Automobiles

Result Preview

Company
Amara Raja Energy Mobility
Ashok Leyland
Apollo Tyres
Bajaj Auto
Balkrishna Industries
Bharat Forge
BOSCH
Ceat
CIE Automotive
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Happy Forgings
Hero MotoCorp
Mahindra & Mahindra
Maruti Suzuki
Samvardhana Motherson
Motherson Wiring
MRF
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

CVs and 2Ws see demand revival in Q2

OEMs likely to outperform ancillaries

- **After a weak print in 1Q, auto OEMs in our coverage universe delivered 12.9% YoY volume growth in 2QFY26. Among the listed companies, 2W/CV OEMs posted volume growth of 15%/10% in 2Q. Aggregate PV growth for the four listed OEMs stood at just 3% YoY.**
- **For our OEM coverage universe (excl. TTMT), revenue is likely to grow 13% YoY on the back of healthy volume growth. Similarly, excl. TTMT, EBITDA/PAT for our coverage universe is expected to grow by 11%/14% YoY.**
- **For auto ancillaries under our coverage, we expect ~9% growth in revenue but a much slower 3% growth in both EBITDA/PAT in 2Q.**
- **TVS (+49%), EIM (+31%), Escorts (+22%) and HMCL (+20%) are expected to outperform OE peers in 2Q. In auto ancillaries, outperformers include APTY (+23%), Craftsman (+40%) and ENDU (+21%).**
- **Overall earnings estimate cuts have been moderate in 2Q.**
- **Our top OEM picks are MSIL and MM. Top auto ancillary picks are ENDU and Happy Forgings.**

Demand has picked up well in CVs and 2Ws in 2Q, PVs remain weak

After a subdued show in 1Q, auto OEMs in our coverage universe posted a much better 12.9% YoY volume growth in 2QFY26. Both 2Ws and CVs posted a smart revival in volumes even as PV demand remained subdued. Among the listed players, 2W/CV OEMs posted 15%/10% growth in 2Q volumes. On the other hand, aggregate PV growth for the four listed OEMs stood at just 3% YoY. In 2Ws, except for BJAUT (+6%), other three listed players saw healthy double-digit growth – RE (+43%), TVS (23%) and HMCL (+11%). In PVs, TTMT outperformed peers with 11% YoY growth. MM UV growth was slower at 7% as it intentionally reduced dispatches to dealers given the lack of clarity on cess compensation. Also, while MSIL saw 2% YoY growth, HMIL volumes declined 1% YoY in 2Q. Discounts have increased QoQ in 2Q in PVs, as per our channel checks. In CVs, TTMT was the key growth driver with 13% growth, while AL (+8%) and VECV (+5%) saw single-digit growth. The tractor segment posted the highest growth in the auto sector, as the two listed companies delivered a robust 31% YoY growth in 2Q.

Auto OEMs to see healthy earnings growth compared to auto ancillaries

On the back of a healthy recovery in volumes, auto OEM companies under our coverage are expected to deliver 11%/14% growth in EBITDA/PAT (excl. TTMT). Aggregate EBITDA margin for our coverage universe is estimated to rise marginally by 20bp YoY to 13.2%. In 2Q, major margin gains are expected for TVSL (+130bp YoY), TTMT CV (+190bp), VECV (+160bp), and Escorts (+330bp). On the other hand, MSIL (-150bp YoY) and TTMT PV (-120bp) are expected to see margin contraction. For auto ancillaries, we expect our coverage universe to post ~9% growth in revenue and a much slower 3% growth in both EBITDA/PAT in 2Q.

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Estimated hits and misses in 2QFY26

We expect our auto OEM coverage universe (excl. TTMT) to post 15% YoY earnings growth. It is important to highlight that excl. TTMT, all other listed OEMs are expected to post positive earnings growth. TVSL (+49%), EIM (+31%), Escorts (+22%) and HMCL (+20%) are expected to outperform their OEM peers in 2Q. TTMT is the only OEM that is expected to post earnings decline in 2Q. Meanwhile, MSIL (8%), HMIL (8%), BJAUT (+9%) and AL (+7%) are expected to post single-digit growth. Our ancillary coverage universe should deliver modest 3% YoY earnings growth in PAT in 2Q. Key earnings growth drivers include APTY (+23%), Craftsman (+40%) and Endurance (+21%). Major laggards are expected to be Sona (-11%), Amara (-14%), BHFC (-13%) and SAMIL (-15%).

Overall earnings estimate cuts have been moderate in this quarter.

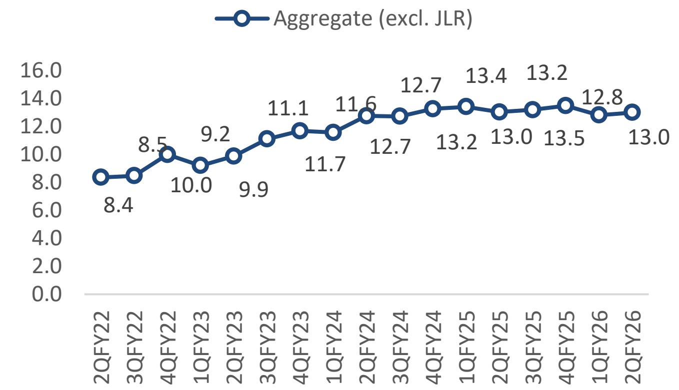
Festive season starts off on an optimistic note

The GST Council has provided a much-needed booster shot to the auto sector by reducing the tax rates on the majority of auto segments. These timely rate cuts, coupled with other sectoral tailwinds like normal monsoon boosting rural sentiment, a ~100bp reduction in interest rates in CY25 and income tax benefits, are expected to revive demand for the auto sector from this festive season. The ongoing festive season has started off on a strong note across segments, with most OEMs reporting a strong revival in demand on the back of GST rate cuts and positive rural sentiment. Notably, entry-level vehicle demand has recovered from the lows, albeit with high discounts. Demand is likely to remain strong after the festive season, with the marriage season starting in Nov’25. Once demand is restored, we expect discounts to gradually trend lower. On the back of a pickup in demand and a much better earnings growth, we expect the sector to get re-rated. Our top picks in auto OEMs are Maruti Suzuki (new launches + exports ramp-up to drive 17% earnings growth) and M&M (new launches + positive rural sentiments to drive 21% earnings growth). In the auto ancillary space, we prefer ENDU and HAPPYFORG for their strong order backlog and ability to outperform core segments.

Exhibit 1: Summary of 2QFY26 earnings estimates

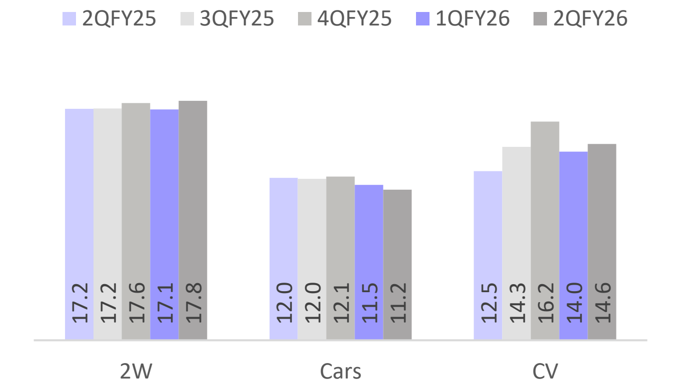
Sector	CMP (INR)	RECO	SALES (INR M) Sep-25	SALES Var % YoY	SALES Var % QoQ	EBITDA (INR M) Sep-25	EBITDA Var % YoY	EBITDA Var % QoQ	NET PROFIT (INR M) Sep-25	NET PROFIT Var % YoY	NET PROFIT Var % QoQ
Amara Raja Energy	993	Neutral	33,553	7.0	0.2	4,026	-8.6	4.1	2,065	-14.2	6.4
Apollo Tyres	468	Buy	69,968	8.7	6.6	9,581	9.1	10.4	3,709	23.2	31.9
Ashok Leyland	141	Buy	97,232	10.9	11.4	11,473	12.8	18.3	7,430	7.2	25.1
Bajaj Auto	8619	Neutral	1,46,728	11.8	16.6	29,351	10.7	18.3	24,148	9.0	15.2
Balkrishna Inds	2304	Neutral	25,517	3.5	-7.5	6,226	0.7	-5.1	3,672	5.0	28.0
Bharat Forge	1219	Neutral	20,949	-6.8	-0.5	5,237	-16.3	-8.4	3,041	-13.4	-10.2
Bosch	38338	Neutral	48,777	11.0	1.9	6,439	14.9	0.7	5,629	12.5	-16.0
CEAT	3488	Buy	36,350	10.0	3.0	4,289	18.4	10.6	1,415	16.1	23.2
CIE Automotive	413	Buy	23,233	8.8	-1.9	3,278	-0.8	-2.6	1,962	0.8	-3.3
Craftsman Auto	6725	Neutral	18,319	50.9	2.7	2,766	43.5	4.4	863	39.9	14.0
Eicher Motors	7005	Sell	60,781	42.6	20.6	15,545	42.9	29.2	14,422	31.1	19.7
Endurance Tech.	2812	Buy	34,702	19.1	4.6	4,651	21.7	5	2,460	21.2	8.7
Escorts Kubota	3637	Neutral	27,588	21.8	11.1	3,752	61.2	15.5	3,703	22.3	17.4
Exide Inds.	395	Neutral	44,380	4.0	-1.6	5,414	12.0	-1.2	3,268	9.7	2.0
Happy Forgings	925	Buy	3,792	5.0	7.2	1,092	3.6	8.0	719	7.8	9.4
Hero Motocorp	5430	Buy	1,18,735	13.5	24.0	18,031	18.9	30.5	14,432	19.9	28.2
Hyundai Motor	2537	Buy	1,73,749	0.7	5.9	23,385	6.0	7.0	14,844	7.9	8.4
Mahindra & Mahindra	3463	Buy	3,29,211	19.5	-3.4	46,154	16.9	-5.5	42,940	11.8	24.5
Maruti Suzuki	15971	Buy	4,01,139	7.8	4.4	39,229	-11.2	-1.8	33,086	7.8	-10.9
Samvardhana Motherson	106	Buy	2,98,356	7.3	-1.2	23,415	-4.3	-4.8	6,340	-15.1	2.1
Motherson Wiring	46	Buy	26,047	12.0	4.4	2,708	8.5	10.9	1,627	7.0	13.7
MRF	148630	Sell	75,716	12.0	0.1	10,752	10.5	3.9	5,016	10.1	3.6
Sona BLW Precis.	414	Neutral	8,883	-4.0	10.9	2,194	-13.9	13.3	1,368	-11.5	9.6
Tata Motors	718	Neutral	9,25,667	-8.8	-11.3	77,577	-33.9	-20.2	22,929	-31.4	-42.2
Tube Investments	3082	Buy	21,342	3.4	6.4	2,600	5.7	5.1	1,786	6.4	6.2
TVS Motor	3457	Neutral	1,18,886	28.8	17.9	15,455	43.1	22.4	9,844	48.6	26.4
Automobiles			**31,72,572**	**4.2**	**-1.0**	**3,75,383**	**-3.9**	**-0.7**	**2,32,801**	**5.0**	**1.5**

Exhibit 2: EBITDA margin expected to marginally improve



Source: MOFSL

Exhibit 3: Trends in segment-wise EBITDA margins (%)



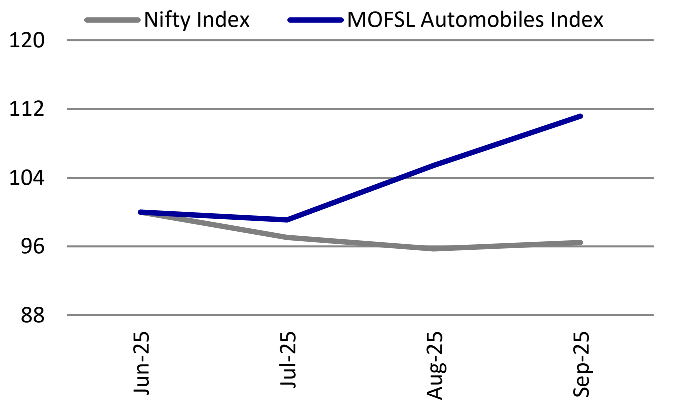
Source: MOFSL

Exhibit 4: Our auto OEM coverage universe (excl. JLR) expected to witness 15% YoY earnings growth

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	2Q FY26	2Q FY25	YoY (bp)	1Q FY26	QoQ (bp)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)
Bajaj Auto	1,294	1,222	6	1,111	16	20.0	20.2	-20	19.7	30	24,148	22,160	9	20,960	15
Hero MotoCorp	1,691	1,520	11	1,367	24	15.2	14.5	70	14.4	80	14,432	12,035	20	11,257	28
TVS Motor	1,507	1,228	23	1,277	18	13.0	11.7	130	12.5	50	9,844	6,626	49	7,786	26
Maruti Suzuki	551	542	2	528	4	9.8	11.9	-210	10.4	-60	33,086	30,692	8	37,117	-11
Hyundai	191	192	-1	180	6	13.5	12.8	70	13.3	10	14,844	13,755	8	13,692	8
M&M	350	301	16	361	-3	14.0	14.3	-30	14.3	-30	42,940	38,409	12	34,498	24
TTMT India PV	144	131	11	125	16	4.9	6.2	-120	4.0	100	45	2,290	-98	-1,290	-103
TTMT India CV	97	86	13	88	10	12.6	10.7	190	12.1	50	19,796	13,140	51	16,560	20
TTMT (JLR) in GBP	66	87	-24	87	-24	7.4	11.7	-430	9.3	-190	47	283	-84	246	-81
TTMT Consol						8.4	11.6	-320	9.3	-90	22,929	33,438	-31	39,671	-42
Ashok Leyland	49	46	8	44	11	11.8	11.6	20	11.1	70	7,430	6,933	7	5,937	25
Eicher(Consol)						25.6	25.5	10	23.9	170	14,422	11,003	31	12,052	20
Eicher - RE	326	228	43	266	23	26.7	26.3	50	25.1	160	13,251	10,099	31	13,065	1
Eicher - VECV	22	21	5	22	1	8.7	7.1	160	9.0	-30	2,947	2,090	41	2,890	2
Escorts	34	26	30	31	11	13.6	10.3	330	13.1	50	3,703	3,027	22	3,726	-1
Aggregate	**6,256**	**5541**	**12.9**	**5,399**	**15.9**	**13.0**	**13.0**	**0**	**13.2**	**-20**	**162,296**	**150,418**	**7.9**	**170,760**	**-5.0**

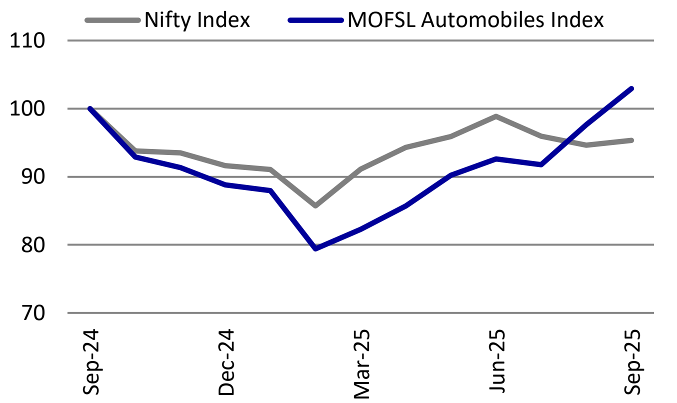
Source: JLR in GBP m, MOFSL

Exhibit 5: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 6: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 7: Our revised estimates

	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Amara Raja Energy	45.4	45.5	-0.3	54.7	55.8	-2.0
Ashok Leyland	6.0	6.0	0.5	7.2	7.2	0.9
Apollo Tyres	24.0	23.2	3.5	29.1	28.7	1.5
Balkrishna Inds	83.6	90.2	-7.3	103.5	111.4	-7.1
Bajaj Auto	329.0	326.0	0.9	362.1	366.0	-1.1
Bharat Forge	24.2	25.9	-6.6	33.0	33.1	-0.4
Bosch	824.3	814.0	1.3	976.1	958.0	1.9
CEAT	156.8	169.3	-7.4	207.8	229.8	-9.6
CIE Automotive	21.7	21.4	1.6	22.9	22.6	1.2
Craftsman Auto	156.2	156.2	0.0	229.2	237.6	-3.6
Eicher Motors	192.1	188.8	1.8	213.0	208.5	2.2
Endurance Tech.	72.0	72.4	-0.5	84.4	83.8	0.7
Escorts Kubota	119.5	111	7.4	128.6	122.7	4.8
Exide Inds.	15.3	14.5	5.8	16.7	15.8	5.9
Happy Forgings	30.2	30.2	-0.1	37.5	38.3	-2.1
Hero MotoCorp	258.3	251.2	2.8	283.1	273.4	3.6
Hyundai Motor	71.8	67.9	5.8	89.5	89.5	0.0
Mahindra & Mahindra	120.7	119.5	1.0	143.7	136.7	5.1
Maruti Suzuki	490.2	495.1	-1.0	607.4	598.0	1.6
Samvardhana Motherson	3.2	3.3	-4.1	4.7	4.6	1.6
Motherson Wiring	1.0	1.0	-1.8	1.3	1.3	0.2
MRF	5100.4	4,891.9	4.3	5918.4	5,522.0	7.2
Sona BLW Precis.	8.8	8.5	4.0	10.4	10.1	2.9
Tata Motors	41.9	45.8	-8.5	54.5	51.9	5.1
Tube Investments	41.6	41.6	0.0	47.1	47.1	0.0
TVS Motor	76.1	75.1	1.4	91.3	91.3	0.0

Source: MOFSL

Exhibit 8: Comparative valuations

Company	CMP	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
Name	(INR)		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Automobiles						**29.6**	**24.4**	**20.6**	**4.7**	**4.2**	**3.6**	**16.0**	**17.1**	**17.6**
Amara Raja Energy	993	Neutral	45.4	54.7	60.7	21.9	18.2	16.4	2.3	2.1	1.9	12.0	12.8	12.8
Apollo Tyres	468	Buy	24.0	29.1	32.1	19.5	16.1	14.6	1.5	1.4	1.3	10.0	11.4	11.6
Ashok Leyland	141	Buy	6.0	7.2	8.5	23	20	16.7	6.3	5.5	4.7	28.8	30.0	30.2
Bajaj Auto	8,619	Neutral	329.0	362.1	396.5	26.2	23.8	21.7	6.9	6.4	5.9	27.4	27.9	28.3
Balkrishna Inds	2,304	Neutral	83.6	103.5	111.7	27.6	22.3	20.6	3.8	3.3	2.9	14.6	16.0	15.2
Bharat Forge	1,219	Neutral	24.2	33.0	40.9	50.4	37.0	29.8	5.8	5.3	4.7	12.0	14.9	16.7
Bosch	38,338	Neutral	824.3	976.1	1,113.4	46.5	39.3	34.4	7.3	6.7	6.0	16.6	17.9	18.5
CEAT	3,488	Buy	156.8	207.8	248.3	22.2	16.8	14.0	2.9	2.6	2.3	13.7	16.2	17.1
CIE Automotive	413	Buy	21.7	22.9	23.8	19.0	18.1	17.3	2.2	2.0	1.8	11.9	11.5	11.0
Craftsman Auto	6,725	Neutral	156.2	229.2	303.4	43.0	29.3	22.2	5.0	4.3	3.7	12.3	15.8	17.9
Eicher Motors	7,005	Sell	192.1	213.0	241.2	36.5	32.9	29.0	7.8	6.8	5.9	23.0	22.1	21.8
Endurance Tech.	2,812	Buy	72.0	84.4	99.5	39.0	33.3	28.3	6.1	5.3	4.6	16.5	16.9	17.4
Escorts Kubota	3,637	Neutral	119.5	128.6	134.4	30.4	28.3	27.1	3.9	3.5	3.2	13.4	13.0	12.3
Exide Inds.	395	Neutral	15.3	16.7	17.7	25.8	23.6	22.3	2.2	2.0	1.9	8.4	8.5	8.4
Happy Forgings	925	Buy	30.2	37.5	49.6	30.6	24.7	18.7	4.2	3.6	3.1	14.4	15.7	18.0
Hero Motocorp	5,430	Buy	258.3	283.1	311.5	21.0	19.2	17.4	5.1	4.7	4.3	25.1	25.3	25.7
Hyundai Motor	2,537	Buy	71.8	89.5	109.1	35.3	28.3	23.3	10.1	8.0	6.4	31.7	31.5	30.6
Mahindra & Mahindra	3,463	Buy	120.7	143.7	163.0	28.7	24.1	21.2	5.7	4.8	4.1	21.5	21.6	20.7
Maruti Suzuki	15,971	Buy	490.2	607.4	714.2	32.6	26.3	22.4	4.8	4.2	3.7	14.6	16.0	16.4
Motherson Wiring	46	Buy	1.0	1.3	1.6	46.1	34.1	28.6	15.3	12.3	10.0	35.8	40.0	38.5
MRF	1,48,630	Sell	5,100.4	5,918.4	6,658.0	29.1	25.1	22.3	3.1	2.8	2.5	11.1	11.6	11.7
Samvardhana Motherson	106	Buy	3.2	4.7	5.7	33.5	22.7	18.7	3.0	2.8	2.5	9.4	12.8	14.1
Sona BLW Precis.	414	Neutral	8.8	10.4	11.5	46.8	39.8	36.0	4.4	4.1	3.8	9.5	10.6	11.0
Tata Motors	718	Neutral	41.9	54.5	74.7	17.1	13.2	9.6	2.0	1.8	1.5	12.6	14.5	17.2
Tube Investments	3,082	Buy	41.6	47.1	52.1	74.0	65.4	59.2	10.1	8.9	7.9	14.5	14.4	14.1
TVS Motor	3,457	Neutral	76.1	91.3	106.4	45.4	37.8	32.5	12.6	9.9	7.9	31.6	29.3	27.0

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Bajaj Auto — Neutral

CMP: INR8,619 | TP: INR9,197 (7%) — **EPS CHANGE (%): FY26E|27E: 1|-1**

- Total volumes grew ~6% YoY, supported by ~24% growth in exports even as domestic volumes declined ~5% YoY. While 2W sales grew 3% YoY, 3W sales were up ~20% YoY. Thus, product mix for BJAUT is favorable for 2Q.
- Hence, despite weak offtake, we expect BJAUT margins to improve by 30bp QoQ to 20%, led by improved mix and currency tailwinds toward 2Q end. Overall, we expect BJAUT to post 9% earnings growth YoY.

Quarterly Performance — INR m

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,294	1,271	1,235	4,651	4,912
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	5.9	3.8	11.9	6.9	5.6
Realization (INR/unit)	1,08,234	1,07,470	1,04,591	1,10,142	113,247	113,381	112,958	113,346	107,527	113,232
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	5.5	8.0	2.9	4.7	5.3
Net Sales	**1,19,280**	**1,31,275**	**1,28,069**	**1,21,480**	**125,845**	**146,728**	**143,625**	**139,944**	**500,103**	**556,142**
Change (%)	15.7	21.8	5.7	5.8	5.5	11.8	12.1	15.2	11.9	11.2
EBITDA	**24,154**	**26,522**	**25,807**	**24,505**	**24,818**	**29,351**	**28,717**	**28,153**	**1,00,988**	**1,11,038**
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	20.0	20.0	20.1	20.2	20.0
Other Income	3,209	3,845	3,347	3,808	4,308	4,000	3,800	4,012	14,209	16,120
Interest	207	159	143	168	141	130	140	139	677	550
Depreciation	937	956	997	1,111	1,109	1,120	1,130	1,126	4,001	4,485
PBT after EO	**26,219**	**27,139**	**28,015**	**27,033**	**27,875**	**32,101**	**31,247**	**30,901**	**108,406**	**122,123**
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.8	24.8	24.7	24.8	12.5
Adj. PAT	**19,884**	**22,160**	**21,087**	**20,492**	**20,960**	**24,148**	**23,506**	**23,255**	**83,103**	**91,868**
Change (%)	19.4	20.7	3.3	5.8	5.4	9.0	11.5	13.5	11.1	10.5

Eicher Motors — Sell

CMP: INR7,005 | TP: INR5,772 (-18%) — **EPS CHANGE (%): FY26E|FY27E: 2|2**

- RE has significantly outperformed the industry with 43% YoY volume growth in 2Q.
- On the back of strong volume growth, we expect margins to improve +160bp QoQ.
- VECV: It has underperformed CV industry and posted 5% YoY growth. We expect margin to improve 160bp YoY (-30bp QoQ) to 8.7%.
- Overall, we expect consol PAT to grow 31% YoY for EIM.

Quarterly performance (Consolidated)

INR m	FY25				FY26E				FY25	FY26E
Y/E March	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Operating income	**43,931**	**42,631**	**49,731**	**52,411**	**50,418**	**60,781**	**51,979**	**59,048**	**188,704**	**222,227**
Growth (%)	10.2	3.6	19.0	23.1	14.8	42.6	4.5	12.7	14.1	34.4
EBITDA	**11,654**	**10,877**	**12,012**	**12,577**	**12,028**	**15,545**	**12,906**	**14,780**	**47,120**	**55,258**
EBITDA Margins (%)	26.5	25.5	24.2	24.0	23.9	25.6	24.8	25.0	25.0	24.9
PAT	**9,269**	**9,866**	**10,070**	**11,142**	**10,481**	**12,819**	**10,255**	**10,672**	**40,346**	**44,227**
Share of JV Loss/(PAT)/ Min. Int.	-1,746	-1,138	-1,635	-2,480	-1,571	-1,603	-1,867	-3,409	-6,998	-8,451
Recurring PAT	**11,015**	**11,003**	**11,705**	**13,622**	**12,052**	**14,422**	**12,122**	**14,082**	**47,344**	**52,678**
Growth (%)	19.9	8.3	17.5	27.3	9.4	31.1	3.6	3.4	18.3	31.7
Standalone (Royal Enfield)										
Royal Enfield ('000 units)	**227**	**228**	**272**	**283**	**266**	**326**	**278**	**305**	**1,010**	**1,010**
Growth (%)	-0.4	-0.6	19.4	24.2	17.0	43.2	2.1	8.0	10.6	10.6
Net Realn (INR '000/unit)	**186**	**185**	**180**	**181**	**185**	**185**	**185**	**186**	**183**	**185**
Change - YoY (%)	8.8	7.7	1.4	-1.9	-0.9	0.0	2.5	2.7	3.7	5.0
Net operating income	**42,313**	**42,054**	**49,081**	**51,066**	**49,084**	**60,233**	**51,362**	**56,646**	**184,515**	**217,325**
Growth (%)	8.5	7.0	21.1	21.8	16.0	43.2	4.6	10.9	43.5	69.0
EBITDA	**11,786**	**11,049**	**12,237**	**12,609**	**12,313**	**16,098**	**13,388**	**14,908**	**47,680**	**56,706**
EBITDA Margins (%)	27.9	26.3	24.9	24.7	25.1	26.7	26.1	26.3	25.8	26.1
Recurring PAT	**10,880**	**10,099**	**10,562**	**11,251**	**13,065**	**13,251**	**11,290**	**11,916**	**42,793**	**49,522**
Growth (%)	19.1	7.6	15.6	14.4	20.1	31.2	6.9	5.9	14.1	32.1

Hero MotoCorp — Buy

CMP: INR5,430 | TP: INR6,315 (+16%) — **EPS CHANGE (%): FY26E|FY27E: 3 |4**

- HMCL has made a smart comeback in 2Q, posting 11% YoY volume growth and strong 24% QoQ growth. Its EV mix has increased to 2.3% of total volumes from 1.1% YoY. Its exports mix has also increased to 7.7% from 4.2% YoY.
- Given healthy volumes and stable input costs, we expect margins to improve 70bp YoY to 15.2%.
- On the back of healthy volume growth and margin expansion, PAT is expected to grow 20% YoY in 2Q.

Quarterly Performance (S/A)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes ('000 nos)	1,535	1,520	1,464	1,381	1,367	1,691	1,520	1,523	5,899	6,101
Growth YoY (%)	13.5	7.3	0.3	-0.9	-10.9	11.3	3.8	10.3	4.9	8.5
Net Realization	66,076	68,851	69,755	71,991	70,069	70,228	71,499	71,678	68,945	70,871
Growth YoY (%)	1.9	3.3	4.7	5.3	6.0	2.0	2.5	-0.4	3.5	6.4
Net Op Revenues	**1,01,437**	**1,04,632**	**1,02,108**	**99,387**	**95,789**	**118,735**	**108,679**	**109,151**	**406,719**	**432,353**
Growth YoY (%)	15.7	10.8	5.0	4.4	-5.6	13.5	6.4	9.8	8.6	15.4
Total Cost	86,840	89,473	87,343	85,231	81,972	100,704	92,237	92,717	348,887	367,630
RM Cost (% sales)	67.7	66.7	65.8	65.5	66.7	67.2	66.4	66.0	66.6	66.6
Staff Cost (% sales)	6.0	6.2	6.5	6.8	6.5	5.6	6.0	6.1	6.4	6.0
Other Exp (% sales)	11.9	12.6	13.3	13.5	12.3	12.0	12.5	12.8	12.8	12.4
EBITDA	**14,598**	**15,159**	**14,765**	**14,156**	**13,817**	**18,031**	**16,441**	**16,434**	**57,832**	**64,723**
EBITDA Margins (%)	14.4	14.5	14.5	14.2	14.4	15.2	15.1	15.1	14.2	15.0
Other Income	2,317	2,830	3,175	2,237	3,037	3,100	2,750	2,970	10,559	11,857
Interest	48	49	55	47	56	55	40	50	199	201
Depreciation	1,932	1,937	1,969	1,921	1,928	1,950	1,975	1,985	7,759	7,838
PBT before EO Exp/(Inc)	**14,935**	**16,003**	**15,916**	**14,425**	**14,870**	**19,126**	**17,176**	**17,369**	**60,434**	**68,541**
Effective Tax Rate (%)	24.8	24.8	24.4	25.1	24.3	24.5	24.5	24.8	25.1	24.6
Adj. PAT	**11,226**	**12,035**	**12,028**	**10,809**	**11,257**	**14,432**	**12,961**	**13,060**	**45,255**	**51,711**
Growth (%)	18.7	14.2	12.1	6.4	0.3	19.9	7.8	20.8	10.7	26.5

TVS Motor Company — Neutral

CMP: INR3,457 | TP: INR3,549 (3%) — **EPS CHANGE (%): FY26E|FY27E: 1|-**

- TVS continued to outperform 2W peers with 23% YoY growth in 2Q, led by strong growth in scooters (+30%), motorcycles (+20%) and 3W (+41%). Exports rose 40% YoY.
- Led by strong volume growth, we expect EBITDA margin to expand 50bp QoQ (+130bp YoY) to 13%.
- We expect TVSL to post 49% YoY growth in earnings in 2Q.

S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Vols ('000 units)	**1,087.2**	**1,228.2**	**1,212.0**	**1,216.3**	**1,277.0**	**1,507.0**	**1,435.4**	**1,514.5**	**4,744**	**5,734**
Growth (%)	14.1	14.3	10.1	14.2	17.5	22.7	18.4	24.5	13.2	36.8
Realn (INR '000/unit)	**77.0**	**75.1**	**75.1**	**78.5**	**78.9**	**78.9**	**78.8**	**79.0**	**76.4**	**78.9**
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.0	5.0	0.6	0.8	4.1
Net Sales	**83,756**	**92,282**	**90,971**	**95,504**	**100,810**	**118,886**	**113,134**	**119,633**	**362,513**	**452,463**
Growth (%)	16.0	13.3	10.3	16.9	20.4	28.8	24.4	25.3	14.1	42.4
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.6	71.4	71.2	71.1	71.4
Emp cost (% of sales)	5.7	5.4	5.5	5.2	5.8	5.2	5.3	5.4	5.4	5.4
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	10.2	10.5	10.4	11.2	10.4
EBITDA	**9,602**	**10,798**	**10,815**	**13,326**	**12,630**	**15,455**	**14,481**	**15,575**	**44,540**	**58,142**
EBITDA Margin (%)	11.5	11.7	11.9	14.0	12.5	13.0	12.8	13.0	12.3	12.9
Interest	372	319	338	358	403	400	390	378	1,387	1,571
Depreciation	1,763	1,806	1,883	1,994	2,039	2,050	2,100	2,122	7,446	8,311
Other Income	363	299	-227	145	343	120	80	77	580	620
PBT before EO Exp	**7,829**	**8,972**	**8,367**	**11,120**	**10,531**	**13,125**	**12,071**	**13,152**	**36,288**	**48,879**
EO Exp	0	0	0	1,617	0	0	0	0		
PBT after EO Exp	**7,829**	**8,972**	**8,367**	**12,737**	**10,531**	**13,125**	**12,071**	**13,152**	**36,288**	**48,879**
Tax	2,056	2,346	2,182	2,599	2,745	3,177	3,177	3,042	9,183	12,709
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	25.0	25.0	23.9	25.3	26.0
Adjusted PAT	**5,773**	**6,626**	**6,185**	**8,521**	**7,786**	**9,844**	**9,053**	**10,110**	**27,105**	**31,934**
Growth (%)	23.4	23.5	4.2	75.5	34.9	48.6	46.4	18.7	30.1	33.4

Maruti Suzuki — Buy

CMP: INR15,971 | TP: INR18,501 (+16%) — **EPS CHANGE (%): FY26E|FY27E: -1|2**

- MSIL reported just 2% YoY growth in volumes due to challenging demand in domestic market for bulk of 2Q. Exports mix improved 200bp QoQ to 20%.
- EBITDA margin to be under pressure at 9.8% (-210bp YoY) as benefits from operating leverage are likely to be more than offset by higher discounts and new launch expenses QoQ.
- We expect MSIL to post 8% YoY growth in PAT in 2Q.

S/A Quarterly Performance (INR M)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	521.9	541.6	566.2	604.6	527.9	550.9	605.8	662.7	2,234.3	2,347.2
Change (%)	4.8	-1.9	13.0	3.5	1.1	1.7	7.0	9.6	4.9	10.3
Realizations (INR/car)	6,80,850	6,86,969	6,79,817	6,72,700	727,722	7,28,187	7,07,009	6,90,633	6,79,866	7,12,014
Change (%)	4.9	2.3	2.3	2.8	6.9	6.0	4.0	2.7	2.7	7.6
Net operating revenues	**3,55,314**	**3,72,028**	**3,84,921**	**4,06,738**	**384,136**	**4,01,139**	**4,28,340**	**4,57,648**	**15,19,001**	**16,71,264**
Change (%)	9.9	0.4	15.6	6.4	8.1	7.8	11.3	12.5	7.8	10.0
RM Cost (% of sales)	70.2	71.9	71.6	71.9	72.2	72.8	72.4	72.6	71.4	72.5
Staff Cost (% of sales)	4.4	3.9	4.0	3.9	4.6	4.3	4.0	3.8	4.0	4.2
Other Cost (% of sales)	12.8	12.3	12.8	13.8	12.8	13.1	12.2	11.5	12.8	12.4
EBITDA	**45,023**	**44,166**	**44,703**	**42,647**	**39,953**	**39,229**	**48,700**	**55,389**	**1,77,852**	**1,83,270**
EBITDA Margins (%)	12.7	11.9	11.6	10.5	10.4	9.8	11.4	12.1	11.7	11.0
Depreciation	7,310	7,509	8,050	8,724	9,375	9,400	9,500	9,780	31,593	38,055
EBIT	**37,713**	**36,657**	**36,653**	**33,923**	**30,578**	**29,829**	**39,200**	**45,609**	**1,46,259**	**1,45,215**
EBIT Margins (%)	10.6	9.9	9.5	8.3	8.0	7.4	9.2	10.0	9.6	8.7
Interest	573	402	484	472	466	450	460	458	1,931	1,834
Non-Operating Income	9,751	14,750	9,850	14,466	18,230	14,155	13,500	13,519	47,504	59,404
PBT	**46,891**	**51,005**	**46,019**	**47,917**	**48,342**	**43,534**	**52,240**	**58,669**	**1,91,832**	**2,02,785**
Effective Tax Rate (%)	22.2	39.8	23.4	22.6	23.2	24.0	24.0	24.6	27.3	24.0
PAT	**36,499**	**30,692**	**35,250**	**37,111**	**37,117**	**33,086**	**39,702**	**44,212**	**1,39,552**	**1,54,116**
Adjusted PAT	**36,499**	**30,692**	**35,250**	**37,111**	**37,117**	**33,086**	**39,702**	**44,212**	**1,39,552**	**1,54,116**
Change (%)	46.9	-17.4	12.6	-4.3	1.7	7.8	12.6	19.1	5.6	10.4

Hyundai Motor — Buy

CMP: INR2,537 | TP: INR2,979 (+17%) — **EPS CHANGE (%): FY26E|FY27E: 6 |0**

- Hyundai posted 0.5% YoY decline in volumes in 2Q. Exports were the key growth driver with mix improving to 27% from 22% YoY. Product mix was also favorable as Hyundai sold more SUVs than cars in 2Q.
- Amid weak demand, marketing spends to remain high QoQ. TN incentives expected to flow in from mid-2Q.
- We expect EBITDA margin to improve 70bp YoY to 13.5%, led by improved mix.

Consol Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	192.1	191.9	186.4	191.7	180.4	190.9	197.6	205.2	762.1	774.1
Change (%)	4.7	-8.5	-2.4	-1.1	-6.1	-0.5	6.0	7.1		1.6
Realizations (INR/car)	9,03,085	8,99,264	8,93,094	9,36,096	909,810	910,055	919,887	928,386	907,982	917,366
Change (%)	-0.4	1.1	1.1	2.6	0.7	1.2	3.0	-0.8		1.0
Net operating revenues	**1,73,442**	**1,72,604**	**1,66,480**	**1,79,403**	**164,129**	**173,749**	**181,763**	**190,484**	**691,929**	**710,125**
Change (%)	4.3	-7.5	-1.3	1.5	-5.4	0.7	9.2	6.2		2.6
RM Cost (% of sales)	71.9	72.5	73.1	71.2	70.7	71.0	71.5	71.5	72.2	71.2
Staff Cost (% of sales)	3.2	3.2	3.6	3.4	3.8	3.5	3.6	3.5	3.3	3.6
Other Cost (% of sales)	11.5	11.5	12.0	11.3	12.2	12.0	12.5	11.7	11.5	12.1
EBITDA	**23,402**	**22,053**	**18,755**	**25,327**	**21,852**	**23,385**	**22,525**	**25,264**	**89,538**	**93,026**
EBITDA Margins (%)	13.5	12.8	11.3	14.1	13.3	13.5	12.4	13.3	12.9	13.1
Depreciation	5,290	5,185	5,274	5,304	5,281	5,400	6,100	6,504	21,053	23,285
EBIT	**18,112**	**16,868**	**13,482**	**20,023**	**16,571**	**17,985**	**16,425**	**18,760**	**68,485**	**69,741**
EBIT Margins (%)	10.4	9.8	8.1	11.2	10.1	10.4	9.0	9.8	9.9	9.8
Interest	316	292	299	365	247	260	240	273	1,272	1,020
Non-Operating Income	2,238	1,923	2,445	2,096	2,148	2,200	2,500	2,782	8,700	9,630
PBT	**20,033**	**18,498**	**15,627**	**21,754**	**18,472**	**19,925**	**18,685**	**21,269**	**75,913**	**78,352**
Tax	5,137	4,744	4,020	5,611	4,780	5,081	4,765	5,354	19,511	19,980
Effective Tax Rate (%)	25.6	25.6	25.7	25.8	25.9	25.5	25.5	25.2	25.7	25.5
PAT	**14,896**	**13,755**	**11,607**	**16,143**	**13,692**	**14,844**	**13,920**	**15,915**	**56,402**	**58,372**
Adjusted PAT	**14,896**	**13,755**	**11,607**	**16,143**	**13,692**	**14,844**	**13,920**	**15,915**	**56,402**	**58,372**
Change (%)	12.1	-15.5	-18.6	-3.7	-8.1	7.9	19.9	-1.4	-6.9	3.5

Mahindra & Mahindra — Buy

CMP: INR3,463 | TP: INR4,091 (+18%) — **EPS CHANGE (%): FY26E|FY27E: 1|5**

- MM posted strong 13% YoY growth in PVs (incl. PikUp) and a much stronger 32% YoY growth in tractors.
- For auto segment, margins are likely to remain stable QoQ. It is still unclear as to who will bear the cess impact and hence this is unlikely to have any bearing on 2Q nos.
- Overall, we expect auto segment margins to decline 90bp YoY to 8.6%. Tractor segment margins are likely to remain healthy (+130bp YoY to 18.8%).
- Other income is expected to be seasonally high due to dividend income from subsidiaries.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes (nos)	315,366	301,457	343,654	319,447	360,779	349,807	382,069	341,728	1,279,924	1,437,107
Growth YoY (%)	4.7	-0.5	17.8	15.3	14.4	16.0	11.2	7.0	14.0	12.3
Net Realization	857,378	914,003	888,633	981,490	944,712	941,122	929,113	999,445	910,083	950,916
Growth YoY (%)	7.0	13.5	2.2	8.0	10.2	3.0	4.6	1.8	3.1	4.5
Revenue from Operations	**270,388**	**275,533**	**305,382**	**313,534**	**340,832**	**329,211**	**354,986**	**341,538**	**1,164,837**	**1,366,567**
Growth YoY (%)	12.0	12.9	20.3	24.5	26.1	19.5	16.2	8.9	17.5	17.3
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.0	75.0	74.8	74.1	75.2
Staff (% of sales)	4.3	4.2	4.2	4.0	4.5	4.8	5.1	4.1	4.2	3.9
Oth. Exp. (% of Sales)	7.0	7.3	6.7	6.9	5.8	7.1	6.5	6.0	7.0	6.3
EBITDA	**40,222**	**39,497**	**44,681**	**46,825**	**48,840**	**46,154**	**51,683**	**52,013**	**171,226**	**198,690**
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.0	14.6	15.2	14.7	14.5
Change (%)	22.4	26.4	35.6	42.0	21.4	16.9	15.7	11.1	30.3	16.0
Other inc. (incl Inc. from Invest)	3,515	19,978	6,063	493	6,431	20,976	4,100	794	30,048	32,301
Interest	529	551	614	810	559	500	400	426	2,505	1,885
Depreciation	9,146	9,614	10,451	13,058	9,999	10,500	10,900	13,064	42,268	44,463
EBIT	**31,076**	**29,884**	**34,231**	**33,768**	**38,841**	**35,654**	**40,783**	**38,949**	**128,958**	**154,227**
PBT after EO	**34,062**	**49,310**	**39,679**	**33,450**	**44,713**	**56,131**	**44,483**	**39,317**	**156,501**	**184,643**
Tax	7,936	10,901	10,036	9,079	10,214	13,191	8,656	7,638	37,952	39,698
Effective Tax Rate (%)	23.3	22.1	25.3	27.1	22.0	23.5	19.5	19.4	24.3	21.5
Reported PAT	**26,126**	**38,409**	**29,643**	**24,371**	**34,498**	**42,940**	**35,827**	**31,679**	**118,550**	**144,945**
Change (%)	-5.3	13.2	19.1	21.9	32.0	11.8	20.9	30.0	11.4	22.3
Adj PAT	**26,126**	**38,409**	**29,643**	**24,371**	**34,498**	**42,940**	**35,827**	**31,679**	**118,550**	**144,945**
Change (%)	23.2	13.2	19.1	21.9	32.0	11.8	20.9	30.0	11.4	22.3

ESCORTS — Neutral

CMP: INR3,637 | TP: INR3,683 (+1.3%) — **EPS CHANGE (%): FY26E|FY27E: 7 |5**

- After a subdued 1% growth in 1Q, Escorts bounced back strongly in 2Q and posted 30% YoY growth in tractor volumes, in line with strong pickup in industry demand.
- With strong pickup in volumes, margin to expand 50bp QoQ (+330bp YoY over low base) to 13.6%.
- PAT is likely to grow 22% YoY largely due to strong tractor growth and resultant margin expansion.

Standalone Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**25,563**	**22,649**	**29,354**	**24,303**	**24,834**	**27,588**	**31,313**	**28,391**	**101,870**	**112,126**
YoY Change (%)	9.8	-8.1	8.5	6.1	-2.9	21.8	6.7	16.8	4.1	14.6
Total Expenditure	22,394	20,321	26,001	21,374	21,584	23,836	27,023	24,658	90,091	97,101
EBITDA	**3,169**	**2,328**	**3,353**	**2,929**	**3,250**	**3,752**	**4,290**	**3,733**	**11,778**	**15,025**
Margins (%)	12.4	10.3	11.4	12.1	13.1	13.6	13.7	13.1	11.6	13.4
Depreciation	590	610	612	615	591	620	630	643	2,426	2,484
Interest	101	92	31	47	36	35	40	39	270	150
Other Income	1,024	1,152	1,092	1,316	1,556	1,650	1,702	1,742	4,584	6,650
PBT	**3,502**	**2,778**	**3,802**	**3,313**	**4,939**	**4,747**	**5,322**	**4,793**	**13,395**	**18,281**
Rate (%)	24.0	-8.9	23.6	24.3	24.5	22.0	23.0	22.4	17.1	24.9
Adj. PAT	**2,662**	**3,027**	**2,905**	**2,710**	**3,153**	**3,703**	**4,098**	**3,720**	**11,465**	**15,820**
YoY Change (%)	-5.9	41.9	7.7	9.1	18.5	22.3	41.1	37.3	21.6	67.8
Margins (%)	10.4	13.4	9.9	11.1	12.7	13.4	13.1	13.1	11.3	14.1

Tata Motors — Neutral

CMP: INR718 | TP: INR687 (-4%) **EPS CHANGE (%): FY26E|FY27E: -8|5**

- India PV volumes rose 10.5% YoY. India CV volumes grew 12% YoY for 2Q.
- India PV margins are likely to pick up QoQ due to improved volumes partially offset by high discounts. We expect margins at 4.9% (-130bp YoY). India CV margins to improve 50bp QoQ and 190bp YoY to 12.6%.
- JLR volumes to be impacted by the cyberattack that led to production shutdown in Sep. While retails unlikely to be hit materially, wholesale volumes may fall 24% YoY.
- EBITDA margin is likely to contract ~190bp QoQ to 7.4%.
- The record date for demerger for PV (India + JLR) business is 14th Oct'25.

Quarterly Performance [Consol] **(INR b)**

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
JLR Volumes (incl JV; '000 units)	97.8	87.3	104.4	111.4	87.3	66.3	98.0	109.2	400.9	360.7
JLR Realizations (GBP/unit)	74,400	74,167	71,686	69,355	75,659	75,650	75,271	75,458	72,240	75,491
JLR EBITDA Margins (%)	15.8	11.7	14.2	15.3	9.3	7.4	8.5	11.9	14.3	9.5
India CV Volumes ('000 units)	93.7	86.0	98.4	108.2	88.1	97.2	110.6	113.9	386.3	409.9
India CV Realizations (INR '000/unit)	1910.1	2014.9	1896.6	1991.4	1938.8	1994.7	1972.5	2033.9	1948.8	1987.8
India CV EBITDA Margins (%)	11.6	10.7	12.2	12.2	12.1	12.6	12.6	12.7	11.7	12.5
India PV Volumes ('000 units)	138.8	130.5	139.8	147.0	124.8	144.4	156.6	164.2	556.1	590.0
India PV Realizations (INR '000/unit)	856.8	903.1	902.2	870.4	881.6	876.0	902.2	917.6	882.5	895.7
India PV EBITDA Margins (%)	5.8	6.2	7.6	7.8	4.0	4.9	5.4	5.4	6.9	5.0
Net Consol. Op Income	**1080.5**	**1014.5**	**1135.8**	**1195.0**	**1044.1**	**925.7**	**1248.5**	**1471.8**	**4397.0**	**4690.1**
Growth (%)	5.7	-3.5	2.7	-0.4	-3.4	-8.8	9.9	23.2	0.4	6.7
Consol. EBITDA	**155.1**	**117.4**	**130.3**	**166.3**	**97.2**	**77.6**	**98.1**	**151.2**	**551.3**	**424.1**
EBITDA Margins (%)	14.4	11.6	11.5	13.9	9.3	8.4	7.9	10.3	12.5	9.0
Depreciation	65.7	60.1	54.1	53.0	53.2	48.0	55.0	58.7	232.6	214.9
Other Income	15.8	15.7	17.9	15.1	15.2	13.5	15.0	13.3	62.4	57.0
Interest Expenses	20.9	20.3	17.3	10.8	9.4	10.2	13.5	16.1	50.8	49.1
PBT after EO Exp	**87.4**	**56.9**	**77.1**	**113.9**	**54.3**	**32.9**	**44.6**	**89.8**	**334.3**	**221.5**
Tax rate (%)	36.4	40.8	27.2	25.9	28.7	30.6	30.6	31.7	31.4	30.6
PAT	**55.6**	**33.7**	**56.2**	**84.4**	**38.7**	**22.8**	**31.0**	**61.3**	**229.3**	**153.8**
Minority Interest	-1.3	-1.1	-1.3	-0.9	-0.8	-0.7	-0.8	-1.2	-3.2	-3.5
Share in profit of Associate	1.3	0.8	-0.4	1.1	1.3	0.8	0.7	0.7	2.9	3.5
Adj PAT	**55.4**	**33.4**	**54.7**	**88.9**	**39.7**	**22.9**	**30.9**	**60.8**	**232.6**	**154.3**
Growth (%)	46.2	-13.6	-23.0	15.1	-28.3	-31.4	-43.6	-31.6	3.4	-33.7

Ashok Leyland — Buy

CMP: INR141 | TP: INR166 (+18%) **EPS CHANGE (%): FY26E|FY27E: 1|1**

- After a subdued 1Q, CV volumes saw a healthy pickup in 2Q, up 7.7% YoY. While MHCV sales grew 9%, LCV sales rose 5.5%. Export mix has sharply improved, up 45% YoY.
- Input cost to largely remain stable QoQ, unlike fears of an increase. Staff cost may rise QoQ due to annual increments.
- Led by improved mix and volumes, EBITDA margin to rise 70bp QoQ (+20bp YoY) to 11.8%. PAT to grow 7% YoY.

Quarterly Performance (S/A) **(INR M)**

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes (nos)	43,893	45,624	46,404	59,176	44,238	49,116	50,116	63,561	195,097	207,032
Growth %	6.2	-8.5	-1.4	5.1	0.8	7.7	8.0	7.4	0.3	6.4
Realizations (INR '000)	1,959	1,922	2,043	2,012	1,972	1,980	2,022	2,038	1,986	2,006
Change (%)	-1.1	-0.6	3.7	0.6	0.7	3.0	-1.0	1.3	0.7	1.7
Net operating revenues	**85,985**	**87,688**	**94,787**	**1,19,067**	**87,245**	**97,232**	**101,346**	**129,553**	**387,527**	**415,376**
Change (%)	5.0	-9.0	2.2	5.7	1.5	10.9	6.9	8.8	1.0	8.3
RM/sales %	72.2	71.2	71.5	70.6	70.6	70.8	71.0	72.4	71.3	71.3
Staff/sales %	6.4	6.8	6.4	5.5	7.0	6.9	6.5	4.5	6.2	6.1
Other exp/sales %	10.9	10.4	9.4	8.9	11.2	10.5	9.6	8.2	9.8	9.7
EBITDA	**9,109**	**10,173**	**12,114**	**17,910**	**9,696**	**11,473**	**13,074**	**19,290**	**49,306**	**53,533**
EBITDA Margins (%)	10.6	11.6	12.8	15.0	11.1	11.8	12.9	14.9	12.7	12.9
Interest	591	607	501	471	419	350	310	249	2,169	1,327
Other Income	223	973	247	1,059	529	700	300	1,012	2,503	2,540
Depreciation	1,727	1,754	1,923	1,789	1,828	1,850	1,880	1,832	7,193	7,390
PBT after EO	**7,014**	**9,958**	**9,938**	**16,573**	**7,977**	**9,973**	**11,184**	**18,221**	**43,483**	**47,356**
Effective Tax Rate (%)	25.1	22.7	23.3	24.8	25.6	25.5	24.0	25.1	24.0	25.0
Adj PAT	**5,256**	**6,933**	**7,617**	**12,562**	**5,937**	**7,430**	**8,500**	**13,650**	**32,355**	**35,517**
Change (%)	-8.9	20.2	31.2	32.4	13.0	7.2	11.6	8.7	20.6	9.8

Apollo Tyres — Buy

CMP: INR468 | TP: INR551 (+18%) — **EPS CHANGE (%): FY26E|FY27E: 4|2**

- While demand was healthy in Jul, it turned weak in Aug and then there were purchase delays in Sep in replacement given the GST deadline. OE demand was stable. We expect standalone revenue growth of 6% YoY (flat QoQ).
- Input costs are down about 2% QoQ, which is likely to aid margins. However, INR depreciation towards 2Q end may offset some of these gains.
- We expect India margins to improve 30bp QoQ (+180bp YoY over low base) due to lower input costs.
- Demand in Europe, although weak, is likely to be stable QoQ.
- We expect Europe margins to improve 70bp QoQ (-330bp YoY) to 11.5%.

Consolidated - Quarterly performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	63,349	64,370	69,280	64,236	65,608	69,968	76,614	72,102	261,234	284,291
YoY Change (%)	1.4	2.5	5.0	2.6	3.6	8.7	10.6	12.2	2.9	12.0
EBITDA	9,093	8,779	9,470	8,374	8,677	9,581	11,605	10,286	35,715	40,150
Margins (%)	14.4	13.6	13.7	13.0	13.2	13.7	15.1	14.3	13.7	14.1
Depreciation	3,695	3,759	3,759	3,771	3,776	3,850	3,910	4,188	14,984	15,723
Interest	1,070	1,197	1,105	1,094	1,006	950	880	1,061	4,466	3,896
Other Income	308	217	81	275	189	230	120	255	881	794
PBT before EO expense	4,636	4,040	4,686	3,785	4,085	5,011	6,935	5,293	17,146	21,324
Extra-Ord expense	404	52	42	1,188	3,702	0	0	0	1,687	3,702
PBT	4,232	3,988	4,644	2,596	383	5,011	6,935	5,293	15,460	17,622
Tax Rate (%)	28.6	25.4	27.4	29.0	66.5	26.0	26.0	31.4	27.5	28.5
MI & P/L of Asso. Cos.	0	-1	-2	-3	-1	-1	1	1	-7	0
Reported PAT	3,020	2,975	3,372	1,846	129	3,709	5,131	3,632	11,213	12,601
Adj PAT	3,313	3,012	3,403	2,708	2,812	3,709	5,131	3,632	12,436	15,249
YoY Change (%)	-18.4	-37.6	-32.9	-41.8	-15.1	23.2	50.8	34.2	-33.2	22.6
Margins (%)	5.2	4.7	4.9	4.2	4.3	5.3	6.7	5.0	4.8	5.4

Balkrishna Industries — Neutral

CMP: INR2,304 | TP: INR2,379 (+3%) — **EPS CHANGE (%): FY26E|FY27E: -7|-7**

- Demand continued to be weak in most of its overseas markets. India likely to be the sole growth driver. Overall, we expect BKT to post 1% YoY growth in tonnage in 2Q.
- A reduction in input costs is likely to be offset by the weak demand impact and impact of partial tariff absorption in US.
- Margin is likely to improve 60bp QoQ to 24.4%.

Quarterly Earning Model (Standalone) (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes (Ton)	83,570	73,298	76,343	82,062	80,664	74,031	77,106	83,431	315,273	315,232
YoY Change (%)	24.3	3.8	4.9	0.0	-3.5	1.0	1.0	1.7	7.7	0.0
Realizations (INR '000/ton)	328.1	336.3	336.8	345.8	342.1	344.7	346.9	346.1	336.7	345.0
YoY Change (%)	4.2	5.6	5.8	5.2	4.3	2.5	3.0	0.1	5.1	2.5
Net Revenues	27,415	24,648	25,716	28,376	27,594	25,517	26,752	28,877	106,150	108,740
YoY Change (%)	29.6	9.7	11.0	5.2	0.7	3.5	4.0	1.8	13.2	2.4
EBITDA	7,137	6,185	6,391	7,035	6,560	6,226	6,501	7,124	26,813	26,411
Margins (%)	26.0	25.1	24.9	24.8	23.8	24.4	24.3	24.7	25.3	24.3
Depreciation	1,617	1,647	1,708	1,760	1,862	1,880	1,885	1,897	6,735	7,524
Interest	143	404	150	490	290	300	270	285	1,252	1,145
Forex loss/(gain)	-60	530	-1,120	580	1,540	0	0	0	-68	1,540
Other Income	830	1,048	240	550	1,042	950	200	471	2,668	471
PBT before EI	6,267	4,653	5,894	4,755	3,910	4,996	4,546	5,413	21,562	18,865
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	6,267	4,653	5,894	4,755	3,910	4,996	4,546	5,413	21,562	18,865
Rate (%)	23.8	24.9	25.4	23.8	26.6	26.5	26.5	27.5	24.5	24.0
Adj PAT	4,773	3,496	4,398	3,622	2,869	3,672	3,341	3,924	16,283	13,807
YoY Change (%)	52.7	4.3	42.6	-25.8	-39.9	5.0	-24.0	8.3	-39.9	-15.2

Ceat — Buy

CMP: INR3,488| TP: INR4,105 (+18%) **EPS CHANGE (%): FY26E|FY27E: -7|-10**

- OE demand was steady in 2Q, though replacement demand was weak, especially post Aug 15th, in anticipation of GST rate cuts as retailers refused to take stock at earlier rates. For exports, some greenshoots appeared in Europe. However, demand in US remained weak given tariff impact.
- We expect CEAT to post 10% revenue growth in 2Q.
- Input cost is expected to decline 1-2% QoQ.
- EBITDA margin is expected to improve 80bp YoY to 11.8%.
- Overall, PAT is likely to grow 16% YoY.
- CEAT would integrate Camso in 2Q. We have not considered Camso in our numbers as we await further clarity.

Consolidated - Quarterly Earning Model (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**31,928**	**33,045**	**32,999**	**34,206**	**35,294**	**36,350**	**36,629**	**38,115**	**132,179**	**146,388**
YoY Change (%)	8.8	8.2	11.4	14.3	10.5	10.0	11.0	11.4	10.7	10.7
RM cost (%)	60.8	62.6	63.2	62.5	63.2	62.0	61.5	60.6	62.3	61.8
Employee cost (%)	6.1	6.6	6.5	6.6	6.4	6.2	6.1	6.1	6.5	6.2
Other expenses (%)	21.1	19.8	20.0	19.5	19.4	20.0	20.0	20.2	20.1	19.9
EBITDA	**3,829**	**3,623**	**3,409**	**3,881**	**3,877**	**4,289**	**4,542**	**5,004**	**14,741**	**17,713**
Margins (%)	12.0	11.0	10.3	11.3	11.0	11.8	12.4	13.1	11.2	12.1
Depreciation	1,318	1,371	1,415	1,523	1,514	1,525	1,550	1,561	5,627	6,149
Interest	619	665	751	744	821	850	880	910	2,778	3,460
Other Income	62	35	34	45	47	45	50	78	176	220
PBT before EO expense	**1,954**	**1,622**	**1,278**	**1,659**	**1,590**	**1,959**	**2,162**	**2,612**	**6,512**	**8,323**
Exceptional item	-75	0	0	370	33	0	0	0	-296	0
PBT	**2,029**	**1,621**	**1,278**	**1,288**	**1,558**	**1,959**	**2,162**	**2,612**	**6,808**	**8,323**
Tax Rate (%)	26.6	28.6	28.3	27.6	26.9	27.0	26.0	25.0	25.3	26.0
MI & Profit of Asso. Cos.	-53	-61	-55	-63	14	15	-61	-153	-231	-185
Reported PAT	**1,542**	**1,219**	**971**	**995**	**1,125**	**1,415**	**1,660**	**2,111**	**5,319**	**6,344**
Adj PAT	**1,486**	**1,219**	**971**	**1,267**	**1,149**	**1,415**	**1,660**	**2,111**	**5,101**	**6,344**
YoY Change (%)	3	-41	-46	-16	-23	16	71	67	-26	24

MRF — Sell

CMP: INR1,48,630 | TP: INR125,764 (-15%) **EPS CHANGE (%): FY26E|FY27E: 4 |7**

- Expect 12% YoY revenue growth, due to a low base and steady growth in OE demand.
- We expect EBITDA margin to improve 50bp QoQ to 14.2%, led by reduced input costs.

Standalone - Quarterly Earning Model (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**70,778**	**67,604**	**68,832**	**69,438**	**75,603**	**75,716**	**76,403**	**76,910**	**276,652**	**304,632**
YoY Change (%)	11.9	11.1	13.8	11.7	6.8	12.0	11.0	10.8	12.1	10.1
Total Expenditure	59,400	57,869	60,814	59,011	65,259	64,964	65,096	65,049	237,094	260,368
EBITDA	**11,378**	**9,734**	**8,018**	**10,428**	**10,343**	**10,752**	**11,308**	**11,861**	**39,559**	**44,264**
Margins (%)	16.1	14.4	11.6	15.0	13.7	14.2	14.8	15.4	14.3	14.5
Depreciation	3,943	4,079	4,143	4,310	4,270	4,380	4,470	4,628	16,474	17,747
Interest	754	667	711	782	822	800	820	570	2,914	3,011
Other Income	827	1,121	966	1,115	1,255	1,125	1,050	1,007	4,029	4,437
PBT before EO expense	**7,509**	**6,109**	**4,130**	**6,451**	**6,507**	**6,697**	**7,068**	**7,671**	**24,199**	**27,942**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	**7,509**	**6,109**	**4,130**	**6,451**	**6,507**	**6,697**	**7,068**	**7,671**	**24,199**	**27,942**
Tax	1,883	1,555	1,063	1,472	1,665	1,681	1,823	1,956	5,974	7,125
Rate (%)	25.1	25.4	25.7	22.8	25.6	25.1	25.8	25.5	24.7	25.5
Reported PAT	**5,625**	**4,554**	**3,067**	**4,978**	**4,842**	**5,016**	**5,244**	**5,715**	**18,225**	**20,817**
Adj PAT	**5,625**	**4,554**	**3,067**	**4,978**	**4,842**	**5,016**	**5,244**	**5,715**	**18,225**	**20,817**
YoY Change (%)	-3.3	-20.4	-39.6	6.1	-13.9	10.1	71.0	14.8	-14.4	14.2
Margins (%)	7.9	6.7	4.5	7.2	6.4	6.6	6.9	7.4	6.6	6.8

Amara Raja Energy Mobility — Neutral

CMP: INR993 | TP: INR1,039 (+5%) — **EPS CHANGE (%): FY26E|FY27E: -|-2**

- We expect battery demand to largely remain stable QoQ both in OE and replacement segments, and hence expect Amara to post 7% YoY growth in revenue (flat QoQ).
- Lead prices are largely stable QoQ. However, elevated power costs are likely to keep margins under pressure for at least 2Q.
- EBITDA margins to improve 50bp QoQ (down 210bp YoY) to 12%.

Quarterly Performance (INR M)

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**31,312**	**31,358**	**31,640**	**29,739**	**33,499**	**33,553**	**34,488**	**33,733**	**124,049**	**135,274**
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	7.0	9.0	13.4	10.2	9.0
Gross operating income	**31312**	**31358**	**31640**	**29739**	**33499**	**33553**	**34488**	**33733**	**124,049**	**135,274**
Total Expenditure	27,008	26,952	27,482	26,316	29,633	29,527	30,280	29,601	107,758	119,041
Excise (% of sales)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	69.5	69.0	69.0	67.8	69.5
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.0	5.8	5.9	6.0	5.9
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	12.5	13.0	12.9	13.1	12.6
EBITDA	**4,304**	**4,407**	**4,158**	**3,422**	**3,867**	**4,026**	**4,208**	**4,132**	**16,291**	**16,233**
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.0	12.2	12.2	13.1	12.0
Depreciation	1,183	1,220	1,233	1,284	1,292	1,298	1,320	1,330	4,921	5,241
Interest	90	131	107	95	104	110	115	122	422	450
Other Income	256	185	293	200	139	135	140	145	933	560
PBT before EO expense	**3,287**	**3,240**	**3,111**	**2,244**	**2,610**	**2,753**	**2,913**	**2,826**	**11,881**	**11,102**
Extra-Ord expense	0	0	-1,111	0	0	0	0	0	0	0
PBT after EO	**3,287**	**3,240**	**4,222**	**2,244**	**2,610**	**2,753**	**2,913**	**2,826**	**11,881**	**11,102**
Tax	841	833	1,103	576	670	688	743	697	3,353	2,798
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.0	25.5	24.7	28.2	25.2
Reported PAT	**2,446**	**2,407**	**3,118**	**1,668**	**1,940**	**2,065**	**2,170**	**2,129**	**8,528**	**8,304**
Adj PAT	**2,446**	**2,407**	**2,298**	**1,668**	**1,940**	**2,065**	**2,170**	**2,129**	**8,528**	**8,304**
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-14.2	-5.6	27.6	-5.9	-2.6

Exide Industries — Neutral

CMP: INR395 | TP: INR404 (+2%) — **EPS CHANGE (%): FY26E|FY27E: 6|6**

- We expect Exide to post 4% YoY growth in revenue to INR44.4b.
- We expect EBITDA margins to largely remain stable QoQ.
- Overall, we expect 2Q PAT to grow 10% YoY.

S/A Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**43,128**	**42,673**	**38,486**	**41,594**	**45,098**	**44,380**	**45,414**	**45,602**	**165,881**	**180,493**
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	4.0	18.0	9.6	3.5	8.8
RM cost (%)	69.3	68.5	68.0	68.8	69.2	69.0	68.5	67.8	68.7	68.6
Employee cost (%)	6.1	6.3	6.8	6.3	3.4	2.9	9.2	13.5	6.4	6.3
Other Exp (%)	13.1	13.9	13.5	13.7	12.6	12.6	12.8	13.0	13.6	12.8
EBITDA	**4,943**	**4,836**	**4,486**	**4,667**	**5,482**	**5,414**	**5,631**	**5,816**	**18,931**	**22,344**
EBITDA Margin (%)	11.5	11.3	11.7	11.2	12.2	12.2	12.4	12.8	11.4	12.4
Change (%)	14.4	0.1	2.0	-9.6	10.9	12.0	25.5	24.6	1.2	7.6
Non-Operating Income	142	528	132	161	182	398	144	196	962	919
Interest	87	103	120	130	91	130	127	157	439	505
Depreciation	1,257	1,270	1,244	1,268	1,276	1,290	1,350	1,385	5,039	5,301
PBT after EO Exp	**3,741**	**3,991**	**3,253**	**3,430**	**4,297**	**4,392**	**4,298**	**4,470**	**14,415**	**17,457**
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.6	24.8	25.4	0.0	25.3
Adj. PAT	**2,796**	**2,978**	**2,450**	**2,546**	**3,205**	**3,268**	**3,232**	**3,336**	**10,769**	**13,041**
Change (%)	15.6	3.8	2.0	-10.3	14.6	9.7	31.9	31.0	2.3	21.1

Bharat Forge — Neutral

CMP: INR1,219 | TP: INR1,109 (-9%) **EPS CHANGE (%): FY26E|FY27E: -6|-1**

- US demand has been tepid for both Class8 and non-auto. Defense ramp-up is likely to be stable QoQ. Pickup in domestic business likely to offset weakness in exports.
- Revenue to decline 7% YoY in 2Q.
- US tariffs on CVs and non-auto for India exports stand at 50% now. This impact is expected to be partially absorbed between vendors and OEMs.
- EBITDA margins to decline 280bp YoY to 25%.
- Standalone PAT is expected to decline 13% YoY in 2Q.

S/A Quarterly **(INR m)**

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	**23,381**	**22,467**	**20,960**	**21,630**	**21,047**	**20,949**	**23,133**	**24,029**	**88,437**	**89,159**
Change (%)	9.9	-0.1	-7.4	-7.1	-10.0	-6.8	10.4	11.1	-1.4	0.8
EBITDA	**6,515**	**6,255**	**6,099**	**6,167**	**5,718**	**5,237**	**6,038**	**6,305**	**25,034**	**23,299**
EBITDA Margins (%)	27.9	27.8	29.1	28.5	27.2	25.0	26.1	26.2	28.3	26.1
Non-Operating Income	446	348	314	481	422	420	455	530	1,589	1,827
Interest	702	635	573	588	522	490	450	438	2,498	1,900
Depreciation	1094	1083	1104	1122	1125	1140	1150	1188	4,404	4,602
EO Exp / (Inc)	1,457	-135	9	203	0	0	0	0		0
PBT after EO items	**3,708**	**5,019**	**4,727**	**4,735**	**4,493**	**4,027**	**4,893**	**5,209**	**19,721**	**18,623**
Tax	1014	1407	1266	1278	1108	987	1199	1400	4,965	4,693
Eff. Tax Rate (%)	27.3	28.0	26.8	27.0	24.7	24.5	24.5	26.9	25.2	25.2
Rep. PAT	**2,694**	**3,612**	**3,461**	**3,456**	**3,385**	**3,041**	**3,694**	**3,809**	**14,756**	**13,930**
Change (%)	-13.5	4.4	-8.4	-11.3	25.6	-15.8	6.7	10.2	2.4	5.4
Adj. PAT	**3,787**	**3,510**	**3,468**	**3,608**	**3,385**	**3,041**	**3,694**	**3,809**	**13,223**	**13,930**
Change (%)	20.2	0.1	-4.8	-8.8	-10.6	-13.4	6.5	5.6	-7.2	-3.1

CIE Automotive — Buy

CMP: INR413 | TP: INR495 (+20%) **EPS CHANGE (%): CY25E|26E: 2|1**

- India business to post 2% YoY growth in revenue due to pick-up in key segments. EU business to post 25% YoY growth over a very low base of last year.
- Overall, consol. revenue is projected to grow 9% YoY.
- EBITDA margin is expected to largely remain stable QoQ at 14.1%.

Quarterly performance (Consol.)

(INR m)	CY24				CY25				CY24	CY25E
Y/E December	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	**24,268**	**22,927**	**21,346**	**21,100**	**22,726**	**23,690**	**23,233**	**24,155**	**89,641**	**93,806**
YoY Change (%)	-0.5	-1.2	-6.4	-5.8	-6.4	3.3	8.8	14.5	-3.4	4.6
EBITDA	**3,606**	**3,600**	**3,306**	**2,993**	**3,355**	**3,368**	**3,278**	**3,532**	**13,506**	**13,534**
Margins (%)	14.9	15.7	15.5	14.2	14.8	14.2	14.1	14.6	15.1	14.4
Depreciation	863	836	798	809	864	871	788	835	3,306	3,358
Interest	220	211	169	175	126	16	140	180	776	456
Other Income	513	306	243	336	361	221	242	289	1,396	1,112
Share of profit from associates	4	6	19	-2	5	7	7	9	27	28
PBT before EO expense	**3,035**	**2,859**	**2,581**	**2,344**	**2,725**	**2,701**	**2,592**	**2,806**	**10,820**	**10,832**
Tax Rate (%)	24.3	24.5	25.3	23.6	24.6	25.1	24.6	23.2	24.4	24.3
Adj. PAT	**2,302**	**2,164**	**1,947**	**1,790**	**2,060**	**2,030**	**1,962**	**2,164**	**8,203**	**8,223**
YoY Change (%)	4.5	1.3	4.3	1.1	-10.5	-6.2	0.8	20.9	2.8	0.2
Revenues										
India	14,275	15,047	15,270	14,430	14,658	15,154	15,642	16,352	58,309	61,806
Growth (%)	-1	5	-1	-3	3	6	2	13	-1	6
EU	9,994	7,879	6,077	6,670	8,069	8,536	7,591	7,804	29,098	31,999
Growth (%)	0	-11	-18	-12	-19	-1	25	17	-14	10
EBITDA Margins										
India	15.1	15.5	15.6	14.6	15.7	15.7	15.1	15.0	15.7	15.4
EU	14.6	16.1	15.2	13.2	13.1	11.7	12.1	13.7	15.0	12.6

Craftsman Auto — Neutral

CMP: INR6,725 | TP: INR6,391 (-5%) — **EPS CHANGE (%): FY26E|FY27E: -|-4**

- Standalone revenue likely to grow ~18% YoY, led by steady growth in aluminum segment and recovery in powertrain segment.
- Consolidated revenue is likely to grow 51% YoY due to integration of Sunbeam and Fornsburg.
- Consolidated margins to largely remain stable QoQ at 15.1% as bulk of the expected margin improvement came in 1Q.

Quarterly (Consol) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	11,512	12,140	15,761	17,493	17,840	18,319	18,824	19,395	56,905	74,379
Change (%)	10.9	3.0	39.5	58.3	55.0	50.9	19.4	10.9	27.8	30.7
RM/Sales (%)	56.3	55.6	52.7	54.2	53.9	53.9	54.0	54.2	54.5	54.0
Staff Cost (% of Sales)	6.4	6.9	8.5	8.3	8.1	8.0	8.0	8.1	7.7	8.1
Other Exp. (% of Sales)	20.1	21.6	26.2	23.6	23.2	23.0	22.6	21.9	23.2	22.6
EBITDA	1,973	1,928	1,990	2,436	2,649	2,766	2,899	3,058	8,327	11,373
EBITDA Margins (%)	17.1	15.9	12.6	13.9	14.9	15.1	15.4	15.8	14.6	15.3
Non-Operating Income	48	64	86	52	50	55	58	50	251	213
Interest	492	413	583	679	663	600	550	440	2166	2253
Depreciation	725	762	1035	949	1019	1100	1150	1223	3470	4492
MI/Share of Profit	61	-4	-2	-2	-2	0	0	0	-10	0
PBT after EO items	744	821	313	755	937	1,121	1,257	1,446	2,951	4,841
Eff. Tax Rate (%)	28.5	24.9	58.6	11.6	25.7	23.0	23.0	22.5	23.3	23.0
Rep. PAT	532	617	129	668	696	863	968	1,120	2,263	3,728
Change (%)	-28.6	-34.7	-82.3	7.1	30.9	39.9	648.5	67.8	-25.7	64.7
Adj. PAT	532	617	242	750	757	863	968	1,120	2,263	3,728
Change (%)	-28.6	-34.7	-66.9	20.3	42.3	39.9	299.3	49.5	-25.7	64.7

E: MOFSL Estimates

Endurance Technologies — Buy

CMP: INR2,812 | TP: INR3,311 (+18%) — **EPS CHANGE (%): FY26E|FY27E: -1|1**

- India business to grow 10% YoY on the back of a steady revival in OEM demand in 2Q.
- India EBITDA margin to improve 50bp YoY to 13%.
- Europe revenue to grow 33% YoY on Stoferle acquisition.
- Expect EBITDA margin to improve 100bp YoY to 17%.
- Consolidated PAT to grow 21% YoY in 2Q.

Consolidated - Quarterly

Y/E March	FY25				FY26E				FY25	FY26E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	28,255	29,127	28,592	29,635	33,189	34,702	36,783	38,343	115,608	143,018
YoY Change (%)	15.3	14.4	11.6	11.2	17.5	19.1	28.7	29.4	12.9	23.7
EBITDA	3,741	3,820	3,725	4,225	4,439	4,651	5,028	5,417	15,511	19,535
Margins (%)	13.2	13.1	13.0	14.3	13.4	13.4	13.7	14.1	13.4	13.7
Depreciation	1,288	1,311	1,364	1,424	1,644	1,630	1,680	1,694	5,387	6,649
Interest	112	116	115	125	135	107	98	126	468	466
Other Income	339	265	219	346	356	290	310	307	1,170	1,264
PBT before EO expense	2,680	2,658	2,466	3,022	3,016	3,204	3,560	3,905	10,825	13,684
Exceptional Item	0	0	0	-122	0	0	0	0	-122	0
PBT after EO	2,680	2,658	2,466	3,144	3,016	3,204	3,560	3,905	10,947	13,684
Eff. Tax Rate (%)	23.9	23.6	25.2	22.0	24.9	23.2	22.5	23.7	23.6	23.5
Adj. PAT	2,039	2,030	1,844	2,359	2,264	2,460	2,760	2,978	8,270	10,462
YoY Change (%)	24.7	31.3	21.1	21.0	11.0	21.2	49.7	26.3	20.7	26.5

Happy Forgings — Buy

CMP: INR925 | TP: INR1147 (+24%) — **EPS CHANGE (%): FY26E|27E: -3|-**

- Key segments in domestic market (CVs and tractors) have picked up in 2Q. Expect revenue growth of 7% QoQ/5% YoY.
- No material impact of US tariffs as its US exposure is below 3% of revenue, including indirect exports.
- EBITDA margins to marginally improve QoQ to 28.8%.
- We expect 8% YoY earnings growth in 2Q.

Quarterly (Standalone) **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating income	**3,415**	**3,611**	**3,543**	**3,520**	**3,538**	**3,792**	**3,827**	**3,999**	**14,089**	**15,155**
Change (%)	3.5	5.3	3.6	2.5	3.6	5.0	8.0	13.6	3.7	7.6
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	42.0	42.0	41.9	42.0	42.0
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	9.0	9.0	8.9	8.9	9.0
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.2	20.2	19.8	20.3	20.1
EBITDA	**976**	**1,054**	**1,015**	**1,023**	**1,012**	**1,092**	**1,102**	**1,178**	**4,067**	**4,383**
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	28.8	28.8	29.5	28.9	28.9
Non-Operating Income	77	83	66	101	104	108	107	109	376	428
Interest	14	16	21	24	23	22	23	21	75	89
Depreciation	180	197	191	203	206	220	235	239	771	899
EO Exp		-48			0	0	0	0		0
PBT after EO items	**859**	**973**	**868**	**897**	**886**	**958**	**951**	**1,027**	**3,597**	**3,822**
Tax	220	259	223	219	230	240	244	265	921	979
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.0	25.7	25.8	25.6	25.6
Rep. PAT	**639**	**714**	**645**	**678**	**657**	**719**	**707**	**762**	**2,676**	**2,844**
Change (%)	-0.3	29.3	11.4	3.0	2.9	0.6	9.5	12.4	-68.1	6.3
Adj. PAT	**639**	**666**	**645**	**678**	**657**	**719**	**707**	**762**	**2,676**	**2,844**
Change (%)	-0.3	20.6	11.4	3.0	2.9	7.8	9.5	12.4	10.1	6.3

E: MOFSL Estimates

Sona Comstar — Neutral

CMP: INR414| TP: INR447 (8%) — **EPS CHANGE (%): FY26E|FY27E: 4|3**

- Core business (ex tractors) revenue may decline 4% YoY but pick up QoQ. Revenue decline YoY is largely due to the slowdown in the US market and weak ramp-up at one of its key EV customers. We understand that availability of rare earth has been better in 2Q QoQ.
- We expect the core business to post 50bp margin improvement QoQ (-290bp YoY).
- Overall, we expect the PAT for the core business to decline 10% YoY to INR1.4b led by continued margin pressure.

Quarterly Performance(ex tractor)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net operating revenues	**8,930**	**9,251**	**8,680**	**8,494**	**8,013**	**8,883**	**9,515**	**9,833**	**35,545**	**35,254**
Change (%)	22.0	17.0	11.8	-4.0	-10.3	-4.0	9.6	15.8	11.6	-0.8
EBITDA	**2,512**	**2,549**	**2,342**	**2,160**	**1,936**	**2,194**	**2,379**	**2,500**	**9,753**	**9,009**
EBITDA Margins (%)	28.1	27.6	27.0	25.4	24.2	24.7	25.0	25.4	27.4	24.9
Depreciation	606	626	666	646	650	680	730	780	2,544	2,840
EBIT	**1,905**	**1,923**	**1,677**	**1,513**	**1,286**	**1,514**	**1,649**	**1,720**	**7,209**	**6,169**
EBIT Margins (%)	21.3	20.8	19.3	17.8	16.1	17.0	17.3	17.5	20.3	17.0
Interest	86	106	58	52	50	35	45	52	302	182
Non-Operating Income	70	210	468	522	427	350	250	331	1,269	1,358
PBT	**1,889**	**1,918**	**2,030**	**2,147**	**1,571**	**1,829**	**1,854**	**1,999**	**8,173**	**7,345**
Effective Tax Rate (%)	25.0	25.1	25.8	23.8	26.4	25.2	25.2	25.4	24.2	0.3
Adjusted PAT	**1,417**	**1,546**	**1,564**	**1,473**	**1,248**	**1,368**	**1,387**	**1,492**	**6,200**	**5,494**
Change (%)	24.0	20.2	17.1	-0.6	-11.9	-9.9	-10.6	-1.4	27.3	-11.4

Bosch — Neutral

CMP: INR38,338 | TP: INR36,375 (-5%) — **EPS CHANGE (%): FY26E|27E: 1|2**

- We expect 11% YoY revenue growth, driven by aftermarket growth in the mobility division and pickup in demand in CV and 2Ws in 2Q.
- Margins to largely remain stable QoQ at 13.2%.
- As a result, we expect Bosch to post 12.5% YoY growth in PAT.

Quarterly performance (S/A) **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**43,168**	**43,943**	**44,657**	**49,106**	**47,886**	**48,777**	**50,016**	**51,909**	**180,874**	**198,587**
YoY Change (%)	3.8	6.4	6.2	16.0	10.9	11.0	12.0	5.7	8.1	9.8
RM Cost (% of sales)	64.6	65.1	61.6	62.4	62.3	63.2	63.0	63.8	63.4	63.1
Staff Cost (% of sales)	7.8	7.8	8.8	8.6	7.1	8.4	8.5	8.5	8.3	8.1
Other Expenses (% of sales)	15.7	14.3	16.5	15.8	17.2	15.2	15.3	14.4	15.6	15.5
EBITDA	**5,197**	**5,605**	**5,826**	**6,469**	**6,393**	**6,439**	**6,602**	**6,920**	**23,097**	**26,353**
Margins (%)	12.0	12.8	13.0	13.2	13.4	13.2	13.2	13.3	12.8	13.3
Depreciation	856	900	1,008	992	850	900	950	1,013	3,756	3,713
Interest	26	22	62	61	45	30	42	33	171	150
Other Income	1,793	2,089	1,891	2,369	2,881	2,150	2,200	2,262	8,142	9,493
PBT before EO expense	**6,108**	**6,772**	**6,647**	**7,785**	**8,379**	**7,659**	**7,810**	**8,136**	**27,312**	**31,984**
Extra-Ord expense	0	-485	471	0	5,560	0	0	0	0	0
PBT after EO Expense	**6,108**	**7,257**	**6,176**	**7,785**	**13,939**	**7,659**	**7,810**	**8,136**	**27,312**	**31,984**
Tax	1,453	1,898	1,594	2,248	2,785	2,030	1,953	2,243	7,193	9,011
Tax Rate (%)	23.8	26.2	25.8	28.9	20.0	26.5	25.0	27.6	26.3	28.2
Reported PAT	**4,655**	**5,359**	**4,582**	**5,537**	**11,154**	**5,629**	**5,858**	**5,893**	**20,119**	**22,973**
Adj PAT	**4,655**	**5,002**	**4,929**	**5,537**	**6,705**	**5,629**	**5,858**	**5,893**	**20,119**	**22,973**
YoY Change (%)	13.8	30.2	4.4	-1.9	44.0	12.5	18.8	6.4	11.4	14.2

E: MOFSL Estimates

Motherson Wiring India — Buy

CMP: INR46| TP: INR53 (+16%) — **EPS CHANGE (%): FY26E|FY27E: -2|-**

- Revenue likely to grow 12% YoY to INR26b, aided by ramp-up of new plants.
- EBITDA margins to gradually improve QoQ as plants ramp-up. Expect margins to be down 30bp YoY at 10.4%.
- We expect 7% YoY earnings growth for 2Q.

MSUMI: Quarterly performance **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**21,848**	**23,256**	**23,003**	**25,095**	**24,940**	**26,047**	**26,453**	**27,878**	**93,203**	**105,319**
YoY Change (%)	16.7	10.5	8.8	12.4	14.2	12.0	15.0	11.1	11.9	13.0
RM Cost (% of sales)	65.1	64.9	64.9	65.7	64.7	64.7	64.6	64.1	65.2	64.5
Staff Cost (% of sales)	17.2	17.3	17.9	16.5	19.1	18.5	18.4	18.3	17.2	18.6
Other Expenses (% of sales)	6.7	7.1	6.8	7.0	6.4	6.4	6.4	6.7	6.9	6.5
EBITDA	**2,388**	**2,496**	**2,376**	**2,712**	**2,443**	**2,708**	**2,791**	**3,044**	**9,972**	**10,985**
Margins (%)	10.9	10.7	10.3	10.8	9.8	10.4	10.6	10.9	10.7	10.4
Depreciation	399	444	470	476	492	515	525	566	1,789	2,098
Interest	55	72	66	55	63	58	55	54	248	230
Other Income	50	48	6	16	9	20	25	24	119	77
PBT before EO expense	**1,984**	**2,027**	**1,846**	**2,197**	**1,896**	**2,155**	**2,236**	**2,447**	**8,055**	**8,734**
PBT after EO Expense	**1,984**	**2,027**	**1,846**	**2,197**	**1,896**	**2,155**	**2,236**	**2,447**	**8,055**	**8,734**
Tax Rate (%)	25	25	24	25	25	25	25	24	25	25
Reported PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,627**	**1,689**	**1,848**	**6,060**	**6,595**
Adj PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,627**	**1,689**	**1,848**	**6,060**	**6,595**
YoY Change (%)	20.9	-2.4	-16.6	-13.8	-3.9	7.0	20.6	12.1	-5.1	8.8

E: MOFSL Estimates

Samvardhana Motherson Sumi — Buy

CMP: INR106| TP: INR123 (+16%) — **EPS CHANGE (%): FY26E|FY27E: -4|2**

- Execution of healthy order book, integration benefits from recent acquisitions and currency translation gains should help offset demand weakness in end markets. Expect 2Q revenue growth of 7% YoY.
- On the back of higher input costs and weak demand, we expect margins to decline 100bp YoY to 7.8%.
- As a result, we expect earnings to decline 15% YoY.

Quarterly performance (Consol.) (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**2,88,680**	**2,78,119**	**2,76,659**	**2,93,168**	**302,120**	**298,356**	**314,783**	**322,744**	**1,136,626**	**1,238,003**
YoY Change (%)	28.5	18.2	7.9	9.1	4.7	7.3	13.8	10.1	15.4	8.9
EBITDA	**27,753**	**24,479**	**26,858**	**26,429**	**24,583**	**23,415**	**27,862**	**29,474**	**105,519**	**105,334**
Margins (%)	9.6	8.8	9.7	9.0	8.1	7.8	8.9	9.1	9.3	8.5
Depreciation	10,646	11,028	11,124	12,137	12,297	12,350	12,500	12,787	44,934	49,934
Interest	4,445	5,462	4,661	4,256	4,250	4,100	4,000	4,289	18,824	16,639
Other income	709	862	1,112	1,164	805	1,250	1,650	1,928	5,577	5,633
PBT before EO expense	**13,371**	**8,852**	**12,185**	**11,200**	**8,841**	**8,215**	**13,012**	**14,326**	**47,338**	**44,394**
Extra-Ord expense	0	-1,730	0	1,730	1,365	0	0	0	0	1,365
PBT after EO Expense	**13,371**	**10,582**	**12,185**	**9,470**	**7,476**	**8,215**	**13,012**	**14,326**	**47,338**	**43,029**
Tax Rate (%)	26.0	33.2	27.7	12.2	30.1	27.0	27.0	22.5	23.6	26.2
Min. Int & Share of profit	-51	-1,152	26	-672	-300	-343	-414	-302	-1,848	-1,359
Reported PAT	**9,942**	**8,797**	**8,786**	**8,775**	**5,118**	**6,340**	**9,913**	**11,399**	**38,030**	**32,770**
Adj PAT	**9,942**	**7,470**	**8,790**	**10,030**	**6,210**	**6,340**	**9,913**	**11,399**	**38,030**	**33,766**
YoY Change (%)	65.5	65.7	62.2	9.4	-37.5	-15.1	12.8	13.6	51.5	-11.2

E: MOFSL Estimates

Tube Investments — Buy

CMP: INR3,082 | TP: INR3,716 (+21%) — **EPS CHANGE (%): FY26E|FY27E: -|-**

- We expect TI to post steady 3% YoY growth in revenues in 2Q.
- While metal formed division is expected to grow by 6% YoY, mobility/engineering divisions are expected to grow ~1%/5% YoY. Revenue from other business to grow ~2% YoY.
- We expect EBITDA margin to largely remain stable YoY at 12.2%.
- Overall, we expect standalone entity to post 6% YoY growth in earnings in 2Q.

Quarterly performance (S/A) (INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**19,603**	**20,648**	**19,102**	**19,573**	**20,066**	**21,342**	**20,969**	**22,072**	**78,925**	**84,449**
YoY Change (%)	10.1	4.8	0.6	-0.3	2.4	3.4	9.8	12.8	3.7	7.0
EBITDA	**2,400**	**2,460**	**2,431**	**2,280**	**2,474**	**2,600**	**2,589**	**2,676**	**9,606**	**10,339**
Margins (%)	12.2	11.9	12.7	11.6	12.3	12.2	12.3	12.1	12.2	12.2
Depreciation	386	407	432	463	450	460	470	478	1,688	1,858
Interest	72	69	54	52	37	40	45	53	247	175
Other Income	137	261	175	1,502	234	250	200	1,543	2,075	2,228
PBT before EO expense	**2,079**	**2,245**	**2,120**	**3,267**	**2,221**	**2,350**	**2,274**	**3,688**	**9,745**	**10,533**
Tax	534	567	512	664	540	565	546	824	2,277	2,475
Tax Rate (%)	25.7	25.3	24.2	20.3	24.3	24.0	24.0	22.4	23.4	23.5
Adj PAT	**1,545**	**1,678**	**1,607**	**2,603**	**1,681**	**1,786**	**1,728**	**2,864**	**7,468**	**8,058**
YoY Change (%)	4.6	-7.5	2.1	5.0	8.8	6.4	7.5	10.0	1.7	7.9

E: MOFSL Estimates

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