

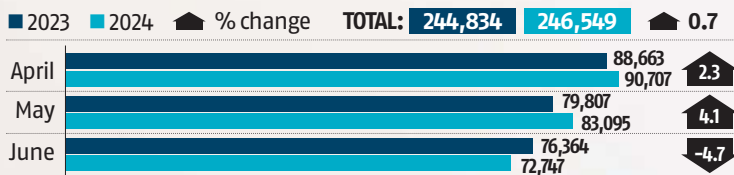
# Medium & heavy CV, bus sales power through Q1

H2FY25 expected to see demand revival as monsoon ends



Source: Fada

## CV RETAIL SALES APRIL-JUNE



DOMESTIC CV SALES	Q1FY24	Q1FY25	% change
Tata Motors	82,225	87,615	7
Ashok Leyland	39,107	41,559	6
M&M	79,032	80,177	1.4
Volvo Eicher Commercial Vehicles	18,245	18,095	-0.8

SOHINI DAS  
Mumbai, 10 July

Commercial vehicle (CV) sales, contrary to expectations of a downturn, have fared reasonably well in the first quarter (Q1) of 2024-25 (FY25), especially in the medium and heavy commercial vehicle (M&HCV) and bus segments.

The top four players — Tata Motors, Mahindra & Mahindra, Ashok Leyland, and Volvo Eicher Commercial Vehicles (VECV) — together sold over 150,454 units of medium to heavy trucks and buses between April and June 2024, registering a 7.2 per cent growth.

Girish Wagh, executive director at Tata Motors, said, “Tata Motors’ CV domestic sales at 87,615 units in Q1FY25 were around 7 per cent higher than Q1 of 2023-24 (FY24) sales. Additionally, sales in June 2024 were 3 per cent higher compared to May 2024.”

Wagh added that the M&HCV segment led the growth with around a 10 per cent rise in Q1FY25 sales volumes versus Q1FY24.

While heavy CV demand held up

well, market sentiment remained positive in the medium CV segment with demand increasing in e-commerce, automotive aggregates, and liquefied petroleum gas segments. “The CV passenger business continues its robust post-pandemic recovery, with school and staff transportation segments growing 39 per cent during the quarter,” he added.

Tata Motors’ intermediate, light, and medium CV sales also posted a 34 per cent growth during Q1FY25.

Sales of small and light CVs for Tata Motors declined by 6 per cent in Q1FY25 compared to Q1FY24, primarily due to financing challenges faced by first-time users in this category. The industry feels that a healthy monsoon, expectations of policy continuity, and a thrust on infrastructure-related developmental projects by the government are expected to improve the demand for CVs. Finance Minister Nirmala Sitharaman had increased capital allocation for infrastructure by 11 per cent in the Interim Budget to ₹11.1 trillion.

Shenu Agarwal, managing director

and chief executive officer of Ashok Leyland, said, “Against the unanimous view of the industry of a 4-7 per cent drop in FY25, we are holding a more positive view. There is a chance that the industry could end up flat, and maybe if May-June works out well, we might even see small growth. I am basing it on the pulse on the ground.”

As for Ashok Leyland, while its overall CV volumes posted a 6 per cent growth, sales of M&HCV buses grew by 82 per cent during Q1.

For VECV, light and medium-duty buses posted a 9.4 per cent growth during Q1. Overall, retail sales have also been positive.

Data from the Federation of Automobile Dealers Associations showed that between April and June 2024, retail sales of all kinds of CVs ended flat at 246,549 units compared to 244,834 units in 2023. The industry expects demand to slow down somewhat during the second quarter (Q2) before picking up in the second half (H2) of the financial year.

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