Transport Corporation of India

Steady execution continues – maintain LONG

CMP	Target Price
Rs 1,204	Rs 1,464 Mar 2027
Rating	Upside
LONG	22% (↑)

- Transport Corporation of India (TRPC) reported 2QFY26 revenues of ~Rs 12bn (+8% yoy/+6% qoq), broadly in line with EE (~Rs 12.3bn). A 32% yoy expansion in the SCS segment, driven by GST cuts and robust warehousing demand, fuelled overall growth. QC, FMCG, and retail verticals also saw healthy traction ahead of the festive season.
- EBITDA was up 8% yoy (+5% qoq) to Rs 1.3bn (EE: Rs 1.2bn) and EBITDA margins stood at 10.5% (EE: 10.1%). TRPC's JV share of profit was down 4% yoy (+18% qoq) to Rs 232mn. Recurring PAT grew 6% yoy (+6% qoq) to Rs 1.1bn, in line with EE.
- Management retained its FY26 guidance of 10-12% revenue growth and 10-15% PAT growth, with 1HFY26 performance tracking in line with estimates.
- Given the outlook, performance, and guidance, we largely maintain our revenue and PAT estimates. We reiterate LONG on TRPC, backed by its strong position across key logistics verticals, healthy segmental growth, robust liquidity, and solid return ratios. The stock trades at 20.8x/18.5x FY26E/FY27E P/E; we value it at 20x one-year fwd. earnings, arriving at a Mar'27 TP of Rs 1,464 (vs. a Sep'26 TP of Rs 1,403 earlier).

SCS sustains strong growth: The SCS segment delivered another robust quarter, with revenue up 32% yoy/16% qoq to Rs 5.8bn, driven by GST rate cuts and strong warehousing demand. EBIT margins held steady at 5.6% (-22bps yoy), reflecting ongoing capacity expansion for new contracts. The Transystem JV also recorded healthy growth, with revenue up 11% yoy/17% qoq to Rs 3.4bn. We expect SCS revenue and EBIT to grow at a ~20% CAGR over FY25-FY28E, underpinned by sustained demand and capacity additions.

Seaways constrained by capacity; margins continues to expand: The Seaways segment remained capacity-constrained, with two of six vessels under dry dock in 1HFY25, pulling down revenue by 13% yoy/10% qoq to Rs 1.4bn. Despite this, EBIT margins expanded 629bps yoy to a record 37.5%, benefiting from higher global freight rates, which tightened domestic capacity and reduced sulphur fuel costs. We expect a 3% revenue dip in FY26E, with margins sustaining around 37%. Two new vessels (7,300DWT each) are scheduled for delivery in Aug'26 and Dec'26, likely to restore growth momentum and drive 12%/15% revenue growth in FY27E/FY28E.

Freight margins remain under pressure: Freight revenue rose 5% yoy, aided by strong JV performance (+24% yoy). EBIT margin stood at 2.3%, below the historical ~4%, reflecting high costs, competitive intensity, and weak MSME-led LTL demand. Margins appear to have bottomed out, with management targeting a higher LTL mix (40% by FY27E vs. 38% in 2Q). We expect 9% revenue and 7% EBIT CAGR over FY25-FY28E, driven by a rising LTL share and improved cost efficiencies.

Key risks: Concentration risk (automotive industry), an increase in diesel prices, a highly competitive road logistics industry, and a modal shift of cargo from road to rail.

Financial Summary

YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/ EBITDA (x)	ROE (%)	Core ROIC (%)	EBITDA Margin (%)
FY25A	44,918	4,612	4,126	53.9	22.4	4.2	20.2	19.8	19.1	10.3
FY26E	49,096	5,049	4,441	58.0	20.8	3.6	18.5	19.0	18.3	10.3
FY27E	55,535	5,590	4,985	65.1	18.5	3.1	16.6	18.2	17.7	10.1
FY28E	62,447	6,198	5,609	73.2	16.4	2.7	14.9	17.6	17.3	9.9

Source: Company Data, Equirus

Estimate Revision

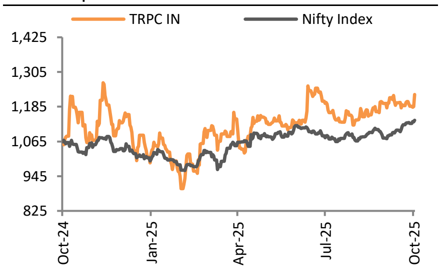
	Forecasts		% Change	
(Rs mn)	FY26E	FY27E	FY26E	FY27E
Sales	49,096	55,535	-1%	-1%
EBITDA	5,049	5,590	0%	0%
PAT	4,441	4,985	-1%	-1%
EPS	58.0	65.1	-1%	-1%

Stock Information

Market Cap (Rs Mn)	92,249
52 Wk H/L (Rs)	1,309/875
Avg Daily Volume (1yr)	27,825
Avg Daily Value (Rs Mn)	0.4
Equity Cap (Rs Mn)	21,547
Face Value (Rs)	2
Share Outstanding (Mn)	76.7
Bloomberg Code	TRPC IN
Ind Benchmark	SPBSMIP

Ownership (%)	Recent	3M	12M
Promoters	68.9	0.0	(0.1)
DII	11.9	(0.1)	1.0
FII	3.6	0.1	(0.6)
Public	15.7	0.1	(0.3)

Relative price chart



Source: Bloomberg

Analysts
Jainam Shah
jainam.shah@equirus.com
+91-079 6901 5021
Anurag Katta
anurag.katta@equirus.com
+91-079 6901 5037

Exhibit 1: Quarterly performance (consolidated)

Rs Mn	2QFY26	2QFY26E	1QFY26	2QFY25	% Change			Comments
					2QFY26E	1QFY26	2QFY25	
Net Sales	**12,049**	**12,348**	**11,393**	**11,208**	**-2%**	**6%**	**8%**	
Cost of rendering service	9,587	10,011	9,123	9,024	-4%	5%	6%	
Employee Benefits Expense	699	688	675	629	2%	4%	11%	
Other Expenses	496	401	385	384	24%	29%	29%	
Total Expenditures	**10,782**	**11,101**	**10,183**	**10,037**	**-3%**	**6%**	**7%**	
EBITDA	**1,267**	**1,247**	**1,210**	**1,171**	**2%**	**5%**	**8%**	
Depreciation	305	293	288	291	4%	6%	5%	
EBIT	**962**	**954**	**922**	**880**	**1%**	**4%**	**9%**	
Interest	59	56	54	46	5%	9%	28%	
Other Income	125	122	113	106	2%	11%	18%	
PBT	**1,028**	**1,021**	**981**	**940**	**1%**	**5%**	**9%**	
Tax	125	115	106	109	8%	18%	15%	
PAT before MI & Associate	**903**	**905**	**875**	**831**	**0%**	**3%**	**9%**	
Minority Interest	-9	-10	-7	-9	-11%	29%	0%	
Profit from Assoc.	232	210	197	242	11%	18%	-4%	
Recurring PAT	**1,126**	**1,105**	**1,065**	**1,064**	**2%**	**6%**	**6%**	
Extraordinaries	0	0	0	0				
Reported PAT	**1,126**	**1,105**	**1,065**	**1,064**	2%	6%	6%	
EPS (Rs)	14.7	14.4	13.9	13.7	2%	6%	6%	
EBITDA Margin	10.5%	10.1%	10.6%	10.4%	41 bps	-11 bps	7 bps	
EBIT Margin	8.0%	7.7%	8.1%	7.9%	26 bps	-11 bps	13 bps	
PBT Margin	8.5%	8.3%	8.6%	8.4%	27 bps	-8 bps	14 bps	
PAT Margin	9.3%	8.9%	9.3%	9.5%	40 bps	0 bps	-15 bps	
Tax Rate	12.2%	11.3%	10.8%	11.6%	85 bps	135 bps	56 bps	

Source: Company Data, Equirus

Earnings Call Takeaways

Quarterly overview:

- The quarter was interesting, marked by strong movement in July–Aug, followed by a slowdown post-GST cut announcements.
- A sharp surge in activity was seen after 22nd Sept post actual GST-cut, led by automotive, finished goods, and FMCG sectors.
- The rush drove record performance in the Supply Chain Solutions business, now the company's largest vertical.
- Operations extended to the far end of the supply chain, including post-warehousing CNFs and yards.

Near-term outlook:

- October witnessed continued high activity, though momentum has started to soften.
- November is expected to be subdued, with December likely to moderate further.
- The volume surge witnessed in late September is unlikely to recur soon, possibly not until March.
- Overall sentiment has improved despite expectations of near-term normalization.

Market environment and demand trends:

- Management expects an upcoming shift toward production-side movement, driving raw material logistics.
- Industrial capacity utilisation remains around 77–78%; sustained levels are required before a fresh CapEx cycle begins.
- Corporates are focusing on supply chain restructuring and cost optimisation, having exhausted earlier cost levers. Initiatives include warehouse rationalisation, network redesign, and supply base diversification.
- Impending FTAs are influencing supply chain diversification strategies.
- GST rationalisation has improved customer sentiment and perceived value-for-money, supporting future consumption.

Company strategy and focus:

- TRPC continues to expand its multimodal logistics platform to deliver integrated solutions across road, rail, and sea.
- Rapid deployment of AI/ML tools aimed at improving manpower productivity and operational efficiency.
- Expanding presence across high-growth sectors such as chemicals, defence, aviation, and industrials.

Supply Chain Solutions Segment:

- Segment revenue grew 31.5% yoy in 2QFY26. Growth was driven by GST-led rationalisation and robust warehousing demand.
- Warehousing growth outpaced overall segment growth, supported by Quick Commerce, FMCG restructuring, and retail demand.
- Warehousing margins remained stable during the quarter.
- Capital employed increased due to the addition of ~100 trucks under the ongoing CapEx plan.
- The GST-driven surge resulted in heavy rake loading — typically 4–5 rakes per day, peaking at 7–8 rakes per day in the final week of September.

Freight Segment:

- Continued structural shift from Full Truck Load (FTL) to Less-than-Truck Load (LTL); LTL mix improved by 200 bps to 38%.
- Margins yet to reflect the full benefit, with cost optimisation still underway.
- Peak EBITDA margin in this commoditised segment historically at ~4.5%; expected to improve by ~100 bps from FY27 onwards.
- RoCE target above 15%, with LTL growth likely to push RoCE toward 20–27%.
- Margin recovery expected from LTL expansion, MSME demand revival, and continued infrastructure-led movement in engineering and electronics.

Seaways Segment:

- Revenue declined due to fewer voyages amid ship dry-docking.
- Margins improved despite lower volumes, supported by softer fuel prices.
- With ships largely depreciated and no interest costs, most EBITDA translates to EBIT.
- Optimal margin structure maintained between 35–40%.
- Fleet operating at full capacity; additional demand constrained by vessel availability.
- Potential headwinds include return of international players to Indian coastal routes.
- Ship retirement extended to 2028; acquisition of second-hand ships deemed unviable due to elevated prices.

Joint Ventures (JVs):

- **TCI-Concor Rail JV:** Revenue grew 24% in 2QFY26. TCI generates business using Concor's rake and terminal infrastructure. Profitability remains tight due to competitive intensity from Adani and DP World. JV operations limited by the Right of First Refusal (ROFR) agreement with Concor.
- **Cold Chain JV:** Revenue grew 16% in 2QFY26. Customer traction improving in Quick Commerce and retail; profitability to remain muted in the near term.
- **Transystem JV:** Revenue grew 11% yoy; profitability stable.

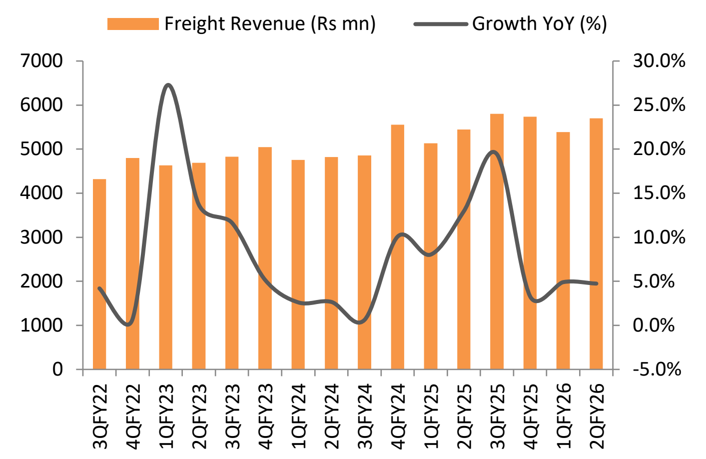
Guidance and capex:

- FY26 guidance maintained at 10–12% revenue growth and 10–15% PAT growth at consolidated level.
- Rs 1.7bn invested in 1HFY26, with Rs 1.4bn funded via internal accruals.
- Liquidity position remains healthy at ~Rs 2.5bn.
- FY26 CapEx expected at Rs 4bn.

Other updates:

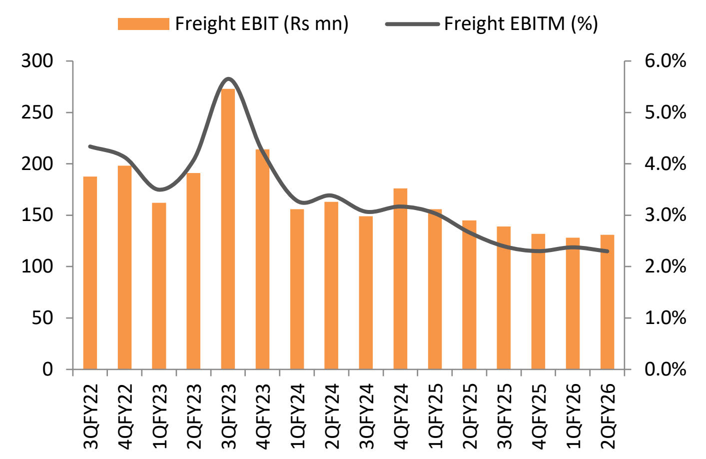
- 60–70% of customer attrition attributed to pricing pressure.
- Other causes include service expectation gaps and customer supply-chain diversification.
- New 285,000 sq. ft warehouse commissioned in Kolkata under regular CapEx; limited overall impact given total 16msf warehousing footprint.
- Gradual industry consolidation underway post-GST, with smaller unorganised players exiting.

Exhibit 2: Freight segment revenues up 5% yoy



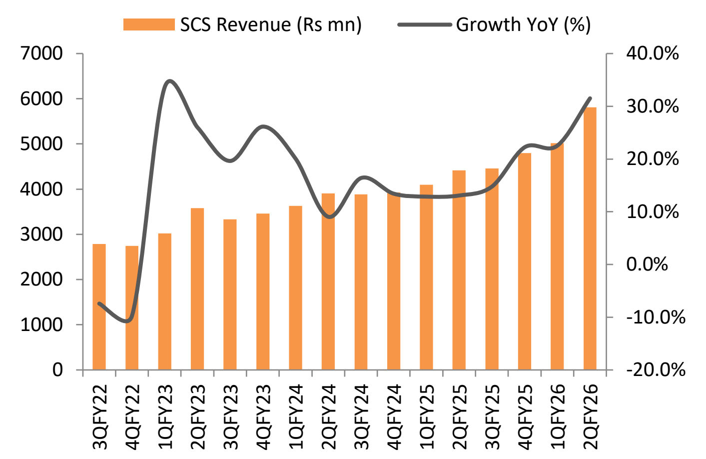
Source: Company Data, Equirus

Exhibit 3: Freight segment EBIT margin stood at 2.4%



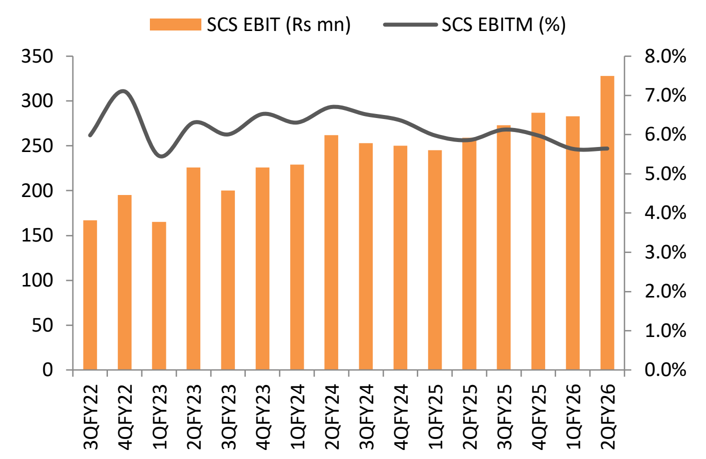
Source: Company Data, Equirus

Exhibit 4: SCS segment revenues up 23% yoy



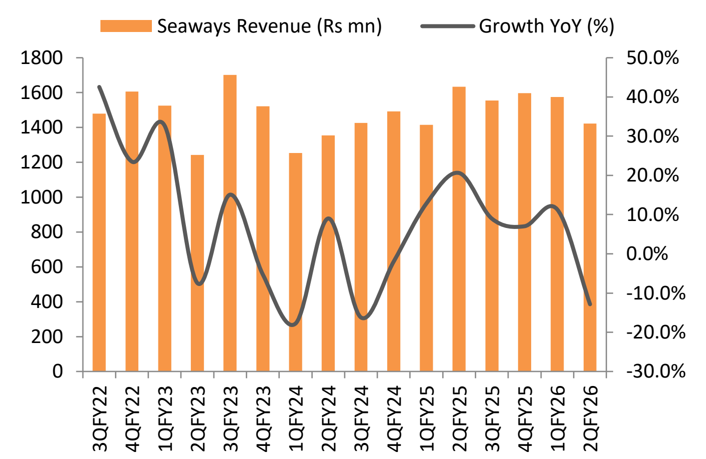
Source: Company Data, Equirus

Exhibit 5: SCS Segment EBIT margin stood at 5.6%



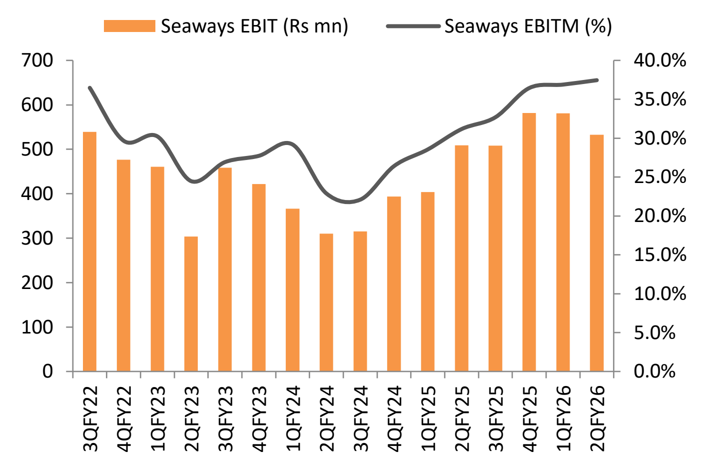
Source: Company Data, Equirus

Exhibit 6: Seaways segment revenues up 11% yoy



Source: Company Data, Equirus

Exhibit 7: Seaways Segment EBIT stood at 36.9%



Source: Company Data, Equirus

Company Snapshot

How we differ from the consensus

Particular (Rs Mn)		Equirus	Consensus	% Diff	Comment
Sales	FY26E	49,096	50,166	-2%	
	FY27E	55,535	56,488	-2%	
EBITDA	FY26E	5,049	4,725	7%	
	FY27E	5,590	5,550	1%	
PAT	FY26E	4,441	4,674	-5%	
	FY27E	4,985	5,258	-5%	

Key Estimates

Key Assumptions (Rs mn)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	28,024	32,588	37,826	40,242	44,918	49,096	55,535	62,447
EBITDAM %	9.3%	12.6%	11.2%	10.2%	10.3%	10.3%	10.1%	9.9%
PAT %	5.3%	8.9%	8.4%	8.7%	9.2%	9.0%	9.0%	9.0%

Risks to Our View

- Concentration risk (automotive industry)
- An increase in diesel prices
- Highly competitive road logistics industry
- A modal shift of cargo from road to rail

Company Description

Transport Corporation of India (TRPC) is India's leading integrated multimodal logistics and supply chain solutions provider. Established in 1958, it has grown from a single truck/single route company to a multimodal integrated supply chain management (SCM) solutions provider. Its broad range of services – **freight, supply chain, warehousing solutions, coastal and shipping** – make it a formidable player in the Indian logistics space.

Through its freight segment (TCI Freight), it provides integrated surface transport solutions like FTL (full truck load), LTL (less than truck load), small packages and consignments, ODC (over dimensional cargoes), and PHH (project heavy haul) with a fleet of 5,000+ trucks, 750+ offices, and 25 hubs.

Under its supply chain segment (TCI SCS), the company offers integrated supply chain solutions – right from conceptualisation and designing the logistics network to implementation. Service offerings include supply chain consultancy, inbound logistics, warehousing/distribution centre management, and outbound logistics. For the SCS division, TRPC has a warehousing space of 16msf+ and 4,000+ vehicles (Owned: 1,250+) under operation.

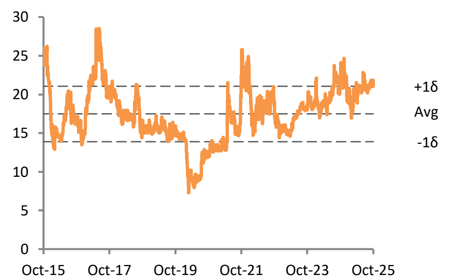
Under its seaways division (TCI Seaways), TRPC provides multi-modal coastal services in India for transporting containers and bulk cargo, connecting major ports in western, eastern, and southern regions. From cargo movement and liner services to charter operations and first and last-mile connectivity via rail and road, it offers coastal shipping solutions via its fleet of 6 cargo ships with a capacity of 77,957DWT.

TRPC provides **multimodal rail-road container services** for all types of cargo **through its JV with Concor;** it offers integrated **cold chain services** to meet temperature-controlled warehousing & distribution services through its **subsidiary, TCI Cold Chain Logistics.** It also provides high quality **integrated logistics solutions** (like IBL for Production Parts on just-in-time basis, OBL, warehousing, spare parts delivery, and CKD container transportation) to **Japanese Automotive Manufacturers and Suppliers** in India **through its JV with Mitsui & Co.**

Comparable valuation

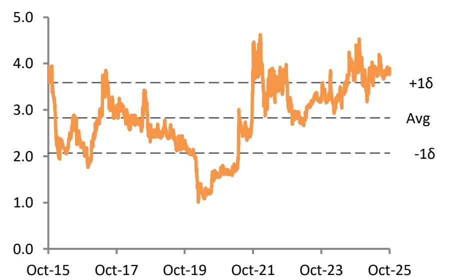
Company	Reco.	CMP	Mkt Cap Rs. Mn.	Price Target	Target Date	P/E			EV/EBITDA			P/B			RoE			Div Yield
						FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY26E
ADSEZ	LONG	1,458	31,49,159	1719	Sep-26	28.4	22.3	19.6	19.2	15.2	13.5	4.8	4.1	3.5	19.2%	20.7%	19.9%	0.8%
GPPV	LONG	169	81,726	162	Mar-26	21.1	19.0	17.5	12.5	11.8	11.1	3.9	3.9	3.8	18.5%	20.5%	21.9%	5.0%
CCRI	ADD	550	4,18,509	600	Sep-26	32.1	33.1	28.2	20.2	19.4	16.5	3.4	3.2	3.1	10.5%	10.0%	11.2%	1.7%
GDL	LONG	64	32,097	95	Sep-26	13.4	11.3	9.9	9.9	8.4	7.4	1.6	1.5	1.3	12.2%	13.5%	14.3%	3.7%
MLL	REDUCE	363	36,047	339	Mar-27	-100.6	1398.4	72.0	13.9	9.1	7.5	6.0	3.1	3.0	-6.3%	1.2%	4.9%	0.7%
TCIEXP	REDUCE	677	25,994	648	Mar-26	27.7	25.0	22.0	18.6	16.9	14.9	3.3	3.0	2.7	12.7%	12.7%	13.1%	0.9%
VRLL	LONG	270	47,251	323	Mar-27	25.8	23.6	22.5	8.9	8.0	7.4	4.4	4.0	3.7	18.0%	17.7%	17.2%	2.2%
TRPC	**LONG**	**1,204**	**92,249**	**1464**	**Mar-27**	**22.4**	**20.8**	**18.5**	**20.2**	**18.5**	**16.6**	**4.2**	**3.6**	**3.1**	**19.8%**	**19.0%**	**18.2%**	**0.7%**
TVS SCS	ADD	130	57,177	144	Sep-26	-315.9	40.5	29.8	8.8	8.0	6.9	3.1	2.9	2.6	-0.7%	7.5%	9.4%	0.0%
DELHIVERY	REDUCE	475	3,55,435	416	Dec-26	212.1	498.8	61.2	82.0	77.9	32.7	3.7	3.7	3.5	1.7%	0.8%	5.9%	0.0%

Price to earning chart



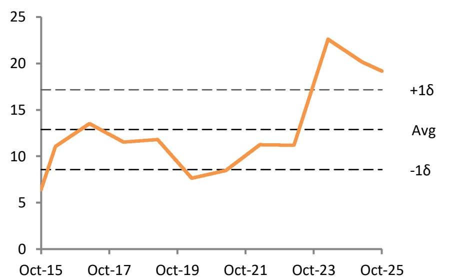
Source: Company Data, Equirus

Price to book chart



Source: Company Data, Equirus

EV-EBITDA chart



Source: Company Data, Equirus

Quarterly performance

Y/E Mar (Rs mn)	1QFY25A	2QFY25A	3QFY25A	4QFY25A	1QFY26A	2QFY26A	3QFY26E	4QFY26E
Revenue	**10,451**	**11,208**	**11,471**	**11,788**	**11,393**	**12,049**	**12,642**	**13,012**
COGS	8,427	9,024	9,285	9,502	9,123	9,587	10,278	10,585
Employee Cost	614	629	635	619	675	699	702	705
Other Expenses	372	384	366	450	385	496	394	419
EBITDA	**1,038**	**1,171**	**1,185**	**1,217**	**1,210**	**1,267**	**1,268**	**1,303**
Depreciation	290	291	305	292	288	305	320	338
EBIT	**748**	**880**	**880**	**925**	**922**	**962**	**948**	**965**
Interest Exp.	42	46	59	55	54	59	62	65
Other Income	109	106	68	184	113	125	81	202
Profit before Tax	**815**	**940**	**889**	**1,054**	**981**	**1,028**	**967**	**1,101**
Tax Expenses	110	109	93	121	106	125	118	129
Profit After Tax	**705**	**831**	**796**	**933**	**875**	**903**	**849**	**973**
Minority Interest	(6)	(9)	(12)	(9)	(7)	(9)	(10)	(11)
Profit/(Loss) from Associates	211	242	225	218	197	232	231	218
Recurring PAT	**910**	**1,064**	**1,009**	**1,142**	**1,065**	**1,126**	**1,070**	**1,180**
Exceptional Items	0	0	0	0	0	0	0	0
Reported PAT	**910**	**1,064**	**1,009**	**1,142**	**1,065**	**1,126**	**1,070**	**1,180**
Other comprehensive income.	0	0	0	0	0	0	0	0
PAT after comp. income.	**910**	**1,064**	**1,009**	**1,142**	**1,065**	**1,126**	**1,070**	**1,180**
FDEPS	**11.9**	**13.9**	**13.2**	**14.9**	**13.9**	**14.7**	**14.0**	**15.4**
Cost items as % of sales								
RM expenses	80.6	80.5	80.9	80.6	80.1	79.6	81.3	81.3
Employee expenses	5.9	5.6	5.5	5.3	5.9	5.8	5.6	5.4
Other expenses	3.6	3.4	3.2	3.8	3.4	4.1	3.1	3.2
Margin (%)								
Gross Margin	19.4	19.5	19.1	19.4	21.6	19.6	19.2	0.0
EBITDA Margin	9.9	10.4	10.3	10.3	10.6	10.5	10.0	10.0
PAT Margin	8.7	9.5	8.8	9.7	9.3	9.3	8.5	9.1
YoY Growth (%)								
Sales	10.0	12.8	14.5	9.3	9.0	7.5	10.2	10.4
EBITDA	3.0	16.6	18.6	11.2	16.6	8.2	7.0	7.1
EBIT	6.9	27.0	31.7	21.7	23.3	9.3	7.8	4.3
PAT	7.1	22.9	28.4	9.0	24.1	8.7	6.7	4.3

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**32,588**	**37,826**	**40,242**	**44,918**	**49,096**	**55,535**	**62,447**
COGS	25,766	30,307	32,431	36,237	39,573	44,932	50,646
Employee Cost	1,700	1,965	2,234	2,497	2,781	3,097	3,449
Other Expenses	1,013	1,314	1,472	1,572	1,694	1,916	2,154
EBITDA	**4,109**	**4,240**	**4,105**	**4,612**	**5,049**	**5,590**	**6,198**
Depreciation	1,130	1,214	1,284	1,178	1,251	1,370	1,470
EBIT	**2,978**	**3,026**	**2,821**	**3,434**	**3,797**	**4,221**	**4,728**
Interest Exp.	128	98	133	202	240	252	257
Other Income	178	303	458	467	520	588	662
Profit before Tax	**3,028**	**3,230**	**3,146**	**3,699**	**4,077**	**4,557**	**5,132**
Tax Expenses	376	434	336	433	477	533	601
Profit After Tax	**2,652**	**2,796**	**2,810**	**3,266**	**3,600**	**4,024**	**4,532**
Minority Interest	(32)	(33)	(37)	(36)	(37)	(40)	(44)
Profit/(Loss) from Associates	277	444	759	896	878	1,001	1,121
Recurring PAT	**2,896**	**3,207**	**3,532**	**4,126**	**4,441**	**4,985**	**5,609**
Exceptional Items	0	(34)	(24)	0	0	0	0
Reported PAT	**2,896**	**3,173**	**3,508**	**4,126**	**4,441**	**4,985**	**5,609**
Other comprehensive income.	0	0	0	0	0	0	0
PAT after comp. income.	**2,896**	**3,173**	**3,508**	**4,126**	**4,441**	**4,985**	**5,609**
FDEPS	37.5	40.9	45.8	53.9	58.0	65.1	73.2
DPS	7	7	7	8	9	10	11
BVPS	189	223	266	286	336	391	454

YoY Growth (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	16.3	16.1	6.4	11.6	9.3	13.1	12.4
EBITDA	57.3	3.2	(3.2)	12.4	9.5	10.7	10.9
EBIT	76.9	1.6	(6.8)	21.7	10.6	11.2	12.0
PAT	85.0	5.4	0.5	16.2	10.2	11.8	12.6

Key Ratios

Profitability (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Margin	20.9	19.9	19.4	19.3	19.4	19.1	18.9
EBITDA Margin	12.6	11.2	10.2	10.3	10.3	10.1	9.9
PAT Margin	8.9	8.4	8.7	9.2	9.0	9.0	9.0
ROE	22.3	20.3	18.9	19.8	19.0	18.2	17.6
ROIC	19.9	19.3	18.0	18.7	18.0	17.4	16.9
Core ROIC	20.4	20.5	18.4	19.1	18.3	17.7	17.3
Dividend Payout	15.8	15.5	15.3	15.2	15.3	15.3	15.3

CAGR (%)	1 year	2 years	3 years	5 years	7 years	10 years
Revenue	11.6	9.0	11.3	10.6	9.7	0.0
EBITDA	12.4	4.3	3.9	13.9	11.4	0.0
PAT	17.6	14.0	12.5	23.7	18.9	0.0

Valuation (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	32.2	29.4	26.3	22.4	20.8	18.5	16.4
P/B	6.4	5.4	4.5	4.2	3.6	3.1	2.7
P/FCFF	31.0	44.4	159.9	922.5	1,556.9	129.1	78.7
EV/EBITDA	11.2	11.2	22.6	20.2	18.5	16.6	14.9
EV/Sales	1.4	1.3	2.3	2.1	1.9	1.7	1.5
Dividend Yield (%)	0.5	0.6	0.6	0.7	0.7	0.8	0.9

Balance Sheet

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	155	155	155	153	153	153	153
Reserves	14,148	16,863	19,883	21,394	25,156	29,379	34,131
Net Worth	**14,303**	**17,018**	**20,038**	**21,547**	**25,309**	**29,532**	**34,284**
Total Debt	619	625	1,503	1,552	1,712	1,712	1,712
Other long term liabilities	605	610	781	1,217	1,297	1,385	1,481
Minority Interest	274	301	333	363	400	440	484
Account Payables	971	760	657	1,065	1,030	1,165	1,310
Other Current Liabilities	1,498	1,695	1,702	2,052	2,133	2,268	2,521
Total Liabilities	**18,270**	**21,009**	**25,014**	**27,796**	**31,881**	**36,502**	**41,792**
Gross Fixed Assets	12,286	12,676	14,266	16,064	20,064	23,064	26,064
Acc. Depreciation	(5,046)	(5,471)	(6,634)	(7,812)	(9,063)	(10,433)	(11,903)
Net Fixed Assets	7,241	7,205	7,632	8,252	11,001	12,631	14,161
Capital WIP	73	260	1,090	2,550	2,550	2,550	2,550
long term investments	1,780	1,977	2,121	2,400	3,278	4,279	5,400
Others	147	882	3,306	1,711	1,711	1,711	1,711
Inventory	85	50	106	66	72	82	92
Receivables	5,082	5,609	6,006	7,219	7,352	8,469	9,865
Loans and advances	12	12	12	17	17	17	17
Other current assets	3,105	3,168	3,785	4,732	5,230	5,805	6,317
Cash & Cash Equivalents.	745	1,846	956	849	669	958	1,678
Total Assets	**18,270**	**21,009**	**25,014**	**27,796**	**31,881**	**36,502**	**41,792**
Non-Cash WC	5,816	6,385	7,550	8,917	9,510	10,940	12,460
Cash Conv. Cycle	44.6	42.0	45.6	45.9	45.1	43.7	45.3
WC Turnover	5.6	5.9	5.3	5.0	5.2	5.1	5.0
Gross Asset Turnover	2.7	3.0	2.8	2.8	2.4	2.4	2.4
Net Asset Turnover	4.5	5.1	4.6	4.2	3.6	3.7	3.7
Net D/E	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0

Days (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Receivable Days	57	52	53	54	54	52	54
Inventory Days	1	1	1	1	1	1	1
Payable Days	14	10	8	9	10	9	9
Non-cash WC days	65	62	68	72	71	72	73

Cash Flow

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	3,305	3,640	3,881	4,594	4,077	4,557	5,132
Depreciation	1,130	1,214	1,285	1,178	1,251	1,370	1,470
Others	(98)	(337)	(798)	(886)	(280)	(336)	(405)
Tax paid	(494)	(186)	(389)	(375)	(477)	(533)	(601)
Change in WC	(163)	(725)	(985)	(919)	(512)	(1,343)	(1,425)
Operating Cashflow	**3,680**	**3,606**	**2,994**	**3,592**	**4,059**	**3,714**	**4,172**
Capex	(707)	(1,530)	(2,417)	(3,492)	(4,000)	(3,000)	(3,000)
Change in Invest.	(175)	(804)	(2,375)	1,536	0	0	0
Others	132	483	754	963	520	588	662
Investing Cashflow	**(751)**	**(1,850)**	**(4,038)**	**(993)**	**(3,480)**	**(2,412)**	**(2,338)**
Change in Debt	(1,059)	6	878	49	160	0	0
Change in Equity	34	35	35	(1,926)	0	0	0
Others	(1,554)	(696)	(737)	(1,043)	(919)	(1,014)	(1,114)
Financing Cashflow	**(2,580)**	**(655)**	**176**	**(2,920)**	**(759)**	**(1,014)**	**(1,114)**
Net Change in Cash	**349**	**1,101**	**(868)**	**(321)**	**(180)**	**289**	**720**

Source: Company Data, Equirus

Rating & Coverage Definitions:

Absolute Rating

- LONG : Over the investment horizon, ATR >= Ke for companies with Free Float market cap >Rs 5 billion and ATR >= 20% for rest of the companies
- ADD: ATR >= 5% but less than Ke over investment horizon
- REDUCE: ATR >= negative 10% but <5% over investment horizon
- SHORT: ATR < negative 10% over investment horizon

Relative Rating

- OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon
- BENCHMARK: likely to perform in line with the benchmark
- UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon

Investment Horizon

Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter

Registered Office:
Equirus Securities Private Limited
Unit No. A2102B, 21st Floor, A Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai-400013.
Tel. No: +91 – (0)22 – 4332 0600
Fax No: +91- (0)22 – 4332 0601

Corporate Office:
1205 & 1206, A-Block, 12th Floor, Navratna Corporate Park,
Bopal-Ambli Road, Ahmedabad – 380 058
Tel. No: +91 (0)79 - 6190 9550
Fax No: +91 (0)79 – 6190 9560

Analyst Certification

I, Jainam Shah/Anurag Katta, author to this report, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Disclosures

Equirus Securities Private Limited (ESPL) having CIN: U65993MH2007PTC176044 is registered in India with Securities and Exchange Board of India (SEBI) as Research Analyst (Reg. No. INH000001154), Stock Broker:(Reg. No. INZ000251536), RA: INH000001154, DP: (Reg. No. IN-DP-324-2017) NSE Mem id: 13017|BSE Mem id: 3309|DP ID:84500| having its Registered office at A 2102 B, A wing, 21st Floor, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai-400013.. There are no disciplinary actions taken by any regulatory authority against ESPL for Research Analyst activity. ESPL is a subsidiary of Equirus Capital Private Limited (ECPL) which is registered with SEBI as Category I Merchant Banker and provides investment banking services including but not limited to merchant banking services, private equity, mergers & acquisitions and structured finance.

As ESPL and its associates are engaged in various financial services business, it might have: - (a) received compensation (except in connection with the preparation of this report) from the subject company for investment banking or merchant banking or brokerage services or any other product or services in the past twelve months;(b) managed or co-managed public offering of securities for the subject company in the past twelve months; or (c) received a mandate from the subject company; or (d) might have other financial, business or other interests in entities including the subject company (ies) mentioned in this Report. ESPL & its associates, their directors and employees may from time to time have positions or options in the company and buy or sell the securities of the company (ies) mentioned herein. ESPL and its associates collectively do not own (in their proprietary position) 1% or more of the equity securities of the subject company mentioned in the report as the last day of the month preceding the publication of the research report. ESPL or its Analyst or Associates did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ESPL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. ESPL has not been engaged in market making activity for the subject company.

The Research Analyst engaged in preparation of this Report:-

(a) has not received any compensation from the subject company in the past twelve months; (b) has not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) has neither received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months nor received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) has not received any compensation or other benefits from the subject company or third party in connection with the research report; (e) might have served as an officer, director or employee of the subject company; (f) is not engaged in market making activity for the subject company.

This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ESPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession of this document are required to inform themselves of, and to observe, such applicable restrictions. Please delete this document if you are not authorized to view the same. By reading this document you represent and warrant that you have full authority and all rights necessary to view and read this document without subjecting ESPL and affiliates to any registration or licensing requirement within such jurisdiction.

This document has been prepared solely for information purpose and does not constitute a solicitation to any person to buy, sell or subscribe any security. ESPL or its affiliates are not soliciting any action based on this report. The information and opinions contained herein is from publicly available data or based on information obtained in good faith from sources believed to be reliable, but ESPL provides no guarantee as to its accuracy or completeness. The information contained herein is as on date of this report, and report and is subject to change or modification and any such changes could impact our interpretation of relevant information contained herein. While we would endeavour to update the information herein on reasonable basis, ESPL and its affiliates, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent ESPL and its group companies from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document including the merits and risks involved. This document is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. ESPL and its group companies, employees, directors and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. ESPL/its affiliates do and seek to do business with companies covered in its research report. Thus, investors should be aware that the firm may have conflict of interest.

A graph of daily closing prices of securities is available at http://www.nseindia.com/ChartApp/install/charts/mainpage.jsp and www.bseindia.com (Choose a company from the list on the browser and select the "three years" period in the price chart).

Disclosure of Interest statement for the subject Company	Yes/No	If Yes, nature of such interest
Research Analyst' or Relatives' financial interest	No	
Research Analyst' or Relatives' actual/beneficial ownership of 1% or more	No	
Research Analyst' or Relatives' material conflict of interest	No	

Standard Warning: Investment in securities market are subject to market risks. Read all the related documents carefully before investing. | Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Compliance/Grievance Officer: Naman Shah | **Tel. No.** 079-61909561|email: naman.shah@equirus.com | www.equirus.com |