

We upgrade BJAUT to BUY from Add and roll forward our TP to Dec-27E, hoisting it ~17% to Rs11,100 (from Rs9,500). This implies an upside of ~17% (+2.7% dividend yield in Dec-27E) on account of FY27E/28E EPS upgrade by ~4/9% and incorporating Bajaj Auto Credit at Rs300/sh, basis 2x FY28E P/B, given the meaningful ramp-up in operations (H1FY26 PAT at Rs2.3bn vs Rs0.6bn in FY25). We believe BJAUT offers an attractive risk-reward at current levels (1YF at 24x vs 38x/32x for TVSL/EIM), backed by strong exports trends coupled with launch of a refreshed Pulsar range in CY26 translating into a healthy 14% EPS CAGR over FY26E-28E. BJAUT's overall domestic 2W market share has bottomed out, with slight pick-up, driven by market share of both premium motorcycles and e-scooters in Q3FY26TD. Export momentum remains strong, led by LatAm/Asia, which coupled with currency depreciation-led tailwinds should aid the overall margin trajectory given its strong exports volume mix (~44% mix as of FY26YTD vs 39% in FY25YTD). BJAUT's e-3W portfolio has also scaled up meaningfully, and overtaken M&M to become the #1 in E-3Ws (~31.8% market share in Dec-25 vs 31.9% in FY25) while sustaining its #2 spot in E-2Ws for the last 4M, with EBITDA breakeven already achieved. Also, a gradual turnaround in KTM provides incremental upside potential.

Domestic 2W share at lowest; signs of pick-up in premium motorcycles/E-2Ws
 BJAUT's overall domestic 2W market share appears to have bottomed out (10.5% in Dec-25 vs 10% in Q2FY25), with domestic motorcycle dispatches growing in a low single digit over the past 15M, marred by market-share loss in the Economy segment (11% volume mix in Q3FY26TD; 14% in Q3FY25); sequential pick-up seen in overall market share, led by 125cc/premium motorcycles in Q3FY26TD at 21.9/22.2% (vs 21.1/21.9% in Q2FY26), with export dispatches growing a healthy ~24% YoY in Dec-25. Within E-2Ws, BJAUT holds the #2 spot, with ~19% market share in Dec-25. BJAUT's strategy to push newer (Pulsar, Chetak) models (~3-4 lined up in Q4) is likely to aid the market share trajectory.

BJAUT overtakes M&M in E-3Ws; Rupee depreciation to aid overall margins

In the fast-growing E-3W space (~33/37% FY26TD/Q3 penetration), BJAUT has now overtaken M&M as of Dec-25, with ~32% share. Export momentum is also strong, led by LatAm/Asia and eastern/southern Africa, which coupled with rupee depreciation-led tailwinds should aid the overall margin trajectory, given its strong exports volume mix (~44% mix as of FY26YTD vs 39% in FY25YTD).

BJAUT offers the best risk-reward at current levels

While structurally we continue to favor Ather and TVSL, we believe BJAUT offers the best risk-reward at current levels (at 24x 1YF PER vs 38x/32x for TVSL/EIM), backed by strong exports trends led by LatAm/Asia, coupled with the launch of a refreshed 125cc Pulsar range in CY26 which should translate into a healthy 14% EPS CAGR with ~2.7% Dec-27E dividend yield. Additionally, a gradual turnaround in KTM provides incremental upside potential. We build in ~10/13/14% volume/revenue/EPS CAGR over FY26E-28E.

Target Price – 12M	Dec-26
Change in TP (%)	16.8
Current Reco.	BUY
Previous Reco.	ADD
Upside/(Downside) (%)	16.9

Stock Data	BJAUT IN
52-week High (Rs)	9,684
52-week Low (Rs)	7,088
Shares outstanding (mn)	279.5
Market-cap (Rs bn)	2,655
Market-cap (USD mn)	29,402
Net-debt, FY26E (Rs mn)	(287,370.4)
ADTV-3M (mn shares)	0.4
ADTV-3M (Rs mn)	3,336.6
ADTV-3M (USD mn)	37.0
Free float (%)	45.0
Nifty-50	26,250.3
INR/USD	90.3

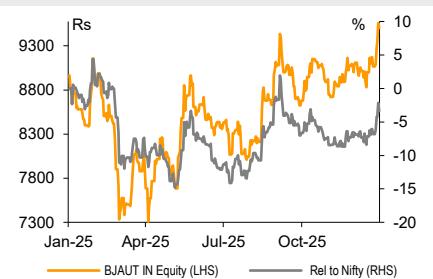
Shareholding, Sep-25

Promoters (%)	55.0
FPIs/MFs (%)	9.6/12.8

Price Performance

(%)	1M	3M	12M
Absolute	4.3	9.4	5.9
Rel. to Nifty	4.0	3.8	(3.1)

1-Year share price trend (Rs)



Bajaj Auto: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	446,852	500,103	579,985	655,274	741,479
EBITDA	88,229	100,988	117,792	136,712	156,040
Adj. PAT	74,788	81,514	96,728	111,414	126,351
Adj. EPS (Rs)	271.8	291.9	346.4	399.0	452.4
EBITDA margin (%)	19.7	20.2	20.3	20.9	21.0
EBITDA growth (%)	34.7	14.5	16.6	16.1	14.1
Adj. EPS growth (%)	36.7	7.4	18.7	15.2	13.4
RoE (%)	29.7	28.6	28.8	30.2	30.9
RoIC (%)	680.4	453.5	320.2	410.2	480.6
P/E (x)	34.9	32.5	27.4	23.8	21.0
EV/EBITDA (x)	27.3	23.7	20.1	17.1	14.7
P/B (x)	10.5	8.3	7.6	6.9	6.2
FCFF yield (%)	2.8	2.7	3.9	4.5	5.3

Source: Company, Emkay Research

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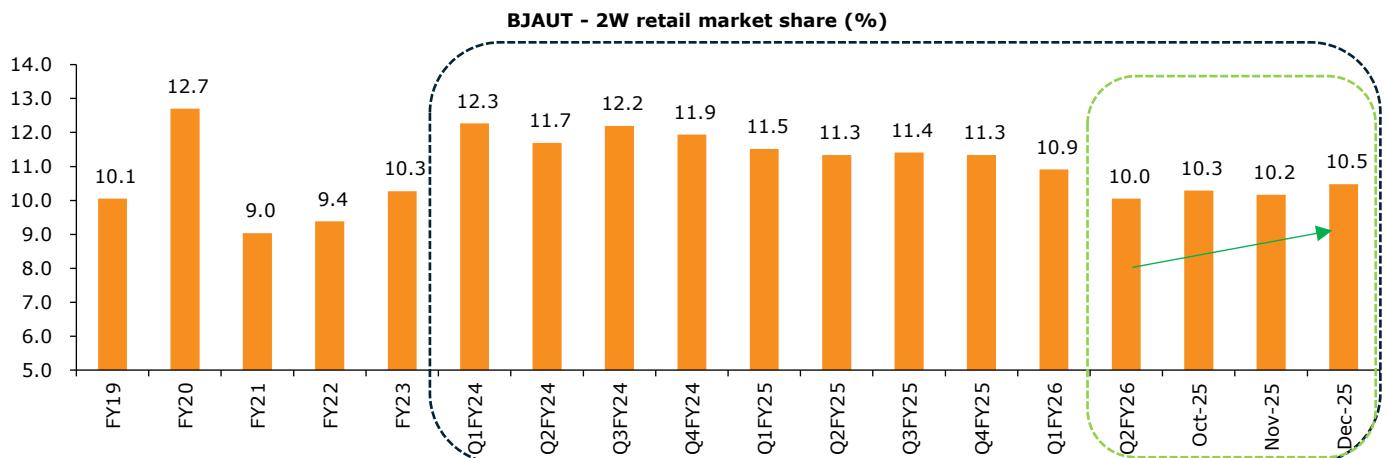
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Exhibit 1: BJAUT's overall 2W retail market share appears to have bottomed out, with early signs of uptick visible (Dec-25 market share at ~10.5% vs ~10%/10.2% in Q2FY26/Nov-25)



Source: Vahan, Emkay Research

Exhibit 2: Market share – BJAUT's wholesale market share has been hovering at the ~10-11% range for the past few quarters; however, market-share gains are visible in premium motorcycles and E-scooters, leading to a ~50bps rise in Q3FY26TD vs ~Q2FY26 levels

BJAUT - Market share (%)	FY21	FY22	FY23	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26TD
Commuter Motorcycles	15.4	17.1	16.1	16.2	14.5	15.1	16.4	13.4	14.1	13.7	13.3
-- Economy motorcycles	28.4	36.1	34.0	28.0	24.8	26.3	29.5	23.1	22.3	26.6	23.3
-- Executive motorcycles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
--125cc motorcycles	19.5	20.8	23.9	26.7	24.7	24.4	26.5	22.2	24.6	21.1	21.9
Premium motorcycles	27.2	22.4	21.4	24.5	24.0	24.5	18.6	20.5	21.7	21.9	22.2
Scooters (EVs)	3.1	2.8	4.1	13.1	16.1	24.1	22.6	21.3	20.8	16.9	25.5
Mopeds	0.0										
Exports	54.7	49.4	44.8	42.7	39.9	38.3	42.4	39.0	36.9	36.7	39.3
Domestic 2Ws - Market Share (%)	11.9	11.9	11.4	12.3	11.4	12.1	12.0	10.9	11.3	10.7	11.2

Source: SIAM, Emkay Research

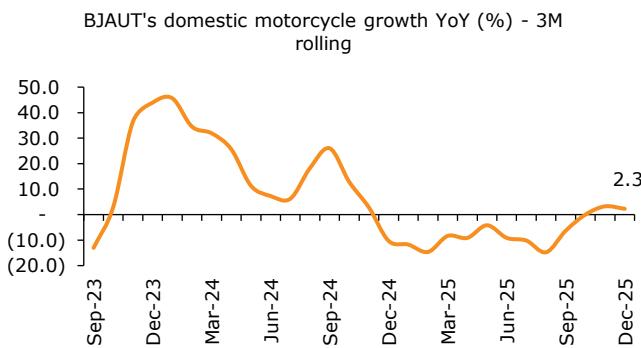
Exhibit 3: Product mix – BJAUT's product mix has shifted more toward premium and 125cc motorcycles over the past few years

BJAUT - Volume mix (%)	FY21	FY22	FY23	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26TD
Commuter Motorcycles	33.4	32.0	37.1	38.5	36.9	35.9	35.7	29.3	32.3	32.0	29.7
-- Economy motorcycles	20.4	20.0	18.8	15.7	13.2	13.3	14.1	9.6	10.0	13.9	11.4
-- Executive motorcycles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
--125cc motorcycles	13.1	12.0	18.4	22.8	23.8	22.6	21.6	19.6	22.3	18.1	18.3
Premium motorcycles	16.7	10.6	14.3	18.4	19.7	17.6	12.7	16.3	16.8	18.1	18.4
Scooters (EVs)	0.0	0.2	0.9	3.4	4.6	8.1	7.4	7.6	6.7	5.4	8.9
Mopeds	0.0										
Exports	49.8	57.2	47.6	39.6	38.7	38.4	44.2	46.9	44.2	44.5	42.9
Total	100.0										

Source: SIAM, Emkay Research

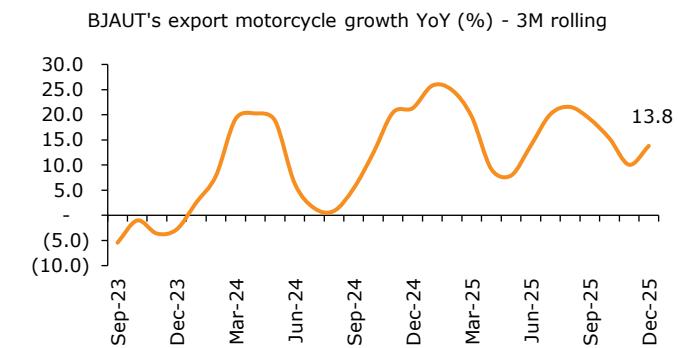
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Exhibit 4: BJAUT's domestic motorcycle growth has been muted since the last 15M...



Source: Company, Emkay Research

Exhibit 5: ...while 2W exports are growing at a healthy pace, with Dec-25 dispatches growing at ~14% YoY on a 3M rolling basis



Source: Company, Emkay Research

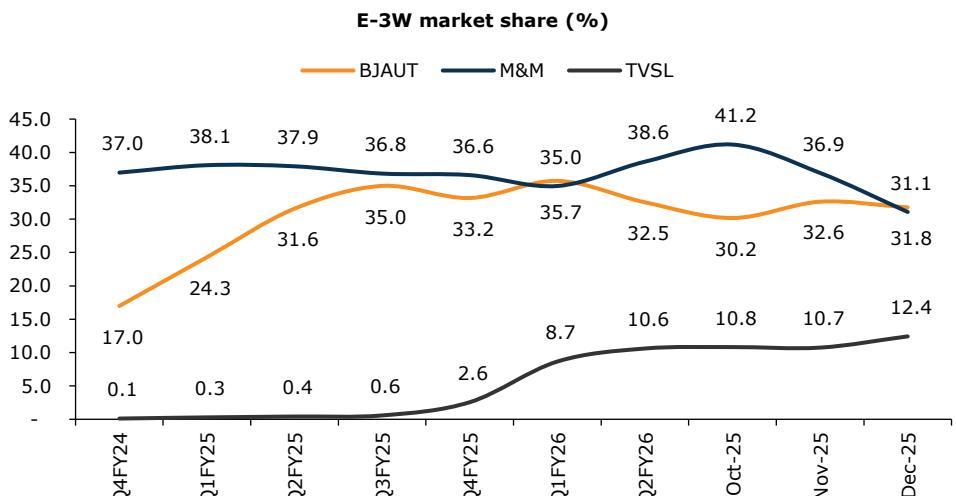
Exhibit 6: E-2Ws retails – TVSL leads again, with 26% market share, and BJAUT/Ather are #2/#3; E-2W industry sees a marginal increase in Dec-25

E-2Ws - Retails (no of units)	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Ola Electric	13,669	24,409	25,000	23,589	19,804	18,541	20,189	17,487	18,972	13,371	16,034	8,400	9,020
TVS Motor	17,212	24,027	18,954	30,762	19,967	24,751	25,274	22,219	24,073	22,481	29,484	30,304	25,027
Ather Energy	10,421	13,097	11,976	15,649	13,330	13,021	14,512	16,206	17,838	18,109	28,061	20,323	17,052
Bajaj Auto	18,276	21,468	21,570	35,213	19,155	21,940	23,004	19,639	11,730	19,519	31,168	25,515	18,790
Hero MotoCorp	1,020	1,626	2,696	8,042	6,151	7,180	7,664	10,484	13,313	12,736	15,934	12,199	10,701
Okinawa	184	255	197	264	219	246	159	183	168	105	178	150	97
Greaves Electric	2,795	3,614	3,704	5,647	4,003	4,180	4,199	4,197	4,498	4,273	7,629	5,763	4,751
HMSI				195	317	337	400	411	378	348	401	356	271
Others	9,739	9,918	8,943	12,040	9,549	10,708	9,881	12,039	13,336	13,114	14,824	13,839	11,659
Industry	73,316	98,414	93,040	1,31,401	92,495	1,00,904	1,05,282	1,02,865	1,04,306	1,04,056	1,43,713	1,16,849	97,368
Growth YoY (%)	-1.7	19.8	12.4	-6.4	41.1	30.5	31.6	-4.4	17.2	15.1	2.9	-1.7	1.6
Market share (%)	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Ola Electric	18.6	24.8	26.9	18.0	21.4	18.4	19.2	17.0	18.2	12.8	11.2	7.2	9.3
TVS Motor	23.5	24.4	20.4	23.4	21.6	24.5	24.0	21.6	23.1	21.6	20.5	25.9	25.7
Ather Energy	14.2	13.3	12.9	11.9	14.4	12.9	13.8	15.8	17.1	17.4	19.5	17.4	17.5
Bajaj Auto	24.9	21.8	23.2	26.8	20.7	21.7	21.8	19.1	11.2	18.8	21.7	21.8	19.3
Hero MotoCorp	1.4	1.7	2.9	6.1	6.7	7.1	7.3	10.2	12.8	12.2	11.1	10.4	11.0
Okinawa	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Greaves Electric	3.8	3.7	4.0	4.3	4.3	4.1	4.0	4.1	4.3	4.1	5.3	4.9	4.9
HMSI	0.0	0.0	0.0	0.1	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Others	13.5	10.3	9.8	9.4	10.6	10.9	9.5	11.9	12.9	12.7	10.4	12.0	12.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Vahan, Emkay Research

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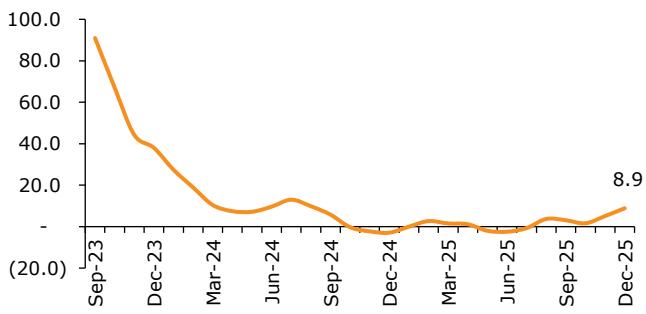
Exhibit 7: BJAUT has now replaced M&M as the new market leader, with ~31.8% market share in Dec-25



Source: Vahan, Emkay Research

Exhibit 8: BJAUT's domestic 3W growth inched up in Nov/Dec-25, albeit muted since the last 15M...

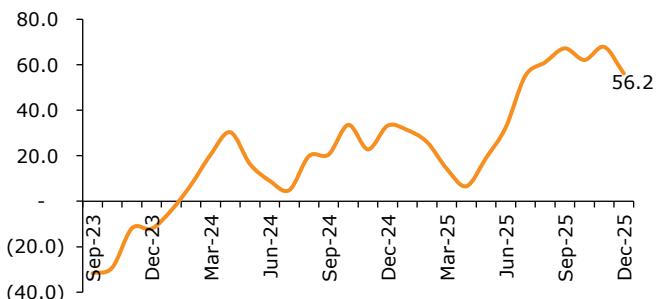
BJAUT's domestic 3W growth YoY (%) - 3M rolling



Source: Vahan, Emkay Research

Exhibit 9: ...while 3W exports are growing at a healthy pace, with Dec-25 dispatches growing ~56% YoY on a 3M rolling basis

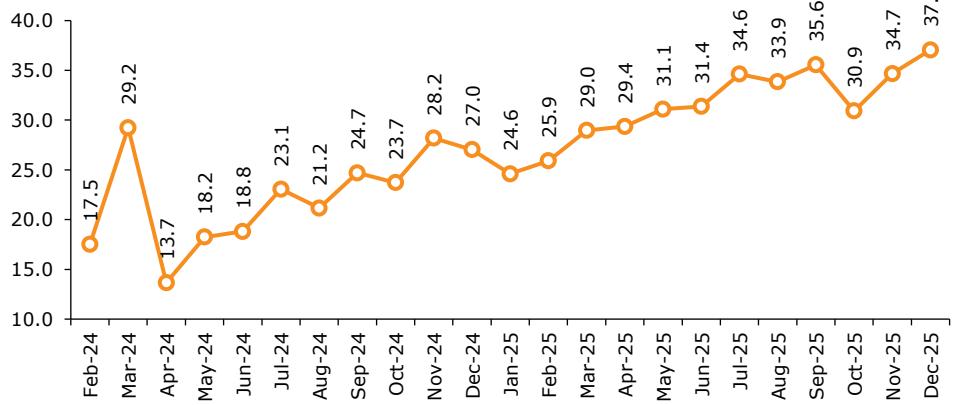
BJAUT's export 3W growth YoY (%) - 3M rolling



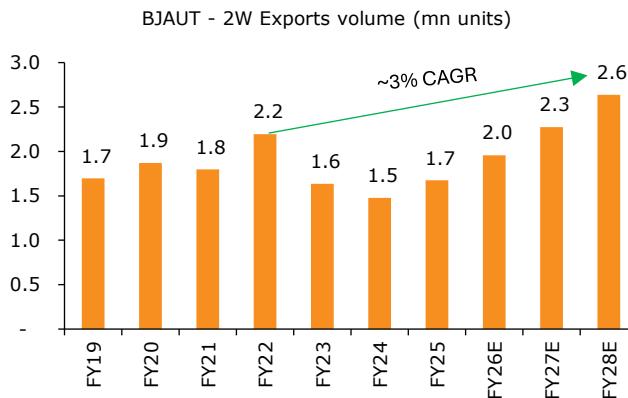
Source: Vahan, Emkay Research

Exhibit 10: E-3W penetration now stands at an all-time high of ~37.1%

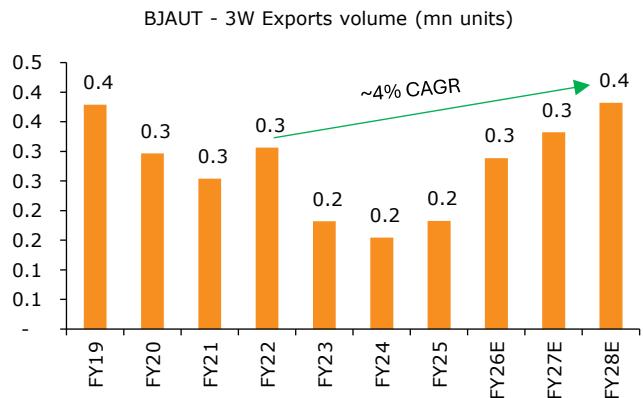
E-3W Penetration (%)



This research report has been prepared by team White Marque Solutions (team.emkay@whitemarquesolutions.com)

Exhibit 11: Exports – 2Ws have started showing signs of reversal following a dip in FY22; we build in 2.6mn units by FY28E


Source: Company, Emkay Research

Exhibit 12: 3W exports are also now seeing strong pickup; we build in 0.4mn units by FY28E


Source: Company, Emkay Research

Exhibit 13: Change in estimates – We build in ~1%/4.5% volume upgrade in FY27E/28E while raising EBITDAM by ~46/56bps over FY27E/28E on the back of currency depreciation-led tailwinds, which in turn will lead to an EPS upgrade of ~4-9% in FY27E/28E

(Rs mn)	FY26E				FY27E				FY28E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Domestic 2Ws	2,257,617	2,272,291	0.6	(1.6)	2,406,477	2,363,849	(1.8)	4.0	2,507,644	2,475,594	(1.3)	4.7
Domestic 3Ws	517,920	508,329	(1.9)	6.0	548,996	538,829	(1.9)	6.0	576,445	565,771	(1.9)	5.0
Total Domestic	2,775,537	2,780,620	0.2	(0.3)	2,955,473	2,902,678	(1.8)	4.4	3,084,090	3,041,364	(1.4)	4.8
Export 2Ws	1,942,700	1,958,071	0.8	17.0	2,165,232	2,275,300	5.1	16.2	2,343,354	2,639,046	12.6	16.0
Export 3Ws	293,960	293,960	-	55.4	336,770	336,770	-	14.6	376,165	386,129	2.6	14.7
Total Exports	2,236,660	2,252,031	0.7	20.9	2,502,001	2,612,069	4.4	16.0	2,719,519	3,025,175	11.2	15.8
Volumes (no of units)	5,012,198	5,032,651	0.4	8.2	5,457,475	5,514,748	1.0	9.6	5,803,609	6,066,539	4.5	10.0
ASP (Rs)	114,996	115,244	0.2	7.2	117,853	118,822	0.8	3.1	120,220	122,224	1.7	2.9
Revenue	576,385	579,985	0.6	16.0	643,182	655,274	1.9	13.0	697,710	741,479	6.3	13.2
EBITDA	117,230	117,792	0.5	16.6	131,262	136,712	4.2	16.1	142,937	156,040	9.2	14.1
Margin (%)	20.3	20.3	-3 bps	12 bps	20.4	20.9	46 bps	55 bps	20.5	21.0	56 bps	18 bps
Net Profit	96,302	96,728	0.4	18.7	107,272	111,414	3.9	15.2	116,393	126,351	8.6	13.4
EPS (Rs)	344.8	346.4	0.4	18.7	384.1	399.0	3.9	15.2	416.8	452.4	8.6	13.4

Source: Company, Emkay Research

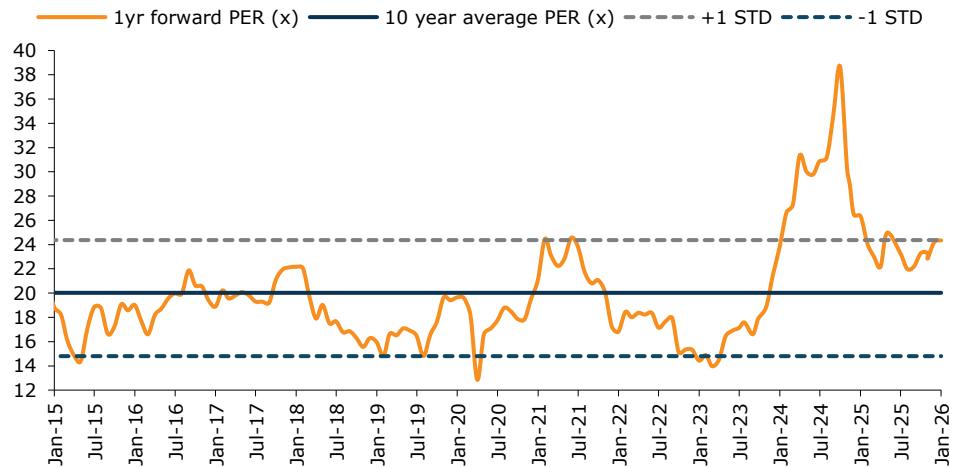
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Exhibit 14: Valuation summary – We build in 10%/13%/14% volume/revenue/EPS CAGR over FY26E-28E

Revenue Model	FY23	FY24	FY25	FY26E	FY27E	FY28E
Domestic ICE 2Ws	1,770,609	2,121,570	2,031,066	1,974,323	1,973,285	2,031,917
Growth YoY (%)	8.4	19.8	(4.3)	(2.8)	(0.1)	3.0
Domestic E-2Ws	31,483	129,019	277,183	297,968	390,564	443,676
Growth YoY (%)	284.5	309.8	114.8	7.5	31.1	13.6
Domestic 2Ws (no of units)	1,802,092	2,250,589	2,308,249	2,272,291	2,363,849	2,475,594
Growth YoY (%)	9.8	24.9	2.6	(1.6)	4.0	4.7
Domestic ICE 3Ws	300,734	452,710	426,092	419,544	423,408	427,265
Growth YoY (%)	#DIV/0!	50.5	-5.9	-1.5	0.9	0.9
Domestic E-3Ws	0	11,458	53,464	88,785	115,421	138,505
Growth YoY (%)			366.6	66.1	30.0	20.0
Domestic 3Ws (no of units)	300,734	464,168	479,556	508,329	538,829	565,771
Growth YoY (%)	87.1	54.3	3.3	6.0	6.0	5.0
Domestic Total (no of units)	2,102,826	2,714,757	2,787,805	2,780,620	2,902,678	3,041,364
Growth YoY (%)	16.7	29.1	2.7	(0.3)	4.4	4.8
Export 2Ws (no of units)	1,636,956	1,477,338	1,674,060	1,958,071	2,275,300	2,639,046
Growth YoY (%)	(25.4)	(9.8)	13.3	17.0	16.2	16.0
Export 3Ws (no of units)	184,284	158,872	189,221	293,960	336,770	386,129
Growth YoY (%)	(40.7)	(13.8)	19.1	55.4	14.6	14.7
Export Total (no of units)	1,821,240	1,636,210	1,863,281	2,252,031	2,612,069	3,025,175
Growth YoY (%)	(27.3)	(10.2)	13.9	20.9	16.0	15.8
Total volumes (no of units)	3,924,066	4,350,967	4,651,086	5,032,651	5,514,748	6,066,539
Growth YoY (%)	(8.9)	10.9	6.9	8.2	9.6	10.0
 ASP (Rs/unit)	 92,831	 102,702	 107,524	 115,244	 118,822	 122,224
Growth YoY (%)	20.7	10.6	4.7	7.2	3.1	2.9
Revenues	364,276	446,852	500,103	579,985	655,274	741,479
Growth YoY (%)	9.9	22.7	11.9	16.0	13.0	13.2
Gross Profit	103,729	129,418	146,729	172,836	197,893	224,668
Gross margin (%)	28.5	29.0	29.3	29.8	30.2	30.3
Employee Costs	14,449	15,376	15,794	16,838	18,294	20,752
% of Revenue	4.0	3.4	3.2	2.9	2.8	2.8
Other Expenses	23,788	25,813	29,947	38,205	42,886	47,876
% of Revenue	6.5	5.8	6.0	6.6	6.5	6.5
EBITDA	65,491	88,229	100,988	117,792	136,712	156,040
EBITDA margin (%)	18.0	19.7	20.2	20.3	20.9	21.0
EBITDA Growth YoY (%)	24.5	34.7	14.5	16.6	16.1	14.1
EBIT	64,762	84,880	97,128	113,469	131,990	150,834
EBIT margin (%)	17.8	19.0	19.4	19.6	20.1	20.3
PAT	56,276	74,788	81,514	96,728	111,414	126,351
PAT margin (%)	15.4	16.7	16.3	16.7	17.0	17.0
EPS (Rs)	198.9	267.9	291.9	346.4	399.0	452.4
Core EPS (Rs)	170.6	229.9	259.0	300.2	348.1	400.6
PER (x)	55.8	41.4	38.0	32.0	27.8	24.5
Core PER (x)	60.6	44.7	39.0	33.3	28.4	24.3

Source: Company, Emkay Research

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Exhibit 15: BJAUT trades at ~24x 1Y fwd PER at its +1SD

Source: Emkay Research

Exhibit 16: We value BJAUT at 26x Dec-27E core EPS and have added Bajaj Auto Credit within our SOTP-based workings, valuing it at Rs300/sh, basis 2x P/B

Particulars	Basis of Valuation	Equity Value (Rs mn)
Core business	26x Dec-27E EPS	2,759,473
Investment in Pierer Mobility/KTM	Based on Market Cap	20,537
Cash reserves	On Dec-27E basis	350,659
Bajaj Auto Credit	2x P/B on FY28E	84,895
Total Equity value		3,215,564
Total Equity value/share		11,115
Target Price (rounded off; Rs)		11,100

Source: Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)

Bajaj Auto: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	446,852	500,103	579,985	655,274	741,479
Revenue growth (%)	22.7	11.9	16.0	13.0	13.2
EBITDA	88,229	100,988	117,792	136,712	156,040
EBITDA growth (%)	34.7	14.5	16.6	16.1	14.1
Depreciation & Amortization	3,498	4,001	4,457	4,851	5,331
EBIT	84,731	96,987	113,334	131,861	150,709
EBIT growth (%)	35.2	14.5	16.9	16.3	14.3
Other operating income	-	-	-	-	-
Other income	14,025	14,209	15,633	17,107	17,201
Financial expense	535	677	1,693	2,370	1,659
PBT	98,220	110,519	127,274	146,598	166,251
Extraordinary items	0	0	0	0	0
Taxes	23,432	29,005	30,546	35,183	39,900
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	74,788	81,514	96,728	111,414	126,351
PAT growth (%)	32.9	9.0	18.7	15.2	13.4
Adjusted PAT	74,788	81,514	96,728	111,414	126,351
Diluted EPS (Rs)	271.8	291.9	346.4	399.0	452.4
Diluted EPS growth (%)	36.7	7.4	18.7	15.2	13.4
DPS (Rs)	143.9	80.0	210.0	240.0	270.0
Dividend payout (%)	53.0	27.4	60.6	60.2	59.7
EBITDA margin (%)	19.7	20.2	20.3	20.9	21.0
EBIT margin (%)	19.0	19.4	19.5	20.1	20.3
Effective tax rate (%)	23.9	26.2	24.0	24.0	24.0
NOPLAT (pre-IndAS)	64,517	71,533	86,134	100,214	114,539
Shares outstanding (mn)	275	279	279	279	279

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,792	2,793	2,793	2,793	2,793
Reserves & Surplus	245,813	318,677	348,383	384,397	426,970
Net worth	248,605	321,469	351,175	387,189	429,762
Minority interests	-	-	-	-	-
Non-current liab. & prov.	5,069	11,230	11,103	10,956	10,790
Total debt	9,599	9,276	31,101	21,101	19,101
Total liabilities & equity	263,582	342,257	393,708	419,618	460,074
Net tangible fixed assets	31,379	34,911	37,994	41,143	43,812
Net intangible assets	119	119	119	119	119
Net ROU assets	-	-	-	-	-
Capital WIP	275	283	300	300	300
Goodwill	-	-	-	-	-
Investments [JV/Associates]	34,465	34,465	34,465	37,465	40,465
Cash & equivalents	216,315	265,001	318,472	341,498	379,848
Current assets (ex-cash)	49,790	76,268	83,192	90,601	99,061
Current Liab. & Prov.	79,007	82,032	96,770	107,536	119,652
NWC (ex-cash)	(29,217)	(5,764)	(13,577)	(16,935)	(20,591)
Total assets	263,582	342,257	393,708	419,618	460,074
Net debt	(206,716)	(255,724)	(287,370)	(320,397)	(360,747)
Capital employed	263,582	342,257	393,708	419,618	460,074
Invested capital	2,281	29,266	24,536	24,327	23,340
BVPS (Rs)	903.4	1,151.1	1,257.5	1,386.5	1,538.9
Net Debt/Equity (x)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
Net Debt/EBITDA (x)	(2.3)	(2.5)	(2.4)	(2.3)	(2.3)
Interest coverage (x)	184.6	164.2	76.2	62.9	101.2
RoCE (%)	38.4	37.8	36.2	37.7	39.2

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	98,220	110,519	127,274	146,598	166,251
Others (non-cash items)	-	-	-	-	-
Taxes paid	(23,826)	(26,804)	(30,673)	(35,330)	(40,067)
Change in NWC	10,171	(2,429)	5,168	3,308	3,612
Operating cash flow	74,783	72,667	99,542	113,419	128,409
Capital expenditure	(7,957)	(7,189)	(7,558)	(8,000)	(8,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	4,374	2,731	0	0	0
Investing cash flow	(1,392)	(36,410)	(65,758)	(10,000)	(10,000)
Equity raised/(repaid)	(39,307)	(9,025)	0	0	0
Debt raised/(repaid)	8,327	(505)	21,825	(10,000)	(2,000)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(519)	(659)	(1,693)	(2,370)	(1,659)
Dividend paid (incl tax)	(39,602)	(22,353)	(58,645)	(67,022)	(75,400)
Others	10,634	(6,211)	0	0	0
Financing cash flow	(60,467)	(38,753)	(38,513)	(79,393)	(79,059)
Net chg in Cash	12,924	(2,496)	(4,729)	24,027	39,350
OCF	74,783	72,667	99,542	113,419	128,409
Adj. OCF (w/o NWC chg.)	64,612	75,097	94,374	110,111	124,797
FCFF	66,826	65,478	91,984	105,419	120,409
FCFE	70,665	67,532	90,291	103,049	118,750
OCF/EBITDA (%)	84.8	72.0	84.5	83.0	82.3
FCFE/PAT (%)	94.5	82.8	93.3	92.5	94.0
FCFF/NOPLAT (%)	103.6	91.5	106.8	105.2	105.1

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	34.9	32.5	27.4	23.8	21.0
P/CE(x)	33.4	31.0	26.2	22.8	20.1
P/B (x)	10.5	8.3	7.6	6.9	6.2
EV/Sales (x)	5.4	4.8	4.1	3.6	3.1
EV/EBITDA (x)	27.3	23.7	20.1	17.1	14.7
EV/EBIT(x)	28.4	24.7	20.9	17.7	15.2
EV/IC (x)	1,055.2	81.9	96.4	95.9	98.2
FCFF yield (%)	2.8	2.7	3.9	4.5	5.3
FCFE yield (%)	2.7	2.5	3.4	3.9	4.5
Dividend yield (%)	1.5	0.8	2.2	2.5	2.8
DuPont-RoE split					
Net profit margin (%)	16.7	16.3	16.7	17.0	17.0
Total asset turnover (x)	1.7	1.7	1.6	1.6	1.7
Assets/Equity (x)	1.0	1.1	1.1	1.1	1.1
RoE (%)	29.7	28.6	28.8	30.2	30.9
DuPont-RoIC					
NOPLAT margin (%)	14.4	14.3	14.9	15.3	15.4
IC turnover (x)	47.1	31.7	21.6	26.8	31.1
RoIC (%)	680.4	453.5	320.2	410.2	480.6
Operating metrics					
Core NWC days	(23.9)	(4.2)	(8.5)	(9.4)	(10.1)
Total NWC days	(23.9)	(4.2)	(8.5)	(9.4)	(10.1)
Fixed asset turnover	7.7	7.6	8.0	8.1	8.4
Opex-to-revenue (%)	9.2	9.1	9.5	9.3	9.3

Source: Company, Emkay Research

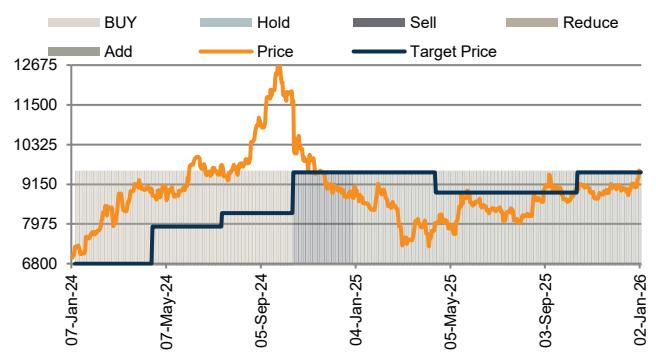
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
09-Nov-25	8,722	9,500	Add	Chirag Jain
14-Oct-25	9,103	9,500	Add	Chirag Jain
07-Aug-25	8,229	8,900	Add	Chirag Jain
30-May-25	8,607	8,900	Add	Chirag Jain
16-Apr-25	7,962	8,900	Add	Chirag Jain
29-Jan-25	8,626	9,500	Add	Chirag Jain
10-Jan-25	8,764	9,500	Add	Chirag Jain
01-Jan-25	8,741	9,500	Add	Chirag Jain
16-Oct-24	11,617	9,500	Sell	Chirag Jain
17-Jul-24	9,718	8,300	Reduce	Chirag Jain
19-Apr-24	8,805	7,900	Reduce	Chirag Jain
25-Jan-24	7,598	6,800	Reduce	Chirag Jain
11-Jan-24	7,299	6,800	Reduce	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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