

Bajaj Auto

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BJAUT IN
Equity Shares (m)	279
M.Cap.(INRb)/(USDb)	2435.5 / 27.5
52-Week Range (INR)	10190 / 7088
1, 6, 12 Rel. Per (%)	-4/7/-17
12M Avg Val (INR M)	3636

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	565	629	699
EBITDA	114.8	126.7	140.8
EBITDA (%)	20.3	20.1	20.1
Adj. PAT	94.6	103.5	113.8
EPS (INR)	339	371	408
EPS Gr. (%)	13.2	9.4	9.9
BV/Sh. (INR)	1,260	1,381	1,508

Ratios

RoE (%)	28.1	28.1	28.2
RoCE (%)	26.5	26.4	26.5
Payout (%)	67.9	67.4	68.7

Valuation

P/E (x)	25.7	23.5	21.4
P/BV (x)	6.9	6.3	5.8
Div. Yield (%)	2.6	2.9	3.2
FCF Yield (%)	2.7	3.4	3.8

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	55.0	55.0	55.0
DII	12.8	12.1	8.8
FII	9.7	10.3	14.3
Others	22.5	22.5	21.9

FII Includes depository receipts

CMP: INR8,722 **TP: INR9,070 (+4%)** **Neutral**

Margins beat estimates, led by an improved mix

EV portfolio generates double digit margins for the first time

- Bajaj Auto's (BJAUT) 2QFY26 earnings at INR24.8b were broadly in line with our estimate. While margins were 50bp ahead of expectations at 20.5%, led by an improved mix and favorable currency, lower other income limited earnings upside.
- While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, market share losses in domestic motorcycles, particularly in its crucial 125cc+ segment, remains the key concern. While BJAUT has acquired a controlling stake in KTM under a lucrative deal, its effectiveness depends on how quickly it is able to turn around its operations, which will remain the key monitorable going forward. At ~25.7x/23.5x FY26E/27E EPS, BJAUT appears fairly valued. We reiterate our Neutral rating with a TP of **INR9,070, based on 24x Sep27E core EPS.**

Margin ahead of estimates on favorable currency and product mix

- Revenue in 2Q grew 14% to INR149b (in line), on account of volume growth of 6% and realization growth of 7%.
- The strong ASP increase was on account of a richer product mix and the highest-ever spare sales in 2QFY26.
- EBITDA margin expanded 30bp YoY to 20.5% (50bp ahead of our estimates) due to favorable currency and improved mix.
- EBITDA grew 15% YoY to INR30b (4% ahead of our estimates).
- Lower-than-anticipated other income limited PAT growth, which rose 12% YoY to INR24.8b vs est. of INR24.1b.
- CFO for 1H stood at INR48b and generated FCF of INR45b in 1H, while cash surplus at the end of Sep'25 stood at a healthy INR142b.

Highlights from the management commentary

- BJAUT's focus areas include: 1) competitive growth in the 125 cc plus segment; 2) target to sustain export growth at 15-20%; 3) regain momentum in the EV segment by unlocking supply chain constraints; 4) focus on reviving KTM.
- Post GST rate cuts, management expects the motorcycle industry to post a 6-8% growth in 2HFY26.
- The export momentum is likely to continue in the coming quarters, backed by strong demand from Latin American and Asian markets and stabilization in regions like Africa.
- EVs (2W + 3W) contributed 18% to domestic revenues, generating INR17b with double-digit EBITDA margins.
- BAL is currently producing at peak capacity in 3Ws, with further capacity being added to meet export demand.
- The company expects further commodity inflation in the coming quarters, though currency tailwinds should help offset the impact of the same.

Valuation and view

- While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, market share losses in domestic motorcycles, particularly in its crucial 125cc+ segment, remains the key concern. While BJAUT has acquired a controlling stake in KTM under a lucrative deal, its effectiveness depends on how quickly it is able to turn around its operations, which will remain a key monitorable moving forward. At ~25.7x/23.5x FY26E/27E EPS, BJAUT appears fairly valued. We reiterate a Neutral rating with a TP of **INR9,070, based on 24x Sep27E core EPS.**

Quarterly Performance

(INR m)

	FY25				FY26E				FY25	FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,294	1,335	1,225	4,651	4,965	1,294
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	5.9	9.0	11.0	6.9	6.7	5.9
Realization (INR/unit)	108,234	107,470	104,591	110,142	113,247	115,307	112,958	113,779	107,527	113,837	113,381
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	7.3	8.0	3.3	4.7	5.9	5.5
Net Sales	119,280	131,275	128,069	121,480	125,845	149,221	150,762	139,329	500,103	565,156	146,728
Change (%)	15.7	21.8	5.7	5.8	5.5	13.7	17.7	14.7	11.9	13.0	11.8
EBITDA	24,154	26,522	25,807	24,505	24,818	30,517	30,901	28,563	100,988	114,798	29,351
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	20.5	20.5	20.5	20.2	20.3	20.0
Other Income	3,209	3,845	3,347	3,808	4,308	3,692	3,900	4,221	14,209	16,120	4,000
Interest	207	159	143	168	141	144	146	149	677	580	130
Depreciation	937	956	997	1,111	1,109	1,117	1,130	1,129	4,001	4,485	1,120
PBT after EO	26,219	27,139	28,015	27,033	27,875	32,948	33,525	31,506	108,406	125,854	32,101
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.7	24.8	24.8	24.8	16.0	24.8
Adj. PAT	19,884	22,160	21,087	20,492	20,960	24,797	25,212	23,678	83,103	94,648	24,148
Change (%)	19.4	20.7	3.3	5.8	5.4	11.9	19.6	15.5	11.1	13.9	9.0

E: MOFSL Estimates



Key takeaways from the earnings call

Growth/Focus Areas

- Competitive growth in the 125 cc plus segment.
- Goal to sustain export growth at 15-20%.
- Regain momentum in the EV segment by unlocking supply chain constraints.
- Focus on reviving back KTM.

Domestic motorcycles update

- The GST rate cut supported the industry, and all of BJAUT's business units benefited during the festive season. Although August saw sluggish demand, festive demand rebounded strongly from Sep onwards, leading to historic festive growth.
- The impact of GST was visible in consumer behavior, with a sharp preference for up-trading—higher-end models outperformed base variants. The top-end Pulsar models, particularly the N and NS series, saw strong demand.
- BJAUT maintained pricing in its 350cc+ segment despite increase due to GST rate hikes (from 31% to 40% GST for this category), absorbing the impact internally, while benefits were passed on to customers in the sub-350cc range.
- The company achieved all-time-high retail volumes, both in unit and revenue terms, with the Pulsar portfolio delivering peak performance.
- Market share increased in the 125cc+ segment, driven by the 150cc+ sports category.
- Management expects the motorcycle industry to post 6-8% growth in 2H.
- New Pulsar variants are planned for launch in December, March, and May, with the aim of outpacing the industry and gaining further share in the 125cc+ segment.
- A new non-Pulsar product is also scheduled for launch in FY27 (likely to be in the 125cc segment).
- Triumph and KTM portfolios are being recalibrated for the under-350cc segment to reap the benefits of lower GST and remain competitive to the market leader.

2W exports

- Export volumes grew 24% YoY in 2Q, with broad-based growth across multiple markets.
- BJAUT has clocked 200k units in monthly volumes in exports after almost 40 months. However, previously, 200,000 monthly exports included 50,000–60,000 units from Nigeria; which has now reduced to 25,000 units, highlighting their reduced dependence in the region.
- Export revenues stood at around USD 600 million in Q2FY26.
- The top 30 export markets account for 70% of the total emerging market. While this industry grew 14% in 2Q in these markets, BJAUT grew at twice that rate and, hence, gained a share in the key markets.
- Asia and Africa delivered double-digit growth, driven by Sri Lanka, the Philippines, and East Africa, while Nigeria remained steady.
- KTM exported 20,000 units to KTM Austria in 2QFY26, +20% QoQ, signalling a gradual recovery in volumes.

- BJAUT expects current export momentum to be maintained in the coming quarters with strong seasonal retail demand in LATAM.
- A breakthrough is expected in the Qute business in Egypt.
- Mexico, LATAM's largest 2W market, recently imposed a 35% import tariff. BJAUT will benefit relative to competition from a concessional 5% tariff from next year due to its local investments.

2W EVs

- Supply chain issues led to a 50% shortfall versus plan. The company has now transitioned fully to LRE-based motors to overcome this issue. BJAUT became the first OEM to complete full re-homologation of its entire EV range using alternate LRE-based magnets, ensuring performance parity while diversifying sourcing across geographies.
- A new Chetak model will be launched early next year.
- The 2W EV network includes 390 exclusive Chetak stores and 4,000 touchpoints across 800 cities.
- EVs (2W + 3W) contributed 18% of domestic revenues, generating INR17b with double-digit EBITDA margins, for the first time ever. Profitability was supported by improved economics in 2W EVs and higher volumes in 3W EVs. While the PLI supports the overall profitability in the EV segment, the 2W EV business has become EBITDA neutral. PLI benefits are available till March 2028.
- The GST cut on ICE vehicles is not expected to materially affect 2W EV demand, given the continued TCO benefits.

Update on domestic 3Ws

- The ICE three-wheeler segment moved from a YTD (Aug) decline to growth in October. The current decline in demand could turn to flat growth for FY26E, post the GST rate cuts, as per management. BJAUT continues to enjoy almost 80% market share in this segment.
- The e-auto segment was growing at robust 75% pre GST. However, post the GST rate cut, growth has come down to 50% as: 1) payback for CNG 3Ws has now reduced to 13 months vs 19 months for e-autos and, hence, customers now prefer CNG 3Ws; 2) supply constraints due to chip shortage. While BJAUT was a market leader in this segment earlier, it has lost its leadership position due to the supply constraints it faced in 2Q. It expects to regain its leading position in the coming quarters. In this segment, while competitors offer just one model, BJAUT has two successful models and plans to launch two more in the coming quarters.
- E-rickshaw demand declined as customers traded up to e-autos. Additionally, movement restrictions in certain States like UP have also constrained e-rick growth.
- BJAUT is currently producing at peak capacity in 3Ws, with additional capacity being added to meet export demand.

Outlook on input costs and currency trends

- Dollar realization improved to INR87.1 vs. INR85.6 in 1QFY26 and INR83.8 in 2QFY25.
- Raw material cost inflation (net of a small price hike taken) surged by 40bp for 2QFY26 due to higher steel, copper, rubber, platinum, and rhodium prices.

Operating leverage, favorable currency, and product mix offset the impact of commodity cost inflation.

- The company expects some commodity inflation in Q3, but currency tailwinds should help offset the impact of the same.
- No major price increases were taken during the quarter.

Update on KTM

- KTM will remain classified as an associate company until regulatory approvals for its complete acquisition are in. The upcoming quarter will be the last before full consolidation is achieved.
- The restructuring was completed in June, and KTM production resumed in July.
- Approvals have been received from the Foreign Investment Control Authority in Austria and the Austrian Takeover Commission, with only the European Commission approval pending. The change of control to BJAUT management is expected within the next few weeks.

Other highlights

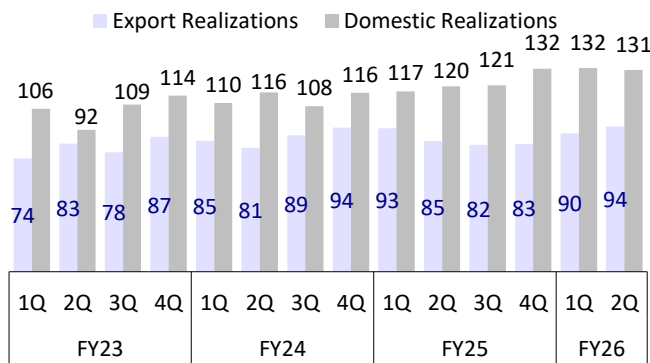
- FCF of INR45b was generated in H1, with cash conversion at ~100% of PAT.
- Cash liquidity stood at INR142 billion after distributing ~INR60b in dividends and investing over INR20b in subsidiaries (INR15b for the KTM Austria transaction and INR5b for Bajaj Auto Credit).
- Spares revenues in 2Q stood at INR18b (+21% YoY).
- **Bajaj Auto Credit (BACL):** Added 200,000 new customers in 2Q; AUM crossed INR140bn. PAT for 2Q stood at INR1.32b with H1 ROE of 17.4%. Capital Adequacy ratio stood at 19.8%. Debt-to-equity ratio at 4–4.5x, expected to be serviced through profits. Financing penetration: 70% for motorcycles, 90% for 3Ws; BACL penetration at 40% for 2Ws and 50% for 3Ws. BJAUT has so far invested a total of INR29b in BACL, with further potential requirement of INR2-3b, post which it will be in a position to fund its own operations from internal accruals.

Trend in product mix

	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)
Motorcycles					
Domestic	5,96,576	6,36,801	-6.3	5,29,344	12.7
% of total volumes	46.1	52.1		47.6	
Exports	4,72,411	3,96,407	19.2	4,19,447	12.6
% of total volumes	36.5	32.5		37.7	
Total 2Ws	10,68,987	10,33,208	3.5	9,48,791	12.7
% of total volumes	82.6	84.6		85.4	
Three Wheelers					
Domestic	1,44,217	1,39,910	3.1	1,05,464	36.7
% of total volumes	11.1	11.5		9.5	
Exports	80,916	48,386	67.2	56,982	42.0
% of total volumes	6.3	4.0		5.1	
Total 3Ws	2,25,133	1,88,296	19.6	1,62,446	38.6
% of total volumes	17.4	15.4		14.6	
Total Volumes	12,94,120	12,21,504	5.9	11,11,237	16.5

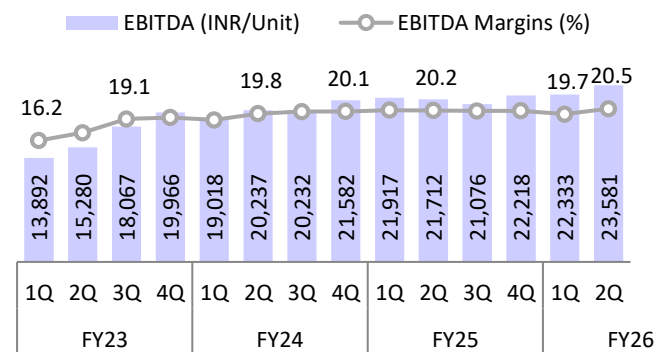
Source: Company, MOFSL

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

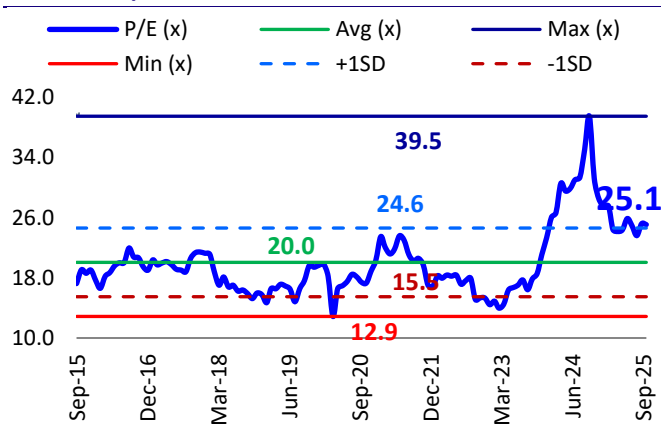
- **Well placed to ride the premiumization trend:** The 125cc+ motorcycle segment's contribution has increased to 54% in FY25 from 38% in FY19. Given its continued focus on this segment over the last few years, BJAUT has emerged as a major beneficiary of this trend – BJAUT's contribution in this segment has risen sharply to 75% in FY25 from 41% in FY19. Given the strong presence in the 125cc segment, presence of brands like Dominar and KTM, along with a healthy launch pipeline (3 new Pulsars coming up in the next 6-8 months and another 125cc motorcycle), BJAUT seems well placed to capitalize on the premiumization trend visible in India.
- **BJAUT's plans to enter the entry segment with CNG bike face headwinds:** BJAUT had launched the world's first CNG-integrated motorcycle, Freedom 125. We think the company has clearly done everything within its stride to make the motorcycle both attractive (despite having a CNG tank) and accessible to customers. This bike has been well accepted in markets where CNG penetration is good (viz. Delhi, Kerala). However, it is seeing low adoption in other markets. Overall, the ramp-up of Freedom is likely to take longer than earlier envisaged given lack of CNG penetration as also poor pressure at existing pumps limiting its range.
- **Loss in market share in domestic motorcycle is a concern:** In FY25, BJAUT has lost 160bp market share to 16.6% in motorcycles. It has further lost 60bp share to 16% in H1FY26. However, the key concern is that it has lost market share not only in the entry segment, but also in 125cc and 150-250cc segments. Its market share in the 150-250cc segment has declined 440bp YoY to 30.2% for FY25. Loss in market share in the 125cc+ segment remains the key concern for the stock.
- **Scaling up its EV business:** Chetak's market share rose from ~13% in 4QFY24 to nearly 25% in 4QFY25. It has recently launched a premium Chetak variant under the 35 series. In October, it has now gained leadership position in 2W EVs and aims to maintain the same in the coming quarters. The overall EV segment, including both Chetak and 3Ws, has now delivered a double-digit EBITDA margin for the first time in 2QFY26. 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 outlook improves:** BJAUT is seeing healthy growth in LatAm and ASEAN. Markets like Africa and Asia continue to see stable demand. The top 30 export markets account for 70% of the total emerging market. While this industry grew 14% in 2Q, Bajaj Auto grew at twice that rate and hence gained share in its key markets. KTM exports have also picked up post its restructuring by BJAUT. Given these factors, management expects the export momentum to continue in the coming quarters.
- **BJAUT buys controlling stake in KTM, turnaround to be the key:** Following the receipt of requisite approvals, Bajaj will be committed to a turnaround of KTM operations. While BJAUT 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 is able to turn around KTM, once it is in its fold; 2) 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 ahead.
- **Valuation and view:** While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, market share losses in domestic motorcycles, particularly in the crucial 125cc+ segment, remains the key concern. While BJAUT has acquired a controlling stake in KTM under a lucrative deal, its effectiveness depends on how quickly it is able to turn around its operations, which will remain the key monitorable going forward. At ~25.7x/23.5x FY26E/27E EPS, BJAUT appears fairly valued. We reiterate a Neutral rating with a TP of **INR9,070, based on 24x Sep27E core EPS.**

Exhibit 3: Our revised estimates (INR m)

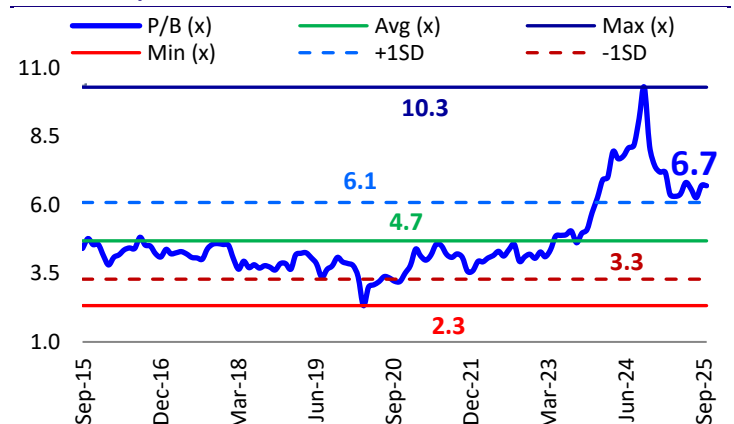
	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Vols ('000 units)	4,965	4,912	1.1	5,357	5,324	0.6
Net Sales	565,156	556,142	1.6	629,143	616,483	2.1
EBITDA	114,798	111,038	3.4	126,723	123,461	2.6
EBITDA Margins (%)	20.3	20.0	30bp	20.1	20.0	10bp
Net Profit	94,648	89,368	5.9	103,548	99,917	3.6
EPS (INR)	338.9	329.0	3.0	370.8	362.1	2.4

Exhibit 4: P/E band



Source: MOFSL

Exhibit 5: P/BV band



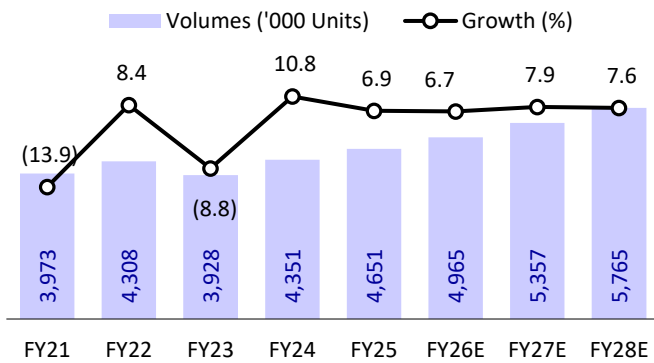
Source: MOFSL

Exhibit 6: Snapshot of Revenue Model

000 units	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
2Ws (units)									
Domestic	2,078	1,809	1,641	1,806	2,251	2,308	2,282	2,470	2,658
Growth (%)	-18.2	-12.9	-9.3	10.0	24.6	2.6	-1.1	8.2	7.6
% of total volumes	45.0	45.5	38.1	46.0	51.7	49.6	46.0	46.1	46.1
Exports	1,869	1,797	2,196	1,637	1,477	1,674	1,894	2,045	2,209
Growth (%)	10.2	-3.9	22.2	-25.4	-9.8	13.3	13.1	8.0	8.0
% of total volumes	40.5	45.2	51.0	41.7	34.0	36.0	38.1	38.2	38.3
Total 2Ws	3,948	3,606	3,837	3,443	3,728	3,982	4,176	4,515	4,866
Growth (%)	-6.8	-8.7	6.4	-10.3	8.3	6.8	4.9	8.1	7.8
% of total volumes	85.5	90.8	89.1	87.7	85.7	85.6	84.1	84.3	84.4
3Ws									
Domestic	366	109	161	301	464	479	493	523	554
Growth (%)	-8.4	-70.1	47.1	87.1	54.3	3.3	2.9	6.0	6.0
% of total volumes	7.9	2.8	3.7	7.7	10.7	10.3	9.9	9.8	9.6
Exports	302	258	311	184	159	189	296	319	345
Growth (%)	-21.2	-14.6	20.6	-40.7	-13.8	19.1	56.2	8.0	8.0
% of total volumes	6.5	6.5	7.2	4.7	3.7	4.1	6.0	6.0	6.0
3Ws	668	367	472	485	623	669	789	842	899
Growth (%)	-14.7	-45.0	28.5	2.9	28.5	7.3	18.0	6.7	6.8
% of total volumes	14.5	9.2	10.9	12.3	14.3	14.4	15.9	15.7	15.6
Total Volumes	4,615	3,973	4,308	3,928	4,351	4,651	4,965	5,357	5,765
Growth (%)	-8.1	-13.9	8.4	-8.8	10.8	6.9	6.7	7.9	7.6
Avg. Net Realn (INR/unit)	56,462	60,588	65,467	79,010	88,611	91,171	96,634	99,667	102,830
Growth (%)	6.7	7.3	8.1	20.7	12.2	2.9	6.0	3.1	3.2
Net Revenues (INR B)	291	271	321	354	436	483	546	608	675
Growth (%)	-1.5	-6.8	18.4	10.0	23.2	10.8	13.0	11.4	11.2
EBITDA (INR B)	51	49	51	65	88	101	115	127	141
EBITDA margins (%)	17.0	17.8	15.5	18.0	19.7	20.2	20.3	20.1	20.1
EBITDA (INR/Unit)	11,042	12,405	11,877	16,674	20,278	21,713	23,123	23,656	24,418
Growth (%)	-1.9	-3.3	3.8	28.0	34.7	14.5	13.7	10.4	11.1
PAT (INR B)	51	46	50	56	75	84	95	104	114
EPS	176	157	173	199	268	299	339	371	408

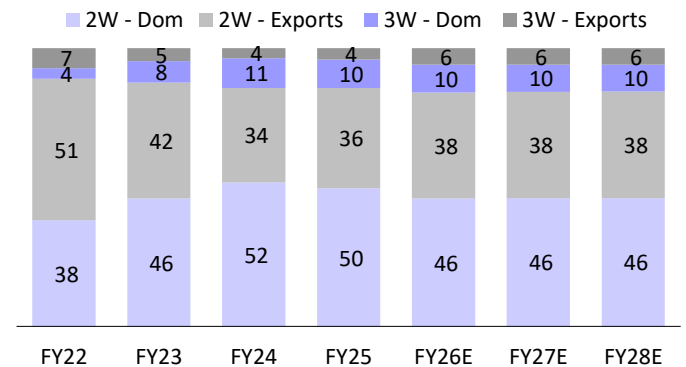
Story in charts

Exhibit 7: Trends in volume and volume growth



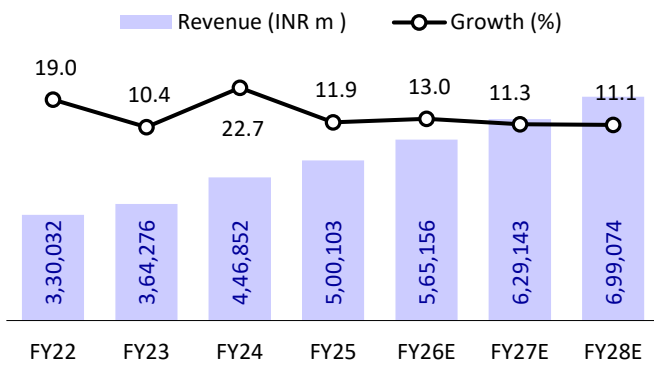
Sources: Company reports, MOFSL estimates

Exhibit 8: Product mix trend



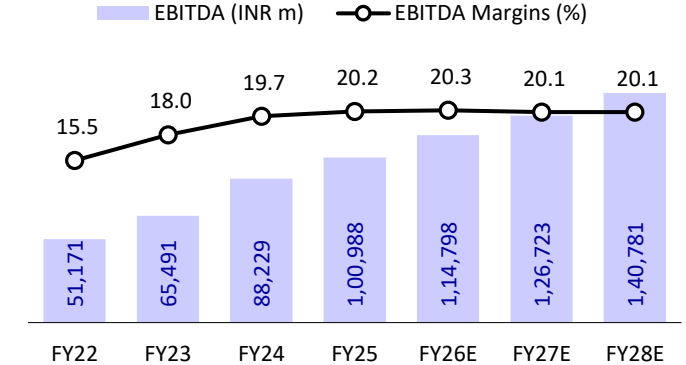
Sources: Company reports, MOFSL estimates

Exhibit 9: Trend in revenue growth



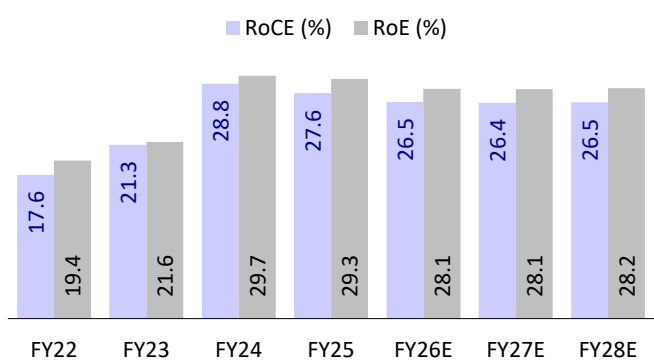
Sources: Company reports, MOFSL

Exhibit 10: Trends in EBITDA and EBITDA margin



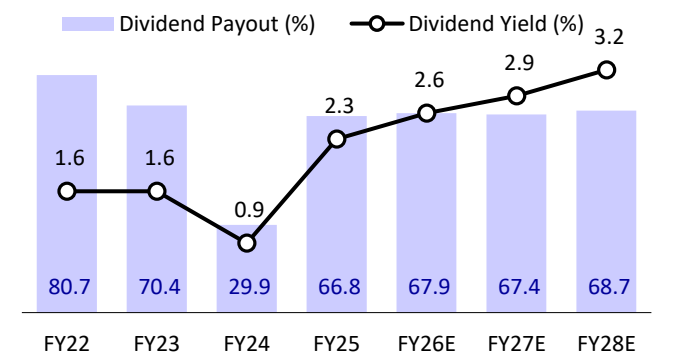
Sources: Company reports, MOFSL

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	2026E	2027E	2028E
Volumes	3,972,914	4,308,433	3,927,857	4,350,933	4,650,966	4,964,587	5,356,905	5,765,444
Change (%)	-13.9	8.4	-8.8	10.8	6.9	6.7	7.9	7.6
Net Sales	277,411	330,032	364,276	446,852	500,103	565,156	629,143	699,074
Change (%)	-7.3	19.0	10.4	22.7	11.9	13.0	11.3	11.1
EBITDA	49,285	51,171	65,491	88,229	100,988	114,798	126,723	140,781
Change (%)	-3.3	3.8	28.0	34.7	14.5	13.7	10.4	11.1
EBITDA Margins (%)	17.8	15.5	18.0	19.7	20.2	20.3	20.1	20.1
Depreciation	2,593	2,692	2,824	3,498	4,001	4,485	4,951	5,551
EBIT	46,692	48,480	62,667	84,731	96,987	110,314	121,772	135,230
Int. & Fin. Charges	67	87	395	535	677	580	500	450
Other Income	12,765	12,092	11,814	14,025	14,209	16,120	16,500	16,740
Non-recurring Exp.	0	-4,568	0	0	2,113	0	0	0
PBT	59,390	65,054	74,086	98,220	108,406	125,854	137,772	151,520
Tax	13,844	14,865	17,810	23,432	26,892	31,206	34,224	37,717
Effective Rate (%)	23.3	22.8	24.0	23.9	25	25	25	25
PAT	45,546	50,189	56,276	74,788	83,627	94,648	103,548	113,803
Change (%)	-10.7	10.2	12.1	32.9	11.8	13.2	9.4	9.9

Balance Sheet								(INR M)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	2,894	2,894	2,830	2,792	2,793	2,793	2,793	2,793
Reserves	249,129	263,794	251,429	245,813	318,677	349,095	382,828	418,438
Net Worth	252,023	266,688	254,259	248,605	321,469	351,887	385,620	421,230
Deferred Tax	5,221	4,033	3,452	5,069	11,230	13,747	16,503	19,533
Loans	1,601	1,588	1,576	9,906	9,557	9,557	9,557	9,557
Capital Employed	258,845	272,309	259,286	263,580	342,257	375,192	411,680	450,320
Gross Fixed Assets	43,443	46,312	55,045	62,326	69,517	77,517	87,517	97,517
Less: Depreciation	26,794	27,972	27,885	30,339	34,010	38,494	43,445	48,996
Net Fixed Assets	16,649	18,340	27,160	31,987	35,508	39,023	44,072	48,521
Capital WIP	160	768	819	275	283	283	283	283
Investments	226,310	238,188	229,233	244,925	285,702	303,702	331,702	363,702
Current Assets	72,183	61,923	54,064	65,320	102,797	121,173	134,688	147,890
Inventory	14,939	12,305	13,979	16,956	19,579	23,226	25,855	28,729
Sundry Debtors	27,169	15,164	17,761	21,224	22,826	30,967	34,474	38,305
Cash & Bank Balances	5,051	5,640	2,194	4,486	8,134	7,925	8,618	7,808
Loans & Advances	372	87	59	53	10,847	12,258	13,646	15,162
Others	24,653	28,727	20,071	22,601	41,410	46,797	52,095	57,885
Current Liab. & Prov.	56,457	46,910	51,991	78,926	82,033	88,989	99,065	110,076
Sundry Creditors	45,738	36,332	40,739	56,102	62,676	62,216	69,260	76,958
Other Liabilities	9,175	9,028	9,584	20,934	16,841	19,032	21,187	23,542
Provisions	1,544	1,551	1,668	1,891	2,515	7,742	8,618	9,576
Net Current Assets	15,727	15,013	2,073	-13,606	20,764	32,184	35,623	37,814
Application of Funds	258,845	272,309	259,286	263,580	342,257	375,192	411,680	450,320

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)								
Consol EPS	157.4	173.4	198.9	267.9	299.5	338.9	370.8	407.5
EPS growth (%)	-10.7	10.2	14.7	34.7	11.8	13.2	9.4	9.9
Consol Cash EPS	166.4	182.7	208.9	280.4	313.8	355.0	388.5	427.4
Book Value per Share	870.9	921.6	898.6	890.5	1,151.1	1,260.1	1,380.9	1,508.4
DPS	140.0	140.0	140.0	80.0	200.0	230.0	250.0	280.0
Payout (% of S/A PAT)	88.9	80.7	70.4	29.9	66.8	67.9	67.4	68.7
Valuation (x)								
P/E	55.4	50.3	43.9	32.6	29.1	25.7	23.5	21.4
Cash P/E	52.4	47.7	41.8	31.1	27.8	24.6	22.5	20.4
EV/EBITDA	46.6	44.6	34.2	24.9	21.3	18.6	16.6	14.7
EV/Sales	8.3	6.9	6.1	4.9	4.3	3.8	3.3	3.0
Price to Book Value	10.0	9.5	9.7	9.8	7.6	6.9	6.3	5.8
Dividend Yield (%)	1.6	1.6	1.6	0.9	2.3	2.6	2.9	3.2
Profitability Ratios (%)								
RoE	20.2	19.4	21.6	29.7	29.3	28.1	28.1	28.2
RoCE	19.7	17.6	21.3	28.8	27.6	26.5	26.4	26.5
RoIC	154	94	119	164	114	82	82	85
Turnover Ratios								
Debtors (Days)	36	17	18	17	17	20	20	20
Inventory (Days)	20	14	14	14	14	15	15	15
Creditors (Days)	60	40	41	46	46	40	40	40
Working Capital (Days)	-5	-10	-9	-15	-15	-5	-5	-5
Asset Turnover (x)	1.1	1.2	1.4	1.7	1.5	1.5	1.5	1.6
Fixed Asset Turnover	6.5	7.4	7.2	7.6	7.6	7.7	7.6	7.6

Cash Flow Statement

(INR M)

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Profit before Tax	59,390	65,053	74,086	98,220	110,519	125,854	137,772	151,520
Depreciation & Amort.	2,593	2,692	2,824	3,498	4,001	4,485	4,951	5,551
Direct Taxes Paid	-13,397	-17,015	-19,184	-23,826	-26,804	-28,689	-31,469	-34,686
(Inc)/Dec in Working Capital	-5,105	6,006	7,230	10,171	-2,428	-11,628	-2,747	-3,002
Other Items	-12,339	-11,480	-9,838	-13,281	-12,621	-15,540	-16,000	-16,290
CF from Oper. Activity	31,142	45,255	55,119	74,783	72,667	74,481	92,508	103,093
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	74,481	92,508	103,093
(Inc)/Dec in FA+CWIP	-2,509	-5,176	-8,064	-7,957	-7,189	-8,000	-10,000	-10,000
Free Cash Flow	28,630	36,900	47,055	66,826	65,478	66,481	82,508	93,093
(Pur)/Sale of Invest.	-26,157	4,252	21,288	6,565	-29,221	-1,880	-11,500	-15,260
CF from Inv. Activity	-28,665	-924	13,224	-1,392	-36,410	-9,880	-21,500	-25,260
Inc. / Dec.in Networkth	0	0	-30,939	-39,305	-9,092	0	0	0
Inc/(Dec) in Debt	0	0	0	8,327	-505	0	0	0
Interest Paid	-108	-74	-380	-519	-659	-580	-500	-450
Dividends Paid	-87	-40,490	-40,470	-39,602	-22,353	-64,230	-69,815	-78,193
CF from Fin. Activity	-195	-40,563	-71,789	-71,099	-32,609	-64,810	-70,315	-78,643
Inc/(Dec) in Cash	2,278	588	-3,446	2,292	3,648	-209	693	-810
Add: Beginning Bal.	2,773	5,051	5,640	2,194	4,486	8,134	7,925	8,618
Closing Balance	5,051	5,640	2,194	4,486	8,134	7,925	8,618	7,808

E: MOFSL Estimates

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NOTES

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