JM Financial

Belrise Industries

Multiple growth levers in place; valuation comfortable

Premiumisation and new products to drive CPV higher

Focus on 4W offers a multi-year growth runway

Initiate with BUY – TP of INR215

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Multiple growth levers in place; valuation comfortable

Belrise Industries (BIL), a leading Tier-1 auto component manufacturer, has not only made inroads into the sheet metal space, typically dominated by captive OEM suppliers, but has also captured 24% market share in the overall 2W metal components segment in India, making it one of the top three players in the segment. It is the largest supplier of chassis and exhaust systems to a leading Indian two-wheeler (2W) manufacturer, among the top two suppliers to the country's top 2W OEM, the exclusive supplier for multiple premium models of an Indian premium 2W OEM, and one of the few players in India providing both suspension and steering columns.

Moreover, ~73% of BIL's product offerings remain technically relevant and economically necessary across both ICE and EV platforms. Further, BIL has been adding products that are focused on EV such as hub motors, motor controllers, chargers, and lightweight structural parts.

BIL is strategically expanding its 4W segment, aiming to double revenue from this category over the next 2–2.5 years. This growth is expected to be driven by a strengthened product portfolio and the acquisition of H-One, which brings advanced technology in high-tensile steel components (up to 1,100 MPa) and access to two key Japanese OEMs. The acquisition of Mag Filters further enhances BIL's reach by opening doors to India's 4W market leader. This pivot toward 4Ws and CVs offers a multi-year growth runway, supported by a larger addressable market and increasing premiumisation in passenger vehicles, which is driving higher component complexity.

BIL's high dependence on its top customer exposes it to customer concentration risk. Regulatory uncertainty around ABS in <125cc 2W could impact growth in its braking systems vertical. Margin pressure may arise in weak markets if OEMs demand price cuts. The trading business, with lower margins, continues to dilute overall profitability. Lastly, stiff competition and high entry barriers in the 4W segment could delay growth and margin expansion.

Leadership position coupled with industry tailwinds: BIL is a leading supplier of metal components in the two-wheeler (2W) segment. The total addressable market (TAM) for 2W metal products in India is projected to grow from INR 197bn–199bn in FY25E to INR 348bn by FY30P, reflecting a CAGR of 11–13%. The three-wheeler (3W) metal products market is also expected to nearly double during the same period, expanding from INR 15–17bn to INR 27–29bn. BIL is well-positioned to benefit from this growth, supported by increasing content per vehicle (CPV) and strong relationships with OEMs.

Rising content per vehicle in 2Ws: BIL has significantly outperformed the industry (revenue CAGR of 11.5% over FY16–25, compared to just 1.4% for the domestic 2W industry) driven by deeper client penetration and new product launches, leading to a steady rise in CPV, currently at ~INR 12,500 and expected to reach ~INR 17,300 (~1.4x) over the medium term.

Expanding presence in 4W metal components: BIL currently derives 11.7% of its manufacturing revenue (FY25) from the four-wheeler (PV and LCV) segment and aims to double it over the next 2–2.5 years. The Indian 4W (PV+LCV) metal products segment is estimated at INR 566bn in FY25E and is projected to grow at a CAGR of 9% to INR 877bn by FY30E, approximately 2.5 times larger than the 2W components market, offering a significantly broader growth opportunity.

Potential triggers for unlocking value: BIL's trading business, contributing 21% of revenue via Badve Trading FZE, has lower margin (~6% vs. ~14% in manufacturing). A potential hive-off could unlock value. BIL is also simplifying its related-party structure to enhance governance and unlock investor value.

Initiate with BUY rating and a TP of INR 215: We expect BIL to deliver a CAGR of ~13%/14%/29% in revenue/EBITDA/PAT over FY25–28E, driven by higher CPV in 2Ws due to premiumisation and deeper customer penetration, expansion in 4Ws (PV+CV), and balance sheet deleveraging. Accordingly, we initiate coverage on BIL with a BUY rating and a TP of INR 215, based on 25x FY28E P/E. BIL is trading at ~19x our FY28E EPS, compared to the peer average of 27x FY28E P/E.

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	215
Upside/(Downside)	28.2%

Key Data – BELRISE IN	
Current Market Price *	INR168
Market cap (bn) *	INR149.2/US$1.7
Free Float	27%
Shares in issue (mn)	889.9
Diluted share (mn)	889.9
3-mon avg daily val (mn)	INR1,268.3/US$14.2
52-week range	169/89
Sensex/Nifty	85,720/26,216
INR/US$	89.3

Price Performance

%	1M	6M	12M
Absolute	11.5	86.3	0.0
Relative*	10.2	77.2	0.0

**To the BSE Sensex*

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	74,841	82,908	93,105	104,873	118,139
Sales Growth (%)	13.7	10.8	12.3	12.6	12.7
EBITDA	9,284	10,211	11,684	13,243	15,018
EBITDA Margin (%)	12.4	12.3	12.5	12.6	12.7
Adjusted Net Profit	3,261	3,554	4,924	6,459	7,707
Diluted EPS (INR)	5.0	5.5	5.5	7.3	8.7
Diluted EPS Growth (%)	4.0	9.0	1.3	31.2	19.3
ROIC (%)	11.5	11.0	11.5	12.8	14.8
ROE (%)	14.9	14.1	12.3	11.6	12.3
P/E (x)	33.5	30.8	30.4	23.1	19.4
P/B (x)	4.7	4.1	2.8	2.5	2.3
EV/EBITDA (x)	18.5	17.4	13.2	11.3	9.5
Dividend Yield (%)	0.0	0.3	0.3	0.3	0.3

Source: Company data, JM Financial. Note: Valuations as of 27/Nov/2025

Nitin Agrawal
nitin.agrawal@jmfl.com
Tel: (91 22) 6970 3687

Saksham Kaushal
saksham.kaushal@jmfl.com
Tel: (91 22) 6630 3019

Sahil Malik
sahil.malik@jmfl.com
Tel: (91 22) 6630 3685

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BELRISE INDUSTRIES

We initiate coverage on Belrise Industries (BIL) with a BUY rating and a TP of INR 215, valuing it at 25x FY28E P/E. The company, a leading Tier-1 auto component manufacturer, has made notable inroads into the sheet metal space, typically dominated by captive OEM suppliers, and is among the top three players in the 2W metal components segment. Approximately 73% of BIL's product portfolio remains technically relevant and economically viable across both ICE and EV platforms. Its strategic pivot toward 4Ws and CVs offers a multi-year growth runway. We estimate revenue, EBITDA, and adjusted PAT to grow at 13%, 14%, and 29% CAGR respectively over FY25–28E, driven by higher content per vehicle, expansion into the 4W segment, and balance sheet deleveraging.

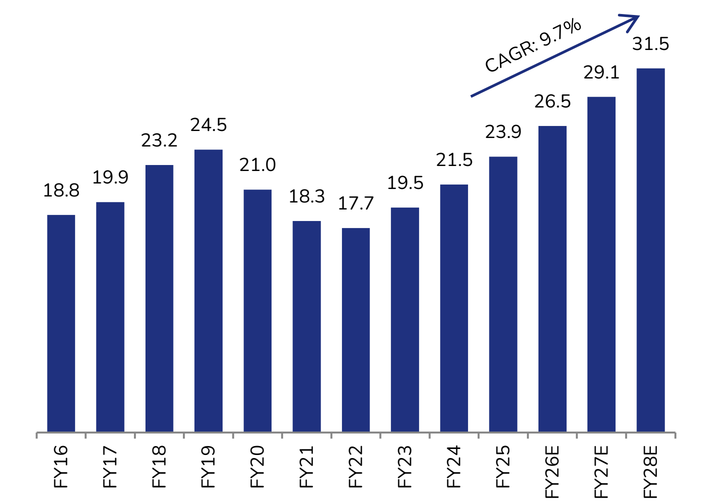
Focus Charts

Exhibit 1. A snapshot of BIL's business: Revenue segments, operating margin, TAM, competitors and key customers

Sector/Product Line	Share in manufacturing business (2QFY26)	Share in total revenue (2QFY26)	TAM		CPV (INR)		EBITDA Margin	Competitors	Market share	Key customers
			FY30P (INR bn)	CAGR (FY25-30P)	Current	Projected - medium term				
2W + 3W	81.1%	64.1%	377	12%	12,500	17,300		JBM Auto, Endurance Tech, Gabriel India, ASK Automotive, Metalman Industries	24%	Bajaj Auto, Honda Motorcycle and Scooter India, Royal Enfield, Hero MotoCorp, EV OEMs
4W - PV	4.9%	3.9%	842	9%	25,000	45,000			NA	Tata Motors PV (JLR), Mahindra & Mahindra, Japanese OEMs
4W - CV	8.3%	6.6%	35*	22%					NA	VECV, Tata Motors Ltd, Ashok Leyland
Non-Auto	5.8%	4.6%								
Manufacturing	79.0%	79.0%					14%			
Traded goods		21.0%					6%			
Total		**100.0%**								

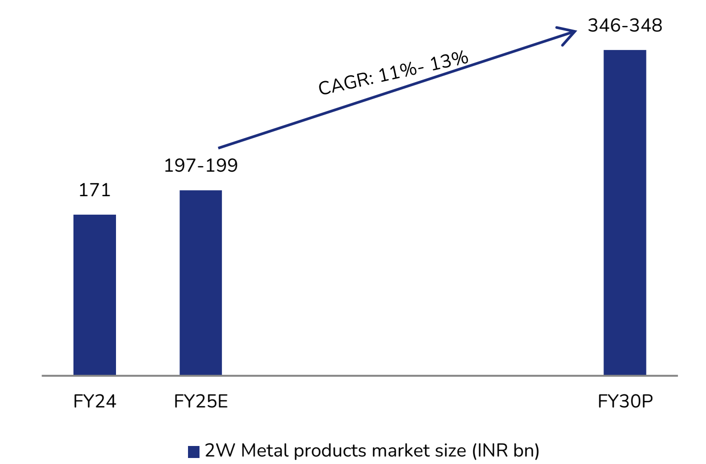
Source: Company, JM Financial; Note: *:- Metal product market size for LCVs

Exhibit 2. Domestic 2W production (mn) to grow at a CAGR of 9.7%...



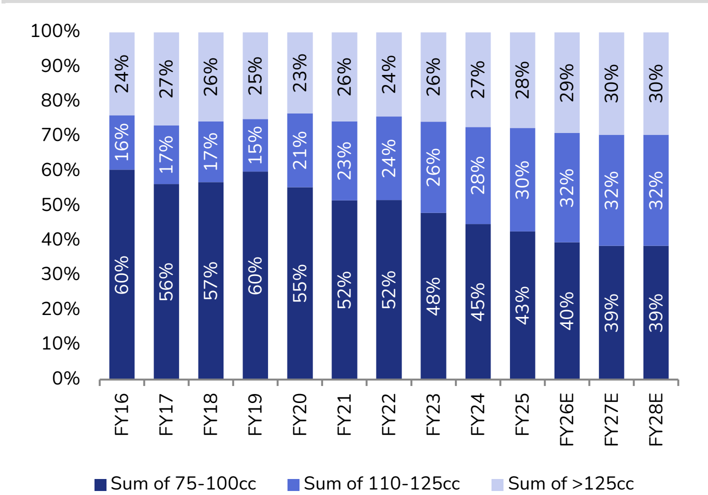
Source: SIAM, JM Financial

Exhibit 3. ...and 2W metal products TAM to grow at 11-13% CAGR



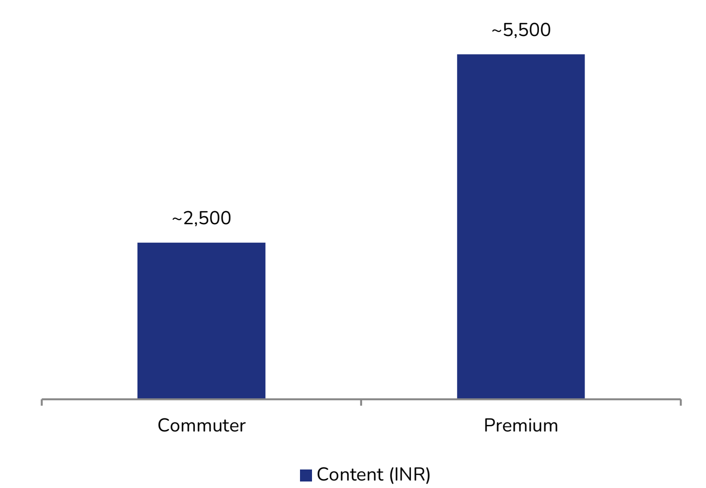
Source: Crisil Intelligence, JM Financial

Exhibit 4. Premiumisation to augur well for BIL as...



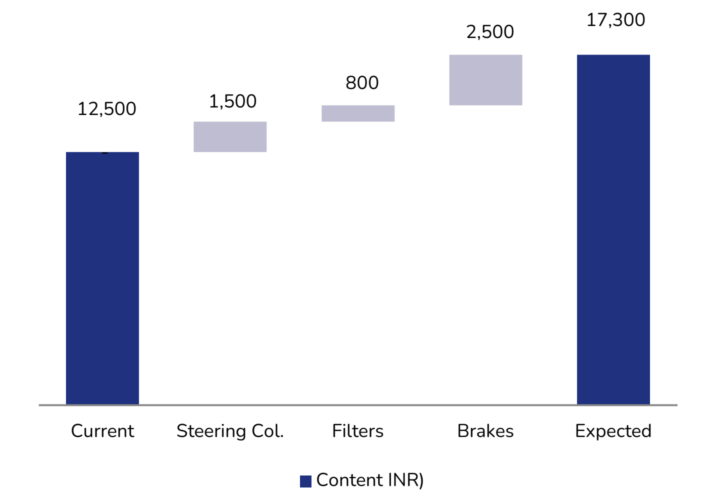
Source: SIAM, JM Financial

Exhibit 5. ...CPV is 2.2x higher in premium segment for chassis



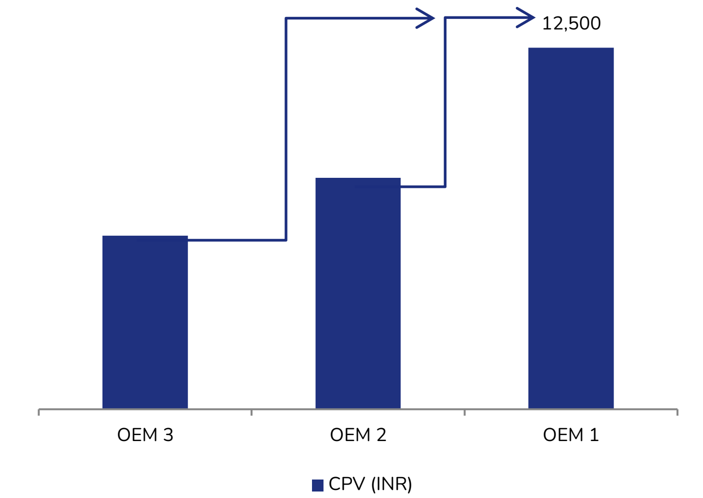
Source: Company, JM Financial

Exhibit 6. Further, CPV to rise due to launch of new products and...



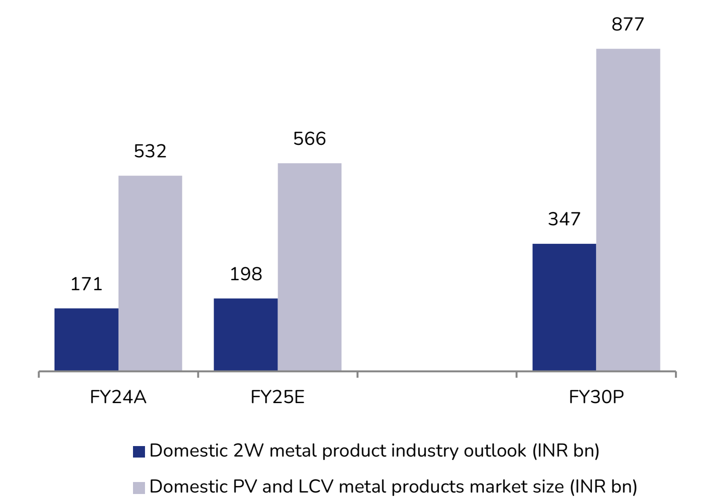
Source: Company, JM Financial

Exhibit 7. ...deeper penetration with 2nd and 3rd largest customers



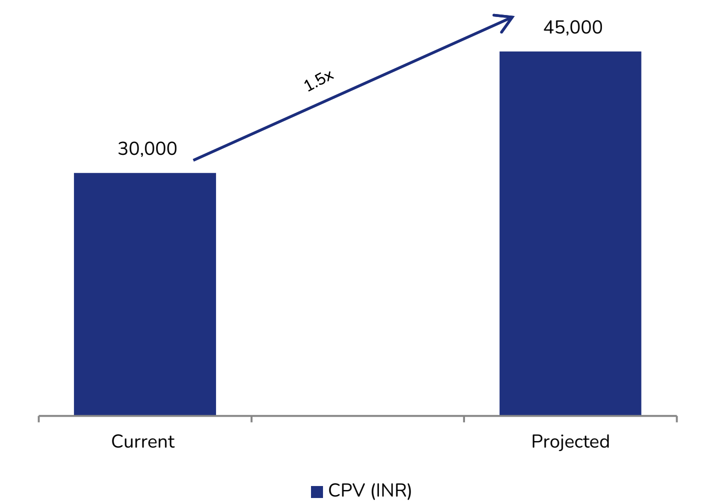
Source: Company, JM Financial

Exhibit 8. Domestic PV + LCV TAM is 2.5x 2W TAM



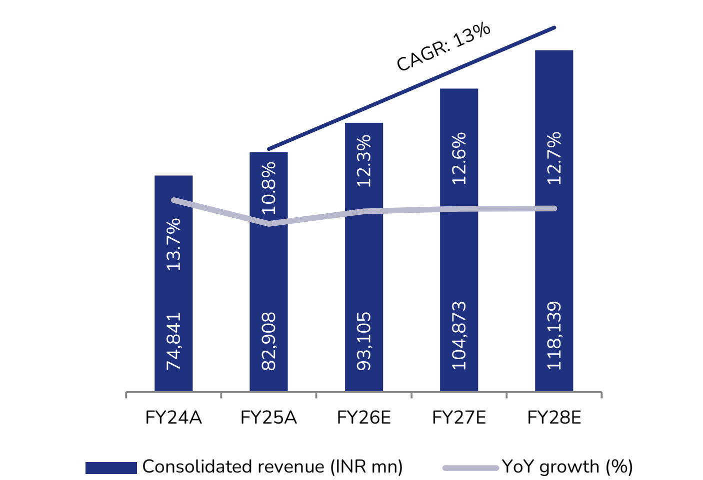
Source: Crisil Intelligence, JM Financial

Exhibit 9. BIL's 4W (PV + LCV) CPV is expected to rise 1.5x



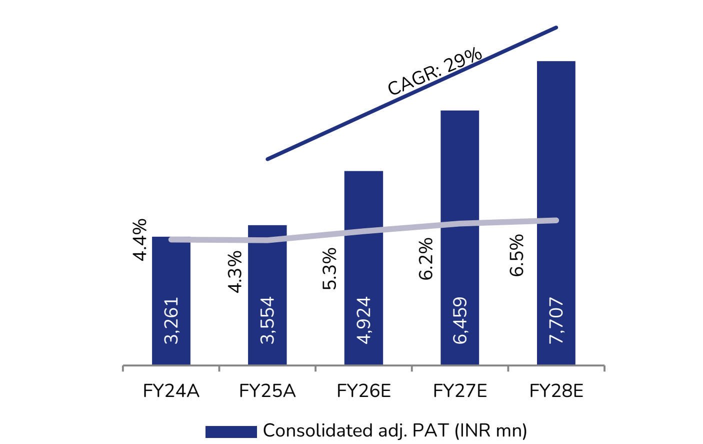
Source: Company, JM Financial

Exhibit 10. Consolidated revenue is estimated to grow at 13% CAGR



Source: Company, JM Financial

Exhibit 11. PAT to grow at 29% CAGR due to lower interest expense



Source: Company, JM Financial

Investment thesis

BIL has emerged as a leading player in India's 2W metal components space, capturing 24% market share and ranking among the top three suppliers. It is the largest supplier of chassis and exhaust systems to a leading Indian 2W manufacturer, among the top two suppliers to the country's top 2W OEM, the exclusive supplier for multiple premium models of an Indian premium 2W OEM, and one of the few players in India providing both suspension and steering columns. About 73% of its products are relevant across ICE and EV platforms, and it is expanding into EV-focused components like hub motors and chargers. Over FY16–25, BIL achieved 11.5% revenue CAGR, far outpacing the industry's 1.4%, highlighting its ability to grow wallet share and deepen OEM relationships in a stagnant market.

We estimate BIL's standalone and consolidated businesses to deliver ~14% and 13% revenue CAGR, respectively, over FY25–28E, which is expected to drive EBITDA growth of 15% and 14% CAGR for the standalone and consolidated businesses. EBITDA margin is expected to expand marginally during this period. Adjusted PAT is projected to outperform revenue growth, registering a CAGR of 31% for standalone and 29% for consolidated, supported by lower interest costs. This includes savings of INR 1.44bn over 12 months following loan repayment from INR 16bn IPO proceeds. We initiate coverage on BIL with a BUY rating and a TP of INR 215, based on 25x FY28E P/E. BIL is trading at ~19x our FY28E EPS, compared to the peer average of 27x FY28E P/E.

Structural tailwinds from domestic industry

- BIL derives ~81% of its manufacturing revenue from the 2W and 3W segments, making its performance closely aligned with trends in these markets. The company is well-positioned to benefit from structural shifts in the 2W industry. The GST rate cut on sub-350cc 2Ws from 28% to 18% is expected to boost demand, while the shift toward premium and electric models is driving demand for high-value components - an area where BIL has strong capabilities. Premium 2Ws offer 2.2x higher content per vehicle (CPV), benefiting the company's product mix.
- We estimate India's 2W production to grow at 9.7% CAGR over FY25–28E, with rising share of premium motorcycles. The 2W metal TAM is expected to grow from INR 197bn–199bn in FY25E to INR 348bn by FY30P, driven by volume recovery and higher value addition. Meanwhile, the 3W segment is estimated to grow at 7% CAGR, with electrification and design upgrades expected to lift metal CPV, expanding the TAM from INR 15bn–17bn to INR 27bn–29bn over FY25E–30P.

Rising content per vehicle in 2Ws – multiple levers

- BIL has outperformed the industry by a big margin. Its revenue delivered a CAGR of 11.5% over FY16-25 vs. domestic 2W industry CAGR of 1.4%. Its outperformance has been driven by deeper penetration with existing clients and the launch of new products, resulting in a steady increase in CPV. The company's CPV is ~INR 12,500 currently and is expected to rise to ~INR 17,300 (~1.4x) over the medium term. This increase is likely to be supported by three key drivers:
  - **Launch of premium and propriety products:** BIL remains focused on developing proprietary products that can further expand CPV. The addition of three new products – steering column (~INR 1,500 addition to CPV, started supplying to 4 OEMs), filters (~INR 800, started supplying to 2 OEMs), and brakes (~INR 2,500, supplying to 1 OEM) – is expected to meaningfully increase the company's overall CPV.
  - **Deeping penetration with customers:** BIL has been intensifying its focus on the 2W segment by increasing content with existing OEMs and adding new customers. BIL's largest customer, for which it is the leading supplier of sheet metal and fabricated parts and the primary supplier of chassis frames for its electric three-wheelers. The CPV from that customer is estimated to be approximately INR 12,500-13,000.
  - **Premiumisation to continue in 2W:** CPV is significantly higher in the premium segment owing to greater component complexity and shorter turnaround requirements. For example, the chassis in the commuter segment contributes ~INR 2,500 to CPV, whereas in the premium segment it contributes ~INR 5,500, implying a 2.2x increase. Moreover, premium models demand higher precision and superior aesthetics, which not only enhance BIL's value addition but also strengthen customer stickiness, providing the company with a sustainable competitive edge.

Expanding presence in 4W metal components

- Currently, BIL generates 11.7% of its manufacturing revenue from 4W (PV and LCV). The company aims to double its revenue from these categories over the next 2–2.5 years. The Indian 4W (PV+CV) automotive components market, valued at INR 3,037bn, is ~2.7x the size of the 2W components market, offering a significantly larger growth opportunity. Within this, the metal products market size is ~INR 566bn (FY25E) and is expected to register a CAGR of 9% over FY25E-FY30E to ~INR 877bn.

  This growth is expected to be driven by a strengthened product portfolio and the acquisition of H-One, which brings advanced technology in high-tensile steel components (up to 1,100 MPa) and access to two key Japanese OEMs. The acquisition of Mag Filters further enhances BIL's reach by opening doors to India's 4W market leader. This pivot toward 4Ws and CVs offers a multi-year growth runway, supported by a larger addressable market and increasing premiumisation in passenger vehicles, which is driving higher component complexity. All these strategic initiatives are expected to increase CPV from ~INR 30,000 to ~INR 45,000 (1.5x), implying a significant growth opportunity for BIL.

  BIL has commenced supplies of ATS brackets to a leading CV OEM. Furthermore, BIL made its maiden entry into the MHCV segment by winning an order for long members from a leading Indian commercial vehicle OEM. Additionally, during 2QFY26, BIL secured an order from a major Indian PV OEM for over 37 BIW parts for its upcoming SUV platform, further strengthening its position in the 4W segment.

Becoming a Tier-0.5 supplier; will enhance stickiness

- BIL has gradually been transitioning itself from a Tier-1 supplier (component supplier) to a Tier-0.5 supplier, which is like a system supplier. This means moving from delivering individual parts to providing complete, fully-integrated subsystems and systems that enable OEMs to simplify their supply chains and accelerate production rollouts. The transition is expected to make BIL an integral part of its customers' development and value chain and, thus, increase stickiness.

  BIL has already proven its capabilities of becoming a Tier-0.5 supplier. For instance, it is currently the largest sheet metal and fabricated parts supplier to one of the top Indian 2W and 3W companies and it has sub-assembled a variety of vehicle models during FY24. Moreover, in 2023, BIL was selected to fabricate a complete chassis system and provide a fully finished assembly for the 100 cc model of a Japanese 2W manufacturer.

Potential triggers for unlocking value

- **Trading business - an option to unlock value**: BIL's trading business - operated through its wholly owned subsidiary Badve Trading FZE – contributes ~21% to the company's overall revenue. This business focuses on the trading of commodities such as metals, lithium-ion batteries, and electronics, leveraging BIL's robust supply chain expertise and established presence in key international markets. Operations are primarily concentrated in the Middle East and Asia-Pacific regions, where BIL maintains strong supplier and customer relationships.

  From a profitability standpoint, as per our understanding, the trading business generates an EBITDA margin of ~6%, which is notably lower than the ~14% margin from BIL's core manufacturing operations (as per our back calculation). This margin dilution makes the trading segment a drag on overall profitability. However, the management has strongly indicated a potential hive-off of the trading business soon, which could significantly unlock value and improve margin profile. This presents a strategic call option for investors, offering upside potential if executed.

  While we are not factoring in the hive-off scenario at this stage, we estimate that the trading business revenue will register a CAGR of ~8% over FY25–28E and maintain its EBITDA margin at 6.2%.

- **Simplifying related-party structure - another lever to unlock:** As of FY25, BIL reported 36.9% of purchases and 26.6% of sales from related-party entities. Management is focused on simplifying the corporate structure and improving governance under the listed entity, aiming to reduce related-party transactions through mergers, acquisitions, divestments, and outsourcing. BIL has begun acquiring Badve Autocomps, its largest related party (8%/6% of sales/ purchases), with 14.03% stake already acquired and full ownership targeted by FY26. A comparable example is Gabriel India, where structural simplification unlocked significant shareholder value.

Valuation and view

We initiate coverage on BIL with a BUY rating and a TP of INR 215/share based on 25x FY28E P/E as we expect BIL to deliver a CAGR of ~13%/14%/29% in revenue/EBITDA/PAT over FY25-28E driven by:

a) Higher content per vehicle in the 2W segment is being driven by premiumisation and deeper customer penetration

b) Expansion in the 4W (PV+CV) segment is contributing to BIL's growth, supported by a broader product portfolio and increased customer access; and

c) Deleveraging the balance sheet is expected to support strong earnings growth, driven by lower interest expenses and improved financial efficiency

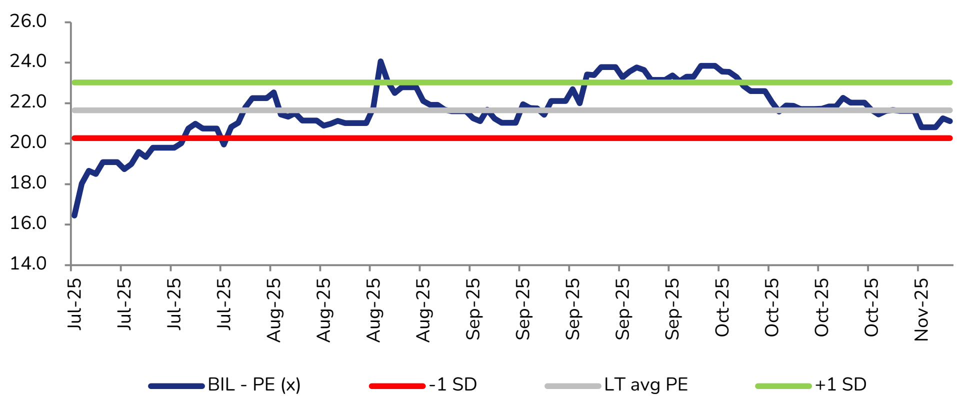
At CMP, BIL is trading at ~19x our FY28E EPS, compared to the peer average of 27x FY28E P/E.

Exhibit 12. Valuation

Particulars	
P/E multiple (x)	**25.0**
FY28 EPS (INR/share)	8.7
TP (INR/share)	**215**

Source: Company, JM Financial

Exhibit 13. BIL 1-year forward PE chart (since listing in May'25)



Source: Bloomberg, JM Financial

Exhibit 14. BIL is trading at a lower multiple vs. its peers, on our estimates

Domestic Company	Reco.	M.Cap (USD mn)	P/E FY26E	P/E FY27E	P/E FY28E	EV/EBITDA FY26E	EV/EBITDA FY27E	EV/EBITDA FY28E	ROE FY26E	ROE FY27E	ROE FY28E	EPS CAGR FY25-28E
BIL	**BUY**	**1,684**	**30.3x**	**23.1x**	**19.4x**	**13.2x**	**11.3x**	**9.4x**	**12.3%**	**11.6%**	**12.3%**	**16.6%**
Gabriel	NR	1,971	54.2x	35.5x	29.1x	32.1x	24.1x	19.8x	21.0%	26.8%	26.0%	27.7%
ASK Auto	BUY	1,117	29.5x	23.9x	19.9x	17.1x	14.2x	11.8x	27.0%	26.7%	25.8%	23.9%
Minda Corp	NR	1,644	46.5x	33.4x	26.3x	23.0x	19.1x	16.2x	12.6%	14.9%	16.2%	28.3%
Uno Minda	NR	8,625	60.9x	48.5x	39.6x	34.1x	28.3x	23.9x	18.6%	19.6%	20.0%	25.1%
Endurance Tech	BUY	4,630	40.4x	32.2x	25.0x	20.3x	16.3x	12.6x	15.3%	16.7%	18.4%	22.4%
Happy Forgings	BUY	1,078	33.0x	27.6x	22.5x	21.4x	17.7x	14.5x	14.4%	15.1%	16.1%	16.2%
Median			**43.4x**	**32.8x**	**25.6x**	**22.2x**	**18.4x**	**15.4x**	**16.9%**	**18.1%**	**19.2%**	**24.5%**
Mean			**44.1x**	**33.5x**	**27.0x**	**24.7x**	**19.9x**	**16.5x**	**18.2%**	**20.0%**	**20.4%**	**23.9%**

Source: Bloomberg, JM Financial

Key Risks

Over-reliance on one customer

We believe BIL derives a significant portion of its revenue from its top customer in the two-wheeler segment, making the company particularly sensitive to that customer's performance. While the customer has shown growth recently, any significant underperformance could have a detrimental impact on BIL's financial results.

Regulatory push on ABS in <125cc 2W mandate

One of the key growth levers for BIL is its higher content for newly launched braking systems (combi-brakes), which might become obsolete in light of the anticipated regulatory mandate for ABS in two-wheelers below 125cc. There has been growing resistance from OEMs and industry stakeholders, citing concerns around cost escalation and limited safety benefits in low-speed, entry-level models. If regulatory bodies go ahead with the proposed ABS implementation in this segment, then it could pose a risk to BIL's growth projections in its braking systems vertical. Such a development would impact the anticipated increase in content per vehicle. This regulatory uncertainty adds an element of risk to our projections.

Pressure from OEMs in case of market weakness

BIL has long-term contracts with most of its customers and suppliers, with pricing being largely determined in advance. Commodity prices (rise and fall) are also largely a pass-through. However, in a weak environment, OEMs could put pressure on their suppliers and, therefore, their margins. In such a case, however, BIL could also force its own suppliers to reduce their prices. If it is unable to do so, its margins would be impacted.

Stiff competition in 4W segment

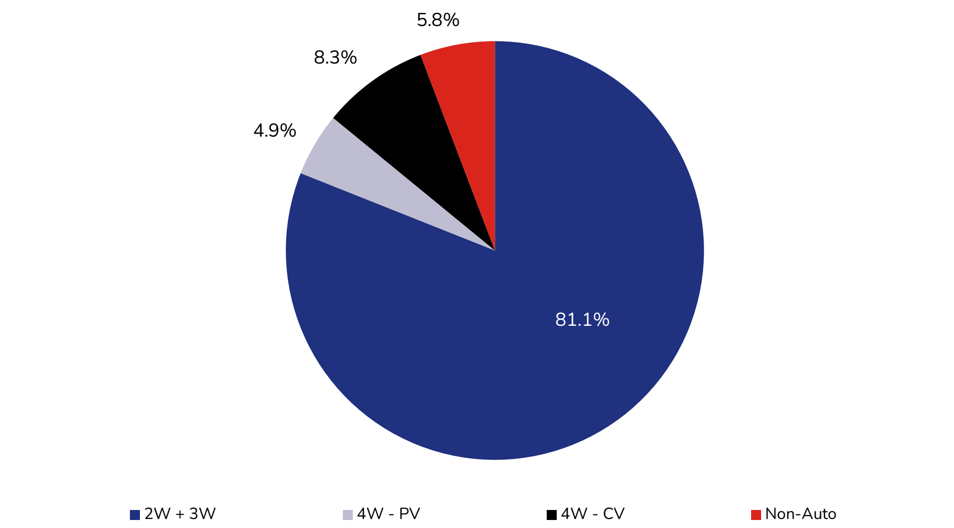
While BIL is actively expanding into the 4W segment, it faces significant challenges in gaining traction with established OEMs. The 4W industry is characterised by longstanding supplier relationships, high entry barriers, and stringent quality and validation requirements. Many global and domestic OEMs already have deeply integrated supply chains with trusted Tier-1 suppliers, making it difficult for new entrants to displace incumbents. BIL's ability to penetrate this space will depend on its capacity to differentiate through proprietary technologies, cost competitiveness, and consistent delivery performance. Additionally, the capital-intensive nature of 4W component manufacturing and longer product development cycles could delay returns on investment. Failure to secure meaningful volumes or long-term contracts in this segment could impact BIL's growth aspirations and margin expansion targets.

A leading 2W sheet metal components manufacturer

BIL has not only made inroads into the sheet metal space where OEMs (original equipment manufacturers) usually have captive suppliers but also has captured 24% market share (MS) in the overall 2W metal components segment in India to become one of the top 3 players in the space.

- ***It is the largest supplier of chassis and exhaust systems to a leading Indian 2W manufacturer,***
- ***Among the top two suppliers to the country's top 2W OEM,***
- ***The exclusive supplier for multiple premium models of an Indian premium 2W OEM, and***
- ***One of the few players in India providing both suspension and steering columns.***

Exhibit 15. ~81% of consolidated revenue comes from 2W and 3W segments

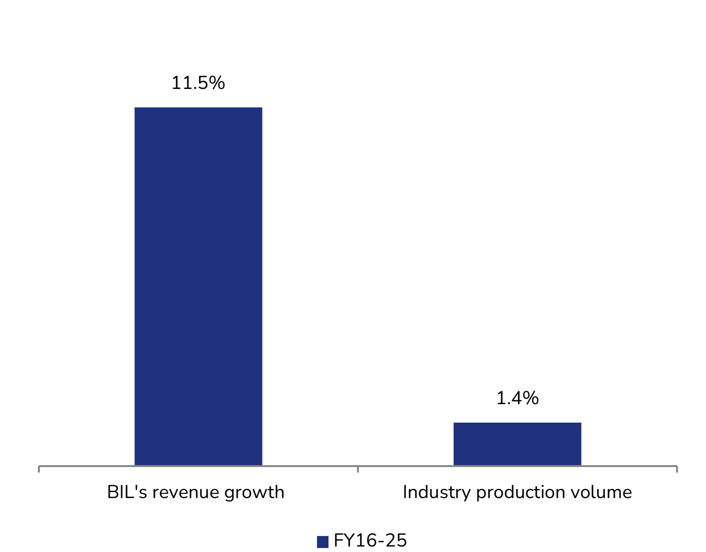


Source: Company, JM Financial

Moreover, ~73% of BIL's product offerings remain technically relevant and economically necessary across both internal combustion engine (ICE) and electric vehicle (EV) platforms. Further, it has been adding products that are focused on EV such as hub motors, motor controllers, chargers, and lightweight structural parts.

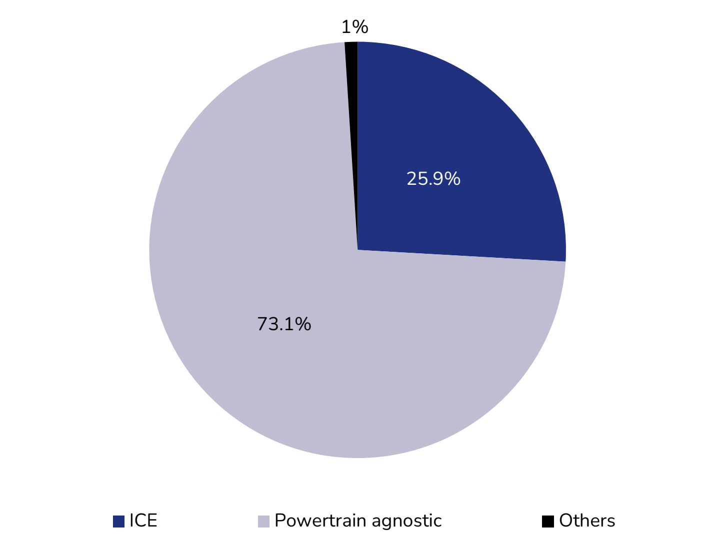
Over FY16-25, BIL delivered a CAGR of 11.5% in its revenue, significantly outpacing India's industry (2W) production volume CAGR of 1.4%. This outperformance underscores the company's ability to gain wallet share, introduce value-added products, and deepen penetration across OEM platforms, even in a relatively stagnant industry environment.

Exhibit 16. BIL has outperformed the industry



Source: Company, JM Financial

Exhibit 17. ~73% of the revenue is powertrain agnostic



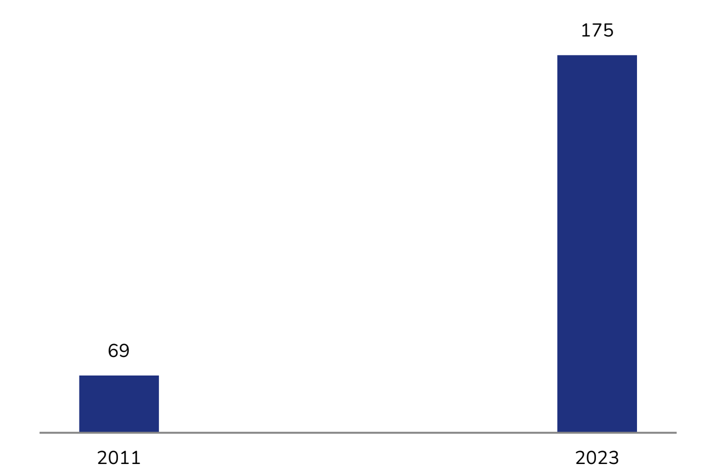
Source: Company, JM Financial

Structural tailwinds from domestic industry

BIL derives ~81% of its manufacturing revenue from the 2W and 3W segments, making its performance closely aligned with trends in these markets. The Indian 2W industry has witnessed both structural growth and cyclical downturns over the past 7 years.

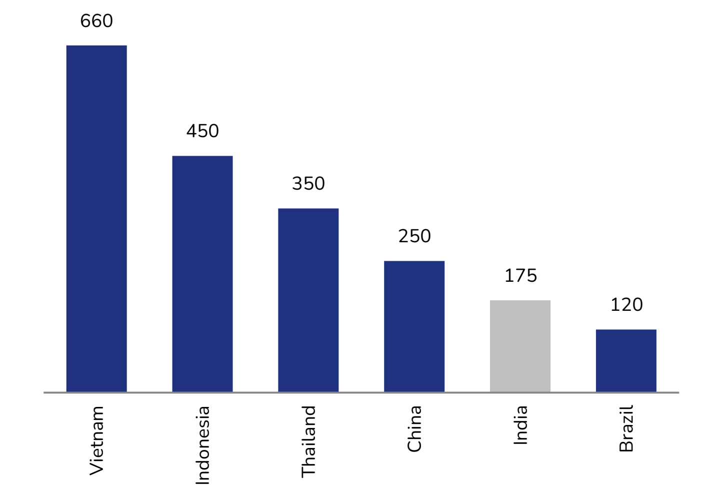
India has witnessed a steady rise in 2W penetration over the past decade, reflecting increased affordability, rising rural incomes, and improved road infrastructure. From around 69 2Ws per 1,000 people in 2011, penetration has grown to an estimated 175 per 1,000 by 2023. Despite this growth, India's 2W penetration remains moderate compared to some Southeast Asian economies, indicating further room for expansion, especially in rural and semi-urban regions.

Exhibit 18. 2W penetration (per 1,000 people) in India has been rising…



Source: Industry Research, JM Financial

Exhibit 19. …despite that 2W penetration in India is still low, leaving significant headroom for growth (as of 2023)



Source: Industry Research, JM Financial

The Indian 2W industry has seen a mix of structural growth and cyclical slowdowns, shaped by both macroeconomic factors and regulatory transitions over the past 7 years. Total production peaked in FY19 at 24.5mn units, after growing steadily from 19.9mn units in FY17, driven by strong rural demand, a surge in urbanisation, and favourable monsoons. During this period, a rise in disposable income and low fuel prices supported sales of both commuter and premium motorcycles. The industry grew at a robust CAGR of ~10% between FY17 and FY19, which was its last major up-cycle before Covid-19 brought everything to a halt.

Between FY20 and FY22, the industry entered a downturn. Production declined sharply to ~17.7mn units in FY22, primarily due to the combined impact of regulatory changes (BS-IV to BS-VI transition) leading to a significant rise in vehicle prices, and the Covid-19 pandemic. These factors dampened consumer sentiment and disrupted supply chains. The entry-level motorcycle segment (100–110cc), which forms the bulk of rural demand, was especially hit as affordability became a major concern. Fuel price inflation further dented consumer confidence in this segment, leading to a prolonged slump.

GST rationalisation to address affordability concern

The industry started recovering in FY23, with production reaching ~19.5mn units and further improving to ~23.9mn units in FY25. This rebound was led by a mix of replacement demand, premiumisation, and a gradual improvement in rural consumption. While the entry-level (75-100cc) commuter motorcycle segment remained subdued (CAGR 0.7% over FY22-25), the 100-125cc category (CAGR 15.3% over FY22-25), >125cc category (CAGR 11.9% over FY22-25), and scooters (CAGR 19.7% over FY22-25) saw strong growth.

Affordability, however, remained a concern until the recent GST rationalisation addressed the issue. Under the new GST regime, the tax rate for 2Ws up to 350cc (more than 99% of the domestic 2W volume) has been reduced from 28% to 18%, while the GST on motorcycles above 350cc has increased to 40% (from 31% earlier, comprising 28% GST and 3% cess). This revision directly addresses the affordability challenges that arose due to regulatory-driven cost escalations in the 2W segment. The reduced tax burden is expected to stimulate demand for two-wheelers across India.

Transition towards premiumisation and electrification to augur well

BIL's product portfolio is well-positioned to navigate the ongoing transition from internal combustion engine (ICE) vehicles to electric vehicles (EVs). Currently, 73.1% of BIL's manufacturing revenue is derived from powertrain-agnostic products, which are equally applicable to both ICE and EV platforms. Only 25.9% of revenue is linked to ICE-specific components, primarily exhaust systems, which are expected to phase out as EV adoption accelerates.

This favourable product mix significantly mitigates the downside risk associated with the shift to EVs. In fact, the transition opens up new white spaces for BIL to capture - particularly in emerging EV-specific components such as hub motors, motor controllers, chargers, and lightweight structural parts. These areas not only align with BIL's existing capabilities but also offer opportunities for content per vehicle expansion and margin improvement.

BIL is currently in the process of establishing a dedicated manufacturing facility in Pune (Pune-V facility), which will serve as a cornerstone for its entry into the EV components space. This facility is designed to develop its in-house capabilities for producing hub motors and chargers - critical components in the EV value chain. BIL began trial production for hub motors, marking a significant milestone in its transition toward high-value EV technologies. Among Indian OEMs, only Bajaj Auto and TVS are the ones using hub motors, which are currently sourcing from Sona BLW and Varroc Engineering, among others.

BIL is also in the process of expanding the EV product portfolio beyond hub motors. Products such as motor controller casings, motor casing parts, steering columns and suspensions are to be added in the portfolio.

To accelerate this growth, BIL is actively exploring joint venture opportunities with leading EV component manufacturers. These partnerships will not only fast-track technological capabilities but also provide access to established distribution networks and market credibility.

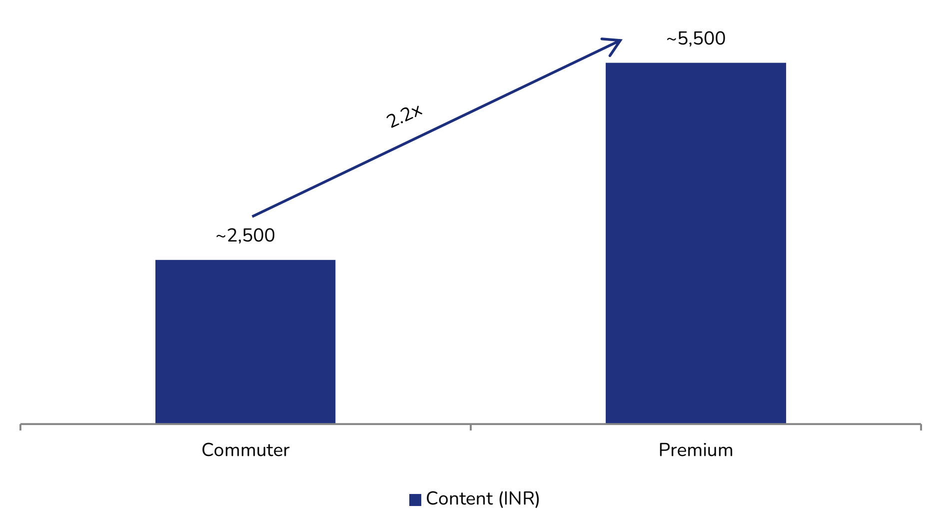
BIL's strategic objective is to increase content per electric two-wheeler from the current range of 10–15% to 20–25%, thereby enhancing revenue per vehicle and strengthening its position in the EV ecosystem. This will be achieved by entering proprietary segments such as motors, motor controllers, and chargers, which collectively account for 15–20% of the total cost of an electric two-wheeler.

In terms of e2Ws, volume has registered a significant CAGR of 125% over FY21-25, and penetration has expanded to 6.8% as of YTDFY26 vs. negligible in FY21.

As the industry continues to shift toward premium and electric models, the demand for technologically superior and value-added components is rising – areas where BIL already has strong capabilities and market share. The shift toward premium will benefit BIL, as content per vehicle is higher in this segment (2.2x, INR 5,500 for premium segment vs. INR 2,500 for commuter segment) due to increased use of advanced suspension, braking systems, and aluminium parts.

The shift toward premiumisation will benefit BIL, as content per vehicle is higher in this segment (2.2x, INR 5,500 for premium segment vs. INR 2,500 for commuter segment).

Exhibit 20. Content is 2.2x higher in premium segment for chassis

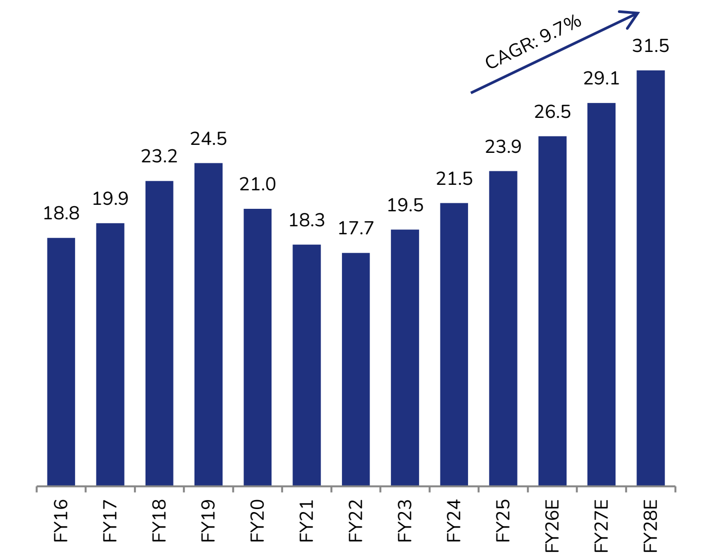


Source: Company, JM Financial

We estimate the Indian 2W industry to clock a CAGR of 9.7% over FY25–28E, driven by sustained momentum in the scooter segment (CAGR of 11%) and resilient demand in motorcycles (CAGR of 9.3%). Within motorcycles, the segment mix is expected to increasingly skew toward premium offerings, with the share of 110–125cc and >125cc bikes rising to 32% and 30%, respectively, by FY28E, from 30% and 28% in FY25.

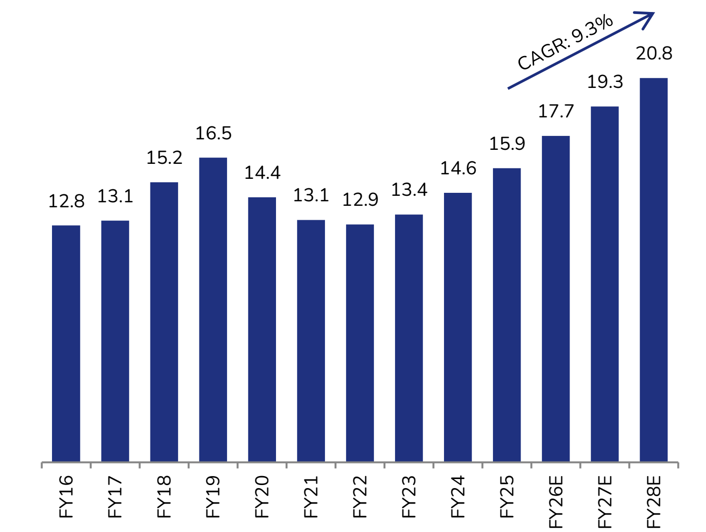
The total addressable market (TAM) for 2W metal products in India is expected to witness healthy growth, driven by strong recovery in domestic demand and rising premiumisation within the motorcycle segment. TAM is projected to increase from INR 197bn–199bn in FY25E to INR 348bn by FY30P, implying strong medium-term expansion. The growth reflects both volume recovery and higher value addition per vehicle, supported by OEM focus on performance and styling upgrades that enhance metal component intensity.

Exhibit 21. Domestic 2W production (mn) to grow at a CAGR of 9.7%, driven by...



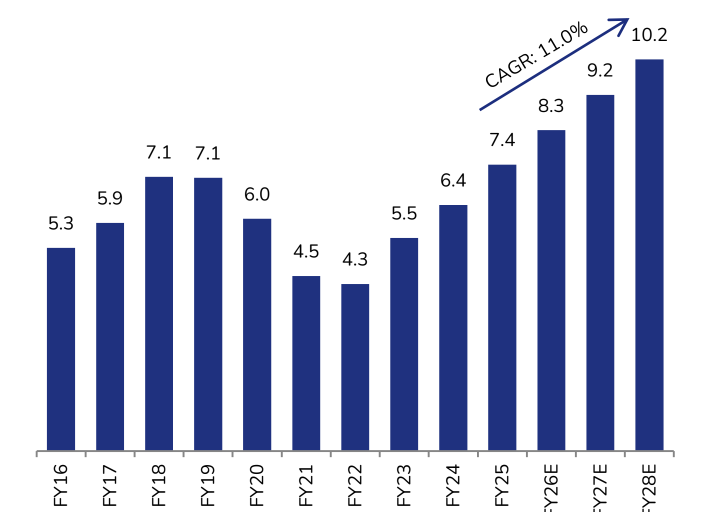
Source: SIAM, JM Financial

Exhibit 22. ...motorcycle production, which is estimated to grow at a CAGR of 9.3%...



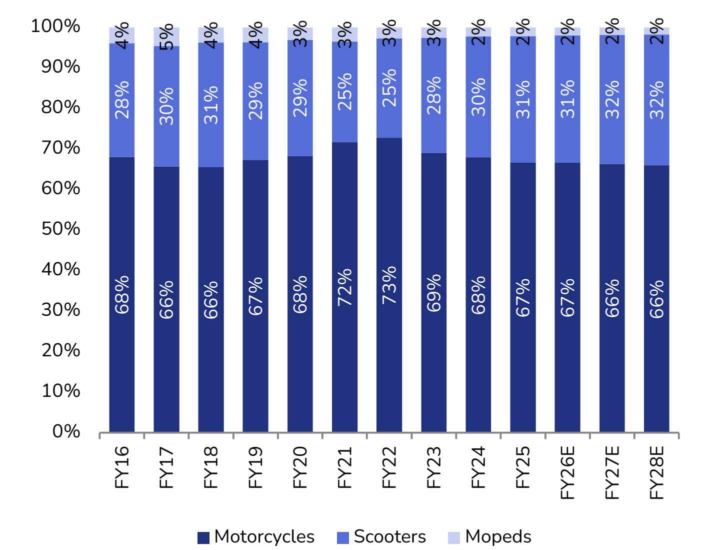
Source: SIAM, JM Financial

Exhibit 23. ...and scooter production, which is to grow at 11.0% CAGR



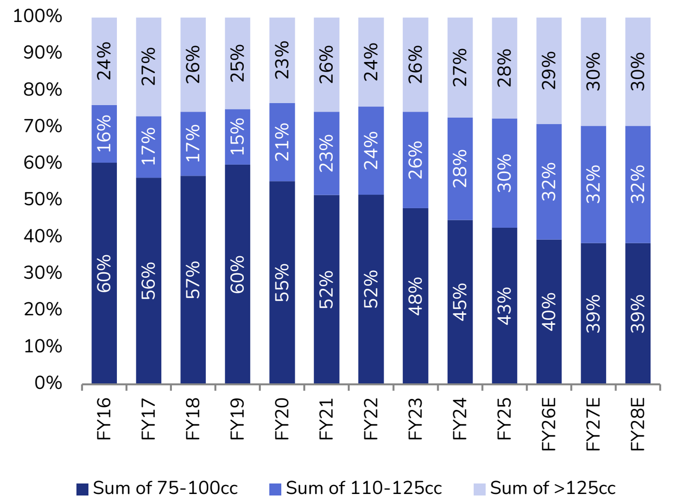
Source: SIAM, JM Financial

Exhibit 24. Scooter mix continues to expand in domestic 2W space



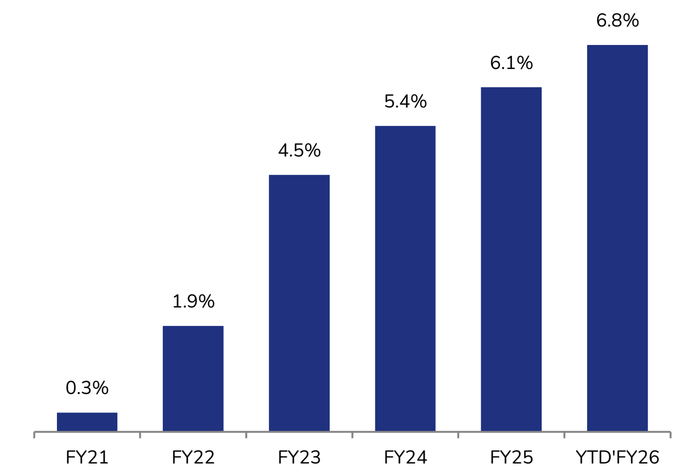
Source: SIAM, JM Financial

Exhibit 25. Premiumisation to augur well for BIL due to higher CPV



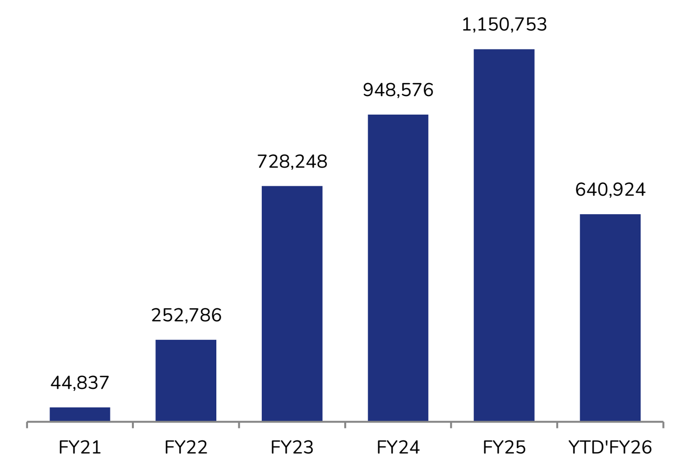
Source: SIAM, JM Financial

Exhibit 26. Rising e2W penetration to favour BIL as CPV is higher



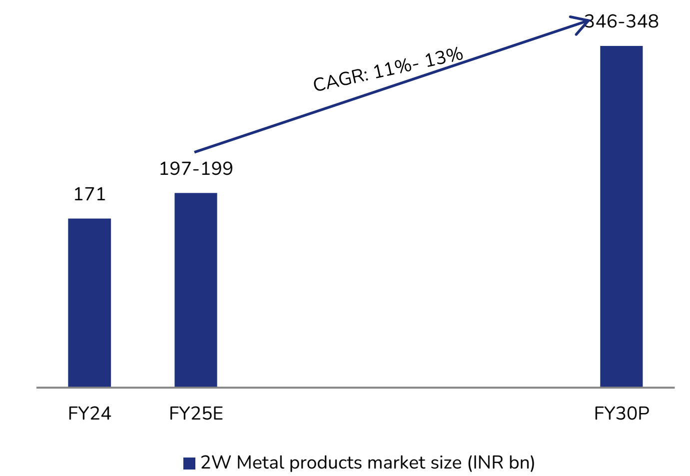
Source: Vahan, JM Financial

Exhibit 27. E2W retail sales (units) crossed 1mn mark in FY25



Source: Vahan, JM Financial

Exhibit 28. 2W metal products TAM to growth at 11-13% CAGR



Source: Crisil Intelligence, JM Financial

The Indian 3W industry has witnessed a cyclical trend over FY16–25. Production grew steadily from ~0.93mn units in FY16 to a peak of ~1.27mn units in FY19, driven by strong demand for passenger carriers and increasing penetration in semi-urban and rural markets.

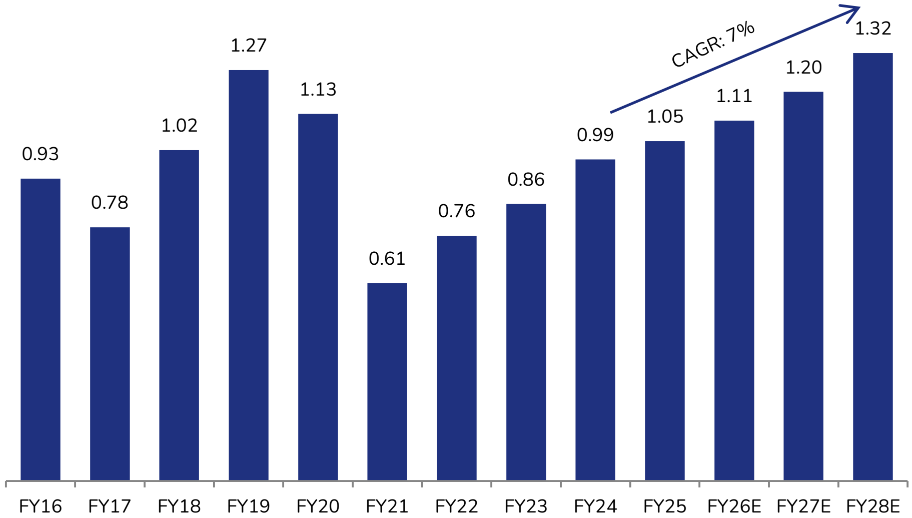
However, the segment was severely impacted in FY20–FY22 due to regulatory changes (BS-IV to BS-VI transition), liquidity issues in the space, and a sharp drop in urban mobility demand during Covid-19. Production volume declined to ~0.76mn units in FY22.

A recovery began in FY23, supported by improved financing availability, demand recovery in shared mobility, and the emergence of electric 3Ws, which gained traction in both passenger and cargo applications. By FY25, production volume reached ~1.05mn units, still below the pre-Covid peak, but with a growing share of EVs.

We estimate the 3W industry to grow at a CAGR of 7% over FY25-28E aided by the recent GST rate rationalisation (rate down to 18% from 28%), cost-efficient last-mile connectivity, pick-up in shared mobility, and state-level EV incentives.

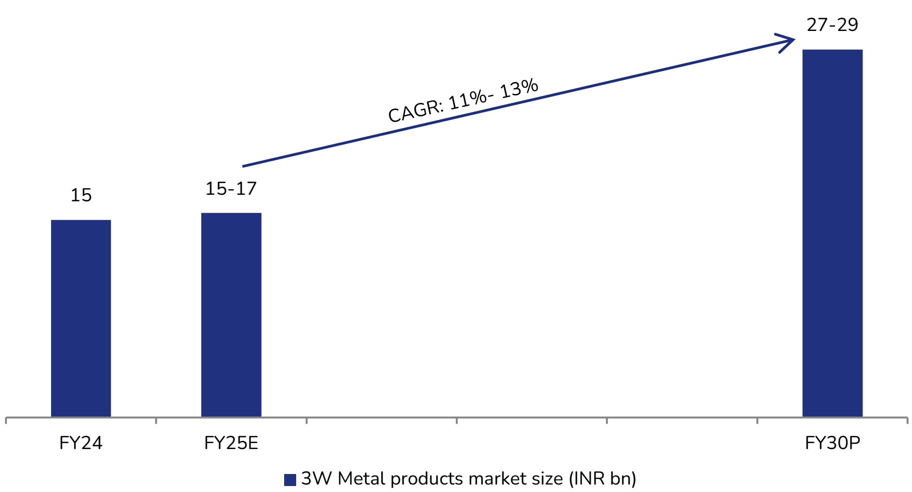
The 3W metal products market is expected to nearly double over FY25E-30P, expanding from INR 15bn–17bn in FY25E to INR 27bn–29bn by FY30P. The growth is underpinned by sustained demand from urban and semi-urban mobility solutions and increasing adoption of electric three-wheelers. Electrification and design changes in this segment are expected to lift the overall metal content per vehicle, aiding TAM expansion despite relatively modest volume growth.

Exhibit 29. 3W industry production vol (mn units) is estimated to grow at a CAGR of 7% over FY25-28E



Source: SIAM, JM Financial

Exhibit 30. 3W metal products market size to register a CAGR of 11-13% over FY25E-30P



Source: Crisil Intelligence, JM Financial

Rising content per vehicle in 2Ws – multiple levers

BIL's CPV is ~INR 12,500 currently and is expected to rise to ~INR 17,300 (~1.4x) over the medium term.

BIL has outperformed the industry by a big margin. Its revenue delivered a CAGR of 11.5% over FY16-25 vs. domestic 2W industry CAGR of 1.4%. BIL's outperformance has been driven by deeper penetration with existing clients and the launch of new products, resulting in a steady increase in CPV. BIL's CPV is ~INR 12,500 currently and is expected to rise to ~INR 17,300 (~1.4x) over the medium term (~INR 14,800 excluding braking system). This increase is likely to be supported by three key drivers:

- **Launch of premium and propriety products:** Over nearly 3 decades of operations, BIL has steadily enhanced its manufacturing capabilities - from precision sheet metal pressing and fabrication to polymer component manufacturing, suspension system design and production, and coating and painting services. This progression has enabled the company to consistently increase both the value and complexity of the components supplied per vehicle, translating into higher CPV. Looking ahead, BIL remains focused on developing proprietary products that can further expand CPV.

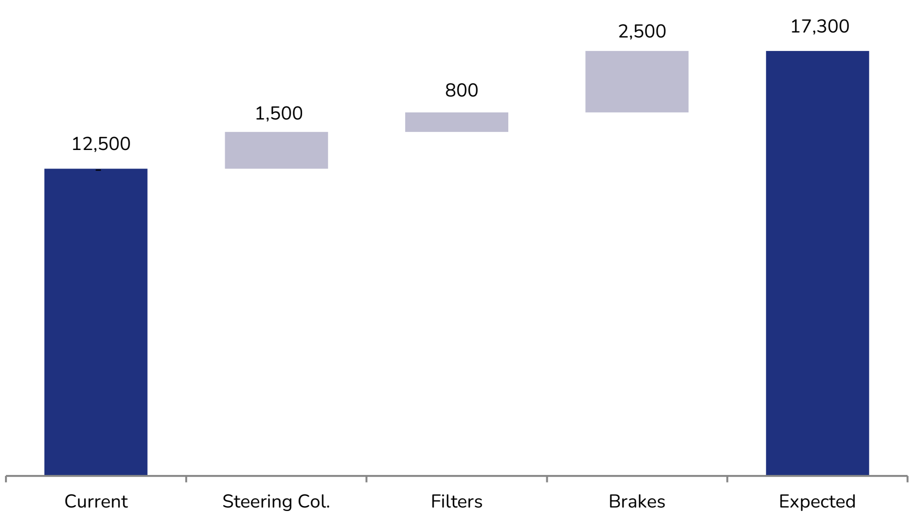
  The addition of three new products – steering column (~INR 1,500 addition to CPV, started supplying to 4 OEMs), filters (~INR 800, started supplying to 2 OEMs), and brakes (~INR 2,500, supplying to 1 OEM) – is expected to meaningfully increase the company's overall content per vehicle. Early traction is already visible; for instance, BIL has commenced steering column supplies to four OEMs (working with a European player and three of the largest 2W OEMs in India), underscoring the scalability of these new offerings. Further, BIL has also begun trial production for pilot hub motors for electric vehicles at its Pune facility.

- **Braking system segment:** Currently, BIL manufactures and supplies CBS (Combined Braking System) to OEMs. However, the CBS segment faces regulatory risk, as the government has proposed mandating ABS (Anti-lock Braking System) for all two-wheelers, expanding the requirement beyond the current threshold of bikes above 125cc. As per the draft notification, all vehicles manufactured from January 1, 2026, must be equipped with ABS. If implemented, this regulation would sharply reduce the addressable market for CBS, limiting its application primarily to export models.

  Additionally, Ola Electric (which we believe is BIL's key CBS customer) has indicated plans to manufacture ABS in-house. While BIL's management has expressed interest in entering the ABS segment through technical collaborations or joint ventures, it is expected to face competition from established players such as Endurance Technologies and Bosch.

  On the flip side, since ABS requires discs and a modulator, BIL's presence in disc manufacturing could offer some insulation, as OEMs may still source discs from BIL while procuring modulators from other suppliers.

Exhibit 31. CPV is expected to rise from INR 12,500 to INR 17,300, led by new products



Source: Company, JM Financial

- **Deeping penetration with its customers:** BIL has been intensifying its focus on the 2W segment by increasing content with existing OEMs and adding new customers. BIL's largest customer, for which it is the leading supplier of sheet metal and fabricated parts and the primary supplier of chassis frames for its electric three-wheelers. The CPV from that customer is estimated to be approximately INR 12,500–13,000.

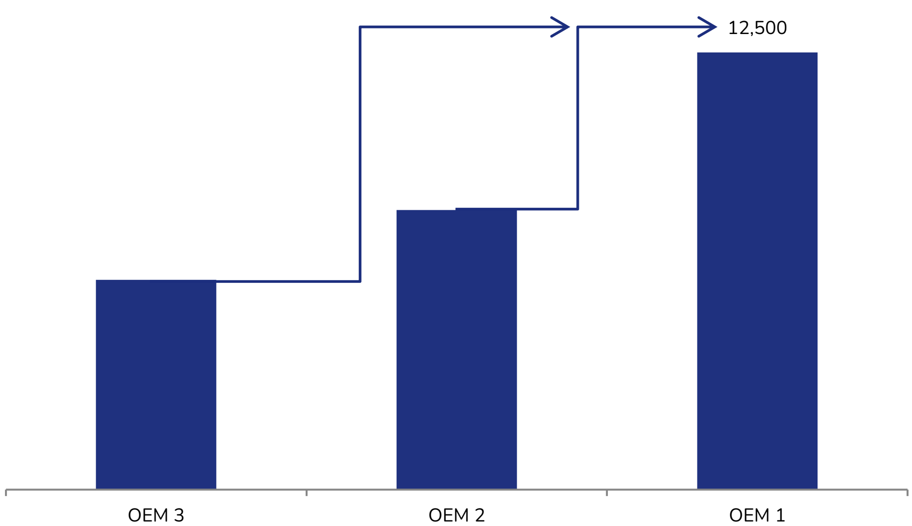
  Beyond the largest customer, additional growth opportunities lie in increasing CPV with other key customers whose current CPV levels are significantly lower. BIL is actively working to deepen these relationships through new product introductions and higher wallet share, which should drive improvement in CPV across its customer base. Additionally, BIL added four new customers (three out of the top 4 E2W players and one of the largest European OEMs) in FY25 and 1HFY26. The acquisition of new clients will further deepen its penetration in the 2W industry.

Exhibit 32. Strong relationship with its key customers

Top customers	Type of vehicle	Number of years of association	Key products supplied	Share of business (SoB)
OEM1	2W	15	Chassis, Exhaust System, BIW, Suspension, Steering column, Plastic, Tier 0.5 assembly	High
OEM2	2W	12	Chassis, Exhaust System, BIW, Plastic	High
OEM3	2W	6	Chassis, Exhaust System, BIW	Medium
OEM4	2W	14	Chassis, Exhaust System, BIW	Low

Source: Company, JM Financial

Exhibit 33. Deeper penetration with 2nd and 3rd largest customers to increase overall CPV (INR)



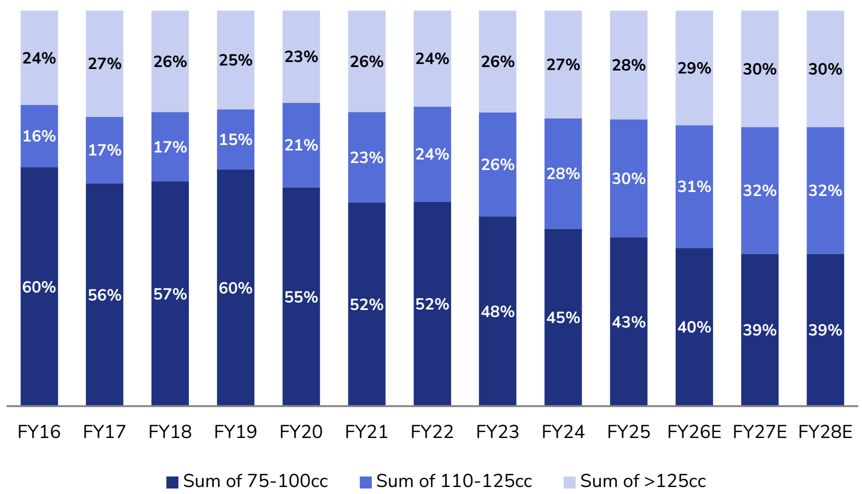
Source: Company, JM Financial

- **Premiumisation to continue in 2W:** The Indian 2W industry is witnessing a clear trend of premiumisation, with the share of entry-level motorcycles steadily declining from 50% in FY16 to 43% in FY25, and estimated to decline to 39% by FY28E. In contrast, the share of mid-size (110–125cc) and premium (>125cc) motorcycles has been consistently expanding, rising from 16% and 24% in FY16 to 32% and 30% by FY28E, respectively. We estimate volume in the 100–125cc and >125cc motorcycle segments to record a robust CAGR of 11.3% and 11.2%, respectively, over FY25–28E. This strong growth trajectory underscores the accelerating premiumisation trend within the 2W industry.

  This structural shift reflects growing consumer preference for higher performance, superior aesthetics, and enhanced features, supported by improving affordability and rural income recovery. For suppliers like BIL, this transition is particularly positive as premium motorcycles entail higher content per vehicle, offering both value uplift and improved customer stickiness.

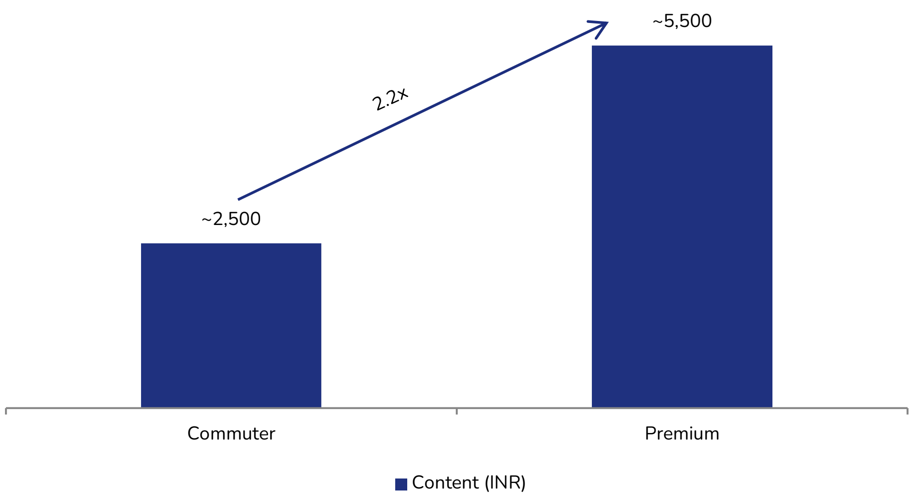
  CPV is significantly higher in the premium segment owing to greater component complexity and shorter turnaround requirements. For example, **the chassis in the commuter segment contributes ~INR 2,500 to CPV**, **whereas in the premium segment it contributes ~INR 5,500, implying a 2.2x increase.** Moreover, premium models demand higher precision and superior aesthetics, which not only enhance BIL's value addition but also strengthen customer stickiness, providing the company with a sustainable competitive edge.

Exhibit 34. Rising share of premium bikes within motorcycle industry to augur well for BIL...



Source: SIAM, JM Financial

Exhibit 35. ...as content is 2.2x higher in premium segment for chassis



Source: Company, JM Financial

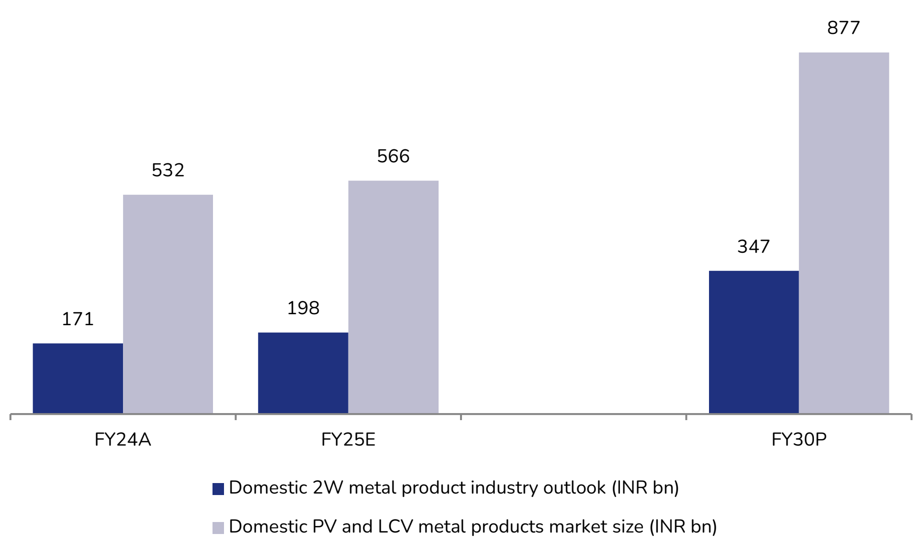
Expanding presence in 4W metal components

Currently, BIL generates 13.3% of its manufacturing revenue from 4W (PV and CV). The Indian 4W (PV+CV) automotive components market, valued at INR 3,037bn, is ~2.5x the size of the 2W components market, offering a significantly larger growth opportunity. Within this, the metal products market size is ~INR 566bn (FY25E) and is expected to register a CAGR of 9% over FY25E-FY30E to ~INR 877bn.

BIL, which has already established leadership in the 2W segment, is strategically positioning itself to capture this opportunity by expanding its presence in the 4W and CV segments. The company aims to double its revenue from these categories over the next 2–2.5 years, supported by its strong design and development capabilities, proven OEM relationships, and recent strategic acquisitions.

BIL has already commenced supplies to a leading CV OEM from its newly inaugurated Chennai facility. It **started supplying the ATS bracket to a leading commercial vehicle OEM**, a product developed over 12 months and now poised for a sharp ramp-up. Further, **BIL made its maiden entry into the MHCV segment with an order win for long-members** (the long member is a critical component of the MHCV chassis, manufactured using high-tensile steel of up to 900 megapascals.) from a leading Indian commercial vehicle OEM.

Exhibit 36. Domestic PV and LCV metal TAM is 2.5x 2W metal TAM



Source: Crisil Intelligence, JM Financial

In 2QFY26, BIL secured order from a large Indian PV OEM for over 37 BIW parts for its upcoming SUV platform, further strengthening its position in 4W segment.

- **BIL's growth strategy rests on multiple pillars:**
  - Firstly, deepening penetration with existing OEMs by supplying to new vehicle models - BIL's focus on new model launches allows it to bypass the long and uncertain cycles typical of mature platforms. This strategy has already been successfully implemented across four passenger vehicle OEMs and three CV OEMs, providing evidence of execution.
  - Secondly, BIL plans to scale cross-selling of proprietary products - such as air tanks, premium chassis systems, and cross-car beams - already commercialised with major PV and CV OEMs. By extending these products across a broader set of platforms and customers, BIL is well positioned to accelerate growth in 4W and CV segments.
  - Thirdly, leveraging its relationship with a premium British OEM to scale direct exports to European and American clients - building on its established relationship with one of Europe's leading premium OEMs, BIL aims to emulate the success with other European OEMs. In fact, it recently secured orders from two major European OEMs with production for both scheduled to commence in the second half of FY26. These orders mark the beginning of a broader export push that it intends to scale up (export currently form merely 6% of manufacturing revenue).

It is also expanding into Japanese OEMs through the acquisitions of H-One India and Mag Filters. These initiatives not only diversify the company's revenue base but also enhance its technological positioning in higher-value and more complex products. Further, BIL gets new design capabilities that are expected to lead to increase in CPV.

- **H-One India: High-value, high-impact acquisition:** Acquired for INR 1.9bn, **H-One India significantly strengthens BIL's manufacturing and design capabilities in high-tensile steel components, with access to materials up to 1,100 MPa, well above the industry average of 600 MPa.** This enables substantial lightweighting and cost efficiency for OEMs. The facility includes 5 transfer press lines (up to 1,500 MT) and 65 high-speed robots, with a lead time advantage of 12–18 months.

  The acquisition is expected to increase CPV by 60% (~INR 15,000) in the 4W segment. It also adds vertical integration through precision tool die design and an R&D centre, while expanding customer reach to two new Japanese 4W OEMs and increasing penetration in two Japanese 2W OEMs.

  H-One acquisition is expected to increase CPV by 60% (~INR 15,000) in the 4W segment.

  H-One's strategic location near key OEM hubs in Rajasthan and Delhi adds value through potential land value and if BIL consolidates operations in Rajasthan and sells the Noida land, it could generate significant cash for the company.

  Further, acquisition of H-one helped BIL get maiden entry into the M&HCV segment with an order win for long-members (an integral structural part of the chassis system in a CV) from a leading Indian commercial vehicle OEM.

  In 2QFY26, H-One faced challenges due to weakness in demand from its Japanese customer and clocked revenue of INR 600mn, which is expected to improve to INR 4,000mn to INR 4,500mn revenue in the next 24 months.

- **Mag Filters: Niche capability expansion:** Mag Filters, acquired for INR 165mn, enhances BIL's portfolio in filtration systems and plastic moulding components, supported by an in-house R&D setup and 24 moulding machines (up to 2,200 MT). While the CPV increase is more modest at INR 1,000 per 4W vehicle, it still contributes meaningfully through proprietary design capabilities and customer expansion - one new Japanese 4W OEM and increased penetration in one Japanese 2W OEM.

  BIL's acquisition of Mag Filters enhances its 4W segment presence by gaining access to a leading Indian OEM.

  BIL's acquisition of Mag Filters enhances its 4W segment presence by gaining access to a leading Indian OEM. Currently supplying filtration systems, BIL is well-positioned to secure sheet metal component contracts as the OEM seeks to diversify from its captive supplier amid major capacity expansion plans.

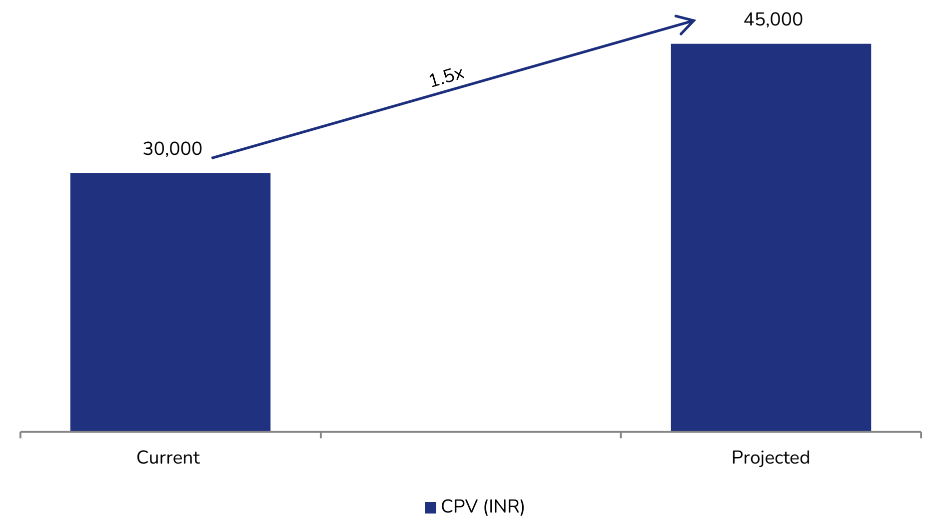
Exhibit 37. Acquisitions for capability expansion and getting access to new customers

Particulars	H-One India Key Benefits	MagFilters Key Benefits
Acquisition cost (INR mn)	1,900	165
Customers:	- Addition of 1 new Japanese 4W OEM, - Increase in penetration in 2 other Japanese 2W OEMs	- Addition of 1 new Japanese 4W OEM, - Increase in penetration in 1 other Japanese 2W OEM
Capabilities:	- **Design:** Access to high tensile steel manufacturing up to 1,100 MPa (as compared to industry average of 600 MPa), leading to lightweighting and cost efficiency complete R&D set up available - **Manufacturing:** Access to 5 transfer press lines up to 1,500 MT, having an avg. lead time of 12-18 months, along with 65 high speed robots	- **Design:** Access to design of proprietary filtration systems and plastic moulding components, with R&D set up in house - **Manufacturing:** Access to 24 plastic moulding up to 2,200 MT
Content per vehicle (CPV)	Increase by 60% (INR 15,000) in 4W	Increase by INR 1,000 in 4W
Verticalization	Addition of precision tool die design capabilities and R&D centre, with business from 2 new 4W OEMs (apart from the above)	NA
Location	Strategically located to key automotive OEMs in Rajasthan and Delhi with a hidden land value	NA

Source: Company, JM Financial

All these strategic initiatives are expected to **increase CPV from ~INR 30,000 to ~INR 45,000 (1.5x)**, implying a significant growth opportunity for BIL. The pivot toward 4Ws and CVs provides BIL with a multi-year growth runway, as the addressable market size is significantly larger and premiumisation trends in passenger vehicles continue to increase component complexity. By leveraging its existing customer relationships, acquisitions, and export linkages, BIL is well-placed to scale meaningfully in these segments, thereby driving both revenue growth and margin expansion.

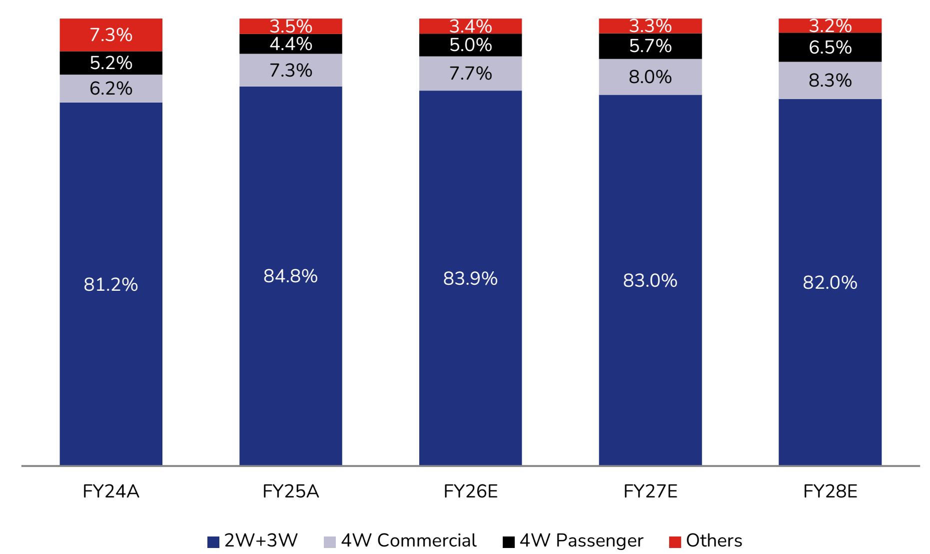
Exhibit 38. 4W content for BIL is expected to rise 1.5x



Source: Company, JM Financial

We estimate a 24% CAGR in revenue from the 4W segment (PV + CV) over FY25–28E, driving an increase in revenue contribution to 14.5% in FY28E from 11.7% in FY25.

Exhibit 39. 4W contribution in manufacturing to rise to 14.8% in FY28E, up from 11.7% in FY25



Source: Company, JM Financial

Becoming a Tier-0.5 supplier; will enhance stickiness

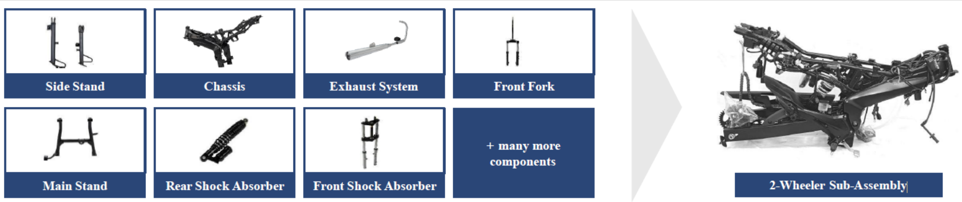
BIL has gradually been transitioning itself from a Tier-1 supplier (component supplier) to a Tier-0.5 supplier, which is like a system supplier. This means moving from delivering individual parts to providing complete, fully-integrated subsystems and systems that enable OEMs to simplify their supply chains and accelerate production rollouts. The transition is expected to make BIL an integral part of its customers' development and value chain and, thus, increase stickiness.

The transition to becoming a Tier-0.5 supplier is expected to make BIL an integral part of its customers' development and value chain and, thus, increase stickiness.

BIL has already proven its capabilities of becoming a Tier-0.5 supplier. For instance, it is currently largest sheet metal and fabricated parts supplier to one of the top Indian 2W and 3W companies and it has sub-assembled a variety of vehicle models during FY24. Moreover, in 2023, BIL was selected to fabricate a complete chassis system and provide a fully finished assembly for the 100 cc model of a Japanese 2W manufacturer. Currently, BIL is in discussions with another CV OEM to manufacture complete chassis, a process currently managed in-house by the latter.

This will strengthens OEM partnerships by providing integrated systems that simplify supply chains and reduce complexity and will position BIL as a strategic partner in product development, driving faster rollouts and long-term customer loyalty.

Exhibit 40. Transitioning to become a Tier-0.5 supplier to increase stickiness



Source: Company, JM Financial

Opportunities in non-auto segments

As part of its diversification strategy, BIL is expanding into non-automotive applications, including solar structures, defense, and aerospace - a focus area for the past 2–3 years. In 2QFY26, the company commenced supplies of solar structures to a leading global solar tracker manufacturer, starting with initial orders for North America and engaging in expansion discussions for India and Europe. Additionally, BIL secured further orders for an Indian Defense OEM's armored vehicle programs, reinforcing its presence in the defense segment.

Potential triggers for unlocking value

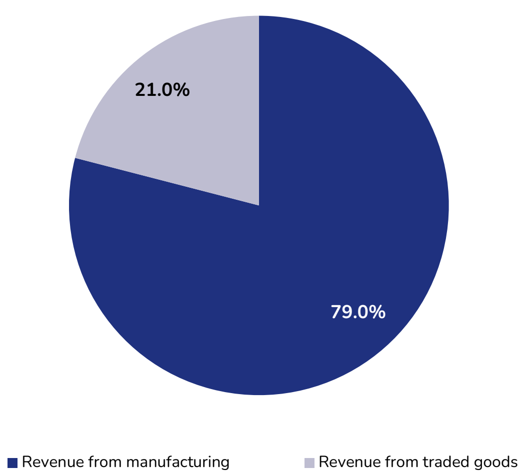
- **Trading business – an option to unlock value?**

As of 2QFY26, BIL's trading business - operated through its wholly owned subsidiary Badve Trading FZE - contributed 21% to the company's overall revenue. This business focuses on the trading of commodities such as metals, lithium-ion batteries, and electronics, leveraging BIL's robust supply chain expertise and established presence in key international markets. Operations are primarily concentrated in the Middle East and Asia-Pacific regions, where BIL maintains strong supplier and customer relationships.

From a profitability standpoint, as per our understanding, the trading business generates an EBITDA margin of ~6%, which is notably lower than the ~14% margin from BIL's core manufacturing operations (as per our back calculation). This margin dilution makes the trading segment a drag on overall profitability. However, the management has strongly indicated a potential hive-off of the trading business soon, which could significantly unlock value and improve margin profile. This presents a strategic call option for investors, offering upside potential if executed.

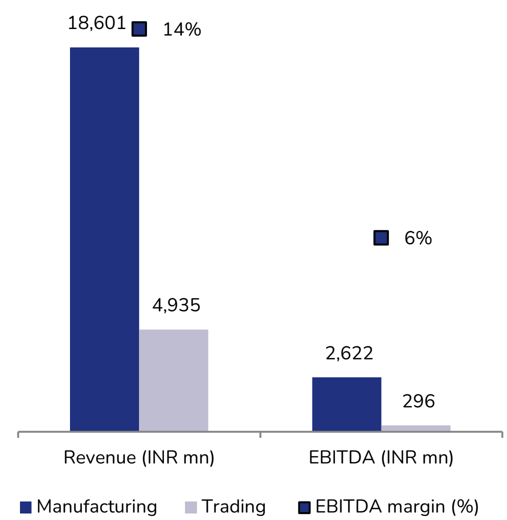
While we are not factoring in the hive-off scenario at this stage, we estimate the trading business revenue to register a CAGR of ~8% over FY25–28E and maintain its EBITDA margin at 6.2%.

Exhibit 41. Trading business contributed 21% of total revenue in 2QFY26



Source: Company, JM Financial

Exhibit 42. Trading business has 6% EBITDA margin vs. 14% for manufacturing business



Source: Company, JM Financial

- **Simplifying related-party structure – another lever to unlock**

As of FY25, BIL reported that 36.9% of its total purchases and 26.6% of its total sales were with related-party entities, which is a relatively high proportion. The management has outlined a strategic focus on simplifying the corporate structure and improving governance under the listed entity. To achieve this, the company aims to progressively reduce related-party transactions through mergers, acquisitions, divestments, and outsourcing to third-party vendors.

As part of this initiative, BIL has entered into an agreement to acquire 100% of Badve Autocomps Private Limited by the end of FY26, having already acquired a 14.03% stake. Badve Autocomps is currently BIL's largest related party, contributing approximately 8% of total sales and 6% of total purchases.

A recent example of value creation through structural simplification is Gabriel India. In that case, streamlining related-party arrangements led to significant shareholder value creation, demonstrating the potential benefits of such a strategy.

Exhibit 43. Related party transactions (RPT) (INR mn)

FY25	Purchases	Sales
Badve Autocomps Private Limited	5,351	5,133
Swastid Engineering Private Limited	4,952	1,104
Badve Autotech Private Limited	3,739	2,564
Eximiius Autocomps Private Limited	3,350	2,788
Phoenix Engineering	3,201	1,054
Creative Tools And Press Components Private Limited	1,227	1,999
Shreepriya Auto Parts Private Limited	824	733
Swami Ashirwad Engimech Private Limited	786	2,119
K S Suspension Engineering Technology	446	431
Fenace Auto Limited	381	595
Manas Automotive Systems Limited	330	40
Eximius Infra Tech Solutions Llp	91	1,536
Sumedh Tools Private Limited	82	1,912
Emkay Automobile Industries Limited	17	0
Amit Engineers And Tools Private Limited	8	10
Amit Engineers	5	6
Starkenn Technologies Private Limited	2	3
Total RPT Purchases / Sales	**24,792**	**22,028**
% of total COGS/sales	**36.9%**	**26.6%**

FY24	Purchases	Sales
Badve Autocomps Pvt Ltd	5,067	5,269
Swastid Engineering Private Limited	4,749	779
Eximiius Autocomps Private Limited	3,052	1,880
Badve Autotech Private Limited	2,859	1,925
Creative Tools & Press Comps Pvt. Ltd.	1,129	2,479
Swami Ashirwad Engimech Private Limited	685	1,396
Phoenix Engineering	621	14
Shreepriya Auto Parts Private Limited	540	31
Ks Suspension Engineering Technology	249	79
Manas Automotive Systems Limited	213	66
Fenace Auto Limited	181	493
Amit Engineers And Tools Private Limited	53	50
Amit Engineers	19	21
Sumedh Tools Private Limited	12	514
Shreepriya Stamping & Tooling Pvt Ltd	0	0
Optima Auto Products Private Limited	0	4
Eximius Infra Tech Solutions Llp	0	1,024
Total RPT Purchases / Sales	**19,429**	**16,021**
% of total COGS/sales	**32.2%**	**21.4%**

Source: Company, JM Financial

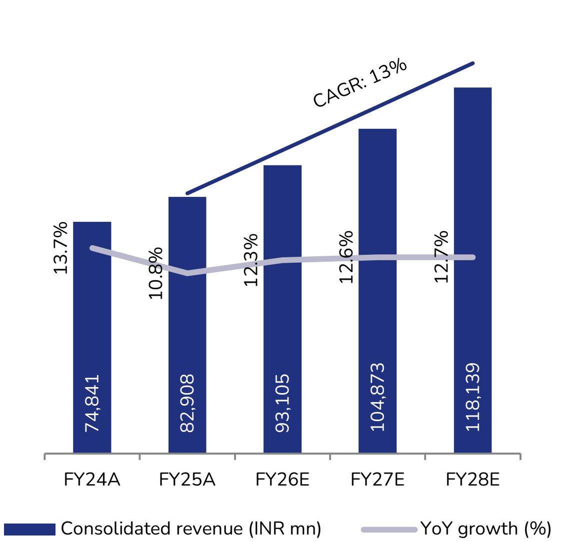
Financial analysis

We estimate BIL's standalone and consolidated businesses to deliver 14% and 13% revenue CAGR, respectively, over FY25–28E, driving EBITDA growth of 15% and 14% CAGR. EBITDA margin is expected to expand marginally during this period.

Adjusted PAT is projected to outperform revenue growth, registering a CAGR of 31% for standalone and 29% for consolidated, supported by lower interest costs. This includes savings of INR 1.44bn over 12 months following loan repayment from INR 16bn IPO proceeds.

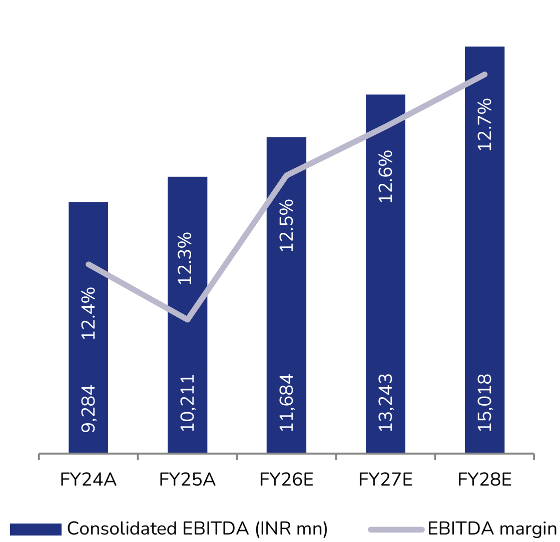
Further, BIL is set to benefit from the Government of Maharashtra's Package Scheme of Incentives (PSI), which offers a range of fiscal and non-fiscal benefits to automobile manufacturers. Under this scheme, BIL expects to receive annual incentives of INR 1.2bn over the next 12 years, providing a strong support mechanism for its long-term profitability and capital investment plans (INR 8bn over the next two years, which includes the establishment of new manufacturing facilities in Chennai, Pune, and Bhiwadi).

Exhibit 44. Consolidate revenue is estimated to grow at 13% CAGR



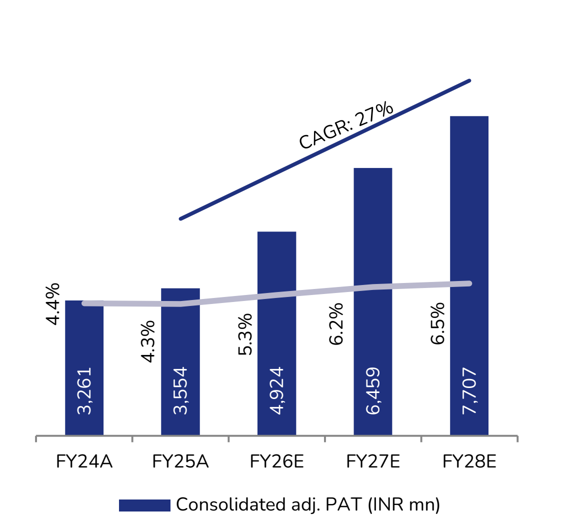
Source: Company, JM Financial

Exhibit 45. ...with EBITDA margin estimated to be 12.5-12.7%



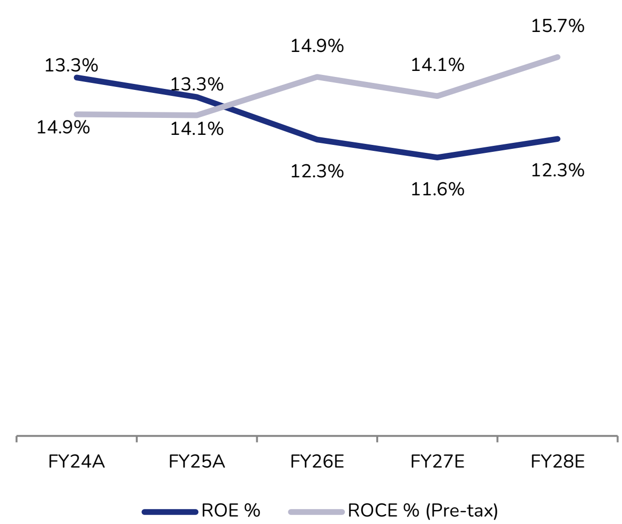
Source: Company, JM Financial

Exhibit 46. PAT to grow at 29% CAGR due to lower interest expense...



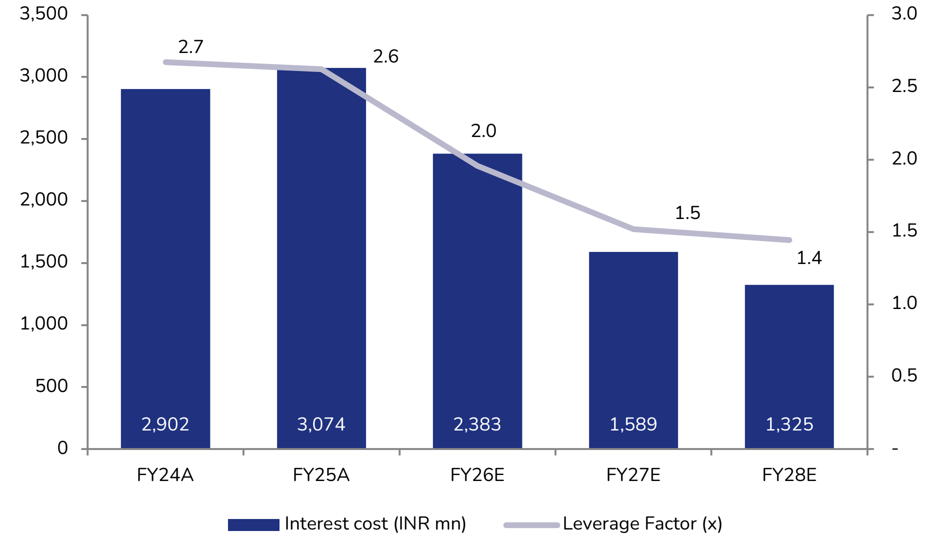
Source: Company, JM Financial

Exhibit 47. Return ratios to improve following the dilution post IPO



Source: Company, JM Financial

Exhibit 48. Leverage to go down leading to significant interest savings



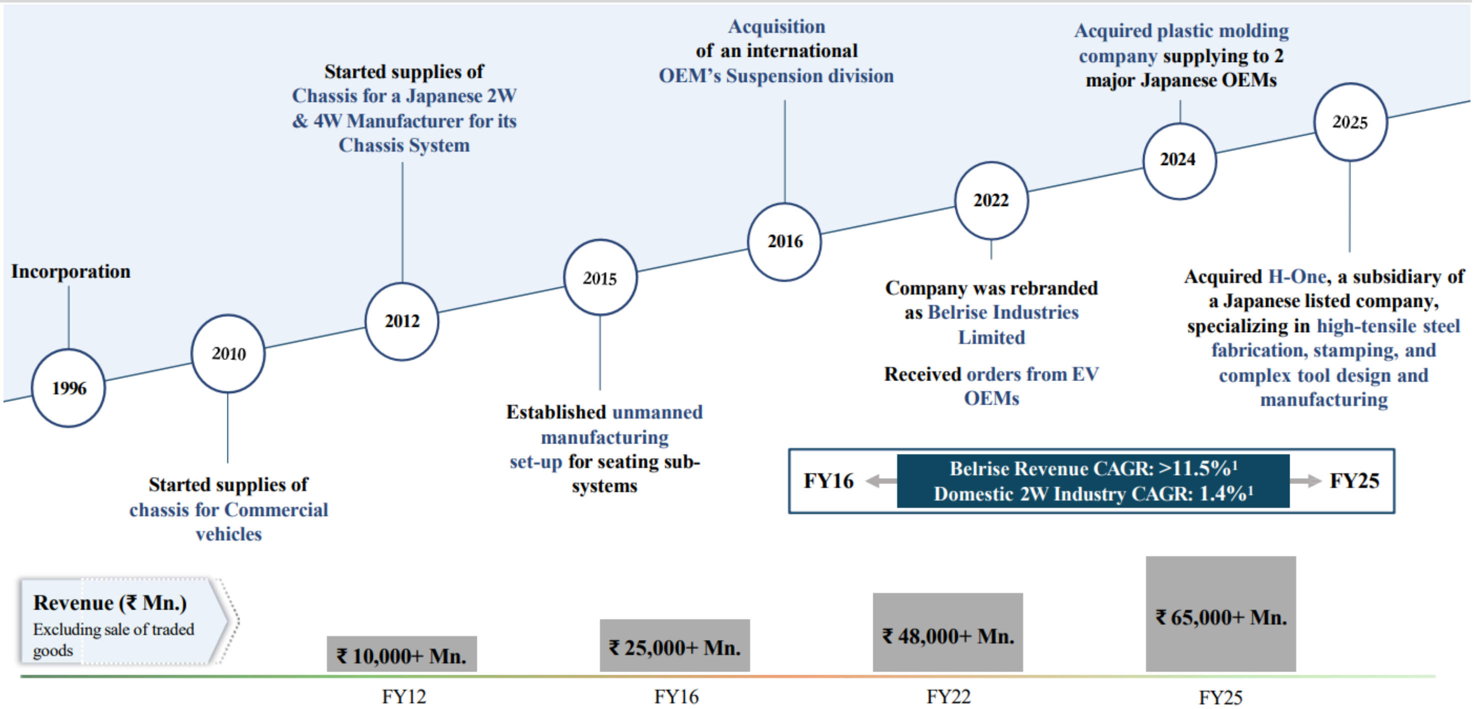
Source: Company, JM Financial

Company overview

- **Company background:** Established in 1988, BIL. is one of the leading automotive component manufacturers in the Indian two-wheeler metal components industry. It offers a comprehensive range of safety critical systems and other engineering solutions for two-wheelers, three-wheelers, four-wheelers, commercial vehicles and agricultural vehicles.

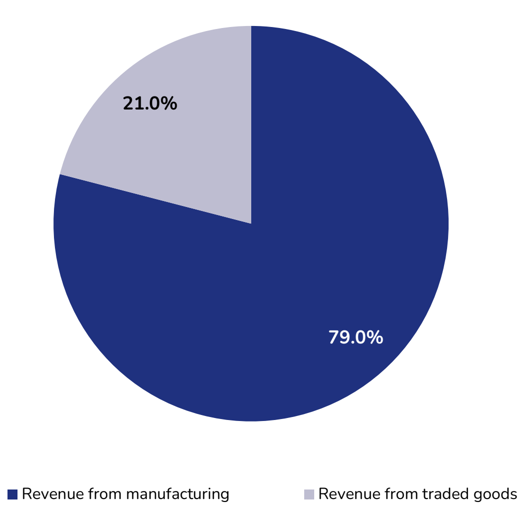
  The company's diverse product portfolio includes metal chassis systems, polymer components, suspension systems, body-in-white components and exhaust systems, etc, with ~73% of the portfolio being powertrain-agnostic. In addition to its manufacturing operations, BIL also has a trading business under its wholly owned subsidiary, Badve Engineering Trading FZE, based in the United Arab Emirates (UAE).

Exhibit 49. Company's history



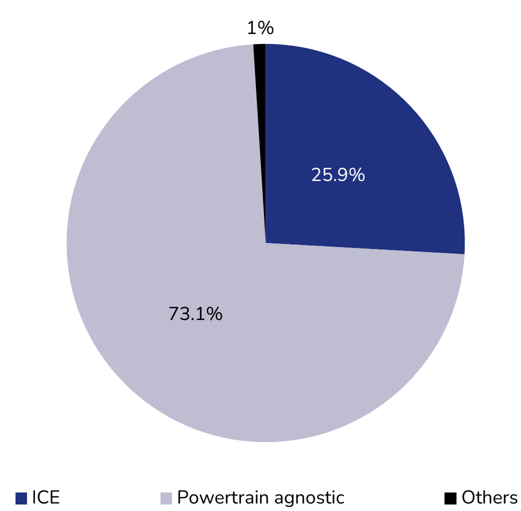
Source: Company, JM Financial

Exhibit 50. Revenue mix – manufacturing and other



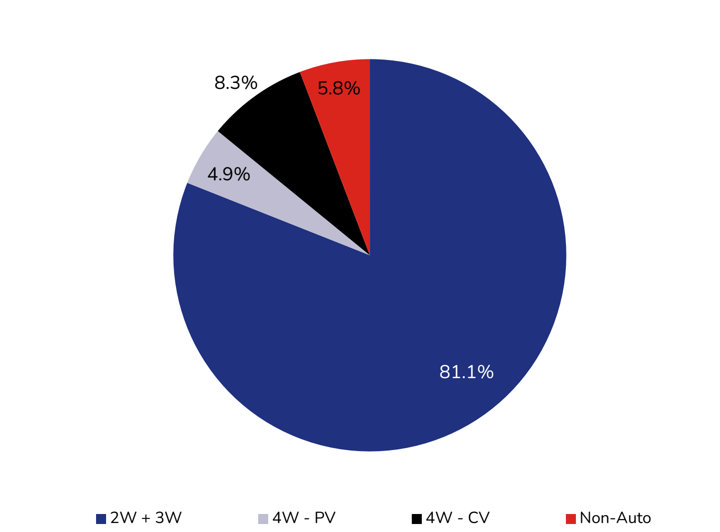
Source: Company, JM Financial

Exhibit 51. Manufacturing revenue mix – powertrain wise



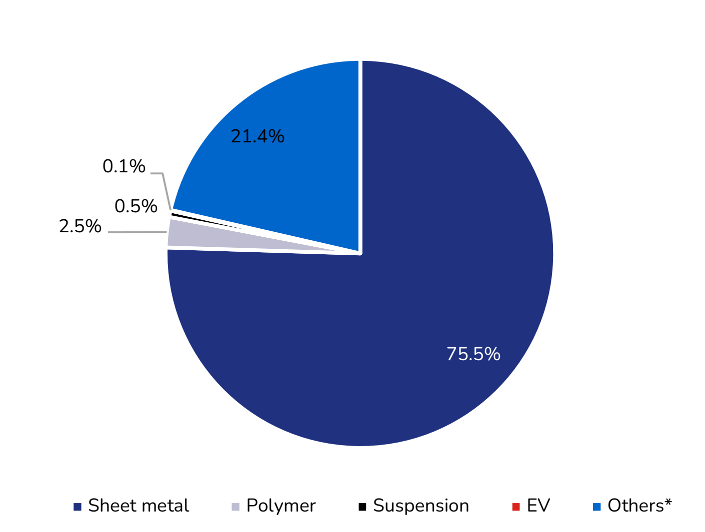
Source: Company, JM Financial

Exhibit 52. Manufacturing revenue mix – by vehicle type



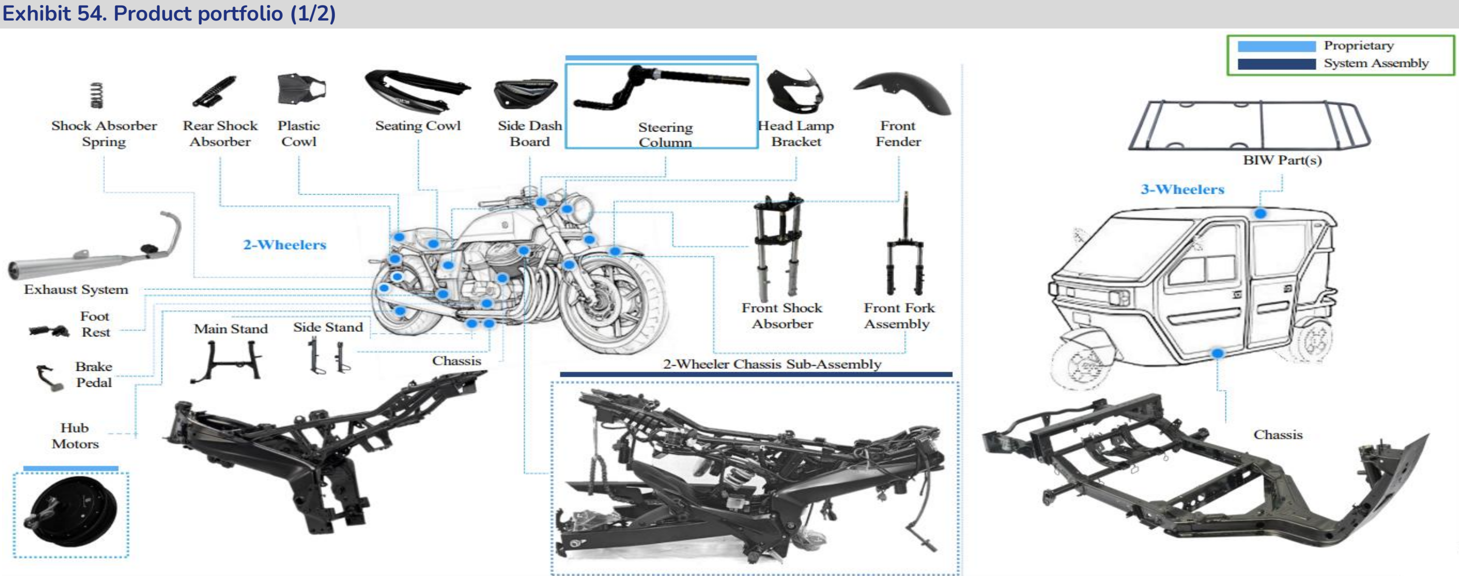
Source: Company, JM Financial

Exhibit 53. Consol revenue mix – category wise



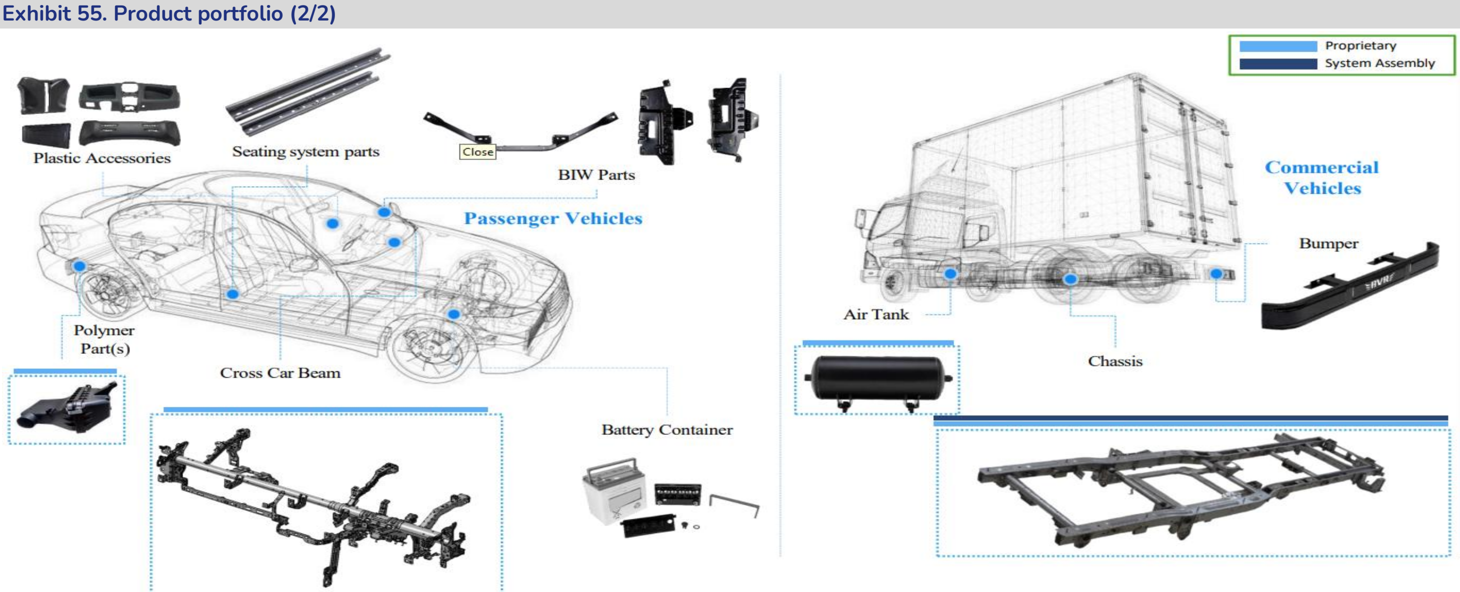
Source: Company, JM Financial, Note: FY25 data, * include trading and other operational revenue

Exhibit 54. Product portfolio (1/2)



Source: Company, JM Financial

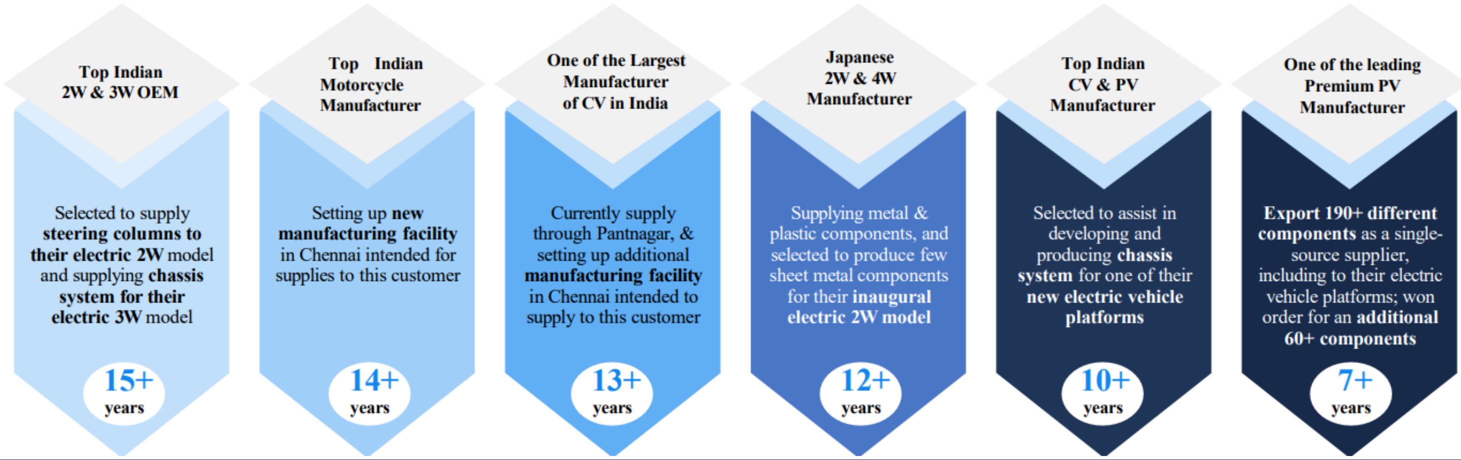
Exhibit 55. Product portfolio (2/2)



Source: Company, JM Financial

- **Customer relationships:** BIL has long-standing customer relationships with its key customers. As of Dec'24, the company had i) 13 2W OEMs, ii) 3 3W OEMs, iii) 2 PV OEMs, iv) 6 CV OEMs , v) 2 agri-vehicle OEMs, and vi) one OEM each for battery, white goods, and OHV, as its customers.

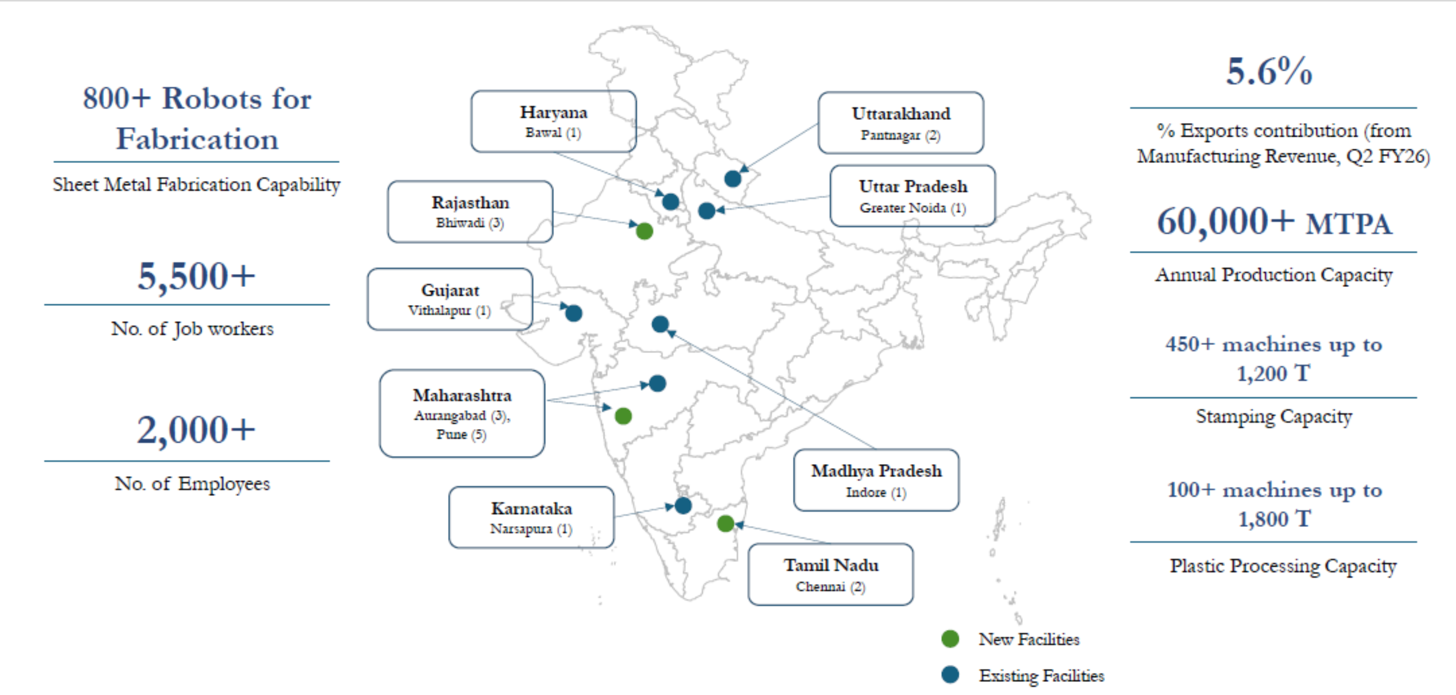
Exhibit 56. Long-standing customer relationships



Source: Company, JM Financial

- **Manufacturing facilities:** The company operates 20 manufacturing facilities located across 10 cities in 9 states, strategically positioned in close proximity to its customer. This enables seamless collaboration and agile responsiveness to customer requirements. The facilities are equipped with advanced manufacturing technologies, including real-time tracking, information transparency and visualization and modularity in operations, ensuring high efficiency and quality control.

Exhibit 57. Manufacturing facilities



Source: Company, JM Financial, Note: Figures as of FY25

Board of Directors and Key Management Personnel

Exhibit 58. Board of Directors

Name	Designation	Brief description
Shrikant Shankar Badve	Managing Director	- Shrikant Shankar Badve holds a bachelor's degree in engineering from Dr. Babasaheb Ambedkar Marathwada University. - He has over 28 years of experience in the areas of engineering, management and finance. - He has been awarded India's Impactful CEO 2023 by Times Now and recognised as Ambassador for Magnetic Maharashtra by RMB Pune Business Circle. - He has been a director at Federation of Industries of India (TMA), member of AKS Trustee Circle of Rotary Foundation and director at Atal Incubation Centre (AIC) - Rambhau Mhalgi Prabodhini (RMP) Foundation.
Supriya Shrikant Badve	Whole-time Director	- Supriya Shrikant Badve holds a master's degree in science from Amravati University. - She has over 16 years of experience in the areas of management and finance. - She was also appointed as the chairperson of Women Entrepreneurship Development Council for the period from August 2021 to July 2023 and is the founding member of the Women Entrepreneurs and Startups committee of Deccan Chamber of Commerce Industries & Agriculture, Pune ("DCCIA"). - She was awarded Business Endeavour & Inspiring Women 2021 by Federation of Chakan Industries, Recognition Award as the Business Icons of India 2023 by Marksmen Daily, Best Industrialist Award 2022 by Deccan Chamber of Commerce Industries and Agriculture Pune, India SME Excellence Award Women Entrepreneur of the Year for Manufacturing Sector 2017 by SME Chamber of India.
Ashok Vishnu Tagare	Non-Independent Non-Executive Director	- Ashok Vishnu Tagare holds a bachelor's degree in mechanical engineering. Additional he also holds a diploma in computer application from Dr. Babasaheb Ambedkar Marathwada University, diplomas in Quality Assurance & QS 9000/ ISO 9000, Environmental Management System & ISO 14000/14001, human resources development and international airlines management from All Indian Institute of Management Studies. - He has also completed a Registered Assessor Training Course Incorporating Subcontractor Control and Assessments from P.E Batalas. Additionally, he has also completed a certificate course in International Trade from Maharashtra Chamber of Commerce & Industries ("MCCI") Pune, and a training course on ISO 9000: 1999 Revisions from CorporAdv Management Services. He also holds a certificate from Indian Institute of Quality Management, Jaipur for ISO 9000 for Educational Institutions. - He has over 6 years of experience, in various sectors such as industrial engineering, drawing and designing. He has also previously worked with Batliboi & Company Private Limited as an industrial engineer and Kinetic Engineering Limited as an engineer in the industrial engineering, drawing and design departments.
Sangeeta Singh	Non-Executive Independent Director	- Sangeeta Singh holds a bachelor's degree in arts from University of Rajasthan, a master's degree in philosophy from Jawaharlal Nehru University New Delhi, a master of arts degree in political science from Jawaharlal Nehru University New Delhi and master of science degree in public economic planning, management and finance from the University of Birmingham. - She has over 2 years of experience in Central Board of Direct Taxes ("CBDT"). She has been engaged in government services in the capacity of a Member of the CBDT in the Department of Revenue, Ministry of Finance including as the Chairman of CBDT. She was with CBDT till attainment of the age of superannuation in 2023.
Dilip Bindumadhav Huddar	Non-Executive Independent Director	- Dilip Bindumadhav Huddar holds a bachelor's degree in mechanical engineering from the University of Poona. - He has over 24 years of experience in various sectors such as automotive original equipment and component manufacturing industry. - He has also previously worked with Tata Motors Limited and Asia MotorWorks Limited.
Girish Kumar Ahuja	Non-Executive Independent Director	- Girish Kumar Ahuja holds a bachelor's degree in commerce from the University of Delhi and fellowship of the Institute of Chartered Accountants of India ("ICAI"). He also holds a master's degree in commerce from the University of Delhi and a doctorate in philosophy from University of Delhi. - Apart from his association with the Company, he is a director on the boards of Flair Publications Private Limited, Transline Technologies Limited, RJ Corp Limited, Devyani Food Industries Limited, Patanjali Foods Limited, Unitech Limited, Sidwal Refrigeration Industries Private Limited, Devyani International Limited and Dharampal Satyapal Limited. - He has also co-authored books on subjects like direct taxed, income tax, taxation of capital gains, etc.
Milind Pralhad Kamble	Non-Executive Independent Director	- Milind Pralhad Kamble holds a diploma in civil engineering issued by the Board of Technical Examination Maharashtra State and a doctorate in science from Babasaheb Bhimrao Ambedkar University. - He is currently appointed as the Chairman, Board of Governors, Indian Institute of Management ("IIM") Jammu. - He has been awarded Padmashri by the President of India in 2013.

Source: Company, JM Financial

Exhibit 59. Key Management Personnel

Name	Designation	Brief description
Sumedh Shrikant Badve	General Manager (Head – Strategy)	- Sumedh Shrikant Badve holds a bachelor's degree in science (mechanical engineering) from Purdue University. He holds a master's degree in business administration from Harvard University. - He has over 3 years of experience in the automotive sector. He has also previously worked with the Government of Maharashtra as an Associate for the Office of Minister, Finance and Planning, Forests. - He is currently a director of Starkenn Technologies Private Limited, Badve Sons Private Limited, Prakritik Infrastructure Private Limited and United for Nature Foundation. He is a recipient of Gordon Hall Scholarship of Mechanical Engineering from Purdue University.
Swastid Shrikant Badve	Chief of Staff to the Managing Director's Office	- Swastid Shrikant Badve holds a bachelor's degree in science in economics from the Wharton School and a bachelor's degree in science in engineering from University of Pennsylvania. - He has previously worked at McKinsey & Company.
Rahul Shashikant Ganu	Chief Financial Officer	- Rahul Shashikant Ganu holds a master's in business administration from IME1, Pune. - He has 20+ years of experience at Belrise and is responsible for accounts, banking & finance functions.
Sunil Govind Kulkarni	Chief Marketing Officer & VP	- Sunil Govind Kulkarni holds a Master's degree in management studies from University of Mumbai. - He has previously worked with Endurance Technologies Limited. In Belrise, he is responsible for business development functions.

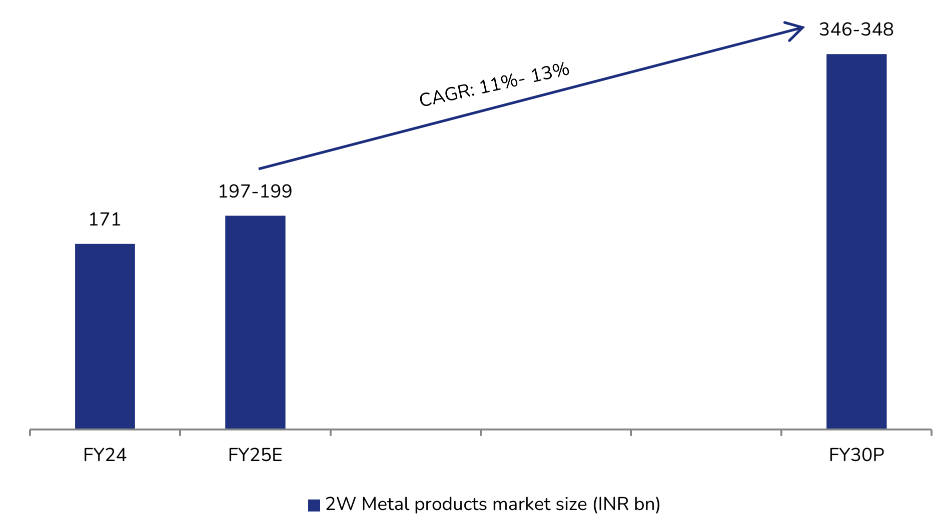
Source: Company, JM Financial

Relevant industry analysis

- **2W Metal Products**

The TAM for 2W metal products in India is expected to witness healthy growth, driven by steady recovery in domestic demand and rising premiumisation within the motorcycle segment. TAM is projected to increase from INR 197bn–199bn in FY25E to INR 348bn by FY30P, implying strong medium-term expansion. The growth reflects both volume recovery and higher value addition per vehicle, supported by OEM focus on performance and styling upgrades that enhance metal component intensity.

Exhibit 60. 2W metal products market to grow at a CAGR of 11-13% over FY25E-30P

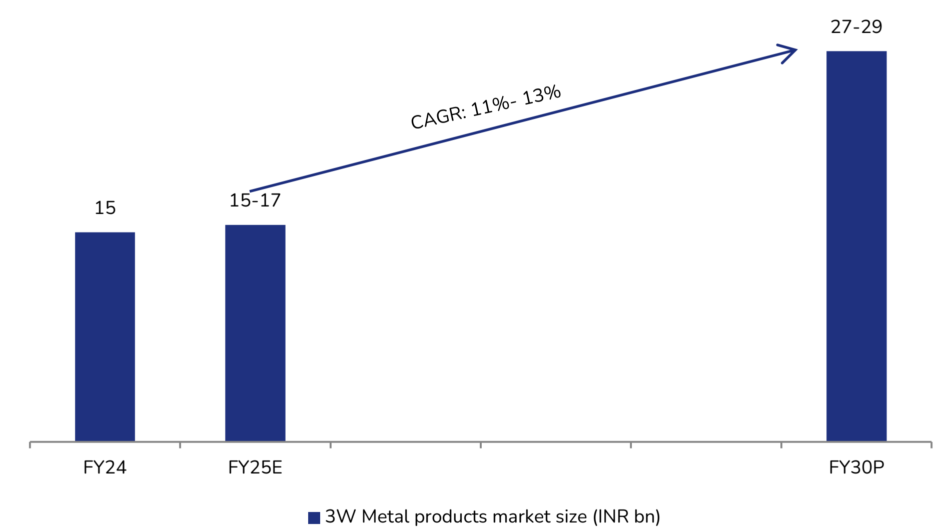


Source: Crisil Intelligence, JM Financial

- **3W Metal Products**

The 3W metal products market is expected to nearly double over the forecast period, expanding from INR 15bn–17bn in FY25E to INR 27bn–29bn by FY30P. The growth is underpinned by sustained demand from urban and semi-urban mobility solutions and increasing adoption of electric three-wheelers. Electrification and design changes in this segment are expected to lift the overall metal content per vehicle, aiding TAM expansion despite relatively modest volume growth.

Exhibit 61. 3W metal products market to grow at a CAGR of 11-13% over FY25E-30P

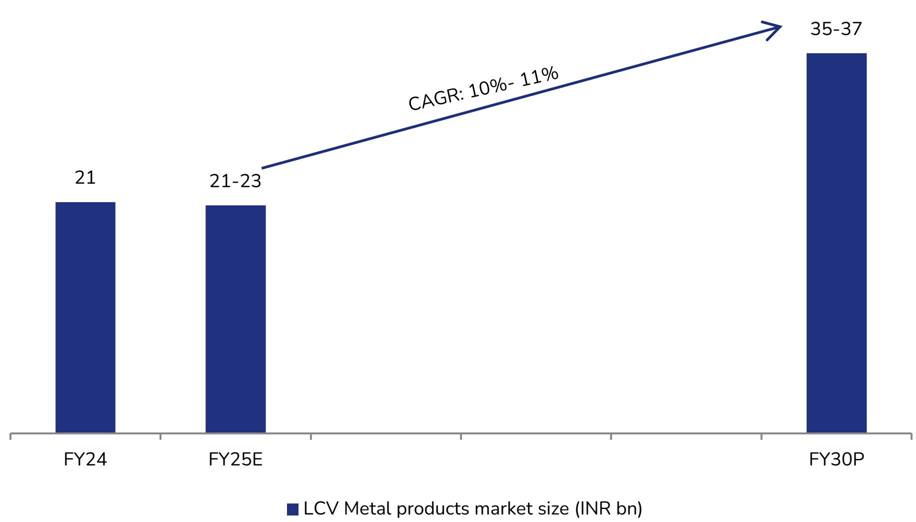


Source: Crisil Intelligence, JM Financial

- **LCV Metal Products**

For the LCV segment, TAM is projected to grow from INR 21bn–23bn in FY25E to INR 35bn–37 bn by FY30P. The improvement is driven by the continued shift towards last-mile logistics, light commercial EV adoption, and rising replacement demand in the fleet segment. OEMs are also focusing on product modernisation and light-weighting, which is contributing to higher precision component demand and improved TAM visibility.

Exhibit 62. LCV metal products market to grow at a CAGR of 10-11% over FY25E-30P

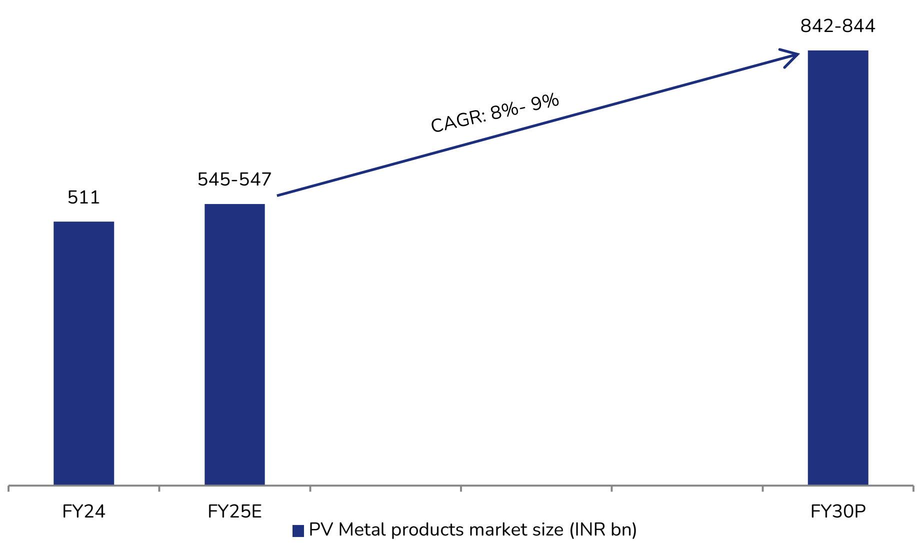


Source: Crisil Intelligence, JM Financial

- **PV Metal Products**

Passenger vehicles form the largest TAM within the automotive metal products space. The PV metal products market is estimated to expand from INR 545bn–547bn in FY25E to INR 842bn–844bn by FY30P. Growth is supported by rising penetration of SUVs, premium models, and electric variants, all of which carry higher per-vehicle metal content. Additionally, localisation of advanced materials and new platform launches are expected to drive structural value addition in this category.

Exhibit 63. PV metal products market to grow at a CAGR of 8-9% over FY25E-30P

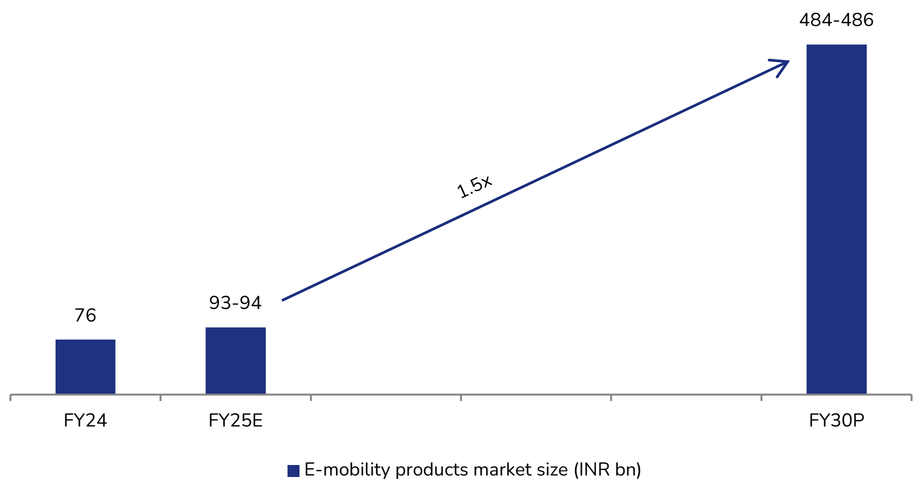


Source: Crisil Intelligence, JM Financial

- **E-Mobility Products**

The e-mobility metal components market is set for exponential growth, with TAM expected to increase from INR 93bn–94 bn in FY25E to INR 484bn–488bn by FY30P. This surge reflects rapid electrification across 2W, 3W, and PV categories, coupled with government incentives for EV adoption and local manufacturing. The shift towards EVs significantly increases demand for specialised lightweight metal parts, battery enclosures, and thermal management components, offering a multi-year growth runway.

Exhibit 64. E-mobility products TAM to rise 1.5x

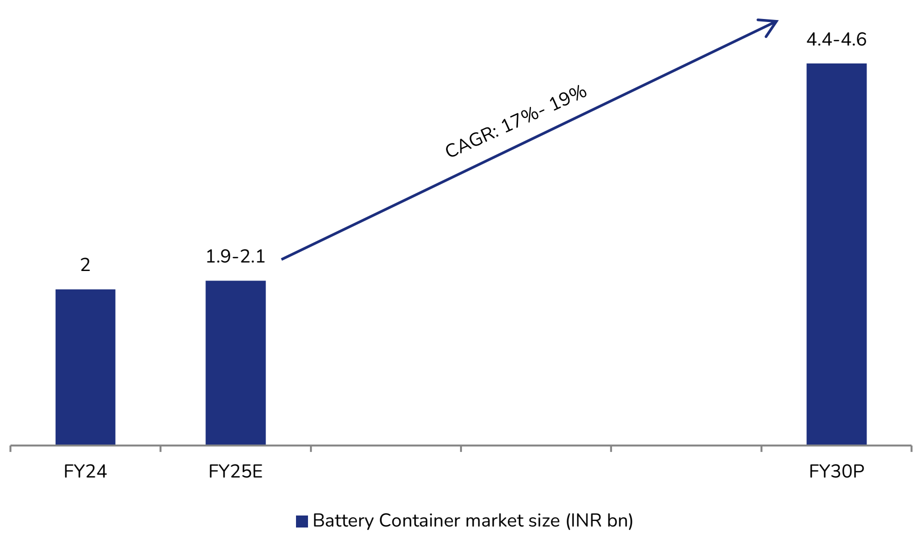


Source: Crisil Intelligence, JM Financial

- **Battery Containers**

Battery container TAM is expected to rise sharply from INR 545bn–547bn in FY25E to INR 842bn–844bn by FY30P, mirroring the pace of EV adoption and energy storage expansion. The growing need for advanced battery pack designs, improved safety standards, and domestic cell manufacturing capacity is expected to drive significant demand for high-quality metal containers. This segment represents a large structural opportunity tied to India's EV and renewable energy ecosystem.

Exhibit 65. Battery container TAM to grow at a CAGR of 17-19% over FY25E-30P

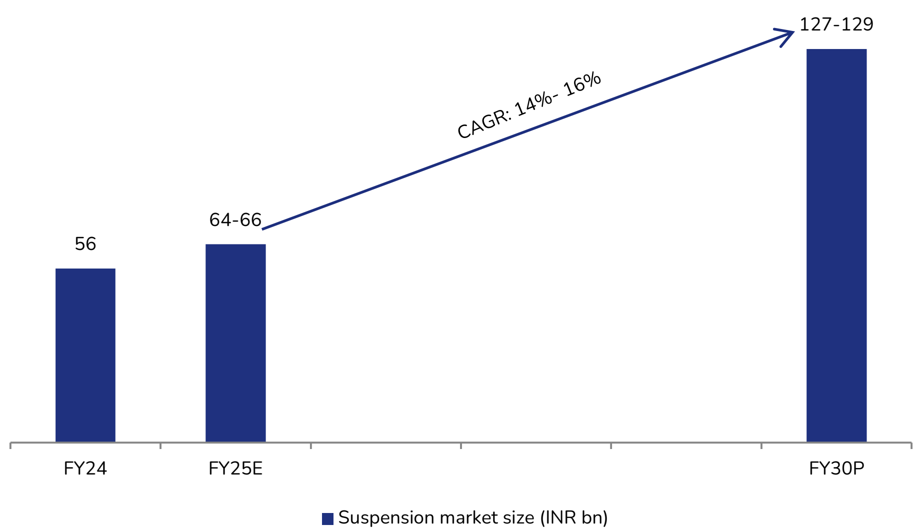


Source: Crisil Intelligence, JM Financial

- **Suspension Systems**

  The suspension systems market is expected to grow steadily, expanding from INR 64bn–66bn in FY25E to INR 127bn–129bn by FY30P. Growth is being driven by an uptick in vehicle production, preference for improved ride quality, and increased penetration of advanced suspension technologies across segments. Additionally, the shift toward electric and heavier vehicles is driving OEMs to adopt robust and higher-value suspension architectures, supporting TAM expansion.

Exhibit 66. Suspension systems TAM to grow at a CAGR of 14-16% over FY25E-30P



Source: Crisil Intelligence, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	74,841	82,908	93,105	104,873	118,139
Sales Growth	*13.7%*	*10.8%*	*12.3%*	*12.6%*	*12.7%*
Other Operating Income	0	0	0	0	0
Total Revenue	**74,841**	**82,908**	**93,105**	**104,873**	**118,139**
Cost of Goods Sold/Op. Exp	60,254	67,116	75,116	84,432	94,924
Personnel Cost	2,748	2,938	3,347	3,822	4,313
Other Expenses	2,555	2,643	2,959	3,375	3,885
EBITDA	**9,284**	**10,211**	**11,684**	**13,243**	**15,018**
EBITDA Margin	*12.4%*	*12.3%*	*12.5%*	*12.6%*	*12.7%*
EBITDA Growth	*6.0%*	*10.0%*	*14.4%*	*13.3%*	*13.4%*
Depn. & Amort.	3,214	3,298	3,655	3,954	4,161
EBIT	6,070	6,914	8,029	9,289	10,857
Other Income	714	616	574	467	215
Finance Cost	2,902	3,074	2,383	1,589	1,325
PBT before Excep. & Forex	3,882	4,456	6,221	8,166	9,747
Excep. & Forex Inc./Loss(-)	-123	0	0	0	0
PBT	3,760	4,456	6,221	8,166	9,747
Taxes	622	901	1,296	1,707	2,039
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,138	3,554	4,924	6,459	7,707
Adjusted Net Profit	**3,261**	**3,554**	**4,924**	**6,459**	**7,707**
Net Margin	*4.4%*	*4.3%*	*5.3%*	*6.2%*	*6.5%*
Diluted Share Cap. (mn)	651.0	651.0	889.9	889.9	889.9
Diluted EPS (INR)	**5.0**	**5.5**	**5.5**	**7.3**	**8.7**
Diluted EPS Growth	*4.0%*	*9.0%*	*1.3%*	*31.2%*	*19.3%*
Total Dividend + Tax	0	358	489	489	489
Dividend Per Share (INR)	0.0	0.6	0.6	0.6	0.6

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	23,402	26,967	52,902	58,872	66,090
Share Capital	3,255	3,255	4,449	4,449	4,449
Reserves & Surplus	20,147	23,712	48,453	54,423	61,640
Preference Share Capital	0	0	0	0	0
Minority Interest	0	165	0	0	0
Total Loans	25,042	29,637	14,182	7,270	7,358
Def. Tax Liab. / Assets (-)	151	259	259	259	259
Total - Equity & Liab.	**48,594**	**57,028**	**67,343**	**66,401**	**73,706**
Net Fixed Assets	26,389	31,612	32,208	32,504	30,093
Gross Fixed Assets	41,387	49,113	53,363	57,613	59,363
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	16,787	20,131	23,785	27,740	31,901
Capital WIP	1,789	2,631	2,631	2,631	2,631
Investments	95	1,088	1,110	1,132	1,155
Current Assets	33,933	39,554	50,988	51,726	63,663
Inventories	6,159	7,697	8,691	9,857	11,176
Sundry Debtors	12,279	15,911	17,201	18,690	20,363
Cash & Bank Balances	2,498	1,489	9,716	6,817	14,714
Loans & Advances	3,364	4,187	4,495	4,826	5,182
Other Current Assets	9,632	10,269	10,884	11,536	12,227
Current Liab. & Prov.	11,823	15,227	16,963	18,961	21,204
Current Liabilities	9,381	11,131	12,443	13,973	15,698
Provisions & Others	2,442	4,096	4,520	4,988	5,506
Net Current Assets	22,110	24,327	34,025	32,765	42,459
Total – Assets	**48,594**	**57,028**	**67,343**	**66,401**	**73,706**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,760	4,456	6,221	8,166	9,747
Depn. & Amort.	3,214	3,298	3,655	3,954	4,161
Net Interest Exp. / Inc. (-)	2,628	2,656	1,808	1,122	1,110
Inc (-) / Dec in WCap.	-2,548	-2,390	-1,095	-1,237	-1,365
Others	-435	5	0	0	0
Taxes Paid	-795	-980	-1,296	-1,707	-2,039
Operating Cash Flow	**5,824**	**7,044**	**9,292**	**10,299**	**11,614**
Capex	-4,372	-7,382	-4,250	-4,250	-1,750
Free Cash Flow	*1,451*	*-338*	*5,042*	*6,049*	*9,864*
Inc (-) / Dec in Investments	481	-2,848	-411	-439	-469
Others	274	419	574	467	215
Investing Cash Flow	**-3,616**	**-9,811**	**-4,086**	**-4,222**	**-2,005**
Inc / Dec (-) in Capital	0	0	21,500	0	0
Dividend + Tax thereon	-20	0	-489	-489	-489
Inc / Dec (-) in Loans	1,509	4,595	-15,455	-6,912	88
Others	-2,902	-2,910	-2,535	-1,575	-1,310
Financing Cash Flow	**-1,413**	**1,685**	**3,021**	**-8,977**	**-1,711**
Inc / Dec (-) in Cash	**794**	**-1,082**	**8,227**	**-2,900**	**7,898**
Opening Cash Balance	1,062	1,855	773	9,000	6,100
Closing Cash Balance	1,855	773	9,000	6,100	13,998

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	4.4%	4.3%	5.3%	6.2%	6.5%
Asset Turnover (x)	1.3	1.2	1.2	1.2	1.3
Leverage Factor (x)	2.7	2.6	2.0	1.5	1.4
RoE	14.9%	14.1%	12.3%	11.6%	12.3%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	35.9	41.4	59.4	66.2	74.3
ROIC	11.5%	11.0%	11.5%	12.8%	14.8%
ROE	14.9%	14.1%	12.3%	11.6%	12.3%
Net Debt/Equity (x)	1.0	1.0	0.1	0.0	-0.1
P/E (x)	33.5	30.8	30.4	23.1	19.4
P/B (x)	4.7	4.1	2.8	2.5	2.3
EV/EBITDA (x)	18.5	17.4	13.2	11.3	9.5
EV/Sales (x)	2.3	2.1	1.7	1.4	1.2
Debtor days	60	70	67	65	63
Inventory days	30	34	34	34	35
Creditor days	44	54	54	54	54

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com
Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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