



# INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

---

Domestic CV industry continues on  
growth trajectory

JANUARY 2023



# What's Inside...

## 1 Trends In Domestic Commercial Vehicle Industry



## 2 Segment-wise Domestic Sales Trend



## 3 Trends in Market Share



## 4 ICRA Ratings in the Sector



*Demand sentiment remains healthy aided by improved fleet utilisation on the back of healthy infrastructure, mining and macroeconomic activities.*

*Viability of fleet operators is expected to continue to remain healthy, despite some moderation in freight rates post the festive period.*



The Indian commercial vehicle (CV) industry registered a healthy growth of 16% on a YoY basis in wholesale dispatches in Q3 FY2023, supported by replacement demand, pick-up in infrastructure, mining and construction activities, improvement in the overall macroeconomic environment and overall healthy fleet utilisation levels.



The growth trends were broad-based, wherein the M&HCV (Trucks) segment reported a 28% YoY growth, LCV (Trucks) grew at 5%, and the passenger carrier/buses segment also reported a healthy growth of 131% during the quarter, albeit on a low base. The growth in the truck segment was supported primarily by the improvement in macroeconomic activity, and healthy replacement demand.



In Q3 FY2023, the passenger carrier (bus) segment reported volumes of 16,480 units. Resumption of offices, colleges and schools, as well as replacement demand supported growth in this segment.



Retail CV sales of 220,757 units in Q3 FY2023 were marginally lower than wholesale dispatches of 226,808 units. However, the overall demand sentiment remains positive, driven by the Government's push towards infrastructure creation, coupled with replacement demand.



In FY2023, ICRA expects the CV industry volumes to grow at a healthy rate supported by steady freight demand, economic recovery, the Government's focus on infra spending and boom in e-commerce. However, inflation concerns driven by hike in interest rates and continued high fuel prices and its impact on the viability of fleet operators would continue to remain monitorable.



ICRA

## Analytical Contact Details



**Shamsher Dewan**

*Group Head*

**Kinjal Shah**

*Co-Group Head*

**Sruthi Thomas**

*Sector Head*

**Karan Punjabi**

*Senior Analyst*



shamsherd@icraindia.com

kinjal.shah@icraindia.com

sruthi.thomas@icraindia.com

karan.punjabi@icraindia.com



0124 – 4545 328

022 – 6114 3400

0124 – 4545 822

022-6169 3358





ICRA

## Business Development/Media Contact Details



**L. Shivakumar**

*Executive Vice-President*

**Jayanta Chatterjee**

*Executive Vice-President*

**Naznin Prodhani**

*Head Media & Communications*



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022 – 6114 3406

080 – 4332 6401

0124 – 4545 860





***© Copyright, 2023 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

**Thank You!**