Indian Oil

Your success is our success

LPG subsidy restricts Q2 losses, GRMs better, valuations reasonable

CMP	Target Price
Rs 68	Rs 85 (▼)
as of (October 30, 2022)	12 months
Rating	Upside
BUY (■)	24.4 %

- IOCL reported Q2FY23 S/A adj. (ex-subsidy) EBITDA loss of Rs57.1bn vs. our loss est. of Rs86.8bn on better-than-expected GRMs. Adj. net loss stood at Rs82bn (vs. Rs107.9bn loss est). One-time LPG subsidy of Rs108bn led to reported net loss narrowing to Rs2.4bn.
- Reported/core GRM was USD18.5/bbl each (vs. USD7.6/14.0 est.), implying surprisingly nil inventory loss. While marketing inventory loss is undisclosed, implied blended margin could be negative Rs5/kg+ (vs. –Rs2.3 est.) with a sizeable miss in non-auto LPG margins.
- The marketing margin miss, nil refining inventory loss, and treatment of windfall taxes are unclear; and with continuing auto fuel RSP freeze and limited subsidy, FY23 earnings look clouded. Pricing should, however normalize post-Gujarat elections and inflation easing.
- We have cut FY23E EPS by 33%, building higher marketing losses, lower petchem earnings, and forex losses (FY24/25E slightly changed). We have cut our Sept-23E TP by 5% to Rs85 but retain Buy on a reasonable valuation of 0.7x PB. We expect a better H2.

Highlights: Employee costs were 20% below our estimate at Rs21.9bn, while other expenditure rose 20% yoy/6% qoq to Rs111.3bn (3% above est.). Other income rose 73% yoy to Rs22bn, while forex loss was high at Rs30.5bn in Q2. Interest cost fell 16% qoq to Rs14.4bn, though gross debt was up 29% qoq at Rs1.40trn on higher working capital needs. Petchem EBIT loss was Rs1.3bn (vs. +Rs2.9bn est.), with volume down 17% qoq. Refinery utilization stood at 91% in Q2 due to turnaround. High sulfur crude share fell from 58-60% to 55% in Q2. IOCL's domestic sales volume was up 14% yoy vs. 10% for the industry with petrol/diesel up 15%/24% vs. 9%/11%. Exports were down during the quarter. Q2FY23 capex stood at Rs79bn as per PPAC. Core EPS remained negative in Q2.

Guidance: There was not much RTP benefit from windfall taxes as IOCL only procures some volumes from CPCL in the domestic market. Results were impacted by slump in marketing margins. Capex target remains unchanged.

Outlook: FY23 earnings outlook remains cloudy and we have lowered our estimates but directionally building some profits for the year. Marketing under-recovery on diesel persists at Rs10-12/ltr; hence, RSP hikes are required. We believe pricing should normalize post-Gujarat elections. With a counter-cyclical international propane-butane pricing this time, LPG margins have turned positive. We have raised our GRM assumptions for FY23 while lowering marketing and petchem earnings. We stay constructive on OMCs on reasonable valuations at 0.7x S/A PB and potential recovery in marketing margins and expecting significantly better overall earnings in H2FY23.

Valuation: We value IOCL on SOTP basis, with core business at 5.5x Sep-24E EV/EBITDA (unchanged) and investments at 30% holdco discount. We retain our Buy rating on the stock. Key risks: Adverse commodity prices and margins/currency/polices and project issues.

Please see our sector model portfolio (Emkay Alpha Portfolio): Oil & Gas (Page 8)

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net Sales	37,49,811	59,43,059	86,99,457	76,53,251	69,11,408
EBITDA	3,92,663	4,47,142	1,95,993	3,63,709	3,78,694
EBITDA Margin (%)	10.4	7.5	2.2	4.7	5.4
APAT	2,27,201	2,42,118	71,797	1,69,660	1,70,071
EPS (Rs)	24.7	26.4	5.2	12.3	12.3
EPS (% chg)	283.4	6.6	(80.2)	136.3	0.2
ROE (%)	22.2	20.0	5.4	12.1	11.4
P/E (x)	2.8	2.6	13.1	5.6	5.5
EV/EBITDA (x)	3.9	3.9	10.6	5.9	5.7
P/BV (x)	0.6	0.5	0.7	0.7	0.6

Source: Company, Emkay Research

Change in Estimates	
EPS Chg FY23E/FY24E (%)	(33)/(1)
Target Price change (%)	(5.4)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates	FY23E	FY24E
Emkay	5.2	12.3
Consensus	8.2	12.9
Mean Consensus TP (12M)		Rs 85

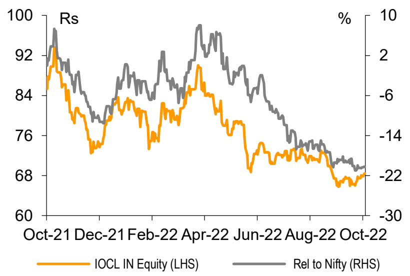
Stock Details	
Bloomberg Code	IOCL IN
Face Value (Rs)	10
Shares outstanding (mn)	14,121
52 Week H/L	95 / 65
M Cap (Rs bn/USD bn)	967 / 11.72
Daily Avg Volume (nos.)	1,74,23,190
Daily Avg Turnover (US$ mn)	14.8

Shareholding Pattern	Jul '22
Promoters	51.5%
FIIs	8.2%
DIIs	11.5%
Public and Others	28.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	4	(5)	(21)	(20)
Rel. to Nifty	(1)	(10)	(23)	(20)

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: Actuals vs. Estimates (Q2FY23)

Rs bn	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	19,66,843	18,74,051	19,15,978	5%	3%	
Adjusted EBITDA	(57,054)	(86,786)	(51,783)	-34%	10%	Better-than-expected GRMs
EBITDA Margin (%)	*-2.9%*	*-4.6%*	*-2.7%*	*173bps*	*-193bps*	
Adjusted Net Profit	(82,001)	(1,07,905)	(53,882)	-24%	NM	Higher other income and lower finance costs

Source: Company, Emkay Research; Note – LPG subsidy of Rs108bn is adjusted in AEBITDA and APAT

Exhibit 2: Detailed quarterly summary

Rs mn	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY	QoQ	H1FY22	H1FY23	YoY
Revenue	**13,54,105**	**16,67,882**	**17,72,873**	**22,42,526**	**19,66,843**	**45%**	**-12%**	**25,40,810**	**42,09,369**	**66%**
COGS	11,23,605	14,39,701	15,03,918	20,65,991	18,90,692	68%	-8%	20,88,487	39,56,683	89%
Gross Profit	**2,30,500**	**2,28,181**	**2,68,956**	**1,76,535**	**76,151**	**-67%**	**-57%**	**4,52,323**	**2,52,686**	**-44%**
Opex	1,19,605	1,34,080	1,40,970	1,29,615	1,33,206	11%	3%	2,25,659	2,62,820	16%
Total Expenditure	12,43,210	15,73,781	16,44,888	21,95,606	20,23,897	63%	-8%	23,14,147	42,19,503	82%
EBITDA	**1,10,895**	**94,100**	**1,27,986**	**46,920**	**(57,054)**	**-151%**	**-222%**	**2,26,663**	**(10,134)**	**-104%**
Depreciation	27,057	27,787	28,873	28,471	29,617	9%	4%	53,399	58,088	9%
Interest	9,857	9,791	16,072	17,247	14,410	46%	-16%	22,427	31,657	41%
Other Income	12,730	13,753	9,517	6,837	21,984	73%	222%	18,366	28,821	57%
Exceptional Items	(4,687)	4,671	(1,740)	(3,961)	1,07,185			(3,294)	1,03,224	
Forex Gain/(Losses)	1,680	(150)	(9,970)	(29,370)	(30,530)			(4,220)	(59,900)	
PBT	83,703	74,796	80,847	(25,292)	(2,442)			1,61,688	(27,735)	-117%
Tax	20,103	16,188	20,628	(5,367)	281			38,674	(5,086)	-113%
PAT	**63,600**	**58,608**	**60,219**	**(19,925)**	**(2,724)**			**1,23,014**	**-22,649**	**-118%**
Adjusted PAT	**67,162**	**54,948**	**61,515**	**(16,805)**	**(82,001)**			**1,25,514**	**(98,806)**	**-179%**
Adjusted EPS (Rs)	7.3	6.0	6.7	(1.8)	(6.0)			13.7	(7.8)	-157%
Tax Rate	24%	22%	26%	21%	-12%			24%	18%	
Core EBITDA*	79,895	1,57,100	(1,24,015)	720	(58,054)			1,05,663	(57,334)	-154%
Core PAT*	41,671	99,690	(1,19,263)	(28,545)	(59,913)			36,055	(88,457)	-345%
Core EPS (Rs)*	4.5	10.9	(13.0)	(3.1)	(4.4)			3.9	(7.5)	-290%
Refining Volumes (mmt)	**15.3**	**17.4**	**18.3**	**18.9**	**16.1**	**5%**	**-15%**	**32.0**	**35.0**	**9%**
Reported GRM (USD/bbl)	**6.6**	**12.0**	**18.5**	**31.8**	**18.5**	**182%**	**-42%**	**6.6**	**25.7**	**291%**
Core GRM (USD/bbl)*	4.5	9.4	13.0	25.3	18.5		-27%	3.3	22.2	581%
Adjusted Refining EBITDA*	18,600	76,080	1,55,899	3,10,891	1,42,439		-54%	49,420	4,53,330	
Marketing Volumes (mmt)	20.2	22.6	23.3	24.6	22.4	11%	-9%	40.5	47.1	16%
Diesel	7.3	8.7	8.8	10.4	9.0	24%	-13%	15.2	19.4	28%
Petrol	3.1	3.2	3.2	3.7	3.6	15%	-2%	5.9	7.3	24%
Marketing Margin (Rs/mt)*	**6,402**	**7,783**	**(6,343)**	**(7,015)**	**(5,558)**			**5,017**	**(6,321)**	
Adjusted Marketing EBITDA*	41,040	(17,743)	(52,713)	(2,86,771)	(2,17,793)			89,655	(5,04,564)	
Marketing Inventory Gain/(Losses)*	14,000	(88,000)	1,96,000	(22,800)	1,000			64,000	(21,800)	
Pipeline Volumes (mmt)	19.5	21.8	22.1	24.6	23.6	21%	-4%	39.4	48.3	23%
Pipeline EBITDA*	14,500	16,490	17,000	18,000	17,500	21%	-3%	30,240	35,500	17%
Petchem EBITDA*	18,120	9,820	7,800	4,800	800	-96%	-83%	38,010	5,600	-85%
Gross Debt	8,40,020	8,83,230	11,07,990	10,89,000	14,03,220	67%	29%	8,40,020	14,03,220	67%
Implied Net Debt	7,55,128	7,95,844	10,17,330	10,00,051	13,15,982	74%	32%	7,55,128	13,15,982	74%
Net Under-recovery	-	-	-	-	-			-	-	-

Source: Company, Emkay Research
**Note: IOCL discontinued reporting marketing inventory gain/loss figures; hence, these are estimates. It discontinued segmental EBITDA reporting as well from Q4FY22.*

Exhibit 3: Change in assumptions

	FY23E			FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
GRM (USD/bbl)	16.5	18.0	9%	8.0	8.0	0%	7.0	7.0	0%
Marketing Margin (Rs/mt)	732	-1,114	-252%	4,722	4,494	-5%	5,145	5,035	-2%
Growth	*-80.9%*	*-152.5%*	*NM*	*545.3%*	*-503.4%*	*NM*	*9.0%*	*12.0%*	*309bps*
Marketing Sales (mmt)	96	97	0%	100	99	-1%	103	102	0%
Growth	*11.6%*	*11.8%*	*20bs*	*3.5%*	*2.7%*	*-75bps*	*2.7%*	*2.8%*	*10bps*

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY23E			FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	9,143	8,742	-4%	6,502	7,696	18%	6,221	6,955	12%
EBITDA	309	196	-37%	377	364	-4%	382	379	-1%
EBITDA Margin	*3.4%*	*2.2%*	*-114bps*	*5.8%*	*4.7%*	*-107bps*	*6.1%*	*5.4%*	*-70bps*
PAT	107	72	-33%	172	170	-1%	167	170	2%
EPS (Rs)	7.7	5.2	-33%	12.5	12.3	-1%	12.1	12.3	2%

Source: Company, Emkay Research

Valuation

Exhibit 5: SOTP Valuation – Sep'23E

Components	Basis	Sept'24 EBITDA	Multiple(x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Refining Standalone	EV/EBITDA	207	5.5	1,141	83	
Pipelines Standalone	EV/EBITDA	74	5.5	406	29	
Petrochemicals Standalone	EV/EBITDA	35	5.5	194	14	
Marketing Standalone	EV/EBITDA	55	5.5	301	22	
Core Business EV		**371**	**5.5**	**2,042**	**148**	**Blended Multiple at 5.5x**
Less: Adj. Net Debt (Sept'23 End)				1,082	79	
Core Business Valuation				**960**	**70**	
Value of Investments	TP/CMP			213	15	At 30% holdco discount
Target Price-Fair Value					**85**	

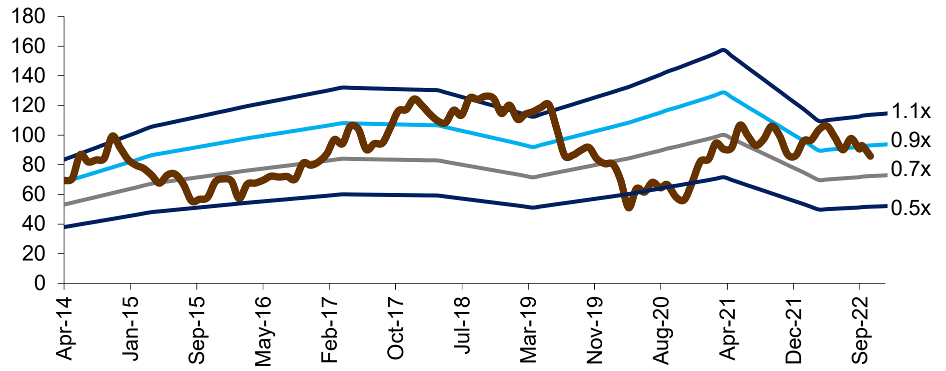
Source: Company, Emkay Research

Exhibit 6: Schedule and Value of Investments (Sep-23E Valuation)

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	IOCL Stake	Pro-rata Value (Rs bn)	Holdco Discount	Contr. to SOTP (Rs bn)	Per Share Value (Rs)
CPCL	Subsidiary	CMP*1.12x	242	36	51.9%	19	30%	13	1.0
Lanka IOC	Subsidiary	CMP*1.12x	48	22	75.1%	16	30%	12	0.8
PLNG	JV	TP (Emkay)	260	390	12.5%	49	30%	34	2.5
ONGC	Financial	TP (Emkay)	190	2,390	7.8%	187	30%	131	9.5
GAIL	Financial	TP (Emkay)	120	789	2.4%	19	30%	13	1.0
Oil India	Financial	TP (Emkay)	260	282	4.9%	14	30%	10	0.7
Total Listed						**304**		**213**	**15.5**

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

Exhibit 7: IOCL's P/B band chart



Source: Company, Emkay Research

Key Financials (Standalone)

Income Statement

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net Sales	**37,49,811**	**59,43,059**	**86,99,457**	**76,53,251**	**69,11,408**
Expenditure	**33,87,913**	**55,34,496**	**85,45,900**	**73,32,402**	**65,76,431**
EBITDA	**3,92,663**	**4,47,142**	**1,95,993**	**3,63,709**	**3,78,694**
Depreciation	98,043	1,10,059	1,15,974	1,30,253	1,47,935
EBIT	**2,94,620**	**3,37,083**	**80,019**	**2,33,456**	**2,30,759**
Other Income	33,963	43,243	47,580	49,686	51,882
Interest expenses	30,939	48,291	69,624	56,324	55,274
PBT	**2,97,644**	**3,32,034**	**57,975**	**2,26,818**	**2,27,367**
Tax	69,955	75,213	19,188	57,158	57,297
Extraordinary Items	(487)	(14,703)	33,010	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	**2,18,360**	**2,41,841**	**68,057**	**1,69,660**	**1,70,071**
Adjusted PAT	**2,27,201**	**2,42,118**	**71,797**	**1,69,660**	**1,70,071**

Balance Sheet

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	91,810	91,810	1,37,716	1,37,716	1,37,716
Reserves & surplus	10,13,190	12,21,053	12,15,982	13,05,902	13,94,339
Net worth	**11,05,000**	**13,12,864**	**13,53,698**	**14,43,617**	**15,32,054**
Minority Interest	**0**	**0**	**0**	**0**	**0**
Loan Funds	**10,23,275**	**11,94,628**	**12,24,628**	**12,84,628**	**12,94,628**
Net deferred tax liability	1,29,647	1,36,274	1,31,274	1,26,374	1,21,572
Total Liabilities	**22,57,923**	**26,43,765**	**27,09,599**	**28,54,619**	**29,48,254**
Net block	**14,33,999**	**14,68,888**	**15,39,073**	**17,37,206**	**18,98,100**
Investment	**4,86,194**	**5,77,866**	**5,84,422**	**5,91,058**	**5,97,776**
Current Assets	**10,89,826**	**13,92,176**	**19,85,439**	**17,63,922**	**16,07,012**
Cash & bank balance	16,684	8,830	7,355	9,825	11,327
Other Current Assets	78,660	96,606	97,572	98,547	99,533
Current liabilities & Provision	**10,82,618**	**12,39,626**	**18,88,241**	**16,28,691**	**14,67,534**
Net current assets	**7,208**	**1,52,550**	**97,198**	**1,35,230**	**1,39,477**
Misc. exp	0	0	0	0	0
Total Assets	**22,57,923**	**26,43,765**	**27,09,599**	**28,54,619**	**29,48,254**

Cash Flow

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	**2,63,681**	**2,88,792**	**10,395**	**1,77,132**	**1,75,485**
Other Non-Cash items	31,335	(27,768)	33,010	0	0
Chg in working cap	2,10,790	(1,46,570)	48,877	(40,462)	(7,547)
Operating Cashflow	**4,87,840**	**2,11,773**	**2,54,951**	**2,66,089**	**3,13,851**
Capital expenditure	(2,28,368)	(2,58,888)	(2,30,605)	(2,30,605)	(2,30,605)
Free Cash Flow	**2,59,472**	**(47,114)**	**24,347**	**35,484**	**83,246**
Investments	(94,809)	(91,672)	(6,555)	(6,636)	(6,718)
Other Investing Cash Flow	78,637	1,06,349	0	0	0
Investing Cashflow	**(2,10,577)**	**(2,00,968)**	**(1,89,579)**	**(1,87,555)**	**(1,85,441)**
Equity Capital Raised	0	0	45,905	0	0
Loans Taken / (Repaid)	(1,42,175)	1,71,353	30,000	60,000	10,000
Dividend paid (incl tax)	(83,832)	(1,08,960)	(27,223)	(79,740)	(81,634)
Other Financing Cash Flow	(9,524)	(32,762)	(45,905)	0	0
Financing Cashflow	**(2,66,470)**	**(18,659)**	**(66,847)**	**(76,064)**	**(1,26,908)**
Net chg in cash	**10,793**	**(7,854)**	**(1,475)**	**2,470**	**1,502**
Opening cash position	5,891	16,684	8,830	7,355	9,825
Closing cash position	**16,684**	**8,829**	**7,355**	**9,825**	**11,327**

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	10.4	7.5	2.2	4.7	5.4
EBIT Margin	7.8	5.6	0.9	3.0	3.3
Effective Tax Rate	23.5	22.7	33.1	25.2	25.2
Net Margin	6.0	4.3	0.4	2.2	2.4
ROCE	14.7	15.5	4.8	10.2	9.7
ROE	22.2	20.0	5.4	12.1	11.4
RoIC	15.3	17.2	3.3	10.0	8.9

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	24.7	26.4	5.2	12.3	12.3
CEPS	35.4	38.4	13.6	21.8	23.1
BVPS	120.4	143.0	98.3	104.8	111.2
DPS	12.0	12.6	2.0	5.8	5.9

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	2.8	2.6	13.1	5.6	5.5
P/CEPS	1.9	1.8	5.0	3.1	3.0
P/BV	0.6	0.5	0.7	0.7	0.6
EV / Sales	0.4	0.3	0.2	0.3	0.3
EV / EBITDA	3.9	3.9	10.6	5.9	5.7
Dividend Yield (%)	17.5	18.4	2.9	8.5	8.7

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.8	0.8	0.8	0.8	0.8
Net Debt/EBIDTA	2.3	2.5	5.8	3.3	3.2
Working Cap Cycle (days)	52.2	46.0	46.0	46.0	46.0

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(22.0)	58.5	46.4	(12.0)	(9.7)
EBITDA	70.3	13.9	(56.2)	85.6	4.1
EBIT	106.1	14.4	(76.3)	191.8	(1.2)
PAT	1,562.8	10.8	(71.9)	149.3	0.2

Quarterly (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Revenue	13,54,105	16,67,882	17,72,873	22,42,526	19,66,843
EBITDA	1,10,895	94,100	1,27,986	46,920	(57,054)
EBITDA Margin (%)	**8.2**	**5.6**	**7.2**	**2.1**	**(2.9)**
PAT	63,600	58,608	60,219	(19,925)	(2,724)
EPS (Rs)	**6.9**	**6.4**	**6.6**	**(2.2)**	**(0.2)**

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-21	Dec-21	Mar-22	Jun-22	Jul-22
Promoters	51.5	51.5	51.5	51.5	51.5
FIIs	7.2	7.9	8.4	8.2	8.2
DIIs	4.6	12.5	11.3	11.5	11.5
Public and Others	36.7	28.1	28.8	28.8	28.8

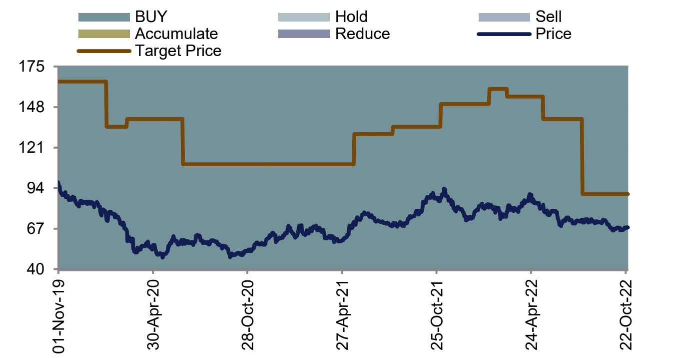
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
07-Sep-22	71	90	12m	Buy	Sabri Hazarika
31-Jul-22	73	90	12m	Buy	Sabri Hazarika
15-Jul-22	70	140	12m	Buy	Sabri Hazarika
28-Jun-22	72	140	12m	Buy	Sabri Hazarika
22-May-22	78	140	12m	Buy	Sabri Hazarika
17-May-22	83	140	12m	Buy	Sabri Hazarika
09-Mar-22	78	155	12m	Buy	Sabri Hazarika
03-Feb-22	83	160	12m	Buy	Sabri Hazarika
25-Dec-21	74	150	12m	Buy	Sabri Hazarika
23-Nov-21	84	150	12m	Buy	Sabri Hazarika
02-Nov-21	87	150	12m	Buy	Sabri Hazarika
02-Aug-21	70	135	12m	Buy	Sabri Hazarika
26-Jul-21	70	130	12m	Buy	Sabri Hazarika
23-Jun-21	75	130	12m	Buy	Sabri Hazarika
29-May-21	73	130	12m	Buy	Sabri Hazarika
20-May-21	70	130	12m	Buy	Sabri Hazarika
23-Apr-21	59	110	12m	Buy	Sabri Hazarika
23-Mar-21	65	110	12m	Buy	Sabri Hazarika
18-Mar-21	65	110	12m	Buy	Sabri Hazarika
26-Nov-20	57	110	12m	Buy	Sabri Hazarika
03-Oct-20	49	110	12m	Buy	Sabri Hazarika
28-Sep-20	50	110	12m	Buy	Sabri Hazarika
23-Sep-20	51	110	12m	Buy	Sabri Hazarika
04-Aug-20	58	110	12m	Buy	Sabri Hazarika
26-Jun-20	59	110	12m	Buy	Sabri Hazarika
03-Jun-20	58	140	12m	Buy	Sabri Hazarika
06-May-20	51	140	12m	Buy	Sabri Hazarika
11-Mar-20	65	140	12m	Buy	Sabri Hazarika
01-Feb-20	73	135	12m	Buy	Sabri Hazarika
24-Jan-20	80	165	12m	Buy	Sabri Hazarika
04-Dec-19	85	165	12m	Buy	Sabri Hazarika
01-Nov-19	95	165	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 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	**9.79**	**9.71**	**-1%**	**-7**	**100.00**	
BPCL	0.28	0.30	9%	2	3.07	0
GAIL	0.22	0.24	9%	2	2.43	18
Gujarat Gas	0.08	0.08	-7%	-1	0.80	0
Gujarat State Petronet	0.00	0.01	NA	1	0.10	0
Gulf Oil Lubricants	0.00	0.00	NA	0	0.00	0
HPCL	0.13	0.14	9%	1	1.42	0
Indian Oil	0.25	0.27	9%	2	2.75	0
Indraprastha Gas	0.14	0.16	14%	2	1.65	0
Petronet LNG	0.14	0.14	-1%	0	1.45	0
Oil India	0.06	0.07	16%	1	0.75	0
ONGC	0.49	0.56	15%	7	5.70	-15
Reliance Industries	8.00	7.74	-3%	-26	79.12	0
Cash	**0.00**	**0.07**	**NA**	**7**	**0.76**	**-4**

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	27-Oct-21	28-Apr-22	29-Jul-22	28-Sep-22	27-Oct-22
EAP - Oil & Gas	100.0	163.6	171.2	152.0	141.5	148.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	162.7	170.1	151.0	140.6	147.2

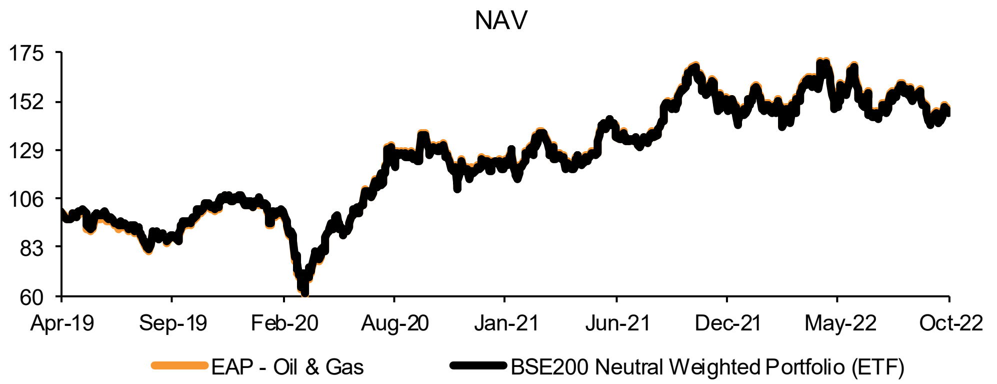
**Performance measurement base date 1st April 2019*
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Oil & Gas	4.6%	-2.6%	-13.5%	-9.5%
BSE200 Neutral Weighted Portfolio (ETF)	4.7%	-2.5%	-13.5%	-9.5%

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: 30 Oct 2022 23:27:12 (SGT)
Dissemination Date: 30 Oct 2022 23:28:12 (SGT)

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