

Capital Goods

KKC - Financials Snapshot (INR b)

Y/E MAR	FY25	FY26E	FY27E
Net Sales	103.4	120.5	140.6
EBITDA	20.7	23.7	27.7
PAT	19.9	23.1	27.1
EPS (INR)	71.7	83.3	97.9
GR. (%)	16.6	16.2	17.6
BV/Sh (INR)	253.2	285.6	323.9
Ratios			
ROE (%)	30.2	30.9	32.1
RoCE (%)	28.9	29.4	30.6
Valuations			
P/E (X)	46.6	40.1	34.1
P/BV (X)	13.2	11.7	10.3
EV/EBITDA (X)	43.6	37.9	32.3
Div Yield (%)	1.2	1.4	1.6

KOEL - Financials Snapshot (INR b)

Y/E MAR	FY25	FY26E	FY27E
Net Sales	51.1	58.4	67.5
EBITDA	6.5	7.6	9.1
PAT	4.2	4.9	5.9
EPS (INR)	28.8	33.6	40.9
GR. (%)	15.1	16.7	21.8
BV/Sh (INR)	205.6	232.4	265.0
Ratios			
ROE (%)	14.9	15.3	16.4
RoCE (%)	14.3	15.0	16.1
Valuations			
P/E (X)	29.6	25.3	20.8
P/BV (X)	4.1	3.7	3.2
EV/EBITDA (X)	18.6	15.7	12.7
Div Yield (%)	0.7	0.8	1.0

Genset demand improvement continues

Genset channel checks

Our genset channel checks indicate that demand momentum is building up and inquiry levels have increased from Apr'25 onwards. Volumes have improved by nearly 10-12% from 4QFY25 levels, though they remain lower 15-20% YoY on account of the genset industry's high base in 1QFY25, fueled by pre-buying activities. 1QFY26 will be the last quarter impacted by the base effect of CPCB 2 gensets, after which it will be a like-to-like comparison. Pricing is broadly stabilizing with only select nodes witnessing pressure. With demand and competition normalizing by 1QFY26, we expect pricing to stabilize thereafter. We expect revenue growth in the overall powergen segment in 1QFY26 to be driven by a 25-28% YoY price hike and a 5-15% YoY decline in volumes for listed players. Export markets may remain volatile in the near term due to geopolitical issues. We maintain our positive stance on genset players and believe that, following this transitory phase, companies with a strong product portfolio and an extensive distribution network will stand ahead of the competition in the medium to long run. We broadly maintain our estimates for KKC and KOEL and reiterate BUY on both KKC (TP: INR4,100) and KOEL (TP: INR1,150).

Key highlights from our interaction with genset channel partners

Demand has improved sequentially

Demand and inquiry levels have improved quite well since Apr'25. Volumes have increased by 10-12% from 4QFY25 levels, driven by improved construction activity across key areas such as manufacturing, government projects, retail, and hospitality. The summer season, starting Apr'25, has also contributed to the uptick, with increased demand for backup gensets. Demand from the real estate segment, which accounts for 10-15% of overall demand, is improving selectively but remains lower YoY. Meanwhile, demand from the rental market, which accounts for nearly 10% of overall demand, remains weak due to lower acceptance of CPCB 4+ products. We, thus, believe that genset players could see a 10-12% improvement in volumes QoQ and 5-15% decline in volumes YoY due to the base effect for products up to 750kVA. HHP demand remains strong across both product and project sides, with the segment continuing to grow at 15-20% YoY. KKC continues to maintain its leadership in the HHP segment, while KOEL is actively working to increase its HHP sales. Overall, for the full FY26, we expect industry volumes to improve by 10-15% YoY.

Prices stabilizing with only select nodes witnessing pressure

The powergen industry witnessed a price correction of roughly 10-12% for CPCB 4+ products in FY25, following the initial hikes of 20-40%. This was driven by lower demand, higher competition, and inventory stocking of CPCB 2 products last year. Pricing is now stabilizing, with only smaller nodes up to 300-400kva witnessing a 2-4% QoQ correction. In contrast, nodes of 400kVa and above are witnessing improved demand and stable pricing. KKC's product prices continue to remain at a premium to other players, though select nodes have seen some correction. KOEL has maintained its pricing, while Mahindra Powerol may now contemplate price hikes of 2-4% from next month. Other players like Ashok Leyland and Greaves Cotton continue to price below the top three players.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Distribution reach continues to differentiate players

Although the number of players remains high in the low to mid kVA ranges, distribution reach is the key factor that differentiates them. This is where Cummins and KOEL hold an advantage over other players. Both players have strong dealer, distributor, and OEM networks, which will benefit them in the long run as demand for spares and services begins to pick up for CPCB 4+ products. KOEL had organized various customer and dealer connect events in the last quarter to increase awareness about its product range across the mid kVA to HHP segments. Cummins is the preferred choice where brand, quality, and distribution reach are key considerations—even for HHP. Mahindra Powerol is typically preferred in L1-based contracts due to its pricing. Other players up to the 500kVA range are working to increase their distribution reach, though this will take time. Tata and Eicher Motors are also expanding their presence across various nodes. Baudouin is partnering with other players in the high kVA ranges to increase market penetration and is cheaper in pricing for HHP nodes.

Engineering exports for Apr'25-May'25 up YoY

India's engineering exports have been on the rise since Jul'24 (Exhibit 9). KKC's export revenue growth has historically mirrored overall engineering exports, and we expect this trend to continue going forward. In FY25, Middle East and Latin America exports contributed 20%/32% of overall KKC's exports. KOEL is still at a nascent stage as far as export markets are concerned and is currently focusing on the Middle East and US markets. Any geopolitical tensions in the Middle East could impact exports for these companies in the near term.

Key monitorables over next few months

We believe that the high base impact of volumes due to pre-buying will continue to play until 1QFY26, and following that it will be a like-to-like comparison. KKC's revenue for 1QFY25 had normalized to some extent, while KOEL's 1QFY25 revenue continued to reflect the pre-buying impact. In the forthcoming quarters, we will continue to monitor: 1) demand improvement from current levels, 2) product mix of various players across kVA ranges, 3) stability of price points, 4) continuity of HHP demand from the data center market, and 5) recovery in the export markets.

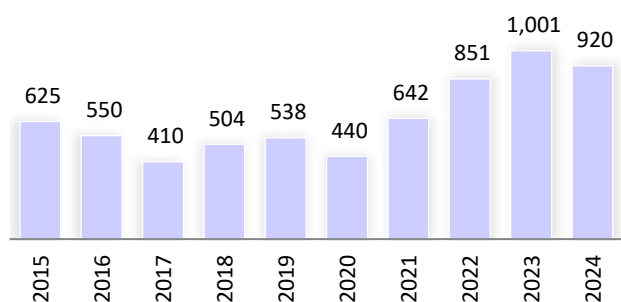
Valuation and recommendation

KKC at INR3,395 is currently trading at 34.1 P/E, and KOEL at INR850 is trading at 17.7x P/E on Mar'27E EPS. We value KKC at 41x P/E on two-year forward estimates and KOEL at 25x P/E on two-year forward estimates for core businesses. We maintain our estimates and reiterate a BUY rating on both KKC (TP: INR4,100) and KOEL (TP: INR1,150).

Volume growth to normalize after pre-buying base effect post 1QFY25

Exhibit 1: Residential real estate launches were strong in the last two years, boosting genset demand. Currently, launches have slowed down and demand is low for residential segment

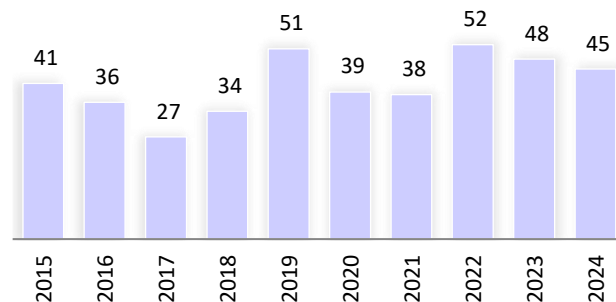
■ New launches (residential - mn sq ft)



Source: Propequity

Exhibit 2: Commercial real estate launches were also strong in the last two years and drove genset demand. Currently, demand is low for commercial due to the pre-buying activity

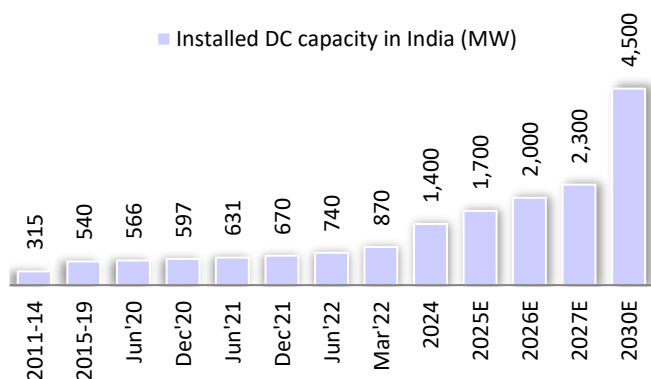
■ New launches (commercial - mn sq ft)



Source: Propequity

Exhibit 3: Data center market is growing fast and seeing investments of USD4-5b for capacity ramp-up (MW)

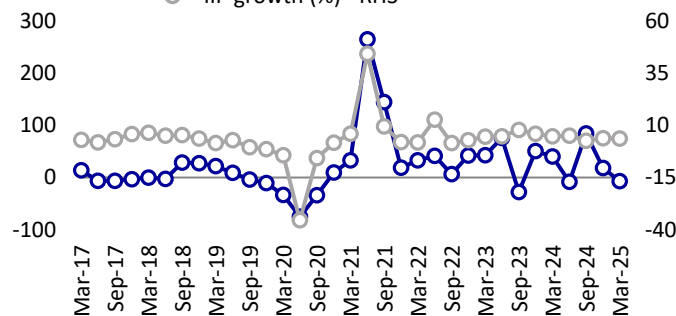
■ Installed DC capacity in India (MW)



Source: CRISIL, MOFSL

Exhibit 4: KKC's powergen sales have a high correlation with IIP growth (%)

● KKC Powergen segment (%) - LHS
○ IIP growth (%) - RHS

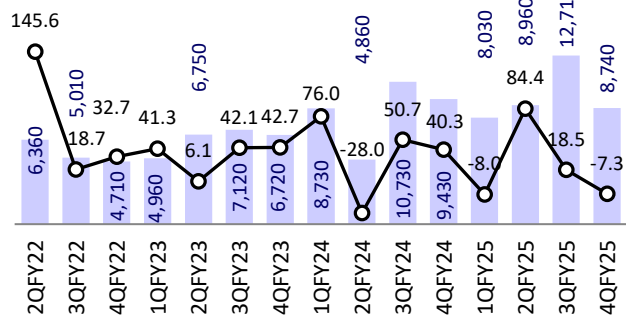


Source: MOSPI, MOFSL

Exhibit 5: Powergen segment sales of KKC were affected largely due to a high base effect from CPCB-II pre-buying in 4QFY24, while the volume decline for KOEL was offset by improved pricing for CPCB 4+ products

KKC's powergen revenue trend (INR m)

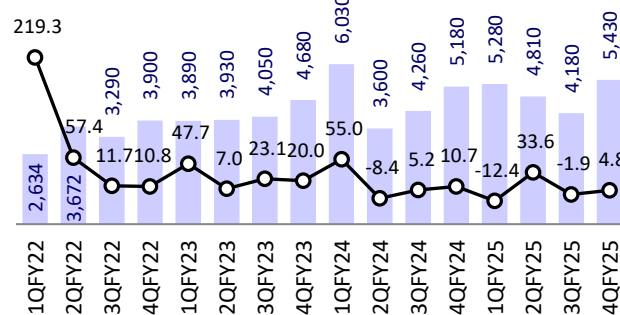
■ Powergen (INR m) — YoY growth (%)



Source: Company, MOFSL

KOEL's powergen revenue trend (INR m)

■ Powergen (INR m) — YoY Growth (%)



Source: Company, MOFSL

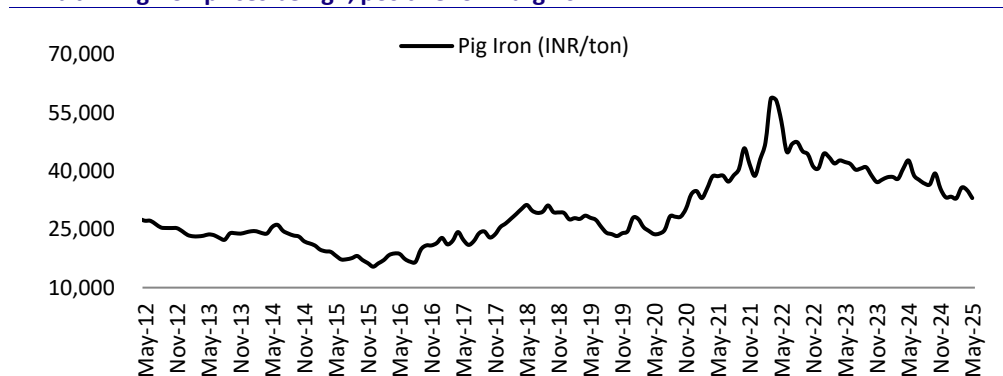
CPCB 4+ transition entails 20-40% price hike over CPCB 2

Exhibit 6: CPCB 4+ genset prices are higher by 20-40% vs. CPCB 2; smaller players are offering a reasonable discount than bigger players. However, end prices are still lower than these levels due to competition

Node	Cummins	KOEL	Mahindra Powerol	Ashok Leyland	Greaves Cotton	Eicher	Tata motors
15kva	3,40,000	3,37,095	2,87,000	2,90,000	2,80,000	2,75,000	
20kva	3,48,000	3,40,000	3,60,000	3,05,000	3,25,000	3,30,000	3,30,000
30kva	6,12,000	5,72,000	5,21,000	5,50,000	5,45,000	4,83,000	5,17,000
40kva	7,05,000	6,95,000	6,85,000	6,85,000	6,70,000	5,50,000	6,20,000
58.5kva	7,75,000	7,00,000	6,80,000			6,15,000	6,40,000
82.5kva	11,34,000	11,05,000	10,92,500	9,18,000	8,95,000	8,85,000	8,90,000
125kva	12,00,000	11,35,000	10,40,000	10,58,000	10,75,000	10,50,000	10,68,000
160kva	15,65,000	15,10,000	13,75,000	14,50,000	13,75,000	13,00,000	
200kva	21,45,000	19,50,000	18,40,000			15,00,000	
250kva	22,50,000	21,75,000	18,60,000	18,00,000	18,92,000	17,00,000	
500kva	43,00,000	37,50,000	35,00,000	32,50,000	32,40,000		
750kva	74,50,000	67,50,000					

Source: Channel checks, Industry, MOFSL

Exhibit 7: Pig iron prices benign; positive for margins



Source: Company, MOFSL

Companies are taking steps to improve exports

Exhibit 8: KKC's exports have a strong correlation with India's overall exports (%)

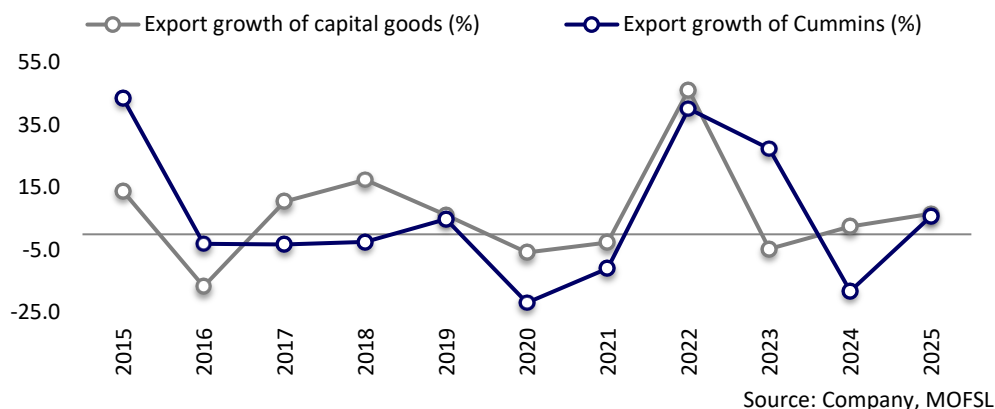


Exhibit 9: Exports of engineering goods have started moving up from Jul'24 and have remained up YoY for the Apr-May'25 period (USD b)

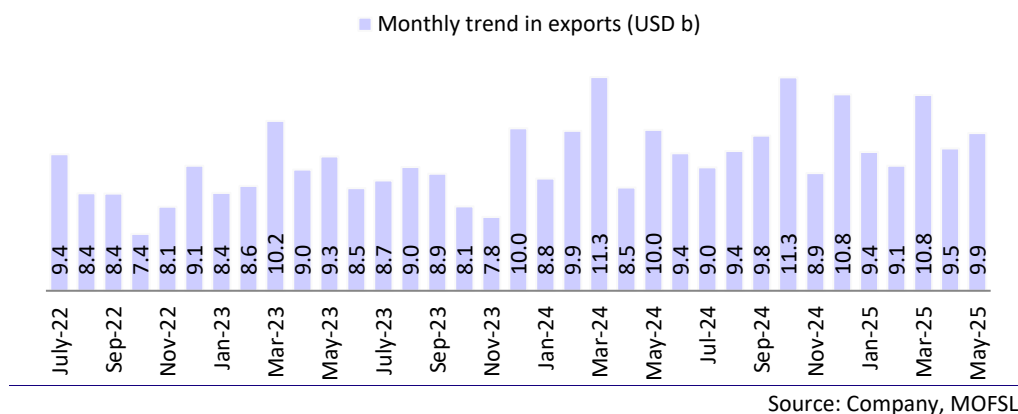


Exhibit 10: KKC's exports seem to have bottomed out in 3QFY24 and have seen sequential uptick since then (INR m)

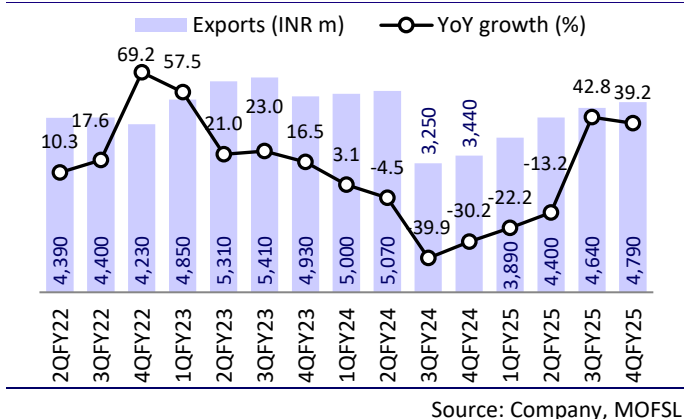


Exhibit 11: KOEL's exports were impacted last year by lower demand from key geographies (INR m)

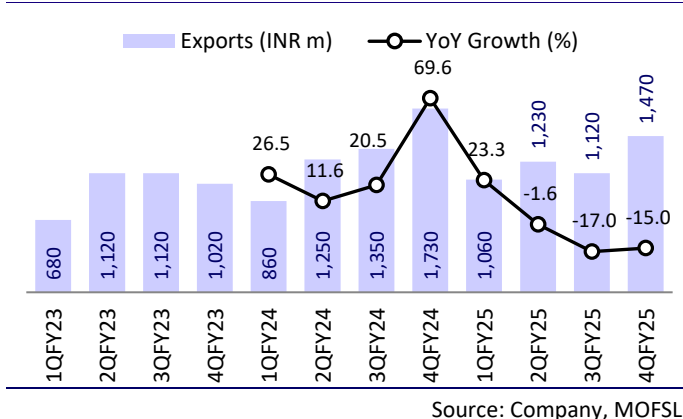
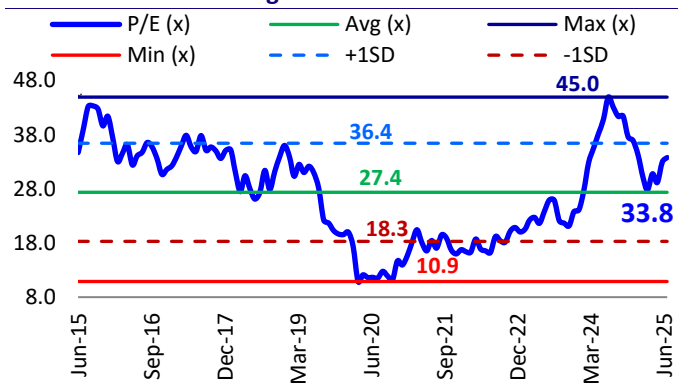


Exhibit 12: Sum-of-the-parts valuation of KOEL on two-year forward estimates (INR/share)

	Earnings/ book (INR m)	Valn multiple (X)	Value (INR m)	KOEL's share (%)	Value for KOEL's share (INR m)	Per share value (INR)	Valuation basis
KOEL valuation							
Core business	5,917	25	1,48,209	100	1,48,209	1,022	❖ 25X two-year fwd EPS; @40% discount to KKC
Investments							
La Gajjar Machineries	327	12	3,920	100	3,920	27	❖ 12X P/E two-year forward earnings
Arka Fincap	11,100	1	14,541	100	14,541	100	❖ 1.3X P/BV on expanded two-year forward book
Total					1,66,670	1,150	

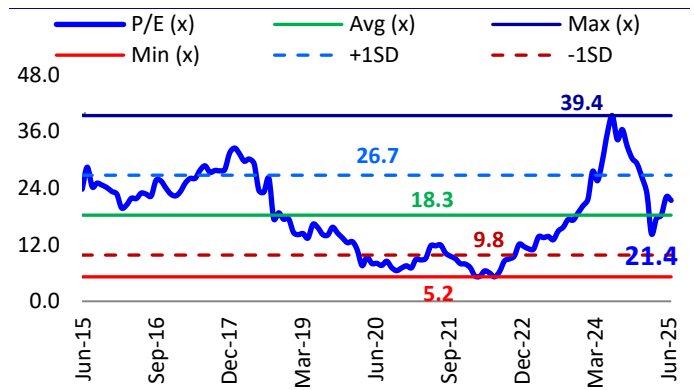
Source: MOFSL

Exhibit 13: KKC is trading at 34x Jun'27 estimates



Source: Company, MOFSL

Exhibit 14: KOEL (inc subs valuation) is trading at 21x Jun'27 estimates



Source: Company, MOFSL

Financial Summary – Cummins India

Standalone - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	43,292	61,404	77,444	89,586	1,03,394	1,20,465	1,40,577
Change (%)	-16.1	41.8	26.1	15.7	15.4	16.5	16.7
Raw Materials	27,606	41,068	52,309	57,701	65,916	78,182	91,235
Gross Profit	15,687	20,336	25,135	31,886	37,478	42,283	49,343
Employee Cost	4,926	5,956	6,298	7,793	7,740	8,912	10,400
Other Expenses	4,965	5,529	6,411	6,479	9,058	9,628	11,218
Total Expenditure	37,497	52,553	65,018	71,972	82,714	96,722	1,12,852
% of Sales	86.6	85.6	84.0	80.3	80.0	80.3	80.3
EBITDA	5,795	8,851	12,426	17,614	20,680	23,743	27,725
Margin (%)	13.4	14.4	16.0	19.7	20.0	19.7	19.7
Depreciation	1,255	1,340	1,405	1,576	1,829	1,970	2,292
EBIT	4,540	7,511	11,022	16,037	18,851	21,773	25,434
Int. and Finance Charges	162	115	158	268	151	166	166
Other Income	3,702	2,875	4,200	5,678	6,261	7,124	8,601
PBT bef. EO Exp.	8,080	10,271	15,064	21,448	24,961	28,730	33,869
EO Items	0	1,059	-143	-17	0		
PBT after EO Exp.	8,080	11,330	14,921	21,431	24,961	28,730	33,869
Total Tax	1,901	2,463	3,623	4,824	5,904	6,909	8,145
Tax Rate (%)	23.5	21.7	24.3	22.5	23.7	24.0	24.0
Reported PAT	6,179	8,866	11,298	16,606	19,058	21,821	25,724
Adjusted PAT	6,350	8,284	12,460	17,046	19,872	23,082	27,135
Change (%)	-10.2	30.5	50.4	36.8	16.6	16.2	17.6
Margin (%)	14.7	13.5	16.1	19.0	19.2	19.2	19.3

Standalone - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	554	554	554	554	554	554	554
Total Reserves	43,513	47,972	53,125	61,077	69,626	78,610	89,242
Net Worth	44,068	48,527	53,680	61,631	70,180	79,164	89,796
Total Loans	156	3,933	3,500	1,000	0	0	0
Deferred Tax Liabilities	823	971	1,057	941	913	913	913
Sources of fund	45,047	53,430	58,237	63,572	71,093	80,077	90,709
Gross Block	20,337	22,278	23,458	26,183	29,119	33,387	38,415
Less: Accum. Deprn.	8,684	10,024	11,429	13,005	14,834	16,804	19,096
Net Fixed Assets	11,654	12,254	12,030	13,178	14,285	16,583	19,319
Capital WIP	1,275	608	413	968	849	968	968
Total Investments	13,892	15,939	21,042	21,927	18,925	19,045	19,045
Curr. Assets, Loans & Adv.	29,950	39,230	41,625	48,884	61,829	69,719	81,996
Inventory	5,578	7,288	8,862	9,369	10,222	13,796	16,099
Account Receivables	10,745	12,473	15,927	20,776	22,925	24,786	28,924
Cash and Bank Balance	9,652	14,267	13,808	15,047	25,103	26,583	31,657
Loans and Advances	1,517	2,646	539	505	812	693	809
Other Current Assets	2,459	2,556	2,488	3,188	2,767	3,861	4,506
Curr. Liability & Prov.	11,922	14,621	16,883	21,413	24,964	26,238	30,619
Other Current Liabilities	9,723	12,362	14,497	18,602	21,644	22,542	26,305
Provisions	2,199	2,258	2,386	2,810	3,321	3,696	4,314
Net Current Assets	18,029	24,609	24,741	27,472	36,865	43,481	51,377
Misc Expenditure	199	21	11	27	169	0	0
Appl. of Funds	45,047	53,430	58,237	63,572	71,093	80,077	90,709

Financial Summary – Cummins India

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)							
EPS	22.9	29.9	45.0	61.5	71.7	83.3	97.9
Cash EPS	27.4	34.7	50.0	67.2	78.3	90.4	106.2
BV/Share	159.0	175.1	193.7	222.3	253.2	285.6	323.9
DPS	14.0	10.5	25.0	34.2	39.9	46.3	54.4
Payout (%)	62.8	32.8	61.3	57.1	58.0	58.8	58.7
Valuation (x)							
P/E	145.9	111.8	74.3	54.3	46.6	40.1	34.1
Cash P/E	121.8	96.2	66.8	49.7	42.7	37.0	31.5
P/BV	21.0	19.1	17.3	15.0	13.2	11.7	10.3
EV/Sales	21.2	14.9	11.8	10.2	8.7	7.5	6.4
EV/EBITDA	158.2	103.5	73.7	51.8	43.6	37.9	32.3
Dividend Yield (%)	0.4	0.3	0.7	1.0	1.2	1.4	1.6
FCF per share	24.3	28.1	23.7	36.0	52.6	52.7	73.3
Return Ratios (%)							
RoE	14.8	17.9	24.4	29.6	30.2	30.9	32.1
RoCE	13.9	16.8	21.0	28.1	28.9	29.4	30.6
RoIC	15.9	27.4	36.6	51.1	55.5	55.4	53.3
Working Capital Ratios							
Fixed Asset Turnover (x)	2.1	2.8	3.3	3.4	3.6	3.6	3.7
Asset Turnover (x)	1.0	1.1	1.3	1.4	1.5	1.5	1.5
Inventory (Days)	47	43	42	38	36	42	42
Debtor (Days)	91	74	75	85	81	75	75
Creditor (Days)	82	73	68	76	76	68	68
Leverage Ratio (x)							
Current Ratio	2.5	2.7	2.5	2.3	2.5	2.7	2.7
Interest Cover Ratio	28.1	65.3	69.8	59.9	124.7	130.9	152.9
Net Debt/Equity	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6

Cash Flow Statement

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	8,711	9,614	11,631	17,773	22,502	25,731	33,505
Direct Taxes Paid	-832	-2,543	-3,520	-4,972	-5,614	-6,909	-8,145
CF from Operating incl EO	7,879	7,071	8,111	12,801	16,888	18,822	25,361
(Inc)/Dec in FA	-1,140	705	-1,540	-2,812	-2,294	-4,218	-5,028
Free Cash Flow	6,738	7,776	6,571	9,989	14,593	14,604	20,332
(Pur)/Sale of Investments	-75	-7,597	376	-2,967	-7,575	-120	0
Others	1,371	1,030	1,857	3,106	4,056	0	0
CF from Investments	155	-5,862	694	-2,673	-5,813	-4,338	-5,028
Dividend Paid	-3,881	-4,435	-6,237	-8,593	-10,534	-12,837	-15,092
Others	-4,844	3,661	-607	-2,733	-1,125	-166	-166
CF from Fin. Activity	-8,724	-774	-6,844	-11,326	-11,659	-13,004	-15,258
Inc/Dec of Cash	-691	434	1,960	-1,198	-585	1,480	5,075
Opening Balance	4,538	9,652	14,267	13,808	15,047	25,103	26,583
Other adjustments	5,804	4,181	-2,420	2,437	10,641		
Closing Balance	9,652	14,267	13,808	15,047	25,103	26,583	31,657

(INR m)

Financial Summary – Kirloskar Oil Engines

Standalone Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	26,944	32,997	41,161	48,505	51,133	58,417	67,489
Change (%)	-6.4	22.5	24.7	17.8	5.4	14.2	15.5
Raw Materials	17,431	22,912	27,897	32,439	33,368	37,971	43,868
Gross Profit	9,513	10,085	13,264	16,066	17,765	20,446	23,621
Employees Cost	1,989	2,070	2,365	3,069	3,441	3,932	4,542
Other Expenses	4,686	5,327	6,630	7,355	7,787	8,920	9,968
Total Expenditure	24,106	30,309	36,892	42,864	44,596	50,823	58,378
% of Sales	89.5	91.9	89.6	88.4	87.2	87.0	86.5
EBITDA	2,838	2,688	4,269	5,642	6,537	7,594	9,111
Margin (%)	10.5	8.1	10.4	11.6	12.8	13.0	13.5
Depreciation	622	772	848	970	1,170	1,373	1,547
EBIT	2,217	1,915	3,422	4,672	5,367	6,221	7,564
Int. and Finance Charges	64	62	54	78	121	90	75
Other Income	245	248	273	274	344	393	454
PBT bef. EO Exp.	2,398	2,100	3,641	4,868	5,590	6,525	7,944
EO Items	-84	527	0	0	209	0	0
PBT after EO Exp.	2,314	2,627	3,641	4,868	5,799	6,525	7,944
Total Tax	617	547	939	1,252	1,480	1,665	2,027
Tax Rate (%)	26.6	20.8	25.8	25.7	25.5	25.5	25.5
Reported PAT	1,697	2,080	2,703	3,616	4,319	4,859	5,917
Adjusted PAT	1,759	1,663	2,703	3,616	4,164	4,859	5,917
Change (%)	11.4	-5.4	62.5	33.8	15.1	16.7	21.8
Margin (%)	6.5	5.0	6.6	7.5	8.1	8.3	8.8

E: MOFSL Estimates

Standalone Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	289	289	290	290	290	290	290
Total Reserves	19,542	21,105	23,028	25,937	29,466	33,346	38,070
Net Worth	19,832	21,395	23,318	26,227	29,756	33,636	38,360
Total Loans	793	976	751	2,091	1,294	1,094	894
Deferred Tax Liabilities	125	146	61	100	250	250	250
Capital Employed	20,749	22,517	24,131	28,418	31,301	34,981	39,505
Gross Block	16,281	16,990	17,425	19,052	23,428	26,428	29,728
Less: Accum. Deprn.	11,826	12,488	13,174	14,144	15,314	16,687	18,233
Net Fixed Assets	4,455	4,502	4,251	4,908	8,114	9,741	11,494
Capital WIP	549	393	664	2,426	957	957	957
Total Investments	15,340	16,722	16,925	18,762	17,873	17,873	17,873
Curr. Assets, Loans & Adv.	8,092	8,505	11,557	13,115	16,131	19,862	24,721
Inventory	2,652	3,031	4,685	5,235	4,931	5,634	6,508
Accounts Receivable	3,558	3,945	4,672	5,684	6,511	7,438	8,593
Cash and Bank Balance	294	314	338	980	3,062	5,065	7,773
Loans and Advances	872	656	852	808	686	783	905
Other Assets	716	558	1,011	408	942	942	942
Curr. Liability & Prov.	7,686	7,606	9,267	10,793	11,774	13,452	15,540
Accounts Payable	6,419	6,175	6,326	7,274	6,506	7,433	8,588
Other Current Liabilities	646	729	1,700	2,223	3,756	4,290	4,957
Provisions	622	702	1,241	1,296	1,512	1,728	1,996
Net Current Assets	406	899	2,291	2,322	4,357	6,410	9,181
Appl. of Funds	20,749	22,517	24,131	28,418	31,301	34,981	39,505

Financial Summary – Kirloskar Oil Engines

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)							
EPS	12.2	11.5	18.7	25.0	28.8	33.6	40.9
Cash EPS	16.4	16.8	24.5	31.7	36.9	43.1	51.6
BV/Share	137.0	147.8	161.1	181.2	205.6	232.4	265.0
DPS	1.5	4.7	5.0	5.0	6.0	6.8	8.2
Payout (%)	12.8	32.6	26.8	20.0	20.2	20.2	20.2
Valuation (x)							
P/E	70.0	74.0	45.5	34.0	29.6	25.3	20.8
Cash P/E	51.7	50.5	34.7	26.8	23.0	19.7	16.5
P/BV	6.2	5.8	5.3	4.7	4.1	3.7	3.2
EV/Sales	4.6	3.7	3.0	2.6	2.4	2.0	1.7
EV/EBITDA	43.5	46.0	28.9	22.0	18.6	15.7	12.7
Dividend Yield (%)	0.2	0.6	0.6	0.6	0.7	0.8	1.0
FCF per share	27.5	7.9	9.6	10.9	18.7	22.6	28.8
Return Ratios (%)							
RoE	9.2	8.1	12.1	14.6	14.9	15.3	16.4
RoCE	9.2	8.0	11.8	14.0	14.3	15.0	16.1
RoIC	29.2	31.4	45.0	55.7	51.1	45.2	47.0
Working Capital Ratios							
Fixed Asset Turnover (x)	1.7	1.9	2.4	2.5	2.2	2.2	2.3
Asset Turnover (x)	1.3	1.5	1.7	1.7	1.6	1.7	1.7
Inventory (Days)	36	34	42	39	35	35	35
Debtor (Days)	48	44	41	43	46	46	46
Creditor (Days)	87	68	56	55	46	46	46
Leverage Ratio (x)							
Current Ratio	1.1	1.1	1.2	1.2	1.4	1.5	1.6
Interest Cover Ratio	34.9	30.7	63.8	60.0	44.3	69.5	101.4
Net Debt/Equity	-0.7	-0.8	-0.7	-0.7	-0.7	-0.6	-0.6

Standalone Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,314	2,627	3,641	4,868	5,799	6,525	7,944
Depreciation	622	772	848	970	1,170	1,373	1,547
Interest & Finance Charges	38	50	35	78	121	90	75
Direct Taxes Paid	-324	-567	-960	-1,084	-1,331	-1,665	-2,027
(Inc)/Dec in WC	2,654	-157	-1,025	-441	-270	-50	-63
CF from Operations	5,304	2,726	2,539	4,391	5,490	6,272	7,475
Others	-42	-782	61	-52	-592	0	0
CF from Operating incl EO	5,262	1,944	2,601	4,339	4,897	6,272	7,475
(Inc)/Dec in FA	-1,282	-804	-1,206	-2,757	-2,194	-3,000	-3,300
Free Cash Flow	3,979	1,140	1,394	1,582	2,704	3,272	4,175
(Pur)/Sale of Investments	-2,855	680	3,235	-1,091	1,339	0	0
Others	-1,316	-8,870	-3,585	-334	-2,280	0	0
CF from Investments	-5,453	-8,994	-1,556	-4,182	-3,135	-3,000	-3,300
Inc/(Dec) in Debt	613	172	-236	1,338	-797	-200	-200
Interest Paid	-62	-53	-50	-107	-147	-90	-75
Dividend Paid	-217	-578	-723	-724	-871	-980	-1,193
Others	-20	7,529	-12	-21	2,134	0	0
CF from Fin. Activity	314	7,070	-1,021	486	319	-1,269	-1,467
Inc/Dec of Cash	123	20	23	643	2,082	2,003	2,708
Opening Balance	171	294	314	338	980	3,062	5,065
Closing Balance	294	314	338	980	3,062	5,065	7,773

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