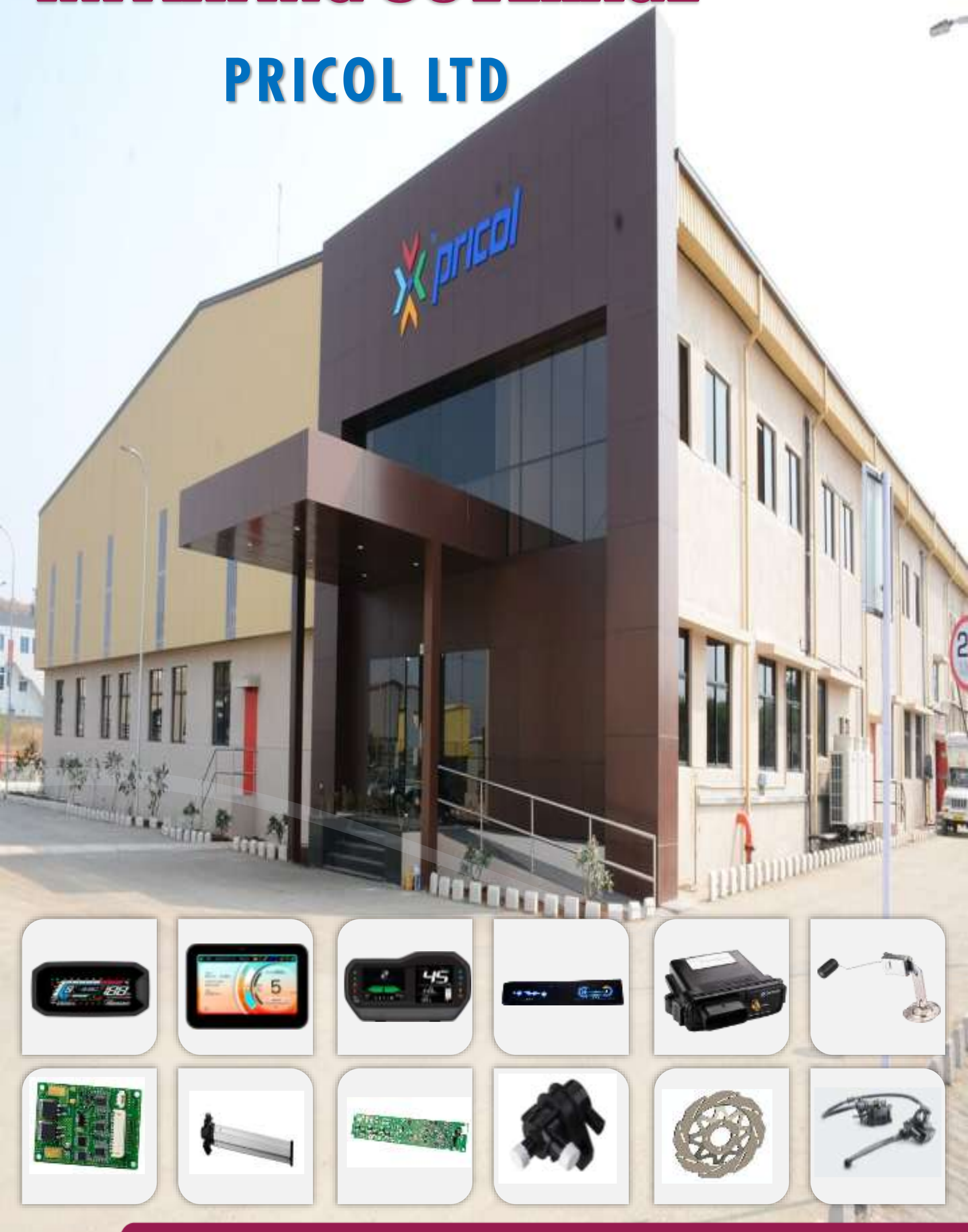
7th SEPTEMBER 2026

INITIATING COVERAGE

PRICOL LTD



Driving Intelligence Through Advanced Vehicle Displays

We are initiating coverage on Pricol Ltd (Pricol). Established in 1975 and headquartered in Coimbatore, India, Pricol is a leading automotive component manufacturer specialising in instrument clusters and fluid management systems. The company offers a diversified portfolio including instrument clusters, sensors, fuel and oil pumps, precision plastic components and telematics solutions, catering to prominent OEMs such as Bajaj Auto, TVS Motor Company, Hero MotoCorp, Tata Motors, Ashok Leyland and VE Commercial Vehicles. Its operations are structured into three key verticals, Driver Information & Connected Vehicle Solutions (DICVS), Actuation, Control & Fluid Management Systems (ACFMS), and Precision Products, enabling it to deliver integrated, technology-driven mobility solutions. Pricol further strengthened its product portfolio through the acquisition of the injection moulding business of Sundaram Auto Components, expanding into precision plastic automotive components across two-wheelers and passenger vehicles. Pricol has also approved the demerger of its DICVS business into Pricol Autotech, while ACFMS and Precision Products will remain with Pricol, creating two focused platforms with greater strategic focus and independent capital allocation.

Investment Thesis

- **DICVS Demerger and Potential Value Unlocking:** The proposed demerger of Driver Information & Connected Vehicle Solutions (DICVS) into Pricol Autotech Ltd. is the key strategic catalyst. DICVS contributed Rs 2,425 Cr, or 61.2% of FY26 consolidated revenue, and houses instrument clusters, TFT displays, connected vehicle solutions, e-cockpit, infotainment, telematics, BMS and sensors. Under the scheme, shareholders will receive 1 Pricol Autotech share for every 1 Pricol share held, creating two separately listed, focused businesses with the same shareholding structure. Subject to regulatory, NCLT and shareholder approvals, the demerger should enable sharper capital allocation, better business visibility and potential value unlocking through independent valuation of the two businesses.
- **Leadership in Driver Information Systems:** Pricol maintains a strong position in instrument clusters, with an estimated ~40% share in domestic two-wheeler clusters and ~75-80% share in TFT clusters. Long-standing OEM relationships, proprietary technology, in-house R&D and high switching costs create strong entry barriers. The shift towards TFT displays, connected clusters, e-cockpit, infotainment, telematics and sensors, along with 2W premiumisation and rising EV electronics content, is increasing content per vehicle. Expansion into actuation and control systems, fluid-management systems and precision products further broadens its addressable market across 2W, 3W, PV, CV, off-highway and EV applications.
- **Plastics Integration and Customer Expansion:** The Rs 215 Cr acquisition of Sundaram Auto Components' injection-moulding business has emerged as a meaningful diversification engine. The business generated Rs 923 Cr revenue and Rs 37.4 Cr profit in FY26, with revenue expected to double over the medium term. Besides TVS Motor, customers now include Ather Energy, Autoliv, Hanon, Mobis India, Continental and Seoyon Automotive. Pricol is also expanding wallet share across TVS Motor, Bajaj Auto, Hero MotoCorp, Suzuki Motorcycle India, Honda Motorcycle and Scooter India, Yamaha Motor India, Tata Motors, Ashok Leyland, JCB, Volvo Group, Harley-Davidson, BMW Motorrad and Ducati. New model programs, localisation and India's emergence as an export manufacturing hub provide further platform-level sourcing opportunities.

Valuation & Recommendation

We initiate coverage on Pricol Ltd. with a **BUY** recommendation, supported by its strong positioning in premium automotive components, healthy order inflows and increasing business diversification. Q1FY27 performance remained strong, with revenue growing 23.5% YoY, supported by demand across key product segments. Growth is expected to be driven by digital/TFT cluster penetration, scaling of the plastics business, rising EV content and new global OEM programs, with margins supported by operating leverage and cost efficiencies. The proposed DICVS demerger into Pricol Autotech should create two focused platforms, enabling sharper strategic focus, independent capital allocation and better value visibility. Over the medium term, key growth levers include a) sustained order inflows led by premiumisation and technology adoption, b) expanding exports and global OEM presence, c) margin improvement through operating leverage and cost efficiencies, and d) healthy cash flow generation.

We expect Revenue/EBITDA/PAT to grow at 19%/21%/24% CAGR over FY26-FY29E. Consequently, we recommend a **BUY** on the stock and confidently award a Forward PE multiple of 24x on FY29 EPS to arrive at a TP of **Rs 935** (Exhibit 10). The TP implies a robust upside of **22%** from the CMP.

Key Financials (Consolidated)

(Rs Cr)	FY26	FY27E	FY28E	FY29E
Net Sales	3,964	4,740	5,596	6,679
EBITDA	469	531	658	825
Net Profit	251	288	361	475
EPS (Rs)	20.6	23.7	29.6	39.0
P/E (x)	37.2	32.3	25.8	19.6
EV/EBITDA (x)	20.4	17.9	14.4	11.1
ROE (%)	22%	21%	21%	22%
ROCE (%)	26%	24%	26%	30%

Source: Company, Axis Securities Research

(CMP as of 4th September, 2026)

CMP (Rs)	765
Upside /Downside (%)	22%
High/Low (Rs)	823/473
Market cap (Cr)	9,352
Avg. daily vol. (1 m) Shrs.	3,14,012
No. of shares (Cr)	12.2

Shareholding Pattern (%)

	Dec-25	Mar-26	Jun-26
Promoter	38.5	38.5	38.5
FIIs	16.9	15.6	14.0
DIIs	12.3	12.4	11.8
Public	32.3	33.4	35.7

Financial & Valuations

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EV/EBITDA (x)	17.3	13.8	10.7
ROE (%)	21%	21%	22%
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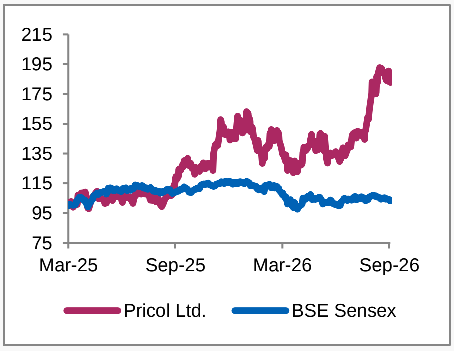
Relative Performance



Source: Ace Equity, Axis Securities Research

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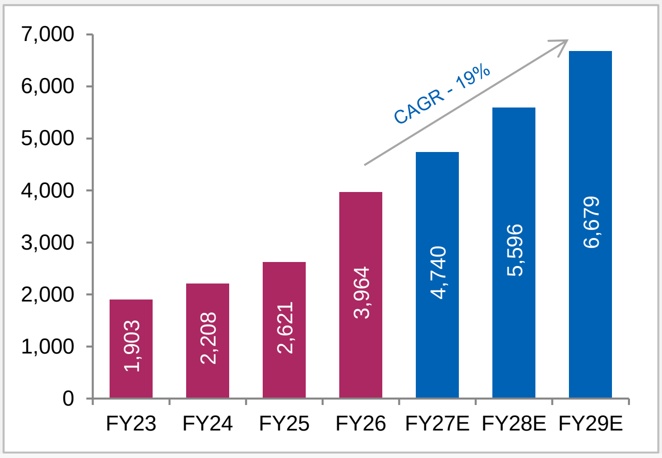
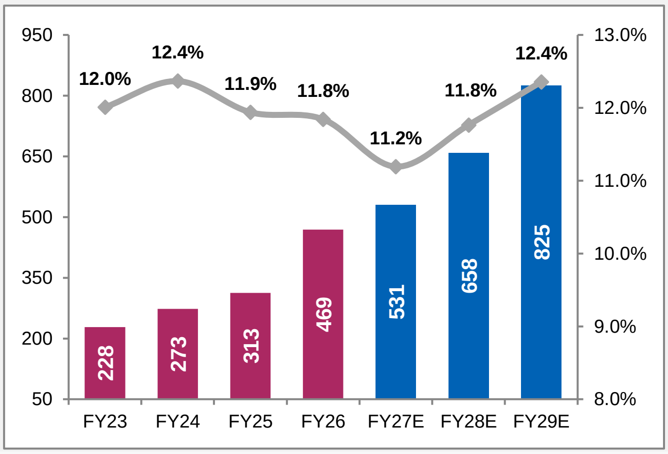
Pricol's Story in Charts

Exhibit 1: Revenue Growth Led by Market Dynamics & Expansion (Rs Cr)



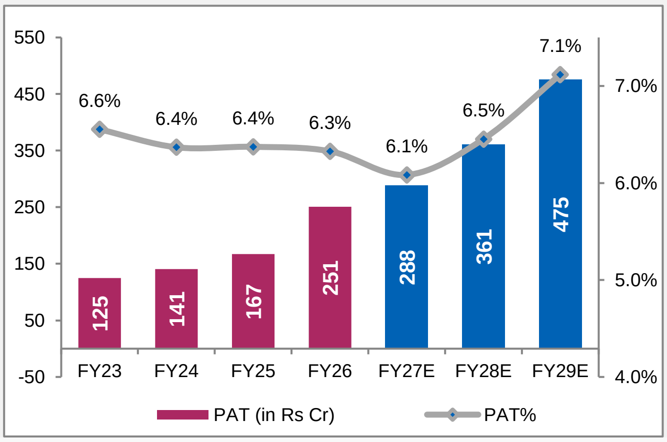
Source: Company, Axis Securities Research

Exhibit 2: Operating Efficiencies to Drive Improved EBITDA Margins



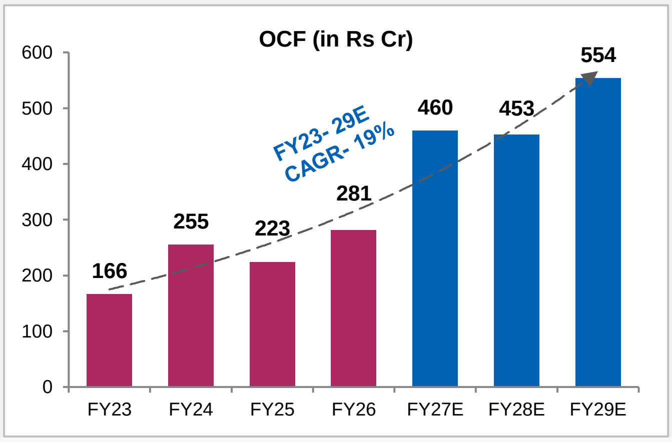
Source: Company, Axis Securities Research

Exhibit 3: Earnings Growth Led by Strong Topline & Operating Leverage



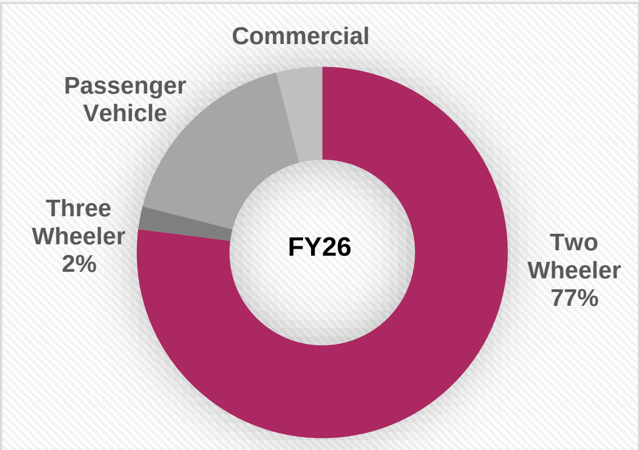
Source: Company, Axis Securities Research

Exhibit 4: Higher EBITDA to Improve Operating Cash Flows



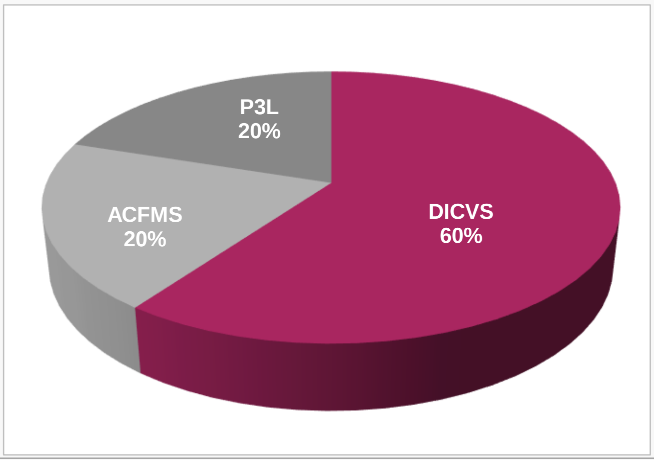
Source: Company, Axis Securities Research

Exhibit 5: Segment-wise Production Volume



Source: Company, Axis Securities Research

Exhibit 6: Segment-wise Revenue Mix (FY26)



Source: Company, Axis Securities Research

PRICOL LTD.

Pricol is one of India's leading automotive technology, precision-engineered products and solutions company, headquartered in Coimbatore, India. Commencing operations in the year 1975, the company has evolved into a reputed brand in the global automotive industry. Today, Pricol is recognised as a preferred partner to many leading automotive Original Equipment Manufacturers (OEMs) across the world.

The Company's operations are classified into three verticals: Driver Information and Connected Vehicle Solution (DICVS), Actuation Control and Fluid Management System (ACFMS) and Precision Products. More than 5,200 product variants are supplied to leading automotive OEMs in the Two/Three-Wheelers, Passenger Vehicles, Commercial Vehicles and Off-Highway Vehicles space across India and International Markets.

Pricol, along with subsidiaries, has 14 manufacturing plants across India (Coimbatore, Manesar, Pantnagar, Pune, Sricity, Hosur, Oragadam, Nalagarh, Mysuru, Bhiwadi and Sanand), 1 manufacturing plant in Indonesia, and 3 international offices (Dubai, Tokyo and Singapore).

*Founded in **1975** by the visionary N.Damodaran in Coimbatore, Pricol Limited has grown into a leading global manufacturer of automotive components, specialising in driver information systems, sensors, pumps, and telematics solutions for the automotive industry.*

Exhibit 7: Key Milestones

- 1975 – Commencement of commercial Production at Plant I. Creation of Trade Mark- PRICOL (Premier Instruments Coimbatore Limited)
- 1981 – Name of the company changed to Premier Instruments & Controls Limited from Premier Instruments Coimbatore Limited (Elecon) in Bombay, now Mumbai.
- 1988 – Established Plant II at Gurgaon, which commenced commercial operations from May'88.
- 1993 – Got listed on The Stock Exchange, Mumbai and Coimbatore Stock Exchange.
- 1996 – Listing on National Stock Exchange, Mumbai
- 1999 – Established Plant III at Chinnamathampalayam, Coimbatore, which commenced commercial production in Sep'99.
- 2004 – Name of the company changed to Pricol Limited from Premier Instruments & Controls Limited. Plant II shifted to expanded own premises at Manesar, National Capital Region.
- 2007 – Incorporation of PT Pricol Surya, wholly owned Subsidiary in Indonesia.
- 2008 – Production commenced in Plant VI at Pantnagar, Uttarakhand.
- 2011 – Incorporation of Pricol Pune Limited.
- 2015 – Revamping of Pricol branding.
- 2018 – Established Plant X at Sricity, Andra Pradesh
- 2021 – Strategic alliance with Candera CGI Studios
- 2022 – Strategic partneship with Sibros Technologies
- 2022 – Entered into a strategic technology partnership with BMS Powersafe.
- 2023 – Strategic partneship with Heilongjiang Tianyouwei Electronics (TYW) for advanced technologies
- 2024 – Acquired SACL's injection moulding business through Pricol Precision Products Private Limited (a wholly owned subsidiary of Pricol Limited)
- 2025 – Strategic Technology License Agreement with DOMINO S.r.l., a global leader in motorcycle control systems

Source: Company, Axis Securities Research

Pricol's Business Segments

Driver Information & Connected Vehicle Solutions (DICVS)

Pricol Limited's largest and most strategic segment, DICVS includes instrument clusters, digital driver information systems, telematics solutions, connected vehicle technologies, sensors, switches, and battery management systems across two-wheelers, passenger vehicles, commercial vehicles, tractors, and off-highway applications. The portfolio spans analogue, hybrid, LCD, and advanced TFT clusters, smart displays, integrated dashboards, telematics control units, cloud-linked platforms, fuel level sensors, pressure and temperature sensors, speed and position sensors, and EV-focused battery management systems. The segment benefits from rising electronic and sensor content per vehicle, increasing adoption of connected and software-defined vehicles, electrification trends, regulatory requirements related to safety and diagnostics, and premiumization across automotive categories. Strong OEM relationships, combined with in-house electronics, software, and connectivity capabilities, enable Pricol to participate early in vehicle development cycles, resulting in higher switching costs, deeper customer integration, and sustained market share gains.

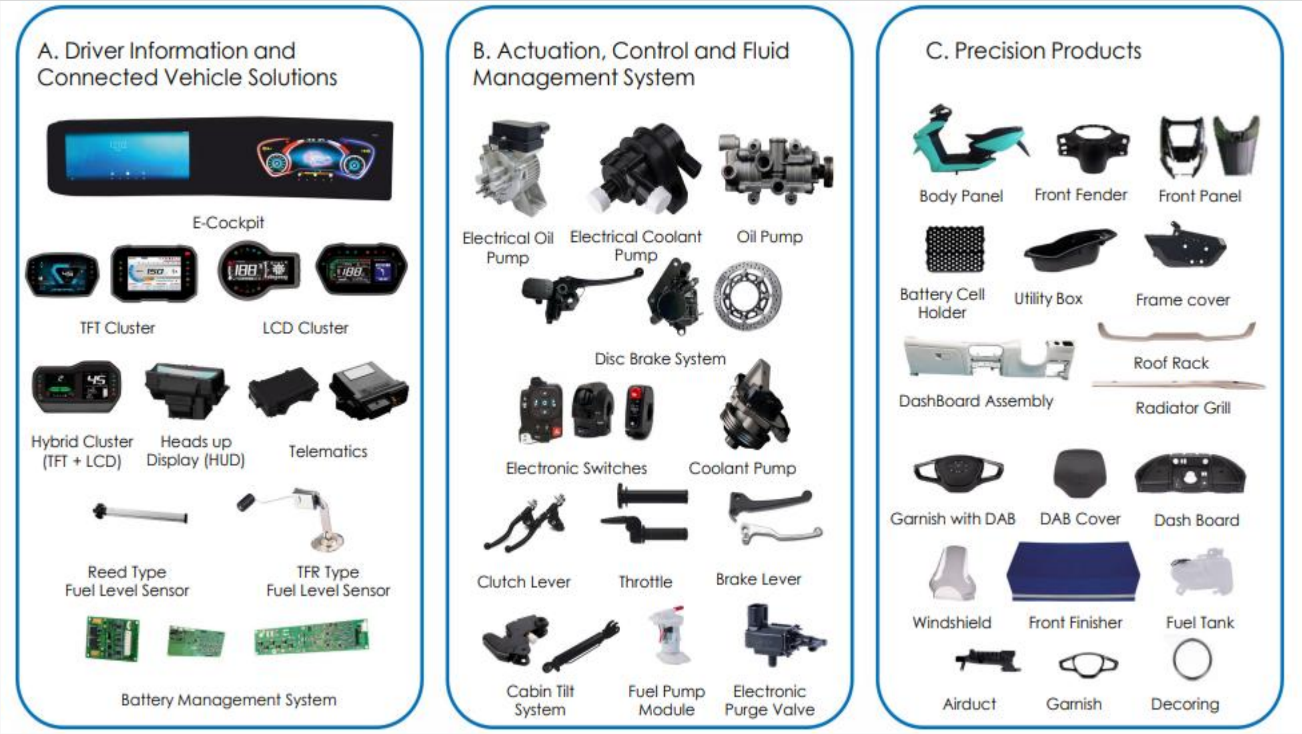
Actuation, Control & Fluid Management Systems (ACFMS)

This segment includes fuel delivery modules, electric fuel pumps, oil and coolant pumps, electrical coolant pumps, valves, and mechanical actuation systems catering to ICE, hybrid, and EV platforms. ACFMS serves as a stable, volume-driven, cash-generating segment that balances the higher-growth but more cyclical electronics business. Increasing adoption of electric coolant pumps and thermal management solutions further enhances its relevance in EV and emission-compliant vehicles.

Precision Products (Injection-Moulded Plastics)

Following the acquisition of the injection moulding business from Sundaram Auto Components, the company established a dedicated precision plastics vertical focused on manufacturing engineered polymer components used in interior, exterior, and functional automotive applications. This business strengthens vertical integration, improves cost control for internal consumption, and broadens the addressable customer base beyond the traditional electronics portfolio. It also enhances operating leverage while reducing dependency on external suppliers.

Exhibit 8: Product Verticals



Source: Company, Axis Securities Research

Key Competitive Strengths & Growth Drivers

Pricol Limited benefits from a diversified product portfolio and strong relationships with leading global OEMs, which, along with its expanding international presence, provide resilience and flexibility to navigate challenging automotive market conditions.

Market Leadership in Driver Information Systems: Pricol holds a strong position in instrument clusters, with ~30-35% share in domestic two-wheelers and almost two-thirds share in CV and off-highway applications, supported by long-standing OEM relationships, deep platform integration and high switching costs. The company has an estimated ~75–80% share in 2W TFT clusters, while TFT penetration remains only ~7–8% of two-wheelers and is expected to double over the next 2–3 years. The migration towards LCD/TFT displays, connected clusters, e-cockpit, infotainment, telematics and sensors, including hybrid LCD-TFT solutions, should drive higher content per vehicle. Management expects DICVS to grow at ~5% above underlying market growth over the medium term.

Powertrain-Agnostic Portfolio Supporting EV Transition: Pricol's portfolio is increasingly powertrain-neutral, with clusters, display systems, switches and fluid-management products applicable across ICE and EV platforms, while products such as electric coolant pumps provide direct EV exposure. This allows the company to capture electrification-led content growth without sacrificing its established ICE business. Pricol has secured EV programs with Ather, TVS Motor, Honda, River, Simple Energy and Raptee, positioning it for rising EV penetration while limiting powertrain transition risk.

Strategic Plastics Expansion and Capacity Upscaling: The acquisition of Sundaram Auto Components' injection-moulding business for Rs 215 Cr added 218 injection-moulding and 9 blow-moulding machines across six facilities, strengthening polymer capabilities, geographic reach and backward integration. The business generated ~Rs 924 Cr revenue in FY26, with Q1FY27 revenue at ~Rs 249 Cr and utilisation already at ~94-95%, indicating capacity, rather than demand, is the key constraint. Pricol plans ~Rs 400 Cr Polymer capex, increasing turnover capacity from ~Rs 1,000 Cr to ~Rs 2,000 Cr, with meaningful capacity relief expected from FY28. A new Polymer Technology Centre of Excellence, targeted for May’27, will support higher-value technologies such as 2K moulding, self-healing and fibre-reinforced plastics, while management targets 16-18% steady-state ROCE for the business.

New Products Expanding ACFMS Addressable Market: Pricol is broadening ACFMS beyond its traditional fluid-management franchise into switches, disc brakes and other actuation and control products. The company has commenced its first switch business with Suzuki and started disc-brake production for a major Indian OEM, with meaningful revenue contribution from both expected from FY28 onwards. Management expects ACFMS to grow at ~10% above underlying market growth over the medium term. Expansion into safety-critical and technology-led products should increase content per vehicle while diversifying the revenue base.

Customer Diversification and Global Sourcing Opportunity: Pricol is expanding beyond its established domestic OEM franchise towards Japanese OEMs, new-age EV manufacturers and global Tier-1s. It has secured programs with Honda, Ather, River, Simple Energy, Raptee and Royal Enfield, with Yamaha at the final stages, while new engagements include Hanon Systems, Autoliv and Schneider Electric. Honda has also opened potential overseas supply opportunities, while discussions with customers across Europe and the US are progressing, with some export volumes already committed. Exports are expected to contribute meaningfully over the next 2–3 years, supporting customer diversification and reducing dependence on domestic OEM volumes.

Integrated Manufacturing and Localisation Capabilities: Pricol's vertically integrated manufacturing ecosystem spans injection moulding, plastic and sintered components, in-house tooling, machining centres, high-pressure die casting, dial manufacturing and SMT electronics assembly. This provides greater control over quality, cost and delivery, reduces external supplier dependence and shortens development timelines. The Technical Licensing Agreement with BOE Varitronix for localisation of optical bonding in LCD/TFT clusters further strengthens display localisation, cost efficiency and supply reliability. Automation, smart manufacturing and advanced polymer processing should improve productivity and margins, while government initiatives such as PLI and PM E-Drive support localisation of electronics, EV components and advanced automotive technologies.

Strong OEM Qualification and Switching Barriers: Pricol's products are increasingly mission-critical and safety-sensitive, particularly instrument clusters, fuel pumps and disc brakes. These products require stringent validation, reliability testing, platform-level integration and lengthy OEM approval cycles, creating high entry barriers and significant switching costs. The company's ability to secure programs with Honda and Suzuki, progress through Yamaha's audits and facility certifications, and win business from global Tier-1s demonstrates its engineering and qualification capabilities, supporting long-term customer retention and visibility of future model-program revenues.

Demerger to Unlock Value Through Focused Businesses & Sharper Capital Allocation

Pricol Limited's proposed DICVS demerger could unlock value through focused businesses, sharper capital allocation and greater earnings visibility, while enabling business-specific valuations and reducing the conglomerate discount.

The Board has approved the demerger of Pricol's **Driver Information & Connected Vehicle Solutions (DICVS)** business into **Pricol Autotech Ltd.**, with DICVS contributing **Rs 2,425 Cr (~61% of consolidated FY26 revenue)**. The business, comprising **instrument clusters, infotainment, e-cockpit, telematics and battery-management solutions**, will be separated from the **ACFMS and Precision Products** businesses, creating two focused listed entities with independent management, capital allocation and growth strategies. The proposed **1:1 share entitlement**, with **one Pricol Autotech share for every one Pricol share held and no cash consideration**, allows existing shareholders to retain economic exposure to both businesses. The separation could unlock value by enabling investors to apply **business-specific valuation multiples** based on differing growth profiles, margins, capital intensity and addressable markets; DICVS offers a technology-led growth profile supported by **premiumisation, TFT clusters, connectivity, e-cockpit and next-generation vehicle electronics**, with leading positions across 2W, CV and off-highway clusters and a medium-term growth target of **~5% above underlying market growth**, while ACFMS and Precision Products provide a more diversified platform across **switches, disc brakes, fluid management and polymer components**.

The standalone structure should also enable **sharper capital allocation**, allowing DICVS to pursue the technology investments, strategic partnerships and potential debt/equity funding required to compete with global players, while ACFMS and Precision Products can independently deploy capital towards localisation, capacity expansion and new products, including the **~Rs 700 Cr capex programme over the next 18–24 months**. Importantly, the demerger should improve **business visibility and earnings transparency** by allowing investors to assess revenue growth, EBITDA margins, return ratios, working-capital requirements and capital intensity separately, while focused management bandwidth could improve execution. Overall, the transaction has the potential to reduce the existing conglomerate discount, improve valuation discovery and drive a re-rating as investors independently value the technology-led DICVS platform and the diversified ACFMS/Precision Products business. The scheme remains subject to **stock exchange, NCLT, shareholder and creditor approvals**, with management expecting completion in **at least four quarters** and internally targeting **~12–18 months**

Exhibit 9: Key Partnerships: Strategic Partnerships with Global OEMs and Technology Players

Partner	Country	Partnership / Product	Status
Hanon Systems	South Korea	Precision injection-moulded components	Existing
Autoliv	Sweden	Precision plastic components	Existing
Continental	Germany	Precision plastic / automotive components	Existing
Mobis India	South Korea	Precision injection-moulded components	Existing
Seoyon Automotive	South Korea	Precision plastic components	Existing
TVS Motor Company	India	Instrument clusters, plastics and other automotive components	Long-standing
Honda Motorcycle & Scooter India	Japan	Instrument clusters and EV platform programs	Recent
Suzuki Motorcycle India	Japan	Instrument clusters and localisation programs	Recent
Yamaha Motor India	Japan	Instrument clusters / new model programs	Ongoing

Source: Company, Axis Securities Research

Outlook & Valuation

Pricol's order book is increasingly tilted towards technology-led and diversified segments, including DICVS, ACFMS, and the recently integrated plastics business, with rising contribution from exports and global OEM programs. A meaningful share of new orders is driven by high-value products such as digital/TFT clusters, EV-linked platforms, and plastic components, reflecting higher content per vehicle and a clear shift away from legacy mechanical offerings. As a result, dependence on conventional ICE-linked products is expected to decline over the medium term. Importantly, the company's propulsion-agnostic portfolio spanning instrument clusters, display systems, and actuation components remains relevant across both ICE and EV platforms, mitigating electrification risk. Additionally, increasing contribution from plastics, safety systems, and non-auto/industrial segments enhances diversification and strengthens revenue visibility.

We expect growth in premium product mix (digital/TFT clusters), higher share of EV-agnostic components, operating leverage from the plastics integration, and improved backward integration to drive the company's EBITDA/PAT at 21%/24% CAGR over FY26-29E. This gives us confidence that Pricol's consolidated EBITDA margins will improve towards ~12.4% by FY29E, supported by better product mix, localisation benefits, and scale efficiencies, while ROE is expected to strengthen to ~22% by FY29E (from ~18% in FY25).

Pricol Limited is positioned for 21%/24% EBITDA/PAT CAGR over FY26-29E, with EBITDA margins expected to reach ~12.4% and ROE to ~22% by FY29E, driven by premiumisation, EV-agnostic products, plastics integration and operating leverage.

Valuation & Recommendation

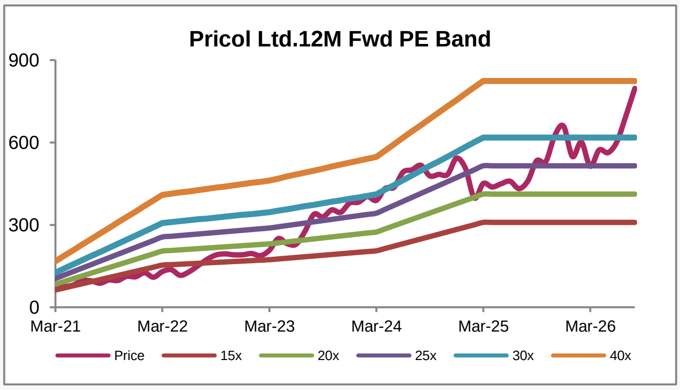
We believe the stock is currently trading at a reasonable forward P/E multiple of 24x based on our FY29E EPS estimates, considering the above-discussed factors such as a) rising share of premium products including digital and TFT instrument clusters, b) increasing contribution from exports and global OEM programs, c) management's continued focus on margin improvement through backward integration and cost efficiencies, d) strong operating cash flow generation supported by scale and product mix, and e) capacity expansion along with the integration of the plastics business. **We initiate coverage on the stock with a BUY rating and assign a forward P/E multiple of 24x on FY29E EPS to arrive at our target price of Rs 935/share (Exhibit 10), implying an upside of 22% from the CMP.**

Exhibit 10: Pricol's Valuation*

FY29E	EPS	P/E multiple	Value (Rs/share)
Target Price	**39**	**24**	**935**
CMP			**765**
Upside/(Downside) %			**22%**

*12mth Fwd PE Multiple

Exhibit 11: 1 YR FWD PE Band Chart



Source: Company, Axis Securities Research

Exhibit 11: Peer Comparison

Company	Price	Mkt Cap	PE (x)				EV / EBITDA (x)				ROE (%)			
	Rs	Rs Cr	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Pricol Ltd	**765**	**9,352**	**25.0**	**33.0**	**26.1**	**19.2**	**13.9**	**17.5**	**14.2**	**11.3**	**22.1**	**19.1**	**19.9**	**22.1**
Minda Corp Ltd	700	16,740	33.0	37.1	29.4	24.1	18.6	20.6	17.1	14.3	14.9	15.5	15.8	16.4
Uno Minda Ltd	1,250	72,183	49.6	51.3	40.1	33.0	27.7	29.1	23.7	20.2	19.1	18.1	19.3	19.9
Varroc Engineering	828	12,651	31.7	32.7	23.2	18.8	9.3	13.7	11.2	9.8	13.5	18.9	21.9	21.9

Source: Bloomberg, Priced as of 4th September 2026. Source: Company, Axis Securities Research. (Figures as of FY26, approximate numbers used.)

Management Team

Name	Experience
Mr. Vikram Mohan *Chairman & Managing Director*	• Mr. Vikram Mohan holds a bachelor's degree in Production Engineering with Honours from PSG College of Technology, Coimbatore. He has nearly three decades of experience and is responsible for Strategy, Finance, Customer Relationship Management and Public Relations at Pricol. He is the founder of the Entrepreneurs Organisation (EO) Chapter in Coimbatore and is currently a member of EO South Asia. He is also a member of Young Presidents' Organisation (YPO) Chennai. He has been actively involved in the Confederation of Indian Industries (CII) and the Automotive Components Manufacturers Association (ACMA) in various board positions
Mr. Siddharth Manoharan *Group Executive Director – Business Strategy*	• Mr. Siddharth Manoharan holds a Bachelor's degree in Electronics & Communication Engineering from PSG College of Technology, Coimbatore, and an International MBA from Fudan University and MIT Sloan. He has around nine years of experience with the Pricol Group, focusing on business strategy, M&A and strategic partnerships. He previously served as Director – Strategy and is currently Group Executive Director – Business Strategy and Whole-time Director of Pricol Limited.
Mr. P. M. Ganesh *Chief Executive Officer & Executive Director*	• Mr. P. M. Ganesh holds a Bachelor's degree in Engineering from Coimbatore Institute of Technology and an MBA (Gold Medallist) from Bharathiar University. He has over three decades of industry experience and is responsible for overall operations, profitability and organisational management at Pricol. He joined Pricol in 2013 as Chief Marketing Officer and currently serves as CEO & Executive Director.
Ms. Madhura Mohan *Executive Director, ERM & ESG*	• Ms. Madhura Mohan holds a Bachelor of Science (Honours) degree in Business and Management from Brunel University, London. She is a third-generation member of the promoter family and has been associated with Pricol since Sep'23. She focuses on customer relationship management across domestic and international markets and the company's ESG initiatives. She was appointed as Executive Director – Customer Relationship Management & ESG in May'26.
Mr. K. Ilango *Independent Director*	• Mr. K. Ilango holds a Bachelor's degree in Engineering and comes with nearly three decades of experience in the manufacturing of Auto Components. He is a Past President of Round Table India and CODISSIA. He is the Chairman of Round Table India Foundation and Treasurer at Codissia Intec Technology Center. He is the Managing Director of RSM Autokast Private Limited.
Mr. Navin Paul *Independent Director*	• Mr. Navin Paul holds a Bachelor's degree in Science in Mechanical Engineering (with Honours) from National Institute of Technology, Kurukshetra, Haryana and a Master's degree in Business Administration from Faculty of Management Studies, Delhi. He has more than four decades of experience and is the Executive Committee Member of ACMA and Co-Chair of Government Regulations and Advocacy Sub-Pillar. He was the Former Executive Vice President Sales and Marketing of Mobility Solutions with BOSCH, India from 2011-2017, reporting to the BOSCH Board of Management in Germany.
Mr. Vijay Raghunath *Independent Director*	• Mr. Vijay Raghunath holds degrees in commerce and law from Government Law College, Coimbatore. He is an eminent advocate with nearly three decades of experience and has practised before district and high courts. Mr. Vijay Raghunath's impressive background, legal acumen, and corporate board memberships make him a well-rounded professional committed to excellence in legal and corporate domains.
Mr. S.K. Sundararaman *Independent Director*	• Dr. S. K. Sundararaman holds an MBBS degree and a Master's in Business Management from Cambridge University, UK. He is the Managing Trustee of the Firebird Institute of Research in Management and has held leadership positions in industry associations, including as former Chairman of CII Coimbatore. He is currently associated with The Southern India Mills Association (SIMA) and various textile industry bodies. He serves as an Independent Director at Pricol Limited, with his current term extending until May'28.
Mrs. T. M. Malavika *Independent Director*	• Mrs. Manoharan Malavika Thothala is a Chartered Accountant with over a decade of experience as a Practising Chartered Accountant. She is a partner at N.R.D. Associates, Coimbatore. She has been handling clients from various sectors including Manufacturing, Real Estate, Food Processing, Power, Oil and Gas Equipment & Infrastructure, Textile, Retail, Hospitals, Trusts, etc., with a primary specialisation in Audit and GST. She also holds a Diploma in Information & Systems Audit (DISA).

Key Risks

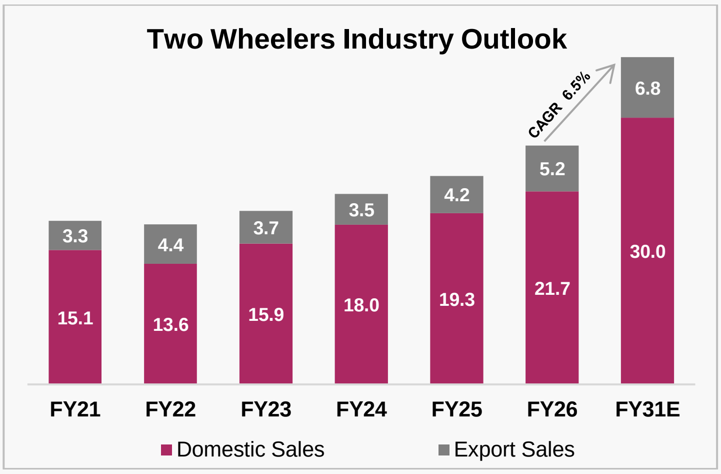
Risks	Description
Cyclical Automotive Demand	• Revenue remains closely linked to domestic 2W and CV production, making growth sensitive to industry cycles, rural demand, interest rates and regulatory changes. A prolonged slowdown could weaken order inflows and fixed-cost absorption.
Supply Chain & Component Sourcing	• Dependence on imported electronic components, semiconductors and precision sub-assemblies for digital clusters, sensors and EV products exposes the company to supply disruptions, logistics bottlenecks and higher inventory requirements.
Rare Earth & Specialised Material Risk	• Increasing exposure to electronics and EV-linked products raises dependence on rare earth magnets and specialised materials. Supply constraints, export restrictions or price volatility could increase input costs and disrupt deliveries.
Input Cost & Working Capital Volatility	• Fluctuations in metal, plastic, electronic component and energy costs, along with potential time lags in OEM price pass-through, may temporarily pressure margins. Rapid growth could also increase receivables and inventory, impacting cash-flow conversion.
Competitive Intensity	• Rising competition from global Tier-1 suppliers and domestic players across digital clusters, braking systems, sensing and EV components could result in pricing pressure, higher R&D/capex requirements and potential market-share risks.
Geopolitical & Export Risk	• Increasing export exposure makes Pricol sensitive to geopolitical tensions, trade-policy changes and demand slowdowns in overseas markets, which could affect order visibility and supply-chain strategies.
Foreign Exchange Risk	• Currency volatility across export revenues and imported inputs can impact realisations and landed costs. While partial natural hedging provides some protection, sharp exchange-rate movements could affect profitability.

Industry Dynamics

Exhibit 12: 2W Outlook - Premiumisation & Electrification to Drive Pricol's Growth:

India's 2W industry is expected to grow at 6-7% CAGR through FY31, from ~21.7 Mn units in FY26, supported by rising incomes, replacement demand and increasing penetration.

- **Premiumisation:** Premium motorcycles (>150cc) increased share to 19% in FY25 from 14% in FY19, driving higher ASPs and electronic content.
- **Electrification:** EV 2Ws could reach ~30% of sales (~7 Mn units) by FY31, with scooters accounting for ~80% of EV volumes.
- **Rising Content:** Premium, EV and connected vehicles are driving adoption of TFT clusters, connectivity modules, sensors, controllers and BMS, enabling electronics content to grow faster than 2W volumes.
- **Pricol Benefit:** With a strong 2W franchise and leadership in instrument clusters, driver information systems and sensors, Pricol is positioned to benefit from digital/TFT adoption, electrification and rising content per vehicle. Its powertrain-agnostic portfolio supports both ICE and EV platforms, providing scope to outgrow industry volume growth.



Source: Company, SIAM, Kearney, Crisil, Axis Securities Research

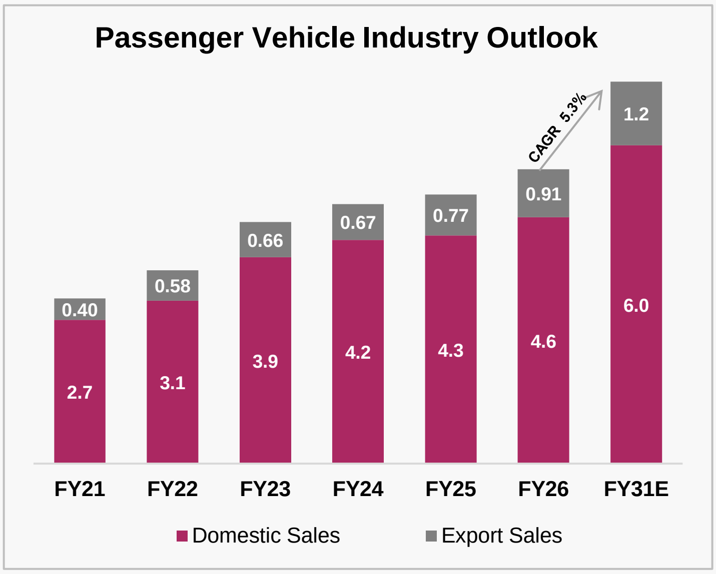


Exhibit 13: PV Industry - SUV Growth, Premiumisation & Rising Electronics Content:

India's PV industry is expected to grow at **5–6% CAGR** through **FY31**, reaching **6.0-6.2** Mn units from **~4.6 Mn** currently, supported by rising incomes, urbanisation, financing, infrastructure and replacement demand.

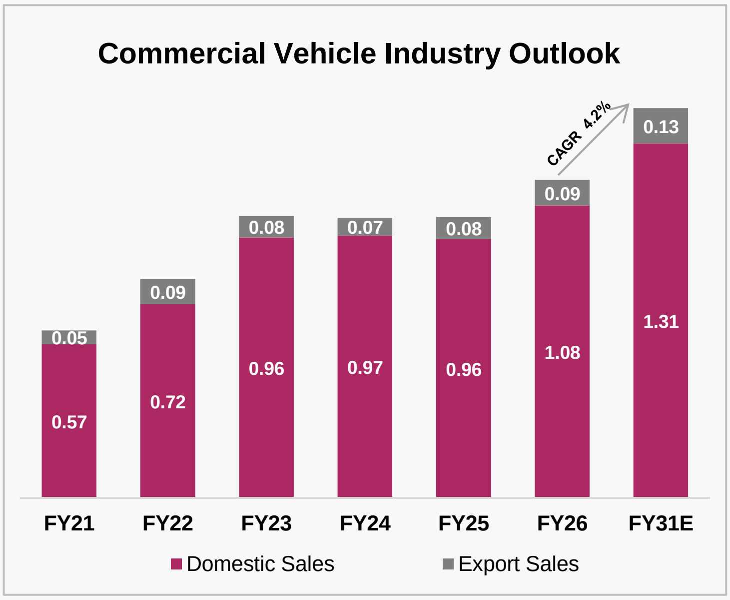
- **SUV & Premiumisation:** SUVs and feature-rich vehicles are gaining share, supporting higher ASPs and value mix.
- **Rising Electronics Content:** Adoption of digital/TFT clusters, infotainment, connectivity, sensors, telematics and ADAS is increasing electronic content per vehicle, while EVs further add demand for battery, energy and vehicle-control electronics.
- **Pricol Benefit:** Pricol's expertise in instrument clusters, driver information systems, connected solutions, sensors, switches and actuators positions it well for digital/TFT adoption and rising content per vehicle. Its P3L acquisition strengthens plastics capabilities and cross-selling opportunities, while PV diversification offers higher ASPs and longer product lifecycles than 2Ws.
- **Growth Opportunity:** Pricol can outpace PV volumes through three levers - industry growth, increasing digital/TFT penetration and rising content per vehicle

Source: Company, SIAM, Kearney, Crisil, Axis Securities Research

Exhibit 14: CV Outlook – Infrastructure, Logistics & Connected Solutions to Drive Growth

India's CV industry is expected to grow at **~4-5% CAGR through FY31**, with domestic volumes reaching **~1.3 Mn units**, supported by infrastructure spending, construction, industrial activity, logistics and e-commerce.

- **MHCV & LCV Growth:** MHCVs should benefit from infrastructure, construction and freight movement, while LCVs are supported by e-commerce, last-mile logistics, urbanisation and consumption. Better road infrastructure and fleet utilisation could moderate volume growth.
- **Rising Content & Technology:** Focus on uptime, fuel efficiency, safety and fleet optimisation is driving adoption of telematics, driver information systems, sensors, driver-monitoring solutions and electronic controls, increasing content per vehicle.
- **Electrification:** EV adoption in buses, LCVs and intra-city delivery vehicles offers a gradual opportunity, although penetration should remain slower than 2Ws due to cost, range and charging constraints.
- **Pricol Benefit:** Pricol's established CV franchise and capabilities across instrument clusters, telematics/connected solutions, sensors, switches and actuators position it well for rising electronic content. Higher component value per CV can support revenue growth ahead of industry volumes, while greater CV exposure improves business diversification.



Source: Company, SIAM, Kearney, Crisil, Axis Securities Research

Financials (Consolidated)

Profit & Loss (Rs Cr)

Y/E March	FY25A	FY26A	FY27E	FY28E	FY29E
Net Revenue	**2,621**	**3,964**	**4,740**	**5,596**	**6,679**
COGS	1,861	2,794	3,354	3,897	4,625
Employee costs	325	470	529	627	735
Operating Exp.	194	307	349	414	494
Total Expenditure	2,379	3,571	4,231	4,938	5,854
EBITDA	**313**	**469**	**531**	**658**	**825**
EBITDA Margin %	**11.9%**	**11.8%**	**11.2%**	**11.8%**	**12.4%**
Depreciation	90	120	136	168	184
EBIT	**223**	**349**	**394**	**490**	**641**
Other Income	17	12	16	22	27
Interest Expenses	13	30	34	41	48
Profit Before Tax	**227**	**331**	**376**	**471**	**620**
Tax	60	80	88	110	145
Tax Rate %	*26%*	*24%*	*23%*	*23%*	*23%*
PAT	**167**	**251**	**288**	**361**	**475**
No. of shares	12.2	12.2	12.2	12.2	12.2
EPS (Rs)	**13.7**	**20.6**	**23.7**	**29.6**	**39.0**

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E March	FY25A	FY26A	FY27E	FY28E	FY29E
SHAREHOLDERS' FUNDS					
Equity Share Capital	12	12	12	12	12
Reserves and Surplus	1,004	1,243	1,531	1,892	2,368
Total Shareholders' Funds	**1,016**	**1,255**	**1,543**	**1,904**	**2,380**
NON-CURRENT LIABILITIES					
Long Term Borrowings	68	97	102	112	122
Long Term Finance/Lease Liabilities	5	11	11	11	11
Long Term Provisions	15	12	12	12	12
Deferred Tax Liabilities	30	25	25	25	25
Other LT liabilities	5	5	5	5	5
Total Non-Current Liabilities	**124**	**150**	**155**	**165**	**175**
CURRENT LIABILITIES					
Short Term Borrowings	201	266	286	306	326
Short Term Lease Liabilities	5	5	5	5	5
Trade Payables	380	546	759	865	1,007
Other Current Liabilities	224	253	253	253	253
Total Current Liabilities	**809**	**1,070**	**1,303**	**1,429**	**1,591**
Total Capital and Liabilities	**1,949**	**2,475**	**3,001**	**3,498**	**4,146**
ASSETS					
NON-CURRENT ASSETS					
Net Tangible Assets	707	860	1,004	1,116	1,132
Capital Work-In-Progress	70	112	182	252	302
Intangible Assets	165	185	185	185	185
Financial Assets	16	17	17	17	17
Other Non-Current Assets	12	10	10	10	10
Total Non-Current Assets	**969**	**1,183**	**1,397**	**1,579**	**1,645**
CURRENT ASSETS					
Inventories	363	539	647	752	893
Current Investments	7	7	7	7	7
Trade Receivables	473	578	681	800	955
Cash And Cash Equivalents	102	119	219	311	597
Other Current Assets	36	49	49	49	49
Total Current Assets	**980**	**1,292**	**1,604**	**1,920**	**2,501**
TOTAL ASSETS	**1,949**	**2,475**	**3,001**	**3,498**	**4,146**

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flows from operating activities					
Profit before tax for the year	227	331	376	471	620
Finance costs	13	30	34	41	48
Depreciation and amortisation	90	120	136	168	184
Others	-11	-75	-88	-110	-145
Cash Flow From operation before changes in WC	318	406	458	570	707
Change in operating assets and liabilities	-95	-125	1	-118	-153
Net cash generated by operating activities	**223**	**281**	**460**	**453**	**554**
Cash flows from investing activities					
Capex	-196	-303	-350	-350	-250
Investments	-4	0	-	-	-
Others	-177	5	-	-	-
Net cash (used in)/generated by investing activities	**-377**	**-298**	**-350**	**-350**	**-250**
Cash flows from financing activities					
Change in borrowing	155	88	25	30	30
Interest on borrowings	-13	-30	-34	-41	-48
Dividends paid (-)	-	-	-	-	-
Net cash used in financing activities	**142**	**58**	**-9**	**-11**	**-18**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**-11**	**17**	**101**	**91**	**286**
CCE at the beginning of the year	113	101	118	218	310
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	-	-	-	-
CCE at the end of the year	**101**	**118**	**218**	**310**	**596**

Source: Company, Axis Securities Research

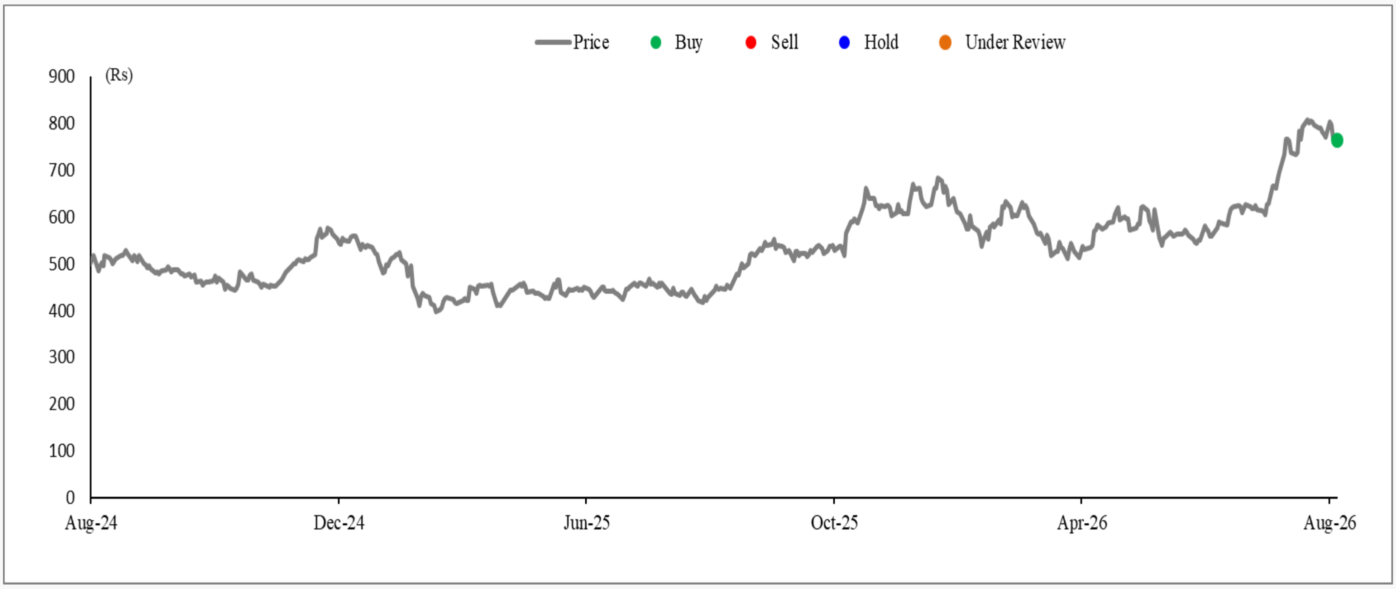
Ratio Analysis

(%)

Y/E March	FY25A	FY26A	FY27E	FY28E	FY29E
Valuation Ratios					
PER	32.9	37.2	32.3	25.8	19.6
P/BV (x)	5.4	7.4	6.0	4.9	3.9
EV/EBITDA (x)	18.1	20.4	17.9	14.4	11.1
EV/Sales (x)	2.1	2.4	2.0	1.7	1.4
Dividend Yield %	0.0%	0.0%	0.0%	0.8%	0.0%
Return Ratios					
ROE	17.9%	22.1%	20.6%	20.9%	22.2%
ROCE	22.5%	25.8%	24.3%	26.1%	30.0%
Leverage Ratios					
Debt/equity (x)	0.30	0.32	0.27	0.24	0.20
Net debt/ Equity (x)	0.17	0.21	0.12	0.06	-0.06
Net debt/EBITDA (x)	0.57	0.55	0.35	0.19	-0.16
Operational Ratios					
Sales growth (% YoY)	18.7%	51.2%	19.6%	18.1%	19.4%
EBITDA growth (% YoY)	14.6%	50.0%	13.0%	24.1%	25.4%
Net Profit growth (% YoY)	18.8%	50.2%	15.0%	25.2%	31.6%
EBITDA Margin %	11.94%	11.84%	11.19%	11.76%	12.36%
Net profit Margin %	6.4%	6.3%	6.1%	6.5%	7.1%
Efficiency Ratios					
Total Asset turnover (x)	1.55	1.79	1.73	1.72	1.75
Sales/Net block(x)	4.50	5.06	5.09	5.28	5.94

Source: Company, Axis Securities Research

Pricol Ltd Price Chart and Recommendation History



Date	Reco	TP	Research
07-Sep-26	BUY	935	Initiating Coverage

Source: Axis Securities Research

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HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
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