

BSE SENSEX 70,865 S&P CNX 21,453

**CMP: INR3,964 TP: INR4,600 (+16%) Buy**

## SIEMENS

Bloomberg	SIEM IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	1412.7 / 17
52-Week Range (INR)	4245 / 2774
1, 6, 12 Rel. Per (%)	3/-8/21
12M Avg Val (INR M)	1393

### Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Net Sales	195.5	226.3	262.7
EBITDA	24.9	29.2	34.6
PAT	19.6	23.1	27.6
EPS (INR)	55.1	65.0	77.5
GR. (%)	55.5	17.9	19.3
BV/Sh (INR)	367.6	415.6	472.9

### Ratios

ROE (%)	15.9	16.6	17.5
RoCE (%)	15.7	16.5	17.3

### Valuations

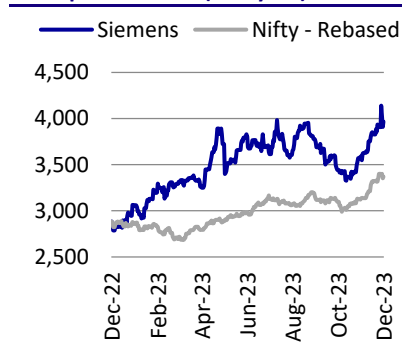
P/E (X)	72.0	61.0	51.1
P/BV (X)	10.8	9.5	8.4
EV/EBITDA (X)	53.7	44.8	37.4
Div Yield (%)	0.3	0.4	0.5

### Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	75.0	75.0	75.0
DII	7.6	8.0	9.5
FII	7.9	7.6	6.0
Others	9.4	9.4	9.4

FII Includes depository receipts

### Stock performance (one-year)



## Targeting opportunities in transmission, railways, data center and select private capex

Siemens in its analyst meet highlighted growth opportunities across segments, plans to demerge its energy division, and plans to increase localization across segments. The company is optimistic about growth prospects in the domestic market across government and private capex. It is also positive about opportunities emerging from new areas such as semiconductors, batteries, and EVs. We believe that near-term order inflows may be affected by the general election schedule; however, in the long term, order inflow prospects remain strong from transmission, railways, data center, industrial automation, etc. A potential demerger and listing of Siemens's India Energy segment should open avenues for value-unlocking over the next 2-3 years. We marginally revise our estimates to bake in slightly better margins and expect the company to clock revenue/EBITDA/PAT CAGRs of 16%/18%/19% over FY23-26. We continue to value it at 55X P/E on two-year forward earnings and maintain our BUY rating with a TP of INR4,600.

## Key takeaways from the analyst meet

### Full-year results reflect strong execution

In its full-year results, Siemens reported 21.3%/42%/47% YoY growth in revenue/EBITDA/PAT, driven by strong execution from the mobility and digital industry segments. Gross margins declined YoY on higher one-time costs in the mobility segment despite overall better realization. Overall order inflows for the year jumped 139% YoY, including a large locomotive order worth INR263b. However, order inflows moderated QoQ. The company's order book at FY23-end stood at INR455b. The company is optimistic about growth prospects from increasing spending by the government on infrastructure (rail, roads, energy) and by private investments from several sectors such as pharma, data center, automotive, electronics, metals, intralogistics, chemical, water, and cement.

### Initiated the process to demerge energy division and list it separately

Siemens AG has acquired an 18% stake in Siemens India from Siemens Energy for a total consideration of EUR2b, increasing its stake to 69%. In line with its plans to demerge the energy division, Siemens has got approval for forming a wholly owned subsidiary that may be required. Siemens Energy accounted for 31% of revenue and 32% of PBIT. The addressable market for the energy segment is expected to see a boost from transmission capex, HVDC projects, and its No.2 positioning in the domestic small-sized turbine market, which is also growing. We believe that this entire process of demerger and listing can take 2-3 years.

Teena Virmani - Research analyst (Teena.Virmani@motilaloswal.com)

Harsh Pradeep Tewaney - Research analyst (harsh.tewaney@motilaloswal.com)

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

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

**Overall addressable market is expanding for Siemens**

The company's product offerings across segments target opportunities in 1) PLI, industry 4.0 adoption and high-end machine building, and digitization for digital industries; 2) data centers, industrial infra growth in metals, cement, O&G and e-mobility, upgradation of distribution utilities for smart infrastructure; 3) e-locomotives, propulsion system, train sets, and metro bogies for the mobility segment; and 4) renewable integration, growth in transmission network, modernization, and upgradation of turbines for the energy segment. We expect PLI-led spending of ~INR4t over the next 4-5 years, data center market opportunity of INR400-500b over the next 2-3 years, rail segment opportunity of INR10-11t and transmission-led spending of INR2.4t by FY30 to expand the addressable market for Siemens across segments.

**Investing in capex and to improve localization across segments**

Siemens has approved a capex of INR4.16b for capacity addition for Power Transformers and Vacuum Interrupters. It also plans to improve localization across segments as demand is strong. Localization levels are still better for the energy, smart infrastructure and mobility segments; however, for digital industries, the company will remain dependent on imports from its parent. Siemens would still have near-term dependence on traded goods for the mobility segment but has already embarked on localization of component manufacturing for traction components for the mobility segment at its Nashik factory. These initiatives would gradually drive margin improvement.

**Financial outlook**

We marginally revise our estimates to bake in slightly better margins in the mobility segment as against our earlier assumptions as the company will invest in localization of components for the segment. We expect revenue/EBITDA/PAT CAGR of 16%/18%/19% over FY23-26. We believe that the company's increased dependence on traded goods for the digital industries segment will limit improvements in gross and EBITDA margins.

**Valuation and view**

The stock is currently trading at a P/E of 51.1x/42.9x on FY25E/FY26E. A potential demerger and listing of Siemens's India Energy segment should open avenues for value-unlocking over the next 2-3 years. We continue to value it at 55x P/E on two-year forward earnings and maintain our BUY rating with a TP of INR4,600.

## Operating metrics

### Exhibit 1: Quarterly performance

Y/E September	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>INR m</b>										
<b>Gross Sales</b>	<b>34,213</b>	<b>39,547</b>	<b>42,583</b>	<b>46,571</b>	<b>40,151</b>	<b>48,578</b>	<b>48,732</b>	<b>58,077</b>	<b>1,61,378</b>	<b>1,95,538</b>
YoY Change (%)	17.0	13.5	45.1	11.6	17.4	22.8	14.4	24.7	19.4	21.2
Total Expenditure	30,616	34,699	38,461	41,412	34,159	42,366	43,067	51,075	1,43,805	1,70,667
<b>EBITDA</b>	<b>3,597</b>	<b>4,848</b>	<b>4,122</b>	<b>5,159</b>	<b>5,992</b>	<b>6,212</b>	<b>5,665</b>	<b>7,002</b>	<b>14,933</b>	<b>22,125</b>
Margins (%)	10.5	12.3	9.7	11.1	14.9	12.8	11.6	12.1	9.4	11.5
Depreciation	799	800	787	798	761	785	876	786	3,171	3,208
Interest	60	134	44	132	37	99	43	49	363	228
Other Income	596	668	787	1,028	1,017	1,166	1,324	1,455	3,078	4,962
<b>PBT before EO expense</b>	<b>3,334</b>	<b>4,582</b>	<b>4,078</b>	<b>5,257</b>	<b>6,211</b>	<b>6,494</b>	<b>6,070</b>	<b>7,622</b>	<b>17,117</b>	<b>26,397</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	-1
<b>PBT</b>	<b>3,334</b>	<b>4,582</b>	<b>4,078</b>	<b>5,257</b>	<b>6,211</b>	<b>6,494</b>	<b>6,070</b>	<b>7,622</b>	<b>17,117</b>	<b>26,398</b>
Tax	857	1,182	1,053	1,440	1,584	1,776	1,513	1,905	4,498	6,778
Rate (%)	25.7	25.8	25.8	27.4	25.5	27.3	24.9	25.0	26.3	25.7
<b>Reported PAT</b>	<b>2,477</b>	<b>3,400</b>	<b>3,025</b>	<b>3,817</b>	<b>4,627</b>	<b>4,718</b>	<b>4,557</b>	<b>5,717</b>		
<b>Adj PAT</b>	<b>2,477</b>	<b>3,400</b>	<b>3,025</b>	<b>3,817</b>	<b>4,627</b>	<b>4,718</b>	<b>4,557</b>	<b>5,717</b>	<b>12,619</b>	<b>19,620</b>
YoY Change (%)	-9.7	4.5	117.8	20.4	86.8	38.8	50.6	49.8	<b>12,619</b>	<b>19,619</b>
Margins (%)	7.2	8.6	7.1	8.2	11.5	9.7	9.4	9.8	20.8	55.5

Source: Company, MOFSL

### Exhibit 2: Segmental performance metrics

INR m	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Segmental revenue</b>										
Energy	10,892	11,958	14,544	16,316	11,601	15,554	15,181	18,467	53,710	60,803
Smart infrastructure	12,875	14,895	15,060	16,658	15,197	17,249	17,206	21,092	59,448	70,744
Mobility	3,007	2,951	3,911	4,418	3,838	4,864	5,776	7,124	14,286	21,602
Digital industry	7,910	8,739	9,962	9,444	10,193	11,407	11,273	11,903	36,055	44,776
<b>Total</b>	<b>34,846</b>	<b>38,835</b>	<b>43,477</b>	<b>46,836</b>	<b>41,062</b>	<b>49,411</b>	<b>49,706</b>	<b>58,918</b>	<b>1,64,539</b>	<b>1,99,097</b>
Less: Intersegmental	-633	-824	-1,078	-667	-911	-833	-974	-841	-3,201	-3,559
<b>Total revenues</b>	<b>34,213</b>	<b>38,011</b>	<b>42,399</b>	<b>46,169</b>	<b>40,151</b>	<b>48,578</b>	<b>48,732</b>	<b>58,077</b>	<b>1,61,338</b>	<b>1,95,538</b>
<b>Segmental EBIT</b>										
Energy	1,232	1,623	1,243	1,550	1,331	1,766	1,585	2,191	5,648	6,873
Margin (%)	11.3	13.6	8.5	9.5	11.5	11.4	10.4	11.9	10.5	11.3
Smart infrastructure	588	899	1,072	1,283	1,328	1,947	1,737	2,439	3,842	7,451
Margin (%)	4.6	6.0	7.1	7.7	8.7	11.3	10.1	11.6	6.5	10.5
Mobility	304	366	183	378	135	423	371	236	1,231	1,165
Margin (%)	10.1	12.4	4.7	8.6	3.5	8.7	6.4	3.3	8.6	5.4
Digital industry	666	992	828	1,114	2,427	1,277	1,081	1,347	3,600	6,132
Margin (%)	8.4	11.4	8.3	11.8	23.8	11.2	9.6	11.3	10.0	13.7
<b>Total</b>	<b>2,798</b>	<b>3,906</b>	<b>3,326</b>	<b>4,325</b>	<b>5,221</b>	<b>5,413</b>	<b>4,774</b>	<b>6,213</b>	<b>14,402</b>	<b>21,621</b>

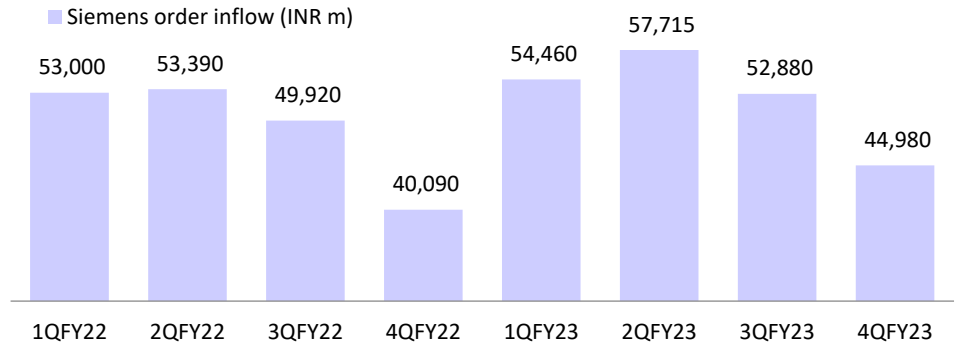
Source: Company, MOFSL

**Key takeaways from the analyst meet**

- **Digital Industries:** In FY23, order inflow growth moderated to 4% YoY as FY22 witnessed advance ordering due to supply chain issues, which have since eased considerably. However, with a strong backlog, revenue grew by 24% YoY. In FY23, margins expanded by ~370bp YoY to 14.8%. The company is positive about key demand drivers such as PLI scheme, industry 4.0, factory automation, etc.
- **Smart infrastructure:** Robust demand for Electrification and Electrical Products led to 25% growth in order inflows and 20% growth in revenue YoY. A favorable product mix and healthy improvements in realization supported a strong ~320bp YoY margin expansion to 13.6%. Siemens expects demand will be aided by strong traction in data centers, commercial buildings, metals, cement, oil & gas, e-mobility, upgradation of distribution utilities, etc.
- **Mobility:** FY23 order inflows were buoyed by the ~INR260b 9000HP locomotive order, which provides robust revenue visibility. Consequently, revenue jumped 53% YoY, but margins were dented by one-off costs related to increased R&D spending and ramp-up costs. The government's continued focus on modernization, e-locos, propulsion systems, trainsets, metros, bogies, etc. augurs well for the company going ahead.
- **Energy:** The company is witnessing robust traction in the oil & gas, transmission and transformer segments, translating into 9% YoY order inflow growth on a high base. Margin for the year came in at 12.7%, up ~80bp. The company sees a healthy opportunity pipeline in renewable energy integration, transmission network expansion, modernization of ageing turbines, adoption of WHRS in cement plants, etc. Accordingly, the company has earmarked capex of ~INR4.2b for the doubling of its power transformer capacity from 15,000MVA to 30,000MVA by Dec'25 and 40,000 Vacuum Interrupter tubes to 70,000 tubes by 2H2026. This will cater to both domestic and export demand, which has been robust.
- **C&S Electric:** The business is fully integrated with Siemens Ltd and the company has managed to improve its margin performance from the pre-acquisition level. In a few quarters, C&S is expected to ramp up its exports of LV products, which will support margins going ahead.

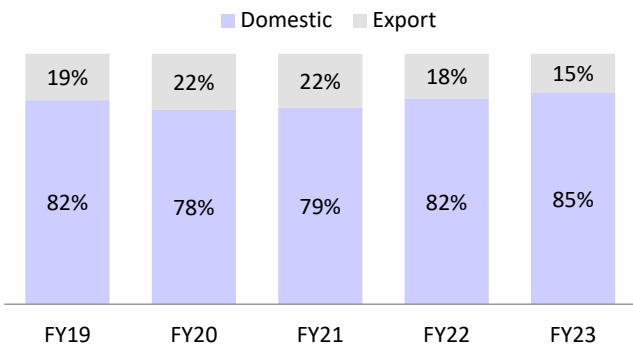
**Key exhibits**

**Exhibit 3: Order inflows have moderated QoQ in 4Q; order book stands at INR455b (INR m)**



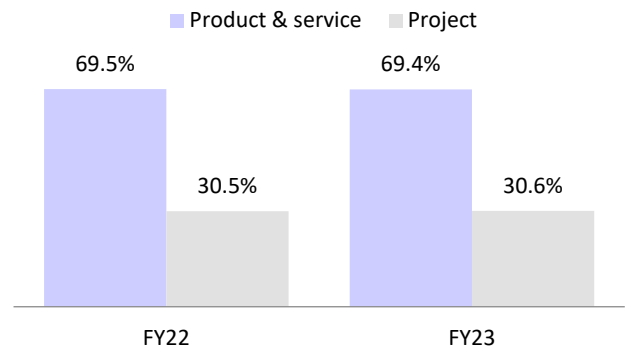
Source: Company, MOFSL

**Exhibit 4: Export share has come down due to slowdown in exports and much faster growth in domestic (%)**



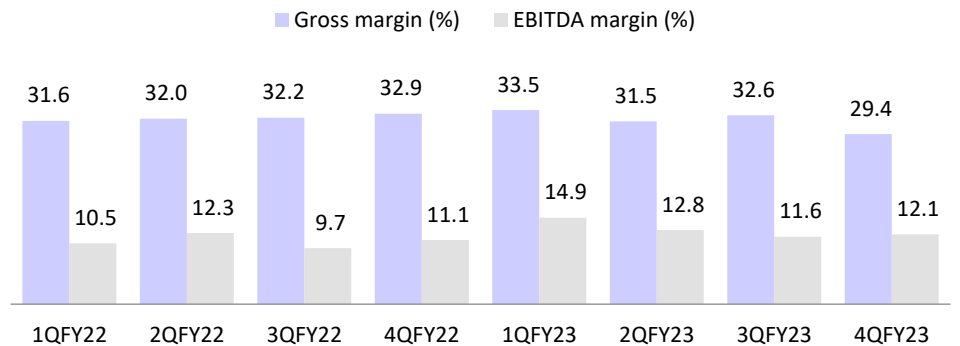
Source: Company, MOFSL

**Exhibit 5: Share of product & projects is largely stable over last two years (%)**



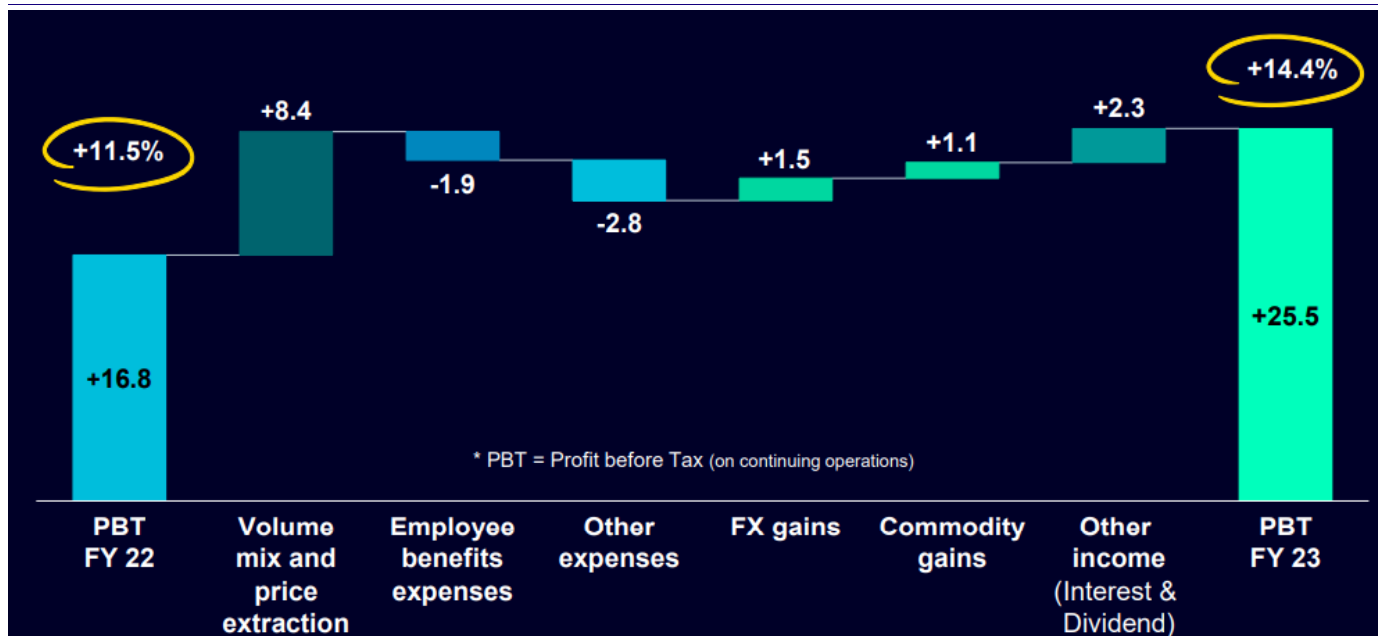
Source: Company, MOFSL

**Exhibit 6: Lower gross margin due to one-offs in Mobility segment related to one-time factory ramp-up costs and R&D expenses (%)**



Source: Company, MOFSL

Exhibit 7: PBT margin improvement largely led by strong operational performance



Source: Company, MOFSL

Exhibit 8: Robust subsidiary performance aided consolidated financials (INR m)

	SL	C&S	SRAPL	Total	Inter-company elimination and PPA*	Consolidated
	(a)	(b)	(c)	(d) = (a)+(b)+(c)	(e)	(f) = (d)-(e)
New Orders	463,829	16,780	2,541	483,150	-1,155	481,995
Revenue	177,007	14,896	2,107	194,010	-1,218	192,792
Profit before tax	+25,451	+1,631	+784	+27,866	-1,469	+26,397
PBT margin (% of revenue)	+14.4%	+10.9%	+37.2%	+14.4%		+13.7%

\* Purchase Price Allocation

Source: Company, MOFSL

## Valuation and recommendation

The stock is currently trading at a P/E of 51.1x/42.9x on FY24E/FY25E. A potential demerger and listing of Siemens's India Energy segment should open avenues for value-unlocking over the next 2-3 years. We continue to value it at 55x P/E on two-year forward earnings and maintain our BUY rating with a TP of INR4,600.

### Exhibit 9: Changes in estimates to bake in slight margin improvement

(INR M)	FY24E			FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	2,26,328	2,23,663	1.2	2,62,713	2,59,640	1.2	3,05,156	3,01,609	1.2
EBITDA	29,258	28,919	1.2	34,599	34,052	1.6	40,959	40,141	2.0
EBITDA (%)	12.9	12.9	0 bps	13.2	13.1	5 bps	13.4	13.3	11 bps
Adj. PAT	23,132	22,880	1.1	27,605	27,190	1.5	32,913	32,282	2.0
EPS (INR)	65.0	64.2	1.1	77.5	76.4	1.5	92.4	90.6	2.0

Source: Company, MOFSL

## Key risks and concerns

- Slowdown in order inflows from key government-focused segments such as transmission and railways owing to election schedule
- Aggression in bids to procure large-sized projects to adversely impact margins
- Related-party transactions with parent group entities at lower-than-market valuations to weigh on stock performance

## Financials and Valuation

Income Statement								(INR Million)
Y/E September	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	
<b>Net Sales</b>	<b>98,694</b>	<b>1,36,392</b>	<b>1,61,378</b>	<b>1,95,538</b>	<b>2,26,328</b>	<b>2,62,713</b>	<b>3,05,156</b>	
change%	-24.1	38.2	18.3	21.2	15.7	16.1	16.2	
<b>Gross Profit</b>	<b>35,487</b>	<b>43,275</b>	<b>52,115</b>	<b>61,711</b>	<b>73,090</b>	<b>84,840</b>	<b>98,546</b>	
Gross margin%	36.0	31.7	32.3	31.6	32.3	32.3	32.3	
Total Expense	<b>88,791</b>	<b>1,21,207</b>	<b>1,43,805</b>	<b>1,70,667</b>	<b>1,97,070</b>	<b>2,28,114</b>	<b>2,64,197</b>	
<b>EBITDA</b>	<b>9,903</b>	<b>15,185</b>	<b>17,573</b>	<b>24,871</b>	<b>29,258</b>	<b>34,599</b>	<b>40,959</b>	
EBITDA Margin%	10.0	11.1	10.9	12.7	12.9	13.2	13.4	
Depreciation	2,504	3,005	3,171	3,208	3,338	3,571	3,844	
EBIT	<b>7,399</b>	<b>12,180</b>	<b>14,402</b>	<b>21,663</b>	<b>25,920</b>	<b>31,028</b>	<b>37,115</b>	
Interest and finance charge	292	246	363	228	228	228	228	
other income	3,099	2,265	3,078	4,962	5,432	6,342	7,397	
<b>PBT Before EO</b>	<b>10,206</b>	<b>14,199</b>	<b>17,117</b>	<b>26,397</b>	<b>31,124</b>	<b>37,142</b>	<b>44,284</b>	
<b>PBT after EO</b>	<b>10,206</b>	<b>14,199</b>	<b>17,117</b>	<b>26,397</b>	<b>31,124</b>	<b>37,142</b>	<b>44,284</b>	
Total Tax	2,632	3,698	4,498	6,778	7,992	9,537	11,371	
Tax Rate%	25.8	26.0	26.3	25.7	25.7	25.7	25.7	
Minority Interest	-	-	-	-	-	-	-	
<b>Reported PAT</b>	<b>7,574</b>	<b>10,501</b>	<b>12,619</b>	<b>19,619</b>	<b>23,132</b>	<b>27,605</b>	<b>32,913</b>	
<b>Adjusted PAT</b>	<b>7,574</b>	<b>10,501</b>	<b>12,619</b>	<b>19,619</b>	<b>23,132</b>	<b>27,605</b>	<b>32,913</b>	
change%	-32.6	38.6	20.2	55.5	17.9	19.3	19.2	
margin%	7.7	7.7	7.8	10.0	10.2	10.5	10.8	

E: MOFSL estimates

Balance Sheet								(INR Million)
Y/E September	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	
Equity Share Capital	712	712	712	712	712	712	712	
Total Reserves	94,028	1,02,778	1,15,390	1,30,159	1,47,254	1,67,654	1,91,977	
<b>Networth</b>	<b>94,740</b>	<b>1,03,490</b>	<b>1,16,102</b>	<b>1,30,871</b>	<b>1,47,966</b>	<b>1,68,366</b>	<b>1,92,689</b>	
Other Liability + Def Tax Liabilities	-2,481	-473	-975	-1,627	-1,627	-1,627	-1,627	
Minority Interest	0	81	76	86	86	86	86	
<b>Sources of Funds</b>	<b>92,259</b>	<b>1,03,123</b>	<b>1,15,203</b>	<b>1,29,330</b>	<b>1,46,425</b>	<b>1,66,825</b>	<b>1,91,148</b>	
Gross Block	20,443	30,118	31,906	34,198	40,684	45,742	51,305	
Less: Accum Dep	8,792	10,774	13,945	17,153	20,426	23,997	27,841	
<b>Fixed Asset (Net Block)</b>	<b>11,651</b>	<b>19,344</b>	<b>17,961</b>	<b>17,045</b>	<b>20,258</b>	<b>21,745</b>	<b>23,464</b>	
CWIP	880	350	517	501	501	501	501	
Goodwill	0	11,732	12,354	12,686	12,686	12,686	12,686	
<b>Total Investment</b>	<b>550</b>	<b>972</b>	<b>766</b>	<b>667</b>	<b>1,304</b>	<b>1,304</b>	<b>1,304</b>	
<b>Curr. Assets Loans &amp; Advances</b>	<b>1,35,169</b>	<b>1,46,705</b>	<b>1,68,323</b>	<b>1,89,753</b>	<b>2,47,198</b>	<b>2,88,013</b>	<b>3,36,188</b>	
Inventory	11,064	17,969	21,650	25,052	31,004	35,988	41,802	
Account Receivables	45,170	51,061	56,544	65,223	80,610	93,569	1,08,686	
Cash and Bank	55,517	51,591	65,841	76,507	1,01,479	1,18,868	1,39,718	
Loans and Advances	7,782	8,185	7,113	7,288	12,402	14,395	16,721	
<b>Current Liab and Provision</b>	<b>15,636</b>	<b>17,899</b>	<b>17,175</b>	<b>15,683</b>	<b>21,703</b>	<b>25,192</b>	<b>29,261</b>	
Account Payables	-	-	-	-	-	-	-	
Other current liabilities	47,978	62,899	75,013	74,646	99,212	1,15,162	1,33,767	
Provision	11,951	13,081	9,899	16,166	35,800	41,752	48,718	
<b>Net Current Assets</b>	<b>75,240</b>	<b>70,725</b>	<b>83,411</b>	<b>98,941</b>	<b>1,12,185</b>	<b>1,31,099</b>	<b>1,53,702</b>	
<b>Application of Funds</b>	<b>92,259</b>	<b>1,03,123</b>	<b>1,15,203</b>	<b>1,29,330</b>	<b>1,46,425</b>	<b>1,66,825</b>	<b>1,91,148</b>	

E: MOFSL estimates



## Financials and Valuation

Ratios							
Y/E September	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>21.3</b>	<b>29.5</b>	<b>35.4</b>	<b>55.1</b>	<b>65.0</b>	<b>77.5</b>	<b>92.4</b>
Cash EPS	28.3	37.9	44.3	64.1	74.3	87.5	103.2
Book Value	266.0	290.6	326.0	367.5	415.5	472.8	541.1
DPS	7.0	8.0	10.0	10.0	17.0	20.2	24.1
Payout (incl. div.tax)	39.7	32.7	28.2	18.2	26.1	26.1	26.1
<b>Valuation (X)</b>							
P/E	186.4	134.4	111.9	72.0	61.0	51.1	42.9
Cash P/E	140.1	104.5	89.4	61.8	53.3	45.3	38.4
Price/ Book Value	14.9	13.6	12.2	10.8	9.5	8.4	7.3
EV/Sales	13.7	10.0	8.3	6.8	5.8	4.9	4.2
EV/EBITDA	136.9	89.5	76.6	53.7	44.8	37.4	31.0
Div Yield (%)	0.2	0.2	0.3	0.3	0.4	0.5	0.6
<b>Profitability Ratios (%)</b>							
ROE%	8.2	10.6	11.5	15.9	16.6	17.5	18.2
ROCE%	8.4	10.8	11.7	16.0	16.7	17.6	18.3
<b>Turnover Ratios (%)</b>							
Asset Turnover (x)	1.1	1.3	1.4	1.5	1.5	1.6	1.6
Debtors (No. of days)	41	48	49	47	50	50	50
Inventory (No. of days)	167	137	128	122	130	130	130
<b>Leverage Ratios (%)</b>							
Net Debt/ Equity (x)	-0.6	-0.5	-0.6	-0.6	-0.7	-0.7	-0.7

E: MOFSL estimates

Cash Flow Statement								(INR Million)
Y/E September	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	
OP/(Loss) before Tax	10,193	15,058	20,817	26,397	31,124	37,142	44,284	
Depreciation	2,504	3,005	3,171	3,208	3,338	3,571	3,844	
Interest & Finance Charges	292	246	363	228	228	228	228	
Direct Taxes Paid	-2,942	-3,735	-5,215	-8,033	-7,992	-9,537	-11,371	
(Inc)/Dec in WC	-1,426	2,339	-3,619	-4,371	11,728	-1,524	-1,754	
<b>CF from Operations</b>	<b>8,621</b>	<b>16,913</b>	<b>15,517</b>	<b>17,429</b>	<b>38,426</b>	<b>29,880</b>	<b>35,231</b>	
Others	-1,856	-2,692	-5,732	-3,429	-5,432	-6,342	-7,397	
<b>CF from Operating incl EO</b>	<b>6,765</b>	<b>14,221</b>	<b>9,785</b>	<b>14,000</b>	<b>32,994</b>	<b>23,538</b>	<b>27,834</b>	
(Inc)/Dec in FA	-98	-1,074	-1,313	-1,545	-6,551	-5,058	-5,564	
<b>Free Cash Flow</b>	<b>6,667</b>	<b>13,147</b>	<b>8,472</b>	<b>12,455</b>	<b>26,443</b>	<b>18,480</b>	<b>22,270</b>	
(Pur)/Sale of Investments	-3,938	-13,623	4,419	-2,159	-637	0	0	
Others	8,387	-9,196	-3,459	-4,765	5,432	6,342	7,397	
<b>CF from Investments</b>	<b>4,351</b>	<b>-23,893</b>	<b>-353</b>	<b>-8,469</b>	<b>-1,756</b>	<b>1,284</b>	<b>1,834</b>	
Issue of Shares								
Inc/(Dec) in Debt	-714	-2,385	-825	-893	0	0	0	
Interest Paid	-128	-140	-248	-45	-228	-228	-228	
Dividend Paid	-3,005	-2,493	-2,849	-3,561	-6,038	-7,205	-8,590	
Others	0		0	0	0	0	0	
<b>CF from Fin. Activity</b>	<b>-3,847</b>	<b>-5,018</b>	<b>-3,922</b>	<b>-4,499</b>	<b>-6,266</b>	<b>-7,433</b>	<b>-8,818</b>	
<b>Inc/Dec of Cash</b>	<b>7,269</b>	<b>-14,690</b>	<b>5,510</b>	<b>1,032</b>	<b>24,972</b>	<b>17,389</b>	<b>20,849</b>	
Opening Balance	48,913	55,517	51,591	65,841	76,507	1,01,479	1,18,868	
<b>Closing Balance</b>	<b>55,517</b>	<b>51,591</b>	<b>65,841</b>	<b>76,507</b>	<b>1,01,479</b>	<b>1,18,868</b>	<b>1,39,718</b>	

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. 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](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL, has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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