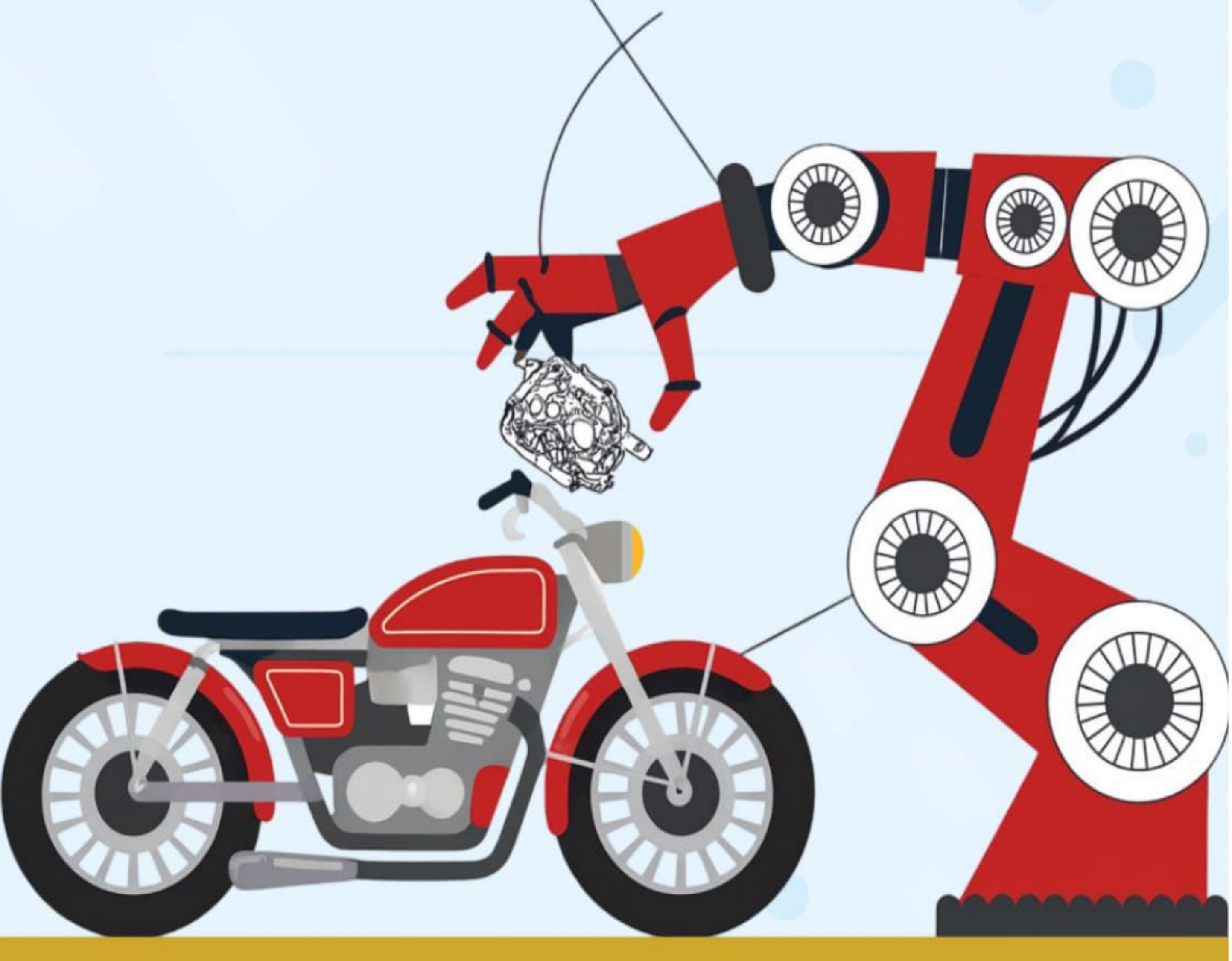
BP Wealth | STOXBOX

ASK Automotive

SHINING STAR SERIES



ASK Automotive Limited

Buy

BP WEALTH

Sector: Auto Components and Equipments | **01st December, 2025**

Investment Thesis

- ⇒ **Strategic diversification via global partnerships to expand product offerings and geographic base**
- ⇒ **Expanding capacity footprint enhances multi-year revenue visibility**
- ⇒ **Structural margin expansion underway, driven by mix, scale and portfolio rationalization**
- ⇒ **Proven execution, strong financials and market leadership support scalability**

Company Background

ASK Automotive Limited (ASKAL), established in 1988 and headquartered in Gurgaon, is India's leading manufacturer of advanced braking systems (ABS), aluminium lightweight precision solutions (ALPS), and safety control cables (SCC), with a strong focus on the two-wheeler sector. The company operates 18 manufacturing facilities across India and has built a robust customer base comprising leading OEMs such as Hero MotoCorp, Honda, Suzuki, TVS, Yamaha, Bajaj, and Royal Enfield, catering to both internal combustion and electric vehicles. Its diversified product portfolio includes brake shoes, disc brake pads, alloy wheels, engine and chassis components, wheel assemblies, and specialised control cables, with exports spanning more than 50 countries (ASK Automotive in 14 countries and ASK Fras-le in 42 countries). In FY25, ALPS contributed the largest share of revenues at 45.3% (up 28% YoY), followed by ABS at 36.7% (up 16% YoY) and SCC at 3.8% (up 14% YoY), while the remainder came from wheel assemblies (10.7%) and other products (3.5%). With approximately 50% market share in domestic two-wheeler braking systems, ASK enjoys a dominant industry position. As of FY25, ASK Automotive Limited has established several strategic collaborations and joint ventures to strengthen its product portfolio and technological capabilities. The company entered a joint venture with AISIN Group (Japan) to expand its passenger car aftermarket presence across India, Nepal, Sri Lanka, and Bangladesh, with the agreement signed in April 2024. In March 2025, it signed a technical assistance and license agreement with Kyushu Yanagawa Seiki Co. Ltd. (Japan) to manufacture high-pressure die-cast alloy wheels for two-wheelers, leveraging the partner's technical expertise. Additionally, ASK formed a joint venture with TD Holding GmbH (Germany) in June 2025 for producing sunroof control cables and helix cables for passenger vehicles, with ASK holding a 49% stake, pending regulatory approvals. Earlier, in February 2024, the company entered a strategic partnership with LIOHO Machine Work Ltd. (Taiwan) for the production of two-wheeler alloy wheels.

Company Overview

ASK Automotive Limited				
Business Segment	**ABS**	**ALPS**	**SCC**	**Other**
Revenue Share as of FY25	37%	45%	4%	14%

Source: Company Reports, BP Equities Research

2W Customers & Years of Relationship	
Customer	**Years of Relationship**
Hero MotoCorp Limited	32
Honda	24
Bajaj	23
Yamaha	23
TVS	22
Suzuki	18

Source: Company Reports, BP Equities Research

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook | **Positive**

Stock

CMP (Rs.)	493
Target Price (Rs.)	593
BSE code	544022
NSE Symbol	ASKAUTOLTD
Bloomberg	ASKAUTOL IN
Reuters	ASKA.BO

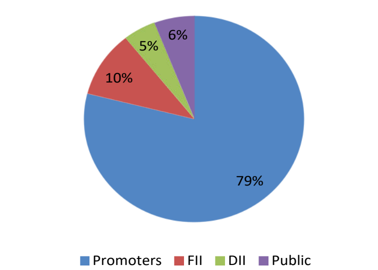
Key Data

Nifty	26,176
52 Week H/L (Rs.)	579/333
O/s Shares (Rs. Cr.)	19.7
Market Cap (Rs. Cr.)	9,716
Face Value (Rs.)	2

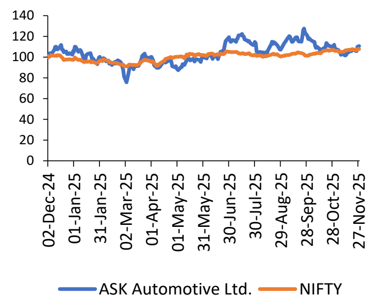
Average volume

3 months	446,510
6 months	380,700
1 year	299,240

Share Holding Pattern (%)



Relative Price Chart



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ASK Automotive Ltd.

Product Portfolio				
Segment	**2W**	**3W**	**4W**	**CV (JV)**
ABS	Brake Shoe 	Brake Shoe 	Brake Shoe 	Brake Lining 
	Brake Pad 		Brake Pad 	Brake Pad 
	Brake Panel 			
	Case Mission 			
Segment	**2W**	**3W**	**Exports**	**EV**
ALPS	Crank Case 	ECU Body 	Fan 	Geared Pulley 
	Engine Cover 	ECU Housing 	 Demolition Hammer	 Electric Motor Housing
	Cylinder Block 	Throttle Body 	Cover Bottom 	 Battery Housing
	Pillion Grip 	Filter Housing 	Base Adaptor 	
Segment	**2W**	**3W**		
SCC	 Front Brake Cable Assembly	 Gear Shift Cable		
	 Rear Brake Cable Assembly			
	Throttle Cable 			

Source: Company Reports, BP Equities Research

ASK Automotive Ltd.

Manufacturing Footprint (as of FY25)

Plant Location	Number of Plants
Baddi, Himachal Pradesh	1 ASK
Haridwar, Uttarakhand,	2 ASK
Gurugram/Manesar	9 ASK, 1 JV
Karoli, Rajasthan	1 WOS
Ahmedabad, Gujarat	1 ASK
Bengaluru, Karnataka	1 ASK, 2 WOS
Total	18

Source: Company Reports, BP Equities Research

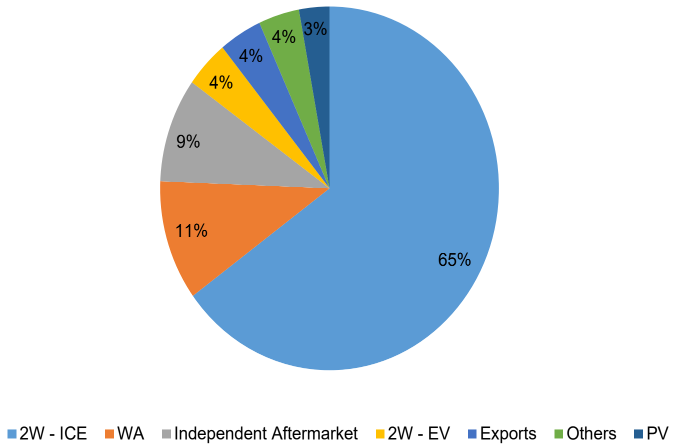
WOS = Wholly Owned Subsidiary, JV = Joint Venture

Customer Base (as of FY25)

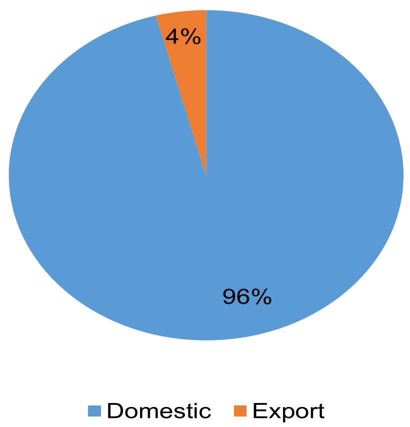
Two Wheeler-ICE	Two Wheeler-EV	4 Wheeler	Commercial Vehicle	Export
Honda	TVS	Maruti Suzuki	VECV	Stanley Black & Decker
Suzuki	OLA	Denso	Tata	APTIV
TVS	Honda	Magneti Marelli	Knorr Bremse	Federal Mogul Italy
Yamaha	Hero MotoCorp	Mahindra	Ashok Leyland	Polaris Inc.
Bajaj	Suzuki	UFI Filters		BRP
Royal Enfield	Bajaj	ASTI		MTP
Brembo	Ampere by Greaves			FDP
Dell'Orto	Revolt			

Source: Company Reports, BP Equities Research

Revenue Break-up by Channel



Geographical Split (FY25)



Source: Company Reports, BP Equities Research

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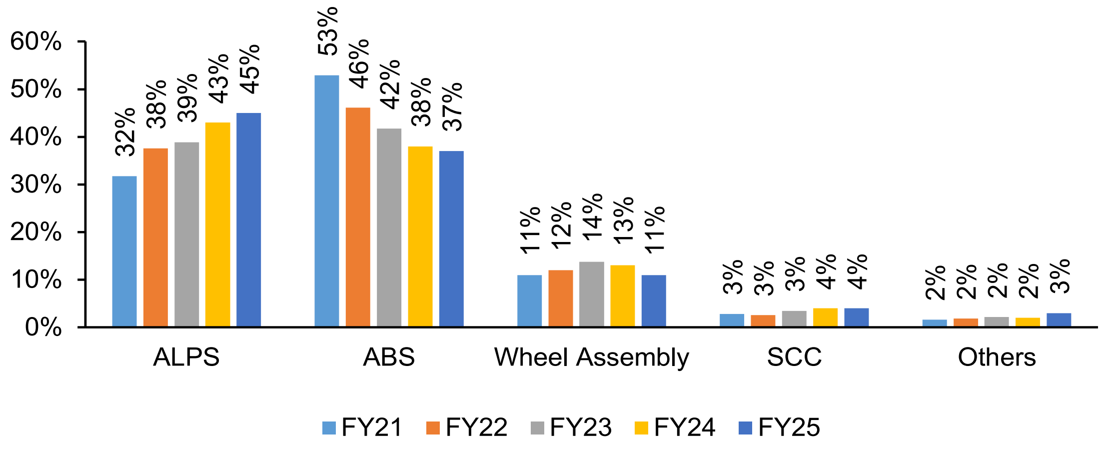
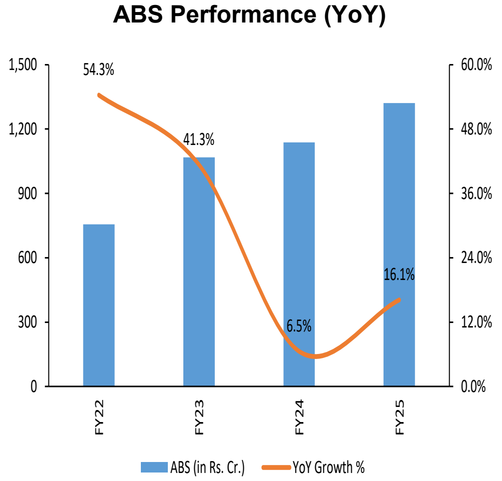
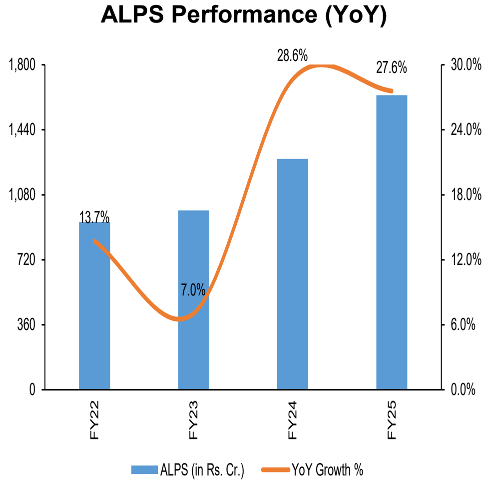
Segmental Revenue Comparison

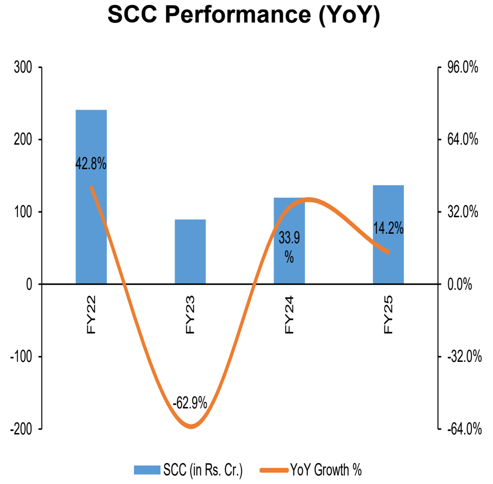


Source: Company Reports, BP Equities Research

Key Segment Performance (YoY)







Source: Company Reports, BP Equities Research

ASK Automotive Ltd.

Investment Rationale

Strategic diversification via global partnerships to expand product offerings and geographic base

ASK Automotive has established a strong presence in the Indian auto component industry, boasting a well-diversified product portfolio. Its offerings span advanced braking systems, aluminium light-weight precision solutions, safety control cables, and wheel assemblies. The company commands ~50% share in the domestic two-wheeler braking market and has entrenched relationships with top OEMs. This broad base across multiple categories provides stability, while continued growth in light-weight aluminium components position the company to benefit from both ICE and EV platforms. Building on this foundation, ASK is strategically accelerating diversification through a series of global partnerships, collaborations, and joint ventures. The company has entered a JV with AISIN Group (Japan) for passenger car products in the independent aftermarket, enabling ASK to expand beyond its traditional two-wheeler stronghold into PV-related adjacencies. Complementing this, ASK has forged technical collaborations with LIOHO (Taiwan) and Kyushu Yanagawa Seiki (Japan) to bolster capabilities in high-pressure die-cast (HPDC) alloy wheels, an important category aligned with the premiumisation of two-wheelers and the industry's shift toward higher aluminium content. CAPEX for the alloy wheel program is already complete, and Q2FY26 commentary indicates that commercial supplies under the Japanese collaboration are expected to begin around April-May 2026, following OEM testing and validation. In parallel, tie-ups with NUCAP (Canada) and FRAS-LE (Brazil) are enhancing innovation in braking and thermal management solutions. In addition, the newly formed sunroof cable JV represents an important forward-looking adjacency for ASK. Sunroof cable assemblies are currently fully imported into India, and ASK's localisation initiative gives it a clear first-mover advantage in a niche, safety-critical PV component witnessing rapid adoption in mass-premium vehicles. With production expected to begin in H2FY27, this JV positions ASK to secure early OEM platform wins and structurally benefit from import substitution over the medium term. On the market side, ASK has been deepening its export footprint, currently present in 12 countries. While FY25 exports remained modest at ~4% of revenues, management has guided for ~20% growth in FY26, supported by new customer additions such as Aptiv, Bombardier, Bendix, Maruti Suzuki, and Mahindra. By leveraging global technology partners and expanding beyond its core two-wheeler base, ASK is positioning itself for structural diversification. This strategy reduces dependence on a single segment, enhances product mix, and opens new growth avenues across passenger vehicles and international markets.

"Alloy wheel projects are advancing, with equipment delivery for the Japanese tie-up expected by Q4 FY26, underpinning an initial Rs. 250 crores revenue potential. "

Strategic Partnership		
Technical Collaboration		
Company Name	**Year**	**Overview**
Japanese Manufacturer	2001	Manufacturer & supplier of Non-asbestos Brake Shoes to the world's leading 2W manufacturers.
HSH Safety Control Cable Ind. Co. Ltd.	2016	Manufacturer of high-quality safety control cables.
NUCAP, Canada	2016	Patented Retention Systems - Mechanical Bonding Disc Brake Pads for 2W, PV and CV.
LIOHO, Taiwan	2024	Manufacturer of automotive system components and metal parts, including HPDC Alloy Wheel.
Kyushu Yanagawa Seiki Co. Ltd., Japan	2025	Motorcycle wheel supplier and aluminium die-cast technology.
Joint Venture		
Fras-le, Brazil	2018	Global leader in brake linings and pads for commercial vehicles, supplying to global OEMs.
AISIN, Japan	2024	Leading Japanese OE auto components supplier. Among the Top 10 global tier-1 automotive suppliers of Passenger Car products.
TDH, Germany	2025	Manufacturing of Sunroof Operating Cables for passenger vehicles with proven licensed technical.

Source: Company Reports, BP Equities Research

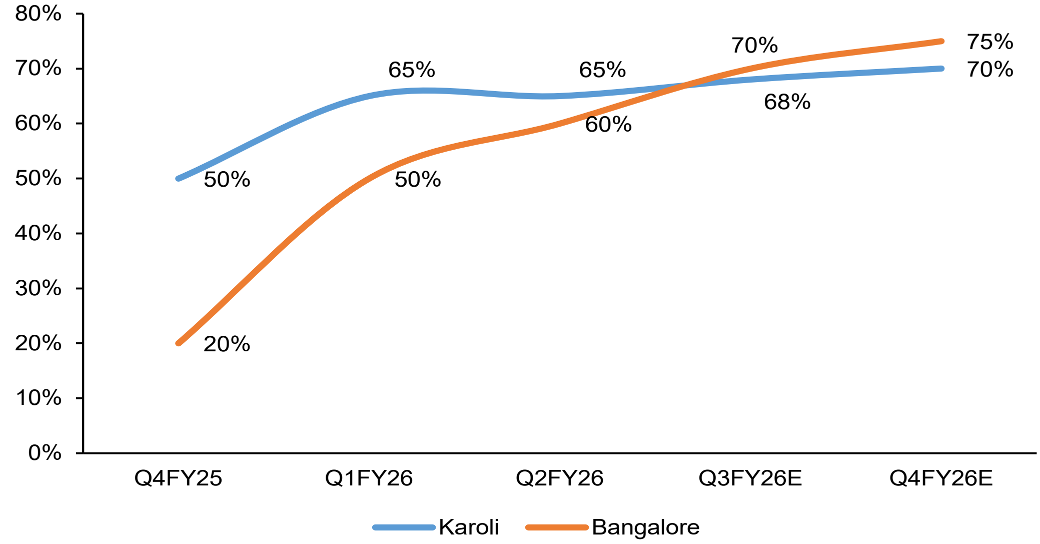
ASK Automotive Ltd.

Expanding capacity footprint enhances multi-year revenue visibility

ASK Automotive offers clear near-term revenue visibility driven by the ramp-up of its two newest facilities, Karoli (Rajasthan) and Bengaluru (Karnataka). The Bengaluru facility, which commenced operations in January 2025, has quickly stabilised and delivered EBITDA profitability within just two quarters of commissioning. As confirmed in the Q2FY26 concall, the plant has already reached ~60% utilisation, achieved corporate-blended EBITDA margin levels and is cash positive, thereby reflecting a faster-than-expected operational ramp-up. Management reiterated that the utilisation is expected to rise to 70-75% by Q4FY26, putting the facility firmly on track to achieve its Rs. 400-500 crores annual revenue potential at full scale. Similarly, the Karoli plant, ASK's largest and most strategically important investment with over Rs. 490 crores already deployed, continues to scale steadily. Although reported utilisation fluctuates due to ongoing incremental capital expenditure additions, the management indicated that the facility is currently operating in the 60-70% range, consistent with earlier expectations. The plant is already contributing an estimated Rs. 500-600 crores in annualised revenues, with a peak potential of Rs. 1,100-1,200 crores as volumes ramp up across braking systems, aluminium castings, and new customer programs. Karoli remains a critical growth lever and continues to deliver operating leverage benefits as utilisation increases and fixed costs are absorbed over a larger production base. Together, the Karoli and Bengaluru facilities provide ASK with the capacity to generate Rs. 800-1,300 crores of incremental revenues over the next 12-24 months. This visibility is supported by a short gestation period, since both plants are already operational and scaling quickly. Management's capital expenditure plan for FY26 remains intact at Rs. 450 crores, of which Rs. 370 crores has already been committed in the first half, reinforcing ASK's preparedness to cater to rising demand in FY27 and FY28, especially for aluminium-intensive applications. This expansion-driven visibility is particularly significant given the muted growth in the domestic two-wheeler industry. ASK has consistently outperformed the underlying industry, supported by deeper OEM penetration and rising content per vehicle. With both Karoli and Bengaluru operating, ASK is structurally positioned to sustain double-digit topline growth even in a weak demand backdrop.

"The upcoming facilities are expected to achieve an asset turnover of 1.75x. This metric emphasizes the efficiency and future revenue generation expected from the capital expenditure."

Rising utilization underpins structural revenue visibility



Source: Company Reports, BP Equities Research

ASK Automotive Ltd.

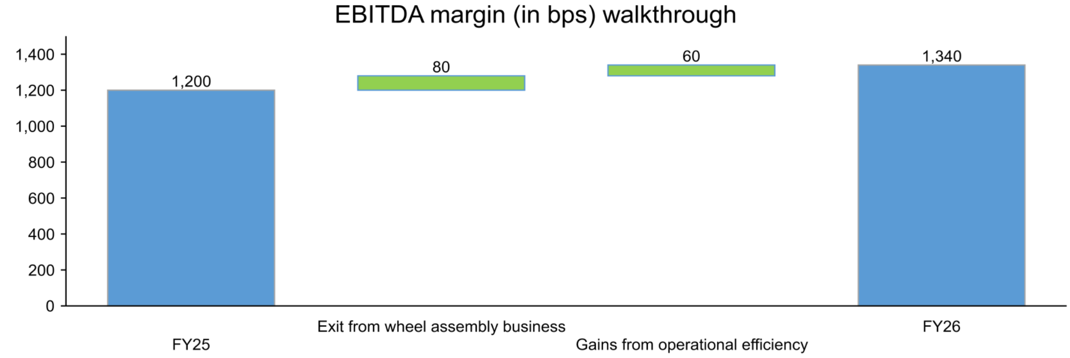
Structural margin expansion underway, driven by mix, scale and portfolio rationalisation

ASK Automotive is entering a structural margin expansion cycle, driven by favourable product mix, better operating leverage, and strategic exit from low-margin businesses. The company's EBITDA margin improved from 10.0% in FY24 to 12.0% in FY25, supported by higher volumes, better absorption of fixed costs, and a shift towards aluminium lightweighting (ALPS) and braking systems, which are structurally higher-margin segments. This trend has strengthened further in FY26. Q1FY26 delivered the company's best-ever quarterly EBITDA margin of 13.4%, an annual improvement of 140 basis points. In Q2FY26, ASK reported an EBITDA margin of 13.0%, a sequential decline considering the sharp rise in aluminium prices during the quarter. Management clarified that the margin compression in Q2FY26 was purely a mathematical impact from higher aluminium pass-through, and that absolute EBITDA was unaffected, reaffirming that the underlying profitability trend remains intact. The company's H1FY26 EBITDA margin of 13.2%, up 136 basis points YoY, underscores this structural shift. Management has guided margins to stabilise in the 13-13.7% range, suggesting that the profitability gains are not one-off but sustainable. A key driver of this improvement is the phased exit from the wheel assembly business, which contributed ~Rs. 300 crores to revenues, but diluted consolidated margins. Eliminating this segment is expected to add ~80 basis points to EBITDA margins, even after accounting for the topline reduction. Meanwhile, the ramp-up of newer facilities at Karoli and Bengaluru is also contributing to margin expansion. As utilisation levels increase, fixed costs are being spread across higher output volumes, enhancing operating leverage. Alongside capacity benefits, the company is also realising savings from its strategically located plants, which reduce logistics costs, and from ongoing cost optimisation initiatives, including renewable energy investments such as a 9.9 MWp solar plant. Together, these factors indicate that ASK's margin expansion is underpinned by structural levers. With a better product mix, reduced exposure to low-profit segments, and rising utilisation at new plants, ASK is positioned to deliver steady and sustainable profitability improvement over the medium term.

"The company maintains an organizational focus on efficiency and tighter cost control, believing these efficiencies will sustain and strengthen as large-scale facilities stabilize."

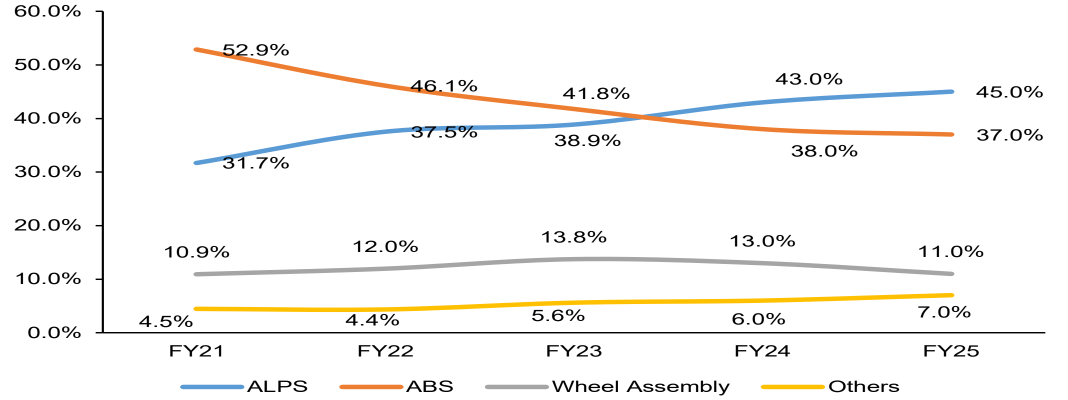
"The business has significantly shifted towards high-potential segments, as seen by the ALPS segment growing by 28% in FY25 and contributing over 45% of total revenue."

Margins to continue its upward trend led by better mix and operational efficiency



Source: Company Reports, BP Equities Research

Conscious shift towards higher ALPS mix to further augur profitability



Source: Company Reports, BP Equities Research

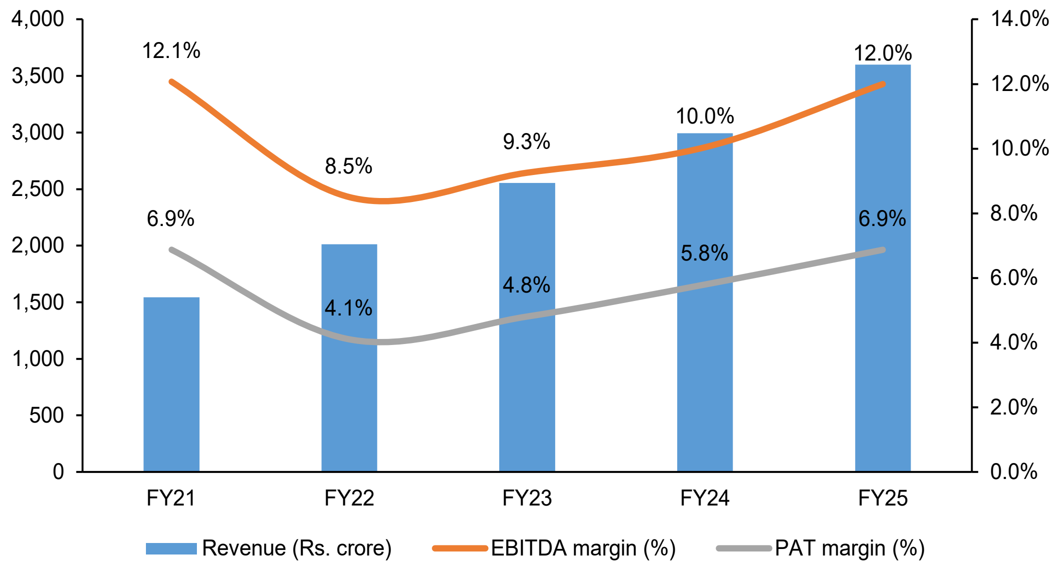
ASK Automotive Ltd.

Proven execution, strong financials and market leadership support scalability

ASKAL has consistently demonstrated execution strength, underpinned by robust financial performance and entrenched market leadership. Over the last five years, the company has delivered a healthy improvement across profitability and return metrics, highlighting both operational efficiency and scalability of its business model. In FY25, revenues rose 20.2% YoY to Rs. 3,613 crores, while PAT grew 42.5% YoY to Rs. 248 crores, supported by margin expansion and cost optimisation initiatives. The company's PAT margin improved to 6.9%, the highest in five years, reflecting operating leverage and a better product mix. Return ratios remain strong, with RoAE at 27% and RoACE at 26% in FY25, up from 13% and 15%, respectively, in FY22. Similarly, ROCE improved to 24%, underscoring efficient capital allocation and strong asset utilisation, as evidenced by a stable asset turnover ratio of ~2.1x. ASK's balance sheet remains conservatively positioned, with a debt-to-equity ratio of 0.4x, enabling it to fund growth without compromising financial stability. Healthy cash conversion is reflected in CFO/EBITDA consistently around 0.8-1.0x, while efficiency gains are visible in working capital metrics such as receivables turnover, improving from 11.2x in FY22 to 17.6x in FY25. Beyond financials, ASK's market leadership strengthens scalability prospects. The company commands ~50% share in India's two-wheeler braking systems segment and supplies to nearly all leading OEMs, including top EV manufacturers. Its 18 manufacturing plants, strategically located near OEM hubs, provide operational agility and just-in-time delivery capabilities. Together, the combination of superior return metrics, disciplined capital deployment, and entrenched OEM relationships underscore ASK's ability to replicate growth while sustaining profitability. With its proven track record and leadership position in critical auto components, the company is well-placed to scale further across both ICE and EV platforms, ensuring sustainable growth over the medium term.

"The company leverages its long-standing relationships with major Indian and Global OEMs, spanning 18 to 32 years, to ensure volume and demand for its powertrain-agnostic products."

Sustained topline momentum with improving profitability profile



Source: Company Reports, BP Equities Research

ASK Automotive Ltd.

Q2FY26 Concall Highlights

Overall Performance and Financial Highlights (Consolidated):

- Q2FY26 revenue (excluding the strategically reduced wheel assembly business) grew 16.6% YoY. Consolidated revenue, including the scaled-down wheel assembly business (-53.6%), grew 8.5% YoY.

- EBITDA grew 14.6% YoY, while Profit After Tax (PAT) increased 20.8% YoY, resulting in the company's second highest quarterly EBITDA margin of 13.0%, an improvement of 102 basis points over Q2FY25, primarily driven by better economies of scale from higher volumes, increased capacity utilisation of the Karoli facility, the ramp-up of the new Bangalore facility, continuous cost optimisation initiatives, and the strategic reduction in the low value-added wheel assembly business.

- EPS during the quarter increased to Rs. 4.1 per share against Rs. 3.4 per share in the same period last year.

- Revenue derived from exports remained stagnant at Rs. 30 crores in Q2FY26 (vs Rs. 33 crores in Q1FY26 and Rs. 41 crores in Q2FY25). However, the management expressed confidence that this year’s exports will surpass those of the previous year.

“The company provided a progress update on its recently announced Sunroof Cable Joint Venture. Setup activities will begin next month, with the project expected to enter production in H2FY27.”

Segment Update

- The company has sustained market leadership position in the Advanced Braking system, while reporting 10% YoY growth in Q2FY26.

- ALPS revenue grew 22% in Q2FY26 on a YoY basis, and the SCC revenue also recorded growth of 2% in Q2FY26 on a YoY basis.

“On the alloy wheel business, the management confirmed that CAPEX has already been executed. Machinery for the Japanese collaboration will be installed in Q4FY26 after which sample production is scheduled for Q1FY27.”

Guidance

- Management reiterated its mid-teens revenue growth guidance for FY26, excluding contributions from the wheel assembly business (organic basis).

- EBITDA margin guidance of 13.7% remains intact, with the management clarifying that the 30 bps margin impact from aluminium inflation affects percentage margins but does not impact absolute EBITDA.

- On longer-term financial efficiency, the management confirmed that the target asset turnover of ~1.75x for new plants (Karoli and Bangalore) remains intact, supported by strong financial prudence and disciplined capital allocation.

“Supplies to Japanese OEMs will commence post-testing and approval.”

Operational Updates and Capacity

- The Bangalore facility, commissioned earlier this year, has scaled up meaningfully and has already reached 60% utilisation in Q2FY26, exactly in line with prior expectations. Management remains confident of achieving 70-75% utilisation by Q4FY26, and importantly, confirmed that this plant has already achieved blended corporate EBITDA margins, indicating a successful and profitable ramp-up.

- The Karoli plant continues to undergo substantial incremental CAPEX, which keeps utilisation readings slightly distorted. Management stated that utilisation currently stands at ~60%, but will operate in the 60-70% range given ongoing investments. They expect utilisation to trend upwards as newly added capacities stabilise.

- Regarding capital expenditure, the company has planned Rs. 450 crores of CAPEX for FY26, of which Rs. 370 crores has already been committed in H1FY26. Within this total, Rs. 250 crores is earmarked for Karoli and Rs. 100 crores for further expansion in Bangalore. The company indicated that a ~Rs. 400 crores annual CAPEX run-rate is likely to continue, consistent with their aspiration to grow ahead of the industry.

“The Taiwan collaboration has already produced samples currently under extended customer testing (given the product’s safety-critical nature). Management stated that the completed CAPEX supports ~Rs. 250 crores in revenue potential once approvals are cleared.”

Wheel Assembly Business Scale Down

- The planned strategic reduction of the low-value-added wheel assembly business continued through Q2FY26, with revenues in this segment declining 53.6% YoY, as intended. Management reiterated that the focus remains on improving margin mix, and the scale-down of wheel assembly has played a meaningful role in driving consolidated margin improvement.

ASK Automotive Ltd.

Valuation & Outlook

ASK Automotive's growth story is supported by a combination of proven execution, superior financial performance, and strong near-term growth visibility. The company has delivered consistent revenue and earnings growth, with FY25 PAT up 42.5% and return ratios at multi-year highs (RoAE 27%, RoACE 26%). Near-term scalability is underpinned by the ramp-up of the Karoli and Bengaluru plants, which together offer Rs. 800-1,300 crores of incremental revenue potential over the next 12-24 months. At the same time, the exit from the low-margin wheel assembly business and higher contribution from aluminium lightweighting and alloy wheels provide structural drivers for margin expansion, already visible in the company's strong H1FY26 performance. Economic tailwinds further strengthen the growth outlook. The Indian two-wheeler market, ASK's core demand driver, was valued at USD 315.9 billion in 2025 and is projected to reach USD 347.4 billion by 2029, implying a CAGR of 2.4%. Total sales in FY25 stood at 19.6 million units, up 9.1% YoY, with scooters leading growth due to better rural and semi-urban connectivity and availability of newer models with enhanced features. Rising disposable incomes, rapid urbanisation, and demand for affordable personal mobility continue to underpin structural demand in this segment. In addition, government incentives supporting EV adoption and localisation are creating incremental opportunities in braking and lightweighting solutions. These trends, alongside reforms in tax structures and easing input cost pressures, provide a favourable operating environment for ASKAL. Further, ASK's strategic diversification through global partnerships with AISIN, LIOHO, and Kyushu Yanagawa Seiki expands its product offerings and geographic footprint, reducing dependence on the domestic two-wheeler cycle. We believe a strong balance sheet, entrenched OEM relationships, capacity readiness, and product diversification position ASK Automotive well for sustained earnings growth and justify its premium positioning within the auto components sector. **We, thus, valued ASK Automotives at 39x FY26E EPS, implying a Target Price (TP) of Rs 593 per share, offering a potential upside of 20% from current levels over a one-year horizon.**

Peer Comparison

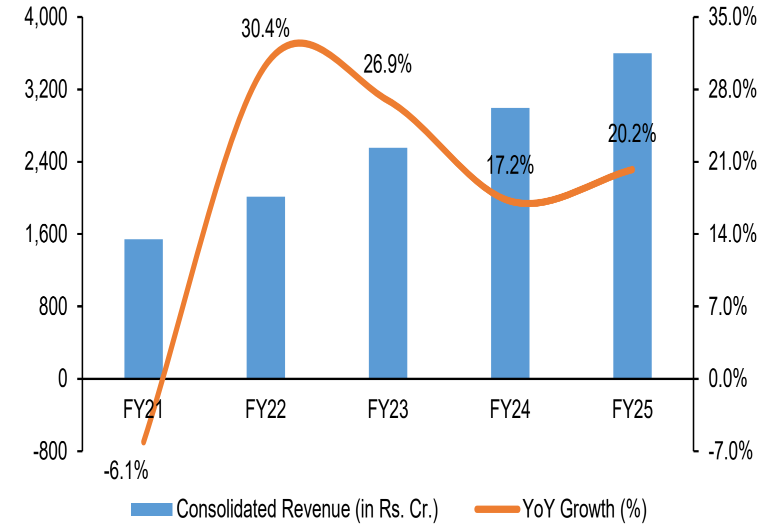
Company Name	Market Cap (In Rs. Cr.)	Revenue (in Rs. Cr.)	EBITDA Margin (%)	PAT Margin (%)	RoE (%)	EV/EBITDA (x)	P/E (x)
ASK Automotive Ltd.	9,716	3,601	12.0%	6.9%	26.6%	226.2	39.3
Peer List							
Endurance Technologies Ltd.	37,757	11,561	13.4%	7.2%	14.6%	21.0	48.3
Uno Minda Ltd.	75,396	16,775	11.2%	6.1%	17.5%	33.8	69.6
Suprajit Engineering Ltd.	6,271	3,277	10.2%	3.0%	6.5%	15.5	39.9
Bharat Forge Ltd.	68,386	15,123	17.8%	6.0%	11.6%	25.5	62.9
Peer Average							
	46,952	11,684	13.1%	5.6%	12.6%	24.0	55

Source: Company Reports, BP Equities Research

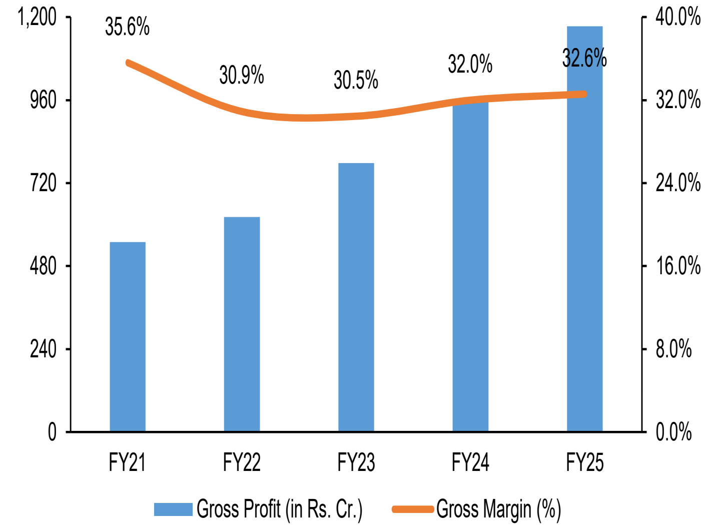
ASK Automotive Ltd.

Financials in Charts

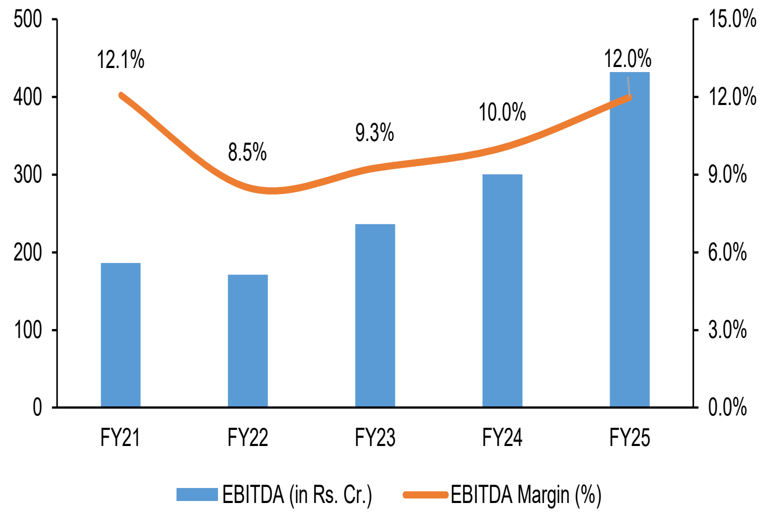
Topline has seen healthy growth



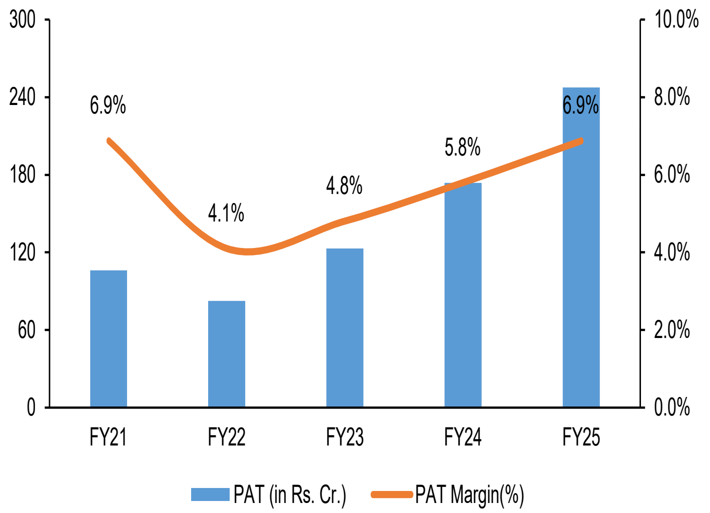
Gross margin improvement led by cost measures



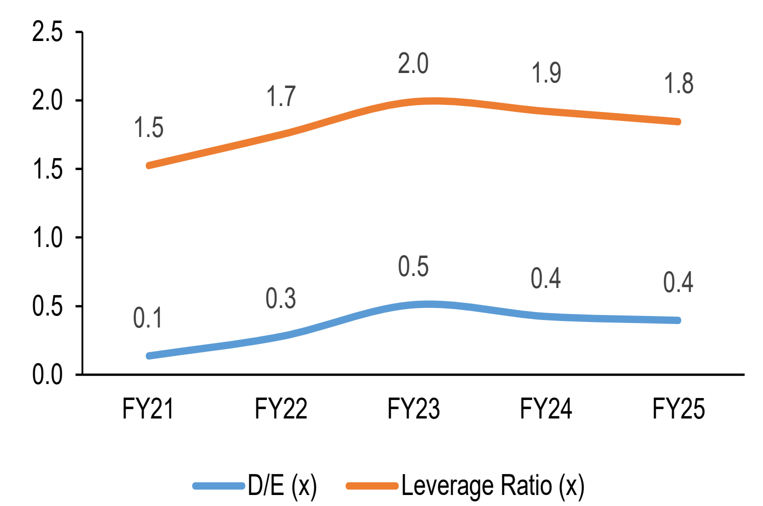
Consistent EBITDA growth with steady margins



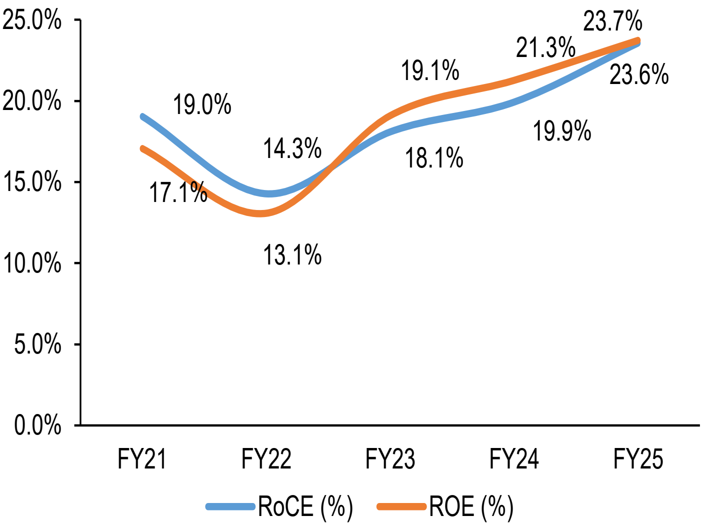
Profitability rebounds with sustained margins



Steady deleveraging reflects financial discipline



Strengthening returns reflect better execution



Source: Company Reports, BP Equities Research

ASK Automotive Ltd.

Key Financials						
YE March (Rs. Cr.)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Net Sales	**2,013**	**2,555**	**2,995**	**3,601**	**3,957**	**4,579**
Growth %	*30.4%*	*26.9%*	*17.2%*	*20.2%*	*9.9%*	*15.7%*
EBITDA	**171**	**236**	**301**	**432**	**531**	**627**
Growth%	*(8.2%)*	*38.2%*	*27.1%*	*43.7%*	*22.9%*	*18.1%*
Net Profit	**83**	**123**	**174**	**248**	**299**	**357**
Growth %	*124.9%*	*48.7%*	*41.3%*	*42.5%*	*20.9%*	*19.4%*
Diluted EPS	**4.1**	**6.2**	**8.8**	**12.6**	**15.2**	**18.1**
Key Ratios						
EBITDA (%)	**8.5%**	**9.3%**	**10.0%**	**12.0%**	**13.4%**	**13.7%**
NPM (%)	4.1%	4.8%	5.8%	6.9%	7.6%	7.8%
ROE (%)	**13.1%**	**19.1%**	**21.3%**	**23.7%**	**23.0%**	**22.2%**
ROCE (%)	14.3%	18.1%	19.9%	23.6%	23.7%	23.8%
Valuation Ratios						
P/E (x)	**120.6x**	**79.8x**	**56.0x**	**39.3x**	**32.5x**	**27.2x**
EV/EBITDA (x)	57.7x	42.4x	33.4x	23.4x	19.0x	16.0x
P/BV (x)	**15.4x**	**15.1x**	**11.9x**	**9.3x**	**7.5x**	**6.0x**

Source: Company Reports, BP Equities Research

Key Risks:

High dependence on domestic two-wheeler market

ASK Automotive derives over 80% of its revenues from the Indian two-wheeler sector. While this provides strong visibility through established OEM relationships, it also exposes the company to the cyclicality of two-wheeler demand. Any slowdown in industry volumes, driven by weak rural consumption, regulatory changes, or a slower-than-expected EV transition, could materially impact ASK's revenues and earnings.

Customer concentration risk

In FY25, ASK Automotive derived a significant portion of its revenues from a limited set of customers, with the top three contributing 33.0%, 14.6%, and 12.5% of consolidated revenues, respectively. Such concentration exposes the company to potential volume and pricing risks, as the loss of or reduced business from any of these customers could materially impact revenues and profitability.

Regulatory risk - Anti-lock Braking Systems (ABS)

ASK Automotive is exposed to regulatory risks, particularly around safety norms and tax policies. A recent draft government notification on ABS implementation introduces uncertainty for the segment. If fully enforced, the regulation could disrupt demand dynamics, given the limited supplier base with adequate capacity. Management has indicated that the potential revenue impact could be as high as Rs. 230 crores in the aluminium segment, underscoring the company's vulnerability to regulatory changes.

Management Overview

Name	Position	Overview
Kuldip Singh Rathee	Chairman and Managing Director	He is one of the promoters and a founder of the company. He holds a Bachelor's degree in Arts (Economics Honours). He has previously served in the Central Reserve Police Force, where he was directly recruited for the post of Deputy Superintendent of Police in 1974 and served until 1978.
Prashant Rathee	Whole-Time Director	He was previously a director on the board of A.A. Autotech Private Limited from 2008 till it merged with the company, where he gained experience in the manufacturing sector. He has more than 25 years of rich experience in the manufacturing sector.
Aman Rathee	Whole-Time Director	He was previously a director on the board of A.A. Autotech Private Limited from 2012 till it merged with the company. He has more than 23 years of experience in the manufacturing sector.
Rajesh Kataria	Whole-Time Director	Mr. Kataria has more than 21 years of experience in human resource management. He is currently responsible for Operations Management of the company.
Vijay Rathee	Non-Executive Director	She was previously associated as an officer with Punjab & Sind Bank. She has 17 years of experience in the banking sector and more than 30 years of experience in manufacturing sector.
Arun Duggal	Independent Director	He holds a Bachelor's Degree in Technology (Mechanical Engineering) from IIT, Delhi and a postgraduate diploma in Business Administration from IIM, Ahmedabad. He was previously associated with Bank of America for 26 years, mostly in New York, San Francisco, Hong Kong and Japan and retired as country Chief Executive, India.
Deepti Sehgal	Independent Director	She holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, University of Delhi, New Delhi, and a postgraduate diploma in Business Administration from IIM, Ahmedabad. Mrs. Sehgal has experience in the consultancy sector.
Kumaresh Chandra Misra	Independent Director	Mr. Misra is a retired Indian Administrative Service officer of 1977 batch and has served in the Government of India as a Joint Secretary in the Ministry of Chemicals and Fertilizers and as Director in the Prime Minister's Office. Mr. Misra has also worked as Principal Secretary, Department of Energy and Additional Finance Commissioner in the Government of Bihar.
Yogesh Kapur	Independent Director	He holds a Bachelor's Degree in Commerce (Honours) from University of Delhi, New Delhi, and is a Fellow Member of the Institute of Chartered Accountants of India. He has experience in investment banking and was previously associated with Axis Capital Limited and was also the Managing Director at Enam Securities Private Limited ('Enam').
Vinay Kumar Piparsania	Independent Director	Mr. Piparsania has experience in the global automotive sector. He was previously associated with Ford Motor Private Limited, Ford India Private Limited, BMW Oman (Al Jenaibi International Automobiles LLC), Hero Corporate Service Private Limited, TVS Automobile Solutions Private Limited as President and IIT Delhi Endowment Management Foundation as the Chief Executive Officer and is currently the Principal at MillenStrat Advisory & Research.
Rajan Wadhera	Additional Director Independent Director	He was previously associated with Mahindra and Mahindra Limited as president of the automotive and farm equipment sectors, and with Eicher Motors Limited as Director - supply chain. Mr. Wadhera is a renowned name in the Auto Industry and has a vast experience of more than 40 years in the Auto Sector.

Source: Company Reports, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

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