

April 30, 2020

Section I: Update – What went down?

FY20 was a tough year for the entire Indian automotive industry. Myriad demand and supply side issues continued to trouble the space, continuing the system-wide weakness that set in around the 2018 festive period. Broad-based decline in OEM volumes (*Exhibit 1*) throughout the year encapsulated the pain at that level as well as the knock-on impact on supporting ecosystems of ancillaries, on the one hand, and dealerships, on the other. Higher cost incidence and general reluctance in consumer spending affected the PV and 2-W segments most, while slowing economic activity and system overcapacity took a toll on CV segment. OEM focus on inventory destocking in the run up to BS-VI switchover from April 2020 and Covid-19 outbreak were other issues that adversely impacted Q4FY20, in particular.

Total industry volumes fell 14.8% YoY to 2.63 crore – one of the worst performances in decades, with all major segments registering hefty declines-

- **PV - Down 14.8% YoY** to 34.53 lakh units, was dragged by 19.9% dip in passenger cars and 39% decline in vans. UV sub segment, however, posted 2.7% growth courtesy several successful new product launches
- **CV – Was hardest hit, down 29.7% YoY** to 7.78 lakh units. M&HCV sub segment dropped 43.3% amid persistent weakness in trucks (down 49.1%) while buses bucked the trend (up 3.5%). LCV sub segment came off by 20.7% with both – passenger and goods categories in the red
- **3-W – Was down 10.2% YoY** to 11.39 lakh units amid double digit declines in passenger as well as goods categories
- **2-W – Was down 14.4% YoY** to 2.1 crore units. Scooters sub segment fell 16.4% YoY; motorcycle sub segment was down 12.8%

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Exhibit 1: Segment-wise auto industry sales volumes for FY20

	Domestic			Exports			Total Sales		
	FY19	FY20	YoY	FY19	FY20	YoY	FY19	FY20	YoY
Passenger Vehicles (PV)	3,377,389	2,775,679	-17.8%	676,192	677,311	0.2%	4,053,581	3,452,990	-14.8%
Passenger Cars (PC)	2,218,489	1,697,545	-23.5%	513,912	490,748	-4.5%	2,732,401	2,188,293	-19.9%
Utility Vehicles (UV)	941,474	946,010	0.5%	158,251	183,671	16.1%	1,099,725	1,129,681	2.7%
Vans	217,426	132,124	-39.2%	4,029	2,892	-28.2%	221,455	135,016	-39.0%
Commercial Vehicles (CV)	1,007,311	717,688	-28.8%	99,933	60,713	-39.2%	1,107,244	778,401	-29.7%
<u>M&HCV</u>	<u>390,732</u>	<u>224,806</u>	<u>-42.5%</u>	<u>48,676</u>	<u>24,162</u>	<u>-50.4%</u>	<u>439,408</u>	<u>248,968</u>	<u>-43.3%</u>
Passenger i.e. buses	39,604	40,257	1.6%	8,286	9,294	12.2%	47,890	49,551	3.5%
Goods i.e. trucks	351,128	184,549	-47.4%	40,390	14,868	-63.2%	391,518	199,417	-49.1%
<u>LCV</u>	<u>616,579</u>	<u>492,882</u>	<u>-20.1%</u>	<u>51,257</u>	<u>36,551</u>	<u>-28.7%</u>	<u>667,836</u>	<u>529,433</u>	<u>-20.7%</u>
Passenger	52,170	45,369	-13.0%	4,094	2,655	-35.1%	56,264	48,024	-14.6%
Goods	564,409	447,513	-20.7%	47,163	33,896	-28.1%	611,572	481,409	-21.3%
3-W	701,005	636,569	-9.2%	567,683	502,169	-11.5%	1,268,688	1,138,738	-10.2%
Passenger	572,386	525,015	-8.3%	561,510	495,850	-11.7%	1,133,896	1,020,865	-10.0%
Goods	128,619	111,554	-13.3%	6,173	6,319	2.4%	134,792	117,873	-12.6%
2-W	21,179,847	17,417,616	-17.8%	3,280,841	3,520,376	7.3%	24,460,688	20,937,992	-14.4%
Scooters	6,701,430	5,566,036	-16.9%	398,316	369,998	-7.1%	7,099,746	5,936,034	-16.4%
Motorcycles	13,598,190	11,214,640	-17.5%	2,865,851	3,136,519	9.4%	16,464,041	14,351,159	-12.8%
Mopeds	880,227	636,940	-27.6%	16,674	13,859	-16.9%	896,901	650,799	-27.4%
Quadricycles	627	942	50.2%	4,400	5,185	17.8%	5,027	6,127	21.9%
Grand total	26,266,179	21,548,494	-18.0%	4,629,049	4,765,754	3.0%	30,895,228	26,314,248	-14.8%

Source: SIAM, ICICI Direct Research

Quarter wise trends – Overall despair envelops mild festive relief

Last year's tumultuous times differ from past instances given the all-encompassing nature of troubles across segments that left little by way of a silver lining. Apart from a slight relief during October 2019 (traditional festive period in large parts of the country), weakness persisted in all pockets during the rest of the year. A quarter-wise breakdown of segmental volumes makes for grim reading (*Exhibit 2*).

Q1FY20

Demand weakness was pervasive across segments leading to high channel inventory and consequent low dispatches at the OEM level. OEMs resorted to production cuts, which also impacted wholesale volumes. Overall demand sentiment remained lacklustre despite high competitive intensity on the pricing front, weighed by a general reluctance in discretionary spending and tight system liquidity. The only solace was a robust response to new model launches in UV space, which helped the segment post flat volumes. At PV market leader Maruti Suzuki (MSIL), volumes de-grew 17.9% YoY. In the 2-W space, Bajaj Auto (BAL) outperformed posting 1.7% YoY growth while Hero MotoCorp (HMCL) saw a 12.5% drop, dragged by the scooter division. In the CV space, Ashok Leyland (ALL) de-grew 6% YoY vs. 22.2% decline at Tata Motors (TML). **Total industry volume decline was 10.5% YoY.**

Q2FY20

Q2FY20 provided no hiding room for the auto space - as pain prevailed across segments and geographies. The 2-W, CV inventory levels remained bloated as retail demand failed to pick up. This manifested into double trouble for auto companies with wide ranging production cuts at various OEMs (as also further down the supply chain) accompanied by particularly high discounting levels. Key OEMs continued to report sharp drops in wholesale volumes for the quarter. MSIL volumes de-grew 30.2% YoY. HMCL witnessed 20.7% YoY drop while exports performance helped rival BAL on a relative basis. **Decline in total industry volumes accelerated to 18.1% YoY.** Metal prices (steel in particular), however, provided some welcome relief by declining sharply on a yearly as well as sequential basis.

Among CVs, ALL de-grew 44.3% YoY, in step with a 44.9% decline at TML during Q2FY20

Q3FY20

Q3FY20 began on a positive note for the auto space. The seasonally strong festive period and intense price incentives combined to provide some respite to the industry, with several leading OEMs reporting encouraging climb downs in inventory levels amid healthy retail offtake. However, the relief proved short lived as volumes suffered again in November and December despite continued high discounting, indicating absence of meaningful improvement in underlying demand. Nevertheless, system inventory turned leaner (particularly in PV). MSIL posted 2% YoY volume growth, a sole exception in the PV space. HMCL registered 14.3% decline while BAL posted 4.7% dip. **Overall industry volume decline during Q3FY20 was at 9.2% YoY, the best quarterly performance during FY20.**

Input commodity prices remained supportive during Q3FY20, continuing the previous quarter's trend

Q4FY20

Domestic demand remained weak at the retail level, affecting swiftness in BS-IV inventory rundown ahead of implementation of BS-VI norms from April 2020. Majority of OEMs remained focused on inventory rationalisation, with ramp up of BS-VI production first impacted moderately by supply chain issues due to Covid-19 outbreak in China and later on rendered completely hamstrung by the spread of the virus in India. Complete suspension of production activities post mid-March resulted in a washout month. MSIL reported 16% YoY decline while M&M (automotive) & TML posted 47.1% & 47.6% drops, respectively. In the 2-W pack, HMCL registered 25.1% decline while Bajaj Auto posted 16.9% dip. ALL recorded a steep 57.2% decline. **Overall industry volumes fell 21.6% YoY during Q4FY20, cementing its dubious distinction as one of the worst quarters in recent memory.**

In Q4FY20, on the tractor side, M&M posted a marginal 2.6% decline while Escorts volumes fell a heftier 20%.

Exhibit 2: Quarter-wise, segmental volumes for FY20

	Q1FY20	YoY	Q2FY20	YoY	Q3FY20	YoY	Q4FY20	YoY	FY20	YoY
PV	885,716	-14.9%	812,817	-22.9%	959,688	1.1%	794,769	-21.3%	3,452,990	-14.8%
PC	583,657	-18.0%	517,995	-28.9%	594,138	-6.6%	492,503	-24.8%	2,188,293	-19.9%
UV	260,642	-4.6%	263,602	-1.6%	334,830	28.2%	270,607	-9.0%	1,129,681	2.7%
Vans	41,417	-25.6%	31,220	-44.9%	30,720	-40.5%	31,659	-44.9%	135,016	-39.0%
CV	219,906	-13.6%	186,138	-34.7%	210,978	-18.6%	161,379	-47.7%	778,401	-29.7%
M&HCV	79,187	-21.1%	55,320	-52.2%	59,871	-39.9%	54,590	-55.9%	248,968	-43.3%
Trucks	67,012	-23.8%	44,663	-57.2%	46,550	-48.4%	41,192	-62.2%	199,417	-49.1%
Buses	12,175	-1.8%	10,657	-6.5%	13,321	41.8%	13,398	-8.9%	49,551	3.5%
LCV	140,719	-8.8%	130,818	-22.7%	151,107	-5.3%	106,789	-42.2%	529,433	-20.7%
Goods	124,286	-9.3%	119,572	-23.6%	141,471	-6.1%	96,080	-42.5%	481,409	-21.3%
Passenger	16,433	-4.6%	11,246	-11.5%	9,636	8.3%	10,709	-38.6%	48,024	-14.6%
3-W	274,976	-10.0%	312,123	-7.9%	310,404	1.8%	241,235	-24.5%	1,138,738	-10.2%
Goods	32,180	0.2%	28,617	-13.8%	31,477	0.0%	25,599	-32.7%	117,873	-12.6%
Passenger	242,796	-11.2%	283,506	-7.2%	278,927	2.0%	215,636	-23.4%	1,020,865	-10.0%
2-W	5,899,477	-9.7%	5,591,213	-17.2%	5,110,086	-11.1%	4,337,216	-20.0%	20,937,992	-14.4%
Scooters	1,605,578	-16.5%	1,713,132	-16.7%	1,431,522	-13.6%	1,185,802	-19.0%	5,936,034	-16.4%
Motorcycles	4,121,902	-6.2%	3,710,324	-16.8%	3,511,076	-9.3%	3,007,857	-19.5%	14,351,159	-12.8%
Mopeds	171,997	-21.0%	167,757	-30.3%	167,488	-23.3%	143,557	-34.8%	650,799	-27.4%
Quadricycles	2,048	149.1%	2,214	6.8%	1,126	18.0%	739	-37.2%	6,127	21.9%
Grand total	7,282,123	-10.5%	6,904,505	-18.1%	6,592,282	-9.2%	5,535,338	-21.6%	26,314,248	-14.8%

Source: SIAM, ICICI Direct Research

Among geographies on a 9MFY20 basis, the western region accounted for a bulk of overall domestic volumes at 30.6%. Southern region formed 26.2% of domestic demand, with northern and eastern constituting 24.9% and 18.2%, respectively (*Exhibit 3*).

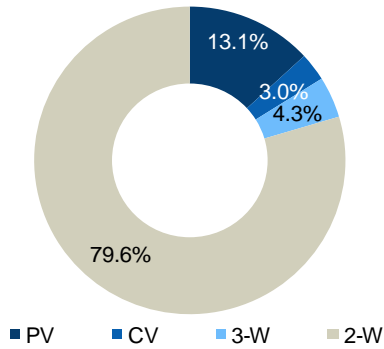
Exhibit 3: Region-wise domestic wholesale volume breakup for 9MFY20

Segment	Domestic volumes by region					Region wise segment mix				
	North	East	West	South	Total	North	East	West	South	Total
PV	628,261	268,389	650,630	569,267	2,116,547	29.7%	12.7%	30.7%	26.9%	100.0%
Passenger Cars	386,066	172,648	379,282	357,039	1,295,035	29.8%	13.3%	29.3%	27.6%	100.0%
Utility Vehicles	219,331	81,950	224,452	196,144	721,877	30.4%	11.4%	31.1%	27.2%	100.0%
Vans	22,864	13,791	46,896	16,084	99,635	22.9%	13.8%	47.1%	16.1%	100.0%
CV	133,184	99,045	191,325	145,646	569,200	23.4%	17.4%	33.6%	25.6%	100.0%
M&HCV	42,181	30,731	61,235	40,947	175,094	24.1%	17.6%	35.0%	23.4%	100.0%
LCV	91,003	68,314	130,090	104,699	394,106	23.1%	17.3%	33.0%	26.6%	100.0%
3-W	74,518	105,728	155,298	171,212	506,756	14.7%	20.9%	30.6%	33.8%	100.0%
2-W	3,429,673	2,643,533	4,238,750	3,593,044	13,905,000	24.7%	19.0%	30.5%	25.8%	100.0%
Scooters	844,987	625,121	1,325,909	1,667,108	4,463,125	18.9%	14.0%	29.7%	37.4%	100.0%
Motorcycles	2,488,001	1,934,067	2,829,019	1,695,073	8,946,160	27.8%	21.6%	31.6%	18.9%	100.0%
Mopeds	96,685	84,345	83,822	230,863	495,715	19.5%	17.0%	16.9%	46.6%	100.0%
Quadricycles	124	47	170	613	954	13.0%	4.9%	17.8%	64.3%	100.0%
Grand Total	4,265,760	3,116,742	5,236,173	4,479,782	17,098,457	24.9%	18.2%	30.6%	26.2%	100.0%

Source: SIAM, ICICI Direct Research

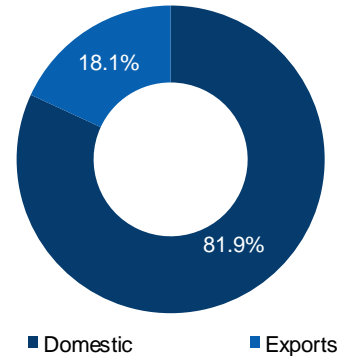
Story in charts – Industry volume trends

Exhibit 4: Segment wise industry volume mix for FY20



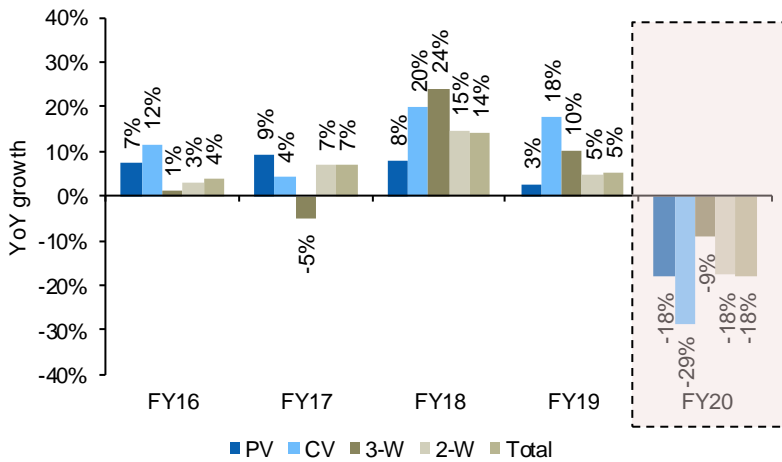
Source: SIAM, ICICI Direct Research

Exhibit 5: Geography wise industry volume mix for FY20



Source: SIAM, ICICI Direct Research

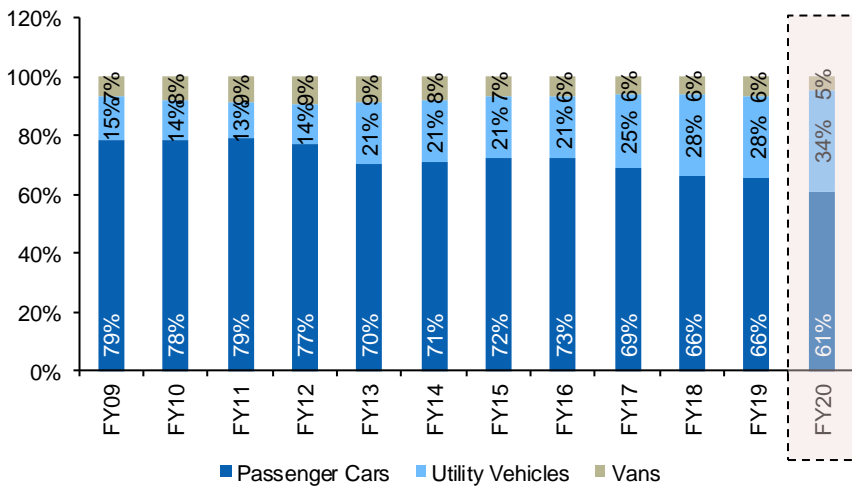
Exhibit 6: Segmental growth rates over the years (domestic sales)



FY20 represented one of the worst years for the domestic auto industry in decades, with all market segments suffering hefty volume declines

Source: SIAM, ICICI Direct Research

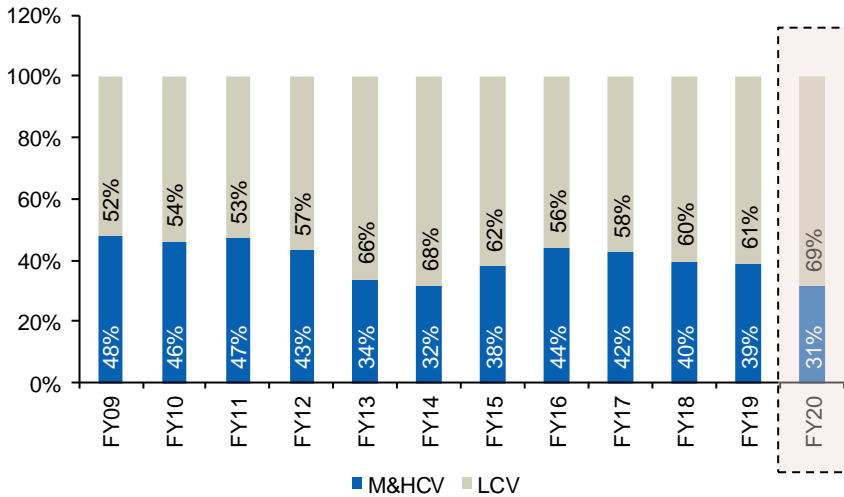
Exhibit 7: PV segment product mix at industry level (domestic sales)



The share of UVs in overall PV segment grew to 34% in FY20, its highest ever level. UV sub segment performance tracked several successful new model launches

Source: SIAM, ICICI Direct Research

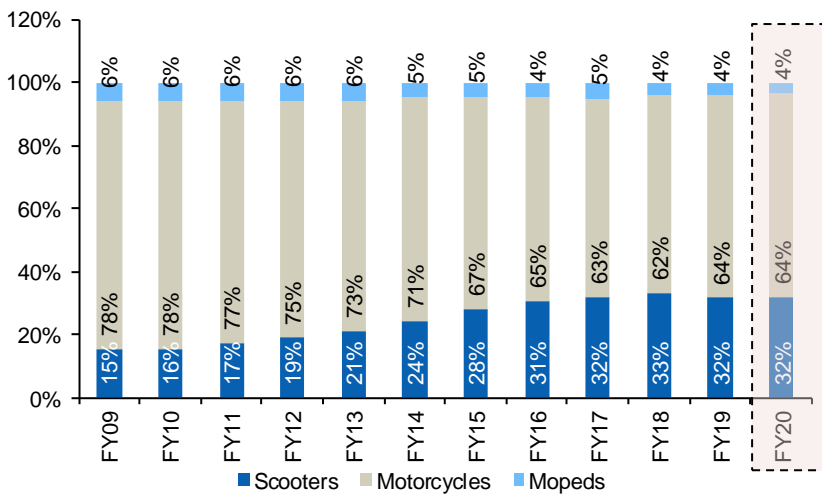
Exhibit 8: CV product mix at industry level (domestic sales)



CV product mix shifted heavily in favour of LCVs during FY20 amid sharp volume drop of 43.3% in the M&HCV space. M&HCV share of overall CV mix at 31% was the lowest in the past decade

Source: SIAM, ICICI Direct Research

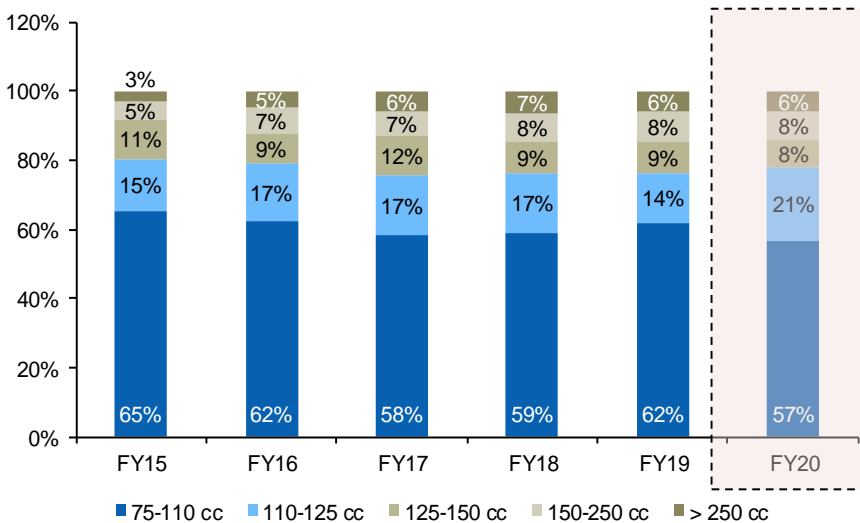
Exhibit 9: 2-W product mix at industry level (domestic sales)



2-W product mix has largely remained constant over the past few years as scooterisation levels have hovered around 32% mark

Source: SIAM, ICICI Direct Research

Exhibit 10: Product mix of 2-W at industry level (domestic sales)



During FY20, 110-150 cc motorcycle volumes rose at the expense of entry level (<110 cc) motorcycles. Among scooters, the 90-125 cc category continued to dominate the market with 98% volume share, in line with preceding years.

Source: SIAM, ICICI Direct Research

Story in charts – Market share movement (domestic sales)

A. Passenger vehicles & its sub segments

Exhibit 11: Top five players in PV and its sub segments in FY16-19

Company	FY16		FY17		FY18		FY19		FY20	
	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%
Passenger Vehicles										
Maruti Suzuki	1	47	1	47.4	1	50.0	1	51.2	1	51.0
Hyundai Motor India	2	17	2	16.7	2	16.3	2	16.1	2	17.5
Mahindra & Mahindra	3	8	3	7.7	3	7.7	3	7.5	3	6.7
Tata Motors	5	5	4	5.7	4	6.4	4	6.9	4	5.0
Toyota Kirloskar	6	5	6	4.7	6	4.3	6	4.5	5	4.1
Honda Cars	4	7	5	5.2	5	5.2	5	5.4	6	3.7
Passenger Cars										
Maruti Suzuki	1	53	1	52.1	1	56.8	1	58.0	1	62.6
Hyundai Motor India	2	21	2	19.5	2	19.7	2	18.9	2	18.2
Honda Cars	3	9	4	6.2	4	5.1	3	6.5	3	5.1
Tata Motors	4	5	3	6.4	3	6.2	4	5.9	4	4.2
Toyota Kirloskar	5	3	6	2.4	8	1.9	6	2.3	5	2.8
Renault India	11	1	5	5.3	5	5.3	5	2.9	6	2.8
Utility Vehicles										
Maruti Suzuki	2	16.1	2	25.7	1	27.5	1	28.1	1	24.9
Mahindra & Mahindra	1	37.9	1	29.2	2	25.4	2	25.0	2	19.0
Hyundai Motor India	4	11.0	3	12.9	3	11.8	3	13.4	3	18.7
Kia Motor	-	-	-	-	-	-	-	-	4	9.0
Toyota Kirloskar	3	11.7	4	12.2	4	10.7	4	10.5	5	7.1
Tata Motors	8	3.1	8	2.4	7	5.6	5	8.4	6	6.3
Honda Cars	10	1.5	6	3.5	5	6.5	7	4.1	10	1.6
Ford India	5	7.1	5	7.2	6	6.2	6	5.5	7	4.7
Vans										
Maruti Suzuki	1	80.8	1	83.6	1	80.7	1	82.1	1	89.6
Tata Motors	2	13.2	2	10.6	2	11.9	2	9.8	2	5.3
Mahindra & Mahindra	3	6.0	3	5.7	3	7.4	3	8.0	3	5.1

Source: SIAM, ICICI Direct Research; Note – MS% is market share %

Industry bellwether MSIL maintained its stranglehold on the PV segment in FY20, including in all of its sub segments. New entrant Kia Motor grabbed 9% market share in its first year of operations – thereby climbing to fourth position in the UV sub segment

B. Commercial vehicles & its sub segments

Exhibit 12: Top five players in CV and its sub segments from FY16-19

Company	FY16		FY17		FY18		FY19		FY20	
	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%
CV										
Tata Motors	1	44.4	1	42.8	1	44.0	1	44.4	1	42.3
Mahindra & Mahindra	2	24.3	2	25.3	2	25.3	2	24.7	2	27.7
Ashok Leyland	3	18.6	3	18.7	3	18.5	3	18.4	3	16.2
VECV - Eicher	4	6.5	4	6.9	4	6.5	4	6.1	4	6.0
Maruti Suzuki	-	-	10	0.1	7	1.2	5	2.4	5	3.0
Force Motors	5	3.4	5	3.3	5	2.6	6	2.0	6	2.6
M&HCV - passenger										
Ashok Leyland	1	44.6	2	37.5	1	38.5	1	41.2	1	45.1
Tata Motors	2	34.0	1	38.5	2	37.4	2	36.5	2	35.6
VECV - Eicher	3	10.5	3	12.6	3	13.7	3	10.5	3	9.2
SML Isuzu	4	8.0	4	8.2	4	6.8	4	7.1	4	6.6
Mahindra & Mahindra	5	2.9	5	3.1	5	3.6	5	3.1	5	1.9
M&HCV - goods										
Tata Motors	1	55.0	1	51.2	1	50.8	1	51.6	1	52.8
Ashok Leyland	2	30.6	2	33.1	2	33.8	2	32.9	2	28.9
VECV - Eicher	3	10.4	3	11.2	3	11.3	3	11.2	3	13.6
Mahindra & Mahindra	4	2.2	4	2.6	4	3.1	4	3.1	4	3.2
SML Isuzu	5	1.0	5	1.3	5	0.8	5	0.8	5	0.9
LCV - passenger										
Force Motors	1	43.5	1	42.9	1	41.8	2	34.7	1	37.1
Tata Motors	2	31.4	2	30.0	2	31.9	1	35.2	2	36.0
VECV - Eicher	3	12.1	3	12.4	3	11.5	3	12.6	3	11.8
SML Isuzu	4	6.7	4	8.1	4	7.5	4	9.6	4	8.7
Mahindra & Mahindra	5	5.1	5	6.0	5	5.4	5	5.0	5	3.8
LCV - goods										
Mahindra & Mahindra	1	47.0	1	47.0	1	43.5	1	41.4	1	42.6
Tata Motors	2	39.4	2	39.2	2	41.3	2	41.3	2	39.3
Ashok Leyland	3	8.4	3	8.5	3	8.8	3	9.1	3	9.8
Maruti Suzuki	4	2.1	9	0.2	5	2.1	4	4.2	4	4.9
VECV - Eicher	5	1.4	4	2.4	4	2.4	5	2.1	5	2.0
SML Isuzu	6	0.8	5	0.9	6	0.5	8	0.4	8	0.4

Source: SIAM, ICICI Direct Research; Note – MS% is market share %

Major CV industry players maintained their positions on an overall basis, continuing the recent trend in this regard. On the LCV passenger side, Force Motors overtook Tata Motors as the biggest player

C. 2-W & its sub segments

Exhibit 13: Top five players in 2-W and its sub segments from FY16-19

Company	FY16		FY17		FY18		FY19		FY20	
	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%
2-W										
Hero MotoCorp	1	39.0	1	36.9	1	36.6	1	35.9	1	35.8
HMSI	2	26.0	2	26.9	2	28.6	2	26.1	2	27.0
TVS Motor	3	13.4	3	14.2	3	14.2	3	14.8	3	13.8
Bajaj Auto	4	11.5	4	11.4	4	9.8	4	12.0	4	11.9
Suzuki Motorcycle India	7	1.9	7	2.0	7	2.5	7	3.2	5	3.9
Royal Enfield	6	3.0	6	3.7	5	4.0	5	3.8	6	3.8
India Yamaha Motor	5	4.0	5	4.5	6	3.9	6	3.8	7	3.3
Scooters										
HMSI	1	55.4	1	56.9	1	56.9	1	54.9	1	56.6
TVS Motor	3	15.4	2	14.7	2	16.4	2	18.5	2	18.5
Suzuki Motorcycle India	5	4.4	5	5.0	4	6.3	4	9.2	3	9.2
Hero MotoCorp	2	16.3	3	14.1	3	13.1	3	10.7	4	7.2
India Yamaha Motor	4	6.3	4	7.9	5	6.2	5	5.4	5	5.1
Motorcycles										
Hero MotoCorp	1	52.4	1	51.3	1	51.5	1	50.7	1	52.0
Bajaj Auto	2	17.7	2	18.0	2	15.7	2	18.7	2	18.5
HMSI	3	14.0	3	13.8	3	15.5	3	13.5	3	13.9
TVS Motor	4	6.7	4	7.0	4	7.3	4	7.5	4	6.7
Royal Enfield	5	4.7	5	5.9	5	6.4	5	5.9	5	5.9
Mopeds										
TVS Motor	1	100.0	1	100.0	1	100.0	1	100.0	1	100.0

Source: SIAM, ICICI Direct Research; Note – MS% is market share %, HMSI = Honda Motorcycle & Scooter India

In the 2-W pack, market leaders HMCL and HMSI consolidated their positions while Suzuki Motorcycle broke into the top five players during FY20

D. 3-W & its sub segments

Exhibit 14: Top five players in 3-W and its sub segments from FY16-19

Company	FY16		FY17		FY18		FY19		FY20	
	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%	Rank	MS%
3-W										
Bajaj Auto	1	47.4	1	49.5	1	58.1	1	56.9	1	57.3
Piaggio Vehicles	2	29.9	2	29.5	2	24.0	2	24.2	2	23.9
Mahindra & Mahindra	3	10.2	3	10.2	3	8.6	3	9.4	3	9.1
Atul Auto	4	7.9	4	7.1	4	6.2	4	6.3	4	6.4
TVS Motor	5	2.9	5	2.4	5	2.6	5	2.4	5	1.9
3-W - passenger										
Bajaj Auto	1	57.5	1	59.7	1	67.0	1	64.3	1	63.8
Piaggio Vehicles	2	24.8	2	24.0	2	18.6	2	19.6	2	20.1
Mahindra & Mahindra	3	8.1	3	7.9	3	7.1	3	8.4	3	8.4
Atul Auto	4	5.1	4	4.6	4	3.8	4	4.3	4	4.4
TVS Motor	5	3.5	5	3.1	5	3.2	5	2.9	5	2.3
3-W - goods										
Piaggio Vehicles	1	53.4	1	49.8	1	47.9	1	44.8	1	42.0
Bajaj Auto	5	1.4	4	12.0	2	19.3	2	23.8	2	27.0
Atul Auto	2	20.6	3	16.5	3	16.4	3	15.3	3	15.6
Mahindra & Mahindra	3	19.9	2	18.7	4	15.2	4	14.1	4	13.4
Scooters India	4	4.8	5	3.0	5	1.2	5	1.9	5	2.0

Source: SIAM, ICICI Direct Research; Note – MS% is market share %

FY20 saw no major movement in market share terms or market positions in the 3-W segment

Story in charts – OEM volume prints

A. Maruti Suzuki (MSIL)

Exhibit 15: Model wise segmental volumes at MSIL during FY20

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. Passenger Cars	1,287,023	1,060,644	-17.6%	99,098	93,183	-6.0%	1,386,121	1,153,827	-16.8%	62.6
Mini	368,990	247,776	-32.9%	17,710	16,668	-5.9%	386,700	264,444	-31.6%	
Alto	259,401	190,814	-26.4%	17,181	11,158	-35.1%	276,582	201,972	-27.0%	
S-Presso	-	56,962	NA	-	5,510	NA	-	62,472	NA	
Wagon-R (old)	109,589	-	-100.0%	529.0	-	-100.0%	110,118	-	-100.0%	
Compact	871,864	787,610	-9.7%	79,076	73,985	-6.4%	950,940	861,595	-9.4%	
Wagon-R (new)	41,873	156,724	274.3%	104	798	667.3%	41,977	157,522	275.3%	
Swift	223,924	187,916	-16.1%	7,342	10,711	45.9%	231,266	198,627	-14.1%	
Celerio	103,734	62,625	-39.6%	11,273	9,029	-19.9%	115,007	71,654	-37.7%	
Dzire	253,859	179,159	-29.4%	13,342	13,135	-1.6%	267,201	192,294	-28.0%	
Baleno	212,330	180,413	-15.0%	37,757	33,518	-11.2%	250,087	213,931	-14.5%	
Ignis	36,144	20,773	-42.5%	9,258	6,794	-26.6%	45,402	27,567	-39.3%	
Mid Size	46,169	25,258	-45.3%	2,312	2,530	9.4%	48,481	27,788	-42.7%	
Ciaz	46,169	25,258	-45.3%	2,312	2,530	9.4%	48,481	27,788	-42.7%	
II. UV	264,197	235,294	-10.9%	5,724	6,132	7.1%	269,921	241,426	-10.6%	24.9
XL6	-	22,117	NA	-	37	NA	-	22,154	NA	
Ertiga	65,263	90,543	38.7%	2,121	4,739	123.4%	67,384	95,282	41.4%	
Gypsy	3,232	272	-91.6%	155	1	-99.4%	3,387	273	-91.9%	
S-Cross	37,822	11,721	-69.0%	2,226	809	-63.7%	40,048	12,530	-68.7%	
Vitara Brezza	157,880	110,641	-29.9%	1,222	546	-55.3%	159,102	111,187	-30.1%	
III. Vans	178,606	118,404	-33.7%	1,664	974	-41.5%	180,270	119,378	-33.8%	89.6
Omni	86,837	1,401	-98.4%	1,217	11	-99.1%	88,054	1,412	-98.4%	
Eeco	91,769	117,003	27.5%	447	963	115.4%	92,216	117,966	27.9%	
A. PV (I +II +III)	1,729,826	1,414,342	-18.2%	106,486	100,289	-5.8%	1,836,312	1,514,631	-17.5%	51.0
B. LCV	23,874	21,778	-8.8%							4.9
C. Sales to other OEM	-	25,002	NA							
D. Total domestic (A +B +C)	1,753,700	1,461,122	-16.7%							
E. Total exports	106,486	100,289	-5.8%							
F. Grand total (D +E)	1,860,186	1,561,411	-16.1%							

Source: SIAM, ICICI Direct Research

B. Hero MotoCorp (HMCL)

Exhibit 16: Model wise segmental volumes at HMCL during FY20

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. Scooters	719,087	402,676	-44.0%	20,871.0	16,694.0	-20.0%	739,958	419,370	-43.3%	7.2
90-125 cc	719,087	402,676	-44.0%	20,871	16,694	-20.0%	739,958	419,370	-43.3%	
Duet	175,239	38,870	-77.8%	1,643	1,594	-3.0%	176,882	40,464	-77.1%	
Destni 125	106,901	113,944	6.6%	318	3,316	942.8%	107,219	117,260	9.4%	
Maestro	272,432	94,533	-65.3%	12,854	6,340	-50.7%	285,286	100,873	-64.6%	
Pleasure	164,515	155,329	-5.6%	6,056.0	5,444.0	-10.1%	170,571	160,773	-5.7%	
II. Motorcycles	6,893,688	5,828,782	-15.4%	187,185	161,567	-13.7%	7,080,873	5,990,349	-15.4%	52.0
75-110cc	6,094,808	4,616,386	-24.3%	108,974	75,811	-30.4%	6,203,782	4,692,197	-24.4%	
HF Dawn	2,111	-	-100.0%	3,855	4,443	15.3%	5,966	4,443	-25.5%	
HF Deluxe	2,168,740	2,050,974	-5.4%	42,284	34,372	-18.7%	2,211,024	2,085,346	-5.7%	
Splendor	3,005,618	2,063,148	-31.4%	60,126	28,236	-53.0%	3,065,744	2,091,384	-31.8%	
Passion	918,339	502,264	-45.3%	2,709	8,760	223.4%	921,048	511,024	-44.5%	
110-125cc	755,027	1,172,275	55.3%	44,740	49,367	10.3%	799,767	1,221,642	52.7%	
Glamour	755,027	602,623	-20.2%	44,740	32,416	-27.5%	799,767	635,039	-20.6%	
Splendor	-	569,652	NA	-	16,951	NA	-	586,603	NA	
125-150cc	20,935	9,946	-52.5%	31,591	27,377	-13.3%	52,526	37,323	-28.9%	
Hunk	-	-	NA	16,616	18,475	11.2%	16,616	18,475	11.2%	
Acheiver	10,111	-	-100.0%	5,178	4,986	-3.7%	15,289	4,986	-67.4%	
Xtreme	10,824	9,946	-8.1%	9,797	3,916	-60.0%	20,621	13,862	-32.8%	
150-200cc	22,842	30,175	-62.6%	1,800	9,012	-89.1%	24,642	39,187	-64.5%	
Xtreme 200R	22,842	8,541	-62.6%	1,800	197	-89.1%	24,642	8,738	-64.5%	
X Pulse 200T	-	21,634	NA	-	8,815	NA	-	30,449	NA	
200-250cc	76	-	-100.0%	80	-	-100.0%	156	-	-100.0%	
Karizma	76	-	-100.0%	80	-	-100.0%	156	-	-100.0%	
Total 2-W (I +II)	7,612,775	6,231,458	-18.1%	208,056	178,261	-14.3%	7,820,831	6,409,719	-18.0%	35.8
Total domestic	7,612,775	6,231,458	-18.1%							
Total exports	208,056	178,261	-14.3%							
Grand total	7,820,831	6,409,719	-18.0%							

Source: SIAM, ICICI Direct Research

C. Bajaj Auto (BAL)

Exhibit 17: Model wise segmental volumes at BAL during FY20

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. Scooters	-	212	NA	-	-	NA	-	212	NA	-
Electric	-	212	NA	-	-	NA	-	212	NA	
Chetak	-	212	NA	-	-	NA	-	212	NA	
II. Motorcycles	2,541,320	2,078,136	-18.2%	1,695,553	1,869,220	10.2%	4,236,873	3,947,356	-6.8%	18.5
75-110cc	1,442,982	1,079,432	-25.2%	1,018,748	1,138,965	11.8%	2,461,730	2,218,397	-9.9%	
Discover	74,002	20,991	-71.6%	30,888	27,867	-9.8%	104,890	48,858	-53.4%	
Boxer	-	-	NA	755,142	920,322	21.9%	755,142	920,322	21.9%	
CT	742,199	480,204	-35.3%	179,891	148,775	-17.3%	922,090	628,979	-31.8%	
Platina	626,781	578,237	-7.7%	52,827	42,001	-20.5%	679,608	620,238	-8.7%	
110-125cc	52,925	194,756	268.0%	230,932	277,894	20.3%	283,857	472,650	66.5%	
Pulsar	-	159,685	NA	6,098	30,444	399.2%	6,098	190,129	3017.9%	
CT	-	-	NA	77,842	106,485	36.8%	77,842	106,485	36.8%	
V 12	324	-	-100.0%	276	-	-100.0%	600	-	-100.0%	
KTM	10,356	26,567	156.5%	14,106	9,135	-35.2%	24,462	35,702	45.9%	
Discover	42,245	8,504	-79.9%	107,973	110,555	2.4%	150,218	119,059	-20.7%	
Platina	-	-	NA	6,131	3,807	-37.9%	6,131	3,807	-37.9%	
Boxer	-	-	NA	18,506	17,468	-5.6%	18,506	17,468	-5.6%	
125-150cc	711,123	504,010	-29.1%	260,405	259,396	-0.4%	971,528	763,406	-21.4%	
V 15	17,215	-	-100.0%	538	-	-100.0%	17,753	-	-100.0%	
Discover	-	-	NA	1,270	-		1,270	-	-100.0%	
Pulsar	693,908	504,010	-27.4%	124,045	103,735	-16.4%	817,953	607,745	-25.7%	
Boxer	-	-	NA	134,552	155,661	15.7%	134,552	155,661	15.7%	
150-200cc	202,045	185,320	-8.3%	135,798	132,358	-2.5%	337,843	317,678	-6.0%	
Husqvarna	-	-	NA	-	126	NA	-	126	NA	
Avenger	26,663	43,149	61.8%	1,973	408	-79.3%	28,636	43,557	52.1%	
Pulsar	146,940	118,022		120,741	120,282	-0.4%	267,681	238,304	-11.0%	
KTM	28,442	24,149	-15.1%	13,084	11,542	-11.8%	41,526	35,691	-14.1%	
200-250cc	117,319	96,722	-17.6%	20,309	28,501	40.3%	137,628	125,223	-9.0%	
KTM	6,016	6,709	11.5%	4,366	4,453	2.0%	10,382	11,162	7.5%	
Pulsar	82,511	74,309	-9.9%	12,599	21,284	68.9%	95,110	95,593	0.5%	
Avenger	28,792	15,704	-45.5%	3,344	2,764	-17.3%	32,136	18,468	-42.5%	
250-350cc	-	1,436	NA	-	338	NA	-	1,774	NA	
Dominar	-	863	NA	-	-	NA	-	863	NA	
Husqvarna	-	573	NA	-	338	NA	-	911	NA	
350-500cc	14,926	16,362	9.6%	29,361	31,767	8.2%	44,287	48,129	8.7%	
Husqvarna	-	-	NA	-	1,318	NA	-	1,318	NA	
Dominar	9,035	10,400	15.1%	10,509	11,189	6.5%	19,544	21,589	10.5%	
KTM	5,891	5,962	1.2%	18,852	19,260	2.2%	24,743	25,222	1.9%	
500-800cc	-	98	NA	-	1	NA	-	99	NA	
KTM	-	98	NA	-	1	NA	-	99	NA	
A. Total 2-W (I + II)	2,541,320	2,078,348	-18.2%	1,695,553	1,869,220	10.2%	4,236,873	3,947,568	-6.8%	35.8
B. Total 3-W	398,826	364,817	-8.5%	378,777	296,700	-21.7%	777,603	661,517	-14.9%	57.3
C. Quadricycles	627	942	50.2%	4,400	5,185	17.8%	5,027	6,127	21.9%	100.0
D. Total domestic	2,940,773	2,444,107	-16.9%							
E. Total exports	2,078,730	2,171,105	4.4%							
F. Grand total	5,019,503	4,615,212	-8.1%							

Source: SIAM, ICICI Direct Research

D. Tata Motors (TML)

Exhibit 18: Model wise segmental volumes at TML during FY20

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
Standalone - India										
I. Passenger Cars	131,387	71,816	-45.3%	682	409	-40.0%	132,069	72,225	-45.3%	4.2
Micro	376	-	-100.0%	-	-	NA	376	-	-100.0%	
Nano	376	-	-100.0%	-	-	NA	376	-	-100.0%	
Compact	131,011	71,816	-45.2%	682	409	-40.0%	131,693	72,225	-45.2%	
Indigo CS	-	-	NA	150	-	-100.0%	150	-	-100.0%	
Tiago	92,369	49,364	-46.6%	373	289	-22.5%	92,742	49,653	-46.5%	
TIGOR	25,804	10,049	-61.1%	134	108	-19.4%	25,938	10,157	-60.8%	
Zest	11,156	3,684	-67.0%	17	-	-100.0%	11,173	3,684	-67.0%	
Bolt	1,682	261	-84.5%	-	-	NA	1,682	261	-84.5%	
ALTROZ	-	8,458	NA	-	-	NA	-	8,458	NA	
Indica	-	-	NA	8	12	50.0%	8	12	50.0%	
II. Utility Vehicles	78,756	59,381	-24.6%	1,339.0	1,071.0	-20.0%	80,095	60,452	-24.5%	6.3
<4.4m	61,182	43,260	-29.3%	1,195	789	-34.0%	62,377	44,049	-29.4%	
Nexon	55,008	43,260	-21.4%	701	689	-1.7%	55,709	43,949	-21.1%	
Sumo	6,174	-	-100.0%	494	100	-79.8%	6,668	100	-98.5%	
4.4 - 4.7m	10,027	13,961	39.2%	102	75	-26.5%	10,129	14,036	38.6%	
Safari	5,664	1,105	-80.5%	102	-	-100.0%	5,766	1,105	-80.8%	
Harrier	4,363	12,856	194.7%	-	75	NA	4,363	12,931	196.4%	
>4.7m	7,547	2,160	-71.4%	42	207	392.9%	7,589	2,367	-68.8%	
Hexa	7,547	2,160	-71.4%	42	207	392.9%	7,589	2,367	-68.8%	
III. Vans	21,369	7,041	-67.1%	629	903	43.6%	21,998	7,944	-63.9%	5.3
Hard tops	5,595	4,128	-26.2%	1	-	-100.0%	5,596	4,128	-26.2%	
Magic Express	5,595	4,128	-26.2%	1	-	-100.0%	5,596	4,128	-26.2%	
Soft tops	15,774	2,913	-81.5%	628	903	43.8%	16,402	3,816	-76.7%	
ACE Magic	13,152	2,714	-79.4%	628	903	43.8%	13,780	3,617	-73.8%	
Magic Iris	2,622	199	-92.4%	-	-	NA	2,622	199	-92.4%	
A. Passenger Vehicles (I + II + III)	231,512	138,238	-40.3%	2,650	2,383	-10.1%	234,162	140,621	-39.9%	5.0
IV. M&HCV	195,712	111,752	-42.9%	29,228	12,694	-56.6%	224,940	124,446	-44.7%	49.7
Passenger i.e. Bus	14,447	14,333	-0.8%	4,061	3,459	-14.8%	18,508	17,792	-3.9%	35.6
Goods i.e. Trucks	181,265	97,419	-46.3%	25,167	9,235	-63.3%	206,432	106,654	-48.3%	52.8
V. LCV	251,611	192,062	-23.7%	21,228	16,248	-23.5%	272,839	208,310	-23.7%	39.0
Passenger	18,382	16,324	-11.2%	2,641	1,730	-34.5%	21,023	18,054	-14.1%	35.6
Goods	233,229	175,738	-24.7%	18,587	14,518	-21.9%	251,816	190,256	-24.4%	39.3
B. CV (IV + V)	447,323	303,814	-32.1%	50,456	28,942	-42.6%	497,779	332,756	-33.2%	42.3
C. Total standalone (A + B)	678,835	442,052	-34.9%	53,106	31,325	-41.0%	731,941	473,377	-35.3%	

Source: SIAM, ICICI Direct Research

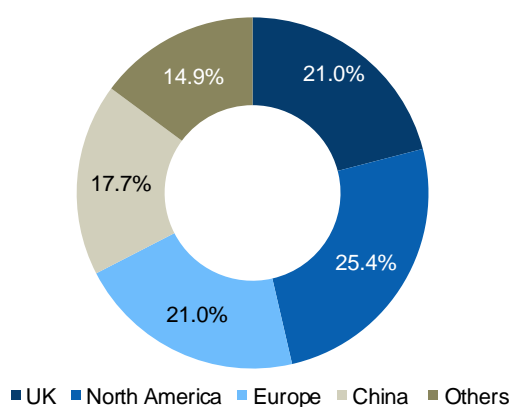
E. Jaguar Land Rover (JLR)

Exhibit 19: Model wise retail volumes at JLR during the year

(Retail volumes)	FY19	FY20	YoY (%)
Jaguar Land Rover (including Chery - JLR)			
I. Jaguar	180,198	140,593	-22.0%
XE*	30,430	21,949	-27.9%
XF*	27,096	11,726	-56.7%
XJ	4,072	3,535	-13.2%
E - Pace	46,711	37,894	-18.9%
F - Pace	52,683	43,388	-17.6%
I-Pace	11,336	15,867	40.0%
F TYPE	7,870	6,234	-20.8%
II. Land Rover	398,717	368,066	-7.7%
Defender	-	249	NA
Discovery Sport*	87,977	74,568	-15.2%
Discovery	40,839	33,674	-17.5%
Range Rover Sport	80,422	74,277	-7.6%
Range Rover	56,417	47,290	-16.2%
Range Rover Velar	64,820	52,902	-18.4%
Range Rover Evoque*	68,242	85,106	24.7%
Total JLR (I +II)	578,915	508,659	-12.1%

Source: Company, ICICI Direct Research

Exhibit 20: JLR FY20 retail volumes by region



Source: Company, ICICI Direct Research

F. Mahindra & Mahindra (M&M)

Exhibit 21: Model wise segmental volumes at M&M during FY20

(Excludes Mahindra Electric)	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. Passenger Cars	1,538	858	-44.2%	16	-	-100.0%	1,554	858	-44.8%	0.1
Super compact	1,538	858	-44.2%	16	-	-100.0%	1,554	858	-44.8%	
Verito	1,538	858	-44.2%	16	-	-100.0%	1,554	858	-44.8%	
II. Utility Vehicles	235,362	179,405	-23.8%	10,492	10,350	-1.4%	245,854	189,755	-22.8%	19.0
<4.4m	115,154	102,295	-11.2%	6,422	8,479	32.0%	121,576	110,774	-8.9%	
NuvoSport	2	19	850.0%	5	-	-100.0%	7	19	171.4%	
TUV300	15,548	10,481	-32.6%	487	198	-59.3%	16,035	10,679	-33.4%	
XUV300	9,532	37,576	294.2%	4	1,414	35250.0%	9,536	38,990	308.9%	
Bolero	72,280	50,265	-30.5%	544	343	-36.9%	72,824	50,608	-30.5%	
Thar	6,095	2,151	-64.7%	196	64	-67.3%	6,291	2,215	-64.8%	
KUV100	11,697	1,803	-84.6%	5,186	6,460	24.6%	16,883	8,263	-51.1%	
4.4 - 4.7m	118,736	76,034	-36.0%	4,070	1,871	-54.0%	122,806	77,905	-36.6%	
Marazzo	24,130	12,693	-47.4%	5	8	60.0%	24,135	12,701	-47.4%	
TUV300 Plus	3,716	1,062	-71.4%	1	-	-100.0%	3,717	1,062	-71.4%	
Xylo	5,251	2,072	-60.5%	-	-	NA	5,251	2,072	-60.5%	
Scorpio	47,837	38,826	-18.8%	2,264	1,156	-48.9%	50,101	39,982	-20.2%	
Bolero Plus	11,864	8,779	-26.0%	49	-	-100.0%	11,913	8,779	-26.3%	
Xuv500	25,938	12,602	-51.4%	1,751	707	-59.6%	27,689	13,309	-51.9%	
₹ 15-25 lakh	1,472	1,076	-26.9%	-	-	NA	1,472	1,076	-26.9%	
Alturas G4	1,472	1,076	-26.9%	-	-	NA	1,472	1,076	-26.9%	
III. Vans	17,451	6,679	-61.7%	1,736	1,015	-41.5%	19,187	7,694	-59.9%	5.1
Hard tops	7,969	4,904	-38.5%	1,478	975	-34.0%	9,447	5,879	-37.8%	
Maxximo Minivan VX	25	33	32.0%	1,478	973	-34.2%	1,503	1,006	-33.1%	
Supro	7,944	4,871	-38.7%	-	2	NA	7,944	4,873	-38.7%	
Soft tops	9,482	1,775	-81.3%	258	40	-84.5%	9,740	1,815	-81.4%	
Supro	324	365	12.7%	3	-	-100.0%	327	365	11.6%	
Maxximo	3	20		255	40	-84.3%	258	60	-76.7%	
Jeeto	9,155	1,390	-84.8%	-	-	NA	9,155	1,390	-84.8%	
A. Passenger Vehicles (I + II + III)	254,351	186,942	-26.5%	12,244	11,365	-7.2%	266,595	198,307	-25.6%	6.7
IV. M&HCV	12,224	6,622	-45.8%	708	365	-48.4%	12,932	6,987	-46.0%	2.9
Passenger i.e. Bus	1,210	767	-36.6%	2	24	1100.0%	1,212	791	-34.7%	1.9
Goods i.e. Trucks	11,014	5,855	-46.8%	706	341	-51.7%	11,720	6,196	-47.1%	3.2
V. LCV	236,377	192,509	-18.6%	21,735	13,542	-37.7%	258,112	206,051	-20.2%	39.1
Passenger	2,592	1,718	-33.7%	140	80	-42.9%	2,732	1,798	-34.2%	3.8
Goods	233,785	190,791	-18.4%	21,595	13,462	-37.7%	255,380	204,253	-20.0%	42.6
B. CV (IV + V)	248,601	199,131	-19.9%	22,443	13,907	-38.0%	271,044	213,038	-21.4%	27.8
VI. 3-W	66,140	58,145	-12.1%	3,769	1,651	-56.2%	69,909	59,796	-14.5%	9.1
Passenger	48,006	43,242	-9.9%	2,346	888	-62.1%	50,352	44,130	-12.4%	8.2
Goods	18,134	14,903	-17.8%	1,423	763	-46.4%	19,557	15,666	-19.9%	13.4
C. 3-W	66,140	58,145	-12.1%	3,769	1,651	-56.2%	69,909	59,796	-14.5%	9.1
D. Total automotive (A + B + C)	569,092	444,218	-21.9%	38,456	26,923	-30.0%	607,548	471,141	-22.5%	
E. Total tractors	316,742	291,901	-7.8%	13,694	10,014	-26.9%	330,436	301,915	-8.6%	41.2
Total domestic	885,834	736,119	-16.9%							
Total exports	52,150	36,937	-29.2%							
F. Grand total (D + E)	937,984	773,056	-17.6%							

Source: SIAM, ICICI Direct Research

G. Eicher Motors (EIM)

Exhibit 22: Model wise segmental volumes at EIM during FY20 (Royal Enfield)

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
Motorcycles	805,273	656,651	-18.5%	20,825	39,188	88.2%	826,098	695,839	-15.8%	5.9
250-350cc	764,012	614,626	-19.6%	3,789	5,270	39.1%	767,801	619,896	-19.3%	
Bullet 350 Twinspark	137,946	130,820	-5.2%	53	14	-73.6%	137,999	130,834	-5.2%	
Bullet Electra Twinspark	28,297	45,528	60.9%	51	111	117.6%	28,348	45,639	61.0%	
Thunderbird 350	71,327	40,185	-43.7%	455	345	-24.2%	71,782	40,530	-43.5%	
Classic 350	526,442	398,093	-24.4%	3,230	4,800	48.6%	529,672	402,893	-23.9%	
350-500cc	36,093	21,837	-39.5%	12,594	14,321	13.7%	48,687	36,158	-25.7%	
Classic 500	19,282	4,925	-74.5%	5,205	4,672	-10.2%	24,487	9,597	-60.8%	
Bullet 500	2,737	786	-71.3%	286	1,985	594.1%	3,023	2,771	-8.3%	
Thunderbird 500	3,373	824	-75.6%	-	-	NA	3,373	824	-75.6%	
Himalayan	10,701	15,302	43.0%	7,103	7,664	7.9%	17,804	22,966	29.0%	
500-800cc	5,168	20,188	290.6%	4,442	19,597	341.2%	9,610	39,785	314.0%	
650 Twin	5,168	20,188	290.6%	4,420	19,597	343.4%	9,588	39,785	314.9%	
Continental GT	-	-	NA	22	-	-100.0%	22	-	-100.0%	
Total domestic	805,273	656,651	-18.5%							
Total exports	20,825	39,188	88.2%							
Grand total (2-W)	826,098	695,839	-15.8%							3.8

Source: SIAM, ICICI Direct Research

Exhibit 23: Model wise segmental volumes at EIM during FY20 (VECV)

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. M&HCV	43,381	28,884	-33.4%	7,500	3,657	-51.2%	50,881	32,541	-36.0%	12.8
Passenger i.e. Bus	4,151	3,697	-10.9%	569	804	41.3%	4,720	4,501	-4.6%	9.2
Goods i.e. Trucks	39,230	25,187	-35.8%	6,931	2,853	-58.8%	46,161	28,040	-39.3%	13.7
II. LCV	18,351	14,162	-22.8%	2,510	911	-63.7%	20,861	15,073	-27.7%	2.9
Passenger	6,595	5,363	-18.7%	695	271	-61.0%	7,290	5,634	-22.7%	11.8
Goods	11,756	8,799	-25.2%	1,815	640	-64.7%	13,571	9,439	-30.4%	2.0
A. Total VECV - Eicher (I +II)	61,732	43,046	-30.3%	10,010	4,568	-54.4%	71,742	47,614	-33.6%	6.0
B. Total VECV - Volvo	1,226	1,107	-9.7%	-	-	NA	1,226	1,107	-9.7%	0.6
Total domestic	62,958	44,153	-29.9%							
Total exports	10,010	4,568	-54.4%							
C. Grand total (A +B)	72,968	48,721	-33.2%							

Source: SIAM, ICICI Direct Research

G. Ashok Leyland (ALL)

Exhibit 24: Segmental volumes at ALL during FY20

	Domestic			Exports			Total			Domestic market share (%)
	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	FY19	FY20	YoY (%)	
I. M&HCV	131,936	71,408	-45.9%	10,922	7,186	-34.2%	142,858	78,594	-45.0%	31.8
Passenger i.e. Bus	16,323	18,141	11.1%	3,548	4,952	39.6%	19,871	23,093	16.2%	45.1
Goods i.e. Trucks	115,613	53,267	-53.9%	7,374	2,234	-69.7%	122,987	55,501	-54.9%	28.9
II. LCV	53,129	44,912	-15.5%	1,379	1,734	25.7%	54,508	46,646	-14.4%	9.1
Passenger	1,489	1,197	-19.6%	163	164	0.6%	1,652	1,361	-17.6%	2.6
Goods	51,640	43,715	-15.3%	1,216	1,570	29.1%	52,856	45,285	-14.3%	9.8
CV (A +B)	185,065	116,320	-37.1%	12,301	8,920	-27.5%	197,366	125,240	-36.5%	16.2
Total domestic	185,065	116,320	-37.1%							
Total exports				12,301	8,920	-27.5%				
Grand total	197,366	125,240	-36.5%							16.2

Source: SIAM, ICICI Direct Research

Story in charts – Model wise volumes (domestic sales)

Exhibit 25: Top selling models in each category during FY20

Category	FY19		FY20	
	Model	Volumes	Model	Volumes
I. Passenger Vehicles				
<i>Passenger Cars</i>				
Micro	Tata Nano	376	-	-
Mini	Maruti Suzuki Alto	259,401	Maruti Suzuki Alto	190,814
Compact	Maruti Suzuki Dzire	253,859	Maruti Suzuki Swift	187,916
Super Compact	Toyota Etios Sedan	21,216	Toyota Etios Sedan	12,090
Mid-Size	Maruti Suzuki Ciaz	46,169	Maruti Suzuki Ciaz	25,258
Executive	Toyota Corolla	2,783	Honda Civic	3,024
Premium	Skoda Superb	1,421	Skoda Superb	1,524
Exotics	Nissan GT-R	1	Nissan GT-R	2
<i>UV</i>				
<4.4m	Maruti Suzuki Brezza	157,880	Maruti Suzuki Brezza	110,641
4.4 - 4.7m	Toyota Innova	77,924	Toyota Innova	53,686
>4.7m	Tata Hexa	7,547	Tata Hexa	2,160
₹ 15-25 lakh	Toyota Fortuner	21,141	Toyota Fortuner	12,963
>₹ 25 lakh	Skoda Kodiaq	2,078	Kia Carnival	3,187
<i>Vans</i>				
Hard tops	Maruti Suzuki Eeco	91,769	Maruti Suzuki Eeco	117,003
Soft tops	Tata ACE Magic	13,152	Tata ACE Magic	2,714
II. Two wheelers				
<i>Scooters</i>				
75-90 cc	TVS Pep +	141,554	TVS Pep +	90,309
90-125 cc	Honda Activa	3,008,334	Honda Activa	2,591,059
125-150 cc	Piaggio Aprilia SR150	25,477	Piaggio Aprilia SR150	8,973
150-200 cc	-	-	Piaggio Aprilia	3,376
<i>Motorcycles</i>				
75-110 cc	Hero Splendor	3,005,618	Hero Splendor	2,063,148
110-125 cc	Honda CB Shine	990,315	Honda CB Shine	948,384
125-150 cc	Bajaj Pulsar	693,908	Bajaj Pulsar	504,010
150-200 cc	TVS Apache	465,322	TVS Apache	365,232
200-250 cc	Bajaj Pulsar	82,511	Bajaj Pulsar	74,309
250-350 cc	Royal Enfield Classic 350	526,442	Royal Enfield Classic 350	398,093
350-500 cc	Royal Enfield Classic 500	19,282	Royal Enfield Himalayan	15,302
500-800 cc	Royal Enfield 650 Twin	5,168	Royal Enfield 650 Twin	20,188
800-1000 cc	Kawasaki Z900	444	Kawasaki Z900	352
1000-1600 cc	Kawasaki Ninja 1000	332	Suzuki Hayabusa	272
>1600 cc	Harley Davidson Fat Boy	222	Harley Davidson Fat Boy	200
<i>Mopeds</i>				
<75 cc	TVS XL Super	880,227	TVS XL Super	636,940

While FY19 category leaders held on to their positions in FY20 as well on the PV side, a notable exception was Maruti Suzuki's Swift overtaking the company's Dzire model in the 'compact passenger car' space

Source: SIAM, ICICI Direct Research

A. PV

Exhibit 26: Top 10 PV models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Maruti Suzuki Alto	259,401	190,814	1	1	-
Maruti Suzuki Swift	223,924	187,916	3	2	1
Maruti Suzuki Baleno	212,330	180,413	4	3	1
Maruti Suzuki Dzire	253,859	179,159	2	4	(2)
Maruti Suzuki Wagon R (new)	41,873	156,724	Not in top 10	5	NA
Maruti Suzuki Eeco	91,769	117,003	Not in top 10	6	NA
Maruti Suzuki Brezza	157,880	110,641	5	7	(2)
Hyundai Elite i20	140,225	108,091	6	8	(2)
Hyundai Grand i10	126,041	99,592	7	9	(2)
Hyundai Venue	-	93,624	Not in top 10	10	NA

Source: SIAM, ICICI Direct Research

Maruti Suzuki's Alto held on to its top spot while the new Wagon R, Eeco van and Hyundai Venue broke into the top 10 PV models sold during FY20

Exhibit 27: Top 10 passenger car models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Maruti Suzuki Alto	259,401	190,814	1	1	-
Maruti Suzuki Swift	223,924	187,916	3	2	1
Maruti Suzuki Baleno	212,330	180,413	4	3	1
Maruti Suzuki Dzire	253,859	179,159	2	4	(2)
Maruti Suzuki Wagon R (new)	41,873	156,724	Not in top 10	5	NA
Hyundai Elite i20	140,225	108,091	5	6	(1)
Hyundai Grand i10	126,041	99,592	6	7	(1)
Maruti Suzuki Celerio	103,734	62,625	8	8	-
Honda Amaze	85,040	57,471	10	9	1
Maruti Suzuki S-Presso	-	56,962	Not in top 10	10	NA

Source: SIAM, ICICI Direct Research

Among passenger cars, Maruti Suzuki's Dzire fell two places to fourth position

Exhibit 28: Top five UV models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Maruti Suzuki Brezza	157,880	110,641	1	1	-
Hyundai Venue	-	93,624	Not in top 5	2	NA
Maruti Suzuki Ertiga	65,263	90,543	5	3	2
Hyundai Creta	124,300	82,074	2	4	(2)
Kia Seltos	-	81,716	Not in top 5	5	NA

Source: SIAM, ICICI Direct Research

Excellent response to new launches Hyundai Venue and Kia Seltos catapulted them into the top five UV models list while Maruti Suzuki's Brezza maintained its leadership

Exhibit 29: Performance of fresh PV launches during the year

I. Passenger Vehicles	Model	FY20 volumes	Category market share	Sub segment market share
Sub segment - Passenger Cars				
<u>Category - Micro</u>				
	Maruti Suzuki S-Presso	56,962	19.3%	3.4%
<u>Category - Compact</u>				
	Hyundai Aura	13,512	1.0%	0.8%
	Tata Altroz	8,458	0.7%	0.5%
	Toyota Glanza	24,380	1.9%	1.4%
<u>Category - Premium</u>				
	Toyota Prius	1	0.0%	0.0%
Sub segment - UV				
<u>Category - <4.4m</u>				
	Hyundai Venue	93,624	12.7%	9.9%
	Kia Seltos	81,716	11.1%	8.6%
	Maruti Suzuki XL6	22,117	3.0%	2.3%
	Renault Triber	33,860	4.6%	3.6%
<u>Category - 4.4-4.7m</u>				
	Force Gurkha	12	0.0%	0.0%
	MG Hector	21,680	12.9%	2.3%
<u>Category - ₹ 15-25 lakh</u>				
	Hyundai Kona	377	1.2%	0.0%
	MG ZS EV	274	0.9%	0.0%
<u>Category - >₹ 25 lakh</u>				
	Force Gurkha	134	2.1%	0.0%
	Kia Carnival	3,187	50.0%	0.3%
	Toyota Vellfire	168	2.6%	0.0%

Maruti Suzuki's S-Presso, Hyundai Venue, Kia Seltos, MG Hector and Kia Carnival were some of the best performing new PV product launches during FY20 and grabbed sizeable market share in their respective categories

Source: SIAM, ICICI Direct Research

B. 2-W

Exhibit 30: Top 10 2-W models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Hero Splendor	3,005,618	2,632,800	2	1	1
Honda Activa	3,008,334	2,591,059	1	2	(1)
Hero HF Deluxe	2,168,740	2,050,974	3	3	-
Honda CB Shine	990,315	948,384	4	4	-
Bajaj Pulsar	923,359	856,026	5	5	-
TVS XL Super	880,227	636,940	7	6	1
Hero Glamour	755,027	602,623	9	7	2
TVS Jupiter	788,417	595,545	8	8	-
Bajaj Platina	626,781	578,237	Not in top 10	9	NA
Suzuki Access	539,123	570,898	Not in top 10	10	NA

Source: SIAM, ICICI Direct Research

A notable development was Hero Splendor overtaking Honda Activa as the largest selling 2-W model in the country during FY20. Other top sellers from last year largely maintained their positions, while Bajaj Platina and Suzuki Access broke into the top 10 list

Exhibit 31: Top 10 scooter models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Honda Activa	3,008,334	2,591,059	1	1	-
TVS Jupiter	788,417	595,545	2	2	-
Suzuki Access	539,123	570,898	3	3	-
Honda Dio	446,264	439,799	4	4	-
TVS Ntorq	213,039	265,012	6	5	1
Yamaha Fascino	202,227	166,491	7	6	1
Hero Pleasure	164,515	155,329	9	7	2
Hero Destni 125	106,901	113,944	Not in top 10	8	NA
Yamaha Ray	141,087	107,485	Not in top 10	9	NA
Hero Maestro	272,432	94,533	5	10	(5)

Source: SIAM, ICICI Direct Research

Hero Maestro endured a significant drop, falling five places in scooter model rankings to 10. Hero Destni and Yamaha Ray entered the top 10

Exhibit 32: Top 10 motorcycle models sold during the year

Model	Volumes		Rank		
	FY19	FY20	FY19	FY20	Movement
Hero Splendor	3,005,618	2,632,800	1	1	-
Hero HF Deluxe	2,168,740	2,050,974	2	2	-
Honda CB Shine	990,315	948,384	3	3	-
Bajaj Pulsar	923,359	856,026	4	4	-
Hero Glamour	755,027	602,623	6	5	1
Bajaj Platina	626,781	578,237	8	6	2
Hero Passion	918,339	502,264	5	7	(2)
Bajaj CT	742,199	480,204	7	8	(1)
Royal Enfield Classic 350	526,442	398,093	9	9	-
TVS Apache	465,322	365,232	10	10	-

Source: SIAM, ICICI Direct Research

There were no new entrants into the top 10 best-selling motorcycles during FY20

Exhibit 33: Performance of fresh 2-W launches during the year

II. Two wheelers	Model	FY20 volumes	Category market share	Sub segment market share
Sub segment - Scooters				
<u>Category - 125-150 cc</u>				
	Piaggio Aprilia	3,376	100.0%	0.1%
<u>Category - Electric</u>				
	Bajaj Chetak	212	77.4%	0.0%
	TVS iQube	62	22.6%	0.0%
Sub segment - Motorcycles				
<u>Category - 110-125 cc</u>				
	Bajaj Pulsar	159,685	6.7%	1.4%
	Hero Splendor	569,652	24.0%	5.1%
<u>Category - 150-200 cc</u>				
	Hero X Pulse 200T	21,634	2.8%	0.2%
	Honda Unicorn PRM	15,058	2.0%	0.1%
<u>Category - 200-250 cc</u>				
	Suzuki Gixxer 250	4,520	4.2%	0.0%
<u>Category - 250-350 cc</u>				
	Bajaj Dominar	863	0.1%	0.0%
	Bajaj Husqvarna	573	0.1%	0.0%
	Honda FORZA	4	0.0%	0.0%
<u>Category - 500-800 cc</u>				
	Bajaj KTM	98	0.4%	0.0%
<u>Category - 800-1000 cc</u>				
	Honda CBR1000R	1	0.1%	0.0%
	Kawasaki W800	10	1.0%	0.0%
	Yamaha MT09	16	1.6%	0.0%
	Yamaha R1	3	0.3%	0.0%
<u>Category - 1000-1600 cc</u>				
	Triumph Speed Twin	75	7.4%	0.0%
	Triumph Scrambler 1200	25	2.5%	0.0%
<u>Category - >1600 cc</u>				
	Harley Davidson Low Rider Special	4	0.7%	0.0%
	Triumph Rocket III Roadster	28	4.7%	0.0%

Source: SIAM, ICICI Direct Research

HMCL and BAL both tasted success in the 110-125 cc motorcycle segment through introduction of their flagship products Splendor and Pulsar respectively – indicating evolving consumer preference for the category as a whole

Tractor industry update

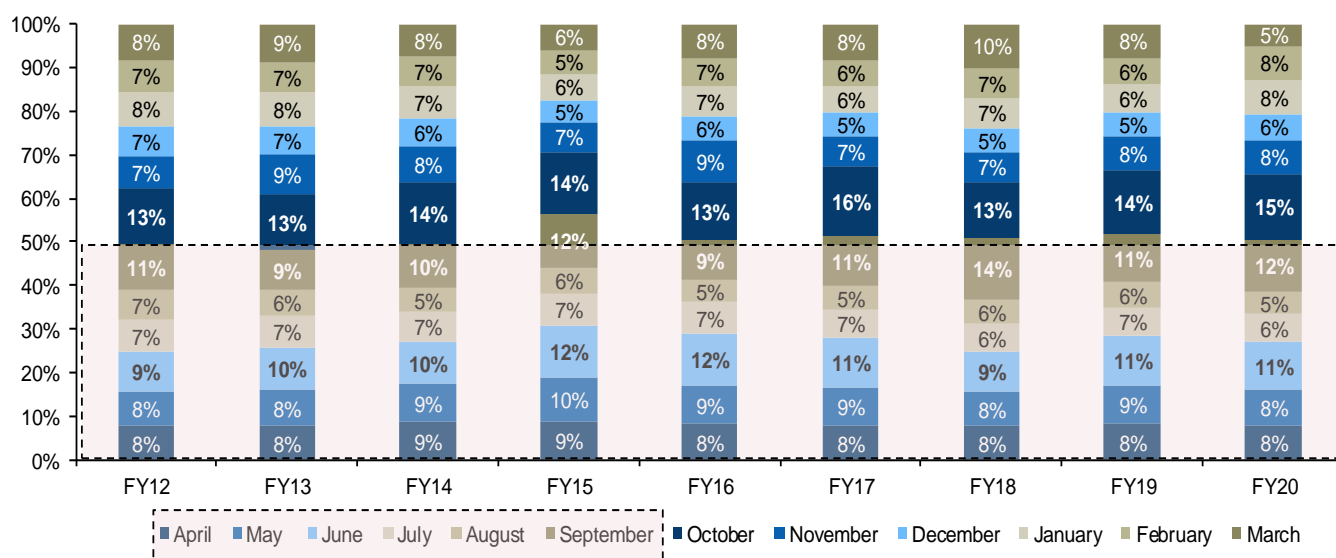
The domestic tractor industry witnessed sales of 7.09 lakh units in FY20, down 9.9% YoY. The decline was the first such instance in four years, when the industry recorded a healthy 60% absolute growth (from 4.94 lakh units in FY16 to 7.87 lakh units in FY19). A general reduction in consumer spending and slowing economic activity impacted tractor industry volumes. Despite the dip, however, the industry outperformed the wider automotive space as it remained unburdened by regulatory disruption in the form of new emission norms.

Exhibit 34: Domestic tractor industry sales volumes over the years

	Year								
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
April	42,650	40464	55,163	49668	40,244	46999	56,016	66654	57,355
May	42,052	44190	54,572	54625	44,716	52842	58,750	68901	58,091
June	48,890	51987	62,751	66172	57,550	67295	66,166	87662	75,859
July	38,641	38173	42,887	40345	35,315	39439	44,942	52463	45,571
August	36,514	31127	34,510	32953	26,074	31326	41,974	44390	37,050
September	57,048	47296	63,886	68353	45,089	68676	103,170	88952	84,636
October	68,152	68391	88,938	77983	65,098	95576	93,724	112556	106,889
November	39,903	47533	53,472	36219	46,885	41975	49,144	62702	54,432
December	37,014	34768	39,293	27945	27,898	31494	39,671	41796	42,806
January	42,376	39761	46,323	33964	34,128	37036	50,687	50961	53,387
February	38,155	38010	43,779	29416	32,096	35628	48,830	47560	57,710
March	45,496	46068	48,577	33820	38,671	49580	75,060	62315	35,216
Total Tractor Sales	536,891	527,768	634,151	551,463	493,764	597,866	728,134	786,912	709,002
<i>YoY Growth</i>		-1.7%	20.2%	-13.0%	-10.5%	21.1%	21.8%	8.1%	-9.9%
Monsoon (as a % of LPA)	101%	92%	106%	88%	86%	97%	95%	91%	110%

Source: CRISIL Research, ICICI Direct Research

Exhibit 35: Month wise distribution of domestic tractor industry sales over the years



Source: CRISIL Research, ICICI Direct Research; Note – highlighted section is H1, non-highlighted section is H2

Tractors find their main application in preparing land for sowing and then harvesting the standing crop using implements. Hence, readings on long period average basis demonstrate that June (~11%), September (~11%) and October (~14%) constitute the bulk of tractor industry sales at ~36%. The trend continued in FY20, with these three months forming ~38% of overall sales.

June and September-October periods coincide with receipt of income/cash in the hands of farmers post selling their harvest/procurement by government. Additionally, the Dussehra-Diwali festive season usually takes place in October-November

A. Competitive scenario

Exhibit 36: Player wise domestic tractor sales over the years

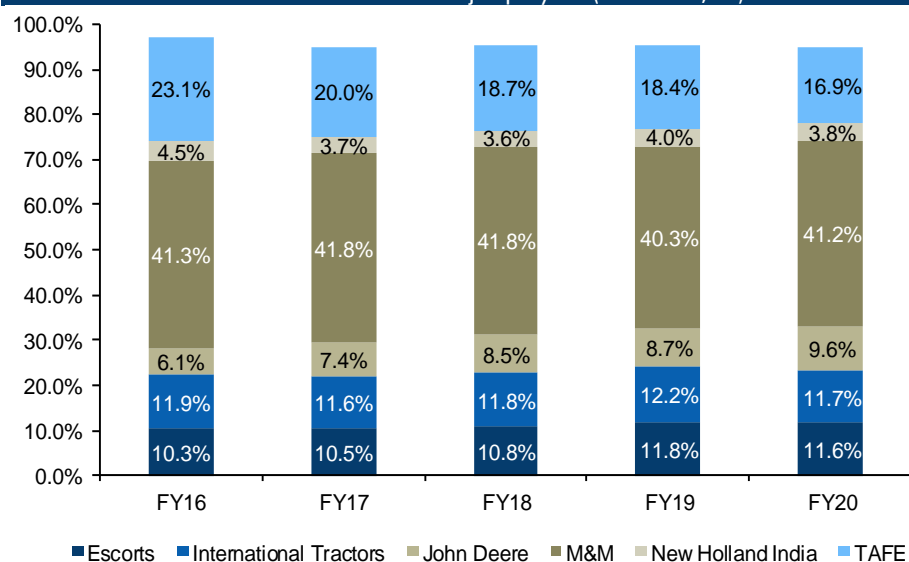
	FY16	FY17	FY18	FY19	FY20
Escorts Ltd.	50,698	62,699	78,446	93,219	82,252
Force Motors Ltd.	4,733	3,655	3,726	3,730	3,248
HMT	733	182	-	-	-
International Tractors Ltd.	58,722	69,290	86,244	95,976	82,958
John Deere	30,175	44,180	62,199	68,132	68,322
Mahindra & Mahindra Ltd.	203,734	249,683	304,019	316,742	291,901
New Holland India	22,198	22,090	26,077	31,256	26,745
SAME DEUTZ-FAHR	1,057	2,074	3,255	4,263	4,102
TAFE	114,184	119,478	136,268	144,693	120,151
VST	7,530	9,513	11,244	7,570	6,703
Captain	-	1,530	2,133	2,977	3,123
Action-construction	-	3,103	2,750	3,558	2,055
Preet	-	2,110	2,986	2,012	1,643
Kubota	-	5,477	5,841	10,951	12,924
IFEL	-	2,984	2,947	3,049	2,875
Grand total	493,764	597,866	728,134	786,912	709,002

Source: CRISIL Research, ICICI Direct Research

Total 15 players compete in the domestic tractor market, of which five dominate the landscape and form ~91% of sales (in FY16-19) - M&M (~41%), TAFE (Eicher Tractors, ~19%), International Tractors (Sonalika, ~12%), Escorts (~11%), John Deere (~8%).

M&M has over the years maintained its market leadership with healthy 40%+ market share. Over FY16-20, John Deere and Escorts gained market share to the tune of 350 bps to 9.6% & 130 bps to 11.6%, respectively, while TAFE lost market share to the tune of 520 bps to 16.9%. The market share of International Tractors held steady at ~12%. Among smaller players, VST Tillers & Tractors has lost market share (60 bps to 0.9%) while Kubota gained market share (180 bps to 1.8%).

Exhibit 37: Market share movement of major players (domestic, %)



Source: CRISIL Research, ICICI Direct Research

B. Geographic distribution

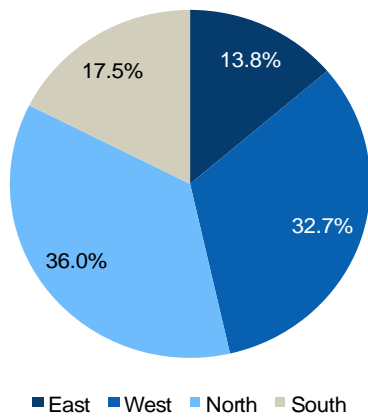
Exhibit 38: State-wise tractor sales (domestic)

State	FY19	FY20	YoY%	% share (FY20)
Uttar Pradesh	134,563	120,568	-10.4%	17.0%
Madhya Pradesh	86,170	87,616	1.7%	12.4%
Rajasthan	65,236	68,563	5.1%	9.7%
Maharashtra	63,388	61,874	-2.4%	8.7%
Gujarat	55,695	55,414	-0.5%	7.8%
Bihar	57,805	43,247	-25.2%	6.1%
Telangana	37,435	41,658	11.3%	5.9%
Karnataka	41,689	40,301	-3.3%	5.7%
Haryana	40,953	38,700	-5.5%	5.5%
Chhattisgarh	22,388	25,183	12.5%	3.6%
Tamil Nadu	26,528	22,532	-15.1%	3.2%
Punjab	20,769	21,389	3.0%	3.0%
West Bengal	26,807	20,621	-23.1%	2.9%
Andhra Pradesh	43,388	18,335	-57.7%	2.6%
Orissa	21,306	15,906	-25.3%	2.2%
Jharkhand	14,979	8,672	-42.1%	1.2%
Assam	16,508	8,513	-48.4%	1.2%
Others	11,303	9,910	-12.3%	1.4%
Total	786,912	709,002	-9.9%	100.0%

Source: CRISIL Research, ICICI Direct Research

In FY20, Uttar Pradesh remained the largest tractor market with ~17% volume share. Madhya Pradesh (12%), Rajasthan (10%), Maharashtra (9%) & Gujarat (8%) followed

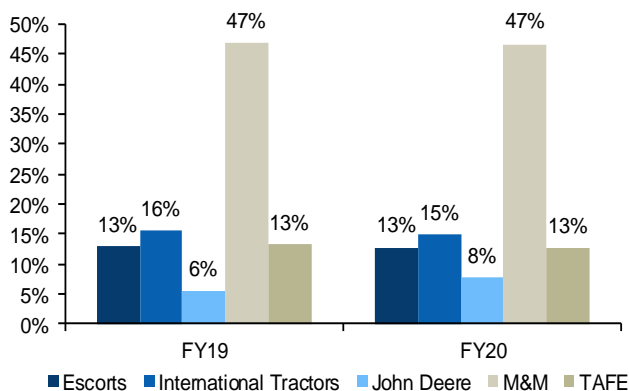
Exhibit 39: Region wise tractor sales in FY20 (domestic)



In terms of regions, Northern India constituted ~36% of total tractor sales as of FY20. This was followed by western market with share of sales at ~33% followed by southern market at ~17% and eastern India at ~14%

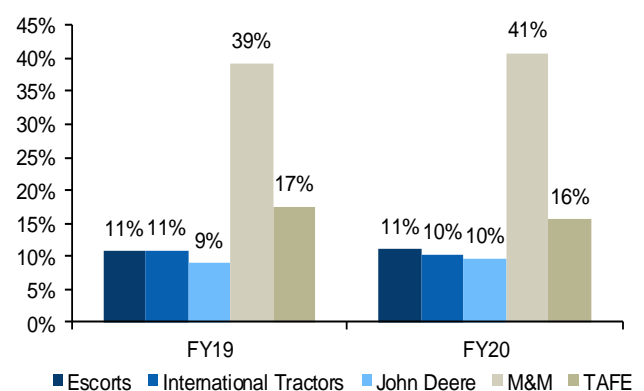
Source: CRISIL Research, ICICI Direct Research

Exhibit 40: Eastern region market share (domestic)



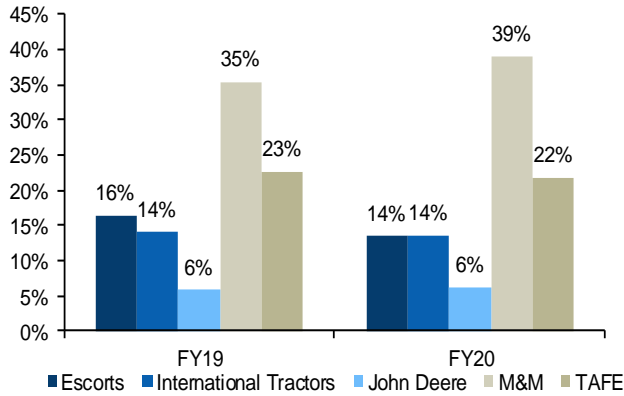
Source: CRISIL Research, ICICI Direct Research

Exhibit 41: Western region market share (domestic)



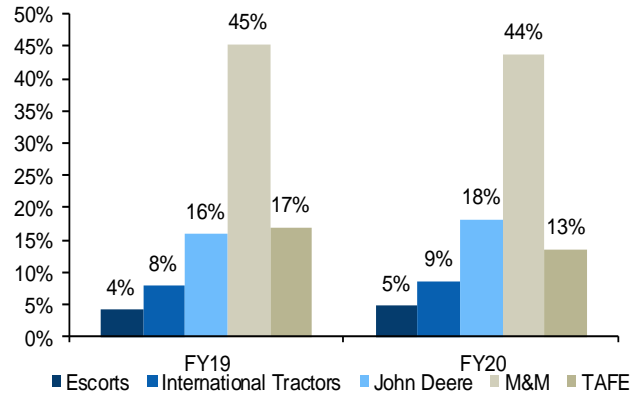
Source: CRISIL Research, ICICI Direct Research

Exhibit 42: Northern region market share (domestic)



Source: CRISIL Research, ICICI Direct Research

Exhibit 43: Southern region market share (domestic)



Source: CRISIL Research, ICICI Direct Research

In FY20, M&M gained market share across key markets of North (39%, up 400 bps YoY) and West (41%, up 200 bps) while holding steady in South (44%, down 100 bps) and East (47%). Escorts, on the other hand, lost market share in its stronghold i.e. North Region (14%, down 200 bps YoY) while holding steady in rest of the markets of East (13%), West (11%) and South (5%, up 100 bps).

C. Product mix

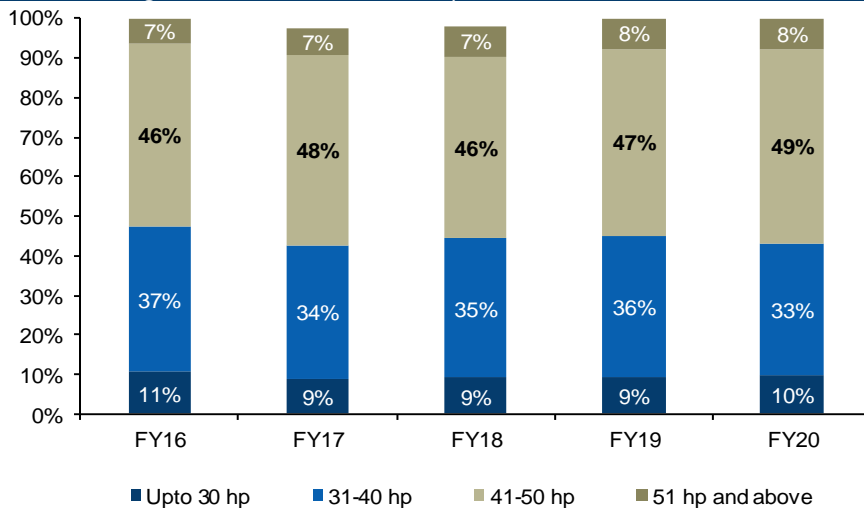
Domestically, our tractor market is maturing towards higher hp segment with 41-50 hp segment on aggregate basis constituting the bulk of tractor sales at ~49% as of FY20. This is followed by 31-40 hp segment with tractor share of sales pegged at ~33%. While the extreme ends i.e. <30 hp segment and >50hp segment constitute just ~10% & ~8% of overall industry sales, respectively.

Exhibit 44: Segment wise tractor volumes at industry level (domestic)

Segment	FY16	FY17	FY18	FY19	FY20
Upto 30 hp	53,136	54,106	67,618	74,367	70,055
31-40 hp	180,972	201,726	254,767	280,477	236,412
41-50 hp	226,818	285,234	335,606	371,531	345,599
51 hp and above	32,838	41,596	53,486	59,167	56,936
Uncategorised	-	15,204	16,657	1,371	-
Total Tractor Sales	493,764	597,866	728,134	786,912	709,002

Source: CRISIL Research, ICICI Direct Research

Exhibit 45: Segmental mix trend over the years (domestic)



Source: CRISIL Research, ICICI Direct Research

Section II: Outlook – Looking ahead ...

A. Automotive industry

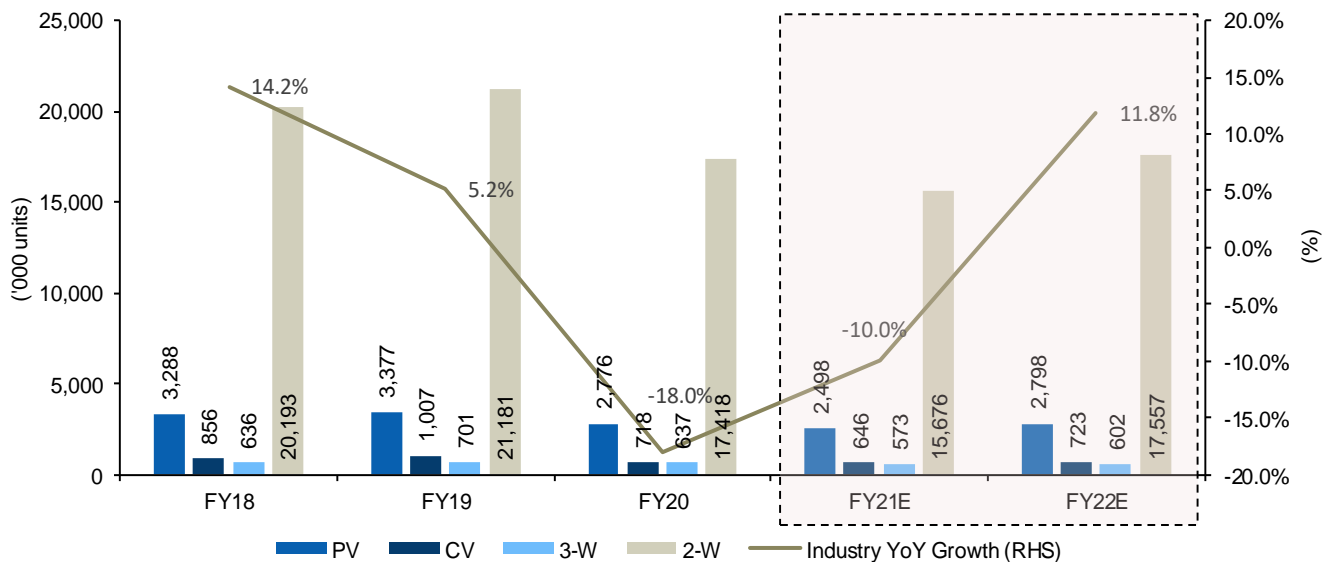
The ongoing black swan event of Covid-19 and resulting closure of manufacturing and sales establishments on a nationwide basis has already resulted in April being a complete washout month for the entire automotive value chain. Even as normalcy returns in stages and production resumes at OEM level in select facilities in a calibrated manner from May onwards, logistical issues (manpower, supply chain) are expected to inhibit the ramp up process – leading to a gradual uptick in utilisation and output levels.

On the demand side, pressure on income levels is seen imparting stress on discretionary consumer spend over the short term – thereby keeping PV and 2-W segments in check. System-wide shutdown and resulting impairment of economic activity would further elongate recovery in the CV space. In addition to supply and demand shock brought about by Covid19, onset of BS-VI emission norms and its inflationary impact on product prices is another factor seen crimping demand. Accordingly, we expect the domestic auto space to register 10% YoY decline in overall volumes during FY21E.

Additionally, as a consequence of Covid-19 related rise in awareness levels, it could trigger a rise in volumes of entry level offerings on the PV and 2-W side. Non vehicle owners and public transport users could opt for purchasing a lower ticket price vehicle, which would have associated effects on product mix within these market segments.

We expect the industry to record positive growth only in FY22E, once BS-VI pricing environment has settled and Covid-19 impact starts to fade. The steep slide in crude oil prices (and associated impact on domestic fuel prices) along with lower interest rates in the system are expected to lend a helping hand to automotive demand recovery in FY22E, by lowering the cost of vehicle ownership at consumer level. Pent up demand from two back-to-back years of negative volume growth (FY20E, FY21E) are seen leading to a healthy, broad based ~11.8% YoY growth at the industry level in FY22E, leading to flattish overall CAGR in FY20-22E.

Exhibit 46: Volume growth expectations at industry level over FY20E-22E

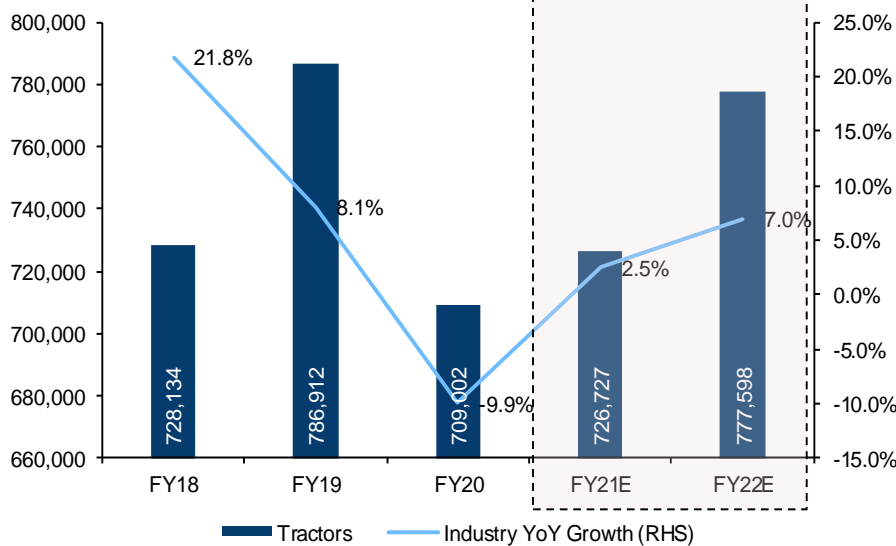


Source: SIAM, ICICI Direct Research; Note – excludes Quadricycles

B. Tractor industry

The domestic tractor space is expected to continue to outperform wider automotive industry in FY20-22E as it does not suffer from regulatory disruption in the form of BS-VI emission norms (upcoming TREM norms for tractors from October 2020 would affect only higher hp category i.e. <10% of industry volumes). Once Covid19 impact begins to subside, we expect the space to stage a relatively speedy recovery as underlying demand drivers (healthy water table levels, good Rabi crop, expectations of a normal monsoon) remain intact. Over the medium to long term, the government’s focus on doubling farm incomes and limited penetration levels (<50% of peak requirement) support our positive outlook on the space. We expect domestic industry volumes to rise to 7.78 lakh units by FY22E at 4.7% CAGR.

Exhibit 47: Volume, volume growth estimates for major automotive OEMs

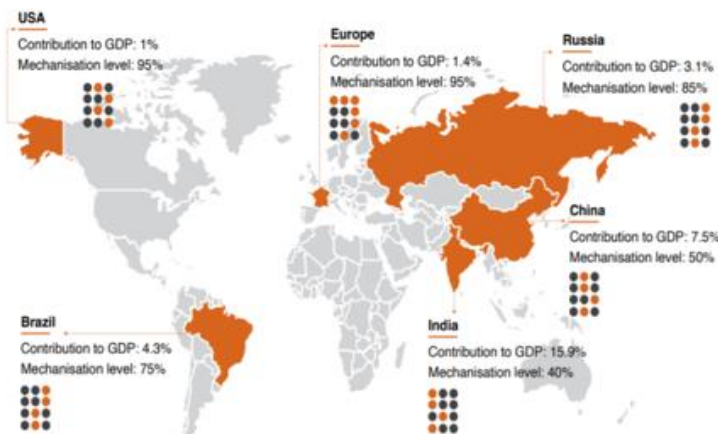


Source: CRISIL Research, ICICI Direct Research

By virtue of agriculture sector being the primarily customer (~70% of total sales), tractor volumes are linked with the fortunes of domestic farming community and hence indirectly linked to monsoons.

The tractor industry has been at the forefront of farm mechanisation in India. Farm mechanisation penetration domestically is pegged at ~40% vs. ~80% in the developed world. Shortage of farm labour is a key long term driver for greater farm mechanisation, going ahead.

Exhibit 48: Global comparison of farm mechanisation levels



Source: Farm Mechanisation Report, PWC-FICCI; ICICI Direct Research

Agriculture space contributes ~15-16% to overall GDP in India. Apart from significant contribution to the GDP, the sector also employs ~49% of total workforce. Among other major world economies, only China comes close, at 35%. Workforces in Brazil (14.8%), Russia (14.4%), Europe (3.9%) and the US (2.5%) are not as dependent on agriculture given their well penetrated farm mechanisation levels (75-95%). (Data as per Farm Mechanisation Report by PWC-FICCI).

In summary, FY21E is expected to be another challenging year for the domestic auto space amid lingering issues on demand and supply side. Automotive demand recovery has been pushed into H2FY21E by the Covid19 crisis, with meaningful momentum set to return only in FY22E.

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Sell: <-15%



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