



10th May, 2023

The company Cummins is a division of the American engine and other power generation products manufacturer Cummins Inc. The company is divided into three businesses: the Distribution Business, the Power Systems Business, and the Engine Business. The Engine Business provides Heavy, Medium, and Light Duty engines to the Construction and Compressor markets. Eight manufacturing facilities for Cummins are located in Gujarat and Maharashtra. Diesel engines/gensets from 15 kVA to 2,000 kVA for various power/industrial uses are the company's main product line. Alternators, digital controls, transfer switches, and other products are also produced by Cummins. With a 40% market share, Cummins dominates the diesel engines/gensets sector. Additionally, Cummins is well-represented in HHP gensets with high value and high margins. Power generation, industry, and distribution are the three divisions of the company's domestic business, which accounts for 60% of sales. Around 40% of sales come from exports.

The company has a strong technology/innovation track record, well supported by its parent, which helps it stay ahead of peers across changes in emission norms. The company's diversified business presence contributes reasonable long-term growth prospects with healthy return/cash flow profile.

Investment rationale

- **Indian Railways is in the phase of rapid expansion:** Railways are transitioning from diesel to electrified products, and the company is developing numerous parallel products to support it. The company is primarily involved in infrastructure and load application construction, with a lesser presence in prime mover applications. The opportunity size is large, and with new product launches, the size will continue to grow, but it will grow faster than other segments.

- **Strong demand from the domestic markets drive higher growth:** The management is quite confident delivering close to 2x the domestic Gross Domestic Product (GDP) growth. Railway and data center growth will be key driver. The company indicated strong demand from the manufacturing, infrastructure, hospitality, real estate, rentals, and other pockets of the market.

- **Diversified Product Portfolio:** The company has a diversified product portfolio with offerings in various segments such as automotive, industrial, marine, and power generation, which reduces its dependence on any one segment. Cummins India's diversified product portfolio is one of its key strengths, as it enables the company to serve a wide range of customers in different sectors.

- **Exports growth would be aided by new product offerings:** Export demand is stable in Latin America, Asia-Pacific, and the Middle East, while demand seems to slow down in Europe. The company has been witnessing strong volume growth in the last few quarters. Moreover, the rollout of a faster and more reliable 5G mobile network as well as the expansion of the Internet of Things (IoT) infrastructure offers growth prospects for Cummins' products in export markets. It is also targeting industrial segments such as Rail, and marine amongst others in Asia Pacific. The company has been continuously revamping its product portfolio and offering fit-for-market products in exports. Exports contribute 25% to the total revenue and have better realization and margins. We expect exports to grow at a 15% CAGR over FY22-25E.

Stock Data	
CMP	1647
52 Week High/Low	947/1715
Face Value	2
Market Cap (In Crs)	45,662
NSE	CUMMINSIND
BSE	500480
Bloomberg	KKC:IN
Sector	Capital Goods

Shareholding Pattern (in %)		
	DEC 22	SEPT 22
Promoter	51	51
FII	12.2	10.37
DII	25.19	26.74
Public	11.61	11.9

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	3.74	1.41	12.60
Cummins India	4.41	22.99	66.94

Key Ratios	
P/E	41.72
P/B	9.14
Debt To Equity	0.05
ROE	16.9%
ROCE	21.3%
Dividend Yield	1.16%

Industry Analysis

- This year we witnessed sharper than expected **rebound of economic activity in India**, with GDP growth estimated at 8.9% in FY 2021-22.1. While the social implications of the second wave in the first quarter of FY 2021-22 were severe, the economic impact was minimal and swift recovery was seen in subsequent quarters.

- Economic growth momentum is expected to continue, led by gains from the supply-side reforms, credit support to the MSME sector and government expenditure on infrastructure programmes in the coming years. The **MSME sector** comprises nearly 63 million enterprises, which contribute 30 per cent to India's GDP, 45 per cent to manufacturing, 40 per cent to exports, and provides employment to over 113 million people, per government data.

MSME Today

63 Million
MSMEs



Contribute
30% of the
National GDP during
FY 2022



Provide employment to
113 Million
People



Contribute
40% of all-
India Exports during
FY 2022



- The **private capex cycle** is expected to pick up, led by credit growth and incentivising of capital formation through the Production Linked Incentive (PLI) Scheme.

- **Domestic consumption will likely pick up** in the coming quarters due to higher liquidity, widespread vaccine coverage, higher government spending on social welfare schemes, increased investment cycle by corporations and an accelerated vaccination rollout for the younger population.

- The economic recovery faces headwinds from pandemic-induced supply chain disruptions, rising crude oil & commodity prices, a depreciating currency, and geopolitical risks. However, high foreign exchange reserves, sustained foreign direct investment, and increasing export earnings can mitigate some downside risks. The uncertainty in the macro environment has led to a downward revision of the GDP forecast for FY 2022-23 from 7.8% earlier to 7.3% by the RBI.

- In 2021, we also witnessed India **shifting its focus to greener energy sources** to combat climate change. India has committed to becoming net carbon neutral by 2070 and meeting 50% of energy requirements through renewable energy by 2030. In addition, the National Hydrogen Mission envisages making India a Green Hydrogen hub by incentivising production and consumption. These developments in sustainability and green energy are favourable for the economy.

- Cummins India operates in the power solutions industry, which is expected to see growth in the coming years due to increasing demand for energy and infrastructure development. The company's focus on sustainable solutions, including alternative fuel engines, also positions it well for growth in the future. One key driver of growth is the increasing demand for energy, particularly in emerging markets like India. The rise in population and urbanization, along with economic development, is driving up energy demand for both industrial and residential use. This is creating opportunities for power solutions providers like Cummins India to provide efficient and reliable solutions to meet this demand. Another factor driving growth in the industry is infrastructure development, which is also on the rise in emerging markets. As countries invest in building roads, bridges, airports, and other critical infrastructure, the demand for power solutions to support these projects is increasing.

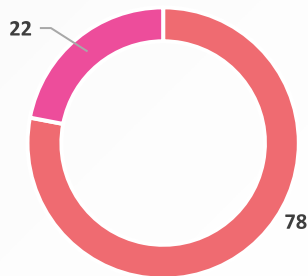


Company Background

Cummins is a subsidiary of Cummins Inc, USA – **a global manufacturer of engines and other power generation products**. The company comprises three businesses – Engine Business (serving the Construction and Compressor markets with Heavy, Medium and Light Duty engines), Power Systems Business (serving Mining, Marine, Rail, Oil and Gas, Defence, and Power Generation), and Distribution Business. Cummins has eight manufacturing facilities in Maharashtra and Gujarat. The company's product range primarily includes diesel engines/gensets from 15kVA to 2,000kVA for various power/industrial uses. In addition, Cummins also manufactures alternators, digital controls and transfer switches. Cummins is the leader, **with a 40% market share in the diesel engines/gensets industry**. Further, Cummins has **a strong presence in high-value and high-margin HHP gensets**. The company's **domestic business** is divided into power generation, industrial, and distribution segments, contributing **60% to its sales**. **Exports** contribute around **40% to sales**.

Cummins is **India's most significant standby genset player, with a lead market share in medium and large gensets**. The company has a strong technology/innovation track record, well supported by its parent, which helps it stay ahead of its peers across changes in emission norms. The company's diversified business presence across power generation, industrial BU, exports, and distribution contribute to reasonably long-term growth prospects with a healthy return/cash flow profile. Although both domestic and exports market may face near-term challenges due to supply chain issues and the Russia-Ukraine war impact, Cummins is well geared to gain from demand revival in both domestic and export segments, emergence of alternative and green fuels and implementation of new CPCB IV+ norms. Company offers favourable risk-reward for long-term investors, given vast product offerings, management's focus on efficiency/cost, and a healthy potential scale from domestic infrastructure and global market pick up.

Revenue mix by end user industry



■ Engine Business Division ■ Lubes Business Division

Major Export Destinations

- United States of America
- Europe
- Mexico
- Africa
- Middle East
- China
- Nepal
- Bhutan

Cummins India has a **strong presence in the Indian market**, with manufacturing facilities in Pune, Dewas, and Phaltan. The company's operations are supported by a nationwide network of dealerships, service centres, and distributors, providing customers easy access to its products and services.

Cummins India's success can be attributed to its **commitment to quality, reliability, and innovation**. The company has a dedicated research and development team that works to develop new and improved products and technologies to meet the changing needs of its customers. Cummins India is committed to sustainability and has invested significantly in developing alternative fuel engines and hybrid technologies.

The company's **financial performance has been vital in recent years**, reflecting its market position and focuses on innovation. Cummins India's **revenues have steadily increased over the years**. The company has a strong balance sheet and healthy cash reserves, enabling it to make strategic investments and pursue growth opportunities.

Business Segments

Cummins India is majorly divided into 2 major business segments Engines and Lubricants which in terms of revenues gets 78% and 22% business for the Company. The Engines Segment is further divided into organized into four distinct but complementary business segments namely Engine Business Unit, Power System Business Unit, Component Business Unit and Distribution Business Unit.

Cummins India Business Divisions

Power Generation
Business

Industrial Business

Distribution Business

- **Power Generation:** It provides power generation systems in standby power and distributed power generation for individual and institutional customers in various segments, such as infrastructure, IT/ITES, data centers, realty, healthcare. FY 2021-22 witnessed a robust recovery of the Power Generation market to pre-pandemic levels of FY 2019-20, driven by strong economic growth across industries and by the reopening of commercial hubs. Segments like data centers, infrastructure, manufacturing, healthcare, and rental were responsible for driving the increase in the market. The company expects the Power Generation business to follow a growth trajectory led by opportunities arising from segments like infrastructure and manufacturing due to expected higher capital expenditure by the Government.



- **Industrial Business:** Company's industrial business is further divided into multiple divisions which majorly includes Railways, Mining, Oil & Gas, Pumps, Construction, Marine and Defence.

- **Railways:** The company plays a major role in supporting Indian Railways (IR) in achieving Mission Electrification. Not only has the company pulled off the successful completion of the first-ever 'Make in India' full propulsion system of Diesel Electric Tower Cars (DETCs), but it also clocked a record growth in shipments for DETCs on account of high demand from Indian Railways to meet electrification targets by 2023.

- **Mining:** Cummins India has a presence across applications to support an increase in domestic coal production. The company performed well in the 60T and 100T dump truck product lines and made further inroads in the Heavy Earth Moving Machinery (HEMM). In addition, it made advancements in other applications such as stone crushers, dozers, and excavators.

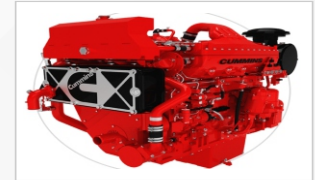
- **Construction:** Cummins India has continued strengthening its presence across the construction business vertical. The company reinforced strong customer partnerships. However, the industry's growth potential is limited by challenges such as increasing input prices, especially the spiraling steel prices, and supply chain disruptions experienced during the second wave of the pandemic.

- **Pumps:** Pumps launched by Cummins India are certified products for global markets. In addition, the company successfully introduced and initiated the production of FM-approved and UL-listed 6B5.9 and QSB6.7 engine platforms.

- **Oil & Gas:** The company is continuing its efforts to support City Gas Distribution Infrastructure which has further managed to capture record growth in the supply of compressor engines driven by the rapid expansion of City Gas Distribution Infrastructure. The company has a significant presence in the oil and gas industry, particularly in the business segment that provides power solutions for oil and gas exploration, production, and transportation.



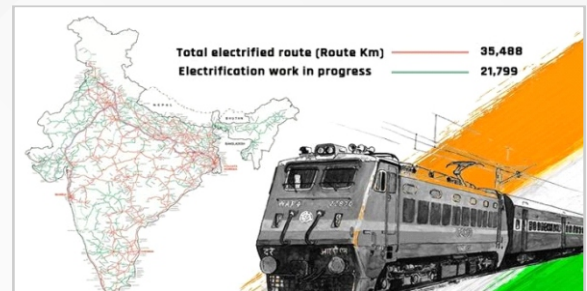
- **Marine & Defence:** Company has a long standing relation with the Indian Navy and is expanding its presence in Defense. The company continued to offer integrated customized solutions meeting stringent naval standards for prestigious projects for the Indian Navy. It has begun serial production of critical applications such as armored personnel carriers for the Indian Army.



Comprehensive Investment Rationale

Indian Railways is in the phase of rapid expansion

Indian Railways is set to achieve its ambitious target of 100% track electrification of the broad-gauge network by 2023, which is driving demand for Diesel Electric Tower Cars (DETCs) used in the installation and maintenance of overhead electric lines. Record shipments for Diesel Electric Tower cars (83% growth as compared to FY21) on account of high demand from Indian Railways and timely execution to meet electrification targets by 2023. The Company believes this will also fuel demand for the electrified propulsion industry in the long term. In addition, with the expansion of the railway network and dedicated freight corridors becoming operational, growth is expected in the track maintenance sector. Execution of Dedicated Freight Corridor (DFC) project by Railways and strengthening of track network across the country will lead to higher usage of overhead cranes and track maintenance equipment driving demand for aftermarket services.



As Indian Railways transitions towards eco-friendly options for replacing power cars to cater to the train's hotel load requirements, Cummins India has ventured into the supply of hotel load converters which will help regain business in the auxiliary power sub-segment.

Intending to move towards a green economy with net zero emissions, Indian Railways is also evaluating hydrogen fuel cell solutions for Diesel Electric Multiple Units (DEMU) and other short-distance mainline applications. Cummins is actively exploring ways to partner with Indian Railways on this initiative.

Strong demand from the domestic markets with diversified product mix to drive higher growth:

The management has a high level of confidence in their ability to provide growth that is close to two times the domestic Gross Domestic Product (GDP) rate. The expansion of railways and data centres will be the primary drivers. In addition, the company reported a healthy demand from various industry segments, including manufacturing, infrastructure, hotel, real estate, and rental markets.

- **Power Generation:** While the average power supply deficit at national level continues to remain less than 1%, Cummins India expects the Power Generation business to follow a growth trajectory led by opportunities arising from segments like infrastructure and manufacturing due to expected higher capital expenditure by the Government. Rising demand in realty sector, gearing up of healthcare facilities and investments by global and domestic players in the data center market also provided growth opportunities. With the emission norms getting more stringent due to the implementation of upcoming CPCB IV+ norms tentatively in FY 2023-24, your Company is focused on developing and bringing best-in class products for its customers.



- **Mining:** India achieved record coal production in FY 2021-22 at 777 million tonnes, registering an annual growth of 8.6%. With the global geopolitical situation further intensifying the pressure to enhance domestic coal production, private players are offering commercial coal blocks to enhance productivity. Growth in domestic coal production is expected to have a favorable impact on the Heavy Earth Moving Machinery (HEMM) market, in which Cummins is a critical technology supplier.

- **Oil and Gas:** The share of natural gas in the primary energy mix has increased from 6.3% in 2020 to 6.7% in 2021 and is projected to reach 15% by 2030. In addition, the government has planned an investment of ₹1.25 lac crore to develop the pipeline infrastructure for the 11th round of the CGD network. In line with this Company continues to expect strong demand for gas compression engines from the city gas distribution segment.

- **Marine:** In line with the Indian Navy's fleet expansion plan backed by the 'Atmanirbhar Bharat' initiative, a strong pipeline of opportunities is expected from defence PSU shipyards until 2025. In addition, increased opportunities are expected in the commercial marine segment due to the Government of India's mandate to use indigenous vessels for inland water transport and vessels operating in government ports. However, the fishing Boat segment is yet to recover to pre-covid levels.

- **Defence:** The government of India's focus on increasing capital expenditure for equipment upgradation and ban on the import of 209 defence equipment is expected to boost the production of indigenous defence equipment. In addition, the government's reforms to promote exports of defence equipment and encourage higher participation by domestic players in other markets boost product execution capabilities for all defence entities. Cummins India is strongly pursuing these emerging growth opportunities.

- **Construction:** Under the "National Infrastructure Pipeline", the government has made an investment plan of ₹100 lac crore over five years. More than 60% of infrastructure projects are from construction-intensive sectors like Roads, Railways, Irrigation, Urban infrastructure, and Ports. Under PM Gati Shakti's National Master Plan, 25,000 km of National Highways are planned in FY 2022-23. The same can already be seen in action as the road project awards have increased by 16% in FY 2021-22 & 23% in FY 2020-21.



Cummins is one of the leading engine suppliers in the Construction equipment segment. To cater to the new emission norms for wheeled equipment – Construction Equipment vehicle (CEV) BS-IV from April 2021, and for tracked equipment - Construction, Earthmoving, Material Handling and Mining Equipment (CEMM) BS IV under discussion, your Company had launched new 4-cylinder and 6-cylinder engines. With the two new engines, Company has strengthened its leadership position by leveraging global experience, technology leadership and strong partnerships with all major equipment manufacturers.

- **Distribution:**

- Growth is expected in DBU's Powergen line of business on the back of strong demand for maintenance of Data centers and commercial realty as companies are reviving.

- Company expects to maintain its position in the aftermarket for the infrastructure sector as equipment utilization is likely to increase due to increased government spending, foreign investments, and product change with the implementation of CEV BSIV emission norms.

- Change in emission norms for off-highway equipment to CEV BSIV is triggering a change in-service support model from OEMs, making them prefer Cummins products, resulting in more aftermarket opportunities.

- Aggressive coal production targets to meet energy needs drive growth in the mining sector. In addition, private sector participation is expected to increase after the government approves 100% FDI. This will lead to higher equipment utilization and demand for HEMM (High Tonnage) vehicles with high horsepower Q Series engines.

- Execution of the Dedicated Freight Corridor (DFC) project by Railways and strengthening the track network across the country will lead to higher usage of overhead cranes and track maintenance equipment, driving demand for aftermarket services.
- Rapidly developing domestic gas pipeline networks under the City Gas Distribution (CGD) initiative in various cities will increase demand and usage for gas compressor engines and parts. Focusing on substituting diesel with natural gas will grow the market for dual-fuel gas kits for Powergen, On-highway, and Mining segments.

Strong Parent to Support Growth

Cummins India benefits from the strong support of its parent company, Cummins Inc., which is a global leader in diesel and alternative fuel engines, as well as power generation systems and related technologies. Cummins Inc. has been in operation for over 100 years and has a strong reputation for innovation, quality, and reliability.

As a result, Cummins India can leverage Cummins Inc.'s extensive research and development capabilities, as well as its expertise in manufacturing, supply chain management, and other key areas.



Cummins Inc. also provides financial and strategic support to Cummins India, which can help the company to fund its growth initiatives, expand its operations, and pursue new business opportunities.

Overall, Cummins Inc.'s support provides Cummins India with a strong competitive advantage in the market, and reinforces the company's position as a leading manufacturer of engines, generator sets, and related components in India.

Strong Market Position

Cummins India has a strong market position in the diesel and natural gas engine industry in India. The company has a diverse range of products, including engines, generator sets, filtration systems, turbochargers, and other related components, which are used in various applications across industries such as automotive, power generation, industrial, and marine.

The company has a well-established distribution network and has a presence in over 200 locations across India. Cummins India also has strategic partnerships with leading original equipment manufacturers (OEMs) and other key players in the industry, which helps the company to expand its customer base and increase its market share.

Cummins India's strong brand reputation, innovative technology, and customer-centric approach have helped it to maintain its leadership position in the market. The company has a strong focus on research and development, and regularly introduces new and innovative products that meet the changing needs of its customers.

In addition, Cummins India has a strong after-sales service network, which ensures timely support and maintenance for its products, and helps to build long-term relationships with customers. This focus on customer service has helped the company to maintain its competitive edge in the market.

Overall, Cummins India's strong market position is a result of its focus on innovation, customer service, and strategic partnerships, as well as its strong distribution network and brand reputation.

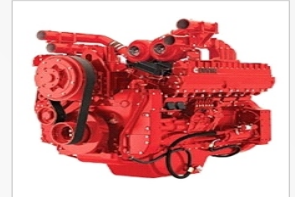
Exports growth would be aided by new product offerings

Cummins India exports its products and services to various countries around the world. The company has a strong presence in key global markets such as the Middle East, Africa, Southeast Asia, and Australia. Cummins India exports various products, including diesel and natural gas engines, generator sets, filtration systems, turbochargers, and other components. The company's products are used in multiple applications: power generation, industrial, automotive, and marine.

Cummins India's exports have been growing steadily over the years, and the company has established itself as a leading exporter of engines and related components from India. The company's exports accounted for around 23% of its total revenue in the financial year 2020-21.

Cummins India's strong global presence, established distribution network, and focus on innovation and quality have helped it to gain a competitive edge in the worldwide market. As a result, the company's exports are expected to continue growing, driven by the increasing demand for its products and services in key global markets.

Strong Horsepower Demand for powergen engines like the K50, V28, and Q50 rose from intercompany plants. K38 and V28 marine engines witnessed significant expansion. To boost its market share, the corporation has implemented a number of product enhancement projects. This covers cost reduction, cost optimisation, and the introduction of Fit-For-Market (FFM) goods. In important areas, the organisation is looking for expansion prospects in the Industrial Marine and Rail industries.



Risk and Concerns with Measures to Mitigate It

Risk and Concerns

The Company's export growth hinges on the increase in demand in partner countries. The Company continues to be cautious about export business performance due to the ongoing economic uncertainty and aftereffects of the pandemic in partner countries. In addition, because of our international business presence, we are exposed to foreign currency exchange rate risks.

Throughout FY 2021-22, the Company experienced challenges in its Supply Chain due to lockdowns and business restrictions. A few of the suppliers experienced issues with labour, liquidity, working capital management, and successful re-opening of the businesses. The availability of raw material, Bought-Out-Finished (BOF) parts, and their movement also got impacted due to the lockdowns. In addition, the global container shortage and port congestion affect export and import supply for your Company.

Measures to mitigate risks

To counter the slowdown in global economic growth and demand, it was imperative to maintain focus and leadership in the domestic market. Therefore, new product and market development, overall portfolio diversification and better regional penetration for existing products will continue to be the focus areas for the Company.

Various internal projects combined with cost reduction programs, which leverage the Six Sigma approach, such as 'Accelerated Cost Efficiency' (ACE) V, Accelerated Move towards Zero Defects (AMaZE), Accelerated Supply Chain Excellence and Transformation (ASCENT), have had a significant positive influence on Company's profitability. Continued focus on these efforts will help Company maintain cost leadership in the domestic market and remain the preferred source for exports.

The company is actively working on its Supply Chain for further improvements. Dual sourcing, adjusted payment terms with financially weaker suppliers, Price revisions, Supplier Agreements, and Inventory building (wherever necessary) are some of the measures your Company is taking to remove Supply Chain bottlenecks created due to COVID-19, Sensors and Chip shortages and Commodity shortages.

Strengths

Strong brand name: Cummins is a well-known brand in the diesel engine industry, and Cummins India benefits from the company's reputation.

Wide product portfolio: Cummins India offers a wide range of engines, power generation equipment, and related services, which allows it to serve various industries.

Experienced management team: The company has an experienced management team with a deep understanding of the Indian market.

High-quality products: Cummins India's products are known for their quality and reliability, which has helped the company build a loyal customer base.

Strong distribution network: The company has a strong distribution network that enables it to reach customers in remote areas.

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Weaknesses

Dependence on diesel engines: Cummins India's business is heavily dependent on diesel engines, which may become a liability in the future as the world moves towards alternative fuels.

Limited presence in certain industries: Cummins India has a limited presence in certain industries, such as marine and locomotive, which limits its revenue potential.

High competition: The diesel engine market in India is highly competitive, with many established players in the industry.

Dependence on the Indian market: Cummins India's business is primarily focused on the Indian market, which makes it vulnerable to economic and political changes in the country.

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Opportunities

Growing demand for alternative fuels: As the world moves towards alternative fuels, Cummins India has an opportunity to develop and market engines that run on alternative fuels.

Expansion into new industries: Cummins India can explore new industries, such as marine and locomotive, to diversify its revenue streams.

Expansion into international markets: Cummins India can explore opportunities to expand into international markets, where the company's products and services may be in demand.

Development of new technologies: Cummins India can invest in the development of new technologies, such as electric and hybrid engines, to stay ahead of the competition.

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Threats

Government regulations: Government regulations regarding emissions, fuel efficiency, and safety can affect the diesel engine market and Cummins India's business.

Increasing competition: The diesel engine market in India is highly competitive, and new players may enter the market, intensifying competition.

Economic slowdown: An economic slowdown in India can affect the demand for Cummins India's products and services.

Technological disruption: The emergence of new technologies, such as electric and hybrid engines, can disrupt the diesel engine market and pose a threat to Cummins India's business.

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Financial Performance Analysis

Cummins India reported a total revenue of Rs 6026 Crs, representing an incline of 42% compared to the previous fiscal year 2021, with total revenue of Rs 4,256 Crs. The company's net profit for FY22 was Rs 933.74 Crs, a significant improvement of 61% from the previous year's net profit of Rs 635.03 Crs. A general uptick in domestic manufacturing activity is anticipated to fuel revenue advancement. In addition, we expect revenue to grow strongly over the next few years as the company has strong hold over its multiple business segment which are actively contributing to its advancement in revenues.

The company has a domestic sales of 4,416 Crs in the current financial year in comparison to 3,103 Crs in the previous financial year 2020-21. There is a considerable growth in exports as exports shot up by almost 40% in FY 22 from 1,153 Cr to 1,610 Cr

Company declared a total dividend of 18.50 per share (925%) in financial year 2021-22.



Revenue from Sale of Products and Service

2021-22	6,026 crores	% Var
2020-21	4,256 crores	42%



Domestic Sales

2021-22	4,416 crores	% Var
2020-21	3,103 crores	42%



Export Sales

2021-22	1,610 crores	% Var
2020-21	1,153 crores	40%

Peer Comparison

Particulars	Cummins India	Swaraj Engines
CMP	1647	2186
Price/Earnings	41.72	16.4
Price/Book	9.14	6.38
Price/Sales	6.24	1.54
Enterprise Value (In Crs)	42845.89	1863.24
Market Cap/Sales	6.24	1.54
ROCE	20.74	49
ROE	16.61	36.96
ROA	12.45	23.56
Debt To Equity	0.05	0.00
Promoter Holding	51	52.13
FII Holding	12.20	1.73
DII Holding	24.99	8.91
Book Value	191.90	233.85
Dividend Yield	1.16	171.32

Technical Outlook

- Cummins India on a weekly timeframe is moving upwards in a range for last 2 years backed by the improvement in its fundamentals and future outlook. The stock recently has bounced back from its support and is showing signs of reversal.
- On the Upper Side Cummins India looks ready for 1850 and 2200 levels.
- On the Lower Side Cummins India is weak below 1350 on closing basis
- 50 Day Moving Average > 100 Day Moving Average > 200 Day Moving Average which further adds strength to the Bullish Momentum



There is heavy accumulation for past 4 months which adds up rationale and strength to the breakout.

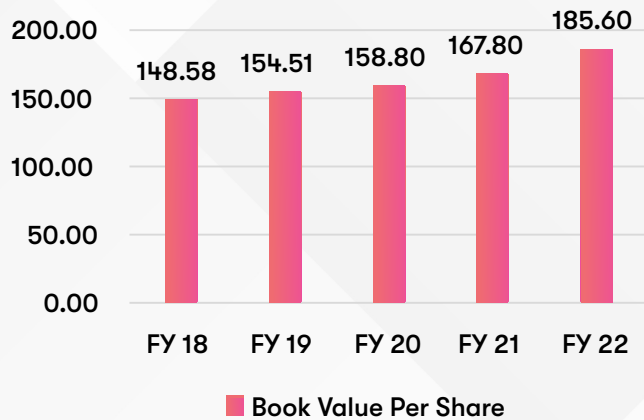
Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	1616	1617
10	1597	1600
20	1568	1589
50	1600	1576
100	1532	1524
200	1397	1411

Pivot Levels : FIBONACCI			Relative Strength Index	
R1 1631	Pivot 1621	S1 1611	Daily Timeframe	63.33
R2 1637		S2 1605	Weekly Timeframe	57.14
R3 1647		S3 1595		

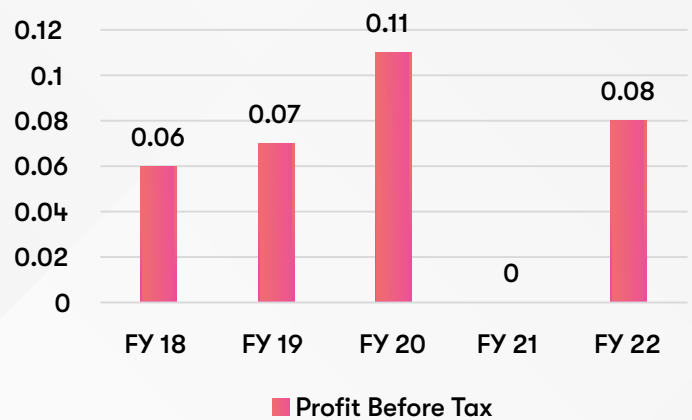
Financial Snapshot

Particulars	FY 22	FY 21	FY 20	FY 19	FY 18
Financial Position (In Cr)					
Equity Share Capital	55.4	55.4	55.4	55.4	55.4
Reserve & Surplus	4797.22	4351.33	4119.52	4075.01	3930.63
Fixed Assets	2265.18	2312.80	2344.35	2171.28	2057.20
Non Current Assets	2414.28	2465.23	2593.14	2445.47	2321.73
Current Assets	4390.83	3231.69	3360.91	3408.10	3209.50
Cash and Cash Equivalents	1426.74	965.18	464.50	737.93	470.88
Current Liabilities	1732.45	1094.63	1555.11	1522.86	1441.85
Non Current Liabilities	220	195.53	223.98	200.26	103.31
Operating Results (In Cr)					
Revenue from operations	6056.97	4287.49	5095.87	5564.55	5060.20
Other Income	243.19	273.78	257.49	235.07	161.31
Total Revenue	6414.11	4633.86	5448.94	5932.38	5273.20
Total Expenditure	5430.64	3921.98	4743.87	4956.13	4488.55
Earnings Before Interest & Tax (EBIT)	1115.83	711.88	705.07	976.25	784.65
Tax	273.24	189.97	101.87	326.28	214.73
Profit/(loss) after tax (PAT)	842.59	521.91	583.35	649.97	626.04
Y-o-Y Growth % OF PAT (In %)	61	(10.53)	(11.23)	3.8	(15)
Ratios					
Current Ratio	2.53	2.94	2.16	2.23	2.22
Net profit margin (%)	14.43	14.27	12.20	12.76	13.93
Return on net worth (%)	18.27	14.02	15.07	17.49	17.77
Return on capital employed (%)	20.47	17.90	18.16	24.16	17.32
Return on asset (%)	13.02	10.84	10.56	12.34	12.80
Debt To Equity Ratio	0.08	0.00	0.12	0.07	0.06
EPS	31.99	22.29	22.70	26.07	25.56
Enterprise Value (Cr)	30121.05	24547.57	9043.72	20227.33	19211.83
Cash Flows (In Cr)					
Operating Activities	50.40	154.70	27.80	83.90	64.54
Investing Activities	62.40	-24.30	-31.90	-138.80	-56.83
Financing Activities	52.60	-57.30	1.80	4.10	-5.28
Net Cash Flows	64.60	73.10	-2.30	-50.80	2.43

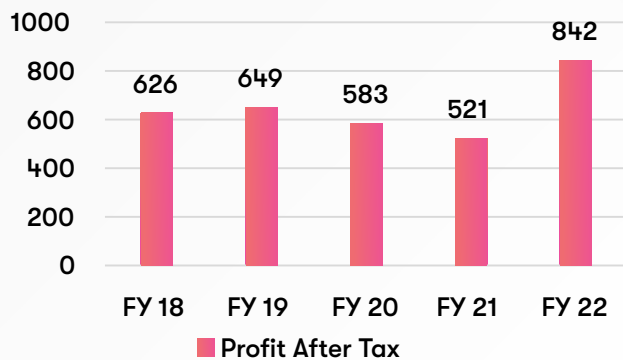
Book Value Per Share



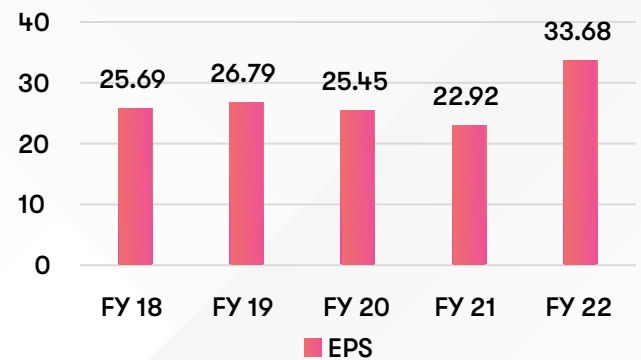
Debt to Equity



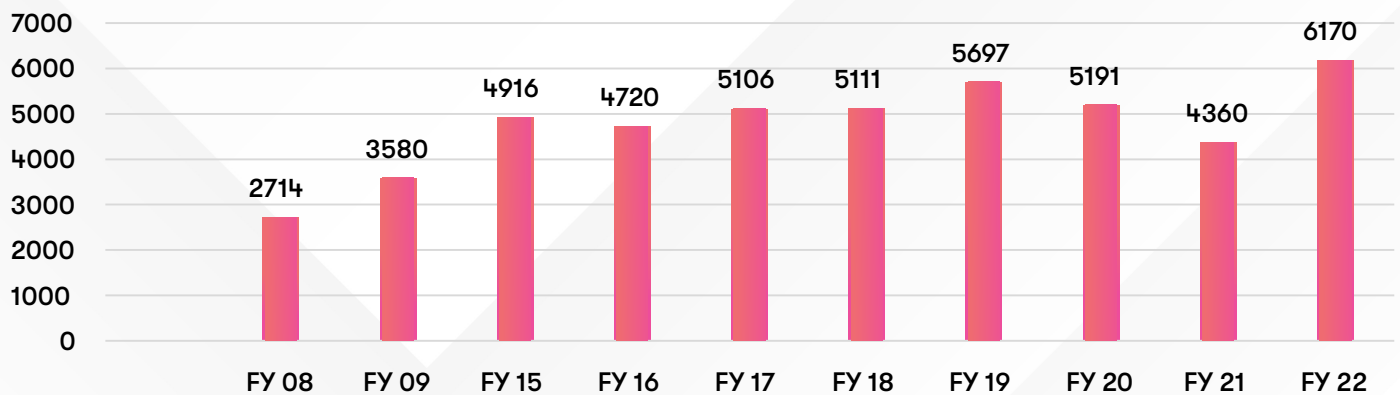
Profit After Tax (In Crs)



Earning Per Share



Turnovers For Last 10 Years (In Crs)



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