

Indus Towers

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR281 **TP: INR282** **Neutral**

Tenancy additions remains steady; upcoming renewals could pose a challenge

Bloomberg	INDUSTOW IN
Equity Shares (m)	1,897
M.Cap.(INRb)/(USDb)	758.1 / 10.1
52-Week Range (INR)	333 / 163
1, 6, 12 Rel. Per (%)	-14/-13/-3
12M Avg Val (INR M)	1839

- Revenue/EBITDA grew by 1%/3%, led by the fifth quarter of healthy tenancies to 3.6k additions and lower OPEX.
- While net tenancies have improved, along with consistent lower exits over the last few quarters, reducing penalty receipts from VIL in FY23E, upcoming tenancy renewal in Mar'22, and weak liquidity position of VIL could pose an earnings risk. We estimate a consolidated FY21-23E EBITDA CAGR of 6.7%. **We maintain our Neutral rating.**

Financials & Valuations (INR b)

INR Billion	FY21	FY22E	FY23E
Net Sales	256.7	276.0	284.4
EBITDA	131.0	144.0	149.1
Adj. PAT	49.8	57.6	58.9
EBITDA Margin (%)	51.0	52.2	52.4
Adj. EPS (INR)	18.5	21.4	21.9
EPS Gr. (%)	-1.0	15.7	2.3
BV/Sh. (INR)	58.9	64.1	69.9

Ratios

Net D:E	0.3	0.1	0.0
RoE (%)	29.6	34.7	32.6
RoCE (%)	25.0	29.3	28.3
Payout (%)	152.2	75.5	73.8

Valuations

EV/EBITDA (x)	6.1	5.4	5.1
P/E (x)	15.2	13.2	12.9
P/BV (x)	4.8	4.4	4.0
Div. Yield (%)	8.6	4.9	4.9
FCF Yield (%)	9.5	10.5	10.3

Shareholding pattern (%)

As On	Sep-21	Jun-21	Sep-20
Promoter	69.9	69.9	53.5
DII	2.6	2.7	4.3
FII	26.9	26.8	40.9
Others	0.7	0.7	1.3

FII Includes depository receipts

EBITDA up 3% QoQ (in line)

- Consolidated revenue grew marginally by 1.2% QoQ (in line) to INR68.7b. Rental/Energy revenue grew 1%/1.4% sequentially. Net tenancy (adjusted for an accounting change) remained healthy for the fifth quarter at 3.6k (v/s 2.9k in 1QFY22), with flat rental rates QoQ of INR42.8k/month.
- Consolidated EBITDA rose 3% QoQ to INR36.2b (in line), aided by a sharp drop in OPEX and a 1% growth in revenue.
- Rental EBITDA grew 2.1% QoQ to INR36.5b, aided by a decline in other expenditure (-37%) due to provision write backs. Adjusted for the one-offs, EBITDA growth stood at 1.5%. Rental EBITDA margin improved by 90bp to 85.8% in 2QFY22. Operating loss in the Energy segment narrowed to INR282m v/s INR606m in 1QFY22.
- PBT/PAT rose 8.3%/10.1% QoQ to INR20.3b/INR15.6b (4.5%/7% beat) on the back of an improvement in other income.
- Capex stood at INR8.3b in 2QFY22 (v/s INR7.5b in 1QFY22).
- It added 2,465 towers in 2QFY22 (v/s 1,772 in 1QFY22) to 183,462. The company has a net debt of INR51.8b as of 30th Sep'21.

Highlights from the management commentary

- Opportunities:** The management expects opportunities from overhead and underground fiberization and Smart City in non-Telecom segments.
- Receivable days:** It expects a speedy recovery to a steady state rate of 40-50 days in 2HFY22, aided by improved collections and the government's relief package.
- Conversion to the Fixed Energy Margin (FEM) model:** The management expects one out of two telcos to shift to the FEM model in 3QFY22. It expects an improvement in Energy margin with the shifting from pass through to the FEM model.
- Change in methodology:** Reporting of towers and colocations changed to an actual exit basis from a notice basis, with effect from 1st Jul'21. This led to a one time addition of 3,630 colocations on a closing basis.

Valuation and view

- Investment in network densification to match data growth and technology upgrade towards 5G, along with fiberization, small cells, and indoor coverage offer a good opportunity in the Telecom passive infrastructure industry. Recovery in tenancy additions and a reduction in exits have helped stabilize earnings.
- The passive infra industry earns a strong EBITDA margin, with a healthy Balance Sheet, despite VIL being under severe stress. Historically, this has not been any impact on tower companies due to the long term nature of contracts. But with the renewal of contracts in Mar'22, it could put pressure on tower companies. Increase in receivable days and completion of the exit receipt period too will impact earnings. With VIL not holding any stake in Indus Towers and availability of alternatives like Rjio's towers, it gives telcos a better bargaining power.
- Despite VIL receiving relief from the government in the form of a four-year payment moratorium, its situation remains precarious, with ballooning debt and its inability to raise funds, improve its liquidity, to spend on capex, and make non-government debt payments. This remains the biggest overhang on Indus Towers as VIL remains a large client, and its tower sharing business has limited business case for single tenancy operations.
- We factor in a revenue/EBITDA CAGR of 5.3%/6.7% over FY21-23E to arrive at our TP of INR285/share, implying an EV/tenancy of INR2.2m and EV/EBITDA of 6.3x. The stock garners a healthy dividend yield of 8.6% (FY21), which could cushion against a further downside. **We maintain our Neutral rating.**

Quarterly performance

(INR m)

Y/E March (Consolidated)	FY21				FY22				FY21	FY22E	FY22E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Revenue from operations	60,859	63,591	67,361	64,918	67,970	68,765	69,962	69,325	2,56,729	2,76,022	68,841	-0.1
YoY Change (%)	64.0	74.8	4.5	2.9	11.7	8.1	3.9	6.8	1,615.8	8.0	8.3	
Total Expenditure	30,279	32,854	31,837	30,790	32,803	32,532	33,271	33,465	1,25,760	1,32,071	32,440	0.3
EBITDA	30,580	30,737	35,524	34,128	35,167	36,233	36,691	35,860	1,30,969	1,43,951	36,400	-0.5
YoY Change (%)	61.3	63.6	8.6	19.6	15.0	17.9	3.3	5.1	1,800.9	14.4	18.4	
Depreciation	12,681	13,088	14,302	13,323	13,198	13,161	13,764	14,932	53,394	55,055	13,749	-4.3
Interest	3,205	3,297	3,900	3,619	3,768	3,665	3,786	3,924	14,021	15,143	3,786	-3.2
Other Income	339	816	1,056	772	569	927	511	511	2,983	2,518	601	54.4
PBT	15,033	15,168	18,378	17,958	18,770	20,334	19,653	17,515	66,537	76,271	19,466	4.5
Tax	3,827	3,861	4,778	4,320	4,617	4,749	4,947	4,408	16,786	18,721	4,900	
Rate (%)	25.5	25.5	26.0	24.1	24.6	23.4	25.2	25.2	25.2	24.5	25.2	
Reported PAT	11,206	11,307	13,600	13,638	14,153	15,585	14,706	13,106	49,751	57,550	14,566	7.0
Adj. PAT	11,206	11,307	13,600	13,638	14,153	15,585	14,706	13,106	49,751	57,550	14,566	7.0
YoY Change (%)	26.3	17.4	2.2	38.3	26.3	37.8	8.1	-3.9	542.9	14.5	28.8	

E: MOFSL estimates

Key performance indicators

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Towers (nos.)	1,69,630	1,72,094	1,75,510	1,79,225	1,80,997	1,83,462	1,85,462	1,87,462	1,79,225	1,87,462
Total Co-locations (nos.)	3,10,627	3,14,106	3,18,310	3,22,438	3,25,355	3,32,551	3,35,551	3,38,551	3,22,438	3,38,551
Average sharing factor	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Sharing revenue per operator per month (INR)	41,106	42,168	44,845	42,477	42,730	42,807	43,021	41,730	42,411	42,632
Rental EBITDA margin (%)	81.7	81.0	84.8	84.2	86.2	86.4	85.1	84.7	83.0	85.6
Energy EBITDA margin (%)	(3.3)	(5.4)	(2.3)	(1.0)	(2.3)	(1.1)	-	0.5	(3.0)	(0.7)
EBITDA Margin (%)	50.2	48.3	52.7	52.6	51.7	52.7	52.4	51.7	51.0	52.2
EBIT Margin (%)	29.4	27.8	31.5	32.0	32.3	33.6	32.8	30.2	30.2	32.2
Adj. PAT Margin (%)	18.4	17.8	20.2	21.0	20.8	22.7	21.0	18.9	19.4	20.8

E: MOFSL estimates

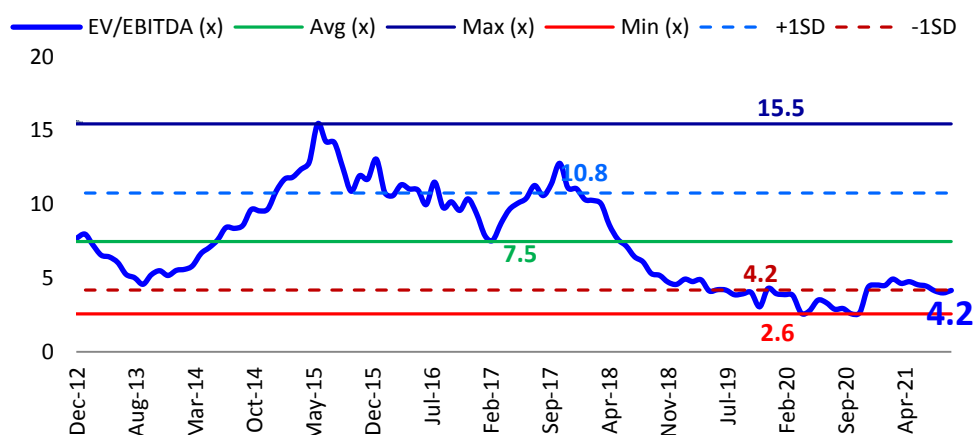
Key operating metrics

- Consolidated net tenancy (adjusted for accounting change) stood at 3.6k in 2QFY22 v/s 2.9k in 1QFY22. Gross additions stood at 3.6k (on an actual basis) v/s 3,123 QoQ as gross colocation exits stood at a mere 18 (179 as per the old policy). Average sharing factor stood at 1.81x in 2QFY22 v/s 1.8x in 1QFY21.
- Reporting of towers and colocations have been changed to actual exit basis from notice basis with effect from 1st Jul'21. This has resulted in a one-time addition of 3,630 colocations on a closing base in 1HFY22.
- Monthly rentals per tenant remained flat QoQ but grew by 1.5% YoY to INR42,807.
- It added 2,465 towers in 2QFY22 (v/s 1,772 in 1QFY22) to 183,462.
- The company has a net debt of INR51.8b as of 30th Sep'21.

Exhibit 1: Bharti Infratel – Valuation

	Value (INR b)	Value (INR/share)	Implied FY23E EV/ Tenancy (INR m)	Implied FY23E EV/ EBITDA (x)
Standalone (DCF based)	941	349	11.9	24.8
Indus (DCF based)	692	257	2.9	9.5
Indus value (42%)	291			
Indus value post holding company discount of 20%	233	86	2.3	7.6
Total Enterprise Value	941	349	2.8	6.5
Net Debt	181	67		
Shares o/s (b)	2.7			
Fair value	760	282	2.2	6.3
CMP		281		
Upside		0%		

Source: MOFSL, Company

Exhibit 2: One-year forward EV/EBITDA

Source: MOFSL, Company



Highlights from the management commentary

Key takeaways

- **Opportunities:** The management expects opportunities from overhead and underground fiberization and Smart City in non-Telecom segments.
- **Receivable days:** It expects a speedy recovery to a steady state rate of 40-50 days in 2HFY22, aided by improved collections and the government's relief package.
- **Conversion to the FEM model:** The management expects one out of two telcos to shift to the FEM model in 3QFY22. It expects an improvement in Energy margin with the shifting from pass through to the FEM model.
- **Change in methodology:** Reporting of towers and colocations changed to an actual exit basis from a notice basis, with effect from 1st Jul'21. This led to a one time addition of 3,630 colocations on a closing basis.

Detailed notes:

- **Demand environment:** Demand for data consumption grew by 41% YoY. The management expects a continued benefit to flow as a result of improved demand and the government's relief package.
- **Change in methodology:** On the back of muted consolidation in the Telecom industry, the management changed the reporting of towers and colocations to an actual exit basis from a notice basis, with effect from 1st Jul'21. This led to a one time addition of 3,630 colocations on a closing basis.
- **Revenue:** The strong YoY growth in revenue was partly on account of a change in accounting policies, followed by the company post-merger. Adjusted for the change, the company has witnessed a healthy growth in business in 2QFY22.
- **Network cost:** The company is exercising strong control over its network cost.
- **EBITDA margin:** Consolidated EBITDA margin improved in 2QFY22, aided by a reduction in other expenses as a result of a reversal of bad debts on account of improved collections. Other expenses fell by ~67% YoY in 2QFY22.
- EBITDA for the **Energy** segment improved due to reconciled differences with suppliers in 2QFY22.
- **PAT** grew 38% YoY to INR15.6b. This included INR400m towards tax benefit on LTCG.

Exit charges:

- Exit charges in 2QFY22 stood at INR1,840m as against INR1,750m in 2QFY21.
- The management expects these charges to taper off in 4QFY22 and reach INR1.6-1.7b levels.

Energy margin and FEM model:

- The management expects one of the two telcos to move to a FEM model in 2QFY22.
- While it would be difficult to comment on timelines and impact on margin, it is expected to improve the position of the company.

Trade receivables:

- The increase in trade receivables was partly due to the issue with timing (~30% of incremental debtors) and delay in payments allowed.
- The management expects a speedy recovery in collections in 2HFY22 and return to a steady state rate of 40-50 receivable days.
- It sees no write-off risk for its trade receivables.

Tenancy:

- Nearly one-third of tenancy is coming up for renewal from Mar'22. However, the management believes it is in a good negotiating position.
- The company is witnessing a shift towards colocations as compared to new towers.
- While the tenancy fall has started to taper off, the management expects the tenancy ratio to rise.
- Translation of the government's relief package for telcos would be a thing to watch out for.

Exhibit 3: Pro forma consolidated performance (INR m)

	2QFY21	1QFY22	2QFY22	YoY (%)	QoQ (%)	2QFY22E	Var. (%)
Consolidated Revenue	63,591	67,970	68,765	8.1	1.2	68,841	-0.1
- Rent	40,176	42,113	42,536	5.9	1.0	42,713	-0.4
-Energy and other reimbursements	23,415	25,857	26,229	12.0	1.4	26,128	0.4
Operating Expenses	32,854	32,803	32,532	-1.0	-0.8	32,440	0.3
Consolidated EBITDA	30,737	35,167	36,233	17.9	3.0	36,400	-0.5
EBITDA margin (%)	48.3	51.7	52.7	436bp	95bp	52.9	-18bp
Consolidated EBITDA pre Ind AS 116	15,181	19,611	20,677	36.2	5.4	20,844	-0.8
EBITDA margin (%)	23.9	28.9	30.1	620bp	122bp	30.3	-21bp
Depreciation and amortization	13,088	13,198	13,161	0.6	-0.3	13,749	-4.3
EBIT	17,649	21,969	23,072	30.7	5.0	22,651	1.9
Net finance cost	2,481	3,199	2,738	10.4	-14.4	3,185	-14.0
Profit Before Taxes and Exceptional items	15,168	18,770	20,334	34.1	8.3	19,466	4.5
Exceptional item	0	0	0	NM	NM	0	NM
Profit Before Taxes	15,168	18,770	20,334	34.1	8.3	19,466	4.5
Tax	3,861	4,617	4,749	23.0	2.9	4,900	-3.1
Effective Tax Rate (%)	25.5	24.6	23.4	-210bp	-124bp	25.2	-182bp
Pro forma Profit After Tax	11,307	14,153	15,585	37.8	10.1	14,566	7.0
Adj. PAT	11,307	14,153	15,585	37.8	10.1	14,566	7.0

Source: MOFSL, Company

Exhibit 4: Segmental performance (INR m)

Energy/Non-energy mix	2QFY21	1QFY22	2QFY22	YoY%	QoQ%	2QFY22E	v/s est (%)
Rental EBITDA	32,001	35,773	36,515	14.1	2.1	35,878	1.8
<i>Rental EBITDA margin (%)</i>	79.7	84.9	85.8	619bp	90bp	84.0	185bp
Energy EBITDA	-1,264	-606	-282	-77.7	-53.5	523	-154.0
<i>Energy EBITDA margin (%)</i>	-5.4	-2.3	-1.1	432bp	127bp	2.0	-308bp

Source: MOFSL, Company

Exhibit 5: KPI performance

Revenue Drivers	2QFY21	1QFY22	2QFY22	YoY (%)	QoQ (%)	2QFY22E	Var. (%)
Consolidated							
Total Towers (nos.)	1,72,094	1,80,997	1,83,462	6.6	1.4	1,82,997	0.3
Total Colocations (nos.)	3,14,106	3,25,355	3,32,551	5.9	2.2	3,28,355	1.3
Average sharing factor	1.83	1.80	1.81	-1.1	0.6	1.80	0.8
Sharing revenue per operator per month (INR)	42,168	42,730	42,807	1.5	0.2	42,944	-0.3

Source: MOFSL, Company

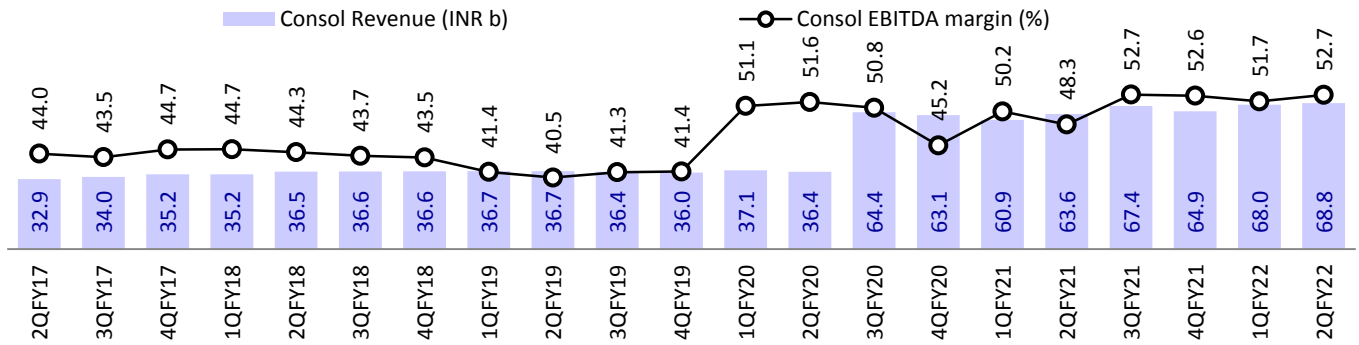
Exhibit 6: Rental revenue/EBITDA excluding exit charges

	2QFY21	1QFY22	2QFY22	YoY (%)	QoQ (%)
Rental revenue	40,176	42,113	42,536	5.9	1.0
Exit penalty charges	4,749	1,824	1,840	-61.3	0.9
Rental revenue (ex-exit charges)	35,427	40,289	40,696	14.9	1.0
Rental EBITDA (ex-exit charges)	27,252	33,949	34,675	27.2	2.1
EBITDA margin (%)	76.9%	84.3%	85.2%	828bp	94bp
Sharing revenue per operator per month (INR)	42,168	42,730	42,807	1.5	0.2

Source: MOFSL, Company

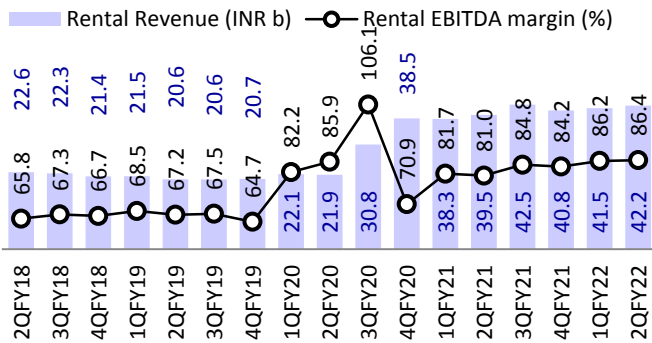
Story in charts

Exhibit 7: Consolidated revenue up 8%; consolidated EBITDA margin improves to 52.7%.



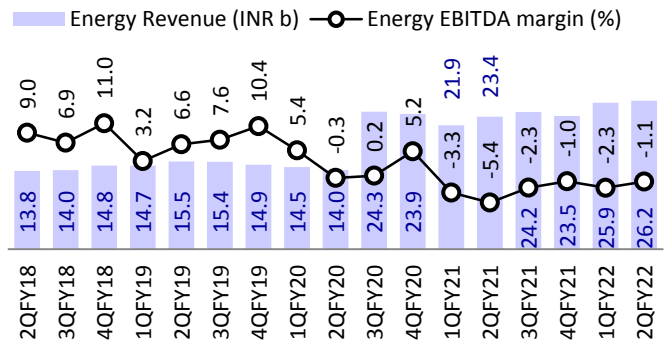
Source: MOFSL, Company

Exhibit 8: Rental EBITDA margin improves QoQ



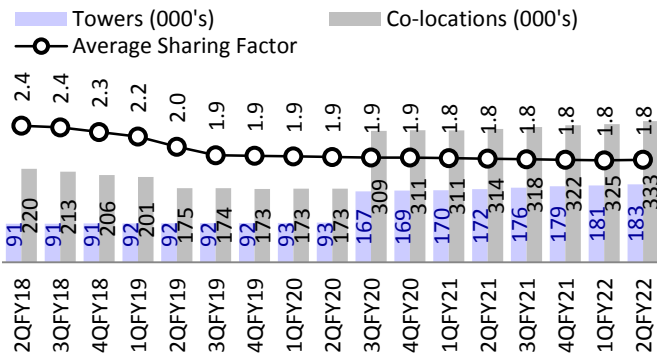
Source: MOFSL, Company

Exhibit 9: Energy revenue grew 1.4% QoQ



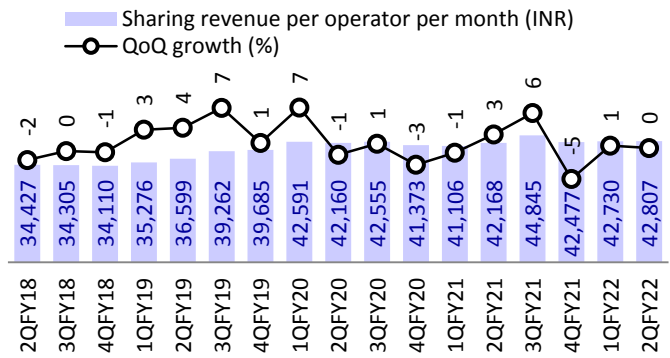
Source: MOFSL, Company

Exhibit 10: Tenancies up 2% QoQ



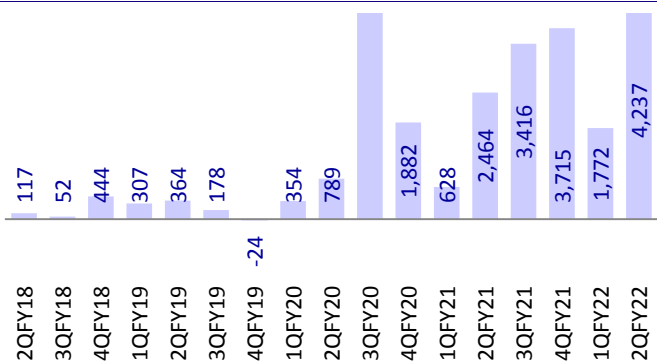
Source: MOFSL, Company

Exhibit 11: Sharing revenue/operator/month remains flat QoQ



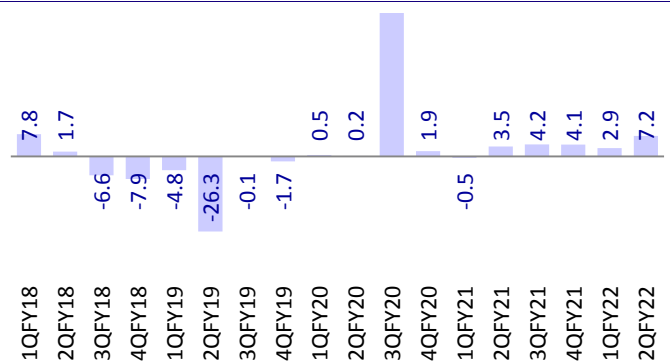
Source: MOFSL, Company

Exhibit 12: Witnesses 4,237 tower additions QoQ



Source: MOFSL, Company

Exhibit 13: Witnesses net 7.2k tenancy additions ('000)



*2QFY22 incl. one-time addition of 3,630 colocations. Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	1,23,314	1,34,237	1,44,896	1,45,823	2,55,624	2,56,729	2,76,022	2,84,399
Change (%)	5.7	8.9	7.9	0.6	75.3	0.4	7.5	3.0
Power and fuel	42,598	46,533	50,772	56,384	96,737	95,831	1,06,228	1,07,456
Rent	10,322	11,628	12,615	12,551	0	0	0	0
Employee benefits expenses	4,279	4,679	5,002	4,914	7,028	7,681	7,368	7,637
Other Expenses	12,006	12,428	12,706	11,962	25,991	22,248	18,474	20,178
Total Expenditure	69,205	75,268	81,095	85,811	1,29,756	1,25,760	1,32,071	1,35,271
% of Sales	56.1	56.1	56.0	58.8	50.8	49.0	47.8	47.6
EBITDA	54,109	58,969	63,801	60,012	1,25,868	1,30,969	1,43,951	1,49,127
Margin (%)	43.9	43.9	44.0	41.2	49.2	51.0	52.2	52.4
Depreciation	22,235	22,626	23,462	22,239	52,710	53,394	55,055	58,273
EBIT	31,874	36,343	40,339	37,773	73,158	77,575	88,896	90,854
Int. and Finance Charges	-1,847	-4,414	0	-1,571	11,953	14,021	15,143	15,900
Other Income	2,048	1,455	2,423	2,034	2,777	2,983	2,518	3,750
PBT bef. EO Exp.	35,769	42,212	42,762	41,378	63,982	66,537	76,271	78,704
EO Items	0	0	-500	-357	0	0	0	0
PBT after EO Exp.	35,769	42,212	42,262	41,021	63,982	66,537	76,271	78,704
Total Tax	13,293	14,742	17,325	16,083	13,712	16,786	18,721	19,810
Tax Rate (%)	37.2	34.9	41.0	39.2	21.4	25.2	24.5	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	22,476	27,470	24,937	24,938	50,270	49,751	57,550	58,894
Adjusted PAT	22,476	27,470	25,232	25,155	50,270	49,751	57,550	58,894
Change (%)	12.8	22.2	-8.1	-0.3	99.8	-1.0	15.7	2.3
Margin (%)	18.2	20.5	17.4	17.3	19.7	19.4	20.8	20.7

Consolidated - Balance Sheet								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	18,967	18,496	18,496	18,496	26,949	26,949	26,949	26,949
Total Reserves	1,64,512	1,36,369	1,51,048	1,26,749	1,50,132	1,31,821	1,45,919	1,61,361
Net Worth	1,83,479	1,54,865	1,69,544	1,45,245	1,77,081	1,58,770	1,72,868	1,88,310
Total Loans	10,767	22,249	22,402	29,242	76,372	69,703	69,703	69,703
Lease liabilities					1,29,275	1,34,119	1,34,119	1,34,119
Deferred Tax Liabilities	12,249	7,150	6,223	6,153	795	703	703	703
Capital Employed	2,06,495	1,84,264	1,98,169	1,80,640	3,83,523	3,63,295	3,77,393	3,92,835
Net Fixed Assets	1,44,868	1,36,326	1,30,740	1,25,871	2,19,574	2,15,892	1,94,264	1,67,323
Capital WIP	2,245	2,568	4,066	2,485	2,928	2,736	2,736	2,736
Right of use assets					99,603	1,02,110	1,02,110	1,02,110
Total Investments	38,811	56,211	67,850	47,973	39,382	22,714	22,714	22,714
Curr. Assets, Loans&Adv.	83,265	53,350	37,207	46,167	1,01,604	1,05,985	1,51,493	1,90,890
Account Receivables	1,916	3,664	9,185	14,883	34,529	38,285	37,811	38,959
Cash and Bank Balance	31,916	22,970	759	1,371	2,825	145	26,077	48,431
Loans and Advances	49,433	26,716	27,263	29,913	64,250	67,555	87,605	1,03,501
Curr. Liability & Prov.	62,694	64,191	41,694	41,856	79,568	86,142	95,924	92,939
Account Payables	959	17,387	18,580	20,991	33,454	32,588	40,080	36,100
Other Current Liabilities	41,139	40,699	16,448	13,547	31,300	37,407	39,661	40,640
Provisions	20,596	6,105	6,666	7,318	14,814	16,147	16,183	16,199
Net Current Assets	20,571	-10,841	-4,487	4,311	22,036	19,843	55,569	97,952
Appl. of Funds	2,06,495	1,84,264	1,98,169	1,80,640	3,83,523	3,63,295	3,77,393	3,92,835

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)								
EPS	11.8	14.9	13.6	13.6	18.7	18.5	21.4	21.9
Cash EPS	23.6	27.1	26.3	25.6	38.2	38.3	41.8	43.5
BV/Share	96.7	83.7	91.7	78.5	65.7	58.9	64.1	69.9
DPS	3.0	16.0	14.0	15.0	9.5	24.2	13.9	13.9
Payout (%)	29.2	125.0	120.5	129.1	59.3	152.2	75.5	73.8
Valuation (x)								
P/E	23.7	18.9	20.6	20.7	15.1	15.2	13.2	12.9
Cash P/E	11.9	10.4	10.7	11.0	7.4	7.3	6.7	6.5
P/BV	2.9	3.4	3.1	3.6	4.3	4.8	4.4	4.0
EV/Sales	3.8	3.4	3.3	3.4	3.1	3.1	2.8	2.7
EV/EBITDA	8.7	7.8	7.4	8.3	6.3	6.1	5.4	5.1
Dividend Yield (%)	1.1	5.7	5.0	5.3	3.4	8.6	4.9	4.9
FCF per share	12.9	10.6	9.1	1.3	20.8	28.2	30.4	28.9
Return Ratios (%)								
RoE	12.7	16.2	15.6	16.0	31.2	29.6	34.7	32.6
RoCE	11.2	13.2	13.7	13.2	27.9	25.0	29.3	28.3
RoIC	15.2	20.0	20.9	18.1	24.6	17.2	20.2	21.1
Working Capital Ratios								
Fixed Asset Turnover (x)	0.9	1.0	1.1	1.2	1.2	1.2	1.4	1.7
Asset Turnover (x)	0.6	0.7	0.7	0.8	0.7	0.7	0.7	0.7
Inventory (Days)	0	0	0	0	0	0	0	0
Debtor (Days)	6	10	23	37	49	54	50	50
Creditor (Days)	3	47	47	53	48	46	53	46
Leverage Ratio (x)								
Current Ratio	1.3	0.8	0.9	1.1	1.3	1.2	1.6	2.1
Interest Cover Ratio	-17.3	-8.2	NA	-24.0	6.1	5.5	5.9	5.7
Net Debt/Equity	-0.3	-0.4	-0.3	-0.1	0.2	0.3	0.1	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	36,207	35,797	42,262	41,021	63,982	66,537	76,271	78,704
Depreciation	22,693	11,657	23,462	22,239	52,710	53,394	55,055	58,273
Interest & Finance Charges	2,181	365	0	-1,571	0	14,021	15,143	15,900
Direct Taxes Paid	-11,547	-7,961	-17,325	-16,083	-19,768	-16,283	-18,721	-19,810
(Inc)/Dec in WC	630	-1,017	-28,565	-8,186	-21,064	-4,122	-9,795	-20,028
CF from Operations	50,164	38,841	19,834	37,420	75,860	1,13,547	1,17,953	1,13,039
Others	-6,218	-10,179	16,430	-19,158	9,092	-5,983	-2,518	-3,750
CF from Operating incl EO	43,946	28,662	36,264	18,262	84,952	1,07,564	1,15,435	1,09,289
(Inc)/Dec in FA	-19,433	-9,060	-19,374	-15,789	-28,807	-31,507	-33,427	-31,332
Free Cash Flow	24,513	19,602	16,890	2,473	56,145	76,057	82,008	77,957
(Pur)/Sale of Investments	25,887	8,913	-11,639	19,877	-3,548	18,154	0	0
Others	-3,975	-2,287	2,423	2,034	1,273	673	2,518	3,750
CF from Investments	2,479	-2,434	-28,590	6,122	-31,082	-12,680	-30,908	-27,583
Issue of Shares	338	-19,969	0	0	-24,822	37	0	0
Inc/(Dec) in Debt	-8,755	0	154	6,840	2,338	-24,690	0	0
Interest Paid	-2,180	0	0	1,571	-4,696	-3,310	-15,143	-15,900
Dividend Paid	-15,676	-6,679	-30,038	-32,183	-30,985	-65,654	-43,453	-43,453
Others	0	0	0	0	0	0	0	0
CF from Fin. Activity	-26,273	-26,648	-29,885	-23,772	-58,165	-93,617	-58,595	-59,352
Inc/Dec of Cash	20,152	-420	-22,211	612	-4,295	1,267	25,932	22,354
Opening Balance	285	20,133	19,713	-2,498	3,172	-1,123	144	26,076
Closing Balance	20,437	19,713	-2,498	-1,886	-1,123	144	26,076	48,430
Other bank balance	11,479	3,257	3,257	3,257	3,948	1	1	1
Closing balance (incl. other bank balance)	31,916	22,970	759	1,371	2,825	145	26,077	48,431

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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