Auto & Auto Ancillaries

India CVs: Reacceleration in motion

Emkay

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Auto & Auto Ancillaries ▸ Sector Report ▸ **August 03, 2026**

NIFTY 50: 24,384

We are positive on the Indian CV space (refer to: *A Turning CV Upcycle; TMCV to Lead*), as we believe the industry is entering a durable, replacement-led upcycle. We note that CV/MHCV-truck volumes have only marginally surpassed their FY19 highs (~7%/1% above), leaving ample headroom to grow as an ageing fleet drives replacement demand. The runway is backed by strong freight availability and fleet operator economics, in turn driven by improving macros. Underlying retail trends are also robust (MHCV retails rebounding to 26% yoy in Jul-26, vs ~17/11% in Jun/May-26), while the MHCV retail-to-wholesale ratio is healthy at >100% in 1QFY27 (vs ~87/85% in FY26/4QFY26). Demand momentum has carried into 2Q as well (TMCV's Jul-26 dispatches up 37% yoy, with a revival in exports). The operating leverage benefit from rising volumes, along with calibrated price hikes (~5% taken across players in CY26TD), will help drive improvement in margins, return ratios (ROCE of ~39%/45% by FY28E for AL/TMCV), and FCF generation (~10% FCF yield as a % of sales by FY28E), aided by a strong net-cash balance sheet. We maintain BUY on both TMCV (BUY; SOTP-based TP revised to Rs700 from Rs650; market leadership and mid-term optionality from IVECO) and AL (BUY; TP revised to Rs240 from Rs220; attractive play on domestic MHCV recovery, improving HCV retail share), and raise EPS by ~2-4% over FY27E-28E; we introduce FY29E. We are above consensus on EPS by ~16-18%/~17-18% for AL/TMCV over FY28E-29E, reflecting our stronger volume build and the resultant operating leverage flow-through.

A structural play in motion; CV demand reaccelerating in Jul-26

The Indian MHCV space is showing multiple signs of a structural inflection after remaining largely range-bound over the last ~7Y. Despite the post-Covid recovery, FY26 MHCV truck volumes have only marginally surpassed their FY19 peak. Demand indicators, too, have become increasingly favorable following the GST 2.0 rate cuts last year. After a slight moderation in demand through May–June owing to the West Asia crisis, growth momentum has now reaccelerated again into July (up 26% yoy vs 17/11% in Jun/May-26). TMCV's July-26 dispatches rose 37% yoy (domestic +28%, international +128%), with every major segment posting double-digit growth. Retail-to-wholesale ratio is also healthy at 100% in 1QFY27 (vs 87%/85% in FY26/4QFY26).

Healthy macros reinforce our confidence on Indian CVs

The CV runway is backed by strong freight availability and fleet operator economics. After rising consistently over the last two decades, average tonnage per MHCVs has begun to stabilize (~19-20 average ton/vehicle) over the last 2Y; if sustained, this could mark an early shift in the MHCV cycle, wherein higher freight demand is increasingly met via higher vehicle deployment rather than higher loading per truck. This, coupled with a supportive macro backdrop (CV credit growth at ~16–18%, healthy financier asset quality, and rising IIP), along with disciplined industry-wide price hikes (~5% taken across players in CY26TD), should further aid volumes, margins, and earnings.

Prefer TMCV for leadership, IVECO optionality; AL for HCV market-share gains

We are structurally positive on the CV space and maintain BUY on both TMCV (SOTP-based TP revised to Rs700 from Rs650) and AL (TP revised to Rs240 from Rs220). We raise our FY27E/FY28E EPS by 4% for TMCV and 3/2% for AL and introduce FY29E. Our estimates build in CV volume growth of ~14.7% in FY27E (implying 13% growth for the remaining 9M). On TMCV, we remain positive given its market-share leadership, superior execution, and medium-term optionality from IVECO (synergy potential across procurement, platforms, and international markets). AL offers an attractive play on domestic MHCV recovery, with improving HCV retail share (~31.6% Jul-26, +300bps vs 3QFY26) providing incremental earnings optionality as the upcycle gathers pace.

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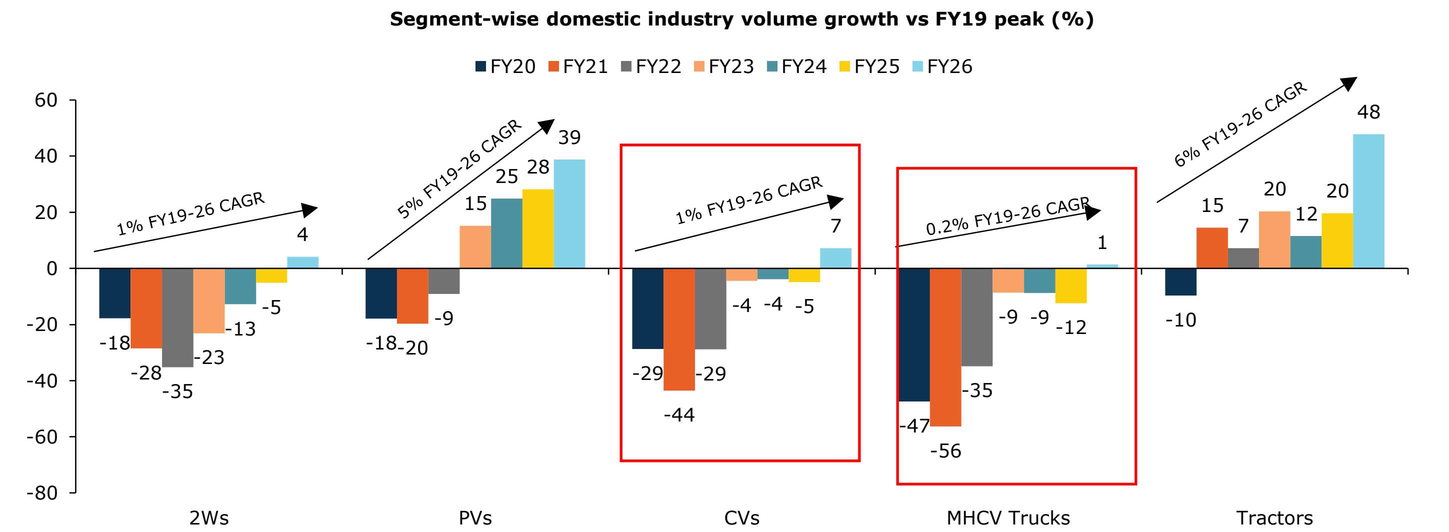
Rating, Target Price and Valuation

	Rating	CMP (Rs)	TP (Rs)	Upside (%)	EBITDA margin (%) FY27	EBITDA margin (%) FY28	RoCE (%) FY27	RoCE (%) FY28	EV/EBITDA (x) FY27	EV/EBITDA (x) FY28
Ashok Leyland	BUY	166	240	44	13.3	14.3	40.4	39.4	12.9	10.6
Tata Motors	BUY	437	700	60	12.8	13.3	55.6	44.6	12.2	10.2

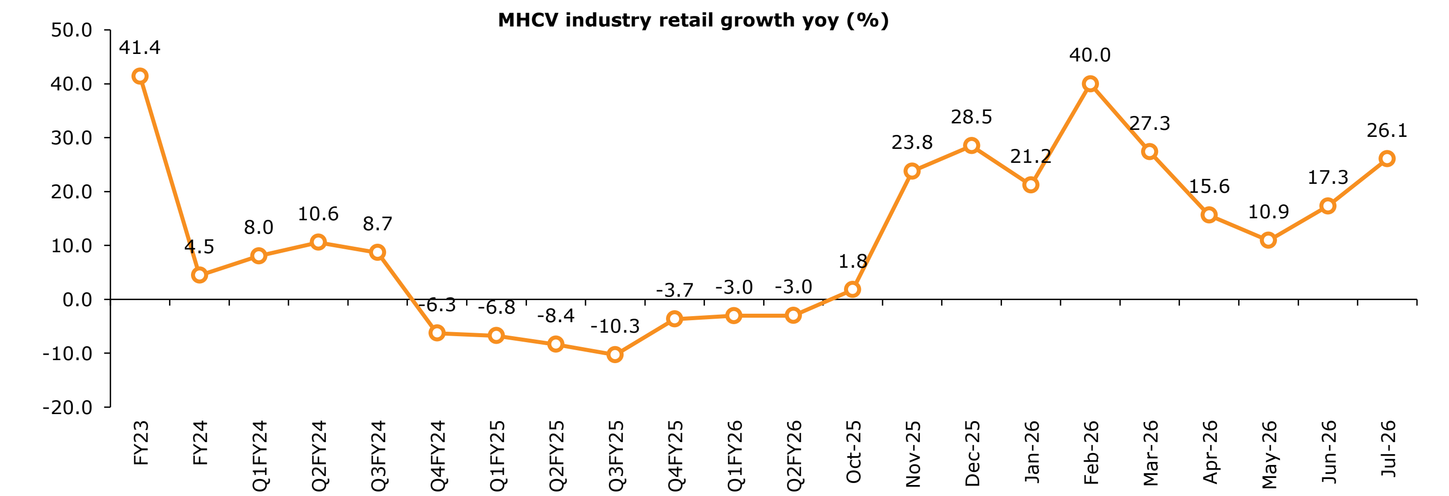
Source: Company, Emkay Research

Exhibit 1: Basis the segmental analysis, we believe CVs/MHCV (trucks) are only 7%/1% above their FY19 peaks, vs 39%/48% for PVs/tractors; this offers a healthy growth runway for MHCVs (trucks) and overall CVs…



Source: SIAM, Emkay Research

Exhibit 2: …while underlying retail trends are equally encouraging, with MHCV retails rebounding to 26% yoy in Jul-26 (vs 17/11% in Jun/May-26) after temporary moderation following the post-GST-cut spike



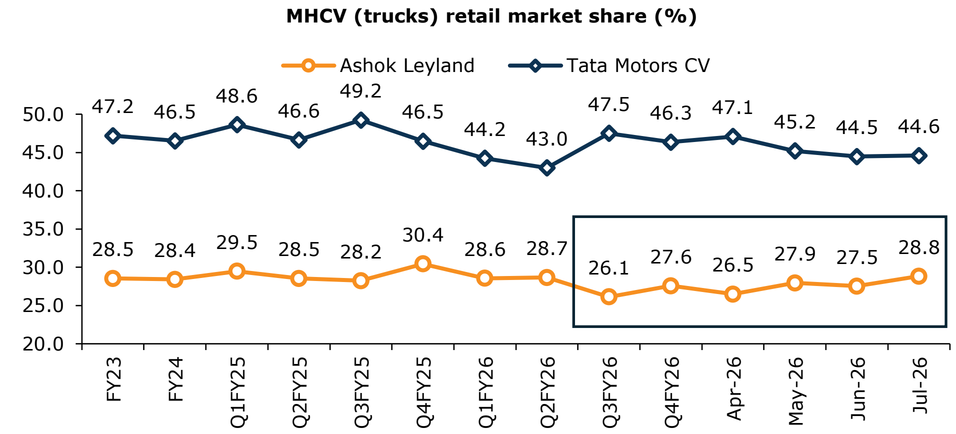
Source: Vahan, Emkay Research

Exhibit 3: The retail-to-wholesale ratio for MHCVs has also trended toward ~100% as of 1QFY27, indicating an extremely favorable underlying demand momentum for the MHCV industry

Particulars (no of units)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY26	1QFY27
CVs										
Industry	**98**	**94**	**101**	**93**	**98**	**88**	**100**	**96**	**96**	**98**
AL	96	87	93	86	99	87	91	89	91	100
TTMT	95	92	89	87	93	78	86	87	86	90
MHCVs										
Industry	**95**	**83**	**86**	**76**	**99**	**80**	**86**	**85**	**87**	**99**
AL	96	81	86	78	97	80	78	81	83	99
TTMT	113	91	91	83	103	77	89	89	89	102

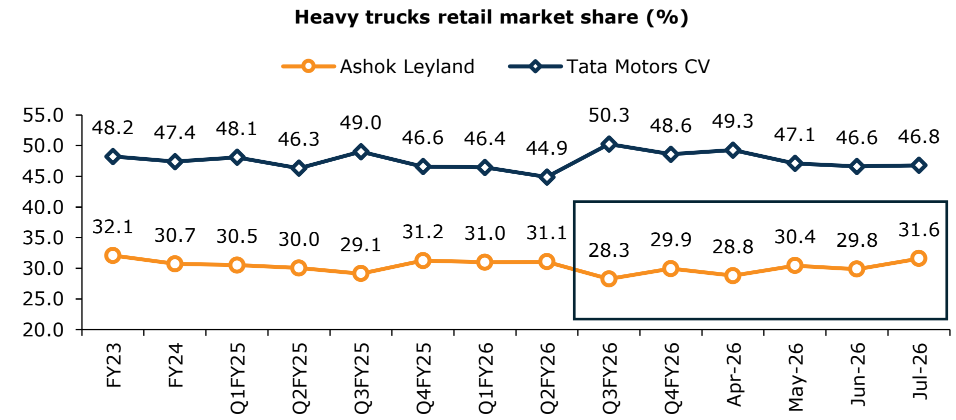
Source: SIAM, Vahan, Emkay Research

Exhibit 4: AL's MHCV (truck) retail market share has started to pick up in recent quarters, to ~29% (vs 26.5% in 3QFY26)…



Source: Vahan, Emkay Research

Exhibit 5: …with market share gains mainly coming from HCV (truck), where TMCV has lost some market share in recent quarters

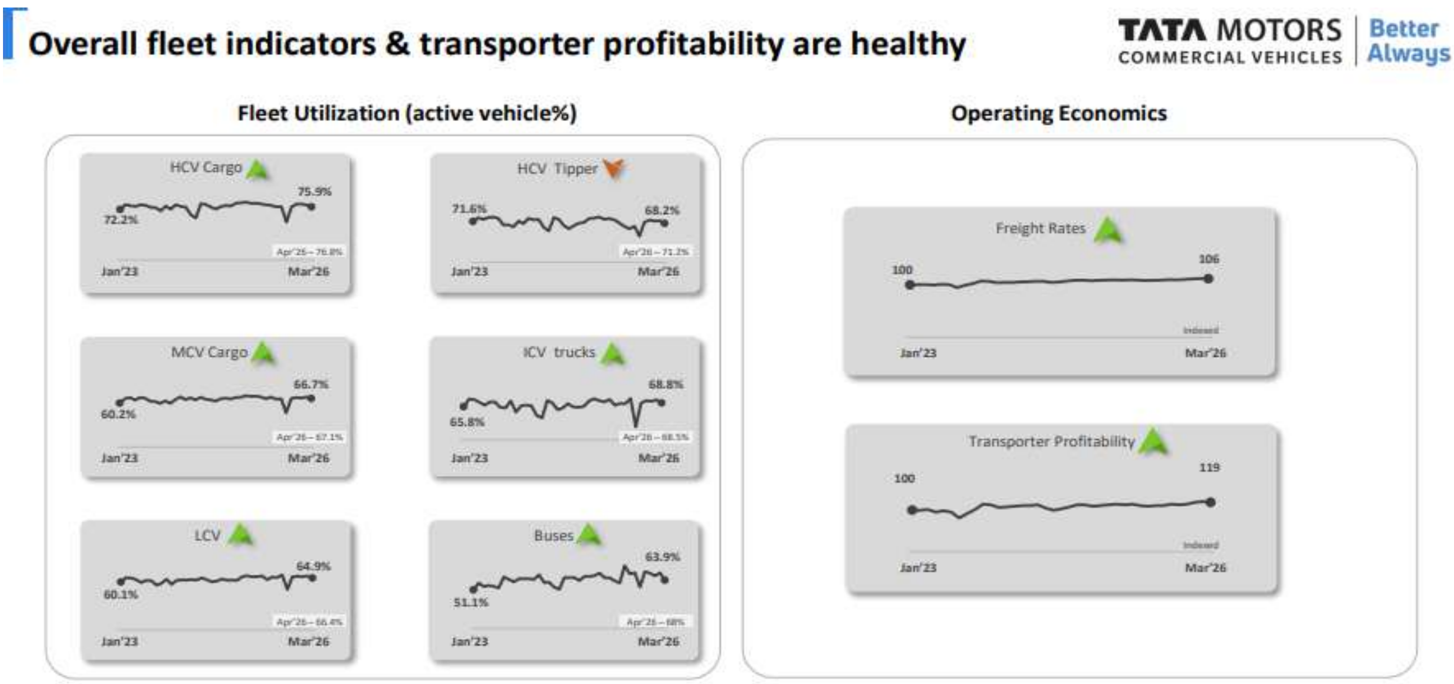


Source: Vahan, Emkay Research

Excerpts from the recent TMCV Analyst Day that support our thesis

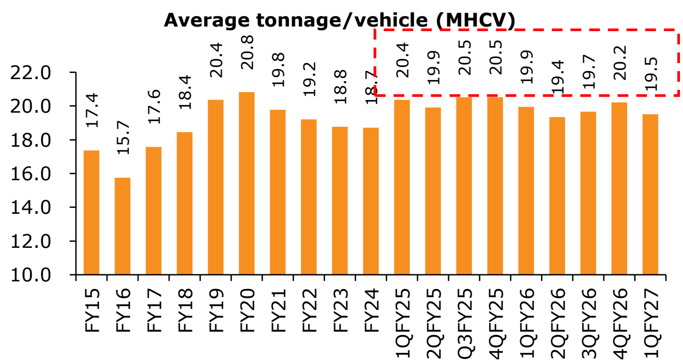
- The management expects freight movement in India to increase from the current ~2.6trn ton-km to ~3trn ton-km by FY30. Given the current MHCV vehicle parc of ~4.5-5.0mn vehicles, the management believes the industry will need to add ~1mn vehicles over the next 4Y to support this growth.
- Replacement demand is expected to remain strong, as older vehicles are unable to deliver the fuel efficiency, uptime, and technological capabilities offered by newer-generation trucks.
- TMCV believes value addition within CVs is gradually shifting from mechanical systems to electronics, software, and intelligent vehicle architecture.
- The management remains constructive on the impact of Dedicated Freight Corridors and does not view them as a structural threat to road transportation demand; TMCV expects them to create incremental opportunities for intermediate and last-mile transportation through ILMCVs and SCVs.

Exhibit 6: Fleet utilization levels and operating economics for fleet operators are healthy at 76%, especially for HCV (trucks) for TMCV



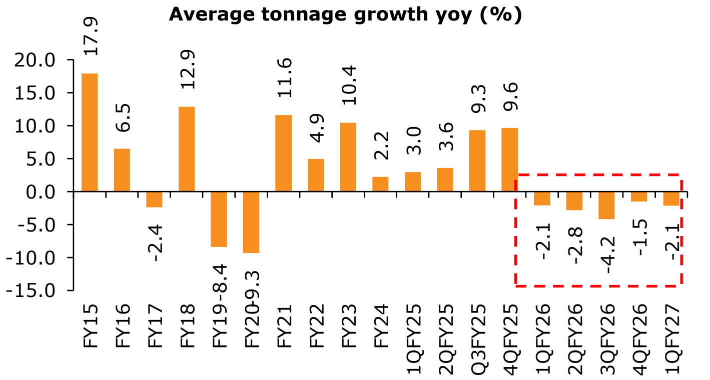
Source: Company, Emkay Research

Exhibit 7: After rising consistently over the last two decades, average tonnage per MHCVs has begun to stabilize over the last 2Y…



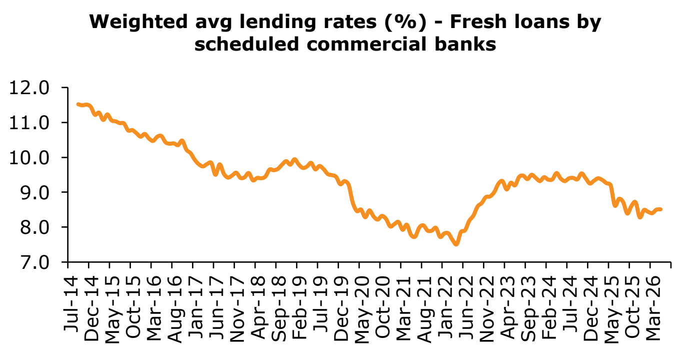
Source: SIAM, Emkay Research

Exhibit 8: …and if sustained, this could mark a shift in the MHCV cycle wherein higher freight demand will be met via higher CV sales



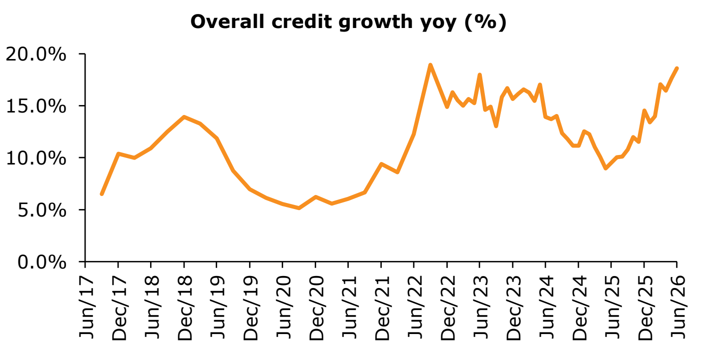
Source: SIAM, Emkay Research

Exhibit 9: Owing to consistent downward trajectory of the lending rates (WALR)…



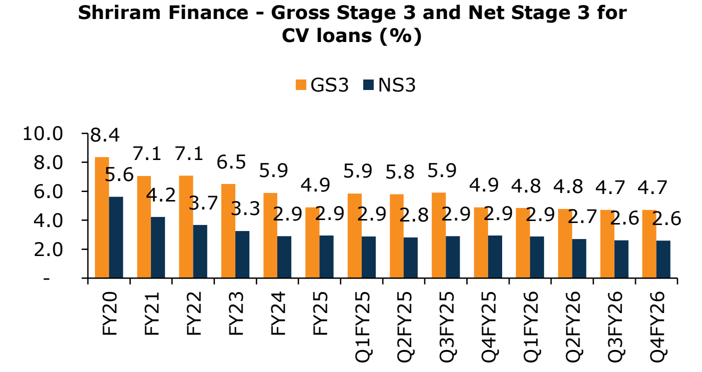
Source: RBI, CEIC, Emkay Research

Exhibit 10: … the overall credit growth has been healthy in the 16-18% range in recent months



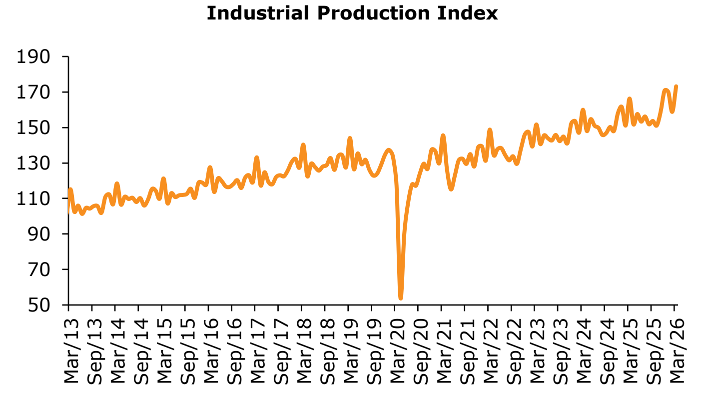
Source: RBI, CEIC, Emkay Research

Exhibit 11: This is also being supported by healthy asset quality (as reported by CV financiers such as Shriram Finance)



Source: Shriram Finance IP, Emkay Research

Exhibit 12: Overall IIP index has also consistently trended upward



Source: CEIC, Emkay Research

Exhibit 13: Both TMCV and AL are focusing on profitable growth…

OEMs	Source	Commodity impact so far	Price hikes taken	Management commentary on commodity impact going ahead
TMCV	4QFY26	~100bps impact on margins in 4Q due to inflation in commodities such as steel, aluminum, and copper.	~1% price hike in Jan-26; up to 1.5% in Apr-26	*"We have decided to not pass on the entire commodity increases; we will work on the cost levers because* ***we don't want to impact the demand momentum by passing on the entire commodity increases"***
TMCV	Recent analyst meet	Commodity cost pressure: near-term headwind	up to 2.5% effective from Jul-26	*"Calibrated price hikes, ongoing cost optimization initiatives, and improved realizations should enable business to sustain* ***double-digit EBITDA margins through the cycle."***
AL	4QFY26	There have been some cost increases, but we have been successful enough to get savings from value engineering, e-sourcing and commercial negotiations, etc, which are much higher than commodity increase witnessed in 4Q	1% price hike in Jan-26; up to 2% in Apr-26	***"Mantra is profitable growth,*** *and within that they are* ***working*** *to stay a* ***very lean*** *company with acute focus on every penny of cost."*
AL	Recent media interview	"Seeing how to manage the current situation, but yes, we are hopeful that at some point of time those costs will start coming down."	No formal announcement since Apr-26	*"We have a channel, but it is* ***very difficult for us to pass on the costs because that will disrupt the overall industry."***

Source: Company, Emkay Research

Exhibit 14: …and within the two, TMCV has been more pro-active in terms of the quantum/timeliness of price hikes

OEM	Jan–Mar 2026	Apr-26	Recent price hike
Ashok Leyland	**Jan-26: 1%** price hike	**Apr-26:** Up to **2%**	No formal announcement as of Jul-26
Tata Motors CV	**Jan-26: 1%** price hike across the range	**Apr-26:** Up to **1.5%** across all CV models/variants	**Jul-26:** Up to **2.5%** across all CV models/variants

Source: Company, Emkay Research

Exhibit 15: We build in ~13% run-rate for 9MFY27E and ~15% for FY27E on the back of strong CV momemtum in 1Q and Jul-26 (industry volumes up 20% in 1Q; TMCV dispatches up 37% in Jul-26) with some moderation expected in 2H on a higher base

Industry	Apr-June (1Q)			Jul-Mar (9M)			Total							
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Domestic MHCVs	**83,570**	**95,700**	***14.5***	**339,428**	**375,527**	***10.6***	**422,998**	***12.9***	**471,227**	***11.4***	**501,720**	***6.5***	**533,722**	***6.4***
Domestic trucks	**65,405**	**78,161**	***19.5***	**290,444**	**321,915**	***10.8***	**355,849**	***15.8***	**400,076**	***12.4***	**425,588**	***6.4***	**452,260**	***6.3***
- ICV	***11,245***	***14,972***	***33.1***	**53,548**	**62,238**	***16.2***	**64,793**	***26.3***	**77,210**	***19.2***	**84,336**	***9.2***	**91,690**	***8.7***
----7.5 - 12 MT	*9,438*	*12,456*	*32.0*	44,931	52,119	*16.0*	54,369	*35.4*	64,575	*18.8*	70,723	*9.5*	77,105	*9.0*
----12 - 16.2 MT	1,807	2,516	*39.2*	8,617	10,119	*17.4*	10,424	*-6.3*	12,635	*21.2*	13,613	*7.7*	14,584	*7.1*
-HCV	***39,943***	***48,415***	***21.2***	**178,876**	**199,684**	***11.6***	**218,819**	***16.1***	**248,099**	***13.4***	**263,915**	***6.4***	**280,575**	***6.3***
----16.2 - 25 MT	*18,069*	*21,036*	*16.4*	76,601	83,700	*9.3*	94,670	*18.8*	104,736	*10.6*	111,912	*6.9*	120,129	*7.3*
----25 MT	21,874	27,379	*25.2*	102,275	115,985	*13.4*	124,149	*14.0*	143,364	*15.5*	152,004	*6.0*	160,446	*5.6*
-Tractor trailers	**14,217**	**14,774**	***3.9***	**58,020**	**59,993**	***3.4***	**72,237**	***6.9***	**74,767**	***3.5***	**77,337**	***3.4***	**79,996**	***3.4***
-- Buses	18,165	17,539	*-3.4*	48,984	53,612	*9.4*	67,149	*-0.2*	71,151	*6.0*	76,132	*7.0*	81,461	*7.0*
Domestic LCVs	**139,532**	**167,308**	***19.9***	**517,341**	**589,465**	***13.9***	**656,873**	***12.7***	**756,773**	***15.2***	**799,924**	***5.7***	**861,753**	***7.7***
CV Exports	**19,427**	**27,837**	***43.3***	**75,366**	**89,503**	***18.8***	**94,793**	***17.0***	**117,340**	***23.8***	**137,463**	***17.1***	**162,383**	***18.1***
Vans (including exports)	**5,712**	**7,787**	***36.3***	**14,312**	**17,243**	***20.5***	**20,024**	***25.1***	**25,030**	***25.0***	**28,785**	***15.0***	**32,239**	***12.0***
Total	**248,241**	**298,632**	***20.3***	**946,447**	**1,071,739**	***13.2***	**1,194,688**	***13.3***	**1,370,371**	***14.7***	**1,467,891**	***7.1***	**1,590,097**	***8.3***

Source: SIAM, Emkay Research

Exhibit 16: Industry monthly run-rate

Monthly industry run-rate	Apr-June (1Q)			Jul-Mar (9M)			Total							
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)	
Domestic MHCVs	**27,857**	**31,900**	***14.5***	**37,714**	**41,725**	***10.6***	**35,250**	**39,269**	***11.4***	**41,810**	***6.5***	**44,477**	***6.4***	
Domestic trucks	**21,802**	**26,054**	***19.5***	**32,272**	**35,768**	***10.8***	**29,654**	**33,340**	***12.4***	**35,466**	***6.4***	**37,688**	***6.3***	
- ICV	***3,748***	***4,991***	***33.1***	***5,950***	**6,915**	***16.2***	**5,399**	**6,434**	***19.2***	**7,028**	***9.2***	**7,641**	***8.7***	
----7.5 - 12 MT	*3,146*	*4,152*	*32.0*	*4,992*	5,791	*16.0*	4,531	5,381	*18.8*	5,894	*9.5*	6,425	*9.0*	
----12 - 16.2 MT	602	839	*39.2*	957	1,124	*17.4*	869	1,053	*21.2*	1,134	*7.7*	1,215	*7.1*	
-HCV	***13,314***	***16,138***	***21.2***	***19,875***	**22,187**	***11.6***	**18,235**	**20,675**	***13.4***	**21,993**	***6.4***	**23,381**	***6.3***	
----16.2 - 25 MT	*6,023*	*7,012*	*16.4*	*8,511*	9,300	*9.3*	7,889	8,728	*10.6*	9,326	*6.9*	10,011	*7.3*	
----25 MT	7,291	9,126	*25.2*	11,364	12,887	*13.4*	10,346	11,947	*15.5*	12,667	*6.0*	13,370	*5.6*	
-Tractor trailers	**4,739**	**4,925**	***3.9***	**6,447**	**6,666**	***3.4***	**6,020**	**6,231**	***3.5***	**6,445**	***3.4***	**6,666**	***3.4***	
-- Buses	6,055	5,846	*-3.4*	5,443	5,957	*9.4*	5,596	5,929	*6.0*	6,344	*7.0*	6,788	*7.0*	
Domestic LCVs	**46,511**	**55,769**	***19.9***	**57,482**	**65,496**	***13.9***	**54,739**	**63,064**	***15.2***	**66,660**	***5.7***	**71,813**	***7.7***	
CV exports	**6,476**	**9,279**	***43.3***	**8,374**	**9,945**	***18.8***	**7,899**	**9,778**	***23.8***	**11,455**	***17.1***	**13,532**	***18.1***	
Vans (including exports)	**1,904**	**2,596**	***36.3***	**1,590**	**1,916**	***20.5***	**1,669**	**2,086**	***25.0***	**2,399**	***15.0***	**2,687**	***12.0***	
Total	**82,747**	**99,544**	***20.3***	**105,161**	**119,082**	***13.2***	**99,557**	**114,198**	***14.7***	**122,324**	***7.1***	**132,508**	***8.3***	

Source: SIAM, Emkay Research

Exhibit 17: We expect H2 momemtum to moderate for the CV industry on a high base of last year

Industry quarterly split	1Q			2Q			3Q			4Q		
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	FY27E	yoy (%)	FY26	FY27E	yoy (%)
Domestic MHCVs	**83,570**	**95,700**	**14.5**	**88,172**	**103,283**	***17.1***	**110,582**	**121,582**	***9.9***	**140,674**	**150,663**	**7.1**
Domestic trucks	**65,405**	**78,161**	**19.5**	**74,195**	**87,629**	***18.1***	**95,505**	**104,997**	***9.9***	**120,744**	**129,289**	**7.1**
- ICV	***11,245***	***14,972***	***33.1***	***14,153***	**18,725**	***32.3***	***17,929***	***20,080***	***12.0***	***21,466***	***23,432***	***9.2***
----7.5 - 12 MT	*9,438*	*12,456*	*32.0*	*11,981*	15,815	*32.0*	*14,947*	16,741	*12.0*	*18,003*	*19,563*	*8.7*
----12 - 16.2 MT	1,807	2,516	39.2	2,172	2,910	*34.0*	2,982	3,340	*12.0*	3,463	3,869	11.7
-HCV	***39,943***	***48,415***	***21.2***	***45,237***	**53,506**	***18.3***	***60,324***	**67,061**	***11.2***	***73,315***	***79,118***	***7.9***
----16.2 - 25 MT	*18,069*	*21,036*	*16.4*	*21,038*	*23,983*	*14.0*	*25,117*	*27,629*	*10.0*	*30,446*	*32,088*	*5.4*
----25 MT	21,874	27,379	25.2	24,199	29,523	*22.0*	35,207	39,432	*12.0*	42,869	47,030	9.7
-Tractor trailers	**14,217**	**14,774**	**3.9**	**14,805**	**15,397**	***4.0***	**17,252**	**17,856**	***3.5***	**25,963**	**26,740**	**3.0**
-- Buses	18,165	17,539	-3.4	13,977	15,654	*12.0*	15,077	16,585	*10.0*	19,930	21,373	7.2
Domestic LCVs	**139,532**	**167,308**	**19.9**	**151,794**	**182,153**	***20.0***	**179,489**	**201,028**	***12.0***	**186,058**	**206,285**	**10.9**
CV exports	**19,427**	**27,837**	**43.3**	**24,013**	**32,418**	***35.0***	**24,700**	**27,664**	***12.0***	**26,653**	**29,421**	**10.4**
Vans (including exports)	**5,712**	**7,787**	**36.3**	**4,312**	**5,821**	***35.0***	**3,349**	**3,851**	***15.0***	**6,651**	**7,570**	**13.8**
Total	**248,241**	**298,632**	**20.3**	**268,291**	**323,674**	***20.6***	**318,120**	**354,125**	***11.3***	**360,036**	**393,940**	**9.4**

Source: SIAM, Emkay Research

Exhibit 18: Domestic MHCV – Industry Size and market share across players

Volumes (no of units)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Domestic MHCVs	**390,557**	**224,428**	**160,688**	**240,577**	**359,003**	**373,194**	**374,723**	**422,998**	**471,227**	**501,720**	**533,722**
Growth yoy (%)	**14.7**	**-42.5**	**-28.4**	**49.7**	**49.2**	**4.0**	**0.4**	**12.9**	**11.4**	**6.5**	**6.4**
Ashok Leyland	131,936	71,368	46,005	65,090	114,247	116,434	115,357	128,033	141,316	150,034	159,499
Growth yoy (%)	13.2	-45.9	-35.5	41.5	75.5	1.9	-0.9	11.0	10.4	6.2	6.3
Tata Motors	195,712	112,228	82,296	128,333	170,460	174,438	173,295	196,840	221,896	236,134	250,632
Growth yoy (%)	16.5	-42.7	-26.7	55.9	32.8	2.3	-0.7	13.6	12.7	6.4	6.1
Eicher Motors	43,381	28,789	25,375	37,990	60,494	66,326	68,910	76,631	84,535	90,504	96,904
Growth yoy (%)	10.7	-33.6	-11.9	49.7	59.2	9.6	3.9	11.2	10.3	7.1	7.1
Swaraj Mazda (now SML Mahindra)	5,593	4,459	2,467	3,390	5,479	6,284	6,556	7,278	7,675	8,017	8,288
Growth yoy (%)	18.0	-20.3	-44.7	37.4	61.6	14.7	4.3	11.0	5.5	4.5	3.4
Mahindra	12,193	5,857	3,110	4,544	6,399	7,964	6,797	7,242	7,966	8,444	8,951
Growth yoy (%)	13.0	-52.0	-46.9	46.1	40.8	24.5	-14.7	6.5	10.0	6.0	6.0
Others	1,742	1,727	1,435	1,230	1,924	1,748	3,808	6,974	7,840	8,587	9,449
Growth yoy (%)	36.9	-0.9	-16.9	-14.3	56.4	-9.1	117.8	83.1	12.4	9.5	10.0

Domestic MHCV market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Ashok Leyland	33.8	31.8	28.6	27.1	31.8	31.2	30.8	30.3	30.0	29.9	29.9
Tata Motors	50.1	50.0	51.2	53.3	47.5	46.7	46.2	46.5	47.1	47.1	47.0
Eicher Motors	11.1	12.8	15.8	15.8	16.9	17.8	18.4	18.1	17.9	18.0	18.2
Swaraj Mazda (now SML Mahindra)	1.4	2.0	1.5	1.4	1.5	1.7	1.7	1.7	1.6	1.6	1.6
Mahindra	3.1	2.6	1.9	1.9	1.8	2.1	1.8	1.7	1.7	1.7	1.7
Others	0.4	0.8	0.9	0.5	0.5	0.5	1.0	1.6	1.7	1.7	1.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SIAM, Emkay Research

Exhibit 19: Domestic LCV – Industry Size and market share across players

Volumes (no of units)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Domestic LCVs	**616,580**	**492,882**	**407,871**	**475,989**	**603,465**	**594,864**	**582,852**	**656,873**	**756,773**	**799,924**	**861,753**
Growth yoy (%)	**19.5**	**-20.1**	**-17.2**	**16.7**	**26.8**	**-1.4**	**-2.0**	**12.7**	**15.2**	**5.7**	**7.7**
Ashok Leyland	53,129	44,912	46,671	52,222	66,669	66,596	65,049	74,322	84,727	90,658	97,004
Growth yoy (%)	26.3	-15.5	3.9	11.9	27.7	-0.1	-2.3	14.3	14.0	7.0	7.0
Tata Motors	251,611	192,062	158,110	191,083	217,106	191,842	169,615	183,399	214,577	225,306	243,330
Growth yoy (%)	20.7	-23.7	-17.7	20.9	13.6	-11.6	-11.6	8.1	17.0	5.0	8.0
Mahindra	236,378	192,509	153,049	172,573	242,177	254,846	262,290	297,147	346,176	363,485	392,564
Growth yoy (%)	14.7	-18.6	-20.5	12.8	40.3	5.2	2.9	13.3	16.5	5.0	8.0
Force Motors	20,648	18,844	7,150	11,925	18,465	24,835	28,397	32,639	36,556	39,480	41,849
Growth yoy (%)	-6.8	-8.7	-62.1	66.8	54.8	34.5	14.3	14.9	12.0	8.0	6.0
SML Isuzu (now SML Mahindra)	6,877	5,056	1,644	2,597	6,221	6,939	6,945	8,525	9,719	10,399	11,127
Growth yoy (%)	15.5	-26.5	-67.5	58.0	139.5	11.5	0.1	22.8	14.0	7.0	7.0
Eicher Motors	18,351	14,162	9,788	9,408	12,333	13,041	13,633	17,416	17,677	19,091	20,619
Growth yoy (%)	10.0	-22.8	-30.9	-3.9	31.1	5.7	4.5	27.7	1.5	8.0	8.0
Maruti Suzuki	23,874	21,778	29,556	33,812	38,006	33,763	34,492	38,575	41,661	44,994	47,244
Growth yoy (%)	138.0	-8.8	35.7	14.4	12.4	-11.2	2.2	11.8	8.0	8.0	5.0
Others	5,712	3,559	1,903	2,369	2,488	3,002	2,431	4,850	5,681	6,511	8,017
Growth yoy (%)	19.9	-37.7	-46.5	24.5	5.0	20.7	-19.0	99.5	17.1	14.6	23.1

Domestic LCV market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Ashok Leyland	8.6	9.1	11.4	11.0	11.0	11.2	11.2	11.3	11.2	11.3	11.3
Tata Motors	40.8	39.0	38.8	40.1	36.0	32.2	29.1	27.9	28.4	28.2	28.2
Mahindra	38.3	39.1	37.5	36.3	40.1	42.8	45.0	45.2	45.7	45.4	45.6
Force Motors	3.3	3.8	1.8	2.5	3.1	4.2	4.9	5.0	4.8	4.9	4.9
SML Isuzu (now SML Mahindra)	1.1	1.0	0.4	0.5	1.0	1.2	1.2	1.3	1.3	1.3	1.3
Eicher Motors	3.0	2.9	2.4	2.0	2.0	2.2	2.3	2.7	2.3	2.4	2.4
Maruti Suzuki	3.9	4.4	7.2	7.1	6.3	5.7	5.9	5.9	5.5	5.6	5.5
Others	0.9	0.7	0.5	0.5	0.4	0.5	0.4	0.7	0.8	0.8	0.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SIAM, Emkay Research

Exhibit 20: Total CV exports – Industry size and market share across players

Volumes (no of units)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total CV exports	**99,933**	**58,884**	**50,334**	**92,297**	**78,645**	**65,816**	**80,986**	**94,793**	**117,340**	**137,463**	**162,383**
Growth yoy	**3.2**	**-41.1**	**-14.5**	**83.4**	**-14.8**	**-16.3**	**23.0**	**17.0**	**23.8**	**17.1**	**18.1**
Ashok Leyland	12,301	8,920	8,001	11,014	11,289	11,853	15,259	17,902	18,976	21,823	25,751
Growth yoy	-24.3	-27.5	-10.3	37.7	2.5	5.0	28.7	17.3	6.0	15.0	18.0
Tata Motors	50,456	27,192	20,071	34,599	20,112	17,677	18,164	28,066	36,486	43,783	52,540
Growth yoy	1.3	-46.1	-26.2	72.4	-41.9	-12.1	2.8	54.5	30.0	20.0	20.0
Eicher Motors	10,010	4,556	5,025	8,426	4,933	3,721	5,181	7,371	8,845	9,730	10,703
Growth yoy	11.2	-54.5	10.3	67.7	-41.5	-24.6	39.2	42.3	20.0	10.0	10.0
Mahindra	22,441	13,883	11,279	21,665	20,923	13,011	17,959	21,384	24,591	26,559	28,684
Growth yoy	22.0	-38.1	-18.8	92.1	-3.4	-37.8	38.0	19.1	15.0	8.0	8.0
Force Motors	443	360	528	356	190	634	897	964	1,031	1,186	1,364
Growth yoy	8.6	-18.7	46.7	-32.6	-46.6	233.7	41.5	7.5	7.0	15.0	15.0
Others	4,282	3,973	5,430	16,237	21,198	18,920	23,526	19,106	27,410	34,382	43,342
Growth yoy	42.4	-7.2	36.7	199.0	30.6	-10.7	24.3	-18.8	43.5	25.4	26.1

CV export market share (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Ashok Leyland	12.3	15.1	15.9	11.9	14.4	18.0	18.8	18.9	16.2	15.9	15.9
Tata Motors	50.5	46.2	39.9	37.5	25.6	26.9	22.4	29.6	31.1	31.9	32.4
Eicher Motors	10.0	7.7	10.0	9.1	6.3	5.7	6.4	7.8	7.5	7.1	6.6
Mahindra	22.5	23.6	22.4	23.5	26.6	19.8	22.2	22.6	21.0	19.3	17.7
Force Motors	0.4	0.6	1.0	0.4	0.2	1.0	1.1	1.0	0.9	0.9	0.8
Volvo India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	4.3	6.7	10.8	17.6	27.0	28.7	29.0	20.2	23.4	25.0	26.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SIAM, Emkay Research

Exhibit 21: Ashok Leyland: We build in 11% growth for FY27E (implying a 11.5% growth for the remaining 9M); 1Q was subdued on lower exports (logistics issue called out in 4Q; recovery expected for the remainder) and lower bus volumes(lumpy in nature)

Ashok Leyland	Apr-June (1Q)			Jul-Mar (9M)			Total							
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Domestic MHCVs	**25,661**	**27,428**	***6.9***	**102,372**	**113,888**	***11.2***	**128,033**	***11.0***	**141,316**	***10.4***	**150,034**	***6.2***	**159,499**	***6.3***
Domestic trucks	**19,935**	**23,337**	***17.1***	**86,927**	**95,961**	***10.4***	**106,862**	***14.2***	**119,298**	***11.6***	**126,475**	***6.0***	**134,290**	***6.2***
- ICV	***2,606***	***3,701***	***42.0***	**13,115**	**15,974**	***21.8***	**15,721**	***14.3***	**19,675**	***25.2***	**21,444**	***9.0***	**23,228**	***8.3***
----7.5 - 12 MT	*1,583*	*2,384*	*50.6*	8,541	10,575	*23.8*	10,124	*35.3*	12,959	*28.0*	14,190	*9.5*	15,467	*9.0*
----12 - 16.2 MT	1,023	1,317	*28.7*	4,574	5,399	*18.0*	5,597	*-10.8*	6,716	*20.0*	7,254	*8.0*	7,761	*7.0*
-HCV	***12,953***	***15,187***	***17.2***	**55,979**	**61,672**	***10.2***	**68,932**	***18.4***	**76,859**	***11.5***	**81,470**	***6.0***	**86,676**	***6.4***
----16.2 - 25 MT	*5,278*	*7,188*	*36.2*	23,241	27,035	*16.3*	28,519	*31.4*	34,223	*20.0*	36,276	*6.0*	38,997	*7.5*
----25 MT	7,675	7,999	*4.2*	32,738	34,637	*5.8*	40,413	*10.7*	42,636	*5.5*	45,194	*6.0*	47,680	*5.5*
-Tractor trailers	**4,376**	**4,449**	***1.7***	**17,833**	**18,315**	***2.7***	**22,209**	***2.9***	**22,764**	***2.5***	**23,561**	***3.5***	**24,386**	***3.5***
-- Buses	**5,726**	**4,091**	***-28.6***	**15,445**	**17,927**	***16.1***	**21,171**	***-3.0***	**22,018**	***4.0***	**23,559**	***7.0***	**25,208**	***7.0***
Domestic LCVs	**15,577**	**18,874**	***21.2***	**58,745**	**65,853**	***12.1***	**74,322**	***14.3***	**84,727**	***14.0***	**90,658**	***7.0***	**97,004**	***7.0***
CV exports	**3,011**	**2,461**	***-18.3***	**14,891**	**16,515**	***10.9***	**17,902**	***17.4***	**18,976**	***6.0***	**21,823**	***15.0***	**25,751**	***18.0***
Total	**44,249**	**48,763**	***10.2***	**176,008**	**196,256**	***11.5***	**220,257**	***12.6***	**245,019**	***11.2***	**262,514**	***7.1***	**282,253**	***7.5***

Source: SIAM, Emkay Research

Exhibit 22: AL has seen some market share loss in 1Q owing to subdued exports and buses performance; we build in some market share loss in FY27E owing to a weak 1Q print

AL market share (%)	Apr-June (1Q)			Jul-Mar (9M)			Total						
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Domestic MHCVs	***30.7***	***28.7***	***-205***	***30.2***	***30.3***	***17***	***30.3***	***30.0***	***-28***	***29.9***	***-9***	***29.9***	***-2***
Domestic trucks	***30.5***	***29.9***	***-62***	***29.9***	***29.8***	***-12***	***30.0***	***29.8***	***-21***	***29.7***	***-10***	***29.7***	***-2***
- ICV	***23.2***	***24.7***	***154***	***24.5***	***25.7***	***117***	***24.3***	***25.5***	***122***	***25.4***	***-6***	***25.3***	***-9***
----7.5 - 12 MT	*16.8*	*19.1*	*237*	*19.0*	*20.3*	*128*	*18.6*	*20.1*	*145*	*20.1*	*-0*	*20.1*	*-0*
----12 - 16.2 MT	*56.6*	*52.3*	*-427*	*53.1*	*53.4*	*28*	*53.7*	*53.2*	*-54*	*53.3*	*13*	*53.2*	*-7*
-HCV	***32.4***	***31.4***	***-106***	***31.3***	***30.9***	***-41***	***31.5***	***31.0***	***-52***	***30.9***	***-11***	***30.9***	***2***
----16.2 - 25 MT	*29.2*	*34.2*	*496*	*30.3*	*32.3*	*196*	*30.1*	*32.7*	*255*	*32.4*	*-26*	*32.5*	*5*
----25 MT	*35.1*	*29.2*	*-587*	*32.0*	*29.9*	*-215*	*32.6*	*29.7*	*-281*	*29.7*	*-1*	*29.7*	*-2*
-Tractor trailers	***30.8***	***30.1***	***-67***	***30.7***	***30.5***	***-21***	***30.7***	***30.4***	***-30***	***30.5***	***2***	***30.5***	***2***
-- Buses	***31.5***	***23.3***	***-820***	***31.5***	***33.4***	***191***	***31.5***	***30.9***	***-58***	***30.9***	***0***	***30.9***	***0***
Domestic LCVs	***11.2***	***11.3***	***12***	***11.4***	***11.2***	***-18***	***11.3***	***11.2***	***-12***	***11.3***	***14***	***11.3***	***-8***
CV exports	***15.5***	***8.8***	***-666***	***19.8***	***18.5***	***-131***	***18.9***	***16.2***	***-271***	***15.9***	***-30***	***15.9***	***-2***
Total	***17.8***	***16.3***	***-150***	***18.6***	***18.3***	***-28***	***18.4***	***17.9***	***-56***	***17.9***	***0***	***17.8***	***-13***

Source: SIAM, Emkay Research

Exhibit 23: AL - We increase our EPS estimates by ~3/2% in FY27E/28E to factor in slightly better volume momemtum and introduce FY29E

Standalone	FY26		FY27E				FY28E				FY29E	
Rs mn	**Actuals**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Introduced**	**% yoy**
ASP (Rs)	**1,997,986**	**0.6**	**2,130,233**	**2,115,056**	**(0.7)**	**5.9**	**2,179,585**	**2,160,824**	**(0.9)**	**2.2**	**2,211,509**	**2.3**
Volumes (no of units)	**220,257**	**12.9**	**237,399**	**245,019**	**3.2**	**11.2**	**255,205**	**262,514**	**2.9**	**7.1**	**282,253**	**7.5**
- MHCV trucks	106,862	14.2	113,267	119,298	5.3	11.6	119,847	126,475	5.5	6.0	134,290	6.2
- MHCV buses	21,171	(3.0)	22,865	22,018	(3.7)	4.0	24,465	23,559	(3.7)	7.0	25,208	7.0
- LCVs	74,322	14.3	81,754	84,727	3.6	14.0	87,477	90,658	3.6	7.0	97,004	7.0
- Exports	17,902	17.4	19,513	18,976	(2.8)	6.0	23,416	21,823	(6.8)	15.0	25,751	18.0
Revenue	**440,070**	**13.6**	**505,715**	**518,229**	**2.5**	**17.8**	**556,241**	**567,247**	**2.0**	**9.5**	**624,206**	**10.0**
EBITDA	57,322	16.3	66,866	68,760	2.8	20.0	79,381	81,086	2.1	17.9	90,126	11.1
EBITDA %	13.0	*30 bps*	13.2	13.3	*5 bps*	*24 bps*	14.3	14.3	*2 bps*	*103 bps*	14.4	*14 bps*
Adj PAT	39,140	22.3	45,201	46,596	3.1	19.0	54,116	55,366	2.3	18.8	61,784	11.6
EPS (Rs)	6.7	144.6	7.7	7.9	3.1	19.0	9.2	9.4	2.3	18.8	10.5	11.6

Source: Company, Emkay Research

Exhibit 24: Ashok Leyland Model – We buld in ~9%/12%/16%/16% volume/revenue/EBITDA/EPS CAGR over FY26-29E

Particulars (no of units)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Domestic MHCVs	**131,936**	**71,368**	**46,005**	**65,090**	**114,247**	**116,434**	**115,357**	**128,033**	**141,316**	**150,034**	**159,499**
Growth yoy (%)	*12.9*	*(45.9)*	*(35.5)*	*41.5*	*75.5*	*1.9*	*(0.9)*	*11.0*	*10.4*	*6.2*	*6.3*
-- *Trucks*	115,613	53,227	43,210	61,301	103,480	98,113	93,540	106,862	119,298	126,475	134,290
Growth yoy (%)	*12.9*	*(54.0)*	*(18.8)*	*41.9*	*68.8*	*(5.2)*	*(4.7)*	*14.2*	*11.6*	*6.0*	*6.2*
-- *Buses*	16,323	18,141	2,795	3,789	10,767	18,321	21,817	21,171	22,018	23,559	25,208
Growth yoy (%)	*12.9*	*11.1*	*(84.6)*	*35.6*	*184.2*	*70.2*	*19.1*	*(3.0)*	*4.0*	*7.0*	*7.0*
Domestic LCVs	**53,129**	**44,912**	**46,671**	**52,222**	**66,669**	**66,633**	**65,049**	**74,322**	**84,727**	**90,658**	**97,004**
Growth yoy (%)	*12.9*	*(15.5)*	*3.9*	*11.9*	*27.7*	*(0.1)*	*(2.4)*	*14.3*	*14.0*	*7.0*	*7.0*
Domestic CVs	**185,065**	**116,280**	**92,676**	**117,312**	**180,916**	**183,067**	**180,406**	**202,355**	**226,043**	**240,692**	**256,503**
Growth yoy (%)	*12.9*	*(37.2)*	*(20.3)*	*26.6*	*54.2*	*1.2*	*(1.5)*	*12.2*	*11.7*	*6.5*	*6.6*
Exports	**12,301**	**8,920**	**8,001**	**11,014**	**11,289**	**11,853**	**15,255**	**17,902**	**18,976**	**21,823**	**25,751**
Growth yoy (%)	*12.9*	*(27.5)*	*(10.3)*	*37.7*	*2.5*	*5.0*	*28.7*	*17.4*	*6.0*	*15.0*	*18.0*
Total volumes	197,366	125,200	100,677	128,326	192,205	194,920	195,661	220,257	245,019	262,514	282,253
Growth yoy (%)	*12.9*	*(36.6)*	*(19.6)*	*27.5*	*49.8*	*1.4*	*0.4*	*12.6*	*11.2*	*7.1*	*7.5*

Particulars (Rs mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenues	**290,550**	**174,675**	**153,015**	**216,883**	**361,441**	**383,670**	**387,527**	**440,070**	**518,229**	**567,247**	**624,206**
Growth yoy (%)	*10.2*	*(39.9)*	*(12.4)*	*41.7*	*66.7*	*6.2*	*1.0*	*13.6*	*17.8*	*9.5*	*10.0*
EBITDA	**31,357**	**11,737**	**5,351**	**9,945**	**29,307**	**46,066**	**49,306**	**57,322**	**68,760**	**81,086**	**90,126**
EBITDA margin (%)	*10.8*	*6.7*	*3.5*	*4.6*	*8.1*	*12.0*	*12.7*	*13.0*	*13.3*	*14.3*	*14.4*
EBITDA growth yoy (%)	*5.8*	*(62.6)*	*(54.4)*	*85.8*	*194.7*	*57.2*	*7.0*	*16.3*	*20.0*	*17.9*	*11.1*
EBIT	**25,365**	**5,348**	**(1,945)**	**2,826**	**22,444**	**39,385**	**42,528**	**50,964**	**61,811**	**73,636**	**81,220**
EBIT margin (%)	*8.7*	*3.1*	*(1.3)*	*1.3*	*6.2*	*10.3*	*11.0*	*11.6*	*11.9*	*13.0*	*13.0*
PBT	**25,543**	**5,177**	**(3,999)**	**168**	**20,258**	**38,859**	**42,446**	**51,625**	**62,912**	**74,752**	**83,379**
Tax	5,280	1,452	(982)	(142)	7,303	11,743	10,450	12,485	16,316	19,387	21,595
Tax rate (%)	21	28	25	(85)	36	30	25	24	26	26	26
PAT	**20,263**	**3,726**	**(3,016)**	**310**	**12,955**	**27,116**	**31,996**	**39,140**	**46,596**	**55,366**	**61,784**
EPS (Rs)	**3.5**	**0.6**	**(0.5)**	**0.1**	**2.2**	**4.6**	**5.4**	**6.7**	**7.9**	**9.4**	**10.5**
Net debt/(cash) (Rs mn)	**(7,412)**	**19,589**	**29,183**	**15,518**	**10,526**	**(13,878)**	**(42,429)**	**(59,017)**	**(90,759)**	**(120,194)**	**(143,534)**
ROE (%)	**26.0**	**4.8**	**-4.2**	**0.4**	**16.4**	**31.5**	**31.5**	**31.8**	**31.7**	**30.7**	**29.4**
ROCE (%)	**20.4**	**4.4**	**-0.6**	**2.1**	**14.1**	**24.9**	**26.5**	**28.2**	**29.3**	**28.8**	**27.8**

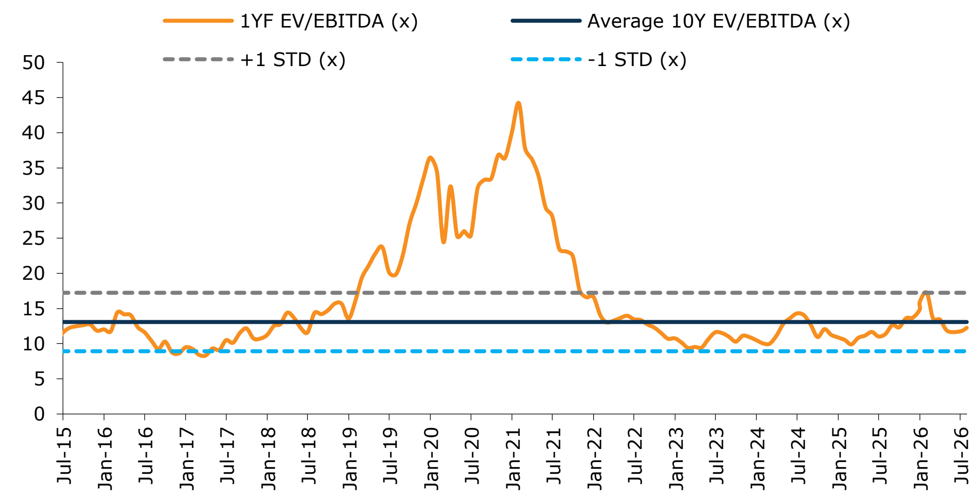
Source: Company, Emkay Research

Exhibit 25: AL's SOTP table – We revise our TP by ~9% for AL to Rs240 (from Rs220) basis 15x EV/EBITDA for Jun-28E and value HLF basis 2x PBV FY28E (10% to SOTP)

(Rs mn)	Basis of valuation	Equity value	Holding company discount	Jun-28E	Per share (Rs)	% of SOTP
Standalone	15x Jun-28E EV/EBITDA	1,246,020		1,246,020	213	90
Hinduja Leyland Finance	2x P/B FY28E	169,823	20%	135,859	23	10
Hinduja Housing Finance						
Total equity value				**1,381,879**	**236**	**100**
Number of shares (mn)				**5,874**		
Total equity value/ share Rs					**236**	
Rounded off					**240**	
Upside (%)					**44**	
Upgrade (%)					*9.1*	

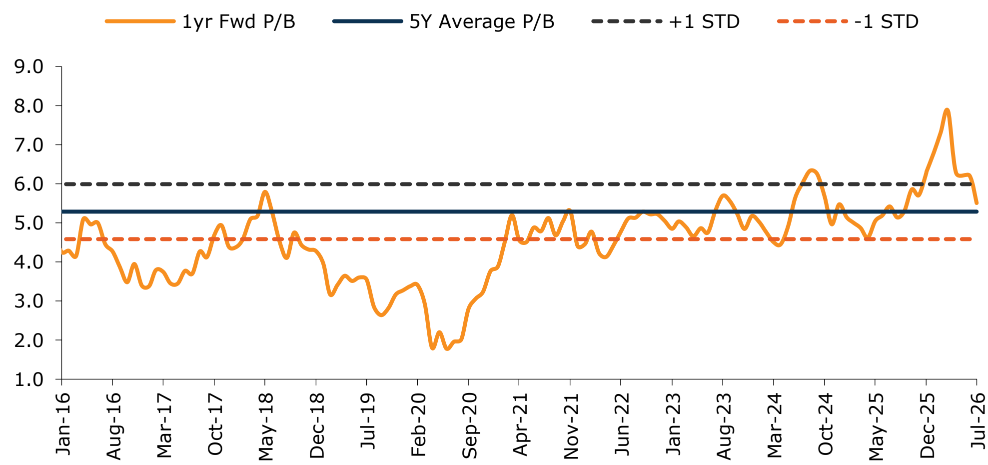
Source: Company, Emkay Research

Exhibit 26: AL's 1YF EV/EBITDA trades at 12x, below its 10Y LTA



Source: Bloomberg, Emkay Research

Exhibit 27: On PBV basis also, AL trades near its LTA and looks attractive from current levels



Source: Bloomberg, Emkay Research

Exhibit 28: AL – We are ~16-18% above consensus estimates over FY28E-29E

Particulars	Emkay estimates			Bloomberg			Variation (%)		
Rs mn	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
Revenue	518,229	567,247	624,206	476,516	520,585	560,687	8.8	9.0	11.3
EBITDA	68,760	81,086	90,126	60,302	69,272	75,215	14.0	17.1	19.8
EBITDAM (%)	13.3	14.3	14.4	12.7	13.3	13.4	*61 bps*	*99 bps*	*102 bps*
EPS	7.9	9.4	10.5	7.0	8.1	8.9	13.4	16.2	17.7

Source: Bloomberg, Emkay Research

Exhibit 29: TMCV: We build in ~16% growth for FY27E (implying a 13.7% growth for the remaining 9M); 2H could see some moderation on a high base of last year

Tata Motors	Apr-June (1Q)			Jul-Mar (9M)			Total							
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Domestic MHCVs	37,370	44,571	19.3	159,470	177,325	11.2	196,840	13.6	221,896	12.7	236,134	6.4	250,632	6.1
Domestic trucks	32,135	39,484	22.9	144,651	160,753	11.1	176,786	16.6	200,237	13.3	212,960	6.4	225,835	6.0
- ICV	3,899	5,367	37.7	19,467	22,126	13.7	23,366	35.8	27,493	17.7	30,411	10.6	33,371	9.7
----7.5 - 12 MT	3,468	4,828	39.2	17,268	19,640	13.7	20,736	46.3	24,468	18.0	27,160	11.0	29,876	10.0
----12 - 16.2 MT	431	539	25.1	2,199	2,486	13.0	2,630	-13.5	3,025	15.0	3,251	7.5	3,495	7.5
-HCV	19,642	25,267	28.6	90,419	102,601	13.5	110,061	16.9	127,868	16.2	136,101	6.4	144,391	6.1
----16.2 - 25 MT	6,503	7,626	17.3	26,900	29,785	10.7	33,403	19.2	37,411	12.0	40,217	7.5	43,234	7.5
----25 MT	13,139	17,641	34.3	63,519	72,815	14.6	76,658	15.9	90,456	18.0	95,884	6.0	101,157	5.5
Tractor trailers	8,594	8,850	3.0	34,765	36,027	3.6	43,359	7.7	44,877	3.5	46,447	3.5	48,073	3.5
-- Buses	5,235	5,087	-2.8	14,819	16,571	11.8	20,054	-7.5	21,658	8.0	23,174	7.0	24,797	7.0
Domestic LCVs	36,672	47,990	30.9	146,727	166,587	13.5	183,399	8.1	214,577	17.0	225,306	5.0	243,330	8.0
CV exports	5,969	8,116	36.0	22,097	28,370	28.4	28,066	54.5	36,486	30.0	43,783	20.0	52,540	20.0
Vans (including exports)	5,712	7,787	36.3	14,312	17,243	20.5	20,024	25.1	25,030	25.0	28,785	15.0	32,239	12.0
Total	85,723	108,464	26.5	342,606	389,524	13.7	428,329	13.6	497,988	16.3	534,007	7.2	578,740	8.4

Source: SIAM, Emkay Research

Exhibit 30: TMCV has seen market share gains in 1Q owing to strong growth in HCV (trucks) and LCV dispatches; we build in some market share gain in FY27E owing to a strong 1Q print

TMCV market share (%)	Apr-June (1Q)			Jul-Mar (9M)			Total						
	FY26	FY27	yoy (%)	FY26	FY27E	yoy (%)	FY26	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Domestic MHCVs	44.7	46.6	186	47.0	47.2	24	46.5	47.1	55	47.1	-2	47.0	-11
Domestic trucks	49.1	50.5	138	49.8	49.9	13	49.7	50.0	37	50.0	-1	49.9	-10
- ICV	34.7	35.8	117	36.4	35.6	-80	36.1	35.6	-45	36.1	45	36.4	34
----7.5 - 12 MT	36.7	38.8	202	38.4	37.7	-75	38.1	37.9	-25	38.4	51	38.7	34
----12 - 16.2 MT	23.9	21.4	-243	25.5	24.6	-96	25.2	23.9	-129	23.9	-5	24.0	8
-HCV	49.2	52.2	301	50.5	51.4	83	50.3	51.5	124	51.6	3	51.5	-11
----16.2 - 25 MT	36.0	36.3	26	35.1	35.6	47	35.3	35.7	44	35.9	22	36.0	5
----25 MT	60.1	64.4	437	62.1	62.8	67	61.7	63.1	135	63.1	-2	63.0	-3
Tractor trailers	60.4	59.9	-55	59.9	60.1	13	60.0	60.0	-0	60.1	4	60.1	4
-- Buses	28.8	29.0	18	30.3	30.9	66	29.9	30.4	57	30.4	0	30.4	-
Domestic LCVs	26.3	28.7	240	28.4	28.3	-10	27.9	28.4	43	28.2	-19	28.2	7
CV Exports	30.7	29.2	-157	29.3	31.7	238	29.6	31.1	149	31.9	76	32.4	50
Vans (including exports)	100.0	100.0	-	100.0	100.0	-	100.0	100.0	-	100.0	-	100.0	-
Total	34.5	36.3	179	36.2	36.3	15	35.9	36.3	49	36.4	4	36.4	2

Source: SIAM, Emkay Research

Exhibit 31: TMCV – We revise FY27E/28E EPS by ~4% each and introduce FY29E, on the back of better volume growth factored in

Standalone	FY26		FY27E				FY28E				FY29E	
(Rs mn)	Actuals	% yoy	Earlier	Revised	% chg	% yoy	Earlier	Revised	% chg	% yoy	Introduced	% yoy
Volumes (no of units)	428,329	18.6	482,265	497,988	3.3	16.3	516,358	534,007	3.4	7.2	578,740	8.4
- MHCV trucks	176,786	16.6	189,211	200,237	5.8	13.3	202,015	212,960	5.4	6.4	225,835	6.0
- MHCV buses	20,054	(7.5)	22,460	21,658	(3.6)	8.0	23,174	23,174	0.0	7.0	24,797	7.0
- LCVs	183,399	8.1	216,411	214,577	(0.8)	17.0	227,231	225,306	(0.8)	5.0	243,330	8.0
- Exports	28,066	54.5	32,557	36,486	12.1	30.0	39,068	43,783	12.1	20.0	52,540	20.0
- Vans (including exports)	20,024	25.1	21,626	25,030	15.7	25.0	24,870	28,785	15.7	15.0	32,239	12.0
ASPs	1,806,999	(6.0)	1,915,419	1,915,419	-	6.0	1,953,727	1,953,727	-	2.0	1,992,802	2.0
Revenue	773,990	11.5	923,740	953,856	3.3	23.2	1,008,823	1,043,304	3.4	9.4	1,153,314	10.5
EBITDA	99,770	23.4	118,095	121,945	3.3	22.2	134,016	138,597	3.4	13.7	156,094	12.6
EBITDA margin (%)	12.9	125 bps	12.8	12.8	(0) bps	(11) bps	13.3	13.3	0 bps	50 bps	13.5	25 bps
PAT	70,620	20.8	79,700	82,561	3.6	16.9	91,199	94,568	3.7	14.5	107,699	13.9
Adj EPS	19.2	25.7	21.7	22.4	3.6	16.9	24.8	25.7	3.7	14.5	29.3	13.9

Source: Company, Emkay Research

Exhibit 32: TMCV – We build in ~10%/14%/16%/15% volume/revenue/EBITDA/EPS CAGR over FY26-29E

Volumes (no of units)	FY25	FY26	FY27E	FY28E	FY29E
Domestic MHCVs	**173,295**	**196,840**	**221,896**	**236,134**	**250,632**
Growth yoy (%)	*-0.7*	*13.6*	*12.7*	*6.4*	*6.1*
-- Trucks	*93,540*	*106,862*	*114,342*	*122,346*	*130,911*
Growth yoy (%)	*-4.7*	*14.2*	*7.0*	*7.0*	*7.0*
-- Buses	*21,817*	*21,171*	*22,018*	*23,559*	*25,208*
Growth yoy (%)	*19.1*	*-3.0*	*4.0*	*7.0*	*7.0*
Domestic LCVs	**169,615**	**183,399**	**214,577**	**225,306**	**243,330**
Growth yoy (%)	*-11.5*	*8.1*	*17.0*	*5.0*	*8.0*
Domestic CVs	**342,910**	**380,239**	**436,472**	**461,440**	**493,962**
Growth yoy (%)	*-6.3*	*10.9*	*14.8*	*5.7*	*7.0*
Exports	**18,164**	**28,066**	**36,486**	**43,783**	**52,540**
Growth yoy (%)	*2.8*	*54.5*	*30.0*	*20.0*	*20.0*
Total volumes	**361,074**	**408,305**	**472,958**	**505,223**	**546,501**
Growth yoy (%)	*-5.9*	*13.1*	*15.8*	*6.8*	*8.2*
ASP (Rs/unit)	**1,922,570**	**1,895,617**	**2,016,787**	**2,065,039**	**2,110,359**
Growth yoy (%)	***0.7***	***-1.4***	***6.4***	***2.4***	***2.2***
Revenue	**694,190**	**773,990**	**953,856**	**1,043,304**	**1,153,314**
Growth yoy (%)	***-5.3***	***11.5***	***23.2***	***9.4***	***10.5***
EBITDA	**80,820**	**99,770**	**121,945**	**138,597**	**156,094**
EBITDA margin (%)	***11.6***	***12.9***	***12.8***	***13.3***	***13.5***
EBITDA growth yoy (%)	*2.7*	*23.4*	*22.2*	*13.7*	*12.6*
EBIT	60,740	82,760	103,943	118,051	133,373
EBIT margin (%)	*8.7*	*10.7*	*10.9*	*11.3*	*11.6*
PBT	77,480	86,820	109,352	125,255	142,648
Tax	19,000	16,200	26,791	30,688	34,949
Tax rate (%)	*24.5*	*18.7*	*24.5*	*24.5*	*24.5*
PAT	**58,480**	**70,620**	**82,561**	**94,568**	**107,699**
Adj PAT margin (%)	***8.4***	***9.1***	***8.7***	***9.1***	***9.3***
EPS (Rs)	**15.3**	**19.2**	**22.4**	**25.7**	**29.3**
Net debt/(cash) (Rs mn)	**14,190**	**(46,770)**	**(125,676)**	**(197,181)**	**(286,260)**
ROE (%)	**137.9**	**64.6**	**47.1**	**35.8**	**29.5**
ROCE (%)	**123.7**	**59.9**	**55.6**	**44.6**	**37.8**
P/E (x)	**28.6**	**22.8**	**19.5**	**17.0**	**14.9**
EV/EBITDA (x)	**20.9**	**15.6**	**12.2**	**10.2**	**8.5**

Source: Company, Emkay Research

Exhibit 33: TMCV - We revise our SOTP-based TP for TMCV by 8% to RS700 (vs Rs650) on account of FY27/28E EPS upgrades and roll fwd of TMCV (standalone) to 14x Jun-28E

SOTP table	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/share)	Contribution to SOTP (%)
Tata Motors Commercial Vehicles	14x Jun-28E EV/ EBITDA (x)	2,292,391	623	89.1
Tata Capital	On Market Cap basis	68,248	19	2.7
Iveco	Basis 4.2x C27E EV/EBITDA (15% premium to historical Avg of 3.8x) after factoring in SPV debt (assumed 70% of transaction value with interest of Euribor + 3%)	554,669	58	8.3
TP (Rs)		**2,915,308**	**700**	

Source: Company, Emkay Research

Exhibit 34: TMCV – We build in FY28E-29E EPS estimates ~17-18% above consensus estimates

Particulars	Emkay estimates			Bloomberg estimates			Variation (%)		
Rs mn	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
Revenue	953,856	1,043,304	1,153,314	883,928	961,787	1,050,200	7.9	8.5	9.8
EBITDA	121,945	138,597	156,094	100,707	119,697	130,885	21.1	15.8	19.3
EBITDAM (%)	*12.8*	*13.3*	*13.5*	*11.4*	*12.4*	*12.5*	*139 bps*	*84 bps*	*107 bps*
PAT	82,561	94,568	107,699	66,205	80,532	90,927	24.7	17.4	18.4
EPS	*22.4*	*25.7*	*29.3*	*18.0*	*21.9*	*25.0*	*24.5*	*17.6*	*17.2*

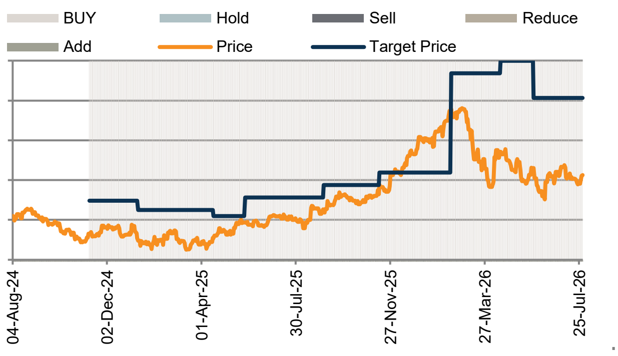
Source: Bloomberg, Emkay Research

ASHOK LEYLAND
RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Jul-26	164	220	Buy	Chirag Jain
28-May-26	164	220	Buy	Chirag Jain
16-Apr-26	177	250	Buy	Chirag Jain
09-Mar-26	187	240	Buy	Chirag Jain
12-Feb-26	211	240	Buy	Chirag Jain
13-Nov-25	150	160	Buy	Chirag Jain
03-Sep-25	130	150	Buy	Chirag Jain
10-Jun-25	121	140	Buy	Chirag Jain
26-May-25	120	140	Buy	Chirag Jain
16-Apr-25	107	125	Buy	Chirag Jain
27-Feb-25	113	130	Buy	Chirag Jain
13-Feb-25	109	130	Buy	Chirag Jain
10-Jan-25	105	130	Buy	Chirag Jain
09-Nov-24	111	138	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



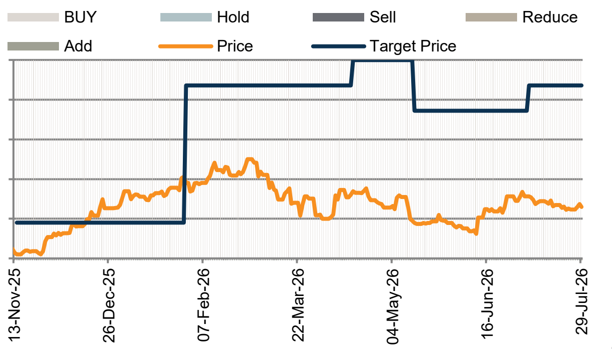
Source: Company, Bloomberg, Emkay Research

TATA MOTORS
RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Jul-26	432	650	Buy	Chirag Jain
23-Jun-26	400	600	Buy	Chirag Jain
14-May-26	379	600	Buy	Chirag Jain
16-Apr-26	442	700	Buy	Chirag Jain
09-Mar-26	448	650	Buy	Chirag Jain
30-Jan-26	459	650	Buy	Chirag Jain
14-Nov-25	318	380	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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