

# INDUS TOWERS

## EQUITY RESEARCH



Rating	
Business	★★★★★
Financials	★★★★★
Valuation	★★★★★
Management	★★★★★



**FIN2RESEARCH**  
Investment Advisor Pvt. Ltd.



**Rating : BUY Company : Indus Tower Limited. Sector : Telecommunication.**

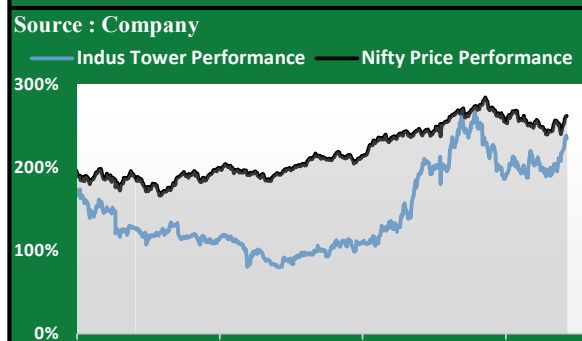
Buy Range : ₹ 375-385	Target : ₹425	Target : ₹475	Potential Upside Upto: 25.00%	Research Report
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Stock Info		
Market Cap (₹ in Cr)	1026891.6	
52-Weeks High/Low	460.35 - 292.00	
Avg Volume	68,28,366	
No. of eq shares (cr)	2694.90	
Face Value	10.00	
Bse Code	534816	
Nse Code	INDUSTOWER	
Free Float (cr)	513035.07	

Source : NSE/BSE		
Particulars	2024	2025
P/E (x)	13.00	8.96
P/B (x)	2.90	3.33
EV/EBITDA (x)	6.63	5.14
P/S (x)	2.74	2.99
EPS	22.40	37.31
ROCE (%)	20.20%	28.76%
ROE (%)	25.07%	33.36%
Interest Coverage	20.29	14.58
Equity/Assets	0.48	0.51

Source : Company		
Particulars	2024	2025
Promoters	69%	50%
Mutual Funds/AIF	7%	14%
Insurance co.	3%	4%
Other DIIs	0%	1%
Govt of India	0%	0%
FII	16%	26%
Retails and Others	5%	5%
Total	100%	100%

Source : NSE/BSE	
Particulars	TTM
P/E	10.16
P/B	3.78
EV/EBITDA	5.71
P/S	3.39
EPS	37.31
P/CF	8.82



**Indus Tower Limited:** Indus Towers Limited is India's leading provider passive telecom infrastructure and it deploys, owns and manages telecom towers and communication structures, for various mobile operators. The Company's portfolio of over 249,305 telecom towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. Indus Towers caters to all wireless telecommunication service providers in India. The Company has been the industry pioneer in adopting green energy initiatives for its operations.

**Key Highlights:** A significant development is the acquisition of 16,000 towers, with approximately 12,700 from Bharti Airtel (including macro sites, ultra lean sites, and cell on wheels) and 3,400 from Bharti Hexacom, a subsidiary of Bharti Airtel. This transaction, finalized and announced in early 2025, is valued at Rs 3,308.7 crore (\$379 million), or \$23,540 per tower, comparable to American Tower's \$32,170 per tower in a previous deal with Brookfield. Post-acquisition, Indus Towers' total sites reach 250,643, bringing it closer to the number two spot globally, behind China Tower. This expansion enhances Indus Towers' leasing capacity, potentially increasing revenue from tower rentals and co-locations, as it caters to all wireless telecommunication service providers in India.

Vodafone Idea, a key tenant of Indus Towers, has announced aggressive network expansion plans, aiming to launch 5G services by March 2025 across 17 priority circles and expand 4G coverage from 1.03 billion to 1.2 billion people. Supported by a \$6.6 billion capex plan, with \$3.6 billion committed to equipment deals with Nokia, Ericsson, and Samsung, the 4G rollout will begin in November 2024. Vodafone Idea plans to add over 60,000 tenancies, positioning Indus Towers to benefit through increased tower leasing and co-location revenues. Indus Towers' CEO, Prachur Sah, expressed confidence in capturing a significant share of these additions, leveraging the company's strong network footprint and execution capabilities.

Indus Towers Limited held its board meeting on April 30, 2025, to consider shareholder enhancement measures such as a bonus issue, share buyback, or dividend. However, no such announcements were made following the meeting. The absence of shareholder rewards, despite earlier expectations, may have influenced investor sentiment. Previously, Indus Towers had declared a dividend of ₹11 per share in May 2022, with no subsequent distributions since then.

Indus Towers is also exploring diversification into new business areas, such as EV charging, with pilots underway to assess technical feasibility. While still in early stages, this could provide additional revenue streams in the future, though its impact on margins is uncertain at this point. The company's focus on green energy initiatives, with over half of its towers being diesel-free, also aligns with sustainability trends, potentially reducing operating costs and improving margins over time.

Bharti Airtel's shareholding increased to just above 50% following a ₹2,640 crore buy-back, making Indus Towers a subsidiary. This was approved by the Competition Commission of India (CCI), potentially leading to better synergies and operational efficiencies.

VIL has continued 100% monthly payments and repaid ₹1,020 crore of past dues, reducing provisions from ₹5,700 crore to ₹3,600 crore, improving Indus Towers' financial health.

The evidence leans toward Indus Towers benefiting from increased tenancy and tower additions, driven by VIL and BSNL's network expansion plans. Combined with strong financials and strategic alignments, this positions the company for higher revenue and improved operating margins.

The company attributed this performance to maintaining a dominant share of major customers' rollouts and significant collections of overdue receivables, particularly from VIL, with a write-back of ₹3,024 crore in provision for doubtful receivables.

Indus Towers reported consolidated revenue of ₹7,727 crore for Q4 FY25, a 7.4% year-on-year increase. Consolidated EBITDA rose 7.1% to ₹4,395 crore, with an EBITDA margin of 56.9%. Net profit declined 4% to ₹1,779 crore. Return on Equity (Post-Tax) improved to 33.4% from 25.1% a year ago, and Return on Capital Employed rose to 29.1% from 19.4%. The quarter benefited from a ₹226 crore write-back of provisions due to improved collections.

**Key Risk :** 1. Indus Towers has been anticipating significant tenancy growth from Vi's network expansion, particularly in 4G and 5G deployments. However, Vi's challenges in raising funds have led to delays in clearing dues to Indus Towers, with a reported ₹60 crore shortfall in collections during Q4 FY24. While Vi has made partial payments, the timing and completeness of these payments remain uncertain.

2. Indus Towers' prudent capex strategy, where telecom towers are only constructed once secured by an anchor tenant under long-term contracts with exit penalties during the lock-in period, carries a potential risk. While this strategy ensures stable revenue and mitigates the risk of underutilized assets, it also limits flexibility in responding to changes in market demand. Any delays in securing tenants or changes in demand could impact the company's ability to efficiently deploy capital and achieve optimal returns on its investments.



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- **BUY** – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 9 months.
- **REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 9 months.
- **SELL** – We expect the stock to deliver negative returns over the next 9 months.
- **NR** – Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- **NA** – Not Available or Not Applicable. The information is not available for display or is not applicable.
- **NM** – Not Meaningful. The information is not meaningful and is therefore excluded.
- **NOTE** – Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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