

November 6, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	3,950		3,845	
Sales (Rs. m)	15,81,207	17,82,483	15,40,475	17,35,121
% Chng.	2.6	2.7		
EBITDA (Rs. m)	2,25,322	2,52,221	2,19,518	2,45,520
% Chng.	2.6	2.7		
EPS (Rs.)	138.7	152.8	130.3	143.0
% Chng.	6.4	6.8		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	1,165	1,393	1,581	1,782
EBITDA (Rs. bn)	172	195	225	252
Margin (%)	14.8	14.0	14.3	14.2
PAT (Rs. bn)	128	147	167	184
EPS (Rs.)	106.8	122.0	138.7	152.8
Gr. (%)	21.5	14.2	13.6	10.2
DPS (Rs.)	25.3	26.0	26.0	26.0
Yield (%)	0.7	0.7	0.7	0.7
RoE (%)	22.5	21.9	21.1	19.8
RoCE (%)	22.1	22.1	21.7	20.2
EV/Sales (x)	3.5	3.0	2.6	2.3
EV/EBITDA (x)	23.9	21.3	18.3	16.2
PE (x)	33.5	29.3	25.8	23.4
P/BV (x)	7.0	6.0	5.0	4.3

Key Data

MAHM.BO | MM IN

52-W High / Low	Rs.3,724 / Rs.2,360
Sensex / Nifty	83,459 / 25,598
Market Cap	Rs.4,453bn / \$ 50,231m
Shares Outstanding	1,244m
3M Avg. Daily Value	Rs.9034.96m

Shareholding Pattern (%)

Promoter's	18.43
Foreign	38.53
Domestic Institution	29.57
Public & Others	13.45
Promoter Pledge (Rs bn)	0.02

Stock Performance (%)

	1M	6M	12M
Absolute	3.4	22.4	24.2
Relative	0.7	18.0	17.2

Aditya Jakhotia

adityajakhotia@plindia.com | 91-22-66322532

Profit beats estimates due to higher other income

Quick Pointers:

- Tractor outlook improved to low double digits from mid-single digits
- M&M enjoys leadership position in terms of revenue in the e-SUV market

M&M's Q2FY26 standalone revenue grew by 21.3% YoY, missing BBGe marginally by 1.4% (was 1.3% above PLe) due to lower-than-expected blended realization. Lower other expenses and higher non-operating income helped adj PAT (adjusted for loss in JV & subsidiaries) to grow by 17.7% YoY, beating BBGe/PLe by 14.9%/15.2%. The group continues to show strong performance across the business with steady expansion in margins and market share. We marginally tweak volume and realization estimates and expect overall volume and blended realization to grow at 9.1% and 5.0% CAGR, respectively, over FY25-28E, translating to revenue/EBITDA/EPS CAGR of 15.2%/13.5%/12.7%. Retain "ACCUMULATE" rating with TP of Rs3,950 (previous Rs3,845), valuing the core business at 26x P/E on its Sep'27 earnings and its share of subsidiaries' value based on respective market prices. The stock currently trades at P/E of 26.4x/23.9x based on FY27E/FY28E consensus earnings.

In Q2FY26, standalone business' blended realization grew by 2.5% YoY, while gross margin contracted by 144bps YoY to 24.4% (in line with street estimates). EBITDA grew by 23.1% YoY, while margin expanded 20bps YoY to 14.5% (beating BBGe/PLe by 30bps/45bps), owing to lower other expenses YoY and lower staff costs in proportion to revenue. Reported PAT increased by 17.7% YoY, beating estimates due to lower depreciation and higher non-operating income.

Leader in SUV market share: It achieved SUV volume of 146k units (+7% YoY) aiding it to reach #1 position in revenue market share at 25.7% (+390bps YoY). e-SUV penetration at 8.7% (vs. industry at 7.4%) was +90bps QoQ, although with 33.1% revenue market share (130bps lower than the leading OEM), it achieved 2nd position. Auto standalone EBIT margin was 10.3% (9.2% with contract manufacturing). Farm segment (incl. Gromax) sold 123k units (+32% YoY) and saw highest ever Q2 market share by volume at 43.0% (+50bps YoY), retaining #1 position. LCV (<3.5T) volume of 70k units (+13% YoY) took its market share to 53.2% (+100bps YoY). It also achieved #1 position in e-3W (volume market share at 42.3%).

At consolidated level, revenue grew by 22% YoY. PAT grew by 28% YoY led by Farm PAT (+54% YoY), Auto PAT (+14% YoY; impacted by GST 2.0 transition and logistics issue), MMFSL (delivering as guided) PAT (+45% YoY), TechM (which is on track) PAT (+35% YoY), and Growth Gems (which are accelerating) PAT (+22% YoY). It achieved 35% EPS CAGR over H1FY22 to H1FY26 vs. the guidance of 15-20%. Annualized ROE was up at 19.4%, but going ahead, it should be ~18% (as previously guided), given there would be further investments to make to drive growth.

For FY26, the management has guided its SUV volume to grow in mid-to-high teens, while higher EV mix will weigh in on the margins. Tractors and LCVs should grow in low double digits. Tractors should continue to grow well in states like Maharashtra, Karnataka, Telangana and Andhra Pradesh on a lower base, and the current unseasonal rains aren't expected to create a slowdown. The decline in SML Isuzu's Sep'25 volumes was attributed to the GST transition, and its buses should see strong market share gains when the school season starts.

Fairly covered against the Nexperia chip impact until Nov'25-end. It's a low-value, commodity-type chip and not as difficult to substitute (should be resolved in a few weeks) as was the case during the semiconductor crisis post-Covid. However, the management is tracking the situation with extreme caution to mitigate any risk as multiple stakeholders are working to resolve this.

Conference call highlights

Auto division

- The management feels GST 2.0 will have multi-year fundamental benefits across segments. However, it acknowledged that the small cars (18% GST slab) will benefit more in the short term than the ones in 40% slab due to larger rate cuts. In the medium-to-long run 1st time buyers of small cars will upgrade to larger cars/ higher variants where M&M is well positioned. Full benefits of GST 2.0 and festivities are likely to be seen in the upcoming quarter.
- Launch of the 2 new Boleros got delayed as older versions' liquidation took time due to the GST transition.
- Most of its ICE cars fall into the 40% GST slab, so the differential vs. EVs (5% GST) will keep the latter still attractive.
- For the electric subsidiary (MEAL), M&M plans to increase penetration via category creation, pack mix and pricing tweaks, and not push for volume to increase margin. Actions are being already taken to keep costs under control and driving adoption of the category as EBITDA has increased to healthy levels.
- BEV portfolio: Pack 1 continues to be sub-10% (as planned), Pack 2 at 35-40% (lower than their plan), and Pack 3 at 50-60%. A new e-SUV (XEV 9S) will be launched on 27th Nov'25. More new products will hit the market within the next 5-6 months.
- PLI incentive for EVs will go on till FY28, and it reflects as revenue item in MEAL's books (and not in M&M's standalone numbers). Currently, all of it is received for XEV 9e, and BE 6 should receive PLI incentive by Apr'26.
- 85% of M&M's BEV buyers are the ones who own cars of other OEMs mainly with multi-car ownership. 1st time car buyer penetration in not seen much yet.
- 30k e-SUV units have been sold from the start of delivery in Mar'25 to Oct'25.
- 75-80% of 3XO is petrol variant, and for rest of the models, diesel variant accounts for 70-75% of the portfolio .

- SUV and tractor exports surged as neighboring markets like Sri Lanka, Bangladesh and Nepal, which were in slowdown, have begun to open. The 1st lot of EVs has been dispatched to Nepal in Q2FY26, where organic demand generation has been seen. The 3XO and XUV 700 are garnering good response in South Africa and Australia. Tractor exports resumed in Algeria after 1.5-2 years as the government there wasn't allowing imports without certain license from India previously.

Farm and LCV Division

- Tractor and LCV customers have faced unprecedented prices in the last 5 years due to commodity price increases and regulatory changes. Now, more latent demand will be seen due to GST rate cuts, positive rural sentiments, improved festive mood, simplification in farm business, strong government spending, mandi arrivals, export of crops, farmers terms of trade that hasn't deteriorated, and multiple other on-ground favorable factors. So, the management expects this growth to be sustainable, at least for this FY.
- Normally 1st and 3rd quarters are better in the year for the farm segment, but this time, Q2 performance has also been strong with high PBIT margins.
- Farm implements business will have to be improved by focusing on each product category. Until now, its market share in the Harvester category, which comes under the Swaraj brand has been 4-5%, although it now has an enhanced product that is beginning to do well driving the overall topline. Margins aren't in line with the tractor business, but have started to make some money, and improved volume should help achieve reasonable margins like peers.
- Dialogue is ongoing between TMA and other stakeholders to postpone the TREM5 regulation implementation.

Other key highlights

- Dealer's cess liability is in their respective books and is being taken up by FADA to the Supreme Court. M&M isn't carrying anything in its books and has built-in costs incurred in Q2.
- Already hedged against precious metals' price increase now, but if this price trend continues then hedging cost will go up and impact them.
- Sale of Sampo in Finland is complete.
- On RBL Bank investment, the management mentioned that its treasury saw value there, which has played out well with almost 50% gains. As per recent media speculations, M&M is going to sell the entire 3.45% stake via a block deal, gaining above 60% on the investment.
- The Investor Day is scheduled for 20th Nov'25.


Exhibit 1: Q2FY26 Result Overview (Rs mn)

Y/e March	2QFY26	2QFY25	YoY gr. (%)	2QFY26E	Var (%)	1QFY26	QoQ gr. (%)	1HFY26	1HFY25	YoY (%)
Net Revenues	3,34,216	2,75,533	21.3	3,29,842	1.3	3,40,832	(1.9)	6,75,048	5,45,921	23.7
Raw Materials	2,52,786	2,04,440	23.6	2,48,701	1.6	2,59,207	(2.5)	5,11,993	4,03,834	26.8
<i>Gross margin (%)</i>	<i>24.4</i>	<i>25.8</i>	<i>-144 bps</i>	<i>24.6</i>	<i>-24 bps</i>	<i>23.9</i>	<i>42 bps</i>	<i>24.2</i>	<i>26.0</i>	<i>-166 bps</i>
Personnel	12,984	11,526	12.6	13,194	(1.6)	13,017	(0.3)	26,000	23,279	11.7
<i>% of Net Sales</i>	<i>3.9</i>	<i>4.2</i>	<i>-30 bps</i>	<i>4.0</i>	<i>-12 bps</i>	<i>3.8</i>	<i>7 bps</i>	<i>3.9</i>	<i>4.3</i>	<i>-38 bps</i>
Manufacturing & Other Exp	19,832	20,069	(1.2)	21,440	(7.5)	19,769	0.3	39,600	39,087	1.3
<i>% of Net Sales</i>	<i>5.9</i>	<i>7.3</i>	<i>-135 bps</i>	<i>6.5</i>	<i>-57 bps</i>	<i>5.8</i>	<i>13 bps</i>	<i>5.9</i>	<i>7.2</i>	<i>-123 bps</i>
Total Expenditure	2,85,601	2,36,035	21.0	2,83,334	0.8	2,91,993	(2.2)	5,77,593	4,66,201	23.9
EBITDA	48,615	39,497	23.1	46,508	4.5	48,840	(0.5)	97,455	79,719	22.2
<i>EBITDA Margin (%)</i>	<i>14.5</i>	<i>14.3</i>	<i>21 bps</i>	<i>14.1</i>	<i>45 bps</i>	<i>14.3</i>	<i>22 bps</i>	<i>14.4</i>	<i>14.6</i>	<i>-6 bps</i>
Depreciation	10,406	9,614	8.2	10,800	(3.6)	9,999	4.1	20,405	18,760	8.8
EBIT	38,209	29,884	27.9	35,708	7.0	38,841	(1.6)	77,050	60,960	26.4
Interest Expenses	590	551	7.0	520	13.4	559	5.5	1,149	1,080	6.4
Non-operating income	23,599	20,433	15.5	16,500	43.0	7,913	198.2	31,512	23,948	31.6
Extraordinary Income	-523	-456	14.8	0	#DIV/0!	-1,483	(64.7)	-2,006	-456	340.3
PBT	60,695	49,310	23.1	51,688	17.4	44,713	35.7	1,05,407	83,372	26.4
Tax-Total	15,489	10,901	42.1	12,000	29.1	10,214	51.6	25,703	18,837	36.5
<i>Tax Rate (%) - Total</i>	<i>25.5</i>	<i>22.1</i>	<i>341 bps</i>	<i>23.2</i>	<i>230 bps</i>	<i>22.8</i>	<i>268 bps</i>	<i>24.4</i>	<i>22.6</i>	<i>293 bps</i>
Reported PAT	45,205	38,409	17.7	39,688	13.9	34,498	31.0	79,704	64,535	23.5
Adj. PAT	45,728	38,864	17.7	39,688	15.2	35,981	27.1	81,709	64,991	25.7
<i>PAT Margin (%)</i>	<i>13.5</i>	<i>13.9</i>	<i>-41 bps</i>	<i>12.0</i>	<i>149 bps</i>	<i>10.1</i>	<i>340 bps</i>	<i>11.8</i>	<i>11.8</i>	<i>170 bps</i>
<i>APAT margin %</i>	<i>13.7</i>	<i>14.1</i>	<i>-42 bps</i>	<i>12.0</i>	<i>165 bps</i>	<i>10.6</i>	<i>313 bps</i>	<i>12.1</i>	<i>11.9</i>	<i>178 bps</i>

Source: Company, PL

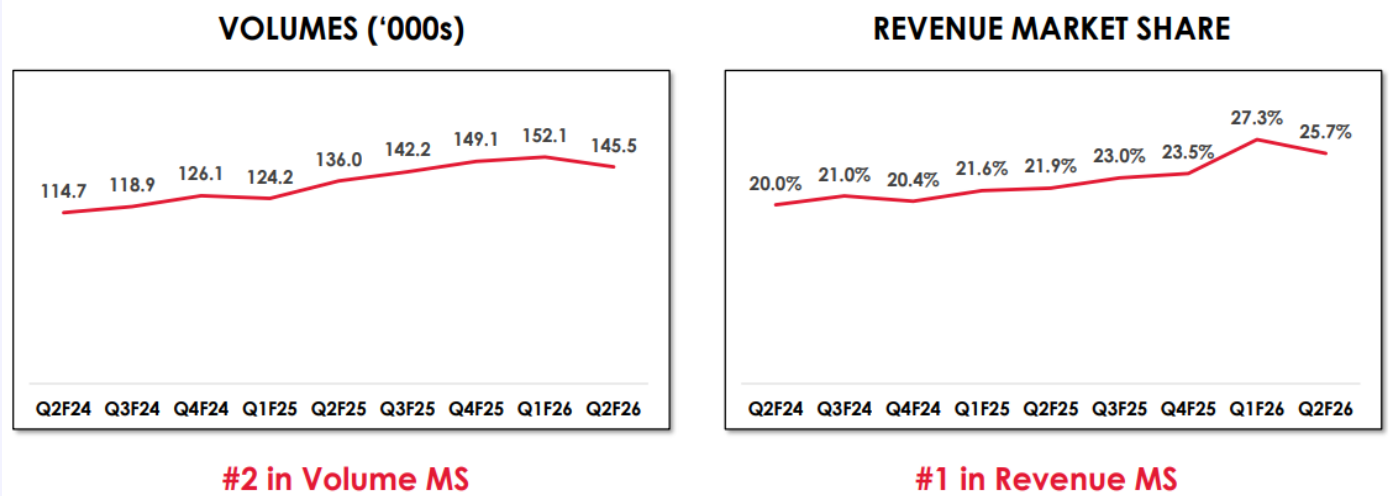
Exhibit 2: Operating Metrics

Y/e March	2QFY26	2QFY25	YoY gr. (%)	2QFY26E	Var (%)	1QFY26	QoQ gr. (%)	1HFY26	1HFY25	YoY gr. (%)
Sales Volume (nos)	3,86,431	3,26,478	18.4	3,86,431	-	3,81,338	1.3	7,67,769	6,59,495	16.4
Blended Realisation/Vehicle	8,64,879	8,43,955	2.5	8,53,560	1.3	8,93,780	(3.2)	8,79,234	8,27,786	6.2
Material cost / vehicle	6,54,155	6,26,199	4.5	6,43,584	1.6	6,79,731	(3.8)	6,66,858	6,12,339	8.9
Gross Profit / vehicle	2,10,724	2,17,756	(3.2)	2,09,976	0.4	2,14,049	(1.6)	2,12,376	2,15,447	(1.4)
Employee cost /vehicle	33,599	35,304	(4.8)	34,142	(1.6)	34,134	(1.6)	33,864	35,299	(4.1)
Other expenses / vehicle	51,320	61,472	(16.5)	55,481	(7.5)	51,840	(1.0)	51,579	59,269	(13.0)
EBITDA/vehicle	1,25,805	1,20,980	4.0	1,20,352	4.5	1,28,075	(1.8)	1,26,933	1,20,879	5.0
Net Profit/vehicle	1,18,334	1,19,041	(0.6)	1,02,703	15.2	94,355	25.4	1,06,424	98,546	8.0

Source: Company, PL

Key charts:

Exhibit 3: SUV revenue market share up by ~390bps YoY



Source: Company, PL

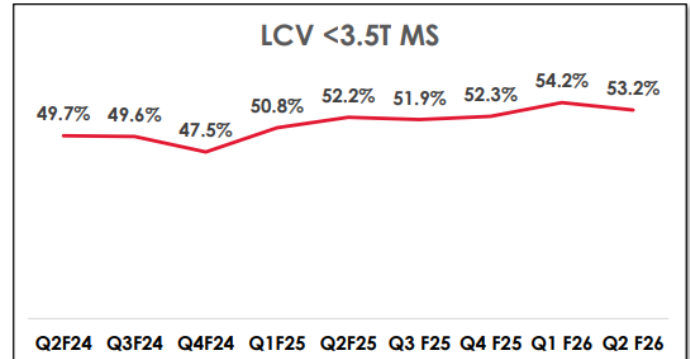
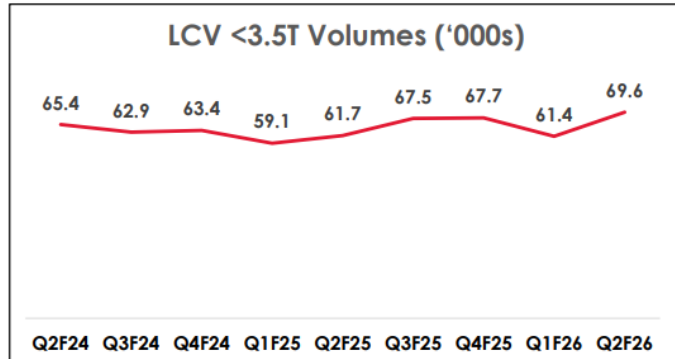
Exhibit 4: Auto standalone margin expands by ~80bps YoY (excl e-SUV contract manufacturing)

	Auto Standalone* + eSUV Contract Mfg. = Auto Standalone as reported		
Revenue	22,018	2,911	24,929
PBIT	2,271	10	2,281
PBIT%	10.3%	0.3%	9.2%
	*Auto business excl eSUV Contract Mfg. for MEAL	eSUV Contract Mfg. for MEAL by Auto	Auto Standalone Results will reflect sales to MEAL

Source: Company, PL

Exhibit 5: Gaining revenue market share in LCV segment

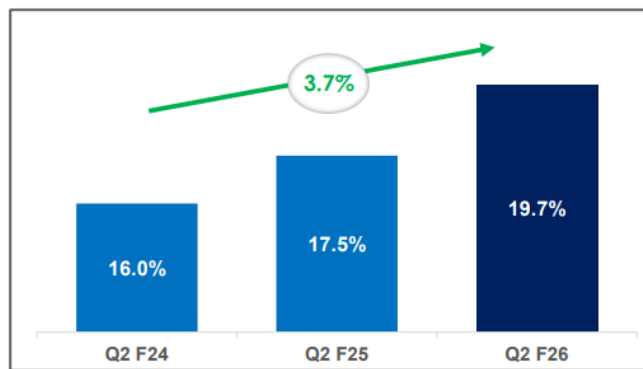
Q2 F26 MS 53.2%, gain of 1% YoY



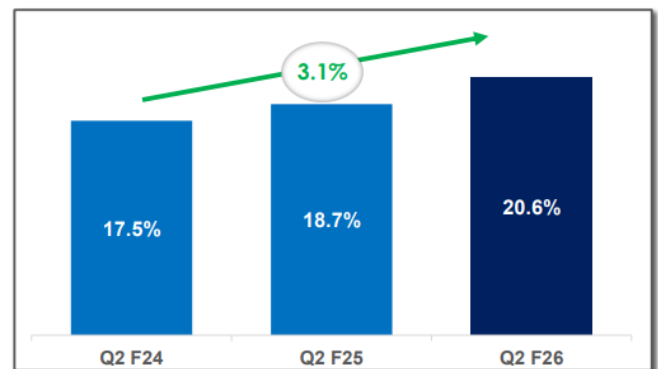
Source: Company, PL

Exhibit 6: Core tractor margin improves by ~190bps YoY

Farm Standalone PBIT%



Core Tractor# PBIT%



Note: Core Tractor comprises of the tractor business (incl. exports) and excludes Powerol & Farm Machinery business

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	11,64,837	13,93,128	15,81,207	17,82,483
YoY gr. (%)	17.5	19.6	13.5	12.7
Cost of Goods Sold	8,63,401	10,44,846	11,85,905	13,38,645
Gross Profit	3,01,436	3,48,282	3,95,302	4,43,838
Margin (%)	25.9	25.0	25.0	24.9
Employee Cost	48,815	55,725	60,086	67,734
Other Expenses	80,125	97,519	1,09,894	1,23,883
EBITDA	1,72,496	1,95,038	2,25,322	2,52,221
YoY gr. (%)	34.6	13.1	15.5	11.9
Margin (%)	14.8	14.0	14.3	14.2
Depreciation and Amortization	42,268	43,617	51,117	61,548
EBIT	1,30,229	1,51,421	1,74,205	1,90,673
Margin (%)	11.2	10.9	11.0	10.7
Net Interest	2,505	2,237	2,169	2,102
Other Income	38,527	39,740	44,694	50,408
Profit Before Tax	1,57,772	1,78,924	2,13,729	2,35,980
Margin (%)	13.5	12.8	13.5	13.2
Total Tax	37,952	42,405	50,226	55,455
Effective tax rate (%)	24.1	23.7	23.5	23.5
Profit after tax	1,19,820	1,36,519	1,63,503	1,80,525
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,28,300	1,46,519	1,66,503	1,83,525
YoY gr. (%)	21.6	14.2	13.6	10.2
Margin (%)	11.0	10.5	10.5	10.3
Extra Ord. Income / (Exp)	(8,479)	(10,000)	(3,000)	(3,000)
Reported PAT	1,19,820	1,36,519	1,63,503	1,80,525
YoY gr. (%)	16.4	13.9	19.8	10.4
Margin (%)	10.3	9.8	10.3	10.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,19,820	1,36,519	1,63,503	1,80,525
Equity Shares O/s (m)	1,201	1,201	1,201	1,201
EPS (Rs)	106.8	122.0	138.7	152.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	3,98,673	4,73,673	5,48,673	6,23,673
Tangibles	3,98,673	4,73,673	5,48,673	6,23,673
Intangibles	-	-	-	-
Acc: Dep / Amortization	2,02,160	2,45,777	2,96,894	3,58,442
Tangibles	2,02,160	2,45,777	2,96,894	3,58,442
Intangibles	-	-	-	-
Net fixed assets	1,96,513	2,27,896	2,51,778	2,65,230
Tangibles	1,96,513	2,27,896	2,51,778	2,65,230
Intangibles	-	-	-	-
Capital Work In Progress	39,046	39,046	39,046	39,046
Goodwill	-	-	-	-
Non-Current Investments	2,99,921	3,63,950	4,27,863	5,03,279
Net Deferred tax assets	(16,629)	(17,460)	(18,333)	(19,250)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	79,021	79,021	79,021	79,021
Inventories	1,03,333	1,37,404	1,55,955	1,75,807
Trade receivables	57,256	64,216	72,885	82,163
Cash & Bank Balance	1,07,906	84,564	1,02,505	1,38,971
Other Current Assets	51,882	59,664	68,613	78,905
Total Assets	9,96,489	11,25,074	12,77,376	14,54,090
Equity				
Equity Share Capital	6,004	6,004	6,004	6,004
Other Equity	6,09,847	7,15,146	8,47,428	9,96,733
Total Network	6,15,851	7,21,150	8,53,432	10,02,737
Non-Current Liabilities				
Long Term borrowings	14,464	13,964	13,464	12,964
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,354	2,354	2,354	2,354
Trade payables	2,34,058	2,59,542	2,90,249	3,27,196
Other current liabilities	1,13,134	1,10,604	99,544	89,590
Total Equity & Liabilities	9,96,489	11,25,074	12,77,376	14,54,090

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1,57,772	1,78,924	2,13,729	2,35,980
Add. Depreciation	42,268	43,617	51,117	61,548
Add. Interest	2,505	2,237	2,169	2,102
Less Financial Other Income	38,527	39,740	44,694	50,408
Add. Other	(30,048)	(29,740)	(41,694)	(47,408)
Op. profit before WC changes	1,72,496	1,95,038	2,25,322	2,52,221
Net Changes-WC	66,835	(33,560)	(26,919)	(24,386)
Direct tax	(36,954)	(41,574)	(49,353)	(54,539)
Net cash from Op. activities	2,02,377	1,19,904	1,49,049	1,73,297
Capital expenditures	(1,48,091)	(1,39,029)	(1,38,912)	(1,50,417)
Interest / Dividend Income	-	-	-	-
Others	30,048	29,740	41,694	47,408
Net Cash from Invt. activities	(1,18,043)	(1,09,289)	(97,219)	(1,03,008)
Issue of share cap. / premium	3,498	-	-	-
Debt changes	(3,689)	(500)	(500)	(500)
Dividend paid	(30,380)	(31,220)	(31,220)	(31,220)
Interest paid	(2,505)	(2,237)	(2,169)	(2,102)
Others	-	-	-	-
Net cash from Fin. activities	(33,075)	(33,957)	(33,889)	(33,822)
Net change in cash	51,260	(23,342)	17,941	36,466
Free Cash Flow	1,40,226	44,904	74,049	98,297

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	3,05,382	3,13,534	3,40,832	3,34,216
YoY gr. (%)	20.3	24.5	26.1	21.3
Raw Material Expenses	2,27,268	2,32,299	2,59,207	2,52,786
Gross Profit	78,114	81,236	81,625	81,430
Margin (%)	25.6	25.9	23.9	24.4
EBITDA	44,681	46,825	48,840	48,615
YoY gr. (%)	35.6	42.0	21.4	23.1
Margin (%)	14.6	14.9	14.3	14.5
Depreciation / Depletion	10,451	13,058	9,999	10,406
EBIT	34,231	33,768	38,841	38,209
Margin (%)	11.2	10.8	11.4	11.4
Net Interest	614	810	559	590
Other Income	6,901	7,678	7,913	23,599
Profit before Tax	39,679	33,450	44,713	60,695
Margin (%)	13.0	10.7	13.1	18.2
Total Tax	10,036	9,079	10,214	15,489
Effective tax rate (%)	25.3	27.1	22.8	25.5
Profit after Tax	29,643	24,371	34,498	45,205
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	30,481	31,557	35,981	45,728
YoY gr. (%)	22.4	48.8	37.7	17.7
Margin (%)	10.0	10.1	10.6	13.7
Extra Ord. Income / (Exp)	(838)	(7,185)	(1,483)	(523)
Reported PAT	29,643	24,371	34,498	45,205
YoY gr. (%)	19.1	21.9	32.0	17.7
Margin (%)	9.7	7.8	10.1	13.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	29,643	24,371	34,498	45,205
Avg. Shares O/s (m)	1,201	1,201	1,201	1,201
EPS (Rs)	25.4	26.3	30.0	38.1

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	106.8	122.0	138.7	152.8
CEPS	142.0	158.3	181.2	204.1
BVPS	512.9	600.6	710.7	835.1
FCF	116.8	37.4	61.7	81.9
DPS	25.3	26.0	26.0	26.0
Return Ratio(%)				
RoCE	22.1	22.1	21.7	20.2
ROIC	24.7	22.2	21.4	20.1
RoE	22.5	21.9	21.1	19.8
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	(23)	(15)	(14)	(14)
Valuation(x)				
PER	33.5	29.3	25.8	23.4
P/B	7.0	6.0	5.0	4.3
P/CEPS	25.2	22.6	19.8	17.5
EV/EBITDA	23.9	21.3	18.3	16.2
EV/Sales	3.5	3.0	2.6	2.3
Dividend Yield (%)	0.7	0.7	0.7	0.7

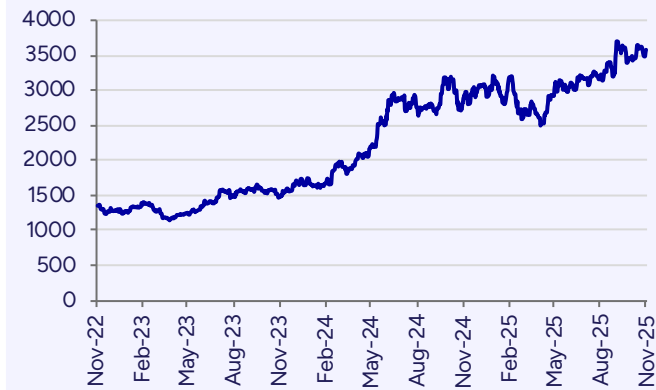
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Tractor Volumes	4,24,641	4,75,247	4,99,974	5,30,822
Auto volumes	9,40,864	10,78,639	11,61,891	12,44,082

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	Accumulate	3,845	3,427
2	06-May-25	BUY	3,539	3,022
3	08-Apr-25	BUY	3,218	2,524
4	10-Feb-25	BUY	3,664	3,198
5	09-Jan-25	BUY	3,541	3,086
6	28-Nov-24	BUY	3,456	2,899
7	08-Nov-24	BUY	3,456	2,891

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bajaj Auto	Hold	9,117	8,792
2	Eicher Motors	Hold	6,729	6,903
3	Hero Motocorp	Accumulate	6,049	5,513
4	Mahindra & Mahindra	Accumulate	3,845	3,427
5	Maruti Suzuki	Hold	16,215	16,155
6	TVS Motor Company	Accumulate	3,907	3,562

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Aditya Jakhotia- MBA Finance, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Aditya Jakhotia- MBA Finance, Passed CFA Level II Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com