Kirloskar Oil Engines

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	132.3 / 1.5
52-Week Range (INR)	1405 / 544
1, 6, 12 Rel. Per (%)	11/7/-23
12M Avg Val (INR M)	427

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	58.4	67.5	78.0
EBITDA	7.6	9.1	10.5
PAT	4.9	5.9	6.9
EPS (INR)	33.6	40.9	47.6
GR. (%)	16.7	21.8	16.5
BV/Sh (INR)	232.4	265.0	303.0
Ratios			
ROE (%)	15.3	16.4	16.8
RoCE (%)	15.0	16.1	16.6
Valuations			
P/E (X)	27.1	22.3	19.1
P/BV (X)	3.9	3.4	3.0
EV/EBITDA (X)	16.8	13.7	11.5
Div Yield (%)	0.7	0.9	1.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	41.1	41.2	41.2
DII	27.2	26.6	25.4
FII	8.5	9.1	10.0
Others	23.2	23.1	23.4

FII Includes depository receipts

CMP: INR910 TP: INR1,230 (+35%) Buy

Benefiting from genset demand recovery

Kirloskar Oil Engines' (KOEL) 1QFY26 result was above our expectations, driven by higher growth in the powergen segment and improved margin. Genset demand has been recovering in key segments and the B2C segment for KOEL too has now stabilized. KOEL's strategy of focusing on higher-margin products seems to be getting reflected in better margins. We expect the company to keep focusing on 1) increasing HHP sales in overall powergen, 2) growing its industrial segment with entry into new areas, and 3) continued focus on distribution and export markets. We maintain our estimates and roll forward our TP to Sep'27E earnings to INR1,230, based on SoTP methodology. We reiterate our BUY rating on the stock.

1QFY26 results: Healthy beat on profitability

Revenue at INR14.4b (+8% YoY) was broadly in line with our estimate. On consolidated basis, B2B segment revenue increased 9% YoY, while B2C was flat. EBITDA at INR1.9b was 9% ahead of our estimate of INR1.8b, albeit down 4% YoY. EBITDA margin stood at 13.2%. 1QFY25 EBITDA included provision reversals of INR240m for overdue receivables from a customer for sales made in previous years. Excluding that, 1QFY25 EBITDA margin stood at 12.8%. Thus, 1QFY26 EBITDA margin grew 40bp YoY. On segmental basis, margins were decent in the quarter, with B2B segment EBIT margin improving 180bp QoQ to 10.9% and B2C EBIT margin at 9.5%. PAT at INR1.23b (-9% YoY) beat our estimate by 10%. Excluding the provision reversal, 1QFY25 PAT was INR1.17b. KOEL said that all the recently launched products, including the Sentinel series and the Opti-prime series, are performing well in the market, and KOEL sees good acceptance from customers. On the Industrial side, it is working closely with key customers and looking for opportunities to strengthen relationships with them. On the Arka front, KOEL had announced a strategy of building out a retail book. On the market front, the company sees that the domestic economy is staying resilient and demand is stable.

Powergen segment witnessing stable demand recovery

Powergen segment reported 15% YoY/12% QoQ growth in 1QFY26. This was better than our estimates, despite the high base of last year, which was driven by pre-buying. Our channel check estimates too had indicated a broad QoQ recovery in volumes for the industry in the range of 10-15% in 1QFY26. Demand recovery was broad-based during the quarter, and even higher kVa nodes witnessed good traction. The company's new HHP products, Sentinel series and Optiprime series, are also gaining momentum. With a strong product portfolio across nodes in the powergen segment, we expect KOEL to maintain its focus more on mid-to-high kVA nodes and increase the share of HHP sales in the overall revenue mix. For FY26, we bake in volume recovery for the company and expect pricing to remain stable YoY. We thus expect powergen revenue to post a 15% CAGR over FY25-28.

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Industrial segment to grow on diverse client mix

Industrial segment was down 8% YoY and up 3% QoQ in 1QFY26. The YoY decline was due to a high base of last year, which was driven by higher sales in railways. The company is focusing on construction equipment, mining engines, defense, marine and nuclear. It is already executing two large projects – one from NPCIL and one from Indian Navy. The successful implementation and delivery of the prototypes for these orders would enable KOEL to be in the preferred list of vendors for select projects from defense and nuclear segments. We bake in industrial segment to grow at 16% over FY25-28.

Distribution & aftermarket segment leveraging CPCB4+ transition

In 1QFY26, distribution and aftermarket segment reported revenue growth of 12% YoY to INR2.2b, and it continues to be a strong pillar for KOEL's long-term growth. The segment is leveraging the CPCB4+ transition to consolidate its aftermarket presence, with management emphasizing that the electronic engine ecosystem now demands proprietary servicing. The ongoing channel restructuring, blending internal engineers and certified service partners, is expected to enhance reach, service quality, and customer stickiness. These structural changes will help to strengthen customer relationships, boost revenue, and enhance KOEL's competitive position. We expect segment revenue to clock a CAGR of 15% over FY25-28.

Exports gaining momentum through a wider reach

Export revenue grew 13% YoY to INR1.2b in 1QFY26. The Middle East and North Africa (MENA) region stood out, benefitting from the stabilization of KOEL's partnership with Myspan as a regional OEM, which is helping the company strengthen its local presence and improve customer engagement. Beyond MENA, the company continues to see opportunities in Southeast Asia and Europe, where demand for reliable and efficient power solutions remains strong. We project a CAGR of 15% in exports over FY25-28.

B2C maintains steady performance

B2C segment reported a steady performance, with revenue broadly flat YoY at INR1.5b. The segment now consists of only the water management systems (WMS), while the farm management system (FMS) has been merged into the agriculture portion of Industrial business. Management noted strong demand from rural and semi-urban markets, especially in the agriculture segment, which sees high demand for submersible pumps. Operational efficiency improved meaningfully after the recent consolidation of manufacturing facilities, allowing KOEL to maintain EBITDA margins in low double-digits while supporting scale. With a focus on core product categories and efforts to deepen its presence in underserved markets, KOEL is well placed to benefit from rising rural consumption and infrastructure needs. We expect the B2C segment, particularly WMS, to clock a CAGR of 17% over FY25-28.

Arka Fincap (AFHPL) focuses on building a balanced lending franchise

AFHPL revenue grew 18% YoY to INR2.0b in 1QFY26. PBT, however, decreased 28% YoY to INR140m, while PAT stood at INR101m. As of 30th Jun'25, AFPHL's total debt was INR53.7b, AUM stood at INR72.3b, and KOEL's total investment in AFHPL stood at INR10.5b. While near-term profitability could remain modest due to upfront investments in branch expansion and talent acquisition, management remains focused on scaling up the secured retail lending book, which now makes up 37% of total AUM. The branch network has grown to 32 locations, supporting greater geographic reach. AFHPL has been prudent in strengthening its liability profile, with a decline in the debt-to-equity ratio to 4.2 and improvement in the overall cost of funds.

Financial outlook

We maintain our estimates and expect a revenue CAGR of 15% over FY25-28, driven by 15%/16%/15%/15%/17% CAGR in powergen/industrial/distribution/exports/B2C. Over FY25-28E, we bake in 70bp improvement in margins to build in better product mix and operating leverage benefits. We expect EBITDA/PAT CAGR of 17%/18% over the same period.

Valuation and recommendation

The stock is currently trading at 27.1x/22.3x/19.1x on FY26/27/28E earnings. Adjusted with subsidiary valuation, KOEL is trading at 23.3x/19.2x/16.5x on FY26/27E EPS, which is still at a significant discount to the market leader. We **reiterate our BUY rating** and roll forward our TP to Sep'27E earnings to INR1,230, based on SoTP methodology.

Standalone - Quarterly Earning Model **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**13,429**	**11,944**	**11,636**	**14,125**	**14,447**	**14,196**	**13,943**	**15,831**	**51,133**	**58,417**	**14,021**	**3**
YoY Change (%)	6.2	12.8	2.5	1.5	7.6	18.9	19.8	12.1	5.4	14.2	4.4	
Total Expenditure	11,452	10,294	10,466	12,384	12,545	12,379	12,102	13,797	44,596	50,823	12,268	
EBITDA	**1,977**	**1,650**	**1,170**	**1,741**	**1,902**	**1,817**	**1,840**	**2,035**	**6,537**	**7,594**	**1,753**	**9**
Margins (%)	14.7	13.8	10.1	12.3	13.2	12.8	13.2	12.9	12.8	13.0	12.5	
Depreciation	247	266	320	337	340	335	343	355	1,170	1,373	327	4
Interest	27	26	31	37	32	22	22	13	121	90	21	50
Other Income	108	118	68	52	123	96	98	76	344	393	94	31
PBT before EO expense	**1,810**	**1,476**	**887**	**1,419**	**1,653**	**1,556**	**1,573**	**1,742**	**5,590**	**6,525**	**1,498**	**10**
Extra-Ord expense				(209)	-	-	-	-	(209)	-	-	
PBT	**1,810**	**1,476**	**887**	**1,628**	**1,653**	**1,556**	**1,573**	**1,742**	**5,799**	**6,525**	**1,498**	**10**
Tax	462	365	236	416	425	397	401	442	1,480	1,665	382	
Rate (%)	25.5	24.7	26.7	25.6	25.7	25.5	25.5	25.4	25.5	25.5	25.5	
Reported PAT	**1,347**	**1,111**	**650**	**1,211**	**1,228**	**1,159**	**1,172**	**1,300**	**4,319**	**4,859**	**1,116**	**10**
Adj PAT	**1,347**	**1,111**	**650**	**1,056**	**1,228**	**1,159**	**1,172**	**1,300**	**4,164**	**4,859**	**1,116**	**10**
YoY Change (%)	30.5	89.6	(20.9)	(10.2)	(8.8)	4.4	80.2	23.1	15.1	16.7	(17.2)	
Margins (%)	10.0	9.3	5.6	7.5	8.5	8.2	8.4	8.2	8.1	8.3	8.0	

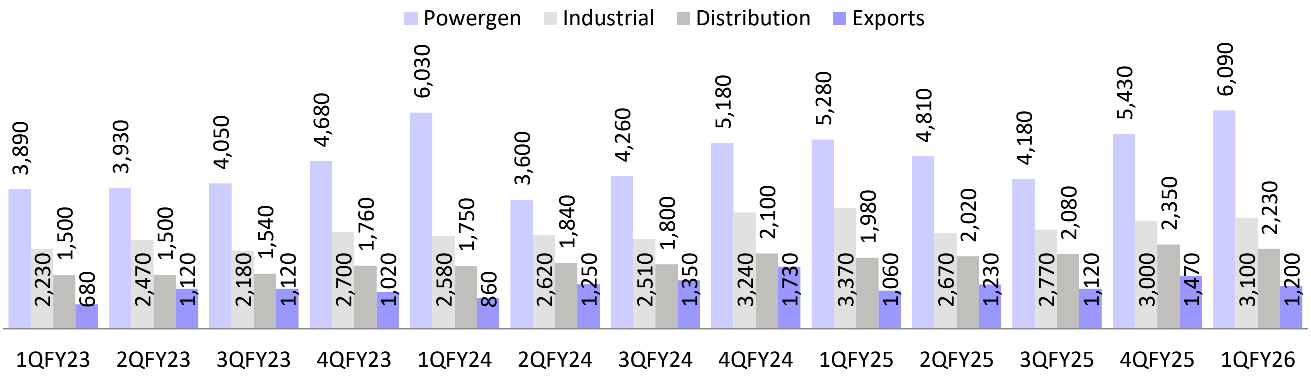
	FY25				FY26E				FY25	FY26E	FY26E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Segmental revenue												
Powergen	5,280	4,810	4,180	5,430	6,090	5,580	5,141	5,833	19,690	22,644	5,702	7
Industrial	3,370	2,670	2,770	3,000	3,100	3,298	3,345	3,928	11,810	13,671	3,179	(2)
Distribution & After Market	1,980	2,020	2,080	2,350	2,230	2,323	2,454	2,687	8,430	9,695	2,178	2
Exports	1,060	1,230	1,120	1,470	1,200	1,378	1,344	1,690	4,880	5,612	1,219	(2)
Total B2B	**11,690**	**10,730**	**10,150**	**12,250**	**12,620**	**12,578**	**12,285**	**14,138**	**44,810**	**51,621**	**12,278**	**3**
WMS	1,650	1,110	1,390	1,760	1,720	1,618	1,658	1,800	5,910	6,797	1,742	(1)
Total B2C	**1,650**	**1,110**	**1,390**	**1,760**	**1,720**	**1,618**	**1,658**	**1,800**	**5,910**	**6,797**	**1,742**	**-1**
Total revenue (B2B+B2C)	**13,340**	**11,840**	**11,540**	**14,010**	**14,340**	**14,196**	**13,943**	**15,938**	**50,720**	**58,417**	**14,021**	**2**

Conference call highlights

- **Powergen Segment**: Management highlighted strong momentum in the segment despite 1QFY25 witnessing pre-buying on emission norm change. This was driven by a broad-based demand recovery, especially from infrastructure, real estate, and commercial sectors. KOEL emphasized sustained domestic demand across segments such as data centers, hospitality, QSRs, and retail, with no visible signs of cyclicality. The recently launched Sentinel and Optiprime ranges have gained good traction, supported by high customer acceptance. The company is also actively tracking market share node-by-node in the high horsepower category, where service quality is increasingly critical. Management expressed confidence in the company's extensive product portfolio and strong service network as key differentiators.
- **Industrial Segment**: Management acknowledged a YoY decline in industrial revenue, attributing it to a high base from railway pre-buying last year. However, KOEL remains optimistic about the segment's long-term prospects, citing progress in strategic defense and nuclear projects, including those for NPCIL and the Indian Navy. These are milestone-based development orders, and a successful execution is expected to open up larger opportunities. Additionally, KOEL is expanding its focus in mining and construction equipment, aiming to leverage these verticals for future growth.
- **Distribution Segment**: Management noted that the transition to CPCB IV+ norms has catalyzed consolidation in the distribution and aftermarket space. With all engines up to 800kW now being electronically controlled, servicing has become more proprietary, effectively reducing competition from unorganized players. KOEL has completed a channel restructuring initiative to enhance service capabilities and coverage. The service model now includes both in-house engineers and trained personnel through certified service partners, offering flexibility based on operational needs.
- **Export segment**: Management shared that international business performance remained robust, with particular strength in the MENA region. The appointment of MYSPAN as a regional OEM partner has now stabilized, enabling stronger market traction. KOEL sees this model as scalable and expects continued momentum in the coming quarters. Export growth was also aided by better alignment among distributors and improved product availability across nodes.
- **B2C Segment:** Within the B2C space, management indicated that its water management solutions business had a stable quarter and is now delivering consistent performance, marked by low double-digit EBITDA margins and positive cash flows. After plant consolidation, operational efficiency improvements have begun to reflect in the results. KOEL has divested its Optiqua (cables and pipes) business as part of its core-focus strategy and will continue expanding the B2C product portfolio in alignment with its roadmap.
- **Arka Fincap**: On Arka, management reiterated the long-term strategic intent to build a strong, granular retail book while complementing the existing wholesale portfolio. They highlighted progress in infrastructure and talent build-out, with 32 branches already operational. Although near-term returns remain subdued, management views this as a transitional phase. Management remains confident in the new leadership's ability to deliver returns in line with the core business over the medium term.

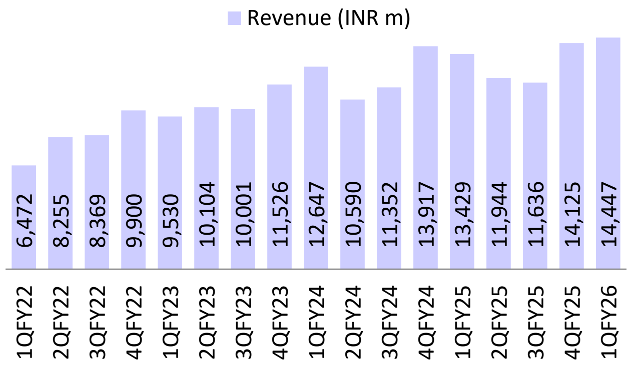
Key Exhibits

Exhibit 1: Segmental revenue breakup (INR m)



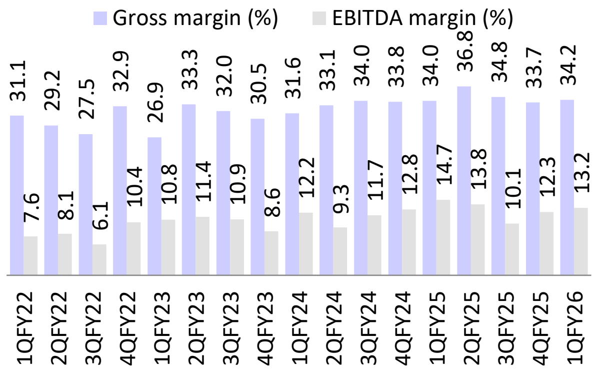
Source: Company, MOFSL

Exhibit 2: 1QFY26 revenue grew by 8% YoY



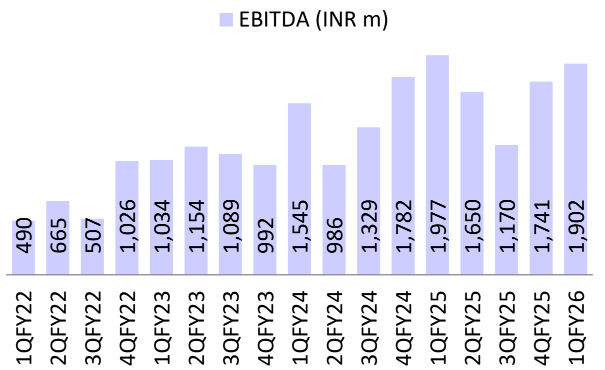
Source: Company, MOFSL

Exhibit 3: Margin improved sequentially to 13.2%



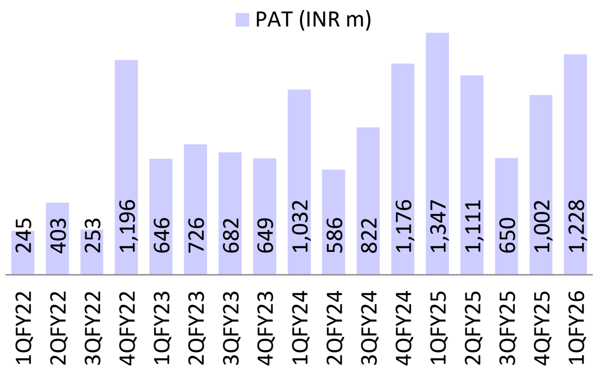
Source: Company, MOFSL

Exhibit 4: EBITDA decreased 4% YoY. Excluding 1QFY25 provision reversal, EBITDA was up 10% YoY



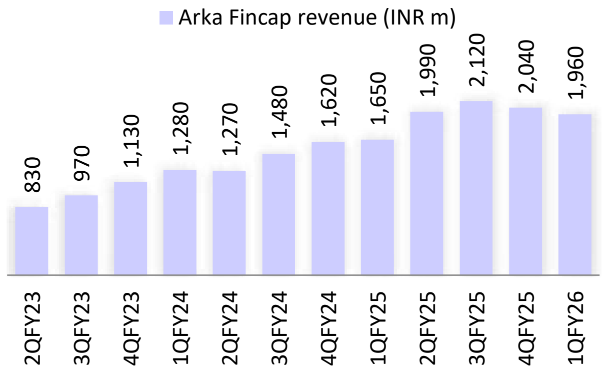
Source: Company, MOFSL

Exhibit 5: PAT declined 9% YoY. Excluding 1QFY25 provision reversal, PAT increased 5% YoY



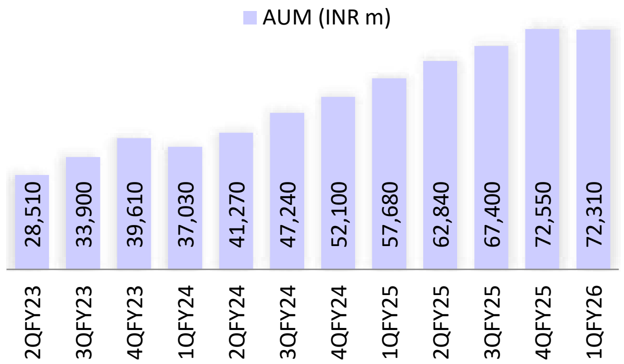
Source: Company, MOFSL

Exhibit 6: Arka Fincap revenue has been stable



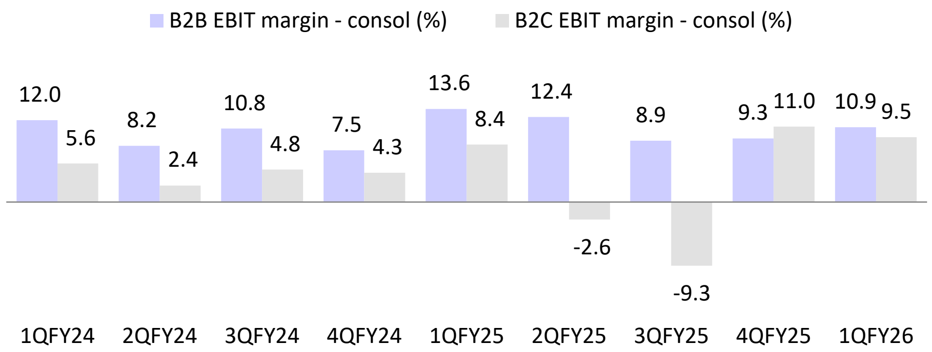
Source: Company, MOFSL

Exhibit 7: Healthy growth in Arka Fincap AUM



Source: Company, MOFSL

Exhibit 8: B2B margin has improved sequentially, while B2C margin positive momentum continued



Source: Company, MOFSL

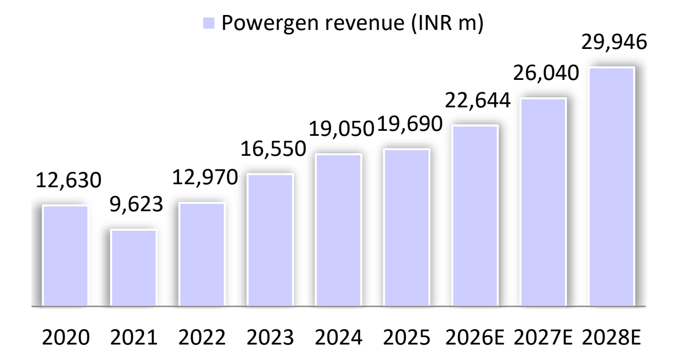
Exhibit 9: SOTP valuation

	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	6,405	25	1,60,434	100	1,60,434	1,107	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	1.3	14,541	100	14,541	100	1.3X P/BV on expanded two-year forward book
Total					**1,78,894**	**1,234**	

Source: Company, MOFSL

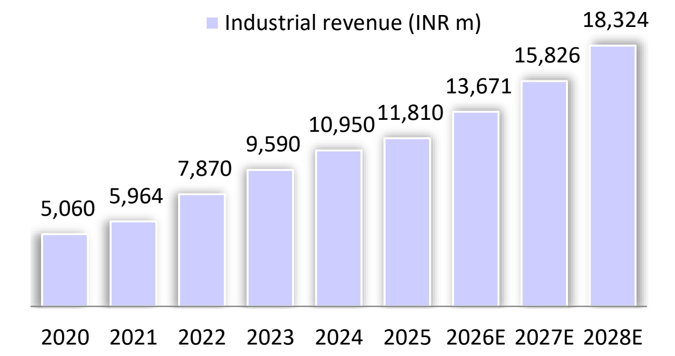
Financial outlook

Exhibit 10: We expect powergen revenue to grow at 15% CAGR over FY25-28



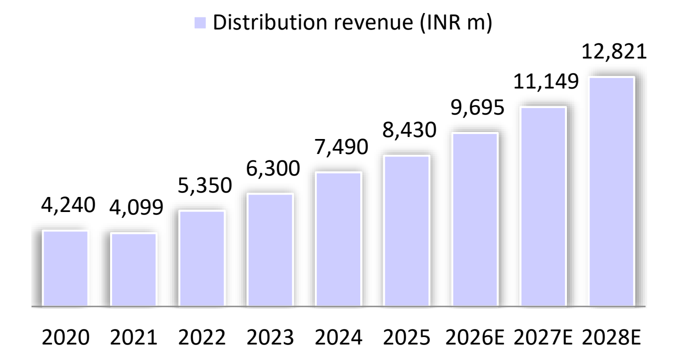
Source: Company, MOFSL

Exhibit 11: We expect industrial revenue to grow at a CAGR of 16% between FY25-28 on strong demand



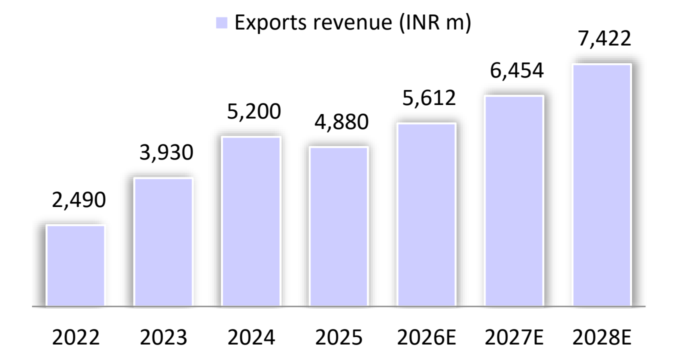
Source: Company, MOFSL

Exhibit 12: We expect distribution revenue growth to remain strong at 15% CAGR over FY25-28



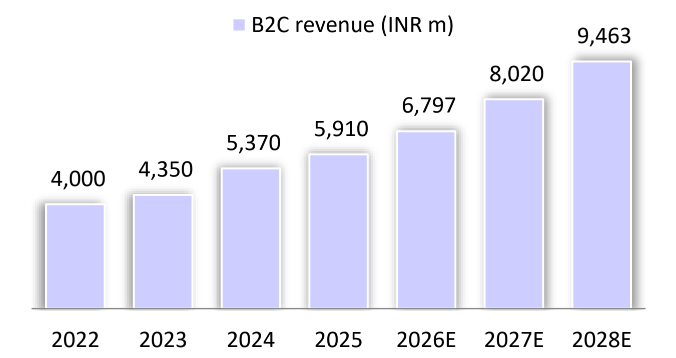
Source: Company, MOFSL

Exhibit 13: We expect exports revenue to grow at a 15% CAGR over FY25-28



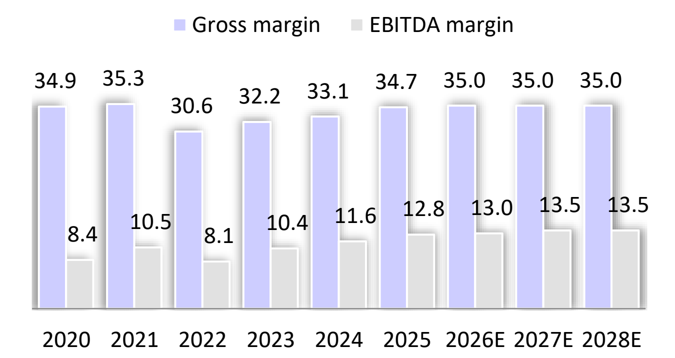
Source: Company, MOFSL

Exhibit 14: We expect B2C revenue to grow at a CAGR of 17% over FY25-28 with expanding footprint



Source: Company, MOFSL

Exhibit 15: We expect margin expansion to be driven by price hikes and higher share of exports (%)

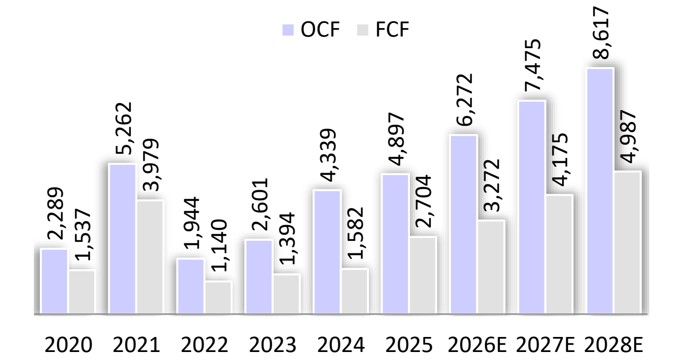


Source: Company, MOFSL

Exhibit 16: We expect PAT to post 18% CAGR over FY25-28

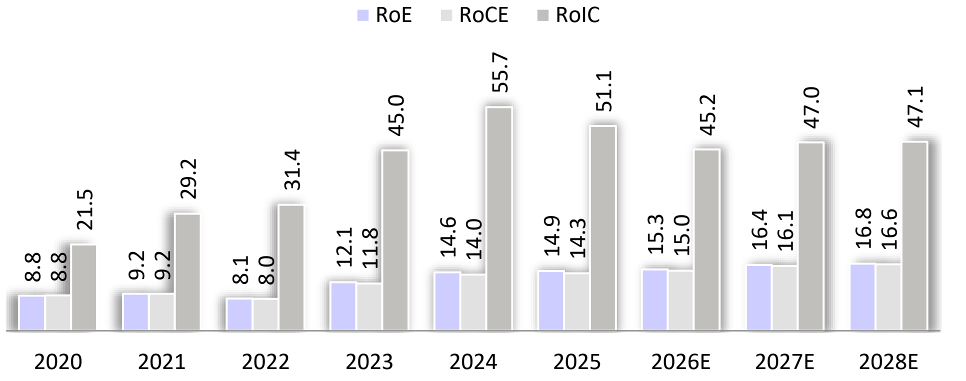
Source: Company, MOFSL

Exhibit 17: We expect OCF & FCF to improve further (INR m)



Source: Company, MOFSL

Exhibit 18: Return ratios to stay at comfortable levels (%)



Source: Company, MOFSL

Financials and Valuation

Standalone - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**26,944**	**32,997**	**41,161**	**48,505**	**51,133**	**58,417**	**67,489**	**77,976**
Change (%)	-6.4	22.5	24.7	17.8	5.4	14.2	15.5	15.5
Raw Materials	17,431	22,912	27,897	32,439	33,368	37,971	43,868	50,684
Gross Profit	**9,513**	**10,085**	**13,264**	**16,066**	**17,765**	**20,446**	**23,621**	**27,292**
Employees Cost	1,989	2,070	2,365	3,069	3,441	3,932	4,542	5,248
Other Expenses	4,686	5,327	6,630	7,355	7,787	8,920	9,968	11,517
Total Expenditure	**24,106**	**30,309**	**36,892**	**42,864**	**44,596**	**50,823**	**58,378**	**67,449**
% of Sales	89.5	91.9	89.6	88.4	87.2	87.0	86.5	86.5
EBITDA	**2,838**	**2,688**	**4,269**	**5,642**	**6,537**	**7,594**	**9,111**	**10,527**
Margin (%)	10.5	8.1	10.4	11.6	12.8	13.0	13.5	13.5
Depreciation	622	772	848	970	1,170	1,373	1,547	1,738
EBIT	**2,217**	**1,915**	**3,422**	**4,672**	**5,367**	**6,221**	**7,564**	**8,789**
Int. and Finance Charges	64	62	54	78	121	90	75	60
Other Income	245	248	273	274	344	393	454	525
PBT bef. EO Exp.	**2,398**	**2,100**	**3,641**	**4,868**	**5,590**	**6,525**	**7,944**	**9,254**
EO Items	-84	527	0	0	209	0	0	0
PBT after EO Exp.	**2,314**	**2,627**	**3,641**	**4,868**	**5,799**	**6,525**	**7,944**	**9,254**
Total Tax	617	547	939	1,252	1,480	1,665	2,027	2,362
Tax Rate (%)	26.6	20.8	25.8	25.7	25.5	25.5	25.5	25.5
Reported PAT	**1,697**	**2,080**	**2,703**	**3,616**	**4,319**	**4,859**	**5,917**	**6,893**
Adjusted PAT	**1,759**	**1,663**	**2,703**	**3,616**	**4,164**	**4,859**	**5,917**	**6,893**
Change (%)	11.4	-5.4	62.5	33.8	15.1	16.7	21.8	16.5
Margin (%)	6.5	5.0	6.6	7.5	8.1	8.3	8.8	8.8

Standalone - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	289	289	290	290	290	290	290	290
Total Reserves	19,542	21,105	23,028	25,937	29,466	33,346	38,070	43,573
Net Worth	**19,832**	**21,395**	**23,318**	**26,227**	**29,756**	**33,636**	**38,360**	**43,863**
Total Loans	793	976	751	2,091	1,294	1,094	894	694
Deferred Tax Liabilities	125	146	61	100	250	250	250	250
Capital Employed	**20,749**	**22,517**	**24,131**	**28,418**	**31,301**	**34,981**	**39,504**	**44,808**
Gross Block	16,281	16,990	17,425	19,052	23,428	26,428	29,728	33,358
Less: Accum. Deprn.	11,826	12,488	13,174	14,144	15,314	16,687	18,233	19,971
Net Fixed Assets	**4,455**	**4,502**	**4,251**	**4,908**	**8,114**	**9,741**	**11,494**	**13,386**
Capital WIP	549	393	664	2,426	957	957	957	957
Total Investments	**15,340**	**16,722**	**16,925**	**18,762**	**17,873**	**17,873**	**17,873**	**17,873**
Curr. Assets, Loans & Adv.	**8,092**	**8,505**	**11,557**	**13,115**	**16,131**	**19,862**	**24,721**	**30,547**
Inventory	2,652	3,031	4,685	5,235	4,931	5,634	6,508	7,520
Accounts Receivable	3,558	3,945	4,672	5,684	6,511	7,438	8,593	9,929
Cash and Bank Balance	294	314	338	980	3,062	5,065	7,773	11,111
Loans and Advances	872	656	852	808	686	783	905	1,046
Other Assets	716	558	1,011	408	942	942	942	942
Curr. Liability & Prov.	**7,686**	**7,606**	**9,267**	**10,793**	**11,774**	**13,452**	**15,540**	**17,955**
Accounts Payable	6,419	6,175	6,326	7,274	6,506	7,433	8,588	9,922
Other Current Liabilities	646	729	1,700	2,223	3,756	4,290	4,957	5,727
Provisions	622	702	1,241	1,296	1,512	1,728	1,996	2,306
Net Current Assets	**406**	**899**	**2,291**	**2,322**	**4,357**	**6,410**	**9,181**	**12,591**
Appl. of Funds	**20,749**	**22,517**	**24,131**	**28,418**	**31,301**	**34,981**	**39,505**	**44,808**

Financials and Valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**12.2**	**11.5**	**18.7**	**25.0**	**28.8**	**33.6**	**40.9**	**47.6**
Cash EPS	16.4	16.8	24.5	31.7	36.9	43.1	51.6	59.7
BV/Share	137.0	147.8	161.1	181.2	205.6	232.4	265.0	303.0
DPS	1.5	4.7	5.0	5.0	6.0	6.8	8.2	9.6
Payout (%)	12.8	32.6	26.8	20.0	20.2	20.2	20.2	20.2
Valuation (x)								
P/E	74.9	79.2	48.8	36.4	31.7	27.1	22.3	19.1
Cash P/E	55.4	54.1	37.1	28.7	24.7	21.1	17.6	15.3
P/BV	6.6	6.2	5.7	5.0	4.4	3.9	3.4	3.0
EV/Sales	4.9	4.0	3.2	2.7	2.5	2.2	1.9	1.6
EV/EBITDA	46.6	49.3	31.0	23.6	19.9	16.8	13.7	11.5
Dividend Yield (%)	0.2	0.5	0.5	0.5	0.7	0.7	0.9	1.1
FCF per share	27.5	7.9	9.6	10.9	18.7	22.6	28.8	34.5
Return Ratios (%)								
RoE	9.2	8.1	12.1	14.6	14.9	15.3	16.4	16.8
RoCE	9.2	8.0	11.8	14.0	14.3	15.0	16.1	16.6
RoIC	29.2	31.4	45.0	55.7	51.1	45.2	47.0	47.1
Working Capital Ratios								
Fixed Asset Turnover (x)	1.7	1.9	2.4	2.5	2.2	2.2	2.3	2.3
Asset Turnover (x)	1.3	1.5	1.7	1.7	1.6	1.7	1.7	1.7
Inventory (Days)	36	34	42	39	35	35	35	35
Debtor (Days)	48	44	41	43	46	46	46	46
Creditor (Days)	87	68	56	55	46	46	46	46
Leverage Ratio (x)								
Current Ratio	1.1	1.1	1.2	1.2	1.4	1.5	1.6	1.7
Interest Cover Ratio	34.9	30.7	63.8	60.0	44.3	69.5	101.4	147.6
Net Debt/Equity	-0.7	-0.8	-0.7	-0.7	-0.7	-0.6	-0.6	-0.6

Standalone - Cash Flow Statement **(INR m)**

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	2,314	2,627	3,641	4,868	5,799	6,525	7,944	9,254
Depreciation	622	772	848	970	1,170	1,373	1,547	1,738
Interest & Finance Charges	38	50	35	78	121	90	75	60
Direct Taxes Paid	-324	-567	-960	-1,084	-1,331	-1,665	-2,027	-2,362
(Inc)/Dec in WC	2,654	-157	-1,025	-441	-270	-50	-63	-72
CF from Operations	**5,304**	**2,726**	**2,539**	**4,391**	**5,490**	**6,272**	**7,475**	**8,617**
Others	-42	-782	61	-52	-592	0	0	0
CF from Operating incl EO	**5,262**	**1,944**	**2,601**	**4,339**	**4,897**	**6,272**	**7,475**	**8,617**
(Inc)/Dec in FA	-1,282	-804	-1,206	-2,757	-2,194	-3,000	-3,300	-3,630
Free Cash Flow	**3,979**	**1,140**	**1,394**	**1,582**	**2,704**	**3,272**	**4,175**	**4,987**
(Pur)/Sale of Investments	-2,855	680	3,235	-1,091	1,339	0	0	0
Others	-1,316	-8,870	-3,585	-334	-2,280	0	0	0
CF from Investments	**-5,453**	**-8,994**	**-1,556**	**-4,182**	**-3,135**	**-3,000**	**-3,300**	**-3,630**
Inc/(Dec) in Debt	613	172	-236	1,338	-797	-200	-200	-200
Interest Paid	-62	-53	-50	-107	-147	-90	-75	-60
Dividend Paid	-217	-578	-723	-724	-871	-980	-1,193	-1,389
Others	-20	7,529	-12	-21	2,134	0	0	0
CF from Fin. Activity	**314**	**7,070**	**-1,021**	**486**	**319**	**-1,269**	**-1,467**	**-1,649**
Inc/Dec of Cash	**123**	**20**	**23**	**643**	**2,082**	**2,003**	**2,708**	**3,338**
Opening Balance	171	294	314	338	980	3,062	5,065	7,773
Closing Balance	**294**	**314**	**338**	**980**	**3,062**	**5,065**	**7,773**	**11,111**

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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