

Initiating Coverage

Choice
Institutional Equities

ASK Automotive Ltd. (ASKAUTO)

Braking Dominance, Massive Lightweighting Runway Ahead



October 06, 2026

institutional.equities@choiceindia.com

ASK Automotive Ltd. (ASKAUTO)

October 06, 2026 | CMP: INR 608 | Target Price: INR 730

Expected Share Price Return: 20.0% | Dividend Yield: 0.3% | Expected Total Return: 20.3%

Sector View: Positive

BUY

DRIVING
SAFETY
THROUGH
INNOVATION

ASK Automotive is India's largest manufacturer of two-wheeler braking systems, with ~50% volume share. Its Advanced Braking Systems segment (ABS:37% of FY26 revenue) primarily supplies drum brakes, including brake shoes, widely used in sub-125cc 2W, alongside disc pads. Aluminium Lightweighting Precision Solutions (ALPS; 51% of FY26 revenue) makes lightweight aluminium parts through casting and machining. The company is expanding into alloy wheels, PV aftermarket and sunroof cables through technical collaborations with LIOHO, Kyushu Yanagawa, and a JV with AISIN and T.D. Holding. It operates 18 manufacturing facilities across India.

Company Information

BB Code	ASKAUTO IN
ISIN	INE491J01022
Face Value (INR)	2.00
52 Week High (INR)	687
52 Week Low (INR)	371
Mkt Cap (INR Bn)	120
Mkt Cap (USD Bn)	1.3
Shares O/s (Mn)	197.2
Free Float (%)	25.1

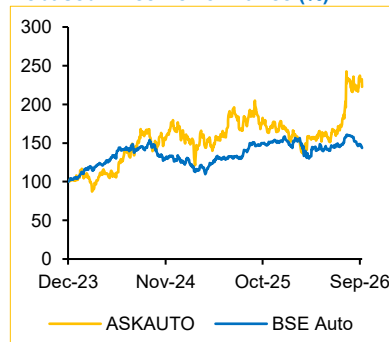
Shareholding Pattern (%)

	Dec-25	Mar-26	Jun-26
Promoters	74.95	74.95	74.95
Fills	9.72	9.29	9.50
Dils	9.13	10.25	10.97
Public	6.20	5.51	4.58

Relative Performance (%)

Return %	1Y	2Y	Since Listing
Nifty Auto	(2.0)	(4.9)	45.6
ASKAUTO	18.0	48.0	96.0

Rebased Price Performance (%)



Subhash Gate

Email: subhash.gate@choiceindia.com
Ph: +91 22 6707 9233

Heet Chheda

Email: heet.chheda@choiceindia.com

ALPS: A Structural Growth Engine Driven by Lightweighting and EVs

Aluminium Lightweighting Precision Solutions (ALPS) is expected to be ASKAUTO's key growth driver, with revenue share expected to rise from 51% in FY26 to 62% by FY29E, implying a ~26% CAGR (FY26-FY29E), driven by rising aluminium content per vehicle (CPV) and OEM wallet-share gains. Aluminium lightweighting improves fuel efficiency and reduces vehicle weight, while **EVs offer 30-50% higher aluminium content than ICE vehicles**, creating a structural growth opportunity. ASKAUTO's powertrain-agnostic portfolio and established OEM relationships position it to capture this shift. Its entry into High-Pressure Die Casting (**HPDC**) alloy wheels through technical collaborations with **LIOHO (Taiwan)** and **Kyushu Yanagawa (Japan)** adds a new growth avenue, with INR 2,500 Mn (4% of total rev) expected in FY28E.

Dominant 2W Braking Franchise Provides a Strong Growth Foundation

ASKAUTO is India's largest 2W brake-shoe and **Advanced Braking Systems (ABS)** manufacturer, with ~50% OEM market share. The segment supplies brake shoes (used in drum brakes), brake panels and disc pads (used in disc brakes), which are critical safety components that control vehicle speed and stopping. Braking contributed ~37% of FY26 revenue, and we expect the segment to grow at a ~11% CAGR from FY26-29E. The company is expanding **brake shoe and disc-pad capacity from 260 Mn to 320 Mn units**, while increasing **aftermarket penetration and scaling disc-pad/ABS content**. This transition towards higher-value braking products, alongside ~90% utilisation and continued capacity expansion at Bangalore and Karoli, should support sustained growth and strengthen the franchise despite a gradually changing 2W product mix.

Exports, Aftermarket, Cables & New Opportunities Drive Growth; Wheel Assembly Exit Enhances Margin

ASKAUTO is diversifying beyond its core 2W braking franchise through **exports, aftermarket, PV components and safety-control cables**. Its **450+ dealer** network supports aftermarket expansion, which delivered **21% CAGR over FY24-26**. New product opportunities through a JV with **AISIN and T.D. Holding in sunroof cables** provides additional growth opportunities. The management targets **20% export CAGR over FY26-29E**, while the exit from the low-margin Wheel Assembly business is expected to support ~80 bps structural EBITDA margin expansion.

Valuation and View: We like ASKAUTO for its experienced, **promoter-led management, industry-leading return ratios (FY26 ROE/ROCE of 25.3%/25.4%)**, and a financial track record that has consistently outpaced 2W average industry growth. The company posted a consolidated **Revenue/EBITDA/PAT CAGR of ~20%/~33%/~37%**, respectively, over FY22-FY26, driven by CPV gains and product mix across ALPS and ABS. We initiate ASKAUTO with a 'BUY' rating, with a DCF-based target price of **INR 730/share**, which implies 30x average FY28-29E EPS, implying a **20.3% upside** from CMP. We forecast ~18%/~20%/~20% revenue/EBITDA/PAT CAGR, respectively, over FY26-FY29E, led by ALPS scale-up, new alloy-wheel and sunroof-cable verticals.

Optionality: Upside could come from a faster alloy-wheel ramp-up, additional export order wins, earlier-than-guided clarity on the draft ABS mandate, and further collaborations beyond the current technical tie-ups and three JVs.

Risks: Key risks include a draft MoRTH mandate extending ABS to sub-125cc two-wheelers, at-risk revenue, 2W Industry headwinds, aluminium price volatility given pass-through timing lags, and customer concentration with the top OEMs.

Links: [Bull Bear Case](#) / [Investors Concerns Answered](#) / [Plant Visit and Management Meeting](#)

Key Financials (Consolidated)

INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	36.0	41.8	49.3	58.5	68.4
YoY Growth	20.2	16.0	18.0	18.6	16.9
EBITDA	4.3	5.3	6.1	7.9	9.2
EBITDAM %	12.0	12.7	12.3	13.5	13.5
APAT	2.5	3.0	3.2	4.3	5.1
EPS (INR)	12.6	15.1	16.2	21.9	26.1
ROAE%	26.6	25.3	21.9	23.8	22.7
ROACE%	26.6	25.4	22.0	23.7	23.8
P/E (x)	35.5	29.1	37.5	27.7	23.3
EV/EBITDA (x)	21.3	17.6	21.2	16.3	13.7
Debt/Equity (x)	0.4	0.5	0.6	0.4	0.3
P/BV (x)	8.4	6.6	7.4	5.9	4.8
Dividend Yield (%)	0.3	0.4	0.3	0.4	0.5

Source: ASKAUTO, Choice Institutional Equities

Report Structure

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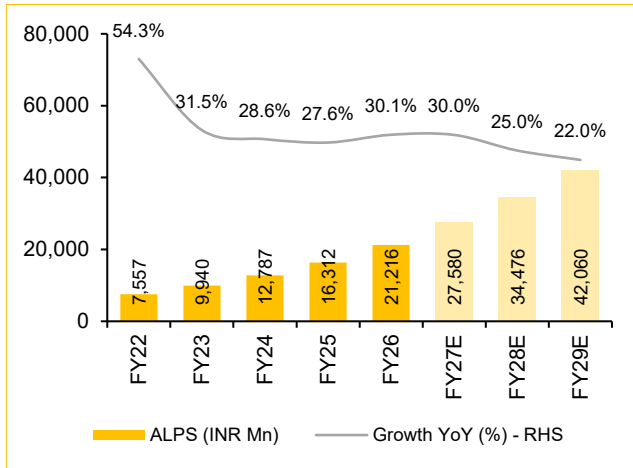
ESDS Initiating Coverage



Convex Choices Equity Strategy and High-Conviction Ideas_Quarterly_Q1FY27

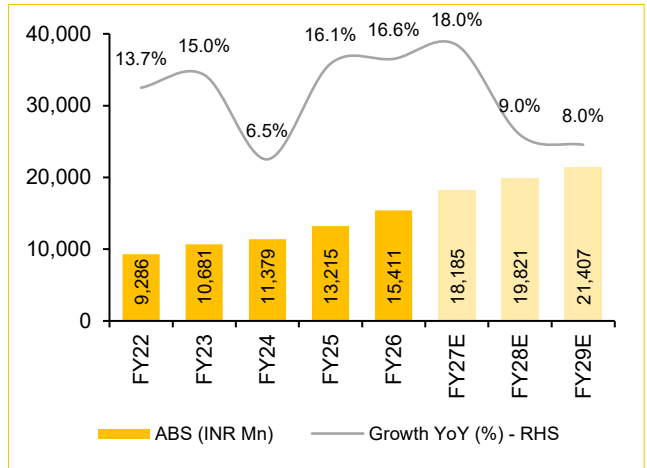
1.1 From Data to Alpha — The Thesis Unfolds

Lightweighting demand and the new alloy-wheel line to drive a 26% ALPS CAGR (FY26-FY29E)



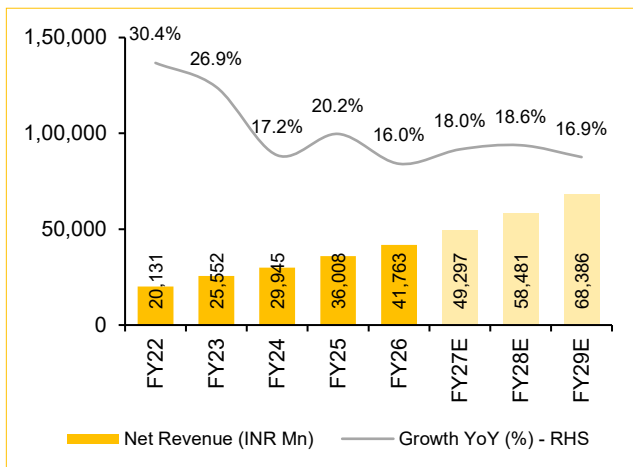
Source: ASKAUTO, Choice Institutional Equities

~50% 2W brake-shoe share, aftermarket reach and new capacity to sustain an ~11% ABS CAGR (FY26-FY29E)



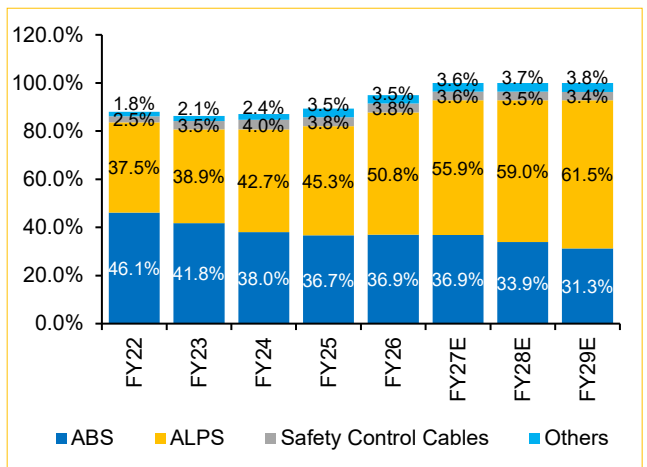
Source: ASKAUTO, Choice Institutional Equities

ALPS scale-up, higher EV content and new JVs to drive an 18% revenue CAGR over FY26–29E



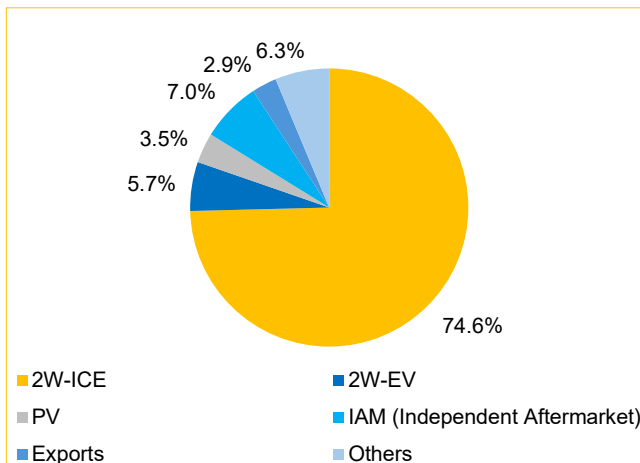
Source: ASKAUTO, Choice Institutional Equities

Rising aluminium use in ICE and EVs makes ALPS the growth engine at 62% of revenue by FY29E



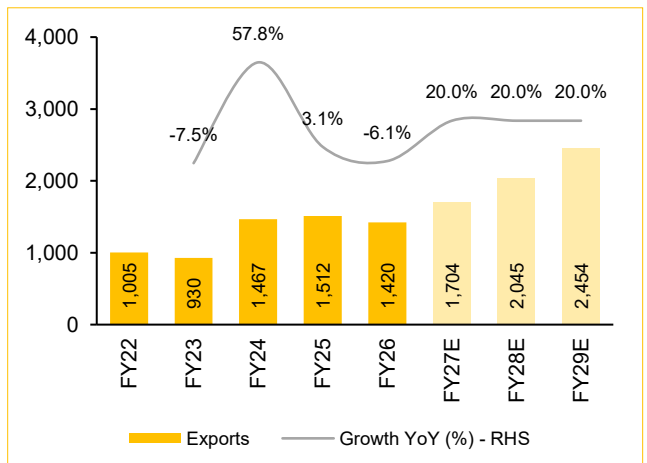
Source: ASKAUTO, Choice Institutional Equities

Company focusing improving share of 2W-EV/PV and export (% of rev. share Q1FY27)



Source: ASKAUTO, Choice Institutional Equities

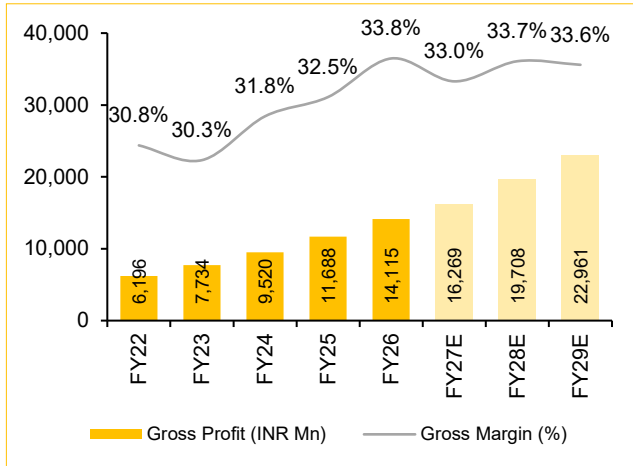
Global sourcing shifts to drive 20% CAGR export growth (FY26-FY29E)



Source: ASKAUTO, Choice Institutional Equities

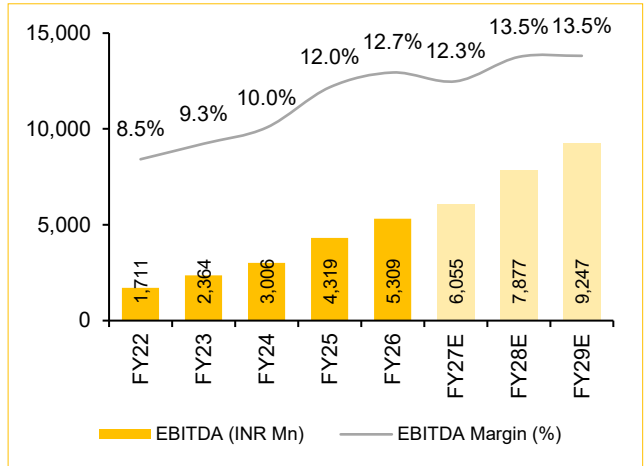
1.1 From Data to Alpha — The Thesis Unfolds

Higher-value ALPS castings and a richer product mix to hold gross margin at 33.6% to FY29E



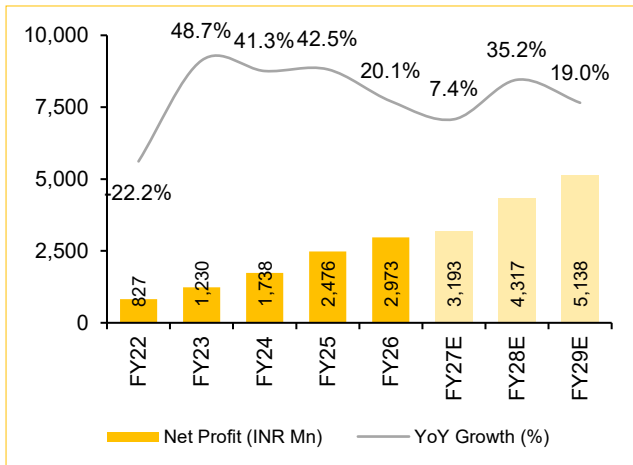
Source: ASKAUTO, Choice Institutional Equities

Wheel Assembly exit and operating leverage to lift EBITDA margin to 13.5% by FY29E



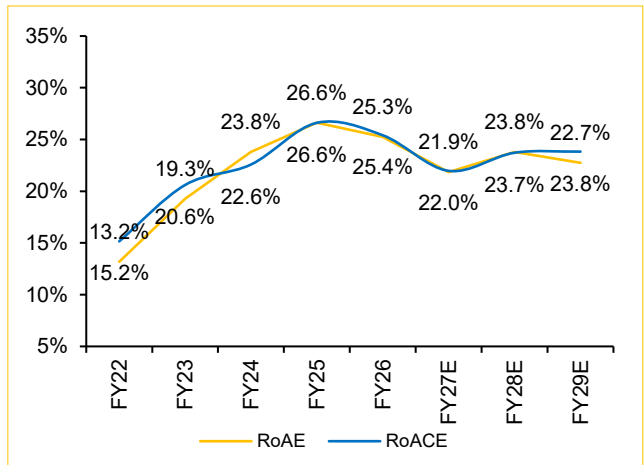
Source: ASKAUTO, Choice Institutional Equities

Margin expansion to drive a 20% PAT CAGR over FY26–29E, faster than revenue growth



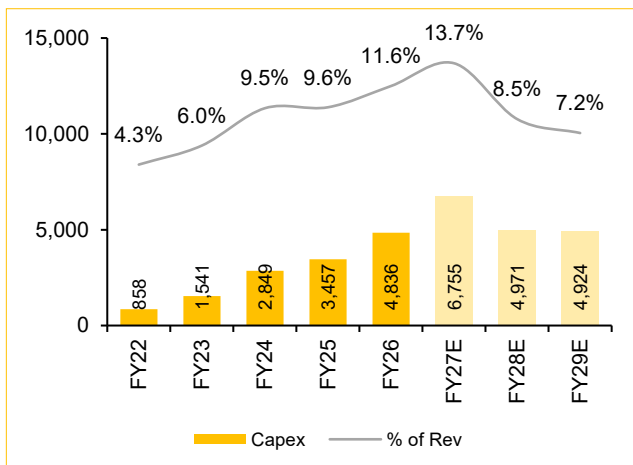
Source: ASKAUTO, Choice Institutional Equities

Capex held near 1x EBITDA keeps RoACE above 23% even through the FY27E capex peak



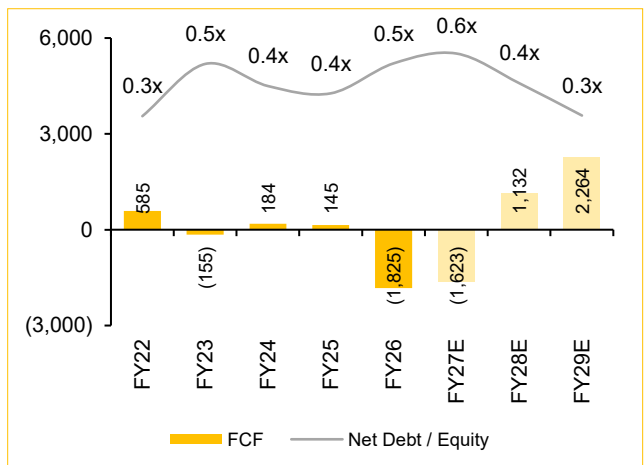
Source: ASKAUTO, Choice Institutional Equities

FY27E capex peak funds Bangalore South and Karoli; intensity eases to 7.2% of revenue by FY29E



Source: ASKAUTO, Choice Institutional Equities

New capacity turns cash-generative from FY28E, cutting net debt/equity to 0.3x by FY29E



Source: ASKAUTO, Choice Institutional Equities

2.1 ALPS: A Structural Growth Engine Driven by Lightweighting and EVs

ALPS is increasingly becoming the most important driver of ASKAUTO's medium-term growth. We expect the company's ALPS revenue to increase at ~26% CAGR from FY26-29E, with the revenue share increasing from 51% in FY26 to 62% in FY29E, which is substantially ahead of overall company growth, considering strong demand for precision aluminium components. **The business is benefiting from increasing aluminium intensity, lightweighting and structural applications across both ICE and EV platforms.** The management has indicated strong order inflows, with new orders broad-based across ICE and EV, while EV-related opportunities remain particularly significant for the company.

ALPS is the fastest-growing segment. We expect the segment revenue to increase at ~26% CAGR from FY26-29E, with the % of rev share increasing from 51% in FY26 to 62% in FY29E, supported by strong demand for precision aluminium components

Alloy Wheels

Signed technical collaborations with LIOHO (Taiwan) and Kyushu Yanagawa (Japan)

Commercial HPDC alloy-wheel production began at Karoli in Q1FY27

Confirmed orders of INR 700–900 Mn FY27, rising to INR 2,500 Mn (4% of total Rev) FY28E

Expected to be a key ALPS growth driver through FY29E

2.1.1 Die-casting & Lightweighting – ALPS as a Structural Growth Engine:

- ASKAUTO manufactures **crankcases, cylinder blocks, battery housings, motor housings and other precision aluminium components**. Aluminium is ~40% lighter than steel, while EVs typically require **30–50% higher aluminium content** than ICE vehicles, creating a structural opportunity for ASKAUTO's powertrain-agnostic portfolio
- ALPS is expected to be ASKAUTO's key growth engine, with revenue contribution increasing from **51% in FY26 to ~62% by FY29E**, implying a **~26% revenue CAGR over FY26–29E**. The faster growth is driven by rising aluminium content, increasing lightweighting requirements and higher-value applications across ICE and EV platforms
- The company has a strong manufacturing base with 5 paint shops, 2 powder-coating shops, 200+ HPDC and 700+ VMC/CNC/HMC/SPM machines, enabling a wide range of aluminium component applications
- Higher-complexity castings command an EBITDA margin 200–300 bps better than commodity castings, thus improving segment mix

2.1.2 Alloy Wheels Create a New High-Value Product Opportunity:

- ASKAUTO has entered the **HPDC alloy-wheel** market through technical collaborations with **LIOHO (Taiwan) and Kyushu Yanagawa (Japan)**, leveraging their technology and manufacturing expertise. Commercial production at Karoli began in **Q1FY27**, ahead of the earlier H2FY27E timeline, with supplies initiated to a **leading Japanese OEM**
- The key differentiator is ASKAUTO's adoption of HPDC technology (Aluminium is injected into the mould at very high pressure), while conventional alloy wheels in India are largely manufactured **using gravity die-casting** (Aluminium is poured into the mould using gravity)
- HPDC can enable lighter-weight wheels, supporting better fuel/energy efficiency and positioning ASKAUTO to address the industry's shift towards lightweighting. **LIOHO already supplies alloy wheels to Gogoro** (a Taiwan-based electric 2W company), while **Kyushu Yanagawa supplies Japanese OEMs**, providing ASKAUTO access to established global wheel-making expertise
- **We believe alloy wheels can improve ASKAUTO's product mix by moving towards higher-value precision components while simultaneously strengthening its presence with global customers. The ramp-up also provides an opportunity to diversify ALPS beyond its existing product portfolio**

Technical collaborations

Partner	LIOHO (Taiwan)	Kyushu Yanagawa Seiki (Japan)
Agreement date	Feb-24	Mar-25
Product	2W HPDC alloy wheels	2W HPDC alloy wheels
Customer focus	Broader 2W OEM market	Japanese 2W OEMs
Technology expertise	Supplies to Gogoro in Taiwan	Existing alloy-wheel supplier to Japanese OEMs
Production status	Under testing since Sept 2024	Confirmed order in Q1FY27

Source: ASKAUTO, Choice Institutional Equities

2.1 ALPS: A Structural Growth Engine Driven by Lightweighting and EVs

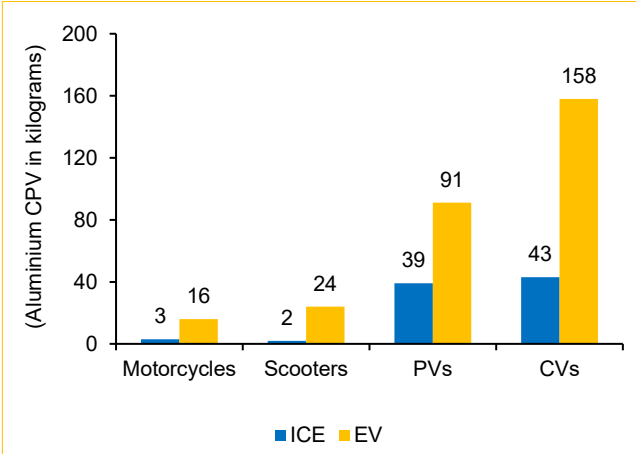
2.1.3 Lightweighting and EV Penetration Create a Long-duration Growth Runway:

2W-EVs could increase aluminium content by 30–50% by weight as compared to ICE 2Ws, while higher component complexity could result in more than 2x aluminium usage in value terms

We forecast ~26% ALPS revenue CAGR over FY26–29E, making ALPS a key contributor to the company’s overall growth and mix improvement

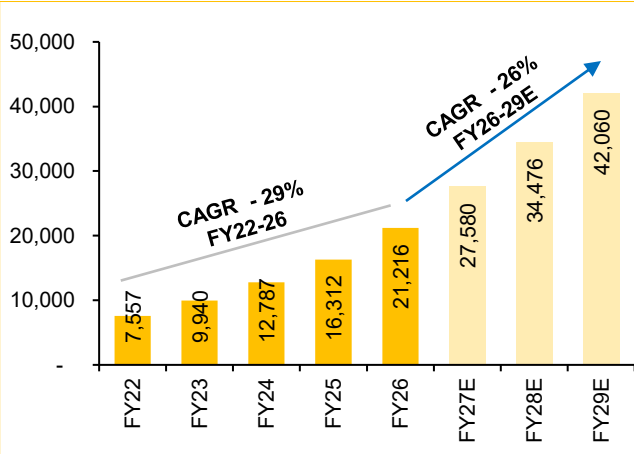
- Aluminium adoption is rising across engine, body & chassis, transmission and EV components, driven by lightweighting, fuel-efficiency and performance requirements
- EV adoption could reduce demand for traditional ICE components, such as **crankcase, crankcase cover, cylinder component, throttle body, engine cover and hub**. However, it creates new opportunities in **wheel pulley, battery housing, battery cover, motor housing, motor cover, gear housing and gear housing cover**
- EVs could increase aluminium content by 30–50% by weight as compared to ICE 2Ws
- ASKAUTO is poised to benefit from increasing EV penetration through its expanding ALPS portfolio, **deep-rooted OEM relationships** and strong manufacturing capabilities
- Key listed competitors include **Endurance Technologies and Craftsman Automation**
- We forecast ~26% ALPS (including new vertical of alloy wheels) revenue CAGR over FY26–29E, making ALPS a key contributor to the company’s overall growth and mix improvement. This is driven by increasing acceptance of EV parts (owing to deeper EV penetration) and entry into the alloy wheel segment

Aluminium usage in EVs notably higher than in ICE (CPV)



Source: ASKAUTO, Industry, Choice Institutional Equities

ALPS (INR Mn) segment expected to grow CAGR ~26% (FY26–29E), aided by industry tailwinds



Source: ASKAUTO, Choice Institutional Equities

ALPS – Strong Presence Across Categories

Particulars	Details
Segmental revenue mix	2W OEM (~87%), 4W OEM (~7%) and non-auto (~6%)
Key products	2W (crank case, engine cover, cylinder block, pillion grip), EVs (geared pulley, electric motor housing, battery housing), 4W (ECU body, ECU housing, throttle body, filter housing), Exports (base adapter, demolition hammer, fan, cover bottom)
Key customers	Honda 2W, Hero MotoCorp, TVS Motors, Yamaha, Suzuki, Royal Enfield, Maruti Suzuki, Mahindra and Mahindra, Polaris, Denso, Stanley Black & Decker, Dellorto, UFI filters, Magneti Marelli, Knorr Bremse, Aptiv
Key competitors	Endurance Technologies, Craftsman Auto, Sundaram Clayton, Rico Auto, Rockman Industries, Sandhar Group.

Source: ASKAUTO, Choice Institutional Equities

2.2 Dominant 2W Braking Franchise Provides a Strong Growth Foundation

ASKAUTO's leadership in 2W braking provides a structurally strong earnings base, supported by **~50% market share**, long-standing relationships with leading OEMs and stringent product validation requirements. ASKAUTO's relationships with **Hero, Honda, TVS, Bajaj and Suzuki have been built over 20–30 years**, creating high customer stickiness and making meaningful share loss relatively difficult. The company also caters to a large portion of leading e2W OEM demand, reinforcing the powertrain-agnostic nature of its braking franchise. **We believe these strategic moves, combined with strong OEM relationships and technical expertise, position ASKAUTO to sustain leadership in its core segment of advanced braking systems. Hence, we forecast a ~11% revenue CAGR for advanced braking systems over FY26-29E.**

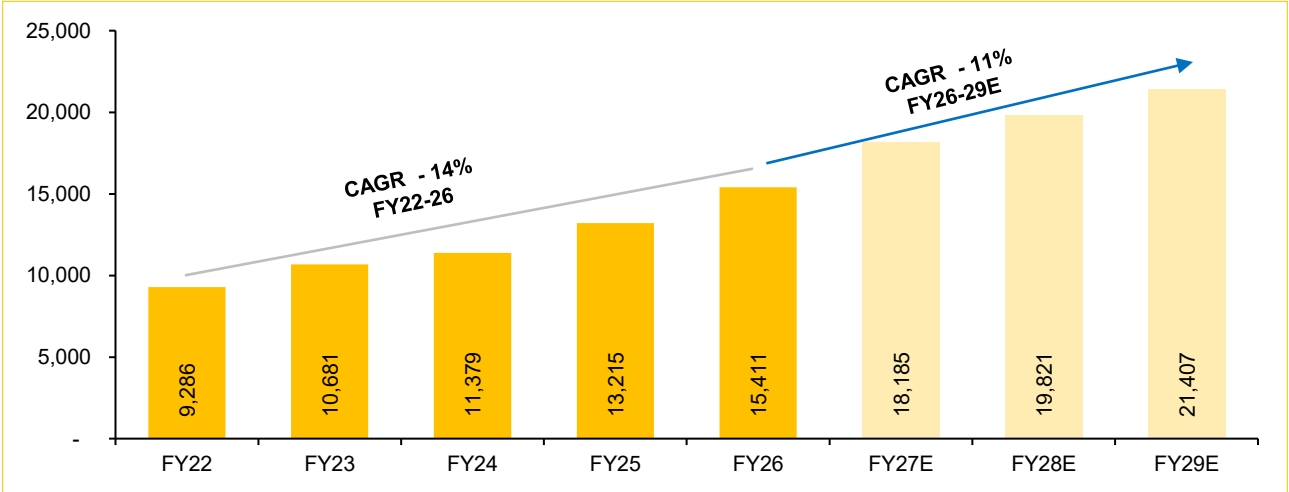
Over 80% of India's 2W production is estimated to use drum brakes or a drum-and-disc combination, creating a sizeable opportunity for brake shoes and other friction consumables as vehicles enter the replacement cycle

We forecast ~11% ABS revenue CAGR over FY26–29E, broadly in line with 2W industry growth, while PV braking offers additional upside to our base-case estimate

2.2.1 Dominant 2W Braking Franchise with Strong Replacement Demand

- ASKAUTO commands nearly 50% market share in India's 2W braking systems, supported by established manufacturing capabilities, technical expertise and long-standing relationships with leading OEMs
- Rising **disc-pad penetration within ASKAUTO's ABS portfolio provides headroom for further CPV growth** across its existing OEM base
- Over **80% of India's 2W production is estimated to use drum brakes or a drum-and-disc combination**, creating a sizeable opportunity for brake shoes and other friction consumables as vehicles enter the replacement cycle
- **20–30 years of relationships with Honda, Bajaj, Hero, Yamaha and TVS** strengthen customer stickiness and reduce churn risk
- Brake shoe/disc-pad **capacity** has increased from **260 Mn to 320 Mn units**, with ~90% utilisation, enabling ASKAUTO to capture incremental demand with limited fixed-cost addition
- The other key players in the brake-shoe segment are **Allied Nippon, Sundaram Brake Linings**, apart from the anti-lock braking solutions providers, such as Bosch, Continental, Endurance Tech, Brembo and others
- **We forecast ~11% ABS revenue CAGR over FY26–29E, broadly in line with 2W industry growth, while PV braking offers additional upside to our base-case estimate**

ABS segment (INR Mn) is forecast to grow at a CAGR of 11% over FY26–FY29E, in line with the average growth rate of the 2W industry



Source: ASKAUTO, Choice Institutional Equities

2.2 Dominant 2W Braking Franchise Provides a Strong Growth Foundation

On the EV front, the manufacturers have largely reverted to drum brakes after starting with disc brakes to make them more cost-efficient, as disc brakes are 2-3x as expensive

2.2.2 Strong Technical Capabilities Support Customer Retention and New-Product Development:

- ASKAUTO's technical partnerships, in-house engineering and validation capabilities provide a strong edge in safety-critical braking products
- High supplier-switching costs and long product-development cycles create effective entry barriers, with extensive OEM vendor-approval processes supporting customer stickiness; ASKAUTO's 18–32 years of relationships with key OEMs further demonstrate strong customer retention
- These capabilities are also enabling ASKAUTO to **address new EV and lightweighting applications**, helping expand its wallet share within existing OEM relationships

2.2.3 Strong Industry Tailwinds Support the ABS growth:

- The 2W/3W ABS market was estimated to be worth **INR 32.6 Bn in FY25, according to CRISIL. It is forecast to expand ~8% to INR 41.4 Bn by FY28E**, providing a healthy structural growth opportunity
- With ~54% of the brake shoe market coming from aftermarket demand, ASKAUTO is well-placed to capture recurring consumable demand through its **450+ dealer network**
- India produced **26.9 Mn 2Ws in FY26, with >80%** estimated to use drum or combination braking systems, creating a **large replacement opportunity, particularly in friction consumables**
- Although EV OEMs are increasingly adopting drum brakes to reduce cost, ASKAUTO remains well-positioned in the EV braking segment, supplying disc pads to certain ICE OEMs, while already **serving ~80% of e2W OEM**

ASKAUTO Braking Business at a Glance

 **Market share**

~50%

share in OEM and aftermarket
70% drum shoe | **33%** drum assembly

 **Key products**

2W: Brake shoe, pad, panel, case mission
3W: Brake shoe
4W: Brake shoe, brake pad
CV: Brake lining, brake pad

 **Key customers**

Honda 2W, Hero MotoCorp, TVS Motors, Suzuki 2W, Bajaj Auto, Yamaha India

 **Key competitors**

2W/3W: Allied Nippon
PV/CV: Rane Holdings, Allied Nippon, Sundram Brake Linings, Hindustan Composites, Masu Brake Pads

Product	Key players in India	ASK positioning	Growth / structural driver
Drum brake / Brake shoe	ASKAUTO, Allied Nippon, Sundaram Brake Linings, Endurance	~50% share in advanced braking; strong brake-shoe franchise	Large installed base + recurring replacement
Disc brake / Disc pad	ASKAUTO, Endurance, Brembo, Bosch and others	Disc pads supplied to major braking-system suppliers/OEMs	Premiumisation + increasing disc adoption
ABS / Advanced braking	ASKAUTO, Endurance, Bosch, Continental, Brembo	~10%-12% share in 2W braking pad, which is used in a disc brake	Safety regulation + premiumisation
2W/3W aftermarket friction	ASKAUTO, Allied Nippon, Sundaram, Endurance and others	Strong distribution-led franchise	Replacement cycle

Source: ASKAUTO, Choice Institutional Equities

2.2 Dominant 2W Braking Franchise Provides a Strong Growth Foundation

2.2.4 ABS Mandate: Potential Near-term Risk, But Long-term Industry Shift:

For ASKAUTO, the mandate could impact its legacy drum-brake business, with management indicating a potential revenue headwind of ~INR 2,300 Mn if implemented. However, the company's fungible manufacturing capacity can be redeployed towards other growth opportunities

- MoRTH's (Ministry of Road Transport and Highways) proposed Anti-lock Braking Systems (ABS) mandate for sub-125cc 2Ws from Jan-26 remains subject to regulatory clarity, with the proposal potentially accelerating the shift from conventional drum brakes towards higher-value disc/ABS systems if implemented.
- Industry bodies have sought a review, citing higher vehicle cost, limited ABS capacity and India-specific braking patterns; ABS could add ~INR 3,000–10,000 to entry-level 2Ws (5%-10%).
- Current domestic ABS capacity is reportedly insufficient to meet potential demand; players, such as Endurance, are, therefore, undertaking significant capacity expansion
- For ASKAUTO, the mandate could impact its legacy drum-brake business, with management indicating a potential revenue headwind of ~INR 2,300 Mn if implemented. However, the company's fungible manufacturing capacity can be redeployed towards other growth opportunities
- **Our view: We assume the mandate is likely to be postponed or modified; however, implementation in its current form remains a key short-to-medium-term risk to ASKAUTO's revenue and profitability**

2.3 Exports, Aftermarket, Cables & New Opportunities Drive Growth; Wheel Assembly Exit Enhances Margin

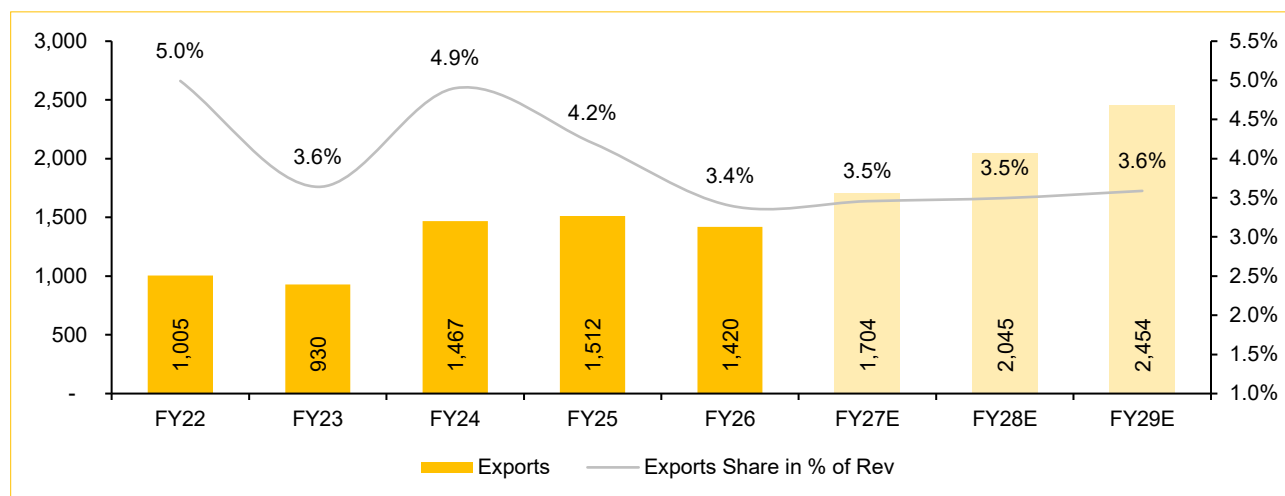
Exports

- Ships automotive parts and non-automotive parts, base adaptors, demolition-hammer and speedometer parts to 14 countries
- Key clients: Ford, Stanley Black & Decker, Polaris, Aptiv, Federal Mogul, MTD
- FY25 Export order of ~INR 1,000 Mn ramping through a Tier-1 supplier from FY26

2.3.1 Exports: Long-term Growth Opportunity with Near-term Volatility

- ASKAUTO's exports grew at a 21% CAGR over FY21–26, reaching ~4% of revenue, supported by increasing penetration across global customers and higher-value aluminium and braking products. **We expect exports to sustain a 20% CAGR over FY26–29E, driven by new customer additions, product diversification and the company's increasing focus on overseas markets**
- The company exports **brake shoes, brake pads, speedometers and other components to 14 countries (42 countries through JV)**; customers include **Stanley Black & Decker, Polaris, Aptiv, BRP and MTD**
- We believe ASKAUTO can leverage its strong domestic positioning and customer relationships to enter into new overseas markets, making exports a long-term strategic growth driver
- Near-term exports remain impacted by tariffs, geopolitical tensions, and rare-earth supply disruption. **The management expects to see recovery potential in FY27E, as the company has already seen growth in Q1FY27**

ASKAUTO's accelerating export growth to capture global markets (INR Mn)



Source: ASKAUTO, Choice Institutional Equities

Aftermarket (IAM)

- 450+ dealer network across India serving the independent aftermarket
- Covers brake shoes, disc pads, hubs, clutch plates and control cables
- AISIN (Japan) JV opens access to growing PV aftermarket
- IAM revenue up 24.7% YoY to INR 4,176 Mn in FY26

2.3.2 Independent Aftermarket: Strong Distribution with Room to Scale up

- ASKAUTO has a strong **450+ dealer network across India**, covering key Independent Aftermarket (IAM) products including **brake shoes, disc pads, hubs, clutch components and control cables**
- IAM revenue (10% of Rev) grew 24.7% YoY to INR 4,176 Mn in FY26, reflecting strong traction in the replacement market
- The AISIN JV provides an opportunity to expand ASKAUTO's presence in the growing **PV aftermarket and broaden its product portfolio**
- We believe further dealer expansion and new product launches can improve product penetration and drive sustained IAM growth
- The GST 2.0 reduction in auto-component tax, from 28% to 18%, should support formalisation of the replacement market, benefiting organised players such as ASKAUTO

2.3 Exports, Aftermarket, Cables & New Opportunities Drive Growth; Wheel Assembly Exit Enhances Margin

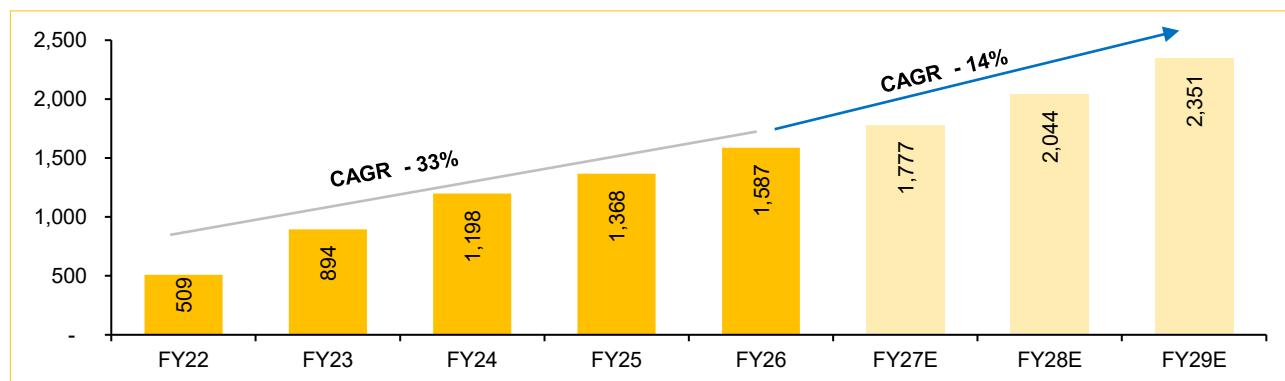
Safety Control Cables (SCC)

- Technical collaboration with Safety Cable Ind. Co. (HSH), Taiwan, since 2016
- Supplies brake, clutch, accelerator and speedometer cables to OEMs and aftermarket
- Market sized at INR 24 Bn in 2025, growing to INR 29.5 Bn by 2028E
- EV shift lowers 2W cable content; share gains from peers offset the headwind

2.3.3 Safety Control Cables (SCC): Emerging Growth Lever with EV-led Headwinds

- ASKAUTO entered the SCC segment through its 2016 technical collaboration with HSH, Taiwan, supplying brake, clutch, accelerator, throttle, speedometer and other control cables to OEMs and the aftermarket
- The SCC market was valued at **INR 24 Bn in 2025 and is expected to grow ~7% to INR 30 Bn by 2028**, although rising 2W EV penetration could structurally reduce demand for engine-related cables
- ASKAUTO is scaling up SCC through established relationships with Hero MotoCorp, Honda 2W and Suzuki 2W, supported by a technical partnership with HSH Safety Control Cable Ind. Co. Ltd.
- SCC contributed ~4% of revenue in FY26 and remains an underpenetrated business; **we expect revenue to grow at ~14% CAGR over FY26–29E, driven by OEM share gains and expansion across existing customers**

SCC segment to grow CAGR of 14.0% (FY26-29E), driven by expansion across existing customers



Source: ASKAUTO, Choice Institutional Equities

ASKAUTO has secured good orders for sunroof cables, with initial supplies expected to commence in H2FY27E and a more meaningful ramp-up anticipated thereafter

2.3.4 Sunroof Cables – New Application to Strengthen High-value Cable Portfolio

- ASKAUTO has formed ASKAUTO GTD Control Cables Pvt. Ltd., a 49:51 JV with T.D. Holding GmbH (Germany) to manufacture and market sunroof control cables and helix cables for passenger vehicles.
- Strong order visibility with supplies commencing in H2FY27E: The management indicated that ASKAUTO has secured good orders for sunroof cables, with initial supplies expected to commence in H2FY27E and a more meaningful ramp-up anticipated thereafter
- **We believe the sunroof cable opportunity enables ASKAUTO to leverage its existing cable-design and OEM relationships into a higher-value application, supporting product diversification beyond its traditional safety control cables**

2.3.5 Strategic Exit from Wheel Assembly to Improve Margin Profile

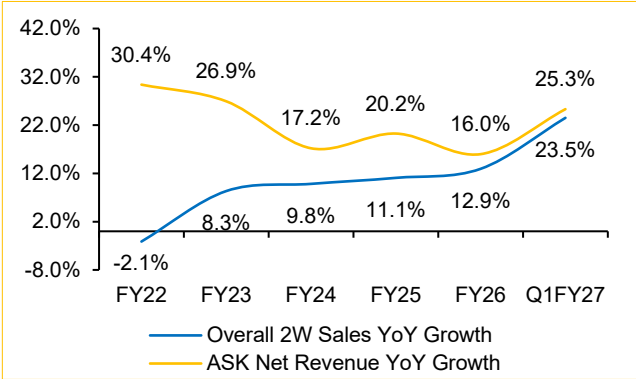
- The strategic exit from the Wheel Assembly business is margin-accretive, as ASKAUTO is moving away from a low-value, pass-through aggregation model towards higher-value manufacturing
- The management expects the exit to result in an ~80 bps structural improvement in EBITDA margin, primarily by eliminating low-margin revenue from the reported top line.
- The business is being replaced by the high-tech alloy wheel JV, which offers significantly higher value addition and content per vehicle, thereby supporting a structurally better product mix and profitability

3.1 Robust Financial Profile

3.1.1 Strong Execution and Disciplined Capital Allocation Underpin Superior Growth

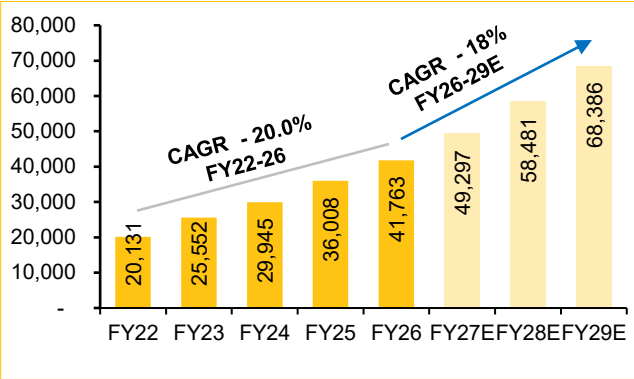
- ASKAUTO has established a strong position in India's braking solutions market, with leadership in brake shoes and assemblies
- The company has delivered a ~18% revenue CAGR over the last three years and ~20% over the last five years, outpacing the industry's average growth of 11% over the last 5 years. Importantly, this growth was accompanied by a stable margin and healthy return ratios, with earnings growing at ~37% CAGR over the last 4 years
- We believe this demonstrates ASKAUTO's ability to consistently translate revenue growth into earnings through operating execution and improving product mix

ASKAUTO consistently outperformed 2W industry avg growth, driven by content and wallet-share gains



Source: ASKAUTO, Choice Institutional Equities
Q1FY27: ASKAUTO YoY growth is normalised

ALPS scale-up and new verticals to drive consolidated revenue (INR Mn) growth



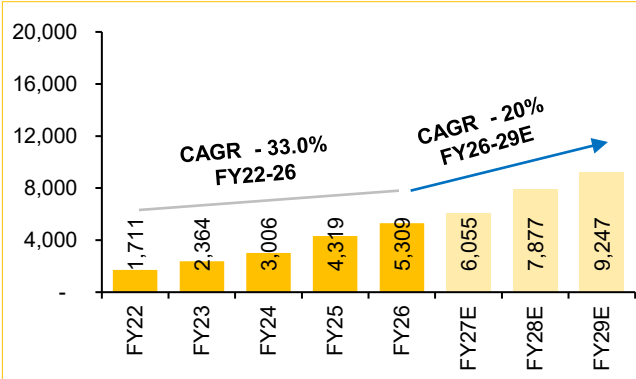
Source: ASKAUTO, Choice Institutional Equities

3.1.2 Strategic Portfolio Shift Towards Higher-value Products Supports Margin Expansion

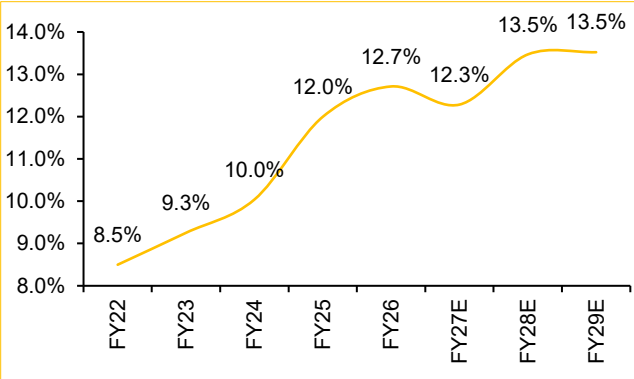
We see further margin expansion potential from a richer product mix towards higher-value braking products, increasing capacity utilisation, operating leverage and scale-up of ALPS and other higher-margin businesses

- EBITDA margin improved from 8.5% in FY22 to 12.7% in FY26, driven by operating leverage, the Wheel Assembly exit and rising ALPS/alloy-wheel mix. We forecast margin to reach 13.5% by FY29E as new capacity ramps up and aluminium price pass-through normalises
- ASKAUTO is progressively moving away from low-margin, commoditised products towards higher-value technical solutions
- We see further margin expansion potential from a richer product mix towards higher-value braking products, increasing capacity utilisation, operating leverage and scale-up of ALPS and other higher-margin businesses, alongside the removal of the low-margin Wheel Assembly business.
- The transition towards high-tech alloy wheels further strengthens this move up the value chain

EBITDA (INR Mn) is forecast to grow at a ~20% CAGR over FY26–FY29E, supported by a favourable product



EBITDA margin is projected to reach 13.5% by FY29E, driven by operating leverage



Source: ASKAUTO, Choice Institutional Equities

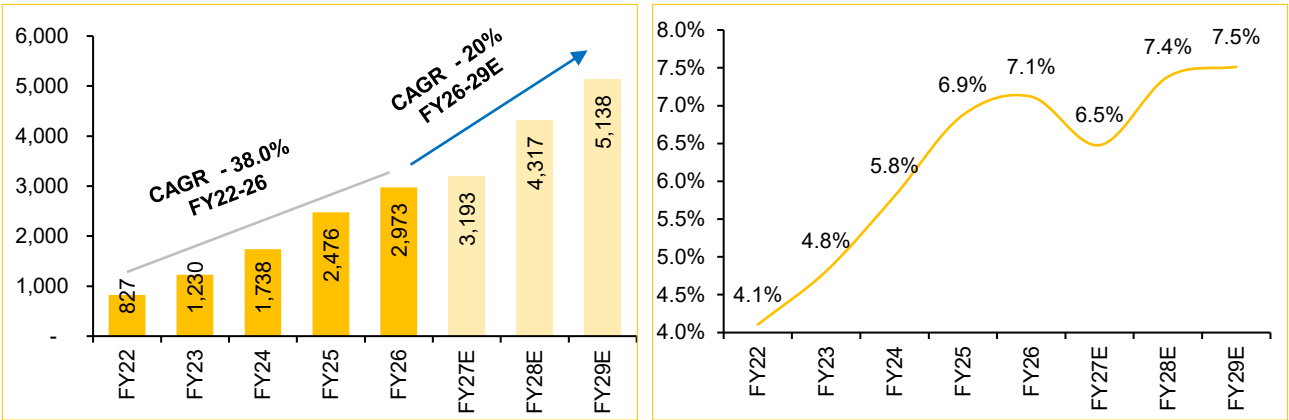
3.1 Robust Financial Profile

3.1.3 Robust Profitability Driven by Operating Leverage; ~20% PAT CAGR over FY26–FY29E:

- PAT grew at ~38% CAGR over FY22–FY26 (INR 827 Mn to INR 2,973 Mn). This was driven by cascading effects of strong top-line growth. We forecast a further ~20% CAGR over FY26–FY29E to INR 5,138 Mn, aided by margin recovery and scale benefits from new alloy-wheel and cable verticals

Supported by EBITDA margin expansion and new verticals, PAT (INR Mn) is forecasted to grow ~20% CAGR (FY26–29E)

PAT margin expands to 7.5% in FY29E, driven by topline growth



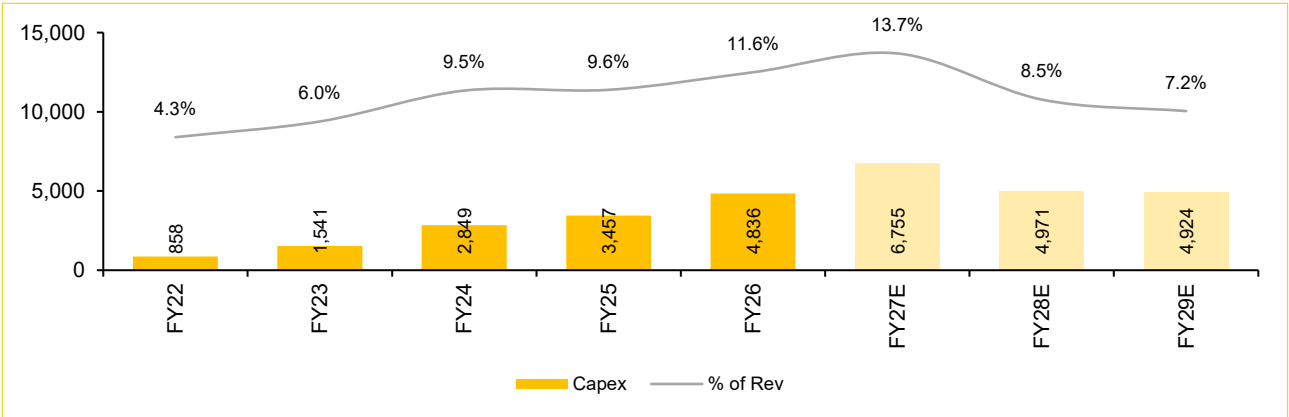
Source: ASKAUTO, Choice Institutional Equities

3.1.4 Consistent Investment Protects Market Leadership While Maintaining Capital Discipline

ASKAUTO invested INR 4,836 Mn during FY25–26 and is undertaking a further ~INR 7,000 Mn capex in FY27E, primarily supporting capacity expansion and new growth opportunities

- ASKAUTO invested INR 4,836 Mn during FY25–26 and is undertaking a further ~INR 7,000 Mn capex in FY27E, primarily supporting capacity expansion and new growth opportunities
- In our view, **sustained investment is critical to maintaining its market position and supporting long-term growth**. At the same time, the company has followed a disciplined capital-allocation approach, historically kept capex below annual EBITDA while maintained debt metrics under control and managing working capital prudently
- This combination of growth investment and balance-sheet discipline has supported strong return ratios and reflects robust execution capability

FY27E capex peak funds Bangalore South and Karoli; intensity eases to ~7% of revenue by FY29E



Source: ASKAUTO, Choice Institutional Equities

3.2 Valuation and View

Relative Comparison – Peers benchmark

Company	Product profile	Revenue mix (FY26)	Vehicle segments	Geographical presence
ASK Automotive Ltd	AB System (brake panel assembly, brake shoe, disc brake pad, clutch plates, brake pads, brake linings, clutch shoe, brake liner); ALPS (hub, battery housing, crank case, cylinder block, case mission, final driver, grip RR); SCC (front and rear brake cable assembly, clutch cable assembly, throttle cable assembly, speedometer cable assembly, starter cable / choke cable assembly)	1. Aluminium lightweighting precision solutions (50.8%) 2. Advanced Braking Systems (36.9%) 3. Safety control cables (3.8%) 4. Wheel assembly (5.0%) 5. Others (3.6%)	• 2W ICE (68.6%) • 2W EV (4.7%) • PV (3.2%) • Aftermarket (10.0%) • Wheel assembly (5.0%) • Exports (3.4%) • Others (3.9%)	• India (96.6%) • Exports (3.4%)
Endurance Technologies Ltd	Aluminium die casting (including alloy wheel, high pressure, low pressure and gravity die casting), suspension (front forks, shock absorbers), transmission (CVT, clutch assemblies), braking (disc brake system, ABS, CBS, tandem master cylinder, hydraulic drum brake) and embedded electronic products	1. Die casting (46.6%) 2. Suspension (24.7%) 3. Disc brake (11.5%) 4. Alloy wheels (7.2%) 5. Transmission (3.4%) 6. Aftermarket (4.6%) 7. Others (2.0%)	• Motorcycle (52.1%) • Scooters (8.6%) • 4W (29.0%) • 3W (8.0%) • Others (2.3%)	• India (71.6%) • Europe (27.3%) • International subsidiary (1.1%)
UNO Minda Ltd	Automotive lighting, alloy wheels, switches, horns, infotainment systems, speakers, cameras, air ducts & washer bottle, wheel cover, socket assembly, seat belts, shifters, EA pad, spoilers, steering wheel with airbags, body sealing, actuators, controllers, telematics, alternate fuel systems, fuel caps, brake hoses, fuel hoses, sensors, air filtration systems, canisters, seat head rest and arm rest, luggage board, wireless charger, seat recliner mechanism, sunroof	1. Switches (25%) 2. Lighting (22%) 3. Castings (19%) 4. Seatings (7%) 5. Green Mobility (7%) 6. Others/Aftermarket (19%)	• 4W (48%) • 2W (42%) • CV (4%) • 3W (3%) • Off-road (3%)	• India (90%) • International (10%)
Minda Corp	Wiring harness & connectors (electrical distribution systems, EV HV wiring harness, PDU & BDU, smart junction box), vehicle access systems (locksets, handle assembly, smart PEPS, flush door system, power lift gate, sunroof), die casting & interior plastics (cylinder head cover, centre console, engine mounting bracket, battery tray, EV motor housing, turbocharger), instrument clusters & driver information systems (large TFT & connected clusters, telematics), sensors & ADAS, EV power electronics (on-board & off-board chargers, DC-DC converter, motor controller, traction & BLDC motors, EVSE), switches, wipers, fuel pumps and aftermarket (lubricants, bearings)	1. Wiring harness (31%) 2. Vehicle access (22%) 3. Clusters (17%) 4. Die casting (15%) 5. Others/Aftermarket (15%)	• 2W & 3W (48%) • PV (28%) • CV incl. off-highway & tractors (10%) • Aftermarket (14%)	• India (89%) • Europe & North America (6%) • SE Asia (5%)
Suprajit Engineering Ltd	Gearbox, braking system, throttle controls, linear actuation, display cluster and telematics, gear shifter systems, control cables, lighting systems, friction products, USB charging modules	1. Mechanical control cables (86%) 2. Halogen lamps (10%) 3. Digital clusters & Electronic products (4%)	• Automotive (44%) • 2W (26%) • Aftermarket (15%) • Non-automotive (15%)	• India (44%) • International (56%)
Craftsman Automation	Power train (cylinder blocks and cylinder heads, camshafts, transmission housing, bearing cap, differential carrier housing), Aluminium products (crankcase, covers, cylinder head, wheel hub, transmission housing, gear box housing, cradle, water pump inlet pipe, air intake manifold, camcover & oil filter housing, battery housings, cooling trays, motor housing, industrial aluminium castings in power transmission parts, locomotive, oil & gas etc.), non-automotive vertical	1. Power train (27%) 2. Aluminium products (59%) 3. Industrial & engineering (14%)	• Powertrain – CVs, SUVs, tractors, off-road vehicles • Aluminium – 4W (54%), 2W (41%), Others (5%)	• India (91.5%) • Export (8.5%)

Source: Company, Choice Institutional Equities

3.2 Valuation and View

Peers Segment benchmarking (FY26; CAGR FY22-26)

Segment	ASK Automotive	Endurance Technologies	Suprajit Engineering	Edge
Braking	- Revenue - INR 15,411 Mn 13.5% CAGR. - Products include brake shoes, panel assemblies, linings, and disc pads	- Revenue - 2W disc brakes INR 16,785 Mn 30.9% CAGR - Products include ABS, CBS, and master cylinders	No presence	Endurance
Aluminium	- ALPS INR 21,216 Mn 29.4% CAGR 51% of total rev.	- Die casting INR 68,017 Mn (India + Europe) 19.7% CAGR (46% of total rev)	No presence	ASK on growth; Endurance on scale
Cables	- Safety control cables INR 1,587 Mn 32.9% CAGR 3.8% of revenue	No presence	- Global cables INR 32,894 Mn 18.1% CAGR 86% of revenue	Suprajit on scale; ASK on growth
EBITDA margin	12.7% (up 420 bps from 8.5% in FY22)	12.0% standalone (12-13% band since FY22)	11.0% standalone (10-11% band since FY22)	ASK on trajectory
Mix and geography	2W ~73% (EV 4.7%) - India 96.6%	2W ~61%, 4W 29% - Europe 27.3%	- Auto 44%, 2W 26%, non-auto 15% - Overseas 56%	Peers more diversified

Source: Company, Choice Institutional Equities

Investment edge and key risks

	ASK Automotive	Endurance Technologies	Suprajit Engineering
Investment edge	- Fastest organic aluminium growth in the peer set - Margin up consistently since the last 5 years - Purest play on the domestic 2W upcycle - Minimal Europe/US tariff exposure	- Scale leader in 2W die casting and disc brakes - ABS/CBS capability 4W and Europe diversify revenue	- Global leader in control cables 15% non-auto revenue - Digital clusters and electronics add optionality
Key risks	2W concentration (~73%) - ICE-linked castings and clutch/throttle cables - Drum-brake content exposed to disc/ABS shift; no electronics	- Europe (27%) demand and tariff risk - Integration of acquired businesses - Engine and transmission castings exposed to EVs	56% overseas revenue - Throttle and clutch cables are redundant in EVs - Halogen lamps displaced by LEDs - By-wire systems replace cables

Regulatory and structural susceptibility

Trigger	ASK Automotive	Endurance Technologies	Suprajit Engineering	Most exposed
CAFE-III norms (PV lightweighting)	Low: Limited direct benefit; PV only 3.2% of sales	Low: Beneficiary via 4W aluminium castings	Medium: By-wire systems in new PVs cut cable content	Suprajit
2W EV penetration (9% of volumes)	Medium: Engine castings, clutch plates and cables at risk; battery housings, hubs, and EV wheels offset	Medium: Engine and transmission castings, CVT at risk; brakes and suspension powertrain-agnostic	High: Throttle, clutch and choke cables not needed in EVs	Suprajit
ABS mandate for 2Ws	High: Drum-brake shoes and panel assemblies lose share to front discs; disc pads partly offset	Low: Key beneficiary: disc brakes, ABS and CBS	Medium: Brake cables replaced by hydraulic disc systems	ASK
Overall susceptibility	Medium: ABS and diversification are the gaps	Low: Best placed on regulation	High: Structural EV and by-wire risk to core cables	Suprajit

Source: Company, Choice Institutional Equities

3.2 Valuation and View

Relative Comparison – Financial Metrics

ASKAUTO has consistently outpaced industry growth, delivering FY22–26 EBITDA/PAT CAGRs of ~33%/~37%. The company also maintains industry-leading return ratios, with FY26 ROE/ROCE of 25.3%/25.4%, supported by efficient working capital management. Its cash conversion cycle improved from ~24 days in FY21 to ~11–14 days during FY25–26, underscoring strong working capital discipline.

Company	M-Cap	Sales (INR Bn)			CAGR		EBITDA (INR Bn)			CAGR		Net Profit (INR Bn)			CAGR	
	(INR Bn)	FY27E	FY28E	FY29E	FY22-FY26	FY26-FY29E	FY27E	FY28E	FY29E	FY22-FY26	FY26-FY29E	FY27E	FY28E	FY29E	FY22-FY26	FY26-FY29E
ASK Automotive	122	49.3	58.5	68.4	20.0%	18.7%	6.1	7.9	9.2	32.7%	20.4%	3.2	4.3	5.1	37.7%	20.0%
Endurance	366	181.3	213.8	237.9	17.9%	17.7%	24.1	29.3	33.1	19.5%	18.9%	12.2	15.9	18.4	18.6%	23.7%
Suprajit	66	45.6	52.5	58.6	20.1%	15.3%	5.4	6.4	7.3	11.1%	22.4%	2.8	3.4	4.0	4.2%	27.6%
Uno Minda	642	238.2	283.4	331.3	24.0%	19.0%	27.2	33.2	38.8	26.3%	19.9%	15.1	19.4	23.4	32.8%	24.1%
Minda Corp	157	76.9	91.6	108.0	20.1%	20.4%	9.0	10.9	13.1	25.1%	21.9%	4.7	6.6	8.1	17.0%	30.9%
Craftsman*	269	96.2	109.2	121.7	38.1%	14.7%	16.7	18.9	20.6	23.4%	18.6%	6.7	9.0	10.9	23.9%	39.9%
Average					24.0%	17.4%				21.1%	20.3%				19.3%	29.2%
Median					20.1%	17.7%				23.4%	19.9%				18.6%	27.6%

Company	P/E				EV/EBITDA				ROE (%)				ROCE (%)			
	TTM	FY27E	FY28E	FY29E	TTM	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
ASK Automotive	38x	37x	28x	23x	22x	21x	16x	14x	25.3%	21.9%	23.8%	22.7%	25.4%	22.0%	23.7%	23.8%
Endurance	39x	31x	23x	20x	18x	16x	13x	11x	14.2%	15.5%	17.4%	17.4%	15.0%	17.2%	19.6%	19.9%
Suprajit	35x	24x	19x	17x	14x	14x	11x	10x	13.3%	16.8%	17.9%	17.7%	13.4%	17.9%	19.2%	19.2%
Uno Minda	56x	43x	34x	28x	28x	28x	23x	20x	16.7%	17.7%	18.3%	19.2%	18.2%	18.7%	19.9%	19.9%
Minda Corp	41x	35x	25x	20x	25x	20x	16x	13x	13.6%	13.5%	16.0%	16.9%	15.7%	17.0%	18.1%	19.3%
Craftsman*	58x	43x	32x	27x	22x	18x	16x	15x	12.2%	11.3%	13.5%	14.0%	15.6%	18.2%	20.9%	20.5%
Average	46x	35x	27x	22x	21x	19x	16x	14x	14.0%	15.0%	16.6%	17.0%	15.6%	17.8%	19.5%	19.8%
Median	41x	35x	25x	20x	22x	18x	16x	13x	13.6%	15.5%	17.4%	17.4%	15.6%	17.9%	19.6%	19.9%

Company	EBITDA Margin (%)				PAT Margin (%)				FY26				
	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	D/E (x)	Inventory Days	Debtor Days	Payable Days	Cash Conversion Cycle
ASK Automotive	12.7%	12.3%	13.5%	13.5%	7.1%	6.5%	7.4%	7.5%	0.5	36	22	44	14
Endurance	13.5%	13.3%	13.7%	13.9%	6.7%	6.7%	7.4%	7.7%	0.2	51	46	103	(6)
Suprajit	10.4%	11.8%	12.2%	12.4%	5.0%	6.1%	6.5%	6.7%	0.5	62	50	75	37
Uno Minda	11.5%	11.4%	11.7%	11.7%	6.2%	6.4%	6.9%	7.1%	0.4	62	50	75	37
Minda Corp	11.7%	11.7%	11.9%	12.1%	5.8%	6.2%	7.2%	7.5%	0.5	66	59	107	18
Craftsman*	15.3%	17.3%	17.3%	16.9%	4.9%	6.9%	8.3%	8.9%	0.2	145	50	121	74
Average	12.5%	13.1%	13.4%	13.4%	5.7%	6.4%	7.2%	7.6%	0.3	77	51	96	32
Median	11.7%	11.8%	12.2%	12.4%	5.8%	6.4%	7.2%	7.5%	0.4	62	50	103	37

Source: ASKAUTO, BBG, Choice Institutional Equities
*Not in our coverage

3.3 DCF Valuation

DCF Assumptions

Particulars (INR Mn unless specified)	
WACC (%)	10.7%
Terminal Growth Rate (%)	5.0%
PV of FCF	36,748
Terminal Value	2,97,490
PV of Terminal Value	1,13,799
Net Debt	6,592
Equity Value	1,43,955
Target Price	730

Implied PE Multiple	Avg. FY28-29E
EPS Avg. FY28-29E (INR/share)	24
DCF-based TP (INR/sh)	730
Implied PE Multiple (x)	30

Sensitivity Analysis

		WACC %				
		9.7%	10.2%	10.7%	11.2%	11.7%
Terminal Growth Rate (%)	4.0%	788	707	639	580	530
	4.5%	852	758	681	615	559
	5.0%	929	820	730	656	592
	5.5%	1,025	894	789	703	631
	6.0%	1,146	986	861	760	677

Source: Choice Institutional Equities

ASKAUTO's balance sheet carries a debt-to-equity of ~0.5x in FY26, targeted to stay below 0.5x through the capex cycle, alongside strong return ratios (ROCE: 25.4% in FY26, moderating to ~22–23% through capex-heavy FY27–28E before recovering toward FY29E)

We believe ASK deserves a premium valuation, supported by its strong management quality, robust financial profile and manufacturing capabilities, alongside CPV-led growth

- ASKAUTO is well-positioned for structural compounding, supported by category leadership in ABS, rapid ALPS/alloy-wheel scale-up, and diversifying JV partnerships and technical collaborations (AISIN, FRAS-LE, LIOHO, Kyushu Yanagawa, T.D. Holding) across exports and the PV aftermarket
- ASKAUTO maintains a healthy balance sheet, with D/E at 0.5x in FY26, expected to decline to ~0.3x by FY29E as FCF turns positive from FY28E. Despite the capex cycle, capex is expected to remain at ~1x EBITDA, while RoACE is sustained at ~24% in FY29E
- Driven by CPV gains across three structural levers, we forecast ~19%/~20%/~20% revenue/EBITDA/PAT CAGR over FY26–29E. The three levers are: **ALPS scale-up (lightweighting, EV parts, alloy wheels), new product verticals and export scale-up to 20% CAGR from FY26-29E.**
- We believe ASKAUTO deserves a premium valuation, supported by its strong management quality, robust financial profile and manufacturing capabilities, alongside CPV-led growth**
- On DCF valuation (WACC: 10.7%; terminal growth: 5%), we arrive at a TP of **INR 730/share** and initiate coverage with a 'BUY' rating, implying **20.3%** upside from the **CMP of INR 608**. As a valuation cross-check, our TP implies **30x P/E on average FY28–29E EPS of INR 24**, broadly in line with the 1-year forward average of ~30x. We believe this valuation is justified by ASKAUTO's expected ~20% EPS CAGR over FY26–29E and strong ~24% RoCE/~23% ROE

3.4 Risk to our Investment Thesis

Aluminium price volatility can compress margins and increase working-capital needs, while customer concentration and a potential sub-125cc ABS mandate threaten core braking revenues

Commodity & Alloy Price Volatility:

ASKAUTO's Aluminium Lightweighting Precision Solutions segment (51% of FY26 revenue) is directly exposed to LME aluminium prices. While the contract structure passes through price changes to customers, an abrupt spike, as seen in Q1FY27 following the West Asia conflict, compresses reported EBITDA margin (down 176 bps YoY to 12.0%) through the denominator effect and creates transient working-capital and debt strain, even as absolute EBITDA continues to grow.

Customer Concentration in Two-wheeler OEMs:

ASKAUTO derives the bulk of its revenue from a small set of marquee 2W OEMs (Hero MotoCorp, Honda, Bajaj, TVS, Yamaha and Suzuki), with Honda alone described by the management as "its largest customer". A slowdown in a single large OEM's volumes or renegotiation of commercial terms could disproportionately affect realisation and growth.

ABS Mandate for Sub-125cc Two-wheelers:

MoRTH's June 2025 draft rules proposed mandatory ABS on all new 2Ws, extending it from >125cc models (~16% of industry volumes) to the entry-level segment (~84%). The deadline has been deferred amid OEM pushback, but if enforced, front drum brakes on commuter models would give way to disc brakes with ABS modules, eroding demand for brake shoes and brake panel assemblies, the core of ASKAUTO's Advanced Braking Systems segment (36.9% of FY26 revenue). ABS modules are sourced from specialist suppliers, so ASKAUTO's content gain is limited to disc brake pads, while an estimated 3–5% price increase could also weigh on entry-level 2W volumes.

Elevated FY27 capex of INR 7,000 Mn could increase leverage before capacity utilisation ramps up, while delays in new plants and collaborations may defer expected growth and diversification

Aggressive Capex & Rising Leverage:

FY27 capex guidance has been revised sharply upwards, from INR 4,500–5,000 Mn to INR 7,000 Mn, to fund a new plant in South India (Bengaluru) on a "war footing." The management expects debt to rise (working capital was already up in Q1FY27 on higher alloy prices) before new capacity monetises, with debt-equity targeted to stay below 0.5x — a ratio which bears watching if order ramp-up disappoints.

Execution Risk in New Collaborations & Adjacencies:

Growth is increasingly reliant on newer initiatives —Taiwanese/Japanese alloy-wheel collaborations. A slower-than-expected ramp-up in any of these could delay the anticipated diversification benefits embedded in the current growth guidance.

3.5 Key Investor Questions Answered

1. Is the 52.1% revenue growth in Q1FY27 structural, or purely an alloy pass-through effect?

A. The management attributes the growth to a mix of factors: pass-through of significantly higher alloy prices added 33.4 percentage points, while the strategic exit from the low-margin wheel-assembly business subtracted 6.6 points. Stripping both out, overall net revenue still grew a strong 25.3% YoY, comfortably ahead of the 2W industry's 22.8% average production growth, confirming genuine market-share and content gains, not just commodity pass-through.

2. Why did EBITDA margin contract to 12.0%?

A. The management reiterated that investors should focus on absolute EBITDA (INR 1,640 Mn vs INR 1,230 Mn), not the percentage margin, as 100% of the alloy price increase is passed through to customers on a back-to-back, hedged basis. The abrupt aluminium price spike inflated the revenue denominator; as prices normalise, margin should recover towards the 13.5–14% range.

3. What is driving the sharp increase in FY27 capex guidance from INR 4,500–5,000 Mn to INR 7,000 Mn?

A. The revision, made in Q1FY27, reflects the decision to fast-track a new plant in South India (Bengaluru) to service newly confirmed customer orders, confirmed orders of INR 700–900 Mn in FY27 (for alloy wheels) and ~INR 2,500 Mn in FY28. The management intends to fund this primarily through internal accruals, supplemented by term loans for machinery, while keeping debt-equity below 0.5x.

4. How exposed is ASKAUTO to the two-wheeler EV transition?

A. The management has said new order wins are broad-based across ICE and EV, with EV share rising and concentrated in the ALPS segment. However, 2W-EV revenue growth in Q1FY27 tracked 2W-ICE growth despite faster underlying EV penetration (~6% organised sector), because one large existing EV customer underperformed a mix effect the management expects to normalise as the order pipeline broadens.

5. What is the status of the export order, and the alloy-wheel collaborations?

A. The exports are guided at INR 400–450 Mn in FY27, rising to ~INR 600 Mn in FY28. The AISIN JV (PV components, independent aftermarket) is ramping up and should see modest profitability by year-end, with meaningful revenue only from FY28. The Taiwanese alloy-wheel collaboration remains in final safety testing; the Kyushu Yanagawa (Japan) collaboration has already gone live a quarter ahead of schedule, with first supply completed at the Karoli plant.

6. With debt rising to fund capex, is there a balance-sheet risk?

A. The management confirmed debt increased in Q1FY27, largely reflecting higher working-capital needs from the aluminium price spike, and will rise further as the INR 7,000 Mn FY27E capex programme is funded partly through term loans. The management remains confident debt-equity will stay within its comfort range (below 0.5x), citing the philosophy of ploughing back internal accruals first.

7. Why has full-year growth guidance moved from “mid-teens” to “high-teens”?

A. The management cited the strength of Q1FY27 order intake, confirmed new-order wins requiring the South India plant, and continued 2W industry tailwinds (GST 2.0 rate cuts, income-tax rationalisation, RBI rate cuts, an improved monsoon into the festive season) as the basis for raising full-year revenue growth guidance to the high-teens, from the mid-teens guided previously.

8. What is the status of the proposed ABS mandate for sub-125cc two-wheelers, and how is ASKAUTO placed?

A. In June 2025, MoRTH's draft proposed extending mandatory ABS from motorcycles above 125cc (~16% of 2W volumes) to all new two-wheelers, to improve rider safety. The management said on the Q1FY27 call that the rule only remains a draft, with no final notification, and that it will comment only once a final rule is issued. Industry bodies have sought deferral, citing limited ABS-system capacity and India's riding patterns. ASKAUTO supplies friction material rather than ABS electronics, so the exposure is limited to part of its brake-shoe business, with the management estimating the maximum revenue at risk at ~INR 2,300 Mn (6-7% of total Rev.). The company is well placed to manage this. Its manufacturing capacity is fungible across products; disc-pad demand should rise as vehicles move to disc and ABS platforms, and it already supplies disc pads to Brembo and Endurance.

3.6 Key Insights from Management Meet and Plant Visit

ASKAUTO's growth outlook remains strong, supported by a confirmed order book exceeding INR 4,250 Mn across alloy wheels and export programmes through FY28, providing a healthy revenue visibility over the medium term. Key order wins include alloy wheels, sunroof cables and new OEM export supply

ASKAUTO is focusing on increasing content per vehicle (via ALPS and disc-pad penetration), expanding exports (target: 10% of revenue by FY30 vs. 3–4% currently), and targeting 10–15% India alloy-wheel market share by FY30–31E.

Karoli utilisation reached 75% in Q1FY27; FY27E capex was raised to INR 7,000 Mn to build a new Bangalore plant for fresh orders

The management guides mid-to-high-teens revenue growth and a 13–14% EBITDA margin

We interacted with Mr Kuldip Singh Rathee (Chairman & MD) and Mr Naresh Kumar (CFO) and visited the company's plant at Haryana. The key takeaways are as follows:

Segment Performance & Outlook

- **ABS (36% of Rev):** grew 17% YoY in FY26 and 48% in Q1FY27. **Disc-pad share of 10–12%**, with capacity raised from 260 Mn to 320 Mn units. Growth guided in line with the average 2W industry
- **ALPS (58% of Rev):** Largest and fastest-growing segment; grew 30% in FY26 and 75% in Q1FY27. **Guided to a 20–25% CAGR over the next three years** on EV adoption, lightweighting and alloy wheels
- **SCC (3% of Rev):** Grew 14% in FY26 and 20% in Q1FY27 on aftermarket demand and share gains; loss of engine cables in e-2Ws is a mild offset
- **Wheel Assembly exit:** Zero-margin business nil from 1 April 2026, adding a structural ~80 bps to EBITDA margin

New Growth Verticals

- **Alloy wheels:** Confirmed orders of INR 700–900 Mn for FY27E, guided to rise to INR 2,500 Mn in FY28E
- **Sunroof cables:** Localising historically imported cables through the German JV; supplies start in H2FY27E, with ramp-up in FY28E
- **EVs:** Supplies ~80% of leading e-2W OEMs; EV content per vehicle is 25–50% higher than ICE, at similar or better margin

JVs & Technical Collaborations

- **AISIN (51:49):** PV aftermarket parts; expected to turn profitable by Q4FY27E, trading-led in the near term
- **T.D. Holding (49:51):** Sunroof and helix cables with GEMO (Germany); production from H2FY27E
- **FRAS-LE (49:51):** CV brake pads and linings; contributed INR 40.7 Mn of profit in FY26
- **KYSK & LIOHO:** Alloy-wheel technology partners; first KYSK-based supply to a Japanese OEM in Q1FY27, LIOHO in final client validation

Customers & Aftermarket

- **OEM concentration:** Top 3 OEMs (HMSI, TVS, Hero) contribute ~70–72% of revenue
- **IAM formalisation:** 450+ dealers; GST cut on key components from 28% to 18% is shifting share to organised players

Capacity & Capex

- **Karoli:** 23-acre, INR 7,500 Mn plant; utilisation rose from 60–65% to 75% in Q1FY27, lifting monthly revenue from INR 600 Mn to INR 1,100 Mn
- **New Bangalore plant:** Being set up on a war footing to serve new orders; fully operational before March 2027
- **Capex raised:** FY27E capex guidance lifted from INR 4,500–5,000 Mn to INR 7,000 Mn, funded by internal accruals and term loans

Guidance & Key Risks

- **Revenue growth:** The management expects revenue growth in the high teens in FY27E
- **EBITDA margin:** Expected to remain in the 13–14% range as alloy prices soften
- **Exports:** Expected to grow ~20% in FY27E after remaining broadly flat in FY26
- **Export orders:** Recurring export orders are expected at INR 400–450 Mn in FY27E, increasing to ~INR 600 Mn by FY28E
- **Leverage:** Long-term D/E target below 0.5x; 0.50x in FY26 vs 0.38x in FY25 on capex loans
- **ABS mandate:** Proposed ABS for sub-125cc 2Ws could affect up to INR 2,300 Mn of revenue; capacity is fungible, and SIAM has sought deferral
- **ESG:** 9.9 MWp Sirsa solar plant operational, 11.55 MWp Bikaner due in Q2FY27E; recycled aluminium at 44.6% of alloy use in FY26

Strengths

- ~50% share of India's 2W Advanced Braking Systems; 19–33-year OEM relationships
- Backward-integrated, powertrain-agnostic portfolio (ABS, ALPS, safety cables) across ICE and EV
- 5 tech collaborations & 3 JVs (AISIN, FRAS-LE, Kyushu Yanagawa) opening PV, CV, export and alloy-wheel opportunities

- High customer concentration — top 5–6 2W OEMs drive most of the revenue
- EBITDA margin distorted by pass-through alloy pricing — 12.0% in Q1FY27 vs 13.8% YoY
- Rising debt to fund FY27 capex of INR 7,000 Mn will raise interest costs in the near term

- Structural 2W upcycle– 22.8% YoY industry output growth in Q1FY27, supported by GST 2.0-led affordability gains, RBI rate easing and improving demand momentum
- New order wins — New export order ramp, AISIN JV, alloy-wheel and GEMO sunroof-cable collaborations
- Rising EV/ALPS content-per-vehicle as light-weighting and electrification increase across 2W and PV

- Commodity/geopolitical shocks — West Asia conflict-driven aluminium price spikes pressure margins
- Faster EV penetration could erode ICE-linked content before EV gains offset it
- Regulatory uncertainty — India's ABS mandate expansion remains in draft, with no confirmed timeline

Source: ASKAUTO, Choice Institutional Equities

Threat of New Entrants

High entry barriers from technical collaborations, in-house tool room/design center, OEM-approval cycles and safety certification; however, technology licensing (as ASKAUTO itself has done) lets entrants target specific product lines such as alloy wheels.

Threat of Substitutes

Low to Moderate

Braking, lightweighting and safety-cable components are safety-critical with limited direct substitutes; however, EV design changes could gradually reduce certain ICE-linked content that ASKAUTO supplies.

Bargaining Power of Buyers

High — concentrated OEM base

ASKAUTO's revenue is concentrated among a handful of large 2W OEMs, which can negotiate on price given that multiple qualified suppliers exist, though long safety-validation cycles raise switching costs once approved.

Bargaining Power of Suppliers

High

Aluminium and steel alloy prices are set on global commodity markets and can spike abruptly (Q1FY27, West Asia conflict); pass-through protects absolute EBITDA, but suppliers retain pricing leverage given limited backward integration into base metals.

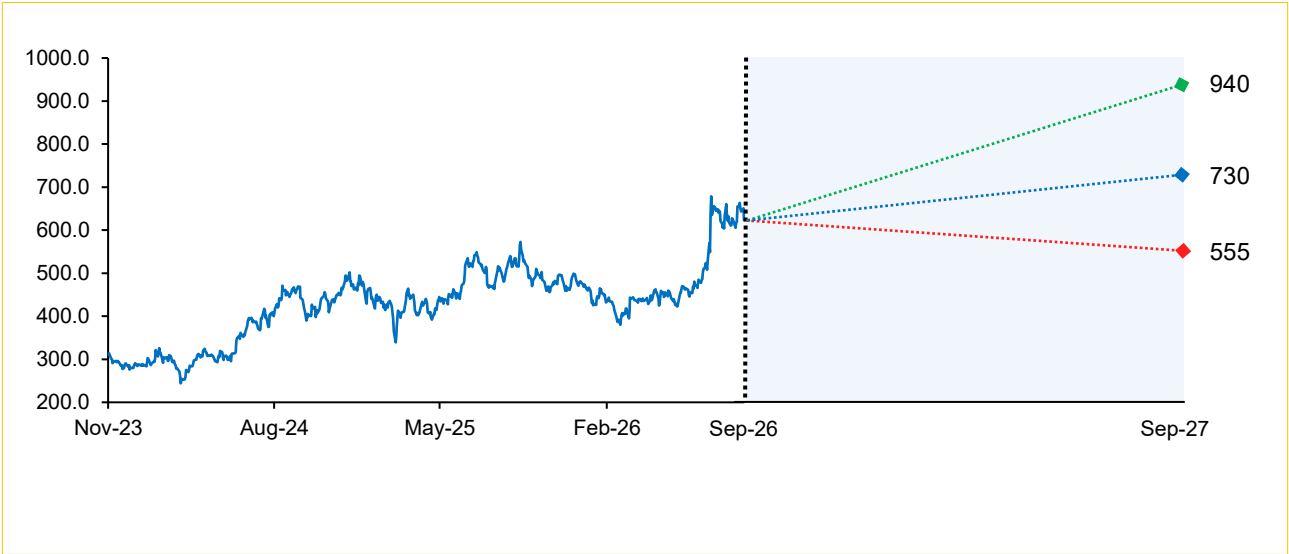
Industry Rivalry

High

Competition from other auto-ancillary majors and potential OEM in-sourcing; ASKAUTO's long OEM tenure, technical collaborations and ~50% category share provide a differentiated position versus narrower competitors.

Source: ASKAUTO, Choice Institutional Equities

3.9 Bull and Bear Case Scenarios



INR 940
~56% Upside

Bull Case – Accelerated ALPS scale-up and faster disc-brake/ABS content wins, paired with higher capacity utilisation, to maximise operating leverage

- Strong Revenue expansion driven by a faster ALPS ramp-up, rising ABS-linked braking content and a richer value-added mix; estimating Revenue CAGR of 24.9% over FY26–29E
- Heightened EBITDA growth tied to operating leverage and a mix shift towards higher-value braking, ALPS and cable businesses; estimating EBITDA CAGR of 28.3% over FY26–29E
- Sharper earnings compounding, with PAT CAGR of 28.2% lifting FY29E EPS to INR 29.1
- Valuing at 32x FY29E EPS to arrive at a bull-case target price of INR 940



INR 730
~20% Upside

Base Case – Steady 2W volume growth, paired with gradual addition of value-added content, to drive sustained earnings compounding

- Healthy Revenue expansion driven by braking, ALPS and cables, supported by rising value-added content per vehicle; estimating Revenue CAGR of 17.9% over FY26–29E
- Measured margin improvement tied to operating leverage and a gradual upgrade in product mix; estimating EBITDA CAGR of 20.3% over FY26–29E
- PAT CAGR of 20.0%, translating into Avg. FY28-29E EPS of INR 24.0
- Applying 30x Avg. FY28-29E EPS to arrive at a target price of INR 730



INR 555
~8% Downside

Bear Case – Mandatory ABS adoption shrinking the drum-brake shoe pool, paired with weaker 2W volumes, to compress earnings growth

- Moderating Revenue expansion as ABS regulation reduces the addressable drum-brake shoe pool and weighs on the braking franchise; estimating Revenue CAGR of 10.9% over FY26–29E
- Muted EBITDA growth tied to lower volumes, weaker operating leverage and slower mix improvement; estimating EBITDA CAGR of 12.3% over FY26–29E
- PAT CAGR moderating to 12.0%, reducing FY29E EPS to INR 19.5
- Assigning 28x FY29E EPS to arrive at a bear-case target price of INR 555

4.1 Financials and Ratio Analysis

Income Statement (Consolidated in INR Mn)

INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	36,008	41,763	49,297	58,481	68,386
COGS	24,321	27,649	33,028	38,773	45,425
Gross profit	11,688	14,115	16,269	19,708	22,961
EBITDA	4,319	5,309	6,055	7,877	9,247
D&A	890	1,141	1,408	1,741	2,088
EBIT	3,429	4,168	4,647	6,136	7,159
Finance Cost	337	482	624	704	668
Other Income	119	200	210	231	254
Share of Associates	63	23	(23)	30	30
PBT	3,274	3,909	4,211	5,693	6,776
Tax	798	936	1,018	1,376	1,638
APAT	2,476	2,973	3,193	4,317	5,138
EPS (INR)	12.6	15.1	16.2	21.9	26.1

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios YoY					
Revenues (%)	20.2	16.0	18.0	18.6	16.9
EBITDA (%)	43.7	22.9	14.1	30.1	17.4
APAT (%)	42.5	20.1	7.4	35.2	19.0
Margins					
Gross Margin (%)	32.5	33.8	33.0	33.7	33.6
EBITDA Margin (%)	12.0	12.7	12.3	13.5	13.5
Adj. Net profit Margin (%)	6.9	7.1	6.5	7.4	7.5
Profitability (%)					
ROAE%	26.6	25.3	21.9	23.8	22.7
ROACE%	26.6	25.4	22.0	23.7	23.8
Working Capital					
Inventory days	31	36	35	35	35
Receivable days	21	22	22	22	22
Payable days	40	44	43	43	43
Cash Conversion Cycle days	11	14	14	14	14
Financial Leverage					
Net Debt to Equity Ratio (x)	0.4	0.5	0.6	0.4	0.3
Debt/Equity (x)	0.4	0.5	0.6	0.4	0.3
Interest Coverage Ratio (x)	10.2	8.6	7.5	8.7	10.7
Valuation Metrics					
P/E (x)	35.5	29.1	37.5	27.7	23.3
PEG (x)	0.8	1.4	5.1	0.8	1.2
P/BV (x)	8.4	6.6	7.4	5.9	4.8
EV/EBITDA (x)	21.3	17.6	21.2	16.3	13.7
EV/Net Sales (x)	2.6	2.2	2.6	2.2	1.9
Dividend Yield (%)	0.3	0.4	0.3	0.4	0.5
Dividend Payout Ratio (%)	11.9	12.3	12.0	12.0	12.0

Balance Sheet (Consolidated in INR Mn)

INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Equity					
Equity Capital	394	394	394	394	394
Other Equity	10,037	12,717	15,718	19,777	24,606
Total Equity	10,431	13,111	16,113	20,171	25,001
Borrowings	3,064	4,211	6,611	6,611	6,111
Lease Liabilities	116	156	136	116	96
Other Non-current Liabilities	731	985	985	985	985
Total Non-Current Liabilities	3,911	5,353	7,733	7,713	7,193
Borrowings	871	2,329	2,129	1,929	1,729
Lease Liabilities	69	93	93	93	93
Trade Payables	2,858	3,748	3,891	4,568	5,351
Other Current Liabilities	1,100	934	934	934	934
Total Current Liabilities	4,897	7,104	7,047	7,524	8,108
Total Liabilities	8,807	12,457	14,780	15,237	15,300
Total Equity and Liabilities	19,239	25,568	30,893	35,408	40,301
PPE	9,721	12,368	17,775	21,064	23,958
Capital Work-in-Progress	646	1,482	1,482	1,482	1,482
Other Non-current Assets	3,841	4,313	4,253	4,194	4,136
Total Non-Current Assets	14,207	18,162	23,510	26,740	29,575
Inventories	2,299	3,090	3,167	3,718	4,356
Trade Receivables	1,950	3,023	2,971	3,525	4,122
Cash and Bank	201	129	81	262	1,085
Other Current Assets	582	1,163	1,163	1,163	1,163
Total Current Assets	5,031	7,406	7,383	8,668	10,726
Total Assets	19,239	25,568	30,893	35,408	40,301

INR Mn	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	3,602	3,012	5,132	6,103	7,188
Cash Flows from Investing	(3,390)	(4,788)	(6,545)	(4,740)	(4,669)
Cash Flows from Financing	(136)	1,707	1,365	(1,183)	(1,696)
Closing Cash	198	129	81	262	1,085
FCF	145	(1,825)	(1,623)	1,132	2,264

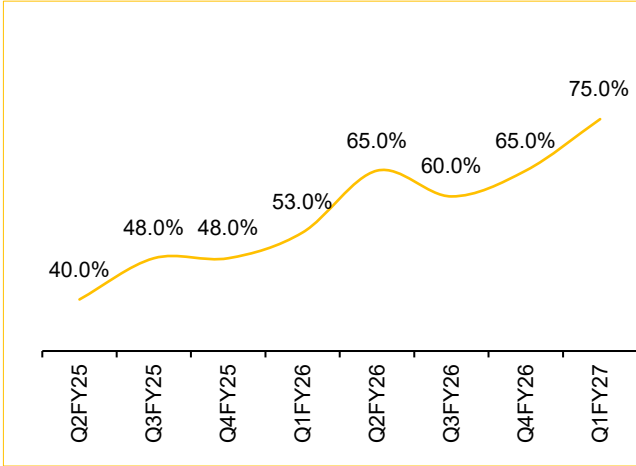
DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	75.6	76.1	75.8	75.8	75.8
Interest Burden (%)	95.5	93.8	90.6	92.8	94.6
EBIT Margin (%)	9.5	10.0	9.4	10.5	10.5
Asset Turnover (x)	2.1	1.9	1.7	1.8	1.8
Equity Multiplier (x)	1.9	1.9	1.9	1.8	1.7
ROAE (%)	26.6	25.3	21.9	23.8	22.7

Source: ASKAUTO, Choice Institutional Equities

Source: ASKAUTO, Choice Institutional Equities

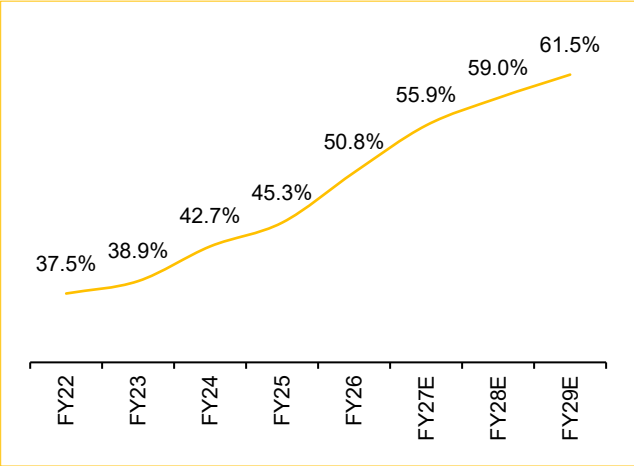
4.2 Charts and graphs

Karoli Plant Utilisation % is growing on the back of strong demand



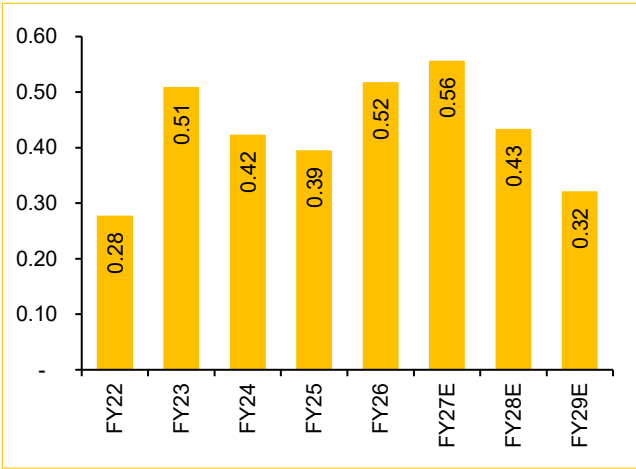
Source: ASKAUTO, Choice Institutional Equities

ALPS's revenue share continues to rise



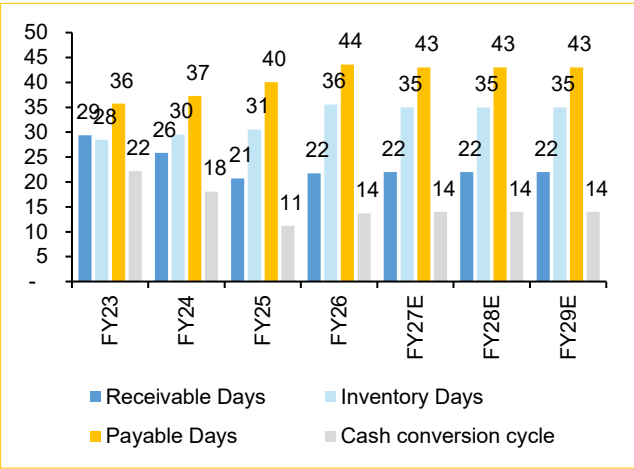
Source: ASKAUTO, Choice Institutional Equities

Debt to Equity



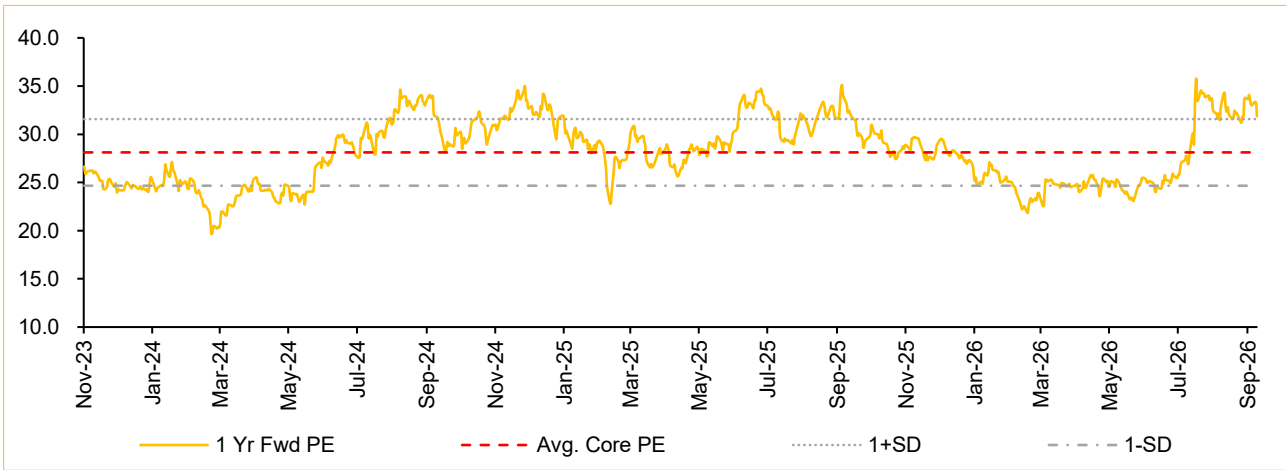
Source: ASKAUTO, Choice Institutional Equities

Working capital cycle trend



Source: ASKAUTO, Choice Institutional Equities

1-year forward PE band



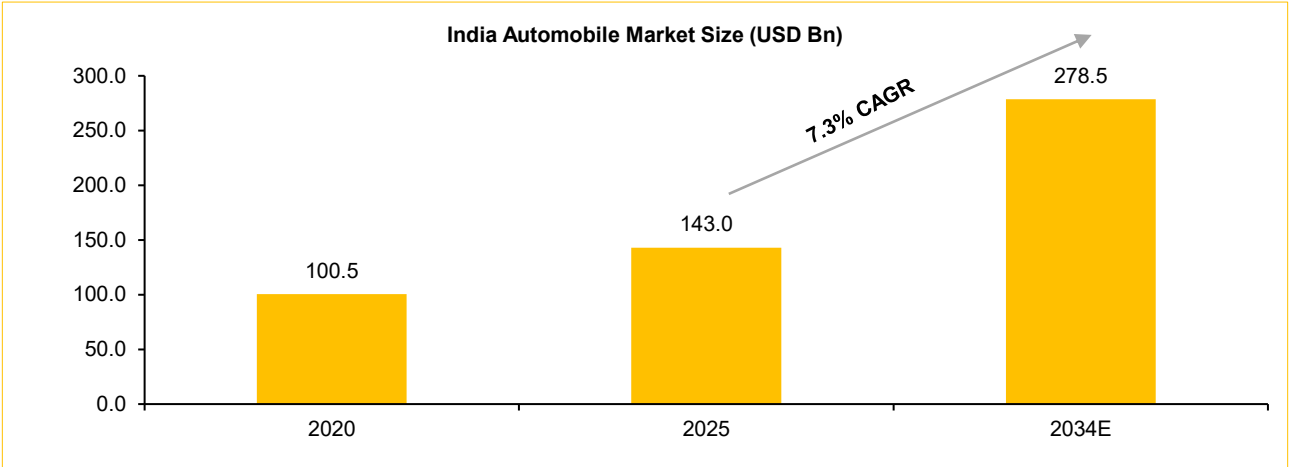
Source: ASKAUTO, Choice Institutional Equities

5.1 Overview: The Indian Automobile Industry

FY26: India's auto industry posted its best-ever year, led by two-wheelers

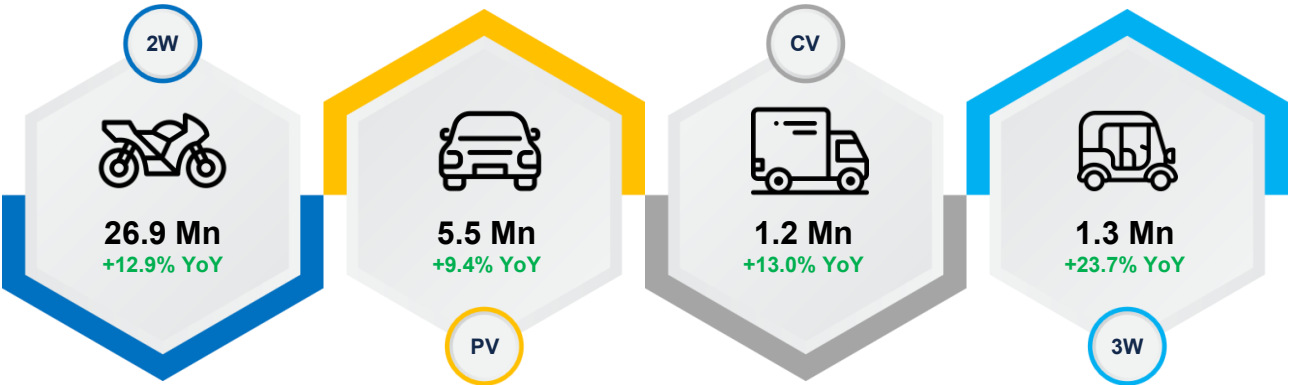
India's automobile industry recorded its highest-ever wholesale volumes in FY26 at 34.9 Mn units, up 12.7% YoY, with every vehicle category posting record sales in the same fiscal year for the first time in seven years. GST 2.0 rate cuts, effective September 2025, were a key catalyst, alongside income-tax rationalisation and RBI rate cuts. Two-wheelers remain by far the largest segment at 80.7% of industry volumes, followed by passenger vehicles at 15.9%.

India's broader automobile market was valued at ~USD 143 Bn in 2025, projected to reach ~ USD 278.5 Bn by 2034 (7.3% CAGR).



Source: SIAM, IBEF, imarcgroup, Choice Institutional Equities

Broad-Based Growth Across Every Vehicle Category in FY26



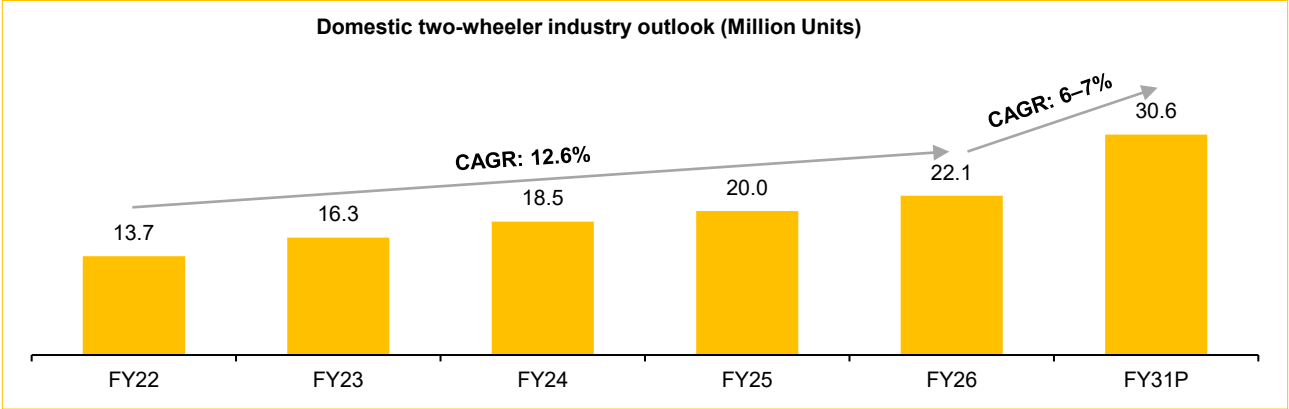
Structural tailwinds shaping India's automotive landscape through FY27/28E

EV Acceleration	Premiumisation	Localisation & Export	Rural Demand Stability
- E-2W demand exceeding supply — capacity expansion by TVS, Bajaj, Hero (2W), E-PV – (Maruti, M&M) - Electric scooters/3Ws offer 40–50% lower running costs than ICE - E-cargo 3Ws riding double-digit e-commerce growth in last-mile logistics	- SUV segment continuing to improve its share of the PV mix - Premium motorcycles and scooters showing resilience	- PLI benefit of INR 260.6 Bn strengthening localisation & manufacturing - India–EU / India–US trade pacts expected to expand export access - US and EU already buy ~60% of India's auto component exports	- Rural sales surged 19.8% vs 15.2% urban in August 2026 (FADA) - Visible decoupling from the monsoon-linked income — supporting demand despite softening of farm-linked income - Entry-level small cars recovering post-GST rationalisation

5.2 Two-wheeler Segment — ASKAUTO's Core Market

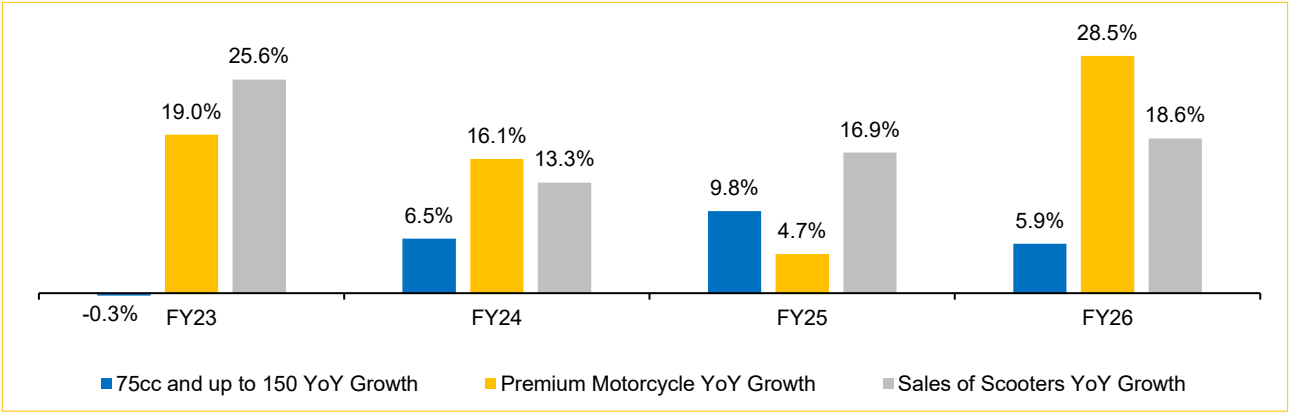
The two-wheeler segment contributed over 80% of India's auto industry volumes. FY26 volumes hit record highs across all segments, driven by GST reform, premiumisation, strong EV adoption and growing exports. Growth was led by the premium motorcycle and scooter segments. Exports were the standout, surging 23% YoY to a record 5.2 Mn units, with Hero MotoCorp, TVS and Bajaj Auto all posting export milestones.

The domestic 2W industry is expected to continue its growth momentum over the long term, led by a positive macroeconomic environment, favourable rural demand, premiumization and EV growth



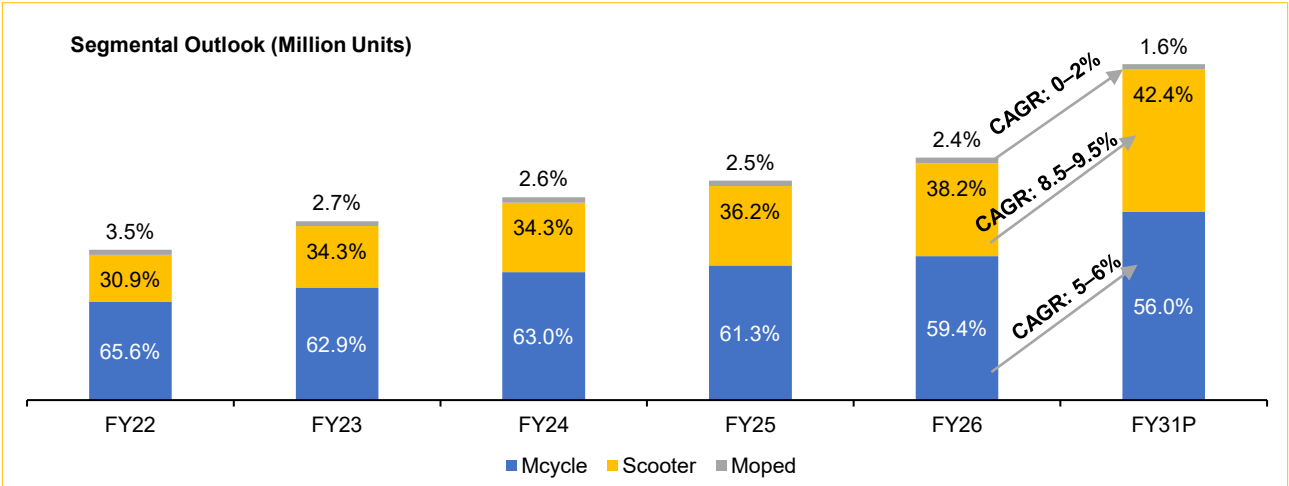
Source: SIAM, Industry, Choice Institutional Equities

Scooters (19% CAGR, FY22–26) and premium motorcycles (17%) outpaced entry-level 2W volumes



Source: SIAM, Choice Institutional Equities

Continuous improvement in Scooter share aided by strong EV growth



Source: SIAM, Industry, Choice Institutional Equities

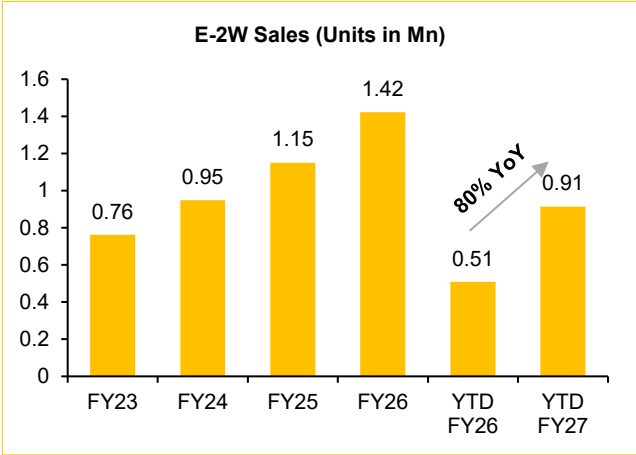
5.3 The Electric Two-wheeler Industry

E2W Sales Cross 1.4 Mn Units in FY26, With Penetration Still Rising

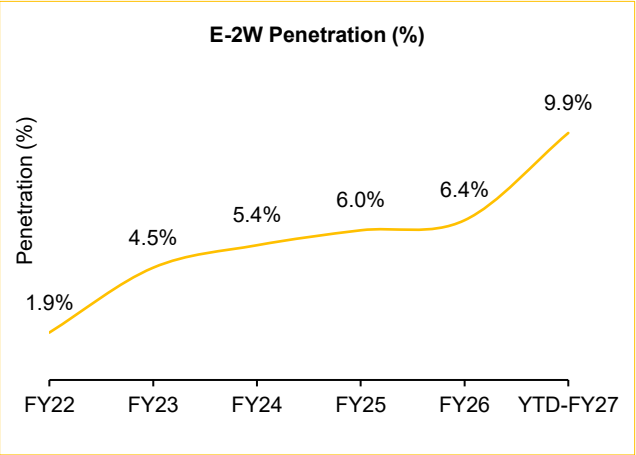
India's electric two-wheeler segment retailed 1.4 Mn units in FY26, up 21.2% YoY, lifting E2W penetration of the overall 2W market from 6.1% to 6.4%. The pace has since accelerated — E2W registrations were up 74.2% YoY in August 2026 alone — as range, charging infrastructure and PM E-DRIVE incentives widen the base.

Leadership has reshuffled: TVS Motor topped FY26 (+41.6% YoY, 24.4% share), Bajaj Auto was second (+25.2% YoY, 20.4% share) and Ather Energy grew fastest among scaled players (+77.9% YoY). Hero Vida nearly tripled (+194% YoY), while former leader Ola Electric's volumes fell 53.2%.

ASK supplies ABS/ALPS content across nearly every major E2W OEM



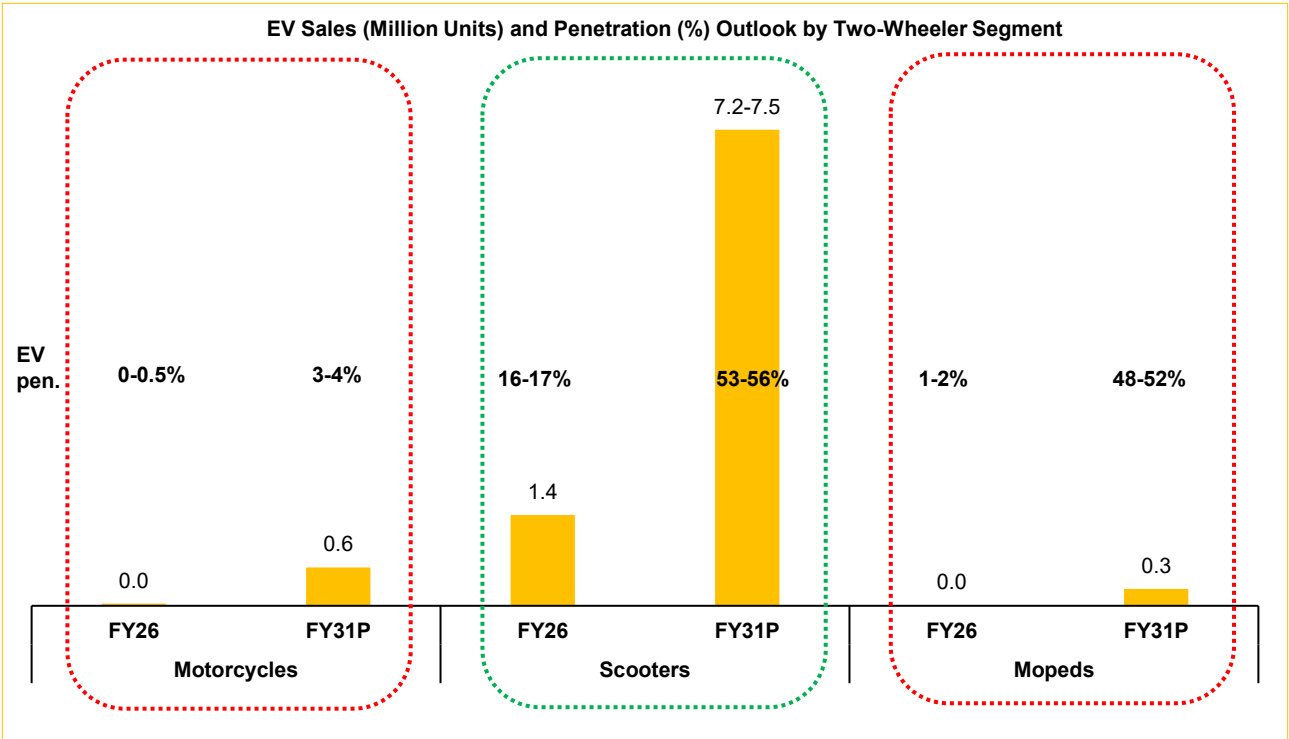
Source: VAHAN, Choice Institutional Equities



Source: VAHAN, Choice Institutional Equities

Outlook for EV Penetration in 2W segment

India's electric two-wheeler market grew at a 101.8% CAGR over FY21–26, from a low base. Crisil Intelligence projects 40-42% CAGR ahead, reaching 7.5–8.5 Mn units and 25–28% penetration by fiscal 2031, driven by better TCO, narrowing price gaps, wider portfolios and charging/financing support. Scooters will lead, with penetration rising from 16–17% to 53–55%. Mopeds could reach 48–52% penetration on price-sensitive demand, while motorcycles lag at just 3–4% due to limited models and longer-range usage needs.



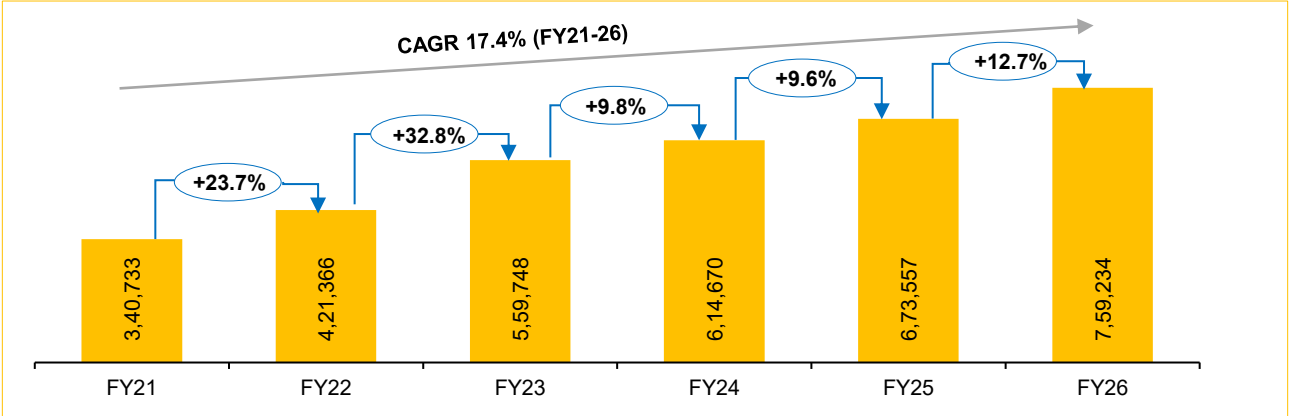
Source: VAHAN, Industry, Choice Institutional Equities

5.4 India's Auto Component (Ancillary) Industry

A USD 86 Bn Industry Doubling Every Five Years

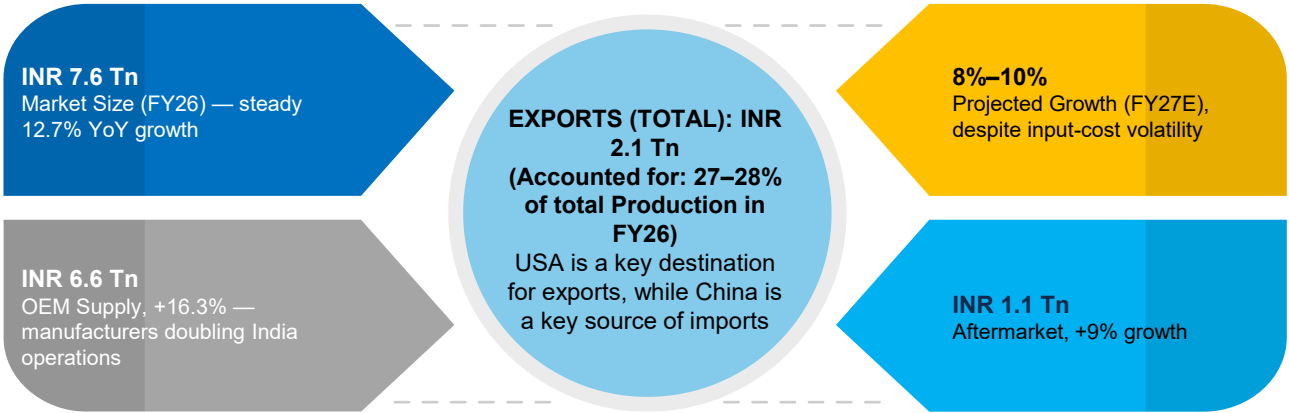
India's auto component industry posted a record INR 7.6 Tn (USD 85.9 Bn) turnover in FY26, up 12.7% YoY and more than double its size five years ago (ACMA).

FY26: Auto Component Industry Performance (INR Mn)



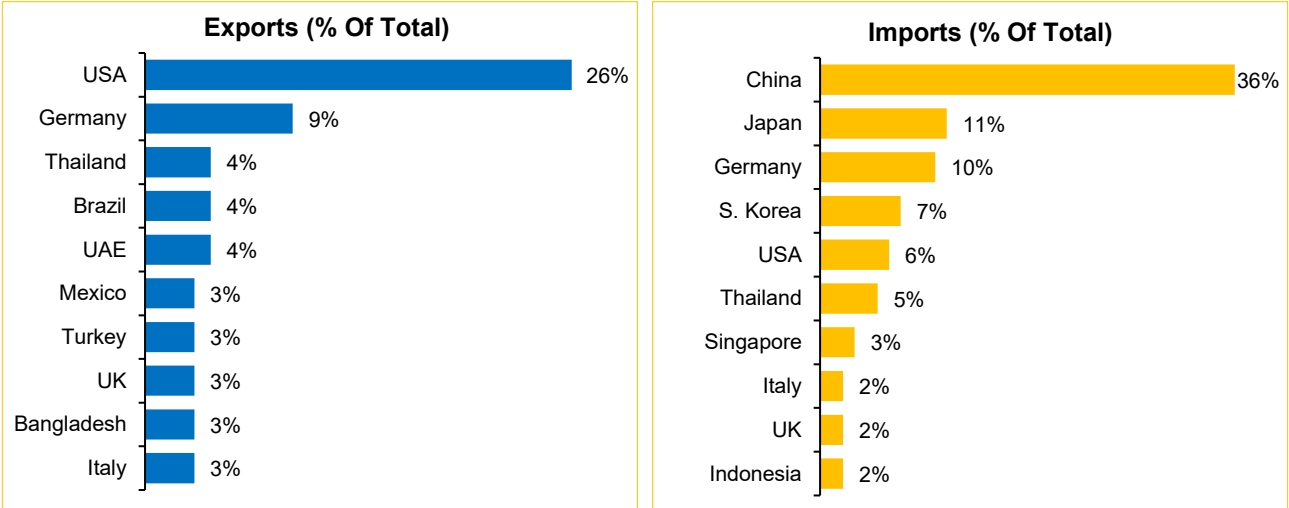
Source: ACMA, Choice Institutional Equities

Financial Performance FY26 & Growth Projections



Source: ACMA, Choice Institutional Equities

Top 10 Country-wise: Imports & Exports of auto components (FY26)

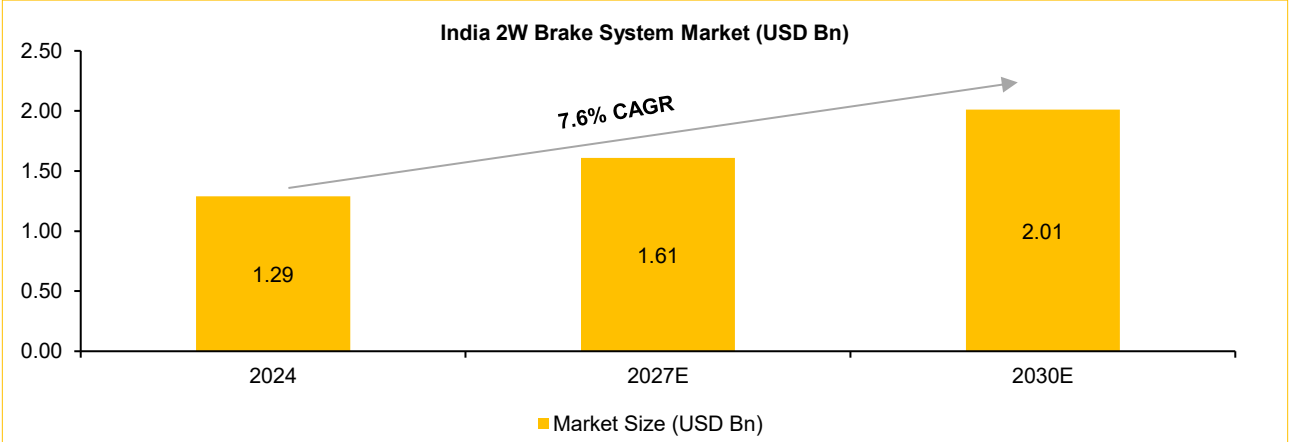


Source: ACMA, Choice Institutional Equities

5.5 Two-Wheeler Braking System Industry

The global two-wheeler braking system market crossed USD 4.4 Bn in 2024 and is projected to grow at around 6.5% CAGR from 2025 to 2034, driven by rising urbanization and traffic congestion pushing scooter adoption.

India’s overall two-wheeler brake systems was valued at USD 1.3 Bn in 2024 and expected to reach USD 2.01 Bn by 2030, growing at roughly 7.6% CAGR. Growth is attributed to rising safety awareness, stricter government regulation on braking technology and overall two-wheeler demand growth.



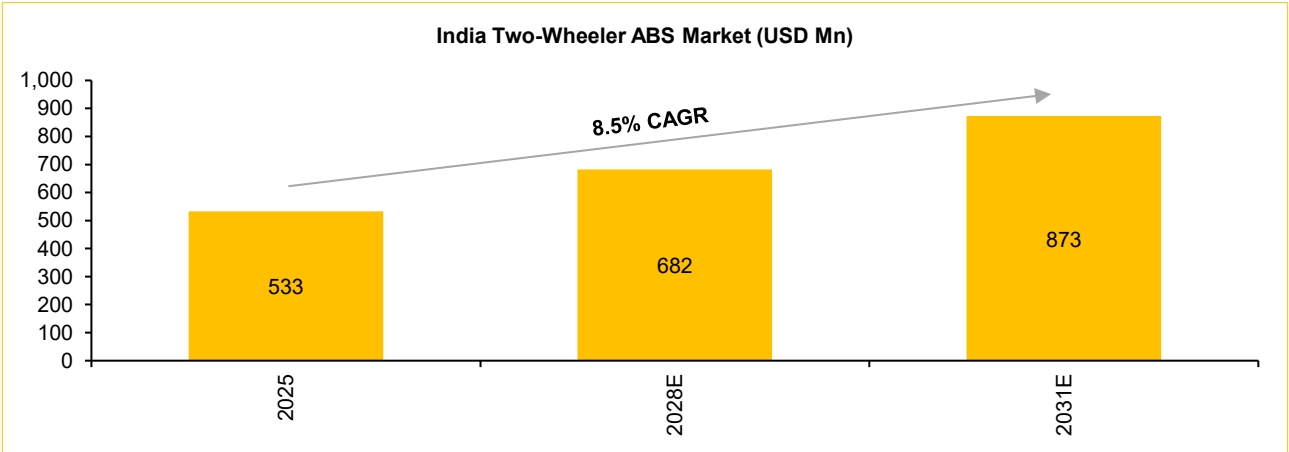
Source: SIAM, ICRA, Business Standard, Choice Institutional Equities

From CBS to ABS: Mapping India's Two-Wheeler Safety Systems Market

Segmentation Basis	Categories	Key Notes
By Brake Type	Drum brakes	Legacy tech; cheaper; still common on rear wheels of entry-level commuters
	Disc brakes	Growing share with premiumization; adoption now driven by regulation
By Technology	CBS (Combined Braking System)	Being phased out at the low end as the proposed 2026 mandate removes the CBS exemption
	Single-channel ABS	Expected new mass-market standard across all engine sizes
	Dual-channel ABS	Reserved for premium/performance motorcycles
By Sales Channel	OEM	Bulk of volume; tied directly to two-wheeler production cycles
	Aftermarket	Steadier, margin-richer revenue; key for friction-material makers (pads, shoes, linings)
By Powertrain	ICE two-wheelers	Traditional hydraulic/mechanical braking systems
	Electric two-wheelers	Demand for lightweight systems, regenerative braking, and electronic brake-force distribution

Source: Choice Institutional Equities

India’s ABS sub-segment (the fastest-growing slice) was valued at USD 533 Mn in 2025, projected to reach USD 873 Mn by 2031 at 8.5% CAGR.



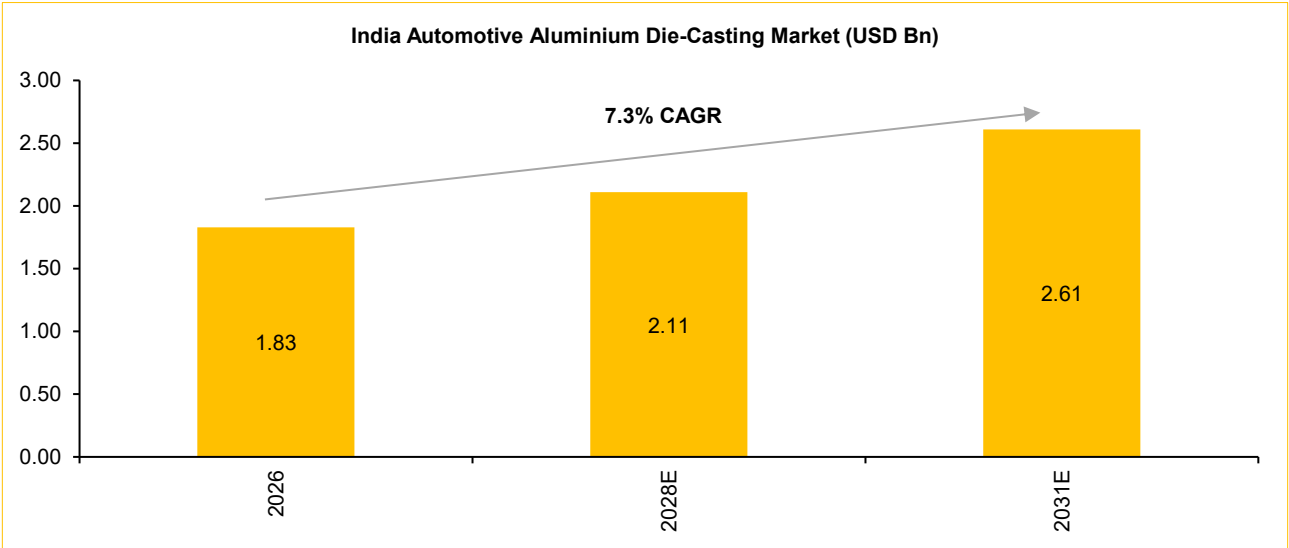
Source: MarketsandMarkets, ResearchAndMarkets, ASKAUTO, Choice Institutional Equities

5.6 Segment Focus: Aluminium Lightweighting & Alloy Wheels

EV Lightweighting Is the Single Biggest Content Opportunity in Auto Components

India's aluminium die-casting market is set to grow from USD 1.83 Bn in 2026 to USD 2.61 Bn by 2031 (7.3% CAGR); its alloy wheel market is growing even faster, at 10.1% CAGR.

ALPS is already ASKAUTO's largest segment (51% of FY26 revenue, +75% YoY in Q1FY27) and new alloy-wheel collaborations (LIOHO, Kyushu Yanagawa) extend this lead.

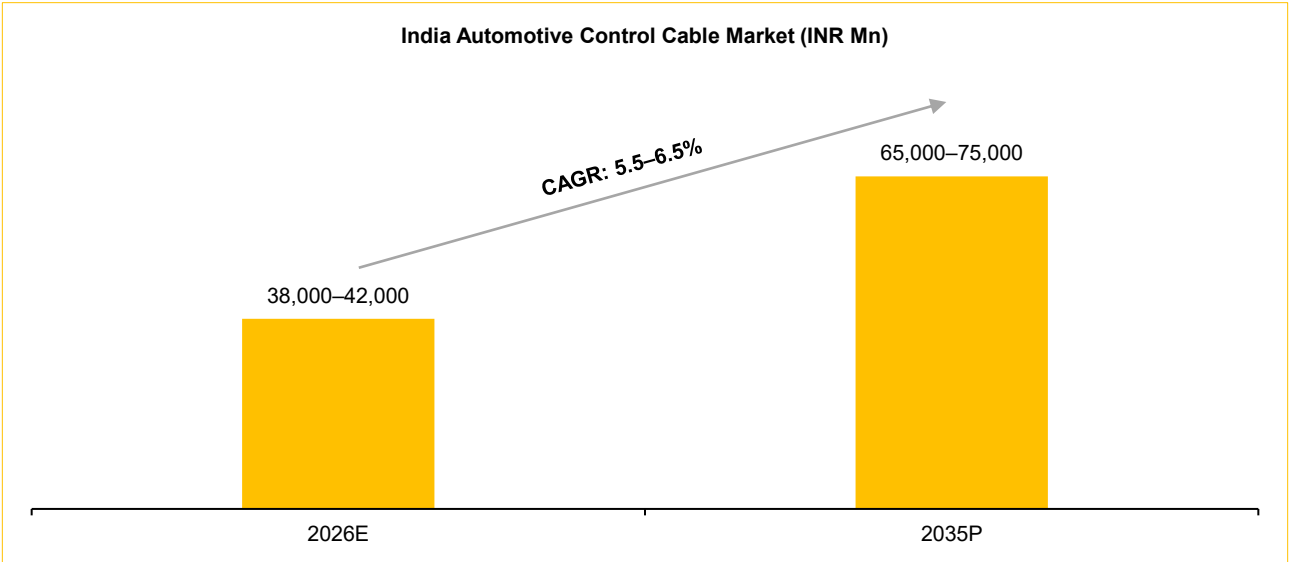


Source: Mordor Intelligence, Allied Market Research, MarketLensIQ, ASKAUTO Automotive, Choice Institutional Equities

5.7 Segment Focus: Control Cables Market

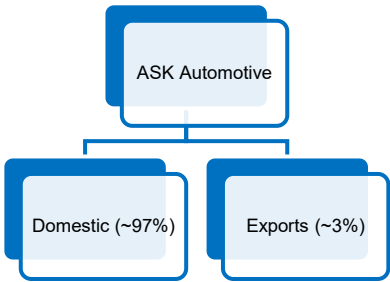
A Mature, Steady Core Market With a Long Replacement Tail

India's automotive control cable market is projected to grow from INR 38,000–42,000 Mn in 2026 to INR 65,000–75,000 Mn by 2035, a CAGR of 5.5–6.5%; but two-wheeler cables are set to grow fastest among vehicle types, at ~5% CAGR, as India's large, ageing 2W pool sustains steady replacement demand alongside new-vehicle fitment. ASKAUTO's Safety Control Cables segment — its smallest but steadiest product line at 3.8% of FY26 revenue — grew 20% YoY in Q1FY27.



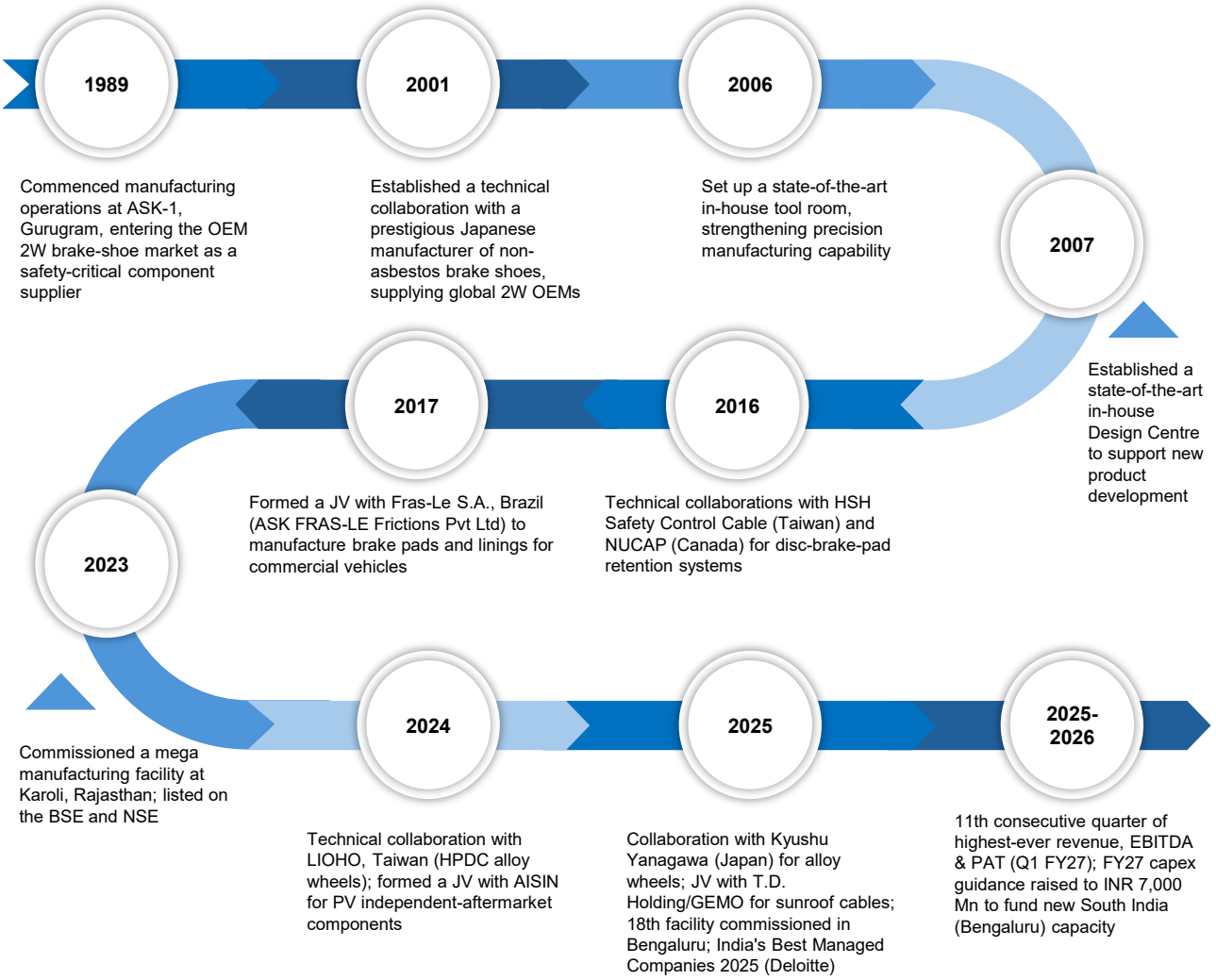
Source: Industry, Choice Institutional Equities

6.1 Company Overview



ASK Automotive Limited is India's leading manufacturer of Advanced Braking Systems for two-wheelers, with a ~50% market share, alongside a diversified auto-ancillary portfolio spanning Aluminium Lightweighting Precision Solutions and Safety Control Cables. Over 35 years, ASKAUTO has built long-standing relationships with every major 2W OEM in India (Hero MotoCorp, Honda, Bajaj, TVS, Yamaha, Suzuki) and expanded into passenger vehicles, commercial vehicles and exports (14 countries directly & 42 countries through JV) through five technical collaborations and three joint ventures with global players including AISIN (Japan), FRAS-LE (Brazil) and Kyushu Yanagawa (Japan). ASKAUTO operates 18 manufacturing facilities across seven states and is rapidly scaling capacity to capture the structural upcycle in India's two-wheeler industry.

6.1 Key Milestones



Source: ASKAUTO, Choice Institutional Equities

6.2 Product Portfolio

ALPS

Aluminium Lightweighting
Precision Solutions

50.8% Share of revenue
+30% YoY growth in FY26

Precision aluminium components across ICE & EV platforms:

- 2W — Engine Cover, Cylinder Block, Pillion Grip
- 4W — Upper/Lower Case, Throttle Body, ECU Body
- EV — Battery Pack & Motor Housing
- Exports — Hub, Ignition Cover, Base Adapter

2W



Alloy Wheel Engine Cover
Crank Case Pillion Grip

PV



ECU Body ECU Housing
Throttle Body Filter Housing

EV



Geared Pulley Electric motor housing
Battery housing

Exports



Fan Demolition Hammer
Cover Bottom Base Adapter

ABS

Advanced Braking Systems

36.9% Share of revenue
+17% YoY growth in FY26

~50% share of India's 2W ABS market. Core products:

- Brake Shoe
- Brake Pads
- Brake Panel Assembly
- Clutch Plates
- Disc Brake Pad
- Clutch Shoe
- Brake Liner & Linings

2W



Brake Shoe Brake Pad
Brake Panel Case Mission

3W



Brake Shoe

4W



Brake Shoe Brake Pad

CV (Joint Venture)



Brake Lining
Brake Pad

SCC

Safety Control Cables

3.8% Share of revenue
+14% YoY growth in FY26

Precision-engineered cables for OEM & aftermarket:

- Front/Rear Brake Cable Assembly
- Throttle Cable Assembly
- Speedometer Cable Assembly
- Seat Lock Cable Assembly
- Fuel Lid Cable Assembly (3W)

2W



Front Brake Cable Assembly

2W



Rear Brake Cable Assembly Throttle Cables

2W



Speedometer Cable Assembly

3W

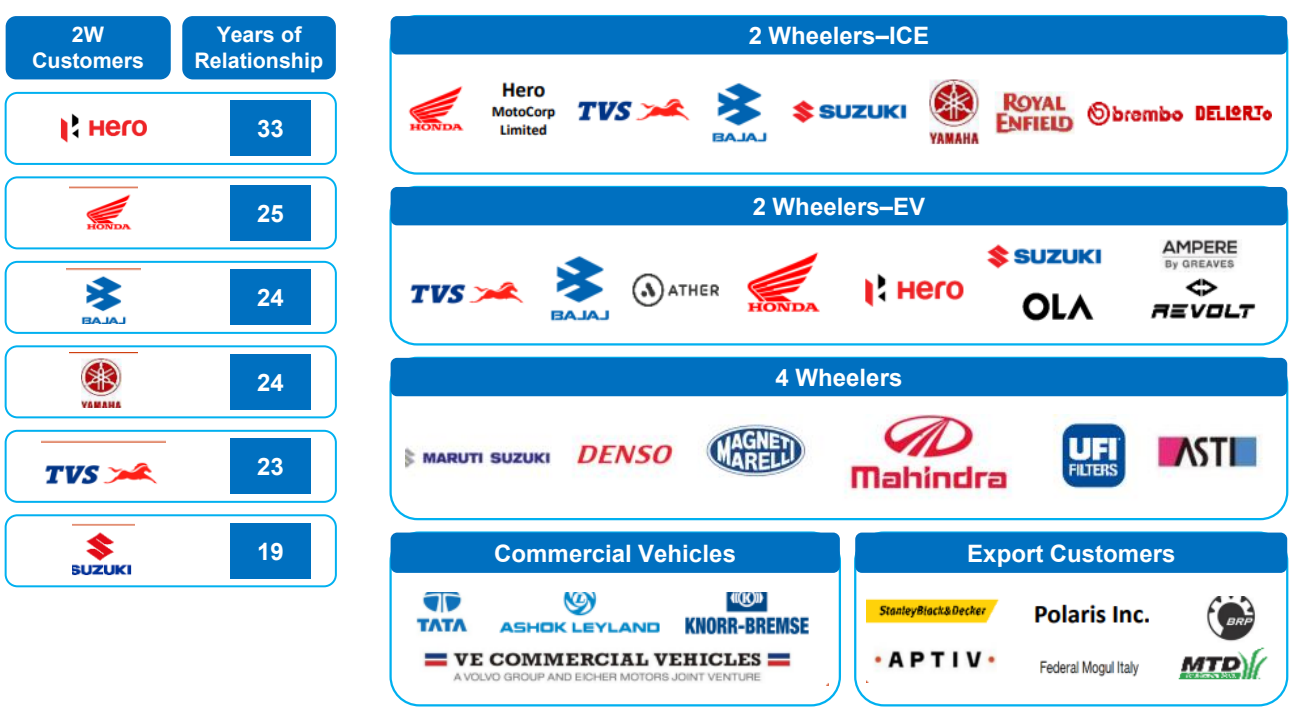


Gear Shift Cable

Source: ASKAUTO, Choice Institutional Equities

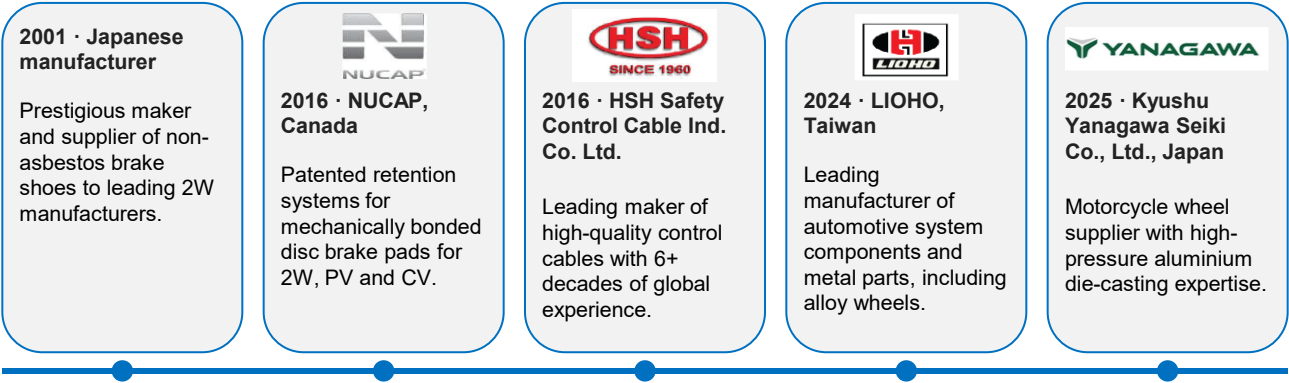
ALPS has overtaken ABS as the largest revenue segment, positioning ASKAUTO as a diversified, EV-ready auto-ancillary platform beyond its legacy braking business.

6.3 Customer profile



6.4 World-class Technical Collaborations and Global Partnerships

Technical Collaborations



Joint Ventures



Source: ASKAUTO, Choice Institutional Equities

6.5 Business Model — From Braking Leadership to Diversified Growth



Relationship with OEM Customers

- Vehicle platform design, safety mandates & content specification = Volume & mix growth
- Manufacturing, quality and OEM-approved supply of safety-critical components = Content-per-vehicle gains
- Long-standing relationship with OEMs (Hero – 33 years, Honda – 25 years, Bajaj – 24 years, Yamaha – 24 years, TVS – 23 years, Suzuki – 19 years)



Growth Streams

2W Braking Leadership

- New South India (Bengaluru) plant — ~INR 7,000 Mn FY27 capex
- Confirmed order book of ~INR 2,500 Mn for FY28 and New export order ramp to ~INR 600 Mn by FY28

New Product Lines via Collaborations

- Alloy Wheels — LIOHO (Taiwan) & Kyushu Yanagawa (Japan) HPDC collaborations
- Sunroof Cables — JV with T.D. Holding (GEMO), Germany, for passenger vehicles
- PV IAM Components — JV with AISIN (Japan) for independent aftermarket
- Commercial Vehicles — JV with FRAS-LE (Brazil) for brake linings and pads



Cost Structure

- Raw materials — aluminium & steel alloys (largest cost, pass-through); rubber, friction material and other inputs
- Manufacturing — 18 facilities across 7 Indian states
- In-house R&D, Design & Tool Room since 2006-07



Channels

- OEM channel — 2W-ICE (74.6%), 2W-EV (5.7%), PV (3.5%) of Q1 FY27 revenue
- Exports — 14 countries, INR 390 Mn in Q1 FY27 (+18% YoY)
- IAM (Independent Aftermarket) — 7.0% of Q1 FY27 revenue
- Aftermarket expanding via the new AISIN JV
- New exports order — INR 400–450 Mn FY27E, INR 600 Mn FY28E



Strategic Opportunities

- EV/ALPS content-per-vehicle growth as 2W electrifies, on top of ASKAUTO's existing **~50% market share in 2W Advanced Braking Systems**
- **Capacity expansion** — ASKAUTO plans to deploy its INR 7,000 Mn FY27 capex towards capacity expansion at its Karoli, Rajasthan plant and the development of a new manufacturing facility in South India (Bengaluru), supporting future volume growth and regional capacity requirements
- **Evolution into a diversified, powertrain-agnostic auto-ancillary platform** beyond 2W braking — spanning PV, CV, EV, exports and the aftermarket

Source: ASKAUTO, Choice Institutional Equities

6.6 About the Management

Name	Designation	Qualification	Experience
 Mr. Kuldip Singh Rathee	Chairman & Managing Director	B.A. (Economics Honours), Delhi University	- Served in the Central Reserve Police Force and was directly recruited for the post of deputy superintendent of police in 1974 and served till 1978 - Previously enlisted as a contractor in Class I (B&R) with the Directorate General of Works, Central Public Works Department, Government of India - Experience in the real estate sector and in the manufacturing sector
 Mr. Prashant Rathee	Joint Managing Director	B.Com, Delhi University	- Previously a director on the board of A.A. Autotech Private Limited from 2008 till it merged with ASK Automotive. - Extensive experience in the manufacturing sector.
 Mr. Aman Rathee	Joint Managing Director	B.Sc. (Engineering) & MBA, Purdue University (USA); M&A certification, Harvard Business School	- Previously a director on the board of A.A. Autotech Private Limited from 2012 till it merged with ASK Automotive - Extensive experience in the manufacturing sector.
 Mr. Rajesh Kataria	Whole-Time Director	Bachelor's in Business Administration; Master's course in Business Administration (HR)	Currently responsible for operational management of the company.
 Mr. Naresh Kumar Sharma	Chief Financial Officer	He holds a bachelor's degree in commerce from Maharshi Dayanand University, Rohtak, Haryana and is also a member of the Institute of Chartered Accountants of India.	- He joined our Company on July 2, 2005 and was employed with our Company till September 17, 2019. - He then subsequently rejoined ASK Company on April 1, 2021 and has been designated as the Chief Financial Officer since March 28, 2023

Source: ASKATUO, Choice Institutional Equities

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and SMIDs	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9827
Karan Kamdar	Analyst – Consumer Discretionary, SMIDs	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Subhash Gate	Analyst – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Pankti Karania	Associate – Energy	pankti.karania@choiceindia.com	+91 22 6707 9251
Prakhar Tibrewala	Associate – SMIDs	prakhar.tibrewala@choiceindia.com	+91 22 6707 9433
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9535
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
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