motilal oswal
Financial Services

KPIT

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	KPITTECH IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	327 / 3.7
52-Week Range (INR)	1563 / 1021
1, 6, 12 Rel. Per (%)	2/-11/-22
12M Avg Val (INR M)	1586
Free float (%)	60.6

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	65.3	74.3	85.6
EBIT Margin (%)	16.4	17.4	17.5
PAT	7.8	10.0	11.9
EPS (INR)	28.4	36.5	43.5
EPS Gr. (%)	(2.1)	28.2	19.2
BV/Sh. (INR)	130.2	154.1	182.5
Ratios			
RoE (%)	24.1	25.8	26.0
RoCE (%)	22.5	26.1	29.2
Payout (%)	35.0	35.0	35.0
Valuations			
P/E (x)	41.9	32.7	27.4
P/BV (x)	9.2	7.7	6.5
EV/EBITDA (x)	22.0	18.4	15.8
Div Yield (%)	0.8	1.1	1.3

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	39.4	39.5	39.5
DII	23.9	22.4	17.5
FII	15.1	16.3	21.9
Others	21.6	21.9	21.1

FII Includes depository receipts

CMP: INR1,193 TP: INR1,500 (+26%) Buy

In transition; margins intact

Growth to re-accelerate from 4QFY26

- KPIT Technologies (KPIT) reported revenue of USD181m in 2QFY26, up 0.3% QoQ in CC terms vs. our estimate of flat growth. Growth was led by the commercial vehicles segment, up 19.3% QoQ, while the passenger car segment declined 1.3% QoQ. EBIT margin was 16.4% (down 60bp QoQ), below our estimate of 17.0%. PAT was down 1.6%/17.0% QoQ /YoY to INR1,691m (below our est. of INR2,051m).
- For 1HFY26, revenue/EBIT grew 10.2%/8.3% and PAT declined 16.4% YoY in INR terms compared to 1HFY25. We expect revenue/EBIT/PAT to grow 13.3%/6.0%/13.1% in 2HFY26.
- With an EPS CAGR of 14% over FY25-28, outpacing most peers in the ER&D space, and continued leadership in the automotive software vertical, we reiterate a BUY rating and a TP of INR1,500 (26% upside).

Our view: Transition weighs on growth, not on margins

- **KPIT transitioning from services to solutions:** We believe KPIT is in the middle of a transition from a traditional services model to a *solutions-led* one, where it owns full program delivery. This now forms ~18% of revenue (2x YoY) and has temporarily cannibalized some legacy revenue streams, making near-term growth appear softer. Organic revenue declined 2.2% QoQ CC in 2QFY26 (vs. consensus est. of -3%), partly offset by the CareSoft consolidation. Management expects this transition phase to stabilize, with organic growth turning positive from 2H as large deal ramps kick in.
- **Asia remains mixed; China emerging as a bright spot:** We note that Asia has been relatively soft (declined 10% QoQ on the back of an 8% QoQ decline in 1Q), though management expects a gradual uptick led by India and China. Early traction in China with both local and global OEMs is encouraging, with initial revenue expected from 4QFY26, while Japan and Korea are expected to contribute more meaningfully from FY27 as new programs scale. We think Asia will recover gradually, with China likely remaining the key variable in the near term.
- **Margins to remain steady despite integration and wage costs:** EBITDA margin stood at 21.1%**,** broadly in line with expectations. Management reiterated its **FY26 margin guidance of ~21%**, despite wage hikes spread across 3Q and 4Q. We believe margins will hold steady through 2H, supported by a higher number of solution-led projects, productivity gains from AI-led automation, and continued pyramid optimization. Overall, we see margins holding near 21% through FY26, with a potential uptick in FY27 as large deals scale and synergy benefits from CareSoft start to flow through.
- **FY26 a consolidation year:** We think FY26 will remain a year of consolidation, with muted top line and resilient margins as KPIT absorbs its model shift and integrates CareSoft. We expect momentum to pick up from 4QFY26, supported by large deal ramp-ups and improving regional demand. In our view, FY27 is likely to mark a phase of gradual acceleration, as solution-led revenues scale, SDV programs mature, and contributions from Europe, India, and China broaden. Management remains confident of a steady and meaningful recovery through FY27, albeit not a sharp 'hockey-stick' rebound.

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

Valuations and changes to our estimates

- KPIT stands to benefit from OEMs' transformation programs toward SDVs, driven by its strong software engineering capabilities. However, client reprioritization and delays in production development timelines for new architectures have weighed on momentum.
- KPIT's transition from services to solutions should help it retain competitiveness in a challenging environment. Furthermore, the CareSoft acquisition is expected to support growth recovery in 2H.
- That said, due to higher depreciation linked to the CareSoft acquisition and a miss on other income, we cut our FY26 estimates by ~4%. Nevertheless, with an expected EPS CAGR of 14% over FY25–28, outpacing most peers in the ER&D space and continued leadership in the automotive software vertical, we reiterate our **BUY** rating with a TP of INR 1,500 (26% upside), valuing the stock at 38x Jun'27E EPS.

Beat on organic revenue but miss on margins; deal TCV up 12% YoY

- USD revenue came in at USD181m, up 0.3% QoQ in CC terms vs. our estimate of flat growth. Organic revenue declined 2.2% QoQ CC (vs. the consensus estimate of -3%).
- Growth was led by the commercial vehicles segment, up 19.3% QoQ, while the passenger car segment declined 1.3% QoQ.
- In terms of geographies, US and Asia declined 4.4%/10.2% QoQ in USD terms, while Europe rose 12.9%.
- EBIT margin was 16.4% (down 60bp QoQ), below our estimate of 17%.
- Deal TCV stood at USD232mn, up 12% YoY.
- PAT declined 1.6%/17.0% QoQ/YoY to INR1,691m (below our est. of INR2,051m). DSO at the end of 2QFY26 stood at 49 days.
- The net headcount increased 334 employees to 12,879 (up 2.6% QoQ) in 2QFY26.

Key highlights from the management commentary

- Client behavior is evolving as KPIT transitions from pure engineering services to end-to-end solution ownership. The solutions-led business—where KPIT takes complete ownership and delivery responsibility—has doubled YoY, driving both revenue visibility and margin expansion.
- Client discussions have turned more positive, with improving macro stability and tariff clarity. Specific areas of traction include **Autonomous Systems, After-Sales Diagnostics, Cybersecurity, and SDV (Software Defined Vehicles)**, particularly across Europe, India, and China.
- EV-related impairments seen in select clients are not widespread—alternate powertrain programs (like hybrid and hydrogen) continue, while core revenue drivers remain Digital Cockpit, Middleware, and Validation services.
- Organic growth remained soft due to client program delays; however, strong ramp-ups expected from 4QFY26 will aid sequential improvement.
- Management guided for flat-to-modest growth in 3QFY26 (organic) and meaningful acceleration in 4QFY26 as large deal ramps kick in.

- CareSoft Italy and N-Dream entities will be fully consolidated from 3QFY26, adding incremental revenue and strategic access to European OEM programs.
- Management reaffirmed its FY26 EBITDA margin guidance of ~21%, despite wage hikes spread across 3Q and 4Q.

Valuation and view

- KPIT remains well-placed to benefit from OEMs' shift toward SDVs, supported by strong software engineering capabilities. We trim FY26 estimates by ~4% on higher depreciation from CareSoft and lower other income. With an expected EPS CAGR of 14% over FY25-28 and continued leadership in automotive software, we reiterate **BUY** with a TP of INR 1,500 (26% upside; 38x Jun'27E EPS).

Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26E	Est.	Var. (%
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26	/ bp)
Revenue (USD m)	**165**	**173**	**176**	**177**	**178**	**181**	**189**	**195**	**691**	**743**	**178**	**1.5**
QoQ (%)	3.8	4.8	1.7	0.6	0.5	1.8	4.5	3.0			0.3	146bp
Revenue (INR m)	**13,646**	**14,714**	**14,780**	**15,283**	**15,388**	**15,877**	**16,779**	**17,282**	**58,423**	**65,325**	**15,570**	**2.0**
YoY (%)	24.3	22.7	17.6	16.0	12.8	7.9	13.5	13.1	19.9	11.8	5.8	209bp
GPM (%)	**35.3**	**34.8**	**36.6**	**36.1**	**35.2**	**37.3**	**36.0**	**35.9**	**35.7**	**36.1**	**35.7**	**156bp**
SGA (%)	14.2	14.3	15.5	15.0	14.2	16.2	15.0	14.8	14.8	15.0	14.8	135bp
EBITDA	**2,882**	**3,018**	**3,122**	**3,230**	**3,239**	**3,351**	**3,524**	**3,647**	**12,251**	**13,760**	**3,254**	**3.0**
EBITDA Margin (%)	**21.1**	**20.5**	**21.1**	**21.1**	**21.0**	**21.1**	**21.0**	**21.1**	**21.0**	**21.1**	**20.9**	**21bp**
EBIT	**2,356**	**2,457**	**2,538**	**2,651**	**2,610**	**2,604**	**2,701**	**2,800**	**10,002**	**10,715**	**2,647**	**-1.6**
EBIT Margin (%)	**17.3**	**16.7**	**17.2**	**17.3**	**17.0**	**16.4**	**16.1**	**16.2**	**17.1**	**16.4**	**17.0**	**-60bp**
Other income	417	417	92	-81	39	73	201	207	845	521	125	-41.2
ETR (%)	26.2	28.0	27.1	26.4	27.1	26.7	26.0	26.0	26.9	26.4	26.0	66bp
PAT	**2,042**	**2,037**	**1,870**	**1,997**	**1,719**	**1,691**	**2,148**	**2,225**	**7,945**	**7,783**	**2,051**	**-17.6**
QoQ (%)	24.2	-0.2	-8.2	6.8	-13.9	-1.6	27.0	3.6			19.3	
YoY (%)	52.4	44.6	20.4	21.5	-15.8	-17.0	14.9	11.4	32.7	-2.0	0.7	
EPS (INR)	7.5	7.5	6.8	8.9	6.3	6.2	7.9	8.1	29.0	28.4	7.5	-17.5

Key Performance Indicators

Y/E March	FY25				FY26		FY25
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	4.7	4.7	2.0	3.0	-3.2	0.3	
Margins (%)							
Gross Margin	35.3	34.8	36.6	36.1	35.2	37.3	35.7
EBIT Margin	17.3	16.7	17.2	17.3	17.0	16.4	17.1
Net Margin	15.0	13.8	12.7	13.1	11.2	10.6	13.6
Operating metrics							
Headcount	13,253	13,087	12,795	12,873	12,545	12,879	12,873
DSO	46	45	42	44	45	49	44.0
Key Geographies (YoY %)							
US	3.5	7.8	4.2	4.0	11.6	4.2	4.8
Europe	24.8	10.6	5.5	-6.4	-7.2	5.4	7.9

Exhibit 1: Europe saw a rebound, while US and Asia declined

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
US	-0.4	1.7	26.2	0.6	-1.7	0.9	6.0	-1.6	2.4	-2.5	5.9	5.6	-4.4
Europe	14.2	38.9	7.8	10.9	12.2	3.2	4.4	3.3	-0.6	-1.5	-7.4	2.4	12.9
Asia	-4.2	-0.8	-2.0	18.2	17.8	4.4	14.6	13.2	23.1	13.1	10.0	-8.0	-10.2

Source: Company, MOFSL

CONFERENCE CALL

Highlights from the management commentary

2QFY26 performance and demand outlook

- Client behavior is evolving as KPIT transitions from pure engineering services to end-to-end solution ownership. The solutions-led business — where KPIT takes complete ownership and delivery responsibility — has doubled YoY, driving both revenue visibility and margin expansion.
- Client discussions have turned more positive, with improving macro stability and tariff clarity. Specific areas of traction include Autonomous Systems, After-Sales Diagnostics, Cybersecurity, and SDV, particularly across Europe, India, and China.
- In the US, commercial vehicles are expected to grow positively in the coming quarters.
- Management remains confident of a meaningful recovery in FY27, though not a 'hockey stick' rebound. More visibility on next year's demand will emerge by 4QFY26.
- Short-term uncertainty has reduced by ~50% vs the start of the year. Demand has improved, though new product development timelines have been deferred by 1–2 years across OEMs.
- EV-related impairments seen in select clients are not widespread — alternate powertrain programs (like hybrid and hydrogen) continue, while core revenue drivers remain Digital Cockpit, Middleware, and Validation services.
- Clients in Southeast Asia remain cautious on investment decisions, awaiting clarity on the best localization strategy (US, Canada, or domestic manufacturing.
- Cybersecurity continues to present new opportunities across clients, especially in software validation and system integration.
- Organic growth remained soft due to client program delays; however, strong ramp-ups expected from 4QFY26 will aid sequential improvement.
- Management guided for flat-to-modest growth in 3QFY26 (organic) and meaningful acceleration in 4QFY26 as large deal ramps kick in.
- Revenue mix is gradually shifting toward higher-value solutioning and AI-led engagements, which will offset cannibalization in legacy service areas next year. CareSoft Italy and N-Dream entities will be fully consolidated from 3QFY26, adding incremental revenue and strategic access to European OEM programs.
- The reduction of USD 65m in revenue (impliedly from last quarter's deal TCV to current quarter's revenues) included USD45m from client program reprioritization/delays (mainly in Electricals and Middleware, US, and Asia) and USD20m from cannibalization by AI-led integrated solutioning.
- New vehicle programs, new logo additions, mobility adjacencies (Off-Highway, Industrial, Defense), and cost-optimization solutions are expected to be key growth drivers over the medium term.
- Battery and Sodium-Ion technology licensing are expected to yield royalties over the next 2-3 years; Hydrogen projects remain in the pilot stage.
- The D&A run rate will increase from 3Q due to full-quarter CareSoft consolidation.
- Deal TCV stood at USD232m, up 12% YoY, with strong traction across SDV and validation programs.

- The company won a strategic multi-year engagement with a leading European OEM for SDV transformation, spanning vehicle domains and technologies. Ramp-ups will begin in 3QFY26 and accelerate through FY27. The deal exceeds three digits in value and is spread over three years.
- MG Motor engagement is expected to start in 4QFY26 and scale up in FY27.
- **Passenger Vehicles:** The company continues to see momentum in Digital Cockpit and Middleware. Some delays are expected in architecture redesign programs, but underlying demand remains healthy.
- **Commercial Vehicles:** The company is expected to drive growth from 4QFY26, supported by off-highway and industrial vehicle engagements in North America.
- **Europe:** Growth was led by SDV transformation and large OEM engagements. OEMs are shifting from local to global supply ecosystems, driving demand for software consolidation and validation.

Margins performance and outlook

- Management reaffirmed its FY26 EBITDA margin guidance of ~21%, despite wage hikes spread across 3Q and 4Q.
- Margin drivers include: Higher fixed-price and solution-led projects, improved productivity through AI and automation, and cost optimization through pyramid restructuring.
- Net profit was impacted by losses from Qorix and N-Dream, mainly due to ESOP-related accounting changes and absence of license revenues, expected to normalize in subsequent quarters.
- DSO increased to 49 days due to the CareSoft consolidation; normalization is expected in H2FY26.
- Interest expense increased INR47m due to working capital loans for the CareSoft integration.
- Qorix JV—currently in strategic repositioning—is seeing renewed OEM discussions around middleware and architecture optimization. These are expected to translate into wins as OEMs begin new program cycles.
- Fixed-price contracts increased sequentially, aiding margin stability but slightly affecting cash flow timing due to milestone-based billing. Impact is minimal on an overall basis.

Valuation and view

- KPIT remains well-placed to benefit from OEMs’ shift toward SDVs, supported by strong software engineering capabilities. We trim FY26 estimates by ~4% on higher depreciation from CareSoft and lower other income. With an expected EPS CAGR of 14% over FY25–28 and continued leadership in automotive software, we reiterate **BUY** with a TP of INR 1,500 (26% upside; 38x Jun’27E EPS).

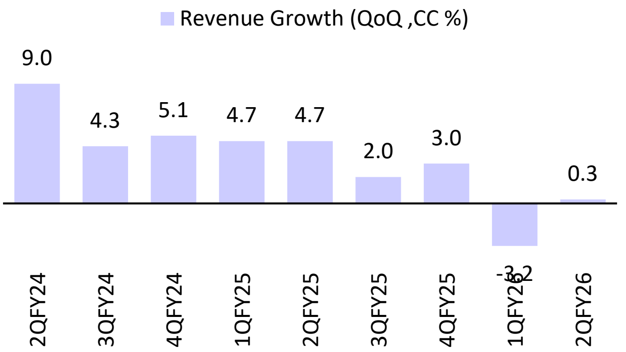
Exhibit 2: Summary of our revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.8	88.7	88.7	87.5	88.7	88.7	0.3%	0.0%	0.0%
USD Revenue (m)	743	838	965	734	850	1,008	1.2%	-1.4%	-4.3%
Growth (%)	7.4	12.8	15.2	6.2	15.8	18.7	130bps	-300bps	-350bps
EBIT margin (%)	16.4	17.4	17.5	16.9	17.5	17.8	-50bps	-10bps	-30bps
PAT (INR b)	7,783	9,974	11,891	8,161	10,175	12,489	-4.6%	-2.0%	-4.8%
EPS	28.4	36.5	43.5	29.8	37.2	45.6	-4.6%	-1.9%	-4.7%

Source: MOFSL

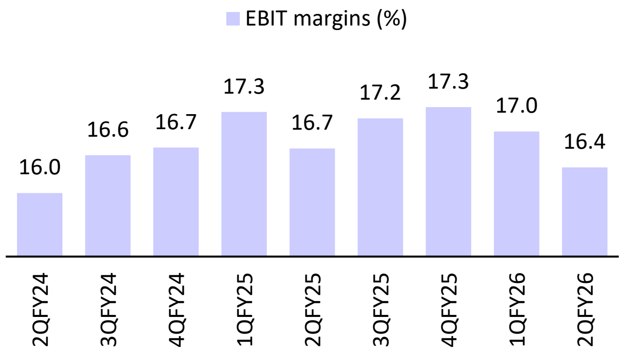
Story in charts

Exhibit 3: Revenue grew 0.3% QoQ CC



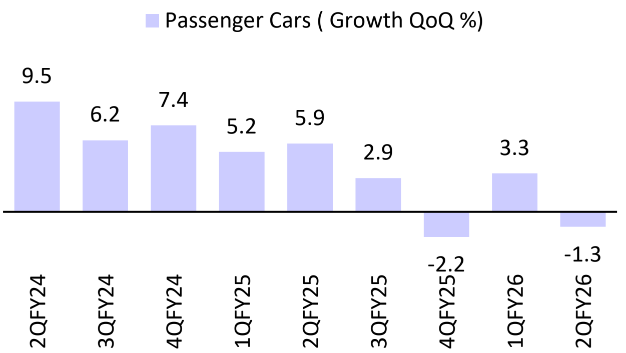
Source: Company, MOFSL

Exhibit 4: EBIT declined 60 bp QoQ



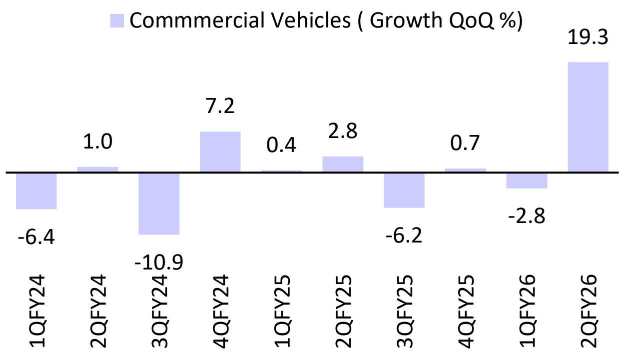
Source: Company, MOFSL

Exhibit 5: Passenger cars saw a decline of 1.3% QoQ…



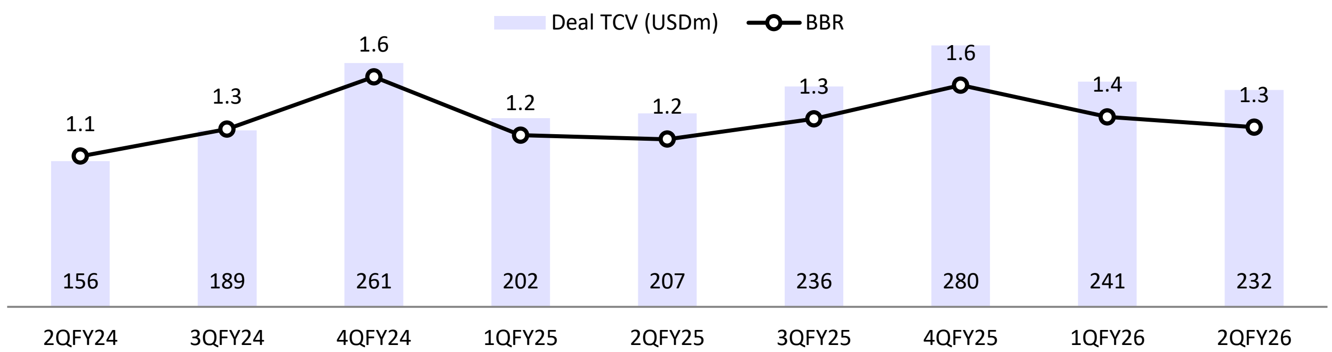
Source: Company, MOFSL

Exhibit 6: ..while the CV segment led growth in 2QFY26



Source: Company, MOFSL

Exhibit 7: Deal TCV stood at USD232m, up 12% YoY; BBR at 1.3x



Source: Company, MOFSL

Operating metrics

Exhibit 8: Operating metrics

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Verticals (%)									
Passenger Cars	75.8	78.4	79.0	80.0	80.8	81.7	79.5	81.8	79.3
Commercial Vehicles	20.0	17.4	17.5	16.9	16.6	15.3	15.3	14.8	17.3
Others	4.2	4.2	3.6	3.1	2.6	3.0	5.2	3.4	3.3
Geographies (%)									
US	30.4	29.9	29.7	28.2	27.5	26.4	27.7	29.2	27.4
Europe	52.6	52.9	51.7	51.5	48.8	47.2	43.4	44.3	49.2
Asia	17.0	17.3	18.6	20.3	23.8	26.4	28.9	26.5	23.4
Business Mix (%)									
Feature Development & Integration	61.8	62.5	62.0	61.0	59.7	62.0	59.0	59.5	60.7
Architecture & Middleware Consulting	20.2	18.5	18.7	20.5	23.5	20.3	22.8	20.2	17.2
Cloud Based Connected Services	18.0	19.1	19.3	18.5	16.9	17.7	18.3	20.3	22.0
Project Type (%)									
Fixed Price	54%	51%	55%	54%	57%	59%	60%	63%	65%
Time and Material	47%	49%	45%	47%	43%	41%	40%	38%	35%
Client Profile									
Strategic Client Revenue (T-21)	84%	85%	86%	87%	86%	88%	88%	87%	87%
Employee Metrics (%)									
Development	10,837	11,219	11,949	12,064	12,438	12,248	11,940	11,993	11,676
Sales	734	752	778	792	815	839	855	880	869
Total Employees	**11,571**	**11,971**	**12,727**	**12,856**	**13,253**	**13,087**	**12,795**	**12,873**	**12,545**

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**20,357**	**24,324**	**33,650**	**48,715**	**58,423**	**65,325**	**74,325**	**85,620**
Change (%)	-5.6	19.5	38.3	44.8	19.9	11.8	13.8	15.2
Employees Cost	13,415	16,106	21,957	31,704	37,550	41,742	47,287	54,804
Total Expenditure	**13,415**	**16,106**	**21,957**	**31,704**	**37,550**	**41,742**	**47,287**	**54,804**
% of Sales	65.9	66.2	65.3	65.1	64.3	63.9	63.6	64.0
Gross Profit	**6,943**	**8,218**	**11,693**	**17,012**	**20,873**	**23,583**	**27,038**	**30,816**
SG&A	3,897	3,832	5,457	7,159	8,622	9,823	10,907	12,393
EBITDA	**3,045**	**4,385**	**6,236**	**9,852**	**12,251**	**13,760**	**16,131**	**18,423**
% of Sales	15.0	18.0	18.5	20.2	21.0	21.1	21.7	21.5
Depreciation	1,332	1,196	1,464	1,958	2,250	3,045	3,196	3,425
EBIT	**1,714**	**3,189**	**4,772**	**7,894**	**10,002**	**10,715**	**12,935**	**14,999**
% of Sales	8.4	13.1	14.2	16.2	17.1	16.4	17.4	17.5
Other Income	11	254	204	116	845	-142	595	856
PBT	**1,725**	**3,443**	**4,976**	**8,010**	**10,847**	**10,574**	**13,529**	**15,855**
Total Tax	305	683	1,099	2,019	2,929	2,790	3,555	3,964
Tax Rate (%)	17.7	19.8	22.1	25.2	27.0	26.4	26.3	25.0
Reported PAT	**1,420**	**2,760**	**3,876**	**5,991**	**7,917**	**7,783**	**9,974**	**11,891**
Change (%)	-15.3	94.5	40.4	54.5	32.2	-1.7	28.2	19.2
Margin (%)	7.0	11.3	11.5	12.3	13.6	11.9	13.4	13.9
Minority Interest	0	0	0	0	0	0	0	0
Adjusted PAT	**1,420**	**2,760**	**3,876**	**5,991**	**7,917**	**7,783**	**9,974**	**11,891**

Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	2,690	2,700	2,703	2,712	2,717	2,717	2,717	2,717
Total Reserves	9,378	10,396	13,812	18,746	26,405	32,657	39,140	46,869
Net Worth	**12,068**	**13,096**	**16,515**	**21,459**	**29,122**	**35,374**	**41,857**	**49,586**
Minority Interest	29	155	118	171	0	0	0	0
Borrowings	24	19	2	1	0	0	0	0
Other Long term liabilities	2,278	3,015	5,690	4,923	3,990	3,990	3,990	3,990
Capital Employed	**14,399**	**16,285**	**22,325**	**26,553**	**33,112**	**39,364**	**45,847**	**53,577**
Net Fixed Assets	**4,473**	**4,440**	**4,738**	**5,429**	**5,938**	**5,506**	**5,283**	**5,283**
Goodwill	1,014	1,679	10,103	11,463	11,729	11,729	11,729	11,729
Capital WIP	118	4	56	5	94	94	94	94
Other Assets	1,114	2,097	4,093	4,617	5,468	5,677	5,834	6,066
Curr. Assets, Loans&Adv.	**12,957**	**15,142**	**15,016**	**20,164**	**27,101**	**34,271**	**41,313**	**49,450**
Account Receivables	3,777	4,410	7,748	9,558	8,895	10,201	11,607	13,371
Cash and Bank Balance	2,858	3,421	4,542	6,550	10,743	16,375	21,709	27,704
Current Investments	5,949	6,863	1,622	2,441	5,501	5,501	5,501	5,501
Other Current Assets	373	448	1,104	1,615	1,962	2,194	2,496	2,875
Curr. Liability & Prov.	**5,277**	**7,077**	**11,681**	**15,126**	**17,218**	**17,913**	**18,406**	**19,046**
Account Payables	1,352	1,372	1,643	2,398	1,782	2,323	2,632	3,050
Other Current Liabilities	3,588	5,046	9,520	11,957	14,564	14,718	14,903	15,124
Provisions	336	658	517	771	871	871	871	871
Net Current Assets	**7,680**	**8,065**	**3,335**	**5,039**	**9,883**	**16,358**	**22,907**	**30,405**
Appl. of Funds	**14,399**	**16,285**	**22,325**	**26,553**	**33,112**	**39,364**	**45,847**	**53,576**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic EPS (INR)	5.2	10.1	14.2	21.9	29.0	28.4	36.5	43.5
Cash EPS	10.2	14.5	19.4	29.1	37.2	39.6	48.1	56.0
BV/Share	44.9	48.5	61.1	79.1	107.2	130.2	154.1	182.5
DPS	0.0	0.0	0.0	2.1	8.3	10.0	12.8	15.2
Payout (%)	0.0	0.0	0.0	9.6	28.7	35.0	35.0	35.0
Valuation (x)								
P/E	227.7	117.8	84.1	54.4	41.1	41.9	32.7	27.4
Cash P/E	117.5	82.3	61.5	41.0	32.1	30.1	24.8	21.3
P/BV	26.6	24.6	19.5	15.1	11.1	9.2	7.7	6.5
EV/Sales	15.3	12.8	9.5	6.5	5.3	4.6	4.0	3.4
EV/EBITDA	102.6	70.9	51.1	31.9	25.1	22.0	18.4	15.8
Dividend Yield (%)	0.0	0.0	0.0	0.2	0.7	0.8	1.1	1.3
Return Ratios (%)								
RoE	12.6	21.8	26.1	31.3	31.3	24.1	25.8	26.0
RoCE	14.9	21.5	18.5	19.7	21.9	22.5	26.1	29.2

Consolidated - Cash Flow Statement **(INR m)**

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	1,471	2,762	4,968	8,004	10,875	10,574	13,529	15,855
Depreciation	1,332	1,196	1,464	1,958	2,250	3,045	3,196	3,425
Interest & Finance Charges	68	0	183	436	274	-521	-595	-856
Direct Taxes Paid	-327	-888	-989	-1,371	-2,049	-2,790	-3,555	-3,964
(Inc)/Dec in WC	3,076	875	-1,769	871	2,166	-1,163	-1,500	-1,886
Others	656	805	768	119	379	0	0	0
CF from Operations	**6,276**	**4,750**	**4,625**	**10,018**	**13,895**	**9,143**	**11,076**	**12,574**
(Inc)/Dec in FA	-595	-685	-1,276	-1,549	-1,273	-2,613	-2,973	-3,425
Free Cash Flow	**5,681**	**4,065**	**3,349**	**8,469**	**12,622**	**6,530**	**8,103**	**9,149**
(Pur)/Sale of Investments	1,776	2,720	6,080	3,517	6,049	0	0	0
Others	-6,190	-5,059	-6,827	-7,605	-11,075	478	538	786
CF from Investments	**-5,008**	**-3,024**	**-2,024**	**-5,637**	**-6,299**	**-2,135**	**-2,435**	**-2,639**
Issue of shares	7	27	17	17	5	0	0	0
Inc/(Dec) in Debt	-1,109	-521	-641	-935	-1,308	154	184	221
Interest Paid	-45	-32	-87	-195	-194	0	0	0
Dividend Paid	0	-741	-892	-1,287	-1,928	-1,531	-3,491	-4,162
Others	0	0	-228	0	0	0	0	0
CF from Fin. Activity	**-1,148**	**-1,267**	**-1,831**	**-2,400**	**-3,424**	**-1,377**	**-3,306**	**-3,941**
Inc/Dec of Cash	**120**	**459**	**770**	**1,981**	**4,172**	**5,632**	**5,335**	**5,994**
Forex Adjustment	-21	104	352	27	21	0	0	0
Opening Balance	2,759	2,858	3,421	4,542	6,550	10,743	16,375	21,709
Closing Balance	**2,858**	**3,421**	**4,542**	**6,550**	**10,743**	**16,375**	**21,709**	**27,704**

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

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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

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