

# Higher production, festivals drive car sales in November

Sales increased 3.9% to 335,354 units

## HAVING A GREAT RIDE

Passenger vehicle wholesales of major companies

Company	Sales		Y-o-Y change (in %)
	Nov '22	Nov '23	
Maruti Suzuki	132,395	134,158	1.33
Hyundai India	48,002	49,451	3.02
Tata Motors	46,037	46,068	0.07
M&M	30,392	39,981	31.55
Toyota Kirloskar	11,765	16,924	43.85
Honda Cars	7,051	8,730	23.81
MG Motor	4,079	4,154	1.84

Source: Companies



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Domestic passenger vehicle (PV) wholesales in November rose by 3.9 per cent year-on-year (Y-o-Y) to 335,354 units, driven by strong festival sales and increased production amid improved availability of semiconductor chips.

Wholesales of India's four leading two-wheeler companies — Hero MotoCorp, Honda Motorcycle and Scooter India (HMSI), TVS Motor, and Bajaj Auto — meanwhile, grew between 19 per cent and 77 per cent Y-o-Y, mainly on account of good festival-season demand. These companies together have about 80 per cent share of India's two-wheeler market.

Hero MotoCorp said it was expecting demand to remain healthy in the coming months, given favourable economic indicators, positive consumer sentiment, and the ongoing marriage season. India's largest two-wheeler maker recorded retail sales of over 1.4 million units — its highest ever festival-season numbers — during the 32-day period from the first day of the Navaratri to Bhai Dooj this year.

Shashank Srivastava, senior executive officer (marketing & sales), Maruti Suzuki India Ltd (MSIL), told reporters on Friday: "PV sales growth of 3.9 per cent in November is lower than the 7.9 per cent growth recorded between April and November. However, the wholesales this November were the highest ever recorded for the month."

Improved production with better semiconductor availability, combined with festival-season sales in the first 15 days of November, helped the Indian PV industry achieve total wholesales of 335,354 units, he added. MSIL's domestic sales increased by just 1.33 per cent Y-o-Y to 134,158 units.

The current inventory with dealers, Srivastava said, was 30-35 days, and PV makers would reduce that as the year was coming to a close. "With a significant retail push expected in December, inventory levels are expected to

decrease. So, wholesale numbers for December are likely to be considerably lower." The auto industry's domestic PV sales in 2023-24 are expected to increase 6.1 per cent Y-o-Y to 4.13 million units, he added.

Prabhudas Lillardher Research Analyst Himanshu Singh said annual growth for PV makers was slightly below expectations, even as the sports utility vehicle (SUV) segment continued to outperform. "OEMs (original equipment manufacturers) may have reduced inventory, given that wholesale growth was lower than retail sales. Production and wholesales to an extent were hit by a higher number of festival holidays during the month, more so for the SUV segment."

Hyundai Motor India Ltd's (HMIL's) domestic sales increased 3.02 per cent Y-o-Y to 49,451 units. Its chief operating officer, Tarun Garg, said: "December is one of the best months for retail sales. The inventory levels are moderate. HMIL has an inventory of about 3 weeks now. By the end of December, we expect it to reduce to 2 weeks. This is also a month when consumers expect good offers. HMIL has also launched attractive offers. But, given a moderate inventory, there is no need for desperation."

Companies like MSIL and Tata Motors have announced price increases from January 1. "Prices of certain commodities like copper and rubber have gone up in the past few months, and there is inflationary pressure too. At Hyundai, we are trying to absorb the costs as much as possible, but a decision on price increase will be taken in the next few weeks. Some part of this cost escalation might need to be passed on to the consumer," Garg said.

Toyota Kirloskar Motor's (TKM's) domestic sales rose 43.85 per cent Y-o-Y to 16,924 units in November. "This (growth) is despite a weeklong scheduled halt as part of maintenance to enhance future efficiencies and ensure quality... We recorded a strong festival season with healthy bookings," said Atul Sood, TKM's vice-president for sales and strategic marketing.