



INDIAN AUTOMOBILE INDUSTRY – PASSENGER VEHICLES

**Inventory at dealer level remains
high despite strong retails**

NOVEMBER 2024





[Click to see full report](#)

Wholesale volumes improved sequentially in October 2024; inventory remained at elevated levels despite strong retails. Continuation of demand in the ongoing wedding season key to provide liquidity cushion to dealers.

ICRA has revised its outlook on the PV industry to 0-2% growth in FY2025 against a previous growth estimate of 3-6% due to elevated inventory, which has curtailed the wholesale volume growth.



In October 2024, domestic wholesale sales volumes improved marginally on YoY basis to 3.9 lakh units. The supplies from original equipment manufacturers (OEMs) remained steady, which led to ~10% sequential growth in volumes. Retail sales improved at a strong pace in October 2024 by ~75% sequentially on the back of strong festive season with attractive discounts and competitive financing rates; on a YoY basis, retail sales improved by 37% amid strong footfall. Overall, in the festive season, retail sales grew at a moderate pace of ~6% YoY to ~6.5 lakh units.



Inventory levels remain elevated between 75-80 days at the end of October 2024, despite strong retails as per the Federation of Automobile Dealers Association (FADA) because of steady production. Sport Utility vehicles (SUVs) continued to be the most preferred segment in the passenger vehicle (PV) industry, driving 63-64% of the overall PV volumes. The utility vehicles (UVs) are likely to remain the key volume drivers in the near term. Continuation of demand in the ongoing wedding season remains key to keep inventory levels under check and provide liquidity cushion to the dealers.



Monthly export volumes remain moderate; volumes in October 2024 improved by ~14% on a YoY basis, however, moderated by ~9% on a sequential basis. The trend needs to be monitored as a shortage of forex availability in certain African markets and inflationary pressures may hit demand.



ICRA has revised its outlook on industry volume growth to 0-2% for FY2025, owing to elevated inventory level, which has partly impacted the production and thus has curtailed the industry wholesale volumes.



ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	shamsherd@icraindia.com	0124 – 4545 328
K. Srikumar	Co-Group Head	ksrikumar@icraindia.com	044 – 4596 4318
Rohan Gupta	Sector Head	rohan.kanwar@icraindia.com	0124 – 4545 808
Akshay Dangi	Analyst	akshay.dangi@icraindia.com	0124 – 4545 396





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2024 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!