5 November 2026
2QFY27 Results Update | Sector: Capital Goods

Kirloskar Oil Engines

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	231.8 / 2.5
52-Week Range (INR)	2720 / 933
1, 6, 12 Rel. Per (%)	-38/-10/61
12M Avg Val (INR M)	1232

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	68.8	90.1	116.1
EBITDA	8.3	12.2	16.3
PAT	5.1	8.0	11.0
EPS (INR)	35.3	54.9	75.4
GR. (%)	10.6	55.5	37.5
BV/Sh (INR)	259.0	302.7	363.0
Ratios			
ROE (%)	14.4	19.5	22.7
RoCE (%)	14.2	19.3	22.5
Valuations			
P/E (X)	45.2	29.0	21.1
P/BV (X)	6.2	5.3	4.4
EV/EBITDA (X)	27.6	18.6	13.4
Div Yield (%)	0.4	0.7	1.0

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	41.0	41.1	41.1
DII	27.0	26.0	28.0
FII	11.1	11.3	8.3
Others	20.9	21.6	22.6

FII includes depository receipts

CMP: INR1,592 TP: INR2,600 (+63%) Buy

Inflationary pressure continued in 2QFY27

Kirloskar Oil Engines (KOEL)'s 2QFY27 result came in below our estimate due to a miss on EBITDA margin. Revenue growth came in better than our estimates on sharp scale-up seen in distribution and exports. Lower gross margin and lack of operating leverage benefits resulted in a miss in EBITDA margin. KOEL has gained market share in MHP and select segments of HHP in powergen and plans to grow HHP segment at a faster pace. We cut our estimates by 13%/8%/8% for FY27/28/29 to factor in lower margin and expect revenue/EBITDA/PAT CAGR of 27%/30%/33% over FY26-29. The stock has corrected sharply in the recent past, but we believe that underlying thesis remains strong and inflationary pressure is hitting performance over the last few quarters. We expect price hikes and plateauing of RM prices to aid margin recovery going forward. We maintain BUY with a revised TP of INR2,600 (INR2,800 earlier), valuing the core business at 35x two-year forward earnings.

Beat on revenue; margin and PAT miss our estimates

KOEL's 2QFY27 revenue increased 19% YoY to INR17.4b (vs. our est. of INR16.6b), driven by better-than-expected growth in exports and distribution segments. Gross margin contracted 150bp YoY to 33.9%. Other expenses as % of sales increased 100bp YoY to 16.3%. These factors led to EBITDA margin contraction of 300bp YoY to 11% (vs. est. of 13%), while absolute EBITDA declined 6% YoY to INR1.9b. Led by lower-than-expected margin, higher-than-expected non-operating expenses and lower other income, PAT of INR1.2b (-14% YoY) came in below estimates. For 1HFY27, revenue increased 18% YoY, while EBITDA/PAT declined 5%/12% YoY, and margin contracted 270bp YoY to 11.1%. For 1HFY27, OCF declined 83% YoY to INR398m, mainly due to lower profitability and higher working capital requirements, while it reported a free cash outflow of INR1.6b (vs. an inflow of INR966m last year).

Powergen segment growth remained healthy

Powergen segment registered a growth of 17% YoY, led by volume growth, price increase and ramp-up across HHP segment. Demand for powergen has remained strong from data centre, hospitality, realty, etc., and the company has gained market share in MHP segment and has crossed more than 30% market share in 1,010kVA category in HHP. KOEL is taking calculated price increases due to inflationary pressure and we expect further price hikes if current inflationary trends worsen. Going ahead, we expect powergen segment to continue to benefit from 1) demand and pricing growth, 2) further ramp-up in HHP segment, and 3) scale-up in execution of Hypernext DC order from FY28. First phase of ongoing capex for powergen will be commissioned by next fiscal and second phase by FY29, which will also aid powergen segment growth. We expect powergen segment revenue to clock 33% CAGR over FY26-29.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

Operating leverage benefits to commence from 2HFY27/FY28

During 2QFY27, gross margin for KOEL was down by 150bp YoY due to higher commodity prices, lag in price increases and execution of certain contracts taken at older RM prices. KOEL has done relatively better than KKC on gross margin. However, other expenses have surged due to higher marketing related spend and impact of higher crude prices on indirect expenses. Going ahead, as per management, operating leverage gains should start getting reflected in margin from 2HFY27/FY28 as volumes improve. In our estimates, we bake in 100-130bp reduction in EBITDA margin for FY27-29.

Industrial segment's performance impacted by execution delays

Industrial revenue grew by a muted 2% YoY to INR3.8b in 2QFY27 due to execution-related challenges during the quarter. It is working with its key OEM partners on targeted price hikes, and KASL completed its first commercial billing in defense and aerospace systems. We expect a sequential recovery in the segment as the price hikes start reflecting and execution normalizes. We trim our FY27 estimates to factor in the slower execution in 2QFY27, and expect segment revenue to clock a 25% CAGR over FY26-29.

Distribution and aftermarket emerging as a steady growth driver

Distribution & aftermarket revenue grew 29% YoY to INR2.9b and growth is driven by the strategic initiatives taken by KOEL over the years, including: 1) diversification beyond traditional engine spares into whole goods, 2) the scale-up of New Life, KOEL's repowering and reconditioning business, 3) groundwork on channel setup and product placement, which is now largely complete, and 4) costs for scaling the business already being incurred, so incremental revenue should flow at better margins. We raise our estimates for the segment to factor in strong momentum in 1HFY27. We expect segment revenue to clock a 20% CAGR over FY26-29.

Exports recovery led by higher powergen contribution

Export revenue grew 50% YoY to INR2.6b (vs. our est. of INR1.4b), after a 12% decline in 1QFY27. Growth was broad-based across Africa, the UAE and East Asia. Powergen now contributes over 45% of international revenue, overtaking industrial engines, and demand is spread across Africa, the UAE and East Asia, which helped offsets the impact from the on-going Middle East disruption, which had impacted 1Q revenue. The Deutz agreement to distribute KOEL's 1.6-litre engine platform globally, starting with the Americas, adds a new growth avenue in advanced-emission markets. We raise our estimates to factor in 2Q outperformance, stronger order intake and a more diversified customer base. We expect export revenue to clock a 17% CAGR over FY26-29.

Arka's profitability held back by planned investments

Arka Fincap's revenue stood at INR2.1b in 2QFY27, while segment PBT was lower at INR61m. FY27 is a planned year of investment in distribution and technology as Arka moves from prime loans against property (LAP) to higher-yielding small-ticket LAP and used-vehicle finance. AUM stood at INR77.8b, and the network has expanded to 146 branches and over 2,000 employees across seven states. Asset quality remained healthy, with GNPA at ~1% and net NPA improving to 0.5%, and the balance sheet is well capitalized with Tier-1 capital above 21% and leverage below 3.8x.

Management expects the investment phase to run until Dec'26, with higher-margin business and better ROA from 1QFY28.

Financial outlook

We cut our estimates by 13%/8%/8% for FY27/28/29 to factor in lower margin. We thus expect a revenue CAGR of 27% over FY26-29, driven by 33%/25%/20%/17% CAGR in powergen/industrial/ distribution/exports. We expect an EBITDA/PAT CAGR of 30%/33% over the same period.

Valuation and recommendation

The stock is currently trading at 45x/29x/21x P/E on FY27/28/29E earnings. Adjusted for subsidiary valuation, KOEL is trading at 40x/26x/19x P/E on FY27/FY28/29E earnings, which is still at a significant discount to the market leader. **We reiterate our BUY rating with a revised SoTP-based TP of INR2,600** (vs. INR2,800), valuing the core business at 35x on two-year forward earnings.

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

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**12,720**	**14,595**	**13,806**	**15,347**	**14,713**	**17,390**	**17,369**	**19,352**	**56,468**	**68,824**	**16,629**	**5**
YoY Change (%)	(5.3)	22.2	18.6	8.7	15.7	19.1	25.8	26.1	24.9	34.6	13.9	
Total Expenditure	11,004	12,555	12,118	13,419	13,058	15,479	15,198	16,830	49,096	60,565	14,468	
EBITDA	**1,716**	**2,040**	**1,688**	**1,928**	**1,655**	**1,911**	**2,171**	**2,522**	**7,373**	**8,259**	**2,162**	**(12)**
YoY Change (%)	(13.2)	23.7	44.3	10.8	(3.6)	(6.3)	28.6	30.8	24.2	26.3	6.0	
Margins (%)	13.5	14.0	12.2	12.6	11.2	11.0	12.5	13.0	13.1	12.0	13.0	
Depreciation	332	348	361	392	404	429	421	431	1,433	1,685	383	12
Interest	31	28	22	31	21	35	22	11	110	90	18	89
Other Income	121	116	80	89	108	98	103	104	407	413	120	(19)
PBT before EO expense	**1,476**	**1,780**	**1,385**	**1,595**	**1,337**	**1,545**	**1,831**	**2,184**	**6,236**	**6,897**	**1,881**	**(18)**
Extra-Ord expense	-	-	201	96	-	-	-	-	297	-	-	
PBT	**1,476**	**1,780**	**1,184**	**1,499**	**1,337**	**1,545**	**1,831**	**2,184**	**5,939**	**6,897**	**1,881**	**(18)**
Tax	380	445	311	388	344	393	470	562	1,524	1,770	483	
Rate (%)	25.8	25.0	26.2	25.9	25.7	25.5	25.7	25.8	25.7	25.7	25.7	
Reported PAT	**1,095**	**1,335**	**874**	**1,111**	**993**	**1,152**	**1,361**	**1,621**	**4,415**	**5,127**	**1,398**	**(18)**
Adj PAT	**1,095**	**1,335**	**1,022**	**1,183**	**993**	**1,152**	**1,361**	**1,621**	**4,636**	**5,127**	**1,398**	**(18)**
YoY Change (%)	(18.7)	20.2	57.1	12.1	(9.3)	(13.7)	33.2	37.0	23.9	23.1	4.7	
Margins (%)	8.6	9.1	7.4	7.7	6.7	6.6	7.8	8.4	8.2	7.4	8.4	

	FY26				FY27E				FY26	FY27E	FY27E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Segmental revenue												
Powergen	6,090	6,780	6,030	7,080	7,200	7,920	7,839	9,516	25,980	32,475	8,136	(3)
Industrial	3,100	3,730	3,900	3,710	3,680	3,810	4,875	5,252	14,440	17,617	4,401	(13)
Distribution & After Market	2,230	2,270	2,380	2,810	2,680	2,930	2,975	3,031	9,690	11,616	2,724	8
Exports	1,200	1,710	1,400	1,620	1,060	2,570	1,680	1,806	5,930	7,116	1,368	88
Total revenue (B2B+B2C)	**12,620**	**14,490**	**13,710**	**15,220**	**14,620**	**17,230**	**17,369**	**19,605**	**56,040**	**68,824**	**16,629**	**4**



Highlights from the management commentary

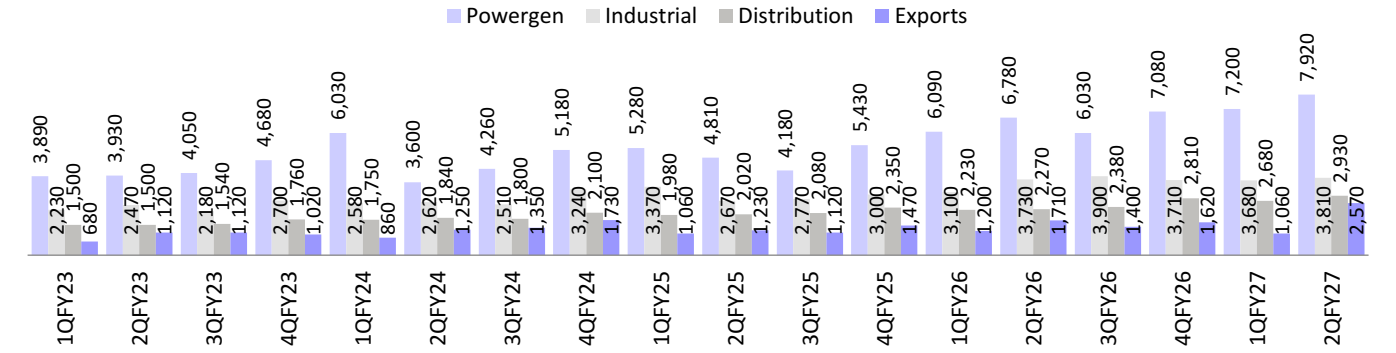
- **Powergen:** Powergen revenue grew 17% YoY, with market share gains across the portfolio. By internal estimates, KOEL is now among the largest domestic MHP powergen makers. In HHP, its share in the 1,010 kVA node, the first HHP node in full mainstream execution, is now above 30%. LHP and MHP volumes kept growing, and delivery lead times have not lengthened. OptiPrime saw strong demand across data centers, real estate, hospitality and manufacturing. Next, management plans to extend its presence across the remaining HHP nodes: 1,250–1,500 kVA, 2,000 kVA and above 2,000 kVA.
- **Data center:** The hyperscale data center order from HyperNext announced last quarter has been delayed at the customer's end. KOEL is working with the customer on a revised schedule and will share an updated timeline once the customer confirms it. We have anyway taken delivery of this order from FY28 onwards. During the quarter, KOEL won an OptiPrime order in Zambia and dispatched its first systems to China. It is getting a lot of acceptances from data center operators, including hyperscalers, co-location players and neoclouds.
- **Industrial:** Industrial revenue grew 2% YoY to INR3.8b. Management clarified that the muted growth came from execution challenges during the quarter. It said this does not reflect demand or the segment's growth trajectory, which remains intact. To offset commodity cost headwinds, KOEL is working with its key OEM partners to implement targeted price increases. These are being rolled out through a negotiation and implementation cycle with each customer.
- **Defense:** The defense subsidiary, Kirloskar Advanced Systems Limited (KASL), completed its first commercial billing this quarter. Its products cover system integration, ground power units and defense programs involving rocket launchers and shells. Management sees a large opportunity and is actively pursuing it.
- **Distribution & aftermarket:** The distribution & aftermarket business grew 29% YoY. The company is making real progress in expanding beyond traditional engine spares into whole goods, including New Life, its repowering and reconditioning business. Management clarified that neither distribution nor international had one-time gains this quarter. It said the growth reflects the groundwork done over the last couple of years on setting up channels and placing the right products, which is building a core franchise.
- **Exports:** International revenue grew 50% YoY to INR2.6b (+59% YoY to INR4.1b on a gross consolidated basis, about 20% of the sales mix). Growth was led by HHP powergen in Africa, record secondary sales in the UAE, East Asia emerging as a new contributor, and new industrial OEM customers. Powergen now contributes over 45% of international revenue and has overtaken industrial as the main driver. KOEL also signed an agreement with Deutz to expand global distribution of its 1.6-litre engine platform, starting with the Americas. Order intake was significantly higher YoY, and underlying demand was stronger than reported revenue despite container shortages. Management expects some QoQ lumpiness and is targeting international at 30% of revenue by FY30.
- **Margin impact:** Standalone EBITDA margin fell YoY because of a sharp rise in crude oil and commodity prices (copper, aluminium and pig iron), but it was broadly stable QoQ. Higher employee costs and other expenses also weighed on

margins. The company deployed a three-tier framework to counter these cost pressures: 1) targeted price hikes across business units, 2) engineering work to improve power density and deliver higher-value products, and 3) better fixed-cost absorption from higher volumes, along with strict control on discretionary spending. Management sees the inflation as industry-wide and likely to recur given the geopolitical situation, and will keep passing on cost increases. If inflation holds at current levels, 2QFY27 could be the bottom, with margins improving after that. A large part of the capability cost needed for future growth has already been incurred and it expects operating leverage gains to start playing out from 2HFY27/FY28 onward, as incremental revenue drives better absorption.

- **KOEL Fluid Dynamics:** Revenue grew about 28% YoY to INR3.3b, with domestic sales up about 24% and exports up about 32%. Growth came across diesel pumpsets, industrial pumps and electric products, helped by new dealers, new master distributors and new SKUs. KOEL Fluid Dynamics is now the market leader in engine-driven industrial pumps. B2C segment revenue/PBIT grew 28%/26% YoY.
- **Arka:** Arka ended 1HFY27 with AUM of INR77.8b. Net NPA improved to 0.5%, and the network grew to 146 branches and over 2,000 employees. PBT was lower because of planned investments in distribution and technology as Arka shifts toward small-ticket loans against property and used-vehicle finance. Management expects the investment phase to continue until Dec'26, with higher-margin business and better ROA from 1QFY28. Arka is well capitalized, with Tier-1 capital above 21% and leverage below 3.8x. It is evaluating private and public capital-raising options.
- **Capex and balance sheet:** Work has started on the INR21b capex, with the first line expected to be operational next fiscal. The INR14b capex announced last year is underway, with production expected by FY28-29. Operating cash flow was positive in 1HFY27, though temporarily moderated by a build-up of strategic inventory for upcoming project execution.

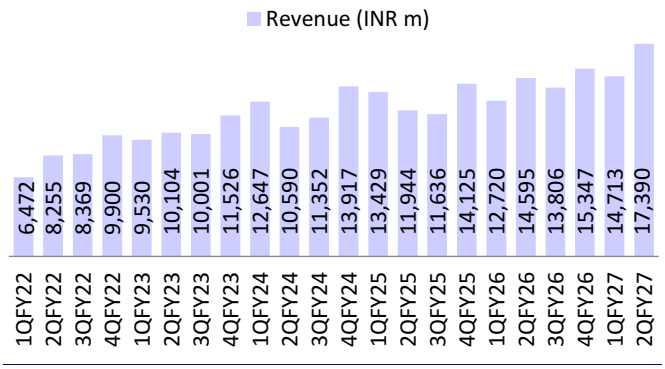
Key Exhibits

Exhibit 1: Segmental revenue breakup (INR m)



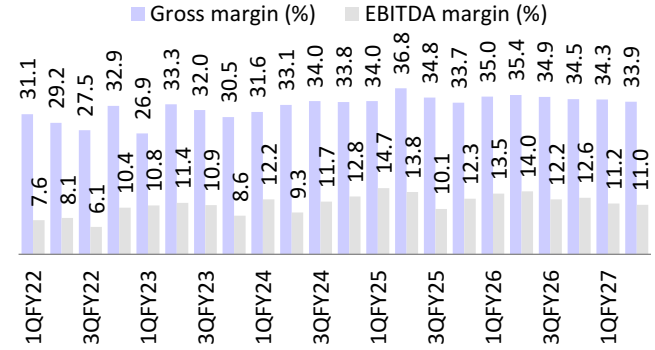
Source: Company, MOFSL

Exhibit 2: 2QFY27 revenue grew 19% YoY (INR m)



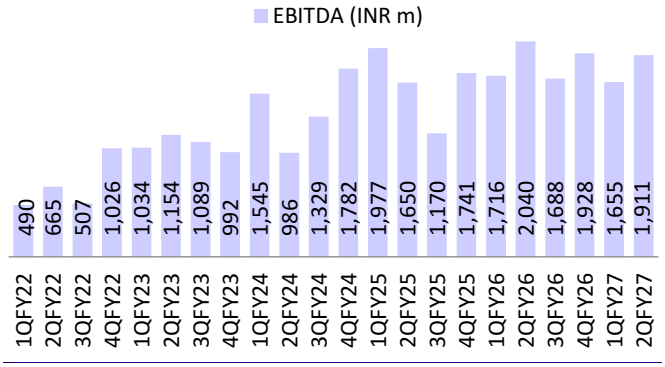
Source: Company, MOFSL

Exhibit 3: EBITDA margin contracted 300bp YoY to 11.2%



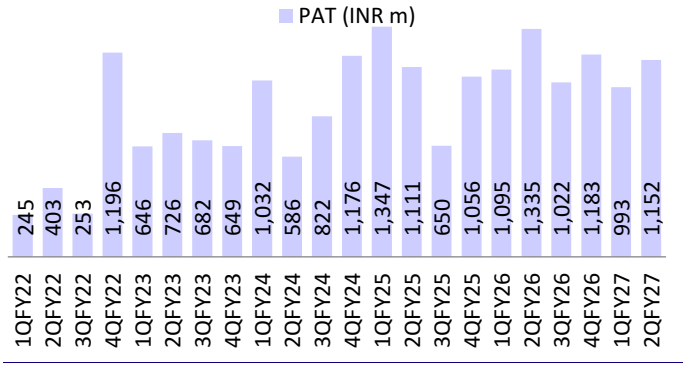
Source: Company, MOFSL

Exhibit 4: EBITDA declined 6% YoY (INR m)



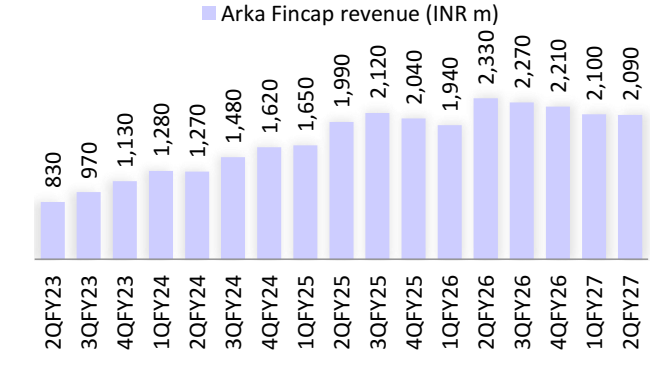
Source: Company, MOFSL

Exhibit 5: PAT decreased 14% YoY (INR m)



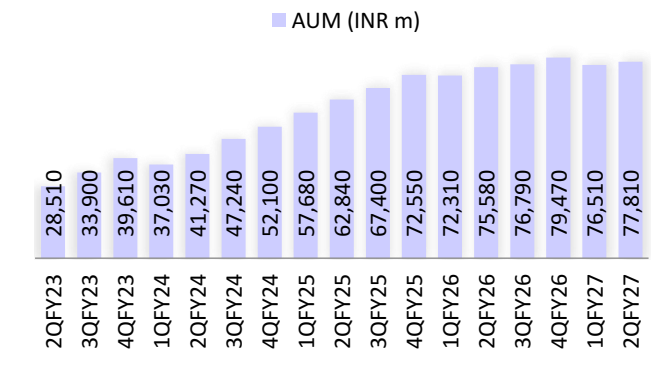
Source: Company, MOFSL

Exhibit 6: AFHPL's revenue decreased 10% YoY (INR m)



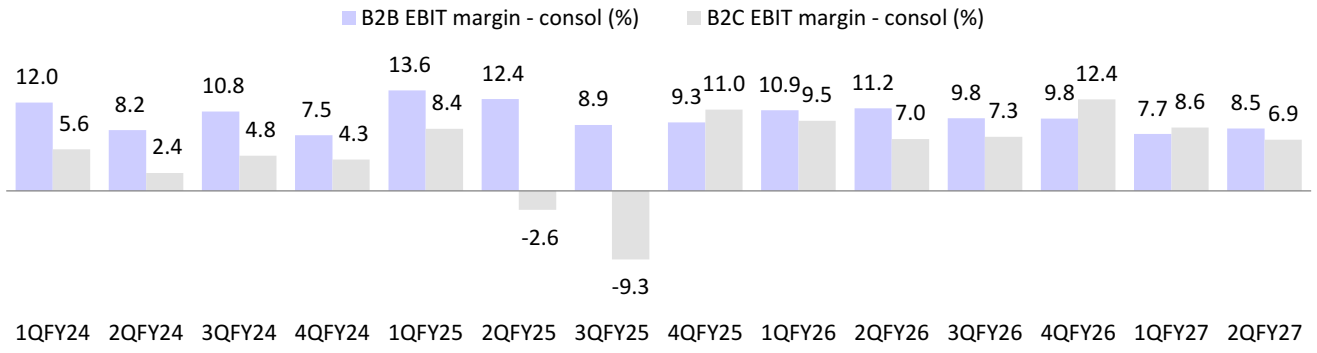
Source: Company, MOFSL

Exhibit 7: Healthy growth in AFHPL's AUM (INR m)



Source: Company, MOFSL

Exhibit 8: Both, B2B and B2C EBIT margin remained under pressure during 2QFY27



Source: Company, MOFSL

Exhibit 9: We arrive at a revised TP of INR2,600 (vs. INR2,800 earlier) based on SoTP valuation

	Earnings/ book	Valn multiple	Value	KOEL's share	Value for KOEL's share	Per share value	
	(INR m)	(X)	(INR m)	(%)	(INR m)	(INR)	Valuation basis
KOEL valuation							
Core business	10,217	35	3,52,488	100	3,52,488	2,432	❖ 35X two-year fwd EPS
Investments							
La Gajjar Machineries	821	12	9,855	100	9,855	68	❖ 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					**3,76,884**	**2,600**	

Source: Company, MOFSL

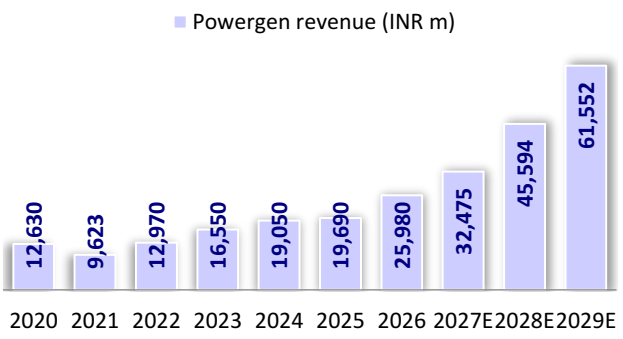
Exhibit 10: We cut our estimates by 13%/8%/8% for FY27/FY28/FY29E to factor in lower margin

(INR M)	FY27E			FY28E			FY29E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	68,824	67,994	1.2	90,090	89,501	0.7	1,16,104	1,15,870	0.2
EBITDA	8,259	9,043	(8.7)	12,162	12,978	(6.3)	16,255	17,381	(6.5)
EBITDA (%)	12.0	13.3	-130 bps	13.5	14.5	-100 bps	14.0	15.0	-100 bps
Adj. PAT	5,127	5,866	(12.6)	7,973	8,667	(8.0)	10,965	11,913	(8.0)
EPS (INR)	35.3	40.4	(12.6)	54.9	59.6	(8.0)	75.4	82.0	(8.0)

Source: MOFSL

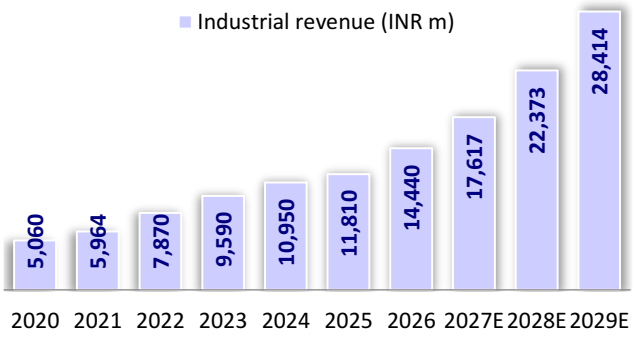
Financial outlook

Exhibit 11: We expect powergen revenue to clock a 33% CAGR over FY26-29



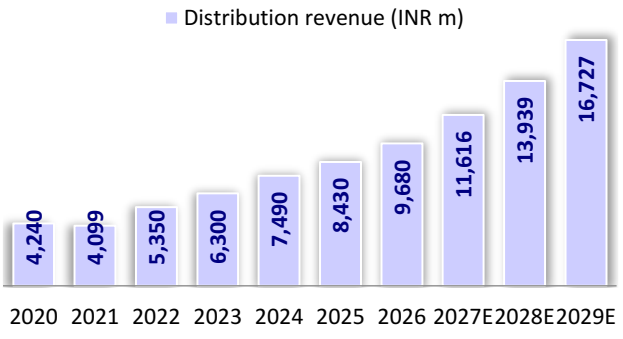
Source: Company, MOFSL

Exhibit 12: We expect industrial revenue to record a CAGR of 25% over FY26-29



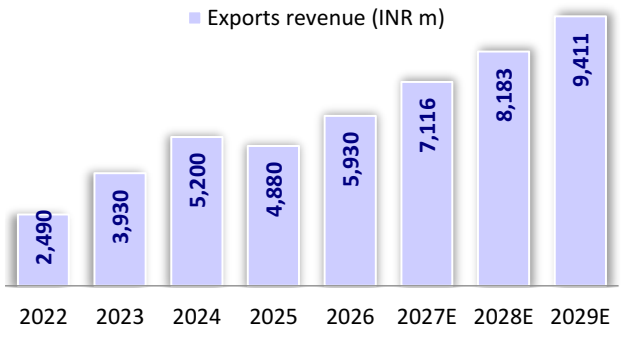
Source: Company, MOFSL

Exhibit 13: We expect distribution revenue CAGR to remain strong at 20% over FY26-29



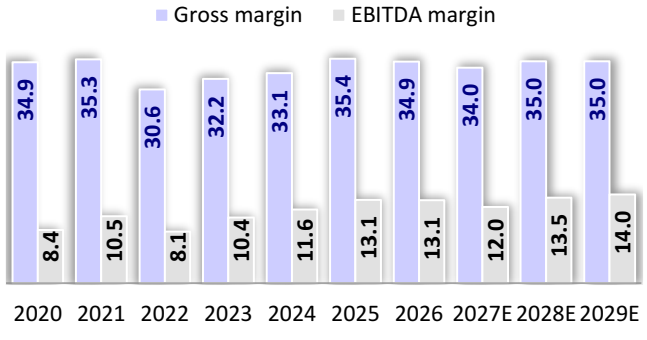
Source: Company, MOFSL

Exhibit 14: We expect export revenue to clock a 17% CAGR over FY26-29



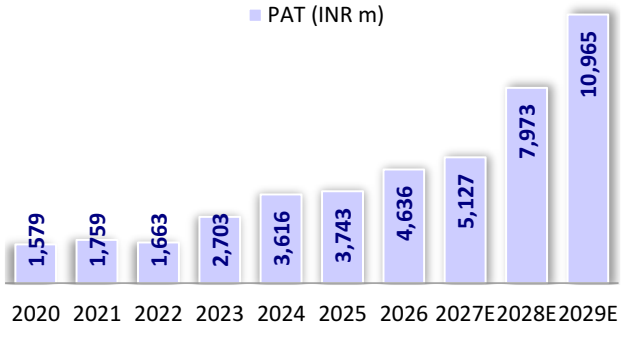
Source: Company, MOFSL

Exhibit 15: Margins to improve gradually (%)



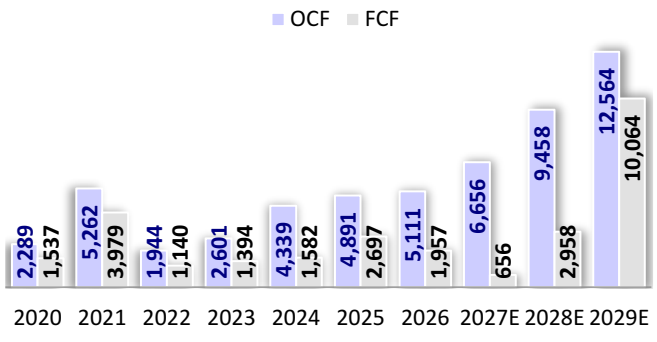
Source: Company, MOFSL

Exhibit 16: We expect PAT to post 33% CAGR over FY26-29



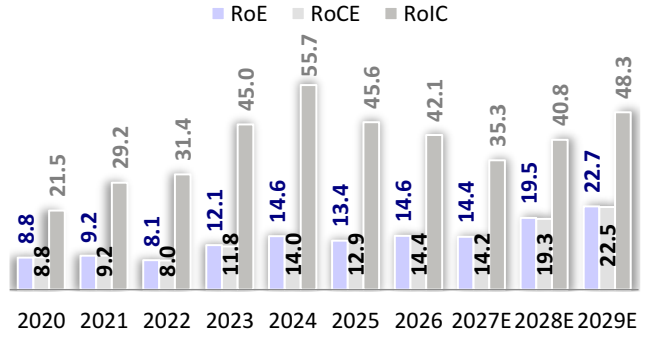
Source: Company, MOFSL

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



Source: Company, MOFSL

Exhibit 18: Return ratios to remain comfortable (%)



Source: Company, MOFSL

Financials and Valuation

Standalone - Income Statement								(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Total Income from Operations	**32,997**	**41,161**	**48,505**	**45,207**	**56,468**	**68,824**	**90,090**	**1,16,104**
Change (%)	22.5	24.7	17.8	-6.8	24.9	21.9	30.9	28.9
Raw Materials	22,912	27,897	32,439	29,202	36,741	45,424	58,558	75,467
Gross Profit	**10,085**	**13,264**	**16,066**	**16,005**	**19,728**	**23,400**	**31,531**	**40,636**
Employees Cost	2,070	2,365	3,069	3,220	3,569	4,542	5,676	7,315
Other Expenses	5,327	6,630	7,355	6,847	8,786	10,599	13,694	17,067
Total Expenditure	**30,309**	**36,892**	**42,864**	**39,269**	**49,096**	**60,565**	**77,928**	**99,849**
% of Sales	91.9	89.6	88.4	86.9	86.9	88.0	86.5	86.0
EBITDA	**2,688**	**4,269**	**5,642**	**5,938**	**7,373**	**8,259**	**12,162**	**16,255**
Margin (%)	8.1	10.4	11.6	13.1	13.1	12.0	13.5	14.0
Depreciation	772	848	970	1,139	1,433	1,685	1,906	2,149
EBIT	**1,915**	**3,422**	**4,672**	**4,799**	**5,940**	**6,574**	**10,256**	**14,105**
Int. and Finance Charges	62	54	78	112	110	90	71	52
Other Income	248	273	274	341	407	413	541	697
PBT bef. EO Exp.	**2,100**	**3,641**	**4,868**	**5,028**	**6,236**	**6,897**	**10,726**	**14,750**
EO Items	527	0	0	209	-297	0	0	0
PBT after EO Exp.	**2,627**	**3,641**	**4,868**	**5,237**	**5,939**	**6,897**	**10,726**	**14,750**
Total Tax	547	939	1,252	1,338	1,524	1,770	2,752	3,785
Tax Rate (%)	20.8	25.8	25.7	25.6	25.7	25.7	25.7	25.7
Reported PAT	**2,080**	**2,703**	**3,616**	**3,898**	**4,415**	**5,127**	**7,973**	**10,965**
Adjusted PAT	**1,663**	**2,703**	**3,616**	**3,743**	**4,636**	**5,127**	**7,973**	**10,965**
Change (%)	-5.4	62.5	33.8	3.5	23.9	10.6	55.5	37.5
Margin (%)	5.0	6.6	7.5	8.3	8.2	7.4	8.9	9.4

Standalone - Balance Sheet								(INR m)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Equity Share Capital	289	290	290	290	291	291	291	291
Total Reserves	21,105	23,028	25,937	29,466	33,254	37,348	43,714	52,469
Net Worth	**21,395**	**23,318**	**26,227**	**29,756**	**33,545**	**37,639**	**44,005**	**52,759**
Total Loans	976	751	2,091	1,294	1,044	844	644	444
Deferred Tax Liabilities	146	61	100	250	432	432	432	432
Capital Employed	**22,517**	**24,131**	**28,418**	**31,301**	**35,021**	**38,915**	**45,081**	**53,635**
Gross Block	16,990	17,425	19,052	23,397	26,052	32,052	38,552	41,052
Less: Accum. Deprn.	12,488	13,174	14,144	15,283	16,716	18,401	20,307	22,457
Net Fixed Assets	**4,502**	**4,251**	**4,908**	**8,114**	**9,336**	**13,651**	**18,244**	**18,595**
Capital WIP	393	664	2,426	957	1,444	1,444	1,444	1,444
Total Investments	**16,722**	**16,925**	**18,762**	**17,873**	**16,478**	**16,478**	**16,478**	**16,478**
Curr. Assets, Loans & Adv.	**8,505**	**11,557**	**13,115**	**16,131**	**21,114**	**23,566**	**30,151**	**44,486**
Inventory	3,031	4,685	5,235	4,931	6,034	7,354	9,627	12,407
Accounts Receivable	3,945	4,672	5,684	6,511	7,825	9,537	12,484	16,089
Cash and Bank Balance	314	338	980	3,062	5,526	4,859	5,940	13,542
Loans and Advances	656	852	808	686	837	923	1,208	1,557
Other Assets	558	1,011	408	942	892	892	892	892
Curr. Liability & Prov.	**7,606**	**9,267**	**10,793**	**11,774**	**13,350**	**16,223**	**21,236**	**27,368**
Accounts Payable	6,175	6,326	7,274	6,506	7,686	9,368	12,262	15,803
Other Current Liabilities	729	1,700	2,223	3,756	3,954	4,820	6,309	8,131
Provisions	702	1,241	1,296	1,512	1,710	2,036	2,665	3,434
Net Current Assets	**899**	**2,291**	**2,322**	**4,357**	**7,764**	**7,343**	**8,915**	**17,119**
Appl. of Funds	**22,517**	**24,131**	**28,418**	**31,301**	**35,021**	**38,915**	**45,081**	**53,636**

Financials and Valuation

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)								
EPS	**11.4**	**18.6**	**24.9**	**25.7**	**31.9**	**35.3**	**54.9**	**75.4**
Cash EPS	16.8	24.4	31.6	33.6	41.8	46.9	68.0	90.2
BV/Share	147.2	160.4	180.4	204.7	230.8	259.0	302.7	363.0
DPS	4.7	5.0	5.0	6.0	6.5	7.1	11.1	15.2
Payout (%)	32.6	26.8	20.0	22.3	21.4	20.2	20.2	20.2
Valuation (x)								
P/E	139.2	85.7	64.0	61.9	49.9	45.2	29.0	21.1
Cash P/E	95.1	65.2	50.5	47.4	38.2	34.0	23.4	17.7
P/BV	10.8	9.9	8.8	7.8	6.9	6.2	5.3	4.4
EV/Sales	7.0	5.6	4.8	5.1	4.0	3.3	2.5	1.9
EV/EBITDA	86.4	54.3	41.2	38.7	30.8	27.6	18.6	13.4
Dividend Yield (%)	0.3	0.3	0.3	0.4	0.4	0.4	0.7	1.0
FCF per share	7.8	9.6	10.9	18.6	13.5	4.5	20.4	69.2
Return Ratios (%)								
RoE	8.1	12.1	14.6	13.4	14.6	14.4	19.5	22.7
RoCE	8.0	11.8	14.0	12.9	14.4	14.2	19.3	22.5
RoIC	31.4	45.0	55.7	45.6	42.1	35.3	40.8	48.3
Working Capital Ratios								
Fixed Asset Turnover (x)	1.9	2.4	2.5	1.9	2.2	2.1	2.3	2.8
Asset Turnover (x)	1.5	1.7	1.7	1.4	1.6	1.8	2.0	2.2
Inventory (Days)	34	42	39	40	39	39	39	39
Debtor (Days)	44	41	43	53	51	51	51	51
Creditor (Days)	68	56	55	53	50	50	50	50
Leverage Ratio (x)								
Current Ratio	1.1	1.2	1.2	1.4	1.6	1.5	1.4	1.6
Interest Cover Ratio	30.7	63.8	60.0	42.7	53.8	73.3	145.1	273.0
Net Debt/Equity	-0.8	-0.7	-0.7	-0.7	-0.6	-0.5	-0.5	-0.6

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	2,627	3,641	4,868	5,799	6,200	6,897	10,726	14,750
Depreciation	772	848	970	1,170	1,450	1,685	1,906	2,149
Interest & Finance Charges	50	35	78	114	113	90	71	52
Direct Taxes Paid	-567	-960	-1,084	-1,331	-1,535	-1,770	-2,752	-3,785
(Inc)/Dec in WC	-157	-1,025	-441	-270	-922	-246	-492	-602
CF from Operations	**2,726**	**2,539**	**4,391**	**5,483**	**5,305**	**6,656**	**9,458**	**12,564**
Others	-782	61	-52	-592	-193	0	0	0
CF from Operating incl EO	**1,944**	**2,601**	**4,339**	**4,891**	**5,111**	**6,656**	**9,458**	**12,564**
(Inc)/Dec in FA	-804	-1,206	-2,757	-2,194	-3,155	-6,000	-6,500	-2,500
Free Cash Flow	**1,140**	**1,394**	**1,582**	**2,697**	**1,957**	**656**	**2,958**	**10,064**
(Pur)/Sale of Investments	680	3,235	-1,091	1,339	1,849	0	0	0
Others	-8,870	-3,585	-334	-2,280	-1,905	0	0	0
CF from Investments	**-8,994**	**-1,556**	**-4,182**	**-3,135**	**-3,210**	**-6,000**	**-6,500**	**-2,500**
Inc/(Dec) in Debt	172	-236	1,338	-797	-250	-200	-200	-200
Interest Paid	-53	-50	-107	-141	-86	-90	-71	-52
Dividend Paid	-578	-723	-724	-871	-944	-1,034	-1,607	-2,210
Others	7,529	-12	-21	2,134	1,842	0	0	0
CF from Fin. Activity	**7,070**	**-1,021**	**486**	**326**	**562**	**-1,323**	**-1,878**	**-2,462**
Inc/Dec of Cash	**20**	**23**	**643**	**2,082**	**2,464**	**-667**	**1,080**	**7,602**
Opening Balance	294	314	338	980	3,062	5,526	4,859	5,940
Closing Balance	**314**	**338**	**980**	**3,062**	**5,526**	**4,859**	**5,940**	**13,542**

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.