Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

# Indian Railway Catering and Tourism Corporation (IRCTC IN)

**Rating: ACCUMULATE | CMP: Rs1,401 | TP: Rs1,495**

July 11, 2020

## Q4FY20 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

### Change in Estimates

| | Current | | Previous | |
|---|---|---|---|---|
| | FY21E | FY22E | FY21E | FY22E |
| **Rating** | **ACCUMULATE** | | **BUY** | |
| **Target Price** | **1,495** | | **1,428** | |
| Sales (Rs. m) | 13,196 | 30,014 | 27,248 | 31,255 |
| *% Chng.* | *(51.6)* | *(4.0)* | | |
| EBITDA (Rs. m) | 3,373 | 10,748 | 9,779 | 11,232 |
| *% Chng.* | *(65.5)* | *(4.3)* | | |
| EPS (Rs.) | 18.1 | 52.4 | 48.1 | 54.8 |
| *% Chng.* | *(62.4)* | *(4.4)* | | |

### Key Financials - Standalone

| Y/e Mar | FY19 | FY20 | FY21E | FY22E |
|---|---|---|---|---|
| Sales (Rs. m) | 18,700 | 22,755 | 13,196 | 30,014 |
| EBITDA (Rs. m) | 3,832 | 7,134 | 3,373 | 10,748 |
| *Margin (%)* | *20.5* | *31.4* | *25.6* | *35.8* |
| PAT (Rs. m) | 2,338 | 5,263 | 2,898 | 8,385 |
| EPS (Rs.) | 14.6 | 32.9 | 18.1 | 52.4 |
| *Gr. (%)* | *(73.5)* | *125.1* | *(44.9)* | *189.3* |
| DPS (Rs.) | 7.6 | 12.5 | 7.2 | 23.6 |
| *Yield (%)* | *0.5* | *0.9* | *0.5* | *1.7* |
| *RoE (%)* | *23.4* | *44.4* | *20.5* | *48.4* |
| *RoCE (%)* | *35.5* | *56.8* | *20.7* | *58.2* |
| EV/Sales (x) | 11.4 | 9.3 | 15.9 | 7.0 |
| EV/EBITDA (x) | 55.5 | 29.6 | 62.1 | 19.6 |
| PE (x) | 95.9 | 42.6 | 77.3 | 26.7 |
| P/BV (x) | 21.5 | 16.9 | 14.9 | 11.4 |

| Key Data | INIR.BO \| IRCTC IN |
|---|---|
| 52-W High / Low | Rs.1,995 / Rs.625 |
| Sensex / Nifty | 36,594 / 10,768 |
| Market Cap | Rs.224bn/ $ 2,981m |
| Shares Outstanding | 160m |
| 3M Avg. Daily Value | Rs.3651.15m |

### Shareholding Pattern (%)

| | |
|---|---|
| Promoter's | 87.40 |
| Foreign | 1.70 |
| Domestic Institution | 2.25 |
| Public & Others | 8.65 |
| Promoter Pledge (Rs bn) | - |

### Stock Performance (%)

| | 1M | 6M | 12M |
|---|---|---|---|
| Absolute | (3.7) | 52.7 | - |
| Relative | (9.9) | 73.6 | - |


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## *Near term pain, growth story intact*

**Quick Pointers:**

- 68.8mn tickets were booked online during 4QFY20 resulting in convenience fee income of ~Rs1,376mn.
- Major fixed cost is in the form of employee expenses (~Rs2.4bn as of FY20; 80-90% is fixed in nature)

***IRCTC's performance was marred by COVID-19 during 4QFY20 (impact was evident from the month of Jan itself), with revenue/EBITDA miss of 4%/8% respectively. Since convenience fee on e-ticketing was absent in the base quarter (levied from 01st Sep 2019), optically growth appears to be higher. However, on a QoQ basis revenue/EBITDA declined 18%/24% respectively. As passenger train services are suspended until 12th August 2020 and traffic growth will be lower in the initial few months after operations resume, we expect 1HFY21 to be a complete wash out. Consequently, we expect online bookings to fall by 49% YoY to 155.1mn and have cut our sales/EBITDA estimates by 52%/66% respectively for FY21E. However, we keep our FY22E estimates broadly intact and expect sales/PAT CAGR of 17%/22%respectively over 3 years driven by 1) capacity expansion of Rail Neer 2) tariff hike in mobile/static catering by ~70%/60% respectively and 3) reintroduction of service fee on e-ticketing. Strong balance sheet (cash of Rs12.9bn as of FY20), healthy return ratios & dividend pay-out gives us additional comfort.***

***The stock currently trades at P/E multiple of 27x FY22E and 23x FY23E. We expect valuations to sustain given monopolistic nature of the business and clear growth traction in three business segments (Rail neer, internet ticketing & catering). Nonetheless, given the near term challenges (travel & tourism space is worst hit by pandemic) we recommend a staggered buying approach and downgrade the stock to ACCUMULATE with a revised TP of Rs1,495 (earlier Rs1,428). We value the stock at P/E multiple of 26x (no change) but roll forward our valuation to Sep-22 EPS.***

**Service charge impact drives revenue growth**: Revenues increase 17.9% YoY to Rs5,869mn (PLe of Rs6,093mn) driven by 194.6% YoY increase in internet ticketing revenues to Rs1,936mn (in the base quarter since there was no convenience charge revenue was NIL). Rail Neer revenues increased 18.8% YoY to Rs511mn due to incremental contribution from 4 new plants while revenues from tourism were up 12.7% YoY to Rs1,059mn. However, revenues from catering declined 19.9% YoY to Rs2,363mn due to COVID-19 impact.

**EBITDA jumps 186% YoY led by higher margin from internet ticketing:** EBITDA increased 186% YoY to Rs2,019mn (PLe of Rs2,204mn) while EBITDA margin expanded from 14.2% in 4QFY19 to 34.4% (PLe of 36.2%). EBITDA growth was fueled by increase in internet ticketing revenue which has higher margins. Internet ticketing/Catering/Rail Neer segment reported EBIT margin of 79.8%/12.4%/30.5% respectively. Tourism segment just about broke-even at the EBIT level in 4QFY20.

## Conference Call Highlights

- Pre-COVID, ~8lac tickets were booked each day
- E-booking penetration is ~72%
- Currently, 115 pair of trains are plying (~2-3% of the overall capacity) with occupancy in the range of 60-70%.
- Online ticket bookings for new private trains is expected to happen via IRCTC's platform.
- Pantry car capex has been deferred while plans to buy new tourist trains (2-3 trains) has also been delayed
- IRCTC has requested IR to waive off the lease charges (Rs70mn per train per year) for the 3 private trains that are being run currently
- Convenience fee is not refunded in case of ticket cancellations
- Lucknow-Delhi Tejas express achieved break-even in March
- The Mumbai-Ahmedabad Tejas express operated for just 2 months and was nearing break-even
- Mahakal Tejas Express operated for just 10-15 days and was subsequently cancelled due to COVID-19.
- Collectively the 3 private trains incurred losses of Rs20mn
- Once privatization kicks-in the new operator will be free to choose his own catering service provider
- There are no plans to roll-back the tariff hike taken in catering or service charge that was reinstated on online ticket booking
- During lockdown as Rail Neer had idle capacity, IRCTC was exploring options to sell the bottles outside of IRs.
- IRCTC has refunded the license fee collected in advance for the lockdown period so that the licensee can meet his liquidity needs. Once normalcy resumes the licensee is required to refund the license fee within 1 month for the contract to get extended. Upon failure to refund the license fee, contract will end
- In tourism segment, IRCTC has requested IR's to waive off the lease charges and fixed charges
- In the privatization drive being undertaken by IR's, it is undecided whether IRCTC will invest in the rolling stock
- With volumes of tickets falling in lockdown, IRCTC's deposit with IR has come down from Rs3bn odd (pre-COVID) to Rs600-700mn currently.

**Exhibit 1: Q4FY20 Result Overview (Rs mn)**

| Y/e March | Q4FY20 | Q4FY19 | YoY gr. | Q3FY20 | FY20 | FY19 | YoY gr. |
|---|---|---|---|---|---|---|---|
| **Net sales** | **5,869** | **4,977** | ***17.9%*** | **7,160** | **22,755** | **18,700** | ***21.7%*** |
| Total raw material cost | 252 | (489.1) | *NM* | 362 | 1,378 | 1,241 | *11.0%* |
| *As a % of sales* | *4.3%* | *-9.8%* | | *5.1%* | *6.1%* | *6.6%* | |
| Expenses of catering | 1,456 | 2,560 | *-43.1%* | 1,810 | 6,728 | 6,263 | *7.4%* |
| *As a % of sales* | *24.8%* | *51.4%* | | *25.3%* | *29.6%* | *33.5%* | |
| Expenses of tourism | 773 | 592 | *30.6%* | 1,215 | 2,874 | 3,072 | *-6.4%* |
| *As a % of sales* | *13.2%* | *11.9%* | | *17.0%* | *12.6%* | *16.4%* | |
| Manufacturing & direct expenses | 270 | 214 | *26.3%* | 225 | 961 | 678 | *41.7%* |
| *As a % of sales* | *4.6%* | *4.3%* | | *3.1%* | *4.2%* | *3.6%* | |
| Employee expenses | 685 | 498 | *37.7%* | 607 | 2,440 | 1,951 | *25.1%* |
| *As a % of sales* | *11.7%* | *10.0%* | | *8.5%* | *10.7%* | *10.4%* | |
| Other expenses | 415 | 898 | *-53.8%* | 283 | 1,240 | 1,663 | *-25.5%* |
| *As a % of sales* | *7.1%* | *18.0%* | | *4.0%* | *5.4%* | *8.9%* | |
| **EBITDA** | **2,019** | **706** | ***185.9%*** | **2,657** | **7,134** | **3,832** | ***86.2%*** |
| *EBITDA margin* | *34.4%* | *14.2%* | | *37.1%* | *31.4%* | *20.5%* | |
| Depreciation | 104 | 126 | *-17.3%* | 123 | 399 | 286 | *39.4%* |
| **EBIT** | **1,915** | **580** | ***229.9%*** | **2,534** | **6,735** | **3,546** | ***89.9%*** |
| EBIT margin | 32.6% | 11.7% | | 35.4% | 29.6% | 19.0% | |
| Interest cost | 29 | 23 | *22.4%* | 20 | 73 | 23 | *209.8%* |
| Other income | 199 | 424 | *-53.0%* | 190 | 781 | 889 | *-12.2%* |
| **PBT** | **2,086** | **981** | ***112.6%*** | **2,704** | **7,442** | **4,412** | ***68.7%*** |
| Exceptional items | 4 | 374 | *-98.9%* | - | 11 | 374 | *-97.0%* |
| Tax expenses | 584 | 515 | *13.3%* | 646 | 2,168 | 1,700 | *27.5%* |
| *Tax rate* | *28.0%* | *52.5%* | | *23.9%* | *29.2%* | *42.1%* | |
| **PAT** | **1,506** | **840** | ***79.4%*** | **2,058** | **5,286** | **3,086** | ***71.3%*** |
| *PAT margin* | *25.7%* | *16.9%* | | *28.7%* | *23.2%* | *16.5%* | |
| **EPS (Rs)** | **9.4** | **5.2** | ***79.3%*** | **12.9** | **33.0** | **19.1** | ***72.8%*** |
| **Adj. PAT** | **1,502** | **466** | ***222.5%*** | **2,058** | **5,275** | **2,712** | ***94.5%*** |

*Source: Company, PL*

**Exhibit 2: Segmental Breakup (Rs mn)**

| Y/e March | Q4FY20 | Q4FY19 | YoY gr. | Q3FY20 | FY20 | FY19 | YoY gr. |
|---|---|---|---|---|---|---|---|
| **Catering** | | | | | | | |
| Revenue | 2,363 | 2,950 | *-19.9%* | 2,692 | 10,441 | 10,244 | *1.9%* |
| *As a % of sales* | *40.3%* | *59.3%* | | *37.6%* | *45.9%* | *54.8%* | |
| EBIT | 292 | 278 | *5.2%* | 298 | 1,198 | 1,470 | *-18.5%* |
| *EBIT margin* | *12.4%* | *9.4%* | | *11.1%* | *11.5%* | *14.3%* | |
| | | | | | | | |
| Internet ticketing | | | | | | | |
| Revenue | 1,936 | 657 | *194.6%* | 2,269 | 6,198 | 2,313 | *168.0%* |
| *As a % of sales* | *33.0%* | *13.2%* | | *31.7%* | *27.2%* | *12.4%* | |
| EBIT | 1,545 | 626 | *146.8%* | 1,934 | 4,947 | 1,607 | *207.8%* |
| *EBIT margin* | *79.8%* | *95.3%* | | *85.2%* | *79.8%* | *69.5%* | |
| | | | | | | | |
| **Tourism** | | | | | | | |
| Revenue | 1,017 | 829 | *22.6%* | 949 | 2,949 | 2,463 | *19.7%* |
| *As a % of sales* | *17.3%* | *16.7%* | | *13.2%* | *13.0%* | *13.2%* | |
| EBIT | (4.1) | 115 | *-103.6%* | 84 | 103 | 311 | *-66.9%* |
| *EBIT margin* | *-0.4%* | *13.9%* | | *8.8%* | *3.5%* | *12.6%* | |
| | | | | | | | |
| **State Teertha** | | | | | | | |
| Revenue | 42 | 111 | *-61.8%* | 664 | 946 | 1,946 | *-51.4%* |
| *As a % of sales* | *0.7%* | *2.2%* | | *9.3%* | *4.2%* | *10.4%* | |
| EBIT | 4 | 70 | *-93.9%* | 96 | 152 | 491 | *-69.0%* |
| *EBIT margin* | *10.0%* | *63.0%* | | *14.5%* | *16.1%* | *25.2%* | |
| | | | | | | | |
| **Rail Neer** | | | | | | | |
| Revenue | 511 | 430 | *18.8%* | 586 | 2,221 | 1,735 | *28.0%* |
| *As a % of sales* | *8.7%* | *8.6%* | | *8.2%* | *9.8%* | *9.3%* | |
| EBIT | 156 | 35 | *342.7%* | 145 | 521 | 333 | *56.3%* |
| *EBIT margin* | *30.5%* | *8.2%* | | *24.7%* | *23.4%* | *19.2%* | |
| | | | | | | | |
| **Total revenues** | **5,869** | **4,977** | ***17.9%*** | **7,160** | **22,755** | **18,700** | ***21.7%*** |

*Source: Company, PL*

# Financials

### Income Statement (Rs m)

| Y/e Mar | FY19 | FY20 | FY21E | FY22E |
|---|---|---|---|---|
| **Net Revenues** | **18,700** | **22,755** | **13,196** | **30,014** |
| *YoY gr. (%)* | *27.5* | *21.7* | *(42.0)* | *127.5* |
| Cost of Goods Sold | 1,241 | 1,378 | 830 | 2,183 |
| Gross Profit | 17,459 | 21,377 | 12,365 | 27,831 |
| *Margin (%)* | *93.4* | *93.9* | *93.7* | *92.7* |
| Employee Cost | 1,951 | 2,440 | 2,639 | 2,731 |
| Other Expenses | 1,663 | 1,240 | 1,056 | 1,531 |
| | | | | |
| **EBITDA** | **3,832** | **7,134** | **3,373** | **10,748** |
| *YoY gr. (%)* | *40.3* | *86.2* | *(52.7)* | *218.7* |
| *Margin (%)* | *20.5* | *31.4* | *25.6* | *35.8* |
| | | | | |
| Depreciation and Amortization | 286 | 399 | 443 | 668 |
| | | | | |
| **EBIT** | **3,546** | **6,735** | **2,930** | **10,081** |
| *Margin (%)* | *19.0* | *29.6* | *22.2* | *33.6* |
| | | | | |
| Net Interest | 23 | 73 | 66 | 51 |
| Other Income | 889 | 781 | 1,000 | 1,150 |
| | | | | |
| **Profit Before Tax** | **4,412** | **7,442** | **3,864** | **11,180** |
| *Margin (%)* | *23.6* | *32.7* | *29.3* | *37.2* |
| | | | | |
| Total Tax | 1,700 | 2,168 | 966 | 2,795 |
| *Effective tax rate (%)* | *38.5* | *29.1* | *25.0* | *25.0* |
| | | | | |
| **Profit after tax** | **2,712** | **5,275** | **2,898** | **8,385** |
| Minority interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| | | | | |
| **Adjusted PAT** | **2,338** | **5,263** | **2,898** | **8,385** |
| *YoY gr. (%)* | *6.0* | *125.1* | *(44.9)* | *189.3* |
| *Margin (%)* | *12.5* | *23.1* | *22.0* | *27.9* |
| Extra Ord. Income / (Exp) | 374 | 11 | - | - |
| | | | | |
| **Reported PAT** | **2,712** | **5,275** | **2,898** | **8,385** |
| *YoY gr. (%)* | *22.9* | *94.5* | *(45.1)* | *189.3* |
| *Margin (%)* | *14.5* | *23.2* | *22.0* | *27.9* |
| | | | | |
| Other Comprehensive Income | 3 | (37) | - | - |
| Total Comprehensive Income | 2,714 | 5,238 | 2,898 | 8,385 |
| **Equity Shares O/s (m)** | **160** | **160** | **160** | **160** |
| **EPS (Rs)** | **14.6** | **32.9** | **18.1** | **52.4** |

*Source: Company Data, PL Research*

### Balance Sheet Abstract (Rs m)

| Y/e Mar | FY19 | FY20 | FY21E | FY22E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| | | | | |
| **Gross Block** | **3,564** | **4,977** | **5,877** | **8,377** |
| Tangibles | 3,092 | 4,537 | 5,437 | 7,937 |
| Intangibles | 472 | 440 | 440 | 440 |
| | | | | |
| **Acc: Dep / Amortization** | **2,018** | **2,417** | **2,860** | **3,527** |
| Tangibles | 1,621 | 2,020 | 2,463 | 3,131 |
| Intangibles | 396 | 396 | 396 | 396 |
| | | | | |
| **Net fixed assets** | **1,546** | **2,560** | **3,017** | **4,850** |
| Tangibles | 1,471 | 2,517 | 2,974 | 4,806 |
| Intangibles | 75 | 43 | 43 | 43 |
| | | | | |
| Capital Work In Progress | 404 | 162 | 162 | 162 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 301 | 277 | 277 | 277 |
| Net Deferred tax assets | 771 | 657 | 811 | 894 |
| Other Non-Current Assets | 229 | 263 | 290 | 420 |
| | | | | |
| **Current Assets** | | | | |
| Investments | - | - | - | - |
| Inventories | 79 | 98 | 72 | 164 |
| Trade receivables | 5,817 | 7,894 | 3,977 | 8,799 |
| Cash & Bank Balance | 11,400 | 12,964 | 14,864 | 13,366 |
| Other Current Assets | 4,860 | 6,025 | 7,062 | 8,439 |
| **Total Assets** | **25,838** | **32,498** | **31,851** | **38,542** |
| | | | | |
| **Equity** | | | | |
| Equity Share Capital | 1,600 | 1,600 | 1,600 | 1,600 |
| Other Equity | 8,828 | 11,678 | 13,417 | 18,029 |
| **Total Networth** | **10,428** | **13,278** | **15,017** | **19,629** |
| | | | | |
| **Non-Current Liabilities** | | | | |
| Long Term borrowings | - | - | - | - |
| Provisions | 462 | 489 | 528 | 750 |
| Other non current liabilities | 58 | 78 | 79 | 90 |
| | | | | |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade payables | 1,920 | 1,695 | 976 | 2,220 |
| Other current liabilities | 12,823 | 16,168 | 14,988 | 15,553 |
| **Total Equity & Liabilities** | **25,838** | **32,498** | **31,851** | **38,542** |

*Source: Company Data, PL Research*

## Cash Flow (Rs m)

| Y/e Mar | FY19 | FY20 | FY21E | FY22E |
|---|---|---|---|---|
| PBT | 4,300 | 7,454 | 3,864 | 11,180 |
| Add. Depreciation | 286 | 399 | 443 | 668 |
| Add. Interest | - | - | - | - |
| Less Financial Other Income | 889 | 781 | 1,000 | 1,150 |
| Add. Other | (631) | (456) | - | - |
| Op. profit before WC changes | 3,955 | 7,397 | 4,307 | 11,847 |
| Net Changes-WC | 2,599 | (774) | 618 | (4,277) |
| Direct tax | (1,628) | (2,569) | (966) | (2,795) |
| **Net cash from Op. activities** | **4,927** | **4,053** | **3,958** | **4,776** |
| Capital expenditures | (539) | (348) | (900) | (2,500) |
| Interest / Dividend Income | 468 | 661 | - | - |
| Others | (3,393) | (191) | - | - |
| **Net Cash from Invt. activities** | **(3,464)** | **122** | **(900)** | **(2,500)** |
| Issue of share cap. / premium | - | - | - | - |
| Debt changes | - | - | - | - |
| Dividend paid | (1,794) | (2,681) | (1,159) | (3,773) |
| Interest paid | - | - | - | - |
| Others | - | (121) | - | - |
| **Net cash from Fin. activities** | **(1,794)** | **(2,802)** | **(1,159)** | **(3,773)** |
| **Net change in cash** | **(331)** | **1,373** | **1,899** | **(1,497)** |
| Free Cash Flow | 4,384 | 3,700 | 3,058 | 2,276 |

*Source: Company Data, PL Research*

## Quarterly Financials (Rs m)

| Y/e Mar | Q2FY20 | Q3FY20 | Q4FY20 |
|---|---|---|---|
| **Net Revenue** | **5,134** | **7,160** | **5,869** |
| *YoY gr. (%)* | - | *64.6* | *17.9* |
| Raw Material Expenses | 361 | 362 | 252 |
| Gross Profit | 4,773 | 6,798 | 5,617 |
| *Margin (%)* | *93.0* | *94.9* | *95.7* |
| **EBITDA** | **1,424** | **2,657** | **2,019** |
| *YoY gr. (%)* | - | *168.7* | *185.9* |
| *Margin (%)* | *27.7* | *37.1* | *34.4* |
| Depreciation / Depletion | 88 | 123 | 104 |
| **EBIT** | **1,336** | **2,534** | **1,915** |
| *Margin (%)* | *26.0* | *35.4* | *32.6* |
| Net Interest | 12 | 20 | 29 |
| Other Income | 218 | 190 | 199 |
| **Profit before Tax** | **1,542** | **2,704** | **2,086** |
| *Margin (%)* | *30.0* | *37.8* | *35.5* |
| Total Tax | 544 | 646 | 584 |
| *Effective tax rate (%)* | *35.3* | *23.9* | *28.0* |
| **Profit after Tax** | **998** | **2,058** | **1,502** |
| Minority interest | - | - | - |
| Share Profit from Associates | - | - | - |
| **Adjusted PAT** | **998** | **2,058** | **1,502** |
| *YoY gr. (%)* | - | *179.6* | *222.5* |
| *Margin (%)* | *19.4* | *28.7* | *25.6* |
| Extra Ord. Income / (Exp) | - | - | - |
| **Reported PAT** | **998** | **2,058** | **1,502** |
| *YoY gr. (%)* | - | *179.6* | *222.5* |
| *Margin (%)* | *19.4* | *28.7* | *25.6* |
| Other Comprehensive Income | (14) | (3) | (7) |
| **Total Comprehensive Income** | **985** | **2,055** | **1,495** |
| Avg. Shares O/s (m) | 160 | 160 | 160 |
| **EPS (Rs)** | **6.2** | **12.9** | **9.4** |

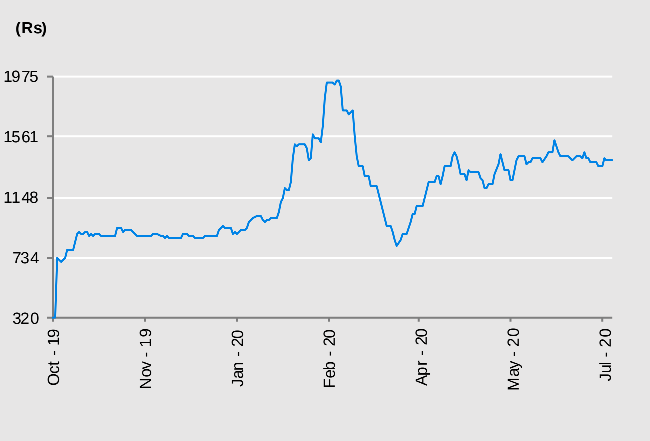
*Source: Company Data, PL Research*

## Key Financial Metrics

| Y/e Mar | FY19 | FY20 | FY21E | FY22E |
|---|---|---|---|---|
| **Per Share(Rs)** | | | | |
| EPS | 14.6 | 32.9 | 18.1 | 52.4 |
| CEPS | 16.4 | 35.4 | 20.9 | 56.6 |
| BVPS | 65.2 | 83.0 | 93.9 | 122.7 |
| FCF | 27.4 | 23.1 | 19.1 | 14.2 |
| DPS | 7.6 | 12.5 | 7.2 | 23.6 |
| **Return Ratio(%)** | | | | |
| RoCE | 35.5 | 56.8 | 20.7 | 58.2 |
| ROIC | (154.2) | (429.6) | (306.9) | 191.1 |
| RoE | 23.4 | 44.4 | 20.5 | 48.4 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | (1.1) | (1.0) | (1.0) | (0.7) |
| Net Working Capital (Days) | 78 | 101 | 85 | 82 |
| **Valuation(x)** | | | | |
| PER | 95.9 | 42.6 | 77.3 | 26.7 |
| P/B | 21.5 | 16.9 | 14.9 | 11.4 |
| P/CEPS | 85.4 | 39.6 | 67.1 | 24.8 |
| EV/EBITDA | 55.5 | 29.6 | 62.1 | 19.6 |
| EV/Sales | 11.4 | 9.3 | 15.9 | 7.0 |
| Dividend Yield (%) | 0.5 | 0.9 | 0.5 | 1.7 |

*Source: Company Data, PL Research*

## Price Chart




## Recommendation History

| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|---|---|---|---|---|
| 1 | 16-Apr-20 | BUY | 1,428 | 1,292 |
| 2 | 24-Mar-20 | BUY | 1,656 | 858 |
| 3 | 14-Feb-20 | BUY | 1,656 | 1,580 |
| 4 | 28-Jan-20 | BUY | 1,339 | 1,004 |

## Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---|---|---|---|---|
| 1 | Dish TV India | NR | - | 74 |
| 2 | Entertainment Network (India) | Hold | 157 | 133 |
| 3 | Indian Railway Catering and Tourism Corporation | BUY | 1,428 | 1,292 |
| 4 | Inox Leisure | Accumulate | 256 | 237 |
| 5 | Music Broadcast | Hold | 17 | 17 |
| 6 | Navneet Education | Accumulate | 89 | 78 |
| 7 | PVR | Accumulate | 1,107 | 1,073 |
| 8 | S Chand and Company | Accumulate | 57 | 51 |
| 9 | V.I.P. Industries | Hold | 255 | 258 |

## PL's Recommendation Nomenclature (Absolute Performance)

| | | |
|---|---|---|
| **Buy** | : | > 15% |
| **Accumulate** | : | 5% to 15% |
| **Hold** | : | +5% to -5% |
| **Reduce** | : | -5% to -15% |
| **Sell** | : | < -15% |
| **Not Rated (NR)** | : | No specific call on the stock |
| **Under Review (UR)** | : | Rating likely to change shortly |

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