

# SAMIL

# NEWSWRAP

VOL. 01, MAY 2022

## PREMIUM VEHICLE SALES ON AN UPSWING

Over the past two fiscals, the Covid-19 pandemic has changed the dynamics of many industries. The passenger vehicles segment is one such. While supply-chain issues have affected a raft of vehicle manufacturers, counter intuitively, models priced higher than the entry level have continued to find buyers. Last fiscal, cars priced above Rs 10 lakh (for the premium segment) sold 5x faster than those with lower sticker prices, and notched up approximately 38% on-year growth compared with approximately 7% y-o-y growth for the latter. Consequently, the market share of premium cars rose 500 basis points (bps) to ~30%.



## GOVT PROPOSES TO MAKE TRADE CERTIFICATE PROCESS ONLINE FOR VEHICLE DEALERS

To promote ease of doing business, the Ministry of Road Transport and Highways (MoRTH) has proposed that a dealer, manufacturer or importer of motor vehicles can apply for a trade certificate electronically for multiple types of vehicles in a single application on the Vahan Portal. The validity of the trade certificate has been proposed to be increased from 12 months to five years.



## MILLION+ SMILES: SECRET TO OUR SUCCESS



SAM<sup>X</sup>  
#Conversation

# Million+ Smiles

Secret To Our Success

We strongly believe that we are what we are because of our customers. Customers are always at our focal point of every strategic movement and technological solution. We are happy to serve **over 18,50,000 customers across India.**

Watch the video to know more about our initiatives to bring smile on customer's face.

<https://www.youtube.com/watch?v=QwVwNV3bumk>

## SHRIRAM AUTOMALL ONBOARDS IIT DELHI TO ENHANCE ThePriceX

Shriram Automall collaborated with IIT-Delhi for enhancing ThePriceX, a pre owned vehicle price prediction engine. Through this exclusive agreement, IIT-Delhi will provide the expertise for improving the accuracy of ThePriceX tool through statistical modelling, machine learning and other complex artificial intelligence algorithms. With this tie-up, our endeavour is to retain the value of ThePriceX as the most trusted pricing platform for pre owned vehicles & equipment in the country.



**ADROIT AUTO**

**BlueJack**

**SHRIRAM**  
Automall  
THE POWER OF CHOICE

**CarTrade**  
exchange

**123done.in**

# CONSTRUCTION EQUIPMENT SALES SET FOR DOUBLE DIGIT GROWTH



Sales of construction equipment is expected to increase in healthy double digits in the ongoing financial year on the back of increased government spending on infrastructure projects, especially in rural areas.

The industry estimates sales of construction equipment (domestic sales and exports) to grow 15-20% in fiscal 2023, compared with an 8% fall last fiscal year 2021. Even though exports grew 60.5% to 7,802 units in 2021-2022, local sales fell 11.4% to 77,583 units.

## TRACTOR SALES MAKES A COMEBACK IN APRIL 2022

Tractor sales in India picked up to a record in April, snapping months of decline, as higher cash flow from healthy rabi crops made it easier for farmers to purchase farm equipment. Sales in April grew by 41% from a year ago after posting a decline for five months in a row. Hemant Sikka, president of farm equipment business at Mahindra & Mahindra, told ET that April of 2022 was the best-ever April in the history of the tractor industry with over 89,000 units sold, a new benchmark for this period compared with the previous high of around 66,700 units in April 2019.

Tractor manufacturers expect this momentum to sustain and are ramping up their monthly production schedules by 25-30% for the next two months to meet this demand. A senior executive of a supplier to tractor makers said that May production schedules are 30% higher than April's and 50% higher than March's, underlining the preparedness on part of companies to be ready to serve higher demand. Mahindra & Mahindra's Sikka expects the momentum to continue to benefit both the tractor and rural segment, with demand drivers staying on course.



# OUR VISIONARY LEADER, SAMEER MALHOTRA JURY MEMBER AT BUSINESS WORLD



**MR. SAMEER MALHOTRA**  
DIRECTOR & CEO, SAMIL,  
is an eminent jury member at  
**DIVERSITY AND INCLUSION  
SUMMIT & AWARDS 2022**  
along with other industry experts

**JURY MEET: MAY 10, 2022**

JURY MEMBERS



**HARSHVENDRA SOIN**  
Global Chief  
People Officer &  
Head of Marketing  
Tech Mahindra



**PRACHI RASTOGI**  
Diversity & Inclusion  
Leader APAC  
IBM India



**SONICA ARON**  
Managing Partner  
Marching Sheep



**HARSH WARDHAN**  
CEO  
CSC India



**AMIT PRAKASH**  
CHRO  
Marico



**SAMEER MALHOTRA**  
Director & CEO  
Shriram Automall India  
Limited (SIAMIL)



**BHUVANA SUBRAMANYAM**  
CHO  
Randstad India



**DR. ANSHURAG BATRA**  
Chairman & Editor-in-Chief  
BW Businessworld and  
Founder, exchange-media



**TALEES RIZVI**  
Director- BW People  
& BW CFO World  
Community

Visionary Leader, Industry Veteran, **Director & CEO of Shriram Automall India Limited, Sameer Malhotra** was an eminent Jury member at the Diversity and Inclusion Awards & Summit 2022 which is being organized by BW People - Business World. The Jury Meet was held online on May 10, 2022.

## AUTO WHOLESALAS APRIL PERFORMANCE

Automobile wholesales in April 2022 grew 11.8% to 1,421,241 units, however sales are still below normal levels across segments. In April 2021, the industry recorded total wholesales of 1,270,604 units. Total domestic wholesales for the month include passenger vehicles, two wheelers, three wheelers and quadricycles. Passenger vehicles were down 3.8% to 251,581 units in April 2022 as against wholesales of 261,633 units during the corresponding month of last year.

AUTO INDUSTRY SALES PERFORMANCE OF APRIL 2022			
Domestic Sales	April 2021	April 2022	% Change
Passenger Vehicles	2,61,633	2,51,581*	-3.84% ↓
Three Wheelers	13,728	20,938	52.52% ↑
Two Wheelers	9,95,097	11,48,696	15.44% ↑
Total	12,70,458	14,21,215	11.87% ↑

\*BMW, Mercedes, Tata Motors & Volvo Auto data is not available

Source: SIAM





LOWER TAXES ON HYBRID CARS CAN HELP FASTER ADOPTION OF EVS IN INDIA



Lowering taxes on hybrid vehicles can lead to faster adoption of electric vehicles in the country. The hybrid technology is currently best suited for Indian conditions as it is not dependent on external charging infrastructure. The total tax incidence on hybrid vehicles in the country is 43%, which is inclusive of GST, while battery electric vehicles attract a tax of about 5%.

SHRIRAM AUTOMALL PRODDATUR WAS INAUGURATED ON MAY 12th, 2022

India's leading marketplace for pre-owned vehicles and equipment, SAMIL has expanded its reach into the state of Andhra Pradesh with state-of-the-art facility at Proddatur. The new Automall at Proddatur is inaugurated with optimism and fulfilment today on 12th May 2022 to serve the region's increasing demand of pre-owned vehicles & equipment. All customers will be served with complete range of allied services including documentation, parking, logistics, insurance and FASTag for hassle-free vehicle transactions.



AUTO SALES APRIL 2022

Hyundai India and Maruti Suzuki's cumulative sales dropped by around 5% YoY during the month. Tata Motors' automobile sales during the month of April 2022 jumped by over a two-third as compared to the corresponding period last year, whereas, rivals Hyundai India and Maruti Suzuki faced a decline. As per the numbers released on May 1, Tata Motors recorded a 74% YoY surge, as it sold 72,468 units of vehicles last month as compared to 41,729 units in April 2021. The company's total domestic sales came in at 71,467 units in April 2022, which included 30,838 commercial vehicles and 41,587 passenger vehicles. Hyundai India registered domestic sales of 44,001 units and export sales of 12,200 units, with cumulative sales of 56,201 units for the month of April 2022. The cumulative sales declined 5% and domestic sales declined 10% on a YoY basis. Maruti Suzuki's April cumulative sales declined by 5.7 %, as the company sold a total of 1.50 lakh units during the month as compared 1.59 lakh units in the year-ago period.

APRIL 2022 VEHICLE RETAIL DATA

VEHICLE RETAIL SALES UP BY 37.06% IN APRIL 2022					
	April 2022	April 2021	% Change w.r.t. APRIL 2021	April 2020	% Change w.r.t. April 2020
CV 	78,398	51,515	52.18%	20,284	286.50%
LCV 	43,928	28,573	53.74%	12,866	241.43%
MCV 	4,742	3,552	33.50%	1,630	190.92%
HCV 	26,461	16,076	64.60%	5,018	427.32%
Others	3,267	3,314	-1.42%	770	324.29%
PV 	2,64,342	2,10,682	25.47%	22,079	1097.26%
2W 	11,94,520	8,65,628	37.99%	3,18,596	274.93%
3W 	42,396	21,640	95.91%	10,567	301.21%
Tractor 	48,319	38,306	26.14%	5,706	746.81%
Total	16,27,975	11,87,771	37.06%	3,77,232	331.56%

Source: FADA, SAMIL Research

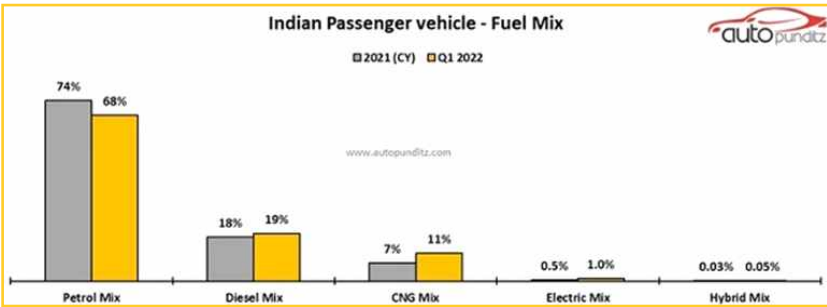
On YOY basis, total vehicle retail for the month of April 2022 increased by 37%. On YoY basis, all categories were in green. 2W, 3W, CV, PV and Tractors were up by 38%, 96%, 52%, 26% and 26% respectively. Auto Retail has still not recovered from the jitters of Covid. RBI's move of increasing repo rate by 40 bps has clearly taken everyone off guard. This move will apply brakes and dampen the sentiments further. This will have a positive rub-off on rural sentiment which thus far has shown lacklustre performance. Tractor and 2W sales likely to improve if monsoons are evenly distributed.





# PASSENGER VEHICLE MASS MARKET FUEL MIX ANALYSIS REPORT

CNG (11% mix) has emerged as an alternate choice of fuel to diesel (19%) in BS6 era due to low running cost. Diesel mix settled around sub 20% level due to lack of products with diesel engine. Electric mix reached to considerable 1% level. CNG mix has gained (+4%) due to availability of more products in PV market and lower running cost, Petrol mix decline from 74% to 68% is largely due to increase in CNG mix.



Source: Auto Punditz

# THE BIGGEST CAR PRICE HIKES LAST YEAR

In the period between January 2021 and April 2022, the automotive industry has seen five rounds of price revisions by many manufacturers. The ongoing global semiconductor crisis has severely impacted vehicle supply and production across the globe, and with buyers returning post the COVID-19 downturn, car makers are easily selling whatever they produce, thus in essence, turning the industry into a seller's market. Not only are the models selling out but the supply-demand mismatch is so high that, for many popular models, waiting period are running into months and some even a year or more.

Most car makers delivery date is the new discount, and with customers eagerly awaiting their cars, manufacturers aren't under any pressure to maintain competitive prices. Additionally, due to the economy's constant inflationary tendency, input and raw material cost has steadily risen. This has put a lot of pressure on manufacturers who have just come out of many cost challenges like the COVID-19 disruption and the enforcement of stricter safety and emission norms.



# TECH-ENABLED PLAYERS TO ACCOUNT FOR 20 PERCENT OF USED-CAR SALES BY FY26



Tech-enabled players in the Indian used-car market are likely to account for a 20-22 per cent share in FY26, up from 2-3 per cent now, The market has seen the rise of a number of tech-enabled players including CarTradeTech, Cars24, CarDekho, Spinny, and Droom, who are engaged in the sales, servicing and finance of used cars. Even as the used car market gets more organised, tech players have ushered in a transparent, enhanced price discovery mechanism for both buyers and sellers. They also provide a seamless experience and better financing options through their captive arms.

# ADROIT AUTO COLLABORATES WITH KOTAK PRIME BANK

Adroit Auto successfully signed its first bank agreement for Field Investigation (FI) with Kotak Prime Bank.

