motilal oswal Financial Services

11 August 2026

1QFY27 Results Update | Sector: Automobiles

Amara Raja

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	ARENM IN
Equity Shares (m)	183
M.Cap.(INRb)/(USDb)	177.6 / 1.9
52-Week Range (INR)	1058 / 670
1, 6, 12 Rel. Per (%)	8/12/2
12M Avg Val (INR M)	765

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	135.5	155.3	169.6
EBITDA	15.4	16.6	20.0
Adj. PAT	6.0	8.2	10.4
EPS (INR)	32.8	45.0	56.8
EPS Gr. (%)	-26.6	36.9	26.4
BV/Sh. (INR)	446	482	529
Ratios			
RoE (%)	7.7	9.7	11.2
RoCE (%)	7.6	9.4	10.7
Payout (%)	42.9	18.9	18.5
Valuations			
P/E (x)	29.5	21.6	17.1
P/BV (x)	2.2	2.0	1.8
Div. Yield (%)	1.1	0.9	1.1
FCF yield (%)	3.5	6.2	7.1

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	32.9	32.9	32.9
DII	15.3	17.0	14.0
FII	17.3	17.3	19.4
Others	34.5	32.9	33.8

FII includes depository receipts

CMP: INR970 TP: INR944 (-3%) Neutral

Earnings beat, driven by strong revenue growth

Price hikes and strong demand to support earnings

- Amara Raja (AMRJ)'s 1QFY27 PAT of INR2b came in 6% higher than our estimates. The company has recently taken a 3% price hike in the lead-acid business and expects to take a further hike of 2-3% to offset the commodity cost inflation in the business.
- Driven by a better-than-expected 1QFY27 performance, we raise our EPS estimates by 6%/8% for FY27/FY28. Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of about high single-digit to low double-digit levels.
- However, while the market is optimistic about AMRJ's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 21.6x FY27E/17x FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR944, based on 15x standalone FY28E EPS and INR92/sh value of the investment in the New Energy business.**

Earnings beat driven by better-than-expected revenue growth

- AMRJ's 1QFY26 standalone revenue grew ~20.6% YoY to INR40.4b, 13% higher than our estimate. The new energy business revenue grew 73% YoY to INR2b, while lead acid business revenues grew 22% YoY to INR40b.
- Automotive domestic business revenues grew 20%+ YoY on the back of healthy OEM demand and double-digit growth in the aftermarket segment.
- The Home Energy segment grew 30%+ YoY, supported by a strong summer season, while the Industrial Battery business sustained momentum with the UPS segment recording double-digit revenue growth.
- The export business continued to face headwinds from geopolitical uncertainty and shifting global trade dynamics.
- EBITDA margin contracted ~140bp YoY to 10.1%, below our estimate of 11.1%, led by rising input cost pressure.
- EBITDA rose 5% YoY to INR4b (in line).
- PAT grew ~5% YoY to INR2b (6% above est.) due to higher revenue growth.
- AMRJ invested INR1.5b in 1Q in the new energy business, taking the total investment to INR16.5b.

Highlights from the management commentary

- Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of around high single-digit to low double-digit levels, primarily driven by volume growth and selective pricing actions.
- Management expects the contribution from traded batteries to reduce going forward as internal manufacturing capacity becomes available. This should support improvement in gross margins as the company replaces traded products with internally manufactured batteries.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com) | **Radha Agarwalla** (Radha.Agarwalla@MotilalOswal.com)
Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | **Uday Nair** (Uday.Nair@MotilalOswal.com)

- ARE&M's lithium-ion Gigafactory projects remain on track, with commercialization expected during 2QCY27 with an initial capacity of 2GWh. Management indicated that the equipment for the 2GWh NMC line is expected to be delivered during Q3 FY27.
- The company aims to spend INR2.5-3b on the new BESS plant, which is expected to commercialize in CY26 with a capacity of 10GWh. The company expects the BESS facility to achieve approximately 5 GWh utilization within six months of commissioning, depending on market demand and order inflows.
- Management expects BESS operating margins to be in the range of approximately 5–6% initially, with potential improvement towards 7–8% as localization increases.
- During 1QFY27, AMRJ incurred approximately INR4.5b of capex of the planned INR17b for FY27, with the majority directed toward New Energy projects.

Valuation and view

- AMRJ's venture into the lithium-ion business appears strategically sound, given the opportunities in the segment and the evolving risks in its core business. However, there are notable challenges: 1) market opportunities are limited by existing OEM partnerships; 2) the low-margin nature of the lithium-ion business is likely to dilute returns; and 3) the long-term viability of the technology remains uncertain despite the large capital investment.
- Driven by a better-than-expected 1QFY27 performance, we raise our EPS estimates by 6%/8% for FY27/FY28. Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of about high single-digit to low double-digit levels.
- However, while the market is optimistic about AMRJ's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 21.6x FY27E/17x FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR944, based on 15x standalone FY28E EPS and INR92/sh value of the investment in the New Energy business.**

Quarterly Performance

Y/E March (INR m)	FY26				FY27E				FY26	FY27E	1QE	VAR
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				(%)
Net Sales	**33,499**	**33,882**	**33,508**	**34,599**	**40,414**	**37,948**	**38,200**	**38,700**	**1,35,489**	**1,55,261**	**35,844**	**12.8**
YoY Change (%)	7.0	8.0	5.9	16.3	20.6	12.0	14.0	11.9	9.2	14.6	7.0	
RM Cost (% of sales)	70.5	67.2	68.2	70.2	71.5	70.5	70.0	69.2	69.1	70.3	71.0	50bp
Staff Cost (% of sales)	5.9	6.6	6.1	6.2	5.6	6.2	6.2	6.4	6.2	6.1	5.9	-30bp
Other Exp (% of sales)	12.0	14.2	14.5	12.7	12.9	13.0	13.0	12.7	13.3	12.9	12.0	90bp
EBITDA	**3,867**	**4,059**	**3,745**	**3,771**	**4,074**	**3,909**	**4,126**	**4,505**	**15,442**	**16,613**	**3,979**	**2.4**
Margins (%)	11.5	12.0	11.2	10.9	10.1	10.3	10.8	11.6	11.4	10.7	11.1	-100bp
YoY Change (%)	-10.2	-7.9	-9.9	10.2	5.4	-3.7	10.2	19.5	-5.2	7.6	2.9	
Depreciation	1,292	1,380	1,409	1,396	1,403	1,450	1,510	1,540	5,477	5,904	1,450	
Interest	104	83	87	134	107	110	115	118	407	450	120	
Other Income	139	241	263	276	159	220	210	238	919	827	170	
PBT before EO expense	**2,610**	**2,838**	**2,513**	**2,517**	**2,723**	**2,569**	**2,711**	**3,085**	**10,478**	**11,087**	**2,579**	**5.6**
Extra-Ord expense	0	-1,218	438	-1,812	0	0	0	0	-2,591	0	0	
PBT after EO	**2,610**	**4,056**	**2,075**	**4,329**	**2,723**	**2,569**	**2,711**	**3,085**	**13,069**	**11,087**	**2,579**	**5.6**
Tax	670	1,032	558	1,106	695	663	699	803	3,365	2,860	665	
Tax Rate (%)	25.7	25.4	26.9	25.5	25.5	25.8	25.8	26.0	25.7	25.8	25.8	
Adj PAT	**1,940**	**2,120**	**1,842**	**1,874**	**2,028**	**1,906**	**2,011**	**2,281**	**7,780**	**8,226**	**1,913**	**6.0**
YoY Change (%)	-20.7	-11.9	-19.8	12.4	4.5	-10.1	9.2	21.7	-11.7	5.7	-1.4	

CONFERENCE CALL

Key takeaways from the management commentary

1Q performance

- The lead-acid battery business continued to remain the primary contributor to revenues, accounting for ~95% of consolidated revenue during the quarter. The segment recorded revenue growth of ~22% YoY, driven by healthy demand across automotive, home energy, and industrial applications.
- The New Energy business witnessed robust growth of 70%+ YoY, generating revenue of approximately INR2.09b, driven by increasing demand for lithium-ion battery packs, particularly in telecom and three-wheeler applications. Lithium-ion telecom battery volumes grew ~50% YoY.
- Aftermarket revenues grew 15% YoY, while 2W OEM volumes grew 35%+ and PV OEM volumes grew 24% YoY.
- The home energy segment recorded growth of more than 50% YoY during Q1 FY27, driven by strong demand for tubular batteries and Home UPS solutions.
- The industrial lead-acid battery business reported modest revenue growth of ~2% YoY during Q1 FY27. Within the segment, UPS battery volumes grew by ~10% YoY, supported by healthy demand. However, telecom lead-acid battery volumes continued to decline due to the ongoing migration towards lithium-ion technology.
- The company's international automotive business declined by ~20% YoY during Q1 FY27 due to a volume drop in the Middle East market. Management expects recovery in these markets over the subsequent quarters.
- Trading revenue contributed ~15% of lead-acid battery revenue during the quarter, primarily due to the strong tubular battery season. Management indicated that the contribution from trading is expected to moderate in subsequent quarters as internal manufacturing capacity becomes sufficient to meet demand.
- The company witnessed a significant increase in input costs, particularly for sulphuric acid and poly materials. Although price increases were implemented during Q4 FY26, continued inflation in raw material prices during Q1 resulted in partial cost absorption. To offset the increase in input costs, the company implemented an additional price increase of ~3% during June'26. However, as RM prices continued to remain elevated, the company plans to undertake a further 2–3% price increase across product segments during the current month. Management indicated that if commodity prices stabilize at current levels, these price increases should largely compensate for the cost escalation but also mentioned that materials like poly, sulphuric acid and tin are showing a tendency of further price escalation.
- The company highlighted that operating margins were impacted by ~0.9% during the quarter due to strategic investments undertaken to strengthen long-term competitiveness, increased warranty and freight costs.
- During Q1 FY27, the company incurred approximately INR4.5b of capex of the planned INR17b for FY27, with the majority directed towards New Energy projects.

Update on new energy business

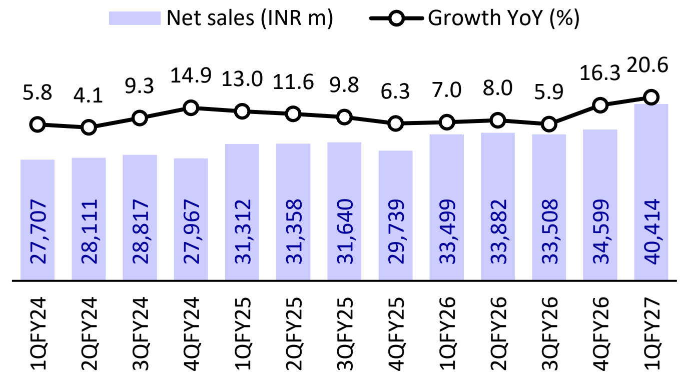
- ARE&M inaugurated its Customer Qualification Plant (CQP) during the quarter. The facility has multi-format and multi-chemistry capabilities and is expected to play an important role in accelerating customer qualification and improving manufacturing readiness.
- The company is currently developing 2170 NMC cylindrical cells and plans to supply B-samples to OEM customers after completing internal testing.
- While the company will continue to evaluate technology partnerships selectively, future collaborations will focus on areas where external expertise can complement internal capabilities.
- ARE&M's lithium-ion Gigafactory projects remain on track, with commercialization expected during 2QCY27 with initial capacity of 2GWh. Management indicated that the equipment for the 2GWh NMC line is expected to be delivered during Q3 FY27.
- Management clarified that the previously communicated target of 16 GWh capacity by FY30 remains a long-term strategic ambition; however, actual capacity expansion will depend on market demand, customer requirements, and product mix.
- Management believes the long-term opportunity remains attractive and aims to capture approximately 15–20% market share opportunity in the addressable lithium-ion cell market.
- It aims to spend INR2.5-3b in the new BESS plant, which is expected to commercialize in CY26 with a capacity of 10GWh. The company sees significant long-term potential in BESS due to increasing demand from renewable energy integration, grid-scale storage, and solar power projects. The company expects the BESS facility to achieve approximately 5 GWh utilization within six months of commissioning, depending on market demand and order inflows.
- Management expects BESS operating margins to be in the range of approximately 5–6% initially, with potential improvement towards 7–8% as localization increases.
- For the BESS business, management indicated that the expected cash conversion cycle is around 90–100 days, although the actual working capital requirement will depend on the customer mix, project structure, EPC payment terms, and credit arrangements for imported cell procurement.
- Management highlighted that certain critical lithium-ion raw materials, particularly cathode-related materials, will continue to be sourced from China.

Update on the lead acid business

- Management continues to maintain a positive medium-term outlook for the lead-acid business, supported by replacement demand, vehicle parc growth, export recovery, and industrial applications. The company expects the lead-acid business to continue delivering steady growth, with medium-term revenue growth potential of around high single-digit to low double-digit levels, primarily driven by volume growth and selective pricing actions.
- Management expects the contribution from traded batteries to reduce going forward as internal manufacturing capacity becomes available. This should support improvement in gross margins as the company replaces traded products with internally manufactured batteries.
- ARE&M's recycling facility remains under trial production. Management highlighted that the current economics remain challenging due to elevated scrap prices, resulting in recycled lead costs being similar or marginally higher compared with purchased lead.
- However, the company expects recycling operations to provide long-term strategic benefits by improving raw material security, supporting EPR compliance, and potentially improving margins once operations stabilize.

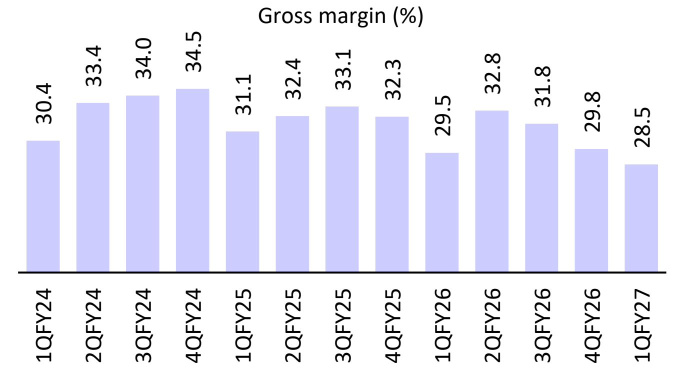
Key exhibits

Exhibit 1: Trends in revenue and growth



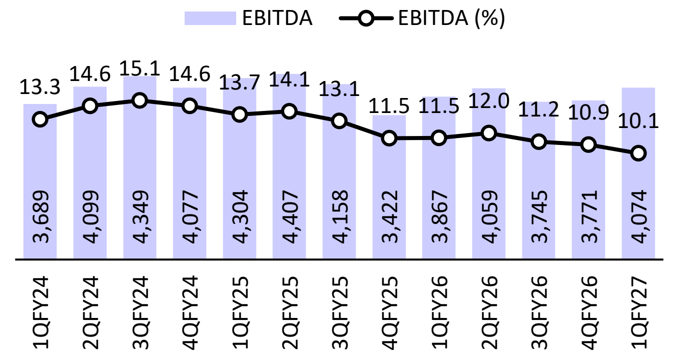
Source: Company, MOFSL

Exhibit 2: Gross margin hit by RM cost inflation



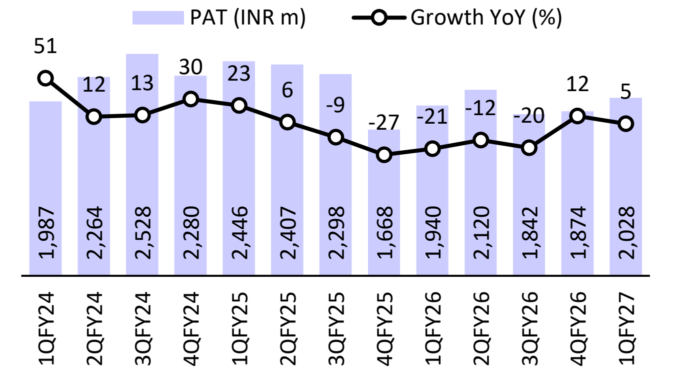
Source: Company, MOFSL

Exhibit 3: Trends in EBITDA and EBITDA margin



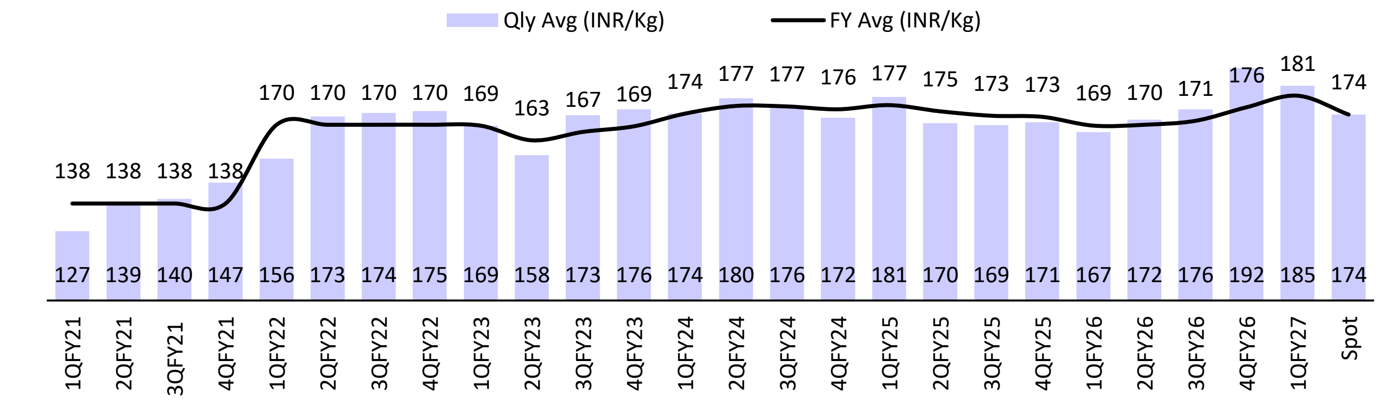
Source: Company, MOFSL

Exhibit 4: PAT and growth trends



Source: Company, MOFSL

Exhibit 5: Trend in spot lead prices (INR/kg)



Source: Bloomberg, MOFSL

Valuation and view

- **AMRJ to emerge as one of the beneficiaries of a steady outlook in LAB:** The outlook on both auto and industrial segments has improved post-GST rate cuts. In the auto segment, steady growth posted by the industry over the last three years is expected to translate into healthy replacement demand in the coming years. The industrial segment (ex-telecom) is expected to benefit from the surge in demand for power backup for data centers. Thermal power generation is seeing a comeback and should witness strong incremental demand, with growth visibility for the next 5-6 years. Given its strong position in LAB in both auto and industrial segments, we expect the company to emerge as a beneficiary of the healthy demand outlook in the industry.

- **A foray into lithium-ion will have its own challenges**: Given the significant imminent risk to its core business, the company has forayed into the manufacturing of lithium-ion cells in partnership with a major Chinese player. The total capex outlay will be INR95b over a 10-year period, which will have an eventual cell manufacturing capacity of 16 GWh. While AMRJ can fund the initial couple of years of this project through internal accruals, we expect the company will need to raise funds to finance the remaining project. Further, we think the company's foray into lithium-ion cell manufacturing is likely to see multiple challenges in the coming years, such as: 1) most domestic PV OEMs either have their own lithium-ion manufacturing plans or existing tie-ups, limiting AMRJ's potential addressable market in this space; 2) given AMRJ is setting up a greenfield in this segment without prior experience, we expect its facility to take at least a couple of years to stabilize operations as it goes through its testing and validation phase initially for interested OEMs; 3) since lithium-ion cell manufacturing is a low-margin business, we expect this business to be return-dilutive for AMRJ in the long run, even if this venture is successful; and 4) given that it is still not certain if the lithium-ion cell technology will emerge as a sustainable technology in the long run, we think the outcome of this venture remains highly uncertain at this stage, despite the significant capital commitment required.
- **Valuations fair; reiterate our Neutral rating:** Driven by a better-than-expected 1QFY27 performance, we raise our EPS estimates by 6%/8% for FY27/FY28. Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of about high single-digit to low double-digit levels.
- However, while the market is optimistic about AMRJ's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 21.6x FY27E/17x FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR944, based on 15x standalone FY28E EPS and INR92/sh value of the investment in the New Energy business.**

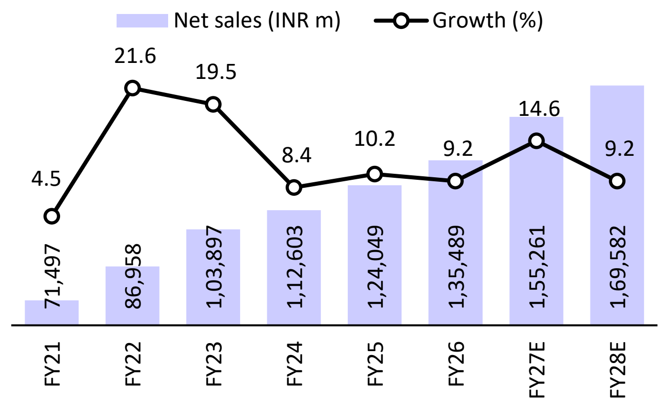
Exhibit 6: Revisions to our estimates

(INR M)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,55,261	1,46,787	5.8	1,69,582	1,58,058	7.3
EBITDA (%)	10.7	11.1	-40bp	11.8	12.2	-40bp
Net Profit	8,226	7,793	5.6	10,397	9,587	8.4
EPS (INR)	45.0	42.6	5.6	56.8	52.4	8.4

Source: MOFSL

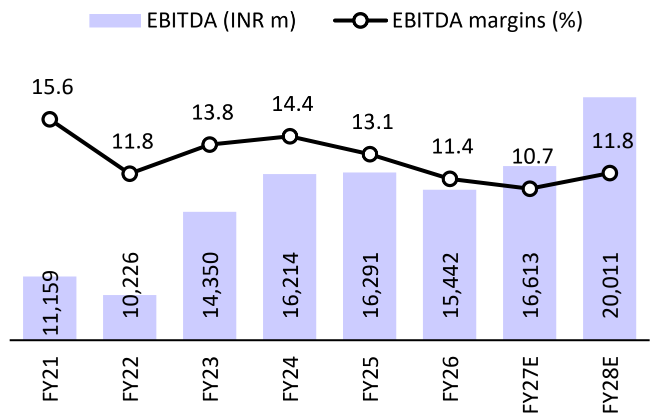
Story in charts

Exhibit 7: Trend in revenue



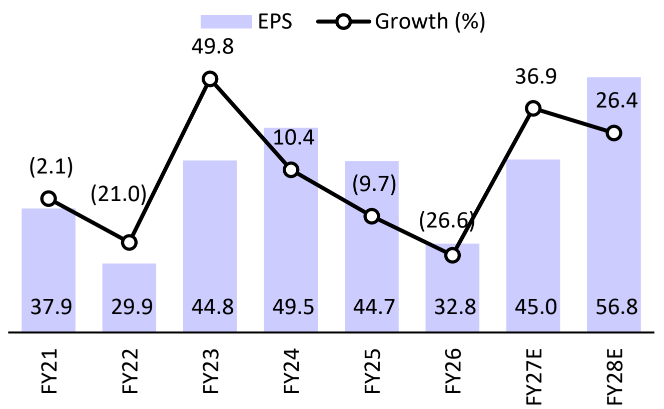
Source: Company, MOFSL

Exhibit 8: EBITDA and EBITDA margin trends



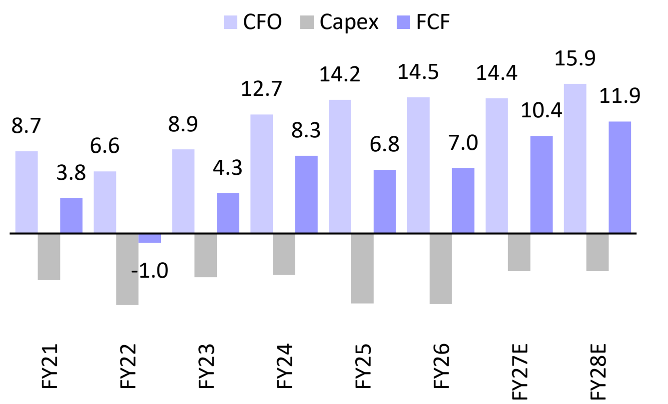
Source: Company, MOFSL

Exhibit 9: Earnings likely to see a rebound in FY28E



Source: Company, MOFSL

Exhibit 10: Trends in CFO, capex, and FCF



Source: Company, MOFSL

Financials and valuations

Standalone - Income Statement								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Sales	**71,497**	**86,958**	**1,03,897**	**1,12,603**	**1,24,049**	**1,35,489**	**1,55,261**	**1,69,582**
Change (%)	4.5	21.6	19.5	8.4	10.2	9.2	14.6	9.2
EBITDA	**11,159**	**10,226**	**14,350**	**16,214**	**16,291**	**15,442**	**16,613**	**20,011**
Margin (%)	15.6	11.8	13.8	14.4	13.1	11.4	10.7	11.8
Growth	1.6	-8.4	40.3	13.0	0.5	-5.2	7.6	20.5
Depreciation	3,192	3,957	4,504	4,787	4,921	5,477	5,904	6,224
EBIT	**7,967**	**6,269**	**9,846**	**11,427**	**11,370**	**9,965**	**10,709**	**13,787**
Int. and Finance Charges	105	151	296	332	422	407	450	520
Other Income - Rec.	874	780	897	1,015	933	919	827	745
PBT bef. EO Exp.	**8,736**	**6,898**	**10,447**	**12,110**	**11,881**	**10,478**	**11,087**	**14,012**
EO Expense/(Income)	0	0	477	0	1,111	2,591	0	0
PBT after EO Exp.	**8,736**	**6,898**	**9,970**	**12,110**	**10,770**	**7,887**	**11,087**	**14,012**
Current Tax	2,265	1,786	2,620	3,191	3,259	3,198	2,883	3,643
Deferred Tax	0	0	43	-140	93	167	-22	-28
Tax Rate (%)	25.9	25.9	26.7	25.2	31.1	42.7	25.8	25.8
Reported PAT	**6,470**	**5,112**	**7,307**	**9,059**	**7,418**	**4,522**	**8,226**	**10,397**
PAT Adj for EO items	**6,470**	**5,113**	**7,656**	**9,059**	**8,183**	**6,007**	**8,226**	**10,397**
Change (%)	-2.1	-21.0	49.8	18.3	-9.7	-26.6	36.9	26.4

Standalone - Balance Sheet								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	171	171	171	183	183	183	183	183
Total Reserves	41,932	45,343	59,886	67,504	73,600	81,425	88,095	96,570
Net Worth	**42,103**	**45,514**	**60,056**	**67,687**	**73,783**	**81,608**	**88,278**	**96,753**
Deferred Liabilities	407	314	1,036	885	732	899	877	849
Total Loans	234	234	2,014	1,527	2,583	3,778	6,328	7,728
Capital Employed	**42,744**	**46,062**	**63,106**	**70,098**	**77,098**	**86,285**	**95,483**	**1,05,330**
Gross Block	38,628	42,498	57,236	59,035	62,617	71,796	75,796	79,796
Less: Accum. Deprn.	14,081	17,575	20,354	23,532	27,870	32,505	38,409	44,632
Net Fixed Assets	**24,548**	**24,923**	**36,882**	**35,503**	**34,747**	**39,291**	**37,387**	**35,164**
Capital WIP	3,993	8,297	2,343	3,217	8,441	5,875	5,875	5,875
Total Investments	**2,805**	**778**	**4,860**	**14,791**	**19,979**	**25,855**	**37,855**	**49,855**
Curr. Assets, Loans&Adv.	**26,625**	**29,761**	**35,288**	**34,833**	**36,763**	**40,232**	**43,731**	**47,275**
Inventory	14,382	18,038	16,752	18,095	20,364	22,828	25,097	27,412
Account Receivables	7,875	7,926	7,797	10,171	11,428	11,673	13,187	14,403
Cash and Bank Balance	967	343	894	892	1,528	1,022	789	373
Loans and Advances	3,401	3,455	9,845	5,674	3,443	4,709	4,658	5,087
Curr. Liability & Prov.	**15,227**	**17,697**	**16,267**	**18,245**	**22,832**	**24,968**	**29,365**	**32,839**
Account Payables	7,465	8,065	7,514	8,398	10,465	12,028	13,612	14,867
Other Current Liabilities	5,623	7,177	6,005	6,924	8,863	7,430	10,868	11,871
Provisions	2,140	2,455	2,749	2,923	3,503	5,510	4,885	6,100
Net Current Assets	**11,398**	**12,064**	**19,021**	**16,588**	**13,931**	**15,264**	**14,366**	**14,436**
Appl. of Funds	**42,744**	**46,062**	**63,106**	**70,098**	**77,099**	**86,285**	**95,483**	**1,05,330**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**37.9**	**29.9**	**44.8**	**49.5**	**44.7**	**32.8**	**45.0**	**56.8**
Growth	-2.1	-21.0	49.8	10.4	-9.7	-26.6	36.9	26.4
Cash EPS	56.6	53.1	71.2	75.7	71.6	62.8	77.2	90.8
BV/Share	246.5	266.5	351.6	369.9	403.2	445.9	482.4	528.7
DPS	11.0	4.5	6.1	9.9	10.5	10.6	8.5	10.5
Payout (%)	29.0	15.0	14.3	20.0	25.9	42.9	18.9	18.5
Valuation (x)								
P/E	25.6	32.4	21.6	19.6	21.7	29.5	21.6	17.1
Cash P/E	17.1	18.3	13.6	12.8	13.5	15.5	12.6	10.7
P/BV	3.9	3.6	2.8	2.6	2.4	2.2	2.0	1.8
EV/Sales	2.3	1.9	1.6	1.5	1.4	1.3	1.1	1.0
EV/EBITDA	14.9	16.4	11.7	10.4	10.3	11.0	10.4	8.7
Dividend Yield (%)	1.1	0.5	0.6	1.0	1.1	1.1	0.9	1.1
FCF per share	17.9	-7.4	28.8	47.8	34.5	32.1	56.7	65.1
Return Ratios (%)								
RoE	16.5	11.7	14.5	14.2	11.6	7.7	9.7	11.2
RoCE	16.4	11.8	14.4	14.0	11.5	7.6	9.4	10.7
RoIC	19.0	13.0	15.7	16.1	15.9	11.3	15.2	20.4
Working Capital Ratios								
Inventory (Days)	73.4	75.7	58.9	58.7	59.9	61.5	59.0	59.0
Debtor (Days)	40	33	27	33	34	31	31	31
Creditor (Days)	38	34	26	27	31	32	32	32
Working Capital Turnover (Days)	53	49	64	51	36	38	32	30
Leverage Ratio (x)								
Current Ratio	1.7	1.7	2.2	1.9	1.6	1.6	1.5	1.4
Interest Cover Ratio	76	42	33	34	27	25	24	27

Standalone - Cash Flow Statement **(INR M)**

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net P/L Before Tax and E/O Items	8,733	6,898	10,447	12,110	12,992	13,069	11,087	14,012
Depreciation	3,192	3,957	4,504	4,787	4,921	5,477	5,904	6,224
Interest & Finance Charges	105	151	-601	-684	-511	-513	-377	-225
Direct Taxes Paid	1,995	1,993	2,563	3,289	3,283	3,035	2,860	3,615
(Inc)/Dec in WC	-1,301	-2,406	-2,866	-271	85	-528	614	-487
CF from Operations	**8,734**	**6,607**	**8,921**	**12,654**	**14,204**	**14,471**	**14,367**	**15,909**
Others	-714	-277	641	488	-452	-1,071	0	0
CF from Operating incl EO	**8,020**	**6,329**	**9,562**	**13,142**	**13,752**	**13,400**	**14,367**	**15,909**
(inc)/dec in FA	-4,964	-7,598	-4,647	-4,401	-7,440	-7,518	-4,000	-4,000
Free Cash Flow	**3,056**	**-1,268**	**4,915**	**8,741**	**6,312**	**5,882**	**10,367**	**11,909**
(Pur)/Sale of Investments	-14,598	-13,440	-27,976	-35,190	-37,490	-37,031	0	0
Others	13,212	16,219	24,731	28,871	33,386	31,905	-11,173	-11,255
CF from Investments	**-6,350**	**-4,819**	**-7,892**	**-10,720**	**-11,543**	**-12,645**	**-15,173**	**-15,255**
(Inc)/Dec in Debt	-321	-359	-377	-871	583	915	2,578	1,372
Interest Paid	-40	-67	-161	-188	-253	-236	-450	-520
Dividend Paid	-854	-1,708	-581	-1,367	-1,904	-1,940	-1,556	-1,922
CF from Fin. Activity	**-1,215**	**-2,135**	**-1,119**	**-2,425**	**-1,573**	**-1,261**	**572**	**-1,070**
Inc/Dec of Cash	**455**	**-624**	**551**	**-2**	**636**	**-506**	**-233**	**-416**
Add: Beginning Balance	512	967	343	894	892	1,528	1,022	789
Closing Balance	**967**	**343**	**894**	**892**	**1,528**	**1,022**	**789**	**373**

E: MOFSL Estimates

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does 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 an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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, not 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.