

Auto retail sales see 3% rise in April

Fada keeps outlook positive for May

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All-India vehicle retail data for Apr'25

Category	Apr'25	M-o-M(%)	Y-o-Y(%)
Two wheelers	1,686,774	11.84	2.25
Three wheelers	99,766	0.39	24.51
Passenger vehicles	349,939	-0.19	1.55
Tractors	60,915	-17.70	7.56
Commercial vehicles	90,558	-4.44	-1.05
Total	2,287,952	7.57	2.95

SHINE JACOB

Chennai, 5 May

Automobile retail sales witnessed a 3 per cent rise to 2.28 million units in April this year, up from 2.22 million units in April 2024. This came on the back of rising demand due to festivals across states, according to a report by the Federation of Automotive Dealers Associations (Fada) released on Monday.

All categories, except commercial vehicles (CV), closed in the green, with two-wheelers, three-wheelers, passenger vehicles, and tractors up 2.25 per cent, 24.5 per cent, 1.5 per cent, and 7.5 per cent, respectively. However, CVs saw a 1.05 per cent year-on-year decline following OEM-led price increases against stagnant freight rates and fleet utilisation.

This comes after automobile retail sales declined for the second consecutive month (0.7 per cent) in March.

Dealers indicate that advance purchases in March resulted in elevated carryover stocks, while holiday calendars dampened fresh enquiries and delayed conversions — particularly in the small commercial vehicle (SCV) cargo category, where price and product gaps have weighed heavily.

"In addition to the festivals, pause on the tariff war and sharp pullback by stock markets also helped in the recovery of sales in April," said C. S. Vigneshwar, president, FADA. In the PV segment, Maruti

Suzuki led the surge with 138,021 units with a 39.4 per cent market share. On the other hand, Mahindra & Mahindra came in second (14 per cent), followed by Tata Motors (13 per cent), and Hyundai Motor (12.5 per cent).

"This reflects a discounted market and elevated inventories amid cautious consumer sentiment that tempered enquiry-to-sale conversions," he said. "Sustained SUV demand underpinned volumes even as entry-level customers remained cautious, underscoring the need for OEMs to recalibrate production and reduce stock levels to mitigate deeper discounts and carrying costs at dealerships," he added.

The rise in two-wheelers was attributed to buoyant enquiry growth in rural areas post-Rabi harvest, while wedding-season tailwinds sustained rural offtake.

Fada expects improved numbers going ahead, as May's agricultural cycle is concluding on a strong note. "The IMD's forecast of an above-normal southwest monsoon bodes well for rural incomes, farm-sector growth, and downstream demand, while a well-distributed rainy season is critical to contain food inflation. At the same time, Kantar's Rural Barometer and GroupM data signal heightened consumer selectivity in rural India—household spending has outpaced income growth, and inflation is tempering discretionary purchases," Vigneshwar said.