

VMV Holidays Limited

Stock Performance Details

Current Price	: ₹ 16.4 [^]
Face Value	: ₹ 10 per share
52 wk High / Low	: ₹ 16.45 / 10.98
Total Traded Volume	: 10,000 shares [^]
Market Cap	: ₹ 8.2 crore [^]
Sector	: Travel Support Services
EPS (H1 FY17)	: ₹ 0.22 per share
Equity Share Capital	: ₹ 5.6 crore
P/E (TTM)	: 0.00 (x) [^]
P/BV (TTM)	: 1.68 (x) [^]
Financial Year End	: 1 st April - 31 st March
BSE Scrip Name	: VMV
BSE Scrip Code	: 539222
Listing	: BSE SME Platform

[^] as on 4th January, 2017

Shareholding Details - September 2016

Particulars	Shareholding	
	Nos.	(%)
Promoter & Promoter Group Holding	40,18,500	80.23
Total Institutional Holdings (FIIs & DIIs)	0	0.00
Public Holdings	9,89,936	19.77
Total	50,08,436	100.00

Background

- VMV Holidays Limited (VMV) based in Kolkata is engaged in the business of tours and travels activities. It provides all travel and tourism related services such as ticketing, tour packages, hotel and resort bookings, visas, adventure tours, food, sightseeing, guide services, event management, wedding planning and car rental facilities.
- VMV's services and products include Inbound - foreign visitors coming to India, Outbound - Indian visitors going outside India and Domestic - Indian visitors travelling within India. The total travel solutions include weekend packages, honeymoon packages, pilgrimage packages, luxury packages and packages for corporates. Inbound tour packages comprise trips to Rajasthan Kashmir, Kerala, North-East and Goa. Outbound tour packages include trips to Dubai, Hong Kong and Macau, Bangkok, Pattaya, Phuket, Malaysia and Singapore, China, Europe and Mauritius.
- VMV's clientele base includes Ashika Stock Broking Ltd., Hygieia Biogenics Pvt. Ltd., Mitali Films and Production, Polymac Thermo Formers Ltd., Naveen Singh & Associates etc.

Financial Snapshot

Particulars	Standalone (₹ Million)	
	H1 FY17	H1 FY16
Income Statement		
Income from Operations	22.5	44.1
Y-o-Y Growth (%)	(49.0)	180.9
EBITDA	(0.8)	(2.7)
Y-o-Y Growth (%)	70.4	(1,450.0)
EBITDA Margin (%)	(3.6)	(6.1)
Net Profit	1.2	(1.3)
Y-o-Y Growth (%)	192.3	(750.0)
NPM (%)	5.3	(2.9)
Balance Sheet		
Fixed Assets	0.5	0.5
Cash and Bank Balances	2.6	2.5
Inventories	0.0	0.0
Net Working Capital	54.6	53.4
Net Worth	56.5	54.0
Balance Sheet Ratios		
ROCE (%)	3.2	(2.3)
RONW (%)	2.1	(2.4)

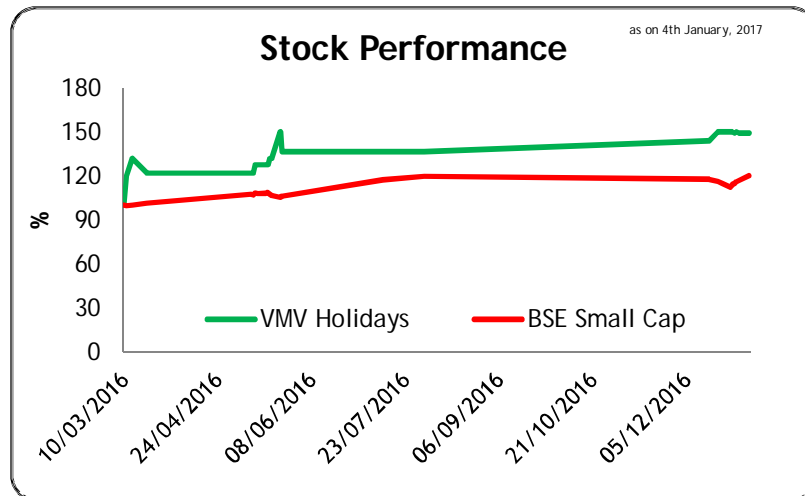
Source: Capitaline

From the Research Desk of LKW's Gurukshetra

- On a Standalone basis, Income from Operations stood at Rs. 22.5 million in H1 FY17 thus marking a decline of 49% y-o-y from Rs. 44.1 million reported in H1 FY16.
- Employee Benefit Expenses stood at Rs. 0.8 million in H1 FY17 as compared to Rs. 0.5 million in H1 FY16. Other Expenses stood at Rs. 22.5 million in H1 FY17 as compared to Rs. 46.3 million in H1 FY16. Given the subdued topline performance, VMV reported an Operating Loss of Rs. 0.8 million in H1 FY17 as compared to Rs. 2.7 million in H1 FY16.
- Depreciation Cost stood at Rs. 0.09 million in H1 FY17 as compared to Rs. 0.04 million in H1 FY16. Other Income stood at Rs. 2.7 million in H1 FY17 as compared to Rs. 1.5 million in H1 FY16. The Company reported a Net Profit for H1 FY7 on the back of Other Income. Net Profit stood at Rs. 1.2 million as compared to a Net Loss of Rs. 1.3 million in H1 FY16.
- Debtors stood at Rs. 2 million For H1 FY17 as compared to Rs. 1 million in H1 FY16. Cash and Cash Equivalent stood at Rs. 2.6 million in H1 FY17 as compared to Rs. 2.5 million in H1 FY16.

- The Company had raised Rs. 15.6 million in July, 2015 through IPO proceeds, out of which Rs. 7.7 million have been utilized till 30th September, 2016.

Performance on the Bourses



Peer Comparison

The following table gives a snapshot view of the Company's performance vis-à-vis its closest peers for H1 FY17. MEL operates in a highly competitive market as many Indian and Foreign players have entered the market both in the online and offline space. Pricing is one of the factors that play an important role in customer's selection for travel company. It faces competition from organized and unorganized players. Competitors from the organized space, larger entities such as Thomas Cook, Cox & King, Kuoni, Akbar Travels etc are among the few.

(₹ In millions)

Particulars	VMV Holidays	International Travel House	Ace Tours Worldwide
Income from Operations	22.5	973.6	62.2
EBIDTA	(0.8)	115.9	1.4
Net Profit	1.2	62.6	1.1
EBIDTA Margins (%)	(3.6)	11.9	2.3
PAT Margins (%)	5.3	6.4	1.8
Book Value Per Share	9.8 [@]	192.8 [@]	13.4 ^{\$}
P/E (x)	0.00 [@]	15.11 [#]	120.33 ^{\$}
P/BV (x)	1.36 [@]	1.00 [#]	0.54 ^{\$}
RONW (%)	2.1	3.9	0.6

Source: Capitaline, Financials on Standalone Basis; [@] On a Standalone Basis as on March, 2016; ^{\$} On a Standalone Basis as on March, 2015; [#] On a Standalone Basis as on September, 2016 (TTM Basis)

About the Industry

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has a huge potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. The industry is also a potentially large employment generator besides being a source of foreign exchange. Total contribution by travel and tourism sector to India's GDP is expected to increase from US\$ 136.3 billion in 2015 to US\$ 275.2 billion in 2025.

The industry is expected to generate 13.5 million jobs across sub-segments such as Restaurants (10.5 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.7 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. Notably, India has moved up 13 positions to 52nd rank from 65th in the Tourism & Travel competitive index.

India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. Total outbound trips increased by 8.7% to 19.9 million in 2015. Inbound tourist volume grew at a Compound Annual Growth Rate (CAGR) of 6.8% during 2010-15.

Foreign Tourist Arrivals (FTAs) in India increased 11.8% year-on-year to 670,000 tourists in August 2016, while Foreign Exchange Earnings (FEEs) from tourism increased 13.1% year-on-year to Rs 12,903 crore (US\$ 1.92 billion), according to data from the Ministry of Tourism.

Tourist arrivals in India on e-Tourist Visa (e-TV) grew by 196.6% year-on-year to 66,097 tourists in August 2016, attributable to the introduction of e-TV for 150 countries as against the earlier coverage of 113 countries, according to data from the Ministry of Tourism.

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-March 2016, the hotel and tourism sector attracted around US\$ 9.23 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

Management Outlook

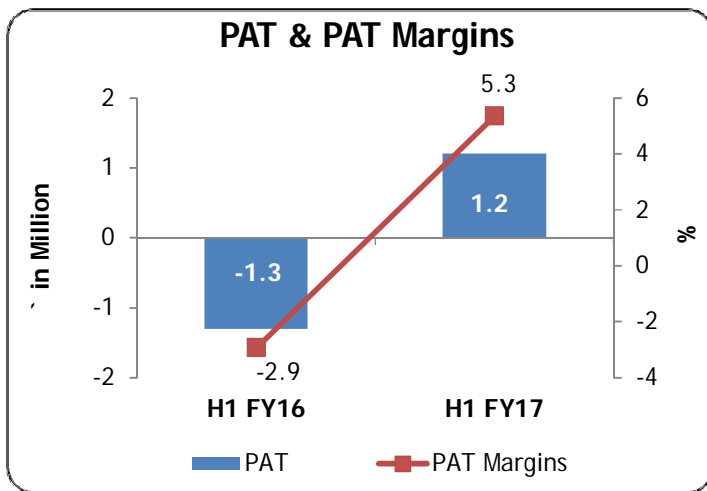
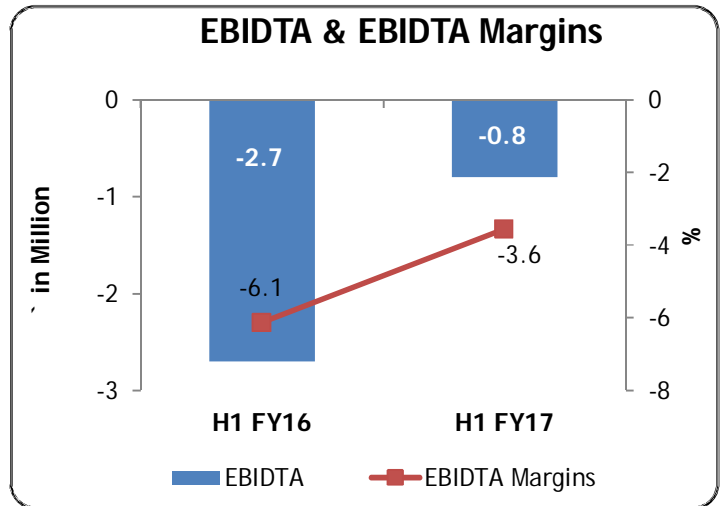
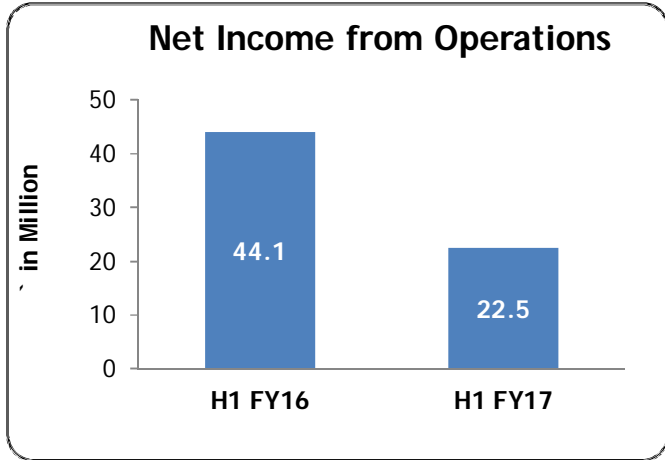
The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight mission cities including Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore (US\$ 64.27 million). Government of India plans to cover 150 countries under e-visa scheme by the end of the year besides opening an airport in the NCR region in order to ease the pressure on Delhi airport. Under 'Project Mausam' the Government of India proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries.

Rating agency ICRA estimates the revenue growth of Indian hotel industry strengthening to 9-11% in 2015-16. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20% gains annually through 2017, according to a study conducted by SRI International.

The Government approved 100% Foreign Direct Investment (FDI) in the hotel and tourism sector through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). The investment in tourism sector is expected to be US\$ 12.4 billion in the 12th Five Year Plan; of these, private investments are likely to total US\$ 9.2 billion.

The Company offers customized packages to its clients to meet their requirements. It also provides additional services such as Visa, foreign exchange and travel insurance. Tourism is one of the important and leading industries of India and plays a vital role in ensuring strong presence of India in the global scenario. The Industry has provided substantial growth across various socio-economic segments and a strong platform for generation of Foreign Exchange. Accordingly in order to provide extra attractions to incoming tourists, VMV has several value added offerings.

Financial Graphs



Disclaimer

All information contained in the document has been obtained by LKW's Gurukshetra from sources believed to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided as is without any warranty of any kind, and LKW's Gurukshetra in particular makes no representation or warranty express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements based on available data, and LKW's Gurukshetra shall not be liable for any losses incurred by users from any use of this document or its contents in any manner. Opinions expressed in this document are not the opinions of our company and should not be construed as any indication of our recommendation to buy, sell or invest in the company under coverage.

Disclosure

Each member of the team involved in the preparation of this report, hereby affirms that there exists no conflict of interest.



The report has been sponsored and published as part of Initiative of BSE's Investors' Protection Fund

About Us

LOTUS KNOWLWEALTH (LKW) commenced business in 1991 and is currently engaged in providing **CAPITAL MARKET RESEARCH, INVESTMENT ADVISORY and STRATEGY services.**

GURUKSHETRA is the Research and Training arm of LKW.

LKW Investment Advisers is the **SEBI registered Investment Advisory arm of LKW.**

Contact Us

LOTUS KNOWLWEALTH Pvt. Ltd.

Regd.Office: B Wing, 505-506, Fairlink Centre,
Off Andheri Link Road, Andheri (W),
Mumbai – 400 053.

Email: enquiry@lotusknowlwealth.com

Tel: 022- 4010 5482 | 4010 5483

Website: www.lkwindia.com