

Kirloskar Oil Engines

BSE SENSEX 73,829 S&P CNX 22,397

CMP: INR652 TP: INR1,150 (+76%) Buy



Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USD\$b)	94.7 / 1.1
52-Week Range (INR)	1450 / 544
1,6,12 Rel. Per (%)	-6/-38/-16
12M Avg Val (INR M)	363

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	50.1	58.1	67.6
EBITDA	6.4	7.6	9.1
PAT	4.1	4.9	6.1
EPS (INR)	28.1	34.0	41.8
GR. (%)	12.5	20.8	23.2
BV/Sh (INR)	201.8	226.6	257.3

Ratios

ROE (%)	14.7	15.9	17.3
RoCE (%)	14.2	15.5	17.0

Valuations

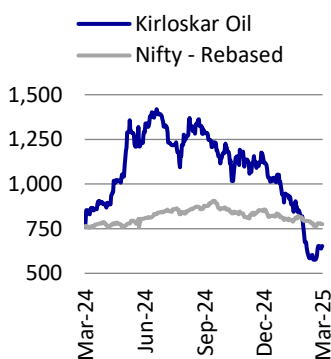
P/E (X)	23.2	19.2	15.6
P/BV (X)	3.2	2.9	2.5
EV/EBITDA (X)	14.9	12.2	9.8
Div Yield (%)	1.2	1.4	1.7

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	41.2	41.2	41.2
DII	25.0	24.9	24.4
FII	11.0	10.8	9.1
Others	22.8	23.1	25.4

FII includes depository receipts

Stock Performance (1-year)



Favorable valuations; close to bottoming out

We recently interacted with the management of KOEL to gain insights into the growth drivers for both B2B and B2C divisions. The company's performance during last quarter was impacted by low demand and its selective kVA focus in the powergen segment, as well as shifting of its facility for the B2C division. Demand in the powergen segment has now started improving sequentially and operations have stabilized at the B2C division as well. Despite near-term volatility that may exist in the powergen market due to high base of last year and increased competition, we expect KOEL to benefit from 1) a shift in focus towards mid to high kVA segments in powergen, 2) increased focus towards new areas in the industrial segment, 3) improved touchpoints in the distribution segment, and 4) better profitability of B2C division over next few years. The company's initiatives are aligned with these areas, and we expect results to be visible over next few years. We trim our estimates by 4%/6% for FY26/27 to bake in slightly lower margin and continue to value the company at 25x Mar'27 earnings. Current stock price is factoring in extreme pessimism related to growth and margins, which we believe is unwarranted. We reiterate BUY with a revised SoTP-based TP of INR1,150.

Key investment thesis

Powergen market scenario and positioning of KOEL

The powergen market demand over last two quarters was impacted by a steep increase in pricing and pre-buying ahead of the CPCB 4+ implementation. Demand has now started to improve sequentially and industry volumes are expected to improve to 36,000-38,000 units for 4QFY25 from 32,000 units in 3QFY25. Within this, KOEL is strategically not chasing low-kVa volumes particularly from telecom market where market is highly commoditized. This approach, we believe, would have resulted in other players gaining market share in the powergen market during 3QFY25. Company is focusing on increasing share of volumes in mid to high-kVa ranges. It is planning to increase share of HHP sales in powergen revenues by 400-500bps in next 1-2 years. KOEL is already executing orders upto 2,500kVA and would also plan to increase presence in project business on HHP side over time. We, thus, expect KOEL volumes to start reflecting an improvement over next few quarters first from 250-750kva nodes and later from HHP nodes. We expect powergen revenues to get impacted in FY25 and expect it to recover from FY26 as powergen market stabilizes.

Industrial segment growth drivers for KOEL

Industrial segment revenues during 9MFY25 grew 20% YoY, led by strong demand from the infrastructure and construction sectors. KOEL will continue to maintain its focus on construction, concrete handling, railways, mining, and defense, and is optimistic about the growth prospects from existing and new segments. The company has recently launched 1) BSV engines for various construction applications like backhoe & wheel loaders, cranes, material handling, and road & concrete equipment, 2) Air-cooled engines, including

India's first CNG-powered air-cooled engine for concrete equipment, 3) India's only 1100 HP engine for mining applications like dump trucks, dozers, and excavators, and 4) Advanced futuristic technologies, such as hybrid engines and hydrogen-fueled internal combustion engines. The company's newly launched CEV BS-V engines meet stringent emission norms. With these initiatives and a focus on the construction and infrastructure sectors, we expect a 14% revenue CAGR for the industrial segment for KOEL over FY24-27.

Distribution reach better than smaller and new players in the industry

The distribution reach of KOEL is much better than other players in the industry. The company has 430+ service touchpoints. KOEL is expanding its presence in the retail channel by focusing on a wider product portfolio catering to both urban and rural needs. With introduction of electronic products across powergen and industrial, the company is focusing on upskilling channel partners. Growth in the distribution business over past few years has been driven by increased touchpoints. Going forward too, the company expects growth to be driven by both spare parts and AMCs with the increasing complexities of electronic products. Our discussion with channel partners also indicated that while other players in the industry are catching up on product availability, they lack the wide distribution network, where KOEL and KKC lead.

Export growth will be largely driven by US and Middle East

The export segment growth of KOEL has not panned out in line with the initial vision of the company. Along with this, improving power supply scenario in South Africa impacted offtake on powergen exports. While we may see near-term weakness in exports for the company, KOEL intends to scale up the business sustainably, with a strong foundation already in place. KOEL is working on establishing exclusive Kirloskar Genset Original Equipment Manufacturers (GOEMs) in key markets worldwide. It has successfully identified and appointed GOEMs in two key regions: the US and Middle East. Kirloskar Americas Corporation (KAC) acquired a 51% stake in Engines LPG LLC, dba Wildcat Power Gen, in the US market. KOEL had appointed Myspan Power Solutions as an exclusive GOEM for GCC countries.

B2C segment stabilizing following the facility shift

Our analysis of financials of key players that are focused on the pump industry indicates that scope of margin expansion is significant for KOEL. Its B2C division's performance was impacted by the facility shift. B2C losses at PBIT level had widened during the quarter, with a -9.3% EBIT margin due to initial ramp-up issues from consolidation of five of its plants into a single unit in Ahmedabad. With the normalization of volumes in B2C from Dec'24-end, KOEL expects margins in the B2C segment to revert to previous levels. Additionally, the company aims to bring these margins to around 8-10% over time. With improved volumes from B2C, we expect a better absorption of costs and higher margins for the company as a whole.

Financial outlook

We slightly trim our revenue growth and margin estimates in line with the industry's growth trend. We expect 12%/17%/19% CAGR in revenue/EBITDA/PAT, driven by 11%/14%/14%/12% CAGR in powergen/industrial/distribution/export revenues in the B2B segment, while we expect B2C to start ramping up and post a 10% CAGR over FY24-27. We expect EBITDA margin to expand to 13.0%/13.5% by FY26/27.

Valuation and view

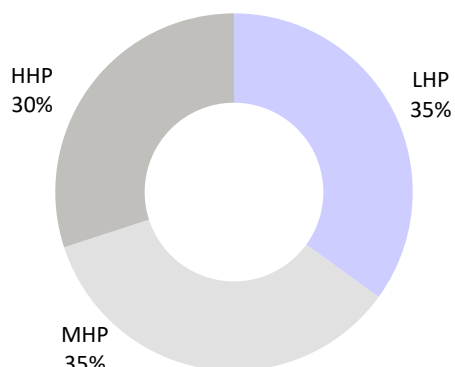
The stock is currently trading at 23.2x/19.2x/15.6x FY25/26/27E earnings. Adjusted with subsidiary valuation, KOEL is trading at 19.3x/16.0x/13.0x FY25/26/27E EPS, which is still at a significant discount to the market leader. On reverse calculation, the current stock price is baking in 9% revenue CAGR, 10% EBITDA margin, and 3% PAT CAGR over FY24-27, which we believe is unwarranted and is factoring in a bear case scenario of low growth and low valuation multiples of 20x for the core business. Our base case assumptions and target multiple of 25x for the core business (at a 40% discount to the market leader) imply a TP of INR1,150 on Mar'27 estimates. We reiterate BUY on KOEL as we expect the company to benefit from the changing business mix, with results to be visible over the medium to long term.

Key risks and concerns

Demand slowdown, competitive intensity, higher costs for the B2C division, the risk of further fund infusion in Arka Fincap, and technology risks are the key risks for KOEL.

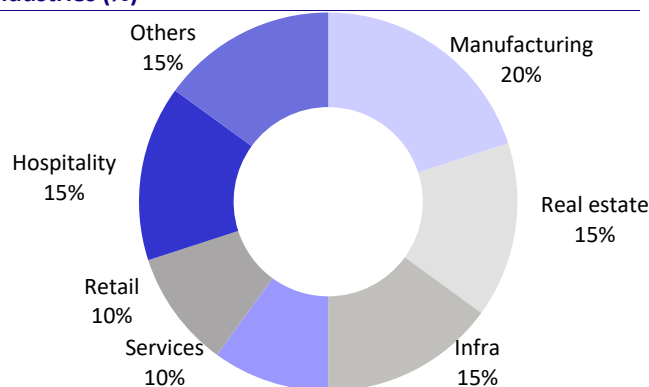
Powergen market to stabilize from 1QFY26

Exhibit 1: Genset industry size has grown by nearly 25-30% post CPCB 4+ to INR125-130b



Source: Company, MOFSL

Exhibit 2: Broad break up of demand from end-user industries (%)



Source: Company, MOFSL

Exhibit 3: Pricing of CPCB 4+ across nodes for different players indicates that Cummins is at the premium while Mahindra Powerol, Ashok Leyland, and Greaves Cotton are at a discount to the market leader (INR)

Node	Cummins	KOEL	Mahindra Powerol	Ashok Leyland	Greaves Cotton
15kva	3,40,000	3,25,000	2,87,000	2,95,000	2,80,000
20kva	3,48,000	3,14,000	3,10,000	3,17,000	3,25,000
30kva	6,12,000	5,72,000	5,21,000	5,50,000	5,36,000
40kva	7,05,000	6,95,000	6,85,000	6,70,000	6,70,000
58.5kva	7,90,000	7,00,000	7,00,000		
82.5kva	11,00,000	10,85,000	10,80,000	9,23,000	8,80,000
125kva	12,00,000	11,45,000	10,40,000	10,58,000	10,75,000
160kva	16,25,000	15,60,000	13,75,000	14,50,000	14,03,000
200kva	21,45,000	19,50,000	18,40,000		
250kva	22,50,000	20,50,000	18,60,000	18,00,000	18,92,000
500kva	43,00,000	38,80,000	35,00,000	32,50,000	32,40,000
750kva	74,50,000	67,50,000			

Source: Channel checks, Industry, MOFSL

Industrial segment to benefit from new areas and products

Exhibit 4: For the revised CEV-5 norms, the company has introduced new engines, some of which are listed below

New products introduced by the company catering to the Industrial business segment

- ❖ BSV engines for various construction applications like backhoe & wheel loaders, cranes, material handling, and road & concrete equipment
- ❖ Air-cooled engines, including India's first CNG-powered air-cooled engine for concrete equipment
- ❖ India's only 1100 HP engine for mining applications like dump trucks, dozers, and excavators

Source: Company, MOFSL

Distribution network of KOEL is better than many players

Exhibit 5: Distribution model for key genset players in the genset industry

Description	Cummins India	KOEL	Mahindra Powerol	Greaves Cotton	MTU	Caterpillar	Baudouin
Product range	7.5-3750 kVa	2.8-3000 kVa	5.0-625 kVA	5-2500 kVA	30-4000 kVa	400-2250 kVa (CAT and Perkins)	250-4000kVa (CPCB 4+ is from 100-750kVa)
Manufacturing location	4 - Pune, Nandal (Satara), Post Kasar Amboli (Pune), Chennai	5 - Pune, Kagal, Nasik, Rajkot and Bhare	2 - Pune and Delhi	Aurangabad		5 - Tiruvallur (TN), Hosur (TN), Aurangabad (Maharashtra)	2- Engine manufacturing at Pune, full genset at Satara
Other details			Number 2 in India in terms of volume in FY24		It is a brand of Rolls Royce Power systems AG		More of CKD unit, source most material from China
Service network	+450	+432 authorized service centers across India	300+	NA	13 in India	7 locations plus dealer network of OEMs	25 locations
Dealer network	21 authorized dealerships, 120+ dealership branch offices	450+	+200	435+		North, east, northeastern, South, west, central india	Own network of 25 location
Vol market share	20%	30%	20%			NA	NA
OEMs	3	9	11	8	6	2	2
OEM names	Sudhir Power, Jakson Group, Powerica		Joyshree Powerol, Perfect Generator Technologies, Gangadhar Industries, G. S. P. POWER SYSTEMS, Rahim Engineering Works, Sharda Diesels, Escon Genset, Southern Gensets, Shyam Global Techoventures, Tanwar Industries, Recon Technologies		Diesel Genset, Gas genset, Dynamic UPS, Energy Storage, Containerized solutions and accessories and gendrive engines	Gainwell Commosales, GMMCO	Powerparts, Sterling generators

Source: Industry, Company, MOFSL

KOEL's B2C segment has scope for further improvement vs. peers

Exhibit 6: Comparison of pumps players – products & industries served

KOEL		Shakti Pumps		Kirloskar Brothers		KSB Ltd		WPIL	
Product line-up	Industries served	Product line-up	Industries served	Product line-up	Industries served	Product line-up	Industries served	Product line-up	Industries served
Engine-based pumps	Construction	Solar pumps	Government	End suction pumps	Construction	Standard products	Thermal power	Engineered/large pumps	Industrial
Electric pumps (KOEL)	Agriculture	Wastewater pumps	Industrial	Split-case pumps	Oil & gas	Engineered products	Nuclear power	Conventional water pumps	Municipal
Electric pumps (LGM)	Residential	Submersible pumps	Commercial	Multi-stage pumps	Marine and defense		Oil & gas		Firefighting
			OEM	Sump pump	Power		Fertilizer		Oil & gas
			Retail	Vertical inline pump	Process Industries		Firefighting		Thermal power
				Vertical turbine pump	Irrigation		General engineering		Nuclear power
				Non-clog submersible pump			Construction		
				Special engineered pump			Agriculture		
				Hydro turbines and PAT			Railways		
				Submersible pumps			Wastewater management		
							Life sciences		
							Navy		
							Marine		

Source: Company, MOFSL

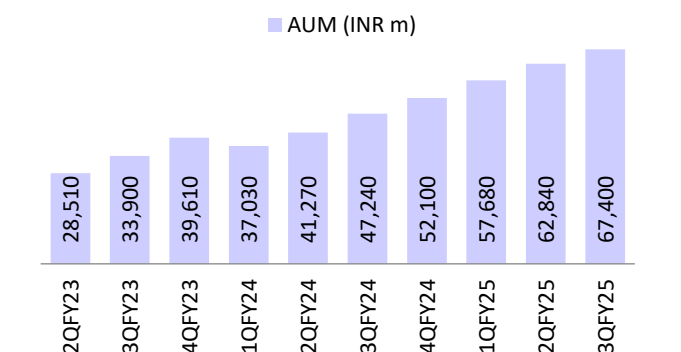
Exhibit 7: Key financial performance indicators for pump players (INR b)

Company	Net Sales (INR b)					EBIDTA margin (%)					Adj PAT (INR b)					RoCE (%)				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Kirloskar Brothers	31.4	27.2	30.6	37.3	40.0	6.6	8.9	6.7	10.6	13.0	0.7	1.6	0.9	2.4	3.4	11.7	14.6	10.6	20.2	26.3
KSB Ltd	12.9	12.1	15.0	18.2	22.5	11.7	13.9	14.0	13.5	13.1	0.9	0.9	1.5	1.8	2.1	16.5	16.6	20.0	22.3	22.5
Shakti Pumps	3.8	9.3	11.8	9.7	13.7	3.2	15.3	9.4	6.9	16.4	-0.1	0.8	0.6	0.2	1.4	-0.2	28.7	21.1	10.2	31.1
WPIL Ltd	9.1	9.9	11.8	16.1	16.6	13.0	15.7	17.8	16.7	17.9	0.6	0.8	1.0	1.5	-0.2	13.5	17.0	19.6	25.8	23.4

Source: Company, MOFSL

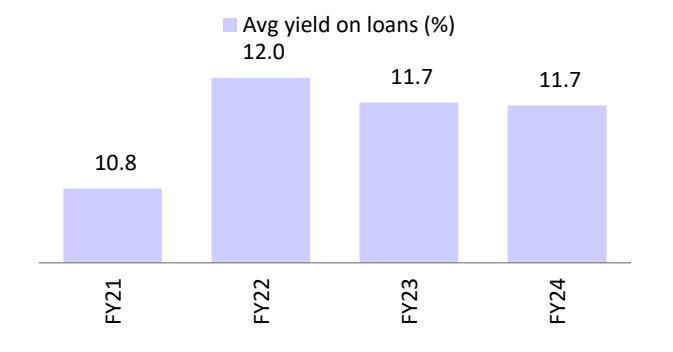
Arka's AUM growth is healthy

Exhibit 8: Arka's AUM has grown to INR67.4b in 3QFY25 from INR11b in FY21



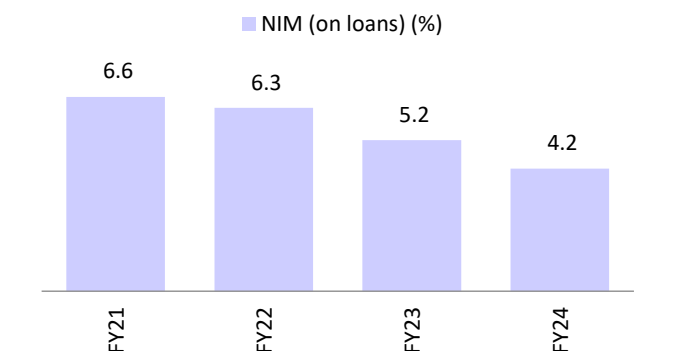
Source: Company, MOFSL

Exhibit 9: Average yield on loans is around 11-12% for Arka Fincap



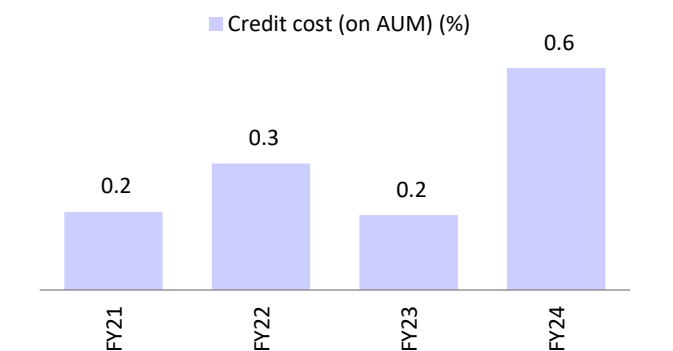
Source: Company, MOFSL

Exhibit 10: NIM has come off over the last four years from the highs of 6.6% in FY21



Source: Company, MOFSL

Exhibit 11: Credit cost is broadly around 0.2% of AUM, while it peaked in FY24 (%)



Source: Company, MOFSL

Valuation and view

The stock is currently trading at 23.2x/19.2x/15.6x FY25/26/27E earnings. Adjusted with subsidiary valuation, KOEL is trading at 19.3x/16.0x/13.0x FY25/26/27E EPS, which is still at a significant discount to the market leader.

Exhibit 12: Reverse valuation vs. Target valuation

	Reverse Valuation at CMP	Target valuation	Rationale
Core business revenue growth CAGR over FY24-27 (%)	9%	12%	❖ The current market price is factoring in much lower growth in the powergen, industrial, and distribution segments while we factor in 12% revenue CAGR for FY24-27.
EBITDA margin assumption for FY26/27 (%)	10%	13% - 13.5%	❖ The current market price implies the same margins as 3QFY25 for future years while we build in margin expansion on improved revenue mix.
PAT CAGR over FY24-27 (%)	3%	19%	❖ With these assumptions, we expect PAT CAGR of 19% over FY24-27.
Core business valuation multiple (x)	20x	25x	❖ Current market prices also imply much lower valuation multiple of 20x for the core business while we value it at 25x, @40% discount to target valuation of market leader.
Core business valuation (INR m)	78,000	1,50,889	
Valuation of investments (INR m)	15,792	15,792	
Total valuation (INR m)	93,792	1,66,680	
Price per share (INR)	647	1,150	

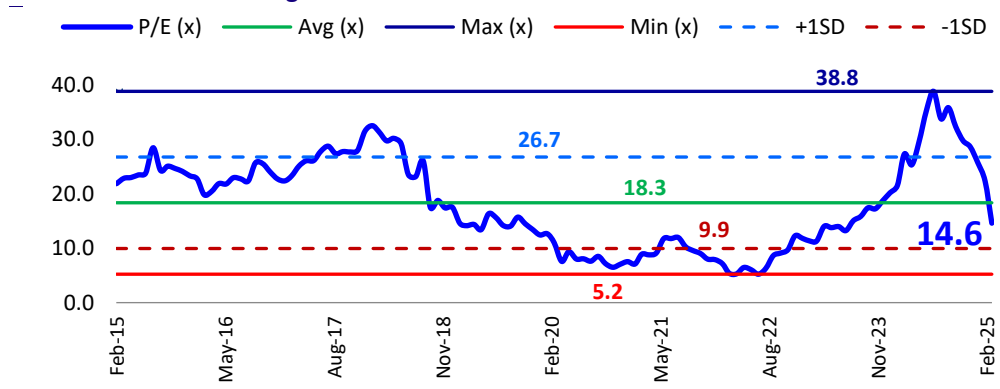
Source: Company, MOFSL

On reverse calculation, the current stock price is baking in 9% revenue CAGR, 10% EBITDA margin, and 3% PAT CAGR, which we believe is unwarranted; it is factoring in a bear case scenario of low growth and low valuation multiples of 20x for core business.

With our base case assumptions and target multiple of 25x for the core business (at a 40% discount to the market leader), we arrive at a TP of INR1,150 on Mar'27 estimates.

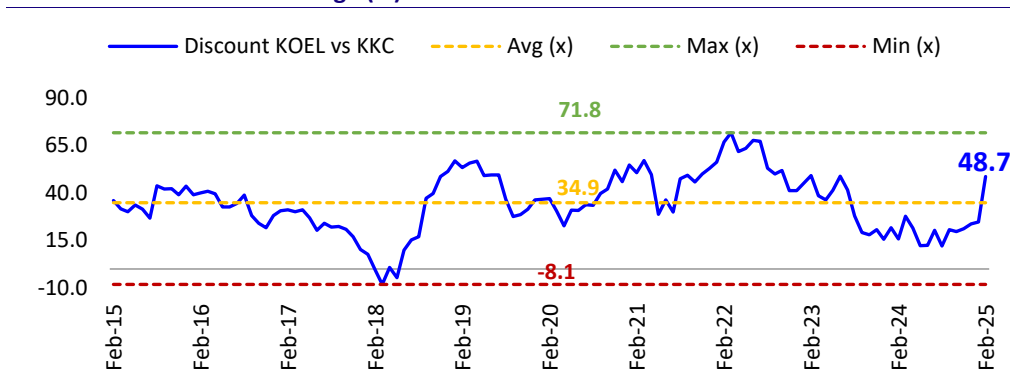
We reiterate BUY on KOEL as we expect the company to benefit from the changing business mix, with results to be visible over medium to long term.

Exhibit 13: KOEL is trading at 15x on Mar'27 estimates



Source: Company, MOFSL

Exhibit 14: KOEL has historically traded at a discount vs KKC. Currently, the discount has widened above the 10Y average (%)



Source: Company, MOFSL

Exhibit 15: We trim our estimates by 4%/6% for FY26/27 to bake in slightly lower margin

(INR M)	FY25E			FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	50,140	50,140	-	58,103	58,103	-	67,570	68,570	(1.5)
EBITDA	6,368	6,518	(2.3)	7,553	7,844	(3.7)	9,122	9,600	(5.0)
EBITDA (%)	12.7	13.0	-30 bps	13.0	13.5	-50 bps	13.5	14.0	-50 bps
Adj. PAT	4,070	4,182	(2.7)	4,915	5,130	(4.2)	6,057	6,417	(5.6)
EPS (INR)	28.1	28.9	(2.7)	34.0	35.4	(4.2)	41.8	44.3	(5.6)

Source: Company, MOFSL

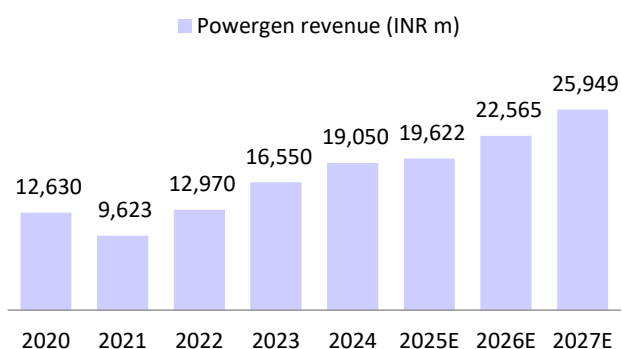
Exhibit 16: SoTP valuation: We value core business at 25x Mar'27 estimates

	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	6,057	25	1,50,889	100	1,50,889	1,041	❖ 25X two-year fwd EPS; @40% discount to KKC
Investments							
La Gajjar Machineries	104	12	1,251	100	1,251	9	❖ 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					1,66,680	1,150	

Source: Company, MOFSL

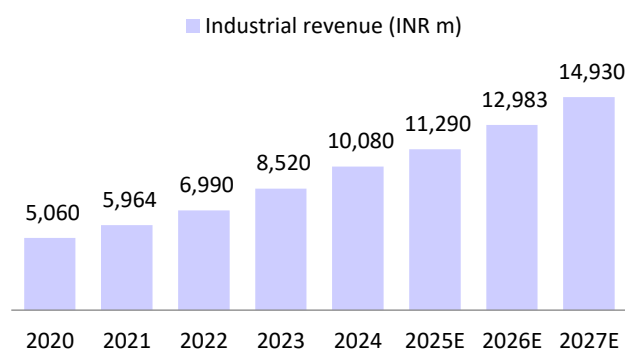
Financial outlook

Exhibit 17: We expect powergen revenue to grow at 11% CAGR over FY24-27



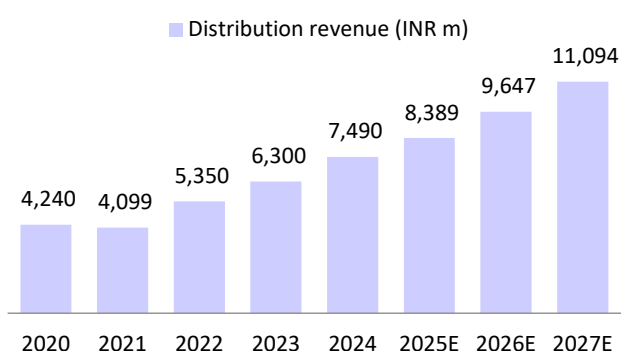
Source: Company, MOFSL

Exhibit 18: We expect industrial revenue to post a CAGR of 14% over FY24-27 on strong demand



Source: Company, MOFSL

Exhibit 19: We expect distribution revenue growth to remain strong at 14% CAGR over FY24-27



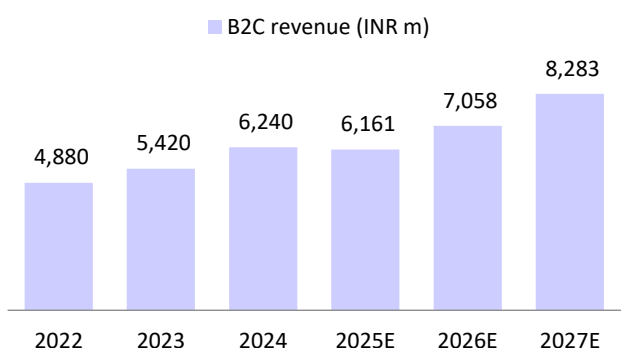
Source: Company, MOFSL

Exhibit 20: We expect exports revenue to post a 12% CAGR over FY24-27



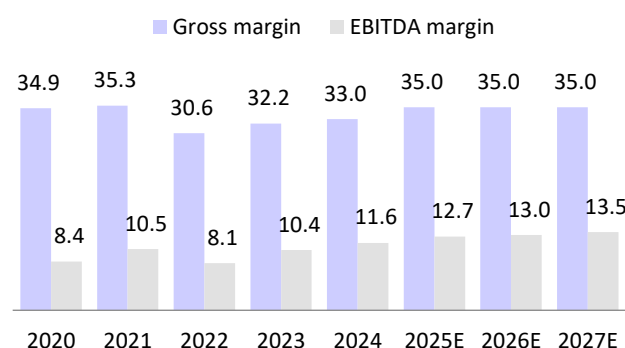
Source: Company, MOFSL

Exhibit 21: We expect B2C revenue to post a CAGR of 10% over FY24-27 with expanding footprint



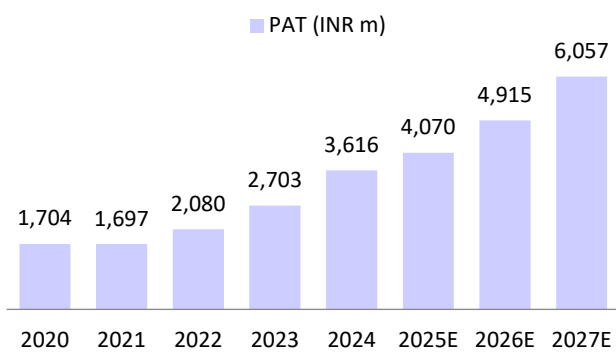
Source: Company, MOFSL

Exhibit 22: We expect margin expansion to be driven by better cost absorption of B2C and higher share of HHP (%)



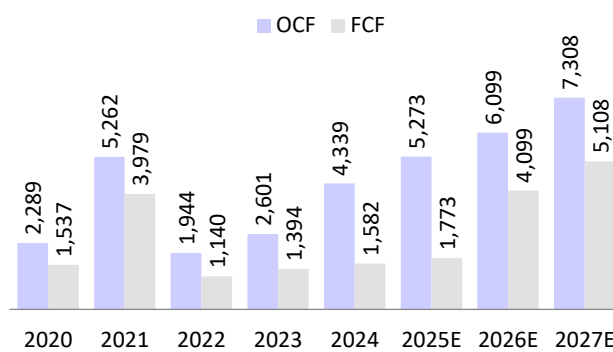
Source: Company, MOFSL

Exhibit 23: We expect PAT to post 19% CAGR over FY24-27



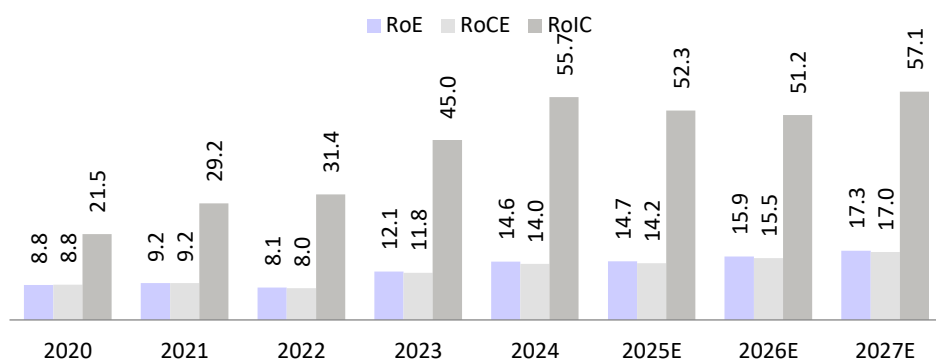
Source: Company, MOFSL

Exhibit 24: We expect OCF & FCF to improve further (INR m)



Source: Company, MOFSL

Exhibit 25: Return ratios to improve with improved profitability (%)



Source: Company, MOFSL

Financials and valuation

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	50,140	58,103	67,570
Change (%)	-6.4	22.5	24.7	17.8	3.4	15.9	16.3
Raw Materials	17,431	22,912	27,897	32,439	32,591	37,767	43,920
Gross Profit	9,513	10,085	13,264	16,066	17,549	20,336	23,649
Employees Cost	1,989	2,070	2,365	3,069	3,510	4,067	4,730
Other Expenses	4,686	5,327	6,630	7,355	7,671	8,716	9,798
Total Expenditure	24,106	30,309	36,892	42,864	43,773	50,550	58,448
% of Sales	89.5	91.9	89.6	88.4	87.3	87.0	86.5
EBITDA	2,838	2,688	4,269	5,642	6,368	7,553	9,122
Margin (%)	10.5	8.1	10.4	11.6	12.7	13.0	13.5
Depreciation	622	772	848	970	1,103	1,248	1,360
EBIT	2,217	1,915	3,422	4,672	5,265	6,305	7,762
Int. and Finance Charges	64	62	54	78	132	90	74
Other Income	245	248	273	274	351	407	473
PBT bef. EO Exp.	2,398	2,100	3,641	4,868	5,484	6,622	8,162
EO Items	-84	527	0	0	0	0	0
PBT after EO Exp.	2,314	2,627	3,641	4,868	5,484	6,622	8,162
Total Tax	617	547	939	1,252	1,414	1,708	2,104
Tax Rate (%)	26.6	20.8	25.8	25.7	25.8	25.8	25.8
Minority Interest	0	0	0	0	0	0	0
Reported PAT	1,697	2,080	2,703	3,616	4,070	4,915	6,057
Adjusted PAT	1,759	1,663	2,703	3,616	4,070	4,915	6,057
Change (%)	11.4	-5.4	62.5	33.8	12.5	20.8	23.2
Margin (%)	6.5	5.0	6.6	7.5	8.1	8.5	9.0

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	28,917	32,517	36,953
Net Worth	19,832	21,395	23,318	26,227	29,207	32,807	37,243
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	30,526	33,925	38,161
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	15,246	16,494	17,854
Net Fixed Assets	4,455	4,502	4,251	4,908	7,306	8,058	8,898
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	13,189	17,608	23,110
Inventory	2,652	3,031	4,685	5,235	5,412	6,271	7,293
Accounts Receivable	3,558	3,945	4,672	5,684	5,876	6,809	7,919
Cash and Bank Balance	294	314	338	980	659	3,153	6,366
Loans and Advances	872	656	852	808	835	967	1,125
Other Assets	716	558	1,011	408	408	408	408
Curr. Liability & Prov.	7,686	7,606	9,267	10,793	11,157	12,929	15,035
Accounts Payable	6,419	6,175	6,326	7,274	7,519	8,713	10,133
Other Current Liabilities	646	729	1,700	2,223	2,298	2,663	3,097
Provisions	622	702	1,241	1,296	1,340	1,553	1,806
Net Current Assets	406	899	2,291	2,322	2,032	4,680	8,075
Appl. of Funds	20,749	22,517	24,131	28,418	30,526	33,925	38,161

Financials and valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	12.2	11.5	18.7	25.0	28.1	34.0	41.8
Cash EPS	16.4	16.8	24.5	31.7	35.8	42.6	51.3
BV/Share	137.0	147.8	161.1	181.2	201.8	226.6	257.3
DPS	1.5	4.7	5.0	6.7	7.5	9.1	11.2
Payout (%)	12.8	32.6	26.8	26.8	26.8	26.8	26.8
Valuation (x)							
P/E	53.7	56.8	35.0	26.1	23.2	19.2	15.6
Cash P/E	39.7	38.8	26.6	20.6	18.2	15.3	12.7
P/BV	4.8	4.4	4.1	3.6	3.2	2.9	2.5
EV/Sales	3.5	2.9	2.3	2.0	1.9	1.6	1.3
EV/EBITDA	33.5	35.4	22.2	16.9	14.9	12.2	9.8
Dividend Yield (%)	0.2	0.7	0.8	1.0	1.2	1.4	1.7
FCF per share	27.5	7.9	9.6	10.9	12.3	28.3	35.3
Return Ratios (%)							
RoE	9.2	8.1	12.1	14.6	14.7	15.9	17.3
RoCE	9.2	8.0	11.8	14.0	14.2	15.5	17.0
RoIC	29.2	31.4	45.0	55.7	52.3	51.2	57.1
Working Capital Ratios							
Fixed Asset Turnover (x)	1.7	1.9	2.4	2.5	2.2	2.4	2.5
Asset Turnover (x)	1.3	1.5	1.7	1.7	1.6	1.7	1.8
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
Leverage Ratio (x)							
Current Ratio	1.1	1.1	1.2	1.2	1.2	1.4	1.5
Interest Cover Ratio	34.9	30.7	63.8	60.0	39.8	70.4	105.6
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	5,484	6,622	8,162
Depreciation	622	772	848	970	1,103	1,248	1,360
Interest & Finance Charges	38	50	35	78	132	90	74
Direct Taxes Paid	-324	-567	-960	-1,084	-1,414	-1,708	-2,104
(Inc)/Dec in WC	2,654	-157	-1,025	-441	-31	-153	-182
CF from Operations	5,304	2,726	2,539	4,391	5,273	6,099	7,308
Others	-42	-782	61	-52	0	0	0
CF from Operating incl EO	5,262	1,944	2,601	4,339	5,273	6,099	7,308
(Inc)/Dec in FA	-1,282	-804	-1,206	-2,757	-3,500	-2,000	-2,200
Free Cash Flow	3,979	1,140	1,394	1,582	1,773	4,099	5,108
(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
CF from Investments	-5,453	-8,994	-1,556	-4,182	-3,500	-2,000	-2,200
Issue of Shares	0	0	0	0	0	0	0
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	-1,089	-1,316	-1,621
Others	-20	7,529	-12	-21	-673	0	0
CF from Fin. Activity	314	7,070	-1,021	486	-2,095	-1,605	-1,895
Inc/Dec of Cash	123	20	23	643	-321	2,494	3,213
Opening Balance	171	294	314	338	980	659	3,153
Closing Balance	294	314	338	980	659	3,153	6,366

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