

Container Corporation | BUY

Stable market share – a key positive

Container Corporation's (CCRI) 2QFY24 revenue rose 11% YoY (+6% 4-year CAGR) to INR 21.9bn (c.3% above JMFe/Consensus). EXIM volume (originating basis) rose 14% YoY, on a low base (+2% 4-yr CAGR), as weak exports were offset by strong imports. On QoQ basis, EXIM volume rose 16% QoQ (Jun'23 cyclone effect), in line with Indian Rail (+16%), implying stable market share QoQ. Revenue/TEU declined 2% YoY (due to introduction of schemes for regaining market share), offsetting the strong volume growth print. CCRI has guided for 12-15% volume growth for FY24 (earlier 10-12%) with strong import momentum, partially offset by weak exports. Land Licence fee (LLF) again surprised, this time positively (INR 857mn, -34% QoQ/30% below JMFe) as it surrenders land parcel/terminals. CCRI is now guiding for LLF of INR 4.5bn or below for FY24 (vs. INR 4.9bn earlier) and 7% escalation thereafter. It is selectively passing on the 10% busy season surcharge recently imposed by Indian Railways. We raise our FY24-25 estimates by 4-9% respectively to reflect lower LLF guidance and roll forward to Dec'24 TP of INR 810 (Jun'24 TP of INR 750 earlier). Key risks to recommendation are a) delayed recovery in EXIM volume, and b) sub-par capital allocation decisions.

- **2QFY24 summary:** Revenue rose 11% YoY (+6% 4-year CAGR; +14% QoQ) to INR 21.9bn (3%/4% below JMFe and consensus) as a) EXIM volume (originating basis) rose 15% YoY (flat 4-year CAGR; +16% QoQ; +16% for IR; cyclone impact), with marginal drop in realisation (-5% YoY/ +1% QoQ) on introduction of schemes to regain/stabilise market share and higher mix from Dadri (part of rail haulage savings passed on to customers), and b) domestic volume (originating basis) rose by 6% YoY (+12% 4-year CAGR; +3% QoQ) while realisation grew by 8% YoY/+6% QoQ (+6% 4-year CAGR) on higher lead distance. Rail freight charges increased 70bps YoY to 54.9% (-70bps QoQ) on account of higher imbalances and empties cost. Land Licence fee (LLF) again surprised, this time positively (INR 857mn, -34% QoQ/30% below JMFe) as the company surrenders land parcel/terminals. Employee cost rose 32% YoY/15% QoQ to INR 1.22bn, on account of INR 170mn provision towards one-time incentives to employees. EBITDA rose 8% YoY/+37% QoQ to INR 5.37bn with margin contracting 80bps YoY to 24.5% (1HFY24 at 22.6%). EXIM EBIT margin declined 9% YoY to INR 6,400/TEU (+3% 4-year CAGR) while domestic EBIT margin rose by 12% YoY to INR 6973/TEU on optimisation of circuits. PAT rose 18% YoY (+7% 4-year CAGR) to INR 3.58bn, 21% above JMFe/consensus.
- **Imports pull EXIM volume in 2QFY24; export remain weak:** EXIM volume (originating basis) rose by a strong 15% YoY/16%QoQ on account of robust import demand and spillover from 1QFY24 due to the cyclone, though it was partially offset by lower export momentum. We estimate Concor has arrested its trend of market share losses in 2QFY24 given Indian Rail's 16% QoQ print. CCRI, in order to regain market share, has introduced several measures including a) 1+1 scheme that offers free empty repositioning on incremental imports, b) empty repositioning scheme, and c) significant growth from certain ICDs on dedicated time table-based trains. CCRI has guided for 12-15% volume growth for FY24 (earlier 10-12%) with strong import momentum, partially offset by weak



Achal Lohade

achal.lohade@jmfl.com | Tel: (91 22) 66303081

Vineet Shanker

vineet.shanker@jmfl.com | Tel: (91 22) 66303574

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	810
Upside/(Downside)	13.5%
Previous Price Target	750
Change	8.0%

Key Data – CCRI IN

Current Market Price	INR714
Market cap (bn)	INR434.9/US\$5.2
Free Float	40%
Shares in issue (mn)	609.0
Diluted share (mn)	609.3
3-mon avg daily val (mn)	INR854.2/US\$10.3
52-week range	829/555
Sensex/Nifty	64,364/19,231
INR/US\$	83.3

Price Performance

%	1M	6M	12M
Absolute	0.1	14.5	-10.3
Relative*	2.6	8.6	-15.1

* To the BSE Sensex

Financial Summary

Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	75,945	81,034	89,599	106,424	121,154
Sales Growth (%)	18.9	6.7	10.6	18.8	13.8
EBITDA	17,284	18,421	18,747	21,958	24,835
EBITDA Margin (%)	22.8	22.7	20.9	20.6	20.5
Adjusted Net Profit	10,624	11,703	12,090	14,483	16,632
Diluted EPS (INR)	17.4	19.2	19.8	23.8	27.3
Diluted EPS Growth (%)	72.7	10.2	3.3	19.8	14.8
ROIC (%)	14.3	14.7	14.0	16.7	18.8
ROE (%)	10.1	10.6	10.6	12.2	13.7
P/E (x)	40.9	37.2	36.0	30.0	26.2
P/B (x)	4.0	3.9	3.7	3.6	3.6
EV/EBITDA (x)	23.1	21.6	21.1	18.0	15.9
Dividend Yield (%)	1.1	1.5	1.8	2.5	3.3

Source: Company data, JM Financial. Note: Valuations as of 03/Nov/2023

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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exports.

- **Domestic volume steady:** Domestic Revenue/EBIT rose 14%/19% YoY respectively (+9%/+104%QoQ) as the company continues to improve its presence, and optimise circuit routes and customer base. Bulk cement, one of the key categories in this segment, was impacted due to change in IR policy; the company has made representations and hope to see the results soon. Having said that, the company plans to add fast moving consumer goods (FMCG) segment, hitherto untouched, into its fold and has placed orders for 1,000 customised containers of 12ft height (vs. standard TEU height of 8.5ft), having loading scope increased to 8.5t (2.5-3t currently in standard TEU). This would drive twin benefits of a) cost reduction, b) higher volume (as more volume would be viable with reduced per unit costing). Separately, CCRI is developing more circuits in order to reduce empty cost and is confident about maintaining its current 9-10% sustainable margin
- **Raise estimates on lower LLF expense guidance; maintain BUY:** LLF again surprised, this time positively (INR 857mn, -34% QoQ/30% below JMFe) as the company surrenders land parcel/terminals. CCRI has now guided for LLF of INR 4.5bn or below for FY24 (vs. INR 4.9bn earlier) and 7% escalation thereafter. We raise our FY24-25 estimates by 4-9% respectively to reflect lower LLF guidance and roll forward to Dec'24 TP of INR 810 (June'24 TP of INR 750 earlier). We value a) Concor's operating business at 16x Dec'25 EV/EBITDA, and b) MMLP at 1.3x investment. We maintain BUY. **Key Risks:** a) delayed recovery in EXIM volume and b) sub-par capital allocation decisions.

Key takeaways from conference call:

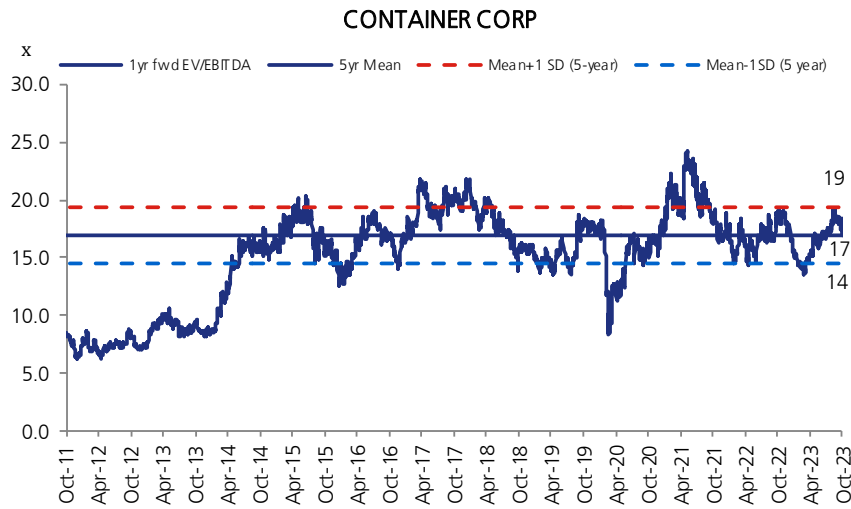
- Land Licence Fee (LLF): The company has provided for INR 2.15bn towards LLF in 1HFY24. It had made higher provision in 1QFY24, so 2Q was a balancing act. It estimates LLF to be not more than INR4.6bn-4.7bn in FY24. The company was planning to surrender certain land parcels in Tughlakabad (TKD) – it will happen in 3Q – and has already surrendered the terminal at Baroda (Gujarat). For FY25, it guides for 7% escalation on INR 4.5bn (i.e., ~INR 4.8bn) though it will continue to find ways to reduce the LLF expense by shifting the volume to its own terminals.
- CCRI will focus not just on market share but also on maintaining profitability. Its current market share is 65-70% and it aims to maintain that. CCRI expects to post volume growth of 12-15% (total) and, in fact, did not rule out surpassing this guidance as it is commissioning a lot of new terminals.
- Dadri terminal, which is connected on Western DFC line, is a 250acre multi modal logistics park with 4JV. Dadri ICD is currently handling 400k TEU volume and the company aims to make it as India's first 1mn TEU terminal in the medium term. Dadri has boosted CCRI's ability to increase double stacking rakes handled (rose 64% YoY to a record 1,584 in 2QFY24 and 31% YoY in 1HFY24). Moreover, the company believes the double stacking benefits are yet to be realised on the exports leg given current demand weakness and this number will only move up from hereon.
- The company highlighted its clear focus on new initiatives such as
 - Improving First Mile Last Mile (FMLM) services from current 30% of its pan-India volume (FY23- 22%; 2 years ago it would have been in single digits). This provides better margins to the company (on INR/TEU basis).
 - Tech-based logistics solutions to be implemented in Tughlakabad terminal as a pilot project.
 - Deployment of Terminal management system is at advanced stage and will be started in next 15 days.
 - Change in strategy in cold chain solutions subsidiary 'Fresh and Healthy' where the company does not intend to procure apple (earlier procure and sell) but is leasing space to various agencies.
- Management maintained its INR 600cr capex guidance for FY24.

Exhibit 1. SoTP valuation (Dec'24)

Target Price date	30-Dec-24
EBITDA (1yr forward)	24,116
EV/EBITDA (x)	16
Enterprise Value	385,849
Add: Cash & Liquid Investment	39,964
Less: Debt	0
Less: Net Debt	-39,964
Add: Value towards MMLPs (1.3x of investment)	64,844
Equity Value	490,657
# of shares (mn)	609
TP	810
CAGR	13%
1yr forward EPS	24.7
PE (x)	32.9

Source: Company, JM Financial

Exhibit 2. Concor: 1-Year Forward EV/EBITDA



Source: Company, JM Financial

1 yr Median	3 yr Median	5 yr Median	10 yr Median
16.9	17.7	16.8	16.9

Financial Summary

Exhibit 3. 2QFY24 performance

INR mn	2Q23A	2Q24A	YoY	4-yr CAGR	1Q24A	QoQ	2Q24E	Var	1HFY23	1HFY24	YoY	4-yr CAGR
Revenue	19,707	21,904	11%	6%	19,193	14%	21,253	3%	39,490	41,097	4%	5%
Volume ('000 teu)	572	648	13%	2%	571	13%	645	1%	1,176	1,219	4%	1%
Realisation (INR/teu)	34,430	33,803	-2%	17%	33,611	1%	32,963	3%	33,583	33,713	0%	4%
Rail Freight Charges	10,679	12,030	13%	6%	10,685	13%	11,711	3%	21,554	22,715	5%	5%
% of Revenue	54.2%	54.9%	70 bps	90 bps	55.7%	-70 bps	55.1%	-20 bps	54.6%	55.3%	70 bps	90 bps
Operating Expenses	2,620	2,712	4%	5%	3,048	-11%	3,191	-15%	5,307	5,760	9%	7%
% of Revenue	13.3%	12.4%	-90 bps	-60 bps	15.9%	-350 bps	15.0%	-260 bps	13.4%	14.0%	60 bps	120 bps
Land License Fee	959	857	-11%	44%	1,299	-34%	1,225	-30%	1,915	2,156	13%	48%
% of Revenue	4.9%	3.9%	-100 bps	280 bps	6.8%	-290 bps	5.8%	-190 bps	4.8%	5.2%	40 bps	390 bps
Other Operating Exp	1,661	1,855	12%	-2%	1,749	6%	1,966	-6%	3,392	3,604	6%	-2%
Gross Profit (post opex)	6,408	7,162	12%	6%	5,460	31%	6,351	13%	12,629	12,622	0%	3%
Gross margin (%)	32.5%	32.7%	20 bps	-30 bps	28.4%	420 bps	29.9%	280 bps	32.0%	30.7%	-130 bps	-210 bps
Employee Costs	923	1,222	32%	10%	1,059	15%	959	27%	1,956	2,282	17%	9%
% of Revenue	4.7%	5.6%	90 bps	80 bps	5.5%	10 bps	4.5%	110 bps	5.0%	5.6%	60 bps	70 bps
Other Expenses	499	567	14%	0%	485	17%	573	-1%	963	1,052	9%	-1%
% of Revenue	2.5%	2.6%	10 bps	-60 bps	2.5%	10 bps	2.7%	-10 bps	2.4%	2.6%	10 bps	-60 bps
Total Expenditure	14,720	16,532	12%	6%	15,277	8%	16,435	1%	29,780	31,809	7%	6%
EBITDA	4,987	5,373	8%	5%	3,916	37%	4,818	12%	9,710	9,289	-4%	3%
EBITDA Margin (%)	25.3%	24.5%	-80 bps	-50 bps	20.4%	410 bps	22.7%	190 bps	24.6%	22.6%	-200 bps	-220 bps
Depreciation	1,341	1,486	11%	4%	1,378	8%	1,500	-1%	2,653	2,864	8%	3%
EBIT	3,646	3,887	7%	6%	2,539	53%	3,318	17%	7,057	6,425	-9%	2%
Other Income	520	1,025	97%	13%	815	26%	800	28%	1,149	1,839	60%	11%
Finance Costs	143	147	2%	16%	141	4%	150	-2%	282	288		10%
Extra-ordinary Exp./-Inc.	0	0	NA	-100%	0	NA	0		0	0		-100%
Profit Before Tax	4,022	4,764	18%	NA	3,212	48%	3,968	20%	7,923	7,976	1%	NA
Tax Expense	994	1,187	19%	NA	771	54%	1,000	19%	1,982	1,958	-1%	NA
Tax Rate (%)	24.7%	24.9%	20 bps	-1170 bps	24.0%	90 bps	25.2%	-30 bps	25.0%	24.5%	-50 bps	-2390 bps
Reported Net Profit	3,028	3,577	18%	NA	2,441	47%	2,968	21%	5,941	6,018	1%	NA
Reported EPS	4.97	5.87	18%	NA	4.01	46%	4.87	21%	9.75	9.88	1%	NA
Adjusted Net Profit	3,028	3,577	18%	7%	2,441	47%	2,968	21%	5,941	6,018	1%	6%
Adjusted EPS	4.97	5.87	18%	7%	4.01	46%	4.87	21%	9.75	9.88	1%	6%

Source: Company, JM Financial

Exhibit 4. Segmental performance

INR mn	2Q23A	2Q24A	YoY	4-yr CAGR	1Q24A	QoQ	2Q24E	Var	1HFY23	1HFY24	YoY	4-yr CAGR
Revenue (INR mn)												
EXIM	13,186	14,438	9%	2%	12,315	17%	13,898	4%	26,192	26,752	2%	0%
Domestic	6,521	7,467	14%	18%	6,879	9%	7,355	2%	13,298	14,345	8%	18%
Total	19,707	21,904	11%	6%	19,193	14%	21,253	3%	39,490	41,097	4%	5%
EBIT												
EXIM	3,321	3,463	4%	3%	2,566	35%	3,065	13%	6,492	6,028	-7%	0%
Domestic	627	746	19%	46%	366	104%	618	21%	1,213	1,112	-8%	33%
Total	3,948	4,209	7%	7%	2,932	44%	3,683	14%	7,705	7,140	-7%	3%
EBIT Margin (%)												
EXIM	25.2%	24.0%	-120 bps	160 bps	20.8%	320 bps	22.1%	190 bps	24.8%	22.5%	-230 bps	-20 bps
Domestic	9.6%	10.0%	40 bps	570 bps	5.3%	470 bps	8.4%	160 bps	9.1%	7.8%	-140 bps	300 bps
Total	20.0%	19.2%	-80 bps	80 bps	15.3%	390 bps	17.3%	190 bps	19.5%	17.4%	-210 bps	-130 bps
Originating Volume (000 TEUs)												
EXIM	471	541	15%	0%	467	16%	532	2%	968	1,008	4%	-1%
Domestic	101	107	6%	12%	104	3%	112	-5%	207	211	2%	12%
Total	572	648	13%	2%	571	13%	645	1%	1,176	1,219	4%	1%
Realisation (INR/originating TEU)												
EXIM	27,980	26,687	-5%	2%	26,372	1%	26,108	2%	27,045	26,541	-2%	1%
Domestic	64,487	69,782	8%	6%	66,092	6%	65,431	7%	64,118	67,962	6%	5%
Total	34,430	33,803	-2%	17%	33,611	1%	32,963	3%	33,583	33,713	0%	4%
EBIT Margin (INR/originating TEU)												
EXIM	7,047	6,400	-9%	3%	5,494	16%	5,757	11%	6,704	5,980	-11%	1%
Domestic	6,198	6,973	12%	31%	3,518	98%	5,500	27%	5,846	5,269	-10%	19%
Total	6,897	6,495	-6%	5%	5,134	27%	5,712	14%	6,552	5,857	-11%	2%

Source: JM Financial, Company

Exhibit 5. Common size analysis (INR/TEU)

INR/TEU	2Q23A	2Q24A	YoY	4-yr CAGR	1Q24A	QoQ	2Q24E	Var	1HFY23	1HFY24	YoY	4-yr CAGR
Realisation	17,228	17,797	3%	0%	17,546	1%	15,915	12%	18,308	17,679	-3%	0%
Rail Freight	9,336	9,775	5%	0%	9,768	0%	8,769	11%	9,993	9,771	-2%	0%
Gross Profit (Realisation-Rail Freight)	7,892	8,022	2%	-1%	7,778	3%	7,145	12%	8,315	7,908	-5%	-1%
Operating Exp	2,291	2,204	-4%	-2%	2,786	-21%	2,390	-8%	2,460	2,478	1%	3%
Land License Fee	838	696	-17%	50%	1,188	-41%	917	-24%	888	927	4%	58%
Other Operating Exp	1,452	1,508	4%	-11%	1,599	-6%	1,473	2%	1,573	1,551	-1%	-9%
Gross Profit (Realisation-Rail Freight-Opex)	5,602	5,819	4%	-1%	4,992	17%	4,756	22%	5,855	5,430	-7%	-2%
Employee cost	806	993	23%	5%	968	3%	718	38%	907	982	8%	4%
Other Exp	436	461	6%	-7%	443	4%	429	7%	446	452	1%	-7%
EBITDA	4,359	4,365	0%	-1%	3,580	22%	3,608	21%	4,502	3,996	-11%	-3%
Depreciation	1,172	1,207	3%	-3%	1,259	-4%	1,123	7%	1,230	1,232	0%	-3%
EBIT	3,187	3,158	-1%	0%	2,321	36%	2,485	27%	3,272	2,764	-16%	-4%

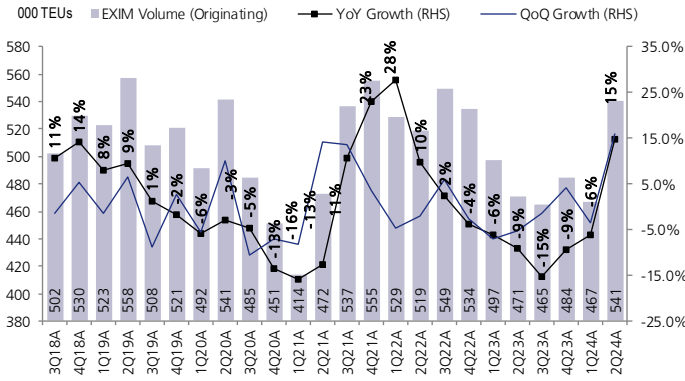
Common Size (on originating basis)

INR/TEU	2Q23A	2Q24A	YoY	4-yr CAGR	1Q24A	QoQ	2Q24E	Var	1HFY23	1HFY24	YoY	4-yr CAGR
Realisation	34,430	33,803	-2%	6%	33,611	1%	32,963	3%	33,583	33,713	0%	5%
Rail Freight	18,657	18,565	0%	6%	18,711	-1%	18,163	2%	18,330	18,634	2%	6%
Gross Profit (Realisation-Rail Freight)	15,773	15,238	-3%	5%	14,900	2%	14,800	3%	15,253	15,079	-1%	5%
Operating Exp	4,578	4,185	-9%	4%	5,338	-22%	4,950	-15%	4,513	4,725	5%	8%
Land License Fee	1,675	1,322	-21%	59%	2,275	-42%	1,900	-30%	1,628	1,768	9%	66%
Other Operating Exp	2,902	2,863	-1%	-5%	3,063	-7%	3,050	-6%	2,885	2,957	2%	-4%
Gross Profit (Realisation-Rail Freight-Opex)	11,195	11,052	-1%	6%	9,562	16%	9,850	12%	10,740	10,354	-4%	3%
Employee cost	1,612	1,886	17%	12%	1,855	2%	1,488	27%	1,663	1,872	13%	10%
Other Exp	871	875	0%	-2%	849	3%	889	-2%	819	863	5%	-2%
EBITDA	8,712	8,291	-5%	5%	6,858	21%	7,473	11%	8,258	7,620	-8%	2%
Depreciation	2,343	2,293	-2%	3%	2,412	-5%	2,326	-1%	2,256	2,349	4%	3%
EBIT	6,369	5,998	-6%	6%	4,445	35%	5,146	17%	6,001	5,271	-12%	2%

Source: Company, JM Financial

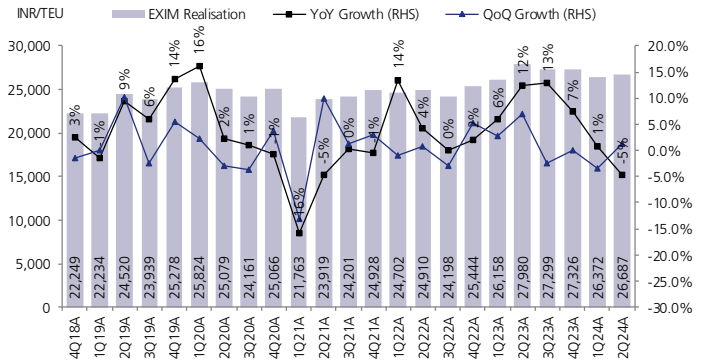
Quarterly charts

Exhibit 6. EXIM volume trend



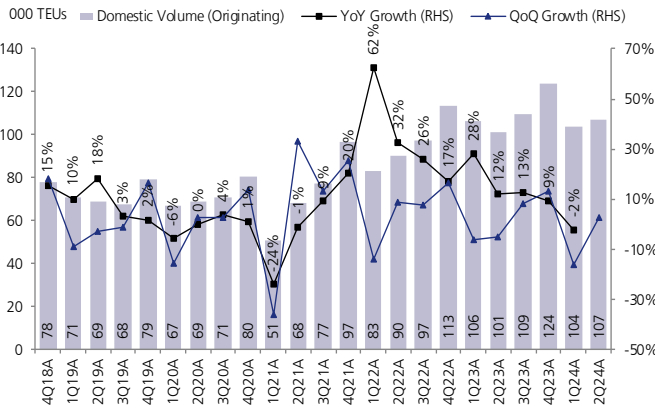
Source: Company, JM Financial

Exhibit 7. EXIM realisation trend



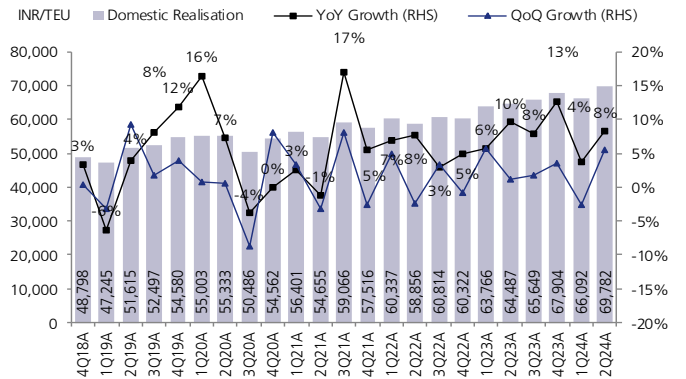
Source: Company, JM Financial

Exhibit 8. Domestic originating volume trend



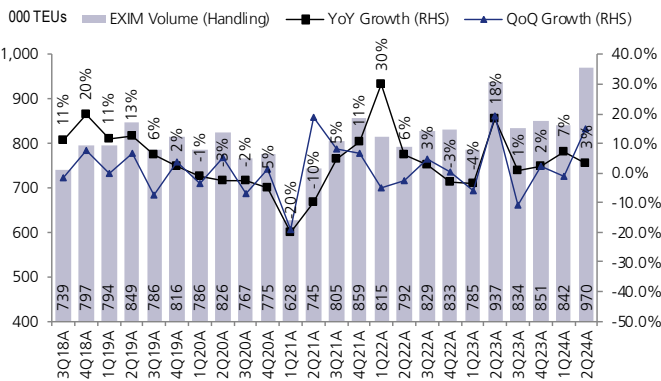
Source: Company, JM Financial

Exhibit 9. Domestic realisation trend



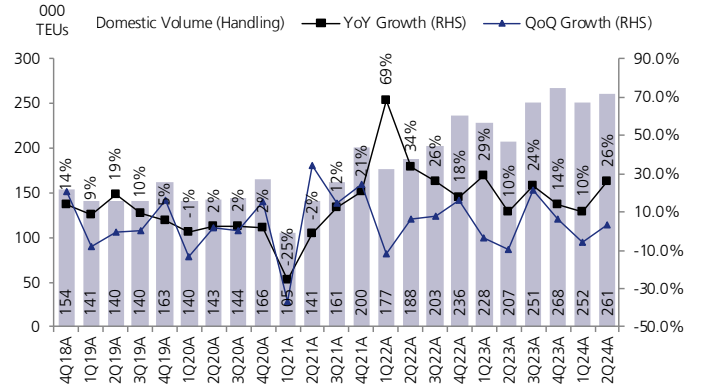
Source: Company, JM Financial

Exhibit 10. EXIM handling volume trend



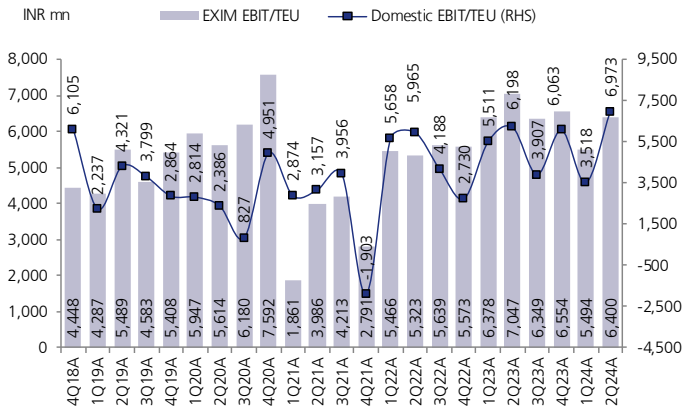
Source: Company, JM Financial

Exhibit 11. Domestic handling volume trend



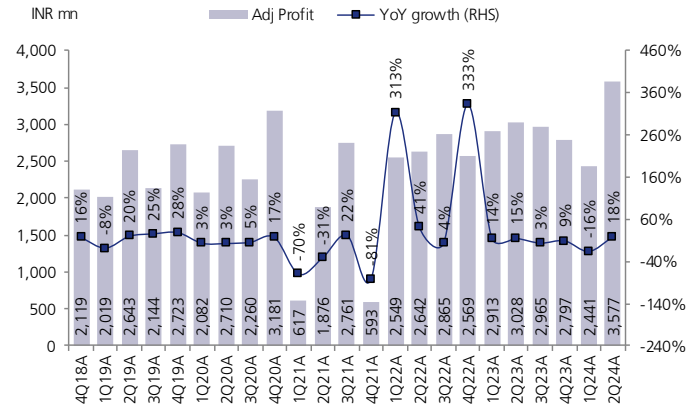
Source: Company, JM Financial

Exhibit 12. EBIT margin trend



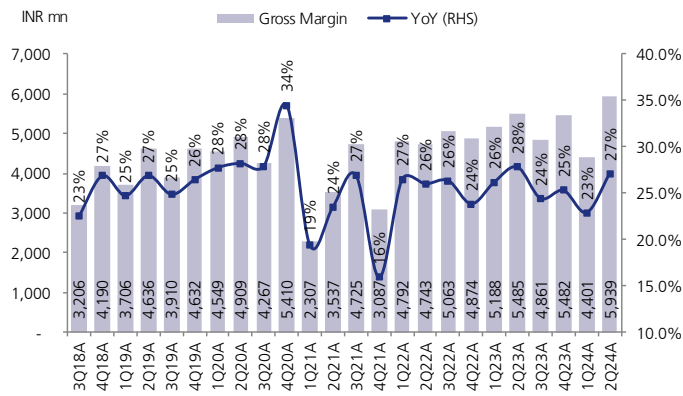
Source: Company, JM Financial

Exhibit 13. Profitability trend



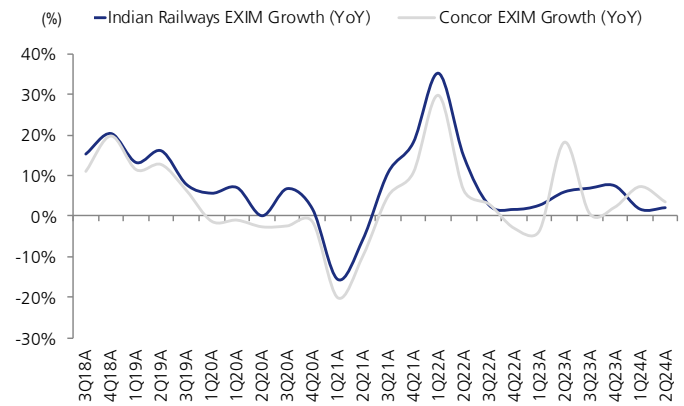
Source: Company, JM Financial

Exhibit 14. Gross rail freight margin falls QoQ



Source: Company, JM Financial
Calculated post opex and employee costs

Exhibit 15. Indian railways EXIM growth vs. Concor EXIM growth



Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	75,945	81,034	89,599	106,424	121,154	
Sales Growth	18.9%	6.7%	10.6%	18.8%	13.8%	
Other Operating Income	0	0	0	0	0	
Total Revenue	75,945	81,034	89,599	106,424	121,154	
Cost of Goods Sold/Op. Exp	52,317	55,745	63,804	76,855	88,100	
Personnel Cost	4,156	4,274	4,530	4,892	5,284	
Other Expenses	2,188	2,595	2,517	2,719	2,936	
EBITDA	17,284	18,421	18,747	21,958	24,835	
EBITDA Margin	22.8%	22.7%	20.9%	20.6%	20.5%	
EBITDA Growth	57.1%	6.6%	1.8%	17.1%	13.1%	
Depn. & Amort.	5,298	5,541	5,873	6,167	6,475	
EBIT	11,986	12,880	12,874	15,791	18,359	
Other Income	2,631	3,240	3,888	4,199	4,535	
Finance Cost	546	570	599	629	660	
PBT before Excep. & Forex	14,071	15,550	16,163	19,362	22,235	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	14,071	15,550	16,163	19,362	22,235	
Taxes	3,447	3,847	4,073	4,879	5,603	
Extraordinary Inc./Loss(-)	-1	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	10,623	11,703	12,090	14,483	16,632	
Adjusted Net Profit	10,624	11,703	12,090	14,483	16,632	
Net Margin	14.0%	14.4%	13.5%	13.6%	13.7%	
Diluted Share Cap. (mn)	609.3	609.3	609.3	609.3	609.3	
Diluted EPS (INR)	17.4	19.2	19.8	23.8	27.3	
Diluted EPS Growth	72.7%	10.2%	3.3%	19.8%	14.8%	
Total Dividend + Tax	4,874	6,539	7,965	10,989	14,283	
Dividend Per Share (INR)	8.0	10.7	13.1	18.0	23.4	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	14,071	15,550	16,163	19,362	22,235	
Depn. & Amort.	5,351	5,594	5,873	6,167	6,475	
Net Interest Exp. / Inc. (-)	-1,302	-1,667	-3,290	-3,571	-3,875	
Inc (-) / Dec in WCap.	-1,003	-1,219	-1,899	891	210	
Others	-143	-170	0	0	0	
Taxes Paid	-3,568	-4,251	-4,073	-4,879	-5,603	
Operating Cash Flow	13,406	13,837	12,774	17,969	19,441	
Capex	-7,751	-4,941	-6,000	-9,000	-10,000	
Free Cash Flow	5,656	8,896	6,774	8,969	9,441	
Inc (-) / Dec in Investments	-6,509	-2,286	0	0	0	
Others	3,664	1,190	3,888	4,199	4,535	
Investing Cash Flow	-10,596	-6,036	-2,112	-4,801	-5,465	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-4,874	-7,311	-7,965	-10,989	-14,283	
Inc / Dec (-) in Loans	0	0	0	0	0	
Others	-893	-1,080	-599	-629	-660	
Financing Cash Flow	-5,767	-8,392	-8,563	-11,617	-14,943	
Inc / Dec (-) in Cash	-2,957	-991	2,099	1,551	-966	
Opening Cash Balance	6,646	21,773	30,479	32,578	34,129	
Closing Cash Balance	3,689	21,182	32,578	34,129	33,163	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	107,773	112,450	116,575	120,069	122,418	
Share Capital	3,047	3,047	3,047	3,047	3,047	
Reserves & Surplus	104,727	109,403	113,529	117,022	119,371	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	0	0	0	0	0	
Def. Tax Liab. / Assets (-)	-906	-799	-799	-799	-799	
Total - Equity & Liab.	106,867	111,650	115,776	119,269	121,618	
Net Fixed Assets	61,390	61,518	61,645	64,478	68,003	
Gross Fixed Assets	84,242	89,129	95,394	104,394	114,394	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	30,335	35,875	41,749	47,916	54,391	
Capital WIP	7,482	8,265	8,000	8,000	8,000	
Investments	14,356	14,425	14,425	14,425	14,425	
Current Assets	51,365	56,065	60,571	65,150	67,405	
Inventories	307	372	245	292	332	
Sundry Debtors	1,761	2,131	2,356	2,799	3,186	
Cash & Bank Balances	28,879	30,479	32,578	34,129	33,163	
Loans & Advances	20,419	23,083	25,391	27,930	30,723	
Other Current Assets	0	0	0	0	0	
Current Liab. & Prov.	20,244	20,358	20,865	24,784	28,214	
Current Liabilities	4,236	4,236	3,682	4,374	4,979	
Provisions & Others	16,008	16,121	17,183	20,410	23,235	
Net Current Assets	31,122	35,707	39,706	40,366	39,190	
Total - Assets	106,867	111,650	115,776	119,269	121,618	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	14.0%	14.4%	13.5%	13.6%	13.7%	
Asset Turnover (x)	0.7	0.7	0.8	0.9	1.0	
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0	
RoE	10.1%	10.6%	10.6%	12.2%	13.7%	

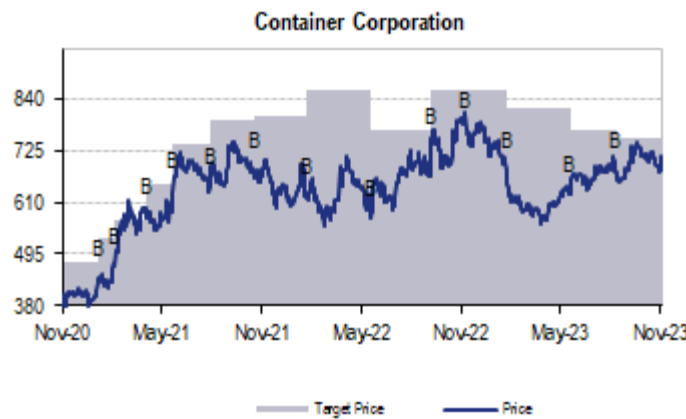
Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	176.9	184.6	191.3	197.1	200.9	
ROIC	14.3%	14.7%	14.0%	16.7%	18.8%	
ROE	10.1%	10.6%	10.6%	12.2%	13.7%	
Net Debt/Equity (x)	-0.3	-0.3	-0.3	-0.3	-0.3	
P/E (x)	40.9	37.2	36.0	30.0	26.2	
P/B (x)	4.0	3.9	3.7	3.6	3.6	
EV/EBITDA (x)	23.1	21.6	21.1	18.0	15.9	
EV/Sales (x)	5.3	4.9	4.4	3.7	3.3	
Debtor days	8	10	10	10	10	
Inventory days	1	2	1	1	1	
Creditor days	26	25	19	19	19	

Source: Company, JM Financial

History of Recommendation and Target Price

Recommendation History

Date	Recommendation	Target Price	% Chg.
10-Feb-20	Hold	610	
28-Jun-20	Hold	500	-18.0
11-Aug-20	Hold	420	-16.0
21-Sep-20	Buy	470	11.9
7-Nov-20	Buy	475	1.1
8-Jan-21	Buy	530	11.6
5-Feb-21	Buy	570	7.5
5-Apr-21	Buy	650	14.0
24-May-21	Buy	740	13.8
30-Jul-21	Buy	790	6.8
22-Oct-21	Buy	800	1.3
22-Jan-22	Buy	860	7.5
20-May-22	Buy	770	-10.5
8-Sep-22	Buy	860	11.7
11-Nov-22	Buy	860	0.0
24-Jan-23	Buy	820	-4.7
19-May-23	Buy	770	-6.1
12-Aug-23	Buy	750	-2.6



APPENDIX I

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Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +9122 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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