

BUY

Sector: Capital Goods

07th May, 2026

						Target	Rs. 6,160
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 5,423
Large Cap	KKC:IN	77,845	CUMMINSIND	500480	12 Months	Return	+14%

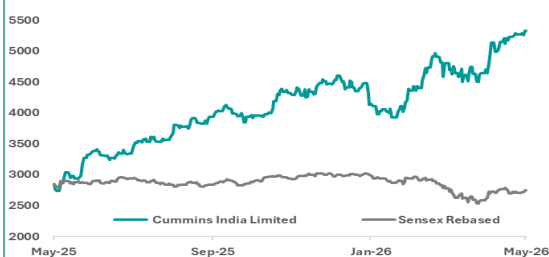
Data as of: 07-05-2026 16:00hrs

Company Data	
Market Cap (Rs cr)	1,50,338
52 Week High - Low (Rs.)	5,424 - 2,702
Enterprise Value (Rs.cr)	1,47,828
Outstanding Shares (cr)	27.7
Free Float (%)	48.6
Dividend Yield	1.0%
6m average volume (cr)	0.07
Beta	1.2
Face value Rs.	2

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	51.0	51.0	51.0
FII's	18.4	19.4	20.8
MFs/Insti	21.7	20.6	19.4
Public	8.9	9.0	8.8
Total	100.0	100.0	100.0

Price Performance	3 Month	6 Month	1 Year
Absolute Return	26.7%	23.3%	87.2%
Absolute Sensex	-7.0%	-6.4%	-3.5%
Relative Return*	33.7%	29.7%	90.6%

*over or under performance to benchmark index



Consolidated (Rs cr)	FY26E	FY27E	FY28E
Sales	11,895	13,702	15,913
Growth (%)	14	15	16
EBITDA	2,529	3,014	3,547
EBITDA Margin(%)	21	22	22
PAT Adj.	2,321	2,654	3,162
Growth (%)	16	14	19
Adjusted EPS	84	96	114
Growth (%)	16	14	19
P/E	64.8	56.7	47.5
P/B	17.3	15.0	13.0
EV/EBITDA	12	11	9
ROE (%)	27	28	29
Net D/E	(0.4)	(0.4)	(0.4)

Data Center Ramp-up Driving Sustained Growth...

Cummins India (KKC) is India's largest manufacturer of diesel and natural gas engines, generator sets and power solutions, commanding a dominant position across Industrial, infrastructure and data center end-markets, backed by global technology strength of Cummins Inc. and a strong push towards emission-compliant platforms, connected digital platforms, and adjacent products in the broader industrial power ecosystem.

- Cummins India's revenues are expected to grow at a 15% CAGR over FY25–FY28E to ₹15,913cr, driven by PowerGen scaling, data center demand, and steady industrial and export growth.
- EBITDA is projected to rise from ₹2,529 Cr in FY26E to ₹3,547cr by FY28E, with margins expanding from 21.3% to 22.3% on operating leverage and favorable product mix.
- PAT is forecasted to grow at 17% CAGR to ₹3,098cr by FY28E, with PAT margins improving to 20% despite higher depreciation from incremental capex.
- Free cash flow generation remains strong, rising from ₹2,207cr in FY26E to ₹3,162cr by FY28E, highlighting healthy cash conversion and supporting sustained dividend payouts and a strong net cash balance sheet.
- ROCE improves 260bps from 22.1% in FY26E to 24.7% by FY28E, driven by margin expansion and improving asset productivity.

Investment Rationale

- KKC is a market leader in mission-critical power solutions, with dominance in high-horsepower DG sets (>500 kVA), premium pricing power, deep partnerships with hyperscalers, and protection from unorganized competition.
- Multi-year demand cycle across Power-Gen and Industrial segments backed by 21% CAGR growth in India's data center capacity by FY30E alongside India's ₹12.2Lac cr infrastructure capex for FY27E.
- High margin, recurring distribution revenues from spares, services, and Fleetguard filters create a stable earnings flywheel and materially enhance revenue quality over the medium term.
- Driven by the absence of cost-effective long-duration alternatives, persistent grid unreliability, and CPCB IV+ acting as a premiumisation lever rather than a demand dampener, the diesel genset market is projected to expand to ₹23,803cr by FY30E.

Outlook & Valuations

Cummins India has re-rated sharply over the past five years, driven by consistent earnings growth, strong return ratios, and its leadership in mission-critical power solutions. While growth moderated in FY25 due to demand normalisation and export softness, the medium-term earnings outlook remains supported by PowerGen scale-up supported by data center growth, export recovery, and a resilient, high-recurring Distribution business. **We value the company at 54x FY28E EPS, arriving at a target price of ₹6,160, and initiate coverage with a BUY rating.**



About the company

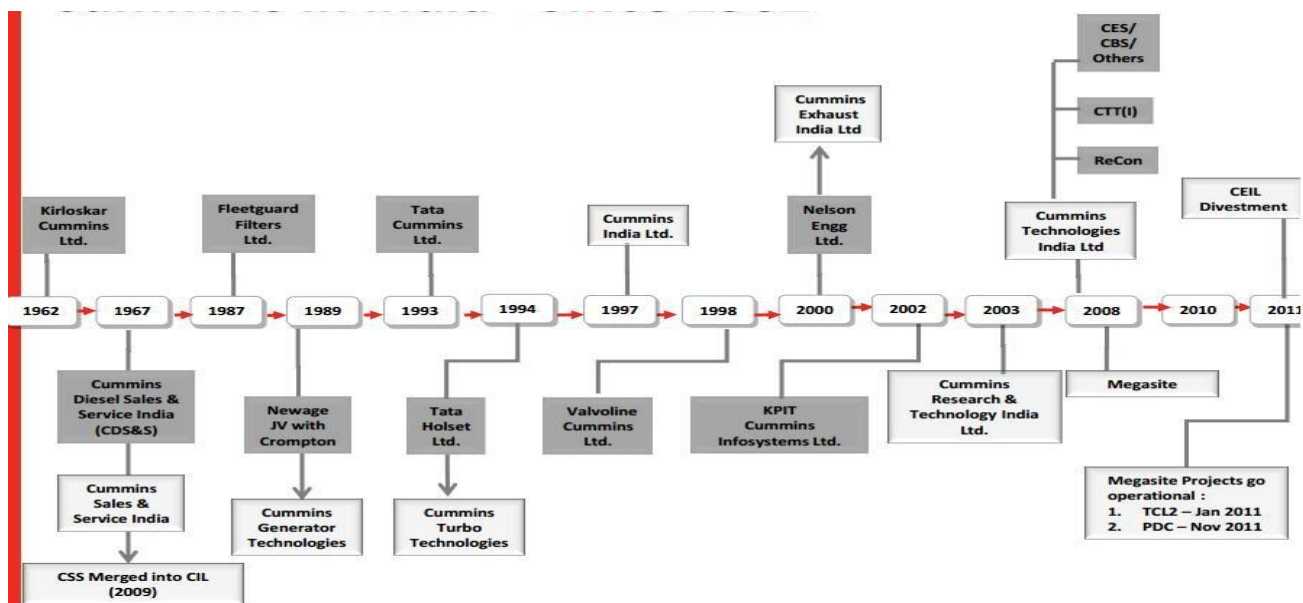
- ◆ **Cummins India Ltd.** is one of the leading manufacturers of diesel and natural gas engines in India, operating as a key subsidiary of Cummins Inc. The company benefits from strong technological support, global R&D capabilities, and access to advanced engine platforms, enabling it to maintain leadership across industrial, power generation, and export markets.
- ◆ The company derives a well-balanced revenue mix across domestic industrial, power generation, and distribution segments, complemented by a strong export business. Exports are primarily to Asia-Pacific, the Middle East, and Africa, which form a meaningful share of revenues, supported by India's cost competitiveness and Cummins' global supply chain integration.
- ◆ Cummins India is strategically aligned with tightening emission norms (such as CPCB IV+) and increasing demand for cleaner energy solutions. The company is investing in alternative fuel technologies including natural gas, hydrogen, and hybrid systems, positioning itself to benefit from India's gradual transition toward lower-emission power solutions.
- ◆ The company maintains a robust balance sheet characterized by negligible debt, strong cash generation, and consistent return ratios. It follows a disciplined capital allocation strategy, with steady dividend payouts and selective capex focused on technology upgrades, capacity optimization, and localization initiatives.
- ◆ Cummins India is well-positioned to benefit from structural demand drivers, including infrastructure development, real estate expansion, data center growth, and increasing need for reliable backup power. The power generation segment, particularly in the mid-to-high horsepower range where KKC is the market leader in India, continues to see stable demand supported by urbanization and industrialization trends.



Segment & % of Revenue	Power Generation 39%	Industrial 27%	Distribution 17%	Exports 18%
Products	Engines & gensets to 55+ countries in ME, Africa, SE Asia	Engines for mining, railways, defence, O&G; and marine	Spare parts, service & Fleetguard filter products retail	Engines & gensets to 55+ countries in ME, Africa, SE Asia

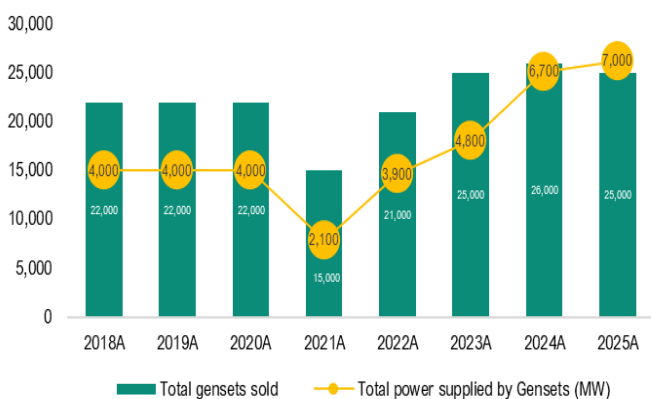
Source: Annual Report FY25, Geojit Research

Cummins's journey so far...



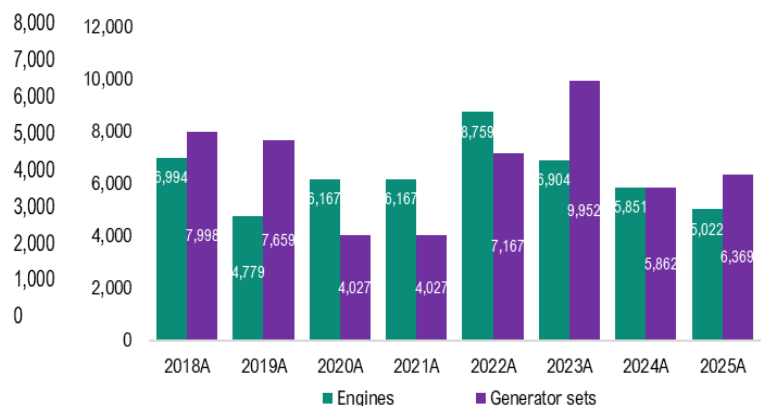
Source: Annual Report FY25

KKC has consistently sold over 25,000 gensets in the last 3 years



Source: Annual Report FY25, Geojit Research

The export of generator sets outpaces the export of engines in the last 3 years



Source: Annual Report FY25, Geojit Research

Industry Outlook

Standby power landscape in India – Snapshot

- ◆ Persistent grid unreliability amid rising urbanization, commercial real estate expansion, and infrastructure build-out sustains structural demand for standby power solutions.
- ◆ Diesel generators continue to anchor the market due to proven reliability, load-handling capability, and rapid response for mission-critical applications.
- ◆ Demand is concentrated across commercial buildings, manufacturing, IT/data centres, telecom, and infrastructure, where power continuity is operationally non-negotiable.
- ◆ Adoption of solar-diesel hybrids and battery systems remains complementary and additive, with limited substitution of DGs in critical-use scenarios making DG sets a necessity.

Criticality of standby power

Parameter	Details
Households experiencing outages	80% (All-India average)
Outage Frequency	Daily/Weekly
Common outage duration	1-3 hours per day
Urban Outage trend	0-2 hours/day (esp. in IT/offices)
Rural Outage trend	5-7 hours/day
Government response rate (e.g. MSEDCL)	Only 30-35% of complaints addressed on time

Source : Powerica Ltd -DRHP

Role of standby power in India, FY2025

Metric	Value
Economic loss mitigated by standby power	0.5-1% of India's GDP
Genset contribution to loss mitigation	70-75%
UPS systems contribution	25-30%
Battery backup coverage	2-6 hours (households)
Overall outage coverage by standby systems	1-8 hours/day (average)

Source : Powerica Ltd -DRHP

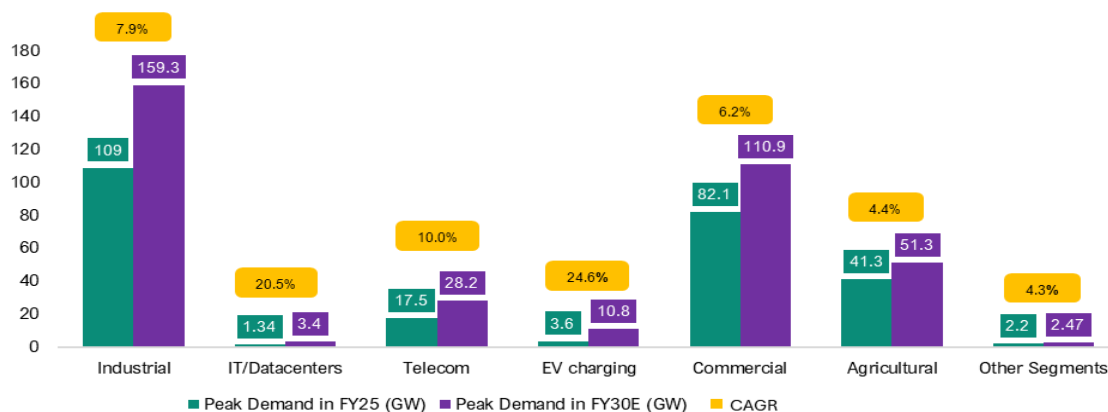
Power shortage / deficit in India, FY2025

Financial Year	Peak Demand (MW)	Peak Availability (MW)	Deficit (MW)	Deficit (%)
2019-20	1,83,804	1,83,004	800	0.4%
2020-21	1,90,198	1,87,788	2,410	1.3%
2021-22	2,03,014	2,00,570	2,444	1.2%
2022-23	2,15,888	2,07,231	8,657	4.0%
2023-24	2,43,271	2,39,931	3,340	1.4%
2024-25	2,56,530	2,56,273	257	0.1%

Source : CEA, Powerica Ltd -DRHP

- ◆ India's peak power demand has risen steadily from 1,83,804 MW in FY20 to 2,56,530 MW by FY25, with power deficits fluctuating and peaking at 4% in FY23, underscoring structural supply challenges amid summer led industrial and commercial load growth.
- ◆ These gaps result in frequent last-mile outages, with ~80% of households facing daily or weekly disruptions lasting 1–3 hours in urban areas and 5–7 hours in rural regions; consequently, standby power solutions mitigate ~1% of GDP losses, with diesel gensets accounting for 70–75% of loss mitigation and providing 1–8 hours of outage coverage on average.

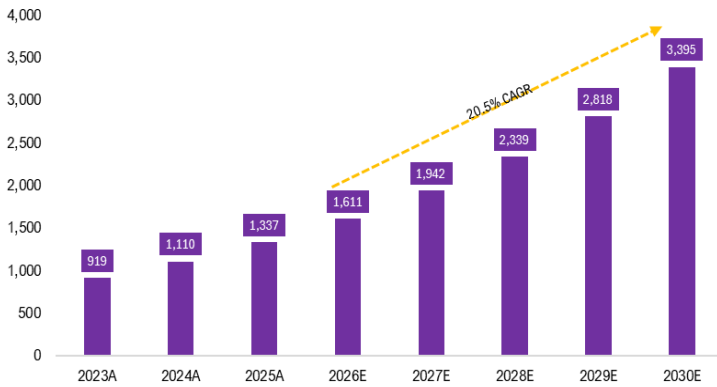
Power demand by key end user segments in India (FY25 vs FY30E and CAGR growth)



Source : CEA, Powerica Ltd -DRHP, GeoJit Research

- ◆ Industrial and commercial segments remain the largest contributors to peak demand, with industrial load rising from 109 GW in FY25 to 159 GW by FY30E (8% CAGR) and commercial demand rising from 82 GW to 111 GW (6% CAGR), driven by manufacturing expansion, infrastructure push, and urbanization.
- ◆ Commercial users account for ~32–34% of DG-backed consumption, reflecting sustained dependence on standby power amid rising energy intensity across real estate, retail, hospitality, healthcare, BFSI, and education.
- ◆ Agricultural demand is projected to rise from 41 GW to 51 GW over FY25–FY30E (4% CAGR), while other segments (petrol pumps, EV rentals, miscellaneous commercial) rise modestly from 2.2 GW to ~2.5 GW (4% CAGR).
- ◆ IT/data centres represent the fastest growing segment, with peak demand rising from 0.9 GW to 3.4 GW (31% CAGR), while EV charging demand rises from 3.6 GW to 10.8 GW (25% CAGR) and telecom demand from 17.5 GW to 28.2 GW (10% CAGR), reinforcing the critical role of localized backup and hybrid power solutions.

Data center capacity in India



Source : CEA, Powerica Ltd -DRHP

- ◆ The capacity build-out shows high medium-term visibility, with steady additions driven by hyperscale, colocation, and enterprise data centre investments.
- ◆ This sharp rise in power intensive data centre infrastructure is structurally increasing demand for high-reliability standby power systems, as uninterrupted operations, redundancy, and Tier III/IV uptime requirements remain critical amid grid reliability constraints.
- ◆ Growth is anchored in accelerating digitalisation, cloud adoption, surging data consumption, expansion of OTT, fintech, e-commerce and e-governance platforms, along with a regulatory push toward data localisation, reinforcing long-term demand visibility for backup power solutions, including diesel gensets.

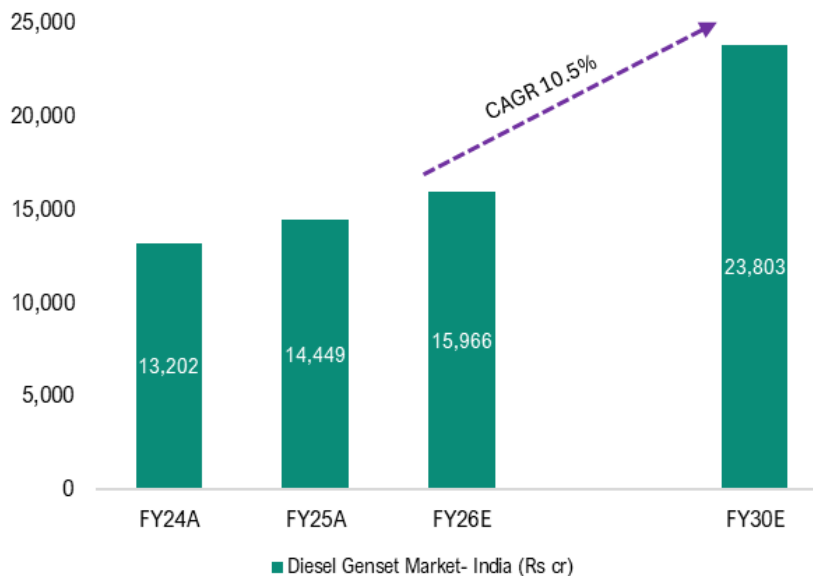
Power backup solutions in India

Category	Products/Solutions	Capacity Range	Key Market Segments
Generator Sets	Diesel Generator Sets (DG Sets)	5 kVA – 3,500+ kVA	Commercial & Residential Real Estate, Telecom, IT/Data Centers, Manufacturing, Others incl. EV Infra, GeM
	Gas Generator Sets (CNG/LPG)	10 kVA – 500 kVA	
Battery Systems	Lead-Acid Batteries (VRLA, Flood)	7Ah – 200Ah+	
	Lithium-ion Batteries	2 kWh – 1 MWh+	
	Nickel-Cadmium & Others	50Ah – 500Ah+	
UPS Systems	Offline/Standby UPS	Up to 2 kVA	
	Line-Interactive UPS	0.5 – 5 kVA	
	Online/Double Conversion UPS	1 kVA – 800 kVA+	
	Modular UPS Systems	10 kVA – 2 MW+	
Inverter Systems	Home Inverters	600 VA – 3 kVA	
	Commercial Inverters	3 kVA – 20 kVA	
BESS	Containerized BESS	250 kWh – 10 MWh+	
	Hybrid Solar + Battery Systems	1 kW – 500 kW+	

Source : Geojit Research, Powerica Ltd -DRHP

- ◆ The continued rollout of Tier III and Tier IV data centres is expected to sustain strong demand for scalable diesel and gas generator sets, given stringent uptime, redundancy, and reliability requirements, particularly for primary and secondary backup applications.
- ◆ While battery-based solutions (UPS, BESS, hybrid systems) are gaining traction for load balancing, short-duration backup, and energy efficiency, the evolving market structure supports a coexistence of conventional gensets and cleaner power technologies, rather than a complete transition away from traditional backup solutions.

Diesel generators (DG) market in India



Source : Geojit Research, Mordor Intelligence, PS Market Research

- ◆ DG sets are self-contained, integrated power systems, giving established OEMs a reliability edge and sustaining demand across industrial, commercial, telecom, and data centre applications amid persistent grid instability.
- ◆ The Indian diesel genset market is on a steady growth trajectory, expanding from ₹13,200cr in FY24A to ~₹14,450cr by FY30E, and is projected to grow by 1.5x by FY2030E.
- ◆ Growth is structurally supported by rising power demand, grid reliability gaps, and increasing adoption of backup power across industrial, commercial, telecom, and data-centre segments, reinforcing diesel gensets' continued relevance despite gradual adoption of alternative energy and storage solutions.
- ◆ Demand spiked in late FY24 and early FY25 due to pre-buying ahead of the CPCB II transition, resulting in the highest DG sales in a single financial year in FY24, followed by a temporary slowdown in FY25 in subsequent quarters post transition. Despite this normalization, the market resumes its growth trajectory, expected to expand from ₹15,966cr in FY26E to ₹23,803cr by FY30E, supported by sustained sectoral and economic drivers.

Major manufacturers/engine supplier in DG industry and the power ranges supplied

Company	Power Range (kVA)
Cummins India Ltd	7.5 kVA - 3750 kVA
Kirloskar Oil Engines (KOEL)	7.5 kVA - 2020 kVA
Mahindra Powerol	5 kVA - 625 kVA
Greaves Cotton	5 kVA - 2500 kVA
Ashok Leyland	5 kVA - 250 kVA
Caterpillar	7.5 kVA - 3500+ kVA
Baudouin	100 kVA - 4000 kVA
Perkins India	5 kVA - 2500 kVA
Eicher Engines	5 kVA - 35 kVA

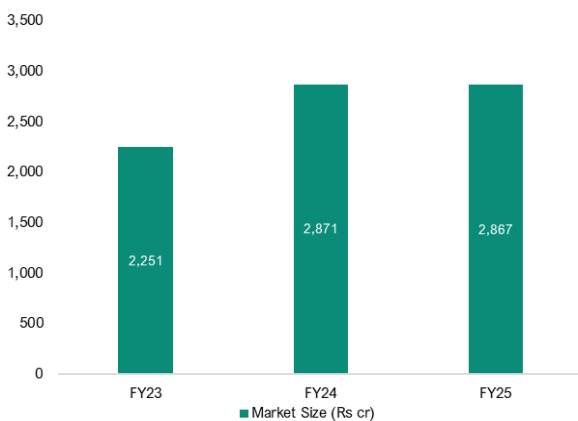
Source : Powerica Ltd -DRHP

- ◆ Cummins India holds a leadership position across the DG set value chain, with a strong presence in high-capacity applications (7.5 kVA to >3,500 kVA) alongside Caterpillar, serving manufacturing, data centres, and large infrastructure, while also competing effectively in the mid and lower kVA segments (5 kVA to ~2,500 kVA) addressing telecom, SME, rural, and standby power demand, supported by proven engine platforms, emission compliant technology, and an extensive after sales and distribution network.

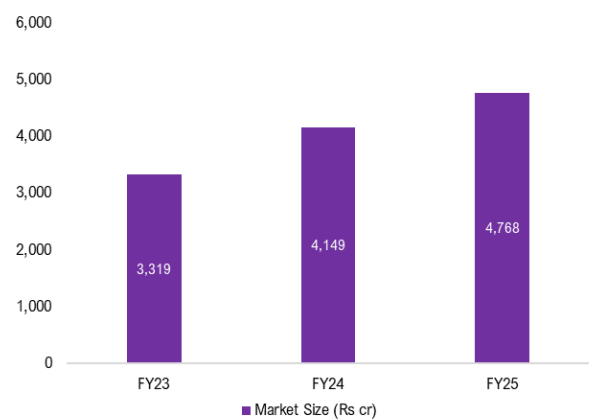
KKC is the market leader in the medium and high horsepower DGs (>180 kVA):

- ◆ Across Medium and High HP segments, end-user demand is predominantly driven by manufacturing, supported by heavy industries such as oil & gas, mining, and large-scale manufacturing, followed by the fast growing IT/data centres and commercial real estate. This demand mix underscores the critical role of DG sets in ensuring power reliability for industrial operations, digital infrastructure, and urban business establishments, while infrastructure, government & defence, and other niche applications contribute smaller but steady demand.

Medium HP market stands at ₹2,967cr.



High HP market stands at ₹4,768cr.



Source : Powerica Ltd -DRHP

- ◆ In FY25, both MHP and HHP DG set markets (in value terms) are led by established players like Cummins India Ltd, Caterpillar, KOEL etc, supported by strong technological expertise, reliable product portfolios, and extensive service and support networks catering to industrial, infrastructure, and data centre applications, while remaining partially fragmented due to the presence of multiple and specialized manufacturers offering competitive solutions.

Key regulations impacting the DG industry—CPCB II to CPCB-IV+ transition:

- ◆ India implemented CPCB IV+ emission norms for DG sets from July 2023, replacing CPCB II, with limits aligned broadly to EU Stage V standards and covering diesel and gas-based DG sets up to 800 kW, thereby materially tightening NOx, PM, CO, and HC thresholds across OEMs, engine manufacturers, and importers.
- ◆ The regulatory framework mandates ARAI/ICAT certification and strict enforcement by CPCB, CAQM, SPCBs, and the NGT, while also extending compliance to legacy DGs through compulsory RECD installation, dual-fuel operation in select capacities, and usage restrictions under GRAP, particularly in the NCR.
- ◆ While CPCB IV+ adoption has increased DG set prices due to higher after-treatment, certification, and tooling costs, the pan-India, fuel-agnostic standard balances environmental ambition with industrial affordability, supported by government subsidies, retrofit funding, R&D incentives, and rental models to ease the transition.

Impact of CPCB IV+ on Cummins India

- ◆ Cummins India benefited from a clear first-mover advantage by launching a fully CPCB IV+ compliant product portfolio on the implementation date, enabling early customer acquisition and strengthening channel confidence ahead of slower moving competitors.
- ◆ The shift to CPCB IV+ has driven ASP premiumisation due to the integration of SCR, DPF, EGR, and advanced electronics, allowing Cummins to monetise its technology leadership while sustaining superior margin profiles.
- ◆ The new emission architecture has structurally expanded high margin aftermarket opportunities through DEF consumption, periodic after-treatment maintenance, sensor replacements, and digital monitoring, improving lifecycle revenue visibility.
- ◆ Stringent certification requirements and elevated compliance costs have accelerated the exit of unorganised players, driving market consolidation and incremental share gains for large, compliant incumbents such as Cummins India.

Investment Rationale

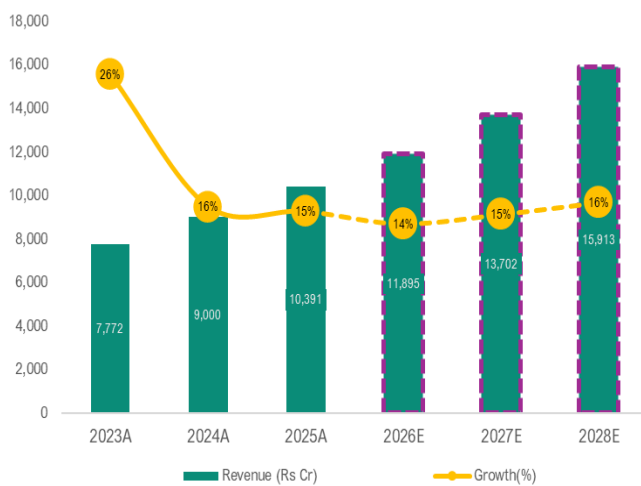
Market leadership & brand moat

KKC commands ~35-40% market share in India's DG set market and is among the top-3 in industrial engines. Its premium positioning allows a 15-25% price premium over peers. The 'Cummins' brand is synonymous with reliability in mission-critical applications. KKC partners with 10 of the top 15 hyper-scaler and colocation DC operators, ensuring multi-decade sticky relationships and recurring service revenues.

Topline growth driven by the PowerGen business through data centres and industrial demand

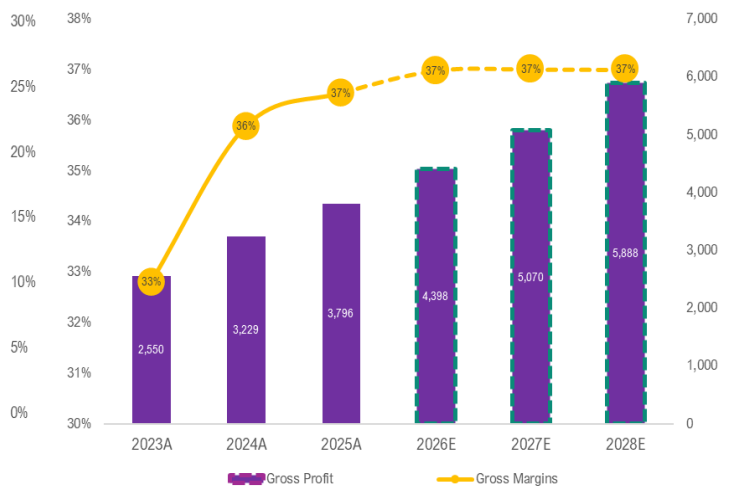
- ◆ Cummins India has delivered a strong decade-long financial record, with revenue growing at ~15% CAGR from FY15-FY25. We expect the revenue to grow at a similar pace in the period FY25-28E driven by power generation and industrial demand.
- ◆ Gross Margins are expected to stay stable during FY25-28E at a healthy margin of 37% which is the one of highest among the segment players.
- ◆ EBITDA margins are expected to be stable at around 22%, aided by operating leverage, CPCB IV+ premiumisation, and an improving export mix.
- ◆ PAT is expected to grow at a rate of 16-17%YoY during the forecast period with PAT margins improving to ~19.9% despite higher depreciation from incremental capex.

KKC's revenues are expected to grow at a 15% CAGR in FY25-28E



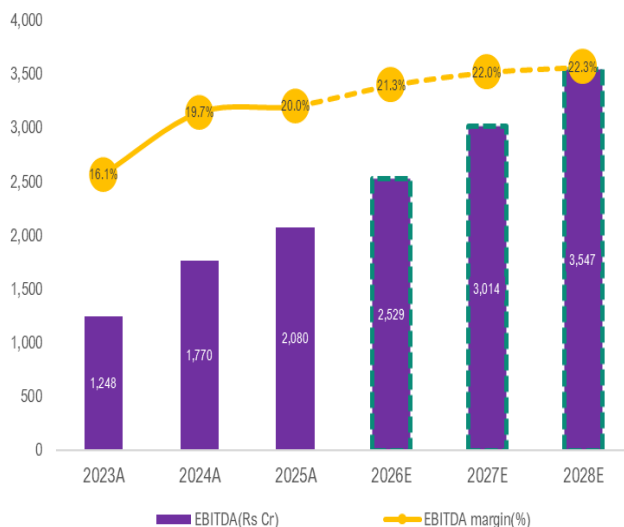
Source: Geojit Research

Gross margins to stay healthy at 37% along the forecast period



Source: Geojit Research

We expect KKC's EBITDA margins to be stable around 21-22% from FY26E-28E



Source: Geojit Research

Adj. PAT margins are expected to be steady around 20% in the forecast period

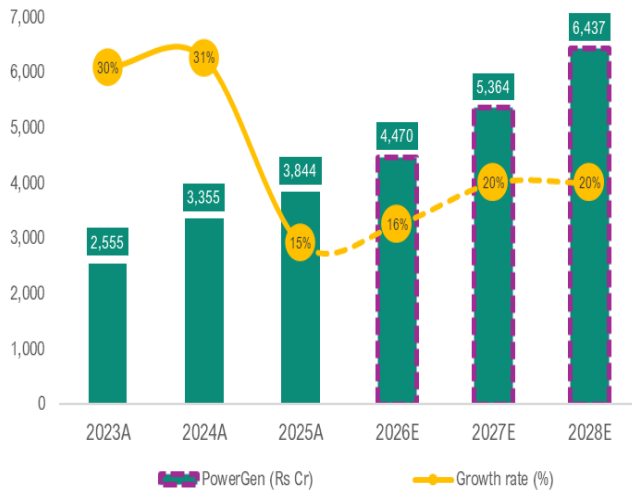


Source: Geojit Research

KKC's engines of growth

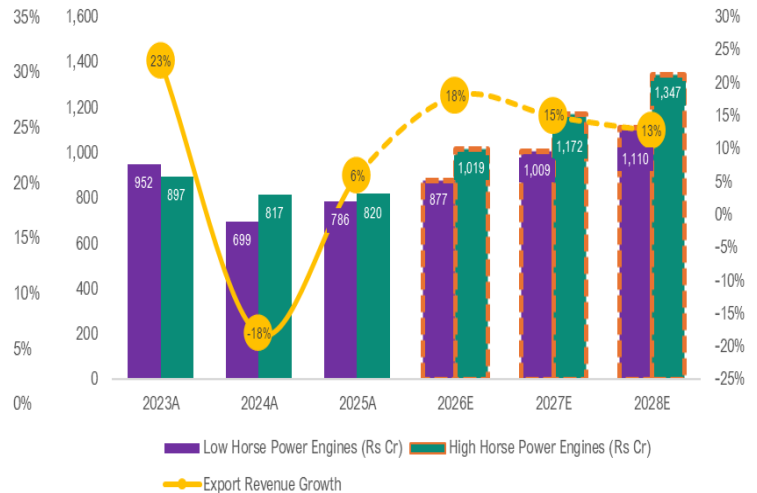
- ◆ KKC holds a dominant position in medium and high-horsepower DG sets (>500 kVA) alongside Caterpillar, enabling pricing power and insulating it from unorganised competition. The export mix continues to upgrade, with high HP engine revenues rising from ₹897cr in FY23A to ₹1,347cr by FY28E, improving the quality of revenues despite near-term volatility.
- ◆ The Distribution business scales from ₹1,872cr to ~₹4,282cr over FY23–FY28E (~18% CAGR), anchored by a large installed base. Spares, services and Fleet guard filters generate high-margin, recurring revenues, lending earnings stability independent of equipment cycles.
- ◆ Exports across 55+ countries in Asia-Pacific, the Middle East and Africa leverage India's cost base and Cummins Inc.'s global supply chain. Export revenues are expected to recover from the FY25 trough as global industrial activity normalises, supporting incremental blended margin improvement.
- ◆ After a demand normalisation in FY25, growth is expected to re-accelerate through FY26–FY27 across PowerGen, Industrial and Distribution segments, driven by exports, infrastructure demand and a strengthening aftermarket flywheel.

PowerGen revenues grow ~2.5x to ~₹6,437cr by FY28E (~20% CAGR)



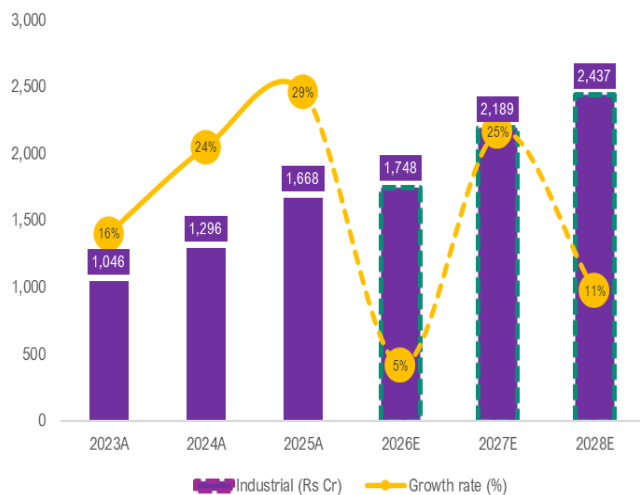
Source: Geojit Research

Export mix shifts toward high HP engines; export growth recovers



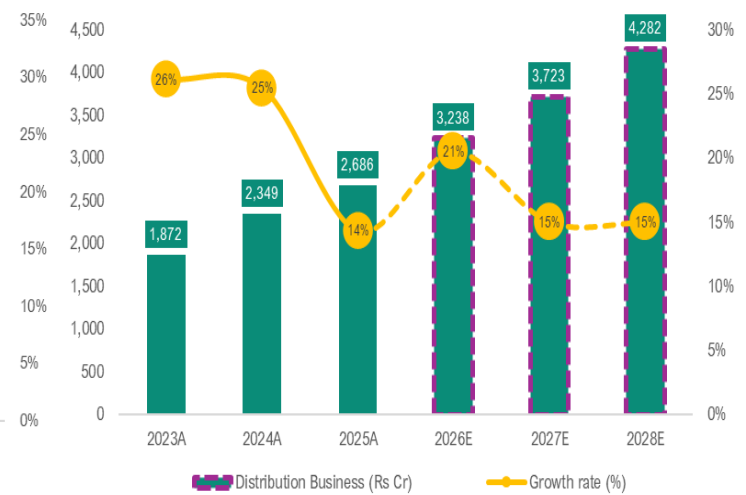
Source: Geojit Research

Industrial segment revenues double to ~₹2,437 Cr by FY28E



Source: Geojit Research

Distribution business expands at ~18% CAGR to ~₹4,282 Cr by FY28E

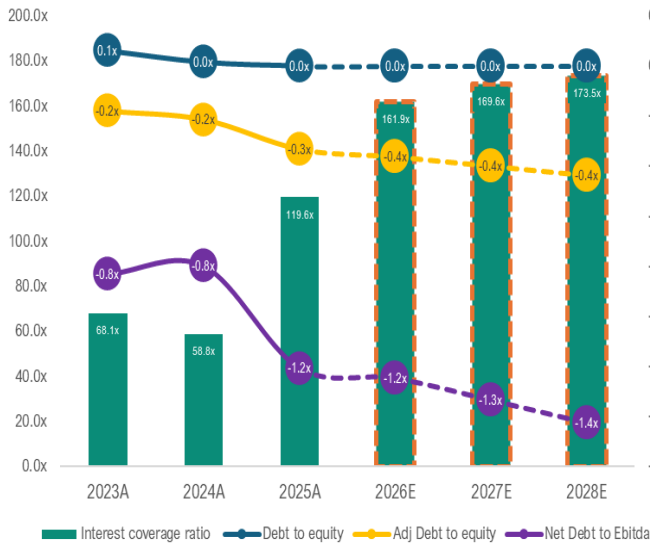


Source: Geojit Research

Strong balance sheet as a structural edge

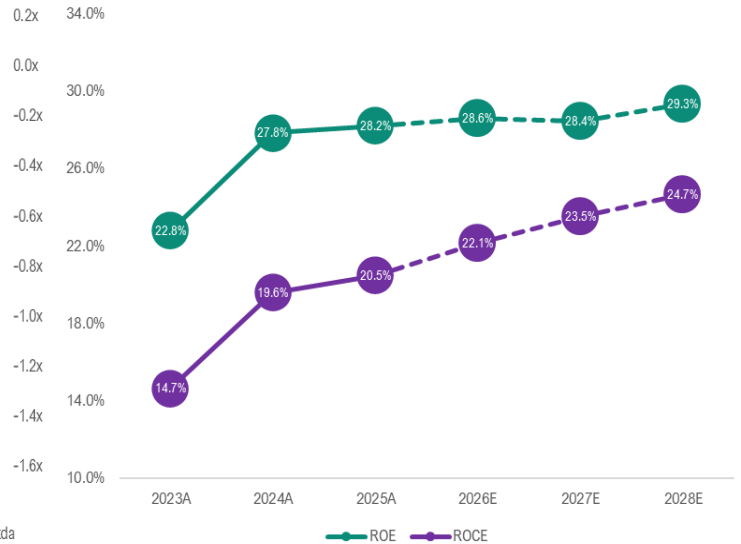
- ◆ Cummins India maintains a net cash balance sheet, with Net debt / EBITDA improving from ~0.8x in FY23A to ~1.4x net cash by FY28E, while interest coverage strengthens from ~22x to ~174x, underscoring ample financial flexibility.
- ◆ Return ratios remain structurally strong, with ROE sustaining in the ~28–29% band and ROCE improving from ~15% in FY23A to ~24.7% by FY28E, despite stepped-up capital deployment.
- ◆ Working capital discipline remains intact, with cash conversion cycle compressing from ~49 days in FY23A to ~45 days by FY28E, supporting stable operating cash flows through the cycle.
- ◆ Cummins India's growth investments peak during FY25–FY26, with capex rising from ₹162cr in FY23A to a peak of ~₹321cr in FY26E, before moderating to ~₹221cr by FY28E; capex intensity remains contained at ~2–3.5% of revenue.
- ◆ Strong operating cash generation continues, with CFO growing at ~26–27% CAGR from ₹820cr in FY23A to ~₹2,705cr by FY28E, while CFO/EBITDA remains healthy at ~75–80%.
- ◆ Dividend payout remains resilient, with payout ration consistently standing above ~50%, reinforcing Cummins India's ability to fund capex internally and sustain shareholder payouts.

Balance sheet strength improves as leverage metrics trend lower



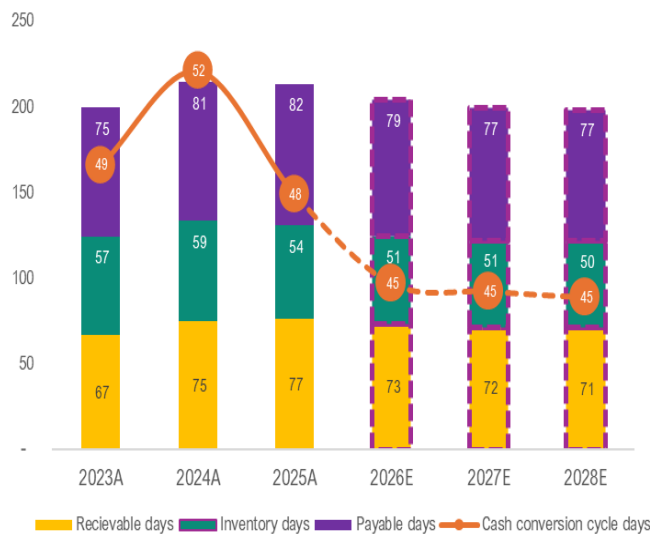
Source: Geojit Research

ROE and ROCE remain resilient despite rising capital deployment



Source: Geojit Research

Working capital metrics remain stable, supporting cash generation



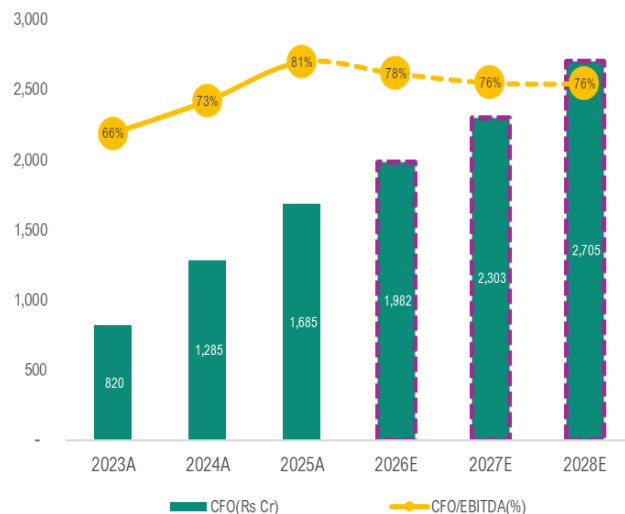
Source: Geojit Research

Capex intensity moderates after peak investment phase



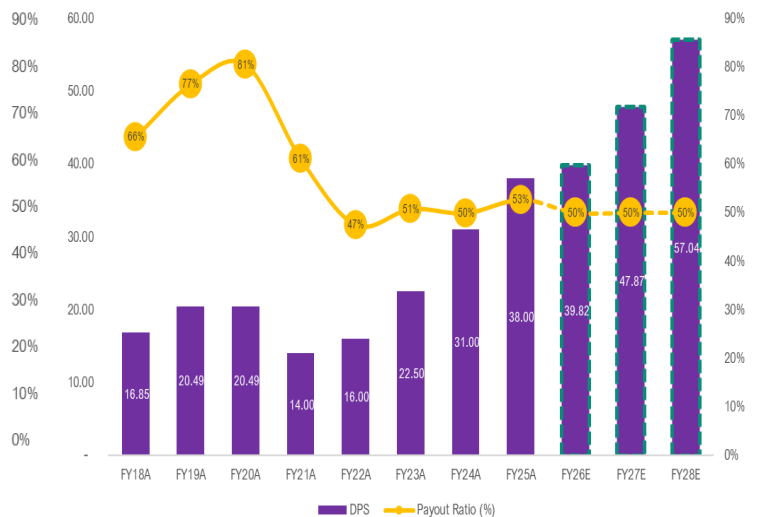
Source: Geojit Research

Operating cash flows remain robust with healthy cash conversion



Source: Geojit Research

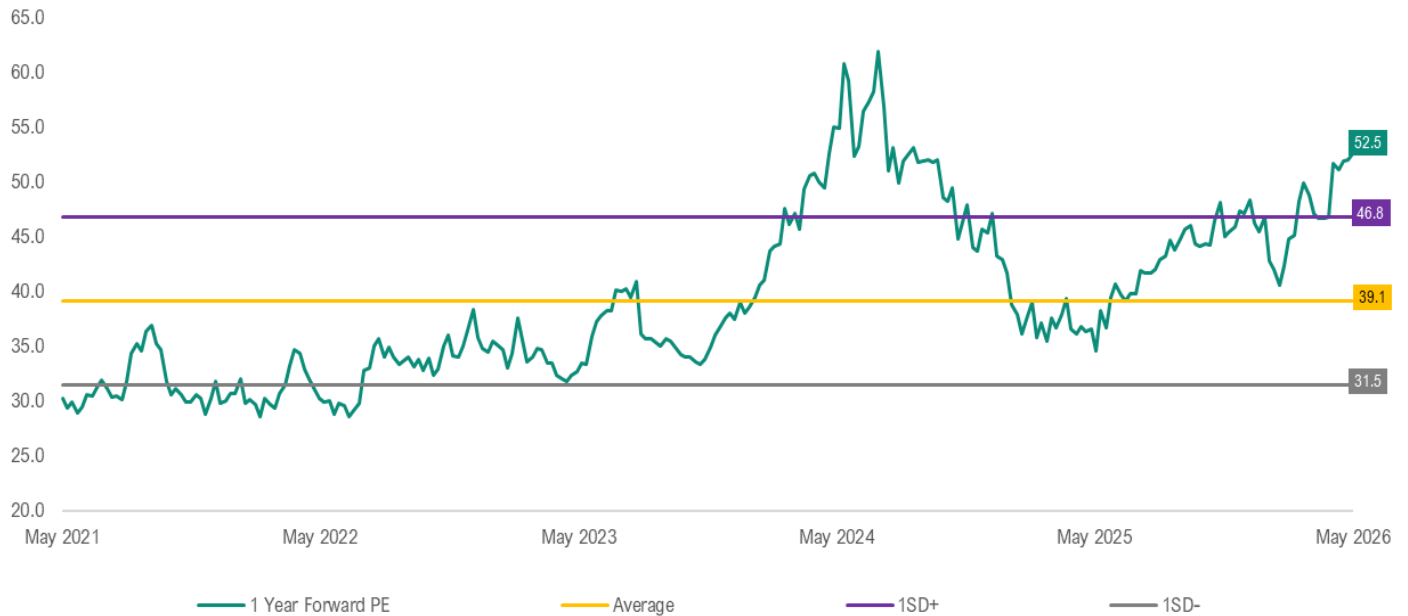
Strong dividend growth with sustained payout ratio



Source: Geojit Research

Valuations

Cummins India's stock has re-rated sharply over the past five years, driven by consistent earnings growth, strong return ratios, and its leadership in mission-critical power solutions. The stock currently trades at 52.5x 1 year forward PE and ~17x FY28E EV/EBITDA, reflecting its premium franchise, high cash conversion, and net cash balance sheet. While growth moderated in FY25 due to demand normalisation and export softness, the medium-term earnings outlook remains supported by strong PowerGen outlook driven by data centers, export recovery, and a resilient, high recurring Distribution business. We value the company at 54x FY28E EPS, factoring in its superior ROCE profile (~23% by FY28E), strong free cash flow generation, and premium positioning, while accounting for cyclical risks. **This translates to a target price of ₹6,160, implying 14% upside. We initiate coverage on Cummins India with a BUY rating.**



Source: Bloomberg, Geojit Research

Key Risks

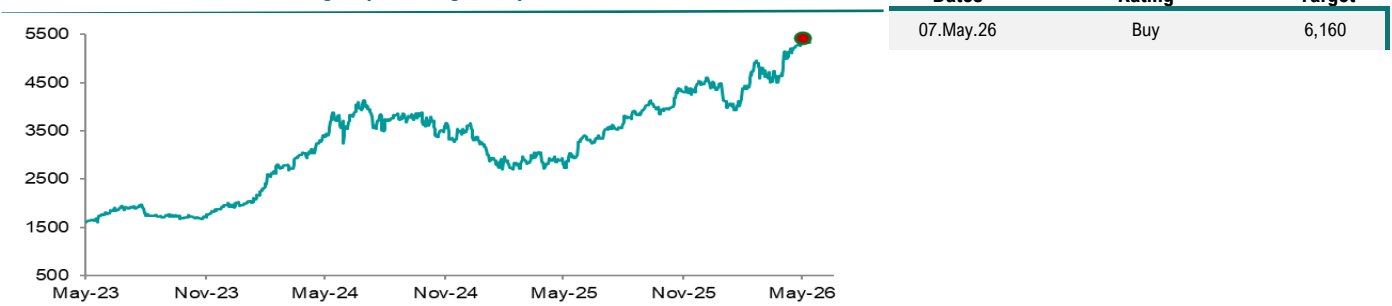
- ◆ Competitive intensity remains elevated as global OEMs scale up India operations and domestic players expand product portfolios, potentially exerting pricing pressure, particularly in the power generation segment.
- ◆ Accelerated railway electrification and increasing preference for electrified traction are structurally reducing DETC demand, while price sensitivity and longer payback periods may constrain incremental investment appetite.
- ◆ Regulatory uncertainties, including delays in CEMM BS-IV notification for construction and earthmoving equipment, could defer product launches and associated demand ramp-up.
- ◆ Supply chain disruptions, raw material volatility, mining procurement cyclicalities, and export market uncertainties driven by geopolitical risks and currency fluctuations may impact margins, order visibility, and execution timelines.

Consolidated Financials

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E	Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	9,000	10,391	11,895	13,702	15,913	Cash	1,513	2,510	3,152	4,017	5,055
% change	16	15	14	15	16	Accounts Receivable	2,085	2,278	2,497	2,877	3,341
EBITDA	1,770	2,080	2,529	3,014	3,547	Inventories	950	1,004	1,111	1,279	1,485
% change	42	18	22	19	18	Other Cur. Assets	216	284	313	347	389
Depreciation	159	185	197	207	225	Investments	1,642	1,482	1,697	1,955	2,270
EBIT	1,610	1,895	2,331	2,807	3,322	Gross Fixed Assets	3,428	3,559	3,822	3,984	4,145
Interest	27	16	14	17	19	Net Fixed Assets	2,173	2,227	2,328	2,330	2,319
Other Income	378	447	454	471	488	CWIP	95	78	89	103	120
PBT	2,205	2,593	2,864	3,396	3,946	Intangible Assets	130	136	159	171	179
% change	39	18	10	19	16	Def. Tax (Net)	58	44	50	58	67
Tax	484	593	657	743	784	Other Assets	108	117	134	155	180
Tax Rate (%)	22	23	23	22	20	Total Assets	8,971	10,168	11,547	13,310	15,426
Reported PAT	1,721	2,000	2,207	2,654	3,162	Current Liabilities	1,786	2,080	2,279	2,624	3,047
Adj.	-2	0	-114	0	0	Provisions	285	332	380	438	509
Adj. PAT	1,722	2,000	2,321	2,654	3,162	Debt Funds	100	0	0	0	0
% change	39	16	16	14	19	Other Liabilities	180	186	212	244	283
No. of shares (cr)	27.7	27.7	27.7	27.7	27.7	Equity Capital	55	55	55	55	55
Reported EPS (Rs)	62	72	80	96	114	Reserves & Surplus	6,557	7,506	8,610	9,936	11,518
% change	40	16	10	20	19	Non-Controlling Interest	-	-	-	-	-
Adj EPS (Rs)	62	72	84	96	114	Shareholder's Fund	6,612	7,561	8,665	9,992	11,573
% change	39	16	16	14	19	Total Liabilities	8,971	10,168	11,547	13,310	15,426
DPS (Rs)	62	76	80	96	114	BVPS (Rs.)	239	273	313	360	417

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E	Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	1,883	2,215	2,405	2,860	3,387	Profitab. & Return					
Non-cash adj.	-393	-448	14	17	19	EBITDA margin (%)	19.7	20.0	21.3	22.0	22.3
Changes in W.C	-184	-80	-437	-573	-702	EBIT margin (%)	17.9	18.2	19.6	20.5	20.9
C.F – Operation	1,285	1,685	1,982	2,303	2,705	Net profit mgn.(%)	19.1	19.2	19.5	19.4	19.9
Capital exp.	-286	-238	-321	-221	-221	ROE (%)	27.8	28.2	27.2	28.4	29.3
Change in inv.	-297	-758	-215	-258	-315	ROCE (%)	19.6	20.5	22.1	23.5	24.7
Other invest.CF	314	414	-21	-16	-20	W.C & Liquidity					
C.F – Investment	-268	-582	-557	-495	-556	Receivables (days)	75	77	73	72	71
Issue of equity	0	0	0	0	0	Inventory (days)	59	54	51	51	50
Issue/repay deBS	-250	-100	4	5	5	Payables (days)	81	82	79	77	77
Dividends paid	-859	-1,053	-1,104	-1,327	-1,581	Current ratio (x)	2.9	3.1	3.3	3.4	3.5
Other finance.CF	-25	-15	-14	-17	-19	Quick ratio (x)	2.4	2.7	2.8	3.0	3.1
C.F – Finance	-1,134	-1,168	-1,114	-1,339	-1,595	Turnover & Leverage					
Chg. in cash	-117	-65	312	470	554	Gross asset T.O (x)	2.6	2.9	3.1	3.4	3.8
Closing cash	300	235	547	1,017	1,570	Total asset T.O (x)	1.0	1.0	1.0	1.0	1.0
						Int. coverage ratio (x)	58.8	119.6	161.9	169.6	173.5
						Adj. debt/equity (x)	-0.2	-0.3	-0.4	-0.4	-0.4
						Valuation					
						EV/Sales (x)	9.1	7.9	12.2	10.5	9.0
						EV/EBITDA (x)	46.3	39.5	57.2	47.7	40.3
						P/E (x)	48.4	42.3	63.7	55.7	46.8
						P/BV (x)	12.6	11.2	17.1	14.8	12.8

Recommendation Summary (Last 3 years)



Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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