

# Automobiles & Components

India

Sector View: **Cautious**

NIFTY-50: **22,531**

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## 4QFY24 review: Sustaining momentum

Key highlights of 4Q were: (1) OEMs—strong top-line growth, richer product mix and RM tailwinds driving good margin expansion; demand trends remain steady for 2W; however, growth moderation is seen in the PV segment; uptick in commodity prices needs to be monitored; (2) diversified auto ancillaries—strong automotive volume growth, coupled with pricing adjustments, drove strong earnings growth; and (3) tire companies—domestic tire companies' operating performance impacted by muted demand trends and EPR provisions. TTMT and M&M remain our top picks in the OEM segment, whereas we prefer SAMIL and Uno Minda in ancillary space.

### 4QFY24: OEMs continue to report strong operating performance

Aggregate revenues of auto OEMs were up 14% yoy in 4QFY24, driven by (1) 27% yoy growth in 2W production volumes, (2) 10% yoy growth in PV production volumes, (3) richer product and (4) price hikes on account of regulatory changes that were partly offset by an 8-15% decline in MHCV and tractor volumes. EBITDA of the auto OEMs grew 37% yoy on operating leverage benefit, richer product mix and RM tailwinds. As a result, EBITDA margin improved by 180 bps yoy to 14.1%. Further, gross margins expanded by 260 bps yoy. Overall, adjusted PAT grew 29% yoy in 4QFY24.

### Strong automotive demand aided growth for diversified auto ancillaries

Diversified auto ancillaries' revenue growth stood at 20% yoy in 4QFY24, led by strong growth in the production volumes of the 2W and PV segments and consolidation of announced acquisitions (SAMIL). EBITDA increased by 29% yoy in 4QFY24, driven by (1) operating leverage benefits, (2) pricing adjustments and (3) richer product mix. Gross margins expanded by 310 bps yoy due to richer product mix and pricing adjustments. Overall, PAT grew by 71% yoy, partly driven by 110% yoy PAT growth for SAMIL.

### Muted volume growth and EPR provision impacted tire companies' performance

Tire companies, especially MRF, CEAT and Apollo, posted a weak quarter compared to our expectations, owing to (1) weak demand trends in the CV replacement segment and (2) obligations pertaining to extended producer responsibility (EPR). Apollo and CEAT have announced price hikes to offset the obligations related to EPR as well as RM headwinds, whereas MRF has not yet announced any price hike, which needs to be monitored. Balkrishna Industries reported a strong quarter, led by (1) strong volume growth, (2) richer product mix and (3) tight cost control and favorable FX.

### JLR continues to outperform the global luxury OEMs

The luxury passenger vehicle market remained flat yoy, whereas JLR volumes grew 16%, owing to a strong order backlog. Further, the company continues to improve the profitability sequentially with an EBIT margin improvement of 40 bps in 1QCY24, led by (1) operating leverage benefits and (2) richer product mix. EBIT margins of Porsche and Audi declined significantly by 650/520 bps sequentially in 1QCY24. EBIT margins for Mercedes and BMW changed marginally sequentially in 1QCY24.

### Quick Numbers

Aggregate revenues of auto OEMs were up 14% yoy in 4QFY24

Diversified auto ancillaries' revenue growth stood at 20% yoy in 4QFY24

Bearing companies' revenues grew 9% yoy in 4QFY24

EBITDA of the auto OEMs grew 37% yoy in 4QFY24

EBITDA of the diversified auto ancillaries increased 29% yoy in 4QFY24

EBITDA for bearing companies grew 13% yoy in 4QFY24

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**Mixed performance across bearing companies in 4QFY24**

Bearing companies revenue grew by 9% yoy, driven by (1) strong growth in the railway segment (Timken), (2) uptick in aftermarket division (SKF, Schaeffler and Timken) and (3) strong growth in PV and 2W production volumes. EBITDA margin of the SKF/Timken expanded by 220/300 bps yoy in 4QFY24, whereas Schaeffler India EBITDA margins contracted by 100 bps over the same period. EBITDA grew 13% yoy, whereas PAT grew 20% yoy in 4QFY24.

**Upswing in metal and rubber prices may weigh on margins for OEMs and tire companies**

International and domestic natural rubber prices (spot) have risen by 16-21% from 3QFY24 average levels, driven by persistent supply concerns and adverse weather concerns in key rubber producing countries. Also, the metal prices (spot), especially aluminum and copper, witnessed a sharp upswing of 18-20% when compared to 4QFY24 average levels month on account of escalating geopolitical tensions which may lead to supply disruptions (Israel-Gaza war, unrest in New Caledonia), (2) anticipated shortage of supply on account of expected surge in demand from China with latest stimulus announcement by the Chinese government and (3) expected rate-cut by central banks. We believe the surge in metal prices to have a higher impact on 2W OEMs when compared to PV, CV and tractors owing to higher Aluminum content as % of sales. Overall, we expect if the current metal and rubber prices sustain at current levels, there can be 80-170 bps margin contraction for OEMs and 300 bps margin erosion for tire companies (assuming no price changes).

**Aggregate revenues/EBITDA/PAT grew 14%/30%/32% yoy in 4QFY24**

Exhibit 1: KIE auto OEMs and ancillaries' key financials trends, March fiscal year-ends, 2023-24 (Rs mn, %)

	Revenues			Gross profit			EBITDA			Recurring PAT		
	4QFY23	4QFY24	yoy (%)	4QFY23	4QFY24	yoy (%)	4QFY23	4QFY24	yoy (%)	4QFY23	4QFY24	yoy (%)
Apollo Tyres	62,473	62,582	0.2	27,103	29,558	9.1	9,985	10,280	3.0	4,274	3,541	(17.2)
Amara Raja Energy & Mobility	24,330	27,967	14.9	24,263	27,900	15.0	3,532	4,077	15.4	1,410	2,280	61.7
Ashok Leyland	116,257	113,765	(2.1)	28,370	32,859	15.8	12,757	15,487	21.4	7,091	10,126	42.8
Bajaj Auto	89,047	114,847	29.0	26,912	34,145	26.9	17,166	23,063	34.4	14,329	19,360	35.1
Balkrishna Industries	23,246	26,971	16.0	11,451	14,376	25.5	4,948	6,993	41.3	2,526	4,319	71.0
Bharat Forge	36,291	41,642	14.7	18,778	22,076	17.6	4,385	6,433	46.7	1,582	2,348	48.4
CEAT	28,748	30,687	6.7	11,529	13,422	16.4	3,678	4,258	15.8	1,401	1,659	18.4
CIE Automotive India	11,424	11,645	1.9	5,214	5,643	8.2	1,752	1,919	9.5	2,076	2,170	4.5
Eicher Motors	38,314	42,090	9.9	16,437	19,560	19.0	9,448	11,922	26.2	7,469	9,770	30.8
Endurance Technologies	22,343	26,848	20.2	9,086	11,535	26.9	2,854	3,894	36.4	1,365	2,102	54.0
Escorts Kubota	21,830	20,825	(4.6)	6,215	6,643	6.9	2,358	2,659	12.8	2,026	2,421	19.5
Exide Industries	35,807	40,098	12.0	10,950	13,238	20.9	3,672	5,197	41.5	2,078	2,837	36.5
Hero MotoCorp	83,068	95,193	14.6	26,605	31,945	20.1	10,830	13,592	25.5	8,589	10,161	18.3
Mahindra & Mahindra	225,714	251,090	11.2	56,495	66,627	17.9	27,974	32,401	15.8	19,359	20,382	5.3
Maruti Suzuki	320,480	382,349	19.3	85,606	113,406	32.5	33,503	46,850	39.8	26,236	38,778	47.8
MRF	57,254	60,890	6.4	21,194	22,927	8.2	8,431	10,327	22.5	4,107	5,110	24.4
SAMIL	225,170	270,582	20.2	98,046	128,344	30.9	20,606	29,346	42.4	6,540	13,715	109.7
Schaeffler India	16,936	18,731	10.6	6,569	7,091	7.9	3,147	3,299	4.8	2,194	2,197	0.2
SKF	10,947	11,578	5.8	4,234	4,507	6.5	1,670	1,906	14.1	1,229	1,752	42.5
Sona BLW Precision	7,440	8,853	19.0	4,042	4,994	23.6	2,014	2,481	23.2	1,222	1,487	21.7
Tata Motors	1,059,324	1,199,863	13.3	377,380	462,014	22.4	128,098	169,933	32.7	53,453	68,016	27.2
Timken	8,025	8,978	11.9	3,088	3,655	18.4	1,529	1,987	29.9	1,045	1,414	35.3
TVS Motors	66,048	81,688	23.7	16,251	22,249	36.9	6,798	9,262	36.3	4,103	4,854	18.3
Uno Minda	28,890	38,752	34.1	10,294	14,655	42.4	3,193	4,355	36.4	1,827	3,077	68.5
Varroc Engineering	16,901	19,854	17.5	6,211	7,872	26.8	1,561	1,997	27.9	400	693	73.2
<b>Total</b>	<b>2,636,305</b>	<b>3,008,367</b>	<b>14.1</b>	<b>912,325</b>	<b>1,121,243</b>	<b>22.9</b>	<b>325,888</b>	<b>423,916</b>	<b>30.1</b>	<b>177,928</b>	<b>234,569</b>	<b>31.8</b>
<b>Auto ancillaries</b>	<b>616,225</b>	<b>706,658</b>	<b>14.7</b>	<b>272,054</b>	<b>331,794</b>	<b>22.0</b>	<b>76,956</b>	<b>98,748</b>	<b>28.3</b>	<b>35,274</b>	<b>50,701</b>	<b>43.7</b>
<b>Auto OEMs</b>	<b>2,020,080</b>	<b>2,301,709</b>	<b>13.9</b>	<b>640,271</b>	<b>789,449</b>	<b>23.3</b>	<b>248,932</b>	<b>325,168</b>	<b>30.6</b>	<b>142,654</b>	<b>183,868</b>	<b>28.9</b>

Source: Company, Kotak Institutional Equities

**Auto OEMs delivered strong volume growth of 14% yoy in 4QFY24**

**Exhibit 2: KIE auto OEMs and tire companies' volume trends, March fiscal year-ends, 2021-24(units, MT, %)**

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	3-year CAGR (%)	Yoy (%)
<b>OEMs (units)</b>															
Ashok Leyland	42,590	17,987	27,543	34,077	48,719	39,651	45,295	47,562	59,697	41,329	49,846	47,241	56,269	9.7	(5.7)
Bajaj Auto	1,169,664	1,006,014	1,144,407	1,181,361	976,651	933,646	1,151,012	983,276	857,788	1,027,091	1,050,975	1,197,049	1,062,426	(3.2)	23.9
2W	1,047,632	899,305	1,029,915	1,048,545	859,091	847,158	1,019,034	851,050	723,465	889,014	878,605	1,036,245	910,667	(4.6)	25.9
3W	122,032	106,709	114,492	132,816	117,560	86,488	131,978	132,226	134,323	138,077	172,370	160,804	151,759	7.5	13.0
Eicher Motors	219,815	129,276	138,296	185,174	205,317	204,283	225,002	239,017	244,052	246,316	248,602	248,151	252,777	4.8	3.6
Royal Enfield	204,604	123,640	123,427	169,526	185,675	187,205	207,764	221,401	218,525	227,706	229,340	228,073	227,673	3.6	4.2
VECV	15,211	5,636	14,869	15,648	19,642	17,078	17,238	17,616	25,527	18,610	19,262	20,078	25,104	18.2	(1.7)
Escorts Kubota	34,162	26,541	22,147	26,481	23,181	27,763	24,620	29,234	26,293	27,955	23,601	27,799	23,051	(12.3)	(12.3)
Tractor	32,558	25,935	21,073	25,330	21,895	26,797	23,703	28,025	24,765	26,582	22,024	25,999	21,253	(13.3)	(14.2)
Construction Equipment	1,604	606	1,074	1,151	1,286	966	917	1,209	1,528	1,373	1,577	1,800	1,798	3.9	17.7
Hero MotoCorp	1,569,751	1,024,507	1,438,623	1,292,136	1,188,884	1,390,193	1,428,168	1,239,693	1,270,492	1,352,574	1,416,526	1,459,932	1,392,423	(3.9)	9.6
Mahindra & Mahindra	202,223	186,777	190,600	214,135	228,784	271,971	273,223	281,859	278,958	301,147	302,139	313,115	286,924	12.4	2.9
Automotive (a)	108,329	86,848	101,680	121,168	155,902	153,462	179,683	176,094	189,227	186,138	202,060	184,245	191,868	21.0	1.4
Tractor	93,894	99,929	88,920	92,967	72,882	118,509	93,540	105,765	89,731	115,009	90,061	101,672	71,644	(8.6)	(20.2)
Maruti Suzuki	492,235	353,614	379,541	430,668	488,830	467,931	517,395	465,911	514,927	498,030	552,055	501,207	584,031	5.9	13.4
Tata Motors	519,901	326,709	420,791	482,298	576,068	545,083	576,673	548,683	611,030	558,743	593,297	576,705	650,770	7.8	6.5
Domestic (PV+CV)	191,720	114,784	171,270	199,594	243,460	231,248	243,387	228,169	251,822	226,245	242,040	231,381	265,090	11.4	5.3
CV	107,484	50,145	86,887	100,030	119,870	100,921	100,536	95,914	116,168	85,795	104,085	96,526	109,439	0.6	(5.8)
PV	84,236	64,639	84,383	99,564	123,590	130,327	142,851	132,255	135,654	140,540	137,955	134,855	155,651	22.7	14.7
JLR	136,461	97,141	78,251	83,110	89,148	82,587	89,899	92,345	107,386	106,253	109,217	113,943	120,590	(4.0)	12.3
TVS Motors	927,579	658,704	916,705	880,965	861,982	906,791	1,027,437	879,423	868,417	953,244	1,074,648	1,100,675	1,062,529	4.6	22.4
2W	886,614	619,647	869,629	837,074	820,208	860,795	976,926	835,938	839,295	918,482	1,031,642	1,062,609	1,032,193	5.2	23.0
3W	40,965	39,057	47,076	43,891	41,774	45,996	50,511	43,485	29,122	34,762	43,006	38,066	30,336	(9.5)	4.2
<b>Total</b>	<b>5,177,920</b>	<b>3,730,129</b>	<b>4,678,653</b>	<b>4,727,295</b>	<b>4,598,416</b>	<b>4,787,312</b>	<b>5,268,825</b>	<b>4,714,658</b>	<b>4,731,654</b>	<b>5,006,429</b>	<b>5,311,689</b>	<b>5,471,874</b>	<b>5,371,200</b>	<b>1.2</b>	<b>13.5</b>
<b>Tyre companies (MT)</b>															
Balkrishna Industries	68,002	68,608	72,748	70,320	77,119	83,153	78,872	66,480	72,676	67,209	70,585	72,749	82,085	6.5	12.9
Apollo Tyres (standalone)	158,976	141,489	158,467	166,391	168,055	170,494	154,297	155,840	168,055	161,969	162,012	163,632	168,055	1.9	-
CEAT (standalone)	103,023	81,388	100,433	98,424	102,361	110,038	107,837	102,361	109,526	111,689	114,847	115,156	116,308	4.1	6.2
MRF	209,455	170,310	199,354	199,280	214,564	211,124	215,652	208,711	215,893	236,964	228,131	226,640	228,185	2.9	5.7
<b>Total</b>	<b>539,455</b>	<b>461,794</b>	<b>531,002</b>	<b>534,414</b>	<b>562,099</b>	<b>574,809</b>	<b>556,658</b>	<b>533,391</b>	<b>566,150</b>	<b>577,831</b>	<b>575,574</b>	<b>578,177</b>	<b>594,633</b>	<b>3.3</b>	<b>5.0</b>

Note:  
(a) Total volume excludes volumes from Mahindra Last Mile Mobility from September 2023 onwards

Source: Company, Kotak Institutional Equities estimates

**ASPs of the auto OEMs had divergent growth across segments on a yoy basis in 4QFY24**

**Exhibit 3: KIE auto OEMs and tire companies' ASP trends, March fiscal year-ends, 2021-24 (Rs per vehicle, Rs per MT, %)**

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	3-year CAGR (%)	Yoy (%)
<b>OEMs (Rs per vehicle)</b>															
Ashok Leyland	1,643,693	1,640,624	1,618,506	1,624,310	1,794,842	1,821,606	1,824,914	1,898,505	1,947,446	1,981,488	1,933,563	1,962,916	2,021,803	7.1	3.8
Bajaj Auto	73,492	73,419	76,565	76,367	81,655	85,739	88,642	94,736	103,810	100,378	102,545	101,195	108,099	13.7	4.1
Eicher Motors (consolidated)	142,834	154,303	176,777	167,435	172,058	173,496	163,512	162,156	175,328	171,325	171,392	177,758	184,869	9.0	5.4
Escorts Kubota	647,073	629,777	750,553	739,205	803,002	725,732	765,020	774,328	830,240	832,674	866,989	834,688	903,419	11.8	8.8
Tractors	534,068	544,218	588,877	594,402	622,521	595,499	613,787	609,452	628,912	627,052	633,050	637,848	654,331	7.0	4.0
Construction Equipment	2,007,294	2,323,762	2,320,298	2,399,479	2,481,415	2,548,033	2,637,841	2,531,927	2,518,586	2,622,724	2,636,525	2,539,833	2,650,723	9.7	5.2
Hero MotoCorp	53,333	53,558	58,760	61,010	62,426	60,370	63,545	64,782	65,382	64,819	66,680	66,604	68,365	7.3	4.6
Mahindra & Mahindra	660,453	629,886	698,551	716,793	748,478	725,262	768,974	768,247	809,131	798,814	804,593	807,643	875,109	9.8	8.2
Automotive (a)	725,396	696,647	778,630	796,737	774,312	809,236	829,006	840,263	866,691	884,025	821,112	918,517	1,037,710	12.7	19.7
Tractor	529,006	532,235	551,423	561,249	593,735	564,399	592,060	593,549	622,340	628,564	609,747	545,515	729,573	11.2	17.2
Maruti Suzuki	488,053	502,545	541,151	539,766	547,020	566,319	578,490	623,387	622,379	649,095	671,348	664,670	654,672	10.3	5.2
Tata Motors - CV	1,254,179	1,311,519	1,265,554	1,234,908	1,446,423	1,473,870	1,486,709	1,646,681	1,733,879	1,845,395	1,781,400	1,934,045	1,851,282	13.9	6.8
Tata Motors - PV	784,700	819,938	883,946	863,766	857,027	895,056	885,398	893,350	897,135	921,467	887,608	964,147	931,379	5.9	3.8
TVS Motors	57,374	59,729	61,300	64,775	64,158	66,263	70,264	74,429	76,055	75,719	75,789	74,909	76,881	10.2	1.1
<b>Tyre companies (Rs per MT)</b>															
Balkrishna Industries	257,329	266,451	285,894	295,641	315,340	327,863	355,803	333,231	319,862	314,693	318,317	318,322	328,572	8.5	2.7
Apollo Tyres (standalone)	228,309	227,576	230,313	227,879	237,306	260,199	275,568	272,498	259,810	272,475	271,999	264,736	261,072	4.6	0.5
CEAT (standalone)	221,217	233,175	242,184	244,465	251,701	254,738	267,660	264,854	261,375	261,547	264,982	256,085	256,150	5.0	(2.0)
MRF	226,191	242,365	242,365	242,365	242,365	265,196	265,196	265,196	265,196	266,845	266,845	266,845	266,845	5.7	0.6

Note:  
(a) Total volume excludes volumes from Mahindra Last Mile Mobility from September 2023 onwards

Source: Company, Kotak Institutional Equities estimates

**Gross profit grew by 25% on a yoy basis driven by commodity tailwinds and richer product mix**

**Exhibit 4: KIE auto OEMs and ancillaries' gross profit trends, March fiscal year-ends, 2021-24 (Rs mn, %)**

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	3-year CAGR (%)	Yoy (%)
<b>Gross profit</b>															
Apollo Tyres	22,672	19,600	21,042	22,804	22,175	23,580	23,154	25,473	27,103	28,127	28,700	30,762	29,558	9.2	9.1
Amara Raja Energy & Mobility	6,844	5,862	6,774	7,032	6,078	6,957	8,228	8,797	8,457	8,005	8,877	9,792	9,653	12.1	14.1
Ashok Leyland	16,171	7,637	10,393	12,221	19,021	14,948	18,194	21,438	28,370	21,521	25,515	25,753	31,761	25.2	12.0
Bajaj Auto	24,194	19,917	23,057	22,784	22,391	22,273	27,167	27,376	26,912	28,971	31,262	35,040	34,145	12.2	26.9
Balkrishna Industries	10,286	10,458	11,522	11,131	13,291	14,571	14,373	10,774	11,451	10,928	11,654	12,045	14,376	11.8	25.5
Bharat Forge	12,394	13,618	14,638	14,446	19,749	16,041	17,152	17,518	18,778	19,992	20,100	20,861	22,076	21.2	17.6
CEAT	9,615	7,421	9,048	8,201	8,689	8,934	9,412	9,421	11,529	12,056	13,236	12,246	12,653	9.6	9.8
CIE Automotive India	4,326	3,729	4,362	3,856	4,487	4,746	5,248	5,045	5,214	5,226	5,557	5,443	5,643	9.3	8.2
Eicher Motors	11,779	7,745	8,939	11,294	13,632	13,865	14,099	14,970	16,437	16,901	18,394	18,701	19,392	18.1	18.0
Endurance Technologies	9,107	7,829	7,817	7,409	8,234	8,363	8,899	8,396	9,086	10,015	10,133	10,220	11,535	8.2	26.9
Escorts Kubota	6,963	5,304	5,560	5,827	5,507	5,602	5,197	5,766	6,215	7,026	6,616	7,111	6,643	(1.6)	6.9
Exide Industries	10,112	7,695	10,743	9,884	9,489	10,808	11,360	11,015	10,950	11,562	12,766	12,096	13,238	9.4	20.9
Hero MotoCorp	25,687	15,075	23,430	22,890	22,793	22,852	25,452	24,567	26,605	26,864	29,675	31,767	31,945	7.5	20.1
Mahindra & Mahindra	41,304	35,726	36,336	38,861	40,485	46,126	49,333	52,067	56,495	59,412	59,306	62,225	66,627	17.3	17.9
Maruti Suzuki	62,728	44,802	49,619	57,429	70,733	67,296	80,507	79,385	85,606	87,952	108,931	96,911	109,465	20.4	27.9
MRF	18,238	15,648	17,144	16,121	16,716	17,611	16,967	17,785	21,194	24,554	24,816	24,274	24,187	9.9	14.1
SAMEL	74,023	69,608	59,888	66,981	72,086	72,597	75,435	87,345	98,046	97,612	101,331	114,947	128,344	20.1	30.9
Schaeffler India	4,734	4,745	5,572	5,931	6,152	6,496	6,497	7,005	7,062	6,883	6,967	7,091	7,091	14.4	7.9
SKF	3,481	3,150	3,725	3,440	3,892	4,132	4,558	4,467	4,234	4,577	3,823	4,556	4,963	12.5	17.2
Sona BLW Precision	3,081	2,834	3,147	2,839	3,030	3,210	3,485	3,819	4,042	4,169	4,355	4,588	4,994	17.5	23.6
Tata Motors	316,347	238,563	202,883	261,805	272,426	237,129	270,164	310,301	377,380	384,526	382,185	422,995	462,014	13.5	22.4
Timken	2,032	2,083	2,472	2,351	3,185	3,203	2,768	2,409	3,088	2,958	2,835	2,481	3,655	21.6	18.4
TVS Motors	13,121	9,554	13,529	13,552	13,189	14,359	17,217	16,025	16,251	18,361	21,170	21,694	22,249	19.2	36.9
Uno Minda	8,339	6,206	7,734	7,794	8,676	8,990	10,110	10,726	10,294	11,059	12,447	12,323	13,844	18.4	34.5
Varroc Engineering	5,083	4,352	5,188	5,107	5,301	5,785	6,533	5,927	6,211	6,645	6,929	6,846	7,767	15.2	25.1
<b>Total</b>	<b>710,267</b>	<b>555,545</b>	<b>549,924</b>	<b>641,989</b>	<b>691,407</b>	<b>660,475</b>	<b>731,510</b>	<b>787,815</b>	<b>896,518</b>	<b>916,079</b>	<b>957,496</b>	<b>1,012,641</b>	<b>1,097,819</b>	<b>15.6</b>	<b>22.5</b>
<b>Auto ancillaries</b>	<b>191,973</b>	<b>171,222</b>	<b>176,177</b>	<b>195,327</b>	<b>211,230</b>	<b>216,024</b>	<b>224,180</b>	<b>235,921</b>	<b>256,248</b>	<b>264,545</b>	<b>274,441</b>	<b>290,445</b>	<b>313,578</b>	<b>17.8</b>	<b>22.4</b>
<b>Auto OEMs</b>	<b>518,294</b>	<b>384,323</b>	<b>373,748</b>	<b>446,662</b>	<b>480,177</b>	<b>444,451</b>	<b>507,330</b>	<b>551,894</b>	<b>640,271</b>	<b>651,534</b>	<b>683,055</b>	<b>722,196</b>	<b>784,241</b>	<b>14.8</b>	<b>22.5</b>

Source: Company, Kotak Institutional Equities estimates

**EBITDA per vehicle for most of the auto OEMs had a strong growth across segments on a yoy basis in 4QFY24**

**Exhibit 5: KIE auto OEMs gross profit and EBITDA per vehicle trends, March fiscal year-ends, 2020-24 (Rs per vehicle, %)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	Yoy (%)	
<b>Gross Profit per vehicle (Rs per vehicle)</b>																			
Ashok Leyland	435,269	612,008	419,913	368,482	379,690	424,607	377,341	358,614	396,427	376,989	401,671	450,742	475,233	520,734	511,875	545,195	564,473	18.8	
Bajaj Auto	21,680	22,853	19,915	19,908	20,585	19,798	20,148	19,286	22,926	23,856	23,603	27,842	31,374	28,207	23,746	23,272	32,139	2.4	
Eicher Motors	58,162	51,213	59,676	57,459	57,568	62,640	72,425	66,619	73,420	74,065	67,861	67,615	75,219	74,225	80,205	81,994	85,173	13.2	
Hero MotoCorp	14,376	15,576	14,975	15,632	16,364	14,714	16,287	17,714	19,172	16,438	17,822	19,817	20,941	19,861	20,949	21,759	22,942	9.6	
Mahindra & Mahindra	211,910	206,216	210,096	197,676	204,520	191,278	190,641	181,480	176,957	169,597	180,561	184,726	202,520	197,284	203,020	217,634	252,844	24.8	
Maruti Suzuki	140,440	152,757	143,215	129,910	127,435	126,697	130,734	133,349	144,699	143,816	155,601	170,387	166,249	176,600	197,319	193,355	187,430	12.7	
Tata Motors domestic CV		498,568	310,583	314,061	328,380	366,358	297,283	269,795	319,144	357,891	339,136	433,748	456,481	512,326	501,255	578,064	541,091	18.5	
Tata Motors domestic PV		156,482	126,512	137,276	151,598	158,264	161,051	142,521	134,477	139,956	130,416	144,720	161,735	159,416	171,940	187,461	194,088	20.0	
TVS Motors	13,772	12,938	12,455	13,020	14,145	14,504	14,758	15,383	15,300	15,835	16,757	18,222	18,714	19,262	19,700	19,709	20,940	11.9	
<b>Gross Profit per kg (Rs per kg)</b>																			
Apollo Tyres (standalone)	83	71	84	94	88	78	75	69	73	77	82	89	97	108	108	108	106	8.9	
Balkrishna Industries	135	151	154	149	151	152	158	158	172	175	182	162	158	163	165	166	175	11.2	
CEAT (standalone)	94	92	98	98	93	90	89	83	84	81	87	92	105	107	115	106	108	3.4	
<b>EBITDA per vehicle (Rs per vehicle)</b>																			
Ashok Leyland	71,773	(873,728)	41,363	75,962	125,419	(77,890)	48,902	65,701	159,289	80,775	118,631	167,642	213,703	198,589	216,625	235,797	282,956	32.4	
Bajaj Auto	12,629	9,220	12,021	13,235	13,030	11,131	12,243	11,615	13,962	13,892	15,280	18,070	20,012	19,024	20,294	20,299	21,708	8.5	
Eicher Motors	27,793	208	32,141	32,956	31,481	27,054	35,865	34,297	40,661	42,104	38,680	38,701	43,295	44,473	47,852	48,878	50,743	17.4	
Hero MotoCorp	4,945	1,918	7,115	7,661	7,716	5,025	7,412	7,430	6,961	6,767	7,270	7,455	8,524	8,918	9,377	9,329	9,761	14.5	
Mahindra & Mahindra	80,906	60,139	111,044	106,516	96,685	87,347	87,120	84,186	85,038	85,801	91,401	99,845	100,279	107,426	104,957	113,194	122,959	22.6	
Maruti Suzuki	40,164	(112,717)	49,185	44,890	40,450	23,220	22,525	36,200	49,645	40,863	53,210	60,808	65,064	59,896	86,662	77,970	80,218	23.3	
Tata Motors domestic CV		(610,051)	25,289	87,354	111,764	(4,684)	27,782	30,111	93,153	68,551	64,782	144,655	179,073	154,821	190,232	221,010	221,898	23.9	
Tata Motors domestic PV		(142,207)	(7,034)	10,077	37,989	32,798	53,921	34,271	58,581	55,783	50,682	62,606	65,240	48,202	56,758	62,660	67,973	4.2	
TVS Motors	3,869	(1,929)	4,956	5,166	5,780	4,156	6,140	6,451	6,460	6,611	7,169	7,493	7,828	8,012	8,373	8,399	8,717	11.4	
<b>EBITDA per kg (Rs per kg)</b>																			
Apollo Tyres (standalone)	30	20	38	47	35	24	24	21	22	25	28	35	41	49	52	48	41	(1.7)	
Balkrishna Industries	70	66	86	80	82	78	78	72	75	66	72	64	68	72	78	81	85	25.1	
CEAT (standalone)	26	21	31	32	25	20	22	13	18	15	19	23	34	35	40	36	34	0.3	

Source: Company, Kotak Institutional Equities estimates

**SUV mix of the PV industry improved by 700 bps yoy to 52% in 4QFY24**

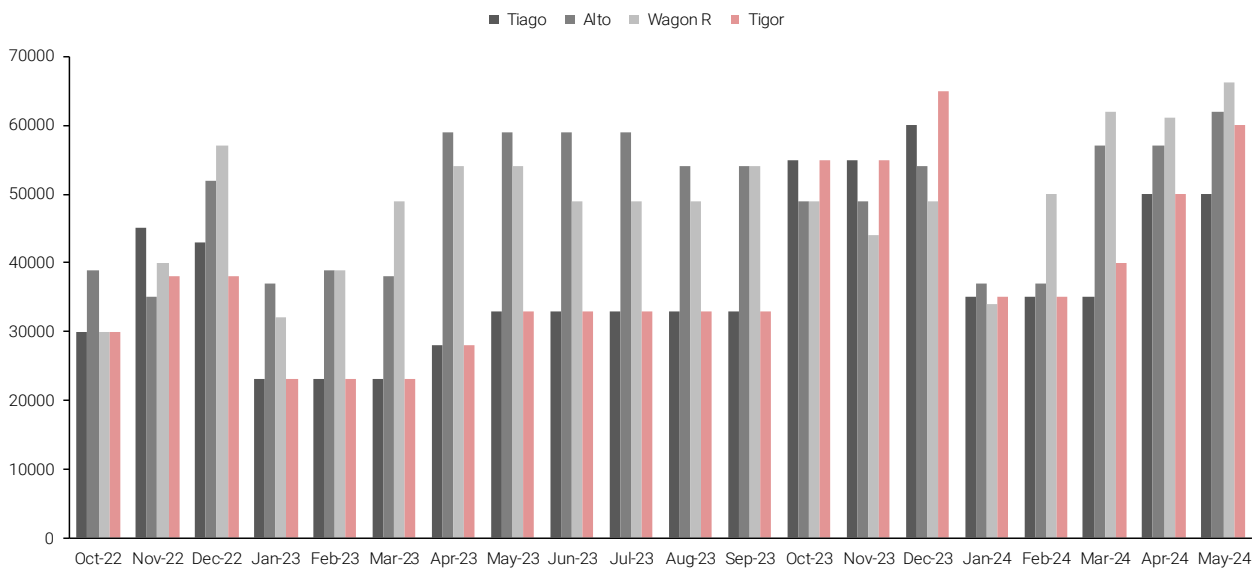
**Exhibit 6: Domestic passenger vehicle segmental mix and market share trends, March fiscal year-ends, 2022-24 (%)**

	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	2024	2023
Entry Hatch	6.6	6.1	7.5	6.2	6.1	4.6	3.2	2.9	4.0	3.7	6.5
B Hatch segment	11.3	10.5	9.7	7.4	8.9	9.1	7.5	6.9	7.5	7.7	9.1
B+ Hatch segment	17.5	17.8	18.0	19.9	19.0	18.3	17.1	15.3	14.7	16.3	18.7
<b>Hatchback segment</b>	<b>35.5</b>	<b>34.3</b>	<b>35.2</b>	<b>33.5</b>	<b>34.0</b>	<b>32.0</b>	<b>27.8</b>	<b>25.1</b>	<b>26.2</b>	<b>27.7</b>	<b>34.3</b>
<b>Sedan segment</b>	<b>12.0</b>	<b>10.9</b>	<b>10.3</b>	<b>11.4</b>	<b>10.0</b>	<b>9.6</b>	<b>9.1</b>	<b>9.1</b>	<b>8.6</b>	<b>9.1</b>	<b>10.6</b>
Micro SUV (< 4m)	5.1	5.0	5.4	5.4	4.8	7.5	10.3	10.7	11.6	10.1	5.2
Compact SUV (< 4m)	16.1	16.2	17.0	15.5	16.4	15.5	13.6	15.0	14.3	14.6	16.3
Mid SUV (> 4m)	9.9	9.7	9.2	12.2	12.8	11.8	13.8	14.4	13.3	13.3	10.9
LARGE SUV (> 4m)	9.0	9.1	9.6	10.0	9.8	10.7	11.2	11.9	11.8	11.4	9.6
Premium SUV	0.7	0.7	1.0	0.7	1.2	1.0	0.9	0.8	1.0	0.9	0.9
<b>SUV segment</b>	<b>40.8</b>	<b>40.7</b>	<b>42.2</b>	<b>43.9</b>	<b>44.9</b>	<b>46.5</b>	<b>49.8</b>	<b>52.9</b>	<b>51.9</b>	<b>50.3</b>	<b>43.0</b>
MUVs	11.8	14.1	12.3	11.2	11.1	11.9	13.3	12.9	13.2	12.9	12.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Market share of OEMs (%)</b>											
Maruti Suzuki	43.1	40.5	41.9	41.2	42.0	41.6	42.8	40.4	42.4	41.8	41.4
Hyundai Motors	14.4	14.9	13.9	14.4	14.5	14.9	14.8	14.6	14.2	14.6	14.4
Tata Motors	13.5	14.5	14.2	14.2	13.4	14.4	13.1	13.5	13.8	13.7	14.0
Mahindra & Mahindra	8.2	8.4	9.0	9.8	9.8	10.1	10.7	11.8	11.1	10.9	9.2
Kia Motors	6.5	6.8	6.9	6.6	7.3	6.1	5.5	5.9	5.8	5.8	6.9
Nissan-Renault	3.6	3.3	3.1	3.0	2.3	2.2	1.6	1.6	1.8	1.8	2.9
Toyota	3.6	4.6	4.9	3.8	4.6	5.1	5.9	5.8	6.2	5.8	4.5
Honda India	2.6	2.6	2.2	2.5	2.0	1.5	2.1	2.6	2.0	2.1	2.3
MG India	1.5	1.2	1.1	1.3	1.4	1.5	0.9	1.0	0.8	1.0	1.3
Others	3.0	3.3	2.9	3.2	2.7	2.6	2.5	2.9	1.9	2.4	3.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Company, Kotak Institutional Equities estimates

**Discounts have increased sharply especially in the hatchback and sedan segments compared to previous year**

**Exhibit 7: Discounts trends on select passenger vehicle models, March fiscal year-ends, 2022-24 (%)**



Source: Company, Kotak Institutional Equities

**Global luxury volumes remained flat on a yoy basis in 1QCY24**

**Exhibit 8: Global luxury vehicle trends, calendar year-ends, 2021-24 (units, %)**

	1QCY21	2QCY21	3QCY21	4QCY21	1QCY22	2QCY22	3QCY22	4QCY22	1QCY23	2QCY23	3QCY23	4QCY23	1QCY24
<b>Europe luxury car volumes (units)</b>													
Audi	152,189	187,800	133,896	115,523	148,578	148,334	138,860	174,020	179,372	197,180	175,917	180,665	164,251
BMW	182,508	193,447	157,504	148,676	156,669	165,329	145,389	162,695	164,125	188,430	170,900	202,864	188,863
JLR	47,091	47,238	29,827	25,296	26,824	34,773	31,764	22,508	38,425	35,213	35,174	36,663	44,828
Lexus	11,951	12,881	13,218	9,718	10,645	7,711	8,884	10,078	10,899	16,604	16,032	15,332	19,160
Mercedes-Benz	183,824	184,066	139,612	172,320	163,614	163,614	150,889	170,306	165,554	170,222	169,015	188,855	160,200
Porsche	18,309	18,927	14,273	25,803	22,347	20,045	18,280	21,769	26,469	26,147	21,591	23,953	31,772
Tesla	31,101	36,477	45,981	55,948	59,094	26,244	54,249	72,673	93,784	91,236	86,010	93,145	85,813
Volvo	88,056	78,586	51,718	70,808	65,615	53,329	46,343	82,155	69,866	73,507	60,452	81,648	91,499
<b>Total</b>	<b>715,029</b>	<b>759,422</b>	<b>586,029</b>	<b>624,092</b>	<b>653,386</b>	<b>619,379</b>	<b>594,658</b>	<b>716,204</b>	<b>748,494</b>	<b>798,539</b>	<b>735,091</b>	<b>823,125</b>	<b>786,386</b>
<b>Europe luxury car volume yoy growth (%)</b>													
Audi					(2.4)	(21.0)	3.7	50.6	20.7	32.9	26.7	3.8	(8.4)
BMW					(14.2)	(14.5)	(7.7)	9.4	4.8	14.0	17.5	24.7	15.1
JLR					(43.0)	(26.4)	6.5	(11.0)	43.2	1.3	10.7	62.9	16.7
Lexus					(10.9)	(40.1)	(32.8)	3.7	2.4	115.3	80.5	52.1	75.8
Mercedes-Benz					(11.0)	(11.1)	8.1	(1.2)	1.2	4.0	12.0	10.9	(3.2)
Porsche					22.1	5.9	28.1	(15.6)	18.4	30.4	18.1	10.0	20.0
Tesla					90.0	(28.1)	18.0	29.9	58.7	247.6	58.5	28.2	(8.5)
Volvo					(25.5)	(32.1)	(10.4)	16.0	6.5	37.8	30.4	(0.6)	31.0
<b>Total</b>					<b>(8.6)</b>	<b>(18.4)</b>	<b>1.5</b>	<b>14.8</b>	<b>14.6</b>	<b>28.9</b>	<b>23.6</b>	<b>14.9</b>	<b>5.1</b>
<b>North America luxury car volumes (units)</b>													
Audi	65,422	79,680	48,960	39,479	43,552	58,840	59,995	65,341	64,315	67,347	59,535	60,670	54,025
BMW	78,067	106,369	82,397	100,952	80,974	84,489	85,631	112,057	90,174	95,948	83,949	92,151	84,475
Cadillac	37,273	36,129	23,328	22,384	28,216	33,703	33,672	39,135	36,321	38,877	33,717	36,378	35,451
JLR	32,157	23,687	17,508	19,175	18,980	13,624	22,486	26,223	19,296	22,406	26,324	26,508	30,385
Lexus	74,253	83,459	81,093	65,670	64,365	66,723	67,524	60,092	68,066	81,344	74,896	95,941	78,471
Mercedes-Benz	82,101	78,882	56,336	73,308	74,188	96,232	86,239	87,534	75,097	98,764	90,011	90,700	74,000
Porsche	20,433	22,304	15,880	20,550	15,344	22,926	18,088	14,552	19,651	22,286	19,988	24,134	12,709
Tesla	66,000	73,301	84,001	78,696	163,371	118,700	113,998	140,000	170,002	172,999	126,532	168,000	156,402
Volvo	32,000	42,941	37,176	26,800	26,824	33,882	25,412	29,800	31,176	39,176	32,400	36,576	30,951
<b>Total</b>	<b>487,706</b>	<b>546,752</b>	<b>446,679</b>	<b>447,014</b>	<b>515,813</b>	<b>529,119</b>	<b>513,045</b>	<b>574,734</b>	<b>574,099</b>	<b>639,148</b>	<b>547,352</b>	<b>631,058</b>	<b>556,869</b>
<b>North America luxury car volume yoy growth (%)</b>													
Audi					(33.4)	(26.2)	22.5	65.5	47.7	14.5	(0.8)	(7.1)	(16.0)
BMW					3.7	(20.6)	3.9	11.0	11.4	13.6	(2.0)	(17.8)	(6.3)
Cadillac					(24.3)	(6.7)	44.3	74.8	28.7	15.4	0.1	(7.0)	(2.4)
JLR					(41.0)	(42.5)	28.4	36.8	1.7	64.5	17.1	1.1	57.5
Lexus					(13.3)	(20.1)	(16.7)	(8.5)	5.8	21.9	10.9	59.7	15.3
Mercedes-Benz					(9.6)	22.0	53.1	19.4	1.2	2.6	4.4	3.6	(1.5)
Porsche					(24.9)	2.8	13.9	(29.2)	28.1	(2.8)	10.5	65.8	(35.3)
Tesla					147.5	61.9	35.7	77.9	4.1	45.7	11.0	20.0	(8.0)
Volvo					(16.2)	(21.1)	(31.6)	11.2	16.2	15.6	27.5	22.7	(0.7)
<b>Total</b>					<b>5.8</b>	<b>(3.2)</b>	<b>14.9</b>	<b>28.6</b>	<b>11.3</b>	<b>20.8</b>	<b>6.7</b>	<b>9.8</b>	<b>(3.0)</b>
<b>China luxury car volumes (units)</b>													
Audi	207,790	211,621	145,080	137,793	162,735	159,020	178,018	147,448	137,315	191,152	195,950	192,138	156,082
BMW	230,193	237,763	203,008	176,674	208,953	170,571	214,565	199,112	195,100	198,161	210,331	219,754	182,998
Cadillac	58,203	53,707	53,114	68,095	45,225	30,614	66,914	72,525	27,000	48,855	45,050	51,416	33,299
JLR	10,700	12,726	8,317	10,105	10,268	8,068	13,256	11,587	12,007	11,446	13,152	14,956	12,999
Lexus	60,567	62,436	57,861	38,322	46,594	40,159	54,319	41,868	29,849	40,695	51,290	59,117	59,117
Porsche	21,991	26,663	21,135	25,882	17,685	22,996	28,085	24,520	21,365	22,467	21,365	20,278	13,415
Mercedes-Benz	208,070	199,200	132,579	194,809	186,087	164,611	222,641	180,512	191,017	183,561	201,500	175,000	168,900
Tesla	69,280	92,463	133,238	178,097	182,174	112,583	188,317	227,791	229,322	247,217	222,517	172,670	135,443
Volvo	45,200	50,000	37,400	39,100	35,700	34,500	47,500	44,600	36,500	42,100	45,400	45,415	35,305
<b>Total</b>	<b>911,934</b>	<b>946,579</b>	<b>791,732</b>	<b>868,877</b>	<b>895,421</b>	<b>743,122</b>	<b>1,013,615</b>	<b>949,963</b>	<b>879,475</b>	<b>985,654</b>	<b>1,006,555</b>	<b>950,744</b>	<b>797,558</b>
<b>China luxury car volume yoy growth (%)</b>													
Audi					(21.7)	(24.9)	22.7	7.0	(15.6)	20.2	10.1	30.3	13.7
BMW					(9.2)	(28.3)	5.7	12.7	(6.6)	16.2	(2.0)	10.4	(6.2)
Cadillac					(22.3)	(43.0)	26.0	6.5	(40.3)	59.6	(32.7)	(29.1)	23.3
JLR					(4.0)	(36.6)	59.4	14.7	16.9	41.9	(0.8)	29.1	8.3
Lexus					(23.1)	(35.7)	(6.1)	9.3	(35.9)	1.3	(5.6)	41.2	98.1
Porsche					(19.6)	(13.8)	32.9	(5.3)	20.8	(2.3)	(23.9)	(17.3)	(37.2)
Mercedes-Benz					(10.6)	(17.4)	67.9	(7.3)	2.6	11.5	(9.5)	(3.1)	(11.6)
Tesla					163.0	21.8	41.3	27.9	25.9	119.6	18.2	(24.2)	(40.9)
Volvo					(21.0)	(31.0)	27.0	14.1	2.2	22.0	(4.4)	1.8	(3.3)
<b>Total</b>					<b>(1.8)</b>	<b>(21.5)</b>	<b>28.0</b>	<b>9.3</b>	<b>(1.8)</b>	<b>32.6</b>	<b>(0.7)</b>	<b>0.1</b>	<b>(9.3)</b>
<b>Global luxury car volumes (units)</b>													
Audi	465,265	521,302	368,020	314,391	390,826	406,761	414,688	426,363	421,824	497,724	485,285	490,407	402,048
BMW	636,606	702,441	593,177	589,329	596,907	563,187	587,744	651,798	588,138	626,726	621,699	632,568	594,533
JLR	122,689	84,442	64,032	69,182	76,526	71,815	75,307	79,591	94,649	93,253	96,817	101,043	110,190
Lexus	-	-	-	-	155,807	146,722	167,533	143,591	159,906	204,416	209,279	250,574	230,513
Porsche	71,986	81,670	63,542	84,717	68,426	77,434	75,652	88,372	80,767	86,587	75,368	77,499	70,605
Mercedes-Benz	538,689	521,370	383,450	500,421	487,008	487,116	530,414	536,181	503,483	515,746	510,564	514,000	463,000
Tesla	184,800	201,250	241,300	308,600	310,048	254,695	343,830	405,278	422,875	466,140	435,059	484,507	386,810
Volvo	185,700	195,100	149,900	168,000	148,300	143,000	137,700	186,000	162,900	178,800	167,500	199,516	182,700
<b>Total</b>	<b>2,205,735</b>	<b>2,307,575</b>	<b>1,863,421</b>	<b>2,034,640</b>	<b>2,233,848</b>	<b>2,150,730</b>	<b>2,332,868</b>	<b>2,517,174</b>	<b>2,434,542</b>	<b>2,669,392</b>	<b>2,601,571</b>	<b>2,750,114</b>	<b>2,440,399</b>
<b>Global luxury car volume yoy growth (%)</b>													
Audi					(16.0)	(22.0)	12.7	35.6	7.9	22.4	17.0	15.0	(4.7)
BMW					(6.2)	(19.8)	(0.9)	10.6	(1.5)	11.3	5.8	(3.0)	1.1
JLR					(37.6)	(15.0)	17.6	15.0	23.7	29.9	28.6	27.0	16.4
Lexus					-	-	-	-	2.6	39.3	24.9	74.5	44.2
Porsche					(4.9)	(5.2)	19.1	4.3	18.0	11.8	(0.4)	(12.3)	(12.6)
Mercedes-Benz					(9.6)	(6.6)	38.3	7.1	3.4	5.9	(3.7)	(4.1)	(8.0)
Tesla					67.8	26.6	42.5	31.3	36.4	83.0	26.5	19.5	(8.5)
Volvo					(20.1)	(26.7)	(8.1)	10.7	9.8	25.0	21.6	7.3	12.2
<b>Total</b>					<b>1.3</b>	<b>(6.8)</b>	<b>25.2</b>	<b>23.7</b>	<b>9.0</b>	<b>24.1</b>	<b>11.5</b>	<b>9.3</b>	<b>0.2</b>

Source: Company, Kotak Institutional Equities estimates

**JLR continues to outperform the global luxury volume growth and margin improvement on a sequential basis in 1QCY24**

**Exhibit 9: Global luxury OEMs financial summary, calendar year-ends, 2021-24 (EUR mn, units, %)**

	1QCY21	2QCY21	3QCY21	4QCY21	1QCY22	2QCY22	3QCY22	4QCY22	1QCY23	2QCY23	3QCY23	4QCY23	1QCY24	Yoy change (%)
<b>Porsche (EUR mn)</b>														
Volumes (units)			63,542	84,717	68,426	77,434	75,652	88,372	80,767	86,587	75,368	77,499	70,605	(12.6)
ASPs (EUR per vehicle)			92,411	110,025	106,933	117,623	106,276	114,686	125,014	119,348	128,715	133,782	127,626	2.1
Revenues			5,872	9,321	7,317	9,108	8,040	10,135	10,097	10,334	9,701	10,368	9,011	(10.8)
EBITDA			1,325	2,245	1,883	2,458	2,038	2,321	2,277	2,552	2,245	2,526	1,910	(16.1)
<b>EBIT</b>			<b>726</b>	<b>1,613</b>	<b>1,359</b>	<b>1,902</b>	<b>1,487</b>	<b>1,652</b>	<b>1,727</b>	<b>1,926</b>	<b>1,579</b>	<b>2,058</b>	<b>1,207</b>	<b>(30.1)</b>
FCF			280	819	778	1,611	883	628	1,428	789	1,169	614	100	
FCF to EBITDA conversion (%)			21	36	41	66	43	27	63	31	52	24	5	
<b>EBIT margin (%)</b>			<b>12.4</b>	<b>17.3</b>	<b>18.6</b>	<b>20.9</b>	<b>18.5</b>	<b>16.3</b>	<b>17.1</b>	<b>18.6</b>	<b>16.3</b>	<b>19.8</b>	<b>13.4</b>	
R&D costs			560	885	640	664	569	827	754	791	493	796	1,092	44.8
<b>R&amp;D as % of sales</b>			<b>9.5</b>	<b>9.5</b>	<b>8.7</b>	<b>7.3</b>	<b>7.1</b>	<b>8.2</b>	<b>7.5</b>	<b>7.7</b>	<b>5.1</b>	<b>7.7</b>	<b>12.1</b>	
EBITDA per vehicle (EUR per vehicle)			20,852	26,494	27,519	31,743	26,939	26,264	28,192	29,473	29,787	32,594	27,052	(4.0)
<b>EBIT per vehicle (EUR per vehicle)</b>			<b>11,426</b>	<b>19,040</b>	<b>19,861</b>	<b>24,563</b>	<b>19,656</b>	<b>18,694</b>	<b>21,382</b>	<b>22,244</b>	<b>20,951</b>	<b>26,555</b>	<b>17,095</b>	<b>(20.1)</b>
<b>BMW (EUR mn)</b>														
Volumes (units)	636,606	702,441	593,177	589,329	596,907	563,187	587,744	651,798	588,138	626,726	621,699	632,568	594,533	1.1
ASPs (EUR per vehicle)	35,755	40,690	38,147	36,489	44,776	53,295	54,939	53,038	53,164	50,469	51,626	58,939	52,039	(2.1)
Revenues	22,762	28,582	22,628	21,504	26,727	30,015	32,290	34,570	31,268	31,630	32,096	37,283	30,939	(1.1)
EBITDA	3,743	5,465	3,432	3,725	4,119	4,578	5,136	5,368	6,029	5,125	5,280	5,373	4,869	(19.2)
<b>EBIT</b>	<b>2,236</b>	<b>3,953</b>	<b>1,756</b>	<b>1,925</b>	<b>2,367</b>	<b>2,463</b>	<b>2,973</b>	<b>2,832</b>	<b>3,777</b>	<b>2,898</b>	<b>3,135</b>	<b>3,171</b>	<b>2,710</b>	<b>(28.2)</b>
FCF	2,573	2,384	1,340	(153)	(204)	2,926	2,032	1,161	1,982	1,287	2,653	1,020	1,283	
FCF to EBITDA conversion (%)	69	44	39	(4)	(5)	64	40	22	33	25	50	19	26	
<b>EBIT margin (%)</b>	<b>9.8</b>	<b>13.8</b>	<b>7.8</b>	<b>9.0</b>	<b>8.9</b>	<b>8.2</b>	<b>9.2</b>	<b>8.2</b>	<b>12.1</b>	<b>9.2</b>	<b>9.8</b>	<b>8.5</b>	<b>8.8</b>	
R&D costs	1,433	1,304	1,600	1,962	1,568	1,757	1,739	1,805	1,846	1,827	2,060	1,992	1,924	10.4
<b>R&amp;D as % of sales</b>	<b>6.3</b>	<b>4.6</b>	<b>7.1</b>	<b>9.1</b>	<b>5.9</b>	<b>5.7</b>	<b>5.4</b>	<b>5.0</b>	<b>5.8</b>	<b>5.8</b>	<b>5.7</b>	<b>5.5</b>	<b>6.4</b>	
EBITDA per vehicle (EUR per vehicle)	5,880	7,780	5,786	6,321	6,901	8,129	8,738	8,236	10,251	8,177	8,493	8,494	8,190	(20.1)
<b>EBIT per vehicle (EUR per vehicle)</b>	<b>3,512</b>	<b>5,628</b>	<b>2,960</b>	<b>3,266</b>	<b>3,965</b>	<b>4,373</b>	<b>5,058</b>	<b>4,345</b>	<b>6,422</b>	<b>4,624</b>	<b>5,043</b>	<b>5,013</b>	<b>4,558</b>	<b>(29.0)</b>
<b>Audi (EUR mn)</b>														
Volumes (units)	465,265	521,302	368,020	314,391	396,826	406,761	414,688	426,363	421,824	497,724	485,285	490,407	402,048	(4.7)
ASPs (EUR per vehicle)	30,234	29,052	30,333	40,373	36,543	38,320	35,427	40,322	39,905	34,730	33,426	39,814	34,138	(14.5)
Revenues	14,067	15,145	11,163	12,693	14,282	15,887	14,691	17,192	16,833	17,286	16,221	19,525	13,725	(18.5)
EBITDA	1,404	1,709	739	1,646	3,535	1,465	1,317	1,301	1,816	1,601	1,178	1,685	466	(74.3)
FCF	3,085	2,427	2,405	(160)	1,638	956	1,985	229	1,710	172	1,616	1,242	(768)	
FCF to EBITDA conversion (%)	129	88	158	(6)	36	37	85	9	57	6	70	41	(54)	
<b>EBIT margin (%)</b>	<b>10.0</b>	<b>11.3</b>	<b>6.6</b>	<b>13.0</b>	<b>24.8</b>	<b>9.4</b>	<b>9.0</b>	<b>7.6</b>	<b>10.8</b>	<b>9.3</b>	<b>7.3</b>	<b>8.6</b>	<b>3.4</b>	
R&D costs	867	838	999	800	889	989	946	1,215	1,140	987	1,569	1,740	1,262	10.7
<b>R&amp;D as % of sales</b>	<b>6.2</b>	<b>5.5</b>	<b>8.9</b>	<b>6.3</b>	<b>6.2</b>	<b>6.3</b>	<b>6.4</b>	<b>7.1</b>	<b>6.8</b>	<b>5.7</b>	<b>9.7</b>	<b>8.9</b>	<b>9.2</b>	
EBITDA per vehicle (EUR per vehicle)	3,018	3,278	2,008	5,236	9,045	3,602	3,176	3,051	4,305	3,217	2,427	3,436	1,159	(73.1)
<b>JLR (GBP mn)</b>														
Volumes (units)	122,689	84,442	64,032	69,182	76,526	71,815	75,307	79,591	94,649	93,253	96,817	101,043	110,190	16.4
ASPs (GBP per vehicle)	61,683	68,219	70,127	79,075	72,259	71,168	81,023	88,045	87,041	85,868	82,156	84,667	82,744	(4.9)
Revenues	7,568	5,761	4,490	5,471	5,530	5,111	6,102	7,008	8,238	8,007	7,954	8,555	9,118	10.7
EBITDA	1,161	521	328	655	695	324	628	831	1,201	1,303	1,184	1,383	1,489	24.1
<b>EBIT</b>	<b>580</b>	<b>(42)</b>	<b>(213)</b>	<b>95</b>	<b>104</b>	<b>(230)</b>	<b>56</b>	<b>258</b>	<b>530</b>	<b>679</b>	<b>575</b>	<b>748</b>	<b>834</b>	<b>57.3</b>
FCF	846	(1,155)	(770)	190	394	(894)	(17)	568	945	523	348	726	1,035	
FCF to EBITDA conversion (%)	73	(222)	(235)	29	57	(276)	(3)	68	79	40	29	53	69	
<b>EBIT margin (%)</b>	<b>7.7</b>	<b>(0.7)</b>	<b>(4.8)</b>	<b>1.7</b>	<b>1.9</b>	<b>(4.5)</b>	<b>0.9</b>	<b>3.7</b>	<b>6.4</b>	<b>8.5</b>	<b>7.2</b>	<b>8.7</b>	<b>9.1</b>	
R&D costs	683	662	561	594	544	567	610	722	831	809	899	1,000	1,078	29.7
<b>R&amp;D as % of sales</b>	<b>9.0</b>	<b>11.5</b>	<b>12.5</b>	<b>10.9</b>	<b>9.8</b>	<b>11.1</b>	<b>10.0</b>	<b>10.3</b>	<b>10.1</b>	<b>10.1</b>	<b>11.3</b>	<b>11.7</b>	<b>11.8</b>	
EBITDA per vehicle (GBP per vehicle)	9,464	6,168	5,127	9,474	9,080	4,507	8,333	10,435	12,685	13,969	12,233	13,684	13,517	6.6
<b>EBIT per vehicle (GBP per vehicle)</b>	<b>4,727</b>	<b>(495)</b>	<b>(3,333)</b>	<b>1,375</b>	<b>1,364</b>	<b>(3,198)</b>	<b>739</b>	<b>3,236</b>	<b>5,601</b>	<b>7,277</b>	<b>5,943</b>	<b>7,405</b>	<b>7,569</b>	<b>35.1</b>
<b>Mercedes-Benz (EUR mn)</b>														
Volumes (units)	538,689	521,370	383,450	500,421	487,008	487,116	530,414	536,181	503,483	515,746	510,564	510,207	462,978	(8.0)
ASPs (EUR per vehicle)	44,412	47,901	58,506	50,717	53,050	55,426	53,183	56,990	55,239	54,763	53,139	58,041	55,538	0.5
Revenues	23,924	24,974	22,434	25,380	25,836	26,999	28,209	30,557	27,812	28,244	27,131	29,613	25,713	(7.5)
EBITDA	5,176	4,447	3,298	5,257	5,729	5,268	5,583	5,702	5,669	5,349	4,824	4,583	3,947	(30.4)
<b>EBIT</b>	<b>3,790</b>	<b>3,021</b>	<b>1,838</b>	<b>3,838</b>	<b>4,271</b>	<b>3,792</b>	<b>4,034</b>	<b>4,243</b>	<b>4,148</b>	<b>3,852</b>	<b>3,312</b>	<b>2,988</b>	<b>2,456</b>	<b>(40.8)</b>
FCF	2,268	2,290	3,253	1,533	1,847	2,393	3,374	3,104	2,981	3,769	2,148	3,438	2,297	
FCF to EBITDA conversion (%)	42	48	95	27	30	42	56	49	53	70	45	75	58	
<b>EBIT margin (%)</b>	<b>15.8</b>	<b>12.1</b>	<b>8.2</b>	<b>15.1</b>	<b>16.5</b>	<b>14.0</b>	<b>14.3</b>	<b>13.9</b>	<b>14.9</b>	<b>13.6</b>	<b>12.2</b>	<b>10.1</b>	<b>9.6</b>	
R&D costs	1,398	1,361	1,217	3,231	1,870	1,940	2,172	2,004	2,254	2,168	2,373	2,304	1,933	(14.2)
<b>R&amp;D as % of sales</b>	<b>5.8</b>	<b>5.4</b>	<b>5.4</b>	<b>12.7</b>	<b>7.2</b>	<b>7.2</b>	<b>7.7</b>	<b>6.6</b>	<b>8.1</b>	<b>7.7</b>	<b>8.7</b>	<b>7.8</b>	<b>7.5</b>	
EBITDA per vehicle (EUR per vehicle)	9,609	8,529	8,601	10,505	11,764	10,815	10,526	10,634	11,260	10,371	9,448	8,983	8,525	(24.3)
<b>EBIT per vehicle (EUR per vehicle)</b>	<b>7,036</b>	<b>5,794</b>	<b>4,793</b>	<b>7,670</b>	<b>8,770</b>	<b>7,785</b>	<b>7,605</b>	<b>7,913</b>	<b>8,239</b>	<b>7,469</b>	<b>6,487</b>	<b>5,856</b>	<b>5,305</b>	<b>(35.6)</b>

Source: Company, Kotak Institutional Equities estimates

**More earnings upgrades than cuts across OEMs and auto ancillary companies for FY2025-26E**

**Exhibit 10: KIE auto OEMs and ancillaries' performance in 4QFY24 versus estimates**

	versus KIE estimates			Earnings changes	
	Revenues	EBITDA	Net income	2025E	2026E
<b>OEMs</b>					
Ashok Leyland	In-line	Beat	Miss	Up	Up
Bajaj Auto	Beat	Beat	Beat	Up	Up
Eicher Motors (consolidated)	Miss	Miss	Miss	Up	Up
Escorts Kubota	In-line	Beat	In-line	Maintain	Maintain
Hero MotoCorp	In-line	Miss	Miss	Maintain	Maintain
Mahindra & Mahindra	Beat	Beat	Beat	Up	Up
Maruti Suzuki	In-line	Miss	Miss	Up	Up
Tata Motors (consolidated)	Miss	Miss	Beat	Cut	Cut
TVS Motors	Beat	Beat	Miss	Up	Up
<b>Auto Ancillaries</b>					
Apollo Tyres	Miss	Miss	Miss	Cut	Maintain
Balkrishna Industries	Beat	Beat	Beat	Up	Up
Bharat Forge	Beat	Miss	Miss	Up	Up
CEAT	Miss	Miss	Miss	Maintain	Maintain
CIE Automotive India*	Beat	Beat	Beat	Maintain	Up
Endurance Technologies	In-line	Beat	Beat	Up	Up
Exide Industries	Miss	In-line	Miss	Maintain	Cut
MRF	In-line	Miss	Miss	Cut	Cut
SAMIL	Miss	Beat	Beat	Up	Up
Schaeffler India*	Miss	Miss	Miss	Cut	Maintain
SKF	Beat	Beat	Beat	Up	Up
Sona BLW Precision	Beat	In-line	Beat	Cut	Maintain
Timken	Beat	Beat	Beat	Up	Up
Uno Minda	In-line	Beat	Beat	Up	Up
Varroc Engineering	Miss	Beat	Beat	Cut	Cut

Notes:

(1) Revenue, EBITDA and net income beat/miss implies more than 2% deviation from estimates.

(2) Earnings up/cut implies more than 2% change in earnings estimates.

(3) \* Calendar year-end.

Source: Company, Kotak Institutional Equities estimates



Exhibit 11: Results review for KIE's auto OEMs for March 2024 quarter (Rs mn)

	Mar-23	Dec-23	Mar-24	qoq (%)	yoy (%)	Comments
<b>Auto OEMs</b>						
<b>Ashok Leyland</b>						
Volumes (units)	59,697	47,241	56,267	19.1	(5.7)	
Net sales	116,257	92,730	112,667	21.5	(3.1)	Ashok Leyland reported EBITDA of Rs15.9 bn, which was 3% above our estimates due to better-than-expected gross margins and tight control on staff costs partly offset by lower ASPs. Net revenues declined by 22% qoq, driven by (1) 19% qoq improvement in volumes and (2) 2% qoq increase in ASPs. Increase in ASPs is driven by (1) higher mix of bus volumes and (2) higher mix of aftermarket, defense and power solutions business. EBITDA margin came in at 14.1% (+210 bps qoq), which was 50 bps above our estimates due to (1) better-than-expected gross margins and (2) lower-than-expected staff expenses. Gross margin expanded by 40 bps led by (1) higher mix of non-auto segment, (2) commodity tailwinds and (3) cost savings. EBITDA per vehicle came in at Rs283k per vehicle (+32% yoy and +20% qoq) in 4QFY24. Net adjusted PAT came in at Rs9.5 bn in 4QFY24, which was 6% below our estimates due to higher tax rate partly offset by (1) beat at EBITDA level, (2) higher other income. Tax expense stood at 35.8% during the quarter.
EBITDA	12,757	11,139	15,921	42.9	24.8	
Margin (%)	11.0	12.0	14.1			
<b>Adjusted net profit</b>	<b>7,091</b>	<b>5,805</b>	<b>9,527</b>	<b>64.1</b>	<b>34.3</b>	
EPS	2.4	2.0	3.3	64.1	34.3	
<b>Bajaj Auto</b>						
Volumes (units)	857,788	1,197,049	1,062,426	(11.2)	23.9	
Net sales	89,047	121,135	114,847	(5.2)	29.0	Bajaj Auto reported net revenues of Rs115 bn in 4QFY24, which was 2% above our estimates due to better-than-expected ASPs. ASPs increased by 6% on a qoq basis driven by 8% qoq increase in domestic ASPs and 5% qoq increase in exports ASPs on account of higher mix of premium motorcycle segment. Volumes increased by 24% yoy due to (1) 31% yoy increase in the domestic 2W segment due to steady demand trends and supply chain constraints in the base quarters, (2) 20% yoy increase in export 2W segment and (3) 13% yoy increase in 3W volumes driven by strong demand trends in the domestic market. Bajaj Auto reported 4QFY24 EBITDA of Rs23.1 bn (+34% yoy and -5% qoq), which was 3% above our estimates due to richer product mix in both domestic and export 2W markets. Standalone EBITDA margin came in at 20.1% (+80 bps yoy and flat qoq), which was 10 bps above our estimates. Marginal beat in EBITDA margin was driven by richer product mix partly offset by higher other expenses. Gross profit per vehicle and EBITDA per vehicle increased by 10% and 7% respectively on a qoq basis in 4QFY24. Net PAT came in at Rs19.4 bn, which was 3% above our estimates due to beat at EBITDA level.
EBITDA	17,166	24,299	23,063	(5.1)	34.4	
Margin (%)	19.3	20.1	20.1			
<b>Adjusted net profit</b>	<b>14,329</b>	<b>20,419</b>	<b>19,360</b>	<b>(5.2)</b>	<b>35.1</b>	
EPS	49.5	70.6	66.9	(5.2)	35.1	
<b>Eicher Motors (standalone)</b>						
Sales volumes (units)	218,525	228,073	227,673	(0.2)	4.2	
Net sales	38,314	40,542	41,921	3.4	9.4	
EBITDA	9,448	11,148	11,553	3.6	22.3	
Margin (%)	24.7	27.5	27.6			
<b>Adjusted net profit</b>	<b>7,469</b>	<b>9,137</b>	<b>9,833</b>	<b>7.6</b>	<b>31.7</b>	
EPS	27.5	33.6	36.2	7.6	31.7	
<b>Eicher Motors (consolidated)</b>						
Net sales	38,043	41,788	42,560	1.8	11.9	
EBITDA	9,336	10,903	11,286	3.5	20.9	
Margin (%)	24.5	26.1	26.5			
<b>Adjusted net profit</b>	<b>9,056</b>	<b>9,960</b>	<b>10,705</b>	<b>7.5</b>	<b>18.2</b>	
EPS	33.3	36.7	39.4	7.5	18.2	
<b>Escorts Kubota</b>						
Net sales	21,830	23,204	20,825	(10.3)	(4.6)	Escorts reported 4QFY24 EBITDA of Rs2.7 bn (+13% yoy and -15% qoq), which was 3% above our estimates mainly led by better-than-expected revenue and profitability print construction segment partly offset by (1) lower profitability in tractor and railway segments and (2) lower-than-expected revenue print in railway division. Net revenues declined by 5% yoy to Rs20.8 bn, which was 2% above our expectations due to higher-than-expected revenues from tractor and construction segments. Revenue decline on yoy basis was due to 10-11% yoy decline in tractor and construction equipment business revenues partly offset by 24% yoy increase in construction business segment revenues. EBITDA margin came in 12.8% (+200 bps yoy and -70 bps qoq), which was 20 bps above our estimates due to better-than-expected gross margins partly offset by higher other expenses. Gross margin improved by 130 bps on a qoq basis in 4QFY24 despite lower mix of margin accretive tractor segment. The company reported adjusted PAT of Rs2.4 bn (+19% yoy), which was in-line with our estimates. Tractor segment EBIT margin came in 180 bps below our expectations due to negative operating leverage. The company's railway segment profitability also declined by 150 bps on a qoq basis due to inferior product mix whereas construction equipment segment EBIT margin improved to 10.7% (270 bps above expectations) driven by operating leverage benefit and price increases.
EBITDA	2,358	3,127	2,659	(15.0)	12.8	
Margin (%)	10.8	13.5	12.8			
<b>Adjusted net profit</b>	<b>2,026</b>	<b>2,773</b>	<b>2,421</b>	<b>(12.7)</b>	<b>19.5</b>	
EPS	18.3	25.1	21.9	(12.7)	19.5	
<b>Hero Motocorp</b>						
Volumes (units)	1,270,492	1,459,932	1,392,423	(4.6)	9.6	
Net sales	83,068	97,237	95,193	(2.1)	14.6	Hero MotoCorp reported 4QFY24 EBITDA of Rs13.6 bn, which was 3% below our estimates due to (1) marginally weaker-than-expected revenue print, (2) higher employee costs and (3) higher other expense due to higher marketing costs on account of new launches, which was partly offset by better-than-expected gross margins. Revenues declined by 2% qoq led by 5% qoq decline in volumes partly offset by 3% qoq increase in ASPs due to richer product mix (higher mix of executive and premium segments). EBITDA margin came in at 14.3% (+30 bps qoq), which was 30 bps below our estimates owing to higher-than-expected other expenses, which was partly offset by better-than-expected gross margins. ICE segment EBITDA margin stood at 15.6% (-40 bps qoq) whereas EV segment EBITDA margin drag was around 130 bps. Gross profit per vehicle came in at Rs22.9k (+5% qoq) in 4QFY24. Net profit came in at Rs10.2 bn, which was 8% below our estimates due to lower other income.
EBITDA	10,830	13,620	13,592	(0.2)	25.5	
Margin (%)	13.0	14.0	14.3			
<b>Adjusted net profit</b>	<b>8,589</b>	<b>10,734</b>	<b>10,161</b>	<b>(5.3)</b>	<b>18.3</b>	
EPS	43.0	53.7	50.9	(5.3)	18.3	
<b>Mahindra and Mahindra (standalone)</b>						
Volumes (units)	278,958	285,917	263,512	(7.8)	(5.5)	
Net sales	225,714	252,885	251,090	(0.7)	11.2	M&M standalone reported 4QFY24 EBITDA of Rs32.4 bn (+15% yoy, flat qoq), which included Rs1.4 bn of loss pertaining to MTM adjustment for one of its subsidiaries as other expense. Adjusted for which, EBITDA came in 17% above our estimates led by better-than-expected profitability in both tractor and automotive segments. Net revenues declined by 1% qoq mainly on account of 8% qoq decline in volumes. Adjusted EBITDA margin came in at 13.5% (+110 bps yoy and +70 bps), 170 bps above our estimates. Adjusted PAT came in at Rs20.4 bn, 13% above our estimates led by (1) beat at EBITDA level and (2) lower tax rate partly offset by higher-than-expected depreciation expense. Automotive division revenues came in at Rs199 bn, which was up 7% qoq led by (1) 4% qoq increase in volumes and (2) 3% qoq improvement in ASPs. Automotive EBIT margin came in at 8.8% (+50 bps qoq) driven by richer product mix (higher mix of Scorpio) and lower discounts. Tractor division revenues declined by 22% qoq owing to 30% qoq decline in volumes partly offset by 10% qoq increase in ASPs owing to richer product mix (lower mix of Qa and higher mix of spares) and price hikes. Tractor EBIT margin came in at 15.8% (+30 bps qoq) driven by (1) RM tailwinds, (2) price increases, (3) reversal of marketing expenses on account of world cup (70 bps) and (4) lower losses in farm implement business, which was partly offset by negative operating leverage
EBITDA	27,974	32,364	32,401	0.1	15.8	
Margin (%)	12.4	12.8	12.9			
<b>Adjusted net profit</b>	<b>19,359</b>	<b>24,540</b>	<b>20,382</b>	<b>(16.9)</b>	<b>5.3</b>	
EPS	16.7	21.2	17.6	(16.9)	5.3	
<b>Maruti Suzuki</b>						
Volumes (units)	514,927	501,207	584,031	16.5	13.4	Maruti Suzuki reported 4QFY24 EBITDA of Rs46.9 bn (+40% yoy and +20% qoq), which was 10% below our estimates due to weaker-than-expected gross margins. Adjusted for one-offs, EBITDA came in 5% below our estimates. There was 60 bps one-off impact in 4QFY24 on account of higher CSR spends, development cost and other manufacturing overheads. Revenues improved by 15% qoq led by 17% qoq improvement in volumes. Adjusted EBITDA margin came in at 12.9% (+240 bps yoy and +120 bps qoq), which came in 60 bps below our estimates. Adjusted gross profit per vehicle declined by 1-2% qoq possibly on account of (1) inferior mix of CNG and higher mix of hatchback, (2) higher steel prices and (3) lower mix of spares, which was partly offset by lower discounts. Net profit came in at Rs38.8 bn (+48% yoy and +24% qoq), which is 5% below our estimates owing to miss at EBITDA level partly offset by higher other income (MTM gains) and lower depreciation expense.
Net sales	320,480	333,087	382,349	14.8	19.3	
EBITDA	33,503	39,079	46,850	19.9	39.8	
Margin (%)	10.5	11.7	12.3			
<b>Adjusted net profit</b>	<b>26,236</b>	<b>31,300</b>	<b>38,778</b>	<b>23.9</b>	<b>47.8</b>	
EPS	86.8	99.6	123.3	23.9	42.0	
<b>Tata Motors (standalone)</b>						
Volumes (units)	116,168	96,526	109,439	13.4	(5.8)	Domestic CV business reported an EBITDA of Rs24.3 bn (+17% yoy and +14% qoq), which was 15% below our estimates due to (1) lower-than-expected gross margins, (2) higher-than-expected other expenses and (3) lower ASPs. Net sales came in at Rs202.6 bn (+1% yoy and +9% qoq), which was 7% below our estimates due to 5% qoq decline in ASPs due to inferior product mix. EBITDA margin came in at 12% (+170 bps yoy and +60 qoq), which was 110 bps below our estimates due to lower-than-expected gross margins and higher-than-expected other expenses. Gross margins declined by 70 bps on a qoq basis in 4QFY24 led by higher discounts and inferior product mix partly offset by commodity tailwinds. Adjusted net profit of Rs10.6 bn in 4QFY24, which was 34% below our estimates led by (1) miss at EBITDA level and (2) lower other income.
Net sales	201,421	186,686	202,602	8.5	0.6	
EBITDA	20,803	21,333	24,284	13.8	16.7	
Margin (%)	10.3	11.4	12.0			
<b>Adjusted net profit</b>	<b>12,909</b>	<b>10,163</b>	<b>10,616</b>			
<b>JLR (mn pounds)</b>						
UK P&L Volumes (units)	94,649	101,043	110,190	9.1	16.4	
Net sales	7,102	7,375	7,860	6.6	10.7	JLR reported EBITDA of GBP1.3 bn (+24% yoy and +6% qoq) in 4QFY24, which came broadly in-line with our estimates as higher-than-expected volumes were offset by higher other expenses. Reported EBIT margin improved to 9.2% (20 bps below our estimates) in 4QFY24 from 6.5% in 4QFY23 led by (1) operating leverage estimates and (2) RM benefits partly offset by higher VME and marketing spends. (1) Strong order backlog, (2) receding recessionary pressures, (3) possible rate cuts by central banks and (4) preference towards luxury SUVs will drive steady volume growth for the company.
EBITDA	1,035	1,192	1,284	7.7	24.1	
Margin (%)	14.6	16.2	16.3			
<b>Net profit</b>	<b>259</b>	<b>592</b>	<b>391</b>			
<b>Tata Motors (consolidated)</b>						
Net sales	1,059,324	1,105,771	1,199,863	8.5	13.3	Domestic PV business revenues improved by 19% yoy in 4QFY24 led by (1) 15% yoy increase in volumes and (2) 4% yoy increase in ASPs. Increase in ASPs can be attributed to higher mix of Nexon, Punch and Safari during the quarter and price increases. EBITDA margin came in at 7.3% in 4QFY24 (versus 7.3% in 4QFY23), which was in-line with our expectations. EV segment EBITDA margin improved to negative 5.8% in 4QFY24 versus negative 8.2% in 3QFY24 mainly on account of decline in commodity prices pertaining to battery. ICE business EBITDA margin increased by 80 bps to 10.2% on a qoq basis in 4QFY24.
EBITDA	128,098	153,333	169,933	10.8	32.7	
Margin (%)	12.1	13.9	14.2			
<b>Net profit</b>	<b>53,453</b>	<b>56,229</b>	<b>68,016</b>			
EPS	15.7	16.6	20.0			
<b>TVS Motors</b>						
Volumes (units)	868,417	1,100,675	1,062,529	(3.5)	22.4	TVS Motor reported 4QFY24 EBITDA of Rs9.3 bn (+36% yoy and flat qoq), which was 3% above our estimates due to higher-than-expected ASPs. Revenues declined by 1% qoq (3% above our estimates) led by 4% qoq decline in volumes partly offset by 3% qoq increase in ASPs (2-3% qoq increase in both domestic and export ASPs). EBITDA margin came in at 11.3% (+100 bps yoy and +10 bps qoq), which was in-line with our estimates. Better-than-expected gross margins were offset by higher employee cost and staff expenses. Gross margin improved by 80 bps qoq on account of commodity tailwinds and richer product mix (higher mix of premium motorcycle segment). The company reported PAT of Rs4.8 bn (+18% yoy), which was 7% below our estimates due to lower-than-expected other income due to fair valuation loss of Rs470 mn in one of its subsidiaries. Subsidiary EBIT loss (excluding TVS Credit Services) stood at Rs910 mn in 4QFY24 versus loss of Rs1.3 bn in 4QFY23.
Net sales	66,048	82,450	81,688	(0.9)	23.7	
EBITDA	6,798	9,244	9,262	0.2	36.3	
Margin (%)	10.3	11.2	11.3			
<b>Adjusted net profit</b>	<b>4,103</b>	<b>5,934</b>	<b>4,854</b>	<b>(18.2)</b>	<b>18.3</b>	
EPS	8.6	12.5	10.2	(18.2)	18.3	

Source: Company, Kotak Institutional Equities

Exhibit 11 (contd.): Results review for KIE's auto ancillary companies for March 2024 quarter (Rs mn)

	Mar-23	Dec-23	Mar-24	qoq (%)	yoy (%)	Comments
<b>Battery companies</b>						
<b>Amara Raja Batteries</b>						
Net sales	24,330	28,817	27,967	(2.9)	14.9	
EBITDA	3,532	4,349	4,077	(6.2)	15.4	
Margin (%)	14.5	15.1	14.6			
<b>Adjusted net profit</b>	<b>1,410</b>	<b>2,528</b>	<b>2,280</b>	<b>(9.8)</b>	<b>61.7</b>	
EPS	8.3	14.8	13.4	(9.8)	61.7	
<b>Exide Industries</b>						
Net sales	35,430	38,405	40,094	4.4	13.2	Exide Industries reported 4QFY24 standalone EBITDA of Rs5.2 bn (+17% qoq), which was in-line with our estimates as lower-than-expected revenue print was offset by better-than-expected gross margins. Standalone revenues improved by 4% qoq (KIE -3% qoq) which was possibly led by (1) increase in inverter segment demand qoq due to seasonality, (2) mid-teens yoy increase in PV OEM segment volumes and (3) price increases in automotive replacement market. EBITDA margin came in at 12.9% (+140 bps qoq), which was 30 bps above our estimates due to better-than-expected gross margins. Gross margins improved by 150 bps qoq in 4QFY24 due to RM tailwinds, richer product mix and price hikes taken during the quarter. Net profit came in at Rs2.8 bn (+18% qoq) in 4QFY24, which was 5% below our estimates due to lower other income.
EBITDA	3,672	4,399	5,161	17.3	40.6	
Margin (%)	10.4	11.5	12.9			
<b>Adjusted net profit</b>	<b>2,078</b>	<b>2,403</b>	<b>2,837</b>	<b>18.1</b>	<b>36.5</b>	
EPS	2.4	2.8	3.3	18.1	36.5	
<b>Tyre companies</b>						
<b>Apollo Tyres (standalone)</b>						
Net sales	43,662	43,319	43,874	1.3	0.5	Apollo tyres reported 4QFY24 standalone EBITDA of Rs6.8 bn (-13% qoq), which was 15% below our estimates. However, the company included obligation pertaining to EPR for waste tyre applicable to tyre manufacturers for 9MFY24 to the tune of ~Rs500 mn, adjusted for which the EBITDA was 9% below our estimates driven by (1) weaker-than-expected revenue print and (2) higher-than-expected other expenses. Standalone revenues came in at Rs43.9 bn (+0% yoy and +1% qoq), which was 4% below our estimates. On a yoy basis, volumes were up marginally as (1) double-digit growth in exports (>30%) and (2) mid-single digit growth in replacement segment was offset by double-digit (-10%) decline in OEM segment volumes. Gross margins declined by 40 bps on qoq basis in 4QFY24. Adjusted EBITDA margin declined by 90 bps qoq (50 bps below our estimates) led by higher other expenses due to increase in advertisement and marketing spends partly offset by better-than-expected gross margins. Standalone adjusted PAT came in at Rs2.4 bn, which was 32% below our estimate due to (1) miss at EBITDA level (2) higher-than-expected tax which was partly offset by higher other income (includes forex gain of Rs400 mn).
EBITDA	6,964	7,840	6,845	(12.7)	(1.7)	
Margin (%)	15.9	18.1	15.6			
<b>Adjusted net profit</b>	<b>2,560</b>	<b>3,061</b>	<b>2,373</b>	<b>(22.5)</b>	<b>(7.3)</b>	
EPS	4.0	4.8	3.7	(22.5)	(7.3)	
<b>Apollo Tyres (consolidated)</b>						
Net sales	62,473	65,954	62,582	(5.1)	0.2	Vredesetin subsidiary reported revenues of EUR182 mn (+3% yoy and qoq) with double digit growth in all-season tires and 7% growth in ultra high-performance tires led by market share gains across product segments. EBITDA margin came in 19.1% (+100 bps qoq) in 4QFY24 led by (1) higher mix of UHP tyres, (2) cost optimization. The company expects demand in EU market to continue to improve over the coming quarters as risk of recession recedes.
EBITDA	9,985	12,081	10,280	(14.9)	3.0	
Margin (%)	16.0	18.3	16.4			
<b>Adjusted net profit</b>	<b>4,274</b>	<b>4,966</b>	<b>3,541</b>	<b>(28.7)</b>	<b>(17.2)</b>	
EPS	6.7	7.8	5.5	(28.7)	(17.2)	
<b>Balkrishna Industries</b>						
Volumes (units)	72,676	72,749	82,085	12.8	12.9	Balkrishna Industries reported 4QFY24 EBITDA of Rs7 bn (+41% yoy and +19% qoq), which was 20% above our estimates due to better-than-expected volume print. Revenues increased by 17% qoq (KIE +4%) in 4QFY24 led by (1) 13% qoq increase in volumes driven by demand uptick in developed markets & channel filling and (2) 3% qoq improvement in ASPs due to richer product mix, pass-through of freight expense and favorable FX. EBITDA margin came in at 25.9% (+60 bps qoq), which was 170 bps above our estimates led by (1) tight cost control (staff and other expense excluding freight cost was flat on a qoq basis), (2) richer product mix and (3) favorable FX. 4QFY24 adjusted PAT (excluding unrealized forex gain) came in at Rs4.3 bn (+71% yoy and +45% qoq), which was 30% above our estimates due to beat at EBITDA level and higher other income.
Net sales	23,246	23,158	26,971	16.5	16.0	
EBITDA	4,948	5,870	6,993	19.1	41.3	
Margin (%)	21.3	25.3	25.9			
<b>Adjusted net profit</b>	<b>2,526</b>	<b>2,971</b>	<b>4,319</b>	<b>45.4</b>	<b>71.0</b>	
EPS	13.1	15.4	22.3	45.4	71.0	
<b>CEAT (consolidated)</b>						
Net sales	28,748	29,631	29,919	1.0	4.1	CEAT's consolidated revenues came in at Rs29.9 bn (+4% yoy), which was 3 below our estimates on account of weaker-than-expected demand trends in CV replacement segment. CEAT's volume grew by 5% yoy driven by (1) 5% yoy increase in replacement segment and (2) 22% growth in exports segment. The company reported 4QFY24 consolidated EBITDA of Rs3.9 bn (+6% yoy and -6% qoq), which was 8% below our estimates. However, the company included obligation pertaining to EPR for waste tyre applicable to tyre manufacturers for 9MFY24 to the tune of ~Rs400 mn, adjusted for which the EBITDA was in-line with our estimates. Consolidated EBITDA margin came in at 13.1% (-100 bps qoq), which was 80 bps below our estimates. EBITDA margins when adjusted for the EPR obligation comes to 14.1%, which is 20 bps above our estimate due to better-than-expected gross margins. Gross margins came in at 42.3% (+100 bps qoq), which was 120 bps above our estimates owing to higher finished goods inventory on a qoq basis. Also, the company incurred exceptional expense of Rs425 mn during the quarter. Adjusted consolidated PBT came in at Rs2.3 bn, which was broadly in-line with our estimates.
EBITDA	3,678	4,175	3,915	(6.2)	6.4	
Margin (%)	12.8	14.1	13.1			
<b>Adjusted net profit</b>	<b>1,401</b>	<b>1,815</b>	<b>1,522</b>	<b>(16.1)</b>	<b>8.6</b>	
EPS	34.6	44.9	37.6	(16.1)	8.6	
<b>MRF</b>						
Net sales	57,254	60,478	62,151	2.8	8.6	MRF reported 4QFY24 EBITDA of Rs8.9 bn (+5% yoy and -15% qoq), which was 14% below our estimates due to lower-than-expected gross margins and higher-than-expected employee cost and other expenses. Other expenses increased by 12% on a qoq basis mainly on account of EPR provisions (Rs464 mn/Rs981 mn for FY2023/FY2024). Adjusting for EPR provisions pertaining to FY2023 and 9MFY24, EBITDA came in 5% below our estimates (assuming 4QFY24 EPR expense of Rs445 mn). MRF reported revenues of Rs62.2 bn (+9% yoy and +3% qoq), which was 2% above our estimates possibly led by (1) strong growth in PCR/ZW replacement segment demand and (2) recovery in export segment. Adjusted EBITDA margin came in at 15.7% (+50 bps yoy and -150 bps qoq), which was 130 bps below our estimate due to lower-than-expected gross margins and higher-than-expected employee cost. Gross margin contracted by 120 bps qoq in 4QFY24 led by (1) marginal commodity headwinds especially driven by increase in rubber prices and (2) price cuts in TBR segment. Reported PAT came in at Rs3.8 bn (-8% yoy and -25% qoq), which was 26% below our estimates due to (1) miss at EBITDA level and (2) higher depreciation expenses. Adjusted PBT came in 10% below our estimates.
EBITDA	8,431	10,394	8,856	(14.8)	5.0	
Margin (%)	14.7	17.2	14.2			
<b>Adjusted net profit</b>	<b>4,107</b>	<b>5,080</b>	<b>3,796</b>	<b>(25.3)</b>	<b>(7.6)</b>	
EPS	968.5	1,198.2	895.2	(25.3)	(7.6)	
<b>Bearing companies</b>						
<b>Schaeffler India</b>						
Net sales	16,936	18,746	18,731	(0.1)	10.6	Schaeffler India reported 1QCY24 EBITDA of Rs3.3 bn (+5% yoy and +2% qoq), which was 10% below our estimates due to (1) lower-than-expected revenue print on account of weakness in select industrial segment and automotive aftermarket (seasonality) partly offset by strong performance in export segment with recovery across geographies and (2) higher than-expected staff expenses. Revenues remained flat on a qoq basis driven by (1) 5% increase in automotive technologies business (chassis, powertrain and e-mobility solutions) and (2) 20% qoq improvement in exports revenues, which was offset by (1) 10% qoq decline in automotive aftermarket and (2) 6% decline in bearing business (mobility and industrial bearings). Export segment mix improved to 13.7% in 1QCY24 from 11.3% in 4QCY23 versus 16% in 1QCY23. EBITDA margin came in at 17.6% (-100 bps yoy and +30 bps qoq), which was 70 bps below our estimates on account of higher staff costs, which was partly offset by richer product mix. Gross margin improved by 70 bps on a qoq basis in 1QCY24 led by richer product mix and increase in finished goods inventory. Net profit came in at Rs2.2 bn, which was 13% below our estimates due to miss at EBITDA level.
EBITDA	3,147	3,241	3,299	1.8	4.8	
Margin (%)	18.6	17.3	17.6			
<b>Adjusted net profit</b>	<b>2,194</b>	<b>2,130</b>	<b>2,197</b>	<b>3.1</b>	<b>0.2</b>	
EPS	14.0	13.6	14.1	3.1	0.2	
<b>SKF India Limited</b>						
Net sales	10,947	10,919	12,034	10.2	9.9	SKF India reported 4QFY24 EBITDA of Rs2.1 bn (+28% yoy and +24% qoq), which was 12% above our estimates due to (1) better-than-expected gross margin and (2) higher-than-expected revenue print. Revenues grew by 10% on a yoy basis (+10% qoq), which was 4% above our estimates, possibly driven by (1) strong growth in select industrial segments especially railways, (2) uptick in replacement segment revenues driven by price cuts, (3) increase in automotive production volumes especially in PV and ZW segments and (4) gradual recovery in export volumes. EBITDA margin came in at 17.7% (+220 bps yoy and +190 bps qoq), which was 120 bps above our estimates due to better-than-expected gross margins. Despite uptick in industrial segment (higher traded good mix) and price cuts in replacement market, gross margins declined by 50 bps on a qoq basis. Net PAT came in at Rs1.75 bn (+43% yoy), which was 20% above our expectations due to beat at EBITDA level and higher other income.
EBITDA	1,670	1,721	2,134	24.0	27.8	
Margin (%)	15.3	15.8	17.7			
<b>Adjusted net profit</b>	<b>1,229</b>	<b>1,322</b>	<b>1,752</b>	<b>32.6</b>	<b>42.5</b>	
EPS	24.9	26.7	35.4	32.6	42.5	
<b>Timken India</b>						
Net sales	8,025	6,122	8,978	46.6	11.9	Timken India reported 4QFY24 EBITDA of Rs.99 bn (+30% yoy and +94% qoq), which was 48% above our estimates due to better-than-expected revenue print, which led to operating leverage benefit. Revenues increased by 12% yoy (KIE -12% yoy), which was driven by (1) strong growth in railway segment (+63% yoy) driven by strong ordering for wagons and passenger coaches and (2) 12% yoy growth in distribution business aided by industrial segment partly offset by (1) 18-20% yoy decline in exports and (2) low-single digit yoy decline in CV segment. EBITDA margin came in at 22.1% (+300 bps yoy), which was 300 bps above our estimates due to (1) operating leverage benefit, (2) richer product mix and (3) commodity tailwinds. Net profit came in at Rs1.4 bn (+54% yoy), which was 54% above our estimates due to beat at EBITDA level.
EBITDA	1,529	1,025	1,987	93.9	29.9	
Margin (%)	19.1	16.7	22.1			
<b>Adjusted net profit</b>	<b>1,045</b>	<b>675</b>	<b>1,414</b>	<b>109.4</b>	<b>35.3</b>	
EPS	13.9	9.0	18.8	109.4	35.3	

Source: Company, Kotak Institutional Equities

Exhibit 11 (contd.): Results review for KIE's auto ancillary companies for March 2024 quarter (Rs mn)

	Mar-23	Dec-23	Mar-24	qoq (%)	yoy (%)	Comments
<b>Diversified auto ancillaries</b>						
<b>Bharat Forge (standalone)</b>						
Net sales	19,973	22,634	23,286	2.9	16.6	Bharat Forge reported 4QFY24 standalone EBITDA of Rs6.6 bn (including forex loss), which was 1% above our estimates. Adjusted for forex gain of Rs52 mn, standalone EBITDA came in-line with our estimates. Standalone revenues increased by 3% qoq led by growth in both domestic and export businesses. Standalone revenues were 3% above estimates mainly due to improvement in export segment performance partly offset by weaker-than-expected revenue print of domestic auto business. Adjusted standalone EBITDA margin (excluding forex gains) stood at 28.1% (-40 bps qoq), which was 60 bps below our estimates due to higher-than-expected other expenses partly offset by better-than-expected gross margins driven by richer product mix. Adjusted standalone PAT came in at Rs4 bn, which was 9% above our estimates due to lower interest and depreciation expense.
EBITDA	4,879	6,632	6,592	(0.6)	35.1	
Margin (%)	24.4	29.3	28.3			
Adjusted net profit	2,752	3,778	3,997	5.8	45.2	
EPS	5.9	8.1	8.6	5.8	45.2	
<b>Bharat Forge (consolidated)</b>						
Net sales	36,291	38,664	41,642	7.7	14.7	Bharat Forge reported 4QFY24 consolidated EBITDA of Rs6.4 bn (including forex loss), which was 11% below our estimates. Adjusted for forex loss of Rs99.6 mn, consolidated EBITDA came in 9% below our estimates mainly led by weaker-than-expected profitability of foreign subsidiaries partly on account of one-offs. Reported consolidated PBT came in Rs3.8 bn, which was 9% below our estimates due to miss at EBITDA level.
EBITDA	4,385	6,979	6,433	(7.8)	46.7	
Margin (%)	12.1	18.0	15.4			
Adjusted net profit	1,582	2,544	2,348	(7.7)	48.4	
EPS	3.4	5.5	5.0	(7.7)	48.4	
<b>Endurance Technologies (consolidated)</b>						
Net sales	22,343	25,611	26,848	4.8	20.2	Endurance Technologies reported 4QFY24 standalone EBITDA of Rs3 bn (+52% yoy), however when adjusted for the Maharashtra incentive (Rs203 mn) and onetime payment by vendor and clients (Rs200 mn), EBITDA came in at Rs2.6 bn (+31% yoy and +11% qoq), which was 3% above our estimates. Adjusted standalone revenues for the company increased by 2% qoq to Rs20.4 bn (1% below our estimates), in-line with marginal uptick in 2W motorcycle production volumes. Standalone adjusted EBITDA margin came in at 12.6% (+100 bps qoq), which was 50 bps above our estimates due to better gross margins. Gross margin improvement was driven by better product mix. Standalone adjusted PBT came in at Rs2 bn, which was 5% above our estimates. EU subsidiaries reported revenues of EUR68 mn (+2% yoy) mainly due to uptick in EU PV sales partly offset by lower realizations due to pass through of softening energy costs. EBITDA margin remained stable at 17.8% on a yoy basis mainly led by lower electricity and gas prices, whereas the company received one-time pay out from government and customers in 4QFY23. However, the company highlighted that volume recovery remains uncertain for the next two quarters owing to inflationary pressures and slowdown in new orderings.
EBITDA	2,854	2,990	3,894	30.2	36.4	
Margin (%)	12.8	11.7	14.5			
Adjusted net profit	1,365	1,523	2,102	38.0	54.0	
EPS	9.7	10.8	14.9	38.0	54.0	
<b>CIE Automotive (consolidated)</b>						
Net sales	23,207	21,259	23,329	9.7	0.5	CIE Automotive India business EBITDA came in at Rs2.2 bn, which was 8% below our estimates due to weaker-than-expected India revenue print. India business revenues improved by 2% on qoq basis (7% below estimates) due to delay in ramp-up of new order wins and decline in production volumes of CV and tractors on a yoy basis. India business EBITDA margin declined by 60 bps on a yoy basis (flat qoq), which was 10 bps below our estimates. EBIT came in at Rs2.1 bn, which was 21% above our expectations partly on account of Rs220 mn one-off subsidy (part of other income) to CIE Aluminium Casting India. Europe business 1QCY24 EBITDA came in at Rs1.4 bn, which was 29% above our estimates due to better revenue print. EBITDA margin declined by 100 bps yoy (60 bps above our estimates) due to reduction in stock levels due to Easter holidays in 1QCY24, which the company expects to reverse in 2QCY24E. Europe business revenues came in at Rs9.2 bn (-8% yoy), which was 24% above our estimates owing to seasonality. Overall, revenues declined by 8% on a yoy basis on account of (1) continued weakness in Metalcasallo business on account of weak demand in US off-highway market and (2) higher base impact.
EBITDA	3,966	3,539	4,119	16.4	3.9	
Margin (%)	17.1	16.6	17.7			
Adjusted PAT	2,203	1,770	2,302	30.0	4.5	
EPS	5.8	4.7	6.1	30.0	4.5	
<b>SAMIL (consolidated)</b>						
Net sales	225,170	256,439	270,582	5.5	20.2	SAMIL reported 4QFY24 consolidated EBITDA of Rs29.3 bn (+42% yoy and +27% qoq), however when adjusted for the customer adjustment on account of forex losses in Argentina of Rs2 bn (recognized in revenues) and forex gains of Rs660 mn (adjusted in other expenses), EBITDA came in Rs26.7 bn (+30% yoy and +15% qoq), which was 12% above our estimates due to better-than-expected gross margins partly offset higher staff costs. Adjusted consolidated revenues increased by 5% qoq led by strong performance of emerging business and mid-single digit growth across most businesses. Adjusted consolidated EBITDA margin came in at 9.9% (+90 bps qoq) which was 70 bps above our estimates due to better-than-expected gross margins. Consolidated adjusted net profit came in at Rs11.1 bn (+105% qoq), which was 66% above our estimates due to (1) beat at EBITDA level, (2) lower tax and interest expense which was partly offset by higher depreciation. Sharp decline in finance cost can be attributed as there was no hyperinflationary impact, which had negative impact in 9MFY24.
EBITDA	20,606	23,159	29,346	26.7	42.4	
Margin (%)	9.2	9.0	10.8			
Adjusted net profit	6,540	5,426	13,715	152.8	109.7	
EPS	1.0	0.8	2.0	152.8	109.7	
<b>Sona Comstar (consolidated)</b>						
Net sales	7,440	7,766	8,853	14.0	19.0	Sona Comstar reported 4QFY24 EBITDA of Rs2.5 bn (+23% yoy), which was in-line with our estimates as better-than-expected revenue print and lower employee expense was offset by weaker gross margins. Revenues increased by 19% yoy (2% above our expectations) due to 34% yoy growth in BEV segment revenues and strong growth in differential gear segment. EBITDA margin for 4QFY24 came in 28% (-130 bps yoy), which was 50 bps below our estimates. Adjusted for ESOP expense of Rs80 mn, EBITDA margin would be 28.9% in 4QFY24. EBITDA margin decline on a sequential basis is led by inferior product mix and higher freight costs (35-40 bps impact). Net PAT came in at Rs1.5 bn, which was 6% above our estimates in 4QFY24 due to lower tax expense.
EBITDA	2,014	2,273	2,481	9.2	23.2	
Margin (%)	27.1	29.3	28.0			
Adjusted net profit	1,222	1,327	1,487	12.0	21.7	
EPS	2.1	2.3	2.5	12.0	21.7	
<b>Uno Minda (consolidated)</b>						
Net sales	28,890	35,229	37,940	7.7	31.3	Uno Minda Industries reported 4QFY24 consolidated EBITDA of Rs4.7 bn (+48% yoy and +25% qoq), which included one-time price adjustment benefit of Rs300 mn from the customers. Adjusted for the price adjustment, EBITDA came in at Rs4.4 bn which was 3% above our expectations led by better-than-expected gross margins and lower staff costs partly offset by higher-than-expected other expenses. Consolidated revenues increased by 31% yoy led by (1) 43-59% yoy increase in alloy wheels, lighting and other segment (controllers and sensors), (2) 9-15% yoy increase in switching and acoustics segments and (3) flat yoy increase in seating segment revenues. EBITDA margin came in at 12.5% (+140 bps yoy and +170 bps qoq), which was 130 bps above our expectations. Adjusted EBITDA margin came in 50 bps above our expectations. Profit from JV stood at Rs582 mn, which was 16% above our estimates. Net consolidated profit stood at Rs3.1 bn (+68% yoy and +59% qoq), which was 23% above our estimates due to beat at EBITDA level and higher share of profits from JV partly offset by higher-than-expected depreciation expense and interest expenses.
EBITDA	3,193	3,796	4,740	24.9	48.5	
Margin (%)	11.1	10.8	12.5			
Adjusted net profit	1,827	1,935	2,891	49.4	58.3	
EPS	3.2	3.4	5.4	59.1	68.5	
<b>Varroc Engineering</b>						
Net sales	16,901	18,846	19,749	4.8	16.9	Varroc Engineering reported 4QFY24 EBITDA of Rs2.2 bn, which included one-time government incentive of 875 mn for FY2023 and 9MFY24 recognized as revenues and Rs400 mn of provision related to doubtful recovery from an EV customer (Rs160 mn) and undisclosed one-offs (Rs240 mn) recognized as other expense during the quarter. Adjusted for the one-off items, EBITDA came in at Rs1.7 bn which was 13% below our estimates due to weaker revenue print and higher-than-expected other expenses. Adjusted revenues remained flat on a qoq basis, which was 5% below our estimates as (1) weakness in overseas 2W business and (2) continued weakness in IMES, which was offset by growth in electronics and polymer business. Adjusted EBITDA margin came in at 8.8% (-50 bps qoq), which was 120 bps lower than expected our expectations due to higher-than-expected other expense. Adjusted gross margin improved by 20 bps on a qoq basis. Adjusted PBT came in at Rs523 mn in 4QFY24, which was 28% below our estimates due to due to miss at EBITDA level.
EBITDA	1,561	1,756	2,210	25.9	41.6	
Margin (%)	9.2	9.3	11.2			
Adjusted net profit	400	639	584	(8.7)	45.8	
EPS	3.0	4.7	4.3	(8.7)	45.8	

Source: Company, Kotak Institutional Equities

**We expect margins of OEMs to be under pressure owing to upswing in aluminum, copper and rubber prices**

**Exhibit 12: Margin impact analysis for 2W, PV, CV and Tractors, March fiscal year trends, 2024-25 (Rs)**

Metal costs as % of revenues	2W	PV	CV	Tractors
Steel	5.4	10.5	13.0	14.3
Aluminium	7.7	3.0	2.8	1.6
Precious metals	0.5	2.5	0.5	0.8
Copper	1.2	1.0	1.3	1.6
Rubber	1.3	1.3	2.0	2.5
<b>Total</b>	<b>16.1</b>	<b>18.3</b>	<b>19.6</b>	<b>20.8</b>

	4QFY24	1QFYTD25	change (%)	Expected margin impact versus 4QFY24 levels (bps)			
				2W	PV	CV	Tractors
<b>Margin impact based on 1QFYTD25 prices</b>							
Steel (Rs/ton)	61,700	61,200	(0.8)	4	9	11	12
Aluminium (USD/ton)	2,242	2,519	12.4	(95)	(37)	(35)	(20)
Precious metals (USD/ton)	979	1,001	2.3	(1)	(6)	(1)	(2)
Copper (USD/ton)	8,545	9,850	15.3	(18)	(15)	(19)	(24)
Rubber (Rs/100 kg)	16,732	18,144	8.4	(11)	(11)	(17)	(21)
<b>Total</b>				<b>(121)</b>	<b>(61)</b>	<b>(61)</b>	<b>(56)</b>
	4QFY24	Spot prices	change (%)	2W	PV	CV	Tractors
<b>Margin impact based on spot prices</b>							
Steel (Rs/ton)	61,700	60,800.0	(1.5)	8	15	19	21
Aluminium (USD/ton)	2,242	2,700.0	20.4	(157)	(61)	(57)	(33)
Precious metals (USD/ton)	979	1,020.0	4.2	(2)	(11)	(2)	(3)
Copper (USD/ton)	8,545	10,700.0	25.2	(30)	(25)	(32)	(40)
Rubber (Rs/100 kg)	16,732	18,400.0	10.0	(13)	(13)	(20)	(25)
<b>Total</b>				<b>(195)</b>	<b>(95)</b>	<b>(92)</b>	<b>(81)</b>

Source: Company, Kotak Institutional Equities estimates

**We expect margins of tire companies to come under pressure in the coming quarters as current RM basket**

**Exhibit 13: Margin impact analysis for tire companies, March fiscal year trends, 2024-25 (Rs)**

	3QFY24 average prices	4QFY24 average prices	1QFYTD24 average prices	Spot prices	Change between 3QFY24 and 1QFYTD25 levels (%)	Contribution (%)	Impact (%)	Change between 3QFY24 and spot levels (%)	Contribution (%)	Impact (%)
<b>Gross margin impact analysis</b>										
Natural rubber (Rs/kg)										
Domestic	152	167	182	184	19.8	17.50	(1.5)	21.4	17.50	(1.6)
International	150	166	176	173	17.3	17.50	(1.3)	15.6	17.50	(1.1)
Synthetic rubber (Rs/kg)	165	179	190	190	15.4	15.00	(1.0)	15.4	15.00	(1.0)
Crude oil (Rs/bbl)	Brent	7,011	6,904	7,197	6,885	2.6	50.00	(0.6)	(1.8)	0.4
<b>Total</b>							<b>(4.2)</b>			<b>(3.3)</b>

Note:

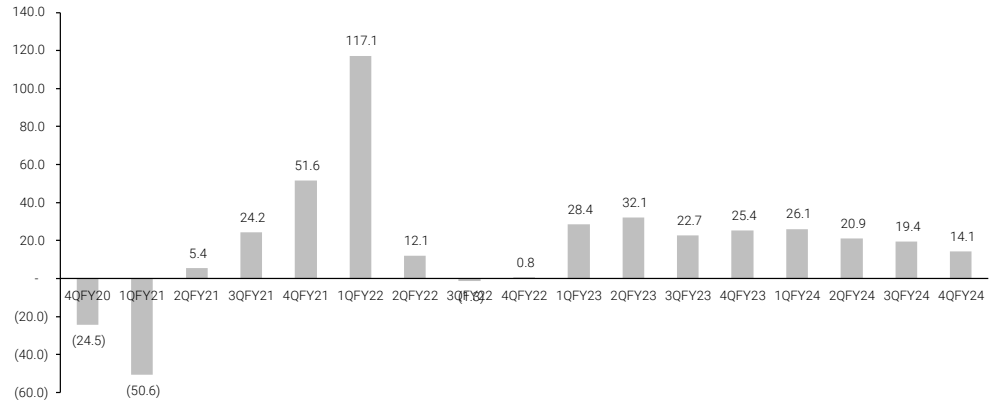
- (a) We assumed 70% of total crude oil price upswing to be translated to crude-oil derivatives
- (b) RM impact generally comes with a quarter lag for the tire companies

Source: Company, Kotak Institutional Equities estimates

Quarterly earnings trends – detailed charts

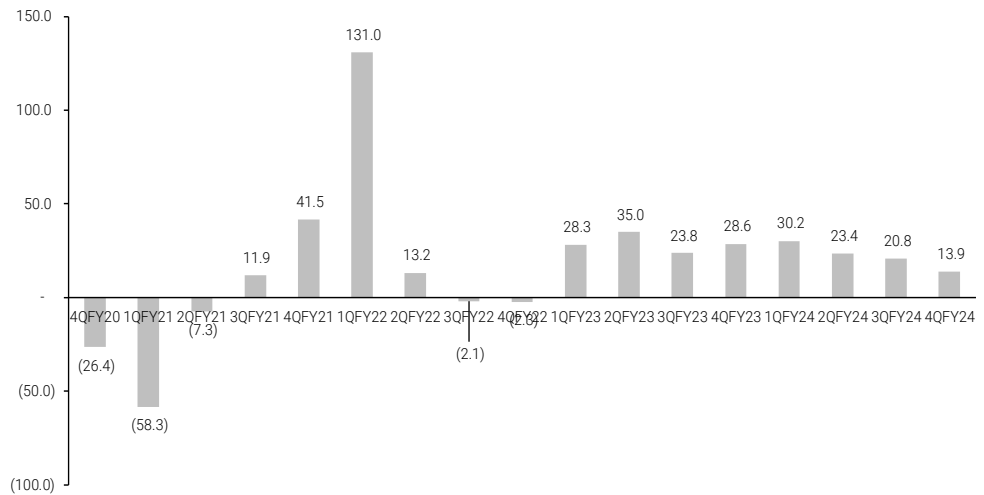
Revenues grew 14% yoy led by strong growth of 14/15% for auto OEMs and auto ancillary companies, respectively

Exhibit 14: KIE auto sector yoy revenue growth trends, March fiscal year-ends, 4Q20-4Q24 (%)



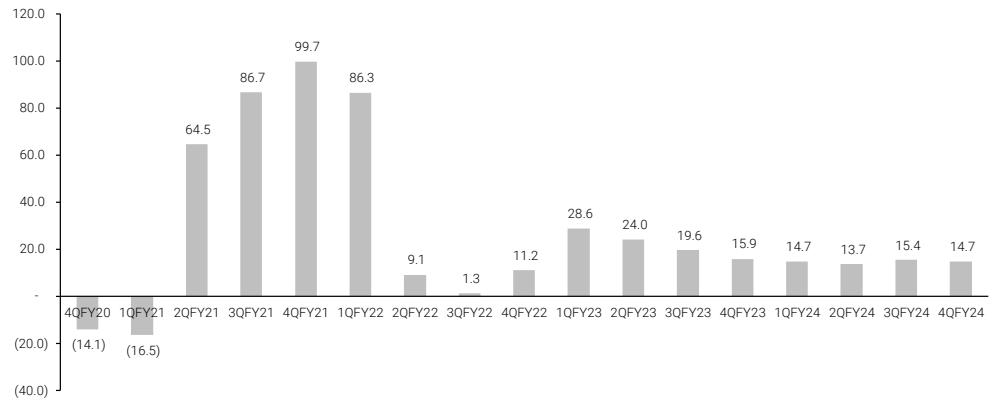
Source: Company, Kotak Institutional Equities

Exhibit 15: KIE auto OEMs reported yoy revenue growth, March fiscal year-ends, 4Q20-4Q24 (%)



Source: Company, Kotak Institutional Equities

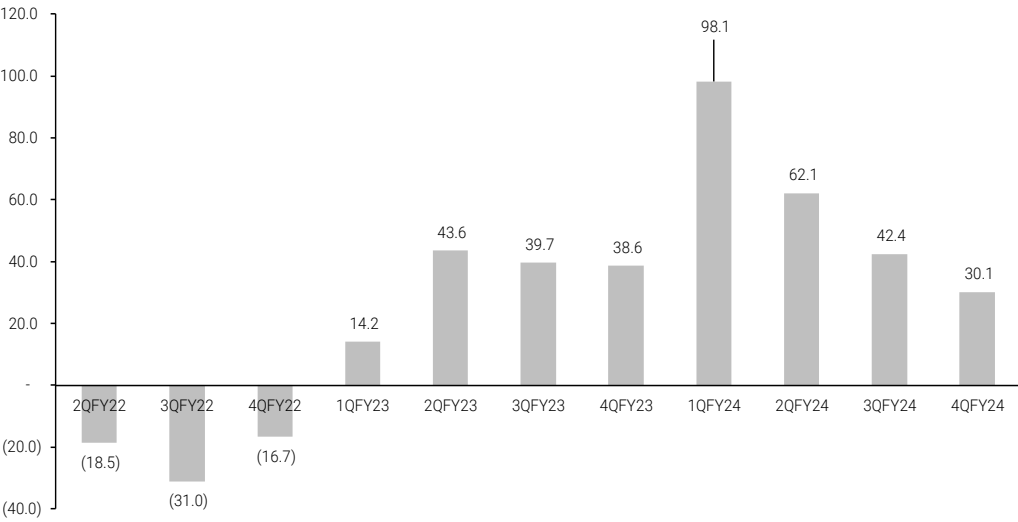
**Exhibit 16: KIE auto ancillaries yoy revenue growth, March fiscal year-ends, 4Q20-4Q24 (%)**



Source: Company, Kotak Institutional Equities

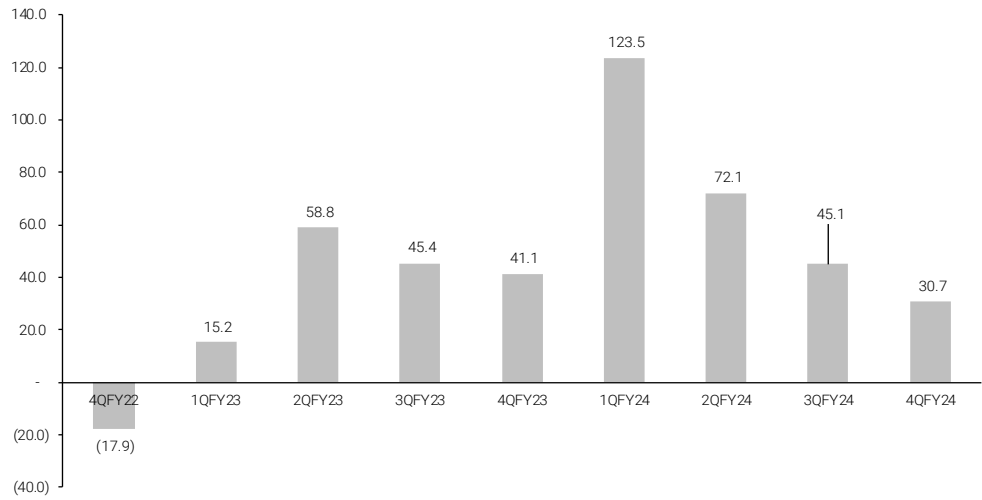
**Aggregate EBITDA grew 30% yoy led by 31% yoy growth for auto OEM and 23% yoy growth for auto ancillary companies**

**Exhibit 17: KIE auto OEMs and ancillaries yoy EBITDA growth trends, March fiscal year-ends, 4Q22-4Q24 (%)**



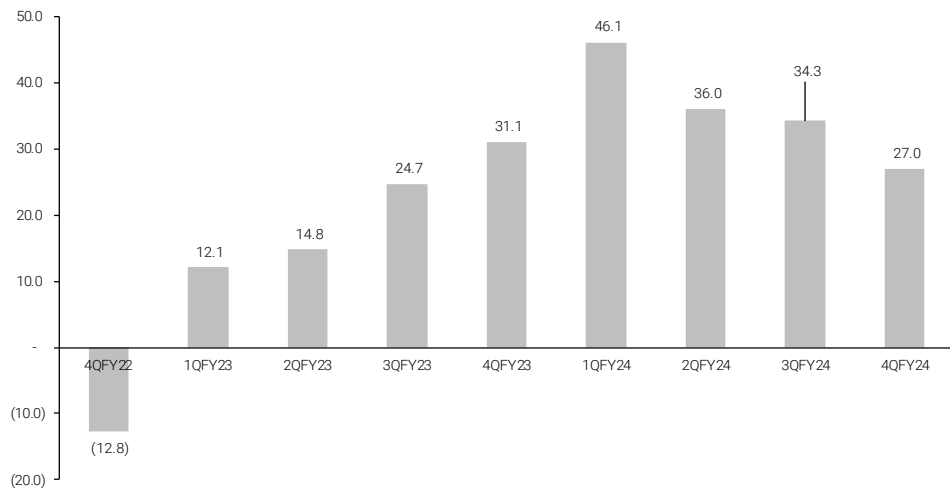
Source: Company, Kotak Institutional Equities

**Exhibit 18: KIE auto OEMs yoy EBITDA growth, March fiscal year-ends, 4Q22-4Q24 (%)**



Source: Company, Kotak Institutional Equities

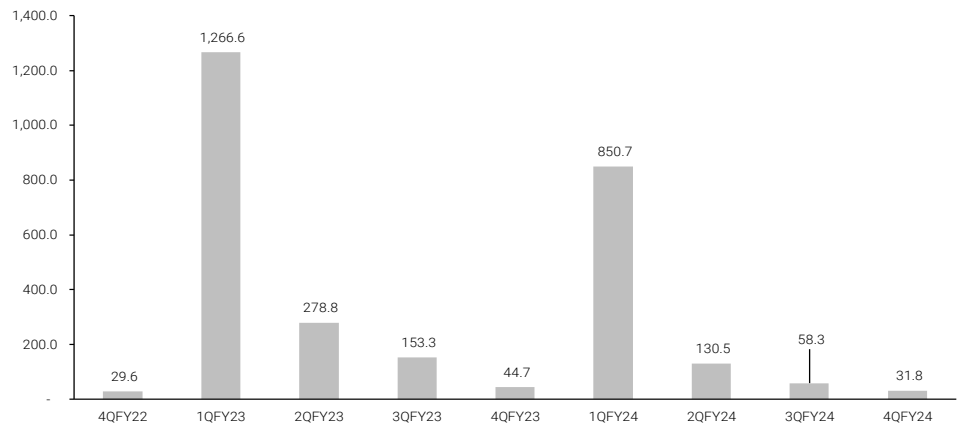
**Exhibit 19: KIE auto ancillaries yoy EBITDA growth, March fiscal year-ends, 4Q22-4Q24 (%)**



Source: Company, Kotak Institutional Equities

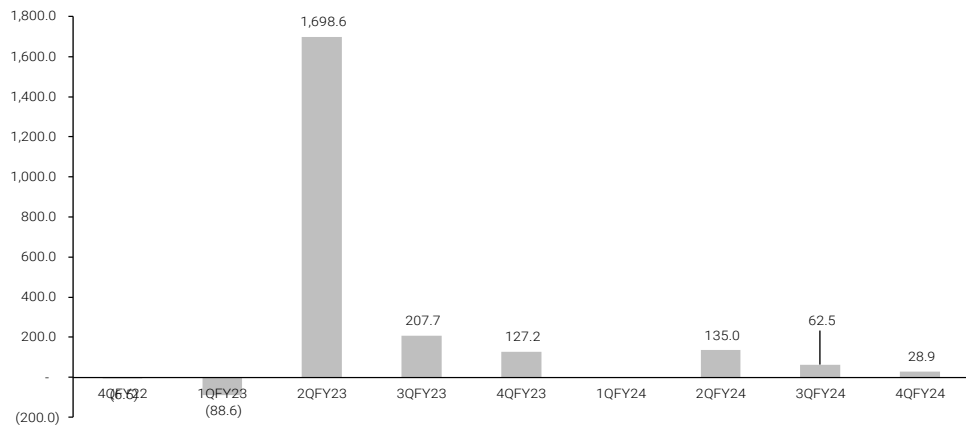
**Aggregate recurring PAT grew by 32% yoy led by 29%/44% growth in auto OEMs and ancillary companies respectively**

**Exhibit 20: KIE auto OEMs and ancillary companies' yoy PAT growth trends, March fiscal year-ends, 4Q22-4Q24 (%)**



Source: Company, Kotak Institutional Equities

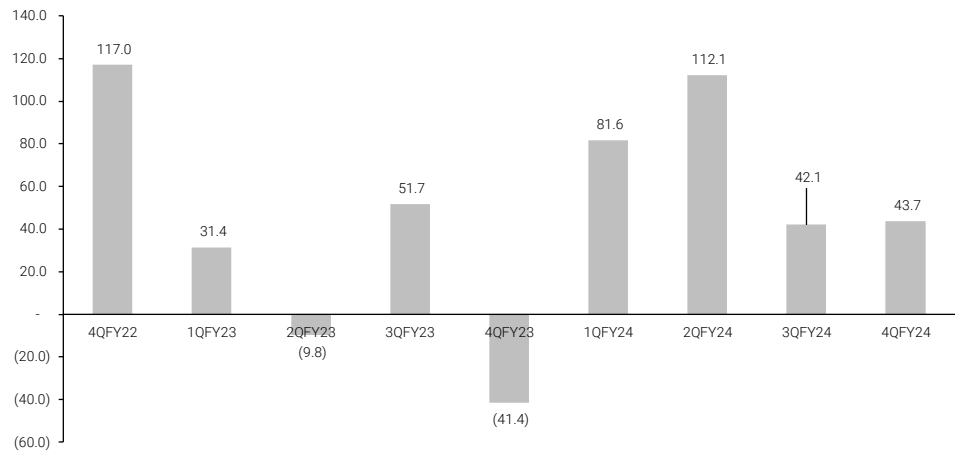
**Exhibit 21: KIE auto OEMs PAT yoy growth trends March fiscal year-ends, 4Q22-4Q24 (%)**



Source: Company, Kotak Institutional Equities

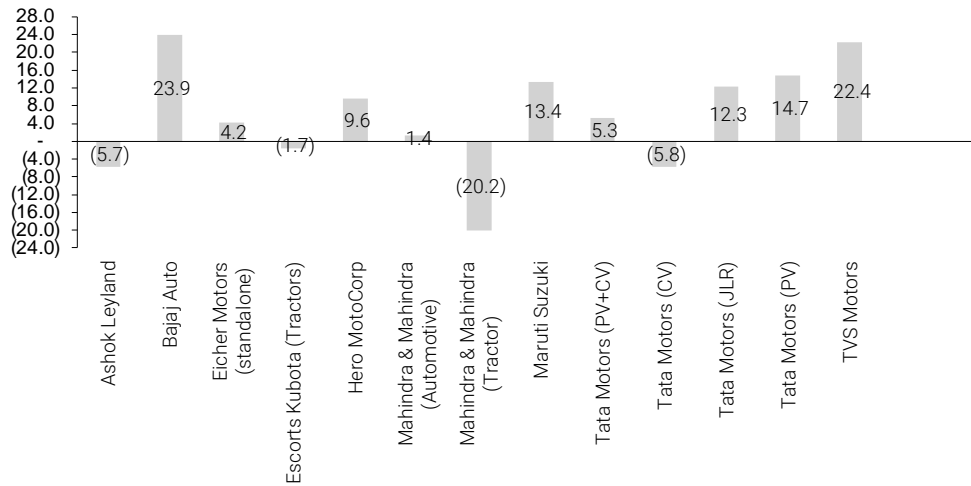


**Exhibit 22: KIE auto ancillaries PAT growth trends, March fiscal year-ends, 4Q22-4Q24 (%)**



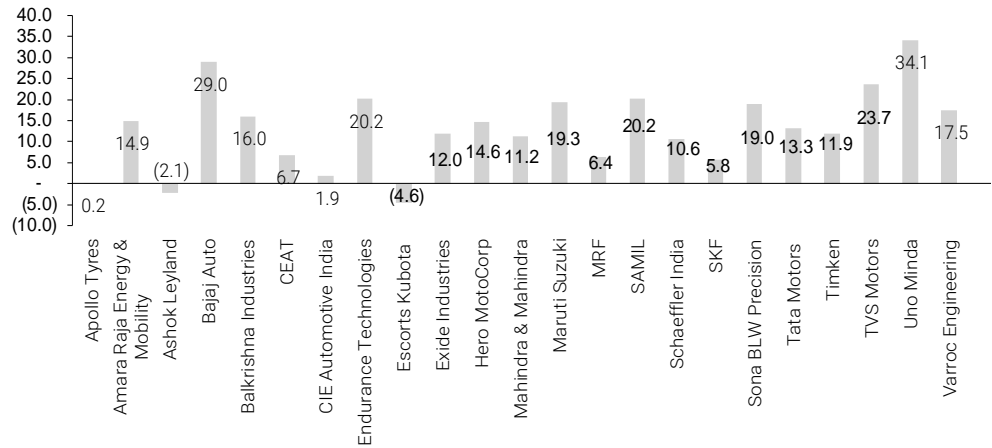
Source: Company, Kotak Institutional Equities

**Exhibit 23: KIE auto OEMs volumes growth yoy, March fiscal year-ends, 4Q24 (%)**



Source: Company, Kotak Institutional Equities

Exhibit 24: KIE auto OEM and ancillary company-wise revenue growth yoy, March fiscal year-ends, 4Q24 (%)



Source: Company, Kotak Institutional Equities

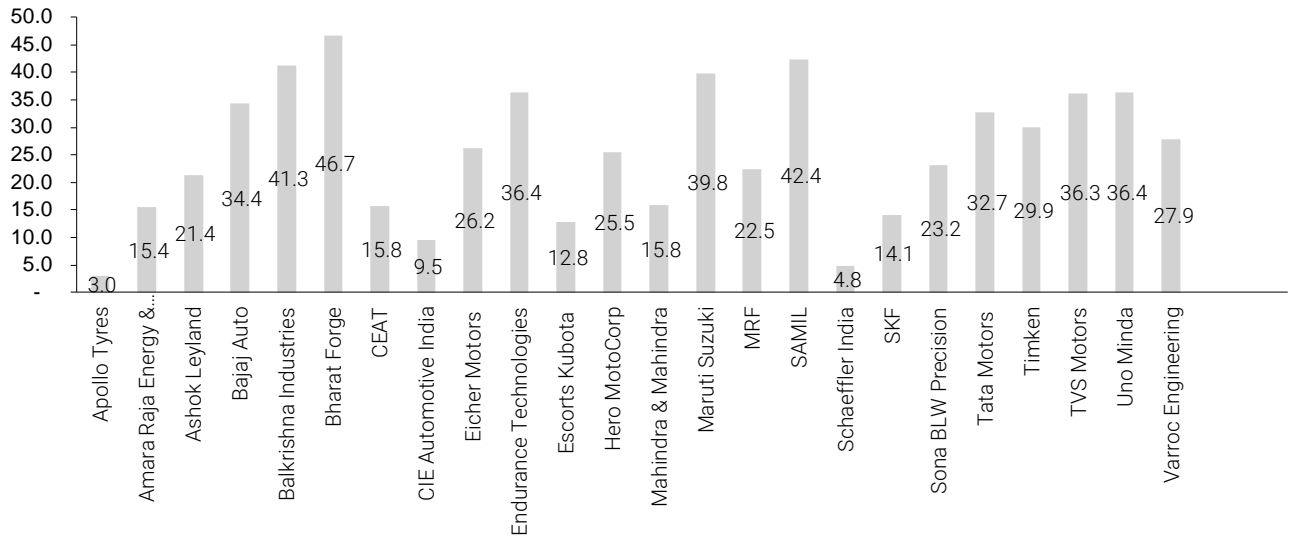
Exhibit 25: KIE auto OEMs and ancillary company-wise yoy revenue growth (reported) trends, March fiscal year trends, 4Q20-4Q24 (%)

Revenue	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Apollo Tyres	(15.4)	(33.7)	7.4	18.1	39.0	59.5	18.6	9.9	11.0	29.6	17.3	12.5	12.0	5.1	5.4	2.7	0.2
Amara Raja Energy & Mobility	0.9	(36.6)	14.2	12.1	33.0	63.8	17.0	20.7	3.7	38.9	19.2	11.5	11.6	5.7	4.1	9.3	14.9
Ashok Leyland	(56.6)	(88.5)	(27.8)	19.9	82.4	353.4	57.2	15.0	24.9	144.8	85.4	63.1	33.0	13.4	16.6	2.7	(2.1)
Bajaj Auto	(8.1)	(60.3)	(7.2)	16.6	26.1	139.9	22.4	1.3	(7.2)	8.4	16.4	3.3	11.7	28.8	5.6	30.0	29.0
Balkrishna Industries	2.6	(22.7)	40.2	26.5	26.0	94.1	34.0	38.9	39.0	49.1	34.9	6.6	(4.4)	(22.4)	(19.9)	4.5	16.0
Bharat Forge	(34.8)	(50.4)	(36.2)	(5.9)	19.6	82.6	73.4	39.0	71.5	35.3	29.0	40.0	1.6	36.0	22.7	15.3	14.7
CEAT	(10.6)	(36.1)	17.0	26.1	45.5	70.2	23.9	8.6	13.2	47.8	18.1	13.0	10.9	4.1	5.5	8.7	6.7
CIE Automotive India	(9.9)	(65.1)	(5.4)	15.4	47.4	280.7	41.5	11.1	16.4	51.3	37.5	32.1	15.1	1.5	(1.7)	2.4	1.9
Eicher Motors	(12.8)	(67.3)	(2.7)	18.6	34.1	148.0	2.8	1.2	9.3	70.2	55.7	26.5	19.9	20.1	15.7	12.9	9.9
Endurance Technologies	(16.0)	(68.4)	(0.1)	24.4	33.6	180.8	6.6	(7.4)	(2.5)	24.8	25.1	10.9	7.5	15.9	7.8	22.2	20.2
Escorts Kubota	(15.4)	(25.4)	23.9	23.5	60.1	57.4	1.4	(3.0)	(15.8)	20.5	13.3	15.6	17.3	15.5	8.6	2.5	(4.6)
Exide Industries	(20.9)	(44.3)	5.5	16.2	43.0	59.8	19.3	14.0	15.8	57.3	13.2	6.8	5.2	4.8	10.4	12.7	12.0
Hero MotoCorp	(20.9)	(63.0)	23.7	39.7	39.2	84.7	(9.8)	(19.4)	(14.6)	53.0	7.4	1.9	11.9	4.5	4.1	21.1	14.6
Mahindra & Mahindra	(34.8)	(56.4)	6.0	16.0	48.3	110.5	14.9	9.2	28.2	67.7	57.8	41.1	31.8	22.0	15.7	16.8	11.2
Maruti Suzuki	(15.2)	(79.2)	10.4	13.3	32.0	332.7	9.6	(0.9)	11.3	49.1	45.7	24.9	19.9	22.0	23.8	14.7	19.3
MRF	(11.0)	(44.9)	6.0	13.9	30.7	69.8	15.4	5.8	9.8	35.6	18.4	14.6	10.1	12.9	6.4	9.3	6.4
SAMIL					93.5	(5.9)	(5.7)	1.6	9.0	29.7	25.7	30.6	27.5	28.5	26.5	20.2	
Schaeffler India	(20.8)	(60.7)	8.3	22.9	41.8	180.9	32.7	19.6	19.0	41.8	18.1	17.8	8.0	4.6	5.5	4.5	10.6
SKF	(18.5)	(61.2)	(5.9)	15.7	38.9	130.2	37.4	18.1	22.6	52.1	11.6	11.4	5.4	9.0	4.4	1.4	5.8
Sona BLW Precision						226.5	52.4	1.0	2.0	17.7	12.2	38.6	35.3	24.3	20.3	13.4	19.0
Tata Motors	(27.7)	(48.0)	(18.2)	5.5	41.8	107.6	14.7	(4.5)	(11.5)	8.3	29.7	22.5	35.1	42.1	32.1	25.0	13.3
Timken	(9.6)	(63.4)	(2.2)	2.6	17.3	192.0	42.2	33.1	40.4	49.4	24.6	19.5	20.2	2.6	(1.9)	0.5	11.9
TVS Motors	(20.6)	(68.0)	5.9	30.7	52.9	174.8	22.0	5.8	3.9	52.7	28.5	14.7	19.4	20.1	12.8	26.0	23.7
Uno Minda	0.8	(67.2)	20.1	53.1	49.4	239.5	29.5	7.4	7.9	59.4	36.1	33.7	19.6	21.0	25.9	20.8	34.1
Varroc Engineering	(13.6)	(55.6)	7.5	24.2	(45.2)	(7.1)	(48.3)	(57.4)	9.8	36.3	22.0	15.3	2.3	10.9	2.5	9.8	17.5
<b>Total</b>	<b>(24.5)</b>	<b>(50.6)</b>	<b>5.4</b>	<b>24.2</b>	<b>51.6</b>	<b>117.1</b>	<b>12.1</b>	<b>(1.3)</b>	<b>0.8</b>	<b>28.4</b>	<b>32.1</b>	<b>22.7</b>	<b>25.4</b>	<b>26.1</b>	<b>20.9</b>	<b>19.4</b>	<b>14.1</b>
<b>Auto ancillaries</b>	<b>(14.1)</b>	<b>(16.5)</b>	<b>64.5</b>	<b>86.7</b>	<b>99.7</b>	<b>86.3</b>	<b>9.1</b>	<b>1.3</b>	<b>11.2</b>	<b>28.6</b>	<b>24.0</b>	<b>19.6</b>	<b>15.9</b>	<b>14.7</b>	<b>13.7</b>	<b>15.4</b>	<b>14.7</b>
<b>Auto OEMs</b>	<b>(26.4)</b>	<b>(58.3)</b>	<b>(7.3)</b>	<b>11.9</b>	<b>41.5</b>	<b>131.0</b>	<b>13.2</b>	<b>(2.1)</b>	<b>(2.3)</b>	<b>28.3</b>	<b>35.0</b>	<b>23.8</b>	<b>28.6</b>	<b>30.2</b>	<b>23.4</b>	<b>20.8</b>	<b>13.9</b>

Source: Company, Kotak Institutional Equities

**EBITDA of majority of the companies grew robustly (>10%) in 4QFY24 except for tire companies and Schaeffler India**

**Exhibit 26: KIE Auto OEMs and ancillary company-wise EBITDA growth yoy, March fiscal year-ends, 4Q24 (%)**



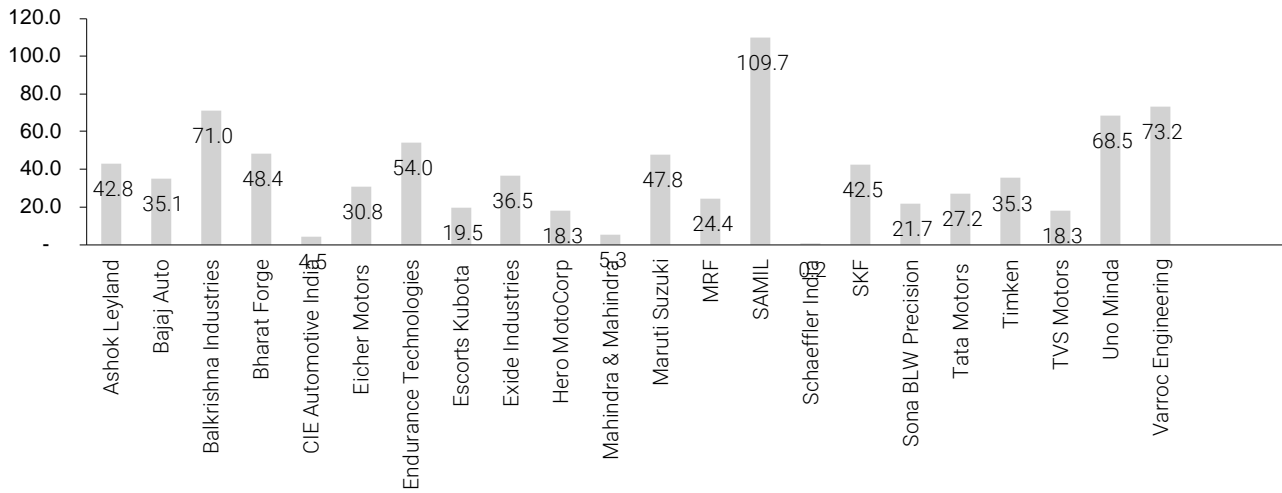
Source: Company, Kotak Institutional Equities

**Exhibit 27: KIE auto OEMs and ancillary company-wise EBITDA growth (reported) trends, March fiscal year trends, 4Q20-4Q24 (%)**

EBITDA	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Apollo Tyres	13.2	(50.0)	60.8	93.1	69.6	138.9	(8.2)	(27.9)	(23.1)	21.7	11.6	22.9	59.4	52.4	63.2	32.3	3.0
Amara Raja Energy & Mobility	0.4	(45.4)	16.4	7.9	30.2	63.9	(21.0)	(7.3)	(30.5)	4.4	33.9	39.7	60.6	35.5	7.4	9.6	15.4
Ashok Leyland	(81.4)	(162.1)	(64.8)	12.7	192.0	(58.0)	67.5	(11.8)	45.3	(328.6)	298.9	256.1	64.4	156.3	101.0	39.7	21.4
Bajaj Auto	2.1	(65.9)	(0.9)	26.5	21.7	174.1	10.7	(20.7)	(10.4)	15.8	25.5	29.5	25.7	50.6	21.3	36.8	34.4
Balkrishna Industries	21.3	(15.0)	69.8	28.9	36.9	112.5	7.9	6.3	3.3	2.2	(0.1)	(16.4)	(14.2)	(11.0)	(3.0)	38.7	41.3
Bharat Forge	(75.1)	(103.4)	(50.2)	27.7	187.5	(3,294.8)	206.6	76.9	30.1	(5.0)	(15.3)	(6.5)	(20.8)	39.2	43.9	48.7	46.7
CEAT	23.4	(39.0)	71.7	78.8	30.2	62.9	(24.7)	(59.1)	(28.1)	(0.5)	(7.8)	77.2	96.2	134.2	124.5	75.7	15.8
CIE Automotive India	(14.5)	(183.8)	(1.5)	58.5	77.2	(291.2)	77.3	(10.3)	16.1	77.8	35.9	62.5	26.7	15.1	10.6	8.2	9.5
Eicher Motors	(34.7)	(99.8)	(11.4)	10.6	42.0	28,008.4	(8.5)	(11.6)	17.3	135.6	81.5	47.4	25.1	28.5	36.6	30.1	26.2
Endurance Technologies	(26.7)	(87.5)	7.6	35.2	39.7	471.8	(17.0)	(42.3)	(22.6)	(1.9)	4.5	17.9	11.0	34.0	17.2	24.8	36.4
Escorts Kubota	2.5	(16.0)	137.4	71.5	77.3	95.0	(30.2)	(27.3)	(29.4)	(13.6)	(27.3)	(28.1)	(3.1)	62.2	72.4	64.3	12.8
Exide Industries	(27.6)	(63.6)	6.8	25.9	53.7	75.5	5.4	(7.5)	(16.0)	48.4	(0.2)	7.5	5.2	11.8	17.1	9.8	41.5
Hero MotoCorp	(38.3)	(90.7)	16.8	36.1	83.5	376.5	(17.1)	(32.1)	(31.7)	82.7	(2.6)	(3.7)	30.9	28.2	27.9	47.4	25.5
Mahindra & Mahindra	(34.3)	(68.0)	33.5	33.4	59.3	184.6	(19.3)	(24.4)	(0.5)	43.0	50.4	56.1	43.8	38.6	22.8	15.0	15.8
Maruti Suzuki	(31.7)	(142.2)	20.4	5.9	28.8	(195.1)	(55.8)	(30.0)	21.9	132.9	223.9	81.7	38.1	56.0	72.8	37.9	39.8
MRF	(0.2)	(45.0)	58.0	57.8	30.8	47.0	(40.0)	(49.6)	(29.2)	(1.8)	(8.8)	13.0	59.8	133.0	141.5	89.5	22.5
SAMIL						(321.5)	(32.2)	(40.0)	(26.4)	(11.7)	48.7	50.1	62.6	78.7	34.6	43.3	42.4
Schaeffler India	(25.6)	(112.4)	32.7	55.9	55.1	(1,145.2)	39.5	25.3	44.9	55.4	20.6	20.2	2.0	6.3	6.7	(6.1)	4.8
SKF	(44.3)	(100.5)	(3.4)	148.6	139.6	(18,157.1)	74.0	(31.7)	7.5	61.5	34.3	49.4	4.7	10.4	(43.4)	(6.3)	14.1
Sona BLW Precision						375.2	23.5	(11.0)	(3.4)	2.7	7.3	42.6	48.8	42.7	34.8	22.1	23.2
Tata Motors	(70.4)	(78.8)	(20.9)	59.9	437.0	727.2	(28.5)	(41.2)	(31.4)	(39.5)	53.0	42.6	46.5	326.3	121.5	59.0	32.7
Timken	(7.7)	(85.2)	(6.7)	(20.3)	(7.0)	560.2	47.9	70.1	107.0	85.0	6.7	(9.1)	(15.0)	(20.9)	2.6	(1.2)	29.9
TVS Motors	(20.5)	(113.7)	12.6	40.7	119.0	(660.8)	30.9	11.2	3.9	119.0	30.9	16.0	22.1	27.4	22.2	40.3	36.3
Uno Minda	(24.5)	(148.7)	41.3	70.7	115.6	(274.9)	(0.2)	(15.6)	(8.7)	81.2	39.7	43.8	15.9	24.1	26.1	12.2	36.4
Varrac Engineering	(122.9)	(160.4)	5.3	(16.0)	(277.6)	(135.6)	(51.3)	(67.1)	(16.4)	100.1	47.7	81.1	45.7	43.0	11.0	30.3	27.9
<b>Total</b>	<b>(46.1)</b>	<b>(93.1)</b>	<b>11.5</b>	<b>52.8</b>	<b>153.7</b>	<b>1,383.8</b>	<b>(18.5)</b>	<b>(31.0)</b>	<b>(16.7)</b>	<b>14.2</b>	<b>43.6</b>	<b>39.7</b>	<b>38.6</b>	<b>98.1</b>	<b>62.1</b>	<b>42.4</b>	<b>30.1</b>
<b>Auto ancillaries</b>	<b>(25.5)</b>	<b>(89.3)</b>	<b>70.1</b>	<b>100.0</b>	<b>125.4</b>	<b>1,110.8</b>	<b>(8.3)</b>	<b>(25.2)</b>	<b>(12.8)</b>	<b>12.1</b>	<b>14.8</b>	<b>24.7</b>	<b>31.1</b>	<b>46.1</b>	<b>36.0</b>	<b>34.3</b>	<b>28.3</b>
<b>Auto OEMs</b>	<b>(51.1)</b>	<b>(94.5)</b>	<b>(3.3)</b>	<b>41.4</b>	<b>164.1</b>	<b>1,572.5</b>	<b>(23.1)</b>	<b>(33.0)</b>	<b>(17.9)</b>	<b>15.2</b>	<b>58.8</b>	<b>45.4</b>	<b>41.1</b>	<b>123.5</b>	<b>72.1</b>	<b>45.1</b>	<b>30.6</b>

Source: Company, Kotak Institutional Equities

Exhibit 28: KIE auto OEMs and ancillary company-wise PAT growth yoy, March fiscal year-ends, 4Q24 (%)



Source: Company, Kotak Institutional Equities

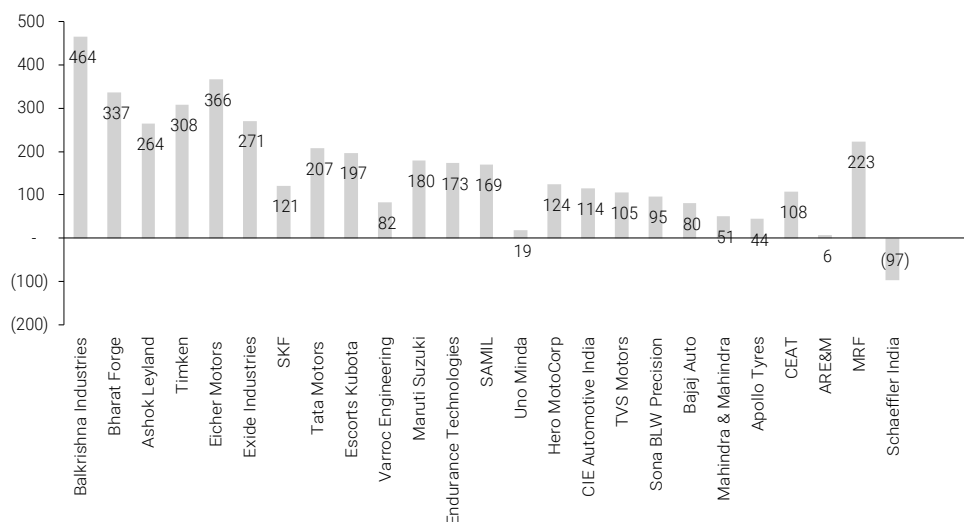
Exhibit 29: KIE auto OEMs and ancillary company-wise yoy PAT growth (reported) trends, March fiscal year trends, 4Q20-4Q24 (%)

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
<b>PAT</b>																	
Apollo Tyres	(7.3)	(195.0)	(396.4)	155.3	268.9	(195.0)	(170.6)	(49.6)	(60.5)	49.2	11.9	30.7	276.7	108.2	145.2	70.0	(17.2)
Amara Raja Energy & Mobility	14.5	(55.5)	(7.9)	17.5	38.7	97.7	(28.5)	(25.1)	(48.0)	6.1	40.3	54.0	43.1	46.4	6.0	13.5	61.7
Ashok Leyland	(100.9)	(258.0)	(266.2)	(48.5)	(3,792.6)	(27.5)	(42.8)	(270.1)	157.4	(120.7)	(332.2)	(1,482.8)	29.2	889.6	199.4	63.0	42.8
Bajaj Auto	22.9	(53.1)	(18.8)	23.4	1.7	101.0	12.0	(22.0)	(6.3)	10.6	20.0	22.8	14.8	41.9	20.0	36.9	35.1
Balkrishna Industries	44.1	(6.9)	18.9	26.5	32.6	108.3	6.3	1.5	14.5	(6.5)	1.3	(14.8)	(36.8)	(4.9)	(12.5)	11.8	71.0
Bharat Forge	(110.1)	(174.1)	(98.6)	(101.4)	(751.0)	(256.3)	9,347.2	(35,695.2)	13.6	(18.3)	(47.1)	(73.5)	(34.6)	31.4	51.2	223.2	48.4
CEAT	19.1	(122.2)	308.2	166.9	113.4	(230.2)	(76.7)	(110.7)	(80.6)	(59.2)	(39.6)	(336.3)	372.4	1,378.3	712.3	408.0	18.4
CIE Automotive India	(30.9)	(300.1)	235.6	24.3	(334.7)	(197.0)	244.3	(28.0)	(321.6)	114.1	2.4	238.8	23.0	20.8	22.4	(21.4)	4.5
Eicher Motors	(27.9)	(97.5)	(36.7)	(0.1)	35.2	2,072.4	(4.8)	(13.6)	18.2	117.1	79.1	61.2	35.0	57.5	52.6	34.2	30.8
Endurance Technologies	(28.1)	(115.1)	(1.1)	59.6	75.4	(575.7)	(20.2)	(52.2)	(27.3)	(6.7)	(1.4)	14.4	0.2	47.9	17.5	40.7	54.0
Escorts Kubota	15.7	5.3	106.3	83.4	93.3	101.0	(23.1)	(28.2)	(25.7)	(20.4)	(21.6)	(7.5)	0.5	91.8	69.6	48.7	19.5
Exide Industries	(20.3)	(80.4)	(3.6)	23.2	47.2	185.4	2.4	(15.5)	1,567.0	80.5	5.1	9.3	(95.0)	6.9	16.6	7.7	36.5
Hero MotoCorp	(15.0)	(91.7)	4.0	23.2	39.3	496.1	(16.7)	(36.7)	(27.5)	70.9	(9.9)	3.6	37.0	50.0	47.2	51.0	18.3
Mahindra & Mahindra	(152.8)	(94.8)	(23.9)	47.7	(248.0)	1,891.8	57.8	(7.8)	47.1	56.6	38.7	50.0	61.6	93.3	53.1	22.5	5.3
Maruti Suzuki	(28.1)	(117.4)	1.0	24.1	(9.7)	(276.7)	(65.3)	(47.9)	57.7	129.8	333.7	132.5	42.7	145.4	80.3	33.1	47.8
MRF	127.8	(93.7)	82.9	116.3	(52.6)	846.2	(54.5)	(71.5)	(50.6)	(30.4)	(32.4)	16.0	161.9	417.5	361.3	200.2	24.4
SAMIL						(128.5)	(71.6)	(85.9)	(71.5)	(33.1)	278.3	387.8	322.2	325.5	19.3	19.3	109.7
Schaeffler India	(26.4)	(151.5)	20.2	67.5	78.1	(401.7)	50.5	34.6	48.4	67.4	26.1	21.2	5.9	10.6	8.1	(7.8)	0.2
SKF	(8.3)	(100.3)	(23.1)	150.3	39.2	(31,748.0)	80.8	(30.7)	4.4	63.2	32.5	31.4	12.3	19.6	(42.3)	13.3	42.5
Sona BLW Precision						(155,291.5)	22.3	3.5	50.7	4.0	4.9	23.9	16.7	50.3	38.3	23.9	21.7
Tata Motors	(491.3)	143.7	321.4	77.1	(119.2)	(47.6)	622.3	(164.9)	(116.3)	24.1	(83.8)	(218.8)	(2,621.1)	(177.1)	(726.1)	163.5	27.2
Timken	7.0	(93.8)	0.3	(56.0)	(13.6)	1,717.9	58.6	87.7	129.2	108.2	23.2	1.1	(13.8)	(23.7)	(4.7)	(4.3)	35.3
TVS Motors	(44.8)	(197.7)	(23.0)	119.4	291.6	(138.2)	41.5	8.5	(5.1)	503.1	46.8	22.4	49.5	45.9	31.7	68.2	18.3
Uno Minda	(107.1)	(429.5)	162.4	131.4	(2,795.8)	(108.8)	(27.4)	(12.2)	2.0	800.1	79.6	59.9	26.5	24.5	32.3	19.4	68.5
Varrco Engineering	(283.9)	(452.7)	(270.2)	(567.0)	(47.7)	(25.7)	666.6	115.6	97.4	(63.3)	167.4	(107.4)	(114.0)	(165.4)	(107.0)	193.4	73.2
<b>Total</b>	<b>(121.7)</b>	<b>(387.7)</b>	<b>(15.4)</b>	<b>50.1</b>	<b>(551.5)</b>	<b>(101.4)</b>	<b>(63.6)</b>	<b>(60.5)</b>	<b>29.6</b>	<b>1,266.6</b>	<b>278.8</b>	<b>153.3</b>	<b>44.7</b>	<b>850.7</b>	<b>130.5</b>	<b>58.3</b>	<b>31.8</b>
<b>Auto ancillaries</b>	<b>(26.4)</b>	<b>(177.4)</b>	<b>12.3</b>	<b>95.5</b>	<b>94.4</b>	<b>(217.3)</b>	<b>(0.8)</b>	<b>(42.9)</b>	<b>117.0</b>	<b>31.4</b>	<b>(9.8)</b>	<b>51.7</b>	<b>(41.4)</b>	<b>81.6</b>	<b>112.1</b>	<b>42.1</b>	<b>43.7</b>
<b>Auto OEMs</b>	<b>(145.5)</b>	<b>(603.0)</b>	<b>(23.6)</b>	<b>39.8</b>	<b>(290.3)</b>	<b>(83.1)</b>	<b>(91.1)</b>	<b>(66.1)</b>	<b>(6.5)</b>	<b>(88.6)</b>	<b>1,698.6</b>	<b>207.7</b>	<b>127.2</b>	<b>(8,905.1)</b>	<b>135.0</b>	<b>62.5</b>	<b>28.9</b>

Source: Company, Kotak Institutional Equities

**Volume growth, richer product mix, and RM tailwinds drove the margin expansion for majority of companies**

**Exhibit 30: KIE auto OEMs and ancillary companies' EBITDA margin change yoy, March fiscal year trends, 4Q24 (bps)**



Source: Company, Kotak Institutional Equities

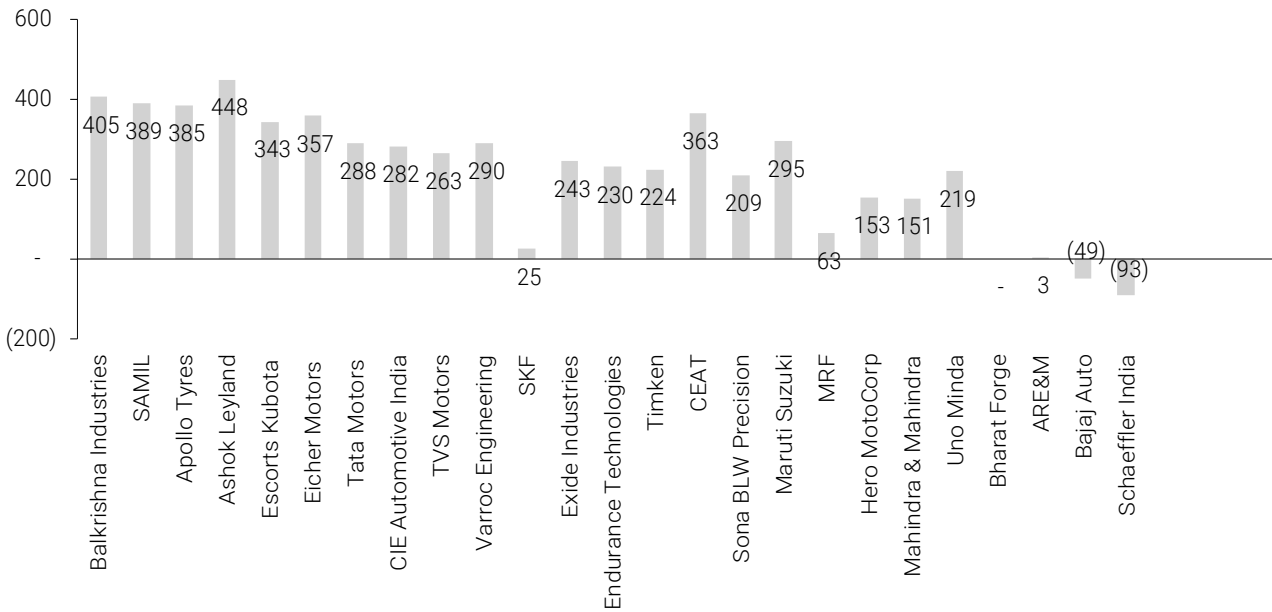
**Exhibit 31: KIE auto OEMs and ancillary company-wise EBITDA margin (reported) trends, March fiscal year trends, 4Q20-4Q24 (%)**

EBITDA margin (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Apollo Tyres	13.3	8.3	16.2	19.8	16.2	12.4	12.6	13.0	11.2	11.6	12.0	14.2	16.0	16.8	18.5	18.3	16.4
Amara Raja Energy & Mobility	15.4	13.2	17.6	15.6	15.1	13.2	11.9	12.0	10.1	10.0	13.3	15.0	14.5	12.8	13.8	15.1	14.6
Ashok Leyland	4.8	(51.2)	2.8	5.3	7.6	(4.7)	3.0	4.0	8.9	4.4	6.5	8.8	11.0	10.0	11.2	12.0	13.6
Bajaj Auto	18.4	13.3	17.7	19.4	17.7	15.2	16.0	15.2	17.1	16.2	17.2	19.1	19.3	19.0	19.8	20.1	20.1
Balkrishna Industries	29.3	26.7	33.7	31.8	31.9	29.2	27.2	24.4	23.7	20.0	20.1	19.1	21.3	23.0	24.4	25.3	25.9
Bharat Forge	8.5	(1.2)	12.1	16.5	20.4	21.4	21.4	21.0	15.5	15.0	14.0	14.0	12.1	15.4	16.5	18.0	15.4
CEAT	12.7	9.1	14.8	14.8	11.4	8.7	9.0	5.6	7.2	5.9	7.0	8.7	12.8	13.2	14.9	14.1	13.9
CIE Automotive India	11.6	(24.0)	11.2	14.6	14.0	12.1	14.1	11.8	13.9	14.2	13.9	14.5	15.3	16.1	15.6	15.3	16.5
Eicher Motors	20.8	0.2	22.8	23.5	22.0	17.5	20.3	20.5	23.6	24.3	23.7	23.9	24.7	26.0	27.9	27.5	28.3
Endurance Technologies	14.9	7.1	17.7	17.3	15.6	14.4	13.8	10.8	12.4	11.3	11.5	11.4	12.8	13.1	12.5	11.7	14.5
Escorts Kubota	14.1	11.3	18.3	18.0	15.6	14.0	12.6	13.5	13.1	10.0	8.1	8.4	10.8	14.0	12.9	13.5	12.8
Exide Industries	13.1	9.6	14.2	14.4	14.1	10.5	12.6	11.7	10.3	9.9	11.1	11.7	10.3	10.6	11.8	11.5	13.0
Hero MotoCorp	10.6	3.6	13.7	14.5	13.9	9.4	12.6	12.2	11.2	11.2	11.4	11.5	13.0	13.8	14.1	14.0	14.3
Mahindra & Mahindra	13.6	10.3	17.8	17.0	14.6	13.9	12.5	11.7	11.4	11.8	11.9	13.0	12.4	13.4	12.6	12.8	12.9
Maruti Suzuki	8.5	(21.0)	10.3	9.5	8.3	4.6	4.2	6.7	9.1	7.2	9.3	9.8	10.5	9.2	12.9	11.7	12.3
MRF	15.7	13.6	20.4	21.1	15.7	11.8	10.6	10.1	10.1	8.5	8.2	9.9	14.7	17.6	18.5	17.2	17.0
SAMIL	(2.6)	(6.6)	9.3	10.5	10.1	7.6	6.7	6.7	7.4	6.1	7.7	8.0	9.2	8.6	8.0	9.0	10.8
Schaeffler India	14.8	(4.5)	16.9	18.0	16.2	16.8	17.8	18.9	19.7	18.4	18.2	19.2	18.6	18.7	18.4	17.3	17.6
SKF	10.1	(0.2)	13.1	22.0	17.5	16.4	16.5	12.7	15.3	17.4	19.9	17.1	15.3	17.6	10.8	15.8	16.5
Sona BLW Precision		19.0	32.5	30.0	26.0	27.7	26.4	26.4	24.6	24.2	25.2	27.2	27.1	27.8	28.2	29.3	28.0
Tata Motors	3.8	2.0	10.6	15.2	14.4	7.9	6.6	9.4	11.1	4.4	7.8	10.9	12.1	13.3	13.1	13.9	14.2
Timken	23.1	8.8	21.3	17.5	18.3	19.8	22.2	22.4	26.9	24.5	19.0	17.0	19.1	18.9	19.9	16.7	22.1
TVS Motors	7.0	(3.4)	9.3	9.5	10.1	7.0	10.0	10.0	10.1	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.3
Uno Minda	9.3	(17.8)	14.0	13.7	13.5	9.2	10.8	10.8	11.4	10.4	11.1	11.6	11.1	10.7	11.1	10.8	11.2
Varroc Engineering	(2.6)	(14.0)	8.3	6.5	8.5	5.3	7.9	5.0	6.5	7.8	9.5	7.9	9.2	10.1	10.3	9.3	10.1
<b>Total</b>	<b>8.1</b>	<b>1.4</b>	<b>12.7</b>	<b>14.5</b>	<b>13.5</b>	<b>9.3</b>	<b>9.2</b>	<b>10.1</b>	<b>11.2</b>	<b>8.3</b>	<b>10.0</b>	<b>11.5</b>	<b>12.4</b>	<b>13.0</b>	<b>13.4</b>	<b>13.7</b>	<b>14.1</b>
<b>Auto ancillaries</b>	<b>12.5</b>	<b>1.8</b>	<b>14.1</b>	<b>14.8</b>	<b>14.1</b>	<b>11.6</b>	<b>11.9</b>	<b>11.0</b>	<b>11.0</b>	<b>10.2</b>	<b>11.0</b>	<b>11.4</b>	<b>12.5</b>	<b>12.9</b>	<b>13.1</b>	<b>13.3</b>	<b>14.0</b>
<b>Auto OEMs</b>	<b>7.2</b>	<b>1.2</b>	<b>12.1</b>	<b>14.3</b>	<b>13.4</b>	<b>8.4</b>	<b>8.2</b>	<b>9.8</b>	<b>11.2</b>	<b>7.6</b>	<b>9.7</b>	<b>11.5</b>	<b>12.3</b>	<b>13.0</b>	<b>13.5</b>	<b>13.8</b>	<b>14.1</b>

Source: Company, Kotak Institutional Equities

**Richer product mix, RM tailwinds drove the gross margin expansion for companies on a yoy basis in 4QFY24**

**Exhibit 32: KIE auto OEMs and ancillary company wise gross margin change yoy, March fiscal year trends, 4Q24 (bps)**



Source: Company, Kotak Institutional Equities

**Exhibit 33: KIE auto OEMs and ancillary company-wise gross margin (reported) trends, March fiscal year trends, 4Q20-4Q24 (%)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	
<b>Gross margin (%)</b>																		
Apollo Tyres	47.4	43.2	46.3	47.9	45.1	42.8	41.4	40.0	39.8	39.7	38.9	39.7	43.4	45.0	45.7	46.6	47.2	
Amara Raja Energy & Mobility	36.3	33.5	34.7	33.9	32.6	31.1	29.9	29.7	27.9	26.6	30.5	33.4	99.7	28.9	31.6	99.8	99.8	
Ashok Leyland	28.9	35.9	28.8	25.6	23.1	25.9	23.3	22.1	21.8	20.7	22.0	23.7	24.4	26.3	26.5	27.8	28.9	
Bajaj Auto	31.6	32.9	29.3	29.2	28.1	27.0	26.3	25.3	28.1	27.8	26.6	29.4	30.2	28.1	29.0	28.9	29.7	
Balkrishna Industries	56.5	61.1	60.6	59.7	58.8	57.2	55.4	53.5	54.7	53.4	51.2	48.6	49.3	51.7	51.9	52.0	53.3	
Bharat Forge	54.1	52.7	58.9	60.6	59.5	64.6	61.4	60.3	55.3	56.3	55.8	52.2	51.7	51.6	53.3	54.0	53.0	
CEAT	45.6	40.3	46.5	45.5	42.0	38.9	36.9	34.0	33.5	31.7	32.5	34.5	40.1	41.1	43.3	41.3	43.7	
CIE Automotive India	54.9	52.0	51.9	53.3	50.7	51.9	49.6	45.9	45.2	43.7	43.4	45.4	45.6	47.4	46.8	47.9	48.5	
Eicher Motors	43.5	38.1	42.3	40.9	40.3	40.6	41.0	39.8	42.7	42.7	41.5	41.7	42.9	43.3	46.8	46.1	46.5	
Endurance Technologies	45.7	52.1	46.0	45.9	42.7	46.2	41.4	39.2	39.6	39.6	37.7	40.1	40.7	40.9	39.8	39.9	43.0	
Escorts Kubota	37.8	32.9	36.4	34.3	31.5	31.7	33.5	29.8	29.6	27.8	27.6	25.5	28.5	30.2	32.3	30.6	31.9	
Exide Industries	38.2	31.2	35.0	35.9	34.4	31.1	32.7	31.0	27.9	27.8	30.5	32.3	30.6	28.4	31.1	31.5	33.0	
Hero MotoCorp	30.8	29.5	28.9	29.5	29.6	27.5	27.7	29.0	30.7	27.2	28.0	30.6	32.0	30.6	31.4	32.7	33.6	
Mahindra & Mahindra	35.7	35.2	33.6	31.5	30.9	30.4	27.3	25.3	23.6	23.4	23.5	24.0	25.0	24.7	24.4	24.6	26.5	
Maruti Suzuki	29.7	28.5	30.0	27.5	26.1	25.2	24.2	24.7	26.5	25.4	26.9	27.3	26.7	27.2	29.4	29.1	29.7	
MRF	42.8	40.0	44.3	44.8	38.5	37.9	35.5	33.4	32.1	31.5	29.7	32.1	37.0	38.8	40.8	40.1	37.7	
SAMIL		40.6	44.0	43.3	43.6	43.1	42.5	41.6	41.8	41.2	41.3	43.1	43.5	43.5	43.2	44.8	47.4	
Schaeffler India	39.8	37.3	36.9	37.8	35.9	38.5	37.5	38.9	39.2	37.1	37.0	39.0	38.8	38.6	37.1	37.2	37.9	
SKF	37.8	39.0	37.2	46.7	41.1	45.4	38.5	35.6	37.5	39.2	42.3	41.5	38.7	39.8	34.0	41.7	38.9	
Sona BLW Precision		56.8	60.7	59.8	57.1	56.6	53.7	57.5	55.1	54.5	53.0	55.8	54.3	56.9	55.1	59.1	56.4	
Tata Motors	34.7	37.7	37.5	36.7	35.7	35.9	33.1	36.2	34.7	33.0	33.9	35.1	35.6	37.6	36.4	38.3	38.5	
Timken	46.8	47.7	45.2	43.9	42.7	44.5	44.3	46.1	47.7	45.8	39.8	39.5	38.5	41.2	41.6	40.5	40.7	
TVS Motors	25.0	24.1	23.5	23.9	24.7	24.3	24.1	23.7	23.8	23.9	23.8	24.5	24.6	25.4	26.0	26.3	27.2	
Uno Minda	39.6	40.7	39.0	39.0	37.3	38.7	36.6	35.7	35.9	35.2	35.1	36.8	35.6	35.8	34.4	35.0	37.8	
Varroc Engineering	27.6	32.9	35.6	33.9	33.8	36.4	34.4	34.3	32.1	35.5	35.5	34.5	36.7	36.8	36.7	36.3	39.7	
<b>Total</b>	<b>35.0</b>	<b>37.3</b>	<b>36.6</b>	<b>35.7</b>	<b>34.7</b>	<b>35.0</b>	<b>32.7</b>	<b>33.3</b>	<b>32.9</b>	<b>31.7</b>	<b>32.1</b>	<b>33.3</b>	<b>34.6</b>	<b>34.8</b>	<b>34.7</b>	<b>36.5</b>	<b>37.3</b>	
<b>Auto ancillaries</b>	<b>42.8</b>	<b>41.4</b>	<b>43.7</b>	<b>43.8</b>	<b>42.7</b>	<b>42.8</b>	<b>41.1</b>	<b>39.9</b>	<b>39.7</b>	<b>38.9</b>	<b>38.9</b>	<b>40.3</b>	<b>44.1</b>	<b>41.5</b>	<b>41.9</b>	<b>45.8</b>	<b>47.0</b>	
<b>Auto OEMs</b>	<b>33.3</b>	<b>35.5</b>	<b>33.9</b>	<b>33.0</b>	<b>32.2</b>	<b>32.2</b>	<b>29.6</b>	<b>31.1</b>	<b>30.6</b>	<b>29.0</b>	<b>29.7</b>	<b>31.0</b>	<b>31.7</b>	<b>32.7</b>	<b>32.5</b>	<b>33.6</b>	<b>34.3</b>	

Source: Company, Kotak Institutional Equities

**Exhibit 34: KIE auto OEMs and ancillary company-wise employee expense trends, March fiscal year trends, 4Q20-4Q24 (% of sales)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Apollo Tyres	16.6	18.7	14.6	13.1	13.3	14.3	12.6	11.3	11.4	10.9	10.3	10.5	11.0	11.8	11.8	11.6	11.6
<b>Amara Raja Energy &amp; Mobility</b>	<b>5.9</b>	<b>7.3</b>	<b>6.0</b>	<b>6.0</b>	<b>5.1</b>	<b>6.3</b>	<b>5.8</b>	<b>5.5</b>	<b>5.5</b>	<b>5.1</b>	<b>5.6</b>	<b>6.1</b>	<b>6.7</b>	<b>5.8</b>	<b>5.8</b>	<b>6.3</b>	<b>5.8</b>
Ashok Leyland	10.7	54.4	13.2	9.4	5.7	14.4	9.0	7.8	5.0	6.2	6.4	6.1	5.1	6.6	5.9	6.1	4.9
Bajaj Auto	5.0	11.0	4.5	3.6	3.6	4.9	4.0	3.8	3.8	4.7	3.5	3.8	4.1	3.7	3.5	3.2	3.4
Balkrishna Industries	5.4	7.4	5.4	5.6	5.0	5.2	4.8	4.7	3.7	3.9	3.6	4.5	4.1	5.0	5.0	4.9	4.1
CEAT	9.0	13.5	8.1	8.1	8.0	9.3	7.0	7.1	6.6	6.1	5.8	6.7	7.4	6.7	7.1	7.3	7.0
CIE Automotive India	16.6	41.4	15.0	13.7	13.1	15.3	13.0	12.8	11.7	8.9	8.5	9.0	9.3	9.5	9.3	9.3	9.5
Eicher Motors	9.4	22.0	9.3	7.9	7.3	11.1	7.5	6.7	6.6	7.2	6.7	6.7	6.1	6.9	7.2	7.0	7.3
Endurance Technologies	10.2	21.9	9.5	8.9	9.1	11.5	8.7	8.8	8.1	8.8	7.4	9.2	9.4	8.9	8.3	8.7	8.4
Escorts Kubota	9.4	11.9	7.7	6.7	6.6	8.2	8.4	6.8	6.4	6.8	7.9	6.7	7.2	6.4	8.2	7.0	7.6
Exide Industries	7.7	9.0	6.9	7.4	6.3	7.4	6.5	6.4	5.6	5.5	5.9	6.2	6.1	5.8	6.2	6.4	6.1
Hero MotoCorp	7.0	12.9	5.5	5.3	5.6	7.9	6.0	6.6	6.4	6.4	6.0	6.8	6.7	6.6	6.1	6.2	6.8
Mahindra & Mahindra	7.9	13.8	6.8	6.3	6.0	7.5	6.0	5.8	4.4	4.3	4.4	4.3	4.2	4.3	4.6	4.5	4.4
Maruti Suzuki	4.5	17.8	4.4	4.0	3.7	6.0	4.7	4.2	3.8	4.4	3.8	4.1	3.5	4.5	3.5	4.0	3.7
MRF	9.5	12.7	8.0	8.6	7.4	8.6	7.8	7.7	7.1	6.5	6.8	7.3	7.0	6.5	7.1	7.2	7.7
SAMIL		33.3	23.5	22.5	23.3	24.5	24.9	23.9	23.5	24.3	22.5	22.7	22.0	23.7	23.3	23.7	24.7
Schaeffler India	10.0	19.0	7.3	7.4	7.4	8.0	6.7	6.5	6.7	6.2	6.2	6.0	6.7	6.5	6.2	6.1	6.8
SKF	9.5	18.8	8.2	8.2	7.6	9.8	7.5	7.2	7.3	7.4	7.3	6.3	6.9	7.6	7.5	7.6	7.7
Sona BLW Precision		16.5	8.2	9.1	8.5	8.6	7.5	8.5	7.3	7.3	6.7	7.0	6.1	6.7	7.0	9.4	8.2
Tata Motors	12.3	17.8	12.0	10.0	9.0	12.0	11.6	10.6	10.2	10.8	9.9	9.7	8.9	9.6	9.6	10.0	9.5
TVS Motors	6.4	13.8	4.7	5.0	5.0	6.6	5.3	5.2	5.1	5.3	4.8	5.2	5.1	5.2	4.8	4.9	5.1
Uno Minda	15.7	39.4	13.9	13.4	13.2	17.2	14.3	13.5	13.8	13.3	12.7	12.7	13.3	13.7	12.4	12.9	11.7
Varrac Engineering	15.7	26.3	13.0	12.2	10.2	13.1	10.7	10.5	8.8	10.6	9.4	10.6	11.2	10.6	10.7	11.0	10.4
<b>Total</b>	<b>9.8</b>	<b>18.4</b>	<b>10.3</b>	<b>9.2</b>	<b>8.6</b>	<b>11.3</b>	<b>9.8</b>	<b>9.4</b>	<b>8.9</b>	<b>9.2</b>	<b>8.5</b>	<b>8.8</b>	<b>8.3</b>	<b>8.9</b>	<b>8.7</b>	<b>9.1</b>	<b>8.9</b>
<b>Auto ancillaries</b>	<b>10.5</b>	<b>21.6</b>	<b>14.3</b>	<b>13.7</b>	<b>13.7</b>	<b>15.1</b>	<b>13.2</b>	<b>13.7</b>	<b>13.5</b>	<b>13.2</b>	<b>12.6</b>	<b>13.3</b>	<b>13.5</b>	<b>13.9</b>	<b>13.9</b>	<b>14.5</b>	<b>14.7</b>
<b>Auto OEMs</b>	<b>9.7</b>	<b>17.0</b>	<b>8.8</b>	<b>7.7</b>	<b>7.2</b>	<b>9.9</b>	<b>8.5</b>	<b>7.9</b>	<b>7.4</b>	<b>7.7</b>	<b>7.1</b>	<b>7.3</b>	<b>6.8</b>	<b>7.4</b>	<b>7.1</b>	<b>7.4</b>	<b>7.1</b>

Source: Company, Kotak Institutional Equities

**Exhibit 35: KIE auto OEMs and ancillary other expenses trends, March fiscal year trends, 4Q20-4Q24 (% of sales)**

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Apollo Tyres	17.5	16.3	15.5	15.0	15.6	16.1	16.3	15.7	17.1	17.2	16.6	15.0	16.4	16.4	15.4	16.7	19.2
<b>Amara Raja Energy &amp; Mobility</b>	<b>15.0</b>	<b>13.0</b>	<b>11.1</b>	<b>12.2</b>	<b>12.4</b>	<b>11.6</b>	<b>12.2</b>	<b>12.3</b>	<b>12.3</b>	<b>11.5</b>	<b>11.6</b>	<b>12.2</b>	<b>13.6</b>	<b>10.3</b>	<b>12.1</b>	<b>12.6</b>	<b>14.1</b>
Ashok Leyland	13.5	32.6	12.8	10.9	9.7	16.2	11.3	10.2	7.9	10.1	9.1	8.8	8.3	9.7	9.3	9.6	9.1
Bajaj Auto	8.2	8.7	7.1	6.2	6.8	6.9	6.3	6.3	7.1	6.9	5.9	6.5	6.9	5.4	5.7	5.7	6.3
Balkrishna Industries	21.7	26.9	21.4	22.3	21.9	22.8	23.5	24.5	27.3	29.5	27.5	25.0	23.9	23.7	22.5	21.8	23.3
CEAT	23.9	17.6	23.5	22.7	22.6	20.9	20.9	21.3	19.7	19.7	19.7	19.2	19.9	21.2	21.3	19.9	21.5
CIE Automotive India	26.6	34.7	25.7	25.0	23.7	24.5	22.6	21.3	19.6	20.6	21.0	21.9	21.0	21.8	21.8	23.2	22.5
Eicher Motors	13.3	16.0	10.2	9.5	11.0	11.9	13.2	12.6	12.4	11.3	11.1	11.1	12.1	10.4	11.7	11.6	11.3
Endurance Technologies	20.7	23.1	18.8	19.8	18.1	20.3	18.9	19.6	19.1	19.4	18.8	19.4	18.5	18.8	19.0	19.6	20.0
Escorts Kubota	14.3	9.7	10.4	9.6	9.3	9.6	12.4	9.5	10.1	11.0	11.6	10.3	10.5	9.8	11.3	10.1	11.6
Exide Industries	17.3	12.6	13.9	14.1	14.0	13.7	13.8	13.0	12.2	12.6	13.5	14.2	13.2	11.8	13.1	13.6	14.1
Hero MotoCorp	13.2	13.0	9.7	9.8	10.0	10.2	9.1	10.3	13.1	9.6	10.6	12.3	12.3	10.3	11.2	12.5	12.5
Mahindra & Mahindra	14.2	11.1	9.0	8.2	10.3	9.0	8.8	7.8	7.9	7.3	7.2	6.7	8.4	6.9	7.2	7.3	9.2
Maruti Suzuki	16.7	31.7	15.3	13.9	14.1	14.6	15.3	13.8	13.5	13.8	13.9	13.4	12.8	13.5	12.9	13.3	12.8
MRF	17.6	13.6	15.9	15.1	15.3	17.5	17.1	15.6	14.9	16.4	14.7	15.0	15.3	14.7	15.1	15.7	17.5
SAMIL		13.9	11.1	10.3	10.2	11.0	10.9	11.0	10.9	10.8	11.2	12.4	12.4	11.2	11.8	12.1	11.9
Schaeffler India	15.0	22.8	12.6	12.4	12.4	13.7	13.0	13.6	12.9	12.5	12.6	13.8	13.5	13.4	12.6	13.8	13.5
SKF	18.1	20.3	15.9	16.5	16.0	19.2	14.5	15.6	14.8	14.4	15.1	18.1	16.5	14.6	15.7	18.3	16.7
Sona BLW Precision		21.3	19.9	20.7	22.6	20.3	19.9	22.5	23.2	23.0	21.1	21.6	21.1	22.4	19.9	20.4	20.2
Tata Motors	18.6	17.9	14.9	11.5	12.3	16.0	14.8	16.3	13.4	17.7	16.2	14.5	14.7	14.7	13.7	14.3	14.8
TVS Motors	11.6	13.8	9.5	9.4	9.5	10.7	8.8	8.6	8.6	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.8
Uno Minda	14.6	19.1	11.1	11.8	10.5	12.3	11.5	11.4	10.8	11.4	11.4	12.4	11.3	11.4	10.9	11.3	11.8
Varrac Engineering	14.5	20.5	14.3	15.2	15.1	18.0	15.9	18.8	16.8	17.1	16.6	16.0	16.3	16.0	15.7	16.0	17.6
<b>Total</b>	<b>16.5</b>	<b>16.7</b>	<b>13.2</b>	<b>11.6</b>	<b>12.1</b>	<b>13.9</b>	<b>13.2</b>	<b>13.8</b>	<b>12.8</b>	<b>14.2</b>	<b>13.6</b>	<b>13.0</b>	<b>13.3</b>	<b>12.9</b>	<b>12.6</b>	<b>13.0</b>	<b>13.5</b>
<b>Auto ancillaries</b>	<b>16.5</b>	<b>15.3</b>	<b>13.8</b>	<b>13.5</b>	<b>13.3</b>	<b>14.0</b>	<b>14.0</b>	<b>15.2</b>	<b>15.2</b>	<b>15.5</b>	<b>15.4</b>	<b>15.5</b>	<b>15.5</b>	<b>14.7</b>	<b>14.8</b>	<b>15.2</b>	<b>15.8</b>
<b>Auto OEMs</b>	<b>16.5</b>	<b>17.3</b>	<b>13.0</b>	<b>11.0</b>	<b>11.7</b>	<b>13.9</b>	<b>12.9</b>	<b>13.3</b>	<b>11.9</b>	<b>13.7</b>	<b>13.0</b>	<b>12.2</b>	<b>12.6</b>	<b>12.4</b>	<b>11.9</b>	<b>12.3</b>	<b>12.8</b>

Source: Company, Kotak Institutional Equities

**Exhibit 36: KIE Auto OEMs and ancillary companies' valuation summary**

Company	31-May-24			Mkt cap.				EPS (Rs)				EPS growth (%)		
	Price (Rs)	(Rs mn)	(US\$ mn)	2023	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	
Amara Raja Batteries	1,181	216,217	2,591	40.7	45.7	50.6	53.0	12.4	10.8	4.7				
Apollo Tyres	464	294,369	3,527	16.1	27.9	26.5	28.0	73.0	(5.0)	5.8				
Ashok Leyland	224	657,760	7,881	4.4	9.2	10.6	10.3	NA	NA	(2.4)				
Bajaj Auto	9,085	2,536,278	30,387	198.9	267.9	289.0	311.3	34.7	7.9	7.7				
Balkrishna Industries	3,050	589,627	7,064	54.7	76.1	82.4	96.2	39.2	8.3	16.6				
Bharat Forge	1,555	723,781	8,672	11.6	19.4	33.5	41.5	NA	72.4	23.8				
CEAT	2,358	95,389	1,143	51.9	169.4	157.2	151.2	226.6	(7.2)	(3.8)				
CIE Automotive	533	202,067	2,421	18.1	21.1	24.3	28.1	16.5	15.4	15.3				
Eicher Motors	4,733	1,297,015	15,540	107.1	147.0	159.3	170.4	37.3	8.4	7.0				
Endurance Technologies	2,219	312,103	3,739	34.3	48.4	58.2	67.2	41.2	20.4	15.5				
Escorts Kubota	3,808	420,777	5,041	54.9	93.9	102.9	112.4	70.9	9.6	9.3				
Exide Industries	488	415,013	4,972	10.6	12.4	14.7	16.3	16.5	18.5	10.8				
Hero Motocorp	5,120	1,023,567	12,263	145.4	204.6	231.3	248.0	40.7	13.1	7.2				
Mahindra & Mahindra	2,506	3,116,594	37,340	65.8	92.5	94.7	105.9	40.6	2.4	11.8				
Maruti Suzuki	12,399	3,898,372	46,707	266.5	420.1	443.6	478.9	57.7	5.6	7.9				
SAMIL	151	1,024,934	12,280	2.3	4.3	5.7	6.8	84.7	33.3	19.4				
MRF	125,524	532,366	6,378	1,813.6	4,908.6	4,361.3	4,691.2	170.7	(11.1)	7.6				
Schaeffler India	4,242	662,962	7,943	55.5	57.7	62.4	73.2	4.0	8.1	17.3				
SKF	6,000	296,628	3,554	106.2	111.6	139.4	156.5	5.1	24.9	12.3				
Sona BLW Precision	651	381,844	4,575	6.8	9.1	12.0	14.6	34.6	31.1	22.4				
Tata Motors	923	3,534,949	42,352	1.9	52.1	68.7	76.5	2,620.6	31.8	11.4				
Timken	3,954	297,377	3,563	51.9	52.1	65.5	81.4	0.4	25.6	24.3				
TVS Motor	2,179	1,035,334	12,404	31.4	43.8	49.4	55.9	39.7	12.6	13.1				
Uno Minda	850	488,123	5,848	11.4	15.0	17.5	20.1	31.5	16.0	15.2				
Varroc Engineering	557	85,140	1,020	(53.5)	36.2	24.8	31.8	(167.7)	(31.6)	28.5				

Source: Company, Kotak Institutional Equities estimates

**Exhibit 37 (contd.): KIE Auto OEMs universe valuation summary**

Company	31-May-24					EV/EBITDA (X)						P/BV (X)				RoE (%)				Absolute change (%)				
	Price (Rs)	2023	2024	2025E	2026E	2023	2024	2025E	2026E	2023	2024	2025E	2026E	2023	2024	2025E	2026E	1m	3m	6m	1yr	YTD		
Amara Raja Batteries	1,181	29.1	25.9	23.3	12.0	15.9	14.3	12.7	5.5	3.8	3.4	3.0	1.5	14.1	13.9	13.7	14.0	7.4	40.8	66.4	96.5	44.8		
Apollo Tyres	464	28.8	16.6	17.5	16.5	10.3	7.2	7.1	6.7	2.4	2.1	1.9	1.8	8.5	13.4	11.6	11.3	(9.1)	(10.6)	8.4	18.7	2.1		
Ashok Leyland	224	50.8	24.2	21.2	21.7	22.4	14.0	13.2	13.4	7.5	7.2	6.0	5.1	15.8	30.4	30.9	25.5	16.3	31.8	22.3	53.1	23.4		
Bajaj Auto	9,085	45.7	33.9	31.4	29.2	35.8	26.4	24.3	22.4	10.1	10.2	9.6	9.0	21.6	29.7	31.4	31.8	2.0	14.9	49.2	98.9	33.7		
Balkrishna Industries	3,050	55.8	40.1	37.0	31.7	29.8	25.0	22.1	19.2	7.8	6.7	5.8	5.1	14.6	17.9	16.8	17.1	25.5	36.8	18.4	34.1	18.7		
Bharat Forge	1,555	133.6	80.0	46.4	37.5	44.2	30.6	24.8	21.3	10.8	10.1	8.6	7.3	8.2	13.0	20.0	21.0	22.3	35.1	38.8	96.5	25.5		
CEAT	2,358	45.5	13.9	15.0	15.6	11.9	6.7	7.0	6.8	2.8	2.4	2.1	1.9	6.3	18.3	14.8	12.9	(8.2)	(17.4)	12.3	22.3	(2.8)		
Mahindra CIE Automotive	533	29.4	25.3	21.9	19.0	17.5	14.0	12.9	11.2	4.0	3.4	3.0	2.7	13.3	14.4	14.5	15.0	8.5	20.8	11.5	17.2	13.2		
Eicher Motors	4,733	44.2	32.2	29.7	27.8	34.5	27.5	24.2	21.9	10.0	8.2	7.1	6.2	24.6	28.0	25.6	23.8	3.0	24.8	21.5	28.9	14.2		
Endurance Technologies	2,219	64.8	45.9	38.1	33.0	29.7	23.1	19.6	17.1	7.1	6.3	5.6	4.9	10.9	13.7	14.6	14.9	12.1	19.5	31.8	54.7	14.8		
Escorts	3,808	69.3	40.6	37.0	33.9	53.3	35.0	31.6	28.3	5.0	4.6	4.1	3.7	7.2	11.3	11.2	11.1	13.4	33.3	20.9	75.0	27.7		
Exide Industries	488	45.9	39.4	33.3	30.0	26.4	22.1	18.9	16.9	3.7	3.2	2.9	2.7	8.3	8.6	9.1	9.4	3.4	52.4	71.5	131.2	53.6		
Hero Motocorp	5,120	35.2	25.0	22.1	20.6	22.8	16.9	14.5	13.3	6.1	5.7	5.3	4.9	17.9	23.6	24.8	24.6	12.7	15.7	34.8	86.5	24.4		
Mahindra & Mahindra	2,506	38.1	27.1	26.5	23.7	28.9	23.2	20.0	17.8	6.7	5.6	4.7	4.0	18.7	22.4	19.3	18.4	16.2	29.7	52.1	90.0	44.9		
Maruti Suzuki	12,399	46.5	29.5	27.9	25.9	31.2	19.6	18.5	16.3	6.2	4.6	4.2	3.8	14.1	18.3	15.8	15.5	(3.3)	9.8	16.9	32.4	20.4		
SAMIL	151	65.5	35.5	26.6	22.3	17.5	12.2	10.5	9.1	4.6	3.9	3.5	3.1	7.3	11.9	13.9	14.7	(5.6)	26.9	64.3	91.3	48.4		
MRF	125,524	69.2	25.6	28.8	26.8	21.9	12.1	12.3	11.3	3.6	3.2	2.9	2.6	5.4	13.3	10.5	10.2	15.3	(14.1)	12.4	29.1	(3.1)		
Schaeffler India	4,242	76.4	73.5	67.9	57.9	50.0	49.0	44.8	38.1	15.5	13.8	12.4	11.1	21.9	19.9	19.2	20.2	15.0	46.6	49.4	43.0	32.4		
SKF	6,000	56.5	53.8	43.0	38.3	38.3	38.6	31.8	28.0	12.7	11.1	9.7	8.5	22.4	20.6	22.5	22.2	29.7	27.0	30.4	35.9	30.4		
Sona BLW Precision	651	96.1	71.4	54.5	44.5	54.8	41.6	32.5	27.1	16.6	13.6	11.5	9.6	18.5	20.6	21.8	22.9	4.1	(5.5)	16.7	20.2	1.0		
Tata Motors	923	481.7	17.7	13.4	12.1	13.3	6.6	5.7	4.9	7.8	4.2	3.2	2.6	1.6	30.6	26.2	23.4	(8.4)	(2.9)	30.7	75.4	18.3		
Timken	3,954	76.1	75.8	60.4	48.6	52.4	51.1	41.1	33.3	14.6	12.3	10.3	8.6	21.2	17.6	18.6	19.3	18.4	45.3	34.4	19.6	21.6		
TVS Motor	2,179	69.4	49.7	44.1	39.0	39.4	29.7	25.9	23.0	17.1	13.4	13.9	11.1	27.4	30.2	30.9	31.6	5.8	1.9	16.9	67.3	7.6		
Uno Minda	850	74.3	56.5	48.7	42.3	40.3	31.7	27.4	23.5	11.7	9.8	8.3	7.0	15.7	17.4	17.0	16.6	15.2	27.0	26.3	53.0	23.6		
Varroc Engineering	557	(10.4)	15.4	22.5	17.5	17.0	12.3	10.5	8.6	8.5	5.6	4.5	3.6	(81.4)	36.2	19.9	20.3	6.0	14.3	3.6	80.6	0.6		

Source: Company, Kotak Institutional Equities estimates



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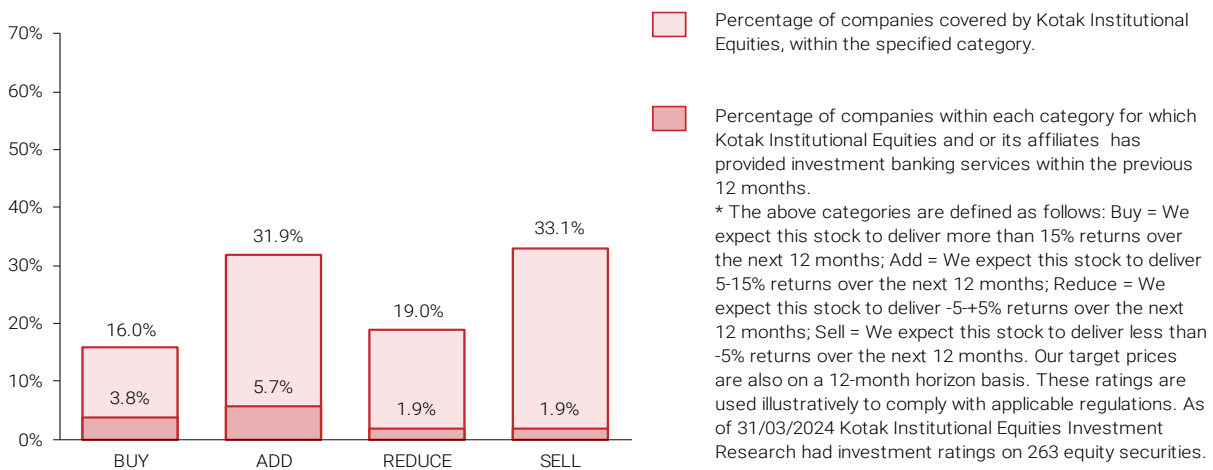
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