

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CEAT IN
Equity Shares (m)	40
M.Cap.(INRb)/(USDb)	151 / 1.7
52-Week Range (INR)	4049 / 2322
1, 6, 12 Rel. Per (%)	7/16/25
12M Avg Val (INR m)	639

Financials & valuations (INR b)

INR Billion	FY25	FY26E	FY27E
Sales	132.2	152.3	174.3
EBITDA	14.7	19.3	23.0
EBITDA Margin (%)	11.2	12.7	13.2
Adj. PAT	4.9	6.5	8.5
EPS (Rs)	122.1	161.3	210.5
EPS Growth (%)	-27.9	32.1	30.5
BV/Share (Rs)	1,080	1,201	1,367

Ratios

RoE (%)	11.7	14.1	16.4
RoCE (%)	11.0	12.7	14.0
Payout (%)	25.7	24.8	21.4

Valuations

P/E (x)	30.6	23.1	17.7
P/BV (x)	3.5	3.1	2.7
Div. Yield (%)	11.7	9.3	7.6
FCF Yield (%)	0.8	1.1	1.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	47.2	47.2	47.2
DII	20.1	21.5	17.1
FII	17.4	15.3	18.8
Others	15.3	16.0	16.9

FII includes depository receipts

CMP: INR3,732 TP: INR4,523 (+21%) Buy

Margin beat led by lower input costs

Camso integration benefits to be back-ended

- CEAT 2QFY26 earnings at INR1.85b came in above our estimate of INR1.4b, aided by higher-than-expected margin of 13.3% (est. 11.8%). The GST rate cut is expected to boost tyre demand in the replacement and OEM segments. Further, benign input costs would help maintain margins for the core business.
- While the recent Camso acquisition is expected to take time to be earnings accretive, we remain positive on the long-term benefits that this acquisition can deliver for the group. **Hence, we reiterate our BUY rating on the stock with a TP of INR4,523 (based on ~20x Sep'27E EPS).**

Beat on earnings due to softer commodity costs

- 2Q earnings at INR1.85b came in above our estimate of INR1.4b due to higher-than-expected margin.
- Net sales grew 14.2% YoY to INR37.7b (+3.8% vs. est.) in 2Q, aided by healthy YoY volume growth, mainly for the OEM and export segments.
- OEM volume growth was driven by robust performance across all key segments, with festive demand restocking acting as strong tailwind. Realizations improved marginally on YoY and QoQ basis.
- **1H segment mix:** Truck/bus 29%, 2/3Ws 28%, PV 21%, OHT 15%, Others 7%
- **1H market mix:** Replacement 52%, OEM 29%, Exports 19%
- Gross margin expanded 350bp YoY/410bp QoQ to 41% due to lower RM costs YoY and QoQ. Input costs were down 5% QoQ, higher than earlier anticipated.
- Employee costs increased due to the annual increment. Other expenses were higher due to increased outsourcing, distribution, marketing, and higher manufacturing activities.
- EBITDA margin was up 240bp YoY/240bp QoQ at 13.3%, above our estimate of 11.8%. Margin expansion was driven by lower input costs.
- Interest burden was in line with expectations at INR870m (est. INR850m).
- Other income was lower at INR39m vs. our estimate of INR45m.
- PAT grew 52.3% YoY to INR1.85b, above our estimate of INR1.4b.
- Capex for 2Q stood at INR4.2b.
- In 2Q, debt grew by INR10.3b to INR29.4b. D/E stood at 0.64x, while debt/EBITDA stood at 1.8x due to acquisition of Camso.
- 1H cash flow from operations stood at INR8.7b, while capex (incl Camso acquisition) stood at INR15.4b, resulting in FCF outflow of INR6.6b.

Highlights from the management commentary

- **Domestic outlook:** The replacement segment is expected to record high single-digit growth, with TBR anticipated to be in line with the overall GDP growth. The 2W segment is expected to grow by 7-8%, and the PV segment is projected to grow modestly, ranging from 0% to low single digits. For the OEM segment, the MHCV segment is expected to stay flat or grow in low single digits, while the PV segment is expected to grow by 6-8% and the 2W segment is expected to perform well initially, but growth may slow as the year progresses.
- **International business outlook:** In the export markets, demand for Agri Radial and Off-Highway tyres is expected to remain strong in the EU, Africa, and LATAM. Exports of OHT to the US dropped to nil by 2Q end due to the sharp tariff hike, while exports of PV and TBR continued to perform well. Non-specialty business was strong on the back of growth in the EU and Africa regions. EU region remains the most profitable with the strongest potential (largely in PV segment).
- **Guidance on input costs:** 2Q input costs fell 5% QoQ. 3Q input costs are expected to remain in a similar range QoQ.
- **Update on Camso:** Currently sales are done through a sales and supply agreement with Michelin, which is expected to shift to direct supply to customers over the next 3-4 quarters. CEAT would continue to procure semi-finished goods from Michelin for another 5-6 quarters until the complete value chain is established by CEAT. Capacity utilization at Camso currently stands at ~50%. Over the medium term, the business is expected to be margin-accretive.
- **Update on capex and debt:** In 2Q, the company spent INR1.85b on capex, with 1H capex totaling INR4.2b. Investments in Camso stood at INR2.4b for trademarks and patents. FY26 capex guidance was maintained at INR10b, and total debt stands at INR29.4b, with a debt/EBITDA of 1.8x and Debt/Equity at 0.64x.

Valuation and view

The GST rate cut is expected to boost tyre demand in the replacement and OEM segments. Further, benign input costs would help to maintain margins for the core business. While the recent Camso acquisition is expected to take time to be earnings accretive, we remain positive on the long-term benefits that this acquisition can deliver for the group. **Hence, we reiterate our BUY rating on the stock with a TP of INR4,523 (based on ~20x Sep'27E EPS).**

Consolidated - Quarterly Earnings Model
(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	2QFY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Net Sales	31,928	33,045	32,999	34,206	35,294	37,727	39,322	39,917	1,32,179	1,52,259	36,350
YoY Change (%)	8.8	8.2	11.4	14.3	10.5	14.2	19.2	16.7	10.7	15.2	10.0
RM cost (%)	60.8	62.6	63.2	62.5	63.2	59.1	59.5	59.5	62.3	60.3	62.0
Employee cost (%)	6.1	6.6	6.5	6.6	6.4	6.9	7.0	7.2	6.5	6.9	6.2
Other expenses (%)	21.1	19.8	20.0	19.5	19.4	20.6	20.4	20.2	20.1	20.2	20.0
EBITDA	3,829	3,623	3,409	3,881	3,877	5,034	5,151	5,249	14,741	19,311	4,289
Margins (%)	12.0	11.0	10.3	11.3	11.0	13.3	13.1	13.1	11.2	12.7	11.8
Depreciation	1,318	1,371	1,415	1,523	1,514	1,739	1,894	1,912	5,627	7,059	1,525
Interest	619	665	751	744	821	870	1,050	1,062	2,778	3,802	850
Other Income	62	35	34	45	47	39	25	29	176	140	45
PBT before EO expense	1,954	1,622	1,278	1,659	1,590	2,464	2,232	2,304	6,512	8,590	1,959
Exceptional item	-75	0	0	370	33	0	0	0	-296	0	0
PBT	2,029	1,621	1,278	1,288	1,558	2,464	2,232	2,304	6,808	8,590	1,959
Tax Rate (%)	26.6	28.6	28.3	27.6	26.9	27.6	25.5	25.3	25.3	26.2	27.0
Minority Int. & Profit of Asso. Cos.	-53	-61	-55	-63	14	-72	-63	-63	-231	-185	15
Reported PAT	1,542	1,219	971	995	1,125	1,857	1,726	1,784	5,319	6,524	1,415
Adj PAT	1,486	1,219	971	1,267	1,149	1,857	1,726	1,784	5,101	6,524	1,415
YoY Change (%)	3	-41	-46	-16	-23	52	78	41	-26	28	16.1



Highlights from the management commentary

Result highlights

- **Replacement segment:** In Sep'25, replacement demand decreased slightly as dealers did not want to stock-up ahead of the GST reduction. However, overall 2Q saw mid-single-digit growth. The 2W segment showed strong growth, particularly in rural areas, while PV saw mid-single-digit growth. Market share grew in both PV and 2W, while the TBR segment remained stable.
- **OEM segment:** The OEM segment saw YoY growth in mid-20s, with a major contribution from the PV sector, which benefited from strong sales of new car models. The Motorcycle segment also showed strong growth, while the Farm segment grew in the mid-teens. TBR volumes grew in high-teens over a low base. The market share for EVs stands at 30% in the PV segment and 20% in the 2W segment.
- **International markets:** The company saw high-teen growth in its international business, particularly driven by strong demand for 2W and 3W tyres in Africa and LATAM. PV growth was led by strong performance in the EU market. The Farm segment also showed robust growth, driven by demand from the EU, LATAM, and other regions. The US market was affected by tariffs, but the impact on CEAT was limited due to its low exposure.
- Realization grew by 1% QoQ, driven by improvements in pricing, and product mix. Overall, the company achieved an impressive 11%+ YoY volume growth.
- Capacity utilization stood at 80-85%.
- EBITDA margin improved 400bp QoQ primarily due to reduction in input costs by 5% QoQ, better than earlier expected.

Demand outlook – domestic

- GST rate reduction is expected to have a positive impact, especially in semi-urban and rural markets, where demand for low-ticket items is anticipated to perform well. Factors such as GST cuts, premiumization, and the growing adoption of EVs are expected to result in single-digit growth for the industry in the near term. Additionally, a normal monsoon, interest rate cuts, and the Kharif season are expected to further support growth in the near term.
- The GST on auto tyres has been reduced from 28% to 18%, while farm tyre GST has been reduced from 18% to 5%. The company has passed on the entire benefit of the GST reduction to its channel partners, who, in turn, have passed it on to the customers. This has resulted in a net benefit of 7-8% on the selling price. For a segment like trucks, this translates to reduction of ~ INR1,500 per tyre, which is sizeable for the segment.
- Restocking is expected in 3Q in replacement segment as dealers would look to normalize stock levels post GST rate cuts. However, 3Q is seasonally a weak quarter even on a QoQ basis. Demand is particularly lower in parts of the North and East regions of India due to winter.
- The replacement segment is expected to experience high single-digit growth, with TBR anticipated to be in line with the overall GDP growth. The 2W segment is expected to grow by 7-8%, and the PV segment is projected to grow modestly, ranging from 0% to low single digits.
- For the OEM segment, the MHCV segment is expected to show growth in the range of 0% to low single digits, the PV segment is expected to grow at a rate of

6-8%, and the 2W segment is expected to perform well initially, but growth may taper down as the year progresses.

Demand outlook - exports

- The tariff on PCR tyres to the US stood at 25%, while the same for OHT has increased to 50%.
- In the export markets, demand for Agri Radial and Off-Highway tyres is expected to remain strong across key markets in the EU, Africa, and LATAM.
- Exports of OHT to the US dropped to nil by the end of the quarter due to the sharp tariff hike, while exports of PV and TBR continued to perform well.
- In the non-specialty business, there was mid-teen volume growth, with strong demand from EU, Africa, and the MEA region.
- EU market remains the most profitable and is showing the highest growth, with strong traction in the PV segment.
- PV and TBR tyres together contribute to 65% of the company's total exports, and CEAT is the leading exporter of PV tyres from India.
- The company expects some resolution on the high tariffs especially in OHT, soon. The company has passed on tariffs partially to OEMs and it is absorbing the balance. However, the impact on CEAT is not material given its limited exposure to US currently.

Update on operational performance

- Gross margin was supported by better realization in the replacement and international markets, along with lower RM costs.
- Overall RM prices were 5% lower QoQ.
- Crude oil prices remained stable at around USD65 (± USD2) in 2Q.
- International rubber prices remained stable at USD1,700–1,750 per ton.
- Domestic rubber price was higher than the import parity level for Jul-Aug, but by Sep, it returned to parity with imports.
- Carbon black prices remained flat QoQ.
- Synthetic rubber prices were 3-3.5% lower, and nylon fabric prices were 2-2.5% lower, both of which were beneficial to margins.
- Steel prices were 4-5% lower.
- Employee costs increased due to the annual increment.
- Other expenses were higher due to increased outsourcing, distribution, marketing, and higher manufacturing activities.
- 3Q RM is expected to remain flat QoQ, including the impact of INR depreciation.
- As a result, margin is likely to remain stable QoQ in 3Q.

Update on Camso

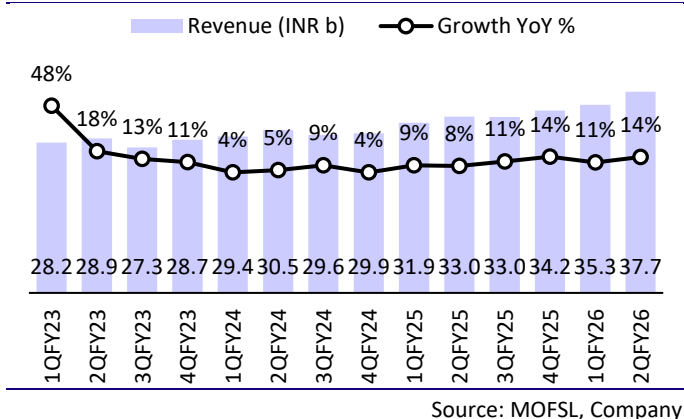
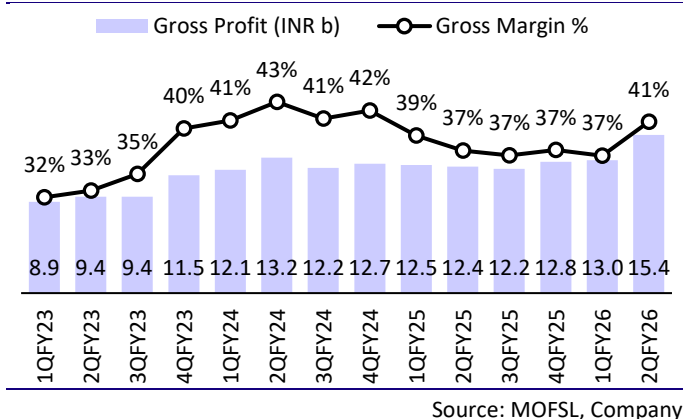
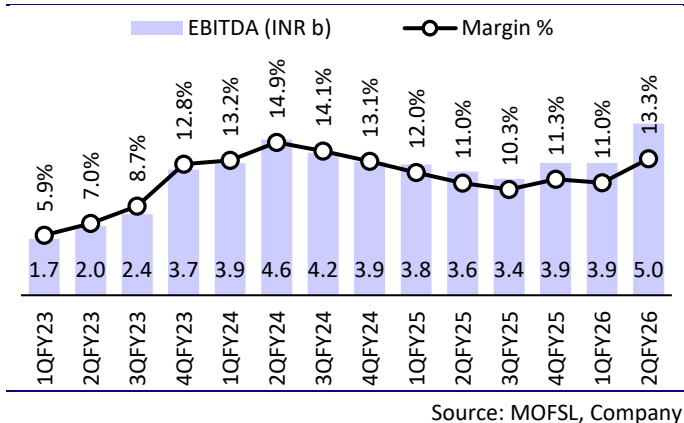
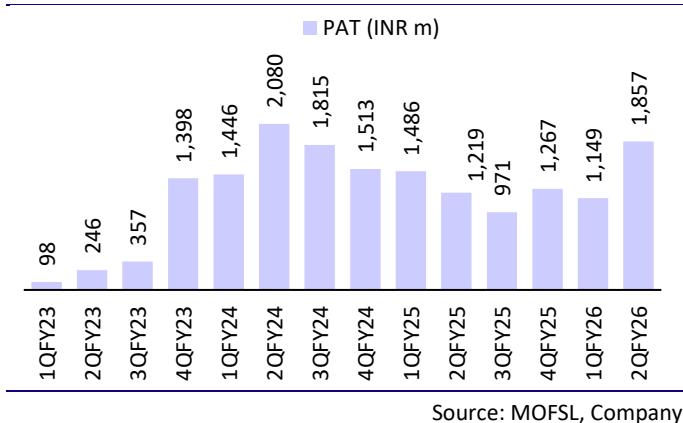
- The Camso acquisition was completed on 1st Sep.
- For the next 5-6 quarters, the company will source semi-furnished raw materials from Michelin until it fully establishes its value chain.
- Camso sales would also be done through Michelin's network till CEAT develops its own distribution network. Direct customer relationships are expected to be developed in 3-4 quarters.
- Sales realization and the cost structure for the acquisition were in line with management expectations.

- Capacity utilization currently stands at 50%, with a gradual ramp-up expected. Once the direct relationship with customers is established, the business is expected to perform well.
- Camso products face a 20% duty on exports from Sri Lanka to the US.
- The Michelin sales team has already passed on part of the tariff impact to customers. The full impact is expected to be passed on over the next 2-3 quarters, with around 50% of the tariff absorbed so far.
- Over the medium term, the business is expected to be margin-accretive.

Update on capex and debt

- 2Q capex stood at INR1.85b, with 1H capex amounting to INR4.2b. Additionally, the company spent INR2.4b on Camso to acquire trademarks and patents.
- Capex breakdown for 1H: INR1b for R&D, INR0.5b for TBR expansion, INR0.7b for the Amerbath expansion, INR1.6b for Chennai PCR downstream expansion, and INR0.4b for de-bottlenecking processes.
- The capex target for FY26 is maintained at INR10b.
- The company's total debt stands at INR29.4b, up INR10.3b QoQ due to the Camso acquisition. The company has increased its RM inventory in anticipation of 3Q requirements.
- The Debt/EBITDA ratio stands at 1.8x, while the Debt/Equity ratio is at 0.64x. The company will maintain its internal targets of leverage and will not exceed 3x on Debt/EBITDA and 1x on Debt/Equity.

Key exhibits

Exhibit 1: Trend in revenue

Exhibit 2: Trend in gross margin

Exhibit 3: EBITDA and EBITDA margin trends

Exhibit 4: Absolute PAT trend


Valuation and view

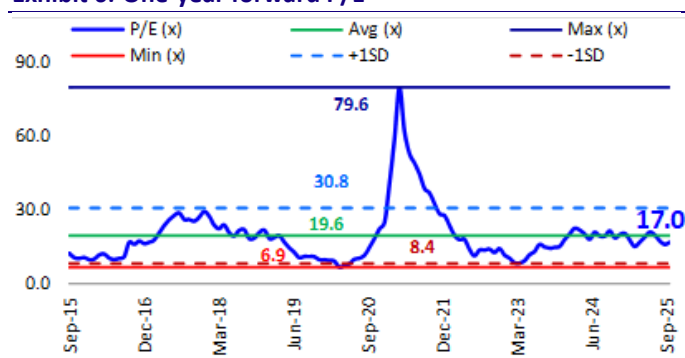
- Focus on improving brand equity to drive market share gains:** CEAT has placed a strong emphasis on effective marketing and branding (~2.0-2.5% of sales) for its products. To position its products competitively, it has developed creative advertising campaigns based on research and consumer insights and has invested in innovative marketing programs. Since the 2W and Passenger Car segments are consumer-facing, factors such as brand loyalty, visibility, and recall play a significant role in creating replacement demand and improving market share. This, in turn, would benefit its margin profile.
- The ramp-up in strategic areas to continue:** Management has identified the 2W, Passenger Car, and OTR (off-road) tire segments as strategic areas, given their abilities to boost margin and lower CEAT's dependence on the Truck segment. Revenue contribution from these areas has surged over the years (to 63% in FY25 from a mere 20% in FY10). This is also reflected in the market share gain in the PCR segment (over 17% now from 11% a few years back). Even in the 2W replacement segment, CEAT continues to enjoy a high market share of 35% currently. Moreover, it has ramped up its presence in EVs with a current market share of 30% in 2Ws and 20% in PVs.

- **Healthy growth outlook mainly led by replacement demand:** The GST rate cut is expected to provide a fillip to auto demand across segments. Further, this is also expected to benefit replacement segment demand. Given a balanced presence across key segments, management expects steady growth from most of these segments: 1) strong volume growth from the TBR replacement segment; 2) steady PCR volume growth; 3) the 2W segment growth expected mainly from small towns; 4) export contribution to increase to 26% in the next couple of years from 19% currently, backed by its recent initiatives. Overall, we expect CEAT to clock a revenue/EBITDA/PAT CAGR of ~15%/25%/31% over FY25-27E.
- **Valuation and view:** The GST rate cut is expected to boost tyre demand, both in replacement and OEM segments. Further, benign input costs would help maintain margins for the core business. While the recent Camso acquisition is expected to take time to normalize, we remain positive on the long-term benefits that this acquisition can deliver for the group. **Hence, we reiterate our BUY rating on the stock with a TP of INR4,523 (based on ~20x Sep27E EPS).**

Exhibit 5: Changes to our estimates

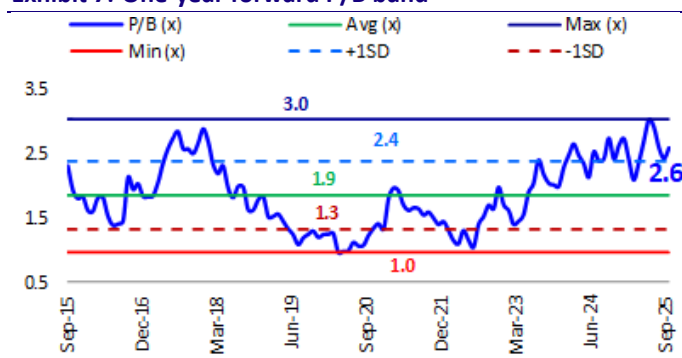
(INR m)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,52,259	1,46,388	4.0	1,74,282	1,62,162	7.5
EBITDA	19,311	17,713	9.0	23,005	20,270	13.5
EBITDA (%)	12.7	12.1	60bp	13.2	12.5	70bp
Adj. PAT	6,524	6,344	2.8	8,514	8,406	1.3
EPS (INR)	161.3	156.8	2.8	210.5	207.8	1.3

Exhibit 6: One-year forward P/E



Source: MOFSL, Company

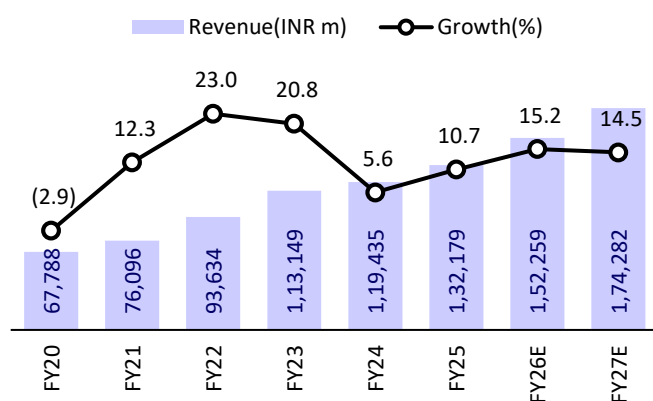
Exhibit 7: One-year forward P/B band



Source: MOFSL, Company

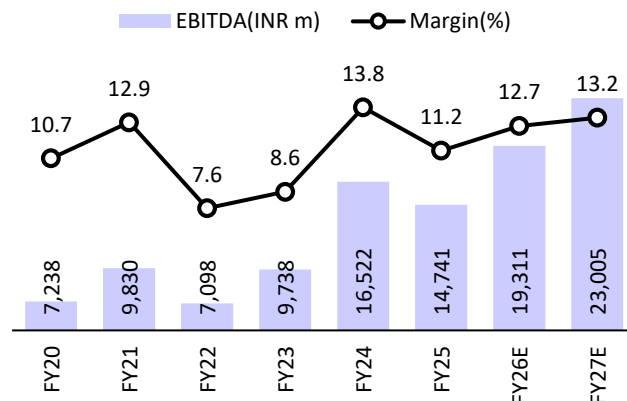
Story in charts

Exhibit 8: Revenue and growth trends



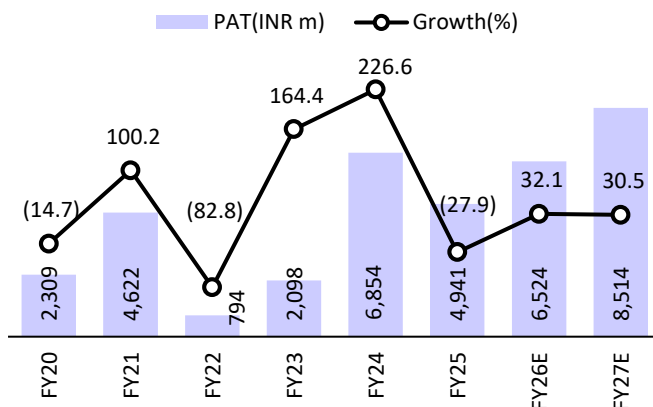
Source: MOFSL, Company

Exhibit 9: EBITDA and EBITDA margin trends



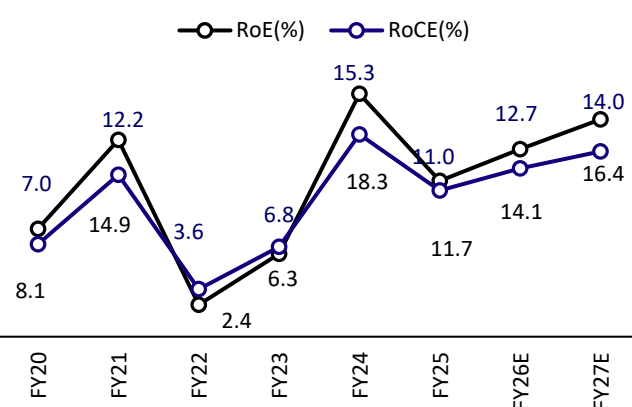
Source: MOFSL, Company

Exhibit 10: PAT and PAT growth trends



Source: MOFSL, Company

Exhibit 11: Trend in return profile



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Revenues from Ops	67,788	76,096	93,634	1,13,149	1,19,435	1,32,179	1,52,259	1,74,282
Change (%)	-2.9	12.3	23.0	20.8	5.6	10.7	15.2	14.5
EBITDA	7,238	9,830	7,098	9,738	16,522	14,741	19,311	23,005
EBITDA Margin (%)	10.7	12.9	7.6	8.6	13.8	11.2	12.7	13.2
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	7,059	7,863
EBIT	4,473	6,433	2,746	5,045	11,434	9,115	12,252	15,142
EBIT Margin (%)	6.6	8.5	2.9	4.5	9.6	6.9	8.0	8.7
Int. and Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	3,802	4,041
Other Income	205	138	114	169	197	176	140	130
PBT after EO Exp.	3,174	4,476	661	2,459	8,359	6,216	8,590	11,231
Total Tax	1,046	516	243	718	2,214	1,720	2,251	2,920
Tax Rate (%)	33.0	11.5	36.7	29.2	26.5	27.7	26.2	26.0
Minority Int./Share JV PAT	-184	-361	-294	-120	-282	-231	-185	-203
Reported PAT	2,312	4,320	712	1,862	6,427	4,726	6,524	8,514
Adjusted PAT	2,309	4,622	794	2,098	6,854	4,941	6,524	8,514
Change (%)	-14.7	100.2	-82.8	164.4	226.6	-27.9	32.1	30.5
Margin (%)	3.4	6.1	0.8	1.9	5.7	3.7	4.3	4.9

Consolidated - Balance Sheet

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	405	405	405	405	405	405	405	405
Total Reserves	28,675	32,758	32,324	33,992	40,022	43,281	48,187	54,881
Net Worth	29,079	33,163	32,728	34,396	40,426	43,685	48,591	55,285
Minority Interest	237	232	235	174	97	77	77	77
Total Loans	18,772	14,176	20,968	20,927	16,289	21,364	30,364	27,364
Deferred Tax Liabilities	2,744	2,800	3,177	3,886	4,245	5,201	5,201	5,201
Capital Employed	50,832	50,371	57,108	59,383	61,057	70,327	84,233	87,927
Gross Block	49,795	58,732	67,748	80,110	86,717	99,476	1,14,142	1,24,142
Less: Accum. Deprn.	8,197	11,097	14,456	19,149	24,237	29,864	33,389	41,252
Net Fixed Assets	41,598	47,634	53,292	60,961	62,480	69,612	80,753	82,890
Goodwill on Consolidation	0	0	0	0	231	231	231	231
Capital WIP	10,685	7,929	8,759	5,961	6,835	5,375	5,375	5,375
Total Investments	1,837	2,101	1,792	1,696	1,821	1,951	3,451	4,651
Curr. Assets, Loans&Adv.	19,410	23,087	27,176	27,519	28,314	34,954	42,131	49,179
Inventory	9,257	11,299	13,096	11,378	11,505	14,115	15,980	18,183
Account Receivables	6,744	9,216	11,543	13,070	12,832	16,533	20,023	22,919
Cash and Bank Balance	342	431	363	719	591	479	1,561	2,849
Loans and Advances	3,067	2,141	2,174	2,353	3,386	3,826	4,568	5,228
Curr. Liability & Prov.	22,697	30,380	33,910	36,754	38,623	41,797	47,709	54,400
Account Payables	11,948	18,395	21,576	22,683	23,321	27,402	30,961	35,229
Other Current Liabilities	9,114	10,444	10,654	12,154	13,462	12,083	13,703	15,685
Provisions	1,635	1,541	1,680	1,917	1,840	2,312	3,045	3,486
Net Current Assets	-3,288	-7,293	-6,734	-9,234	-10,310	-6,843	-5,578	-5,221
Appl. of Funds	50,832	50,371	57,108	59,383	61,057	70,327	84,233	87,927

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	57.1	114.3	19.6	51.9	169.4	122.1	161.3	210.5
Cash EPS	125.4	198.2	127.2	167.9	295.2	261.2	335.8	404.9
BV/Share	718.9	819.8	809.1	850.3	999.4	1,080.0	1,201.3	1,366.7
DPS	12.0	18.0	3.0	12.0	30.0	30.0	40.0	45.0
Payout (%)	25.3	16.9	17.0	26.1	18.9	25.7	24.8	21.4
Valuation (x)								
P/E	53.5	26.7	155.7	58.9	18.0	27.1	23.1	17.7
Cash P/E	24.3	15.4	24.0	18.2	10.3	12.7	11.1	9.2
P/BV	4.2	3.7	3.8	3.6	3.1	3.1	3.1	2.7
EV/Sales	2.1	1.8	1.5	1.3	1.2	1.2	1.2	1.0
EV/EBITDA	19.6	14.0	20.3	14.8	8.4	10.5	9.3	7.6
Dividend Yield (%)	0.4	0.6	0.1	0.4	1.0	0.9	1.1	1.2
Return Ratios (%)								
RoE	8.1	14.9	2.4	6.3	18.3	11.7	14.1	16.4
RoCE (post tax)	7.0	12.2	3.6	6.8	15.3	11.0	12.7	14.0
RoIC	8.4	14.6	4.0	7.4	16.3	11.5	13.3	15.1
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4
Asset Turnover (x)	1.3	1.5	1.6	1.9	2.0	1.9	1.8	2.0
Inventory (Days)	50	54	51	37	35	39	38	38
Debtor (Days)	36	44	45	42	39	46	48	48
Creditor (Days)	64	88	84	73	71	76	74	74
Leverage Ratio (x)								
Current Ratio	0.9	0.8	0.8	0.7	0.7	0.8	0.9	0.9
Interest Cover Ratio	3.0	3.7	1.3	2.1	4.2	3.3	3.2	3.7
Net Debt/Equity	0.6	0.4	0.6	0.6	0.4	0.5	0.6	0.4

Consolidated - Cash Flow Statement

(Inr m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,871	4,476	661	2,459	8,359	6,216	8,590	11,231
Depreciation	2,765	3,396	4,352	4,693	5,088	5,627	7,059	7,863
Interest & Finance Charges	1,509	1,755	2,070	2,421	2,691	2,778	3,662	3,911
Direct Taxes Paid	-181	-512	-200	377	-1,630	-908	-2,251	-2,920
(Inc)/Dec in WC	2,582	4,516	-736	2,211	2,674	-2,909	-183	931
CF from Operations	9,546	13,631	6,147	12,161	17,183	10,804	16,877	21,016
Others	17	-54	42	-106	10	116	0	0
CF from Operating incl EO	9,563	13,577	6,189	12,055	17,193	10,920	16,877	21,016
(Inc)/Dec in FA	-11,183	-6,395	-9,558	-8,779	-8,668	-9,426	-18,200	-10,000
Free Cash Flow	-1,620	7,182	-3,369	3,276	8,525	1,494	-1,323	11,016
(Pur)/Sale of Investments	9	-27	-89	-11	-47	-3	-1,500	-1,200
Others	419	241	203	299	178	204	140	130
CF from Investments	-10,755	-6,181	-9,444	-8,491	-8,537	-9,224	-19,560	-11,070
Inc/(Dec) in Debt	3,854	-5,677	5,821	-41	-4,638	-506	9,000	-3,000
Interest Paid	-1,925	-1,628	-1,944	-2,093	-2,669	-2,446	-3,802	-4,041
Dividend Paid	-1,139	-4	-746	-126	-485	-1,214	-1,618	-1,820
Others	0	0	0	-936	-918	2,398	185	203
CF from Fin. Activity	790	-7,309	3,132	-3,195	-8,710	-1,767	3,765	-8,658
Inc/Dec of Cash	-402	87	-123	368	-55	-72	1,081	1,288
Opening Balance	675	274	361	238	606	552	479	1,561
Closing Balance	274	361	238	606	552	479	1,561	2,849

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

NOTES

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

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

Disclosures

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

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