

High auto stock no worry on bumper festival sales hope: Fada

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Dealers in India currently maintain an average passenger vehicle (PV) inventory of 60 days, and they are content with it right now as they anticipate bumper sales during the upcoming festival season, according to Manish Raj Singhania, president of the Federation of Automobile Dealers Associations (Fada), on Thursday.

“The stock with dealers has been steadily increasing in this financial year. At the beginning of this financial year, dealers had stocks for about 30-32 days,” Singhania told Business Standard in an interview on the sidelines of the annual Auto Retail Conclave. Dealers generally feel more comfortable with 30-32 days of inventory.

Fada calculates the festival season from the first day of Navratri to 15 days after Dhanteras. Last year's festival season lasted for 42 days.

Is an average 60-day inventory a concern for dealers?

Singhania replied: “We talked to our dealer members. In a recently concluded survey, 95 per cent of the dealers expressed optimism about the festival season. They don't want to miss out on the incremental demand that comes during this period.”

“When we talked to our members, we questioned whether they wanted us to highlight this issue with PV makers. Right now, everyone is okay... If demand is good during the festival season, then the stock with dealers will come down to 30 days. If demand dwindles during this season, then it will be a significant cause for concern,” he added.

Singhania said that during

E-tailers to see ₹90K cr festival sales, says Redseer

E-commerce retailers led by Amazon and Flipkart are expected to garner sales worth ₹90,000 crore this festival season, 18-20 per cent higher than last year, according to a report by Redseer Strategy Consultants. “This will be driven by about 140 million shoppers who are expected to be transacting online at least once during this festive month.” PEERZADA ABRAR



last year's festival season, dealers “missed the bus” because there was huge demand, but they didn't have enough vehicles.

“This time, dealers are proactive; they are picking up stocks,” he added.

However, he clarified that dealers are receiving more stocks of companies' entry-level cars, which have lower demand than sport utility vehicles (SUVs).

“For Mahindra, it's the Bolero (the entry-level car). For Maruti, it's the Alto. For Hyundai, it's the i10. Those are sitting in stocks,” he said.