

AUTO MONTHLY SALES APRIL 2011

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Auto Monthly Sales Updates for April 2011

Maruti Suzuki

Product	Apr-11	Apr-10	YoY	Mar-11	MoM
Domestic Sales (a)					
A1 (Maruti 800)	2,528	2,258	12.0%	2,915	-13.3%
A2(Alto,wagonR,Zen,Swift,Ritz)	57,443	56,416	1.8%	78,460	-26.8%
A3 (SX4, Swift Dzire)	13,899	9,994	39.1%	13,910	-0.1%
A4 (Kizashi)	35	NA		103	-66%
C (Omni,Versa,Eeco)	13,022	10,654	22.2%	14,416	-9.7%
MUV (Gypsy, Vitara)	217	712	-69.5%	620	-65.0%
	87,144	80,034	8.9%	110,424	-21.1%
Export Sales (b)	10,011	13,024	-23.1%	11,528	-13.2%
Total Sales (a+b)	97,155	93,058	4.4%	121,952	-20.3%

Maruti Suzuki reported slower growth in sales, indicating overall slowdown in growth due to increase in interest rate and rising fuel cost. However, it recorded 8.9% YoY growth in domestic sales while exports slid 23.1% on a YoY basis and 13.2% on a MoM basis at 10,011 units due to pressure on sales in the European region. The management is confident about the smooth production in coming months and does not foresee any changes in its production schedule due to the crisis in Japan. The company is expanding its production capacity at Manesar and Gurgaon by 0.45 mn to 1.65 mn at the end of FY 12 instead of FY 13 and will incur a capex of Rs 4,000 crs for this expansion. Management has indicated that the sales volume growth for FY 12 will be approximately 12-15%, which is well in line with the industry estimates.

- Maruti sold 97,155 vehicles for the month of April 11 as against 93,058 units in April 10, a rise of 4.4% YoY basis. However, on a MoM basis the sales declined 20.3% reflecting slow down in auto sales.
- The A2 Segment comprising of Alto, Wagon R, and Swift & Ritz grew by 1.8% on a YoY Basis; while on a MoM Basis declined by 26.8% at 57,443 units. The segment contribution to the total domestic volumes declined from 71% in April 2010 to 66% in April 2011.
- The A3 category, comprising of SX4 and Swift Dzire's sales showed a robust growth by 39.1% YoY at 13,899 units. On a MoM basis it was flat. SX4 Diesel was launched recently in February.
- The A4 segment comprising of the newly launched Kizashi saw a sale of 35 units in April 2011.
- The C segment comprising Omni and Eeco and Versa continued to show a strong growth in the domestic market growing by 22.2% on a YoY basis.

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Tata Motors

Product	Apr-11	Apr-10	YoY	Mar-11	MoM
Domestic Sales					
M&HCV	13,738	13,157	4.4%	23,337	-41.1%
LCV	22,802	17,806	28.1%	26,416	-13.7%
Cars					
Indica	4,250	9,036	-53.0%	6,937	-38.7%
Indigo	5,282	7,201	-26.6%	7,197	-26.6%
Nano	10,012	3,525	184.0%	8,707	15.0%
Total Cars	19,544	19,762	-1.1%	22,841	-14.4%
Utility(Safari , Sumo)	3,843	3,340	15.1%	4,837	-20.5%
Domestic Sales	59,927	54,065	10.8%	77,431	-22.6%
Export Sales	4,258	3,137	35.7%	5,932	-28.2%
Total Sales	64,185	57,202	12.2%	83,363	-23.0%
Fiat	2,049	1,800	13.8%	1,865	9.9%

- Tata Motors reported sales of 64,185 vehicles (including exports) for the month of April 11, an increase of 12.2% YoY but slid by 23% on a MoM basis reflecting a seasonal slowdown in overall auto industry.
- The M&HCV segment witnessed a growth of 4.4% on a YoY basis, and a decline of 41.1% on a MoM basis at 13,738 units for April 2011. The LCV segment has witnessed a growth of 28.1% YoY and declined by 13.7% MoM to 22,802 units.
- The sale of Tata Indica and Indigo cars continue to decelerate. The Cars segment showed a decline of 1.1% YoY to 19,544 units which was mainly due to 53% decline in sales of Tata Indica to 4,250. However, robust growth in sales of Tata Nano by 184% to 10,012 (crossed 10,000 – mark for the first time) restricted the decline in total sales from falling further.
- Exports grew 12.6% to 4258 units for April 11 on a YoY basis, down 28.2% MoM.

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Ashok Leyland

Product	Apr-11	Apr-10	YoY	Mar-11	MoM
Domestic Sales (a)					
MDV Passenger	1,105	1,176	-6%	2,312	-52%
MDV Goods	3,701	4,774	-22%	8,883	-58%
LCV	26	40	-35%	118	-78%
Total	4,832	5,990	-19%	11,313	-57%
Export Sales (b)					
MDV Passenger	255	272	-6%	416	-39%
MDV Goods	404	227	78%	412	-2%
LCV	52	11	NA	28	86%
Total	711	510	39%	856	-17%
Total Sales (a+b)	5,543	6,500	-15%	12169	-54%

- Ashok Leyland reported total sales of 5543 units in April 11 as against 6,500 units in April 10, a decrease of 15% on a YoY basis. On a MoM basis sales were lower by 54%. The sales number were impacted by the local elections as Ashok Leyland has more exposure in the South.
- Ashok Leyland Domestic sales were lower by 19% YoY and 57% on MoM basis. Exports were higher by 39% YoY and but slid by 17% MoM and stood at 711.
- Going forward, Management believes that the interest rate hikes will impact the sales growth in the current year. However, the company is prepared with various other plans to offset the lower or flat growth rate expected for the industry.

Mahindra & Mahindra

Product	Apr-11	Apr-10	YoY	Mar-11	MoM
Passenger Uv's	14,453	12,620	14.5%	16,302	-11.3%
Verito	1,006	303	232.0%	1,018	-1.2%
4 Wheel pick ups (including Maim	9,538	8,206	16.2%	11,520	-17.2%
3 Wheelers	4,411	3,048	44.7%	5,769	-23.5%
MNAL	941	860	9.4%	879	7.1%
Total Domestic	30,349	25,037	21.2%	35,488	-14.5%
Exports	1,741	856	103.4%	2,034	-14.4%
Total	32,090	25,893	23.9%	37,522	-14.5%
Total Farm Equipment	18,530	16,302	13.7%	19,848	-6.6%
Total Sales	50,620	42,195	20.0%	57,370	-11.8%

- Mahindra & Mahindra reported total sales of 50,620 units in April 11 as against 42,195 units in the corresponding month last year, a growth of 20% YoY basis but decreased by 11.8% on a MoM basis.

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- The Farm Equipment segment (Domestic + Exports) recorded a 13.7% growth on a YoY basis but declined by 6.6 % MoM. According to the management in farm equipment sector, there has been specific reasons which has not been revealed that impacted the growth of the farm equipments. However, the management has mentioned that this is a temporary phase and there will be signs of improvement in the month of June as soon as the monsoon season will begin.
- Furthermore, Management expects the growth rate for tractors to be approximately 15% for FY12 and may even go slightly above 15% depending on the demand scenario.

2-Wheelers

Company Name	Apr-11	Apr-10	YoY	Mar-11	MoM
BAJAJ AUTO					
-Motor Cycle	322,235	276,095	16.7%	274,389	17.4%
-Scooter Geared/Un Geared	0	27		0	
Two Wheeler (a)	322,235	276,122	16.7%	274,389	17.4%
Three Wheeler (b)	45,074	37,350	20.7%	33,349	35.2%
Total Sales (a+b)	367,309	313,472	17.2%	307,738	19.4%
TVS					
Motor Cycles	69,573	66,000	5.4%	79,642	-12.6%
Scooters/Mopeds	94,610	81,172	16.6%	107,139	-11.7%
Total 2 Wheelers	164,183	147,172	11.6%	186,781	-12.1%
- 3 Wheeler	3,561	2,483	43.4%	4,427	-19.6%
Total Sales	167,744	149,655	12.1%	191,208	-12.3%
HERO HONDA					
Motorcycles	517,099	371,652	39.1%	515,852	0.2%

- **Bajaj Auto**
 - Bajaj Auto's total sales grew by 17% on a YoY basis which was the highest sale the company has ever seen in any April and stood at 367,309 in April 11 as compared to 313,472 in April 10. On a MoM basis sales grew by 19.4%.
 - Its three wheeler segment grew by 21% YoY and by 35% MoM. While the two wheeler segment grew by 17% YoY and MoM.
 - Management has set a target to achieve approximately 20% growth for FY12 indicating the total sales of two wheelers to cross 4.2 mn vehicles and three wheelers to cross 0.5 mn vehicles. Overall industry growth is expected to be at 12-14% which shows an aggressive growth strategy adopted by the management. Furthermore, the management has added that the decision of launching Discover 125cc towards the end of the last financial year would prove to be valuable.

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- **TVS**
 - TVS reported two wheeler sales of 164,183 units in April 11 as against 147,172 units in the corresponding month last year growing by 11.6%. However, on a MoM basis sales declined 12.1%
 - Its 3 Wheeler sales grew by a robust 43.4% Y-o-Y whereas on a MoM basis it declined 19.6%
 - However, we believe that with increasing competition from Hero Honda and Bajaj Auto, the domestic market share of TVS may be impacted negatively going forward.

- **Hero Honda**
 - Hero Honda's motorcycle sales were up by 39.1% on a YoY basis at 517,099 units in April 11. On a MoM basis sales were higher by 0.2%.
 - The sales recorded by Hero Honda is the best ever monthly sales reported by the company. The management mentioned that the overall growth has been possible due to all round growth across all sectors and segments.

Overall outlook

We have seen that automobile sales have already begun to slow down reflecting the seasonality factor. It is noticeable that in the month of April two wheeler players have clearly emerged as the outperformers leaving behind the four wheeler players. This may be due to strong presence of two wheelers in the rural areas.

However, in the current economic scenario due to increasing inflationary pressure, higher interest rate and increase in fuel prices the auto players would report moderate growth in volumes. In addition, rising raw material prices (rubber and steel) continues to dampen our outlook for the overall auto sector.

Moreover, with increase in interest rates by RBI we expect the cars and commercial vehicles to be negatively impacted as the sales are highly dependent on bank funding. Going forward, the auto sector is likely to get impacted on account of lower volume growth and increasing cost of production.

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NOTE

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