

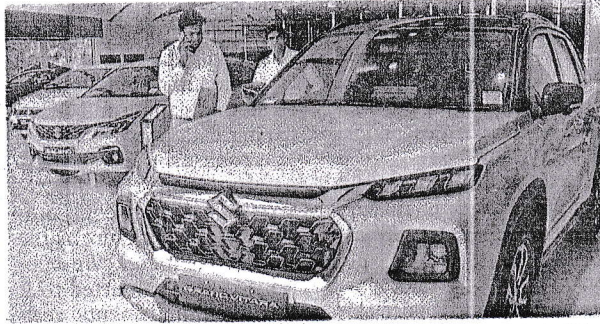
# PV inventory to normalise by fiscal-end: FADA

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Passenger vehicle (PV) inventory is expected to be normalised by the end of the financial year.

According to the Federation Of Automobile Dealers Association (FADA), the PV inventory in December was between 55 and 60 days. Normal PV inventory with dealers is between 21 and 35 days.

"PV inventory has reduced gradually from 85 days to now 60 days. We are anticipating the inventory to normalise by the end of this financial year. The PV retail



**BULLISH OUTLOOK.** FADA said that it sees an increase in PV retail sales at the start of 2025 PTI

sales increased at the end of December while the wholesale saw a reduction. The sales of two-wheelers were impacted in December largely due to cash flow.

However, the tractor sales have increased during the year, which indicates that the rural demand will come back," CS Vigneshwar, FADA President, told *businessline*.

FADA added that it sees an increase in PV retail sales at the start of 2025.

"For PV, upcoming new launches, wedding-season demand and year-start promotions should drive footfalls, though potential price hikes could moderate gain. Despite financing headwinds and heightened competition, many retailers believe that focused marketing strategies, robust supply chains and better alignment with customer preferences will create a foundation for sustained expansion," FADA said in a statement.

**CONCERNING LEVELS.** Earlier, FADA had flagged the

high inventories causing financial pressure with increased cash-flow challenges.

The association had urged the Reserve Bank of India to issue strict guidelines on funding to mitigate the risk automobile dealers face.

The PV inventory held by dealers had increased from 80 to 85 days with over 7.9 lakh vehicles available with dealers valued at ₹79,000 crore.

To reduce inventory, the OEMs were offering discounts on PVs in the range of ₹50,000 to ₹5,00,000 during the festival season while automobile dealers were giving offers on accessories.