KPIT Technologies (KPITE)

CMP: ₹ 1,220 | Target: ₹1,500 (23%) | Target Period: 12 months | BUY

September 26, 2025

Automotive niche play in the ER&D space...

About the stock: KPIT Technologies Limited (KPIT), headquartered in Pune, is a **pure-play automotive ER&D services company**, focused on helping global OEMs and Tier 1 suppliers accelerate their transition toward SDVs. It has delivered ROE of 25%+ and ROCE of 30%+ over the last two FYs.

Investment Rationale

- **ER&D industry tailwinds and niche offering to bring growth opportunities: Global ER&D spend is in a secular upcycle, projected to rise from US$1.8 tn in 2022 to US$2.7 trillion by 2026 as per Zinnov (10.2% CAGR) or to ~US$2.5–3.3 trillion by 2030 as per BCG–NASSCOM (8–9% CAGR).** India is expected to be a major beneficiary with its share in global ER&D space projected to rise from 17% in FY23 to ~22% by FY30. Within this, automotive ER&D could reach US$460–540 bn by 2030. **Structural ER&D tailwinds & KPIT's pure-play automotive focus along with its CASE & SDV aligned portfolio position it as a key beneficiary of this structural growth. We expect US$ revenue to grow at a CAGR of 12.8% over FY25-28E supported by the broader industry tailwinds.**
- **Strategic de-risking through expansion & diversification in adjacencies:** As Passenger Vehicle (PVs) demand has seen intermittent headwinds due to macro uncertainties, weak consumer sentiment, and intensifying competition from Chinese OEMs, KPIT has **proactively accelerated presence in Commercial Vehicle (CVs), off-highway vehicles, & new horizontal adjacencies like cybersecurity, semiconductor engineering etc.** Geo wise, while it derives ~75% of revenue from U.S./Europe, it has taken steps to de-risk its growth profile & is executing a multi-pronged **China market strategy.** KPIT is **piloting sodium-ion battery tech for e-CVs which could offer optionality in future growth pools.** Such geographic & portfolio diversification de-risks growth, lowers concentration, & strengthens resilience against PV downcycles.
- **M&A led capability building:** M&A has been pivotal to KPIT's capability expansion & profitability. The **Caresoft deal** (largest in five years) brings CV/off-highway expertise, software benchmarking, and China market access. Earlier, **Technica** added strengths in E/E architecture & device networking. **These targeted acquisitions deepen KPIT's technical moats, scale high-growth lines rapidly, and support margin accretion via operating leverage** as KPIT integrates and cross-utilizes acquired talent & IP across clients. **We bake in EBITDA margins of 21%/21.6%/22% in FY26E/FY27E/FY28E.**

Rating and Target Price

- With a diversified portfolio, technology specialization, strong client relationships, & global delivery footprint, KPIT is strategically positioned to capitalize on secular growth trends in the automotive ER&D landscape.
- We initiate coverage on the stock with a **BUY rating, assigning a target price at ₹1,500, valued at 38x FY27E EPS.**

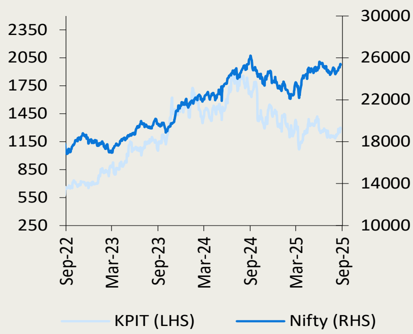
Particulars

Particulars	Amount
Market Cap (₹ Crore)	33,128
Total Debt (₹ Crore)	2
Cash & Invests (₹ Crore)	1,506
EV (₹ Crore)	31,623
52 week H/L	1822 /1021
Equity capital (₹ Crore)	271.7
Face value (₹)	10.0

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	39.5	39.5	39.5	39.4
FII	20.9	17.4	17.2	15.5
DII	17.5	20.4	21.3	22.4
Public	22.1	22.8	22.1	22.7

Price Chart



Key risks

- Lower than anticipated synergies through M&A
- Longer than anticipated slowdown in European Auto segment

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Conviction Pick

ICICI Securities – Retail Equity Research

Key Financial Summary

₹ Crore	FY23	FY24	FY25	5 Year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Net Sales	3,365	4,872	5,842	22.1	6,575	7,657	8,772	14.5
EBITDA	620	985	1,225	32.9	1,378	1,651	1,929	16.3
EBITDA Margin (%)	18.4	20.2	21.0		21.0	21.6	22.0	
Net Profit	381	581	755	38.8	851	1,075	1,282	19.3
EPS (₹)	14.0	21.8	30.7		31.3	39.5	47.2	
P/E	86.5	56.9	43.9		39.0	30.8	25.9	
RoNW (%)	23.1	27.1	25.9		24.2	25.2	25.3	
RoCE (%)	22.6	30.9	34.6		29.9	30.8	31.2	

Source: Company, ICICI Direct Research

Company Background

KPIT Technologies Ltd., founded in 1990 and headquartered in Pune, is a **pure-play automotive engineering and R&D (ER&D) services company**, dedicated to helping global Original Equipment Manufacturers (OEMs) and Tier 1 suppliers accelerate their transition toward Software Defined Vehicles (SDVs).

KPIT's current structure was shaped in January 2019, when the erstwhile KPIT Technologies merged with CKA Birla Group owned Birlasoft Ltd. & subsequently demerged to form two focused entities: KPIT Technologies (automotive engineering and mobility solutions) and Birlasoft (IT services). **This strategic restructuring allowed KPIT to exclusively focus on the fast-evolving automotive software domain. KPIT re-listed on the BSE and NSE on April 22, 2019, with a sharpened strategic focus as a pure-play automotive ER&D company.**

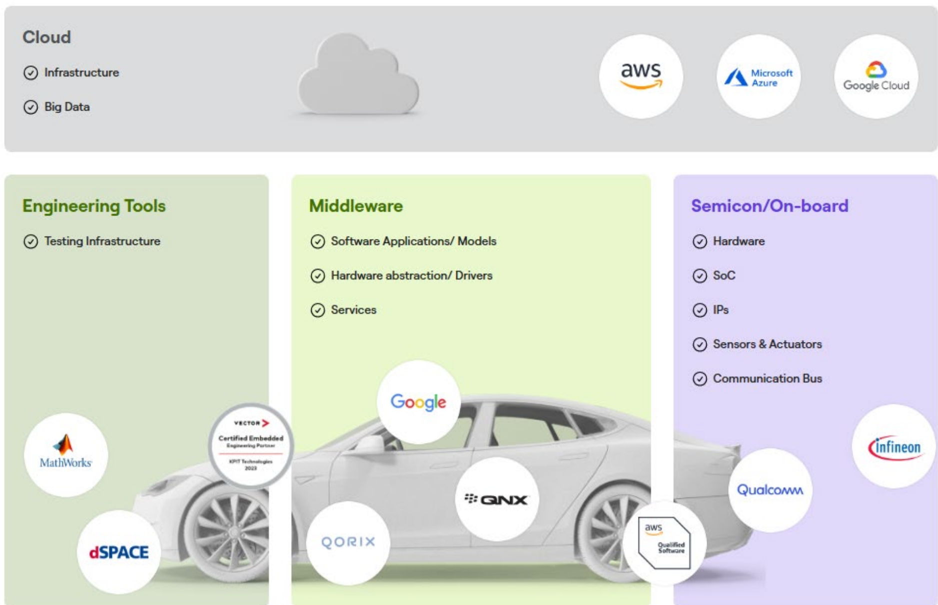
It boasts of 25+ strategic partnerships with OEMs and Tier 1s for mobility transformation. KPIT's **key partnerships** offer solutions across virtual engineering and diagnostics, helping clients to speed up time-to-market.

It has forged long-standing **partnerships** with leading OEMs such as **BMW** (since 2018) for autonomous driving and charging tech, **PACCAR** (since 2011) with a dedicated India-based tech center, and **Hyundai** (in the early 2010s) for Automotive Open System Architecture (AUTOSAR) based electronic component unit (ECU) (a computerized component within vehicles that controls and manages various systems by receiving real-time input from sensors that are distributed throughout the vehicle) development. **Most recently, KPIT entered a strategic partnership with JSW Motors to create a digital foundation for its upcoming portfolio of New Energy Vehicles (NEVs).**

KPIT delivers cutting-edge technology solutions and services across various domains including:

- Electric & Conventional Powertrain;
- Advanced Driver Assistance Systems (ADAS) & Autonomous Driving (AD)
- Digital and Connected Vehicles,
- Vehicle Networks, AUTOSAR & Middleware,
- New-age Vehicle Engineering and Design
- Vehicle Diagnostics and Aftersales services.

Exhibit 1: KPIT's partner ecosystem



Source: Company, ICICI Direct Research

The company's service portfolio comprises three core business lines:

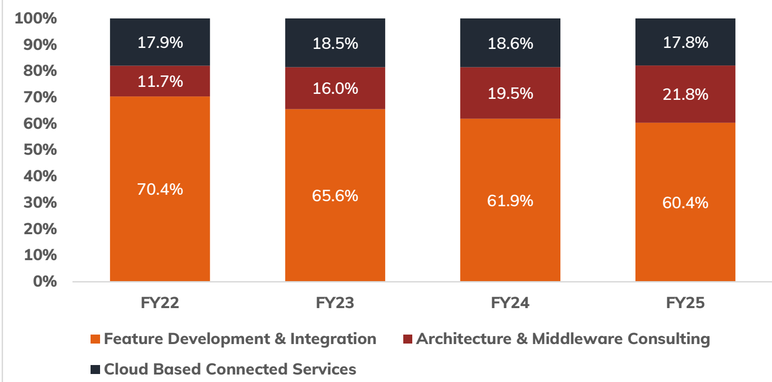
- Feature Development & Integration (60% of FY25 revenue): Covers end-to-end development of automotive software features, requirements analysis, design, coding, testing, and verification and validation (V&V) across domains like powertrain, infotainment, ADAS, and body control. Integration services embed these features into electronic control units (ECUs and vehicle platforms, ensuring OEM compatibility and regulatory compliance.

- Architecture & Middleware Consulting (22% of FY25 revenue): Focuses on designing and optimizing software and system architecture for next-gen vehicles (SDVs, EVs). Services span selection, customization, and deployment of middleware stacks enabling hardware–application communication, data routing, service abstraction, and inter-ECU communication to support evolving electrical/electronic (E/E) architectures.

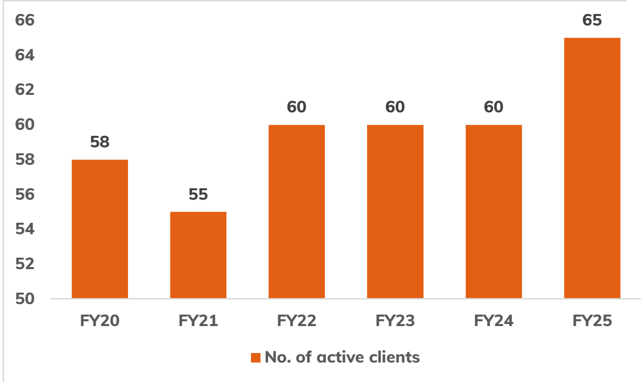
KPIT's revenue from this business line has grown (including inorganic) at a staggering CAGR of 57.7% over FY22-25.

- Cloud-based Connected Services (18% of FY25 revenue): This offering provides cloud-enabled solutions that connect vehicles to external ecosystems such as OEM backend systems, mobile applications, and third-party services. It involves development and deployment of telematics platforms and over-the-air (OTA) update frameworks.

Exhibit 2: Growing share of architecture & middleware consulting



KPIT's active client base grew considerably in FY25



Source: Company, ICICI Direct Research

KPIT's strategic **T25 client initiatives** focus on scaling and improving revenue per client by cross-selling to the top 25 accounts which contribute ~87% to revenues as of March 2025.

Moreover, KPIT's **early bet on AI, automation, and accelerators** drives higher engineering efficiency and cost savings. Proprietary tools like **KGPT (ChatGPT-style assistant), Copilot, and engineering agents** are used internally and with clients to automate development, validation, and integration. By co-creating AI solutions with client teams, KPIT embeds itself into client's product roadmaps across autonomous driving, digital cockpit, electrification, and cybersecurity.

Exhibit 3: KPIT solutions and offerings

KPIT business profile

Source: Company Annual Report, ICICI Direct Research

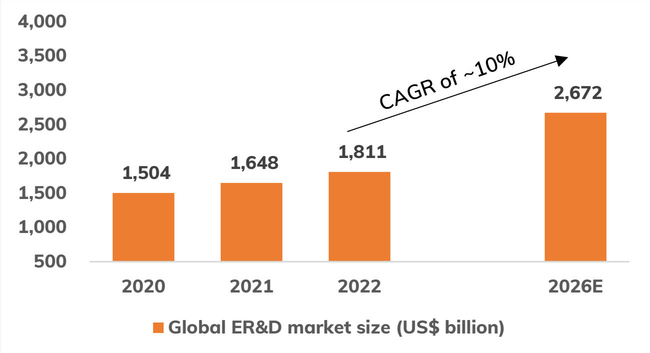
Investment Rationale

ER&D industry tailwinds and niche offering to bring growth opportunities

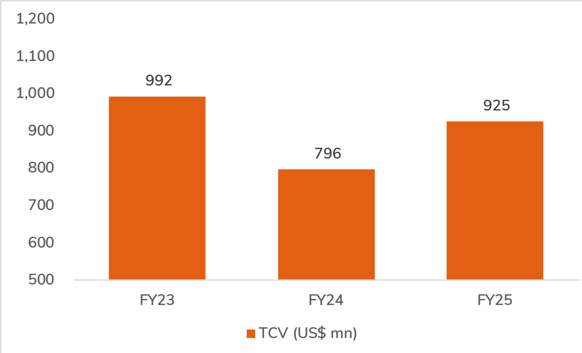
The global ER&D market is in the midst of a secular growth cycle, driven by the twin forces of rapid digitization and sustainability imperatives. **According to Zinnov, the global ER&D market was valued at US$1.8 trillion in 2022 and is projected to reach US$2.7 trillion by 2026, implying a CAGR of 10.2%. Similarly, a BCG–NASSCOM study estimates that the market will expand from US$1.5–1.8 trillion in 2023 to US$2.5–3.3 trillion by 2030, at an 8–9% CAGR.**

India is expected to be a major beneficiary of this growth, with its share in global ER&D sourcing projected to rise from 17% in FY23 to ~22% by FY30 driven by sectors like software, automotive and semiconductor industries. This will be driven by its cost-competitive talent pool and large-scale digital capabilities. Furthermore, the government's focus on promoting innovation and entrepreneurship through initiatives like **'Make in India' and 'Digital India'** is expected to provide further impetus to the growth of the ER&D services market in India. **Within this broader growth, automotive ER&D spend is expected to reach US$460–540 billion by 2030, growing at par with the industry.**

Exhibit 4: ER&D market size (US$ billion) to expand



Steady order book reflects revenue visibility



Source: Zinnov Industry Report ERD Services Market Overview; Company, ICICI Direct Research

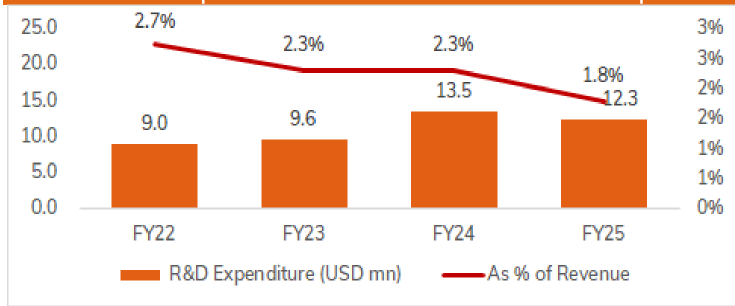
Several trends distinctly mark the global ER&D market. First, as discussed above, there is a strong focus on sustainability wherein enterprises work towards energy-efficient designs and clean energy transitions to realise their ambitious goals of carbon neutrality. **Shrinking innovation cycles are forcing faster product development, compelling firms to streamline processes and use advanced engineering solutions.** Products are becoming increasingly complex; meeting the evolving consumer expectations will require sophisticated engineering approaches. Moreover, Generative AI is constantly changing the landscape. This enables better engineering efficiency for intelligent products that adapt to users' needs. **As industries face macroeconomic headwinds like inflation and geopolitical tensions, strategic commitment to resilience calls for sustained investment in ER&D.**

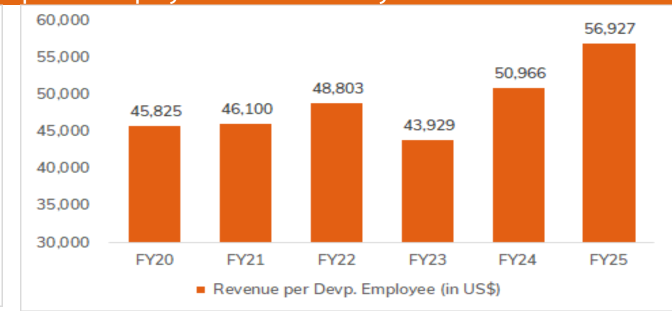
Crucially, the global auto industry is undergoing a structural transformation from Internal Combustion Engine (ICE) based vehicles to Electric Vehicles (EVs), hybrids, and SDVs - a shift that is catalyzing an explosion of software content per vehicle. OEMs are investing heavily in areas such as E/E architectures, connectivity, ADAS, propulsion systems, digital cockpits, and cybersecurity to future-proof their portfolios. **Over the past 15 years, KPIT has consistently invested ahead of the curve in building capabilities across these emerging domains. This positions KPIT as a direct beneficiary of rising auto ER&D spends as OEMs prioritise investments in smart cockpits, Level 2+ autonomy, cybersecurity, functional safety, and extensive validation due to cost pressures.**

Three key mega trends expected to shape Auto ER&D spending:

- Increasing in-vehicle digitization/ digital vehicles,
- Climate & Sustainability requirements, and
- Adoption of AI/ Gen AI to expedite vehicle development

Exhibit 5: R&D expenditure as a % of revenue & revenue per development employee trend over the years





Source: Company, ICICI Direct Research

Further, **revenue per development employee improved remarkably from US$45,825 in 2020 to US$56,927 in FY25, which indicates effective resource deployment and controlled direct cost**.

Overall, KPIT's sharpened strategic focus, deep domain specialization, long-standing relationships with top global OEMs/Tier-1s, global delivery footprint, and alignment with secular Connected, Autonomous, Shared & Electric (CASE) and SDV trends position it as a leading beneficiary of rising engineering spends in the automotive industry.

On the order book front, this is reflected in good deal wins which have grown strongly (~16% YoY in FY25 and ~19% YoY in Q1), driven by factors such as reprioritisation of existing programs and rising demand for more efficient, solution-based delivery.

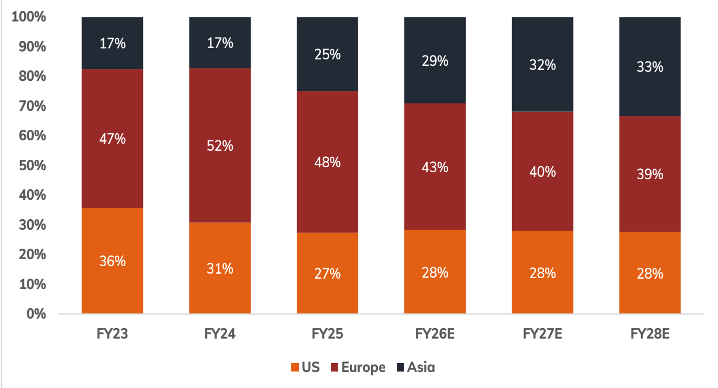
Thus, we believe that with a diversified portfolio, evolving business models, and strong client relationships, KPIT is well placed to capture long-term growth opportunities in the global automotive ER&D landscape. Moreover, structural ER&D tailwinds & KPIT's pure-play automotive focus along with its CASE and SDV aligned portfolio position it as a key beneficiary of this structural growth. **Accordingly, we expect US$ revenue to grow at a CAGR of 12.8% over FY25-28E supported by the broader industry tailwinds.**

Strategic de-risking through expansion & diversification in adjacencies

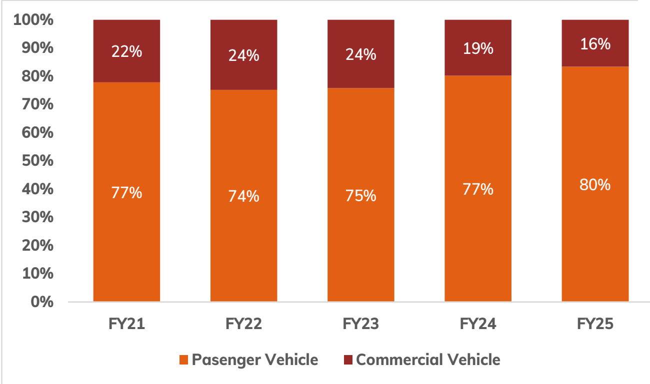
KPIT has positioned itself at the center of the auto industry's transformation, with offerings tailored to the four megatrends of mobility - Connected, Autonomous, Shared, and Electric (CASE) and has evolved into one of the largest independent automotive software specialists globally, with **engineering centers across USA, Europe, Japan, China, Thailand, Tunisia, and India.** Geo wise, while it derives ~75% of its revenue from the U.S. and Europe (the world's largest automotive hubs), it has taken steps to de-risk its growth profile as the company is executing a multi-pronged China market strategy, leveraging local ecosystem insights to help global OEM clients enhance their product features, reduce costs, and accelerate time-to-market.

By vertical, Passenger Vehicles (PV) contribute ~80% of revenues, with Commercial Vehicles (CVs) at 16% and Others at 4%. As PV demand has seen intermittent headwinds due to macro uncertainties, weak consumer sentiment, and intensifying competition from Chinese OEMs, **KPIT has proactively accelerated its presence in CVs, off-highway vehicles, and new horizontal adjacencies like cybersecurity, semiconductor engineering, validation-as-a-service, and advanced vehicle engineering. These high-value niches expand KPIT's addressable market while reducing cyclicality.**

Exhibit 5: Geographic diversification



Passenger vehicle led vertical mix



Source: Company, ICICI Direct Research

The recent US$191 mn acquisition of Caresoft Global's engineering solutions business is a strategic step-change in this diversification journey. It enhances KPIT's CV capabilities covering software benchmarking, cost optimization, and downstream engineering for CVs and strengthens its foothold in the U.S. CV market (which is more resilient and less cyclical than PVs). It also offers entry into China via Caresoft's strong relationships with local new energy vehicle (NEV) OEMs. This significantly broadens KPIT's revenue base while improving utilization of its multi-disciplinary talent pool and horizontal engineering expertise.

The company is also in the process to operationalize, commercialize & extend its breakthrough **sodium-ion technology for long-term opportunities in mobility & energy storage applications & sustainable electric commercial vehicles (e-CVs),** which could offer optionality in future growth pools.

Overall, this geographic and portfolio diversification lowers revenue concentration risk, strengthens KPIT's positioning in structurally growing segments, and enhances its ability to sustain high growth even during PV industry downcycles.

M&A led capability building

KPIT has consistently **used M&A** as a strategic lever to fast-track entry into new technologies and markets, build scale, add value to its offerings and create cross-selling synergies, while ensuring that most deals have been EPS-accretive, thus improving its profitability at a much faster pace.

KPIT recently announced its biggest acquisition in the past five years by acquiring the carved-out engineering solutions business of Caresoft which further strengthens its offerings beyond PVs into CVs and broadens its presence in adjacent areas of trucks and off-highways. KPIT expects business synergies through i) reducing costs and engineering services for the CV and off-highway segments; ii) entering into software benchmarking - a niche, high-value service line that can be cross-sold to KPIT's top 25 accounts; and iii) accelerating its entry into the China market.

Its investment in Technica has augmented its capabilities in device networking, E/E architecture and streamlining vehicle engineering with agile methodologies, which complement its architecture and middleware consulting vertical which witnessed exponential growth at 57.7% CAGR over FY22-25. We believe Technica's service offerings are unique and augur well to capture the high-growth areas in new-age mobility and achieve operational benchmark, thus helping KPIT to stay relevant.

These targeted acquisitions have **created deep technical moats, enabled rapid scaling of newer high-growth service lines, and supported margin accretion through operating leverage** as KPIT integrates and cross-utilizes acquired talent and IP across clients. **Accordingly, we bake in EBITDA margins of 21%/21.6%/22% in FY26E/FY27E/FY28E respectively.**

Qorix JV - KPIT and ZF have invested their capabilities in IP/assets to develop standardized off-the-shelf middleware solutions.

JV partner (50:50) - ZF, a global technology company supplying advanced mobility products & systems for passenger cars, CVs & industrial solutions. In Mar'25, Qualcomm joined the JV as a strategic minority investor,

Rationale - Aim is to develop scalable, off-the-shelf middleware solutions. This initiative addresses the growing need for standardized, modular, and integrated software platforms in SDVs, reducing redevelopment and integration time for OEMs.

Investment - Initial contribution of €5mn and related IPs. The companies entered into an MOU in Q4FY23, with marginal revenue generation commencing in Q2FY25.

Exhibit 6: Acquisition led capability building over the years

Fiscal Year	Company	Stake acquired	Acquisition Cost	Rationale
FY25-26	Caresoft	100%	USD 157 mn	Strengthens KPIT's Vehicle Engineering & Design and Truck, Off-Highway offerings. It will also accelerate KPIT's foray in China market and provide entry in the software benchmarking space
FY24-25	N-Dream AG	26%	Euro 6 mn	The acquisition strengthens KPIT's embedded software solutions for the mobility Industry.
FY24-25	PathPartner	100%	INR 1,910 mn	Strengthens KPITs software integration capabilities and will help deliver complex software solutions for new-age vehicle architectures. It also provides early access to semiconductor technologies by leveraging PathPartner CoEs and technical assets for automotive OEMs and Tier 1s.
FY23-24	Future Mobility Solutions GmbH	100%	Euro 15.2 mn	Strengthens KPIT's offerings in software and feature development in autonomous driving, ADAS & vehicle safety and integration & validation.
FY22-23	Technica Engineering	100%	Euro 110 mn	Strengthens KPIT towards offering for one-stop shop for the automotive industry to transform towards SDV. Technica specializes in production-ready system prototyping (combination of network system architecture, hardware prototyping, integration), automotive ethernet products, and tools for validation.
FY22-23	SOMIT Solutions Limited	65%	Euro 7.7 mn	Complements KPIT's aftersales diagnostics platform and strengthens its position to cater the multi-billion automotive aftersales industry.

Source: Company, ICICI Direct Research

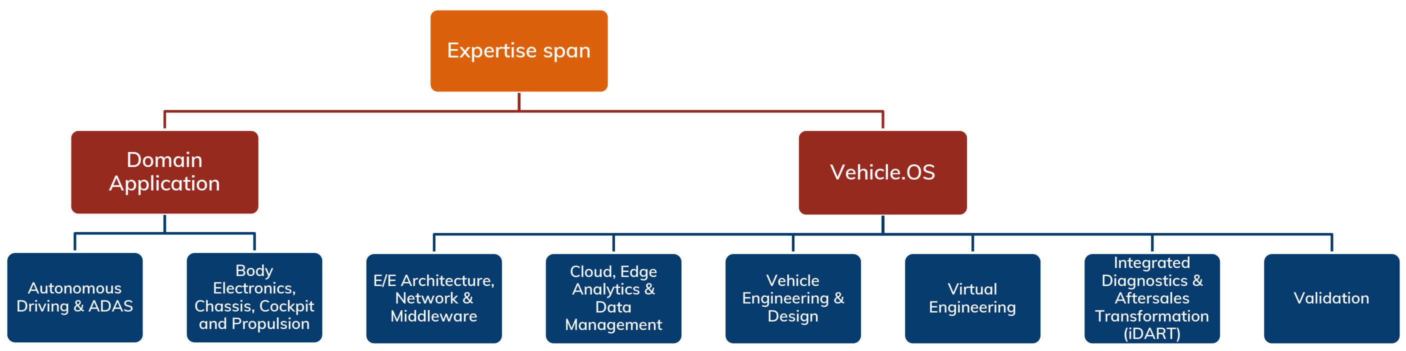
Domain leadership in Technology & Middleware

The shift to SDVs is dramatically increasing the software and electronics complexity in modern vehicles, requiring OEMs to re-architect vehicle platforms. This is creating strong demand for middleware solutions that allow seamless interoperability between hardware and software from multiple vendors, an area where KPIT has unique capabilities.

KPIT has deep expertise across powertrain, chassis, E/E architecture, ADAS, middleware, and application layers, with a strong record of delivering large, complex programs for top global OEMs. Its Architecture & Middleware Consulting business has grown at a 57.7% CAGR over FY22–25, driven by demand for domain controller-based E/E architectures, cloud-based connectivity stacks, and service abstraction layers.

This leadership in vehicle software integration and middleware, combined with its early investments in AI-based accelerators (KGPT, Copilot, engineering agents) to boost development productivity, makes KPIT a critical engineering partner embedded in clients' long-term product roadmaps. This creates high entry barriers and sticky revenue streams, supporting sustainable growth and margin expansion. With service offerings centered around technological transformation in the automotive industry, KPIT has demonstrated expertise in the following key areas:

Exhibit 7: KPIT's expertise areas



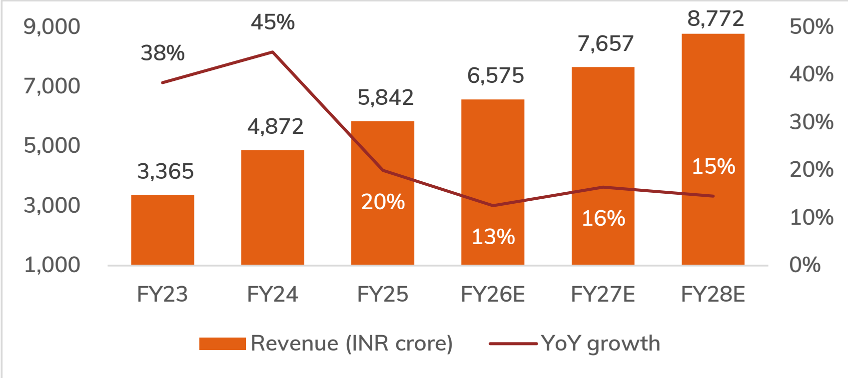
Source: Company, ICICI Direct Research

Key Financial Summary

Revenue expected to grow ~14.5% CAGR over FY25-28E

KPIT has reported healthy rupee topline growth at ~22% CAGR in the last 5 years (FY20-25). Going forward, improvement in execution, strong order inflows and expansion in China and India in H2FY26, would continue to drive revenue growth. (~14.5% CAGR over FY25-28E).

Exhibit 8: Trend in Topline

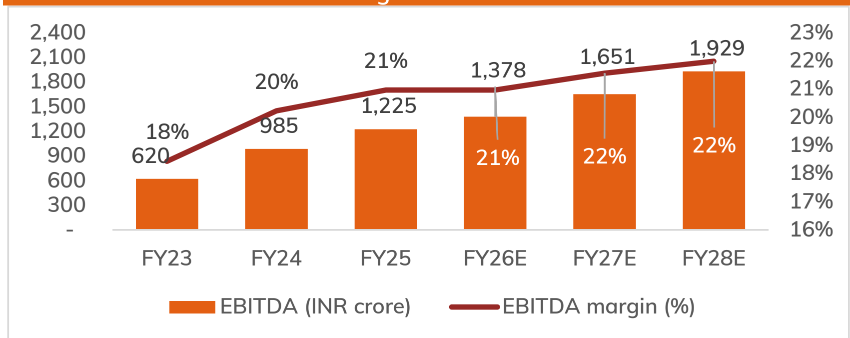


Source: Company, ICICI Direct Research

EBITDA expected to grow ~16% CAGR over FY25-28E

EBITDA margin improved over FY20-25 from 13.7% in FY20 to 21% in FY25 supported by operating leverage, pyramid optimization, and currency tailwinds, despite sector-wide attrition and supply-side cost pressures. Management expects growth momentum to resume from H2FY26, led by project execution and higher demand from OEMs across key markets, while maintaining an EBITDA margin of 21% in the foreseeable future, assuming reasonable currency stability. Going ahead, we estimate EBITDA margin to improve further gradually to 22% by FY28E.

Exhibit 9: Trend in EBITDA & Margins

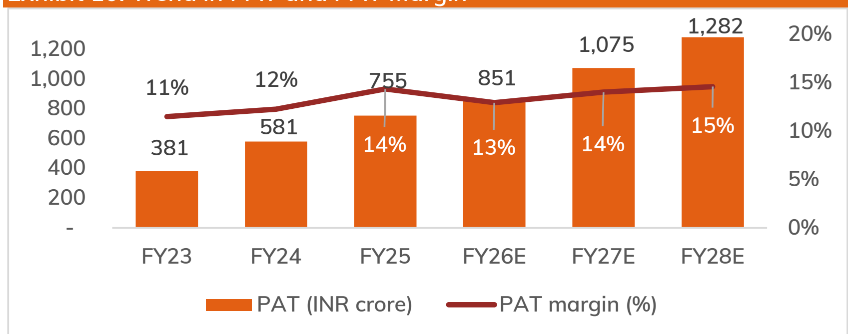


Source: Company, ICICI Direct Research

PAT expected to grow ~19% CAGR over FY25-28E

We expect KPIT to scale its JVs and acquisitions with full potential and support PAT level by early FY27 and thus we expect PAT to grow at a CAGR of ~19% over FY25-28E. The PAT margin is also set to improve from 12.9% in FY25 to 14.6% by FY28E.

Exhibit 10: Trend in PAT and PAT Margin

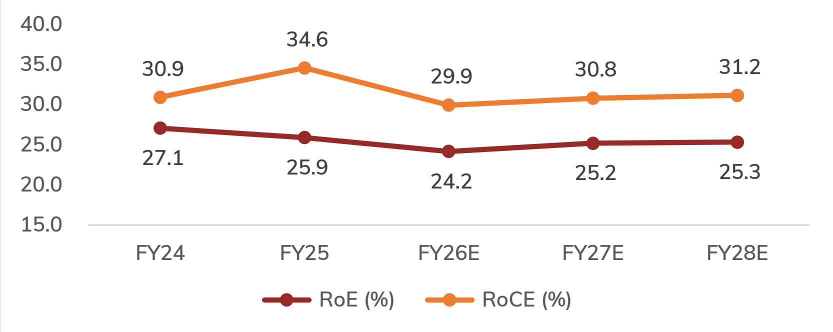


Source: Company, ICICI Direct Research

Return ratios to improve over FY25-28E

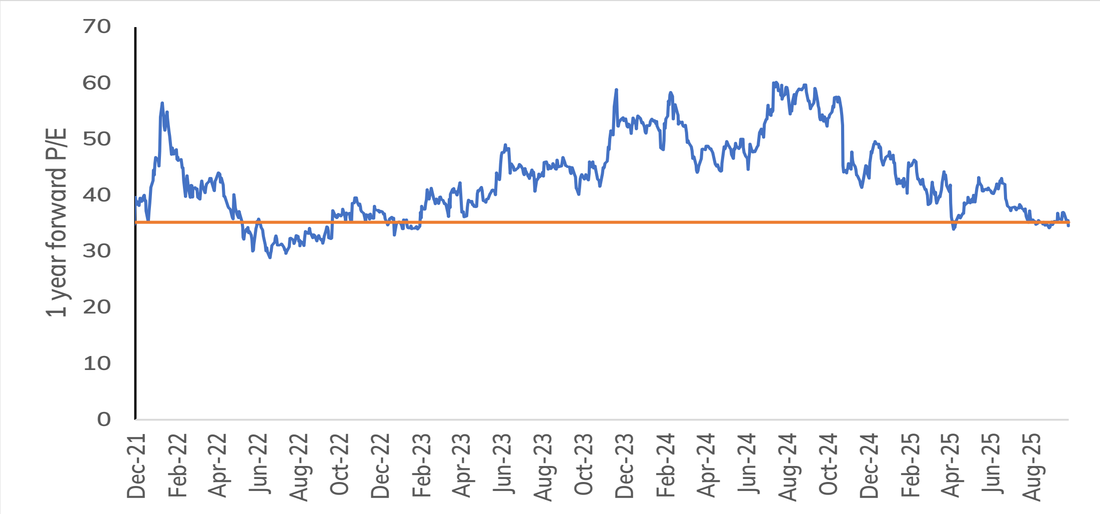
Going ahead, we expect return ratios to improve, led by improvement in operational efficiency & increase in profitability. We estimate gradual improvement in RoE from FY26E onwards to 25% over FY26-28E. Similarly, RoCE is expected to expand from 29.9% in FY26E to 31.2% over FY26-28E.

Exhibit 10: Trend in Return Ratios



Source: Company, ICICI Direct Research

Exhibit 11: Historical 1 year forward PE and average 1 year forward PE trend (Avg. PE = ~35.22x, currently at ~34.53x)



Source: Company, ICICI Direct Research

Risk and Concerns

- **High Dependence on Automotive Cyclicality:** KPIT generates nearly all its revenue from the automotive sector, making it vulnerable to industry downturns. Any slowdown in global auto sales, regulatory uncertainties around EV adoption, or supply chain disruptions, such as semiconductor shortages, could delay client (OEMs and Tier 1 suppliers) R&D spending and affect revenue momentum. While the company benefits from secular megatrends like electrification and SDVs, its performance remains closely tied to the automotive industry's cyclical nature.
- **Client Concentration Risk:** A significant portion of KPIT's revenue comes from top clients, including major OEMs like BMW and Honda. Loss of a key client, reduced R&D budgets, or loss of a key program or vendor consolidation away from KPIT could materially impact growth and financials, despite long-standing client relationships.
- **Geopolitical and trade risk:** Rising global geopolitical tensions, trade disputes, and tariff uncertainties may indirectly affect clients' spending and investment decisions, impacting KPIT's business.
- **Integration and execution risk from acquisitions:** KPIT's inorganic growth strategy relies on successful integration of acquired companies. Failure to achieve operational synergies or manage disruptions could weigh on performance and investor returns.
- **Talent Retention and Cost Pressures:** The ER&D sector is highly talent-driven. Rising attrition, wage inflation, and competition for skilled engineers, particularly in embedded software, AUTOSAR, and EV technologies, could pressure utilization, delivery timelines, and margins.

Financial Summary

Profit and loss statement					₹ crore
(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenues	4,872	5,842	6,575	7,657	8,772
Growth (%)	44.8	19.9	12.5	16.4	14.6
Employee Benefit Expense	3,112.0	3,699.3	4,163.0	4,857.2	5,538.4
Other Expenses	774.3	918.0	1,033.8	1,148.5	1,305.0
EBITDA	985	1,225	1,378	1,651	1,929
Growth (%)	58.8	24.4	12.5	19.8	16.8
Depreciation	195.8	225.0	259.3	291.0	324.6
Other Income	66.4	172.0	77.4	101.9	121.9
Interest	54.8	42.4	44.1	36.0	32.0
Share of profit/(loss) of joint venture and associate (net of tax)	(0.5)	2.8	(11.1)	8.0	16.0
PBT	**800**	**1,133**	**1,141**	**1,434**	**1,710**
Growth (%)	61.1	41.5	0.8	25.6	19.2
Tax	201.9	292.9	290.3	358.5	427.5
PAT before Exceptional Items	**599**	**840**	**851**	**1,075**	**1,282**
Minority interest	4	-	-	-	-
Exceptional items	13	85	-	-	-
PAT after exceptional items	**581**	**755**	**851**	**1,075**	**1,282**
Growth (%)	52.5	29.8	12.8	26.4	19.2
Diluted EPS	21.8	30.7	31.3	39.5	47.2
EPS (Growth %)	**56.0**	**40.9**	**1.8**	**26.5**	**19.2**

Source: Company, ICICI Direct Research

Cash flow statement					₹ crore
(₹ Crore)	FY24	FY25	FY26E	FY27E	FY28E
Profit after tax	**598.5**	**839.6**	**851.0**	**1,075.4**	**1,282.4**
Finance cost	54.8	42.4	44.1	36.0	32.0
Depreciation	195.8	225.0	259.3	291.0	324.6
Others	(66.4)	(172.0)	(77.4)	(101.9)	(121.9)
Change in working capital	(33.8)	77.6	(51.7)	27.1	28.0
CF from operations	**749.0**	**1,012.6**	**1,025.3**	**1,327.6**	**1,545.1**
Other Investments	15.5	(243.8)	77.4	101.9	121.9
(Purchase)/Sale of FA	(259.7)	(284.7)	(197.3)	(229.7)	(263.2)
Intangible Assets and goodwill	(192.5)	51.9	-	-	-
CF from investing Activities	**(436.7)**	**(476.6)**	**(119.9)**	**(127.8)**	**(141.3)**
Inc / (Dec) in Equity Capital	29.9	102.3	-	-	-
Inc/(Dec) in borrowings/lease liab	42.2	16.1	-	-	-
Dividend & Dividend tax	(128.7)	(192.8)	(244.7)	(326.3)	(489.5)
Interest Paid on Loans	(54.8)	(42.4)	(44.1)	(36.0)	(32.0)
NCI	-	-	-	-	-
CF from Financial Activities	**(111.4)**	**(116.7)**	**(288.8)**	**(362.3)**	**(521.5)**
Net change in cash	200.8	419.3	616.7	837.5	882.3
Opening cash	454.2	655.0	1,074.3	1,691.0	2,528.4
Closing cash	**655.0**	**1,074.3**	**1,691.0**	**2,528.4**	**3,410.8**

Source: Company, ICICI Direct Research

Balance sheet					₹ crore
(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Equity	**271.2**	**271.7**	**271.7**	**271.7**	**271.7**
Reserves & Surplus	1,875	2,640	3,247	3,996	4,789
Networth	2,146	2,912	3,518	4,268	5,061
Total debt	44.74	1.53	1.53	1.53	1.53
Minority Interest	17	-	-	-	-
Other liabilities	560	476	476	476	476
Source of funds	**2,767**	**3,390**	**3,996**	**4,745**	**5,538**
Fixed assets	543	594	584	581	584
CWIP	1	9	9	9	9
Intangible assets	284	205	153	95	30
Goodwill	1,146	1,173	1,173	1,173	1,173
Non current investments	8	194	194	194	194
Other non current assets	170	148	148	148	148
Current Investments	86	238	238	238	238
Cash & Bank Balance	771	1,268	1,885	2,722	3,605
Inventories	90	85	95	111	127
Debtors	749	755	811	944	1,081
Other current assets	320	364	433	504	577
Trade payables	240	178	216	252	288
Other Current liabilities	1,161	1,465	1,510	1,722	1,940
Application of funds	**2,767**	**3,390**	**3,996**	**4,745**	**5,538**

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per share data (₹)					
Diluted EPS	21.4	27.8	31.3	39.5	47.2
BV	79.2	107.2	129.4	156.9	186.1
DPS	6.7	8.5	9.0	12.0	18.0
Cash Per Share	24.2	39.6	62.2	93.0	125.4
Operating Ratios (%)					
EBITDA Margin	20.2	21.0	21.0	21.6	22.0
PAT Margin	11.9	12.9	12.9	14.0	14.6
Debtor days	56	47	45	45	45
Creditor days	18	11	12	12	12
Return Ratios (%)					
RoE	27.1	25.9	24.2	25.2	25.3
RoCE	30.9	34.6	29.9	30.8	31.2
RoIC	42.6	53.4	60.1	76.6	95.2
Valuation Ratios (x)					
P/E	56.9	43.9	39.0	30.8	25.9
EV / EBITDA	32.8	25.8	22.5	18.3	15.2
Market Cap / Sales	6.8	5.7	5.0	4.3	3.8
Price to Book Value	15.4	11.4	9.4	7.8	6.6
Solvency Ratios					
Net Debt/Equity	(0.4)	(0.5)	(0.6)	(0.7)	(0.8)
Debt / EBITDA	0.0	0.0	0.0	0.0	0.0
Current Ratio	0.9	0.8	0.9	0.9	0.9
Quick Ratio	0.9	0.8	0.8	0.8	0.8

Source: Company, ICICI Direct Research

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