

# Vodafone Idea

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR15**

**TP: INR15**

**Neutral**

Bloomberg	IDEA IN
Equity Shares (m)	67879
M.Cap.(INRb)/(USDb)	1050.1 / 12.5
52-Week Range (INR)	19 / 8
1, 6, 12 Rel. Per (%)	-2/-6/67
12M Avg Val (INR M)	9667

## Financials & Valuations (INR b)

INR b	FY24	FY25E	FY26E
Net Sales	427	453	525
EBITDA	171	187	227
Adj. PAT	-320	-290	-280
EBITDA Margin (%)	40.2	41.4	43.3
Adj. EPS (INR)	-11.1	-10.1	-9.7
EPS Gr. (%)	9.3	-9.3	-3.7
BV/Sh. (INR)	-32.4	-34.9	-43.6

## Ratios

Net D:E	-2.4	-2.3	-2.0
RoE (%)	NM	NM	NM
RoCE (%)	-3.6	-2.4	-1.0
Payout (%)	0.0	0.0	0.0

## Valuations

EV/EBITDA (x)	19.2	17.9	15.9
P/E (x)	-1.4	-1.5	-1.6
P/B (x)	-0.5	-0.4	-0.4
Div. Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	38.2	48.9	50.4
DII	31.3	34.4	33.9
FII	12.7	2.0	2.3
Others	17.9	14.7	13.4

FII Includes depository receipts

## Revenue down marginally; subscriber loss continues

- Vodafone Idea (VIL) reported a 1%/4% revenue/EBITDA decline sequentially (pre-Ind-AS-116), due to subscriber loss, flat ARPU, and operating deleverage. Overall subscriber loss of 2.5m continued, but data subscribers remained flat.
- The capital raise has led to some respite as the long pending capex and continuous subscriber churn were hurting its operating performance. With the fundraising, the capex was directed towards the rollout of 4G and 5G. We broadly retain our estimates and expect revenue/EBITDA (pre-Ind-AS-116) CAGR at 11%/31% over FY24-26. Assuming a 15x EV/EBITDA and a net debt of INR2t, there is limited opportunity for the stock.

## Pre-Ind-AS EBITDA declines 4% sequentially

- VIL's revenue declined 1% QoQ to INR105b (in line), due to a 1% QoQ subscriber loss (2.5m loss). ARPU was flat QoQ at INR146.
- Reported EBITDA declined 3% QoQ to INR42b (in line) and margin contracted 90bp QoQ to 40% due to operating deleverage.
- **Pre-Ind-AS EBITDA declined 4% QoQ to INR21b (in line), and margin contracted 60bp QoQ to 20%.**
- Interest cost includes two exceptions: a) VIL reversed the interest cost of INR2.63b following the Hon'ble Supreme Court's pronouncement of a further judgment regarding the waiver of interest on tax and b) INR6.5b towards reversal of interest accruals towards vendors.
- **Adj. net loss reduced to INR73b from INR77b loss on a QoQ basis.**
- Net debt reduced INR114b to INR1.96t. This included: 1) Spectrum and AGR debt, which accounted for INR2.1b, and b) market debt at INR47b.
- Capex increased to INR7.6b (from INR5.5b in 4Q) and INR18.5b in FY24.

## Highlights from the management commentary

- **Tariff-led revenue growth:** With the current tariff hike, VIL expects a 17% blended price hike in the prepaid category, which could result in revenue growth at 2/3<sup>rd</sup> to 3/4<sup>th</sup> of the hike.
- **Churn rate should reduce:** VIL expects entry-price subscribers would not see SIM consolidation. However, it will closely monitor the BSNL actions and subscriber movements. It expects the churn rate to come down after the next quarter as the capex deployment will commence.
- **Capex guidance intact:** Capex guidance continues to remain in the range of INR500-550b over the next three years, with the majority of the capex to be front-ended. Management is in talks with vendors to deploy hardware/sites and expects the discussion to end by Aug/Sep'24.
- **Tower additions:** Management expects the unique towers to increase to around 210-220k from 183k. There could be some exits in the existing towers, but the 4G towers could reach ~215k (20-25k additions p.a.).

**Valuation and view**

- VIL has experienced a continued rise in ARPU, led by the shift to 4G, higher data monetization, and an increase in minimum recharge vouchers. However, there has been an elevated subscriber churn during this period.
- Limited network investments had slowed the customer experience, resulting in subscriber churn. Improvement in network investment may take 2-3 years. With this, the company expects to restrict the subscriber churn and grow its data subscriber base.
- The company expects to invest INR500-550b over the next three years toward expanding 4G coverage, 5G launch, capacity expansion, which holds significant importance.
- However, it still holds a debt of INR2t with an annual installment of INR430b from FY26 onwards. This looks challenging against the 1QFY25 annualized EBITDA (IND-AS 116) of INR80b.
- The significant amount of cash required to service debt leaves limited upside opportunities for equity holders, despite the high operating leverage opportunity from any source of ARPU improvement. We expect the conversion into equity of unpaid installments post-moratorium to start by FY26/27.
- We are factoring in a revenue/EBITDA CAGR of 11/31% over FY24-26E. Assuming 15x EV/EBITDA, coupled with net debt, we derive our TP of INR15. Reduction in AGR liability and restriction in subscriber churn rate could remain the key catalysts for the stock. **We reiterate our Neutral rating on the stock.**

**Consolidated - Quarterly Earnings Model**

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE		Est Var (%)
<b>Revenue</b>	<b>107</b>	<b>107</b>	<b>107</b>	<b>106</b>	<b>105</b>	<b>111</b>	<b>118</b>	<b>120</b>	<b>427</b>	<b>453</b>	<b>106</b>	<b>-0.9</b>
YoY Change (%)	2.4	1.0	0.5	0.7	-1.4	3.1	10.2	12.8	1.1	6.2	0.6	
Total Expenditure	65	64	63	63	63	65	69	69	255	265	64	-1.0
<b>EBITDA</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>43</b>	<b>42</b>	<b>46</b>	<b>49</b>	<b>51</b>	<b>171</b>	<b>187</b>	<b>42</b>	<b>-0.7</b>
YoY Change (%)	-4.0	4.5	4.1	3.0	1.1	6.8	12.6	17.0	1.8	9.5	0.5	
Depreciation	56	57	56	58	54	55	57	59	226	224	59	-8.5
Net Finance Costs	64	65	65	62	53	64	64	64	257	245	63	-17.0
<b>PBT before EO expense</b>	<b>-78</b>	<b>-79</b>	<b>-77</b>	<b>-77</b>	<b>-64</b>	<b>-73</b>	<b>-72</b>	<b>-72</b>	<b>-312</b>	<b>-281</b>	<b>-80</b>	<b>19.4</b>
Extra-Ord expense	0	0	-8	0	0	0	0	0	-8	0	0	
<b>PBT</b>	<b>-78</b>	<b>-79</b>	<b>-70</b>	<b>-77</b>	<b>-64</b>	<b>-73</b>	<b>-72</b>	<b>-72</b>	<b>-304</b>	<b>-281</b>	<b>-80</b>	<b>19.4</b>
Tax	0.0	8.2	0.0	0.1	0.1	0.0	0.0	-0.1	8.3	0.0	0.0	
Rate (%)	0.0	-10.3	0.0	-0.1	-0.1	0.0	0.0	0.1	-2.7	0.0	0.0	
<b>Reported PAT</b>	<b>-78</b>	<b>-87</b>	<b>-70</b>	<b>-77</b>	<b>-64</b>	<b>-73</b>	<b>-72</b>	<b>-72</b>	<b>-312</b>	<b>-281</b>	<b>-80</b>	<b>19.4</b>
<b>Adj PAT</b>	<b>-78</b>	<b>-87</b>	<b>-77</b>	<b>-77</b>	<b>-73</b>	<b>-73</b>	<b>-72</b>	<b>-72</b>	<b>-320</b>	<b>-290</b>	<b>-80</b>	<b>7.9</b>
YoY Change (%)	7.4	15.0	-3.1	20.0	-6.3	-16.4	-7.0	-6.5	9.3	-9.3	24.7	

E: MOFSL Estimates

**Exhibit 1: Debt break-up (INR b)**

Net debt classification	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	QoQ
Spectrum debt	1,166	1,367	1,398	1,307	1,337	1,351	1,382	1,331	1,392	61
Market debt	152	151	132	114	95	79	61	40	47	6
Optionally Convertible Debentures	0	0	0	16	16	16	17	2	2	-
<b>Total debt</b>	<b>1,318</b>	<b>1,517</b>	<b>1,530</b>	<b>1,437</b>	<b>1,449</b>	<b>1,446</b>	<b>1,460</b>	<b>1,373</b>	<b>1,440</b>	<b>67</b>
Cash and equivalents	9	2	2	2	3	1	3	2	182	180
Net Debt excluding AGR	1,309	1,515	1,528	1,435	1,446	1,445	1,456	1,371	1,259	(113)
AGR dues	673	686	699	656	669	682	690	703	703	0
Net debt including AGR	<b>1,982</b>	<b>2,201</b>	<b>2,227</b>	<b>2,090</b>	<b>2,115</b>	<b>2,127</b>	<b>2,147</b>	<b>2,075</b>	<b>1,962</b>	<b>-113</b>

Source: MOFSL, Company

**Operating performance**

- **VIL's subscriber loss (since the last 23 quarters) stood at 2.5m (vs. 2.6m in 4Q; with an average 4m loss in the last eight quarters) to 210.1m**
- Active subs too saw a decline of 5m (vs. average 4m loss in the last eight quarters) to 188.3m. RJio/Airtel added 7.9m/2.3m subscribers on a net basis during the quarter.
- Churn elevated to 4% (vs. 3.9% QoQ). Churn for RJio/Airtel stood at 1.7%/2.8%.
- Data subscribers were flat QoQ at 136.9m (65% of total subscribers).
- 4G subscribers were flat QoQ at 126.7m (60% of total subscribers).
- **ARPU stood flat QoQ to INR146; it has slowed down (vs. +2% in the last eight quarters).**
- Data traffic improved 1% QoQ to 6.1GB. Data usage/subs increased 5% QoQ to 15.4GB.
- MOU (min/sub/month) declined 3% QoQ to 607min. RJio/Airtel's MOU were 974mins/1,128mins.

**Strategic plans**

- **Capex is expected to be in the range of INR500-550b over the next three years, and VIL is in discussion towards debt funding.**
- Following the recent equity raise, VIL is in the process of expanding its 4G coverage and capacity as well as the launch of 5G services.
- Some capex has already been ordered, and it is under execution. We expect ~15% increase in data capacity and an increase in 4G population coverage by ~16m by end-Sep'24.
- It has completely shut down its 3G sites in seven circles and is in the process of shutting down 3G across other circles as well.

**Exhibit 2: Valuation based on FY26E EV/EBITDA**

	Methodology	Driver	Multiple	Fair Value (INRb)	Value/sh (INR)
Consol EBITDA	EV/EBITDA	227	15	3,411	50
Less Net debt				2,364	35
<b>Total Value</b>				<b>1046</b>	<b>15</b>
Shares o/s (b)				67.9	
CMP (INR)					15
<b>Upside (%)</b>					<b>0</b>

Source: MOFSL, Company



## Highlights from the management commentary

### Key takeaways:

#### ■ Subscribers/ARPU:

- VIL expects entry-price subscribers would not see SIM consolidation. However, it will closely monitor the BSNL actions and subscriber movements.
- It expects the churn rate to come down after the next quarter as the capex deployment will commence.
- With the current tariff hike, VIL expects a 17% blended price hike in the prepaid category, which could result in revenue growth at 2/3<sup>rd</sup> to 3/4<sup>th</sup> of the hike. .

#### ■ Capex plans:

- **Capex is under execution and management expects capex to be in range of INR500-550b over the next three years. The majority of the capex will be front ended.**
- VIL is in the process of expanding 4G coverage and capacity as well as launch of 5G services.
- Some capex has already been ordered and under execution and expect ~15% increase in data capacity and an increase in 4G population coverage by ~16m by end Sep'24.
- Management is in talks with vendors to deploy hardware/sites and expects the discussion to end by Aug/Sep'24.

#### ■ Debt raise: In discussions with a consortium of banks to raise up to INR250b and additional non-fund based facilities of up to INR100b.

#### ■ Shutting down 3G:

- It is completely shutting down 3G sites in seven circles (including Haryana in 1Q) and in the process of shutting down 3G across other circles as well by year end.
- Re-farming from 3G to 4G is already done. The closure of 3G sites is due to equipment's not able to convert to 4G.
- Added 6600 4G sites in 1Q and has deployed ~74,750 TDD sites, ~13,950 Massive MIMO sites and ~13,250 small cells till date.

#### ■ Tower additions: Management expects the unique towers to increase to around 210-220k from 183k. There could be some exits in the existing towers, but the 4G towers could reach ~215k (20-25k additions p.a.).

#### ■ Spectrum: Expanding 900MHz presence in 14 circles at multiple locations, which will improve customer experience and with the recent additional 900 MHz spectrum acquisition company will be able to expand 900MHz band in 16 out of 17 priority circles.

**Exhibit 3: Consolidated performance**

Consolidated P&L (INR m)	1QFY24	4QFY24	1QFY25	YoY%	QoQ%	1QFY25E	v/s est (%)
<b>Revenue</b>	<b>1,06,555</b>	<b>1,06,068</b>	<b>1,05,083</b>	<b>-1.4</b>	<b>-0.9</b>	<b>1,05,987</b>	<b>-0.9</b>
Operating expenses	64,985	62,710	63,036	-3.0	0.5	63,663	-1.0
<b>EBITDA</b>	<b>41,570</b>	<b>43,358</b>	<b>42,047</b>	<b>1.1</b>	<b>-3.0</b>	<b>42,325</b>	<b>-0.7</b>
<i>EBITDA margin (%)</i>	<i>39.0</i>	<i>40.9</i>	<i>40.0</i>	<i>100bps</i>	<i>-86bps</i>	<i>39.9</i>	<i>8bps</i>
<b>EBITDA (pre IND AS 116)</b>	<b>20,200</b>	<b>21,800</b>	<b>21,000</b>	<b>4.0</b>	<b>-3.7</b>	<b>20,767</b>	<b>1.1</b>
<i>EBITDA margin (%) (pre IND AS 116)</i>	<i>19.0</i>	<i>20.6</i>	<i>20.0</i>	<i>103bps</i>	<i>-57bps</i>	<i>19.6</i>	<i>39bps</i>
Depreciation and amortization	56,165	57,513	53,691	-4.4	-6.6	58,663	-8.5
EBIT	-14,595	-14,155	-11,644	-20.2	-17.7	-16,339	28.7
<i>EBIT margin (%)</i>	<i>-13.7</i>	<i>-13.3</i>	<i>-11.1</i>	<i>262bps</i>	<i>226bps</i>	<i>-15.4</i>	<i>433bps</i>
Net Finance Costs	63,769	62,478	52,623	-17.5	-15.8	63,415	-17.0
Share of Associates	-6	-26	1	-116.7	-103.8	-27	-103.8
<b>Profit before Tax</b>	<b>-78,370</b>	<b>-76,659</b>	<b>-64,266</b>	<b>-18.0</b>	<b>-16.2</b>	<b>-79,780</b>	<b>19.4</b>
Exceptional item (gain)/loss	0	0	0	NM	-	0	-
Tax	30	87	55	83.3	-36.8	0	-
<i>Tax rate (%)</i>	<i>0.0</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-5bps</i>	<i>3bps</i>	<i>0.0</i>	<i>-9bps</i>
<b>Profit after Tax</b>	<b>-78,400</b>	<b>-76,746</b>	<b>-64,321</b>	<b>-18.0</b>	<b>-16.2</b>	<b>-79,780</b>	<b>19.4</b>
<b>Adj. Profit after Tax</b>	<b>-78,400</b>	<b>-76,746</b>	<b>-73,451</b>	<b>-6.3</b>	<b>-4.3</b>	<b>-79,780</b>	<b>7.9</b>

Source: MOFSL, Company

**Exhibit 4: Key operating metrics**

Key Operating Metrics	1QFY24	4QFY24	1QFY25	YoY%	QoQ%	1QFY25E	v/s est (%)
Subscriber Base (m)	221.4	212.6	210.1	-5.1%	-1.2%	210.6	<b>-0.2</b>
VLR Subscribers (m)	202.7	193.3	188.3	-7.1%	-2.6%		
Net VLR Subscriber (m)	-5.2	-3.4	-5	-3.8%	47.1%		
Pre-paid Subs (%)	89.7%	88.8%	88.5%	-1.3%	-0.3%		
Blended ARPU (INR)	139.0	146.0	146.0	5.0%	0.0%	147.5	<b>-1.0</b>
<b>Voice metrics</b>							
MOU (min/sub/month)	627	627	607	-3.2%	-3.2%	633.3	<b>-4.1</b>
Blended churn	3.90%	3.9%	4.0%	2.6%	2.6%	3.9%	
<b>Data metrics</b>							
Data subs (m)	135.9	137.3	136.9	0.7%	-0.3%		
<i>as a % of overall subs</i>	<i>61.4%</i>	<i>64.6%</i>	<i>65.2%</i>	<i>6.2%</i>	<i>0.9%</i>		
4g subs	122.9	126.4	126.7	3.1%	0.2%		
Total Data traffic (m GB)	6,002	6,049	6,111	1.8%	1.0%		
Data usage/subs (mb)	14,705	14,680	15,414	4.8%	5.0%		
<b>Tower details</b>							
Total Unique Towers (EoP)	1,83,638	1,83,758	1,83,323	-0.2%	-0.2%		
Total Unique Broadband Towers (EoP)	1,70,411	1,70,530	1,70,813	0.2%	0.2%		
Total Broadband sites (3G+4G)	4,42,062	4,30,705	4,17,245	-5.6%	-3.1%		

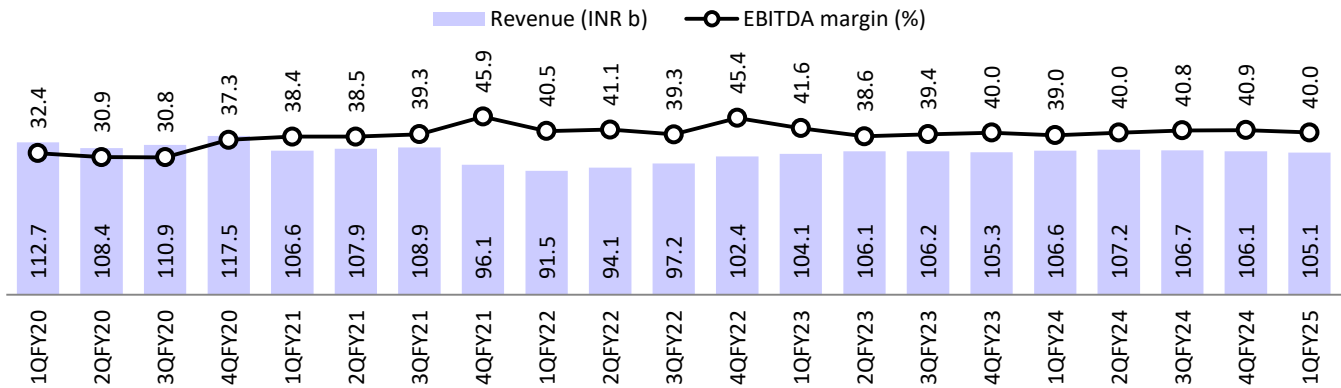
**Exhibit 5: Summary of our estimate revisions**

	FY25E	FY26E
<b>Revenue (INRb)</b>		
Old	457	530
Actual/New	453	525
Change (%)	-1.0	-1.0
<b>EBITDA (INRb)</b>		
Old	192	233
Actual/New	187	227
Change (%)	-2.3	-2.3
<b>EBITDA margin (%)</b>		
Old	42.0	43.9
Actual/New	41.4	43.3
Change (bp)	-57bps	-57bps
<b>Net Profit (INRb)</b>		
Old	-314	-298
Actual/New	-281	-280
Change (%)	10.6	6.2
<b>Adj. EPS (INR)</b>		
Old	-10.9	-10.4
Actual/New	-9.8	-9.7
Change (%)	10.6	6.2

Source: Company, MOFSL

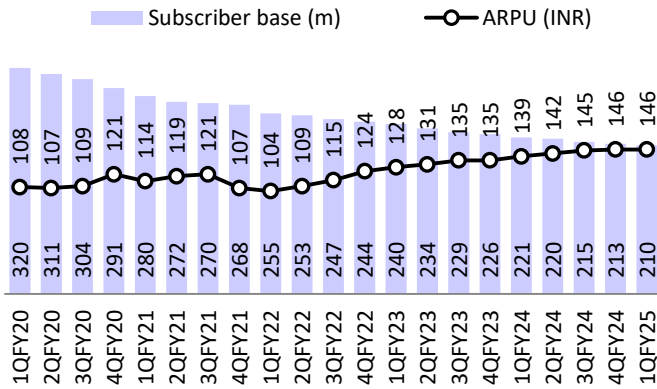
## Story in charts

**Exhibit 6: Revenue declined 1% QoQ led by subscriber loss and flat ARPU**



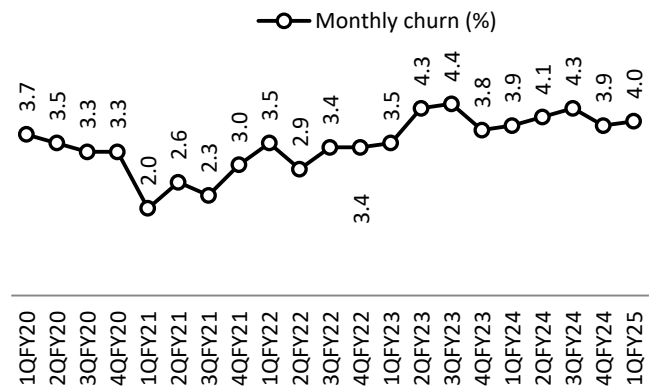
Source: MOFSL, Company

**Exhibit 7: Subs declined, while ARPU remained flat**



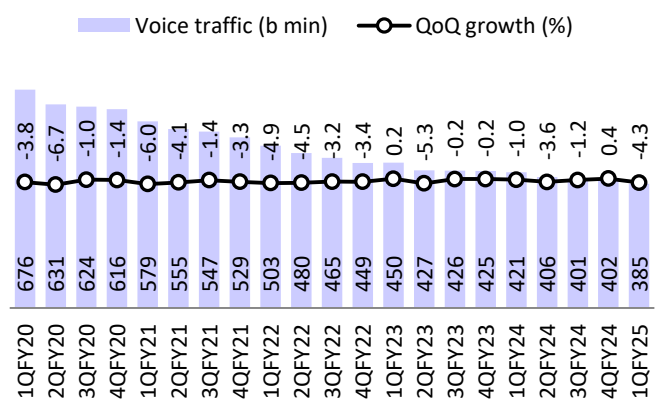
Source Company, MOFSL

**Exhibit 8: Monthly churn remained elevated**

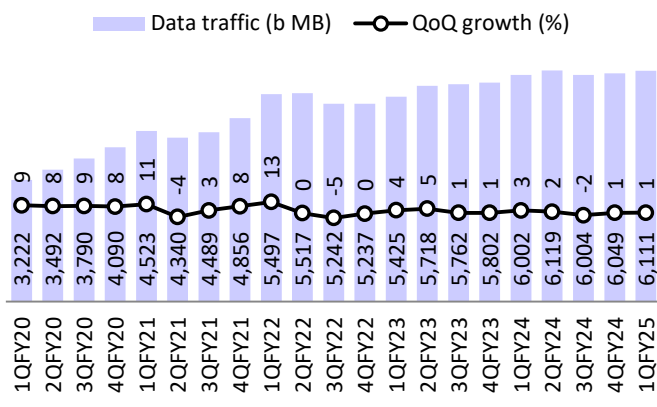


Source Company, MOFSL

**Exhibit 9: Voice traffic declined**



**Exhibit 10: Data traffic increased 1% QoQ**



Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement							(INR b)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>371</b>	<b>450</b>	<b>420</b>	<b>385</b>	<b>422</b>	<b>427</b>	<b>453</b>	<b>525</b>
Change (%)	31.2	21.2	-6.7	-8.2	9.5	1.1	6.2	15.9
<b>Total Expenditure</b>	<b>330</b>	<b>300</b>	<b>250</b>	<b>225</b>	<b>254</b>	<b>255</b>	<b>265</b>	<b>298</b>
% of Sales	89.1	66.8	59.6	58.4	60.1	59.8	58.6	56.7
<b>EBITDA</b>	<b>40</b>	<b>149</b>	<b>169</b>	<b>160</b>	<b>168</b>	<b>171</b>	<b>187</b>	<b>227</b>
Margin (%)	10.9	33.2	40.4	41.6	39.9	40.2	41.4	43.3
Depreciation	145	244	236	236	230	226	224	243
<b>EBIT</b>	<b>-105</b>	<b>-94</b>	<b>-67</b>	<b>-75</b>	<b>-62</b>	<b>-55</b>	<b>-36</b>	<b>-16</b>
Int. and Finance Charges	87	144	178	209	230	257	245	264
<b>PBT bef. EO Exp.</b>	<b>-192</b>	<b>-238</b>	<b>-245</b>	<b>-284</b>	<b>-293</b>	<b>-312</b>	<b>-281</b>	<b>-280</b>
Share of profits of associates	2	4	2	0	0	0	0	0
EO Items	-9	384	200	-2	0	-8	0	0
<b>PBT after EO Exp.</b>	<b>-182</b>	<b>-618</b>	<b>-443</b>	<b>-282</b>	<b>-293</b>	<b>-304</b>	<b>-281</b>	<b>-280</b>
Total Tax	-36	121	0	0	0	8	0	0
Tax Rate (%)	19.7	-19.5	0.0	0.0	0.0	-2.7	0.0	0.0
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>-146</b>	<b>-739</b>	<b>-442</b>	<b>-282</b>	<b>-293</b>	<b>-312</b>	<b>-281</b>	<b>-280</b>
<b>Adjusted PAT</b>	<b>-161</b>	<b>-217</b>	<b>-243</b>	<b>-284</b>	<b>-293</b>	<b>-320</b>	<b>-290</b>	<b>-280</b>
Change (%)	NM	34.5	11.7	17.1	3.1	9.3	-9.3	-3.7
Margin (%)	-43.5	-48.3	-57.8	-73.8	-69.4	-75.0	-64.1	-53.2

Consolidated - Balance Sheet							(INR b)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	87	287	287	321	487	501	679	679
Total Reserves	509	-228	-670	-941	-1,230	-1,543	-1,801	-2,080
<b>Net Worth</b>	<b>596</b>	<b>60</b>	<b>-382</b>	<b>-620</b>	<b>-744</b>	<b>-1,042</b>	<b>-1,122</b>	<b>-1,402</b>
Total Loans	1,085	1,106	1,660	2,138	2,444	2,511	2,742	2,866
Deferred Tax Liabilities	-103	0	0	0	0	0	0	0
<b>Capital Employed</b>	<b>1,579</b>	<b>1,166</b>	<b>1,277</b>	<b>1,518</b>	<b>1,701</b>	<b>1,469</b>	<b>1,620</b>	<b>1,465</b>
Gross Block	2,147	2,471	2,524	2,653	2,878	2,943	3,143	3,343
Less: Accum. Deprn.	369	612	849	1,085	1,315	1,541	1,765	2,009
<b>Net Fixed Assets</b>	<b>1,778</b>	<b>1,858</b>	<b>1,675</b>	<b>1,568</b>	<b>1,563</b>	<b>1,401</b>	<b>1,377</b>	<b>1,334</b>
Goodwill on Consolidation	0	0	0	0	0	0	0	0
Capital WIP	51	11	6	4	179	182	182	182
<b>Total Investments</b>	<b>82</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>282</b>	<b>380</b>	<b>354</b>	<b>368</b>	<b>331</b>	<b>267</b>	<b>441</b>	<b>329</b>
Inventory	0	0	0	0	0	0	0	0
Account Receivables	33	31	25	24	22	22	23	27
Cash and Bank Balance	10	27	22	35	9	5	164	30
Loans and Advances	239	322	307	309	301	239	254	273
<b>Curr. Liability &amp; Prov.</b>	<b>615</b>	<b>1,103</b>	<b>757</b>	<b>422</b>	<b>372</b>	<b>381</b>	<b>381</b>	<b>381</b>
Account Payables	611	1,100	757	422	372	380	380	380
Provisions	4	4	1	1	0	0	0	0
<b>Net Current Assets</b>	<b>-333</b>	<b>-724</b>	<b>-404</b>	<b>-54</b>	<b>-41</b>	<b>-114</b>	<b>61</b>	<b>-51</b>
<b>Appl. of Funds</b>	<b>1,579</b>	<b>1,166</b>	<b>1,277</b>	<b>1,518</b>	<b>1,701</b>	<b>1,469</b>	<b>1,620</b>	<b>1,465</b>



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>-18.5</b>	<b>-7.6</b>	<b>-8.4</b>	<b>-9.9</b>	<b>-10.2</b>	<b>-11.1</b>	<b>-10.1</b>	<b>-9.7</b>
Cash EPS	-1.8	0.9	-0.2	-1.7	-2.2	-3.3	-2.3	-1.3
BV/Share	68.3	2.1	-13.3	-19.3	-23.2	-32.4	-34.9	-43.6
DPS	0.0	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	0.0
<b>Valuation (x)</b>								
P/E	-0.8	-2.0	-1.8	-1.6	-1.5	-1.4	-1.5	-1.6
Cash P/E	-8.4	16.9	-71.0	-9.2	-7.1	-4.7	-6.7	-12.3
P/BV	0.2	7.4	-1.2	-0.8	-0.7	-0.5	-0.4	-0.4
EV/Sales	3.3	3.4	5.0	6.7	7.6	7.7	7.4	6.9
EV/EBITDA	27.9	10.1	12.3	16.2	19.0	19.2	17.9	15.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	-37.2	-66.2	NM	NM	NM	NM	NM	NM
RoCE	-6.7	-7.9	-5.5	-5.4	-3.9	-3.6	-2.4	-1.0
RoIC	-7.8	-8.9	-5.7	-5.5	-4.2	-4.0	-2.9	-1.3
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2
Asset Turnover (x)	0.2	0.4	0.3	0.3	0.2	0.3	0.3	0.4
Inventory (Days)	0	0	0	0	0	0	0	0
Debtor (Days)	32	25	22	23	19	19	19	19
<b>Leverage Ratio (x)</b>								
Current Ratio	0.5	0.3	0.5	0.9	0.9	0.7	1.2	0.9
Interest Cover Ratio	-1.2	-0.7	-0.4	-0.4	-0.3	-0.2	-0.1	-0.1
Net Debt/Equity	1.7	17.7	-4.3	-3.4	-3.3	-2.4	-2.3	-2.0

### Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	-182	-618	-443	-282	-293	-304	-281	-280
Depreciation	145	244	236	236	230	226	224	243
Interest & Finance Charges	88	144	178	209	234	258	245	264
Direct Taxes Paid	3	24	8	15	-13	0	0	0
(Inc)/Dec in WC	28	-92	-14	-3	6	6	-16	-22
<b>CF from Operations</b>	<b>83</b>	<b>-299</b>	<b>-34</b>	<b>174</b>	<b>189</b>	<b>186</b>	<b>171</b>	<b>205</b>
Others	-29	372	191	0	0	0	0	0
<b>CF from Operating incl EO</b>	<b>53</b>	<b>73</b>	<b>156</b>	<b>174</b>	<b>189</b>	<b>186</b>	<b>171</b>	<b>205</b>
(Inc)/Dec in FA	-76	-78	-45	-57	-55	-20	-200	-200
<b>Free Cash Flow</b>	<b>-22</b>	<b>-5</b>	<b>111</b>	<b>117</b>	<b>133</b>	<b>167</b>	<b>-29</b>	<b>5</b>
(Pur)/Sale of Investments	-4	65	42	0	0	0	0	0
Others	6	-15	14	0	1	0	0	0
<b>CF from Investments</b>	<b>-74</b>	<b>-28</b>	<b>11</b>	<b>-57</b>	<b>-54</b>	<b>-19</b>	<b>-200</b>	<b>-200</b>
Issue of Shares	0	249	0	45	4	0	201	0
Inc/(Dec) in Debt	21	-81	-44	-53	-51	-74	131	124
Interest Paid	-51	-153	-28	-28	-21	-29	-145	-264
Others	57	-65	-96	-69	-79	-87	0	0
<b>CF from Fin. Activity</b>	<b>28</b>	<b>-49</b>	<b>-167</b>	<b>-106</b>	<b>-147</b>	<b>-190</b>	<b>187</b>	<b>-139</b>
<b>Inc/Dec of Cash</b>	<b>7</b>	<b>-4</b>	<b>0</b>	<b>11</b>	<b>-12</b>	<b>-23</b>	<b>158</b>	<b>-134</b>
Opening Balance	0	8	4	4	15	2	2	160
<b>Closing Balance</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>15</b>	<b>2</b>	<b>-20</b>	<b>160</b>	<b>26</b>
Other Balances	2	23	19	20	6	26	4	4
<b>Total Balance</b>	<b>10</b>	<b>27</b>	<b>22</b>	<b>35</b>	<b>9</b>	<b>5</b>	<b>164</b>	<b>30</b>

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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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