



## INDIAN TWO-WHEELER INDUSTRY: BACK ON GROWTH PATH

### Contacts

**Anjan Ghosh**  
[aghosh@icraindia.com](mailto:aghosh@icraindia.com)  
(Tel. No. +91-22-30470006)

**Subrata Ray**  
[subrata@icraindia.com](mailto:subrata@icraindia.com)  
(Tel. No. +91-22-30470027)

**Jitin Makkar**  
[jitinm@icraindia.com](mailto:jitinm@icraindia.com)  
(Tel. No. +91-124-4545368)

### Summary

The two-wheeler (2W) industry has shown a healthy volume<sup>1</sup> growth of 21.9% (y-o-y) during the period April-January 2010 contributed by a mix of favourable demand and supply drivers. While on one hand, a steady revival in economic activity, low excise duties, low interest rates and relatively higher disposable incomes enabled the demand pull; on the other hand, launch of new products/ variants by manufacturers, targeted marketing spends and expansion of customer touch points (notwithstanding sharp decline in organised financing) provided the complementary supply push. The above growth is significant in the backdrop of a negative volume growth of 5.0% witnessed in 2007-08 and the rather subdued volume growth of 4.6% seen in 2008-09. While the current growth rate may moderate in the near term, the industry is expected to be on track for a healthy 9-11% annual growth over the medium term, supported by a combination of favourable demand drivers in the domestic market and strong exports growth.

The 2W industry had reported double-digit growth rates for six consecutive years till 2006-07 on the back of rising disposable incomes in Tier 2 and 3 cities and in rural areas, and the easy availability of consumer finance. However, 2007-08 saw a volume decline following an increase in interest rates and a sudden reduction in the availability of finance. Within the 2W industry, the entry-segment of motorcycles was hit the hardest as financial institutions tightened their credit norms due to relatively weaker credit profiles<sup>2</sup> and the higher proportion of financed purchases in this segment. Although the insufficiency of 2W finance remains a concern, the impact of the same has been mitigated by the availability of finance from the unorganised sector and the growing share of rural sales, which happen largely on cash basis.

After the volume decline in 2007-08, 2W sales did show a revival in the first half (H1) of 2008-09, reporting a volume growth of 13.2% (y-o-y). However, the economic meltdown that snowballed post-September 2008 dented consumer sentiment, causing a 7.4% decline in volumes in H2, 2008-09 versus H1, 2008-09 (historically, the second half of a fiscal year accounts for 52% of full-year sales).

The performance of the 2W industry in the current fiscal has been quite strong so far, although sustaining the momentum over the near term would hinge on the longevity of various demand/supply enablers, as some of these facilitating factors are expected to get moderated in the coming months. Besides, the industry landscape also appears to be evolving, as evident from the increase in the competitive intensity and the shift in centres of growth with manufacturers repositioning products and realigning their portfolios, creating products to serve new market segments, and placing greater emphasis on the rural and semi-urban markets to achieve growth.

<sup>1</sup> Includes domestic and export volumes

<sup>2</sup> With a large proportion of the buyers being in the self-employed category, this segment typically is not the preferred one for financiers in the organised sector.

## INDUSTRY COMPOSITION

### **Motorcycles account for bulk of 2W sales in India**

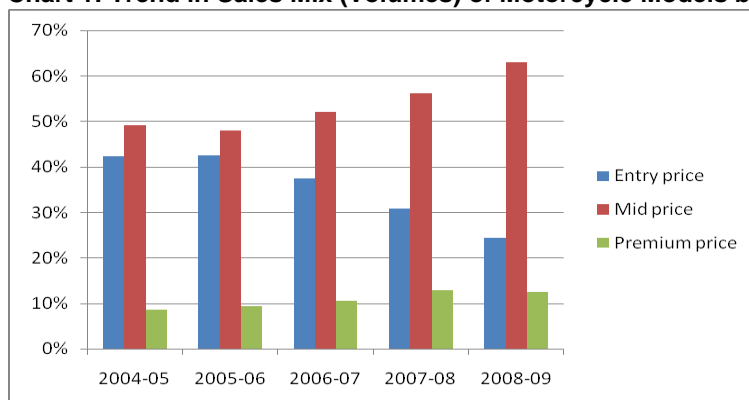
2W sales in India are spread across three main product categories: motorcycles, scooters, and mopeds. While in the previous decade, scooters were the largest selling product category, in the current one, consumer preferences appear to have shifted decisively in favour of motorcycles, which now account for over 80% of total 2W sales in India. The rural market, a key demand driver for the 2W industry as a whole, has been a significant contributor to the shift in preference towards motorcycles. With their longer wheel base and better mileage, motorcycles enjoy preference over scooters, especially in country-sides, as they ride well over long distances and uneven roads, besides being perceived to have a superior style quotient. However, given the practicality of scooters, especially in urban areas, their demand is likely to be sustained. As a product category, scooters have also undergone an image makeover, having metamorphosed into vehicles with cleaner technology, gearless options, and features targeted at female commuters. In fact, while motorcycle sales volumes in 2007-08 and 2008-09 remained lower than the levels achieved in 2006-07, scooter volumes have maintained consistent volume growth over the last two years.

## MOTORCYCLES

### **Higher segment motorcycles in gain prominence although entry-level bikes remain volume leaders**

Motorcycle models with a sticker price of up to Rs. 40,000 comprise the “entry-price segment”, which largely consists of 100cc bikes and is currently dominated by the *CD Deluxe* model of Hero Honda Motor Limited (HHML) and *Platina* of Bajaj Auto Limited (BAL). The entry segment has suffered volume declines during the last two to three years, being hit the worst by the tightening of credit; being a relatively small ticket item, its customers usually belong to the most vulnerable section economically within the universe of motorcycle buyers. The segment’s profitability for 2W manufacturers has also declined over this period, with volumes falling and price competition getting more intense. The Rs. 40-50,000 “mid-price segment” is largely concentrated around 100-135cc models of various players and account for bulk of the volumes (~63%) in motorcycles. HHML remains a strong market leader in the mid-price segment with its highly successful *Passion* and *Splendor* models. BAL has *Discover* and *Pulsar 135* in this range. The “premium price segment” (Rs. 55,000 and above) is currently dominated by BAL with its *Pulsar* range of motorcycles.

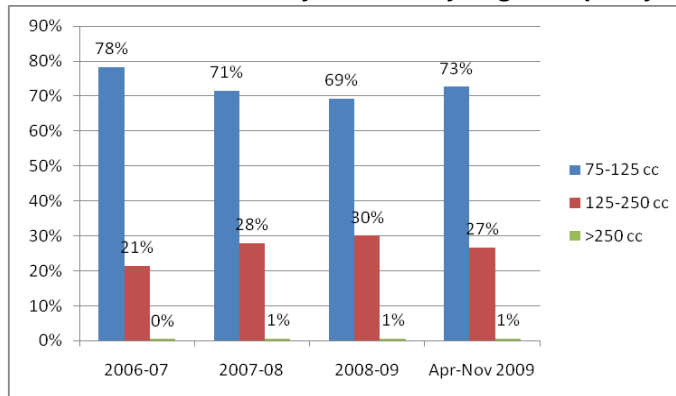
**Chart 1: Trend in Sales Mix (Volumes) of Motorcycle Models by Price Range**



Source: Industry estimates

Sales in the entry segment<sup>3</sup> (Rs. 35-50,000 range) remained lacklustre in 2007-08 and 2008-09 with BAL diminishing its focus on the 100cc segment and most financial institutions displaying a lack of keenness to finance low-ticket loans. Nevertheless, sales in the entry segment, which accounted for 69% of the total motorcycle sales volumes in 2008-09, have received support in the current fiscal from: (i) new model launches in the segment; and (ii) the renewed focus being placed on the rural market where sales are largely cash driven. The executive segment, on the other hand, continues to report growth in double digits; as a result, the share of this segment in total motorcycle sales went up from 21% in 2006-07 to 30% in 2008-09.

<sup>3</sup> Based on the classification of the Society of Indian Automobile Manufacturers (SIAM), that is, Entry segment: 75-125 cc; Executive segment: 125-250 cc; and Premium segment: >250 cc.

**Chart 2: Trend in Motorcycle Sales by engine capacity**

Source: SIAM, ICRA's estimates

### **Competition likely to intensify in the entry segment in the near term**

HHML is currently the clear market leader in the entry segment, enjoying a market share of close to 70%. The company has a portfolio of six models in the 100cc segment in the Rs. 35,000-45,000 price band and continues to maintain a dominant market position led by its *Splendor* and *Passion* series of motorcycles (refer *Table 1*). HHML's strong franchise, wide distribution network, and regular refurbishments and line extensions of the *Splendor* and *Passion* series have allowed it to protect its turf in the entry segment on a sustained basis. Earlier, intense price competition and relatively low profitability in the lower end of the entry segment had prompted BAL (in 2007-08) to diminish its focus on the 100cc segment, and with that its market share dropped to 17% in 2008-09 from 26% in 2006-07. However, with the launch of *Discover 100cc* by BAL in July 2009, the company has made a comeback in the 100cc segment. This has supported volume growth for BAL in the current year, pushing up its market share in the entry segment to 23% (April-January 2010) from 17% in 2008-09. TVS Motor Company (TVS) is the other prominent player in the entry segment with its *Star City* model (7% market share in April-January 2010). However, despite being a competent product, this model has failed to grow its volumes, with refurbishments being limited and HHML increasing its dominance of the segment.

### **Outlook for the entry segment**

- With BAL making a comeback in the entry segment and Honda Motorcycles and Scooters India Limited (HMSI) planning to launch a 110cc bike (*CB Twister*) in February 2010, competitive intensity in this segment is likely to increase. BAL is expected to make a strong return in the entry segment, leveraging the brand image of *Discover 135* to launch *Discover 100cc*. However, ICRA does not expect HHML's overall market leadership in this segment to get usurped over the medium term, given the low running costs image of the *Splendor* and *Passion* family bikes and the company's extensive sales and service network.
- The launch of new products in the entry segment augurs well for the enrichment and expansion of the segment. However, the already high rate of penetration in the urban markets is likely to remain a moderating factor.
- Increased competition in this segment is expected to lead to an increase in below-the-line promotions, thereby squeezing profit margins; this may get accentuated further by a likely increase in raw material costs in the near term. Among the entry-segment players, HHML is better placed to meet the anticipated challenges to profitability, give its larger economies of scale.

### **OEMs sharpen focus on executive segment, given its relatively superior profitability**

The executive segment (125-250cc) has witnessed significant activity over the last few years with multiple models and variants being launched by almost all the original equipment manufacturers (OEMs). The lower end of the executive segment features HHML's *Super Splendor* and *Glamour*; BAL's *Platina 125*, *Discover 135* and *Pulsar 135*; TVS' *Flame*; HMSI's *Shine* and *CBF Stunner*; and Suzuki Motorcycle India Pvt Limited's (SMIPL's) *Heat* and *Zeus*. The upper end has HHML's troika of *CBZ*, *Hunk*, and *Karizma*; BAL's *Pulsar* series; HMSI's *Unicorn*; SMIPL's *GS 150R*; TVS' *Apache*; and four offerings from the Yamaha stable.

The executive segment hails its origin to the year 1999 when HHML launched the sports-oriented *CBZ* (sporting the Honda 156.8cc engine), giving customers the option to graduate from plain-vanilla commuting to performance biking. This was followed by the launch of *Pulsar 150* and *Pulsar 180* models by BAL in 2001 which paved the way for high sales growth in this segment capitalizing on the latent demand. While entry-segment motorcycles typically offer higher fuel economy and lower operating costs, performance

bikes are characterised by features such as higher speed, quicker acceleration, and superior ride, handling and braking. With increasing disposable incomes in the hands of customers in a growing economy, executive segment motorcycles appear to have caught the fancy of customers and seem to hold a strong growth potential in India over the long term. While most 2W OEMs operating in India now have a presence in the executive segment, BAL is the current market leader, accounting for almost half the sales in the segment. BAL's presence in the segment is marked by its flagship brand *Pulsar*, which is available in the 150cc, 180cc and 220cc variants. However, BAL's market share in this segment has seen some erosion over the last five years because of increased competition; from 70% in 2005-06, its market share has come down steadily to the level of 47% now (April-January 2010). Also, with a host of new products being launched by HMSI, HHML, Yamaha, TVS and SMIPL over the last five years, the segment has witnessed increasing competition in both the 125cc and 150cc sub-categories.

Yamaha, Honda and Suzuki are strong global brands, but given their relatively short track record in India, their ability to succeed here is yet to be tested. These companies have had mixed success in the Indian market so far, as highlighted by Yamaha's weak market position in India till two years back and the limited presence of HMSI (focused mainly on scooters) in motorcycles. Nevertheless, there is evidence of resurgence of Yamaha in India, given that its newly-launched *FZ16* and *YZF-R15* models have been well accepted by performance enthusiasts in the country and that its market share in the executive segment has risen from 4% in 2007-08 to 10% in April-January 2010. Even HMSI, with its twin offerings *Shine* and *CBF Stunner* in the 125cc category and *Unicorn* in the 150cc category, has been able to make inroads into the executive motorcycles segment, garnering a market share of 22% in April-January 2010 (11% in 2006-07). In contrast, despite having a large portfolio of products in the executive segment—including *Super Splendor* at the lower end, and *Glamour*, *CBZ*, *Hunk*, and *Karizma* at the higher end—HHML's market share is moderate (11% in April-January 2010). Overall however, HHML, BAL and TVS benefit from their local expertise and are looked upon with greater confidence by stakeholders, including suppliers and dealers.

#### Outlook for the executive segment

- Investment in brand-building assumes far greater significance now than earlier with Indian customers turning more demanding and competition also intensifying. Since bikes in the upper end of the executive segment also have an aspirational value attached, the ability of OEMs to build strong brands in this space could have a positive rub-off on their entry-segment offerings as well. Thus, going forward, the executive segment is expected to claim a greater share of marketing spends.
- Increased activity is expected at the higher end of the executive segment, in which global majors like Honda and Yamaha are likely to leverage their global portfolios to launch models in India. Given their currently low base, some of these players may be expected to generate strong growth, causing some market share erosion for market leader BAL over the medium term. While the launch of *Pulsar 135* is expected to make up for the anticipated loss of volumes of its bigger cousins, the risk of *Pulsar's* brand dilution cannot be ruled out.
- The executive segment is expected to be able to maintain its volume growth over the medium term, which should translate into superior profit margins for players that are stronger in this segment.

#### **Premium segment remains a niche, although proposed launches would expand the market**

The premium segment of motorcycles in India (>250cc) is currently dominated by Eicher Motor Limited's *Royal Enfield*, which offers motorcycles in the 350cc and 500cc categories; HMSI, Yamaha, and SMIPL are the other prominent players here. While *Royal Enfield's* products are in the category of cruiser bikes, the other players' products are sports bikes. These machines are designed to deliver high power, come packed with technology, and accordingly command a premium price. Many of the models launched earlier in the premium segment had met only limited success; for instance, Yamaha's *Enticer*, Kawasaki-Bajaj's *Eliminator*, and Kinetic's *Aquila* showed promise in the initial months of their launch, but later had to be discontinued. Given the low volume potential of these bikes, some of the other large players in India like HHML and TVS have stayed away from this segment.

#### Outlook for the premium segment

- This market offers large scope for segmentation in terms of price points and performance characteristics. Also, the premium segment is expected to get crowded as new players like Harley Davidson, Ducati, and Kawasaki gear up to expand their presence in it. Further, BAL, SMIPL, and HMSI have a pipeline of multiple products that are slated for launch in 2010-11. Given the premium and niche character of these bikes, the volume base is likely to remain small over the medium term.
- The low volumes of products in this segment do not justify investments in localisation of parts. Hence, most of the new products planned to be launched are either likely to be imported as completely built units (CBUs) or they would have a high import content. Thus, product prices are likely to remain high over the medium term, which in turn could curtail growth prospects. While it is true that these products

are not meant for the mass market, considering the increase in customer awareness levels, OEMs cannot afford to ignore the price-value equation altogether.

## SCOOTERS

### ***Segment continues to expand, driven by change in product positioning and entry of new players***

As a product category, scooters have covered a considerable distance over the last decade. From being a laggard in technology and characterised by two-stroke engines, higher emissions, and old styling, scooters have now acquired more refined engines and contemporary styling. Product positioning has also undergone a change with all OEMs now including in their portfolios gearless scooters with low kerb weight and self-start, features that appeal to certain consumer categories like women.

HMSI currently occupies the leading position in the scooters segment with a market share of 51% (April-January 2010) and drawing on its flagship brand *Activa* (besides *Aviator* and *Dio*). It is followed by TVS (*Scooty Pep+* and *Streak*), which has a market share of 22%. In the past, several players such as Scooters India Limited, Kinetic Motor Company Limited (KMC), and LML Limited exited the segment, unable to run a profitable business in a scenario of declining volumes industry-wide; even BAL has recently announced that it plans to exit from scooters. That notwithstanding, the segment has also seen several relatively new entrants in the form of HHML, which launched *Pleasure* in January 2006, and SMIPL, which launched *Access 125* in September 2007. Besides, Mahindra & Mahindra has also entered the 2W circuit via its acquisition of the business assets of KMC in July 2008.

#### Outlook for the scooters segment

- The entry of new players and increased segmentation (with 100cc and 125cc options) are expected to drive volume growth further and lead to an expansion of the market for scooters.
- HMSI has enjoyed a strong market position till now, but could be facing competition from newer entrants like Mahindra Two Wheelers Limited (MTWL), going forward.
- Profit margins in the scooters segment are lower than in motorcycles. This is primarily because of the low volumes and the fragmented nature of the segment (barring HMSI, all others are averaging less than 25,000 scooters a month over the last four-five years). With competition increasing, profitability is bound to come under further pressure, which may then lead to another round of churn in the segment, prompting OEMs to rethink their strategies and focus more on specific motorcycle/scooter categories.

### ***Demand for 2W from rural and semi-urban areas likely to be moderated in the near term***

The demand for 2W from rural and semi-urban cities has been strong so far in the current fiscal, despite the monsoons having been poor. While it is believed that poor monsoons generally translate into lower disposable incomes in the hands of the farming community, industry estimates suggest that around 60% of the rural economy now depends on non-agricultural sources of income, such as trading, remittances from cities, and employment in the manufacturing sector. That apart, a substantial increase in crop prices during the last three years has also left larger disposable incomes with rural customers. Further, the implementation of the Sixth Pay Commission's recommendations in Tier II/III cities has collectively helped in supporting the growth in the semi-urban cities. However, the impact of the weaker monsoons during the current year may begin to be felt in the near term, leading to a slowdown in the growth momentum.

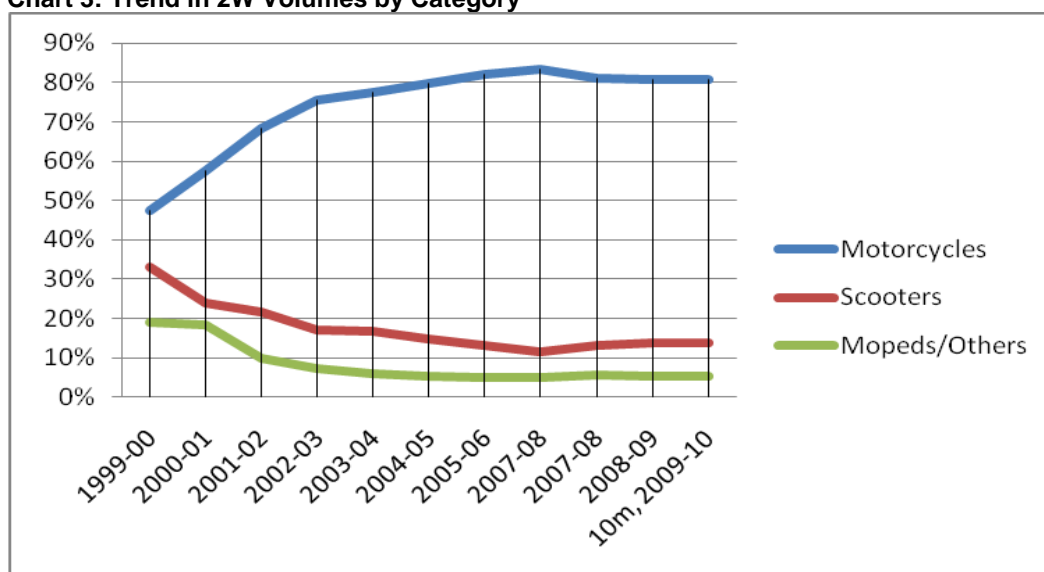
## Conclusion

- Total 2W industry sales volumes are expected to grow at 9-11% over the medium term, supported by the following factors: (a) large number of product options that would become available to customers as new product launches/refurbishments are made by various OEMs; (b) anticipated increase in brand promotions; (c) likely trend of discounts being offered, particularly in the entry segment; (d) increased segmentation in the 2W industry, converting latent demand into higher sales; and (d) favourable outlook for economic growth. Growth is also likely to be supported by an increase in exports, which accounted for 12% of total 2W sales volumes in 2008-09. Indian manufacturers may be considered well-positioned to expand into global developing markets. Also, international players are looking at making India a global manufacturing hub. For instance, India is the second largest manufacturing site for Yamaha in terms of exports, and the company plans to double its exports over the next one year. In fact, higher export volumes have allowed players like BAL to make up for some of the loss in sales in the domestic market. The factors discussed are expected to lead to healthy revenue growth for the 2W industry over the medium term.

- The two dominant players in the 2W industry, BAL and HHML, have been enjoying robust profitability, on the strength of their economies of scale (which gives them a cost advantage) and brand franchise. However, the expected increase in competitive intensity in the short to medium term, the likely rise in discounting and sales promotion expenses, the anticipated increase in input costs, and the likely dilution of the pricing power are likely to start showing their impact on the industry's profit margins over the short to medium term. Also, the scope for comparative advantage in terms of tax breaks is limited, considering that the top two players have both set up manufacturing capacities in tax-exempt locations. Nevertheless, the OEMs remain asset light, given their high levels of outsourcing (most OEMs carry out only engine machining operations and assembly processes in house), which mitigates the risks of low capacity utilisation for them. Notwithstanding the capacity addition plans of players such as SMPL and Yamaha (combined investment of around Rs. 4 billion for capacity expansion and strengthening dealer network) over the next one year, industry-wide utilisation is expected to remain healthy, supported by strong demand growth.

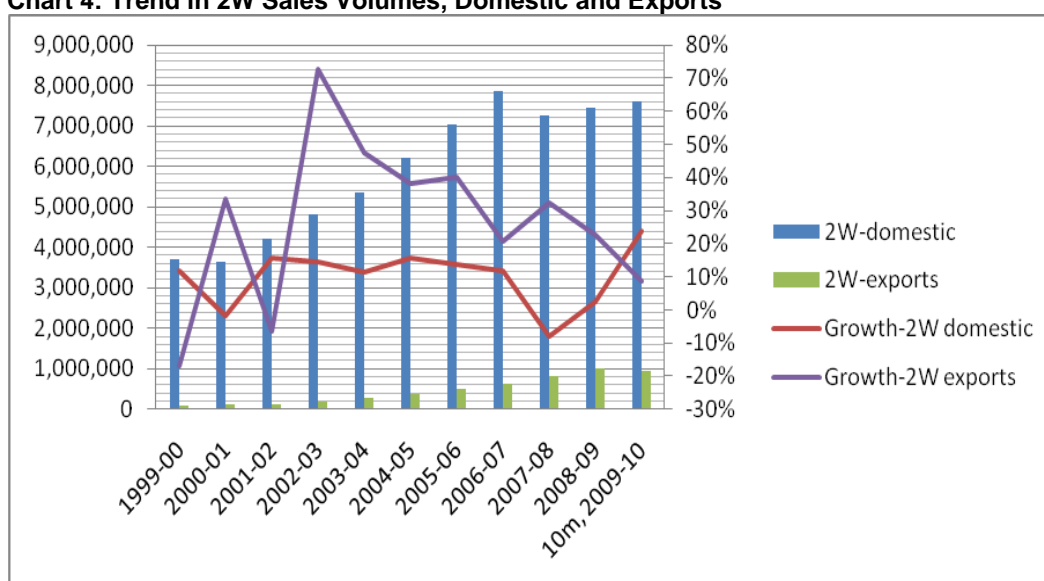
**ANNEXURE**

**Chart 3: Trend in 2W Volumes by Category**



Source: SIAM, ICRA's estimates

**Chart 4: Trend in 2W Sales Volumes, Domestic and Exports**



Source: SIAM, ICRA's estimates

**Table 1: Segmental Distribution of Motorcycles**

	Model	Engine Capacity (cc)	Price (Rs.)
<b>75-125 cc</b>			
<b>BAL</b>	Platina	100	35,600
	Discover DTS-Si	100	42,600
<b>HHML</b>	CD Dawn	100	34,800
	CD Deluxe	100	36,500
	Splendor Plus	100	40,500
	Splendor NXG	100	39,700
	Passion Plus	100	42,300
	Passion Pro	100	45,400
<b>TVS</b>	Star City	110	39,300
<b>Yamaha</b>	Crux	106	35,400
	Alba	106	37,100
<b>125-250 cc</b>			
<b>BAL</b>	Platina 125 DTS-Si	125	39,500
	Discover 135 DTS-i	135	48,800
	Pulsar 135	135	51,000
	Pulsar 150	150	61,800
	Pulsar 180	180	63,100
	Pulsar 220	220	74,800
	Avenger	200	69,100
	<b>HHML</b>	Super Splendor	125
Glamour		125	48,300
Achiever		150	56,200
CBZ Extreme		150	60,400
Hunk		150	59,100
Karizma		223	76,400
<b>HMSI</b>	Shine	125	42,300
	CBF Stunner	125	50,900
	Unicorn	150	58,500
<b>SMIPL</b>	Heat	125	37,300
	Zeus	125	44,500
	GS 150R	150	61,300
<b>TVS</b>	Flame	125	49,100
	Apache RTR 160	160	63,400
	Apache RTR 180	180	67,100
<b>Yamaha</b>	Gladiator	125	46,200
	FZ-16	150	68,600
	Fazer	150	76,000
	YZF-R15	150	102,700
<b>&gt; 250 cc</b>			
<b>BAL</b>	Kawasaki Ninja 250R	250	270,000
<b>HMSI</b>	CB1000R	1000	1,007,800
	CBR1000RR	1000	1,325,700
<b>Royal Enfield</b>	Bullet 350	350	75,400
	Machisma 350	350	96,200
	Machisma 500	500	106,900
	Thunderbird Twinspark	350	98,300
<b>Model</b>	<b>Engine Capacity (cc)</b>	<b>Price (Rs)</b>	<b>Model</b>
<b>SMIPL</b>	Hayabusa	1340	1,326,300
	Intruder	1783	1,326,300
<b>Yamaha</b>	YZF-R1	1000	1,116,300
	MT-01	1670	1,116,300

**cc:** cubic centimetre; **HHML:** Hero Honda Motors Limited; **BAL:** Bajaj Auto Limited; **HMSI:** Honda Motorcycles and Scooters India Limited; **SMIL:** Suzuki Motorcycles India Pvt Limited

**Table 2: Financial Performance—HHML**

(Rs. million)	2006-07	2007-08	2008-09
<b>Operating Income</b>	99,000	103,318	123,191
<b>OPBDIT</b>	12,020	13,678	17,523
<b>Profit after Tax</b>	8,579	9,679	12,818
<b>Net Worth</b>	24,701	29,862	38,008
<b>OPBDIT/Operating Income (%)</b>	12.1%	13.2%	14.2%
<b>PAT/Operating Income (%)</b>	8.7%	9.4%	10.4%
<b>PBIT/Avg. (Total Debt + Net Worth + DTL – Capital Work-in Progress) (%)</b>	52.1%	52.6%	53.7%
<b>OPBDIT/Interest &amp; Finance Charges (Times)</b>	83.1	113.1	65.4
<b>Total Debt/OPBDIT (Times)</b>	0.1	0.1	0.0
<b>Total Debt/(TNW+ Minority Interest) (Times)</b>	0.1	0.0	0.0

Source: HHML's Annual Report, ICRA's estimates

**Table 3: Financial Performance—BAL**

(Rs. million)	2006-07	2007-08	2008-09
<b>Operating Income</b>	94,970	89,536	87,568
<b>OPBDIT</b>	14,033	12,103	11,537
<b>Profit after Tax</b>	12,380	7,560	6,565
<b>Net Worth</b>	55,343	15,876	18,697
<b>OPBDIT/Operating Income (%)</b>	14.8%	13.5%	13.2%
<b>PAT/Operating Income (%)</b>	13.0%	8.4%	7.5%
<b>PBIT/Avg. (Total Debt + Net Worth + DTL – Capital Work-in Progress) (%)</b>	25.7%	22.6%	31.9%
<b>OPBDIT/Interest &amp; Finance Charges (Times)</b>	262.8	234.6	54.9
<b>Total Debt/OPBDIT (Times)</b>	1.2	1.1	1.4
<b>Total Debt/(TNW+ Minority Interest) (Times)</b>	0.3	0.8	0.9

Source: BAL's Annual Report, ICRA's estimates

**Table 4: Financial Performance—TVS**

(Rs. million)	2006-07	2007-08	2008-09
<b>Operating Income</b>	38,953	32,195	36,709
<b>OPBDIT</b>	2,135	421	1,191
<b>Profit after Tax</b>	666	318	311
<b>Net Worth</b>	8,093	8,216	8,102
<b>OPBDIT/Operating Income (%)</b>	4.77%	1.3%	3.2%
<b>PAT/Operating Income (%)</b>	1.49%	1.0%	0.8%
<b>PBIT/Avg. (Total Debt + Net Worth + DTL – Capital Work-in Progress) (%)</b>	10.20%	6.0%	5.8%
<b>OPBDIT/Interest &amp; Finance Charges (Times)</b>	3.59	3.7	1.8
<b>Total Debt/ OPBDIT (Times)</b>			
<b>Total Debt/ (TNW+ Minority Interest) (Times)</b>	0.65	0.9	1.2

Source: TVS' Annual Report, ICRA's estimates

Table 5: Trend in Quarterly Performance of major 2W OEMs

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08
<b>HHML</b>								
Total Income (Rs. million)	38,820	41,282	38,649	34,668	29,249	32,559	28,903	28,438
Volume	1,111,372	1,183,235	1,118,987	997,855	857,806	972,095	894,244	
PBDIT/Total Income (%)	18.4%	19.7%	17.9%	17.1%	15.7%	15.0%	13.4%	16.4%
PAT/Total Income (%)	13.8%	14.5%	12.9%	11.6%	10.3%	9.4%	9.4%	10.5%
<b>BAL</b>								
Total Income (Rs. million)	33,307	29,092	23,834	19,063	21,410	25,413	23,335	20,950
Volume	713051	601,577	484,420	375,396	417,113	565,096	561,977	
PBDIT/Total Income (%)	21.4%	21.1%	19.1%	11.8%	13.1%	12.0%	12.7%	11.0%
PAT/Total Income (%)	14.3%	13.8%	12.3%	6.8%	7.7%	7.3%	7.5%	5.8%
<b>TVS</b>								
Total Income (Rs. million)	10,900	11,324	9,890	9,119	8,690	10,351	9,247	7,792
Volume	371574	390,672	347,141	323,018	304,788	370,112	331,824	
PBDIT/Total Income (%)	6.3%	5.7%	6.3%	5.2%	5.2%	5.0%	4.9%	7.7%
PAT/Total Income (%)	2.2%	2.2%	1.8%	1.6%	-0.1%	1.0%	0.8%	0.8%

Source: Capilaline, SIAM, ICRA's estimates



## ICRA Limited

*An Associate of Moody's Investors Service*

### CORPORATE OFFICE

Building No. 8, 2<sup>nd</sup> Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300; Fax: +91 124 4545350

Email: [info@icraindia.com](mailto:info@icraindia.com), Website: [www.icra.in](http://www.icra.in)

### REGISTERED OFFICE

1105, Kailash Building, 11<sup>th</sup> Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50; Fax: +91 11 23357014

---

Branches: **Mumbai:** Tel.: + (91 22) 30470000/24331046/53/62/74/86/87, Fax: + (91 22) 2433 1390 **Chennai:**  
Tel + (91 44) 45964300, Fax + (91 44) 2434 3663 **Kolkata:** Tel + (91 33) 2287 8839 /2287 6617/ 2283 1411/  
2280 0008, Fax + (91 33) 2287 0728 **Bangalore:** Tel + (91 80) 43326400 Fax + (91 80) 43326409 **Ahmedabad:**  
Tel + (91 79) 2658 4924/5049/2008, Fax + (91 79) 2658 4924 **Hyderabad:** Tel +(91 40) 2373 5061/7251, Fax +  
(91 40) 2373 5152 **Pune:** Tel + (91 20) 2556 1194/0195/0196, Fax + (91 20) 2556 1231

---

© Copyright, 2010 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.