Pick of the Week

ASK Automotive Ltd.

Innovating India's Auto Safety

February 15, 2026

Reco	BUY
Industry	Auto Ancillaries
LTP (Feb 13, 2026)	Rs 432
Entry Range	**Rs 425-445**
Add on Dips	**Rs 380-390**
Base Case Target	**Rs 472**
Bull Case Target	**Rs 515**
Time Horizon	4 Quarters

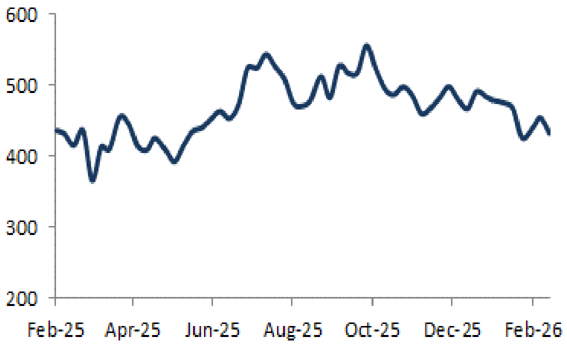
Stock Info

HDFC Scrip Code	ASKAUTOLTD
BSE Code	544022
NSE Code	ASKAUTOLTD
Bloomberg	ASKAUTOL IN
CMP Feb 13, 2026	432.1
Equity Capital (Rs Cr)	39.4
Face Value (Rs)	2
Equity Share O/S (Cr)	19.7
Market Cap (Rs Cr)	8519
Book Value (Rs)	58.8
Avg. 52 Wk Volumes	281,500
52 Week High	578.5
52 Week Low	333.3

Share Holding Pattern % (Dec'25)

Promoters	75.0
Institutions	18.8
Non-Institutions	6.2
Total	100.0

One Year Price Chart



* Refer at the end for explanation on Risk Ratings

Fundamental Research Analyst

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Navigating ahead with precision in execution.

Our Take

ASK Automotive (ASK) is the leading manufacturer of 2W brake shoe and drum braking systems with a combined ~50% market share. Despite being a late entrant, the company has emerged as a sizeable player in aluminium light-weighting components (ALP) and safety control cables (SCC) for the 2W segment, where it is gaining market share.

The company is diversifying its product portfolio and expanding capacities to meet the increasing requirements of its customers. It has commissioned its mega manufacturing facility in FY24 and is setting up its 18th plant in Rajasthan, which is expected to commence operations from Q4FY25. Further its foray in alloy wheels will start generating revenue from Q4FY25. The Company aims to enter new geographies and increase export share to 10% from 4% currently over the next 5 years.

A comprehensive portfolio of EV-specific products puts ASK in a strong position to capture the growth trend in revenue per component as electrification increases, both in India and globally. As a technology-driven business with advanced capabilities, ASK is well-positioned to offer future-ready mobility products and solutions to our customers, enabling long-term growth prospects in domestic and international markets.

- ***We expect ASK's revenue / PAT to grow at 14% / 20% CAGR over FY25-28E, driven by growing wallet share from existing customers, expanding geographical footprint, and an increase in kit value from rising 2W/3W electrification. We believe investors can buy the stock in the band of Rs 425-445 and add on dips in Rs. 380-390 band (18x FY28E EPS) for a base case fair value of Rs 472 (22x FY28E EPS) and bull case fair value of Rs 515 (24x FY28E EPS) over the next 4 quarters.***

Achieving Record Growth in Q3FY26

ASK Automotive delivered a robust financial performance in Q3FY26, reporting its highest-ever consolidated revenue, EBITDA, and PAT. Consolidated revenue for the quarter grew by 18.5% YoY to Rs 1,089cr, while EBITDA increased by 27.3% YoY to Rs 141cr. This growth was primarily driven by a 28% YoY increase in revenue from core business segments (excluding the low-value wheel assembly business). EBITDA margins expanded by 90 basis points YoY to reach 13%, supported by higher volume-driven economies of scale and improved capacity utilization at the Karoli and Bengaluru facilities. PAT also grew significantly, rising 21.3% YoY to Rs 80cr.

Segmental performance: The Aluminum Lightweighting Precision Solutions (ALPS) segment was a key contributor, growing 36% YoY, while Advanced Braking Systems (ABS) and Safety Control Cables (SCC) grew by 22% each. The company continued its strategic focus on high-value products, deliberately reducing its low-margin wheel assembly business by 51.5% YoY. In terms of market presence, ASK maintained its leading position in the 2W braking segment with approximately 50% market share in India. The company is also successfully diversifying its revenue streams, with the Independent Aftermarket (IAM) contributing 11.4% and exports accounting for 3.5% of Q3 revenue.

Management Guidance and Strategic Outlook: Management expressed strong optimism for the future, highlighting that "Q4 is going to be very bright and even the next year seems to be very good". Key growth strategies involve strengthening their position in the EV sector, where they currently serve all top Indian 2W ICE and EV manufacturers.

Financial Summary

Particulars (Rs Cr)	Q3FY26	Q3FY25	YoY-%	Q2FY26	QoQ-%	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	1084	915	18.5	1054	2.9	2,995	3,601	4,030	4,653	5,400
EBITDA	141	111	27.3	137	2.8	301	432	524	619	734
APAT	80	66	21.3	80	0.2	174	248	295	348	423
Diluted EPS (Rs)	4.1	3.3	21.3	4.0	0.2	8.8	12.6	15.0	17.7	21.4
RoE-%						23.8	26.6	25.2	24.0	23.8
P/E (x)						49.0	34.4	28.9	24.5	20.2
EV/EBITDA (x)						29.4	20.6	17.2	14.5	12.2

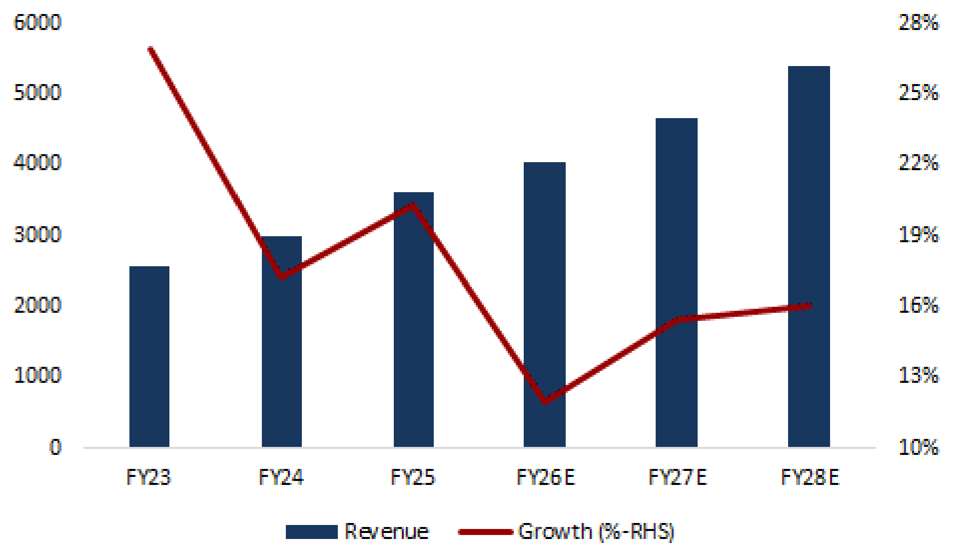
(Source: Company, HDFC sec)

Valuation & Recommendation:

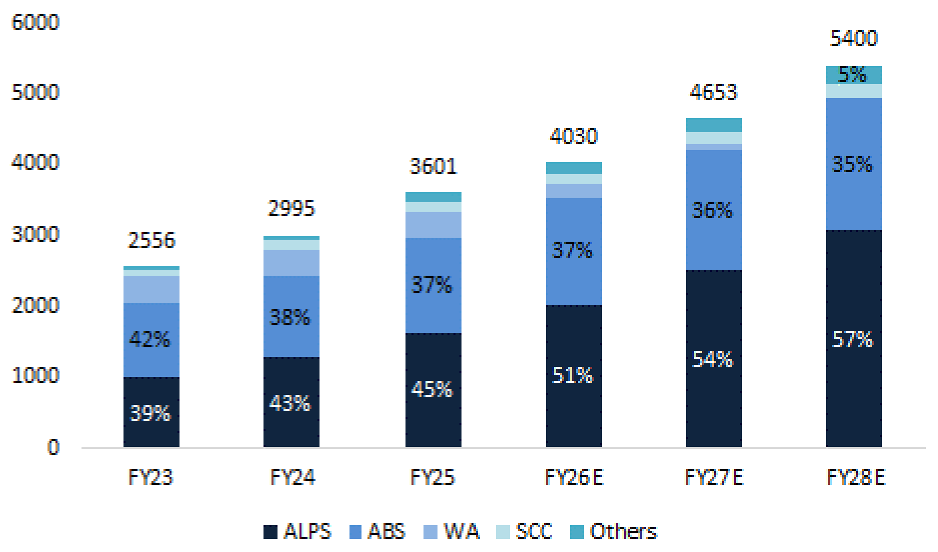
We expect ASK's revenue / PAT to grow at 14% / 20% CAGR over FY25-28E, driven by growing wallet share from existing customers, expanding geographical footprint, and an increase in kit value from rising 2W/3W electrification. We believe investors can buy the stock in the band of Rs 425-445 and add on dips in Rs. 380-390 band (18x FY28E EPS) for a base case fair value of Rs 472 (22x FY28E EPS) and bull case fair value of Rs 515 (24x FY28E EPS) over the next 4 quarters.

Story in Charts

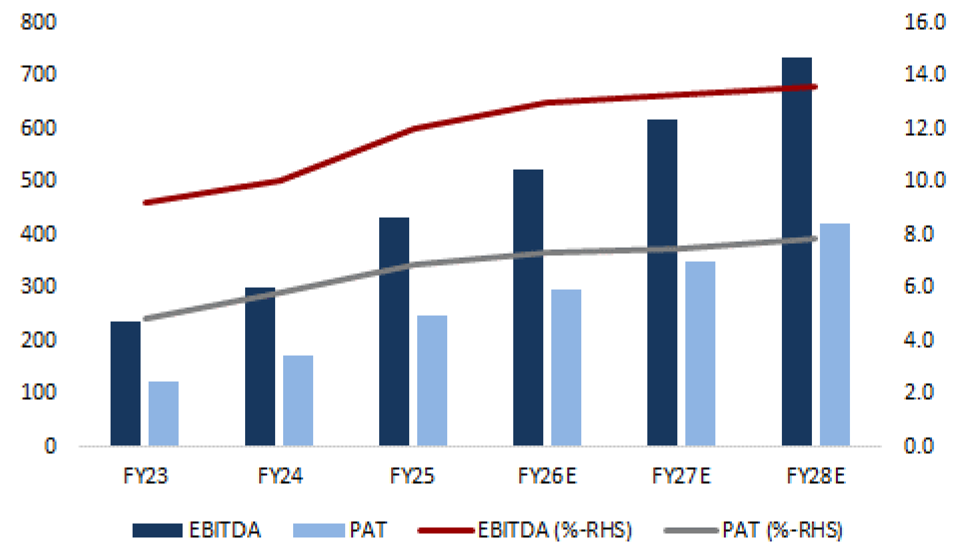
Revenue trend



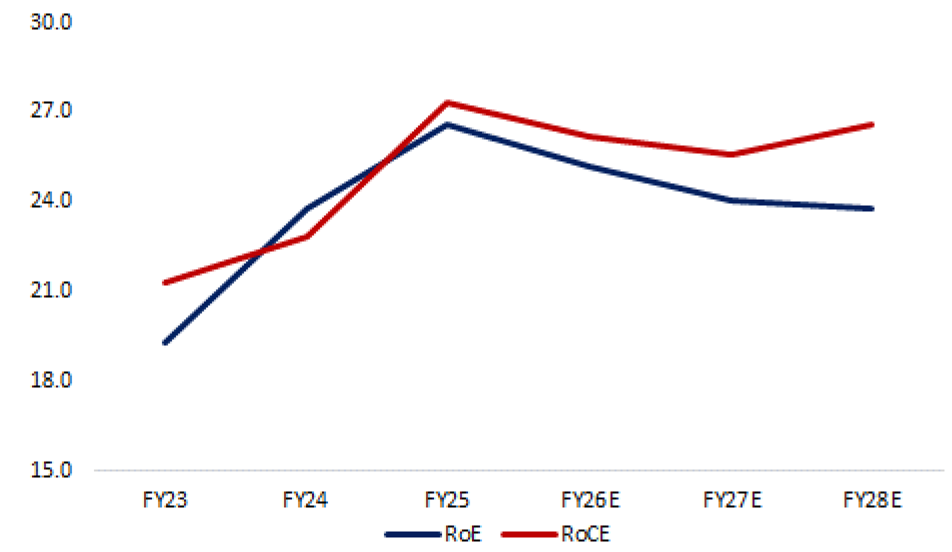
Segmental breakup



Margin trend



Return ratios (%)



(Source: Company, HDFC sec)

Key Drivers

Leadership in ABS with over 50% market share

Leadership position in 2W industry with strong growth potential

India is the largest motorised 2W market in the world, with domestic sales of 18.9 million units in FY25. It constitutes approximately 76% of the total market, comprising 2Ws, 3Ws, PVs and CVs by volume. Furthermore, India is also one of the largest exporters of 2Ws in the world. According to Crisil MI&A, 2W production volumes are expected to increase at CAGR of 8-10% over FY23-FY28 driven by improving macroeconomic factors, higher penetration in semi-urban and rural markets, continued focus of banks and NBFCs on semi-rural and rural areas as well as increasing growth of personal mobility in urban areas. With 2W OEMs expanding their geographical footprint, exports are also expected to grow strongly. ASK is the leader in Advanced Braking System (ABS) for 2W with over 50% market share. It derives ~90% of its revenue from the 2W segment (OEM and aftermarket) and is likely to benefit from the growth.

Powertrain agnostic products to drive next leg of growth

Powertrain agnostic products to drive EV growth

EV penetration in the 2W market in India is expected to reach 24%-26% by FY28, growing at a CAGR of 55%-58% between FY23 and FY28, and the demand for 3W EVs is also expected to grow at a similar rate. With more model launches by OEMs, issues of range anxiety (i.e., the fear that the vehicle will be drained of charge mid-journey) being addressed, and declining battery prices, EV volume is expected to grow rapidly globally.

ASK has a comprehensive portfolio of EV-specific products and is in a strong position to capture the growth trend in revenue realisation per component with increasing electrification, both in India and globally. Furthermore, with the capability to design and develop precision engineered solutions, and its presence and market share in powertrain-agnostic products like AB systems, it can increase its content per vehicle across EV OEM categories in the 2W, 3W, PV and CV sectors, and is continuously investing in R&D to develop and deliver new and innovative safety systems and critical engineering solutions.

Strong demand for lightweight aluminium based components

Demand for Aluminium-based components has surged over the last few years, driven by the push for lightweighting and thermal management, especially as global OEMs seek to meet stringent emissions targets. The low density of Aluminium is a crucial factor in the auto industry, contributing to weight reduction and fuel efficiency, environmental sustainability, performance enhancements, design flexibility and safety improvements in vehicles.

ALPS designed to fulfill demands of next-generation vehicles

More importantly, Aluminium reduces maintenance requirements while ensuring products are durable and have an improved lifespan. The Company's strong presence in the Aluminium Lightweighting and Precision Solutions (ALPS) segment positions it as a key beneficiary of this trend. With plans to scale its operations globally, the Company is poised to capitalise on the growing demand for ALPS solutions worldwide.

ASK provides precision lightweighting and thermal management solutions under its ALPS segment, such as engine parts, transmission parts, heat sinks for thermal management system, automotive structural solutions and EV specific products, such as motor housing, battery housing and driveline pulleys, require complex engineering processes In addition, it is developing capabilities for product migration from steel and plastics to Aluminium, for lightweighting and thermal management for e-powertrain and e-powertrain products.

The share of ALPS products has been increasing, contributing ~45% of total sales in FY25, up from ~39% in FY23.

Diversifying product portfolio

ASK has been adding products to its portfolio to diversify its revenue sources and also increase the content per vehicle. It has added Safety Control cables and high pressure die casting alloy wheels to cater to both existing and new customers.

Addition of products to increase content per vehicle

Safety control cables (SCC)

SCC are very important parts in the automotive industry, used in motorcycles, scooters, mopeds, and 2W EVs to actuate, control and operate applications such as brake, accelerator, clutch, transmission gear, speedometer, fuel lid, seat lock, choke, battery charging lid. The safety control cable solutions market includes choke, clutch, brake (front and rear), speedo, throttle, seat lock, and fuel cables catering to the motorcycle, scooter, and EV segments in the 2W industry.

The market size for safety control cable solutions is estimated at ~Rs 2100cr in 2023 and is expected to grow at CAGR of 7% over FY23-FY28 to ~Rs 3000cr. The aftermarket is the largest market for this segment; however, the OEM segment is likely to grow at a higher CAGR.

Alloy Wheels

The company has entered into a strategic partnership with LIOHO Machine Works, Taiwan, for technical assistance to design, develop and manufacture high-pressure die-casted 2W alloy wheels. It has also signed a technical collaboration with Kyushu Yanagawa Seiki of Japan (KYSK) to produce highpressure die-cast alloy wheels for twowheelers.The production of alloy wheels is targeted to begin in Q4FY26. This is expected to further expand ASK's kit value in 2Ws and drive healthy growth going ahead.

ASK has also signed JV agreement with AISIN Group, Japan (a Top 10 Global Tier One Auto Component supplier) to market and sell Passenger Car Products in the independent aftermarket in April'24.

Cables for PV

ASK has formed a JV with Germany's TD Holding GmbH for the manufacturing, marketing, and sale of sunroof control cables and helix cables for passenger vehicles. The Company would hold 49% stake in the JV. This marks a strategic diversification for ASK into high-value vehicle electronics and interior systems, amid growing demand for premium features like sunroofs in passenger vehicles.

Diverse and Extensive product portfolio

(Source: Company)

Trade deals to drive higher automobile parts exports

Leverage export opportunities and enter new markets

ASK currently exports its products to 12 countries. It is looking to enter new markets by leveraging our existing relationships with customers outside India. For exports key customers include Stanley Black & Decker, Polaris and MTD Products. Furthermore, it is focusing on increasing export revenues from ABS and ALPS. The export business delivered revenue of Rs 140cr in FY25, down ~5% YoY on account of global automobile slowdown. It has also made a turnaround in its CV business operated under JV ASK Fras-Le Frictions Pvt. Ltd. with the share in JV improving from a loss of Rs 6cr in FY23 to a profit of Rs 6.6cr in FY25. ASK has set up a dedicated export desk to manage existing export portfolio and explore new markets outside India. The recent trade deals signed by India with the EU and USA is likely to drive higher exports of automobile parts.

Long standing relationship with major OEMs

ASK's experience in developing complex critical safety systems and solutions has led to established relationships with several customers. Globally, its customers include players such as Stanley Black & Decker, Polaris, and MTD Products. In India, its major customers include the top six 2W OEMs. ASK has been serving each of the top six 2W OEMs in India for more than 16 years as of June 30, 2023, and some of them since 1994. It has been successful in developing customer relationships.

Long standing relationship with Indian and Global OEM players

(Source: Company)

Risks & Concerns

Slowdown in 2W volumes

ASK derives ~90% of its revenue from 2W segment of the automobile industry. Any slowdown in 2W industry could result in low volume growth for its customers as well as for ASK

Raw material inflation

Cost of raw materials – primarily aluminium – accounts for around 40% of total cost. Global prices for aluminium are volatile thereby exposing the company to price risk.

Customer concentration

Top 3 customers account for ~50% of the revenue and reduction in wallet share from any of these customers could impact its performance significantly.

Forex volatility risk

Although exports account for only 4% of revenues, the company is looking to increase the export share. The rupee fluctuation against USD and Euro could impact its profitability if not properly managed.

EV adoption could render many products obsolete

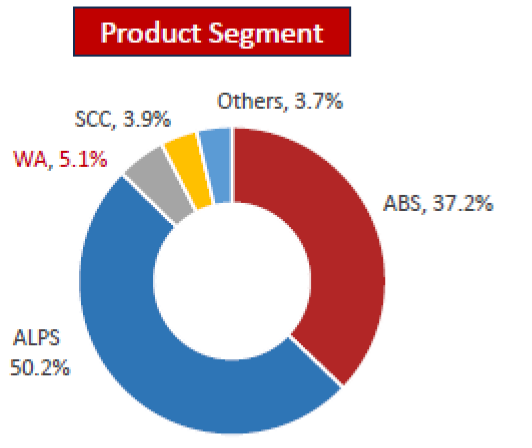
Large scale adoption of EV could render many of the company's products obsolete as cables are not required to the same extent in EVs.

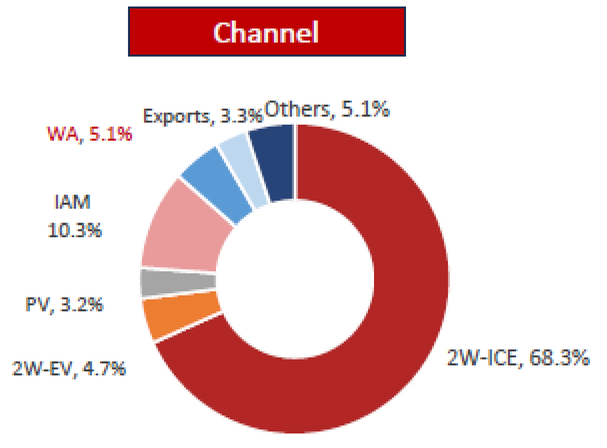
Company Description

AAL is the largest manufacturer of brake-shoe and advanced braking systems for 2W in India with a market share of approximately 50% in FY23 in terms of production volume for OEMs and the branded independent aftermarket, on a combined basis. The Company has been supplying safety systems and critical engineering solutions for more than three decades with in-house designing, developing and manufacturing capabilities. Its products are powertrain agnostic, catering to EV as well as internal combustion engine OEMs. Its brand "ASK" is recognised as the leading brand in the 2W aftermarket in terms of production volume for FY23 in India.

Over the years, AAL has diversified its operations to include offerings such as: (i) Advanced braking systems; (ii) aluminium lightweighting precision solutions, where it is a prominent player for 2W OEMs in India with a market share of 9% (iii) wheel assembly to 2W OEMs; and (iv) safety control cables products. Its products are used across the automobile industry and the non-automotive sector for all-terrain vehicles (ATVs), power tools and outdoor equipment.

Revenue split





(Source: Company, HDFCsec)

Financial Statements

Income Statements

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	**2555**	**2995**	**3601**	**4030**	**4653**	**5400**
Growth (%)	***26.9***	***17.2***	***20.2***	***11.9***	***15.5***	***16.0***
Operating Expenses	2319	2694	3169	3506	4034	4665
EBITDA	**236**	**301**	**432**	**524**	**619**	**734**
Growth (%)	***38.2***	***27.1***	***43.7***	***21.3***	***18.1***	***18.7***
EBITDA Margin (%)	***9.3***	***10.0***	***12.0***	***13.0***	***13.3***	***13.6***
Depreciation	61	69	89	116	139	163
Other Income	11	10	12	16	19	22
EBIT	**187**	**242**	**355**	**424**	**498**	**593**
Interest expenses	11	29	34	39	43	39
PBT	**176**	**213**	**321**	**385**	**455**	**554**
Tax	47	56	80	97	115	140
PAT	**129**	**157**	**241**	**288**	**341**	**414**
Share of Asso./Minority Int.	-6	17	6	7	8	8
Adj. PAT	**123**	**174**	**248**	**295**	**348**	**423**
Growth (%)	***48.8***	***41.3***	***42.5***	***19.1***	***18.1***	***21.4***
EPS	6.2	8.8	12.6	15.0	17.7	21.4

(Source: Company, HDFC sec)

Balance Sheet

Particulars (in Rs Cr) - As at March	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCE OF FUNDS						
Share Capital	39	39	39	39	39	39
Reserves	604	777	1004	1261	1558	1918
Shareholders' Funds	**644**	**817**	**1043**	**1300**	**1597**	**1957**
Minority Interest	0	0	0	0	0	0
Total Debt	318	343	393	503	493	413
Net Deferred Taxes	28	26	29	29	29	29
Other Non-curr. Liab.	3	1	21	23	27	31
Total Sources of Funds	**992**	**1188**	**1486**	**1855**	**2146**	**2430**
APPLICATION OF FUNDS						
Net Block & Goodwill		726	992	1267	1608	1900
CWIP	118	64	65	58	52	47
Investments	4	21	37	37	37	37
Other Non-Curr. Assets	33	33	52	58	67	77
Total Non Current Assets	**881**	**1110**	**1421**	**1761**	**2056**	**2354**
Inventories	154	177	230	254	280	325
Debtors	210	214	195	232	268	311
Cash & Equivalents	2	13	20	10	18	2
Other Current Assets	34	55	58	109	109	117
Total Current Assets	**400**	**458**	**503**	**605**	**676**	**755**
Creditors	170	248	286	331	382	444
Other Current Liab & Provisions	119	133	152	179	204	235
Total Current Liabilities	**289**	**381**	**438**	**510**	**586**	**679**
Net Current Assets	112	78	65	94	90	76
Total Application of Funds	**992**	**1188**	**1486**	**1855**	**2146**	**2430**

(Source: Company, HDFC sec)

Cash Flow Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	170	230	327	392	463	562
Non-operating & EO items	2	-20	-11	-4	-5	-6
Interest Expenses	9	27	32	39	43	39
Depreciation	61	69	89	116	139	163
Working Capital Change	-58	60	-3	-39	13	-3
Tax Paid	-44	-63	-74	-97	-115	-140
OPERATING CASH FLOW (a)	**139**	**303**	**360**	**407**	**537**	**616**
Capex	-150	-280	-330	-450	-425	-450
Free Cash Flow	-11	23	30	-43	112	166
Investments	-12	0	-11	0	0	0
Non-operating income	1	2	2	0	0	0
INVESTING CASH FLOW (b)	**-161**	**-278**	**-339**	**-450**	**-425**	**-450**
Debt Issuance / (Repaid)	158	25	50	110	-10	-80
Interest Expenses	-15	-33	-36	-39	-43	-39
FCFE	121	17	35	27	60	47
Share Capital Issuance	0	0	0	0	0	0
Dividend	0	0	-20	-37	-51	-63
Others	-120	-7	-7	0	0	0
FINANCING CASH FLOW (c)	**143**	**-8**	**-6**	**33**	**-104**	**-182**
NET CASH FLOW (a+b+c)	**121**	**17**	**16**	**-10**	**8**	**-16**

(Source: Company, HDFC sec)

Key Ratios

Particulars	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios (%)						
EBITDA Margin	9.3	10.0	12.0	13.0	13.3	13.6
EBIT Margin	7.3	8.1	9.9	10.5	10.7	11.0
APAT Margin	4.8	5.8	6.9	7.3	7.5	7.8
RoE	19.3	23.8	26.6	25.2	24.0	23.8
RoCE	21.3	22.8	27.3	26.2	25.6	26.6
Solvency Ratio (x)						
Net Debt/EBITDA	1.3	1.1	0.9	0.9	0.8	0.6
Net D/E	0.5	0.4	0.4	0.4	0.3	0.2
Per Share Data (Rs)						
EPS	6.2	8.8	12.6	15.0	17.7	21.4
CEPS	9.3	12.3	17.1	20.8	24.7	29.7
BV	32.7	41.4	52.9	66.0	81.0	99.3
Dividend	0.0	1.0	1.5	1.9	2.6	3.2
Turnover Ratios (days)						
Debtor days	29	26	21	19	20	20
Inventory days	20	20	21	22	21	20
Creditors days	25	25	27	28	28	28
Valuation (x)						
P/E	69.3	49.0	34.4	28.9	24.5	20.2
P/BV	13.2	10.4	8.2	6.6	5.3	4.4
EV/EBITDA	37.4	29.4	20.6	17.2	14.5	12.2
EV / Revenues	3.5	3.0	2.5	2.2	1.9	1.7
Dividend Yield (%)	0.0	0.2	0.3	0.4	0.6	0.7
Dividend Payout (%)	0.0	11.3	11.9	12.7	14.7	14.9

(Source: Company, HDFC sec)

HDFC Sec Prime Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicality of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

Rating Criteria

Buy - > 15%+ return potential
Add - +5% to +15% return potential
Reduce - -10% to +5% return potential
Sell - >10% downside return potential

Atul Jagdish Karwa

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Disclosure:

I, **Atul Karwa,** Research Analyst, **MMS-Finance,** author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
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Any holding in stock – No

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