

Maruti's quarterly sales hit record as small cars roar

But Labour Code costs weigh on profit growth

SOHINI DAS

Mumbai, 28 January

Maruti Suzuki India Ltd (MSIL), the country's largest passenger vehicle maker, reported a 4.1 per cent year-on-year increase in net profit to ₹3,879 crore for the December quarter, absorbing a one-time provision of ₹593.9 crore linked to the implementation of new Labour Codes. Revenue, on the other hand, surged to a record ₹49,904 crore, up 28.7 per cent — the fastest pace in more than three years — powered by the company's highest-ever quarterly domestic sales.

The maker of Swift and Dzire sold 564,669 vehicles in India during the quarter, riding a sharp rebound in demand for entry-level cars. A year ago, it had sold 466,993 units. Small cars, which fall under the 18 per cent GST slab, accounted for 68,328 units of the incremental volume. Exports also edged higher to 103,100 units from 99,220 units in the year-ago period.

Maruti's shares slipped 2.3 per cent on the BSE during market hours after

Mixed results

Consolidated figures for Maruti Suzuki (₹ crore)



% change

	Q3FY26	Q-o-Q	Y-o-Y
Revenue	49,904	17.9	28.7
Other income	1,055	11.5	-0.2
Employee expenses	2,701	31.6	51.2
PBIT	6,714	10.1	8.3
PBT	4,917	13.3	4.0
Net profit	3,879	15.8	4.1

Source: Company
Compiled by BS Research Bureau

■ L&T Q3 profit down 4% on new Labour Code costs

2 ▶

the results marginally missed Bloomberg analysts' estimates on both revenue and profit.

Turn to Page 9 ▶

Only native EU carmakers may get import tariff relief

Commerce Ministry officials said India has agreed to a 'calibrated, phased and development oriented quota-based liberalisation' strategy for the 'sensitive' automobile sector.

The European bloc's focus in trade talks had largely been on higher-end automobiles, as they do not manufacture cars priced below 15,000 euros. On the other hand, India produces more affordable and smaller cars, a segment the Centre has

sought to protect, even as it has bought more time for Indian EV makers, seen as sunrise sector, to scale up.

For every car import quota allowed from the EU, India will receive 2.5 times the access for its exports. The quota for completely knocked down (CKD) imported vehicles will be 75,000 ICE-fitted vehicles, at a reduced duty of 8.25 per cent compared to the present levy of 16.5 per cent.

EU FTA's rapid response shield

India believes that its gains from the FTA may be limited if these regulations eventually function as non-tariff barriers, particularly at a time when both sides are seeking to deepen trade ties.

So far, only the CBAM regu-

lation has been implemented, while other measures are expected to come into force within the next year. India did not secure any concessions on the carbon regulation as part of the FTA.

Maruti's record sales in Q3

The company said it is facing modest pressure from commodity costs, including platinum group metals (PGM), aluminium and copper. PGM content as a percentage of net sales is about 2 per cent.

Rahul Bharti, senior executive officer for corporate affairs at MSIL, said demand remains strong across categories. "We are seeing healthy demand across segments. Small cars, which were earlier in a negative growth zone, have moved into positive territory, and their growth swing is larger than that of bigger cars,"

he said, adding that first-time buyers are taking a larger share of sales. "We have seen a 6.7 percentage point increase in first-time buyers, which is a very healthy sign. Anecdotally, we are seeing more helmets in showrooms, indicating two-wheeler owners upgrading to cars," he said.

The quarter also capped the second consecutive calendar year in which Maruti crossed annual production of two million vehicles. The company expects two new plants, each with an annual capacity of 250,000 units, to come

onstream shortly. Bharti said Maruti's capital spending run rate is around ₹10,000 crore a year. "If demand exists, we will ensure supply is not found lacking—there is no dearth of funds to put up new plants."

On rare earth magnet supplies, Maruti said there has been a limited impact. "Instead of importing just magnets, we were constrained to import larger aggregates or sub-assemblies, of which magnets are a part. To that extent, higher imports and some air freight costs were incurred," Bharti said. "The rare earth impact is minor, at about 20 basis points, and is not a long-term issue." He added that the Centre has invited global

manufacturers to set up local magnet production. "Sooner or later, India will manufacture these domestically, and this will not remain a structural problem."

For April-December of FY26, Maruti posted its highest-ever nine-month sales volume, net sales and net profit. Total volumes, including exports, rose 7 per cent year-on-year to 1,746,504 units. Net sales climbed 16.7 per cent to ₹124,290 crore, while net profit rose nearly 4 per cent. Suzuki Motor Gujarat Pvt Ltd, a wholly owned subsidiary of Maruti Suzuki India, was amalgamated with the parent company with effect from December 2025.

Pramerica stake sale

"The insurer has some operational issues. It has not been able to scale up its business due to frequent changes in ownership and has disadvantages in its distribution mix. In life insurance, agents and banks are the major sources of business acquisition. Agency channels are captive channels, whereas despite the open architecture, banks support insurance companies which are promoted by the respective lenders," said a source.

When contacted, a spokesperson for Prudential Financial said: "Prudential Financial regularly evaluates strategic opportunities for its businesses. We do not comment on rumours or market speculation." Emails sent to Piramal Finance and Pramerica Life Insurance did not elicit a response till the time of going

to press.

Last year, Piramal exited Shriram Life Insurance by selling its 14.72 per cent to Sanlam Emerging Markets for ₹600 crore. This move, to monetise its non-core assets, was in line with the company's strategy to strengthen and streamline its balance sheet.

In its annual report, Pramerica has said among private insurers, bancassurance dominates distribution. The top 11 private life insurers have major bancassurance tieups or they are promoted by leading banks in the country. Even among the life insurers set up after 2008, those promoted by banks or non-banking financial companies (NBFCs) have a strategic advantage.

"Life insurers not owned by a bank have a natural disadvantage in distribution. Pramerica