

Tata Communications

Estimate change	↑
TP change	↔
Rating change	↔

CMP: INR1,854 TP: INR1,910 (+3%) Neutral

Business integration impacts EBITDA

- Tata Communications (TCOM) reported 1% growth QoQ in revenue (in line) and a 7% decline QoQ in EBITDA (9% miss) in 4QFY24 due to higher integration expenses. Adjusting for the acquisitions, data revenue and data EBITDA was flat QoQ.
- The management's endeavor to drive growth, including the loss-making acquisitions, has resulted in margin contraction. However, the long-term focus on margin-accretive growth remains intact. We estimate a CAGR of 14%/20% in revenue/EBITDA over FY24-26. At P/E of 22x and EV/EBITDA of 9.1x on FY26E, we see limited upside. **We reiterate our Neutral rating on the stock.**

EBITDA down 7% QoQ (9% miss)

- Consol. revenue grew 1% QoQ to INR56.9b (in line) in 4QFY24. Data revenue also reported slow growth of 1% QoQ.
- Consol. EBITDA declined 7% QoQ to INR10.6b (9% miss), led by a loss in the data segment of the Kaleyra and Switch businesses.
- Consol. EBITDA margin declined by 160bp QoQ to 18.6% (150bp miss).
- Adj. PAT after minority grew 62% QoQ to INR3.7b (25% miss), led by the reversal of past tax losses of Tata Communications (Bermuda), totaling INR1.86b.
- In FY24, revenue grew 18% YoY and EBITDA/adj. PAT fell 2%/30% YoY.
- TCOM has proposed a dividend of INR16.7 per share vs. INR21 in FY23.

Key takeaways from the management interaction

- **Guidance intact:** The management reiterates the long-term target of 23-25% EBITDA margin, but in the short-term, margin may remain under pressure. It aims to double data revenue by FY27 at 15%-20% CAGR.
- **Gradual ratio improvement:** The company expects the first improvement should be in leverage, followed by improvement in ROCE and then EBITDA margins. It expects the net debt-to-EBITDA ratio to fall below 2.0x in FY25, while ROCE is expected to see further dilution for the next couple of quarters and then slowly improve.
- **Robust funnel:** The order book has been flat, while the funnel continues to be robust. In the order book, the enterprise part has been robust both domestically and internationally while OTT has been lumpy for the last few quarters.
- **Strategy:** Medium-term structural drivers for TCOM include: leadership in India market, expansion in international markets, and increase in customer relevance by portfolio expansion and new product rollouts such as AI cloud.

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USDb)	528.4 / 6.3
52-Week Range (INR)	2085 / 1172
1, 6, 12 Rel. Per (%)	-5/-8/28
12M Avg Val (INR M)	1684

Financials & Valuations (INR b)

INR b	FY24	FY25E	FY25E
Net Sales	209.7	242.9	273.0
EBITDA	42.3	49.1	61.1
Adj. PAT	12.0	13.7	23.8
EBITDA Margin (%)	20.2	20.2	22.4
Adj. EPS (INR)	42.3	48.1	83.5
EPS Gr. (%)	-30.0	13.8	73.6
BV/Sh. (INR)	62.7	99.2	171.0

Ratios

Net D:E	4.9	2.3	0.5
RoE (%)	72.9	59.4	61.8
RoCE (%)	14.4	14.6	22.0
Payout (%)	39.5	20.8	12.0

Valuations

EV/EBITDA (x)	14.6	12.1	9.1
P/E (x)	43.9	38.6	22.2
P/BV (x)	29.6	18.7	10.9
Div. Yield (%)	0.9	0.5	0.5
FCF Yield (%)	1.8	5.3	7.4

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	58.9	58.9	58.9
DII	12.1	13.6	13.9
FII	19.2	17.5	17.3
Others	9.8	10.1	9.9

FII Includes depository receipts

Valuation and view

- We estimate a CAGR of 14%/20% in revenue/EBITDA over FY24-26. We have increased our EBITDA estimates by 7% in FY26, factoring in improvement in Kaleyra and Switch margin.
- The company has set an ambitious revenue growth target of INR280b by FY27 in the digital portfolio, which would be supported by both organic and inorganic initiatives.
- Net debt jumped 60% YoY to INR90b due to inorganic acquisitions. However, TCOM's strong FCF of ~INR20b annually would allow it to scout for growth opportunities with a healthy RoCE target of over 20%.
- At P/E of 22x and EV/EBITDA of 9.1x on FY26E, we see limited upside. Margin improvement and data revenue growth should be the key catalysts for further valuation re-rating. We maintain our Neutral rating with a revised TP of INR1,910, assigning 10x/3x EBITDA to the Data/Voice businesses.

Cons. Quarterly Earning Model**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Revenue	43.1	44.3	45.3	45.7	47.7	48.7	56.3	56.9	178.4	209.7	57.7	-1
YoY Change (%)	5.1	6.2	8.2	7.2	10.7	10.0	24.4	24.6	6.7	17.5	36.6	
Total Expenditure	32.3	33.0	34.5	35.3	37.5	38.6	45.0	46.4	135.2	167.4	46.1	0
EBITDA	10.8	11.3	10.8	10.3	10.2	10.2	11.3	10.6	43.2	42.3	11.6	-9
YoY Change (%)	9.2	1.5	-0.5	-1.1	-4.9	-10.1	5.3	2.1	2.2	-2.0	10.4	
Depreciation	5.4	5.5	5.5	6.2	5.8	6.1	6.2	6.7	22.6	24.7	6.4	4
Interest	0.8	1.0	1.2	1.3	1.3	1.4	1.9	1.9	4.3	6.4	2.2	-13
Other Income	2.3	0.4	0.3	0.6	1.9	0.3	0.1	0.6	3.6	2.8	3.4	-83
PBT before EO expense	6.9	5.2	4.3	3.5	5.0	3.0	3.4	2.6	19.9	14.0	6.4	-59
Exceptional (gain)/loss	0.0	-0.8	0.0	0.0	0.0	0.0	1.9	0.5	-0.8	2.4	0.0	
PBT	6.9	5.9	4.3	3.5	5.0	3.0	1.5	2.1	20.6	11.6	6.4	-68
Tax	1.6	0.7	0.4	0.3	1.3	0.8	1.1	-1.1	3.0	2.1	1.6	
Rate (%)	22.9	11.1	10.1	8.1	25.9	26.1	73.8	-52.4	14.4	18.4	25.0	
MI & P/L of Asso. Cos.	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.3	-0.2	0.2	
Reported PAT	5.4	5.3	3.9	3.3	3.8	2.2	0.4	3.2	18.0	9.7	5.0	-35
Adj PAT	5.4	4.6	3.9	3.3	3.8	2.2	2.3	3.7	17.2	12.0	5.0	-25
YoY Change (%)	87.2	10.5	1.9	-15.5	-30.2	-51.5	-41.5	14.5	16.5	-30.0	54.4	

E: MOFSL Estimates

Kaleyra and Switch adjusted performance

- Adjusted for Switch and Kaleyra (acquired business), consol./data revenues were flat QoQ. For the last two quarters, adjusted data revenue has been flat QoQ. The above-mentioned acquired businesses' revenue grew 4% QoQ to INR9.5b.
- Consol. EBITDA declined 7% QoQ to INR10.6b (9% miss), led by a loss in the data segment of the acquired businesses.
- Adjusted for the acquired business, consol. EBITDA grew 1.3% QoQ to INR10.4b and margins stood at 21.9%. The EBITDA miss was attributed to EBITDA loss of INR820m (est. +INR290m) in the data segments of Kaleyra and Switch.
- **In 3QFY24, the reduction in listing expenses and other cost synergies helped Kaleyra become profitable in the first quarter itself. Although that benefit continued in 4Q as well, EBITDA decreased to +INR193m (from +INR1.1b in 3QFY24) due to the harmonization of accounting principles and other integration-related charges.**

Balance sheet data

- Due to the acquisitions, net debt increased by INR34b YoY to INR91b in FY24.
 - The net debt-to-EBITDA ratio increased to 2.4x (vs. 1.6x in FY23).
- OCF declined 30% YoY to INR28b, owing to INR11b blocked in working capital. Capex increased by 40% YoY to INR21b and investments in associates stood at INR13b, leading to a decline of INR5.2b in free cash.
- RoCE declined to 19% vs. 28%/21% in FY23/3QFY24.

Segmental highlights

- Data revenue, the key driver of revenue growth (82% of consol. revenue/EBITDA), increased 0.8% QoQ to INR46.6b (in line). Adjusted for Switch and Kaleyra revenue, data revenue grew 0.4% QoQ to INR38.5b.
 - Data EBITDA declined 11% QoQ and margins stood at 18.4% (down 240bp QoQ). Adjusted for Switch and Kaleyra EBITDA, data EBITDA rose 0.6% QoQ to INR9.4b and margins stood at 24.4%.
 - Within the segment, core connectivity (55% contribution) grew 2.2% QoQ, while DPS (45% contribution) declined 0.8% QoQ.
- Voice segment was up 1.4% QoQ at INR4.3b and EBITDA declined 12% QoQ to INR440m, leading to 160bp margin contraction QoQ to 10.3%.
- Others segment grew 2.5% QoQ to INR6.1b, led by TCR sub-segment. EBITDA rose 28% QoQ to INR1.6b, while margins expanded 500bp QoQ to 25.5%.

Others

- **Dividend:** TCOM has proposed a dividend of INR16.7 per share vs. INR21 in FY23.
- **VIL related:** The carrying amount of trade receivables stood at INR2.4b as of Dec'23 (~1% of annual revenue).

Exhibit 1: Valuation-based on Mar'26E EBITDA

India Business	
Particulars	FY26E
EBITDA	61,096
Multiple (x)	9.3
Voice EBITDA	1,368
Multiple (x)	3
Data EBITDA	59,728
Multiple (x)	10
Enterprise Value	5,70,838
Net Debt	26,428
Equity Value	5,44,410
No of Shares (mn)	285
Equity value/share (INR)	1,910
% Upside(Downside)	3%
CMP (INR)	1,857

Source: MOFSL, Company

**Key takeaways from the management interaction****Key highlights**

- **Guidance intact:** The management reiterates the long-term target of 23-25% EBITDA margin, but in the short-term, margin may remain under pressure. It aims to double data revenue by FY27 at 15%-20% CAGR.
- **Gradual ratio improvement:** The company expects the first improvement in leverage, followed by improvement in ROCE and then EBITDA margins. It expects the net debt-to-EBITDA ratio to fall below 2.0x in FY25, while ROCE could see further dilution in the next couple of quarters and then slowly improve.
- **Robust funnel:** The order book has been flat, while the funnel continues to be robust. In the order book, the enterprise part has been robust both locally and globally, while OTT has been lumpy for the last few quarters.
- **Strategy:** Medium-term structural drivers for TCOM include: leadership in India market, expansion in international markets, and increase in customer relevance by expanding portfolio and new product rollouts such as AI cloud.

Detailed summary**Guidance**

- TCOM remained confident in achieving 15-20% growth in data revenue during FY24-27, driven by an expanded portfolio, increasing customer relevance with this portfolio, and increasing presence in the markets.
- ROCE would slowly improve after some dilution from inorganic investments and increased capital allocation for organic opportunities for a few quarters.
- Margins may remain muted for a couple of quarters, but TCOM reiterates the long-term target of 23-25% EBITDA margin. EBITDA will be the last to come back to the range of 23-25%.
- NP margin can see some dilution due to product mix as the company is more focused on DPS vs. core connectivity, which is a high-margin business.

Levers for EBITDA improvement

- TCOM has multiple levers to improve EBITDA: a) expects to realize operating leverage from organic investments and synergies from acquisitions, leading to improved profitability; b) increase in revenue should flow into EBITDA; c) strategic review of subsidiaries.

- Seasonality, harmonization of accounting policies, organic investment in people and platform, and one-off in legal expenses led to a decline in EBITDA margin in 4QFY24.

Macro environment

- The macro environment has been challenging, with high inflation and the possibility of no interest rate cuts.
- Geopolitical conflicts in the Middle East may contribute to ongoing macro uncertainty.
- The company's participation levels will increase as macro conditions improve.

Order book and funnel

- The order book has been flat, while the funnel remains robust. In the order book, the enterprise part has been robust both locally and globally, while OTT has been lumpy for the last few quarters.
- India business grew 12.6% YoY and international business grew 10.5%.
- CIS portfolio is growing and the revenue is now mainly usage revenue, which does not reflect in the order book.
- TCOM's business model is moving toward an element of usage, and usage revenues, which are cyclical in nature; hence, the business will be looked in the combination of order book and usage.

New opportunity:

- Opportunity to position a more converged and intelligent platform that orchestrates across multiple channels
- Focus on both channel expansion and new opportunities; expects refinancing to be done soon.
- New product launches are AI cloud, multi-cloud connectivity, and CloudLyte.

Exhibit 2: Quarterly performance

Quarterly performance (INR m)	Q4FY23	Q3FY24	Q4FY24	YoY(%)	QoQ (%)	Q4FY24E	v/s est (%)
Revenue	45,687	56,333	56,917	24.6	1.0	57,689	-1.3
Operating Expenses	35,344	44,990	46,354	31.1	3.0	46,138	0.5
EBITDA	10,342	11,343	10,563	2.1	-6.9	11,551	-8.6
EBITDA Margins (%)	22.6%	20.1%	18.6%	-408bps	-158bps	20.0%	-146bps
Depreciation	6,185	6,190	6,658	7.7	7.6	6,388	4.2
Interest	1,321	1,876	1,882	42.4	0.3	2,173	-13.4
Other Income	618	115	570	-7.8	396.5	3,407	-83.3
Exceptional Items loss/(gain)	0	1,855	521	NM	NM	0	NM
PBT	3,454	1,538	2,072	-40.0	34.8	6,396	-67.6
Tax	281	1,135	-1,085	-486.7	-195.6	1,599	-167.8
Effective Tax Rate (%)	8.1%	73.8%	-52.4%			25.0%	
PAT	3,174	403	3,157	-0.5	683.7	4,797	-34.2
MI & P/L in Associates	87	45	55	-36.6	21.4	153	
PAT after Minority	3260	448	3,212	-1.5	616.8	4,951	-35.1
Adjusted PAT	3260	2303	3,733	14.5	62.1	4,951	-24.6

Source: MOFSL, Company

Exhibit 3: Detailed segmental quarterly performance

Particulars	Q4FY23	Q3FY24	Q4FY24	YoY(%)	QoQ (%)	Q4FY24E	v/s est (%)
Revenues							
Voice segment	4,624	4,231	4,290	-7.2	1.4	4,110	4.4
Others	4,359	5,921	6,069	39.2	2.5	6,098	-0.5
Data segment	36,703	46,180	46,559	26.9	0.8	47,482	-1.9
Total Revenue	45,687	56,333	56,917	24.6	1.0	57,689	-1.3
EBITDA							
Voice segment	906	501	440	-51.4	-12.1	483	-8.8
Margin (%)	19.6%	11.8%	10.3%	-934bps	-158bps	11.7%	-148bps
Others	611	1,214	1,550	153.7	27.6	1,265	22.5
Margin (%)	14.0%	20.5%	25.5%	1152bps	503bps	20.7%	480bps
Data segment	8,825	9,628	8,573	-2.9	-11.0	9,804	-12.6
Margin (%)	24.0%	20.8%	18.4%	-563bps	-243bps	20.6%	-223bps
Total EBITDA	10,342	11,343	10,563	2.1	-6.9	11,551	-8.6
Margin (%)	22.6%	20.1%	18.6%	-408bps	-158bps	20.0%	-146bps

Exhibit 4: Quarterly performance by adjusting Kaleyra and Switch revenue and EBITDA

Particulars (INRm)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY(%)	QoQ (%)
a) Consol Revenue	45,687	47,714	48,725	56,333	56,917	24.6	1.0
less: revenue adjusted for recent acquisition	0	-968	-1,543	-9134	-9489	NM	3.9
Adj Consol Revenue	45,687	46,746	47,182	47,199	47,428	3.8	0.5
b) Data segment revenue	36,703	39,121	39,945	46,180	46,559	26.9	0.8
less: revenue adjusted for recent acquisition	0	-968	-1,543	-7,869	-8,109		3.1
Adj. Data segment revenue	36,703	38,153	38,402	38,311	38,449	4.8	0.4
c) Consol EBITDA	10,342	10,240	10,154	11,343	10,563	2.1	-6.9
less: loss / (profit) adjusted for recent acquisition	0	104	67	-1102	-193		-82.5
Adj. Consol EBITDA	10,342	10,344	10,221	10,242	10,370	0.3	1.3
Margin (%)	22.6%	22.1%	21.7%	21.7%	21.9%	-77bps	17bps
d) Data segment EBITDA	8,825	9,285	9,130	9,628	8,573	-2.9	-11.0
less: loss / (profit) adjusted for recent acquisition	0	104	67	-291	820		PL
Adj. Data segment EBITDA	8,825	9,389	9,197	9,336	9,394	6.4	0.6
Margin (%)	24.0%	24.6%	23.9%	24.4%	24.4%	39bps	6bps
e) PAT after Minority	3260	3797	2212	2303	3,733	14.5	62.1
less: loss / (profit) adjusted for recent acquisition	0	302	386	75	883		
Adjusted PAT	3260	4099	2598	2378	4,615	41.6	94.1
Margin (%)	7.1%	8.8%	5.5%	5.0%	9.7%	260bps	469bps

Exhibit 5: Summary of our estimate revisions

	FY25E	FY26E
Global Voice revenue (INR b)		
Old	15.3	13.6
Actual/New	16.0	14.2
Change (%)	4.4	4.4
Global Data revenue (INR b)		
Old	204.4	233.5
Actual/New	200.3	228.0
Change (%)	-2.0	-2.4
Core revenue (INR b)		
Old	246.5	278.2
Actual/New	242.9	273.0
Change (%)	-1.5	-1.9
Core EBITDA (INR b)		
Old	50.1	58.4
Actual/New	49.1	61.1
Change (%)	-2.1	4.7
Voice EBITDA (INR b)		
Old	1.8	1.5
Actual/New	1.6	1.4
Change (%)	-9.0	-9.5
Data EBITDA (INR b)		
Old	42.9	50.6
Actual/New	40.8	52.0
Change (%)	-5.0	2.9
Core EBITDA margin (%)		
Old	20.3	21.0
Actual/New	20.2	22.4
Change (%)	-14bps	141bps
PAT (INR m)		
Old	15.6	22.3
Actual/New	13.7	23.8
Change (%)	-11.9	6.8
EPS (INR)		
Old	54.6	78.2
Actual/New	48.1	83.5
Change (%)	-11.9	6.8

Source: MOFSL, Company

Story in charts

Exhibit 6: Revenue up 1% QoQ, EBITDA margin down 160bp

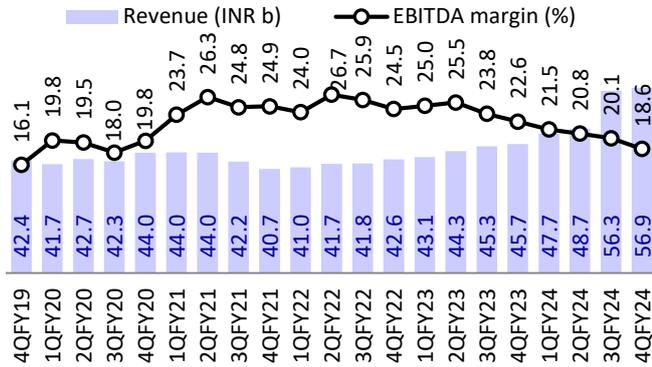


Exhibit 7: Data segment continued to lead Revenue/EBITDA

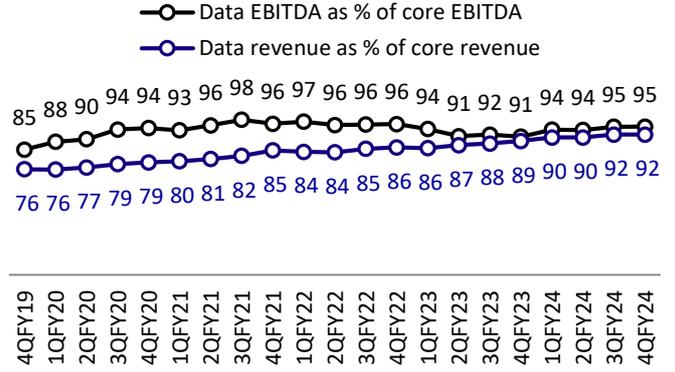


Exhibit 8: Voice revenue up 1% QoQ

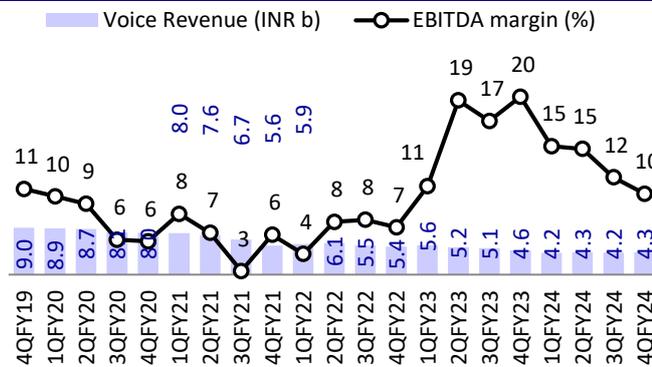
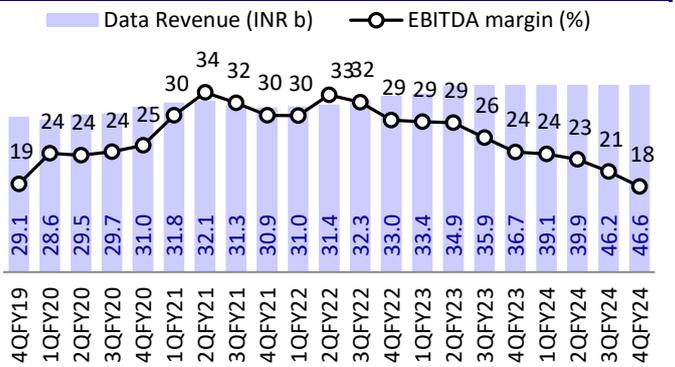


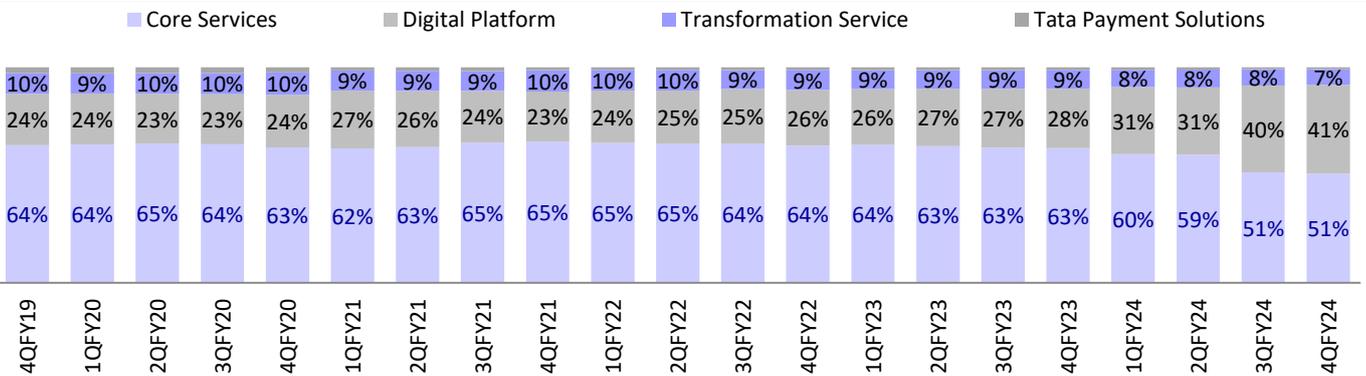
Exhibit 9: Data revenue up 1% QoQ, margin down 240bp



Source: MOFSL, Company

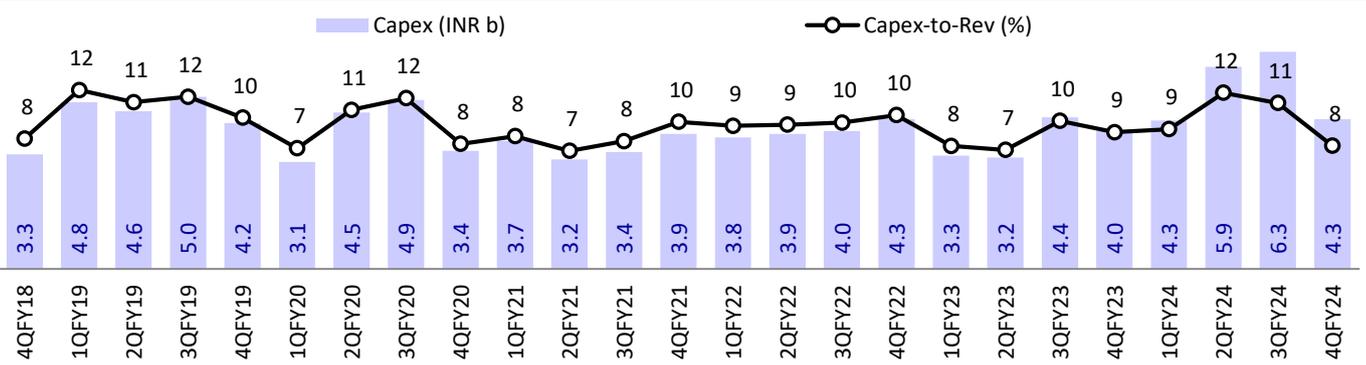
Source: MOFSL, Company

Exhibit 10: Revenue contribution from various segments; DPS continued to grow



*revised as per the new reporting structure. Source: MOFSL, Company

Exhibit 11: Quarterly capex trend



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement							(INRb)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	165.2	170.7	171.0	167.2	178.4	209.7	242.9	273.0
Change (%)	-1.5	3.3	0.2	-2.2	6.7	17.5	15.8	12.4
Network Cost	71.6	67.8	63.3	62.0	63.8	80.9	96.3	105.0
Staff Cost	29.6	30.4	30.5	30.4	36.0	44.5	48.8	53.0
Operating & Other Expense	36.6	39.6	34.6	32.6	35.5	42.0	48.6	54.0
Total Expenditure	137.8	137.8	128.4	125.0	135.2	167.4	193.8	211.9
% of Sales	83.4	80.7	75.1	74.7	75.8	79.8	79.8	77.6
EBITDA	27.4	32.9	42.6	42.3	43.2	42.3	49.1	61.1
Margin (%)	16.6	19.3	24.9	25.3	24.2	20.2	20.2	22.4
Depreciation	20.7	23.6	23.1	22.0	22.6	24.7	27.1	28.5
EBIT	6.8	9.3	19.5	20.2	20.6	17.6	22.0	32.6
Int. and Finance Charges	4.0	4.7	4.2	3.6	4.3	6.4	7.0	5.6
Other Income	0.6	0.7	1.6	3.3	3.6	2.8	3.1	4.6
PBT bef. EO Exp.	3.4	5.3	16.8	19.9	19.9	14.0	18.1	31.6
EO Items	0.0	-3.9	-0.7	0.1	0.8	-2.4	0.0	0.0
PBT after EO Exp.	3.4	1.4	16.1	20.0	20.6	11.6	18.1	31.6
Total Tax	2.7	2.3	3.5	5.2	3.0	2.1	4.5	8.0
Tax Rate (%)	80	162	22	26	14	18	25	25
Minority Interest	1.5	0.0	0.0	0.0	-0.3	-0.2	-0.2	-0.2
Reported PAT	-0.8	-0.9	12.5	14.8	18.0	9.7	13.7	23.8
Adjusted PAT	-0.6	3.0	13.3	14.8	17.2	12.0	13.7	23.8
Change (%)	-288.6	-582.2	340.2	11.5	16.4	-30.0	13.8	73.6
Margin (%)	-0.4	1.8	7.8	8.8	9.6	5.7	5.6	8.7

Consolidated - Balance Sheet							(INRb)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Total Reserves	-4.7	-15.6	-1.7	6.4	12.3	15.0	25.4	45.9
Net Worth	-1.8	-12.8	1.2	9.3	15.2	17.9	28.3	48.7
Minority Interest	0.1	0.0	0.3	0.3	0.3	0.0	0.0	0.0
Total Loans	106.8	81.6	98.0	79.0	75.3	101.2	86.2	66.2
Lease liabilities	0.0	39.9	14.4	12.2	10.4	11.5	11.5	11.5
Deferred Tax Liabilities	-0.9	-2.5	-2.8	-1.9	-3.2	-5.2	-5.2	-5.2
Capital Employed	104.2	106.3	111.0	98.9	98.0	125.3	120.7	121.2
Gross Block	116.6	129.1	151.3	170.4	190.3	226.9	247.4	267.9
Less: Accum. Deprn.	5.0	28.6	51.7	73.8	96.4	121.1	148.2	176.7
Net Fixed Assets	111.6	100.5	99.6	96.6	93.9	105.8	99.2	91.1
Right to use assets	0.0	16.0	13.3	11.5	10.0	11.0	11.0	11.0
Goodwill on Consolidation	0.9	0.9	1.1	1.1	1.2	17.8	17.8	17.8
Capital WIP	4.1	4.5	6.1	8.7	11.5	13.3	13.3	13.3
Total Investments	14.9	15.6	22.3	15.7	19.5	16.1	16.1	16.1
Curr. Assets, Loans&Adv.	67.2	72.0	67.8	61.0	66.0	74.4	87.1	111.0
Inventory	0.8	0.7	0.3	0.4	1.6	0.8	1.4	1.6
Account Receivables	29.7	32.3	26.1	25.8	27.4	37.6	36.6	41.1
Cash and Bank Balance	8.5	9.1	9.3	7.4	10.6	8.4	17.8	35.1
Loans and Advances	28.2	29.9	32.1	27.3	26.4	27.6	31.2	33.1
Curr. Liability & Prov.	94.4	103.2	99.3	95.6	103.9	113.1	123.8	139.1
Account Payables	36.9	38.4	32.4	30.1	32.8	36.6	39.9	44.9
Other Current Liabilities	51.5	57.3	60.0	57.9	62.7	67.3	73.2	82.3
Provisions	6.0	7.5	6.9	7.7	8.5	9.3	10.6	12.0
Net Current Assets	-27.2	-31.2	-31.5	-34.6	-37.9	-38.7	-36.7	-28.1
Appl. of Funds	104.2	106.3	111.0	98.9	98.0	125.3	120.7	121.2

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	-2.2	10.6	46.5	51.8	60.3	42.3	48.1	83.5
Cash EPS	70.4	93.3	127.7	129.2	139.7	128.9	143.2	183.7
BV/Share	-6.4	-44.9	4.1	32.5	53.3	62.7	99.2	171.0
DPS	4.5	4.0	14.0	20.7	21.0	16.7	10.0	10.0
Payout (%)	-205.4	37.9	30.1	39.9	34.8	39.5	20.8	12.0
Valuation (x)								
P/E	-847.6	175.8	39.9	35.8	30.8	43.9	38.6	22.2
Cash P/E	26.4	19.9	14.5	14.4	13.3	14.4	13.0	10.1
P/BV	-291.1	-41.4	458.4	57.1	34.9	29.6	18.7	10.9
EV/Sales	3.7	3.7	3.6	3.6	3.3	2.9	2.4	2.0
EV/EBITDA	22.3	19.0	14.3	14.1	13.6	14.6	12.1	9.1
Dividend Yield (%)	0.2	0.2	0.8	1.1	1.1	0.9	0.5	0.5
FCF per share	-27.1	36.5	64.5	89.7	103.2	39.0	110.3	145.2
Return Ratios (%)								
RoE	-39.3	-41.2	-227.9	283.3	140.6	72.9	59.4	61.8
RoCE	1.5	-5.8	14.8	16.3	20.6	14.4	14.6	22.0
RoIC	1.9	-7.5	20.2	21.3	28.5	20.0	20.4	37.4
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	1.3	1.1	1.0	0.9	0.9	1.0	1.0
Asset Turnover (x)	1.6	1.6	1.5	1.7	1.8	1.7	2.0	2.3
Inventory (Days)	2	2	1	1	3	1	2	2
Debtor (Days)	66	69	56	56	56	65	55	55
Creditor (Days)	81	82	69	66	67	64	60	60
Leverage Ratio (x)								
Current Ratio	0.7	0.7	0.7	0.6	0.6	0.7	0.7	0.8
Interest Cover Ratio	1.7	2.0	4.6	5.6	4.8	2.7	3.1	5.8
Net Debt/Equity	-45.9	-7.6	69.9	7.3	3.7	4.9	2.3	0.5

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	3.4	-0.8	12.5	20.0	20.6	11.6	18.1	31.6
Depreciation	20.7	23.6	23.1	22.0	22.6	24.7	27.1	28.5
Interest & Finance Charges	4.0	4.7	4.2	3.6	4.3	8.3	7.0	5.6
Direct Taxes Paid	-2.7	-2.8	-5.0	0.9	-2.0	-2.2	-4.5	-8.0
(Inc)/Dec in WC	-3.3	-2.5	-5.5	-4.7	-0.6	-11.0	7.4	8.7
CF from Operations	22.0	22.1	29.4	41.8	45.0	31.4	55.0	66.5
Others	-6.6	3.1	2.4	0.2	-1.1	0.5	-3.1	-4.6
CF from Operating incl EO	15.4	25.2	31.8	42.0	43.8	31.8	51.9	61.9
(Inc)/Dec in FA	-23.2	-14.9	-13.4	-16.5	-14.4	-20.7	-20.5	-20.5
Free Cash Flow	-7.7	10.4	18.4	25.6	29.4	11.1	31.4	41.4
(Pur)/Sale of Investments	-2.4	-0.5	-6.9	9.4	-3.2	-3.6	0.0	0.0
Others	-0.3	0.0	0.3	-1.9	-0.8	-2.1	3.1	4.6
CF from Investments	-25.8	-15.3	-20.0	-8.9	-18.4	-26.4	-17.4	-15.9
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc/(Dec) in Debt	11.4	-4.0	-8.4	-27.8	-13.0	3.2	-15.0	-20.0
Interest Paid	-4.0	-3.9	-2.5	-2.5	-3.5	-5.3	-7.0	-5.6
Dividend Paid	0.0	-1.5	-1.1	-4.0	-5.9	-6.0	-3.3	-3.3
Others	-1.5	0.0	0.5	-0.6	0.1	-0.1	0.2	0.2
CF from Fin. Activity	6.0	-9.4	-11.6	-34.9	-22.2	-8.2	-25.1	-28.7
Inc/Dec of Cash	-4.4	0.6	0.2	-1.8	3.2	-2.8	9.4	17.3
Opening Balance	13.0	8.5	9.1	9.3	7.4	10.6	8.4	17.8
Closing Balance	8.5	9.1	9.3	7.4	10.6	8.4	17.8	35.1

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