

# Capital Goods

## KKC - Financials Snapshot (INR b)

Y/E MAR	FY25E	FY26E	FY27E
Net Sales	103.1	122.1	142.7
EBITDA	20.6	25.0	29.2
PAT	19.7	23.9	28.1
EPS (INR)	71.1	86.2	101.5
GR. (%)	18.6	21.2	17.7
BV/Sh (INR)	249.8	283.6	323.5
<b>Ratios</b>			
ROE (%)	30.1	32.3	33.4
RoCE (%)	28.3	30.5	31.6
<b>Valuations</b>			
P/E (X)	47.3	39.0	33.1
P/BV (X)	13.5	11.9	10.4
EV/EBITDA (X)	44.3	36.5	31.0
Div Yield (%)	1.2	1.4	1.7

## KOEL - Financials Snapshot (INR b)

Y/E MAR	FY25E	FY26E	FY27E
Net Sales	54.7	65.2	77.8
EBITDA	7.1	9.1	11.7
PAT	4.7	6.2	8.1
EPS (INR)	32.7	42.9	55.9
GR. (%)	30.7	31.4	30.3
BV/Sh (INR)	205.1	236.5	277.5
<b>Ratios</b>			
ROE (%)	16.9	19.4	21.8
RoCE (%)	16.3	19.0	21.4
<b>Valuations</b>			
P/E (X)	31.1	23.6	18.2
P/BV (X)	4.9	4.3	3.7
EV/EBITDA (X)	20.7	15.7	11.9
Div Yield (%)	0.9	1.1	1.5

## Demand building up after initial weakness in 3QFY25

### Genset channel checks

Our channel checks with genset players indicate that demand was weak in October and November months of 3QFY25 and has now started recovering. This weakness was more pronounced in the low-to-mid kVa ranges, which are price-sensitive and have much higher competition. Higher kVa ranges are still witnessing normal demand. Prices, as expected, have corrected by 6-7% but are still much higher on YoY basis. Most channel partners are of the view that this transitional phase will continue for one more quarter and demand will start normalizing after that. Overall revenue growth for 3QFY25 is expected to be impacted for players focused on low-to-mid kVa ranges like KOEL, while for Cummins, the impact seems to be limited on volumes. Export markets have bottomed out and will start improving sequentially in the coming quarters. We maintain our positive stance on genset players and believe that after this transitional phase, companies with a strong product portfolio and distribution network will benefit more in the medium to long run. We marginally revise our estimates on KKC and maintain BUY on both KKC (TP: INR4,250) and KOEL (TP: INR1,540).

## Key highlights from our interaction with genset players

### Genset demand varied across ranges and user bases

Our channel checks with genset industry players indicate that:

- **Selective view on different kVa ranges:** In the low-to-mid kVa ranges, volumes were impacted adversely during Oct'24 and Nov'24 due to pre-buying in earlier quarters. Demand for mid-to-high kVa ranges has remained normal during the quarter so far. Brands like Cummins are more focused on mid-to-high kVa ranges, and hence have continued to see normal demand, while KOEL has seen YoY decline in volumes. This is expected to be a transient phase, as the acceptance levels of CPCB 4+ products will start increasing when channel inventory gets exhausted.
- **Demand segmentation:** Demand from smaller users, such as retail customers or MSMEs, is price-sensitive and customers are taking some time to adjust to higher prices. Meanwhile, demand weakness from industrial users is temporary, as genset cost as an overall cost of capex is small and demand from this segment will revive early in 4QFY25 itself as construction activities ramp up.
- **Sequential impact on volumes:** There are indications that volumes for bigger players are either flat or marginally down on YoY basis, while for players focused on low-to-mid kVa ranges, volumes are likely to be down 15-20% YoY and more so for regions other than NCR. However, price hikes on YoY basis could offset some decline in volumes for 3QFY25.
- **HHP demand remains strong:** Data centers remain a key growth driver for HHP gensets, which continue to grow at a faster rate than low- to mid-range gensets. KKC is a leader in the HHP segment and continues to benefit from the strong demand in this sub-segment.

**Higher pricing of CPCB 4+ genset seems to be getting accepted by market**

After the norm change, prices for CPCB 4+ were higher by 20-40% across various nodes. Brands have reduced the prices by 6-7% broadly during last quarter across all nodes covered in CPCB 4+. This was in line with our expectations. Pricing for some of the players like Greaves Cotton is much lower than other players in the same range, while players like Mahindra Powerol are now catching up with the market share on lower pricing. However, we believe that further price correction may not happen as demand has started coming back in Dec'24 in both primary and secondary channels.

**Higher competition in smaller nodes**

Competition is higher in nodes of up to 500 kVa from various players. Players that are quite active in this range are KOEL, Mahindra Powerol, Greaves Cotton, Ashok Leyland, and Eicher, and many players have priced their products aggressively. This has resulted in higher competition in tender-based contracts. Along with this, Baudouin is catching up in the above-500kVa range. Thus, in the near term, we may continue to see the competition playing its part, but in the medium to long term, factors such as product quality, aftersales service, resale value, etc. will be more important, and in these aspects, Cummins and KOEL are far ahead of other players.

**Engineering exports have been rising since Jul'24**

India's engineering exports have been increasing since Jul'24 (Exhibit 9). KKC's export revenues seem to have bottomed out in 3QFY24 and have been growing sequentially since then. The company saw improved traction from Europe and Latin America, while APAC, Africa and the Middle East were still weak during 2QFY25. For KOEL, 2QFY25 exports declined 2% YoY to INR1.2b, as an improving power supply scenario in South Africa impacted offtake in the powergen segment. However, industrial exports saw healthy volume growth. The company is strategically focusing on increasing exports in the US and the Middle East.

**Key factors to watch out for in coming months**

In the coming quarters, we would be watching out for 1) demand improvement from current levels, 2) product mix of various players across kVa ranges, 3) stability of price points, 4) stability of HHP demand from data centers, and 5) recovery in export markets.

**Positioning of various players in current market**

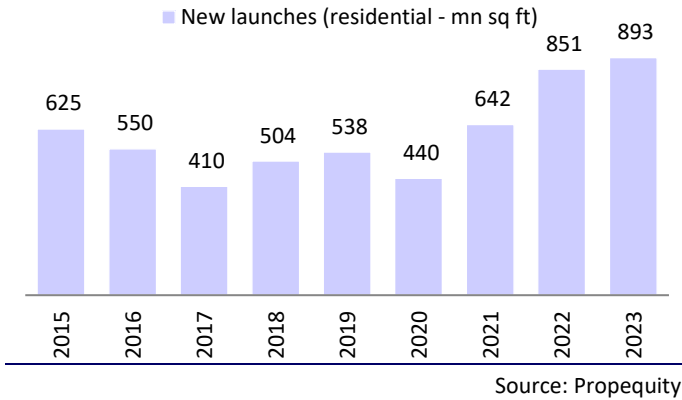
The genset market is currently dominated by three players – KOEL, Cummins and Mahindra Powerol, with a combined market share of nearly 70%. With the transition, most players are ready with their CPCB 4+ offerings, and the sustainability of product quality and distribution network will be tested over the next few quarters. For higher kVa ranges, KOEL's acceptance has increased and the company has received orders for data centers above the 1,000kVa range. KOEL is pushing for higher sales of higher kVa ranges and has a dedicated team for pushing its OptiPrime product across ranges. Cummins is still a leader in data centers.

**Valuation and view**

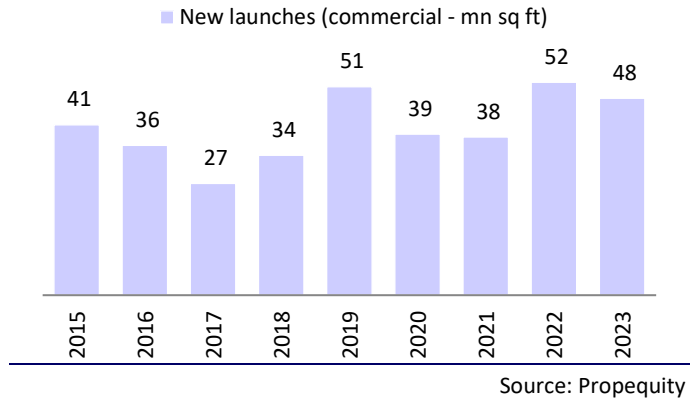
KKC is currently trading at 39.0x P/E and KOEL is trading at 23.6x P/E on Mar'26E EPS. We value KKC at 45x P/E on two-year forward estimates and KOEL at 29x P/E on two-year forward estimates for core business. We marginally revise our estimates for KKC to take into account recent demand trends. We maintain BUY on both KKC (TP: INR4,250) and KOEL (TP: INR1,540) as they are well equipped to tide over the emission norm transition.

## Demand moderates for low kVa ranges due to pre-buying; stable demand for high kVa ranges

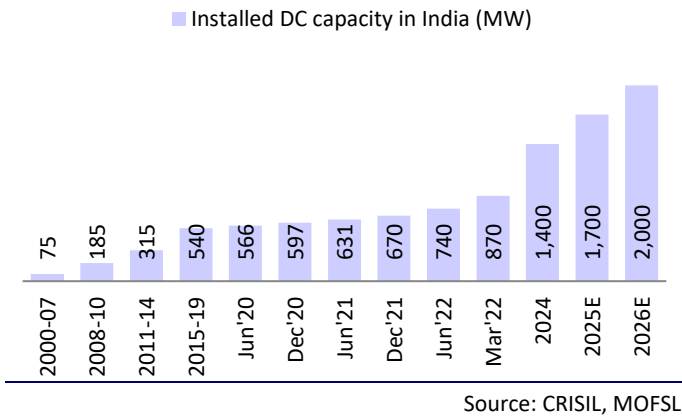
**Exhibit 1: Residential real estate launches were strong in last two years and boosted genset demand. Currently demand is low from residential due to pre-buying**



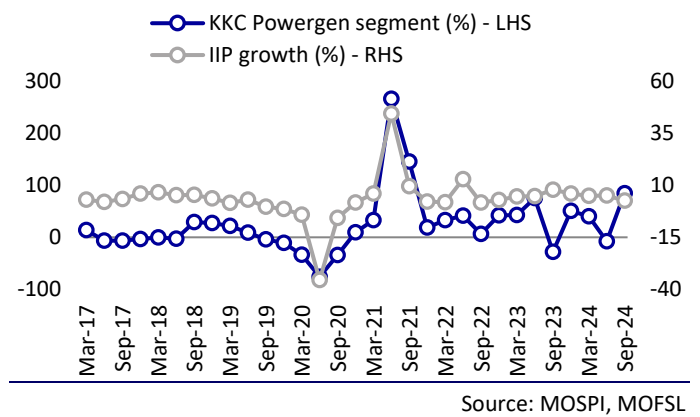
**Exhibit 2: Commercial real estate launches were also strong in last two years and drove genset demand. Currently, demand is low from commercial due to pre-buying**



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

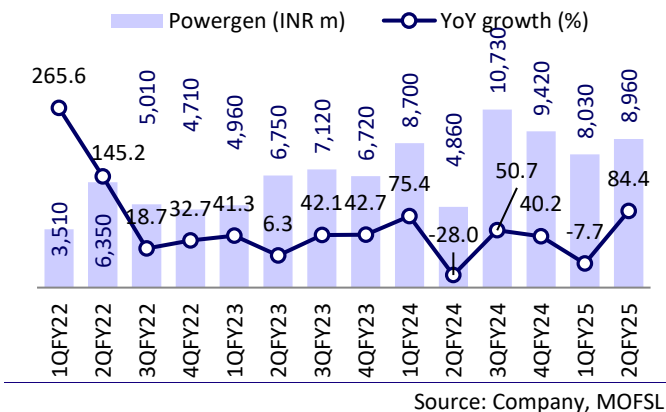


**Exhibit 4: KKC's powergen sales have a high correlation with IIP growth (%)**

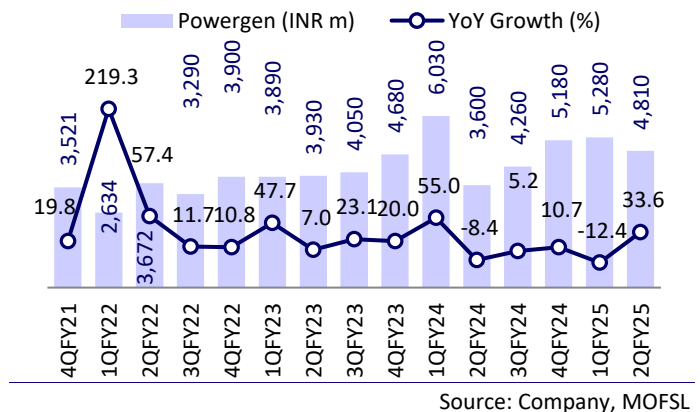


**Exhibit 5: Powergen segment sales of both KKC and KOEL have jumped on a low base of 2QFY24**

**KKC Powergen revenue trend (INR m)**



**KOEL Powergen revenue trend (INR m)**



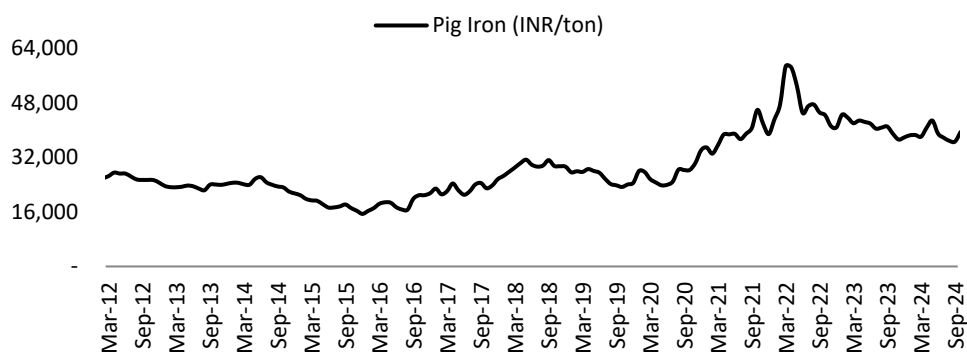
## CPCB 4+ transition entails price hikes of 20-40%

**Exhibit 6: CPCB 4+ genset prices are higher by 20-40% vs. CPCB 2; smaller players offering at a reasonable discount to bigger players. These prices have tentatively been revised downward by 6-7% during 3QFY25.**

Node	Cummins	KOEL	Mahindra Powerol	Ashok Leyland	Greaves Cotton
15kva	3,55,000	3,35,000	2,90,000	2,85,000	2,80,000
20kva	3,60,000	3,40,000	3,25,000	3,10,000	3,09,000
30kva	6,40,000	6,33,000	6,22,000	6,17,500	6,10,000
40kva	7,05,000	6,95,000	6,85,000	6,83,000	6,70,000
58.5kva	8,38,000	7,90,000	7,30,000		
82.5kva	11,00,000	10,90,000	10,80,000	9,23,000	10,65,000
125kva	12,21,000	11,70,000	11,00,000	11,60,000	11,45,000
160kva	16,50,000	15,43,000	14,00,000	14,77,700	14,03,000
200kva	22,40,000	19,50,000	17,50,000	18,00,000	18,75,000
250kva	23,00,000	21,50,000	19,54,270	19,50,250	20,00,000
500kva	43,51,000	38,80,000	35,00,000	32,50,000	37,00,000
750kva	72,50,000	72,00,000			

Source: Channel checks, Industry, MOFSL

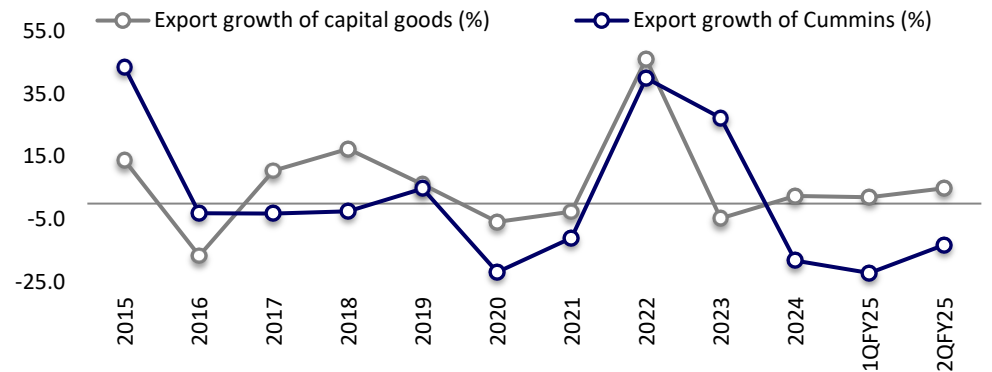
## Exhibit 7: Pig iron prices are benign; positive for margins



Source: Company, MOFSL

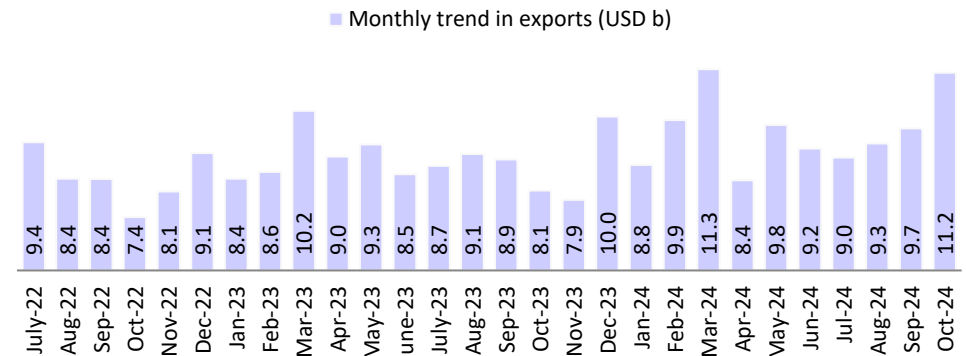
## Companies are taking steps to improve exports

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



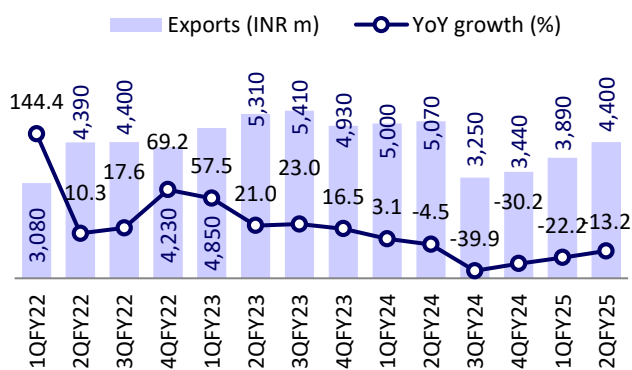
Source: Company, MOFSL

**Exhibit 9: Engineering goods exports have started moving up from Jul'24 onward and witnessed strong growth in Oct'24 (USD b)**



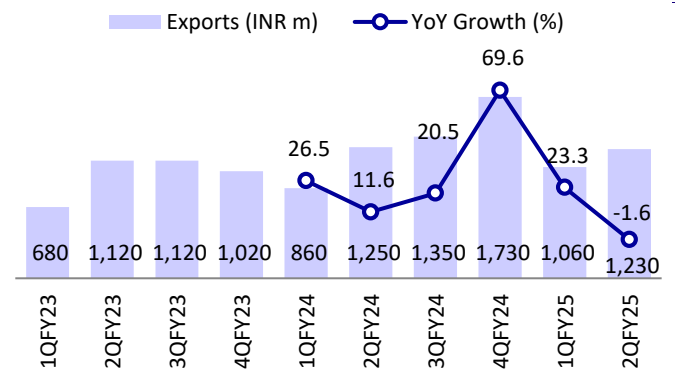
Source: Company, MOFSL

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



Source: Company, MOFSL

**Exhibit 11: KOEL's exports were impacted in 2QFY25 by lower demand from key geographies (INR m)**

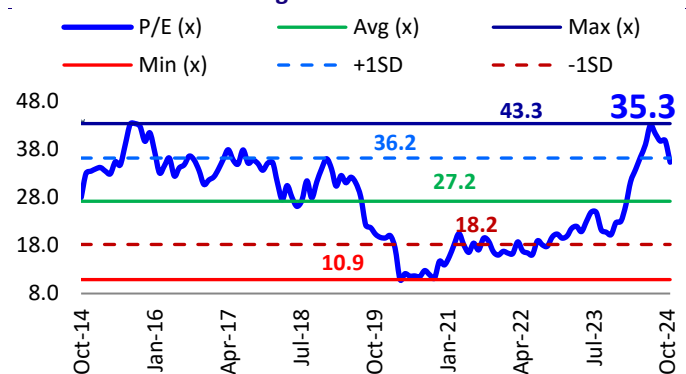


Source: Company, MOFSL

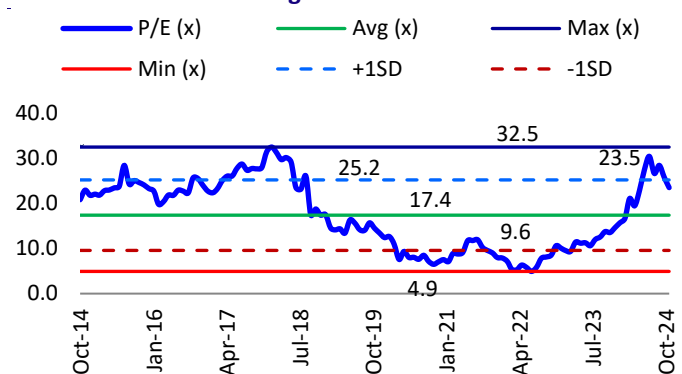
**Exhibit 12: Sum-of-the-parts valuation of KOEL on two-year forward estimates (INR/share)**

	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
<b>KOEL valuation</b>							
Core business	7,151	29.0	2,07,386	100.0	2,07,386	1,431	29x P/E two-year forward earnings
Investments							
La Gajjar Machineries	104	12.0	1,251	100.0	1,251	9	12x P/E two-year forward earnings
Arka Fincap	11,100	1.3	14,541	100.0	14,541	100	1.3x P/BV on two year forward expanded book
<b>Total</b>					<b>2,23,178</b>	<b>1,540</b>	

Source: MOFSL

**Exhibit 13: KKC is trading at 35x Mar'27 estimates**

Source: Company, MOFSL

**Exhibit 14: KOEL is trading at 21x Mar'27 estimates**

Source: Company, MOFSL

## Financial Summary – Cummins India

Income Statement							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	43,292	61,404	77,444	89,586	1,03,077	1,22,072	1,42,703
Change (%)	-16.1	41.8	26.1	15.7	15.1	18.4	16.9
Total Expenditure	37,497	52,553	65,018	71,972	82,450	97,105	1,13,512
% of Sales	86.6	85.6	84.0	80.3	80.0	79.5	79.5
EBITDA	5,795	8,851	12,426	17,614	20,627	24,967	29,191
Margin (%)	13.4	14.4	16.0	19.7	20.0	20.5	20.5
Depreciation	1,255	1,340	1,405	1,576	1,713	1,983	2,325
EBIT	4,540	7,511	11,022	16,037	18,914	22,984	26,865
Int. and Finance Charges	162	115	158	268	295	295	295
Other Income	3,702	2,875	4,200	5,678	5,856	7,124	8,601
PBT bef. EO Exp.	8,080	10,271	15,064	21,448	24,476	29,813	35,172
EO Items	0	1,059	-143	-17			
PBT after EO Exp.	8,080	11,330	14,921	21,431	24,476	29,813	35,172
Total Tax	1,901	2,463	3,623	4,824	5,886	7,169	8,458
Tax Rate (%)	23.5	21.7	24.3	22.5	24.0	24.0	24.0
Reported PAT	6,179	8,866	11,298	16,606	18,590	22,644	26,714
Adjusted PAT	6,350	8,284	12,460	16,623	19,719	23,905	28,125
Change (%)	-10.2	30.5	50.4	33.4	18.6	21.2	17.7
Margin (%)	14.7	13.5	16.1	18.6	19.1	19.6	19.7

Balance Sheet							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	554	554	554	554	554	554	554
Total Reserves	43,513	47,972	53,125	61,077	68,700	78,049	89,120
Net Worth	44,068	48,527	53,680	61,631	69,254	78,603	89,675
Total Loans	156	3,933	3,500	1,000	1,000	1,000	1,000
Deferred Tax Liabilities	823	971	1,057	941	941	941	941
Capital Employed	45,047	53,430	58,237	63,572	71,195	80,544	91,616
Gross Block	20,337	22,278	23,458	26,183	29,556	34,304	39,462
Less: Accum. Deprn.	8,684	10,024	11,429	13,005	14,717	16,701	19,026
Net Fixed Assets	11,654	12,254	12,030	13,178	14,838	17,604	20,436
Capital WIP	1,275	608	413	968	968	968	968
Total Investments	13,892	15,939	21,042	21,927	21,927	21,927	21,927
Curr. Assets, Loans & Adv.	29,950	39,230	41,625	48,884	55,912	66,633	79,366
Inventory	5,578	7,288	8,862	9,369	11,804	13,980	16,342
Account Receivables	10,745	12,473	15,927	20,776	21,199	25,105	29,348
Cash and Bank Balance	9,652	14,267	13,808	15,047	19,024	22,947	28,297
Loans and Advances	1,517	2,646	539	505	581	688	804
Other Current Assets	2,459	2,556	2,488	3,188	3,304	3,913	4,574
Curr. Liability & Prov.	11,922	14,621	16,883	21,413	22,451	26,588	31,082
Other Current Liabilities	9,723	12,362	14,497	18,602	19,288	22,842	26,703
Provisions	2,199	2,258	2,386	2,810	3,163	3,746	4,379
Net Current Assets	18,029	24,609	24,741	27,472	33,461	40,045	48,284
Misc Expenditure	199	21	11	27	0	0	0
Appl. of Funds	45,047	53,430	58,237	63,572	71,195	80,544	91,616

## Financial Summary – Cummins India

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>23</b>	<b>30</b>	<b>45</b>	<b>60</b>	<b>71</b>	<b>86</b>	<b>101</b>
Cash EPS	27.4	34.7	50.0	65.7	77.3	93.4	109.9
BV/Share	159.0	175.1	193.7	222.3	249.8	283.6	323.5
DPS	14.0	10.5	25.0	34.5	39.6	48.0	56.4
Payout (%)	62.8	32.8	61.3	57.5	59.0	58.7	58.6
<b>Valuation (x)</b>							
P/E	146.8	112.5	74.8	56.1	47.3	39.0	33.1
Cash P/E	122.6	96.9	67.2	51.2	43.5	36.0	30.6
P/BV	21.2	19.2	17.4	15.1	13.5	11.9	10.4
EV/Sales	21.3	15.0	11.9	10.2	8.9	7.5	6.3
EV/EBITDA	159.2	104.1	74.2	52.1	44.3	36.5	31.0
Dividend Yield (%)	0.4	0.3	0.7	1.0	1.2	1.4	1.7
FCF per share	24.3	28.1	23.7	36.0	55.0	63.2	76.8
<b>Return Ratios (%)</b>							
RoE	14.8	17.9	24.4	28.8	30.1	32.3	33.4
RoCE	13.9	16.8	21.0	28.1	28.3	30.5	31.6
RoIC	15.9	27.4	36.6	51.1	52.3	54.6	54.3
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	2.1	2.8	3.3	3.4	3.5	3.6	3.6
Asset Turnover (x)	1.0	1.1	1.3	1.4	1.4	1.5	1.6
Inventory (Days)	47	43	42	38	42	42	42
Debtor (Days)	91	74	75	85	75	75	75
Creditor (Days)	82	73	68	76	68	68	68
<b>Leverage Ratio (x)</b>							
Current Ratio	2.5	2.7	2.5	2.3	2.5	2.5	2.6
Interest Cover Ratio	28.1	65.3	69.8	59.9	64.2	78.0	91.2
Net Debt/Equity	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.5

### Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	8,711	9,614	11,631	17,773	24,471	29,430	34,902
Direct Taxes Paid	-832	-2,543	-3,520	-4,972	-5,886	-7,169	-8,458
<b>CF from Operating incl EO</b>	<b>7,879</b>	<b>7,071</b>	<b>8,111</b>	<b>12,801</b>	<b>18,585</b>	<b>22,261</b>	<b>26,444</b>
(Inc)/Dec in FA	-1,140	705	-1,540	-2,812	-3,346	-4,749	-5,158
<b>Free Cash Flow</b>	<b>6,738</b>	<b>7,776</b>	<b>6,571</b>	<b>9,989</b>	<b>15,239</b>	<b>17,512</b>	<b>21,287</b>
(Pur)/Sale of Investments	-75	-7,597	376	-2,967	0	0	0
Others	1,371	1,030	1,857	3,106	0	0	0
<b>CF from Investments</b>	<b>155</b>	<b>-5,862</b>	<b>694</b>	<b>-2,673</b>	<b>-3,346</b>	<b>-4,749</b>	<b>-5,158</b>
Dividend Paid	-3,881	-4,435	-6,237	-8,593	-10,967	-13,295	-15,642
Others	-4,844	3,661	-607	-2,733	-295	-295	-295
<b>CF from Fin. Activity</b>	<b>-8,724</b>	<b>-774</b>	<b>-6,844</b>	<b>-11,326</b>	<b>-11,262</b>	<b>-13,589</b>	<b>-15,937</b>
<b>Inc/Dec of Cash</b>	<b>-691</b>	<b>434</b>	<b>1,960</b>	<b>-1,198</b>	<b>3,977</b>	<b>3,923</b>	<b>5,350</b>
Opening Balance	4,538	9,652	14,267	13,808	15,047	19,024	22,947
Other adjustments	5,804	4,181	-2,420	2,437			
<b>Closing Balance</b>	<b>9,652</b>	<b>14,267</b>	<b>13,808</b>	<b>15,047</b>	<b>19,024</b>	<b>22,947</b>	<b>28,297</b>



## Financial Summary – Kirloskar Oil Engines

Standalone Income Statement							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	26,944	32,997	41,161	48,505	54,749	65,229	77,756
Change (%)	-6.4	22.5	24.7	17.8	12.9	19.1	19.2
Raw Materials	17,431	22,912	27,897	32,439	36,408	43,377	51,708
Gross Profit	9,513	10,085	13,264	16,066	18,341	21,852	26,048
Employees Cost	1,989	2,070	2,365	3,069	3,723	4,436	5,287
Other Expenses	4,686	5,327	6,630	7,355	7,501	8,284	9,097
Total Expenditure	24,106	30,309	36,892	42,864	47,632	56,097	66,092
% of Sales	89.5	91.9	89.6	88.4	87.0	86.0	85.0
EBITDA	2,838	2,688	4,269	5,642	7,117	9,132	11,663
Margin (%)	10.5	8.1	10.4	11.6	13.0	14.0	15.0
Depreciation	622	772	848	970	999	1,131	1,231
EBIT	2,217	1,915	3,422	4,672	6,119	8,002	10,432
Int. and Finance Charges	64	62	54	78	132	90	74
Other Income	245	248	273	274	383	457	544
PBT bef. EO Exp.	2,398	2,100	3,641	4,868	6,370	8,369	10,903
EO Items	-84	527	0	0	0	0	0
PBT after EO Exp.	2,314	2,627	3,641	4,868	6,370	8,369	10,903
Total Tax	617	547	939	1,252	1,642	2,158	2,811
Tax Rate (%)	26.6	20.8	25.8	25.7	25.8	25.8	25.8
Reported PAT	1,697	2,080	2,703	3,616	4,727	6,211	8,092
Adjusted PAT	1,759	1,663	2,703	3,616	4,727	6,211	8,092
Change (%)	11.4	-5.4	62.5	33.8	30.7	31.4	30.3
Margin (%)	6.5	5.0	6.6	7.5	8.6	9.5	10.4

E: MOFSL Estimates

Standalone Balance Sheet							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	289	289	290	290	290	290	290
Total Reserves	19,542	21,105	23,028	25,937	29,399	33,947	39,873
Net Worth	19,832	21,395	23,318	26,227	29,689	34,237	40,163
Total Loans	793	976	751	2,091	1,219	1,019	819
Deferred Tax Liabilities	125	146	61	100	100	100	100
Capital Employed	20,749	22,517	24,131	28,418	31,008	35,356	41,082
Gross Block	16,281	16,990	17,425	19,052	22,552	24,552	26,752
Less: Accum. Deprn.	11,826	12,488	13,174	14,144	15,142	16,273	17,504
Net Fixed Assets	4,455	4,502	4,251	4,908	7,410	8,279	9,248
Capital WIP	549	393	664	2,426	2,426	2,426	2,426
Total Investments	15,340	16,722	16,925	18,762	18,762	18,762	18,762
Curr. Assets, Loans & Adv.	8,092	8,505	11,557	13,115	14,592	20,403	27,947
Inventory	2,652	3,031	4,685	5,235	5,909	7,040	8,392
Accounts Receivable	3,558	3,945	4,672	5,684	6,416	7,644	9,112
Cash and Bank Balance	294	314	338	980	948	4,225	8,740
Loans and Advances	872	656	852	808	912	1,086	1,295
Other Assets	716	558	1,011	408	408	408	408
Curr. Liability & Prov.	7,686	7,606	9,267	10,793	12,182	14,514	17,302
Accounts Payable	6,419	6,175	6,326	7,274	8,210	9,782	11,660
Other Current Liabilities	646	729	1,700	2,223	2,509	2,989	3,563
Provisions	622	702	1,241	1,296	1,463	1,743	2,078
Net Current Assets	406	899	2,291	2,322	2,409	5,888	10,645
Appl. of Funds	20,749	22,517	24,131	28,418	31,007	35,355	41,081

## Financial Summary – Kirloskar Oil Engines

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>12.2</b>	<b>11.5</b>	<b>18.7</b>	<b>25.0</b>	<b>32.7</b>	<b>42.9</b>	<b>55.9</b>
Cash EPS	16.4	16.8	24.5	31.7	39.6	50.8	64.5
BV/Share	137.0	147.8	161.1	181.2	205.1	236.5	277.5
DPS	1.5	4.7	5.0	6.7	8.7	11.5	15.0
Payout (%)	12.8	32.6	26.8	26.8	26.8	26.8	26.8
<b>Valuation (x)</b>							
P/E	83.5	88.3	54.3	40.6	31.1	23.6	18.2
Cash P/E	61.7	60.3	41.4	32.0	25.6	20.0	15.7
P/BV	7.4	6.9	6.3	5.6	4.9	4.3	3.7
EV/Sales	5.5	4.5	3.6	3.1	2.7	2.2	1.8
EV/EBITDA	51.9	54.9	34.5	26.2	20.7	15.7	11.9
Dividend Yield (%)	0.1	0.5	0.5	0.7	0.9	1.1	1.5
FCF per share	27.5	7.9	9.6	10.9	15.5	36.1	48.0
<b>Return Ratios (%)</b>							
RoE	9.2	8.1	12.1	14.6	16.9	19.4	21.8
RoCE	9.2	8.0	11.8	14.0	16.3	19.0	21.4
RoIC	29.2	31.4	45.0	55.7	60.1	63.1	73.4
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	1.7	1.9	2.4	2.5	2.4	2.7	2.9
Asset Turnover (x)	1.3	1.5	1.7	1.7	1.8	1.8	1.9
Inventory (Days)	36	34	42	39	39	39	39
Debtor (Days)	48	44	41	43	43	43	43
Creditor (Days)	87	68	56	55	55	55	55
<b>Leverage Ratio (x)</b>							
Current Ratio	1.1	1.1	1.2	1.2	1.2	1.4	1.6
Interest Cover Ratio	34.9	30.7	63.8	60.0	46.2	89.4	141.9
Net Debt/Equity	-0.7	-0.8	-0.7	-0.7	-0.6	-0.6	-0.7

### Standalone Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	2,314	2,627	3,641	4,868	6,370	8,369	10,903
Depreciation	622	772	848	970	999	1,131	1,231
Interest & Finance Charges	38	50	35	78	132	90	74
Direct Taxes Paid	-324	-567	-960	-1,084	-1,642	-2,158	-2,811
(Inc)/Dec in WC	2,654	-157	-1,025	-441	-120	-202	-241
<b>CF from Operations</b>	<b>5,304</b>	<b>2,726</b>	<b>2,539</b>	<b>4,391</b>	<b>5,738</b>	<b>7,229</b>	<b>9,155</b>
Others	-42	-782	61	-52	0	0	0
<b>CF from Operating incl EO</b>	<b>5,262</b>	<b>1,944</b>	<b>2,601</b>	<b>4,339</b>	<b>5,738</b>	<b>7,229</b>	<b>9,155</b>
(Inc)/Dec in FA	-1,282	-804	-1,206	-2,757	-3,500	-2,000	-2,200
<b>Free Cash Flow</b>	<b>3,979</b>	<b>1,140</b>	<b>1,394</b>	<b>1,582</b>	<b>2,238</b>	<b>5,229</b>	<b>6,955</b>
(Pur)/Sale of Investments	-2,855	680	3,235	-1,091	0	0	0
Others	-1,316	-8,870	-3,585	-334	0	0	0
<b>CF from Investments</b>	<b>-5,453</b>	<b>-8,994</b>	<b>-1,556</b>	<b>-4,182</b>	<b>-3,500</b>	<b>-2,000</b>	<b>-2,200</b>
Inc/(Dec) in Debt	613	172	-236	1,338	-200	-200	-200
Interest Paid	-62	-53	-50	-107	-132	-90	-74
Dividend Paid	-217	-578	-723	-724	-1,265	-1,663	-2,166
Others	-20	7,529	-12	-21	-673	0	0
<b>CF from Fin. Activity</b>	<b>314</b>	<b>7,070</b>	<b>-1,021</b>	<b>486</b>	<b>-2,271</b>	<b>-1,952</b>	<b>-2,439</b>
<b>Inc/Dec of Cash</b>	<b>123</b>	<b>20</b>	<b>23</b>	<b>643</b>	<b>-33</b>	<b>3,277</b>	<b>4,516</b>
Opening Balance	171	294	314	338	980	948	4,225
<b>Closing Balance</b>	<b>294</b>	<b>314</b>	<b>338</b>	<b>980</b>	<b>948</b>	<b>4,225</b>	<b>8,740</b>

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