

# SUVs power best ever car sales for February

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Chennai/New Delhi, 1 March

Auto sales in the wholesale market in February — at 373,177 units, up 11 per cent over the same month last year — were its highest ever in the second month of any calendar year. A rise in sales of sport utility vehicles (SUVs) and better supply situation drove this.

Sales in February last year were 335,324 units. This was the third-highest sales in any month — after January this year with 394,571 units and October last year, during the festival period, with 391,811 units.

During February alone, the share of SUVs in sales was around 51.5 per cent. Rural growth cumulatively in 2023-24 was 11.7 per cent against urban growth of 8 per cent owing to higher infrastructure spending by the government in rural areas. “The major drivers are positive economic growth, as it has a high correlation with growth in the passenger segment. Now, there seems to be a better supply situation as well, so there is a lot of pentup demand. Thirdly, the number of models in the SUV space helped overall growth,” Shashank Srivastava, senior executive officer (marketing and sales), Maruti Suzuki India (MSIL), told *Business Standard*.

The total from April to February is 3.85 million as compared to 3.55 million last year, posting a 9 per cent growth rate. MSIL is at 1.61 million, posting a growth rate of 9 per cent compared to last year. During February, MSIL's sales were at 160,271 units, compared to 147,467 units in February 2023. “It appears for the full financial year, the estimate is now 4.21 million units. This is expected to increase to 4.3 million units in FY25,” he added.

Top models so far this year are the WagonR, Baleno and Swift and there are six models of Maruti Suzuki in the top 10. In retail, the estimate for the month is around 335,900 units as against last year's 301,900, which too is a growth rate of 11 per cent. The difference between wholesale and retail in this case, around 40,000 units, was added to the stock. The stock level now is 300,000, which is good for 25-26 days.

Hyundai Motor recorded domestic sales of 50,201 units in February, a 6.8 per cent growth rate over last year. Hyundai Motor India Chief Operating Officer Tarun Garg said the growth momentum was continuing for the company. The Creta facelift, launched in January, had its first full month of sales in February at 15,276 units. “This was the highest monthly wholesales for the Creta since it entered the Indian market in 2015,” he noted.

Garg said in the company's sales, the share of SUVs stood at 67 per cent in the first two months of 2024. For the Indian industry's passenger-vehicle (PV) sales, the share of SUVs stood at about 52 per cent in the same time period. He said the share of rural sales in the total crossed 20 per cent for the first time ever in February 2024. “It is generally 17-19 per cent,” he said.

Hyundai remains “cautiously optimistic” about next financial year and it expects the industry's domestic PV sales to record 3-4 per



## ZOOMING AHEAD

Domestic PV sales in Feb (in units)

|                     | Feb 2023 | Feb 2024 | Y-o-Y growth (in %) |
|---------------------|----------|----------|---------------------|
| Maruti Suzuki India | 147,467  | 160,271  | 8.7                 |
| Tata Motors         | 43,140   | 51,321   | 19.0                |
| Hyundai Motor India | 47,001   | 50,201   | 6.8                 |
| M&M                 | 30,358   | 42,401   | 39.7                |
| Toyota Kirloskar    | 15,338   | 23,300   | 51.9                |
| Honda Cars          | 6,086    | 7,142    | 17.4                |
| MG Motor            | 4,193    | 4,532    | 8.1                 |

Domestic 2-wheeler sales (in units)

|                                  | Feb 2023 | Feb 2024 | Y-o-Y growth (in %) |
|----------------------------------|----------|----------|---------------------|
| Hero MotoCorp                    | 382,317  | 445,257  | 16.5                |
| Honda Motorcycle & Scooter India | 227,064  | 413,967  | 82.3                |
| TVS Motor                        | 221,402  | 267,502  | 20.8                |
| Bajaj Auto                       | 120,335  | 170,527  | 41.7                |

Source: Companies

cent growth, he noted. Tata Motors' domestic sales of PVs (including electric vehicles) during the month saw a 20 per cent rise to 51,267 units from 42,862 units last February.

Veejay Nakra, president (automotive division), Mahindra & Mahindra, said: “We sold 42,401 SUVs in February with a growth rate of 40 per cent and 72,923 vehicles with a 24 per cent growth rate over last year.”

### Rising two-wheeler sales

Domestic sales of two-wheelers in February saw significant growth. The top four two-wheeler makers — Hero MotoCorp, Honda Motorcycle and Scooter India, TVS Motor, and Bajaj Auto — had a year-on-year growth rate 16.5-82.3 per cent in February. These four firms account for about 80 per cent in the domestic two-wheeler market.

## E2W volume remains flat despite sharp price cuts

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New Delhi, 1 March

Despite sharp discounts across models to raise volumes in the past two months, electric two wheeler sales month-on-month are stagnating. Registrations to the end of February touched 79,139, marginally lower than 79,214 in January, based on VAHAN data. Only seven companies achieved over 1,000 registrations in February. This is disappointing for a market filled with 178 players who were hoping to leverage the FAME subsidy, but whose future extension is uncertain. The top four electric two-wheeler manufacturers — Ola, TVS, Bajaj and Ather — account for over 86.45 per cent of the market.

Among electric motorcycle players, the struggle to stay afloat is still on. Tork, Revolt and Ultraviolette managed to register collectively only 649 vehicles in the month and Revolt accounted for the bulk of them. The penetration of electric two-wheelers in the incremental total registrations (ICE and electric) has been hovering at 5.5 to 5.6 per cent in the last two months.

Ola has applied to raise ₹5500 crore through an IPO. It has been pushing volumes by offering substantial discounts across all its models and introducing cheaper models starting at ₹79,999. It has also dropped prices by ₹25,000. These decisions helped Ola stay at the top and far ahead of the competition.

In February, it hit registrations of 33,316 - its highest ever - but only marginally up by 3 per cent from January. Yet it controlled 42 per cent of the electric two wheeler market. The incumbents, Bajaj and TVS combined, have a 33 per cent share.