

M&HCV FY25 sales likely to drive past pre-Covid peak

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Sales of medium and heavy commercial vehicles (M&HCVs) this financial year may beat the peak of 419,000 units achieved in 2018-19 (FY19), according to industry executives.

Speaking to *Business Standard*, Sanjeev Kumar, president (M&HCV), Ashok Leyland, said as of now first-quarter sales growth was around 8 per cent, driven by demand for buses.

“Large state transport corporations that had not bought buses for almost two years are placing orders. The budgets are available. They are trying to replace the fleet,” Kumar said.

He further added: “We will see some growth this year too. The numbers need to be seen in perspective of the base. If we achieve single-digit growth over last year, when the industry sold close to 400,000 units, we will surpass the peak sales of FY19.”

Ashok Leyland posted 8 per cent growth in M&HCV sales in Q1FY25 to 26,214 units.

In July, however, its domestic sales growth declined by 14 per cent to 7,685 units. For April-July, the company has still managed to grow by 2 per cent.

In FY23 the M&HCV segment had seen a robust growth rate in wholesale dispatches, jumping by 49 per cent from 240,000 units in FY22 to 359,000 units in FY23.

Analysts had predicted an overall contraction in the M&HCV segment in FY25. ICRA, for example, had noted in a report this year that the volumes were expected to contract 4-7 per cent year-on-year, given the high base effect and also the impact of the Lok Sabha elections on infrastructure activities in the first few months.

The haulage sub-segment within the segment saw a 6 per cent decline in FY24, and the tipper volumes remained flat. However, the tractor-trailers sub-segment posted 19 per cent growth.

Overall, sales of commercial vehicles (CVs), contrary to expectations of a downturn, have fared reasonably well in the first quarter (Q1) of FY25, especially in the 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 rate.

Garish Wagh, executive director,

IN FAST LANE

- Overall M&HCV sales have grown by 8% in Q1FY25
- Analysts estimated a 4-7% decline for FY25
- Ashok Leyland M&HCV sales grew by 8% in Q1
- Tata Motors M&HCV sales increased 10% in Q1
- Tata Motors, M&M, Ashok Leyland, and VECV sold 150,000 units of M&HCV trucks and buses in Q1

“WE WILL SEE SOME GROWTH THIS YEAR TOO... IF WE ACHIEVE SINGLE-DIGIT GROWTH OVER LAST YEAR, THEN ALSO WE WILL SURPASS THE PEAK SALES OF FY19”

SANJEEV KUMAR
PRESIDENT & HEAD, M&HCV, ASHOK LEYLAND



Tata Motors, had said last month: “Tata Motors’ CV domestic sales at 87,615 units in Q1FY25 were around 7 per cent higher than sales in the first quarter (Q1) of FY24. Additionally, sales in June were 3 per cent higher than in May.”

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

While heavy CV demand held up well, market sentiment remained positive in the medium CV segment with demand increasing in the e-commerce, automotive aggregates, and liquefied petroleum gas sectors.

“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.