

Two-wheeler sales get a festive boost

Pre-buying of commercial vehicles 'above estimates'

REUTERS

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Top two-wheeler manufacturers saw a rise in domestic sales in March, spurred by festive demand, while commercial vehicle sales continued to grow on pre-buying ahead of the implementation of tighter fuel emission norms.

Volume growth for the final month of the fiscal year indicates healthy demand during the festive season and higher dispatches before the transition to new emission norms, analysts at Motilal Oswal said in a note.

These norms, which were implemented on April 1, require automakers to fit their vehicles with a device to check emissions, leading to extra costs. Maruti Suzuki, Hero MotoCorp and Tata Motors have all announced price hikes in the last few weeks to meet the additional costs. Domestic sales at Hero, India's largest bike-maker by volume, grew 20.9 per cent, while TVS Motor posted a 22.5 per cent rise in sales. Eicher Motors' Royal Enfield bikes reported a 2.4 per cent rise in domestic sales.

Sales of two-wheelers, indicative of the financial health of rural economy, loosely defined



TOP GEAR

Overall sales of some automakers that have reported numbers so far

Manufacturer	Vehicles sold (units)	YoY growth (%)
Maruti Suzuki India	170,071	-0.19
M&M	35,976	31.0
Tata Motors	251,822 (Q4)	3.40
Hero MotoCorp	519,342	15.0
TVS Motor	307,954	3.0
Eicher Motors Motorcycles	72,235	7.0
Eicher Motors Trucks & Buses	11,906	35.20
Ashok Leyland	23,926	19.0
M&M Farm Equipment	35,014	17.60

Source: Reuters

as lower middle-income households, have been stressed. While it grew month-on-month in March, a recovery in two-wheeler sales is still not in sight, the analysts said.

Among passenger vehicles, Maruti Suzuki saw a 0.8 per cent fall in domestic sales, while Tata Motors reported a 4.1 per cent jump in sales. However, demand for costlier and popular utility vehicles (UV) was undeterred, with Maruti Suzuki's UV sales jumping 48 per cent and Mahindra and Mahindra reporting a 31

per cent rise in the segment.

The domestic commercial vehicle segment continued to see a rise in sales as fleet operators and logistics firms made purchases ahead of the fuel emission norms. Ashok Leyland reported a 23.3 per cent rise in domestic sales, while Eicher Motors' monthly sales grew 42 per cent. Tata Motors posted a 2 per cent rise in domestic sales. "Medium and heavy duty trucks dispatches were led by demand from heavy pre-buying before BS6-II transition," the analysts said.