

# Full throttle ahead: FY24 roars to 4.23 mn PV sales, 4.15 mn in retail

SOHINI DAS & SHINE JACOB  
Mumbai/Chennai, 31 March

The demand for sport utility vehicles (SUVs) led passenger vehicle (PV) sales to a record 4.15 million in the retail segment and 4.23 million vehicle despatches in wholesales.

All 12 months in 2023-24 (FY24) were record months in terms of sales.

PV wholesales grew by 9 per cent year-on-year (Y-o-Y) while retail sales grew by 13.2 per cent.

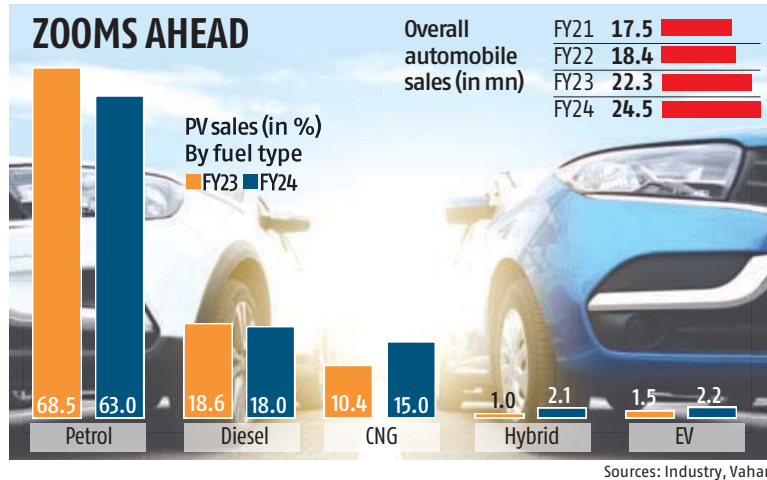
Speaking to *Business Standard*, Shashank Srivastava, senior executive director, marketing and sales at Maruti Suzuki India (effective from April 1, 2024, he will be positioned as a member of the executive committee), said that of the past 22 months, 21 saw record sales numbers, indicating that the economy was on a growth path.

SUV sales in FY24 are estimated to be at an all-time high of 2.12 million units, growing by 27 per cent Y-o-Y. Moreover, this is better than the peak sales of hatchbacks, which reached 1.55 million units annual sales in 2017-18.

In FY24, around 1.2 million hatchbacks were sold, lower than the 1.34 million units sold in the previous year.

Entry-level SUVs have performed well, crossing the 1 million mark in FY24. As such, SUV share in the overall PV market has risen to 51 per cent now.

"It is estimated to touch 53-54 per cent in 2024-25 (FY25). Typically, after hitting 57-58 per cent market share, the growth of a segment starts plateauing. We estimate that from 2025-26, hatch-



backs will make a comeback," Srivastava highlighted. According to industry estimates, in FY25, around 2.18 million SUVs are expected to be sold, as the overall PV market growth is likely to be in the range of 3-5 per cent.

Hybrids caught up with electric vehicles (EVs) in FY24, especially in the second half (H2) of the year. In H2FY24, around 52,000 units of hybrids have been sold, whereas EV sales are estimated to be around 48,000 or so.

For the full year, however, around 100,000 EVs have been sold, while 92,000 units of hybrids have been sold.

Sedans are also an interesting segment where entry-level sedans are witnessing growth in demand. However, the overall segment has decreased by 7.5 per cent in FY24, whereas hatchbacks have

declined by 12 per cent, and multi-purpose vehicles have grown by 15-16 per cent. Consumer preferences for cleaner fuels are also growing.

Diesel powertrains have slightly lost their share of the PV market — slipping from 18.6 per cent in 2022-23 (FY23) to 18 per cent in FY24.

Compressed natural gas cars have seen a rise in demand — their share grew from 10.4 per cent in FY23 to 15 per cent in FY24. Hybrids saw their share double from 1 per cent in FY23 to 2.1 per cent in FY24, whereas EVs saw a growth from 1.5 per cent (FY23) to 2.2 per cent (FY24).

Petrol engines have seen a dip — from 68.5 per cent (FY23) to 63 per cent in FY24. As for overall automobile retail sales, Vahan portal data from the Ministry of Road Transport and

Highways based on registrations showed 24.52 million units were sold in FY24, up almost 10 per cent from 22.32 units in FY23. The data is updated until March 30. In terms of registration, Uttar Pradesh (UP), Maharashtra, Tamil Nadu (TN), Karnataka, and Gujarat are the top five states. On the other hand, in terms of transactions, TN, Kerala, Karnataka, UP, and Maharashtra were the top five states.

"We have seen a lot of new records being created for passenger cars, driven by the lure of owning an SUV and that trend will continue this financial year also. New models and ease of supply of high-end variants would increase sales. Two-wheelers had a miraculous change since September. We have seen consistent growth in two-wheeler sales for the past six months now. I think increasing fund flow to rural areas due to improving economic conditions helped two-wheeler sales," said Manish Raj Singhania, president of the Federation of Automobile Dealers Associations (Fada).

According to Fada expectations, two-wheeler sales may further go up during elections, while PVs may come down as cash transactions will only be limited to the cap of ₹2 lakh.

One major concern for dealers during the year was a rise in inventory level, which went up to over 60 days in some months. "Inventory has come down in the past two months. We want it to be down to 30 days. Now it has come down to 50 days. We want to have it for around 30 days. We work on a 3 per cent margin. If we keep an inventory of 60 days, already 1.5 per cent is gone," he added.