

Bharti Airtel

BSE SENSEX 72,990 S&P CNX 22,083



Bloomberg	BHARTI IN
Equity Shares (m)	6088
M.Cap.(INRb)/(USDb)	9419 / 107.9
52-Week Range (INR)	1779 / 1132
1, 6, 12 Rel. Per (%)	2/13/40
12M Avg Val (INR M)	10164

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	1,725	2,047	2,309
EBITDA	929	1,158	1,322
PAT	209	273	378
EPS (INR)	36.4	45.1	62.5
GR. (%)	85	24	39
BV/Sh (INR)	182	242	283

Ratios

ROE (%)	22.8	23.0	25.8
RoCE (%)	14.1	14.8	16.9

Valuations

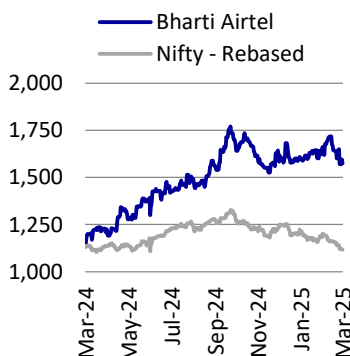
P/E (X)	43	35	25
P/BV (X)	8.7	6.5	5.6
EV/EBITDA (X)	11.6	9.3	7.8
Div Yield (%)	1.0	1.6	2.5

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	53.1	53.1	54.6
DII	19.6	18.8	19.7
FII	24.3	25.2	22.7
Others	2.9	2.9	3.0

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR1,580 TP: INR1,985 (+25%) Buy

Focus likely to intensify on capital allocation plans

- Driven by tariff repair in the India wireless segment, Bharti's FCF generation improved significantly over the past few years (9MFY25: INR292b). Bharti's main priority for cash deployment so far has been prepaying high-cost debt.
- With a complete flow-through of tariff hikes and a moderation in capex intensity, Bharti is likely to generate significant FCF (~INR1.3t over FY25-27E).
- With high-cost debt largely repaid and leverage under control, we believe capital allocation remains the key monitorable and would likely be the biggest driver for Bharti's stock price performance over the medium term.
- Our FY25-27 estimates are broadly unchanged as we build in FY24-27 CAGR of ~15%/19% in Bharti's consolidated revenue/EBITDA. We reiterate our BUY rating on Bharti with a revised TP of INR1,985 (earlier INR1,990).

Annual FCF generation likely to top INR500b by FY27

- Bharti's FCF generation (after lease and interest) improved to INR292b in 9MFY25 (from INR213b in FY24), driven by tariff repair-led improvement in operating cashflows and a reduction in capex with the completion of the first phase of 5G rollouts.
- The improved FCF generation has been used to prepay the high-cost spectrum debt (9.3-10% interest rate).
- Bharti has prepaid ~INR200b spectrum debt in 9MFY25 and ~INR670b since FY22, clearing all the spectrum liabilities pertaining to 2012, 2014, 2015 and 2016 spectrum auctions.
- With a full flow-through of the Jul'24 tariff hike, a likely additional tariff hike of ~15%, a moderation in capex, and Indus consolidation, we expect Bharti's FCF (after interest and leases, but before spectrum repayments) to improve to INR570b by FY27 and ~INR500b after regulatory dues payout.

High-cost debt largely paid up; leverage in comfortable zone

- Bharti's ~INR944b dues to the GoI mainly pertains to AGR dues (under moratorium until Mar'26 at 8% interest rate) and 2022 spectrum (at ~7.2% interest rate, paid till Aug'26 except for Hexacom circles).
- Given the benign interest rate for the remaining GoI dues (~7.2-8.65%) and telcos still hopeful of some relief on AGR dues, we do not expect Bharti to prepay further spectrum or AGR dues.
- Bharti's overall net debt, excluding DPL and lease liabilities, stood at a modest INR392b (vs. annualized EBITDAaL of INR1.04t). Given robust FCF generation, we expect Bharti's non-GoI debt to be largely repaid by FY27.

Capital allocation would be the key monitorable for Bharti

- With leverage under control, India wireless capex moderating, and no immediate requirement for additional spectrum on the horizon, the deployment of Bharti's rising FCF is likely to become the most important monitorable for potential stock price performance in the medium term.

- Bharti's management indicated that deleveraging, increasing shareholder returns through higher dividends, and bolt-on acquisitions to boost capabilities in Enterprise business remain the key priorities for capital deployment.

Dividend payout to increase meaningfully to service promoter-level debt

- Bharti Telecom (BTL, a 51:49 JV between Bharti Enterprises and Singtel) has purchased stake worth ~INR381b from Bharti Airtel's promoters and through rights issue over the last few years to raise its stake to 40.5%.
- As the dividend from Bharti is the only source of revenue for BTL, the debt on BTL's balance sheet has increased to ~INR380b, largely due to Bharti's stake purchases. The debt-to-equity ratio for BTL has spiked to 5.4x as of Dec'24.
- As per our estimates, Bharti's FY25 dividend payout would have to increase to at least INR14/share (vs. INR8/share) for BTL to service its interest payments.
- BTL has to either repay or refinance ~INR215b dues over Sep'25 to Feb'26.
- Further, BTL has to contribute ~INR58 toward pending calls on the rights issue and might have to purchase an additional stake from promoters as 1) Singtel looks to equalize its direct stake with Bharti, and 2) promoters are keen to consolidate their holdings in Bharti under BTL.
- Given the need for servicing its existing debt and potentially funding additional stake purchases, we believe that increasing the dividend payout is likely to become the biggest priority for Bharti over the next few years.
- However, Bharti's recent stake increase in Airtel Africa, the Indian promoter's continued stake sales in Bharti, and discussions for a potential merger of Airtel DTH with Tata Play have raised some concerns about capital allocation priorities.

AAF stake purchase driven by potential value-unlocking triggers

- Bharti has recently purchased a ~4.45% stake in Airtel Africa (AAF) for a total consideration of ~INR23.6b.
- While investors would prefer Airtel to pay out higher dividends or invest the cashflows in Indian operations, we do not see the investment made to increase the stake in AAF as a capital misallocation.
- AAF has been delivering robust double-digit constant currency (cc) growth for the past several years, and we remain positive on AAF, given the long runway for data and mobile money growth in Africa.
- Despite robust growth, AAF trades at subdued ~3.8x FY27E EBITDA. We believe a sharp tariff hike in Nigeria and an impending IPO of Mobile Money (Jul'25) could be key near-term value-unlocking triggers for AAF, which would benefit Bharti's shareholders as well.
- Moreover, Bharti will likely be able to recoup the investments in the AAF stake purchase through upcoming inflows from Indus Tower. As such, we do not expect any significant impact on Bharti's FY25 dividends due to the AAF stake purchase.

Airtel DTH – Potential Tata Play merger to boost Airtel’s convergence play

- Bharti recently confirmed that the company is in bilateral discussions with the Tata Group to explore a potential transaction to combine Tata Play and Airtel DTH.
- Given structural headwinds, we believe a potential merger between Airtel DTH and Tata Play is unlikely to create any significant value for Airtel’s DTH operations on a standalone basis.
- However, the deal would provide Airtel with access to additional ~19m high-paying homes, which the company can tap to offer its converged offerings under Airtel Black.

Valuation and view

- Our FY25-27 estimates are broadly unchanged. We build in FY24-27 CAGR of ~15%/19% in consolidated revenue/EBITDA, driven by more frequent tariff hikes in India wireless business (~12.5% ARPU CAGR), acceleration in Homes broadband services, and robust double-digit growth in Africa.
- We continue to like Bharti’s superior execution on the premiumization agenda. With a moderation in capex intensity, Bharti is likely to generate significant FCF (~INR1.3t over FY25-27E), which should lead to significant deleveraging and improvement in shareholder returns.
- We believe capital allocation remains the key monitorable and would likely be the biggest driver for Bharti’s stock price performance over the medium term.
- We **reiterate BUY on Bharti with our SoTP-based TP of INR1,985**. We value India wireless and homes business on DCF (implies ~13x FY27 EV/EBITDA), DTH/Enterprise at 4.5x/10x Mar’27E EBITDA and BHARTI’s stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

Exhibit 1: Our SoTP-based TP for Bharti is INR1,985/share

Mar’27 basis	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INR b)	(INR/share)
India business						
India wireless (including Hexacom)	819		13.0	DCF implied	10,645	1,760
Less: Hexacom minority (30% minority)	63		10.9	Implied at CMP	205	34
Homes	49		13.0	DCF implied	635	105
India homes + wireless attributable value					11,075	1,831
DTH	18		4.5		80	13
Enterprise	83		10.0		827	137
Indus Towers attributable value	163	528	6.5	0.75	396	65
Other investments (Nxtra, APB)		148		1	148	25
India business enterprise value	1,060		11.8	Implied	12,526	2,071
India business net debt (including leases)					927	153
Network I2I perps					132	22
India business equity value (a)					11,467	1,896
International business						
Airtel Africa	272		3.3	Implied at CMP	906	157
Airtel Africa net debt					327	57
Airtel Africa attributable value		357		0.75	268	44
Robi Axiata + Dialog SL attributable value		33		0.75	25	4
International business equity value (b)					293	48
Dividends (c)					246	41
Bharti Airtel TP (d) = (a) + (b) + (c)					12,007	1,985

Capital allocation remains the key monitorable for Bharti

FCF generation (post spectrum payments) likely to improve to ~INR500b by FY27

Bharti's FCF generation has been on a rising trend, driven by tariff repair-led improvement in operating cashflows and a reduction in capex with the completion of the first phase of 5G rollouts. In 9MFY25, Bharti's FCF (after leases and interest) improved to INR292b from INR213b in FY24.

The improved FCF generation has been used to prepay high-cost spectrum debt (9.3-10% interest rate). We note that Bharti has prepaid ~INR200b spectrum debt in 9MFY25 and ~INR670b since FY22, clearing all the spectrum liabilities pertaining to 2012, 2014, 2015 and 2016 spectrum auctions.

Exhibit 2: FCF (after interest and leases but before spectrum prepayments) improved to INR292b in 9MFY25

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25	FY2024	FY2023
Cashflow from operations	208	191	214	175	218	249	257	725	789	653
Lease payments	(20)	(21)	(20)	(18)	(18)	(20)	(16)	(54)	(79)	(76)
Capex in tangible assets	(91)	(97)	(99)	(94)	(99)	(96)	(84)	(278)	(381)	(260)
Capex in intangible assets	(13)	(44)	(4)	(80)	(71)	(57)	(35)	(162)	(140)	(129)
Paid finance cost	(23)	(55)	(23)	(39)	(42)	(64)	(33)	(138)	(140)	(67)
FCF, post lease and interest payment	62	(25)	69	(56)	(12)	14	90	92	49	122
Spectrum prepayments	-	80	-	83	79	85	36	200	163	88
Adjusted FCF post leases and interest	62	55	69	27	68	98	126	292	213	210

With a full flow-through of the Jul'24 tariff hike, a likely additional tariff hike of ~15% in Dec'25 (our assumption), a moderation in capex, and Indus consolidation, we expect Bharti's FCF (after interest and leases but before spectrum repayments) to improve further to INR570b by FY27. Moreover, with Bharti clearing a large part of regulatory dues, the annual Gol repayments, including AGR dues, would be modest at ~INR107b in FY26 and ~INR151b over FY27-31.

Exhibit 3: Bharti's FCF after spectrum payments, leases and interest to improve sharply to ~INR500b by FY27, on our estimates

Bharti Airtel FCF workings	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Operating Cashflow before WC changes	474	586	722	794	1,004	1,158	1,322
Working Capital changes	30	-14	-31	24	59	61	60
Taxes	-22	-22	-38	-29	-72	-124	-162
CFO before leases and interest	482	550	653	789	990	1,095	1,220
Leases	-64	-76	-76	-79	-73	-69	-66
Interest paid	-71	-132	-67	-140	-200	-185	-165
CFO post interest and leases	347	342	510	570	718	840	989
Capex	-336	-435	-388	-521	-507	-407	-421
FCF post interest and leases	11	-93	122	49	211	433	568
Spectrum prepayments		243	62	163	200		
FCF before spectrum prepayments		151	185	213	411	433	568
Regulatory payouts – principal component			21			25	67
FCF post spectrum payments, leases and interest	11	151	164	213	411	408	502

High-cost debt largely paid up; overall leverage ratio in a comfortable zone now

After pre-paying the high-cost debt pertaining to 2014-2016 spectrum auctions, Bharti is now left with ~INR944b deferred payment liabilities (DPL) to the Gol. These mainly pertain to AGR dues (under moratorium until Mar'26 at 8% interest rate) and 2022 spectrum (at ~7.2% interest rate, paid till Aug'26 except for Hexacom circles).

Given the benign interest rate for the remaining Gol dues (7.2-8.65%), we do not see a case for Bharti to prepay further spectrum dues. Moreover, telcos are still hopeful of some relief on AGR dues and we do not expect Bharti to prepay AGR dues.

Bharti's overall net debt, excluding DPL and lease liabilities, stood at a modest INR392b (vs. annualized EBITDAaL of INR1.04t). Given robust FCF generation, we expect Bharti's non-Gol debt to be largely repaid by FY27.

Exhibit 4: Bharti's consolidated net debt (excl. leases) to pre-IND AS EBITDA moderated sharply to 1.3x (vs. 1.9x YoY)

Debt and cash trends	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Reported gross debt	1,655	1,660	1,578	1,588	1,520	1,415	1,465	1,418
LT debt	401	395	333	332	276	195	197	208
ST debt (inc. current maturities)	135	128	162	161	204	253	291	265
Deferred payment liabilities	1,119	1,138	1,084	1,095	1,040	968	977	944
Cash and Cash Equivalents	128	172	103	164	110	64	54	81
Net Debt excluding Lease Obligations	1,527	1,488	1,475	1,424	1,410	1,351	1,410	1,337
Lease Obligation	605	589	596	597	637	675	792	629
Net Debt including Lease Obligations	2,131	2,077	2,070	2,021	2,046	2,026	2,202	1,966
Net debt (including leases) to EBITDA (x)	2.83	2.63	2.63	2.52	2.61	2.54	2.50	1.69
Net debt (excluding leases) to EBITDAaL	2.35			1.86	1.85	1.70	1.60	1.28

Note: Mar'23 to Sep'24 figures are not recasted for Indus consolidation, Net debt (excluding leases) to EBITDAaL is post Indus consolidation

Exhibit 5: Bharti's annual Gol debt repayments (incl. AGR dues)

Pertains to	Annual payment (INR b)	Interest rate (%)	Tenure
2021 auction	15	7.3	FY25-39
2022 auction	45	7.2	FY27-42
2024 auction	7	8.65	FY26-44
AGR dues	84	8	FY26-31
Maximum in any year	151		

Note: 2022 auction payments of INR1.3b remaining for FY25 and FY26 pertaining to Hexacom circles

With leverage largely under control, a moderation in India wireless capex, and no immediate requirement for additional spectrum on the horizon, the usage of Bharti's rising FCF is likely to become the most important monitorable for potential stock price performance.

Bharti's management has indicated that deleveraging, increasing shareholder returns through higher dividend pay-outs, and bolt-on acquisitions to boost capabilities in Enterprise business remain the key priorities for capital deployment.

However, Bharti's recent stake increase in AAF, the Indian promoter's continued stake sales in Bharti Airtel, and discussions for a potential merger of Airtel DTH with Tata Play have raised some concerns about capital allocation. We discuss each of these matters in detail in the below sections.

Dividend payout to increase meaningfully to service promoter-level debt

BTL's debt spiked due to stake purchases from Bharti's promoters

Over the last few years, BTL has been purchasing stakes held directly by Bharti's two promoters. We note that BTL has purchased stakes worth ~INR139b from Singtel in Aug'22 and ~INR223b from Bharti Enterprises in multiple tranches over Dec'23 to Feb'25. Overall, including the contribution to Bharti's Oct'21 rights issue, BTL has purchased stakes worth ~INR381b over the last few years.

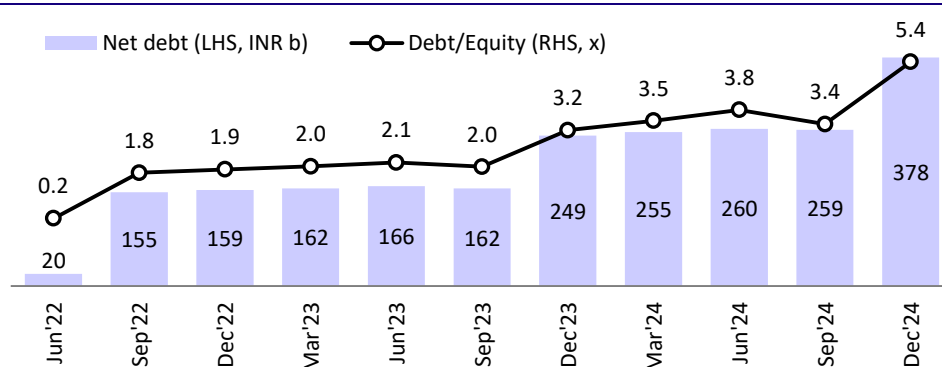
Exhibit 6: BTL has purchased stakes worth ~INR380b in Bharti Airtel over past few years

Date	Shares	Seller	Shares (m)	Price (INR/sh)	Value (INR b)
Oct'21	Partly paid	Oct'21 rights issue	143	134	19
Aug'22	Fully paid	Pastel/Singtel	190	730	139
Dec'23	Fully paid	ICIL/Bharti Enterprises	81	1,024	83
Nov'24	Fully paid	ICIL/Bharti Enterprises	73	1,643	120
Feb'25	Fully paid	ICIL/Bharti Enterprises	12	1,660	20
Overall stake purchased			500	762.4	381

Source: Company, MOFSL

As the dividend from Bharti Airtel is the only source of revenue for BTL, the debt on BTL's balance sheet has increased to ~INR380b, largely due to Bharti's stake purchases. The debt-to-equity ratio for BTL has spiked to 5.4x as of Dec'24 from 0.24x in Jun'22.

Exhibit 7: Bharti Telecom's debt has increased significantly in the past few years



Source: Company, MOFSL

Dividends from Bharti would have to increase sharply to service BTL's rising interest cost

Driven by higher debt, BTL's annualized finance cost now stands at ~INR32b, which is significantly higher than its share of Bharti's FY24 dividend (INR18.2b paid in Sep'24). As per our estimates, **Bharti's FY25E dividend payout would have to increase to at least INR14/share (vs. INR8/share) just for BTL to service its interest payments.**

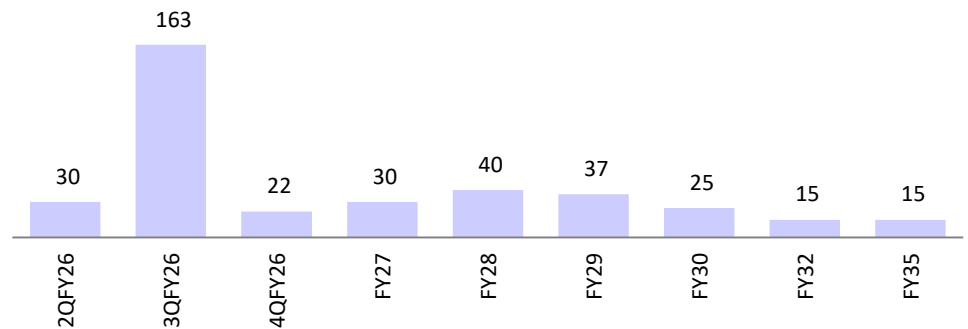
Exhibit 8: BTL's finance costs has increased significantly; currently at ~INR32b annualized

BTL (INR m)	FY22	FY23	FY24	9MFY25	3QFY25 annualized
Finance cost	1,613	7,897	16,218	18,970	31,832
Dividend income	-	6,006	8,769	18,188	
Bharti's dividend (INR/sh)	3	4	8		

Note: Final dividends typically paid in 2Q of next fiscal year

Source: Company, MOFSL

Further, we note that over Sep'25 to Feb'26, BTL has ~INR215b in dues coming up for repayment. We expect the dues to be refinanced as BTL owns a ~40.5% stake in Bharti Airtel (valued at ~INR4t). However, given the rising debt-to-equity ratio, dividends from Airtel would have to be ramped up significantly over the next few years or there could be some risk of a stake sale by BTL. We note that BTL has sold its stake in Bharti in the past to deleverage its balance sheet (see Exhibit 10: below).

Exhibit 9: BTL has ~INR215b dues coming up for repayment/refinancing in FY26

Source: Company, MOFSL

Pending rights issue contribution and potential Singtel stake purchase would require higher dividends

While the call on Bharti's pending rights issue has been deferred as Bharti has no immediate cash requirements, we note BTL would need to contribute further ~INR58b as its share toward pending calls for Bharti's Oct'21 rights issue, which would also require higher inflows in the form of dividends from Bharti Airtel.

BTL currently holds a ~40.5% stake in Bharti Airtel, while Indian promoters/Singtel own ~2.7%/9.5% direct stakes. We note that Bharti's promoters are looking to consolidate their stakes in the company under the BTL JV, which could entail additional stake purchases from promoters.

Singtel, in particular, has been looking to equalize its stake in Bharti Airtel with Indian promoters over the medium term. After Singtel's ~3.3% stake sale to BTL in Aug'22, the gap between the two promoters' effective shareholding in Bharti Airtel had declined to ~4.1%. However, with ICIL's recent stake sales, the gap between the promoters' effective shareholding has significantly increased to ~6.4%.

Exhibit 10: Timeline of Bharti Airtel promoter stake sales over the last few years

Timeline	Seller	Acquirer	Shares (mn)	Stake (%)	Price (INR/share)	Deal size (INR b)
May-19*	Singtel	GIC	227	4.43%	220	50
May-20	Bharti Telecom	Public	151	2.75%	558	84
Aug-22	Singtel	Bharti Telecom	198	3.30%	652	129
Dec-23	ICIL (Mittals)	Bharti Telecom	81	1.35%	1023	83
Mar-24	Singtel	GQG	49	0.80%	1194	58
Aug-24*	Singtel	Open market	0.8	0.00%	1,093	1
Nov-24	ICIL (Mittals)	Bharti Telecom	73.0	1.20%	1,496	109
Feb-25	ICIL (Mittals)	Others	39.1	0.64%	1,660	65
Feb-25	ICIL (Mittals)	Bharti Telecom	12	0.20%	1,660	20

Note: * - rights issue renunciation in May'19 and partly paid shares sold in Aug'24

Source: Company, MOFSL

Singtel had sold a ~0.8% stake in Bharti in an open market transaction (to GQG) in Mar'24 and could potentially sell more stakes in the open market. However, we believe Bharti's promoters would want to have a minimum ~50% stake in Airtel, which could entail further stake purchases by BTL.

Exhibit 11: The gap between Bharti promoters' shareholdings had declined to ~4.1% in Sep'23

Sep'23 shareholding (%)	Fully paid	Partly Paid	Diluted
Singtel	29.2	32.4	29.4
Bharti Telecom	19.0	18.1	19.0
Pastel	10.2	14.3	10.5
Bharti Enterprises	25.4	24.6	25.3
Bharti Telecom	19.5	18.5	19.4
ICIL	5.9	6.2	5.9

Source: Company, MOFSL

Exhibit 12: The gap between Bharti promoters' shareholdings has now increased to ~6.4%

Current stakes (%)	Fully paid	Partly Paid	Diluted
Singtel	29.3	32.2	29.5
Bharti Telecom	20.1	18.1	20.0
Pastel	9.2	14.1	9.5
Bharti Enterprises	23.0	24.6	23.1
Bharti Telecom	20.6	18.5	20.5
ICIL	2.4	6.2	2.7

Source: Company, MOFSL

Given the need for servicing existing debt and potentially funding additional stake purchases, BTL would require significantly higher dividends from Bharti. We believe that **increasing the dividend payouts is likely to become the biggest priority for Bharti over the next few years.**

However, we note that Bharti Airtel's Chairman had indicated that Bharti could look for inorganic opportunities overseas in the coming years. Bharti has been able to turn around its Africa operations, but it has taken the company nearly a decade. Meanwhile, it could not scale up its South Asia operations (Bangladesh and Sri Lanka) and had to merge them into JVs (Robi Axiata and Dialog Axiata). We would be wary of any large acquisition overseas, given a mixed track record in past overseas acquisitions.

AAF stake purchase: Robust growth, cheap valuations, and potential value unlocking

Bharti Airtel has recently purchased a ~4.45% stake in AAF at a price of GBP1.32/share (~5% discount to then CMP). The total consideration for the stake purchase was ~INR23.6b.

As a result, Bharti's stake in AAF has risen to ~61.75%. Further, we note Bharti Airtel's Indian promoters (through Indian Continent Investments Limited or ICIL) also own a ~16.2% stake in AAF and have increased their stake recently (as opposed to ICIL selling its stake in India).

While investors would prefer Airtel to pay out higher dividends or invest the cashflows in Indian operations, **we do not see the investment to increase the stake in AAF as a capital misallocation**. AAF has been delivering robust double-digit cc growth for the past several years, and we remain positive on AAF given the long runway for data and Mobile Money growth in Africa.

Despite a robust growth track record, AAF trades at a modest ~3.8x FY27E EV/EBITDA, given the currency and geopolitical uncertainties in its footprint. Further, we note that AAF inducted strategic investors in Mobile Money at an enterprise valuation of USD2.65b in Mar'21 at an implied EV/EBITDA multiple of ~12.3x on trailing basis. Since then, Mobile Money EBITDA has grown 2.6x, which implies a valuation of ~USD7b for Mobile Money (at similar EV/EBITDA multiple). Adjusting for the value of Mobile Money, AAF's mobility business is trading at a subdued ~2.5x FY27E EV/EBITDA, which we believe is inexpensive.

Exhibit 13: At CMP, AAF trades at modest ~3.8x FY27E EV/EBITDA

Airtel Africa implied valuation		
Current market price	GBP	1.43
Market cap	USD m	6,590
Net debt	USD m	5,268
Implied Enterprise value	USD m	11,858
Annualized 3QFY25 EBITDA	USD m	2,356
Implied EV/EBITDA	x	5.0
Mar'27E EBITDA	USD m	3,109
Implied Mar'27E EV/EBITDA	x	3.8

Source: Company, MOFSL

Exhibit 14: Based on Mar'21 valuation multiple, the current valuation for Mobile Money would be ~USD7b

Airtel's Mobile money valuation		Mar'21	Current
Enterprise value ascribed to Mobile money	USD m	2,650	6,886
Mobile money annualized EBITDA	USD m	216	561
Implied EV/EBITDA	x	12.3	12.3

Source: Company, MOFSL

Exhibit 15: The implied multiple for AAF's mobility business is undemanding at ~2.6x FY27E EV/EBITDA

Airtel Africa valuation (ex-Mobile money)		Current
Enterprise value ascribed to Mobile money	USD m	6,886
Enterprise value (ex- Mobile money attributable value)	USD m	6,746
Annualized 3QFY25 EBITDA (ex - Mobile money)	USD m	1,795
Implied EV/EBITDA	x	3.8
Mar'27E EBITDA (ex- Mobile Money)	USD m	2,596
Implied Mar'27E EV/EBITDA (ex-Mobile money)	x	2.6

Source: Company, MOFSL

Potential rerating of AAF would also benefit Bharti Airtel's shareholders

AAF accounts for ~21% of Bharti's consolidated EBITDA, but given subdued valuations, its contribution to our TP remains modest at ~2% (or INR44/share). We believe there are a few near-term triggers for AAF (sharp tariff hikes in Nigeria, IPO of Mobile Money by Jul'25), which could lead to re-rating, which in turn would also benefit Bharti's shareholders to an extent.

Stake purchase likely funded by Indus' payouts; unlikely to impact FY25 dividends

Moreover, we note that Bharti will be able to recoup the investments in the AAF stake purchase through either the recent tower deal with Indus Towers or potential dividends from Indus. As such, we do not expect any significant impact on Bharti's FY25 dividends due to the AAF stake purchase.

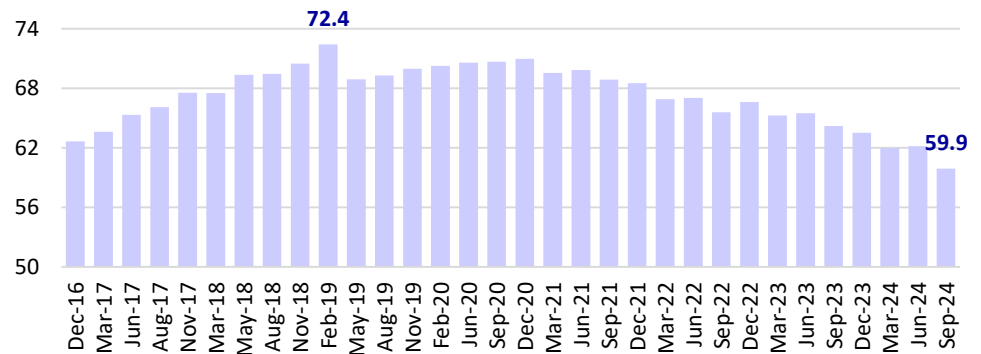
Tata Play merger with Airtel DTH: Likely to boost Airtel’s convergence play

Bharti recently confirmed that the company is in bilateral discussions with the Tata Group to explore a potential transaction to combine Tata Play (India’s #1 DTH provider) with Bharti Telemedia (Airtel DTH, 100% subsidiary of Bharti).

DTH industry facing headwinds; merger unlikely to create significant value

With the onset of OTTs and improving content availability on DD Free Dish, India’s DTH subscriber base has been on a declining trend for the past few years. From a peak of ~72m DTH subscribers in Mar’19, the industry’s DTH subscriber base has declined to ~60m in Sep’24.

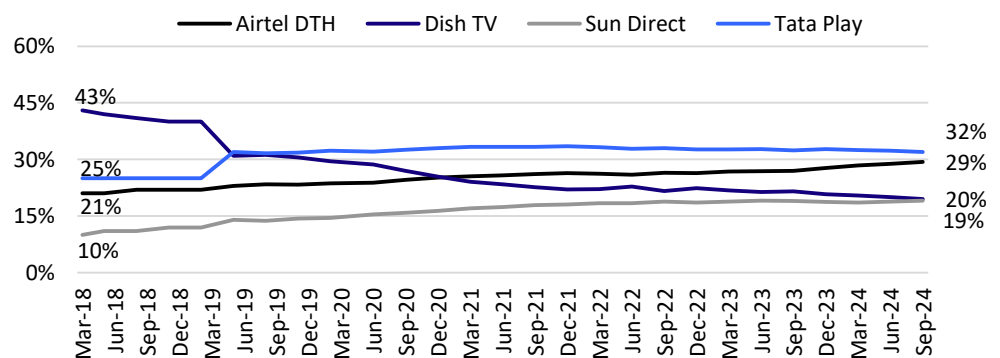
Exhibit 16: India’s DTH subscriber base has been on a declining trend over the past few years (m)



Source: Company, MOFSL

India’s DTH industry is fairly concentrated with just four DTH providers, namely Tata Play, Airtel DTH, Dish TV and Sun Direct. Tata Play is India’s largest DTH provider with 19m subs (~32% subscriber market share), followed by Airtel DTH with 17.6m subs (~29% subscriber market share). Over the past few years, Airtel has been gaining market share in an otherwise declining industry.

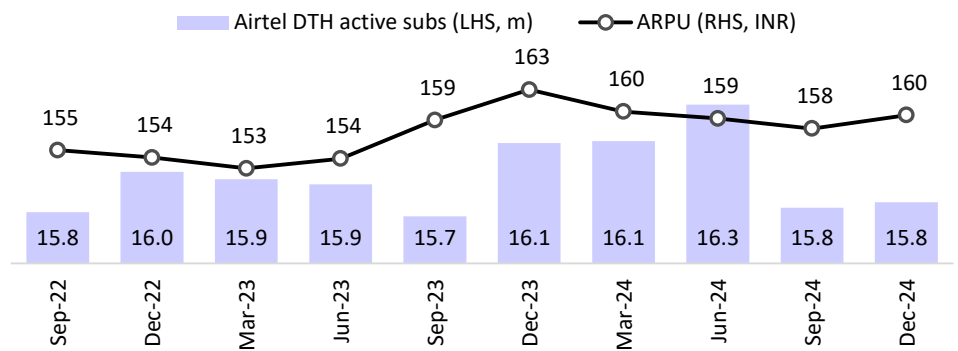
Exhibit 17: Tata Play is the India’s largest DTH provider by subscriber base, followed by Airtel



Source: Company, MOFSL

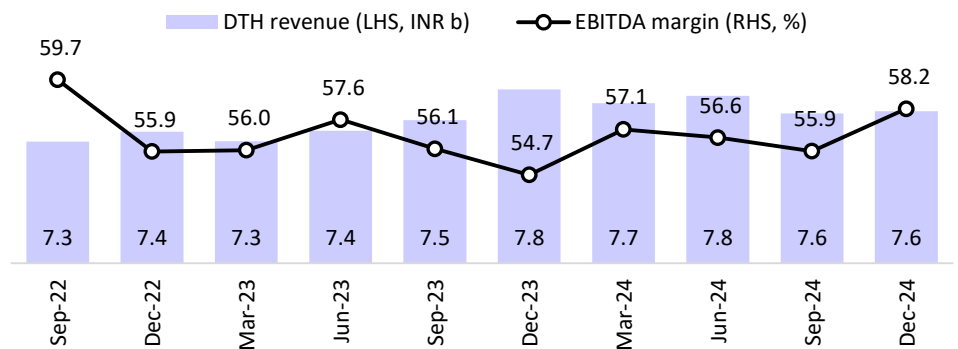
Further, the network capacity fee (or ARPU) for DTH operators is capped by regulations after the NTO 2.0 implementation. As such, given a declining subscriber base and a cap on ARPU, we do not see any significant revenue growth potential for DTH operators.

Exhibit 18: ARPU capped, active subscriber base on a declining trend for Airtel DTH



Source: Company, MOFSL

Exhibit 19: Airtel DTH revenue has been range-bound in past several quarters



Source: Company, MOFSL

TRAI has proposed to gradually phase out the license fee for DTH operators (from ~8% currently), which could provide cost savings; however, we believe it is unlikely to change the structural issues faced by the DTH industry. A **potential merger between Airtel DTH and Tata Play is unlikely to improve the outlook for the DTH industry or create any significant value for Airtel’s DTH operations** on a standalone basis, in our view.

Exhibit 20: Key operational and financial metrics for Airtel DTH and Tata Play

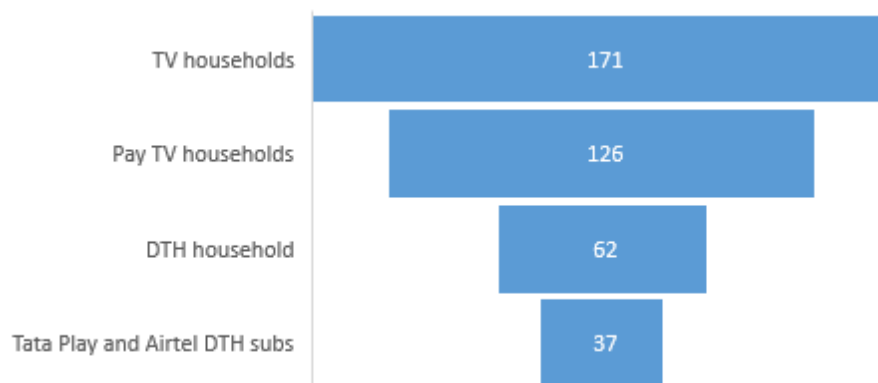
	Airtel DTH	Tata Play*	Merged co
Sep’24 DTH subs (m)	17.6	19.2	36.8
Subs share (%)	29.4	32.0	61.4
FY24 revenue (INR b)	30.4	39.8	70.3
Revenue share (%)	29.8	38.9	68.7
Implied FY24 ARPU (INR)	145	160	153
FY24 EBITDA (INR b)	16.8	9.4	26.2
EBITDA margin (%)	55.3	23.6	37.3
Adj. PAT (INR b)	0.05	(2.6)	(2.6)

Note: * - standalone financials for Tata Play, i.e., excluding its fibre broadband business

Source: Company, MOFSL

We note that compared to ~171m TV households (of which ~125m subscribers of Pay TV) as of Mar'24 end, India's fixed broadband (FBB) subscriber base was significantly lower at ~40m. Bundling of FBB with Pay TV still remains an untapped opportunity. We believe **a deal with Tata Play provides Airtel with access to additional ~19m high-paying homes, which the company can tap to offer its converged offerings under Airtel Black.**

Exhibit 21: Airtel DTH and Tata Play combined would account for ~29% share in Pay TV households



Source: Company, MOFSL

We ascribe an Enterprise value of ~INR80b to Airtel's DTH business, premised on 4.5x FY27E EBITDA. Based on media reports, we believe the valuation for Tata Play in any potential deal is likely to be similar to Airtel's DTH arm, which we believe is probably a fair valuation as margins for Tata Play are slightly inferior to Airtel DTH.

Exhibit 22: Our FY25-27 estimates are broadly unchanged

BHARTI AIRTEL: Summary of Estimate Change	FY25E	FY26E	FY27E
Consol. revenue (INR b)			
Old	1725	2047	2309
New	1725	2047	2309
Change (%)	0.0	0.0	0.0
Consol. EBITDA (INR b)			
Old	929	1158	1322
New	929	1158	1322
Change (%)	0.0	0.0	0.0
Consol. EBITDA margin (%)			
Old	53.9	56.6	57.3
New	53.9	56.6	57.3
Change (bp)	0	0	0
Net Income (INR b)			
Old	212	271	375
New	209	273	378
Change (%)	-1.4	0.5	0.9

Source: Company, MOFSL

Exhibit 23: For every INR10 change in ARPU, Bharti's consol EBITDA changes by INR28b (or ~2.5%)

		FY2026E India wireless ARPU (INR)				
		240	250	260	270	280
FY2026E India wireless paying subs (m)	346	1,083	1,110	1,137	1,164	1,191
	356	1,092	1,120	1,147	1,175	1,202
	366	1,102	1,130	1,158	1,185	1,213
	376	1,111	1,139	1,168	1,196	1,224
	386	1,120	1,149	1,178	1,207	1,235

Source: Company, MOFSL

Exhibit 24: Key assumptions for Bharti Airtel

	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
India wireless business									
Paying subscriber base (m)	283	284	321	326	335	352	360	366	375
Net monthly additions (m)	(1.8)	0.1	3.1	0.4	0.8	1.4	0.6	0.5	0.8
Data subscribers (m)	115	149	189	208	233	261	284	306	326
Net monthly additions (m)	2.4	2.8	3.3	1.7	2.0	2.4	1.9	1.8	1.7
Wireless ARPU (INR/sub/month)	116	136	153	160	189	204	233	260	291
YoY change (%)	(12.2)	16.6	12.9	4.3	18.5	7.8	14.2	11.8	11.6
Data volumes (b MB)	11,733	21,020	32,541	45,203	54,148	65,978	81,221	97,465	1,15,868
YoY change (%)	200.7	79.2	54.8	38.9	19.8	21.8	23.1	20.0	18.9
Data consumption (GB/sub/month)	9.5	13.0	15.7	18.5	20.0	21.8	24.8	27.5	30.6
YoY change (%)	114.4	36.7	21.1	18.0	7.8	8.9	11.5	10.8	11.0
Voice traffic (b mins)	2,811	3,035	3,603	4,104	4,348	4,667	4,886	5,100	5,272
YoY change (%)	44.4	7.9	18.7	13.9	6.0	7.3	4.7	4.4	3.4
MOU (min/sub/month)	798	893	992	1,056	1,096	1,131	1,143	1,171	1,186
YoY change (%)	42.2	11.9	11.1	6.4	3.7	3.2	1.1	2.4	1.3
Homes business (incl. FWA)									
EoP subscriber base (m)	2.3	2.4	3.1	4.5	6.1	7.6	10.0	13.0	15.0
Net monthly additions ('000s)	8.2	12.0	54.4	118.0	130.3	131.2	198.3	250.0	166.7
Implied ARPU (INR/month)	840	799	710	671	641	606	560	546	527
YoY change (%)	(14.2)	(4.9)	(11.1)	(5.5)	(4.5)	(5.4)	(7.6)	(2.6)	(3.5)
Airtel DTH									
EoP subscriber base (m)	15.4	16.6	17.7	16.0	16.0	16.2	15.9	15.9	15.8
Net monthly additions ('000s)	99.4	101.7	92.0	(140.7)	(6.8)	16.7	(20.5)	(4.2)	(8.3)
Implied ARPU (INR/month)	231	152	148	156	154	158	159	162	163
YoY change (%)	(0.5)	(34.1)	(2.5)	5.0	(1.4)	3.0	0.4	1.9	0.9
Capex (INR b)									
India (ex-spectrum)	234	198	193	204	281	334	269	281	303
As % of revenues	39.1	31.0	26.1	24.9	28.7	30.4	21.2	19.9	19.0
Consolidated (ex-spectrum)	287	252	238	253	342	395	363	407	421
As % of revenues	35.5	28.8	23.6	21.7	24.6	26.3	21.0	19.9	18.2
Consolidated overall	337	252	238	436	773	395	431	407	421
As % of revenues	41.7	28.8	23.6	37.4	55.5	26.3	25.0	19.9	18.2

Source: Company, MOFSL

Exhibit 25: Segment-wise revenue, EBITDA, margin and capex trends and forecasts

	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Segmental revenue (INRb)									
India	599	639	737	821	979	1,097	1,338	1,557	1,752
Wireless	416	460	556	629	759	850	1,003	1,143	1,302
Homes	22	22	23	30	40	50	59	75	88
DTH	41	29	31	32	29	30	31	31	31
Airtel Business	125	132	144	161	186	208	221	210	227
Passive infra	68	67					152	321	342
Africa	215	242	289	351	423	412	415	502	570
Consolidated	808	875	1,006	1,165	1,391	1,500	1,725	2,047	2,309
Eliminations	(84)	(82)	(40)	(41)	(49)	(55)	(157)	(235)	(251)
Segmental EBITDA (INRb)									
India	179	263	339	410	511	590	788	929	1,060
Wireless	94	170	243	312	401	468	579	692	819
Homes	11	11	13	16	20	25	30	41	49
DTH	16	20	21	21	17	17	18	18	18
Airtel Business	41	43	55	62	74	82	79	75	83
Passive infra	32	37					117	175	168
Africa	84	107	133	172	207	201	192	238	272
Consolidated	258	366	454	575	713	783	929	1,158	1,322
Eliminations	(15)	(22)	(11)	(7)	(6)	(9)	(86)	(80)	(87)
Segmental EBITDA margin (%)									
India	29.9	41.2	46.1	49.9	52.2	53.8	58.9	59.6	60.5
Wireless	22.7	36.9	43.7	49.6	52.8	55.0	57.7	60.5	62.9
Homes	48.3	50.4	57.6	52.3	50.6	50.1	50.1	54.0	55.2
DTH	38.3	68.3	68.0	66.6	58.9	56.3	57.7	58.6	57.7
Airtel Business	32.6	32.2	38.2	38.7	39.7	39.4	35.7	35.5	36.4
Passive infra	47.6	55.1					77.3	54.6	49.3
Africa	38.9	44.3	46.1	49.1	49.0	48.8	46.4	47.4	47.8
Consolidated	32.0	41.8	45.1	49.4	51.2	52.2	53.9	56.6	57.3
Segmental Capex ex-spectrum (INRb)									
India	242	207	196	204	281	334	300	342	355
Wireless	201	151	147	145	205	253	177	179	194
Homes	8	6	11	17	22	29	40	51	55
DTH	11	11	13	13	14	14	16	15	15
Airtel Business	14	30	22	32	40	38	35	36	39
Passive infra	9	9	-	-	-	-	32	61	52
Africa	44	46	45	49	60	61	62	65	66
Consolidated	287	254	245	257	342	395	362	407	421

Source: Company, MOFSL

Exhibit 26: We build in 13%/15%/21% ARPU/revenue/EBITDA CAGR for Bharti's India wireless business over FY24-27

FY2024-27E CAGR (%)	Bear	Base	Bull
Paying subs	1.4%	2.1%	1.9%
Wireless ARPU	10.6%	12.5%	14.4%
Wireless revenue	12.9%	15.4%	17.1%
Wireless EBITDA	14.8%	20.6%	20.8%

Source: Company, MOFSL

Exhibit 27: We build in 6%/8%/8% ARPU/revenue/EBITDA CAGR for Bharti's India wireless business over FY27-34

FY2027-34E CAGR (%)	Bear	Base	Bull
Paying subs	1.1%	1.3%	1.0%
Wireless ARPU	5.0%	6.1%	7.0%
Wireless revenue	6.1%	7.5%	8.0%
Wireless EBITDA	6.8%	7.7%	9.1%

Source: Company, MOFSL

Exhibit 28: Summary of Bharti's India wireless business valuations and upside/downside skew, FY2024-34E

	Base	Bear	Bull
Bharti - India wireless			
10-year subscriber CAGR	1.5%	1.2%	1.2%
10-year ARPU CAGR	8.0%	6.7%	9.2%
INR 300 ARPU achieved by	FY2028	FY2029	FY2027
10-yr revenue CAGR	9.8%	8.1%	10.7%
10-yr EBITDA CAGR	11.4%	9.1%	12.5%
Enterprise value (INRb)	10,645	8,008	11,572
Exit EV/EBITDA (x)	11.7	10.3	12.2
Implied FY2027E EBITDA (x)	13.0	11.3	14.0
India wireless Enterprise value (INR/share)	1,760	1,324	1,913
Bharti SoTP-based TP (INR/share)	1,985	1,430	2,240
Upside/downside to CMP	25%	-10%	41%

Source: Company, MOFSL

Exhibit 29: We ascribe INR10.65t (or INR1,760/share) valuation to Bharti's India wireless segment (~13x FY27E EV/EBITDA)

	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Assumptions													
Paying subscriber base (m)	352	360	366	375	383	390	396	401	405	408	410		
Net adds	16.8	7.7	6.0	9.0	8.0	7.0	6.0	5.0	4.0	3.0	2.5		
ARPU (INR/month)	204	233	260	291	317	341	363	385	404	422	439		
YoY	7.8	14.2	11.8	11.6	9.0	7.5	6.5	6.0	5.0	4.5	4.0		
DCF model													
EBITDA	468	579	692	819	916	1,006	1,091	1,174	1,248	1,317	1,380		
Adjusted tax expense	-81	-112	-143	-178	-203	-227	-252	-276	-294	-310	-324		
Change in working capital	7	13	11	13	12	11	11	11	9	9	8		
Operating cash flow	394	479	560	655	725	790	850	909	964	1,016	1,063		
Capital expenditure	-253	-246	-179	-194	-240	-250	-260	-270	-280	-290	-300		
Free cash flow	141	234	382	461	485	540	591	639	684	726	764	802	842
Discounted cash flow-now		233	345	378	359	362	358	351	340	326	311		
Discounted cash flow-1 year forward			382	417	397	400	396	388	376	361	343	326	
Discounted cash flow-2 year forward				461	439	442	438	428	415	399	379	361	343
		Now	Y+1	Y+2									
Discount rate (%)		10.5%	10.5%	10.5%									
Total PV of free cash flow		3,364	3,786	4,105									
Terminal value assumption													
Growth in perpetuity		5.0%	5.0%	5.0%									
FCF in terminal year		764	802	842									
Exit FCF multiple (x)		19.1	19.1	19.1									
Exit EV/EBITDA multiple (x)		10.6	11.1	11.7									
Terminal value		14,585	15,314	16,080									
PV of terminal value		5,932	6,229	6,540									
Value of India wireless		9,297	10,015	10,645									
Implied EV/EBITDA		16.0	14.5	13.0									
Enterprise value (INR b)		9,288	10,016	10,647									
Shares outstanding (m)		6,047	6,047	6,047									
EV/share for India wireless (INR/share)		1,537	1,656	1,760									

Exhibit 30: Our SoTP-based TP for Bharti is INR1,985/share

Mar'27 basis	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INR b)	(INR/share)
India business						
India wireless (including Hexacom)	819		13.0	DCF implied	10,645	1,760
Less: Hexacom minority (30% minority)	63		10.9	Implied at CMP	205	34
Homes	49		13.0	DCF implied	635	105
India homes + wireless attributable value					11,075	1,831
DTH	18		4.5		80	13
Enterprise	83		10.0		827	137
Indus Towers attributable value	163	528	6.5	0.75	396	65
Other investments (Nextra, APB)		148		1	148	25
India business enterprise value	1,060		11.8	Implied	12,526	2,071
India business net debt (including leases)					927	153
Network I2I perps					132	22
India business equity value (a)					11,467	1,896
International business						
Airtel Africa	272		3.3	Implied at CMP	906	157
Airtel Africa net debt					327	57
Airtel Africa attributable value		357		0.75	268	44
Robi Axiata + Dialog SL attributable value		33		0.75	25	4
International business equity value (b)					293	48
Dividends (c)					246	41
Bharti Airtel TP (d) = (a) + (b) + (c)					12,007	1,985

Exhibit 31: Risk-reward remains favorable for Bharti

Bharti Valuation scenarios	Base	Bear	Bull
India business (INR/share)			
India wireless (including Hexacom)	1,760	1,324	1,913
Less: Hexacom minority (30% minority)	34	31	44
Homes	105	79	114
India wireless + homes attributable value	1,831	1,373	1,984
DTH	13	15	21
Enterprise	137	123	150
Indus Towers attributable value	65	56	79
Other investments	25	22	67
India business enterprise value	2,071	1,588	2,301
India business net debt	153	206	154
Network I2I perps	22	22	22
India business equity value (a)	1,896	1,361	2,125
International business (INR/share)			
Airtel Africa attributable value	44	34	59
Robi Axiata + Dialog SL attributable value	4	4	4
International business equity value (b)	48	38	63
Dividends (c)	41	31	51
Bharti Airtel TP (d) = (a) + (b) + (c)	1,985	1,430	2,240
Upside/downside skew	25	-10	41

Source: Company, MOFSL

Exhibit 32: For every INR10 change in ARPU, Bharti's TP could change by INR60/share

		FY2026E India wireless ARPU (INR)				
		240	250	260	270	280
FY2026E India wireless paying subs (m)	346	1,825	1,883	1,942	2,000	2,058
	356	1,845	1,904	1,964	2,023	2,082
	366	1,865	1,925	1,985	2,045	2,105
	376	1,886	1,946	2,007	2,068	2,129
	386	1,906	1,967	2,029	2,091	2,152

Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	869	1,006	1,165	1,391	1,500	1,725	2,047	2,309
Change (%)	7.6	15.7	15.8	19.4	7.8	15.0	18.6	12.8
Total Expenditure	509	552	590	679	717	796	889	987
% of Sales	58.6	54.9	50.6	48.8	47.8	46.1	43.4	42.7
EBITDA	360	454	575	713	783	929	1,158	1,322
Margin (%)	41.4	45.1	49.4	51.2	52.2	53.9	56.6	57.3
Depreciation	276	294	331	364	395	457	527	574
EBIT	85	160	244	348	388	472	631	748
Int. and Finance Charges	135	151	166	193	226	209	198	195
Other Income	16	6	30	17	41	52	20	37
PBT bef. EO Exp.	-34	14	108	172	203	315	452	591
EO Items	-402	-159	17	-7	-76	74	0	0
PBT after EO Exp.	-437	-145	125	166	127	389	452	591
Total Tax	-123	89	42	43	41	72	124	162
Tax Rate (%)	28.2	-61.7	33.5	25.8	32.5	18.6	27.5	27.5
Profit from discontinued operations	7.1	110.6	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	15	27	41	39	11	33	55	50
Reported PAT	-322	-151	43	83	75	284	273	378
Adjusted PAT	-41	-7	35	82	113	209	273	378
Change (%)	16.6	-82.3	-590.2	131.2	38.6	85.2	30.2	38.7
Margin (%)	-4.7	-0.7	3.0	5.9	7.5	12.1	13.3	16.4

Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27
Equity Share Capital	27	27	28	28	29	29	30	30
Total Reserves	744	562	638	747	791	991	1,324	1,551
Net Worth	771	590	666	776	820	1,020	1,355	1,582
Minority Interest	250	223	254	289	235	269	324	374
Total Loans	1,176	1,628	1,697	2,260	2,156	2,041	1,958	1,836
Lease liabilities	306	0	0	0	0	0	0	0
Deferred Tax Liabilities	-263	-222	-217	-205	-201	-181	-181	-181
Capital Employed	2,241	2,218	2,399	3,119	3,010	3,148	3,455	3,610
Net Fixed Assets	1,690	2,292	2,500	3,268	3,202	3,225	3,142	3,023
Goodwill on Consolidation	346	0	0	0	0	0	0	0
Capital WIP	40	0	0	0	0	0	0	0
Right of use assets	259	0	0	0	0	0	0	0
Total Investments	278	329	367	392	410	375	375	375
Curr. Assets, Loans&Adv.	724	617	552	596	626	880	1,362	1,720
Inventory	2	0	0	3	4	4	4	4
Account Receivables	46	36	41	40	49	50	59	66
Cash and Bank Balance	136	81	61	72	69	318	769	1,103
Loans and Advances	541	500	450	482	505	509	530	547
Curr. Liability & Prov.	1,097	1,020	1,020	1,137	1,228	1,332	1,424	1,508
Account Payables	621	1,020	1,020	849	911	768	841	917
Provisions	476	0	0	288	317	564	583	591
Net Current Assets	-373	-403	-468	-541	-602	-452	-62	212
Appl. of Funds	2,241	2,218	2,399	3,119	3,010	3,148	3,455	3,610

Financials and valuations

Ratios								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	-7.5	-1.3	6.3	14.4	19.7	36.4	45.1	62.5
Cash EPS	43.1	52.2	65.5	79.8	91.0	119.3	143.0	170.3
BV/Share	141.4	107.3	119.1	138.8	146.7	182.4	242.3	282.9
DPS	2.0	0.0	3.0	4.0	8.3	16.5	25.0	40.0
Payout (%)	-3.4	0.0	39.4	27.2	63.7	33.6	55.5	64.0
Valuation (x)								
P/E	-211.6	-1,205.7	250.4	109.9	80.4	43.4	35.1	25.3
Cash P/E	36.7	30.3	24.1	19.8	17.4	13.2	11.0	9.3
P/BV	11.2	14.7	13.3	11.4	10.8	8.7	6.5	5.6
EV/Sales	11.5	10.2	9.0	8.0	7.5	6.3	5.2	4.5
EV/EBITDA	27.7	22.5	18.2	15.6	14.3	11.6	9.3	7.8
Dividend Yield (%)	0.1	0.0	0.2	0.3	0.5	1.0	1.6	2.5
Return Ratios (%)								
RoE	-5.5	-1.1	5.6	11.3	14.2	22.8	23.0	25.8
RoCE	3.7	12.8	8.0	10.0	9.6	14.1	14.8	16.9
RoIC	3.5	14.4	8.6	11.2	10.1	15.4	19.2	24.4
Working Capital Ratios								
Fixed Asset Turnover (x)	0.5	0.4	0.5	0.4	0.5	0.5	0.7	0.8
Asset Turnover (x)	0.4	0.5	0.5	0.4	0.5	0.5	0.6	0.6
Inventory (Days)	1	0	0	1	1	1	1	1
Debtor (Days)	19	13	13	10	12	11	11	11
Creditor (Days)	261	370	320	223	222	163	150	145
Leverage Ratio (x)								
Current Ratio	0.7	0.6	0.5	0.5	0.5	0.7	1.0	1.1
Interest Cover Ratio	0.6	1.1	1.5	1.8	1.7	2.3	3.2	3.8
Net Debt/Equity	1.5	2.5	2.3	2.7	2.4	1.6	0.8	0.2

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	-428	-31	125	166	127	389	452	591
Depreciation	277	297	331	364	395	457	527	574
Interest & Finance Charges	137	149	165	188	219	194	178	158
Direct Taxes Paid	-23	-22	-22	-38	-29	-72	-124	-162
(Inc)/Dec in WC	-166	30	-14	-31	24	59	61	60
CF from Operations	-203	423	585	649	737	1,027	1,095	1,220
Others	384	59	-35	4	52	-183	-69	-66
CF from Operating incl EO	181	482	550	653	789	843	1,025	1,154
(Inc)/Dec in FA	-221	-334	-424	-388	-521	-507	-407	-421
Free Cash Flow	-40	148	127	265	268	336	618	733
(Pur)/Sale of Investments	-88	38	-5	-20	12	0	0	0
Others	5	27	10	16	7	6	7	7
CF from Investments	-305	-269	-419	-392	-502	-501	-401	-413
Issue of Shares	462	7	10	-5	0	0	157	0
Inc/(Dec) in Debt	-180	-118	-19	-113	-18	-15	-50	-91
Interest Paid	-110	-71	132	-67	-140	-200	-185	-165
Dividend Paid	-18	-27	-14	-36	-44	-48	-95	-151
Others	37	-40	-257	-24	-76	0	0	0
CF from Fin. Activity	191	-249	-148	-245	-278	-262	-173	-407
Inc/Dec of Cash	68	-36	-17	16	9	80	451	334
Opening Balance	54	131	91	74	90	163	318	769
Closing Balance	131	91	74	90	99	243	769	1,103
Less :- Bank overdraft	-5	10	13	18	21	0	0	0
Net Closing Balance	136	81	61	72	78	243	769	1,103

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NOTES

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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