

Container Corporation

₹524

Best storage in India...!!! Accumulate



Mar 29, 2019

Company Background

Container Corporation of India Ltd is the holding company. It was set up in March of the year 1988 and commenced operation from November of the year 1989. It is engaged in the transportation of containers (rail and road), & handling of containers. It also engaged in the operation of logistics facilities, including dry ports, container freight stations, and private freight terminals. Its divisions are EXIM and Domestic. Both EXIM and Domestic divisions of the company are engaged in handling, transportation and warehousing activities. Its International services include train services, road services, air cargo movements, reefer services, and block booking on a round trip basis. Its domestic services include train services, volume discount scheme, door delivery/pickups, and terminal handling charges. Its E-Filing software is a Web-based application for EXIM locations being operational at Terminal/Inland Container Depot of Company. Through its software, any importer/exporter/shipping agent can file his documents, including billing and take printouts.

Key Highlights

- ➔ For FY18, the consolidated total revenue up by 10.96% to ₹70,561.4 million, total expenditure also rose by 8.6% to ₹52,152.1 million and the net profit improved well by 25.1% to ₹10,714 million.
- ➔ During the FY18, EXIM and domestic segments volumes handled were 30,01,948 TEUs and 5,29,952 TEUs an increase of 13.64% and 15.08% respectively over the previous year.
- ➔ During the year, it spent an amount of ₹857 crores as a capital expenditure mainly on the creation of new terminals, expansion of existing ones and acquisition of wagons & container etc.
- ➔ During the year, it has further strengthened its existing Terminal network. As on 31st, March 2018 company has 72 Terminals, of which 14 are pure EXIM Terminals, 22 are pure Domestic Terminals and 36 are Combined Container Terminals, and also it entered into Strategic Tie-ups at seven locations with other players. Six facilities were developed during the year, and planning to develop new ten facilities in the FY19.

Key Financials

Year Ended 31 st	Mar 16	Mar 17	Mar 18
Revenue (INR mn)	63,101.1	59,643.4	65,592.7
Rev. growth (%)	6.15	(5.48)	9.97
EBITDA (INR mn)	16,560.3	15,361.6	17,856.7
Net profit (INR mn)	9,508.2	8,580.2	10,490.4
Shares outstanding (mn)	389.9	389.9	487.4
EPS (INR)	48.8	44.0	43.0
EPS growth (%)	(9.23)	(9.76)	(2.20)
P/E (x)	8.14	9.24	11.56
RONW (%)	11.90	9.98	11.50
ROCE (%)	16.23	13.64	15.13

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Info Codes

Reuters	: CCRI.BO
Bloomberg	: CCRI IN
NSE	: CONCOR
BSE	: 531344

Market Data

52 Wk Range (₹)	: 433/569
Shares in Issue (mn)	: 487.4
Market. Cap (bn)	: 319.67
BSE 2 Wk Avg Vol	: 22000

Share Holding Pattern (%)

Promoters Holding	: 54.80
Public & Others	: 02.70
Corporate Holding	: 01.87
Foreign Institution	: 27.88
Institutions	: 12.67
Govt Holding	: 00.08

Investment Theme

Private inland container depot ICDs were giving competition to the company by offering many freebies. Now Company offering 45 days free of storage period to import/direct port delivery (DPD) loaded containers, export/direct port entry (DPE) loaded containers and 90 days for empty containers across its 46 EXIM terminals. Due to this free offer, the customer now benefiting from a longer free storage period, customers will again think of coming to the company instead of going to private ICDs. Customers get benefit now in another way also; Customers will use the company's facilities as temporary warehouses. ICDs earn most of their money from escalating storage charges after the free period. Some private ICDs will impact by this decision. This move will have a substantial impact on private ICDs and improve company's volume of Business.

Store your Stuff here...!!!

Financial Statements

Income Statement

(₹ mn)

Year end	Mar 16	Mar 17	% Chg	Mar 18	% Chg
Net Sales	59,926.3	56,751.0	(5.3)	62,566.8	10.2
Other Income	3,174.8	2,892.4	(8.9)	3,025.9	4.6
Change in Stocks	0.0	0.0	0.0	0.0	0.0
Fuel Charges	0.0	0.0	0.0	0.0	0.0
Employee Exp.	1,568.3	1,868.9	19.2	2,779.0	48.7
Indirect Taxes	0.0	0.0	0.0	0.0	0.0
Other Exp.	44,972.5	42,412.9	(5.7)	44,957.0	6.0
Operating Exp.	46,540.8	44,281.8	(4.9)	47,736.0	7.8
Operating Profit	16,560.3	15,361.6	(7.2)	17,856.7	16.2
Total Interest	3.2	37.3	1,065.6	3.7	(90.1)
Gross Profit	16,557.1	15,324.3	(7.4)	17,853.0	16.5
Net Dep.	3,477.6	3,518.2	1.2	3,926.5	11.6
Total Taxation	3,571.3	3,225.9	(9.7)	3,436.1	6.5
Net Profit/Loss	9,508.2	8,580.2	(9.8)	10,490.4	22.3

4 Years Balance Sheet

(₹ mn)

Balance Sheet as on 31 st	Mar 15	Mar 16	Mar 17	Mar 18
SOURCES OF FUNDS	76,926.5	84,295.6	89,336.7	94,802.9
Equity Share capital	1,949.7	1,949.7	1,949.7	2,437.2
Equity Application Money	0.0	0.0	0.0	0.0
Equity Share Warrants	0.0	0.0	0.0	0.0
Reserves & Surplus	74,407.2	81,506.9	86,512.3	91,573.9
Secured Loans	0.0	0.0	0.0	0.0
Unsecured Loans	569.6	839.0	874.7	791.8
USES OF FUNDS	76,926.5	84,295.6	89,336.7	94,802.9
Gross Block	51,917.7	31,473.4	40,676.2	47,332.1
Less : Revaluation Reserves	0.0	0.0	0.0	0.0
Less : Accumulated Depreciation	19,499.2	3,473.5	6,978.0	10,848.2
Net Block	32,418.5	27,999.9	33,698.2	36,483.9
Capital Work in Progress	3,006.1	5,132.5	5,071.0	6,710.4
Investments	11,547.5	13,575.8	13,737.2	13,890.2
Current Assets	28,955.8	13,021.0	26,203.7	31,533.8
Less : Current Liabilities	7,913.2	6,740.1	7,671.5	9,799.7
Total Net Current Assets	21,042.6	6,280.9	18,532.2	21,734.1
Misc. Expenses not writtenoff	8,911.8	31,306.5	18,298.1	15,984.3
NOTE				
Book Value of Unquoted Investments	6,734.4	6,827.3	6,988.6	7,141.6
Market Value of Quoted Investments	4,812.5	7,065.5	7,417.0	7,481.7
Contingent Liabilities	16,248.7	21,209.4	6,937.9	6,930.9
Dividend (%)	134.0	135.0	171.0	171.0

Quarterly Income Sheets

(₹ mn)

Quarter Ended	Mar 18	Jun 18	Sep 18	Dec 18
Net Sales	16,324.3	15,682.7	18,222.8	16,570.7
Cost Of Sales	12,073.2	11,780.8	13,181.1	12,386.9
Operating Profit	4,251.1	3,901.9	5,041.7	4,183.8
Other Income	409.2	620.6	692.3	741.2
Adjusted PBDIT	4,660.3	4,522.5	5,734.0	4,925.0
Financial Expenses	0.2	0.2	0.2	0.2
Depreciation	1,010.4	1,022.1	1,047.7	1,058.8
Other Write Offs	0.0	0.0	0.0	0.0
Adjusted PBT	3,649.7	3,500.2	4,686.1	3,866.0
Tax Charges	735.2	976.5	1,325.6	1,119.2
Reported Profit	2,914.5	2,523.7	3,360.5	2,746.8
Extra Ordinary Items	0.0	0.0	0.0	0.0
Other Non Cash Adjust	0.0	0.0	0.0	0.0
Adjusted Net Profit	2,914.5	2,523.7	3,360.5	2,746.8

52 Week Index Relative Percentage Appreciation

Container Corporation vs SENSEX
Risks Associated

- ➔ Non-availability of trailers/delay in procurement of containers & spares/breakdown of equipments may lead to loss of potential revenue. To overcome this risk it must purchase equipments and improve maintenance practices.

Scope of Growth

- ➔ Container Corporation of India Ltd, proposed greenfield project for an inland container yard at Kadakola, between Mysuru and Nanjangud, is expected to start soon with the tender process already finalized. The time frame for its completion is 24 months, with the project cost is ₹ 92 crore.
- ➔ The management expects the Palanpur section of western dedicated freight corridor and connectivity to Mundra/Pipavav ports by March 2019, which is likely to boost its volume.
- ➔ During the Q4FY19, Container Corporation of India Ltd started its coastal journey from Kandla Port to Tuticorin Port.
- ➔ Recently, the MoU signed between India & Russia, aims to explore opportunities in developing joint logistical projects both in India & in Russia using international transport corridors.
- ➔ It has recently started an SMS based Container Tracking facility to its customers. This is with a website query of track and trace of containers. This is a facility by which any customer can track their container by sending an SMS through their mobile phone.
- ➔ Company is India's top container train operator, running 317 container carrying rakes. It also runs a network of 75 container terminals comprising inland container depots (ICDs), container freight stations (CFSS) and domestic container terminals.
- ➔ Company has Network of 79 Terminals recently, Its further plan is to reach a figure of 100 Terminals by 2020.

Container Corporation

In a Nutshell

Container Corporation of India Ltd core business is characterized by three distinct activities, that of a carrier, a terminal operator, and a warehouse operator. During the year, the Company has further strengthened its existing Terminal Network to provide efficient services to its customers. The Company has 79 Terminals, of which 14 are pure EXIM Terminals, 36 are Combined Container Terminals, 22 are pure Domestic Terminals and 7 Strategic Tie-ups. It planning to increase the network to 100 terminals by 2020. And Six more facilities were developed in FY18 (Mihan, Naya Raipur, New Mangalore Port Trust, Balli, Varnama and Paradip Port). It will continue with its plans of CapEx for further developing new Terminals especially along the upcoming Western & Eastern DFC, including in partnership with Ports both existing as well as upcoming. The company is under the process of modifications of existing BLC rakes to BLCM rakes in which carrying capacity per wagon will increase from 61 Ton to 68 Ton. During the current year, Central Warehousing Corporation has signed a Memorandum of Agreement with the Container Corporation of India Ltd. Under this MoA, the Central Warehousing Corporation and Container Corporation of India Ltd. will work together by forming a Joint Working Group as per the mutually agreed terms and conditions. This arrangement will be beneficial to both the organization as well as to the trade. It started offering 45 days free storage period to import/direct port delivery (DPD) loaded containers, export/direct port entry (DPE) loaded containers and 90 days for empty containers across its 46 EXIM terminals. The network expansion and 45 days of free storage will increase the volume of the business.

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Rating Interpretation

Buy : Expected to appreciate 20% or more over 12-months

Accumulate : Expected to appreciate 10% to 20% over 12-months

Trade Buy : Expected to appreciate more than 10% over 45-days

Reduce : Expected to depreciate up to 10% over 12-months

Sell : Expected to depreciate 10% or more over 12-months

Trade Sell : Expected to depreciate more than 10% over 45-days

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