26 October 2026
2QFY27 Results Update | Sector: Automobile

SONA BLW Precision Forging

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	SONACOMS IN
Equity Shares (m)	622
M.Cap.(INRb)/(USDb)	488 / 5.1
52-Week Range (INR)	844 / 438
1, 6, 12 Rel. Per (%)	-4/43/75
12M Avg Val (INR M)	1456

Financials & Valuations (INR b)

Y/E Mar	2027E	2028E	2029E
Sales	60.1	71.5	85.8
EBITDA (%)	23.1	23.4	24.1
Adj. PAT	8.5	10.5	13.2
EPS (INR)	13.6	16.9	21.3
EPS Gr. (%)	26.8	24.5	25.6
BV/Sh. (INR)	108.0	119.9	136.2
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	13.2	14.9	16.6
RoCE (%)	12.5	14.1	15.9
Payout (%)	31.2	29.5	23.5
Valuations			
P/E (x)	57.6	46.3	36.8
P/BV (x)	7.3	6.5	5.8
EV/EBITDA (x)	34.7	28.6	22.9
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	0.8	0.9	1.4

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	27.9	28.0	28.0
DII	41.2	41.6	40.1
FII	23.9	23.6	23.5
Others	7.0	6.8	8.4

FII Includes depository receipts

CMP:INR782 **TP: INR800 (+2%)** **Neutral**

Earnings beat led by strong top-line performance

Strong demand, margins to remain under pressure

- SONA BLW Precision Forging's (SONACOMS) 2QFY27 consol. PAT at INR2.2b beat our estimates, aided by strong 35% YoY revenue growth to INR15.5b. EBITDA margin contracted 230bp YoY to 23% (in line), remaining broadly stable QoQ despite commodity headwinds and adverse product mix due to positive impact from operating leverage.
- While the company is seeing traction from the domestic EV market, the global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS, given that 61% of its order book is from EVs. Its recent strategic partnership with Denso is certainly a key positive as it is likely to open up strong growth opportunities for both partners in the long run. However, following the recent run-up in the stock, most of the positives appear to be factored in. The stock at 57.6x/46.3x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR800, valued at 42x Sep'28E EPS.**

Margins remain stable despite commodity headwinds

- SONACOMS' 2QFY27 revenue grew 35% YoY to INR15.5b (15% above est). BEV revenue grew 129% YoY to INR6.06b and now accounts for 51% of automotive product revenue (vs 35% in FY26).
- 1H segment mix: PV – 49%, CV – 7%, E2W/E3W – 14%, Non-auto – 29%, Robotics and Physical AI – 1%.
- EBITDA margin contracted 230bp YoY to 23% (in line) due to higher input costs and an adverse product mix (higher contribution from the traction motor business).
- As a result, EBITDA grew 23% YoY to INR3.5b (15% above est).
- PAT grew 30% YoY to INR2.2b (20% above est).

Highlights from the management commentary

- EBITDA margin contracted 230bp YoY to 23.0% due to an adverse product mix, led by strong traction motor growth, and persistent input cost inflation and higher freight rates. Management has maintained its 23-25% margin guidance, supported by operating leverage, although sustained material inflation remains a downside risk.
- SONACOMS secured its third-highest-ever quarterly order wins by value, taking its net order book to INR251b (5.6x FY26 revenue). Wins across EV and non-EV products, including additional traction motor volumes and differential assemblies, provide strong revenue visibility and reinforce customer diversification.
- The company began commercialization of three products, helical limited-slip differential, railway air springs, and rear radar sensors for two-wheelers. These launches strengthens its presence across driveline, railway, and connected mobility segments. Continued product development across segments, European OEMs seeking Chinese alternates for DA and DG and acquisitions will continue to be the growth levers for SONA going forward.

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

- On the partnership with Denso, Management expects JV1, involving the carve-out of the relevant business, to close by the end of December 2026 or January 2027, subject to timing considerations. JV2, involving high-voltage electric and hybrid systems for passenger and commercial vehicles is targeted for closure in H1CY27.

Valuation and view

While the company is seeing traction from the domestic EV market, the global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS, given that 61% of its order book is from EVs. Its recent strategic partnership with Denso is certainly a key positive as it is likely to open up strong growth opportunities for both partners in the long run. However, following the recent run-up in the stock, most of the positives appear to be factored in. The stock at 57.6x/46.3x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR800, valued at 42x Sep'28E EPS.**

Consol. Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E		Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating revenues	**8,509**	**11,435**	**12,085**	**12,723**	**13,104**	**15,464**	**15,619**	**15,899**	**43,341**	**58,275**	**13,418**	15.2
Change (%)	-4.7	23.6	39.2	49.8	54.0	35.2	29.3	25.0	21.9	34.5	17.3	
EBITDA	**2,026**	**2,891**	**3,046**	**3,106**	**3,026**	**3,562**	**3,639**	**3,638**	**11,069**	**13,866**	**3,086**	15.4
EBITDA Margins (%)	23.8	25.3	25.2	24.4	23.1	23.0	23.3	22.9	24.7	23.1	23.0	0bp
Change (%)	-19.4	13.4	30.1	43.8	49.4	23.2	19.5	17.1	13.5	25.3	6.8	
Depreciation	670	716	749	743	769	789	805	815	2,877	3,178	780	
EBIT	**1,356**	**2,174**	**2,298**	**2,364**	**2,257**	**2,773**	**2,834**	**2,823**	**8,191**	**10,688**	**2,306**	20.3
EBIT Margins (%)	15.9	19.0	19.0	18.6	17.2	17.9	18.1	17.8	18.3	17.8	17.2	
Interest	53	52	55	75	105	123	102	137	235	467	102	
Non-Operating Income	442	170	173	186	257	310	290	282	970	1,138	290	
PBT	**1,652**	**2,276**	**2,014**	**2,474**	**2,409**	**2,960**	**3,022**	**2,967**	**8,926**	**11,358**	**2,494**	18.7
Effective Tax Rate (%)	26.3	25.1	25.4	24.5	25.9	24.7	25.5	26.0	0.2	0.3	25.5	
Adjusted PAT	**1,309**	**1,717**	**1,807**	**1,869**	**1,785**	**2,230**	**2,252**	**2,195**	**6,786**	**8,462**	**1,858**	20.0
Change (%)	-7.6	13.0	16.5	23.6	36.4	29.8	24.6	17.5	9.5	24.7	8.2	

E: MOFSL Estimates



Key takeaways from the management commentary

Update on 2QFY27 performance

- BEV revenue grew 129% YoY and ~40% QoQ to ~INR6.1b, contributing 51% of automotive product revenue. Strong Indian demand for electric two-wheelers and three-wheelers supported traction motor growth, along with increasing wallet share with existing customers and the ramp-up of ongoing programs, while suspension motors in China and the broader global transition toward EVs provided additional growth drivers.
- The company has an estimated 9-10% share of the global traction motor market (ex-China).
- Despite strong growth, EBITDA margin contracted YoY, primarily due to an adverse product mix and higher input costs. Traction motor volumes grew ~50% QoQ, weighing on the overall margin profile. Higher steel and copper and oil-derivative prices, along with freight rates doubling QoQ, added to cost pressures. Strong revenue growth and operating leverage partially mitigated these headwinds.
- Management maintained its 23-25% EBITDA margin guidance, noting that the range remains comfortable if material prices stabilize. However, sustained input-cost inflation could put margins at risk.
- The company secured four new EPIC (electric) mobility programs during the quarter, taking its total to 75 programs across 37 customers.
- The company continues to benefit from its Look East strategy, with two-thirds of revenue now generated from Asia, compared with approximately one-third two years ago. Strong demand in China, alongside growth in India's electric two- and three-wheeler segments, is supporting this shift.
- Differential assembly and differential gear businesses recorded combined growth of 37% YoY in 1HFY27. European OEMs seeking alternatives to Chinese suppliers are creating additional opportunities for the legacy business.
- In robotics and Physical AI, SONACOMS aspires to become a global supplier, with the company investing in R&D and leveraging its existing hardware and perception capabilities to pursue opportunities beyond humanoid robots.

Updates on order wins

- New order wins spanned major product categories across electric and non-electric mobility, supporting diversification and long-term revenue visibility.
- The net order book stood at INR2.51b. During Q2FY27, the company added INR36b of orders against INR25b of order consumption.
- EV-related order wins:
  - Helical limited-slip differential: Secured an order worth INR7b from an existing global EV passenger vehicle customer. The program enables expansion into a new geography and strengthens the company's presence in higher-value driveline products. SOP is scheduled for 1HFY29.
  - Rear radar sensor: Secured an INR1b order from a new Indian OEM serving ICE and EV two-wheelers. The win opens up a new customer relationship and expands the company's presence in intelligent and connected mobility. SOP is scheduled for 2HFY28.
  - Integrated motor controller: Won an order worth INR3.8b from an existing Indian OEM serving ICE and EV two-wheelers. SOP is scheduled for 1HFY28.

- Traction motors: Secured additional volumes worth INR12.5b across two existing electric two-wheeler programs. The award reflects increasing wallet share and sustained customer demand, with SOP scheduled for 2HFY27.
- Non-EV order wins:
- Starter motors: Secured orders worth INR3.3b from an existing North American OEM serving passenger vehicles and EVs. SOP is scheduled for 1HFY29.
- Differential assembly: Won an order worth INR1.6b from an existing Indian customer that previously sourced differential gears from the company. SOP is scheduled for 2HFY28.
- Differential gears: Secured orders worth INR2.0b across multiple ICE passenger vehicle and off-highway vehicle programs for North American and Indian customers. SOP is scheduled for 1HFY28.
- The non-EV portfolio contributed INR6.6b to the quarterly order book addition, highlighting that growth is not restricted to electrification. The company is benefiting from new customer programs, deeper penetration of existing accounts, and opportunities arising from supply-chain diversification among global OEMs.

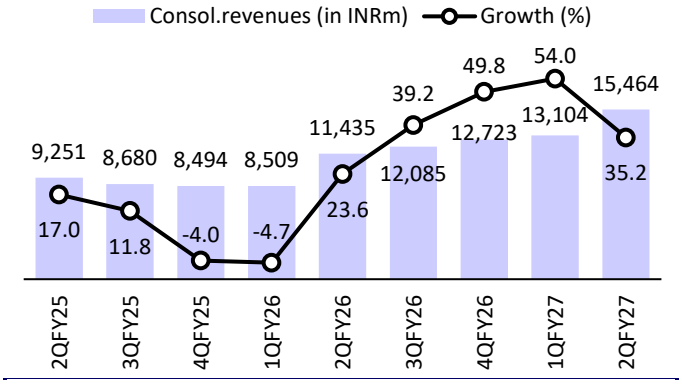
Growth Avenues

- In the railways business, new products across brakes, couplers, and suspension are expected to drive growth over the next two to three years. Supplies of electric panels and HVAC systems have commenced, while the existing product pipeline provides growth opportunities over the next five years. Timely deployment and execution will be key to realizing this potential.
- European OEMs are increasingly seeking alternatives to China for their supply chains. This trend is supporting new business opportunities and is expected to benefit the company's legacy differential assembly and differential gear businesses.
- The company is building capabilities across hardware, perception and related technologies in future robotics applications. Continued R&D investment and conversion of opportunities into scalable programs will be important to monetizing this opportunity.
- The company remains open to acquisitions, subject to disciplined criteria. Potential targets must offer products expected to remain relevant in mobility vehicles over the next 15 years, provide an opportunity for global market leadership, generate healthy margins, and be return-accretive.
- New product launches
- Air springs for railways: Commercialized during the quarter, these products enhance passenger comfort and, when used alongside dampers, support a smoother and safer ride. The launch broadens SONACOM’s railway product portfolio and creates opportunities for further penetration in the segment.
- Helical limited-slip differential: A newly commercialized driveline product that enables smooth, progressive torque transfer. It is suited to performance vehicles, off-highway applications and four-wheel-drive SUVs, and supports expansion into new geographies and higher-value product categories.
- Rear radar sensor for two-wheelers: Commercialized to support advanced rider-assistance and connected-mobility applications. The sensor helps warn riders of rear-end and blind-spot collision risks, strengthening the company's presence in two-wheeler safety technologies.

Update on Denso partnerships

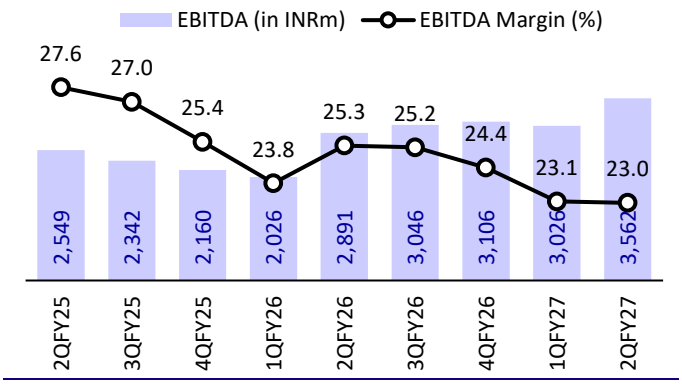
- On the partnership with Denso, management expects JV1, involving the carve-out of the relevant business, to close by the end of Dec'26 or Jan'27, subject to timing considerations. JV2, involving high-voltage electric and hybrid systems for passenger and commercial vehicles, is targeted for closure in 1HCY27.

Exhibit 1: Trend in revenue



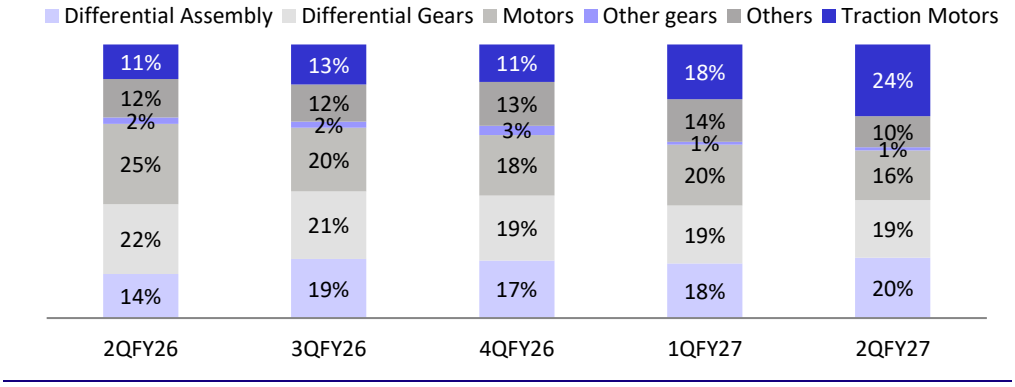
Source: Company, MOFSL

Exhibit 2: EBITDA and EBITDA margin trends



Source: Company, MOFSL

Exhibit 3: Revenue breakup for SONACOMS



Source: Company, MOFSL

Valuation and view

- **Best proxy on global megatrends of electrification and premiumization:** SONACOMS offers a clean global play on the megatrends of electrification and premiumization. It is truly a global player with a presence across the key markets of North America (~28%), India (~49%), the EU (~18%), and Asia (ex-India; ~5%). It is a dominant player in the Indian differential gears market (55-60% share in PVs, 80-90% share in CVs, and 75-85% share in tractors) and has been gaining market share globally in key product segments – differential gears (8.7% in CY25 vs. 8.1% in CY23) and starter motors (4.2% in CY25 vs. 4.2% in CY23). Its product portfolio of differential gears, motors, and sensors is on the right side of the auto industry evolution, with a substantial increase in content in EV products. It is also well-prepared for EV-specific components such as traction motors, controllers, and 48V BSG. It benefits from the structural premiumization trend observed across segments – PVs (SUVs, 4WDs, BEVs), CVs (MAVs), and tractors (higher HP, 4WDs). The BEV segment already contributed 51% of revenue as of 2QFY27 (vs. 35%/36%/29%/26%/25% in FY26/FY25/FY24/FY23/FY22) and accounted for 64% of the order book.

- **Investing in R&D for future growth:** Its approach is to own the technology to capture the maximum value and offer the best products to its customers. Management indicated an increase in R&D spending in FY25 by ~100bp to ~3.3-3.4% of revenue, signifying its sustained focus on product innovation. Its technology roadmap focuses on developing new products, which help the company increase its share from EVs, as well as stay on top of upcoming trends and reduce dependence on ICE vehicles. SONACOMS is among the few players that are well placed to combine their motor-driveline capabilities to offer integrated drive units with three key components: differential assembly, high-voltage traction motors, and high-voltage inverters.
- **Partnership with Denso to provide long-term growth opportunity:** SONACOMS' JV with Denso opens up significant opportunities in EV and hybrid powertrain systems across vehicle segments. According to our understanding, the high voltage powertrain JV is critical for SONACOMS as it has been finding it difficult to enter the traction motor/invertor business in 4Ws, given the high technology requirements here. Further, in 2Ws and 3Ws, while Denso has always had strong technology, its JV will work towards producing India-specific cost-effective solutions. It aims to target the Indian market initially, and may look to export later as per the understanding between both partners. While we await clarity on the same, it appears to be positive for both JV partners as they leverage their complementary strengths.
- **Slowdown in EV transition globally remains the key concern:** It is now a well-known fact that the EV transition in key regions, especially in the US, is slowing down. In Europe, while EV transition continues to pick up pace, it is largely driven by imports from Chinese OEMs. Further, 61% of its net order book continues to be from EVs. This is in addition to the general slowdown witnessed in key auto markets like Europe. The global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS.
- **Valuation and view:** While the company is seeing traction from the domestic EV market, the global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS, given that 61% of its order book is from EVs. Its recent strategic partnership with Denso is certainly a key positive as it is likely to open up strong growth opportunities for both partners in the long run. However, following the recent run-up in the stock, most of the positives appear to be factored in. The stock at 57.6x/46.3x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR800, valued at 42x Sep'28E EPS.**

Exhibit 4: Revisions to our estimates

(INR m)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	60,086	54,291	10.7	71,504	65,686	8.9
EBITDA	13,866	12,895	7.5	16,762	16,183	3.6
EBITDA (%)	23.1	23.8	-70bp	23.4	24.6	-120bp
Net Profit	8,462	7,782	8.7	10,537	10,365	1.7

Key operating indicators

Exhibit 5: Expect 25% revenue CAGR over FY26-29

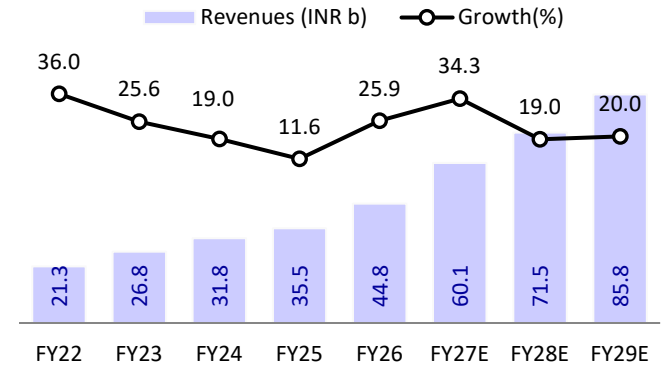


Exhibit 6: EBITDA margin to remain under pressure

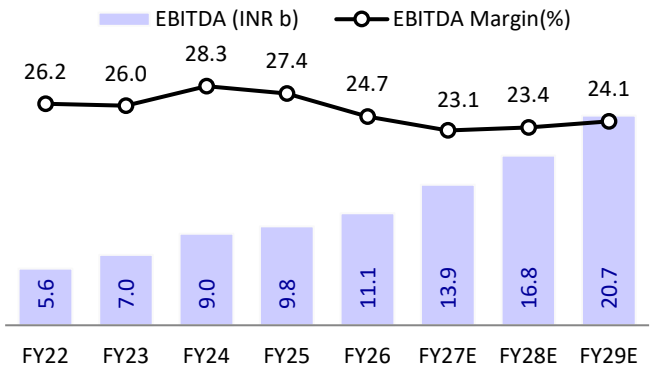


Exhibit 7: Expect 26% PAT CAGR over FY26-29E

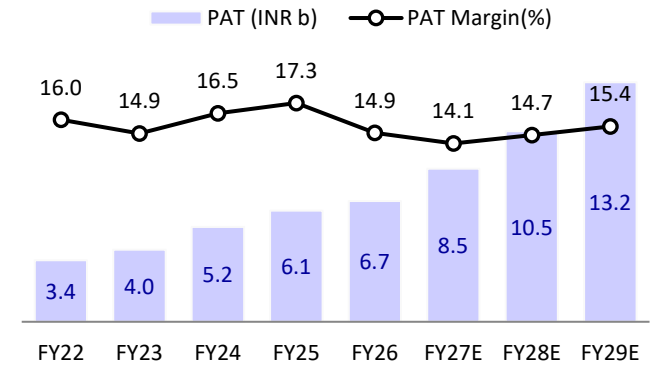


Exhibit 8: RoCE and RoE trends over the years

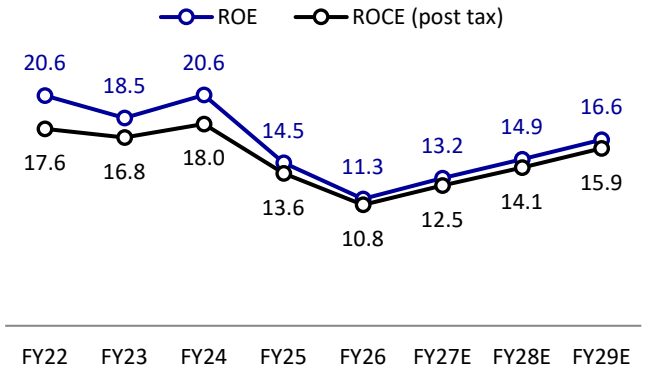


Exhibit 9: Capex to be funded from internal accruals

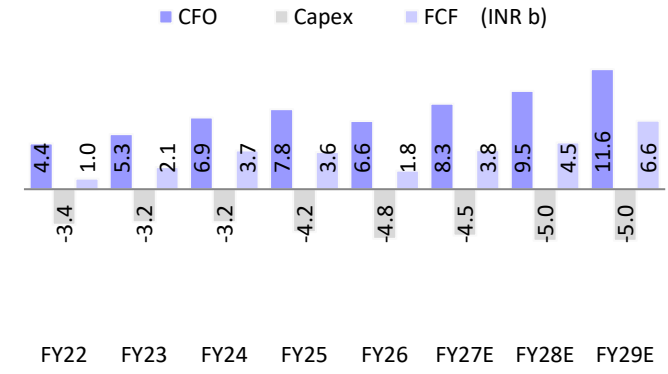
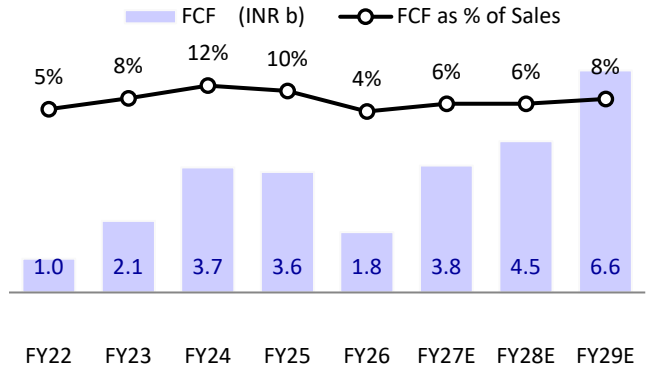


Exhibit 10: FCF should continue to improve



Financials and valuations

Income Statement (INR m)

Y/E March	2022	2023	2024	2025	2026	2027E	2028E	2029E
Net operating income	**21,306**	**26,756**	**31,848**	**35,545**	**44,751**	**60,086**	**71,504**	**85,791**
Change (%)	36.0	25.6	19.0	11.6	25.9	34.3	19.0	20.0
EBITDA	**5,591**	**6,958**	**9,021**	**9,753**	**11,069**	**13,866**	**16,762**	**20,710**
EBITDA Margin (%)	26.2	26.0	28.3	27.4	24.7	23.1	23.4	24.1
Depreciation	1,420	1,780	2,202	2,544	2,877	3,178	3,511	3,861
EBIT	4,171	5,178	6,819	7,209	8,191	10,688	13,251	16,849
EBIT Margin (%)	19.6	19.4	21.4	20.3	18.3	17.8	18.5	19.6
Interest cost	183	169	258	302	235	467	492	467
Other Income	200	116	239	1,269	970	1,138	1,385	1,385
Non-recurring Exp/(Inc)	-267	34	87	193	510	0	0	0
PBT after EO	**4,456**	**5,091**	**6,713**	**7,983**	**8,416**	**11,358**	**14,144**	**17,767**
Effective Tax Rate (%)	18.9	22.4	22.9	24.9	25.2	25.5	25.5	25.5
Reported PAT	**3,615**	**3,953**	**5,178**	**5,997**	**6,292**	**8,462**	**10,537**	**13,236**
Adj. PAT	**3,399**	**3,979**	**5,245**	**6,142**	**6,673**	**8,462**	**10,537**	**13,236**
Change (%)	51.0	17.1	31.8	17.1	8.7	26.8	24.5	25.6

Balance Sheet (INR m)

Y/E March	2022	2023	2024	2025	2026	2027E	2028E	2029E
Sources of Funds								
Share Capital	5,844	5,854	5,864	6,217	6,218	6,218	6,218	6,218
Reserves	14,159	17,048	20,639	48,731	53,611	59,430	66,858	76,985
Minority interest	0	0	1,498	1,499	1,492	1,492	1,492	1,492
Net Worth	**20,003**	**22,902**	**28,001**	**56,447**	**61,322**	**67,141**	**74,569**	**84,696**
Deferred Tax	884	876	1,261	1,252	1,362	1,362	1,362	1,362
Loans	1,400	2,834	4,022	2,022	4,423	4,923	4,923	4,423
Other non-current liabilities	2	2	509	2	3	3	3	3
Capital Employed	**22,288**	**26,614**	**33,793**	**59,723**	**67,109**	**73,428**	**80,856**	**90,483**
Application of Funds								
Gross Fixed Assets	9,382	12,889	16,323	20,411	26,734	31,234	36,234	41,234
Less: Depreciation	2,189	3,245	4,808	6,680	8,541	10,625	13,041	15,807
Net Fixed Assets	**7,193**	**9,644**	**11,515**	**13,731**	**18,193**	**20,609**	**23,193**	**25,427**
Intangibles	**5,995**	**6,122**	**6,704**	**6,868**	**16,420**	**16,420**	**16,420**	**16,420**
Amortisation	1,105	1,647	2,232	2,844	3,713	4,808	5,902	6,997
Net Intangibles	**4,890**	**4,474**	**4,472**	**4,023**	**12,707**	**11,612**	**10,518**	**9,423**
Capital WIP	1,474	911	3,636	4,195	4,268	4,268	4,268	4,268
Goodwill on consolidation	1,758	1,758	3,518	3,518	5,564	5,564	5,564	5,564
Investments	302	2,583	2,248	11,182	7,471	10,390	12,390	15,390
Curr.Assets, L & Adv.	**10,341**	**11,228**	**13,259**	**28,721**	**26,436**	**30,847**	**36,660**	**44,493**
Inventory	3,634	3,229	3,475	3,487	6,156	6,585	7,836	9,402
Sundry Debtors	4,452	6,089	6,483	7,052	11,507	13,993	16,652	19,979
Cash & Bank Balances	536	441	910	10,475	1,511	908	1,209	2,145
Loans & Advances	65	92	110	540	542	658	784	940
Others	1,654	1,376	2,281	7,168	6,721	8,704	10,180	12,027
Current Liab. & Prov.	**3,669**	**3,984**	**4,856**	**5,647**	**7,529**	**9,861**	**11,735**	**14,080**
Sundry Creditors	2,190	2,489	2,981	3,238	4,622	5,762	6,857	8,227
Other Liabilities	1,274	1,256	1,545	1,995	1,938	2,799	3,330	3,996
Provisions	206	239	330	414	969	1,301	1,548	1,858
Net Current Assets	**6,671**	**7,243**	**8,403**	**23,074**	**18,907**	**20,986**	**24,925**	**30,412**
Application of Funds	**22,288**	**26,614**	**33,793**	**59,723**	**67,109**	**73,428**	**80,856**	**90,483**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2022	2023	2024	2025	2026	2027E	2028E	2029E
Basic (INR)								
EPS	**5.8**	**6.8**	**8.9**	**9.9**	**10.7**	**13.6**	**16.9**	**21.3**
EPS Growth (%)	48.0	16.9	31.6	10.5	8.6	26.8	24.5	25.6
Cash EPS	8.6	9.8	12.6	13.7	14.7	18.7	22.6	27.5
Book Value per Share	34.2	39.1	47.7	90.8	98.6	108.0	119.9	136.2
DPS	0.8	1.5	3.1	3.8	3.4	4.3	5.0	5.0
Payout (Incl. Div. Tax) %	12.4	22.7	34.7	38.9	33.6	31.2	29.5	23.5
FCF (INR/sh)	1.7	3.6	6.4	5.8	2.9	6.1	7.3	10.7
Valuation (x)								
P/E	134.8	115.3	87.6	79.4	73.1	57.6	46.3	36.8
EV/EBITDA	82.0	65.9	51.1	48.0	43.6	34.7	28.6	22.9
EV/Sales	21.5	17.1	14.5	13.2	10.8	8.0	6.7	5.5
Price to Book Value	22.9	20.0	16.4	8.6	7.9	7.3	6.5	5.8
Dividend Yield (%)	0.1	0.2	0.4	0.5	0.4	0.5	0.6	0.6
FCF Yield (%)	0.2	0.5	0.8	0.7	0.4	0.8	0.9	1.4
Profitability Ratios (%)								
RoE	20.6	18.5	20.6	14.5	11.3	13.2	14.9	16.6
RoCE (post-tax)	17.6	16.8	18.0	13.6	10.8	12.5	14.1	15.9
RoIC	18.3	18.9	21.2	17.8	14.0	14.3	16.3	19.1
Turnover Ratios								
Debtors (Days)	76	83	74	72	94	85	85	85
Inventory (Days)	62	44	40	36	50	40	40	40
Creditors (Days)	38	34	34	33	38	35	35	35
Working Capital (Days)	101	93	80	75	106	90	90	90
Asset Turnover (x)	1.1	1.1	1.1	0.8	0.7	0.9	0.9	1.0
Leverage Ratio								
Net Debt/Equity (x)	0.0	0.0	0.0	-0.3	-0.1	-0.1	-0.1	-0.2

Cash Flow Statement

(INR m)

Y/E March	2022	2023	2024	2025	2026	2027E	2028E	2029E
Profit before Tax	4,456	5,091	6,713	7,983	8,416	11,358	14,144	17,767
Depreciation & Amort.	1,420	1,780	2,202	2,544	2,877	3,178	3,511	3,861
Direct Taxes Paid	-544	-1,102	-1,553	-1,740	-1,875	-2,896	-3,607	-4,530
(Inc)/Dec in Working Capital	-890	-630	-644	-556	-2,453	-2,682	-3,638	-4,552
Interest/Div. Received	-179	-112	-209	-805	-584	-1138	-1385	-1385
Other Items	183	307	418	326	210	467	492	467
CF after EO Items	**4,446**	**5,333**	**6,928**	**7,752**	**6,591**	**8,288**	**9,518**	**11,627**
(Inc)/Dec in FA+CWIP	-3,438	-3,196	-3,191	-4,155	-4,791	-4,500	-5,000	-5,000
Free Cash Flow	**1,008**	**2,136**	**3,736**	**3,597**	**1,800**	**3,788**	**4,518**	**6,627**
Interest/dividend received	179	31	204	602	1,175	1,138	1,385	1,385
(Pur)/Sale of Invest.	-275	-2,450	-1,724	-14,070	-11,929	-2,918	-2,000	-3,000
CF from Inv. Activity	**-3,534**	**-5,615**	**-4,711**	**-17,623**	**-15,545**	**-6,280**	**-5,615**	**-6,615**
Inc/(Dec) in Debt	-2,954	1,471	94	-2,199	2,255	500	0	-500
Interest Paid	-92	-12	-173	-96	-18	-467	-492	-467
Dividends Paid	-450	-1,199	-1,793	-1,892	-1,990	-2,643	-3,109	-3,109
Others	-170	-113	84	23,623	-257	0	0	0
CF from Fin. Activity	**-625**	**187**	**-1,747**	**19,436**	**-10**	**-2,610**	**-3,602**	**-4,077**
Inc/(Dec) in Cash	**287**	**-95**	**469**	**9,565**	**-8,964**	**-603**	**301**	**936**
Add: Beginning Balance	249	536	441	910	10,475	1,511	908	1,209
Closing Balance	**536**	**441**	**910**	**10,475**	**1,511**	**908**	**1,209**	**2,145**

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.