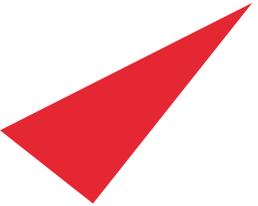


Stock Update



Indian Railway Catering & Tourism Corporation Ltd.

Dec 31, 2025



Industry	LTP	Recommendation	Fair Value	Time Horizon
Tour & Travel Services	Rs 684.60	Buy on dips in Rs 600-616 band	Rs 800	2-3 quarters

HDFC Scrip Code	IRCTC
BSE Code	542830
NSE Code	IRCTC
Bloomberg	IRCTC IN
CMP Dec 31, 2025	684.60
Equity Capital (Rs Cr)	160.0
Face Value (Rs)	2.0
Equity Share O/S (Cr)	80.0
Market Cap (Rs Cr)	54768
Book Value (Rs)	53.2
Avg. 52 Wk Volumes	4,263,439
52 Week High	838.0
52 Week Low	656.0

Share holding Pattern % (Sept, 2025)	
Promoters	62.4
Institutions	21.4
Non Institutions	16.2
Total	100



Fundamental Research Analyst
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Our Take:

Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) is a Navratna Central Public Sector Enterprise and is engaged in hospitality, travel, and tourism. The company is the only company authorised by the Indian government to provide online railway tickets, catering services, and packaged drinking water at railway stations and trains in India. IRCTC strives to meet the unique needs of each segment by offering customised services and experiences. The company has ~1900 employees as on March 31, 2025 including 500 other than permanent employees.

IRCTC is one of the most transacted websites in Asia Pacific, daily ticket bookings average 13.88 lakh, secure platform with real-time updates, multilingual interfaces and bundled travel services. Continued investment in app performance and backend stability ensures we remain accessible during peak hours and across devices. The company scaled its marketing and outreach strategy to expand user engagement.

The company scaled its marketing and outreach strategy to expand user engagement. its digital platforms handle over 23 lakh daily website logins and more than 60 lakh app logins. Its campaigns focused on thematic circuits, seasonal packages, and co-branded card partnerships with SBI and RuPay, supported user retention and new customer acquisition. The enhanced CRM and SEO strategies improved communication, booking conversions and customer satisfaction. The company reiterated its confidence in sustaining growth, anchored in digital ecosystem expansion, efficiency, and new offerings (payments aggregator, unified travel portal, and MICE). We expect revenue growth of 7.8% and 7.7% in FY27E and FY28E, respectively.

Valuation & Recommendation:

IRCTC remain focused on strengthening its portfolio of value-added services, scaling new tourism formats, and investing in customer-facing technologies. The company could continue to invest in core infrastructure, improve access to services through digital tools, and expand tourism offerings in response to evolving demand.

We believe investors can buy on dips in the Rs 600-616 band. Fair value of stock is Rs 800 (37.5x FY28E EPS). At the LTP of Rs 682, the stock is trading at 32.1x FY28E EPS.

Financial Summary:

Particulars (Rs Cr)	Q2FY26	Q2FY25	YoY-%	Q1FY26	QoQ-%	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	1146	1064	7.7	1160	-1.2	4,260	4,675	5,002	5,390	5,803
EBITDA	404	373	8.4	397	1.7	1,408	1,550	1,753	1,908	2,086
Depreciation	11	13	-12.9	12	-3.7	57	53	53	55	56
Other Income	69	60	14.6	61	12.8	164	277	268	272	277
Interest Cost	4	3	42.5	4	-1.6	19	17	17	16	15
Tax	115	109	5.9	111	3.4	385	442	497	538	584
APAT	338	308	9.7	330	2.2	1,111	1,315	1,453	1,571	1,707
Diluted EPS (Rs)						14.4	16.0	18.2	19.6	21.3
RoE-%						38.9	38.1	35.3	31.7	29.6
P/E (x)						47.4	42.7	37.7	34.9	32.1
EV/EBITDA (x)						37.3	34.0	29.7	27.0	24.2

(Source: Company, HDFC sec)

Q2FY26 Result Update

- IRCTC reported strong performance in Q2FY26, revenue was up by 7.7% YoY to Rs 1,146 crore in Q2FY26 led by strong growth in internet ticketing, catering and tourism segment. 89.24% of the total reserved tickets of Indian Railways are booked through its online platform. 13.55 crore tickets booked in the quarter, led by AC 6.75 crore, and Non-AC 6.8 crore.
- The company reported EBITDA growth by 8.4% YoY to Rs 404 crore in Q2FY26, and EBITDA margin inched up by 20 bps YoY to Rs 35.3%. Its net profit stood at Rs 338 crore in Q2FY26, surged 9.7% YoY, and PAT margin increased by 60bps (YoY) to Rs 9.7% in Q2FY26.

Investment Rationale

One stop solution provider in hospitality services, Travel and Tourism, packaged drinking water and Internet Ticketing

IRCTC continues to serve as a trusted partner across India's vast railway network, delivering the finest travel experiences through its diverse services. Taking into the consideration of evolving customer expectations and shifting travel, the company is focused on enhancing the travel experience, and strengthening the operational and financial performance.

IRCTC is one of the most transacted websites in Asia Pacific, with daily ticket bookings averaging 13.88 lakh, supported by a mobile-first, secure platform with real-time updates, multilingual interfaces and bundled travel services. Continued investment in app performance and backend stability ensures we remain accessible during peak hours and across devices. IRCTC leads the way in internet-based rail ticket bookings through its website, www.irctc.co.in, and the IRCTC Rail Connect Mobile Apps available on Android and iOS. These platforms accounted for a significant 86.38% of total reserved tickets booked on Indian Railways during FY25. On average, IRCTC's website and mobile

app facilitated the sale of approximately 13.88 tickets per day during the same fiscal year. Ticket bookings have increased from 7,200 per minute in 2014 to more than 30,000 tickets per minute in FY25.

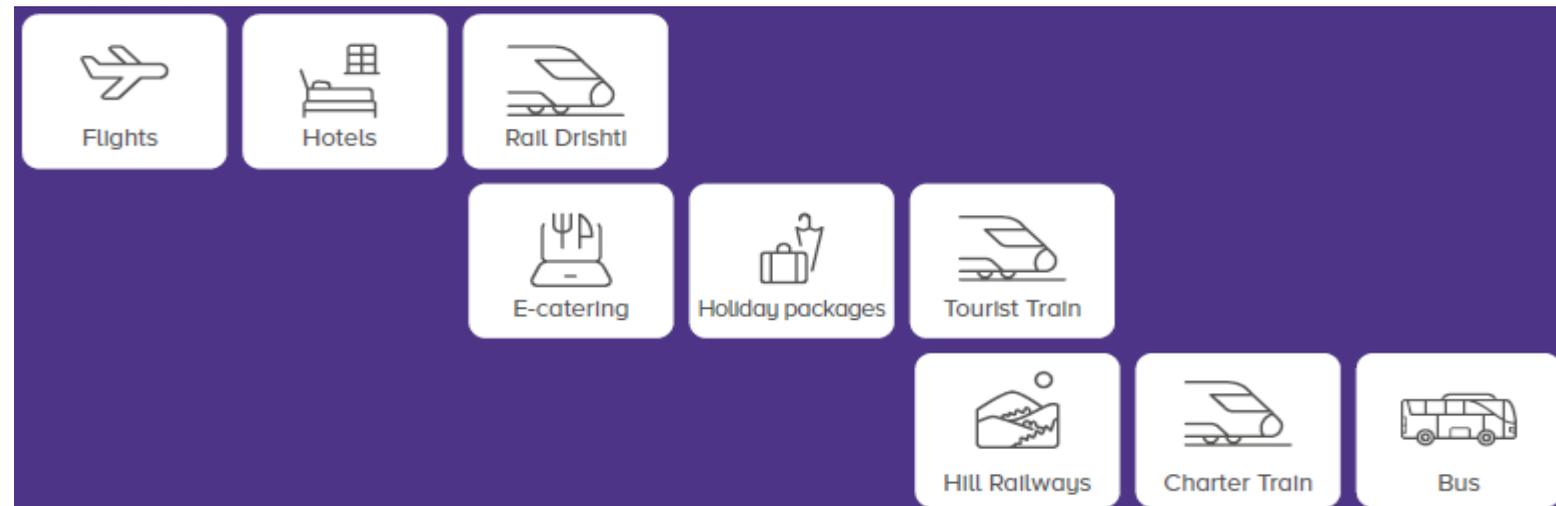
Its Internet ticketing remained a strong contributor, with revenue touching Rs 1,426 crore. With over 5065 lakh tickets booked and nearly 8,910 lakh passengers using the platform, the company strengthened its position as India's largest digital travel interface. Platform upgrades enhanced reliability and scalability, while service extensions such as travel insurance, loyalty rewards, and hotel bookings were supported.

The company scaled its marketing and outreach strategy to expand user engagement. its digital platforms handle over 23 lakh daily website logins and more than 60 lakh app logins. Its campaigns focused on thematic circuits, seasonal packages, and co-branded card partnerships with SBI and RuPay, supported user retention and new customer acquisition. The enhanced CRM and SEO strategies improved communication, booking conversions and customer satisfaction.

IRCTC is expected to benefit from volume pick-up for ticketing from the comprehensive travel planning ecosystem

IRCTC ticketing platform is one of the most heavily transacted e-commerce platforms of the nation. While railway ticket booking remains the platform's core priority, the company has expanded its service to include air and bus ticketing. This offers passengers a unified digital travel solution. Accessible via web and mobile app, the service integrates real-time availability, dynamic pricing, payment gateways and support features to enhance the user experience. 5065.28 Lakhs tickets booked in FY25, 8910.54 Lakhs passengers booked e-tickets and contributed 30.51% share in total revenue in FY25.

Services offered



The company has continued to reinforce platform security, reduce downtime and elevate interface responsiveness. System enhancements have supported high-volume traffic, particularly during peak festival and holiday periods. Further, the platform provides access to ancillary offerings, such as travel insurance, hotel bookings and loyalty rewards. These services enable it to serve as a comprehensive travel-planning ecosystem.

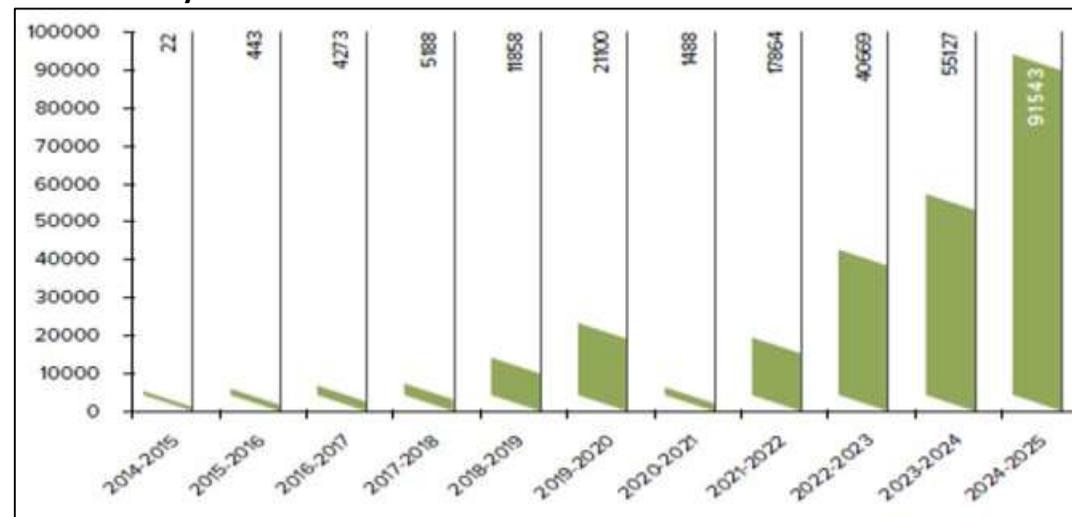
E-catering to fuel growth in the coming years

As per the Ministry of Railways' New Catering Policy of 2017, IRCTC has been assigned the responsibility for catering services across the entirety of Indian Railways – mobile and static – on a revenue-sharing model. IRCTC has started the new initiative of e-catering, which allows passengers willing to pay higher prices for variety in food options to order food items from partner restaurants, which pay IRCTC a 15% commission on order value (inclusive of GST). Catering operations remained the largest revenue contributor at 45.2% of total revenue, as on Sept 30, 2025. IRCTC provides catering services in three formats

Static catering: Catering services offered at railway establishments located at railway stations across the country: Food plazas, Fast food units Food Courts, Refreshment rooms, Jan Ahaar(s), Executive Lounge, retiring rooms, Rail Yatri Niwas /BNR Hotel, Non railway catering /Budget Hotel, etc.

Mobile catering: Mobile catering services provided aboard a train like Rajdhani, Shatabdi, Duronto, Gatiman, Tejas and Vande Bharat Express Mail/Express Trains, and Train side vending, through a pantry car attached to the train or base kitchens located at major locations. The company offers e-catering services to more than 1200 passenger trains.

Meals Per day



E-catering: More than 91,000 average meals served per day across by food aggregators, direct vendors, B2C agents and delivery partners. Key brands providing meals include Domino's, Subway, Haldiram's, KFC, Bikanerwala, Pizza Hut ect.

IRCTC e-Catering services has empanelled Zomato and Swiggy as a regular e-Catering Food Aggregator for a period of 03 years in FY25 with the shared vision of bringing convenient food options to the passengers. Both Zomato and Swiggy are thriving in their efforts to deliver top-notch food experiences to consumers.

IRCTC e-Catering touched an all-time high of average booking of meals per day as 91,543 in FY25, with approximately 66% of growth vis-à-vis the previous year

E-catering continued to scale, with over 9 crore meals delivered through 3,000+ restaurants and 1.3+ crore app installs. During the Mahakumbh Mela, e-catering played a critical role in delivering hygienic and culturally appropriate meals daily at 300 stations, meeting large-scale demand through localised coordination. IRCTC E Catering adapted effectively to provide services during a major event. The company managed high demand, maintained food quality and delivered meals with cultural resonance. This demonstrates the services' preparedness to support large gatherings and its potential scalability.

Digitalisation anchored in performance, scale and accessibility

IRCTC has continued to operate one of the largest digital travel ecosystems in the country. The platform integrates services spanning internet ticketing, eCatering, and tourism and travel utilities through its website and mobile applications. Its digital footprint has grown significantly through active engagement on platforms such as YouTube, Facebook, Instagram and Twitter. The official IRCTC YouTube channel surpassed 1 million subscribers. This achievement was facilitated by service-oriented content and tourism videos, which have collectively amassed upwards of 23 million views. These digital platforms help communicate updates, promote tourism services and augment public engagement.

User centric features



Real-time seat availability and dynamic pricing



Multi-language support



Secure payment gateway integrations



ERS access, cancellation and refund tools



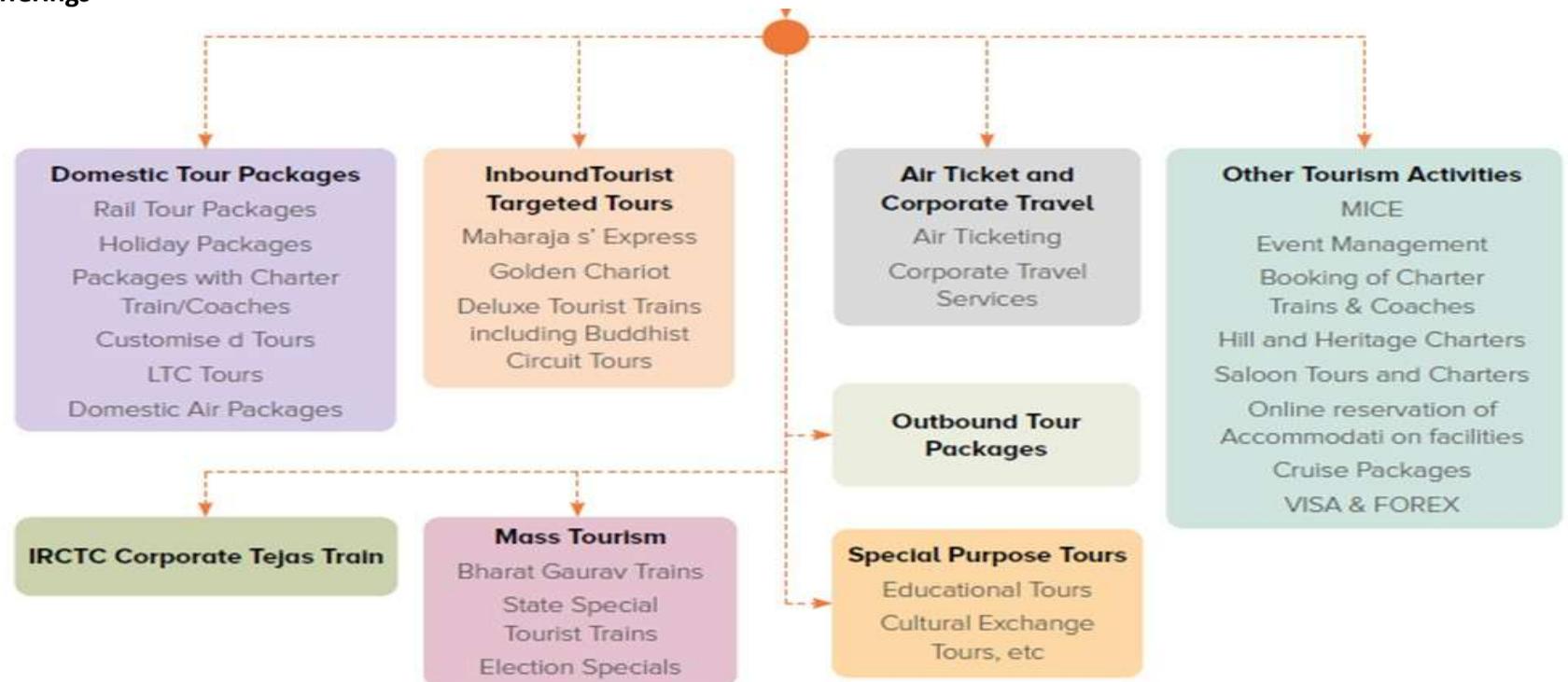
PNR-linked service integration (e.g., food, hotel, tourism options)

Search Engine Optimisation (SEO) and social media strategies have further enhanced our discoverability. Regular updates in content, keyword optimisation and mobile-friendly interfaces have heightened organic traffic to our portals. This has translated into higher conversion rates for tourism packages and e-ticketing services. Its digitalisation has anchored in performance, scale and accessibility, and digital infrastructure is also able to manage high transaction volumes and enable reliable, real-time services for millions of users daily.

Diverse offerings making it a one stop solution for all travel services and tourism products, promising earning visibility

Tourism is one of the world's largest economic sectors that creates jobs, drives exports and generates prosperity. WTTC anticipates a significant increase in the Travel & Tourism sector's contribution to the global economy, moving from 10% in 2024 to 11.5% in 2035 and WTTC also projects India's Travel & Tourism sector to grow from a GDP contribution of B 21.15 TN in 2024 to potentially B 43.25 TN by 2034, supporting nearly 63 million jobs. India being diverse in landscapes, cuisines, heritage, adventure, wildlife and culture has emerged as a well-known destination for both overseas and domestic travelers in the recent years. Since Tourism is an integral part of the economy, various development initiatives have been taken up by the Ministry of Tourism, Government of India from time to time.

Offerings



Focused on expansion to generate revenue and market share going forward

Catering: The railway board has requested to hand over fresh sites at 146 stations for setting up of food plazas & fast food units and 100 more sites of retiring rooms especially at A1 & A category stations to IRCTC.

Rail Neer: The company has set up a new plant at Vijayawada, Andhra Pradesh, with a capacity of 72,000 bottles per day, which commenced operations in October 2024. It is also adding a capacity of 3 lakh bottles per day at Ambernath and Danapur. Bilaspur plant's issue has been resolved and IRCTC expects to restart "very soon," adding 72,000 bottles/day.

On brownfield expansions, Danapur and Ambernath plants to be expanded from "1 lakh bottle to 3 lakh bottles. The company plans to install four more plants across India, likely beyond the next 12 months.

Hotels: IRCTC aims to establish a nationwide network of budget-friendly hotels to serve economy-class and budget-conscious Travellers.

(1) IRCTC successfully commissioned 110 Key Budget Hotels at Lucknow. The property started its commercial operation in March 2025 after taking due permissions and acquiring licenses for the operation of a hotel.

(2) Work for setting up of 60 Key Budget Hotels at Khajuraho is in progress. Development of Hotel is through PPP Model with investment of B 7.5 crore. The expected date of completion of the Budget Hotel at Khajuraho is March, 2026.

(3) IRCTC is in the process of creating Budget Accommodation at Kevadia. In the first phase, work for setting up 125 Key Budget Hotels at Kevadia is in progress through the PPP Model with an investment of B 20 crores. Expected date of completion of the Budget Hotel at Kevadia is August 2026.

(4) IRCTC is in the process of purchasing a suitable land parcel for the development of a budget hotel at the holy city of Ayodhya. Besides, IRCTC is in advance stage of discussion to acquire suitable land parcel from Govt. of Andhra Pradesh at Vishakhapatnam, Tirupati & Amravathi.

Strong financial profile with high profitability and debt-free operations driving healthy return ratios.

- The company has strong fundamentals, robust execution, and agility in adapting to diverse verticals, which has resulted in its encouraging performance. IRCTC's revenue from operations for FY25, reached at Rs 4,675 crore, growing 9.73% over the previous year. Net profit rose to Rs 1,315 crore, an increase of 18.30% over FY 2023–24. IRCTC's total sales grew at a CAGR of 16% over the last five years, and revenue is likely to grow at a CAGR of ~8% over the FY25-28E.
- IRCTC EBITDA margins increased marginally in 2025, and the trend is expected to sustain, with consistent improvement seen over the past few quarters. We expect the company to report EBITDA margins of 35%/35.4%/35.9% in FY26E/FY27E/FY28E, respectively, and PAT margins in the range of 29-29.5% over the next three years. The company could report growth in return ratios going forward.
- The company has maintained its zero debt status over the last decade; in the future, it could be the same. The company has a cash balance of ~ Rs 2,950 crore as of Sept 30, 2025.

- IRCTC working capital looks attractive, payable's day stood at 80-90 days and receivable's day stood at 115-135 days over the last two to three years. We expect payable days at 80 days and receivable days at 130 days for next 3 years.

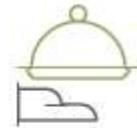
What could go wrong?

- Fluctuations in the foreign exchange rates can impact the performance of IRCTC's Internet Ticketing and Tourism business.
- Any privacy or data security breach, cyber-attacks or internal misconducts could damage reputation and brand and substantially harm the business and any actual or perceived failure by it to comply with laws or regulations. Regulatory, legislative or self-regulatory/standard developments regarding privacy and data security matters could adversely affect the ability to conduct the business.
- Entry of the private sector in the industry can compel IRCTC to lose its market exclusivity. Its operational efficiency and profit margins will be negatively impacted by increased competition.
- IRCTC's operations and profitability depend on the Government policies. Failing to abide by the policy changes will negatively impact the Company's operations.
- Nearly 80% of the train reservations are done online. Any major failure or disaster at Primary Data Centre or non-availability of Business Continuity Planning (BCP) can pose risk for the Company.
- A significant number of complaints on catering and failure on sanitation could impact its business. Maintaining sanitation in food units, such as pantry cars, is challenging due to their location on platforms and the movement of trains around the country.
- The catering and food services need to follow government-approved quality standards. Failure to abide by these standards will impact the Company's performance.
- Integrating advanced technology is essential to support a large volume of ticket bookings. Failure to ensure this can impact the Company's image.

Company Profile

IRCTC is a Navratna Central Public Sector Enterprise and is engaged in hospitality, travel, and tourism. The company is the only company authorised by the Indian government to provide online railway tickets, catering services, and packaged drinking water at railway stations and trains in India. IRCTC caters to a wide range of customers in different segments, including regular commuters, business travellers, tourists, pilgrims, students, and more in the tourism sector. It serves vacationers, cultural enthusiasts, medical tourists, government officials, and foreign diplomats. In the internet ticketing services, it serves passengers, business travellers, tourists, students, and government officials for booking bus, train, hotel, and air tickets, among other things. RailNeer offers packaged drinking water for all train passengers. IRCTC strives to meet the unique needs of each segment by offering customised services and experiences. The company has ~1900 employees as on March 31, 2025 including 500 other than permanent employees.

Business Overview



Catering and Hospitality

Overseeing meal services on trains and at stations, along with the operation of food plazas, refreshment rooms and includes E-catering.



Travel and Tourism

Designing and operating rail-based tour packages, tourist trains, chartered trains and tourism services within India and for inbound travellers, as well as for outbound travellers.



Internet Ticketing

Managing online railway ticket booking through a digital platform that also supports value-added services for passengers.



Packaged Drinking Water (Rail Neer)

Producing and distributing drinking water for passengers through a network of bottling plants.

(1) Catering: The company offers food and beverage delivery services to train passengers. It serves over 16 lakh meals daily through a network of 2,000 partners. Its service portfolio includes:

a) Mobile Catering: It caters to passengers traveling while on a train through onboard catering services arrangements, pantry cars/ mini pantries, or train side vending. As of FY25, IRCTC provided onboard catering services in 1,250 trains, including Vande Bharat, Rajdhani, Shatabdi, Duronto, Gatimaan & Tejas Express. It has a customised regional menu on all 51 Vande Bharat trains.

b) E-Catering: The IRCTC e-catering app or the IRCTC website allows passengers to order meals directly from partnered restaurants near the train stations. It has also tied up with Zomato and Swiggy. Its e-catering services are available at more than 400 stations.

c) Static Catering: IRCTC provides catering services at railway stations through the company-managed 38 Jan ahaars, 130 refreshment rooms, 149 food plazas, 161 fast food units, 52 retiring rooms, and 7 executive lounges. It also manages BNR Hotels in Ranchi & Puri, and Rail Yatri Niwas at Howrah station.

2) Internet Ticketing: The company offers internet-based rail ticket booking through its website and mobile app, which accounted for 86.38% of the total reserved tickets booked online for Indian railways in FY25. With a transaction volume of more than 422.11 Lakh per month and 82.58 Lakh logins per day, the Company operates one of the most popular and transacted websites in the Asia-Pacific region. On average, 13.88 lakh tickets per day were booked online for approximately 24.41 Lakh passengers per day for travelling on Indian Railways, which comprises approximately 86.38% of Indian Railways' reserved tickets booked online.

A total of 5065.28 lakh tickets have been booked in FY25 as compared to 4529.83 lakh tickets in FY24, registering a growth of 11.82%. In total, 8910.54 lakh passengers booked E-Tickets in FY25 as compared to 8025.06 lakh passengers in FY24, registering a growth of 11.03%.

3) Tourism: IRCTC offers packages for various durations and themes, catering to religious pilgrimages, wildlife adventures, or leisure getaways, and also provides domestic and international air travel packages. It has specially designed tours for NRIs, Ram Katha Yatra, Kashi Tamil, Saurashtra Tamil Sangam, etc. The Bharat Gaurav Trains embarked on a whopping 196 trips carrying 1,26,981 tourists on board, visiting various religious, cultural and heritage sites of India by rail. IRCTC has operated 26 trips for 1226 tourists (paid passengers) in FY25 vs. 26 trips for 995 tourists (paid passengers) in FY24.

4) Rail Neer: Rail Neer is a brand of packaged drinking water bottled and distributed by IRCTC specifically for train passengers in India, across more than 410 Indian railway stations. It operates 20 manufacturing plants in India, with an installed production capacity of 18.4 lakh liters daily.

Segment wise Revenue Mix-%

%	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tourism	17.2	17.4	11.1	11.7	18.2	21.6	12.7	13.0
Raill Neer	7.5	7.2	9.9	8.5	7.8	7.5	9.5	8.2
Internet Ticketing	30.0	29.6	29.3	34.7	28.8	29.3	30.8	33.6
Catering	45.4	45.8	49.7	45.1	45.2	41.6	47.0	45.2

Financials

Income Statement

(Rs Cr)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	4260	4675	5002	5390	5803
Growth (%)	20.3	9.7	7.0	7.8	7.7
Operating Expenses	2853	3125	3249	3483	3718
EBITDA	1408	1550	1753	1908	2086
Growth (%)	10.3	10.1	13.1	8.8	9.3
EBITDA Margin (%)	33.0	33.2	35.0	35.4	35.9
Depreciation	57	53	53	55	56
EBIT	1350	1497	1700	1853	2029
Other Income	164	277	268	272	277
Interest expenses	19	17	17	16	15
PBT	1496	1757	1950	2109	2291
Tax	385	442	497	538	584
RPAT	1111	1315	1453	1571	1707
APAT	1111	1315	1453	1571	1707
Growth (%)	10.5	18.3	10.5	8.1	8.6
EPS	14.4	16.0	18.2	19.6	21.3

Balance Sheet

As at March, Rs Cr	FY24	FY25	FY26E	FY27E	FY28E
SOURCE OF FUNDS					
Share Capital	160	160	160	160	160
Reserves	3070	3503	4404	5175	6043
Shareholders' Funds	3230	3663	4564	5335	6203
Long Term Debt	42	72	79	74	75
Net Deferred Taxes	-141	-233	-279	-307	-322
Long Term Provisions & Others	188	261	275	295	317
Total Source of Funds	3318	3764	4638	5397	6272
APPLICATION OF FUNDS					
Net Block & Goodwill	343	813	871	843	959
CWIP	443	27	29	30	32
Other Non-Current Assets	35	46	41	37	33
Total Non Current Assets	821	887	941	910	1024
Current Investments	0	25	24	23	21
Inventories	11	11	12	13	14
Trade Receivables	1374	1734	1850	1994	2067
Cash & Equivalents	2263	2137	2736	3437	4284
Other Current Assets	1481	1772	1861	2047	2149
Total Current Assets	5129	5680	6483	7513	8536
Short-Term Borrowings	19	18	28	23	18
Trade Payables	997	1034	1096	1181	1272
Other Current Liab & Provisions	1615	1751	1661	1821	1998
Total Current Liabilities	2631	2803	2786	3026	3288
Net Current Assets	2498	2877	3697	4487	5248
Total Application of Funds	3318	3764	4638	5397	6272

(Source: Company, HDFC sec)

Cash Flow Statement

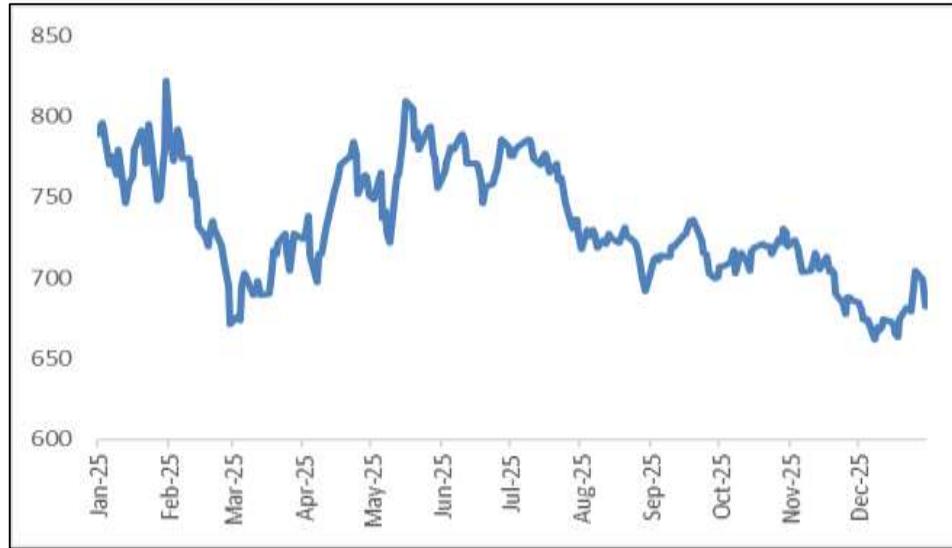
(Rs Cr)	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	1,496	1,757	1,950	2,109	2,291
Non-operating & EO items	-3	6	-268	-272	-277
Interest Expenses	-110	-156	17	16	15
Depreciation	57	53	53	55	56
Working Capital Change	-110	-412	-55	-59	16
Tax Paid	-448	-415	-497	-538	-584
OPERATING CASH FLOW (a)	882	834	1,201	1,310	1,518
Capex	-232	-78	-80	-80	-100
Free Cash Flow	650	755	1,121	1,230	1,418
Investments	0	-10	0	0	0
Non-operating income	17	-151	272	276	281
INVESTING CASH FLOW (b)	-215	-239	192	196	181
Debt Issuance / (Repaid)	-77	-24	-17	10	4
Interest Expenses	-6	-6	-17	-16	-15
FCFE	567	726	1,086	1,224	1,406
Share Capital Issuance	0	0	0	0	0
Dividend	-360	-880	-760	-800	-840
Other	38	0	0	0	0
FINANCING CASH FLOW (c)	-404	-910	-794	-806	-851
NET CASH FLOW (a+b+c)	262	-316	599	701	847

Key Ratios

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratio (%)					
EBITDA Margin	33.0	33.2	35.0	35.4	35.9
EBIT Margin	31.7	32.0	34.0	34.4	35.0
APAT Margin	26.1	28.1	29.0	29.2	29.4
RoE	38.9	38.1	35.3	31.7	29.6
RoCE	123.1	98.4	80.9	78.9	82.9
Solvency Ratio (x)					
Net Debt/EBITDA	-1.6	-1.3	-1.5	-1.8	-2.0
Net D/E	-0.7	-0.6	-0.6	-0.6	-0.7
PER SHARE DATA (Rs)					
EPS	14.4	16.0	18.2	19.6	21.3
CEPS	14.6	17.1	18.8	20.3	22.0
Dividend	6.5	8.0	9.5	10.0	10.5
BV	40.4	45.8	57.1	66.7	77.5
Turnover Ratios (days)					
Debtor days	118	135	135	135	130
Inventory days	1	1	1	1	1
Creditors days	85	81	80	80	80
VALUATION (x)					
P/E	47.4	42.7	37.7	34.9	32.1
P/BV	17.0	15.0	12.0	10.3	8.8
EV/EBITDA	37.3	34.0	29.7	27.0	24.2
EV / Revenues	12.3	11.3	10.4	9.5	8.7
Dividend Yield (%)	0.9	1.2	1.4	1.5	1.5

(Source: Company, HDFC sec)

One Year Price Chart



(Source: Company, HDFC sec)

HDFC Sec Prime Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Rating Criteria

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

Disclosure:

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