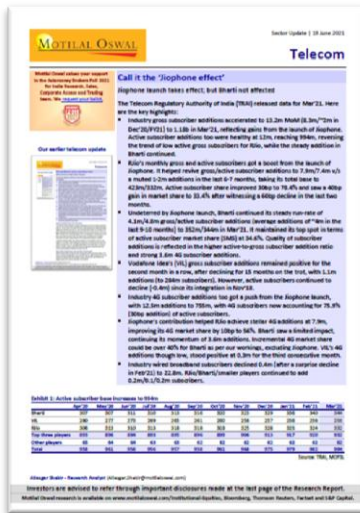


Our earlier telecom update



Changing market construct

Bharti, RJio to see exponential benefit

The Telecom industry is on the cusp of a major change in market construct, which could have significant repercussions. In this note, we discuss VIL's immediate liquidity requirements, probable alternatives, and the potential benefit for Bharti/RJio.

Large subscriber pool up for grabs

India's large Telecom market, which was once serviced by over 10–12 players, is now operated by just 4 players, with the Top 2 accounting for over 70% of the market. Amid the concerns over VIL's survival, RJio and BHARTI could gain disproportionately – VIL has a significant ~25% market share (255.4m subscribers), which provides the two telecom giants the opportunity to capture a large pool of subscribers. While it has been a known fact for the last 2–3 years that the competition is deteriorating, the moment of truth is now in front of us, with large repayments coming up over the next 6–9 months. This could potentially offer incremental revenue/EBITDA of INR177b/INR89b (16%/18% growth) for Bharti and INR177b/INR89b (23%/23% growth) for RJio for FY22. Thus, while a tariff hike is keenly awaited to achieve profitability in the sector, the big market share gain opportunity could effectively imply gains equivalent to a 19% tariff hike on the EBITDA growth opportunity. In the last five quarters (4QFY20-1QFY22), VIL's market share loss has resulted in gains for Bharti; its revenue / active subscriber market share increased 400bp/300bp, driving 28% EBITDA growth. On the other hand, RJio gained 400bp/290bp revenue / active subscriber market share, driving 40% EBITDA growth. Thus, regardless of a tariff hike, the growth opportunity for existing telcos remains high. Furthermore, the growth opportunity is incremental, led by a 6–8% ARPU increase and organic subscriber growth (driven by a favorable mix). This could drive 10–12% revenue growth and over 15% EBITDA growth organically in the Wireless business. A tariff hike of about 30% similar to the one seen in 3QFY20 could also lead to strong EBITDA growth of around INR141b/INR180b for Bharti/RJio, i.e., a 22%/41% increase in FY23E.

Collateral damage, network capability?

The incremental subscriber/revenue growth from VIL could increase opex/capex for Bharti and Jio due to loss of network sharing benefits, but the resultant gains from market share could be far higher and offset it. For Bharti, the impact could be seen on three fronts: (i) through the erosion of Bharti Infratel's value in SOTP, which is estimated to be INR43/share or 6% of our TP, (ii) via a network cost increase of 2–3% (2k/3k per site) due to the cut in VIL's tenancies, and (iii) in the form of incremental capex of ~INR100b for 15–20% of fresh site additions to accommodate the traffic load on the network. Against this, overall incremental EBITDA of over INR89b should still be significantly higher to manage the above mentioned incremental impact. RJio may also see some amount of increase in network cost, given its sharing pacts with Bharti Infratel and intensifying capex, but gains could be far higher.

Vodafone Idea's moment of truth

While Vodafone Idea's market share and EBITDA have been dwindling since its merger, frequent capital infusions and the deferment of government liabilities have helped in funding the obligations. However, now with series of upcoming debt repayment over the next 6–9 months, exhausting cash balances and no timelines for the announced fundraise, it could prove to be challenging to manage operations. VIL has near-term repayment of INR64b over Dec'21–March'22 and additional deferred spectrum/AGR liability payment of INR157b/66b due in March'22/April'22. Against this, it has INR38.5b cash flow expected over 2HFY22.

Vodafone's probable rescue option

VIL's key alternatives to bridge the gap between the INR338b annual cash requirement (including the deferred spectrum liability, AGR installments, debt servicing, and capex in FY23E) and EBITDA of INR105b (1QFY22 annualized) are as follows: **a) Tariff hike:** Assuming there is no market share dilution, an ARPU increase of INR115 or a 93% tariff hike is needed to fill the cash deficit gap with or without funding – which may seem too steep from current levels. **b) Government payment relief:** This could be in the form of extensions for the deferred spectrum or AGR payment timelines. However, with interest accruing during the extension period, the amount would balloon for the rest of the installment years, thus only providing short-term respite. Furthermore, the AGR postponement may require SC intervention. **c) Capital infusion or debt restructuring:** VIL has been exploring capital infusion, but with the large leverage position, the management's planned capital raise of INR250b could support only a year of repayments. Debt restructuring may also prove difficult – given that nearly 80% of the debt is from the government.

Valuation and view

Over the last 10 years, the Telecom industry ROCE has been in the low single digits. However, a disproportionate increase in revenue from incremental market share could drive asset turnover and benign competition could improve profitability. We do not see any significant risk of higher capex intensity over the next 2–3 years, while 5G is still some time away and 4G investments are peaking. Furthermore, a steady increase in earnings and peaking capex should drive steady FCF yield. The incremental EBITDA could drive Bharti's ROCE to 11.4% from the single digits and FCF to INR284b. Similarly, RJio's ROCE would increase to 8.2% and FCF to INR246b.

- **Bharti:** We see a potential re-rating upside in both the India and Africa businesses, on the back of steady earnings growth and attractive valuations. We value BHARTI on FY23E, assigning EV/EBITDA of 11x to the India Mobile business and 5x to the Africa business, arriving at SOTP-based TP of INR750. Our estimates do not factor in any upside from tariff hikes or sharp market share gains – potentially due to VIL's eventual outcome of financial stress, which could provide an incremental upside of INR175/share at current valuations. **Maintain Buy.**
- **RJio:** We assign a rich 20x EV/EBITDA on FY23E, maintaining TP at INR1,316, factoring in a 34% stake sale. Thus, RJio's value in RIL's share comes to INR875/share (for its 66% stake). We believe the incremental EBITDA opportunity from the consolidation could provide impetus to the valuation. RJio's rich valuation factor in a) its dominant position in the market and b) its foray into Digital, along with the cross-sell opportunity. However, in our view, the incremental EBITDA growth potential of INR89b would certainly offer a strong upside.

Market share gains for Bharti and RJio

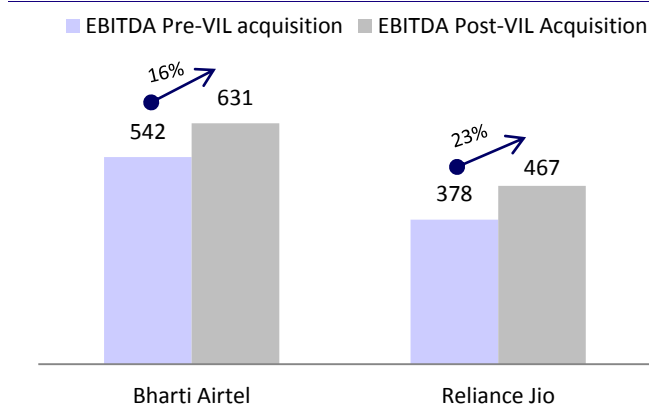
Given the adverse situation of VIL, we note that RJio and Bharti could gain disproportionately. Bharti's technology-agnostic device ecosystem could gain higher share of VIL's non-4G subscribers (which constitute a higher proportion of low-ARPU feature phone subscribers) as the shift to RJio would require customers to purchase a new device. As a result, Bharti could capture higher revenue share. Nevertheless, assuming a 50:50 split of VIL's revenue base, the incremental revenue opportunity for Bharti/RJio stands at INR177b, implying a 16%/23% jump from our current FY22 estimates. Assuming a ~50% incremental EBITDA margin on revenues, Bharti/RJio has the opportunity to capture additional EBITDA of INR89b/INR89b, an 16%/23% increase over FY22E.

Exhibit 1: Duopoly market – big EBITDA trigger (50:50 split)

Particulars	Bharti	RJio
% of VIL customers acquired	50%	50%
Customer acquired by incumbents	128	128
Increase in annual revenue (INR b)	177	177
Incremental EBITDA at 50% (INR b) – A	89	89
FY22E EBITDA – B	542	378
New EBITDA post acquisition of VIL subs (A+B)	631	467
Increase in EBITDA (%) - A/B	16%	23%
Total VIL subscribers (m)	255	
4QFY22E ARPU	116	
Annual ARPU	1388	

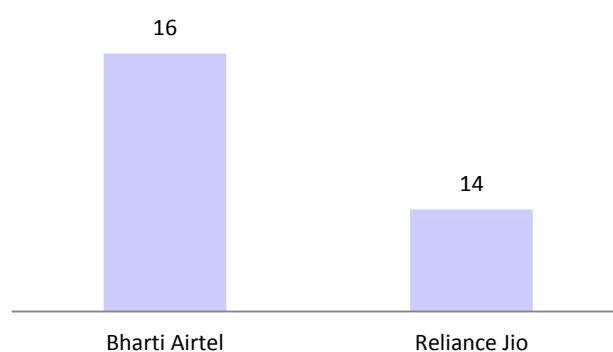
Source: Company, MOFSL

Exhibit 2: BHARTI/RJio – EBITDA to reach INR569b/INR467b



Source: MOSL, Company

Exhibit 3: Bharti/RJio – EBITDA/share gains (INR)



Source: MOSL, Company

Tariff hike potential

We believe the ARPU increase is a function of VIL's survival strategy in line with the government's stated desire to have three private and one PSU player in the Telecom market. Assuming an INR338b annual cash requirement – comprising capex, cash interest costs, and deferred spectrum liability dues – VIL needs ARPU of INR240 to survive. The government has provided two-year moratorium up to FY22 on the

deferred spectrum liability dues; therefore, the next payment should be due in FY23. Thus, we believe VIL would need an additional ~32% ARPU increase over the next 6–9 months to fund its annual cash requirement – assuming there is no material market share churn. This may provide an incremental EBITDA upside of 59%/111% for Bharti/RJio. Furthermore, we have not considered the AGR liability repayment schedule in this calculation. Assuming an annual payment of INR66b towards its AGR dues for 10 years, VIL would need an additional ARPU increase of INR115 to service its payment obligations.

Exhibit 4: VIL – ARPU hike requirements for FY23

VIL's ARPU hike requirement (INR b)	Without funding	With funding
Capex	40	40
Cash Interest	25	25
Bank debt repayment	49	49
Deferred spectrum liability	157	157
AGR payment/year (20 yrs)	66	66
Total EBITDA requirement	338	88
EBITDA (pre Ind-AS 116)	105	105
Incremental EBITDA required	233	-17
Incremental revenue required	358	-
ARPU (INR)	125	125
Subscribers (m)	258	258
ARPU hike required (INR)	115	-
New ARPU (INR)	240	125
Increase in ARPU required (%)	93%	0%
Funding INR b		250

Source: Company, MOFSL

Exhibit 5: Impact of proportionate ARPU hike for Bharti/RJio

(Amount in INR b)	FY23	FY23
EBITDA	571	378
ARPU (INR)	163	138
Increase in ARPU due to VIL price hike	115	115
New ARPU	278	254
Subscribers (m)	371	465
Incremental revenue	514	644
Incremental EBITDA	334	418
EBITDA in FY23 due to price hike	905	797
Increase in EBITDA in FY23 (%)	59%	111%

Source: Company, MOFSL

Exhibit 6: EBITDA impact of 30% ARPU hike for Bharti/RJio

(Amount in INR b)	FY23	FY23
EBITDA	632	439
ARPU (INR)	163	142
30% increase in ARPU	49	43
New ARPU	212	185
Subscribers (m)	371	540
Incremental revenue	217	277
Incremental EBITDA	141	180
EBITDA in FY23 due to price hike	774	619
Increase in EBITDA in FY23 (%)	22%	41%

Source: Company, MOFSL

Incremental cost to service VIL's subscribers may not be significant

Currently, the exponential pace of data volume growth from unlimited plans has burdened the networks with subpar speeds. VIL's 121m broadband customers and 5.5b GB data traffic could increase Bharti/RJio's traffic volumes by 15–30%. However, the recent refarming of 2,100mhz and 900mhz spectra and the deployment of spectrum recently acquired in the auction. The further densification of sites and deepening backhaul through massive mimo and fiberization could aid in debottlenecking the network.

We believe network cost could increase by 2–3% for Bharti and RJio due to an increase in tower rentals by about INR3,000. Furthermore, Bharti and RJio may add about 10–15% of fresh sites, with additional capex of ~INR100b, to increase its capacity – which is equivalent to less than 2–3% of the current enterprise value. Thus, an increase in traffic should have a minimal impact. Bharti may also face the impact of erosion in Bharti Infratel's value in its SOTP in the case of single tenancy, estimated at INR43/share (6% of our TP).

Exhibit 7: Network cost increase minimal (if VIL dissolved) for Bharti Airtel

(Amount in INR m)	Max impact
Cost/tower	3,000
Towers	0.19
Annual incremental cost	6,840
Network cost	2,50,793
Increase in cost (%)	2.7%
EBITDA in FY22E	4,80,666
Impact on consol EBITDA	1.4%

Source: MOFSL, Company

Exhibit 8: Network cost increase minimal (if VIL dissolved) for RJio

(Amount in INR m)	Max impact
Cost/tower	3,000
Towers	0.19
Annual incremental cost	6,840
Network cost	2,51,341
Increase in cost (%)	2.7%
EBITDA in FY22E	3,78,325
Impact on consol EBITDA	1.8%

Source: MOFSL, Company

Exhibit 9: Growth capex (if VIL dissolved) for Bharti Airtel

(Amount in INR m)	
Incremental towers (000's)	50
Cost/tower	2
Total cost	1,00,000
Market cap	32,59,227
Debt	11,45,955
EV	44,05,182
Impact (%)	2.3%

Source: MOFSL, Company

Exhibit 10: Impact of BHIN's market cap on BHARTI's TP

(Amount in INR b)	
Bharti Infratel fair proportionate value	234
Bharti's shares outstanding (b)	5
Bharti Infratel fair value/share (INR)	43
Bharti TP including Infratel (INR)	715
Bharti TP excluding Infratel (INR)	673
Impact (%)	-6.0%

Source: MOFSL, Company

Bharti's competitive position improves in past year

In the last five quarters, despite no tariff hike, Bharti was able to achieve 38.5% growth in India Mobile EBITDA (4QFY20–1QFY22) on the back of steady market share gains. It has gained nearly 400bp revenue market share to ~35%. Despite the tariff hike, it has gained both gross and active subscribers along with market share, highlighting that the price increase has had little impact on its competitive position. Bharti's 4G subs adds have doubled to 4–5m monthly; it is leading the incremental 4G subs market share. Bharti's ARPU has improved even after the tariff hike, given the improvement in the quality of subscribers shifting to 4G. A look at the last five-year intensive competitive period further indicates gains in revenue market share in

particularly larger circles, despite RJio's cut-throat pricing. It has gained both gross and active subscribers not just by adding subs, but quality subs, evident from the active subs trend.

Growth expectation – Bharti - mix driven, Jio – success of JioPhone

Bharti's steady 3–4m subscriber additions on both the active and 4G front, along with a healthy 6–7% mix, driven ARPU improvement (in the last 4–5 quarters), could continue over the next 2–3 years – beyond the opportunity from the market consolidation. For RJio, the success of the upcoming JioPhone launch may allow it to maintain the steady subscriber growth partly modeled in our estimates. We expect Bharti to see a limited impact from this as higher end subscribers may not be very comfortable with device downgrades. There could be some dilution in low-ARPU subscribers, but we see a limited impact from this; it should be offset by steady market share led subscriber additions for Bharti.

Bharti: We expect an FY21–23E consol EBITDA CAGR of 12% on the back of a 21% EBITDA CAGR in Mobile India. While concerns persist related to the timelines for a potential tariff hike, we believe strong earnings growth is achievable even without a tariff hike.

RJio: We expect revenue growth of 10.3%/15.6% and EBITDA growth of 22.4%/16% over FY22E/FY23E on the back of a 13% subscriber CAGR over FY21–23E. We have not modeled in any material tariff hikes, but have assumed a higher net subscriber add rate of 7.1m, more than double the 3.2m add rate in FY21, on the back of a major device launch – JioPhone Next, in the Low-cost Feature Phone market.

VIL's moment of truth

VIL has a weak liquidity position, with INR9b cash as of 1QFY22. On the other hand, its net debt stands at INR1.9t, including the AGR liability. VIL had raised INR250b through a rights issue in Apr'19; however, the cash has been exhausted as the company has since been reporting losses consistently. Moreover, INR64b NCD repayments are coming up over Dec'21 to Mar'22, apart from the deferred spectrum and AGR liability payments coming up in Mar'22 and Apr'22, respectively. With no timelines for a fund raise, it could prove challenging to service these obligations. Furthermore, VIL would have INR241b in cash obligations in FY23E, including deferred spectrum dues, the AGR liability, capex, and interest costs. Against this, its 1QFY22 annualized EBITDA stands at INR55b, which is significantly below the requirement.

Exhibit 11: VIL – net debt position

Net debt classification	4QFY21	1QFY22
Spectrum debt	963	1,060
Market debt	231	234
Total debt	1,194	1,294
Cash and equivalents	4	9
Net Debt excluding AGR	1,190	1,285
AGR dues	610	622
Net debt including AGR	1,800	1,907

Source: Company, MOFSL

Exhibit 12: VIL – principle and interest payments for FY22 (INR m)

	Principal	Previous Due Date		Next Due Date		FY22		Total
	Amount	Principal	Interest	Principal	Interest	Principal	Interest	
Unsecured 7.57% NCD's	15,000	N.A	14-Dec-20	13-Dec-21	13-Dec-21	15,000	1135.5	16,136
Unsecured 7.77% NCD's	10,000	N.A	04-Jan-21	04-Jan-22	04-Jan-22	10,000	777	10,777
Unsecured 7.77% NCD's	5,000	N.A	18-Jan-21	17-Jan-22	17-Jan-22	5,000	388.5	5,389
Unsecured 8.04% NCD's	20,000	N.A	27-Jan-21	27-Jan-22	27-Jan-22	20,000	1608	21,608
Unsecured 8.03% NCD's	5,000	N.A	01-Feb-21	31-Jan-22	31-Jan-22	5,000	401.5	5,402
Unsecured 8.03% NCD's	5,000	N.A	15-Feb-21	14-Feb-22	14-Feb-22	5,000	401.5	5,402
Unsecured 10.90% NCD's	15,000	N.A	03-Sep-20	02-Sep-23	03-Sep-21			
Deferred spectrum payment				09-Apr-22		82,117		
Total						60,000	4,712	64,712
Total Dues in FY23 (ex-spectrum and AGR liabilities)						49,359		

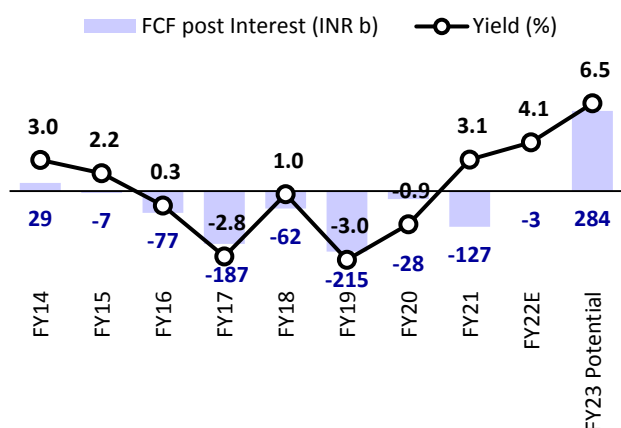
Source: MOFSL, TRAI

VIL has three probable options

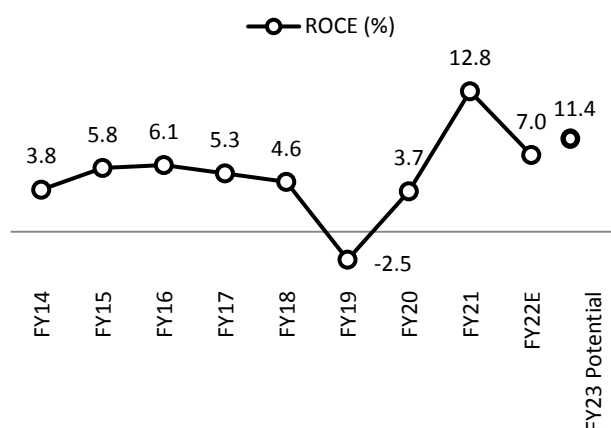
- **Tariff hike:** Our workings indicate that to fulfill the earnings gap of INR65b/INR175b in FY22E/FY23E, the company needs an ARPU increase of INR35/INR86 (31%/57%), assuming there is no subscriber churn. This looks like a significant ask.
- **Government relief:** VIL has an INR66b/INR157b payment due toward the AGR/deferred spectrum liability in March'22/April'22. Given the weak cash flow scenario, it may prove difficult to repay the dues; therefore, it would be important for the company to get some respite from the government on payment timelines. However, with interest accruals over the extension period, the amount would balloon for the rest of the installment years; thus, the respite, if any, would be short-lived. Moreover, the postponement of AGR dues may require SC intervention.
- **Capital raise or debt restructuring:** VIL has been exploring capital infusion, but with such a large leverage position, the management's planned INR250b capital raise could support barely a year's worth of repayments. Furthermore, debt restructuring may prove difficult given that nearly 80% of the debt is from the government.

Valuation**Improving ROCE**

- The Telecom sector has recorded low ROCE in the last 10 years, struggling at the mid-single digits. This is attributable to a) the ballooning of capital employed on account of investments in new technology, spectrum renewals, and investments in Africa and b) dwindling profitability, given the heightened competitive intensity in the sector. Going forward, Bharti and RJio could see the benefit of both these factors, with improving earnings, led by an increase in ARPU and the peaking of the capex cycle.
- Our workings indicate that with a further ARPU increase of 30% to compensate for VIL's cash flow requirement, Bharti's EBITDA of INR774b could fetch healthy ROCE. This could be a key valuation trigger as the company would start garnering reasonable ROCE. Furthermore, Bharti/RJio's FCF generation could be INR337b/INR337b. Again, this would be a strong positive for a sector that has seen a prolonged period of negative FCF and low-single-digit ROCE.

Exhibit 13: Bharti – FCF potential to reach INR284b in FY23E

Source: Company, MOFSL

Exhibit 14: RoCE could reach 11.4%

Source: Company, MOFSL

Bharti Airtel

Upside from Africa

We see a potential re-rating upside in both the India and Africa businesses on the back of steady earnings growth. Bharti Africa is trading at EV/EBITDA of merely 4x (incl. lease debt) on 1QFY22 annualized EBITDA. Adjusted for Airtel Africa's recent ~11% stake sale in the Mobile Money biz to Mastercard and TPG Group at 11x, the rest of the Airtel Africa biz (including one-third from Data rev growing >20%) is valued at 3.1x on 1QFY22 annualized EBITDA. At CMP, Bharti India looks attractively valued at just 7.1x EV/EBITDA on an FY23E basis.

Exhibit 15: Bharti Africa – trading at attractive valuations

Valuation Summary (USD m)	1QFY22	FY23
Price (USD)	1.31	1.31
No of Shares (m)	3,755	3,755
Market Cap	4,923	4,923
Net Debt (including lease liability)	3,536	3,536
Enterprise Value	8,459	8,459
EBITDA	2124	2,506.18
EV/EBITDA (x)	4.0	3.4
Airtel Money stake sale valuation	2650	2650
EBITDA	60	60
EV/EBITDA (x)	11.0	11.0
Valuation (Ex of Mobile Money)		
EV (ex Airtel Money)	5,809	5,809
EBITDA (ex Airtel Money)	1896	2,266
EV/EBITDA (x)	3.1	2.6

Source: Company, MOFSL

Exhibit 16: Bharti – FY23E SOTP-based valuation

	EBITDA (INR b)	Ownership	Proportionate EBITDA (INR b)	EV/EBITDA	Fair Value (INR b)	Value/Share
India SA business (excl. towers)	447	100%	447	11	4,962	910
Tower business (15% discount to fair value)		41.7%			234	43
Africa business	185	55.2%	102	5	512	94
Less net debt					1,618	297
Total Value					3,928	750
Shares o/s (b)	5.5					
CMP						620
Upside (%)						21

Source: MOFSL, Company

Upside from India Mobile

Bharti India is trading at EV/EBITDA of 7.1x for FY23; this is at 65% discount to our implied EV/EBITDA valuation of 20x on FY23E for RJio in the RIL stock. In our view, this does not capture any potential tariff hike or significant market share gains, which could come from consolidation in the market. Both the options could generate incremental EBITDA of 16% as well as improve the leverage and FCF position significantly. Factoring in incremental EBITDA of INR89b through potential market share gains owing to consolidation, at EV/EBITDA of 10x at the consolidated level, Bharti could garner TP of ~INR890, after factoring in the impact of Bharti Infratel.

RJio

RJio is already garnering rich valuations on EV/EBITDA of 75.4x on an FY23E basis. The higher multiple captures a) its market leadership, b) the opportunity in the Digital and Fibre spaces, and c) expected gains from any potential tariff hikes. We assign a rich 20x EV/EBITDA on FY23E, maintaining TP at INR1,316, factoring in the 34% stake sale. Thus, RJio's value in RIL's share comes to INR875/share (for its 66% stake). In our view, the incremental EBITDA opportunity from the consolidation could provide impetus to the valuation.

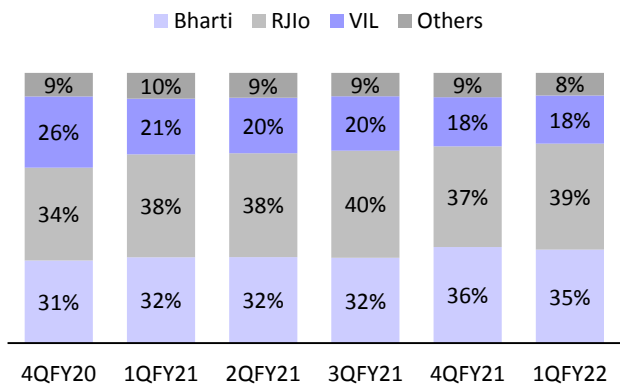
Exhibit 17: RJio – valuation based on FY23 EV/EBITDA

Particulars	(INR b)
EBITDA	460
EV/EBITDA (x)	20
EV	9,192
Debt	850
Equity Value	8,342
Value Per Share	1,316
Stake	66.48%
RIL stake in RJio	875

Source: Company, MOFSL

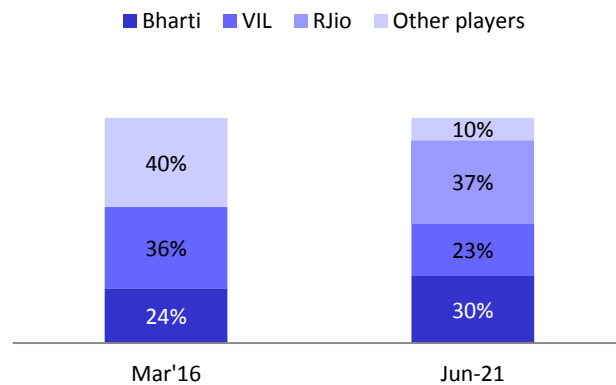
Story in charts

Exhibit 18: Bharti steadily improving revenue market share



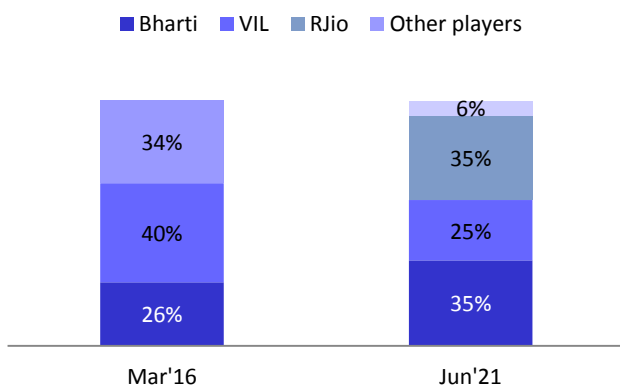
Source: Company, MOFSL, TRAI

Exhibit 19: Bharti/RJio manages to add fair share of gross subscribers



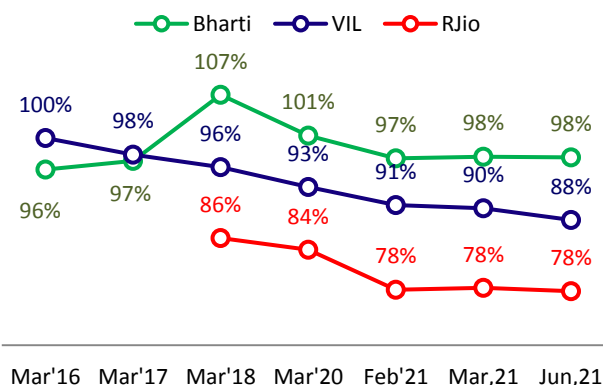
Source: Company, MOFSL, TRAI

Exhibit 20: Bharti/RJio improving active subscriber share



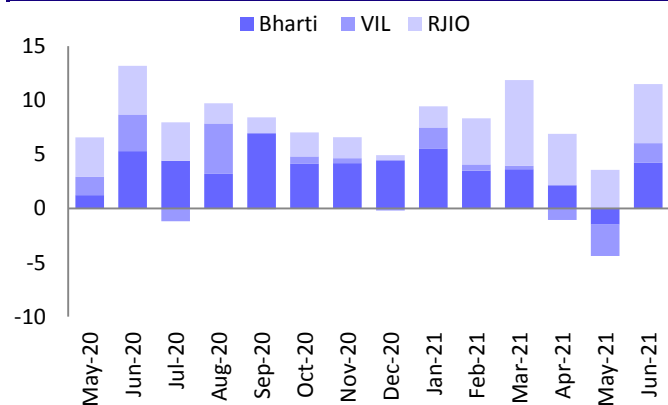
Source: Company, MOFSL, TRAI

Exhibit 21: Bharti/RJio maintains VLR share post Feb'21 (%)



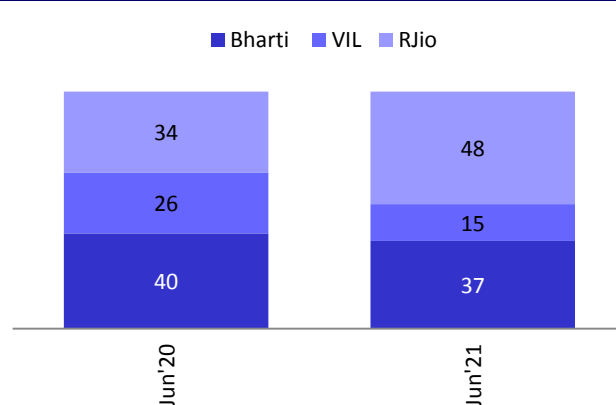
Source: Company, MOFSL, TRAI

Exhibit 22: Company-wise 4G subscriber adds (m)



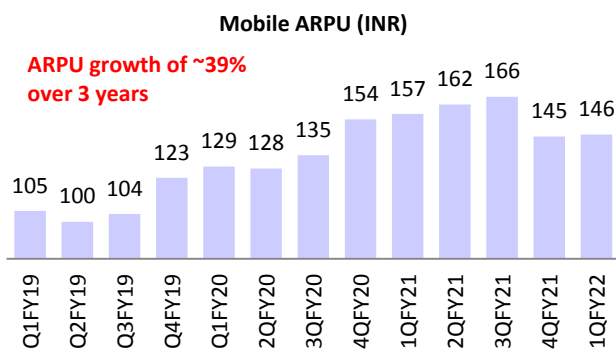
Source: Company, MOFSL, TRAI

Exhibit 23: Incremental 4G market share (%)



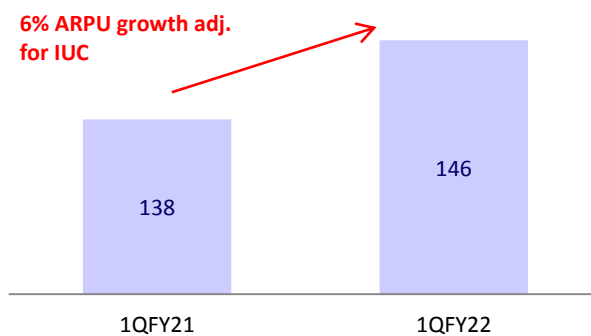
Source: Company, MOFSL, TRAI

Exhibit 24: Bharti ARPU movement



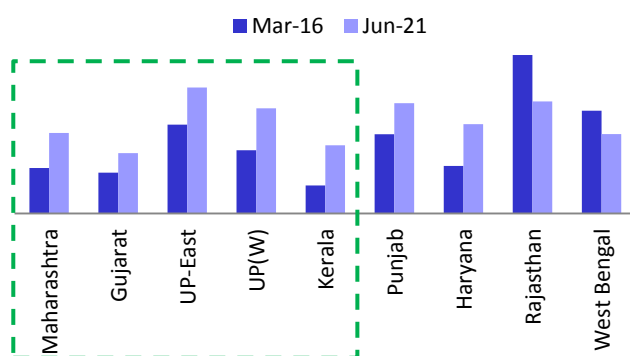
Source: Company, MOFSL, TRAI

Exhibit 25: Bharti ARPU YoY comparison (INR)



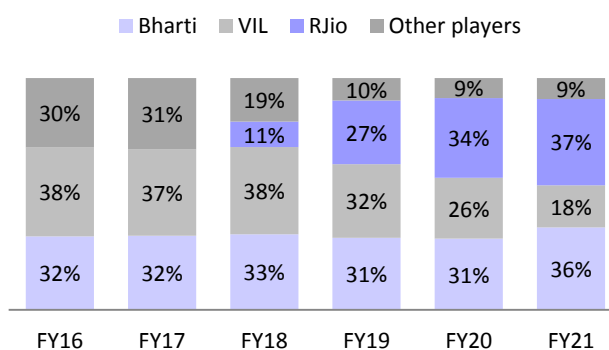
Source: Company, MOFSL, TRAI

Exhibit 26: Bharti gaining RMS in larger circles



Source: Company, MOFSL, TRAI

Exhibit 27: Bharti/RJio AGR market share improves in FY21



Source: Company, MOFSL, TRAI

Exhibit 28: Comparative analysis of telecom players (1QFY22 numbers)

	UOM	Bharti	VIL	RJio
Financial Matrix				
Revenues	INR m	2,68,536	91,523	1,79,940
Revenue Growth (QoQ)	%	4.3	-4.7	3.7
Network Cost	INR m	57,973	24,927	59,730
Network Cost (% of Rev)	%	21.6	27.2	33.2
Network Cost (QoQ)	%	-2.0	16.7	3.8
EBITDA	INR m	1,29,803	37,077	86,170
EBITDA Margin	%	48.3	40.5	47.9
EBITDA Growth (QoQ)	%	5.3	-15.9	3.9
Finance Cost	INR m	39,773	51,949	8,210
PAT	INR m	9,414	-73,191	35,010
PAT Margins	%	3.5	-80.0	19.5
Pat Growth (QoQ)	%	-37.7	4.2	4.2
Operating Matrix				
ARPU	INR	146	104	138
ARPU Growth (QoQ)	%	0.7	-2.8	0.1
Subscriber Base	mn	321	255	441
Net Adds	mn	-0	-12	14
Churn	%	2.8	3.5	1.0
Total Data Volume	mn MB	1,07,71,051	54,97,000	2,03,00,000
Total Voice Traffic (MoN)	mn Mins	10,02,263	5,03,057	10,60,000
Wireless Broadband Subscribers	mn	194	121	437
Wireless broadband Subscribers Adds	mn	5	-2	14
Active Sub Market Share	%	34.9	24.5	34.6
4G Subscribers	mn	184	113	441
Total Cell Sites	Nos	2,19,310	6,27,788	-
Cell Sites Additions (QoQ)	Nos	2,409	-5,346	-

Source: Company, MOFSL

Financials – Bharti Airtel

Consolidated - Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	9,65,321	9,54,683	8,26,388	8,07,802	8,69,355	10,06,158	11,27,445	12,86,630
Change (%)	4.9	-1.1	-13.4	-2.2	7.6	15.7	12.1	14.1
Total Expenditure	6,25,479	6,01,386	5,25,597	5,50,164	5,09,134	5,52,441	5,85,227	6,54,294
% of Sales	64.8	63.0	63.6	68.1	58.6	54.9	51.9	50.9
EBITDA	3,39,842	3,53,297	3,00,791	2,57,638	3,60,221	4,53,717	5,42,218	6,32,336
Margin (%)	35.2	37.0	36.4	31.9	41.4	45.1	48.1	49.1
Depreciation	1,74,498	1,97,730	1,92,431	2,13,475	2,75,666	2,94,044	3,23,182	3,50,012
EBIT	1,65,344	1,55,567	1,08,360	44,163	84,555	1,59,673	2,19,036	2,82,324
Int. and Finance Charges	69,135	76,974	80,715	95,894	1,35,093	1,50,910	1,67,679	1,50,405
Other Income	10,513	10,336	12,956	5,125	16,090	5,500	40,514	40,514
PBT bef. EO Exp.	1,06,722	88,929	40,601	-46,606	-34,448	14,263	91,871	1,72,433
EO Items	21,741	-11,697	-7,931	29,288	-4,02,344	-1,59,145	305	0
PBT after EO Exp.	1,28,463	77,232	32,670	-17,318	-4,36,792	-1,44,882	92,176	1,72,433
Total Tax	59,533	34,819	10,835	-34,193	-1,23,081	89,325	38,112	69,997
Tax Rate (%)	46.3	45.1	33.2	197.4	28.2	-61.7	41.3	40.6
Profit from discontinued operations					7069.0	110567.0	0.0	0.0
Minority Interest	8,163	4,416	10,845	12,780	15,190	27,195	25,897	49,067
Reported PAT	60,767	37,997	10,990	4,095	-3,21,832	-1,50,835	28,167	53,369
Adjusted PAT	49,101	44,421	13,960	-34,943	-40,744	-7,197	27,988	53,369
Change (%)	-12.0	-9.5	-68.6	-350.3	16.6	-82.3	-488.9	90.7
Margin (%)	5.1	4.7	1.7	-4.3	-4.7	-0.7	2.5	4.1

Consolidated - Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	19,987	19,987	19,987	19,987	27,278	27,460	27,460	27,460
Total Reserves	6,47,706	6,54,576	6,75,357	6,94,235	7,44,170	5,62,067	5,90,234	6,43,604
Net Worth	6,67,693	6,74,563	6,95,344	7,14,222	7,71,448	5,89,527	6,17,694	6,71,064
Minority Interest	54,981	68,750	88,139	1,35,258	2,49,847	2,22,739	2,48,636	2,97,703
Total Loans	10,04,526	10,72,877	11,13,335	12,54,283	11,76,190	16,27,852	15,07,619	12,85,362
Lease liabilities					3,06,091	0	0	0
Deferred Tax Liabilities	-34,226	-16,766	-22,118	-82,556	-2,62,612	-2,22,103	-2,22,103	-2,22,103
Capital Employed	16,92,974	17,99,424	18,74,700	20,21,207	22,40,964	22,18,015	21,51,846	20,32,026
Net Fixed Assets	17,79,948	18,90,736	15,89,357	16,83,662	16,90,165	22,92,061	23,07,467	21,72,056
Right of use assets					2,59,049	0	0	0
Total Investments	1,19,671	1,81,552	1,80,406	1,76,044	2,78,185	3,29,306	2,88,525	2,88,525
Curr. Assets, Loans&Adv.	3,10,876	2,34,170	3,26,564	3,81,895	7,24,067	6,16,808	5,91,521	6,39,086
Inventory	1,692	488	693	884	1,569	0	1,758	248
Account Receivables	55,039	47,402	58,830	43,006	46,058	36,377	37,756	39,794
Cash and Bank Balance	37,087	12,817	47,886	62,121	1,35,507	80,859	32,036	59,095
Loans and Advances	2,17,058	1,73,462	2,19,155	2,75,884	5,40,933	4,99,572	5,19,970	5,39,949
Curr. Liability & Prov.	5,17,520	5,07,034	6,01,786	6,41,389	10,96,666	10,20,160	10,35,668	10,67,641
Account Payables	5,07,838	4,97,348	5,77,285	6,21,206	6,20,540	10,20,160	10,35,668	10,67,641
Provisions	9,682	9,686	24,501	20,183	4,76,126	0	0	0
Net Current Assets	-2,06,645	-2,72,865	-2,75,222	-2,59,494	-3,72,599	-4,03,352	-4,44,147	-4,28,555
Appl. of Funds	16,92,974	17,99,424	18,74,700	20,21,207	22,40,964	22,18,015	21,51,846	20,32,025

Financials – Bharti Airtel

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)								
EPS	12.3	11.1	3.5	-8.7	-7.5	-1.3	5.1	9.7
Cash EPS	55.9	60.6	51.6	44.7	43.1	52.2	63.9	73.4
BV/Share	168.8	168.8	173.9	178.7	141.4	107.3	112.5	122.2
DPS	1.4	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	10.8	12.7	43.8	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	50.5	55.8	177.7	-71.0	-83.1	-473.5	121.7	63.8
Cash P/E	11.1	10.2	12.0	13.9	14.4	11.9	9.7	8.4
P/BV	3.7	3.7	3.6	3.5	4.4	5.8	5.5	5.1
EV/Sales	3.6	3.7	4.3	4.5	5.4	4.9	4.3	3.6
EV/EBITDA	10.1	10.0	11.8	14.3	13.1	10.9	9.0	7.3
Dividend Yield (%)	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
RoE	7.6	6.6	2.0	-5.0	-5.5	-1.1	4.6	8.3
RoCE	6.1	5.3	4.6	-2.5	3.7	12.8	7.0	9.4
RoIC	6.4	5.4	4.5	-2.6	3.5	14.4	7.1	9.5
Working Capital Ratios								
Asset Turnover (x)	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.6
Debtor (Days)	21	18	26	19	19	13	12	11
Leverage Ratio (x)								
Net Debt/Equity	1.3	1.3	1.3	1.4	1.5	2.5	2.3	1.4

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	1,28,463	77,233	32,670	-17,318	-4,28,465	-31,184	92,176	1,72,433
Depreciation	1,74,498	1,97,730	1,92,431	2,13,475	2,76,896	2,97,092	3,23,182	3,50,012
Interest & Finance Charges	85,461	95,466	93,255	1,10,134	1,37,261	1,49,304	1,67,679	1,50,405
Direct Taxes Paid	-46,836	-31,587	-13,723	-11,706	-22,937	-22,328	-38,112	-69,997
(Inc)/Dec in WC	-3,955	-27,429	5,906	-55,374	-1,65,964	30,433	-8,028	11,467
CF from Operations	3,37,631	3,11,413	3,10,539	2,39,211	-2,03,209	4,23,317	5,36,897	6,14,320
Others	-58,208	-19,104	-12,001	-38,509	3,84,496	58,732	0	0
CF from Operating incl EO	2,79,423	2,92,309	2,98,538	2,00,702	1,81,287	4,82,049	5,36,897	6,14,320
(Inc)/Dec in FA	-2,70,967	-3,84,045	-2,67,262	-3,05,270	-2,21,275	-3,34,379	-3,38,588	-2,14,600
Free Cash Flow	8,456	-91,736	31,276	-1,04,568	-39,988	1,47,670	1,98,309	3,99,720
(Pur)/Sale of Investments	68,115	-817	-33,322	924	-88,392	38,126	40,781	0
Others	60,595	69,308	40,326	19,337	4,748	27,370	0	0
CF from Investments	-1,42,257	-3,15,554	-2,60,258	-2,85,009	-3,04,919	-2,68,883	-2,97,807	-2,14,600
Issue of Shares	984	1,245	21	98,932	4,62,270	7,000	0	0
Inc/(Dec) in Debt	-1,17,833	9,353	40,073	1,05,883	-1,79,553	-1,18,162	-1,20,233	-2,22,256
Interest Paid	-32,890	-58,566	-44,041	-76,171	-1,09,993	-71,294	-1,67,679	-1,50,405
Dividend Paid	-15,304	-9,168	-32,652	-46,617	-18,263	-26,906	0	0
Others	46,925	52,866	56,085	12,611	36,983	-39,741	0	0
CF from Fin. Activity	-1,18,118	-4,270	19,486	94,638	1,91,444	-2,49,103	-2,87,912	-3,72,662
Inc/Dec of Cash	19,048	-27,515	57,766	10,331	67,812	-35,937	-48,822	27,059
Opening Balance	-1,413	17,635	-9,880	41,309	53,793	1,30,539	90,630	41,807
Closing Balance	17,635	-9,880	41,309	53,793	1,30,539	90,630	41,807	68,866
Less :- Bank overdraft	-19,452	-22,697	-6,577	-8,328	-4,968	9,771	9,771	9,771
Net Closing Balance	37,087	12,817	47,886	62,121	1,35,507	80,859	32,036	59,095

Financials – VII

Consolidated - Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	3,59,494	3,55,758	2,82,789	3,70,925	4,49,575	4,19,522	3,78,580	4,30,623
Change (%)	13.9	-1.0	-20.5	31.2	21.2	-6.7	-9.8	13.7
Total Expenditure	2,39,818	2,52,995	2,22,314	3,30,495	3,00,450	2,50,065	2,18,340	2,32,290
% of Sales	66.7	71.1	78.6	89.1	66.8	59.6	57.7	53.9
EBITDA	1,19,676	1,02,763	60,475	40,430	1,49,125	1,69,457	1,60,240	1,98,333
Margin (%)	33.3	28.9	21.4	10.9	33.2	40.4	42.3	46.1
Depreciation	62,561	78,272	84,091	1,45,356	2,43,564	2,36,385	2,42,394	2,56,445
EBIT	57,115	24,491	-23,616	-1,04,926	-94,439	-66,928	-82,154	-58,112
Int. and Finance Charges	18,831	37,342	44,600	87,317	1,43,527	1,78,239	2,07,796	2,56,614
PBT bef. EO Exp.	38,284	-12,851	-68,216	-1,92,243	-2,37,966	-2,45,167	-2,89,950	-3,14,725
Share of profits of associates	4,217	4,218	3,224	1,968	3,553	2,314	21	22
EO Items	0	0	0	-8,521	3,83,557	1,99,681	-1,779	0
PBT after EO Exp.	42,501	-8,633	-64,992	-1,81,754	-6,17,970	-4,42,534	-2,88,150	-3,14,703
Total Tax	15,220	-4,636	-23,310	-35,715	1,20,811	-203	20	0
Tax Rate (%)	35.8	53.7	35.9	19.7	-19.5	0.0	0.0	0.0
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	27,281	-3,997	-41,682	-1,46,039	-7,38,781	-4,42,331	-2,88,170	-3,14,703
Adjusted PAT	24,574	-3,997	-41,682	-1,61,482	-2,17,269	-2,42,650	-2,89,949	-3,14,703
Change (%)	-14.6	-114.7	942.8	250.4	34.5	11.7	19.5	8.5
Margin (%)	7.6	-1.1	-14.7	-43.5	-48.3	-57.8	-76.6	-73.1

Consolidated - Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	36,005	36,053	43,593	87,356	2,87,354	2,87,354	2,87,354	2,87,354
Total Reserves	1,99,501	2,11,269	2,29,031	5,08,992	-2,27,555	-6,69,634	-9,57,804	-12,72,507
Net Worth	2,35,506	2,47,322	2,72,624	5,96,348	59,799	-3,82,280	-6,70,450	-9,85,153
Total Loans	4,05,413	5,50,545	5,79,851	10,85,236	11,05,883	16,59,627	17,90,088	20,11,594
Deferred Tax Liabilities	19,539	13,218	-11,393	-1,02,914	18	-1	-1	-1
Capital Employed	6,60,458	8,11,085	8,41,082	15,78,670	11,65,700	12,77,346	11,19,637	10,26,441
Gross Block	7,13,532	9,06,838	10,20,216	21,46,679	24,70,643	25,23,567	26,30,886	27,80,886
Less: Accum. Deprn.	61,692	1,39,267	2,23,358	3,68,714	6,12,278	8,48,663	10,91,058	13,47,503
Net Fixed Assets	6,51,840	7,67,571	7,96,858	17,77,965	18,58,365	16,74,904	15,39,828	14,33,384
Goodwill on Consolidation	61	61	61	36	0	0	0	0
Capital WIP	60,397	75,351	35,853	51,030	11,381	6,059	6,059	6,059
Total Investments	34,709	63,783	72,905	82,386	19,792	41	41	41
Curr. Assets, Loans&Adv.	54,247	59,912	66,069	2,82,193	3,79,638	3,53,779	3,32,432	3,45,979
Inventory	1,065	588	367	42	25	6	14	16
Account Receivables	11,424	13,139	8,874	33,000	30,943	25,070	11,311	12,867
Cash and Bank Balance	7,691	827	291	9,908	26,630	22,165	13,019	2,282
Loans and Advances	34,067	45,358	56,537	2,39,243	3,22,040	3,06,538	3,08,088	3,30,814
Curr. Liability & Prov.	1,40,798	1,55,592	1,30,664	6,14,940	11,03,476	7,57,437	7,58,723	7,59,020
Account Payables	1,36,418	1,51,551	1,27,333	6,11,094	10,99,562	7,56,563	7,56,563	7,56,563
Provisions	4,380	4,041	3,331	3,846	3,914	874	2,160	2,457
Net Current Assets	-86,550	-95,681	-64,595	-3,32,747	-7,23,838	-4,03,658	-4,26,292	-4,13,043
Appl. of Funds	6,60,458	8,11,085	8,41,082	15,78,670	11,65,700	12,77,346	11,19,637	10,26,441

Financials – VIL

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)								
EPS	6.8	-1.1	-9.6	-18.5	-7.6	-8.4	-10.1	-11.0
Cash EPS	24.2	20.6	9.7	-1.8	0.9	-0.2	-1.7	-2.0
BV/Share	65.4	68.6	62.5	68.3	2.1	-13.3	-23.3	-34.3
DPS	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	1.3	-8.2	-1.0	-0.5	-1.2	-1.1	-0.9	-0.8
Cash P/E	0.4	0.4	0.9	-4.9	9.9	-41.7	-5.5	-4.5
P/BV	0.1	0.1	0.1	0.1	4.4	-0.7	-0.4	-0.3
EV/Sales	1.2	1.6	2.2	3.1	3.0	4.5	5.4	5.3
EV/EBITDA	3.3	5.0	9.0	26.5	8.9	11.2	12.7	11.4
Dividend Yield (%)	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
RoE	10.6	-1.7	-16.0	-37.2	-66.2	150.5	55.1	38.0
RoCE	6.4	1.6	-1.8	-6.7	-7.9	-5.5	-6.9	-5.4
RoIC	8.2	1.8	-2.2	-7.8	-8.9	-5.7	-7.0	-5.5
Working Capital Ratios								
Fixed Asset Turnover (x)	0.5	0.4	0.3	0.2	0.2	0.2	0.1	0.2
Asset Turnover (x)	0.5	0.4	0.3	0.2	0.4	0.3	0.3	0.4
Inventory (Days)	1	1	0	0	0	0	0	0
Debtor (Days)	12	13	11	32	25	22	11	11
Leverage Ratio (x)								
Current Ratio	0.4	0.4	0.5	0.5	0.3	0.5	0.4	0.5
Interest Cover Ratio	3.0	0.7	-0.5	-1.2	-0.7	-0.4	-0.4	-0.2
Net Debt/Equity	1.5	2.0	1.9	1.7	17.7	-4.3	-2.7	-2.0

Consolidated - Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
(INR m)								
OP/(Loss) before Tax	42,501	-8,632	-41,682	-1,81,754	-6,17,970	-4,42,534	-2,88,170	-3,14,703
Depreciation	62,561	78,272	84,091	1,45,356	2,43,564	2,36,385	2,42,394	2,56,445
Interest & Finance Charges	20,685	39,736	44,600	88,114	1,43,662	1,78,345	2,07,796	2,56,614
Direct Taxes Paid	-8,611	-6,808	0	2,795	24,064	7,903	0	0
(Inc)/Dec in WC	-3,980	6,960	-23,102	28,030	-92,455	-14,445	13,488	-23,986
CF from Operations	1,13,155	1,09,527	63,907	82,541	-2,99,135	-34,346	1,75,508	1,74,370
Others	-3,669	-4,154	-10,583	-29,063	3,72,410	1,90,743	0	0
CF from Operating incl EO	1,09,486	1,05,373	53,324	53,478	73,275	1,56,397	1,75,508	1,74,370
(Inc)/Dec in FA	-1,29,118	-1,26,319	-73,880	-75,860	-78,011	-45,315	-1,07,319	-1,50,000
Free Cash Flow	-19,632	-20,946	-20,556	-22,382	-4,736	1,11,082	68,190	24,370
(Pur)/Sale of Investments	1,03,909	-33,472	-9,122	-3,731	65,423	42,424	0	0
Others	1,318	4,234	-9,715	5,803	-15,310	13,642	0	0
CF from Investments	-23,890	-1,55,557	-92,717	-73,788	-27,898	10,751	-1,07,319	-1,50,000
Issue of Shares	175	-4,453	67,497	0	2,49,164	0	0	0
Inc/(Dec) in Debt	-86,485	84,297	29,306	21,299	-80,826	-43,503	1,30,461	2,21,507
Interest Paid	-4,393	-32,800	-44,600	-50,711	-1,52,585	-28,256	-2,07,796	-2,56,614
Dividend Paid	-2,598	-2,599	0	0	0	0	0	0
Others	0	1	-12,954	56,989	-65,019	-95,555	0	0
CF from Fin. Activity	-93,301	44,445	39,249	27,577	-49,266	-1,67,314	-77,335	-35,107
Inc/Dec of Cash	-7,705	-5,738	-144	7,267	-3,889	-166	-9,146	-10,737
Opening Balance	13,879	6,174	435	291	7,558	3,669	22,165	13,019
Closing Balance	6,174	435	291	7,558	3,669	22,165	13,019	2,282
Other Balances	1,517	392	0	2,350	22,961	0	0	0
Total Balance	7,691	827	291	9,908	26,630	22,165	13,019	2,282

E: MOSL Estimates

Financials – RJio

Consolidated - Income Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	0	202	407	543	699	771	891
Change (%)	-50.0	NA	101.8	33.6	28.7	10.3	15.6
Total Expenditure	0	134	256	327	390	392	452
% of Sales	NA	66.6	62.9	60.3	55.8	50.9	50.7
EBITDA	0	67	151	216	309	378	439
Margin (%)	NA	33.4	37.1	39.7	44.2	49.1	49.3
Depreciation	0	36	64	74	115	131	162
EBIT	0	32	87	142	194	247	277
Int. and Finance Charges	0	20	41	66	38	37	47
Other Income	0	0	0	1	5	2	2
PBT after EO Exp.	0	11	46	76	161	212	232
Total Tax	0	4	16	21	41	54	59
Tax Rate (%)	34.5	34.8	34.9	27.2	25.3	25.4	25.4
Reported PAT	0	7	30	56	120	158	173
Adjusted PAT	0	7	30	56	120	158	173
Change (%)	-70.3	LP	310.0	87.7	116.0	31.4	9.5
Margin (%)	NA	3.6	7.3	10.2	17.2	20.5	19.4

Consolidated - Balance Sheet

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	450	450	450	450	450	450	450
Total Reserves	259	579	-46	1,260	1,380	1,538	1,711
Net Worth	709	1,029	404	1,710	1,830	1,988	2,161
Total Loans	1,244	1,438	1,399	470	300	630	480
Capital Employed	1,953	2,468	1,803	2,179	2,129	2,617	2,640
Gross Block	14	1,595	1,444	1,772	1,965	2,764	2,956
Less: Accum. Deprn.	4	40	104	138	253	424	586
Net Fixed Assets	10	1,555	1,340	1,634	1,712	2,340	2,371
Capital WIP	1,780	700	346	213	170	0	0
Total Investments	9	10	13	25	15	11	11
Curr. Assets, Loans&Adv.	211	272	259	545	604	627	640
Account Receivables	0	9	7	16	14	15	17
Cash and Bank Balance	0	7	4	75	6	27	36
Loans and Advances	210	256	247	454	584	586	587
Curr. Liability & Prov.	56	70	155	238	371	361	381
Account Payables	0	31	33	47	22	21	25
Other Current Liabilities	55	34	121	190	323	325	339
Provisions	1	5	1	1	26	15	17
Net Current Assets	155	202	104	308	233	266	259
Appl. of Funds	1,953	2,468	1,803	2,179	2,129	2,617	2,640

E: MOSL Estimates

Financials – RJio

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)							
EPS	0.0	0.2	0.7	1.2	2.7	3.5	3.8
Cash EPS	0.0	1.0	2.1	2.9	5.2	6.4	7.4
BV/Share	15.7	22.9	9.0	38.0	40.7	44.2	48.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
FCF per share	-9.3	-7.2	-8.3	-7.7	1.5	-6.2	4.5
Return Ratios (%)							
RoE	-0.1	0.8	4.1	5.3	6.8	8.3	8.3
RoCE	0.0	0.9	2.7	5.2	6.9	7.8	7.9
RoIC	-0.2	2.1	3.5	6.2	7.6	8.2	8.0
Working Capital Ratios							
Fixed Asset Turnover (x)	0.0	0.1	0.3	0.3	0.4	0.3	0.3
Asset Turnover (x)	0.0	0.1	0.2	0.2	0.3	0.3	0.3
Debtor (Days)	3,650	17	7	11	7	7	7
Creditor (Days)	0	56	29	32	12	10	10
Leverage Ratio (x)							
Current Ratio	3.8	3.9	1.7	2.3	1.6	1.7	1.7
Interest Cover Ratio	-47.2	1.5	2.1	2.1	5.0	6.7	5.9
Net Debt/Equity	1.7	1.4	3.4	0.2	0.2	0.3	0.2

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	0	11	46	76	161	212	232
Depreciation	0	36	64	74	115	131	162
Interest & Finance Charges	0	20	41	66	38	37	47
Direct Taxes Paid	0	-2	-10	-12	-1	-54	-59
(Inc)/Dec in WC	-34	-29	-75	-40	19	-12	17
CF from Operations	-34	36	66	165	332	314	398
Others	0	0	0	-2	-6	-2	-2
CF from Operating incl EO	-34	36	67	163	326	312	397
(Inc)/Dec in FA	-385	-358	-438	-508	-257	-590	-192
Free Cash Flow	-419	-322	-372	-345	69	-278	205
(Pur)/Sale of Investments	0	-1	0	-9	14	4	0
Others	0	0	-4	-164	0	2	2
CF from Investments	-386	-359	-442	-681	-243	-584	-190
Issue of Eq/Pref.Shares	337	313	0	1,250	0	0	0
Inc/(Dec) in Debt	141	102	460	-538	-120	330	-150
Interest Paid	-58	-85	-92	-103	-23	-37	-47
Dividend Paid	0	0	0	0	0	0	0
Others	0	0	0	-20	-8	0	0
CF from Fin. Activity	420	330	368	588	-152	293	-197
Inc/Dec of Cash	0	7	-7	70	-69	21	9
Opening Balance	0	0	7	0	71	2	23
Closing Balance	0	7	0	71	2	23	32
Other Bank Balance	0	0	4	4	4	4	4
Total balance	0	7	4	75	6	27	36

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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