

Indus Tower

BSE Sensex
84,482

S&P CNX
25,816



Bloomberg	INDUSTOW IN
Equity Shares (m)	2638
M.Cap.(INRb)/(USD\$)	1078.3 / 11.9
52-Week Range (INR)	430 / 313
1, 6, 12 Rel. Per (%)	2/0/13
12M Avg Val (INR M)	2779

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Net Sales	328.9	345.3	361.5
EBITDA	178.9	185.2	192.9
Adj. PAT	69.0	72.8	75.5
EBITDA Margin (%)	54.4%	53.6%	53.4%
Adj. EPS (INR)	26.2	27.6	28.6
EPS Gr. (%)	12.7	5.5	3.7
BV/Sh. (INR)	147.0	156.4	164.8

Ratios

RoE (%)	19.1	17.8	17.4
RoCE (%)	22.2	20.6	20.4
Net D:E	-0.1	-0.1	-0.2

Valuations

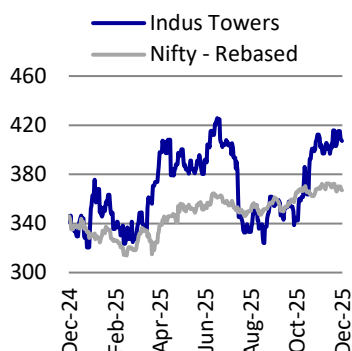
P/E (x)	15.6	14.8	14.2
P/BV (x)	2.8	2.6	2.5
EV/EBITDA (x)	5.8	5.5	5.2
Div Yield (%)	4.4	4.9	5.4

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.0	50.0	53.0
DII	18.3	18.2	17.0
FII	26.2	27.5	24.2
Others	4.5	4.3	5.8

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR409

TP: INR390 (-5%)

Neutral

Risk reward unconvincing despite potential relief for Vi

We recently interacted with Indus Towers' (Indus) senior management to understand the company's growth outlook and execution strategy. Key takeaways are as follows:

- Indus has been gaining market share in new tower builds as well as benefiting from the shift from other towercos in recent quarters, driven by its operational efficiencies and network uptime.
- Management remains confident of securing most of RJio's upcoming tenancy renewals (~12-13% revenue share), given the renewal track record in the past and attractive rentals. Most of these are 2nd or 3rd tenancies, with sharing benefits built in.
- The Africa foray is still at an initial stage, and concrete investment plans have not been finalized. However, management believes Africa is a good growth market, with presence of a strong anchor tenant in Airtel Africa (AAF). Further, the company's scale, along with Bharti's knowledge of African markets, would help Indus deliver lower capital and operating costs, which should aid incremental tenancy additions.
- There is no change in Indus' policy on shareholder returns, and management remains intent on reinstating dividends soon. However, it is awaiting clarity on potential relief measures for Vi to avoid any unforeseen cashflow constraints.
- Our FY27-28 EBITDA estimates are optically higher as we no longer assume ~INR20b bad debt provisions from Vi over FY27-32. However, on an adjusted basis, our estimates are lower by ~1-2% due to a moderation in our tenancy growth assumptions.
- Our TP remains unchanged at INR390, as the boost from the removal of bad debt provisions (~INR31/share NPV impact) is largely offset by continued elevated capex.
- We reiterate our **Neutral rating** with a DCF-based **TP of INR390**, premised on DCF-based 6.5x Dec'27 EV/EBITDA. While any potential relief for Vi is sentimentally positive for Indus, we believe risk reward is unconvincing at the CMP (bull case: INR435; bear case: INR345).

Growth remains a key priority; no change in policy or intent on boosting shareholder returns

- Indus continues to gain market share in new tower builds of its key customers and has recently benefited from the tenancy shift from other towercos, driven by its operating efficiencies.
- Management does not expect significant churn in the upcoming renewal of RJio tenancies, given that RJio is typically the second or third tenant on Indus' towers and, thus, benefits from lower rentals (sharing discounts). However, we assume a churn of ~5k tenancies in FY27 (~10% of the total).

- Indus has garnered ~70%+ share in Vi's rollout over the last six quarters. While Vi's rollouts slowed in 1HFY26, management remains optimistic about a pickup in its network rollout following the recent favorable judgment on its AGR petition. We already bake in ~30k tenancies and ~45k 5G loadings for Indus over FY25-28.
- Indus' overall focus remains on driving growth and it will selectively explore inorganic acquisitions in the tower infra space. However, it is not willing to overpay to consolidate the tower industry in India.
- Further, management noted that there is no change in either shareholder return policy or intent, and the company may plan to reinstate dividends once there is clarity on potential relief measures for Vi.

Africa foray at an initial stage, but business case compelling

- Indus' Africa expansion remains at an initial stage, with investment plans yet to be finalized. Its teams are currently on the ground assessing opportunities and awaiting regulatory approvals.
- Management believes the opportunity is attractive, given Africa's strong growth potential, rising data penetration, and the presence of a strong anchor tenant.
- Further, management believes Indus' scale and Bharti group's knowledge of the African market will enable the company to deliver lower capital and operating costs, which should aid incremental tenancy additions (beyond AAF) over the medium term.

Valuation and view

- Given a likely relief for Vi on AGR dues, we no longer assume bad debt provisions for Indus over FY27-32 (vs. ~INR20b or ~25% of Vi's service rentals earlier).
- With a potential AGR relief, we believe visibility on the closure of Vi's fund raise should improve. However, we do not expect any meaningful upside to our assumption of ~30k tenancies and ~45k 5G loadings from Vi over FY25-28.
- While management remains confident on the renewal of RJio's expiring tenancies (~12-13% of revenue), we now build in ~5k tenancy exits (~10% of overall in FY27) and believe there could be risks of higher exits and/or higher renewal discounts.
- Our FY27-28 EBITDA estimates are optically higher as we no longer assume ~INR20b bad debt provisions from Vi over FY27-32. However, on an adjusted basis, our estimates are lower by ~1-2% due to a moderation in our tenancy growth assumptions.
- Our TP remains unchanged at INR390 as the boost from the removal of bad debt provisions (~INR31/share NPV impact) is largely offset by continued elevated maintenance capex.
- We reiterate our **Neutral rating with an unchanged DCF-based TP of INR390**, premised on DCF-based 6.5x Dec'27 EV/EBITDA. While any potential relief for Vi is sentimentally positive for Indus, we believe risk reward is un compelling at the CMP (**bull case: INR435; bear case: INR345**).

Exhibit 1: Valuation based on Dec'27E

DCF summary (in INR m)	Dec'27
Discount rate (%)	11.5%
Terminal growth rate (%)	2.5%
Present value of FCF	5,17,975
Present value of Terminal value	4,13,495
Enterprise value	9,31,470
Implied EV/EBITDA on Sept'27 (x)	6.5
Net debt (ex-leases)	-50,046
Equity value	9,81,516
Equity value (INR/share)	372
TP (including dividends, INR/share)	390
CMP (INR/share)	409
Upside (%)	-5%

Source: MOFSL, Company

Exhibit 2: Summary of changes in estimates

	FY26E	FY27E	FY28E
Tower Count			
Old	2,63,305	2,75,305	2,85,305
Actual/New	2,63,305	2,75,305	2,85,305
Change (%)	0.0	0.0	0.0
Tenancy Count			
Old	4,29,057	4,54,157	4,69,157
Actual/New	4,24,657	4,41,657	4,59,157
Change (%)	-1.0	-2.8	-2.1
ARPT (INR/month)			
Old	41,588	41,884	42,098
Actual/New	41,645	41,878	42,070
Change (%)	0.1	0.0	-0.1
Service Revenue (INR b)			
Old	211	225	236
Actual/New	210	220	230
Change (%)	-0.4	-1.9	-2.5
Overall Revenue (INR b)			
Old	330	350	368
Actual/New	329	345	361
Change (%)	-0.2	-1.2	-1.8
Bad Debt Provisions (INR b)			
Old	3	-20	-20
Actual/New	3	-	-
Change (%)	-	-100.0	-100.0

Source: MOFSL, Company

Exhibit 3: Summary of changes in estimates

	FY26E	FY27E	FY28E
EBITDA (INR b)			
Old	179	168	176
Actual/New	179	185	193
Change (%)	0.0	10.1	9.6
EBITDA (ex-provisions) (INR b)			
Old	176	188	196
Actual/New	176	185	193
Change (%)	0.0	-1.6	-1.6
Pre-INDAS EBITDA (INR b)			
Old	136	122	126
Actual/New	136	139	145
Change (%)	0.1	14.8	14.9
Pre-INDAS EBITDA (ex-provisions) (INR b)			
Old	133	142	146
Actual/New	133	139	145
Change (%)	0.1	-1.4	-0.8
Recurring PAT (INR b)			
Old	69.2	74.3	74.9
Actual/New	69.0	72.8	75.5
Change (%)	-0.2	-2.0	0.9
Recurring EPS			
Old	26	28	28
Actual/New	26	28	29
Change (%)	-0.2	-2.0	0.9

Source: MOFSL, Company

Exhibit 4: Indus' tower additions have been higher than Bharti's in past few quarters, implying shift from other towercos

Tower additions	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Bharti Airtel	6327	5045	5214	3272	1831	2479
Indus Towers (ex- Bharti deal)	6666	3930	5117	4442	2859	4329
Macro towers	6174	3748	4985	4282	2755	4301
Lean towers	492	182	132	160	104	28
delta (Indus vs. Bharti)	339	-1115	-97	1,170	1,028	1,850

Exhibit 5: We believe Indus has gained ~70%+ share of Vi's network rollout since the fund-raise in 1QFY25

Incremental tenancy additions	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	Cummulative
Vodafone Idea	(435)	922	3,463	7,576	1,855	1,289	14,670
Indus Towers gross adds (ex-Bharti deal)	476	799	2,926	4,329	3,611	499	12,640
Incremental macro tenancies	166	560	2,598	3,954	3,309	204	10,791
Tenancy exits	310	239	328	375	302	295	1,849
Indus' gross adds as % of Vi's	(109)	87	84	57	195	39	86
Indus' net adds as % of Vi's	(38)	61	75	52	178	16	74

Exhibit 6: We ascribe a TP of INR390/share to Indus (implies ~6.5x Dec'27 EV/EBITDA)

	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E
Assumptions													
Average macro tenancies ('000)	405	425	442	459	467	475	481	487	492	496	500		
Net macro tenancy additions ('000)	36.8	19.2	17.0	17.5	8.0	7.5	6.0	6.0	5.0	4.5	4.0		
Sharing revenue per macro tenant (INR/month)	40,856	41,645	41,878	42,070	42,280	42,490	42,702	42,915	43,129	43,344	43,560		
YoY	(0.8)	1.9	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5		
Revenue contribution from leaner sites (INR b)	2.2	2.7	2.8	3.0	3.3	3.7	4.2	4.8	5.6	6.4	7.3		
DCF model													
pre Ind-AS 116 EBITDA	168	136	139	145	150	153	156	159	161	163	165		
Adjusted tax expense	(18.7)	(24.3)	(24.5)	(25.4)	(26.8)	(27.5)	(28.2)	(28.8)	(29.4)	(30.0)	(30.4)		
Change in working capital	64.4	3.9	(2.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)		
Operating cash flow	213	115	113	118	122	125	127	128	130	132	133		
Capital expenditure	(67.8)	(85.5)	(64.1)	(53.8)	(47.4)	(46.7)	(42.5)	(43.1)	(40.5)	(39.5)	(38.5)		
Free cash flow	145	30	49	65	75	78	84	85	90	92	95	97	99
Discounted cash flow-now		29.0	42.5	50.5	52.6	49.0	47.5	43.2	40.7	37.5	34.6		
Discounted cash flow-Y+1			47.4	56.3	58.7	54.6	53.0	48.1	45.4	41.9	38.5	35.4	
Discounted cash flow-Y+2				62.8	65.4	60.9	59.0	53.7	50.6	46.7	43.0	39.5	36.3
	Now	Y+1	Y+2										
Discount rate (%)	11.5%	11.5%	11.5%										
Total PV of free cash flow	427	479	518										
Terminal value assumption													
Growth in perpetuity	2.5%	2.5%	2.5%										
FCF in terminal year	95	97	99										
Exit FCF multiple (X)	11.4	11.4	11.4										
Exit EV/EBITDA multiple (X)	6.5	6.7	6.9										
Terminal value	1,078	1,104	1,132										
PV of terminal value	394	403	413										
Enterprise value	821	883	931										
Implied EV/EBITDA multiple	5.7	6.4	6.5										
Net debt (ex leases)	3	-36	-50										
Equity value (INR b)	818	919	982										
Equity value (INR/share)	310	348	372										
Shares outstanding (m)	2.6	2.6	2.6										
Fair value including dividends (INR/share)	310	348	390										

Detailed takeaways from the management interaction

- **Outlook on tower additions:** Overall, industry-wide tower additions are bound to moderate (vs. additions seen in the past two years) as Bharti's rural rollout tapers. However, Indus has been gaining a higher share in new tower builds as well as benefiting from the shift from other towercos. The company indicated that its operational efficiencies and network uptime track record have prompted telcos to shift from other towercos to Indus in recent quarters.
- **RJio tenancy renewals:** RJio accounts for ~12-13% of Indus' tenancies on a ballpark basis, with bulk of the tenancy renewals due over FY27-28. While Indus has gained from its key customers shifting from other towercos, the company does not anticipate a significant churn in its upcoming renewals of RJio tenancies. Management indicated that RJio has historically renewed its expiring tenancies on Indus With RJio being the second or third tenant on most of Indus' towers, it already benefits from lower rentals due to sharing discounts. Indus plans to handle RJio's renewals under the same renewal framework laid out for other telcos in 2022.
- **Outlook on tenancy additions:** Indus has captured a 70%+ share of Vi's network rollout since its fund raise. Although Vi's network rollout slowed in recent quarters, however, with favorable verdict from the Supreme Court on the AGR matter, Indus' management expects Vi's network rollouts to resume and Indus to continue gaining its fair share of Vi's rollouts.
- **Shareholders' return:** There is no change in the company's policy on rewarding shareholders through dividends/buybacks, and the intent is to reinstate dividends soon. However, management is awaiting clarity on the relief measures for Vi to avoid any unforeseen cash constraints (if no relief comes).
- **Africa foray:** Management noted that Indus' foray into Africa is still at an early stage and investment plans haven't been finalized yet. Teams are currently on the ground conducting market assessments and have applied for regulatory approvals. Overall, management believes that Africa remains a good growth market, with the presence of a strong anchor tenant in Airtel Africa (AAF).
- **Indus' capability for Africa expansion:** The company that believes its scale, combined with Bharti group's knowledge of African markets, will enable it to reduce capital (3-4x capex per tower vs. India) and operating costs for towers in Africa, which should drive additional tenancies subsequently, irrespective of the company being a telco-based towerco (vs. typical dominance of independent towercos in African markets).
- **ARPT:** Nearly 35-40% of Indus' towers are radiating 5G and thus, 5G loading contributes meaningfully to ARPT. However, on a reported basis, ARPT has not shown significant improvement, due to factors such as cost-effective tower buildouts (comes at lower rentals), renewal discounts, rural/urban mix, and seasonal variations, such as rates and taxes.
- **Elevated capex:** Maintenance capex is expected to remain elevated over the next two to three years, primarily as the company has been investing in the refurbishment of aging towers, replacing lead acid batteries with lithium ion batteries, which require upfront capex but provide lower total cost of operations (TCO). Further, capex per tower looks optically higher as the

company is also investing in energy efficiency measures, leveraging technology and automation to reduce operational costs while maintaining network uptime.

- **Energy under-recoveries** are primarily due to reconciliation issues with diesel consumption. Management highlighted that the increase in energy under-recoveries over the last few years is driven by the accelerated network rollout, alongside rollouts in rural areas, where grid availability is relatively lower. The company has been working on solarization and reducing diesel consumption, which should aid in reducing energy under-recoveries over the medium term. Further, the capex incurred on energy optimization measures is typically reflected under ARPT instead of energy reimbursements.
- **Lower other expenses:** Indus' other expenses (excluding provision reversals) have declined in recent quarters, primarily as the company has stopped paying rates and taxes, in line with the revised property tax and right of way (RoW) rules w.e.f 1st Jan 2025. However, management noted that rates and taxes are typically a pass-through, which are reflected in lower ARPT billed to telcos.
- **Leaner tower rollouts:** Management noted that leaner tower builds are dependent on customer requirements. Since these towers are typically used as infill towers for capacity upgrades, they serve as stopgap solutions.
- **Inorganic acquisition:** Indus remains open to inorganic acquisition in the tower space to drive growth. However, it will evaluate the opportunity on a build vs. buy framework and would not necessarily acquire towers at higher valuations.
- **Adjacencies:** The company has decided to slow down its foray into EV charging based on pilot results. It is building landing stations for satellite communication providers, though this is unlikely to be a very significant revenue stream. Management does not see any meaningful synergy between running data center operations and its existing tower business.

Risk-reward appears unconvincing

- **Base case:** In our base case, we assume ~30k tenancy additions and ~45k 5G loadings from Vi over FY25-28. We assume ~5k (10%) tenancy exits from RJio in FY27. Further, with likely relief on Vi's Gol repayments, we no longer build in a bad debt provision (earlier INR20b annually over FY27-32, equivalent to ~25% of service rentals from Vi). In this case, we model ~3.5% CAGR in service rentals and pre-INDAS 116 EBITDA (excl. provision writeback/reversals) over FY25-35E, driven largely by ~2% CAGR in net tenancy adds, with tenancy reaching ~500k by FY35 (vs. ~416k currently). We assume a WACC of 11.5% and terminal growth rate of 2.5% for our DCF-based Dec'27 TP (including dividend) of **INR390/share**, which implies ~6.5x Dec'27 pre INDAS 116 EV/EBITDA.
- **Bull case:** In our bull case, we assume ~35k tenancy additions and ~50k 5G loadings from Vi over FY25-28. We do not assume any tenancy exits from RJio over FY27-28. We continue to assume no bad debt provisions from Vi. In this case, we model ~4.5% CAGR in service rentals and pre-INDAS 116 EBITDA (excl. provision writeback/reversals) over FY25-35E, driven largely by ~2.5% CAGR in net tenancy adds, with tenancy reaching ~520k by FY35 (vs. ~416k currently) and ~1% CAGR in ARPT. We assume a WACC of 11.5% and terminal growth rate of 3% for our DCF-based Dec'27 bull case TP (including dividend) of **INR430/share**, which implies ~7x Dec'27 pre INDAS 116 EV/EBITDA.
- **Bear case:** In our base case, we assume ~25k tenancy additions and ~35k 5G loadings from Vi over FY25-28. We assume ~25k (50%) tenancy exits from RJio over FY27-28. In this case, we continue to assume bad debt provisions from Vi. However, we moderate our assumption to INR20b (or ~25% of Vi's service rentals) over FY29-32 (vs. ~INR40b over FY27-32 earlier). As a result, we model ~2.5-3% CAGR in service rentals and pre-INDAS 116 EBITDA (excl. provision writeback/reversals) over FY25-35E (virtually no growth from FY25 reported pre INDAS EBITDA levels), driven largely by ~1.5% CAGR in net tenancy adds, with tenancy reaching ~465k by FY35 (vs. ~416k currently). We assume a WACC of 11.5% and terminal growth rate of 2% for our DCF-based Dec'27 TP (including dividend) of **INR345/share**, which implies ~6x Dec'27 pre INDAS 116 EV/EBITDA.

Exhibit 7: Near-term outlook resilient, but dependent on Vi's tenancy additions (%)

FY25-28E CAGR	Bull	Base	Bear
Net tenancy adds	5.0	4.2	2.3
ARPT	1.3	1.0	1.1
Service revenue	7.3	6.3	4.9
pre Ind-AS EBITDA	-4.0	-4.7	-5.4
without provisions	8.4	7.5	6.7

Source: MOFSL, Company

Exhibit 8: However, LT growth likely to remain modest at ~3-4%

FY25-35E CAGR	Bull	Base	Bear
Net tenancy adds	2.5	2.1	1.4
ARPT	1.1	0.6	0.6
Service revenue	4.3	3.4	2.5
pre Ind-AS EBITDA	0.8	-0.2	-0.9
without provisions	4.5	3.5	2.9

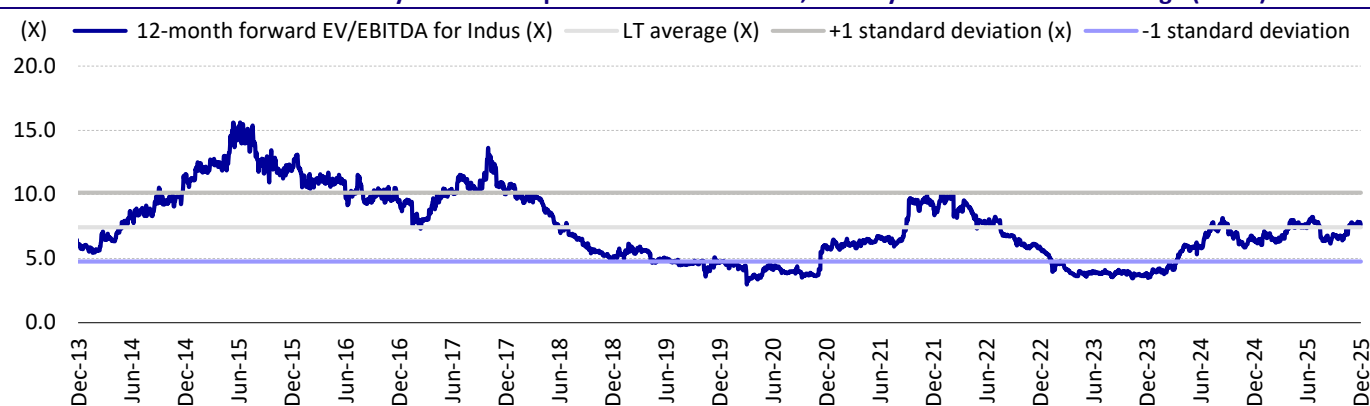
Source: MOFSL, Company

Exhibit 9: Risk reward appears unconvincing at CMP

Indus Tower scenario analysis	Bull	Base	Bear
Vi's tenancy additions FY25-28E	35,000	30,000	25,000
RJio's tenancy exits FY27-28E	-	5,000	25,000
FY28E pre-INDAS EBITDA (INR b)	148	145	142
FY28E FCF (INR b)	65	65	62
Terminal growth rate (%)	3	2.5	2
Implied Dec'27 pre-INDAS EV/EBITDA (x)	7.1	6.5	5.9
Bad debt provision NAV impact (INR/share)	0	0	18
TP including dividends (INR/share)	435	390	345
Upside/downside (%)	6%	-5%	-16%

Source: Company, MOFSL

Exhibit 10: Indus trades at 7.7x one-year forward pre IND-AS-116 EBITDA, broadly in line with its LT average (~7.4x)



Story in charts

Exhibit 11: Consolidated revenue expected to post a 6% CAGR over FY25-28E

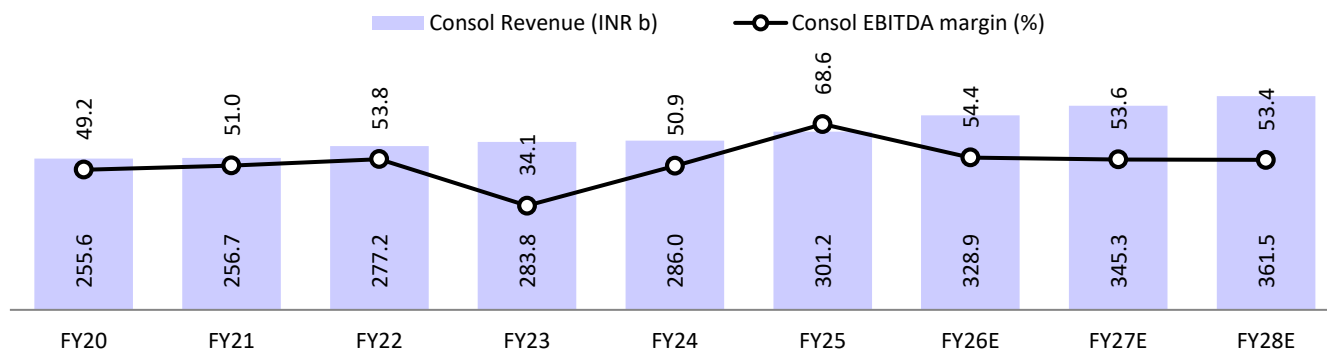


Exhibit 12: Service rentals to post a 6% CAGR over FY25-28E

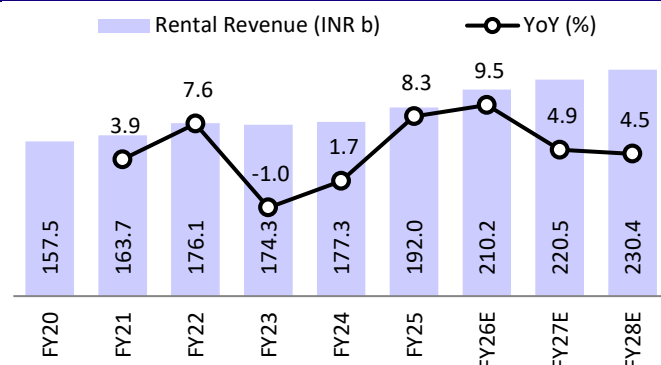


Exhibit 13: Energy revenue to post a 6% CAGR over FY25-28E

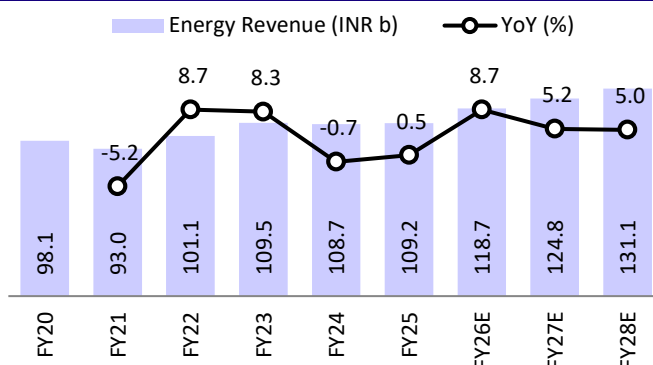


Exhibit 14: Tower additions to moderate

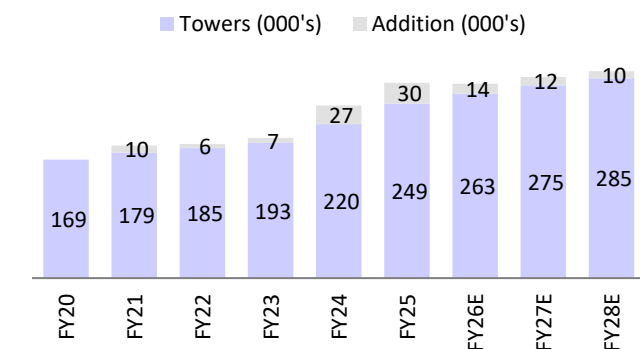


Exhibit 15: Tenancy additions to moderate

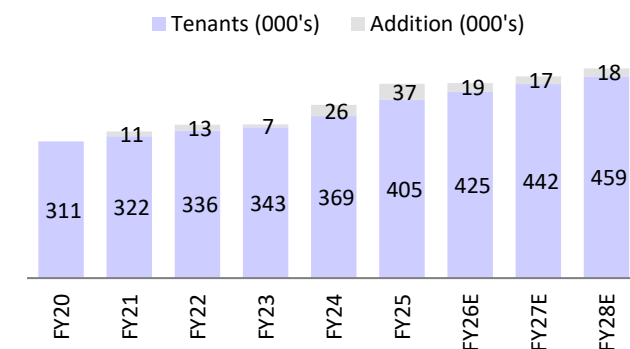


Exhibit 16: We assume no provisions for FY27-28

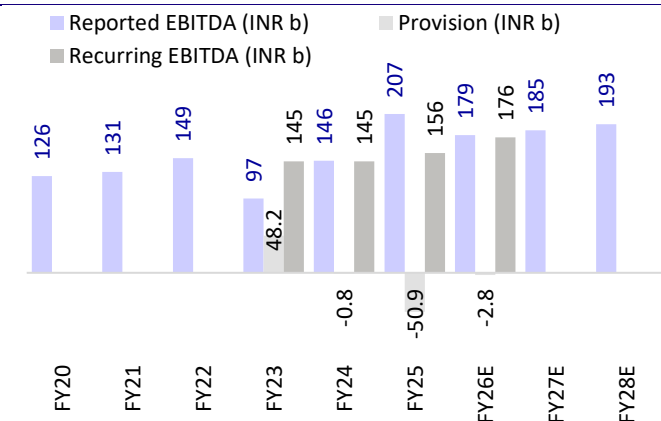
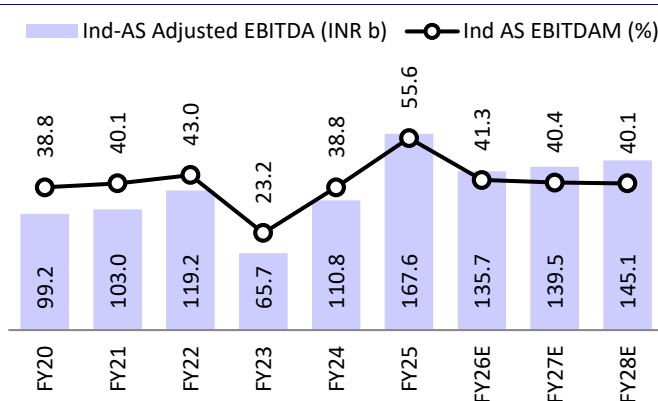


Exhibit 17: Muted growth in pre Ind-AS EBITDA over FY26-28



Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	2,56,729	2,77,172	2,83,818	2,86,006	3,01,228	3,28,854	3,45,311	3,61,472
Change (%)	0.4	8.0	2.4	0.8	5.3	9.2	5.0	4.7
Power and fuel	95,831	1,02,658	1,05,908	1,11,499	1,14,488	1,22,796	1,28,826	1,35,296
Employee benefits expenses	7,681	7,722	7,741	7,823	8,414	8,860	9,480	9,760
Other Expenses	22,248	17,785	73,483	21,118	-28,174	18,339	21,844	23,496
Total Expenditure	1,25,760	1,28,165	1,87,132	1,40,440	94,728	1,49,996	1,60,151	1,68,552
% of Sales	49.0	46.2	65.9	49.1	31.4	45.6	46.4	46.6
EBITDA	1,30,969	1,49,007	96,686	1,45,566	2,06,500	1,78,858	1,85,160	1,92,920
Margin (%)	51.0	53.8	34.1	50.9	68.6	54.4	53.6	53.4
Depreciation	53,394	53,252	53,239	60,599	64,021	71,300	76,823	81,386
EBIT	77,575	95,755	43,447	84,967	1,42,479	1,07,558	1,08,337	1,11,534
Int. and Finance Charges	14,021	14,973	14,539	7,354	18,579	18,659	18,583	18,593
Other Income	2,983	3,525	3,613	3,611	7,637	6,556	7,545	7,986
PBT bef. EO Exp.	66,537	84,307	32,521	81,224	1,31,537	95,455	97,298	1,00,928
EO Items	0	0	-4,928	0	-50,868	-2,835	0	0
PBT after EO Exp.	66,537	84,307	27,593	81,224	80,669	92,620	97,298	1,00,928
Total Tax	16,786	20,576	7,193	20,862	32,220	24,269	24,490	25,404
Tax Rate (%)	25.2	24.4	26.1	25.7	39.9	26.2	25.2	25.2
Reported PAT	49,751	63,731	20,400	60,362	99,317	71,185	72,808	75,524
Adjusted PAT	49,751	63,731	24,043	60,362	61,252	69,043	72,808	75,524
Change (%)	-1.0	28.1	-62.3	151.1	1.5	12.7	5.5	3.7
Margin (%)	19.4	23.0	8.5	21.1	20.3	21.0	21.1	20.9

Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28
Equity Share Capital	26,949	26,949	26,949	26,949	26,381	26,381	26,381	26,381
Total Reserves	1,31,821	1,94,556	1,84,146	2,43,439	2,98,602	3,69,766	3,95,089	4,17,851
Net Worth	1,58,770	2,21,505	2,11,095	2,70,388	3,24,983	3,96,147	4,21,470	4,44,232
Total Loans	69,703	54,868	47,126	43,118	22,624	15,624	8,624	1,624
Lease liabilities	1,34,119	1,42,392	1,44,723	1,62,192	1,88,934	1,97,580	2,04,780	2,10,780
Deferred Tax Liabilities	703	918	-19,469	-18,471	4,049	4,049	4,049	4,049
Capital Employed	3,63,295	4,19,683	3,83,475	4,57,227	5,40,590	6,13,400	6,38,923	6,60,685
Net Fixed Assets	2,15,892	2,09,051	2,11,954	2,66,625	2,94,462	3,35,736	3,51,543	3,53,823
Capital WIP	2,736	1,787	3,546	4,219	5,672	5,672	5,672	5,672
Right of use assets	1,02,110	1,09,210	1,11,882	1,26,377	1,49,337	1,57,983	1,65,183	1,71,183
Total Investments	22,714	16,521	2,756	28	14,861	14,861	14,861	14,861
Curr. Assets, Loans&Adv.	1,05,985	1,43,107	1,16,117	1,42,956	1,67,347	1,94,094	1,99,140	2,15,990
Account Receivables	38,285	70,586	48,687	64,507	47,675	45,048	47,303	49,517
Cash and Bank Balance	145	9,802	224	631	18,561	45,371	45,622	57,764
Loans and Advances	67,555	62,719	67,206	77,818	1,01,111	1,03,674	1,06,215	1,08,709
Curr. Liability & Prov.	86,142	59,993	62,780	82,978	91,089	94,946	97,475	1,00,844
Account Payables	32,588	21,293	21,219	22,797	24,450	24,777	26,017	27,234
Other Current Liabilities	37,407	20,967	22,147	37,849	41,140	44,670	45,960	48,111
Provisions	16,147	17,733	19,414	22,332	25,499	25,499	25,499	25,499
Net Current Assets	19,843	83,114	53,337	59,978	76,258	99,148	1,01,664	1,15,146
Appl. of Funds	3,63,295	4,19,683	3,83,475	4,57,227	5,40,590	6,13,400	6,38,923	6,60,685

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	18.5	23.6	8.9	22.4	23.2	26.2	27.6	28.6
Cash EPS	38.3	43.4	28.7	44.9	47.5	53.2	56.7	59.5
BV/Share	58.9	82.2	78.3	100.3	120.6	147.0	156.4	164.8
DPS	20.1	11.0	0.0	0.0	0.0	18.0	20.0	22.0
Payout (%)	126.4	54.0	0.0	0.0	0.0	66.7	72.5	76.8
Valuation (x)								
P/E	22.1	17.2	45.7	18.2	17.6	15.6	14.8	14.2
Cash P/E	10.6	9.4	14.2	9.1	8.6	7.7	7.2	6.9
P/BV	6.9	5.0	5.2	4.1	3.4	2.8	2.6	2.5
EV/Sales	4.5	4.1	4.0	4.0	3.5	3.1	3.0	2.8
EV/EBITDA	8.7	7.6	11.8	7.8	5.2	5.8	5.5	5.2
Dividend Yield (%)	4.9	2.7	0.0	0.0	0.0	4.4	4.9	5.4
FCF per share	28.2	23.2	17.6	11.6	35.3	10.3	17.9	24.2
Return Ratios (%)								
RoE	29.6	33.5	11.1	25.1	20.6	19.1	17.8	17.4
RoCE	25.0	29.7	13.0	23.0	27.3	22.2	20.6	20.4
RoIC	17.2	19.9	8.4	15.2	17.9	15.1	14.5	14.5
Working Capital Ratios								
Fixed Asset Turnover (x)	1.2	1.3	1.3	1.1	1.0	1.0	1.0	1.0
Asset Turnover (x)	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5
Inventory (Days)	0	0	0	0	0	0	0	0
Debtor (Days)	54	93	63	82	58	50	50	50
Creditor (Days)	46	28	27	29	30	28	28	28
Leverage Ratio (x)								
Current Ratio	1.2	2.4	1.8	1.7	1.8	2.0	2.0	2.1
Interest Cover Ratio	5.5	6.4	3.0	11.6	7.7	5.8	5.8	6.0
Net Debt/Equity	0.3	0.1	0.2	0.2	0.0	-0.1	-0.1	-0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28
OP/(Loss) before Tax	66,537	84,307	27,593	81,224	1,31,537	95,434	97,298	1,00,928
Depreciation	53,394	53,252	53,239	60,599	64,021	71,300	76,823	81,386
Interest & Finance Charges	14,021	16,033	16,704	12,159	14,400	12,104	11,038	10,606
Direct Taxes Paid	-16,283	-19,129	-22,192	-18,700	-18,746	-24,269	-24,490	-25,404
(Inc)/Dec in WC	-3,175	-33,897	-44,048	-10,445	64,397	3,920	-2,265	-1,340
CF from Operations	1,14,494	1,00,566	31,296	1,24,837	2,55,609	1,58,488	1,58,405	1,66,176
Others	-6,930	-9,355	47,752	-44,816	-97,394	-45,720	-47,130	-48,474
CF from Operating incl EO	1,07,564	91,211	79,048	80,021	1,58,215	1,12,768	1,11,274	1,17,702
(Inc)/Dec in FA	-31,507	-28,697	-31,681	-89,529	-67,840	-85,513	-64,083	-53,785
Free Cash Flow	76,057	62,514	47,367	-9,508	90,375	27,255	47,192	63,918
(Pur)/Sale of Investments	18,154	6,391	13,824	7,810	-44,107	0	0	0
Others	673	569	557	6,261	2,841	6,556	7,545	7,986
CF from Investments	-12,680	-21,737	-17,300	-75,458	-1,09,106	-78,957	-56,538	-45,798
Issue of Shares	37	-154	-75	-130	-26,658	0	0	0
Inc/(Dec) in Debt	-24,690	-55,244	-37,947	-4,026	-20,507	-7,000	-7,000	-7,000
Interest Paid	-3,310	-4,418	-3,666	0	0	0	0	0
Dividend Paid	-65,654	0	0	0	0	0	-47,486	-52,762
Others	0	0	-29,639	0	15,986	0	0	0
CF from Fin. Activity	-93,617	-59,816	-71,327	-4,156	-31,179	-7,000	-54,486	-59,762
Inc/Dec of Cash	1,267	9,658	-9,579	407	17,930	26,810	251	12,142
Opening Balance	-1,123	144	9,803	224	631	18,561	45,371	45,622
Closing Balance	144	9,802	224	631	18,561	45,371	45,622	57,764

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