

# Prince Pipes and Fittings

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	PRINCP IP IN
Equity Shares (m)	111
M.Cap.(INRb)/(USD\$)	29.3 / 0.3
52-Week Range (INR)	388 / 205
1, 6, 12 Rel. Per (%)	6/-1/-3
12M Avg Val (INR M)	101

## Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	26.0	31.1	36.4
EBITDA	2.3	3.3	4.1
PAT	0.7	1.5	2.1
EBITDA (%)	8.9	10.5	11.2
EPS (INR)	6.8	13.7	18.7
EPS Gr. (%)	73.2	101.6	36.3
BV/Sh. (INR)	365.4	396.4	439.6

## Ratios

Net D/E	-0.1	-0.1	-0.1
RoE (%)	4.6	8.8	10.9
RoCE (%)	4.5	8.4	10.5
Payout (%)	15.1	7.3	5.4

## Valuations

P/E (x)	39.0	19.4	14.2
EV/EBITDA (x)	12.0	8.5	6.5
Div Yield (%)	0.4	0.4	0.4
FCF Yield (%)	10.6	-0.3	5.1

## Shareholding Pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	61.0	60.9	60.9
DII	15.5	15.6	15.0
FII	3.5	3.5	6.2
Others	20.0	19.9	17.9

Note: FII includes depository receipts

**CMP: INR265**      **TP: INR330 (+24%)**      **Buy**

## Volume-led strong operating performance

### Earnings miss estimates

- Prince Pipes and Fittings (PRINCP IP) posted a robust quarter, driven by strong volume growth of 23% YoY, leading to operating leverage-led margin expansion of 530bp YoY. Inventory gains during the quarter were entirely passed on to distributors and channel partners to support faster inventory movement (helped reduce working capital days) and foster better relations with them, aiding market share gains (reflected in volume growth).
- With volatility persisting due to the West Asia conflict, Apr'26 witnessed inventory destocking, leading to lower volumes, while May'26 saw strong primary volume growth. FY26 witnessed healthy improvement in working capital days and liquidity, which management expects to improve further in FY27.
- Despite a miss in our 4Q estimates, we largely maintain our FY27/FY28 earnings estimate on the back of healthy volume growth (12-15%) and margin guidance (11-13%) for FY27. We value the stock at 18x FY28E EPS to arrive at our TP of INR330. **Reiterate BUY.**

### Operating leverage and better product mix improve margins

- Consolidated revenue grew 18% YoY/48% QoQ to INR85b (est INR9.9b), while volumes increased 23%/46% YoY/QoQ to 62.2KMT. Realization declined 4% YoY, while improving 2% QoQ to INR136.7/kg, with the entire inventory gain passed on.
- Consolidated EBITDA surged 2x YoY to INR1.1b (est. INR1.4b), with an EBITDA margin of 12.9% (est. 13.7%). EBITDA/kg stood at INR17.6/kg (up 62% YoY and 2.7X QoQ). Adj. PAT (after tax) was INR561m vs. INR242m YoY (est. INR771m).
- Net working capital days improved to 45 as of Mar'26 vs. 98 as of Mar'25. This was largely led by lower inventory (down 18 days), lower receivables (down 10 days), and higher payable days (up 25 days).
- For FY26, revenue, EBITDA, and PAT grew 3%, 44%, and 73% to INR26b, INR2.3b, and INR747m, respectively. Meanwhile, volume and EBITDA/kg grew 8% and 33% to 191.2k MT and INR12.1, respectively.

### Highlights from the management commentary

- Market share:** The industry is witnessing strong consolidation, with both small and large players under pressure. PRINCP IP continues to gain market share through new product launches and the expansion of its distributor network, despite aggressive pricing by large players driving volume growth.
- Guidance and outlook:** For FY27, management has guided for volume growth of 12-15%; EBITDA margins of 11-13%; inventory days to sustain at 65-75days; and receivable days to decline by 10-15 days.

Research Analyst: Meet Jain (Meet.Jain@MotilalOswal.com) | Sumant Kumar (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Nirvik Saini (Nirvik.Saini@MotilalOswal.com) | Yash Darak (Yash.darak@MotilalOswal.com)

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

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

- Capacity:** The Begusarai plant currently operates at ~60% utilization, while southern capacities are being ramped to gain more market share. Management indicated that optimal asset turnover of ~2.5x gross block can be achieved at overall utilization levels of 60-65%. FY26 utilization stands at ~52%, with a target to reach 58-60% by FY27, supported by volume growth guidance. Planned FY27 capex is ~INR2-2.1b, mainly towards maintenance, debottlenecking across 2-3 plants, and the completion of the Aquel plant.

### Valuation and view

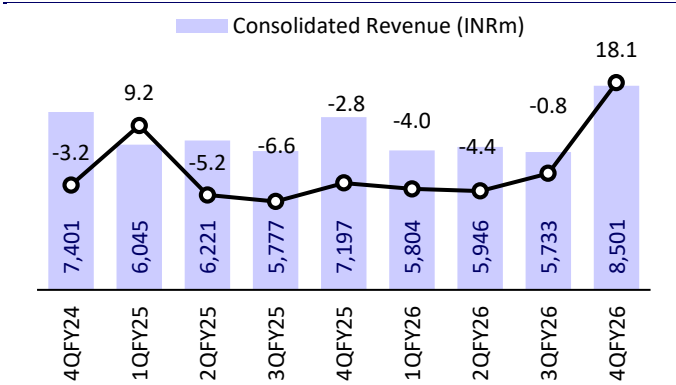
- FY26 ended on a strong footing, with volume-led growth improving market share. FY27 is expected to be better, supported by healthy volume growth on the back of improving demand, the ramp-up of the new Begusarai (Bihar) plant, and expansion of the bathware segment into the Southern and Eastern markets. Additionally, improving product mix and operating leverage are likely to lead to better margins for FY27.
- We expect PRINCP to clock an 18%/33%/66% CAGR in revenue/EBITDA/PAT over FY26-28. We value the stock at 18x FY28 EPS to arrive at our TP of INR330. **Reiterate BUY.**

### Consolidated - Quarterly Earning Model

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
<b>Gross Sales</b>	<b>6,045</b>	<b>6,221</b>	<b>5,777</b>	<b>7,197</b>	<b>5,804</b>	<b>5,946</b>	<b>5,733</b>	<b>8,501</b>	<b>25,239</b>	<b>25,983</b>	<b>9,931</b>	<b>-14</b>
YoY Change (%)	9.2	-5.2	-6.6	-2.8	-4.0	-4.4	-0.8	18.1	-1.7	2.9	38.0	
Total Expenditure	5,462	5,764	5,748	6,648	5,408	5,395	5,454	7,405	23,621	23,661	8,574	
<b>EBITDA</b>	<b>583</b>	<b>457</b>	<b>30</b>	<b>548</b>	<b>396</b>	<b>551</b>	<b>279</b>	<b>1,096</b>	<b>1,618</b>	<b>2,322</b>	<b>1,357</b>	<b>-19</b>
Margins (%)	9.6	7.3	0.5	7.6	6.8	9.3	4.9	12.9	6.4	8.9	13.7	
Depreciation	257	276	264	273	307	325	336	343	1,070	1,311	340	
Interest	14	16	32	33	52	45	-38	43	97	102	35	
Other Income	26	39	15	57	27	16	19	46	137	109	30	
<b>PBT before EO expense</b>	<b>337</b>	<b>204</b>	<b>-252</b>	<b>299</b>	<b>64</b>	<b>198</b>	<b>0</b>	<b>756</b>	<b>588</b>	<b>1,018</b>	<b>1,013</b>	
Extra-Ord expense	0	0	0	0	0	0	20	0	0	20	0	
<b>PBT</b>	<b>337</b>	<b>204</b>	<b>-252</b>	<b>299</b>	<b>64</b>	<b>198</b>	<b>-20</b>	<b>756</b>	<b>588</b>	<b>997</b>	<b>1,013</b>	
Tax	90	57	-48	58	15	51	4	195	157	266	242	
Rate (%)	26.7	28.0	18.9	19.2	24.2	26.0	-18.2	25.8	26.7	26.6	23.9	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>247</b>	<b>147</b>	<b>-204</b>	<b>242</b>	<b>48</b>	<b>146</b>	<b>-24</b>	<b>561</b>	<b>431</b>	<b>732</b>	<b>771</b>	
<b>Adj PAT</b>	<b>247</b>	<b>147</b>	<b>-204</b>	<b>242</b>	<b>48</b>	<b>146</b>	<b>-8</b>	<b>561</b>	<b>431</b>	<b>747</b>	<b>771</b>	<b>-27</b>
YoY Change (%)	25.8	-72.1	-154.3	-55.8	-80.5	-0.5	-95.9	132.1	-73.8	73	219	
Margins (%)	4.1	2.4	-3.5	3.4	0.8	2.5	-0.1	6.6	1.7	2.9	7.8	

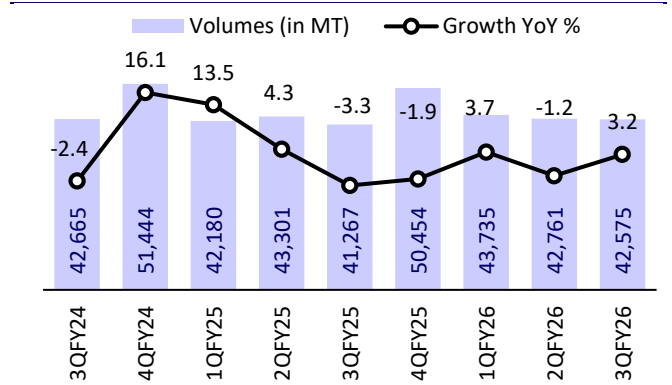
## Key Exhibits

**Exhibit 1: Consolidated revenue trend**



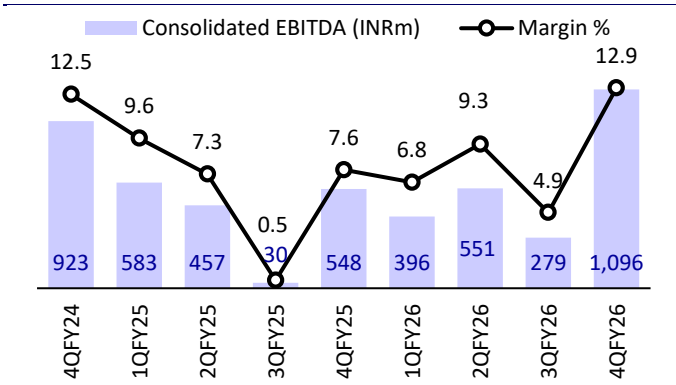
Source: Company, MOFSL

**Exhibit 2: Volume trend**



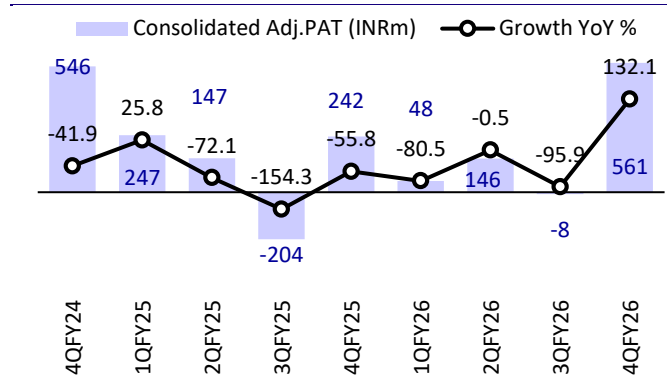
Source: Company, MOFSL

**Exhibit 3: Consolidated EBITDA trend**



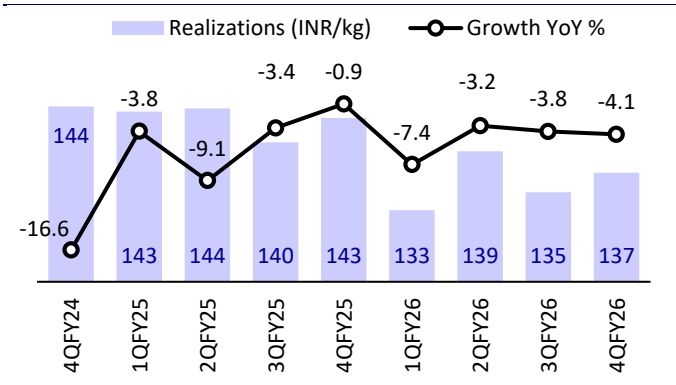
Source: Company, MOFSL

**Exhibit 4: Consolidated adj. PAT trend**



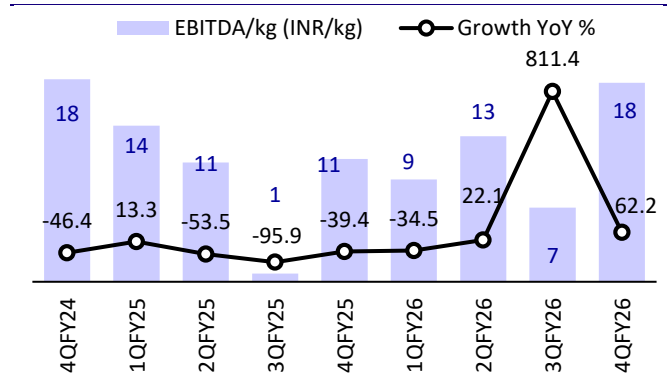
Source: Company, MOFSL

**Exhibit 5: Consolidated realization trend**



Source: Company, MOFSL

**Exhibit 6: Consolidated EBITDA/kg trend**



Source: Company, MOFSL

**Exhibit 7: Capacity across India**



Source: Company, MOFSL



## Highlights from the management commentary

### Demand and Market Environment

- FY26 remained a challenging year for the industry, impacted by sharp volatility in raw material prices, prolonged unseasonal rainfall, and subdued demand across key end-user segments.
- Sharp fluctuations in PVC resin prices disrupted channel dynamics across the value chain during the year.
- Apr'26 remained challenging for the industry due to significant channel destocking, which impacted volumes; however, demand and volumes witnessed a healthy recovery in May.
- Despite a sharp cost escalation across building materials, management has not observed any slowdown in real estate construction activity, given the non-discretionary nature of pipes.
- The industry is witnessing strong consolidation, with both small and large players facing challenges. PRINCEPI continues to gain market share through new product launches and expansion of its distributor network.

### Operational Update

- Despite external headwinds, the company delivered its highest-ever quarterly volume performance, with volume growth of 23% YoY in 4QFY26, while full-year volume growth stood at 8%.
- The strong volume performance highlights the resilience of the business model, strength of the company's market presence, and disciplined execution focused on operational efficiency, cost optimization, and targeted growth initiatives.
- Working capital efficiency improved significantly during the year, driven by a sharp reduction in inventory and receivable days, with working capital days reducing to 45 days from 98 days in the previous year.

- The company passed on inventory gains to channel partners during the quarter to support faster inventory movement (helped reduce working capital days) and foster better relations with them, resulting in no inventory gains being booked in 4QFY26.
- Volume growth remained robust across all three months of 4QFY26, with only a marginal impact in March due to war-related disruptions.
- The strong performance was supported by an aggressive pricing strategy and the passing on of inventory gains to channel partners, in line with the company's market share expansion strategy.
- CPVC continued to be the fastest-growing segment for the company during the quarter.
- Margin expansion during the quarter despite no inventory gain was led by the absence of inventory losses, strong volume growth, and a favorable product mix led by CPVC.
- CPVC volume growth outpaced overall volume growth of the company, reflecting increasing market acceptance of its products.

#### **New Product Launches**

- During the quarter, the company continued to strengthen its growth platform through innovation and strategic expansion.
- The company enhanced its product portfolio with the launch of 'DECULO', the low-noise polypropylene pipe system.

#### **Guidance and Outlook**

- Management remains optimistic about future growth prospects, supported by the improving PVC pricing environment.
- The company has guided for FY27 volume growth of 12–15%, with EBITDA margins expected to remain in the range of 11–13% on an annualized basis.
- Management highlighted that the share of value-added products will remain a key determinant of the margin trajectory going forward.
- Strong demand was witnessed across both plumbing and agriculture segments in May, and management expects demand momentum to remain favorable for large organized players amid accelerating industry consolidation and continued stress among smaller players due to the challenging macroeconomic environment.
- The company maintained its inventory guidance of 60–75 days and is currently operating well within this range.
- Further sustainable improvement in working capital is expected to come from lower debtor and inventory days, with the company targeting an additional reduction of 10–15 days in debtor days by the end of FY27.
- Growth in value-added products is expected to outpace growth in core products, with the segment's contribution expected to reach ~27% going forward.
- Gross margins are expected to expand going forward, driven by better pricing, a richer product mix, benefits from decentralization, and new product launches.
- In 1QFY27, inventory losses are expected due to price correction; however, the losses will be lower due to increasing control on inventory and working capital.

### Capacity Additions and Capex

- The company has estimated ~INR700m of maintenance capex for FY27.
- Capacity utilization at the Begusarai plant remained healthy at ~65%. The company is focused on improving utilization levels at its South Indian plants, which is expected to be driven by gradual market share gains in the region.
- Overall FY26 capacity utilization stood at ~52%, with management expecting utilization to improve to ~58–60% by the end of FY27, subject to achieving the guided volume growth.
- South Indian plants are currently operating below optimal utilization levels. Management indicated that once utilization reaches ~65%, asset turnover could scale to nearly 2.5x of the gross block.

### Others

- The company continued to expand its geographic reach to drive volume growth across markets.
- Despite the volatile industry environment, the company added distributors across the domestic market, benefiting from ongoing industry consolidation and onboarding multiple new channel partners.
- The agriculture segment remains relatively price-sensitive and contributes less than 30% of the overall volume mix, with customers being less brand conscious. Management highlighted that the key demand tailwinds continue to remain in the plumbing segment.
- FY27 capex guidance stands at ~INR2-2.1b, which will primarily be utilized toward maintenance capex, debottlenecking across 2–3 plants, and completion of the Aquel plant (~INR400m–420m).
- In both PVC and CPVC, the company's pricing remains broadly at par with the market leader at a pan-India level, although minor variations may persist across states.
- Management stated that the company has not lost market share and continues to focus on expanding its retailer and distributor network, strengthening its product portfolio through innovative launches, and increasing the share of value-added products.
- Contribution from the project business has increased to ~30% of revenue currently, compared to ~25% around 1–1.5 years ago.

### Valuation and view

- FY26 ended on a strong footing, with volume-led growth improving market share. FY27 is expected to be better, supported by healthy volume growth on the back of improving demand, the ramp-up of the new Begusarai (Bihar) plant, and geographical expansion of the bathware segment into the Southern and Eastern markets. Additionally, the improving product mix and operating leverage can lead to better margins for FY27.
- We expect PRINCPF to clock an 18%/33%/66% CAGR in revenue/EBITDA/PAT over FY26-28. We value the stock at 18x FY28 EPS to arrive at our TP of INR330. **Reiterate BUY.**

### Exhibit 8: Revisions to our estimates

Earnings change (INRm)	Old		New		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	32,536	38,017	31,106	36,367	-4%	-4%
EBITDA	3,357	4,172	3,280	4,077	-2%	-2%
Adj. PAT	1,559	2,154	1,507	2,053	-3%	-5%

## Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Total Income from Operations</b>	<b>20,715</b>	<b>26,568</b>	<b>27,109</b>	<b>25,687</b>	<b>25,239</b>	<b>25,983</b>	<b>31,106</b>	<b>36,367</b>
Change (%)	26.6	28.3	2.0	-5.2	-1.7	2.9	19.7	16.9
RM Cost	13,789	18,915	20,922	18,193	18,839	18,944	22,396	26,184
Gross Profit	6,927	7,653	6,187	7,494	6,400	7,039	8,710	10,183
Margin (%)	33.4	28.8	22.8	29.2	25.4	27.1	28.0	28.0
Employees Cost	997	1,162	1,161	1,477	1,742	1,842	2,022	2,291
Other Expenses	2,313	2,335	2,523	2,943	3,040	2,875	3,408	3,815
<b>Total Expenditure</b>	<b>17,099</b>	<b>22,412</b>	<b>24,606</b>	<b>22,613</b>	<b>23,621</b>	<b>23,661</b>	<b>27,826</b>	<b>32,290</b>
% of Sales	82.5	84.4	90.8	88.0	93.6	91.1	89.5	88.8
<b>EBITDA</b>	<b>3,616</b>	<b>4,156</b>	<b>2,503</b>	<b>3,074</b>	<b>1,618</b>	<b>2,322</b>	<b>3,280</b>	<b>4,077</b>
Margin (%)	17.5	15.6	9.2	12.0	6.4	8.9	10.5	11.2
Depreciation	594	703	830	912	1,070	1,311	1,397	1,494
<b>EBIT</b>	<b>3,022</b>	<b>3,453</b>	<b>1,673</b>	<b>2,162</b>	<b>548</b>	<b>1,011</b>	<b>1,883</b>	<b>2,583</b>
Int. and Finance Charges	207	139	110	65	97	102	56	57
Other Income	176	55	86	161	137	109	187	218
<b>PBT bef. EO Exp.</b>	<b>2,991</b>	<b>3,369</b>	<b>1,648</b>	<b>2,258</b>	<b>588</b>	<b>1,018</b>	<b>2,013</b>	<b>2,744</b>
EO Items	0	0	0	179	0	-20	0	0
<b>PBT after EO Exp.</b>	<b>2,991</b>	<b>3,369</b>	<b>1,648</b>	<b>2,438</b>	<b>588</b>	<b>997</b>	<b>2,013</b>	<b>2,744</b>
Total Tax	773	875	434	612	157	266	507	691
Tax Rate (%)	25.8	26.0	26.3	25.1	26.7	26.6	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>2,218</b>	<b>2,494</b>	<b>1,214</b>	<b>1,825</b>	<b>431</b>	<b>732</b>	<b>1,507</b>	<b>2,053</b>
<b>Adjusted PAT</b>	<b>2,218</b>	<b>2,494</b>	<b>1,214</b>	<b>1,646</b>	<b>431</b>	<b>747</b>	<b>1,507</b>	<b>2,053</b>
Change (%)	97.2	12.4	-51.3	35.6	-73.8	73.2	101.6	36.3
Margin (%)	10.7	9.4	4.5	6.4	1.7	2.9	4.8	5.6

Consolidated - Balance Sheet								(INRm)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	1,100	1,106	1,106	1,106	1,106	1,106	1,106	1,106
Total Reserves	9,335	11,547	12,534	14,338	14,659	15,339	16,736	18,678
<b>Net Worth</b>	<b>10,435</b>	<b>12,653</b>	<b>13,640</b>	<b>15,444</b>	<b>15,764</b>	<b>16,445</b>	<b>17,841</b>	<b>19,784</b>
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	852	1,500	581	1,144	2,641	1,400	1,400	900
Deferred Tax Liabilities	133	123	137	191	193	237	237	237
<b>Capital Employed</b>	<b>11,420</b>	<b>14,275</b>	<b>14,358</b>	<b>16,779</b>	<b>18,599</b>	<b>18,082</b>	<b>19,478</b>	<b>20,921</b>
Gross Block	8,892	11,037	12,186	14,162	16,891	19,328	20,587	22,087
Less: Accum. Deprn.	3,896	4,599	5,429	6,341	7,411	8,722	10,119	11,612
<b>Net Fixed Assets</b>	<b>4,996</b>	<b>6,438</b>	<b>6,757</b>	<b>7,821</b>	<b>9,480</b>	<b>10,606</b>	<b>10,468</b>	<b>10,475</b>
Goodwill on Consolidation	3	3	3	3	3	3	3	3
Capital WIP	765	226	236	354	198	259	1,000	500
<b>Total Investments</b>	<b>15</b>	<b>117</b>	<b>920</b>	<b>382</b>	<b>270</b>	<b>1,484</b>	<b>1,484</b>	<b>1,484</b>
Current Investments	0	100	917	379	267	1,481	1,481	1,481
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>10,049</b>	<b>12,606</b>	<b>10,626</b>	<b>12,673</b>	<b>13,243</b>	<b>11,886</b>	<b>13,893</b>	<b>17,076</b>
Inventory	2,273	6,188	4,256	4,379	6,095	4,953	5,930	6,933
Account Receivables	3,308	4,346	4,150	5,849	4,229	3,633	4,349	5,085
Cash and Bank Balance	2,299	586	1,244	777	830	1,290	1,208	2,245
Loans and Advances	2,169	1,485	976	1,668	2,089	2,010	2,406	2,813
<b>Curr. Liability &amp; Prov.</b>	<b>4,408</b>	<b>5,115</b>	<b>4,184</b>	<b>4,453</b>	<b>4,595</b>	<b>6,156</b>	<b>7,370</b>	<b>8,617</b>
Account Payables	3,144	3,986	3,202	2,491	2,611	3,922	4,695	5,489
Other Current Liabilities	1,131	980	825	1,758	1,730	1,936	2,318	2,710
Provisions	134	149	157	204	254	299	357	418
<b>Net Current Assets</b>	<b>5,641</b>	<b>7,491</b>	<b>6,442</b>	<b>8,220</b>	<b>8,648</b>	<b>5,730</b>	<b>6,523</b>	<b>8,459</b>
Misc Expenditure	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>11,420</b>	<b>14,275</b>	<b>14,358</b>	<b>16,779</b>	<b>18,599</b>	<b>18,082</b>	<b>19,478</b>	<b>20,921</b>

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>20.2</b>	<b>22.7</b>	<b>11.0</b>	<b>15.0</b>	<b>3.9</b>	<b>6.8</b>	<b>13.7</b>	<b>18.7</b>
Cash EPS	62.5	71.0	45.4	56.8	33.4	45.7	64.5	78.8
BV/Share	231.8	281.1	303.0	343.1	350.3	365.4	396.4	439.6
DPS	3.5	3.5	0.0	1.0	0.5	1.0	1.0	1.0
Payout (%)	17.4	15.5	0.0	6.1	12.8	15.1	7.3	5.4
<b>Valuation (x)</b>								
P/E	13.1	11.7	24.0	17.7	67.6	39.0	19.4	14.2
Cash P/E	4.2	3.7	5.8	4.7	7.9	5.8	4.1	3.4
P/BV	1.1	0.9	0.9	0.8	0.8	0.7	0.7	0.6
EV/Sales	1.3	1.1	1.0	1.1	1.2	1.1	0.9	0.7
EV/EBITDA	7.7	7.2	11.1	9.5	19.1	12.0	8.5	6.5
Dividend Yield (%)	1.3	1.3	0.0	0.4	0.2	0.4	0.4	0.4
FCF per share	13.4	-16.3	24.4	-14.0	-12.4	28.2	-0.9	13.5
<b>Return Ratios (%)</b>								
RoE	23.6	21.6	9.2	11.3	2.8	4.6	8.8	10.9
RoCE	21.3	20.4	9.1	11.3	2.9	4.5	8.4	10.5
RoIC	26.7	23.6	9.7	11.9	2.5	4.6	9.1	11.9
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.3	2.4	2.2	1.8	1.5	1.3	1.5	1.6
Asset Turnover (x)	1.8	1.9	1.9	1.5	1.4	1.4	1.6	1.7
Inventory (Days)	40	85	57	62	88	70	70	70
Debtor (Days)	58	60	56	83	61	51	51	51
Creditor (Days)	55	55	43	35	38	55	55	55
<b>Leverage Ratio (x)</b>								
Current Ratio	2.3	2.5	2.5	2.8	2.9	1.9	1.9	2.0
Interest Cover Ratio	14.6	24.8	15.2	33.3	5.7	9.9	33.6	44.9
Net Debt/Equity	-0.1	0.1	-0.1	0.0	0.1	-0.1	-0.1	-0.1

### Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	2,991	3,369	1,648	2,258	588	1,018	2,013	2,744
Depreciation	594	703	830	912	1,070	1,311	1,397	1,494
Interest & Finance Charges	31	84	102	49	80	158	-131	-161
Direct Taxes Paid	-773	-875	-401	-733	-281	-34	-507	-691
(Inc)/Dec in WC	77	-3,476	1,474	-2,151	-322	2,782	-875	-899
<b>CF from Operations</b>	<b>2,920</b>	<b>-195</b>	<b>3,654</b>	<b>335</b>	<b>1,136</b>	<b>5,235</b>	<b>1,898</b>	<b>2,487</b>
Others	0	0	-52	-6	53	29	0	0
<b>CF from Operating incl EO</b>	<b>2,920</b>	<b>-195</b>	<b>3,602</b>	<b>329</b>	<b>1,189</b>	<b>5,265</b>	<b>1,898</b>	<b>2,487</b>
(Inc)/Dec in FA	-1,444	-1,605	-903	-1,873	-2,556	-2,148	-2,000	-1,000
<b>Free Cash Flow</b>	<b>1,476</b>	<b>-1,800</b>	<b>2,699</b>	<b>-1,544</b>	<b>-1,367</b>	<b>3,117</b>	<b>-102</b>	<b>1,487</b>
(Pur)/Sale of Investments	-8	-103	-772	593	144	-1,169	0	0
Others	755	1,913	193	22	66	66	187	218
<b>CF from Investments</b>	<b>-697</b>	<b>205</b>	<b>-1,481</b>	<b>-1,258</b>	<b>-2,347</b>	<b>-3,251</b>	<b>-1,813</b>	<b>-782</b>
Issue of Shares	0	5	0	0	0	0	0	0
Inc/(Dec) in Debt	-1,757	648	-919	560	-321	-1,122	0	-500
Interest Paid	-207	-139	-99	-46	-106	-153	-56	-57
Dividend Paid	-385	-387	-221	0	-111	-55	-111	-111
Others	-145	-1,850	17	-39	1,736	-202	0	0
<b>CF from Fin. Activity</b>	<b>-2,494</b>	<b>-1,723</b>	<b>-1,222</b>	<b>475</b>	<b>1,198</b>	<b>-1,533</b>	<b>-167</b>	<b>-668</b>
<b>Inc/Dec of Cash</b>	<b>-271</b>	<b>-1,713</b>	<b>899</b>	<b>-453</b>	<b>41</b>	<b>481</b>	<b>-82</b>	<b>1,037</b>
Opening Balance	2,570	2,299	316	1,215	761	830	1,290	1,208
Other bank balance			29	16	28	-21	0	0
<b>Closing Balance</b>	<b>2,299</b>	<b>586</b>	<b>1,244</b>	<b>777</b>	<b>830</b>	<b>1,290</b>	<b>1,208</b>	<b>2,245</b>

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 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

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

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

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

**Specific Disclosures**

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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, 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, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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

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

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

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH00000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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