

## HPCL

### Recovery gains steam

HPCL's recurring EBITDA/PAT for Q1 was Rs32/18bn (-27/36% YoY and down 32/40% QoQ), below our EBITDA estimate of Rs35bn and adjusted PAT estimate of Rs22.7bn\*, with a sharp dip in refining margins and throughput the key reason for the dip and miss vs estimates. Due to the weaker refining metrics, reported gross margins of Rs70bn (including inventory gains) were down 10% YoY and 28% QoQ (CenE Rs83.8bn). Marketing segment performed much better than estimates, with in-line volume and blended margins of Rs4,850/t (-48% YoY / +10.5% QoQ, ahead of our estimate of Rs4,290/t. Prospects for the rest of FY22 look fairly robust, with a strong recovery in fuel consumption, strong marketing margins and improvement in refining earnings to boost earnings. Reiterate BUY, with a TP of Rs410. The stock trades at <4x FY23E EPS / 5x EV/EBITDA.

#### Maintenance shutdown impacts refining metrics

HPCL reported GRMs of just USD3.3/bbl, down USD2.4/bbl YoY and USD3/bbl QoQ, well below our estimate of USD6.4/bbl. Record low refining throughput of 2.5mt due to a prolonged shutdown of the Mumbai refinery (to help commissioning of the 2mt capacity addition via debottlenecking) impacted operations. However, the commissioning is almost completed and the 6.7mt expansion of the Vizag refinery is also on track to complete by FY23E, materially changing refinery prospects for HPCL over FY23-25E.

#### Marketing delivers strong margins

Domestic sales volumes at 8.45mt (+17/-14% YoY/QoQ) were in line, with exports of 0.4mt (flat YoY, +22% QoQ; CenE 0.5mt). Coupled with blended marketing margins at Rs4,850/t (-48/+10.5% YoY/QoQ), marketing earnings were Rs43bn (-40% YoY/-4% QoQ, CenE Rs38.5bn). We note that the company has stopped providing inventory gain data from last quarter. So, the margins include our assumptions of inventory gains in Q1.

#### Capex to remain high but leverage at comfortable levels

The company's guidance of Rs140-150bn capex annually is higher than the annual average of Rs97.5bn over FY17-21, given the sharply higher capex plans for the refinery expansion of Mumbai/Vizag and the equity contribution for multiple subsidiary businesses like CGDs/Barmer refinery. However, net DER remains <0.9x, thanks to lower DBT liability and higher profitability, supporting our positive stance on HPCL.

#### Valuation and risks – maintain Buy

We have raised FY22E EPS by 3% and marginally reduced FY23E EPS to factor higher marketing margins for FY22 and higher capex for FY23E. TP has been raised to Rs410 (from Rs395) to factor higher marketing EBITDA. At current price and valuations of 3.9x FY23E EPS / 5.1x FY23E EV/EBITDA, the stock is attractive. We believe current valuations underplay the steady recovery in core business earnings and healthy return ratios. Reiterate BUY.

### Financial and valuation summary

YE Mar (Rs mn)	1QFY22	1QFY21	YoY (%)	4QFY21	QoQ (%)	FY21A	FY22E	FY23E
Revenue	7,24,434	3,77,209	92.1%	7,48,434	-3.2%	24,15,298	37,16,020	37,52,365
EBITDA	31,930	43,536	-26.7%	46,664	-31.6%	1,59,254	1,02,785	1,56,418
EBITDA margin(%)	4.4%	11.5%		6.2%		6.6%	2.8%	4.2%
EBIT	22,790	34,875	-34.7%	37,292	-38.9%	1,23,728	63,705	1,13,431
EBIT margin (%)	3.1%	9.2%		5.0%		5.1%	1.7%	3.0%
Adj. PAT	17,950	28,138	-36.2%	30,180	-40.5%	1,06,639	60,861	97,460
Diluted EPS	12.4	18.5	-33.0%	20.8	-40.5%	73.4	41.9	67.1
PER						3.6	6.3	3.9
EV/EBITDA						4.8	7.4	5.2
P/BV						1.1	1.0	0.9

Source: Company, Centrum Broking

### Result Update

#### India I Oil & Gas

05 August, 2021

**BUY**

Price: Rs272

Target Price: Rs410

Forecast return: 51%

#### Market Data

Bloomberg:	HPCL IN
52 week H/L:	312/163
Market cap:	Rs386.2bn
Shares Outstanding:	1418.5mn
Free float:	41.7%
Avg. daily vol. 3mth:	61,39,858

Source: Bloomberg

#### Changes in the report

Rating:	Unchanged
Target price:	Rs410 from Rs395
EPS:	FY22e +2.7% Fy23e -1%

Source: Centrum Broking

#### Shareholding pattern

	Jun-21	Mar-21	Dec-20	Sep-20
Promoter	54.9	53.5	51.6	51.1
FII	17.8	16.3	15.9	15.5
DII	16.1	18.9	20.7	22.1
Public/other	11.1	11.3	11.8	11.3

Source: BSE

#### Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY22	Actual Q1FY22	Variance (%)
Revenue	8,10,770	7,24,434	(10.6)
EBITDA	35,119	31,930	(9.1)
EBITDA margin	4.3	4.4	
PBT	30,319	23,969	(20.9)
Adj. PAT	22,687	17,950	(20.9)

Source: Bloomberg, Centrum Broking



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## Thesis Snapshot

### Estimate revision

YE Mar (Rs mn)	FY22E New	FY23E Old	% chg	FY22E New	FY23E Old	% chg
Revenue	37,16,020	37,16,020	0%	37,52,365	37,52,365	0%
EBITDA	1,02,785	1,00,653	2%	1,56,418	1,57,826	-1%
EBITDA margin	2.8	2.7		4.2	4.2	
Adj. PAT	60,861	59,265	3%	97,460	98,514	-1%
Diluted EPS (Rs)	41.9	40.8	3%	67.1	67.8	-1%

Source: Centrum Broking

### HPCL versus NIFTY 50

	1m	6m	1 year
HPCL IN	(13.0)	17.8	24.4
NIFTY 50	3.0	9.2	45.5

Source: Bloomberg, NSE

### Key assumptions

Y/E Mar	FY20E	FY21E
Brent (USD/bbl)	62.3	60.0
INR/USD	74.5	75.0
<b>Refining</b>		
Crude Throughput (mmt)	17.5	22.3
GRMs (US\$/bbl)	4.0	4.8
Singapore GRM (US\$/bbl)	4.5	4.5
<b>Marketing</b>		
<b>Market Sales (mmt)</b>		
Domestic	37.4	39.0
Exports	1.4	1.4
Pipeline throughput (mmt)	18.0	18.5

Source: Centrum Broking

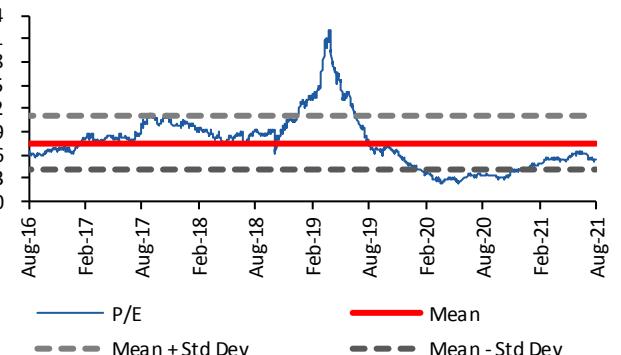
### Valuations

We value HPCL on EV/EBITDA multiples of 5-6x for various segments on FY23E -

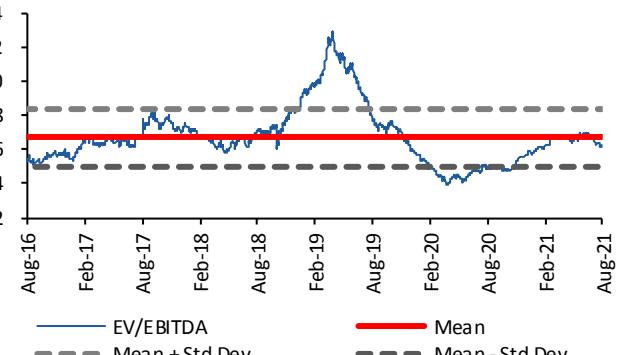
Valuations	Rs/share
Refining (5x FY23e EV/E)	133
Marketing (6x FY23e EV/E)	441
Pipeline (5.5x FY23e EV/E)	37
HMEL (5x FY23e Ev/E)	32.2
Investment (30% disc to CMP)	11
<b>Total EV</b>	<b>655</b>
<b>Net Debt</b>	<b>245</b>
<b>Equity Value</b>	<b>410</b>

#### Upside (downside)

#### P/E mean and standard deviation



#### EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

### Peer comparison

Company	Mkt Cap (Rsmn)	EPS CAGR (FY21-23E) (%)	PE (x)			P/BV (x)			EV/EBITDA (x)			RoE (%)	ROCE (%)
			FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E		
HPCL	3,84,889	-4.4%	3.7	6.5	4.1	1.1	1.0	0.9	4.7	7.2	5.1	23.6	11.9
BPCL	9,58,553	-2.4%	6.6	8.0	6.9	1.8	1.6	1.5	6.4	7.0	5.6	22.2	17.5
IOCL	9,54,369	-8.6%	4.6	5.5	5.5	0.9	0.8	0.8	4.6	6.4	6.1	15.0	8.5

Source: Company, Centrum Broking

**Exhibit 1: Quarterly financials**

Particulars (Rs bn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
<b>Net Sales</b>	<b>7,09,889</b>	<b>6,08,633</b>	<b>7,07,496</b>	<b>6,61,549</b>	<b>3,77,209</b>	<b>5,17,733</b>	<b>6,86,592</b>	<b>7,48,434</b>	<b>7,24,434</b>
<b>Total Income</b>	<b>7,09,889</b>	<b>6,08,633</b>	<b>7,07,496</b>	<b>6,61,549</b>	<b>3,77,209</b>	<b>5,17,733</b>	<b>6,86,592</b>	<b>7,48,434</b>	<b>7,24,434</b>
Accretion to Stocks in trade & work in progress	(749)	(17,768)	21,194	(6,862)	2,303	(23,014)	(28,851)	(35,768)	31,335
Raw Material Consumed	1,45,702	1,56,798	1,47,145	1,47,762	68,013	1,03,568	1,00,444	1,38,995	94,955
Purchase of Semi/finished goods/traded goods	5,11,618	4,07,228	4,77,992	4,75,398	2,28,980	3,60,679	5,40,445	5,48,447	5,28,043
Employee Expenses	8,125	7,758	7,677	8,382	8,643	10,053	8,836	4,352	8,359
Other Exp	28,754	31,427	34,855	43,936	25,733	30,408	32,703	45,745	29,812
<b>Operating Profit (Core EBITDA)</b>	<b>16,439</b>	<b>23,189</b>	<b>18,633</b>	<b>(7,066)</b>	<b>43,536</b>	<b>36,039</b>	<b>33,015</b>	<b>46,664</b>	<b>31,930</b>
Depreciation	8,151	8,121	8,659	8,114	8,661	8,683	8,811	9,372	9,139
<b>EBIT</b>	<b>8,289</b>	<b>15,068</b>	<b>9,974</b>	<b>(15,180)</b>	<b>34,875</b>	<b>27,356</b>	<b>24,205</b>	<b>37,292</b>	<b>22,790</b>
Interest	2,063	2,856	2,524	3,374	3,217	2,604	1,274	2,053	2,542
Other Revenue/Income	6,165	3,957	4,058	4,241	5,626	8,168	8,648	5,446	3,720
Other Excep. Items (restructuring, asset sales etc)									
<b>Profit Before Tax</b>	<b>12,390</b>	<b>16,170</b>	<b>11,508</b>	<b>(14,313)</b>	<b>37,284</b>	<b>32,920</b>	<b>31,579</b>	<b>40,685</b>	<b>23,969</b>
Tax	4,281	5,647	4,036	(24,611)	9,146	8,146	8,032	10,506	6,018
<i>Tax rate (%)</i>	34.6%	34.9%	35.1%	171.9%	24.5%	24.7%	25.4%	25.8%	25.1%
<b>Profit After Tax</b>	<b>8,110</b>	<b>10,523</b>	<b>7,472</b>	<b>10,297</b>	<b>28,138</b>	<b>24,775</b>	<b>23,546</b>	<b>30,180</b>	<b>17,950</b>
<b>PAT attributable to Consolidated Group</b>	<b>8,110</b>	<b>10,523</b>	<b>7,472</b>	<b>2,321</b>	<b>28,138</b>	<b>24,775</b>	<b>23,546</b>	<b>30,180</b>	<b>17,950</b>
<b>Adjusted PAT for the group</b>	<b>8,110</b>	<b>10,523</b>	<b>7,472</b>	<b>2,321</b>	<b>28,138</b>	<b>24,775</b>	<b>23,546</b>	<b>30,180</b>	<b>17,950</b>
<b>Growth (%)</b>									
<i>Net Sales</i>	4.5%	-14.3%	16.2%	-6.5%	-43.0%	37.3%	32.6%	9.0%	-3.2%
<i>EBITDA</i>	-68.3%	41.1%	-19.6%	-137.9%	-716.2%	-17.2%	-8.4%	41.3%	-31.6%
<i>Adj. PAT</i>	-72.7%	29.8%	-29.0%	-68.9%	1112.2%	-12.0%	-5.0%	28.2%	-40.5%
<b>Margin (%)</b>									
<i>EBITDA</i>	2.3%	3.8%	2.6%	-1.1%	11.5%	7.0%	4.8%	6.2%	4.4%
<i>EBIT</i>	1.2%	2.5%	1.4%	-2.3%	9.2%	5.3%	3.5%	5.0%	3.1%
<i>PAT (reported bef minority interest)</i>	1.1%	1.7%	1.1%	1.6%	7.5%	4.8%	3.4%	4.0%	2.5%
<b>Key Drivers</b>									
Brent (USD/bbl)	68.5	61.9	62.4	50.0	32.0	42.7	44.5	60.5	68.0
INR/USD	69.6	70.4	71.2	72.6	75.5	74.4	74.0	73.0	73.6
<b>Refining</b>									
Crude Throughput (mmt)	3.9	4.6	4.2	4.5	4.0	4.1	4.0	4.4	2.5
GRMs (US\$/bbl)	0.8	2.8	1.8	(1.2)	0.0	5.1	1.9	8.1	3.3
Singapore GRM (US\$/bbl)	3.5	6.5	1.7	1.2	(0.9)	0.5	1.3	1.8	-
<b>Marketing</b>									
<b>Market Sales (mmt)</b>	<b>10.1</b>	<b>9.4</b>	<b>10.6</b>	<b>9.6</b>	<b>7.6</b>	<b>8.4</b>	<b>10.4</b>	<b>10.1</b>	<b>8.8</b>
Domestic	9.8	9.0	9.8	9.3	7.2	8.1	10.0	9.8	8.5
Exports	0.3	0.5	0.8	0.3	0.4	0.3	0.4	0.3	0.4
Pipeline throughput (mmt)	5.3	5.1	5.1	5.7	3.5	4.7	5.5	5.4	4.3

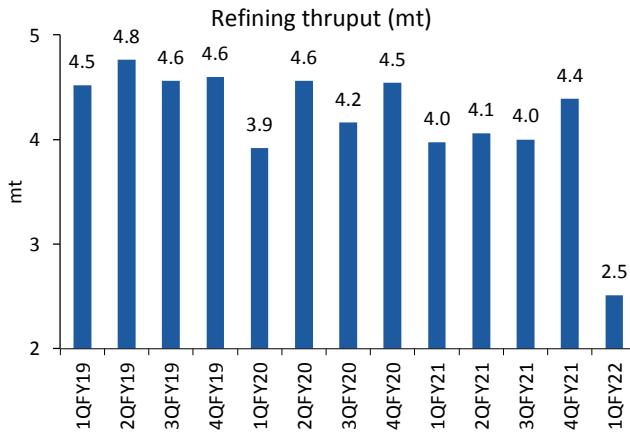
Source: Centrum Broking, Company Data

## Exhibit 2: Key management takeaways

	Q4FY21	Q1FY22	Comments
GRM outlook	Company reported GRM of USD8.11/bbl while core margins were USD3.5/bbl in Q4. While industry utilization was at ~87% in FY21, HPCL's strategy to keep refinery utilization run rate high (104% in FY21) along with building the inventory position has turned out well. It sees refining margins to be better for FY22 vs FY21, with MS/HSD cracks now coming at >USD8/bbl while Singapore GRMs at >USD3.5/bbl	Company reported GRM of USD3.3/bbl, driven by a low throughput of 2.5mt due to a long shutdown of the Mumbai refinery to commission additional 2mt capacity. Post the commissioning of the same in August 2021 and 6.7mt expansion at Vizag, GRMs will improve steadily over the next 2-3 years	We have factored in GRM estimates of USD4/USD4.8 per bbl for FY22/23E, factoring some normalization in product spreads and refining upgrades by HPCL.
Market sales	May'21 demand has contracted 30% for MS/HSD vs May'19, it is +28/6% vs May'20 for MS/HSD. The company has also managed to increased its market share by +240bp as industry volumes declined by 9% in FY21 while HPCL declined by only 6.6% in FY21	MS HSD and LPG all showed healthy YoY growth in Q1 and MS has come back to pre CoVid levels in July while HSD/other industrial fuels remain below normalized levels as of now	Given the decline in Indian fuel consumption, we have factored in market sales volumes of 38.9/40.4mt (~6/4% YoY growth) for FY22/23E.
Capex	Company has spent Rs14k crore in FY21. Out of the total Rs14k crore, capex spend for Marketing/Refinery/Pipeline was Rs5.75k/5.75k/.3k crore. In FY22, management guides a total capex of Rs14.5k crore.	Company has spent 14k crore in FY21. Out of the total Rs14k crore, capex spend for Marketing/Refinery/Pipeline was Rs5.75k/5.75k/.3k crore. In FY22, management guides a total capex of Rs14.5k crore.	Based on management guidance and our understanding of project progress, we have factored a capex of ~Rs15bn for FY22/23E.
Update on ongoing projects	Mumbai Refinery expansion is expected to be completed in Q2FY22 while Vizag expansion is expected to complete in FY22; bottom upgradation is expected to be completed by CY22, enhancing Vizag refinery GRMs to double digit levels.	Mumbai Refinery expansion is expected to be completed in Q2FY22 while Vizag expansion is expected to complete in FY22; bottom upgradation is expected to be completed by CY22, enhancing Vizag refinery GRMs to double digit levels.	With multiple projects expanding and upgrading refining capabilities and adding petchem capabilities as well, we expect downstream margins to steadily expand over the next 2-3 years.
Buyback	The buyback program has concluded with 10.52 crore shares bought at Rs2,400crore	No further update	We believe this enhances company's focus on creating investor wealth

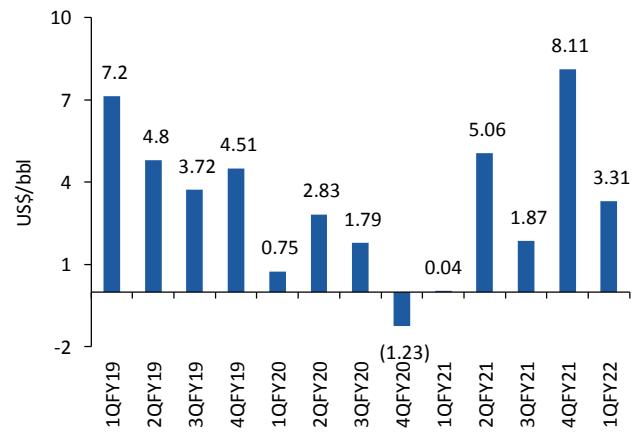
Source: Centrum Broking, Company Data

## Exhibit 3: Refining throughput dips

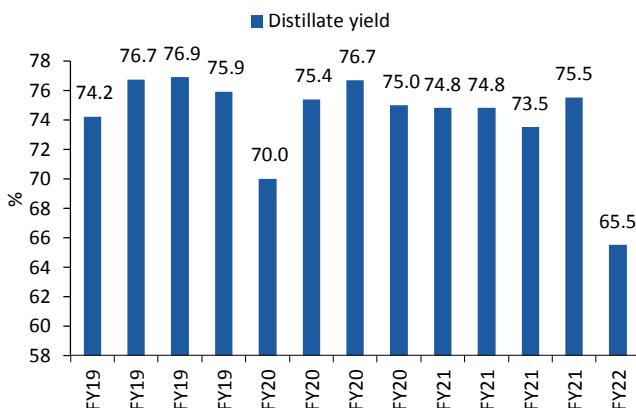


Source: Centrum Broking, Company Data

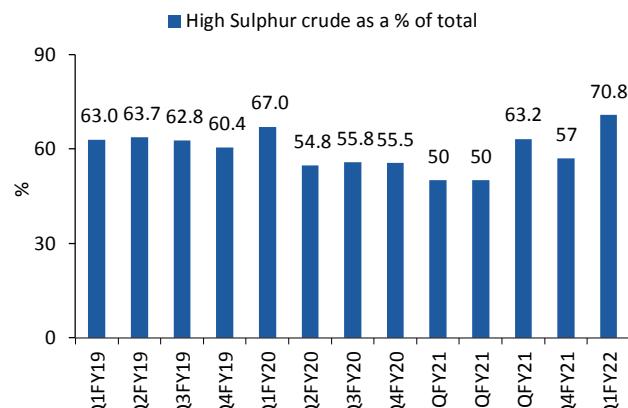
## Exhibit 4: So do GRMs



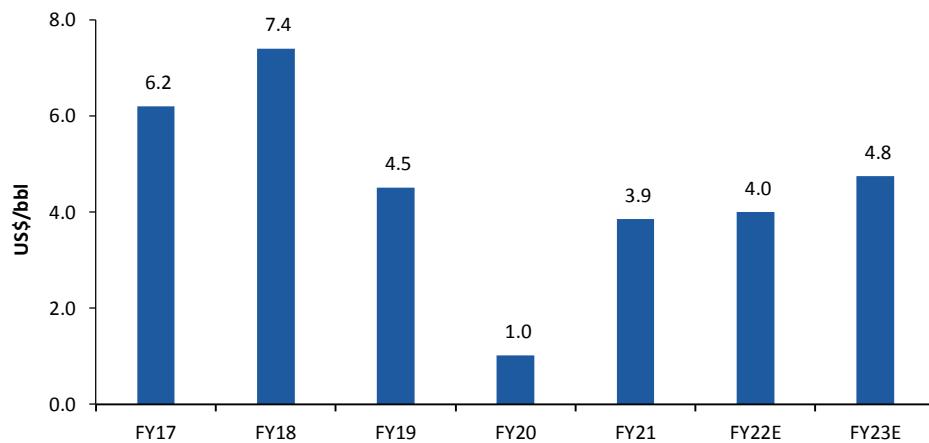
Source: Centrum Broking, Company Data

**Exhibit 5: Distillate yield declines**

Source: Centrum Broking, Company Data

**Exhibit 6: But HS crude use picks up**

Source: Centrum Broking, Company Data

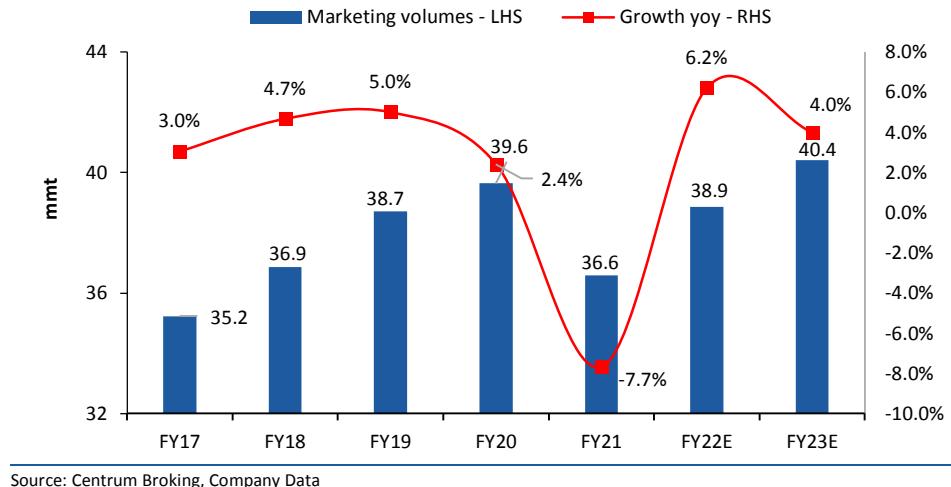
**Exhibit 7: GRMs to improve steadily**

Source: Centrum Broking, Company Data

**Exhibit 8: Marketing volumes grow yoy but dip sequentially due to coVid second wave**

Source: Centrum Broking, Company Data

### Exhibit 9: We expect 6.4% growth over FY22/23e



### Exhibit 10: Margin trends

Margin analysis	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
Gross Margins	53,319	62,375	61,165	45,252	77,913	76,500	74,554	96,761	70,101
Inventory gain (loss)	(200)	(130)	2,690	(15,290)	4,320	12,570	7,070	29,800	20,000
Net under-recovery									
Earnings after adjusting for net u/r	53,519	62,505	58,475	60,542	73,593	63,930	67,484	66,961	50,101
Refining earnings	1,493	6,630	3,871	(2,960)	88	11,158	4,041	18,973	4,464
Pipeline margins	3,471	3,283	3,309	3,718	2,301	3,055	3,588	3,484	2,821
Marketing earnings	48,555	52,592	51,295	59,783	71,204	49,718	59,855	44,504	42,816
Marketing margin Rs/ton	4,812	5,595	4,848	6,247	9,344	5,898	5,755	4,389	4,849
Marketing margin US\$/bbl	9.5	10.9	9.3	11.8	17.0	10.9	10.7	8.2	9.0

Source: Centrum Broking, Company Data

P&L					
YE Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Revenues</b>	<b>27,51,974</b>	<b>26,87,664</b>	<b>23,29,968</b>	<b>37,16,020</b>	<b>37,52,365</b>
Operating Expense	26,02,861	25,71,691	21,85,872	35,39,748	35,18,923
Employee cost	29,385	31,935	31,884	34,435	37,189
Others	20,804	25,957	38,287	39,053	39,834
<b>EBITDA</b>	<b>1,20,589</b>	<b>62,267</b>	<b>1,59,254</b>	<b>1,02,785</b>	<b>1,56,418</b>
Depreciation & Amortisation	30,126	33,044	35,527	39,079	42,987
<b>EBIT</b>	<b>90,463</b>	<b>29,223</b>	<b>1,23,728</b>	<b>63,705</b>	<b>1,13,431</b>
Interest expenses	7,259	10,817	9,147	8,878	9,878
Other income	16,352	18,382	27,887	26,482	26,652
<b>PBT</b>	<b>93,387</b>	<b>15,726</b>	<b>1,42,468</b>	<b>81,309</b>	<b>1,30,205</b>
Taxes	33,100	(10,647)	35,829	20,448	32,745
Effective tax rate (%)	35.4	30.7	25.1	25.1	25.1
<b>PAT</b>	<b>60,287</b>	<b>26,373</b>	<b>1,06,639</b>	<b>60,861</b>	<b>97,460</b>
Minority/Associates	0	0	0	0	0
<b>Recurring PAT</b>	<b>60,287</b>	<b>18,397</b>	<b>1,06,639</b>	<b>60,861</b>	<b>97,460</b>
Extraordinary items	0	7,976	0	0	0
<b>Reported PAT</b>	<b>60,287</b>	<b>26,373</b>	<b>1,06,639</b>	<b>60,861</b>	<b>97,460</b>
Ratios					
YE Mar	FY19A	FY20A	FY21A	FY22E	FY23E
<b>Growth (%)</b>					
Revenue	25.5	(2.3)	(13.3)	59.5	1.0
EBITDA	13.2	(48.4)	155.8	(35.5)	52.2
Adj. EPS	(5.2)	(69.5)	479.7	(42.9)	60.1
<b>Margins (%)</b>					
Gross	9.9	8.3	14.0	7.5	9.1
EBITDA	4.3	2.3	6.6	2.8	4.2
EBIT	3.3	1.1	5.1	1.7	3.0
Adjusted PAT	2.2	0.7	4.4	1.6	2.6
<b>Returns (%)</b>					
ROE	23.1	6.4	32.7	16.2	23.6
ROCE	13.7	5.2	15.2	8.4	11.9
ROIC	11.4	3.1	12.3	6.0	9.9
<b>Turnover (days)</b>					
Gross block turnover ratio (x)	5.3	4.4	3.5	5.4	5.3
Debtors	7	6	8	7	7
Inventory	28	29	42	38	46
Creditors	25	22	25	26	35
Net working capital	7	7	(6)	(9)	(10)
<b>Solvency (x)</b>					
Net debt-equity	0.8	1.3	1.0	0.9	0.9
Interest coverage ratio	16.6	5.8	17.4	11.6	15.8
Net debt/EBITDA	1.8	6.0	2.3	3.4	2.6
<b>Per share (Rs)</b>					
Adjusted EPS	41.5	12.7	73.4	41.9	67.1
BVPS	194.0	199.4	249.1	269.0	300.8
CEPS	62.3	35.4	97.9	68.8	96.7
DPS	16.7	10.2	22.8	18.9	30.2
Dividend payout (%)	40.2	56.3	31.0	45.0	45.0
<b>Valuation (x)</b>					
P/E	6.4	20.9	3.6	6.3	3.9
P/BV	1.4	1.3	1.1	1.0	0.9
EV/EBITDA	5.0	12.2	4.7	7.2	5.1
Dividend yield (%)	6.3	3.9	8.6	7.1	11.4

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Equity share capital	15,242	15,242	14,524	14,524	14,524
Reserves & surplus	2,66,506	2,74,382	3,47,337	3,76,155	4,22,302
Shareholders fund	2,81,748	2,89,624	3,61,861	3,90,679	4,36,826
Minority Interest	0	0	0	0	0
Total debt	2,72,397	4,27,642	4,18,891	4,43,891	4,93,891
Non Current Liabilities	1,242	2,122	3,709	3,969	4,247
Def tax liab. (net)	71,648	54,915	55,111	58,084	60,174
<b>Total liabilities</b>	<b>6,27,035</b>	<b>7,74,303</b>	<b>8,39,572</b>	<b>8,96,622</b>	<b>9,95,138</b>
Gross block	5,15,890	6,17,505	6,62,736	6,87,736	7,12,736
Less: acc. Depreciation	(1,06,097)	(1,34,600)	(1,70,127)	(2,09,206)	(2,52,193)
Net block	4,09,793	4,82,904	4,92,609	4,78,530	4,60,543
Capital WIP	94,959	1,71,437	2,40,533	3,65,533	4,90,533
Net fixed assets	5,04,752	6,54,341	7,33,141	8,44,062	9,51,075
Non Current Assets	0	0	0	0	0
Investments	67,349	71,667	1,43,143	1,43,143	1,43,143
Inventories	2,01,934	1,91,412	2,85,922	4,32,523	4,36,367
Sundry debtors	56,526	39,227	68,563	77,788	58,860
Cash & Cash Equivalents	51,794	54,580	56,548	89,926	88,064
Loans & advances	1,55,154	1,28,881	25,075	30,075	35,075
Other current assets	0	0	0	0	0
Trade payables	1,88,767	1,12,952	1,76,973	3,14,493	3,43,323
Other current liab.	1,99,435	2,22,867	2,63,882	3,58,297	3,25,579
Provisions	22,272	29,986	31,965	48,106	48,545
Net current assets	54,934	48,295	(36,712)	(90,583)	(99,080)
<b>Total assets</b>	<b>6,27,035</b>	<b>7,74,303</b>	<b>8,39,572</b>	<b>8,96,622</b>	<b>9,95,138</b>
Cashflow					
YE Mar (Rs mn)	FY19A	FY20A	FY21A	FY22E	FY23E
Profit Before Tax	93,387	15,726	1,42,468	81,309	1,30,205
Depreciation & Amortisation	30,126	33,044	35,527	39,079	42,987
Net Interest	3,460	7,154	5,348	(17,604)	(16,774)
Net Change – WC	(24,776)	8,607	28,182	87,249	6,636
Direct taxes	(20,823)	(17,229)	(31,852)	(17,476)	(30,655)
<b>Net cash from operations</b>	<b>84,497</b>	<b>54,533</b>	<b>1,77,223</b>	<b>1,72,558</b>	<b>1,32,400</b>
Capital expenditure	(1,12,571)	(1,37,847)	(1,11,770)	(1,50,000)	(1,50,000)
Acquisitions, net	0	0	0	0	0
Investments	(7,387)	(9,319)	(22,450)	0	0
Others	6,125	5,509	6,938	17,604	16,774
<b>Net cash from investing</b>	<b>(1,13,834)</b>	<b>(1,41,657)</b>	<b>(1,27,282)</b>	<b>(1,32,396)</b>	<b>(1,33,226)</b>
<b>FCF</b>	<b>(28,074)</b>	<b>(83,314)</b>	<b>65,453</b>	<b>22,558</b>	<b>(17,600)</b>
Issue of share capital	0	0	(19,135)	0	0
Increase/(decrease) in debt	51,336	1,14,340	5,693	25,000	50,000
Dividend paid	(16,533)	(17,251)	(14,844)	(32,043)	(51,313)
Interest paid	(7,895)	(12,306)	(15,644)	0	0
Others	(8,401)	2,517	0	260	278
<b>Net cash from financing</b>	<b>18,506</b>	<b>87,299</b>	<b>(43,930)</b>	<b>(6,784)</b>	<b>(1,035)</b>
Net change in Cash	(10,830)	175	6,011	33,378	(1,861)

Source: Company, Centrum Broking

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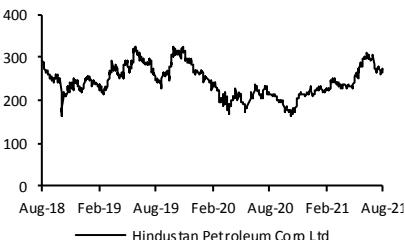
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Source: Bloomberg

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