

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BJAUT IN
Equity Shares (m)	279
M.Cap.(INRb)/(USD\$)	2283.9 / 26
52-Week Range (INR)	12774 / 7088
1, 6, 12 Rel. Per (%)	0/-12/-16
12M Avg Val (INR M)	4362

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	500	550	614
EBITDA	101.0	108.6	123.0
EBITDA (%)	20.2	19.7	20.0
Adj. PAT	83.6	90.0	100.7
EPS (INR)	299	322	361
EPS Gr. (%)	11.8	7.6	11.9
BV/Sh. (INR)	1,151	1,244	1,334

Ratios

RoE (%)	29.3	26.9	28.0
RoCE (%)	27.6	25.4	26.3
Payout (%)	66.8	71.3	74.8

Valuation

P/E (x)	27.3	25.4	22.7
P/BV (x)	7.1	6.6	6.1
Div. Yield (%)	2.4	2.8	3.3
FCF Yield (%)	2.9	2.7	3.5

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	55.0	55.0	55.1
DII	12.1	11.0	8.8
FII	10.3	11.7	14.2
Others	22.5	22.3	21.9

FII Includes depository receipts

CMP: INR8,179 **TP: INR8,618 (+5%)** **Neutral**

Margins below 20% for first time in seven quarters

Export outlook positive, domestic remains uncertain

- BJAUT's 1QFY26 earnings at INR20.6b beat our estimate of INR19.8b, aided by higher-than-expected other income even as margins were in line with our estimate at 19.7%. Margin has fallen below 20% for the first time in seven quarters.
- While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, its market share loss in domestic motorcycles remains the key concern. Further, the ramp-up of its CNG bike, Freedom, has been slower than expected. BJAUT has acquired a controlling stake in KTM under a lucrative deal, though its effectiveness depends on how quickly it is able to turn around its operations, which will remain the key monitorable from hereon. At ~25.4x/22.7x FY26E/FY27E EPS, BJAUT appears fairly valued. We maintain a Neutral rating with a TP of **INR8,618, based on 22x Jun'27E core EPS.**

Margins below 20% mark on adverse currency impact

- 1Q earnings at INR20.6b beat our estimate of INR19.8b.
- Revenue grew 5.5% YoY to INR126b and was in line with our estimate. Growth was largely driven by 5% YoY growth in ASP despite largely flat volumes YoY.
- Gross margin fell 40bp YoY to 29.6%, largely due to rising input costs and currency impact.
- Overall, EBITDA margin dropped 50bp YoY and QoQ to 19.7% (in line with our estimate) due to weak volumes and an adverse product mix (impact of currency appreciation and lower exports). Margin has fallen below 20% for the first time in seven quarters.
- Other income came in at INR4.3b, ahead of our estimate of INR3.4b. As a result, PAT at INR20.6b was ahead of our estimate, up 5% YoY.
- BJAUT generated FCF of INR1.2b in 1Q, with surplus funds of INR167.3b despite an infusion of INR3b into Bajaj Auto Credit (BACL) and INR15.25b into Bajaj Auto International Holdings BV for the KTM Austria acquisition.

Highlights from the management commentary

- Given the positive on-ground fundamentals, management believes that 5-6% growth in the 2W industry is possible in the coming months.
- Management expects the impact of net material costs (cost less price hike) to largely be flat QoQ in Q2.
- Further, given that INR is again depreciating vs. USD, management expects some currency benefits in 2Q. However, BJAUT intends to use these benefits to target and recover some market share in the domestic market.
- Given the impact of rare earth metal shortage, BJAUT is likely to produce 50-60% of planned capacity for 2W EVs and 75% of planned capacity for 3W EVs in Aug'25, with a similar shortage seen in Jul'25 as well.
- BACL delivered over 2x growth in PAT to INR1.1b in Q1. AUM has increased to INR120b and BJAUT expects to end FY26 with AUM of INR190b.

Valuation and view

- While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, its market share loss in domestic motorcycles, that too in its bread-and-butter 125cc+ segment, remains the key concern. Further, the ramp-up of its CNG bike, Freedom, has been slower than expected. 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 from hereon. At ~25.4x/22.7x FY26E/27E EPS, BJAUT appears fairly valued. We maintain a Neutral rating with a target price of **INR8,618, based on 22x June-27E core EPS.**

Quarterly Performance

(INR m)

	FY25				FY26E				FY25	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,251	1,244	1,223	4,651	4,830	1,111
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	2.4	1.6	10.9	6.9	3.8	0.8
Realization (INR/unit)	108,234	107,470	104,591	110,142	113,247	113,381	114,004	114,868	107,527	113,887	110,399
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	5.5	9.0	4.3	4.7	5.9	2.0
Net Sales	119,280	131,275	128,069	121,480	125,845	141,819	141,828	140,534	500,103	550,025	122,679
Change (%)	15.7	21.8	5.7	5.8	5.5	8.0	10.7	15.7	11.9	10.0	2.8
EBITDA	24,154	26,522	25,807	24,505	24,818	28,021	27,740	28,003	100,988	108,581	24,164
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	19.8	19.6	19.9	20.2	19.7	19.7
Other Income	3,209	3,845	3,347	3,808	4,308	4,000	3,800	4,012	14,209	16,120	3,400
Interest	207	159	143	168	141	130	140	139	677	550	120
Depreciation	937	956	997	1,111	1,109	1,120	1,130	1,146	4,001	4,505	1,050
PBT after EO	26,219	27,139	28,015	27,033	27,875	30,771	30,270	30,731	108,406	119,646	26,394
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.8	24.8	24.7	24.8	10.2	3.4
Adj. PAT	19,884	22,160	21,087	20,492	20,960	23,152	22,775	23,136	83,103	90,023	19,843
Change (%)	19.4	20.7	3.3	5.8	5.4	4.5	8.0	12.9	11.1	8.3	(0.2)

E: MOFSL Estimates



Key takeaways from the earnings call

Result highlights

- While export revenue stood at ~USD500m in 1Q, spares parts revenue grew 19% YoY to INR16b.
- Input cost pressure was up 80bp QoQ (vs. earlier guidance of 100bp) due to a rise in Al and steel and OBD2 norms.
- Margins were impacted by weak domestic demand, unfavorable currency (INR/USD at 85.6 vs. 86.5 QoQ) and supply chain constraints on rare earth materials.
- BJAUT generated FCF of INR12b in 1Q and its surplus cash stood at INR170b.
- It has invested INR1b in 1Q and expects to invest INR6-7b in FY26.
- Cons. PAT rose 14% YoY (10% revenue growth) to INR22b and was largely driven by strong performance at BACL, which saw its PAT double YoY.

Outlook

- Given the positive on-ground fundamentals, management believes that 5-6% growth in the 2W industry is possible in the coming months.
- Management expects the impact of net material costs (cost less price hike) to largely be flat QoQ.
- Further, given that INR is again depreciating vs. USD, management expects some currency benefits in 2Q. However, BJAUT intends to use these benefits to target and recover some market share in the domestic market.
- Given the impact of rare earth metal shortage, BJAUT is likely to produce 50-60% of planned capacity for 2W EVs and 75% of planned capacity for 3W EVs in Aug'25, with a similar shortage seen in Jul'25 as well.

Domestic motorcycles update

- While the exact period of a demand slowdown in 2Ws remains unclear, management attributes the same to: 1) the advancement of the monsoon in many parts of the country, and 2) larger urban markets seeing greater slowdown than others due to rising inflation (especially around rentals). As a result, customers seem to be postponing their purchase decisions, which is more prevalent at a time when the festive season is around the corner.
- Management also indicated that the 100cc segment is facing challenges likely due to muted wage hikes, inflationary pressure and limited availability of financing.
- Given weak demand, most OEMs have launched tactical measures to gain share, especially in the 100cc market. BJAUT has refrained from doing the same, which has led to its market share loss in the segment.
- BJAUT has always been of the view that rather than competing in the 100cc segment, it would be worthwhile to upgrade entry-level customers to 125cc by launching affordable products in the segment. It is already working on an entry-level 125cc product (unlikely to be branded as Pulsar), which is likely to be launched soon and would help the company recover some of the lost market share in domestic motorcycles.
- Further, BJAUT has seen some market share loss in the 125cc segment. It has recently initiated product and pricing intervention actions in the segment, which

seem to be yielding results now, as per management. For the same, it has also recently launched a TV commercial around the Pulsar family.

- Triumph is now present in 80 cities with 130 dealerships.

Update on new ABS norms mandate

- Management has indicated that BJAUT would need about 12-14 months to get the supply chain aligned if ABS were to be made mandatory on all two wheelers.
- Also, cost implications due to the same are also likely to be high and would likely have a dampening impact on demand.
- The government is currently in discussion with industry stakeholders and they hope to come up with a positive resolution on this soon.

Update on exports

- Of the top 30 markets that contribute to 70% of emerging market demand, demand in 25 markets grew 17% YoY in 1Q. BJAUT outpaced these markets with 27% YoY growth.
- Latin America continues to be one of the key growth drivers for BJAUT. While Africa has now recovered from the bottom, macro uncertainties prevail, making it difficult to gauge demand sustainability here.
- In Brazil, the company has sold 7k units per month and would look to have a capacity of 50k units p.a. by FY26 end. Dominar and Triumph are doing well in this market. BJAUT has introduced Pulsar 150 for the delivery segment. It expects to ramp up presence in this market gradually in the coming years.
- Exports to the US are only from KTM and Triumph and these contribute to less than 1% of total revenue.
- 3W exports have picked up over the last few months, led by strong demand across all its key regions. BJAUT has introduced 3Ws in 23 different countries, which had never seen a 3W before.

Update on EVs

- Management indicated that EV adoption is following “scooterisation” trends in the sense that EV penetration has picked up in regions where scooter penetration is high and vice-versa for obvious reasons.
- Industry split for models priced >INR100k:<INR100k is 40:60, while the same for BJAUT is 85:15.
- In fact, BJAUT’s market share in the models priced >INR100k is 31% and it is a leader in this segment.
- Its market share in 2W EVs has improved to 21% from 12% a few quarters ago.
- BJAUT has now expanded the Chetak 35 series with a higher range, fast charging and higher boot space.
- In 3W EVs, BJAUT has a 35% market share and has reached a leadership position.
- BJAUT is looking to launch a product in the e-rik market as well, which is a 40k-unit per month industry. It will launch a lithium-ion based product with premium pricing relative to unorganized players.
- EV now contributes to 20% of domestic revenue. After the launch of its new Chetak platform, ramp-up of 3W EVs and cost reduction initiatives, BJAUT’s EV portfolio margin now stands close to double digits. Also, management has indicated that some Chetak models are already EBITDA positive.

Update on KTM

- The restructuring process is underway.
- BJAUT is in the process of seeking few regulatory approvals for completing the KTM acquisition. Once they are in place, the company would move to a controlling position and target to turn around the company.

Update on BACL

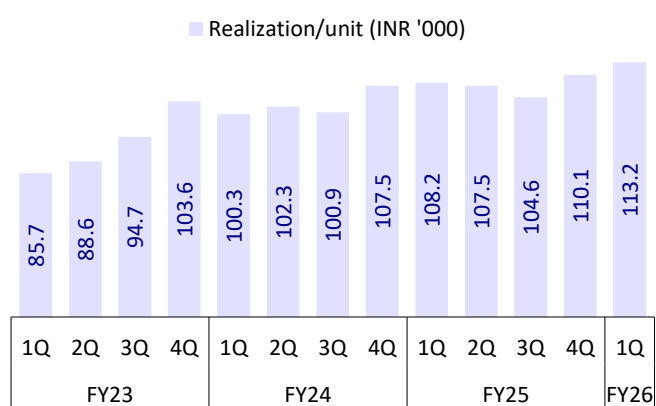
- BACL delivered over 2x growth in PAT to INR1.1b in 1Q.
- AUM increased to INR120b and it expects to end FY26 with AUM of INR190b.
- BACL's penetration now stands at 40%.
- BJAUT has infused INR3b in BACL in 1Q.

Trend in product mix

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Motorcycles					
Domestic	4,65,724	5,38,643	-9.1	4,29,428	5.6
% of total volumes	42	49		39	
Exports	4,19,447	3,68,420	13.9	4,42,467	-5.2
% of total volumes	38	33		40	
Domestic Scooters	63,620	43,854		71,668	
% of total volumes	6	4		6	
Total 2Ws	9,48,791	9,50,917	-0.2	9,43,563	0.6
% of total volumes	85.4	86.3		85.6	
Three Wheelers					
Domestic	1,05,464	1,08,124	-2.5	1,12,152	-6.0
% of total volumes	9	10		10	
Exports	56,982	43,015	32.5	47,219	20.7
% of total volumes	5	4		4	
Total 3Ws	1,62,446	1,51,139	7.5	1,59,371	1.9
% of total volumes	14.6	13.7		14.4	
Total Volumes	11,11,237	11,02,056	0.8	11,02,934	0.8

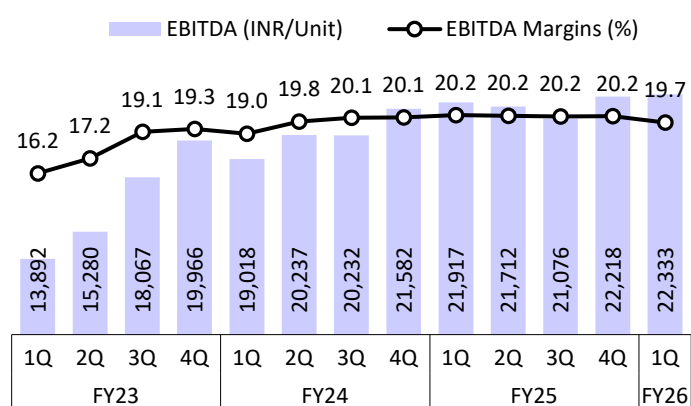
Source: Company, MOFSL

Exhibit 1: Trends in blended realizations



Sources: Company reports, MOFSL estimates

Exhibit 2: EBITDA margin trend



Sources: Company reports, MOFSL estimates

Valuation and view

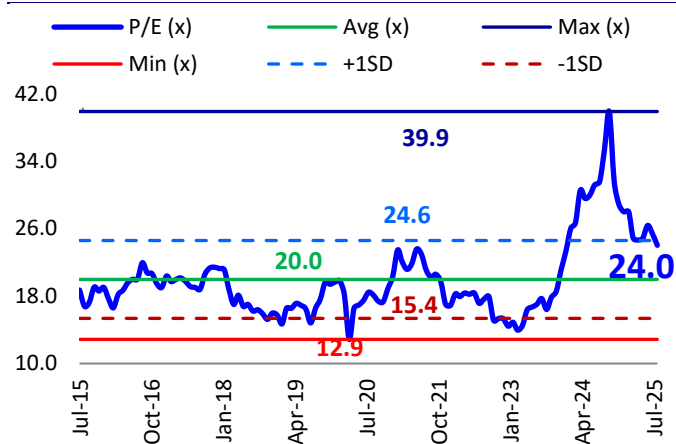
- **Well placed to ride the premiumization trend:** The 125cc+ motorcycle segment's contribution increased to 54% in FY25 from 38% in FY19. Given its continued focus on this segment over the last few years, BJAUT has emerged as a major beneficiary of this trend, with its contribution in this segment rising sharply to 75% in FY25 from 41% in FY19. Given the strong presence in the 125cc segment and the major revamp of the Pulsar brand last year in the premium segment, along with a healthy presence of brands like Dominar and KTM, 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.
- **Loss in market share in domestic motorcycle is a concern:** In FY25, BJAUT has lost 160bp market share to 16.6% in motorcycles. 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. It hopes to gain a stronger leadership position in EV scooter segment, especially in the premium segment, where its share has been low. The overall EV segment, including both Chetak and 3Ws, has now made some positive margins in absolute terms. Given e-3W is as profitable as ICE, BJAUT would continue to ramp up its penetration in e-3Ws.
- **Exports outlook improves:** BJAUT is seeing healthy growth in LatAm and ASEAN. Markets like Africa and Asia continue to see stable demand. Management expects exports to KTM to resume from 2H onward. Given these factors, management expects exports to grow at 15-20% in FY26.
- **BJAUT buys controlling stake in KTM, turnaround to be the key:** Following the receipt of requisite approvals, BJAUT will be committed to turning around 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) whether the restructuring plan progresses as planned above; 2) how quickly BJAUT is able to turn around KTM, once it is in its fold; and 3) demand environment in the US and Europe. We are currently ascribing only investment value to KTM at this stage and we would 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, its market share loss in domestic motorcycles, that too in its bread-and-butter 125cc+ segment, remains the key concern. Further, the ramp-up of its CNG bike Freedom has been slower than expected. 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 from hereon. At ~25.4x/22.7x FY26E/27E EPS, BJAUT appears fairly valued. We maintain a Neutral rating with a target price of **INR8,618**, based on 22x June-27E core EPS.

Exhibit 3: Our revised estimates (INR m)

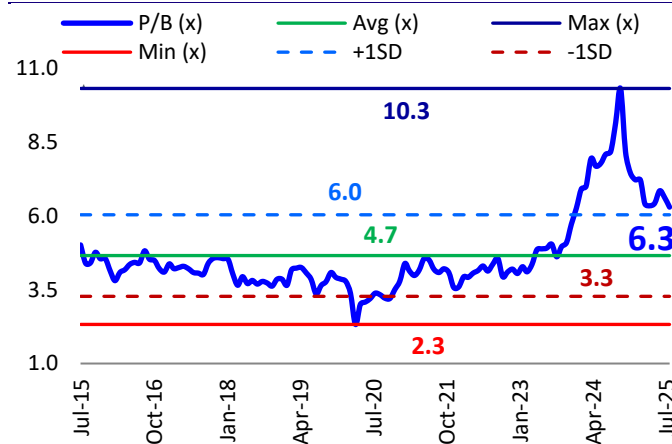
	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Vols ('000 units)	4,830	4,920	-1.8	5,276	5,418	-2.6
Net Sales	5,50,025	5,52,210	-0.4	6,13,713	6,20,424	-1.1
EBITDA	1,08,581	1,08,737	-0.1	1,22,981	1,23,939	-0.8
EBITDA Margins (%)	19.7	19.7	0bp	20.0	20.0	10bp
Net Profit	90,023	86,688	3.8	1,00,745	99,638	1.1
EPS (INR)	322.4	319.4	0.9	360.8	361.1	-0.1

Exhibit 4: P/E band



Source: MOFSL

Exhibit 5: P/BV band



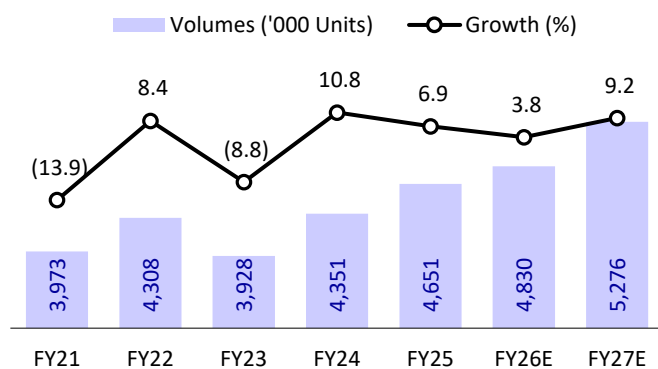
Source: MOFSL

Exhibit 6: Snapshot of revenue model

000 units	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
2Ws (units)									
Domestic	2,541	2,078	1,809	1,641	1,806	2,251	2,308	2,227	2,475
Growth (%)	28.7	-18.2	-12.9	-9.3	10.0	24.6	2.6	-3.5	11.2
% of total volumes	50.6	45.0	45.5	38.1	46.0	51.7	49.6	46.1	46.9
Exports	1,696	1,869	1,797	2,196	1,637	1,477	1,674	1,841	1,989
Growth (%)	21.6	10.2	-3.9	22.2	-25.4	-9.8	13.3	10.0	8.0
% of total volumes	33.8	40.5	45.2	51.0	41.7	34.0	36.0	38.1	37.7
Total 2Ws	4,237	3,948	3,606	3,837	3,443	3,728	3,982	4,068	4,464
Growth (%)	25.7	-6.8	-8.7	6.4	-10.3	8.3	6.8	2.2	9.7
% of total volumes	84.4	85.5	90.8	89.1	87.7	85.7	85.6	84.2	84.6
3Ws									
Domestic	399	366	109	161	301	464	479	496	526
Growth (%)	8.1	-8.4	-70.1	47.1	87.1	54.3	3.3	3.5	6.0
% of total volumes	8.0	7.9	2.8	3.7	7.7	10.7	10.3	10.3	10.0
Exports	383	302	258	311	184	159	189	265	286
Growth (%)	43.1	-21.2	-14.6	20.6	-40.7	-13.8	19.1	40.0	8.0
% of total volumes	7.6	6.5	6.5	7.2	4.7	3.7	4.1	5.5	5.4
3Ws	783	668	367	472	485	623	669	761	812
Growth (%)	22.8	-14.7	-45.0	28.5	2.9	28.5	7.3	13.8	6.7
% of total volumes	15.6	14.5	9.2	10.9	12.3	14.3	14.4	15.8	15.4
Total Volumes	5,020	4,615	3,973	4,308	3,928	4,351	4,651	4,830	5,276
Growth (%)	25.3	-8.1	-13.9	8.4	-8.8	10.8	6.9	3.8	9.2
Avg. Net Realn (INR/unit)	52,928	56,462	60,588	65,467	79,010	88,611	91,171	96,298	98,373
Growth (%)	-5.1	6.7	7.3	8.1	20.7	12.2	2.9	5.6	2.2
Net Revenues (INR B)	296	291	271	321	354	436	483	531	593
Growth (%)	19.7	-1.5	-6.8	18.4	10.0	23.2	10.8	10.0	11.7
EBITDA (INR B)	52	51	49	51	65	88	101	109	123
EBITDA margins (%)	17.1	17.0	17.8	15.5	18.0	19.7	20.2	19.7	20.0
EBITDA (INR/Unit)	10,345	11,042	12,405	11,877	16,674	20,278	21,713	22,483	23,309
Growth (%)	7.3	-1.9	-3.3	3.8	28.0	34.7	14.5	7.5	13.3
PAT (INR B)	47	51	46	50	56	75	84	90	101
EPS	162	176	157	173	199	268	299	322	361

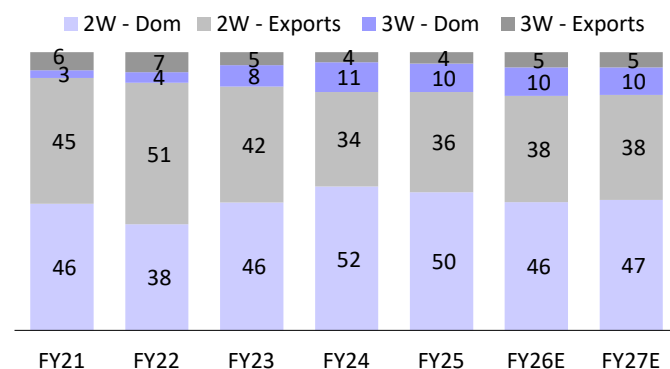
Story in charts

Exhibit 7: Trends in volume and volume growth



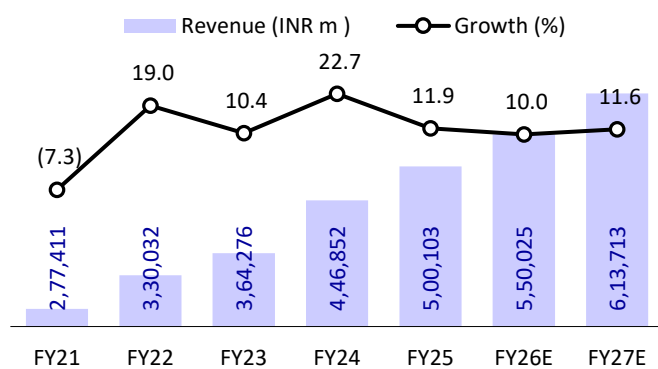
Sources: Company reports, MOFSL estimates

Exhibit 8: Product mix trend



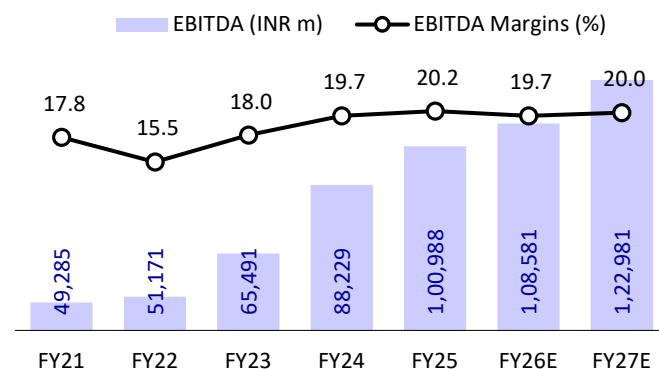
Sources: Company reports, MOFSL estimates

Exhibit 9: Trend in revenue growth



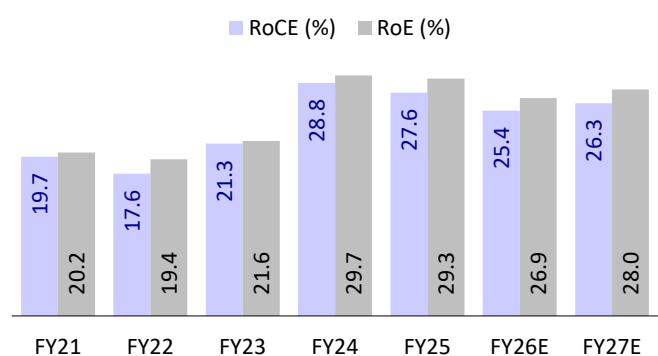
Sources: Company reports, MOFSL

Exhibit 10: Trends in EBITDA and EBITDA margin



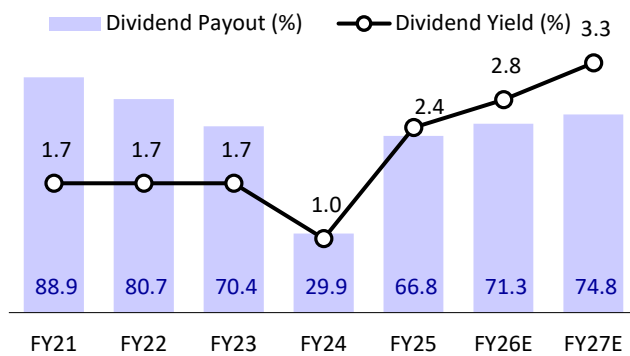
Sources: Company reports, MOFSL

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	2020	2021	2022	2023	2024	2025	2026E	2027E
Volumes	4,615,212	3,972,914	4,308,433	3,927,857	4,350,933	4,650,966	48,29,558	52,76,179
Change (%)	-8.1	-13.9	8.4	-8.8	10.8	6.9	3.8	9.2
Net Sales	299,187	277,411	330,032	364,276	446,852	500,103	5,50,025	6,13,713
Change (%)	-1.4	-7.3	19.0	10.4	22.7	11.9	10.0	11.6
EBITDA	50,962	49,285	51,171	65,491	88,229	100,988	1,08,581	1,22,981
Change (%)	-1.9	-3.3	3.8	28.0	34.7	14.5	7.5	13.3
EBITDA Margins (%)	17.0	17.8	15.5	18.0	19.7	20.2	19.7	20.0
Depreciation	2,464	2,593	2,692	2,824	3,498	4,001	4,505	4,971
EBIT	48,498	46,692	48,480	62,667	84,731	96,987	1,04,076	1,18,010
Int. & Fin. Charges	32	67	87	395	535	677	550	500
Other Income	17,336	12,765	12,092	11,814	14,025	14,209	16,120	16,500
Non-recurring Exp.	0	0	-4,568	0	0	2,113	0	0
PBT	65,802	59,390	65,054	74,086	98,220	108,406	1,19,646	1,34,010
Tax	14,802	13,844	14,865	17,810	23,432	26,892	29,623	33,265
Effective Rate (%)	22.5	23.3	22.8	24.0	23.9	25	25	25
PAT	51,000	45,546	50,189	56,276	74,788	83,627	90,023	1,00,745
Change (%)	9.1	-10.7	10.2	12.1	32.9	11.8	7.6	11.9

Balance Sheet							(INR M)	
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Share Capital	2,894	2,894	2,894	2,830	2,792	2,793	2,793	2,793
Reserves	196,361	249,129	263,794	251,429	245,813	3,18,677	3,44,470	3,69,815
Net Worth	199,255	252,023	266,688	254,259	248,605	3,21,469	3,47,263	3,72,608
Deferred Tax	3,464	5,221	4,033	3,452	5,069	11,230	13,623	16,303
Loans	1,669	1,601	1,588	1,576	9,906	9,557	9,557	9,557
Capital Employed	204,388	258,845	272,309	259,286	263,580	3,42,257	3,70,443	3,98,468
Gross Fixed Assets	41,573	43,443	46,312	55,045	62,326	69,847	77,847	87,847
Less: Depreciation	24,583	26,794	27,972	27,885	30,339	34,340	38,844	43,815
Net Fixed Assets	16,990	16,649	18,340	27,160	31,987	35,508	39,003	44,032
Capital WIP	602	160	768	819	275	283	283	283
Investments	181,960	226,310	238,188	229,233	244,925	2,85,702	3,03,702	3,25,702
Current Assets	48,181	72,183	61,923	54,064	65,320	1,02,797	1,14,062	1,25,086
Inventory	10,635	14,939	12,305	13,979	16,956	19,579	22,604	25,221
Sundry Debtors	17,251	27,169	15,164	17,761	21,224	22,826	30,138	33,628
Cash & Bank Balances	2,773	5,051	5,640	2,194	4,486	8,134	3,846	2,109
Loans & Advances	386	372	87	59	53	10,847	11,930	13,311
Others	17,136	24,653	28,727	20,071	22,601	41,410	45,544	50,817
Current Liab. & Prov.	43,345	56,457	46,910	51,991	78,926	82,033	86,607	96,635
Sundry Creditors	31,997	45,738	36,332	40,739	56,102	62,676	60,550	67,561
Other Liabilities	8,964	9,175	9,028	9,584	20,934	16,841	18,522	20,667
Provisions	2,385	1,544	1,551	1,668	1,891	2,515	7,535	8,407
Net Current Assets	4,836	15,727	15,013	2,073	-13,606	20,764	27,455	28,451
Application of Funds	204,387	258,845	272,309	259,286	263,580	3,42,257	3,70,443	3,98,468

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Basic (INR)								
EPS	176.2	157.4	173.4	198.9	267.9	299.5	322.4	360.8
EPS growth (%)	9.1	-10.7	10.2	14.7	34.7	11.8	7.6	11.9
Consol Cash EPS	184.8	166.4	182.7	208.9	280.4	313.8	338.5	378.6
Book Value per Share	688.6	870.9	921.6	898.6	890.5	1,151.1	1,243.5	1,334.3
DPS	120.0	140.0	140.0	140.0	80.0	200.0	230.0	270.0
Payout (% of S/A PAT)	81.8	88.9	80.7	70.4	29.9	66.8	71.3	74.8
Valuation (x)								
P/E	46.4	52.0	47.1	41.1	30.5	27.3	25.4	22.7
Cash P/E	44.3	49.2	44.7	39.1	29.2	26.1	24.2	21.6
EV/EBITDA	42.8	43.3	41.5	31.8	23.2	19.8	18.3	16.0
EV/Sales	7.3	7.7	6.4	5.7	4.6	4.0	3.6	3.2
Price to Book Value	11.9	9.4	8.9	9.1	9.2	7.1	6.6	6.1
Dividend Yield (%)	1.5	1.7	1.7	1.7	1.0	2.4	2.8	3.3
Profitability Ratios (%)								
RoE	24.5	20.2	19.4	21.6	29.7	29.3	26.9	28.0
RoCE	23.8	19.7	17.6	21.3	28.8	27.6	25.4	26.3
RoIC	176	154	94	119	164	114	77	80
Turnover Ratios								
Debtors (Days)	21	36	17	18	17	17	20	20
Inventory (Days)	13	20	14	14	14	14	15	15
Creditors (Days)	39	60	40	41	46	46	40	40
Working Capital (Days)	-5	-5	-10	-9	-15	-15	-5	-5
Asset Turnover (x)	1.5	1.1	1.2	1.4	1.7	1.5	1.5	1.5
Fixed Asset Turnover	7.1	6.5	7.4	7.2	7.6	7.6	7.4	7.4

Cash Flow Statement

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
(INR M)								
Profit before Tax	65,802	59,390	65,053	74,086	98,220	110,519	119,646	134,010
Depreciation & Amort.	2,464	2,593	2,692	2,824	3,498	4,001	4,505	4,971
Direct Taxes Paid	-16,777	-13,397	-17,015	-19,184	-23,826	-26,804	-27,230	-30,585
(Inc)/Dec in Working Capital	3,765	-5,105	6,006	7,230	10,171	-2,428	-10,979	-2,734
Other Items	-16635	-12339	-11480	-9,838	-13,281	-12621	-15570	-16000
CF from Oper. Activity	38,620	31,142	45,255	55,119	74,783	72,667	70,372	89,663
Extra-ordinary Items	-3	-4	-3,179	0	0	0	0	0
CF after EO Items	38,618	31,139	42,076	55,119	74,783	72,667	70,372	89,663
(Inc)/Dec in FA+CWIP	-2,800	-2,509	-5,176	-8,064	-7,957	-7,189	-8,000	-10,000
Free Cash Flow	35,818	28,630	36,900	47,055	66,826	65,478	62,372	79,663
(Pur)/Sale of Invest.	20,367	-26,157	4,252	21,288	6,565	-29,221	-1,880	-5,500
CF from Inv. Activity	17,567	-28,665	-924	13,224	-1,392	-36,410	-9,880	-15,500
Inc. / Dec.in Network	0	0	0	-30,939	-39,305	-9,092	0	0
Inc/(Dec) in Debt	0	0	0		8,327	-505	0	0
Interest Paid	-21	-108	-74	-380	-519	-659	-550	-500
Dividends Paid	-62,444	-87	-40,490	-40,470	-39,602	-22,353	-64,230	-75,400
CF from Fin. Activity	-62,465	-195	-40,563	-71,789	-71,099	-32,609	-64,780	-75,900
Inc/(Dec) in Cash	-6,281	2,278	588	-3,446	2,292	3,648	-4,288	-1,738
Add: Beginning Bal.	9,054	2,773	5,051	5,640	2,194	4,486	8,134	3,846
Closing Balance	2,773	5,051	5,640	2,194	4,486	8,134	3,846	2,109

E: MOFSL Estimates

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