

November 3, 2023

## Company Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

|                     | Current     |       | Previous    |       |
|---------------------|-------------|-------|-------------|-------|
|                     | FY25E       | FY26E | FY25E       | FY26E |
| <b>Rating</b>       | <b>HOLD</b> |       | <b>HOLD</b> |       |
| <b>Target Price</b> | <b>208</b>  |       | <b>208</b>  |       |
| Sales (Rs. bn)      | 558         | 551   | 558         | 548   |
| % Chng.             | 0.0         | 0.6   |             |       |
| EBITDA (Rs. bn)     | 45          | 47    | 44          | 44    |
| % Chng.             | 1.4         | 7.1   |             |       |
| EPS (Rs.)           | 19.3        | 20.6  | 19.0        | 19.0  |
| % Chng.             | 1.6         | 8.3   |             |       |

### Key Financials - Standalone

| Y/e Mar         | FY23  | FY24E  | FY25E | FY26E |
|-----------------|-------|--------|-------|-------|
| Sales (Rs. bn)  | 599   | 558    | 551   | 564   |
| EBITDA (Rs. bn) | 49    | 45     | 47    | 48    |
| Margin (%)      | 8.1   | 8.0    | 8.6   | 8.5   |
| PAT (Rs. bn)    | 32    | 29     | 31    | 31    |
| EPS (Rs.)       | 21.6  | 19.3   | 20.6  | 20.8  |
| Gr. (%)         | (3.4) | (10.6) | 6.5   | 1.1   |
| DPS (Rs.)       | 10.0  | 8.9    | 9.5   | 9.6   |
| Yield (%)       | 5.1   | 4.6    | 4.9   | 4.9   |
| RoE (%)         | 22.8  | 18.4   | 17.8  | 16.4  |
| RoCE (%)        | 28.8  | 23.1   | 21.9  | 19.9  |
| EV/Sales (x)    | 0.4   | 0.4    | 0.4   | 0.4   |
| EV/EBITDA (x)   | 4.9   | 5.0    | 4.5   | 4.2   |
| PE (x)          | 9.1   | 10.2   | 9.5   | 9.4   |
| P/BV (x)        | 2.0   | 1.8    | 1.6   | 1.5   |

### Key Data

### PLNG.BO | PLNG IN

|                     |                     |
|---------------------|---------------------|
| 52-W High / Low     | Rs.254 / Rs.193     |
| Sensex / Nifty      | 64,364 / 19,231     |
| Market Cap          | Rs.294bn/ \$ 3,531m |
| Shares Outstanding  | 1,500m              |
| 3M Avg. Daily Value | Rs.761.56m          |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 50.00 |
| Foreign                 | 33.31 |
| Domestic Institution    | 5.93  |
| Public & Others         | 10.76 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M     | 6M     | 12M   |
|----------|--------|--------|-------|
| Absolute | (18.1) | (17.2) | (3.1) |
| Relative | (16.6) | (21.3) | (8.4) |

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# Petronet LNG (PLNG IN)

**Rating: HOLD | CMP: Rs196 | TP: Rs208**

## Oops!...I did it again

### Quick Pointers

- The board of Petronet LNG (PLNG IN) approved PDH-PP project with a capital outlay of Rs207bn.
- Our estimate suggests that the project would barely deliver ROCE of 3%, much lower than average ROCE of 24.9% in past decade

*The recent announcement of PLNG is not the first time that the management has announced projects that have the potential of sharply eroding its return ratios. The company had a net cash of Rs30b in FY19. Since then, there have been several announcements that have challenged the fundamental nature of its business. The recent board approval (net cash of Rs78bn) is likely to not only strain its balance sheet but also result in incremental ROCE of 3% at current spreads. We have already witnessed the poor performance of two gas based petrochem plants- GAIL & OPaL since past few years. RIL's petrochem performance is different as it has option to process multiple feedstock. We estimate EPS CAGR of 3.3% during FY24-26E. The stock is trading at 10.6x FY25 EPS and 5.1x FY25 EV/EBITDA. We value the stock at 10x FY26 EPS and reiterate our 'Hold' stand with a TP of Rs 208 on the company.*

- A slew of announcements that spooked investors:** In Feb'19, the company announced that it signed up an MoU with Tellurian, US to invest in its upstream project as well as its upcoming liquefaction project. After much deliberation, the MoU was called off by 2020-end, much to the reprise of the investors. In FY21, the company announced its intent to come up with a petrochem project based on imported propane at Dahej. In FY22, the company formulated its vision 1-5-10-40 with the intention of achieving Rs1tr in revenues in next five years with PAT of Rs100bn at a capital expenditure of Rs400bn. In between, there were announcements of foraying into LNG retailing as well as compressed bio-gas, both with questionable profitability.
- Our estimates suggest meagre 3% ROCE for the Rs207bn PDH-PP plant:** Long term (20yrs) PP-P delta stands at USD542/mt. Using that, assuming D/E of 2 and interest cost of meagre 5%, we estimate a ROCE of 3%, compared with last ten years ROCE of 24.9% for PLNG. One just has to look at petrochem plants of GAIL and OPaL to draw conclusions on the fate of petrochem plant in India based on imported feedstock. OPaL has posted negative ROCE in three out of five past years. Maximum ROCE has been 7.2%, that too with nil effective tax rate due to accumulated losses. Similar has been the fate of GAIL's petrochem segment. Even if we exclude the losses in past 10 years, the average post-tax ROCE of the past decade stands at 4.8%.
- Upcoming terminals & domestic supply a major concern:** HPCL's Chhara LNG project is mechanically completed awaiting pipeline completion to start operations. Dabhol's breakwater facility is expected to be completed within next few months and the full capacity would be available from next monsoon, if not earlier. Dhamra LNG terminal is also operating at ~50% utilization and has scope for further ramp up. Petronet's own Dahej LNG terminal is expected

to be expanded from 17.5mmtpa to 22.5mmtpa, the utilization of the incremental capacity being under clouds. Additionally, ONGC is expected to add ~10mmscmd incrementally from KG-DWN-98/2. Except Kochi, all LNG terminals have broadly similar tariff. Hence, in addition to the uneconomical expansion in petrochemicals, utilization of Dahej's existing assets are under threat.

- **Valuation and recommendation:** PLNG is trading at 10.6x FY25 EPS and 5.1x FY25 EV/EBITDA. We expect that the petrochemical expansions as well as threat of underutilization would mar the stock performance of the company. We value the company at 10x FY26 EPS and recommend HOLD with a target price of Rs208. Key risks to our assumption would be a) revoking of the petrochemical expansion, and b) any policy which mandates faster adoption of natural gas by industries, thereby increasing demand of LNG.

#### Exhibit 1: 5yr average of PP-Propane (USD/mt)

| 2001-2005 | 2006-2010 | 2011-2015 | 2016-2020 | 2021-2023 |
|-----------|-----------|-----------|-----------|-----------|
| 316       | 618       | 751       | 424       | 638       |

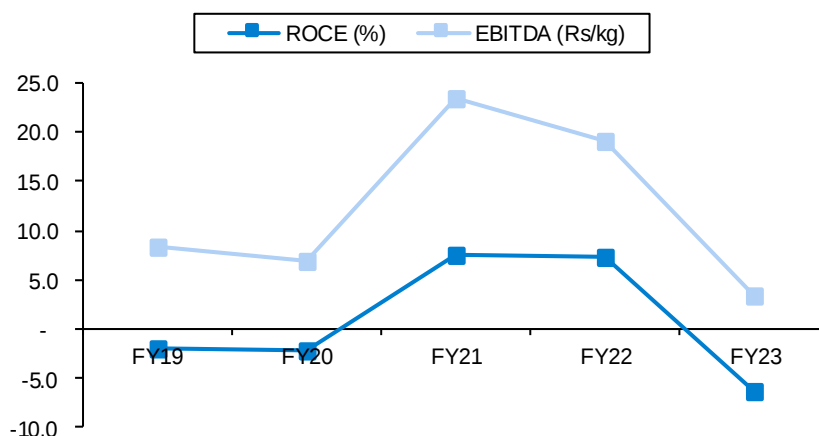
Source: Company, PL

#### Exhibit 2: ROCE of 3% estimated for the Rs 207bn PDH-PP plant

| Particulars                 | Amount        | Remarks                              |
|-----------------------------|---------------|--------------------------------------|
| <b>Gross margin (USDmn)</b> | <b>282</b>    | Assuming current spread of USD480/mt |
| Opex (USDmn)                | 75            | assuming an opex of USD100/mt        |
| <b>EBITDA (USDmn)</b>       | <b>207</b>    |                                      |
| Exchange rate (Rs/USD)      | 82            |                                      |
| <b>EBITDA (Rsmn)</b>        | <b>16,974</b> |                                      |
| Depr (Rsmn)                 | 8,400         | assuming 25yrs                       |
| <b>EBIT (Rsmn)</b>          | <b>8,574</b>  |                                      |
| Interest cost               | 7,000         |                                      |
| <b>PBT</b>                  | <b>1,574</b>  |                                      |
| Tax rate (%)                | 25.2          |                                      |
| <b>PAT</b>                  | <b>396</b>    |                                      |
| <b>ROCE (%)</b>             | <b>3.0</b>    |                                      |

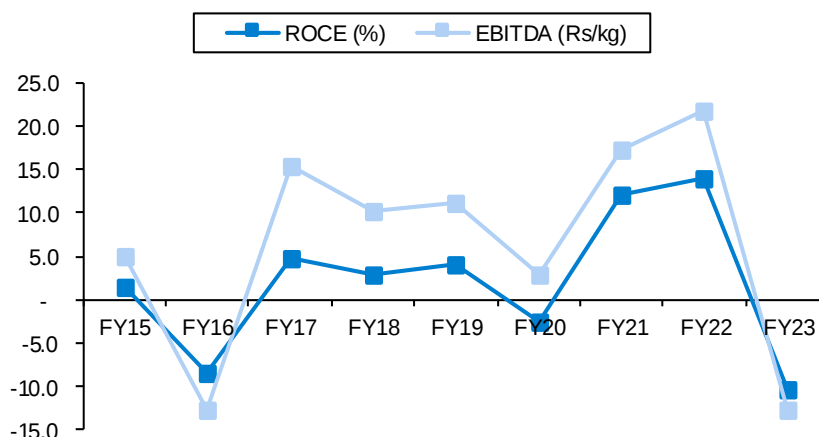
Source: Company, PL

#### Exhibit 3: Dismal ROCE for gas based OPaL



Source: OPaL, PL

1mt of propylene requires 1.2mt of propane. With each 500tmt of PP, meagre 18.6tmt of H2 is produced

**Exhibit 4: Similar dismal fate of gas based Pata plant of GAIL**


Source: GAIL, PL

**Exhibit 5: Dahej's tariff is not significantly cheaper than others (except Kochi)**

| Regas tariffs (Rs/mmBtu) | FY23 |
|--------------------------|------|
| Dahej                    | 56.3 |
| Hazira                   | 65.6 |
| Dabhol                   | 59.9 |
| Kochi                    | 85.0 |
| Ennore                   | 69.7 |
| Mundra                   | 56.2 |
| Dhamra                   | 60.2 |

Source: Industry, PL

**Exhibit 6: Valuation Table**

| Valuation    | Rs   |
|--------------|------|
| FY26 EPS     | 20.8 |
| Target P/E   | 10   |
| Target Price | 208  |

Source: Company, PL

**Exhibit 7: Valuation Metrics**

| Company      | Rating | TP (Rs) | EPS   |       |       | P/E ratio |       |       | P/BV ratio (x) |       |       | EV/EBITDA ratio (x) |       |       | ROE (%) |       |       | ROCE (%) |       |       |
|--------------|--------|---------|-------|-------|-------|-----------|-------|-------|----------------|-------|-------|---------------------|-------|-------|---------|-------|-------|----------|-------|-------|
|              |        |         | FY24E | FY25E | FY26E | FY24E     | FY25E | FY26E | FY24E          | FY25E | FY26E | FY24E               | FY25E | FY26E | FY24E   | FY25E | FY26E | FY24E    | FY25E | FY26E |
| Petrinet LNG | HOLD   | 208     | 19.3  | 20.6  | 20.8  | 10.4      | 9.7   | 9.6   | 1.8            | 1.7   | 1.5   | 5.2                 | 4.7   | 4.3   | 18.4    | 17.8  | 16.4  | 23.1     | 21.9  | 19.9  |

Source: Company, PL

## Financials

### Income Statement (Rs bn)

| Y/e Mar                       | FY23        | FY24E       | FY25E       | FY26E       |
|-------------------------------|-------------|-------------|-------------|-------------|
| <b>Net Revenues</b>           | <b>599</b>  | <b>558</b>  | <b>551</b>  | <b>564</b>  |
| YoY gr. (%)                   | 38.8        | (6.9)       | (1.2)       | 2.4         |
| Cost of Goods Sold            | 540         | 500         | 491         | 503         |
| Gross Profit                  | 59          | 57          | 60          | 61          |
| Margin (%)                    | 9.9         | 10.3        | 10.9        | 10.8        |
| Employee Cost                 | 2           | 2           | 2           | 2           |
| Other Expenses                | 9           | 11          | 11          | 11          |
| <b>EBITDA</b>                 | <b>49</b>   | <b>45</b>   | <b>47</b>   | <b>48</b>   |
| YoY gr. (%)                   | (7.6)       | (8.0)       | 6.0         | 1.9         |
| Margin (%)                    | 8.1         | 8.0         | 8.6         | 8.5         |
| Depreciation and Amortization | 8           | 8           | 9           | 10          |
| <b>EBIT</b>                   | <b>41</b>   | <b>36</b>   | <b>38</b>   | <b>38</b>   |
| Margin (%)                    | 6.8         | 6.5         | 6.9         | 6.7         |
| Net Interest                  | 3           | 3           | 3           | 3           |
| Other Income                  | 6           | 6           | 6           | 7           |
| <b>Profit Before Tax</b>      | <b>43</b>   | <b>39</b>   | <b>41</b>   | <b>42</b>   |
| Margin (%)                    | 7.2         | 6.9         | 7.5         | 7.4         |
| Total Tax                     | 11          | 10          | 10          | 11          |
| Effective tax rate (%)        | 25.3        | 25.2        | 25.2        | 25.2        |
| <b>Profit after tax</b>       | <b>32</b>   | <b>29</b>   | <b>31</b>   | <b>31</b>   |
| Minority interest             | -           | -           | -           | -           |
| Share Profit from Associate   | -           | -           | -           | -           |
| <b>Adjusted PAT</b>           | <b>32</b>   | <b>29</b>   | <b>31</b>   | <b>31</b>   |
| YoY gr. (%)                   | (3.4)       | (10.6)      | 6.5         | 1.1         |
| Margin (%)                    | 5.4         | 5.2         | 5.6         | 5.5         |
| Extra Ord. Income / (Exp)     | -           | -           | -           | -           |
| <b>Reported PAT</b>           | <b>32</b>   | <b>29</b>   | <b>31</b>   | <b>31</b>   |
| YoY gr. (%)                   | (3.4)       | (10.6)      | 6.5         | 1.1         |
| Margin (%)                    | 5.4         | 5.2         | 5.6         | 5.5         |
| Other Comprehensive Income    | -           | -           | -           | -           |
| Total Comprehensive Income    | 32          | 29          | 31          | 31          |
| <b>Equity Shares O/s (m)</b>  | <b>2</b>    | <b>2</b>    | <b>2</b>    | <b>2</b>    |
| <b>EPS (Rs)</b>               | <b>21.6</b> | <b>19.3</b> | <b>20.6</b> | <b>20.8</b> |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs bn)

| Y/e Mar                               | FY23       | FY24E      | FY25E      | FY26E      |
|---------------------------------------|------------|------------|------------|------------|
| <b>Non-Current Assets</b>             |            |            |            |            |
| <b>Gross Block</b>                    | <b>111</b> | <b>126</b> | <b>141</b> | <b>156</b> |
| Tangibles                             | 111        | 126        | 141        | 156        |
| Intangibles                           | -          | -          | -          | -          |
| <b>Acc: Dep / Amortization</b>        | <b>46</b>  | <b>54</b>  | <b>64</b>  | <b>74</b>  |
| Tangibles                             | 46         | 54         | 64         | 74         |
| Intangibles                           | -          | -          | -          | -          |
| <b>Net fixed assets</b>               | <b>65</b>  | <b>72</b>  | <b>77</b>  | <b>82</b>  |
| Tangibles                             | 65         | 72         | 77         | 82         |
| Intangibles                           | -          | -          | -          | -          |
| Capital Work In Progress              | 11         | 9          | 9          | 9          |
| Goodwill                              | -          | -          | -          | -          |
| Non-Current Investments               | 34         | 34         | 34         | 34         |
| Net Deferred tax assets               | (7)        | (7)        | (7)        | (7)        |
| Other Non-Current Assets              | -          | -          | -          | -          |
| <b>Current Assets</b>                 |            |            |            |            |
| Investments                           | -          | -          | -          | -          |
| Inventories                           | 12         | 10         | 11         | 11         |
| Trade receivables                     | 38         | 34         | 35         | 36         |
| Cash & Bank Balance                   | 57         | 70         | 80         | 92         |
| Other Current Assets                  | -          | -          | -          | -          |
| <b>Total Assets</b>                   | <b>224</b> | <b>235</b> | <b>253</b> | <b>271</b> |
| <b>Equity</b>                         |            |            |            |            |
| Equity Share Capital                  | 15         | 15         | 15         | 15         |
| Other Equity                          | 134        | 150        | 166        | 183        |
| <b>Total Network</b>                  | <b>149</b> | <b>165</b> | <b>181</b> | <b>198</b> |
| <b>Non-Current Liabilities</b>        |            |            |            |            |
| Long Term borrowings                  | -          | -          | -          | -          |
| Provisions                            | -          | -          | -          | -          |
| Other non current liabilities         | -          | -          | -          | -          |
| <b>Current Liabilities</b>            |            |            |            |            |
| ST Debt / Current of LT Debt          | -          | -          | -          | -          |
| Trade payables                        | 16         | 14         | 15         | 15         |
| Other current liabilities             | 51         | 49         | 50         | 50         |
| <b>Total Equity &amp; Liabilities</b> | <b>224</b> | <b>235</b> | <b>253</b> | <b>271</b> |

Source: Company Data, PL Research

### Cash Flow (Rs bn)

| Y/e Mar                               | FY23        | FY24E       | FY25E       | FY26E       |
|---------------------------------------|-------------|-------------|-------------|-------------|
| PBT                                   | 43          | 39          | 41          | 42          |
| Add. Depreciation                     | 8           | 8           | 9           | 10          |
| Add. Interest                         | 3           | 3           | 3           | 3           |
| Less Financial Other Income           | 6           | 6           | 6           | 7           |
| Add. Other                            | (1)         | (6)         | (6)         | (7)         |
| Op. profit before WC changes          | 54          | 45          | 47          | 48          |
| Net Changes-WC                        | (16)        | 2           | (1)         | 0           |
| Direct tax                            | (12)        | (10)        | (10)        | (11)        |
| <b>Net cash from Op. activities</b>   | <b>25</b>   | <b>37</b>   | <b>36</b>   | <b>37</b>   |
| Capital expenditures                  | (11)        | (14)        | (15)        | (15)        |
| Interest / Dividend Income            | -           | -           | -           | -           |
| Others                                | (1)         | -           | -           | -           |
| <b>Net Cash from Invt. activities</b> | <b>(11)</b> | <b>(14)</b> | <b>(15)</b> | <b>(15)</b> |
| Issue of share cap. / premium         | -           | -           | -           | -           |
| Debt changes                          | 0           | -           | -           | -           |
| Dividend paid                         | (17)        | (13)        | (14)        | (14)        |
| Interest paid                         | 0           | (3)         | (3)         | (3)         |
| Others                                | (6)         | -           | -           | -           |
| <b>Net cash from Fin. activities</b>  | <b>(24)</b> | <b>(17)</b> | <b>(17)</b> | <b>(17)</b> |
| <b>Net change in cash</b>             | <b>(10)</b> | <b>7</b>    | <b>4</b>    | <b>5</b>    |
| Free Cash Flow                        | 15          | 24          | 21          | 22          |

Source: Company Data, PL Research

### Key Financial Metrics

| Y/e Mar                    | FY23  | FY24E | FY25E | FY26E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 21.6  | 19.3  | 20.6  | 20.8  |
| CEPS                       | 26.7  | 24.9  | 26.8  | 27.8  |
| BVPS                       | 99.6  | 109.9 | 121.0 | 132.1 |
| FCF                        | 9.7   | 15.9  | 14.1  | 14.8  |
| DPS                        | 10.0  | 8.9   | 9.5   | 9.6   |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 28.8  | 23.1  | 21.9  | 19.9  |
| ROIC                       | 24.4  | 21.9  | 21.9  | 21.1  |
| RoE                        | 22.8  | 18.4  | 17.8  | 16.4  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | (0.4) | (0.4) | (0.4) | (0.5) |
| Net Working Capital (Days) | 2     | 0     | 1     | 1     |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 9.1   | 10.2  | 9.5   | 9.4   |
| P/B                        | 2.0   | 1.8   | 1.6   | 1.5   |
| P/CEPS                     | 26.4  | 24.6  | 26.6  | 27.5  |
| EV/EBITDA                  | 4.9   | 5.0   | 4.5   | 4.2   |
| EV/Sales                   | 0.4   | 0.4   | 0.4   | 0.4   |
| Dividend Yield (%)         | 5.1   | 4.6   | 4.9   | 4.9   |

Source: Company Data, PL Research

### Quarterly Financials (Rs bn)

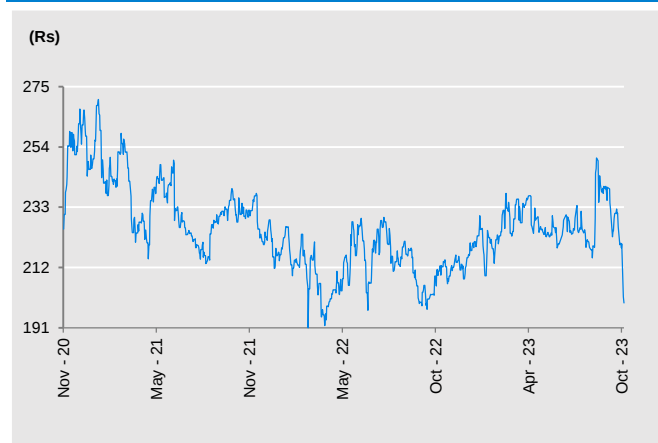
| Y/e Mar                           | Q3FY23     | Q4FY23     | Q1FY24     | Q2FY24     |
|-----------------------------------|------------|------------|------------|------------|
| <b>Net Revenue</b>                | <b>158</b> | <b>139</b> | <b>117</b> | <b>125</b> |
| YoY gr. (%)                       | 25.2       | 24.3       | (18.3)     | (21.6)     |
| Raw Material Expenses             | 139        | 126        | 103        | 111        |
| Gross Profit                      | 19         | 12         | 14         | 14         |
| Margin (%)                        | 12.2       | 8.9        | 11.6       | 11.4       |
| <b>EBITDA</b>                     | <b>17</b>  | <b>9</b>   | <b>12</b>  | <b>12</b>  |
| YoY gr. (%)                       | (3.3)      | (19.3)     | 11.0       | 3.6        |
| Margin (%)                        | 10.6       | 6.8        | 10.1       | 9.7        |
| Depreciation / Depletion          | 2          | 2          | 2          | 2          |
| <b>EBIT</b>                       | <b>15</b>  | <b>8</b>   | <b>10</b>  | <b>10</b>  |
| Margin (%)                        | 9.4        | 5.4        | 8.5        | 8.1        |
| Net Interest                      | 1          | 1          | 1          | 1          |
| Other Income                      | 2          | 2          | 1          | 2          |
| <b>Profit before Tax</b>          | <b>16</b>  | <b>8</b>   | <b>11</b>  | <b>11</b>  |
| Margin (%)                        | 10.1       | 5.9        | 9.1        | 8.8        |
| Total Tax                         | 4          | 2          | 3          | 3          |
| Effective tax rate (%)            | 25.5       | 24.9       | 25.6       | 25.8       |
| <b>Profit after Tax</b>           | <b>12</b>  | <b>6</b>   | <b>8</b>   | <b>8</b>   |
| Minority interest                 | -          | -          | -          | -          |
| Share Profit from Associates      | -          | -          | -          | -          |
| <b>Adjusted PAT</b>               | <b>12</b>  | <b>6</b>   | <b>8</b>   | <b>8</b>   |
| YoY gr. (%)                       | 3.2        | (18.1)     | 12.7       | 9.9        |
| Margin (%)                        | 7.5        | 4.4        | 6.8        | 6.5        |
| Extra Ord. Income / (Exp)         | -          | -          | -          | -          |
| <b>Reported PAT</b>               | <b>12</b>  | <b>6</b>   | <b>8</b>   | <b>8</b>   |
| YoY gr. (%)                       | 3.2        | (18.1)     | 12.7       | 9.9        |
| Margin (%)                        | 7.5        | 4.4        | 6.8        | 6.5        |
| Other Comprehensive Income        | -          | -          | -          | -          |
| <b>Total Comprehensive Income</b> | <b>12</b>  | <b>6</b>   | <b>8</b>   | <b>8</b>   |
| Avg. Shares O/s (m)               | 2          | 2          | 2          | 2          |
| <b>EPS (Rs)</b>                   | <b>7.9</b> | <b>4.1</b> | <b>5.3</b> | <b>5.5</b> |

Source: Company Data, PL Research

### Key Operating Metrics

| Y/e Mar                 | FY23  | FY24E | FY25E | FY26E |
|-------------------------|-------|-------|-------|-------|
| Sales Volume (Tbtu)     | 473.0 | 495.4 | 495.4 | 545.9 |
| Regas Volume (Tbtu)     | 278.0 | 369.0 | 369.0 | 369.0 |
| Dahej Tariff (Rs/mmBtu) | 57.7  | 60.6  | 63.7  | 66.9  |
| Kochi Tariff (Rs/mmBtu) | 81.0  | 84.0  | 85.1  | 85.1  |

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


| No. | Date      | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1   | 31-Oct-23 | Hold   | 208      | 202               |
| 2   | 06-Oct-23 | BUY    | 225      | 230               |
| 3   | 04-Jul-23 | BUY    | 322      | 223               |
| 4   | 03-May-23 | BUY    | 326      | 237               |
| 5   | 06-Apr-23 | BUY    | 326      | 236               |
| 6   | 21-Jan-23 | BUY    | 326      | 223               |
| 7   | 03-Jan-23 | BUY    | 325      | 215               |
| 8   | 10-Nov-22 | BUY    | 325      | 209               |

**Analyst Coverage Universe**

| Sr. No. | Company Name                        | Rating     | TP (Rs) | Share Price (Rs) |
|---------|-------------------------------------|------------|---------|------------------|
| 1       | Aarti Industries                    | Hold       | 472     | 489              |
| 2       | Bayer Cropscience                   | Accumulate | 4,720   | 5,270            |
| 3       | Bharat Petroleum Corporation        | Hold       | 365     | 347              |
| 4       | Bharti Airtel                       | Accumulate | 936     | 926              |
| 5       | Clean Science and Technology        | Hold       | 1,368   | 1,374            |
| 6       | Deepak Nitrite                      | Reduce     | 1,854   | 2,125            |
| 7       | Dhanuka Agritech                    | BUY        | 950     | 854              |
| 8       | Fine Organic Industries             | Hold       | 4,252   | 4,303            |
| 9       | GAIL (India)                        | BUY        | 139     | 120              |
| 10      | Godrej Agrovet                      | Hold       | 420     | 515              |
| 11      | Gujarat Fluorochemicals             | Accumulate | 3,230   | 2,846            |
| 12      | Gujarat Gas                         | Accumulate | 480     | 425              |
| 13      | Gujarat State Petronet              | BUY        | 327     | 290              |
| 14      | Hindustan Petroleum Corporation     | Hold       | 263     | 258              |
| 15      | Indian Oil Corporation              | Hold       | 94      | 92               |
| 16      | Indraprastha Gas                    | Hold       | 406     | 390              |
| 17      | Insecticides India                  | Accumulate | 550     | 514              |
| 18      | Jubilant Ingrevia                   | Hold       | 433     | 412              |
| 19      | Laxmi Organic Industries            | Reduce     | 220     | 254              |
| 20      | Mahanagar Gas                       | Hold       | 1,065   | 1,015            |
| 21      | Mangalore Refinery & Petrochemicals | Hold       | 94      | 96               |
| 22      | Navin Fluorine International        | BUY        | 4,007   | 3,430            |
| 23      | NOCIL                               | Hold       | 228     | 226              |
| 24      | Oil & Natural Gas Corporation       | BUY        | 202     | 181              |
| 25      | Oil India                           | BUY        | 341     | 296              |
| 26      | P.I. Industries                     | BUY        | 4,850   | 3,421            |
| 27      | Petronet LNG                        | Hold       | 208     | 202              |
| 28      | Rallis India                        | Reduce     | 190     | 217              |
| 29      | Reliance Industries                 | BUY        | 2,618   | 2,266            |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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