

We attended Tata Motors (TMCV) Analyst Day ([link](#)), where the management highlighted that the global CV industry is entering a new phase of evolution led by four themes: connected vehicles, ADAS, decarbonization, and software-defined vehicles. On domestic CV growth, TMCV indicated double-digit volume growth is visible in Q1FY27 (momentum to sustain in Q2). FY27 growth is guided at high-single digits, reflecting normalization in H2 on a high base. The freight ecosystem remains healthy (freight movement expected to rise from ~2.6trn ton-kms to ~3trn ton-kms by FY30) led by strong infra spends, rising fleet utilization, and continued e-com penetration. Despite recent fuel price fluctuations, fleet operators maintain healthy economics and are able to pass on fuel cost hikes to consumers. While commodity inflation remains a near-term headwind, TMCV has taken calibrated price hikes (1% in Jan-26; 2% in Apr-26; 2.5% from Jul-26), which, coupled with ongoing cost initiatives, should help sustain double-digit EBITDAM in FY27 (with potential for teens EBITDAM during favorable upcycles). The management reiterated that the IVECO acquisition will be completed by Q2FY27. The European CV cycle is also showing early signs of recovery, with improving demand trends, which is positive for IVECO. We build in 7%/10% volume/revenue CAGR over FY26-28E and keep our estimates unchanged. Retain BUY with an unchanged SOTP-based TP of Rs600.

#### H1 momentum to continue; H2 to see moderation on a high base

TMCV indicated that the CV industry has witnessed double-digit growth during Apr/May-26 and expects this to sustain through Q2, led by a favorable base. However, growth is likely to soften in H2 as the industry laps a stronger demand environment in Q3/Q4FY26 due to GST rate cuts. Overall, TMCV remains constructive on the demand outlook and expects to deliver high-single-digit growth in FY27, led by healthy freight movement, improving fleet utilization, and continued infra spends.

#### RM headwinds to hurt near-term margins; double-digit margin guided for FY27

TMCV acknowledged commodity cost pressures as a near-term headwind. To mitigate this, it has taken calibrated price hikes, along with cost optimization, value engineering, and improved product mix. Despite RM inflation, the management remains confident of sustaining double-digit EBITDAM in FY27 and reiterated profitability as a non-negotiable objective. Margins could revert to teens during a favorable industry upcycle.

#### Iveco acquisition on track; multiple synergies in play

TMCV stated that the IVECO acquisition remains on track for completion by Q2FY27, with most regulatory approvals already secured. Multiple synergies are expected across procurement, engineering, platform sharing, and digital capabilities. TMCV sees significant sourcing optimization potential, given IVECO's relatively low procurement exposure to non-Western suppliers, along with cross-selling opportunities across geographies leveraging IVECO's FPT powertrain portfolio in India and long-term cost efficiencies through shared engineering platforms and digital tools.

#### Tata Motors: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	733,031	694,190	773,990	847,996	942,635
EBITDA	78,701	80,820	99,770	105,867	120,982
Adj. PAT	53,486	58,480	70,620	70,863	81,974
Adj. EPS (Rs)	14.0	15.3	19.2	19.3	22.3
EBITDA margin (%)	10.7	11.6	12.9	12.5	12.8
EBITDA growth (%)	0	2.7	23.4	6.1	14.3
Adj. EPS growth (%)	0	9.3	25.7	0.3	15.7
RoE (%)	0	137.9	64.6	41.8	33.3
RoIC (%)	0	941.4	(920.3)	(278.2)	(262.8)
P/E (x)	19.4	28.1	13.7	20.8	18.0
EV/EBITDA (x)	19.5	19.1	14.3	13.0	10.8
P/B (x)	0	18.1	11.0	7.2	5.1
FCFF yield (%)	0	0	6.5	6.0	7.4

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	50.0

Stock Data	TMCV IN
52-week High (Rs)	509
52-week Low (Rs)	306
Shares outstanding (mn)	3,682.5
Market-cap (Rs bn)	1,473
Market-cap (USD mn)	15,551
Net-debt, FY27E (Rs mn)	(98,050.7)
ADTV-3M (mn shares)	12.5
ADTV-3M (Rs mn)	5,325.0
ADTV-3M (USD mn)	56.2
Free float (%)	0.0
Nifty-50	23,824.1
INR/USD	94.7

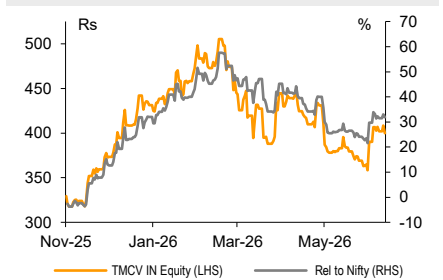
#### Shareholding

Promoters (%)	0.0
FPIs/MFs (%)	0.0/0.0

#### Price Performance

(%)	1M	3M	12M
Absolute	4.5	1.4	0.0
Rel. to Nifty	4.0	(4.2)	0.0

#### 1-Year share price trend (Rs)



#### Chirag Jain

chirag.jain@emkayglobal.com  
+91-22-66242428

#### Marazbaan Dastur

marazbaan.dastur@emkayglobal.com  
+91-22-66121281

#### Nandan Pradhan

nandan.pradhan@emkayglobal.com  
+91-22-66121238

#### Mohit Ranga

mohit.ranga@emkayglobal.com  
+91-22-66242478

## Other key takeaways

### ■ Strategy and industry outlook

- The management expects freight movement in India to increase from the current ~2.6trn ton-kms to ~3trn ton-kms by FY30. Given the current MHCV vehicle parc of ~4.5-5.0mn vehicles, the management believes that the industry will need to add ~1mn vehicles over the next 4Y to support this growth.
- The management argued that improving logistics efficiency does not necessarily imply lower vehicle demand. Instead, replacement demand is expected to remain strong, as older vehicles are unable to deliver the fuel efficiency, uptime, and technological capabilities offered by newer-generation trucks.

### ■ Profitability and pricing discipline

- TMCV reiterated that profitability will remain a non-negotiable objective even during periods of heightened competitive intensity. The management emphasized that it is unwilling to sacrifice margins through aggressive discounting merely to gain market share.
- According to the management, customers are increasingly willing to pay a premium for products offering superior uptime, fuel efficiency, reliability, and after-sales support. Value engineering and product interventions are becoming key drivers of ASP expansion.
- While commodity inflation remains a headwind, the management believes calibrated price hikes, ongoing cost optimization initiatives, and improved realizations should enable the business to sustain double-digit EBITDA margins through the cycle.

### ■ IVECO acquisition – Strategic rationale and synergies

- From a procurement standpoint, the management noted that IVECO currently sources relatively little from non-Western markets. TMCV believes its sourcing expertise and supplier ecosystem can drive meaningful cost savings through localization and global procurement optimization.
- On the commercial front, TMCV sees opportunities to introduce IVECO's Daily bus platform in India while leveraging Tata's SCV and pickup truck portfolio in LATAM markets such as Brazil and Argentina.

### ■ Technology, digitization, and software-defined vehicles

- TMCV believes value addition within CVs is gradually shifting from mechanical systems to electronics, software, and intelligent vehicle architecture.
- They expect AI-enabled applications and digitization to become key competitive differentiators in the CV industry over the next decade.
- TMCV disclosed that >1mn vehicles are connected through its Fleet Edge platform, creating one of the largest connected CV ecosystems in India.
- TMCV remains highly disciplined in introducing EV products and will participate only in categories where PLI economics and profitability thresholds are adequately met.

### ■ Key growth drivers

- A major focus area for TMCV over coming years will be the expansion of downstream businesses like parts, service, annual maintenance contracts, fleet management solutions, financing, and digital services.
- The management highlighted that the lifetime value opportunity associated with these businesses could be as large as 1.5x the value generated through the initial vehicle sale, given that customer engagement extends over a 10–12-year ownership period.

### ■ DFC impact on road freight

- The management remains constructive on the impact of Dedicated Freight Corridors and does not view them as a structural threat to road transportation demand.
- While the Western DFC may result in some long-haul freight shifting to rail, the management expects this to create incremental opportunities for intermediate and last-mile transportation through ILMCVs and SCVs.

This report is intended for subscribers of Emkay Research. For more information, please contact us at [research@emkayglobal.com](mailto:research@emkayglobal.com) or [analyst@emkayglobal.com](mailto:analyst@emkayglobal.com). All rights reserved.

**Exhibit 1: TMCV snapshot – TMCV saw a sequential dip in market share in domestic MHCVs due to a fall in truck market share; however, ASPs were up 6% QoQ, owing to a favorable shift in overall volume mix**

Volumes (no of units)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
<b>Domestic MHCVs</b>	<b>64,904</b>	<b>51,551</b>	25.9	<b>53,105</b>	22.2
--Trucks	58,853	44,885	31.1	48,934	20.3
--Buses	6,051	6,666	-9.2	4,171	45.1
<b>Domestic LCVs</b>	54,157	48,213	12.3	51,100	6.0
<b>Exports</b>	6,894	5,879	17.3	7,629	-9.6
<b>Total volume</b>	<b>125,955</b>	<b>105,643</b>	<b>19.2</b>	<b>111,834</b>	<b>12.6</b>
<b>ASP (Rs)</b>	1,941,328	1,893,074	2.5	1,824,490	6.4
<b>Domestic MHCV market share (%)</b>	<b>46.3</b>	<b>44.7</b>	<b>161 bps</b>	<b>47.9</b>	<b>(167) bps</b>

Source: Company, Emkay Research

**Exhibit 2: Revenue was up ~22% YoY/20% QoQ, with EBITDAM at ~13.5% (vs 12.8% in Q3FY26 and 14.8% in Q4FY25)**

Particulars (Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
<b>Revenue</b>	155,180	170,400	199,990	156,820	168,610	204,040	244,520	22.3	19.8
<b>RM cost</b>	105,290	117,170	137,130	105,210	116,320	142,710	170,500	24.3	19.5
% of revenue	67.9	68.8	68.6	67.1	69.0	69.9	69.7		
Gross profit	49,890	53,230	62,860	51,610	52,290	61,330	74,020	17.8	20.7
Gross margin (%)	32.1	31.2	31.4	32.9	31.0	30.1	30.3		
Employee cost	11,410	11,120	11,120	11,640	11,600	11,520	11,800	6.1	2.4
% of revenue	7.4	6.5	5.6	7.4	6.9	5.6	4.8		
Product development expense	2,740	2,680	2,680	1,730	2,030	1,590	2,470	-7.8	55.3
% of revenue	1.8	1.6	1.3	1.1	1.2	0.8	1.0		
Other expense	19,330	19,380	19,380	18,370	17,890	22,160	26,680	37.7	20.4
% of revenue	12.5	11.4	9.7	11.7	10.6	10.9	10.9		
<b>EBITDA</b>	<b>16,410</b>	<b>20,050</b>	<b>29,680</b>	<b>19,870</b>	<b>20,770</b>	<b>26,060</b>	<b>33,070</b>	11.4	26.9
<b>EBITDA margin (%)</b>	<b>10.6</b>	<b>11.8</b>	<b>14.8</b>	<b>12.7</b>	<b>12.3</b>	<b>12.8</b>	<b>13.5</b>		
Depreciation	4,840	4,880	4,880	4,230	4,120	4,170	4,490	-8.0	7.7
EBIT	11,570	15,170	24,800	15,640	16,650	21,890	28,580	15.2	30.6
<b>EBIT margin (%)</b>	<b>7.5</b>	<b>8.9</b>	<b>12.4</b>	<b>10.0</b>	<b>9.9</b>	<b>10.7</b>	<b>11.7</b>		
Interest	2110	2200	2200	1740	1860	1430	1,260	-42.7	-11.9
Other income	1760	3060	3060	2450	2780	2720	2,400	-21.6	-11.8
PBT	11,220	16,030	25,660	16,350	17,570	23,180	29,720	15.8	28.2
Tax	4460	1620	1620	2140	4120	2120	7,860	385.2	270.8
Tax rate (%)	39.8	10.1	6.3	13.1	23.4	9.1	26.4		
<b>Adj PAT</b>	<b>6,760</b>	<b>14,410</b>	<b>24,040</b>	<b>14,210</b>	<b>13,450</b>	<b>21,060</b>	<b>21,860</b>	-9.1	3.8
<b>PAT margin (%)</b>	<b>4.4</b>	<b>8.5</b>	<b>12.0</b>	<b>9.1</b>	<b>8.0</b>	<b>10.3</b>	<b>8.9</b>		
Exceptional items	-330	-240	-240	-100	-23660	-15450	2200		
<b>Reported PAT</b>	<b>6,430</b>	<b>14,170</b>	<b>23,800</b>	<b>14,110</b>	<b>-10,210</b>	<b>5,610</b>	<b>24,060</b>		
PAT margin (%)	4.1	8.3	11.9	9.0	-6.1	2.7	9.8		
<b>(%)</b>	<b>Q2FY25</b>	<b>Q3FY25</b>	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>Q4FY26</b>	<b>YoY bps</b>	<b>QoQ bps</b>
Gross margin	32.1	31.2	31.4	32.9	31.0	30.1	30.3	-116	21
EBITDAM	10.6	11.8	14.8	12.7	12.3	12.8	13.5	-132	75
EBITM	7.5	8.9	12.4	10.0	9.9	10.7	11.7	-71	96
PATM	4.4	8.5	12.0	9.1	8.0	10.3	8.9	-308	-138
Effective tax rate	39.8	10.1	6.3	13.1	23.4	9.1	26.4	2,013	1,730

Source: Company, Emkay Research

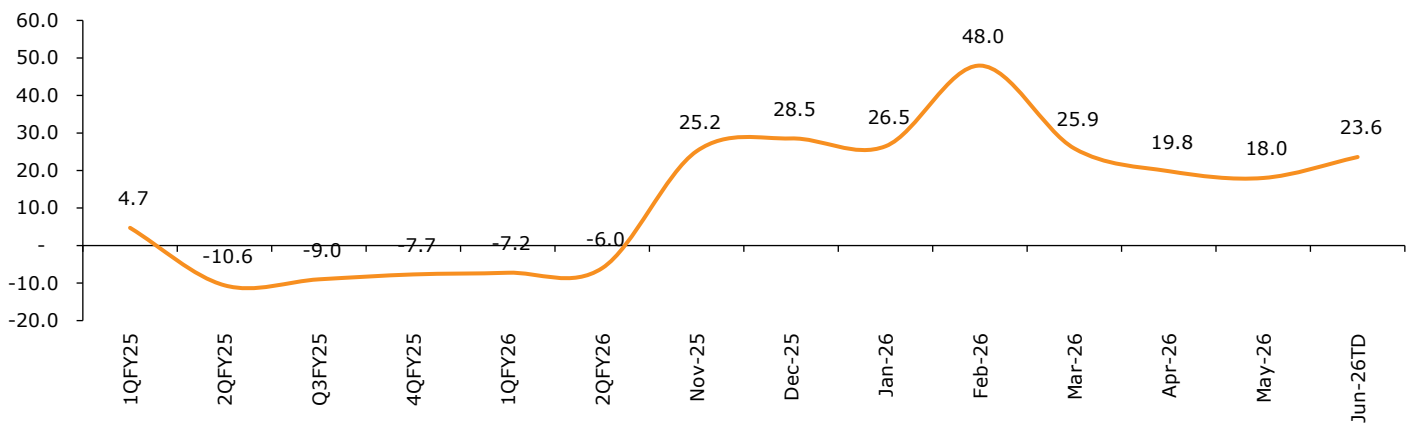
**Exhibit 3: TMCV's volume mix has tilted toward higher tonnage trucks following axle-norm changes in FY19; TMCV has gained share in the HCV space, wherein its market share in the >25MT category has risen by ~600bps over the past 1Y**

TMCV - Volume (no of units)	FY21	FY22	FY23	FY24	1QFY25	2QFY25	Q3FY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
<b>MHCV - Goods</b>	<b>79,782</b>	<b>123,810</b>	<b>159,008</b>	<b>158,370</b>	<b>34,793</b>	<b>33,342</b>	<b>38,606</b>	<b>44,885</b>	<b>32,135</b>	<b>36,864</b>	<b>48,934</b>	<b>58,853</b>
<b>ICV</b>	<b>21,507</b>	<b>35,769</b>	<b>30,981</b>	<b>19,057</b>	<b>4,274</b>	<b>4,027</b>	<b>4,225</b>	<b>4,683</b>	<b>3,899</b>	<b>5,073</b>	<b>6,736</b>	<b>7,658</b>
7.5-12MT	11,868	16,984	14,883	13,873	3,171	3,542	3,584	3,873	3,468	4,518	6,012	6,738
>12-14.5MT	5,355	1,784	1,669	1,269	366	384	569	620	394	459	716	865
>14.5-16.2MT	4,284	17,001	14,429	3,915	737	101	72	190	37	96	8	55
<b>HCV</b>	<b>49,396</b>	<b>69,713</b>	<b>93,022</b>	<b>97,673</b>	<b>20,848</b>	<b>20,624</b>	<b>24,369</b>	<b>28,323</b>	<b>19,642</b>	<b>23,136</b>	<b>31,908</b>	<b>35,375</b>
>16.2-18.5MT	8,628	3,028	8,796	20,317	5,818	6,411	7,107	8,252	6,057	7,100	8,047	10,114
>18.5-25MT	4,915	10,864	8,670	2,644	24	12	195	212	446	645	774	220
>25MT	35,853	55,821	75,556	74,712	15,006	14,201	17,067	19,859	13,139	15,391	23,087	25,041
<b>Tractor trailers</b>	<b>8,879</b>	<b>18,328</b>	<b>35,005</b>	<b>41,640</b>	<b>9,671</b>	<b>8,691</b>	<b>10,012</b>	<b>11,879</b>	<b>8,594</b>	<b>8,655</b>	<b>10,290</b>	<b>15,820</b>
<b>MHCV - Passenger</b>	<b>2,514</b>	<b>4,523</b>	<b>11,452</b>	<b>16,068</b>	<b>5,556</b>	<b>4,030</b>	<b>5,417</b>	<b>6,666</b>	<b>5,235</b>	<b>4,597</b>	<b>4,171</b>	<b>6,051</b>
<b>Domestic MHCVs</b>	<b>82,296</b>	<b>128,333</b>	<b>170,460</b>	<b>174,438</b>	<b>40,349</b>	<b>37,372</b>	<b>44,023</b>	<b>51,551</b>	<b>37,370</b>	<b>41,461</b>	<b>53,105</b>	<b>64,904</b>
<b>Domestic LCVs</b>	<b>158,110</b>	<b>191,083</b>	<b>217,106</b>	<b>191,842</b>	<b>42,138</b>	<b>38,605</b>	<b>44,786</b>	<b>44,086</b>	<b>36,672</b>	<b>41,470</b>	<b>51,100</b>	<b>54,157</b>
<b>Exports (MHCVs + LCVs)</b>	<b>20,071</b>	<b>34,599</b>	<b>20,112</b>	<b>17,677</b>	<b>3,540</b>	<b>4,293</b>	<b>4,457</b>	<b>5,874</b>	<b>5,969</b>	<b>7,574</b>	<b>7,629</b>	<b>6,894</b>
<b>Total CV volumes</b>	<b>260,477</b>	<b>354,015</b>	<b>407,678</b>	<b>383,957</b>	<b>86,027</b>	<b>80,270</b>	<b>93,266</b>	<b>101,511</b>	<b>80,011</b>	<b>90,505</b>	<b>111,834</b>	<b>125,955</b>
<b>TMCV - Volumes mix (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>Q3FY25</b>	<b>4QFY25</b>	<b>1QFY26</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>4QFY26</b>
<b>MHCV - Goods</b>	<b>30.6</b>	<b>35.0</b>	<b>39.0</b>	<b>41.2</b>	<b>40.4</b>	<b>41.5</b>	<b>41.4</b>	<b>44.2</b>	<b>40.2</b>	<b>40.7</b>	<b>43.8</b>	<b>46.7</b>
<b>ICV</b>	<b>8.3</b>	<b>10.1</b>	<b>7.6</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>4.5</b>	<b>4.6</b>	<b>4.9</b>	<b>5.6</b>	<b>6.0</b>	<b>6.1</b>
7.5-12MT	4.6	4.8	3.7	3.6	3.7	4.4	3.8	3.8	4.3	5.0	5.4	5.3
>12-14.5MT	2.1	0.5	0.4	0.3	0.4	0.5	0.6	0.6	0.5	0.5	0.6	0.7
>14.5-16.2MT	1.6	4.8	3.5	1.0	0.9	0.1	0.1	0.2	0.0	0.1	0.0	0.0
<b>HCV</b>	<b>19.0</b>	<b>19.7</b>	<b>22.8</b>	<b>25.4</b>	<b>24.2</b>	<b>25.7</b>	<b>26.1</b>	<b>27.9</b>	<b>24.5</b>	<b>25.6</b>	<b>28.5</b>	<b>28.1</b>
>16.2-18.5MT	3.3	0.9	2.2	5.3	6.8	8.0	7.6	8.1	7.6	7.8	7.2	8.0
>18.5-25MT	1.9	3.1	2.1	0.7	0.0	0.0	0.2	0.2	0.6	0.7	0.7	0.2
>25MT	13.8	15.8	18.5	19.5	17.4	17.7	18.3	19.6	16.4	17.0	20.6	19.9
<b>Tractor trailers</b>	<b>3.4</b>	<b>5.2</b>	<b>8.6</b>	<b>10.8</b>	<b>11.2</b>	<b>10.8</b>	<b>10.7</b>	<b>11.7</b>	<b>10.7</b>	<b>9.6</b>	<b>9.2</b>	<b>12.6</b>
<b>MHCV passengers</b>	<b>1.0</b>	<b>1.3</b>	<b>2.8</b>	<b>4.2</b>	<b>6.5</b>	<b>5.0</b>	<b>5.8</b>	<b>6.6</b>	<b>6.5</b>	<b>5.1</b>	<b>3.7</b>	<b>4.8</b>
<b>Domestic MHCVs</b>	<b>31.6</b>	<b>36.3</b>	<b>41.8</b>	<b>45.4</b>	<b>46.9</b>	<b>46.6</b>	<b>47.2</b>	<b>50.8</b>	<b>46.7</b>	<b>45.8</b>	<b>47.5</b>	<b>51.5</b>
<b>Domestic LCVs</b>	<b>60.7</b>	<b>54.0</b>	<b>53.3</b>	<b>50.0</b>	<b>49.0</b>	<b>48.1</b>	<b>48.0</b>	<b>43.4</b>	<b>45.8</b>	<b>45.8</b>	<b>45.7</b>	<b>43.0</b>
<b>Exports (MHCVs + LCVs)</b>	<b>7.7</b>	<b>9.8</b>	<b>4.9</b>	<b>4.6</b>	<b>4.1</b>	<b>5.3</b>	<b>4.8</b>	<b>5.8</b>	<b>7.5</b>	<b>8.4</b>	<b>6.8</b>	<b>5.5</b>
<b>TMCV - Market share (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>Q3FY25</b>	<b>4QFY25</b>	<b>1QFY26</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>4QFY26</b>
<b>MHCV - Goods</b>	<b>52.0</b>	<b>54.1</b>	<b>49.6</b>	<b>49.5</b>	<b>50.7</b>	<b>47.9</b>	<b>50.4</b>	<b>48.5</b>	<b>49.1</b>	<b>49.7</b>	<b>51.2</b>	<b>49.0</b>
<b>ICV</b>	<b>40.7</b>	<b>46.2</b>	<b>40.5</b>	<b>33.8</b>	<b>35.4</b>	<b>32.9</b>	<b>33.8</b>	<b>32.3</b>	<b>34.7</b>	<b>35.8</b>	<b>37.6</b>	<b>36.0</b>
7.5-12MT	42.4	48.8	42.2	36.8	34.1	37.0	36.4	33.9	36.7	37.7	40.2	37.9
>12-14.5MT	57.2	35.1	30.8	25.5	34.7	31.3	35.9	36.8	38.1	33.8	38.8	40.0
>14.5-16.2MT	27.5	45.4	40.2	28.4	43.0	7.1	6.8	13.6	4.8	11.8	0.7	4.2
<b>HCV</b>	<b>57.1</b>	<b>56.4</b>	<b>50.0</b>	<b>50.2</b>	<b>50.9</b>	<b>48.2</b>	<b>51.1</b>	<b>49.6</b>	<b>49.2</b>	<b>51.1</b>	<b>52.9</b>	<b>48.5</b>
>16.2-18.5MT	69.3	32.6	32.7	46.3	48.8	48.1	50.9	49.2	50.0	49.2	46.3	46.3
>18.5-25MT	36.7	51.4	36.8	10.4	0.5	0.2	3.7	2.8	7.5	9.8	10.0	2.6
>25MT	59.0	59.9	55.8	59.7	62.5	59.7	60.0	60.8	60.1	63.6	65.6	58.6
<b>Tractor trailers</b>	<b>64.0</b>	<b>66.1</b>	<b>60.3</b>	<b>60.3</b>	<b>62.2</b>	<b>59.5</b>	<b>61.0</b>	<b>56.5</b>	<b>60.4</b>	<b>58.5</b>	<b>59.6</b>	<b>60.9</b>
<b>MHCV passengers</b>	<b>34.3</b>	<b>38.3</b>	<b>29.8</b>	<b>29.9</b>	<b>32.7</b>	<b>29.6</b>	<b>39.9</b>	<b>29.5</b>	<b>28.9</b>	<b>32.9</b>	<b>27.6</b>	<b>33.4</b>
<b>Domestic MHCVs</b>	<b>51.2</b>	<b>53.3</b>	<b>47.5</b>	<b>46.7</b>	<b>47.2</b>	<b>44.9</b>	<b>48.8</b>	<b>44.7</b>	<b>44.7</b>	<b>47.0</b>	<b>48.0</b>	<b>47.0</b>
<b>Domestic LCVs</b>	<b>38.8</b>	<b>40.1</b>	<b>36.0</b>	<b>32.2</b>	<b>30.4</b>	<b>27.8</b>	<b>30.4</b>	<b>27.9</b>	<b>26.3</b>	<b>27.3</b>	<b>28.4</b>	<b>38.8</b>
<b>Exports (MHCVs + LCVs)</b>	<b>39.9</b>	<b>37.5</b>	<b>25.6</b>	<b>26.9</b>	<b>22.5</b>	<b>21.8</b>	<b>20.2</b>	<b>25.0</b>	<b>30.7</b>	<b>31.5</b>	<b>30.9</b>	<b>35.5</b>
<b>Overall CV market share</b>	<b>42.1</b>	<b>43.8</b>	<b>39.2</b>	<b>37.1</b>	<b>35.8</b>	<b>33.2</b>	<b>35.9</b>	<b>34.2</b>	<b>33.0</b>	<b>34.3</b>	<b>35.5</b>	<b>42.4</b>

Source: Company, Emkay Research

Exhibit 4: TMCV's retail momentum sustains in Jun-26 as well, with MHCV (goods) retails growing strongly at ~24% YoY

TMCV MHCV retails YoY growth (%)



Source: Vahan, Emkay Research

Exhibit 5: CV industry is being reshaped by multiple megatrends including connected CVs, ADAS, decarbonization, and SDVs

### CV industry is being reshaped globally, domestic demand remains strong

Global CV industry going through a paradigm shift

Continued domestic demand growth, despite rising fuel prices

**4 Global Megatrends**

- Connected CVs
- ADAS (Advanced Driver Assistance System)
- Decarbonization
- Software-centred vehicle design

**Leading to fundamental shifts**

**Key Industry Shifts**  
Value pools shifting beyond the vehicle  
Rising competition from EV startups

**OEM Response**  
**Beyond vehicles:** Downstream, Digital, Ecosystem services, & Adjacencies  
**New Capabilities:** Complex integration of hardware, software, & services, Multi-fuel platforms

**Strong Demand Drivers**

- GDP IIP & exports
- Fuel Prices
- Infrastructure push
- E-commerce penetration
- Tourism, shared mobility & services
- Healthy fleet economics
- Increasing fleet utilization

**Stable Regulatory Outlook**

- Stable regulatory roadmap
- Established scrappage policy
- Electrification push

Source: Company, Emkay Research

Exhibit 6: TMCV has guided for teens EBITDAM, ~7-9% FCF yield as % of revenue, and investment spends of ~2-4% of revenue for FY27

### We made good on our commitments for 2027 ahead of targets

**EBITDA Margin**  
TARGET: Teens EBITDA %  
**13.2%** +140 bps vs FY25  
Structural margin improvement driven by mix, cost discipline & Non-Cyclical businesses

**Free Cash Flow**  
TARGET: 7-9% of Revenue  
**~12%** of Revenue  
Significantly ahead of guidance; disciplined working capital & capex management

**Investments Spend**  
TARGET: 2-4% of Revenue  
**~3.6%** of Revenue  
Within range; growth and technology investments prioritized - BS7, EV, digital

**ROCE**  
TARGET: Strong & improving  
**72%** Auto ROCE  
Among the highest in the global CV industry

**Market Share**  
TARGET: 40%

Segment	FY25	FY26
HCV	53.9%	55.0%
ILMCV	40.2%	39.5%
SCVPU	29.0%	26.8%
CV Passenger	37.6%	36.4%
<b>Total</b>	<b>37.1%</b>	<b>35.7%</b>

HCV leadership strengthened (+110bps); highest offtake market share in a decade. SCV-PU recovery underway

Source: Company, Emkay Research

Exhibit 7: TMCV has identified multiple growth focus areas such as vans, ILCV buses, and EV buses, going ahead

### Strengthening competitive leadership : Segment wise approach

Focus Area	Key Drivers	Key Actions
 <p>Vans</p>	New market identification	<ul style="list-style-type: none"> <li>CNG led expansion in Tier 2 &amp; 3 growing markets</li> <li>Volume expansion in ambulance segment</li> </ul>
 <p>ILCV Bus</p>	Growth in school enrolment	<ul style="list-style-type: none"> <li>Safest school bus addressing different customer segments</li> </ul>
 <p>EV Buses</p>	Financing scheme for private market GCC <sup>4</sup> for Urban buses	<ul style="list-style-type: none"> <li>Customer engagement, Demo's in target micro markets</li> <li>Asset-light consortium model with strong PSM<sup>3</sup></li> </ul>
 <p>MCV Bus : STU</p> <p>MCV Intercity</p>	STU <sup>5</sup> aging fleet replacement Connectivity between tier 1,2 & 3 cities	<ul style="list-style-type: none"> <li>Cost-competitiveness &amp; AMC<sup>6</sup> to improve value proposition</li> <li>Increase penetration through expansion in key markets</li> </ul>
 <p>Customer Experience</p>	Service TAT <sup>1</sup> Digitization for enhanced experience	<ul style="list-style-type: none"> <li>Improved TAT through digitization and CSC<sup>2</sup></li> <li>Fleetedge, Fleetverse for simplified customer journey</li> </ul>

1) TAT: Turn Around Time 2) CSC: Customer Success Centre 3) PSM: Payment Security Mechanism 4) GCC: Gross Cost Contract 5) STU: State Transport Undertakings 6) AMC: Annual Maintenance Contracts

Source: Company, Emkay Research

Exhibit 8: Iveco synergies to unlock new geographies for TMCV



Source: Company, Emkay Research

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

## Exhibit 9: Remainder run-rate – We build in ~5.9%/7.9% volume growth for FY27E/FY28E

TTMT CVs (no of units)	FY25	FY26	Growth YoY (%)	FY27E	Growth YoY (%)	FY28E	Growth YoY (%)
<b>Domestic MHCVs</b>	<b>173,295</b>	<b>196,840</b>	<b>13.6</b>	<b>206,839</b>	<b>5.1</b>	<b>219,431</b>	<b>6.1</b>
<b>Domestic trucks</b>	<b>151,626</b>	<b>176,786</b>	<b>16.6</b>	<b>185,682</b>	<b>5.0</b>	<b>196,793</b>	<b>6.0</b>
<b>ICV</b>	<b>17,209</b>	<b>23,366</b>	<b>35.8</b>	<b>25,390</b>	<b>8.7</b>	<b>27,859</b>	<b>9.7</b>
7.5 - 12MT	14,170	20,736	46.3	22,602	9.0	24,862	10.0
12 - 16.2MT	3,039	2,630	-13.5	2,788	6.0	2,997	7.5
<b>HCV</b>	<b>94,164</b>	<b>110,061</b>	<b>16.9</b>	<b>115,849</b>	<b>5.3</b>	<b>122,935</b>	<b>6.1</b>
16.2 - 25MT	28,031	33,403	19.2	35,741	7.0	38,422	7.5
25MT	66,133	76,658	15.9	80,108	4.5	84,514	5.5
<b>Tractor trailers</b>	<b>40,253</b>	<b>43,359</b>	<b>7.7</b>	<b>44,443</b>	<b>2.5</b>	<b>45,998</b>	<b>3.5</b>
-- Buses	21,669	20,054	-7.5	21,157	5.5	22,638	7.0
<b>Domestic LCVs</b>	<b>169,615</b>	<b>183,399</b>	<b>8.1</b>	<b>195,320</b>	<b>6.5</b>	<b>210,946</b>	<b>8.0</b>
<b>CV exports</b>	<b>18,164</b>	<b>28,066</b>	<b>54.5</b>	<b>30,031</b>	<b>7.0</b>	<b>36,037</b>	<b>20.0</b>
<b>Vans (including exports)</b>	<b>16,006</b>	<b>20,024</b>	<b>25.1</b>	<b>21,225</b>	<b>6.0</b>	<b>22,923</b>	<b>8.0</b>
<b>Total</b>	<b>377,080</b>	<b>428,329</b>	<b>13.6</b>	<b>453,415</b>	<b>5.9</b>	<b>489,337</b>	<b>7.9</b>
<b>TTMT's market share (%)</b>	<b>FY25</b>	<b>FY26</b>	<b>Change (bps)</b>	<b>FY27E</b>	<b>Change (bps)</b>	<b>FY28E</b>	<b>Change (bps)</b>
<b>Domestic MHCVs</b>	<b>46.2</b>	<b>46.5</b>	29 bps	<b>46.3</b>	(23) bps	<b>46.2</b>	(14) bps
<b>Domestic trucks</b>	<b>49.3</b>	<b>49.7</b>	36 bps	<b>49.4</b>	(24) bps	<b>49.3</b>	(15) bps
<b>ICV</b>	<b>33.6</b>	<b>36.1</b>	251 bps	<b>36.2</b>	10 bps	<b>35.7</b>	(49) bps
7.5 - 12MT	35.3	38.1	286 bps	38.1	(0) bps	37.5	(68) bps
12 - 16.2MT	27.3	25.2	(208) bps	25.5	24 bps	25.6	12 bps
<b>HCV</b>	<b>49.9</b>	<b>50.3</b>	36 bps	<b>50.0</b>	(29) bps	<b>50.1</b>	11 bps
16.2 - 25MT	35.2	35.3	10 bps	35.3	0 bps	35.4	16 bps
25MT	60.7	61.7	101 bps	61.5	(29) bps	61.7	29 bps
<b>Tractor trailers</b>	<b>59.6</b>	<b>60.0</b>	46 bps	<b>60.3</b>	29 bps	<b>60.6</b>	29 bps
-- Buses	32.2	29.9	(233) bps	29.7	(14) bps	29.7	(0) bps
<b>Domestic LCVs</b>	<b>29.1</b>	<b>27.9</b>	(118) bps	<b>28.1</b>	13 bps	<b>28.1</b>	0 bps
CV exports	22.4	29.6	718 bps	30.2	56 bps	30.2	0 bps
Vans (including exports)	100.0	100.0	0 bps	100.0	0 bps	100.0	0 bps
<b>Total</b>	<b>35.8</b>	<b>35.9</b>	10 bps	<b>35.9</b>	3 bps	<b>35.7</b>	(15) bps
<b>TTMT's volume mix (%)</b>	<b>FY25</b>	<b>FY26</b>	<b>Change (bps)</b>	<b>FY27E</b>	<b>Change (bps)</b>	<b>FY28E</b>	<b>Change (bps)</b>
<b>Domestic MHCVs</b>	<b>46.0</b>	<b>46.0</b>	(0) bps	<b>45.6</b>	(34) bps	<b>44.8</b>	(78) bps
<b>Domestic trucks</b>	<b>40.2</b>	<b>41.3</b>	106 bps	<b>41.0</b>	(32) bps	<b>40.2</b>	(74) bps
<b>ICV</b>	<b>4.6</b>	<b>5.5</b>	89 bps	<b>5.6</b>	14 bps	<b>5.7</b>	9 bps
7.5 - 12MT	3.8	4.8	108 bps	5.0	14 bps	5.1	10 bps
12 - 16.2MT	0.8	0.6	(19) bps	0.6	0 bps	0.6	(0) bps
<b>HCV</b>	<b>25.0</b>	<b>25.7</b>	72 bps	<b>25.6</b>	(15) bps	<b>25.1</b>	(43) bps
16.2 - 25MT	7.4	7.8	36 bps	7.9	8 bps	7.9	(3) bps
25MT	17.5	17.9	36 bps	17.7	(23) bps	17.3	(40) bps
<b>Tractor trailers</b>	<b>10.7</b>	<b>10.1</b>	(55) bps	<b>9.8</b>	(32) bps	<b>9.4</b>	(40) bps
-- Buses	5.7	4.7	(106) bps	4.7	(2) bps	4.6	(4) bps
<b>Domestic LCVs</b>	<b>45.0</b>	<b>42.8</b>	(216) bps	<b>43.1</b>	26 bps	<b>43.1</b>	3 bps
CV exports	4.8	6.6	174 bps	6.6	7 bps	7.4	74 bps
Vans (including exports)	4.2	4.7	43 bps	4.7	1 bps	4.7	0 bps
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	0 bps	<b>100.0</b>	0 bps	<b>100.0</b>	0 bps

Source: SIAM, Emkay Research

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

**Exhibit 10: TMCV's revenue model – We factor in ~7%/10%/8% volume/revenue/EPS CAGR over FY25-28E**

Volumes (no of units)	FY24	FY25	FY26	FY27E	FY28E	FY26-28E CAGR (%)
<b>Domestic MHCVs</b>	<b>174,438</b>	<b>173,295</b>	<b>196,840</b>	<b>206,839</b>	<b>219,431</b>	6%
Growth YoY (%)	2.3	-0.7	13.6	5.1	6.1	
-- Trucks	158,370	151,626	176,786	189,515	202,781	7%
Growth YoY (%)	-0.4	-4.3	16.6	7.2	7.0	
-- Buses	16,068	21,669	20,054	21,157	22,638	6%
Growth YoY (%)	40.3	34.9	-7.5	5.5	7.0	
<b>Domestic LCVs</b>	<b>191,662</b>	<b>169,615</b>	<b>183,399</b>	<b>195,320</b>	<b>210,946</b>	7%
Growth YoY (%)	-11.7	-11.5	8.1	6.5	8.0	
<b>Domestic vans</b>			20,024*	21,225	22,923	
Growth YoY (%)				6.0	8.0	
<b>Domestic CVs</b>	<b>366,100</b>	<b>342,910</b>	<b>400,263</b>	<b>423,384</b>	<b>453,300</b>	6%
Growth YoY (%)	-5.5	-6.3	16.7	5.8	7.1	
<b>Exports</b>	<b>17,677</b>	<b>18,164</b>	<b>28,066</b>	<b>30,031</b>	<b>36,037</b>	13%
Growth YoY (%)	-12.1	2.8	54.5	7.0	20.0	
<b>Total volumes</b>	<b>383,777</b>	<b>361,074</b>	<b>428,329</b>	<b>453,415</b>	<b>489,337</b>	7%
Growth YoY (%)	-5.9	-5.9	18.6	5.9	7.9	
Particulars (Rs mn)	FY24	FY25	FY26	FY27E	FY28E	FY26-28E CAGR (%)
ASP (Rs/unit)	<b>1,910,043</b>	<b>1,922,570</b>	<b>1,806,999</b>	<b>1,870,244</b>	<b>1,926,351</b>	3%
Growth YoY (%)		<b>0.7</b>	<b>-6.0</b>	<b>3.5</b>	<b>3.0</b>	
<b>Revenue</b>	<b>733,031</b>	<b>694,190</b>	<b>773,990</b>	<b>847,996</b>	<b>942,635</b>	10%
<b>Growth YoY (%)</b>		<b>-5.3</b>	<b>11.5</b>	<b>9.6</b>	<b>11.2</b>	
<b>EBITDA</b>	<b>78,701</b>	<b>80,820</b>	<b>99,770</b>	<b>105,867</b>	<b>120,982</b>	10%
<b>EBITDA margin (%)</b>	<b>10.7</b>	<b>11.6</b>	<b>12.9</b>	<b>12.5</b>	<b>12.8</b>	
EBITDA growth YoY (%)		2.7	23.4	6.1	14.3	
EBITDA/unit (Rs)	205,069	223,832	232,928	233,489	247,236	
EBIT	58,532	60,740	82,760	88,234	100,987	10%
EBIT margin (%)	8.0	8.7	10.7	10.4	10.7	
PBT	52,974	77,480	86,820	93,859	108,575	12%
Tax	-513	19,000	16,200	22,995	26,601	28%
Tax rate (%)	-1.0	24.5	18.7	24.5	24.5	
<b>PAT</b>	<b>53,486</b>	<b>58,480</b>	<b>70,620</b>	<b>70,863</b>	<b>81,974</b>	<b>8%</b>
<b>Adj PAT margin (%)</b>	<b>7.3</b>	<b>8.4</b>	<b>9.1</b>	<b>8.4</b>	<b>8.7</b>	
<b>EPS (Rs)</b>	<b>14.0</b>	<b>15.3</b>	<b>19.2</b>	<b>19.3</b>	<b>22.3</b>	<b>8%</b>

Source: Company, Emkay Research \*Note: Vans are now a part of TMCV (earlier clubbed with PVs)

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

**Exhibit 11: Our EPS estimates are largely unchanged**

Standalone (Rs mn)	FY26		FY27E				FY28E			
	Actuals	% YoY	Earlier	Revised	% chg	% YoY	Earlier	Revised	% chg	% YoY
Volume	428,329	13.6	431,628	453,415	5.0	5.9	465,740	489,337	5.1	7.9
ASP	1,806,999	(1.8)	1,961,964	1,870,244	(4.7)	3.5	2,020,823	1,926,351	(4.7)	3.0
Revenue	773,990	11.5	846,839	847,996	0.1	9.6	941,178	942,635	0.2	11.2
EBITDA	99,770	23.4	105,723	105,867	0.1	6.1	120,795	120,982	0.2	14.3
EBITDA margin (%)	12.9	125 bps	12.5	12.5	0 bps	(41) bps	12.8	12.8	(0) bps	35 bps
PAT	70,620	20.8	70,756	70,863	0.2	0.3	81,836	81,974	0.2	15.7
Adj EPS (Rs)	19.2	25.7	19.2	19.3	0.2	0.3	22.2	22.3	0.2	15.7

Source: Company, Emkay Research; Note: Volume estimates are getting upgraded due to Vans addition, but overall revenue estimates are largely unchanged owing to the lower ASPs for vans

**Exhibit 12: We value TMCV's SA business at 14x FY28E EV/EBITDA and keep our TP unchanged at Rs600**

SOTP-based value	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/sh)	Contribution to SOTP (%)
Tata Motors Commercial Vehicles	14x Mar-28E EV/ EBITDA (x)	1,853,637	504	85.3
Tata Capital	On market cap basis	61,000	17	2.8
Iveco	Basis 4.6x C27E EV/EBITDA (15% premium to historical avg of 3.8x) after factoring in the SPV debt (assumed 70% of transaction value with interest of Euribor + 3%) and ascribe a 50% probability-weighted valuation to Iveco	829,789	70	11.9
<b>TP (Rs)</b>		<b>2,744,426</b>	<b>590</b>	
TP - Rounded off (Rs)			<b>600</b>	

Source: Company, Emkay Research

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

## Tata Motors: Standalone Financials and Valuations

## Profit &amp; Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
<b>Revenue</b>	<b>733,031</b>	<b>694,190</b>	<b>773,990</b>	<b>847,996</b>	<b>942,635</b>
Revenue growth (%)	0	(5.3)	11.5	9.6	11.2
<b>EBITDA</b>	<b>78,701</b>	<b>80,820</b>	<b>99,770</b>	<b>105,867</b>	<b>120,982</b>
EBITDA growth (%)	0	2.7	23.4	6.1	14.3
Depreciation & Amortization	20,168	20,080	17,010	17,633	19,994
<b>EBIT</b>	<b>58,532</b>	<b>60,740</b>	<b>82,760</b>	<b>88,234</b>	<b>100,987</b>
EBIT growth (%)	0	3.8	36.3	6.6	14.5
Other operating income	-	-	-	-	-
Other income	11,499	27,960	10,350	11,385	12,524
Financial expense	17,057	11,220	6,290	5,761	4,936
<b>PBT</b>	<b>52,974</b>	<b>77,480</b>	<b>86,820</b>	<b>93,859</b>	<b>108,575</b>
Extraordinary items	25,534	(3,960)	37,000	0	0
Taxes	(513)	19,000	16,200	22,995	26,601
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>79,021</b>	<b>54,520</b>	<b>107,620</b>	<b>70,863</b>	<b>81,974</b>
PAT growth (%)	0	(31.0)	97.4	(34.2)	15.7
<b>Adjusted PAT</b>	<b>53,486</b>	<b>58,480</b>	<b>70,620</b>	<b>70,863</b>	<b>81,974</b>
<b>Diluted EPS (Rs)</b>	<b>14.0</b>	<b>15.3</b>	<b>19.2</b>	<b>19.3</b>	<b>22.3</b>
Diluted EPS growth (%)	0	9.3	25.7	0.3	15.7
<b>DPS (Rs)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dividend payout (%)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
EBITDA margin (%)	10.7	11.6	12.9	12.5	12.8
EBIT margin (%)	8.0	8.7	10.7	10.4	10.7
Effective tax rate (%)	(1.0)	24.5	18.7	24.5	24.5
<b>NOPLAT (pre-IndAS)</b>	<b>59,099</b>	<b>45,845</b>	<b>67,318</b>	<b>66,617</b>	<b>76,245</b>
Shares outstanding (mn)	3,830	3,830	3,680	3,680	3,680

Source: Company, Emkay Research

## Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	-	-	33,620	93,859	108,575
Others (non-cash items)	-	-	35,150	-	-
Taxes paid	-	-	(9,560)	(22,995)	(26,601)
Change in NWC	-	-	30,600	13,944	17,342
<b>Operating cash flow</b>	<b>0</b>	<b>0</b>	<b>113,120</b>	<b>108,201</b>	<b>124,247</b>
Capital expenditure	-	-	(20,100)	(26,160)	(27,468)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
<b>Investing cash flow</b>	<b>0</b>	<b>0</b>	<b>(83,410)</b>	<b>(76,160)</b>	<b>(87,468)</b>
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	-	-	(13,550)	(5,224)	(3,688)
Payment of lease liabilities	-	-	-	-	-
Interest paid	-	-	(16,300)	(5,761)	(4,936)
Dividend paid (incl tax)	-	-	-	-	-
Others	-	-	-	-	-
<b>Financing cash flow</b>	<b>0</b>	<b>0</b>	<b>(29,850)</b>	<b>(10,985)</b>	<b>(8,625)</b>
Net chg in Cash	0	0	(140)	21,057	28,154
OCF	0	0	113,120	108,201	124,247
Adj. OCF (w/o NWC chg.)	0	0	82,520	94,257	106,904
FCFF	0	0	93,020	82,041	96,779
FCFE	(17,057)	(11,220)	86,730	76,281	91,843
OCF/EBITDA (%)	0	0	113.4	102.2	102.7
FCFE/PAT (%)	(21.6)	(20.6)	80.6	107.6	112.0
<b>FCFF/NOPLAT (%)</b>	<b>0</b>	<b>0</b>	<b>138.2</b>	<b>123.2</b>	<b>126.9</b>

Source: Company, Emkay Research

## Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	-	7,360	7,360	7,360	7,360
Reserves & Surplus	0	77,450	126,630	197,493	279,467
<b>Net worth</b>	<b>0</b>	<b>84,810</b>	<b>133,990</b>	<b>204,853</b>	<b>286,827</b>
Minority interests	-	-	-	-	-
Non-current liab. & prov.	0	6,350	12,170	12,170	12,170
<b>Total debt</b>	<b>0</b>	<b>58,550</b>	<b>33,750</b>	<b>28,526</b>	<b>24,837</b>
<b>Total liabilities &amp; equity</b>	<b>0</b>	<b>159,770</b>	<b>191,790</b>	<b>258,565</b>	<b>338,303</b>
Net tangible fixed assets	-	117,780	120,780	135,927	142,746
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	-	17,910	19,700	13,080	13,734
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	71,530	100,360	125,360	155,360
<b>Cash &amp; equivalents</b>	<b>0</b>	<b>44,360</b>	<b>80,520</b>	<b>126,577</b>	<b>184,731</b>
Current cash (ex-cash)	0	104,320	100,020	117,249	130,334
Current Liab. & Prov.	0	212,360	245,170	276,697	307,577
<b>NWC (ex-cash)</b>	<b>0</b>	<b>(108,040)</b>	<b>(145,150)</b>	<b>(159,448)</b>	<b>(177,243)</b>
<b>Total assets</b>	<b>0</b>	<b>159,770</b>	<b>191,790</b>	<b>258,565</b>	<b>338,303</b>
Net debt	0	14,190	(46,770)	(98,051)	(159,893)
Capital employed	0	159,770	191,790	258,565	338,303
<b>Invested capital</b>	<b>0</b>	<b>9,740</b>	<b>(24,370)</b>	<b>(23,521)</b>	<b>(34,496)</b>
BVPS (Rs)	0	22.1	36.4	55.7	77.9
Net Debt/Equity (x)	0	0.2	(0.3)	(0.5)	(0.6)
Net Debt/EBITDA (x)	0	0.2	(0.5)	(0.9)	(1.3)
Interest coverage (x)	4.1	7.9	14.8	17.3	23.0
<b>RoCE (%)</b>	<b>0</b>	<b>123.7</b>	<b>59.9</b>	<b>49.7</b>	<b>41.7</b>

Source: Company, Emkay Research

## Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	19.4	28.1	13.7	20.8	18.0
P/CE(x)	20.8	19.5	16.8	16.6	14.4
P/B (x)	0	18.1	11.0	7.2	5.1
EV/Sales (x)	2.1	2.2	1.8	1.6	1.4
EV/EBITDA (x)	19.5	19.1	14.3	13.0	10.8
EV/EBIT(x)	26.2	25.5	17.2	15.6	13.0
EV/IC (x)	0	158.8	(58.5)	(58.4)	(38.0)
FCFF yield (%)	0	0	6.5	6.0	7.4
FCFE yield (%)	(1.2)	(0.8)	5.9	5.2	6.2
Dividend yield (%)	0	0	0	0	0
<b>DuPont-RoE split</b>					
Net profit margin (%)	7.3	8.4	9.1	8.4	8.7
Total asset turnover (x)	0	8.7	4.4	3.8	3.2
Assets/Equity (x)	0	1.9	1.6	1.3	1.2
<b>RoE (%)</b>	<b>0</b>	<b>137.9</b>	<b>64.6</b>	<b>41.8</b>	<b>33.3</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	8.1	6.6	8.7	7.9	8.1
IC turnover (x)	0	142.5	(105.8)	(35.4)	(32.5)
<b>RoIC (%)</b>	<b>0</b>	<b>941.4</b>	<b>(920.3)</b>	<b>(278.2)</b>	<b>(262.8)</b>
<b>Operating metrics</b>					
Core NWC days	0	(56.8)	(68.5)	(68.6)	(68.6)
<b>Total NWC days</b>	<b>0</b>	<b>(56.8)</b>	<b>(68.5)</b>	<b>(68.6)</b>	<b>(68.6)</b>
Fixed asset turnover	0	5.0	2.7	2.7	2.7
Opex-to-revenue (%)	18.1	19.9	18.0	17.4	17.5

Source: Company, Emkay Research

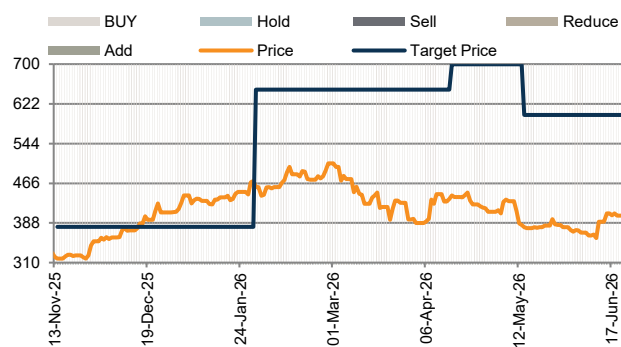
This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-May-26	379	600	Buy	Chirag Jain
16-Apr-26	442	700	Buy	Chirag Jain
09-Mar-26	448	650	Buy	Chirag Jain
30-Jan-26	459	650	Buy	Chirag Jain
14-Nov-25	318	380	Buy	Chirag Jain

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

**GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst 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.

This report is based on information obtained from public sources and sources expressed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

**Disclaimer for U.S. persons only:** Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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 Financial Institutions Regulatory Authority (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 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. Emkay Global Financial Services Ltd. has entered into a chaperoning 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.

This report is intended for Gaurav Narkar ([gaurav.narkar@emkayglobal.com](mailto:gaurav.narkar@emkayglobal.com)) use and downloaded at 0

**RESTRICTIONS ON DISTRIBUTION**

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons<sup>1</sup> may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of June 23, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report  
**Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of June 23, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the June 23, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

**Emkay Rating Distribution**

Ratings	Expected Return within the next 12-18 months.
<b>BUY</b>	>15% upside
<b>ADD</b>	5-15% upside
<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	>15% downside

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Gaurav Narkar (gaurav.narkar@emkayglobal.com) use and downloaded at 0

**OTHER DISCLAIMERS AND DISCLOSURES:****Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

This report is intended for Gaurav Narkar ([gaurav.narkar@emkayglobal.com](mailto:gaurav.narkar@emkayglobal.com)) use and downloaded at 0