29 October 2026
2QFY27 Results Update | Sector: Automobiles

Craftsman Automation

Estimate changes	↑
TP change	↑
Rating change	↔

CMP: INR10,700 **TP: INR11,000 (+5%)** **Neutral**

Bloomberg	CRAFTSMA IN
Equity Shares (m)	26
M.Cap.(INRb)/(USDb)	280.6 / 2.9
52-Week Range (INR)	11999 / 6252
1, 6, 12 Rel. Per (%)	1/44/78
12M Avg Val (INR M)	729

Consol. Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	80.7	111.3	125.4
EBITDA	12.4	17.0	20.4
Adj. PAT	3.9	7.2	9.6
EPS (INR)	164.8	273.8	366.7
EPS Gr. (%)	78.9	66.1	33.9
BV/Sh. (INR)	1,368	2,274	2,624
Ratios			
RoE (%)	12.9	15.5	15.0
RoCE (%)	10.1	12.2	12.4
Payout (%)	6.8	4.4	4.6
Valuations			
P/E (x)	64.9	39.1	29.2
P/BV (x)	7.8	4.7	4.1
Div. Yield (%)	0.1	0.1	0.2
FCF Yield (%)	-4.0	-4.2	-0.7

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	42.4	42.4	48.7
DII	33.6	32.9	24.4
FII	16.5	17.3	15.4
Others	7.5	7.4	11.5

FII includes depository receipts

Strong topline performance, margins to rebound

Strong underlying demand and RM pass through to support growth

- Craftsman Automation's (Craftsman) 2QFY27 consol. adj. PAT of INR1.5b came in line with our estimate, growing ~68% YoY on account of strong performance across segments. Despite strong top line growth, commodity inflation and higher opening inventory impacted margins, as EBITDA margin contracted 180bp YoY to 13.3%.
- The aluminum business is likely to emerge as a key growth driver going forward, driven by the ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and benefits of the restructuring of Sunbeam to be visible from FY27E. Management remains committed to a 15% real revenue CAGR, over the medium term. Fueled by a strong earnings growth in 2Q, we raise our EPS estimates by 14%/8% for FY27/ FY28. However, after the recent run-up in the stock, most of the positives appear factored in at **39x FY27E and at 29x FY28E**. **Hence, we reiterate our Neutral rating with a TP of INR11,000 (valued at 30x FY28E EPS).**

Margin miss due to higher-than-expected raw material prices

- Craftsman's 2QFY27 consolidated revenue grew 47.1% YoY/21.1% QoQ to INR29.5b, beating our estimate of INR24.8b. Even on a standalone basis, revenue beat our estimates.
- Gross margin contracted 540bp YoY/470bp QoQ at 44.5%.
- However, due to higher-than-expected raw material inflation, EBITDA came in line with our estimate, growing ~30% YoY to INR3.9b. Margin came in at 13.3%, and was below our estimate of 15.5%.
- Segmental performance:
  - **Powertrain:** Revenue at INR7.5b rose 38.7% YoY (beating our estimate of INR6.4b). EBIT margin at 18% declined 30bp QoQ, broadly in line with our estimates.
  - **Aluminum:** Revenue at INR18.2b rose 51% YoY (above estimate of INR15.1b). EBIT margin at 7.5% declined 420bp YoY (below expectations).
  - **Industrial:** Revenue at INR3.8b rose 46% YoY, beating our estimate of INR3.4b. EBIT margin at 7.6% rose 620bp YoY (down 140bp QoQ), below our estimate of 9%.
- As a result, despite strong top-line growth, PAT came in line with our estimate, growing 67.9% YoY to INR1.5b.
- CFO for 1HFY27 stood at a negative INR5.1b, and free cash was also negative at INR5.8b.
- However, the company was still net cash positive with ~INR5b.

Research analyst - Radha Agarwalla (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.

Key highlights from the management commentary

- Management expects growth momentum to sustain over the next 2-3 quarters, supported by order wins, capacity additions and product developments, with growth expected across powertrain (excluding tractors in the near term) and aluminium.
- The company remains committed to a 15% real revenue CAGR, supported by new product launches, increasing exports, premiumisation, hybrid powertrains and the gradual shift towards outsourced manufacturing by OEMs.
- Sunbeam's profitability is expected to improve as loss-making, low-margin business is phased out over the next few months, despite a potential reduction in revenue. Q3 and Q4FY27 are expected to show improvement, with new customer orders anticipated in FY28.
- Consolidated net debt/EBITDA is expected at 1.7-1.8x for FY27, with working capital elevated due to growth, inventory build-up and capacity ramp-ups.

Valuation and view

The aluminum business is likely to emerge as a key growth driver going forward, driven by the ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and benefits of the restructuring of Sunbeam to be visible from FY27E. Management remains committed to a 15% real revenue CAGR, over the medium term. However, after the recent run-up in the stock, most of the positives appear factored in at **39x FY27E and at 29x FY28E**. **Hence, we reiterate our Neutral rating with a TP of INR11,000 (valued at 30x FY28E EPS).**

Quarterly (Consol) **(INR m)**

	FY26				FY27E				FY26	FY27E	FY27E	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating income	**17,840**	**20,016**	**20,573**	**22,264**	**24,316**	**29,452**	**29,113**	**28,454**	**80,693**	**1,11,334**	**24,844**	**18.5**
Change (%)	55.0	64.9	30.5	27.3	36.3	47.1	41.5	27.8	41.8	38.0	24.1	
RM/Sales (%)	53.9	54.7	55.0	54.6	55.5	60.2	55.0	51.1	54.6	55.5	55.5	470bp
Staff Cost (% of Sales)	8.1	7.2	7.3	6.7	6.8	6.2	7.1	8.7	7.3	7.2	7.0	-80bp
Other Exp. (% of Sales)	23.2	23.0	22.6	22.6	21.9	20.4	22.0	23.8	22.8	22.0	22.0	-160bp
EBITDA	**2,649**	**3,019**	**3,122**	**3,585**	**3,839**	**3,918**	**4,629**	**4,648**	**12,376**	**17,034**	**3,851**	**1.8**
EBITDA Margins (%)	14.9	15.1	15.2	16.1	15.8	13.3	15.9	16.3	15.3	15.3	15.5	-220bp
Change (%)	34.3	56.6	56.9	47.2	44.9	29.8	48.3	29.6	185.1	221.8	27.6	
Non-Operating Income	50	96	277	191	231	197	400	399	614	1227	280	
Interest	663	770	794	863	862	803	840	894	3090	3399	850	
Depreciation	1019	1090	1149	1181	1204	1264	1330	1417	4439	5215	1275	
Minority Int/Share of Profit	-2	-4	-3	-3	-6	-6	-5	-5	-11	-22	-5	
PBT after EO items	**937**	**1,253**	**1,422**	**1,730**	**2,010**	**2,055**	**2,864**	**2,741**	**5,343**	**9,670**	**2,011**	**2.2**
Eff. Tax Rate (%)	25.7	27.5	24.7	32.7	25.1	25.4	26.0	26.9	28.1	25.9	25.4	
Rep. PAT	**696**	**909**	**1,071**	**1,164**	**1,506**	**1,532**	**2,121**	**2,004**	**3,840**	**7,162**	**1,499**	**2.2**
Change (%)	30.9	47.3	728.4	74.4	116.3	68.6	98.0	72.1	69.7	86.5	65.0	
Adj. PAT	**755**	**912**	**1,098**	**1,168**	**1,506**	**1,532**	**2,121**	**2,004**	**3,933**	**7,162**	**1,499**	**2.2**
Change (%)	42.0	47.9	352.8	55.8	99.4	67.9	93.2	71.5	73.8	82.1	64.4	

E: MOSL Estimates

Key Performance Indicators (INR m)

	FY26				FY27E				FY26	FY27E		VAR (%)
Segment Revenues	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3QE**	**4QE**			**2QE**	
Auto Powertrain	4,964	5,380	5,366	6,079	6,226	7,463	7,496	7,325	21,789	28,509	6,366	**17.2**
Growth (%)	19.2	24.8	17.3	20.0	25.4	38.7	39.7	20.5	20.3	30.8	18.3	
PBIT Margin (%)	15.2	14.6	16.8	19.2	18.3	18.0	18.0	18.1	16.6	18.1	18.1	-10bp
Aluminium Products	10,713	12,041	12,034	13,101	14,793	18,195	17,968	17,789	47,888	68,745	15,052	**20.9**
Growth (%)	102.8	106.6	31.3	30.3	38.1	51.1	49.3	35.8	57.9	43.6	25.0	
PBIT Margin (%)	10.1	11.7	9.2	10.2	10.1	7.5	9.0	10.2	10.3	9.2	10.1	-260bp
Industrial	2,163	2,596	3,174	3,084	3,297	3,795	3,650	3,339	11,016	14,081	3,426	**10.8**
Growth (%)	4.7	29.7	56.9	30.0	52.4	46.2	15.0	8.3	9.5	27.8	32.0	
PBIT Margin (%)	2.2	1.4	6.7	6.1	9.0	7.6	8.0	8.2	4.4	8.2	9.0	-140bp
Total Product sales	**17,840**	**20,016**	**20,573**	**22,264**	**24,316**	**29,452**	**29,113**	**28,454**	**80,693**	**1,11,334**	**24,844**	**18.5**



Highlights from the management commentary

Update on the overall business and outlook

- Management expects growth momentum to sustain over the next 2-3 quarters, supported by order wins, capacity additions, and product developments, with growth expected across powertrain (excluding tractors in the near term) and aluminum.
- The company remains committed to a 15% real revenue CAGR, supported by new product launches, increasing exports, premiumization, and the gradual shift toward outsourced manufacturing by OEMs.
- Craftsman is becoming more selective in customer and product acquisition, prioritizing sustainable product lifecycles, profitability, and value addition over revenue growth.
- Management expects price rationalization across legacy products to offset rising manpower, energy, and other conversion costs, with adjustments ranging from 6-7% to 15-20% of the value-added portion, depending on the product and customer. This is expect to support margin recovery in the coming couple of quarters.
- Sunbeam's profitability is expected to improve as loss-making, low-margin business is phased out over the next few months, despite a potential reduction in revenue. 3Q and 4QFY27 are expected to show improvement, with new customer orders anticipated in FY28.
- Consolidated net debt/EBITDA is expected at 1.7-1.8x for FY27, with working capital elevated due to growth, inventory build-up, and capacity ramp-ups. Management expects to reach approximately INR18.5b EBITDA next year, after which internal cash generation should be sufficient to fund growth and maintenance capex.
- Management highlighted that the company’s larger manufacturing scale should improve its ability to secure business from larger domestic and multinational OEMs, supporting a sustained growth trajectory over the next 5-10 years.

Update on the powertrain business

- Powertrain growth is expected to remain strong over the next few quarters, supported by previously commissioned investments, product approvals, new plant ramp-ups, and a healthy order pipeline amid strong growth in the underlying industry. However, tractor-related business is expected to contract over the next two quarters.

- The stationary engine business, catering to data centers and backup power requirements, has a strong order pipeline, with management expecting to achieve an annualized revenue run rate of USD100m by 3Q/4QFY30. The business is expected to reach ~30% of this run rate in FY28 and ~50% in FY29.
- Management is evaluating a second phase of stationary engine capacity expansion, supported by strong enquiries for existing products. Incremental investment is expected to be relatively low, as foundry and machining infrastructure is already in place.
- India is emerging as an export hub for powertrain aggregates, particularly engines and gearboxes, supported by competitive manufacturing costs and increasing localization. This trend, alongside demand for premium two-wheelers and newer vehicle platforms, is expected to support growth over the next 3-4 years.

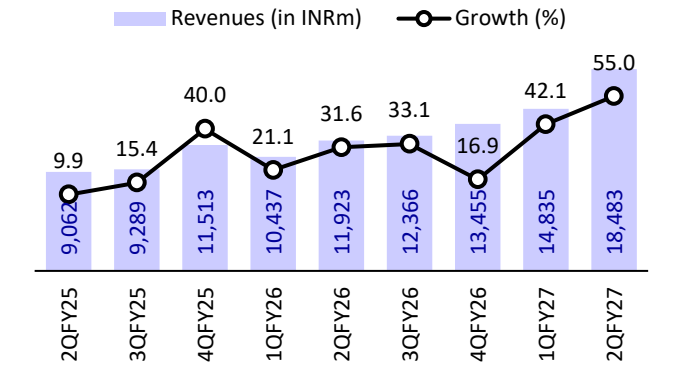
Update on the aluminum business

- The aluminum business continues to report strong underlying growth, with 1H growth of ~45%, largely driven by real volume growth rather than commodity-price pass-throughs.
- Margins were temporarily affected by elevated aluminum inventory accumulated during supply shortages and sharp commodity-price movements. Management expects the impact to be minimal in 3QFY27 and absent in 4QFY27.
- The company is negotiating with OEMs for compensation for past commodity-related costs and price corrections to reflect higher manpower, energy, and other operating expenses. Management expects margins to normalize following these discussions, although some moderation may persist due to elevated commodity prices.
- The DRAxion Plant 2 has commenced trial production and is supported by a strong order book, although further ramp-up is required to achieve optimal profitability.
- Recently commissioned capacities and new plants remain below optimal utilization, weighing on profitability. Management expects operating leverage to improve over the next two quarters as these facilities ramp up, while mature plants continue to benefit from better utilization.
- Sunbeam's portfolio rationalization and the addition of new customers and products are expected to improve profitability. Alloy wheel utilization has reached ~70% over the past few months.
- Craftsman is increasingly targeting EV-related structural components through high-pressure, low-pressure, and gravity die-casting capabilities. Management believes that maturing EV platform designs should improve sustainability of these opportunities.

Update on capex guidance

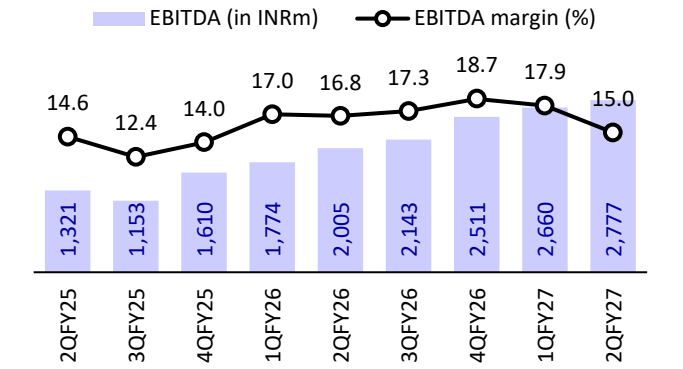
- Consolidated capex for FY27 is expected to be ~INR16-17b, with INR11b already spent in 1H and another ~INR5-6b expected in 3QFY27, while 4Q capex is likely to be lower as longer-term projects are deferred and implemented in phases.
- Craftsman has undertaken significant capex in 1HFY27 to establish greenfield facilities and expand powertrain, aluminum casting, and machining capacities. Management indicated that the major phase of infrastructure creation has been completed.
- The next phase of stationary engine expansion will be less capital-intensive, as existing foundry and machining infrastructure can accommodate additional capacity, potentially improving incremental returns on investment.

Exhibit 1: SA revenue and revenue growth (%)



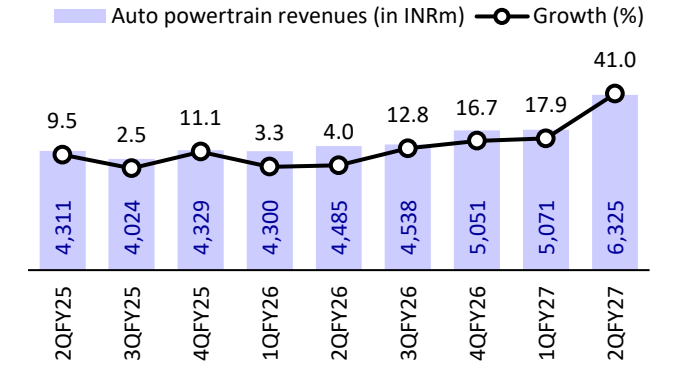
Source: Company, MOFSL

Exhibit 2: SA EBITDA and EBITDA margin (%)



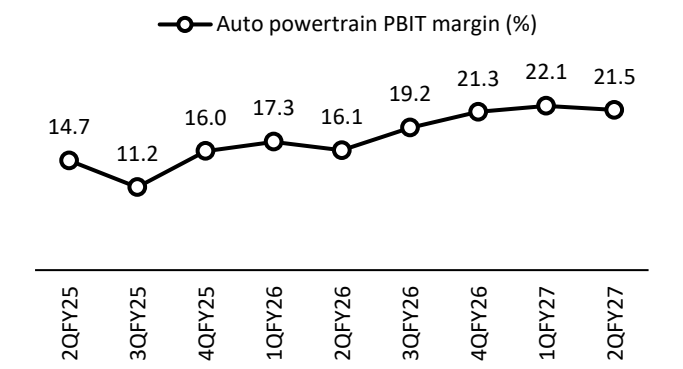
Source: Company, MOFSL

Exhibit 3: Auto powertrain's revenue and growth (%)



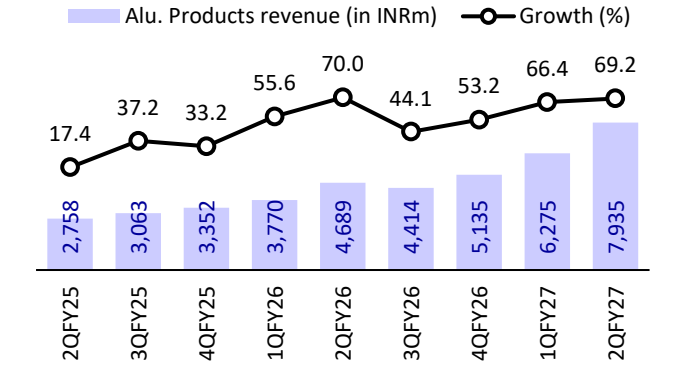
Source: Company, MOFSL

Exhibit 4: Auto powertrain's PBIT margin (%)



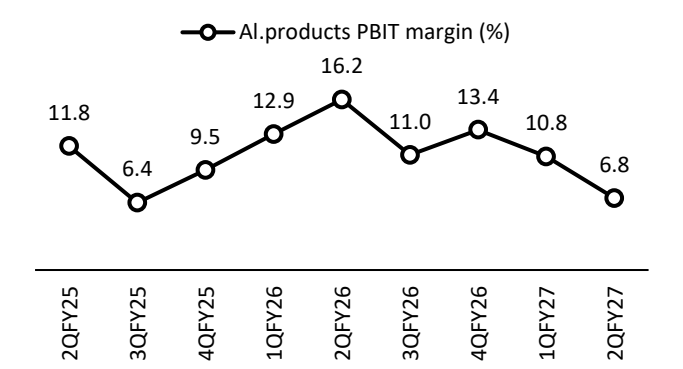
Source: Company, MOFSL

Exhibit 5: Aluminum products' revenue and growth (%)



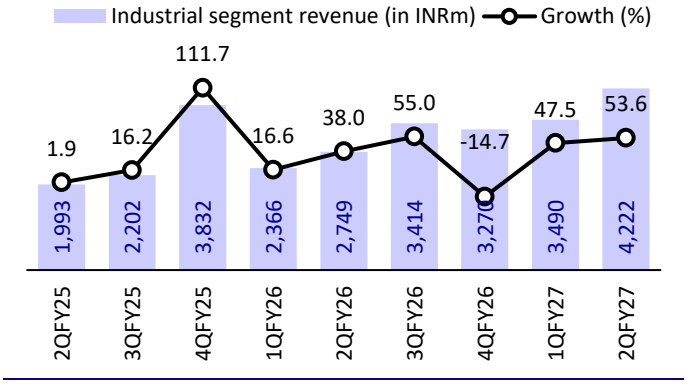
Source: Company, MOFSL

Exhibit 6: Aluminum products' PBIT margin (%)



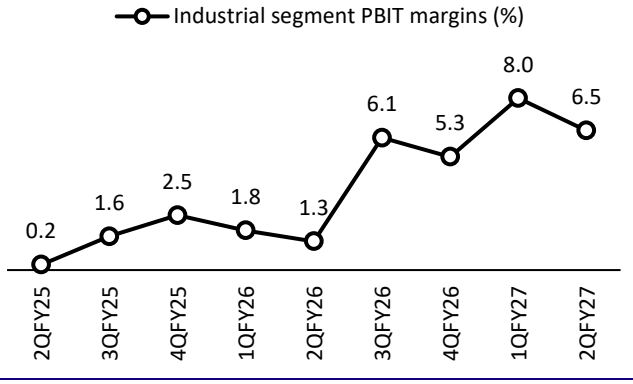
Source: Company, MOFSL

Exhibit 7: Industrial segment's revenue and growth (%)



Source: Company, MOFSL

Exhibit 8: Industrial segment's PBIT margin (%)



Source: Company, MOFSL

Valuation and view

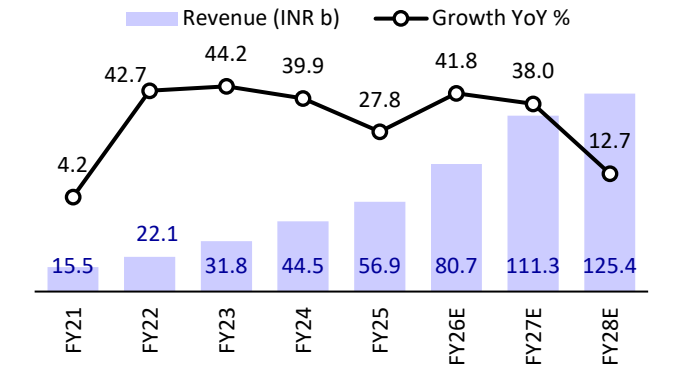
- Craftsman is a leader in machining critical engine and transmission components for MHCVs and tractors. Its in-house engineering and tool-making capabilities provide a competitive moat. It is also among the top three players in the storage solutions business in India. Further, it has significantly solidified its position in the domestic Al castings segment following the acquisitions of DR Axion and Sunbeam over the last few years. Particularly commendable has been the way management is on track to turn around operations at Sunbeam.
- The Auto demand revival across segments post-GST 2.0 augurs well for players like Craftsman, which have a diversified mix with presence across all auto segments.
- Further, the company is setting up a new plant in Kothavadi to cater to components for the fast-growing data center segment in India. It is in advanced discussions with many large global OEMs who have set up plants in India to supply to their requirements. Based on its current assessment, the company expect this business to scale up to USD 100m by FY30.
- The aluminum business is likely to emerge as a key growth driver going forward, driven by the ramp-up of its alloy wheel facilities at Bhiwadi and Hosur, steady order visibility from both domestic and export customers, and benefits of the restructuring of Sunbeam to be visible from FY27E. Management remains committed to a 15% real revenue CAGR, over the medium term. However, after the recent run-up in the stock, most of the positives appear factored in at **39x FY27E and at 29x FY28E**. **Hence, we reiterate our Neutral rating with a TP of INR11,000 (valued at 30x FY28E EPS).**

Exhibit 9: Our revised estimates

(INR b)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	111.3	99.9	11.5	125.4	117.6	6.7
EBITDA Margin (%)	**15.3**	**15.8**	**-50bp**	**16.3**	**16.5**	**-20bp**
PAT	7.2	6.3	14.4	9.6	8.9	7.9
EPS (Rs)	273.8	239.4	**14.4**	366.7	339.7	**7.9**

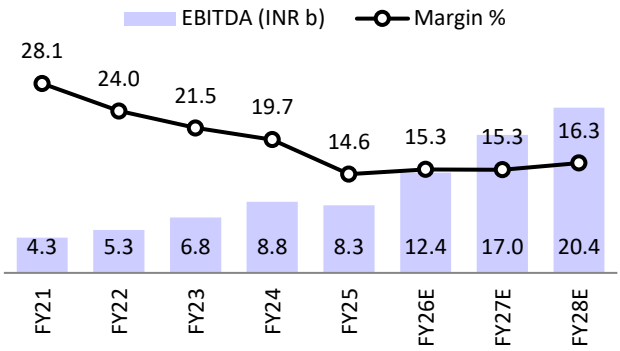
Key operating indicators

Exhibit 10: Consol. revenue trend



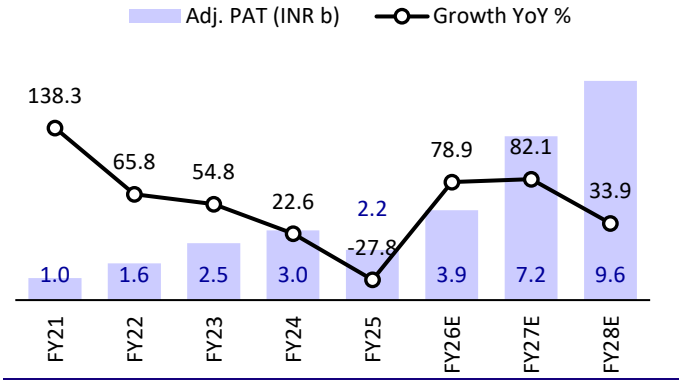
Source: Company, MOFSL

Exhibit 11: Consol. EBITDA trend



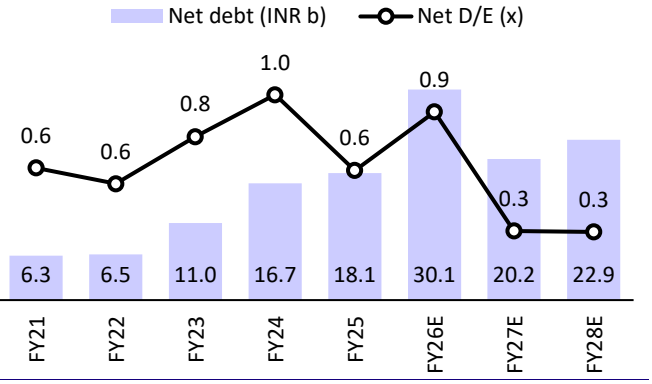
Source: Company, MOFSL

Exhibit 12: Consol. PAT trend



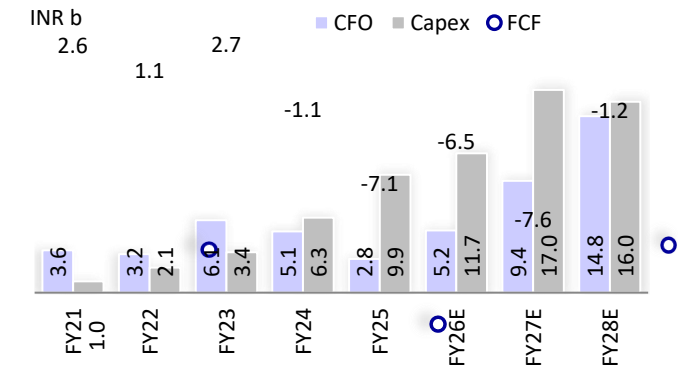
Source: Company, MOFSL

Exhibit 13: Debt likely to decline



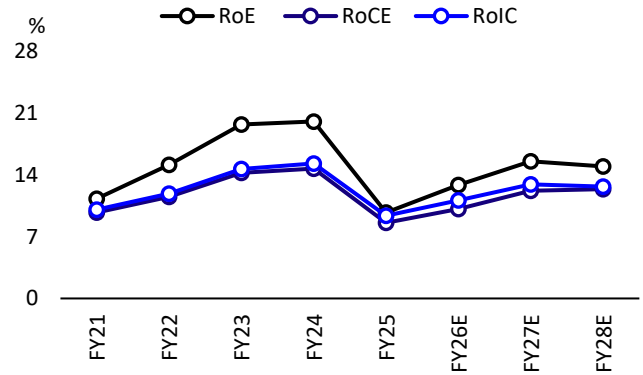
Source: Company, MOFSL

Exhibit 14: CFO to grow over FY26-28E...



Source: Company, MOFSL

Exhibit 15: ...leading to a gradual improvement in returns



Source: Company, MOFSL

Financials and valuations

Income Statement (Consol)								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Net Revenues	**15,463**	**22,064**	**31,826**	**44,517**	**56,905**	**80,693**	**1,11,334**	**1,25,441**
Change (%)	4.2	42.7	44.2	39.9	27.8	41.8	38.0	12.7
EBITDA	**4,340**	**5,293**	**6,836**	**8,788**	**8,327**	**12,376**	**17,034**	**20,422**
EBITDA Margin (%)	28.1	24.0	21.5	19.7	14.6	15.3	15.3	16.3
Change (%)	9.9	22.0	29.2	28.6	-5.2	48.6	37.6	19.9
Depreciation	1,924	2,060	2,216	2,777	3,470	4,439	5,215	6,370
EBIT	**2,416**	**3,233**	**4,620**	**6,011**	**4,857**	**7,937**	**11,820**	**14,052**
EBIT Margins (%)	15.6	14.7	14.5	13.5	8.5	9.8	10.6	11.2
Interest cost	1,073	842	1,202	1,745	2,166	3,090	3,399	2,719
Other Income	132	93	125	172	251	614	1,227	1,595
Non-recurring Expense	0	0	0	0	255	130	0	0
PBT	**1,476**	**2,484**	**3,543**	**4,438**	**2,686**	**5,332**	**9,648**	**12,929**
Eff.Tax Rate (%)	34.4	35.4	29.3	24.2	25.6	28.2	26.0	26.0
PAT	**968**	**1,605**	**2,505**	**3,365**	**1,999**	**3,829**	**7,139**	**9,567**
Minority Interest	-	-	20.9	320.1	-10.0	-11.2	-22.0	-24.2
Adj. PAT	**968**	**1,605**	**2,484**	**3,045**	**2,198**	**3,933**	**7,161**	**9,591**
Change (%)	138.3	65.8	54.8	22.6	-27.8	78.9	82.1	33.9

Balance Sheet (Consol)								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Sources of Funds								
Share Capital	106	106	106	106	119	119	131	131
Reserves	9,679	11,316	13,663	16,474	28,448	32,521	59,357	68,504
Net Worth	**9,785**	**11,422**	**13,769**	**16,580**	**28,567**	**32,641**	**59,488**	**68,635**
Minority interest	0	0	610	937	0	0	0	0
Deferred Tax	691	1,168	1,411	1,315	61	223	223	224
Loans	7,035	7,156	11,527	17,548	23,582	36,235	29,235	29,235
Capital Employed	**17,511**	**19,746**	**27,317**	**36,380**	**52,210**	**69,099**	**88,946**	**98,093**
Application of Funds								
Gross Fixed Assets	23,360	25,464	31,256	37,990	52,144	65,995	82,995	98,995
Less: Depreciation	8,255	10,026	11,917	14,223	17,341	21,133	26,347	32,717
Net Fixed Assets	**15,105**	**15,438**	**19,339**	**23,767**	**34,803**	**44,863**	**56,648**	**66,278**
Capital WIP	320	420	966	1,786	3,453	3,823	3,823	3,823
Investments	436	422	235	240	4,470	4,712	8,512	3,712
Goodwill			1,900	1,900	1,901	1,901	1,901	1,901
Curr.Assets, L & Adv.	**7,755**	**10,559**	**15,628**	**19,364**	**26,539**	**34,484**	**44,899**	**52,437**
Inventory	3,976	6,206	8,360	10,408	13,321	17,454	24,082	27,133
Sundry Debtors	2,355	2,942	5,353	5,766	9,206	11,105	15,322	17,264
Cash & Bank Balances	263	227	273	635	974	1,448	571	2,624
Loans & Advances	1,161	1,185	1,641	2,555	3,038	4,476	4,924	5,416
Current Liab. & Prov.	**6,105**	**7,094**	**10,750**	**10,678**	**18,955**	**20,684**	**26,837**	**30,059**
Sundry Creditors	3,523	4,654	7,116	8,006	13,343	14,601	20,145	22,698
Other Liabilities	2,544	2,393	3,566	2,559	5,362	5,822	6,405	7,045
Provisions	38	47	68	112	250	261	287	316
Net Current Assets	**1,650**	**3,466**	**4,878**	**8,686**	**7,584**	**13,800**	**18,062**	**22,379**
Application of Funds	**17,511**	**19,746**	**27,317**	**36,380**	**52,210**	**69,099**	**88,946**	**98,093**

E: MOFSL Estimates

Financials and valuations

Ratios								
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
EPS	**45.8**	**76.0**	**117.6**	**144.2**	**92.1**	**164.8**	**273.8**	**366.7**
EPS Growth (%)	127.0	65.8	54.8	22.6	-36.1	78.9	66.1	33.9
Cash EPS	136.9	173.5	223.5	290.8	229.2	346.5	472.3	609.2
Book Value per Share	463.3	540.8	651.9	785.0	1,197.3	1,368.0	2,274.1	2,623.8
DPS	0.0	3.8	11.3	11.3	5.0	11.3	12.0	17.0
Payout (Incl. Div. Tax) %	0.0	4.9	9.6	7.8	5.4	6.8	4.4	4.6
FCF per share	123.1	53.1	126.9	-54.3	-296.1	-271.1	-291.1	-46.0
Valuation (x)								
P/E	233.6	140.8	91.0	74.2	116.1	64.9	39.1	29.2
Cash P/E	78.1	61.7	47.9	36.8	46.7	30.9	22.7	17.6
EV/EBITDA	53.5	43.9	34.7	27.6	32.8	23.1	17.6	14.8
EV/Sales	15.0	10.5	7.4	5.5	4.8	3.5	2.7	2.4
Price to Book Value	23.1	19.8	16.4	13.6	8.9	7.8	4.7	4.1
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.2
Profitability Ratios (%)								
RoE	11.3	15.1	19.7	20.1	9.7	12.9	15.5	15.0
RoCE (post-tax)	9.7	11.5	14.3	14.7	8.6	10.1	12.2	12.4
RoIC	10.1	11.9	14.7	15.3	9.4	11.1	12.9	12.7
Turnover Ratios								
Debtors (Days)	56	49	61	47	59	50	50	50
Inventory (Days)	94	103	96	85	85	79	79	79
Creditors (Days)	83	77	82	66	86	66	66	66
Working Capital (Days)	39	57	56	71	49	62	59	65
Asset Turnover (x)	0.9	1.1	1.2	1.2	1.1	1.2	1.3	1.3
Leverage Ratio								
Net Debt/Equity (x)	0.6	0.6	0.8	1.0	0.6	0.9	0.3	0.3

E: MOFSL Estimates

Cash Flow Statement								(INR m)
Y/E March	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Profit before Tax	1,476	2,484	3,548	4,447	2,697	5,343	9,648	12,929
Depreciation & Amort.	1,924	2,060	2,216	2,777	3,470	4,439	5,215	6,370
Direct Taxes Paid	-226	-368	-726	-1,475	-736	-914	-2,508	-3,361
(Inc)/Dec in Working Capital	-352	-1,519	105	-1,924	-4,277	-5,983	-5,140	-2,263
Interest/Div. Received	-52	-39	-73	0	-100	-21	2171	1124
Other Items	792	606	1,007	1,308	1,776	2,353	0	0
CF after EO Items	**3,561**	**3,224**	**6,077**	**5,133**	**2,829**	**5,217**	**9,386**	**14,797**
(Inc)/Dec in FA+CWIP	-961	-2,103	-3,396	-6,281	-9,893	-11,686	-17,000	-16,000
Free Cash Flow	**2,600**	**1,121**	**2,681**	**-1,148**	**-7,064**	**-6,469**	**-7,614**	**-1,203**
Interest/dividend received	12	14	65	23	127	48	1,227	1,595
(Pur)/Sale of Invest.	27	28	2	-2	-6,917	-1,494	-3,800	4,800
CF from Inv. Activity	**-922**	**-2,061**	**-7,075**	**-6,254**	**-16,424**	**-13,132**	**-19,573**	**-9,605**
Issue of Shares	1,456	-19	0	0	11,802	0	20,000	0
Inc/(Dec) in Debt	-2,387	10	2,042	3,938	5,070	12,864	-7,000	0
Interest Paid	-1,093	-769	-1,027	-1,718	-2,139	-3,117	-3,399	-2,719
Dividends Paid	0	0	-79	-238	-238	-119	-314	-445
CF from Fin. Activity	**-2,960**	**-1,200**	**730**	**1,482**	**13,934**	**8,275**	**9,309**	**-3,139**
Inc/(Dec) in Cash	**-322**	**-37**	**-268**	**362**	**340**	**360**	**-878**	**2,053**
Add: Beginning Balance	585	263	541	273	635	975	1,449	571
Closing Balance	**263**	**227**	**273**	**635**	**975**	**1,449**	**571**	**2,624**

E: MOFSL Estimates

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://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.