Automobiles

Driving steadily ahead

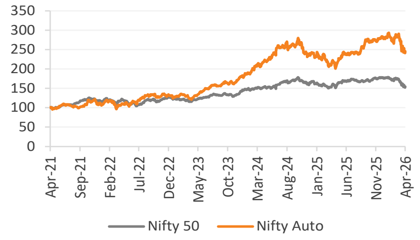
SECTOR UPDATE

Automobiles - Monthly Sales Review

SECTOR VIEW

Positive

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

Quick Snapshot

- Automakers continued their robust show in March, with our coverage universe clocking a 16.5% y-o-y and 4.9% m-o-m rise in sales, with total registrations growing 25.2% y-o-y and 10.8% m-o-m. For FY26, all segments saw strong growth with registrations rising 13.3% y-o-y versus just 6.5% y-o-y in FY25.
- CV and tractors continued their dream run led by strong rural demand, timely harvests and steady infrastructure activity.
- PV players such as MSIL, M&M (SUV) reported best-ever monthly sales while 2Ws like TVS, Eicher (RE) reported record annual sales.
- We stay positive on the sector, led by sustained demand and policy changes but believe exports to be challenging due to West Asia conflict.

The automobiles sector showed strong growth buoyed by a resilient domestic demand led by rural demand and encouraging exports despite global uncertainty. Vahan data also suggest an overall growth of 25.2% y-o-y and 10.8% m-o-m in registrations for March 2026. Highest ever annual sales were recorded for Maruti, M&M (SUVs), Eicher (RE), Tata Motors PV and TVS motors. We believe March had the benefit of the festivals like Chaitra Navratri, Gudi Padwa, Ram Navami, Ramzan Eid, Holi, etc, and sentiment buying from price hikes effective from April (MSIL announced price hikes of up to 4% across models, Tata Motors PV raised prices by ~1%, etc.). Going forward, we expect some softness in demand in Q1FY27 because of the geopolitical scenario having a trickle-down effect. Overall, in FY26, GST rate cuts, higher infrastructure activity, rising rural demand, higher disposable incomes, extended subsidies on EVs and normal farming activity helped the automobiles sector.

CV segment: The segment saw continued demand with overall sales in our coverage universe increasing by 12%y-o-y. Although Ashok Leyland's sales increased 5.5% y-o-y, they were below our expectations (25,381 units versus an anticipated 26,500 total units), lagging industry growth. Overall volumes for Tata Motors CV, Eicher VECV and Ashok Leyland grew by 16.7%,10.1% and 5.5%, respectively. While infrastructure activity remains high in domestic markets, CVs could face some pressure due to the ongoing geopolitical overhang affecting transport, freight and delayed purchases.

PV segment: The PV segment performed as per our expectations with the domestic PV volumes growing 17%y-o-y and 2% m-o-m in our coverage universe. We believe that the sentiment buying effect of price hikes pushed March volumes and April would see some pullback. Overall volumes for MSIL, M&M and Tata motors PV grew by 16.7% y-o-y, 25.4% y-o-y and 29.1%, respectively. For FY26, MSIL continues to be the market leader while M&M and Tata Motors PV has claimed the second and third positions, respectively, boosted by demand for SUVs in domestic market. A visible shift continues for MSIL where UVs contribute 46% of domestic volumes in FY26 versus 45% in FY25.

Two-wheelers: The segment remains strong led by Hero MotoCorp, which grew 8.8%y-o-y to 598,198 units in March while TVS saw the most growth of 25% y-o-y in March. Eicher (RE) grew by 10% y-o-y, signaling the premiumization trend and aided by GST rate cut favoring bikes below 350cc. Two-wheeler exports for TVS and Hero saw a growth of 23%y-o-y and 16% y-o-y, respectively while Royal Enfield remained a laggard. While TVS EV sales grew by 44%y-o-y and now contributed 10% to its total sales in March. Vahan data for EVs shows Ather, Hero (Vida), TVS and Bajaj (Chetak) growing by 128%y-o-y, 166.6% y-o-y, 60.2% and 31.3% while it shows Ola electric reported 150% m-o-m growth but down 57% y-o-y with volumes of ~10118 units for March 2026. The top 10 EV two-wheeler players now account for 95% of the market.

Tractor segment: Both M&M and Escorts Kubota grew by 28.9% y-o-y and 6.6% y-o-y respectively led by strong rural demand, timely harvesting and normal conditions for farming across the country. Smaller players like VST Tillers grew by 13% y-o-y, indicating sustained demand. We believe tractors will continue to perform well in domestic markets while exports could see a short-term course correction.

Auto Volumes - March 2026

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Ashok Leyland	25381	24060	5.5	22157	14.6
Eicher RE	112334	101021	11.2	100905	11.3
Eicher VECV	13311	12094	10.1	9986	33.3
Escorts	12119	11374	6.6	10339	17.2
Hero Motocorp	598198	549604	8.8	558216	7.2
M&M Auto	60272	48048	25.4	60018	0.4
M&M Tractor	45035	34934	28.9	34133	31.9
Maruti Suzuki	225251	192984	16.7	213995	5.3
Tata Motors CV	47976	41122	16.7	42940	11.7
Tata Motors PV	66971	51872	29.1	63331	5.7
TVS Motors	519358	414687	25.2	529308	-1.9

Source: Company; Mirae Asset Sharekhan Research

CV Volumes - Benefiting from strong domestic economic activity

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Ashok Leyland	25381	24060	5.5	22157	14.6
Tata Motors	47976	41122	16.7	42940	11.7
Eicher (VECV)	13311	12094	10.1	9986	33.3
M&M	26738	23951	11.6	26100	2.4
Total Universe	113406	101227	12.0	101183	12.1

Source: Company; Mirae Asset Sharekhan Research

Domestic PV volumes: SUVs demand robust, small cars get GST boost

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Maruti	175002	157625	11.0	171710	1.9
M&M	60272	48048	25.4	60018	0.4
Tata Motors	66192	51616	28.2	62329	6.2
Total Universe	301466	257289	17.2	294057	2.5

Source: Company; Mirae Asset Sharekhan Research

Total Two wheeler – volumes : Rural demand sustains momentum

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Eicher Motors	112334	101021	11.2	100905	11.3
Hero MotoCorp	598198	549604	8.8	558216	7.2
TVS Motors	498134	400120	24.5	507862	-1.9
Total Universe	1208666	1366477	-11.5	1546904	-21.9

Source: Company; Mirae Asset Sharekhan Research

Tractor – volumes : Domestic demand led by timely harvests and normal farming conditions

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
M&M	45035	34934	28.9	34133	31.9
Escorts	12119	11374	6.6	10339	17.2
Total Universe	57154	46308	23.4	44472	28.5

Source: Company; Mirae Asset Sharekhan Research

Domestic Volumes

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Eicher (RE)	100406	88050	14.0	91248	10.0
Hero MotoCorp	552505	510086	8.3	516968	6.9
TVS Motors	377915	301223	25.5	371040	1.9
Ashok Leyland	23743	22510	5.5	20314	16.9
M&M Tractors	43403	32582	33.2	32153	35.0
M&M Automotive	97811	79751	22.6	95308	2.6
Maruti Suzuki	178211	160016	11.4	174840	1.9
Tata Motors CV	45825	38884	17.9	40893	12.1
Tata Motors PV	66192	51616	28.2	62329	6.2

Source: Company; Mirae Asset Sharekhan Research

Export Volumes

Company	Mar-26	Mar-25	YoY	Feb-26	MoM (%)
Eicher (RE)	11928	12971	-8.0	9657	23.5
Hero MotoCorp	45693	39518	15.6	41248	10.8
TVS Motors	141443	113464	24.7	158268	-10.6
Ashok Leyland	1638	1550	5.7	1843	-11.1
M&M Tractors	1632	2352	-30.6	1980	-17.6
M&M Automotive	3968	4143	-4.2	3384	17.3
Maruti Suzuki	47040	32968	42.7	39155	20.1
Tata Motors CV	2151	2238	-3.9	2047	5.1
Tata Motors PV	66192	51616	28.2	62329	6.2

Source: Company; Mirae Asset Sharekhan Research

Company Wise volumes for March 2026

Ashok Leyland	Mar-26	Mar-25	YoY	Feb-26	MoM (%)	FY26	FY25	YoY
MHCV	17518	17038	2.8	14755	18.7	142658	126031	13.2
LCV	7863	7022	12.0	7402	6.2	77779	69066	12.6
Total Sales	25381	24060	5.5	22157	14.6	220437	195097	13.0
Eicher Motors	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
CV	13311	12094	10.1	9986	33.3	103497	87726	18.0
2W RE	112334	101021	11.2	100905	11.3	1238659	1009013	22.8
Escorts Kubota	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
Total Sales	12119	11374	6.6	10339	17.2	133670	114516	16.7
Hero MotoCorp	Mar-26	Mar-25	YoY	Feb-26	MoM (%)	FY26	FY25	YoY
Total Sales	598198	549604	8.8	558216	7.2	6468834	5899187	9.7
Maruti Suzuki	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
Domestic PV	178211	160016	11.4	174840	1.9	1974939	1901681	3.9
Export PV	47040	32968	42.7	39155	20.1	447774	332585	34.6
Total sales	225251	192984	16.7	213995	5.3	2422713	2234266	8.4
M&M	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
PVs	60272	48048	25.4	60018	0.4	660276	551487	19.7
CVs & 3W	37539	31703	18.4	35290	6.4	417268	355019	17.5
Total Domestic	97811	79751	22.6	95308	2.6	1077544	906506	18.9
Exports	3968	4143	-4.2	3384	17.3	40996	34709	18.1
Total Automotive	101779	83894	21.3	98692	3.1	1118540	941215	18.8
Tractors	45035	34934	28.9	34133	31.9	526403	421032	25.0
Total Sales	146814	118828	23.6	132825	10.5	1644943	1362247	20.8
Tata Motors	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
CV	47976	27221	76.2	42940	11.7	423193	376903	12.3
PV	66971	45532	47.1	63331	5.7	641587	556492	15.3
TVS Motors	**Mar-26**	**Mar-25**	**YoY**	**Feb-26**	**MoM (%)**	**FY26**	**FY25**	**YoY**
2W	498134	400120	24.5	507862	-1.9	5669948	4608973	23.0
3W	21224	14567	45.7	21446	-1.0	219060	135654	61.5
Total sales	519358	414687	25.2	529308	-1.9	5889008	4744627	24.1

Source: Company; Mirae Asset Sharekhan Research

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