

LOGISTICS

13 December 2021

Mid-term outlook improving; startups not yet a threat

- **Growth has continued: e-way bills are up 12%, FASTag up 54%, trade up 36% and rail container traffic up 13% in last three months on YoY basis**
- **Threat from logistics startups still some time away as the few that compete directly are ecommerce focused; some offer complementary services**
- **Retain MAHLOG and VRLL at BUY; upgrade CCRI to HOLD and downgrade TCIEXP, TRPC and AGLL to SELL**

Tarun Bhatnagar | Someel Shah
 researchreport@bobcaps.in

Medium-term outlook strong: Logistics indicators have all delivered double-digit YoY growth in recent months. The demand shift from the unorganised to organised sector continues, as per recent company commentary. However, auto – a key client segment for the industry – is facing temporary production cuts due to chip shortages.

Startups may not pose an immediate threat: In our view, technology-led logistics firms such as Delhivery and Rivigo could emerge as a threat to logistics players only over the long term as (1) they are focused on ecommerce which is not serviced in a big way by current players, (2) customer migration to new players will be gradual and will occur only if they derive tangible value, (3) servicing industries which are less tech savvy than ecommerce companies may be a challenge, (4) many new-age companies are involved in providing software-related services which do not compete directly with existing players and may, in some cases, help them offer better services.

Retain BUY on MAHLOG and VRLL; upgrade CCRI to HOLD: Given an improving outlook on growth and core earnings, we retain BUY on MAHLOG (TP Rs 821 vs. Rs 711 earlier) and VRLL (TP Rs 611 vs. Rs 511). We increase our TP for CCRI from Rs 521 to Rs 641 and raise our rating from SELL to HOLD due to a 14% fall in stock price from Sep'21 peaks and an improving outlook on trade and rail container traffic.

Downgrade TCIEXP, TRPC and AGLL to SELL: We cut TCIEXP from HOLD to SELL (TP Rs 1,841 vs. Rs 1,531 earlier) as the stock has risen 39% since its Q2FY22 results and 141% YTD to trade at 42x FY23E P/E. Our reverse DCF implies a 32% 10-year FCF CAGR compared with our 30% estimate.

TRPC has been demoted from HOLD to SELL (TP Rs 561 vs. Rs 431) as it has risen 60% since October. Q2FY22 results beat estimates due to exceptionally high shipping income which the company admitted is unlikely to recur. The stock now trades at peak multiples vs. history and implies a 10-year FCF CAGR of 22% vs. our 15% estimate and the 14% reported over FY16-FY21. We cut AGLL from ADD to SELL (TP Rs 281 vs. Rs 135) as the stock continues to attract a premium valuation despite putting off its plans to privatise.

Recommendation snapshot

Ticker	Price	Target	Rating
AGLL IN	350	281	SELL
CCRI IN	652	641	HOLD
MAHLOG IN	690	821	BUY
TCIEXP IN	2,293	1,841	SELL
TRPC IN	675	561	SELL
VRLL IN	459	611	BUY

Price & Target in Rupees | Price as of 10 Dec 2021



Logistics startups: Not an imminent threat

With technology-led logistics company Delhivery filing its DRHP, a comparison with listed players is inevitable. Delhivery has grown swiftly in recent years and earns more revenue than every logistics company in our coverage barring CCRI. Profitability, however, remains low. The key difference between Delhivery and existing players is that a majority of its revenue comes from the ecommerce business.

Fig 1 – Delhivery has seen robust revenue growth...

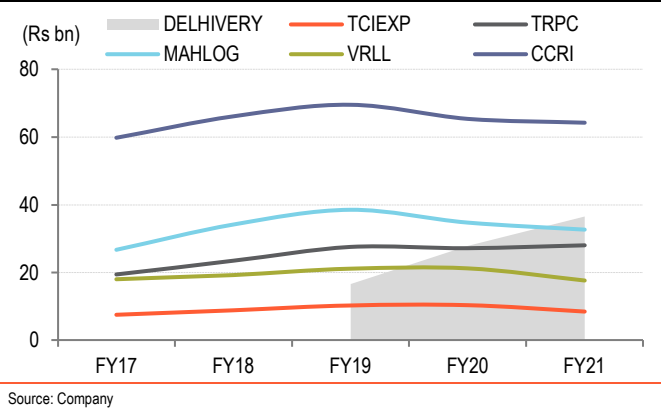
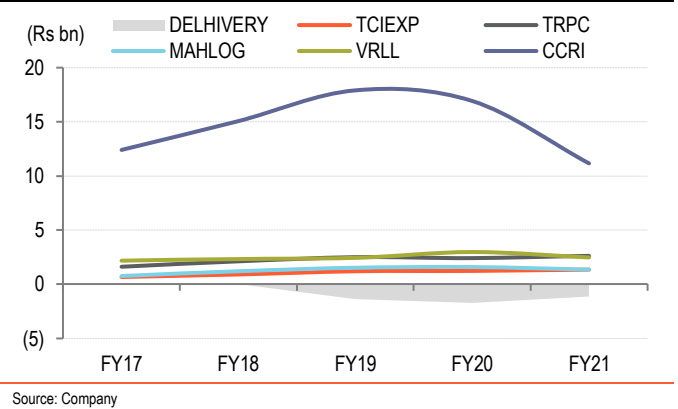


Fig 2 – ...but is yet to achieve EBITDA breakeven



Some challenges, some opportunities

We do not expect logistics startups to pose an immediate threat to incumbents as:

- **New players are largely focused on ecommerce.** Most of the new-age logistics companies have built a business around serving ecommerce players. It may take a while for them to adapt to the requirements of other industries.
- **Customers need to see tangible benefits.** Technology upgrades apart, customers will want to see tangible benefits before switching from existing logistics partners.
- **The market can accommodate several players.** Though the market is still dominated by the unorganised sector, we observe a rising preference for organised players due to GST-related compliance, changing requirements of the industry and an increase in end-to-end services provided by customers.
- **Most startups aren't direct competitors.** Technology-led logistics companies offer services such as LTL/FTL (less than or full truckload) and SCM (supply chain management (SCM)). However, they predominantly focus on providing software services and solutions that may actually benefit existing logistics players.

Fig 3 – Key tech-enabled logistics players

	LTL / FTL	SCM	Software	Others
Delhivery	Yes	Yes	Software across value chain	-
Blackbuck	-	-	-	Matching customers and suppliers of trucking services
Grey Orange	-	-	-	Warehousing solutions
Ship Rocket	-	-	-	Solutions to choose logistics service provider for ecommerce
Rivigo	LTL/FTL (Fleet: 5000+)	-	-	-
Ecom Express	-	Ecommerce logistics	-	-
Xpress Bees	-	-	Tracking, warehousing, transaction solutions	-
Far Eye	-	-	Route optimisation, shipment tracking solutions	-

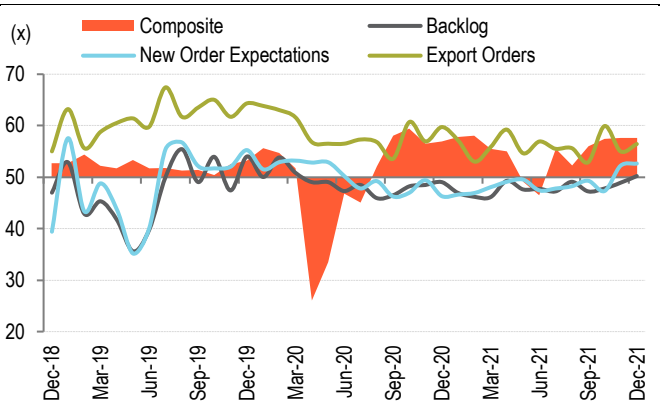
Source: Company

Demand recovery underway

Logistics indicators have all delivered double-digit YoY growth in recent months, implying a post Covid-19 recovery is underway. Generation of e-way bills has risen 12% YoY during the last three months, FASTag toll collection is up 54%, non-oil non-gold trade is up 36% and rail container traffic has increased 13%.

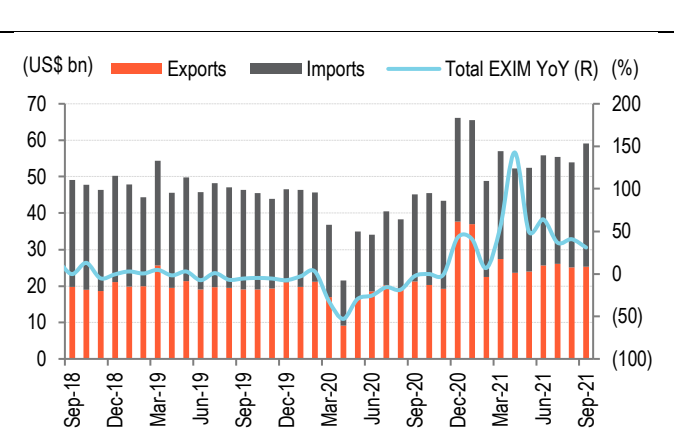
- Composite manufacturing PMI is showing expansion along with new orders and backlog indicators.
- Merchandise trade has held up well and rail movement of industrial commodities and container traffic has remained stable.
- Road traffic is improving with e-way bill and FASTag toll collections rising MoM in June.
- Rail traffic also remains robust.
- Auto, a key customer group, is the only dull spot as the sector is facing a drop in sales due to chip shortages that have hit production.

Fig 4 – PMI recovery has continued (+50 expansion/-50 contraction)



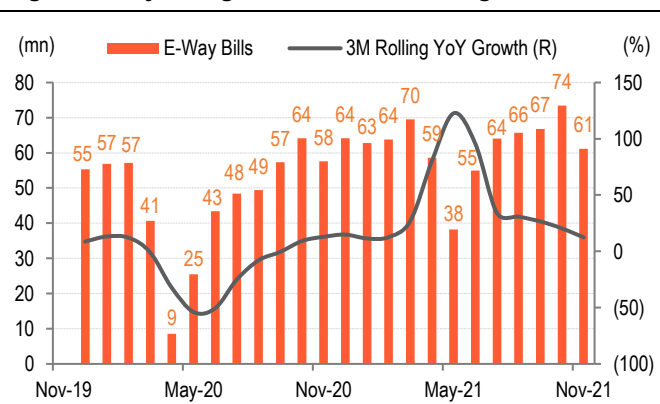
Source: Bloomberg

Fig 5 – Non-oil, non-gold foreign trade remains strong



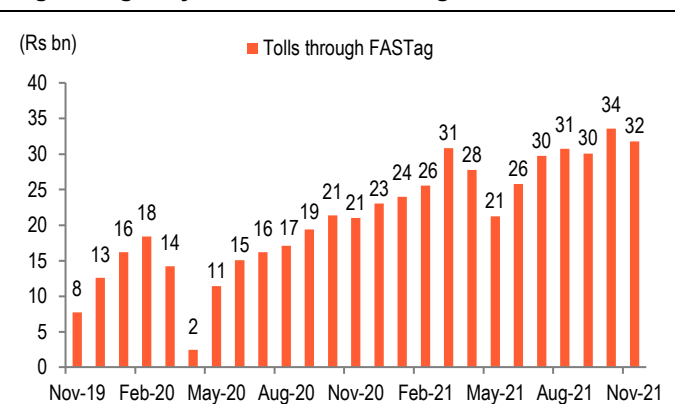
Source: Director General of Foreign Trade

Fig 6 – E-way bills generated continue to grow



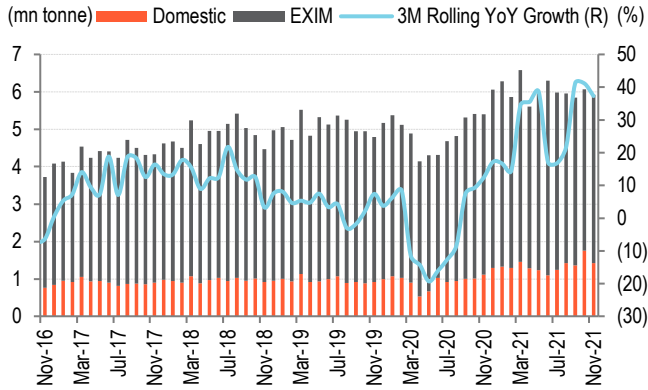
Source: Press Information Bureau (PIB) – Government of India

Fig 7 – Highway toll collections strong



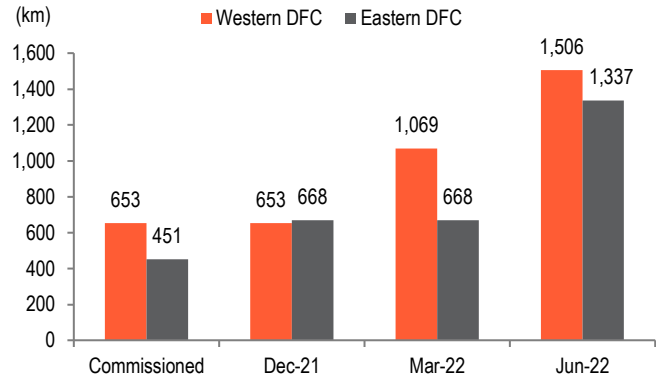
Source: Payment Corporation of India

Fig 8 – Robust growth in rail container traffic



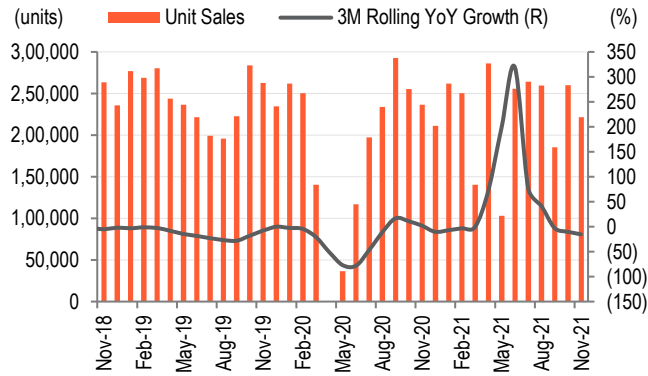
Source: Railway Board

Fig 9 – Both Western and Eastern DFC expected to be completed in FY23



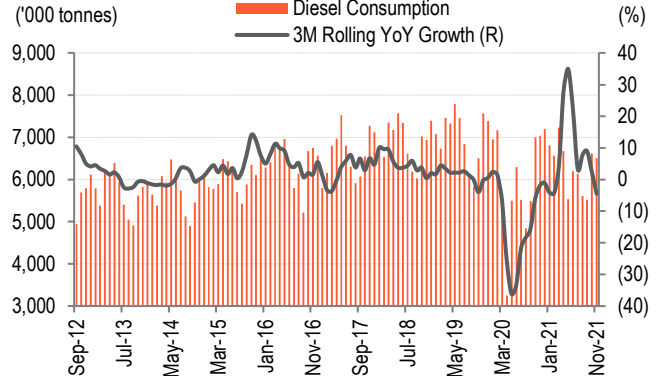
Source: DFC Corporation of India Ltd

Fig 10 – Auto sales facing a temporary blip due to chip shortage



Source: SIAM

Fig 11 – Diesel demand has weakened a bit in recent months



Source: Bloomberg, Ministry of Petroleum

Estimates and ratings revised

Given the rally in logistics stocks over the past two months, we revise our target prices and ratings for stocks under our coverage. Overall, we retain MAHLOG and VRLL at BUY, upgrade CCRI to HOLD and downgrade TCIEXP, TRPC and AGLL to SELL.

We continue to value each company using a three-stage DCF model comprising a three-year explicit forecast in Stage 1, a seven-year high-growth period in Stage 2 and a terminal period in Stage 3. Stage 2 assumptions are based on market growth, company strategy and historical performance. Our WACC estimate is derived from the risk-free rate as on end Sep'21, gearing forecasts and estimated beta as on end Sep'21 (based on two-year weekly returns).

Fig 12 – Logistics stocks have had a prolonged bull run

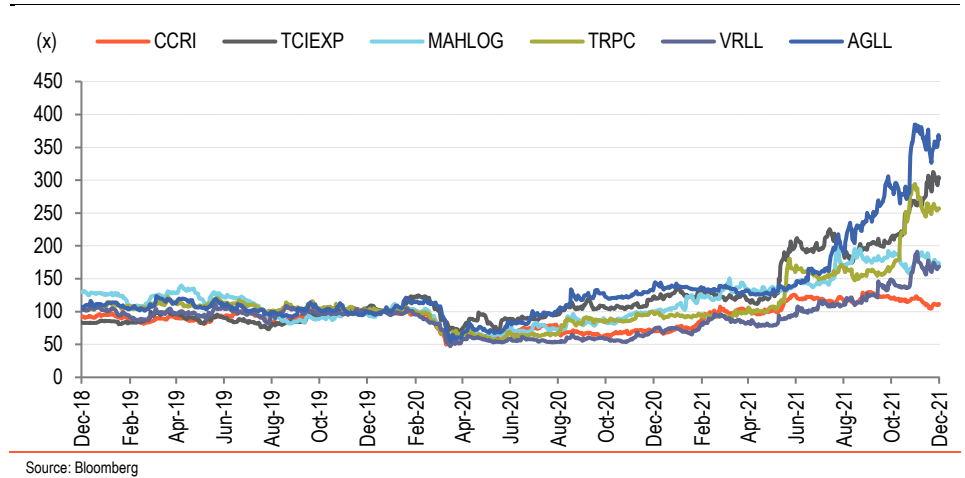


Fig 13 – 1Y fwd P/E close to peak for TCIEXP, TRPC & AGLL

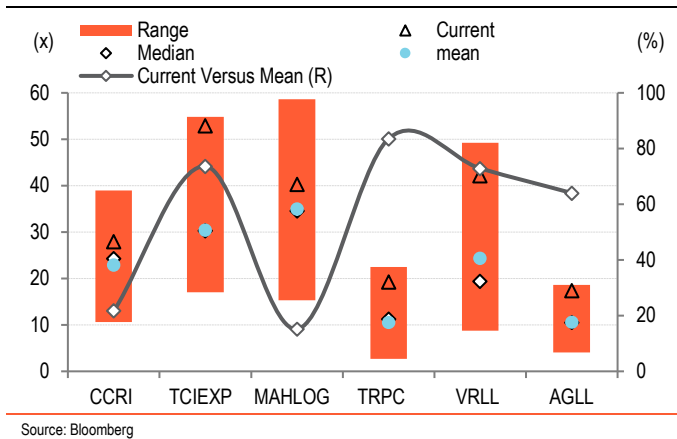
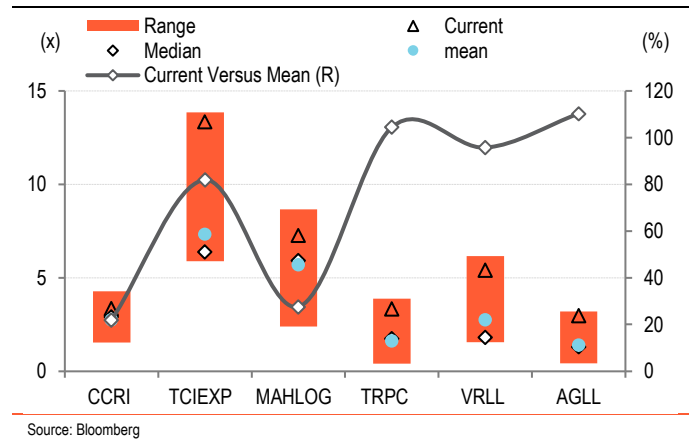


Fig 14 – 1Y fwd P/B close to peak for TCIEXP, TRPC & AGLL



Mahindra Logistics – BUY, TP Rs 821

We cut our FY22 EPS projections for MAHLOG by 25% driven by a rise in amortisation due to lease rentals from new warehousing. Our estimates for FY23/FY24 do not change much as higher EBITDA forecasts are offset by the increase in amortisation.

MAHLOG is trading close to its peak four-year forward P/E and P/B multiples. The stock is implying 10-year FCF growth of 18% based on our reverse DCF analysis (terminal growth estimate of 5%) – below the 22% EBITDA CAGR reported over FY15-FY20 but higher than the sharp decline seen during the last few quarters. We also note that MAHLOG has the lowest capex intensity in the sector as measured by its capex-to-sales ratio.

Post estimate revision and rollover of our DCF valuation to Mar'24, we have a new TP of Rs 821 (Rs 711 earlier) – this implies an FY23E P/E of 40x and P/B of 7.8x, 19% and 41% premium to the three-year mean respectively. The increase in target price stems from rollover of our DCF valuation to Mar'24. We retain BUY as we believe the company's strong growth outlook and low capital intensity merits a valuation premium.

Fig 15 – Revised estimates

(Rs bn)	New			Old			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	42.1	49.5	59.6	41.6	47.7	54.6	1.2	3.8	9.2
EBITDA	2.4	3.3	4.7	2.5	3.1	4.4	(5.0)	6.8	6.8
EBIT	1.1	2.0	3.2	1.4	2.0	3.1	(23.0)	0.7	3.1
Pretax Income	1.0	2.0	3.2	1.3	2.0	3.1	(24.8)	0.0	3.8
Net Income	0.7	1.5	2.4	1.0	1.5	2.3	(24.8)	0.0	3.8
EPS	10.3	20.4	33.8	13.7	20.4	32.5	(24.8)	0.0	3.8

Source: BOBCAPS Research

Fig 16 – Estimates vs. Consensus

(Rs bn)	BOBCAPS		Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	42.1	49.5	40.6	48.9	3.8	1.4
EBITDA	2.4	3.3	2.1	3.0	13.6	11.2
EBIT	1.1	2.0	1.2	1.9	(9.3)	5.1
Pretax Income	1.0	2.0	1.0	1.7	(1.6)	12.1
Net Income	0.7	1.5	0.8	1.3	(4.7)	16.3
EPS (Rs)	10.3	20.4	10.8	16.8	(4.5)	21.1

Source: BOBCAPS Research, Bloomberg

Fig 17 – Key operational assumptions

Parameter	FY20	FY21	FY22E	FY23E	FY24E
M&M PV/UV (% YoY)	(23.3)	(29.0)	19.8	8.0	8.0
M&M Tractor Units (% YoY)	(8.6)	17.4	5.0	5.0	8.0
All India PV Sales (% YoY)	(14.9)	(20.1)	27.0	7.0	8.0
Non-Auto Transportation - Freight Forwarding (% YoY)	-	20.7	10.0	10.0	10.0
Non-Auto Transportation - Others (% YoY)	-	45.2	10.0	15.0	15.0
Non-Auto Warehousing (% YoY)	-	14.4	25.0	40.0	40.0
SCM Adjusted EBITDA Margin (%)	10.1	9.5	9.5	10.0	10.5
People Transportation Services (% YoY)	(4.6)	(67.6)	30.0	30.0	30.0

Source: Company, BOBCAPS Research

Fig 18 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	1.1	Weekly returns over 2 years as of end-Sep'21	
Cost of Equity (%) (D) = A + B x C	13.6		
Cost of Debt (E)	8.0		
Marginal Tax Rate (%) (F)	25.2		
Post-Tax Cost of Debt (%) (G) = E x (1-F)	5.99		
Current Debt to Equity (2023) (H)	0.00		
WACC (I) = (1 x D + H x G)/(1 + H)	13.6		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	25.9	15.0	5.0

Source: BOBCAPS Research

Fig 19 – Target price: Implied multiples

Multiples (x)	Target Price	Current Price	Consensus 12M forward 4Y mean	Consensus 4Y range	Variance vs. MAHLOG 4Y historical mean (%)
P/E FY23E	40.3	34.4	33.8	15.3 - 48.9	19.1
EV/EBITDA FY23E	16.9	14.3	16.0	7.5 - 24.1	5.5
P/B FY23E	7.8	6.7	5.5	2.4 - 8.6	41.5

Source: Bloomberg, BOBCAPS Research

Key risks

Key downside risks to our estimates include:

- weaker-than-expected recovery,
- lower margins from new businesses, and
- slow sign-up of new customers.

VRL Logistics – BUY, TP Rs 611

We retain our FY22/FY23 PAT estimates for VRL which are based on FY22 assumptions of goods transport volume growth of 12% and bus transport revenue growth of 25%. We are significantly above consensus on FY22 EPS despite our implied H2FY22 net income estimates being lower than that recorded in H2FY21 (due to higher fuel costs).

On rollover to Mar'24 valuations, we arrive at a revised DCF-based TP of Rs 611 (Rs 511 earlier), which implies an FY23E P/E of 37x – a 51% premium to the historical two-year mean. With growth expected to accelerate in FY22-FY23, we believe the above-mean valuation is justified and maintain our BUY rating.

Fig 20 – Estimates vs. Consensus

(Rs bn)	BOBCAPS		Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	22.4	25.9	21.1	26.0	6.3	(0.4)
EBITDA	3.4	3.9	2.8	3.5	22.5	12.2
EBIT	1.8	2.2	1.2	1.8	46.0	19.6
Pretax Income	1.5	2.0	0.9	1.5	63.5	33.0
Net Income	1.1	1.5	0.7	1.1	64.3	33.6
EPS (Rs)	12.7	16.6	7.8	12.4	63.4	33.6

Source: Bloomberg, BOBCAPS Research

Fig 21 – Key operational assumptions

Parameter	FY21	FY22E	FY23E	FY24E
Volume Growth (% YoY)	(14.0)	12.0	10.0	7.0
Average Charges per tonne (% YoY)	7.4	14.6	1.8	1.8
Average Charges per tonne ex-Diesel (% YoY)	-	3.0	3.0	3.0
Diesel Prices Delhi (Rs/litre)	73.6	100	100	100
Saving from Biofuels / Direct Procurement from Refineries (%)	5.0	5.0	5.0	5.0
Revenue Growth from Bus Operations (% YoY)	(62.0)	25.0	60.0	10.0

Source: Company, BOBCAPS Research

Fig 22 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	0.9	Weekly returns over 2 years as of end-Sep'21	
Cost of Equity (%) (D) = A + B x C	12.4		
Cost of Debt (E)	9.0		
Marginal Tax Rate (%) (F)	25.2		
Post-Tax Cost of Debt (%) (G) = E x (1F)	6.73		
Current Debt to Equity (2021) (H)	0.56		
WACC (I) = (1 x D + H x G)/(1 + H)	10.4		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	1.5	10.0	5.0

Source: BOBCAPS Research

Fig 23 – Target price: Implied multiples

Multiples (x)	Target Price	Current Price	Consensus 12M forward 2Y mean	Consensus 2Y range	Variance vs. VROLL 2Y historical mean (%)
P/E FY23E	36.9	28.1	24.4	8.7 - 49.3	51.5
EV/EBITDA FY23E	13.5	10.2	NA	NA	NA
P/B FY23E	6.3	4.8	2.8	1.6 - 6.2	128.6

Source: Bloomberg, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- slower-than-expected recovery due to a third Covid wave or macro challenges, and
- continued losses from the bus segment.

Container Corporation – HOLD, TP Rs 521

We raise our FY22/FY23/FY24 EPS estimates for CCRI by 18%/16%/14% given better-than-expected volume and pricing growth thus far in FY22 amid growing international trade and domestic traffic. Our estimates are close to consensus.

CCRI is currently trading at peak multiples based on its own as well as peer history. Using a reverse DCF analysis with a terminal growth estimate of 5%, we find that the stock price implies 10-year FCF growth of over 30% – close to our EBITDA growth expectations.

We upgrade CCRI from SELL to HOLD following the 9% drop in stock price from Jun'21 and 14% drop from the peak in Sep'21. Estimate revision coupled with valuation rollover to Mar'24 yields a new DCF-based TP of Rs 641 (Rs 521 earlier) – this implies an FY23E P/E of 26x and P/B of 3.3x, a -3% and +11% deviation respectively from the historical mean.

Fig 24 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	77.7	88.0	103.1	73.6	83.4	97.8	5.5	5.5	5.4
EBITDA	17.2	22.3	28.5	15.1	19.8	25.6	14.0	12.4	11.1
EBIT	11.3	16.0	21.7	9.2	13.6	18.9	22.8	18.2	15.1
Pretax Income	14.5	19.8	26.3	12.3	17.1	23.2	18.2	15.6	13.6
Net Income	11.0	15.0	19.9	9.3	13.0	17.6	18.2	15.6	13.6
EPS (Rs)	18.0	24.7	32.8	15.3	21.3	28.8	18.2	15.6	13.6

Source: BOBCAPS Research,

Fig 25 – Estimates vs. Consensus

(Rs bn)	Current		Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	77.7	88.0	76.3	93.3	1.9	(5.7)
EBITDA	17.2	22.3	18.5	25.1	(7.0)	(11.1)
EBIT	11.3	16.0	13.6	19.0	(16.7)	(15.6)
Pretax Income	14.5	19.8	15.7	20.9	(7.9)	(5.2)
Net Income	11.0	15.0	11.7	15.4	(5.8)	(2.2)
EPS (Rs)	18.0	24.7	19.0	24.6	(5.0)	0.4

Source: BOBCAPS Research, Bloomberg

Fig 26 – Key operational assumptions

Parameter	FY20	FY21	FY22E	FY23E	FY24E
CCRI EXIM Share (%)	-	69.8	70.0	70.0	70.0
CCRI Domestic Share (%)	59.5	55.9	60.0	60.0	60.0
EXIM Container Volume (% YoY)	-	1.8	20.0	10.0	15.0
Domestic Volume (% YoY)	-	9.5	10.0	10.0	20.0
ASP EXIM (% YoY)	-	(0.6)	3.0	3.0	-
ASP Domestic (% YoY)	-	3.4	3.0	3.0	3.0
Land License Fees (Rs mn)	(398)	(5,200)	(4,500)	(4,635)	(4,635)

Source: Company, BOBCAPS Research

Fig 27 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	1.1	Weekly returns over 2 years as of end-Sep21	
Cost of Equity (%) (D)= A + B x C	13.7		
Cost of Debt (E)	8.0		
Marginal Tax Rate (%) (F)	25.2		
Post-Tax Cost of Debt (%) (G)= E x (1-F)	5.99		
Current Debt to Equity (2021) (H)	0.00		
WACC (I)= (1 x D + H x G)/(1 + H)	13.7		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	31.6	25.0	5.0

Source: BOBCAPS Research

Fig 28 – Target price: Implied multiples

Multiples (x)	Target price	Current price	Consensus 12M forward 5Y mean	Consensus 5Y range	Variance vs. CCRI 5Y historical mean (%)
P/E FY23E	26.0	25.5	26.8	13 - 39	(3.1)
EV/EBITDA FY23E	15.6	15.3	16.6	6.7 - 22.4	(5.8)
P/B FY23E	3.3	3.2	2.9	1.5 - 4	11.1

Source: Bloomberg, BOBCAPS Research

Key risks

Upside risks to our estimates are:

- divestment at a premium to the current price, and
- a sharper-than-expected increase in container traffic upon DFC completion.

Downside risks include:

- cancellation of the privatisation process, and
- a drop in rail traffic growth due to macro weakness or delayed DFC completion.

TCI Express – SELL, TP Rs 1,841

We retain our EPS estimates for TCIEXP and are close to consensus. Following a rally after the FY21 results, the stock is trading close to its peak two-year forward P/E and P/B multiples. Further, the current price implies 10-year FCF growth of 32% based on our reverse DCF analysis (terminal growth estimate of 5%) – higher than the historical EBITDA growth trajectory.

While we believe TCIEXP can register stronger growth in the next two years, the recent rally more than prices in the high expectations – we therefore downgrade the stock to SELL from HOLD. On rolling our DCF valuation forward to Mar'24, we have a new TP of Rs 1,841 (Rs 1,531 earlier) – this implies an FY23E P/E of 42x and P/B of 9.8x, a premium of 38% and 34% respectively to the mean since listing.

Fig 29 – BOBCAPS vs. Consensus

(Rs bn)	BOBCAPS		Bloomberg Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	11.1	13.1	11.3	13.3	(2.2)	(1.5)
EBITDA	1.9	2.3	1.9	2.4	(0.5)	(2.1)
EBIT	1.8	2.2	1.9	2.4	(6.5)	(10.3)
Pretax Income	1.9	2.2	1.9	2.3	0.3	(4.1)
Net Income	1.4	1.7	1.4	1.8	(1.7)	(5.0)
EPS (Rs)	36.2	43.8	36.2	45.3	(0.1)	(3.4)

Source: Company, BOBCAPS Research

Fig 30 – Key operational assumptions

Parameter	FY21	FY22E	FY23E	FY24E
Volume (% YoY)	(20.2)	25.0	15.0	15.0
ASP YoY (%)	2.5	5.0	3.0	3.0
Freight Cost (% YoY)	0	7.0	3.0	3.0
Volume ('000 tonnes)	655	838	963	1,108
ASP (Rs/tonne)	12,597	13,227	13,624	14,032

Source: Company, BOBCAPS Research

Fig 31 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	1.0	Weekly returns over 2 years as of end-Sep'21	
Cost of Equity (%) (D) = A + B x C	12.9		
Cost of Debt (E)	9.0		
Marginal Tax Rate (%) (F)	25.2		
Post-Tax Cost of Debt (%) (G) = E x (1-F)	6.73		
Current Debt to Equity (2021) (H)	0.00		
WACC (I) = (1 x D + H x G)/(1 + H)	12.9		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	63.5	30.0	5.0

Source: BOBCAPS Research

Fig 32 – Target price: Implied multiples

Multiples	Target Price	Current Price	Consensus 12M Forward 2Y Mean	Consensus 2Y Range	Variance vs. TCIEXP 2Y historical mean (%)
P/E FY23E	42.1	36.5	30.4	17.0 - 54.8	38.2
EV/EBITDA FY23E	29.4	25.3	NA	NA	NA
P/B FY23E	9.8	8.5	7.3	5.9 - 13.8	33.7

Source: Bloomberg, BOBCAPS Research

Key risks

- Upside risks to our estimates include faster-than-expected earnings growth from higher volumes, price increases or efficiency gains.

Transport Corporation of India – SELL, TP Rs 561

We build in higher assumptions for TRPC's shipping business in FY22 due to a strong H1 and thus increase our FY22 EPS estimate by 20%. Our FY23 estimates remain unchanged as we expect shipping business earnings to fall as the market normalises – the company also concurs that the higher freight rates may not sustain. We are 4%/19% below consensus as the street is building in strong margins in shipping.

TRPC is trading close to its peak two-year forward P/E and P/B multiples following a 250% rally since May'21. The stock is implying 10-year FCF growth of 22% based on our reverse DCF analysis (terminal growth estimate of 5%) – lower than the 15% EBITDA growth reported by the company during FY16-FY20 after TCIEXP divestment.

In our view, the recent rally more than prices in growth expectations, leading us to downgrade TRPC from HOLD to SELL. On rolling our DCF valuation over to Mar'24, we have a new TP of Rs 561 (Rs 431 earlier), which implies an FY23E P/E of 21x and P/B of 2.8x, a premium of 56% and 35% respectively to the five-year mean.

Fig 33 – Revised estimates

(Rs bn)	New			Old			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	30.9	33.6	38.4	30.0	33.6	38.4	2.9	0.0	0.0
EBITDA	3.3	3.3	4.5	2.9	3.3	4.5	12.8	(0.7)	(0.7)
EBIT	2.2	2.2	3.4	1.9	2.3	3.4	20.0	(1.1)	(0.9)
Pretax Income	2.6	2.7	4.0	2.2	2.7	4.1	19.5	(0.3)	(0.4)
Net Income	2.0	2.1	3.1	1.7	2.1	3.2	19.5	(0.3)	(0.4)
EPS (Rs)	26.1	26.8	40.7	21.9	26.9	40.9	19.5	(0.3)	(0.4)

Source: BOBCAPS Research

Fig 34 – Estimate vs. Consensus

(Rs bn)	BOBCAPS		Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	30.9	33.6	32.7	37.6	(5.5)	(10.8)
EBITDA	3.3	3.3	3.2	3.8	2.6	(12.6)
EBIT	2.2	2.2	2.3	2.8	(2.8)	(19.5)
Pretax Income	2.6	2.7	2.2	2.8	15.9	(4.6)
Net Income	2.0	2.1	2.1	2.6	(4.2)	(19.1)
EPS (Rs)	26.1	26.8	27.1	33.1	(3.8)	(18.8)

Source: Bloomberg, BOBCAPS Research

Fig 35 – Key operational assumptions

Parameter	FY20	FY21	FY22E	FY23E	FY24E
Freight Volume (% YoY)	-	(5.0)	10.0	15.0	15.0
Freight Tariff (% YoY)	4.7	8.5	3.0	3.0	3.0
Less Than Truckload (LTL) % of Freight Division Revenue	-	45.0	50.0	55.0	60.0
Supply Chain Division Revenue (% YoY)	-	2.3	5.0	5.0	10.0

Source: Company, BOBCAPS Research

Fig 36 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	0.9	Weekly returns over 2 years as of end-Sep'21	
Cost of Equity (%) (D) = A + B x C	12.3		
Cost of Debt (E)	8.5		
Marginal Tax Rate (%) (F)	25.2		
Post-Tax Cost of Debt (%) (G) = E x (1-F)	6.36		
Current Debt to Equity (2023) (H)	0.04		
WACC (I) = (1 x D + H x G)/(1 + H)	8.5		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	38.3	15.0	5.0

Source: Bloomberg, BOBCAPS Research

Fig 37 – Target price: Implied multiples

Multiples (x)	Target Price	Current Price	Consensus 12M forward 5Y mean	Consensus 5Y range	Variance vs. TRPC 5Y historical mean (%)
P/E FY23E	20.9	23.7	13.4	5.5 - 22.4	55.6
EV/EBITDA FY23E	13.1	14.9	8.8	4.6 - 15.8	49.8
P/B FY23E	2.8	3.2	2.1	0.9 - 3.9	34.7

Source: Bloomberg, BOBCAPS Research

Key risks

Upside risks to our estimates include:

- faster-than-estimated recovery,
- addition of new customers in the SCM business, and
- rapid growth in new businesses.

Allcargo Logistics – SELL, TP Rs 281

We raise our FY22/FY23 EPS estimates for AGLL by 28%/18% but are still below consensus. On rolling valuations forward to Mar'24, we move to a revised DCF-based TP of Rs 281 (Rs 135 earlier), which implies an FY23E P/E of 15x – a 39% premium to the historical two-year mean. The company continues to attract a premium valuation despite putting off its plans to privatise. Also, the recent stock rally prices in the expected growth acceleration over FY22-FY23, in our view – we thus cut our rating from ADD to SELL.

Fig 38 – Revised estimates

(Rs bn)	New		Old		Change (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	123.9	141.0	102.9	117.2	20.3	20.3
EBITDA	7.4	8.6	7.8	9.0	(4.1)	(4.2)
EBIT	5.3	5.9	4.4	5.2	20.7	14.5
Pretax Income	4.5	5.1	3.6	4.4	25.3	14.8
Net Income	3.8	4.5	2.9	3.8	28.1	18.0
EPS (Rs)	15.3	18.3	11.9	15.5	28.1	18.0

Source: BOBCAPS Research

Fig 39 – Estimates vs. Consensus

(Rs bn)	BOBCAPS		Consensus		Variance (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Revenue	123.9	141.0	141.6	143.3	(12.6)	(1.6)
EBITDA	7.4	8.6	9.4	9.9	(21.0)	(12.7)
EBIT	5.3	5.9	7.7	8.0	(31.3)	(26.0)
Pretax Income	4.5	5.1	5.8	6.3	(23.3)	(18.8)
Net Income	3.8	4.5	4.1	4.4	(7.5)	2.9
EPS (Rs)	15.3	18.3	19.4	20.6	(21.3)	(11.5)

Source: Bloomberg, BOBCAPS Research

Fig 40 – Key operational assumptions

(Units)	FY20	FY21	FY22E	FY23E	FY24E
MTO business					
Volume (in 000's TEU)	737	785	927	1066	1225
Realisation (Rs/TEU)	89,645	1,07,603	1,07,603	1,07,603	1,07,603
CFS/ICD business					
Total capacity (in 000's TEU)	461	461	461	461	461
Capacity utilisation (%)	70.2	61.4	76.8	84.4	92.9
Volume (in 000's TEU)	323.5	283.1	353.9	389.3	428.2
Project and engineering business					
Total number of cranes	121	116	111	106	106
Total addition/deletion	(5)	(5)	(5)	(5)	0
Average utilisation (%)	65	55	75	80	80

Source: Company, BOBCAPS Research

Fig 41 – DCF assumptions

Variable	Assumption	Basis	
Risk Free Rate (%) (A)	6.2	Indian 10-year TB yield as of end-Sep'21	
Equity Risk Premium (%) (B)	6.9	NYU Stern India equity risk premium	
Beta (C)	1.09	Weekly returns over 2 years as of end-Sep'21	
Cost of Equity (%) (D) = A + B x C	13.7		
Cost of Debt (E)	8.0		
Marginal Tax Rate (%) (F)	20.0		
Post-Tax Cost of Debt (%) (G) = E x (1F)	6.4		
Current Debt to Equity (2021) (H)	0.77		
WACC (I) = (1 x D + H x G)/(1 + H)	10.5		
	Stage 1	Stage 2	Stage 3 (Terminal)
FCF CAGR (%)	9.7	10.0	5.0

Source: BOBCAPS Research

Fig 42 – Target price: Implied multiples

Multiples (x)	Target Price	Current Price	Consensus 12M forward 2Y mean	Consensus 2Y range	Variance vs. VRL 2Y historical mean (%)
P/E FY23E	15.4	34.4	11.1	5.2 - 18.6	38.6
EV/EBITDA FY23E	10.3	20.2	5.0	2 - 10.6	107.6
P/B FY23E	2.5	5.6	1.5	0.6 - 3.2	66.9

Source: Bloomberg, BOBCAPS Research

Key risks

Upside risks to our estimates are:

- sale of non-core assets,
- promoters' plan to privatise the company, and
- rapid upturn in global trade.

Stock performance

Fig 43 – AGLL

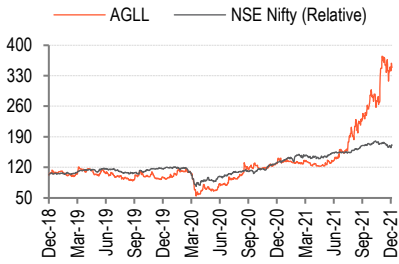


Fig 44 – CCRI

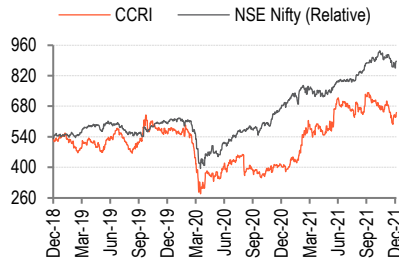


Fig 45 – MAHLOG

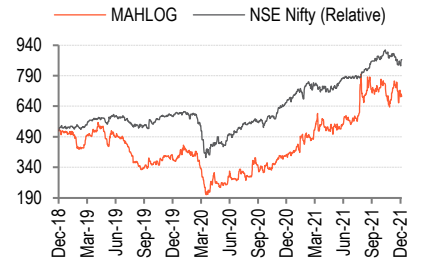


Fig 46 – TCIEXP

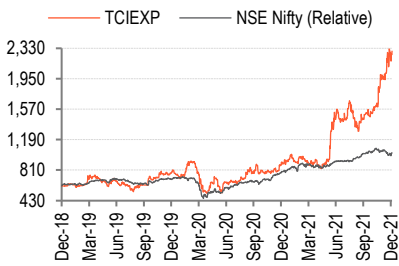


Fig 47 – TRPC

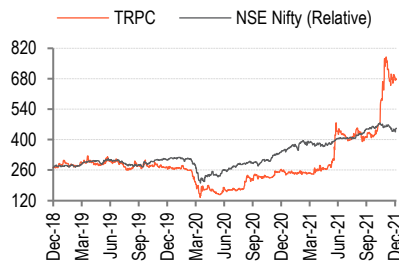
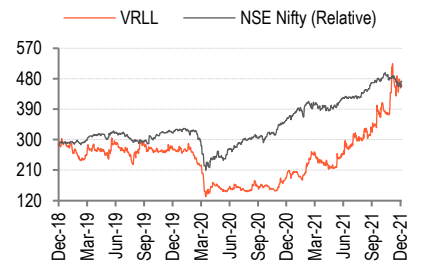


Fig 48 – VRLL



Source: NSE

Financials – AGLL

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	73,462	104,981	123,852	140,960	160,453
EBITDA	5,035	6,371	7,434	8,617	9,983
Depreciation	2,316	3,061	2,116	2,679	3,169
EBIT	2,719	3,310	5,318	5,938	6,814
Net interest inc./(exp.)	(685)	(1,356)	(1,516)	(1,542)	(1,579)
Other inc./(exp.)	413	554	650	700	524
Exceptional items	0	0	0	0	0
EBT	2,447	2,507	4,452	5,097	5,759
Income taxes	(711)	(640)	(881)	(815)	(921)
Extraordinary items	547	(1,053)	0	0	0
Min. int./Inc. from assoc.	61	170	187	206	226
Reported net profit	2,343	984	3,758	4,487	5,064
Adjustments	(333)	1,053	0	0	0
Adjusted net profit	2,010	2,038	3,758	4,487	5,064

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	9,181	15,309	17,026	19,376	22,054
Other current liabilities	5,290	9,927	11,711	13,329	15,172
Provisions	456	561	661	753	857
Debt funds	16,360	21,186	20,566	21,566	21,566
Other liabilities	0	0	0	0	0
Equity capital	491	491	491	491	491
Reserves & surplus	21,232	25,658	28,017	30,816	33,969
Shareholders' fund	21,723	26,149	28,508	31,307	34,461
Total liab. and equities	53,009	73,131	78,473	86,332	94,110
Cash and cash eq.	3,150	4,124	838	2,095	2,322
Accounts receivables	11,501	21,757	25,668	29,214	33,253
Inventories	78	97	115	130	148
Other current assets	8,145	9,178	10,967	11,710	13,329
Investments	5,353	9,535	9,535	9,535	9,535
Net fixed assets	14,125	12,387	16,450	18,271	19,602
CWIP	2,690	1,679	0	0	0
Intangible assets	5,232	11,001	11,001	11,001	11,001
Deferred tax assets, net	1,092	451	451	451	451
Other assets	1,644	2,924	3,450	3,926	4,469
Total assets	53,009	73,131	78,473	86,332	94,110

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	1,359	5,377	4,749	7,986	8,217
Capital expenditures	(7,188)	(6,081)	(4,500)	(4,500)	(4,500)
Change in investments	(2,767)	(4,181)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(9,955)	(10,262)	(4,500)	(4,500)	(4,500)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	10,040	4,826	(620)	1,000	0
Interest expenses	(685)	(1,356)	(1,516)	(1,542)	(1,579)
Dividends paid	(737)	(983)	(1,586)	(1,893)	(2,137)
Other financing cash flows	471	493	187	206	226
Cash flow from financing	9,089	2,981	(3,534)	(2,229)	(3,489)
Chg in cash & cash eq.	494	(1,904)	(3,286)	1,257	227
Closing cash & cash eq.	3,150	4,124	838	2,095	2,322

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	9.5	4.0	15.3	18.3	20.6
Adjusted EPS	7.3	8.3	15.3	18.3	20.6
Dividend per share	3.0	4.0	5.4	6.4	7.2
Book value per share	87.3	92.9	101.8	112.3	124.2

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	1.2	0.9	0.8	0.7	0.7
EV/EBITDA	17.5	14.8	13.6	12.1	10.6
Adjusted P/E	47.8	42.1	22.9	19.1	17.0
P/BV	4.0	3.8	3.4	3.1	2.8

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	82.2	81.3	84.4	88.0	87.9
Interest burden (PBT/EBIT)	90.0	75.8	83.7	85.8	84.5
EBIT margin (EBIT/Revenue)	3.7	3.2	4.3	4.2	4.2
Asset turnover (Rev./Avg TA)	2.3	2.4	2.5	2.7	2.9
Leverage (Avg TA/Avg Equity)	1.5	1.8	1.8	1.8	1.7
Adjusted ROAE	8.7	9.2	15.7	17.1	17.4

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	6.5	42.9	18.0	13.8	13.8
EBITDA	12.2	26.5	16.7	15.9	15.9
Adjusted EPS	(27.5)	13.4	84.4	19.4	12.9
Profitability & Return ratios (%)					
EBITDA margin	6.9	6.1	6.0	6.1	6.2
EBIT margin	3.7	3.2	4.3	4.2	4.2
Adjusted profit margin	2.7	1.9	3.0	3.2	3.2
Adjusted ROAE	8.7	9.2	15.7	17.1	17.4
ROCE	8.4	7.6	10.7	11.3	12.2
Working capital days (days)					
Receivables	57	76	76	76	76
Inventory	0	0	0	0	0
Payables	49	57	53	53	53
Ratios (x)					
Gross asset turnover	4.4	6.2	6.4	5.7	5.5
Current ratio	1.5	1.4	1.3	1.3	1.3
Net interest coverage ratio	4.0	2.4	3.5	3.9	4.3
Adjusted debt/equity	0.6	0.7	0.7	0.6	0.6

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – CCRI

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	65,394	64,271	77,674	88,005	103,096
EBITDA	16,938	11,168	17,217	22,284	28,474
Depreciation	(5,444)	(5,534)	(5,867)	(6,267)	(6,734)
EBIT	11,494	5,634	11,350	16,017	21,740
Net interest inc./(exp.)	1,599	1,522	1,837	2,297	2,827
Other inc./(exp.)	475	753	753	753	753
Exceptional items	(8,518)	(1,487)	0	0	0
EBT	5,438	6,736	14,492	19,822	26,323
Income taxes	(1,381)	(1,730)	(3,509)	(4,799)	(6,373)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	367	358	552	755	1,002
Reported net profit	4,035	5,051	10,983	15,023	19,949
Adjustments	8,518	1,487	0	0	0
Adjusted net profit	12,553	6,538	10,983	15,023	19,949

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	1,554	2,693	3,254	3,687	4,319
Other current liabilities	1,867	3,017	3,578	4,011	4,643
Provisions	380	1,375	1,375	1,375	1,375
Debt funds	636	618	0	0	0
Other liabilities	35,121	8,151	8,151	8,151	8,151
Equity capital	3,047	3,047	3,047	3,047	3,047
Reserves & surplus	97,601	98,991	106,928	116,457	128,892
Shareholders' fund	100,647	102,037	109,975	119,504	131,939
Total liab. and equities	148,175	124,102	131,982	141,944	155,012
Cash and cash eq.	21,916	25,428	33,394	42,845	54,584
Accounts receivables	1,646	1,608	1,943	2,202	2,580
Inventories	263	240	290	328	384
Other current assets	6,454	4,894	4,894	4,894	4,894
Investments	11,998	12,111	12,111	12,111	12,111
Net fixed assets	53,431	56,544	55,677	55,409	55,676
CWIP	0	0	0	0	0
Intangible assets	48	83	83	83	83
Deferred tax assets, net	267	0	0	0	0
Other assets	52,152	23,195	23,591	24,073	24,701
Total assets	148,175	124,102	131,982	141,944	155,012

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	44,234	10,243	13,884	17,621	22,299
Capital expenditures	(10,686)	(5,732)	(5,000)	(6,000)	(7,000)
Change in investments	(20,544)	2,813	0	0	0
Other investing cash flows	506	783	0	0	0
Cash flow from investing	(30,724)	(2,136)	(5,000)	(6,000)	(7,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(7,070)	(18)	(618)	0	0
Interest expenses	0	(870)	350	374	374
Dividends paid	(6,831)	(3,564)	(3,046)	(5,494)	(7,514)
Other financing cash flows	13,101	4,339	3,315	5,119	7,140
Cash flow from financing	(801)	(114)	0	0	0
Chg in cash & cash eq.	720	5,951	7,966	9,451	11,739
Closing cash & cash eq.	21,916	25,428	33,394	42,845	54,584

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	6.6	8.3	18.0	24.7	32.8
Adjusted EPS	20.6	10.7	18.0	24.7	32.8
Dividend per share	3.6	5.0	9.0	12.3	16.4
Book value per share	165.2	167.5	180.5	196.1	216.5

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	6.0	6.1	4.8	4.2	3.5
EV/EBITDA	23.0	34.9	21.7	16.5	12.6
Adjusted P/E	31.6	60.7	36.2	26.4	19.9
P/BV	3.9	3.9	3.6	3.3	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	89.9	79.5	75.8	75.8	75.8
Interest burden (PBT/EBIT)	121.4	145.9	127.7	123.8	121.1
EBIT margin (EBIT/Revenue)	17.6	8.8	14.6	18.2	21.1
Asset turnover (Rev./Avg TA)	40.4	47.2	60.7	64.3	69.4
Leverage (Avg TA/Avg Equity)	1.6	1.3	1.2	1.2	1.2
Adjusted ROAE	12.3	6.5	10.4	13.1	15.9

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	(6.0)	(1.7)	20.9	13.3	17.1
EBITDA	(5.4)	(34.1)	54.2	29.4	27.8
Adjusted EPS	2.1	(47.9)	68.0	36.8	32.8
Profitability & Return ratios (%)					
EBITDA margin	25.9	17.4	22.2	25.3	27.6
EBIT margin	17.6	8.8	14.6	18.2	21.1
Adjusted profit margin	19.2	10.2	14.1	17.1	19.4
Adjusted ROAE	12.3	6.5	10.4	13.1	15.9
ROCE	7.8	4.6	9.9	13.0	16.2
Working capital days (days)					
Receivables	9	9	9	9	9
Inventory	1	1	1	1	1
Payables	9	15	15	15	15
Ratios (x)					
Gross asset turnover	1.0	0.8	0.9	1.0	1.1
Current ratio	2.6	2.4	2.9	3.5	4.2
Net interest coverage ratio	(7.2)	(3.7)	(6.2)	(7.0)	(7.7)
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – MAHLOG

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	34,711	32,637	42,091	49,541	59,607
EBITDA	1,582	1,342	2,381	3,348	4,657
Depreciation	(734)	(897)	(1,296)	(1,371)	(1,451)
EBIT	848	446	1,085	1,977	3,206
Net interest inc./(exp.)	(76)	(54)	(130)	(52)	(1)
Other inc./(exp.)	39	28	28	28	28
Exceptional items	0	(28)	0	0	0
EBT	805	388	983	1,953	3,233
Income taxes	(257)	(100)	(248)	(492)	(814)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(3)	8	0	0	0
Reported net profit	551	300	736	1,462	2,420
Adjustments	0	28	0	0	0
Adjusted net profit	551	328	736	1,462	2,420

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	6,172	7,661	9,880	10,180	11,431
Other current liabilities	6,228	7,721	9,940	10,240	11,492
Provisions	157	159	159	159	159
Debt funds	1,947	2,667	580	229	0
Other liabilities	211	187	187	187	187
Equity capital	715	717	717	717	717
Reserves & surplus	4,731	4,964	5,521	6,835	8,963
Shareholders' fund	5,447	5,681	6,237	7,552	9,680
Total liab. and equities	14,218	16,787	17,475	18,739	21,889
Cash and cash eq.	995	2,528	2,105	2,477	4,442
Accounts receivables	5,224	4,856	6,263	7,465	8,982
Inventories	0	0	0	0	0
Other current assets	3,626	4,659	4,659	4,659	4,659
Investments	31	0	0	0	0
Net fixed assets	2,256	3,392	3,098	2,787	2,455
CWIP	0	0	0	0	0
Intangible assets	10	182	182	182	182
Deferred tax assets, net	200	221	221	221	221
Other assets	1,876	949	949	949	949
Total assets	14,218	16,787	17,475	18,739	21,889

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	0	0	2,946	1,954	3,578
Capital expenditures	(624)	(712)	(1,001)	(1,060)	(1,119)
Change in investments	0	0	0	0	0
Other investing cash flows	943	(416)	0	0	0
Cash flow from investing	319	(1,128)	(1,001)	(1,060)	(1,119)
Equities issued/Others	4	2	0	0	0
Debt raised/repaid	0	(67)	(2,087)	(351)	(229)
Interest expenses	0	0	(276)	(198)	(193)
Dividends paid	(155)	(107)	(179)	(147)	(292)
Other financing cash flows	(461)	(530)	2,543	695	714
Cash flow from financing	(612)	(702)	0	0	0
Chg in cash & cash eq.	(408)	(1,955)	(424)	373	1,965
Closing cash & cash eq.	995	2,528	2,105	2,477	4,442

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	7.7	4.2	10.3	20.4	33.8
Adjusted EPS	7.7	4.6	10.3	20.4	33.8
Dividend per share	1.5	2.5	2.1	4.1	6.8
Book value per share	76.0	79.3	87.0	105.4	135.1

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	1.4	1.5	1.2	1.0	0.8
EV/EBITDA	30.6	36.8	21.0	14.6	10.2
Adjusted P/E	90.0	151.1	67.2	33.8	20.4
P/BV	9.1	8.7	7.9	6.6	5.1

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	68.4	78.8	74.8	74.8	74.8
Interest burden (PBT/EBIT)	95.0	93.2	90.6	98.8	100.9
EBIT margin (EBIT/Revenue)	2.4	1.4	2.6	4.0	5.4
Asset turnover (Rev./Avg TA)	264.3	210.5	245.7	273.6	293.4
Leverage (Avg TA/Avg Equity)	2.5	2.8	2.9	2.6	2.4
Adjusted ROAE	10.5	5.9	12.3	21.2	28.1

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	(9.9)	(6.0)	29.0	17.7	20.3
EBITDA	4.6	(15.2)	77.4	40.6	39.1
Adjusted EPS	(35.9)	(40.4)	124.7	98.6	65.5
Profitability & Return ratios (%)					
EBITDA margin	4.6	4.1	5.7	6.8	7.8
EBIT margin	2.4	1.4	2.6	4.0	5.4
Adjusted profit margin	1.6	1.0	1.7	3.0	4.1
Adjusted ROAE	10.5	5.9	12.3	21.2	28.1
ROCE	13.9	6.1	15.0	26.9	36.1
Working capital days (days)					
Receivables	55	54	54	55	55
Inventory	0	0	0	0	0
Payables	65	86	86	75	70
Ratios (x)					
Gross asset turnover	22.5	9.5	9.8	9.3	9.3
Current ratio	1.3	1.3	1.2	1.3	1.5
Net interest coverage ratio	11.2	8.2	8.4	38.1	5,352.5
Adjusted debt/equity	0.4	0.5	0.1	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – TCIEXP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	10,320	8,440	11,077	13,121	15,542
EBITDA	1,213	1,343	1,903	2,309	2,798
Depreciation	(78)	(90)	(125)	(150)	(161)
EBIT	1,135	1,254	1,778	2,159	2,637
Net interest inc./(exp.)	(9)	(8)	3	12	23
Other inc./(exp.)	44	77	77	77	77
Exceptional items	0	0	0	0	0
EBT	1,170	1,322	1,858	2,247	2,737
Income taxes	(279)	(316)	(468)	(566)	(689)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	891	1,006	1,390	1,682	2,048
Adjustments	0	0	0	0	0
Adjusted net profit	891	1,006	1,390	1,682	2,048

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	673	752	987	1,078	1,277
Other current liabilities	720	795	1,030	1,121	1,320
Provisions	0	0	0	0	0
Debt funds	28	10	0	0	0
Other liabilities	42	55	55	55	55
Equity capital	77	77	77	77	77
Reserves & surplus	3,296	4,262	5,575	7,117	8,997
Shareholders' fund	3,373	4,339	5,652	7,194	9,074
Total liab. and equities	4,315	5,437	6,974	8,609	10,687
Cash and cash eq.	412	859	1,442	2,724	3,948
Accounts receivables	1,658	1,695	2,124	1,977	2,342
Inventories	0	0	0	0	0
Other current assets	152	175	175	175	175
Investments	9	10	10	10	10
Net fixed assets	1,816	2,244	2,769	3,269	3,758
CWIP	0	0	0	0	0
Intangible assets	22	18	18	18	18
Deferred tax assets, net	0	0	0	0	0
Other assets	247	436	436	436	437
Total assets	4,315	5,437	6,974	8,609	10,687

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	816	1,189	1,240	1,982	1,943
Capital expenditures	(190)	(568)	(650)	(650)	(650)
Change in investments	0	0	0	0	0
Other investing cash flows	(412)	(424)	0	0	0
Cash flow from investing	(602)	(992)	(650)	(650)	(650)
Equities issued/Others	23	22	0	0	0
Debt raised/repaid	(59)	(20)	(10)	0	0
Interest expenses	0	0	68	67	66
Dividends paid	(213)	(77)	(77)	(139)	(168)
Other financing cash flows	239	67	19	72	102
Cash flow from financing	(9)	(8)	0	0	0
Chg in cash & cash eq.	(36)	146	583	1,281	1,224
Closing cash & cash eq.	412	859	1,442	2,724	3,948

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	23.2	26.2	36.2	43.8	53.3
Adjusted EPS	23.2	26.2	36.2	43.8	53.3
Dividend per share	4.0	4.0	7.2	8.8	10.7
Book value per share	87.9	113.1	147.4	187.6	236.6

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	8.5	10.4	7.9	6.6	5.5
EV/EBITDA	72.6	65.3	45.9	37.6	30.7
Adjusted P/E	98.9	87.6	63.4	52.4	43.0
P/BV	26.1	20.3	15.6	12.2	9.7

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	76.1	76.1	74.8	74.8	74.8
Interest burden (PBT/EBIT)	103.1	105.5	104.5	104.1	103.8
EBIT margin (EBIT/Revenue)	11.0	14.9	16.0	16.5	17.0
Asset turnover (Rev./Avg TA)	254.6	173.1	178.5	168.4	161.1
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.2	1.2	1.2
Adjusted ROAE	29.5	26.1	27.8	26.2	25.2

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	0.8	(18.2)	31.3	18.5	18.5
EBITDA	1.9	10.7	41.7	21.3	21.2
Adjusted EPS	22.1	12.9	38.2	21.0	21.8
Profitability & Return ratios (%)					
EBITDA margin	11.8	15.9	17.2	17.6	18.0
EBIT margin	11.0	14.9	16.0	16.5	17.0
Adjusted profit margin	8.6	11.9	12.5	12.8	13.2
Adjusted ROAE	29.5	26.1	27.8	26.2	25.2
ROCE	36.7	32.0	35.2	33.3	32.2
Working capital days (days)					
Receivables	59	73	70	55	55
Inventory	0	0	0	0	0
Payables	24	33	33	30	30
Ratios (x)					
Gross asset turnover	5.1	3.6	3.7	3.6	3.6
Current ratio	2.5	2.6	3.0	3.6	4.1
Net interest coverage ratio	127.5	160.7	(517.1)	(182.8)	(116.3)
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – TRPC

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	27,178	28,024	30,889	33,571	38,398
EBITDA	2,405	2,612	3,285	3,320	4,502
Depreciation	(825)	(928)	(1,044)	(1,084)	(1,114)
EBIT	1,580	1,684	2,241	2,236	3,388
Net interest inc./(exp.)	(323)	(251)	(162)	(91)	(12)
Other inc./(exp.)	181	238	238	238	238
Exceptional items	(99)	(131)	0	0	0
EBT	1,591	1,743	2,596	2,670	4,050
Income taxes	(159)	(238)	(583)	(600)	(910)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	243	168	279	287	435
Reported net profit	1,424	1,471	2,013	2,070	3,140
Adjustments	99	131	0	0	0
Adjusted net profit	1,522	1,602	2,013	2,070	3,140

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	639	759	837	910	1,041
Other current liabilities	741	845	923	996	1,126
Provisions	0	0	0	0	0
Debt funds	3,686	2,347	1,441	602	0
Other liabilities	409	496	496	496	496
Equity capital	154	154	154	154	154
Reserves & surplus	10,085	11,543	13,447	15,346	18,311
Shareholders' fund	10,239	11,697	13,601	15,500	18,465
Total liab. and equities	16,833	17,388	18,464	19,597	22,090
Cash and cash eq.	259	395	309	336	1,148
Accounts receivables	4,873	5,110	5,633	6,122	7,002
Inventories	66	71	78	85	98
Other current assets	1,877	1,660	1,660	1,660	1,660
Investments	1,353	1,500	1,500	1,500	1,500
Net fixed assets	7,479	7,378	7,809	8,241	8,706
CWIP	0	0	0	0	0
Intangible assets	4	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	922	1,274	1,474	1,653	1,976
Total assets	16,833	17,388	18,464	19,597	22,090

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	2,428	3,047	2,250	2,297	2,831
Capital expenditures	(1,336)	(1,553)	(1,476)	(1,516)	(1,579)
Change in investments	0	0	0	0	0
Other investing cash flows	(134)	334	0	0	0
Cash flow from investing	(1,470)	(1,219)	(1,476)	(1,516)	(1,579)
Equities issued/Others	24	40	0	0	0
Debt raised/repaid	(517)	(1,419)	(906)	(839)	(602)
Interest expenses	(343)	(269)	59	131	189
Dividends paid	(201)	(96)	(109)	(171)	(176)
Other financing cash flows	1,032	1,711	956	879	588
Cash flow from financing	(6)	(33)	0	0	0
Chg in cash & cash eq.	31	209	(86)	27	812
Closing cash & cash eq.	259	395	309	336	1,148

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	18.5	19.1	26.1	26.8	40.7
Adjusted EPS	19.8	20.8	26.1	26.8	40.7
Dividend per share	2.0	2.5	3.9	4.0	6.1
Book value per share	133.3	151.7	176.4	201.0	239.5

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	2.1	2.0	1.8	1.6	1.4
EV/EBITDA	23.3	21.3	16.7	16.1	11.7
Adjusted P/E	34.0	32.5	25.9	25.1	16.6
P/BV	5.1	4.4	3.8	3.4	2.8

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	90.1	85.5	77.5	77.5	77.5
Interest burden (PBT/EBIT)	106.9	111.2	115.9	119.4	119.5
EBIT margin (EBIT/Revenue)	5.8	6.0	7.3	6.7	8.8
Asset turnover (Rev./Avg TA)	164.8	163.8	172.3	176.4	184.2
Leverage (Avg TA/Avg Equity)	1.7	1.6	1.4	1.3	1.2
Adjusted ROAE	15.9	14.6	15.9	14.2	18.5

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	(1.3)	3.1	10.2	8.7	14.4
EBITDA	(3.6)	8.6	25.8	1.1	35.6
Adjusted EPS	4.8	4.8	25.7	2.8	51.7
Profitability & Return ratios (%)					
EBITDA margin	8.9	9.3	10.6	9.9	11.7
EBIT margin	5.8	6.0	7.3	6.7	8.8
Adjusted profit margin	5.6	5.7	6.5	6.2	8.2
Adjusted ROAE	15.9	14.6	15.9	14.2	18.5
ROCE	13.5	13.3	16.0	14.4	19.2
Working capital days (days)					
Receivables	65	67	67	67	67
Inventory	1	1	1	1	1
Payables	9	10	10	10	10
Ratios (x)					
Gross asset turnover	2.7	2.5	2.4	2.3	2.4
Current ratio	1.5	1.8	2.1	2.5	3.2
Net interest coverage ratio	4.9	6.7	13.8	24.5	287.1
Adjusted debt/equity	0.4	0.2	0.1	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – VRL

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	21,185	17,629	22,381	25,868	28,181
EBITDA	2,983	2,475	3,430	3,938	4,046
Depreciation	(1,675)	(1,598)	(1,678)	(1,750)	(1,820)
EBIT	1,307	877	1,752	2,188	2,226
Net interest inc./(exp.)	(367)	(368)	(377)	(362)	(262)
Other inc./(exp.)	103	129	129	129	129
Exceptional items	0	0	0	0	0
EBT	1,043	637	1,504	1,955	2,093
Income taxes	(142)	(187)	(379)	(492)	(527)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	901	451	1,126	1,463	1,566
Adjustments	0	0	0	0	0
Adjusted net profit	901	451	1,126	1,463	1,566

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	35	135	171	198	215
Other current liabilities	174	260	296	323	340
Provisions	208	207	207	207	207
Debt funds	4,308	4,059	3,975	1,840	0
Other liabilities	796	701	701	701	701
Equity capital	903	883	883	883	883
Reserves & surplus	5,265	5,088	6,214	7,677	9,243
Shareholders' fund	6,169	5,971	7,097	8,560	10,126
Total liab. and equities	12,252	11,986	13,064	12,419	12,162
Cash and cash eq.	134	185	2,238	2,587	3,140
Accounts receivables	823	639	812	938	1,022
Inventories	293	395	502	580	632
Other current assets	565	543	543	543	543
Investments	1	1	1	1	1
Net fixed assets	9,871	9,513	8,259	7,060	6,115
CWIP	0	0	0	0	0
Intangible assets	8	6	6	6	6
Deferred tax assets, net	0	0	0	0	0
Other assets	557	703	703	703	703
Total assets	12,252	11,986	13,064	12,419	12,162

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	2,573	2,711	2,809	3,268	3,401
Capital expenditures	(1,227)	(390)	(424)	(551)	(875)
Change in investments	0	0	0	0	0
Other investing cash flows	42	75	0	0	0
Cash flow from investing	(1,186)	(315)	(424)	(551)	(875)
Equities issued/Others	0	(632)	0	0	0
Debt raised/repaid	(36)	(1,340)	(84)	(2,135)	(1,840)
Interest expenses	(368)	(372)	(248)	(233)	(133)
Dividends paid	(980)	0	0	0	0
Other financing cash flows	1,384	2,344	332	2,368	1,973
Cash flow from financing	0	0	0	0	0
Chg in cash & cash eq.	3	54	2,054	349	553
Closing cash & cash eq.	134	185	2,238	2,587	3,140

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	10.0	5.1	12.7	16.6	17.7
Adjusted EPS	10.0	5.1	12.7	16.6	17.7
Dividend per share	7.0	4.0	8.9	11.6	12.4
Book value per share	68.3	67.6	80.3	96.9	114.6

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	2.0	2.5	2.0	1.7	1.5
EV/EBITDA	13.9	17.5	13.0	11.0	10.1
Adjusted P/E	46.0	89.9	36.0	27.7	25.9
P/BV	6.7	6.8	5.7	4.7	4.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	86.4	70.7	74.8	74.8	74.8
Interest burden (PBT/EBIT)	79.8	72.7	85.9	89.4	94.0
EBIT margin (EBIT/Revenue)	6.2	5.0	7.8	8.5	7.9
Asset turnover (Rev./Avg TA)	192.3	145.5	178.7	203.0	229.3
Leverage (Avg TA/Avg Equity)	1.7	2.0	1.9	1.6	1.3
Adjusted ROAE	14.3	7.4	17.2	18.7	16.8

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	0.4	(16.8)	27.0	15.6	8.9
EBITDA	22.2	(17.0)	38.6	14.8	2.7
Adjusted EPS	(2.0)	(48.9)	149.8	30.0	7.0
Profitability & Return ratios (%)					
EBITDA margin	14.1	14.0	15.3	15.2	14.4
EBIT margin	6.2	5.0	7.8	8.5	7.9
Adjusted profit margin	4.3	2.6	5.0	5.7	5.6
Adjusted ROAE	14.3	7.4	17.2	18.7	16.8
ROCE	14.3	9.2	17.8	21.0	20.9
Working capital days (days)					
Receivables	14	13	13	13	13
Inventory	5	8	8	8	8
Payables	1	3	3	3	3
Ratios (x)					
Gross asset turnover	3.5	1.4	1.8	2.0	2.0
Current ratio	0.7	0.7	1.5	2.4	4.0
Net interest coverage ratio	3.6	2.4	4.7	6.1	8.5
Adjusted debt/equity	0.7	0.7	0.6	0.2	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Rating distribution

As of 30 November 2021, out of 115 rated stocks in the BOB Capital Markets Limited (BOBCAPS) coverage universe, 57 have BUY ratings, 31 have HOLD ratings, 6 are rated ADD*, 2 are rated REDUCE* and 19 are rated SELL. None of these companies have been investment banking clients in the last 12 months. (*Our ADD and REDUCE ratings are in the process of being migrated to the new recommendation structure.)

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOBCAPS.

General disclaimers

BOBCAPS is engaged in the business of Institutional Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS has obtained registration as a Research Entity under SEBI (Research Analysts) Regulations, 2014, having registration No.: INH000000040 valid till 03 February 2025. BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017. BOBCAPS CIN Number: U65999MH1996GOI098009.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may act as market makers or assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

In the US, this material is only for Qualified Institutional Buyers as defined under rule 144(a) of the Securities Act, 1933. No part of this document may be distributed in Canada or used by private customers in the United Kingdom.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company in the past 12 months. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.