

# Tata Motors Passenger Vehicles

Estimate change 

TP change 

Rating change 

Bloomberg	TMPV IN
Equity Shares (m)	3682
M.Cap.(INRb)/(USDb)	1247.4 / 13
52-Week Range (INR)	450 / 294
1, 6, 12 Rel. Per (%)	-1/-5/-16
12M Avg Val (INR M)	6331

## Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Net Sales	3,392	3,892	4,430
EBITDA	228.2	304.6	390.4
Adj. PAT	21.2	58.7	112.0
Adj. EPS (INR)	5.8	15.9	30.4
EPS Gr. (%)	-89	179	91
BV/Sh. (INR)	304.1	314.0	334.4

## Ratios

Net D/E (x)	0.4	0.4	0.4
RoE (%)	1.9	5.2	9.4
RoCE (%)	2.2	4.5	7.0
Payout (%)	52.1	37.7	32.9

## Valuations

P/E (x)	58.8	21.3	11.1
P/BV (x)	1.1	1.1	1.0
EV/EBITDA (x)	7.1	5.2	3.8
Div. Yield (%)	0.9	1.8	3.0

**CMP: INR339**

**TP: INR303 (-11%)**

**Sell**

## Healthy performance revival across segments

### Multiple headwinds ahead

- Tata Motors Passenger Vehicles' (TMPV) 4Q PAT at INR58.8b was well above our estimate due to better-than-expected performance at both the Indian business and JLR. While Indian margins expanded 90bp YoY to 8.7% (vs our estimate of 7%), JLR EBIT margins sharply expanded from -6.8% in 3Q to 9.2% in 4Q due to improved volumes, higher product capitalization, reduced depreciation, and benefit from forex gains (not quantified), even as gross margins declined QoQ.
- 4Q performance has certainly been ahead of estimates, both in India and at JLR. While the Indian PV demand outlook remains positive, it is expected to see margin pressure in the near term, given the material surge in input costs. Further, JLR continues to face multiple headwinds, both on the demand and cost front. While JLR has embarked on a major cost reduction initiative, it is likely to only help partially offset the current headwinds. Given the significant challenges at JLR and the continued geopolitical uncertainty, we reiterate our Sell rating on the stock with a SoTP-based TP of INR303 per share (based on FY28E). We value both JLR and India PV business at 2x and 13x EV/EBITDA, respectively.

### Healthy performance revival both in India and at JLR

- TMPV reported a profit of INR58.8b in 4Q, well ahead of our estimate of INR22.3b due to better-than-expected performance at both the Indian business and JLR.
- Standalone Indian business saw a strong 50% YoY increase in revenues to INR192b, in line with our estimates. However, margins expanded 90bp YoY to 8.7% (vs our estimate of 7%). As a result, PBT beat our expectations, almost tripling YoY to INR11b.
- JLR volumes had recovered significantly in 4Q as production returned to normal levels, though still posting a 14.4% YoY decline. EBIT margins sharply improved from -6.8% in 3Q to 9.2% in 4Q due to improved volumes, higher product capitalization, reduced depreciation, and benefit from forex gains in other expenses (not quantified), even as gross margins declined QoQ. PBT beat our estimates, coming in at GBP458m, having fallen ~48% YoY.
- RoCE for the 12-month rolling period stood at 1.2%.
- The Indian business's FY26 Revenue/EBITDA/PBT rose 22%/20%/33% YoY to INR597b/40.5b/14.4b, respectively.
- JLR, on the other hand, saw a full-year Revenue/EBITDA decline of 21%/63% to GBP22.9b/GBP1.5b. However, its PBT sharply declined to GBP14m from GBP2.5b YoY.
- JLR has delivered a negative FCF of GBP2.2b in FY26.
- Net consolidated automotive debt stood at INR307b, with a large portion attributed to JLR (INR327b), while the Indian business continues to be net cash.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | Uday Nair (Uday.Nair@MotilalOswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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### Highlights from the management commentary

- Management expects the domestic PV industry to grow by around 10% in FY27, with stronger growth anticipated in 1H, followed by moderation in 2H over a higher base. TMPV expects to outperform industry growth, with supply constraints likely to be a bigger challenge than demand in FY27.
- The company plans to launch two new nameplates in FY27, along with four facelifts each across ICE and EV portfolios.
- Export business is expected to sustain momentum, with management targeting about 70-100% growth in exports in FY27.
- Input costs have surged to the extent of around 5-6% of revenue. Of this, about 2% is already reflected in 4Q and the balance is likely to be visible in 1Q. Management has been able to implement cost savings initiatives, thereby driving 2% savings in 4Q. It has also taken about 0.5% price hike in April to offset cost pressures, with further calibrated hikes expected over the coming months.
- JLR dispatches to the Middle East, which contributes to 6% of its mix. It is likely to be impacted in 1Q, given the ongoing geopolitical headwinds in the region.
- Input costs are expected to inch up in the coming quarters for JLR, with all key commodities seeing sizeable increase in the recent past.
- To offset the cost headwinds, management is targeting GBP1.7b worth of cost savings over the next two years, which would drive a reduction in its break-even volumes to 300k units.
- JLR reiterated its commitment to planned investments of GBP18b over FY24-FY28.

### Valuation and view

4Q performance has certainly been ahead of estimates, both in India and JLR. While the Indian PV demand outlook remains positive, the company is expected to see margin pressure in the near term, given the material surge in input costs. Further, JLR continues to face multiple headwinds, both on the demand and cost front. While the company has embarked on a major cost reduction initiative, it is likely to only help partially offset the current headwinds. Given significant challenges at JLR and the continued geopolitical uncertainty, we reiterate our Sell rating on the stock with an SoTP-based TP of INR 303 per share (based on FY28E). We value both JLR and the Indian PV business at 2x and 13x EV/EBITDA, respectively.

### Quarterly Performance (Standalone)

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Total Volumes (nos)</b>	<b>138,800</b>	<b>130,500</b>	<b>139,829</b>	<b>147,004</b>	<b>124,809</b>	<b>144,397</b>	<b>171,013</b>	<b>2,01,368</b>	<b>556,268</b>	<b>641,592</b>	<b>201,368</b>	
Change (%)	-1.1	-6.1	0.9	-5.5	-10.1	10.6	22.3	37.0	-3.0	15.3	37.0	
<b>Avg Realization (INR)</b>	<b>856,772</b>	<b>903,065</b>	<b>902,245</b>	<b>870,384</b>	<b>881,587</b>	<b>951,266</b>	<b>919,462</b>	<b>9,52,882</b>	<b>882,470</b>	<b>931,137</b>	<b>937,253</b>	<b>1.7</b>
Change (%)	-7.1	2.5	-3.8	-6.6	2.9	5.3	1.9	9.5	-3.9	5.5	7.7	
<b>Net Operating income</b>	<b>118,920</b>	<b>117,850</b>	<b>126,160</b>	<b>127,950</b>	<b>110,030</b>	<b>137,360</b>	<b>157,240</b>	<b>1,91,880</b>	<b>490,890</b>	<b>597,410</b>	<b>188,733</b>	<b>1.7</b>
Change (%)	-7.4	-3.2	-2.3	-100.0	-7.5	16.6	24.6	50.0	-6.8	21.7	47.5	
<b>EBITDA</b>	<b>6,860</b>	<b>7,250</b>	<b>9,590</b>	<b>9,930</b>	<b>4,350</b>	<b>7,860</b>	<b>10,580</b>	<b>16,750</b>	<b>33,630</b>	<b>40,500</b>	<b>13,194</b>	<b>26.9</b>
EBITDA Margins (%)	5.8	6.2	7.6	7.8	4.0	5.7	6.7	8.7	6.9	6.8	7.0	
Non-Operating Income	1,640	1,640	1,700	1,720	1,640	1,370	1,210	1,070	6,710	5,290	1,416	
Interest	450	-220	400	40	270	360	340	-1,380	670	-410	360	
Depreciation & Amort.	6,510	7,050	7,550	7,880	7,380	7,600	8,790	8,870	28,990	32,630	8,960	
<b>PBT before EO Exp</b>	<b>1,730</b>	<b>2,290</b>	<b>2,900</b>	<b>3,890</b>	<b>-1,290</b>	<b>1,550</b>	<b>3,010</b>	<b>11,030</b>	<b>10,830</b>	<b>14,360</b>	<b>5,291</b>	<b>108.5</b>

E: MOFSL Estimates

JLR (GBP m)											
Y/E March	FY25				FY26				FY25	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
<b>Total Volumes (nos)</b>	<b>109,563</b>	<b>97,223</b>	<b>111,237</b>	<b>116,392</b>	<b>92,886</b>	<b>74,365</b>	<b>66,349</b>	<b>103,475</b>	<b>434,415</b>	<b>337,075</b>	<b>103,475</b>
Change (%)	3.1	-10.9	-2.4	-3.5	-15.2	-23.5	-40.4	-11.1	-3.5	-22.4	-11.1
<b>Avg Realization (GBP)</b>	<b>74,400</b>	<b>74,167</b>	<b>71,686</b>	<b>69,355</b>	<b>75,659</b>	<b>74,057</b>	<b>76,721</b>	<b>72,077</b>	<b>72,240</b>	<b>74,407</b>	<b>77,203</b>
Change (%)	0.5	4.7	-1.8	-2.8	1.7	-0.1	7.0	3.9	0.0	3.0	11.3
<b>Net Sales</b>	<b>7,273</b>	<b>6,475</b>	<b>7,486</b>	<b>7,727</b>	<b>6,604</b>	<b>4,900</b>	<b>4,538</b>	<b>6,870</b>	<b>28,961</b>	<b>22,911</b>	<b>7,359</b>
Change (%)	5.4	-5.6	1.5	-1.7	-9.2	-24.3	-39.4	-11.1	-0.1	-20.9	-4.8
RM Cost (% of Sales)	58	58	58	59	62	64	58	60	58	61	62
Staff Costs (% of sales)	12	13	11	12	13	16	18	12	12	14	12
Other Exp (% of sales)	20.6	24.0	22.8	20.2	22.5	28.5	31.2	20.4	21.8	24.9	24.0
<b>Total Cost</b>	<b>6,124</b>	<b>5,716</b>	<b>6,426</b>	<b>6,544</b>	<b>5,988</b>	<b>4,978</b>	<b>4,505</b>	<b>5,910</b>	<b>24,810</b>	<b>21,381</b>	<b>6,793</b>
<b>EBITDA</b>	<b>1,149</b>	<b>759</b>	<b>1,060</b>	<b>1,183</b>	<b>616</b>	<b>-78</b>	<b>33</b>	<b>960</b>	<b>4,151</b>	<b>1,530</b>	<b>565</b>
EBITDA Margins (%)	15.8	11.7	14.2	15.3	9.3	-1.6	0.7	14.0	14.3	6.7	7.7
Interest	43	45	33	30	10	23	24	21	151	79	26
Depreciation & Amort.	510	434	377	356	356	345	344	329	1,677	1,374	350
Product Dev. Expenses	449	435	459	449	443	346	387	481	1,792	1,657	448
<b>PBT before EO Exp</b>	<b>693</b>	<b>398</b>	<b>523</b>	<b>875</b>	<b>351</b>	<b>-485</b>	<b>-310</b>	<b>458</b>	<b>2,489</b>	<b>14</b>	<b>191</b>
EO Exp/(Inc)	-8	0	0	23	4	238	74	6	15	322	0
<b>PBT after EO Exp</b>	<b>701</b>	<b>398</b>	<b>523</b>	<b>852</b>	<b>347</b>	<b>-723</b>	<b>-384</b>	<b>452</b>	<b>2,474</b>	<b>-308</b>	<b>191</b>

E: MOFSL Estimates

Quarterly Performance (Consolidated) (INR m)											
Y/E March	FY25			FY26				FY26			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	Var (%)	
<b>Net Operating income</b>	<b>844,410</b>	<b>953,020</b>	<b>991,530</b>	<b>883,760</b>	<b>731,870</b>	<b>711,030</b>	<b>10,64,280</b>	<b>3,391,850</b>	<b>1,103,386</b>	<b>-3.5</b>	
Change (%)				0	-13	-25					
RM Cost (% of Sales)	60	60	60	63	66	62	63	63	64.8		
Staff Costs (% of sales)	12	11	11	12	15	16	11	13	11.4		
Other Exp (% of sales)	14	14	12	13	15	16	11	13	11.7		
<b>Total Cost</b>	<b>751,730</b>	<b>828,980</b>	<b>848,630</b>	<b>807,610</b>	<b>732,580</b>	<b>696,150</b>	<b>9,28,500</b>	<b>3,163,690</b>	<b>1,019,599</b>		
<b>EBITDA</b>	<b>92,680</b>	<b>124,040</b>	<b>142,900</b>	<b>76,150</b>	<b>-710</b>	<b>14,880</b>	<b>1,35,780</b>	<b>228,160</b>	<b>83,787</b>	<b>62.1</b>	
EBITDA Margins (%)	11.0	13.0	14.4	8.6	-0.1	2.1	12.8	6.7	7.6	520bp	
Change (%)	0.0	0.0	0.0	0.0	0.0	-88.0	0.0	0.0	0.0		
Non-Operating Income	6,420	5,020	5,640	6,330	6,600	6,410	6,980	26,310	5,149		
Interest	10,300	8,430	8,080	6,920	6,920	6,820	5,830	26,490	7,542		
Depreciation & Amort.	54,670	48,630	47,170	48,510	48,710	49,690	50,920	197,840	52,273		
<b>PBT before EO Exp</b>	<b>34,130</b>	<b>72,000</b>	<b>93,290</b>	<b>27,050</b>	<b>-49,740</b>	<b>-35,220</b>	<b>86,010</b>	<b>30,140</b>	<b>29,122</b>		
EO Exp/(Inc)	<b>13,650</b>	<b>-10,940</b>	<b>8,660</b>	<b>11,920</b>	<b>-30,960</b>	<b>-12,110</b>	<b>-13,240</b>	<b>-46,370</b>	<b>0</b>		
<b>PBT after EO Exp</b>	<b>47,780</b>	<b>61,060</b>	<b>101,950</b>	<b>38,970</b>	<b>-80,700</b>	<b>-47,330</b>	<b>72,770</b>	<b>-16,230</b>	<b>29,122</b>	<b>149.9</b>	
Tax	17,520	19,420	19,420	13,060	-17,020	-12,500	13,990	-2,460	6,870		
Effective Tax Rate (%)	36.7	31.8	19.0	33.5	NM	-26.4	19.2	15.2	23.6		
<b>PAT</b>	<b>30,260</b>	<b>41,640</b>	<b>82,530</b>	<b>25,910</b>	<b>-63,680</b>	<b>-34,830</b>	<b>58,780</b>	<b>-13,770</b>	<b>22,252</b>	<b>164.2</b>	
<b>Adj PAT</b>	<b>30,260</b>	<b>50,867</b>	<b>74,419</b>	<b>16,970</b>	<b>-40,460</b>	<b>-25,748</b>	<b>69,385</b>	<b>21,008</b>	<b>22,252</b>	<b>211.8</b>	

E: MOFSL Estimates



## Key takeaways from the management commentary

### JLR

- FY26 volumes and revenues were impacted by multiple factors, including weakness in the China market, the planned wind-down of outgoing Jaguar models ahead of the new Jaguar launch, and temporary production stoppages arising from the cyber incident.
- China volumes declined YoY due to weak luxury demand, led by the impact of higher luxury taxes, prompting the company to reduce dealer inventory levels in order to protect retailer profitability and maintain channel quality.
- VME increased to around 7% in Q4. Also, warranty costs remained elevated and are expected to remain stable in 1QFY27.
- Management highlighted that underlying demand remains healthy despite macro uncertainties, particularly for Range Rover and Range Rover Sport. The upcoming SV Ultra variant continues to strengthen the premium positioning of the brand, while BEV variants are nearing launch readiness.
- Defender continued to witness strong order inflows and retail momentum, supported by product initiatives and brand-led activities such as Defender Trophy, Dakar Rally participation, Hard-Top variants and Oasis tours.
- In North America, demand trends remain strong for Range Rover and Range Rover Sport, while Defender OCTA has generated significant customer interest. Jaguar volumes are intentionally moderating ahead of the upcoming new Jaguar launch cycle.
- In the UK and Europe, demand for SUVs across Range Rover, Defender, and Discovery remained resilient. Defender Hard-Top orders have grown rapidly, while customer preference continues shifting toward EVs and PHEVs, although diesel Defender demand remains robust.
- China continues to remain a highly competitive market environment, with the luxury tax implemented from July affecting demand significantly. JLR has, therefore, optimized local inventory levels to preserve dealer profitability.
- Dispatches to the Middle East, which contributes to 6% of its mix, is likely to be impacted in 1Q, given the ongoing geopolitical headwinds in the region.
- JLR's EV rollout strategy will commence with Range Rover Electric and Range Rover Sport Electric, followed by Jaguar Type 01 and subsequently the first EMA platform-based Range Rover vehicle.
- Input costs are expected to inch up in coming quarters with all key commodities seeing sizeable increase in the recent past.
- To offset the cost headwinds, management is targeting GBP1.7b worth of cost savings over the next two years, which would drive a reduction in its breakeven volumes towards 300k units.
- JLR incurred capex of around GBP3.6b towards the development of three new vehicle platforms, manufacturing facilities, and BEV powertrain investments. JLR reiterated its commitment to planned investments of GBP18b over FY24-FY28 and stated that detailed FY27 guidance will be shared during the Investor Day scheduled on 17 June 2026.
- Freelander has been licensed as a JLR brand to Chery for manufacturing through the CJLR facility. The vehicle will initially be launched in China, with further international expansion decisions to be evaluated subsequently by Chery.

### Update on India PV business

- Management expects the domestic PV industry to grow by around 10% in FY27, with stronger growth anticipated in 1H, followed by moderation in 2H over a higher base. TMPV expects to outperform industry growth, with supply constraints likely to be a bigger challenge than demand during the year.
- The company plans to launch two new nameplates in FY27, along with four facelifts each across the ICE and EV portfolios.
- The export business is expected to sustain momentum, with management targeting about 70-100% growth in exports through expansion in product offerings and volumes, particularly in the South African market.
- The India PV business delivered strong growth during FY26, supported by favorable industry demand conditions, successful new product launches, and continued momentum across the SUV portfolio.
- Punch emerged as the fastest-growing SUV in the market, with the vehicle crossing more than 600k units on road within four years of launch, highlighting strong customer acceptance and sustained demand.
- Sierra witnessed strong bookings and healthy customer interest; however, production was impacted by supply-side constraints relating to casting components for the engine. Management indicated that corrective actions have been initiated through onboarding of additional suppliers. The Sierra EV launch is scheduled for next month and will require incremental capacity expansion.
- Dealer inventory currently stands at around 20 days, while the avg waiting period across its models stands remains in the range of 4-8 weeks.
- The company continued to strengthen its alternate fuel portfolio, with EVs and CNG vehicles contributing over 40% of the overall mix during the year. CNG volumes crossed 170k units in FY26, significantly outperforming industry growth trends, while CNG penetration in the portfolio increased to 27%.
- TMPV maintained its leadership position in the EV market with around 40% market share despite increasing competitive intensity.
- The company remains significantly ahead of CAFE emission requirements, with fleet CO2 emissions at 91.8 g/km in FY26 compared to the applicable CAFE threshold of 123.1 g/km.
- Input costs have surged to the extent of around 5-6% of revenue. Of this, about 2% is already reflected in 4Q and the balance is likely to be visible in 1Q.
- Management has been able to implement cost savings initiatives, thereby driving 2% savings in 4Q. It has also taken about 0.5% price hike in April to offset cost pressures, with further calibrated hikes expected over the coming months.
- PLI accruals for FY26 stood at INR 10b, and the same for 4Q stood at INR4.7b, of which INR900m pertained to 3Q.
- Investment spending during the quarter stood at INR14b, taking FY26 capex to INR52.2b, which were within the guidance provided earlier by the company.
- Going forward, management's strategic priorities include strengthening demand through new product launches, enhancing retail momentum through impactful marketing and network expansion, improving supply-chain resilience and capacity availability, driving profitability through structural cost actions and operating leverage, and leveraging strong EV and CNG demand through portfolio expansion and focused front-end initiatives.

**Update on India EV business**

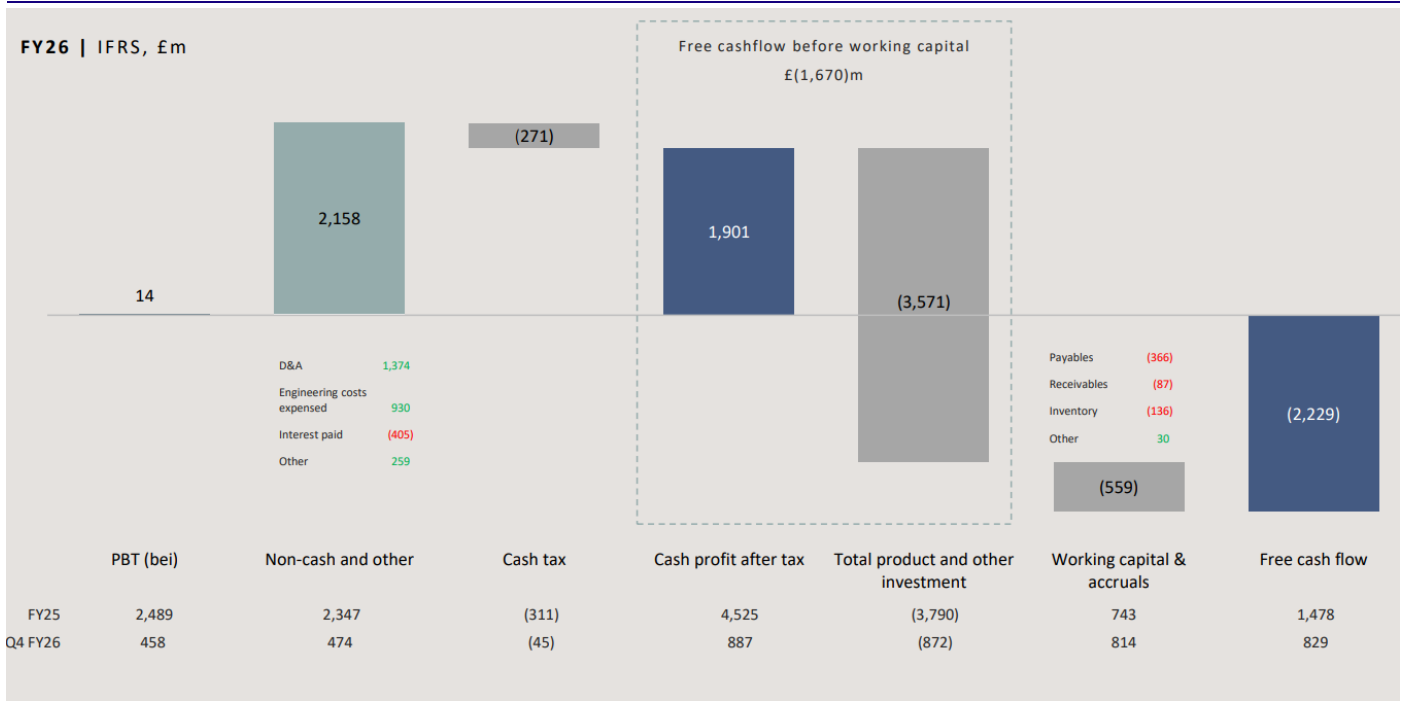
- Management remains constructive on the EV opportunity and intends to drive higher penetration across the product portfolio, particularly within the entry-level segment where adoption potential remains significant.
- EV volumes maintained a consistent quarterly run-rate of around 24k units annually, while 4Q volumes increased to approximately 27k units. Management expects volumes to ramp up beyond 10k units per month once geopolitical disruptions stabilize.
- Customer interest in EVs has materially improved following the Middle East crisis, with enquiry levels reportedly increasing by 30-35%. Recent product launches have also contributed meaningfully to higher consumer traction.
- Management indicated that profitability of the EV business is currently not a concern given ongoing PLI benefits. Simultaneously, the company continues to undertake cost reduction initiatives aimed at improving EV profitability and eventually achieving price parity between ICE and EV vehicles.

**Exhibit 1: Multiple headwinds beyond the cyber incident continues to put pressure on JLR's PBT**



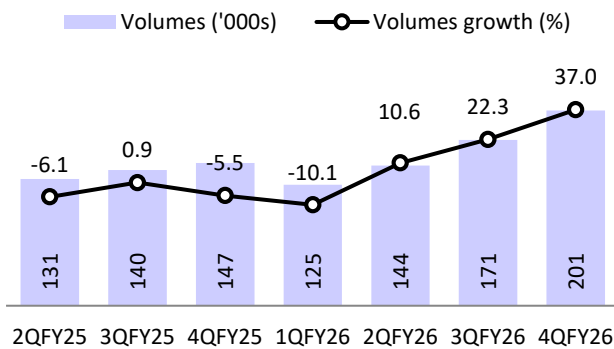
Source: Company, MOFSL

**Exhibit 2: JLR posts FCF outflow of GBPR2.2b post investment of GBP3.6b in FY26**



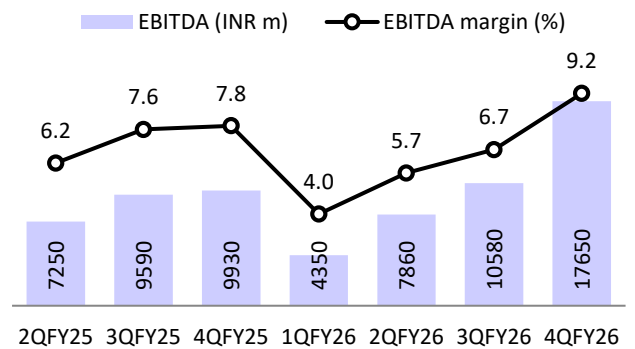
Source: Company, MOFSL

**Exhibit 3: Volume trend for India business**



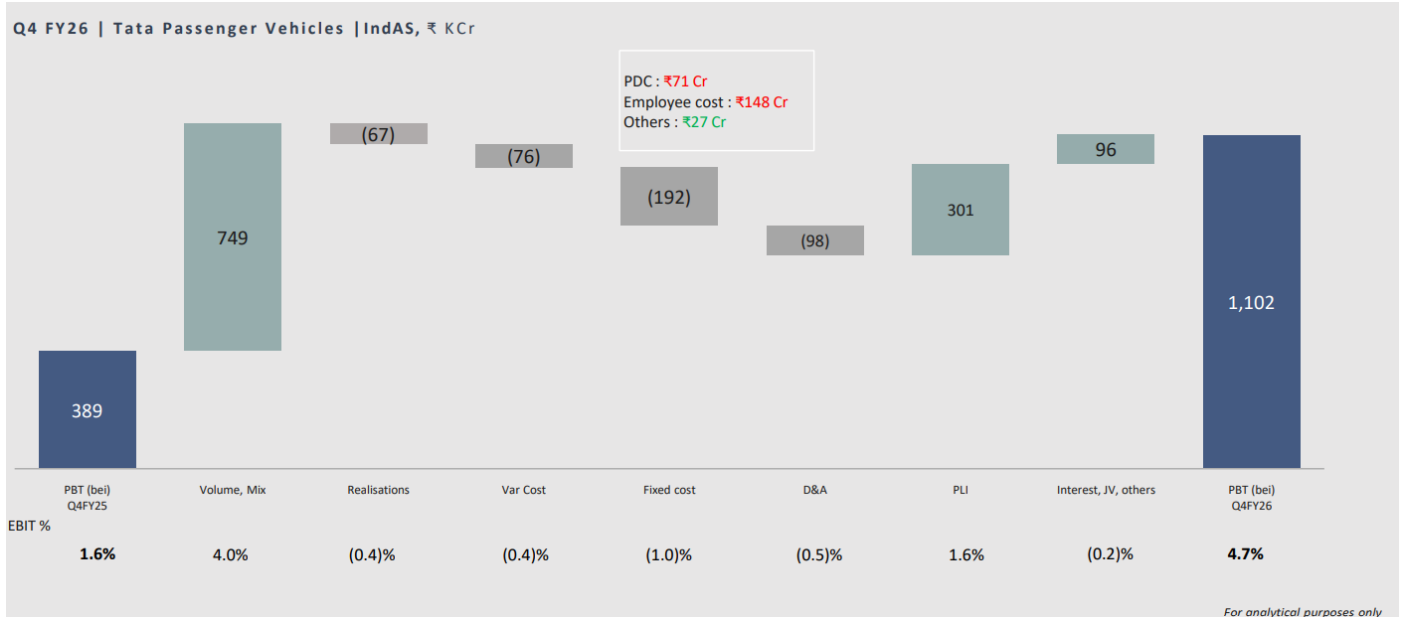
Source: Company, MOFSL

**Exhibit 4: EBITDA margin trend**



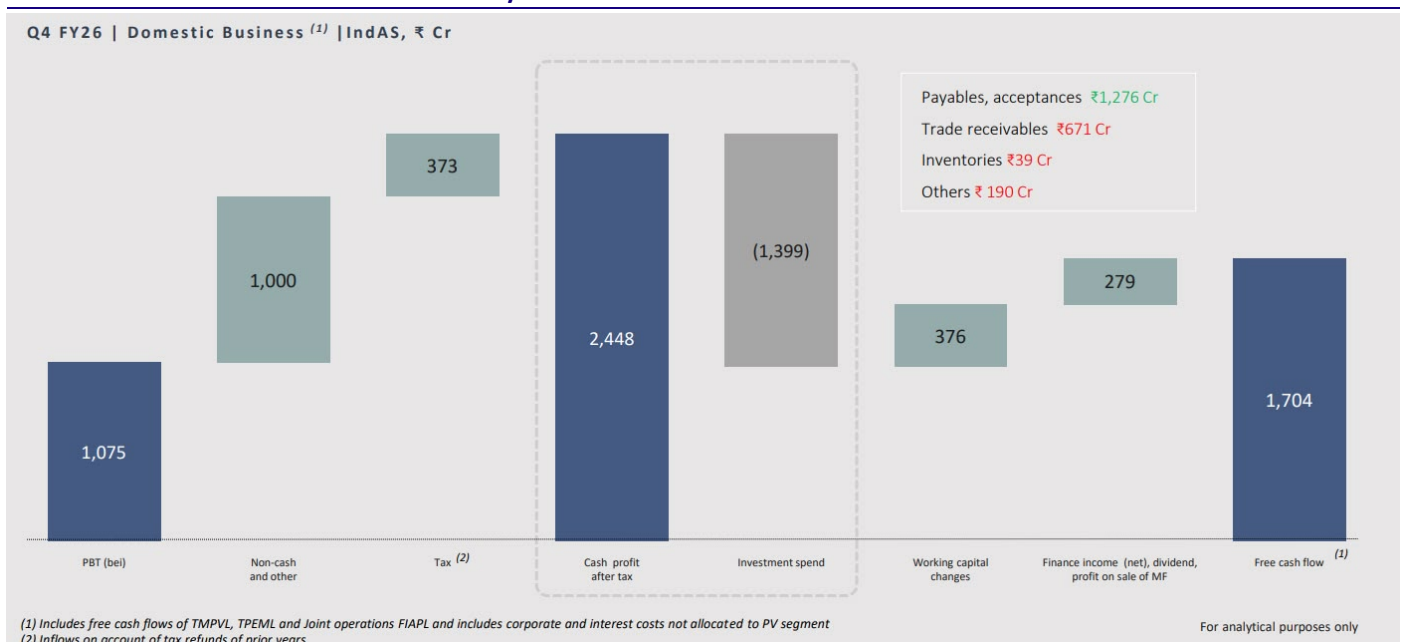
Source: Company, MOFSL

**Exhibit 5: India business 4QFY26 margin walk**



Source: Company, MOFSL

**Exhibit 6: India business has delivered healthy FCF**



Source: Company, MOFSL



these initiatives, the company targets to reduce costs by about GBP1.7b over a two year period. This will help it reduce breakeven levels at JLR to 300k units pa. Overall, post a sharp decline in JLR EBITDA margins to 6.7% for FY26, we expect the same to expand to 8% for FY27 and to 9% for FY28.

- **India PV business continues to perform well:** The India PV business performance has seen a marked improvement over last few quarters, improving its share by 40bp to 13.6% in FY26. While management expects the industry to post 10% volume growth in FY27, it remains confident of outperforming the same on the back of its healthy new launch pipeline. It intends to launch two new name plates and four variant launches in FY27 as well. Overall, we expect the India business to post a steady 8% volume CAGR over FY26-28.
- **Valuation and view:** 4Q performance has certainly been ahead of estimates, both in India and at JLR. Further, while the Indian PV demand outlook remains positive, the company is expected to see margin pressure in the near term, given the material surge in input costs. JLR continues to face multiple headwinds both on demand and cost front. While the company has embarked on a major cost reduction initiative, it is likely to only help partially offset the current headwinds. Given significant challenges at JLR and the continued geopolitical uncertainty, we reiterate our Sell rating on the stock with an SoTP-based TP of INR303 per share (based on FY28E). We value both JLR and the Indian PV business at 2x and 13x EV/EBITDA, respectively.

#### Exhibit 8: TMPV business SoTP

	FY26	FY27E	FY28E
<b>India Business INR m</b>			
EBITDA	40,500	46,063	54,571
EBITDA x	13	13	13
Market Value	520,500	593,325	704,417
Per Share Value	141	161	191
<b>JLR</b>			
Adjusted EBITDA INR m	102,608	179,671	254,209
EBITDA x	2	2	2
EV	205,216	359,342	508,418
Per Share Value	-1	44	86
Value per share for Tata Tech	26	26	26
<b>Target Price</b>	<b>166</b>	<b>230</b>	<b>303</b>

#### Exhibit 9: Summary of our revised estimates

Key Assumptions (INR b)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
<b>Consolidated</b>						
Net Sales	3,892	3,859	0.9	4,430	4,265	3.9
EBITDA	305	289	5.4	390	360	8.5
EBITDA Margins (%)	7.8	7.5	30bp	8.8	8.4	40bp
Net Profit	59	58	1.7	112	106	5.6
Cons EPS	15.9	15.7	1.7	30.4	28.8	5.6

Source: MOFSL

## Financials and valuations

Income Statement (Consolidated)				(INR m)
Y/E March	2025	2026	2027E	2028E
<b>Total Income</b>	<b>3,656,479</b>	<b>3,391,850</b>	<b>3,891,826</b>	<b>4,430,317</b>
Change (%)	4.4	-7.2	14.7	13.8
<b>EBITDA</b>	<b>487,201</b>	<b>228,160</b>	<b>304,559</b>	<b>390,447</b>
Change (%)	-86.1	-53.2	33.5	28.2
% of Net Sales	13.3	6.7	7.8	8.8
Depreciation	212,086	197,840	210,667	224,306
<b>EBIT</b>	<b>275,115</b>	<b>30,320</b>	<b>93,892</b>	<b>166,141</b>
Interest	22,654	26,490	37,631	38,278
Other Income	11,506	26,310	24,150	25,597
EO Exp/(Inc)	1,620	-46,420	0	0
Forex Gain/ (Loss)	18,407	950	0	0
<b>PBT</b>	<b>280,754</b>	<b>-15,330</b>	<b>80,411</b>	<b>153,461</b>
Tax	76,503	-2,460	21,711	41,434
<b>Reported PAT</b>	<b>204,252</b>	<b>-12,870</b>	<b>58,700</b>	<b>112,026</b>
Change (%)	-94.2	NM	NM	90.8
<b>Adj. PAT</b>	<b>192,039</b>	<b>21,233</b>	<b>58,700</b>	<b>112,026</b>
Change (%)	-14.6	-88.9	176.5	90.8

Balance Sheet (Cons.)				(INR m)
Y/E March	2025	2026	2027E	2028E
<b>Sources of Funds</b>				
Share Capital	7,360	7,370	7,370	7,370
Reserves	1,154,080	1,113,310	1,149,900	1,225,077
<b>Net Worth</b>	<b>1,161,440</b>	<b>1,120,680</b>	<b>1,157,270</b>	<b>1,232,447</b>
Loans	624,990	699,530	739,530	729,530
Minority Interest	66,100	67,740	74,514	81,965
<b>Capital Employed</b>	<b>1,852,530</b>	<b>1,887,950</b>	<b>1,971,314</b>	<b>2,043,942</b>
<b>Net Fixed Assets</b>	<b>1,148,020</b>	<b>1,032,280</b>	<b>1,073,571</b>	<b>1,116,514</b>
Capital WIP	658,060	1,026,540	1,077,867	1,099,424
Goodwill	8,950	14,280	14,280	14,280
Investments	421,410	331,170	531,170	731,170
<b>Curr.Assets</b>	<b>1,549,980</b>	<b>1,414,950</b>	<b>1,462,875</b>	<b>1,553,167</b>
Inventory	472,690	501,260	575,148	654,729
Sundry Debtors	132,480	126,190	144,791	164,825
Cash & Bank Bal.	343,490	228,800	239,876	280,619
Loans & Advances	1,710	1,530	1,607	1,687
Others	599,610	557,170	501,453	451,308
<b>Current Liab. &amp; Prov.</b>	<b>1,933,890</b>	<b>1,931,270</b>	<b>2,188,449</b>	<b>2,470,613</b>
Sundry Creditors	973,680	927,800	1,064,562	1,211,860
Other Liabilities	592,550	606,570	679,358	760,881
Provisions	367,660	396,900	444,528	497,871
<b>Net Current Assets</b>	<b>-383,910</b>	<b>-516,320</b>	<b>-725,574</b>	<b>-917,446</b>
<b>Appl. of Funds</b>	<b>1,852,530</b>	<b>1,887,950</b>	<b>1,971,314</b>	<b>2,043,942</b>

## Financials and valuations

### Ratios (Con.)

Y/E March	2026	2027E	2028E
<b>Basic (INR)</b>			
<b>EPS</b>	<b>5.7</b>	<b>15.9</b>	<b>30.4</b>
EPS Growth (%)	-89.1	179.4	90.8
Cash EPS	59.4	73.1	91.3
Book Value (Rs/Share)	304.1	314.0	334.4
DPS	3.0	6.0	10.0
Payout (Incl. Div. Tax) %	52.6	37.7	32.9
<b>Valuation (x)</b>			
Consolidated P/E	59.4	21.3	11.1
EV/EBITDA	7.1	5.2	3.8
EV/Sales	0.5	0.4	0.3
Price to Book Value	1.1	1.1	1.0
Dividend Yield (%)	0.9	1.8	3.0
<b>Profitability Ratios (%)</b>			
RoE	1.8	5.2	9.4
RoCE (Post-tax)	2.2	4.5	7.0
RoIC	1.8	5.4	10.9
<b>Turnover Ratios</b>			
Debtors (Days)	14	14	14
Inventory (Days)	54	54	54
Creditors (Days)	100	100	100
<b>Leverage Ratio</b>			
Net Auto Debt/Equity (x)	0.4	0.4	0.4

### Cash Flow Statement

Y/E March	2026	2027E	(INR b) 2028E
OP/(Loss) before Tax	-16,230	80,411	153,461
Int/Div. Received	180	13,481	12,680
Depreciation	197,840	210,667	224,306
Direct Taxes Paid	2,460	-210,667	-224,306
(Inc)/Dec in WC	-90,380	220,330	232,615
Other Items	36,540	9,213	-8,386
<b>CF from Op Activity</b>	<b>130,410</b>	<b>323,435</b>	<b>390,370</b>
Extra-ordinary Items	0	0	0
<b>CF after EO Items</b>	<b>130,410</b>	<b>323,435</b>	<b>390,370</b>
<b>CF from Inv Activity</b>	<b>-248,100</b>	<b>-292,618</b>	<b>-264,500</b>
Issue of Shares	220	0	0
Inc/(Dec) in Debt	34,860	40,000	-10,000
Interest Paid	-26,490	-37,631	-38,278
Dividends Paid	-22,030	-22,110	-36,850
<b>CF from Fin Activity</b>	<b>-13,440</b>	<b>-19,741</b>	<b>-85,128</b>
<b>Inc/(Dec) in Cash</b>	<b>-131,130</b>	<b>11,076</b>	<b>40,743</b>
Add: Beginning Bal.	359,930	228,800	239,876
<b>Closing Balance</b>	<b>228,800</b>	<b>239,876</b>	<b>280,619</b>

E: MOFSL Estimates

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UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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