

Indus Towers

Estimate changes

TP change



Rating change



Bloomberg	INDUSTOW IN
Equity Shares (m)	1,897
M.Cap.(INRb)/(USDb)	505 / 6.1
52-Week Range (INR)	306 / 181
1, 6, 12 Rel. Per (%)	-4/-15/-31
12M Avg Val (INR M)	993

Financials & Valuations (INR b)

Y/E March	FY22	FY23E	FY24E
Net Sales	277.2	289.0	287.9
EBITDA	149.0	125.5	153.8
Adj. PAT	63.7	45.3	67.1
EBITDA Margin (%)	53.8	43.4	53.4
Adj. EPS (INR)	23.6	16.8	24.9
EPS Gr. (%)	28.1	-29.0	48.1
BV/Sh. (INR)	82.2	86.2	98.4

Ratios

Net D:E	0.1	0.0	-0.2
RoE (%)	33.5	19.9	27.0
RoCE (%)	29.7	20.1	27.1
Payout (%)	54.0	76.0	51.3

Valuations

EV/EBITDA (x)	3.6	4.0	2.9
P/E (x)	7.9	11.2	7.5
P/BV (x)	2.3	2.2	1.9
Div. Yield (%)	5.9	5.9	5.9
FCF Yield (%)	11.7	14.6	21.7

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	69.0	68.8	69.9
DII	2.9	3.0	2.6
FII	26.5	26.6	26.9
Others	1.6	1.6	0.7

FII Includes depository receipts

CMP: INR187

TP: INR197 (+5%)

Neutral

Muted performance led by write downs

- INDUSTOW's 2QFY23 performance was weighed down by higher provisions (INR17.7b), along with INR11b in write backs. Adjusted for the same, revenue/EBITDA stood flat at INR69b/INR45b. IDEA-related provisions ballooned to INR30b, highlighting the liquidity risk posed by it.
- IDEA has proposed a substantial monthly billing until Dec'22 and the balance by Jul'23, subject to its capital infusion plans. We expect an EBITDA CAGR of a mere 2% over FY22-24, with a risk of falling tenancies, despite the optimism around 5G-led tenancy additions. Subsequently, we maintain our Neutral rating.

PAT remains under pressure due to collection challenges from IDEA

- Consolidated revenue grew a strong 16% QoQ to INR80b. However, **adjusting for one-off of ~INR11b, revenue remains flat at INR69b (in line)**.
 - Adjusting for this one-off impact, rental/energy revenue remained flat QoQ at INR42b/INR27b (in line).
- Consolidated EBITDA grew 24% QoQ to INR28b. Adjusting for a doubtful debt provision for IDEA and a one-off revenue item, **adjusted EBITDA was flat at INR35b (in line)**. Adjusted EBITDA margin was flat at 50.7%.
 - The company has provided for INR30b for doubtful debts in 1HFY23 (1Q/2Q: INR12.3b/INR17.7b).
 - Adjusting for IDEA-related provision and a one-off item in revenue, rental EBITDA rose 2% QoQ to INR36b and the operating loss in energy stood at INR850m.
- Net finance cost grew 18% QoQ to INR3.3b (est. INR2.6b). Adj PAT have reduced by 10% QoQ to INR15b.
- Gross debt (excluding lease) grew 10% YoY to INR60.4b in 1HFY23. INDUSTOW is planning to raise up to INR20b via the issue of NCDs, which may lead to a 33% increase in gross debt.**
- The company has liquidated investments worth INR13.7b in 1HFY23 (out of INR16.5b in FY22) primarily to pay dividend. Cash and investments stood at INR3.1b – the lowest in the last three years.
- Capex stood at INR7.9b v/s INR7.6b in 1QFY23. The increase is due to the additions of 1,452 towers in 2QFY23, taking its total count to 187,926.

Highlights from the management commentary

- It has agreed to IDEA's payment plan. As per the terms of the payment plan, it will receive a substantial payment till Dec'22 and the remainder by Jul'23.
- The management continues to see growth, led by: a) incremental loading revenue, and b) capacity additions from the setting up of new sites.
- INDUSTOW is seeing a good 5G order pipeline. 5G coverage should constitute 50-60% of sites, given the target of telcos to cover 500 towns. The management expects 5-10% of average revenue from 5G.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Valuation and view

- We expect the rollout of 5G services to drive network densification by telcos. Healthy growth in new and leaner small cells, with sharing alternatives, offers a good opportunity in the Telecom-passive infrastructure industry.
- The proposed monthly billing payment plan by IDEA will be a key monitorable going forward as single-tenancy operations make a limited business case for a tower sharing company.
- We factor in a revenue/EBITDA CAGR of a mere 2% over FY22-24 to arrive at our TP of INR197, implying an EV/tenancy ratio of INR2m and an EV/EBITDA ratio of 4.6x. The stock garners a healthy dividend yield of 5% (FY22), but the management said it will be a function of FCF, which remains at risk. We maintain our Neutral rating.

Quarterly Performance

(INR b)

Y/E March (Consolidated)	FY22				FY23E				FY22	FY23E	FY23E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Revenue from operations	68	69	69	71	69	80	70	70	277	289	69	14.7
YoY Change (%)	11.7	8.1	2.8	9.6	1.5	15.9	0.9	-1.0	8.4	12.6	1.0	
Total Expenditure	33	33	32	31	46	52	33	33	128	164	33	57.5
EBITDA	35	36	37	41	23	28	37	38	149	125	37	-23.5
YoY Change (%)	15.0	17.9	4.1	19.0	-35.7	-22.4	0.1	-7.2	18.4	-4.2	1.4	
Depreciation	13	13	13	14	13	13	14	14	53	54	14	-3.9
Interest	4	4	4	4	4	4	3	2	15	13	3	18.2
Other Income	1	1	1	1	1	1	1	1	4	3	1	-14.4
PBT	19	20	21	24	6	12	21	22	84	61	21	-42.8
Tax	5	5	5	6	2	3	5	5	21	15	5	
Rate (%)	24.6	23.4	24.8	24.8	25.8	25.8	25.2	25.2	24.4	25.4	25.2	
Reported PAT	14	16	16	18	5	9	16	16	64	45	15	-43.3
Adj PAT	14	16	16	18	5	9	16	16	64	45	15	-43.3
YoY Change (%)	26.3	37.8	15.5	34.1	-66.3	-44.1	-0.8	-11.4	26.8	-9.0	-1.4	

E: MOFSL Estimates

Key operating metrics

- Towers additions stood at 1,452 in 2QFY23, taking its total tower count to 187,926.
- Total co-locations grew 1,746 QoQ, taking the total count to 338,128. Total co-location additions, excluding lean products, stood at 1,535.
- Average tenancies remained flat QoQ at 1.8x.
- Reported monthly rentals per tenant and reported monthly revenue per operator rose 12% QoQ each to INR47,093/INR84,841, led by a one-off. In our calculation, we had estimated flat rental in 2QFY23.
- Gross tower additions grew 73% QoQ to 2,289 and gross colocation exits stood at 543 in 2Q (v/s 733 in 1QFY23).

Exhibit 1: Valuation of INDUSTOW

	Value (INR b)	Value (INR/share)	Implied EV/ tenancy (INR m)	Implied EV/EBITDA ratio (x)
Consolidated (DCF based)	703	261	2.0	4.6
Total Enterprise value	703	261	2.0	4.6
Net Debt	171	63		
Shares outstanding (b)	2.7			
Fair value	532	197	1.5	3.5
CMP		187		
Upside		5%		

Source: MOFSL, Company



Highlights from the management commentary

Key takeaways

- INDUSTOW has agreed to IDEA's payment plan. As per the terms of the plan, it will receive a substantial payment till Dec'22 and the remainder by Jul'23.
- The management continues to see growth, led by: a) incremental loading revenue, and b) capacity additions from the setting up of new sites.
- The company is seeing a good 5G order pipeline. 5G coverage should constitute 50-60% of sites, given the target of telcos to cover 500 towns. The management expects 5-10% of average revenue from 5G.

Detailed notes:

Industry developments

- The Centre has taken steps to roll out 5G across India under the *Gati Shakti* scheme. It offers companies a single window for easy site acquisition to install 5G infrastructure.
- Two operators have announced a rollout of 5G services over the next 18 months. Infrastructure players have a major role to play in 5G implementation.
- **The growth drivers for INDUSTOW will be: a) revenue from loading, and b) capacity additions from the setting up of new sites.**
- Global 5G trends for subscribers and infrastructure providers remain encouraging. Commercial 5G service providers have increased.
- The management expects 40% of Indian subscribers to adopt 5G by CY27. Data capacity is robust in India, with data consumption up 19% YoY in Jun'22.
- India data usage is the highest in the world (at over 19GB per month) and will constantly increase to 40-50GB over the next five years.

Tower additions

- INDUSTOW currently owns and operates 187,926 towers, with 338,128 co-locations in 22 circles in India.
- It has registered net co-location additions of 1,746. Total co-location additions, excluding lean products, stood at 1,535.
- Tenancy ratio was largely flat at 1.8.
- It continues to see good traction in leaner towers.

Quarterly performance

Revenue

- The deferred recognition of revenue was received in 2QFY23 and the settlement in total revenue was INR11b and INR5.5b in core service revenue.
- Revenue reported was elevated. Excluding one-off income, revenue grew 1.4% QoQ.

EBITDA and receivables

- In 2QFY23, INDUSTOW provided for doubtful debts of INR17.7b.
- Adjusting for the above provision, receivables have increased by INR9.4b.

IDEA's payment plan

- INDUSTOW has consented to IDEA's payment plan.
- It will receive a substantial part of monthly billing till Dec'22.
- After Jan'23, the accumulated outstanding amount as of Dec'22 and the balance amount due will be cleared in a phased manner by Jul'23.
- Due to the Centre's reform package, IDEA is working on a funding plan. Given IDEA's active participation in the recently concluded 5G auction, the management appears confident in IDEA's payment plan.

5G infrastructure

- Initial revenue from 5G will accrue from loading 5G equipment at existing sites. Once data traffic in 5G builds up, it will be deploying 5G SA sites.
- The company has a good number of orders from operators. The management expects a good number of 5G sites. Overall, it is positive on revenue traction via 5G.
- The management expects 5G loading revenue to be higher than 4G, due to greater power consumption, as operators have chosen sub-GHz frequency. For some spectrum like 700MHz a different type of antenna will be required.
- A combination of 5G loading, 5G antennas, and even integrated antennas is required for 5G integration.
- 5G coverage should constitute 50-60% of sites, given the target of telcos to cover 500 towns.
- INDUSTOW expects to derive an average revenue of 5-10% from 5G.

Others

- The company is enabling mobile connectivity in **remote locations** such as the border areas in Jammu & Kashmir, Arunachal Pradesh, and Karnataka.
- **Fundraise:** It will raise INR20b in tranches via an NCD issue, due to regulatory purposes, in two-year blocks. The proceeds will be used to fund its 5G rollout and capex plans.

Exhibit 2: Revisions to our estimates

	FY23E	FY24E
Revenue (INR b)		
Old	279.0	288.4
Actual/New	289.0	287.9
Change (%)	3.6	-0.2
EBITDA (INR b)		
Old	134.2	154.0
Actual/New	125.5	153.8
Change (%)	-6.5	-0.1
EBITDA margin (%)		
Old	48.1	53.4
Actual/New	43.4	53.4
Change (%)	-468bp	2bp
PAT (INR b)		
Old	51.9	67.3
Actual/New	45.3	67.1
Change (%)	-12.8	-0.4
EPS (INR)		
Old	19.3	25.0
Actual/New	16.8	24.9
Change (%)	-12.8	-0.4

Source: MOFSL, Company

Exhibit 3: KPI performance

Revenue drivers	2QFY22	1QFY23	2QFY23	YoY (%)	QoQ (%)	2QFY23E	Var. (%)
Consolidated							
Total towers (nos)	1,83,462	1,86,474	1,87,926	2.4	0.8	1,87,474	0.2
Total co-locations (nos)	3,32,551	3,36,382	3,38,128	1.7	0.5	3,37,882	0.1
Average sharing factor	1.81	1.81	1.80	-0.6	-0.4	1.80	-0.2
Sharing revenue per operator per month (INR)	42,807	41,879	47,093	10.0	12.5	42,088	11.9

Source: MOFSL, Company

Exhibit 4: Pro-forma consolidated performance (INR b)

	2QFY22	1QFY23	2QFY23	YoY (%)	QoQ (%)	2QFY23E	Var. (%)
Consolidated Revenue	68.8	69.0	79.7	15.9	15.5	69.5	14.7
-Rent	42.5	42.2	47.8	12.5	13.3	42.6	12.4
-Energy and other reimbursements	26.2	26.7	31.8	21.3	19.0	26.9	18.3
Operating Expenses	32.5	46.4	51.6	58.5	11.2	32.7	57.5
Consolidated EBITDA	36	23	28	-22.4	24.3	37	-23.5
EBITDA margin (%)	52.7	32.8	35.3	-1740bps	249bps	52.9	-1759bps
Consolidated EBITDA pre-Ind AS 116	20.7	7.1	12.6	-39.3	77.8	21.2	-40.7
EBITDA margin (%)	30.1	10.2	15.8	-1431bps	552bps	30.5	-1472bps
Depreciation and amortization	13.2	13.4	13.1	-0.7	-2.4	13.6	-3.9
EBIT	23	9	15	-34.8	63.1	23	-35.0
Net finance cost	2.7	2.8	3.3	20.3	17.9	2.6	27.4
Profit Before Taxes and Exceptional items	20	6	12	-42.2	82.7	21	-42.8
Exceptional item	0.0	0.0	0.0	NM	NM	0.0	NM
Profit Before Taxes	20	6	12	-42.2	82.7	21	-42.8
Tax	4.7	1.7	3.0	-36.2	82.9	5.2	-41.4
Effective Tax Rate (%)	23.4	25.8	25.8	245bps	2bps	25.2	63bps
Pro-forma Profit After Tax	15.6	4.8	8.7	-44.1	82.7	15.4	-43.3
Adj. PAT	15.6	4.8	8.7	-44.1	82.7	15.4	-43.3

Source: MOFSL, Company

Exhibit 5: Details of tower additions

	2QFY22	1QFY23	2QFY23	YoY (%)	QoQ (%)
Opening co-locations	1,87,581	1,98,017	1,98,608	5.9	0.3
Gross Additions	7,214	1,324	2,289	-68.3	72.9
Exits	18	733	543		
Net Additions/(Deletions)	7,196	591	1,746		
Closing co-locations	1,94,777	1,98,608	2,00,354	2.9	0.9

Source: MOFSL, Company

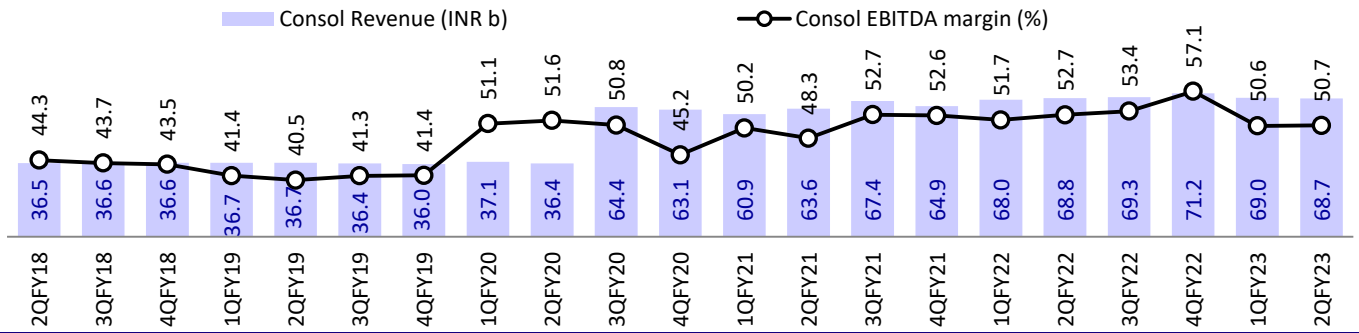
Exhibit 6: Adjusted revenue and EBITDA

INR b	2QFY22	1QFY23	2QFY23	YoY	QoQ
Number of tenants	332,551	336,382	338,128	2%	1%
Derived Rent/tenant/month	42,807	41,879	41,879	-2%	0%
Adjusted rental revenue	42.2	42.2	42.4	0%	0%
Difference as a one-off			5.5		
Energy reimbursement/tower	47,978	47,946	47,946	0%	0%
Number of towers	183,462	186,474	187,926	2%	1%
Adjusted energy revenue	26.2	26.7	27.0	3%	1%
Difference as one off			5.5		
Reported revenue	68.8	69.0	79.7	16%	16%
Difference as a one-off	0	0	11.0		
Adjusted revenue	68.8	69.0	68.7	0%	0%
Reported rental EBITDA	36.5	22.8	23.5	-36%	3%
Adjusted revenue	0	0	-5.5		
Adjusted rental EBITDA	36.5	35.1	35.7	-2%	2%
Adjusted rental EBITDA margin	86.4%	83.1%	84.2%		
Reported energy EBITDA	-0.3	-0.2	4.6		
Adjusted revenue	0	0	-5.5		
Adjusted energy EBITDA	-0.3	-0.2	-0.9		
Adjusted energy EBITDA margin	-1.1%	-0.6%	-3.2%		
Consolidated EBITDA	36.2	22.6	28.1	-22%	24%
Provision for IDEA		12.3	17.7		
Adjusted EBITDA	36.2	34.9	34.8	-4%	0%
Adjusted EBITDA margin	52.7%	50.6%	50.7%	-2.0%	0.1%
PBT reported	20.3	6.4	11.8		
PBT adjusted	20.3	18.7	18.4	-9%	-1%
PAT reported	15.6	4.8	8.7		
PAT adjusted	15.6	17.1	15.4	-1%	-10%

Source: MOFSL, Company

Story in charts

Exhibit 7: Consolidated adjusted revenue and EBITDA margin remains flat



*Revenue and EBITDA in 1Q and 2QFY23 were adjusted after provisioning for IDEA and an INR11b one-off in 2Q. The same has been undertaken for Exhibit 8, 9, and 11

Exhibit 8: Adjusted rental revenue remains flat QoQ

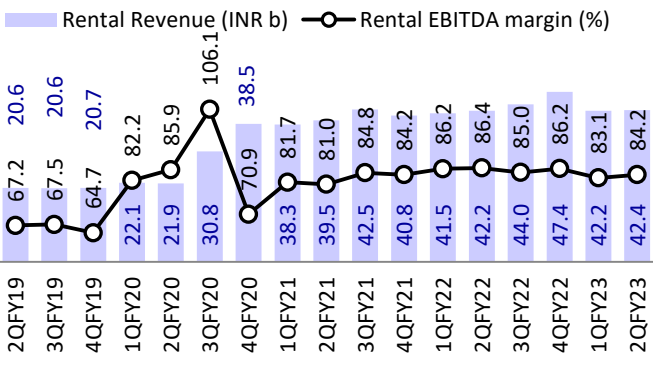


Exhibit 9: Adjusted energy revenue stays flat QoQ

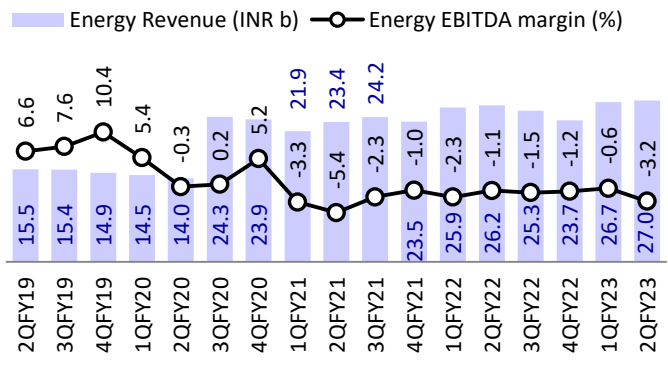


Exhibit 10: Tenancies remain flat QoQ

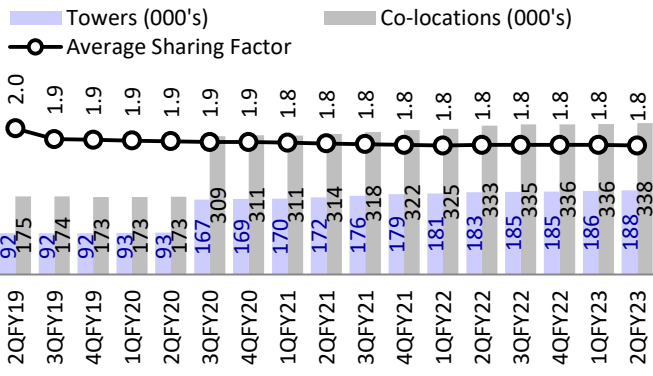


Exhibit 11: Flat sharing revenue/operator

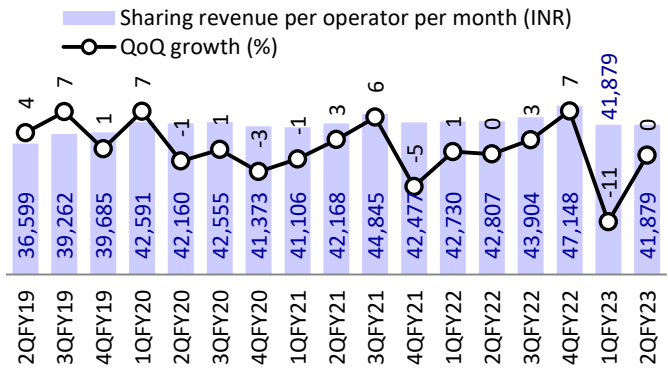
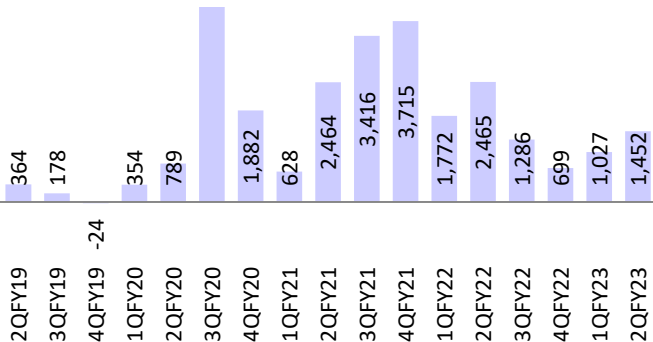
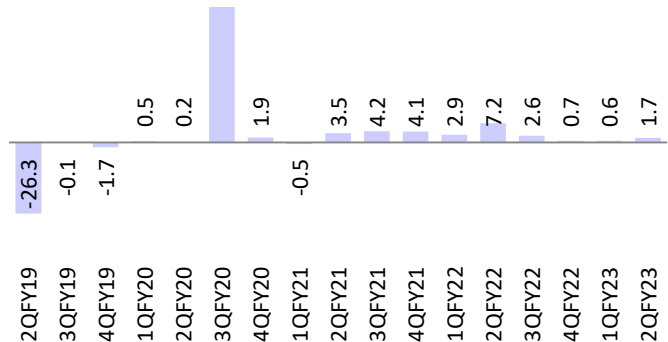


Exhibit 12: Witnesses 1,452 tower additions QoQ in 2QFY23



Source: MOFSL, Company

Exhibit 13: Sees net tenancy additions of 1.7 ('000)



Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total income from Operations	1,34,237	1,44,896	1,45,823	2,55,624	2,56,729	2,77,172	2,89,001	2,87,910
Change (%)	8.9	7.9	0.6	75.3	0.4	8.0	4.3	-0.4
Power and fuel	46,533	50,772	56,384	96,737	95,831	1,02,658	1,07,082	1,08,211
Rent	11,628	12,615	12,551	0	0	0	0	0
Employee benefits expenses	4,679	5,002	4,914	7,028	7,681	7,722	7,661	8,092
Other Expenses	12,428	12,706	11,962	25,991	22,248	17,785	48,793	17,854
Total Expenditure	75,268	81,095	85,811	1,29,756	1,25,760	1,28,165	1,63,536	1,34,158
As a percentage of Sales	56.1	56.0	58.8	50.8	49.0	46.2	56.6	46.6
EBITDA	58,969	63,801	60,012	1,25,868	1,30,969	1,49,007	1,25,466	1,53,751
Margin (%)	43.9	44.0	41.2	49.2	51.0	53.8	43.4	53.4
Depreciation	22,626	23,462	22,239	52,710	53,394	53,252	54,464	56,837
EBIT	36,343	40,339	37,773	73,158	77,575	95,755	71,001	96,914
Int. and Finance Charges	-4,414	0	-1,571	11,953	14,021	14,973	13,283	12,233
Other Income	1,455	2,423	2,034	2,777	2,983	3,525	2,939	4,954
PBT bef. EO Exp.	42,212	42,762	41,378	63,982	66,537	84,307	60,657	89,636
EO Items	0	-500	-357	0	0	0	0	0
PBT after EO Exp.	42,212	42,262	41,021	63,982	66,537	84,307	60,657	89,636
Total Tax	14,742	17,325	16,083	13,712	16,786	20,576	15,381	22,561
Tax Rate (%)	34.9	41.0	39.2	21.4	25.2	24.4	25.4	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	27,470	24,937	24,938	50,270	49,751	63,731	45,275	67,074
Adjusted PAT	27,470	25,232	25,155	50,270	49,751	63,731	45,275	67,074
Change (%)	22.2	-8.1	-0.3	99.8	-1.0	28.1	-29.0	48.1
Margin (%)	20.5	17.4	17.3	19.7	19.4	23.0	15.7	23.3

Consolidated Balance Sheet

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	18,496	18,496	18,496	26,949	26,949	26,949	26,949	26,949
Total Reserves	1,36,369	1,51,048	1,26,749	1,50,132	1,31,821	1,94,556	2,05,446	2,38,133
Net Worth	1,54,865	1,69,544	1,45,245	1,77,081	1,58,770	2,21,505	2,32,395	2,65,082
Total Loans	22,249	22,402	29,242	76,372	69,703	54,868	39,868	24,868
Lease liabilities				1,29,275	1,34,119	1,42,392	1,42,392	1,42,392
Deferred Tax Liabilities	7,150	6,223	6,153	795	703	918	918	918
Capital Employed	1,84,264	1,98,169	1,80,640	3,83,523	3,63,295	4,19,683	4,15,573	4,33,260
Net Fixed Assets	1,36,326	1,30,740	1,25,871	2,19,574	2,15,892	2,09,051	1,81,162	1,49,760
Capital WIP	2,568	4,066	2,485	2,928	2,736	1,787	1,787	1,787
Right of use assets				99,603	1,02,110	1,09,210	1,09,210	1,09,210
Total Investments	56,211	67,850	47,973	39,382	22,714	16,521	16,521	16,521
Curr. Assets, Loans, and Adv.	53,350	37,207	46,167	1,01,604	1,05,985	1,43,107	1,68,390	2,17,339
Account Receivables	3,664	9,185	14,883	34,529	38,285	70,586	73,599	73,320
Cash and Bank Balance	22,970	759	1,371	2,825	145	9,802	23,596	64,317
Loans and Advances	26,716	27,263	29,913	64,250	67,555	62,719	71,195	79,701
Curr. Liability and Prov.	64,191	41,694	41,856	79,568	86,142	59,993	61,497	61,357
Account Payables	17,387	18,580	20,991	33,454	32,588	21,293	22,202	22,118
Other Current Liabilities	40,699	16,448	13,547	31,300	37,407	20,967	21,556	21,501
Provisions	6,105	6,666	7,318	14,814	16,147	17,733	17,739	17,737
Net Current Assets	-10,841	-4,487	4,311	22,036	19,843	83,114	1,06,893	1,55,982
Appl. of Funds	1,84,264	1,98,169	1,80,640	3,83,523	3,63,295	4,19,683	4,15,573	4,33,260

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	14.9	13.6	13.6	18.7	18.5	23.6	16.8	24.9
Cash EPS	27.1	26.3	25.6	38.2	38.3	43.4	37.0	46.0
BV/Share	83.7	91.7	78.5	65.7	58.9	82.2	86.2	98.4
DPS	16.0	14.0	15.0	7.2	20.1	11.0	11.0	11.0
Payout (%)	125.0	120.5	129.1	44.8	126.4	54.0	76.0	51.3
Valuation (x)								
P/E ratio	12.6	13.7	13.8	10.0	10.2	7.9	11.2	7.5
Cash P/E ratio	6.9	7.1	7.3	4.9	4.9	4.3	5.1	4.1
P/BV ratio	2.2	2.0	2.4	2.9	3.2	2.3	2.2	1.9
EV/Sales ratio	2.2	2.1	2.2	2.1	2.2	1.9	1.7	1.6
EV/EBITDA ratio	4.9	4.7	5.4	4.3	4.2	3.6	4.0	2.9
Dividend Yield (%)	8.5	7.5	8.0	3.8	10.7	5.9	5.9	5.9
FCF per share	10.6	9.1	1.3	20.8	28.2	23.2	27.3	36.1
Return Ratios (%)								
RoE	16.2	15.6	16.0	31.2	29.6	33.5	19.9	27.0
RoCE	13.2	13.7	13.2	27.9	25.0	29.7	20.1	27.1
RoIC	20.0	20.9	18.1	24.6	17.2	19.9	13.9	20.0
Working Capital Ratios								
Fixed Asset Turnover ratio (x)	1.0	1.1	1.2	1.2	1.2	1.3	1.6	1.9
Asset Turnover ratio (x)	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Inventory (Days)	0	0	0	0	0	0	0	0
Debtor (Days)	10	23	37	49	54	93	93	93
Creditor (Days)	47	47	53	48	46	28	28	28
Leverage Ratio (x)								
Current Ratio	0.8	0.9	1.1	1.3	1.2	2.4	2.7	3.5
Interest Coverage Ratio	-8.2	NA	-24.0	6.1	5.5	6.4	5.3	7.9
Net Debt/Equity ratio	-0.4	-0.3	-0.1	0.2	0.3	0.1	0.0	-0.2

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	35,797	42,262	41,021	63,982	66,537	84,307	60,657	89,636
Depreciation	11,657	23,462	22,239	52,710	53,394	53,252	54,464	56,837
Interest and Finance Charges	365	0	-1,571	0	14,021	16,033	13,283	12,233
Direct Taxes Paid	-7,961	-17,325	-16,083	-19,768	-16,283	-19,129	-15,381	-22,561
(Inc.)/Dec. in WC	-1,017	-28,565	-8,186	-21,064	-3,175	-33,897	-9,985	-8,369
CF from Operations	38,841	19,834	37,420	75,860	1,14,494	1,00,566	1,03,038	1,27,776
Others	-10,179	16,430	-19,158	9,092	-6,930	-9,355	-2,939	-4,954
CF from Operations incl. EO	28,662	36,264	18,262	84,952	1,07,564	91,211	1,00,100	1,22,822
(Inc.)/Dec. in FA	-9,060	-19,374	-15,789	-28,807	-31,507	-28,697	-26,575	-25,435
Free Cash Flow	19,602	16,890	2,473	56,145	76,057	62,514	73,525	97,387
(Pur.)/Sale of Investments	8,913	-11,639	19,877	-3,548	18,154	6,391	0	0
Others	-2,287	2,423	2,034	1,273	673	569	2,939	4,954
CF from Investments	-2,434	-28,590	6,122	-31,082	-12,680	-21,737	-23,636	-20,481
Issue of Shares	-19,969	0	0	-24,822	37	-154	0	0
Inc./(Dec.) in Debt	0	154	6,840	2,338	-24,690	-55,244	-15,000	-15,000
Interest Paid	0	0	1,571	-4,696	-3,310	-4,418	-13,283	-12,233
Dividend Paid	-6,679	-30,038	-32,183	-30,985	-65,654	0	-34,387	-34,387
Others	0	0	0	0	0	0	0	0
CF from Fin. Activity	-26,648	-29,885	-23,772	-58,165	-93,617	-59,816	-62,670	-61,620
Inc./Dec. in Cash	-420	-22,211	612	-4,295	1,267	9,658	13,793	40,721
Opening Balance	20,133	19,713	-2,498	3,172	-1,123	144	9,803	23,596
Closing Balance	19,713	-2,498	-1,886	-1,123	144	9,802	23,596	64,317
Other bank balance	3,257	3,257	3,257	3,948	1	0	0	0
Closing balance (incl. other bank bal.)	22,970	759	1,371	2,825	145	9,802	23,596	64,317

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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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