

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|-----------------------|-------------|
| Bloomberg | CYIENTDL IN |
| Equity Shares (m) | 79 |
| M.Cap.(INRb)/(USDb) | 51.4 / 0.6 |
| 52-Week Range (INR) | 779 / 401 |
| 1, 6, 12 Rel. Per (%) | -2/23/- |
| 12M Avg Val (INR M) | 423 |

Financials & Valuations (INR b)

| Y/E Mar | FY24E | FY25E | FY26E |
|----------------------|-------|-------|-------|
| Sales | 12.1 | 17.0 | 23.1 |
| EBITDA | 1.1 | 1.7 | 2.6 |
| Adj. PAT | 0.6 | 1.1 | 1.9 |
| EBITDA Margin (%) | 9.5 | 10.0 | 11.3 |
| Cons. Adj. EPS (INR) | 8.0 | 14.4 | 23.5 |
| EPS Gr. (%) | 100.6 | 79.6 | 63.3 |
| BV/Sh. (INR) | 121.2 | 135.7 | 159.2 |

Ratios

| | | | |
|----------|------|------|------|
| Net D:E | -0.6 | -0.5 | -0.6 |
| RoE (%) | 11.0 | 11.2 | 16.0 |
| RoCE (%) | 10.0 | 10.7 | 15.5 |

Valuations

| | | | |
|---------------|----|----|----|
| P/E (x) | 81 | 45 | 27 |
| EV/EBITDA (x) | 40 | 27 | 17 |

Shareholding pattern (%)

| As on | Dec-23 | Sep-23 |
|----------|--------|--------|
| Promoter | 66.7 | 66.7 |
| DII | 11.2 | 12.3 |
| FII | 6.3 | 6.2 |
| Others | 15.8 | 14.0 |

Note: FII includes depository receipts

CMP: INR648 TP: INR830 (+28%) Buy

Growth uninterrupted; another strong quarter

- Cyient DLM (CYIENTDL) reported another strong quarter with a revenue growth of ~50% YoY in 3QFY24, led by significant traction from the Aerospace and Defense verticals. However, margins declined 40bp YoY to 9.2%, primarily due to higher SG&A expenses.
- We maintain our FY24/FY25/FY26 EPS estimates and retain our BUY rating on the stock with a TP of INR830 (35x FY26E EPS).

Higher employee expenses hurt margins

- Consolidated revenue grew 50% YoY to INR3.2b in 3QFY24, primarily driven by Aerospace (~75% YoY growth) and Defense (over 2x YoY growth) verticals.
- Order book stood at ~INR22.9b as on 3QFY24 (flat QoQ) vs. ~INR23.5b as on 3QFY23.
- EBITDA margins witnessed a slight decline of 40bp YoY to 9.2%. This decrease can be attributed to a rise in employee expenses (stood at ~9.5% of sales vs. ~6.6% in 3QFY23). This increase was led by the company's continued investments in SG&A (strengthening management team by hiring of CXOs) and additional expenses related to ESOPs. EBITDA grew 32% YoY to INR294m (est. of INR292m).
- Adjusted PAT grew 3.2x YoY to INR184m (est. of INR146m), on the back of high 'other income' of INR93m in 3QFY24.
- Free cash outflow for 3QFY24 stood at INR342m due to increased working capital requirement (Net working capital of ~118 days in 3QFY24 vs. ~79 days in 3QFY23).
- For 9MFY24, revenue/EBITDA/Adj. PAT 50%/52%/100% YoY to INR8.3b/ INR730m/INR385m. Gross debt as on Dec'23 stood at ~INR2.5b.

Highlights from the management commentary

- **Margins:** CYIENTDL has completed its investments in SG&A and expects margin improvements from the next quarter (expecting ~10-10.5% in the near term and ~11-12% in the long term).
- **Order Intake** for 3QFY24 stood at ~USD41.8m (INR3.3b). Further, the company has won new awards (in addition to order intake) worth USD10m, which will be spread over the next three to four years. Average order execution is over 12-18 months.
- **Working capital:** The company is expecting a decline in inventory and debtors days in 4QFY24. It plans to bring net working capital down to ~100 days in the short term and ~90 days in the medium term.

Valuation and view

- CYIENTDL, being an integrated EMS and solutions provider in the rapidly growing critical end-user industries, is likely to capture its share of the pie on the back of its strong core competencies and high technical capabilities.
- Going ahead, we expect CYIENTDL to sustain its growth momentum, aided by: 1) strong order book, coupled with healthy order inflows; 2) high customer stickiness; and 3) strong promoter heritage.
- We estimate CYIENTDL to report a CAGR of 41%/44%/ 81% in revenue/EBITDA/ Adj. PAT over FY23-26.
- We maintain our FY24/FY25/FY26 EPS estimates and retain our BUY rating on the stock with a TP of INR830 (35x FY26 EPS).

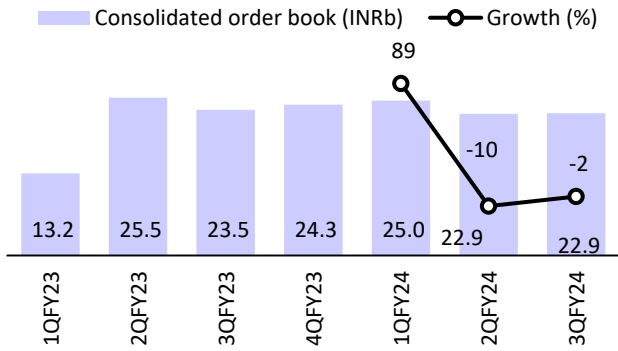
Consolidated - Quarterly Earning

(INR m)

| Y/E March | FY23 | | | | FY24 | | | | FY23 | FY24E | FY24E 3QE | Var % |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | |
| Gross Sales | 1,701 | 1,702 | 2,144 | 2,774 | 2,171 | 2,918 | 3,210 | 3,802 | 8,320 | 12,102 | 3,216 | 0 |
| YoY Change (%) | NA | NA | NA | NA | 27.6 | 71.5 | 49.7 | 37.1 | 15.5 | 45.4 | 50.0 | |
| Total Expenditure | 1,585 | 1,465 | 1,938 | 2,455 | 1,972 | 2,683 | 2,916 | 3,385 | 7,442 | 10,956 | 2,924 | |
| EBITDA | 116 | 237 | 206 | 319 | 200 | 235 | 294 | 417 | 878 | 1,146 | 292 | 1 |
| Margins (%) | 6.8 | 13.9 | 9.6 | 11.5 | 9.2 | 8.1 | 9.2 | 11.0 | 10.6 | 9.5 | 9.1 | |
| Depreciation | 49 | 50 | 47 | 48 | 48 | 55 | 58 | 60 | 194 | 221 | 57 | |
| Interest | 67 | 78 | 85 | 86 | 91 | 76 | 83 | 50 | 315 | 300 | 60 | |
| Other Income | 85 | -7 | -2 | -13 | 9 | 93 | 93 | 30 | 63 | 225 | 20 | |
| PBT before EO expense | 85 | 102 | 73 | 172 | 70 | 198 | 247 | 337 | 432 | 851 | 195 | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 85 | 102 | 73 | 172 | 70 | 198 | 247 | 337 | 432 | 851 | 195 | |
| Tax | 22 | 31 | 15 | 46 | 16 | 51 | 63 | 85 | 114 | 215 | 49 | |
| Rate (%) | 25.4 | 30.4 | 21.3 | 26.9 | 23.3 | 25.9 | 25.3 | 25.2 | 26.5 | 25.2 | 25.2 | |
| MI & Profit/Loss of Asso. Cos. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Reported PAT | 63 | 71 | 57 | 126 | 54 | 147 | 184 | 252 | 317 | 636 | 146 | |
| Adj PAT | 63 | 71 | 57 | 126 | 54 | 147 | 184 | 252 | 317 | 636 | 146 | 27 |
| YoY Change (%) | NA | NA | NA | NA | -15.2 | 106.4 | 222.9 | 100.1 | -20.2 | 100.6 | 154.9 | |
| Margins (%) | 3.7 | 4.2 | 2.7 | 4.5 | 2.5 | 5.0 | 5.7 | 6.6 | 3.8 | 5.3 | 4.5 | |

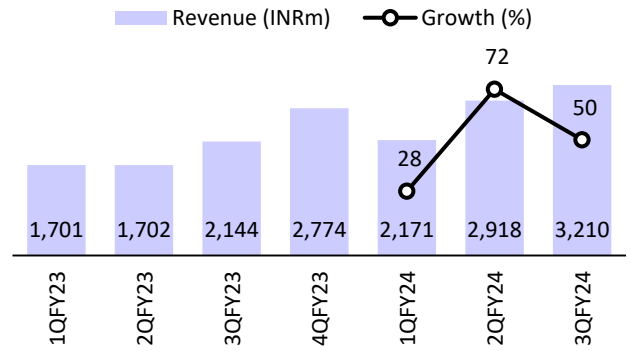
Key Exhibits

Exhibit 1: Consolidated order book trend



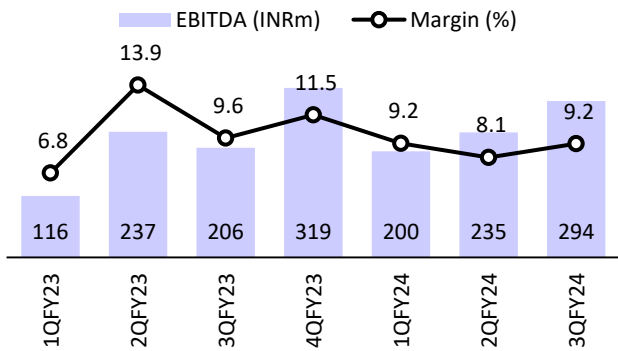
Source: Company, MOFSL

Exhibit 2: Consolidated revenue trend



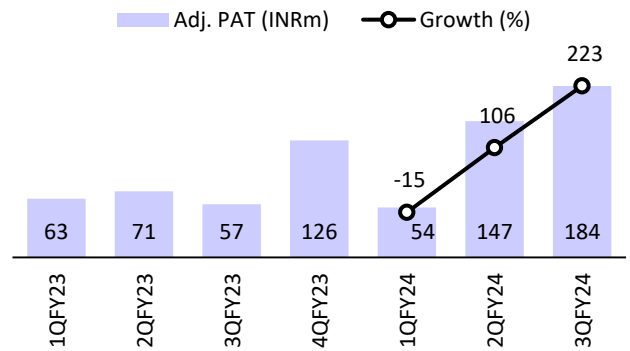
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



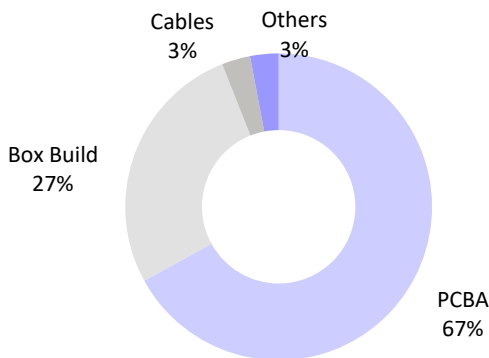
Source: Company, MOFSL

Exhibit 4: Consolidated Adj. PAT trend



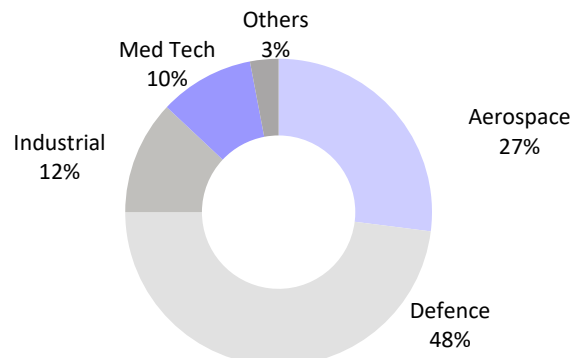
Source: Company, MOFSL

Exhibit 5: Product-wise revenue mix (3QFY24)



Source: Company, MOFSL

Exhibit 6: End-user industry-wise revenue mix (3QFY24)



Source: Company, MOFSL

Exhibit 7: Key appointments during the quarter

Kaushal Jadia, CTO

Mr. Kaushal Jadia joins us as Chief Technology Officer to head the technology operations. Kaushal joins us from Cyient Ltd., where he was SVP and Head of Embedded Systems Service Line

Summary of the profile.

Kaushal has over 30 years of experience. Prior to joining Cyient Ltd, Kaushal was with Airbus Defense and Space for six years and led the captive engineering center for Airbus DS in Bangalore and was also the CTO for the joint venture between Airbus DS and Larsen & Toubro ('L&T Cassidian Limited').

Kaushal has a Masters degree in Communication and Radar Engineering from the Indian Institute of Technology, Delhi, and a Bachelors degree in Electrical Engineering from the Naval College of Engineering.



Makarand (Mak) Vyas, Head Supply Chain Management

Mak Vyas joins us as Head – SCM

Summary of the profile.

Mak has over 30 years of experience in Design, Engineering & Supply Chain Management. Prior to joining DLM, he worked at Jabil Circuit, Hutchinson Technology, General Motors & Transpek Industry.

Mak holds a Masters degree in Industrial Engineering from Western Michigan University in the US, an MBA in Finance from St. Mary's University in Minnesota US & Bachelors degree in Chemical Engineering from DDIT, Gujarat India.



Source: MOFSL, Company

Exhibit 8: CYIENTDL growth plans



Source: MOFSL, Company

Highlights from the management commentary

Operating performance

- The company has witnessed the highest ever quarterly revenue. Growth was primarily led by the Aerospace and Defense sectors.
- The Defense segment grew more than 100% YoY, while Aerospace grew ~75% YoY.
- Temporary slowdown in demand led to a YoY decline in Industrial & Med Tech revenues by 34% and 9%, respectively
- Margins have improved sequentially driven by a favorable business mix and implementation of a few strategic initiatives by the company during the quarter.
- EBITDA margin was slightly lower on a YoY basis due to higher employee cost (due to planned SG&A investments, i.e., appointment of CXOs). Further, during the quarter, the company has begun incorporating ESOP expenses in the SG&A category.
- However, the company has almost completed its investments in SG&A and accordingly expects margin improvements from the next quarter.
- EBITDA margins can reach ~10-10.5% levels in the short term (4QFY24) and can move to 11-12% in the long term.

Order Book

- Order book stood at ~INR22.9b as on 3QFY24 vs. ~INR22.5b as on 3QFY23.
- Order intake for 3QFY24 stood at ~USD41.8m (INR3.3b). Further, the company has won new awards (in addition to order intake) worth USD10m, which will be spread over the next three to four years.
- The current order book is expected to be executed over the next 12-18 months
- The Aerospace and Defense segments form a significant portion of total order book.
- Pipeline is very healthy with several large deals at advanced stages. The management expects the order book to further grow in the upcoming quarters.
- The order book is sufficient for the company to post healthy revenue growth in FY25.

Working capital and Cash flow

- Net working capital has risen to ~118 days in 3QFY24 vs. ~79 days in 3QFY23. However, the company plans to bring it down to ~100 days in the short term and ~90 days in the medium term.
- DIO is expected to go down to 120 days by 4QFY24, while DSO is also expected to decline by next quarter.
- Free cash outflow for 3QFY24 stood at ~INR342m due to an increase in consumption of working capital due to revenue growth.
- The company is expecting to reach close to break-even in terms of cash flows for full-year FY24.

Capacity utilization and expansion

- Capacity utilization was ~50% in 3QFY24. Some of the facilities such as Hyderabad has much lower capacity utilization.
- The company has inaugurated new precision machining facility in Bangalore with 36,000 sq ft of manufacturing area. The expansion has elevated the capacity to ~180K hours p.a.

- It has also identified a new facility (leased premise) in Mysore to support its growth in the medical and industrial sectors. The company plans to invest around a couple of million dollars in capex for the establishment of this facility.
- The company is expanding (despite lower utilization rate) in order to ensure that they keep up the pace of growth of key clients in that particular location.
- The company has initiated expansion plans toward cable & Box build business.

Others

- The company is working on strengthening its leadership team. Accordingly, it has appointed CTO and Head of Supply Chain Management during the quarter.
- New CTO (Mr. Kaushal Jadia) will focus on design-led solutions for key clients going ahead.
- The company has been working with some of the key clients, helping them design the solutions on their ESG initiatives.
- Gross debt by the end of Dec'23 stood at ~INR2.5b (including debt from parent company).
- Finance cost is expected to come down significantly in 4QFY24.
- Cyient Ltd and Cyient DLM are two different companies in different businesses, but operate in the same segments. Cyient Ltd will support Cyient DLM on an arm's-length basis.
- While Cyient DLM concentrates on manufacturing, Engineering and Technology remains a key focus area for Cyient Ltd.
- The company has not witnessed any impact on its business due to the Red Sea attacks. However, there is a marginal increase in international freight cost.
- Exports for 3QFY24 stood at ~INR1.7b (~54% of total sales) vs. ~INR1.82b in 3QFY23 (~85% of total sales).
- The export share of business continues to be higher, led by increased demand by Aerospace & Defense customers outside of India.
- For inorganic expansion, the company is actively looking at industrial and med-tech industry, which will provide the company with a more diversified mix.

Valuation and View

- CYIENTDL, being an integrated EMS and solutions provider in the rapidly growing critical end-user industries, is likely to capture its share of the pie on the back of its strong core competencies and high technical capabilities.
- Going ahead, we expect CYIENTDL to sustain its growth momentum, aided by: 1) strong order book, coupled with healthy order inflows; 2) high customer stickiness; and 3) strong promoter heritage.
- We estimate CYIENTDL to report a CAGR of 41%/44%/ 81% in revenue/EBITDA/ Adj. PAT over FY23-26.
- We maintain our FY24/FY25/FY26 EPS estimates and retain our BUY rating on the stock with a TP of INR830 (35x FY26 EPS).

Exhibit 9: Changes to our estimates

| Earnings change (INR m) | Old | | | New | | | Change | | |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| Revenue | 12,107 | 17,011 | 23,135 | 12,102 | 17,011 | 23,135 | 0% | 0% | 0% |
| EBITDA | 1,177 | 1,701 | 2,614 | 1,146 | 1,701 | 2,614 | -3% | 0% | 0% |
| Adj. PAT | 626 | 1,136 | 1,862 | 636 | 1,143 | 1,867 | 2% | 1% | 0% |

Financials and valuations

| Consolidated - Income Statement | | | | | | | (INRm) |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
| Total Income from Operations | 4,571 | 6,280 | 7,205 | 8,320 | 12,102 | 17,011 | 23,135 |
| Change (%) | -4.9 | 37.4 | 14.7 | 15.5 | 45.4 | 40.6 | 36.0 |
| RM Cost | 3,649 | 4,953 | 5,440 | 6,452 | 9,376 | 13,149 | 17,814 |
| Employees Cost | 441 | 469 | 517 | 647 | 1,138 | 1,446 | 1,735 |
| Other Expenses | 344 | 399 | 409 | 344 | 442 | 714 | 972 |
| Total Expenditure | 4,434 | 5,821 | 6,365 | 7,442 | 10,956 | 15,310 | 20,521 |
| % of Sales | 97.0 | 92.7 | 88.3 | 89.4 | 90.5 | 90.0 | 88.7 |
| EBITDA | 137 | 460 | 840 | 878 | 1,146 | 1,701 | 2,614 |
| Margin (%) | 3.0 | 7.3 | 11.7 | 10.6 | 9.5 | 10.0 | 11.3 |
| Depreciation | 106 | 185 | 193 | 194 | 221 | 243 | 270 |
| EBIT | 31 | 275 | 647 | 684 | 926 | 1,458 | 2,344 |
| Int. and Finance Charges | 182 | 208 | 220 | 315 | 300 | 111 | 48 |
| Other Income | 78 | 89 | 79 | 63 | 225 | 180 | 198 |
| PBT bef. EO Exp. | -72 | 156 | 507 | 432 | 851 | 1,527 | 2,495 |
| EO Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | -72 | 156 | 507 | 432 | 851 | 1,527 | 2,495 |
| Total Tax | -5 | 38 | 109 | 114 | 215 | 384 | 628 |
| Tax Rate (%) | 7.2 | 24.2 | 21.6 | 26.5 | 25.2 | 25.2 | 25.2 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reported PAT | -67 | 118 | 398 | 317 | 636 | 1,143 | 1,867 |
| Adjusted PAT | -67 | 118 | 398 | 317 | 636 | 1,143 | 1,867 |
| Change (%) | 760.3 | -276.3 | 236.0 | -20.2 | 100.6 | 79.6 | 63.3 |
| Margin (%) | -1.5 | 1.9 | 5.5 | 3.8 | 5.3 | 6.7 | 8.1 |

| Consolidated - Balance Sheet | | | | | | | (INRm) |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
| Equity Share Capital | 14 | 14 | 14 | 529 | 793 | 793 | 793 |
| Preference Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Reserves | 243 | 363 | 757 | 1,450 | 8,822 | 9,965 | 11,832 |
| Net Worth | 257 | 377 | 771 | 1,979 | 9,615 | 10,758 | 12,625 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 3,080 | 2,790 | 3,369 | 3,561 | 2,061 | 561 | 561 |
| Deferred Tax Liabilities | -62 | -51 | -39 | -54 | -54 | -54 | -54 |
| Capital Employed | 3,275 | 3,116 | 4,101 | 5,485 | 11,622 | 11,265 | 13,131 |
| Gross Block | 1,705 | 2,650 | 2,668 | 2,642 | 2,853 | 3,190 | 3,537 |
| Less: Accum. Deprn. | 674 | 824 | 977 | 1,063 | 1,283 | 1,526 | 1,796 |
| Net Fixed Assets | 1,032 | 1,826 | 1,692 | 1,579 | 1,569 | 1,664 | 1,741 |
| Goodwill on Consolidation | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Capital WIP | 774 | 23 | 34 | 13 | 203 | 216 | 218 |
| Total Investments | 3 | 3 | 3 | 895 | 895 | 895 | 895 |
| Current Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Curr. Assets, Loans&Adv. | 4,034 | 4,517 | 5,971 | 8,476 | 15,481 | 16,615 | 21,083 |
| Inventory | 2,226 | 1,555 | 2,696 | 4,251 | 4,752 | 5,944 | 7,321 |
| Account Receivables | 546 | 2,264 | 1,523 | 1,618 | 2,155 | 2,796 | 3,803 |
| Cash and Bank Balance | 661 | 342 | 1,218 | 1,676 | 7,485 | 6,343 | 7,877 |
| Loans and Advances | 601 | 357 | 534 | 931 | 1,089 | 1,531 | 2,082 |
| Curr. Liability & Prov. | 2,599 | 3,284 | 3,629 | 5,508 | 6,557 | 8,155 | 10,836 |
| Account Payables | 1,205 | 1,928 | 1,932 | 2,867 | 3,468 | 4,323 | 5,857 |
| Other Current Liabilities | 1,330 | 1,262 | 1,564 | 2,521 | 2,904 | 3,572 | 4,627 |
| Provisions | 64 | 93 | 134 | 120 | 185 | 259 | 353 |
| Net Current Assets | 1,435 | 1,233 | 2,342 | 2,968 | 8,925 | 8,460 | 10,247 |
| Misc Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Appl. of Funds | 3,274 | 3,116 | 4,101 | 5,486 | 11,622 | 11,265 | 13,131 |

Financials and valuations

Ratios

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|-------------------------------|-------------|------------|------------|------------|------------|-------------|-------------|
| Basic (INR) | | | | | | | |
| EPS | -0.8 | 1.5 | 5.0 | 4.0 | 8.0 | 14.4 | 23.5 |
| Cash EPS | 0.5 | 3.8 | 7.4 | 6.4 | 10.8 | 17.5 | 26.9 |
| BV/Share | 3.2 | 4.7 | 9.7 | 25.0 | 121.2 | 135.7 | 159.2 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Valuation (x) | | | | | | | |
| P/E | -763.9 | 433.3 | 128.9 | 161.6 | 80.5 | 44.9 | 27.5 |
| Cash P/E | 1,324.4 | 169.2 | 86.8 | 100.2 | 59.8 | 37.0 | 24.0 |
| P/BV | 199.4 | 136.1 | 66.5 | 25.9 | 5.3 | 4.8 | 4.1 |
| EV/Sales | 11.7 | 8.6 | 7.4 | 6.4 | 3.8 | 2.7 | 1.9 |
| EV/EBITDA | 391.2 | 116.9 | 63.6 | 60.5 | 40.0 | 26.7 | 16.8 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FCF per share | -8.4 | 0.9 | 5.2 | 5.6 | 4.8 | 3.7 | 17.4 |
| Return Ratios (%) | | | | | | | |
| RoE | -22.1 | 37.3 | 69.3 | 23.1 | 11.0 | 11.2 | 16.0 |
| RoCE | 3.8 | 8.5 | 15.6 | 11.3 | 10.0 | 10.7 | 15.5 |
| RoIC | 1.9 | 9.1 | 18.1 | 17.5 | 23.3 | 31.9 | 44.1 |
| Working Capital Ratios | | | | | | | |
| Fixed Asset Turnover (x) | 2.7 | 2.4 | 2.7 | 3.1 | 4.2 | 5.3 | 6.5 |
| Asset Turnover (x) | 1.4 | 2.0 | 1.8 | 1.5 | 1.0 | 1.5 | 1.8 |
| Inventory (Days) | 201 | 139 | 143 | 196 | 185 | 165 | 150 |
| Debtor (Days) | 70 | 82 | 96 | 69 | 65 | 60 | 60 |
| Creditor (Days) | 108 | 115 | 130 | 136 | 135 | 120 | 120 |
| Leverage Ratio (x) | | | | | | | |
| Current Ratio | 1.6 | 1.4 | 1.6 | 1.5 | 2.4 | 2.0 | 1.9 |
| Interest Cover Ratio | 0.2 | 1.3 | 2.9 | 2.2 | 3.1 | 13.1 | 49.2 |
| Net Debt/Equity | 9.4 | 6.5 | 2.8 | 1.0 | -0.6 | -0.5 | -0.6 |

Cash flow statement

(INRm)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|----------------------------------|-------------|-------------|--------------|---------------|--------------|---------------|--------------|
| OP/(Loss) before Tax | -67 | 118 | 398 | 317 | 851 | 1,527 | 2,495 |
| Depreciation | 106 | 185 | 193 | 194 | 221 | 243 | 270 |
| Interest & Finance Charges | 133 | 171 | 175 | 267 | 75 | -69 | -150 |
| Direct Taxes Paid | 3 | 1 | -62 | -168 | -215 | -384 | -628 |
| (Inc)/Dec in WC | -105 | -200 | -329 | -229 | -148 | -677 | -253 |
| CF from Operations | 69 | 275 | 375 | 381 | 783 | 640 | 1,734 |
| Others | 93 | 74 | 111 | 140 | 0 | 0 | 0 |
| CF from Operating incl EO | 163 | 349 | 486 | 521 | 783 | 640 | 1,734 |
| (Inc)/Dec in FA | -830 | -274 | -77 | -76 | -400 | -350 | -350 |
| Free Cash Flow | -667 | 75 | 409 | 445 | 383 | 290 | 1,384 |
| (Pur)/Sale of Investments | -3 | 0 | 0 | -892 | 0 | 0 | 0 |
| Others | -51 | 265 | -247 | -450 | 225 | 180 | 198 |
| CF from Investments | -884 | -9 | -324 | -1,418 | -175 | -170 | -152 |
| Issue of Shares | 0 | 0 | 0 | 889 | 7,000 | 0 | 0 |
| Inc/(Dec) in Debt | 905 | -336 | 534 | -4 | -1,500 | -1,500 | 0 |
| Interest Paid | -183 | -92 | -73 | -145 | -300 | -111 | -48 |
| Others | 0 | -232 | 0 | 0 | 0 | 0 | 0 |
| CF from Fin. Activity | 723 | -660 | 461 | 740 | 5,200 | -1,611 | -48 |
| Inc/Dec of Cash | 2 | -320 | 622 | -157 | 5,809 | -1,142 | 1,534 |
| Opening Balance | 596 | 662 | 342 | 1,218 | 1,676 | 7,485 | 6,343 |
| Other cash & cash equivalent | 64 | 0 | 254 | 615 | | | |
| Closing Balance | 662 | 342 | 1,218 | 1,676 | 7,485 | 6,343 | 7,877 |

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

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412. 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://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, 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. INH00000412) 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 Advisors 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.