

## Result Preview



### Company

Amara Raja Energy Mobility

Ashok Leyland

Apollo Tyres

Bajaj Auto

Balkrishna Industries

Bharat Forge

BOSCH

Ceat

CIE Automotive

Craftsman Automation

Eicher Motors

Endurance Technologies

Escorts

Exide Industries

Happy Forgings

Hero MotoCorp

Mahindra & Mahindra

Maruti Suzuki

Samvardhana Motherson

Motherson Wiring

MRF

Sona BLW Precision

Tata Motors

TVS Motor Company

Tube Investments

## Strong demand and stable costs to drive healthy earnings growth

### Demand sustenance post festive has been encouraging

- Aggregate auto demand for all OEMs in our coverage universe grew 17% YoY for 3Q. Key to highlight is that demand has been healthy across all segments: 2W and PVs up 17% each, CVs up 22%, and tractors up 21%. Further, demand has sustained even after the festive season, which is the key positive.
- On the back of a healthy recovery in volumes, auto OEM companies under our coverage (ex-JLR) are expected to post a strong 24% revenue growth. Similarly, excl. JLR, both EBITDA/PAT for our coverage universe is expected to grow by 27% each YoY.
- Given the strong OE growth, auto ancillaries within our coverage universe are likely to post ~14% revenue growth and a much healthier 17%/20% EBITDA/PAT growth in 3Q.
- Within auto OEMs, all OEMs (ex-JLR) are anticipated to post healthy double-digit earnings growth, with the lowest being HMCL at 13% and the highest being TVS at 62%.
- Given the sustained demand pickup, there have been moderate earnings upgrades across our coverage universe.
- Our top OEM picks are MSIL, MM, and TVSL. Top auto ancillary picks are ENDU, Happy Forgings, and SAMIL.

### Demand remains healthy even after the festive season

While demand in this festive season has been strong across segments, the encouraging part has been that the same has remained strong even post the festive season. Retail growth, even in Nov and Dec'25, has held up very well. As a result, the overall auto industry volume growth for 3Q (aggregate for all listed OEMs) stood at 17% YoY. More importantly, growth was driven across all segments: 2Ws and PVs rose 17% YoY each, CVs grew 22% YoY, and tractors were up 21% YoY. Within 2Ws, TVS (+27%) and RE (+21%) continued to drive growth. On the other hand, while HMCL volumes were up 13%, BJAUT volumes grew 10%. Similarly, in PVs, ex-HMIL, the other three listed OEMs posted healthy double-digit growth. HMIL underperformed peers with just 5% YoY growth in 3Q. A key highlight has been that all three CV OEMs have posted 20%+ growth in 3Q. Further, within tractors, while MM posted 23% YoY growth, Escorts' volumes grew 14% YoY. While demand has picked up well, discounts have moderated sequentially, especially in PVs.

### Auto sector to experience healthy earnings growth in 3Q

On the back of a healthy recovery in volumes, auto OEM companies under our coverage (ex-JLR) are expected to post a strong 24% revenue growth. While input costs are likely to rise marginally QoQ (precious metals are up but likely to be partially offset by cooling steel prices), this impact is likely to be offset by operating leverage benefits and moderation of discounts. Aggregate EBITDA margin for our OEM coverage universe is estimated to rise marginally by 30bp YoY to 13.5%. In 3Q, major margin gains are expected for Escorts Kubota (+220bp YoY), HMIL (+150bp), TTMT CV (+100bp), and TVSL (+100bp). The key is that none of the auto OEMs are expected to see any meaningful margin decline on a YoY basis. As a result, we expect OEM companies (ex-JLR) under our coverage to record a strong 27% growth each in EBITDA/PAT.

Given the strong OE growth, auto ancillaries within our coverage universe are expected to post ~14% revenue growth. This is likely to lead to a strong 17%/20% growth in EBITDA/PAT for 3Q. Within auto ancillaries, all automobile based tyre companies under our coverage are expected to register healthy margin expansion given the lower input costs. Apart from these, we expect CRAFTSMA to post a 280bp margin expansion YoY over a low base. On the other hand, players like BKT (-180bp YoY) and SONACOMS (-240bp YoY) are likely to see margin pressure in 3Q.

### **Estimated hits and misses in 3QFY26**

We expect our auto OEM coverage universe (ex-JLR) to post a 27% YoY growth in earnings. It is important to highlight that all listed OEMs (ex JLR) are anticipated to clock a healthy double-digit growth in earnings with the lowest being HMCL at 13% and the highest being TVS at 62%.

As highlighted above, our ancillary coverage universe is also expected to deliver healthy 20% YoY growth in earnings. Most of the auto ancillaries within our coverage are expected to record strong earnings growth. However, the few with relatively weak performance would include AMRJ (-5% YoY), BIL (-36%), BHFC (9%), and SONACOMS (+9%).

### **Moderate earnings revision expected in 3QFY26**

Given the strong demand post-festive season, there has been a moderate upwards earnings revision for most of the OEMs under coverage, largely in single digits. For a few auto ANCs, there has been a need for earnings cuts as well. Within our coverage, players like APTY (-5% for FY26E) and BIL (-4%), SONACOMS (-4%) and Exide (-4%) have seen some earnings cut.

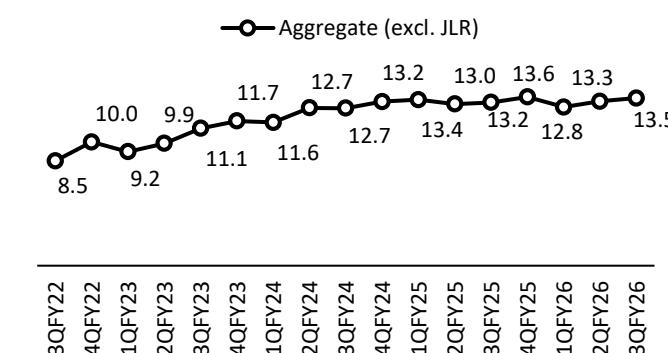
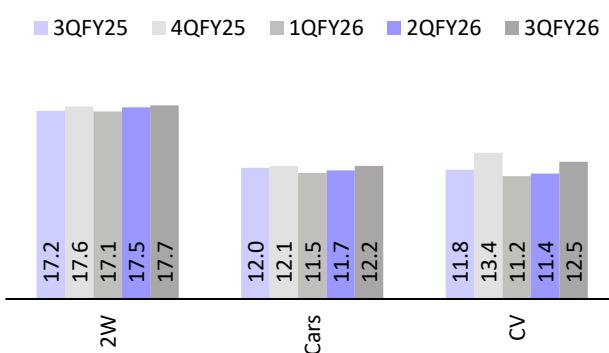
### **Post-festive season demand sustenance encouraging**

Following the GST rationalization, demand has picked up across segments and seems to have remained intact even after the festive season. A notable trend is that entry-level vehicles, both 2Ws and PVs, are seeing a marked pickup in demand. Further, wholesales were strong in Dec, and retails were equally healthy across most segments. Thus, OEMs are likely to have ended 2025 with lean inventory. This would help them sustain the volume momentum in 4QFY26 as well. With a recovery in demand, we expect discounts (in the PV segment) to gradually reduce. MSIL is our top pick among auto OEMs, as its new launches and the current export momentum are likely to drive healthy earnings growth. We also like MM, given the uptrend in tractors and healthy growth in UVs. In 2Ws, we are positive on TVSL. In the auto ancillary space, our top picks are ENDU, HAPPY, and SAMIL.

**Exhibit 1: Summary of 3QFY26 earnings estimates**

Sector			Sales (INR M)			EBIDTA (INR M)			PAT (INR M)		
	CMP (INR)	Reco	Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ
Amara Raja Energy	928	Neutral	35,121	11.0	3.7	4,285	3.0	5.6	2,172	-5.5	2.6
Apollo Tyres	497	Buy	75,078	8.4	9.9	11,569	22.2	13.3	4,689	37.8	20.7
Ashok Leyland	189	Buy	1,12,999	19.2	17.9	14,690	21.3	26.4	9,630	26.4	20.2
Bajaj Auto	9501	Neutral	1,52,207	18.8	2.0	31,844	23.4	4.3	25,919	22.9	4.5
Balkrishna Inds	2369	Neutral	25,201	-2.0	8.6	5,814	-9.0	16.3	2,834	-35.6	6.9
Bharat Forge	1478	Neutral	21,565	2.9	10.8	6,383	4.7	15.8	3,789	9.3	20.1
Bosch	39481	Neutral	50,016	12.0	4.3	6,752	15.9	9.4	5,766	17.0	4.0
CEAT	3892	Buy	40,991	24.2	8.7	5,384	57.9	7.0	1,899	95.6	2.3
CIE Automotive	428	Buy	24,461	15.9	3.1	3,497	16.9	-1.7	2,041	14.0	-4.2
Craftsman Auto	8010	Neutral	20,968	33.0	4.8	3,229	62.3	7.0	965	298.1	5.8
Eicher Motors	7335	Sell	60,251	21.2	-2.4	14,781	23.1	-2.2	13,891	18.7	1.4
Endurance Tech.	2541	Buy	37,073	29.7	3.5	4,910	31.8	3	2,404	30.4	5.8
Escorts Kubota	3849	Neutral	31,984	9.0	15.2	4,350	29.7	19.8	3,870	33.2	20.5
Exide Inds.	368	Neutral	44,259	15.0	5.9	5,090	13.5	28.5	2,845	16.1	28.1
Happy Forgings	1185	Buy	3,968	12.0	5.2	1,159	14.2	0.1	734	13.8	-0.1
Hero Motocorp	5931	Buy	1,18,403	16.0	-2.4	17,371	17.7	-4.7	13,629	13.3	-2.1
Hyundai Motor	2269	Buy	1,79,430	7.8	2.8	22,980	22.5	-5.4	13,879	19.6	-11.7
Mahindra & Mahindra	3802	Buy	4,02,904	31.9	20.6	58,618	31.2	20.6	38,990	31.5	-13.7
Maruti Suzuki	16960	Buy	5,03,896	30.9	19.7	58,331	30.5	31.6	44,176	25.3	34.1
Samvardhana Motherson	122	Buy	3,15,490	14.0	4.6	28,311	5.4	8.4	10,156	15.5	18.7
Motherson Wiring	50	Buy	29,904	30.0	8.3	3,183	34.0	13.8	1,954	39.6	18.2
MRF	150948	Sell	76,403	11.0	5.4	11,690	45.8	7.3	5,572	81.7	8.9
Sona BLW Precis.	487	Neutral	11,310	30.3	-1.1	2,782	18.8	-3.7	1,690	8.0	-1.6
Tata Motors CV	442	Neutral	2,07,988	11.5	23.4	27,518	20.7	32.1	18,424	30.2	37.0
Tata Motors PV	370	Sell	8,82,307	NA	20.6	51,557	NA	LP	-928	Loss	Loss
Tube Investments	2599	Buy	21,216	11.1	0.1	2,732	12.4	-1.2	1,844	14.7	-1.3
TVS Motor	3855	Buy	1,22,189	34.3	2.6	15,762	45.8	4.5	10,044	62.4	10.9
<b>Automobiles*</b>			<b>27,25,275</b>	<b>20.2</b>	<b>10.6</b>	<b>3,73,014</b>	<b>23.8</b>	<b>13.0</b>	<b>2,43,808</b>	<b>25.0</b>	<b>7.7</b>

\*ex TMPV

**Exhibit 2: EBITDA margin expected to improve 30bp YoY**

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


Source: MOFSL

Source: MOFSL

**Exhibit 4: Our auto OEM coverage universe (ex-JLR) is expected to witness 27% YoY earnings growth**

	Volumes ('000 units)				EBITDA margins (%)				Adj PAT (INR M)							
	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	3QFY26	3QFY25	YoY (bp)	2QFY26	QoQ (bp)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	
BJAUT	1,341	1,224	10	1,294	4	20.9	20.2	80	20.5	50	25,919	21,087	23	24,797	5	
HMCL	1,648	1,464	13	1,691	-3	14.7	14.5	20	15.0	-40	13,629	12,028	13	13,928	-2	
TVS Motor	1,544	1,212	27	1,507	2	12.9	11.9	100	12.7	20	10,044	6,185	62	9,061	11	
MSIL	668	566	18	551	21	11.6	11.6	0	10.5	100	44,176	35,250	25	32,931	34	
Hyundai	195	186	5	191	2	12.8	11.3	150	13.9	-110	13,879	11,607	20	15,723	-12	
MM	423	344	23	350	21	14.5	14.6	-10	14.5	0	38,990	29,643	32	45,205	-14	
TTMT (PV)*	171	140	22	144	18	7.3	7.6	-30	5.7	160	4,134	2,860	45	1,550	167	
TTMT (JLR)	87	111	-21	74	18	5.4	14.2	-870	-1.6	700	-57	375	-115	-706	92	
TTMT (CV)*	118	98	20	97	22	13.2	12.2	100	12.4	90	18,424	14,153	30	-10,210	280	
Ashok Leyland	58	46	24	49	17	13.0	12.8	20	12.1	90	9,630	7,617	26	8,009	20	
Eicher (S/A)	329	272	21	326	1	25.1	24.9	10	24.9	20	12,375	10,562	17	12,080	2	
Eicher (VECV)	26	21	24	22	19	9.6	8.8	90	7.8	180	4,071	3,010	35	2,490	63	
Escorts	37	33	14	34	9	13.6	11.4	220	13.1	50	3,870	2,905	33	3,212	20	
<b>Agg. (ex JLR)</b>	<b>6,559</b>	<b>5,607</b>	<b>17.0</b>	<b>6,256</b>	<b>4.8</b>	<b>13.5</b>	<b>13.2</b>	<b>30</b>	<b>13.3</b>	<b>30</b>	<b>196,587</b>	<b>155,041</b>	<b>26.8</b>	<b>157,900</b>	<b>24.5</b>	

Source: JLR in GBP m, MOFSL

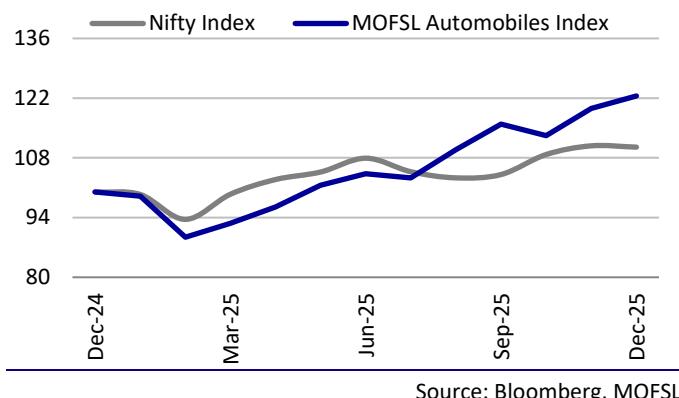
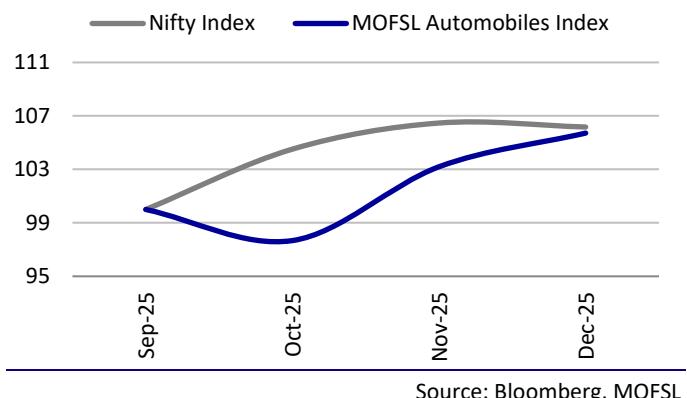
**Exhibit 5: Our revised estimates**

	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Amara Raja Energy	44.7	42.7	4.8	50.6	50.1	1.1
Ashok Leyland	6.4	6.2	2.7	7.8	7.2	9.0
Apollo Tyres	23.0	24.2	-5.0	27.9	31.1	-10.3
Balkrishna Inds	74.6	78.0	-4.3	91.2	96.7	-5.7
Bajaj Auto	342.1	338.9	0.9	371.6	370.8	0.2
Bharat Forge	25.5	25.3	0.8	35.8	35.9	-0.3
Bosch	832.9	822.2	1.3	921.3	973.8	-5.4
CEAT	169.3	161.3	5.0	208.0	210.5	-1.2
CIE Automotive	21.9	21.7	0.5	23.7	22.9	3.7
Craftsman Auto	152.3	159.2	-4.4	235.1	233.6	0.7
Eicher Motors	202.5	193.1	4.9	227.2	215.7	5.3
Endurance Tech.	65.9	65.6	0.5	78.2	78.4	-0.2
Escorts Kubota	111.8	108	4.0	126.7	125.5	0.9
Exide Inds.	13.4	14.0	-4.1	15.6	16.3	-4.0
Happy Forgings	30.8	30.1	2.4	38.3	37.5	2.1
Hero MotoCorp	258.4	258.4	0.0	291.4	295.0	-1.2
Hyundai Motor	73.2	73.6	-0.6	84.0	87.5	-4.0
Mahindra & Mahindra	123.7	120.5	2.6	150.4	147.0	2.3
Maruti Suzuki	515.4	484.4	6.4	635.1	616.5	3.0
Samvardhana Motherson	3.4	3.5	-1.3	5.1	4.9	3.5
Motherson Wiring	1.1	1.0	8.3	1.4	1.4	2.8
MRF	4989.1	4,847.9	2.9	5724.8	5,697.8	0.5
Sona BLW Precis.	10.8	11.2	-3.9	12.1	12.4	-3.0
Tata Motors Passenger Vehicles	14.5	14.8	-2.5	32.2	30.6	5.2
Tata Motors Ltd	18.7	18.0	4.1	19.3	18.4	4.8
Tube Investments	43.2	43.2	-0.2	47.8	48.6	-1.7
TVS Motor	77.6	76.2	1.9	98.8	96.4	2.5

Source: MOFSL

**Exhibit 6: Comparative valuations**

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	(INR)	Reco	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Automobiles</b>						<b>32.0</b>	<b>25.8</b>	<b>22.1</b>	<b>5.0</b>	<b>4.4</b>	<b>3.9</b>	<b>15.7</b>	<b>17.2</b>	<b>17.6</b>
Amara Raja Energy	928	Neutral	44.7	50.6	58.0	20.8	18.3	16.0	2.1	1.9	1.7	10.5	10.9	11.4
Apollo Tyres	497	Buy	23.0	27.9	34.0	21.6	17.8	14.6	1.6	1.5	1.4	9.7	11.1	12.4
Ashok Leyland	189	Buy	6.4	7.8	9.5	30	24	20.0	8.3	7.1	6.0	30.1	31.7	32.6
Bajaj Auto	9,501	Neutral	342.1	371.6	408.9	27.8	25.6	23.2	7.5	6.9	6.3	28.3	28.1	28.2
Balkrishna Inds	2,369	Neutral	74.6	91.2	101.2	31.7	26.0	23.4	4.0	3.5	3.2	13.2	14.4	14.3
Bharat Forge	1,478	Neutral	25.5	35.8	44.0	57.9	41.3	33.6	7.0	6.3	5.6	12.6	16.0	17.6
Bosch	39,481	Neutral	832.9	921.3	1,030.0	47.4	42.9	38.3	7.5	7.0	6.3	16.8	16.9	17.3
CEAT	3,892	Buy	169.3	208.0	247.5	23.0	18.7	15.7	3.2	2.8	2.5	14.8	16.1	16.9
CIE Automotive	428	Buy	21.9	23.7	24.9	19.6	18.0	17.2	2.2	2.1	1.9	12.0	11.9	11.5
Craftsman Auto	8,010	Neutral	152.3	235.1	311.0	52.6	34.1	25.8	6.0	5.1	4.3	12.0	16.3	18.3
Eicher Motors	7,335	Sell	202.5	227.2	255.6	36.2	32.3	28.7	8.1	7.0	6.0	24.1	23.2	22.4
Endurance Tech.	2,541	Buy	65.9	78.2	87.5	38.6	32.5	29.1	5.5	4.9	4.3	15.2	15.9	15.7
Escorts Kubota	3,849	Neutral	111.8	126.7	138.1	34.4	30.4	27.9	4.1	3.8	3.4	12.6	12.9	12.8
Exide Inds.	368	Neutral	13.4	15.6	17.2	27.4	23.6	21.4	2.0	1.9	1.8	7.4	8.1	8.3
Happy Forgings	1,185	Buy	30.8	38.3	52.3	38.5	30.9	22.7	5.3	4.6	4.0	14.7	16.0	18.9
Hero Motocorp	5,931	Buy	258.4	291.4	323.6	22.9	20.4	18.3	5.5	5.1	4.7	25.1	26.1	26.7
Hyundai Motor	2,269	Buy	73.2	84.0	98.8	31.0	27.0	23.0	8.9	7.2	5.9	32.2	29.6	28.2
Mahindra & Mahindra	3,802	Buy	123.7	150.4	175.0	30.7	25.3	21.7	6.2	5.2	4.4	22.0	22.4	21.8
Maruti Suzuki	16,960	Buy	520.0	639.1	738.0	32.6	26.5	23.0	5.0	4.4	3.8	15.4	16.5	16.7
Motherson Wiring	50	Buy	1.1	1.4	1.7	46.2	35.5	29.6	16.2	12.9	10.5	38.3	40.4	39.0
MRF	1,50,948	Sell	4,989.1	5,724.8	6,504.0	30.3	26.4	23.2	3.1	2.8	2.5	10.9	11.2	11.5
Samvardhana Motherson	122	Buy	3.4	5.1	6.1	35.7	24.2	20.0	3.5	3.2	2.9	10.1	13.8	15.0
Sona BLW Precis.	487	Neutral	10.8	12.1	13.5	45.0	40.3	36.1	5.0	4.6	4.3	11.5	11.9	12.4
Tata Motors CV	442	Neutral	18.7	19.3	21.3	23.6	23.0	20.8	11.1	7.8	5.9	59.7	40.0	32.4
Tata Motors PV	370	Sell	14.5	32.2	42.1	25.6	11.5	8.8	1.2	1.1	1.0	5.0	9.7	11.6
Tube Investments	2,599	Buy	43.2	47.8	52.2	60.2	54.4	49.8	8.5	7.4	6.6	15.0	14.6	14.0
TVS Motor	3,855	Buy	77.6	98.8	125.7	49.7	39.0	30.7	14.1	10.9	8.4	32.2	31.5	31.0

**Exhibit 7: Relative performance – three months (%)**

**Exhibit 8: Relative performance – one year (%)**


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

## Bajaj Auto

Neutral

CMP: INR9,501 | TP: INR9,339 (-2%)

EPS CHANGE (%): FY26E | 27E: 1 | 0

- Total volumes grew ~10% YoY, supported by ~18% growth in exports even as domestic volumes grew ~3% YoY. While 2W sales grew 7% YoY, 3W sales were up ~23% YoY. On a QoQ basis, while the export mix has improved to 45.5% from 42.8%, the 3W mix has reduced to 15.6% from 17.4%.
- The key benefit for BJAUT in 3Q is expected to be favorable currency movement (INR depreciation)
- As a result, we expect margins to improve 40bp QoQ to 20.9%. Overall, we expect BJAUT to post 23% earnings growth YoY.

### Quarterly Performance

	INR m									
	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,294	1,341	1,224	4,651	4,970
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	5.9	9.5	11.0	6.9	6.9
Realization (INR/unit)	1,08,234	1,07,470	1,04,591	1,10,142	1,13,247	1,15,307	1,13,481	1,13,747	1,07,527	1,13,969
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	7.3	8.5	3.3	4.7	6.0
<b>Net Sales</b>	<b>1,19,280</b>	<b>1,31,275</b>	<b>1,28,069</b>	<b>1,21,480</b>	<b>1,25,845</b>	<b>1,49,221</b>	<b>1,52,207</b>	<b>1,39,198</b>	<b>5,00,103</b>	<b>5,66,470</b>
Change (%)	15.7	21.8	5.7	5.8	5.5	13.7	18.8	14.6	11.9	13.3
<b>EBITDA</b>	<b>24,154</b>	<b>26,522</b>	<b>25,807</b>	<b>24,505</b>	<b>24,818</b>	<b>30,517</b>	<b>31,844</b>	<b>28,806</b>	<b>1,00,988</b>	<b>1,15,984</b>
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	20.5	20.9	20.7	20.2	20.5
Other Income	3,209	3,845	3,347	3,808	4,308	3,692	3,900	4,221	14,209	16,120
Interest	207	159	143	168	141	144	146	149	677	580
Depreciation	937	956	997	1,111	1,109	1,117	1,130	1,129	4,001	4,485
<b>PBT after EO</b>	<b>26,219</b>	<b>27,139</b>	<b>28,015</b>	<b>27,033</b>	<b>27,875</b>	<b>32,948</b>	<b>34,468</b>	<b>31,749</b>	<b>1,08,406</b>	<b>1,27,039</b>
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.7	24.8	24.9	24.8	17.2
<b>Adj. PAT</b>	<b>19,884</b>	<b>22,160</b>	<b>21,087</b>	<b>20,492</b>	<b>20,960</b>	<b>24,797</b>	<b>25,919</b>	<b>23,855</b>	<b>83,103</b>	<b>95,531</b>
Change (%)	19.4	20.7	3.3	5.8	5.4	11.9	22.9	16.4	11.1	15.0

## Eicher Motors

Sell

CMP: INR7,335 | TP: INR6,285 (-14%)

EPS CHANGE (%): FY26E | FY27E: 5 | 5

- RE has posted 21% YoY volume growth in 3Q (flat QoQ). On a QoQ basis, domestic sales rose to 91.3% from 89.7%.
- Exports have been weak due to uncertainty in markets like the US and Mexico.
- Management is expected to continue investing in the brand.
- As a result, margins are likely to remain stable QoQ.
- We expect VECV's margin to improve 180bp QoQ to 9.6%.
- Overall, we expect consol. PAT to grow 19% YoY for EIM.

### Quarterly performance (Consolidated)

INR m Y/E March	INR m								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Operating income</b>	<b>43,931</b>	<b>42,631</b>	<b>49,731</b>	<b>52,411</b>	<b>50,418</b>	<b>61,716</b>	<b>60,251</b>	<b>63,785</b>	<b>1,88,704</b>	<b>2,36,171</b>
Growth (%)	10.2	3.6	19.0	23.1	14.8	44.8	21.2	21.7	14.1	42.8
<b>EBITDA</b>	<b>11,654</b>	<b>10,877</b>	<b>12,012</b>	<b>12,577</b>	<b>12,028</b>	<b>15,119</b>	<b>14,781</b>	<b>15,733</b>	<b>47,120</b>	<b>57,660</b>
EBITDA Margins (%)	26.5	25.5	24.2	24.0	23.9	24.5	24.5	24.7	25.0	24.4
<b>PAT</b>	<b>9,269</b>	<b>9,866</b>	<b>10,070</b>	<b>11,142</b>	<b>10,481</b>	<b>12,345</b>	<b>11,677</b>	<b>12,400</b>	<b>40,346</b>	<b>46,904</b>
Share of JV Loss/(PAT)/ Min. Int.	-1,746	-1,138	-1,635	-2,480	-1,571	-1,349	-2,214	-3,490	-6,998	-8,625
<b>Recurring PAT</b>	<b>11,015</b>	<b>11,003</b>	<b>11,705</b>	<b>13,622</b>	<b>12,052</b>	<b>13,695</b>	<b>13,891</b>	<b>15,891</b>	<b>47,344</b>	<b>55,529</b>
Growth (%)	19.9	8.3	17.5	27.3	9.4	24.5	18.7	16.7	18.3	38.8
<b>Standalone (Royal Enfield)</b>										
<b>Royal Enfield ('000 units)</b>	<b>227</b>	<b>228</b>	<b>272</b>	<b>283</b>	266	326	329	338	1,010	1,010
Growth (%)	-0.4	-0.6	19.4	24.2	17.0	43.2	20.9	19.5	10.6	10.6
<b>Net Realn (INR '000/unit)</b>	<b>186</b>	<b>185</b>	<b>180</b>	<b>181</b>	185	181	181	182	183	182
Change - YoY (%)	8.8	7.7	1.4	-1.9	-0.9	-2.0	0.5	1.0	3.7	3.4
<b>Net operating income</b>	<b>42,313</b>	<b>42,054</b>	<b>49,081</b>	<b>51,066</b>	<b>49,084</b>	<b>59,021</b>	<b>59,634</b>	<b>61,655</b>	<b>1,84,515</b>	<b>2,29,393</b>
Growth (%)	8.5	7.0	21.1	21.8	16.0	40.3	21.5	20.7	43.5	78.3
<b>EBITDA</b>	<b>11,786</b>	<b>11,049</b>	<b>12,237</b>	<b>12,609</b>	<b>12,313</b>	<b>14,687</b>	<b>14,955</b>	<b>15,428</b>	<b>47,680</b>	<b>57,383</b>
EBITDA Margins (%)	27.9	26.3	24.9	24.7	25.1	24.9	25.1	25.0	25.8	25.0
<b>Recurring PAT</b>	<b>10,880</b>	<b>10,099</b>	<b>10,562</b>	<b>11,251</b>	<b>13,065</b>	<b>12,080</b>	<b>12,375</b>	<b>12,817</b>	<b>42,793</b>	<b>50,337</b>
Growth (%)	19.1	7.6	15.6	14.4	20.1	19.6	17.2	13.9	14.1	34.3

## Hero MotoCorp

Buy

CMP: INR5,931 | TP: INR6,871 (+16%)

EPS CHANGE (%): FY26E | FY27E: 0 | -1

- HMCL posted 13% YoY volume growth. On a QoQ basis, its mix has largely been stable
- Discounts were lower in the festive season. Further, HMCL has taken a 10% price hike on EVs from the first week of Dec'25.
- We expect margins to remain stable QoQ as we expect operating leverage benefits to be offset by higher input costs (precious metals) and higher ad spends.
- On the back of healthy volume growth, PAT is expected to grow 13% YoY in 3Q.

### Quarterly Performance (S/A)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes ('000 nos)	1,535	1,520	1,464	1,381	1,367	1,691	1,648	1,579	5,899	6,285
Growth YoY (%)	13.5	7.3	0.3	-0.9	-10.9	11.3	12.6	14.4	4.9	11.8
Net Realization	66,076	68,851	69,755	71,991	70,069	71,724	71,848	71,969	68,945	71,458
Growth YoY (%)	1.9	3.3	4.7	5.3	6.0	4.2	3.0	0.0	3.5	7.2
<b>Net Op Revenues</b>	<b>1,01,437</b>	<b>1,04,632</b>	<b>1,02,108</b>	<b>99,387</b>	<b>95,789</b>	<b>1,21,264</b>	<b>1,18,403</b>	<b>1,13,659</b>	<b>4,06,719</b>	<b>4,49,114</b>
Growth YoY (%)	15.7	10.8	5.0	4.4	-5.6	15.9	16.0	14.4	8.6	19.9
Total Cost	86,840	89,473	87,343	85,231	81,972	1,03,029	1,01,031	96,960	3,48,887	3,82,992
RM Cost (% sales)	67.7	66.7	65.8	65.5	66.7	66.7	66.8	66.8	66.6	66.8
Staff Cost (% sales)	6.0	6.2	6.5	6.8	6.5	5.8	5.9	6.0	6.4	6.0
Other Exp (% sales)	11.9	12.6	13.3	13.5	12.3	12.5	12.6	12.5	12.8	12.5
<b>EBITDA</b>	<b>14,598</b>	<b>15,159</b>	<b>14,765</b>	<b>14,156</b>	<b>13,817</b>	<b>18,234</b>	<b>17,371</b>	<b>16,699</b>	<b>57,832</b>	<b>66,122</b>
EBITDA Margins (%)	14.4	14.5	14.5	14.2	14.4	15.0	14.7	14.7	14.2	14.7
Other Income	2,317	2,830	3,175	2,237	3,037	2,328	2,750	2,672	10,559	10,787
Interest	48	49	55	47	56	57	60	67	199	240
Depreciation	1,932	1,937	1,969	1,921	1,928	1,970	2,000	2,111	7,759	8,008
<b>PBT before EO Exp/(Inc)</b>	<b>14,935</b>	<b>16,003</b>	<b>15,916</b>	<b>14,425</b>	<b>14,870</b>	<b>18,537</b>	<b>18,061</b>	<b>17,193</b>	<b>60,434</b>	<b>68,661</b>
Effective Tax Rate (%)	24.8	24.8	24.4	25.1	24.3	24.9	24.5	24.8	25.1	24.6
<b>Adj. PAT</b>	<b>11,226</b>	<b>12,035</b>	<b>12,028</b>	<b>10,809</b>	<b>11,257</b>	<b>13,928</b>	<b>13,629</b>	<b>12,926</b>	<b>45,255</b>	<b>51,741</b>
Growth (%)	18.7	14.2	12.1	6.4	0.3	15.7	13.3	19.6	10.7	26.5

## TVS Motor Company

Buy

CMP: INR3,855 | TP: INR4,523 (+17%)

EPS CHANGE (%): FY26E | FY27E: 2 | 3

- TVS continued to outperform 2W peers with 27% YoY growth in 3Q, led by strong growth in scooters (+25%), motorcycles (+31%), and 3W (+106%). Exports rose 40% YoY.
- We expect margins to marginally improve QoQ to 12.9%.
- We expect TVSL to post 62% YoY growth in earnings in 3Q.

### S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Vols ('000 units)</b>	<b>1,087.2</b>	<b>1,228.2</b>	<b>1,212.0</b>	<b>1,216.3</b>	<b>1,277.0</b>	<b>1,507.0</b>	<b>1,544.5</b>	<b>1,499.2</b>	<b>4,744</b>	<b>5,828</b>
Growth (%)	14.1	14.3	10.1	14.2	17.5	22.7	27.4	23.3	13.2	39.1
<b>Realm (INR '000/unit)</b>	<b>77.0</b>	<b>75.1</b>	<b>75.1</b>	<b>78.5</b>	<b>78.9</b>	<b>79.0</b>	<b>79.1</b>	<b>79.2</b>	<b>76.4</b>	<b>79.1</b>
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.1	5.4	0.9	0.8	4.3
<b>Net Sales</b>	<b>83,756</b>	<b>92,282</b>	<b>90,971</b>	<b>95,504</b>	<b>1,00,810</b>	<b>1,19,054</b>	<b>1,22,189</b>	<b>1,18,747</b>	<b>3,62,513</b>	<b>4,60,800</b>
Growth (%)	16.0	13.3	10.3	16.9	20.4	29.0	34.3	24.3	14.1	45.0
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.1	71.0	71.0	71.1	71.1
Emp cost (% of sales)	5.7	5.4	5.5	5.2	5.8	5.1	5.1	5.0	5.4	5.2
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	11.2	11.0	10.8	11.2	10.9
<b>EBITDA</b>	<b>9,602</b>	<b>10,798</b>	<b>10,815</b>	<b>13,326</b>	<b>12,630</b>	<b>15,086</b>	<b>15,762</b>	<b>15,596</b>	<b>44,540</b>	<b>59,075</b>
EBITDA Margin (%)	11.5	11.7	11.9	14.0	12.5	12.7	12.9	13.1	12.3	12.8
Interest	372	319	338	358	403	466	455	461	1,387	1,785
Depreciation	1,763	1,806	1,883	1,994	2,039	2,144	2,165	2,176	7,446	8,524
Other Income	363	299	-227	145	343	-213	250	240	580	620
<b>PBT before EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>11,120</b>	<b>10,531</b>	<b>12,263</b>	<b>13,392</b>	<b>13,199</b>	<b>36,288</b>	<b>49,385</b>
EO Exp	0	0	0	1,617	0	0	0	0	0	0
<b>PBT after EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>12,737</b>	<b>10,531</b>	<b>12,263</b>	<b>13,392</b>	<b>13,199</b>	<b>36,288</b>	<b>49,385</b>
Tax	2,056	2,346	2,182	2,599	2,745	3,202	3,124	2,852	9,183	12,494
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	26.1	25.0	22.8	25.3	25.3
<b>Adjusted PAT</b>	<b>5,773</b>	<b>6,626</b>	<b>6,185</b>	<b>8,521</b>	<b>7,786</b>	<b>9,061</b>	<b>10,044</b>	<b>10,348</b>	<b>27,105</b>	<b>36,891</b>
Growth (%)	23.4	23.5	4.2	75.5	34.9	36.7	62.4	21.4	30.1	36.1

## Maruti Suzuki

Buy

CMP: INR16,960 | TP: INR19,937 (+18%)

EPS CHANGE (%): FY26E|FY27E: 6|3

- MSIL posted a strong 18% YoY volume growth, led by the strong festive & marriage season, aided by the GST rate cut.
- UV mix surged to 33.5% from 28% QoQ. Also, export mix has declined 160bp QoQ to 15% due to logistics constraints.
- Led by operating leverage benefit and improved mix, we expect margins to improve by 110bp QoQ to 11.6% in 3Q.
- SMG is likely to be merged (no change at the EBIT level) in 3Q.
- We expect MSIL to post a 25% YoY PAT growth in 3Q.

### S/A Quarterly Performance

Y/E March	(INR m)								FY25	FY26E		
	FY25				FY26							
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volumes ('000 units)	521.9	541.6	566.2	604.6	527.9	550.9	667.8	680.5	2,234.3	2,427.0		
Change (%)	4.8	-1.9	13.0	3.5	1.1	1.7	17.9	12.5	4.9	14.0		
Realizations (INR/car)	6,80,850	6,86,969	6,79,817	6,72,700	7,27,722	7,64,255	7,54,596	7,46,263	6,79,866	7,48,607		
Change (%)	4.9	2.3	2.3	2.8	6.9	11.3	11.0	10.9	2.7	13.1		
<b>Net operating revenues</b>	<b>3,55,314</b>	<b>3,72,028</b>	<b>3,84,921</b>	<b>4,06,738</b>	<b>3,84,136</b>	<b>4,21,008</b>	<b>5,03,896</b>	<b>5,07,841</b>	<b>15,19,001</b>	<b>18,16,881</b>		
Change (%)	9.9	0.4	15.6	6.4	8.1	13.2	30.9	24.9	7.8	19.6		
RM Cost (% of sales)	70.2	71.9	71.6	71.9	72.2	73.1	73.0	72.7	71.4	72.8		
Staff Cost (% of sales)	4.4	3.9	4.0	3.9	4.6	4.2	3.8	3.8	4.0	4.1		
Other Cost (% of sales)	12.8	12.3	12.8	13.8	12.8	12.2	11.6	11.5	12.8	12.0		
<b>EBITDA</b>	<b>45,023</b>	<b>44,166</b>	<b>44,703</b>	<b>42,647</b>	<b>39,953</b>	<b>44,341</b>	<b>58,331</b>	<b>60,859</b>	<b>1,77,852</b>	<b>2,03,485</b>		
EBITDA Margins (%)	12.7	11.9	11.6	10.5	10.4	10.5	11.6	12.0	11.7	11.2		
Depreciation	7,310	7,509	8,050	8,724	9,375	10,392	10,680	10,988	31,593	41,435		
<b>EBIT</b>	<b>37,713</b>	<b>36,657</b>	<b>36,653</b>	<b>33,923</b>	<b>30,578</b>	<b>33,949</b>	<b>47,651</b>	<b>49,871</b>	<b>1,46,259</b>	<b>1,62,050</b>		
EBIT Margins (%)	10.6	9.9	9.5	8.3	8.0	8.1	9.5	9.8	9.6	8.9		
Interest	573	402	484	472	466	570	480	492	1,931	2,008		
Non-Operating Income	9,751	14,750	9,850	14,466	18,230	9,131	10,200	12,843	47,504	50,404		
<b>PBT</b>	<b>46,891</b>	<b>51,005</b>	<b>46,019</b>	<b>47,917</b>	<b>48,342</b>	<b>42,510</b>	<b>57,371</b>	<b>62,222</b>	<b>1,91,832</b>	<b>2,10,445</b>		
Effective Tax Rate (%)	22.2	39.8	23.4	22.6	23.2	22.5	23.0	23.1	27.3	23.0		
<b>PAT</b>	<b>36,499</b>	<b>30,692</b>	<b>35,250</b>	<b>37,111</b>	<b>37,117</b>	<b>32,931</b>	<b>44,176</b>	<b>47,819</b>	<b>1,39,552</b>	<b>1,62,043</b>		
Adjusted PAT	36,499	30,692	35,250	37,111	37,117	32,931	44,176	47,819	1,39,552	1,62,043		
Change (%)	46.9	-17.4	12.6	-4.3	1.7	7.3	25.3	28.9	5.6	16.1		

## Hyundai Motor

Buy

CMP: INR2,269 | TP: INR2,663 (+17%)

EPS CHANGE (%): FY26E|FY27E: -1 | -4

- Hyundai posted a 5% YoY volume growth in 3Q. Exports mix has declined to 25% from 28% QoQ.
- On the positive front, discounts are lower QoQ, currency is favorable, and the full quarter benefits of incentives would help support margins.
- Negative factors to monitor are: 1) weak export mix, 2) start-up costs of the Pune plant, 3) input cost pressure, 4) higher promotional spending due to the Venue launch, and 5) higher depreciation of the new plant.
- As a result, we expect EBITDA margin to dip 110bp QoQ to 12.8%.

### Consol Quarterly Performance

Y/E March	(INR m)								FY25	FY26E		
	FY25				FY26							
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volumes ('000 units)	192.1	191.9	186.4	191.6	180.4	190.9	195.4	199.6	762.1	766.3		
Change (%)	4.7	-8.5	-2.4	-1.1	-6.1	-0.5	4.8	4.1	0.6	0.6		
Realizations (INR/car)	9,03,087	8,99,264	8,93,094	9,36,101	9,09,810	9,14,557	9,18,101	9,41,696	9,07,982	9,21,411		
Change (%)	-0.4	1.1	1.1	2.6	0.7	1.7	2.8	0.6	1.5	1.5		
<b>Net operating revenues</b>	<b>1,73,442</b>	<b>1,72,604</b>	<b>1,66,480</b>	<b>1,79,403</b>	<b>1,64,129</b>	<b>1,74,608</b>	<b>1,79,430</b>	<b>1,87,946</b>	<b>6,91,929</b>	<b>7,06,113</b>		
Change (%)	4.3	-7.5	-1.3	1.5	-5.4	1.2	7.8	4.8	2.0	2.0		
RM Cost (% of sales)	71.9	72.5	73.1	71.2	70.7	70.1	69.8	69.5	72.2	70.0		
Staff Cost (% of sales)	3.2	3.2	3.6	3.4	3.8	3.5	4.0	3.9	3.3	3.8		
Other Cost (% of sales)	11.5	11.5	12.0	11.3	12.2	12.4	13.4	12.7	11.5	12.7		
<b>EBITDA</b>	<b>23,403</b>	<b>22,053</b>	<b>18,755</b>	<b>25,327</b>	<b>21,852</b>	<b>24,289</b>	<b>22,980</b>	<b>26,203</b>	<b>89,538</b>	<b>95,325</b>		
EBITDA Margins (%)	13.5	12.8	11.3	14.1	13.3	13.9	12.8	13.9	12.9	13.5		
Depreciation	5,290	5,185	5,274	5,304	5,281	5,175	6,350	6,479	21,053	23,285		
<b>EBIT</b>	<b>18,113</b>	<b>16,868</b>	<b>13,482</b>	<b>20,023</b>	<b>16,571</b>	<b>19,114</b>	<b>16,630</b>	<b>19,725</b>	<b>68,485</b>	<b>72,040</b>		
EBIT Margins (%)	10.4	9.8	8.1	11.2	10.1	10.9	9.3	10.5	9.9	10.2		
Interest	316	292	299	365	247	167	250	271	1,272	935		
Non-Operating Income	2,238	1,923	2,445	2,096	2,148	2,312	2,350	2,308	8,700	9,118		
<b>PBT</b>	<b>20,034</b>	<b>18,498</b>	<b>15,627</b>	<b>21,754</b>	<b>18,472</b>	<b>21,260</b>	<b>18,730</b>	<b>21,762</b>	<b>75,913</b>	<b>80,223</b>		
Tax	5,137	4,744	4,020	5,611	4,780	5,537	4,851	5,610	19,511	20,778		
Effective Tax Rate (%)	25.6	25.6	25.7	25.8	25.9	26.0	25.9	25.8	25.7	25.9		
<b>PAT</b>	<b>14,897</b>	<b>13,755</b>	<b>11,607</b>	<b>16,143</b>	<b>13,692</b>	<b>15,723</b>	<b>13,879</b>	<b>16,152</b>	<b>56,402</b>	<b>59,446</b>		
Adjusted PAT	14,897	13,755	11,607	16,143	13,692	15,723	13,879	16,152	56,402	59,446		
Change (%)	12.1	-15.5	-18.6	-3.7	-8.1	14.3	19.6	0.1	5.4	5.4		

## Tata Motors PV

**Sell**
**CMP: INR370 | TP: INR315 (-15%)**
**EPS CHANGE (%): FY26E | FY27E: -2 | 5**

- India PV volumes grew 22% YoY, fueled by the strong festive and marriage season demand. Led by operating leverage benefits, we expect the India margin to improve 160bp QoQ to 7.3%.
- After the cyber incident in 2Q, we expect JLR to post a steady recovery in volumes (+18% QoQ). Given this, we expect JLR's margins to improve to 5.4%, from -1.6% QoQ.

### Quarterly Performance (Consol)

Y/E March	FY25				FY26E			FY26E
	2Q		1Q		2Q	3QE	4QE	
	Net Operating Income	8,44,410	8,83,760	7,31,870	8,82,307	12,96,881	37,94,818	
RM Cost (% of Sales)	60	63	66	66	66	65	65	
Staff Costs (% of sales)	12	12	15	13	13	9	12	
Other Exp (% of sales)	14	13	15	11	11	10	12	
<b>Total Cost</b>	<b>7,51,730</b>	<b>8,07,610</b>	<b>7,32,580</b>	<b>8,30,750</b>	<b>11,42,467</b>	<b>35,13,407</b>		
<b>EBITDA</b>	<b>92,680</b>	<b>76,150</b>	<b>-710</b>	<b>51,557</b>	<b>1,54,414</b>	<b>2,81,411</b>		
EBITDA Margins (%)	11.0	8.6	-0.1	5.8	11.9	7.4		
Non-Operating Income	6,420	6,330	6,600	5,270	5,807	24,007		
Interest	10,300	6,920	6,920	9,661	11,396	34,897		
Depreciation & Amort.	54,670	48,510	48,710	48,095	49,011	1,94,325		
<b>PBT before EO Exp</b>	<b>34,130</b>	<b>27,050</b>	<b>-49,740</b>	<b>-928</b>	<b>99,814</b>	<b>76,196</b>		
EO Exp/(Inc)	13,650	11,920	-30,960	0	0	-19,040		
<b>PBT after EO Exp</b>	<b>47,780</b>	<b>38,970</b>	<b>-80,700</b>	<b>-928</b>	<b>99,814</b>	<b>57,156</b>		
Tax	17,520	13,060	-17,020	0	21,107	17,147		
Effective Tax Rate (%)	36.7	33.5	NM	0.0	21.1	30.0		
<b>PAT</b>	<b>30,260</b>	<b>25,910</b>	<b>-63,680</b>	<b>-928</b>	<b>78,707</b>	<b>40,009</b>		
<b>Adj PAT</b>	<b>30,260</b>	<b>17,566</b>	<b>-42,008</b>	<b>-928</b>	<b>78,707</b>	<b>53,337</b>		

E: MOFSL Estimates

### Quarterly Performance (Standalone)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Operating income	1,18,920	1,17,850	1,26,160	1,27,950	1,10,030	1,37,360	1,65,096	1,69,215	4,90,890	5,81,701
Change (%)	-7.7	-3.9	-4.3	-100.0	-7.5	16.6	30.9	32.3	-6.8	18.5
<b>EBITDA</b>	<b>6,860</b>	<b>7,250</b>	<b>9,590</b>	<b>9,930</b>	<b>4,350</b>	<b>7,860</b>	<b>12,132</b>	<b>13,471</b>	<b>33,630</b>	<b>37,813</b>
EBITDA Margins (%)	5.8	6.2	7.6	7.8	4.0	5.7	7.3	8.0	6.9	6.5

Y/E March	FY25								(GBP Million)	
	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>7,273</b>	<b>6,475</b>	<b>7,486</b>	<b>7,727</b>	<b>6,604</b>	<b>4,900</b>	<b>5,996</b>	<b>9,469</b>	<b>28,961</b>	<b>26,970</b>
Change (%)	5.4	-5.6	1.5	-1.7	-9.2	-24.3	-19.9	22.5	-0.1	-6.9
EBITDA Margins (%)	15.8	11.7	14.2	15.3	9.3	-1.6	5.4	12.5	14.3	7.6

## Mahindra & Mahindra

CMP: INR3,802 | TP: INR4,521 (+19%)

Buy

EPS CHANGE (%): FY26E | FY27E: 3 | 2

- MM posted a strong 23% YoY growth in tractors as well as in PVs (incl. PiKUp).
- While auto volume growth has been strong, a few adverse factors to note are: 1) rising discounts QoQ, 2) adverse mix, and 3) rising input costs. As a result, we factor in marginal margin expansion QoQ for the Auto segment.

- For the tractor segment, we expect a 190bp margin expansion YoY to 20%.
- Other income for 3Q is likely to be boosted by gains from the RBL stake sale in 3Q.
- Overall, we expect MM to post strong 32% YoY growth in earnings in 3Q.

### Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Total Volumes (nos)</b>	315,366	301,457	343,654	319,447	3,60,779	3,49,807	4,22,937	3,62,098	12,79,924	14,98,345
Growth YoY (%)	4.7	-0.5	17.8	15.3	14.4	16.0	23.1	13.4	14.0	17.1
<b>Net Realization</b>	857,378	914,003	888,633	981,490	9,44,712	9,55,430	9,52,633	9,99,266	9,10,083	9,60,917
Growth YoY (%)	7.0	13.5	2.2	8.0	10.2	4.5	7.2	1.8	3.1	5.6
<b>Revenue from Operations</b>	<b>270,388</b>	<b>275,533</b>	<b>305,382</b>	<b>313,534</b>	<b>3,40,832</b>	<b>3,34,216</b>	<b>4,02,904</b>	<b>3,61,832</b>	<b>11,64,837</b>	<b>14,39,784</b>
Growth YoY (%)	12.0	12.9	20.3	24.5	26.1	21.3	31.9	15.4	17.5	23.6
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.6	75.0	74.2	74.1	75.2
Staff (% of sales)	4.3	4.2	4.2	4.0	3.8	3.9	3.5	3.7	4.2	3.7
Oth. Exp. (% of Sales)	7.0	7.3	6.7	6.9	5.8	5.9	6.9	7.7	7.0	6.6
<b>EBITDA</b>	<b>40,222</b>	<b>39,497</b>	<b>44,681</b>	<b>46,825</b>	<b>48,840</b>	<b>48,615</b>	<b>58,618</b>	<b>51,884</b>	<b>1,71,226</b>	<b>2,07,957</b>
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.5	14.5	14.3	14.7	14.4
Change (%)	22.4	26.4	35.6	42.0	21.4	23.1	31.2	10.8	30.3	21.5
Other inc. (incl Inc. from Invest)	3,515	19,978	6,063	493	6,431	23,076	4,100	635	30,048	34,242
Interest	529	551	614	810	559	590	550	605	2,505	2,304
Depreciation	9,146	9,614	10,451	13,058	9,999	10,406	11,200	12,857	42,268	44,463
<b>EBIT</b>	<b>31,076</b>	<b>29,884</b>	<b>34,231</b>	<b>33,768</b>	<b>38,841</b>	<b>38,209</b>	<b>47,418</b>	<b>39,027</b>	<b>1,28,958</b>	<b>1,63,494</b>
<b>PBT after EO</b>	<b>34,062</b>	<b>49,310</b>	<b>39,679</b>	<b>33,450</b>	<b>44,713</b>	<b>60,695</b>	<b>50,968</b>	<b>39,057</b>	<b>1,56,501</b>	<b>1,95,432</b>
Tax	7,936	10,901	10,036	9,079	10,214	15,489	11,977	9,223	37,952	46,904
Effective Tax Rate (%)	23.3	22.1	25.3	27.1	22.8	25.5	23.5	23.6	24.3	24.0
<b>Reported PAT</b>	<b>26,126</b>	<b>38,409</b>	<b>29,643</b>	<b>24,371</b>	<b>34,498</b>	<b>45,205</b>	<b>38,990</b>	<b>29,834</b>	<b>1,18,550</b>	<b>1,48,528</b>
Change (%)	-5.3	13.2	19.1	21.9	32.0	17.7	31.5	22.4	11.4	25.3
<b>Adj PAT</b>	<b>26,126</b>	<b>38,409</b>	<b>29,643</b>	<b>24,371</b>	<b>34,498</b>	<b>45,205</b>	<b>38,990</b>	<b>29,834</b>	<b>1,18,550</b>	<b>1,48,528</b>
Change (%)	23.2	13.2	19.1	21.9	32.0	17.7	31.5	22.4	11.4	25.3

## ESCORTS

Neutral

CMP: INR3,849 | TP: INR3,788 (-1.6%)

EPS CHANGE (%): FY26E | FY27E: 4 | 1

- Tractor volumes underperformed the industry and grew 13.5% YoY in 3Q.
- Led by operating leverage benefits, we expect margin to expand 50bp QoQ (+220bp YoY over low base) to 13.6%.
- PAT is likely to grow 33% YoY over a low base.

### Standalone Quarterly Performance

Y/E March	(INR m)								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>25,563</b>	<b>22,649</b>	<b>29,354</b>	<b>24,303</b>	<b>24,834</b>	<b>27,774</b>	<b>31,984</b>	<b>28,031</b>	<b>1,01,870</b>	<b>1,12,622</b>
YoY Change (%)	9.8	-8.1	8.5	6.1	-2.9	22.6	9.0	15.3	4.1	15.1
Total Expenditure	22,394	20,321	26,001	21,374	21,584	24,142	27,634	24,284	90,091	97,643
<b>EBITDA</b>	<b>3,169</b>	<b>2,328</b>	<b>3,353</b>	<b>2,929</b>	<b>3,250</b>	<b>3,632</b>	<b>4,350</b>	<b>3,747</b>	<b>11,778</b>	<b>14,979</b>
Margins (%)	12.4	10.3	11.4	12.1	13.1	13.1	13.6	13.4	11.6	13.3
Depreciation	590	610	612	615	591	615	630	659	2,426	2,495
Interest	101	92	31	47	36	42	40	31	270	150
Other Income	1,024	1,152	1,092	1,316	1,556	1,336	1,480	1,578	4,584	5,950
<b>PBT</b>	<b>3,502</b>	<b>2,778</b>	<b>3,802</b>	<b>3,313</b>	<b>4,939</b>	<b>4,311</b>	<b>5,160</b>	<b>4,634</b>	<b>13,395</b>	<b>17,524</b>
Rate (%)	24.0	-8.9	23.6	24.3	24.5	25.5	25.0	25.0	17.1	27.2
<b>Adj. PAT</b>	<b>2,662</b>	<b>3,027</b>	<b>2,905</b>	<b>2,710</b>	<b>3,153</b>	<b>3,212</b>	<b>3,870</b>	<b>3,475</b>	<b>11,465</b>	<b>14,840</b>
YoY Change (%)	-5.9	41.9	7.7	9.1	18.5	6.1	33.2	28.2	21.6	57.4
Margins (%)	10.4	13.4	9.9	11.1	12.7	11.6	12.1	12.4	11.3	13.2

## Tata Motors CV

**Neutral**
**CMP: INR442 | TP: INR417 (-6%)**
**EPS CHANGE (%): FY26E|FY27E: 4|5**

- India CV volumes rose 21% YoY, supported by GST cuts and the low base of last year. MHCV growth was stronger with 24% YoY growth vs LCV growth of 18%.
- We expect its margin to improve 100bp YoY to 13.2%, due to operating leverage benefits.

### Quarterly Performance (Standalone)

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Total India Volumes (nos)</b>	<b>93,700</b>	<b>86,000</b>	<b>98,370</b>	<b>108,180</b>	<b>88,000</b>	<b>96,800</b>	<b>117,917</b>	<b>120,335</b>	<b>387,031</b>	<b>423,052</b>		
Change (%)	6.3	(19.0)	(0.8)	(3.5)	-6	12	21	12	-4.8	9.8		
<b>Avg Realization (INR)</b>	<b>19,10,139</b>	<b>18,04,419</b>	<b>18,96,615</b>	<b>21,58,711</b>	<b>17,82,045</b>	<b>17,41,839</b>	<b>17,63,852</b>	<b>17,67,705</b>	<b>19,48,835</b>	<b>17,63,695</b>		
Change (%)	-0.8	-4.4	-7.2	11.0	-6.7	-3.5	-7.0	-18.1	0.0	-9.5		
<b>Net Operating income</b>	<b>1,78,980</b>	<b>1,55,180</b>	<b>1,86,570</b>	<b>2,33,530</b>	<b>1,56,820</b>	<b>1,68,610</b>	<b>2,07,988</b>	<b>2,12,717</b>	<b>7,54,260</b>	<b>7,46,135</b>		
Change (%)	4.9	-23.0	-7.6	7.9	-12.4	8.7	11.5	-8.9	-4.6	-1.1		
RM Cost (% of Sales)	67.7	67.9	67.9	68.2	67.1	69.0	69.2	68.8	67.9	68.6		
Staff Costs (% of sales)	6.7	7.4	6.3	5.2	7.4	6.9	6.2	6.4	3.8	5.0		
Other Exp (% of sales)	14.0	14.1	13.6	13.1	13.4	11.8	11.4	10.9	14.1	11.8		
<b>EBITDA</b>	<b>20,790</b>	<b>16,530</b>	<b>22,800</b>	<b>31,370</b>	<b>18,900</b>	<b>20,830</b>	<b>27,518</b>	<b>29,628</b>	<b>88,500</b>	<b>96,876</b>		
EBITDA Margins (%)	11.6	10.7	12.2	13.4	12.1	12.4	13.2	13.9	11.7	13.0		
Change (%)	30	-21	2	22	-9	26	21	-6	4	9		
Non-Operating Income	830	1,760	1,070	360	2,450	2,780	2,500	2,722	4,020	10,452		
Interest	1,620	2,110	1,190	590	1,740	1,860	1,890	1,893	5,510	7,383		
Depreciation & Amort.	4,870	4,840	5,100	5,650	4,230	4,120	4,200	4,227	20,460	16,777		
<b>PBT before EO Exp</b>	<b>15,350</b>	<b>11,220</b>	<b>17,260</b>	<b>25,640</b>	<b>16,350</b>	<b>17,570</b>	<b>23,928</b>	<b>26,230</b>	<b>66,490</b>	<b>84,078</b>		
EO Exp/(Inc)	0	330	0	0	100	23,660	0	0	0	23,760		
<b>PBT after EO Exp</b>	<b>15,350</b>	<b>10,890</b>	<b>17,260</b>	<b>25,640</b>	<b>16,250</b>	<b>-6,090</b>	<b>23,928</b>	<b>26,230</b>	<b>66,490</b>	<b>60,318</b>		
Tax	2,763	4,460	3,107	2,980	2,140	4,120	5,503	3,316	5,170	15,079		
Effective Tax Rate (%)	18.0	41.0	18.0	11.6	13.2	23.4	23.0	12.6	7.8	25.0		
<b>Adj PAT</b>	<b>12,587</b>	<b>6,760</b>	<b>14,153</b>	<b>22,660</b>	<b>14,210</b>	<b>13,450</b>	<b>18,424</b>	<b>22,914</b>	<b>61,320</b>	<b>68,998</b>		
Change (%)	34.5	-55.7	-14.5	7.9	12.9	99.0	30.2	1.1	0.3	12.5		

## Ashok Leyland

**Buy**
**CMP: INR189 | TP: INR218 (+15%)**
**EPS CHANGE (%): FY26E|FY27E: 3|9**

- Volumes grew 24% in 3Q, with both LCV and MHCV volumes growing at a similar 24%. Export volumes grew 20% YoY.
- However, while volume growth has been strong, margin upside is likely to be limited given the relative adverse mix and the rise in input costs.
- As a result, EBITDA margin is expected to improve 90bp QoQ (+20bp YoY) to 13%.
- We factor in a PAT growth of 26% YoY in 3Q.

### Quarterly Performance (S/A)

	(INR m)								FY25	FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Total Volumes (nos)	43,893	45,624	46,404	59,176	44,238	49,116	57,625	64,996	1,95,097	2,15,975	
Growth %	6.2	-8.5	-1.4	5.1	0.8	7.7	24.2	9.8	0.3	11.0	
Realizations (INR '000)	1,959	1,922	2,043	2,012	1,972	1,952	1,961	2,020	1,986	1,979	
Change (%)	-1.1	-0.6	3.7	0.6	0.7	1.6	-4.0	0.4	0.7	0.4	
<b>Net operating revenues</b>	<b>85,985</b>	<b>87,688</b>	<b>94,787</b>	<b>1,19,067</b>	<b>87,245</b>	<b>95,882</b>	<b>1,12,999</b>	<b>1,31,315</b>	<b>3,87,527</b>	<b>4,27,440</b>	
Change (%)	5.0	-9.0	2.2	5.7	1.5	9.3	19.2	10.3	1.0	11.4	
RM/sales %	72.2	71.2	71.5	70.6	70.6	71.2	71.5	71.0	71.3	71.1	
Staff/sales %	6.4	6.8	6.4	5.5	7.0	6.8	6.0	5.0	6.2	6.1	
Other exp/sales %	10.9	10.4	9.4	8.9	11.2	10.0	9.5	8.5	9.8	9.7	
<b>EBITDA</b>	<b>9,109</b>	<b>10,173</b>	<b>12,114</b>	<b>17,910</b>	<b>9,696</b>	<b>11,622</b>	<b>14,690</b>	<b>20,257</b>	<b>49,306</b>	<b>56,264</b>	
EBITDA Margins (%)	10.6	11.6	12.8	15.0	11.1	12.1	13.0	15.4	12.7	13.2	
Interest	591	607	501	471	419	420	400	390	2,169	1,628	
Other Income	223	973	247	1,059	529	1,348	300	484	2,503	2,660	
Depreciation	1,727	1,754	1,923	1,789	1,828	1,723	1,750	1,850	7,193	7,151	
<b>PBT after EO</b>	<b>7,014</b>	<b>9,958</b>	<b>9,938</b>	<b>16,573</b>	<b>7,977</b>	<b>10,427</b>	<b>12,840</b>	<b>18,501</b>	<b>43,483</b>	<b>49,744</b>	
Effective Tax Rate (%)	25.1	22.7	23.3	24.8	25.6	26.0	25.0	25.5	24.0	25.5	
<b>Adj PAT</b>	<b>5,256</b>	<b>6,933</b>	<b>7,617</b>	<b>12,562</b>	<b>5,937</b>	<b>8,009</b>	<b>9,630</b>	<b>13,745</b>	<b>32,245</b>	<b>37,321</b>	
Change (%)	-8.9	20.2	31.2	32.4	13.0	15.5	26.4	9.4	20.2	15.7	

## Apollo Tyres

Buy

CMP: INR497 | TP: INR584 (+18%)

EPS CHANGE (%): FY26E | FY27E: -5% | -10%

- We expect standalone revenue growth of 8% YoY (4% QoQ) led by healthy demand across all key segments.
- However, the India margins are likely to be hit by higher promotional spending. Apollo is now the brand sponsor for the Indian Cricket team. We factor in a 70bp QoQ margin impact on account of this.
- Demand in Europe continues to be weak with flattish RM basket QoQ.
- We expect Europe's margin to marginally dip YoY to 17.3%.

### Consolidated - Quarterly performance

Y/E March	(INR M)								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Revenues</b>	<b>63,349</b>	<b>64,370</b>	<b>69,280</b>	<b>64,236</b>	<b>65,608</b>	<b>68,311</b>	<b>75,078</b>	<b>70,214</b>	<b>2,61,234</b>	<b>2,79,210</b>
YoY Change (%)	1.4	2.5	5.0	2.6	3.6	6.1	8.4	9.3	2.9	10.0
<b>EBITDA</b>	<b>9,093</b>	<b>8,779</b>	<b>9,470</b>	<b>8,374</b>	<b>8,677</b>	<b>10,207</b>	<b>11,569</b>	<b>9,968</b>	<b>35,715</b>	<b>40,422</b>
Margins (%)	14.4	13.6	13.7	13.0	13.2	14.9	15.4	14.2	13.7	14.5
Depreciation	3,695	3,759	3,759	3,771	3,776	3,834	3,910	4,098	14,984	15,618
Interest	1,070	1,197	1,105	1,094	1,006	1,010	1,020	1,059	4,466	4,095
Other Income	308	217	81	275	189	297	155	374	881	1,015
<b>PBT before EO expense</b>	<b>4,636</b>	<b>4,040</b>	<b>4,686</b>	<b>3,785</b>	<b>4,085</b>	<b>5,660</b>	<b>6,794</b>	<b>5,186</b>	<b>17,146</b>	<b>21,725</b>
Extra-Ord expense	404	52	42	1,188	3,702	1,800	0	0	1,687	5,502
<b>PBT</b>	<b>4,232</b>	<b>3,988</b>	<b>4,644</b>	<b>2,596</b>	<b>383</b>	<b>3,860</b>	<b>6,794</b>	<b>5,186</b>	<b>15,460</b>	<b>16,223</b>
Tax Rate (%)	28.6	25.4	27.4	29.0	66.5	33.2	31.0	32.3	27.5	32.8
MI & P/L of Asso. Cos.	0	-1	-2	-3	-1	-1	-1	-2	-7	-4
<b>Reported PAT</b>	<b>3,020</b>	<b>2,975</b>	<b>3,372</b>	<b>1,846</b>	<b>129</b>	<b>2,580</b>	<b>4,689</b>	<b>3,511</b>	<b>11,213</b>	<b>10,909</b>
<b>Adj PAT</b>	<b>3,313</b>	<b>3,012</b>	<b>3,403</b>	<b>2,708</b>	<b>2,812</b>	<b>3,886</b>	<b>4,689</b>	<b>3,511</b>	<b>12,436</b>	<b>14,607</b>
YoY Change (%)	-18.4	-37.6	-32.9	-41.8	-15.1	29.0	37.8	29.7	-33.2	17.5
Margins (%)	5.2	4.7	4.9	4.2	4.3	5.7	6.2	5.0	4.8	5.2

## Balkrishna Industries

Neutral

CMP: INR2,369 | TP: INR2,173 (-8%)

EPS CHANGE (%): FY26E | FY27E: -4% | -6%

- Wholesale dispatches to the US have improved QoQ as the destocking prevalent in 2Q is now behind. Further, demand in other key regions appears to have broadly remained stable QoQ. Overall, we expect BKT to post a 2% YoY decline (+6% QoQ) in tonnage in 3Q.
- Reduced input costs, a favorable currency would be the margin tailwinds, while higher brand spending would weigh on the same.
- Margin is likely to improve 160bp QoQ over a low base to 23.1%.

### Quarterly Earning Model (Standalone)

Y/E March	(INR m)								FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Volumes (Ton)</b>	<b>83,570</b>	<b>73,298</b>	<b>76,343</b>	<b>82,062</b>	<b>80,664</b>	<b>70,252</b>	<b>74,816</b>	<b>84,301</b>	<b>3,15,273</b>	<b>3,10,033</b>
YoY Change (%)	24.3	3.8	4.9	0.0	-3.5	-4.2	-2.0	2.7	7.7	-1.7
<b>Realizations (INR '000/ton)</b>	<b>328.1</b>	<b>336.3</b>	<b>336.8</b>	<b>345.8</b>	<b>342.1</b>	<b>330.3</b>	<b>336.8</b>	<b>336.6</b>	<b>336.7</b>	<b>336.7</b>
YoY Change (%)	4.2	5.6	5.8	5.2	4.3	-1.8	0.0	-2.7	5.1	0.0
<b>Net Revenues</b>	<b>27,415</b>	<b>24,648</b>	<b>25,716</b>	<b>28,376</b>	<b>27,594</b>	<b>23,207</b>	<b>25,201</b>	<b>28,376</b>	<b>1,06,150</b>	<b>1,04,378</b>
YoY Change (%)	29.6	9.7	11.0	5.2	0.7	-5.8	-2.0	0.0	13.2	-1.7
<b>EBITDA</b>	<b>7,137</b>	<b>6,185</b>	<b>6,391</b>	<b>7,035</b>	<b>6,560</b>	<b>4,999</b>	<b>5,814</b>	<b>6,678</b>	<b>26,813</b>	<b>24,051</b>
Margins (%)	26.0	25.1	24.9	24.8	23.8	21.5	23.1	23.5	25.3	23.0
Depreciation	1,617	1,647	1,708	1,760	1,862	1,901	2,000	2,009	6,735	7,772
Interest	143	404	150	490	290	319	340	346	1,252	1,296
Forex loss/(gain)	-60	530	-1,120	580	1,540	10	0	0	-68	1,550
Other Income	830	1,048	240	550	1,042	709	280	632	2,668	632
<b>PBT before EI</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>4,755</b>	<b>3,910</b>	<b>3,478</b>	<b>3,754</b>	<b>4,955</b>	<b>21,562</b>	<b>16,096</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>4,755</b>	<b>3,910</b>	<b>3,478</b>	<b>3,754</b>	<b>4,955</b>	<b>21,562</b>	<b>16,096</b>
Rate (%)	23.8	24.9	25.4	23.8	26.6	23.7	24.5	25.0	24.5	22.0
<b>Adj PAT</b>	<b>4,773</b>	<b>3,496</b>	<b>4,398</b>	<b>3,622</b>	<b>2,869</b>	<b>2,652</b>	<b>2,834</b>	<b>3,717</b>	<b>16,283</b>	<b>12,072</b>
YoY Change (%)	52.7	4.3	42.6	-25.8	-39.9	-24.1	-35.6	2.6	12.6	-25.9

**CEAT**
**Buy**
**CMP: INR3,892 | TP: INR4,515 (+16%)**
**EPS CHANGE (%): FY26E | FY27E: 5 | -1**

- Demand has remained healthy across segments in Q3. While OEM demand has been strong in 3Q, even replacement demand has picked up post-GST rate cuts. Exports are also expected to remain strong in 3Q. We expect CEAT to post 24% revenue growth in 3Q.
- Input costs are likely to remain stable QoQ as benefits from the reduction in crude are likely to be offset by currency depreciation.
- Further, this quarter would see the full impact of Camso integration.
- One needs to note that Camso margins are likely to remain muted for 5-6 quarters till CEAT takes full control of distribution and also the supply chain.
- As a result, we expect marginal pressure on CEAT consolidated margins QoQ despite healthy performance from the India entity.
- Overall, PAT is likely to grow 96% YoY due to Camso integration, as well as over a low base.

**Consolidated - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25						FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>31,928</b>	<b>33,045</b>	<b>32,999</b>	<b>34,206</b>	<b>35,294</b>	<b>37,727</b>	<b>40,991</b>	<b>41,526</b>	<b>1,32,179</b>	<b>1,55,537</b>
YoY Change (%)	8.8	8.2	11.4	14.3	10.5	14.2	24.2	21.4	10.7	17.7
RM cost (%)	60.8	62.6	63.2	62.5	63.2	59.1	59.0	59.1	62.3	60.0
Employee cost (%)	6.1	6.6	6.5	6.6	6.4	6.9	7.2	7.3	6.5	7.0
Other expenses (%)	21.1	19.8	20.0	19.5	19.4	20.6	20.7	20.4	20.1	20.3
<b>EBITDA</b>	<b>3,829</b>	<b>3,623</b>	<b>3,409</b>	<b>3,881</b>	<b>3,877</b>	<b>5,034</b>	<b>5,384</b>	<b>5,458</b>	<b>14,741</b>	<b>19,753</b>
Margins (%)	12.0	11.0	10.3	11.3	11.0	13.3	13.1	13.1	11.2	12.7
Depreciation	1,318	1,371	1,415	1,523	1,514	1,739	1,894	1,914	5,627	7,061
Interest	619	665	751	744	821	870	1,050	1,062	2,778	3,802
Other Income	62	35	34	45	47	39	25	29	176	140
<b>PBT before EO expense</b>	<b>1,954</b>	<b>1,622</b>	<b>1,278</b>	<b>1,659</b>	<b>1,590</b>	<b>2,464</b>	<b>2,465</b>	<b>2,510</b>	<b>6,512</b>	<b>9,030</b>
Exceptional item	-75	0	0	370	33	0	0	0	-296	-33
<b>PBT</b>	<b>2,029</b>	<b>1,621</b>	<b>1,278</b>	<b>1,288</b>	<b>1,558</b>	<b>2,464</b>	<b>2,465</b>	<b>2,510</b>	<b>6,808</b>	<b>8,997</b>
Tax Rate (%)	26.6	28.6	28.3	27.6	26.9	27.6	25.5	25.1	25.3	26.2
MI & Profit of Asso. Cos.	-53	-61	-55	-63	14	-72	-63	-63	-231	-185
<b>Reported PAT</b>	<b>1,542</b>	<b>1,219</b>	<b>971</b>	<b>995</b>	<b>1,125</b>	<b>1,857</b>	<b>1,899</b>	<b>1,943</b>	<b>5,319</b>	<b>6,824</b>
<b>Adj PAT</b>	<b>1,486</b>	<b>1,219</b>	<b>971</b>	<b>1,267</b>	<b>1,149</b>	<b>1,857</b>	<b>1,899</b>	<b>1,943</b>	<b>5,101</b>	<b>6,848</b>
YoY Change (%)	3	-41	-46	-16	-23	52	96	53	-26	34

**MRF**
**Sell**
**CMP: INR1,50,948 | TP: INR126,185 (-16%)**
**EPS CHANGE (%): FY26E | FY27E: 3 | 0**

- Expect 11% YoY revenue growth, led by steady demand revival across segments.
- We expect EBITDA margin to improve 30bp QoQ to 15.3%, led by a pick-up in demand.

**Standalone - Quarterly Earnings Model**
**(INR m)**

Y/E March	FY25						FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>70,778</b>	<b>67,604</b>	<b>68,832</b>	<b>69,438</b>	<b>75,603</b>	<b>72,497</b>	<b>76,403</b>	<b>76,313</b>	<b>2,76,652</b>	<b>3,00,815</b>
YoY Change (%)	11.9	11.1	13.8	11.7	6.8	7.2	11.0	9.9	12.1	8.7
Total Expenditure	59,400	57,869	60,814	59,011	65,259	61,599	64,713	64,810	2,37,094	2,56,382
<b>EBITDA</b>	<b>11,378</b>	<b>9,734</b>	<b>8,018</b>	<b>10,428</b>	<b>10,343</b>	<b>10,898</b>	<b>11,690</b>	<b>11,503</b>	<b>39,559</b>	<b>44,434</b>
Margins (%)	16.1	14.4	11.6	15.0	13.7	15.0	15.3	15.1	14.3	14.8
Depreciation	3,943	4,079	4,143	4,310	4,270	4,433	4,470	4,575	16,474	17,747
Interest	754	667	711	782	822	708	760	722	2,914	3,011
Other Income	827	1,121	966	1,115	1,255	1,067	1,050	1,065	4,029	4,437
<b>PBT before EO expense</b>	<b>7,509</b>	<b>6,109</b>	<b>4,130</b>	<b>6,451</b>	<b>6,507</b>	<b>6,824</b>	<b>7,510</b>	<b>7,271</b>	<b>24,199</b>	<b>28,112</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>7,509</b>	<b>6,109</b>	<b>4,130</b>	<b>6,451</b>	<b>6,507</b>	<b>6,824</b>	<b>7,510</b>	<b>7,271</b>	<b>24,199</b>	<b>28,112</b>
Tax	1,883	1,555	1,063	1,472	1,665	1,708	1,937	1,858	5,974	7,169
Rate (%)	25.1	25.4	25.7	22.8	25.6	25.0	25.8	25.6	24.7	25.5
<b>Reported PAT</b>	<b>5,625</b>	<b>4,554</b>	<b>3,067</b>	<b>4,978</b>	<b>4,842</b>	<b>5,116</b>	<b>5,572</b>	<b>5,413</b>	<b>18,225</b>	<b>20,943</b>
<b>Adj PAT</b>	<b>5,625</b>	<b>4,554</b>	<b>3,067</b>	<b>4,978</b>	<b>4,842</b>	<b>5,116</b>	<b>5,572</b>	<b>5,413</b>	<b>18,225</b>	<b>20,943</b>
YoY Change (%)	-3.3	-20.4	-39.6	6.1	-13.9	12.3	81.7	8.7	-14.4	14.9
Margins (%)	7.9	6.7	4.5	7.2	6.4	7.1	7.3	7.1	6.6	7.0

## Amara Raja Energy Mobility

**Neutral**
**CMP: INR928 | TP: INR934 (+0.6%)**
**EPS CHANGE (%): FY26E | FY27E: 5|1**

- We expect battery demand, especially for auto OEMs, to improve QoQ. Replacement demand is also likely to hold up well in Autos. Overall, we expect Amara to post 11% YoY growth in revenue (+4% QoQ).
- Lead prices are expected to largely remain stable QoQ. Amara has not taken any pricing action in 3Q.
- The one-time impact of EPR credit costs at INR350m seen in 2Q would not recur in 3Q.
- Overall, we expect EBITDA margin to improve 20bp QoQ (down 90bp YoY) to 12.2%.

### Quarterly Performance

**(INR m)**

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>31,312</b>	<b>31,358</b>	<b>31,640</b>	<b>29,739</b>	<b>33,499</b>	<b>33,882</b>	<b>35,121</b>	<b>33,939</b>	<b>1,24,049</b>	<b>1,36,441</b>
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	8.0	11.0	14.1	10.2	10.0
<b>Gross operating income</b>	<b>31312</b>	<b>31358</b>	<b>31640</b>	<b>29739</b>	<b>33499</b>	<b>33882</b>	<b>35121</b>	<b>33939</b>	<b>1,24,049</b>	<b>1,36,441</b>
Total Expenditure	27,008	26,952	27,482	26,316	29,633	29,822	30,836	29,845	1,07,758	1,20,136
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	67.2	68.2	68.3	67.8	68.6
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.6	6.4	6.3	6.0	6.3
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	14.2	13.2	13.3	13.1	13.2
<b>EBITDA</b>	<b>4,304</b>	<b>4,407</b>	<b>4,158</b>	<b>3,422</b>	<b>3,867</b>	<b>4,059</b>	<b>4,285</b>	<b>4,094</b>	<b>16,291</b>	<b>16,305</b>
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.0	12.2	12.1	13.1	12.0
Depreciation	1,183	1,220	1,233	1,284	1,292	1,380	1,450	1,505	4,921	5,627
Interest	90	131	107	95	104	83	80	84	422	350
Other Income	256	185	293	200	139	241	180	139	933	700
<b>PBT before EO expense</b>	<b>3,287</b>	<b>3,240</b>	<b>3,111</b>	<b>2,244</b>	<b>2,610</b>	<b>2,838</b>	<b>2,935</b>	<b>2,645</b>	<b>11,881</b>	<b>11,027</b>
Extra-Ord expense	0	0	-1,111	0	0	-1,218	0	0	-1,111	-1,218
<b>PBT after EO</b>	<b>3,287</b>	<b>3,240</b>	<b>4,222</b>	<b>2,244</b>	<b>2,610</b>	<b>4,056</b>	<b>2,935</b>	<b>2,645</b>	<b>12,992</b>	<b>12,245</b>
Tax	841	833	1,103	576	670	1,032	763	695	3,353	3,159
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.4	26.0	26.3	25.8	25.8
<b>Reported PAT</b>	<b>2,446</b>	<b>2,407</b>	<b>3,118</b>	<b>1,668</b>	<b>1,940</b>	<b>3,024</b>	<b>2,172</b>	<b>1,950</b>	<b>9,639</b>	<b>9,086</b>
<b>Adj PAT</b>	<b>2,446</b>	<b>2,407</b>	<b>2,298</b>	<b>1,668</b>	<b>1,940</b>	<b>2,116</b>	<b>2,172</b>	<b>1,950</b>	<b>8,815</b>	<b>8,182</b>
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-12.1	-5.5	16.9	-2.7	-7.2

## Exide Industries

**Neutral**
**CMP: INR368 | TP: INR362 (-2%)**
**EPS CHANGE (%): FY26E | FY27E: -4|-4**

- We expect Exide to post a 15% YoY growth in revenue to INR44.2b.
- We expect EBITDA margin to largely remain stable YoY.
- Overall, we expect 3Q PAT to grow 16% YoY.

### S/A Quarterly Performance

**(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>43,128</b>	<b>42,673</b>	<b>38,486</b>	<b>41,594</b>	<b>45,098</b>	<b>41,783</b>	<b>44,259</b>	<b>45,584</b>	<b>1,65,881</b>	<b>1,76,724</b>
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	-2.1	15.0	9.6	3.5	6.5
RM cost (%)	69.3	68.5	68.0	68.8	69.2	70.1	70.0	69.5	68.7	69.7
Employee cost (%)	6.1	6.3	6.8	6.3	3.4	0.3	1.4	11.0	6.4	6.2
Other Exp (%)	13.1	13.9	13.5	13.7	12.6	14.0	12.5	12.0	13.6	12.8
<b>EBITDA</b>	<b>4,943</b>	<b>4,836</b>	<b>4,486</b>	<b>4,667</b>	<b>5,482</b>	<b>3,960</b>	<b>5,090</b>	<b>5,503</b>	<b>18,931</b>	<b>20,035</b>
EBITDA Margin (%)	11.5	11.3	11.7	11.2	12.2	9.5	11.5	12.1	11.4	11.3
Change (%)	14.4	0.1	2.0	-9.6	10.9	-18.1	13.5	17.9	1.2	6.6
Non-Operating Income	142	528	132	161	182	424	144	169	962	919
Interest	87	103	120	130	91	89	95	98	439	373
Depreciation	1,257	1,270	1,244	1,268	1,276	1,306	1,320	1,334	5,039	5,236
<b>PBT after EO Exp</b>	<b>3,741</b>	<b>3,991</b>	<b>3,253</b>	<b>3,430</b>	<b>4,297</b>	<b>2,990</b>	<b>3,819</b>	<b>4,240</b>	<b>14,415</b>	<b>15,345</b>
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.7	25.5	25.4	0.0	25.5
<b>Adj. PAT</b>	<b>2,796</b>	<b>2,978</b>	<b>2,450</b>	<b>2,546</b>	<b>3,205</b>	<b>2,221</b>	<b>2,845</b>	<b>3,162</b>	<b>10,769</b>	<b>11,432</b>
Change (%)	15.6	3.8	2.0	-10.3	14.6	-25.4	16.1	24.2	2.3	6.2

## Bharat Forge

**Neutral**
**CMP: INR1,478 | TP: INR1,342 (-9%)**
**EPS CHANGE (%): FY26E|FY27E: 1|0**

- Domestic CV and PV revenues are likely to revive in 3Q. The defense business is also expected to ramp up in 3Q.
- However, export CV demand is likely to be weak even in 3Q.
- Overall, we expect standalone revenue to rise 3% YoY in 3Q.
- We expect EBITDA margin to improve 130bp QoQ to 29.6% on the back of favorable currency.
- Standalone PAT is expected to grow 9% YoY in 3Q.

### S/A Quarterly

**(INR m)**

	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net operating income</b>	<b>23,381</b>	<b>22,467</b>	<b>20,960</b>	<b>21,630</b>	<b>21,047</b>	<b>19,469</b>	<b>21,565</b>	<b>22,529</b>	<b>88,437</b>	<b>84,611</b>
Change (%)	9.9	-0.1	-7.4	-7.1	-10.0	-13.3	2.9	4.2	-1.4	-4.3
<b>EBITDA</b>	<b>6,515</b>	<b>6,255</b>	<b>6,099</b>	<b>6,167</b>	<b>5,718</b>	<b>5,511</b>	<b>6,383</b>	<b>6,649</b>	<b>25,034</b>	<b>24,262</b>
EBITDA Margins (%)	27.9	27.8	29.1	28.5	27.2	28.3	29.6	29.5	28.3	28.7
Non-Operating Income	446	348	314	481	422	465	455	485	1,589	1,827
Interest	702	635	573	588	522	483	450	445	2,498	1,900
Depreciation	1094	1083	1104	1122	1125	1112	1140	1160	4,404	4,536
EO Exp / (Inc)	1,457	-135	9	203	0	79	0	0	0	0
<b>PBT after EO items</b>	<b>3,708</b>	<b>5,019</b>	<b>4,727</b>	<b>4,735</b>	<b>4,493</b>	<b>4,380</b>	<b>5,248</b>	<b>5,530</b>	<b>19,721</b>	<b>19,652</b>
Tax	1014	1407	1266	1278	1108	1202	1459	1537	4,965	5,306
Eff. Tax Rate (%)	27.3	28.0	26.8	27.0	24.7	27.9	27.8	27.8	25.2	27.0
<b>Rep. PAT</b>	<b>2,694</b>	<b>3,612</b>	<b>3,461</b>	<b>3,456</b>	<b>3,385</b>	<b>3,099</b>	<b>3,789</b>	<b>3,992</b>	<b>14,756</b>	<b>14,346</b>
Change (%)	-13.5	4.4	-8.4	-11.3	25.6	-14.2	9.5	15.5	2.4	8.5
<b>Adj. PAT</b>	<b>3,787</b>	<b>3,510</b>	<b>3,468</b>	<b>3,608</b>	<b>3,385</b>	<b>3,156</b>	<b>3,789</b>	<b>3,992</b>	<b>13,223</b>	<b>14,346</b>
Change (%)	20.2	0.1	-4.8	-8.8	-10.6	-10.1	9.3	10.6	-7.2	-0.2

## CIE Automotive

**Buy**
**CMP: INR428 | TP: INR499 (+17%)**
**EPS CHANGE (%): CY25E|26E: 1|4**

- India business to post 12% YoY growth in revenue due to a pick-up in key segments. EU business to post 25% YoY growth over a very low base of last year.
- Overall, consol. revenue is projected to grow 16% YoY.
- EBITDA margin is expected to largely remain stable YoY at 14.3%.

### Quarterly performance (Consol.)

(INR m)	CY24				CY25				CY24	CY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>24,268</b>	<b>22,927</b>	<b>21,346</b>	<b>21,100</b>	<b>22,726</b>	<b>23,690</b>	<b>23,718</b>	<b>24,461</b>	<b>89,641</b>	<b>94,598</b>
YoY Change (%)	-0.5	-1.2	-6.4	-5.8	-6.4	3.3	11.1	15.9	-3.4	5.5
<b>EBITDA</b>	<b>3,606</b>	<b>3,600</b>	<b>3,306</b>	<b>2,993</b>	<b>3,355</b>	<b>3,368</b>	<b>3,557</b>	<b>3,497</b>	<b>13,506</b>	<b>13,776</b>
EBITDA Margins (%)	14.9	15.7	15.5	14.2	14.8	14.2	15.0	14.3	15.1	14.6
Depreciation	863	836	798	809	864	871	890	916	3,306	3,541
Interest	220	211	169	175	126	16	36	78	776	256
Other Income	513	306	243	336	361	221	192	207	1,396	980
Share of profit from associates	4	6	19	-2	5	7	2	2	27	16
<b>PBT before EO expense</b>	<b>3,035</b>	<b>2,859</b>	<b>2,581</b>	<b>2,344</b>	<b>2,725</b>	<b>2,701</b>	<b>2,822</b>	<b>2,710</b>	<b>10,820</b>	<b>10,959</b>
Tax Rate (%)	24.3	24.5	25.3	23.6	24.6	25.1	24.5	24.8	24.4	24.7
<b>Adj. PAT</b>	<b>2,302</b>	<b>2,164</b>	<b>1,947</b>	<b>1,790</b>	<b>2,060</b>	<b>2,030</b>	<b>2,132</b>	<b>2,041</b>	<b>8,203</b>	<b>8,263</b>
YoY Change (%)	4.5	1.3	4.3	1.1	-10.5	-6.2	9.5	14.0	2.8	0.7
<b>Revenues</b>										
India	14,275	15,047	15,270	14,430	14,658	15,154	15,677	16,136	57,558	61,625
Growth (%)	-1	5	-1	-3	3	6	8	12	-2	7
EU	9,994	7,879	6,077	6,670	8,069	8,536	8,043	8,325	29,098	32,973
Growth (%)	0	-11	-18	-12	-19	-1	18	25	-14	13
<b>EBITDA Margins</b>										
India	15.1	15.5	15.6	14.6	15.7	15.7	15.9	15.3	15.9	15.6
EU	14.6	16.1	15.2	13.2	13.1	11.7	13.2	12.3	15.0	12.5

## Craftsman Auto

Neutral

CMP: INR8,010 | TP: INR7,302 (-9%)

EPS CHANGE (%): FY26E | FY27E: -4|1

- Standalone revenue is likely to grow ~35% YoY, albeit over a low base and led by steady growth in the aluminum segment and recovery in the powertrain segment.
- Consolidated revenue is likely to grow 33% YoY due to the integration of Sunbeam and Fronberg.
- We factor in margin improvement in consolidated EBITDA margin QoQ to 15.4%.

### Quarterly (Consol)

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net operating income</b>	<b>11,512</b>	<b>12,140</b>	<b>15,761</b>	<b>17,493</b>	<b>17,840</b>	<b>20,016</b>	<b>20,968</b>	<b>21,781</b>	<b>56,905</b>	<b>80,605</b>
Change (%)	10.9	3.0	39.5	58.3	55.0	64.9	33.0	24.5	27.8	41.6
RM/Sales (%)	56.3	55.6	52.7	54.2	53.9	54.7	54.5	54.2	54.5	54.4
Staff Cost (% of Sales)	6.4	6.9	8.5	8.3	8.1	7.2	7.5	7.7	7.7	7.6
Other Exp. (% of Sales)	20.1	21.6	26.2	23.6	23.2	23.0	22.6	22.3	23.2	22.8
<b>EBITDA</b>	<b>1,973</b>	<b>1,928</b>	<b>1,990</b>	<b>2,436</b>	<b>2,649</b>	<b>3,019</b>	<b>3,229</b>	<b>3,435</b>	<b>8,327</b>	<b>12,333</b>
EBITDA Margins (%)	17.1	15.9	12.6	13.9	14.9	15.1	15.4	15.8	14.6	15.3
Non-Operating Income	48	64	86	52	50	96	45	48	251	238
Interest	492	413	583	679	663	770	820	845	2166	3098
Depreciation	725	762	1035	949	1019	1090	1138	1269	3470	4516
MI/Share of Profit	61	-4	-2	-2	-2	-4	-4	-4	-10	-14
<b>PBT after EO items</b>	<b>744</b>	<b>821</b>	<b>313</b>	<b>755</b>	<b>937</b>	<b>1,253</b>	<b>1,320</b>	<b>1,373</b>	<b>2,951</b>	<b>4,884</b>
Eff. Tax Rate (%)	28.5	24.9	58.6	11.6	25.7	27.5	26.9	27.2	23.3	26.9
<b>Rep. PAT</b>	<b>532</b>	<b>617</b>	<b>129</b>	<b>668</b>	<b>696</b>	<b>909</b>	<b>965</b>	<b>1,000</b>	<b>2,263</b>	<b>3,569</b>
Change (%)	-28.6	-34.7	-82.3	7.1	30.9	47.3	646.3	49.7	-25.7	57.7
<b>Adj. PAT</b>	<b>532</b>	<b>617</b>	<b>242</b>	<b>750</b>	<b>756</b>	<b>912</b>	<b>965</b>	<b>1,000</b>	<b>2,263</b>	<b>3,633</b>
Change (%)	-28.6	-34.7	-66.9	20.3	42.2	47.9	298.1	33.3	-25.7	60.5

E: MOFSL Estimates

## Endurance Technologies

Buy

CMP: INR2,541 | TP: INR2,980 (+17%)

EPS CHANGE (%): FY26E | FY27E: 1|-

- India business to grow 24% YoY on the back of strong OEM volumes in 3Q, as well as a relatively low base.
- India EBITDA margin to dip 80bp YoY to 11.7% due to elevated costs of new plants and personnel.
- Europe revenue to grow 23.6% YoY on Stoferle acquisition.
- Expect Europe's EBITDA margin to rise 180bp YoY to 18%.
- Consolidated PAT to grow 30% YoY in 3Q.

### Consolidated - Quarterly

Y/E March	FY25				FY26E				FY25	FY26E
	INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	
<b>Net Sales</b>	<b>28,255</b>	<b>29,127</b>	<b>28,592</b>	<b>29,635</b>	<b>33,189</b>	<b>35,828</b>	<b>37,073</b>	<b>37,918</b>	<b>1,15,608</b>	<b>1,44,008</b>
YoY Change (%)	15.3	14.4	11.6	11.2	17.5	23.0	29.7	28.0	12.9	24.6
<b>EBITDA</b>	<b>3,741</b>	<b>3,820</b>	<b>3,725</b>	<b>4,225</b>	<b>4,439</b>	<b>4,768</b>	<b>4,910</b>	<b>5,205</b>	<b>15,511</b>	<b>19,322</b>
Margins (%)	13.2	13.1	13.0	14.3	13.4	13.3	13.2	13.7	13.4	13.4
Depreciation	1,288	1,311	1,364	1,424	1,644	1,800	1,825	1,869	5,387	7,138
Interest	112	116	115	125	135	137	134	145	468	551
Other Income	339	265	219	346	356	210	240	331	1,170	1,137
<b>PBT before EO expense</b>	<b>2,680</b>	<b>2,658</b>	<b>2,466</b>	<b>3,022</b>	<b>3,016</b>	<b>3,041</b>	<b>3,191</b>	<b>3,522</b>	<b>10,825</b>	<b>12,770</b>
Exceptional Item	0	0	0	-122	0	0	0	0	-122	0
<b>PBT after EO</b>	<b>2,680</b>	<b>2,658</b>	<b>2,466</b>	<b>3,144</b>	<b>3,016</b>	<b>3,041</b>	<b>3,191</b>	<b>3,522</b>	<b>10,947</b>	<b>12,770</b>
Eff. Tax Rate (%)	23.9	23.6	25.2	22.0	24.9	25.3	24.7	24.7	23.6	24.9
<b>Adj. PAT</b>	<b>2,039</b>	<b>2,030</b>	<b>1,844</b>	<b>2,359</b>	<b>2,264</b>	<b>2,273</b>	<b>2,404</b>	<b>2,652</b>	<b>8,270</b>	<b>9,592</b>
YoY Change (%)	24.7	31.3	21.1	21.0	11.0	12.0	30.4	12.4	20.7	16.0

## Happy Forgings

Buy

CMP: INR1185 | TP: INR1366 (+15%)

EPS CHANGE (%): FY26E | FY27E: 2|2

- Key segments in the domestic market (CVs and tractors) have picked up in 3Q and should help drive a pick-up in revenue. This, coupled with the ramp-up of new orders, is expected to drive 12% YoY growth in revenue in 3Q.

- We expect EBITDA margins to improve 60bp YoY to 29.2%.
- This is likely to drive 14% YoY growth in PAT for 3Q.

### Quarterly (Standalone)

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net operating income</b>	<b>3,415</b>	<b>3,611</b>	<b>3,543</b>	<b>3,520</b>	<b>3,538</b>	<b>3,774</b>	<b>3,968</b>	<b>4,115</b>	<b>14,089</b>	<b>15,395</b>
Change (%)	3.5	5.3	3.6	2.5	3.6	4.5	12.0	16.9	3.7	9.3
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	39.7	41.8	42.4	42.0	41.5
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	8.9	8.8	8.3	8.9	8.8
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.7	20.2	20.1	20.3	20.3
<b>EBITDA</b>	<b>976</b>	<b>1,054</b>	<b>1,015</b>	<b>1,023</b>	<b>1,012</b>	<b>1,158</b>	<b>1,159</b>	<b>1,205</b>	<b>4,067</b>	<b>4,533</b>
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	30.7	29.2	29.3	28.9	29.4
Non-Operating Income	77	83	66	101	104	63	75	87	376	329
Interest	14	16	21	24	23	19	18	18	75	78
Depreciation	180	197	191	203	206	216	228	236	771	885
EO Exp	-48				0	0	0	0		0
<b>PBT after EO items</b>	<b>859</b>	<b>973</b>	<b>868</b>	<b>897</b>	<b>886</b>	<b>986</b>	<b>988</b>	<b>1,038</b>	<b>3,597</b>	<b>3,898</b>
Tax	220	259	223	219	230	252	254	263	921	998
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.5	25.7	25.3	25.6	25.6
<b>Rep. PAT</b>	<b>639</b>	<b>714</b>	<b>645</b>	<b>678</b>	<b>657</b>	<b>734</b>	<b>734</b>	<b>775</b>	<b>2,676</b>	<b>2,900</b>
Change (%)	-0.3	29.3	11.4	3.0	2.9	2.8	13.8	14.4	-68.1	8.4
<b>Adj. PAT</b>	<b>639</b>	<b>666</b>	<b>645</b>	<b>678</b>	<b>657</b>	<b>734</b>	<b>734</b>	<b>775</b>	<b>2,676</b>	<b>2,900</b>
Change (%)	-0.3	20.6	11.4	3.0	2.9	10.2	13.8	14.4	10.1	8.4

E: MOFSL Estimates

## Sona Comstar

Neutral

CMP: INR487 | TP: INR446 (-8%)

EPS CHANGE (%): FY26E | FY27E: -4|3

- While EV demand in the US has been weak, SONACOMS' revenue is likely to grow QoQ due to a pick-up in demand from one of its key clients. Demand is likely to be driven by traction motors as well as the railway business. Revenue growth of 30% YoY is largely a function of the integration of the Railways division.
- Given a weak mix, we expect margins to remain under pressure – down 70bp QoQ to 24.6%.
- Overall, we expect the PAT for the core business to grow 9% YoY to INR1.7b.

### Consol. Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net operating revenues</b>	<b>8,930</b>	<b>9,251</b>	<b>8,680</b>	<b>8,494</b>	<b>8,509</b>	<b>11,435</b>	<b>11,310</b>	<b>12,009</b>	<b>35,545</b>	<b>42,539</b>
Change (%)	22.0	17.0	11.8	-4.0	-4.7	23.6	30.3	41.4	11.6	19.7
<b>EBITDA</b>	<b>2,512</b>	<b>2,549</b>	<b>2,342</b>	<b>2,160</b>	<b>2,026</b>	<b>2,891</b>	<b>2,782</b>	<b>2,970</b>	<b>9,753</b>	<b>10,669</b>
EBITDA Margins (%)	28.1	27.6	27.0	25.4	23.8	25.3	24.6	24.7	27.4	24.7
Depreciation	606	626	666	646	670	716	725	729	2,544	2,840
<b>EBIT</b>	<b>1,905</b>	<b>1,923</b>	<b>1,677</b>	<b>1,513</b>	<b>1,356</b>	<b>2,174</b>	<b>2,057</b>	<b>2,241</b>	<b>7,209</b>	<b>7,829</b>
EBIT Margins (%)	21.3	20.8	19.3	17.8	15.9	19.0	18.2	18.7	20.3	18.1
Interest	86	106	58	52	53	52	48	49	302	202
Non-Operating Income	70	210	468	522	442	170	250	497	1,269	1,358
<b>PBT</b>	<b>1,889</b>	<b>1,918</b>	<b>2,030</b>	<b>2,147</b>	<b>1,652</b>	<b>2,276</b>	<b>2,259</b>	<b>2,689</b>	<b>8,173</b>	<b>8,984</b>
Effective Tax Rate (%)	25.0	25.1	25.8	23.8	26.3	25.1	25.2	25.6	24.2	0.3
<b>Adjusted PAT</b>	<b>1,417</b>	<b>1,546</b>	<b>1,564</b>	<b>1,473</b>	<b>1,309</b>	<b>1,717</b>	<b>1,690</b>	<b>2,000</b>	<b>6,200</b>	<b>6,720</b>
Change (%)	24.0	20.2	17.1	-0.6	-7.6	13.0	9.0	32.3	27.3	8.4

**Bosch**
**Neutral**
**CMP: INR39,481 | TP: INR36,103 (-9%)**
**EPS CHANGE (%): FY26E|27E: 1|-5**

- We expect 12% YoY revenue growth, driven by a pick-up in demand in CVs and tractors and sustained momentum in the 2W division.
- We expect margins to improve 60bp QoQ to 13.5% led by a pick-up in demand.
- As a result, we expect Bosch to post 17% YoY growth in PAT.

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

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>43,168</b>	<b>43,943</b>	<b>44,657</b>	<b>49,106</b>	<b>47,886</b>	<b>47,948</b>	<b>50,016</b>	<b>53,065</b>	<b>1,80,874</b>	<b>1,98,914</b>
YoY Change (%)	3.8	6.4	6.2	16.0	10.9	9.1	12.0	8.1	8.1	10.0
RM Cost (% of sales)	64.6	65.1	61.6	62.4	62.3	64.6	63.0	62.9	63.4	63.2
Staff Cost (% of sales)	7.8	7.8	8.8	8.6	7.1	7.6	8.4	8.4	8.3	7.9
Other Expenses (% of sales)	15.7	14.3	16.5	15.8	17.2	14.9	15.1	14.8	15.6	15.5
<b>EBITDA</b>	<b>5,197</b>	<b>5,605</b>	<b>5,826</b>	<b>6,469</b>	<b>6,393</b>	<b>6,171</b>	<b>6,752</b>	<b>7,386</b>	<b>23,097</b>	<b>26,702</b>
Margins (%)	12.0	12.8	13.0	13.2	13.4	12.9	13.5	13.9	12.8	13.4
Depreciation	856	900	1,008	992	850	925	1,020	1,006	3,756	3,801
Interest	26	22	62	61	45	42	44	44	171	175
Other Income	1,793	2,089	1,891	2,369	2,881	2,099	2,000	2,403	8,142	9,383
<b>PBT before EO expense</b>	<b>6,108</b>	<b>6,772</b>	<b>6,647</b>	<b>7,785</b>	<b>8,379</b>	<b>7,303</b>	<b>7,688</b>	<b>8,739</b>	<b>27,312</b>	<b>32,109</b>
Extra-Ord expense	0	-485	471	0	5,560	0	0	0	0	5,560
<b>PBT after EO Expense</b>	<b>6,108</b>	<b>7,257</b>	<b>6,176</b>	<b>7,785</b>	<b>13,939</b>	<b>7,303</b>	<b>7,688</b>	<b>8,739</b>	<b>27,312</b>	<b>26,549</b>
Tax	1,453	1,898	1,594	2,248	2,785	1,761	1,922	2,384	7,193	8,852
Tax Rate (%)	23.8	26.2	25.8	28.9	20.0	24.1	25.0	27.3	26.3	33.3
<b>Reported PAT</b>	<b>4,655</b>	<b>5,359</b>	<b>4,582</b>	<b>5,537</b>	<b>11,154</b>	<b>5,542</b>	<b>5,766</b>	<b>6,354</b>	<b>20,119</b>	<b>17,697</b>
<b>Adj PAT</b>	<b>4,655</b>	<b>5,002</b>	<b>4,929</b>	<b>5,537</b>	<b>6,705</b>	<b>5,542</b>	<b>5,766</b>	<b>6,354</b>	<b>20,119</b>	<b>22,208</b>
YoY Change (%)	13.8	30.2	4.4	-1.9	44.0	10.8	17.0	14.8	11.4	10.4

E: MOFSL Estimates

**Motherson Wiring India**
**Buy**
**CMP: INR50 | TP: INR58 (+16%)**
**EPS CHANGE (%): FY26E|FY27E: 8|3**

- Revenue likely to grow 30% YoY to INR30b, aided by a pick-up in auto demand across segments, as well as the ramp-up of its new plants.
- EBITDA margin to improve 50bp QoQ to 10.6% led by a pick-up in demand.
- This is likely to drive 40% YoY earnings growth for 3Q.

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

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>21,848</b>	<b>23,256</b>	<b>23,003</b>	<b>25,095</b>	<b>24,940</b>	<b>27,619</b>	<b>29,904</b>	<b>31,245</b>	<b>93,203</b>	<b>1,13,707</b>
YoY Change (%)	16.7	10.5	8.8	12.4	14.2	18.8	30.0	24.5	11.9	22.0
RM Cost (% of sales)	65.1	64.9	64.9	65.7	64.7	66.2	66.2	65.9	65.2	65.8
Staff Cost (% of sales)	17.2	17.3	17.9	16.5	19.1	17.4	17.1	16.7	17.2	17.5
Other Expenses (% of sales)	6.7	7.1	6.8	7.0	6.4	6.3	6.1	6.5	6.9	6.3
<b>EBITDA</b>	<b>2,388</b>	<b>2,496</b>	<b>2,376</b>	<b>2,712</b>	<b>2,443</b>	<b>2,797</b>	<b>3,183</b>	<b>3,403</b>	<b>9,972</b>	<b>11,826</b>
Margins (%)	10.9	10.7	10.3	10.8	9.8	10.1	10.6	10.9	10.7	10.4
Depreciation	399	444	470	476	492	531	545	564	1,789	2,132
Interest	55	72	66	55	63	64	64	59	248	250
Other Income	50	48	6	16	9	8	24	26	119	66
<b>PBT before EO expense</b>	<b>1,984</b>	<b>2,027</b>	<b>1,846</b>	<b>2,197</b>	<b>1,896</b>	<b>2,210</b>	<b>2,598</b>	<b>2,805</b>	<b>8,055</b>	<b>9,510</b>
<b>PBT after EO Expense</b>	<b>1,984</b>	<b>2,027</b>	<b>1,846</b>	<b>2,197</b>	<b>1,896</b>	<b>2,210</b>	<b>2,598</b>	<b>2,805</b>	<b>8,055</b>	<b>9,510</b>
Tax Rate (%)	25	25	24	25	25	25	25	25	25	25
<b>Reported PAT</b>	<b>1,489</b>	<b>1,521</b>	<b>1,400</b>	<b>1,649</b>	<b>1,431</b>	<b>1,653</b>	<b>1,954</b>	<b>2,113</b>	<b>6,060</b>	<b>7,151</b>
<b>Adj PAT</b>	<b>1,489</b>	<b>1,521</b>	<b>1,400</b>	<b>1,649</b>	<b>1,431</b>	<b>1,653</b>	<b>1,954</b>	<b>2,113</b>	<b>6,060</b>	<b>7,151</b>
YoY Change (%)	20.9	-2.4	-16.6	-13.8	-3.9	8.7	39.6	28.1	-5.1	18.0

E: MOFSL Estimates

## Samvardhana Motherson Sumi

Buy

CMP: INR122 | TP: INR140 (+15%)

EPS CHANGE (%): FY26E | FY27E: -1|4

- Execution of a healthy order book, integration benefits from recent acquisitions, and currency translation gains should help offset demand weakness in end markets. We expect a 3Q revenue growth of 14% YoY.
- We expect margins to gradually improve QoQ on the back of its cost-cutting initiatives.
- Given strong revenue growth, we expect SAMIL to post 15% growth YoY in PAT in 3Q.

### Quarterly performance (Consol.)

Y/E March	(INR m)								FY25	FY26E		
	FY25				FY26E							
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	2,88,680	2,78,119	2,76,659	2,93,168	3,02,120	3,01,730	3,15,490	3,29,754	11,36,626	12,49,093		
YoY Change (%)	28.5	18.2	7.9	9.1	4.7	8.5	14.0	12.5	15.4	9.9		
EBITDA	27,753	24,479	26,858	26,429	24,583	26,107	28,311	29,976	1,05,519	1,08,978		
Margins (%)	9.6	8.8	9.7	9.0	8.1	8.7	9.0	9.1	9.3	8.7		
Depreciation	10,646	11,028	11,124	12,137	12,297	12,179	12,500	12,959	44,934	49,934		
Interest	4,445	5,462	4,661	4,256	4,250	3,865	3,700	3,825	18,824	15,641		
Other income	709	862	1,112	1,164	805	1,212	1,250	1,474	5,577	4,741		
PBT before EO expense	13,371	8,852	12,185	11,200	8,841	11,275	13,361	14,666	47,338	48,143		
Extra-Ord expense	0	-1,730	0	1,730	1,365	362	0	0	0	1,727		
PBT after EO Expense	13,371	10,582	12,185	9,470	7,476	10,914	13,361	14,666	47,338	46,417		
Tax Rate (%)	26.0	33.2	27.7	12.2	30.1	34.7	29.0	30.1	23.6	30.9		
Min. Int & Share of profit	-51	-1,152	26	-672	-300	-1,270	-670	-517	-1,848	-2,758		
Reported PAT	9,942	8,797	8,786	8,775	5,118	8,270	10,156	10,776	38,030	34,321		
Adj PAT	9,942	7,470	8,790	10,030	6,210	8,559	10,156	10,776	38,030	35,495		
YoY Change (%)	65.5	65.7	62.2	9.4	-37.5	14.6	15.5	7.4	51.5	-6.7		

E: MOFSL Estimates

## Tube Investments

Buy

CMP: INR2,599 | TP: INR3,213 (+24%)

EPS CHANGE (%): FY26E | FY27E: 0|2

- We expect TI to post 11% YoY growth in revenues in 3Q.
- While metal metal-formed division is likely to grow 4% YoY, mobility/engineering divisions are expected to grow ~25%/15% YoY. Revenue from other businesses will decline 7% YoY.
- We expect EBITDA margin to largely remain stable YoY at 12.9%.
- Overall, we expect the standalone entity to post 15% YoY growth in earnings in 3Q.

### Quarterly performance (S/A)

Y/E March	(INR M)								FY25	FY26E		
	FY25				FY26E							
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	19,603	20,648	19,102	19,573	20,066	21,190	21,216	21,802	78,925	84,274		
YoY Change (%)	10.1	4.8	0.6	-0.3	2.4	2.6	11.1	11.4	3.7	6.8		
EBITDA	2,400	2,460	2,431	2,280	2,474	2,765	2,732	2,721	9,606	10,692		
Margins (%)	12.2	11.9	12.7	11.6	12.3	13.1	12.9	12.5	12.2	12.7		
Depreciation	386	407	432	463	450	474	485	502	1,688	1,912		
Interest	72	69	54	52	37	16	20	17	247	90		
Other Income	137	261	175	1,502	234	229	200	1,564	2,075	2,227		
PBT before EO expense	2,079	2,245	2,120	3,267	2,221	2,504	2,427	3,765	9,745	10,918		
Tax	534	567	512	664	540	637	583	806	2,277	2,566		
Tax Rate (%)	25.7	25.3	24.2	20.3	24.3	25.4	24.0	21.4	23.4	23.5		
Adj PAT	1,545	1,678	1,607	2,603	1,681	1,868	1,844	2,960	7,468	8,352		
YoY Change (%)	4.6	-7.5	2.1	5.0	8.8	11.3	14.7	13.7	1.7	11.8		

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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