



## Automotive Sales: Fatigue Visible in the New Year too; Seeing Some Sigh of Relief..!

**The Automotive Industry's sales continue to remain weak, however, seen an improvement on MoM basis.** The year 2018 started off well, but towards the end the demand gradually started coming off on account of higher fuel prices, insurance bouncer, an increase in the vehicle prices, floods in certain states, etc. In addition, there were hardly any big ticket launches. The year 2018 was a difficult one for automotive industry majorly impacted due to poor consumer sentiments. However, we are optimistic on the medium to long term outlook for the automotive industry and believes the worst is already priced in most of the stocks. We are seeing some trends emerging, as the fuel prices also came down sharply, there will be a good number of new launches expected in the new 2019 year (Tata Harrier and upgraded WagonR received overwhelming response, few launches in SUVs are expected from various OEMs and will see good launches under Rs. 10L bracket) and to meet the new safety standards, all the legacy models have to go & fresh ones should come. Moreover, from our recent dealers' check, we understand that the impact of higher insurance prices is fading now and the consumers are slowly accepting it as an advantage to have a long term insurance for a vehicle.

**The Passenger Vehicle industry continues to see speed bumps and rough ride from the last few months** on account of low consumer sentiments, an increase in the vehicle prices (increased prices by 1-5%) and high interest rate regime. We expect more such hikes in the coming months due to change in the safety regulations. From the recent dealers' check, we understand that buyers' have pre-poned & bought vehicles in December itself to avail high discounts, while, other buyers are finding reasons just to defer the purchase decision. The closure of special offers has witnessed a slow sales in January 2019. Almost all the PV maker reported either flattish or a decline in the volumes in January. We believe these are temporary vacuum and the rural as well as urban sentiments are showing signs of improvement specially post additional benefits announced in the interim budget. This will boost sales of small car volumes in the coming months. We have also got a feedback from the dealers' about a reduction in the inventories level vis-à-vis festive season. This will push wholesale volumes in the coming months.

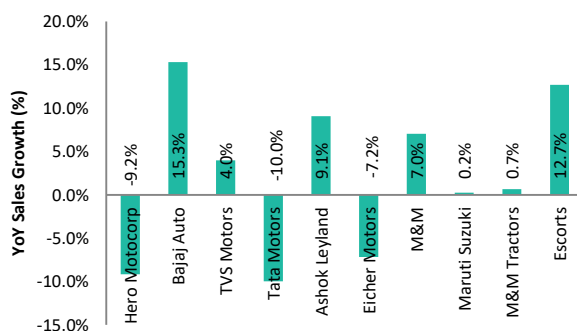
**The Two Wheelers performance remains mixed for the month** as on one side Hero MotoCorp and Royal Enfield reported a de-growth in its volumes, while, on the other side, TVS and Bajaj Auto reported 2% and 21% YoY jump in its sales. The overall hit was on account of the hike in the vehicle prices led by insurance bouncer & regulatory changes. Secondly, consumers require manufacturing of 2019 models and lastly, consumers deferring purchases till March for the year end discounts & festives. All this has led to poor ramp up in sales in January 2019. We expect the recent budget announcements would boost the consumption, uplift the rural sentiments. This, along with year end discounts, marriages, festive season in the upcoming months and pre-buying before a change in the safety regulation from April onwards would eventually boost the overall sales for two wheelers. Hence, we remain very optimistic for February & March 2019.

**The Commercial Vehicle industry posted a negative YoY growth** as NBFCs remain slow in lending, selective & strict in disbursing loans along with an increase in the interest rates. The sentiments continued to remain weak in January 2019 led by 1) lagged effect of implementation of revised axle load norms. 2) higher interest rates 3) slow in disbursement and 4) slowdown in the overall industrial output. We expect volumes to remain subdued in the month of February and would remain flattish for the month of March 2019.

The MHCV was the worst hit due to the lagged effect of axle load norms, as the freight carrying capacity of MHCV increased by up to 20% and transporters prefer to buy lower tonnage trucks. While, SCVs & LCVs reported some growth, but, it follows MHCV with a lag. Hence, expect some volatility in it too in the coming months. On the other side, tipper reported growth for the industry on account of continued infrastructural activities. The bus segment remains volatile due to the slowdown in the procurement of buses by state transport undertakings and lower permits for private hiring. The CV industry is expected to remain volatile for the next six months due to uncertainty related to the general elections. Post that, there will be some pre-buying expected only in 4QFY20 before the implementation of BS6, as post that prices can rise by ~10%.

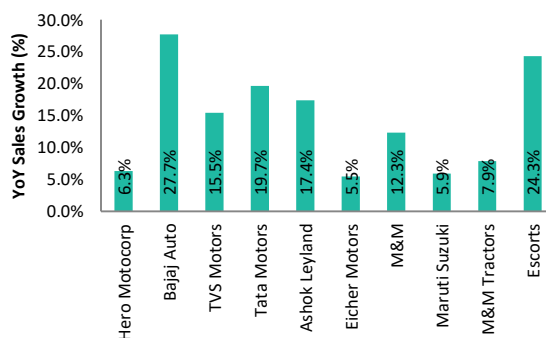
**Three wheelers & Tractors: On 3Ws, we have seen a demand fatigue in the domestic market, mainly due to higher base of last year and secondly, no big bang permits released in the states. Bajaj as well as TVS Motors 3W sales dropped in the domestic market. On the exports side, TVS have been posting high double digit growth, while Bajaj reported mid-teen growth. M&M 3Ws has never disappointed in YTFY19, as the volumes remain steady and posted double digit growth. On the Tractors Industry, Escorts continue to post a strong volume growth for the past several months and in almost all the months in YTFY19, Escorts growth has been much higher than the market leader. Overall, for the industry, the tractor volume growth slowed down due to lower sowing of rabi crops and a high base.**

### January 2019 YoY Sales Growth



Source: NSPL Research, Company

### YTFY19 YoY Sales Growth



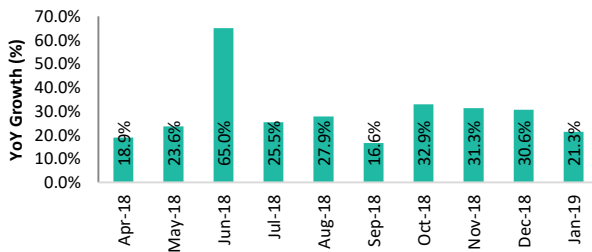


Bajaj Auto - Continues to Post Industry Leading Growth..!

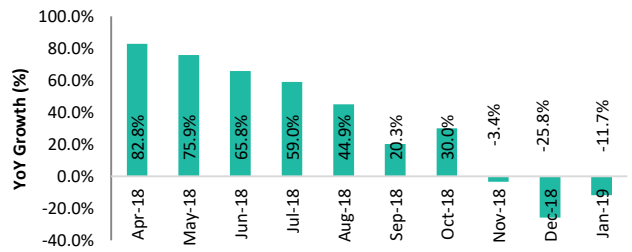
Bajaj Auto	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTD FY19	YTD FY18	YoY (%)
2Ws	3,50,460	2,88,936	21.3%	2,98,855	17.3%	35,85,350	28,01,881	28.0%
3Ws	56,690	64,211	-11.7%	47,344	19.7%	6,47,713	5,12,679	26.3%
Domestic	2,31,461	2,02,193	14.5%	1,80,351	28.3%	24,59,882	19,26,591	27.7%
Exports	1,75,689	1,50,954	16.4%	1,65,848	5.9%	17,73,181	13,87,969	27.8%
<b>Total Sales</b>	<b>4,07,150</b>	<b>3,53,147</b>	<b>15.3%</b>	<b>3,46,139</b>	<b>17.6%</b>	<b>42,33,063</b>	<b>33,14,560</b>	<b>27.7%</b>

- Bajaj continues to remain our top pick in the automotive space** as all its products as well as geographies are performing very well. In all the months of FY19, the YoY growth in the motorcycle numbers was in double digit & much higher as compared to all its peers. Hence, it continues to gain the market share. Bajaj’s new models/refreshers, attractive schemes and discounts managed to attract buyers. The exports remain steady and continue to grow on a YoY basis.
- On 3Ws**, after posting a very high double digit growth in the past several quarters, we continue to see some fatigue on the YoY growth numbers. However, this was on the expected lines, as this time there were no significant release of new permits. We expect it to maintain its average monthly run-rate in the coming months.
- Optimistic going ahead:** The company’s price strategy has developed now into a product strategy, we will continue to see better growth number for the domestic motorcycle in the coming months led by India’s hinterland in the run-up to the elections and also supported by new product variants, which are expected to get launched in the coming months. We expect entry level and sports segment to outpace the industry growth going ahead. There are no underlying issues in the exports, however, the numbers in Feb and Mar to remain little lower due to higher base & seasonality. We expect it to bounce back in FY20E.

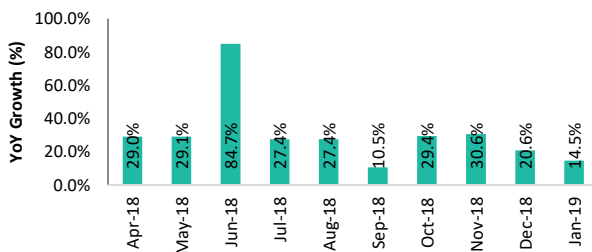
Bajaj Auto 2W Sales Trend



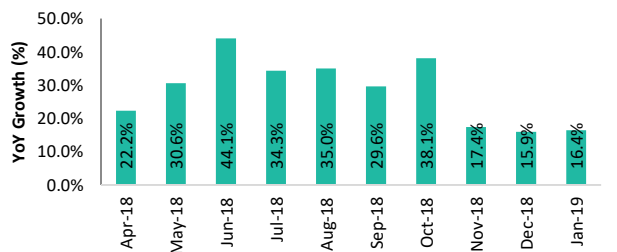
Bajaj Auto 3W Sales Trend



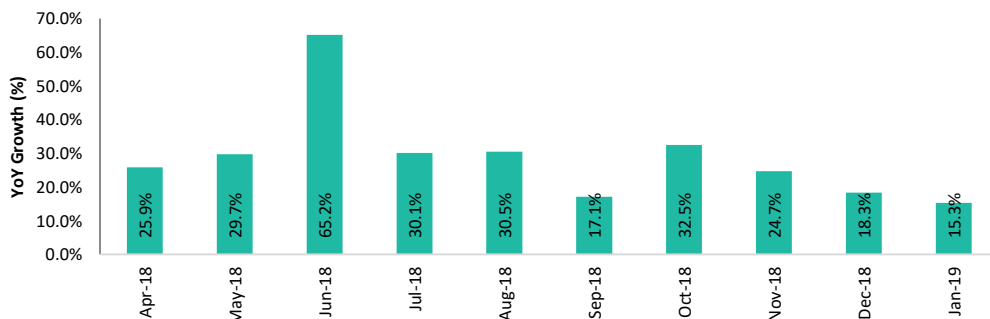
Bajaj Auto Domestic Sales Trend



Bajaj Auto Export Sales Trend



Bajaj Auto's Total Sales Trend



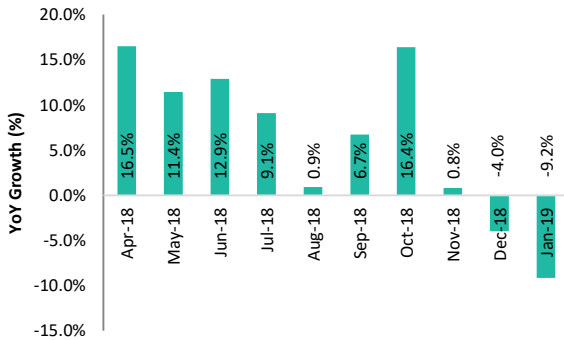
Source: Company, NSPL Research



**Hero MotoCorp - Impacted by Weak Sentiments, Hopes Alive!**

Hero MotoCorp	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTD FY19	YTD FY18	YoY (%)
<b>Total Sales</b>	<b>5,82,756</b>	<b>6,41,501</b>	<b>-9.2%</b>	<b>4,53,985</b>	<b>28.4%</b>	<b>66,20,657</b>	<b>62,27,187</b>	<b>6.3%</b>

**Hero Motocorp's 2W Sales Trend**



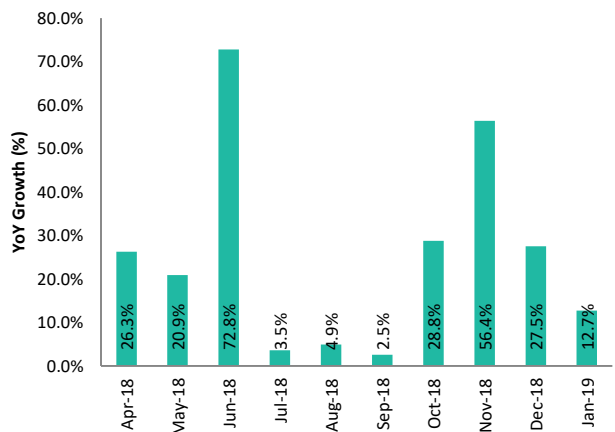
- **Hero's third straight month of lower sales** continued led by weak consumer sentiments. The company was specifically hit on account of sudden increase in the insurance prices and liquidity crunch in the market.
- **However, we believe, these are temporary blips and expects the volumes to pick up as:** 1) we are seeing that the customers gradually started expecting the insurance hikes. 2) Government's complete focus on rural uplifting & middle class, as clear from the recent budget initiatives. 3) Hero's focus to gain market share in scooters and premium motorcycles, where we expect half a dozen of launches in the coming quarters.
- **Overall, we are positive on the company's moat and strategy going ahead.**

**Escorts – gradually stealing market share**

Escorts	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTD FY19	YTD FY18	YoY (%)
Domestic	5,762	5,160	<b>11.7%</b>	4,212	<b>36.8%</b>	74,974	60,594	<b>23.7%</b>
Exports	229	156	<b>46.8%</b>	386	<b>-40.7%</b>	2,293	1,571	<b>46.0%</b>
<b>Total Sales</b>	<b>5,991</b>	<b>5,316</b>	<b>12.7%</b>	<b>4,598</b>	<b>30.3%</b>	<b>77,267</b>	<b>62,165</b>	<b>24.3%</b>

- **The company continues to post a robust set of numbers** for the past several months. In almost all the months in YTD FY19, Escorts growth has been much higher than the market leader in Tractors. In YTD FY19, Escorts growth was 24.3% YoY compared to 7.9% YoY growth for M&M. The growth was majorly led by its *Powertrac* series, increase in A&P spends and the penetration levels.
- **Hence, its market share improved** by 130bps YoY to 11.4% in Q3 FY19 and the management aspires to take it to 12.5-13% by FY20E end.
- **Escorts is playing a triple play** of New Technologies + Better Product Mix and Expanding its distribution channels for robust growth in domestic as well as exports.
- We expect, Escorts even on a higher base would report lower double digit growth in the coming three months as the northern and eastern markets are growing higher, where Escorts has good market share. The exports outlook too remain optimistic. Overall, we are very positive on the company's growth performance going ahead.

**Escorts Total Sales Trend**



\*Source: Company, NSPL Research



## Ashok Leyland – Posted Surprisingly Positive Numbers

Ashok Leyland	Jan-19	Jan-18	YoY (%)	Dec-18	QoQ (%)	YTFY19	YTFY18	YoY (%)
MHCV Trucks	12,802	11,771	9%	9,651	33%	97,831	84,465	16%
MHCV Bus	1,892	1,871	1%	1,641	15%	15,702	16,184	-3%
<b>Total MHCV</b>	<b>14,694</b>	<b>13,642</b>	<b>8%</b>	<b>11,295</b>	<b>30%</b>	<b>1,13,533</b>	<b>1,00,649</b>	<b>13%</b>
LCV	5,047	4,458	13%	4,198	20%	44,053	33,590	31%
<b>Total Vehicles</b>	<b>19,741</b>	<b>18,100</b>	<b>9%</b>	<b>15,493</b>	<b>27%</b>	<b>1,57,586</b>	<b>1,34,239</b>	<b>17%</b>

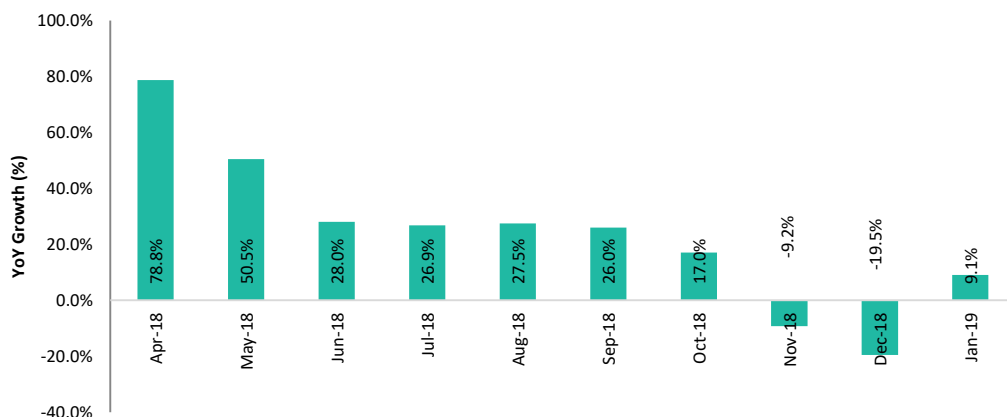
## Domestic Sales

MHCV Trucks	12,042	11,002	9%	9,237	30%	91,362	76,929	19%
MHCV Bus	1,621	1,125	44%	1,384	17%	12,718	10,416	22%
<b>Total MHCV</b>	<b>13,663</b>	<b>12,127</b>	<b>13%</b>	<b>10,621</b>	<b>29%</b>	<b>1,04,080</b>	<b>87,345</b>	<b>19%</b>
LCV	4,870	4,357	12%	4,097	19%	43,112	35,521	21%
<b>Total Vehicles</b>	<b>18,533</b>	<b>16,484</b>	<b>12%</b>	<b>14,718</b>	<b>26%</b>	<b>1,47,192</b>	<b>1,19,866</b>	<b>23%</b>

## Export Sales

MHCV Trucks	760	769	-1%	414	84%	6,469	7,536	-14%
MHCV Bus	271	746	-64%	257	5%	2,984	5,768	-48%
<b>Total MHCV</b>	<b>1,031</b>	<b>1,515</b>	<b>-32%</b>	<b>674</b>	<b>53%</b>	<b>9,453</b>	<b>13,304</b>	<b>-29%</b>
LCV	177	101	75%	101	75%	941	-1,931	-149%
<b>Total Vehicles</b>	<b>1,208</b>	<b>1,616</b>	<b>-25%</b>	<b>775</b>	<b>56%</b>	<b>10,394</b>	<b>14,373</b>	<b>-28%</b>

## Ashok Leyland Sales Trend



Source: Company, NSPL Research

- All the listed commercial vehicles reported either a flat or YoY decline in the sales, while Ashok Leyland reported a growth of 9% YoY to 19,741 units in the month of January 2019, which we think is on account of stock adjustments at dealers showroom.
- The MHCV reported a growth of 8% YoY. This growth is despite of liquidity crunch in the system, higher interest rates and the lagged effect of axle load norms.
- On the other side, LCVs continue to post good numbers on account of continued strong demand from the E-commerce sector, rural consumption and new products. The LCV reported 13% YoY growth in the month of January 2019.

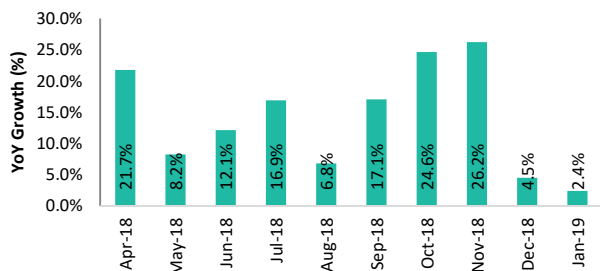


TVS Motors – Swiftly Moving Higher

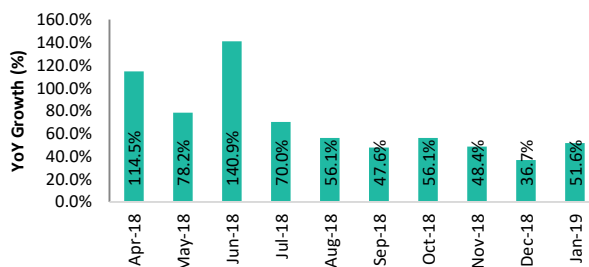
TVS Motors	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTD FY19	YTD FY18	YoY (%)
2Ws	2,69,277	2,62,995	2.4%	2,58,709	4.1%	31,60,817	27,70,680	14.1%
3Ws	13,353	8,806	51.6%	12,686	5.3%	1,28,248	78,059	64.3%
<b>Total Sales</b>	<b>2,82,630</b>	<b>2,71,801</b>	<b>4.0%</b>	<b>2,71,395</b>	<b>4.1%</b>	<b>32,89,065</b>	<b>28,48,739</b>	<b>15.5%</b>

- TVS Motors overall sales grew by 4% YoY to 2.82L units was driven mainly by exports. The 2W exports grew by 13% YoY, while 3W Exports grew by 77% YoY.
- The domestic 2W remained completely flat as the industry is yet to come out from the insurance bouncer and price hikes taken by the OEMs. The domestic 3W volumes were down by 34% YoY in Jan 2019 on account of higher base and no major release of new permits in the month of January 2019. There is hardly any impact of domestic fatigue seen on TVS, as only 10% of the 3W volume comes from domestic.
- **Optimistic Going Ahead:** TVS Motors has a good product range, which helped the company to grow its volumes much faster than the other companies. Given an overall scenario is getting better in terms of liquidity and the sentiments are improving, we expect TVS to do better in the coming months.
- **On Exports,** the oil prices & currencies have stabilized, most of the markets are doing well and confident that the same will continue. Overall, exports outlook remains stable and the momentum should sustain going forward.

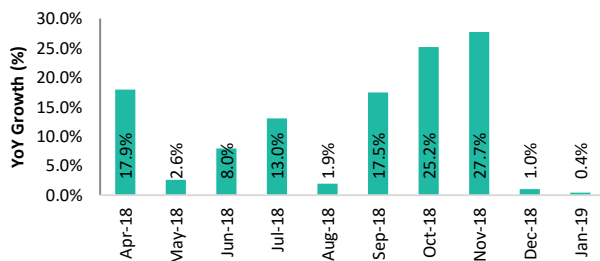
TVS Motors 2W Sales Trend



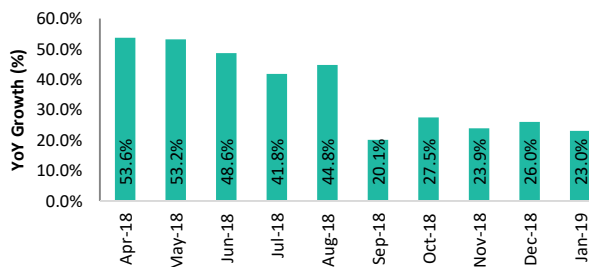
TVS Motors 3W Sales Trend



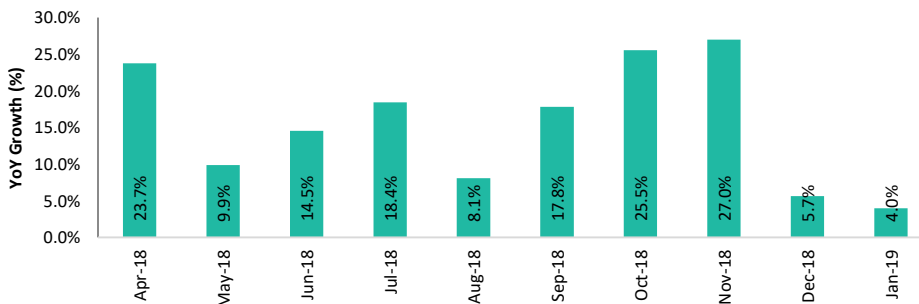
TVS Motors Domestic Sales Trend



TVS Motors Exports Sales Trend



TVS Motors Total Sales Trend



Source: Company, NSPL Research

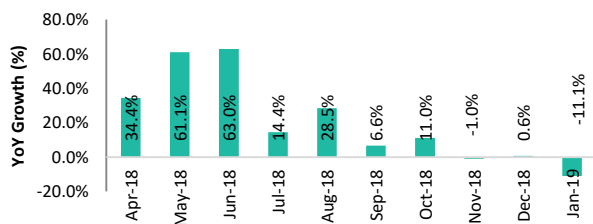


## Tata Motors - a dark horse in the passenger as well as commercial vehicles

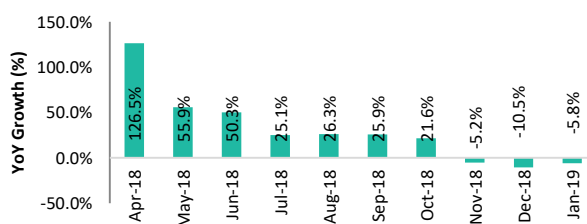
Tata Motors	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTFY19	YTFY18	YoY (%)
PVs - Domestic	17,826	20,055	-11.1%	14,260	25.0%	1,74,223	1,49,284	16.7%
CVs - Domestic	37,089	39,386	-5.8%	36,180	2.5%	3,78,664	3,08,921	22.6%
<b>Domestic</b>	<b>54,915</b>	<b>59,441</b>	<b>-7.6%</b>	<b>50,440</b>	<b>8.9%</b>	<b>5,52,887</b>	<b>4,58,205</b>	<b>20.7%</b>
Exports	3,270	5,190	-37.0%	3,999	-18.2%	44,081	40,663	8.4%
<b>Total Sales</b>	<b>58,185</b>	<b>64,631</b>	<b>-10.0%</b>	<b>54,439</b>	<b>6.9%</b>	<b>5,96,968</b>	<b>4,98,867</b>	<b>19.7%</b>

- Passenger Vehicle Segment:** The PV industry itself is struggling from the past few months and Tata Motors was not left behind, as it reported a sharp de-growth in its YoY numbers in Jan 2019. The company's volumes impacted on account of 1) non-availability of retail finance & higher interest rates of the same 2) weak consumer sentiments 3) hike in the vehicle prices 4) no big bang launches. We believe these are just speed bumps.
- Tata Motors reported 17% YoY growth in YTFY19, has been growing higher than the industry growth and gained market share. The company's new model *Harrier* has received overwhelming response from the customers and we expect it to report high volumes and would support growth in the coming months.
- Commercial Vehicle Segment:** The CV segment started reporting three consecutive months of YoY de-growth led by 1) lagged effect of axle load norms. 2) liquidity crunch 3) high interest rates & 4) slow off take in the industrial output. Additionally, the base was higher. All these have impacted the overall sentiments.
- The MHCV segment was mostly impacted due to axle load norms, while tipper segment growth was good due to infrastructural activities. The LCVs & SCVs, which generally follow MHCV with a lag has seen a growth so far in January 2019. The bus division were impacted due to delay in the procurement of buses.
- Tata Motors Exports** drastically impacted from the last three months on account of liquidity issues in Nepal, political uncertainty in SL and a change in the power in Bangladesh.
- Overall, the total volumes continued to be impacted by lower market sentiments across PV as well as CV divisions. We have observed, the company has been gaining market share in the PV and CV from the last several quarters, as all its last few launches have been successful and well accepted in the market. We expect continued momentum going ahead as half a dozen of new launches will keep the customers excited.**

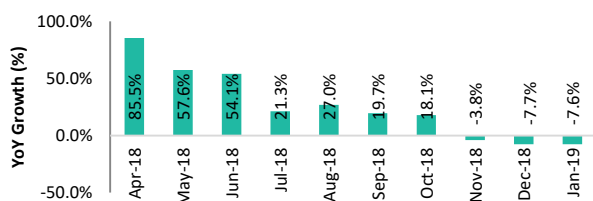
Tata Motors PV Sales Trend



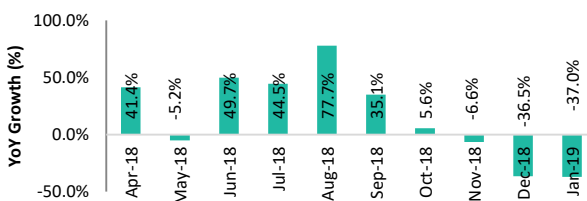
Tata Motors CV Sales Trend



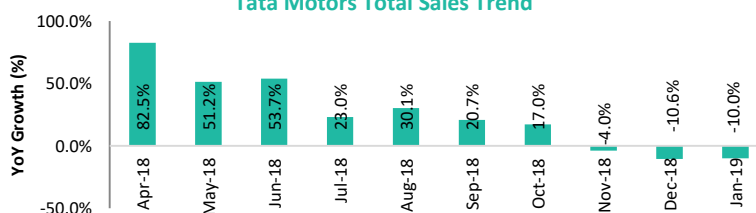
Tata Motors Domestic Sales Trend



Tata Motors Export Sales Trend



Tata Motors Total Sales Trend



Source: Company, NSPL Research

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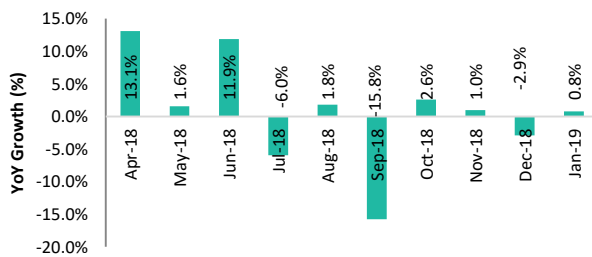


Mahindra & Mahindra – beneficiary in an election year & new launches to support further

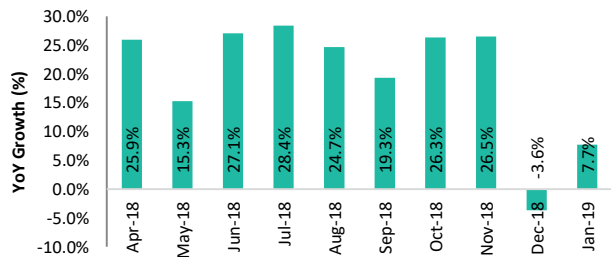
Mahindra & Mahindra	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTDY19	YTDY18	YoY (%)
PVs	23,872	23,686	0.8%	15,091	58.2%	2,00,946	2,00,561	0.2%
CVs	22,625	21,002	7.7%	16,906	33.8%	2,03,024	1,70,361	19.2%
3Ws	6,003	4,744	26.5%	4,693	27.9%	54,104	42,885	26.2%
Domestic	52,500	49,432	6.2%	36,690	43.1%	4,58,074	4,13,807	10.7%
Exports	3,222	2,631	22.5%	3,065	5.1%	31,566	22,143	42.6%
<b>Total Automotive Sales</b>	<b>55,722</b>	<b>52,063</b>	<b>7.0%</b>	<b>39,755</b>	<b>40.2%</b>	<b>4,89,640</b>	<b>4,35,950</b>	<b>12.3%</b>
Tractors	22,212	22,065	0.7%	17,404	27.6%	2,91,770	2,70,488	7.9%
<b>Total Sales</b>	<b>77,934</b>	<b>74,128</b>	<b>5.1%</b>	<b>57,159</b>	<b>36.3%</b>	<b>7,81,410</b>	<b>7,06,438</b>	<b>10.6%</b>

- **The PV segment** of M&M has remained fluctuating on a YoY basis in YTDY19 and has been flat till date. The company’s PV has not shown growth, in spite of good response from ‘Marazzo’ and discounts/offers in the months gone by. Its major segment UV failed to grow in the positive territory in YTDY19 (reported decline of 2% YoY). The management is sounding positively on its new & upcoming launches going ahead and on the expectation of improvement in the consumer sentiments.
- **Commercial Vehicle Division:** The overall CV sales were driven by its LCV division, which grew by 9% YoY to 21,776 units, while MHCV segment declined sharply by 19% YoY to 849 units. The LCV division generally de-grow with a lag to MHCV. The three wheeler segment continues to report double digit YoY growth.
- The domestic as well exports reported a growth of 6% & 22%, respectively, however, we are positively surprised on its exports performance, as it continues to post high double digit YoY growth in every month. The exports segment remains the strongest for M&M so far.
- **Tractors Division:** The domestic volumes increased by 1%, while exports grew by 2% YoY in January 2019. The lower than expected sowing in the Rabi crop could be the possible reason for lower growth. However, we remain optimistic in the coming months majorly on account of initiatives of the Indian Government.

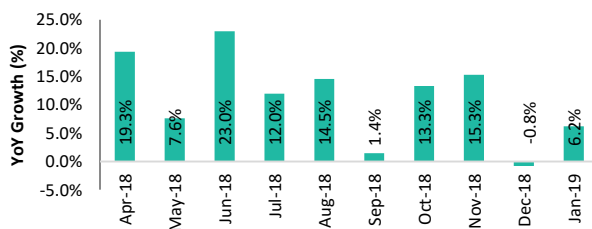
M&M PV Sales Trend



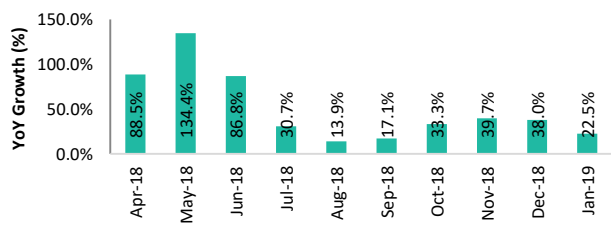
M&M CV Sales Trend



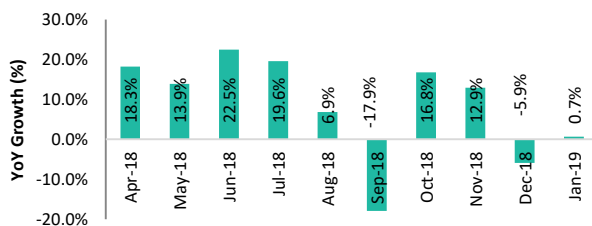
M&M Domestic Sales Trend



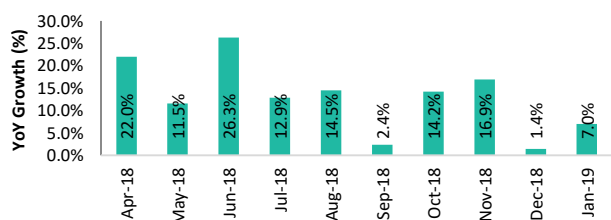
M&M Export Sales Trend



M&M Tractors Sales Trend



M&M Total Automotive Sales Trend



Source: Company, NSPL Research



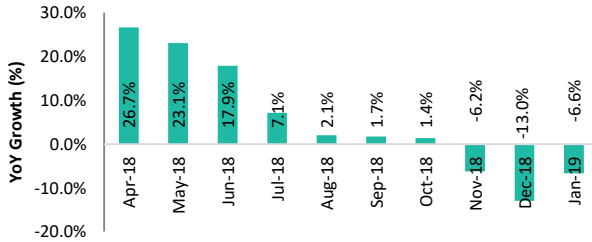


Eicher Motors – reported not so Royal numbers

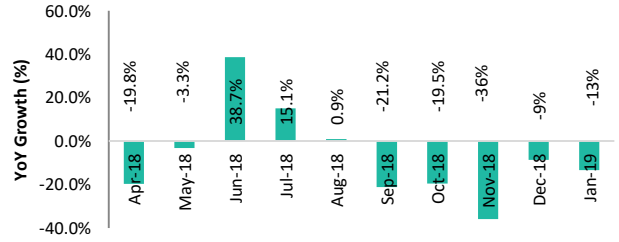
Eicher Motors	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTDY19	YTDY18	YoY (%)
Eicher upto 350 cc	67,915	72,889	-6.8%	53,790	26.3%	6,55,779	6,28,316	4.4%
Eicher 350 cc+	4,786	4,989	-4.1%	4,488	6.6%	46,858	43,013	8.9%
<b>Total Motorcycles</b>	<b>72,701</b>	<b>77,878</b>	<b>-6.6%</b>	<b>58,278</b>	<b>24.7%</b>	<b>7,02,637</b>	<b>6,71,329</b>	<b>4.7%</b>
Buses	864	998	-13.4%	683	26.5%	9,134	9,595	-4.8%
CVs	5,042	5,803	-13.1%	5,553	-9.2%	48,627	40,004	21.6%
<b>Total Sales</b>	<b>78,607</b>	<b>84,679</b>	<b>-7.2%</b>	<b>64,514</b>	<b>21.8%</b>	<b>7,60,398</b>	<b>7,20,928</b>	<b>5.5%</b>

- Royal Enfield has slowly entered into a de-growth space.** In the month of December, there was no one-off event occurred like strike, lower supply of critical components, etc. Continuing in the month of January 2019, it reported 7% YoY de-growth in RE. The company’s up to 350cc segment was majorly impacted due to increase in the competitive intensity specially after JAWA entered into this segment. We believe 1) Intense competition 2) Increase in the insurance prices and 3) Early shift to the safety standards + Hike in the vehicle prices, which increased the cost of ownership. All this has led to poor sales. The engines above 350cc remained volatile in spite of the successful launch of 650cc twin bikes.
- First de-growth observed in VECV so far in YTDY19** majorly impacted on account of lagged effect of axle load norms and liquidity crunch. However, we remain optimistic about the long term prospects of the company as it creates a market and peers follow, the new exciting product launches and eventual candidate to break the duopoly of Tata Motors and Ashok Leyland in the MHCV space.

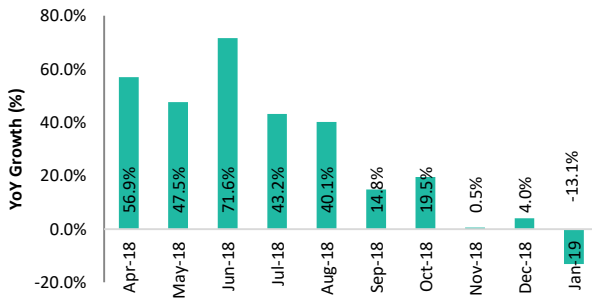
Royal Enfield Sales Trend



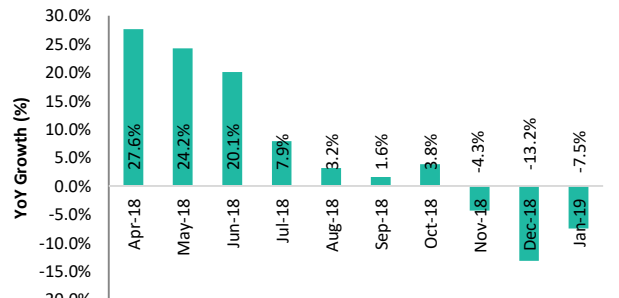
Eicher Motors PV Sales Trend



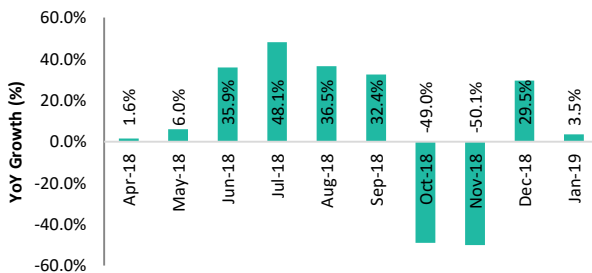
Eicher Motors CV Sales Trend



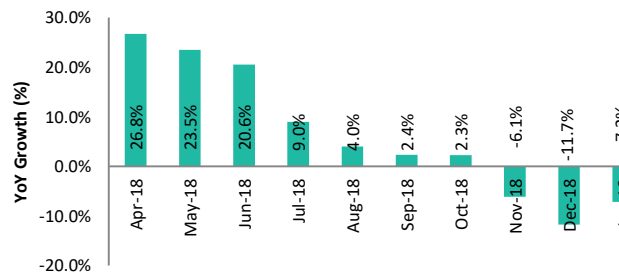
Eicher Motors Domestic Sales Trend



Eicher Motors Export Sales Trend



Eicher Motors Total Sales Trend



Source: Company, NSPL Research

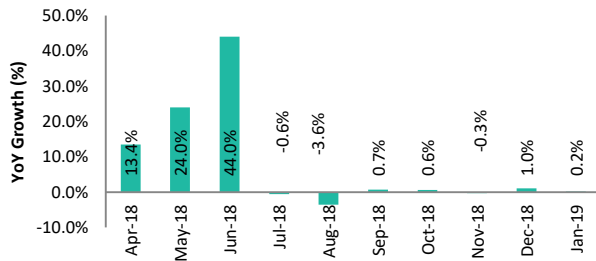


Maruti Suzuki – Leader Clearly in a Pain

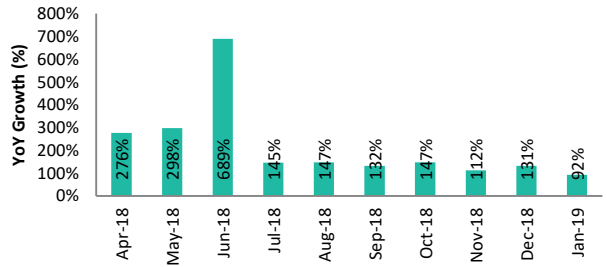
Maruti Suzuki	Jan-19	Jan-18	YoY (%)	Dec-18	MoM (%)	YTFY19	YTFY18	YoY (%)
PVs	1,39,440	1,39,189	0.2%	1,19,804	16.4%	14,47,883	13,59,649	6.5%
LCVs	2,710	1,411	92.1%	1,675	61.8%	19,104	7,369	159.2%
Domestic	1,42,150	1,40,600	1.1%	1,21,479	17.0%	14,66,987	13,67,018	7.3%
Exports	9,571	10,751	-11.0%	6,859	39.5%	88,704	1,02,134	-13.1%
<b>Total Sales</b>	<b>1,51,721</b>	<b>1,51,351</b>	<b>0.2%</b>	<b>1,28,338</b>	<b>18.2%</b>	<b>15,55,691</b>	<b>14,69,152</b>	<b>5.9%</b>

- **The July-Sept 2018 was impacted by floods and heavy monsoons and Oct-Dec 2018 remained soft led by higher insurance prices and soft festive season. We have seen improved sentiments in Jan 2019 and expect the pent-up demand & new launches can pull the demand higher in the next remaining two months.**
- **Domestic:** The following are the possible reasons for a flattish growth in Jan 2019. 1) Rise in the vehicle prices w.e.f. 1<sup>st</sup> Jan. 2) Continued weak buyers’ sentiments led by a hike in the insurance costs and lack of vehicle financing availability. 3) Closure of year end discounts in December. We think the Govt’s complete focus on rural and middle class families would eventually aid low cost cars makers.
- **Exports:** The export markets are also facing challenges as the macro-economic situation doesn’t look stable. Few of the market has imposed restriction on its imports and currencies sharply devalued for those countries. We feel, globally there are many headwinds on the exports as most of the markets are facing the economic slowdown and hence, we expect a decline in Maruti’s exports in FY19E. The focus remains on the domestic market.
- **The long term potential for passenger vehicles remains healthy** looking at the low penetration levels. We expect the sales to improve in the coming months led by the expectation of a continued uptick in the rural demand, easing in the liquidity situation, stable interest rate scenario and upcoming new launches.

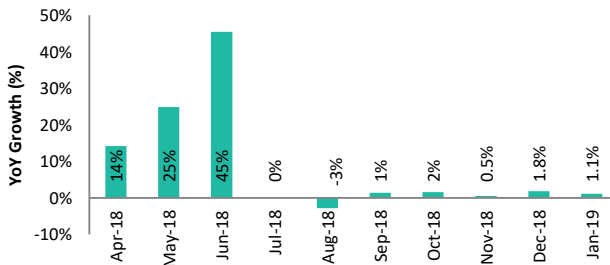
Maruti Passenger Vehicle Sales Trend



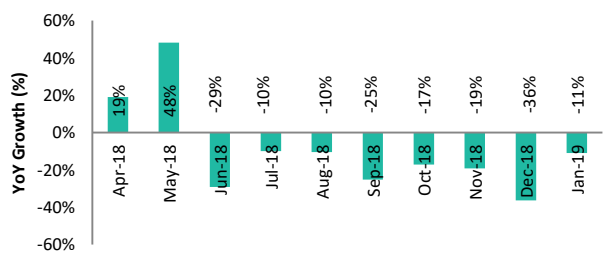
Maruti LCV Sales Trend



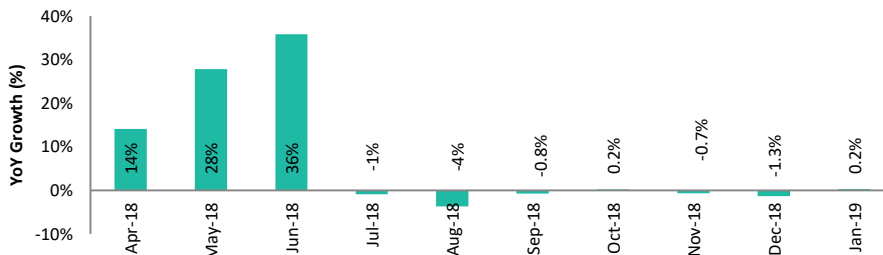
Maruti Domestic Sales Trend



Maruti Export Sales Trend



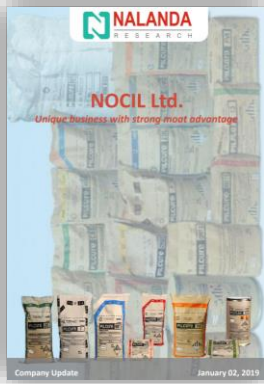
Maruti Total Sales Trend



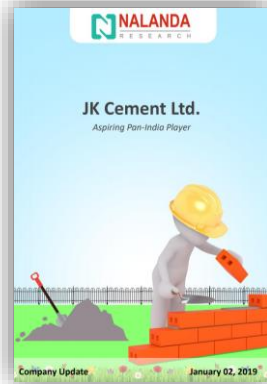
Source: Company, NSPL Research



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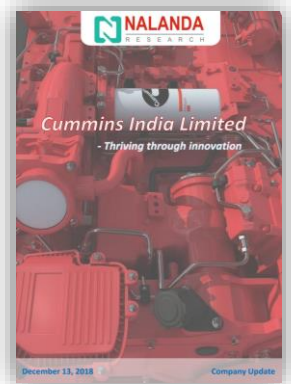
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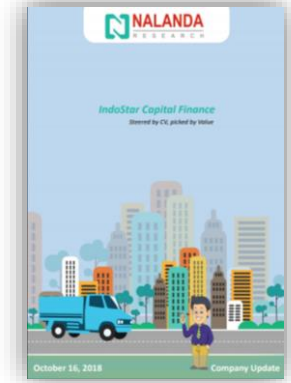
**Dalmia Bharat**



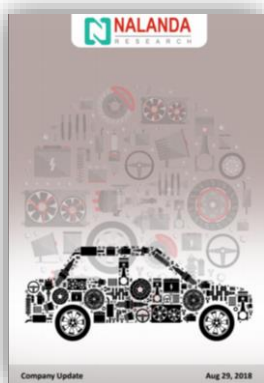
**Coromandel International**



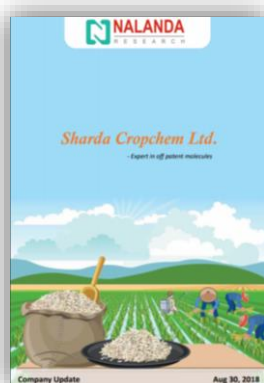
**Meghmani Organics**



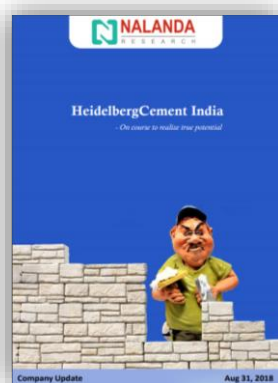
**IndoStar Capital**



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Details of Disciplinary History of NSPL	No disciplinary action is / was running / initiated against NSPL
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