

Accelerated growth ambition to drive performance...

About the stock: Reliance Industries (RIL) is one of India's biggest conglomerates with a presence in oil refining & marketing and petrochemicals, oil & gas exploration, retail, digital services and media, etc. making it a well-diversified business entity.

- At the EBITDA level in FY21, O2C and oil & gas contributed 43% while retail, digital and others contributed 11%, 38% and 8%, respectively

Q2FY22 Results: RIL's results were broadly in line with our estimates.

- Revenue was up 49.8% YoY to ₹ 174104 crore as all segments reported revenue growth. It grew 20.6% QoQ led by retail and O2C segment
- EBITDA was ₹ 26020 crore, up 37.3% YoY, 11.3% QoQ. EBITDA growth YoY was driven by retail (44.1%) and O2C (43.9%) on account of favourable product mix & higher other income in retail coupled with better downstream demand & margins in O2C
- PAT was at ₹ 13680 crore, up 43% YoY

What should investors do? Long term prospects and dominant standing of RIL in each of its product & service portfolio provides comfort for long term value creation. RIL's consumer business will be the growth driver, going ahead. The company has a strong balance sheet while its traditional business is expected to continue to generate steady cash flows.

- We maintain our HOLD rating on the stock

Target Price and Valuation: We value RIL at ₹ 2900 on an SoTP basis

Key triggers for future price performance:

- Increment value accretion from the 'digital ecosystem' that will be captured at the Jio Platforms (JPL) level
- Steady FCF generation in the retail segment would enable the company to maintain debt at lower levels and improve its ability to invest in future inorganic opportunities
- Stake sale in O2C segment to strategic global player will unlock value and enable RIL to invest in new energy verticals

Alternate Stock Idea: Apart from RIL, in our oil & gas coverage we also like Gail.

- Gail is India's leading gas transmission company, which is a beneficiary of increasing gas consumption. Stable volume growth along with higher profitability from gas trading, petchem and LPG segment due to higher oil prices will add value
- BUY with target price of ₹ 1₹75



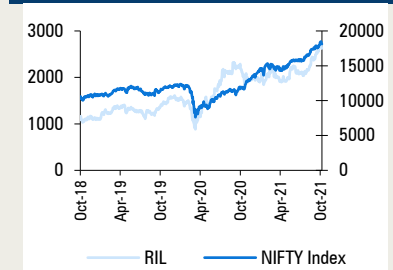
Particulars

Particular	Amount
Market Capitalization (₹ Crore)	16,66,428.0
Total Debt (FY21) (₹ Crore)	2,92,714.0
Cash (FY21) (₹ Crore)	17,397.0
EV (₹ Crore)	19,41,745.0
52 week H/L	2750/1830
Equity capital (₹ Crore)	6,445.0
Face value (₹)	10.0

Shareholding pattern

	Dec-20	Mar-21	Jun-21	Sep-21
Promoter	50.5	50.6	50.6	50.6
FII	25.2	25.6	25.1	25.4
DII	12.9	12.6	13.1	13.2
Others	11.4	11.1	11.2	10.8

Price Chart



Recent event & key risks

- Key Risk:** (i) Delay in tariff hike, (ii) Better than expected downstream margins

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Key Financial Summary

Key Financials	FY19	FY20	FY21	5 Yr CAGR (FY16-21)	FY22E	FY23E	2 Yr CAGR (FY21-23E)
Revenue (₹ crore)	6,23,400.0	6,58,866.0	5,39,238.0	12.9	7,50,388.3	8,48,162.1	25.4
EBITDA (₹ crore)	83,918.0	88,709.0	80,737.0	14.1	1,08,849.9	1,39,136.1	31.3
PAT (₹ crore)	39,837.0	39,354.0	49,128.0	10.6	56,205.3	72,268.3	21.3
EPS (₹)	67.2	62.1	76.2		83.1	106.9	
P/E (x)	39.1	42.3	34.5		31.6	24.6	
P/BV (x)	4.0	3.7	2.4		2.2	2.1	
RoCE (%)	8.9	8.1	5.5		7.6	9.7	
RoE (%)	10.3	8.9	7.7		8.1	9.6	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter & conference call highlights

Segmental details

Reliance Jio

RJio's Q2 quarterly print was largely in line with revenues and EBITDA at ₹ 18735 crore, ₹ 8989 crore, up 4.1%, 4.3% QoQ, respectively. Margins were at 48%, up 9 bps QoQ. PAT was at ₹ 3528 crore, up 0.8% QoQ, higher-than-expected owing to lower than anticipated depreciation.

- **On the KPI front, key takeaways were:**
 - **Subscribers:** The overall subscriber base (including Fibre and enterprise) was at 429.5 mn, down 11.1 mn QoQ. While the gross addition at 35.6 mn was at a seven quarter high, discontinued customers on account of second Covid wave led to net customer decline of 11.1 million (churn rate of 3.6%). We note that Jio's active sub proportion (VLR) was at ~79% in August vs. peers' 97.9% and 87.2%, respectively. Thus, quality led clean-up was a matter of when than if, in our view. On the fibre front, the overall sub base has crossed 4 million with 16+ million home passes
 - **ARPU:** Given the churn of low cost customer and healthy gross sub addition (possibly higher quality customers - also implied through management commentary of significant increase in net MNP subscribers), ARPU saw growth of 3.8% QoQ at ₹ 143.6
 - **Data/Voice usage:** Total minutes grew 3.1% QoQ to 1,096 billion (bn), and data usage rose sharply by 31.1% QoQ to 23,000 bn GB. The company also attributed the improvement in customer metrics to SIM consolidation
- With launch of JioPhone next by Diwali, we expect the subscriber addition traction to be back on track in Q3 while ARPU hike seems to be pushed further as the company may focus on garnering more subscriber market share. We continue to believe that Jio's digital ecosystem lends it a competitive advantage in the overall communication space, thereby providing superior legs of growth and valuation pegging.

Reliance Retail: Firing on all cylinders

Reliance Retail witnessed a sharp recovery with store operational days getting enhanced to ~89% in Q2FY22 (Q1FY22: 61%, Q2FY21: 85%). Strong recovery was witnessed in footfalls also and reached ~78% of pre-Covid levels. The **management during the call highlighted that demand continues to remain buoyant for the festive season with footfalls hovering close to ~90% of pre-Covid levels in October.** Revenue for the quarter grew 11% YoY (underlying growth ex-petro retail: 16%) to ₹ 45426 crore, mainly driven by 2x YoY growth in fashion and lifestyle segment (highest ever quarterly revenue). Core revenue (excluding connectivity) is estimated to have grown by 28% YoY in Q2FY22. EBITDA margins improved 160 bps YoY to 6.4% owing to favourable product mix and higher other income (₹ 477 crore). Absolute EBITDA was at ₹ 2913 crore (up 46% YoY). **The company continues to fill white spaces through acquisitions; it bought 96.49% in Milkbasket (a subscription-based grocery delivery platform), acquired 'Portico' (leading home décor business), entered into master franchise agreement with '7-Eleven' (convenience stores to be rapidly rollout) and acquired 52%, 40% stakes in Ritu Kumar, Manish Malhotra brands, respectively.** Reliance Retail resumed its aggressive store addition spree with opening of 813 stores (Q1FY22: 123 stores) taking the total store count to 13635 stores (37.3 mn. sq ft). Reliance Retail's widespread physical store network would further enhance its omni channel capabilities and position it as a frontrunner to garner consistent business growth by capturing a larger pie of the Indian retail sector opportunity (Digital contributed ~20% of revenues in Q2FY22). We model in revenue, EBITDA CAGR of 25% and 42%, respectively, in FY21-23E.

Fashion & lifestyle:

- **Apparel and footwear registered highest quarterly sales despite footfalls close to 78% of pre-Covid levels.** Enhanced focus on ethnic segment by launching Avantra/Trend Sarees during the quarter. Forayed into beauty segment through launch of beauty accessories with options from 30+ national and international brands.

Grocery:

- Double digit growth on continuing business on higher operating hours. Share of non-essentials in the mix also up which assisted in margins. Also, private label brands growing at a much faster clip. **JioMart continues to scale new highs as it recorded robust 3.7 million orders in two days of its sale event.** Merchant base grew 20x YoY (partnerships with Kirana stores)

Consumer electronics:

- Healthy double digit growth on store sales with highest ever quarterly revenues for its private label, 'ResQ'. Recorded its best-ever August 15 sales (ticket size higher by 20%+). Double-digit growth across all key categories like phones, TVs and home appliances. Device revenues were impacted owing to deferment of Jio Phone's next launch

Energy segments

O2C results in line with expectations; E&P growth continues

- O2C revenue was at ₹ 120475, up 58.1% YoY and 16.7% QoQ against our estimate of ₹ 114311 crore. Better fuel and petchem demand across key segments led to higher revenues
- EBITDA grew 43.9% YoY (and 4% QoQ) to ₹ 12720 crore largely in line with estimates amid recovery in downstream margins. On a QoQ basis, polymer and polyester margins declined QoQ due to higher feedstock prices. This limited QoQ growth in EBITDA
- O2C EBITDA is expected at ₹ 51616.6 crore and ₹ 61396.6 crore in FY22E and FY23E, respectively, as we estimate further recovery in GRMs
- E&P segment revenue was driven by output growth from KG basin. Revenue at ₹ 1644 crore was up 363.1% YoY (and 28.3% QoQ). Domestic production was 41.8 BCFe while US shale production was 11.1 BCFe during Q2FY22, leading to total of 52.9 BCFe, up 15% QoQ
- While KG-D6 realisation was constant QoQ, CBM & US shale realisation improved QoQ. Higher output from KG-DG and better realisation in CBM & US shale led to EBITDA growth. EBITDA was at ₹ 1071 crore vs. EBITDA of ₹ 797 crore in Q1FY22 and EBITDA loss of 194 crore in Q2FY21
- Going ahead, we estimate E&P EBITDA at ₹ 5419.4 crore and ₹ 10998.4 crore in FY22E and FY23E, respectively. We revise estimates upwards taking into account current oil & gas prices trend

Exhibit 1: Variance Analysis

	Q2FY22	Q2FY22E	Q2FY21	YoY (%)	Q1FY22	QoQ (%)	Comments
Total Revenues	1,74,104.0	1,63,065.3	1,16,195.0	49.8	1,44,372.0	20.6	Above estimates mainly on account of higher than expected Q2C revenue
Raw materials costs	1,13,429.0	1,00,234.4	71,451.0	58.8	90,305.0	25.6	
Employees Cost	4,580.0	3,703.3	3,429.0	33.6	4,257.0	7.6	
Other Expenses	30,075.0	32,295.4	22,370.0	34.4	2,688.0	1,018.9	
Total Expenditure	1,48,084.0	1,36,233.1	97,250.0	52.3	97,250.0	52.3	
EBITDA	26,020.0	26,832.2	18,945.0	37.3	23,368.0	11.3	Broadly in line with expectations
EBITDA margins (%)	14.9	16.5	16.3	-136 bps	16.2	-124 bps	
Depreciation	7,230.0	7,490.0	6,626.0	9.1	6,883.0	5.0	
EBIT	18,790.0	19,342.2	12,319.0	52.5	16,485.0	14.0	
Interest	3,819.0	3,250.0	6,084.0	-37.2	3,397.0	12.4	
Other Income	4,263.0	4,000.0	4,354.0	-2.1	4,182.0	1.9	
Extra Ordinary Item	0.0	0.0	0.0	NA	0.0	NA	
PBT	19,234.0	20,092.2	10,589.0	81.6	17,270.0	11.4	
Total Tax	3,755.0	5,063.2	-13.0	-28,984.6	3,464.0	8.4	
PAT	13,680.0	13,304.0	9,567.0	43.0	12,273.0	11.5	

Key Metrics

Exchange rate (₹/\$)	74.1	74.1	74.4	-0.4	73.9	0.3	
ARPU (₹)	143.6	139.6	145.0	-1.0	138.4	3.8	
Subscribers (mn)	429.5	455.2	405.6	5.9	440.6	-2.5	
Retail revenue (₹ crore)	45450.0	47024.0	39199.0	15.9	38563.0	17.9	Store operational days at 89%, footfalls: 78%
Retail EBITDA (₹ crore)	2923.0	3104.0	2029.0	44.1	1953.0	49.7	Favourable product mix (strong growth in fashion segment) and higher investment income boosted profitability
Q2C EBITDA (₹ crore)	12720.0	12570.9	8841.0	43.9	12231.0	4.0	In line with estimates
E&P EBITDA (₹ crore)	1071.0	930.3	-194.0	-652.1	797.0	34.4	Higher-than-expected realisation led to better than expected EBITDA
Gas output (mmscmd)	16.3	16.9	8.5	92.0	14.3	13.7	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY22E			FY23E			
	Old	New	% Change	Old	New	% Change	
Revenue	724274.6	750388.3	3.6	820391.0	848162.1	3.4	
EBITDA	1,12,304.0	1,08,849.9	-3.1	140567.2	1,39,136.1	-1.0	Realigned estimates post Q2FY22 results
EBITDA Margin (%)	15.5	14.5	-100 bps	17.1	16.4	-73 bps	
PAT	56,289.3	56,205.3	-0.1	71296.0	72,268.3	1.4	
EPS (₹)	83.2	83.1	-0.1	105.4	106.9	1.4	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current				Earlier		
	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Exchange rate (₹/\$)	70.8	74.0	74.0	74.0	74.0	74.0	
ARPU (₹)	130.4	143.1	146.3	163.2	155.1	172.4	
Subscribers	387.5	426.2	458.4	476.9	458.9	476.9	
Retail revenue (₹ crore)	163029.0	153818.0	194858.0	246317.0	196271.0	246317.0	
Retail EBITDA (₹ crore)	9695.0	9842.0	13520.0	18596.1	14072.8	18596.1	
Q2C EBITDA (₹ crore)	53803.0	38170.0	51616.6	61396.6	51467.5	61396.6	
E&P EBITDA (₹ crore)	353.0	258.0	5419.4	10998.4	4987.7	8927.5	Increased FY23E estimates on account of higher oil & gas prices
Gas output (mmscmd)	9.8	8.3	16.7	20.1	16.6	20.1	

Source: Company, ICICI Direct Research

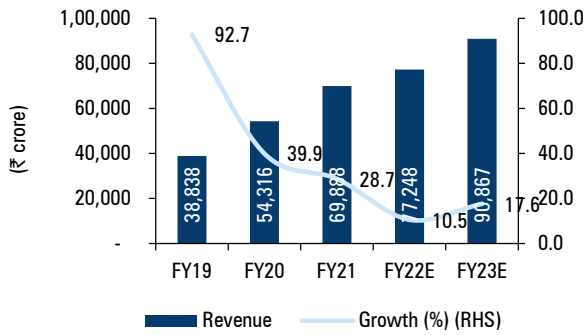
Exhibit 4: Jio Variance Analysis

	Q2FY22	Q2FY22E	Q2FY21	Q1FY22	YoY (%)	QoQ (%)	Comments
Revenue	18,735	18,734	17,481	17,994	7.2	4.1	Topline in line as lower sub was offset by superior ARPU
Other Income	14	20	197	14	-92.9	0.0	
Network operating expenses	6,264	6,231	5,426	5,973	15.4	4.9	
Access charges	217	170	1,510	170	-85.6	27.6	
Employee cost	355	348	331	338	7.3	5.0	
Selling & Distribution expenses	264	270	294	257	-10.2	2.7	
Other expenses	452	525	470	515			
EBITDA	8,989	8,962	7,504	8,617	19.8	4.3	EBITDA largely in line
EBITDA Margin (%)	48.0	47.8	42.9	47.9	505 bps	9 bps	
Depreciation	3,188	3,344	2,871	3,115	11.0	2.3	
Interest	1,084	985	1,022	821	6.1	20.0	
Exceptional Items	0	0	0	0	NA	NA	
Total Tax	1,203	1,183	964	1,194	24.8	0.8	
PAT	3,528	3,470	2,844	3,501	24.1	0.8	Earnings beat was largely owing to lower than expected depreciation
Subs (mn)	430	455	406	441	5.9	-2.5	While the gross addition at 35.6 mn was 7 quarter high, discontinued customers on account of covid 2nd wave led to net customer decline of 11.1 million
ARPU (₹)	144	140	145	138	-1.0	3.8	Churn of low cost customer drove the APRU growth

Source: ICICI Direct Research

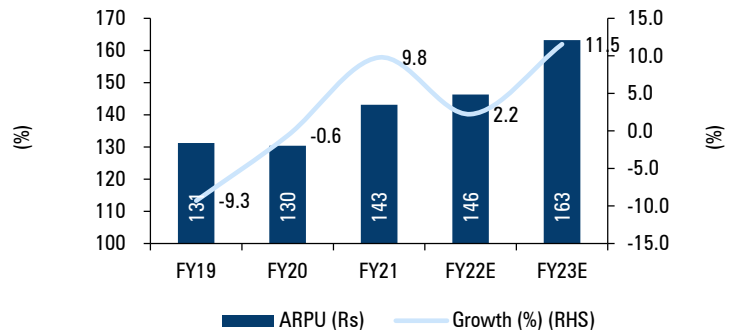
Story in charts

Exhibit 5: Jio revenue trend



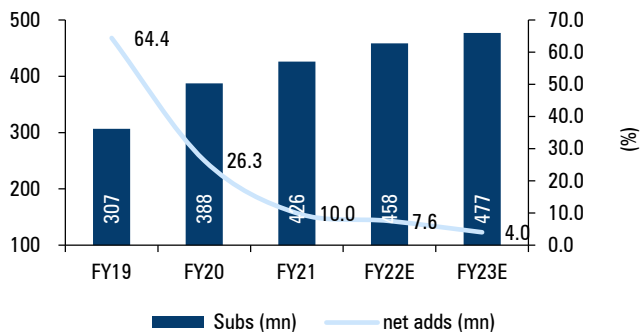
Source: Company, ICICI Direct Research

Exhibit 6: ARPU to grow at 6.8 CAGR in FY21-23E



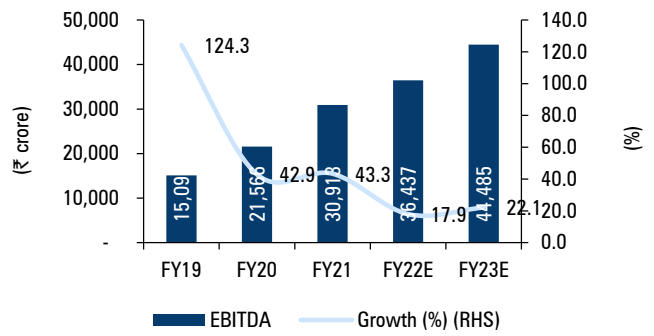
Source: Company, ICICI Direct Research

Exhibit 7: Subscribers growth trend



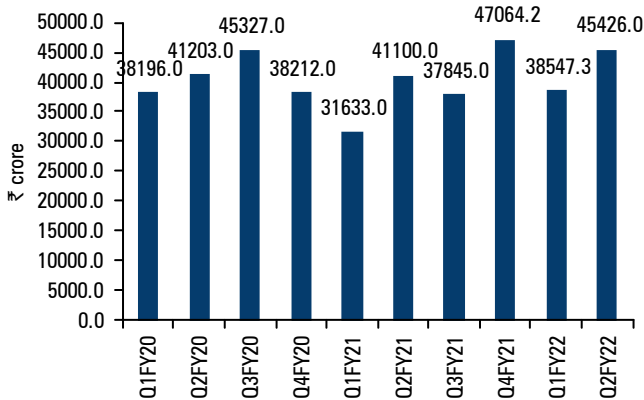
Source: Company, ICICI Direct Research

Exhibit 8: Jio EBITDA trend



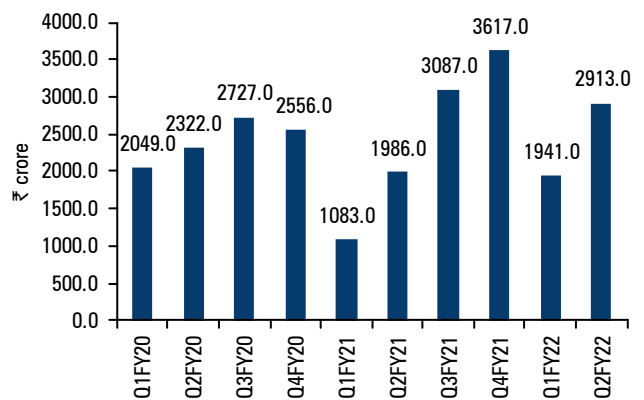
Source: Company, ICICI Direct Research

Exhibit 9: Retail- Revenue quarterly trend



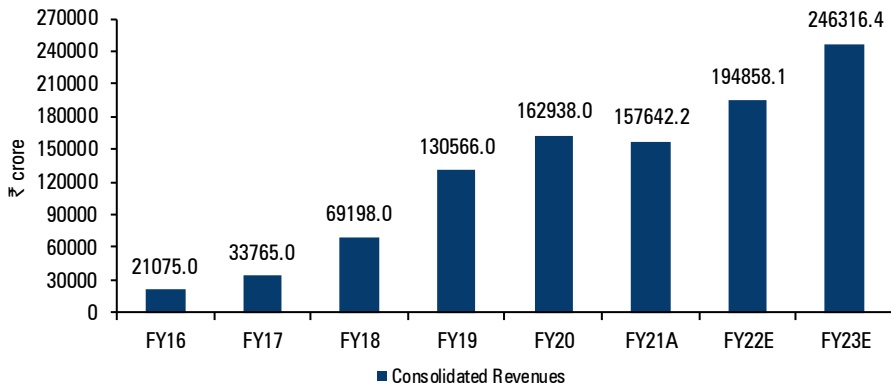
Source: Company, ICICI Direct Research

Exhibit 10: Retail EBITDA quarterly trend



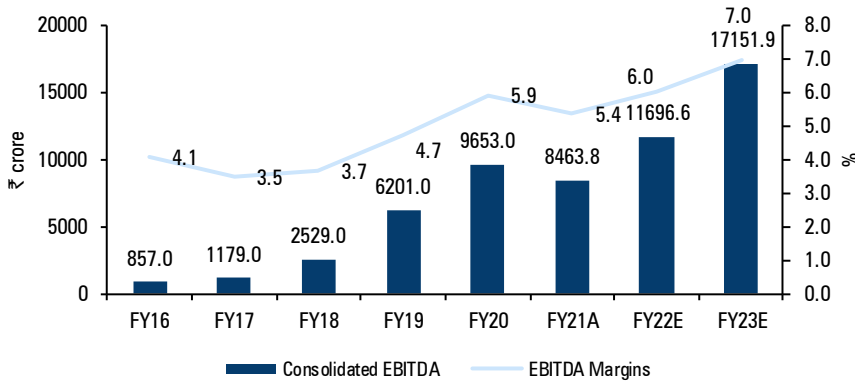
Source: Company, ICICI Direct Research. EBITDA includes other income

Exhibit 11: Consolidated retail revenues to grow at CAGR of 23% in FY21-23E



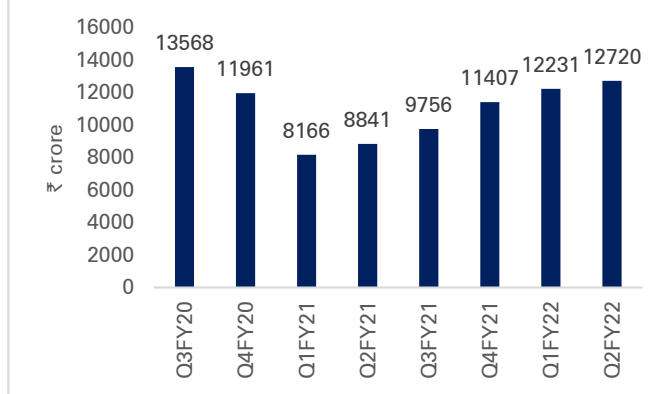
Source: Company, ICICI Direct Research

Exhibit 12: EBITDA expected to grow at 42% CAGR during FY21-23E



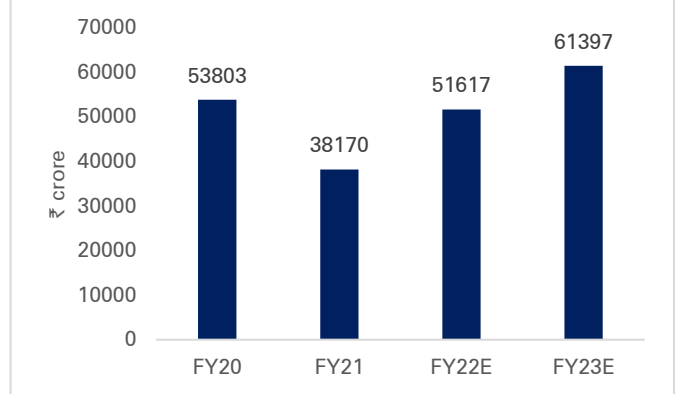
Source: Company, ICICI Direct Research. EBITDA excludes other income

Exhibit 13: O2C EBITDA quarterly trend



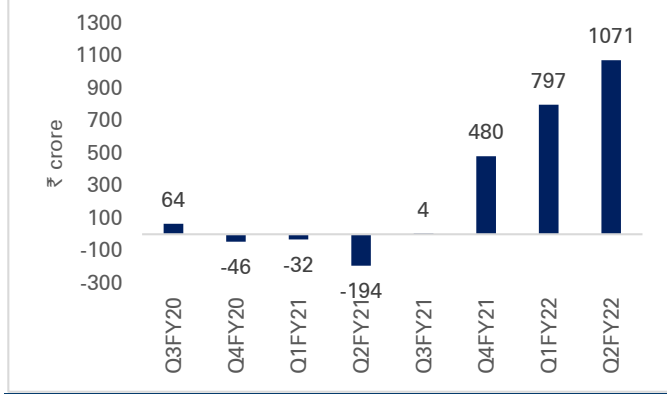
Source: Company, ICICI Direct Research

Exhibit 14: O2C EBITDA trend



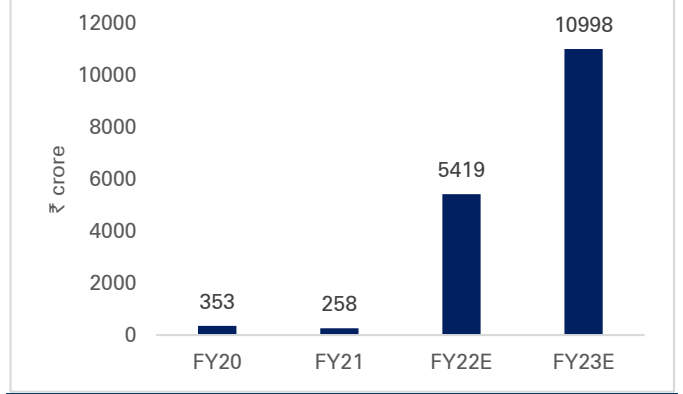
Source: Company, ICICI Direct Research

Exhibit 15: E&P EBITDA quarterly trend



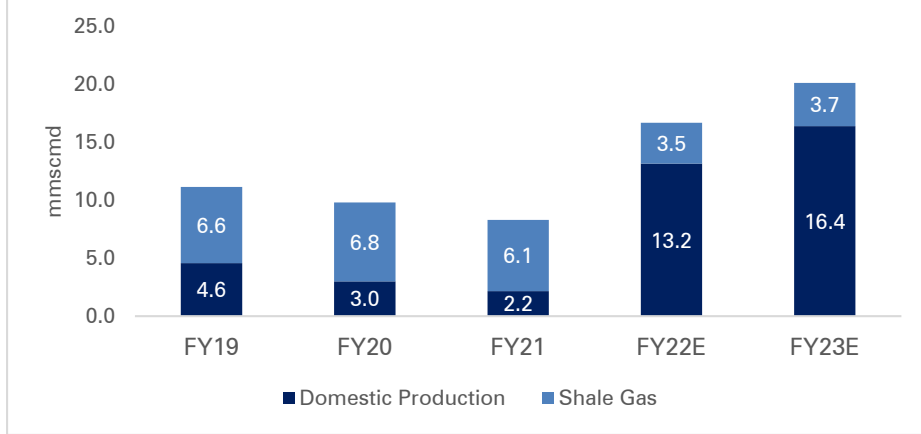
Source: Company, ICICI Direct Research

Exhibit 16: E&P EBITDA trend



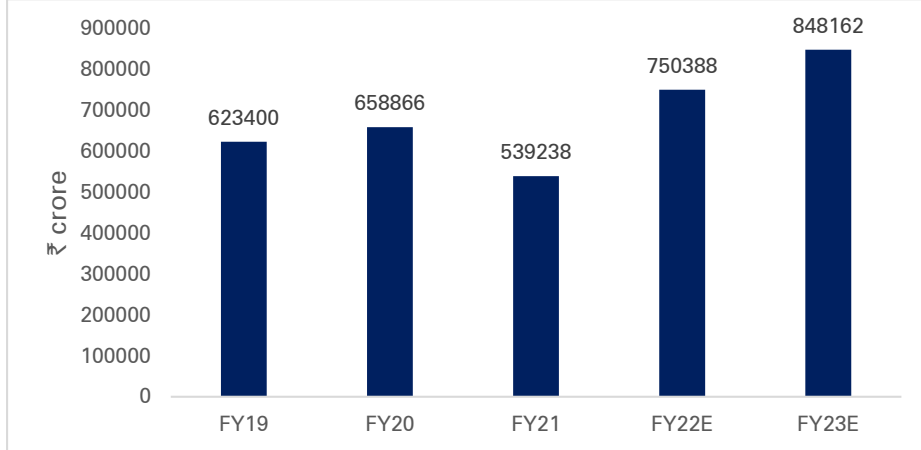
Source: Company, ICICI Direct Research

Exhibit 17: Gas production trend



Source: Company, ICICI Direct Research

Exhibit 18: RIL Consolidated revenue



Source: Company, ICICI Direct Research

Exhibit 19: RIL consolidated EBIT

	FY19	FY20	FY21	FY22E	FY23E
O2C	52041.0	45191.0	29773.0	43406.6	52396.6
Oil & gas	-1379.0	-1407.0	-1477.0	2958.4	8298.4
Retail	5546.0	8292.0	7991.0	11357.0	16085.1
Digital Services	8784.0	14634.0	21181.0	24635.0	29413.0
Financial Services	0.0	811.0	1357.0	1072.0	1600.0
Others	1230.0	2671.0	3635.0	3823.0	3800.0
Total	66222.0	70192.0	62460.0	87251.9	111593.1

Source: Company, ICICI Direct Research

Exhibit 20: Percentage share of business segments in RIL's EBIT mix

	FY19	FY20	FY21	FY22E	FY23E
O2C	78.6%	64.4%	47.7%	49.7%	47.0%
Oil & gas	-2.1%	-2.0%	-2.4%	3.4%	7.4%
Retail	8.4%	11.8%	12.8%	13.0%	14.4%
Digital Services	13.3%	20.8%	33.9%	28.2%	26.4%
Financial Services	0.0%	1.2%	2.2%	1.2%	1.4%
Others	1.9%	3.8%	5.8%	4.4%	3.4%
Total	100%	100%	100%	100%	100%

Source: Company, ICICI Direct Research

Exhibit 21: Valuation

Business segments	Valuation Methodology	Value (₹ crore)	₹/share
Energy			
Oil to Chemicals	8x FY23E EBITDA	491173	726
Oil & Gas	8x FY23E EBITDA	87987	130
Value of Energy business		579160	856
Consumer Business			
Retail (RIL share)	50x FY23E EBITDA	729813	1079
Digital services (RIL share)	DCF	509202	753
Value of Consumer business		1239015	1832
Others		156200	231
Net debt		13406	20
Equity value		1960969	2900

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 22: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Revenue	658866.0	539238.0	750388.3	848162.1
Growth (%)	5.7	-18.2	39.2	13.0
(Inc./Dec. in stock trade)	260621.0	199915.0	308673.9	309009.3
Raw material Costs	144619.0	92786.0	126462.7	168178.4
Employee Costs	14075.0	14817.0	17714.6	19131.8
Excise Duty	62335.0	72314.0	98599.7	118114.7
Other Expenditure	88507.0	78669.0	90087.4	94591.8
Op. Expenditure	5,70,157.0	4,58,501.0	6,41,538.3	7,09,026.0
EBITDA	88709.0	80737.0	108849.9	139136.1
Growth (%)	5.7	-9.0	34.8	27.8
Depreciation	22203.0	26572.0	29069.0	33943.0
EBIT	66506.0	54165.0	79780.9	105193.1
Interest	22027.0	21189.0	13716.0	13000.0
Other Income	13571.0	16843.0	16695.0	17400.0
PBT	53606.0	55461.0	82759.9	109593.1
Growth (%)	-2.9	3.5	49.2	32.4
Tax	13726.0	1722.0	18875.5	27617.5
Minority Interest	526.0	4611.0	7679.1	9707.3
Reported PAT	39354.0	49128.0	56205.3	72268.3
Growth (%)	-1.2	24.8	14.4	28.6
EPS	62.1	76.2	83.1	106.9

Source: Company, ICICI Direct Research

Exhibit 24: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Source of Funds				
Equity Capital	6,339.0	6,445.0	6,762.0	6,762.0
Preference Capital	0.0	0.0	0.0	0.0
Reserves & Surplus	4,42,826.0	6,93,727.0	7,84,421.8	8,50,604.3
Shareholder's Fund	4,49,165.0	7,00,172.0	7,91,183.8	8,57,366.3
Loan Funds	3,74,402.0	2,92,714.0	2,57,714.0	2,22,714.0
Deferred Tax Liability	54,123.0	37,001.0	42,276.0	47,551.0
Minority Interest and others	12,182.0	99,260.0	1,07,260.0	1,15,260.0
Source of Funds	8,89,872.0	11,29,147.0	11,98,433.8	12,42,891.3
Application of Funds				
Gross Block	7,43,788.0	7,75,812.0	8,79,812.0	9,28,052.0
Less: Acc. Depreciation	2,11,130.0	2,34,554.0	2,63,623.0	2,97,566.0
Net Block	5,32,658.0	5,41,258.0	6,16,189.0	6,30,486.0
Capital WIP	1,09,106.0	1,25,953.0	1,11,835.0	97,835.0
Total Fixed Assets	6,41,764.0	6,67,211.0	7,28,024.0	7,28,321.0
Investments	2,76,767.0	3,64,828.0	3,81,682.0	3,90,182.0
Inventories	73,903.0	81,672.0	92,513.6	1,04,567.9
Debtor	19,656.0	19,014.0	26,726.2	30,208.5
Cash	30,920.0	17,397.0	1,19,290.6	2,09,307.8
Loan & Advance, Other CA	1,22,905.0	1,71,090.0	1,41,090.0	1,11,090.0
Total Current assets	2,47,384.0	2,89,173.0	3,79,620.3	4,55,174.2
Current Liabilities	2,72,363.0	1,86,936.0	2,83,708.4	3,20,675.0
Provisions	3,680.0	5,129.0	7,184.1	10,111.0
Total CL and Provisions	2,76,043.0	1,92,065.0	2,90,892.5	3,30,785.9
Net Working Capital	-28,659.0	97,108.0	88,727.8	1,24,388.3
Miscellaneous expense	0.0	0.0	0.0	0.0
Application of Funds	8,89,872.0	11,29,147.0	11,98,433.8	12,42,891.3

Source: Company, ICICI Direct Research

Exhibit 23: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit after Tax	39,880.0	53,739.0	63,884.4	81,975.6
Add: Depreciation	22,203.0	26,572.0	29,069.0	33,943.0
Add: Others	4,200.0	-17,122.0	5,275.0	5,275.0
Cash Profit	66,283.0	63,189.0	98,228.4	1,21,193.6
Increase/(Decrease) in CL	35,864.0	-83,978.0	98,827.5	39,893.4
(Increase)/Decrease in CA	-34,895.0	-55,312.0	11,446.2	14,463.3
CF from Operating Activities	67,252.0	-76,101.0	2,08,502.2	1,75,550.4
Purchase of Fixed Assets	86,130.0	52,019.0	89,882.0	34,240.0
(Inc)/Dec in Investments	-41,279.0	-88,061.0	-16,854.0	-8,500.0
Others	3901	87079	8000	8000
CF from Investing Activities	-1,23,508.0	-53,001.0	-98,736.0	-34,740.0
Inc/(Dec) in Loan Funds	57,489.0	-81,689.0	-35,000.0	-35,000.0
Inc/(Dec) in Sh. Cap. & Res.	26,759.0	2,01,189.0	32,198.9	-9,707.3
Dividend Paid	4584	3921	5071.5	6085.8
CF from financing activities	79,664.0	1,15,579.0	-7,872.6	-50,793.1
Change in cash Eq.	23,408.0	-13,523.0	1,01,893.6	90,017.2
Op. Cash and cash Eq.	7,512.0	30,920.0	17,397.0	1,19,290.6
Cl. Cash and cash Eq.	30,920.0	17,397.0	1,19,290.6	2,09,307.8

Source: Company, ICICI Direct Research

Exhibit 25: Key ratios				
(Year-end March)	FY20	FY21E	FY22E	FY23E
Per share data (₹)				
Book Value	708.6	1,086.4	1,170.0	1,267.9
Cash per share	48.8	27.0	176.4	309.5
EPS	62.1	76.2	83.1	106.9
Cash EPS	97.1	117.5	126.1	157.1
DPS	6.5	7.0	7.5	9.0
Profitability & Operating Ratios				
EBITDA Margin (%)	13.5	15.0	14.5	16.4
PAT Margin (%)	6.1	10.0	8.5	9.7
Fixed Asset Turnover (x)	1.0	0.8	1.0	1.2
Inventory Turnover (Days)	40.9	55.3	45.0	45.0
Debtor (Days)	10.9	12.9	13.0	13.0
Current Liabilities (Days)	150.9	126.5	138.0	138.0
Return Ratios (%)				
RoE	8.9	7.7	8.1	9.6
RoCE	8.1	5.5	7.6	9.7
RoIC	8.4	5.6	8.6	12.1
Valuation Ratios (x)				
PE	42.3	34.5	31.6	24.6
Price to Book Value	3.7	2.4	2.2	2.1
EV/EBITDA	22.6	24.4	17.6	12.9
EV/Sales	3.0	3.7	2.6	2.1
Leverage & Solvency Ratios				
Debt to equity (x)	0.8	0.4	0.3	0.3
Interest Coverage (x)	3.0	2.6	5.8	8.1
Debt to EBITDA (x)	4.2	3.6	2.4	1.6
Current Ratio	0.9	1.5	1.3	1.4
Quick ratio	0.6	1.1	1.0	1.1

Source: Company, ICICI Direct Research

Exhibit 26: ICICI Direct coverage universe

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
BPCL (BHAPET)	447	520	Hold	93,553	13.6	91.0	37.5	32.8	4.9	11.9	20.4	7.0	8.4	3.5	14.8	12.3	8.1	34.9	16.9
GAIL (India) (GAIL)	150	175	Buy	66,606	11.0	16.1	16.7	13.6	9.3	9.0	11.0	7.0	7.3	8.7	14.4	12.7	10.5	14.1	13.3
Gujarat Gas (GUJGA)	614	735	Hold	42,268	18.5	23.8	26.1	33.1	25.8	23.5	20.6	16.5	14.7	31.7	34.2	32.2	28.5	28.3	25.3
HPCL (HINPET)	327	265	Hold	47,494	17.3	70.6	60.2	18.9	4.6	5.4	18.1	5.7	5.4	2.5	15.6	13.3	9.1	29.5	20.8
Indian Oil Corp (INDOIL)	131	120	Buy	1,20,272	23.8	17.4	15.6	5.5	7.5	8.4	3.2	3.4	3.6	13.3	10.8	9.5	19.8	13.3	11.4
Indraprastha Gas (INDGAS)	477	585	Hold	33,390	14.4	18.0	21.4	33.2	26.5	22.3	21.8	17.5	14.7	20.0	22.5	22.9	17.1	18.6	19.0
Mahanagar Gas (MAHGAS)	1000	1340	Buy	9,878	62.7	94.3	107.3	15.9	10.6	9.3	10.1	6.8	5.5	23.1	29.9	28.6	19.2	24.1	22.9
ONGC (ONGC)	157	185	Hold	2,01,483	10.4	9.0	21.9	15.1	17.4	7.2	4.4	6.7	3.9	10.2	4.5	13.5	6.7	5.6	12.3
Petronet LNG (PETLNG)	230	245	Hold	34,500	19.7	18.6	21.3	11.7	12.4	10.8	7.1	7.2	6.2	26.0	23.6	24.9	25.3	22.6	23.8
Reliance Industries (RELIND)	2,627	2,900	Hold	16,66,428	76.2	83.1	106.9	34.5	31.6	24.6	24.4	17.6	12.9	5.5	7.6	9.7	7.7	8.1	9.6

Source: Bloomberg, ICICI Direct Research

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