17 August 2026
1QFY27 Results Update | Sector: Automobiles

Tube Investments of India

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	TIINDIA IN
Equity Shares (m)	194
M.Cap.(INRb)/(USDb)	528.1 / 5.5
52-Week Range (INR)	3420 / 2165
1, 6, 12 Rel. Per (%)	-5/16/-10
12M Avg Val (INR M)	1185

Consol. Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	85.6	91.9	99.4
EBITDA	10.8	10.5	12.6
Adj. PAT	8.4	7.8	9.5
EPS (INR)	43.4	40.5	48.9
EPS Gr. (%)	12.4	-6.7	20.9
BV/Sh. (INR)	309.4	345.9	389.8
Ratios			
RoE (%)	15.0	12.3	13.3
RoCE (%)	19.4	16.2	17.5
Payout (%)	8.2	9.9	10.2
Valuations			
P/E (x)	-0.4	-0.5	-0.4
P/BV (x)	-0.1	-0.1	0.0
FCF Yield (%)	1.3	0.6	1.0

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	43.9	44.1	44.1
DII	21.5	22.2	17.2
FII	22.3	21.4	26.3
Others	12.3	12.3	12.4

FII includes depository receipts

CMP: INR2,728 TP: INR3,379 (+24%) Buy

In-line earnings despite margin miss

TI Medical and CDMO to ramp up in FY27

- Tube Investments' (TIINDIA) 1QFY27 adj. PAT at INR1.6b came in line with our est. despite a 70bp miss on EBITDA margin. MFD was the worst-performing segment, with segmental margins contracting 320bp YoY.
- Despite near-term margin headwinds, TIINDIA offers diversified revenue streams, with steady growth in the core business (~7% S/A PAT CAGR over FY26-28E) and CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. **We reiterate our BUY rating with a TP of ~INR3,379 (premised on FY28E SoTP; our valuation is based on a 15x PER for the standalone business, valuing the listed subsidiaries at a 35% HoldCo discount)**.

Earnings in line

- TII's standalone revenue grew 18% YoY to INR23.6b (6% above our est.). EBITDA margin contracted 190bp YoY to 10.4% (vs our est. of 11.1%).
- Segmental performance:
- Mobility business revenue grew 26% YoY to INR2.5b, while EBIT margin was largely flat YoY at 3.6%.
- Engineering business revenue grew 21% YoY to INR15.6b, while EBIT margin contracted 200bp YoY to 9.8%.
- MFB revenue grew 12% YoY to INR4.1b, while EBIT margin contracted 320bp YoY to 6.8%.
- Other business revenue grew 8% YoY to INR2.56b, while EBIT margin expanded 90bp YoY to 8.1%.
- As a result, EBITDA was largely flat YoY at INR2.5b (in line).
- Adj. PAT declined 6% YoY to INR1.6b (in line).

Highlights from the management commentary

- TII's core business remains fundamentally strong, with the Engineering business having delivered 17% volume growth and exports growing in double digits, while MFP revenue growth improved to 11.5% during the quarter. Further, with the 2-3 quarter lagged recovery of steel inflation, management expects margins to recover and improve, despite near-term margins remaining under pressure due to input cost inflation.
- TII is building multiple growth engines beyond their core business. TI Medical continues to target ~20% growth, while the 3xper CDMO platform is progressing toward commercial scale-up. Investments in additive manufacturing and optoelectronics further expand the company's addressable markets.
- 1Q marked record revenue of ~INR2.4b for TI Clean Mobility, with strong traction across HCVs, SCVs, and three-wheelers. Management indicated that peak quarterly losses are likely behind the business.

Radha Agarwalla - Research analyst (Radha.Agarwalla@MotilalOswal.com)
Research analyst: Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | **Uday Nair** (Uday.Nair@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- The 200kL intermediate manufacturing capacity for the CDMO business has already been commissioned, with validation batches currently underway. Management remains on track to achieve the previously revised business projections for the business.

Valuation and view

- Despite near-term margin headwinds, TIINDIA offers diversified revenue streams, with steady growth in the core business (~7% S/A PAT CAGR over FY26-28E) and CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. **We reiterate our BUY rating with a TP of ~INR3,379 (premised on FY28E SoTP; our valuation is based on a 15x PER for the standalone business, valuing the listed subsidiaries at a 35% HoldCo discount)**.

Quarterly performance (S/A) (INR M)

Y/E March	FY26				FY27E				FY26	FY27E		VAV.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	**20,066**	**21,190**	**21,522**	**22,786**	**23,662**	**23,137**	**22,868**	**22,275**	**85,564**	**91,942**	**22,257**	6.3
YoY Change (%)	2.4	2.6	12.7	16.4	17.9	9.2	6.3	-2.2	8.4	7.5	10.9	
EBITDA	**2,474**	**2,765**	**3,094**	**2,511**	**2,459**	**2,576**	**2,773**	**2,648**	**10,844**	**10,455**	**2,469**	-0.4
YoY Change (%)	3.1	12.4	27.3	10.1	-0.6	-6.8	-10.4	5.4	12.9	-3.6	-0.2	
Margins (%)	12.3	13.1	14.4	11.0	10.4	11.1	12.1	11.9	12.7	11.4	11.1	-70bp
Depreciation	450	474	477	487	494	535	555	601	1,888	2,185	520	
Interest	37	16	14	11	11	38	30	61	78	140	40	
Other Income	234	229	78	1,593	174	240	120	1,570	2,110	2,104	250	
PBT before EO expense	**2,221**	**2,504**	**2,681**	**3,606**	**2,127**	**2,243**	**2,308**	**3,556**	**10,988**	**10,234**	**2,159**	
Tax	540	637	641	737	541	527	542	794	2,553	2,405	507	
Tax Rate (%)	24.3	25.4	25.3	24.0	25.4	23.5	23.5	22.3	23.2	23.5	23.5	
Adj PAT	**1,681**	**1,868**	**2,005**	**2,861**	**1,586**	**1,716**	**1,765**	**2,762**	**8,472**	**7,829**	**1,652**	-4.0
YoY Change (%)	8.8	11.3	24.7	9.9	-5.6	-8.1	-12.0	-3.5	13.4	-7.6	-1.7	

E: MOFSL Estimates

Segmental Mix (INR m) (INR M)

	FY26				FY27E				FY26	FY27E		VAV.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Mobility business	1,984	1,938	1,831	2,076	2,504	2,131	1,977	1,921	7,828	8,534	2,163	15.8
Growth (%)	9.8	15.7	29.1	14.8	26.2	10.0	8.0	(7.5)	16.7	9.0	9.0	
PBIT margin (%)	3.5	2.2	2.2	2.0	3.6				2.5	3.4	-	
Contribution (%)	9.9	9.1	8.5	9.1	10.6	9.2	8.6	8.6	9.1	9.3	9.7	
Engineering business	12,982	13,816	14,375	14,949	15,663	15,198	15,238	14,463	56,208	60,561	14,540	7.7
Growth (%)	2.6	4.4	18.6	21.7	20.6	10.0	6.0	(3.3)	12.4	7.7	12.0	
PBIT margin (%)	11.8	11.9	13.6	11.8	9.8				12.3	10.6	-	
Contribution (%)	64.7	65.2	66.8	65.6	66.2	65.7	66.6	64.9	65.7	65.9	65.3	
Metal formed business	3,658	4,079	4,084	4,209	4,078	4,364	4,370	4,371	16,058	17,183	4,133	-1.3
Growth (%)	2.3	0.9	2.2	4.4	11.5	7.0	7.0	3.8	0.8	7.0	13.0	
PBIT margin (%)	10.0	10.9	11.3	8.4	6.8				10.1	7.9	-	
Contribution (%)	18.2	19.2	19.0	18.5	17.2	18.9	19.1	19.6	18.8	18.7	18.6	
Other business	2,363	2,269	2,137	2,460	2,561	2,450	2,287	2,392	9,229	9,690	2,410	6.3
Growth (%)	(4.3)	(6.7)	(15.3)	0.8	8.4	8.0	7.0	(2.8)	(6.5)	5.0	2.0	
PBIT margin (%)	7.2	8.1	8.9	6.4	8.1				7.6	6.8	-	
Contribution (%)	11.8	10.7	9.9	10.8	10.8	10.6	10.0	10.7	10.8	10.5	10.8	
Total Revenue (post inter segment)	**20,066**	**21,190**	**21,522**	**22,786**	**23,662**	**23,137**	**22,868**	**22,275**	**85,564**	**91,942**	**22,257**	
Growth (%)	2.4	2.6	12.7	16.4	17.9	9.2	6.3	(2.2)	8.4	7.5	10.9	



Highlights from the management commentary

1Q performance and capital allocation

- Standalone revenue increased 18% YoY to INR23.7b in 1QFY27 from INR20.1b, while PBT declined modestly to INR2.1b from INR2.2b, primarily reflecting commodity-cost inflation and the lag in passing through higher costs.
- Annualized ROIC improved to 41% from 39% YoY, while free cash flow stood at INR1.7b during the quarter.
- Consolidated revenue grew 17% YoY to INR62.2b, while profit before the share of JV profits, exceptional items, and tax increased to INR4.6b from INR4.5b.
- CG Power reported consolidated revenue of INR32.8b (+14% YoY) and PBT of INR4.2b (+16% YoY). Shanthi Gears reported revenue of INR1.2b and PBT of INR140m, both lower YoY.
- TI has already infused INR2.5b into subsidiaries in 4QFY26 and expects to infuse another INR2.5b in 3QFY27. Total planned infusion across the current investment cycle is approximately INR7.5b.

Update on the Engineering business

- Engineering revenue increased 21% YoY to INR15.7b, while EBIT remained broadly flat at INR1.5b due to the impact of higher steel and other input costs.
- Engineering volumes grew approximately 17% YoY, indicating healthy underlying demand despite margin pressure.
- Demand remained strong across vehicle categories and geographies during 1Q, with management describing the quarter as broadly bullish. The company expects the positive demand momentum to continue over the next one to two quarters, barring unforeseen geopolitical or macro disruptions.
- Exports performed well, recording double-digit growth during the quarter. At the overall TI level, exports account for approximately 14% of revenue.
- Growth was broad-based across segments, although the Hyundai-linked business remained a drag. Management expects new model launches at Hyundai to support the business going forward.
- Customer relationships and new product development initiatives remain intact, supporting the company's confidence in sustaining export and domestic growth.

Update on Metal Formed Products

- MFP revenue grew 11.5% YoY to INR4.1b, marking a meaningful improvement compared with the growth trajectory seen in recent quarters. The improvement was primarily volume-led, as price recovery has yet to fully come through.
- Railways continued to remain a drag on the business, while the Hyundai-linked business also remained weak.
- The planned greenfield plant in the Western region has been delayed by around six months, which has constrained the company's ability to fully capture the underlying demand growth.
- MFP EBIT declined to INR280m from INR370m, reflecting the impact of commodity inflation and the lag in price recovery.

Update on Mobility/TI Clean Mobility

- TI Clean Mobility delivered its highest-ever quarterly turnover of nearly INR2.4b in 1QFY27, with traction across all four businesses.
- The HCV business maintained the momentum established in 4QFY26, while the small commercial vehicle business recorded its highest-ever quarterly volumes.

- The three-wheeler business recovered strongly after supply-side challenges in 4Q, with volumes improving approximately 64% QoQ.
- 1Q billing volumes stood at 86 HCVs, 347 small commercial vehicles, 1,924 three-wheelers, and 22 tractors.
- The improvement in EV profitability was primarily volume-driven rather than attributable to any one-off benefit. Higher volumes across businesses helped absorb inflationary and commodity-cost pressures.
- Management indicated that TI Clean Mobility is directionally past the peak quarterly loss level, with further improvement expected as volumes scale.
- Of the four businesses, management expects one business to achieve breakeven during FY27 and two additional businesses during FY28.
- TI Clean Mobility has begun exploring international markets such as Nepal, Sri Lanka, Tanzania, and Ethiopia for 3W sales. Nepal represents the most significant early breakthrough, with 100+ three-wheelers shipped or in the process of being shipped and positive initial customer feedback. African markets remain at an exploratory stage, while management is particularly bullish on the Nepal opportunity.
- L3 three-wheelers were introduced on a pilot basis in 1Q in selected markets in Uttar Pradesh and Bihar. The company will evaluate customer feedback before deciding on broader commercialization.
- The NCR commercial-vehicle modernization/EV policy is gaining traction, and management expects a significant increase in demand once the policy becomes mandatory. TI Clean Mobility is expanding its dealer and secondary distribution footprint in NCR to cater to this anticipated demand.

HCV business and product development

- TI Clean Mobility launched its 28-ton tipper in 1Q and has sold approximately 20–25 units so far, with encouraging initial market feedback.
- The market is increasingly shifting toward 35-ton and higher-capacity tippers, and the company is evaluating development of products in this category.
- Given existing supply-chain constraints, including battery-cell availability, the near-term focus remains on servicing the confirmed order book for 4x2 tractor-trailers, while continuing to seed tipper volumes.
- HCV deployments are gaining traction across ports and industrial customers. Approximately 22 trucks have been deployed at Welspun's Anjar Port operations, while smaller deployments have also commenced at Vizag and Chennai ports.
- The company has also secured deployments linked to Wonder Cement, involving operations across Tuna and Dahej ports.

Update on TI Medical

- The core TI Medical surgical business grew approximately 20% YoY in 1Q, with management retaining its target of around 20% annual revenue growth along with profitability improvement.
- The recently acquired IV cannula/infusion therapy business is expected to commence revenue generation from August–September 2026 as the plant begins operations.
- The acquired business will initially require time for customer acquisition and margin expansion, but the core medical business is expected to maintain double-digit revenue and profitability growth.

- The medical manufacturing facility is currently operating at high utilization, supporting the need for capacity expansion.

Update on TIOS Electronics

- The TIOS optoelectronics business is still in the early stages of establishing customer approvals and gaining market entry, particularly for exports.
- Domestic production of plant modules and IV cannula modules is yet to commence, and the immediate focus remains on securing customer approvals and establishing export opportunities.

Update on Orange Koi – Metal Injection Molding and Additive Manufacturing

- Orange Koi is a small acquisition intended to build capabilities in additive manufacturing/metal injection molding.
- Management plans to spend the first one or two quarters evaluating the addressable market and the segments it should target before scaling the business.

Update on Jayem Automotives and Battery Manufacturing

- Battery-cell availability and pricing remain a key near-term challenge. Management expects the pressure to persist for at least the next two to three quarters, partly due to higher global demand from battery energy storage systems and changes in Chinese policy support for cell manufacturers.
- TI Clean Mobility is mitigating the risk through advance booking of orders with long lead times and price locking with cell and battery manufacturers.
- Jayem has faced headwinds in its traditional design-and-development business, but its outlook is improving following diversification into battery manufacturing.
- Jayem is setting up a battery assembly line during FY27, initially catering primarily to TI's small commercial vehicle and three-wheeler businesses.
- Over time, as capacity scales up, Jayem intends to supply batteries to other EV manufacturers as well, creating a third revenue stream alongside design/development and fast prototyping, validation and testing.

Update on CDMO business

- The 200 kL intermediate manufacturing capacity has already been commissioned, with validation batches currently underway.
- The clean room is expected to be commissioned within the next 30–40 days, after which validation batches from the semi-commercial facility will be supplied to customers to initiate the regulatory filing process.
- Site inspection is expected during the next financial year, after which the business should enter a stronger growth phase.
- The semi-commercial facility is already supplying commercial quantities of an OTC product launched in Europe, with the customer potentially targeting global requirements.
- The company has also supplied a key intermediate to a customer for regulatory filing and currently works with approximately 15 customers across FDA-related and semi-commercial programs.
- Management remains on track to achieve the previously revised business projections.

Capex and investment priorities

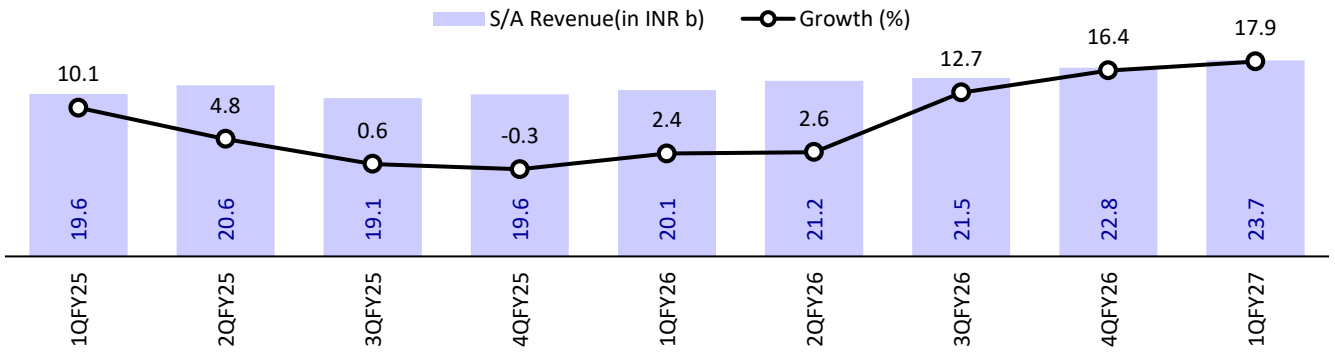
- TI standalone plans to spend approximately INR3.5b on capex in FY27, while Shanthi Gears is expected to invest around INR1b.
- Excluding CG Power, aggregate group capex is expected to be around INR6–7b.

- TI's core capex will primarily be directed toward the Engineering and MFP divisions, while additional investments will support TI Medical and the 3xper CDMO business.
- The company continues to balance organic capacity expansion with investments in emerging businesses and new capabilities.

Outlook

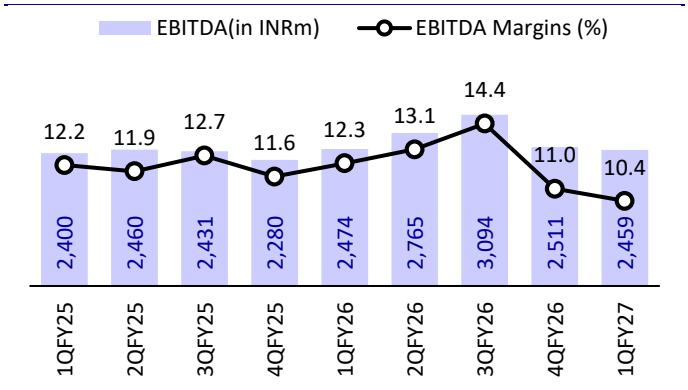
- Management remains constructive on the near-term demand environment, with strong momentum visible across most vehicle categories and geographies.
- Engineering volumes and exports are expected to remain healthy over the next one to two quarters, while new product development and customer relationships provide additional growth support.
- Margin recovery remains a key near-term catalyst, with full recovery of steel inflation and potential recovery of other input-cost inflation expected to progressively improve profitability.
- TI Clean Mobility is entering a more favorable phase as volumes scale, with management indicating that peak quarterly losses are likely behind it and multiple businesses moving toward breakeven over FY27–FY28.
- Overall, the company remains focused on scaling its core businesses while investing in medical, CDMO, EV mobility, battery manufacturing, and other emerging businesses to build multiple growth engines.

Exhibit 1: Trends in SA revenue and revenue growth



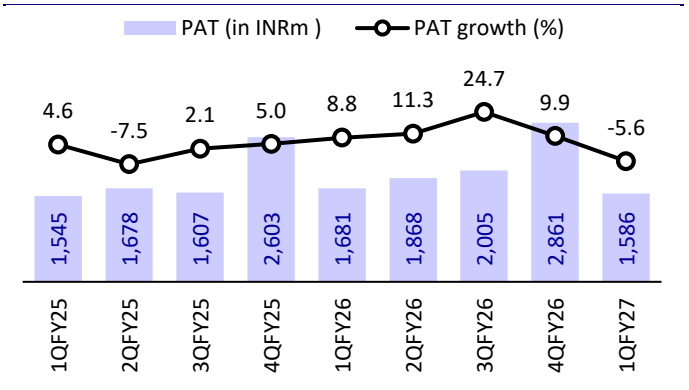
Source: Company, MOFSL

Exhibit 2: Trend in standalone EBITDA margin



Source: Company, MOFSL

Exhibit 3: Trends in PAT and PAT growth



Source: Company, MOFSL

Valuation and view

- Two of the standalone entity's business segments, viz., Engineering and Metal Formed divisions, which contribute ~80% of its revenue, are dependent on the auto business. While the GST rate reduction has helped revive auto demand across segments, the near-term outlook for the sector has turned cautious given the potential impact of the ongoing geopolitical issues on the economy. We, hence, expect the standalone business to post a steady CAGR of 8%/8%/7% in revenue/EBITDA/PAT over FY26-28.
- TII uses the cash flow from the domestic business to incubate future growth platforms (TI-2) and for opportunistic acquisitions of stressed assets (TI-3) at attractive prices. The TI-2 business, based on the venture capital model, has seen the seeding of several businesses, such as TICMPL (e-3Ws, e-tractors, e-CVs, e-SCVs), Sedis (Industrial chains in France), TI Medical (manufacturer of medical and surgical consumables), and 3XPER Innoventure (CDMO and API business). Additionally, it is looking to foray into electronics manufacturing in India as a play on localization. These businesses offer huge potential, though it may take time for them to scale up. However, given the nascent stage of each of these businesses, we have not given any value to any of these businesses in our SoTP. These businesses provide optionality for the core.
- **Valuation and view:** Despite near-term margin headwinds, TIINDIA offers diversified revenue streams, with steady growth in the core business (~7% S/A PAT CAGR over FY26-28E) and CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. **We reiterate our BUY rating with a TP of ~INR3,379 (premised on FY28E SoTP; our valuation is based on a 15x PER for the standalone business, valuing the listed subsidiaries at a 35% HoldCo discount)**.

Exhibit 4: Our revised estimates (standalone)

(INR b)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	**91,942**	**92,468**	**-0.6**	**99,423**	**99,990**	**-0.6**
EBITDA Margin (%)	11.4	12.0	-58bp	12.7	12.9	-22bp
PAT	**7,829**	**8,441**	**-7.2**	**9,469**	**9,846**	**-3.8**
EPS (Rs)	40.5	43.6	-7.2	48.9	50.9	-3.8

Exhibit 5: Our SoTP-based TP

SOTP (INR/Share)		FY26	FY27E	FY28E
Value of S/A Business @ 15x Core EPS	PE @ 15x	569	516	632
Value of listed subs post hold-co discount (35%)				
Shanthi gear	394	72	72	72
CG power	898	2,675	2,675	2,675
Fair value (INR/Share)		**3,316**	**3,263**	**3,379**

Story in charts

Exhibit 6: Trend in standalone sales

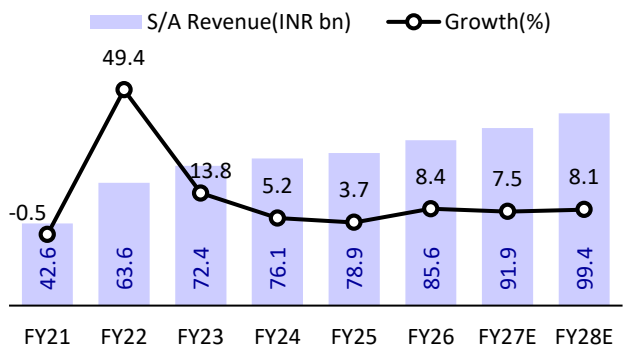


Exhibit 7: Trend in standalone EBITDA

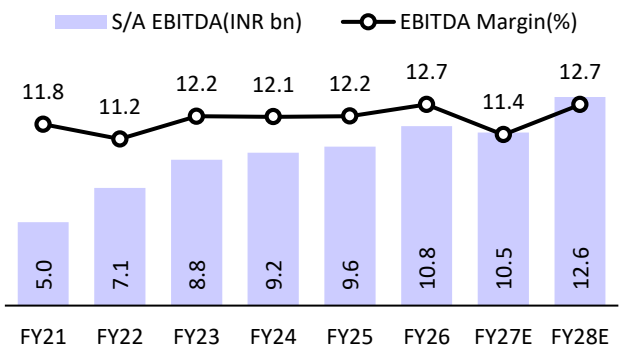


Exhibit 8: Trend in standalone PAT

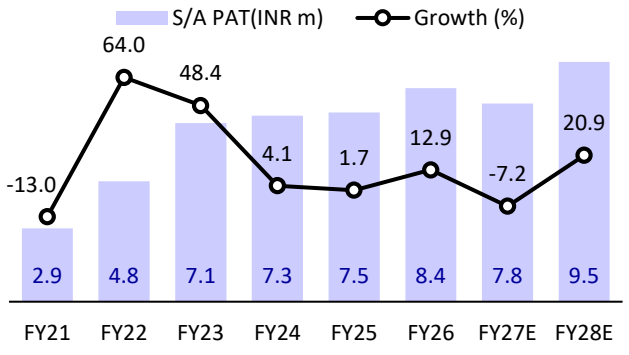


Exhibit 9: Trend in standalone capital efficiency

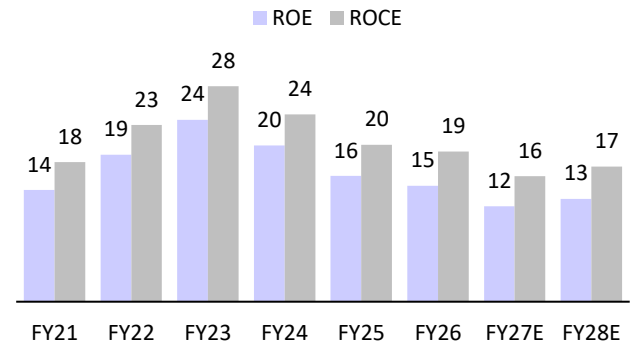


Exhibit 10: FCF dipped in FY24 mainly due to higher capex

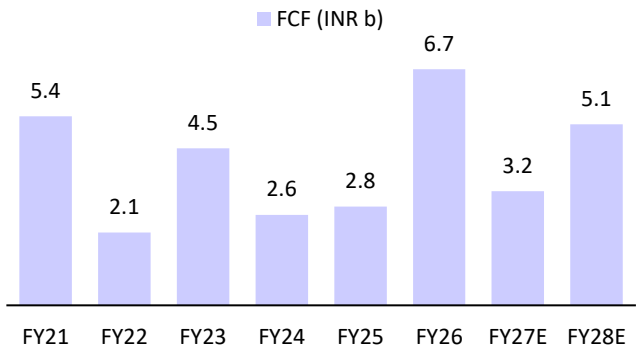
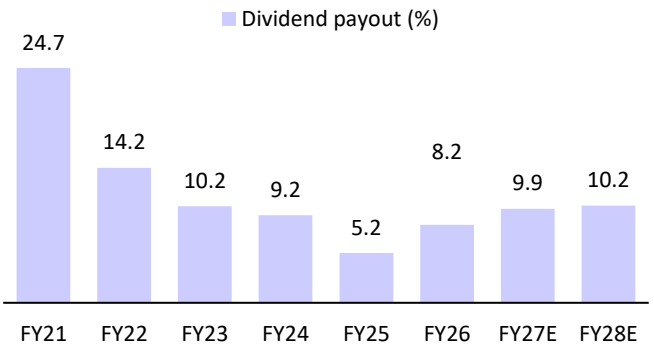


Exhibit 11: Dividend payout over the years



Financials and valuations

Standalone - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Op. Revenues	**42,558**	**63,593**	**72,360**	**76,105**	**78,925**	**85,564**	**91,942**	**99,423**
Change (%)	-0.5	49.4	13.8	5.2	3.7	8.4	7.5	8.1
EBITDA	**5,029**	**7,113**	**8,803**	**9,239**	**9,606**	**10,844**	**10,455**	**12,592**
Change (%)	(7.8)	41.4	23.8	5.0	4.0	12.9	(3.6)	20.4
Margin (%)	11.8	11.2	12.2	12.1	12.2	12.7	11.4	12.7
Depreciation	1,496	1,450	1,456	1,408	1,688	1,888	2,185	2,412
EBIT	**3,532**	**5,662**	**7,347**	**7,832**	**7,918**	**8,956**	**8,270**	**10,180**
Interest charges	191	118	216	295	247	78	140	125
Other Income	465	736	2,152	2,165	2,075	2,110	2,104	2,323
PBT bef. EO Exp.	**3,807**	**6,280**	**9,283**	**9,701**	**9,745**	**10,988**	**10,234**	**12,378**
EO Income/(Exp)	-217	0	-527	0	5,499	-160	0	0
PBT after EO Exp.	**3,590**	**6,280**	**8,756**	**9,701**	**15,244**	**10,828**	**10,234**	**12,378**
Current Tax	1,012	1,472	2,206	2,359	2,237	2,553	2,405	2,909
Deferred Tax	-154	57	-103	-3	41	2	0	0
Tax Rate (%)	23.9	24.3	24.0	24.3	14.9	23.6	23.5	23.5
Reported PAT	**2,732**	**4,752**	**6,652**	**7,345**	**12,967**	**8,274**	**7,829**	**9,469**
Adjusted PAT	**2,897**	**4,752**	**7,053**	**7,345**	**7,468**	**8,395**	**7,829**	**9,469**
Change (%)	-13.0	64.0	48.4	4.1	1.7	12.4	-6.7	20.9

Standalone - Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	193	193	193	193	194	194	194	194
Total Reserves	22,739	26,820	32,732	39,511	51,913	59,680	66,736	75,237
Net Worth	**22,931**	**27,013**	**32,925**	**39,704**	**52,106**	**59,874**	**66,929**	**75,431**
Total Loans	2,581	3,481	4,732	5,132	1,534	504	444	384
Capital Employed	**25,512**	**30,494**	**37,657**	**44,837**	**53,640**	**60,378**	**67,373**	**75,815**
Gross Block	16,641	18,229	19,045	21,324	24,972	28,863	32,285	36,233
Less: Accum. Deprn.	6,718	8,044	9,146	10,239	11,752	13,441	15,626	18,038
Net Fixed Assets	**9,924**	**10,185**	**9,900**	**11,086**	**13,220**	**15,422**	**16,659**	**18,195**
Capital WIP	1,263	556	967	2,044	2,554	561	638	690
Total Investments	**15,392**	**16,709**	**20,457**	**26,302**	**32,136**	**38,568**	**43,268**	**49,668**
Curr. Assets, Loans&Adv.	**12,715**	**16,224**	**17,615**	**18,178**	**17,852**	**20,375**	**20,877**	**22,417**
Inventory	5,141	6,479	6,044	6,377	6,308	7,102	7,557	8,172
Account Receivables	6,055	7,612	6,882	9,318	9,579	11,104	11,335	12,258
Cash and Bank Balance	71	24	1,113	520	877	553	214	115
Loans and Advances	1,448	2,110	3,576	1,963	1,088	1,615	1,771	1,873
Curr. Liability & Prov.	**13,808**	**13,180**	**11,282**	**12,773**	**12,123**	**14,547**	**14,070**	**15,156**
Account Payables	11,458	11,408	9,307	10,980	9,710	12,394	11,335	12,258
Other Current Liabilities	1,925	1,399	1,437	1,141	1,633	1,434	2,015	2,179
Provisions	425	374	538	652	779	719	719	719
Net Current Assets	**-1,093**	**3,044**	**6,334**	**5,405**	**5,730**	**5,828**	**6,808**	**7,261**
Appl. of Funds	**25,512**	**30,494**	**37,657**	**44,837**	**53,640**	**60,378**	**67,373**	**75,815**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**15.0**	**24.6**	**36.5**	**38.0**	**38.6**	**43.4**	**40.5**	**48.9**
Cash EPS	22.8	32.2	44.1	45.3	47.3	53.1	51.8	61.4
BV/Share	118.9	140.0	170.5	205.3	269.3	309.4	345.9	389.8
DPS	4	4	4	4	4	4	4	5
Payout (%)	24.7	14.2	10.2	9.2	5.2	8.2	9.9	10.2
Valuation (x)								
P/E	-1.3	-0.8	-0.5	-0.5	-0.5	-0.4	-0.5	-0.4
Cash P/E	-0.8	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4	-0.3
P/BV	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0
EV/Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	-0.2	0.0	0.0	0.1	-0.3	-0.3	-0.3	-0.3
FCF per share	27.8	10.7	23.1	13.3	14.5	34.6	16.7	26.5
Return Ratios (%)								
RoIC	28.7	30.7	34.2	29.5	24.7	25.1	20.2	22.5
RoE	14.5	19.0	23.5	20.2	16.3	15.0	12.3	13.3
RoCE	18.0	22.8	27.9	24.2	20.3	19.4	16.2	17.5
Working Capital Ratios								
Fixed Asset Turnover (x)	2.6	3.5	3.8	3.6	3.2	3.0	2.8	2.7
Asset Turnover (x)	1.7	2.1	1.9	1.7	1.5	1.4	1.4	1.3
Inventory (Days)	44	37	30	31	29	30	30	30
Debtor (Days)	52	44	35	45	44	47	45	45
Creditor (Days)	98	65	47	53	45	53	45	45
Working Cap. Turnover (Days)	-10	17	26	23	22	23	26	26

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	3,807	6,280	8,756	9,701	15,244	10,828	10,234	12,378
Depreciation	1,428	1,450	1,456	1,408	1,688	1,888	2,185	2,412
Interest & Finance Charges	0	-42	0	0	0	0	-2,104	-2,323
Direct Taxes Paid	-943	-1,392	-2,108	-2,423	-2,328	-2,311	-2,405	-2,909
(Inc)/Dec in WC	2,481	-2,799	-815	-1,501	-838	104	-1,319	-553
Others	-131	-240	-1,041	-1,244	-6,734	-1,526	140	125
CF from Operating	**6,641**	**3,258**	**6,248**	**5,941**	**7,033**	**8,982**	**6,732**	**9,129**
(Inc)/Dec in FA	-1,287	-1,197	-1,797	-3,377	-4,231	-2,291	-3,500	-4,000
Free Cash Flow	**5,354**	**2,061**	**4,451**	**2,564**	**2,802**	**6,691**	**3,232**	**5,129**
(Pur)/Sale of Investments	-2,053	322	-15	780	623	-6,835	-4,700	-6,400
Others	-6,708	-2,029	-3,719	-2,919	1,437	1,588	2,104	2,323
CF from Investments	**-10,049**	**-2,904**	**-5,530**	**-5,516**	**-2,170**	**-7,539**	**-6,096**	**-8,077**
Issue of Shares	3,472	33	47	117	73	35	0	0
Inc/(Dec) in Debt	410	384	1,262	-107	-3,607	-1,000	-60	-60
Interest Paid	-161	-98	-211	-310	-251	-78	-140	-125
Dividend Paid	-389	-667	-672	-674	-677	-677	-774	-968
Others	-72	-69	-38	-43	-45	-46	0	0
CF from Fin. Activity	**3,261**	**-417**	**388**	**-1,017**	**-4,506**	**-1,767**	**-974**	**-1,153**
Inc/Dec of Cash	**-146**	**-62**	**1,105**	**-592**	**357**	**-324**	**-338**	**-100**
Opening Balance	216	70	7	1,113	520	877	553	214
Closing Balance	**70**	**7**	**1,113**	**520**	**877**	**553**	**215**	**115**

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 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://onlinereports.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, 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 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, 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: INH000000412, 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.