

Apollo Tyres

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	APTY IN
Equity Shares (m)	635
M.Cap.(INRb)/(USD\$)	305.1 / 3.6
52-Week Range (INR)	585 / 368
1, 6, 12 Rel. Per (%)	2/-5/-12
12M Avg Val (INR M)	1152

Financials & valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	261.2	277.6	294.8
EBITDA	35.7	40.9	44.1
Adj. PAT	12.4	17.0	19.6
EPS (INR)	19.6	26.8	30.8
EPS Growth (%)	-33.2	37.0	14.8
BV/Share (INR)	290.1	314.8	342.6

Ratios

RoE (%)	8.7	11.1	11.7
RoCE (%)	11.4	13.7	14.8
Payout (%)	28.3	26.1	27.6
P/E (x)	24.5	17.9	15.6
P/BV (x)	1.7	1.5	1.4
Div. Yield (%)	1.0	1.5	1.8
FCF Yield (%)	3.6	7.1	6.8

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	37.4	37.4	37.4
DII	28.1	27.7	23.6
FII	13.4	14.2	18.2
Others	21.1	20.7	20.9

FII includes depository receipts

CMP: INR480 TP: INR554 (+15%) Buy

Underperforms peers

Corrective measures in place to normalize performance

- APTY's 4QFY25 earnings, although in line with our estimates, have been below par compared with peers. Consolidated PAT (adjusted for one-offs) declined 42% YoY to INR2.7b (in line) due to a 420bp decline in EBITDA margin to 13% (in line). APTY is implementing corrective measures to address its underperformance and is confident of improving its performance from 1QFY26 onward.
- After a weak performance in FY25, which was largely impacted by a sharp rise in input costs, we expect APTY's margins to gradually revive, aided by softening costs and its focus on premiumization. We have factored in a 130bp expansion in APTY's margins over our forecast period, driving a 25% PAT CAGR over a corrected base. Valuations at 15.6x FY27E appear attractive, especially when compared to peers. **We reiterate our BUY rating on APTY** with a TP of INR554 (valued at 18x FY27E consol. EPS).

APTY underperforms peers in 4Q

- APTY's 4Q earnings, although in line with our estimates, came in below par compared with peers.
- Consolidated PAT (adjusted for one-offs) declined 42% YoY to INR2.7b (in line) due to a 420bp decline in EBITDA margin to 13% (in line).
- Standalone Revenue grew 4% YoY to INR45.8b, trailing its peers' growth.
- Its underperformance has been attributed to its exit from few SKUs, both in OEM and exports.
- Gross margins improved 110bp QoQ due to a reduction in input costs.
- However, higher other expenses continued to drag down performance as its margins remained largely stable QoQ at 11.2%, compared with healthy margin expansion reported by peers.
- As a result, standalone earnings declined 10% YoY to INR 1.4bn (in line).
- APTY underperformed peers even in Europe and posted a 4% YoY decline in revenue to EUR176m. Europe margins declined 440bp YoY to 14.3% due to a 7% rise in input costs and weak demand.
- For FY25, the consolidated entity posted a 33% YoY decline in earnings largely due to a 400bp reduction in margin to 13.7%. Margin remained under pressure due to rising input costs.
- Similarly, the standalone entity posted a 45% YoY decline in earnings due to a 560bp decline in margins to 12.1%.
- At Europe manufacturing operations, EBITDA margin declined 170bp YoY to 15.2% largely due to supply constraints and rising input cost pressure.
- For FY25, APTY delivered FCF of INR10.9b after a capex of INR7.3b.
- APTY has declared a dividend of INR5 per share, translating into a dividend payout of 28%.

Highlights from the management commentary

- Management admitted that APTY's performance was below par compared with peers and weaker than their own expectations. The company is implementing corrective measures to address this and is confident of improving its performance from 1QFY26 onward.
- On input costs, while they are expected to decline in the coming quarters, management expects the raw material basket to remain stable QoQ in 1QFY26. From 2Q onward, benefits of a reduction in crude-led derivatives are likely to reflect in financials. However, management believes that prices of natural rubber may not come down soon as we will shortly enter the lean period for rubber (rainy season).
- APTY's exposure to the US market is currently around USD100m in revenues and hence, to that extent, it would see a limited impact of changes in tariff regulations in the region.
- APTY has recently announced its intention to shut production at its Netherlands plant by 2026. This plant had a capacity of 0.5m PCR tyres out of the 6mn tyres produced in Europe. It has started the regulatory procedure around this and is likely to proceed with the plan once all approvals are in place, which is likely to take a few quarters. APTY does not expect any material revenue loss due to this closure as it expects the deficit in supply to be filled up from the upcoming capacities in Hungary and India. Further, given that conversion costs in Hungary are almost 1/3rd of costs in the Netherlands, APTY expects its operational performance to structurally improve in the coming years in Europe.

Valuation and view

- APTY has underperformed peers in FY25. However, it is implementing corrective measures to address this and is confident of improving its performance from 1QFY26 onward.
- After a weak performance in FY25, which was largely impacted by a sharp rise in input costs, we expect APTY's margins to gradually revive, aided by softening costs and its focus on premiumization. We have factored in APTY's margins to improve by 130bp over our forecast period, driving a 25% PAT CAGR over a corrected base. Valuations at 15.6x FY27E appear attractive, especially when compared to peers. **We reiterate our BUY rating on APTY** with a TP of INR554 (valued at 18x FY27E consol. EPS).

Cons - Qty Earning Model

(INR M)

Y/E March	FY24				FY25				FY24	FY25	4QE	VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Revenues	62,446	62,796	65,954	62,582	63,349	64,370	69,280	64,236	2,53,777	2,61,234	65,692	-2
YoY Change (%)	5.1	5.4	2.7	0.2	1.4	2.5	5.0	2.6	3.3	2.9	5.0	
EBITDA	10,515	11,598	12,081	10,794	9,093	8,779	9,470	8,374	44,987	35,715	8,477	-1
Margins (%)	16.8	18.5	18.3	17.2	14.4	13.6	13.7	13.0	17.7	13.7	12.9	
Depreciation	3,620	3,603	3,676	3,880	3,695	3,759	3,759	3,771	14,778	14,984	3,845	
Interest	1,355	1,328	1,230	1,146	1,070	1,197	1,105	1,094	5,059	4,466	1,175	
Other Income	355	253	184	743	308	217	81	275	1,536	881	445	
PBT before EO expense	5,896	6,921	7,358	6,511	4,636	4,040	4,686	3,785	26,685	17,146	3,902	
Extra-Ord expense	132	122	151	1,381	404	52	42	1,188	1,786	1,687	0	
PBT	5,764	6,799	7,207	5,130	4,232	3,988	4,644	2,596	24,899	15,460	3,902	
Tax Rate (%)	31.1	30.3	31.1	31.0	28.6	25.4	27.4	29.0	30.9	27.5	30.2	
MI & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	-1	-2	-3	-3	-7	-2	
Reported PAT	3,969	4,743	4,966	3,541	3,020	2,975	3,372	1,846	17,219	11,213	2,726	
Adj PAT	4,060	4,827	5,071	4,649	3,314	3,012	3,403	2,708	18,607	12,436	2,724	-1
YoY Change (%)	112.9	169.1	81.9	18.1	-18.4	-37.6	-32.9	-41.8	80.8	-33.2	-41.4	
Margins (%)	6.5	7.7	7.7	7.4	5.2	4.7	4.9	4.2	7.3	4.8	4.1	
Standalone (India)												
Net Revenues	44,133	44,067	43,319	43,874	45,916	44,617	45,398	45,805	1,75,393	1,81,736	45,892	0
YoY Change (%)	-0.5	3.6	2.0	0.5	4.0	1.2	4.8	4.4	1.4	3.6	4.6	
EBITDA	7,867	8,414	7,840	7,358	6,331	5,389	5,035	5,152	30,966	21,907	5,072	2
Margins (%)	17.8	19.1	18.1	16.8	13.8	12.1	11.1	11.2	17.7	12.1	11.1	
Adj PAT	3,111	3,511	3,064	2,681	2,267	1,675	1,251	1,438	11,270	6,657	1,354	6
YoY Change (%)	198.1	434.1	146.6	12.2	-27.1	-52.3	-59.2	-9.8	94.7	-40.9	-49.5	
Europe (EUR m)												
Net Revenues	144	169	176	182	146	171	183	176	671	676	178	-1
YoY Change (%)	-4.6	-6.6	-2.2	2.8	1.4	1.2	4.0	-3.3	-2.5	0.8	-2.2	
Margins (%)	13.4	14.1	20.3	19.1	13.7	14.8	17.7	14.3	16.9	15.2	17.3	

Source: MOFSL Estimates



Highlights from the management commentary

Standalone update

- 4Q volume growth was flat YoY. While replacement segment posted single-digit growth, OEM and exports declined YoY.
- While overall truck segment volumes remained flat, replacement segment posted 9% growth, which was offset by a decline in OEM revenue.
- Similarly, PCR replacement growth stood at mid-single digits, while OEM revenue declined in double digits.
- Management admitted that their performance has been below par compared to peers and also been weaker than their own expectations. They are in the midst of taking corrective measures to address this and expect to resolve this underperformance from 1QFY26 onward.
- Management has also clarified that their underperformance has been in OEM and exports, while they continue to do well in replacement segment, both TBR and PCR.
- One of the factors that led to this underperformance was that they had purposely exited a few SKUs for strategic reasons within OEM segment. For instance, demand in tractor trailer market is strong but APTY has chosen to exit this segment due to low-quality products. They now have the right SKUs to address this demand.
- Given their underperformance recently, management expects to have lost some share in the OEM segment, both PCR and TBR.
- They have also underperformed in exports and are taking corrective actions to recover lost ground here.
- Other expenses have been higher in the recent past partly due to a few one-offs and they are likely to normalize in the coming quarters.

- The input cost basket stood at INR170 per kg. Price of natural rubber was INR200, SBR INR190, Carbon Black INR115 and Steel Cord INR160.

Outlook – Standalone business

- Management expects its issues related to underperformance to get resolved from 1Q onward. They hope to revive lost ground relative to peers in the coming quarters.
- On input costs, while they are expected to decline in the coming quarters, management expects the raw material basket to remain stable QoQ in 1QFY26. From 2Q onward, benefits of a reduction in crude-led derivatives are likely to reflect in financials. However, management believes that prices of natural rubber may not come down soon as we will shortly enter the lean period for rubber (rainy season).
- On the tax rate, APTY still has some MAT credit to be availed and hence the shift to the new tax regime is likely to be a couple of years away.
- Management has clarified that its exposure to the US market is currently around USD100m worth of revenues and hence, to that extent, it would see a limited impact of changes in tariff regulations in the region. The US remains a major importer of tyres (2/3rd requirement). The competitive landscape in the industry is likely to change depending upon which region is expected to strike a deal with the US on favorable terms. APTY continues to await clarity on this matter.

Europe business update

- Even in Europe, APTY has underperformed peers over the last couple of quarters.
- It has posted a mid-single-digit decline in volumes in 4Q.
- APTY was constrained by capacity in Europe as demand outstripped its expectations. Given that UHP/UUHP demand remained strong, it sacrificed non-UHP demand for summer tyres due to capacity constraints.
- Capacity expansion is underway in Hungary (4k tpd for PCR) and is likely to be commissioned by FY26 end.

Outlook - Europe

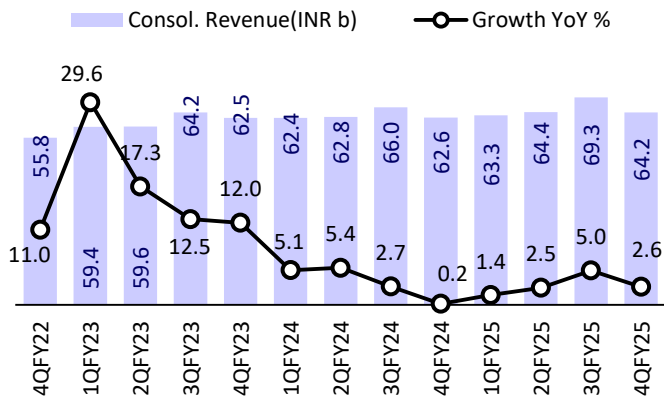
- Management expects demand to pick up in the coming quarters in Europe.
- It has recently announced its intention to shut production at its Netherlands plant by 2026. This plant had a capacity of 0.5m PCR tyres out of the 6mn tyres produced in Europe.
- It has started the regulatory procedure around this and is likely to proceed with the plan once all approvals are in place, which is likely to take a few quarters.
- APTY does not expect any material revenue loss due to this closure as it expects the deficit in supply to be filled up from the upcoming capacities in both Hungary and India.
- Further, given that conversion costs in Hungary are almost 1/3rd of costs in the Netherlands, APTY expects its operational performance to structurally improve in the coming years in Europe.

Other highlights

- APTY has reduced its capex guidance for FY26 to INR15b from the earlier INR20b. It intends to increase the AP plant PCR capacity by 4k tpd and set up a brownfield plant in Hungary for 4k tpd.
- TBR utilization stands at 82%. Given this and the relatively muted demand macro, management does not expect the need for further capacity expansion for three years in India TBR.
- Over the years, the balance sheet strength has improved with debt/EBITDA reducing to 0.8x at the consolidated level (vs. 1.2x at the standalone level).

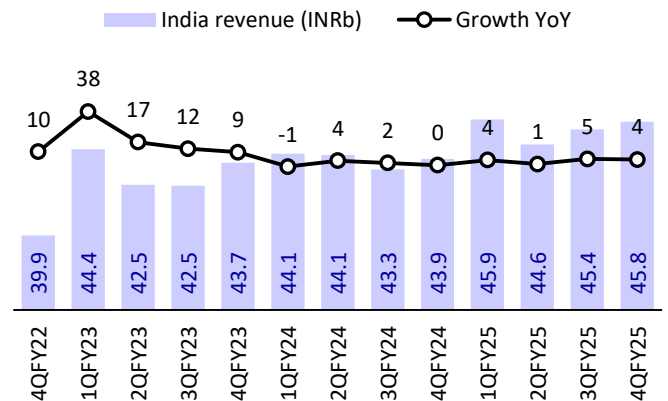
Key exhibits

Exhibit 1: Consolidated revenue trend



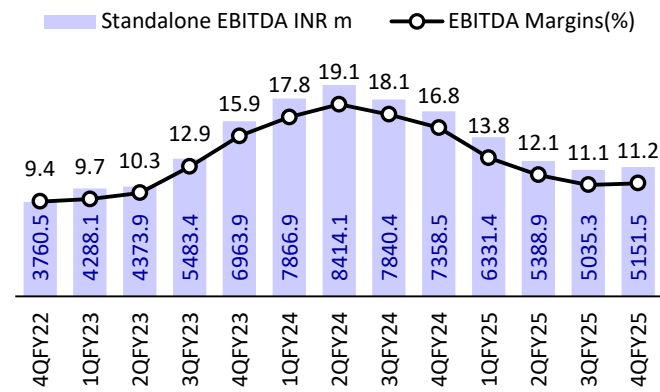
Source: MOFSL, Company

Exhibit 2: Trend in APTY's India revenue



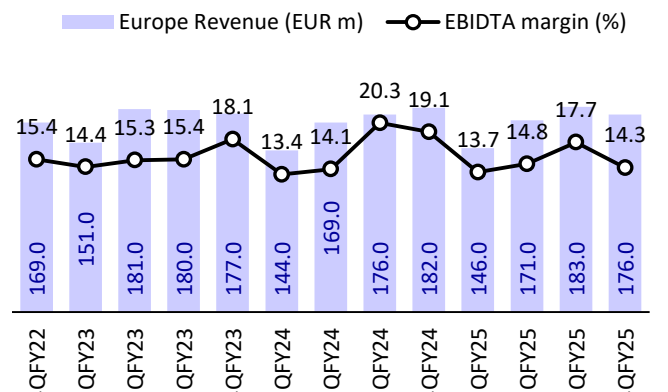
Source: MOFSL, Company

Exhibit 3: Performance trend in standalone



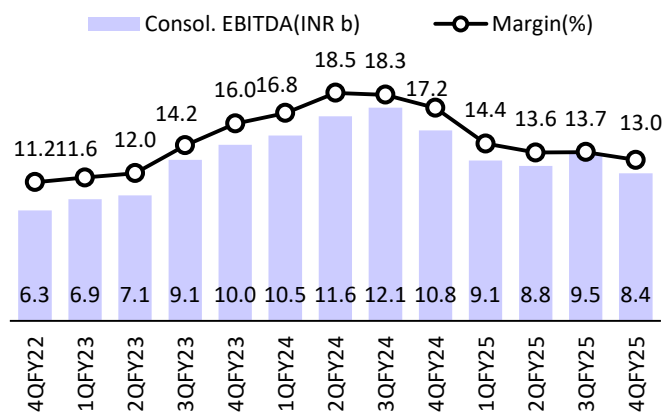
Source: MOFSL, Company

Exhibit 4: Performance trend in APTY's EU operations



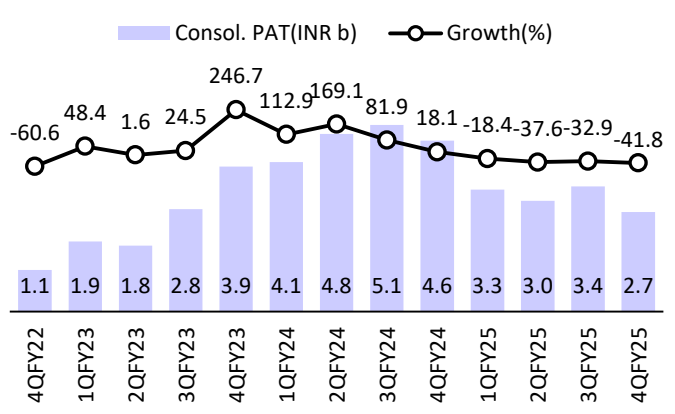
Source: MOFSL, Company

Exhibit 5: Consolidated EBITDA and EBITDA margin trend



Source: MOFSL, Company

Exhibit 6: Consolidated PAT and PAT growth trend



Source: MOFSL, Company

Valuation and view

- **India business well placed for growth over the long term:** APTY is well placed with a strong competitive positioning and ready capacities to benefit from strong growth in TBR/PCR in OEM, as well as a recovery in the replacement segment. While the near-term OEM demand may remain subdued, we estimate a 5% volume CAGR over FY25-27, led by growth in the replacement demand as well as recovery in exports. After the correction in FY25, we expect margins to improve by over 100bp during FY25-27E. Overall, after a sharp decline in earnings in FY25 (down 45% YoY), we expect standalone PAT to clock a 26% CAGR over FY25-27E.
- **Premiumization focus driving better brand positioning and a healthy margin profile:** The company has been focusing on enhancing its product offerings in both India and Europe. Benefiting from its robust R&D capabilities, the company saw notable enhancements in its sales mix, with the PV revenue contribution rising from 18% in FY18 to 23% in FY25, aligning with its premiumization strategy. In Europe, given the premium status of the Vredestein brand, coupled with the establishment of a cutting-edge manufacturing facility in Hungary, the company is well-positioned to enhance its product portfolio by shifting toward the lucrative premium car tyre segment. This is evident from the rising share of its UHP/UUHP mix in Europe to 48% in 3QFY25 from 43% in 3QFY24. With improved competitiveness, APTY has gained market share in the replacement segment and made inroads with OEMs. APTY's relentless focus on margin-lucrative segments would be the key margin tailwind in the coming years.
- **Leaner business model driving healthy returns:** The company has opted for smaller-scale capex plans rather than consolidating them, with an anticipated average annual capex of INR12b for FY25-27E, compared to INR27.2b during the previous capex cycle of FY18-20. These measures have contributed to the consistent generation of free cash flow over the past four years and a reduction in net debt to INR25b as of Mar'25 from INR43.5b in FY21. These measures, coupled with its premiumisation strategy, have helped to drive improved returns over the years.
- **Valuation and view:** We have marginally changed our estimates. After a weak performance in FY25, which was largely impacted by a sharp rise in input costs, we expect APTY's margins to gradually revive, aided by softening costs and its focus on premiumization. We have factored in APTY's margins to improve by 130bp over our forecast period, driving a 25% PAT CAGR over a corrected base. Valuations at 15.6x FY27E appear attractive, especially when compared to peers. **We reiterate our BUY rating on APTY** with a TP of INR554 (valued at 18x FY27E consol. EPS).

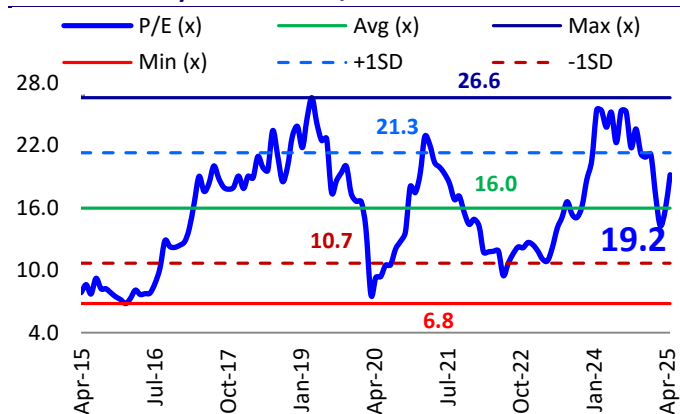
Exhibit 7: Changes to our estimates

Revised forecast (Consol)

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	2,77,628	2,78,720	-0.4	2,94,807	2,95,939	-0.4
EBITDA	40,919	40,479	1.1	44,117	42,921	2.8
EBITDA (%)	14.7	14.5	20bp	15.0	14.5	50bp
EPS (INR)	26.8	26.8	0.0	30.8	29.9	2.9

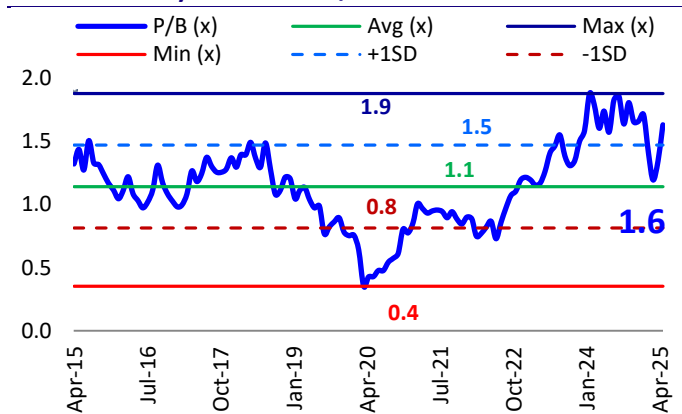
Source: Company, MOFSL

Exhibit 8: One-year forward P/E



Source: MOFSL, Company

Exhibit 9: One-year forward P/B band



Source: MOFSL, Company

Story in charts

Exhibit 10: Revenue and growth trends

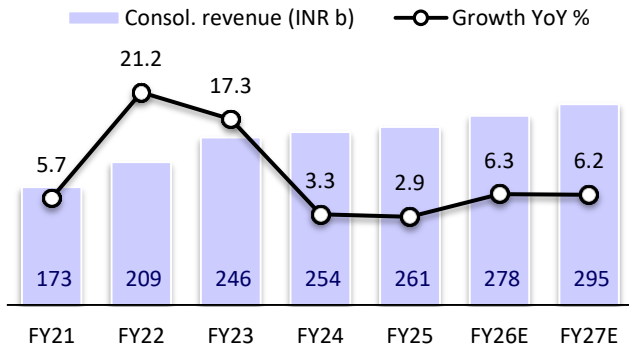


Exhibit 11: EBITDA and EBITDA margin trends

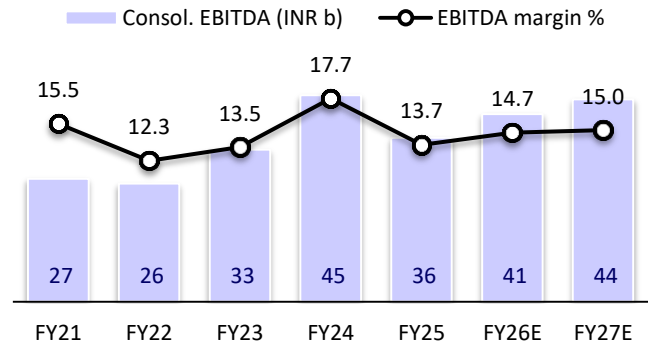


Exhibit 12: Revenue and growth trends for EU business

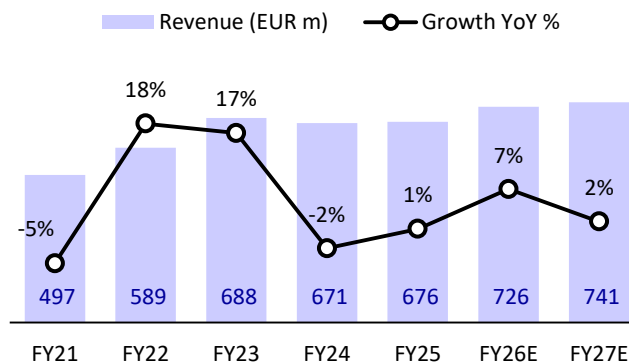


Exhibit 13: EBITDA margin trend for APTY's EU

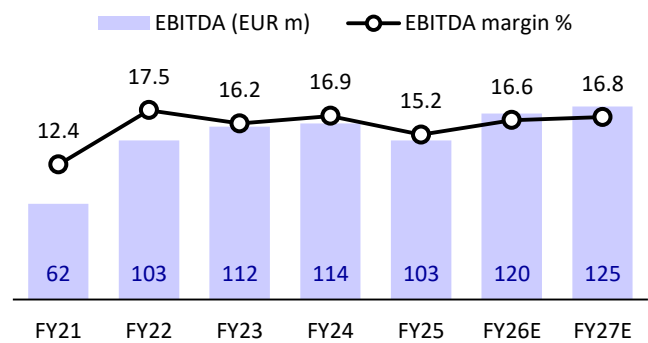


Exhibit 14: PAT and PAT growth trends

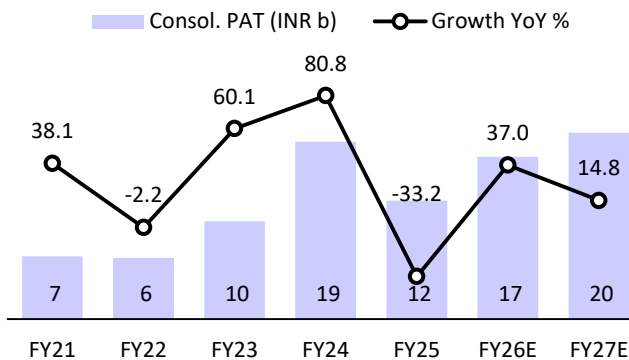


Exhibit 15: Trend in APTY's return profile

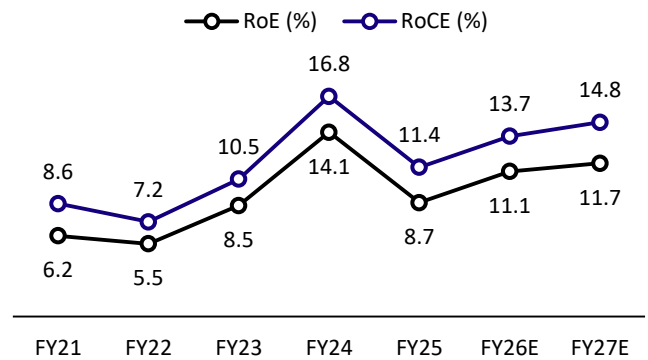


Exhibit 16: FCF to remain positive due to lower capex

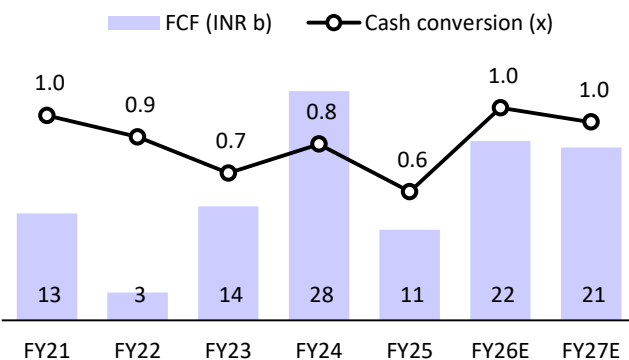
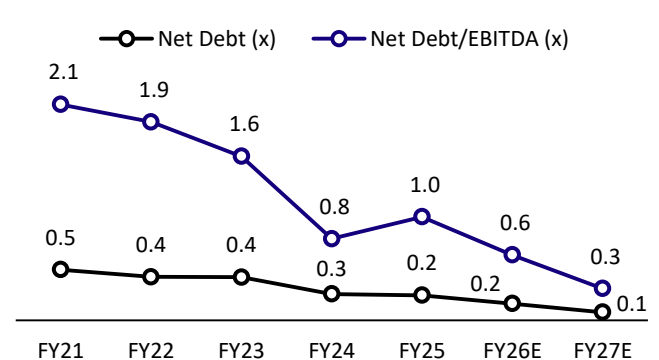


Exhibit 17: Expect APTY to become net cash by FY26



Source: MOFSL, Company

Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(InR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	1,63,502	1,72,820	2,09,476	2,45,681	2,53,777	2,61,234	2,77,628	2,94,807
Change (%)	-6.8	5.7	21.2	17.3	3.3	2.9	6.3	6.2
Raw Materials	90,756	93,945	1,23,855	1,46,371	1,36,631	1,46,945	1,53,253	1,63,119
Employees Cost	24,822	25,134	25,742	26,199	29,640	31,297	32,935	34,547
Other Expenses	28,537	26,917	34,137	39,975	42,519	47,276	50,521	53,024
Total Expenditure	1,44,115	1,45,995	1,83,735	2,12,545	2,08,790	2,25,519	2,36,709	2,50,690
% of Sales	88.1	84.5	87.7	86.5	82.3	86.3	85.3	85.0
EBITDA	19,387	26,825	25,741	33,137	44,987	35,715	40,919	44,117
EBITDA Margin (%)	11.9	15.5	12.3	13.5	17.7	13.7	14.7	15.0
growth	6.2	30.9	-20.8	9.8	31.4	-22.9	7.8	1.5
Depreciation	11,381	13,150	13,997	14,191	14,778	14,984	15,643	16,397
EBIT	8,006	13,675	11,744	18,945	30,209	20,732	25,277	27,720
EBIT Margin (%)	4.9	7.9	5.6	7.7	11.9	7.9	9.1	9.4
Int. and Finance Charges	2,808	4,430	4,444	5,312	5,059	4,466	3,671	2,739
Other Income	237	1,294	1,235	411	1,536	881	1,262	1,383
PBT bef. EO Exp.	5,434	10,539	8,535	14,044	26,685	17,146	22,868	26,364
EO Items	0	4,927	59	-226	1,786	1,687	0	0
PBT after EO Exp.	5,434	5,612	8,476	14,269	24,899	15,460	22,868	26,364
Total Tax	670	2,110	2,091	3,813	7,684	4,253	5,830	6,805
Tax Rate (%)	12.3	37.6	24.7	26.7	30.9	27.5	25.5	25.8
Reported PAT	4,764	3,502	6,385	10,456	17,219	11,213	17,038	19,559
Adjusted PAT	4,764	6,576	6,429	10,290	18,607	12,436	17,038	19,559
Change (%)	-42.8	38.1	-2.2	60.1	80.8	-33.2	37.0	14.8

Consolidated - Balance Sheet

(InR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	572	635	635	635	635	635	635	635
Total Reserves	98,728	1,13,796	1,16,886	1,25,147	1,38,387	1,47,022	1,59,614	1,73,774
Net Worth	99,300	1,14,431	1,17,521	1,25,782	1,39,022	1,47,657	1,60,249	1,74,410
Total Loans	68,383	65,843	61,937	64,205	49,051	44,104	34,104	24,104
Deferred Tax Liabilities	7,032	7,020	9,014	12,590	16,530	17,988	17,988	17,988
Capital Employed	1,74,715	1,87,294	1,88,471	2,02,577	2,04,603	2,09,749	2,12,342	2,16,502
Gross Block	2,42,083	2,64,875	2,90,635	3,05,312	3,13,603	3,22,569	3,37,064	3,51,603
Less: Accum. Deprn.	89,734	1,02,883	1,16,880	1,31,071	1,45,850	1,60,833	1,76,476	1,92,873
Net Fixed Assets	1,52,350	1,61,992	1,73,755	1,74,241	1,67,753	1,61,736	1,60,588	1,58,730
Goodwill on Consolidation	2,134	2,204	2,158	2,288	2,311	2,374	2,374	2,374
Capital WIP	16,420	11,065	6,182	2,526	3,477	4,354	4,354	4,354
Total Investments	194	1,096	4,813	4,358	5,317	452	5,452	9,452
Curr. Assets, Loans&Adv.	60,957	82,088	84,550	90,117	90,716	1,04,144	1,07,988	1,14,240
Inventory	32,069	33,185	41,554	44,285	42,457	51,312	53,244	56,538
Account Receivables	9,399	13,808	20,513	24,885	26,648	30,621	31,946	33,923
Cash and Bank Balance	7,496	21,458	10,807	8,462	9,221	8,861	8,610	8,712
Loans and Advances	11,993	13,637	11,677	12,485	12,389	13,350	14,188	15,066
Curr. Liability & Prov.	57,340	71,151	82,987	70,953	64,971	63,311	68,415	72,648
Account Payables	23,090	28,067	35,309	33,956	29,786	28,744	30,425	32,308
Other Current Liabilities	29,115	38,644	44,193	33,505	31,427	30,168	33,315	35,377
Provisions	5,134	4,440	3,484	3,492	3,757	4,399	4,675	4,964
Net Current Assets	3,617	10,937	1,563	19,164	25,745	40,833	39,573	41,592
Appl. of Funds	1,74,715	1,87,294	1,88,471	2,02,577	2,04,603	2,09,749	2,12,342	2,16,502

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	8.3	10.4	10.1	16.2	29.3	19.6	26.8	30.8
<i>growth</i>	-42.8	24.3	-2.2	60.1	80.8	-33.2	37.0	14.8
Cash EPS	31.7	38.8	40.1	48.1	65.6	53.9	64.2	70.6
BV/Share	195.1	224.8	230.9	247.1	273.1	290.1	314.8	342.6
DPS	6.2	3.5	3.3	4.3	5.3	5.0	7.0	8.5
Payout (%)	90.5	63.5	32.3	25.8	19.4	28.3	26.1	27.6
Valuation (x)								
P/E	57.7	46.4	47.5	29.7	16.4	24.5	17.9	15.6
P/BV	2.5	2.1	2.1	1.9	1.8	1.7	1.5	1.4
EV/Sales	2.1	2.1	1.7	1.5	1.4	1.3	1.2	1.1
EV/EBITDA	17.3	13.5	13.9	10.9	7.7	9.5	8.1	7.3
Dividend Yield (%)	1.3	0.7	0.7	0.9	1.1	1.0	1.5	1.8
FCF per share	-5.0	20.3	5.3	21.6	43.5	17.2	34.0	32.8
Return Ratios (%)								
RoE	4.8	6.2	5.5	8.5	14.1	8.7	11.1	11.7
RoCE (pre-tax)	5.2	8.6	7.2	10.5	16.8	11.4	13.7	14.8
RoIC	4.8	5.4	5.3	7.8	11.2	7.9	9.7	10.6
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Asset Turnover (x)	0.9	0.9	1.1	1.2	1.2	1.2	1.3	1.4
Inventory (Days)	72	70	72	66	61	72	70	70
Debtor (Days)	21	29	36	37	38	43	42	42
Creditor (Days)	52	59	62	50	43	40	40	40
Leverage Ratio (x)								
Net Debt/Equity	0.6	0.5	0.4	0.4	0.2	0.2	0.1	0.0

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
(INR M)								
OP/(Loss) before Tax	5,434	5,612	8,477	14,272	25,402	15,466	22,868	26,364
Depreciation	11,381	13,150	13,997	14,191	14,778	14,984	15,643	16,397
Interest & Finance Charges	2,808	4,430	4,444	5,312	5,059	4,466	2,409	1,356
Direct Taxes Paid	-925	-2,035	-1,222	-2,168	-3,843	-3,926	-5,830	-6,805
(Inc)/Dec in WC	7,996	4,616	-1,829	-7,845	-5,031	-12,662	1,009	-1,916
CF from Operations	26,695	25,772	23,867	23,762	36,366	18,328	36,098	35,396
Others	-1,522	-1,303	-2,332	-2,396	-1,971	-97	0	0
CF from Operating incl EO	25,174	24,469	21,535	21,367	34,395	18,231	36,098	35,396
(Inc)/Dec in FA	-28,055	-11,563	-18,164	-7,627	-6,739	-7,306	-14,495	-14,539
Free Cash Flow	-2,881	12,906	3,371	13,739	27,656	10,926	21,604	20,857
(Pur)/Sale of Investments	-134	-12,547	5,960	2,512	-716	4,973	-5,000	-4,000
Others	230	667	482	331	348	310	1,262	1,383
CF from Investments	-27,959	-23,443	-11,722	-4,784	-7,107	-2,022	-18,233	-17,156
Issue of Shares	0	10,800	0	0	0	0	0	0
Inc/(Dec) in Debt	13,863	-3,222	-1,875	-7,484	-16,114	-5,218	-10,000	-10,000
Interest Paid	-2,232	-3,407	-4,022	-4,793	-4,759	-4,171	-3,671	-2,739
Dividend Paid	-4,310	0	-2,223	-2,064	-2,858	-3,811	-4,446	-5,398
Others	-1,771	-2,869	-2,712	-2,587	-2,802	-3,264	0	0
CF from Fin. Activity	5,550	1,302	-10,832	-16,928	-26,534	-16,464	-18,117	-18,138
Inc/Dec of Cash	2,765	2,327	-1,018	-346	755	-255	-251	102
Opening Balance	4,622	7,387	9,725	8,706	8,361	9,115	8,861	8,610
Closing Balance	7,387	9,714	8,706	8,361	9,115	8,861	8,610	8,712

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

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

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

Disclosures

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

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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

The associates of MOFSL may have:

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

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

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, 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 and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

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

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

Grievance Redressal Cell:

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

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

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