

Cyient's Q3FY24 performance was muted due to tough macro conditions, but deal wins momentum continues. Management has slightly cut its revenue guidance for FY24.

- **Group USD Revenue** came in at **USD 218.8 Mn**, +1.8% QoQ / +11.1% YoY (+10.1% cc growth) and -0.8% below our estimates.
- **Consolidated Services (DET) revenue** stood at **USD178.4 Mn**, +0.4% cc growth QoQ / +6.7% cc growth YoY and in line with our estimates.
- **Group INR revenue** came in at **INR 18,214 Mn**, +2.4% QoQ / +12.6% YoY and -0.6% below our estimates
- **DET INR revenue** came in at **INR 14,914 Mn**, +1.0% QoQ / +8.1% YoY
- **Group EBIT** at **INR 2,600 Mn**, flat QoQ / +21.8% YoY and -4.6% below our estimates. **Group EBIT margin** stood at 14.3%, -34 bps QoQ/ +109 bps YoY and -60 bps below our estimates.
- **DET EBIT** at **INR 2,385 Mn**, -2.3 QoQ / +24% YoY and -1.2% below our estimates. **DET EBIT margin** stood at 16.0%, -54 bps QoQ/ +205 bps YoY and -25 bps below our estimates.
- **Group Adj. PAT** came in at **INR 1,858 Mn**, +1.5% QoQ / +14.2 % YoY and -7.3% below our estimates.
- **DET Adj. PAT** came in at **INR 1,728 Mn**, flat QoQ / +11.5 % YoY and -2.2% below our estimates.
- **Group EPS** at **INR 16.8** in Q3FY24 vs 16.5/ 14.7 in Q2FY24 / Q3FY23 respectively.
- **DET EPS** at **INR 15.6** in Q3FY24 vs 15.6/ 14.0 in Q2FY24 / Q3FY23 respectively.
- **Order intake for core services (DET) during the quarter** stood at **USD297.3 Mn**, +61.7% QoQ / +13.1% YoY. Won 8 large deals with a total contract potential of ~USD 136.8 million in Q3FY24. 4 Deals from Aerospace, 2 Deals from Communications, 1 from Sustainability and 1 from New growth areas.

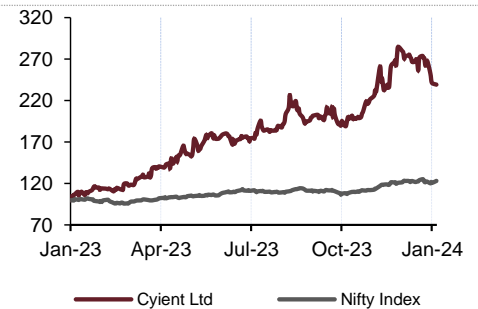
Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>2,704</b>	<b>35</b>

#### Market data

<b>Current price</b>	Rs	<b>2,006</b>
Market Cap (Rs.Bn)	(Rs Bn)	222
Market Cap (US\$ Mn)	(US\$ Mn)	2,676
Face Value	Rs	5
52 Weeks High/Low	Rs	2458.95 / 831.4
Average Daily Volume	('000)	515
BSE Code		532175
<b>Bloomberg</b>		<b>CYL.IN</b>

Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Dec-23	Sep-23
Promoters	23.20	23.20
Public	75.90	75.90
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Bloomberg

#### Financial Summary

Y/E Mar (Rs mn)	FY22	FY23E	FY24E	FY25E	FY26E
Net sales	45,344	60,159	72,264	85,381	99,720
EBITDA	8,178	10,031	13,048	16,143	19,440
Adjusted net profit	5,208	5,611	7,620	10,115	12,482
Free cash flow	4,613	5,497	7,151	8,737	11,283
EPS (Rs)	47.1	50.8	68.8	91.3	112.6
growth (%)	31%	8%	35%	33%	23%
P/E (x)	42.6	43.1	32.0	22.0	17.8
P/B (x)	7.1	6.4	5.8	5.1	4.4
EV/EBITDA (x)	26.0	22.3	17.0	13.6	11.0
ROCE (%)	14.7	14.4	16.7	20.4	22.8
RoE (%)	17.1	17.0	20.9	24.7	26.5
Dividend yield (%)	1.2	1.2	1.5	2.1	2.6

Source: Company

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## Concall Highlights

- **Normalized Core services (DET) EBIT margins stood at 16.0% (up 47 bps QoQ/ up 406 bps YoY). The continuous margin improvement YoY was a result of the cost optimization measures taken in the previous quarters. The QoQ movement was in line with management expectations. Management has maintained their margin guidance of 200-250 bps improvement in Consolidated Services EBIT margins for FY24.**
- Normalized FCF from DET stood at ₹1,924 Mn, +25.1% QoQ / +51.3% YoY, Normalized Free Cash Flow to PAT conversion stood at 111% for Services.
- Cyient Inc. has reached a settlement of US\$7.4 million in the civil class action antitrust lawsuit and will utilize insurance proceeds for payment. Additionally, a provision of \$6 million has been made in Q3 FY24 for this settlement. The management believes that the lawsuit will not have any material adverse effect on Cyient Limited's operations, financial condition, or liquidity.
- The outstanding debt of DET stands at INR 6,167 Mn (-8.2% QoQ / -16.6% YoY).
- Macro challenges persist due to an economic slowdown, along with interest rates and inflationary pressures faced by Cyient's customers. The management observes early signs of green shoots and anticipates recovery in the second half of 2024. ER&D spends remain resilient for the medium to long term, although some delays in decision-making are being observed in the near term.

### Vertical-wise updates for DET:

- **Transportation (30% of Q3FY24 topline) de-grew by -2.2% QoQ and +16.9% YoY in cc terms.** Aerospace continues its strong growth momentum with 24%+ YoY growth in Q3FY24. As air travel steadily rises, the global passenger volume is expected to surpass 2019 levels in 2024, creating opportunities in MRO and manufacturing production for aircraft and engines for Cyient. OEMs are focused on increasing production rates, despite persistent supply chain challenges. There is a significant opportunity arising from increased defense spending due to global geopolitical conflicts. Emerging segments like Urban Air Mobility and space hold promise for future growth. The rail segment also experiences growth driven by software-based digital advancements. In the transport sector, aerospace is expected to lead growth, while the rail segment remains relatively soft.
- **Connectivity (23% of Q3FY24 topline) was flat at +0.2% QoQ and -13.9% YoY in cc terms.** The degrowth in the connectivity segment has stabilized, and the management observes early signs of government spending recovery. The management is confident in the segment's Q4 rebound, expected to extend into FY25. The pandemic-induced working model has propelled substantial growth in the connectivity sector over the past 2-3 years. However, the current high-interest rates and deferred CAPEX may impact growth momentum. Investments in Fiber, supported by government initiatives like RDOF and BEAD programs, can fuel growth. Additionally, the demand for virtualization, software-defined networking, autonomous networks, cost reduction, and enhanced customer experiences remains strong.
- **Sustainability (30% of Q3FY24 topline) was up 8.2% QoQ and +22.1% YoY in cc terms.** Strong growth momentum in sustainability continues across the segment. Global sustainability initiatives drive increased enterprise efforts, with energy demand set to multiply in the next two decades due to mobility and heat pump electrification. This boosts demand for energy minerals and fuels growth in the mining sector through automation, digitalization, and enhanced asset management. The sector also benefits from increased maintenance, renewable energy plants, and strategies for energy transition, such as Hydrogen/Ammonia/CCS. The management sees this as a second engine for growth going ahead.

- New Growth Areas (17% of Q3FY24 topline) de-grew by -3.4% QoQ and -5.5% YoY in cc terms.** The management observes growth momentum in the auto sector but faces challenges in the semiconductor and hi-tech segments. They remain hopeful for a semiconductor turnaround later in the year. The automotive sector's shift to hybrid/electrification and connected vehicles offers opportunities in battery tech, charging infrastructure, and AI-driven systems. In healthcare, investments prioritize personalized care and digital platforms. The semiconductor industry anticipates recovery in CY24, driven by high-performance computing and AI, especially in data centers and automotive applications.

**FY24e Outlook**

- FY24 DET revised revenue guidance is 13% - 13.5% in CC terms slightly below the initial guided range (15-20%).
- Cyient expect FY24 DET normalized EBIT margins to improve by 200 - 250 bps YoY.

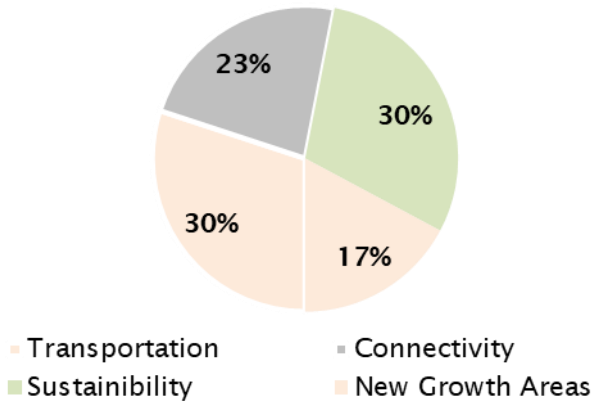
**Quarterly Deviation Sheet**

Quarterly Analysis for Group							
YE March (Rs. mn)	Q3 FY24	Q2 FY24	Q-o-Q change %	Q3 FY23	Y-o-Y change %	Q3 FY24 Est.	Deviation %
<b>Total Revenue (USD Mn)</b>	<b>218.8</b>	<b>214.9</b>	<b>1.8%</b>	<b>197.0</b>	<b>11.1%</b>	<b>221</b>	<b>-0.8%</b>
<b>Total Revenue (INR Mn)</b>	<b>18,214</b>	<b>17,785</b>	<b>2.4%</b>	<b>16,182</b>	<b>12.6%</b>	<b>18,316</b>	<b>-0.6%</b>
<b>Less:</b>							
Cost of Revenues	11,558	11,010	5%	10,026	15%	11,616	-0.5%
SG&A Expenses	3,395	3,517	(3%)	3,323	2%	3,297	3.0%
<b>Total Expenditure</b>	<b>14,953</b>	<b>14,527</b>	<b>3%</b>	<b>13,349</b>	<b>12%</b>	<b>14,913</b>	<b>0.3%</b>
<b>EBIDTA</b>	<b>3,261</b>	<b>3,258</b>	<b>0%</b>	<b>2,833</b>	<b>15%</b>	<b>3,402</b>	<b>-4.2%</b>
Less: Depreciation	661	658		699		678	
<b>EBIT</b>	<b>2,600</b>	<b>2,600</b>	<b>0.0%</b>	<b>2,134</b>	<b>21.8%</b>	<b>2,725</b>	<b>-4.6%</b>
Interest Paid	288	270		263		270	
Other income (expense), net	188	135		275		183	
One off/ Exceptional item	-503	-62		-89		0	
<b>Profit Before Tax</b>	<b>1,997</b>	<b>2,403</b>	<b>(17%)</b>	<b>2,057</b>	<b>(3%)</b>	<b>2,638</b>	<b>-24.3%</b>
Tax	558	536	4%	565	(1%)	633	-11.9%
Deferred Tax	-93	31		-68		0	
<b>PAT before Minority Interest</b>	<b>1,532</b>	<b>1,836</b>		<b>1,560</b>		<b>2,005</b>	
<b>Profit After Tax</b>	<b>1,472</b>	<b>1,783</b>	<b>(17.4%)</b>	<b>1,560</b>	<b>(5.6%)</b>	<b>2,005</b>	
<b>Adjusted PAT</b>	<b>1,858</b>	<b>1,830</b>	<b>1.5%</b>	<b>1,627</b>	<b>14.2%</b>	<b>2,005</b>	<b>-7.3%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>16.8</b>	<b>16.5</b>		<b>14.7</b>		<b>18.1</b>	
Basic & Diluted Outstanding (mn)	111	111		111		111	
<b>Margin Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>EBIDTA Margin</b>	<b>17.9%</b>	<b>18.3%</b>	<b>-41</b>	<b>17.5%</b>	<b>40</b>	<b>18.6%</b>	<b>-67</b>
<b>EBIT Margin</b>	<b>14.3%</b>	<b>14.6%</b>	<b>-34</b>	<b>13.2%</b>	<b>109</b>	<b>14.9%</b>	<b>-60</b>
<b>PBT Margin</b>	<b>11.0%</b>	<b>13.5%</b>	<b>-255</b>	<b>12.7%</b>	<b>-175</b>	<b>14.4%</b>	<b>-344</b>
<b>NPM</b>	<b>8.1%</b>	<b>10.0%</b>	<b>-194</b>	<b>9.6%</b>	<b>-156</b>	<b>10.9%</b>	<b>-286</b>
<b>Effective Tax Rate (%)</b>	<b>23.3%</b>	<b>23.6%</b>	<b>-31</b>	<b>24.2%</b>	<b>-88</b>	<b>24.0%</b>	<b>-72</b>
<b>Cost Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>Cost of Revenues/ Sales</b>	<b>63.5%</b>	<b>61.9%</b>	<b>155</b>	<b>62.0%</b>	<b>150</b>	<b>63.4%</b>	<b>3</b>
<b>SG&amp;A/Sales</b>	<b>18.6%</b>	<b>19.8%</b>	<b>-114</b>	<b>20.5%</b>	<b>-190</b>	<b>18.0%</b>	<b>64</b>
<b>Other income/ PBT</b>	<b>9.4%</b>	<b>5.6%</b>	<b>380</b>	<b>13.4%</b>	<b>-395</b>	<b>6.9%</b>	<b>247</b>

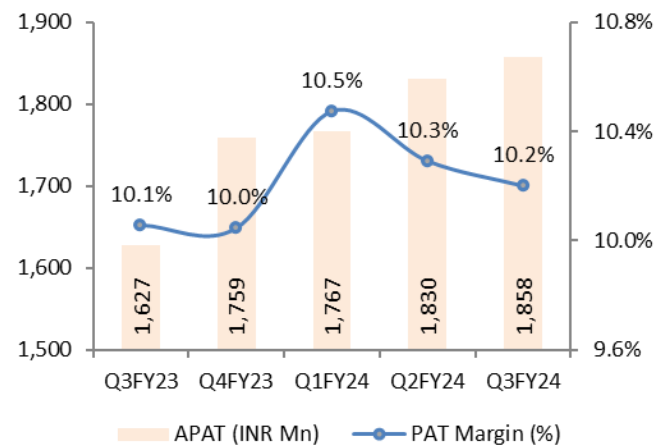
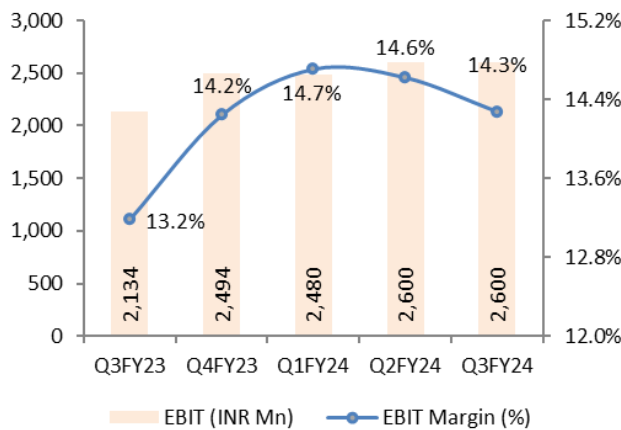
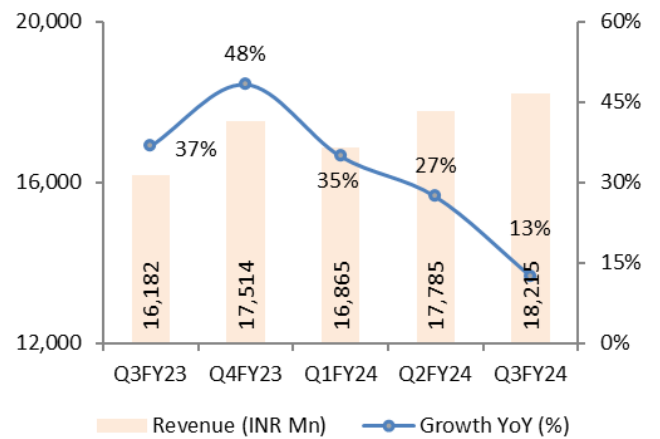
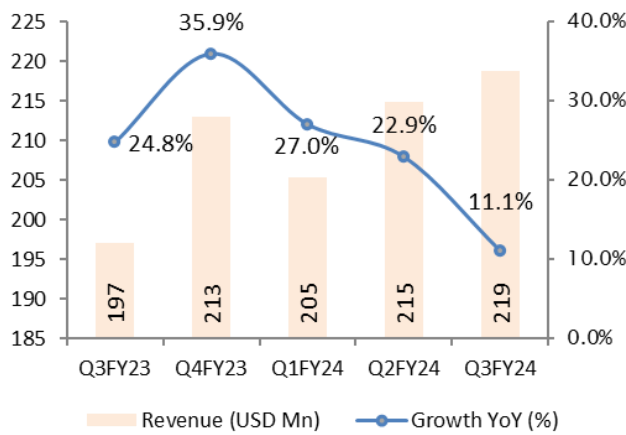
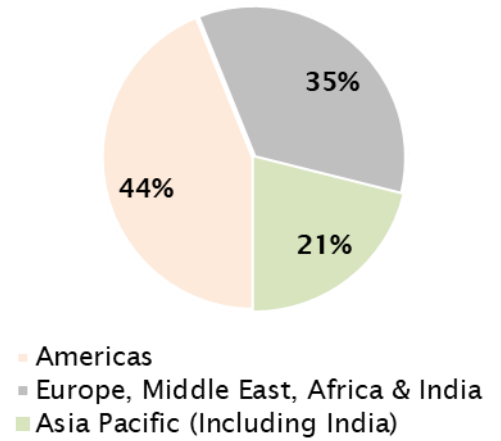
Quarterly Analysis for DET							
YE March (Rs. mn)	Q3 FY24	Q2 FY24	Q-o-Q change %	Q3 FY23	Y-o-Y change %	Q3 FY24 Est.	Deviation %
<b>Total Revenue (USD Mn)</b>	179.1	178.4	0.4%	168.0	6.7%	179	0.0%
<b>Total Revenue (INR Mn)</b>	14,914	14,762	1.0%	13,796	8.1%	14,868	0.3%
<b>Less:</b>							
Cost of Revenues	8,954	8,825	1%	8,064	11%	9,129	-1.9%
SG&A Expenses	2,979	2,900	3%	3,170	(6%)	2,825	5.5%
<b>Total Expenditure</b>	<b>11,933</b>	<b>11,725</b>	<b>2%</b>	<b>11,234</b>	<b>6%</b>	<b>11,954</b>	<b>-0.2%</b>
<b>EBIDTA</b>	<b>2,981</b>	<b>3,037</b>	<b>(2%)</b>	<b>2,562</b>	<b>16%</b>	<b>2,913</b>	<b>2.3%</b>
Less: Depreciation	596	597		638		499	
<b>EBIT</b>	<b>2,385</b>	<b>2,440</b>	<b>(2.3%)</b>	<b>1,924</b>	<b>24.0%</b>	<b>2,414</b>	<b>-1.2%</b>
Interest Paid	233	223		151		223	
Other income (expense), net	94	43		277		149	
One off/ Exceptional item	-386	-48		-68		0	
<b>Profit Before Tax</b>	<b>1,860</b>	<b>2,212</b>	<b>(16%)</b>	<b>1,982</b>	<b>(6%)</b>	<b>2,340</b>	<b>-20.5%</b>
Tax	518	532	(3%)	500	4%	573	-9.6%
<b>Profit After Tax</b>	<b>1,342</b>	<b>1,680</b>	<b>(20.1%)</b>	<b>1,482</b>	<b>(9.4%)</b>	<b>1,767</b>	
<b>Adjusted PAT</b>	<b>1,728</b>	<b>1,728</b>	<b>0.0%</b>	<b>1,550</b>	<b>11.5%</b>	<b>1,767</b>	<b>-2.2%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>15.6</b>	<b>15.6</b>		<b>14.0</b>		<b>16.0</b>	
Basic & Diluted Outstanding (mn)	111	111		111		111	
<b>Margin Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>EBIDTA Margin</b>	<b>20.0%</b>	<b>20.6%</b>	<b>-59</b>	<b>18.6%</b>	<b>142</b>	<b>19.6%</b>	<b>39</b>
<b>EBIT Margin</b>	<b>16.0%</b>	<b>16.5%</b>	<b>-54</b>	<b>13.9%</b>	<b>205</b>	<b>16.2%</b>	<b>-25</b>
<b>PBT Margin</b>	<b>12.5%</b>	<b>15.0%</b>	<b>-251</b>	<b>14.4%</b>	<b>-189</b>	<b>15.7%</b>	<b>-327</b>
<b>NPM</b>	<b>9.0%</b>	<b>11.4%</b>	<b>-238</b>	<b>10.7%</b>	<b>-174</b>	<b>11.9%</b>	<b>-288</b>
<b>Effective Tax Rate (%)</b>	<b>27.8%</b>	<b>24.1%</b>	<b>380</b>	<b>25.2%</b>	<b>262</b>	<b>24.5%</b>	<b>335</b>
<b>Cost Analysis %</b>			<b>Change In bps</b>		<b>Change In bps</b>		
<b>Cost of Revenues/ Sales</b>	<b>60.0%</b>	<b>59.8%</b>	<b>26</b>	<b>58.5%</b>	<b>159</b>	<b>61.4%</b>	<b>-137</b>
<b>SG&amp;A/Sales</b>	<b>20.0%</b>	<b>19.6%</b>	<b>33</b>	<b>23.0%</b>	<b>-300</b>	<b>19.0%</b>	<b>97</b>
<b>Other income/ PBT</b>	<b>5.1%</b>	<b>1.9%</b>	<b>311</b>	<b>14.0%</b>	<b>-892</b>	<b>6.4%</b>	<b>-130</b>

Source: Dalal & Broacha Research, Company

Vertical-wise Revenue Mix (%)



Geographic Mix (%)



Source: Dalal & Broacha Research, Company

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## Valuation & Outlook

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**Cyient Group is currently trading at 29.2x/22x /17.8x FY24e/FY25e/FY26e EPS.**

**Cyient DET is currently trading at 31.6x/24.7x /21x FY24e/FY25e /FY26e EPS.**

Despite near-term macro challenges, Cyient's long-term prospects remain intact, supported by multiple growth levers. The management expects to achieve a growth rate of 10-20% over the next 3-5 years. Margin improvements are anticipated to be a key trigger, with a focus on optimizing SGA spends, increasing offshoring, and improving utilization.

Taking the current results and management commentary into consideration, **we re-iterate our BUY rating on the stock on a SOTP valuation assigning a target multiple of 25x FY26e to the Cyient Services (DET) business and valuing its stake in Cyient DLM on an FY26e valuation with a holding company discount of 30% arrive at a target of INR 2,704.**

Financials

Key Financials					
YE March (Rs. mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>45,344</b>	<b>60,159</b>	<b>72,264</b>	<b>85,381</b>	<b>99,720</b>
<i>Growth (Y-o-Y)</i>	9.7%	32.7%	20.1%	18.2%	16.8%
<b>EBIDTA</b>	<b>8,178</b>	<b>10,031</b>	<b>13,048</b>	<b>16,143</b>	<b>19,440</b>
<i>Growth (Y-o-Y)</i>	34.1%	22.7%	30.1%	23.7%	20.4%
<b>Net Profit</b>	<b>5,208</b>	<b>5,144</b>	<b>6,944</b>	<b>10,115</b>	<b>12,482</b>
<i>Growth (Y-o-Y)</i>	32.5%	(1.2%)	35.0%	45.7%	23.4%
<b>Adj. Net Profit</b>	<b>5,208</b>	<b>5,611</b>	<b>7,620</b>	<b>10,115</b>	<b>12,482</b>
<i>Growth (Y-o-Y)</i>	31.1%	7.7%	35.8%	32.8%	23.4%
<b>Adj. Diluted EPS</b>	<b>47.1</b>	<b>50.8</b>	<b>68.8</b>	<b>91.3</b>	<b>112.6</b>
<i>Growth (Y-o-Y)</i>	31.1%	7.7%	35.4%	32.8%	23.4%
<b>No of Diluted shares (mr)</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>
Key Ratios					
<b>EBIDTA (%)</b>	<b>18.0%</b>	<b>16.7%</b>	<b>18.1%</b>	<b>18.9%</b>	<b>19.5%</b>
<b>EBIT (%)</b>	<b>13.8%</b>	<b>12.4%</b>	<b>14.3%</b>	<b>15.4%</b>	<b>16.1%</b>
NPM (%)	11.5%	8.6%	9.6%	11.8%	12.5%
Adj. NPM (%)	11.5%	9.3%	10.5%	11.8%	12.5%
<b>RoE (%)</b>	<b>17.1%</b>	<b>17.0%</b>	<b>20.9%</b>	<b>24.7%</b>	<b>26.5%</b>
RoCE (%)	16.7%	16.9%	20.3%	24.4%	27.4%
<b>Tax Rate %</b>	<b>25.2%</b>	<b>24.5%</b>	<b>24.1%</b>	<b>24.0%</b>	<b>24.0%</b>
Book Value Per share (	282.0	313.7	346.1	394.4	454.2
Valuation Ratios					
<b>P/E (x)</b>	<b>42.6x</b>	<b>43.1x</b>	<b>32.0x</b>	<b>22.0x</b>	<b>17.8x</b>
<b>Adjusted P/E (x)</b>	<b>42.6x</b>	<b>39.5x</b>	<b>29.2x</b>	<b>22.0x</b>	<b>17.8x</b>
EV/EBITDA	26.0x	22.3x	17.0x	13.6x	11.0x
<b>P/BV (x)</b>	<b>7.1x</b>	<b>6.4x</b>	<b>5.8x</b>	<b>5.1x</b>	<b>4.4x</b>
Market Cap. / Sales (x)	4.9x	3.7x	3.1x	2.6x	2.2x

Free Cash Flow Statement					
YE March (Rs. mn)	FY22	FY23	FY24E	FY25E	FY26E
EBITDA	8,178	10,031	13,048	16,143	19,440
FC Investment	454	536	1,445	1,708	1,994
WC Changes	-1,534	-2,170	-1,956	-2,542	-2,310
Depreciation Tax Shiel	485	628	655	717	814
Tax Expenses	2,062	2,456	3,151	3,874	4,666
FCF	4,613	5,497	7,151	8,737	11,283

Profit & Loss A/c					
YE March (Rs. mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>45,344</b>	<b>60,159</b>	<b>72,264</b>	<b>85,381</b>	<b>99,720</b>
<i>Growth %</i>	<i>9.7%</i>	<i>32.7%</i>	<i>20.1%</i>	<i>18.2%</i>	<i>16.8%</i>
<b>Total Revenue</b>	<b>45,344</b>	<b>60,159</b>	<b>72,264</b>	<b>85,381</b>	<b>99,720</b>
<b>Less:</b>					
Increase/Decrease in ₹	-175	125	-100	11	13
Cost of Services	5,881	6,839	10,195	12,553	16,727
Employee Cost	22,665	30,260	35,323	40,072	44,045
SG&A Expenses & Othe	8,795	12,904	13,798	16,602	19,494
<b>Total Operating Expendit</b>	<b>37,166</b>	<b>50,128</b>	<b>59,216</b>	<b>69,237</b>	<b>80,280</b>
<b>EBIDTA</b>	<b>8,178</b>	<b>10,031</b>	<b>13,048</b>	<b>16,143</b>	<b>19,440</b>
<i>Growth %</i>	<i>34.1%</i>	<i>22.7%</i>	<i>30.1%</i>	<i>23.7%</i>	<i>20.4%</i>
Less: Depreciation	1,922	2,566	2,713	2,988	3,390
<b>EBIT</b>	<b>6,256</b>	<b>7,465</b>	<b>10,335</b>	<b>13,155</b>	<b>16,049</b>
<i>Growth %</i>	<i>50.6%</i>	<i>19.3%</i>	<i>38.4%</i>	<i>27.3%</i>	<i>22.0%</i>
Interest Paid	393	1,000	1,124	1,152	1,152
Non-operating Income	1,121	814	619	1,306	1,527
Extraordinary Income	0	-467	-676	0	0
<b>Profit Before tax</b>	<b>6,984</b>	<b>6,812</b>	<b>9,154</b>	<b>13,309</b>	<b>16,424</b>
Tax	1,761	1,668	2,211	3,194	3,942
<b>Net Profit before Minorit</b>	<b>5,223</b>	<b>5,144</b>	<b>6,944</b>	<b>10,115</b>	<b>12,482</b>
<b>Net Profit</b>	<b>5,208</b>	<b>5,144</b>	<b>6,944</b>	<b>10,115</b>	<b>12,482</b>
<b>Adjusted Profit</b>	<b>5,208</b>	<b>5,611</b>	<b>7,620</b>	<b>10,115</b>	<b>12,482</b>
<b>Reported Diluted EPS Rs</b>	<b>47.1</b>	<b>46.6</b>	<b>62.7</b>	<b>91.3</b>	<b>112.6</b>
<i>Growth %</i>	<i>32.5%</i>	<i>-1.2%</i>	<i>34.6%</i>	<i>45.7%</i>	<i>23.4%</i>
<b>Adjusted Diluted EPS Rs</b>	<b>47.1</b>	<b>50.8</b>	<b>68.8</b>	<b>91.3</b>	<b>112.6</b>
<i>Growth %</i>	<i>31.1%</i>	<i>7.7%</i>	<i>35.4%</i>	<i>32.8%</i>	<i>23.4%</i>

Cash Flows (Consolidated)					
YE December (Rs. Mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>PAT</b>	<b>5,208.0</b>	<b>5,144.0</b>	<b>6,943.5</b>	<b>10,115.0</b>	<b>12,482.5</b>
Less: Non Operating Income	(1,121.0)	(814.0)	(619.0)	(1,306.0)	(1,527.1)
Add: Depreciation	1,922.0	2,566.0	2,712.8	2,988.3	3,390.5
Add: Interest Paid	393.0	1,000.0	1,124.0	1,152.0	1,152.0
<b>Operating Profit before WC Changes</b>	<b>6,430.0</b>	<b>8,363.0</b>	<b>10,161.3</b>	<b>12,949.3</b>	<b>15,497.9</b>
<b>Net Cash From Operations</b>	<b>4,896.0</b>	<b>6,193.0</b>	<b>8,205.2</b>	<b>10,407.2</b>	<b>13,187.8</b>
<b>Cash Flow from Investing Activities</b>					
(Inc)/Dec in Fixed Assets	(1,592.0)	(2,507.0)	(1,445.3)	(1,707.6)	(1,994.4)
<b>Cash Flow from Financing Activities</b>					
Inc/(Dec) in Total Loans	175.0	5,811.0	(400.0)	(400.0)	(400.0)
Dividend Paid	(2,652.0)	(2,659.5)	(3,263.5)	(4,754.0)	(5,866.8)
<b>Net Cash from Financing Activities</b>	<b>(3,660.0)</b>	<b>4,545.0</b>	<b>(6,462.4)</b>	<b>(7,306.0)</b>	<b>(8,418.8)</b>
<b>Net Inc/Dec in cash equivalents</b>	<b>(1,984.0)</b>	<b>(5,472.0)</b>	<b>915.4</b>	<b>2,698.5</b>	<b>4,300.7</b>
<b>Opening Balance</b>	<b>14,650.0</b>	<b>12,666.0</b>	<b>7,194.0</b>	<b>8,785.4</b>	<b>11,483.9</b>
<b>Closing Balance Cash and</b>	<b>12,666.0</b>	<b>7,194.0</b>	<b>8,109.4</b>	<b>11,483.9</b>	<b>15,784.6</b>



**Balance Sheet (Consolidated)**

YE March( Rs. mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Liabilities</b>					
Equity Capital	552	553	554	554	554
Reserves & Surplus	30,614	34,114	37,794	43,155	49,771
<b>Equity</b>	<b>31,166</b>	<b>34,667</b>	<b>38,348</b>	<b>43,709</b>	<b>50,325</b>
Net Deferred tax liabil	3,800	5,644	4,644	3,644	2,644
<b>Total Loans</b>	<b>3,525</b>	<b>9,336</b>	<b>8,936</b>	<b>8,536</b>	<b>8,136</b>
<b>Capital Employed</b>	<b>38,491</b>	<b>49,647</b>	<b>51,928</b>	<b>55,889</b>	<b>61,105</b>
<b>Assets</b>					
Gross Block	11,128	11,664	13,109	14,817	16,811
Less: Depreciation	6,588	7,183	9,896	12,884	16,275
<b>Net Block</b>	<b>4,540</b>	<b>4,481</b>	<b>3,213</b>	<b>1,933</b>	<b>537</b>
Capital WIP	134	27	27	27	27
<b>Investments</b>	<b>3,839</b>	<b>3,712</b>	<b>3,713</b>	<b>3,714</b>	<b>3,715</b>
Intangible Assets	6,662	21,413	21,413	21,413	21,413
<b>Current Assets</b>					
Inventories	2,790	4,358	5,058	5,123	5,983
Sundry Debtors	7,333	11,271	12,613	14,737	16,939
Current Investments	866	1,718	1,718	1,718	1,718
Cash and Bank Balance	12,666	7,194	8,785	11,484	15,785
Loans and Advances	6,078	7,659	8,672	10,246	11,966
Other Current Assets	2,965	3,648	4,382	5,177	6,047
<b>Total Current Assets</b>	<b>32,698</b>	<b>35,848</b>	<b>41,228</b>	<b>48,485</b>	<b>58,438</b>
<b>Less:Current Liabilities</b>					
Sundry Creditors	5,259	7,142	8,923	10,623	12,537
Provisions	414	1,137	1,251	1,376	1,513
Other Current Liabilities	3,709	7,555	7,493	7,684	8,975
<b>Total Current Liabilities</b>	<b>9,382</b>	<b>15,834</b>	<b>17,667</b>	<b>19,683</b>	<b>23,025</b>
<b>Capital Applied</b>	<b>38,491</b>	<b>49,647</b>	<b>51,928</b>	<b>55,889</b>	<b>61,105</b>

**Key Ratios (Consolidated)**

YE March (Rs. mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>Key Operating Ratios</b>					
EBITDA Margin (%)	18.0%	16.7%	18.1%	18.9%	19.5%
Tax / PBT (%)	25.2%	24.5%	24.1%	24.0%	24.0%
Net Profit Margin (%)	11.5%	8.6%	9.6%	11.8%	12.5%
RoE (%)	17.1%	17.0%	20.9%	24.7%	26.5%
RoCE (%)	14.7%	14.4%	16.7%	20.4%	22.8%
Current Ratio (x)	3.5x	2.3x	2.3x	2.5x	2.5x
Dividend Payout (%)	50.9%	51.7%	47.0%	47.0%	47.0%
Book Value Per Share (	282.0	313.7	346.1	394.4	454.2
<b>Financial Leverage Ratios</b>					
Interest Coverage (x)	20.8x	10.0x	11.6x	14.0x	16.9x
<b>Growth Indicators %</b>					
Sales Growth (%)	9.7%	32.7%	20.1%	18.2%	16.8%
EBITDA Growth (%)	34.1%	22.7%	30.1%	23.7%	20.4%
Net Profit Growth (%)	32.5%	(1.2%)	35.0%	45.7%	23.4%
Diluted EPS Growth (%)	32.5%	(1.2%)	34.6%	45.7%	23.4%

Source: Dalal & Broacha Research, Company

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