

A

Project report on

A Study of Covid-19 Impact on Automobile Sector (Two-wheeler industry)

For,

- 1) TVS Motor Company
- 2) Hero MotoCorp Limited,
- 3) Honda Motorcycle & Scooter Pvt. Ltd.
- 4) Bajaj Auto Limited.

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Declaration

I **Falguni Dhiraj Shaha**, of MBA- 2: Seat No **FIN202123** hereby declare that the Project work titled **A Study of Covid-19 Impact on Automobile Sector** which has been submitted to University of Pune, is an original work of the undersigned and has not been reproduced from any other source. I further declare that the material obtained from other sources has been duly acknowledged in the report.

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Falguni D. Shaha.

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1) Executive Summary:

The COVID-19 epidemic has pushed the global economy and humanity into a disaster. In the attempt to control this pandemic, the governments of all the countries have imposed a nationwide lockdown. Although the lockdown may have assisted in limiting the spread of the disease, it has brutally affected the country, unsettling complete value-chains of most important industries.

The epidemic is having a foremost impact on all features of industries which includes the automobile sector, with key manufactures either completely close following the orders passed by local governments or running an organization with least staff at manufacture units to remain their personnel secure. Extended cutting of customer demand due to the lockdown is observed drastically distressing auto manufacturers. The majority of the companies are starving the support of R&D (Research and development) to maintain core functions and potentially getting back the growth made on mobility technologies as well as alternate fuels.

The main objective of this project is to study the impact of COVID-19 on Automobile sector considering Two-Wheeler sector. For the research and analysis of financial statements of past 3 years that is March 2019, March 2020 and March 2021. This project is based on Secondary data. This project covers the analysis of impact of COVID-19 on Two-Wheeler Industry by analysing the financial statements of 1 year of pre-pandemic 1 year of pandemic and 1 year of post-pandemic of 4 companies are considered which are,

- TVS Motor Company
- Hero MotoCorp Limited,
- Honda Motorcycle & Scooter Pvt. Ltd.
- Bajaj Auto Limited.

2) Introduction:

In the city of Wuhan, South China, numbers of unidentified pneumonia cases were reported in the last week of December 2019. The Centre's for Disease Control (CDC) has declared the unknown pneumonia as novel coronavirus pneumonia on 7 January 2020. Later, novel coronavirus pneumonia was renamed as SARS-CoV-2 (Severe Acute Respiratory Syndrome Coronavirus 2) by the International Committee on Taxonomy of Viruses. On 11 February 2020 the disease was declared as COVID-19 by the World Health Organization. The WHO asserted the outbreak of COVID-19 as pandemic on 11 March 2020 as the number of cases other than the China increased more than two million in different regions of the world. The number of new cases being reported within China, where the virus first appeared, is declining sharply, while the number of new cases outside of China continues to climb. As of 22 September 2020, there have been 31,507,723 confirmed cases of COVID-19 worldwide, with 969,812 confirmed deaths. In the United States and India, where tests are now being administered more frequently, the number of confirmed cases is rising exponentially.

The outbreak of COVID-19 pandemic, which is labelled as black swan event, has not only caused an adverse impact on the health of the people all over the world but also effected the socio-economic activities of the countries all over the world. To flatten the curve of pandemic, the governments of almost 162 countries have announced strict shutdown of national and international borders, travel restrictions and lockdown measures.



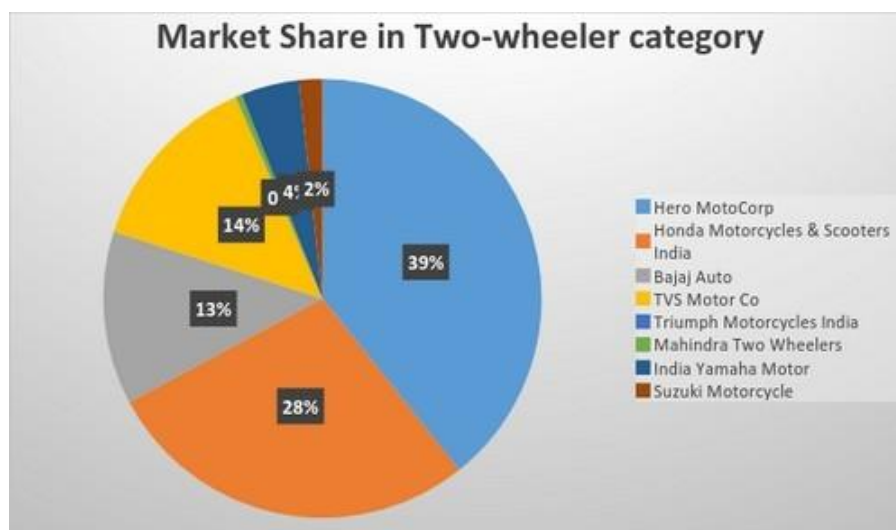
Due to the lockdown, a large number of migrant workers all over the country left with no job or income. As all the activities in the country have been interrupted rigidly, a serious disruption has encountered in the supply chain mechanism of all the sector. This unplanned and unusual lockdown is also having serious effect on the country economy which is already on downward trajectory since the financial year of 2018–2019. Therefore, it is necessary to report the impact of this pandemic on different industrial sector. This will be helpful for the

policymakers and government authorities to take necessary measures, strategies and economic policies to overcome the challenges encountered in different sector due to the present pandemic.


India is a major exporter in the automobile sector. This export is done in many countries of the world including Italy, Germany, UK, USA, UAE, Shri Lanka, Turkey, Colombia Bangladesh, Netherlands, Mexico and South Africa. As per Report of The Society of Indian Automobile Manufacturers (SIAM) overall auto sales fell 45% in March as the spread of Covid-19. The Automobile Industry is losing 2,300 crore every day due to closure of production during Lockdown

This project covers the pre-pandemic and post-pandemic effects on automobile industry. The objective of the project states the changes occurred in the automobile industry, its impact on profit ratio and financial positions of the company. The importance of this project is to understand the impact of COVID-19 and challenges faced by automobile sector.

The automobile sector is having various companies with large number of products. The following figure shows the market capital of each company in two-wheeler industry.:



3) Objective of the Project

 Primary Objective:

The main objective of the project is to analyse the impact of COVID 19 Pandemic on Automobile Industry (Two-wheeler industry).

 Secondary Objective:

- To study the pre-pandemic and post-pandemic financial situation of the company.
- To understand the challenges faced by Two-wheeler industry during pandemic.

4) Scope of the study

The scope of the study is consisting of financial analysis of four automobile companies which are,

- 1) TVS Motor Company
- 2) Hero MotoCorp Limited,
- 3) Honda Motorcycle & Scooter Pvt. Ltd.
- 4) Bajaj Auto Limited.

This study is based on secondary data collected from different past resources and studies. The ratios taken are,

1. Operating Margin (%)
2. Fixed Assets Turnover Ratio
3. Quick Ratio
4. Operating Profit Per Share (Rs.)
5. Adjusted EPS (Rs.)

5) Company Profile

5.1 Thirukkurungudi Vengaram Sundaram (TVS)



TVS Motor Company is an Indian multinational automobile company specializing in the production of motorcycles, scooters and three-wheelers, headquartered in Chennai, India. with sales of around 18,217 crores (over USD 2.9 billion), TVS Motor Company is India's third-largest two-wheeler manufacturer. It sells more than 3 million vehicles per year and has a capacity of about 4.95 million vehicles. TVS Motor produces the widest range of two-wheelers, including mopeds, scooters, commuting motorcycles, and racing-inspired bikes like the Apache and RR310.

TVS Motor Company, one of the major producers of personal vehicle products, is a strong believer in incorporating environmental, occupational health, and safety concerns into all business processes to ensure employee and company well-being.

A one-year partnership between TVS and Suzuki focused on technology transfer for the design and manufacture of two-wheelers exclusively for the Indian market. The business was renamed TVS-Suzuki and released various vehicles, including the Suzuki Supra, Suzuki Samurai, Suzuki Shogun, and Suzuki Shaolin.

Quick Stats about TVS	
Founder	T.V. Sundaram Iyengar
Year Founded	1978
Origin	Chennai, Tamil Nadu, India

No. of Employees	5133 (2020)
Company Type	Public
Market Cap	31,897 Cr (2021)
Annual Revenue	22,570 crore (2020)
Net Income/ Profit	655 crore (2020)

Services Provided by TVS Motor Company

Following are the services TVS provides their customers –

- Two-Wheeler
- Three-Wheeler
- Automobile Parts
- Vehicle Services

Competitors of TVS Motor Company

Some of TVS's top competitors are as follows:

- Bajaj Auto
- Hero MotoCorp
- Honda Motorcycles
- Kymco
- Suzuki

SWOT Analysis of TVS

SWOT Analysis is a process of evaluating your company's strengths, weaknesses, opportunities, and threats. It allows you to maximize your strengths, overcome your weaknesses, reduce risks, and increase your chances of success. SWOT analysis helps corporate decision-makers to develop strategic plans according to the internal and external factors of the company

Strengths of TVS Motor Company



Following are the strengths of the TVS Motor Company which has helped them gain a strong position in the Indian automobile industry.

- **Many Sub-brands** – TVS offers motorcycles, mopeds, scooters, three-wheelers and features popular brands across all categories. Motorcycles, for example, include well-known brands such as Apache RTR and Star City.
- **Strong Financial Performance** – In recent years, TVS has had a strong financial performance. It recorded growth in revenue (12.3%) and operating margin (4.8%) in 2016. As a result, the company has improved its financial conditions, increased shareholder value, and supported its growth plan.
- **Excellent Research & Development skills** – TVS Motor’s strength lies in its extensive research and development process, creating products that lead the industry in innovation TVS has established a strong research and development department that enables continuous innovation in the design of its products and the inclusion of the latest technologies in its products.

Weaknesses of TVS Motor Company

Following are the weaknesses of the TVS Motor Company they need to work on

- **Lack of Scale** – Although TVS has had a recent increase in revenue, it still doesn’t stand out from big players like Bajaj Auto and Hero MotoCorp. These companies have a big advantage over TVS.
- **Reliant on the Indian Market** – India is the main market for TVS engines, accounting for more than 75% of sales. TVS has limited geographical diversity and is therefore too dependent on the Indian market. Any downturn in the Indian market will have an impact on the company’s finances.

Opportunities for TVS Motor Company

Following are some of the opportunities the TVS Motor Company can benefit from

- **Growing Market** – India has experienced rapid growth in the 2-wheeler market, it is also expected that it will continue in the near term. India is the world's second-fastest-growing two-wheeler market. TVS will be able to capture the demand generated in the process of this.
- **Growing Indian Three-wheeler Market** – In India, the three-wheeler passenger and load carrier business are expanding, between 2005 and 2015, the three-wheeler industry grew at a CAGR of 4.4 percent. TVS has an advantage as a result of this. With multinational and national brands such as Yamaha, Bajaj Auto, Honda, and Hero MotoCorp, India's two-wheeler business is fiercely competitive. TVS being subjected to such competition must constantly innovate to thrive in such a fiercely competitive atmosphere.

Threats to TVS Motor Company

There are a lot of threats to the TVS Motor Company as well they are as follows

- **Intense Competition** – With multinational and national brands such as Yamaha, Bajaj Auto, Honda, and Hero MotoCorp, India's two-wheeler business is fiercely competitive. TVS being subjected to such competition must constantly innovate to thrive in such a fiercely competitive atmosphere.
- **Environmental Regulations** – The company is subject to several strict environmental standards that are constantly updated, leading to rising compliance expenses.
- **Improvement in Public Transport** – In India, public transportation is improving, posing a challenge to the passenger automobile industry as a whole.

Conclusion

TVS Motor Company is one of the leading automobile industries in India. It competes against companies like Yamaha, Bajaj Auto, Honda, and Hero MotoCorp, etc. Therefore, it must constantly innovate its products to stay ahead of the competition.

Even though TVS's revenue has increased in recent years, it still has a long way to go. After Hero MotoCorp, Bajaj Auto, and Honda, it is just the fourth-largest Indian motorcycle manufacturer. With India's growing two and three-wheeler market, TVS should try to grab this opportunity and give its competitors a run for their money.

5.2) Hero MotoCorp Limited



Hero MotoCorp Ltd. (formerly Hero Honda Motors Ltd.) achieved the coveted position of being the largest two-wheeler manufacturing company in India and also the ‘World No.1’ two-wheeler company in terms of unit volume sales in a calendar year. The company continues to maintain this position to date.

The story of Hero MotoCorp Ltd. began with a simple vision – the vision of a mobile and an empowered India, powered by its bikes. The company is committed to providing world-class mobility solutions with a renewed focus on expanding its footprint in the global arena. Hero MotoCorp’s mission is to become a global enterprise fulfilling its customers’ needs and aspirations for mobility, setting benchmarks in technology, styling, and quality so that it converts its customers into its brand advocates. Since we’re talking about its marketing in this blog, let’s begin by learning about the company’s marketing budget.

Quick Stats about Hero MotoCorp.

Founder	Brij Mohan Lall Munjal
Year Founded	19 January 1984; 37 years ago,
Origin	New Delhi, India
No. of Employees	8,599 (2020)
Company Type	Public
Market Cap	2,348.55crore

Annual Revenue	29,614 crores INR
Net Income/ Profit	3,633crore INR

Competitors of Hero MotoCorp

- Maruti Suzuki
- Bajaj Auto
- TVS
- TATA Motors
- Yamaha
- Hyundai
- Royal Enfield
- Ather Energy



Hero's Strengths

- Huge brand Equity– This is one of the biggest strengths of Hero MotoCorp. The company is one of the biggest players in the two-wheeler market.
- Strong brand image– Being in business for many years has created a distinct brand image of reliability and affordability in the minds of the customers. This has proven to be an advantage as Hero is hence a recognized and sought-after brand.
- Excellent Distribution – Hero MotoCorp has more than 3000 dealerships and service centres' which have made it the leading company in the industry.

- **Wide Variety of Products**– The more products a company launches successfully, the more popular it becomes. Hero MotoCorp, therefore, dominates the market, targeting different types of customers.
- **Awards and Recognition**– Customers can rely on a brand when it is acknowledged with rewards and awards. Hero MotoCorp has gathered many accolades over the years.
- **Sponsorships**– Events related to sports and racing provide sponsorships to the company. This has made their brand hugely popular and well recognised in the minds of the masses.

Hero's Weaknesses

- **Strong Competition**– There are lots of national and international players in the market who give tough competition to Hero MotoCorp.
- **Lack of Innovation**– Most of the products of the company come with almost similar features, whether it is in terms of design or functions.

Hero's Opportunities

- **Growing Industry**– The demand for two-wheelers is increasing a lot, especially during the pandemic, and that brings the opportunity for the company to grow.
- **Expansion of product line**- The company can introduce a new product category of bikes targeting the premium segment.

Hero's Threats

- **Strong Competition**– There are tons of other companies which are emerging rapidly.
- **Betterment of Public Transport**– As other modes of transportation have undergone and are currently undergoing development; the use of private vehicles could be threatened.

Conclusion

We can conclude that Hero is a strong company that has time and again proven that it deserves the spot of the market leader. Hero's marketing strategy and campaigns have been successful in targeting its audience and connecting with them efficiently. The company also has scope for product expansion, as they could bank on their brand name and enter the premium segment. If Hero continues to exploit its strengths, it will definitely preserve its dominance in the market

5.3) Honda Motorcycles & Scooter Pvt. Ltd.



Honda is one of the major players in the automobile industry, the company is originated in Japan and now has expanded in the whole world. In recent years, the enterprise is taking part in a non-stop increase in revenue pushed through a better income. The enterprise of Honda is divided into 4 segments. The automobile section is the most important of them. The organization is also investing aggressively in studies and development to develop its market proportion inside the worldwide automobile marketplace.

Quick Stats about Honda	
Founder	Soichiro Honda & Takeo Fujisawa
Year Founded	1948
Origin	Japan
No. of Employees	215,638
Company Type	Public
Market Cap	¥ 5.715 Trillion (2021)
Annual Revenue	¥ 15.36 Trillion (2020)

Net Income/ Profit	¥ 1.05 Trillion (2020)
---------------------------	------------------------

Products offered by Honda:

- Bike
- Scooter
- Car
- Commercial Vehicle

Competitors of Honda:

- Ford Motors
- Mitsubishi Motors
- Nissan
- Suzuki
- TVS

SWOT Analysis of Honda Two Wheelers



Strengths of Honda

Honda enterprise has a plethora of strengths to assist it to thrive within the primary field. A Honda SWOT analysis will help to a consciousness of those strengths. Based totally on Fern fortress college’s research, a number of these strengths are enlisted underneath:

- **International Attain:** Honda is an international jap multinational employer. It operates in nearly all the nations throughout the globe. So, it has an extraordinary deal of global

footprint. This makes it greater recognizable to the general public and enables its exposure. So, it can enforce its international questioning with nearby execution. Because of this it can pursue its ubiquitous dreams and can still win the hearts of its clients.

- **Economic Position:** Honda has a sturdy financial base. it's been gaining market slowly however surely for approximately 75 years. It has earned public acceptance as true as a celebrity enterprise within the vehicle field. Its financial function has it on a pure gain that accelerated its market value and emblem call by leaps and limits. So, this financially cozy function does properly for the employer.
- **Large Studies and Development:** Honda's business enterprise is rather targeted on its research and improvement department. This is the only reason why Honda has been on the top of the game for goodbye. In 2013, Honda invested approximately five.7% of its total revenue, which is about 6. eight million greenbacks, on its research and development quarter. in addition, they take unique care to teach their workforces regarding this area.

Weaknesses of Honda

Weaknesses are part of the internal factors of an employer. These points leave the company at risk of drawbacks and as a result, the business enterprise suffers deeply. A Honda SWOT evaluation will convey lots of those to mild.

- **Financial Planning:** All though Honda spends enough cash to expand its technological websites. it's miles nonetheless quite at the back of in this be counted a because of its competitors are ahead of it on this count. This puts it as quite an inconvenience as they positioned a damper on the crew's morale
- **Excessive Costs:** As the Honda agency makes large investments inside the research and development zone and the modern generation, the product pricing is going over the roof. So clearly, the goods are a bit on the steeply-priced aspect. Even though it is a weak spot, it's miles essential. due to the fact if it attempts to lower the rate the logo equity will even fall. And this is something the Honda organization can invest a nation to find the money for.
- **Hero and Honda Separation:** Hero and Honda have been a hit merger of the two successful brands in India. but, for multiple motives, they had to separate which left Honda in a prone position inside the Indian marketplace. It's miles nonetheless trying to recover from it.

Opportunities of Honda

- **Improvement in US Economy** – The US markets have improved over the period and a demand for new vehicles and models has been identified. It is a great opportunity for automobile manufacturers to fulfil the demand and create business opportunities.
- **Government Regulations** – Governments are working towards reducing carbon footprints and coming with more strict regulations which will impact the automobile industry. Honda can convert this into an opportunity to innovate and come up with electric vehicles.
- **Diversification** – Honda is a traditional company; it can expand its business activities in new markets

Threats for Honda

- Threats are the essential part of a swot analysis. Those also are the external elements of the organization. A Honda SWOT evaluation will factor out the threats to this community that has been preserving its lower back.
- **Increasing Opposition:** In recent times, many new organizations are mushrooming in this new marketplace. This will increase the opposition. Many neighbourhoods, nearby and country-wide gamers are threatening to take over Honda's function within the market. It has to live ever vigilant about its every move. This example is making dents in Honda's general sales.
- **Effect of Pandemic:** This is the time of the pandemic. Honda is one of the main companies inside the client goods department. Even though this pandemic hasn't made any large effect on the sales discern, that does not mean that the significance of the situation is any less. This pandemic has affected the production, distribution, and purchasing of Honda merchandise. This has fuelled fundamental changes in Honda's business strategies.
- **Government Law:** The policies and rules that the government imposes may be a chief hazard for Honda, particularly if it does not abide by its profit-primarily based schedule. Environmental pollution is one of the many reasons the authorities are keeping a watch on it. That is giving Honda a difficult time in its business and manufacturing.

Conclusion

Honda is a market leader in the automobile industry, it has created a trust for itself among customers and is known for its services. The company has created a strong brand image and is doing well in terms of expansion also. It can work on its alliance better to create a long-term plan.

The company can further improve its marketing level, it can opt for digital marketing ways to capture its target audience.

5.4) Bajaj Auto Limited:



The Bajaj Group is amongst the top 10 business houses in India. Its footprint stretches over a wide range of industries, spanning automobiles (two wheelers manufacturer and three wheelers manufacturer), home appliances, lighting, iron and steel, insurance, travel and finance. The group's flagship company, Bajaj Auto, is ranked as the world's fourth largest three and two-wheeler manufacturer and the Bajaj brand is well-known across several countries in Latin America, Africa, Middle East, South and South East Asia. Founded in 1926, at the height of India's movement for independence from the British, the group has an illustrious history. The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the group today, are often traced back to its birth during those days of relentless devotion to a common cause. Jammalal Bajaj, founder of the group, was a close confidant and disciple of Mahatma Gandhi. In fact, Gandhiji had adopted him as his son.

This close relationship and his deep involvement in the independence movement did not leave Jammalal Bajaj with much time to spend on his newly launched business venture. We are celebrating 125th Birth anniversary of Shri. Jammalal Bajaj on 4th of November 2014.

His son, Kamalnayan Bajaj, then 27, took over the reins of business in 1942. He too was close to Gandhiji and it was only after Independence in 1947, that he was able to give his full attention to the business. Kamalnayan Bajaj not only consolidated the group, but also diversified into various manufacturing activities.

The present Chairman of the group, Rahul Bajaj, took charge of the business in 1965. Under his leadership, the turnover of the Bajaj Auto the flagship company has gone up from INR.72 million to INR. 120 billion, its product portfolio has expanded and the brand has found a

global market. He is one of India’s most distinguished business leaders, bike manufacturer India and internationally respected for his business acumen and entrepreneurial spirit.

In 2005, Rahul Bajaj's son Rajiv Bajaj stepped into the shoes of Managing Director of Bajaj Auto and steered the organization to becoming a global automobile behemoth. He introduced the Pulsar range of bikes, that revolutionised the two-wheeler market in India. The legacy of our Auto Rickshaws has been soaring heights and display unparalleled market dominance across any automobile segment.

In 2007, Bajaj Auto acquired a 14% stake in KTM that has since grown to 48%. This partnership catalysed Bajaj Auto’s endeavour to democratise motorcycle racing in India. Bajaj Auto today exclusively manufactures Duke range of KTM bikes and exports them worldwide. In FY2018, KTM was the fastest growing motorcycle brand in the country

Bajaj Auto has also led the pioneering introduction of India’s first ever Quadricycle – Qute.

Bajaj Auto exports to 70+ countries and a significant share of revenues come from Exports. This stands as a testament to the new brand image – The World’s Favourite Indian.

Type	Public
Traded as	<ul style="list-style-type: none"> • BSE: 532977 • NSE: BAJAJ-AUTO • BSE SENSEX Constituent • NSE NIFTY 50 Constituent
ISIN	INE917I01010
Industry	Automotive
Founded	29 November 1945; 76 years ago,
Founder	Jamnalal Bajaj
Headquarters	Pune, Maharashtra, India
Areas served	Worldwide
Key people	<ul style="list-style-type: none"> • Rahul Bajaj (chairman emeritus)

	<ul style="list-style-type: none"> • Niraj Bajaj^[1] (chairman) • Rajiv Bajaj (Managing Director)
Products	Motorcycles and three-wheeler vehicles
Production output	▲ 6,330,000 units (2019)
Revenue	▲ ₹29,919 crore (US\$4.0 billion) (FY2020)
Operating income	▲ ₹5,253 crore (US\$700 million) (FY2020)
Net income	▲ ₹5,100 crore (US\$680 million) (FY2020)
Total assets	▲ ₹26,510 crore (US\$3.5 billion) (FY2020)
Total equity	▲ ₹21,662 crore (US\$2.9 billion) (FY2020)
Number of employees	10,000 (2019)
Parent	Bajaj Group

Strengths in the SWOT analysis of Bajaj Auto

1. **Brand positioning:** Bajaj Auto, is the world's fourth largest two and three-wheeler auto manufacturer in the world. The company manufactures motorcycles, passenger carriers and goods carriers. The most popular brand in the two-wheeler segment of Bajaj Auto's portfolio is Bajaj Pulsar. In the three-wheeler segment, it has a range of 2-stroke and 4-stroke passenger as well as goods carrier.
2. **Sustainable business:** The company's extensive range of products allows them to cater to a wide range of customers. Also, it helps the company to deliver sustainable business growth.
3. **Alliance with KTM:** Bajaj Auto through its subsidiary Bajaj Auto International Holdings (BAIH) holds a 48% stake in Europe's second-largest sports motorcycle manufacturer, KTM of Austria. KTM has a strong brand equity globally and the alliance with Bajaj Auto help both the companies to deliver sustainable result focusing on offering cost and quality benefits. KTM provides Bajaj Auto with a large global reach.
4. **Strong Distribution:** Bajaj Auto has dealers throughout India and it has always maintained a smooth supply chain. Bajaj motorcycles and three wheelers are always in demand and are supplied to various small and large cities. Hence, there are various Bajaj Auto service centres throughout the country.

5. **Awards and recognition:** Bajaj Auto were ranked 96th in Forbes' most innovative companies list in 2014. Bajaj Auto was also named Company of the year in 2011 by Economic Times. Bajaj Pulsar has been received various awards and recognition.
6. **Market share in two-wheeler category:** As can be seen from the graph below, Bajaj auto has a 13% of market share in the two-wheeler category. It is 3rd in the two-wheeler category.

Weaknesses in the SWOT Analysis of Bajaj Auto:

1. **Lack of Presence in the scooter market:** Bajaj Auto was the leader in the scooter market till the motorcycle momentum picked up in the 1990s. Bajaj shut down its scooter business post that, but the scooter business is blooming and showed a growth of 12% in 2016. Today, Honda Activa and other such models are the leaders in scooters. The company is losing out on a huge market by not re-entering the scooter market.
2. **Labour issues:** Bajaj Auto has been involved in Labour and wage issues in the recent past. In February 2014, workers in its Chakan plant threatened to go for hunger strikes. In 2013, Chakan and Pune plant workers went on strike. This damages Bajaj's image and it also has an adverse effect on the production.
3. **Not a Global brand:** Even after producing in high volume, Bajaj is not recognised as a global brand. It has not entered other markets or not expanded internationally as fast as it could. It is predominantly an Indian market player.

Opportunities in the SWOT Analysis of Bajaj Auto:

1. **Growth in motorcycle market:** The global motorcycle manufacturing is expected to grow strongly in the years to come. According to the market line, the global motorcycle industry generated about \$75000 million in 2016. It showed a growth of about 6.3%. The market is expected to grow at 7% CAGR for the 2016-19 period to approximately reach \$93450 million.
2. **Growing India three-wheeler Industry:** The three-wheeler market registered a growth of 11.51% in FY2016 and is expected to grow at a CAGR of 4.4% to approximately reach \$4.2 billion by 2017.
3. **Launch new vehicles:** Bajaj Auto should further look to strengthen its product portfolio like it has done in the past with models of Avenger Pulsar, Discover etc. By continuously

encapsulating new technologies into its portfolio, Bajaj's image of being an innovative company will also be maintained.

Threats in the SWOT Analysis of Bajaj Auto:

1. **Intense competition in the 2-wheeler market:** The 2-wheeler market in India is highly competitive with various top brands such as Global and Indian giants such as Suzuki, Hero MotoCorp, TVS etc. fighting to capture market share. Fuel efficiency and price being crucial for the Indian market, all the brands are constantly innovating to achieve higher fuel efficiency in low price.
2. **High Bank interest rates:** In comparison with other countries, India has a higher lending rate which is growing. The growth in interest rates affects consumer decision on spending on vehicles etc. bought on interests.
3. **Environmental Regulations:** Auto companies are subjected to strict environmental regulations in India. The BS regulations are constantly updated in India and hence the companies have to constantly modify their products in order to fall in line with the regulations and hence, this may adversely affect company's financial condition.

CONCLUSION:

Bajaj auto faces stiff competition from the Market leader Honda and closest rival Suzuki. It is because they are not able to create reliable brand image among their customers. They need to focus on developing their products that can give better experience to their consumer.

From the survey, it is seen that Bajaj is only able to somewhat satisfy their costumers from their products. They need to create a great sense of joy in their customers by offering unmatched product features and service that will make their customers loyal to the brand and this will greatly help Bajaj in increasing its market share.

Bajaj's product prices are in comparison with its leading competitors. The problem is that consumers do not think that Bajaj has that much value and hence prefer to buy other brands. Bajaj need to offer more competitive pricing and better promotions to sell their motor cycle better.

6) Research Methodology:

For the purpose of this project archival research strategy has been used. This research does not make use of existing research done on Impact of Covid 19 on automobile sector. This strategy focuses on past and current changes, is it exploratory, descriptive or explanatory. The project primarily relies on Secondary Data. When a researcher is expected to further analyse the data that has been collected already for some other purpose, such data are known as secondary data. It includes both the raw data & published summaries. For the purpose of this project, I have gathered the required data from websites of TVS, Bajaj Auto Limited, Hero MotoCorp Limited and Honda motorcycles and scooter limited.

Research design

There are three types of research: causal design, descriptive design, and exploratory design.

Sources of data

There are two sources of data: primary and secondary data. I have used secondary data.

7) Limitation of the study:

- a. The study is based on two-wheeler industry only. It does not take into consideration the other industries/ products sold by company.
- b. The study is based on analysis of 4 companies and cannot give same result for all other companies.

8) Literature Review:

- a.** According to Kumar and Managi in 2020, Governments worldwide have increasingly undertaken an inhibition strategy to contend the outbreak, relying on widening social distancing, wearing masks, especially in public places and transport, along with various other measures in order to reverse the pandemic growth, and thereby manage the resilience of the healthcare systems. Notably, these measures in turn have often resulted in stricter border restrictions and complete nationwide lockdowns, and in the process thereby, causing a negative short-term impact on consumer spending, investments, and disruptions to international trade and global supply chains.
- b.** According to Jacobsen in 2020, Several researchers and practitioners have been calling for an enhanced supply chain management, capable of dealing with the severe disruptions caused by the raging pandemic.
- c.** According to Ivanov and Dolgui (2020), the COVID-19 pandemic has been one of the most severe supply-chain disruptors in recent history, and is likely to weaken many organizations and supply-chains globally. In an attempt to contain the spread of the virus, most governments around the world responded by implementing human containment measures, border closures, and quarantines with varying degrees.
- d.** Baldwin and Tomiura in 2020 predict that the financial impact caused by COVID-19 on the manufacturing sector alone, would almost be threefold. They elaborate that the notable first is that the disease's concentration is primarily on the manufacturing heartland of the world (East Asia), and its spread to other industrial powerhouses in the US and European Union (EU) would thereby create direct and massive supply disruptions (in fact, this has already happened). Second, these immediate supply disruptions would cascade down to other manufacturing sectors in less-affected countries due to the supply-chain contagion effect. Third, the macroeconomic declines in aggregate demand, along with investment delays by companies, would undoubtedly generate demand disruptions.
- e.** J. Nayak, Mishra, M. Naik, B. Naik, H. Swapna Rekha, K. Cengiz, and V. Shanmugaratnam (2021), According to research, the automobile industry is on the front lines as a result of the epidemic's disruption to normal commerce, which throws the financial situation into disarray. Home and significant manufacturing centres, as well as the most important connections in the entire supply chain industries, are some of the most affected locations.

9) History of Two-wheeler industry in India:

India is the second largest manufacturer and producer of two-wheelers in the world. It stands next only to Japan and China in terms of the number of two-wheelers produced and domestic sales respectively. This distinction was achieved due to variety of reasons like restrictive policy followed by the Government of India towards the passenger car industry, rising demand for personal transport, inefficiency in the public transportation system etc.

The Indian two-wheeler industry made a small beginning in the early 50s when Automobile Products of India (API) started manufacturing scooters in the country. Until 1958, API and Enfield were the sole producers.

In 1948, Bajaj Auto began trading in imported Vespa scooters and three-wheelers. Finally, in 1960, it set up a shop to manufacture them in technical collaboration with Piaggio of Italy. The agreement expired in 1971.

In the initial stages, the scooter segment was dominated by API, it was later overtaken by Bajaj Auto. Although various government and private enterprises entered the fray for scooters, the only new player that has lasted till today is LML.

Under the regulated regime, foreign companies were not allowed to operate in India. It was a complete seller market with the waiting period for getting a scooter from Bajaj Auto being as high as 12 years.

10) Data Analysis and Interpretation:

Important terms:

1) Operating Margin:

The operating margin measures **how much profit a company makes on a dollar of sales after** paying for variable costs of production, such as wages and raw materials, but before paying interest or tax. It is calculated by dividing a company's operating income by its net sales.

2) Fixed Assets Turnover Ratio:

The fixed asset turnover ratio is **an efficiency ratio that measures a company's return on their investment in property, plant, and equipment by comparing net sales with fixed assets**. In other words, it calculates how efficiently a company is producing sales with its machines and equipment.

3) Quick ratio:

In finance, the quick ratio, also known as the acid-test ratio is a type of liquidity ratio, which measures the ability of a company to use its near cash or quick assets to extinguish or retire its current liabilities immediately.

4) Operating profit per share:

Operating profit is **the net income derived from a company's primary or core business operations**. Operating profit is also (wrongfully) referred to as earnings before interest and tax (EBIT), as interest and taxes are non-operating expenses

5) Earnings per share:

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability. It is common for a company to report EPS that is adjusted for extraordinary items and potential share dilution.

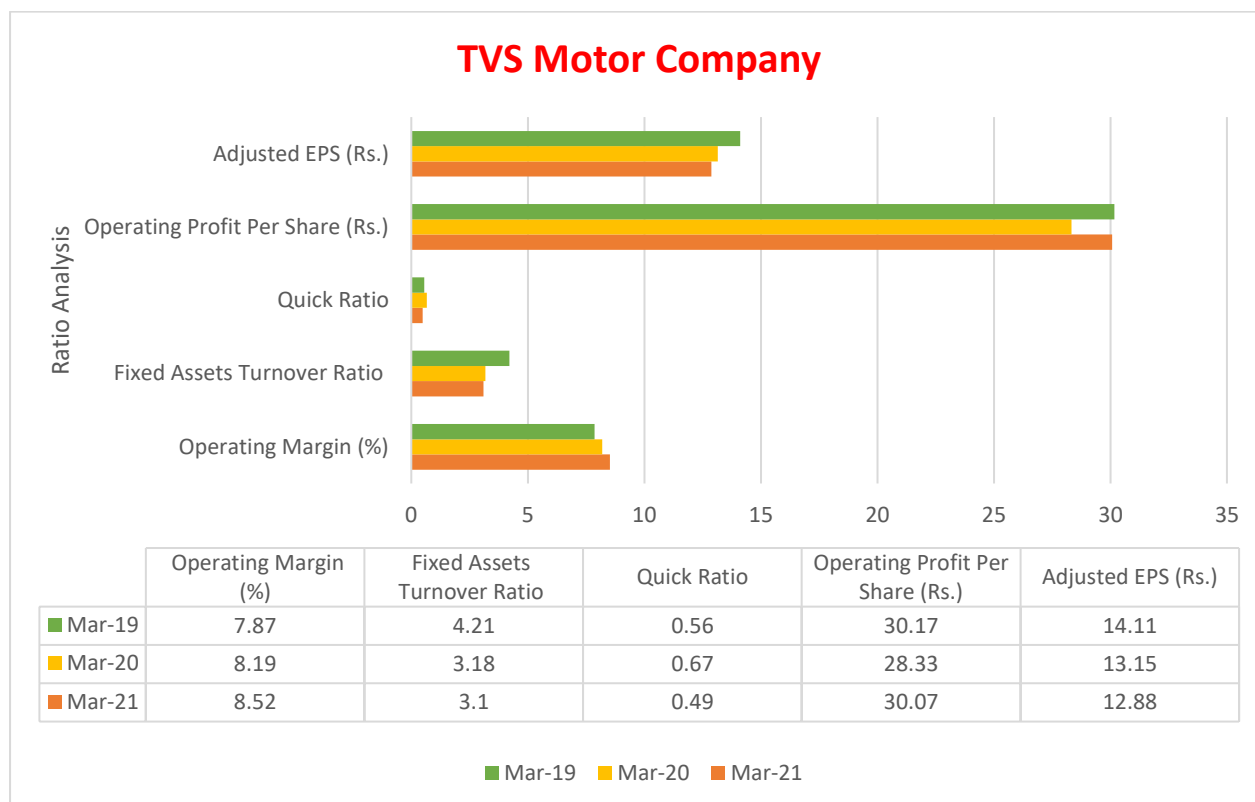
1. TVS Consolidated Balance sheet of 3 years:

YEARLY RESULTS OF TVS MOTOR COMPANY (in Rs. Cr.)	MAR '21	MAR '20	MAR '19
- Number of shares (Crores)	--	--	--
- Number of shares (Crores).	--	--	--
- Per. of shares (as a % of the total sh. of prom. and promoter group)	--	--	--
- Per. of shares (as a % of the total sh. of prom. and promoter group).	--	--	--
- Per. of shares (as a % of the total Share Cap. of the company)	--	--	--
- Per. of shares (as a % of the total Share Cap. of the company).	--	--	--
A) PLEDGED/ENCUMBERED			
Admin. And Selling Expenses	--	--	--
B) NON-ENCUMBERED			
Basic EPS	12.51	13.15	14.83
Basic EPS.	12.51	13.15	14.83
Consumption of Raw Materials	12,700.73	12,050.84	13,788.43
Depreciation	564.82	556	441.71
Diluted EPS	12.51	13.15	14.83
Diluted EPS.	12.51	13.15	14.83
Employees Cost	1,689.37	1,539.35	1,432.15
EPS AFTER EXTRA ORDINARY			
EPS BEFORE EXTRA ORDINARY			
Equity Dividend Rate (%)	--	--	--
Equity Share Capital	47.51	47.51	47.51
Exceptional Items	-9.36	-40.33	--
Excise Duty	--	--	--
Exp. Capitalised	--	--	--
EXPENDITURE			

Extra Ordinary Items	--	--	--
Increase/Decrease in Stocks	-0.19	6.73	-78.95
Interest	881.49	854.54	663.4
Minority Interest	-13.24	-22.18	-20.73
Net P/L After M.I & Associates	594.26	624.62	704.67
Net Profit/(Loss) For the Period	615.25	655.39	723.7
Net Sales/Income from operations	19,420.82	18,849.31	20,159.99
No Of Shares (Crores)	--	--	--
Other Expenses	2,568.16	2,720.14	2,612.70
Other Income	47.22	51.83	25.44
Other Operating Income	--	--	--
P/L After Tax from Ordinary Activities	615.25	655.39	723.7
P/L Before Exceptional Items & Tax	838.74	914.34	1,081.15
P/L Before Int., Except. Items & Tax	1,720.23	1,768.88	1,744.55
P/L Before Other Inc., Int., Except. Items & Tax	1,673.01	1,717.05	1,719.11
P/L Before Tax	829.38	874.01	1,081.15
Power & Fuel	--	--	--
Prior Year Adjustments	--	--	--
PROMOTERS AND PROMOTER GROUP SHAREHOLDING			
Provisions And Contingencies	--	--	--
PUBLIC SHARE HOLDING			
Purchase of Traded Goods	224.92	259.2	244.84
R & D Expenses	--	--	--
Reserves Excluding Revaluation Reserves	3,779.10	3,234.59	3,122.66
Share Holding (%)	--	--	--
Share Of P/L Of Associates	-7.75	-8.59	1.7
Tax	214.13	218.62	357.45
Total Income from Operations	19,420.82	18,849.31	20,159.99

Ratio Analysis:

	Post-pandemic	Pandemic	Pre-pandemic
	Mar-21	Mar-20	Mar-19
Operating Margin (%)	8.52	8.19	7.87
Fixed Assets Turnover Ratio	3.1	3.18	4.21
Quick Ratio	0.49	0.67	0.56
Operating Profit Per Share (Rs.)	30.07	28.33	30.17
Adjusted EPS (Rs.)	12.88	13.15	14.11



Interpretation:

According to the ratio analysis, the company was having great profits during March 2019. But due to COVID 19 its ratios declined.

The operating margin ratio has increased by 0.65%. while the Operating Profit per share was declined during March 2020 and is again improving. On the other hand, the Quick ratio has declined by 0.07 %. Even the Earning per share has declined by 1.23 Rs.

The overall financial position of the company is in loss due to the pandemic.

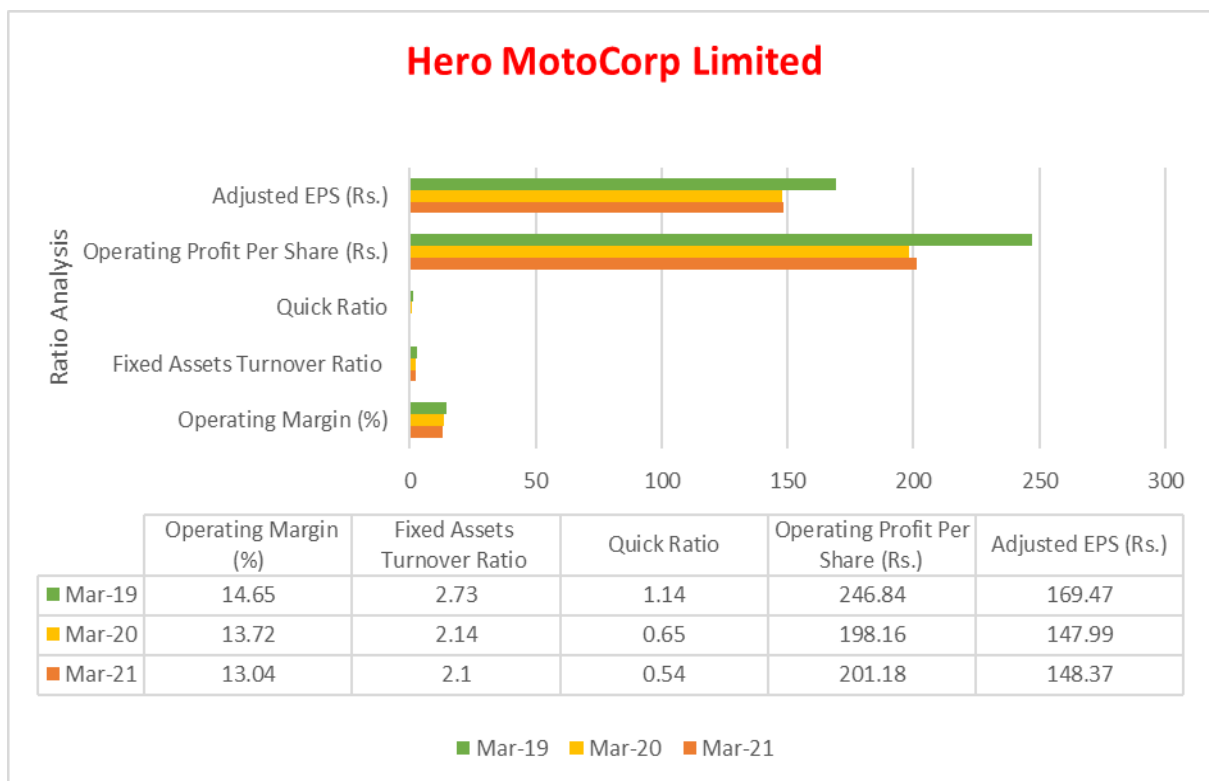
2. Hero MotoCorp Limited Consolidated Balance sheet:

BALANCE SHEET OF HERO MOTOCORP (in Rs. Cr.)	Mar-21	Mar-20	Mar-19
ASSETS			
BONUS DETAILS			
Bonus Equity Share Capital	23.96	23.96	23.96
Capital Work-In-Progress	236.4	204.64	384.85
Cash And Cash Equivalents	396.24	435.41	303.9
Contingent Liabilities	488.61	510.1	875.17
CONTINGENT LIABILITIES, COMMITMENTS			
CURRENT ASSETS			
Current Investments	6,225.34	4,709.12	3,173.88
CURRENT INVESTMENTS			
Current Investments Quoted Market Value	89.44	150.35	27.48
Current Investments Unquoted Book Value	6,136.94	4,559.92	3,146.42
CURRENT LIABILITIES			
Deferred Tax Assets [Net]	0	0	0
Deferred Tax Liabilities [Net]	452.74	472.58	612.88
EQUITIES AND LIABILITIES			
Equity Share Capital	39.96	39.95	39.95
FIXED ASSETS	6,875.52	6,864.26	5,525.18
Intangible Assets	318.48	167.9	159.86
Inventories	1,789.27	1,282.32	1,249.53
Long Term Borrowings	45.18	44.02	124.84
Long Term Loans and Advances	52.64	67.68	60.12
Long Term Provisions	175.57	123.9	120.94
Minority Interest	143.19	140.6	116.11
NON-CURRENT ASSETS			
Non-Current Investments	4,356.28	3,649.52	2,939.95
NON-CURRENT INVESTMENTS			

Non-Current Investments Quoted Market Value	614.74	214.87	257.6
Non-Current Investments Unquoted Book Value	3,741.78	3,441.70	2,681.68
NON-CURRENT LIABILITIES			
OTHER ADDITIONAL INFORMATION			
Other Current Liabilities	779.37	825.87	727.55
Other Long-Term Liabilities	358.46	207.62	0
Other Non-Current Assets	441.17	443.41	1,565.90
Other Current Assets	645.18	686.69	915.71
Reserves and Surplus	15,357.42	14,350.90	13,070.87
SHAREHOLDER'S FUNDS			
Short Term Borrowings	285.16	165.88	183.68
Short Term Loans and Advances	39.77	23.75	25.08
Short Term Provisions	175.82	159.69	59.71
Tangible Assets	6,061.91	6,305.03	4,792.50
TOTAL ASSETS	23,096.09	19,674.07	18,504.36
TOTAL CAPITAL AND LIABILITIES	23,096.09	19,674.07	18,504.36
TOTAL CURRENT ASSETS	11,370.48	8,649.20	8,413.21
TOTAL CURRENT LIABILITIES	6,504.53	4,279.06	4,409.18
TOTAL NON-CURRENT ASSETS	11,725.61	11,024.87	10,091.15
TOTAL NON-CURRENT LIABILITIES	1,031.95	848.12	858.66
TOTAL RESERVES AND SURPLUS	15,357.42	14,350.90	13,070.87
TOTAL SHARE CAPITAL	39.96	39.95	39.95
TOTAL SHAREHOLDERS FUNDS	15,416.42	14,406.29	13,120.41
Trade Payables	5,264.18	3,127.62	3,438.24
Trade Receivables	2,274.68	1,511.91	2,745.11

Ratio Analysis:

	Post-pandemic	Pandemic	Pre-pandemic
	Mar-21	Mar-20	Mar-19
Operating Margin (%)	13.04	13.72	14.65
Fixed Assets Turnover Ratio	2.1	2.14	2.73
Quick Ratio	0.54	0.65	1.14
Operating Profit Per Share (Rs.)	201.18	198.16	246.84
Adjusted EPS (Rs.)	148.37	147.99	169.47



Interpretation:

According to the collected data, Hero MotoCorp Limited faced very hard times during the pandemic. The Quick ratio fell by 0.49 % as of the March 2020 and by March 2021 it fell more by 0.11 %.

Also, the Earning Per Share fell by 21.48 Rs in two years. The difference can be clearly seen between the Ratios of March 2019 and March 2021.

3. Honda Consolidated Balance Sheet:

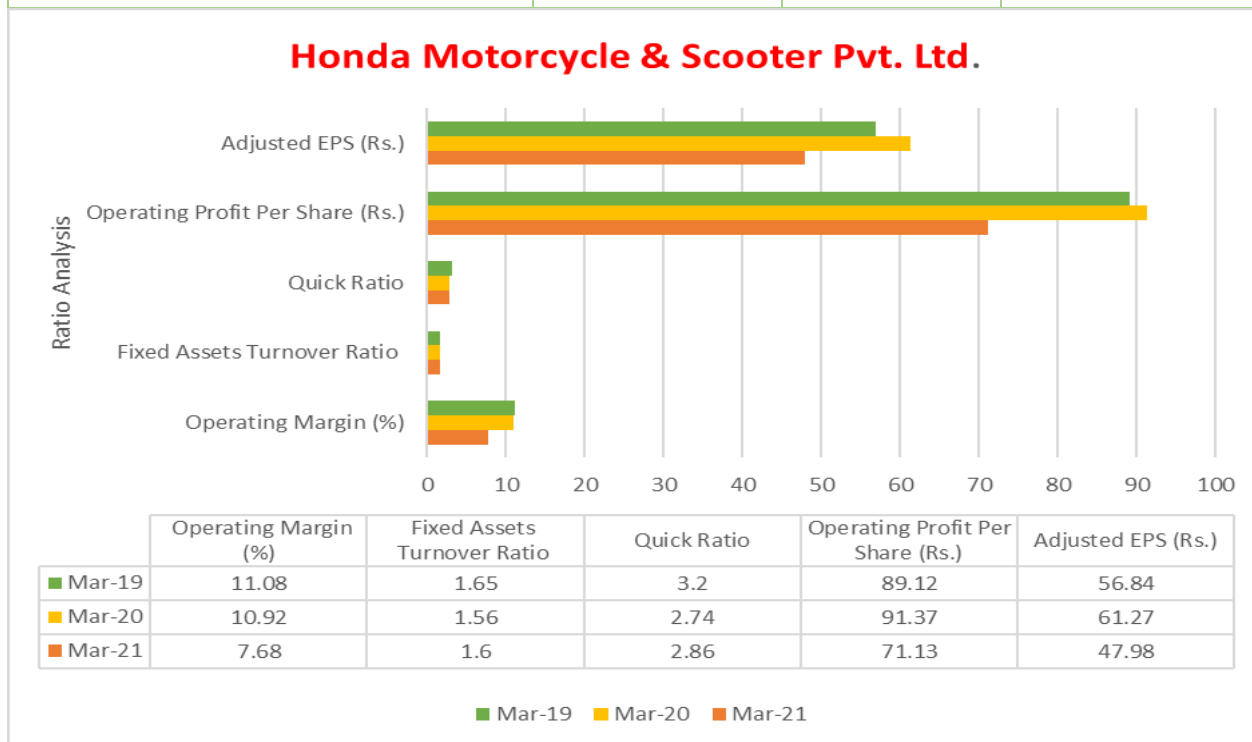
BALANCE SHEET OF HERO MOTOCORP (in Rs. Cr.)	Mar-21	Mar-20	Mar-19
ASSETS			
BONUS DETAILS			
Bonus Equity Share Capital	23.96	23.96	23.96
Capital Work-In-Progress	236.4	204.64	384.85
Cash And Cash Equivalents	396.24	435.41	303.9
Contingent Liabilities	488.61	510.1	875.17
CONTINGENT LIABILITIES, COMMITMENTS			
CURRENT ASSETS			
Current Investments	6,225.34	4,709.12	3,173.88
CURRENT INVESTMENTS			
Current Investments Quoted Market Value	89.44	150.35	27.48
Current Investments Unquoted Book Value	6,136.94	4,559.92	3,146.42
CURRENT LIABILITIES			
Deferred Tax Assets [Net]	0	0	0
Deferred Tax Liabilities [Net]	452.74	472.58	612.88
EQUITIES AND LIABILITIES			
Equity Share Capital	39.96	39.95	39.95
FIXED ASSETS	6,875.52	6,864.26	5,525.18
Intangible Assets	318.48	167.9	159.86
Inventories	1,789.27	1,282.32	1,249.53
Long Term Borrowings	45.18	44.02	124.84
Long Term Loans and Advances	52.64	67.68	60.12
Long Term Provisions	175.57	123.9	120.94
Minority Interest	143.19	140.6	116.11
NON-CURRENT ASSETS			
Non-Current Investments	4,356.28	3,649.52	2,939.95
NON-CURRENT INVESTMENTS			
Non-Current Investments Quoted Market Value	614.74	214.87	257.6

Non-Current Investments Unquoted Book Value	3,741.78	3,441.70	2,681.68
NON-CURRENT LIABILITIES			
OTHER ADDITIONAL INFORMATION			
Other Current Liabilities	779.37	825.87	727.55
Other Long-Term Liabilities	358.46	207.62	0
Other Non-Current Assets	441.17	443.41	1,565.90
OtherCurrentAssets	645.18	686.69	915.71
Reserves and Surplus	15,357.42	14,350.90	13,070.87
SHAREHOLDER'S FUNDS			
Short Term Borrowings	285.16	165.88	183.68
Short Term Loans and Advances	39.77	23.75	25.08
Short Term Provisions	175.82	159.69	59.71
Tangible Assets	6,061.91	6,305.03	4,792.50
TOTAL ASSETS	23,096.09	19,674.07	18,504.36
TOTAL CAPITAL AND LIABILITIES	23,096.09	19,674.07	18,504.36
TOTAL CURRENT ASSETS	11,370.48	8,649.20	8,413.21
TOTAL CURRENT LIABILITIES	6,504.53	4,279.06	4,409.18
TOTAL NON-CURRENT ASSETS	11,725.61	11,024.87	10,091.15
TOTAL NON-CURRENT LIABILITIES	1,031.95	848.12	858.66
TOTAL RESERVES AND SURPLUS	15,357.42	14,350.90	13,070.87
TOTAL SHARE CAPITAL	39.96	39.95	39.95
TOTAL SHAREHOLDERS FUNDS	15,416.42	14,406.29	13,120.41
Trade Payables	5,264.18	3,127.62	3,438.24
Trade Receivables	2,274.68	1,511.91	2,745.11

Ratio Analysis:

	Post-pandemic	Pandemic	Pre-pandemic
	Mar-21	Mar-20	Mar-19
Operating Margin (%)	7.68	10.92	11.08
Fixed Assets Turnover Ratio	1.6	1.56	1.65

Quick Ratio	2.86	2.74	3.2
Operating Profit Per Share (Rs.)	71.13	91.37	89.12
Adjusted EPS (Rs.)	47.98	61.27	56.84



Interpretation:

According to the analysis of data, the company might not face many losses in the pandemic. The Earning per share was increased during pandemic. Also, it can be seen that the operating profit per share also increased by 1.25 Rs. During pandemic and decreased by a huge 20.24 Rs. This is the very different case comparing the other companies.

Company have also increased its total assets during the pandemic by 1634 cr. Rs.

Thus, according to the analysed data, it can be seen that the company was having a very stable financial condition.

4. Bajaj Auto Limited Consolidated Balance Sheet:

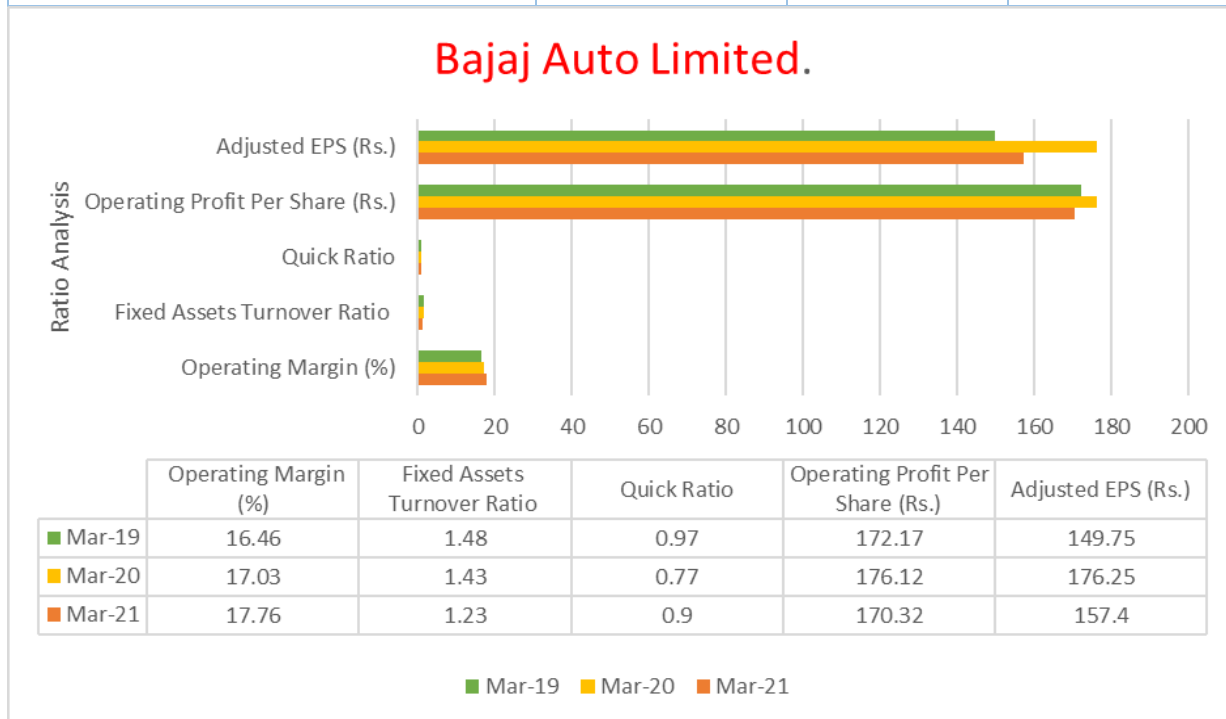
BALANCE SHEET OF BAJAJ AUTO (in Rs. Cr.)	Mar-21	Mar-20	Mar-19
ASSETS			
BONUS DETAILS			
Bonus Equity Share Capital	258.85	258.85	258.85
Capital Work-In-Progress	15.98	46.54	11.54
Cash And Cash Equivalents	538.84	316.34	933.07
Contingent Liabilities	0	0	0
CONTINGENT LIABILITIES, COMMITMENTS			
CURRENT ASSETS			
Current Investments	8,028.11	2,779.75	1,576.48
CURRENT INVESTMENTS			
Current Investments Quoted Market Value	0	0	0
Current Investments Unquoted Book Value	8,028.11	2,779.75	1,576.48
CURRENT LIABILITIES			
Deferred Tax Assets [Net]	0	0	0
Deferred Tax Liabilities [Net]	522.14	346.38	542.66
EQUITIES AND LIABILITIES			
Equity Share Capital	289.37	289.37	289.37
FIXED ASSETS			
Intangible Assets	47.3	43.09	19.75
Inventories	1,493.89	1,063.50	961.51
Long Term Borrowings	0	0	0
Long Term Loans and Advances	31.78	32.49	31.66
Long Term Provisions	1.98	80.5	14.56
Minority Interest	0.01	0.01	0.01
NON-CURRENT ASSETS			
Non-Current Investments	16,658.54	17,133.83	19,026.37
NON-CURRENT INVESTMENTS			
Non-Current Investments Quoted Market Value	0	0	0

Non-Current Investments Unquoted Book Value	13,369.58	14,182.94	16,360.16
NON-CURRENT LIABILITIES			
OTHER ADDITIONAL INFORMATION			
Other Current Liabilities	917.06	895.54	946.33
Other Long-Term Liabilities	160.61	167.72	169.59
Other Non-Current Assets	1,040.20	968.47	891.26
OtherCurrentAssets	1,404.23	725.22	1,036.07
Reserves and Surplus	26,984.06	21,372.71	22,944.44
SHAREHOLDER'S FUNDS			
Short Term Borrowings	0	0	0
Short Term Loans and Advances	5.74	6.11	6.34
Short Term Provisions	152.37	157.97	140.62
Tangible Assets	1,620.25	1,655.93	1,744.19
TOTAL ASSETS	33,601.71	26,510.02	28,834.41
TOTAL CAPITAL AND LIABILITIES	33,601.71	26,510.02	28,834.41
TOTAL CURRENT ASSETS	14,187.66	6,616.02	7,073.16
TOTAL CURRENT LIABILITIES	5,643.54	4,253.33	4,873.78
TOTAL NON-CURRENT ASSETS	19,414.05	19,894.00	21,761.25
TOTAL NON-CURRENT LIABILITIES	684.73	594.6	726.81
TOTAL RESERVES AND SURPLUS	26,984.06	21,372.71	22,944.44
TOTAL SHARE CAPITAL	289.37	289.37	289.37
TOTAL SHAREHOLDERS FUNDS	27,273.43	21,662.08	23,233.81
Trade Payables	4,574.11	3,199.82	3,786.83
Trade Receivables	2,716.85	1,725.10	2,559.69

Ratio Analysis:

	Post-pandemic	Pandemic	Pre-pandemic
	Mar-21	Mar-20	Mar-19
Operating Margin (%)	17.76	17.03	16.46
Fixed Assets Turnover Ratio	1.23	1.43	1.48

Quick Ratio	0.9	0.77	0.97
Operating Profit Per Share (Rs.)	170.32	176.12	172.17
Adjusted EPS (Rs.)	157.4	176.25	149.75



Interpretation:

It can be clearly seen that Bajaj Auto Ltd. Was facing losses during the pandemic. The quick ratio got reduced by whooping 0.20 % in March 2020 and went a little up by 0.13 % during March 2021.

Though company was having low quick ratio The Earning per share increased during 2019-2020 and declined in the year 2020-2021.

11) Impact of the COVID 19:

- The industry has experienced instability in last 2-3 years due to COVID 19, stringent government regulations and emission norms.
- During May 1, 2021 Honda put a halt on its two-wheeler production due to subsequent multiple lockdowns. This suspension of production continued till May 15.
- Starting in China, suppliers around the globe placed production lines in quarantine or shut them down completely. Also, legal and trade restrictions, such as closed borders, increased the shortage of required parts and limited distribution of supplies.
- A limited parts supply and a just-in-time production strategy, coupled with quarantine measures and a reduced workforce, lead OEMs to shut down their production. This is enhanced by the need to secure liquidity and reduce overproduction due to the decrease in sales.
- A decline in cash inflow resulted from the drop in demand while short-term liabilities and salaries still need to be paid. Cash reserves are likely to be exhausted within a few months.
- Politically enforced measures to contain the virus, such as implementing curfews, closing factories, offices, dealerships and the resulting dismissals of short-time workers, as well as the fear of a recession, are likely to lead to a decrease in sales numbers.

But after all this negative impact there are some positive impacts too. These are as follows:

- Due to lockdown and rapid spread of COVID 19 many people refused to travel by public transport for the safety and preferred to buy own vehicles that is two wheelers.
- With the GDP growth rate in India declining to - 23,9%, the automotive industry is gaining a huge success. The unlocking window overlaps with the BS-VI standards and a large number of OEMs sell dealers and consumers a large percentage of discounts
- The fact that those people who want to leave public transit are the ones who mainly use bus and trains to travel every day gives two-wheeler manufacturers some hope.

- Hero MotoCorp, the country's largest two-wheeler manufacturer, increased its market share by roughly 5% in the first quarter of FY21, surpassing 40% for the first time in almost five years (past 19 quarters). Total domestic two-wheeler sales climbed 16.88 percent to 20,53,814 units in October 2020, compared to 17,57,180 units in the same month previous year.
- The industry grew by 22% and 19% sequentially in August and September 2020, respectively.
- Hero MotoCorp, the sector leader and the world's largest two-wheeler manufacturer, improved its position and raised its market share to 40.4 percent in FY20-21, up from 36.6 percent the previous year.
- Honda Motorcycle and Scooter India (HMSI) lost around 7% of its market share in the first quarter of FY21, falling to around 20% from 27% in the first quarter of FY20.
- TVS Motor maintained its 14 percent position. However, for the quarter ending June 2020, the business recorded a loss of Rs 139.1 crore, compared to a profit after tax of Rs 142.3 crore in the previous quarter.

12) Suggestions and recommendation:

The direction of the automotive industry towards the four major megatrends (connected, autonomous, shared and electric driving) is expected to remain unchanged as trends will continue to drive the industry evolution going forward. However, the speed of adoption might change due to the emergency.

1. The relatively reduced costs of a two-wheeler would be much better than a vehicle with an impending pay reduction considering the current conditions and financial institutions tightening the grip on the loans.
2. Due to pandemic most of the people are facing financial crisis and could not buy vehicles so company should plan some EMI policies which will benefit company as well as the customers.
3. The companies should focus more on milage of the vehicle than the exteriors so the customer can buy it without worrying about increasing fuel prices.
4. The company should focus on launching the electronic vehicles considering the market trend.
5. The company should focus on reducing cost and reducing prices so that to attract customers.
6. The company should enable product portfolio shifts through flexible supply chains.
7. Create cost-efficient operational robustness by redesigning towards intelligent operations, with digitally enabled people and back-office processes.
8. The company should reprioritize investment planning and strategic roadmaps.
9. Establish immediate accounts receivables crisis management to get full transparency and allow accurate cash flow forecasting.
10. Prioritize all the payment obligations.
11. Prepare and conduct continuous liquidity reserve stress tests and limit insufficient funding channels (e.g., commercial paper). ▪
12. The company should ensure fully digital corporate finance operations.

13) Conclusion:

Considering the present scenario, it is unlikely that the automobile sector of India will go back to its pre- COVID-19 situation anytime soon. There will be significant changes in the consumer preference and buying behaviour of the consumers. The post COVID-19 era will bring in many challenges as well as many opportunities. The companies will now rely intensively on digital showrooms for increasing their customer base and the Electric Vehicles will surely make a place in the Indian market.

The main factors that have driven the decline in sales of personal vehicles are rapidly growing urbanization, heavy traffic and also the increased cost of owning and maintaining a vehicle. But the ongoing pandemic COVID-19 will change the way people in India move around. Those who used to rely on public transport and other app cabs will now turn into motorists. They will start to commute by personal vehicles due to hygiene issues.

The following trends will be seen in the post Covid-19 era-

1. **Two-wheelers and used cars will be in demand:** As it is unlikely that majority of the people who used to travel by public transport will be able to afford a personal four-wheeler, the demand for two-wheelers and used cars will increase. After the pandemic started to spread, there is already a rise in the sale of used cars as that is a more affordable way of transport in this situation. As the people of the country are facing pay cuts and their jobs are also at risk, customers are looking for the most economical way of transportation that will make them spend the lowest. Over 40 lakh units of used cars have been sold in FY'20 which is 40% higher than the sale of new cars.
2. **The potential customers will be affected:** The Indian Automobile market consists of a diversified segment of customers. The sale in Indian market is driven by the businessmen, traders and also the rural customers. And these are the peoples whose income has been affected by the COVID-19 lockdown. These potential customers will take time to turn around and they will have a tough time making a purchase decision due to the uncertainty over the future.
3. **'Work from Home' culture will be the new normal:** The ongoing corona virus pandemic has made 'Work from Home' culture the new normal. All the organizations are running with limited work force and most of the employees are working from

home. As a result, the transportation needs of the companies as well as the individual employees will go down sharply, which will lead to lower demand and sales.

4. **Online Sales will increase:** The operating costs of the dealers are already rising day by day while the sales are going down significantly. And with this COVID-19, there will be some additional costs like costs related to maintaining social distance, sanitization of the workplace, screening and monitoring of the employees, providing masks and PPE kits to the employees. As a result of this increased operating cost, the companies will be forced to shift from the Brick-and-Mortar structure to the digital platform.

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