

PV sales slide 19% in Sep, inventory at record high

SHINE JACOB
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Passenger vehicle retail sales dropped sharply by 19 per cent in September, largely due to seasonal factors such as heavy rainfall and 'Pitru Paksha' or 'Sharadha' — a 16-day lunar period when purchasing a new product is avoided by many.

This sharp year-on-year (Y-o-Y) dip in sales exacerbated another challenge that the sector has been facing for a while now, the inventory pileup. It soared to a historically high mark of 80-85 days for the dealers, which is equivalent to 790,000 vehicles worth ₹79,000 crore.

In the month of August, the inventory level was at 70-75 days, totalling 780,000 vehicles, valued at an alarming ₹77,800 crore. The latest figures were released by Federation of Automobile Dealers Associations (Fada) as part of its monthly update on Monday.

Fada, however, said that the near-term outlook for automobile retail is cautiously optimistic as both Navratri and Diwali fall in the same month, creating strong expectations for a surge in vehicle sales.

Given the critical festive season around the corner, Fada has urged original equipment manufacturers (OEMs) to take immediate corrective measures to avoid a financial setback. It also asked the Reserve



Category	Sep '24 auto sales	Y-o-Y chg in (%)
Two-wheelers	1,204,259	-9.0
Three-wheelers	106,524	0.7
Passenger vehicles	275,681	-19.0
Tractors	62,542	15.0
Commercial vehicles	74,324	-10.5
Total	1,723,330	9.3

Source: Fada Research

Bank of India (RBI) to issue an advisory to banks, mandating stricter channel funding policies based only on dealer consent and on actual collateral, to prevent dealers from facing additional financial pressure due to unsold stock.

"This is the final opportunity for OEMs to recalibrate and support market recovery before it is too late," said C S Vigneshwar, president of Fada.

Interestingly, the overall retail sales for September declined by 9.26 per cent, with all the other categories,

except three wheelers and tractors showing a sharp decline compared to the same time last fiscal.

Two wheelers and commercial vehicles dipped by 9 per cent and 10.45 per cent respectively, in addition to the massive dip in passenger vehicle sales. Three wheelers saw an increase of 0.66 per cent and tractors by 15 per cent during the month under review.

Among carmakers, Maruti Suzuki saw a dip of 20 per cent in sales to 141,318, while that of Hyundai Motor India declined

JLR retail sales fall 3% in Q2FY25

Tata Motors-owned Jaguar Land Rover on Monday reported a 3 per cent decline in retail sales at 1,03,108 units in the second quarter of the current financial year as compared to the year-ago period. Retail sales for the first six months of the financial year were at 2,14,288 units, up 3 per cent year-on-year, Tata Motors said in a statement. PTI

by 25 per cent, Tata Motors by 19 per cent. Among the top four players, Mahindra and Mahindra saw a marginal rise of 0.4 per cent, surpassing Tata Motors as the number three player. "Despite the onset of festivals such as Ganesh Chaturthi and Onam, dealers have reported that the performance has been largely stagnant. This suggests that overall market sentiment during these festive periods has been underwhelming, with a trend leaning towards flat or negative growth," Vigneshwar said.

"The Shraddh period further impacted sales negatively, leading to a Y-o-Y (year-on-year) decline in retail sales across various categories. Discounts and offers have been introduced across segments to stimulate demand, but these have yet to translate into a significant improvement in sales," he added.