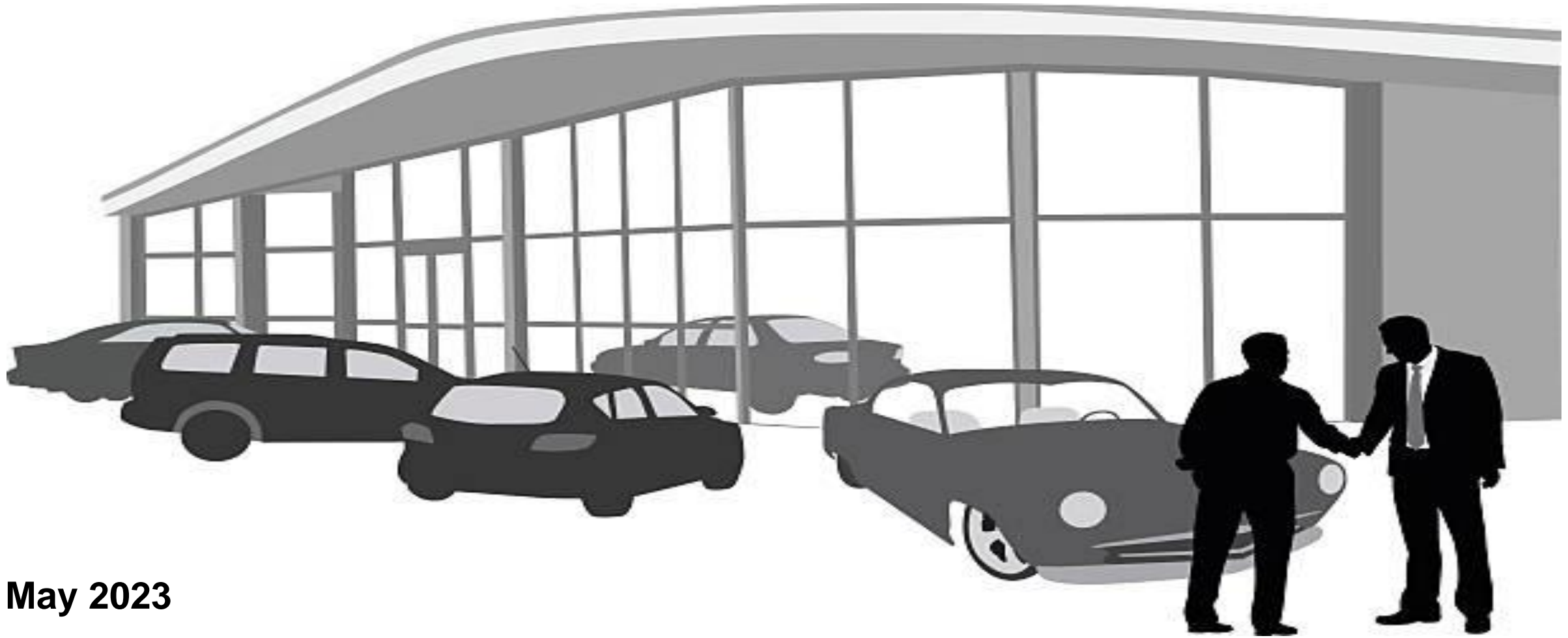


Monthly trend – Retail versus off-take

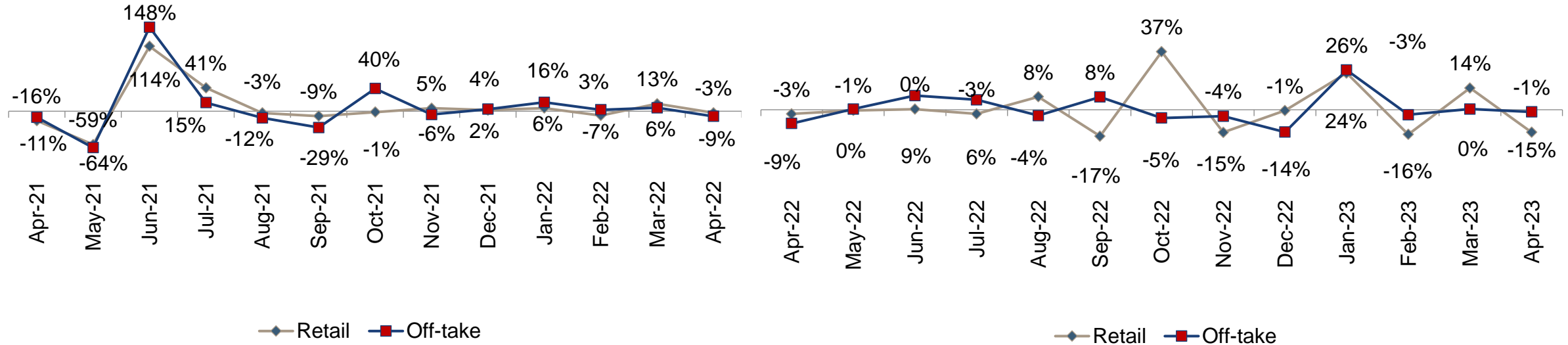


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May 2023

Retails drop sequentially in April; offtakes remain stable with the inventory push for phase 2

Passenger vehicle - Retail vs off-take (growth m-o-m)



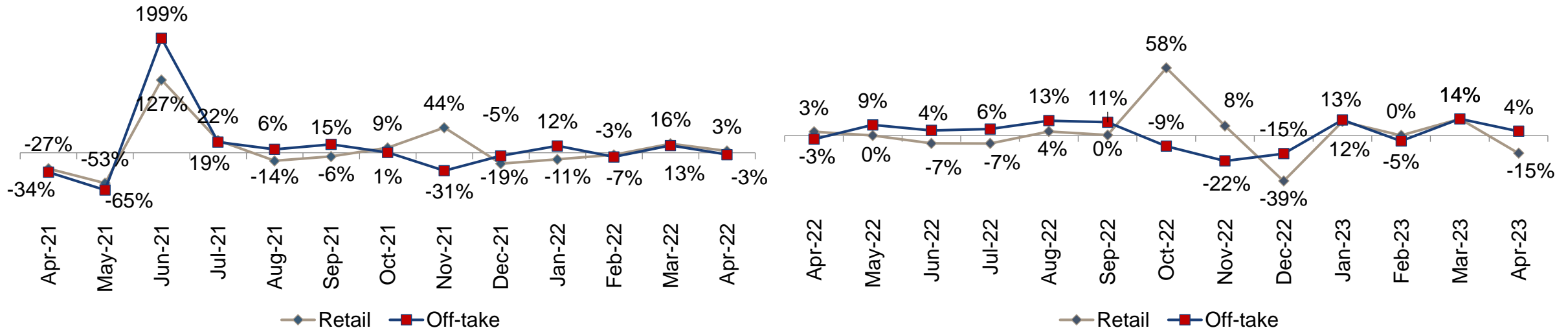
Source – MoRTH, SIAM, Tata Motors, CRISIL MI&A

- Off the high base of last month, retails witnessed some contraction in April, amidst the weakness in rural demand, unseasonal rains and BSVI phase 2 pre-buying during March. Moreover, Q1 is typically a lean retails period for the industry.
- Offtakes remained range bound amidst the inventory push for phase 2 models
- On a y-o-y basis, offtakes witnessed a 13% growth continuing its positive stride
- Despite the m-o-m drop, retails also witnessed 3 percent improvement from last year levels

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Two-wheeler retails contract in April, oftakes witness further growth

Two-wheeler - Retail vs off-take (growth m-o-m)

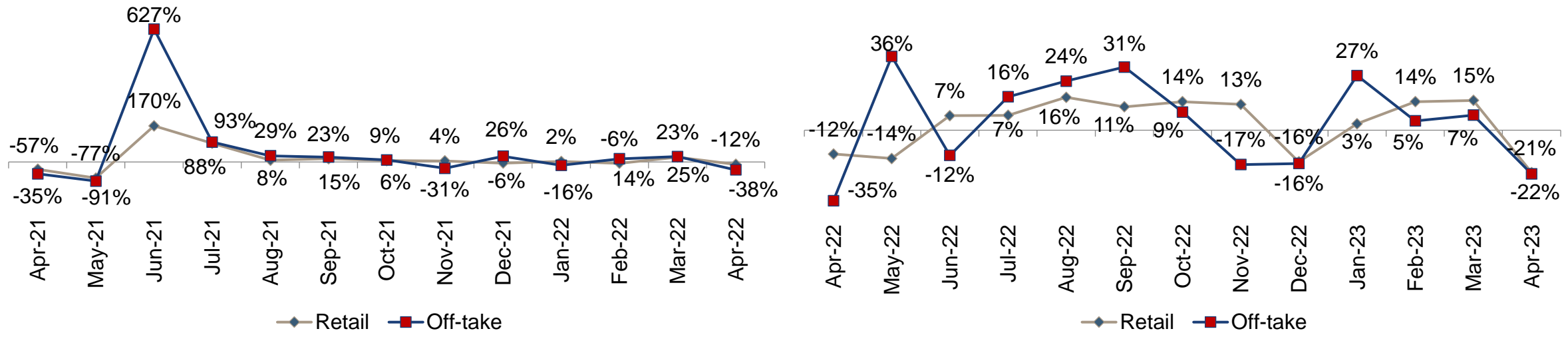


Source – MoRTH, SIAM, CRISIL MI&A

- Sequentially, oftakes grew 4% and retails dropped 15% in April.
- Oftakes increased in April with continued inventory built up of BSVI phase 2 models. Motorcycle and scooter oftakes rose sequentially, while mopeds witnessed a 5% drop
- Unfavorable weather conditions, including untimely rains and hailstorm caused crop damage in several states and negatively impacted retail momentum during the month
- Even on a y-o-y basis, retails witnessed contraction
- Oftakes, on the other hand, rose 15% y-o-y during the month

3W offtakes as well as retails contract off the high base of last month

Three-wheeler - Retail vs off-take (growth m-o-m)

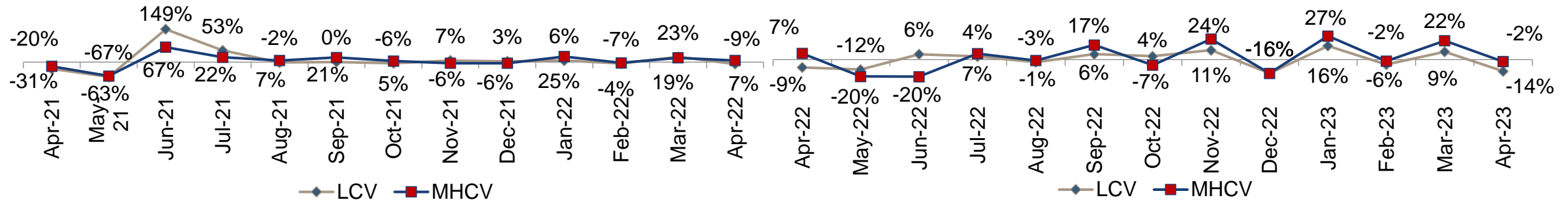


Note: Only ICE vehicle sales have been considered Source – MoRTH, SIAM, CRISIL MI&A

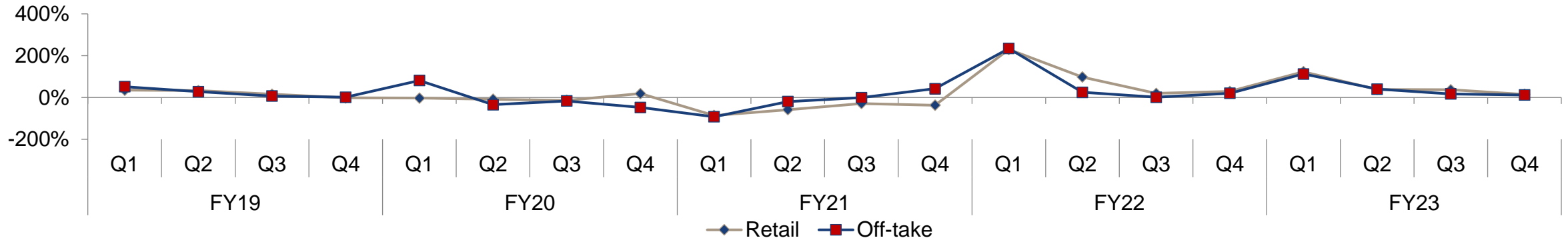
- From the high base of March, retails moderated in this typically sluggish month.
- Offtakes, too, saw about 22% tapering amidst the price rise for BSVI phase 2 mandate; Goods segment witnessed a much sharper fall of 50% while contraction in Passenger segment was restricted to ~14%
- Contrarily, on a y-o-y basis, offtakes more than doubled while retails witnessed a healthy growth. Sharp improvement in traction for passenger segment provided the thrust

Sequential drop in CV retails during April

Commercial vehicle – LCV & MHCV retail (growth m-o-m)



CV - Retail vs off-take (growth y-o-y)



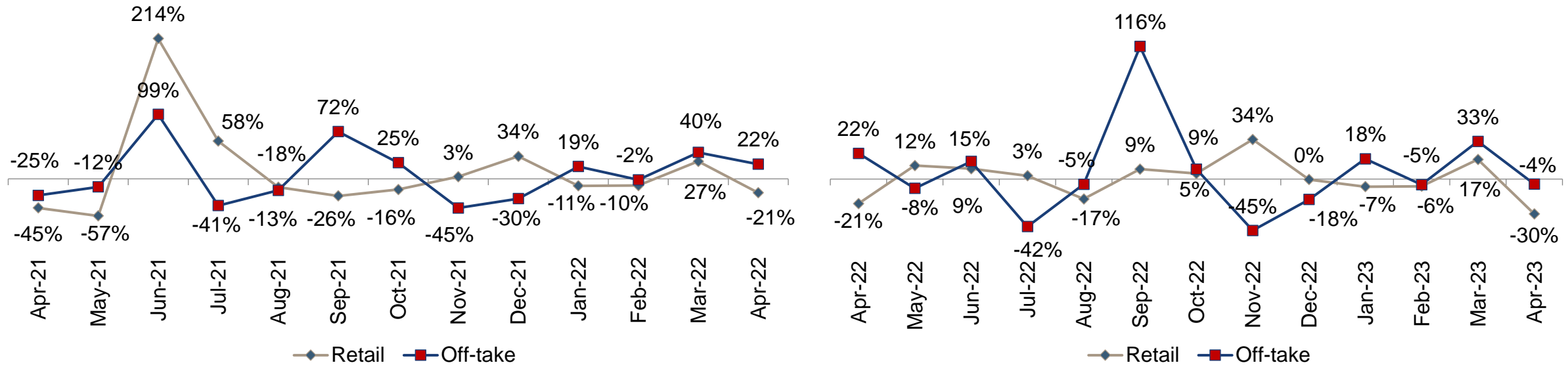
NOTE: Monthly off-take numbers are not reported by CV players from fiscal 2021 onwards
 Source – MoRTH, SIAM, CRISIL M&A

- Retail sales are normally sluggish in Q1 after increased year end sale in Q4, Moreover price rise for BSVI phase 2 also impacted retails
- In April 2023, on the high base of March, LCV retails dropped 14% during the month
- MHCV retails on the other hand, continued their traction and remained rangebound (2% drop)
- On a y-o-y basis, MHCV sales witnessed a 15% growth
- LCV sales were rangebound compared to April 2022 retails

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M-o-M drop in tractor sales during April

Tractor - Retail vs off-take (growth m-o-m)



Source – MoRTH, Industry, CRISIL MI&A

- Moderation in crop prices due to decline in crop quality amidst the unseasonal rains affected the cash flow in April
- Over the increased base of March, retails contracted 30% sequentially in April 2023
- Drop in offtakes was limited at 4% m-o-m, with inventory built up by few players
- However, compared to last year, offtakes contracted 11% from a high of April 2022 when players built up inventory for festive as well as the for the price hike; while retails gained 12% y-o-y.

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