23 July 2026

1QFY27 Results Update | Sector: Technology

Cyient

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	CYL IN
Equity Shares (m)	111
M.Cap.(INRb)/(USDb)	92.3 / 1
52-Week Range (INR)	1302 / 750
1, 6, 12 Rel. Per (%)	-7/-19/-30
12M Avg Val (INR M)	471

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	72.7	83.5	95.0
EBIT Margin (%)	9.5	12.3	14.9
Adj. PAT	5.3	6.3	9.5
Adj. EPS (INR)	51.1	60.1	90.7
EPS Gr. (%)	-12.9	17.4	51.0
BV/Sh. (INR)	546.2	568.9	605.4
Ratios			
RoE (%)	9.0	10.0	14.4
RoCE (%)	7.6	9.1	12.7
Payout (%)	31.3	60.0	60.0
Valuations			
P/E (x)	16.3	13.9	9.2
P/BV (x)	1.5	1.5	1.4
EV/EBITDA (x)	7.4	4.9	3.6
Div Yield (%)	1.9	4.3	6.5

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	23.3	23.3	23.3
DII	39.0	41.0	35.6
FII	15.0	15.9	22.1
Others	22.7	19.8	19.0

FII includes depository receipts

CMP: INR832 **TP: INR740 (-11%)** **Sell**

A weaker start raises the bar for FY27

15% exit-margin target pushed to 1HFY28

- Cyient's (CYL) DET business reported 1QFY27 revenue of USD163m, down 0.5% QoQ in constant currency (CC) terms, above our estimate of 1% decline. Transportation & Mobility grew 3% QoQ CC, Network & Infrastructure remained flat and Strategic Units declined 8.2% QoQ CC. Adj. EBIT margin of DET business at 13.2% was above our estimate of 12.5%. DET adj. PAT was up 2.1% QoQ/down 13.4% YoY at INR1,412m (est. INR1,498m).
- For 1QFY27, DET revenue/adj. EBIT grew 10.6%/21.2% YoY, while adj. PAT fell 13.4% YoY. In 2QFY27, we expect DET revenue/EBIT/adj. PAT to grow by 6.4%/12.9%/10.8% YoY. **We reiterate our Sell rating** with our SoTP-based TP of INR740**,** implying an 11% potential downside.

Our view: Organic growth likely to stay muted

- **FY27 organic growth aspiration resets after a weak start:** DET revenue declined 0.5% QoQ CC in 1QFY27. Management has **stepped away from its earlier aspiration of mid-single-digit organic growth, acknowledging that the ask rate for the rest of FY27 has become difficult** after the weak 1Q.
- While order intake and large-deal pipeline remain healthy, management continues to highlight delays in discretionary project awards amid macro uncertainty. **We expect organic revenue to remain broadly flat in FY27**, with the TAO acquisition (expected to close in late 2Q or in 3Q).
- **15% exit target by 4QFY27 moves out:** DET EBIT margin improved 80bp QoQ to 13.2%, driven by continued cost optimization despite muted revenue growth. However, management has **pushed its 15% EBIT margin target from 4QFY27 to 1HFY28, as revenue-led operating leverage is taking longer to materialize**. While cost initiatives remain on track, the company has chosen to continue investing in growth initiatives rather than maximize near-term margins. We estimate EBIT margins of 13.2% for FY27.
- **Transportation remains the growth driver; recovery elsewhere is still evolving:** Transportation & Mobility continued to outperform with 3% QoQ CC growth, supported by broad-based strength across aerospace, rail and automotive. **Networks & Infrastructure stabilized after last quarter's weakness, although some project ramp-ups remain delayed**.
- Strategic Units vertical continued to be weighed down by the energy business, where management **expects a recovery in another two to three quarters**. Overall, vertical performance points to selective strength rather than a broad-based recovery.

Abhishek Pathak - Research Analyst (Abhishek.Pathak@MotilalOswal.com)
Keval Bhagat - Research Analyst (Keval.Bhagat@MotilalOswal.com)

Valuation and changes to our estimates

- We maintain our Sell rating on Cyient as the recovery remains back-ended. Management has also stepped away from its earlier mid-single-digit organic growth aspiration, and we expect FY27 organic growth to remain broadly flat. We increase our FY27/FY28 EPS estimates by ~3.5%, primarily factoring in the TAO acquisition (expected to be consolidated from 3QFY27), while our underlying organic growth assumptions remain largely unchanged.
- Based on our SoTP valuation, we continue to value the DET business at 9x FY28E EPS, reflecting gradual margin improvement, a muted organic growth outlook, and continued execution risk. We also continue to apply a holding company discount to the value of the DLM stake. Our SoTP-based target price of INR740 implies an 11% downside, and we therefore maintain our Sell rating.

Beat on revenues and margins; company completes buyback

- DET revenue stood at USD163m, down 0.5% QoQ CC above our estimate of 1% decline QoQ CC. Consolidated revenue came in at USD219m, up 9.1% YoY CC.
- Transportation & Mobility rose 3% QoQ CC, while Strategic Units declined 8.2% QoQ CC. Network & Infrastructure remained flat QoQ cc.
- DET adj. EBIT margins came in at 13.2% (est. 12.5%), up 80bp QoQ and 120bp YoY.
- DET adj. PAT was up 2% QoQ/down 13.5% YoY at INR1,412m (est. INR1,498m).
- Completed the extinguishment of 6.4m equity shares of Cyient Limited, bought back at a price of INR1,125 per equity share for an aggregate consideration of INR7.2b (representing roughly 5.76% of the company's total paid-up capital).

Key highlights from the management commentary

- Demand environment stayed cautious, with customers deferring discretionary project awards amid West Asia war-related supply chain disruption and geopolitical uncertainty.
- Management clarified the slowdown reflects timing/customer caution, not any structural or market-share issue; existing business fundamentals remain intact.
- Order intake grew 5.3% YoY; net-new business surged 64% YoY and 49% QoQ, reflecting improving large-deal traction.
- Five large deals won over the last two quarters (4QFY26-1QFY27); nine additional large deals qualified in 1Q, adding over USD300m to the large-deal pipeline.
- FY27 EBIT margin target of 15% pushed to 1HFY28, as cost levers remain on track but revenue-led margin absorption is running behind plan; management chose to protect growth investments rather than cut back.
- Announced the acquisition of Tao Digital Solutions, adding data/software engineering, cloud-native platforms and AI-ops capabilities; expected to close by Aug'26.
- Tao's annualized revenue contribution guided at USD40-50m, subject to timeline; USD1.4m in transaction costs expensed and normalized in 1Q.
- DLM completed its buyback, extinguishing 6.4m shares at INR1,125/share, aggregating to INR7.2b (~5.76% of paid-up capital); promoter group did not participate, signaling confidence in long-term value.

DET Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	bp)
Revenue (USD m)	**163**	**164**	**167**	**164**	**163**	**162**	**183**	**187**	**658**	**695**	**162**	**0.3**
QoQ (%)	0.9	1.0	1.6	-2.1	-0.6	-0.3	13.2	2.0	-2.0	5.7	-0.9	29bp
Revenue (INR m)	**13,925**	**14,385**	**14,883**	**14,996**	**15,402**	**15,302**	**17,322**	**17,669**	**58,189**	**65,695**	**15,340**	**0.4**
YoY (%)	3.6	-0.8	0.6	7.4	10.6	6.4	16.4	17.8	2.6	12.9	10.2	45bp
GPM (%)	**31.4**	**36.3**	**37.7**	**32.8**	**32.7**	**33.0**	**33.0**	**33.6**	**34.6**	**33.1**	**38.5**	**-578bp**
SGA (%)	**15.5**	**20.1**	**21.5**	**16.9**	**16.1**	**16.1**	**16.1**	**16.1**	**18.5**	**16.1**	22.0	-594bp
EBITDA	**2,215**	**2,333**	**2,415**	**2,398**	**2,566**	**2,586**	**2,927**	**3,092**	**9,361**	**11,172**	**2,531**	**1.4**
EBITDA Margin (%)	**15.9**	**16.2**	**16.2**	**16.0**	**16.7**	**16.9**	**16.9**	**17.5**	**16.1**	**17.0**	**16.5**	**16bp**
EBIT	**1,671**	**1,749**	**1,847**	**1,854**	**2,026**	**1,974**	**2,269**	**2,421**	**7,121**	**8,690**	**1,917**	**5.7**
EBIT Margin (%)	**12.0**	**12.2**	**12.4**	**12.4**	**13.2**	**12.9**	**13.1**	**13.7**	**12.2**	**13.2**	**12.5**	**65bp**
Other income	522	173	227	109	-31	107	121	124	1,031	321	107	-128.9
ETR (%)	25.6	28.7	27.8	29.5	29.2	27.0	27.0	27.0	27.9	27.6	26.0	
Adj. PAT	**1,631**	**1,371**	**1,497**	**1,383**	**1,412**	**1,519**	**1,745**	**1,857**	**5,882**	**6,534**	**1,498**	**-5.8**
Exceptional items	**0**	**0**	**288**	**501**	**100**	**0**	**0**	**0**	**789**	**100**	**0**	
PAT	**1,631**	**1,371**	**1,209**	**882**	**1,312**	**1,519**	**1,745**	**1,857**	**5,093**	**6,434**	**1,498**	**-12.4**
QoQ (%)	7.4	-15.9	9.2	-7.6	2.1	7.6	14.9	6.4			8.3	-617bp
YoY (%)	29.9	-22.4	20.9	-8.9	-13.4	10.8	16.6	34.3	1.8	11.1	-8.1	-530bp
EPS (INR)	**15**	**12**	**14**	**13**	**13**	**15**	**17**	**18**	**53**	**62**	**13.6**	-5.8

Key Performance Indicators (Consol)

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Margins (%)						
Gross Margin	35.1	31.9	34.1	34.7	35.0	33.9
EBIT Margin	9.5	9.4	9.5	9.5	9.7	9.5
Net Margin	9.0	7.2	6.9	6.5	5.5	7.4
Operating metrics						
Headcount	13,623	13,634	14,115	14,236	15,199	14,236
Attrition (%)	16.9	16.8	15.9	16.5	14.4	16.5
Key Geographies (YoY %)						
North America	10.0%	-1.6%	-3.5%	4.2%	3.2%	2.0%
Europe	-14%	-10%	-7%	-12%	-11%	-11%

CONFERENCE CALL

Key highlights from the management commentary

Commentary on verticals

- **Transportation:** Delivered a standout quarter, up 3% QoQ and 14.8% YoY in cc — its fifth consecutive quarter of growth.
- Growth was broad-based, with double-digit YoY growth across aerospace, rail and automotive, not driven by any single project.
- **Networks & Infrastructure:** Rebounded as expected, up 0.3% QoQ and 2.5% YoY in cc after the 4Q setback.
- Growth was capped by delayed ramp-ups on already-won programs; underlying demand for higher bandwidth and smarter systems remains strong.
- Telecom fiber buildout capex visibility stays healthy, with diversification into connectivity offerings contributing to funnel growth.
- **Strategic Units:** Declined 8.2% QoQ, led primarily by continued weakness in the energy vertical (unit also includes mining & minerals and healthcare).
- Weakness attributed to the completed ramp-down of a large legacy project, not market-share loss; management is rebuilding go-to-market teams, broadening the service portfolio, and cross-selling energy capabilities into North America.
- Nuclear engineering flagged as an emerging opportunity, with meaningful deal wins expected in 4-5 quarters; overall energy recovery expected to show comparable growth in 2-3 quarters.
- **Semiconductors:** Services business continues to scale up, including a fab-upgrade deal with the Semiconductor Complex of India (Mohali); pipeline remains strong.
- Custom ASIC pipeline now exceeds USD100m, building rapidly on new design wins and a deepening blue-chip client base.
- Launched seven new GaN power chips (leveraging Navitas technology) targeting AI data centers, telecom, fast-charging, industrial and e-mobility applications.
- Kinetic Technologies fully consolidated in 1Q (first full quarter); combined semiconductor revenue at USD17.9m; organic semiconductor revenue grew 5% QoQ to USD6.45m — the fifth consecutive quarter of >5% organic growth.
- High-power ASSP business remains in cash-consuming development phase (R&D complete, development underway), weighing on near-term profitability; ~USD3m/quarter amortization drag from the Kinetic deal.
- Closed a USD30m financing round (debt + equity) with EAAA at a post-money valuation of USD500m, strengthening balance sheet for growth.
- Segment breakeven now pushed to FY28 due to continued high-power ASSP investment, despite healthy gross margins and strong underlying growth.

Demand and outlook

- Demand environment stayed cautious, with customers deferring discretionary project awards amid West Asia war-related supply chain disruption and geopolitical uncertainty.
- Management clarified the slowdown reflects timing/customer caution, not any structural or market-share issue; existing business fundamentals remain intact.
- Aerospace flying hours flagged as an emerging watch-item; prolonged disruption could pressure discretionary spend further, though business-as-usual demand remains unaffected so far.

- Order intake grew 5.3% YoY; net-new business surged 64% YoY and 49% QoQ, reflecting improving large-deal traction.
- Five large deals won over the last two quarters (4QFY26-1QFY27); nine additional large deals qualified in 1Q, adding over USD300m to the large-deal pipeline.
- DLM (BLM) order book hit an all-time high, supported by a book-to-bill ratio above 1.5x.
- Won a multi-year digitalization deal with a large energy OEM, broadening the service portfolio beyond planning-led work in the energy vertical.

Revenue and margin

- DET segment revenue at USD162.5m, down 0.5% QoQ and 0.9% YoY in cc; in INR terms, revenue grew 2.7% QoQ and 10.6% YoY to INR15.4b, with the gap driven by currency tailwinds.
- Group revenue came in at USD219m, up 4.5% QoQ and 9.1% YoY in cc; INR revenue was INR20.76b, up 7.7% QoQ and 21.3% YoY, aided by first-quarter consolidation of Kinetic Technologies (USD10.4m contribution).
- DET gross margin at 32.7%, down 13bp QoQ but up 127bp YoY, following a presentation-only reclassification of project-linked costs (no EBIT impact; prior periods restated).
- DET EBIT margin (normalized) at 13.2%, up 79bp QoQ and 114bp YoY, led by cost optimization and favorable USD/INR movement.
- Group EBIT margin (normalized) improved to 9.7%, up 16bp QoQ and 19bp YoY, partly offset by continued semiconductor investments.
- DET normalized PAT at INR1.41b, up 2.1% QoQ but down 13.5% YoY, as the year-ago quarter benefited from a one-off forex reinstatement gain.
- Effective tax rate at 29.2% (broadly flat QoQ, up 350bps YoY); full-year ETR guided at 27–28%.
- DET free cash flow conversion at 80.5% of normalized PAT, down 49% QoQ on 4Q provision-linked payments, though broadly flat YoY; capex elevated on IT system refresh and US project ramp-up.
- Group normalized PAT at INR1.14b (EPS INR10.32); reported PAT at INR1.04b (EPS INR9.42).
- FY27 EBIT margin target of 15% pushed to 1HFY28, as cost levers remain on track but revenue-led margin absorption is running behind plan; management chose to protect growth investments rather than cut back.

Other highlights

- Cross-selling of energy capabilities into North America has begun, though meaningful contribution is not expected before the next quarter.
- Announced the acquisition of Tao Digital Solutions, adding data/software engineering, cloud-native platforms and AI-ops capabilities; expected to close by Aug'26.
- Tao's annualized revenue contribution guided at USD40-50m, subject to timeline; USD1.4m in transaction costs expensed and normalized in 1Q.
- Tao Digital Solutions acquisition adds cloud-native data/software engineering and AI-ops capabilities, positioned to scale up AI adoption across Cyient's domain-heavy customer base.

- Tao Digital Solutions' talent base spans North America, India, Taiwan and parts of Europe, expected to broaden Cyient's geographic delivery footprint post-close.
- Appointed Mr. Bhaskar Nagarajan as Global Head of Avionics Delivery (ex-Honeywell, HAL, Tata; ~three decades of experience), strengthening the transportation segment.
- Appointed Mr. Rahul Sarkar to lead Alliances & Partnerships (12 years at Tech Mahindra, hyperscaler/AI/OEM ecosystem experience), supporting the partnership-led go-to-market strategy.
- Launched an AI-driven MRO platform at the Farnborough Air Show, integrating engineering, supply chain and shop-floor data into a single AI operations platform for aerospace customers; early customer engagement encouraging.
- DLM completed its buyback, extinguishing 6.4m shares at INR1,125/share, aggregating to INR7.2b (~5.76% of paid-up capital); promoter group did not participate, signaling confidence in long-term value.

Exhibit 1: Europe declined YoY

Geographies	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Americas	52.6	0.1	3.2
Europe	24.8	(6.7)	(11.3)
Asia Pacific	22.5	4.5	6.0

Source: Company, MOFSL

Exhibit 2: Strategic units declined YoY

Service Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Transportation & Mobility	44.9	2.5	13.6
Network and Infrastructure	32.8	1.0	5.8
Strategic Units	22.3	(8.6)	(24.8)

Source: Company, MOFSL

Exhibit 3: Our SoTP valuation

	Valuation Metric	Tgt Multiple	Value (FY28E)
Cyient Service (INR m)	P/E	9	60,117
Semi-Conductor Business	EV/EBIT	8	204
DLM (INR m)	Market Cap (holdco discount)		16,449
Total Market Cap (INR m)			76,769
O/S			103.6
Rounded Target Price (INR)			740.0
CMP (INR)			832.4
Upside %			-11%

Source: MOFSL

Exhibit 4: Summary of our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	94.5	94.6	94.5	94.6	0.0%	0.0%
USD Revenue (DET) - m	695	759	658	682	5.6%	11.3%
Growth (%)	5.7	9.2	0.1	3.6	560bps	560bps
EBIT margin (DET, %)	13.2	13.0	13.0	13.5	20bps	-50bps
PAT (DET, INR M)	6,534	6,680	6,296	6,435	3.8%	3.8%
EPS - DET	62.4	63.8	60.1	61.4	3.8%	3.9%

Source: MOFSL

Exhibit 5: DET – P&L Statement (INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Sales	**37,544**	**50,936**	**59,114**	**56,704**	**58,189**	**65,695**	**72,083**
Cost of Services	21,808	29,535	35,503	34,487	38,040	43,952	48,114
Gross Profit	15,736	21,401	23,611	22,217	20,149	21,743	23,969
EBITDA	**7,470**	**9,309**	**11,960**	**9,790**	**9,361**	**11,172**	**12,075**
% of Net Sales	19.9%	18.3%	20.2%	17.3%	16.1%	17.0%	16.8%
EBIT	**5,740**	**6,970**	**9,545**	**7,513**	**7,121**	**8,690**	**9,336**
% of Net Sales	15.3%	13.7%	16.1%	13.2%	12.2%	13.2%	13.0%
Net Income	**4,696**	**5,243**	**6,893**	**5,778**	**5,882**	**6,534**	**6,680**
Change (%)	44.3%	11.7%	31.5%	-16.2%	1.8%	11.1%	2.2%

Source: MOFSL* FY23 and previous year data are on a Pro Forma basis

Financials and valuations

Income Statement (Consol)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Sales	**45,344**	**60,159**	**71,472**	**73,604**	**72,682**	**83,522**	**94,955**
Change (%)	9.7	32.7	18.8	3.0	(1.3)	14.9	13.7
Cost of Services	28,453	37,415	45,944	47,771	48,007	53,992	60,140
Gross Profit	**16,891**	**22,744**	**25,528**	**25,833**	**24,675**	**29,530**	**34,815**
SG&A Expenses	8,675	12,501	12,500	14,320	15,009	16,294	17,384
EBITDA	**8,216**	**10,243**	**13,028**	**11,513**	**9,666**	**13,237**	**17,430**
% of Net Sales	18.1	17.0	18.2	15.6	13.3	15.8	18.4
Depreciation	1,923	2,566	2,666	2,672	2,782	2,988	3,289
EBIT	**6,293**	**7,677**	**10,362**	**8,841**	**6,884**	**10,249**	**14,141**
% of Net Sales	13.9	12.8	14.5	12.0	9.5	12.3	14.9
Other Income	687	-185	-499	39	1,167	-24	188
PBT	**6,980**	**7,492**	**9,863**	**8,880**	**8,051**	**10,225**	**14,329**
Tax	1,761	1,723	2,314	2,289	2,242	3,928	4,820
Rate (%)	25.2	23.0	23.5	25.8	27.8	38.4	33.6
Minority interest	0	0	-200	-374	-464	0	0
Adjusted PAT	**5,219**	**5,769**	**7,349**	**6,217**	**5,345**	**6,297**	**9,510**
Change (%)	40.5	10.5	27.4	-15.4	-14.0	17.8	51.0

E: MOSL Estimates

Note: From 1QFY27, company has stopped reporting cost of services separately for consolidated numbers.

Balance Sheet (Consol) **(INR m)**

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	552	553	555	555	556	556	556
Reserves	30,614	34,114	42,026	52,540	56,263	58,782	62,586
Net Worth	**31,166**	**34,667**	**42,581**	**53,095**	**56,819**	**59,338**	**63,142**
Other liabilities	4,061	5,644	8,091	9,168	9,715	10,446	11,217
Loan	3,264	9,336	4,526	2,138	1,658	1,658	1,658
Capital Employed	**38,491**	**49,647**	**55,198**	**64,401**	**68,192**	**71,442**	**76,016**
Applications							
Gross Block	19,223	21,776	24,924	27,924	30,924	34,924	38,924
Less : Depreciation	11,959	14,525	17,191	19,863	22,645	25,633	28,922
Net Block	**6,787**	**7,251**	**7,733**	**7,569**	**7,195**	**9,291**	**10,002**
CWIP	134	27	16	75	48	48	48
Intangibles	6,662	21,413	21,089	22,432	23,648	23,648	23,648
Other assets	5,318	4,877	5,607	5,415	5,691	6,076	6,481
Curr. Assets	**28,972**	**31,913**	**35,591**	**41,455**	**46,662**	**56,043**	**61,552**
Current Investments	866	1,718	758	1,654	2,094	3,594	5,094
Debtors	7,333	11,271	12,617	14,067	13,055	14,187	16,129
Cash & Bank Balance	12,157	6,215	4,848	10,706	14,575	20,329	19,941
Other Current Assets	8,616	12,709	17,368	15,028	16,938	17,932	20,387
Current Liab. & Prov	**9,382**	**15,834**	**14,838**	**12,545**	**15,052**	**23,664**	**25,714**
Trade payables	5,259	7,142	6,878	3,934	5,368	12,586	14,308
Other liabilities	3,709	7,555	6,816	7,256	8,054	9,205	9,277
Provisions	414	1,137	1,144	1,355	1,630	1,873	2,130
Net Current Assets	**19,590**	**16,079**	**20,753**	**28,910**	**31,610**	**32,379**	**35,837**
Application of Funds	**38,491**	**49,647**	**55,198**	**64,401**	**68,192**	**71,442**	**76,016**

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
EPS	**50.7**	**55.6**	**71.0**	**58.7**	**51.1**	**60.1**	**90.7**
Cash EPS	69.4	80.3	96.8	84.0	77.8	88.6	122.1
Book Value	302.9	334.0	411.4	505.0	546.2	568.9	605.4
DPS	24.0	26.0	30.0	26.0	16.0	36.0	54.4
Payout %	47.3	46.8	42.3	44.3	31.3	60.0	60.0
Valuation (x)							
P/E	16.4	15.0	11.7	14.2	16.3	13.9	9.2
Cash P/E	12.0	10.4	8.6	9.9	10.7	9.4	6.8
EV/EBITDA	9.2	8.6	6.5	6.7	7.4	4.9	3.6
EV/Sales	1.7	1.5	1.2	1.1	1.0	0.8	0.7
Price/Book Value	2.7	2.5	2.0	1.6	1.5	1.5	1.4
Dividend Yield (%)	2.9	3.1	3.6	3.1	1.9	4.3	6.5
Profitability Ratios (%)							
RoE	17.2	17.5	18.3	12.1	9.0	10.0	14.4
RoCE	13.6	14.7	16.1	11.2	7.6	9.1	12.7
Turnover Ratios							
Debtors (Days)	62	68	64	70	66	62	62

Cash Flow Statement (Consol) **(INR m)**

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
CF from Operations	7,318	9,024	9,869	9,481	6,569	9,285	12,799
Cash for Working Capital	-973	-3,485	-3,190	-1,582	1,305	5,748	-1,981
Net Operating CF	**6,345**	**5,539**	**6,679**	**7,899**	**7,874**	**15,032**	**10,818**
Net Purchase of FA	-626	-625	-782	-1,021	-944	-4,000	-4,000
Free Cash Flow	**5,719**	**4,914**	**5,897**	**6,878**	**6,930**	**11,032**	**6,818**
Net Purchase of Invest.	-3,197	-9,675	-4,545	-430	2,060	-1,500	-1,500
Net Cash from Invest.	**-3,823**	**-10,300**	**-5,327**	**-1,451**	**1,116**	**-5,500**	**-5,500**
Proc. from equity issues	121	79	146	62	19	0	0
Proceeds from LTB/STB	-1,994	1,458	237	2,217	-1,416	0	0
Dividend Payments	-2,952	-2,630	-3,058	-2,861	-4,292	-3,778	-5,706
Cash Flow from Fin.	**-4,825**	**-1,093**	**-2,675**	**-582**	**-5,689**	**-3,778**	**-5,706**
Exchange difference	52	-88	-44	110	568	0	0
Net Cash Flow	**-2,251**	**-5,942**	**-1,367**	**5,976**	**3,869**	**5,754**	**-388**
Opening Cash Bal.	**14,408**	**12,157**	**6,215**	**4,730**	**10,706**	**14,575**	**20,329**
Add: Net Cash	-2,251	-5,942	-1,367	5,976	3,869	5,754	-388
Closing Cash Bal.	**12,157**	**6,215**	**4,730**	**10,706**	**14,575**	**20,329**	**19,941**

E: MOSL Estimates

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. 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://onlinereports.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, 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 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.