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FADA Releases March'24 & FY'24 Vehicle Retail Data

Brief Analysis for Mar'24

-  **Modest Growth in Auto Sector:** The Indian Auto Retail sector witnessed a growth of 3.14% YoY, with significant growth of 5% and 17% in the 2W and 3W segments.
-  **Surge in Electric Vehicle Sales:** The expiration of the FAME 2 subsidy on March 31st led to a notable increase in electric vehicle sales, with the 2W-EV market share jumping to 9.12% for the first time.
-  **Resilience in the Face of Challenges:** Despite economic concerns, election uncertainties and intense competition, the 2W segment showcased strategic evolution, especially in the premium and electric vehicles.
-  **Positive Sentiment in Three-Wheeler Segment:** The 3W segment demonstrated growth driven by the increasing acceptance of electric vehicles, showing an optimistic trend despite potential challenges from election uncertainties and policy changes.
-  **Challenges in the PV Sector:** The PV segment faced a downturn with a 2% MoM and a 6% YoY sales decline, attributed to heavy discounting and selective financing.
-  **Mixed Landscape for CVs:** The CV segment which fell by 6% YoY navigated through a complex environment, balancing election-induced purchase slowdowns with strong demand in specific sectors like coal and cement transportation.
-  **Urban Challenges and Sector Resilience:** Amid declining urban consumer sentiment and election uncertainties, the automobile industry leverages festive occasions, new product launches and a shift towards electric mobility to navigate towards recovery and growth.

Brief Analysis for FY'24

-  **Robust Sector-Wide Growth:** In FY'24, the Indian Auto Retail sector achieved a notable 10% YoY growth, with the 2W, 3W, PV, Trac and CV segments registering growth rates of 9%, 49%, 8.45%, 8% and 5% respectively, setting record highs in the 3W, PV and Trac categories.
-  **Two-Wheeler Resurgence:** The 2W segment experienced a 9% growth, fueled by enhanced model availability, the introduction of new products and a positive market sentiment, alongside the burgeoning EV market and strategic premium segment launches.
-  **Three-Wheeler Benchmark Setting:** A remarkable 49% YoY growth in the 3W segment was driven by the introduction of cost-effective CNG fuel options, new EV models, expanding city landscapes, demand in last mile mobility in urban centers resulting in strong demand, marking a new industry benchmark.
-  **Passenger Vehicle Milestone:** The PV segment's growth of 8.45% to reach an all-time high was propelled by improved vehicle availability, a compelling model mix and significant contributions from the SUV segment, which now claims 50% market share.
-  **Commercial Vehicle Growth:** Demonstrating strategic market adaptability, the CV segment grew by 5%, with improved vehicle supply and planning, alongside significant purchases spurred by government tenders and bulk deals.
-  **FY'25 Optimistic Outlook:** The industry looks forward to FY'25 with optimism, focusing on new product launches, especially in EVs and leveraging economic growth, favorable government policies and expected good monsoon to fuel demand, despite facing challenges like competition and the need for strategic market engagement.

8th April'24, New Delhi, BHARAT: The Federation of Automobile Dealers Associations (FADA) today released Vehicle Retail Data for March'24 and FY'24.

March'24 Retails

In March 2024, the Indian Auto Retail sector experienced modest growth of 3.14% YoY, **as reported by FADA President, Mr. Manish Raj Singhania**. The two-wheeler (2W) and three-wheeler (3W) segments saw increases of 5% and 17% respectively, while passenger vehicles (PV), tractors (Trac) and commercial vehicles (CV) faced declines of 6%, 3%, and 6% respectively.

Mr. Singhania highlighted that “the 2W segment demonstrated resilience and adaptability, with electric vehicle (EV) sales surging due to the expiration of the FAME 2 subsidy on March 31st. This led to a notable boost in the 2W-EV market share to 9.12%. Positive market sentiment was supported by seasonal events, improved vehicle supply, and financial incentives. Despite facing market volatility and intense competition, the industry is strategically evolving, particularly in the premium and EV categories, signalling a bright future.

The 3W segment showed an encouraging sales trend hitting an all-time high retail, driven by the growing acceptance of EVs. The introduction of EV autos and loaders positively impacted the retail environment. Although faced with election-related uncertainties and concerns over policy changes, such as free bus travel for women, the overall outlook for the sector remains upbeat, supported by the quality of vehicles and strong market demand.

The PV sector encountered challenges, with a MoM decrease of 2% and a YoY fall of 6%. The downturn was influenced by heavy discounting and selective financing further affected by economic worries and the electoral climate. Nonetheless, positives such as improved vehicle availability, increased stock levels and new model launches did stimulate demand in certain areas. The impact of election activities and changes in festival dates also played a role in sales dynamics.

For the CV sector, March presented a complex scenario. The election announcement resulted in a temporary reduction in purchases, though there is an expectation of a recovery post-election, with decreasing concerns about the forthcoming monsoon. The sector grappled with issues like recent declines, poor agricultural outcomes, discount pressures and financing difficulties. On the upside, there was strong demand in specific areas such as coal and cement transportation, bolstered by bulk orders and vehicle upgrades, which enhanced customer engagement.”

FY'24 Retails

Reflecting on FY'23, **FADA President Mr. Manish Raj Singhania commented**, "The Indian Auto Retail sector achieved a commendable double-digit growth of 10% YoY across all categories, with 2W, 3W, PV, Trac and CV registering increases of 9%, 49%, 8.45%, 8% and 5% respectively. Notably, the 3W, PV and Trac segments set new record highs, surpassing previous years' performances.

In FY24, the 2W segment saw a 9% growth, driven by a rich mix of factors including enhanced model availability, new product introductions, and positive market sentiment, further augmented by special schemes and the rural market's recovery from COVID. The growth in EVs and strategic launches in premium segments also played a critical role, overcoming challenges such as supply constraints and heightened competition.

The 3W segment's growth soared to 49% YoY, setting a new benchmark. This remarkable achievement was fuelled by the introduction of cost-effective CNG fuel options and new EV models, alongside strong market sentiment and the seamless integration of high-quality after-sales service. These elements, combined with the sector's innovative approach, catapulted the 3W segment to new heights.

For the PV segment, FY24 was a milestone year, achieving an 8.45% YoY growth and reaching an all-time high. Factors such as improved vehicle availability, a compelling model mix and the launch of new models played pivotal roles. Enhanced supply dynamics, strategic marketing efforts, ever expanding quality road infrastructure and strong demand in the SUV segment, now holding a 50% market share, significantly contributed to this success.

The CV segment experienced a 5% growth in FY24, demonstrating the sector's strategic response to diverse market dynamics. Improved vehicle supply, effective planning, and increased freight movement drove significant replacement purchases. Additionally, the segment capitalized on government tenders, better road connectivity and bulk deals, showcasing its adaptability and strategic market positioning."

Near-Term Outlook

With a notable decline in consumer sentiment among urban Indians, as reported by the Centre for Monitoring Indian Economy (CMIE), the automotive sector faces a nuanced challenge. This downturn, characterized by a restraint in discretionary spending within urban income brackets, adds a layer of complexity to the industry's landscape. In this scenario, the decision of the MPC of the RBI to keep lending rates unchanged at 6.5% would continue to badly impact the retail sales of all vehicles, especially entry level vehicles as these buyers are extremely price sensitive. Given the continued inflationary trend without any relief in finance rates, these prospective buyers may continue to hesitate. Coupled with the forthcoming elections, these challenges will influence the Industry, potentially curbing vehicle sales across all segments. Despite this, opportunities for rebound and growth linger, bolstered by festive occasions and strategic product unveilings aimed at reviving consumer interest.

The industry's adaptability is further tested by improved supply dynamics and an increasing bend towards electric mobility, alongside enticing financing options, all poised to mitigate the effects of the current economic sentiment and electoral caution. The automotive sector's resilience is thus spotlighted, with concerted efforts to tackle these challenges through innovation and strategic market engagement. As it navigates through a period marked by careful optimism, the sector is positioned for a cautious yet hopeful trajectory towards recovery. The strategic foresight and adaptability demonstrated by the industry promise a pathway to resilience and sustained growth, even as it confronts evolving market conditions.

Long-Term Outlook

Heading into FY'25, the Indian Auto Industry is poised for growth amidst a mix of optimism and challenges. The excitement around new product launches, particularly electric vehicles, sets a forward-looking tone. Manufacturers are gearing up with better supply chains and an array of models to meet diverse consumer demands. Economic growth, favourable government policies and an anticipated good monsoon are expected to fuel demand, especially in rural areas and the commercial vehicle sector, which is closely linked to infrastructure projects and economic activity.

Market sentiment is cautiously optimistic, with the industry banking on improved customer engagement and financing schemes to boost sales. However, it faces challenges like high base in PV segment and intense competition. The focus is on overcoming these hurdles with innovation and strategic market

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engagement, aiming for a balanced growth across all the segments. As FY'25 unfolds, the Indian Auto Industry is navigating through evolving market demands and economic conditions, leveraging its strengths for sustainable growth and a wider reach.

Key Findings from our Online Members Survey



Liquidity

- Neutral 48.93%
- Good 39.64%
- Bad 11.43%



Sentiment

- Neutral 45.71%
- Good 39.29%
- Bad 15.00%



Expectation from Apr'24

- Growth 56.43%
- Flat 32.50%
- De-growth 11.07%



Expectation from FY'25

- Growth 72.14%
- Flat 20.36%
- De-growth 07.50%

Chart showing Vehicle Retail Data for March'24 & FY'24

All India Vehicle Retail Data for Mar'24

CATEGORY	Mar'24	Feb'24	Mar'23	MoM%	YoY%
2W	15,29,875	14,39,523	14,50,913	6.28%	5.44%
3W	1,05,222	94,918	89,837	10.86%	17.13%
E-RICKSHAW(P)	37,378	36,579	37,333	2.18%	0.12%
E-RICKSHAW WITH CART (G)	5,087	4,435	3,214	14.70%	58.28%
THREE-WHEELER (GOODS)	14,433	10,768	10,655	34.04%	35.46%
THREE-WHEELER (PASSENGER)	48,223	43,065	38,556	11.98%	25.07%
THREE-WHEELER (PERSONAL)	101	71	79	42.25%	27.85%
PV	3,22,345	3,30,107	3,43,527	-2.35%	-6.17%

TRAC	78,446	76,626	81,148	2.38%	-3.33%
CV	91,289	88,367	96,984	3.31%	-5.87%
LCV	49,332	48,594	51,891	1.52%	-4.93%
MCV	6,324	6,454	6,292	-2.01%	0.51%
HCV	30,394	28,271	34,869	7.51%	-12.83%
Others	5,239	5,048	3,932	3.78%	33.24%
Total	21,27,177	20,29,541	20,62,409	4.81%	3.14%

Source: FADA Research

Motor Vehicle Road Tax Collection (in Rs Crore)

	Mar'24	Feb'24	Mar'23	MoM%	YoY%
Motor Vehicle Road Tax Collection	7,633	6,817	7,447	12%	3%

Source: FADA Research

All India Vehicle Retail Data for FY'24

CATEGORY	FY'24	FY'23	YoY%
2W	1,75,17,173	1,60,27,411	9.30%
3W	11,65,699	7,83,257	48.83%
<i>E-RICKSHAW(P)</i>	4,90,726	3,49,892	40.25%
<i>E-RICKSHAW WITH CART (G)</i>	40,798	24,076	69.46%
<i>THREE-WHEELER (GOODS)</i>	1,21,506	90,923	33.64%
<i>THREE-WHEELER (PASSENGER)</i>	5,11,754	3,17,753	61.05%
<i>THREE-WHEELER (PERSONAL)</i>	915	613	49.27%
PV	39,48,143	36,40,399	8.45%
TRAC	8,92,313	8,29,639	7.55%
CV	10,07,006	9,60,655	4.82%
<i>LCV</i>	5,61,097	5,67,302	-1.09%
<i>MCV</i>	72,907	62,056	17.49%
<i>HCV</i>	3,24,308	3,01,421	7.59%
<i>Others</i>	48,694	29,876	62.99%
Total	2,45,30,334	2,22,41,361	10.29%

Source: FADA Research

Motor Vehicle Road Tax Collection (in Rs Crore)

	FY'24	FY'23	YoY %
Motor Vehicle Road Tax Collection	79,673	70,045	14%

Source: FADA Research

Disclaimer:

1- The above numbers do not have figures from TS & LD.

- 2- Vehicle Retail Data has been collated as on 06.04.24 in collaboration with Ministry of Road Transport & Highways, Government of India and has been gathered from 1,360 out of 1,447 RTOs.
- 3- Commercial Vehicle is subdivided in the following manner
 - a. LCV – Light Commercial Vehicle (incl. Passenger & Goods Vehicle)
 - b. MCV – Medium Commercial Vehicle (incl. Passenger & Goods Vehicle)
 - c. HCV – Heavy Commercial Vehicle (incl. Passenger & Goods Vehicle)
 - d. Others – Construction Equipment Vehicles and others
- 4- 3-Wheeler is sub-divided in the following manner
 - a. E-Rickshaw – Passenger
 - b. E-Rickshaw – Goods
 - c. 3-Wheeler – Goods
 - d. 3-Wheeler – Passenger
 - e. 3-Wheeler – Personal

Mar'24 and FY'24 category-wise OEM market share can be found in Annexure 1, Page No. 06

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Media Kit

FADA Logo	Mr. Manish Raj Singhania, President – FADA
 <p>One Nation One Association</p>	

About FADA India

Founded in 1964, Federation of Automobile Dealers Associations (FADA), is the apex national body of Automobile Retail Industry in India engaged in the sale, service and spares of 2 & 3 Wheelers, Passenger Cars, UVs, Commercial Vehicles (including buses and trucks) and Tractors. FADA India represents over 15,000 Automobile Dealerships having over 30,000 dealership outlets including multiple Associations of Automobile Dealers at the Regional, State and City levels representing the entire Auto Retail Industry. Together we employ ~4.5 million people at dealerships and service centres.

FADA India, at the same time also actively networks with the Industries and the authorities, both at the Central & State levels to provide its inputs and suggestions on the Auto Policy, Taxation, Vehicle Registration Procedure, Road Safety and Clean Environment, etc. to sustain the growth of the Automobile Retail Trade in India.

Annexure 1

OEM wise Market Share Data for the Month of March'24 with YoY comparison

Two-Wheeler OEM	MAR'24	Market Share (%) MAR'24	MAR'23	Market Share (%) MAR'23
HERO MOTOCORP LTD	4,51,464	29.51%	4,67,518	32.22%
HONDA MOTORCYCLE AND SCOOTER INDIA (P) LTD	3,55,326	23.23%	3,24,762	22.38%
TVS MOTOR COMPANY LTD	2,52,321	16.49%	2,38,773	16.46%
BAJAJ AUTO GROUP	1,81,109	11.84%	1,64,329	11.33%
<i>BAJAJ AUTO LTD</i>	<i>1,81,107</i>	<i>11.84%</i>	<i>1,61,983</i>	<i>11.16%</i>
<i>CHETAK TECHNOLOGY LIMITED</i>	<i>2</i>	<i>0.00%</i>	<i>2,346</i>	<i>0.16%</i>
SUZUKI MOTORCYCLE INDIA PVT LTD	75,489	4.93%	64,604	4.45%
ROYAL-ENFIELD (UNIT OF EICHER LTD)	64,438	4.21%	71,033	4.90%
OLA ELECTRIC TECHNOLOGIES PVT LTD	53,320	3.49%	21,435	1.48%
INDIA YAMAHA MOTOR PVT LTD	52,418	3.43%	47,141	3.25%
ATHER ENERGY PVT LTD	17,232	1.13%	12,183	0.84%
KINETIC GREEN ENERGY & POWER SOLUTIONS LTD	3,963	0.26%	1,645	0.11%
BGAUSS AUTO PRIVATE LIMITED	3,111	0.20%	781	0.05%
GREAVES ELECTRIC MOBILITY PVT LTD	3,008	0.20%	382	0.03%
PIAGGIO VEHICLES PVT LTD	2,727	0.18%	3,108	0.21%
CLASSIC LEGENDS PVT LTD	2,476	0.16%	3,325	0.23%
Others Including EV	11,473	0.75%	29,894	2.06%
Total	15,29,875	100%	14,50,913	100%

Source: FADA Research

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- 1- The above numbers do not have figures from TS & LD.
- 2- Vehicle Retail Data has been collated as on 06.04.24 in collaboration with Ministry of Road Transport & Highways, Government of India and has been gathered from 1,360 out of 1,447 RTOs.
- 3- Others include OEMs accounting less than 0.1% Market Share.

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