

**BSE SENSEX**

53,41

**S&P CNX**

15,939

**CMP: INR8,130 TP: INR8,200 (+1%)**
**Neutral**

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### Stock Info

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USD\$b)	192.9 / 2.4
52-Week Range (INR)	8181 / 5308
1, 6, 12 Rel. Per (%)	19/25/37
12M Avg Val (INR M)	158
Free float (%)	25.0

### Financials Snapshot (INR b)

Y/E March	2022	2023E	2024E
Net Sales	44.1	50.5	56.7
EBITDA	7.0	8.1	9.2
Adj. PAT	4.1	4.8	5.4
Adj. EPS (INR)	173.8	202.6	226.1
EPS Gr. (%)	237.6	16.6	11.6
BV/Sh. (INR)	402.4	555.0	731.0

### Ratios

Net D/E (x)	-0.2	-0.3	-0.4
RoE (%)	50.5	42.3	35.2
RoCE (%)	50.1	45.1	36.9
Payout (%)	31.5	24.7	22.1

### Valuations

P/E (x)	46.8	40.1	36.0
P/BV (x)	20.2	14.6	11.1
EV/EBITDA (x)	26.7	22.7	19.8
Div. Yield (%)	0.7	0.6	0.6
FCF Yield (%)	2.8	2.3	2.1

## Well placed to capitalize

In this report, we present key takeaways from BDE's FY22 Annual Report.

### BDE enjoys market leadership in the Air Express segment, continues to focus on the high growth e-commerce space

- BDE enjoys ~54% market share in the organized Air Express segment as of FY21 and has been picking up market share in the Surface Express segment.
- e-commerce is a key vertical for the company and constitutes roughly one-fourth of its revenue. BDE saw strong growth in this segment in FY22.
- The e-commerce market witnessed a surge in growth, with consumers and businesses ordering everything from groceries to consumer durables online. As per a Ken Research report, the Indian e-commerce Logistics industry is expected to grow to INR493b by FY25, at a CAGR of 23.6% over FY20-25.
- BDE provides the most efficient solutions to the e-commerce industry such as enablement of digital payments through 16 digital wallets on courier handheld machines, apart from acceptance of credit and debit cards.
- BDE expects e-commerce to be a key growth driver over the next few years.

### Regular price hikes and improved volumes have ensured strong margin, despite an increase in fuel cost

- BDE runs a dedicated fleet of cargo aircraft between the seven airports that it operates from. Aviation Turbine Fuel (ATF) accounts for ~40% of direct operating costs for an Express Logistics airline.
- Despite a steep rise in ATF prices in FY22, BDE was able to maintain gross margin at 36% in FY22.
- BDE has an internal hedging mechanism, termed as a fuel surcharge mechanism, for passing on the rise or fall in ATF costs to its customers.
- Also, the sharp rise in volumes during FY22 (+30% YoY) has helped BDE to maintain its margin performance.

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

- Technology and digitalization have always helped BDE remain a step ahead of the curve in a highly competitive industry. The company continues to offer contact less deliveries (CLD), which was made possible by activating various digital wallets, net banking, credit and debit cards, UPI, B-QR code, etc.
- **Breakthrough initiatives like delivering Medicine from the Sky:** BDE and its partners supported the 'Medicine from the Sky' initiative. Under this initiative, it leveraged the use of drone flights through the Blue Dart Med-Express consortium to enable pickups and deliveries of mission-critical shipments in the remotest areas of India. These Unmanned Aircraft Systems, or drones, can even handle BDE's specialized Temperature Controlled Shipments with a payload of up to 5kg.

**Alok Deora - Research analyst** (Alok.Deora@motilaloswal.com)

**Dhirendra Patro- Research analyst** (Dhirendra.Patro@motilaloswal.com)

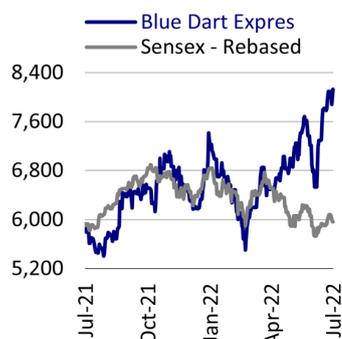
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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	Jun-22	Mar-22	Jun-21
Promoter	75.0	75.0	75.0
DII	9.6	9.5	10.2
FII	3.5	3.3	2.5
Others	11.9	12.2	12.4

FII Includes depository receipts

**Stock's performance (one-year)**

- BDE has enhanced its application programming interface (API) based solutions for its customers. This allows exchange of detailed manifest to ensure an automated and seamless supply chain, from pre-pick up to post-delivery, inclusive of collections.
- The company launched a digital vendor portal that will help initiate paperless transactions for all its vendor partners in FY22.

**Capitalizing on its vast enviable Logistics network**

- BDE has a strong parentage and an enviable network, catering to more than 35,000 locations, with a fleet of six aircraft and more than 12,000 vehicles.
- The company has 2,347 facilities and hubs across India, which help it to service 98% of the 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.
- BDE is looking to add another aircraft in FY23. The robust network built over the years will help it capitalize on the growth opportunity in the Express Logistics space.

**Focus on ESG initiatives**

- The DPDHL Group had set a 30% carbon efficiency improvement target over the base of CY08 by CY20 for all group companies. BDE achieved an efficiency improvement of 31%/34% in CY19/CY21 and has set a 50% carbon efficiency target by CY25.
- BDE is contributing towards a sustainable environment via its GoGreen initiatives by replacing diesel-operated tugs, farm tractors, and its petrol and diesel-driven vehicles with electrically operated vehicles. In FY22, 12 battery-operated tugs and three motorized buggies were deployed for its ground operations teams in Bengaluru, Hyderabad, Delhi, and Chennai.

**Valuation and view**

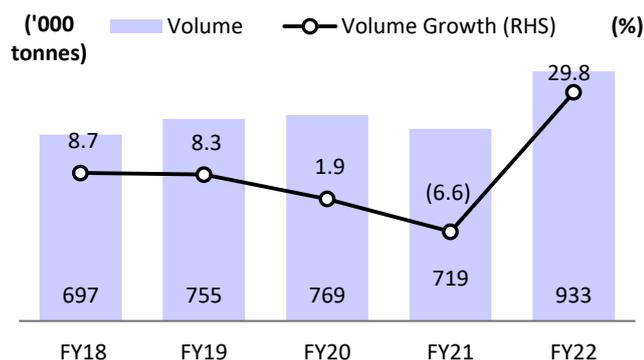
- Despite the extremely challenging past couple of years, BDE has managed to grow revenue through improved volumes and realizations. Through its dedicated aircraft fleet service, its operations were less impacted as compared to pure Road transporters.
- Going forward, we expect margin to stabilize in the 16% range as BDE, with its strong brand image and established clientele, will be able to take the required price hikes to pass on the increase in costs.
- BDE is also looking to increase its contribution from the Ground Express segment from current levels of 30-35%. The growth in Ground Express is expected to be 2x the growth in Air Express due to the cost differential between these services. With decent volume growth and margin, we expect BDE to clock a revenue/EBITDA/PAT CAGR of ~13%/14%/14% over FY22-24. We maintain our Neutral rating, with a TP of INR8,200/share (20x FY24E EV/EBITDA).

## Highlights from the Annual Report

### Volumes saw a stellar rise in FY22

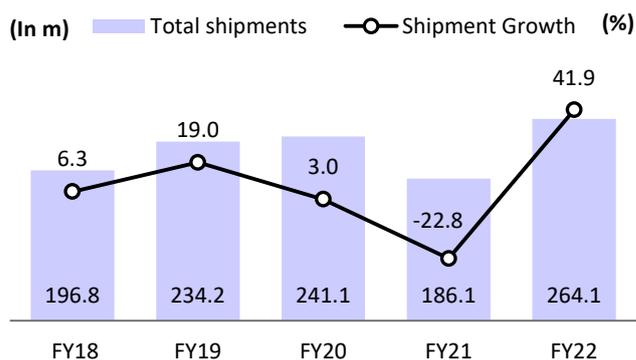
- BDE operates a fleet of six Boeing 757-200 freighter aircraft, offering a payload of over 500t per night.
- It carried over 263.2m/0.9m domestic/international shipments weighing more than 0.9mt in FY22.
- It delivered over 30 shipments every second in FY22.

**Exhibit 1: Volumes grew by 30% YoY in FY22**



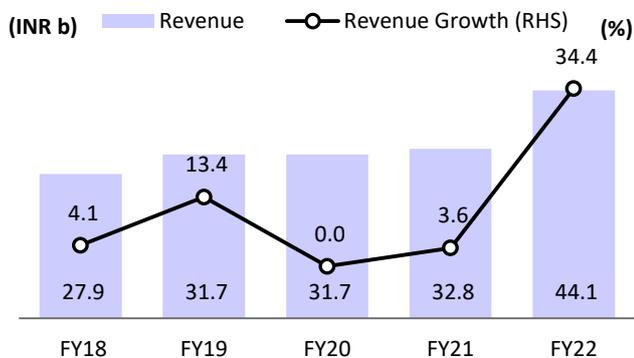
Source: Company, MOFSL

**Exhibit 2: Total shipments carried by BDE grew by 42% YoY**



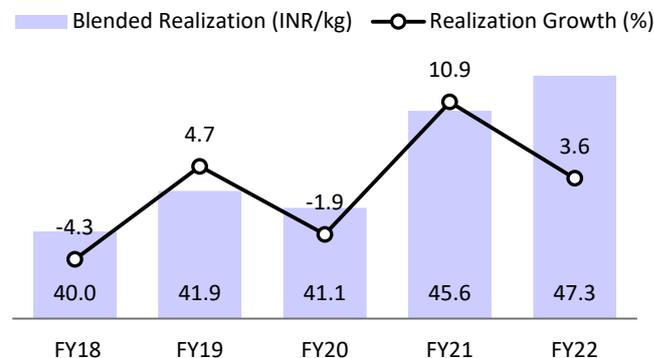
Source: Company, MOFSL

**Exhibit 3: Revenue growth stood at 34% in FY22**



Source: Company, MOFSL

**Exhibit 4: Blended realization grew ~4% YoY in FY22**

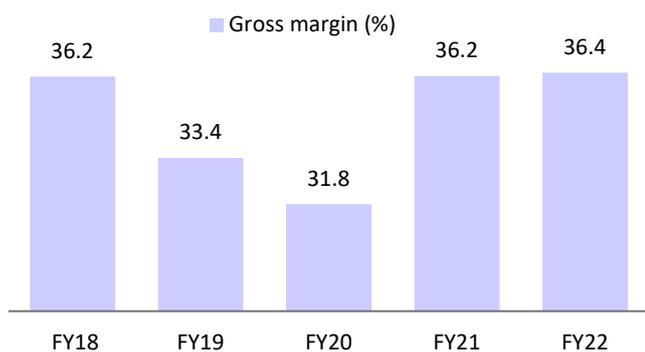


Source: Company, MOFSL

### Gross margin intact, despite a rise in ATF price

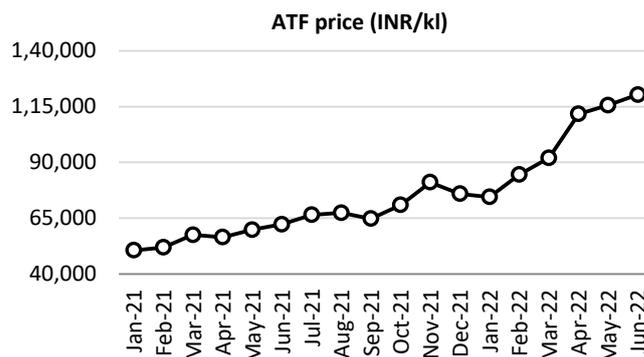
- BDE runs a dedicated fleet of cargo aircraft between the seven airports that it operates from. Any change in global crude oil prices impacts the price of ATF, which has a corresponding impact on aircraft operating cost.
- ATF accounts for ~40% of direct operating costs for an Express Logistics airline. Despite a steep rise in ATF prices in FY22, BDE was able to maintain gross margin at 36% in FY22.
- BDE has an internal hedging mechanism, termed as a fuel surcharge mechanism, for passing on the increase or decrease in ATF costs to its customers.
- It has continued the drive towards cost efficiency through various initiatives such as process improvement, automation, and initiatives geared towards improved capacity utilization.

**Exhibit 5: Maintains gross margin at 36% in FY22**



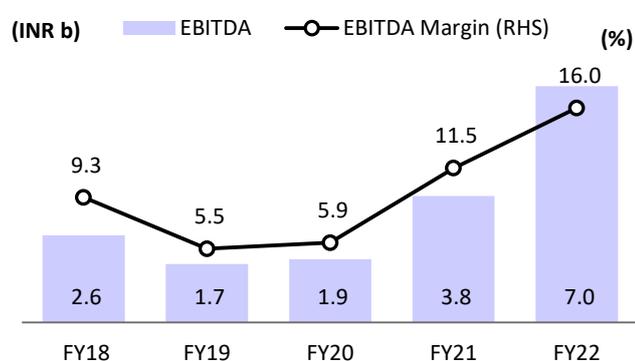
Source: Company, MOFSL

**Exhibit 6: ATF price rises ~60% in FY22**



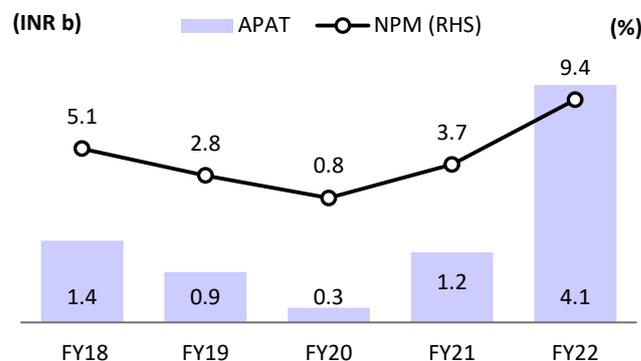
Source: MOFSL

**Exhibit 7: Cost efficiency measures improve EBITDA margin**



Source: Company, MOFSL

**Exhibit 8: PAT to see healthy growth ahead**

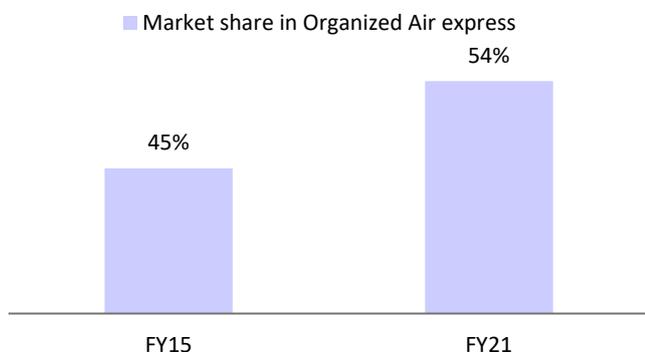


Source: Company, MOFSL

**Market leadership in the B2B Express**

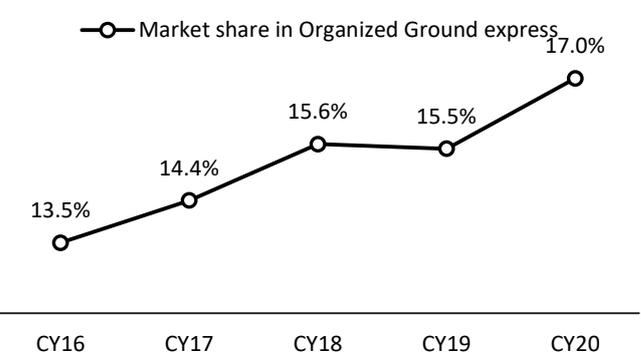
- BDE enjoys ~54% market share in the organized Air Express segment as of FY21. It is well placed to capitalize on the Express business opportunity.
- The Surface segment contributes around one-third of revenue. Surface is growing faster than Air, with higher double-digit growth for Surface v/s greater single-digit growth in the Air segment.

**Exhibit 9: Leadership of BDE in Air Express**



Source: Company, MOFSL

**Exhibit 10: Increasing share in Ground Express**

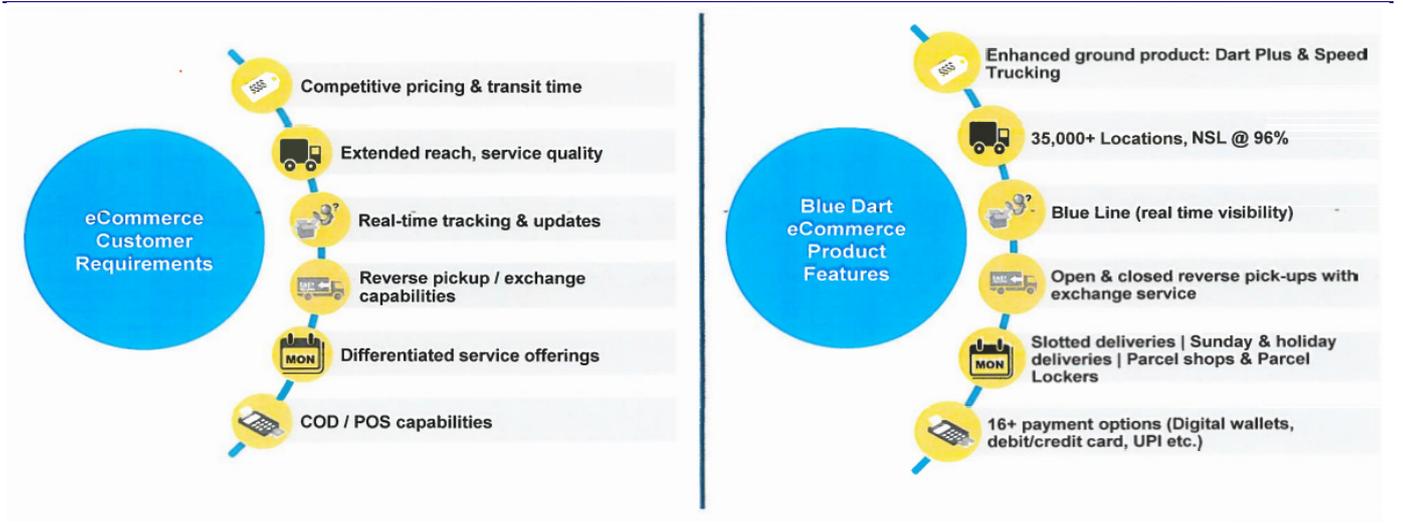


Source: Company, MOFSL

**Catching the e-commerce bus**

- e-commerce is a key vertical for the company and constitutes roughly one-fourth of its revenue.
- The e-commerce market witnessed a surge in growth, with consumers and businesses ordering everything from groceries to consumer durables online. As per a Ken Research report, the Indian e-commerce Logistics industry is expected to grow to INR493b by FY25, at a CAGR of 23.6% over FY20-25.
- BDE provides the most efficient solutions to the e-commerce industry such as enablement of digital payments through 16 digital wallets on courier handheld machines, apart from acceptance of credit and debit cards.

**Exhibit 11: BDE is focusing on the high growth e-commerce segment**

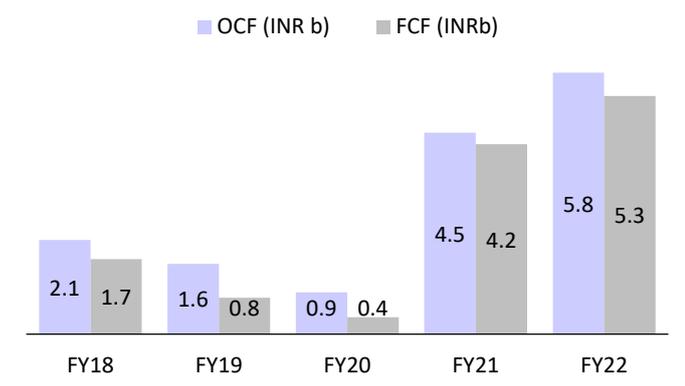


Source: Company, MOFSL

**BDE goes debt free**

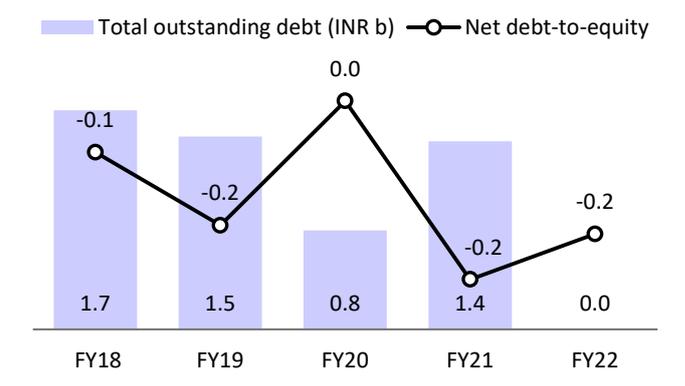
- BDE carried out its treasury process review for efficiency improvement. Based on the review, it carried out: a) renegotiation of interest, b) retirement of external loans, and c) purchase of a high-cost leased asset as a part of its financial transformation initiative.
- Strong operating performance and improved realization from receivables, led to better cash flow generation, with which BDE repaid all its bank borrowings in FY22.

**Exhibit 12: Strong free cash generation...**



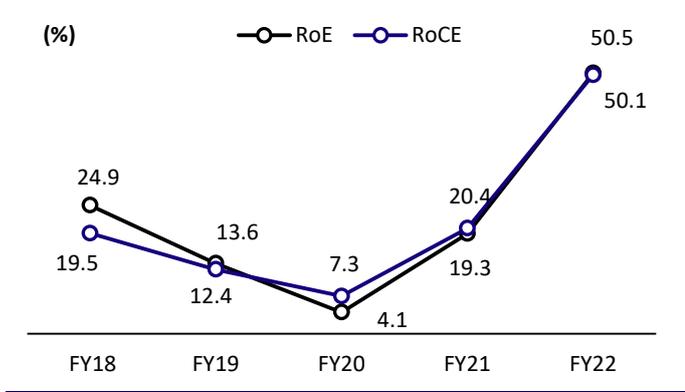
Source: Company, MOFSL

**Exhibit 13: ...led to a repayment of debts in FY22**



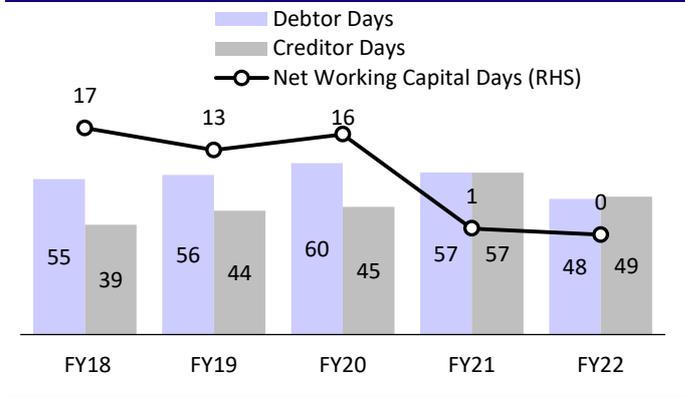
Source: Company, MOFSL

**Exhibit 14: Return ratios remain healthy**



Source: Company, MOFSL

**Exhibit 15: Comfortable working capital position**



Source: Company, MOFSL

**Exhibit 16: DuPont analysis indicates a consistent improvement in asset turnover ratio over FY18-22**

Particulars	FY18	FY19	FY20	FY21	FY22
PAT margin (PAT/net sales)	5.1	2.8	0.8	3.7	9.4
Asset turnover (net sales/average assets)	3.4	4.0	4.4	4.6	5.1
Leverage factor (average assets/average equity)	1.4	1.2	1.1	1.1	1.1
RoE	24.9	13.6	4.1	19.3	50.5

**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 1,09,306t, including charter loads on its network, posting an ‘on time performance’ of 92.96% and ‘technical dispatch reliability’ of 99.41% in FY22.
- It obtained approval for non-scheduled operations to Europe and Africa from the Directorate General of Civil Aviation (DGCA) in FY22 and can now operate charters or non-scheduled flights to Asia, the Middle East, Europe, and Africa.
- BDAL acquired one more B757-200 aircraft, which was on lease from DHL Aviation (Netherlands) BV, taking its total owned aircraft to three (the other three aircraft is still on lease).

**Exhibit 17: Financials of subsidiaries**

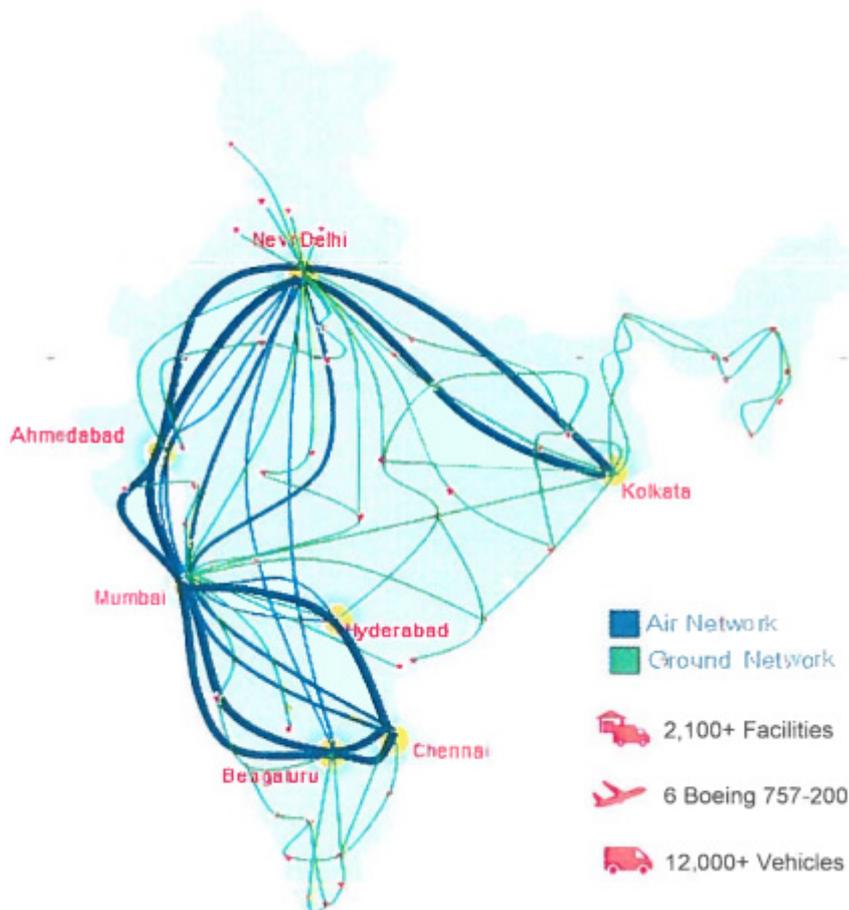
Particulars (INR m)	FY18	FY19	FY20	FY21	FY22
<b>Blue Dart Aviation</b>					
Net worth	496	520	464	518	561
<b>Revenue</b>	<b>6,658</b>	<b>7,521</b>	<b>8,069</b>	<b>7,687</b>	<b>9,414</b>
YoY growth (%)	8.5	13.0	7.3	-4.7	22.5
PBT	52	57	80	87	87
<b>PAT</b>	<b>26</b>	<b>36</b>	<b>-36</b>	<b>54</b>	<b>57</b>
<b>Concorde Air Logistics</b>					
Net worth	50	50	50	51	51
<b>Revenue</b>	<b>46</b>	<b>48</b>	<b>46</b>	<b>43</b>	<b>56</b>
YoY growth (%)	-8.8	5.1	-4.6	-6.8	30.8
PBT	1	1	1	1	1
<b>PAT</b>	<b>1</b>	<b>0</b>	<b>0</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 35,000 locations, with a fleet of six aircraft and more than 12,000 vehicles.
- It has 2,347 facilities and hubs across India, which help it to service 98% of the 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.

**Exhibit 18: Well diversified reach**

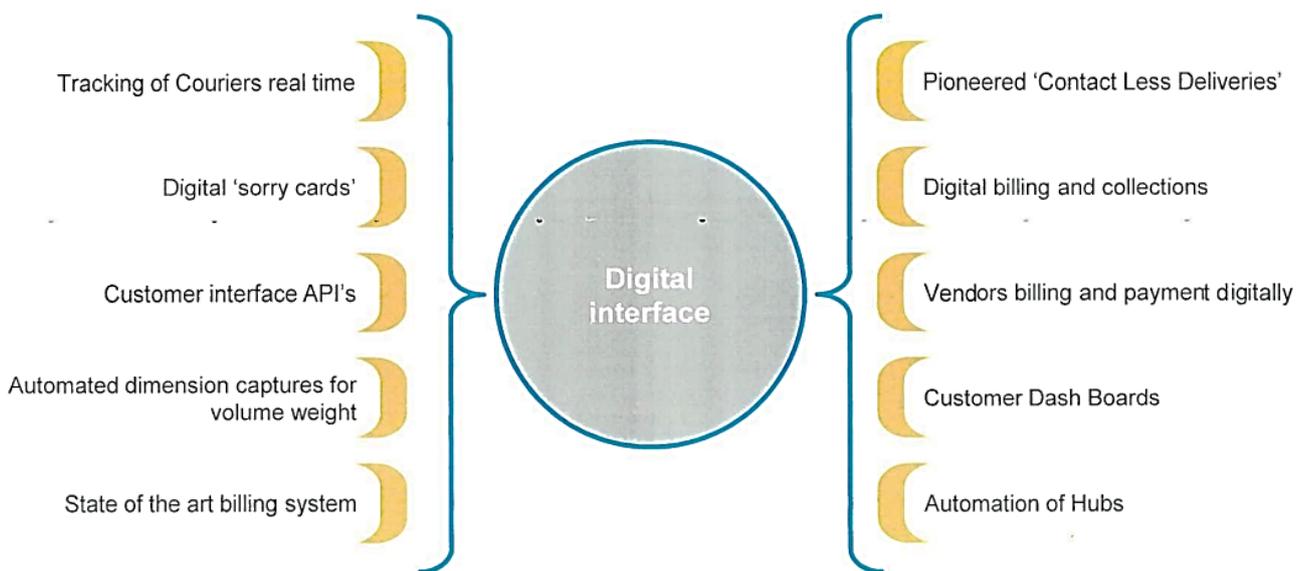


Source: Company, MOFSL

**Technology**

- Technology and digitalization have always helped BDE remain a step ahead of the curve in a highly competitive industry. The company continues to offer CLD, which was made possible by activating various digital wallets, net banking, credit and debit cards, UPI, B-QR code, etc.
- BDE has enhanced its API-based solutions for its customers. This allows exchange of detailed manifest to ensure an automated and seamless supply chain, from pre-pick up to post-delivery, inclusive of collections.
- 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.
- The company launched a digital vendor portal that will help initiate paperless transactions for all its vendor partners in FY22.

**Exhibit 19: Digitalization initiatives to enhance its customer experience**



Source: Company, MOFSL

**Medicine from the Sky**

BDE and its partners were supported by the Government of Telangana, the Ministry of Civil Aviation, the World Economic Forum, and NITI Aayog in its ‘Medicine from the Sky’ initiative. Under this initiative, it leveraged the use of drone flights through the Blue Dart Med-Express consortium to enable pickups and deliveries of mission-critical shipments in the remotest areas of India. The Blue Dart Med-Express consortium conducted drone trials that involved the delivery of vaccines from Vikarabad to the primary health care center in Sidduloor using a multi-rotor drone in Sep’21. These Unmanned Aircraft Systems, or drones, can even handle BDE’s specialized Temperature Controlled Shipments with a payload of up to 5kg.

## ESG initiatives

### Environment

- The DPDHL Group had set a 30% carbon efficiency improvement target over the base of CY08 by CY20 for all group companies. BDE achieved an efficiency improvement of 31%/34% in CY19/CY21 and has set a 50% carbon efficiency target by CY25.
- BDE is contributing towards a sustainable environment via its GoGreen initiatives by replacing diesel-operated tugs, farm tractors, and its petrol and diesel-driven vehicles with electrically operated vehicles. In FY22, 12 battery-operated tugs and three motorized buggies were deployed for its ground operations teams in Bengaluru, Hyderabad, Delhi, and Chennai.

### Social

- BDE's (along with the DPDHL Group) corporate responsibility focus consists of three pillars: 1) 'GoGreen' to protect the environment, 2) 'GoHelp' on disaster management initiatives, and 3) 'GoTeach', which champions educational programs.
- With 'People first' as the philosophy, its talent retention rate in FY21-22 was 93%.

### Governance

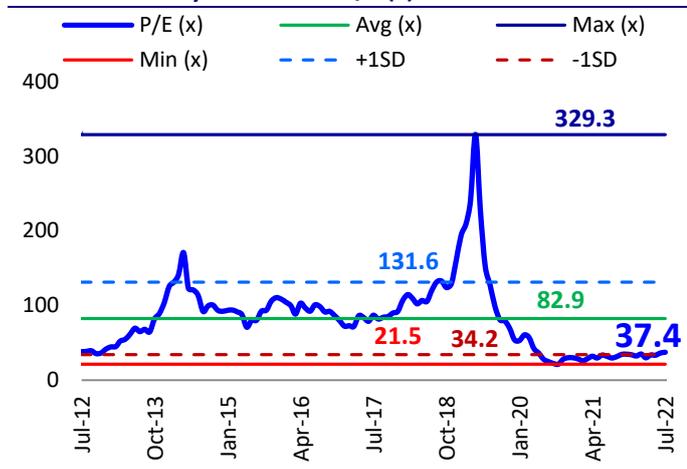
- BDE has incurred INR14.2m towards its CSR obligation for FY22, as per section 135(5) of the Companies Act.
- It paid an interim dividend of INR25 per share and declared a dividend of INR35 per share in FY22.
- In FY22, Mr. Narendra Sarda retired as an independent director with effect from Mar'22 on completion of his second term in office. The board has appointed Mr. Prakash Apte and Ms. Padmini Khare Kaicker as independent directors.
- Mr. Balfour Manuel has been re-appointed as Managing Director with effect from May'22, subject to shareholder approval.
- The existing statutory auditors, M/s S. R. Batliboi & Associates LLP, will retire at the conclusion of the forthcoming Annual General Meeting of the company. Pursuant to the provisions of the Companies Act, CY13 requiring rotation of auditors, the board has appointed M/s. Deloitte Haskins & Sells LLP as statutory auditors for a period of five years commencing from the conclusion of the 28<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting, subject to shareholder approval.

## Valuation and view

- Despite the extremely challenging years of FY21-22, BDE has managed to grow revenue through improved volumes and realizations. Through its dedicated aircraft fleet service, its operations were less impacted as compared to pure Road transporters.
- Margin is likely to stabilize in the 16% range as BDE, with its strong brand image and established clientele, will be able to take the required price hikes to pass on the increase in costs.
- BDE is also looking to increase its contribution from the Ground Express segment from current levels of 30-35%. The growth in Ground Express is

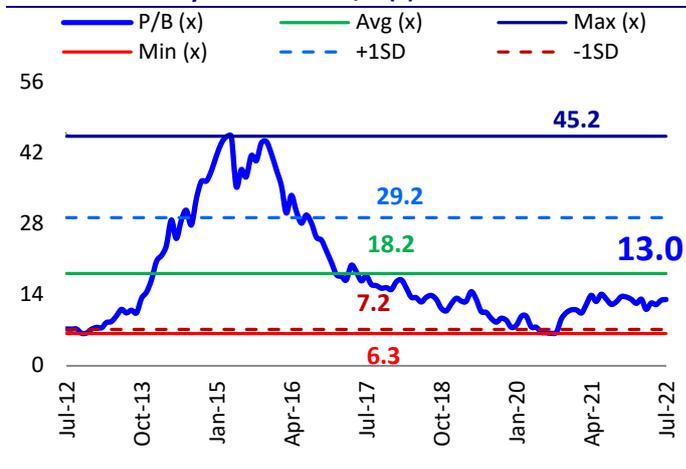
expected to be 2x the growth in Air Express due to the cost differential between these services. With decent volume growth and margin, we expect BDE to clock a revenue/EBITDA/PAT CAGR of ~13%/14%/14% over FY22-24. We maintain our Neutral rating, with a TP of INR8,200/share (20x FY24E EV/EBITDA).

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

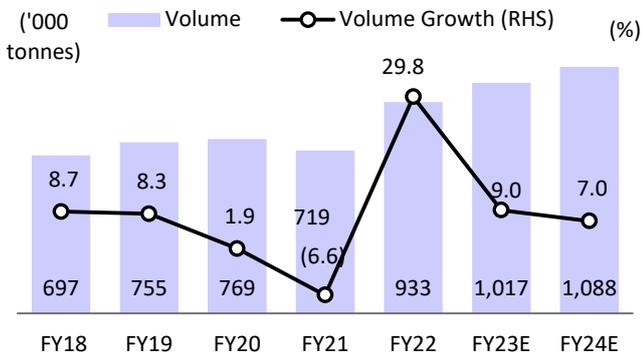
- Air Express continues to face challenges as higher fixed costs remain unchanged and the depreciation of the INR continues to impact maintenance cost.
- The conflict between Russia and Ukraine has raised the price of ATF. It now accounts for ~40% of direct operating costs for an Express Logistics airline.
- Across numerous sectors of the business, the major customers of BDE's air package service (Apex) are shifting heavier shipments to Ground Express as cost pressures across industries push them to focus on cheaper modes of Express transport.
- The cost of operating at major airports has risen significantly post privatization. The problem of insufficient aircraft parking bays, truck docking stations, limited space for Express terminals, and clearance processes is resulting in a delay, thus impacting operating costs.

### Ground Express

- Despite the slowdown in FY21-22, owing to a labor shortage and the cessation of all transport during the COVID-19 pandemic, Ground Express has been the preferred mode of Logistics movement for a multitude of customer segments.
- Ground Express is an economical favorite for both SMEs and MSMEs as well as for e-commerce players, who have a customer base that spans the entire Indian terrain.
- The government is taking active steps like the National Logistics policy, expansion of the national Highways network, and Gati Shakti master plan to propel growth of Ground Express.

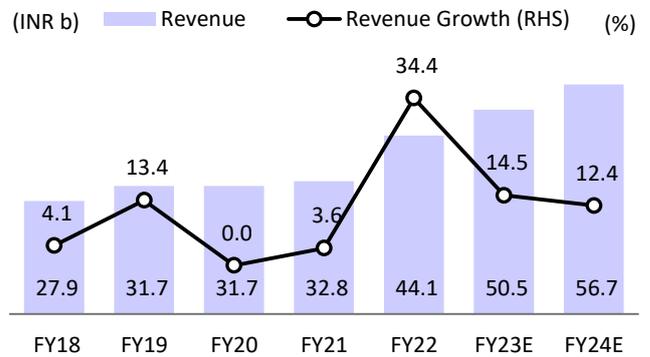
Story in charts

Exhibit 22: Volume growth to remain steady ahead



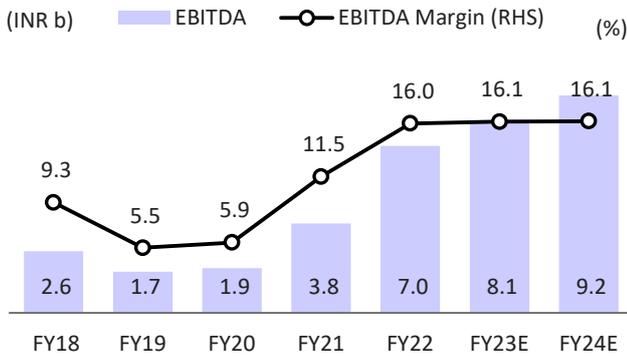
Source: Company, MOFSL

Exhibit 23: Revenue to gain traction going forward



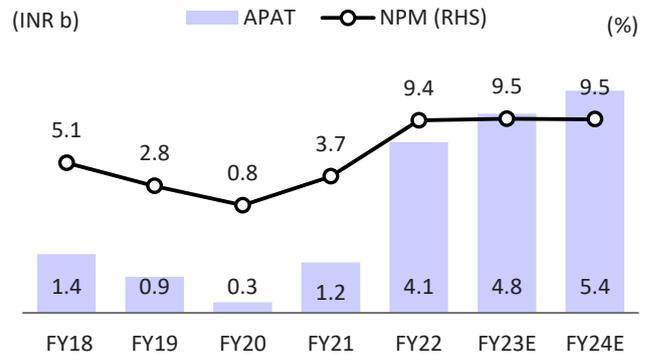
Source: Company, MOFSL

Exhibit 24: Margin to remain ~16% going forward



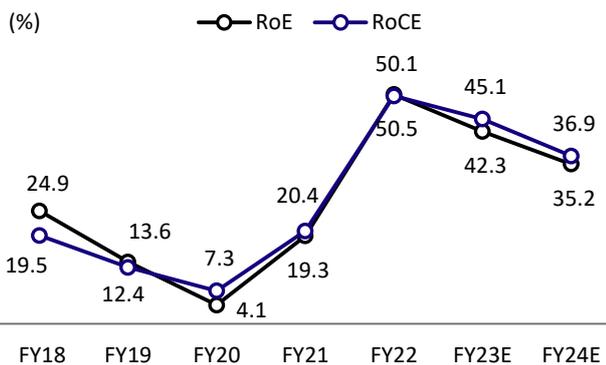
Source: Company, MOFSL

Exhibit 25: PAT to see healthy growth ahead



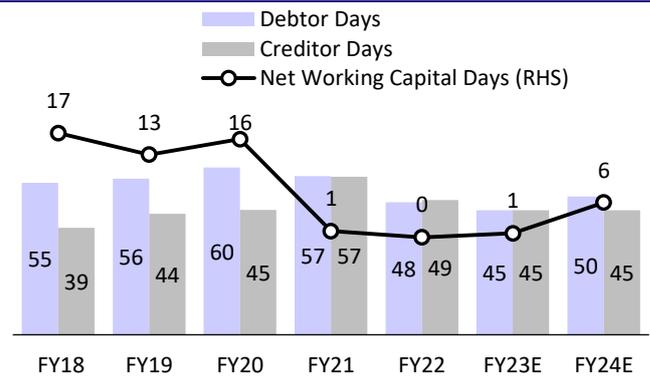
Source: Company, MOFSL

Exhibit 26: Return ratios 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)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>27,909</b>	<b>31,655</b>	<b>31,664</b>	<b>32,797</b>	<b>44,090</b>	<b>50,461</b>	<b>56,693</b>
Change (%)	4.1	13.4	0.0	3.6	34.4	14.5	12.4
Gross Margin (%)	36.2	33.4	31.8	36.2	36.4	36.0	36.0
<b>EBITDA</b>	<b>2,598</b>	<b>1,735</b>	<b>1,878</b>	<b>3,766</b>	<b>7,038</b>	<b>8,130</b>	<b>9,156</b>
Margin (%)	9.3	5.5	5.9	11.5	16.0	16.1	16.1
Depreciation	450	480	1,528	2,007	1,687	1,774	2,089
<b>EBIT</b>	<b>2,148</b>	<b>1,255</b>	<b>350</b>	<b>1,760</b>	<b>5,351</b>	<b>6,356</b>	<b>7,067</b>
Int. and Finance Charges	256	154	321	317	241	228	208
Other Income	225	182	140	127	285	299	314
<b>PBT</b>	<b>2,118</b>	<b>1,284</b>	<b>169</b>	<b>1,569</b>	<b>5,395</b>	<b>6,426</b>	<b>7,172</b>
Tax	697	408	-89	347	1,271	1,619	1,807
Effective Tax Rate (%)	32.9	31.7	NA	26.5	25.2	25.2	25.2
<b>PAT before EO. Items</b>	<b>1,421</b>	<b>876</b>	<b>258</b>	<b>1,222</b>	<b>4,124</b>	<b>4,807</b>	<b>5,365</b>
Extraordinary Items	0	0	641	259	360	0	0
<b>Reported PAT</b>	<b>1,421</b>	<b>876</b>	<b>-383</b>	<b>963</b>	<b>3,764</b>	<b>4,807</b>	<b>5,365</b>
<b>Adjusted PAT</b>	<b>1,421</b>	<b>876</b>	<b>258</b>	<b>1,222</b>	<b>4,124</b>	<b>4,807</b>	<b>5,365</b>
Change (%)	1.8	-38.4	-70.5	373.1	237.6	16.6	11.6
Margin (%)	5.1	2.8	0.8	3.7	9.4	9.5	9.5

### Standalone Balance Sheet

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	238	238	238	238	238	238	238
Total Reserves	5,975	6,410	5,597	6,554	9,311	12,932	17,110
<b>Net Worth</b>	<b>6,213</b>	<b>6,648</b>	<b>5,835</b>	<b>6,792</b>	<b>9,549</b>	<b>13,169</b>	<b>17,348</b>
Deferred Tax Liabilities	-51	-156	-269	-284	-310	-310	-310
Total Loans	1,661	1,462	750	1,425	0	0	0
<b>Capital Employed</b>	<b>7,822</b>	<b>7,954</b>	<b>6,316</b>	<b>7,933</b>	<b>9,239</b>	<b>12,859</b>	<b>17,038</b>
Gross Block	3,858	4,538	7,998	8,071	9,291	10,791	12,791
Less: Accum. Deprn.	1,264	1,685	2,362	3,100	4,786	6,560	8,650
<b>Net Fixed Assets</b>	<b>2,594</b>	<b>2,853</b>	<b>5,636</b>	<b>4,972</b>	<b>4,505</b>	<b>4,231</b>	<b>4,142</b>
Capital WIP	68	76	22	5	1	1	1
<b>Total Investments</b>	<b>1,441</b>	<b>1,441</b>	<b>1,441</b>	<b>2,941</b>	<b>3,515</b>	<b>4,315</b>	<b>5,115</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>8,111</b>	<b>9,179</b>	<b>8,244</b>	<b>10,164</b>	<b>12,005</b>	<b>15,418</b>	<b>19,622</b>
Inventory	45	59	37	58	70	69	78
Account Receivables	4,200	4,890	5,245	5,149	5,788	6,221	7,766
Cash and Bank Balances	2,273	2,670	985	3,077	1,829	4,185	6,226
Loans and Advances	310	119	8	0	2,501	2,862	3,215
Others	1,283	1,442	1,969	1,880	1,818	2,080	2,337
<b>Current Liab. and Prov.</b>	<b>4,391</b>	<b>5,595</b>	<b>9,027</b>	<b>10,149</b>	<b>10,786</b>	<b>11,104</b>	<b>11,842</b>
Account Payables	2,959	3,795	3,911	5,131	5,876	6,221	6,990
Other Current Liabilities	755	924	3,933	3,808	3,680	3,653	3,622
Provisions	677	877	1,183	1,211	1,230	1,230	1,230
<b>Net Current Assets</b>	<b>3,720</b>	<b>3,584</b>	<b>-783</b>	<b>15</b>	<b>1,219</b>	<b>4,313</b>	<b>7,781</b>
<b>Application of Funds</b>	<b>7,822</b>	<b>7,954</b>	<b>6,316</b>	<b>7,933</b>	<b>9,239</b>	<b>12,859</b>	<b>17,038</b>

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>							
EPS	59.9	36.9	10.9	51.5	173.8	202.6	226.1
EPS growth (%)	1.8	-38.4	-70.5	373.1	237.6	16.6	11.6
Cash EPS	78.8	57.1	75.3	136.0	244.9	277.3	314.1
BV/Share	261.8	280.1	245.9	286.2	402.4	555.0	731.0
DPS	12.5	12.5	0.0	15.0	60.0	50.0	50.0
Payout (Incl. Div. Tax, %)	25.2	40.8	0.0	37.0	31.5	24.7	22.1
<b>Valuation (x)</b>							
P/E ratio	135.8	220.2	747.2	157.9	46.8	40.1	36.0
Cash P/E ratio	103.1	142.3	108.0	59.8	33.2	29.3	25.9
EV/EBITDA ratio	73.5	109.7	101.8	50.0	26.7	22.7	19.8
EV/Sales ratio	6.8	6.0	6.0	5.7	4.3	3.7	3.2
P/BV ratio	31.1	29.0	33.1	28.4	20.2	14.6	11.1
Dividend Yield (%)	0.2	0.2	0.0	0.2	0.7	0.6	0.6
<b>Return Ratios (%)</b>							
RoE	24.9	13.6	4.1	19.3	50.5	42.3	35.2
RoCE	19.5	12.4	10.5	20.6	50.1	45.1	36.9
RoIC	33.6	21.9	9.2	47.4	137.9	115.2	105.1
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	7.6	7.5	5.1	4.1	5.1	5.0	4.8
Asset Turnover (x)	3.6	4.0	5.0	4.1	4.8	3.9	3.3
Inventory (Days)	1	1	0	1	1	1	1
Debtors (Days)	55	56	60	57	48	45	50
Creditors (Days)	39	44	45	57	49	45	45
<b>Leverage Ratio (x)</b>							
Net Debt/Equity ratio	-0.1	-0.2	0.0	-0.2	-0.2	-0.3	-0.4

### Standalone Cash Flow Statement

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	2,118	1,284	-472	1,311	5,035	6,426	7,172
Depreciation	450	480	1,678	2,007	1,687	1,774	2,089
Direct Taxes Paid	-719	-655	-551	-276	-1,261	-1,619	-1,807
(Inc.)/Dec. in WC	196	472	77	1,219	360	-539	-1,227
Other Items	54	-11	205	229	6	-70	-105
<b>CF from Operations</b>	<b>2,099</b>	<b>1,570</b>	<b>937</b>	<b>4,489</b>	<b>5,827</b>	<b>5,972</b>	<b>6,122</b>
(Inc.)/Dec. in FA	-424	-756	-558	-258	-517	-1,500	-2,000
<b>Free Cash Flow</b>	<b>1,674</b>	<b>814</b>	<b>379</b>	<b>4,230</b>	<b>5,310</b>	<b>4,472</b>	<b>4,122</b>
Change in Investments	3	4	34	-3,710	-759	-800	-800
Others	373	288	129	25	160	299	314
<b>CF from Investments</b>	<b>-49</b>	<b>-464</b>	<b>-395</b>	<b>-3,944</b>	<b>-1,115</b>	<b>-2,001</b>	<b>-2,486</b>
Inc./(Dec.) in Debt	-1,661	-199	-712	675	-1,425	0	0
Dividends Paid	-428	-358	-358	0	-949	-1,187	-1,187
Others	-256	-154	-1,155	-1,373	-1,334	-428	-408
<b>CF from Fin. Activity</b>	<b>-2,345</b>	<b>-710</b>	<b>-2,225</b>	<b>-698</b>	<b>-3,708</b>	<b>-1,615</b>	<b>-1,595</b>
<b>Inc./(Dec.) in Cash</b>	<b>-296</b>	<b>395</b>	<b>-1,683</b>	<b>-153</b>	<b>1,004</b>	<b>2,356</b>	<b>2,041</b>
Opening Balance (includes Bank Bal.)	2,554	2,273	2,670	985	3,077	1,829	4,185
Inc./(Dec.) in Bank Bal.	14	1	-2	2,245	-2,252	0	0
<b>Closing Balance (includes Bank Bal.)</b>	<b>2,273</b>	<b>2,670</b>	<b>985</b>	<b>3,077</b>	<b>1,829</b>	<b>4,185</b>	<b>6,226</b>

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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