

Container Corporation

Estimate change
TP change
Rating change


| | CCRI IN |
|-----------------------|-----------|
| Bloomberg | CCRI IN |
| Equity Shares (m) | 609 |
| M.Cap.(INRb)/(USD\$b) | 380 / 5.1 |
| 52-Week Range (INR) | 754 / 403 |
| 1, 6, 12 Rel. Per (%) | -2/-19/27 |
| 12M Avg Val (INR M) | 1666 |

Financial Snapshot (INR b)

| Y/E MARCH | 2021 | 2022E | 2023E |
|-------------------|-------|-------|-------|
| Sales | 63.8 | 77.1 | 91.3 |
| EBITDA | 10.3 | 18.4 | 22.3 |
| Adj. PAT | 5.9 | 11.3 | 14.2 |
| EBITDA Margin (%) | 16.2 | 23.8 | 24.4 |
| Adj. EPS (INR) | 9.6 | 18.5 | 23.3 |
| EPS Gr. (%) | -42.0 | 92.3 | 25.7 |
| BV/Sh. (INR) | 167.5 | 174.9 | 184.2 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.2 | -0.4 | -0.5 |
| RoE (%) | 5.8 | 10.8 | 13.0 |
| RoCE (%) | 5.8 | 11.2 | 13.2 |
| Payout (%) | 60.5 | 60.0 | 60.0 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 64.8 | 33.7 | 26.8 |
| P/BV (x) | 3.7 | 3.6 | 3.4 |
| EV/EBITDA(x) | 35.4 | 19.6 | 15.7 |
| Div. Yield (%) | 0.8 | 1.8 | 2.2 |
| FCF Yield (%) | 1.4 | 2.8 | 3.7 |

Shareholding pattern (%)

| As On | Sep-21 | Jun-21 | Sep-20 |
|----------|--------|--------|--------|
| Promoter | 54.8 | 54.8 | 54.8 |
| DII | 15.6 | 16.3 | 15.8 |
| FII | 25.5 | 24.9 | 24.5 |
| Others | 4.0 | 4.0 | 4.9 |

FII Includes depository receipts

CMP: INR624
TP: INR790 (+27%)
Buy

Well set to reap the benefits of DFCs

Positive earnings outlook driven by improving volumes

- Container Corporation (CCRI) reported decent 3QFY22 earnings with EBITDA at INR4.6b (+23% YoY), led by higher realization and operational efficiency.
- The Dedicated Freight Corridor (DFC) will benefit CCRI significantly through: a) double stacking, b) higher load capacities, and c) reduced turnaround time, thereby leading to improved volumes and profitability.
- We revise our estimates marginally lower for FY22E/23E and maintain our BUY rating on the stock with a TP of INR790, implying 27% potential upside.

In-line performance in 3QFY22

- CCRI's revenue was up 9% YoY and 5% QoQ to ~INR19.2b in 3QFY22, in line.
- Total volumes rose 7% YoY to 1,031,701 TEUs v/s our estimate of 1,022,525 TEUs, with EXIM/domestic volumes coming in at 828,661/203,040 TEUs (+3%/+26% YoY), respectively.
- Blended realization improved 3% YoY to INR18,610/TEU (3% below our estimate). EXIM/domestic realization stood at INR16,044/INR29,082 per TEU with -1%/+3% YoY change, respectively.
- EBITDA/PAT grew 23%/20% YoY to INR4.6b/INR2.9b and were 3%/4% below our estimates due to lower realization. The reported EBITDA margin was below our estimate by 23bp and stood at 23.7% (+2.5pp YoY).
- Land licensing fee (LLF) provisioning amounted to INR1.11b in 3QFY22 (v/s INR1.12b in 2QFY22).
- The Board has declared a second interim dividend of INR2/share.

Highlights from the management commentary

- CCRI has reported the best ever 3Q result with the highest operating income (INR19.2b) and PAT (INR 2.9b).
- Volumes are likely to register a 15% YoY growth with topline reaching INR75b and PAT crossing INR10b in FY22E. Volumes are expected to cross 4m TEUs in FY22, and have already crossed 3m TEUs in 9MFY22.
- Capex in 9MFY22 was INR5.25b towards acquiring new rakes, containers and construction work of nine new terminals and is likely to be at INR7b in FY22.
- Trials for movement of cement in bulk containers are complete and the commercial movement is anticipated to begin from FY23, which has a market potential of 5-10mT/year.

Valuation and view: Maintain BUY with a TP of INR790 (27% upside)

- We expect volumes to pick up with the phase-wise commissioning of DFCs, thereby leading to 20% revenue CAGR during FY21-24E.
- With the pickup in domestic volumes and efficiency improvements from the commissioning of DFCs, we project EBITDA margin to touch ~25% in FY24E from ~16% in FY21, resulting in 40% EBITDA CAGR over FY21-24E
- The stock trades at 12x FY24E EV/EBITDA. We maintain our BUY rating on the stock with a DCF-based TP of INR790, implying 27% potential upside.

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

Dharendra Patro – Research analyst (Dharendra.Patro@motilaloswal.com)

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 Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Standalone quarterly snapshot

(INR m)

| Y/E March | FY21 | | | | FY22 | | | | FY21 | FY22E | FY22E 3QE | Var. (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | |
| Net Sales | 11,891 | 15,027 | 17,538 | 19,393 | 18,075 | 18,239 | 19,200 | 21,547 | 63,850 | 77,061 | 19,644 | (2) |
| YoY Change (%) | -27.4 | -13.6 | 14.8 | 23.6 | 52.0 | 21.4 | 9.5 | 11.1 | -1.4 | 20.7 | 12.0 | |
| EBITDA | 1,590 | 3,129 | 3,719 | 1,890 | 4,335 | 4,265 | 4,556 | 5,208 | 10,329 | 18,364 | 4,708 | (3) |
| Margin (%) | 13.4 | 20.8 | 21.2 | 9.7 | 24.0 | 23.4 | 23.7 | 24.2 | 16.2 | 23.8 | 24.0 | |
| YoY Change (%) | -60.6 | -26.5 | 0.0 | -60.2 | 172.6 | 36.3 | 22.5 | 175.6 | -38.3 | 77.8 | 26.6 | |
| Depreciation | 1,260 | 1,272 | 1,364 | 1,324 | 1,303 | 1,362 | 1,324 | 1,456 | 5,219 | 5,445 | 1,345 | |
| Interest | 85 | 85 | 84 | 86 | 139 | 135 | 132 | 134 | 340 | 540 | 123 | |
| Other Income | 588 | 713 | 822 | 732 | 555 | 750 | 632 | 763 | 2,855 | 2,700 | 750 | |
| PBT before EO expense | 833 | 2,486 | 3,092 | 1,212 | 3,448 | 3,518 | 3,733 | 4,381 | 7,625 | 15,080 | 3,990 | (6) |
| Extra-Ord. expense | 0 | 0 | 0 | 834 | 0 | 1 | 0 | 0 | 834 | 0 | 0 | |
| PBT | 833 | 2,486 | 3,092 | 379 | 3,448 | 3,517 | 3,733 | 4,381 | 6,791 | 15,080 | 3,990 | (6) |
| Tax | 217 | 610 | 714 | 217 | 899 | 876 | 867 | 1,157 | 1,758 | 3,800 | 997 | |
| Rate (%) | 26.0 | 24.5 | 23.1 | 57.4 | 26.1 | 24.9 | 23.2 | 26.4 | 25.9 | 25.2 | 25.0 | |
| Reported PAT | 616 | 1,876 | 2,379 | 162 | 2,549 | 2,641 | 2,865 | 3,224 | 5,033 | 11,280 | 2,992 | (4) |
| Adj. PAT | 616 | 1,876 | 2,379 | 995 | 2,549 | 2,641 | 2,865 | 3,224 | 5,867 | 11,280 | 2,992 | (4) |
| YoY Change (%) | -73.7 | -26.2 | 9.4 | -67.5 | 313.4 | 40.8 | 20.5 | 224.0 | -42.0 | 92.3 | 25.8 | |
| Margin (%) | 5.2 | 12.5 | 13.6 | 5.1 | 14.1 | 14.5 | 14.9 | 15.0 | 9.2 | 14.6 | 15.2 | |



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Highlights from the management commentary

Operational highlights

- Originating volumes for 3QFY22 for EXIM/domestic were 549,425/ 97,097 TEUs (Total: 646,522 TEUs), respectively.
- Empty running cost for 9MFY22 was INR2.2b (EXIM/domestic: INR0.7b/INR1.5b).
- CCRI has reported the best ever 3Q result with the highest operating income (INR19.2b) and PAT (INR 2.9b). The company could run more than 1,000 double stack trains in 3Q (+30% YoY).
- Port-wise market share for JNPT/ Mundra/ Pipavav was at 61%/46%/52% in 9MFY22, respectively. JNPT's market share stands higher at 76% if the private share of movement of less than 100km is ignored where CCRI is not present.
- CCRI does not enter the less-than-100km movements as they are not profitable routes.
- Rail share at JNPT/ Mundra/ Pipavav stood at 19%/27.5%/70%, respectively.
- The lead distance for EXIM/Domestic stood at 698km/1,395km for 9MFY22.
- Rail freight margin for 9MFY22 stood at 32%.
- There are multiple ministries involved in the matter of long-term leasing of terminals to CCRI by Indian Railways, and there has been no update regarding the same.
- CCRI has started imparting business solution services to the companies that entail end-to-end delivery of cargo including the necessary clearances.

Movement of bulk commodities

- CCRI had moved 0.4mT of food grains in FY21.
- It has developed a methodology to move bulk commodities in normal containers through flexi bags. With this, bulk commodities such as cement, food grains, industrial salts, tiles, other raw materials and fertilizers can be transported.
- Trials for movement of cement in bulk containers are complete and commercial movement is expected to start from FY23.
- The potential available for movement of cement in bulk containers is ~ 5-10mT in India. The movement would be from the cement manufacturing hubs to the consumption markets all over India (covering 500-600km).

Domestic segment

- In domestic, CCRI owned 37,000 containers and moved ~8.5mT in 9MFY22; it is expected to reach 12mT in FY22.
- Realization in domestic segment is likely to be at similar levels but growth potential is much higher in near future.
- EBIT per TEU has declined for the domestic segment because of the higher depreciation for the new rakes and the empty running costs.
- The actual margin in domestic segment has improved to more than INR5,000/container currently from INR850/container in FY16, with increasing volumes.

Commissioning of Swarupganj to support margin

- Double stacking between Swarupganj (near Palanpur) and Kathuwas has started. Commissioning of Swarupganj has helped as: a) imports from Nhava Sheva port is brought to Swarupganj and double stacking is being done between Swarupganj and Kathuwas (550km); b) Double stacking is possible from Swarupganj to Mundra and Pipavav ports for both imports and exports.
- Domestic cargo is also brought from all over Gujarat to Swarupganj and moved in double stack trains up to Kathuwas, thereby improving the margins.
- Transit assurance is happening for 30-40% of the rakes currently. The Junction points of Indian Railways and DFC still need to be smoothed out, which would take the transit assurance to 70-80% and might take 4-6 months.

Capex

- Capex in 9MFY22 stood at INR5.25b. New terminals at Paradip, Varnama and Dahej are nearing completion and are expected to be commissioned in FY22; in addition to these, six terminals are under development. The three new terminals would add a capacity of additional 0.2m TEUs annually.
- 16 high capacity Bogie Container Flat Wagons (BLCS) rakes to carry 80 tonnes payload has been added in FY22. This would increase double stacking on DFC. Plans are on to add 20 more rakes by FY22 end. All the 61 tonnes payload rakes are being converted into 68 tonnes payload; we expect the conversion to be completed by FY23 end.
- CCRI has released orders to buy 6,000 containers from four manufacturers in India. Two more tenders for 2,000 and 10,000 containers are under pipeline.
- It plans to acquire 18,000 containers in the next 8-9 months.

Guidance for FY22

- Volumes are likely to register a 15% YoY growth with topline reaching INR75b and PAT crossing INR10b in FY22E. Volumes are expected to cross 4m TEUs in FY22, and have already crossed 3m TEUs in 9MFY22.
- Capex for FY22 is pegged at INR7b.

Key exhibits

Exhibit 1: Financial summary (INR m)

| | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | YoY (%) | QoQ (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|------------|
| Net Sales | 15,686 | 11,891 | 15,027 | 17,538 | 19,393 | 18,075 | 18,239 | 19,200 | 9% | 5% |
| Terminal and Service Charges | 8,120 | 6,523 | 8,205 | 9,323 | 10,501 | 9,647 | 9,838 | 10,431 | 12% | 6% |
| Employee Expenses | 602 | 796 | 842 | 1,327 | 1,286 | 985 | 997 | 962 | -28% | -4% |
| Other Expenses | 2,220 | 2,983 | 2,851 | 3,169 | 5,716 | 3,108 | 3,140 | 3,251 | 3% | 4% |
| EBITDA | 4,744 | 1,590 | 3,129 | 3,719 | 1,890 | 4,335 | 4,265 | 4,556 | 23% | 7% |
| EBITDA margin (%) | 30% | 13% | 21% | 21% | 10% | 24% | 23% | 24% | | |
| Depreciation | 1,336 | 1,260 | 1,272 | 1,364 | 1,324 | 1,303 | 1,362 | 1,324 | -3% | -3% |
| EBIT | 3,409 | 330 | 1,858 | 2,355 | 566 | 3,032 | 2,903 | 3,232 | 37% | 11% |
| Interest | 108 | 85 | 85 | 84 | 86 | 139 | 135 | 132 | 57% | -3% |
| Other Income | 952 | 588 | 713 | 822 | 732 | 555 | 750 | 632 | -23% | -16% |
| PBT | 4,253 | 833 | 2,486 | 3,092 | 1,212 | 3,448 | 3,518 | 3,733 | 21% | 6% |
| Total Tax | 1,102 | 217 | 610 | 714 | 217 | 899 | 876 | 867 | 22% | -1% |
| Tax rate (%) | 26% | 26% | 25% | 23% | 18% | 26% | 25% | 23% | | |
| PAT | 3,062 | 616 | 1,876 | 2,379 | 995 | 2,549 | 2,641 | 2,865 | 20% | 8% |
| EPS (INR) | 5.0 | 1.0 | 3.1 | 3.9 | 1.6 | 4.2 | 4.3 | 4.7 | 20% | 8% |

Exhibit 2: Segmental revenue and profitability

| | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | YoY (%) | QoQ (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|-----------|
| Revenue (INR m) | | | | | | | | | | |
| EXIM | 11,307 | 9,007 | 11,300 | 12,986 | 13,838 | 13,067 | 12,926 | 13,295 | 2% | 3% |
| Domestic | 4,380 | 2,885 | 3,727 | 4,553 | 5,555 | 5,008 | 5,314 | 5,905 | 30% | 11% |
| Total Segment Revenue | 15,686 | 11,891 | 15,027 | 17,538 | 19,393 | 18,075 | 18,239 | 19,200 | 9% | 5% |
| Segmental EBIT | | | | | | | | | | |
| EXIM | 3,425 | 770 | 1,883 | 2,261 | 1,550 | 2,892 | 2,762 | 3,098 | 37% | 12% |
| Domestic | 397 | 147 | 215 | 305 | -184 | 470 | 539 | 407 | 33% | -24% |
| Total | 3,822 | 917 | 2,099 | 2,566 | 1,366 | 3,361 | 3,301 | 3,505 | 37% | 6% |
| EBIT Margin (%) | | | | | | | | | | |
| EXIM | 30.3% | 8.6% | 16.7% | 17.4% | 11.2% | 22.1% | 21.4% | 23.3% | | |
| Domestic | 9.1% | 5.1% | 5.8% | 6.7% | -3.3% | 9.4% | 10.1% | 6.9% | | |
| Total | 24.4% | 7.7% | 14.0% | 14.6% | 7.0% | 18.6% | 18.1% | 18.3% | | |

Exhibit 3: Realization snapshot

| | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | 1QFY22 | 2QFY22 | 3QFY22 | YoY (%) | QoQ (%) |
|------------------------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|------------------|------------|-----------|
| Volumes (TEU) | | | | | | | | | | |
| EXIM | 775,319 | 627,905 | 744,788 | 804,557 | 858,544 | 815,077 | 792,425 | 828,661 | 3% | 5% |
| Domestic | 165,951 | 104,806 | 140,885 | 161,458 | 200,387 | 176,669 | 188,332 | 203,040 | 26% | 8% |
| Total | 941,270 | 732,711 | 885,673 | 966,015 | 1,058,931 | 991,746 | 980,757 | 1,031,701 | 7% | 5% |
| Realization (INR/TEU) | | | | | | | | | | |
| EXIM | 14,583 | 14,344 | 15,172 | 16,140 | 16,117 | 16,032 | 16,312 | 16,044 | -1% | -2% |
| Domestic | 26,390 | 27,524 | 26,456 | 28,197 | 27,722 | 28,347 | 28,213 | 29,082 | 3% | 3% |
| Total | 16,665 | 16,229 | 16,967 | 18,155 | 18,313 | 18,226 | 18,597 | 18,610 | 3% | 0% |
| EBIT (INR/TEU) | | | | | | | | | | |
| EXIM | 4,417 | 1,227 | 2,529 | 2,810 | 1,805 | 3,548 | 3,486 | 3,739 | 33% | 7% |
| Domestic | 2,395 | 1,403 | 1,528 | 1,888 | -917 | 2,658 | 2,859 | 2,003 | 6% | -30% |
| Total | 4,060 | 1,252 | 2,369 | 2,656 | 1,290 | 3,389 | 3,366 | 3,397 | 28% | 1% |

Exhibit 4: Quarterly EXIM and domestic volume trends ('000 TEU)

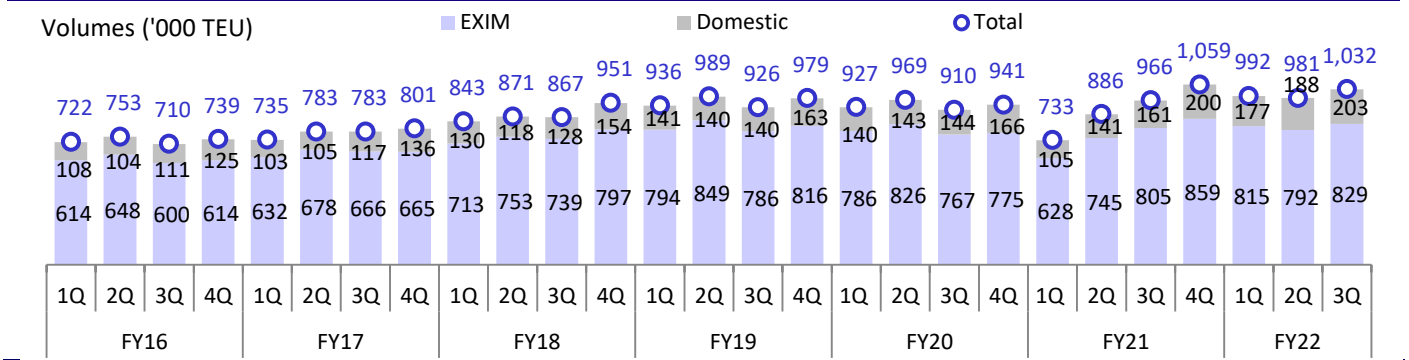


Exhibit 5: Quarterly EXIM and domestic volume growth YoY ('000 TEU)

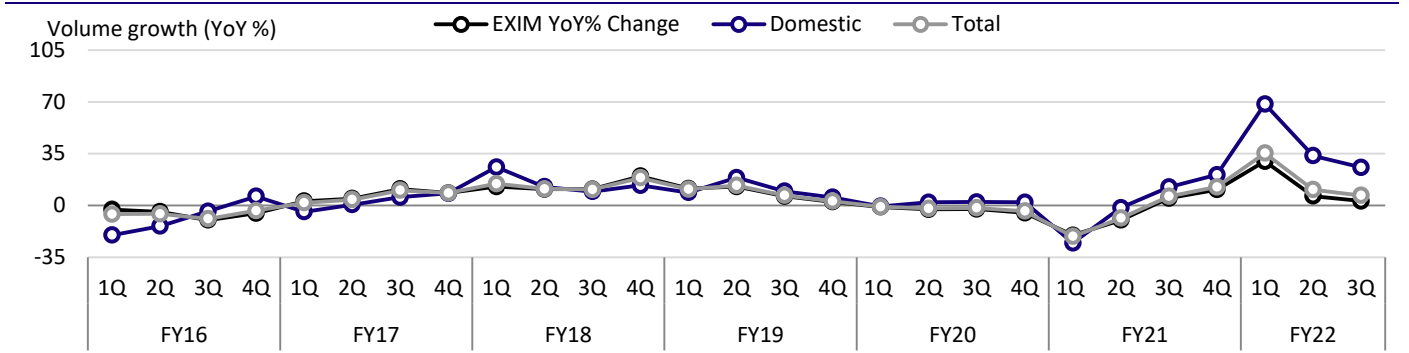


Exhibit 6: Quarterly EXIM and domestic per TEU realization trends (INR/TEU)

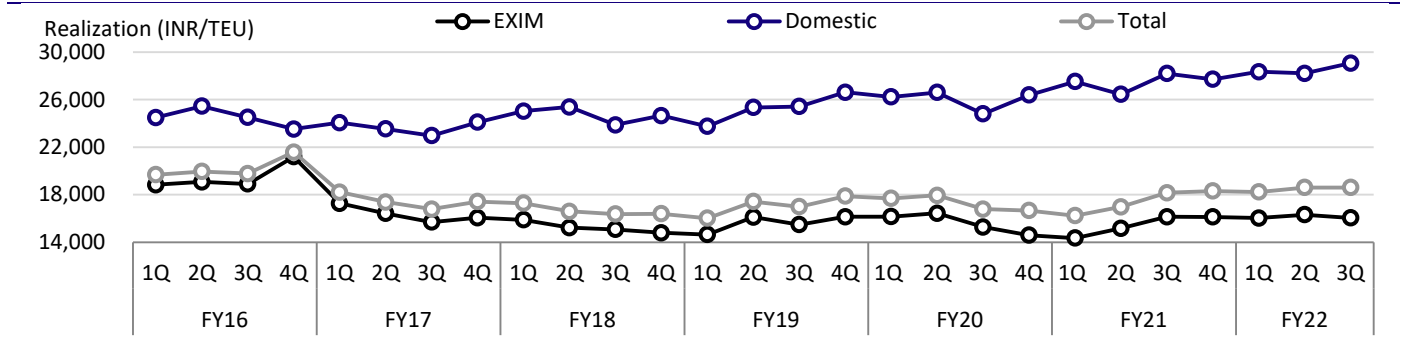
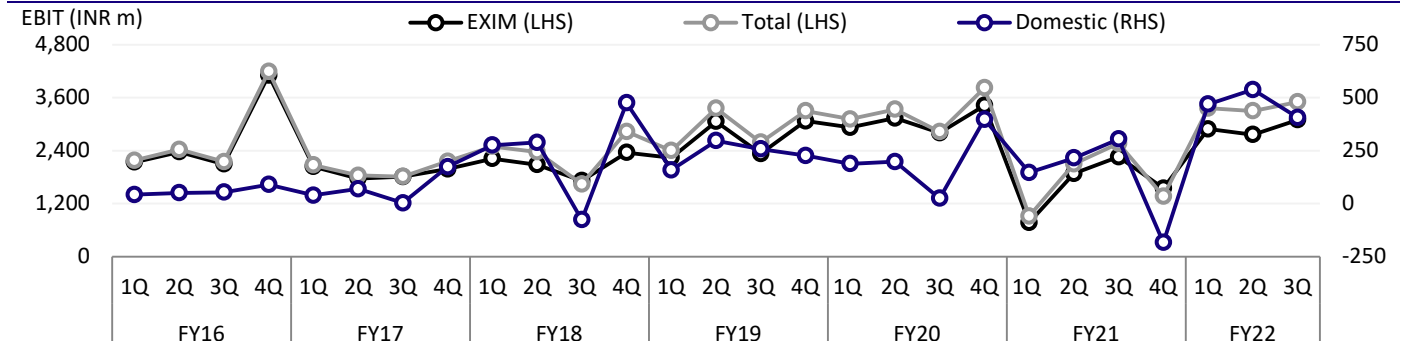


Exhibit 7: Quarterly EXIM and domestic EBIT trends (INR m)



Source: MOFSL, Company

Financials and valuations

Standalone – Income Statement

| Y/E March (INR m) | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Total Income from Operations | 59,217 | 53,946 | 58,893 | 65,427 | 64,738 | 63,850 | 77,061 | 91,304 | 111,174 |
| Change (%) | -3.7 | -8.9 | 9.2 | 11.1 | -1.1 | -1.4 | 20.7 | 18.5 | 21.8 |
| Total Expenditure | 45,834 | 43,593 | 46,814 | 51,019 | 47,989 | 53,521 | 58,697 | 68,987 | 82,675 |
| As a percentage of Sales | 77.4 | 80.8 | 79.5 | 78.0 | 74.1 | 83.8 | 76.2 | 75.6 | 74.4 |
| EBITDA | 13,384 | 10,354 | 12,079 | 14,408 | 16,749 | 10,329 | 18,364 | 22,318 | 28,499 |
| Margin (%) | 22.6 | 19.2 | 20.5 | 22.0 | 25.9 | 16.2 | 23.8 | 24.4 | 25.6 |
| Depreciation | 3,478 | 3,518 | 3,927 | 4,246 | 5,130 | 5,219 | 5,445 | 5,863 | 6,298 |
| EBIT | 9,906 | 6,835 | 8,152 | 10,162 | 11,619 | 5,109 | 12,920 | 16,454 | 22,201 |
| Int. and Finance Charges | 2 | 37 | 1 | 7 | 361 | 340 | 540 | 400 | 400 |
| Other Income | 3,175 | 2,892 | 5,705 | 6,735 | 2,797 | 2,855 | 2,700 | 2,900 | 3,100 |
| PBT bef. EO Exp. | 13,080 | 9,691 | 13,856 | 16,889 | 14,056 | 7,625 | 15,080 | 18,954 | 24,901 |
| EO Items | 0 | 1,250 | -129 | 0 | -8,816 | -834 | 0 | 0 | 0 |
| PBT | 13,080 | 10,941 | 13,727 | 16,889 | 5,240 | 6,791 | 15,080 | 18,954 | 24,901 |
| Current Tax | 2,843 | 3,206 | 3,862 | 4,841 | 3,208 | 2,129 | 3,800 | 4,777 | 6,275 |
| Deferred Tax | 728 | -845 | -579 | -107 | -1,726 | -371 | 0 | 0 | 0 |
| Tax | 3,571 | 2,361 | 3,283 | 4,735 | 1,482 | 1,758 | 3,800 | 4,777 | 6,275 |
| Tax Rate (%) | 27.3 | 21.6 | 23.9 | 28.0 | 28.3 | 25.9 | 25.2 | 25.2 | 25.2 |
| Reported PAT | 9,508 | 8,580 | 10,445 | 12,154 | 3,758 | 5,033 | 11,280 | 14,178 | 18,626 |
| Adjusted PAT | 9,508 | 7,331 | 10,574 | 12,154 | 10,120 | 5,867 | 11,280 | 14,178 | 18,626 |
| Change (%) | -9.8 | -22.9 | 44.2 | 14.9 | -16.7 | -42.0 | 92.3 | 25.7 | 31.4 |
| Margin (%) | 16.1 | 13.6 | 18.0 | 18.6 | 15.6 | 9.2 | 14.6 | 15.5 | 16.8 |

Standalone – Balance Sheet

| Y/E March (INR m) | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E |
|--------------------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| Equity Share Capital | 1,950 | 1,950 | 2,437 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 |
| Total Reserves | 81,507 | 86,512 | 91,574 | 1,00,632 | 97,601 | 98,991 | 103,503 | 109,174 | 116,624 |
| Net Worth | 83,457 | 88,462 | 94,011 | 1,03,679 | 1,00,647 | 1,02,037 | 106,549 | 112,220 | 119,671 |
| Deferred Liabilities | 3,546 | 2,769 | 2,533 | 1,616 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 0 | 0 | 0 | 7,007 | 0 | 0 | 0 | 0 | 0 |
| Capital Employed | 87,002 | 91,231 | 96,544 | 1,12,301 | 1,00,647 | 1,02,037 | 106,549 | 112,220 | 119,671 |
| Gross Block | 31,473 | 40,676 | 47,332 | 57,038 | 70,379 | 81,028 | 88,028 | 94,028 | 101,528 |
| Less: Accum. Deprn. | 3,474 | 6,978 | 10,848 | 15,091 | 20,686 | 28,011 | 33,455 | 39,319 | 45,617 |
| Net Fixed Assets | 28,000 | 33,698 | 36,484 | 41,947 | 49,694 | 53,018 | 54,573 | 54,710 | 55,911 |
| Capital WIP | 5,133 | 5,071 | 6,710 | 6,247 | 9,375 | 9,198 | 9,198 | 9,198 | 9,198 |
| Total Investments | 13,576 | 13,737 | 13,890 | 14,029 | 14,441 | 14,452 | 14,452 | 14,452 | 14,452 |
| Curr. Assets, Loans, and Adv. | 47,591 | 46,904 | 49,395 | 63,845 | 42,013 | 44,735 | 51,161 | 60,674 | 72,439 |
| Inventory | 180 | 229 | 275 | 233 | 261 | 239 | 263 | 309 | 370 |
| Account Receivables | 493 | 425 | 604 | 884 | 1,591 | 1,555 | 1,056 | 1,501 | 2,132 |
| Cash and Bank Balance | 7,999 | 16,835 | 19,817 | 1,704 | 21,686 | 24,732 | 31,634 | 40,656 | 51,728 |
| Loans and Advances | 38,921 | 29,415 | 28,699 | 61,025 | 18,475 | 18,209 | 18,209 | 18,209 | 18,209 |
| Curr. Liability and Prov. | 7,579 | 8,546 | 10,592 | 13,767 | 15,020 | 19,908 | 23,377 | 27,356 | 32,872 |
| Account Payables | 1,868 | 2,415 | 2,542 | 3,504 | 1,553 | 2,709 | 2,971 | 3,492 | 4,184 |
| Other Current Liabilities | 5,202 | 5,441 | 7,344 | 9,544 | 12,776 | 15,500 | 18,708 | 22,165 | 26,989 |
| Provisions | 510 | 690 | 705 | 719 | 692 | 1,699 | 1,699 | 1,699 | 1,699 |
| Net Current Assets | 40,012 | 38,357 | 38,804 | 50,078 | 26,992 | 24,827 | 27,784 | 33,318 | 39,567 |
| Appl. of Funds | 87,002 | 91,231 | 96,544 | 1,12,301 | 1,00,647 | 1,02,037 | 106,549 | 112,221 | 119,671 |

Financial and valuations

Ratio analysis

| Y/E March | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | | |
| EPS | 15.6 | 12.0 | 17.4 | 19.9 | 16.6 | 9.6 | 18.5 | 23.3 | 30.6 |
| Cash EPS | 21.3 | 17.8 | 23.8 | 26.9 | 25.0 | 18.2 | 27.4 | 32.9 | 40.9 |
| BV/Share | 137.0 | 145.2 | 154.3 | 170.2 | 165.2 | 167.5 | 174.9 | 184.2 | 196.4 |
| DPS | 4.3 | 6.3 | 6.9 | 8.5 | 3.6 | 5.0 | 11.1 | 14.0 | 18.3 |
| Payout (%) | 33.3 | 51.9 | 48.0 | 51.4 | 60.7 | 60.5 | 60.0 | 60.0 | 60.0 |
| Valuation (x) | | | | | | | | | |
| P/E | | | | | 37.6 | 64.8 | 33.7 | 26.8 | 20.4 |
| Cash P/E | | | | | 24.9 | 34.3 | 22.7 | 19.0 | 15.3 |
| P/BV | | | | | 3.8 | 3.7 | 3.6 | 3.4 | 3.2 |
| EV/Sales | | | | | 5.7 | 5.7 | 4.7 | 3.8 | 3.0 |
| EV/EBITDA | | | | | 22.0 | 35.4 | 19.6 | 15.7 | 11.9 |
| Dividend Yield (%) | | | | | 0.6 | 0.8 | 1.8 | 2.2 | 2.9 |
| FCF per share | | | | | 53.8 | 9.4 | 18.9 | 24.7 | 32.1 |
| Return Ratios (%) | | | | | | | | | |
| RoE | 11.9 | 8.5 | 11.6 | 12.3 | 9.9 | 5.8 | 10.8 | 13.0 | 16.1 |
| RoCE | 11.5 | 8.6 | 11.2 | 11.6 | 9.7 | 5.8 | 11.2 | 13.2 | 16.3 |
| RoIC | 14.6 | 9.3 | 11.1 | 10.0 | 11.5 | 7.0 | 18.4 | 24.8 | 36.0 |
| Working Capital Ratios | | | | | | | | | |
| Asset Turnover (x) | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.8 | 0.9 |
| Inventory (Days) | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Debtor (Days) | 3 | 3 | 4 | 5 | 9 | 9 | 5 | 6 | 7 |
| Creditor (Days) | 19 | 26 | 26 | 34 | 16 | 29 | 26 | 26 | 26 |
| Leverage Ratio (x) | | | | | | | | | |
| Current Ratio | 6.3 | 5.5 | 4.7 | 4.6 | 2.8 | 2.2 | 2.2 | 2.2 | 2.2 |
| Net Debt/Equity | -0.1 | -0.2 | -0.2 | 0.1 | -0.2 | -0.2 | -0.3 | -0.4 | -0.4 |

Standalone – Cash Flow Statement

| Y/E March (INR m) | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22E | FY23E | FY24E |
|------------------------------------|----------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|
| OP/(Loss) before Tax | 13,080 | 11,806 | 13,857 | 16,889 | 5,240 | 6,791 | 15,080 | 18,954 | 24,901 |
| Depreciation | 3,627 | 3,650 | 3,927 | 4,246 | 5,130 | 5,219 | 5,445 | 5,863 | 6,298 |
| Interest and Finance Charges | -2,914 | -2,514 | -2,332 | -2,247 | -1,678 | -1,648 | -2,160 | -2,500 | -2,700 |
| Direct Taxes Paid | -3,192 | -3,868 | -3,360 | -5,404 | -1,382 | -2,444 | -3,800 | -4,777 | -6,275 |
| (Inc.)/Dec. in WC | -21,026 | 9,575 | 1,169 | -33,386 | 26,758 | 1,691 | 3,945 | 3,487 | 4,824 |
| CF from Operations | -10,426 | 18,650 | 13,260 | -19,902 | 34,067 | 9,610 | 18,510 | 21,028 | 27,048 |
| Others | -27 | -69 | 19 | 15 | 8,621 | 633 | 0 | 0 | 0 |
| CF from Operations incl. EO | -10,453 | 18,581 | 13,279 | -19,887 | 42,689 | 10,243 | 18,510 | 21,028 | 27,048 |
| (inc.)/dec. in FA | -5,818 | -9,143 | -8,595 | -7,040 | -9,888 | -4,501 | -7,000 | -6,000 | -7,500 |
| Free Cash Flow | -16,271 | 9,438 | 4,684 | -26,927 | 32,801 | 5,741 | 11,510 | 15,028 | 19,548 |
| (Pur.)/Sale of Investments | 0 | 0 | -153 | -139 | -618 | -570 | 0 | 0 | 0 |
| Others | 1,537 | 2,978 | 3,451 | 21,639 | -15,227 | 2,310 | 2,700 | 2,900 | 3,100 |
| CF from Investments | -4,281 | -6,165 | -5,297 | 14,461 | -25,733 | -2,761 | -4,300 | -3,100 | -4,400 |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Inc.)/Dec. in Debt | 0 | 0 | 0 | 7,007 | -7,007 | 0 | 0 | 0 | 0 |
| Interest Paid | -2 | -37 | -1 | -7 | -81 | -1 | -540 | -400 | -400 |
| Dividend Paid | -2,613 | -2,944 | -4,168 | -1,828 | -5,666 | -3,564 | -6,768 | -8,507 | -11,175 |
| Others | -532 | -599 | -831 | -366 | -1,714 | -869 | 0 | 0 | 0 |
| CF from Fin. Activity | -3,146 | -3,580 | -4,999 | 4,805 | -14,467 | -4,434 | -7,308 | -8,907 | -11,575 |
| Inc./Dec. in Cash | -17,881 | 8,836 | 2,983 | -621 | 2,489 | 3,047 | 6,902 | 9,022 | 11,072 |
| Opening Balance | 25,879 | 7,999 | 16,835 | 19,817 | 19,196 | 21,685 | 24,732 | 31,634 | 40,656 |
| Closing Balance | 7,999 | 16,835 | 19,817 | 19,196 | 21,685 | 24,732 | 31,634 | 40,656 | 51,728 |

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 |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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