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Impact of Covid-19 crisis on TATA Motors & Maruti-Suzuki

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Abstract:-

The flare-up of the Novel Coronavirus (COVID-19), which began in Wuhan, China in end-December 2019, is quickly spreading its arms over the world and is majorly affecting all parts of society, including the car business. All through January and February, automakers and their providers have been scrambling to keep vehicle sequential construction systems murmuring yet March has seen the business make the purposeful move, in a state of harmony with government warnings, to guard its faculty. With the World Health Organization announcing the COVID-19 episode a pandemic, a phenomenal worldwide interruption is nearby. Car and segment fabricating plants are being covered far and wide, shopper footfalls in showrooms have fallen strongly, vehicle deals are dropping significantly and pretty much every significant industry occasion is either being dropped or going the advanced way. In India Maruti Suzuki holds the major market share & TATA Motors are also a key player in the sector. We will study there position in the market based on their financial position, country analysis, and make projections on the post-pandemic world.

Keywords:- COVID-19, Car, Tata Motors, Maruti Suzuki.

Introduction:-

The worldwide pandemic brought about by the novel crown infection comes at a time when both the Indian economy and the car business were seeking after recuperation. While the GDP development conjectures were north of 5.5%, COVID-19 may bring about a negative effect of 1-2% on the normal development rates. The supreme greatness of effect relies upon the length of progressing lockdown and the effect caused by this pandemic.

The beginning of Covid-19 in India will negatively affect the car business. It is assessed that there will be a general income effect of at any rate $1.5 - 2.0 billion every month over the business. Considerably after we open up, further decrease in traveler vehicle requests is normal with optional spend assuming a lower priority. This will be combined with progress to BS-VI standards that will build the cost of possession. Ranch part and bike request could see a plunge however expected to ricochet back in the U style. Business vehicles are required to give some versatility, even though this is dependent upon government proceeding to put resources into enormous foundation ventures and the liquidity accessible with the transportation segment. The gracefully fasten is required to adjust rapidly as China is returning quicker than typical, anyway expanded flexibly chain permeability at Tier 2/3 level is the greatest hazard relief factor that vehicle organizations should deal with.

The objective of the study:-

1. To check companies financial health
2. Company's performance on the stock market.
3. Quality control and safety standards adopted by the company.
4. Projection of customer acceptance after the Covid-19 crisis.

Literature Review

CAPITAL STRUCTURE AND PROFITABILITY – A COMPARATIVE STUDY BETWEEN AUTOMOBILE COMPANIES IN INDIA

With the assistance of this investigation, the creator needs to speak to whether there is any relationship between capital structure and benefit or not. This examination additionally uncovers what is the impact of capital structure on productivity. Capital Structure alludes to how a partnership funds its advantages through a mix of value, obligation, or crossbreed protections. Capital Structure shows how an organization's advantages are worked in clear and value. It is how a firm funds its general procedures and development by utilizing various wellsprings of assets while Profitability is the limit of a business to gain a benefit. A benefit is what is left of the income a business creates after it pays all costs straightforwardly identified with the age of the income, for example, delivering an item, and different costs identified with the director of the business' exercises. For the investigation of the capital structure and benefit, some significant proportions are utilized to check the impact of capital structure on gainfulness, a measurable device like ANOVA utilized.

EQUITY ANALYSIS OF AUTOMOBILE INDUSTRY IN INDIAN STOCK MARKET

The majority of the financial specialists normally settle on helpless speculation choice brought about by mental predispositions and feelings. All the financial specialists make their speculation with an affirmed goal of expanding their riches. Among the different venture openings value advertising is supposed to be one of the most compensating speculation choices even though it includes more hazards. Since the hazard is high on such a venture, the financial specialists need to make value investigation that encourages them to think about the idea of those value shares and those enterprises where they park their cash. Thusly the value investigation will help the likely speculators in taking a sane and educated venture choice.

In this foundation, exploration has been completed to consider the value portions of inspected organizations in Automobile Industry in Indian securities exchange. The car business in India is one of the biggest on the planet and viewed as the quickest developing division. The car business has a solid multiplier impact on the financial development of a nation. The business represents 7.1% of the nation's GDP and it has solid fare development desires for the not so distant future. The developing enthusiasm of the organizations in investigating the provincial markets additionally supported the development of this segment. Furthermore, to keep up the developing interest, numerous car creators have begun to put resources into this industry. The fundamental organizations that present in the Indian car showcase incorporate Tata Motors Limited, Maruti Suzuki India Limited, Mahindra and Mahindra Limited, Ashok Leyland Limited, and so forth.

FINANCIAL PERFORMANCE OF INDIAN AUTOMOBILE COMPANIES AFTER LIBERALIZATION: A COMPARATIVE STUDY OF MARUTI SUZUKI AND TATA MOTORS

The Indian automobile industry has been recording tremendous growth over the years and has emerged as a major contributor to India's Gross Domestic Product. The industry currently accounts for almost 7 percent of the country's GDP and employs about 19 million people both directly and indirectly. According to the Automotive Mission Plan 2006–2016, with Government's backing and a special focus on exports, the automotive sector's contribution to the GDP is expected to reach in double figures up to 2016. It is important to know that how this growing sector is affecting the financial performance of companies under this sector. The present study takes two major companies of Indian origin and compares their financial strength in this growing sector. The foremost purpose of analyzing the firms financially is to assess the performance of the firms under study, on several aspects such as their resources, ability to earn a profit or fair return on their investment, ability to meet their obligations, the value of assets, extent, and nature of their liabilities, etc.

Methodology

The information required for the examination and correlation is secondary in nature gathered through different reports of the Society of Indian Automobile Manufacturers(SIAM). The money related information and data required for the investigation are drawn from the different yearly reports Tata Motors and Maruti Suzuki.

Market Share of the automobile industry

India's traveler vehicles section developed by negligible 2.70 percent at 3,377,436 units in FY19 as against 3,288,581 units in FY18. The two vehicles and utility vehicles posted a minimal development of 2 percent separately. The main silver coating is the development of 13.10 percent in Van fragment at 217,426 units, because of the higher dispatch of Maruti Eco. As per the Society of Indian Automobile Manufacturers Association (SIAM) shared versatility, expanded premium of protection, liquidity crunch and quieted request in rustic regions in the second 50% of FY19, eased back the development traveler vehicle section.

Source:- Indian Automobile Manufacturers Association

South Korean carmaker Hyundai India saw a negligible increment of 1.68 percent in household deals at 545243 in FY19, its piece of the pie keep on slipping for the second back to back a monetary year from 16.31 percent in FY18 to 16.14 percent in FY19. The carmaker had a 16.73 percent piece of the overall industry in FY17.

Goodbye Motors is another top gainer in a piece of the overall industry and just carmaker to pack a twofold digit 10.14 percent development in local wholesales at 231512 units.

On the other hand, Mahindra and Mahindra who propelled three SUVs in FY19 saw unimportant 2.21 percent development in deals at 254351 units in FY19 as against 248859. M&M's piece of the pie declined to 7.53 percent in FY19 from 7.57 percent in FY18. Renault India's piece of the pie descended from 3.11 percent in FY18 to 2.36 percent in FY18. Nissan India's piece of the pie slide proceeds as it contracted to 1.08 percent in FY19 from 1.61 percent a year back.

Rank	OEM's	FY19	FY18	Growth (%)
1	Maruti Suzuki	1729826	1643467	5.25
2	Hyundai Motor India	545243	536241	1.68
3	Mahindra & Mahindra	254351	248859	2.21
4	Tata Motors	231512	210200	10.14
5	Honda Cars India	183787	170026	8.09
6	Toyota	150525	140645	7.02
7	Ford India	92937	90601	2.58
8	Renault India	79654	102222	-22.08
9	Nissan India	36525	52796	-30.82
10	Volkswagen	34859	45329	-23.10
	Others*	38217	45610	-16.21
	Total PV Sales	3377436	3287965	

Others =FCA, Force, Isuzu, Hindustan Motors and Skoda India
Source: SIAM

Tata Motors analysis for the year 2018-19

TATA MOTORS has reported its outcomes for the year finished March 2019. Let us examine the definite presentation survey of the organization during FY18-19.

TATA MOTORS Income Statement Analysis

- Working salary during the year rose 3.6% on a year-on-year (YoY) premise.
- The organization's working benefit diminished by 21.6% YoY during the monetary. Working overall revenues saw a fall and remained at 8.2% in FY19 as against 10.8% in FY18.
- Devaluation charges expanded by 9.5% and account costs expanded by 23.0% YoY, individually.
- Other salaries declined by 25.1% YoY.
- The net benefit for the year declined by 416.0% YoY.
- Net revenues during the year declined from 3.1% in FY18 to 9.4% in FY19.

TATA MOTORS Income Statement 2018-19

No. of Mths Year Ending	Value	12 Mar-18*	12 Mar-19*	% Change
Net Sales	Rs m	2,915,505	3,019,384	3.6%
Other income	Rs m	39,576	29,653	-25.1%
Total Revenues	Rs m	2,955,081	3,049,037	3.2%
Gross profit	Rs m	314,577	246,643	-21.6%
Depreciation	Rs m	215,536	235,906	9.5%
Interest	Rs m	46,818	57,586	23.0%
Profit before tax	Rs m	91,799	-17,196	-118.7%
Tax	Rs m	43,419	-24,375	-156.1%
Profit after tax	Rs m	90,914	-287,242	-416.0%
Gross profit margin	%	10.8	8.2	
Effective tax rate	%	47.3	141.7	
Net profit margin	%	3.1	-9.4	

Source:-Tata Motors 74th Annual Report 2018-19

TATA MOTORS Balance Sheet Analysis

- The organization's present liabilities during FY19 remained at Rs 1,455 billion when contrasted with Rs 1,432 billion in FY18, in this manner seeing an expansion of 1.6%.
- Long haul obligation remained at Rs 710 billion when contrasted with Rs 612 billion during FY18, a development of 16.0%.
- Current resources fell 9% and remained at Rs 1,234 billion, while fixed resources fell 11% and remained at Rs 1,479 billion in FY19.
- Generally, all-out resources and liabilities for FY19 remained at Rs 3,072 billion as against Rs 3,314 billion during FY18, in this manner seeing a fall of 7%.

TATA MOTORS Balance Sheet as on March 2019

No. of Mths Year Ending	Value	12 Mar-18*	12 Mar-19*	% Change
Networth	Rs m	954,279	601,796	-36.9
Current Liabilities	Rs m	1,432,195	1,454,574	1.6
Long-term Debt	Rs m	611,995	709,737	16.0
Total Liabilities	Rs m	3,313,505	3,071,945	-7.3
Current assets	Rs m	1,359,728	1,234,312	-9.2
Fixed Assets	Rs m	1,663,353	1,478,617	-11.1
Total Assets	Rs m	3,313,505	3,071,945	-7.3

Source:-Tata Motors 74th Annual Report 2018-19

TATA MOTORS Cash Flow Statement Analysis

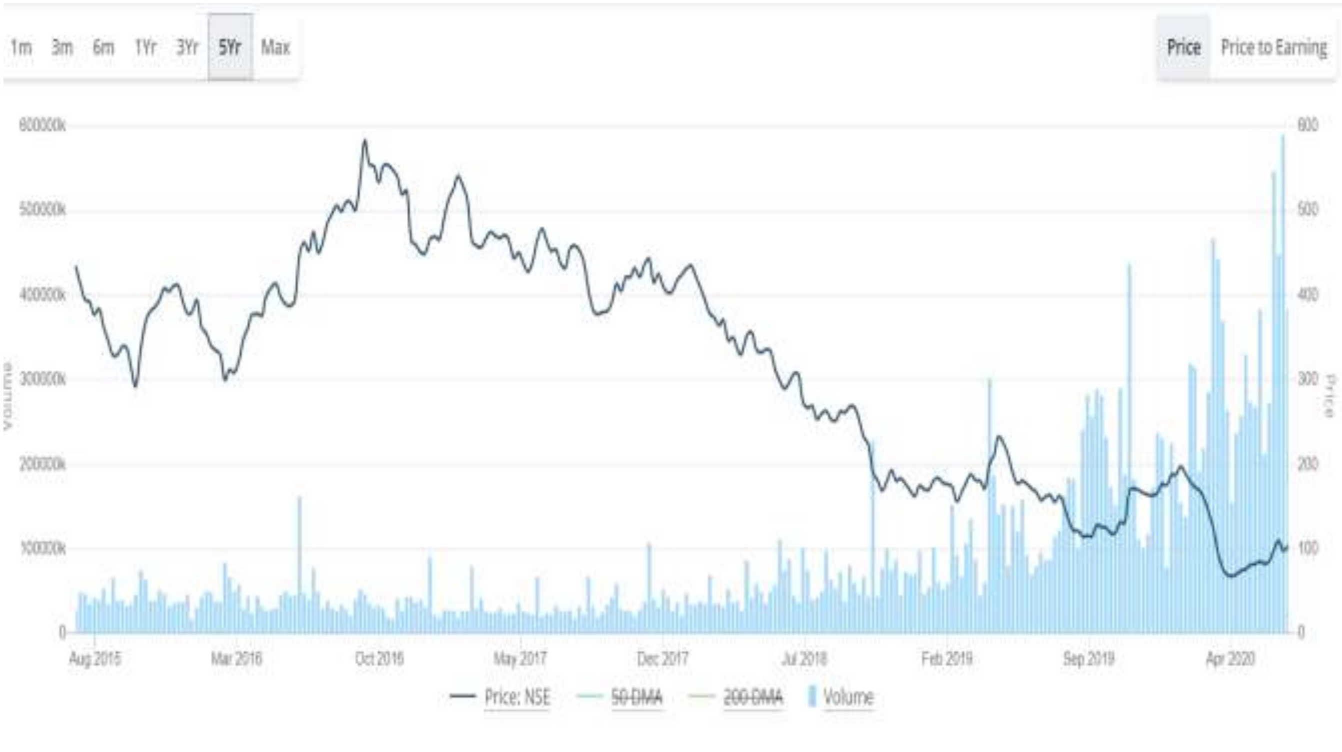
- TATA MOTORS's cash flow from operating activities (CFO) during FY19 stood at Rs 189 billion on a YoY basis.
- Cash flow from investing activities (CFI) during FY19 stood at Rs -197 billion on a YoY basis.
- Cash flow from financial activities (CFF) during FY19 stood at Rs 88 billion, an improvement of 339% on a YoY basis.
- Overall, net cash flows for the company during FY19 stood at Rs 68 billion from the Rs 7 billion net cash flows seen during FY18.

TATA MOTORS Cash Flow Statement 2018-19

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-18	Mar-19	
Cash Flow from Operating Activities	Rs m	238,574	188,908	-20.8%
Cash Flow from Investing Activities	Rs m	-262,016	-197,111	-
Cash Flow from Financing Activities	Rs m	20,117	88,304	338.9%
Net Cash Flow	Rs m	7,300	68,431	837.4%

Source:-Tata Motors 74th Annual Report 2018-19

TATA MOTORS Stock market performance



Source:- https://www.screener.in/company/TATAMOTORS/#quarters

Parameters	Value
Market Cap	Rs. 33,405 Cr.
Current Price	Rs. 101.40
52 weeks High / Low	Rs. 201.80 / 63.50
Book Value	Rs. 59.53
Return on Equity	10.08 %
Face Value	Rs. 2.00
Return on Capital Employed	10.89 %

Maruti Suzuki analysis for the year 2018-19

MARUTI-SUZUKI has declared its outcomes for the year finished March 2019. Let us examine the point by point execution audit of the organization during FY18-19.

MARUTI SUZUKI Income Statement Analysis

- Working pay during the year rose 7.8% on a year-on-year (YoY) premise.
- The organization's working benefit diminished by 8.7% YoY during the monetary. Working net revenues saw a fall and remained at 13.0% in FY19 as against 15.3% in FY18.
- Deterioration charges expanded by 9.5% and money costs diminished by 78.1% YoY, individually.
- Other pay developed by 25.2% YoY.
- The net benefit for the year declined by 2.9% YoY.
- Net overall revenues during the year declined from 9.6% in FY18 to 8.6% in FY19.

MARUTI SUZUKI Income Statement 2018-19

No. of Mths Year Ending	Value	12 Mar-18*	12 Mar-19*	%Change
Net Sales	Rs m	798,094	860,685	7.8%
Other income	Rs m	20,458	25,616	25.2%
Total Revenues	Rs m	818,552	886,301	8.3%
Gross profit	Rs m	122,267	111,589	-8.7%
Depreciation	Rs m	27,598	30,208	9.5%
Interest	Rs m	3,458	759	-78.1%
Profit before tax	Rs m	111,669	106,238	-4.9%
Tax	Rs m	32,862	29,732	-9.5%
Profit after tax	Rs m	78,807	76,506	-2.9%
Gross profit margin	%	15.3	13.0	
Effective tax rate	%	29.4	28.0	
Net profit margin	%	9.6	8.6	

Source:- Annual Report of Maruti Suzuki 2018-19

MARUTI SUZUKI Balance Sheet Analysis

- The organization's present liabilities during FY19 down at Rs 142 billion when contrasted with Rs 154 billion in FY18, in this manner seeing a reduction of - 8.3%.
- Long haul obligation remained at Rs 1 billion when contrasted with Rs 1 billion during FY18, a development of 35.0%.
- Current resources rose 56% and remained at Rs 124 billion, while fixed resources rose 10% and remained at Rs 170 billion in FY19.
- Generally speaking, the absolute resources and liabilities for FY19 remained at Rs 640 billion as against Rs 602 billion during FY18, in this manner seeing the development of 6%.

MARUTI SUZUKI Balance Sheet as of March 2019

No. of Mths Year Ending	Value	12 Mar-18*	12 Mar-19*	%Change
Networth	Rs m	425,594	470,921	10.7
Current Liabilities	Rs m	154,485	141,605	-8.3
Long-term Debt	Rs m	1,108	1,496	35.0
Total Liabilities	Rs m	602,484	639,687	6.2
Current assets	Rs m	79,300	123,727	56.0
Fixed Assets	Rs m	155,209	170,442	9.8
Total Assets	Rs m	602,484	639,687	6.2

Source:- Annual Report of Maruti Suzuki 2018-19

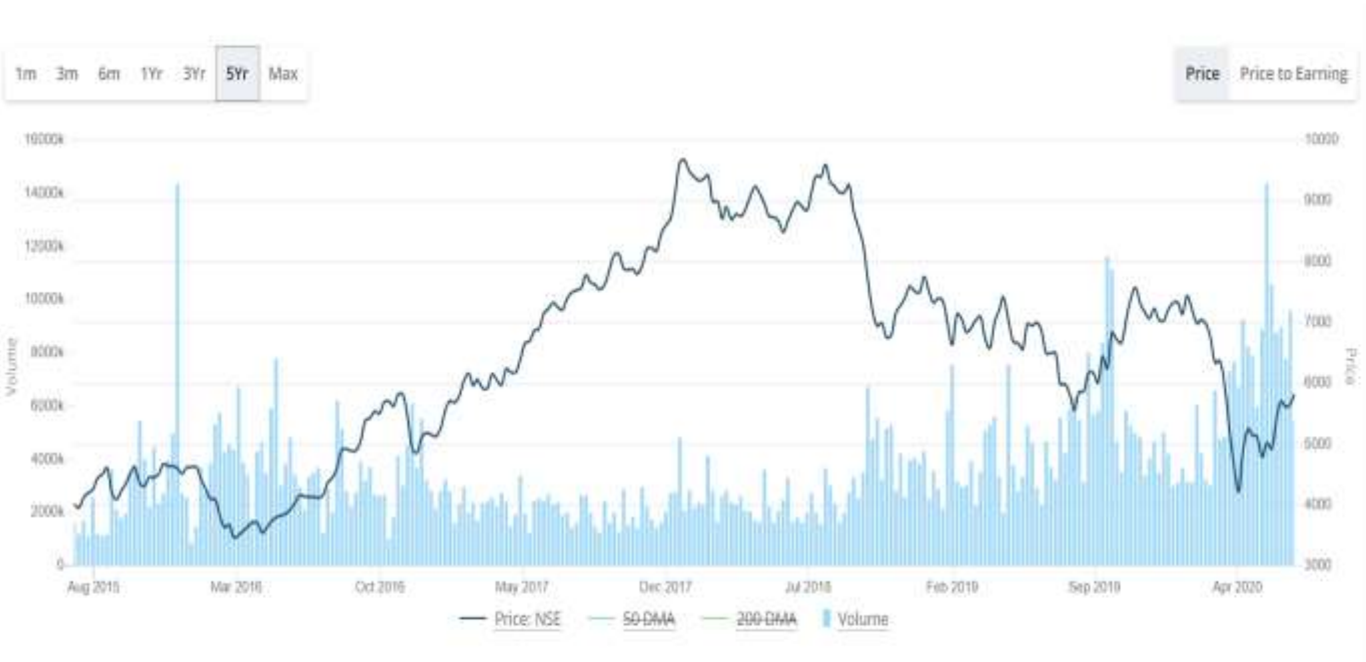
MARUTI SUZUKI Cash Flow Statement Analysis

- MARUTI SUZUKI's income from working exercises (CFO) during FY19 remained at Rs 66 billion on a YoY premise.
- Income from contributing exercises (CFI) during FY19 remained at Rs - 35 billion on a YoY premise.
- Income from monetary exercises (CFF) during FY19 remained at Rs - 29 billion, an improvement of 14% on a YoY premise.
- By and large, net incomes for the organization during FY19 remained at Rs 1 billion from the Rs 501 million net incomes seen during FY18.

MARUTI SUZUKI Cash Flow Statement 2018-19

Particulars	**No. of months**	**12**	**12**	**% Change**
	Year Ending	**Mar-18**	**Mar-19**	
Cash Flow from Operating Activities	Rs m	117,879	66,009	-44.0%
Cash Flow from Investing Activities	Rs m	-83,017	-35,399	-
Cash Flow from Financing Activities	Rs m	-34,361	-29,479	-
Net Cash Flow	Rs m	501	1,131	125.7%

Maruti Suzuki Stock market performance



Source:- https://www.screener.in/company/MARUTI/consolidated/

Parameters	**Value**
Market Cap	Rs. 173,895 Cr.
Current Price	Rs. 5,755
52 weeks High / Low	Rs. 7758.70 / 4001.10
Book Value	Rs. 1,636
Return on Equity	13.32 %
Face Value	Rs. 5.00
Return on Capital Employed	18.51 %

Contribution of Maruti Suzuki & Tata Motors in Covid-19 Crisis.

Maruti Suzuki

Maruti Suzuki India Limited (MSIL) has gone into a concurrence with AgVa Healthcare, a clinical hardware producer, for creating up to 10,000 ventilators for each month. The automaker will use its providers for delivering parts and tap into its specialized skill to redesign frameworks for creation and quality control. It will likewise help in organizing financing, to the necessary degree. The carmaker will offer these types of assistance liberated from cost to AgVa Healthcare. Besides, MSIL joint endeavor, Bharat Seats Limited, has additionally sworn to fabricate defensive dress for cutting edge laborers.

Krishna Maruti, a joint endeavor of Maruti Suzuki India Limited (MSIL), has started providing triple-utilize face veils to nearby specialists. The organization has sworn to give one million face covers, created in-house, to the Haryana and Gujarat governments each. It has given over the principal group of 2 lakh covers to experts in Haryana. Making their imminent commitments a stride further, Ashok Kapur, Chairman, Krishna Group, has expressed that he is additionally "intending to import a few machines and produce N-95 covers."

Maruti Suzuki is embraced different network outreach projects to help towns around its Gurugram and Manesar plants in Haryana. The organization is utilizing in-house bottles at its assembling offices to get ready and circulate food bundles among the close by networks – more than 1,20,000 such parcels have been given in the initial three weeks of April. The organization is additionally proactively working with the India Red Cross Society to give dry apportion packs in neighboring towns – it has just conveyed 10,000 such units till April 20. Maruti Suzuki has reported that it is making consumable water accessible at extremely ostensible rates across 16 towns through 17 of its 'water ATMs', which can administer more than 1,000 liters of drinking water every hour. Also, the auto major has given 16 waste assortment vans to town sanitization in Manesar and Rohtak and provided face veils and other defensive gear through the Gurugram organization.

Tata Motors

Tata Trusts has earmarked Rs 500 crore to empower and protect affected communities from the COVID-19 outbreak. Ratan Tata, chairman, Tata Trusts has announced that the organization is committing the sum for providing personal protective equipment, respiratory systems, and testing kits and setting up modular treatment facilities for patients. Additionally, the resources will be used for knowledge sharing and training of healthcare workers as well as the general public.

Following this announcement, Tata Sons pledged another Rs 1,000 crore in the fight against the disease. In an official statement, the company said, "In addition to the initiatives articulated by Tata Trusts, we are also bringing in the ventilators necessary and are gearing up to also manufacture the same soon in India."

Impact of Sales in the Covid-19 Crisis.

Maruti Suzuki

Seriously affected by nationwide lockdown and broken gracefully chain, India's biggest vehicle maker, Maruti Suzuki on Tuesday revealed a decrease of 97.5 percent underway at 3714 units in May 2020. The organization had fabricated 151188 units during a similar period a year back, the organization educated in an administrative recording.

The creation of minimal portion vehicles (WagonR, Celerio, Ignis, Swift, Baleno, and Dzire) remained at 1950 units as against 84,705 units in May 2019, somewhere near 97.69 percent. While the creation of utility vehicles that incorporates Vitara Brezza, Ertiga, XL-6, S-Cross remained at 928 units as against as, somewhere around 96.2 percent. Industry specialists accept the carmakers are feeling the squeeze of a wrecked gracefully chain and work deficiency because of which assembling of vehicles at full scale is unimaginable. Besides, severe mandates and SOPs by state governments are different reasons.

The carmaker known for its little vehicle delivered just 401 section level vehicles like Alto and Espresso. While it could just make 62 units of light business vehicle Super Carry. Regarding local deals, Maruti Suzuki saw a decrease of 89% at 13865 units in May 2020 inferable from nationwide lockdown. The deals remained at 125,552 unit deals around the same time a year ago. The organization's all out deals additionally observed a plunge of 86.2 percent to 18539 units in the month under survey when contrasted with 134,641 units sold in May 2019.

TATA Motors

The organization had a combined overall deficit of Rs 9,894 crore for the January-March 2020 period, against a solidified net benefit of Rs 1,108 crore in the relating quarter a year ago. The organization had a combined total deficit of Rs 9,894 crore for the January-March 2020 period, against a merged net benefit of Rs 1,108 crore in the relating quarter a year ago. It is a finished inversion of the additions that the organization had announced in the second and third quarters on the rear of progress seen in Tata Motors' residential and in the Jaguar Land Rover organizations. TATA Motors announced one of its most elevated quarterly misfortunes as the Covid-19 pandemic affected its India and abroad organizations. The organization had a solidified overall deficit of Rs 9,894 crore for the January-March 2020 period, against a united net benefit of Rs 1,108 crore in the comparing quarter a year ago.

It is a finished inversion of the additions that the organization had revealed in the second and third quarters on the rear of progress seen in Tata Motors' household and the Jaguar Land Rover organizations. JLR, which contributes around 78% of the organization's general incomes, had an unpleasant run during the March quarter, cleaning out the benefits made during the second and third quarters. TATA Motors independently posted a 48% y-o-y decrease in income from tasks at Rs 9,733 crore in the March quarter, while the Ebitda edge declined 1,250 premise focuses to 5.5%; the organization posted a misfortune before charging at Rs 4,786 crore.

Factors that will disrupt Maruti Suzuki and Tata Motors in Post-COVID World.

The entry of Electric Motor Vehicle in Indian Market

The Indian electric vehicle (EV) market will keep on being to a great extent driven by the bike and three-wheeler section, specialists opined at the ETAuto Virtual Roundtable on 'Post Covid-19: Future of Electric Vehicles Global and India'. As indicated by them the EV market will recoup quickly from Covid-19 difficulty when contrasted with their ICE partners and their viewpoint stays solid in the medium term. Absence of long-run EVs, the cost of obtaining has been the significant restriction for electric traveler vehicle take-up in India. Electric vehicles have not been an example of overcoming adversity in India before, however, according to Frost and Sullivan, the market will develop yet not at a similar level as the objective set by Niti Aayog in India. Ice and Sullivan see immense potential for India in the segment business specifically in power gadgets with the EV esteem affix in India expected to reach $4.8 billion out of 2025.

There is an immense hole in power gadgets in a worldwide situation. India, especially, can assemble these at lower costs and force hardware as well as the entire framework, the engine, the batteries. Around 61% offer will be comprised of the bike portion in the force gadgets showcase in 2025.

Customers more preference to Safety

As economies rise monetarily and sincerely from COVID-19, it won't be the same old thing. Customer certainty will be seriously affected because of unavoidable occupation misfortunes and pay cuts, accordingly driving numerous to defer optional buys like purchasing a vehicle. As per a WSJ article, customer certainty is broken universally – very few individuals would even need to consider purchasing a vehicle, directly after the pandemic passes.

One thing we do know is that buyers in the post-COVID world will be unique – think distinctively and act unexpectedly. In the coming quarters, client conduct will proceed to develop, and OEMs should enhance to recognize client needs and address them. We see four significant movements that will either be new or will offer driving force to previously existing though gradually advancing patterns.

In the post-COVID world, purchasers will be more hazard disinclined. They will float towards known brands that are protected purchases. Trailing OEM's have no other choice however to counter this by giving a more extravagant client experience, featured by the individual touch and prevalent brand guarantee. Automakers all around will understand the force and the need of concentrating on their image esteems, over standard deals advancements, and rebate strategies. It will likewise get progressively significant for worldwide auto OEMs to put resources into making their brands applicable to the neighborhood diaspora to oblige local sensibilities. This will be a key separating factor for OEMs in the approach reestablishing requests to recoup from this emergency, as customers change sides from being esteem headed to values-driven.

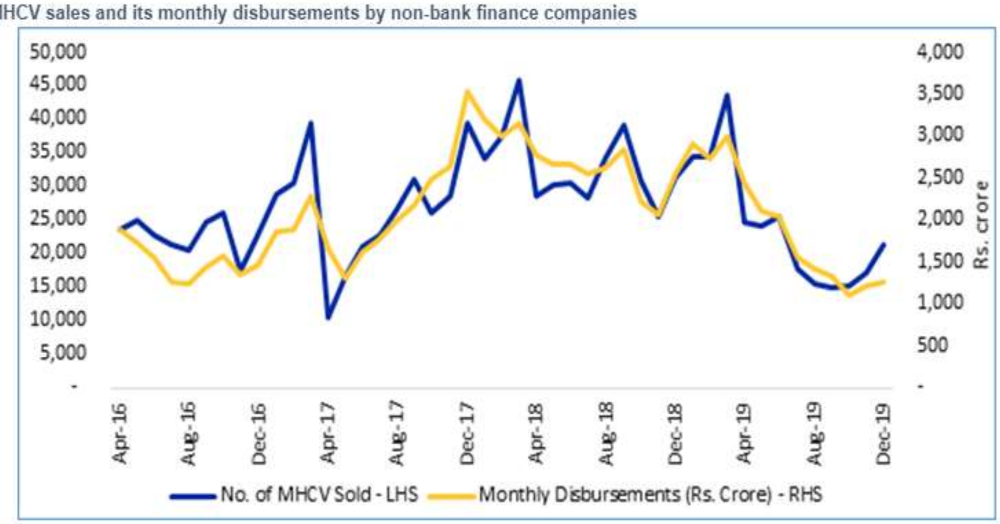
Weak economic activity may affect NBFC & Banking Sector

Generally speaking, deals of MHCV declined to 21,388 units on December 31, 2019, from 43,650 units on December 31, 2018. This thus constrained unique gear makers (OEMs) to reestablish creation cuts and forcefully decrease discount dispatches to pare the stock develop, the office said.

Because of this unique hardware makers (OEMs) have turned to create cuts and sharp decreases in discount dispatches to pare the stock develop. As a result, ICRA noticed, the non-banking monetary organizations (NBFCs) that had heretofore observed high distributions towards new MHCV fragment, have seen a sharp constriction in payment in FY2020.

MHCV unit deals development is required to stay quiet in FY2021 because of the feeble large scale financial condition and increment in BS-VI agreed vehicle costs. This thus infers distributions in the new MHCV credit arrangement of NFBCs will keep on staying repressed in FY2021.

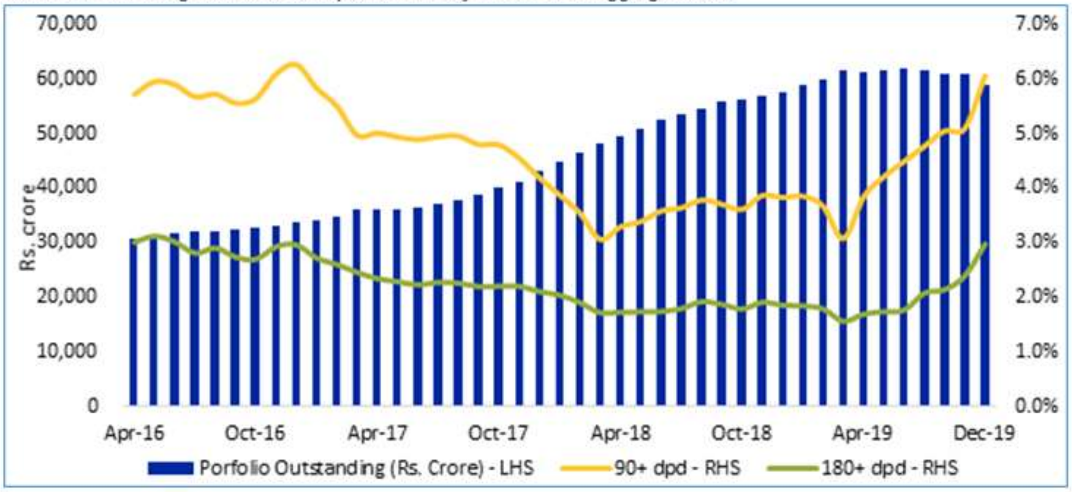
Exhibit 1: New MHCV sales and its monthly disbursements by non-bank finance companies



Source: ICRA Research, Industry

The danger of coronavirus is relied upon to disturb vehicular traffic as the Central and State Governments resort to extreme measures to battle its further spread. Delayed time of disturbance, creation misfortune because of the shutdown of assembling units and the subsequent effect that would have on financial development lessens the possibilities of any prompt improvement in the dispensing levels for new MHCV portion and thusly the AUM of NBFCs

Exhibit 2: Portfolio growth and delinquencies of key NBFCs at an aggregate level



Source: ICRA Research, Industry

Conclusion:

Maruti Suzuki is a debt free company and has maximum market share in Automobile Industry. Looking at balance sheet of company have good amount of reserves for innovation in technology if needed in future. TATA Motors on other hand have acquired European companies like Jaguar and Landrover and have access to their technology and other features which help them improve their own product features. Post-COVID customers behavior will change to safety first and company which will provide these type of features will excel in market.

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