

High dispatches, low retail sales may up PV inventory

Dispatches log best Nov numbers with 4.1% growth, retail sales decline 14%

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Passenger vehicle (PV) dispatches grew 4.1 per cent, the highest ever in November even as retail sales fell by 14 per cent during the same month.

This may lead to further rise in inventory levels if retail numbers do not pick up in December.

According to data from the Society of Indian Automobile Manufacturers (Siam), 347,522 units of PVs were dispatched by original equipment manufacturers (OEM) in November, a growth of 4.1 per cent over the previous year.

The festivals were split into October and November in 2023, indicating a high base. This can lead to a rise in inventory levels at the dealer end as retail sales in November have been sluggish.

Federation of Automobile Dealers Associations (Fada) noted earlier this week that weak market sentiment, limited launches and the early festival push in October dampened November's performance.

"Despite inventory correction (down by around 10 days), stock levels continue to remain high at 65-68 days. Fada continues to urge PV OEMs to rationalise supply to ensure a healthier inventory position entering the New Year," it had said.

Maruti Suzuki India, the country's largest PV player, said on December 1 that it has inventory levels of 30 days.

Similarly, the country's largest electric vehicle (EV) company Tata Motors also said that its current inventory levels are 30 days.

Auto OEMs said they continuously do retail and wholesale comparison on a monthly basis — comparing the Vahan data and dealer dispatches. "Every OEM does this," said an industry insider.

Fada president CS Vigneshwar, however, told *Business Standard* that "We are stuck with a 65-day inventory at an overall industry level for PVs. We won't know for sure where this will go until the end of this month. The 65-day could perhaps be the historical high for December."

Rajesh Menon, director general, SIAM,



SLUGGISH DEMAND

Domestic sales for Nov

	Units	% change Y-o-Y
Passenger vehicles	347,522	4.1
Scooters	568,580	11.7
Motorcycles	990,246	-7.5
Mopeds	45,923	5.6
Three-wheelers	59,350	-1.3

Note : BMW, Mercedes, JLR & Volvo Auto data are not available. Tata Motors domestic sales data included only in 'Total PV', detailed breakup is not available. However, without Tata Motors, 'Total PV' would be 2,87,765 for November 2023 and 3,00,459 for November 2024. Source: Siam

said on Friday that the demand momentum seen in October during the festival period has continued in November for the industry as a whole. But for two-wheelers and three-wheelers, it witnessed minor fall in November.

He added, "Passenger vehicles posted their highest ever sales in November 2024 at 348,000 units, with a growth of 4.1 per cent compared to November 2023. Though Diwali did not fall in November 2024, the two-wheeler segment posted sales of 1.6 million units during the month. It crossed 1.6 million units for the first time in a non-Diwali November. However, there was a degrowth of 1.1 per cent compared to November of the previous year for two-wheelers. Three-wheelers marginally grew by 1.3 per cent compared to November of last year, with sales of 59,000 units in November 2024."

In the two-wheelers segment, scooter dispatches went up by 11.7 per cent while motorcycles fell by 7.5 per cent. Moped dispatches grew 5.6 per cent.

Companies like Bajaj Auto saw a significant rise in scooter dispatches — 25,910 units in November 2024 from 8,472 units in the same period last year, riding on Chetak.

Retail, too, saw a mixed performance across segments — two wheelers grew by 15.8 per cent, and three wheelers by 4.23 per cent. PV and commercial vehicles saw 13.72 per cent and 6.08 per cent declines, respectively.

Month-on-month (M-o-M) comparisons also reflected uneven results in retail, with two-wheeler sales growing by 26.67 per cent. PVs and CVs contracted by 33.37 per cent and 15.85 per cent, respectively.

"The late timing of Diwali in October led to festival registrations spilling onto November, slightly boosting numbers but not sufficiently offsetting weaker marriage season demand. Rural demand offered limited support, particularly in the two-wheeler segment, but failed to provide a substantial lift for PVs and CVs," Fada said.