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[Tata](#) Motors recently phased out its once popular vehicles [Indica](#) and Indigo because of declining sales. Its small car Nano is likely to meet the same fate soon. Currently, the company still produces Nano, but the sales are quite low. Total sales were a mere 1,851 units in FY18. While Indica, launched in 1998 sold 2,583 units in FY18, Indigo, which was launched in 2002, sold even lower at 1,756 units, following which they were discontinued.

Launched in 2009 as the then Tata Group chairman Ratan Tata's pet project, the Nano seems to have lost the plot long ago. Though the company tried to reinvent it by launching a GenX version in 2015 fitted with automatic manual transmission, it didn't boost sales. Sources say by next year the car will be phased out. The company's plant in Sanand, Gujarat, is mostly being used for manufacturing newer models like Tiago, which is selling well in the market.

The peak volumes clocked by Nano were way back in FY12 at 74,524 units. Since then it has been a downhill journey. There was a slight recovery in FY16 when some 21,012 units were sold, but after that the decline accelerated. In FY17, a total of 7,591 units got sold while in FY18 it was a mere 1,851 units.

Over the last few years the market for auto underwent a major change — small cars went out

of vogue.

What replaced them is the compact segment and sports utility vehicles. It is in this context that the company is no more trying to keep Nano alive by making upgrades to it. For instance, in FY18, utility vehicles sustained high double-digit growth (21.0%) resulting in an all-time high segment share (28%) while passenger car sales growth (3.3%) tapered in Q4 (0.9%). During the year, passenger cars continued to witness a shift in sub-segment distribution, with compact segment further increasing its share to 64% (up 4% y-o-y).

Nano sales

(units)



While Nano could not be a success, even Tata's launches around 2013-14 — Zest (sedan) and Bolt (hatchback) — did not click. However, its latest models such as Tiago, Tigor, Nexon, and Hexa are doing quite well. The company recorded a 61% growth in sales of its passenger vehicles at 17,489 units in May compared with the same month last year.

“Thanks to the continued strong demand for Tiago and Tigor, our car sales recorded a growth of 18%, while the utility vehicles continued to record an exceptional performance of 463% growth, due to the strong demand for Nexon and Hexa,” Tata Motors passenger vehicles business unit president Mayank Pareek said. In FY18, Tata Motors PV sales were up 22% at 187,321 units.

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