



**FIN2RESEARCH**  
Investment Advisor Pvt. Ltd.

Date : 03/06/25

## Techno Funda : Buy Cummins India Limited

Buy Range : @ ₹3,270-₹ 3,330

Target : 1st @₹ 3500 , 2nd @₹ 4,000

Stock Info	
Mkt Cap (cr)	92307.6
52-Weeks High/Low	4,171.90-2,580.00
Avg Volume	13,586
No. of eq shares (cr)	27.72
Face Values	2.00
Bse Code	500480
Nse Code	CUMMINSIND
Free Float (cr)	44930.27
Source : NSE/BSE	

**Cummins India Ltd:** Cummins is a leading manufacturer of diesel engines for commercial trucks, off-highway machinery, and railroad locomotives, as well as standby and prime power generators. The company also sells powertrain components, including transmissions, turbochargers, aftertreatment systems, and fuel systems. Cummins is uniquely positioned as it competes with its primary customers—heavy-duty truck manufacturers who produce and market their own engines. Despite robust competition across all segments and increasing government regulations on carbon emissions, Cummins has maintained its leadership position in the industry.

**Key Highlights :** Cummins India reported total sales of ₹2,414 crore for the January–March 2025 quarter, up 6% year-on-year but down 21% sequentially. Domestic sales rose 1% YoY to ₹1,935 crore, though they declined 25% from the previous quarter. The company posted a standalone net profit of ₹521 crore, a 7% decline from ₹561.52 crore in the same period last year.

Particulars	2024	2025
ROE	27.82%	28.22%
ROCE	26.59%	27.20%
ROA	20.90%	21.05%
ROIC	24.99%	30.19%
DSO	59.00	77.92
DIO	59.00	54.07
DPO	81.00	82.55
Debt/EBITDA	0.14	0.10
Equity -Assets	0.74	0.74
Interest Cov	58.78	119.56
P/E	48.33	42.27
P/B	12.58	11.19
EV/EBITDA	45.54	29.02

Source : Company, Fin2Research

Cummins India has inaugurated a new manufacturing facility at its Megasisite in Phaltan, Maharashtra, focused on producing advanced e-heaters for emission control. These components, designed for both on-highway and off-highway engines, help OEMs meet global emission standards. Developed with Cummins' R&D expertise, the plant reinforces India's role in high-tech manufacturing and supports the country's vision for sustainable development.

Cummins India reported robust double-digit growth in FY2024-25 (ended Mar 2025), with revenues crossing ₹10,000 Cr. Segment-wise strengths (domestic power-gen, industrial, distribution, exports) drove performance. Management highlighted strong demand for new CPCB-IV+ gensets, expanding data-center demand, and continued investments in technology and localization. At the same time, global uncertainties (trade policies, inflation, currency) and increased competition have tempered margins.

**Data Centers:** The fastest-growing segment – diesel backup for hyperscale data centers – is a major tailwind. Cummins management reported “strong interest and ordering activity” from Indian data centers and analysts confirm HHP gensets in data centers drove Q3 sales. Global digital expansion is boosting this trend.

**Railways & Infrastructure:** Rail and metro projects are key customers for mid/high-power gensets and engines. Both Cummins and Kirloskar note double-digit growth in these segment. Government infrastructure capex (urban transit, highways, mining) is expected to sustain demand.

**Spare Parts & Services:** The distribution/aftermarket business grows steadily with the installed genset fleet. Cummins' parts/service segment grew ~20% in recent quarters and is viewed as a long-term engine for profitability, since services (AMC, spares) continue as the generator base ages.

Particulars	2024	2025
OPM (%)	19.66%	20.00%
EBT Margin	24.50%	24.95%
PAT Margin	19.12%	19.25%
Dividend Payout %	61.00%	71.00%
EPS	62.07	72.15

Source : Company

**CPCB-IV+ Rollout and Market Share : Deployment:** Cummins India was **first-mover** on the new CPCB-IV+ norms (Jan 2025 for industrial, Jul 2024 for all gen sets). All its genset products are CPCB-IV+ compliant. By Q3FY25 (Dec 2024), roughly 40% of Cummins' powergen sales were CPCB-IV+ gensets. This adoption accelerated in Q4; mgmt expects CPCB-IV+ volumes to surpass the old CPCB-II volumes by mid-FY26.

**Market Acceptance:** Cummins reports **strong acceptance** of its CPCB-IV+ range. It cites its brand and local presence as advantages in data centers and enterprise powergen. While it will not disclose exact market share, management said it is well-positioned and “pricing competitively” in the CPCB-IV+ segment. Peers (Greaves, Kirloskar) also confirm rising CPCB-IV+ demand: e.g. Greaves' engineering division noted “high demand for CPCB-IV+ gensets” in Q4.

**Key Risks : 1. Competition & Pricing:** Elevated competition in high-kVA gensets and modular power solutions keeps downward pressure on pricing/margins. Management and analysts warned that high inventory flushes (pre-buy ahead of emission norms) have normalized, so future growth must come from real demand. Supply-chain constraints (rare earths, semiconductors) could pose intermittent headwinds.

**2. Regulatory/Emission Norms:** As India completes the CPCB-IV+ transition, the next major regulatory change is distant, but compliance with evolving global norms (e.g. EU Stage V, US Tier 4) requires ongoing investment. Failure to lead in new norms (e.g. hydrogen/diesel engines) could cede share to competitors.

Particulars	% of Total Shares
Promoters	51.00%
Mutual Funds/AIF	16.63%
Insurance co. & others	3.60%
Other DIIs	2.71%
FII	17.21%
Retails and Others	8.85%
Total	100.0%

Source : Company

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The 50-day MA (2947.78) is still below the 150-day MA (3083.79), so a "Golden Cross" between these two longer-term MAs about to occurred, but the 50 MA is heading in that direction, since it's moving in cross direction with higher volumes we expect price to move upward.

The price (3326) is trading *just above* the upper Bollinger Band (3310). This signifies extreme bullishness and a very strong upward momentum. However, it also indicates that the stock is currently overextended in the very short term, which can sometimes lead to a brief pullback or consolidation as prices revert towards the mean (middle band)

The MACD line is substantially above the Signal line, and the histogram is large and positive. This indicates **very strong and accelerating bullish momentum**. The bullish MACD crossover occurred in early May and has gained significant strength since.

The RSI is at 73.44, which is in the **overbought territory** (typically considered above 70). This indicates that buying pressure has been very strong and the stock has seen a rapid price increase. While strong momentum is good, an overbought RSI often suggests that the stock might be due for a pause, consolidation, or a minor correction before potentially resuming its uptrend.



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**Research Report**

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- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.
- Once target1 achieved, use trailing stop loss of recommended average price.

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- It is not recommended to allocate entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various tech-funda research reports and other reports as stated

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