

Tube Investments of India

Estimate changes

TP change

Rating change



Bloomberg	TIINDIA IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	598.3 / 6.9
52-Week Range (INR)	4811 / 2981
1, 6, 12 Rel. Per (%)	-13/-20/-24
12M Avg Val (INR M)	1022

Consol. Financials & Valuations (INR b)

INR b	FY25E	FY26E	FY27E
Sales	194.1	227.1	263.0
EBITDA	22.5	27.4	31.7
Adj. PAT	8.6	11.3	13.5
EPS (INR)	44.4	58.7	69.6
EPS Gr. (%)	29.1	32.2	18.7
BV/Sh. (INR)	304	358	423

Ratios

RoE (%)	15.6	17.7	17.8
RoCE (%)	31.3	34.1	34.7
Payout (%)	8.7	7.6	7.2

Valuations

P/E (x)	69.5	52.6	44.3
P/BV (x)	10.1	8.6	7.3
Div. Yield (%)	0.1	0.1	0.2
FCF Yield (%)	1.5	2.0	2.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	44.1	45.0	45.1
DII	15.5	15.2	14.6
FII	28.2	28.4	28.8
Others	12.2	11.5	11.5

FII Includes depository receipts

CMP: INR3,093

TP: INR3,690 (+19%)

Buy

Miss on estimates due to weak revenue growth

Targets operating breakeven for its two existing EV products by FY26

- Tube Investments (TIINDIA) reported a weak 3QFY25 performance, hit by subdued growth across key segments. The near-term outlook appears moderate, with key challenges in: i) Engineering – revenue growth pressure from metal price volatility and an uncertain export environment, ii) Metal Formed – weaker pricing in the railway segment, and iii) EVs – slower ramp-up.
- Considering the same, we cut our FY25E/FY26E consol. EPS by 3.5%/8.7%. However, structural growth drivers are still in place as we expect a ~16%/29% consol. revenue/PAT growth over FY25-27. Further, after the recent correction, the stock appears attractive at ~53x/44x FY26E/27E consol. EPS. **Reiterate BUY with a TP of ~INR3,690 (premised on Dec'26E SoTP).**

Revenue growth muted; EBITDA margin better at 12.7% (est. 11.8%)

- TIINDIA's 3QFY25 standalone revenue/EBITDA/PAT grew ~0.6%/1.5%/2.1% YoY to INR19.1b/2.4b/1.6b (est. INR20.6b/2.4b/1.7b).
- Revenue for mobility/engineering declined 4%/1% YoY, while it was offset by growth in metal formed/other businesses by 2%/15% YoY, respectively.
- The muted revenue growth in the engineering division was primarily due to lower metal prices, though volumes grew by 7-8%.
- Gross margin improved 230bp YoY/220bp QoQ to 38.4%.
- This resulted in an in-line EBITDA of INR2.4b (+1.5% YoY). EBITDA margin were largely flat YoY (+80bp QoQ) at 12.7% (est. 11.8%).
- Segmental EBIT performance- Mobility: -0.6% (-5.6% in 3QFY24, est. -3%), Engineering: 12.9% (12.4% in 3QFY24, est. 12.6%), Metal formed: 10.1% (12.1% in 3QFY24, est. 10.9%), Other businesses: 4.5% (6.3% in 3QFY24, est. 5%).
- Margins in the metal formed division weakened due to lower pricing in the railway segment, and a temporary dip in PV-related demand, especially in the door frame business, led by model and year-end changes.
- However, lower other income resulted in a miss on Adj. PAT at IN1.6b (+2% YoY, est. INR1.7b).
- The Board declared an interim dividend of INR2 per share for FY25.

Highlights from the management commentary

- **TIINDIA's 3W volumes underperformed the industry** with a flat YoY growth at 1,837 units sold in 3Q vs. industry growth of 19% YoY. Management reasoned that while 3Q industry growth was led largely by a festive boost, which is prevalent in North and West India, TIINDIA has a stronger market presence in South India and it has not lost share in this region.
- **Management targets to launch one new SCV and a new tractor EV** in 4Q, with a ramp-up in FY26. TIINDIA aims to achieve operating breakeven for its two existing EV products in the next FY, while the other two will still require investments.
- **Export opportunities:** It exports 35-40% to the US, with half of it linked to long-term OEM relationships, making it relatively insulated from immediate tariff changes. Beyond the engineering division, export growth opportunities are being explored in bicycles, Metal-Formed products, and industrial chains.
- **Acquisition strategy:** Management has indicated that they would remain focused on existing TI2 and TI3 businesses and target to ramp them up before considering further inorganic growth options. Management also indicated that valuations are currently not supportive of considering inorganic growth.

Valuation and view

- TIINDIA offers diversified revenue streams, with strong growth in the core business (~14% CAGR in standalone PAT over FY25-27E), ramp-up in CG Power, and the optionality of new businesses incubated under the TI-2 strategy. However, we have cut out FY26E/27E consol. EPS by 3.5%/8.7% to factor in the near-term weakness.
- The stock trades at 53x/44x FY26E/FY27E consolidated EPS. **Reiterate BUY with a TP of ~INR3,690 (premised on Dec'26E SOTP, based on 36x for the standalone business, valuing listed subsidiaries at a 30% HoldCo discount, and adding INR170/share for the e-3W businesses).**

Quarterly performance (S/A)

Y/E March	FY24				FY25E				FY24	FY25E	3QE	VAS.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				(%)
Net Sales	17,801	19,696	18,983	19,624	19,603	20,648	19,102	20,326	76,105	79,679	20,591	-7.2
YoY Change (%)	-9.0	3.3	11.0	18.0	10.1	4.8	0.6	3.6	5.2	4.7	8.5	
EBITDA	2,160	2,514	2,395	2,171	2,400	2,460	2,431	2,173	9,239	9,464	2,430	0.1
Margins (%)	12.1	12.8	12.6	11.1	12.2	11.9	12.7	10.7	12.1	11.9	11.8	90bp
Depreciation	331	346	361	370	386	407	432	434	1,408	1,659	430	
Interest	70	77	74	75	72	69	54	62	295	258	65	
Other Income	219	358	137	1,451	137	261	175	1,787	2,165	2,359	350	
PBT before EO expense	1,979	2,448	2,096	3,178	2,079	2,245	2,120	3,463	9,701	9,906	2,285	-7.2
Tax	502	634	521	699	534	567	512	863	2,359	2,477	576	
Tax Rate (%)	25.4	25.9	24.9	22.0	25.7	25.3	24.2	24.9	24.3	25.0	25.2	-100bp
Adj PAT	1,477	1,814	1,575	2,479	1,545	1,678	1,607	2,600	7,345	7,430	1,709	-5.9
YoY Change (%)	10.0	13.2	14.4	-9.2	4.6	-7.5	2.1	4.9	4.1	1.2	8.5	

E: MOFSL Estimates

Segmental Mix (INR m)

	FY24				FY25E				FY24	FY25E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Mobility business	1,867	1,766	1,473	1,539	1,807	1,675	1,418	1,448	6,645	6,348	1,532
Growth (%)	(24.0)	(21.9)	(15.2)	(0.4)	(3.2)	(5.1)	(3.8)	(5.9)	(16.9)	(4.5)	4.0
PBIT margin (%)	1.1	(1.7)	(5.6)	(5.7)	0.9	(0.2)	(0.6)	(0.5)	(2.7)	(0.0)	(3.0)
Contribution (%)	10.5	9.0	7.8	7.8	9.2	8.1	7.4	7.1	8.7	8.0	7.4
Engineering business	11,416	12,741	12,289	12,759	12,652	13,231	12,118	12,936	49,508	50,937	13,395
Growth (%)	(8.2)	6.9	13.7	22.2	10.8	3.8	(1.4)	1.4	8.5	2.9	9.0
PBIT margin (%)	11.8	13.3	12.4	12.5	12.4	12.3	12.9	13.0	12.5	12.6	12.6
Contribution (%)	64.1	64.7	64.7	65.0	64.5	64.1	63.4	63.6	65.1	63.9	65.1
Metal formed business	3,419	3,996	3,917	3,859	3,576	4,044	3,997	4,339	15,190	15,956	4,270
Growth (%)	2.1	7.7	5.7	11.2	4.6	1.2	2.0	12.4	6.8	5.0	9.0
PBIT margin (%)	12.8	13.4	12.1	11.0	10.0	11.3	10.1	10.5	12.3	10.5	10.9
Contribution (%)	19.2	20.3	20.6	19.7	18.2	19.6	20.9	21.3	20.0	20.0	20.7
Other business	1,776	2,068	2,195	2,302	2,469	2,433	2,524	2,561	8,039	9,987	2,282
Growth (%)	(20.2)	10.1	32.1	20.5	39.1	17.6	15.0	11.3	7.5	24.2	4.0
PBIT margin (%)	9.0	8.4	6.3	7.5	6.1	3.6	4.5	5.9	8.0	5.0	5.0
Contribution (%)	10.0	10.5	11.6	11.7	12.6	11.8	13.2	12.6	10.6	12.5	11.1
Total Revenue (post-inter-segment)	17,801	19,696	18,983	19,624	19,603	20,648	19,102	20,326	76,105	79,679	20,591
Growth (%)	(9.0)	3.3	11.0	18.0	10.1	4.8	0.6	3.6	5.5	4.7	8.5

E: MOFSL Estimates



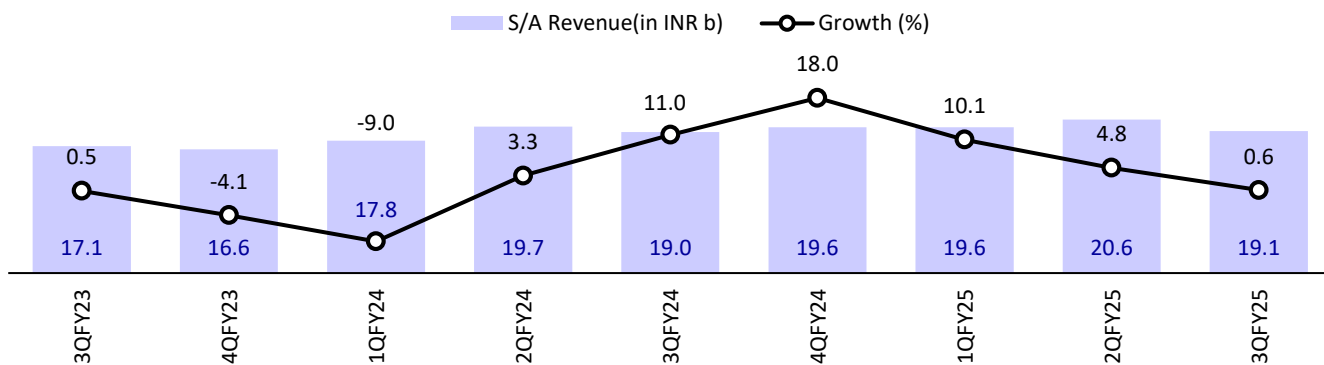
Highlights from the management commentary

- **Engineering:** The muted revenue growth in the engineering division was primarily due to lower metal prices, though volumes grew 7-8% YoY. Exports remained steady at 19-20% of revenue, but future demand remains uncertain due to macroeconomic volatility.
- **Metal Formed:** Margins weakened due to lower pricing in the railway segment and a temporary dip in PV-related demand, particularly in the door frame business, due to model and year-end changes. The company expects margins to normalize, targeting a sustainable PBT margin of 10-11%.
- **EV segment:** It remains committed to achieving USD1b in revenue from its EV business by 2029. The company believes it is on track despite market evolution.
- **TIINDIA's 3W volumes underperformed the industry** with a flat YoY growth at 1,837 units sold in 3Q, vs. the industry growth of 19% YoY. Management reasoned that while 3Q industry growth was led largely by festive boost which is prevalent in North and West India, TII has a stronger market presence in South India and it has not lost share in this region. The EV penetration in the 3W passenger L5 segment reached ~25% (Apr-Dec). The company has aggressive plans for both passenger and cargo EVs, with scale-up plans from 1QFY26. Profitability is a challenge industry-wide. The company would target to be operational breakeven in FY26 aided by scale.
- **Truck deliveries fell from 42 in 2Q to 36 in 3Q**, contributing to the revenue decline from INR1.46b to INR1.27b. It sees an early-mover advantage in HCV goods segments in EVs, where TII seems to be the only large-scale player for at least another year, which will allow it to build a strong position in the segment.
- **They target to launch one new SCV and a new tractor EV in 4Q** with a ramp-up in FY26. TII aims to achieve operating breakeven for its two existing EV products in the next FY, while the other two will still require investments.
- **Losses in 3Q increased due to a reduction in 3W PM-e-drive incentives** (cut from INR50k per vehicle to INR25k / unit), higher product development

expenses, costs related to the newly commissioned Tech Center, and increased fixed costs for ramping up new products in tractor and SCV segments.

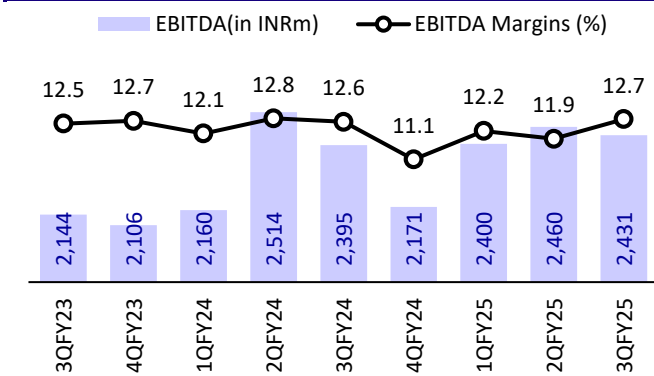
- **Capex for EVs:** It plans a capex of INR3b for its four EV business segments in FY26E. The company is sufficiently funded for at least two more years in TICMPL.
- **EV distribution:** The Company is exploring export opportunities for its EV business and expects to consider it over a 2-3-year horizon. However, the priority remains on establishing a strong domestic presence first.
- **Network:** 3W Business – 88 operational dealers, with plans to reach 100+ by the end of FY25E. SCV: The company has given dealer LOIs in 15 cities, with dealers expected to be operational by the end of the FY. Tractor: Targeting 10 dealers by the end of the FY.
- **EV Chain Market:** While most EV scooters still do not use chain drives, one OEM is in the early stages of developing a chain-based system as a replacement for belts. The overall chain market remains strong due to sustained motorcycle growth and a large aftermarket demand.
- **Medical devices:** It expects to complete its CE certification by 4QFY25, with growth anticipated thereafter as customer relationships and distribution channels continue to develop. The delay was due to the company's name change, which led to delays of a couple of quarters.
- **Depreciation:** Standalone capex stood at INR2.95b as of December, with higher depreciation driven by these investments.
- **Optical Lens Business:** Progress has been slower than expected. Limited customers are willing to source only lenses from India, and the company is cautious about investing in full camera module production due to pricing challenges against Chinese competitors. It aims to achieve efficiency at the lens level before considering forward integration into camera modules.
- **Moshine Business:** It has struggled to scale its investment due to supply chain dominance by China in the electronics sector.
- **Export Opportunities:** The company exports 35-40% of its exports to the US, with half of it linked to long-term OEM relationships, making it relatively insulated from immediate tariff changes. Beyond the engineering division, export growth opportunities are being explored in bicycles, Metal-Formed products, and industrial chains.
- **Acquisition Strategy:** The decision of the Murugappa Group to acquire Hupergroup is based on the nature of the business. New platforms in entirely different sectors, like inks and chemicals, are kept outside of TI. Management has indicated that they would remain focused on existing TI2 and TI3 businesses and target to ramp them up, before considering further inorganic growth options. Management also indicated that valuations are currently not supportive of considering inorganic growth.

Exhibit 1: Trends in SA revenue and revenue growth



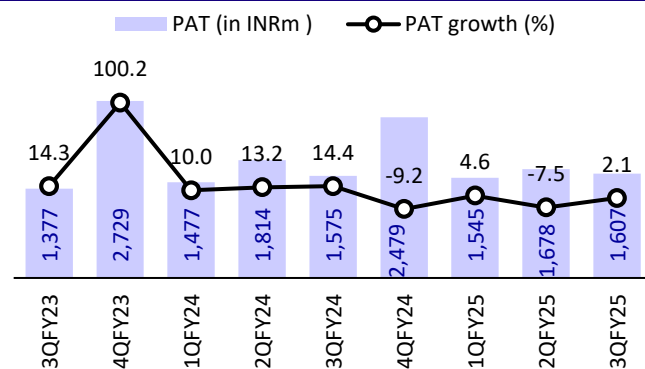
Source: Company, MOFSL

Exhibit 2: Trend in standalone EBITDA margin



Source: Company, MOFSL

Exhibit 3: Trends in PAT and PAT growth



Source: Company, MOFSL

Valuation and view

- TIINDIA offers a robust growth story, driven by reasonable growth and strong cash flows of the core business (TI-1). Cash flows will be used for systematically incubating future growth platforms (TI-2) and opportunistic acquisitions of stressed assets (TI-3) at attractive prices.
- The TI-2 business, based on the venture capital model, has seen seeding of several businesses, such as optics lenses, e-3Ws, e-tractors, e-CVs, and CDMO. Further, it has acquired Lotus Surgical, which is in the domain of medical technology, a focus area for TIINDIA under TI-2. Additionally, it is looking to get into electronics manufacturing in India as a play on localization. These businesses offer a huge potential, though it may take time for them to scale up. TIINDIA has seen a temporary drop in volumes of its e-3Ws, primarily due to the transition to a new subsidy regime, but the company is focusing on expanding its reach beyond Southern markets to Northern markets. It has plans to launch its e-SCV and cargo in the coming quarters. In our consolidated estimates, we are not building in any material contribution from these businesses yet. Right now, we just value its EV vertical (e-3Ws) at INR170 per share in the SoTP.
- For the standalone business, we estimate an 8% revenue CAGR over FY25-27 and an EBITDA CAGR of 13%, led by an EBITDA margin expansion of 120bp to 13.1% (vs. a peak of 12.2% in FY23), driven by improving mix, operating leverage, and ‘Lean’ project initiatives. As a result, we estimate a CAGR of 14% in PAT over FY25-27.
- At a consolidated level, we estimate a CAGR of ~16%/19%/25% in revenue/EBITDA/PAT over FY25-27E. We estimate consolidated RoCE to improve 340bp to 34.7% by FY27E. We are not building in any benefits from new

ventures under TI-2 (except the Lens business, which is part of Others) in our consolidated performance.

- **Valuation and view:** We cut our FY25/FY26 consolidated EPS estimates by 3.5%/8.7% to factor in for moderation in the near-term demand trends. TIINDIA offers diversified revenue streams, with healthy growth in the core business (~14% S/A PAT CAGR over FY25E-27E), growth in CG Power, and the optionality of new businesses incubated under the TI-2 strategy. The stock trades at 53x/44x FY26E/FY27E consolidated EPS. **Reiterate BUY with a TP of ~INR3,690 (premised on Dec'26E SOTP, based on 36x for the standalone business, valuing listed subsidiaries at 30% HoldCo discount and adding INR170/share for the e-3W business).**

Exhibit 4: Our revised estimates (consolidated)

(INR b)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	194.1	197.5	-1.7	227.1	232.5	-2.3
EBITDA Margin (%)	11.6	11.6	0bp	12.1	12.1	-10bp
PAT	8.6	8.9	-3.5	11.3	12.4	-8.7
EPS (INR)	44.4	46.0	-3.5	58.7	64.2	-8.7

Exhibit 5: TIINDIA – SoTP-based target price

SOTP (INR/Share)		FY25E	FY26E	FY27E
Value of S/A Business @ 36x Core EPS	PE @ 36x	1,146	1,361	1,522
Value for e-3W business		151	165	172
Value of listed subs post hold-co discount (15%)	30			
Shanthi Gear	497	97	97	97
CG power	604	1,940	1,940	1,940
Fair value (INR/Share)		3,334	3,563	3,732

Story in charts

Exhibit 6: Trend in consolidated sales

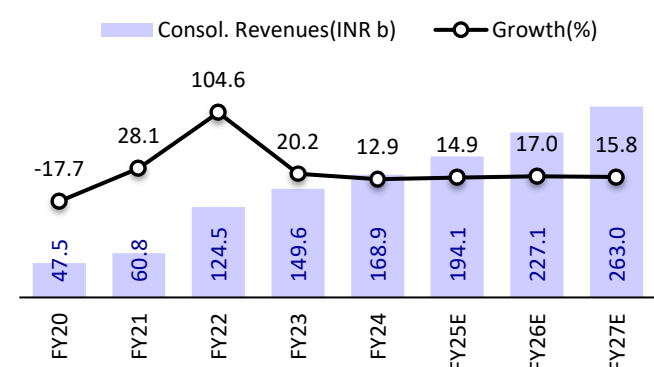


Exhibit 7: Trend in consolidated EBITDA

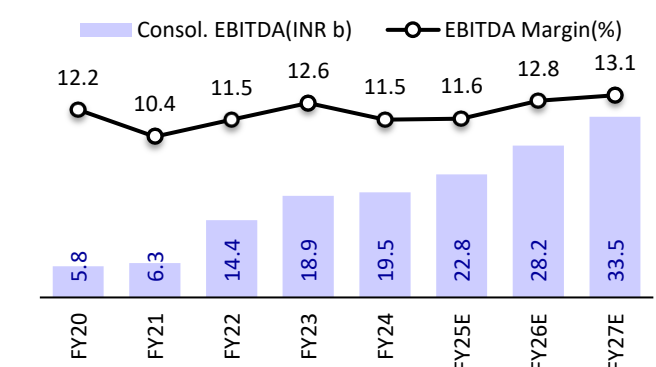


Exhibit 8: Trend in consolidated PAT

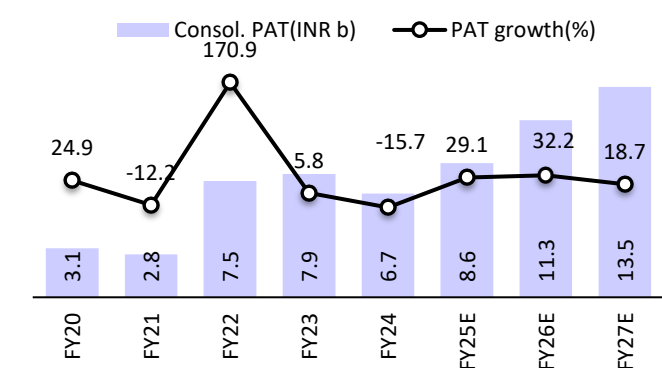


Exhibit 9: Trend in consolidated capital efficiency

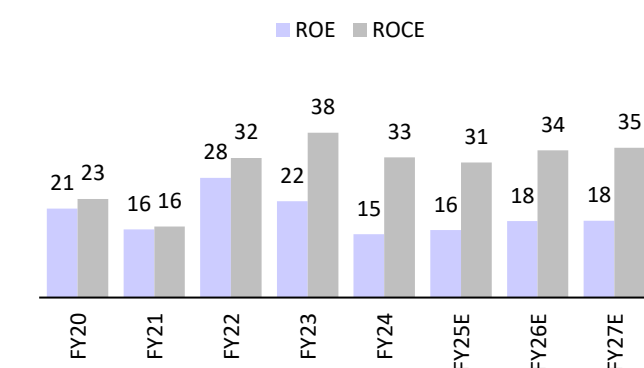


Exhibit 10: FCF dipped in FY24 mainly due to higher capex

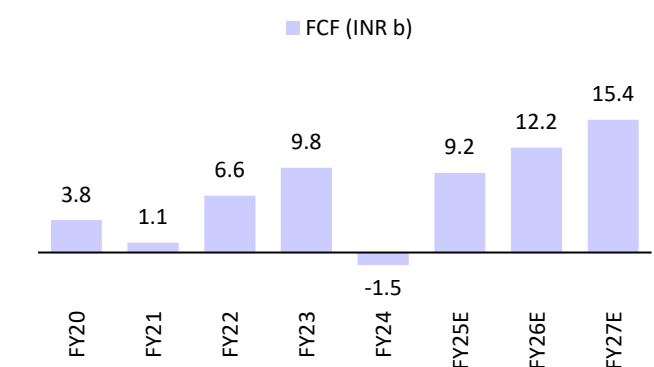
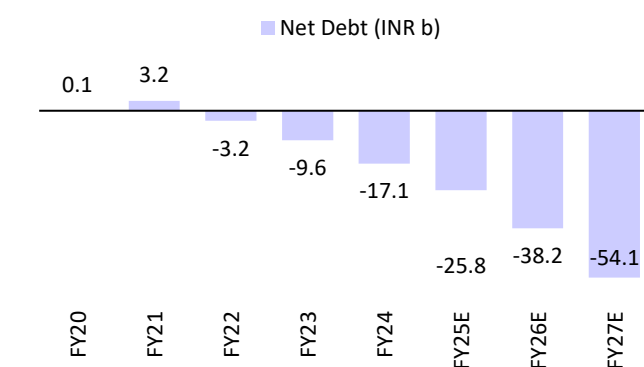


Exhibit 11: Trend in net debt



Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Op. Revenues	47,504	60,833	1,24,474	1,49,641	1,68,903	1,94,146	2,27,147	2,63,046
Change (%)	-17.7	28.1	104.6	20.2	12.9	14.9	17.0	15.8
EBITDA	5,785	6,347	14,353	18,869	19,494	22,527	27,393	31,726
Margin (%)	12.2	10.4	11.5	12.6	11.5	11.6	12.1	12.1
Depreciation	1,853	2,506	3,466	3,959	4,655	4,626	4,938	5,320
EBIT	3,932	3,841	10,887	14,911	14,839	17,901	22,455	26,406
Interest charges	304	459	820	425	523	583	249	215
Other Income	623	681	1,044	1,439	2,517	2,097	2,445	2,962
PBT bef. EO Exp.	4,252	4,064	11,112	15,925	16,834	19,416	24,652	29,153
EO Income/(Exp)	-220	-419	202	81	1	0	0	0
PBT after EO Exp.	4,032	3,645	11,314	16,006	16,835	19,416	24,652	29,153
Current Tax	1,144	1,074	1,731	2,593	2,769	5,631	7,149	8,454
Deferred Tax	-244	-286	-123	1,633	2,191	0	0	0
Tax Rate (%)	22.3	21.6	14.2	26.4	29.5	29.0	29.0	29.0
Less: Minority Interest	0	106	2,251	3,890	5,225	5,201	6,157	7,232
Reported PAT	3,133	2,752	7,454	7,889	6,650	8,584	11,346	13,467
Adjusted PAT	3,303	3,080	7,281	7,830	6,650	8,584	11,346	13,467
Change (%)	32.8	-6.8	136.4	7.5	-15.1	29.1	32.2	18.7

Consolidated - Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	188	193	193	193	193	193	193	193
Total Reserves	17,149	21,525	30,518	39,313	50,803	58,644	69,125	81,622
Net Worth	17,337	21,718	30,711	39,506	50,997	58,838	69,318	81,816
Minority Interest	726	3,360	6,542	10,049	16,450	21,651	27,808	35,040
Deferred Tax Liabilities	181	107	72	279	743	0	0	0
Total Loans	2,694	13,262	8,038	7,261	8,963	8,963	8,963	8,963
Capital Employed	20,939	38,447	45,362	57,094	77,154	89,453	1,06,090	1,25,819
Gross Block	19,753	39,006	40,051	43,771	53,576	67,716	76,346	84,976
Less: Accum. Deprn.	7,820	10,353	13,557	16,549	20,558	25,184	30,122	35,442
Net Fixed Assets	11,933	28,654	26,494	27,222	33,019	42,532	46,224	49,534
Goodwill on Consolidation	3,092	5,998	6,631	8,538	11,029	11,029	11,029	11,029
Capital WIP	585	1,353	1,283	1,914	3,810	1,000	1,000	1,000
Total Investments	2,266	4,267	5,537	7,410	13,816	13,816	13,816	13,816
Curr. Assets, Loans&Adv.	12,927	37,592	43,722	52,546	68,143	83,848	1,06,908	1,34,506
Inventory	5,586	11,094	13,271	13,529	17,875	23,936	28,004	32,430
Account Receivables	5,246	12,785	17,853	21,295	27,328	29,255	34,228	39,637
Cash and Bank Balance	378	5,755	5,727	9,446	12,274	20,950	33,318	49,287
Loans and Advances	1,716	7,958	6,871	8,277	10,666	9,707	11,357	13,152
Curr. Liability & Prov.	9,970	51,914	43,432	38,854	53,998	64,108	74,222	85,402
Account Payables	6,959	22,570	23,432	23,005	27,744	31,503	36,667	42,462
Other Current Liabilities	2,371	26,312	17,717	13,014	22,771	29,122	34,072	39,457
Provisions	640	3,032	2,283	2,836	3,483	3,483	3,483	3,483
Net Current Assets	2,957	-14,322	289	13,692	14,145	19,740	32,685	49,105
Deferred Tax assets	106	7,592	5,136	3,350	1,246	1,246	1,246	1,246
Misc Expenditure	0	4,903	-8	-5,030	89	89	89	89
Appl. of Funds	20,939	38,447	45,363	57,095	77,154	89,453	1,06,090	1,25,819

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	17.6	16.0	37.7	40.5	34.4	44.4	58.7	69.6
Cash EPS	27.4	29.0	55.7	61.0	58.5	68.3	84.2	97.1
BV/Share	92.3	112.6	159.2	204.6	263.7	304.2	358.4	423.0
DPS	4	4	4	4	4	4	4	5
Payout (%)	21.0	24.5	9.1	8.6	10.2	8.7	7.6	7.2
Valuation (x)								
P/E	175.5	193.2	81.8	76.1	89.8	69.5	52.6	44.3
Cash P/E	112.5	106.5	55.4	50.5	52.8	45.2	36.7	31.8
P/BV	33.4	27.4	19.4	15.1	11.7	10.1	8.6	7.3
EV/Sales	12.3	9.9	4.8	4.0	3.5	3.0	2.5	2.1
EV/EBITDA	100.6	94.9	41.6	31.5	30.4	26.0	20.9	17.5
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
FCF per share	20.1	5.8	34.1	50.9	-7.6	47.7	62.8	79.5
Return Ratios (%)								
RoIC	27.2	19.6	30.9	28.0	15.6	18.0	21.0	21.1
RoE	20.6	15.8	27.8	22.3	14.7	15.6	17.7	17.8
RoCE	22.9	16.4	32.4	38.2	32.5	31.3	34.1	34.7
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	1.6	3.1	3.4	3.2	2.9	3.0	3.1
Asset Turnover (x)	2.3	1.6	2.7	2.6	2.2	2.2	2.1	2.1
Inventory (Days)	43	67	39	33	39	45	45	45
Debtor (Days)	40	77	52	52	59	55	55	55
Creditor (Days)	53	135	69	56	60	59	59	59
Working Cap. Turnover (Days)	20	-120	-16	10	4	-2	-1	0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	4,032	3,645	11,284	15,810	16,828	19,416	24,652	29,153
Depreciation	1,715	2,506	3,466	3,959	4,655	4,626	4,938	5,320
Interest & Finance Charges	304	459	820	425	523	583	249	215
Direct Taxes Paid	-1,223	-990	-1,149	-2,450	-2,783	-5,631	-7,149	-8,454
(Inc)/Dec in WC	1,162	-3,157	-4,803	-3,322	-10,954	2,338	-577	-451
Others	-28	108	-663	-564	-1,517	-772	-1,331	-1,778
CF from Operating	5,961	2,572	8,955	13,857	6,752	20,560	20,782	24,005
(Inc)/Dec in FA	-2,191	-1,449	-2,376	-4,024	-8,228	-11,330	-8,630	-8,630
Free Cash Flow	3,770	1,123	6,580	9,833	-1,477	9,230	12,152	15,375
(Pur)/Sale of Investments	-344	-2,169	-883	-3,248	-5,628	0	0	0
Others	76	170	2,472	-1,227	-2,711	2,097	2,445	2,962
CF from Investments	-2,459	-3,448	-787	-8,499	-16,567	-9,233	-6,185	-5,668
Issue of Shares	40	3,472	33	51	149	0	0	0
Inc/(Dec) in Debt	-1,744	439	-6,147	-1,567	601	0	0	0
Interest Paid	-281	-337	-829	-291	-516	-583	-249	-215
Dividend Paid	-1,059	-423	-724	-1,687	-1,621	-743	-866	-969
Others	204	2,658	-1,543	2,748	7,838	0	0	0
CF from Fin. Activity	-2,841	5,809	-9,209	-747	6,451	-1,326	-1,115	-1,184
Inc/Dec of Cash	661	4,933	-1,040	4,611	-3,364	10,002	13,483	17,152
Opening Balance	-311	350	5,158	4,118	8,729	5,365	15,366	28,849
Closing Balance	350	5,282	4,118	8,729	5,365	15,366	28,849	46,002

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.