

Rating matrix		
Rating	:	Buy
Target	:	₹ 1560
Target Period	:	12 months
Potential Upside	:	16%

What's changed?		
Target		Unchanged
EPS FY19E	Changed from ₹ 51.2 to ₹ 49.9	
EPS FY20E	Changed from ₹ 65 to ₹ 62.2	
Rating		Unchanged

Quarterly performance					
	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)
Revenue	1,640.6	1,606.3	2.1	1,639.6	0.1
EBITDA	346.6	285.4	21.4	259.6	33.5
EBITDA (%)	21.1	17.8	336 bps	15.8	529 bps
PAT	293.6	335.7	(12.5)	289.1	1.6

Key financials					
₹ Crore	FY17	FY18E	FY19E	FY20E	
Net Sales	5,980	6,622	7,441	8,723	
EBITDA	1,246	1,499	1,711	2,102	
Net Profit	831	1,009	1,158	1,455	
EPS (₹)	35.0	43.6	49.9	62.2	

Valuation summary				
	FY17	FY18E	FY19E	FY20E
P/E (x)	38.4	30.9	27.0	21.7
Target P/E (x)	44.5	35.7	31.3	25.1
EV / EBITDA (x)	19.7	16.2	14.2	11.4
P / BV (x)	3.0	2.8	2.6	2.5
RONW (%)	9.5	10.8	11.7	13.7
ROCE (%)	9.8	11.4	12.6	14.6

Stock data	
Particular	Amount
Market Capitalisation (₹ Crore)	32,914.1
Total Debt (FY17) (₹ Crore)	82.6
Cash and Investment (FY17) (₹ Crore)	2,032.4
EV (₹ Crore)	30,964.3
52 week H/L	1500\1080
Equity Capital (₹ Crore)	195.0
Face Value (₹)	10.0

Stock Return				
	1M	3M	6M	12M
Blue Dart Exp.	1.0	11.8	-14.9	6.3
Container Corpn.	-1.3	-3.1	14.2	11.8
Gateway Distr.	-4.5	-17.7	0.2	-10.9
Transport Corp.	-5.1	-3.1	13.6	63.5

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Container Corporation (CONCOR) ₹ 1347

FY18 ends with double digit volume growth...

- Revenues grew 12% YoY to ₹ 1559 crore (I-direct estimate: ₹ 1472 crore). While domestic revenues grew 16% YoY to ₹ 380 crore (I-direct estimate: ₹ 325 crore), Exim revenue (excluding SIES income) grew 10% YoY to ₹ 1179 crore (I-direct estimate: ₹ 1148 crore)
- EBITDA margins increased 177 bps YoY to 22.2% (I-direct estimate: 19%), mainly due to lower other expenses. Subsequently, EBITDA grew 21% to ₹ 347 crore (I-direct estimate: ₹ 280 crore)
- Net profit de-grew 12% YoY to ₹ 294 crore (I-direct estimate: ₹ 305 crore) mainly due to lower-than-estimated SEIS income (₹ 82 crore in Q4FY18 vs. ₹ 212 crore in Q4FY17) & lower other income. Lower SEIS income and other income was offset up to a limit by lower tax rate in Q4FY18 (26.1% of adjusted PBT) vs. Q4FY17 (50.7% of adjusted PBT)

Continued capex intensity to maintain infrastructure edge...

Concor has been consistently investing in setting up new infrastructure to capture future growth opportunities. During FY18, the company incurred a capex of ₹ 858 crore and has further guided at a capex between ₹ 800 and ₹ 1000 crore. Concor's network profile includes 79 terminals (mostly rail linked) of which 72 are owned and seven are tie-ups. For FY21, the management has guided a target of 100 terminals (90 owned, 10 tie-ups). The widespread reach remains best in the industry thereby enabling Concor to command an overall market share (Exim, domestic) of 73.5%. Moreover, Concor has further strengthened its market share at JNPT to ~82% in FY18. In terms of rolling stock, it has a large fleet of over 21642 owned/leased containers for domestic traffic. Over the last four years, the company has procured 6560 containers.

New initiatives to support volume growth

The management is keen on continuing to work on FY18 initiatives, along with initiating certain key strategies in FY19. New initiatives include 1) entry into coastal shipping, 2) increased containerised rail cargo to Bangladesh, Nepal, etc. Rise in double stacking is expected to continue in FY19. For FY18, the company ran 2297 double stack train (higher ~97% YoY) while for FY19 the management is confident of increasing the double stacked train by at least 50%. It also plans to retrofit 60 rakes in four to five months to raise its load bearing capacity and double stack. Concor is also on path to acquire 10000 containers (earmarked ₹ 300 crore), which will carry more weight than previously while the company intends to lease nearly 2000 more containers. We continue to believe Concor's exemplary infrastructure and newer initiatives would continue to give it a competitive edge and strengthen its competitive positioning, enabling revenue, volume CAGR of 15%, 12% respectively, in FY18-20E.

Enhancing focus beyond CTO business to capture larger pie of logistics

MMLP operations have started and are expected to contribute meaningfully from FY19. Third party Logistics (3PL) is another thrust area with warehousing, commodity and automotive handling along with private freight terminal (PFTs) expected to buoy revenue growth. We believe Concor, post commencement of these services, would operate on an altogether different business model compared to current CTO focused. Additional triggers like benefits from JNPT phased expansion and efficiencies from dedicated freight corridor (DFC) remain an upside risk to our estimates. We maintain **BUY** with a target price of ₹ 1560, assigning a P/E multiple of 25x FY20E expected EPS of ~₹ 62.

Variance analysis

	Q4FY18	Q4FY18E	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	Comments
Revenue	1,558.7	1,472.5	1,394.8	11.7	1,453.6	7.2	Volume growth remains robust with total volume growth of 19%
Employee Expenses	80.8	73.6	67.0	20.6	99.1	-18.5	
Terminal & other Expenses	914.9	883.5	828.1	10.5	871.6	5.0	
Administrative Expenses	216.4	235.6	214.4	1.0	223.3	-3.1	Includes a beneficial accounting adjustment of ₹ 10 crore with Indian Railways
Total Expense	1,212.1	1,192.7	1,109.4	9.3	1,194.0	1.5	
EBITDA	346.6	279.8	285.4	21.4	259.6	33.5	
EBITDA Margin (%)	22.2	19.0	20.5	177 bps	17.9	437 bps	Increased double stacking operations along with lower admin expenses result in stronger margins
Depreciation	101.0	98.2	89.7	12.7	99.5	1.6	
Interest	0.0	0.0	3.2	NA	0.0	NA	
Other Income	40.9	84.0	59.3	-30.9	72.7	-43.7	
PBT	286.4	265.6	251.8	13.7	232.8	23.1	
Exceptional income/(expenses)	81.9	172.1	211.5	-61.3	186.0	NA	On account of SEIS income
Total Tax	74.7	132.8	127.6	-41.5	129.7	-42.4	
PAT	293.6	305.0	335.7	-12.5	289.1	1.6	

Key Metrics	Q4FY18	Q4FY17	YoY(%)	Q3FY18	QoQ (%)	
EXIM Volume (TEUs)	796,815	665,296	19.8	739,472	7.8	Exim volumes grew for a seventh consecutive quarter
Domestic Volume (TEUs)	154,138	135,624	13.7	127,936	20.5	
Total Volume (TEUs)	950,953	800,920	18.7	867,408	9.6	Total volume growth remained robust
Adjusted EXIM Revenue (₹ crore)	1,179	1,068	10.4	1,133	4.0	
Domestic Revenue (₹ crore)	380	327	16.2	320	18.7	

Source: Company, ICICI Direct Research

Change in estimates

	FY19E					FY20E			
(₹ Crore)	FY17	FY18E	Old	New	% Change	Old	New	% Change	Comments
Revenue	5,979.7	6,622.5	7,377.8	7,440.8	0.9	8,649.8	8,722.5	0.8	
EBITDA	1,245.7	1,498.7	1,660.0	1,711.4	3.1	2,032.7	2,102.1	3.4	
EBITDA Margin (%)	20.8	22.6	22.5	23.0	50 bps	23.5	24.1	60 bps	Margins marginally upgraded in line with the management guidance of greater push to double stack rail cargo
PAT	830.6	1,008.9	1,248.5	1,157.6	-7.3	1,583.6	1,455.0	-8.1	
EPS (₹)	35.0	43.6	51.2	49.9	-2.6	65.0	62.2	-4.3	

Source: Company, ICICI Direct Research

Assumptions

	Unit	FY17	FY18E	Current		Earlier		Comments
				FY19E	FY20E	FY19E	FY20E	
Exim Volume	TEUs	2,635,214	3,001,948	3,302,143	3,758,261	3,267,246	3,718,129	
Domestic Volume	TEUs	458,766	529,952	582,947	665,234	568,198	647,534	
Exim Realisation	₹/TEUs	16,495	15,273	16,180	16,598	16,011	16,422	Exim realisation to be increased by ₹ 1000/TEU from May 15, 2018
Domestic Realisation	₹/TEUs	23,896	24,802	25,958	28,120	27,655	29,958	

Source: Company, ICICI Direct Research

Key takeaways from conference call

- This quarter empty running was high on account of imbalance in traffic between south and north as well as east and north. However, for FY18, empty running costs were at ₹ 243 crore compared to ₹ 279 crore in FY17. Concor's strategy of double-stack and circuit building has helped reduce empty running costs
- In addition to earlier mentioned strategies, Concor has also started moving other cargo that is not booked by Concor. On the one hand, the move is expected to help industry with exports and imports getting cleared faster. However, on the other hand, the move would result in lower empties in selected routes
- Lead distance continues to stay impacted from a shift of traffic (JNPT to Mundra) and to the east coast. For FY18, overall lead distance was at 858 km vs. 917 km in FY17. Expected lead distances would mainly depend on ramp up of volumes at JNPT fourth terminal (PSA). However, the management believes that in the long run, lead distances on the Exim front would moderate to 650-700 km owing to a pick-up in ports along the east coast. However, lead distances on the domestic front would remain at 1400 km
- Currently, MMLP only generates handling income, which directly relates to throughput volumes (Exim, domestic). Concor plans to introduce other activities of handling railway wagons – conventional railway wagons and cargo aggregation distribution to MMLPs. This is expected to lead to a disproportionate rise in handling volumes, revenues and margins in coming years
- For FY18, Concor has recorded an exceptional income of ₹ 268 crore (SEIS) compared to ₹ 212 crore accounted in Q4FY17. Albeit visibility, the company remains uncertain on the timing of its receipt
- On the capex front, the company has earmarked ₹ 800-1000 crore for FY19. The company capex for FY18 was at ₹ 858 crore
- The management has communicated the major theme for FY19, which would include 1) continuing greater volumes double stacking cargo, 2) marking an entry into container transport via coastal shipping route and 3) focusing on increasing rail volumes to Bangladesh, Nepal, etc

Company Analysis

Infrastructure superiority to intensify post completion of capex...

Concor's network of 79 terminals (mostly rail-linked) gives it a commanding position in the industry. Land for its container terminals has been acquired on long-term lease from Indian Railways (IR) while its terminals are strategically located along the key container-transporting corridors. In addition to the same, to strengthen and improve its service levels, Concor's infrastructure consists of 14489 container wagons (BLC+BLL+BFGN+BVZI). The company also leverages additional wagon requirements by leasing additional 7473 wagons. Furthermore, Concor also owns 78 reach stackers and 16 gantry cranes and is in the process of acquiring additional five gantry cranes and six reach stackers. With a fairly large infrastructure base of rolling stock, the company handles ~72.7% i.e. 35 MMT (3 million TEUs) in CY17.

Exhibit 1: Pan-India presence of 64 terminals; new terminals/MMLPs proposed around DFC



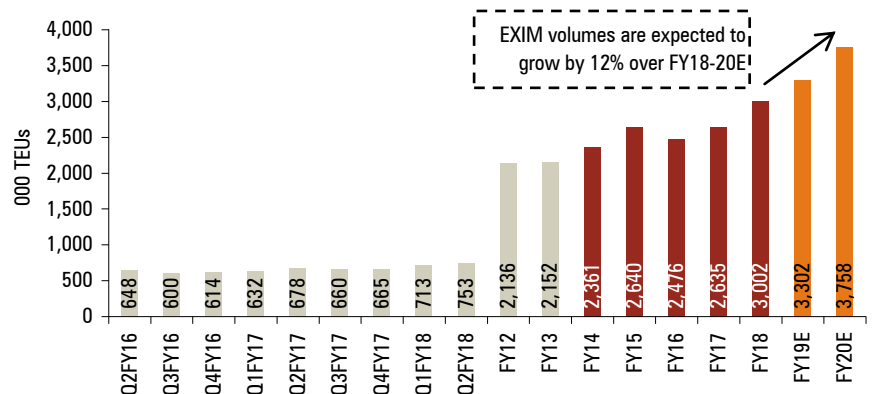
Source: Company, ICICI Direct Research

Concor continues to strengthen its infrastructure competency maintaining annual capex of ₹ 800-1000 crore over the next three to five years. The company has already executed 85% of its capex outlay of ₹ 6000 crore. Majority of the same ~₹ 2700 crore was allocated towards terminal developments for MMLPs, which have been planned across DFC.

Exim volume growth shows traction; consistency remains key...

Exim volumes form ~85% of Concor's total revenues. Exim volumes grew at ~7% CAGR in FY13-18 with FY15 seeing robust growth of ~12% YoY. However, imposition of port congestion charge and a hike in haulage charges resulted in a dampener for Concor's volumes, which de-grew 6% YoY. During the quarter, a variety of Indian rail initiatives like running time tabled freight trains, abolition of port congestion charges resulted in higher rail competitiveness over road. Subsequently, volumes for FY18 grew across four consecutive quarters. Exim volumes for FY18 grew 14% YoY, indicating a reversal. Going ahead, we expect Exim volumes to grow at 12% CAGR in FY18-20E. Newer ports coupled with better efficiency at private ports would support the growth rationale.

Exhibit 2: Exim container volume

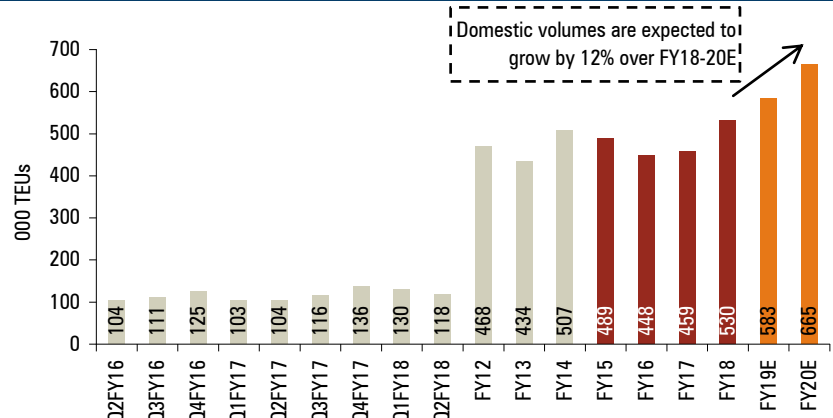


Source: Company, ICICI Direct Research

Domestic volumes continue strong momentum post strong FY18...

Over FY13-18, domestic cargo volumes had been a laggard and grew at a CAGR of 4%. However, FY18 volumes revived with growth of 15% YoY. Decongestion of road and promotion of coastal shipping would enable higher movement of containers via rail. In addition to the same, the lower base is expected to result in 12% CAGR in volumes for domestic containers in FY18-20E. The same is expected to be accompanied by an improvement in handling and inter port transfers.

Exhibit 3: Domestic container volume







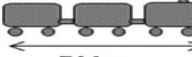









Source: Company, ICICI Direct Research

Dedicated freight corridor to be commissioned by December 2020

Dedicated freight corridors (DFC) proposed by Indian Railways are expected to bring in a significant improvement in the way freight business is carried out. By modifying basic design features, IR is expected to double its existing carrying capacity by withstanding heavier loads at higher speeds. Furthermore, with enlarged infrastructure, the DFC would optimise productive use with upgraded dimensions of rolling stock, which would enable longer and heavier trains to ply on the same. The total project cost is ~₹ 81000 crore, out of which ₹ 13000 crore pertains to land, ₹ 20000 crore relates to interest during construction (IDC) and ₹ 48000 crore towards civil and engineering.

Exhibit 4: Proposed Concor terminals on Western corridor

Feature	Existing	On DFC
Moving Dimensions		
Height	4.265 m 	7.1 m for Western DFC 5.1 m for Eastern DFC 
Width	 3200 mm	 3660 mm
Container Stack	 Single Stack	 Double Stack
Train length	 700 m	 1500 m
Train Load	 4,000 Ton	 15,000 Ton

Feature	Existing	On DFC
Heavier Axle Loads		
Axle Load	22.9t/25t	25 t Bridges & formation designed for 32.5 t
Track Loading Density	 8.67 t/m	 12 t/m
Maximum Speed	 75 Kmph	 100 Kmph
Grade	Up to 1 in 100	1 in 200
Curvature	Up to 10 degree	Up to 2.4 degree
Traction	Electrical(25 KV)	Electrical(25 KV AT Feeding)
Station Spacing	7-10 Km	40 Km
Signaling	Absolute/Automatic with 1 Km spacing	Automatic with 2 Km spacing
Communication	Emergency Sockets/Mobile Train Radio	Mobile Train Radio

Source: Company, ICICI Direct Research

DFCCIL has accelerated its development around Western and Eastern DFC. It has addressed key issues of land acquisition, especially for western DFC (WDFC). It has completely acquired the land under control to the extent of 11767 hectares. Approximately 92% of civil contracts are: 1096 km of 1318 km on eastern, 1504 km on western. Also, 82% of system contracts (62% eastern and 100% western) have already been

awarded. With the use of automatic track laying machines on dedicated freight corridors, work is expected to get expedited on freight corridors.

Revenue visibility concrete post commencement of MMLPs

Concor's revenues grew at 8% CAGR in FY13-18 as container volumes remained sluggish, except 2014. However, going ahead, with an improved market share in private ports such as Mundra and Pipavav we expect volumes to improve. Further, we believe the government's "Make in India" campaign will perk up trade volumes for exports. In turn, we expect Concor revenues to grow at a CAGR of 15% in FY18-20E. On the back of a revival in volumes and higher utilisation levels, operating profits are expected to grow faster by 18% in FY18-20E vis-à-vis CAGR of 7% in FY13-18. As EBITDA margins have remained under pressure over the years due to a steep increase in freight rates by railways, going forward, we believe hikes will pause, thereby allowing the company to stabilise its margins. Also, introduction of double stacking and hub & spoke model for its operations is expected to provide further scope to improve margins in future. Further, introduction of PFTs is expected to improve earnings of the company, going ahead. Consequently, PAT is also expected to post a CAGR of 19% in FY18-20E against 3% in FY13-18.

Exhibit 5: Pan-India presence of 79 terminals; new terminals/MMLPs proposed around DFC



Source: Company website, ICICI Direct Research

Outlook and valuation

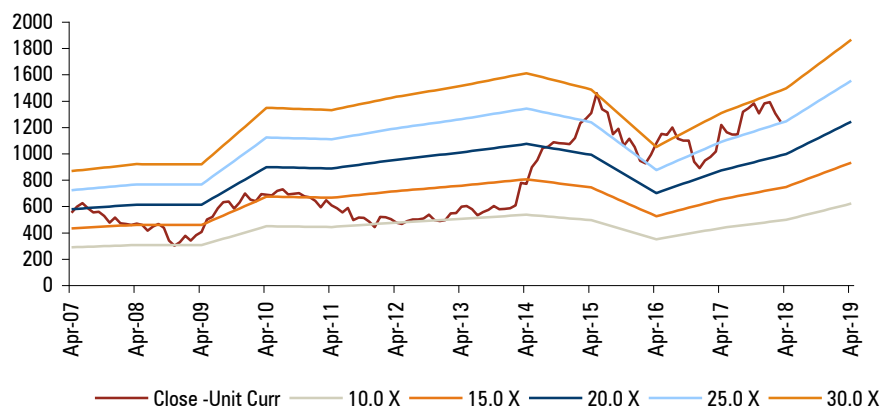
In 1999-2007, Concor registered robust growth with revenues posting a CAGR of 21% along with EBITDA and PAT also posting CAGR of ~22% over the same period. However, post the financial crisis of 2008, the company was also severely impacted. It has been trying to recover with revenue CAGR of ~7% in 2008-15. EBITDA posted nominal growth of 3% and PAT of 4% CAGR during the same period. The decline in growth rate can be attributed to sluggish economic conditions, growing competition from roadways/new entrants in CTO and incessant fuel price hikes. As a result, the average EBITDA margin declined from 29% in 1999-2007 to 25% in 2008-14 with the lowest margin in FY14 of 21.1%.

We envisage revenue CAGR of ~15% in FY18-20E. This is expected to be followed by a gradual restoration of EBITDA margin to ~ 24% in FY20E. Hence, this may lead to EBITDA and PAT growth at a CAGR of 18%, 19% respectively, in FY18-20E.

Near term volume growth for Concor is expected to grow at a CAGR of 12% in FY18-20E, thereby leading to consolidated revenue CAGR of 15% in the same period. Also, PFTs becoming operational in due course of time are expected to add another revenue line for Concor. Further, any near term risk of adverse freight rate movement is expected to be mitigated by higher Exim volume generation.

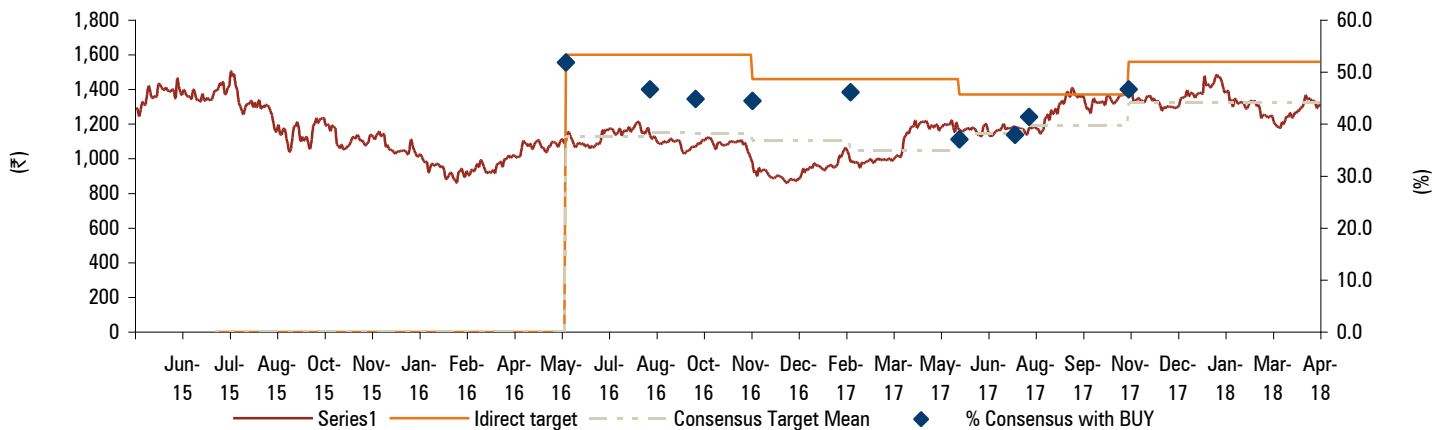
Following its leadership position and multiple tailwinds, we may continue to experience positive surprises to our estimates. We affirm our belief that Concor would continue to command higher multiple given its leadership position, debt free status, strong balance sheet and superior cash flow. Subsequently, our FY20 estimate of EPS is at ~₹ 62. We assign a five-year average multiple of 25x. We continue to maintain **BUY** recommendation on the stock with a target price of ₹ 1560.

Exhibit 6: PE trend



Source: Company, ICICI Direct Research

Recommendation History vs. consensus estimate



Source: Bloomberg, Company, ICICI Direct Research

Key events

Date	Event
Feb-08	Concor NYK to set up JV company
May-09	Q3FY12 profit up 13.9 % YoY; forthcoming Rail Budget keeps stock in focus
Jan-11	Concor TCI plan to set up JV company Infinite Logistics Solutions Ltd for ocean freight carrier service
Jul-11	Concor halves capex plans as Exim business is plagued by cargo imbalance
Feb-12	Concor plans to set up three logistics parks in West Bengal and further plans to set up 15 such parks across the country; Q1FY12 result profit up 5%
Jul-12	Competition panel absolves Concor of abusing its position in container train operator segment
Aug-12	9% hike in haulage charges by railways
Jan-13	Cut in rail freight and stabilisation of container volumes; the freight rate cut varies between 5% and 13% after steep 31% increase in February 2013
Apr-13	Concor announces 1:2 bonus issue; Q1FY14 number disappoints
Jul-14	Concor promoted to Navratna status from Miniratna
Jul-15	Announces Q1FY16 results with lower than expected operating performance
Oct-15	Announces Q2FY16 results; margins continue to be pressured, topline in line with expectation
May-16	Announces Q4FY16 results with lower than expected operating performance. Domestic volumes recovered; Exim continue to remain soft
Aug-16	Announces Q1FY17 results. Exim volumes grew (up 3% YoY) post de-growth over four consecutive quarter. Domestic volumes de-grew 4%
Nov-16	Announce Q2FY17 results. Exim grew for a second consecutive quarter. Domestic volumes flattish. EBITDA margins impacted by land licence fees
Feb-17	Total volumes for Q3FY17 grow 10%. Decline in lead distances lead to de-growth in revenue by 5%. Margins at 19.6%
May-17	Total volumes for Q4FY17 grow with Exim up 8.4% YoY. EPS adjusted for bonus (1:4)

Source: Company, ICICI Direct Research

Top 10 Shareholders

Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1 Government of India	31-Dec-17	0.55	133.6	0.0
2 Aberdeen Asset Management (Asia) Ltd.	28-Feb-18	0.04	9.4	1.8
3 Matthews International Capital Management, L.L.C.	30-Sep-17	0.03	8.0	-0.3
4 LIC Mutual Fund Asset Management Company Ltd.	31-Dec-17	0.03	7.7	-2.7
5 ICICI Prudential Asset Management Co. Ltd.	31-Mar-18	0.03	6.8	0.0
6 GIC Private Limited	31-Dec-17	0.02	4.6	0.0
7 UTI Asset Management Co. Ltd.	31-Dec-17	0.02	3.8	0.2
8 HDFC Asset Management Co., Ltd.	31-Dec-17	0.01	2.8	0.2
9 Goldman Sachs Asset Management (India) Private Ltd.	31-Mar-18	0.01	2.7	0.0
10 Reliance Nippon Life Asset Management Limited	31-Dec-17	0.01	2.6	-0.1

Source: Reuters, ICICI Direct Research

Shareholding Pattern

(in %)	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Promoter	54.8	54.8	54.8	54.8	54.8
FII	26.9	26.7	26.4	26.0	25.2
DII	14.5	14.9	15.2	15.6	15.9
Others	3.8	3.6	3.6	3.6	4.2

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Aberdeen Asset Management (Asia) Ltd.	36.5	1.8	LIC Mutual Fund Asset Management Company Ltd.	-58.6	-2.7
Norges Bank Investment Management (NBIM)	15.6	0.7	Matthews International Capital Management, L.L.C.	-5.7	-0.3
HDFC Asset Management Co., Ltd.	4.3	0.2	BlackRock Financial Management, Inc.	-5.7	-0.3
UTI Asset Management Co. Ltd.	3.9	0.2	Russell Investments Limited	-4.5	-0.2
Hermes Investment Management Ltd.	1.9	0.1	LGM Investments Limited	-3.9	-0.2

Source: Reuters, ICICI Direct Research

Financial summary

Profit and loss statement					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Total operating Income	5,979.7	6,622.5	7,440.8	8,722.5					
Growth (%)	-4.8	10.7	12.4	17.2					
Terminal/Other Service charge	4,268.1	4,541.9	5,059.8	5,887.7					
Employee Cost	188.7	279.4	297.6	340.2					
Administrative & other exp.	277.2	302.5	372.0	392.5					
Op. Expenditure	4,734.0	5,123.8	5,729.5	6,620.4					
EBITDA	1,245.7	1,498.7	1,711.4	2,102.1					
Growth (%)	-7.2	20.3	14.2	22.8					
Depreciation	367.1	420.0	444.7	514.7					
EBIT	878.7	1,078.7	1,266.7	1,587.4					
Interest	3.7	5.6	6.0	6.7					
Other Income	285.0	286.8	325.2	412.4					
PBT	1,160.1	1,359.9	1,585.8	1,993.1					
Growth (%)	-10.8	17.2	16.6	25.7					
Tax	329.4	351.0	428.2	538.1					
Reported PAT	830.6	1,008.9	1,157.6	1,455.0					
Growth (%)	-10.9	21.5	14.7	25.7					
Share of Profit/Loss in JV	23.5	54.8	57.5	60.4					
Adjusted PAT	854.1	1,063.7	1,215.1	1,515.3					
EPS	35.0	43.6	49.9	62.2					

Source: Company, ICICI Direct Research

Balance sheet					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Source of Funds									
Equity Capital	195.0	243.7	243.7	243.7					
Reserves & Surplus	8,576.2	9,104.5	9,678.8	10,406.4					
Shareholder's Fund	8,771.2	9,348.2	9,922.5	10,650.1					
Minority Interest	107.5	113.4	113.4	113.4					
Loan Funds	89.6	82.6	103.3	129.1					
Deferred Tax Liability	243.4	191.2	201.2	211.2					
Provisions	67.1	61.4	61.4	61.4					
Source of Funds	9,278.7	9,796.8	10,401.8	11,165.2					
Application of Funds									
Gross Block	4,353.2	5,353.2	6,353.2	7,353.2					
Less: Acc. Depreciation	707.3	1,345.3	1,790.0	2,304.7					
Net Block	3,645.9	4,007.9	4,563.2	5,048.5					
Capital WIP	616.6	691.8	726.4	762.7					
Total Fixed Assets	4,262.5	4,699.7	5,289.6	5,811.2					
Other Intangibles	12.0	11.4	11.4	11.4					
Investments	1,120.7	1,176.8	1,238.2	1,302.9					
Other Non-Current Assets	2,049.5	1,752.6	1,752.6	1,752.6					
Inventories	23.1	27.8	30.6	35.8					
Debtor	63.2	90.9	71.4	83.6					
Cash & Bank balances	1,746.2	2,032.4	2,061.9	2,391.9					
Loan & Advance, Other CA	849.7	1,068.9	1,097.9	1,125.8					
Total Current assets	2,682.3	3,220.0	3,261.8	3,637.2					
Current Liabilities	259.3	275.9	407.7	477.9					
Other Current Liabilities	570.4	763.2	713.5	836.4					
Provisions	18.6	24.6	30.6	35.8					
Total CL and Provisions	848.3	1,063.7	1,151.8	1,350.2					
Net Working Capital	1,834.0	2,156.3	2,110.0	2,287.0					
Application of Funds	9,278.7	9,796.8	10,401.8	11,165.2					

Source: Company, ICICI Direct Research

Cash flow statement					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Profit after Tax	830.6	1,008.9	1,157.6	1,455.0					
Add: Depreciation	367.1	420.0	444.7	514.7					
Cash Profit	1,197.7	1,428.9	1,602.4	1,969.7					
Increase/(Decrease) in CL	104.0	215.5	88.1	198.4					
(Increase)/Decrease in CA	(344.7)	(262.4)	(17.3)	(51.2)					
CF from Operating Activities	957.0	1,381.9	1,673.1	2,116.9					
Purchase of Fixed Assets	(1,017.2)	(781.3)	(1,000.0)	(1,000.0)					
(Inc)/Dec in Investments	20.7	(45.3)	(56.3)	(59.1)					
Others	1,282.9	221.7	(34.6)	(36.3)					
CF from Investing Activities	286.4	(604.9)	(1,090.9)	(1,095.4)					
Inc/(Dec) in Loan Funds	30.0	(7.0)	20.7	25.8					
Inc/(Dec) in Sh. Cap. & Res.	(366.8)	(431.9)	(583.3)	(727.4)					
Others	(51.7)	(52.0)	10.0	10.0					
CF from financing activities	(388.5)	(490.9)	(552.7)	(691.5)					
Change in cash Eq.	854.9	286.1	29.6	330.0					
Op. Cash and cash Eq.	891.3	1,746.2	2,032.4	2,061.9					
Cl. Cash and cash Eq.	1,746.2	2,032.4	2,061.9	2,391.9					

Source: Company, ICICI Direct Research

Key ratios					₹ Crore				
(Year-end March)	FY17	FY18E	FY19E	FY20E					
Per share data (₹)									
Book Value	449.9	479.5	508.9	546.2					
Cash per share	89.6	83.4	84.6	98.1					
EPS	35.0	43.6	49.9	62.2					
Cash EPS	62.6	60.9	68.1	83.3					
DPS	15.1	17.1	19.9	24.9					
Profitability & Operating Ratios									
EBITDA Margin (%)	20.8	22.6	23.0	24.1					
PAT Margin (%)	14.3	16.1	16.3	17.4					
Fixed Asset Turnover (x)	1.4	1.4	1.4	1.5					
Inventory Turnover (Days)	1.4	1.5	1.5	1.5					
Debtor (Days)	3.9	4.0	3.5	3.5					
Current Liabilities (Days)	15.8	15.2	20.0	20.0					
Return Ratios (%)									
RoE	9.5	10.8	11.7	13.7					
RoCE	9.8	11.4	12.6	14.6					
RoIC	14.6	17.2	18.7	22.2					
Valuation Ratios (x)									
P/E	38.4	30.9	27.0	21.7					
Price to Book Value	3.0	2.8	2.6	2.5					
EV/EBITDA	19.7	16.2	14.2	11.4					
EV/Sales	4.1	3.7	3.3	2.8					
Leverage & Solvency Ratios									
Debt to equity (x)	0.0	0.0	0.0	0.0					
Interest Coverage (x)	NA	NA	NA	NA					
Debt to EBITDA (x)	0.1	0.1	0.1	0.1					
Current Ratio	3.2	3.0	2.8	2.7					
Quick ratio	3.1	3.0	2.8	2.7					
Working Cap days	-10.6	-9.7	-15.0	-15.0					
Asset Turnover	1.4	1.2	1.2	1.2					

Source: Company, ICICI Direct Research

ICICI Direct coverage universe (Logistics)

Sector / Company	CMP (₹)		Rating	M Cap (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)			
	TP(₹)				FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E
Container Corporation	1,347	1,560	BUY	32,823	35.0	43.6	49.9	62.2	38.0	30.5	26.7	21.4	19.5	16.0	14.0	11.3	9.8	11.4	12.6	14.6
Transport Corp. of India	275	330	BUY	2,109	10.6	14.4	20.2	25.0	24.6	18.2	13.0	10.5	13.9	10.7	8.4	7.0	10.7	13.8	17.7	19.2
BlueDart	3,650	5,120	BUY	8,661	60.9	60.0	74.6	93.7	59.9	60.7	48.8	38.9	25.5	23.0	19.9	16.7	32.2	29.5	31.0	33.9
Gati Ltd.	113	135	BUY	1,227	3.3	4.9	3.4	4.2	34.7	23.7	34.5	27.3	13.0	17.4	13.3	10.0	9.5	8.0	9.9	12.6
Gujarat Pipavav	147	145	HOLD	7,082	5.8	5.7	7.1	8.1	25.0	25.8	20.7	18.1	16.0	14.9	11.7	9.5	14.0	14.0	16.4	18.4
TCI Express	514	660	BUY	1,968	10.6	14.0	17.4	21.9	47.0	35.8	28.7	22.9	28.6	23.4	17.3	13.8	35.1	34.9	36.9	36.7

Source: Company, ICICI Direct Research

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