Y_1403

Opportunities in Commercial Vehicles Dealership

(Sale of Commercial Vehicles, Spares and Servicing)

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Introduction

Commercial vehicle is a kind of motor vehicle that is used for commercial purpose, not for private propose. A commercial vehicle carried goods and paying passenger for individual or business profit.

Some of the commercial vehicles are buses, box trucks, pickup trucks, semi-trucks, vans, coaches, trailers, travel trailers and taxicabs.

A commercial vehicle is any type of motor vehicle used for transporting goods or paid passengers or "commercial motor vehicle" as any motorized road vehicle, that by its type of construction and equipment is designed for, and capable of transporting. This means the tanks permanently fixed by the manufacturer to all motor vehicles of the same type as the vehicle in question and whose permanent fitting lets fuel be used directly, both for propulsion and, where appropriate, to power a refrigeration system.

As commercial vehicles may be fleet vehicles, company cars, or other vehicles used for business. Vehicles that are designed to carry more than 15 passengers are considered a commercial vehicle. A vehicle may be considered a commercial vehicle if it:

- **Belongs to a company or corporation**
- **Is used for business, but is in an individual's name, such as a sole proprietor.**
- **Is a leased vehicle and in the name of the financial institution that owns it.**
- **Exceeds a certain weight or class.**
- **Is used to haul any hazardous material.**

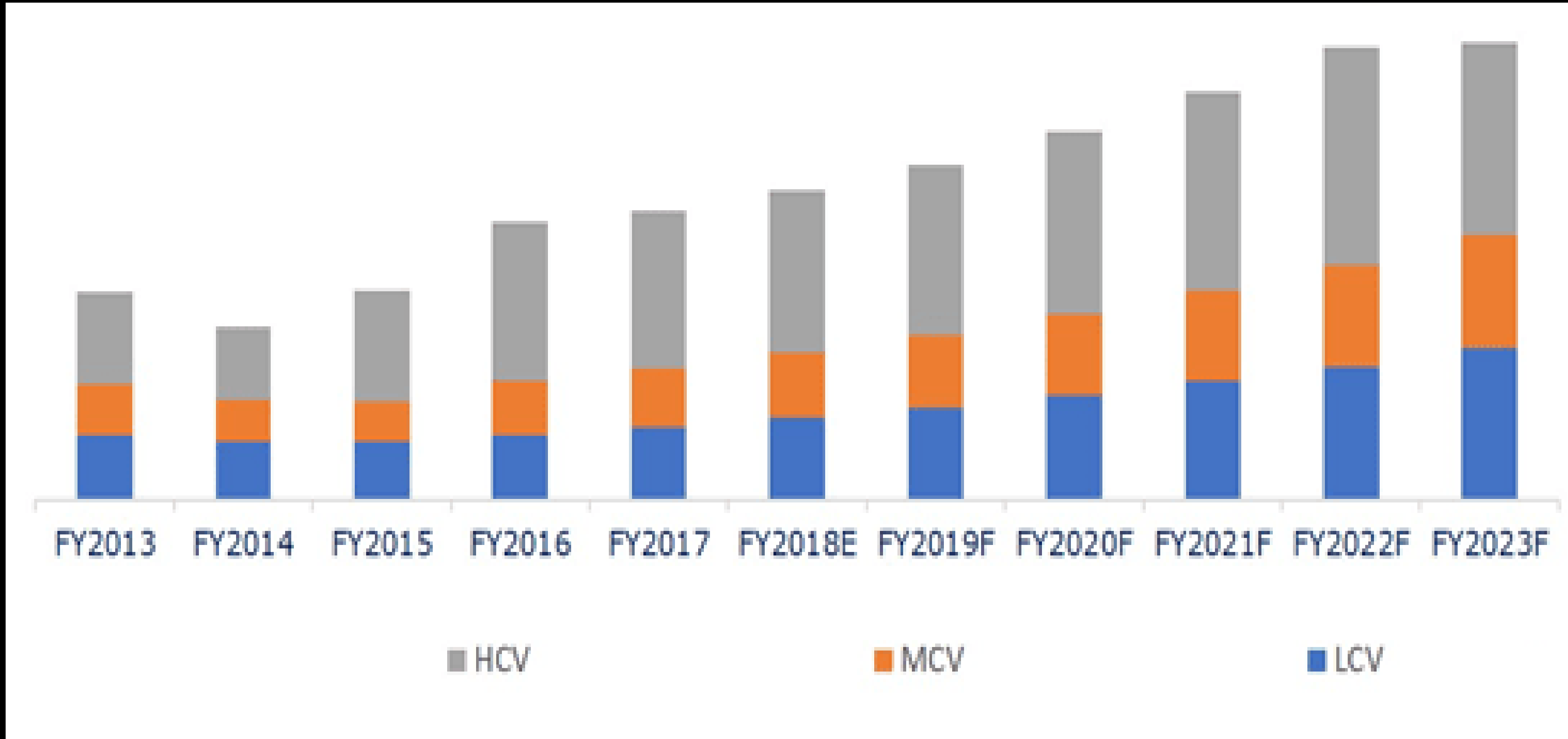
Market Outlook

India is the fourth-largest commercial vehicle market in the world, and it is also the fifth-largest manufacturer of commercial vehicles.

Commercial vehicles can be categorized into Light Commercial Vehicles (LCVs), Medium Commercial Vehicles (MCVs) and Heavy Commercial Vehicles (HCVs) according to the maximum load they can carry. LCVs gross vehicle weight limit is 7.5 tonne, whereas MCVs' is 25 tonne and HCVs' is 49 tonne.

India commercial vehicle market is projected to exhibit a CAGR of over 10% to reach $ 21.9 billion by FY2023, on account of increasing infrastructure development projects, growing logistics sector, ease of financing, etc. Moreover, commercial vehicles market is anticipated to become more lucrative, as new models and brands are rolled out in the coming years.

India Commercial Vehicle Market Size, By Vehicle Type, By Value, FY2013-F2023F



Light Commercial Vehicles

Indian automobile industry witnessed a growth of 32.86% in light commercial vehicles segment. Indian light commercial vehicles (LCVs) include a range of vehicles, such as cargo, tempo, mini trucks, buses, etc.

The total market of light commercial vehicles was estimated at Rs. 98 bn in 2007-08 which was an increase of 8% over that of preceding year.

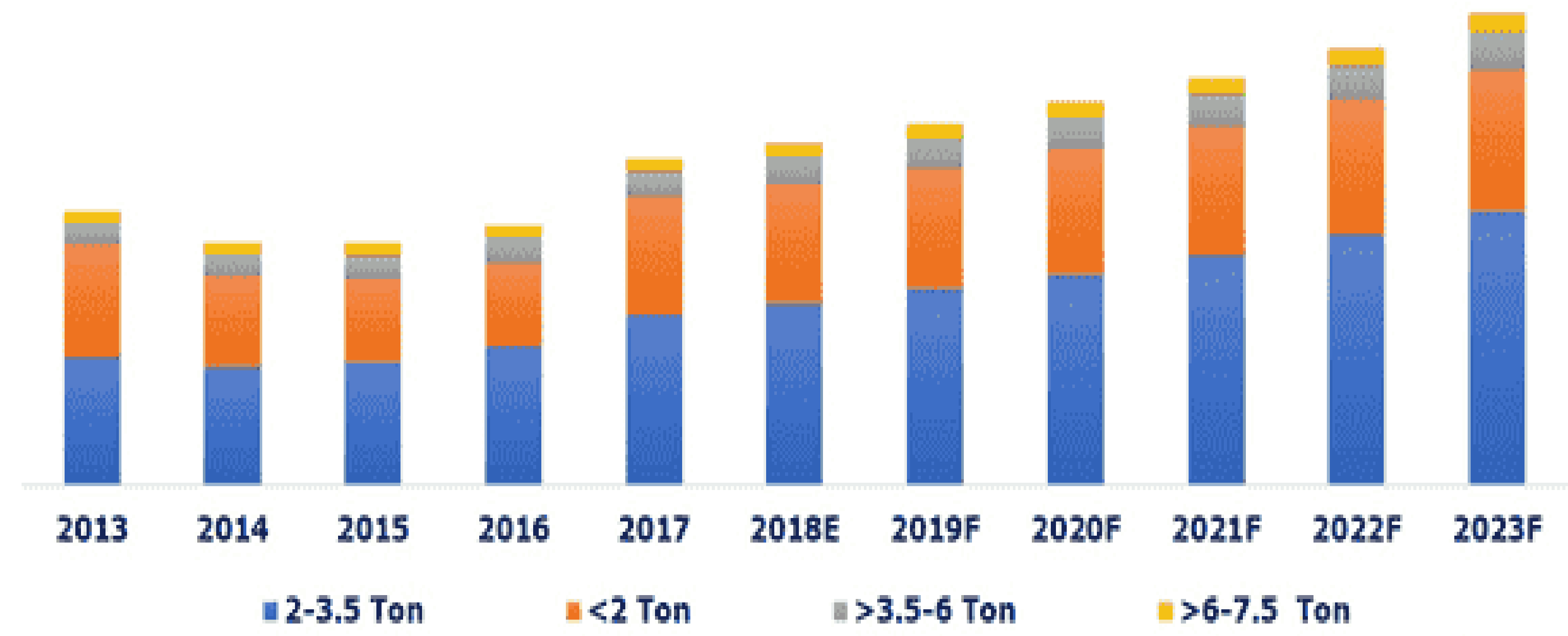
India light commercial vehicles market is projected to surpass $ 6.8 billion by 2023. Anticipated growth in the market can be attributed to increasing number of infrastructure development projects, easy availability of vehicle financing schemes, and growing e-commerce and logistics sector. Moreover, implementation of BS IV standards, increasing demand for CNG and electric vehicles, launch of new models and foray of new brands in the Indian market are expected to positively influence the country's light commercial vehicles market in the coming years.

Some of the major players operating in India commercial vehicle market are Tata Motors Limited, Ashok Leyland Limited, VE Commercial Vehicles Limited, and Force Motors Limited.

Light Commercial Vehicles

Demand : Past and Future	
Year	(In '000 No.)
1990-91	56
2000-01	71
2001-02	64
2002-03	82
2003-04	108
2004-05	136
2005-06	170
2006-07	195
2007-08	260
2008-09	235
2009-10	330
2010-11	425
2011-12	520
2012-13	595
2013-14	460
2014-15	675
2015-16	725
2016-17	775
2017-18	850
2018-19	900
2019-20	980
2024-25	1475

India Light Commercial Vehicle Market Size, By Tonnage Type, By Volume, 2014-2024F



Production in Indian light commercial vehicle (LCV) segment witnessed a growth of more than 20%. At present, there are 7 manufacturers in Indian LCV segment. With increasing demand for load carriers, a few manufacturers are expanding their capacity and some of them are setting up new plants. Some of the manufactures are also in the process of launching new models of LCVs.

Major players operating in India light commercial vehicles market are Tata Motors Limited, Ashok Leyland Limited, Mahindra & Mahindra Limited, VE Commercial Vehicles Limited, SML Isuzu Limited, Maruti Suzuki India Limited, Force Motors Limited and Piaggio Vehicles Private Limited.

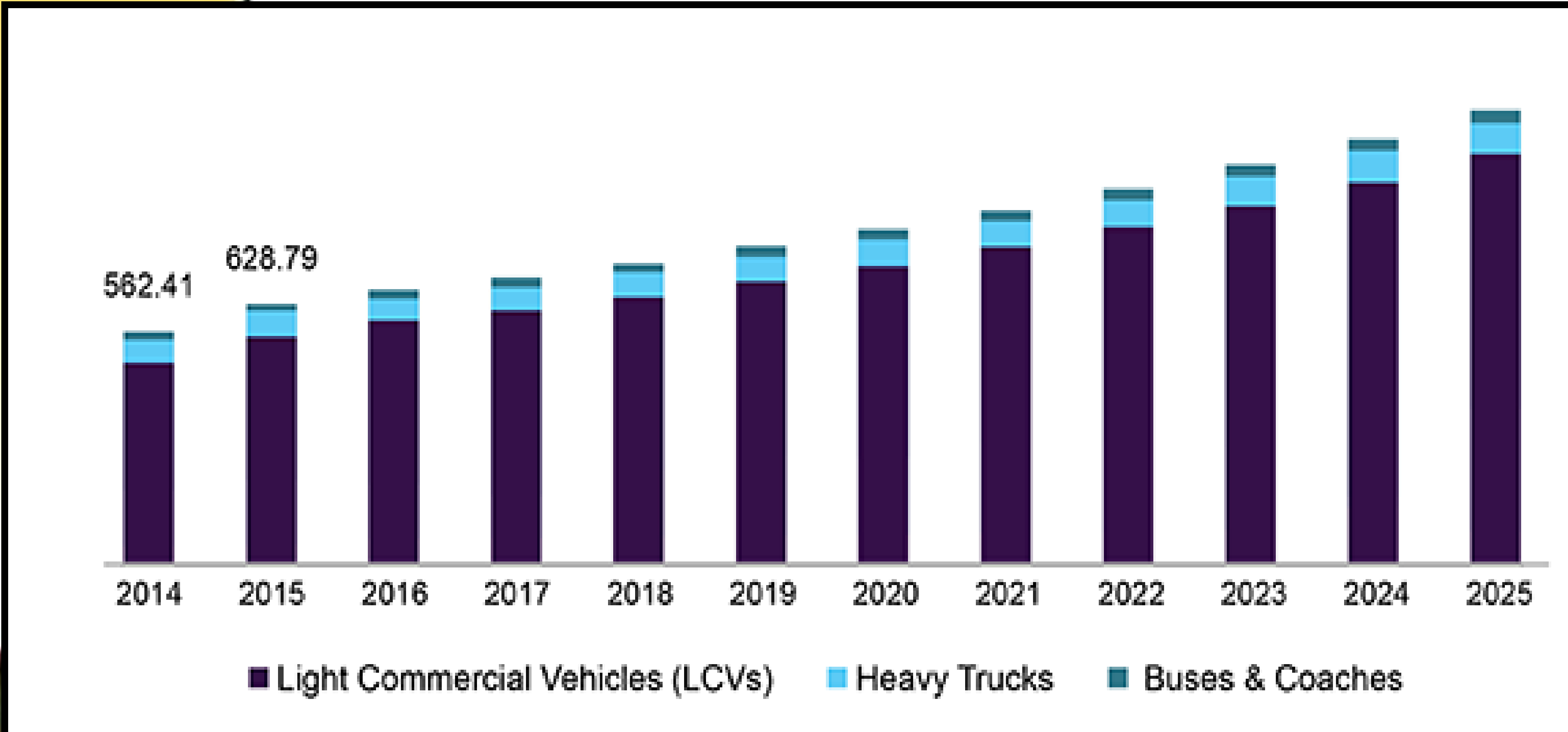
Medium & Heavy Commercial Vehicles

Indian automobile industry witnessed a growth of 39.92% in medium & heavy commercial vehicle (MHCV) segment. Indian MHCV segment includes a range of vehicles such as cargo, trucks, buses, trailers, etc.

Global Commercial Vehicles Market

The global commercial vehicles market size was valued at USD 1.32 trillion in 2017 and is estimated to expand at a CAGR of 7.1% from 2018 to 2025. Although the market has been witnessing stagnant growth over the last few years, it is anticipated to recover with improved sales performance, particularly in emerging economies. Digitization along with increasing infrastructural spending is expected to elevate demand for commercial vehicles over the forecast period.

U.S. Commercial Vehicles Market Size, By Product, 2014 – 2025 (USD Billion)

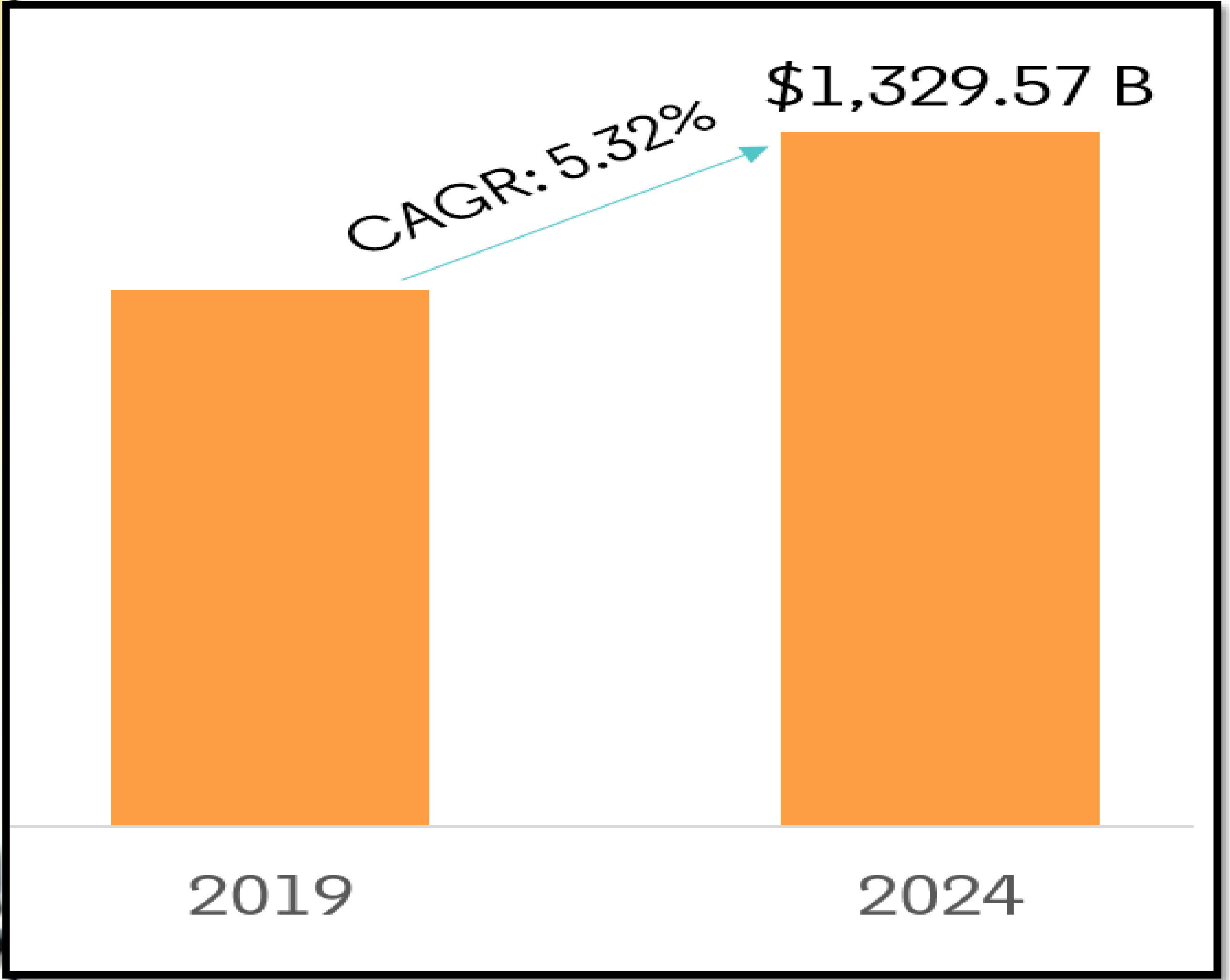


In addition, increasing penetration of electric commercial vehicles is also anticipated to contribute toward market expansion over the coming years. Adoption of electric vehicles (EVs) is primarily driven by need to meet emission reduction standards and regulations enforced by government bodies worldwide. Commercial vehicle telematics is another trend that is gaining traction and is anticipated to have a positive impact on the market over the forecast period.

The United States represents the largest and the fastest growing market worldwide with a CAGR of 5.9% over the analysis period. Asia-Pacific ranks as a production hub for commercial vehicles led by shifting of the automobile production base to low cost Asian countries.

Rapid industrialization, development of road infrastructure, and steady rise in logistics, distribution and public transportation will drive growth in the region. The region is also expected to witness strong demand for buses encouraged by rapid urbanization and increasing need for safe and efficient public transportation in populous countries such as China and India.

Commercial Vehicle Market



The global commercial vehicles manufacturing market is further segmented based on type and geography.

By Type - The commercial vehicles manufacturing market is segmented into light commercial vehicle, heavy trucks, buses, coaches among these segments, the light commercial vehicle market accounts for the largest share in the global Commercial vehicles manufacturing market.

By Geography - The global commercial vehicles manufacturing is segmented into North America, South America, Asia-Pacific, Eastern Europe, Western Europe, Middle East and Africa. Among these regions, North America was the largest region in the global commercial vehicle market.

With increase in growing demand of goods transportation and increase in economy the scope and potential for the global commercial vehicles manufacturing market is expected to significantly rise in the forecast period.

Major players in the global Commercial vehicles manufacturing market include Daimler AG, Volvo Group, Man Truck & Bus, Hino Motors, Scania.

Machinery Photographs

Truck Tyre Changer
(Model: AS-HTC-1426)

Truck Wheel Alignment
(Model: E-9000)

Truck Wheel Balancer
(Model: C-211)

Oil Dispensing Unit

Project at a Glance

COST OF PROJECT				MEANS OF FINANCE			
Particulars	Existing	Proposed	Total	Particulars	Existing	Proposed	Total
Land & Site Development Exp.	0.00	134.00	134.00	Capital	0.00	489.00	489.00
Buildings	0.00	816.00	816.00	Share Premium	0.00	0.00	0.00
Plant & Machineries	0.00	350.16	350.16	Other Type Share Capital	0.00	0.00	0.00
Motor Vehicles	0.00	25.00	25.00	Reserves & Surplus	0.00	0.00	0.00
Office Automation Equipments	0.00	81.00	81.00	Cash Subsidy	0.00	0.00	0.00
Technical Knowhow Fees & Exp.	0.00	50.00	50.00	Internal Cash Accruals	0.00	0.00	0.00
Franchise & Other Deposits	0.00	0.00	0.00	Long/Medium Term Borrowings	0.00	1467.01	1467.01
Preliminary& Pre-operative Exp	0.00	10.00	10.00	Debentures / Bonds	0.00	0.00	0.00
Provision for Contingencies	0.00	33.00	33.00	Unsecured Loans/Deposits	0.00	0.00	0.00
Margin Money - Working Capital	0.00	456.85	456.85				
TOTAL	0.00	1956.01	1956.01	TOTAL	0.00	1956.01	1956.01

Project at a Glance

Year	Annualised		Book Value	Debt	Dividend	Retained Earnings		Payout	Probable Market Price	P/E Ratio	Yield Price/ Book Value
	EPS	CEPS	Per Share		Per Share	Per Share				No.of Times	
	`	`	`	`	`	%	`	%	`		%
1-2	7.34	10.52	17.34	27.00	0.00	100.00	7.34	0.00	7.34	1.00	0.00
2-3	8.60	11.41	25.94	24.00	0.00	100.00	8.60	0.00	8.60	1.00	0.00
3-4	10.00	12.50	35.94	21.00	0.00	100.00	10.00	0.00	10.00	1.00	0.00
4-5	11.41	13.61	47.35	18.00	0.00	100.00	11.41	0.00	11.41	1.00	0.00
5-6	12.79	14.75	60.14	15.00	0.00	100.00	12.79	0.00	12.79	1.00	0.00
6-7	14.14	15.88	74.28	12.00	0.00	100.00	14.14	0.00	14.14	1.00	0.00
7-8	15.47	17.02	89.74	9.00	0.00	100.00	15.47	0.00	15.47	1.00	0.00
8-9	16.77	18.16	106.52	6.00	0.00	100.00	16.77	0.00	16.77	1.00	0.00
9-10	18.05	19.29	124.56	3.00	0.00	100.00	18.05	0.00	18.05	1.00	0.00
10-11	17.94	19.04	142.50	0.00	0.00	100.00	17.94	0.00	17.94	1.00	0.00

Project at a Glance

Year	D. S. C. R.			Debt / - Deposits Debt	Equity as- Equity	Total Net Worth	Profitability Ratio					Assets Turnover Ratio	Current Ratio
	Individual	Cumulative	Overall				GPM	PBT	PAT	Net Contribution	P/V Ratio		
	(Number of times)			(Number of times)		%	%	%	%		%		
Initial				3.00	3.00								
1-2	2.19	2.19		1.56	1.56	5.00	4.83%	2.79%	1.84%	1755.46	8.98%	3.87	1.22
2-3	2.41	2.30		0.93	0.93	3.39	5.03%	3.08%	1.99%	1600.90	7.56%	3.83	1.33
3-4	2.69	2.42	3.43	0.58	0.58	2.50	5.19%	3.36%	2.15%	1722.12	7.55%	3.72	1.44
4-5	3.01	2.55		0.38	0.38	1.94	5.32%	3.60%	2.28%	1843.34	7.55%	3.60	1.55
5-6	3.38	2.70		0.25	0.25	1.56	5.42%	3.79%	2.40%	1964.56	7.54%	3.47	1.66
6-7	3.45	2.80		0.16	0.16	1.29	5.50%	3.95%	2.50%	2085.78	7.53%	3.34	1.77
7-8	3.96	2.94		0.10	0.10	1.09	5.56%	4.09%	2.58%	2206.99	7.53%	3.20	1.88
8-9	4.55	3.09		0.06	0.06	0.94	5.60%	4.20%	2.65%	2328.21	7.52%	3.07	2.00
9-10	5.25	3.26		0.02	0.02	0.82	5.64%	4.29%	2.71%	2449.43	7.52%	2.95	2.11
10-11	5.68	3.43		0.00	0.00	0.69	5.58%	4.27%	2.69%	2424.36	7.44%	2.76	2.33

Project at a Glance

BEP	
BEP - Maximum Utilisation Year	10
Cash BEP (% of Installed Capacity)	40.42%
Total BEP (% of Installed Capacity)	42.66%
IRR, PAYBACK and FACR	
Internal Rate of Return .. (In %age)	28.36%
Payback Period of the Project is (In Years)	2 Years 3 Months
Fixed Assets Coverage Ratio (No. of times)	58.057

Major Queries/Questions Answered in the Report?

1. What is Commercial Vehicles Dealership?

2. How has the Commercial Vehicles industry performed so far and how will it perform in the coming years ?

3. What is the Project Feasibility of Commercial Vehicles Plant ?

4. What are the requirements of Working Capital for setting up Commercial Vehicles plant ?

5. What is the structure of the Commercial Vehicles Business and who are the key/major players ?

6. What is the total project cost for setting up Commercial Vehicles Business?

7. What are the operating costs for setting up Commercial Vehicles plant ?

8. What are the machinery and equipment requirements for setting up Commercial Vehicles plant ?

9. Who are the Suppliers and Manufacturers of Plant & Machinery for setting up Commercial Vehicles plant ?

10. What are the requirements of raw material for setting up Commercial Vehicles plant ?

11. Who are the Suppliers and Manufacturers of Raw materials for setting up Commercial Vehicles Business?

12. What is the Plant Layout for setting up Commercial Vehicles Business?

13. What is the total size of land required for setting up Commercial Vehicles plant ?

14. What will be the income and expenditures for Commercial Vehicles Business?

15. What are the Projected Balance Sheets of Commercial Vehicles plant ?

16. What are the requirement of utilities and overheads for setting up Commercial Vehicles plant?

17. What is the Built up Area Requirement and cost for setting up Commercial Vehicles Business?

18. What are the Personnel (Manpower) Requirements for setting up Commercial Vehicles Business?

19. What are Statistics of Import & Export for Commercial Vehicles?

20. What is the time required to break-even of Commercial Vehicles Business?

21. What is the Break-Even Analysis of Commercial Vehicles plant?

22. What are the Project financials of Commercial Vehicles Business?

npcs

23. What are the Profitability Ratios of Commercial Vehicles Project?

24. What is the Sensitivity Analysis-Price/Volume of Commercial Vehicles plant?

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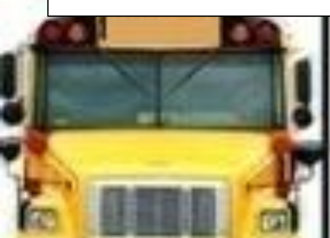

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Tags

#Commercial_Vehicles, #Commercial_Vehicle_Dealership, #Heavy_Commercial_Vehicles_(HCVs), Commercial Vehicles (CVs), Small Commercial Vehicles (SCVs), #Servicing_of_Heavy_Commercial_Vehicles_(HCVs), Servicing of Commercial Vehicles (CVs), Servicing of Small Commercial Vehicles (SCVs), Large goods vehicle, Medium & Heavy Commercial Vehicles, #Industrial_Vehicle, Heavy Commercial Vehicles of India, Heavy Vehicle Industry in India, commercial vehicles in India, #Heavy_&_Light_Commercial_Vehicles, Commercial vehicles sales in India, Commercial Heavy Vehicle Repair and Maintenance Services, Heavy Commercial Vehicle Sales, #Commercial_Vehicle_Servicing, Commercial Vehicle Maintenance, #Detailed_Project_Report_on_Commercial_Vehicle_Dealership, Pre-Investment Feasibility Study on Commercial Vehicle Dealership, Techno-Economic feasibility study on Commercial Vehicle Dealership, Feasibility report on Commercial Vehicle Dealership, Free Project Profile on Commercial Vehicle Dealership, Project profile on Commercial Vehicle Dealership, Download free project profile on Commercial Vehicle Dealership, #Medium_and_Heavy_Commercial_Vehicles Industry, #Indian_Commercial_Vehicle_Industry, Project on Medium and Heavy Commercial Vehicles Industry, Heavy Vehicle Industry in India, Medium & Heavy Commercial Vehicles (MHCVs)

Niir Project Consultancy Services (NPCS) can provide Detailed Project Report on

Opportunities in Commercial Vehicles Dealership

(Sale of Commercial Vehicles, Spares and Servicing)

See more

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