

KPIT Technologies

BSE SENSEX	S&P CNX
30,030	9,342
Bloomberg	KPIT IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	25.3 / 0.4
52-Week Range (INR)	197 / 121
1, 6, 12 Rel. Per (%)	0/0/0
Avg Val, INRm	147.7
Free float (%)	83.3

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	33.2	35.3	38.3
EBITDA	3.5	4.2	4.7
PAT	2.1	2.7	3.0
EPS (INR)	11.9	13.4	15.2
Gr. (%)	-15.3	12.6	13.2
BV/Sh (INR)	79.2	92.6	107.8
RoE (%)	14.3	15.6	15.2
RoCE (%)	15.9	17.2	17.0
P/E (x)	10.8	9.6	8.5
P/BV (x)	1.6	1.4	1.2

Estimate change



TP change



Rating change


CMP: INR130
TP: INR150(+15%)
Neutral

Momentum still elusive

- **Revenue driven by acquisition:** KPIT's 4QFY17 revenue of USD128m (+4.4% QoQ) was ahead of our estimate. The quarter included USD4m from the acquisition of MicroFuzzy, excluding which growth was 1.2%, in line with our estimate. Mirroring the past trends, Engineering and Product & Platforms exhibited strength, while growth was weighed upon by softness in IES.
- **Margins yet to show meaningful expansion:** EBITDA margin at 10.1% was flattish and at par with expectations. 4Q profitability was impacted by INR appreciation and additional costs associated with the acquisition. EBITDA margin contracted 600bp YoY due to missing revenue growth, continued investments and operational inefficiencies. PAT of INR537m grew 13.1% QoQ, above our estimate of INR451m (+5.0% QoQ).
- **Guidance fails to enthuse:** FY17 was a dismal year, where USD revenue was flat YoY, EBITDA margin shrunk 300bp and PAT declined 25% YoY. The company expects 6-8% growth in FY18. A 2pp contribution from MicroFuzzy would imply organic growth of 4-6%, which does not signify a material uptick. The margins outlook remains positive, but not to the extent that lost profitability would be recovered.
- **Revenue revival key to re-rating:** Amid sluggish revenue growth and execution issues, profitability is likely to remain under pressure. We have largely maintained estimates as the only difference between expectations and actual performance was the timing mismatch of the acquisition integration. Inconsistent revenue performance and consequent volatility in profits are the key drags on KPIT's valuation. We maintain Neutral with a price target of INR150—discounting FY19E EPS by 10x. We expect valuation uptick to be a function of a material pick-up in performance, which remains elusive at the moment.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	Est. 4QFY17	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	118	125	123	124	120	123	123	128	490	494	124	3.2
QoQ (%)	-3.3	5.3	-1.0	0.7	-3.5	3.0	-0.4	4.4	0.3	0.8	1.2	319bp
Revenue (INR m)	7,583	8,123	8,130	8,407	8,032	8,310	8,307	8,585	32,243	33,234	8,284	3.6
YoY (%)	9.9	7.2	4.3	10.2	5.9	2.3	2.2	2.1	7.8	3.1	-1.5	358bp
GPM (%)	28.2	32.1	32.9	35.3	28.9	29.5	29.0	29.2	32.2	29.1	28.9	26bp
SGA (%)	18.7	18.1	18.3	19.1	18.3	18.5	18.8	19.0	18.6	18.7	18.9	14bp
EBITDA	718	1,139	1,186	1,359	855	914	846	870	4,353	3,486	830	4.9
EBITDA Margin (%)	9.5	14.0	14.6	16.2	10.7	11.0	10.2	10.1	13.5	10.5	10.0	12bp
EBIT Margin (%)	7.3	11.9	12.3	13.6	8.3	8.6	7.9	7.3	11.4	8.0	7.6	-36bp
Other income	106	86	36	20	116	49	29	12	248	207	20	-36.4
Interest	47	44	35	25	56	14	66	0	152	136	63	-99.3
ETR (%)	27.9	25.4	26.5	13.4	24.3	25.1	23.1	15.3	22.8	22.2	23.1	
PAT	444	751	735	885	551	562	475	537	2,815	2,125	451	19.1
QoQ (%)	-11.8	69.1	-2.1	20.4	-37.8	2.0	-15.5	13.1			-5.0	1811bp
YoY (%)	-12.6	6.3	12.5	75.7	24.0	-25.2	-35.4	-39.3	18.7	-24.5	-49.0	972bp
EPS (INR)	2.2	3.8	3.7	4.4	2.8	2.8	3.7	2.7	14.1	11.9	2.3	
Headcount	10,839	10,659	10,559	10,910	11,288	11,666	11,881	12,110	10,910	12,110	11,770	2.9
Util excl. trainees (%)	66.4	69.7	69.1	70.2	68.1	69.2	69.2	69.2	68.8	68.9	70.0	-80bp
Offshore rev. (%)	44.7	44.9	41.2	42.1	41.5	43.3	43.6	43.4	43.2	43.0	43.8	-43bp
Fixed Price (%)	26.2	27.1	29.1	26.4	28.5	28.0	33.7					

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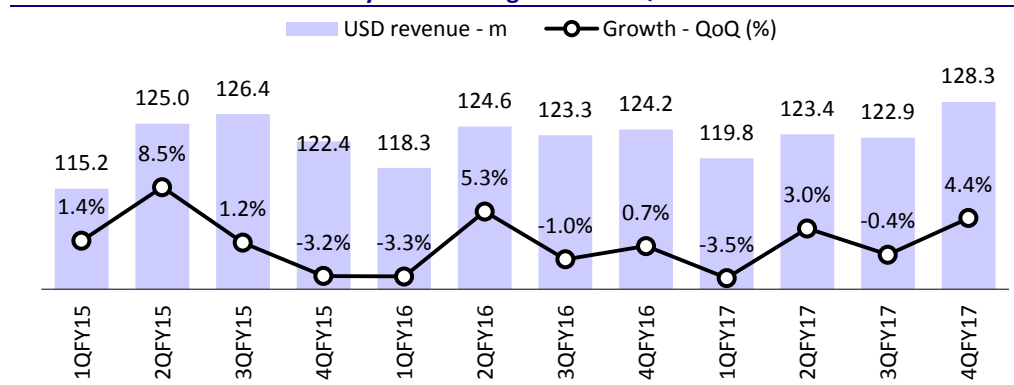
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4QFY17: Revenue growth led by acquisitions

- 4Q revenue grew by 4.4% QoQ to USD128m, beating estimates of 1.2% growth.
- The quarter's growth included USD4m from the integration of MicroFuzzy, a recently acquired automotive engineering company based in Germany. Excluding this, revenue was in line with our expectation.
- In Rupee terms, revenue was INR8,585m, 3.3% QoQ, v/s our estimate of INR8,284m (-0.3% QoQ).

Exhibit 1: Addition of MicroFuzzy resulted in growth in 4QFY17

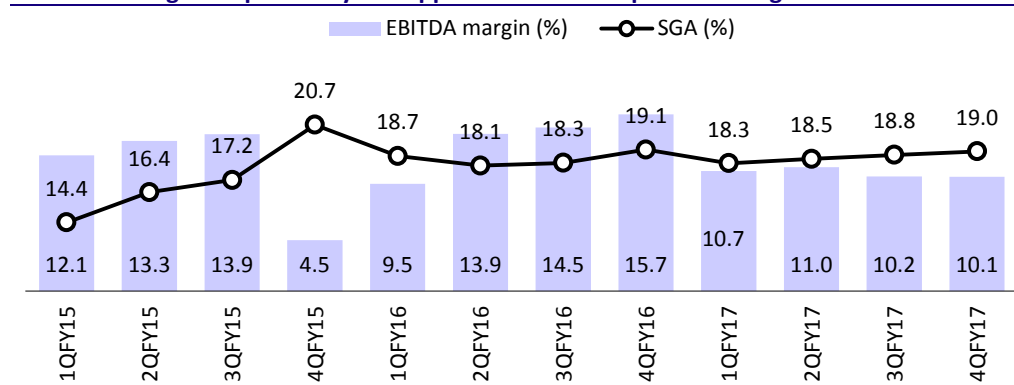


Source: MOSL, Company

Margins remain flat; multiple levers present

- Gross margin expanded 20bp QoQ to 29.2% (estimate of 28.9%) and EBITDA margins were down 10bp QoQ to 10.1% (estimate of 10.0%).
- Margins were led lower by INR appreciation (-40bp), integration costs related to MicroFuzzy and increased travelling expenses.
- Utilization didn't materially pick-up in 4Q at 68.3% offshore, against 67.8% in the previous quarter. Over the last couple of quarters, the company added freshers, but the company lacked revenue growth. This resulted in operational inefficiencies, causing subdued profitability.

Exhibit 2: Margins impacted by INR appreciation and acquisition integration costs



Source: MOSL, Company

- Adjusted PAT was at INR537m (13.1% QoQ); was higher than our estimate of INR451m (-5.0% QoQ), primarily led by higher revenue.

Segment-wise performance: Growth led by Engineering

- In terms of geographies, Europe led growth (20.1% QoQ) because of the integration of MicroFuzzy, which is based in Germany. US was soft at 0.2% QoQ growth.
- Among SBU's, IES (-3.3% QoQ) and Digital Transformation (-6.8% QoQ) saw a decline. Growth was seen in Product Engineering Services (14.5% QoQ) and Products & Platforms (10.3% QoQ).
- Amongst verticals, Automotive and Transportation grew on the back of the acquisition. Manufacturing revenue declined by 4.6% QoQ and that in Energy & Utilities grew by 2.5% QoQ. In terms of geographies, while USA grew by 4.2% QoQ, Europe declined by 11.1% QoQ.

Exhibit 3: MicroFuzzy (Germany-based) leads Europe growth

Geographies	Contr. to 4Q Rev. (%)	Growth – QoQ (%)	Growth – YoY (%)
USA	67.7	-0.2	0.2
Europe	16.8	20.1	-5.2
Rest of the world	15.6	4.0	21.9

Source: Company, MOSL

Exhibit 4: IES pressure continues

Lines of Business	Contr. to 4Q Rev. (%)	Growth – QoQ (%)	Growth – YoY (%)
IES	27.7	-3.3	-7.1
Product Engineering Services	35.2	14.5	5.7
Products & Platforms	4.2	10.3	11.1
SAP	22.7	0.4	3.1
Digital Transformation	10.3	-6.8	12.6

Source: Company, MOSL

Exhibit 5: Energy & Utilities subdued YoY

Verticals	Contr. to 4Q Rev. (%)	Growth – QoQ (%)	Growth – YoY (%)
Automotive & Transportation	41.3	7.2	7.8
Manufacturing	33.8	-4.6	-1.5
Energy & Utilities	14.0	2.5	-20.8
Others	11.0	18.4	41.5

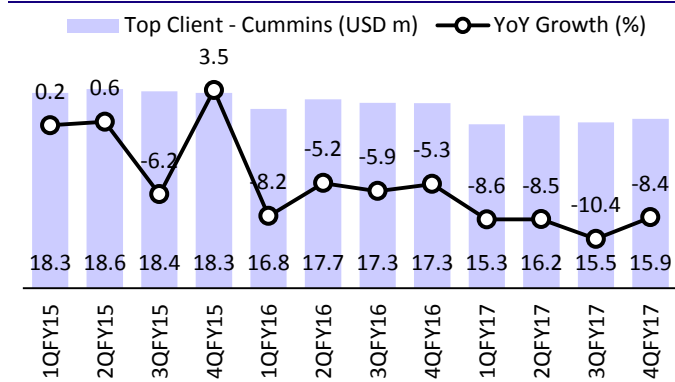
Source: MOSL, Company

- Revenues from the top client were stable and exhibited 1% QoQ growth. The account had been under pressure for the last six quarters. The outlook for growth in the top client had been subdued given the difficulties Cummins is facing in multiple areas.

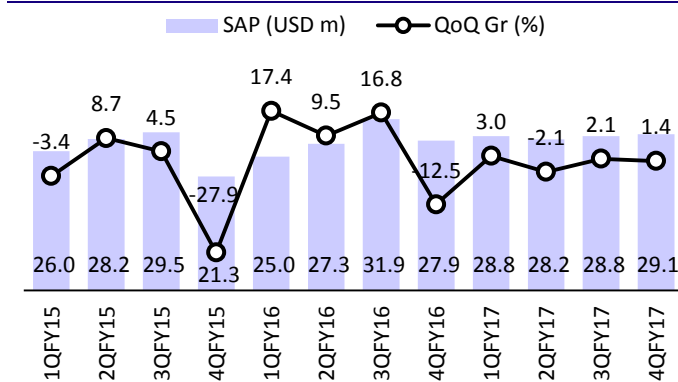
Exhibit 6: Top client stable in 4QFY17

Top Clients	Contr. to 4Q Rev. (%)	Growth – QoQ (%)	Growth – YoY (%)
Top Client - Cummins	12.4	2.1	-8.4
Top 2-5 Clients	14.1	1.6	22.5
Top 6-10 Clients	11.0	32.8	49.2

Source: Company, MOSL

Exhibit 7: Cummins has declined by 9% in FY17

Source: MOSL, Company

Exhibit 8: SAP steady since a couple of quarters

Source: MOSL, Company

Takeaways from Management Commentary

- **Growth guidance of 6-8%:** KPIT's growth guidance for FY18 was 6-8%. This includes revenue from the acquisition of MicroFuzzy. The three key drivers for growth in the next year are expected to be [1] Engineering, [2] Digital and [3] Products and Platforms.
- **Products starting to see traction:** During the quarter REVOLO completed a successful pilot with Karnataka State Tourism Department. Its buses have received orders in two states, and it expects the launch of bikes by July this year.
- **Expect improved profitability:** Over the last three quarters, KPIT has ramped up fresh hiring to rationalize its pyramid. In the process, it has hired 1,200 people, of which most are freshers. However, revenue growth has failed to revive creating operational inefficiencies. The company expects improved profitability as these freshers get seeped into projects. Another level for better margins would be the change in business mix, led by higher growth from the areas of Engineering, Digital and Products and Platforms.
- **Legacy portfolio stabilizing:** KPIT's Digital portfolio has been cutting across its business units. It has been focusing on increasing presence in Hybris, S4, HANA in SAP and Cloud and Master Data Management in Oracle. With these areas contributing to a higher proportion of revenue, IES is expected to stabilize in the next year in terms of revenue.

Change in estimates: Upward revision of 3/2% in FY17/18 estimates

- Earlier, we were building in revenue from MicroFuzzy starting 1QFY18. However, the integration happened in 4QFY17, and the quarter saw revenue from that.
- Although this has only changed the time the revenue is recognized (relative to our expectations), it has also improved the exit rate heading into the next year.
- Because of this, we have increased our revenue estimates by 2.3/1.7% for FY18/19. We expect revenue growth of 7.8% (5.8% organic) in FY18E and 7.6% in FY19E.
- Our view remains the same on margins, and we expect improvement here to be hinged on to a pick-up in revenue growth, and operational efficiency improvement. Our assumption of the freshers being utilized and relative uptick in organic revenue growth (5.8% in FY18 versus 0% in FY17) leads us to expect 150bp margin expansion in FY18. This however is still distant from the 14% EBITDA margin seen in FY16.

- Our EPS estimates for FY18/19E have changed by -2.5/1.0%. Lower FY18 estimates are led by differences in our currency assumptions causing variations in translation gain/loss.

Exhibit 9: Change in estimates

	Revised			Earlier			Change		
	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
INR/USD	67.2	66.3	67.3	67.1	67.6	68.5	0.1%	-2.0%	-1.8%
USD Revenue (m)	494.4	532.7	569.4	490.5	520.6	559.9	0.8%	2.3%	1.7%
USD revenue growth (%)	0.8	7.8	6.9	0.0	6.1	7.6	80bp	160bp	-70bp
EBITDA Margin (%)	10.5	12.0	12.2	10.5	12.0	12.2	0bp	0bp	0bp
EPS (INR)	11.9	13.4	15.2	11.5	13.8	15.0	3.8%	-2.5%	1.0%

Source: MOSL, Company

Valuation and view

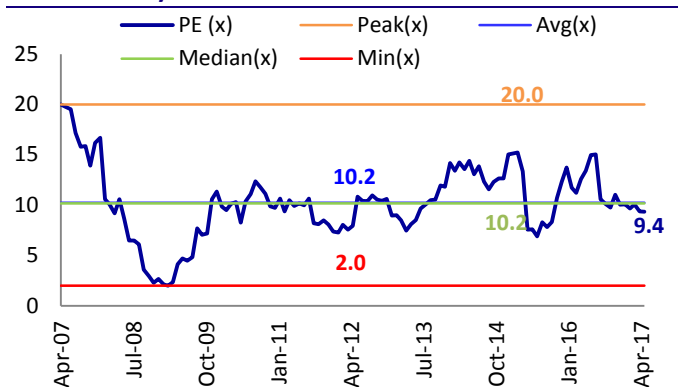
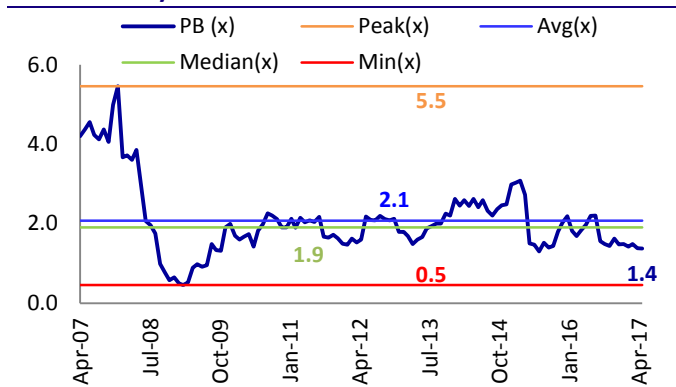
- KPIT has a sharp focus on Automotive Engineering Services, where it has seen sustained growth over the last few years. Its leadership position in the segment, and healthy growth potential in the foreseeable future auger well for overall performance.
- However, KPIT's SAP segment has continued to elude stability – with a significant slump (28% QoQ) in 4QFY15 revenues, followed by a strong rebound of 7% YoY growth in FY16, and moderation at 2% YoY growth in FY17. The shift to cloud through SuccessFactors has hit deal sizes in the segment and KPIT continues to grapple with the same. It has also started facing similar issues in IES, leading to tepid growth expectations for both these segments. IES revenue declined by 11% YoY in FY17. As a result, Product Engineering Services remains the sole growth segment.
- 4QFY15's profitability miss was significant as margins plummeted to the lowest levels in history. While this was marred by multiple one-offs, the company took up the objective of profitability improvement and successfully managed to regain lost ground through FY16. However, this proved out to be unsustainable and reversed in FY17 as the company faced revenue growth pressures.
- The company's aggressive hiring in the absence of growth led to hampered profitability in FY17. The lack of revenue growth and operational inefficiencies are expected to keep profitability resurrection capped. This dual pressure results in expectations of revenue/earnings CAGR of 7.3/12.9% over FY17-19E. KPIT trades at 9.6/8.5x FY18/19E EPS.
- Relatively inferior performance and problems around consistency are likely to keep valuations suppressed, especially in the absence of revenue growth. Consequently, we maintain our NEUTRAL rating, with a one-year price target of INR150, which discounts FY19E earnings by 10x.

Key triggers

- Improved revenue growth outlook and consistency from segments
- Progress on and acceleration in performance in ITS and Revolo
- Reflection of growth measures in financial performance

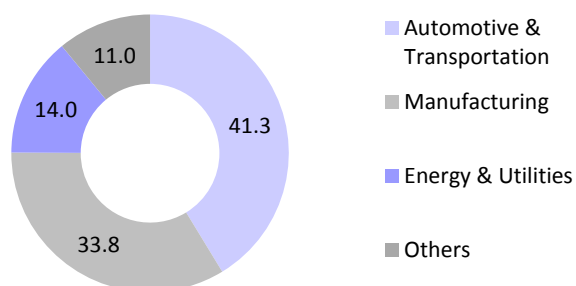
Key risk factors

- Continued sluggishness in revenue growth
- Risk from increasing adoption of cloud based Oracle services
- Failure to resurrect profitability

Exhibit 10: 1-year forward PE band**Exhibit 11: 1-year forward PB band**

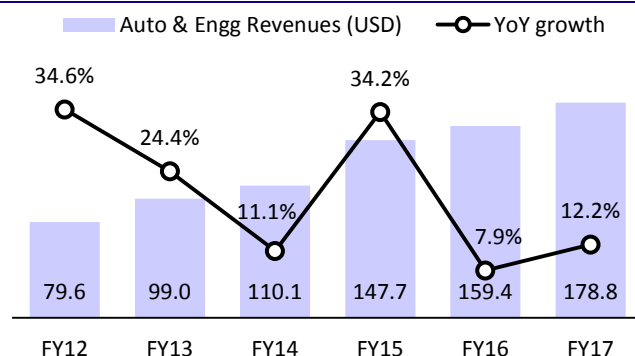
Story in charts

Exhibit 12: Offerings focused on select verticals, with mix of IT and Engg



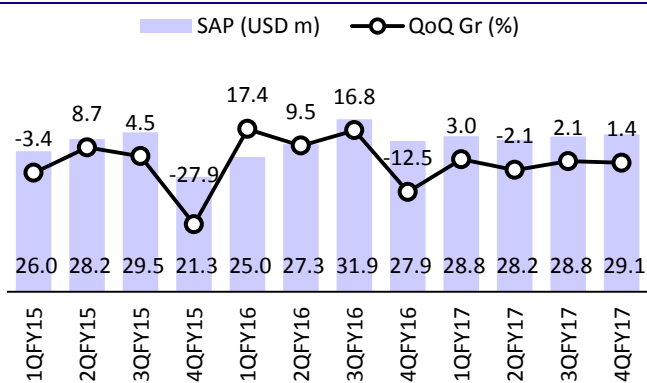
Source: Company, MOSL

Exhibit 13: Auto Engg to be the key growth driver going forward



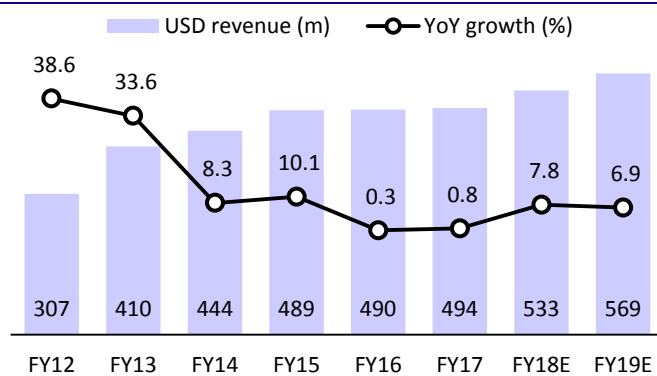
Source: Company, MOSL

Exhibit 14: SAP remains extremely volatile



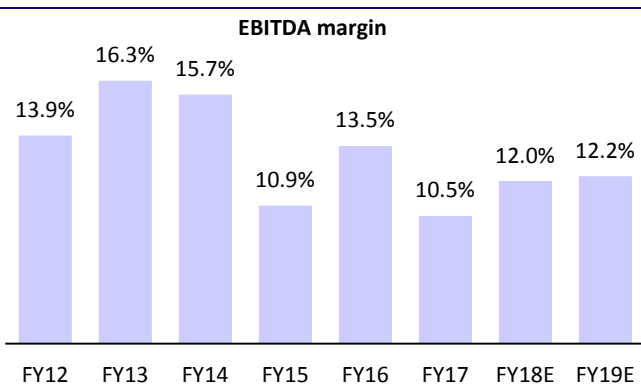
Source: Company, MOSL

Exhibit 15: Organic growth pick-up not material in FY18E



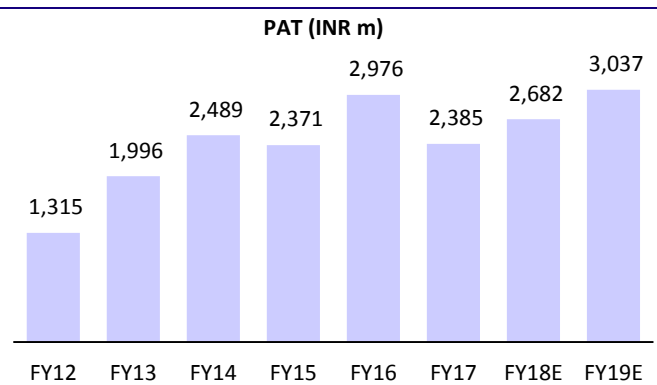
Source: Company, MOSL

Exhibit 16: Margin recovery to be a function of revenue growth



Source: Company, MOSL

Exhibit 17: PAT declined 25% YoY in FY17



Source: Company, MOSL

Operating metrics

Exhibit 18: Operating metrics

	4QFY15	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17
Geography Analysis (%)									
USA	64.5	69.7	67.0	69.6	68.9	67.5	67.2	70.1	67.7
Europe	16.9	16.7	18.2	17.5	18.0	18.4	16.2	14.4	16.8
ROW	18.6	13.6	14.8	13.0	13.1	14.1	16.6	15.5	15.6
LOB Analysis (%)									
Integrated Enterprise Solutions	38.3	39.0	35.1	34.0	33.8	35.8	29.7	29.6	27.7
Auto & Engg	35.1	30.2	31.8	30.2	33.8	31.5	37.8	35.7	39.4
SAP	17.4	21.1	21.9	25.9	22.5	24.0	22.8	23.4	22.7
Business Transformation Unit	9.2	9.7	11.1	9.9	9.9	8.6	9.7	11.4	10.3
Customer Details									
No. of Customers Added	2	2	2	3	3	2	3	2	3
No. of Active Customers	208	210	212	215	218	220	223	225	228
Customers with a runrate of > \$1m	90	87	88	94	94	88	90	89	90
Top Customer - Cummins	14.9	14.2	14.2	14.1	13.9	12.8	13.1	12.6	12.4
Top 5 Customers (%)	30.1	30.7	29.7	27.2	26.8	28.1	27.8	27.2	26.5
Top 10 Customer (%)	41.6	42.2	41.5	39.4	39.3	40.3	38.6	38.9	37.5
Revenue Split (%)									
Onsite Revenues	52.4	55.3	55.1	58.8	57.9	58.5	56.2	57.0	55.8
Offshore Revenues	47.6	44.7	44.9	41.2	42.1	41.5	43.8	43.0	44.2
Contract Type (%)									
T&M	63.7	72.9	72.1	70.6	72.9	71.2	70.9	65.6	63.3
FP	31.3	26.2	27.1	29.1	26.4	28.5	28.0	33.7	35.8
Debtor Days									
Debtor Days	82	85	82	77	75	82	82	76	74
HR - Details									
Development Team:									
Onsite (Avg)	1,534	1,564	1,568	1,635	1,643	1,651	1,634	1,664	1,705
Offshore (Avg)	8,317	8,514	8,416	8,190	8,279	8,553	8,986	9,238	9,413
Onsite FTE	1,316	1,362	1,430	1,474	1,486	1,470	1,464	1,483	1,524
Offshore FTE	5,456	5,654	5,870	5,655	5,813	5,826	6,214	6,267	6,426
Total FTE	6,772	7,016	7,300	7,129	7,299	7,296	7,678	7,750	7,950
Development	10,213	10,062	9,883	9,768	10,095	10,450	10,816	11,017	11,225
Support	586	585	578	586	592	604	608	616	629
Marketing	181	192	198	205	223	234	242	248	256
Total	10,980	10,839	10,659	10,559	10,910	11,288	11,666	11,881	12,110
Utilization (%)									
Onsite	85.8	87.1	91.2	90.2	90.5	89.0	89.6	89.2	89.4
Offshore (Incl. Trainees)	65.6	66.4	69.7	69.1	70.2	68.1	69.2	67.8	68.3

Source: Company, MOSL

Financials and Valuations

Key assumption

Y/E Mar	2012	2013	2014	2015	2016	2017	2018E	2019E
INR/USD Rate	48.5	54.5	60.6	61.1	65.8	67.2	66.3	67.3
Revenues (USD m)	307.3	410.4	444.3	489.0	490.3	494.4	532.7	569.4
Offshore Revenue (%)	52.1	46.2	46.0	46.5	43.2	43.0	44.2	44.4
Total Headcount	7,719	8,321	9,296	10,980	10,910	12,110	12,391	13,152
Net Addition	1,205	602	975	1,684	(70)	1,200	281	761
Per capita productivity (USD)	39,808	49,326	47,798	44,536	44,942	40,824	42,992	43,296
Offshore Utilization (%)	72.6	73.9	72.1	69.3	68.8	68.9	72.7	74.2
Onsite Utilization (%)	91.9	94.1	91.1	89.5	89.7	89.0	90.8	91.8

Income Statement

(INR Million)

Y/E Mar	2012	2013	2014	2015	2016	2017	2018E	2019E
Net Sales	14,897	22,386	26,940	29,899	32,243	33,234	35,294	38,296
Change (%)	47.2	50.3	20.3	11.0	7.8	3.1	6.2	8.5
EBITDA	2,078	3,650	4,233	3,271	4,402	3,486	4,233	4,675
EBITDA Margin (%)	13.9	16.3	15.7	10.9	13.7	10.5	12.0	12.2
Depreciation	445	466	540	851	691	827	1,044	1,129
EBIT	1,633	3,184	3,693	2,420	3,710	2,659	3,189	3,545
Interest	78	154	287	279	152	136	1	1
Other Income	128	-170	-74	345	248	207	319	426
Extraordinary items	100	-13	98	0	0	261	0	0
PBT	1,784	2,847	3,430	2,486	3,806	2,991	3,506	3,970
Tax	437	766	941	114	830	606	824	933
Tax Rate (%)	24.5	26.9	27.4	4.6	21.8	20.3	23.5	23.5
Min. Int. & Assoc. Share	31	86	0	0	0	0	0	0
Reported PAT	1,315	1,996	2,489	2,371	2,976	2,385	2,682	3,037
Adjusted PAT	1,215	2,009	2,391	2,371	2,976	2,124	2,682	3,037
Change (%)	28.2	65.3	19.1	-0.8	25.5	-28.6	26.3	13.2

Balance Sheet

(INR Million)

Y/E Mar	2012	2013	2014	2015	2016	2017	2018E	2019E
Share Capital	356	386	377	377	383	384	384	384
Reserves	6,769	9,976	12,360	12,577	13,424	15,440	18,122	21,159
Net Worth	7,125	10,362	12,736	12,954	13,807	15,823	18,506	21,543
Minority Interest	334	270	0	0	0	18	18	18
Debt	1,189	1,602	1,549	1,211	2,189	1,696	1,096	496
Total Capital Employed	8,649	12,235	14,285	14,165	15,996	17,538	19,620	22,057
Net Fixed Assets	1,853	2,005	2,161	2,328	2,850	3,968	3,723	3,394
Investments	0	2,036	2,957	2,136	2,300	2,498	2,703	2,926
Current Assets	6,983	8,005	10,122	13,149	12,777	14,631	17,852	21,107
Debtors	4,380	4,673	6,743	6,979	6,861	7,843	8,288	8,960
Cash & Bank	1,838	1,921	1,908	4,228	4,333	3,902	6,573	8,913
Loans & Adv, Others	766	1,412	1,471	1,942	1,583	2,886	2,991	3,234
Curr Liabs & Provns	4,714	5,597	6,949	8,536	5,956	7,676	8,776	9,487
Net Current Assets	2,269	2,409	3,173	4,613	6,821	6,956	9,077	11,620
Total Assets	8,649	12,235	14,285	14,165	15,996	17,538	19,620	22,057

Financials and Valuations

Ratios

Y/E Mar	2012	2013	2014	2015	2016	2017	2018E	2019E
Basic (INR)								
EPS	8.0	10.6	12.9	11.8	14.1	11.9	13.4	15.2
Cash EPS	9.1	12.5	14.9	16.3	17.5	14.8	18.7	20.9
Book Value	39.0	52.2	64.6	65.7	69.0	79.2	92.6	107.8
DPS	0.7	0.9	1.1	1.2	1.5	2.0	2.0	2.0
Payout (incl. Div. Tax.)	8.7	8.5	8.6	10.1	10.6	16.8	14.9	13.2
Valuation(x)								
P/E	16.1	12.2	10.0	10.9	9.2	10.8	9.6	8.5
Cash P/E	14.2	10.3	8.7	7.9	7.4	8.7	6.9	6.2
Price / Book Value	3.3	2.5	2.0	2.0	1.9	1.6	1.4	1.2
EV/Sales	1.5	1.1	0.9	0.7	0.7	0.7	0.5	0.4
EV/EBITDA	10.7	6.7	5.7	6.6	5.1	6.3	4.4	3.4
Dividend Yield (%)	0.5	0.7	0.9	0.9	1.2	1.5	1.5	1.5
Profitability Ratios (%)								
RoE	18.5	23.0	20.5	18.4	21.0	14.3	15.6	15.2
RoCE	20.6	30.5	27.5	16.8	24.3	15.9	17.2	17.0
RoIC	20.3	27.2	23.0	20.4	26.2	16.4	18.3	20.7
Turnover Ratios (%)								
Fixed Asset Turnover (x)	8.8	11.5	12.9	13.5	12.6	9.8	9.3	10.9
Debtors (No. of Days)	107.3	76.2	91.4	85.2	77.7	86.1	85.7	85.4
Leverage Ratios (%)								
Net Debt/Equity (x)	-0.1	0.0	0.0	-0.2	-0.2	-0.1	-0.3	-0.4

Cash Flow Statement

(INR Million)

Y/E Mar	2012	2013	2014	2015	2016	2017	2018E	2019E
Adjusted EBITDA	1,978	3,663	4,135	3,271	4,402	3,225	4,233	4,675
Non cash opr. exp (inc)	-103	-1,377	-1,375	-121	-1,004	-194	-740	-607
(Inc)/Dec in Wkg. Cap.	-870	-1,083	-1,730	880	-2,103	-566	550	-203
Other operating activities	0	0	0	0	0	0	0	0
CF from Op. Activity	1,005	1,204	1,030	4,029	1,295	2,465	4,043	3,864
(Inc)/Dec in FA & CWIP	-3,002	-1,730	-2,023	-1,184	-1,214	-1,944	-800	-800
Free cash flows	-1,998	-526	-994	2,845	81	521	3,243	3,064
(Pur)/Sale of Invt	174	-1,769	112	85	0	0	0	0
Others	0	0	0	0	0	0	0	0
CF from Inv. Activity	-2,828	-3,499	-1,912	-1,099	-1,214	-1,944	-800	-800
Inc/(Dec) in Net Worth	65	1,706	75	0	0	0	0	0
Inc / (Dec) in Debt	1,091	1,192	951	-610	318	-674	-601	-601
Divd Paid (incl Tax) & Others	405	-148	-140	-184	-2,970	-3,317	-3,008	-3,161
CF from Fin. Activity	1,561	2,749	886	-794	-2,652	-3,991	-3,610	-3,762
Inc/(Dec) in Cash	-263	454	4	2,136	-2,571	-3,470	-367	-698
Add: Opening Balance	2,100	1,467	1,904	2,092	6,904	7,371	6,940	9,611
Closing Balance	1,838	1,921	1,908	4,228	4,333	3,902	6,573	8,913

Corporate profile

Company description

KPIT Cummins is a leading technology solutions partner for global manufacturing corporations, with special focus on automotive, energy & utilities, industrial equipments and semiconductor industries. With over USD463m revenue (LTM) and 9,933 employees, company continues to focus on its chosen areas to grow, with equal thrust on organic and inorganic approaches.

Exhibit 1: Sensex rebased

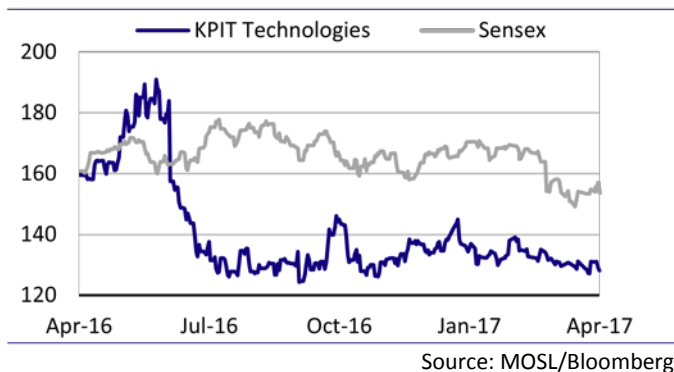


Exhibit 2: Shareholding pattern (%)

	Dec-16	Sep-16	Dec-15
Promoter	16.7	16.7	17.3
DII	1.1	1.4	1.9
FII	57.4	55.8	53.1
Others	24.8	26.0	27.7

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
Warhol Limited	9.9
Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4.6
Van Dyck	3.9
New Horizon Opportunities Master Fund	3.3
Acacia Partners, LP	2.4

Source: Capitaline

Exhibit 4: Top management

Name	Designation
S B Ravi Pandit	Chairman & Group CEO
Kishor Patil	Managing Director & CEO
Sneha Padve	Company Secretary

Source: Capitaline

Exhibit 5: Directors

Name	Name
Adi Engineer	Alberto Sangiovanni Vincentelli
Anant Talaulicar	B V R Subbu
Lila Poonawalla	R A Mashelkar
Sanjay Kukreja	Sachin Tikekar

*Independent

Exhibit 6: Auditors

Name	Type
BSR & Co LLP	Statutory

Source: Capitaline

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY18	14.0	12.2	15.0
FY19	15.8	13.8	14.5

Source: Bloomberg

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