

Tata Motors to raise prices of CVs by 5% from April

SOHINI DAS

Mumbai, 21 March

Tata Motors (TaMo) will increase prices of its commercial vehicles (CV) range by 5 per cent starting April 1, ahead of the transition to the BSVI Phase II new emission norms.

This would be the fourth price hike by India's largest CV maker this financial year — the first one was announced last March and came into effect from April 2022. Thereafter, TaMo has implemented price hikes in July 2022 and January 2023. The total price hike thus taken by the CV maker is around 12 per cent.

“The decision to increase prices is a result of the company's efforts to comply with the more stringent BSVI Phase II emission norms. As Tata Motors transitions its entire vehicle portfolio to meet these standards, customers and fleet owners can expect a range of cleaner, greener, and technologically superior offerings that deliver higher benefits and lower total cost of ownership,” the company said in a statement.

This would be the fourth price hike announced by the CV maker this financial year – the first one was announced last March and became effective in April 2022

The price increase will be applied across the entire range of commercial vehicles, with the exact amount vary-

ing according to the individual model and variant.

In February, the company posted a 4 per cent year-on-year rise in CV sales in the domestic market to 35,144 units. But, its international shipments dipped by 61 per cent, dragging down the overall CV sales numbers by 3 per cent. After the third quarter results, an HDFC Securities report had highlighted that the India CV business had posted a strong 340 basis points quarter-on-quarter margin expansion for TaMo to 8.4 per cent on the back of softening input costs and reduced discounts. The analysts further noted that the TaMo management expects input costs to rise again from the first quarter of 2023-24, and that they have consciously started reducing discounts from September.

As such, the overall CV industry is expected to post a 26 per cent year-on-year growth this financial year closing the year with close to a million units.

A CareEdge Ratings report from November shows that the medium and heavy commercial vehicles (MHCV) segment is expected to grow by 22-24 per cent this financial year, while light commercial vehicles are likely to clock an 18-19 percent growth.