

BSE SENSEX

53,41

S&P CNX

15,939

CMP: INR8,130 TP: INR8,200 (+1%)
Neutral

Motilal Oswal values your support in the Asiamoney Brokers Poll 2022 for India Research, Sales, Corporate Access and Trading team. We [request your ballot](#).



Stock Info

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USD\$b)	192.9 / 2.4
52-Week Range (INR)	8181 / 5308
1, 6, 12 Rel. Per (%)	19/25/37
12M Avg Val (INR M)	158
Free float (%)	25.0

Financials Snapshot (INR b)

Y/E March	2022	2023E	2024E
Net Sales	44.1	50.5	56.7
EBITDA	7.0	8.1	9.2
Adj. PAT	4.1	4.8	5.4
Adj. EPS (INR)	173.8	202.6	226.1
EPS Gr. (%)	237.6	16.6	11.6
BV/Sh. (INR)	402.4	555.0	731.0

Ratios

Net D/E (x)	-0.2	-0.3	-0.4
RoE (%)	50.5	42.3	35.2
RoCE (%)	50.1	45.1	36.9
Payout (%)	31.5	24.7	22.1

Valuations

P/E (x)	46.8	40.1	36.0
P/BV (x)	20.2	14.6	11.1
EV/EBITDA (x)	26.7	22.7	19.8
Div. Yield (%)	0.7	0.6	0.6
FCF Yield (%)	2.8	2.3	2.1

Well placed to capitalize

In this report, we present key takeaways from BDE's FY22 Annual Report.

BDE enjoys market leadership in the Air Express segment, continues to focus on the high growth e-commerce space

- BDE enjoys ~54% market share in the organized Air Express segment as of FY21 and has been picking up market share in the Surface Express segment.
- e-commerce is a key vertical for the company and constitutes roughly one-fourth of its revenue. BDE saw strong growth in this segment in FY22.
- The e-commerce market witnessed a surge in growth, with consumers and businesses ordering everything from groceries to consumer durables online. As per a Ken Research report, the Indian e-commerce Logistics industry is expected to grow to INR493b by FY25, at a CAGR of 23.6% over FY20-25.
- BDE provides the most efficient solutions to the e-commerce industry such as enablement of digital payments through 16 digital wallets on courier handheld machines, apart from acceptance of credit and debit cards.
- BDE expects e-commerce to be a key growth driver over the next few years.

Regular price hikes and improved volumes have ensured strong margin, despite an increase in fuel cost

- BDE runs a dedicated fleet of cargo aircraft between the seven airports that it operates from. Aviation Turbine Fuel (ATF) accounts for ~40% of direct operating costs for an Express Logistics airline.
- Despite a steep rise in ATF prices in FY22, BDE was able to maintain gross margin at 36% in FY22.
- BDE has an internal hedging mechanism, termed as a fuel surcharge mechanism, for passing on the rise or fall in ATF costs to its customers.
- Also, the sharp rise in volumes during FY22 (+30% YoY) has helped BDE to maintain its margin performance.

Focus on technology has helped BDE remain competitive in the market

- Technology and digitalization have always helped BDE remain a step ahead of the curve in a highly competitive industry. The company continues to offer contact less deliveries (CLD), which was made possible by activating various digital wallets, net banking, credit and debit cards, UPI, B-QR code, etc.
- **Breakthrough initiatives like delivering Medicine from the Sky:** BDE and its partners supported the 'Medicine from the Sky' initiative. Under this initiative, it leveraged the use of drone flights through the Blue Dart Med-Express consortium to enable pickups and deliveries of mission-critical shipments in the remotest areas of India. These Unmanned Aircraft Systems, or drones, can even handle BDE's specialized Temperature Controlled Shipments with a payload of up to 5kg.

Alok Deora - Research analyst (Alok.Deora@motilaloswal.com)

Dhirendra Patro- Research analyst (Dhirendra.Patro@motilaloswal.com)

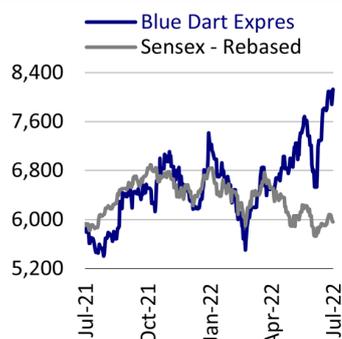
Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	75.0	75.0	75.0
DII	9.6	9.5	10.2
FII	3.5	3.3	2.5
Others	11.9	12.2	12.4

FII Includes depository receipts

Stock's performance (one-year)

- BDE has enhanced its application programming interface (API) based solutions for its customers. This allows exchange of detailed manifest to ensure an automated and seamless supply chain, from pre-pick up to post-delivery, inclusive of collections.
- The company launched a digital vendor portal that will help initiate paperless transactions for all its vendor partners in FY22.

Capitalizing on its vast enviable Logistics network

- BDE has a strong parentage and an enviable network, catering to more than 35,000 locations, with a fleet of six aircraft and more than 12,000 vehicles.
- The company has 2,347 facilities and hubs across India, which help it to service 98% of the pin codes.
- It plans to further strengthen and consolidate its air and ground infrastructure, expand its reach, and offer the 'best-in-class' transit times.
- BDE is looking to add another aircraft in FY23. The robust network built over the years will help it capitalize on the growth opportunity in the Express Logistics space.

Focus on ESG initiatives

- The DPDHL Group had set a 30% carbon efficiency improvement target over the base of CY08 by CY20 for all group companies. BDE achieved an efficiency improvement of 31%/34% in CY19/CY21 and has set a 50% carbon efficiency target by CY25.
- BDE is contributing towards a sustainable environment via its GoGreen initiatives by replacing diesel-operated tugs, farm tractors, and its petrol and diesel-driven vehicles with electrically operated vehicles. In FY22, 12 battery-operated tugs and three motorized buggies were deployed for its ground operations teams in Bengaluru, Hyderabad, Delhi, and Chennai.

Valuation and view

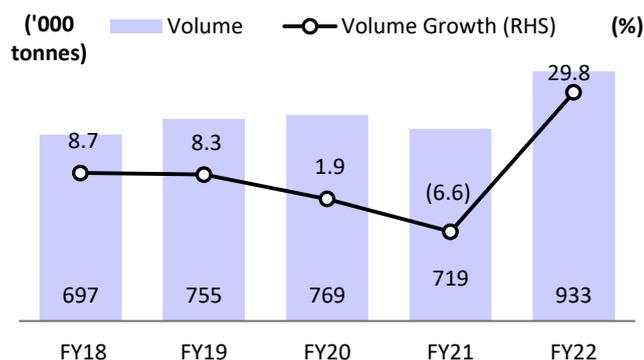
- Despite the extremely challenging past couple of years, BDE has managed to grow revenue through improved volumes and realizations. Through its dedicated aircraft fleet service, its operations were less impacted as compared to pure Road transporters.
- Going forward, we expect margin to stabilize in the 16% range as BDE, with its strong brand image and established clientele, will be able to take the required price hikes to pass on the increase in costs.
- BDE is also looking to increase its contribution from the Ground Express segment from current levels of 30-35%. The growth in Ground Express is expected to be 2x the growth in Air Express due to the cost differential between these services. With decent volume growth and margin, we expect BDE to clock a revenue/EBITDA/PAT CAGR of ~13%/14%/14% over FY22-24. We maintain our Neutral rating, with a TP of INR8,200/share (20x FY24E EV/EBITDA).

Highlights from the Annual Report

Volumes saw a stellar rise in FY22

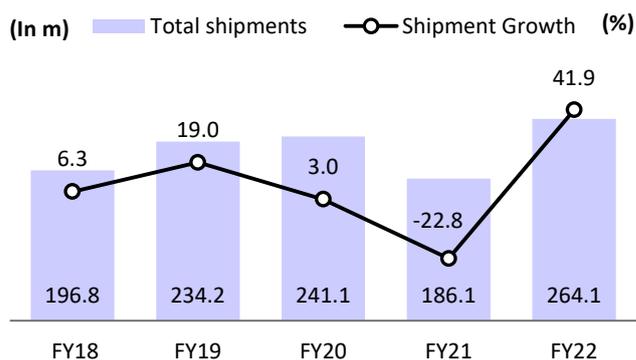
- BDE operates a fleet of six Boeing 757-200 freighter aircraft, offering a payload of over 500t per night.
- It carried over 263.2m/0.9m domestic/international shipments weighing more than 0.9mt in FY22.
- It delivered over 30 shipments every second in FY22.

Exhibit 1: Volumes grew by 30% YoY in FY22



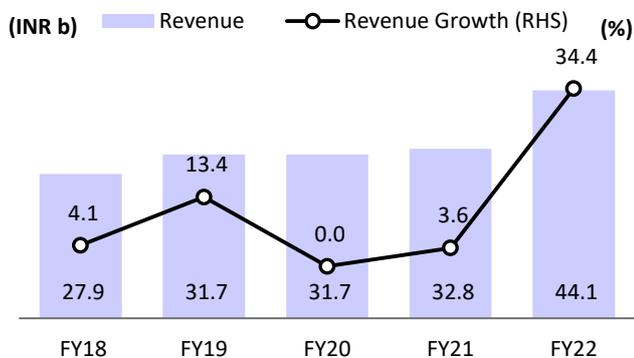
Source: Company, MOFSL

Exhibit 2: Total shipments carried by BDE grew by 42% YoY



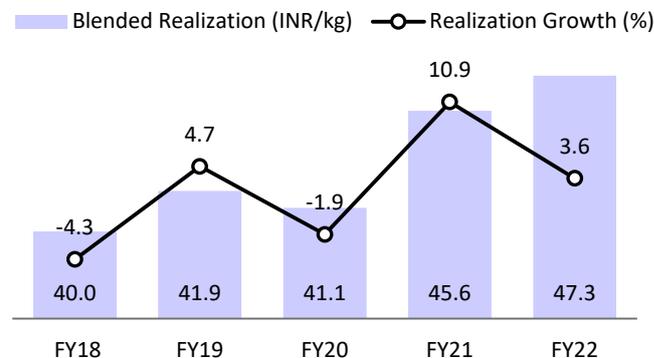
Source: Company, MOFSL

Exhibit 3: Revenue growth stood at 34% in FY22



Source: Company, MOFSL

Exhibit 4: Blended realization grew ~4% YoY in FY22

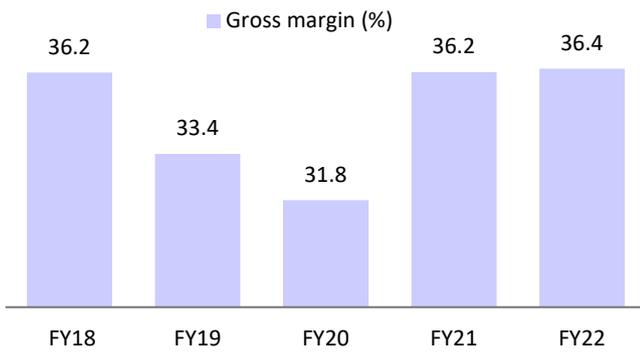


Source: Company, MOFSL

Gross margin intact, despite a rise in ATF price

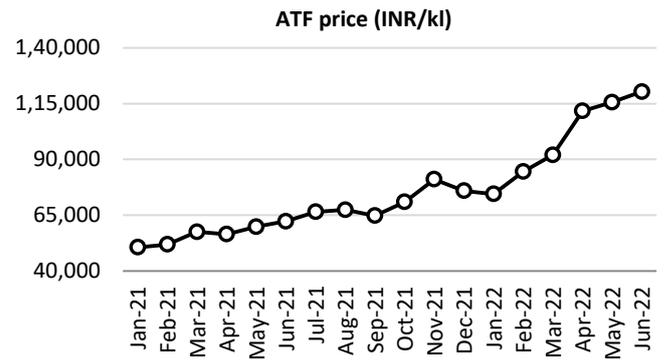
- BDE runs a dedicated fleet of cargo aircraft between the seven airports that it operates from. Any change in global crude oil prices impacts the price of ATF, which has a corresponding impact on aircraft operating cost.
- ATF accounts for ~40% of direct operating costs for an Express Logistics airline. Despite a steep rise in ATF prices in FY22, BDE was able to maintain gross margin at 36% in FY22.
- BDE has an internal hedging mechanism, termed as a fuel surcharge mechanism, for passing on the increase or decrease in ATF costs to its customers.
- It has continued the drive towards cost efficiency through various initiatives such as process improvement, automation, and initiatives geared towards improved capacity utilization.

Exhibit 5: Maintains gross margin at 36% in FY22



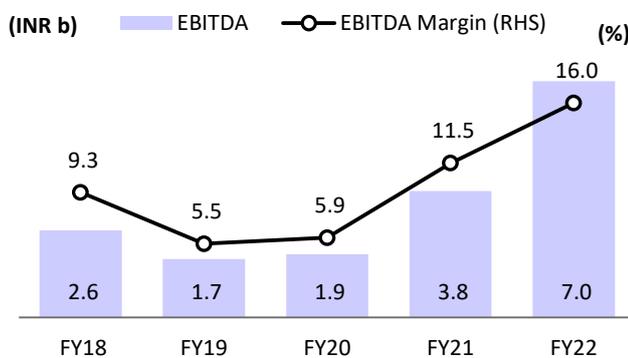
Source: Company, MOFSL

Exhibit 6: ATF price rises ~60% in FY22



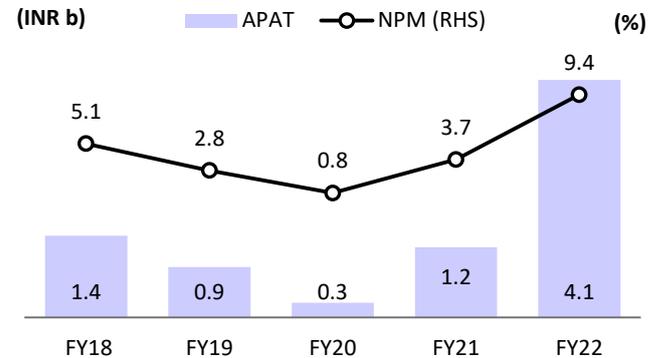
Source: MOFSL

Exhibit 7: Cost efficiency measures improve EBITDA margin



Source: Company, MOFSL

Exhibit 8: PAT to see healthy growth ahead

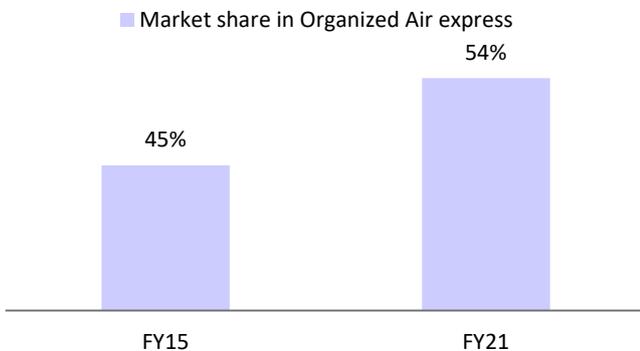


Source: Company, MOFSL

Market leadership in the B2B Express

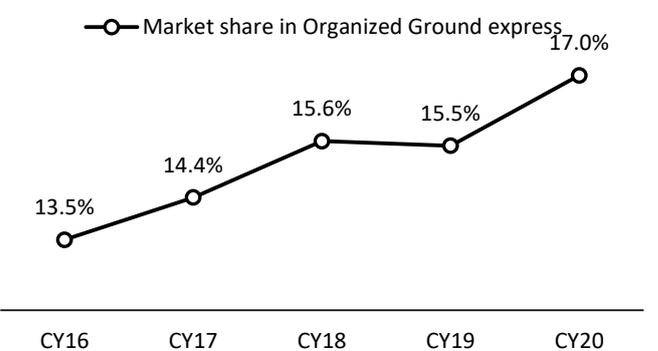
- BDE enjoys ~54% market share in the organized Air Express segment as of FY21. It is well placed to capitalize on the Express business opportunity.
- The Surface segment contributes around one-third of revenue. Surface is growing faster than Air, with higher double-digit growth for Surface v/s greater single-digit growth in the Air segment.

Exhibit 9: Leadership of BDE in Air Express



Source: Company, MOFSL

Exhibit 10: Increasing share in Ground Express

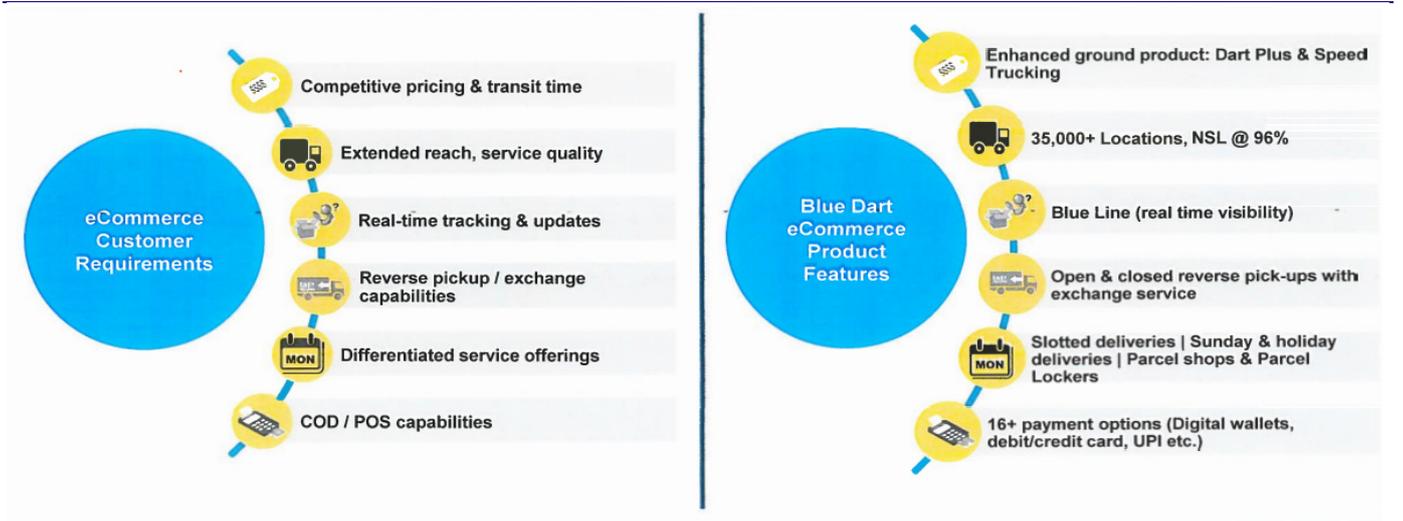


Source: Company, MOFSL

Catching the e-commerce bus

- e-commerce is a key vertical for the company and constitutes roughly one-fourth of its revenue.
- The e-commerce market witnessed a surge in growth, with consumers and businesses ordering everything from groceries to consumer durables online. As per a Ken Research report, the Indian e-commerce Logistics industry is expected to grow to INR493b by FY25, at a CAGR of 23.6% over FY20-25.
- BDE provides the most efficient solutions to the e-commerce industry such as enablement of digital payments through 16 digital wallets on courier handheld machines, apart from acceptance of credit and debit cards.

Exhibit 11: BDE is focusing on the high growth e-commerce segment

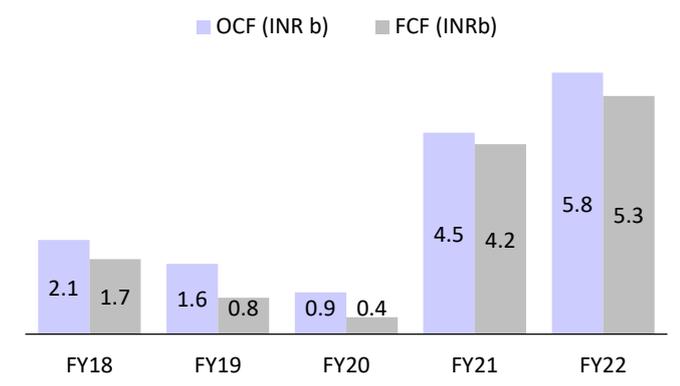


Source: Company, MOFSL

BDE goes debt free

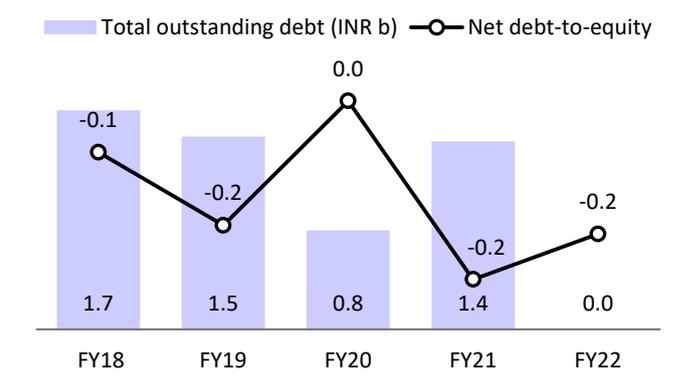
- BDE carried out its treasury process review for efficiency improvement. Based on the review, it carried out: a) renegotiation of interest, b) retirement of external loans, and c) purchase of a high-cost leased asset as a part of its financial transformation initiative.
- Strong operating performance and improved realization from receivables, led to better cash flow generation, with which BDE repaid all its bank borrowings in FY22.

Exhibit 12: Strong free cash generation...



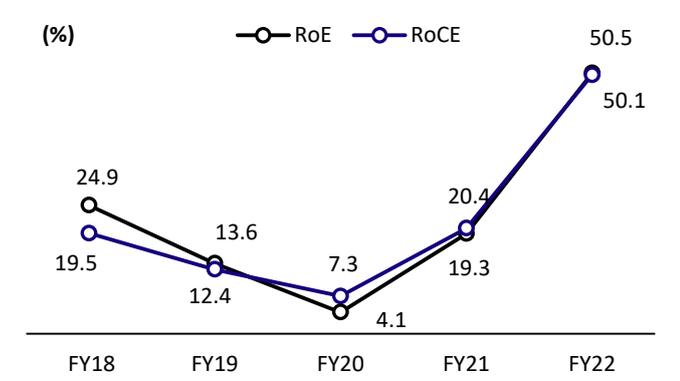
Source: Company, MOFSL

Exhibit 13: ...led to a repayment of debts in FY22



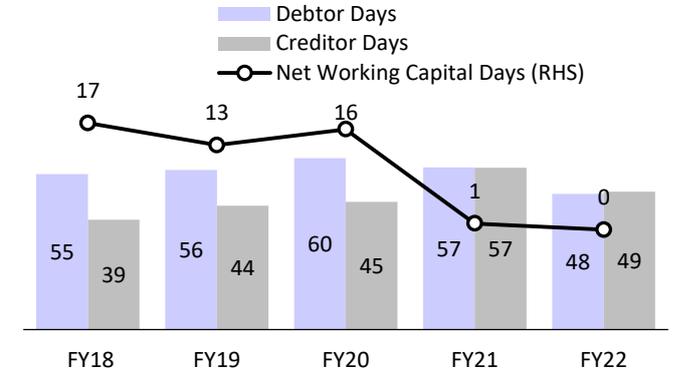
Source: Company, MOFSL

Exhibit 14: Return ratios remain healthy



Source: Company, MOFSL

Exhibit 15: Comfortable working capital position



Source: Company, MOFSL

Exhibit 16: DuPont analysis indicates a consistent improvement in asset turnover ratio over FY18-22

Particulars	FY18	FY19	FY20	FY21	FY22
PAT margin (PAT/net sales)	5.1	2.8	0.8	3.7	9.4
Asset turnover (net sales/average assets)	3.4	4.0	4.4	4.6	5.1
Leverage factor (average assets/average equity)	1.4	1.2	1.1	1.1	1.1
RoE	24.9	13.6	4.1	19.3	50.5

Subsidiaries

- Blue Dart Aviation (BDAL) is a wholly-owned subsidiary of BDE for dedicated air carriage capacity. It has been a key differentiator in sustaining BDE’s leadership position through its unique aviation network.
- It lifted 1,09,306t, including charter loads on its network, posting an ‘on time performance’ of 92.96% and ‘technical dispatch reliability’ of 99.41% in FY22.
- It obtained approval for non-scheduled operations to Europe and Africa from the Directorate General of Civil Aviation (DGCA) in FY22 and can now operate charters or non-scheduled flights to Asia, the Middle East, Europe, and Africa.
- BDAL acquired one more B757-200 aircraft, which was on lease from DHL Aviation (Netherlands) BV, taking its total owned aircraft to three (the other three aircraft is still on lease).

Exhibit 17: Financials of subsidiaries

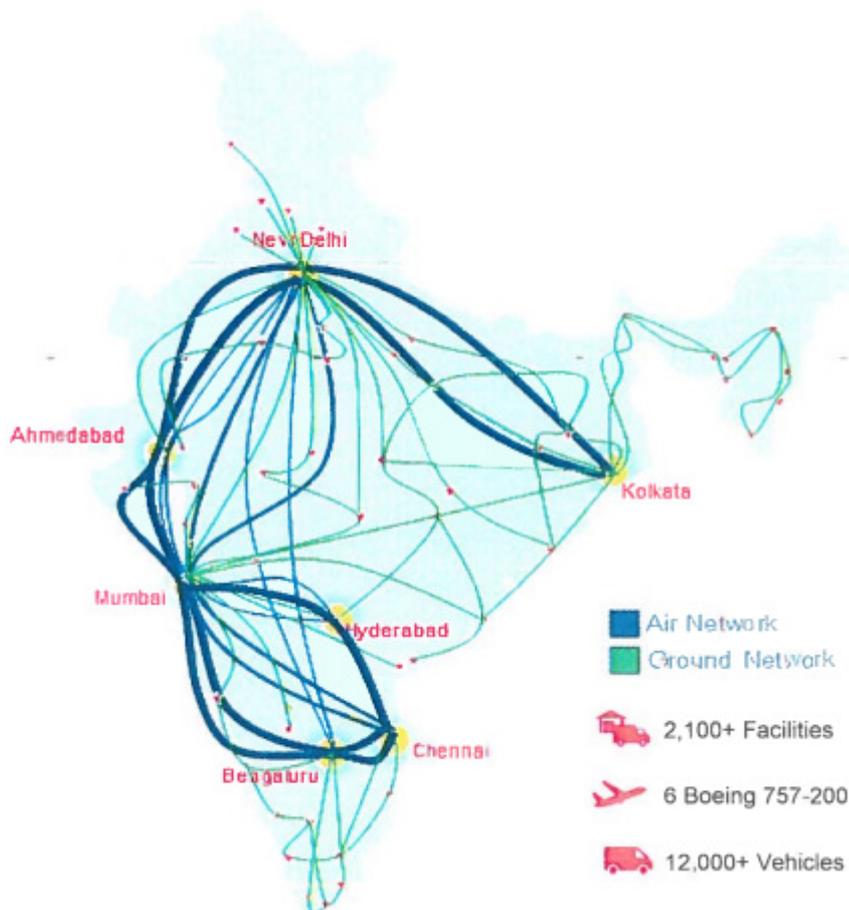
Particulars (INR m)	FY18	FY19	FY20	FY21	FY22
Blue Dart Aviation					
Net worth	496	520	464	518	561
Revenue	6,658	7,521	8,069	7,687	9,414
YoY growth (%)	8.5	13.0	7.3	-4.7	22.5
PBT	52	57	80	87	87
PAT	26	36	-36	54	57
Concorde Air Logistics					
Net worth	50	50	50	51	51
Revenue	46	48	46	43	56
YoY growth (%)	-8.8	5.1	-4.6	-6.8	30.8
PBT	1	1	1	1	1
PAT	1	0	0	1	1

Source: Company, MOFSL

Network presence

- BDE has a strong parentage and an enviable network, catering to more than 35,000 locations, with a fleet of six aircraft and more than 12,000 vehicles.
- It has 2,347 facilities and hubs across India, which help it to service 98% of the pin codes. It plans to further strengthen and consolidate its air and ground infrastructure, expand its reach, and offer the ‘best-in-class’ transit times.

Exhibit 18: Well diversified reach

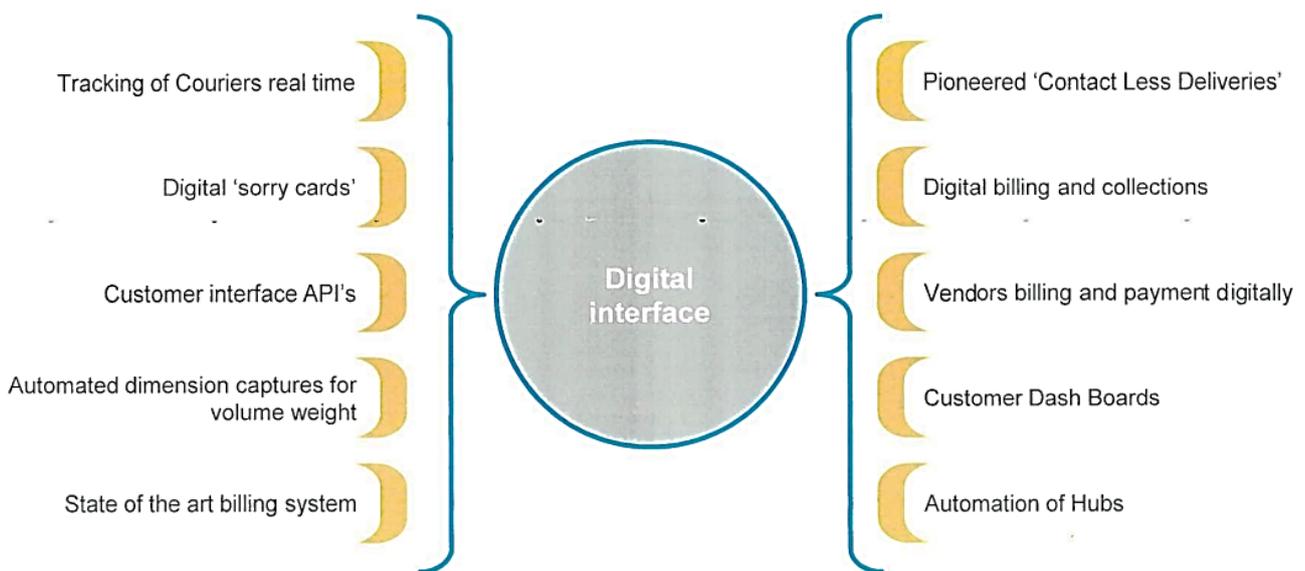


Source: Company, MOFSL

Technology

- Technology and digitalization have always helped BDE remain a step ahead of the curve in a highly competitive industry. The company continues to offer CLD, which was made possible by activating various digital wallets, net banking, credit and debit cards, UPI, B-QR code, etc.
- BDE has enhanced its API-based solutions for its customers. This allows exchange of detailed manifest to ensure an automated and seamless supply chain, from pre-pick up to post-delivery, inclusive of collections.
- BDE’s Big Data setup helps provide advanced analytics to various segments of its operational process, customer insights, and trends in volume and revenue from different geographies.
- It has upgraded the hardware infrastructure of ERP systems at the main data center as well as at its disaster recovery site to cater to capacity for the next three years.
- The company launched a digital vendor portal that will help initiate paperless transactions for all its vendor partners in FY22.

Exhibit 19: Digitalization initiatives to enhance its customer experience



Source: Company, MOFSL

Medicine from the Sky

BDE and its partners were supported by the Government of Telangana, the Ministry of Civil Aviation, the World Economic Forum, and NITI Aayog in its 'Medicine from the Sky' initiative. Under this initiative, it leveraged the use of drone flights through the Blue Dart Med-Express consortium to enable pickups and deliveries of mission-critical shipments in the remotest areas of India. The Blue Dart Med-Express consortium conducted drone trials that involved the delivery of vaccines from Vikarabad to the primary health care center in Sidduloor using a multi-rotor drone in Sep'21. These Unmanned Aircraft Systems, or drones, can even handle BDE’s specialized Temperature Controlled Shipments with a payload of up to 5kg.

ESG initiatives

Environment

- The DPDHL Group had set a 30% carbon efficiency improvement target over the base of CY08 by CY20 for all group companies. BDE achieved an efficiency improvement of 31%/34% in CY19/CY21 and has set a 50% carbon efficiency target by CY25.
- BDE is contributing towards a sustainable environment via its GoGreen initiatives by replacing diesel-operated tugs, farm tractors, and its petrol and diesel-driven vehicles with electrically operated vehicles. In FY22, 12 battery-operated tugs and three motorized buggies were deployed for its ground operations teams in Bengaluru, Hyderabad, Delhi, and Chennai.

Social

- BDE's (along with the DPDHL Group) corporate responsibility focus consists of three pillars: 1) 'GoGreen' to protect the environment, 2) 'GoHelp' on disaster management initiatives, and 3) 'GoTeach', which champions educational programs.
- With 'People first' as the philosophy, its talent retention rate in FY21-22 was 93%.

Governance

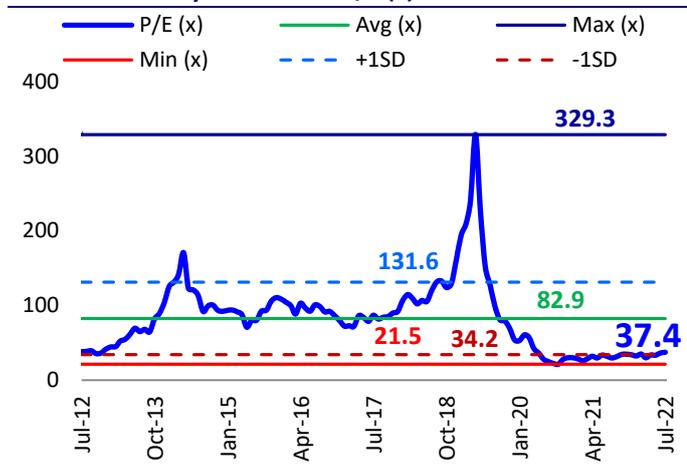
- BDE has incurred INR14.2m towards its CSR obligation for FY22, as per section 135(5) of the Companies Act.
- It paid an interim dividend of INR25 per share and declared a dividend of INR35 per share in FY22.
- In FY22, Mr. Narendra Sarda retired as an independent director with effect from Mar'22 on completion of his second term in office. The board has appointed Mr. Prakash Apte and Ms. Padmini Khare Kaicker as independent directors.
- Mr. Balfour Manuel has been re-appointed as Managing Director with effect from May'22, subject to shareholder approval.
- The existing statutory auditors, M/s S. R. Batliboi & Associates LLP, will retire at the conclusion of the forthcoming Annual General Meeting of the company. Pursuant to the provisions of the Companies Act, CY13 requiring rotation of auditors, the board has appointed M/s. Deloitte Haskins & Sells LLP as statutory auditors for a period of five years commencing from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting, subject to shareholder approval.

Valuation and view

- Despite the extremely challenging years of FY21-22, BDE has managed to grow revenue through improved volumes and realizations. Through its dedicated aircraft fleet service, its operations were less impacted as compared to pure Road transporters.
- Margin is likely to stabilize in the 16% range as BDE, with its strong brand image and established clientele, will be able to take the required price hikes to pass on the increase in costs.
- BDE is also looking to increase its contribution from the Ground Express segment from current levels of 30-35%. The growth in Ground Express is

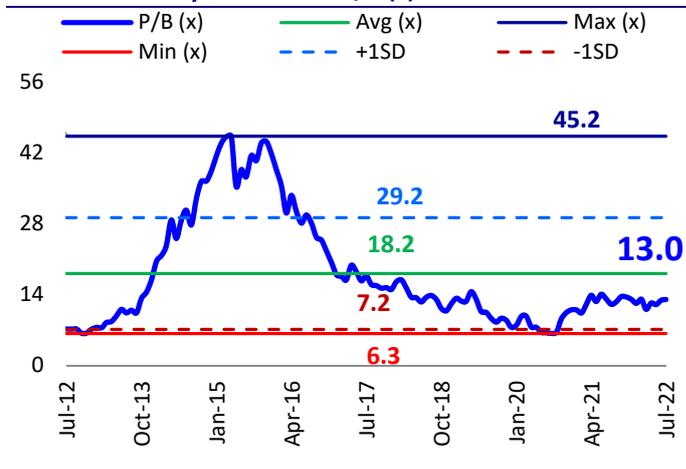
expected to be 2x the growth in Air Express due to the cost differential between these services. With decent volume growth and margin, we expect BDE to clock a revenue/EBITDA/PAT CAGR of ~13%/14%/14% over FY22-24. We maintain our Neutral rating, with a TP of INR8,200/share (20x FY24E EV/EBITDA).

Exhibit 20: One-year forward P/E (x)



Source: Company, MOFSL

Exhibit 21: One-year forward P/B (x)



Source: Company, MOFSL

Risk and concerns

Air Express

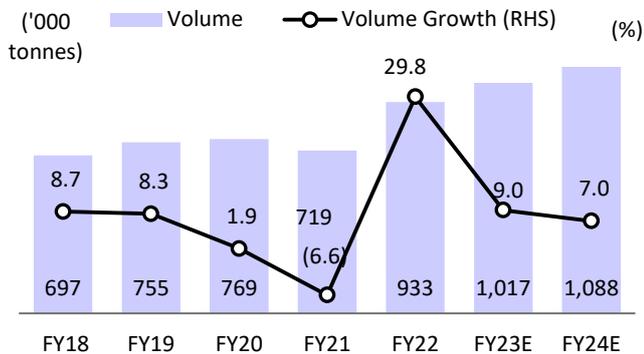
- Air Express continues to face challenges as higher fixed costs remain unchanged and the depreciation of the INR continues to impact maintenance cost.
- The conflict between Russia and Ukraine has raised the price of ATF. It now accounts for ~40% of direct operating costs for an Express Logistics airline.
- Across numerous sectors of the business, the major customers of BDE's air package service (Apex) are shifting heavier shipments to Ground Express as cost pressures across industries push them to focus on cheaper modes of Express transport.
- The cost of operating at major airports has risen significantly post privatization. The problem of insufficient aircraft parking bays, truck docking stations, limited space for Express terminals, and clearance processes is resulting in a delay, thus impacting operating costs.

Ground Express

- Despite the slowdown in FY21-22, owing to a labor shortage and the cessation of all transport during the COVID-19 pandemic, Ground Express has been the preferred mode of Logistics movement for a multitude of customer segments.
- Ground Express is an economical favorite for both SMEs and MSMEs as well as for e-commerce players, who have a customer base that spans the entire Indian terrain.
- The government is taking active steps like the National Logistics policy, expansion of the national Highways network, and Gati Shakti master plan to propel growth of Ground Express.

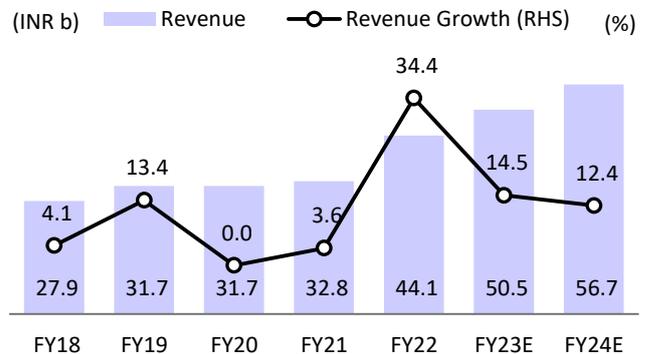
Story in charts

Exhibit 22: Volume growth to remain steady ahead



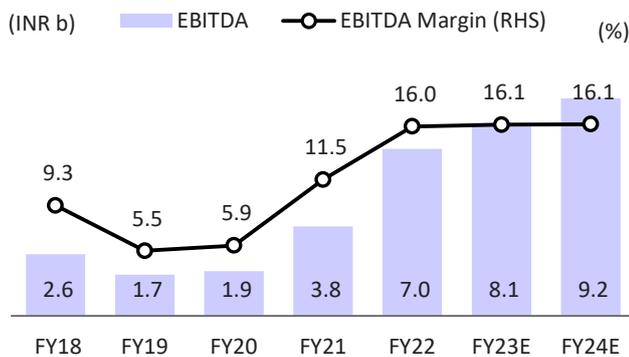
Source: Company, MOFSL

Exhibit 23: Revenue to gain traction going forward



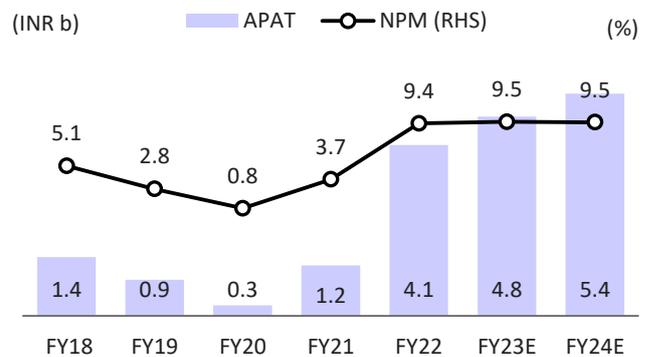
Source: Company, MOFSL

Exhibit 24: Margin to remain ~16% going forward



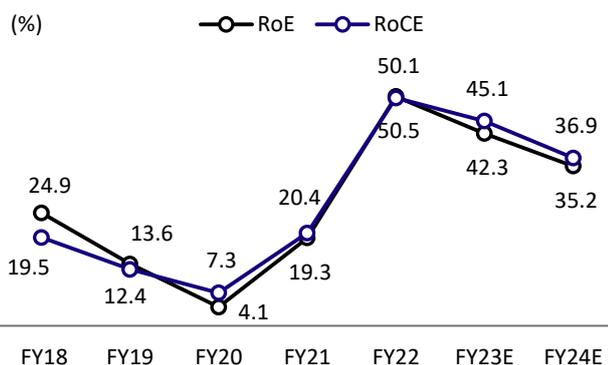
Source: Company, MOFSL

Exhibit 25: PAT to see healthy growth ahead



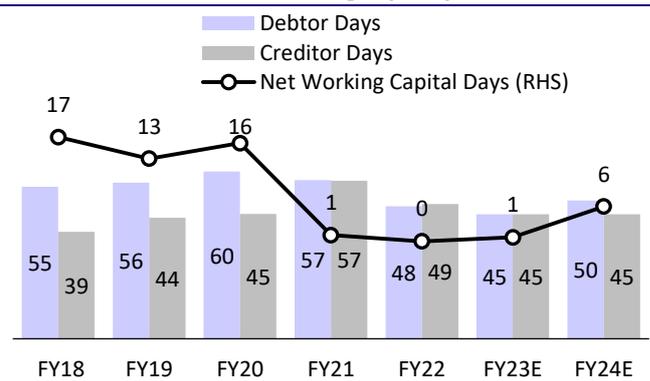
Source: Company, MOFSL

Exhibit 26: Return ratios remain healthy



Source: Company, MOFSL

Exhibit 27: Comfortable working capital position



Source: Company, MOFSL

Financials and valuations

Standalone Income Statement

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Sales	27,909	31,655	31,664	32,797	44,090	50,461	56,693
Change (%)	4.1	13.4	0.0	3.6	34.4	14.5	12.4
Gross Margin (%)	36.2	33.4	31.8	36.2	36.4	36.0	36.0
EBITDA	2,598	1,735	1,878	3,766	7,038	8,130	9,156
Margin (%)	9.3	5.5	5.9	11.5	16.0	16.1	16.1
Depreciation	450	480	1,528	2,007	1,687	1,774	2,089
EBIT	2,148	1,255	350	1,760	5,351	6,356	7,067
Int. and Finance Charges	256	154	321	317	241	228	208
Other Income	225	182	140	127	285	299	314
PBT	2,118	1,284	169	1,569	5,395	6,426	7,172
Tax	697	408	-89	347	1,271	1,619	1,807
Effective Tax Rate (%)	32.9	31.7	NA	26.5	25.2	25.2	25.2
PAT before EO. Items	1,421	876	258	1,222	4,124	4,807	5,365
Extraordinary Items	0	0	641	259	360	0	0
Reported PAT	1,421	876	-383	963	3,764	4,807	5,365
Adjusted PAT	1,421	876	258	1,222	4,124	4,807	5,365
Change (%)	1.8	-38.4	-70.5	373.1	237.6	16.6	11.6
Margin (%)	5.1	2.8	0.8	3.7	9.4	9.5	9.5

Standalone Balance Sheet

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	238	238	238	238	238	238	238
Total Reserves	5,975	6,410	5,597	6,554	9,311	12,932	17,110
Net Worth	6,213	6,648	5,835	6,792	9,549	13,169	17,348
Deferred Tax Liabilities	-51	-156	-269	-284	-310	-310	-310
Total Loans	1,661	1,462	750	1,425	0	0	0
Capital Employed	7,822	7,954	6,316	7,933	9,239	12,859	17,038
Gross Block	3,858	4,538	7,998	8,071	9,291	10,791	12,791
Less: Accum. Deprn.	1,264	1,685	2,362	3,100	4,786	6,560	8,650
Net Fixed Assets	2,594	2,853	5,636	4,972	4,505	4,231	4,142
Capital WIP	68	76	22	5	1	1	1
Total Investments	1,441	1,441	1,441	2,941	3,515	4,315	5,115
Curr. Assets, Loans, and Adv.	8,111	9,179	8,244	10,164	12,005	15,418	19,622
Inventory	45	59	37	58	70	69	78
Account Receivables	4,200	4,890	5,245	5,149	5,788	6,221	7,766
Cash and Bank Balances	2,273	2,670	985	3,077	1,829	4,185	6,226
Loans and Advances	310	119	8	0	2,501	2,862	3,215
Others	1,283	1,442	1,969	1,880	1,818	2,080	2,337
Current Liab. and Prov.	4,391	5,595	9,027	10,149	10,786	11,104	11,842
Account Payables	2,959	3,795	3,911	5,131	5,876	6,221	6,990
Other Current Liabilities	755	924	3,933	3,808	3,680	3,653	3,622
Provisions	677	877	1,183	1,211	1,230	1,230	1,230
Net Current Assets	3,720	3,584	-783	15	1,219	4,313	7,781
Application of Funds	7,822	7,954	6,316	7,933	9,239	12,859	17,038

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)							
EPS	59.9	36.9	10.9	51.5	173.8	202.6	226.1
EPS growth (%)	1.8	-38.4	-70.5	373.1	237.6	16.6	11.6
Cash EPS	78.8	57.1	75.3	136.0	244.9	277.3	314.1
BV/Share	261.8	280.1	245.9	286.2	402.4	555.0	731.0
DPS	12.5	12.5	0.0	15.0	60.0	50.0	50.0
Payout (Incl. Div. Tax, %)	25.2	40.8	0.0	37.0	31.5	24.7	22.1
Valuation (x)							
P/E ratio	135.8	220.2	747.2	157.9	46.8	40.1	36.0
Cash P/E ratio	103.1	142.3	108.0	59.8	33.2	29.3	25.9
EV/EBITDA ratio	73.5	109.7	101.8	50.0	26.7	22.7	19.8
EV/Sales ratio	6.8	6.0	6.0	5.7	4.3	3.7	3.2
P/BV ratio	31.1	29.0	33.1	28.4	20.2	14.6	11.1
Dividend Yield (%)	0.2	0.2	0.0	0.2	0.7	0.6	0.6
Return Ratios (%)							
RoE	24.9	13.6	4.1	19.3	50.5	42.3	35.2
RoCE	19.5	12.4	10.5	20.6	50.1	45.1	36.9
RoIC	33.6	21.9	9.2	47.4	137.9	115.2	105.1
Working Capital Ratios							
Fixed Asset Turnover (x)	7.6	7.5	5.1	4.1	5.1	5.0	4.8
Asset Turnover (x)	3.6	4.0	5.0	4.1	4.8	3.9	3.3
Inventory (Days)	1	1	0	1	1	1	1
Debtors (Days)	55	56	60	57	48	45	50
Creditors (Days)	39	44	45	57	49	45	45
Leverage Ratio (x)							
Net Debt/Equity ratio	-0.1	-0.2	0.0	-0.2	-0.2	-0.3	-0.4

Standalone Cash Flow Statement

Y/E March (INR m)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	2,118	1,284	-472	1,311	5,035	6,426	7,172
Depreciation	450	480	1,678	2,007	1,687	1,774	2,089
Direct Taxes Paid	-719	-655	-551	-276	-1,261	-1,619	-1,807
(Inc.)/Dec. in WC	196	472	77	1,219	360	-539	-1,227
Other Items	54	-11	205	229	6	-70	-105
CF from Operations	2,099	1,570	937	4,489	5,827	5,972	6,122
(Inc.)/Dec. in FA	-424	-756	-558	-258	-517	-1,500	-2,000
Free Cash Flow	1,674	814	379	4,230	5,310	4,472	4,122
Change in Investments	3	4	34	-3,710	-759	-800	-800
Others	373	288	129	25	160	299	314
CF from Investments	-49	-464	-395	-3,944	-1,115	-2,001	-2,486
Inc./(Dec.) in Debt	-1,661	-199	-712	675	-1,425	0	0
Dividends Paid	-428	-358	-358	0	-949	-1,187	-1,187
Others	-256	-154	-1,155	-1,373	-1,334	-428	-408
CF from Fin. Activity	-2,345	-710	-2,225	-698	-3,708	-1,615	-1,595
Inc./(Dec.) in Cash	-296	395	-1,683	-153	1,004	2,356	2,041
Opening Balance (includes Bank Bal.)	2,554	2,273	2,670	985	3,077	1,829	4,185
Inc./(Dec.) in Bank Bal.	14	1	-2	2,245	-2,252	0	0
Closing Balance (includes Bank Bal.)	2,273	2,670	985	3,077	1,829	4,185	6,226

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 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, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd. (PIMPL). 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://online.reports.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") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.