

Oil & Gas

Refer to important disclosures at the end of this report

10th CGD Round: Gujarat Gas and IGL wins six and three GAs respectively

- The Petroleum and Natural Gas Regulatory Board (PNGRB) has declared winners under the 10th City Gas Distribution (CGD) bidding round. AG&P/IOCL/HPCL won the highest number of geographical areas (GA) at 9 each. In our coverage universe, Gujarat Gas/Indraprastha Gas won 6/3 areas. GAIL Gas/Torrent Gas/Adani Gas/IOCL Adani JV (IOAGPL)/BPCL won 4/3/2/1/2 areas, while Think Gas/Rajasthan State Gas won 1 each.
- GGL won lucrative GAs such as Sirsa, Fatehabad and Mansa (Punjab); Hoshiarpur and Gurdaspur (Punjab); and Jalore and Sirohi (Rajasthan), which saw 8-11 bids each. IGL won Ajmer, Pali and Rajsamand (Rajasthan), which also had 11 bids. AG&P was the biggest winner with Sri Potti Sriramulu Nellore; Chittoor, Kolar and Vellore; Mysuru, Mandya and Chamarajanagar; Alapuzha, Kollam and Thiruvananthapuram; and Chikkamagaluru, Hassan and Kodagu, which received 8-13 bids each.
- The winning areas should add up to long-term growth of GGL/IGL, although we await more clarity on capex, volumes and margins. PNGRB will release the physical targets, after which management guidance would be clearer on the above parameters. We retain our earnings estimates while reiterating Buy/Hold on GGL/IGL with Rs170/325 TP.

- **AG&P, IOCL, HPCL, GGL win big:** IOCL, HPCL and AG&P won 9 GAs each; AG&P bagged lucrative properties in the South, which saw 8-13 bids each. IOCL mostly won around Bihar, Jharkhand and Madhya Pradesh (MP), while HPCL in Uttar Pradesh (UP) and West Bengal. GAIL Gas won around UP, MP and Jharkhand. Adani Gas won Anuppur, Bilaspur and Korba (MP, Chattisgarh); Jhansi (parts); Bhind, Jalaun, Lalitpur and Datia (MP, UP), while IOAGPL won Jaunpur and Ghazipur (UP). Torrent won 3 GAs in UP. Mahanagar Gas did not win any areas, albeit bidding for just 2.
- **GGL wins lucrative areas in Punjab and Rajasthan; Ajmer attractive for IGL:** GGL won 6 out of 7 bids including parts of Ujjain, Dewas and Indore (MP); Jhabua, Banswara, Ratlam and Dungarpur (MP, Rajasthan); and Ferozepur, Faridkot and Sri Muktsar Sahib (Punjab). The company has bid strategically along proposed GSPL's cross country JV pipelines which would help in securing tap-off. The 6 GAs cover 17 districts. IGL's wins included Kaithal (Haryana); and Kanpur (parts), Fatehpur and Hamirpur (UP). The current coverage for IGL is 7 towns/districts in total. It applied for 15 areas.
- **Basic analysis implies value accretion of ~Rs7/5/sh for GGL/IGL:** Although we await more clarity on targets that would be soon released by PNGRB followed by a clearer management guidance, normal/lucrative GAs could hit 0.4/0.8mmcmd volumes each in five-six years, as per our understanding. PNGRB has envisaged Rs500bn capex for the 50 areas in 10 years; hence, we believe GGL's/IGL's 6/3 GAs would have a cumulative capex of about Rs72/30bn. Margins could be better, particularly for GGL due to sizeable CNG volumes (50% share). Based on the above assumptions and Rs6-6.5/scm EBITDA, we estimate these GAs to boost current valuations by 6%/2%, although same would improve going forward. Execution is the key, as missing targets would lead to penalties.
- **Valuation and outlook:** For now, we keep our estimates unchanged for GGL/IGL. We have Hold on IGL with a TP of Rs325. However, we find GGL attractive, given the recent stock correction and overall traction in margins from lower LNG prices. The company is confident of achieving 10% volume CAGR for the next four-five years. Reiterate Buy with a TP of Rs170.

Please see our sector EAP (page 7): [Emkay Alpha Portfolio – Oil & Gas](#)

Financial Snapshot

Standalone	EPS (Rs)		EV/EBITDA (x)		P/E (x)	
	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Indraprastha Gas	11.1	12.4	15.0	13.2	26.0	23.2
Gujarat Gas	6.0	6.8	10.4	9.1	19.5	17.1

Source: Company, Emkay Research

Indraprastha Gas		HOLD
CMP		Target Price
289		325

Gujarat Gas		BUY
CMP		Target Price
118		170

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Exhibit 1: PNGRB 10th round status

S.no	Company	Status	S.no	Company	Status
Indraprastha Gas (IGL)			Gujarat Gas (GGL)		
Wins→ 3			Wins→ 6		
1	Chittoor, Kolar and Vellore (AP, TN, KA)		1	Sirsa, Fatehabad and Mansa (Punjab) (HR, PB)	Won
2	Kaithal (HR)	Won	2	Ujjain (Parts), Dewas (Parts) and Indore (Parts) (MP)	Won
3	Sirsa, Fatehabad and Mansa (Punjab) (HR, PB)		3	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)	Won
4	Chikkamagaluru, Hassan and Kodagu (KA)		4	Ferozepur, Faridkot and Sri Muktsar Sahib (PB)	Won
5	Mysuru, Mandya and Chamarajanagar (KA)		5	Hoshiarpur and Gurdaspur (PB)	Won
6	Alapuzzha, Kollam and Thiruvananthapuram (KA)		6	Ajmer, Pali and Rajsamand (RAJ)	
7	Ujjain (Parts), Dewas (Parts) and Indore (Parts) (MP)		7	Jalore and Sirohi (RAJ)	Won
8	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)		Adani Gas (AGL)		
9	Ferozepur, Faridkot and Sri Muktsar Sahib (PB)		Wins→ 2		
10	Hoshiarpur and Gurdaspur (PB)		1	Sri Potti Sriramulu Nellore (AP)	
11	Ajmer, Pali and Rajsamand (RAJ)	Won	2	Chittoor, Kolar and Vellore (AP, TN, KA)	
12	Bareilly (Parts), Pilibhit and Rampur (UP)		3	Sirsa, Fatehabad and Mansa (Punjab)	
13	Kanpur (Parts), Fatehpur and Hamirpur (UP)	Won	4	Seraikela-Kharsawan (JH) (HR, PB)	
14	Shahjahanpur and Budaun (UP)		5	Bagalkot, Koppal and Raichur (KA)	
15	Bijnor and Nainital (UP, UK)		6	Chikkamagaluru, Hassan and Kodagu (KA)	
Mahanagar Gas (MGL)			7	Kalaburagi and Vijayapura (KA)	
Wins→ 0			8	Mysuru, Mandya and Chamarajanagar (KA)	
1	Mysuru, Mandya and Chamarajanagar (KA)		9	Uttara Kannada, Haveri and Shivamogga (KA)	
2	Alapuzzha, Kollam and Thiruvananthapuram (KA)		10	Raisen, Shajapur and Sehore (MP)	
Indian Oil			11	Anuppur, Bilaspur and Korba (MP, CH)	Won
Wins→ 9			12	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)	
1	Anantapur and YSR (Kadapa) (AP)		13	Jhansi (Parts), Bhind, Jalaun, Lalitpur and Datia (MP, UP)	Won
2	Sri Potti Sriramulu Nellore (AP)		14	Ferozepur, Faridkot and Sri Muktsar Sahib (PB)	
3	Chittoor, Kolar and Vellore (AP, TN, KA)		15	Hoshiarpur and Gurdaspur (PB)	
4	Araria, Purnia, Katihar and Kishanganj (BR)	Won	16	Ajmer, Pali and Rajsamand (RAJ)	
5	Arwal, Jehanabad, Bhojpur and Buxar (BR)	Won	17	Jalore and Sirohi (RAJ)	
6	Khagaria, Saharsa and Madhepura (BR)	Won	18	Howrah (Parts) and Hoogly (Parts) (WB)	
7	Lakhisarai, Munger and Bhagalpur (BR)	Won	19	South 24 Parganas (Parts) (UP)	
8	Muzaffarpur, Vaishali, Saran and Samastipur (BR)	Won	IOCL Adani Pvt. Ltd. (IOAGPL)		
9	Nawada and Koderma (BR, JH)	Won	Wins→ 1		
10	Sheikhpura, Jamui and Deoghar (BR, JH)	Won	1	Alapuzzha, Kollam and Thiruvananthapuram (KA)	
11	Kaithal (HR)		2	Bareilly (Parts), Pilibhit and Rampur (UP)	
12	Sirsa, Fatehabad and Mansa (HR, PB)		3	Farrukhabad, Etah and Hardoi (UP)	
13	Seraikela-Kharsawan (JH)		4	Jaunpur and Ghazipur (UP)	Won
14	Bagalkot, Koppal and Raichur (KA)		5	Mirzapur, Chandauli and Sonbhadra (UP)	
15	Chikkamagaluru, Hassan and Kodagu (KA)		6	Shahjahanpur and Budaun (UP)	
16	Kalaburagi and Vijayapura (KA)		7	Bijnor and Nainital (UP)	
17	Mysuru, Mandya and Chamarajanagar (KA)		AG&P		
18	Uttara Kannada, Haveri and Shivamogga (KA)		Wins→ 9		
19	Ashoknagar (MP)	Won	1	Anantapur and YSR (Kadapa) (AP)	Won
20	Gwalior (Parts) and Sheopur (MP)		2	Sri Potti Sriramulu Nellore (AP)	Won
21	Morena (MP)	Won	3	Chittoor, Kolar and Vellore (AP, TN, KA)	Won
22	Raisen, Shajapur and Sehore (MP)		4	Sirsa, Fatehabad and Mansa (HR, PB)	
23	Shivpuri (MP)		5	Bagalkot, Koppal and Raichur (KA)	Won
24	Sidhi and Singrauli (MP)		6	Chikkamagaluru, Hassan and Kodagu (KA)	Won
25	Ujjain (Parts), Dewas (Parts) and Indore (Parts) (MP)		7	Kalaburagi and Vijayapura (KA)	Won
26	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)		8	Mysuru, Mandya and Chamarajanagar (KA)	Won
27	Ferozepur, Faridkot and Sri Muktsar Sahib (PB)		9	Uttara Kannada, Haveri and Shivamogga (KA)	Won
28	Hoshiarpur and Gurdaspur (PB)		10	Alapuzzha, Kollam and Thiruvananthapuram (Kerala)	Won
29	Ajmer, Pali and Rajsamand (RAJ)		11	Ajmer, Pali and Rajsamand (RAJ)	
30	Jalore and Sirohi (RAJ)		12	Jalore and Sirohi (RAJ)	
31	Azamgarh, Mau and Ballia (UP)		13	Bijnor and Nainital (UP, UK)	
32	Basti and Ambedkarnagar (UP)				
33	Kanpur (Parts), Fatehpur and Hamirpur (UP)				
34	Mainpuri and Kannauj (UP)				
35	Darjeeling, Jalpaiguri and Uttar Dinajpur (WB)				

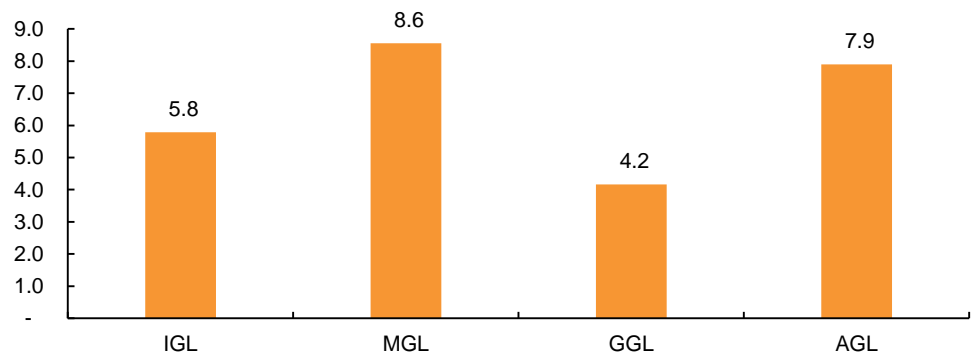
Source: PNGRB, Emkay Research

Exhibit 1: PNGRB 10th round status (Contd..)

S.no	Company	Status	S.no	Company	Status
BPCL			HPCL		
Wins→ 2			Wins→ 9		
1	Anantapur and YSR (Kadapa) (AP)		1	Sri Potti Sriramulu Nellore (AP)	
2	Sri Potti Sriramulu Nellore (AP)		2	Chittoor, Kolar and Vellore (AP, TN, KA)	
3	Chittoor, Kolar and Vellore (AP, TN, KA)		3	Kaithal (HR)	
4	Chatra and Palamu (JH)	Won	4	Sirsa, Fatehabad and Mansa (HR, PB)	
5	Bagalkot, Koppal and Raichur (KA)		5	Seraikela-Kharsawan (JH)	
6	Kalaburagi and Vijayapura (KA)		6	Chikkamagaluru, Hassan and Kodagu (KA)	
7	Mysuru, Mandya and Chamarajanagar (KA)		7	Shivpuri (MP)	
8	Alapuzza, Kollam and Thiruvananthapuram (Kerala)		8	Anuppur, Bilaspur and Korba (MP, CH)	
9	Morena (MP)		9	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)	
10	Sidhi and Singrauli (MP)	Won	10	Ferozepur, Faridkot and Sri Muksar Sahib (PB)	
11	Hoshiarpur and Gurdaspur (PB)		11	Hoshiarpur and Gurdaspur (PB)	
12	Ajmer, Pali and Rajsamand (PB)		12	Ajmer, Pali and Rajsamand (RAJ)	
13	Bijnor and Nainital (UP, UK)		13	Jalore and Sirohi (RAJ)	
14	Darjeeling, Jalpaiguri and Uttar Dinajpur (WB)		14	Bareilly (Parts), Pilibhit and Rampur (UP)	Won
Torrent Gas			15	Farrukhabad, Etah and Hardoi (UP)	Won
Wins→ 3			16	Kanpur (Parts), Fatehpur and Hamirpur (UP)	
1	Sri Potti Sriramulu Nellore (AP)		17	Mainpuri and Kannauj (UP)	Won
2	Chittoor, Kolar and Vellore (AP, TN, KA)		18	Shahjahanpur and Budaun (UP)	Won
3	Kaithal (HR)		19	Bijnor and Nainital (UP, UK)	Won
4	Sirsa, Fatehabad and Mansa (Punjab) (HR, PB)		20	Darjeeling, Jalpaiguri and Uttar Dinajpur (WB)	Won
5	Mysuru, Mandya and Chamarajanagar (KA)		21	Howrah (Parts) and Hoogly (Parts) (WB)	Won
6	Alapuzza, Kollam and Thiruvananthapuram (KA)		22	Nadia (Parts) and North 24 Parganas (Parts) (WB)	Won
7	Jhabua, Banswara, Ratlam and Dungarpur (MP, RAJ)		23	South 24 Parganas (Parts) (WB)	Won
8	Hoshiarpur and Gurdaspur (PB)		GAIL Gas		
9	Ajmer, Pali and Rajsamand (RAJ)		Wins→ 4		
10	Jalore and Sirohi (RAJ)		1	Chittoor, Kolar and Vellore (AP, TN, KA)	
11	Azamgarh, Mau and Ballia (UP)	Won	2	Sheikhpura, Jamui and Deoghar (BR, JH)	
12	Bareilly (Parts), Pilibhit and Rampur (UP)		3	Seraikela-Kharsawan (JH)	Won
13	Basti and Ambedkarnagar (UP)	Won	4	West Singhbhum (JH)	Won
14	Farrukhabad, Etah and Hardoi (UP)		5	Chikkamagaluru, Hassan and Kodagu (KA)	
15	Gonda and Barabanki (UP)	Won	6	Mysuru, Mandya and Chamarajanagar (KA)	
16	Jaunpur and Ghazipur (UP)		7	Raisen, Shajapur and Sehore (MP)	Won
17	Kanpur (Parts), Fatehpur and Hamirpur (UP)		8	Mirzapur, Chandauli and Sonbhadra (UP)	Won
18	Mainpuri and Kannauj (UP)		9	Darjeeling, Jalpaiguri and Uttar Dinajpur (WB)	
19	Mirzapur, Chandauli and Sonbhadra (UP)		10	Howrah (Parts) and Hoogly (Parts) (WB)	
20	Shahjahanpur and Budaun (UP)				

Source: PNGRB, Emkay Research, AP- Andhra Pradesh, TN-Tamil Nadu, KA – Karnataka, HR-Haryana, PB-Punjab, MP-Madhya Pradesh, RAJ-Rajasthan, UP-Uttar Pradesh, UK-Uttarakhand, JH-Jharkhand, CH-Chattisgarh, WB-West Bengal, BR-Bihar

Exhibit 2: 9MFY19 EBITDA/scm (Rs.) of major CGD players



Source: Company, Emkay Research

Exhibit 3: Illustrative basic valuation analysis (Gujarat Gas)

Rs mn	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Volume (mmscmd)	0.0	0.3	0.9	1.4	2.0	2.7	3.4	4.1	4.7	5.2
Growth			150%	60%	50%	33%	25%	20%	15%	11%
EBITDA/scm (Rs)	0.0	6.0	6.1	6.1	6.2	6.2	6.3	6.4	6.4	6.5
EBITDA	-	745	1,880	3,038	4,616	6,199	7,826	9,485	11,007	12,330
FCFF	(3,400)	(9,455)	(11,720)	(10,562)	(6,434)	(1,873)	985	3,422	5,750	7,173
Capex	3,400	10,200	13,600	13,600	11,050	6,800	5,100	3,825	2,550	2,040
Net Debt	3,400	12,855	24,575	35,137	41,571	43,444	42,459	39,037	33,287	26,114
NPV of FCFF	(23,629)									
TV	81,299									
PV of TV	31,782									
EV	8,153									
Net Debt	3,400									
Equity Value	4,753									
Per Share Value	7									
WACC	11.0%									
Terminal Growth	2.0%									

Source: Company, Emkay Research

Exhibit 4: Illustrative basic valuation analysis (Indraprastha Gas)

Rs mn	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Volume (mmscmd)	0.0	0.1	0.4	0.6	0.8	1.1	1.4	1.7	1.9	2.1
Growth			150%	60%	50%	33%	25%	20%	15%	11%
EBITDA/scm (Rs)	0.0	6.0	6.1	6.1	6.2	6.2	6.3	6.4	6.4	6.5
EBITDA	-	307	774	1,251	1,901	2,552	3,222	3,906	4,532	5,077
FCFF	(560)	(4,593)	(5,176)	(4,349)	(2,999)	(1,454)	595	1,596	2,483	3,103
Capex	560	4,900	5,950	5,600	4,900	3,500	1,925	1,400	945	700
Net Debt	560	5,153	10,329	14,678	17,678	19,132	18,537	16,941	14,458	11,355
NPV of FCFF	(11,013)									
PV of TV	15,158									
EV	4,145									
Net Debt	560									
Equity Value	3,585									
Per Share Value	5									
WACC	10.5%									
Terminal Growth	2.0%									

Source: Company, Emkay Research

Exhibit 5: GGL DCF Valuation

DCF Assumptions		FY21E (Rs.mn)	
Risk Free Rate	7.5%	NPV Of FCF	61,138
Risk Premium	6.5%	Terminal Value	205,546
Beta	0.8	PV Of TV	72,518
Cost Of Equity	12.4%	Total Value	133,657
Cost Of Debt	9.5%	Less: Net Debt (Y/E)	16,855
Post Tax Cost Of Debt	6.3%	Equity Value	116,802
Average Debt:Equity Ratio	30.0%	No. Of Shares O/S (mn)	688
WACC	11.0%	Target Price (Rs.)	170
Terminal Growth Rate	3.0%		

Source: Company, Emkay Research

Exhibit 6: GGL PE-based Valuation

Rs.	FY16	FY17	FY18	FY19E	FY20E	FY21E
Adjusted EPS	3.2	3.2	4.6	5.9	6.8	8.6
Target Multiple (x)						19.6
Target Price						170

Source: Company, Emkay Research

Exhibit 7: IGL DCF Valuation

DCF Assumptions		FY21E (Rs.mn)	Core IGL	CUGL 50%	MNGL 50%	Consol
Risk Free Rate	8.0%	NPV Of FCF	76,718	1,855	5,986	
Risk Premium	5.5%	Terminal Value	320,190	4,810	17,545	
Beta	0.7	PV Of TV	118,503	1,670	6,091	
Cost Of Equity	11.9%	Total Value	195,221	3,525	12,077	
Cost Of Debt	8.9%	Less: Net Debt (Y/E)	-17,122	-477	921	
Post Tax Cost Of Debt	5.9%	Equity Value	212,343	4,002	11,156	227,501
Average Debt:Equity Ratio	31%	No. Of Shares O/S (mn)	700	700	700	700
WACC	10.5%	Target Price (Rs.)	303	6	16	325
Terminal Growth Rate						
IGL	3.5%					
CUGL	2.0%					
MNGL	3.0%					

Source: Company, Emkay Research

Exhibit 8: IGL PE-based Valuation

Rs./sh	FY16	FY17	FY18	FY19E	FY20E	FY21E
IGL's Core EPS	6.1	8.2	9.4	11.1	12.4	14.3
Less: CU/MNGL Div. Inc.	0.5	0.6	0.2	0.2	0.2	0.2
IGL Adjusted EPS	5.6	7.6	9.3	10.9	12.2	14.0
CUGL/MNGL EPS Contri.	0.8	0.9	1.0	1.2	1.4	1.7
Consol. EPS	6.3	8.5	10.3	12.1	13.6	15.7
Target Multiple (x)						20.7
Target Price						325

Source: Company, Emkay Research

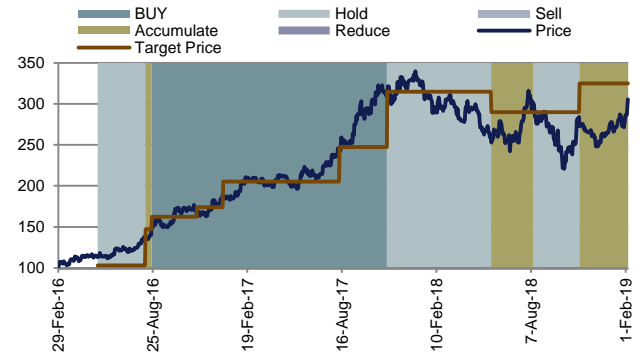
Indraprastha Gas

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
6-Feb-19	300	325	12m	Hold	Sabri Hazarika
28-Jan-19	273	325	12m	Accumulate	Sabri Hazarika
31-Dec-18	267	325	12m	Accumulate	Sabri Hazarika
11-Dec-18	249	325	12m	Accumulate	Sabri Hazarika
6-Nov-18	273	325	12m	Accumulate	Sabri Hazarika
4-Sep-18	283	290	12m	Hold	Sabri Hazarika
11-Aug-18	300	290	12m	Hold	Sabri Hazarika
13-Jul-18	253	290	12m	Accumulate	Sabri Hazarika
8-Jun-18	279	290	12m	Accumulate	Sabri Hazarika
24-May-18	253	290	12m	Accumulate	Sabri Hazarika
9-Nov-17	310	315	12m	Hold	Dhaval Joshi
11-Aug-17	243	248	12m	Buy	Dhaval Joshi
29-May-17	205	205	12m	Buy	Dhaval Joshi
9-Feb-17	206	205	12m	Buy	Dhaval Joshi
4-Jan-17	187	205	12m	Buy	Dhaval Joshi
16-Nov-16	165	174	12m	Buy	Dhaval Joshi
6-Sep-16	159	162	12m	Buy	Dhaval Joshi
23-Aug-16	151	162	12m	Buy	Dhaval Joshi
11-Aug-16	136	147	12m	Accumulate	Dhaval Joshi
2-Jun-16	114	103	12m	Hold	Dhaval Joshi
13-May-16	114	103	12m	Hold	Dhaval Joshi

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

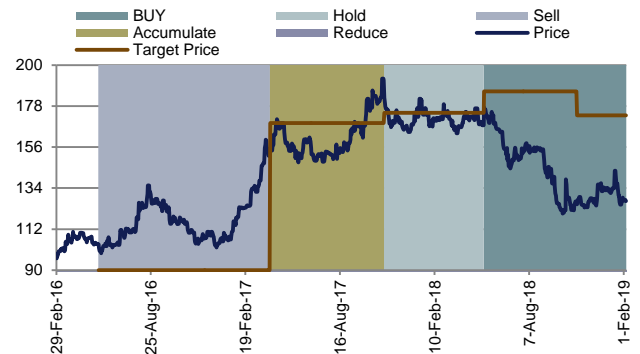
Gujarat Gas

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
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
7-Nov-17	183	174	12m	Hold	Dhaval Joshi
10-Aug-17	150	169	12m	Accumulate	Dhaval Joshi
24-May-17	150	169	12m	Accumulate	Dhaval Joshi
6-Apr-17	154	169	12m	Accumulate	Dhaval Joshi
6-Feb-17	122	90	12m	Sell	Dhaval Joshi
28-Dec-16	104	90	12m	Sell	Dhaval Joshi
18-Nov-16	105	90	12m	Sell	Dhaval Joshi
9-Sep-16	126	90	12m	Sell	Dhaval Joshi
6-Sep-16	128	90	12m	Sell	Dhaval Joshi
2-Jun-16	103	90	12m	Sell	Dhaval Joshi
18-May-16	104	90	12m	Sell	Dhaval Joshi

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 is a 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	10.46	10.34	-1%	-11	100
BPCL	0.47	0.00	-100%	-47	0
Castrol India*	0.13	0.00	-100%	-13	0
GAIL	0.53	0.63	19%	10	6
Gujarat Gas	0.00	0.10	NA	10	1
Gujarat State Petronet	0.08	0.13	55%	4	1
Gulf Oil Lubricants	0.00	0.16	NA	16	2
HPCL	0.30	0.42	38%	12	4
Indian Oil	0.54	0.31	-42%	-23	3
Indraprastha Gas	0.18	0.00	-100%	-18	0
MRPL*	0.02	0.02	0%	0	0
Petronet LNG	0.30	0.31	5%	2	3
Oil India	0.08	0.16	85%	7	2
ONGC	0.75	0.31	-58%	-43	3
Reliance Industries	7.07	7.79	10%	72	75

Source: Emkay Research

* Not under coverage: Equal Weight

Sector portfolio NAV (for future addition)

Returns by EAP on rolling basis

Performance	NAV	3M	6M	12M
EAP - Oil & Gas	100			
BSE 200 weighted portfolio	100			

*Formal performance measurement of EAP starts 1st April 2019

Source: Emkay Research

Emkay Rating Distribution

BUY	Expected total return (%) (Stock price appreciation and dividend yield) of over 25% within the next 12-18 months.
ACCUMULATE	Expected total return (%) (Stock price appreciation and dividend yield) of over 10% within the next 12-18 months.
HOLD	Expected total return (%) (Stock price appreciation and dividend yield) of upto 10% within the next 12-18 months.
REDUCE	Expected total return (%) (Stock price depreciation) of upto (-) 10% within the next 12-18 months.
SELL	The stock is believed to underperform the broad market indices or its related universe within the next 12-18 months.

Completed Date: 27 Feb 2019 23:51:19 (SGT)
Dissemination Date: 27 Feb 2019 23:52:19 (SGT)

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