

January 31, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

|                     | Current       |           | Previous      |           |
|---------------------|---------------|-----------|---------------|-----------|
|                     | FY27E         | FY28E     | FY27E         | FY28E     |
| <b>Rating</b>       | <b>HOLD</b>   |           | <b>HOLD</b>   |           |
| <b>Target Price</b> | <b>15,750</b> |           | <b>16,700</b> |           |
| Sales (Rs. m)       | 21,30,624     | 24,78,965 | 21,17,028     | 24,28,887 |
| % Chng.             | 0.6           | 2.1       |               |           |
| EBITDA (Rs. m)      | 2,42,891      | 2,87,560  | 2,41,341      | 2,84,180  |
| % Chng.             | 0.6           | 1.2       |               |           |
| EPS (Rs.)           | 571.0         | 689.0     | 614.9         | 721.1     |
| % Chng.             | (7.1)         | (4.5)     |               |           |

### Key Financials - Standalone

| Y/e Mar         | FY25  | FY26E | FY27E | FY28E |
|-----------------|-------|-------|-------|-------|
| Sales (Rs. bn)  | 1,519 | 1,816 | 2,131 | 2,479 |
| EBITDA (Rs. bn) | 178   | 199   | 243   | 288   |
| Margin (%)      | 11.7  | 11.0  | 11.4  | 11.6  |
| PAT (Rs. bn)    | 140   | 144   | 180   | 217   |
| EPS (Rs.)       | 443.9 | 458.5 | 571.0 | 689.0 |
| Gr. (%)         | 5.6   | 3.3   | 24.5  | 20.7  |
| DPS (Rs.)       | 135.0 | 140.0 | 160.0 | 180.0 |
| Yield (%)       | 0.9   | 1.0   | 1.1   | 1.2   |
| RoE (%)         | 15.7  | 14.6  | 16.2  | 17.3  |
| RoCE (%)        | 16.4  | 13.9  | 15.9  | 17.1  |
| EV/Sales (x)    | 2.6   | 2.2   | 1.8   | 1.5   |
| EV/EBITDA (x)   | 22.4  | 19.8  | 16.0  | 13.3  |
| PE (x)          | 32.8  | 31.8  | 25.5  | 21.2  |
| P/BV (x)        | 4.9   | 4.4   | 3.9   | 3.4   |

### Key Data

MRTI.BO | MSIL IN

|                     |                        |
|---------------------|------------------------|
| 52-W High / Low     | Rs.17,372 / Rs.11,059  |
| Sensex / Nifty      | 82,270 / 25,321        |
| Market Cap          | Rs.4,584bn/ \$ 49,831m |
| Shares Outstanding  | 314m                   |
| 3M Avg. Daily Value | Rs.6125.32m            |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 58.28 |
| Foreign                 | 15.76 |
| Domestic Institution    | 22.91 |
| Public & Others         | 3.04  |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M     | 6M   | 12M  |
|----------|--------|------|------|
| Absolute | (12.4) | 15.5 | 21.5 |
| Relative | (9.9)  | 14.4 | 13.4 |

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## Capacity expansion plans amid margin pressure

### Quick Pointers:

- Management to reassess the 7% growth guidance after a few months
- Supply constraints seen with 6-7% increase in 1<sup>st</sup> time buyers

**MSIL's Q3FY26 operating revenue was marginally below estimates (met PLe), while gross margin faced pressure due to commodity inflation. Inventory depletion, price reduction and Fx movement further weighed in on EBITDA margin. Additionally, with expansion into the EV space, we expect near-term margins to remain under pressure, partially offset by improving mix and operating leverage. New model launches, pass through of commodity inflation, especially after the re-introduction of steel safeguard duties, and sustenance of demand post-GST 2.0 will determine changes in growth expectations in the medium term. Further, higher depreciation from capacity expansion will impact EPS in the upcoming years. We estimate overall volume/ blended realization CAGR of 8.0%/ 9.1% over FY25-28E translating into revenue/EBITDA/EPS CAGR of 17.7%/17.4%/15.8%. Retain 'HOLD' rating with TP of Rs15,750 (previously Rs16,700), valuing the stock at 25x P/E on its Sep'27 earnings.**

**Standalone operating revenue grows by 28.7% YoY to Rs498.9bn:** Realization was (+9.2% YoY/ -2.8% QoQ). Gross margin was 27.3% (-220bps/-75bps YoY/QoQ), missing BBGe/PLe by -30bps/-50bps. EBITDA margin at 11.2% (-190bps YoY/-80bps QoQ) missed BBGe/PLe by -40bps/-50bps as it was further impacted by a one-time expense of Rs5.9bn relating to the new labor codes. EBITDA was Rs55.7bn (+10% YoY/+9.6% QoQ). Reported PAT was Rs37.9bn (+3.7% YoY/+14.9% QoQ). For 9MFY26, op revenue was Rs1,306bn (+17.2% YoY), EBITDA was Rs146.5bn (+4.8% YoY), EBITDA margin was 11.2% (-130bps YoY), and reported PAT stood at Rs108bn (+4.1% YoY). Its SUV market share is growing and had ~46% share in PV exports in CY25. e-Vitara is planned to be exported to 100+ countries vs. 29 as of Dec'25.

**Pressure on margins:** Margins were dragged down by commodity inflation (60bps), rare earth element supply issues (20bps), fixed cost incidence from inventory depletion (50bps, which will reverse with inventory build-up), Fx movement (15bps), price reduction in some models (70bps, may continue in until Jan'26 for customers who booked earlier), and a one-time provision from new labor codes that was recorded in staff expenses and other expenses (125bps). These were partially offset by favorable operating leverage (190bps), and lower discounts & favorable mix (120bps). Steel, its largest commodity, is not hedged and has seen price increases from safeguard duties. MSIL is engaging with steel players to fix prices quarterly via negotiations. Other commodities like platinum group metals (~2% of net sales for a car), aluminum and copper are hedged based on market trends.

**Capacity expansion to add 500k units annually:** Two new facilities will be operational soon. A 2<sup>nd</sup> greenfield manufacturing facility is planned for Gujarat for which MSIL is likely to invest ~Rs35bn. Board has approved acquisition of land for the same at ~Rs5bn, to be financed via internal accruals and external borrowings. Capacity at end Dec'25 was 24lakhs units with capability to produce 26lakhs units and proposed addition of up to 10lakhs units. Current capex run-rate is ~Rs100bn/year; next year's budget is yet to be finalized.

## Conference Call Highlights

- MSIL's Q3 wholesales were driven by small cars growing 22% YoY (vs. PV industry growth of 20.5%), up from a 5.8% decline in H1FY26 (vs. industry decline of 0.4%). It recorded its highest ever retail sales of 683k+ units.
- Exports volume are expected to achieve the 400k unit mark in FY26.
- Network inventory at Q3-end was very low at 3-4 days, though the orderbook was healthy with ~175k vehicles. Robust demand is being met with additional working days.
- Suzuki Motor Gujarat's amalgamation with MSIL (appointed date of 1<sup>st</sup> Apr'25) resulted in positive adjustment to EBITDA due to regrouping of depreciation, with almost no adjustment at the EBIT level.
- Unlike peers, the management considers price hikes after GST reduction to be unethical, despite facing commodity pressure.
- MSIL plans to introduce multiple EVs in the coming years and set up 1,00,000 charging points across India by FY30.
- There was no reduction in ASP in Q3, although the blended ASP might include other items like parts.

### Exhibit 1: Q2FY26 Result Overview (Rs mn)

| Y/e March                   | 3QFY26          | 3QFY25          | YoY gr. (%)     | 3QFY26E         | Var (%)         | 2QFY26          | QoQ gr. (%)     | 9MFY26           | 9MFY25           | YoY gr. (%)     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| <b>Net Revenues</b>         | <b>4,98,915</b> | <b>3,87,523</b> | <b>28.7</b>     | <b>5,00,139</b> | <b>(0.2)</b>    | <b>4,23,323</b> | <b>17.9</b>     | <b>13,06,374</b> | <b>11,14,865</b> | <b>17.2</b>     |
| Raw Materials               | 3,62,673        | 2,73,045        | 32.8            | 3,61,100        | 0.4             | 3,04,569        | 19.1            | 9,44,538         | 7,89,833         | 19.6            |
| Gross Profit                | 1,36,242        | 1,14,478        | 19.0            | 1,39,039        | (2.0)           | 1,18,754        | 14.7            | 3,61,836         | 3,25,032         | 11.3            |
| <i>Gross margin %</i>       | <i>27.3</i>     | <i>29.5</i>     | <i>-223 bps</i> | <i>27.8</i>     | <i>-49 bps</i>  | <i>28.1</i>     | <i>-75 bps</i>  | <i>27.7</i>      | <i>29.2</i>      | <i>-146 bps</i> |
| Personnel                   | 26,929          | 17,799          | 51.3            | 19,505          | 38.1            | 20,456          | 31.6            | 65,137           | 48,063           | 35.5            |
| <i>% of Net Sales</i>       | <i>5.4</i>      | <i>4.6</i>      | <i>80 bps</i>   | <i>3.9</i>      | <i>150 bps</i>  | <i>4.8</i>      | <i>57 bps</i>   | <i>5.0</i>       | <i>4.3</i>       | <i>67 bps</i>   |
| Manufacturing & Other Exp   | 53,596          | 46,033          | 16.4            | 61,017          | (12.2)          | 47,448          | 13.0            | 1,50,179         | 1,37,134         | 9.5             |
| <i>% of Net Sales</i>       | <i>10.7</i>     | <i>11.9</i>     | <i>-114 bps</i> | <i>12.2</i>     | <i>-146 bps</i> | <i>11.2</i>     | <i>-47 bps</i>  | <i>11.5</i>      | <i>12.3</i>      | <i>-80 bps</i>  |
| Total Expenditure           | 4,43,198        | 3,36,877        | 31.6            | 4,41,622        | 0.4             | 3,72,473        | 19.0            | 11,59,854        | 9,75,030         | 19.0            |
| <b>EBITDA</b>               | <b>55,717</b>   | <b>50,646</b>   | <b>10.0</b>     | <b>58,516</b>   | <b>(4.8)</b>    | <b>50,850</b>   | <b>9.6</b>      | <b>1,46,520</b>  | <b>1,39,835</b>  | <b>4.8</b>      |
| <i>EBITDA Margin (%)</i>    | <i>11.2</i>     | <i>13.1</i>     | <i>-190 bps</i> | <i>11.7</i>     | <i>-53 bps</i>  | <i>12.0</i>     | <i>-84 bps</i>  | <i>11.2</i>      | <i>12.5</i>      | <i>-133 bps</i> |
| Depreciation                | 17,343          | 14,287          | 21.4            | 10,650          | 62.8            | 17,028          | 1.8             | 43,746           | 29,106           | 50.3            |
| <b>EBIT</b>                 | <b>38,374</b>   | <b>36,359</b>   | <b>5.5</b>      | <b>47,866</b>   | <b>(19.8)</b>   | <b>33,822</b>   | <b>13.5</b>     | <b>1,02,774</b>  | <b>1,10,729</b>  | <b>(7.2)</b>    |
| Interest Expenses           | 617             | 463             | 33.3            | 538             | 14.7            | 572             | 7.9             | 1,655.0          | 1,438.0          | 15.1            |
| Non-operating income        | 10,543          | 10,672          | (1.2)           | 11,445          | (7.9)           | 9,661           | 9.1             | 38,434           | 35,173           | 9.3             |
| Extraordinary Expenses      | 0               |                 |                 | 0               |                 |                 |                 | -                | -                |                 |
| Extraordinary Income        | 0               |                 |                 | 0               |                 |                 |                 | -                | -                |                 |
| <b>PBT</b>                  | <b>48,300</b>   | <b>46,568</b>   | <b>3.7</b>      | <b>58,773</b>   | <b>(17.8)</b>   | <b>42,911</b>   | <b>12.6</b>     | <b>1,39,553</b>  | <b>1,44,464</b>  | <b>(3.4)</b>    |
| Tax-Total                   | 10,360          | 9,975           | 3.9             | 13,518          | (23.4)          | 9,881           | 4.8             | 31,466           | 40,680           | (22.6)          |
| <i>Tax Rate (%) - Total</i> | <i>21.4</i>     | <i>21.4</i>     | <i>3 bps</i>    | <i>23.0</i>     | <i>-155 bps</i> | <i>23.0</i>     | <i>-158 bps</i> | <i>22.5</i>      | <i>28.2</i>      | <i>-561 bps</i> |
| <b>Reported PAT</b>         | <b>37,940</b>   | <b>36,593</b>   | <b>3.7</b>      | <b>45,255</b>   | <b>(16.2)</b>   | <b>33,030</b>   | <b>14.9</b>     | <b>1,08,087</b>  | <b>1,03,784</b>  | <b>4.1</b>      |

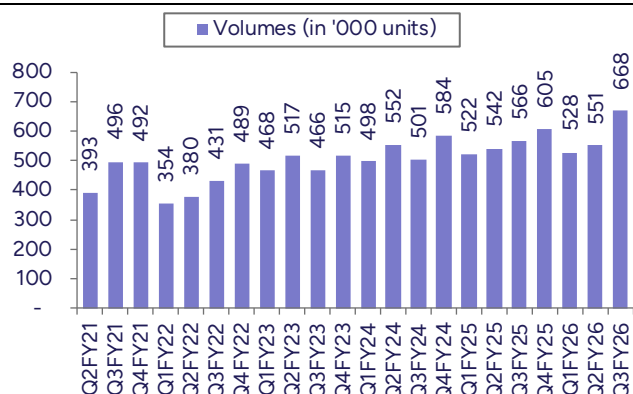
Source: Company, PL

**Exhibit 2: Operating metrics – Strong realization-led revenue beat**

|                          | 3QFY26   | 3QFY25   | YoY gr. (%) | 3QFY26E  | Var (%) | 2QFY26   | QoQ gr. (%) | 9MFY26   | 9MFY25   | YoY gr. (%) |
|--------------------------|----------|----------|-------------|----------|---------|----------|-------------|----------|----------|-------------|
| Car Sales Volume (nos)   | 6,67,769 | 5,66,213 | 17.9        | 6,67,769 | -       | 5,50,874 | 21.2        | 17,46,50 | 16,29,63 | 7.2         |
| Net Realisation/Vehicle  | 7,47,137 | 6,84,412 | 9.2         | 7,48,970 | (0.2)   | 7,68,457 | (2.8)       | 7,47,994 | 6,84,121 | 9.3         |
| Material cost / vehicle  | 5,43,111 | 4,82,230 | 12.6        | 5,40,756 | 0.4     | 5,52,883 | (1.8)       | 5,40,816 | 4,84,670 | 11.6        |
| Gross Profit / vehicle   | 2,04,026 | 2,02,182 | 0.9         | 2,08,214 | (2.0)   | 2,15,574 | (5.4)       | 2,07,177 | 1,99,451 | 3.9         |
| Employee cost /vehicle   | 40,327   | 31,435   | 28.3        | 29,210   | 38.1    | 37,134   | 8.6         | 37,296   | 29,493   | 26.5        |
| Other expenses / vehicle | 80,261   | 81,300   | (1.3)       | 91,374   | (12.2)  | 86,132   | (6.8)       | 85,988   | 84,150   | 2.2         |
| EBITDA/vehicle           | 83,438   | 89,447   | (6.7)       | 87,629   | (4.8)   | 92,308   | (9.6)       | 83,893   | 85,808   | (2.2)       |
| Net Profit/vehicle       | 56,816   | 64,628   | (12.1)      | 67,771   | (16.2)  | 59,959   | (5.2)       | 61,888   | 63,686   | (2.8)       |

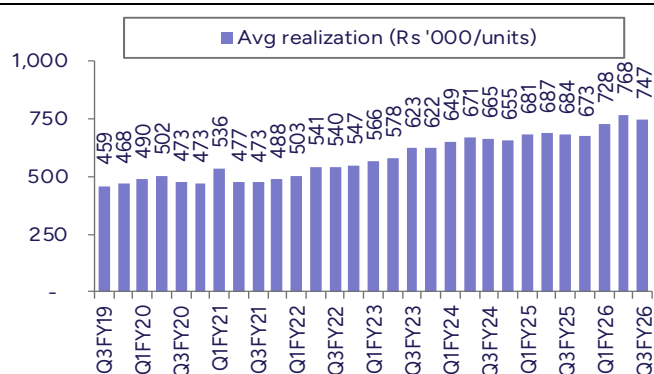
Source: Company, PL

**Exhibit 3: UV mix at 42.6% of domestic PV volume in Q3FY26**



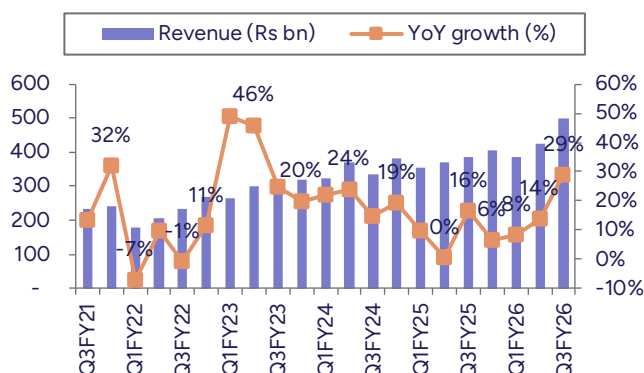
Source: Company, PL

**Exhibit 4: Strong realization growth, up 9.2% YoY in Q3FY26**



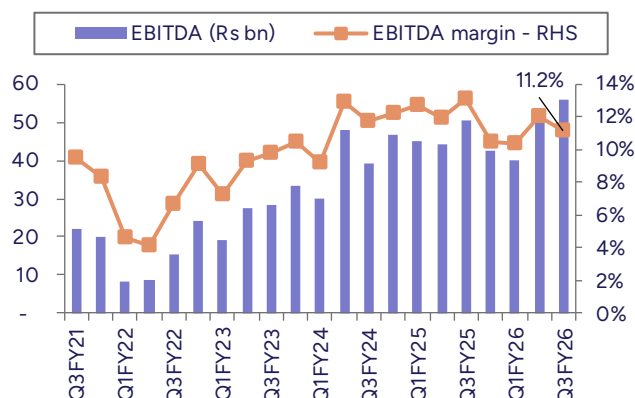
Source: Company, PL

**Exhibit 5: Highest-ever quarterly revenue driven by small cars**



Source: Company, PL

**Exhibit 6: Margins decline 190bps YoY due to RM costs**



Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY25             | FY26E            | FY27E            | FY28E            |
|-------------------------------|------------------|------------------|------------------|------------------|
| <b>Net Revenues</b>           | <b>15,19,001</b> | <b>18,15,930</b> | <b>21,30,624</b> | <b>24,78,965</b> |
| YoY gr. (%)                   | 7.8              | 19.5             | 17.3             | 16.3             |
| Cost of Goods Sold            | 10,81,539        | 13,15,642        | 15,44,703        | 17,92,292        |
| Gross Profit                  | 4,37,462         | 5,00,289         | 5,85,922         | 6,86,673         |
| Margin (%)                    | 28.8             | 27.6             | 27.5             | 27.7             |
| Employee Cost                 | 61,370           | 87,165           | 83,094           | 96,680           |
| Other Expenses                | 1,98,240         | 2,14,280         | 2,59,936         | 3,02,434         |
| <b>EBITDA</b>                 | <b>1,77,852</b>  | <b>1,98,844</b>  | <b>2,42,891</b>  | <b>2,87,560</b>  |
| YoY gr. (%)                   | 8.4              | 11.8             | 22.2             | 18.4             |
| Margin (%)                    | 11.7             | 11.0             | 11.4             | 11.6             |
| Depreciation and Amortization | 31,593           | 61,463           | 66,890           | 71,677           |
| <b>EBIT</b>                   | <b>1,46,259</b>  | <b>1,37,381</b>  | <b>1,76,001</b>  | <b>2,15,883</b>  |
| Margin (%)                    | 9.6              | 7.6              | 8.3              | 8.7              |
| Net Interest                  | 1,931            | 2,259            | 2,440            | 2,660            |
| Other Income                  | 47,504           | 52,107           | 59,584           | 68,095           |
| <b>Profit Before Tax</b>      | <b>1,91,832</b>  | <b>1,87,229</b>  | <b>2,33,145</b>  | <b>2,81,319</b>  |
| Margin (%)                    | 12.6             | 10.3             | 10.9             | 11.3             |
| Total Tax                     | 52,280           | 43,063           | 53,623           | 64,703           |
| Effective tax rate (%)        | 27.3             | 23.0             | 23.0             | 23.0             |
| <b>Profit after tax</b>       | <b>1,39,552</b>  | <b>1,44,166</b>  | <b>1,79,522</b>  | <b>2,16,616</b>  |
| Minority interest             | -                | -                | -                | -                |
| Share Profit from Associate   | -                | -                | -                | -                |
| <b>Adjusted PAT</b>           | <b>1,39,552</b>  | <b>1,44,166</b>  | <b>1,79,522</b>  | <b>2,16,616</b>  |
| YoY gr. (%)                   | -                | -                | -                | -                |
| Margin (%)                    | 9.2              | 7.9              | 8.4              | 8.7              |
| Extra Ord. Income / (Exp)     | -                | -                | -                | -                |
| <b>Reported PAT</b>           | <b>1,39,552</b>  | <b>1,44,166</b>  | <b>1,79,522</b>  | <b>2,16,616</b>  |
| YoY gr. (%)                   | 5.6              | 3.3              | 24.5             | 20.7             |
| Margin (%)                    | 9.2              | 7.9              | 8.4              | 8.7              |
| Other Comprehensive Income    | -                | -                | -                | -                |
| Total Comprehensive Income    | -                | -                | -                | -                |
| <b>Equity Shares O/s (m)</b>  | <b>314</b>       | <b>314</b>       | <b>314</b>       | <b>314</b>       |
| <b>EPS (Rs)</b>               | <b>443.9</b>     | <b>458.5</b>     | <b>571.0</b>     | <b>689.0</b>     |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY25             | FY26E            | FY27E            | FY28E            |
|---------------------------------------|------------------|------------------|------------------|------------------|
| <b>Non-Current Assets</b>             |                  |                  |                  |                  |
| <b>Gross Block</b>                    | <b>5,14,105</b>  | <b>6,24,105</b>  | <b>7,84,105</b>  | <b>9,64,105</b>  |
| Tangibles                             | 5,14,105         | 6,24,105         | 7,84,105         | 9,64,105         |
| Intangibles                           | -                | -                | -                | -                |
| <b>Acc: Dep / Amortization</b>        | <b>2,67,037</b>  | <b>3,28,500</b>  | <b>3,95,390</b>  | <b>4,67,067</b>  |
| Tangibles                             | 2,67,037         | 3,28,500         | 3,95,390         | 4,67,067         |
| Intangibles                           | -                | -                | -                | -                |
| <b>Net fixed assets</b>               | <b>2,47,068</b>  | <b>2,95,605</b>  | <b>3,88,715</b>  | <b>4,97,038</b>  |
| Tangibles                             | 2,47,068         | 2,95,605         | 3,88,715         | 4,97,038         |
| Intangibles                           | -                | -                | -                | -                |
| Capital Work In Progress              | 57,593           | 63,352           | 66,520           | 69,846           |
| Goodwill                              | -                | -                | -                | -                |
| Non-Current Investments               | 1,53,496         | 1,58,496         | 1,68,496         | 1,78,496         |
| Net Deferred tax assets               | (12,911)         | (13,169)         | (13,433)         | (13,701)         |
| Other Non-Current Assets              | -                | -                | -                | -                |
| <b>Current Assets</b>                 |                  |                  |                  |                  |
| Investments                           | 5,91,567         | 6,41,567         | 7,06,567         | 7,71,567         |
| Inventories                           | 51,230           | 64,677           | 81,723           | 88,292           |
| Trade receivables                     | 65,377           | 78,157           | 87,560           | 1,01,875         |
| Cash & Bank Balance                   | 4,464            | 10,285           | (4,142)          | (8,677)          |
| Other Current Assets                  | 66,791           | 67,459           | 68,133           | 68,815           |
| <b>Total Assets</b>                   | <b>12,56,202</b> | <b>13,99,145</b> | <b>15,83,314</b> | <b>17,87,191</b> |
| <b>Equity</b>                         |                  |                  |                  |                  |
| Equity Share Capital                  | 1,572            | 1,572            | 1,572            | 1,572            |
| Other Equity                          | 9,38,895         | 10,39,045        | 11,68,263        | 13,28,287        |
| <b>Total Network</b>                  | <b>9,40,467</b>  | <b>10,40,617</b> | <b>11,69,835</b> | <b>13,29,859</b> |
| <b>Non-Current Liabilities</b>        |                  |                  |                  |                  |
| Long Term borrowings                  | -                | -                | -                | -                |
| Provisions                            | -                | -                | -                | -                |
| Other non current liabilities         | -                | -                | -                | -                |
| <b>Current Liabilities</b>            |                  |                  |                  |                  |
| ST Debt / Current of LT Debt          | -                | -                | 6,000            | 12,000           |
| Trade payables                        | 1,74,211         | 2,08,265         | 2,44,357         | 2,84,307         |
| Other current liabilities             | 1,28,613         | 1,37,093         | 1,49,689         | 1,47,324         |
| <b>Total Equity &amp; Liabilities</b> | <b>12,56,202</b> | <b>13,99,145</b> | <b>15,83,314</b> | <b>17,87,191</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                               | FY25            | FY26E           | FY27E             | FY28E             |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| PBT                                   | 1,91,832        | 1,87,229        | 2,33,145          | 2,81,319          |
| Add. Depreciation                     | 31,593          | 61,463          | 66,890            | 71,677            |
| Add. Interest                         | 1,931           | 2,259           | 2,440             | 2,660             |
| Less Financial Other Income           | 47,504          | 52,107          | 59,584            | 68,095            |
| Add. Other                            | (47,504)        | (52,107)        | (59,584)          | (68,095)          |
| Op. profit before WC changes          | 1,77,852        | 1,98,844        | 2,42,891          | 2,87,560          |
| Net Changes-WC                        | (192)           | 14,709          | 21,369            | 15,822            |
| Direct tax                            | (38,245)        | (42,804)        | (53,360)          | (64,435)          |
| <b>Net cash from Op. activities</b>   | <b>1,39,415</b> | <b>1,70,749</b> | <b>2,10,900</b>   | <b>2,38,947</b>   |
| Capital expenditures                  | (85,962)        | (1,15,759)      | (1,63,168)        | (1,83,326)        |
| Interest / Dividend Income            | -               | -               | -                 | -                 |
| Others                                | 45,942          | 47,107          | 49,584            | 58,095            |
| <b>Net Cash from Invt. activities</b> | <b>(40,020)</b> | <b>(68,652)</b> | <b>(1,13,584)</b> | <b>(1,25,231)</b> |
| Issue of share cap. / premium         | 3,539           | -               | -                 | -                 |
| Debt changes                          | (331)           | -               | 6,000             | 6,000             |
| Dividend paid                         | (42,444)        | (44,016)        | (50,304)          | (56,592)          |
| Interest paid                         | (1,931)         | (2,259)         | (2,440)           | (2,660)           |
| Others                                | -               | -               | -                 | -                 |
| <b>Net cash from Fin. activities</b>  | <b>(41,167)</b> | <b>(46,275)</b> | <b>(46,744)</b>   | <b>(53,252)</b>   |
| <b>Net change in cash</b>             | <b>58,228</b>   | <b>55,821</b>   | <b>50,572</b>     | <b>60,465</b>     |
| Free Cash Flow                        | 53,453          | 54,990          | 47,732            | 55,621            |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q4FY25          | Q1FY26          | Q2FY26          | Q3FY26          |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenue</b>                | <b>4,16,446</b> | <b>3,94,376</b> | <b>4,33,850</b> | <b>5,09,578</b> |
| YoY gr. (%)                       | 33.7            | 36.9            | 42.4            | 45.7            |
| Raw Material Expenses             | 2,99,233        | 2,84,705        | 3,12,018        | 3,70,197        |
| Gross Profit                      | 1,17,213        | 1,09,671        | 1,21,832        | 1,39,381        |
| Margin (%)                        | 57.3            | 55.5            | 57.3            | 56.7            |
| <b>EBITDA</b>                     | <b>43,896</b>   | <b>41,123</b>   | <b>52,229</b>   | <b>57,232</b>   |
| YoY gr. (%)                       | 32.3            | (1.8)           | 53.4            | 32.9            |
| Margin (%)                        | 23.4            | 21.8            | 25.1            | 25.4            |
| Depreciation / Depletion          | 8,948           | 9,612           | 17,279          | 17,722          |
| <b>EBIT</b>                       | <b>34,948</b>   | <b>31,511</b>   | <b>34,950</b>   | <b>39,510</b>   |
| Margin (%)                        | 18.9            | 17.1            | 18.7            | 18.3            |
| Net Interest                      | 567             | 575             | 682             | 783             |
| Other Income                      | 14,857          | 18,235          | 9,889           | 10,689          |
| <b>Profit before Tax</b>          | <b>49,238</b>   | <b>49,171</b>   | <b>44,157</b>   | <b>49,416</b>   |
| Margin (%)                        | 25.4            | 20.7            | 22.0            | 20.1            |
| Total Tax                         | 11,178          | 11,456          | 10,236          | 10,676          |
| Effective tax rate (%)            | 50.7            | 51.1            | 51.5            | 49.8            |
| <b>Profit after Tax</b>           | <b>38,060</b>   | <b>37,715</b>   | <b>33,921</b>   | <b>38,740</b>   |
| Minority interest                 | 16              | 12              | 4               | 12              |
| Share Profit from Associates      | -               | -               | -               | -               |
| <b>Adjusted PAT</b>               | <b>38,044</b>   | <b>37,703</b>   | <b>33,917</b>   | <b>38,728</b>   |
| YoY gr. (%)                       | 41.6            | 1.2             | 30.1            | (0.4)           |
| Margin (%)                        | 18.7            | 15.4            | 16.2            | 15.0            |
| Extra Ord. Income / (Exp)         | -               | -               | -               | -               |
| <b>Reported PAT</b>               | <b>38,044</b>   | <b>37,703</b>   | <b>33,917</b>   | <b>38,728</b>   |
| YoY gr. (%)                       | 41.6            | 1.2             | 30.1            | (0.4)           |
| Margin (%)                        | 18.7            | 15.4            | 16.2            | 15.0            |
| Other Comprehensive Income        | -               | -               | -               | -               |
| <b>Total Comprehensive Income</b> | <b>38,044</b>   | <b>37,703</b>   | <b>33,917</b>   | <b>38,728</b>   |
| Avg. Shares O/s (m)               | 359             | 359             | 359             | 359             |
| <b>EPS (Rs)</b>                   | <b>138.8</b>    | <b>131.1</b>    | <b>124.8</b>    | <b>138.2</b>    |

Source: Company Data, PL Research

**Key Financial Metrics**

| Y/e Mar                    | FY25    | FY26E   | FY27E   | FY28E   |
|----------------------------|---------|---------|---------|---------|
| <b>Per Share(Rs)</b>       |         |         |         |         |
| EPS                        | 443.9   | 458.5   | 571.0   | 689.0   |
| CEPS                       | 544.4   | 654.0   | 783.8   | 917.0   |
| BVPS                       | 2,991.3 | 3,309.9 | 3,720.8 | 4,229.8 |
| FCF                        | 170.0   | 174.9   | 151.8   | 176.9   |
| DPS                        | 135.0   | 140.0   | 160.0   | 180.0   |
| <b>Return Ratio(%)</b>     |         |         |         |         |
| RoCE                       | 16.4    | 13.9    | 15.9    | 17.1    |
| ROIC                       | 36.2    | 31.2    | 33.4    | 33.5    |
| RoE                        | 15.7    | 14.6    | 16.2    | 17.3    |
| <b>Balance Sheet</b>       |         |         |         |         |
| Net Debt : Equity (x)      | (0.6)   | (0.6)   | (0.6)   | (0.6)   |
| Net Working Capital (Days) | (30)    | (28)    | (27)    | (26)    |
| <b>Valuation(x)</b>        |         |         |         |         |
| PER                        | 32.8    | 31.8    | 25.5    | 21.2    |
| P/B                        | 4.9     | 4.4     | 3.9     | 3.4     |
| P/CEPS                     | 26.8    | 22.3    | 18.6    | 15.9    |
| EV/EBITDA                  | 22.4    | 19.8    | 16.0    | 13.3    |
| EV/Sales                   | 2.6     | 2.2     | 1.8     | 1.5     |
| Dividend Yield (%)         | 0.9     | 1.0     | 1.1     | 1.2     |

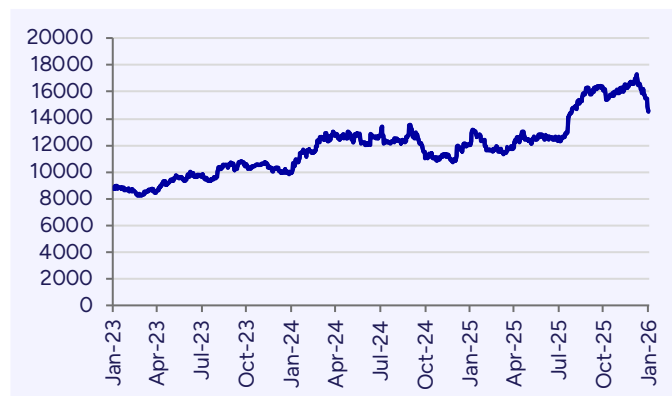
Source: Company Data, PL Research

**Key Operating Metrics**

| Y/e Mar                   | FY25      | FY26E     | FY27E     | FY28E     |
|---------------------------|-----------|-----------|-----------|-----------|
| Volume (units)            | 22,34,266 | 24,41,022 | 26,35,025 | 28,11,027 |
| Net realisation (Rs/unit) | 6,79,866  | 7,43,922  | 8,08,578  | 8,81,872  |

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

| No. | Date      | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1   | 08-Jan-26 | Hold   | 16,700   | 16,809            |
| 2   | 02-Nov-25 | Hold   | 16,215   | 16,155            |
| 3   | 08-Oct-25 | Hold   | 15,764   | 16,012            |
| 4   | 28-Apr-25 | BUY    | 14,001   | 11,698            |
| 5   | 08-Apr-25 | BUY    | 14,194   | 11,459            |

**Analyst Coverage Universe**

| Sr. No. | Company Name        | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------|------------|---------|------------------|
| 1       | Bajaj Auto          | Hold       | 9,400   | 9,790            |
| 2       | Eicher Motors       | Hold       | 7,350   | 7,583            |
| 3       | Hero Motocorp       | Accumulate | 6,620   | 5,981            |
| 4       | Mahindra & Mahindra | Accumulate | 4,100   | 3,749            |
| 5       | Maruti Suzuki       | Hold       | 16,700  | 16,809           |
| 6       | TVS Motor Company   | Accumulate | 4,360   | 3,840            |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |



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