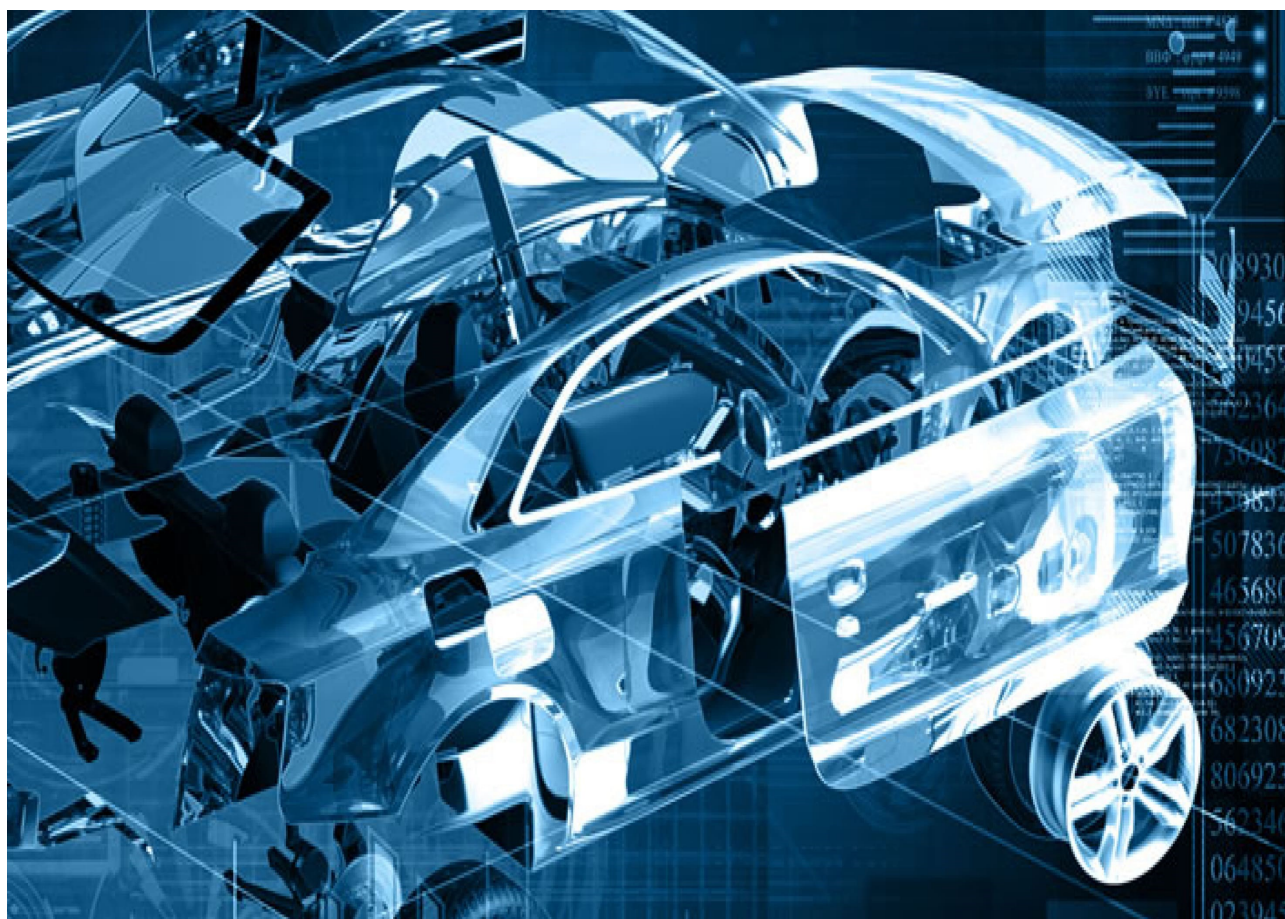


MONTHLY AUTO



MARCH 2021

Auto Sector Monthly Update
Based On A Low Base!!

March 2021

Monthly Sales (Domestic & Export in no. of units)			
Company	Mar 2021	Mar 2020	YOY
Passenger Vehicles			
Maruti Suzuki	167014	83792	99.3%
Hyundai Motor India	52600	26300	100.0%
Mahindra & Mahindra*	16700	3383	393.6%
Honda Cars India*	7103	3697	92.1%
Toyota Kirloskar	15001	7023	113.6%
Tata Motors	29654	5676	422.4%
Commercial Vehicles			
Tata Motors	40609	7123	470.1%
Mahindra & Mahindra*	17116	2321	637.4%
Ashok Leyland	17231	2126	710.5%
Two Wheelers			
Hero MotoCorp	576957	334647	72.4%
TVS Motors	307437	133988	129.5%
Eicher Motors (Royal Enfield)	66058	35814	84.4%
Three Wheelers			
TVS Motors	15246	10751	41.8%
Mahindra & Mahindra*	4461	421	959.6%
Atul Auto	1751	1091	60.5%
Tractors			
M&M	30970	13613	127.5%
Escorts	12337	5444	126.6%

Outlook:

Most of the companies across the segments were expected to showcase strong numbers for the month, based on the low base of last year, and that is what we see in sales figures of March. FY21 was a year of volatility across industries, but for Auto there has been recovery clocking in. It saw it all from zero sales to a real comeback. The rural segment contributed to growth throughout the year and acted as a pillar enabling it post strong numbers post-pandemic.

Maruti reported total sales of 167,014 units, growth of 99.3% compared to the same period last year. M&M reported a growth of 393.6% at 16,700 units. Hyundai reported 100% growth in sales y-o-y at 52,600 units. Toyota Kirloskar reported sales of 15,001 units for the month, growth of 113.6%, highest since 2013. Honda Cars reported 7,103 units sales for the month. Tata Motors reported growth of 422.4%, highest ever sales in 9 years.

In the CV space M&M reported growth of 637.4%. Ashok Leyland also reported a growth of 710.5%. Tata motors reported growth of 470.1%.

In the 3W, M&M reported growth of 959.6% for the month. Atul Auto managed sales of 1751 units for the month. TVS motors reported growth of 41.8%

In the two wheelers space, Eicher Motors reported growth of 84.4%. TVS motors reported growth of 129.5% in the overall sales. Hero MotoCorp has reported growth of 72.4%.

Escorts reported overall growth of 126.6%, for the month of March. The tractor demand is expected to continue to be strong led by higher Rabi output, favourable crop prices, and initial positive forecast of 2021 monsoon season, all supporting rural customer sentiments. M&M reported growth of 127.5% during the month.

With all constant reasons being preference for personal mobility and comeback in demand, there has been increase in prices taken across most of the segments which would further add to the profitability. There is demand recovery for two-wheelers expected going forward, on the back of better cash flow from the sale of rabi crop and beginning of the marriage season. One would have to filter and prefer companies with higher visibility in terms of demand recovery, strong competitive positioning, margin drivers and balance sheet strength. Overall, we feel that current valuations largely factor in sustained recovery, leaving a limited margin of safety for any negative surprises, unless the pandemic plays a larger role as a spoilt sport.

Source: Company Reports: Note : * Marked represents only Domestic Sales.

Company	CMP	Reco Price	Tgt Price	Comments
Alicon Castalloys Ltd	433	288	500	Manufacturer of aluminium castings for auto & non-automotive
The Hi-Tech Gears Ltd	174	298	200	Manufacturer of gears and transmission components
Munjal Showa Ltd	142	191	191	Manufacturer of shock absorbers and struts
Remsons Industries Ltd	144	104	200	Manufacturer of Gear Shift Systems, Shafts, Control Cables

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