

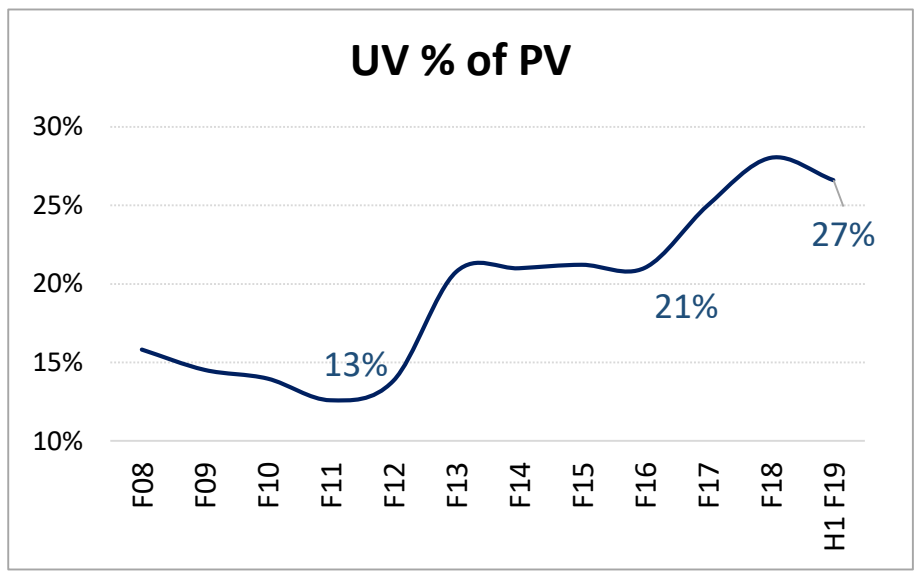
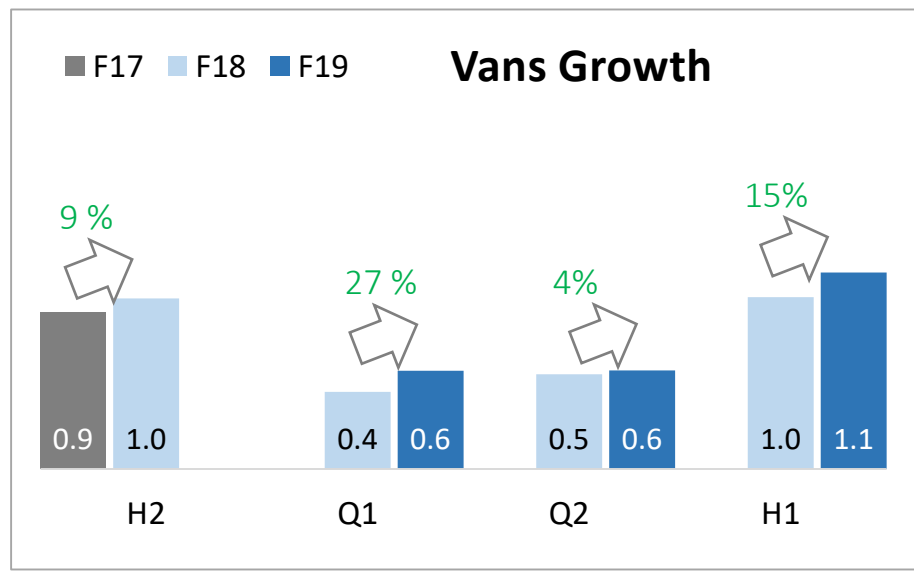
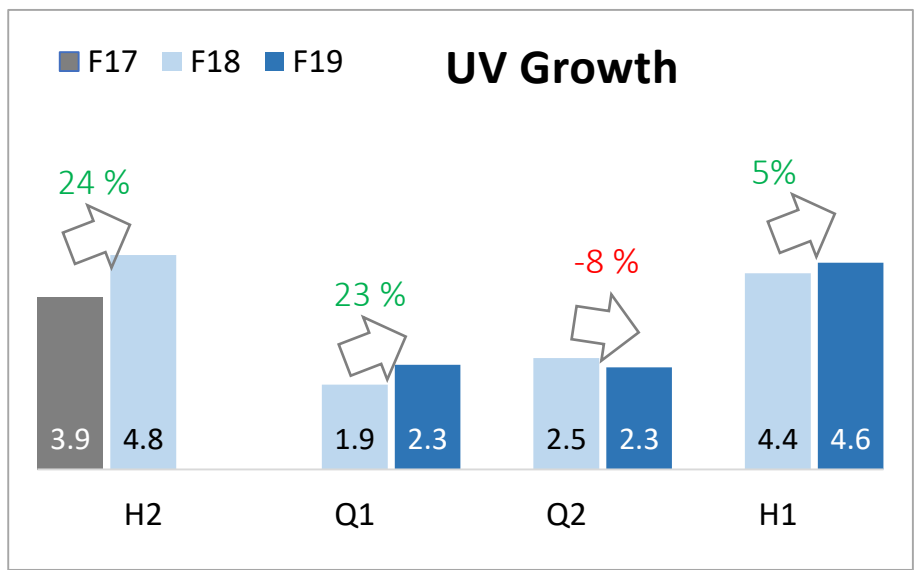
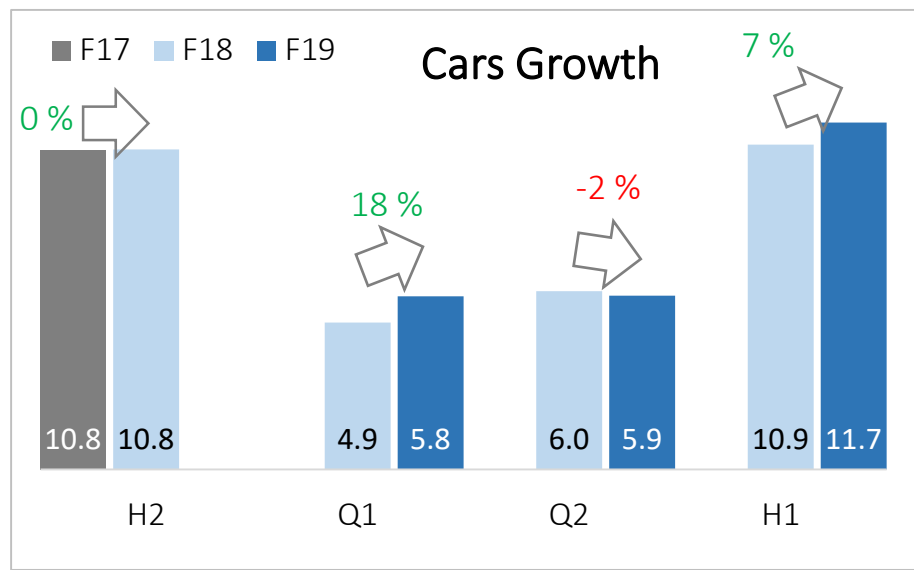
# Indian Automobile Industry

Quarterly Review : Q2 FY19

	F18 vs F17	Q1-F19 Growth	Q2-F19 Growth	H1-F19 Growth	Comments
PV	8%	19.9%	-3.6%	6.9%	<ul style="list-style-type: none"> <li>○ PV de-growth in Q2F19 was on high base due to               <ul style="list-style-type: none"> <li>i. Pent up demand in Q2-F18 caused by GST effect in Q1-F18</li> <li>ii. Festive season shifting to Q3-F19</li> </ul> </li> <li>○ H1-F19 growth remains inline with H2-F18 growth of 6.7%</li> <li>○ UV / PV ratio remained at 26.9% vs 29.1% in H1-F18</li> <li>○ Vans continue to show recovery on ease of finance availability.</li> </ul>
CV	20%	51.5%	27.6%	37.9%	<ul style="list-style-type: none"> <li>○ Growth was seen on ease of finance availability in SCV segment and freight availability in MHCV segment.</li> <li>○ SCV &lt; 3.5T: Segment is back to 50% of total commercial vehicles from 44% in F16.</li> <li>○ SCV &lt;2T has partially recovered from average monthly sales of 10K in F17 to 20K in Q2-F19.</li> <li>○ MHCV Goods growth is driven by steep discounts, overloading ban and freight availability.</li> </ul>

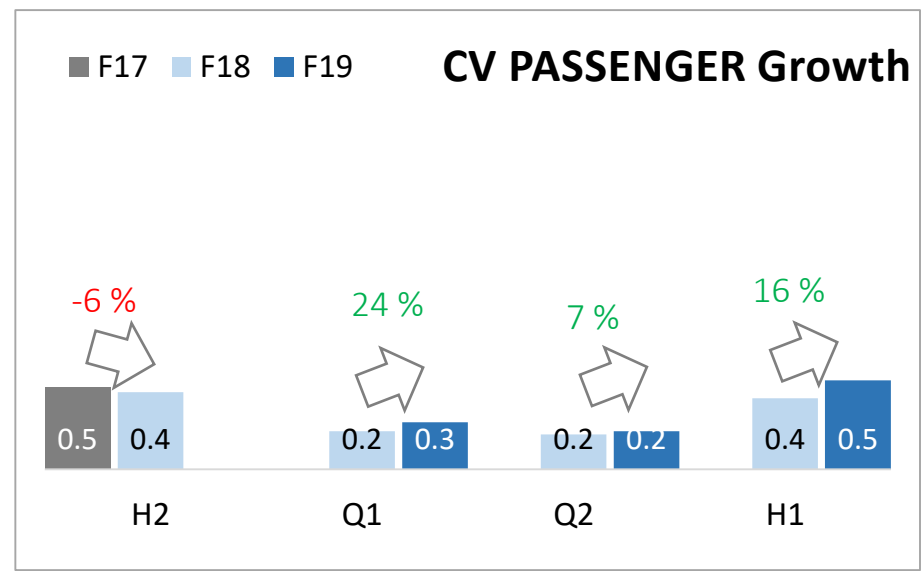
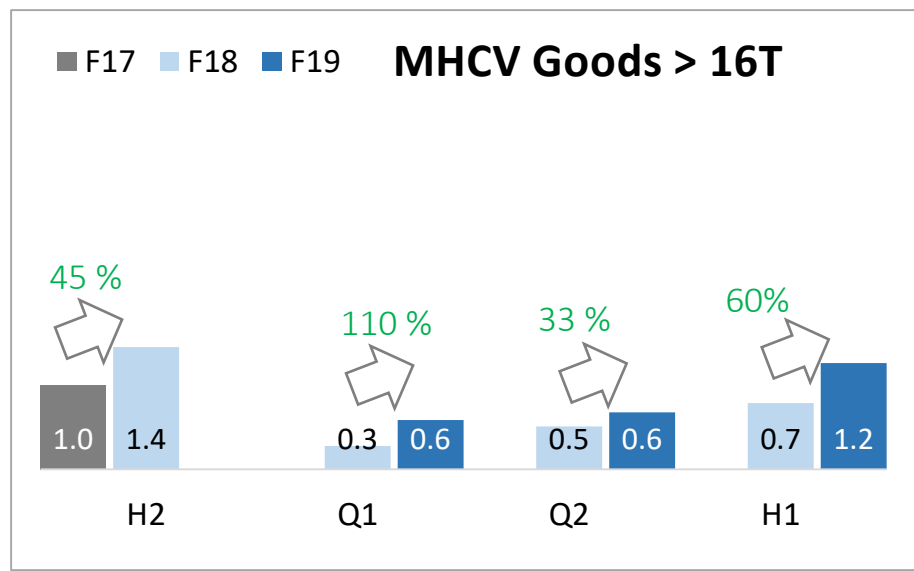
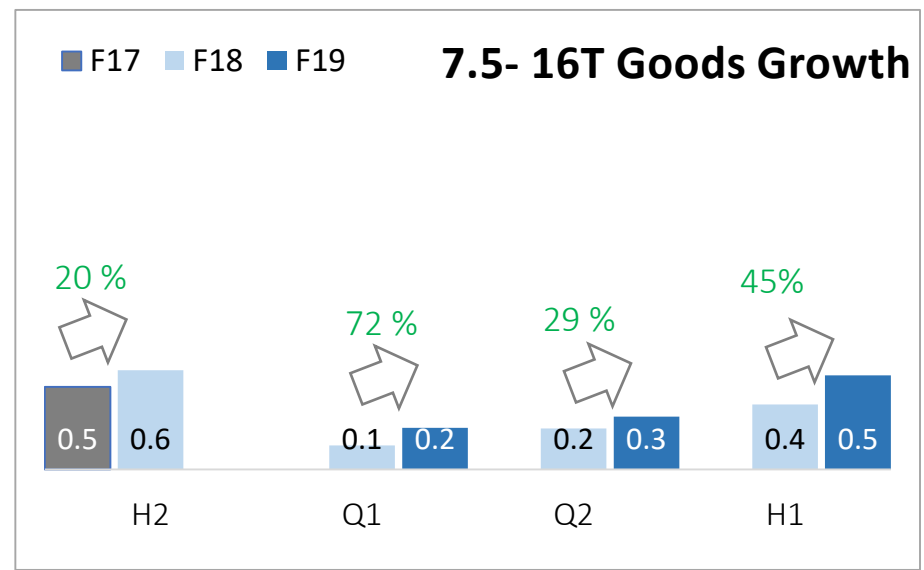
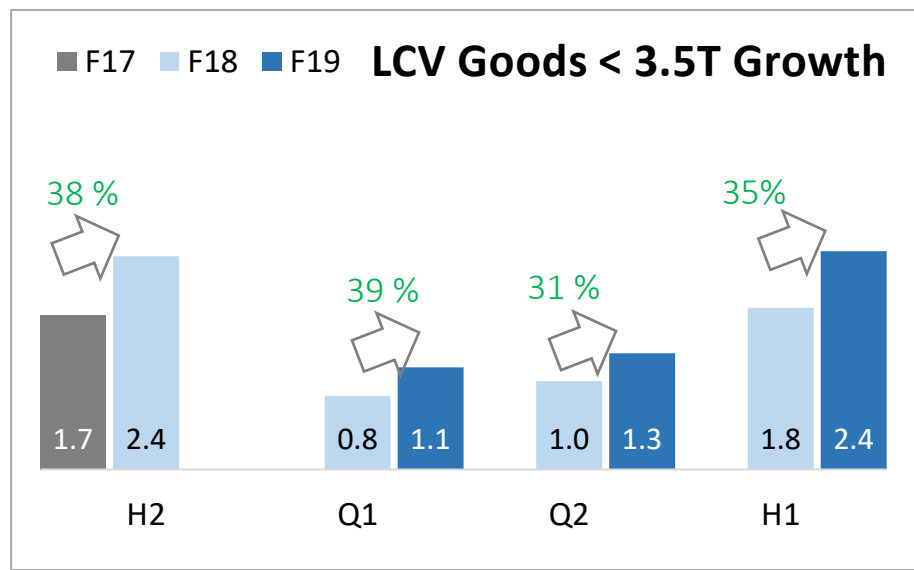
# PASSENGER VEHICLE GROWTH

Units in lakhs



# COMMERCIAL VEHICLE GROWTH

Units in lakhs

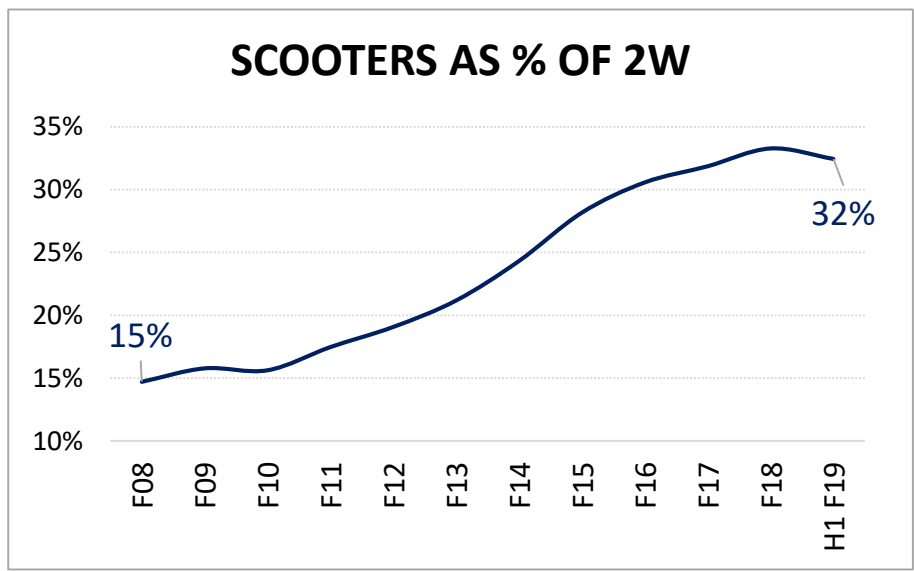
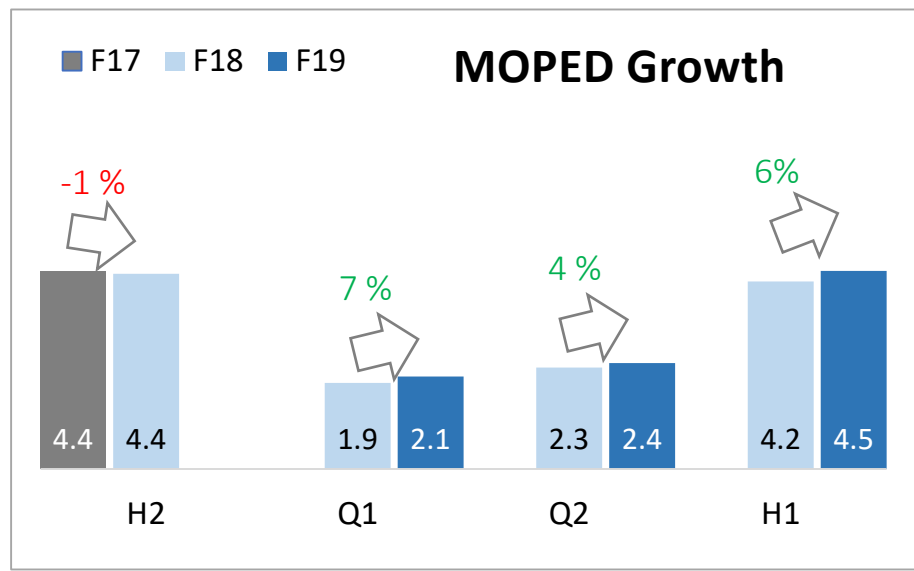
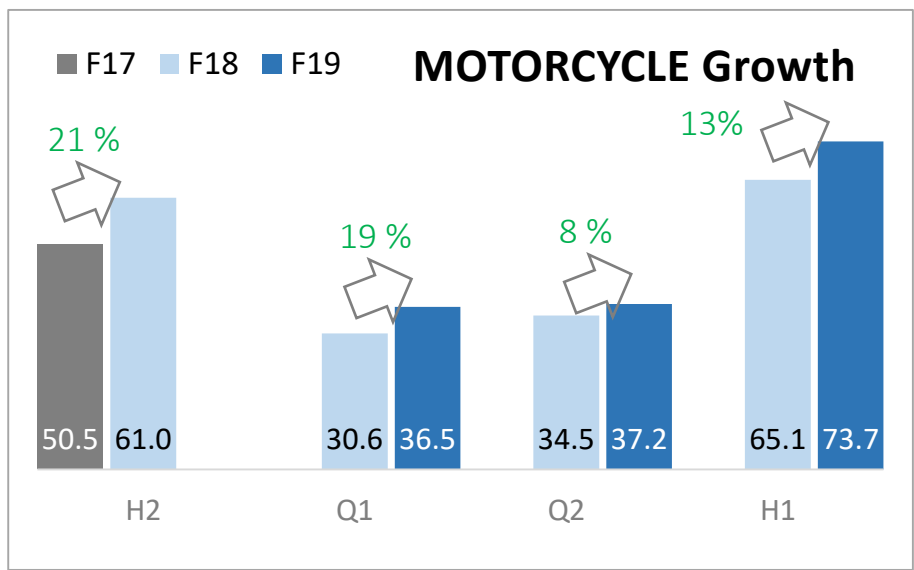
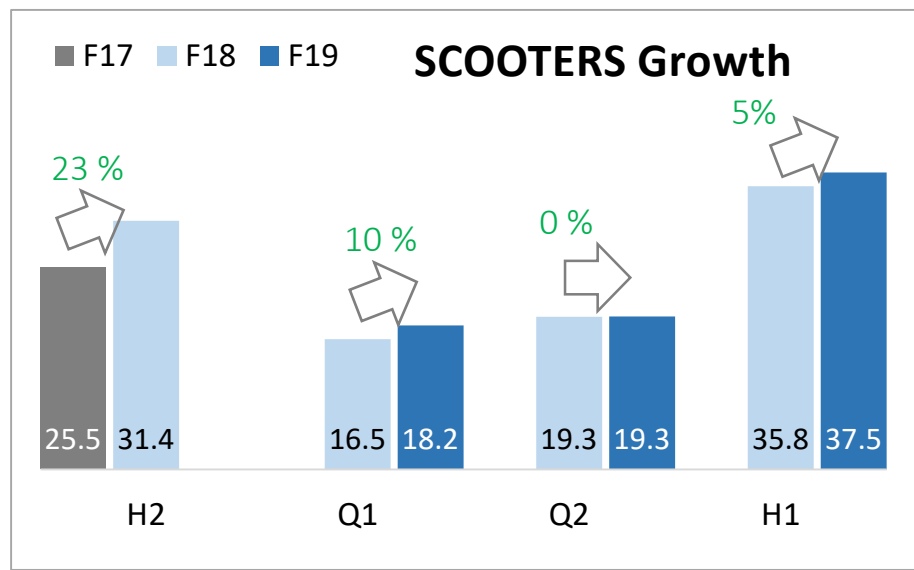


## 2-WHEELERS & 3-WHEELERS

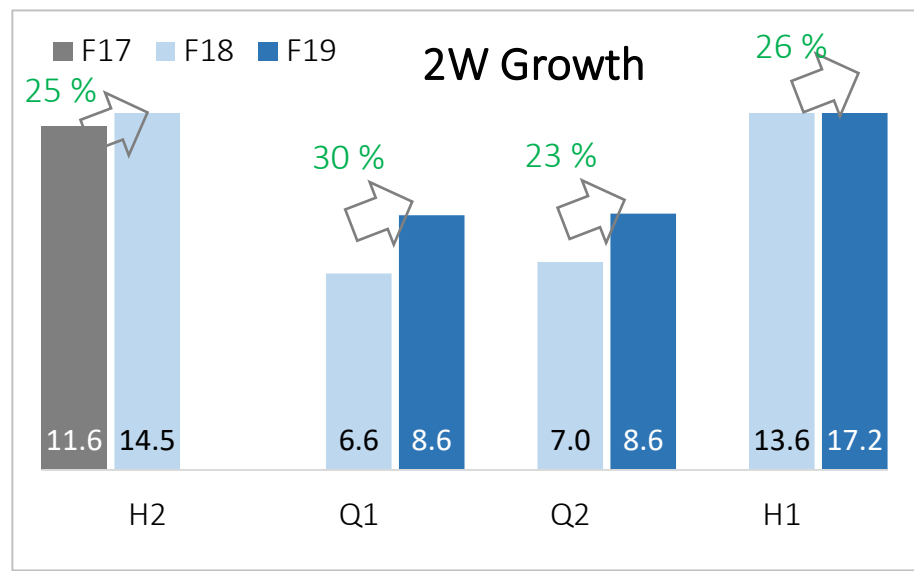
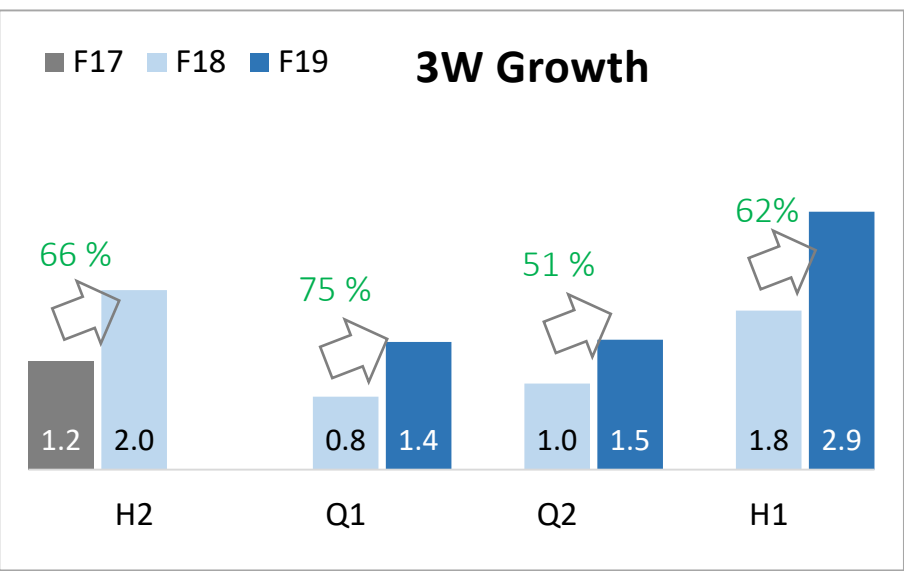
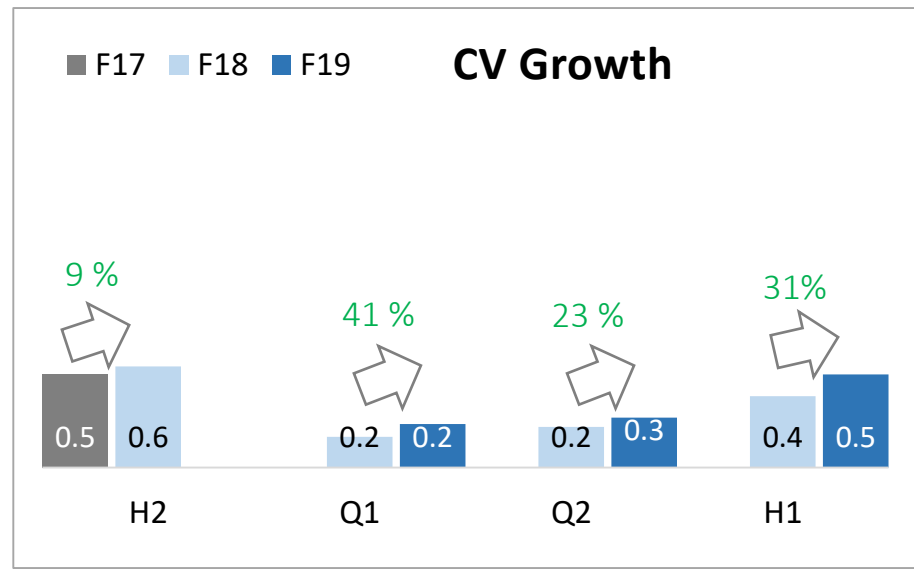
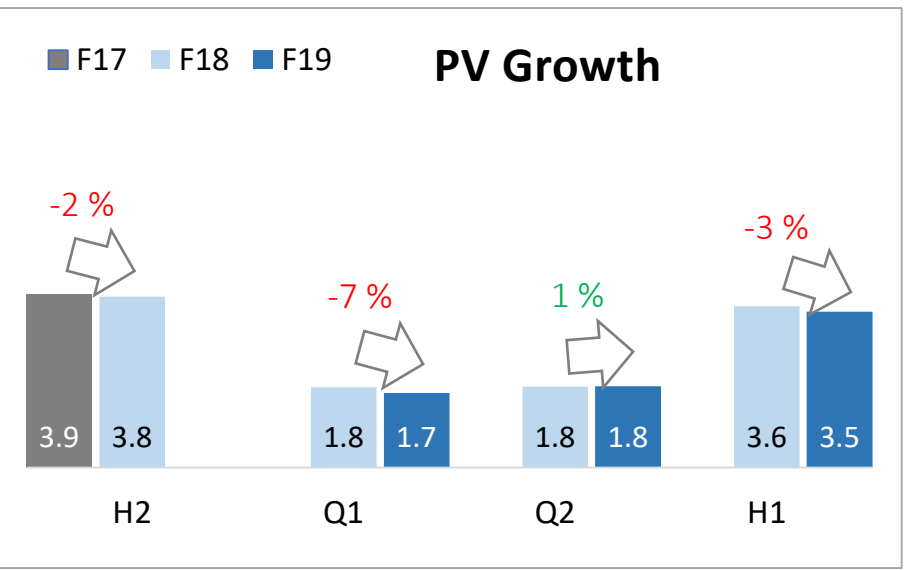
	F18 vs F17	Q1-F19 Growth	Q2-F19 Growth	H1-F19 Growth	Comments
2W	14.8%	15.9%	5.0%	10.1%	<ul style="list-style-type: none"> <li>○ 2W growth Q2F19 was impacted on high base effect due to shift to festive season and high insurance cost increasing cost of purchase of 2W by 5-16%.</li> <li>○ Scooter as % of Motorcycles has stabilised at ~32% with demand from rural</li> </ul>
3W	24.2%	54.0%	24.6%	36.5%	<ul style="list-style-type: none"> <li>○ Opening of Permit in states like Maharashtra, Karnataka and West Bengal</li> <li>○ Increase in demand of Intra city commuting</li> <li>○ High growth witnessed due to low base of FY18 in three-wheeler segment</li> </ul>

## 2-WHEELERS GROWTH

Units in lakhs



Units in lakhs



	F16	F17	F18	F18-Q4	F19-Q1	F19-Q2	
GDP / GVA	8.2	7.1	6.5	7.6	7.0	7 – 7.4%*	●
GVA Services	9.6	7.5	7.9	7.7	7.2	7.1 - 8%*	●
PFCE	7.4	7.3	6.6	6.7	7.0	11-12%*	●
GFCE	6.8	12.2	10.9	16.9	7.3	9 -10%	●
Non Food Credit	10.7	7.8	9.8	9.8	12.5	12	●
IIP	3.3	4.6	4.4	6.3	5.2	6.6	●
WPI	-3.7	1.7	2.9	2.8	4.2	4.8	●

\* RBI Forecast Survey



Commodities expected to remain firm.

Commodity	Unit	FY18				FY19		
		Q1	Q2	Q3	Q4	Q1	Jul + Aug	
Steel ( CR)	Rs./kg	46	43	43	47	49	49	●
Forging Steel	Rs./kg	62	55	56	61	63	42	●
Pig Iron	Rs./kg	32	30	31	33	36	35	●
Copper	Rs./kg	367	410	445	451	460	426	●
Lead	Rs./kg	140	151	163	162	160	149	●
Natural Rubber	Rs./kg	132	133	129	125	124	131	●
Aluminium	Rs./kg	124	130	138	139	151	143	●
Polypropylene	Rs./kg	87	87	89	92	97	98	●

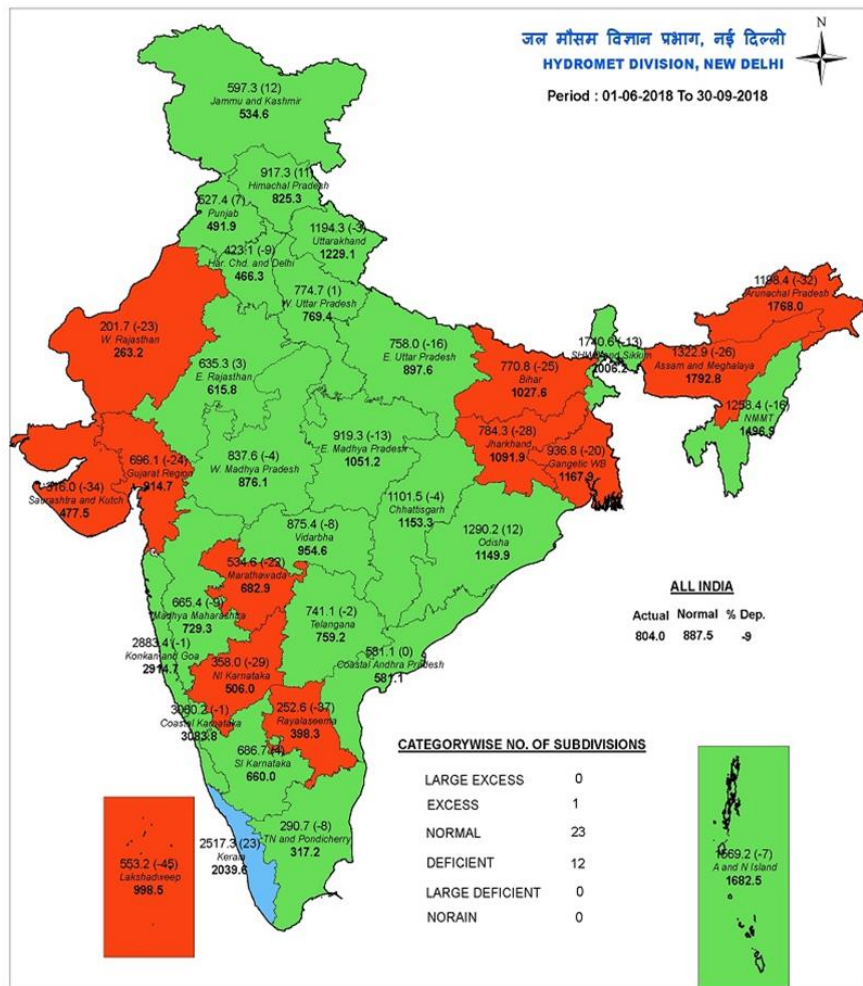
## FUEL PRICES AND % DIESEL VEHICLES

% Diesel Vehicles	FY13	FY14	FY15	FY 16	F17	F18	Q1F19	Jul+Aug (18)
Cars	47%	42%	38%	34%	27%	23%	23%	21%
UVs	97%	94%	90%	87%	85%	84%	83%	83%
Vans	53%	46%	25%	19%	16%	19%	22%	21%
PV Total	58%	53%	48%	44%	41%	40%	41%	37%

Fuel prices Rs/lit	FY13	FY14	FY15	FY 16	F17	F18	Q1F19	Jul+Aug (18)
Petrol	68.3	70.6	66.4	61.8	65.6	68.0	71.5	76.5
Diesel	44.9	52.2	54.0	47.2	54.4	57.2	61.9	68.4
Difference	23.4	18.4	12.4	14.6	11.2	10.8	9.6	8.4
Difference %	34%	26%	19%	24%	17%	16%	13%	11%

Note: Fuel prices are of Delhi

- Sep average fuel prices are highest ever (Petrol Rs. 80.4 , Diesel Rs. 72.3)
- Petrol – Diesel gap is lowest ever (Rs. 8)



Key states like Gujarat, Bihar and Jharkhand have received deficient monsoon in 2018. These states account 10-15% of total auto industry

	Rainfall LPA	Districts with Deficient Monsoon	Districts with Normal + Excess Monsoon
Gujarat	-27%	67%	33%
Bihar	-23%	71%	29%
Jharkhand	-26%	29%	71%

	Industry PV % Sales	Industry CV % Sales	Industry 3W % Sales	M&M 2W % Sales
Gujarat	9%	6%	9%	7%
Bihar	2%	2%	6%	5%
Jharkhand	2%	2%	3%	2%
Total	13%	10%	17%	14%

Growth Drivers	Challenges
Govt continue to focus on agri and rural development	Steep rise in crude oil prices resulting in higher fuel prices.
Non food credit on rise. Affordable finance availability.	Monetary policy increased repo and reverse repo rates first time after Jan-14. Banks have also revised loan rates
Kharif season ends with 91% LPA rainfall but high food grain output	Increase in Insurance price impacting cost of purchase
Reservoir level sufficient to address Rabi crops	Commodity prices continue to move up
	Heavy discounting in MHCV-Goods segment putting pressure on margins
	Rain deficiency in key markets like Bihar (-21%), Haryana (-22%), UP (-9%) and Gujarat (-27%) is likely to impact sales

**Thank You**