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#### Stock Info

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USD\$)	176.3 / 2.1
52-Week Range (INR)	9639 / 5633
1, 6, 12 Rel. Per (%)	8/-5/-31
12M Avg Val (INR M)	202
Free float (%)	25.0

#### Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
Net Sales	51.7	57.5	66.8
EBITDA	6.3	6.9	9.2
Adj. PAT	3.7	4.3	6.0
EBITDA Margin (%)	12.2	12.0	13.8
Adj. EPS (INR)	154.4	181.4	252.0
EPS Gr. (%)	-11.1	17.5	39.0
BV/Sh. (INR)	531.1	652.5	844.6

#### Ratios

Net D/E (x)	-0.1	-0.1	-0.2
RoE (%)	33.1	30.6	33.7
RoCE (%)	35.3	32.6	35.2
Payout (%)	19.4	33.1	23.8

#### Valuations

P/E (x)	48.2	41.1	29.5
P/BV (x)	14.0	11.4	8.8
EV/EBITDA (x)	27.3	24.6	18.1
Div. Yield (%)	0.4	0.8	0.8
FCF Yield (%)	1.3	2.1	2.5

## Blue Dart Express

**CMP: INR7,429**

**TP: INR8,250 (+11%)**

**Buy**

### Expansion of fleet and branch network bodes well

In this report, we present key takeaways from BDE's FY23 Annual Report.

#### BDE holds a prominent position as a market leader in the organized B2B Express sector

- BDE holds a significant market share of ~60% in the organized Air Express segment. This places the company in a favourable position to capitalize on the various business prospects available within the Express logistics industry.
- The Surface segment accounts for ~35% of BDE's total revenue. This segment is experiencing robust growth, with double-digit expansion, surpassing the high single-digit growth observed in the Air segment.
- BDE provides the e-commerce industry with highly efficient solutions, which include enabling digital payments through 16+ different digital wallets on their courier handheld machines. Additionally, the company accepts credit and debit cards, offering convenient payment choices for their customers.

#### Addition of aircraft and expansion of branch network to aid in volume growth

- BDE has strengthened its fleet by incorporating two Boeing 737-800 aircraft, bringing the total count to eight. By forming a strategic collaboration with DHL, BDE has effectively utilized DHL's vast network of over 700 retail stores across India. This collaboration has enabled BDE to deliver reliable and prompt services, showcasing its commitment to responsiveness and dependability. This partnership has facilitated in swift turnaround times and expanded coverage to encompass all pin codes across the country.
- Furthermore, as part of its 39th anniversary celebrations, BDE revealed plans to establish 25 new retail outlets in Tier I and II towns. With this expansion, the company's coverage now extends to 1,025 pin codes. Additionally, BDE's network of channel partners has grown to 3,775, enabling customers to ship their parcels to over 55,400 locations.

#### Focus on technology has helped BDE remain competitive in the market

- BDE's emphasis on technology has played a significant role in maintaining its competitiveness in the market. By prioritizing technological advancements and innovation, BDE has been able to stay ahead and adapt to the evolving needs of its customers and the industry.
- This focus on technology has enabled the company to enhance operational efficiency, improve customer experience, and stay at the forefront of the competitive landscape.
- BDE's Big Data setup helps provide advanced analytics to various segments of its operational process, customer insights, and trends in volume and revenue from different geographies.
- It has upgraded the hardware infrastructure of its ERP systems both at the main data center and at its disaster recovery site, ensuring sufficient capacity for the next three years.

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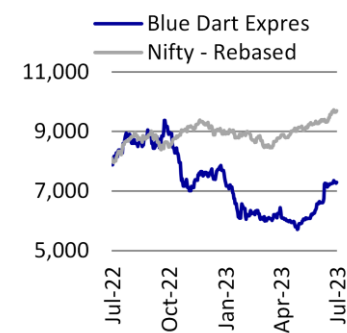
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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

**Shareholding pattern (%)**

As On	Mar-23	Dec-22	Mar-22
Promoter	75.0	75.0	75.0
DII	9.9	8.5	9.5
FII	4.9	5.1	3.3
Others	10.3	11.5	12.2

FII Includes depository receipts

**Stock's performance (one-year)****Focus is on increasing market share in the fast growing e-commerce sector**

- The e-commerce industry has become a crucial sector, contributing to ~25% of the total revenues and experiencing strong double-digit growth in demand. BDE has successfully expanded its market share by offering comprehensive ground express services, allowing the company to effectively compete on pricing.
- BDE continues to gain ground express market share and is now posing a stronger challenge to other B2B express players compared to the past decade.

**Capitalizing on its extensive and enviable logistics network**

- BDE has a strong parentage and an enviable network catering to more than 55,400 locations, with a fleet of eight aircraft and more than 12,000 vehicles.
- The company has 2,300+ facilities and hubs across India, which help it serve 99% of pin codes. It plans to further strengthen and consolidate its air and ground infrastructure, expand its reach, and offer the 'best-in-class' transit times
- It plans to further strengthen and consolidate its air and ground infrastructure, expand its reach, and offer the 'best-in-class' transit times.
- The robust network built over the years will help the company capitalize on the growth opportunity in the Express Logistics space.

**Focus on ESG initiatives**

- The corporate responsibility focus of BDE (together with the DPDHL Group) revolves around three key pillars. The first pillar is "GoGreen," which aims to safeguard the environment through various initiatives. The second pillar is "GoHelp," focusing on disaster management efforts and supporting communities in times of crisis. The third pillar is "GoTeach," which lays emphasis on educational programs and endeavors to make a positive impact in the field of education.
- Under its "GoGreen" initiative, the company has implemented various programs, such as planting trees to support the development of tribal communities in Odisha and Maharashtra, as well as rural communities in Gujarat and Andhra Pradesh.

**Valuation and view**

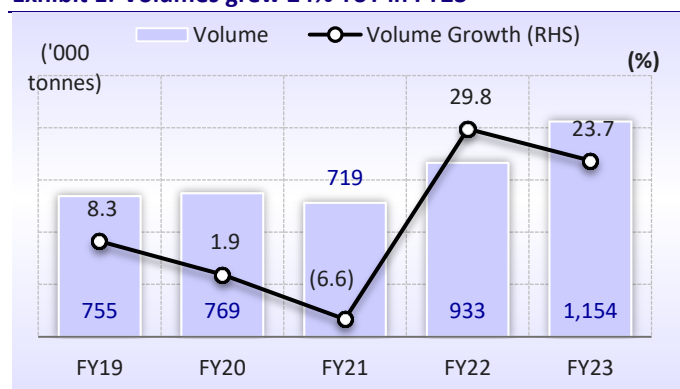
- With the combination of lower ATF prices and a price hike in Jan'23, BDE's margins are expected to stabilize at 13-14%.
- BDE is actively focused on increasing the contribution of the Surface Express segment, which currently stands at 35% of the company's revenue. The company foresees the Surface Express sector growing at a rate twice that of the Air Express segment, primarily driven by the cost advantage it offers.
- To meet the strong demand growth, especially from Tier II and III cities and towns, BDE has added two aircraft to its fleet in FY23.
- We expect BDE to clock a CAGR of 14%/21%/28% in revenue/EBITDA/PAT in FY23-25. We reiterate our BUY rating with a TP of INR8,250 (20x FY25E EV/EBITDA).

## Highlights from the Annual Report

**Two aircraft added to the fleet to draw volumes from Tier II and III cities; BDE covers 98% of the pin codes in India**

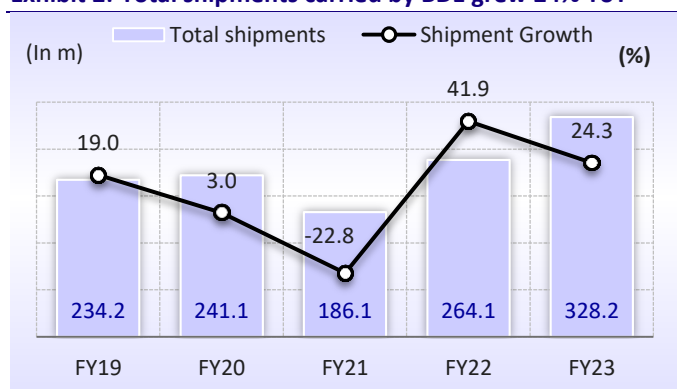
- BDE has strengthened its fleet by adding two Boeing 737-800 aircraft, bringing the total count to eight. By collaborating with DHL and its extensive network of 700+ retail stores across India, BDE has effectively delivered reliable and responsive service, ensuring quick turnaround times and extended coverage to all pin codes in the country.
- The company's coverage now spans across 1,025 pin codes, while its channel partners have increased to 3,775, enabling customers to ship to over 55,400 locations.
- The company carried over 327.4m/0.8m domestic/international shipments, weighing more than 1.15 MT in FY23.

**Exhibit 1: Volumes grew 24% YoY in FY23**



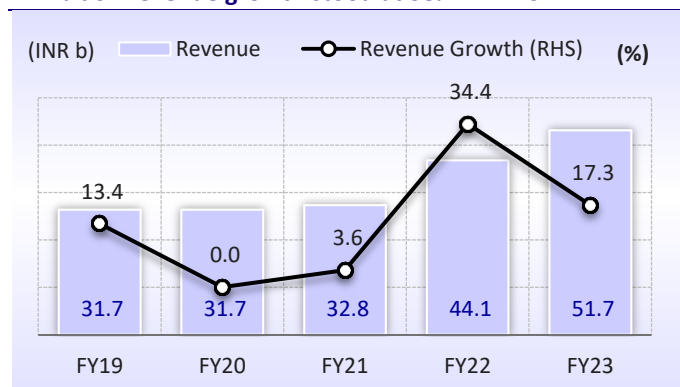
Source: Company, MOFSL

**Exhibit 2: Total shipments carried by BDE grew 24% YoY**



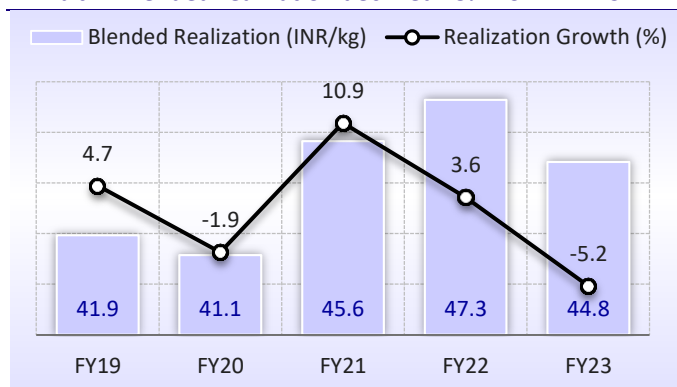
Source: Company, MOFSL

**Exhibit 3: Revenue growth stood at 38% in FY23**



Source: Company, MOFSL

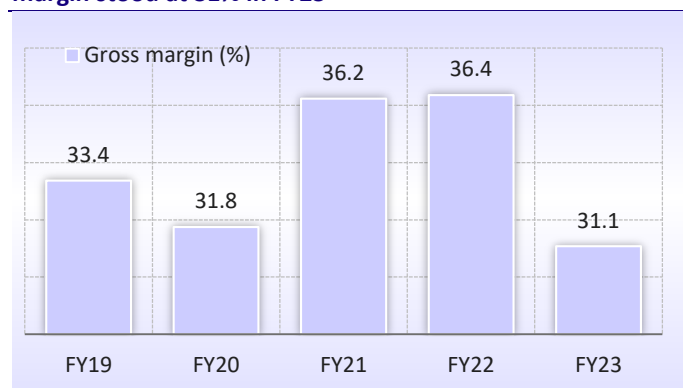
**Exhibit 4: Blended realization declined ~5% YoY in FY23**



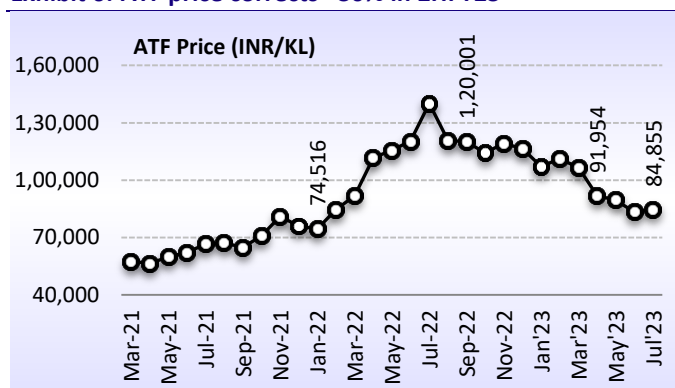
Source: Company, MOFSL

**High ATF Prices adversely impact margins in FY23; price hike and correction in ATF prices to aid in margin improvement in FY24**

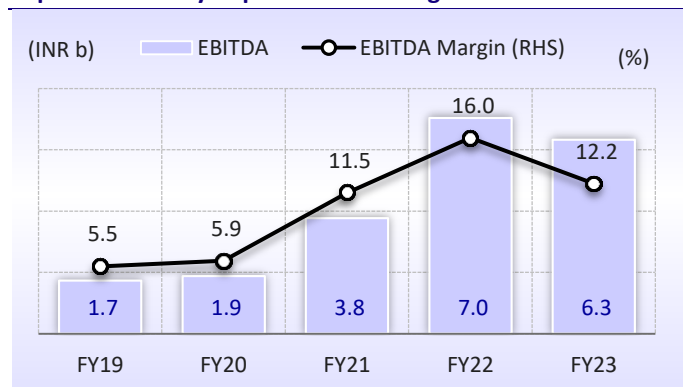
- ATF accounts for ~40% of direct operating costs for an Express Logistics airline.
- In FY23, ATF prices did not move in sync with global Brent prices, leading to a significant under-recovery for BDE, thereby adversely impacting margins.
- However, in the last few months, ATF prices have corrected significantly (~22% lower than Mar'23 level; Brent prices corrected ~4%).
- BDE has also implemented a 10% annual general price hike in Jan'23.

**Exhibit 5: Adversely impacted by high ATF prices, gross margin stood at 31% in FY23**

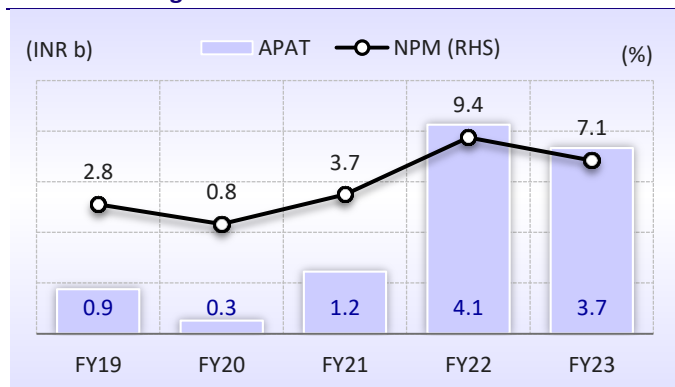
Source: Company, MOFSL

**Exhibit 6: ATF price corrects ~30% in 2HFY23**

Source: MOFSL

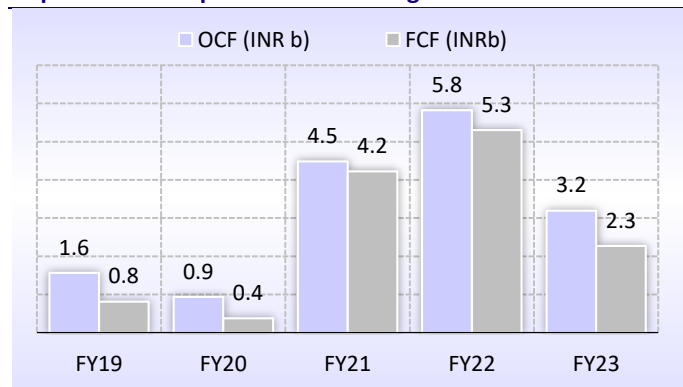
**Exhibit 7: High ATF price and subdued volumes in Air Express adversely impact EBITDA margin**

Source: Company, MOFSL

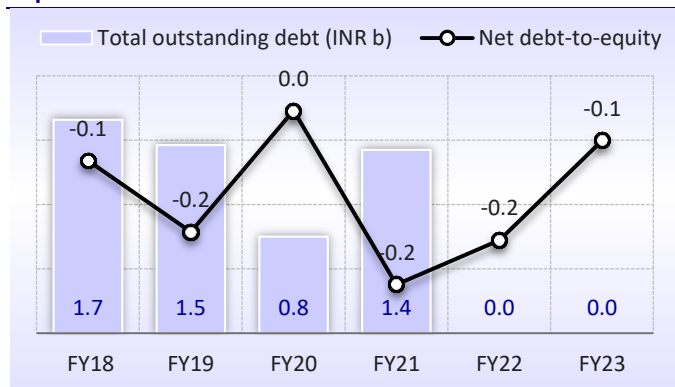
**Exhibit 8: PAT grew 7% in FY23**

Source: Company, MOFSL

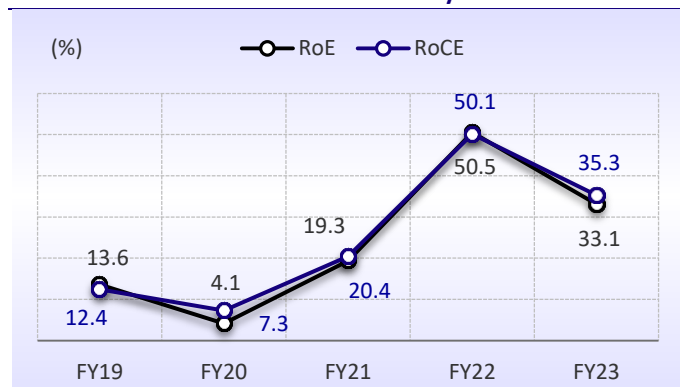
- Free Cash flow generation was negatively impacted by lower profitability on account of high ATF prices
- We believe that aircraft addition is a clear signal of demand visibility, given that BDE has always been conservative of adding capacity.

**Exhibit 9: In FY23, free cash generation was adversely impacted due to pressure on earnings**

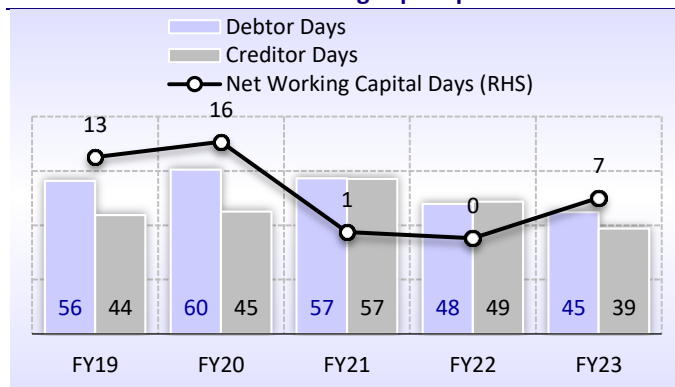
Source: Company, MOFSL

**Exhibit 10: Company maintains debt free profile despite capex**

Source: Company, MOFSL

**Exhibit 11: Return ratios remain healthy**

Source: Company, MOFSL

**Exhibit 12: Comfortable working capital position**

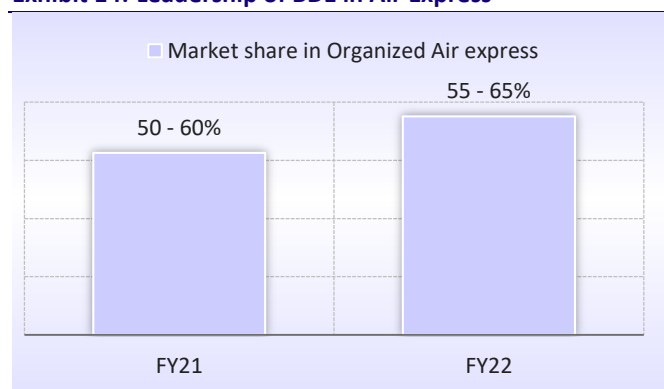
Source: Company, MOFSL

**Exhibit 13: Return ratio (RoE) of the company has been primarily impacted by high ATF prices in FY23**

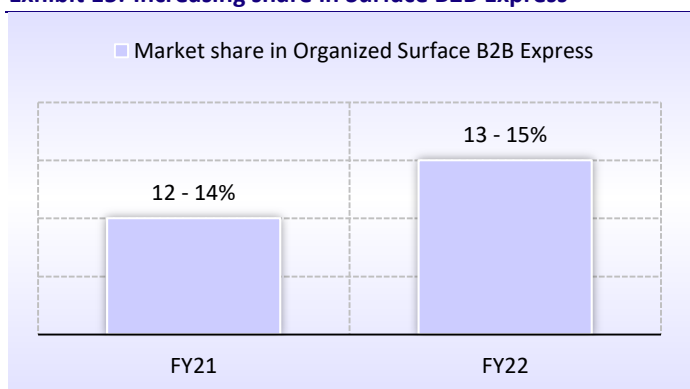
Particulars	FY19	FY20	FY21	FY22	FY23
PAT margin (PAT/net sales)	2.8	0.8	3.7	9.4	7.1
Asset turnover (net sales/average assets)	4.0	5.0	4.1	4.8	4.2
Leverage factor (average assets/average equity)	1.2	1.0	1.3	1.1	1.1
RoE	13.6	4.1	19.3	50.5	33.1

**Market leadership in the organized B2B Express**

- BDE enjoys a ~60% market share in the organized Air Express segment (as of FY22). It is well placed to capitalize on the Express business prospects.
- The Surface segment accounts for around 35% of the total revenue. This segment is experiencing strong double-digit growth, surpassing the high single-digit growth observed in the Air segment.
- Blue Dart has identified key levers to sustain its market leadership position and grow the market share further in B2B Air and Surface Express Segments. Some of those measure include the following:
  - 1000+ Tier II & Tier III towns have been identified for growth opportunities
  - Sector-focused task force formed to increase business from these sectors.
  - Increasing SME count and creating separate flagging & SME-centric service products
  - Restructuring channel policies to make costs variable

**Exhibit 14: Leadership of BDE in Air Express**

Source: Company, MOFSL

**Exhibit 15: Increasing share in Surface B2B Express**

Source: Company, MOFSL



### Embracing the e-commerce revolution

- The rapid rise in internet users and smartphone penetration, coupled with rising incomes, has assisted the growth of India's e-commerce sector. In FY23, India has shipped over 4b e-commerce parcels. This is projected to surpass 10b by FY28, riding on growing e-commerce penetration in Tier 2+ towns, and the surge of D2C brands across sectors.
- The rapid growth of e-commerce also had a significant impact on the logistics industry. Consumers' increasing demand for international products, as well as an increase in MSMEs selling overseas, will drive the next wave of e-commerce growth. This trend is also adversely impacting the B2B market.
- E-commerce is a key vertical for BDE and constitutes roughly one-fourth of its revenue. BDE provides efficient solutions to the e-commerce industry, such as enabling digital payments through 16+ digital wallets on courier handheld machines, apart from the acceptance of credit and debit cards.

**Exhibit 16: BDE is focusing on the high growth e-commerce segment**



Source: Company, MOFSL

### Subsidiaries

- Blue Dart Aviation (BDAL) is a wholly owned subsidiary of BDE for dedicated air carriage capacity. It has been a key differentiator in sustaining BDE's leadership position through its unique aviation network.
- It lifted 1,11,166t, including charter loads on its network, posting an 'on-time performance' of 93.01% and 'technical dispatch reliability' of 99.59% in FY23.
- In FY23, BDAL operated 343 additional flights, comprising both domestic and 74 international charters. These flights were in addition to its scheduled night flights and were made possible by optimizing its existing resources.
- In FY23, BDAL has taken delivery of two B737-800 freighters and is currently in the process of expanding its reach to the North-East region. This expansion aligns with the Prime Minister's vision of fostering development in the region.

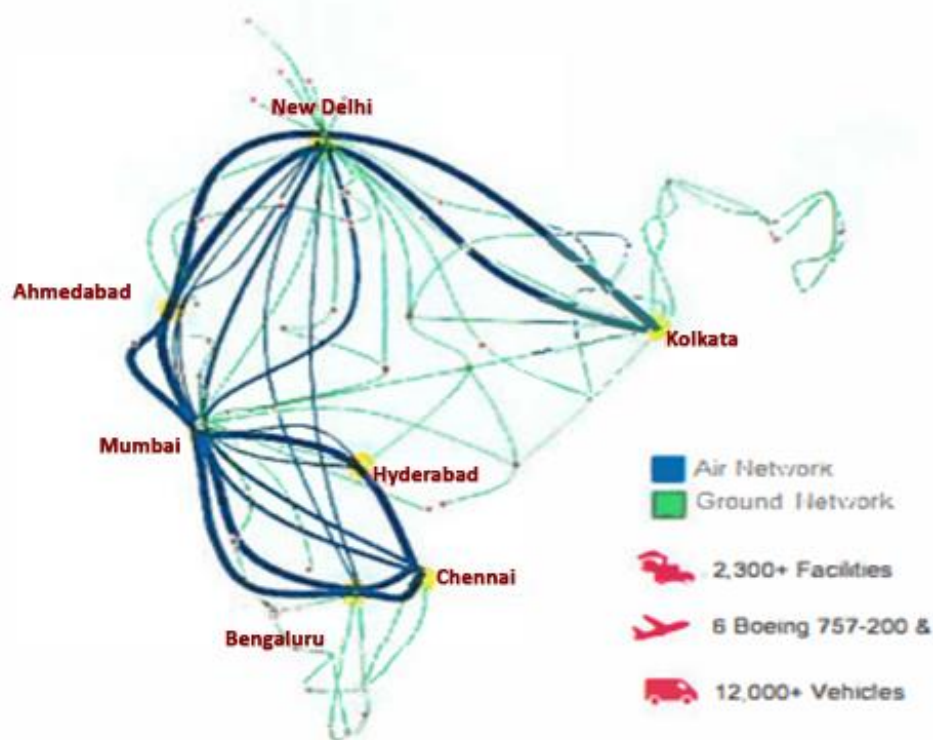
**Exhibit 17: Financials of subsidiaries**

Particulars (INR m)	FY19	FY20	FY21	FY22	FY23
<b>Blue Dart Aviation</b>					
Net worth	520	464	518	561	582
<b>Revenue</b>	<b>7,521</b>	<b>8,069</b>	<b>7,687</b>	<b>9,414</b>	<b>11,778</b>
YoY growth (%)	13	7.3	-4.7	22.5	25.1
PBT	57	80	87	87	94
<b>PAT</b>	<b>36</b>	<b>-36</b>	<b>54</b>	<b>57</b>	<b>40</b>
<b>Concorde Air Logistics</b>					
Net worth	50	50	51	51	50
<b>Revenue</b>	<b>48</b>	<b>46</b>	<b>43</b>	<b>56</b>	<b>57</b>
YoY growth (%)	5.1	-4.6	-6.8	30.8	1.8
PBT	1	1	1	1	1
<b>PAT</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

Source: Company, MOFSL

**Network presence**

- BDE has a strong parentage and an enviable network catering to more than 55,400 locations, with a fleet of eight aircraft and more than 12,000 vehicles.
- The company has 2,300+ facilities and hubs across India, which help it serve 99% of pin codes. It plans to further strengthen and consolidate its air and ground infrastructure, expand its reach, and offer the 'best-in-class' transit times.
- As part of the "Azadi ka Amrit Mahotsav" initiative, the company has further expanded its presence by inaugurating 15 retail stores on Independence Day. Moreover, on its 39th anniversary, BDE announced the opening of 25 additional retail outlets in Tier I and II towns.

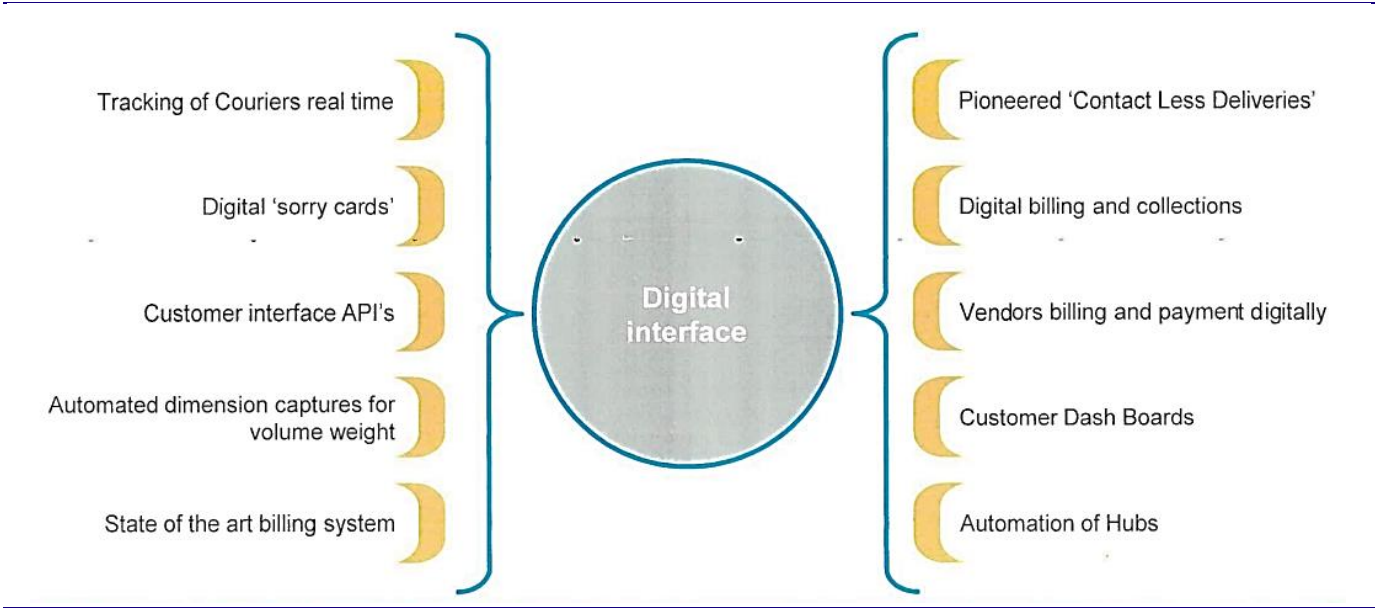
**Exhibit 18: Well-diversified reach**

Source: Company, MOFSL

Technology

- BDE continues to lead in digital transformation, employing various advanced technologies such as analytics, automation, business intelligence, smart dashboards, API solutions, auto-route applications, and the implementation of parcel lockers. Additionally, the company demonstrates its commitment to sustainability by investing in electric vehicles and adopting high-standard technology. As part of its digital initiatives, BDE actively reduces paper usage through the utilization of its Digital Vendor Portal.
- The company continues to offer CLD, which was made possible by activating various digital wallets, net banking, credit and debit cards, UPI, and B-QR code.
- BDE’s Big Data setup helps provide advanced analytics to various segments of its operational process, customer insights, and trends in volume and revenue from different geographies.
- It has upgraded the hardware infrastructure of ERP systems at the main data center as well as at its disaster recovery site to cater to capacity for the next three years.

Exhibit 19: Digitalization initiatives to enhance its customer experience



Source: Company, MOFSL



## ESG initiatives



### Environment

- BDE is contributing toward a sustainable environment via its “GoGreen” initiative by replacing diesel-operated tugs, farm tractors, and its petrol and diesel-driven vehicles with electrically operated vehicles.
- Under its “GoGreen” initiative, the company has implemented various programs, such as planting trees to support the development of tribal communities in Odisha and Maharashtra, as well as rural communities in Gujarat and Andhra Pradesh.
- The company actively participated and promoted “Jio Mumbai Cyclothon”, an initiative to promote cycling and plantation in FY23.
- BDE continues to innovate to reach its goal of being a Sustainable Logistics Provider of Choice for its customers. BDE is a signatory of the ‘Climate Neutral Now’ (CNN) pledge by the United Nations Framework Convention on Climate Change (UNFCCC). The pledge highlights the company’s commitment to ambitious CO2 reduction targets. BDE aims to achieve Net Zero Carbon Emissions by 2050 under the ‘Mission 2050’ target set by the DPDHL Group.

### Social

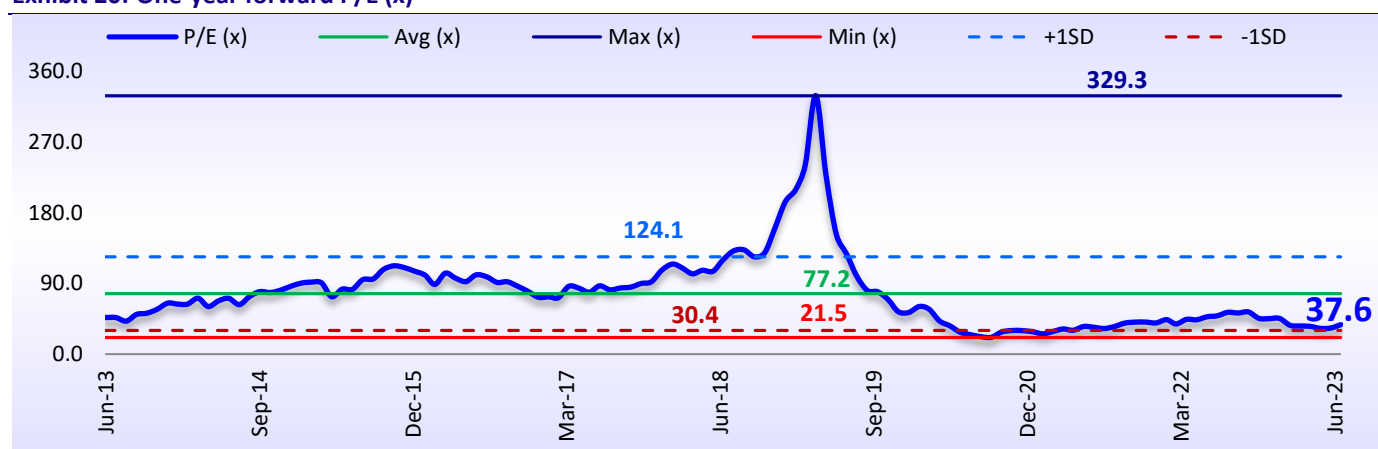
- The corporate responsibility focus of BDE (together with the DPDHL Group) revolves around three key pillars. The first pillar is “GoGreen”, which aims to safeguard the environment through various initiatives. The second pillar is “GoHelp”, focusing on disaster management efforts and supporting communities in times of crisis. The third pillar is “GoTeach”, which lays emphasis on educational programs and endeavors to make a positive impact in the field of education.
- Since 2017, BDE has been planting 1,11,000 trees every year, amounting to 6,66,000 trees till date, which will offset 1,33,20,000 kg of CO2 per year on maturity.
- With “People First” as the philosophy, the key talent retention rate of the company for FY23 was 95.8%.

### Governance

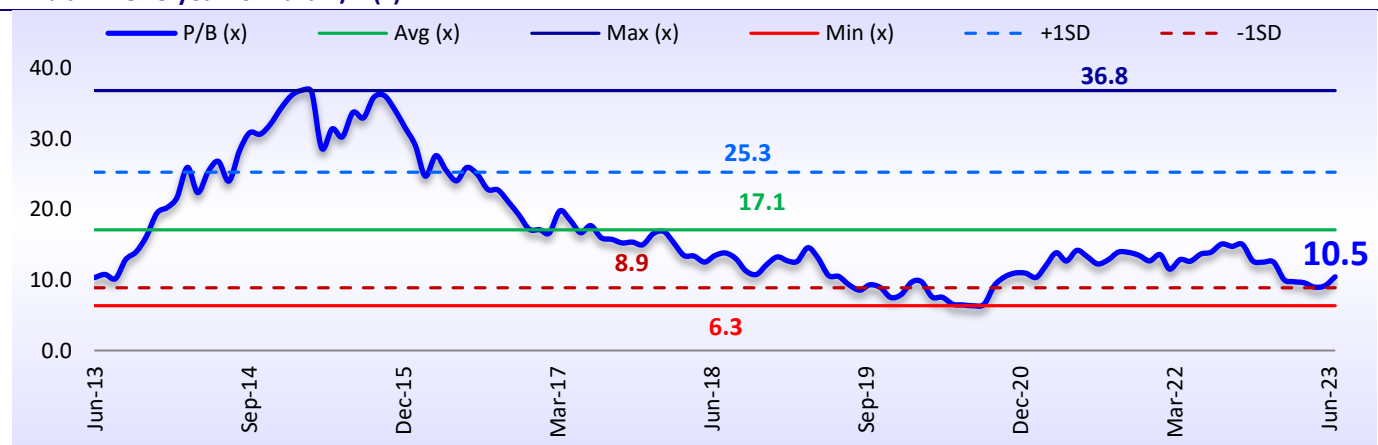
- The Board of Directors recommended a dividend of INR 30 per share for FY23.
- In FY23, Mr. Aneel Gambhir resigned as CFO of the Company w.e.f. January 20, 2023, and Mr. Vaidhyanathan Iyer has been appointed as the Acting Interim CFO of the company.
- In FY23, Mr. Prakash Apte and Ms. Padmini Khare Kaicker were appointed as Independent Directors at the 31st AGM of the company for a period of five years with effect from July 28, 2022.
- M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the company for a term of five years to hold office from conclusion of the 31st AGM of the company held on July 27, 2022 up to the conclusion of the 36th AGM.

**Valuation and view**

- With lower ATF prices and a price hike in Jan'23, BDE's margin is likely to stabilize in the 13-14% range.
- BDE is actively pursuing the goal of boosting the Surface Express segment's contribution, which currently stands at 35%. The company anticipates that the Surface Express sector will experience twice the growth rate of the Air Express segment, primarily driven by the cost difference between the two.
- In response to the robust demand growth particularly from Tier II and III cities/towns, BDE has expanded its fleet in FY23 by adding two aircraft.
- We expect BDE to clock a CAGR of 14%/21%/28% in revenue/EBITDA/PAT over FY23-25. We reiterate our BUY rating with a TP of INR8,250 (20x FY25E EV/EBITDA).

**Exhibit 20: One-year forward P/E (x)**

Source: Company, MOFSL

**Exhibit 21: One-year forward P/B (x)**

Source: Company, MOFSL

## Risk and concerns

### Air Express

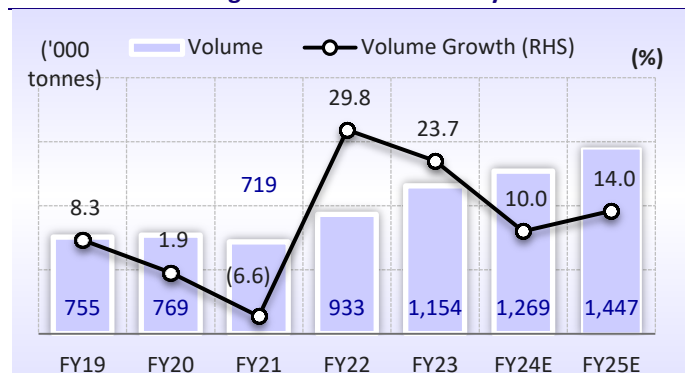
- Air Express continues to face challenges as higher fixed costs remain unchanged and the depreciation of the INR continues to adversely impact maintenance cost.
- BDE runs a dedicated fleet of cargo aircraft between the seven airports that it operates from. Any change in global crude oil prices negatively impacts the price of ATF, which has a corresponding impact on aircraft operating cost.
- The nature of BDE's business is cyclical, and concerns about an upcoming economic downturn may have a negative impact on the volumes of business the company handles. Additionally, a significant portion of BDE's air express operations come from document movements, which is expected to decline structurally in the medium-to-long term due to the ongoing trend of digitization.
- In the years ahead, Air Express services will face competition from other modes of transportation, such as sea and rail due to an increasing focus on setting up infrastructure, as other modes are more cost-effective as compared to air express services.

### Ground Express

- The ground express industry has faced numerous challenges in recent years. With increasing globalization, complex supply chains, and more volatile customer demand, organizations must now strive to provide timely and cost-effective services. Managing the safety, security, and compliance of the customer's shipments can be time-consuming and expensive, and it requires extensive resources and capital investments to ensure appropriate procedures are followed.
- The competitive intensity remains high, even within the e-commerce segment, as major players continue to invest in their own logistics operations. This could potentially affect the operations of organized logistics players.
- Ground Express is a cost-effective choice not only for SMEs and MSMEs, but also for e-commerce players. These e-commerce companies have a customer base that covers the entire geographical expanse of India.
- Implementation of Government policies including the National Logistics Policy will help organize the logistics industry and will also help in generating employment and better skills, along with making medium and small enterprises more competitive.

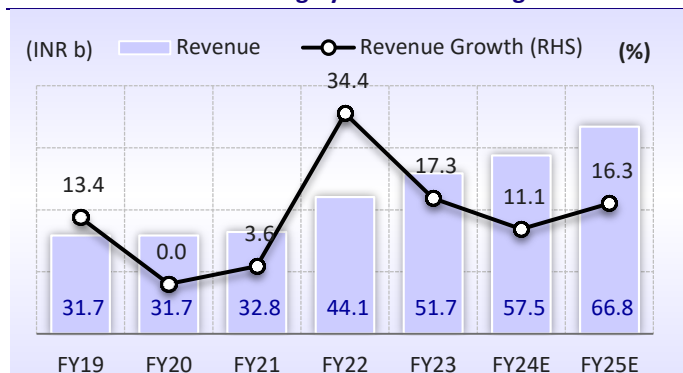
## Financial story in charts

**Exhibit 22: Volume growth to remain steady**



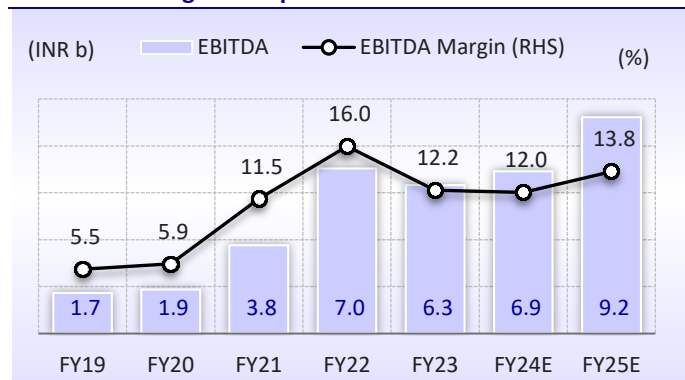
Source: Company, MOFSL

**Exhibit 23: Revenue to largely mirror volume growth**



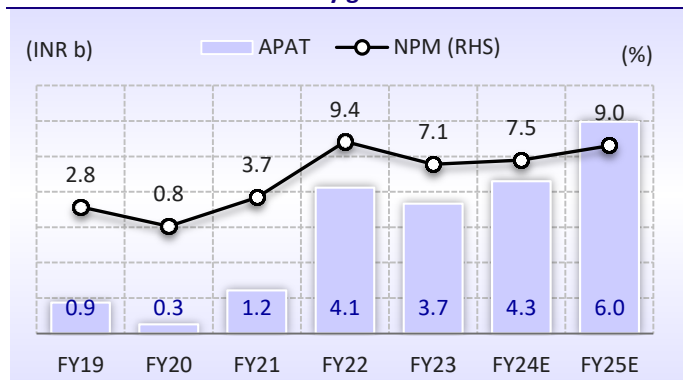
Source: Company, MOFSL

**Exhibit 24: Margin to improve as costs stabilize**



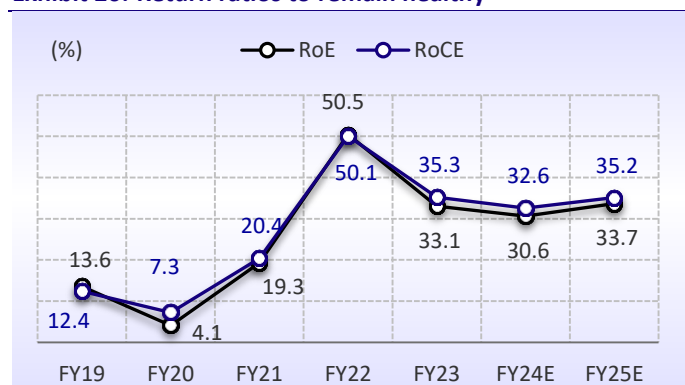
Source: Company, MOFSL

**Exhibit 25: PAT to see healthy growth ahead**



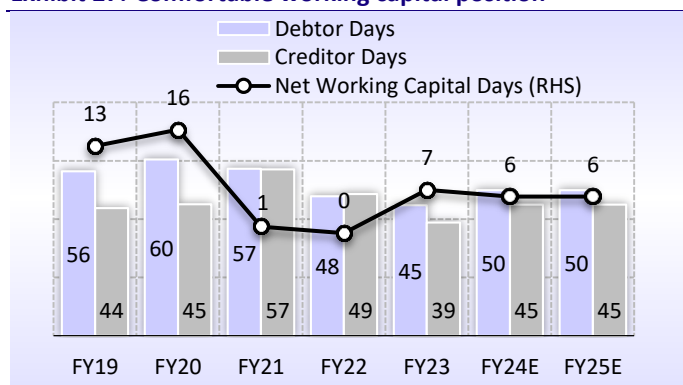
Source: Company, MOFSL

**Exhibit 26: Return ratios to remain healthy**



Source: Company, MOFSL

**Exhibit 27: Comfortable working capital position**



Source: Company, MOFSL

## Financials and valuations

### Standalone Income Statement

Y/E March (INR m)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Sales</b>	<b>31,655</b>	<b>31,664</b>	<b>32,797</b>	<b>44,090</b>	<b>51,722</b>	<b>57,463</b>	<b>66,818</b>
Change (%)	13.4	0.0	3.6	34.4	17.3	11.1	16.3
Gross Margin (%)	33.4	31.8	36.2	36.4	31.1	31.8	32.3
<b>EBITDA</b>	<b>1,735</b>	<b>1,878</b>	<b>3,766</b>	<b>7,038</b>	<b>6,323</b>	<b>6,920</b>	<b>9,225</b>
Margin (%)	5.5	5.9	11.5	16.0	12.2	12.0	13.8
Depreciation	480	1,528	2,007	1,687	1,666	1,476	1,586
<b>EBIT</b>	<b>1,255</b>	<b>350</b>	<b>1,760</b>	<b>5,351</b>	<b>4,656</b>	<b>5,444</b>	<b>7,639</b>
Int. and Finance Charges	154	321	317	241	174	220	200
Other Income	182	140	127	285	505	531	557
<b>PBT</b>	<b>1,284</b>	<b>169</b>	<b>1,569</b>	<b>5,395</b>	<b>4,987</b>	<b>5,754</b>	<b>7,996</b>
Tax	408	-89	347	1,271	1,323	1,450	2,015
Effective Tax Rate (%)	31.7	NA	26.5	25.2	26.5	25.2	25.2
<b>PAT before EO. Items</b>	<b>876</b>	<b>258</b>	<b>1,222</b>	<b>4,124</b>	<b>3,664</b>	<b>4,304</b>	<b>5,981</b>
Extraordinary Items	0	641	259	360	0	0	0
<b>Reported PAT</b>	<b>876</b>	<b>-383</b>	<b>963</b>	<b>3,764</b>	<b>3,664</b>	<b>4,304</b>	<b>5,981</b>
<b>Adjusted PAT</b>	<b>876</b>	<b>258</b>	<b>1,222</b>	<b>4,124</b>	<b>3,664</b>	<b>4,304</b>	<b>5,981</b>
Change (%)	-38.4	-70.5	373.1	237.6	-11.1	17.5	39.0
Margin (%)	2.8	0.8	3.7	9.4	7.1	7.5	9.0

### Standalone – Balance Sheet

Y/E March (INR m)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	238	238	238	238	238	238	238
Total Reserves	6,410	5,597	6,554	9,311	12,366	15,247	19,804
<b>Net Worth</b>	<b>6,648</b>	<b>5,835</b>	<b>6,792</b>	<b>9,549</b>	<b>12,604</b>	<b>15,484</b>	<b>20,041</b>
Deferred Tax Liabilities	-156	-269	-284	-310	-336	-336	-336
Total Loans	1,462	750	1,425	0	0	0	0
<b>Capital Employed</b>	<b>7,954</b>	<b>6,316</b>	<b>7,933</b>	<b>9,239</b>	<b>12,268</b>	<b>15,148</b>	<b>19,706</b>
Gross Block	4,538	7,998	8,071	7,924	8,867	10,117	11,617
Less: Accum. Deprn.	1,685	2,362	3,100	3,419	3,799	5,275	6,862
<b>Net Fixed Assets</b>	<b>2,853</b>	<b>5,636</b>	<b>4,972</b>	<b>4,505</b>	<b>5,068</b>	<b>4,842</b>	<b>4,756</b>
Capital WIP	76	22	5	1	17	17	17
<b>Total Investments</b>	<b>1,441</b>	<b>1,441</b>	<b>2,941</b>	<b>3,515</b>	<b>3,150</b>	<b>4,550</b>	<b>6,250</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>9,179</b>	<b>8,244</b>	<b>10,164</b>	<b>12,005</b>	<b>14,760</b>	<b>17,816</b>	<b>21,985</b>
Inventory	59	37	58	70	78	79	92
Account Receivables	4,890	5,245	5,149	5,788	6,350	7,872	9,153
Cash and Bank Balances	2,670	985	3,077	1,829	948	1,662	3,202
Loans and Advances	119	8	0	2,501	4,504	5,004	5,819
Others	1,442	1,969	1,880	1,818	2,879	3,199	3,720
<b>Current Liab. and Prov.</b>	<b>5,595</b>	<b>9,027</b>	<b>10,149</b>	<b>10,786</b>	<b>10,727</b>	<b>12,077</b>	<b>13,302</b>
Account Payables	3,795	3,911	5,131	5,876	5,502	7,085	8,238
Other Current Liabilities	924	3,933	3,808	3,680	4,105	3,872	3,944
Provisions	877	1,183	1,211	1,230	1,120	1,120	1,120
<b>Net Current Assets</b>	<b>3,584</b>	<b>-783</b>	<b>15</b>	<b>1,219</b>	<b>4,033</b>	<b>5,739</b>	<b>8,683</b>
<b>Application of Funds</b>	<b>7,954</b>	<b>6,316</b>	<b>7,933</b>	<b>9,239</b>	<b>12,268</b>	<b>15,148</b>	<b>19,706</b>

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>							
EPS	36.9	10.9	51.5	173.8	154.4	181.4	252.0
EPS growth (%)	-38.4	-70.5	373.1	237.6	-11.1	17.5	39.0
Cash EPS	57.1	75.3	136.0	244.9	224.6	243.6	318.9
BV/Share	280.1	245.9	286.2	402.4	531.1	652.5	844.6
DPS	12.5	0.0	15.0	60.0	30.0	60.0	60.0
Payout (Incl. Div. Tax, %)	40.8	-93.4	0.0	37.8	19.4	33.1	23.8
<b>Valuation (x)</b>							
P/E	201.8	684.5	144.7	42.9	48.2	41.1	29.5
Cash P/E	130.4	98.9	54.7	30.4	33.2	30.6	23.4
EV/EBITDA	100.4	93.2	45.7	24.4	27.3	24.6	18.1
EV/Sales	5.5	5.5	5.2	3.9	3.3	3.0	2.5
P/BV	26.6	30.3	26.0	18.5	14.0	11.4	8.8
Dividend Yield (%)	0.2	0.0	0.2	0.8	0.4	0.8	0.8
<b>Return Ratios (%)</b>							
RoE	13.6	4.1	19.3	50.5	33.1	30.6	33.7
RoCE	12.4	7.3	20.4	50.1	35.3	32.6	35.2
RoIC	21.9	9.2	44.8	137.9	56.8	47.7	59.7
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	7.5	5.1	4.1	5.5	6.2	6.1	6.1
Asset Turnover (x)	4.0	5.0	4.1	4.8	4.2	3.8	3.4
Inventory (Days)	1	0	1	1	1	1	1
Debtors (Days)	56	60	57	48	45	50	50
Creditors (Days)	44	45	57	49	39	45	45
<b>Leverage Ratio (x)</b>							
Net Debt/Equity	-0.2	0.0	-0.2	-0.2	-0.1	-0.1	-0.2

### Standalone – Cash Flow Statement

Y/E March (INR m)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	1,284	-472	1,311	5,035	4,987	5,754	7,996
Depreciation	480	1,678	2,007	1,687	1,666	1,476	1,586
Direct Taxes Paid	-655	-551	-276	-1,261	-1,388	-1,450	-2,015
(Inc.)/Dec. in WC	472	77	1,219	360	-1,849	-592	-1,204
Other Items	-11	205	229	6	-225	-311	-357
<b>CF from Operations</b>	<b>1,570</b>	<b>937</b>	<b>4,489</b>	<b>5,827</b>	<b>3,193</b>	<b>4,878</b>	<b>6,006</b>
(Inc.)/Dec. in FA	-756	-558	-258	-517	-918	-1,250	-1,500
<b>Free Cash Flow</b>	<b>814</b>	<b>379</b>	<b>4,230</b>	<b>5,310</b>	<b>2,275</b>	<b>3,628</b>	<b>4,506</b>
Change in Investments	4	34	-3,710	-759	-1,467	-1,400	-1,700
Others	288	129	25	160	211	531	557
<b>CF from Investments</b>	<b>-464</b>	<b>-395</b>	<b>-3,944</b>	<b>-1,115</b>	<b>-2,173</b>	<b>-2,119</b>	<b>-2,643</b>
Inc./(Dec.) in Debt	-199	-712	675	-1,425	0	0	0
Dividends Paid	-358	-358	0	-949	-563	-1,424	-1,424
Others	-154	-1,155	-1,373	-1,334	-1,338	-620	-400
<b>CF from Fin. Activity</b>	<b>-710</b>	<b>-2,225</b>	<b>-698</b>	<b>-3,708</b>	<b>-1,901</b>	<b>-2,044</b>	<b>-1,824</b>
<b>Inc./(Dec.) in Cash</b>	<b>395</b>	<b>-1,683</b>	<b>-153</b>	<b>1,004</b>	<b>-881</b>	<b>715</b>	<b>1,539</b>
Opening Balance (includes Bank Bal.)	2,273	2,670	985	3,077	1,829	948	1,662
Inc/(Dec) in Bank Bal.	1	-2	2,245	-2,252	0	0	0
<b>Closing Balance (includes Bank Bal.)</b>	<b>2,670</b>	<b>985</b>	<b>3,077</b>	<b>1,829</b>	<b>948</b>	<b>1,662</b>	<b>3,202</b>

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Explanation of Investment Rating	
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