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Tracking Indian Automobile Volumes and Modelling OEM Financials: Evidence from an Equity Research Internship

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Under the Guidance of (Indira University) & Industry Mentorship of Mr. Rishabh Kale (RK Advisory, Pune)

A B S T R A C T

This paper comes out of the two months (23 May to 23 July 2026) I spent as an Equity Research Intern at RK Advisory, an independent equity research practice based in Pune. My work had two sides. One was tracking monthly vehicle volumes for the Indian automobile industry. The other was building integrated three-statement financial models for five listed manufacturers: Maruti Suzuki, Mahindra & Mahindra, Hero MotoCorp, Eicher Motors and Hyundai Motor India. The paper asks how fast the industry is really growing, how the five companies compared on growth and profitability in FY26, and what the models imply for FY27 to FY30. Industry volumes grew 22% year-on-year to 2.17 million units in June 2026, and exports (+39%) grew faster than domestic sales (+17%). In FY26, Mahindra & Mahindra (+24.6%) and Eicher Motors (+23.0%) recorded the fastest revenue growth, Eicher had the highest EBITDA margin (25.6%), and Hyundai Motor India was the weakest, with revenue up only 2.0% and profit after tax down 3.1%. The models imply revenue growth of roughly 15% to 21% a year over FY26 to FY30E. These projections rest on my own assumptions and not on company guidance, so the paper also points out where they look stretched. A DCF valuation was built during the internship but is not part of this paper, so no investment recommendation is made.

Keywords: Equity research; Indian automobile industry; Financial modelling; Ratio analysis; Automobile OEMs; On the job training

1. Introduction

1.1 Background

The Indian automobile industry is generally described as the third largest vehicle market in the world and as a contributor of roughly 7% to national GDP (India Brand Equity Foundation [IBEF], n.d.). Two-wheelers make up about three-quarters of domestic sales, followed by passenger vehicles, commercial vehicles and three-wheelers. The sector is also changing in structure. Buyers are moving towards SUVs, alternative fuels such as CNG, hybrids and electric vehicles are taking a bigger share, and exports are becoming more important for most manufacturers.

1.2 The internship and what this paper covers

RK Advisory is an independent equity research and financial markets advisory practice in Pune, founded and led by Mr. Rishabh Kale, a former Senior Equity Research Analyst at CRISIL and HSBC. I joined as an Equity Research Intern from 23 May to 23 July 2026 and my main responsibility was tracking the automobile sector. In those two months I wrote two monthly Automobile Industry Update notes (May and June 2026), built five financial models, wrote a Q1 FY27 concall note on TVS Motor Company, and prepared company profile notes on three FMCG companies (Hindustan Unilever, Tata Consumer Products and Emami). This paper uses the automobile part of that work.

1.3 Why put volumes and financials together

Industry volume data and company financials are usually looked at separately. Monthly dispatch numbers tell you what is happening in the market right now, while a financial model tells you what a company's accounts might look like a few years out. While working on both, I realised that each one is more useful when read with the other, because a volume trend means very little until you can see how it reaches revenue and margins. The idea of this paper is simply to place the two views side by side for the same set of companies.

1.4 Objectives

The study has four objectives:

To analyse the historical monthly sales trends and volume growth trajectory of leading Indian automobile manufacturers.

To construct integrated financial models for forecasting future revenue streams using key auto-sector operational drivers.

To assess the relative financial performance, market share and competitive position of major auto OEMs within the Indian automotive sector.

To examine the macro and microeconomic factors influencing revenue generation across passenger and commercial vehicle segments in India.

2. Theoretical background

2.1 Industry analysis frameworks

For the sector side of the work I used Porter's Five Forces (Porter, 1980) and a PESTEL scan. My reading of the five forces for the Indian automobile industry was as follows. The threat of new entrants is low, because factories and dealer networks need very large investments and established players already hold the market. Supplier power is moderate, since there are many local component makers, although it is higher for specialised items such as EV batteries and microchips. Buyer power is high, because customers can compare brands, prices and features easily. The threat of substitutes is moderate: metros and cabs are a real alternative in big cities, but not in smaller towns where a personal vehicle is still a necessity. Competitive rivalry is very high, as Maruti Suzuki, Tata Motors, Mahindra & Mahindra and Hyundai keep launching new models and discounting to hold on to the same buyers. This assessment is my own judgement based on the sector notes, not the result of a survey.

The PESTEL scan pointed to policy and macro drivers that showed up again and again in the June 2026 note: the GST 2.0 rate changes, the PM eDRIVE subsidy for electric two- and three-wheelers, free trade agreements opening export markets in Africa, Latin America and ASEAN, lower financing costs, a rural demand recovery, and fuel prices of about Rs. 113 per litre for petrol and Rs. 98 per litre for diesel as of June 2026.

2.2 Fundamental analysis and financial modelling

The company-level work follows the fundamental, bottom-up approach associated with Graham and Dodd (1934), where an analyst starts from audited financial statements and ratios, and judges a business on its financial strength instead of short-term market mood. For the modelling itself I followed the standard three-statement method described in Damodaran (2012) and on his teaching website (Damodaran, n.d.). Revenue is built from operating drivers, here sales volume multiplied by average selling price (ASP). Costs, working capital and capital expenditure are then projected so that the income statement, balance sheet and cash flow statement stay consistent with each other.

2.3 Ratio framework

The ratios computed in every model fall into four groups. Liquidity ratios (current, quick and cash ratio) show whether a company can meet obligations due within a year. Leverage ratios (debt to equity, equity ratio and interest coverage) show how much the company depends on borrowing. Profitability ratios (gross, EBITDA, EBIT and PAT margins, return on assets, return on equity and return on capital employed) show how much profit is earned per rupee of sales and of capital. Efficiency ratios (asset turnover, inventory days, receivable days, payable days and the cash conversion cycle) show how well working capital and assets are used. The theory I relied on came mostly from standard textbooks and not from journal articles, which suited the practical nature of the assignment.

3. Research methodology

3.1 Design and data sources

The study is descriptive and analytical and it uses only secondary data. Monthly industry volumes were compiled from the Society of Indian Automobile Manufacturers (SIAM, n.d.), which publishes wholesale dispatch data, and the Federation of Automobile Dealers Associations (FADA, n.d.), which publishes retail registrations. Company financial statements were taken from company websites and investor filings and from the BSE and NSE websites. The volume analysis covers May and June 2026 for passenger vehicles (PV), two-wheelers (2W), three-wheelers (3W) and commercial vehicles (CV), split between domestic sales and exports. The financial analysis covers actual results for FY25 and FY26 and projections for FY27E to FY30E for the five OEMs for which models were built: Maruti Suzuki India Ltd, Mahindra & Mahindra Ltd, Hero MotoCorp Ltd, Eicher Motors Ltd and Hyundai Motor India Ltd. In India the financial year ends in March, so FY26 means April 2025 to March 2026.

3.2 How the models were built

The work followed five steps: collecting the data, organising each company's history into a consistent multi-tab workbook, building and linking the models, analysing the outputs and writing the notes, and finally reporting. Every model has the same basic structure. There is a historical income statement, balance sheet and cash flow statement, a revenue forecast sheet (volume times ASP), schedules for fixed assets, right-of-use assets, intangible assets, other equity and working capital, a quarterly profit and loss sheet, and a ratio sheet. Costs were projected as a percentage of sales using the FY25 and

FY26 run-rate, which is how the Maruti Suzuki model, for example, was set up. The three statements are linked, so a change in a volume or margin assumption flows through to the balance sheet and the ratios. Projections run to FY2030.

3.3 Comparability and scope

Maruti Suzuki and Hyundai Motor India report in Rs. million, while Mahindra & Mahindra, Hero MotoCorp and Eicher Motors report in Rs. crore. Because of this, the peer comparison in this paper relies on growth rates and ratios and not on absolute rupee figures. A DCF valuation was also built into each model during the internship, but it is outside the scope of this paper. The TVS Motor Company concall note and the FMCG profiles are used only for supporting observations.

4. Data analysis and findings

4.1 Sector-level findings

Total automobile volumes in June 2026 were 2.17 million units, up 22% year-on-year (YoY). Exports of 529 thousand units grew 39%, well ahead of domestic sales of 1.64 million units, which grew 17%. Growth was broad-based across all four segments, as Table 1 shows.

Table 1 - Indian automobile industry volume growth, June 2026 (YoY)

Category	YoY growth
Total industry (2.17 million units)	+22%
Domestic sales (1.64 million units)	+17%
Exports (529 thousand units)	+39%
Passenger vehicles	+20%
Two-wheelers	+21%
Three-wheelers	+29%
Commercial vehicles	+36%

The May 2026 note pointed the same way, with the four-wheeler segment up 27% and domestic passenger vehicles up 29–30%, so the double-digit momentum was not a one-month event. Electrification was the most visible structural change. Electric two-wheelers reached a record 10.6% of two-wheeler retail sales, electric three-wheelers were above 64% of domestic three-wheeler sales, and alternative fuels reached a record 40% of passenger vehicle sales (CNG 24%, EVs 8% and hybrids 8%). Rural passenger vehicle retail growth (35% YoY) was also ahead of urban growth (24% YoY).

Market share moved a lot at company level. In passenger vehicles, Tata Motors gained about 600 basis points of share on strong EV and facelift-driven demand and Mahindra & Mahindra gained about 100 bps, while Maruti Suzuki lost about 100 bps. Hyundai lost roughly 500 bps after a fire at its Tier-1 vendor, Mobis India Manufacturing, in Tamil Nadu disrupted production in June 2026. In two-wheelers, TVS Motor Company gained 600–800 bps on volume growth of 46–47%, while Hero MotoCorp, still the largest player by volume, lost 800–900 bps because of weakness in its entry-level motorcycles. Smaller segments also had standout numbers: Mahindra & Mahindra's domestic three-wheeler volumes rose 63% and its commercial vehicle exports rose 198%. I have used changes in share here and not share levels, because the levels were not consistent across the different notes I compiled.

4.2 Peer comparison for FY26

Table 2 compares the five OEMs on FY26 revenue and profit. Mahindra & Mahindra recorded the strongest revenue growth (+24.6%) and the strongest PAT growth (+31.9%), which fits with the SUV-led demand (Scorpio, Thar and XUV models) described in the sector notes. Eicher Motors was close behind on revenue growth (+23.0%). Hyundai Motor India was at the other end, with revenue growth of just 2.0% and a PAT decline of 3.1%.

Table 2 - FY26 revenue and profit of the five modelled OEMs

Company	FY26 revenue	Growth	FY26 PAT	Growth	PAT margin
Maruti Suzuki	Rs. 1,832,661 mn	20.6%	Rs. 144,454 mn	3.5%	7.9%
Mahindra & Mahindra	Rs. 147,765 cr	24.6%	Rs. 15,639 cr	31.9%	10.6%
Hero MotoCorp	Rs. 46,830 cr	14.9%	Rs. 5,268 cr	14.3%	11.2%

Company	FY26 revenue	Growth	FY26 PAT	Growth	PAT margin
Eicher Motors	Rs. 22,700 cr	23.0%	Rs. 5,041 cr	17.8%	22.2%
Hyundai Motor India	Rs. 689,905 mn	2.0%	Rs. 53,225 mn	−3.1%	7.7%

Note: mn = million, cr = crore. PAT growth for Eicher Motors was calculated from the PAT figures in its model (Rs. 4,279 crore in FY25 and Rs. 5,041 crore in FY26).

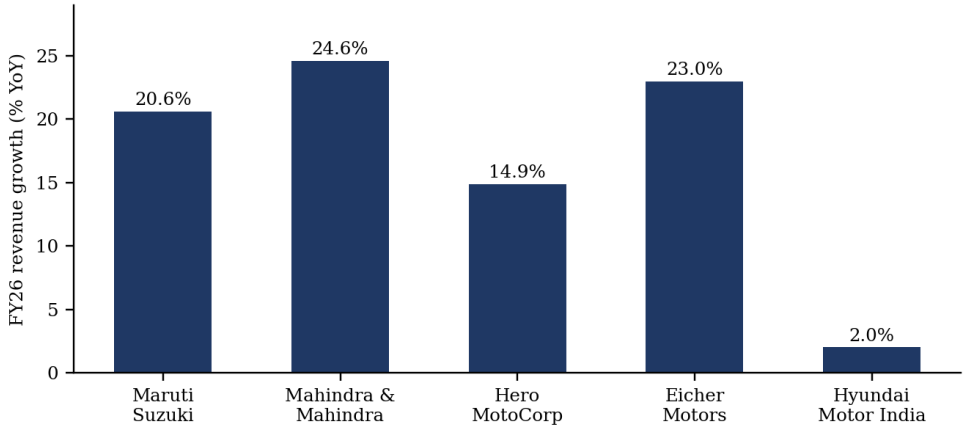


Fig. 1 - FY26 revenue growth (YoY) of the five modelled OEMs.

Revenue growth did not always turn into profit growth, and Maruti Suzuki shows this best. It has the largest revenue base of the group and revenue grew 20.6%, but PAT grew only 3.5%. The EBITDA margin stayed flat at 11.7%, and the model shows the cost of goods sold rising from 71.4% to 72.3% of sales over the year. In other words, most of the extra revenue was used up by costs. Table 3 and Fig. 2 show the margin and return picture.

Table 3 - FY26 margins and return ratios of the five modelled OEMs

Company	EBITDA margin	ROE	ROCE	Debt/Equity
Maruti Suzuki	11.7%	13.7%	13.3%	0.00x
Mahindra & Mahindra	15.7%	21.0%	23.5%	0.01x
Hero MotoCorp	14.7%	24.4%	26.3%	0.00x
Eicher Motors	25.6%	23.1%	21.1%	0.01x
Hyundai Motor India	12.2%	27.5%	28.6%	0.05x

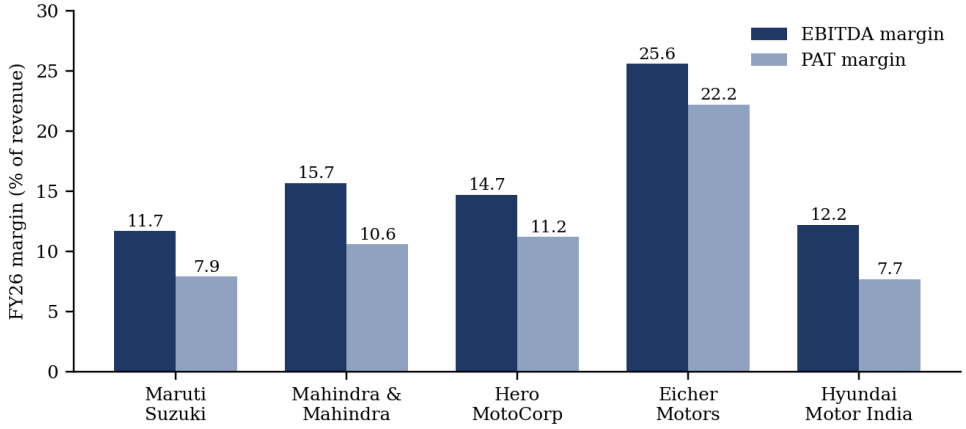


Fig. 2 - FY26 EBITDA margin and PAT margin of the five modelled OEMs.

Eicher Motors stands apart on profitability. Its FY26 EBITDA margin of 25.6% and gross margin of 44.0% are the highest in the group, and its PAT margin of 22.2% is roughly double that of the next best company, which is consistent with the premium positioning of its 350cc-and-above Royal Enfield

range. Hyundai Motor India reported the highest ROE (27.5%) and ROCE (28.6%) despite its weak growth, which reflects a comparatively small equity base in its model. Its debt-to-equity ratio of 0.05x is the highest of the five but still very low. Hero MotoCorp and Maruti Suzuki both carried no borrowings (0.00x). Maruti Suzuki had the lowest ROE and ROCE of the group, partly because it holds a large equity base (an equity ratio of 71.6% in FY26).

4.3 Quarterly patterns inside the models

Looking at quarterly margins in the models gave a better feel for stability. Eicher Motors had the steadiest EBITDA margin, staying between 24.7% and 27.9% in every quarter of FY25 and FY26. Hero MotoCorp stayed in a narrow 14.2% to 15.0% band. Mahindra & Mahindra was the most variable, ranging from 13.3% in Q4 FY25 to 18.4% in Q2 FY26. For Maruti Suzuki, revenue rose from Rs. 384,136 million in Q1 FY26 to Rs. 498,915 million in Q3 FY26, and the EBITDA margin recovered from 10.4% in Q1 FY26 to 11.7% by Q4 FY26.

Hyundai Motor India needs a careful reading. Its quarterly EBITDA margin in the model was 13.3% in Q1 FY26 and 14.0% in Q2, then fell to 11.2% in Q3 and 10.4% in Q4 FY26. The vendor fire happened in June 2026, which belongs to Q1 FY27, so it cannot explain a margin slide that had already happened by March 2026. What the data really suggest is that margin pressure was already building before the fire, and the fire then added a separate hit to production and market share. The models do not tell me what caused the earlier decline, so I have not tried to explain it.

4.4 What the models project for FY27E–FY30E

Table 4 summarises where the five models take revenue and margins by FY30E. The implied compound annual growth rates (CAGR) are calculated from the FY26 and FY30E revenue in each model. They are outputs of my assumptions, not company guidance.

Table 4 - Model-implied revenue growth and margins, FY26 to FY30E

Company	FY26 revenue	FY30E revenue	CAGR	EBITDA margin FY26 → FY30E	PAT margin FY26 → FY30E
Maruti Suzuki (Rs. mn)	1,832,661	3,785,376	19.9%	11.7% → 14.0%	7.9% → 8.0%
Mahindra & Mahindra (Rs. cr)	147,765	268,604	16.1%	15.7% → 15.2%	10.6% → 9.9%
Hero MotoCorp (Rs. cr)	46,830	85,373	16.2%	14.7% → 14.0%	11.2% → 9.4%
Eicher Motors (Rs. cr)	22,700	48,618	21.0%	25.6% → 26.0%	22.2% → 18.4%
Hyundai Motor India (Rs. mn)	689,905	1,198,055	14.8%	12.2% → 12.0%	7.7% → 7.3%

Three things stood out to me. First, the Maruti Suzuki model assumes the EBITDA margin jumps from 11.7% in FY26 to 14.0% in FY27E, together with revenue growth of 23.2%, which is faster than the 20.6% it actually achieved in FY26. This is the most generous assumption in the set. If the margin simply stayed at 11.7%, FY27E EBITDA would be about Rs. 264,000 million and not the Rs. 315,320 million in the model, which is roughly 16% lower. Second, the Maruti Suzuki model has revenue growing at about 19.9% a year while total volumes grow at about 11.0% a year (from 2,422,713 units in FY26 to 3,678,187 in FY30E). Since revenue is volume times price, this implies the average revenue per vehicle rising by about 8% a year. The same check gives about 5% a year for Hero MotoCorp and Eicher Motors. The Maruti Suzuki assumption deserves a harder look before anyone relies on the forecast.

Third, the PAT margin falls between FY26 and FY30E in four of the five models, even where the EBITDA margin is held almost flat (Eicher Motors goes from 25.6% to 26.0% at EBITDA level, but its PAT margin falls from 22.2% to 18.4%). That gap comes from the lines between EBITDA and PAT in each model, which I have not broken down in this paper. On the balance sheet side, the Maruti Suzuki model keeps debt at zero throughout, so its current ratio rises from 1.07x in FY26 to 2.09x in FY30E and its cash ratio from 0.00x to 1.13x as cash builds up.

4.5 A supporting case: TVS Motor Company

The TVS Motor Company concall note for Q1 FY27 gave a useful two-wheeler comparison, although TVS was covered through a concall note and not a full model. Revenue grew 37.8% YoY to Rs. 138.9 billion, the strongest top-line growth of any company I covered. Table 5 shows the headline numbers.

Table 5 - TVS Motor Company, Q1 FY27 versus Q1 FY26 (Rs. billion)

Metric	Q1 FY26	Q1 FY27	YoY
Revenue	101	139	+37.8%
EBITDA	13	18	+40.9%

Metric	Q1 FY26	Q1 FY27	YoY
EBITDA margin	12.5%	12.8%	+28 bps
PAT	8	12	+50.8%
PAT margin	7.7%	8.4%	+72 bps

Exports were 26% of revenue and grew 46% YoY to Rs. 3,634 crore. EV revenue reached Rs. 1,780 crore, EV volumes grew 67%, and the iQube crossed 1 million cumulative sales, with iQube volumes up 82% YoY to 126 thousand units. The EBITDA margin was about 30 bps lower than in the previous quarter, which management linked to steel and aluminium price increases and supply-chain disruption from the West Asia conflict. These are the same commodity and geopolitical themes that appeared in my sector notes. Management also reiterated a planned investment of about Rs. 3,500 crore, including raising overall two-wheeler capacity from 6.8 million to 8.3 million units by the end of the year, and expected double-digit two-wheeler industry growth in Q2 FY27.

5. Findings against the objectives

For the first objective, volumes grew 22% YoY in June 2026 with exports leading domestic sales, and May 2026 showed similar momentum. For the second, five linked three-statement models were built on a volume-times-ASP revenue build and projected to FY2030. For the third, Mahindra & Mahindra and Eicher Motors were the strongest FY26 performers on growth and margin respectively, Hyundai Motor India was the weakest, and TVS Motor Company led the two-wheeler group on export and EV-driven growth. For the fourth, GST 2.0, the PM eDRIVE scheme, rural income and monsoon patterns, fuel prices and trade agreements were the factors the notes linked to passenger vehicle and export demand.

6. Discussion

Read together, the sector and company data tell a fairly clear story. The industry was in a strong cyclical up-phase in the two months I tracked, helped by GST 2.0, lower financing costs, a rural recovery and rising exports. But a strong industry did not lift every company equally. Maruti Suzuki grew revenue by about a fifth and its profit barely moved. Hyundai grew revenue by just 2.0% and its profit fell. Eicher Motors, with a premium product and the steadiest margins, grew fast and kept very high profitability. The comparison suggests that growth in volumes matters less to profit than pricing power and cost control, which also fits the Porter reading of high buyer power and very high rivalry in the mass market.

The Hyundai episode also showed how fast supply-chain concentration can matter. A single vendor fire was linked to a share loss of roughly 500 bps in one month. Alongside this, the models themselves deserve some caution. They extend a strong cycle forward and I built them using only two months of sector data and no management guidance, so they may carry some cyclical optimism, with the Maruti Suzuki margin assumption the clearest example. Finally, the three FMCG profiles I prepared in parallel showed a similar premiumisation theme, with Hindustan Unilever's Beauty & Well-being segment growing 15% and Emami's Man Company and Brillare range growing 20%, which is much like the shift to premium motorcycles and SUVs in automobiles.

7. Limitations

There are several limits to what this paper can claim. The sector analysis rests on only two months of data (May and June 2026), both strong, so it says little about the full cycle. The forecasts depend on assumptions I formed myself, and I did not have access to management guidance to test them. The peer comparison uses the figures in each company's own model and these were not cross-checked against one common external source. Some historical depth differs between models (Hero MotoCorp and Eicher Motors carry three years of P&L history and the other three carry two), which stopped me from building a uniform longer comparison. The DCF component is excluded, so the paper gives no fair value or investment recommendation for any company. Finally, the share and volume figures come from the notes compiled during the internship and, where those were inconsistent with each other, I used changes in share and growth rates and not absolute levels.

8. Conclusion and recommendations

Putting volume tracking and financial modelling together gave a more useful picture than either alone. The industry grew 22% in June 2026 with exports leading, but among the five OEMs, FY26 results ranged from Mahindra & Mahindra's 24.6% revenue growth and 31.9% PAT growth to Hyundai's 2.0% growth and 3.1% PAT decline. Eicher Motors combined fast growth with the highest margins. The models imply revenue CAGRs of about 15% to 21% to FY30E, but the Maruti Suzuki margin and price assumptions in particular should be tested before use.

Based on this work, I would make four recommendations to RK Advisory. First, refresh the five models every quarter against actual results, in line with each company's results calendar, and not leave them static. Second, extend coverage to Tata Motors, Bajaj Auto and Ashok Leyland, which appeared prominently in the June 2026 note but do not yet have models. Third, keep the underlying monthly OEM volume data in one master file so that a longer market-share history builds up over time. Fourth, once a longer record of quarterly actuals exists, review and extend the DCF component that was left

out of this paper. A further step would be a similar modelling framework for the three FMCG companies, to add a defensive sector next to the cyclical automobile coverage.

On a personal note, the biggest lessons for me were practical ones: how to build a fully linked model in Excel, how to turn an earnings call into a structured note, how important it is to bring figures into the same units before comparing companies, and how event-driven numbers, like the Hyundai production loss, must be verified before they go into a published note.

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