

Estimate change



TP change



Rating change



Bloomberg	BJAUT IN
Equity Shares (m)	279
M.Cap.(INRb)/(USD\$b)	2884.1 / 30.5
52-Week Range (INR)	10481 / 7556
1, 6, 12 Rel. Per (%)	9/23/30
12M Avg Val (INR M)	3459

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	587	682	773
EBITDA	120.2	138.1	158.7
EBITDA (%)	20.5	20.2	20.5
Adj. PAT	98.2	111.8	127.5
EPS (INR)	352	407	464
EPS Gr. (%)	17.4	15.7	14.1
BV/Sh. (INR)	1,251	1,190	1,329
Ratios			
RoE (%)	29.3	33.0	36.9
RoCE (%)	28.1	32.0	35.4
Payout (%)	42.7	70.1	70.0
Valuation			
P/E (x)	29.3	25.4	22.2
P/BV (x)	8.2	8.7	7.8
Div. Yield (%)	1.5	2.8	3.2
FCF Yield (%)	3.0	3.4	3.9

Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	55.0	55.0	55.0
DII	14.5	14.1	11.0
FII	8.9	8.9	11.7
Others	21.6	22.0	22.3

FII includes depository receipts

CMP: INR10,319

TP: INR9,965 (-3%)

Neutral

Healthy performance in a tough macro

Outlook remains uncertain across key segments

- Bajaj Auto's (BJAUT) 4QFY26 earnings at INR27.2b were in line with our estimate. Favorable currency, price hikes, and an improved mix helped offset cost headwinds and maintain margins QoQ at 20.8% (in line).
- While BJAUT has been able to post healthy performance in this adverse macro thus far, there are multiple headwinds to navigate. Export demand remains healthy, though the outlook remains uncertain, given the geopolitical issues. Even in the domestic market, while BJAUT is likely to outperform the motorcycle industry on the back of its new launches, growth is likely to moderate in FY27E. Further, a sharp surge in input costs is likely to limit margin upside. Overall, we factor in BJAUT to post 15%/15%/14% CAGR in revenue/EBITDA/PAT over FY26-28E. At 25.4x/22.2x FY27E/FY28E EPS, the stock appears fairly valued. **We reiterate a Neutral rating with a TP of INR9,965, based on 22x FY28E core EPS.**

Performance in line

- BJAUT's 4QFY26 revenues came in line with our estimates, growing 31.8% YoY to INR160.1b. Volumes were up 24.3% YoY to ~1.4m units and realizations were up 6% YoY to ~INR117k units. An improved product mix, favorable currency movement, and record volumes drove growth across all businesses.
- EBITDA margins grew 60bp YoY to 20.8% (flat QoQ), in line with our estimates. Margins were stable QoQ despite input cost inflation, as led by an improved mix, price hikes, and favorable currency.
- EBITDA also grew 35.6% YoY to INR33.2b.
- PAT for the year was up 32.6% YoY to INR27.2b, in line with our estimates.
- For full year FY26, Revenue/EBITDA/PAT grew by 17.4%/19%/18.3% to INR587b/INR120b/INR98.3b, respectively.
- CFO for FY26 stood at INR89.6b, and FCF was at INR85.4b. RoE and RoCE for FY26 stood at 29.3% and 28.1%, respectively.

Highlights from the management commentary

- BJAUT has lined up new models, with refreshed launches in both 125cc and 150cc+ categories expected from July onward, including new Pulsar offerings aimed at further strengthening competitiveness. However, they have not yet revealed the timeline for the launch of the new affordable 125cc motorcycle.
- Near-term demand outlook for domestic motorcycles has moderated, with near-term industry growth expected at 7-9% based on April trends, reflecting the impact of price hikes, potential inflationary pressure, and weaker consumer sentiment. Within this moderation, the premium motorcycle segment, particularly 150cc+, is expected to grow at ~1.5x-2x the broader industry.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | Uday Nair (Uday.Nair@MotilalOswal.com)

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.

- The export outlook remains robust in the near term, driven by strong positioning in key markets such as Latin America and Asia, although geopolitical risks and logistics challenges remain monitorable.
- Electric mobility across both two-wheelers and three-wheelers is expected to continue growing faster than the broader market, remaining a key strategic growth engine for BJAUT.
- Commodity inflation is emerging as a significant near-term headwind, with steel up ~15%, copper ~20%, and aluminum/noble metals up 35–45%, translating into a projected material cost inflation impact of ~3.5–4.0% of revenues in 1QFY27. However, favorable currency movements and pricing actions helped mitigate the impact in 4Q. The company has already implemented pricing action in April to offset ~40% of this impact.

Valuation and view

While BJAUT has been able to post healthy performance in this adverse macro thus far, there are multiple headwinds to navigate. Export demand remains healthy, though the outlook remains uncertain, given the geopolitical issues. Even in the domestic market, while BJAUT is likely to outperform the motorcycle industry on the back of its new launches, growth is likely to moderate in FY27E. Further, a sharp surge in input costs is likely to limit margin upside. Overall, we factor in BJAUT to post 15%/15%/14% CAGR in revenue/EBIDTA/PAT over FY26-28E. At 25.4x/22.2x FY27E/FY28E EPS, the stock appears fairly valued. **We reiterate a Neutral rating with a TP of INR9,965, based on 22x FY28E core EPS.**

Quarterly Performance

	INR m											
	FY25				FY26				FY25	FY26	Var. (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,294	1,341	1,371	4,651	5,118	1,371	
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	5.9	9.5	24.3	6.9	10.0	24.3	
Realization (INR/unit)	108,234	107,470	104,591	110,142	113,247	115,307	113,479	116,739	107,527	114,764	115,633	1.0
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	7.3	8.5	6.0	4.7	6.7	5.0	
Net Sales	119,280	131,275	128,069	121,480	125,845	149,221	152,203	160,057	500,103	587,325	158,539	1.0
Change (%)	15.7	21.8	5.7	5.8	5.5	13.7	18.8	31.8	11.9	17.4	30.5	
EBITDA	24,154	26,522	25,807	24,505	24,818	30,517	31,605	33,227	100,988	120,166	32,978	0.8
Growth YoY (%)	23.6	24.3	6.2	6.3	2.7	15.1	22.5	35.6	14.5	19.0	34.6	
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	20.5	20.8	20.8	20.2	20.5	20.8	0bp
Other Income	3,209	3,845	3,347	3,808	4,308	3,692	3,420	4,210	14,209	15,629	3,581	17.6
Interest	207	159	143	168	141	144	26	49	677	359	39	23.7
Depreciation	937	956	997	1,111	1,109	1,117	1,119	1,137	4,001	4,482	1,176	-3.3
PBT after EO	26,219	27,139	28,015	27,033	27,875	32,948	33,266	36,627	108,406	130,870	35,343	3.6
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.7	24.8	25.0	24.8	21.3	24.5	
Adj. PAT	19,884	22,160	21,087	20,492	20,960	24,797	25,488	27,180	83,103	98,309	26,696	1.8
Change (%)	19.4	20.7	3.3	5.8	5.4	11.9	20.9	32.6	11.1	18.3	30.3	

E: MOFSL Estimates



Key takeaways from the management commentary

Financial highlights

- 4QFY26 marked the strongest quarterly performance in the company's history, with volumes growing 24.3% YoY to ~1.4m units, revenues crossing INR160b, EBITDA at INR33, and margins at ~20.8%.
- The spare parts business delivered record revenue of ~INR17b.
- Growth in 4Q was exceptionally broad-based, with volumes across domestic, exports, two-wheelers, and three-wheelers each growing ~20% YoY, while revenues across each of these segments expanded ~30% YoY.
- Commodity inflation is emerging as a significant near-term headwind, with steel up ~15%, copper ~20%, and aluminum/noble metals up 35–45%, translating into a projected material cost inflation impact of ~3.5–4.0% of revenues in 1QFY27. However, favorable currency movements and pricing actions helped mitigate impact in 4Q. The company has already implemented pricing action in April to offset ~40% of this impact.
- Currency remains a meaningful tailwind, with realized exchange rates improving from ~INR88/USD in 3Q to ~INR91/USD in 4Q, and currently hovering around INR94–95/USD, partially cushioning commodity cost inflation.
- April performance was impacted by 10–15% due to supply-side constraints, including vendor disruptions, manpower shortages, and fuel availability issues, leading to unfulfilled demand spillover from March. The company expects these supply-side disruptions to gradually ease, enabling recovery in production and dispatches.
- The company's Board has approved a 100% payout of FY26 profits to shareholders, which will be in the form of: 1) INR150 per share of dividend, 2) INR56.3b worth of share buyback at INR12,000 per share (worth INR 56.4b).

Domestic sales update

- Domestic motorcycle demand recovered in 2HFY26, led by festive demand and GST rate cuts, with growth skewed toward premium segments, particularly 150+ cc.
- The company gained market share in the 150+ cc motorcycle segment, driven by 10 refreshed Pulsar variants, which contributed ~50% of sales during the October–March period and saw strong acceptance across regions.
- The Pulsar N and NS platforms have emerged as the key growth drivers, growing at more than twice the industry growth rate in 4Q and witnessing strong traction even in historically weaker markets such as Uttar Pradesh.
- BJAUT has lined up new models, with refreshed launches in both 125cc and 150cc+ categories expected from July onward, including new Pulsar offerings aimed at further strengthening competitiveness. However, they have not yet revealed the timeline for the launch of the new affordable 125cc motorcycle.

Update on exports

- Export volumes exceeded 600,000 units for the second consecutive quarter (up 25% YoY), delivering the highest-ever quarterly export revenues, driven by strong performance across Latin America and Asia.

- Nigeria demonstrated improving stability with volumes exceeding 100,000 units in 4Q and maintaining ~50% retail market share, supported by a wide distribution footprint, although still below historical peaks.
- Latin America remained its key growth driver, delivering sustained growth for 11 consecutive quarters, with markets such as Mexico, Colombia, Argentina, and Peru recording all-time high sales.
- Asian markets delivered double-digit growth, led by Sri Lanka, Philippines, and Nepal.
- Brazil operations scaled meaningfully, with quarterly sales exceeding 10,000 units, supported by capacity expansion, premium retail network build-out, and new product launches, positioning the company among the top five players in a short span.
- Management is targeting to scale exports from ~200k units per month toward 220k+ units per month in 1Q, supported by a strong ramp up seen in Latin America, improving demand in Africa and in Asia.
- Despite global container disruptions and geopolitical uncertainty, BJAUT's logistics execution ensured no export sales loss outside the Gulf region due to supply-chain bottlenecks.

Update on 3Ws

- Commercial vehicles delivered a record FY26 by crossing 500,000 domestic units for the first time, while 4Q volumes rose 28% YoY to a new quarterly high.
- The ICE three-wheeler business remains structurally strong, with ~90% market share in CNG three-wheelers, providing a robust base for future EV transition.
- Management highlighted that structural growth in three-wheelers is being driven by rising mobility demand in smaller towns, increasing road connectivity, shared transport adoption, and improving access to financing, making this a durable multi-year opportunity.
- Larger-format passenger three-wheelers are witnessing particularly strong demand, prompting BJAUT to scale up capacity and product offerings in that segment.

Update on EVs

- The Electric segments across two- and three-wheelers continue to witness strong momentum, supported by favorable consumer economics and structural demand drivers.
- Electric portfolio (2W + 3W) now contributes over 20% of domestic revenues and delivers double-digit EBITDA margins, with Chetak now at EBITDA breakeven.
- Chetak recorded its highest-ever quarterly volumes, crossing 100k units, with market share improving to ~23% driven by new product introductions and network expansion. Chetak also commenced exports to Sri Lanka, Nepal, and the Philippines during 4Q, marking the start of its international journey.
- Chetak achieved scale of over 500k units and INR40b revenue in FY26, supported by a network of 500+ exclusive stores and presence across 850+ cities.
- The company retained leadership in electric three-wheelers with strong profitability, aided by new product launches and expanding presence in higher-capacity vehicle segments

Update on KTM/Triumph

- KTM and Triumph businesses delivered record domestic volumes (~43k units, +43% YoY), supported by strong traction across premium motorcycles and continued portfolio expansion.
- KTM exports rebounded sharply to ~17.5k units in 4Q from negligible levels last year.
- KTM's growth was led by strong traction in both street and adventure portfolios, including launches such as the 390 Adventure R and more tax-efficient 350cc offerings.
- Triumph delivered its best-ever quarter, with the Speed 400 continuing strong momentum and cumulative sales crossing 100,000 units within just 2.5 years of launch.

Other Highlights

- Bajaj Auto Credit scaled rapidly, with AUM reaching ~INR190b, annual disbursements approaching INR150b, PAT rising sharply to INR6.65b, capital adequacy at ~19.5%, and RoE at ~23%.
- Capital allocation during FY26 remained focused on EV investments, scaling the financing business, and strategic investments in KTM-related entities, while retaining strong liquidity.

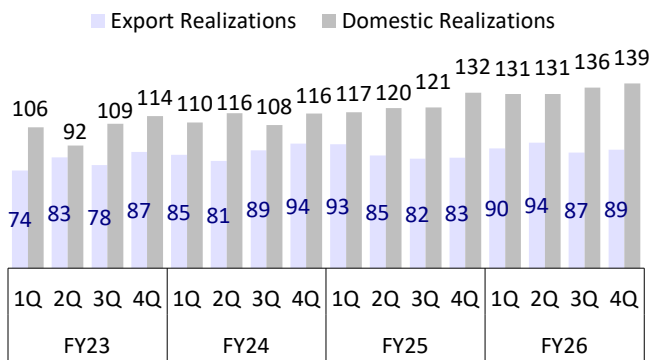
Outlook

- Near-term demand outlook for domestic motorcycles has moderated, with near term industry growth expected at 7-9% based on April trends, reflecting the impact of price hikes, potential inflationary pressure, and weaker consumer sentiment. Within this moderation, the premium motorcycle segment, particularly 150cc+, is expected to grow at ~1.5x-2x the broader industry.
- Export outlook remains robust in the near term, driven by strong positioning in key markets such as Latin America and Asia, although geopolitical risks and logistics challenges remain monitorable.
- Electric mobility across both two-wheelers and three-wheelers is expected to continue growing faster than the broader market, remaining a key strategic growth engine for Bajaj.

Trend in product mix

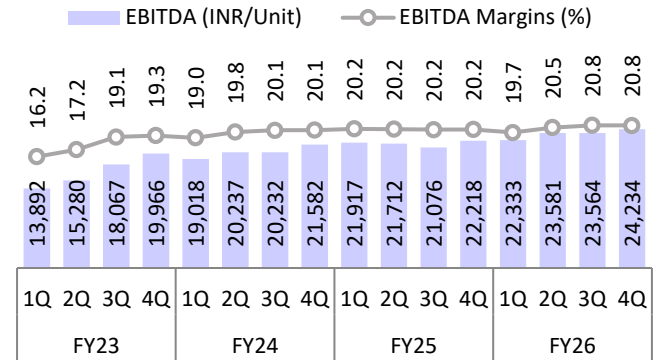
	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)
Motorcycles					
Domestic	621,912	501,096	24.1	601,206	3.4
<i>% of total volumes</i>	45.4	45.4		44.8	
Exports	544,777	442,467	23.1	531,175	2.6
<i>% of total volumes</i>	39.7	40.1		39.6	
Total 2Ws	1,166,689	943,563	23.6	1,132,381	3.0
<i>% of total volumes</i>	85.1	85.6		84.4	
Three Wheelers					
Domestic	138,934	112,152	23.9	129,829	7.0
<i>% of total volumes</i>	10.1	10.2		9.7	
Exports	65,435	47,219	38.6	79,040	-17.2
<i>% of total volumes</i>	4.8	4.3		5.9	
Total 3Ws	204,369	159,371	28.2	208,869	-2.2
<i>% of total volumes</i>	14.9	14.4		15.6	
Total Volumes	1,371,058	1,102,934	24.3	1,341,250	2.2

Exhibit 1: Trends in domestic and export realizations



Sources: Company reports, MOFSL estimates

Exhibit 2: EBITDA margin trend



Sources: Company reports, MOFSL estimates

Valuation and view

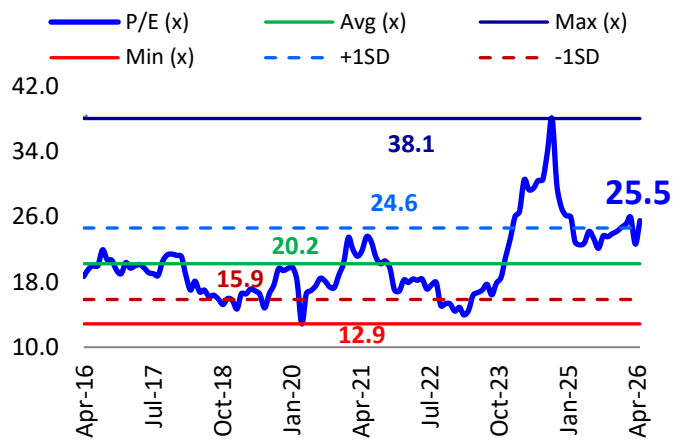
- Domestic motorcycle demand to normalize in FY27:** Post a very strong 2HFY26, wherein domestic motorcycle volumes posted a healthy 16% YoY growth, demand for motorcycles is expected to normalize in FY27, especially given the potential effects of the West Asia conflict on the Indian economy. Management has indicated that April demand had moderated relative to the pace in 4Q, and expects demand growth to normalize to around 7-9% in the near term. Further, one has to factor in the high base of 2HFY26 as well. BJAUT remains confident of outperforming the industry on the back of its new launch pipeline. We factor in BJAUT to post an 8% volume CAGR in domestic motorcycles over FY26-28E.
- Scaling up its EV business:** Chetak’s market share has now improved to ~23% in 4Q (+170bp QoQ), and the model has now crossed 100k units for the first time in 4Q. Post the launch of its premium variant under the 35 series, it has recently launched an affordable Chetak C2501 under the INR100k price bracket. On the back of its new launches, it targets leadership position in 2W EVs going forward. The company has now increased capacity of Chetak to 50k units per month, and expects to fully utilize this capacity in FY27. Further, the overall EV segment, including both Chetak and 3Ws, has now delivered a double-digit EBITDA margin for the last couple of quarters. Given a steady improvement in EV margins, we expect BJAUT’s EV business to evolve into another viable growth driver for the company in the coming years.
- Exports end market demand healthy but outlook uncertain:** BJAUT is seeing healthy growth in LatAm and ASEAN. LatAM has been its key growth driver and now the largest export market, contributing about 35% of its exports. Further, the good part is that Nigeria is also recovering well now, and has improved to 35k units per month vs its peak of 50k units. It is seeing double digit growth in Asian markets like Sri Lanka, Nepal, Philippines, etc. In the top 30 markets, which contribute to 80% of the emerging markets, BJAUT has grown 2x of the industry growth. However, while the end market demand is upbeat, there is a risk that the ongoing geopolitical turmoil (inflationary/currency pressure) may drive a slowdown in some of its key markets in the coming quarters. Given this, management has refrained from giving an outlook for exports. Nevertheless, give the current demand momentum, we factor in BJAUT exports to post 11% volume CAGR over FY26-28E.

- **BJAUT buys controlling stake in KTM; turnaround to be the key:** Following the receipt of requisite approvals, BJAUT will be committed to a turnaround of KTM operations. While the company has been able to buy the majority stake at KTM under a lucrative deal highlighted above, the effectiveness of this transaction is based on: 1) how quickly BJAUT can turn around KTM once it is in its fold, and 2) the demand environment in the US and Europe. We are currently ascribing only investment value to KTM at this stage and will continue to monitor its restructuring efforts going forward.
- **Input cost pressure to remain a near term irritant:** Management has indicated that there has been a rapid surge in input costs in the recent past. For instance, steel is up 15%, Cu up 20%, Al and noble metals are up 35-45%. As a result, the raw material basket is likely to surge by almost 3.5-4% of net sales in 1Q on a QoQ basis. BJAUT has taken a price hike in April, which is expected to offset 40% of this rise. Part of the balance would also be offset by favorable currency. However, there is likely to be some margin pressure on account of this, at least in the near term. We have factored in BJAUT margins to contract about 30bp in FY27 and normalize back to 20.5% in FY28E.
- **Valuation and view:** While BJAUT has been able to post healthy performance in this adverse macro thus far, there are multiple headwinds to navigate. Export demand remains healthy, though the outlook remains uncertain, given the geopolitical issues. Even in the domestic market, while BJAUT is likely to outperform the motorcycle industry on the back of its new launches, growth is likely to moderate in FY27E for reasons highlighted above. Further, a sharp surge in input costs is likely to limit margin upside. Overall, we factor in BJAUT to post 15%/15%/14% CAGR in revenue/EBITA/PAT over FY26-28E. At 25.4x/22.2x FY27E/FY28E EPS, the stock appears fairly valued. We reiterate a Neutral rating with a TP of INR9,965, based on 22x FY28E core EPS.

Exhibit 3: Our revised estimates (INR m)

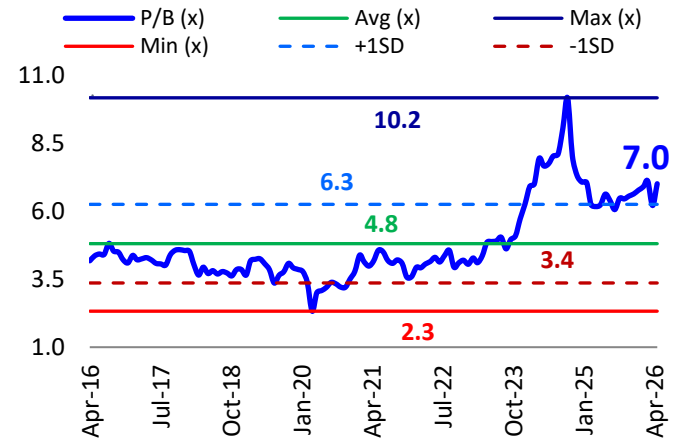
	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Vols ('000 units)	5,745	5,533	3.8	6,341	5,952	6.5
Net Sales	682,395	664,358	2.7	772,737	741,638	4.2
EBITDA	138,083	133,629	3.3	158,679	150,891	5.2
EBITDA Margins (%)	20.2	20.1	10bp	20.5	20.3	20bp
Net Profit	111,785	108,213	3.3	127,548	121,335	5.1
EPS (INR)	406.8	387.5	5.0	464.1	434.5	6.8

Exhibit 4: P/E band



Source: MOFSL

Exhibit 5: P/BV band



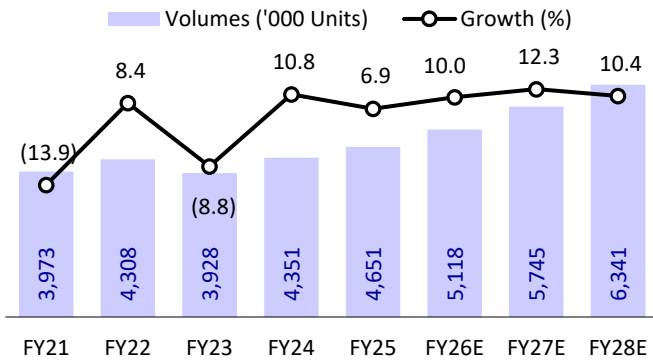
Source: MOFSL

Exhibit 6: Snapshot of the revenue model

000 units	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
2Ws (units)									
Domestic	2,078	1,809	1,641	1,806	2,251	2,308	2,349	2,634	2,931
Growth (%)	-18.2	-12.9	-9.3	10.0	24.6	2.6	1.8	12.1	11.3
% of total volumes	45.0	45.5	38.1	46.0	51.7	49.6	45.9	45.8	46.2
Exports	1,869	1,797	2,196	1,637	1,477	1,674	1,968	2,204	2,424
Growth (%)	10.2	-3.9	22.2	-25.4	-9.8	13.3	17.5	12.0	10.0
% of total volumes	40.5	45.2	51.0	41.7	34.0	36.0	38.5	38.4	38.2
Total 2Ws	3,948	3,606	3,837	3,443	3,728	3,982	4,317	4,838	5,355
Growth (%)	-6.8	-8.7	6.4	-10.3	8.3	6.8	8.4	12.1	10.7
% of total volumes	85.5	90.8	89.1	87.7	85.7	85.6	84.4	84.2	84.4
3Ws									
Domestic	366	109	161	301	464	479	518	591	638
Growth (%)	-8.4	-70.1	47.1	87.1	54.3	3.3	8.1	14.0	8.0
% of total volumes	7.9	2.8	3.7	7.7	10.7	10.3	10.1	10.3	10.1
Exports	302	258	311	184	159	189	282	316	348
Growth (%)	-21.2	-14.6	20.6	-40.7	-13.8	19.1	49.2	12.0	10.0
% of total volumes	6.5	6.5	7.2	4.7	3.7	4.1	5.5	5.5	5.5
3Ws	668	367	472	485	623	669	801	907	986
Growth (%)	-14.7	-45.0	28.5	2.9	28.5	7.3	19.8	13.3	8.7
% of total volumes	14.5	9.2	10.9	12.3	14.3	14.4	15.6	15.8	15.6
Total Volumes	4,615	3,973	4,308	3,928	4,351	4,651	5,118	5,745	6,341
Growth (%)	-8.1	-13.9	8.4	-8.8	10.8	6.9	10.0	12.3	10.4
Avg. Net Realn (INR/unit)	56,462	60,588	65,467	79,010	88,611	91,171	97,665	101,938	104,783
Growth (%)	6.7	7.3	8.1	20.7	12.2	2.9	7.1	4.4	2.8
Net Revenues (INR B)	291	271	321	354	436	483	566	659	747
Growth (%)	-1.5	-6.8	18.4	10.0	23.2	10.8	17.2	16.6	13.3
EBITDA (INR B)	51	49	51	65	88	101	120	138	159
EBITDA margins (%)	17.0	17.8	15.5	18.0	19.7	20.2	20.5	20.2	20.5
EBITDA (INR/Unit)	11,042	12,405	11,877	16,674	20,278	21,713	23,481	24,036	25,023
Growth (%)	-1.9	-3.3	3.8	28.0	34.7	14.5	19.0	14.9	14.9
PAT (INR B)	51	46	50	56	75	84	98	112	128
EPS	176	157	173	199	268	299	352	407	464

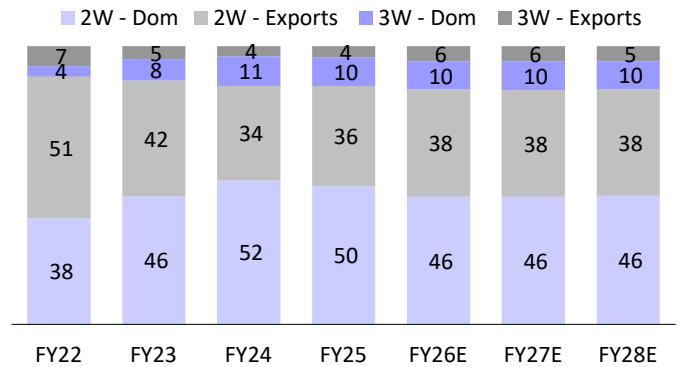
Story in charts

Exhibit 7: Trends in volume and volume growth



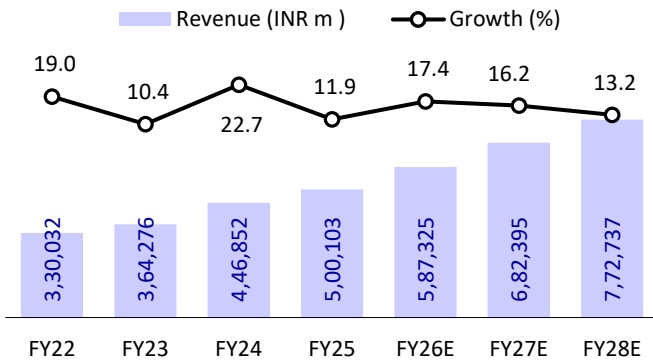
Sources: Company reports, MOFSL estimates

Exhibit 8: Product mix trend



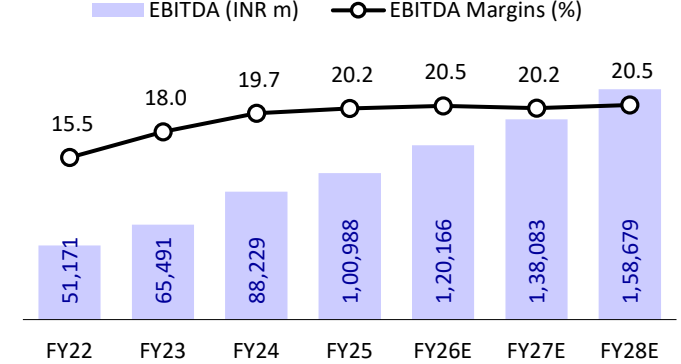
Sources: Company reports, MOFSL estimates

Exhibit 9: Trend in revenue growth



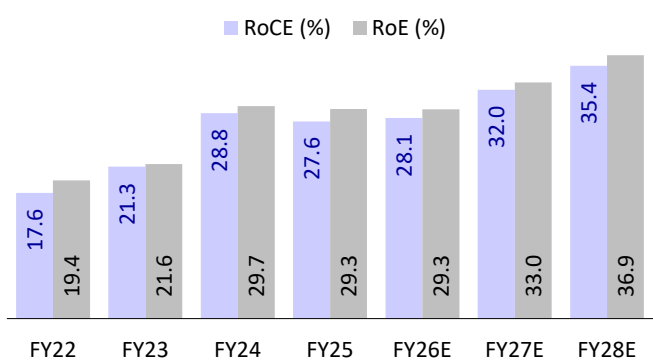
Sources: Company reports, MOFSL

Exhibit 10: Trends in EBITDA and EBITDA margin



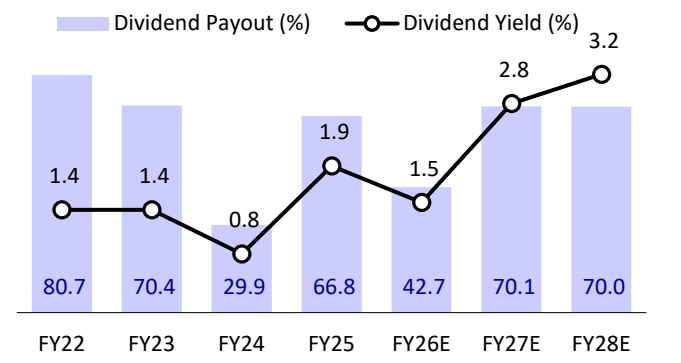
Sources: Company reports, MOFSL

Exhibit 11: Trends in return ratios



Sources: Company reports, MOFSL estimates

Exhibit 12: Dividend payout to remain healthy



Sources: Company reports, MOFSL estimates; in FY24/FY25, BJAUT also did buyback

Financials and valuations

Income Statement								(INR M)
Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Volumes	3,972,914	4,308,433	3,927,857	4,350,933	4,650,966	5,117,667	5,744,842	6,341,234
Change (%)	-13.9	8.4	-8.8	10.8	6.9	10.0	12.3	10.4
Net Sales	277,411	330,032	364,276	446,852	500,103	587,325	682,395	772,737
Change (%)	-7.3	19.0	10.4	22.7	11.9	17.4	16.2	13.2
EBITDA	49,285	51,171	65,491	88,229	100,988	120,166	138,083	158,679
Change (%)	-3.3	3.8	28.0	34.7	14.5	19.0	14.9	14.9
EBITDA Margins (%)	17.8	15.5	18.0	19.7	20.2	20.5	20.2	20.5
Depreciation	2,593	2,692	2,824	3,498	4,001	4,482	4,609	4,999
EBIT	46,692	48,480	62,667	84,731	96,987	115,684	133,474	153,680
Int. & Fin. Charges	67	87	395	535	677	359	500	450
Other Income	12,765	12,092	11,814	14,025	14,209	15,629	15,900	16,740
Non-recurring Exp.	0	-4,568	0	0	2,113	84	0	0
PBT	59,390	65,054	74,086	98,220	108,406	130,870	148,874	169,970
Tax	13,844	14,865	17,810	23,432	26,892	32,624	37,088	42,422
Effective Rate (%)	23.3	22.8	24.0	23.9	25	25	25	25
PAT	45,546	46,665	56,276	74,788	85,215	98,309	111,785	127,548
Change (%)	(10.7)	2.5	20.6	32.9	13.9	15.4	13.7	14.1

Balance Sheet								(INR M)
Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Share Capital	2,894	2,894	2,830	2,792	2,793	2,795	2,748	2,748
Reserves	249,129	263,794	251,429	245,813	318,677	346,952	324,136	362,373
Net Worth	252,023	266,688	254,259	248,605	321,469	349,747	326,884	365,121
Deferred Tax	5,221	4,033	3,452	5,069	11,230	9,654	12,631	16,030
Loans	1,601	1,588	1,576	9,906	9,557	987	987	987
Capital Employed	258,845	272,309	259,286	263,580	342,257	360,387	340,502	382,138
Gross Fixed Assets	43,443	46,312	55,045	62,326	69,517	73,819	79,819	86,819
Less: Depreciation	26,794	27,972	27,885	30,339	34,010	38,492	43,101	48,100
Net Fixed Assets	16,649	18,340	27,160	31,987	35,508	35,328	36,718	38,719
Capital WIP	160	768	819	275	283	983	983	983
Investments	226,310	238,188	229,233	244,925	285,702	301,133	288,133	325,133
Current Assets	72,183	61,923	54,064	65,320	102,797	121,418	132,877	151,161
Inventory	14,939	12,305	13,979	16,956	19,579	23,537	28,044	31,756
Sundry Debtors	27,169	15,164	17,761	21,224	22,826	27,122	31,783	35,991
Cash & Bank Balances	5,051	5,640	2,194	4,486	8,134	12,206	5,019	6,377
Loans & Advances	372	87	59	53	10,847	16,587	19,272	21,823
Others	24,653	28,727	20,071	22,601	41,410	41,966	48,759	55,214
Current Liab. & Prov.	56,457	46,910	51,991	78,926	82,033	98,474	118,209	133,859
Sundry Creditors	45,738	36,332	40,739	56,102	62,676	73,562	86,001	97,386
Other Liabilities	9,175	9,028	9,584	20,934	16,841	19,676	22,860	25,887
Provisions	1,544	1,551	1,668	1,891	2,515	5,236	9,348	10,585
Net Current Assets	15,727	15,013	2,073	-13,606	20,764	22,944	14,668	17,303
Application of Funds	258,845	272,309	259,286	263,580	342,257	360,387	340,502	382,138

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Basic (INR)								
Consol EPS	157.4	173.4	198.9	267.9	299.5	351.5	406.8	464.1
EPS growth (%)	-10.7	10.2	14.7	34.7	11.8	17.4	15.7	14.1
Consol Cash EPS	166.4	182.7	208.9	280.4	313.8	367.5	423.6	482.3
Book Value per Share	870.9	921.6	898.6	890.5	1,151.1	1,251.3	1,189.5	1,328.6
DPS	140.0	140.0	140.0	80.0	200.0	150.0	285.0	325.0
Payout (% of S/A PAT)	88.9	80.7	70.4	29.9	66.8	42.7	70.1	70.0
Valuation (x)								
P/E	65.5	59.5	51.9	38.5	34.4	29.3	25.4	22.2
Cash P/E	62.0	56.4	49.4	36.8	32.9	28.1	24.4	21.4
EV/EBITDA	55.9	53.6	41.1	29.9	25.7	21.4	18.4	15.8
EV/Sales	9.9	8.3	7.4	5.9	5.2	4.4	3.7	3.2
Price to Book Value	11.8	11.2	11.5	11.6	9.0	8.2	8.7	7.8
Dividend Yield (%)	1.4	1.4	1.4	0.8	1.9	1.5	2.8	3.2
Profitability Ratios (%)								
RoE	20.2	19.4	21.6	29.7	29.3	29.3	33.0	36.9
RoCE	19.7	17.6	21.3	28.8	27.6	28.1	32.0	35.4
RoIC	154	80	109	159	119	89	91	95
Turnover Ratios								
Debtors (Days)	36	17	18	17	17	17	17	17
Inventory (Days)	20	14	14	14	14	15	15	15
Creditors (Days)	60	40	41	46	46	46	46	46
Working Capital (Days)	-5	-10	-9	-15	-15	-14	-14	-14
Asset Turnover (x)	1.1	1.2	1.4	1.7	1.5	1.6	2.0	2.0
Fixed Asset Turnover	6.5	7.4	7.2	7.6	7.6	8.2	8.9	9.3

Cash Flow Statement

(INR M)

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E
Profit before Tax	59,390	65,053	74,086	98,220	110,519	130,716	148,874	169,970
Depreciation & Amort.	2,593	2,692	2,824	3,498	4,001	4,482	4,609	4,999
Direct Taxes Paid	-13,397	-17,015	-19,184	-23,826	-26,804	-30,856	-34,111	-39,022
(Inc)/Dec in Working Capital	-5,105	6,006	7,230	10,171	-2,428	1,048	1,089	-1,277
Other Items	-12,339	-11,480	-9,838	-13,281	-12,621	-15,777	-15,400	-16,290
CF from Oper. Activity	31,142	45,255	55,119	74,783	72,667	89,612	105,061	118,379
Extra-ordinary Items	-4	-3,179	0	0	0	0	0	0
CF after EO Items	31,139	42,076	55,119	74,783	72,667	89,612	105,061	118,379
(Inc)/Dec in FA+CWIP	-2,509	-5,176	-8,064	-7,957	-7,189	-4,201	-6,000	-7,000
Free Cash Flow	28,630	36,900	47,055	66,826	65,478	85,411	99,061	111,379
(Pur)/Sale of Invest.	-26,157	4,252	21,288	6,565	-29,221	-15,162	28,900	-20,260
CF from Inv. Activity	-28,665	-924	13,224	-1,392	-36,410	-19,364	22,900	-27,260
Inc. / Dec.in Networkth	0	0	-30,939	-39,305	-9,092	926	-56,328	0
Inc/(Dec) in Debt	0	0		8,327	-505	-8,000	0	0
Interest Paid	-108	-74	-380	-519	-659	-557	-500	-450
Dividends Paid	-87	-40,490	-40,470	-39,602	-22,353	-58,546	-78,320	-89,312
CF from Fin. Activity	-195	-40,563	-71,789	-71,099	-32,609	-66,177	-135,148	-89,762
Inc/(Dec) in Cash	2,278	588	-3,446	2,292	3,648	4,071	-7,186	1,357
Add: Beginning Bal.	2,773	5,051	5,640	2,194	4,486	8,134	12,206	5,019
Closing Balance	5,051	5,640	2,194	4,486	8,134	12,206	5,019	6,377

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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