

Balkrishna Industries

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BIL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	514.3 / 6
52-Week Range (INR)	3378 / 2152
1, 6, 12 Rel. Per (%)	1/8/-21
12M Avg Val (INR M)	772

Financials & valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	106.5	115.4	132.5
EBITDA	26.6	29.6	34.8
Adj. PAT	16.5	18.6	22.4
EPS (Rs)	85.6	96.1	116.1
EPS Growth (%)	11.9	12.3	20.7
BV/Share (Rs)	537.4	613.5	704.6
Ratios			
RoE (%)	17.2	16.7	17.6
RoCE (%)	13.7	13.7	14.8
Payout (%)	18.7	20.8	21.5
Valuations			
P/E (x)	31.1	27.7	22.9
P/BV (x)	4.9	4.3	3.8
Div. yield (%)	0.6	0.8	0.9
FCF yield (%)	0.6	-0.1	1.3

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter (%)	58.3	58.3	58.3
DII (%)	23.8	24.0	22.1
FII (%)	11.5	11.3	12.2
Others (%)	6.5	6.5	7.4

FII includes depository receipts

CMP: INR2,660

TP: INR2,553 (-4%)

Neutral

Demand uncertainty prevails in global OHT segment

Ambitious expansion in TBR/PCR segments to be a key monitorable

- Balkrishna Industries (BIL)'s 4QFY25 operational performance was in line, although PAT was below our estimate primarily due to a forex loss. EBITDA at INR7b was in line with our estimates.
- BIL continues to face demand headwinds in its key global markets. Hence, we cut our earnings estimates by 8% each for FY26/FY27. To our surprise, BIL announced its foray into the niche PCR/TBR segments, which is likely to be critically monitored from here on for: 1) whether or not it is able to gain material traction in these segments and 2) would margins and returns be materially dilutive in the long run. While the stock has not done well in the recent past and its valuations at 27.7x FY26E and 22.9x FY27E are not too demanding, its future target multiple is likely to be a function of its success in these new segments. The success will not only be in terms of market share gains but also without materially hurting core returns – which is likely to be a herculean task, in our opinion.
- We retain our target multiple for BIL and continue to value it at 22x FY27E. However, this may warrant a change going forward if BIL's returns plunge due to this foray. **Reiterate Neutral** with a TP of INR2,553.

Operational performance in line in 4QFY25

- BIL's 4Q operational performance was in line with our estimates, although PAT was below our estimates primarily due to an unrealised forex loss.
- Revenue grew 5% YoY to INR28.4b, ahead of our estimate of INR27.2b. Blended ASP rose 5% YoY (+2.6% QoQ) due to improved mix and favorable currency hedge. Volumes remained flat YoY for 4Q.
- BIL's margin contracted 150bp YoY to 24.8% due to higher input costs, which are likely to have peaked in 4Q. EBITDA at INR7b was in line with our estimates.
- PAT declined 26% YoY to INR3.6b and was below our estimate of INR4.4b mainly due to an unrealized forex loss of INR580m in 4Q.
- For FY25, revenue grew 12.7% YoY to INR106b led by 8% YoY volume growth. Revenue from carbon black stands at 8-9% of FY25 revenues.
- BIL's EBITDA margin has remained stable YoY at 25% despite higher input costs due to an improved mix and favorable hedge rates.
- Overall, PAT grew 12% YoY to INR16.6b.
- For FY25, BIL has delivered a FCF of INR 3.1bn post capex of INR15b.
- While gross debt has increased to INR32b, it has cash and cash equivalents of INR33b. As a result, the net cash position as of FY25-end stood at INR1.1b.
- The BOD declared a total dividend of INR16 per share, which translates to a dividend payout of 19%.

Highlights from the management commentary

- Management earmarked an ambitious five-year roadmap to scale up revenue by 2.2x to INR230b by 2030. This would be driven by 1) continued outperformance in its core OHT segment (70% contribution estimate by 2030), where it targets to move to an 8% share by 2030 from 6% currently, for which capacity is being expanded to 425k MT pa from the current 360k MT pa; 2) 10% contribution from sales of carbon black to a third party, for which carbon black capacity is being increased to 360k MT pa from the current 200k MT pa; and 3) a foray into TBR and premium PCR segments, which is expected to contribute to 20% of revenue by 2030. For this ambitious growth, BIL has earmarked INR35b capex over the next three years, in addition to the INR5-7b capex that would be invested in the core segment. Given its backward integration capabilities and market understanding, management does not expect this foray to materially dilute either margins or returns by 2030.
- Management refrained from giving any growth guidance for its core global OHT segment given the adverse macro environment globally in its key regions.
- Management provided margin guidance at 25% for its core OHT segment.

Valuation and view

BIL continues to face demand headwinds in its key global markets. Hence, we cut our earnings estimates by 8% each for FY26/FY27. Further, its foray into the PCR/TBR segments is likely to be critically monitored from here on for: 1) whether or not it is able to gain material traction in these segments and 2) would margins and returns be materially dilutive in the long run. While the stock has not done well in the recent past and its valuations at 27.7x FY26E and 22.9x FY27E are not too demanding, its future target multiple is likely to be a function of its success in these new segments. The success will not only be in terms of market share gains but also without materially hurting core returns – which is likely to be a herculean task, in our opinion. We retain our target multiple for BIL and continue to value it at 22x FY27E. However, this may warrant a change going forward if BIL's returns plunge due to this foray. **Reiterate Neutral** with a TP of INR2,553.

Y/E March									(INR m)		
	FY24				FY25				FY24	FY25	VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	73,298	76,343	82,062	2,92,628	3,15,273	80,489
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	3.8	4.9	0.0	-2.8	7.7	-1.9
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	336.3	336.8	345.8	320.4	335.6	337.6
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	5.6	5.8	5.2	-4.2	4.7	2.7
Net Revenues	21,150	22,468	23,158	26,971	27,415	24,648	25,716	28,376	93,760	1,05,791	27,171
YoY Change (%)	-22.4	-19.9	4.5	16.0	29.6	9.7	11.0	5.2	-6.9	12.8	0.7
EBITDA	4,863	5,480	5,868	7,098	7,137	6,185	6,391	7,035	23,322	26,184	6,919
Margins (%)	23.0	24.4	25.3	26.3	26.0	25.1	24.9	24.8	24.9	24.8	25.5
Depreciation	1,537	1,586	1,591	1,724	1,617	1,647	1,708	1,760	6,438	6,737	1,736
Interest	208	229	354	299	143	404	150	490	1,089	1,244	267
Forex loss/(gain)	-330	-250	530	-490	-60	530	-1,120	580	-550	0	0
Other Income	660	520	710	870	830	1,048	240	550	2,750	3,308	945
PBT before EI	4,108	4,435	4,104	6,436	6,267	4,653	5,894	4,755	19,095	21,511	5,861
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0	0
PBT	4,108	4,435	4,104	6,337	6,267	4,653	5,894	4,755	18,997	21,511	5,861
Rate (%)	23.9	24.5	24.8	24.1	23.8	24.9	25.4	23.8	24.3	24.6	24.8
Adj PAT	3,125	3,350	3,084	4,884	4,773	3,496	4,398	3,622	14,456	16,217	4,405
YoY Change (%)	-2.3	-17.1	209.9	89.6	52.7	4.3	42.6	-25.8	34.0	12.2	-9.8

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY24				FY25E				FY24E	FY25	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	73,298	76,343	78,426	2,92,628	3,11,637	74,204
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	3.8	4.9	-4.5	-2.8	6.5	2.0
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	336.3	336.8	337.2	320.4	334.4	339.6
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	5.6	5.8	2.6	-4.2	4.4	6.7
Gross Margins (%)	51.7	51.9	52.0	53.3	53.1	52.5	52.4	51.8	52.3	52.5	52.2
EBITDA Margins (%)	23.0	24.4	25.3	26.3	26.0	25.1	24.9	24.8	24.9	25.2	24.9
Gross Profit (INR '000/ton)	162.6	165.1	165.6	175.1	174.2	176.7	176.6	174.6	167.5	175.5	177.3
EBITDA (INR '000/ton)	72.4	77.6	80.7	86.5	85.4	84.4	83.7	83.7	79.7	84.3	84.6


Highlights from the management commentary
BIL earmarks ambitious long-term growth target

- Management earmarked an ambitious five-year roadmap to scale up revenue by 2.2x to INR230b by 2030. This would be driven by:
 - **Existing OHT business – 70% contribution**
- The company is currently setting up a 35K MT pa plant for the mining segment. They are the only Indian player to have all steel radial technology up to 57 inches. This along with debottlenecking is expected to take their total capacity to 425k MT pa (from the current achievable capacity of ~360k MT pa)
- Apart from this, it is expanding a dedicated facility for rubber tracks, which is likely to be operational by 2HFY26. They had already started a pilot project on this and after getting a good response, they have decided to set up a dedicated facility for the same. The company will look to ramp up its presence in the rubber tracks market across agri, construction equipment, and Industrial segments and also both in domestic and export markets.
- These will help them reach about 8% market share in the global OHT segment, from the current 6% or to INR161b by 2030 (at 9% CAGR)
- This is despite the ongoing geopolitical challenges. In case the global macro environment improves in the coming years, the company would be well placed to ramp up to its earlier target of achieving a 10% market share of the global OHT segment by 2030.
- **Continue to scale up the Carbon Black plant**
- BIL has approved the capacity expansion of its Carbon Black plant to 360k MT pa from the current 200k MT pa. They would also look to increase power generation capacity by 24 MW taking the total power generation capacity from the Carbon Black plant to 64MW.
- This expansion is likely to be complete by early 2026 and would help secure access to high-quality Carbon grade for its internal use and also help boost up internal power generation.
- Its advanced Carbon Black plant is undergoing trial runs and is expected to generate revenues from FY26 onwards.
- After this, the improvement in Carbon Black sales to third parties is expected to scale up to 10% of its five-year target or at INR23b.
- **Expansion into new segments of TBR and PCR in India**
- Surprisingly, BIL announced its venture into TBR and premium PCR segments in India.

- The company's initial focus would be on the replacement segment.
- It intends to start a pilot TBR launch in 4QFY26 from its radial mining plant. Their experience in all steel radial technology in the OHT segment is complimentary for the TBR business entry, as per management. BIL believes that it can create a differentiation in the market and is fairly confident about its scale-up in this business going forward.
- The pilot for PCR tyres is expected to commence from Q3FY27
- They target a revenue contribution of about 20% of their target by 2030 or INR46b from this venture. By then, they would have around 5% market share (based on current level of demand)
- Mr. Satish Sharma, who joined the company recently as Senior President for Strategy and Business Development is likely to drive this foray. Mr. Satish has over three decades of experience in the tyre industry and was previously with Apollo Tyres
- Further, it is already present in the 2W segment, albeit in a small way. The company expects to ramp up its presence in two-wheelers as well going forward
- Revenue from these new businesses is likely to ramp up towards the back-end of the five-year guidance as it would focus on getting the building blocks (like setting distribution network, testing products in the market, etc.) in place in the initial years

➤ **Profitability guidance**

- Given its backward integration capability, and focus on niche PCR and TBR segments, the company does not expect a material dilution to its margins going forward.
- Once all three businesses scale up, the company expects margins to be in the range of 23-25% by 2030, while focusing on strong growth in absolute EBITDA. This is as: 1) the new business will be a small proportion of overall revenues; 2) it has a cost advantage relative to competition with backward integration; and 3) it would focus on niche premium segments in PCR and TBR.
- Overall, BIL also does not expect a material dilution in returns in the long run.

➤ **Capex required**

- For these new projects, the company has announced a total investment of INR35b over the next three years, which is likely to be front-ended
- This would be apart from the INR5-7b regular capex on the existing core business p.a.
- The bulk of its capex needs is likely to be funded by internal accruals.

Demand outlook – core business

- Management refrained from giving any growth guidance for its global OHT segment given the adverse macro environment globally in its key regions.
- Inventory continues to be at normal levels, as per the management.

Margin guidance

- Rubber prices appear to have peaked out now in 4Q. They expect input cost to be lower by about 1% QoQ in Q1FY26.
- Freight rates are also stable currently.
- Management has given margin guidance for its core OHT segment at 25%.

Impact of US tariffs

- The tariff imposed on tyre imports into the US was an additional 10%, over and above the existing 2.5-3.0%
- The increase in tariff has been partially absorbed by OEMs and BIL without any increase in costs to the end consumer.

Key exhibits

Exhibit 1: Volume trend

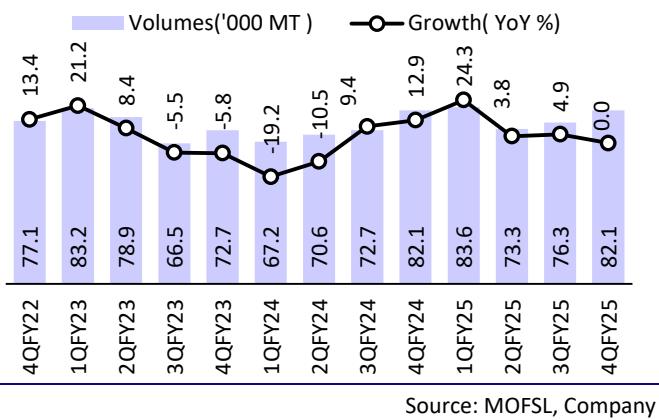


Exhibit 2: Trend in revenue

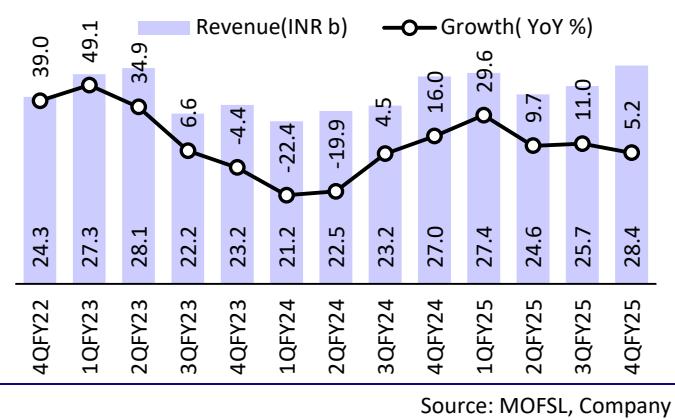


Exhibit 3: Net realization trend

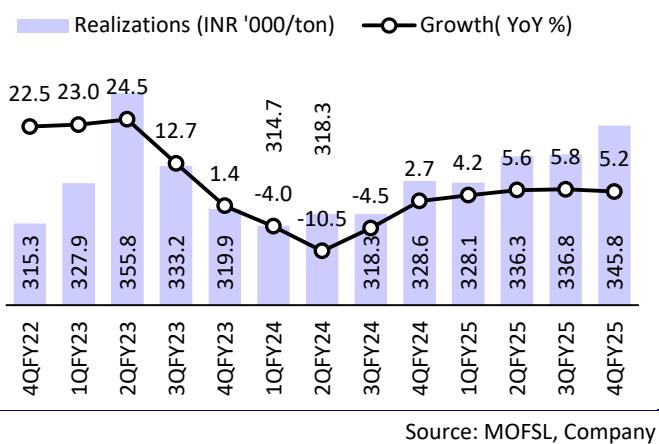


Exhibit 4: Gross profit margin trend

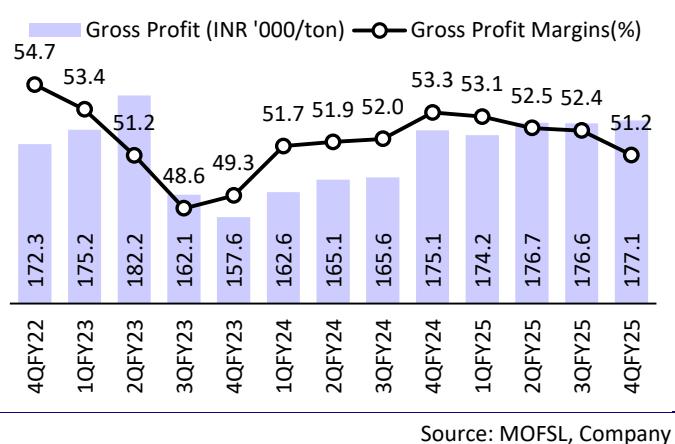


Exhibit 5: EBITDA margin trend

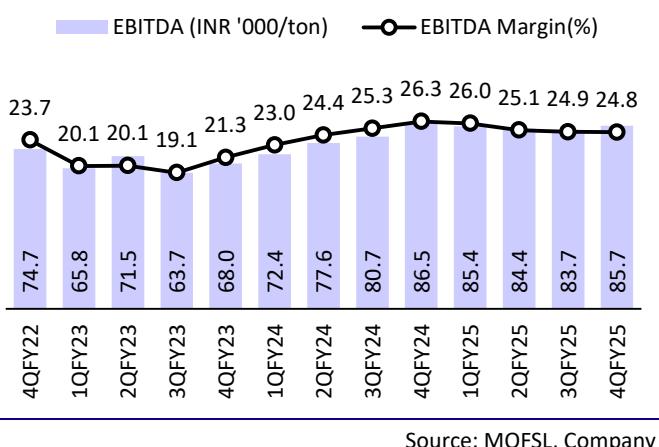


Exhibit 6: PAT and PAT growth trends

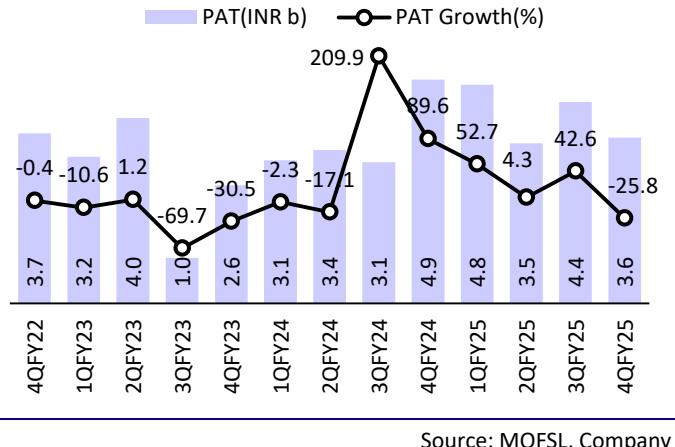
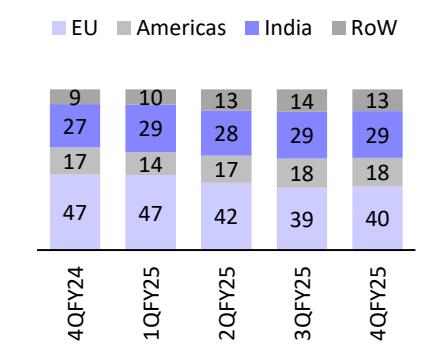
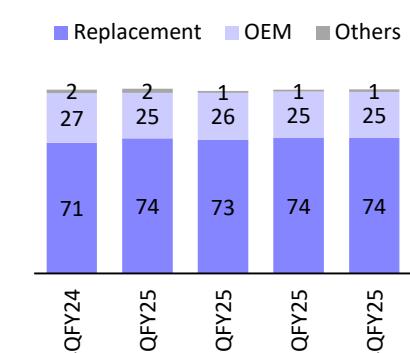
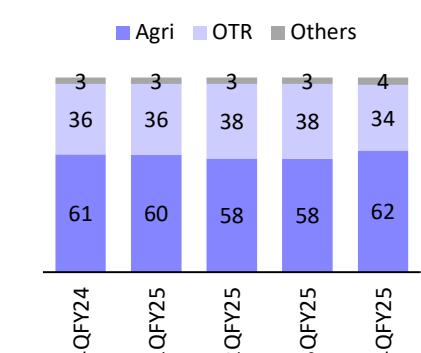


Exhibit 7: Geography-wise contribution

Exhibit 8: Channel-wise sales

Exhibit 9: Segment-wise sales


Source: Company, MOFSL

Valuation and view

- **Profitable market share gains to continue in the core:** BIL has a well-established competitive advantage, which has enabled consistent market share gains. Its competitive advantage is driven by: 1) competitive cost and pricing, 2) consistent product portfolio expansion, and 3) expanding reach. With the current market share of 6% in the USD15b global Specialty Tyre segment, BIL aspires to increase this to 8% by 2030 driven by: a) ramping up the OTR segment, which is much larger than Agri Tyres, b) strengthening its presence in the North American and RoW markets, and c) gaining market share with OEMs. We estimate ~9%/12% volume/revenue CAGR over FY25-27, largely back-ended.
- **Giant strides taken for growth; unlikely to be an easy journey:** Management has earmarked significant growth plans to ramp up revenue by 2.2x over the next five years to INR230b. While its core business is likely to post about 9% revenue CAGR in this period and looks achievable, its foray into the TBR and PCR segments has taken us by surprise. While we do not doubt management's capabilities here, we are unsure if this move was warranted at a time when there is a large global OHT market that remains untapped (BIL has just about 6% share here). Further, we believe that it is likely to take much longer for BIL to establish a meaningful presence in TBR and PCR segments in India, given that established players have invested in brand building in these segments over the last many decades. In fact, its foray into niche premium segments is likely to take even longer in our view, as these segments would be extremely brand-conscious. The same is the case with the TBR segment, where fleet operators are unlikely to change to a new brand very easily, given they are extremely cost-conscious. Further, even if BIL is successful in these segments in the long run, given that both Carbon Black and TBR/PCR are lower-margin segments than its core, its margins/returns are likely to get diluted in the long run, as these segments become a larger share of the pie. Hence, we are not very enthused with management's foray into these segments.
- **Earnings cut led by weak global demand:** As highlighted above, we believe it is likely to take longer for BIL to establish its presence in the PCR / TBR segments. We hence don't think its financials are likely to be materially impacted in the near term, at least until FY27E. However, we temper our growth projections given the continued weakness in global market demand. We hence cut our earnings estimates by 8% each for FY26/FY27. We expect BIL to post a similar

slower growth in FY26E as in FY25 (at 7%) and then factor in an improved pick-up of 11% for FY27E. We have also factored in 130bp margin improvement to 26.3% over the next two years, as input costs are likely to have peaked in 4QFY25. Overall, we estimate revenue/EBITDA/PAT for BIL to grow at 12%/15%/16% over FY25-27E.

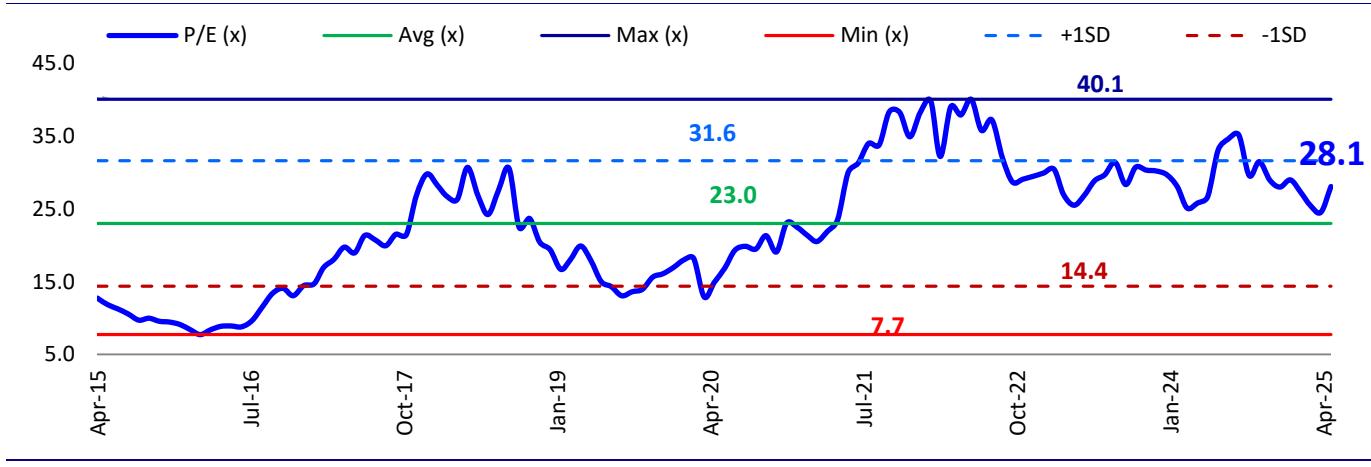
- **Valuations and view:** BIL continues to face demand headwinds in its key global markets. Further, its foray into the PCR/TBR segments is likely to be critically monitored from here on for: 1) whether or not it is able to gain material traction in these segments and 2) would margins and returns be materially dilutive in the long run, due to this foray. While the stock has not done well in the recent past and its valuations at 27.7x FY26E and 22.9x FY27E are not too demanding, its future target multiple is likely to be a function of its success in these new segments. The success will not only be in terms of market share gains but also without materially hurting core returns – which is likely to be a herculean task, in our opinion. We retain our target multiple for BIL and continue to value it at 22x FY27E. However, this may warrant a change going forward if BIL's returns plunge due to this foray. **Reiterate Neutral** with a TP of INR2,553.

Exhibit 10: Revisions to our estimates

(INR m)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,15,424	1,20,300	-4.1	1,32,451	1,38,112	-4.1
EBITDA	29,600	31,297	-5.4	34,845	36,833	-5.4
EBITDA (%)	25.6	26.0	-40bp	26.3	26.7	-40bp
Adj. PAT	18,585	20,086	-7.5	22,433	24,428	-8.2
EPS (INR)	96.1	103.9	-7.5	116.1	126.4	-8.2

Source: MOFSL, Company

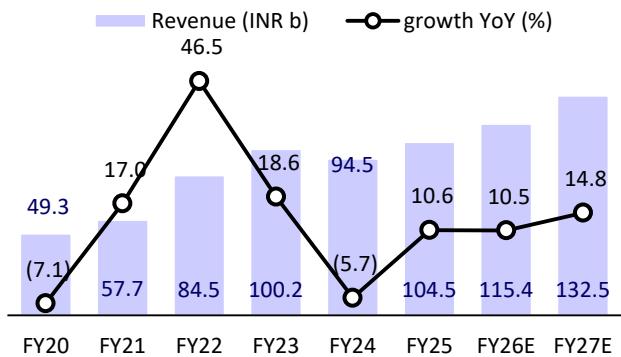
Exhibit 11: One-year forward P/E



Source: MOFSL, Company

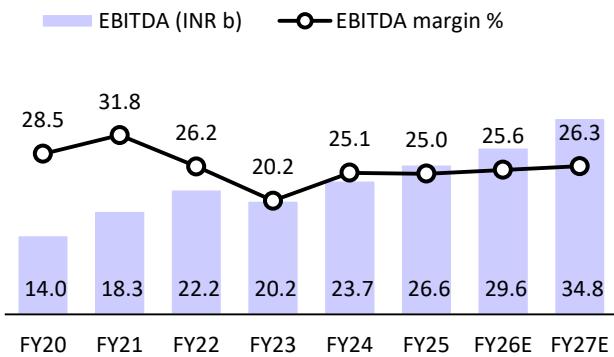
Story in charts

Exhibit 12: Revenue to post a ~12% CAGR over FY25-27E



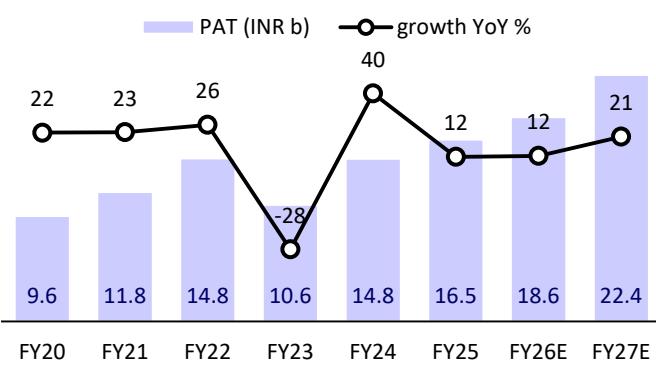
Source: Company, MOFSL

Exhibit 13: EBITDA margin to expand over FY25-27E



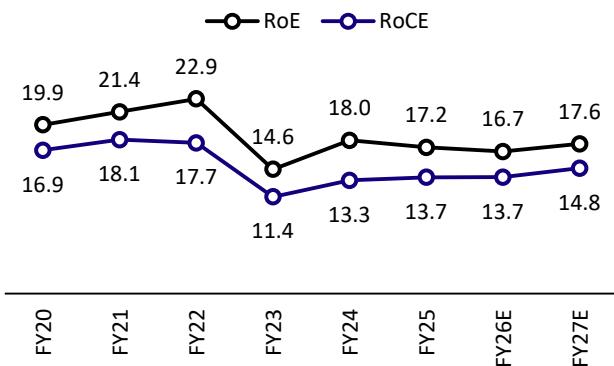
Source: Company, MOFSL

Exhibit 14: PAT to post a ~16% CAGR over FY25-27E



Source: Company, MOFSL

Exhibit 15: Returns to see a gradual pickup



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	(INR m) FY27E
Adj. Net Revenues	49,262	57,652	84,471	1,00,215	94,459	1,06,490	1,15,424	1,32,451
Change (%)	-7.1	17.0	46.5	18.6	-5.7	12.7	8.4	14.8
EBITDA	14,028	18,341	22,158	20,201	23,734	26,596	29,600	34,845
EBITDA Margin (%)	28.5	31.8	26.2	20.2	25.1	25.0	25.6	26.3
Depreciation	3,736	4,163	4,554	5,708	6,507	6,807	7,359	8,289
EBIT	10,292	14,178	17,604	14,493	17,227	19,789	22,240	26,556
EBIT Margin (%)	20.9	24.6	20.8	14.5	18.2	18.6	19.3	20.0
Int. and Finance Charges	89	114	92	480	1,129	1,283	980	779
Fx loss/(gain)	0	-180	-390	880	-550	0	500	500
Other Income	1,190	1,297	1,920	1,217	2,810	3,368	3,694	4,241
PBT bef. EO Exp.	11,393	15,541	19,822	14,350	19,458	21,874	24,454	29,517
EO Items	0	0	-615	-23	-98	0	0	0
PBT after EO Exp.	11,393	15,541	19,207	14,327	19,360	21,874	24,454	29,517
Total Tax	1,799	3,774	4,852	3,751	4,645	5,324	5,869	7,084
Eff. Tax Rate (%)	15.8	24.3	25.3	26.2	24.0	24.3	24.0	24.0
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	9,594	11,767	14,354	10,576	14,715	16,550	18,585	22,433
Adjusted PAT	9,594	11,767	14,814	10,593	14,790	16,550	18,585	22,433
Change (%)	22.5	22.7	25.9	-28.5	39.6	11.9	12.3	20.7

Consolidated - Balance Sheet								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	(INR m) FY27E
Equity Share Capital	387	387	387	387	387	387	387	387
Total Reserves	49,696	59,612	68,944	75,183	88,152	1,03,489	1,18,209	1,35,809
Net Worth	50,083	59,998	69,330	75,569	88,538	1,03,876	1,18,595	1,36,196
Total Loans	9,316	10,006	25,286	33,465	30,994	32,675	32,675	29,675
Deferred Tax Liabilities	1,783	2,035	2,509	2,419	3,490	4,563	4,563	4,563
Capital Employed	61,182	72,039	97,125	1,11,453	1,23,023	1,41,114	1,55,833	1,70,434
Gross Block	48,210	52,954	64,051	83,240	99,070	1,12,142	1,29,142	1,47,142
Less: Accum. Deprn.	15,992	20,115	24,651	30,108	36,538	43,344	50,704	58,992
Net Fixed Assets	32,218	32,839	39,401	53,133	62,532	68,798	78,439	88,150
Capital WIP	5,866	8,555	12,584	13,916	9,444	9,860	9,860	9,860
Investment property	857	864	793	708	643	612	612	612
Total Investments	10,625	14,177	18,967	20,367	26,857	38,233	36,233	38,433
Curr. Assets, Loans&Adv.	18,498	25,230	38,045	35,353	37,370	38,844	46,521	51,546
Inventory	6,156	9,397	16,721	16,674	13,315	17,819	18,974	19,958
Account Receivables	5,899	7,536	10,962	11,153	14,454	14,945	15,812	18,144
Cash and Bank Balance	468	549	459	693	746	802	668	743
Loans and Advances	5,974	7,748	9,904	6,834	8,854	5,277	11,068	12,701
Curr. Liability & Prov.	6,882	9,626	12,665	12,024	13,823	15,233	15,832	18,167
Account Payables	3,837	6,550	8,293	4,921	9,102	7,539	8,854	10,161
Other Current Liabilities	2,746	2,750	4,056	6,754	4,329	7,160	6,325	7,258
Provisions	299	326	316	348	392	534	653	749
Net Current Assets	11,616	15,604	25,380	23,330	23,547	23,611	30,689	33,378
Appl. of Funds	61,182	72,039	97,125	1,11,453	1,23,023	1,41,114	1,55,833	1,70,434

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	49.6	60.9	76.6	54.8	76.5	85.6	96.1	116.1
Cash EPS	69.0	82.4	100.2	84.3	110.2	120.8	134.2	158.9
BV/Share	259.1	310.4	358.7	390.9	458.0	537.4	613.5	704.6
DPS	22.0	17.0	28.0	16.0	16.0	16.0	20.0	25.0
Payout (%)	53.4	27.9	37.7	29.2	21.0	18.7	20.8	21.5
Valuation (x)								
P/E	53.6	43.7	34.7	48.5	34.8	31.1	27.7	22.9
Cash P/E	38.6	32.3	26.5	31.5	24.1	22.0	19.8	16.7
P/BV	10.3	8.6	7.4	6.8	5.8	4.9	4.3	3.8
EV/Sales	10.6	9.1	6.4	5.5	5.8	5.1	4.7	4.1
EV/EBITDA	37.3	28.5	24.3	27.1	22.9	20.5	18.5	15.6
Dividend Yield (%)	0.8	0.6	1.1	0.6	0.6	0.6	0.8	0.9
FCF per share	20.2	21.5	-35.2	-15.7	51.8	16.3	-3.9	35.6
Return Ratios (%)								
RoE	19.9	21.4	22.9	14.6	18.0	17.2	16.7	17.6
RoCE	16.9	18.1	17.7	11.4	13.3	13.7	13.7	14.8
RoIC	20.3	23.1	23.1	15.1	16.1	16.8	16.8	17.5
Working Capital Ratios								
Fixed Asset Turnover (x)	1.0	1.1	1.3	1.2	1.0	0.9	0.9	0.9
Asset Turnover (x)	0.8	0.8	0.9	0.9	0.8	0.8	0.7	0.8
Inventory (Days)	46	59	72	61	51	61	60	55
Debtor (Days)	44	48	47	41	56	51	50	50
Creditor (Days)	28	41	36	18	35	26	28	28
Leverage Ratio (x)								
Current Ratio	2.7	2.6	3.0	2.9	2.7	2.5	2.9	2.8
Interest Cover Ratio	115.6	124.6	192.4	30.2	15.3	15.4	22.7	34.1
Net Debt/Equity	0.0	-0.1	0.1	0.2	0.0	-0.1	0.0	-0.1

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	11,393	15,541	19,207	14,327	19,410	21,874	24,454	29,517
Depreciation	3,736	4,163	4,554	5,708	6,507	6,807	7,359	8,289
Interest & Finance Charges	-135	-289	-324	116	661	650	-2,485	-3,221
Direct Taxes Paid	-2,884	-3,510	-4,579	-3,429	-4,235	-4,833	-5,869	-7,084
(Inc)/Dec in WC	544	-1,273	-8,289	-1,865	1,536	-4,437	-7,213	-2,614
CF from Operations	12,653	14,632	10,569	14,857	23,879	20,061	16,246	24,887
Others	-922	-1,242	-1,488	-378	-3,053	-2,420	0	0
CF from Operating incl EO	11,731	13,390	9,080	14,480	20,826	17,641	16,246	24,887
(Inc)/Dec in FA	-7,830	-9,232	-15,889	-17,523	-10,814	-14,484	-17,000	-18,000
Free Cash Flow	3,901	4,159	-6,809	-3,043	10,013	3,157	-754	6,887
(Pur)/Sale of Investments	863	-2,891	-3,516	-883	-4,574	-1,760	2,000	-2,200
Others	190	388	431	575	632	1,451	3,465	4,000
CF from Investments	-6,778	-11,734	-18,975	-17,831	-14,755	-14,794	-11,535	-16,200
Inc/(Dec) in Debt	279	857	15,498	7,097	-1,902	1,433	0	-3,000
Interest Paid	-88	-114	-90	-420	-1,022	-1,128	-980	-779
Dividend Paid	-5,126	-2,316	-5,603	-3,091	-3,095	-3,095	-3,866	-4,833
Others	-13	-3	0	-1	1	-1	0	0
CF from Fin. Activity	-4,947	-1,575	9,804	3,585	-6,018	-2,791	-4,846	-8,612
Inc/Dec of Cash	7	81	-90	234	53	56	-135	75
Opening Balance	462	468	549	459	693	746	802	668
Closing Balance	468	549	459	693	746	802	668	743

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://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20Companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

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

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

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

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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