

PVs record best Feb sales as 2Ws continue to skid

ANJALI SINGH
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The wholesale passenger vehicle (PV) numbers for February reflected highest-ever sales, rising 2 per cent year-on-year (Y-o-Y), whereas the two wheeler (2W) sales posted a decline of 9 per cent. This follows the trend of retail sales for the month as two-wheeler sales were down by 6 per cent and PVs by 10 per cent. This is a worrying trend as inventory with dealers tends to rise.

According to data released by the Society of Indian Automobile Manufacturers (SIAM), PV wholesales reached an all-time high for February, hitting 377,689 units, a 1.9 per cent increase from the same month last year. This surge, however, is not mirrored in retail sales as PVs plummeted by 10.34 per cent Y-o-Y, according to data from the Federation of Automobile Dealers Associations (FADA), indicating a disconnect between factory output and consumer demand.

“The PV segment remained resilient and posted its highest-ever sales of February in 2025 of 3.78 lakh units,” stated SIAM Director General Rajesh Menon. Yet, this resilience at the wholesale level is not seen in the retail market, where weak consumer sentiment, particularly in the entry-level segment, and delayed purchase conversions are plaguing dealers. FADA also cautioned OEMs (original equipment manufacturers) against excessive inventory loading, highlighting the risk of unmanageable stock levels. The current inventory levels at dealerships stand between 50 and 52 days.

The two-wheeler segment faced an even sharper decline, with wholesales falling by 9 per cent to 1,384,605 units. Motorcycles registered a steep 13.1 per cent drop in sales, while scooters declined marginally by 0.5 per cent and mopeds witnessed the sharpest fall of 18.2 per cent.

Retail sales in the segment followed a similar trajectory, dropping by 6.33 per cent Y-o-Y. The decline was steeper in urban areas, falling 7.38 per cent, compared to the 5.5 per cent drop in rural markets. This slowdown was attributed to inventory imbalances, aggressive pricing adjustments following OBD-2B norms, weak consumer sentiment, lower inquiry volumes, and restricted financing availability.

Despite these challenges, SIAM remains optimistic about the upcoming festive season. “Upcoming festivities of Holi and Ugadi in March are likely to continue to drive demand, thereby closing the current financial year (FY25) on a reasonably positive note,” Menon said.



TRACKING ROAD

■ Wholesale ■ Retail (Units)

Category	Feb '25	Y-o-Y change (%)
PV	377,689	1.9
	303,398	-10.3
2W	1,384,605	-9.0
	1,353,280	-6.3
3W	57,788	4.7
	94,181	-1.9

PV: Passenger vehicle; 2W: Two-wheeler; 3W: Three-wheeler
Sources: SIAM, FADA

However, FADA’s insights suggest a more cautious outlook. While positive agricultural output and festive demand might provide some relief in the 2W segment, and government spending could boost commercial vehicle (CV) sales, the PV sector faces challenges. Dealers are hoping that attractive schemes and financial year-end advantages will stimulate demand in March.

In contrast to two-wheelers, the three-wheeler wholesale segment saw a 4.7 per cent growth, with total sales reaching 57,788 units. Passenger carriers led this segment with a 6.8 per cent increase, while goods carriers saw a 5.9 per cent rise. However, electric rickshaws and e-carts experienced significant declines of 50.9 per cent and 30.6 per cent, respectively. However, this was not seen in the retail segment as it saw a decline of 2 per cent, reaching 94,181 units compared to 107,033 units in the same period last year.

With OBD-II emission norms set to take effect in April 2025, March wholesales are expected to lead to a further dip as OEMs focus on clearing existing inventory before the new norms kick in. From April 1, two-wheelers made in India are supposed to comply with OBD-II B norms for emission standards that requires an OEM to put a monitoring system that does real-time monitoring and reporting of emission levels.