

HOEC Limited

Consolidated Income Statement

Y/E, Mar (Rs. mn)	FY18	FY19	FY20	FY21	FY22	FY23
Income	487.13	2,651.41	2,020.54	1,138.65	1,557.25	5,589.20
Growth (%)	90.53%	444.30%	-23.79%	-43.65%	36.76%	258.91%
CAGR (%) - 3 Years	-45.24%	72.51%	99.19%	32.71%	-16.25%	40.38%
Expenditure	180.22	780.25	774.58	597.30	768.11	2,467.40
Share of expenses from producing oil	111.58	372.08	353.36	295.39	282.29	1,764.90
Royalty, Cess & NCCD	18.86	208.38	218.15	244.53	323.46	678.00
Vessel Operating Expenses	-	-	-	-	26.68	264.70
Increase/ decrease in stock of crude oil & condensate	(45.47)	41.81	4.33	(32.95)	37.91	(594.90)
Employee Benefit Expense	55.79	53.20	55.63	6.91	9.33	9.40
Other Expenses	39.45	104.78	143.11	83.42	88.45	345.30
EBITDA	306.91	1,871.16	1,245.96	541.35	789.14	3,121.80
Growth (%)	2185.74%	509.68%	-33.41%	-56.55%	45.77%	295.60%
CAGR (%) - 3 Years	-13.34%	182.18%	352.73%	20.83%	-25.01%	35.82%
EBITDA margin (%)	63.00%	70.57%	61.66%	47.54%	50.68%	55.85%
Other Income	118.37	111.86	217.59	113.22	114.64	88.00
Depreciation	84.69	438.08	293.86	233.65	262.15	737.00
Interest	10.25	16.71	63.95	57.93	92.16	378.80
Excp Item	44.87	26.22	262.15	139.89	(343.65)	(122.20)
Share of profit of associate	0.00	14.24	5.17	15.37	(8.97)	1.10
PBT	375.21	1,568.68	1,373.06	518.25	196.85	1,972.90
Tax	0.00	1.25	(2.57)	(15.95)	(3.09)	32.40
Effective tax rate (%)	0.00%	0.08%	-0.19%	-3.08%	-1.57%	1.64%
PAT	375.21	1,567.43	1,375.63	534.20	199.94	1,940.50
PAT margin (%)	77.03%	59.12%	68.08%	46.92%	12.84%	34.72%
CAGR (%) - 3 Years	12.60%	219.84%	56.24%	12.50%	-49.66%	12.15%
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income	(1.61)	(1.62)	1.57	0.42	(0.41)	0.30
PAT After MI	373.60	1,565.81	1,377.20	534.62	199.53	1,940.81
Growth (%)	3.71%	319.11%	-12.05%	-61.18%	-62.68%	872.69%
CAGR (%) - 3 Years	12.44%	220.09%	56.37%	12.69%	-49.68%	12.11%
EPS	2.85	11.91	10.46	4.04	1.51	14.67
Growth (%)	3.26%	317.89%	-12.17%	-61.38%	-62.62%	871.52%
CAGR (%) - 3 Years	-41.59%	215.29%	55.91%	12.33%	-49.76%	11.94%

Cash Flow Statement

Y/E, Mar (Rs. mn)	FY18	FY19	FY20	FY21	FY22	FY23
Cash and Cash Equivalents at Beginning of the year	1,945.15	1,270.71	1,473.88	1,710.80	922.67	294.64
Cash Flow From Operating Activities	(81.01)	1,666.52	3,163.81	(766.10)	1,079.66	2,193.41
Cash Flow from Investing Activities	(602.77)	(1,477.46)	(2,935.67)	(2,083.61)	(2,802.40)	(769.89)
Cash Flow From Financing Activities	0.00	0.00	17.50	2,061.58	1,094.72	(272.29)
Net Inc./ (Dec.) in Cash and Cash Equivalent	(674.44)	203.16	236.91	(788.13)	(628.03)	1,151.24
Cash and Cash Equivalents at End of the year	1,270.71	1,473.87	1,710.79	922.67	294.64	1,445.88

Our Calculations	FY18	FY19	FY20	FY21	FY22	FY23
Operating Cash Inflow	(81.01)	1,666.52	3,163.81	(766.10)	1,079.66	2,193.41
Capital Expenditure	(567.30)	(1,183.20)	3,029.56	(2,066.15)	(2,653.29)	(716.72)
FCF	(648.31)	483.32	6,193.37	(2,832.25)	(1,573.63)	1,476.70

Our Calculations	FY18	FY19	FY20	FY21	FY22	FY23
No. of Shares	13,04,93,289	13,04,93,289	13,22,43,289	13,22,43,289	13,22,43,289	13,22,43,289
Market Cap	14,406.46	16,911.93	4,529.33	12,847.44	29,073.69	15,882.42
Total Debt	2.49	119.37	447.84	2,536.89	3,573.43	3,641.90
Cash	1,270.71	1,473.88	1,710.80	922.67	294.64	1,445.88
EV	13,138.24	15,557.42	3,266.37	14,461.66	32,352.48	18,078.44

Credit Rating: As on 31st March 2020

Name of Agency:	CARE RATINGS
Long term Bank Facilities	CARE A- ; Stable
Long term / Short term Bank Facilities	CARE A- ; Stable / CARE A2+
Short term Bank Facilities	CARE A2+

Consolidated Balance Sheet

Y/E, Mar (Rs. mn)	FY18	FY19	FY20	FY21	FY22	FY23
Share Capital	1,305.09	1,305.09	1,322.59	1,322.59	1,322.59	1,322.60
Reserves & Surplus	2,526.98	4,097.28	5,474.48	6,009.10	6,208.63	8,149.50
Networth / Shareholders Fund / Book Value	3,832.07	5,402.37	6,797.07	7,331.69	7,531.23	9,472.10
Minority Int	-	-	-	-	-	-
Long Term Debt	2.49	1.78	319.69	1,591.69	2,046.15	933.50
Short Term Debt	0.00	117.59	128.15	945.20	1,527.29	2,708.40
Loans	2.49	119.37	447.84	2,536.89	3,573.43	3,641.90
Capital Employed	5,023.91	6,683.48	8,217.78	10,063.98	11,921.97	13,041.10
Capital Employed	5,024.95	6,683.49	8,217.75	10,063.98	11,921.90	13,041.10
NON-CURRENT ASSETS	3,419.03	4,890.02	7,691.28	9,584.16	13,874.43	13,815.10
Property, plant & equipment	-	-	-	-	-	-
Oil & Gas assets	2,629.36	3,557.16	3,317.76	3,121.44	2,965.48	7,996.10
Others	69.92	135.28	115.66	99.41	2,011.35	4,340.60
Capital work-in-progress	56.25	261.79	3,273.66	5,345.94	7,820.10	315.40
Investment property	8.31	43.58	41.46	39.45	30.72	29.20
Intangible Assets	98.28	102.70	98.21	93.74	97.10	98.60
Financial assets	-	-	-	-	-	-
(i) Investments in associates	0.00	172.21	177.39	192.75	183.80	184.90
(ii) Deposits under site restoration fund	551.33	615.97	651.84	685.32	725.60	777.50
(iii) Other bank balances	0.52	-	-	-	-	10.90
(iv) Other financial assets	3.97	0.55	0.71	0.61	0.59	0.60
Non-current assets (net)	0.00	0.00	0.00	0.00	0.00	-
Other non-current assets	0.00	0.77	14.59	5.50	2.10	0.70
Income Tax Assets (Net)	1.10	0.00	0.00	0.00	37.60	60.60
CURRENT ASSETS, LOANS & ADVANCES	2,017.25	2,451.46	2,667.06	2,267.34	1,397.96	4,687.80
Inventories	282.75	278.29	265.87	360.96	76.50	809.40
Financial assets	-	-	-	-	-	-
(i) Investments	506.47	1,197.44	1,004.78	453.77	3.40	1,147.10
(ii) Trade Receivable	164.86	409.33	363.61	310.72	162.00	1,169.40
(iii) Cash and cash equivalents	843.03	276.45	706.02	468.90	291.20	298.80
(iv) Other bank balances	73.30	77.95	152.47	246.25	362.50	481.90
(v) Other financial assets	54.46	105.44	34.65	285.40	395.56	636.40
Income Tax Assets (Net)	84.52	96.81	98.80	73.61	-	-
Other Current Assets	7.86	9.76	40.86	67.73	106.80	144.80
CURRENT LIABILITIES & PROVISIONS	411.32	540.39	2,012.44	842.32	1,823.20	2,753.40
Trade Payables	180.69	162.76	658.85	319.40	379.20	1,165.10
Other Financial liabilities	215.74	279.49	1,175.86	334.80	1,332.70	805.40
Other Current liabilities	13.18	30.04	42.97	56.22	109.30	779.90
Short Term Borrowings	0.00	-	-	-	-	-
Short term Provisions	1.71	68.11	134.76	131.90	2.00	3.00
NET CURRENT ASSETS	1,605.92	1,793.48	526.47	479.82	(1,952.53)	(774.00)
Deferred Tax Liability	0.00	39.53	30.22	13.30	9.80	9.60
Trade Payables	221.11	221.11	0.00	0.00	0.00	-
Financial liabilities	-	3.05	3.05	1.35	1,008.60	1,079.10
Long term Provisions	967.95	1,014.60	1,067.75	1,125.95	1,326.20	1,546.80
Other non-current liabilities	0.29	1.05	0.00	0.00	0.00	-
TOTAL ASSETS	5,436.28	7,341.47	10,358.34	11,851.50	15,272.39	18,502.90
TOTAL LIABILITIES	5,435.23	7,341.46	10,358.37	11,851.50	15,272.46	18,502.90

Key ratios

Y/E, Mar	FY18	FY19	FY20	FY21	FY22	FY23
CMP (Rs)	110.40	129.60	34.25	97.15	219.85	120.1
EPS (Rs)	2.85	11.91	10.46	4.04	1.51	14.67
BVPS (Rs)	29.37	41.40	51.40	55.44	56.95	71.63
DPS (Rs)	0.00	0.00	0.00	0.00	0.00	0.00
P/E (x)	38.7	10.9	3.3	24.0	145.6	8.2
P/BV (x)	3.8	3.1	0.7	1.8	3.9	1.7
EV/EBITDA (x)	42.8	8.3	2.6	26.7	46.4	5.8
RoE (%)	9.8%	29.0%	20.2%	7.3%	2.7%	20.5%
RoCE (%)	7.67%	23.72%	17.49%	5.73%	2.42%	18.29%
Gross D/E (x)	0.0	0.0	0.1	0.3	0.5	0.38
Net D/E (x)	(0.2)	(0.0)	(0.0)	0.3	0.4	0.30
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debtor Days	81	40	70	108	55	43
Creditor Days	594	80	194	299	166	114
Inventory Days	536	131	128	192	104	66
Cash Conversion cycle	24	90	4	1	(7)	(5)
Working Capital Days	1,230	234	210	161	(173)	(89)
Interest Cost	4.1%	14.0%	14.3%	2.3%	2.6%	10.4%
Interest Coverage	37.61	94.89	22.47	9.95	3.14	6.21