

Gujarat Gas

Refer to important disclosures at the end of this report

Strong show amid challenging conditions

- Gujarat Gas posted Q3FY21 EBITDA/PAT of Rs6.15bn/3.92bn, up 66%/100% yoy, down 16%/17% qoq and 40%/56% above estimates on a 6% volume beat and a 32% EBITDA/scm beat. Interest cost declined 28% qoq, with net debt down 19% to Rs7.0bn.
- Gas sales volumes grew 16% qoq (23% yoy) to 11.45mmscmd. Industrial PNG was up 17% qoq (29% yoy) to 9.2mmscmd, with Morbi up 20% to ~7.0mmscmd. On a yoy basis, CNG/Dom. PNG/Comm. PNG was up 2%/up 11%/down 18% to 1.5/0.6/0.1mmscmd.
- Net realization fell 3% qoq, while gas cost rose 9%, resulting in a gross margin decline of 24% qoq to Rs7.8/scm (an 18% beat though). Opex/scm fell 10% qoq to Rs1.9 (down 12% yoy and 12% below est.). EBITDA/scm came in at Rs5.8, down 28% qoq/up 35% yoy.
- We raise FY21/22/23E EPS by 14%/16%/13%, building in 5-7% higher volumes as well as EBITDA/scm each, based on strong run-rate and management guidance. We increase our DCF-based TP by 27% to Rs475 with a lower 10% WACC. Retain Buy with OW.

Highlights: GGL's margin beat was due to gas sourcing in advance at lower prices and GSPC group synergies. CNG/commercial PNG sales volume rose 20%/50% qoq while domestic PNG remained flat. Employee cost went up 1% yoy/down 6% qoq, while Other Expenditure rose 10%/8% to Rs1.58bn. Depreciation and tax rate were largely in line. GGL prepaid loans amounting to Rs9.88bn in 9MFY21. It commercialized 83 new CNG stations in 9M and incurred a total capex of Rs4.7bn.

Guidance: Current volumes are at ~11.5mmscmd, while FY21 exit is expected at 12mmscmd and FY22, on average, should be higher than the exit (12.5mmscmd our est.). Going ahead, GGL aims to clock at least 10% volume CAGR. Existing area ramp up as well new areas are adding to volumes. The company has started operations in all new GAs in terms of CNG stations, while PNG and industrial connectivity is underway. The NGT ban on South Gujarat cluster, PNGRB's restriction to GAIL in Dahej, etc. are other optional upsides. GGL's recent industrial PNG price hike of ~Rs4.96/scm is in response to spike in spot LNG prices. Morbi/non-Morbi pre-VAT prices are now at Rs33.0/34.8 per scm (6% additional VAT). Management expects Q4 EBITDA/scm to be in the Rs4.0-4.5 range at least, while FY22 guidance is ~Rs5.0. With propane prices moving up, GGL is in a comfortable position in terms of pricing. FY22/23 capex guidance stands at Rs8bn each. The implementation of GST in gas could entail ITC savings of Rs500mn annually to GGL (service tax paid being stranded now), while customers should benefit from ITC on the 6% VAT paid in gas purchases.

Valuation: Our Mar'23E DCF-based TP of Rs475 implies an 18.3x target PE multiple, which is reasonable with ~27% ROE/26% EPS CAGR for FY20-23E. **Key risks:** Adverse oil-gas prices, currency, regulations, competition and operational-project issues.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Oil & Gas \(Page 7\)](#)

Financial Snapshot (Standalone)

| (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------|--------|---------|--------|---------|---------|
| Revenue | 77,544 | 103,003 | 97,338 | 133,884 | 152,896 |
| EBITDA | 10,039 | 16,343 | 20,017 | 24,412 | 27,484 |
| EBITDA Margin (%) | 12.9 | 15.9 | 20.6 | 18.2 | 18.0 |
| APAT | 3,580 | 9,034 | 12,141 | 15,532 | 17,862 |
| EPS (Rs) | 5.2 | 13.1 | 17.6 | 22.6 | 25.9 |
| EPS (% chg) | 13.1 | 152.4 | 34.4 | 27.9 | 15.0 |
| ROE (%) | 17.8 | 33.0 | 31.7 | 31.1 | 28.3 |
| P/E (x) | 73.1 | 29.0 | 21.5 | 16.8 | 14.6 |
| EV/EBITDA (x) | 28.0 | 16.8 | 13.4 | 10.7 | 9.2 |
| P/BV (x) | 12.0 | 7.9 | 6.0 | 4.6 | 3.7 |

Source: Company, Emkay Research

| | |
|--|--|
| CMP Rs 380 as of (February 6, 2021) | Target Price Rs 475 (▲) 12 months |
| Rating BUY (■) | Upside 25.0 % |

Change in Estimates

| | |
|-------------------------|-------|
| EPS Chg FY21E/FY22E (%) | 14/16 |
| Target Price change (%) | 26.6 |
| Target Period (Months) | 12 |
| Previous Reco | BUY |

Emkay vs Consensus

| | EPS Estimates | |
|-------------------------|---------------|-------|
| | FY21E | FY22E |
| Emkay | 17.6 | 22.6 |
| Consensus | 15.3 | 18.8 |
| Mean Consensus TP (12M) | Rs 385 | |

Stock Details

| | |
|------------------------------|------------|
| Bloomberg Code | GUJGA IN |
| Face Value (Rs) | 2 |
| Shares outstanding (mn) | 688 |
| 52 Week H/L | 412 / 191 |
| M Cap (Rs bn/USD bn) | 262 / 3.59 |
| Daily Avg Volume (nos.) | 1,048,321 |
| Daily Avg Turnover (US\$ mn) | 5.1 |

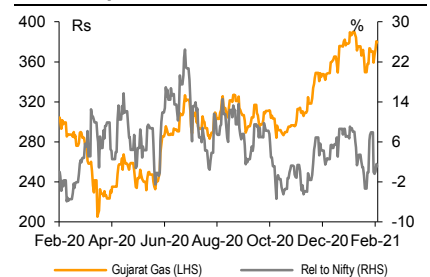
Shareholding Pattern Dec '20

| | |
|-------------------|-------|
| Promoters | 60.9% |
| FIIIs | 9.0% |
| DIIIs | 7.3% |
| Public and Others | 22.8% |

Price Performance

| (%) | 1M | 3M | 6M | 12M |
|----------------------|-----|----|-----|-----|
| Absolute | (2) | 26 | 23 | 28 |
| Rel. to Nifty | (7) | 2 | (8) | 4 |

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 (Q3FY21)

| Rs mn | Actual | Estimates (Emkay) | Consensus Estimates (Bloomberg) | Variation | | Comment |
|---------------------|--------|-------------------|---------------------------------|-----------|-----------|--|
| | | | | Emkay | Consensus | |
| Total Revenue | 28,294 | 27,324 | 26,700 | 4% | 6% | Higher-than-expected volumes |
| EBITDA | 6,148 | 4,398 | 4,400 | 40% | 40% | Better gross margin, lower opex |
| EBITDA Margin (%) | 22% | 16% | 16% | 563bps | 525bps | |
| Adjusted Net Profit | 3,922 | 2,518 | 2,600 | 56% | 51% | Lower interest cost, higher Other Income |

Source: Company, Emkay Research

Exhibit 2: Quarterly summary

| Rs.mn | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | YoY | QoQ | 9MFY20 | 9MFY21 | YoY |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|---------------|---------------|-------------|
| Total Revenue | 25,062 | 26,666 | 10,829 | 25,130 | 28,294 | 13% | 13% | 76,337 | 64,253 | -16% |
| Dec./(Inc.) in Stock In Trade | -0 | 1 | 5 | -0 | -6 | | | 0 | -1 | |
| Raw Material Cost | 19,482 | 20,263 | 7,292 | 15,876 | 20,131 | 3% | 27% | 58,553 | 43,298 | -26% |
| Total COGS | 19,482 | 20,264 | 7,297 | 15,876 | 20,124 | 3% | 27% | 58,554 | 43,297 | -26% |
| Adjusted Gross Profit | 5,580 | 6,402 | 3,532 | 9,255 | 8,170 | 46% | -12% | 17,784 | 20,956 | 18% |
| Employee Cost | 438 | 406 | 426 | 468 | 442 | 1% | -6% | 1,348 | 1,336 | -1% |
| Other Expenses | 1,437 | 1,730 | 1,249 | 1,456 | 1,580 | 10% | 8% | 4,360 | 4,284 | -2% |
| OPEX | 1,875 | 2,135 | 1,675 | 1,924 | 2,022 | 8% | 5% | 5,707 | 5,621 | -2% |
| Adjusted EBITDA | 3,705 | 4,267 | 1,857 | 7,330 | 6,148 | 66% | -16% | 12,076 | 15,336 | 27% |
| Depreciation | 795 | 805 | 823 | 856 | 862 | 8% | 1% | 2,375 | 2,540 | 7% |
| EBIT | 2,911 | 3,462 | 1,035 | 6,474 | 5,287 | 82% | -18% | 9,701 | 12,796 | 32% |
| Interest Cost | 465 | 420 | 401 | 339 | 243 | -48% | -28% | 1,502 | 983 | -35% |
| Other Income | 186 | 189 | 149 | 208 | 196 | 5% | -6% | 648 | 552 | -15% |
| PBT Before Exceptional Items | 2,632 | 3,231 | 783 | 6,343 | 5,239 | 99% | -17% | 8,847 | 12,365 | 40% |
| Exceptional Items | - | - | - | - | - | | | - | - | |
| PBT | 2,632 | 3,231 | 783 | 6,343 | 5,239 | 99% | -17% | 8,847 | 12,365 | 40% |
| Current Tax | 656 | 753 | 192 | 1,545 | 1,385 | 111% | -10% | 2,184 | 3,123 | 43% |
| Deferred Tax | 11 | 19 | 4 | 50 | -68 | | | -2,812 | -13 | |
| Total Tax | 667 | 772 | 196 | 1,595 | 1,318 | 98% | -17% | -627 | 3,109 | |
| Reported PAT | 1,965 | 2,459 | 587 | 4,748 | 3,922 | 100% | -17% | 9,475 | 9,256 | -2% |
| Reported EPS (Rs.) | 2.9 | 3.6 | 0.9 | 6.9 | 5.7 | 100% | -17% | 13.8 | 13.4 | -2% |
| Adjusted PAT | 1,965 | 2,459 | 587 | 4,748 | 3,922 | 100% | -17% | 6,258 | 9,256 | 48% |
| Adjusted EPS (Rs.) | 2.9 | 3.6 | 0.9 | 6.9 | 5.7 | 100% | -17% | 9.1 | 13.4 | 48% |
| Shares O/S (mn) | 688 | 688 | 688 | 688 | 688 | 0% | 0% | 688 | 688 | 0% |
| EBITDA Margin | 15% | 16% | 17% | 29% | 22% | | | 16% | 24% | |
| NPM | 8% | 9% | 5% | 19% | 14% | | | 12% | 14% | |
| Effective Tax Rate | 25% | 24% | 25% | 25% | 25% | | | -7% | 25% | |
| Sales Volume (mmscmd) | 9.3 | 9.9 | 4.1 | 9.8 | 11.4 | 23% | 16% | 9.3 | 8.5 | -8% |
| Industrial PNG | 7.1 | 7.7 | 2.9 | 7.9 | 9.2 | 29% | 17% | 7.1 | 6.6 | -7% |
| Commercial PNG | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | -18% | 50% | 0.1 | 0.1 | -40% |
| Domestic PNG | 0.6 | 0.7 | 0.6 | 0.6 | 0.6 | 11% | 0% | 0.5 | 0.6 | 15% |
| CNG | 1.5 | 1.5 | 0.7 | 1.3 | 1.5 | 2% | 20% | 1.5 | 1.2 | -21% |
| Average Realization (Rs./scm) | 29.2 | 29.5 | 28.7 | 27.7 | 26.9 | -8% | -3% | 29.9 | 27.5 | -8% |
| Gross Margin (Rs./scm) | 6.5 | 7.1 | 9.4 | 10.2 | 7.8 | 19% | -24% | 7.0 | 9.0 | 29% |
| Opex (Rs./scm) | 2.2 | 2.4 | 4.4 | 2.1 | 1.9 | -12% | -10% | 2.2 | 2.4 | 7% |
| EBITDA/scm (Rs.) | 4.3 | 4.7 | 4.9 | 8.1 | 5.8 | 35% | -28% | 4.7 | 6.6 | 39% |

Source: Company, Emkay Research

Exhibit 3: Changes in assumptions

| Rs mn | FY21E | | | FY22E | | | FY23E | | |
|------------------|----------|---------|----------|----------|---------|----------|----------|---------|----------|
| | Previous | Revised | Variance | Previous | Revised | Variance | Previous | Revised | Variance |
| EBITDA/scm (Rs.) | 5.6 | 5.9 | 5% | 5.1 | 5.4 | 6% | 5.2 | 5.4 | 5% |
| Volumes (mmscmd) | 8.8 | 9.2 | 5% | 11.7 | 12.5 | 7% | 13.1 | 14.0 | 7% |
| Growth | -7% | -2% | 504bps | 33% | 35% | 186bps | 12% | 12% | 0bps |

Source: Company, Emkay Research

Exhibit 4: Changes in estimates

| Rs mn | FY21E | | | FY22E | | | FY23E | | |
|----------------|----------|---------|----------|----------|---------|----------|----------|---------|----------|
| | Previous | Revised | Variance | Previous | Revised | Variance | Previous | Revised | Variance |
| Revenue | 89,717 | 97,338 | 8% | 121,691 | 133,884 | 10% | 138,967 | 152,896 | 10% |
| EBITDA | 18,044 | 20,017 | 11% | 21,512 | 24,412 | 13% | 24,558 | 27,484 | 12% |
| EBITDA Margins | 20% | 21% | 45bps | 18% | 18% | 56bps | 18% | 18% | 30bps |
| PAT | 10,613 | 12,141 | 14% | 13,399 | 15,532 | 16% | 15,789 | 17,862 | 13% |
| EPS (Rs) | 15.4 | 17.6 | 14% | 19.5 | 22.6 | 16% | 22.9 | 25.9 | 13% |

Source: Company, Emkay Research

Exhibit 5: DCF valuation

| DCF assumptions | | Mar'23E (Rs mn) | |
|---------------------------|-------------|---------------------------|------------|
| Risk Free Rate | 6.0% | NPV Of FCF | 117,014 |
| Risk Premium | 5.5% | Terminal Value | 543,472 |
| Beta | 0.8 | PV Of TV | 209,935 |
| Cost Of Equity | 10.1% | Total Value | 326,949 |
| Cost Of Debt | 9.0% | Less: Net Debt (Y/E) | (72) |
| Post Tax Cost Of Debt | 6.8% | Equity Value | 327,021 |
| Average Debt:Equity Ratio | 30.0% | No. Of Shares O/S (mn) | 688 |
| WACC | 9.3% | Target Price (Rs.) | 475 |
| Terminal Growth Rate | 2.0% | | |

Source: Company, Emkay Research

Exhibit 6: PE-based valuation

| Rs. | FY18 | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------------|------|------|------|-------|-------|------------|
| Adjusted EPS | 4.6 | 5.2 | 13.1 | 17.6 | 22.6 | 25.9 |
| Target Multiple (x) | | | | | | 18.3 |
| DCF Target Price | | | | | | 475 |

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

| Y/E Mar (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|----------------------------------|---------------|----------------|---------------|----------------|----------------|
| Revenue | 77,544 | 103,003 | 97,338 | 133,884 | 152,896 |
| Expenditure | 67,505 | 86,661 | 77,321 | 109,471 | 125,413 |
| EBITDA | 10,039 | 16,343 | 20,017 | 24,412 | 27,484 |
| Depreciation | 2,880 | 3,180 | 3,449 | 3,930 | 4,391 |
| EBIT | 7,159 | 13,163 | 16,569 | 20,482 | 23,093 |
| Other Income | 1,113 | 837 | 814 | 913 | 1,053 |
| Interest expenses | 1,962 | 1,922 | 1,151 | 630 | 266 |
| PBT | 6,310 | 12,078 | 16,231 | 20,765 | 23,880 |
| Tax | 1,768 | 145 | 4,090 | 5,233 | 6,018 |
| Extraordinary Items | (962) | (2,899) | 0 | 0 | 0 |
| Minority Int./Income from Assoc. | 0 | 0 | 0 | 0 | 0 |
| Reported Net Income | 4,170 | 11,933 | 12,141 | 15,532 | 17,862 |
| Adjusted PAT | 3,580 | 9,034 | 12,141 | 15,532 | 17,862 |

Balance Sheet

| Y/E Mar (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--|----------------|----------------|---------------|---------------|---------------|
| Equity share capital | 1,377 | 1,377 | 1,377 | 1,377 | 1,377 |
| Reserves & surplus | 20,463 | 31,529 | 42,214 | 54,950 | 68,525 |
| Net worth | 21,840 | 32,906 | 43,590 | 56,327 | 69,902 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 |
| Loan Funds | 22,131 | 20,554 | 16,054 | 11,054 | 6,054 |
| Net deferred tax liability | 10,816 | 8,005 | 7,992 | 7,979 | 7,966 |
| Total Liabilities | 54,787 | 61,465 | 67,636 | 75,359 | 83,921 |
| Net block | 55,193 | 58,086 | 62,952 | 68,771 | 75,227 |
| Investment | 190 | 200 | 200 | 200 | 200 |
| Current Assets | 11,004 | 14,992 | 16,851 | 21,019 | 24,663 |
| Cash & bank balance | 3,092 | 6,919 | 9,008 | 11,125 | 13,662 |
| Other Current Assets | 791 | 817 | 841 | 866 | 892 |
| Current liabilities & Provision | 16,488 | 17,508 | 17,492 | 19,244 | 20,321 |
| Net current assets | (5,484) | (2,516) | (642) | 1,775 | 4,343 |
| Misc. exp | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 54,787 | 61,465 | 67,636 | 75,359 | 83,921 |

Cash Flow

| Y/E Mar (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| PBT (Ex-Other income) (NI+Dep) | 5,197 | 11,241 | 15,418 | 19,852 | 22,827 |
| Other Non-Cash items | (107) | 266 | 0 | 0 | 0 |
| Chg in working cap | 1,161 | (1,952) | 202 | (313) | (44) |
| Operating Cashflow | 9,644 | 14,221 | 16,062 | 18,797 | 21,351 |
| Capital expenditure | (4,521) | (6,880) | (7,745) | (9,237) | (10,385) |
| Free Cash Flow | 5,123 | 7,341 | 8,316 | 9,560 | 10,966 |
| Investments | (16) | (10) | 0 | 0 | 0 |
| Other Investing Cash Flow | (2,700) | 1,384 | 67 | 69 | 72 |
| Investing Cashflow | (6,124) | (4,668) | (6,864) | (8,255) | (9,261) |
| Equity Capital Raised | 0 | 0 | 0 | 0 | 0 |
| Loans Taken / (Repaid) | (1,151) | (1,578) | (4,500) | (5,000) | (5,000) |
| Dividend paid (incl tax) | (408) | (837) | (1,457) | (2,796) | (4,287) |
| Other Financing Cash Flow | 1,730 | (1,389) | 0 | 0 | 0 |
| Financing Cashflow | (1,791) | (5,725) | (7,108) | (8,426) | (9,553) |
| Net chg in cash | 1,729 | 3,827 | 2,090 | 2,117 | 2,537 |
| Opening cash position | 1,363 | 3,092 | 6,919 | 9,008 | 11,125 |
| Closing cash position | 3,092 | 6,919 | 9,008 | 11,125 | 13,662 |

Source: Company, Emkay Research

Key Ratios

| Profitability (%) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------------|-------------|-------------|--------------|--------------|--------------|
| EBITDA Margin | 12.9 | 15.9 | 20.6 | 18.2 | 18.0 |
| EBIT Margin | 9.2 | 12.8 | 17.0 | 15.3 | 15.1 |
| Effective Tax Rate | 28.0 | 1.2 | 25.2 | 25.2 | 25.2 |
| Net Margin | 5.9 | 11.6 | 12.5 | 11.6 | 11.7 |
| ROCE | 15.5 | 24.1 | 26.9 | 29.9 | 30.3 |
| ROE | 17.8 | 33.0 | 31.7 | 31.1 | 28.3 |
| RoIC | 15.5 | 27.6 | 32.5 | 36.3 | 36.9 |

| Per Share Data (Rs) | FY19 | FY20 | FY21E | FY22E | FY23E |
|----------------------------|-------------|-------------|--------------|--------------|--------------|
| EPS | 5.2 | 13.1 | 17.6 | 22.6 | 25.9 |
| CEPS | 9.4 | 17.7 | 22.6 | 28.3 | 32.3 |
| BVPS | 31.7 | 47.8 | 63.3 | 81.8 | 101.5 |
| DPS | 1.0 | 1.3 | 1.8 | 3.4 | 5.2 |

| Valuations (x) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-----------------------|-------------|-------------|--------------|--------------|--------------|
| PER | 73.1 | 29.0 | 21.5 | 16.8 | 14.6 |
| P/CEPS | 40.5 | 21.4 | 16.8 | 13.4 | 11.8 |
| P/BV | 12.0 | 7.9 | 6.0 | 4.6 | 3.7 |
| EV / Sales | 3.6 | 2.7 | 2.8 | 2.0 | 1.7 |
| EV / EBITDA | 28.0 | 16.8 | 13.4 | 10.7 | 9.2 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.5 | 0.9 | 1.4 |

| Gearing Ratio (x) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------------|-------------|-------------|--------------|--------------|--------------|
| Net Debt/ Equity | 0.9 | 0.4 | 0.2 | 0.0 | (0.1) |
| Net Debt/EBIDTA | 1.9 | 0.8 | 0.4 | 0.0 | (0.3) |
| Working Cap Cycle (days) | 8.2 | 4.3 | 4.3 | 4.3 | 4.3 |

| Growth (%) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------|-------------|-------------|--------------|--------------|--------------|
| Revenue | 25.6 | 32.8 | (5.5) | 37.5 | 14.2 |
| EBITDA | 10.2 | 62.8 | 22.5 | 22.0 | 12.6 |
| EBIT | 12.0 | 83.9 | 25.9 | 23.6 | 12.7 |
| PAT | 43.1 | 186.1 | 1.7 | 27.9 | 15.0 |

| Quarterly (Rs mn) | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 25,062 | 26,666 | 10,829 | 25,130 | 28,294 |
| EBITDA | 3,705 | 4,267 | 1,857 | 7,330 | 6,148 |
| EBITDA Margin (%) | 14.8 | 16.0 | 17.2 | 29.2 | 21.7 |
| PAT | 1,965 | 2,459 | 587 | 4,748 | 3,922 |
| EPS (Rs) | 2.9 | 3.6 | 0.9 | 6.9 | 5.7 |

Source: Company, Emkay Research

| Shareholding Pattern (%) | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Promoters | 60.9 | 60.9 | 60.9 | 60.9 | 60.9 |
| FIIIs | 11.1 | 9.8 | 9.2 | 9.1 | 9.0 |
| DIIs | 6.3 | 7.0 | 7.4 | 7.3 | 7.3 |
| Public and Others | 21.8 | 22.3 | 22.5 | 22.7 | 22.8 |

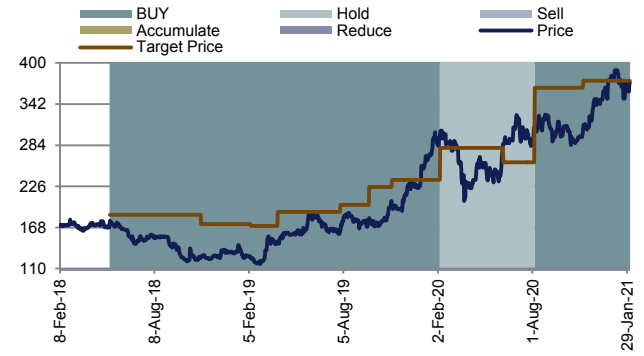
Source: Capitaline

RECOMMENDATION HISTORY TABLE

| Date | Closing Price | TP | Period (months) | Rating | Analyst |
|-----------|---------------|-----|-----------------|--------|----------------|
| 27-Nov-20 | 349 | 375 | 12m | Buy | Sabri Hazarika |
| 6-Nov-20 | 313 | 375 | 12m | Buy | Sabri Hazarika |
| 28-Sep-20 | 302 | 365 | 12m | Buy | Sabri Hazarika |
| 5-Aug-20 | 308 | 365 | 12m | Buy | Sabri Hazarika |
| 6-Jun-20 | 286 | 260 | 12m | Hold | Sabri Hazarika |
| 6-May-20 | 235 | 280 | 12m | Hold | Sabri Hazarika |
| 6-Feb-20 | 302 | 280 | 12m | Hold | Sabri Hazarika |
| 24-Jan-20 | 294 | 235 | 12m | Buy | Sabri Hazarika |
| 4-Dec-19 | 217 | 235 | 12m | Buy | Sabri Hazarika |
| 6-Nov-19 | 196 | 235 | 12m | Buy | Sabri Hazarika |
| 25-Oct-19 | 178 | 225 | 12m | Buy | Sabri Hazarika |
| 23-Sep-19 | 182 | 225 | 12m | Buy | Sabri Hazarika |
| 30-Jul-19 | 164 | 200 | 12m | Buy | Sabri Hazarika |
| 1-Jul-19 | 172 | 190 | 12m | Buy | Sabri Hazarika |
| 10-Jun-19 | 186 | 190 | 12m | Buy | Sabri Hazarika |
| 6-May-19 | 160 | 190 | 12m | Buy | Sabri Hazarika |
| 1-Apr-19 | 145 | 190 | 12m | Buy | Sabri Hazarika |
| 8-Mar-19 | 136 | 170 | 12m | Buy | Sabri Hazarika |
| 8-Feb-19 | 124 | 170 | 12m | Buy | Sabri Hazarika |
| 28-Jan-19 | 127 | 173 | 12m | Buy | Sabri Hazarika |
| 31-Dec-18 | 134 | 173 | 12m | Buy | Sabri Hazarika |
| 11-Dec-18 | 125 | 173 | 12m | Buy | Sabri Hazarika |
| 5-Nov-18 | 125 | 173 | 12m | Buy | Sabri Hazarika |
| 4-Sep-18 | 149 | 186 | 12m | Buy | Sabri Hazarika |
| 13-Jul-18 | 152 | 186 | 12m | Buy | Sabri Hazarika |
| 8-Jun-18 | 166 | 186 | 12m | Buy | Sabri Hazarika |
| 14-May-18 | 177 | 186 | 12m | Buy | Sabri Hazarika |

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Oil & Gas



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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 | 9.81 | 9.80 | 0% | -1 | 100.00 |
| BPCL | 0.41 | 0.45 | 10% | 4 | 4.55 |
| GAIL | 0.28 | 0.26 | -7% | -2 | 2.70 |
| Gujarat Gas | 0.08 | 0.09 | 18% | 1 | 0.95 |
| Gujarat State Petronet | 0.07 | 0.07 | 1% | 0 | 0.73 |
| Gulf Oil Lubricants | 0.00 | 0.05 | NA | 5 | 0.51 |
| HPCL | 0.21 | 0.23 | 10% | 2 | 2.32 |
| Indian Oil | 0.32 | 0.29 | -7% | -2 | 3.00 |
| Indraprastha Gas | 0.23 | 0.16 | -30% | -7 | 1.63 |
| Petronet LNG | 0.23 | 0.24 | 4% | 1 | 2.40 |
| Oil India | 0.05 | 0.03 | -38% | -2 | 0.32 |
| ONGC | 0.43 | 0.47 | 9% | 4 | 4.80 |
| Reliance Industries | 7.51 | 7.46 | -1% | -5 | 76.00 |
| 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 | 6-Feb-20 | 6-Aug-20 | 5-Nov-20 | 5-Jan-21 | 4-Feb-21 |
| EAP - Oil & Gas | 100.0 | 98.6 | 128.0 | 117.6 | 123.0 | 121.9 |
| BSE200 Neutral Weighted Portfolio (ETF) | 100.0 | 99.8 | 127.1 | 116.7 | 122.2 | 121.2 |

*Performance measurement base date 1st April 2019

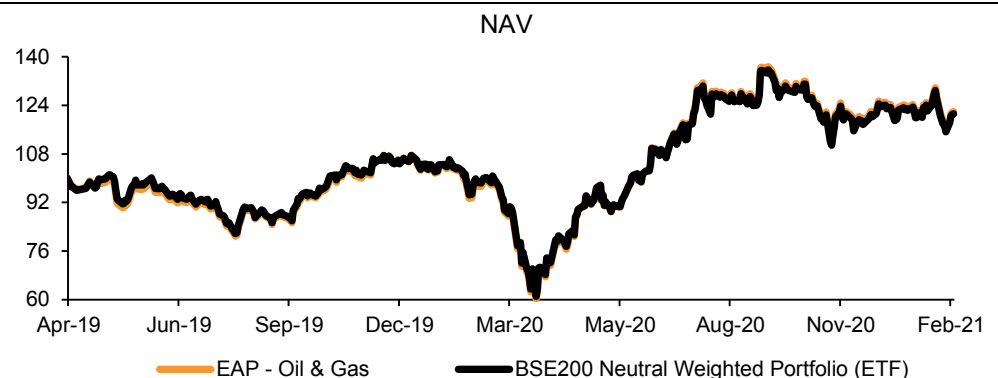
Source: Emkay Research

Price Performance (%)

| | 1m | 3m | 6m | 12m |
|---|-------|------|-------|-------|
| EAP - Oil & Gas | -0.9% | 3.7% | -4.7% | 23.6% |
| BSE200 Neutral Weighted Portfolio (ETF) | -0.8% | 3.8% | -4.7% | 21.4% |

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% |

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