

BPCL

Refer to important disclosures at the end of this report

Steady numbers with core earnings beat

- Q3FY21 standalone EBITDA/PAT stood at Rs43.8bn/Rs27.8bn, down 2%/up 24% qoq and 9%/25% above our estimates, driven by 3% gross profit beat and lower-than-expected staff costs. Other Income of Rs14.4bn was 77% above estimates (up ~3x yoy/qoq).
- BPCL's reported GRM stood at USD2.5/bbl in Q3 (vs. our estimate of USD2.2), with inventory gains of Rs5.0bn. Core GRM came in at USD1.2/bbl, in-line. Refinery utilization was 105% (at 7.24mmt). Kochi/Mumbai core GRM was at USD1.1/USD1.4 per bbl.
- Marketing inventory gain came in at Rs2.7bn, with blended margin of Rs6.8/kg, up 7% qoq and a 4% beat. Domestic/total sales volume grew 1%/fell 8% yoy to 11.4mmt. Gross debt (incl. IndAS116 liab.) fell 9% qoq to Rs309bn. Core EPS was Rs14.5, 32% above our est.
- We raise FY21E EPS by 22% based on a 9M run rate but slightly cut FY22/23E EPS by 3%/1% aligning margin assumptions. We roll over the valuation to Mar'23E, with a TP of Rs495 (1% revision). Maintain a Buy rating with OW stance in EAP.

Highlights: Interest expense jumped from Rs126mn to Rs2.5bn qoq (as Q2 had forex gains), while forex gain of Rs756mn was lower. Rs4.2bn/Rs0.7bn was on account of ESPS/VRS expense, lower than our estimate of Rs7bn combined. ETR remained at the earlier level of 33.2%. Domestic sales volume grew 1% yoy, (vs. decline of 1%/3% for industry/IOCL; 3% growth for HPCL), while total volumes fell 8% to 11.4mmt as exports dropped sharply yoy (down 11% qoq). Petrol/diesel volumes rose 6.6%/0.4% yoy. 9MFY21 capex stood at Rs56.9bn. Share of profits from associates/JVs was negative at Rs7.3bn in Q3 vs. negative Rs821mn/positive Rs435mn in Q2FY21/Q3FY20. The board declared an interim dividend of Rs16/sh. BORL GRM was USD2.14/bbl with a net loss of Rs2.1bn, while NRL GRM was USD37/bbl and a PAT of Rs8.3bn. NRL dividend of Rs6.1bn was part of Other Income.

Guidance: The board has approved the NRL stake sale and purchase agreement and OIL-EIL has been intimated; BPCL expects to close the sale by FY21. BPCL's own data room is ready and awaiting DIPAM advice. Highways saw strong volume growth, but public transport, schools, tourism, etc. were still down. 60% of BPCL's ATF customers are international where routes have not opened. In Q2-Q3FY21, marketing margins were at sustainable levels and BPCL expects to maintain it. New Mumbai refinery jetty would enable suezmax vessels entailing freight savings. BPCL has no intention like RIL of being a sole petchem player but aims petchem share to reach 10%. It raised FY21 capex to Rs90bn (from Rs80bn). Govt subsidy O/S is down at Rs22bn. It expects two PDPP units by Mar'21 and remaining one by May'21. BORL's Oman Oil stake acquisition discussion has reached a stage of conclusion.

Valuation: We value BPCL on a SOTP basis at 6.5x blended Mar'23E EV/EBITDA, BORL-NRL at 5-6x and investments at a 30-40% hodco discount. Key risks are adverse petroleum prices/margins/currency, project delays and disinvestment uncertainties.

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

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	2,972,751	2,843,830	2,360,556	3,200,247	3,462,461
EBITDA	126,646	83,017	148,011	146,577	163,718
EBITDA Margin (%)	4.3	2.9	6.3	4.6	4.7
APAT	71,320	37,689	88,701	87,820	97,952
EPS (Rs)	36.3	19.2	44.1	43.7	48.7
EPS (% chg)	(10.6)	(47.2)	130.1	(1.0)	11.5
ROE (%)	22.1	18.6	27.5	21.0	20.3
P/E (x)	11.6	21.9	9.5	9.6	8.6
EV/EBITDA (x)	8.4	15.1	8.2	7.9	6.7
P/BV (x)	2.2	2.5	2.2	1.9	1.6

Source: Company, Emkay Research

CMP Rs 419 as of (February 9, 2021)	Target Price Rs 495 (▲) 12 months
Rating BUY (■)	Upside 18.0 %

Change in Estimates

EPS Chg FY21E/FY22E (%)	22/(3)
Target Price change (%)	1.0
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	44.1	43.7
Consensus	37.7	43.4
Mean Consensus TP (12M)	Rs 474	

Stock Details

Bloomberg Code	BPCL IN
Face Value (Rs)	10
Shares outstanding (mn)	2,169
52 Week H/L	496 / 252
M Cap (Rs bn/USD bn)	910 / 12.48
Daily Avg Volume (nos.)	9,340,019
Daily Avg Turnover (US\$ mn)	50.6

Shareholding Pattern Dec '20

Promoters	53.0%
FIIIs	11.6%
DIIIs	20.1%
Public and Others	15.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	5	12	-	(15)
Rel. to Nifty	-	(8)	(26)	(32)

Relative price chart



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q3FY21)

Rs bn	Actual	Estimates (Emkay)	Consensus Estimate (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	667.3	654.5	641.3	2%	4%	
Adjusted EBITDA	43.8	40.2	35.4	9%	24%	Lower employee costs and higher gross profit
EBITDA Margin (%)	7%	6%	6%	42bps	104bps	
Adjusted Net Profit	31.1	27.1	20.4	15%	52%	Due to jump in Other Income

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	yoy	qoq	9MFY20	9MFY21	yoy
Revenue	747,328	689,914	387,851	501,464	667,314	-11%	33%	2,153,915	1,556,628	-28%
COGS	669,101	629,243	306,223	412,369	576,248	-14%	40%	1,930,127	1,294,839	-33%
Gross Profit	78,227	60,672	81,628	89,095	91,066	16%	2%	223,789	261,789	17%
Opex	50,234	54,749	41,904	44,243	47,284	-6%	7%	146,289	133,430	-9%
Total Expenditure	719,335	683,992	348,126	456,611	623,532	-13%	37%	2,076,415	1,428,270	-31%
EBITDA	27,993	5,923	39,724	44,852	43,782	56%	-2%	77,500	128,358	66%
Depreciation	9,731	9,474	9,959	9,888	9,936	2%	0%	28,487	29,783	5%
Interest	5,121	5,786	5,871	126	2,510	-51%		16,033	8,508	-47%
Other Income	5,148	11,568	5,933	4,211	14,389	179%	242%	18,931	24,533	30%
Exceptional Items	-	(10,808)	-	(7,586)	(4,919)			-	(12,505)	
Forex Gain/(Losses)	(959)	(12,111)	(566)	1,515	756		-50%	(4,512)	1,705	
PBT	17,330	(20,689)	29,262	32,978	41,562	140%	26%	47,399	103,801	119%
Tax	4,724	(7,079)	8,500	10,500	13,786	192%	31%	6,957	32,786	371%
PAT	12,606	(13,610)	20,762	22,478	27,776	120%	24%	40,442	71,015	76%
Adjusted PAT	12,606	(6,500)	20,762	27,648	31,064	146%	12%	40,442	79,474	97%
Adjusted EPS (Rs)	6.4	(3.3)	10.6	14.1	15.8	146%	12%	20.6	40.4	97%
Tax Rate	27%	34%	29%	32%	33%			15%	32%	
Core EBITDA	22,623	44,134	34,074	20,322	36,072	59%	77%	76,910	90,468	18%
Core PAT	8,656	27,096	18,085	10,860	28,435	229%	162%	34,385	57,380	67%
Core EPS (Rs)	4.4	13.8	9.2	5.5	14.5	229%	162%	17.5	29.2	67%
Refining Volumes (mmt)	8.4	8.4	5.1	5.6	7.2	-14%	29%	23.5	18.0	-23%
Reported GRM (USD/bbl)	3.2	0.8	0.4	5.8	2.5	-24%	-57%	3.1	2.9	-7%
Core GRM (USD/bbl)	2.2	6.5	1.9	1.5	1.2	-46%	-23%	3.2	1.5	-53%
Adjusted Refining EBITDA	5,377	(5,425)	(6,890)	9,478	1,130	-79%		11,800	3,718	-68%
Marketing Volumes (mmt)	12.3	11.2	8.3	9.2	11.4	-8%	23%	34.5	28.9	-16%
Diesel	5.1	4.8	3.5	3.9	5.1	0%	32%	15.1	12.5	-17%
Petrol	2.0	1.9	1.3	1.8	2.1	7%	15%	5.9	5.2	-13%
Marketing Margin (Rs/mt)	4,968	6,048	8,309	6,317	6,778	37%	7%	5,158	7,085	37%
Adjusted Marketing EBITDA	20,641	9,415	45,260	33,752	41,022	99%	20%	59,588	120,668	103%
Marketing Inventory Gain/(Losses)	820	(12,562)	10,030	11,500	2,690	228%	-77%	1,040	24,220	
Estimated Pipeline Volumes (mmt)	3.7	3.6	2.4	2.9	3.2	-26%	24%	12.8	8.0	-37%
Implied Pipeline EBITDA	1,777	1,740	1,219	1,460	1,630	-22%	30%	6,112	3,972	-35%
Gross Debt	301,340	478,187	405,460	339,458	309,020	3%	-9%	301,340	309,020	3%
Implied Net Debt	248,551	426,524	354,012	280,476	250,037	1%	-11%	248,551	250,037	1%
Net Under-recovery	-	-	-	-	-	-	-	-	-	-

Source: Company, Emkay Research

*Note: Adjusted PAT may not match with annual tables fully due to different adjustment method in Emkay detailed annual model

Concall highlights

Disinvestment

- Oil India-EIL consortium will take 48% and Assam govt 13.65% (has RoFR) stake in NRL. Assam has agreed to take at the same price as OIL-EIL offered. SPA was approved by BPCL board (on February 8) and OIL-EIL has been intimated. NRL valuation is being done by TA, LA and valuer. The deal is likely to close by FY21 unless Govt approvals get delayed.
- NRL valuation will use different methods like DCF, etc. BPCL cannot give guidance on what would be the value.
- BPCL divestment is driven by the Finance Ministry and DIPAM. BPCL's own role in the sale is limited. It has readied its data room and awaiting DIPAM-TA advice on whom to show. The process of disinvestment involves many stages and would take its time.
- The CCI approval may not be required but there would be an alternate mechanism, involving MOPNG, FinMin and Road Transport Ministry.
- BPCL believes that the current share price does not reflect the full potential of business. In fact, most PSUs are undervalued.

Marketing

- The Agriculture sector's growth trajectory is positive now (credit growth growing); the power sector is also improving. Rural areas are showing good growth for BPCL with its aggressive expansion strategy.
- BPCL saw market share gain of 0.62/1.05% in petrol/diesel. BPCL growth in auto fuels (HSD retail growth of 2%) was the highest among PSUs. The Highway sector has seen strong volume growth (highest among PSUs) as transport recovery continued. Public transport, schools, tourism, etc. are still down though.
- Flights operate in a restricted manner, hence ATF is down 54% (up 34% qoq though). 60% of BPCL's ATF customers are international airlines where routes have not opened, so ATF is lagging. The domestic sector has reached 80%.
- In Jan'21, BPCL saw MS/HSD growth at 6.83%/(0.5%), highest among PSUs.
- In Q2-Q3FY21, marketing margins were at sustainable levels and BPCL expects to maintain it. Current margins may be under pressure but marketing margins need to be seen from a long-term perspective and Q2-Q3 levels are also reasonable for the long term.

Refining

- Product cracks were subdued, with MS (petrol) down from USD8.19/bbl to USD2.97/bbl yoy in Q3FY21, while HSD (diesel) fell from USD15.41/bbl to USD4.34/bbl. However, Jan'21 cracks are better than those of Q3.
- 1.89mmt/3mmt was crude/product inventories and USD53/bbl crude cost as on Q3FY21 end.
- BORL Q3FY21 GRM was USD2.14/bbl and a net loss was Rs2.1bn, while NRL's GRM was USD37/bbl with a net profit of Rs8.3bn.
- A new jetty was commissioned in Mumbai refinery, which would enable suezmax vessels entailing huge freight savings (could be USD1/bbl). Freight costs, however, are dynamic and based on the Baltic index.
- BPCL has flexibility to convert ATF to diesel and BORL has done such a conversion recently. The company does not think lower ATF demand will impact refinery volumes overall.
- Not much benefit from high sulfur crude intake currently. In fact, it takes more energy. Higher distillate yield has not made much difference either as diesel margins were down.
- BPCL has no intention to go the RIL way of being sole petchem player. It will continue to make conventional fuels. It is conscious of the petchem potential though and aims petchem share to reach 10% vs. 1% now.

Capex & debt

- BPCL increases FY21 capex guidance to Rs90bn (Rs80bn earlier), which it may surpass. 9M capex was Rs56.88bn. It is relooking new projects (like Mumbai refinery resid etc) on the back of disinvestment and new owners coming up, but approved projects will go ahead (including polyol). FY22 capex target is Rs100bn.
- Capex breakup for FY21 is Rs20bn/Rs8bn/Rs36bn for refining/petchem/marketing, and remaining for gas, BPRL and pipelines. For FY22, it is Rs26/Rs9.7bn/Rs32bn and likewise.
- BPCL added 730/1,692 retail outlets (ROs) in Q3/9M vs. 1,447 in 9MFY20. It has 17,841 in total currently and aims to add 2,000 in FY21.
- 527 ROs have CNG dispensing. BGRL, which has 13 CGD GAs (4 GAs in BPCL books), has targeted Rs83bn capex in 8 years.
- Debt equity is down to 0.6x as on Dec'20-end vs. 1.26 as on Mar'20 end and 0.63 in Dec'2019.
- Govt subsidy O/S has fallen to Rs22bn currently vs. Rs62bn at the start of the fiscal. No under recoveries are there on kerosene and there is minimum subsidy on LPG.

E&P

- Globally, oil companies have taken impairment and so did BPCL-BPRL (Rs15.8bn) to follow best practices. Major impairment was in Brazil based on price assumption. It is in BPRL books and probably be reversed going ahead.
- 9 small blocks impaired are small Indian assets with no major sum involved.
- Rs2.66bn impairment was exceptional (impairment), while the remaining was equity accounted investee and part of consolidated books.
- There was Rs6.5bn equity infusion into BPRL and BPCL is committed to invest further. CCEA has approved equity to be raised from Rs50bn to Rs150bn as Mozambique will require funding (USD2bn capex). For Brazil also, BPCL may need to go to CCEA again.
- Mozambique first gas is expected in H2CY24 as per Total. BPCL will get its 1mmtpa from CY26. Currently, it has 2mmtpa R-LNG eqvt customer base supplied through Qatargas, spot etc but aims to reach 5mmtpa in the next few years. It will capture gas market as the gas-based economy expands in India.

Others

- The aim is to rationalize manpower numbers. VRS saw good response. In last 10 years, manpower number has declined despite the company growing and BPCL is not recruiting just like that. There are 9,600 employees currently.
- Other expenses were higher in Q3 due to VRS debit (Rs7bn+) and ESPS (Rs5.4bn) with Rs10bn discount to employees. Rs39bn of Other Expenditure had small savings though it will not continue as travel and other costs return. Other Income in Q3FY21 had Rs6.12bn of NRL dividends.
- BPCL is fairly confident to commission two units of PDPP in Mar'21, while the remaining one unit will take time possibly till May'21 due to licensor presence, etc. Remote inspection option is being looked at though.
- PDPP will add to earnings but on BPCL's Rs80bn PAT run-rate, it won't be significant in FY22. It will improve Kochi Refinery profits through product reorientation (out of 0.5mmtpa Kochi propylene capacity, 0.25 will go to PDPP, balance 0.25 when polyol starts).
- BORL's Oman Oil stake acquisition is under negotiation and has reached a stage of conclusion. BPCL expects to provide an update to exchanges in the next 10 days.
- BPCL has a 15-years product offtake deal with NRL based on 3mmtpa capacity. NRL sale won't affect though.
- Dividend payout is as per policy and DIPAM guidelines and it has no intention to harm investors. Interested in long-term investments in BPCL.
- Buyback is not possible now as the company is under investment and Govt shareholding is already under 53%.

Exhibit 3: Changes in assumptions

	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
GRM (USD/bbl)	2.8	2.9	3%	4.5	4.5	-1%	4.8	4.6	-3%
Marketing Margin (Rs/mt)	6,036	6,125	1%	5,805	5,626	-3%	5,925	5,972	1%
Growth	21%	23%	178bps	-4%	-8%	-432bps	2%	6%	408bps
Marketing Sales (mmt)	40	40	0%	45	45	1%	46	46	1%
Growth	-13%	-12%	24bps	11%	12%	34bps	4%	4%	0bps

Source: Company, Emkay Research

Exhibit 4: Changes in estimates

Rs bn	FY21E			FY22E			FY23E		
	Previous	Revised	Variance	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	2,080	2,361	14%	2,723	3,200	18%	2,870	3,462	21%
EBITDA	135	148	10%	150	147	-2%	166	164	-1%
EBITDA Margins	6%	6%	-22bps	6%	5%	-92bps	6%	5%	-104bps
PAT	73	89	22%	90	88	-3%	99	98	-1%
EPS (Rs)	36.2	44.1	22%	44.8	43.7	-3%	49.4	48.7	-1%

Source: Company, Emkay Research

Exhibit 5: Value of investments

Rs/sh/mn	Shares (mn)	Price	Value
IGL	158	550	86,625
Petronet LNG	188	245	45,938
Oil India	27	120	3,210
Total			135,773
Investment value at 30% haircut			95,041
Upstream value at 40% discount to latest transaction value			39,932
BORL at 5x EV/EBITDA			2,462
NRL at 6x EV/EBITDA			105,419
Total Investment Value (Rs/sh)			121

Source: Company, Emkay Research

Exhibit 6: Core business valuation

Mar'23E (Rs.bn)	EBITDA	Multiple (x)	EV	EV/Share
Refining	54	6.0	322	160
Pipelines	9	6.5	56	28
Petrochemicals	9	4.0	35	17
Marketing	93	7.0	649	322
Total EV	164	6.5	1,062	528
Less: Net Debt (Mar'22 End)			309	154
Fair Value/M-Cap			753	374
No. Of Shares O/S (bn)			2.0	

Source: Company, Emkay Research

Exhibit 7: SOTP valuation

Rs/sh	Value
EV/EBITDA	374
Investments	121
Target Price	495

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	2,972,751	2,843,830	2,360,556	3,200,247	3,462,461
Expenditure	2,846,104	2,760,813	2,212,546	3,053,670	3,298,742
EBITDA	126,646	83,017	148,011	146,577	163,718
Depreciation	31,893	37,869	39,858	46,134	53,581
EBIT	94,754	45,148	108,153	100,443	110,137
Other Income	29,836	30,813	33,772	36,351	38,692
Interest expenses	13,190	21,819	11,736	19,386	17,876
PBT	111,400	54,142	130,190	117,407	130,952
Tax	33,076	(10,979)	31,189	29,587	33,000
Extraordinary Items	(7,004)	(27,432)	(10,300)	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	71,320	26,832	80,326	87,820	97,952
Adjusted PAT	71,320	37,689	88,701	87,820	97,952

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	19,669	19,669	20,118	20,118	20,118
Reserves & surplus	347,708	312,475	367,619	429,093	497,660
Net worth	367,377	332,144	387,737	449,211	517,778
Minority Interest	0	0	0	0	0
Loan Funds	290,993	478,187	424,187	404,187	384,187
Net deferred tax liability	61,690	59,673	73,673	83,673	93,773
Total Liabilities	720,060	870,004	885,596	937,071	995,737
Net block	464,881	569,511	610,149	684,925	746,436
Investment	175,470	173,343	169,347	171,509	173,702
Current Assets	445,264	426,789	389,089	535,992	598,506
Cash & bank balance	954	1,158	1,473	47,308	74,788
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	436,213	394,686	387,540	538,997	581,456
Net current assets	9,051	32,103	1,549	(3,005)	17,050
Misc. exp	0	0	0	0	0
Total Assets	720,060	870,004	885,596	937,071	995,737

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	81,564	23,329	96,417	81,056	92,261
Other Non-Cash items	5,089	(9,066)	(10,300)	0	0
Chg in working cap	(19,685)	(24,865)	44,869	60,388	17,526
Operating Cashflow	76,449	63,578	143,016	177,378	148,244
Capital expenditure	(93,072)	(166,889)	(90,000)	(100,000)	(90,000)
Free Cash Flow	(16,623)	(103,311)	53,016	77,378	58,244
Investments	(3,556)	2,127	3,996	(2,162)	(2,193)
Other Investing Cash Flow	(9,653)	41,173	14,981	0	0
Investing Cashflow	(76,445)	(92,776)	(37,251)	(65,811)	(53,502)
Equity Capital Raised	0	0	449	0	0
Loans Taken / (Repaid)	57,486	187,194	(54,000)	(20,000)	(20,000)
Dividend paid (incl tax)	(41,883)	(57,378)	(40,163)	(26,346)	(29,386)
Other Financing Cash Flow	(3,288)	(78,595)	0	0	0
Financing Cashflow	(875)	29,402	(105,449)	(65,733)	(67,262)
Net chg in cash	(871)	204	316	45,834	27,481
Opening cash position	1,825	954	1,158	1,473	47,308
Closing cash position	954	1,158	1,474	47,308	74,788

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	4.3	2.9	6.3	4.6	4.7
EBIT Margin	3.2	1.6	4.6	3.1	3.2
Effective Tax Rate	29.7	(20.3)	24.0	25.2	25.2
Net Margin	2.6	2.3	4.2	2.7	2.8
ROCE	18.5	9.6	16.2	15.0	15.4
ROE	22.1	18.6	27.5	21.0	20.3
RoIC	21.5	8.4	17.9	16.1	16.6

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	36.3	19.2	44.1	43.7	48.7
CEPS	56.0	52.4	69.0	66.6	75.3
BVPS	186.8	168.9	192.7	223.3	257.4
DPS	19.0	16.5	20.0	13.1	14.6

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	11.6	21.9	9.5	9.6	8.6
P/CEPS	7.5	8.0	6.1	6.3	5.6
P/BV	2.2	2.5	2.2	1.9	1.6
EV / Sales	0.4	0.4	0.5	0.4	0.3
EV / EBITDA	8.4	15.1	8.2	7.9	6.7
Dividend Yield (%)	4.5	3.9	4.8	3.1	3.5

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.7	1.3	1.0	0.7	0.5
Net Debt/EBIDTA	1.9	5.1	2.5	2.1	1.6
Working Cap Cycle (days)	12.0	16.3	16.4	14.9	14.9

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	25.7	(4.3)	(17.0)	35.6	8.2
EBITDA	6.7	(34.5)	78.3	(1.0)	11.7
EBIT	2.8	(52.4)	139.6	(7.1)	9.7
PAT	(10.6)	(62.4)	199.4	9.3	11.5

Quarterly (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Revenue	747,328	689,914	387,851	501,464	667,314
EBITDA	28,021	5,923	39,724	44,852	43,782
EBITDA Margin (%)	3.7	0.9	10.2	8.9	6.6
PAT	12,606	(13,610)	20,762	22,478	27,776
EPS (Rs)	6.4	(6.9)	10.6	11.4	14.1

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoters	53.0	53.0	53.0	53.0	53.0
FIs	14.1	12.3	12.0	12.0	11.6
DIs	18.5	19.6	20.5	20.6	20.1
Public and Others	14.5	15.1	14.6	14.5	15.4

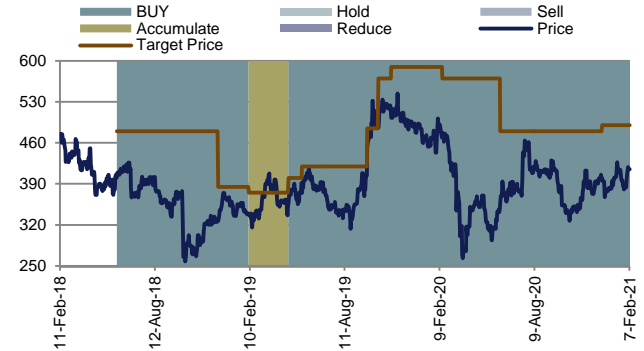
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
16-Dec-20	400	490	12m	Buy	Sabri Hazarika
26-Nov-20	378	480	12m	Buy	Sabri Hazarika
30-Oct-20	354	480	12m	Buy	Sabri Hazarika
28-Sep-20	385	480	12m	Buy	Sabri Hazarika
23-Sep-20	388	480	12m	Buy	Sabri Hazarika
6-Sep-20	403	480	12m	Buy	Sabri Hazarika
15-Aug-20	413	480	12m	Buy	Sabri Hazarika
17-Jul-20	444	480	12m	Buy	Sabri Hazarika
4-Jun-20	357	480	12m	Buy	Sabri Hazarika
3-Jun-20	349	570	12m	Buy	Sabri Hazarika
6-May-20	344	570	12m	Buy	Sabri Hazarika
11-Mar-20	404	570	12m	Buy	Sabri Hazarika
14-Feb-20	476	570	12m	Buy	Sabri Hazarika
24-Jan-20	466	590	12m	Buy	Sabri Hazarika
4-Dec-19	501	590	12m	Buy	Sabri Hazarika
8-Nov-19	503	590	12m	Buy	Sabri Hazarika
25-Oct-19	524	570	12m	Buy	Sabri Hazarika
14-Oct-19	486	570	12m	Buy	Sabri Hazarika
23-Sep-19	451	485	12m	Buy	Sabri Hazarika
13-Aug-19	343	420	12m	Buy	Sabri Hazarika
10-Jun-19	390	420	12m	Buy	Sabri Hazarika
21-May-19	374	420	12m	Buy	Sabri Hazarika
25-Apr-19	358	400	12m	Buy	Sabri Hazarika
8-Feb-19	337	375	12m	Accumulate	Sabri Hazarika
28-Jan-19	349	385	12m	Buy	Sabri Hazarika
31-Dec-18	363	385	12m	Buy	Sabri Hazarika
11-Dec-18	327	385	12m	Buy	Sabri Hazarika
4-Sep-18	351	480	12m	Buy	Sabri Hazarika
13-Jul-18	387	480	12m	Buy	Sabri Hazarika
8-Jun-18	410	480	12m	Buy	Sabri Hazarika
31-May-18	404	480	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 11 years of research experience. His team currently covers 12 stocks in the Indian Oil & Gas space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Oil & Gas	9.82	9.81	0%	-1	100.00
BPCL	0.40	0.44	10%	4	4.50
GAIL	0.28	0.26	-7%	-2	2.68
Gujarat Gas	0.09	0.10	17%	2	1.07
Gujarat State Petronet	0.07	0.07	1%	0	0.75
Gulf Oil Lubricants	0.00	0.05	NA	5	0.52
HPCL	0.20	0.22	10%	2	2.29
Indian Oil	0.32	0.29	-7%	-2	2.97
Indraprastha Gas	0.23	0.16	-30%	-7	1.61
Petronet LNG	0.22	0.22	4%	1	2.29
Oil India	0.05	0.03	-38%	-2	0.32
ONGC	0.43	0.47	9%	4	4.84
Reliance Industries	7.52	7.47	-1%	-5	76.08
Cash	0.00	0.01	NA	1	0.08

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	10-Feb-20	10-Aug-20	9-Nov-20	8-Jan-21	8-Feb-21
EAP - Oil & Gas	100.0	97.2	127.5	122.6	122.3	123.5
BSE200 Neutral Weighted Portfolio (ETF)	100.0	98.4	126.6	121.7	121.5	122.7

*Performance measurement base date 1st April 2019

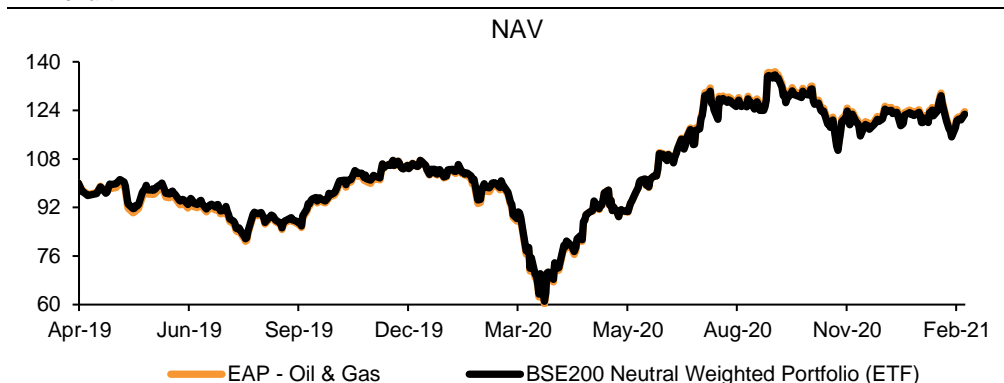
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Oil & Gas	1.0%	0.8%	-3.1%	27.0%
BSE200 Neutral Weighted Portfolio (ETF)	1.0%	0.9%	-3.1%	24.7%

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: 09 Feb 2021 21:34:49 (SGT)
Dissemination Date: 09 Feb 2021 21:35:49 (SGT)

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