817	9,147	11,032	14,259	17,059
PBT	34,490	1,32,359	90,640	78,918	80,468
Tax	(4,362)	35,829	21,192	19,887	20,278
Extraordinary Items	(18,764)	10,109	1,500	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	26,373	1,06,639	70,948	59,031	60,190
Adjusted PAT	20,088	1,06,639	70,948	59,031	60,190

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	15,242	14,524	14,186	14,186	14,186
Reserves & surplus	2,74,382	3,47,337	3,85,953	4,24,323	4,63,447
Net worth	2,89,624	3,61,861	4,00,139	4,38,509	4,77,632
Minority Interest	0	0	0	0	0
Loan Funds	4,30,209	4,29,159	5,05,159	5,50,159	5,55,159
Net deferred tax liability	54,915	55,111	56,111	57,121	58,141
Total Liabilities	7,74,747	8,46,131	9,61,408	10,45,788	10,90,932
Net block	4,82,904	4,99,005	5,70,004	7,85,179	8,63,911
Investment	1,25,116	1,49,928	1,51,427	1,52,941	1,54,470
Current Assets	3,60,688	4,21,124	6,47,994	6,44,966	6,69,038
Cash & bank balance	1,132	2,372	1,434	6,664	9,708
Other Current Assets	4,260	4,395	7,029	6,928	7,167
Current liabilities & Provision	3,65,398	4,66,261	6,74,585	6,70,583	6,89,786
Net current assets	(4,710)	(45,137)	(26,591)	(25,617)	(20,749)
Misc. exp	0	0	0	0	0
Total Assets	7,74,747	8,46,131	9,61,408	10,45,788	10,90,932

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	16,109	1,14,581	72,392	60,042	60,069
Other Non-Cash items	3,186	21,638	1,500	0	0
Chg in working cap	(8,993)	41,864	(18,484)	5,265	(804)
Operating Cashflow	54,533	1,77,223	85,016	1,09,788	1,17,300
Capital expenditure	(1,82,633)	(1,22,526)	(1,35,000)	(1,32,000)	(1,00,000)
Free Cash Flow	(1,28,100)	54,697	(49,984)	(22,212)	17,300
Investments	(6,930)	(24,812)	(1,499)	(1,514)	(1,529)
Other Investing Cash Flow	29,524	2,277	0	0	0
Investing Cashflow	(1,41,657)	(1,27,282)	(1,18,251)	(1,14,638)	(81,130)
Equity Capital Raised	0	(718)	(339)	0	0
Loans Taken / (Repaid)	1,57,812	(1,050)	76,000	45,000	5,000
Dividend paid (incl tax)	(17,251)	(14,844)	(24,832)	(20,661)	(21,067)
Other Financing Cash Flow	(42,444)	(22,941)	(7,500)	0	0
Financing Cashflow	87,299	(48,700)	32,297	10,080	(33,125)
Net chg in cash	175	1,241	(938)	5,230	3,044
Opening cash position	956	1,132	2,372	1,434	6,664
Closing cash position	1,131	2,372	1,434	6,664	9,708

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY20	FY21	FY22E	FY23E	FY24E
EBITDA Margin	2.2	6.8	3.3	3.4	3.6
EBIT Margin	1.0	5.3	2.2	2.0	2.0
Effective Tax Rate	(12.6)	27.1	23.4	25.2	25.2
Net Margin	1.4	4.1	1.9	1.6	1.6
ROCE	6.5	17.5	11.2	9.3	9.1
ROE	7.0	32.7	18.6	14.1	13.1
RoIC	6.1	26.6	16.8	11.5	9.7

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	13.2	73.4	50.0	41.6	42.4
CEPS	34.9	97.9	78.0	76.9	85.6
BVPS	190.0	249.1	282.1	309.1	336.7
DPS	9.7	22.7	17.5	14.6	14.9

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	22.1	4.0	5.8	7.0	6.9
P/CEPS	8.4	3.0	3.7	3.8	3.4
P/BV	1.5	1.2	1.0	0.9	0.9
EV / Sales	0.3	0.3	0.2	0.2	0.2
EV / EBITDA	13.7	5.0	7.0	7.2	6.5
Dividend Yield (%)	3.3	7.8	6.0	5.0	5.1

Gearing Ratio (x)	FY20	FY21	FY22E	FY23E	FY24E
Net Debt/ Equity	1.3	1.0	1.1	1.1	1.0
Net Debt/EBIDTA	6.3	2.3	3.6	3.9	3.5
Working Cap Cycle (days)	15.6	25.8	25.8	25.8	25.8

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	(2.3)	(13.3)	59.9	(1.4)	3.4
EBITDA	(50.1)	165.6	(22.6)	1.0	11.2
EBIT	(70.1)	359.5	(32.6)	(10.9)	3.8
PAT	(56.3)	304.4	(33.5)	(16.8)	2.0

Quarterly (Rs mn)	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Revenue	6,86,592	7,48,434	7,24,434	8,30,645	9,66,024
EBITDA	33,015	46,664	32,643	30,136	18,707
EBITDA Margin (%)	4.8	6.2	4.5	3.6	1.9
PAT	23,546	30,180	17,950	19,235	8,689
EPS (Rs)	15.7	20.8	12.7	13.6	6.1

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-21	May-21	Jun-21	Sep-21	Dec-21
Promoters	53.5	54.9	54.9	54.9	54.9
FIIIs	16.3	16.1	17.8	18.3	20.2
DIIIs	18.9	18.2	16.3	15.9	15.1
Public and Others	11.2	10.8	11.0	10.9	9.8

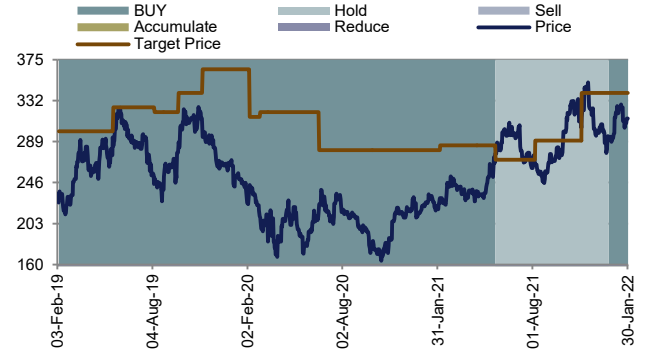
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
25-Dec-21	292	340	12m	Buy	Sabri Hazarika
23-Nov-21	319	340	12m	Hold	Sabri Hazarika
03-Nov-21	314	340	12m	Hold	Sabri Hazarika
06-Aug-21	265	290	12m	Hold	Sabri Hazarika
26-Jul-21	274	270	12m	Hold	Sabri Hazarika
23-Jun-21	300	270	12m	Hold	Sabri Hazarika
29-May-21	281	270	12m	Hold	Sabri Hazarika
22-May-21	276	270	12m	Hold	Sabri Hazarika
23-Apr-21	234	285	12m	Buy	Sabri Hazarika
23-Mar-21	239	285	12m	Buy	Sabri Hazarika
18-Mar-21	234	285	12m	Buy	Sabri Hazarika
05-Feb-21	225	285	12m	Buy	Sabri Hazarika
06-Jan-21	221	280	12m	Buy	Sabri Hazarika
26-Nov-20	213	280	12m	Buy	Sabri Hazarika
05-Nov-20	205	280	12m	Buy	Sabri Hazarika
28-Sep-20	184	280	12m	Buy	Sabri Hazarika
23-Sep-20	177	280	12m	Buy	Sabri Hazarika
08-Aug-20	214	280	12m	Buy	Sabri Hazarika
18-Jun-20	223	280	12m	Buy	Sabri Hazarika
03-Jun-20	197	320	12m	Buy	Sabri Hazarika
06-May-20	203	320	12m	Buy	Sabri Hazarika
26-Feb-20	209	320	12m	Buy	Sabri Hazarika
06-Feb-20	243	315	12m	Buy	Sabri Hazarika
24-Jan-20	245	365	12m	Buy	Sabri Hazarika
04-Dec-19	270	365	12m	Buy	Sabri Hazarika
08-Nov-19	294	365	12m	Buy	Sabri Hazarika
25-Oct-19	301	340	12m	Buy	Sabri Hazarika
23-Sep-19	288	340	12m	Buy	Sabri Hazarika
08-Aug-19	250	320	12m	Buy	Sabri Hazarika
10-Jun-19	306	325	12m	Buy	Sabri Hazarika
21-May-19	285	325	12m	Buy	Sabri Hazarika
06-Feb-19	234	300	12m	Buy	Sabri Hazarika

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 12 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 based on Current NAV	Change vs last published EAP (bps)
Oil & Gas	10.49	10.49	0%	0	100.00	
BPCL	0.39	0.41	5%	2	3.90	25
GAIL	0.26	0.26	1%	0	2.50	5
Gujarat Gas	0.11	0.10	-8%	-1	1.00	0
Gujarat State Petronet	0.08	0.08	-6%	-1	0.75	-5
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00	0
HPCL	0.20	0.21	6%	1	2.00	10
Indian Oil	0.31	0.34	7%	2	3.20	30
Indraprastha Gas	0.14	0.13	-3%	0	1.25	-15
Petronet LNG	0.16	0.16	-1%	0	1.50	0
Oil India	0.08	0.09	10%	1	0.89	9
ONGC	0.62	0.71	14%	9	6.75	55
Reliance Industries	8.13	8.00	-2%	-13	76.25	-105
Cash	0.00	0.00	NA	0	0.01	-9

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-Jan-21	30-Jul-21	29-Oct-21	31-Dec-21	31-Jan-22
EAP - Oil & Gas	100.0	116.1	130.3	158.1	147.5	151.4
BSE200 Neutral Weighted Portfolio (ETF)	100.0	115.3	130.2	157.2	146.6	150.2

*Performance measurement base date 1st April 2019

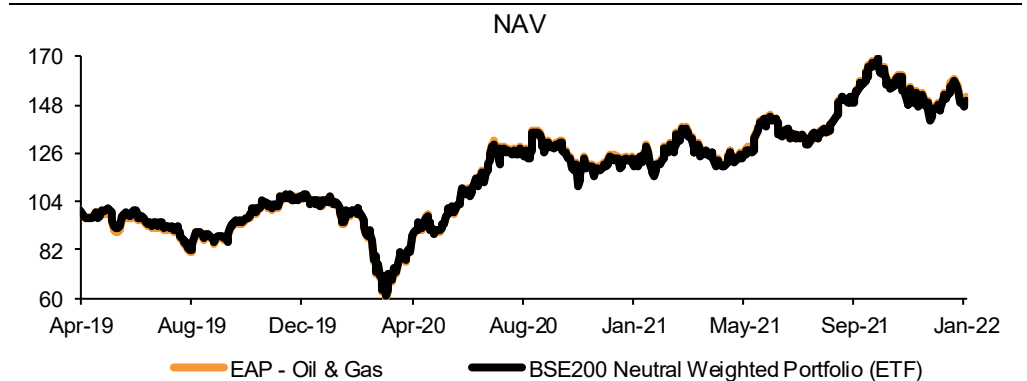
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Oil & Gas	2.7%	-4.2%	16.2%	30.4%
BSE200 Neutral Weighted Portfolio (ETF)	2.4%	-4.5%	15.4%	30.3%

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 Feb 2022 03:46:29 (SGT)

Dissemination Date: 02 Feb 2022 03:47:29 (SGT)

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