

Autos: Chip, parts shortage hit car sales; sales down 8% MoM

- Supply Chain disruption in the automotive sector has affected the sales of new vehicles lately, Oct-21 sales down 8% MoM, however, on YoY sales are still up by 45% due to low base effect. Cumulatively, industry car sales grew 71% YoY to 74,952 units.
- In Passenger cars segment, HCAR's sales declined most, down 21% MoM during Oct-21 followed by PSMC with 14% MoM decline driven by low 'Cultus' and 'Wagon R' sales. Cumulatively, during 4MFY22, sales grew 71% YoY, PSMC leading with 102% YoY growth, followed by INDU and HCAR with 37% YoY and 22% YoY increase respectively. New entrant HYUNDAI sold 1,787 units.
- LCV & Pickups volumes posted 15% MoM surge in Oct-21 sales (+72% YoY). 4MFY22 industry sales almost doubled to 14,939 units, led by PSMC due to surge in its 'Ravi' sales.
- Trucks & Buses sales volumes were also down 5% MoM to 487 units, with only GHNI sales increasing by 18% MoM. During 4MFY22, industry sales increased 70% YoY.
- During the month, Tractor industry reported an increase of 22% YoY where MTL saw an increase of 55% YoY. Cumulative 4-month industry sales rose 14% YoY, with AGTL leading the segment with 35% YoY volumetric growth.
- We expect a further slowdown in sales in coming months as shortage of essential car parts will restrict supply while recent changes in the regulations of the auto financing will hamper demand.

Auto Sales Volumes (Oct-21)

Period	Oct-20	Sep-21	Oct-21	MoM	YoY	4MFY21	4MFY22	YoY
Cars								
INDU	4,372	4,849	5,378	11%	23%	13,995	19,214	37%
PSMC	5,767	10,255	8,817	-14%	53%	21,529	43,507	102%
HCAR	1,858	3,367	2,651	-21%	43%	8,341	10,444	25%
Hyundai	-	500	567	13%	NA	-	1,787	NA
Industry	11,997	18,971	17,413	-8%	45%	43,865	74,952	71%

LCV & Pickups

INDU	1,109	1,443	1,519	5%	37%	3,201	6,329	98%
PSMC	287	933	1,430	53%	398%	2,010	5,171	157%
HCAR	372	268	7	-97%	-98%	1,324	1,386	5%
Hyundai	289	464	497	7%	72%	781	1,580	102%
GHNI	22	65	24	-63%	9%	118	155	31%
GHNL	6	91	112	23%	1767%	166	318	92%
Industry	2,085	3,264	3,589	10%	72%	7,600	14,939	97%

Trucks & Buses

HINO	80	100	85	-15%	6%	253	356	41%
GHNI	190	205	225	10%	18%	595	970	63%
GHNL	6	22	13	-41%	117%	60	75	25%
Industry	366	507	484	-5%	32%	1,290	2,195	70%

Tractors

MTL	3,007	2,257	3,503	55%	16%	10,232	10,700	5%
AGTL	1,475	2,120	1,858	-12%	26%	4,950	6,686	35%
Industry	4,482	4,377	5,361	22%	20%	15,211	17,386	14%

Three-Wheelers

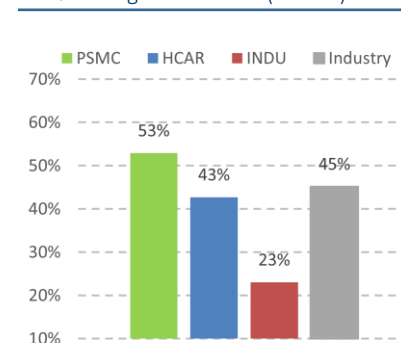
SAZEW	1,326	1,172	N/A	NA	NA	5,224	3,243	-38%
Industry	4,727	4,030	2,349	-42%	-50%	18,977	12,286	-35%

Motorcycles

ATLH	116,000	110,002	125,031	14%	8%	404,005	435,072	8%
Industry	171,355	151,461	174,980	16%	2%	605,841	615,936	2%

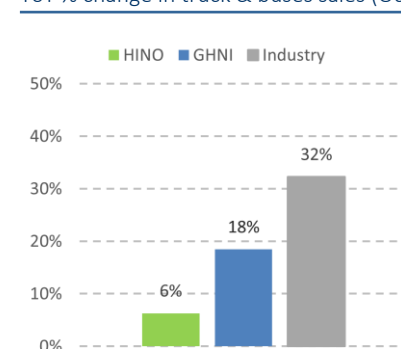
Source: PAMA, Akseer Research

YoY % change in car sales (Oct-21)



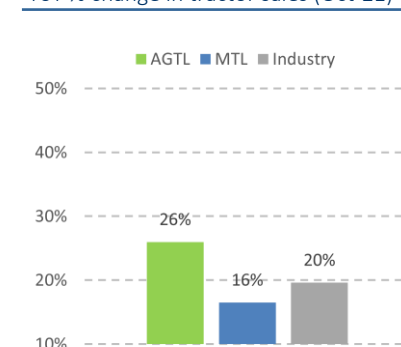
Source: PAMA, Akseer Research

YoY % change in truck & buses sales (Oct-21)



Source: PAMA, Akseer Research

YoY % change in tractor sales (Oct-21)



Source: PAMA, Akseer Research

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Car Segment: Industry sales fell 8% MoM as OEMs hit hard by parts shortage

During Oct-21, passenger cars companies sold 74,952 units, down 8% MoM as the parts shortage slowed down the production. Nevertheless, on YoY sales remained buoyant, +45% due to low base effect. PSMC outshined the peers as its sales grew 53% YoY, 'Alto' being the primary driver with 76% YoY volumetric surge (+12% MoM). However, on MoM, the company's volumes declined 14% as it stopped booking of 'Cultus' and 'Alto' in Sep-21 because of parts issue. HCAR's and INDU's volumetric sales grew 43% YoY and 23% YoY respectively. Flagship 'Corolla' saw an increase of 154% YoY, while 'Yaris' sales declined 33% YoY due to tough competition from Changan 'Alsvin' and Proton 'Saga'. Hyundai recorded a 13% MoM increase with 'Elentra' and 'Sonata' seeing strong demand. Cumulatively, industry sales were up 71% YoY during 4MFY22, where PSMC's volumes surging 102% YoY followed by INDU and HCAR sales growth of 37% and 25% YoY respectively.

LCV & Pickups segment: HCAR remains the laggard

LCV & Pickups sales posted uptrend on MoM, +10% during Oct-21, with the exception of HCAR as its sales declined 97% due to sluggish 'BR-V' sales. During 4MFY22, LCV & Pickup sales were up 97% YoY, PSMC and Hyundai's witnessing an increase of 157% YoY and 102% YoY in their volumes respectively.

Trucks & Buses segment: Sales down 5% MoM, however, up 32% YoY

Trucks & Buses segment sales volume increased by 32% YoY in Oct-21 due to resumption of full economic activity. However, on MoM basis they were down 5% due to 41% and 15% MoM decline in HINO and GHNI volumes. Cumulatively, during 4MFY22, the trucks & buses segment sales grew 70% YoY.

Tractor segment: Segment sales increased by 20% YoY

During Oct-21, tractor sales volumes increased 22%/20% MoM/YoY where MTL led with 55% MoM growth, while, AGTL's volumes declined 12% MoM. Similarly, during 4MFY22, industry tractor volumes saw an increase of 14% YoY.

Industry Outlook: Volumetric growth to slow down further

The recent shortage of chips and essentials auto parts along with the changes made by the Central Bank in the auto financing regulations to control unabating growth will result in slowdown in the auto sales in coming months.

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