

# Auto Dispatches May Scale New Peak in Oct

Volumes shipped to dealers estimated to have risen 15% on yr, but sales may moderate in Nov

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Mumbai: Car makers in India are estimated to have dispatched record volumes to their dealers anticipating a strong demand. They are likely to have shipped around 380,000-385,000 cars during October, surpassing the previous high of 362,000 units of September, as per industry estimates. This would imply a growth of 14.5% YoY growth over the last year in the period — the highest in more than a year.

While the current year's festive season is expected to be a record one, the month could well be one of the last ones of such a high growth with the festive season coming to an end in a fortnight. The likelihood of manufacturers curtailing dispatches from next month to re-align the supplies to demand may moderate sales volumes.

October is the third month in a row when monthly wholesale volumes broke previous highs. With October volumes likely to have touched 380,000 units, the total tally for the current calendar year in the first ten months reached 3.45 million units, a growth of 9% YoY.

Shashank Srivastava, senior executive officer at Maruti Suzuki India said, "October will be yet another month of record dispatches with a 16% growth YoY." He, how-

## Fast Track

### OCTOBER SALES

Estimated wholesale volumes  
**380,000-385,000** units

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So far  
**328,000**  
cars registered



### FESTIVE SEASON SALES

**300,000**  
passenger cars  
have been  
registered for  
3 months in a  
row beginning  
August

The 10 days of  
Navratri and  
Dussehra saw  
PV sales grow  
only **2%** YoY

Retail sales  
grew **19%** in 5  
days post  
Dussehra

Source:  
Vahan

ever, conceded that the stock reduction in October hasn't come down to the expected levels. "While October retails have been strong, it's below expectations, that's why the disquiet," he added. The real picture will emerge after a fortnight once the festive season ends. If the stock doesn't come down by mid-November, it will weigh on the dispatches in the subsequent months, he noted.

The ten days of Navratri and Dussehra saw passenger vehicle retails to grow only 2% YoY. Retail sales advanced 19% in the five days post Dussehra, according to Vahan retail sales. "The bookings have slowed down, so have the enquiries. But this time around we will have a good period for three consecutive good months," said Vinkesh Gulati

chairman, research & academy at FADA (Federation of Automobile Dealers Association)

There are challenges in slow-moving models and their stocks are also in a high range where the fear is. "We may see a December with lead scheme as compared to last year on selling models, but more in slow-moving models," he added.

For now, the buoyancy in the wholesale volume is mirroring in the retail volume encouraging carmakers to push more volume in the system to take advantage of festival mood. According to Vahan data, over 300,000

passenger cars have been registered for three months in row beginning from August 2023 taking the total tally to 0.96 million so far with two more days of sales yet to be reflected on the government registration portal. So far 328,000 cars have registered in October, the data Vahan shows.

Hemal Thakkar, director at Crisil Market Intelligence and Analytics, cautions that one mustn't read much into these numbers. "The high level of discounting across the segment indicates that this is more of a sales push than demand pull." The dealers are under intense pressure to liquidate the stock by the end of the festive period which concludes with Bhai Dooj, in mid-November otherwise they run the risk of being saddled with unsold stock, said Thakkar. He expects growth in India's passenger vehicle market to peter out to single digits — to 5-6% in FY24 from the high double teens, he said.

Inventory in the beginning of September at car dealerships stood at record levels of 60-65 days, FADA said in a statement last month. "While the festive season has been good, this level of stock built-up by the industry wasn't warranted as the car market was already at a very high base. More than anything else, it's the mismatch of expectations," said Alwar-based Nikunj Sanghi, managing director at JS Four Wheels that has Mahindra and Hero MotoCorp dealerships.



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## Over Three Dozen Cars to be Tested under Bharat NCAP

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Mumbai: Starting December 15, over three dozen cars from various manufacturers—mostly from India, Japan, and Korea, will start getting crash-tested under the newly constituted Bharat NCAP (new car assessment program) norms.

The regulation based on the Global NCAP protocols, came into effect from October; the tests however, will commence only post Diwali in December, said a government official citing festivals as the reason for the testing getting pushed by over a month or half.

Currently, India has mandatory crash test norms for cars for structural safety. The BNCAP rating will assess a car based on three features including Adult Occupant Protection (AOP), Child Occupant Protection (COP) and Safety Assist Technologies (SAT). Under BNCAP, manufacturers or importers of motor vehicles will have to apply in form 70-A to the agencies designated by the central government. The agencies will as-

sign star ratings to the vehicles ranging from zero to five in accordance with the Automotive Indian Standard (AIS) based on their performance in the tests.

"Even though the safety ratings are not mandatory, we have got an excellent response from the car manufacturers and all of them are vying for a five-star rating,"



Tata Motors is the first company to have applied for the BNCAP rating, says govt official

said the government official, attributing the increasing awareness among car buyers as the reason. The cost of testing the vehicles under the BNCAP will be 40-50% of the ₹2.5 crore to ₹3 crore which some of the manufacturers were spending for GNCAP ratings, said the official.

Tata Motors is the first company to have applied for the BNCAP rating, the official added. The company's newly launched Harrier and Safari models will be the first to undergo the crash for safety rating, said another government official.