



INDIAN AUTOMOBILE INDUSTRY – PASSENGER VEHICLES

**Inventory levels remain moderate;
continuation of demand a key
monitorable**

JANUARY 2025





[Click to see full report](#)

Wholesale volumes improved on YoY basis in December 2024; inventory levels too improved, but remained elevated owing to slowdown in sales during the end of the calendar year. Expectation of demand from the ongoing wedding season is key to provide further liquidity cushion to dealers.

ICRA maintains its outlook on the PV industry to grow at 0-2% in FY2025 due to elevated inventory, which has curtailed wholesale volume growth.



In December 2024, domestic wholesale sales volumes improved on a YoY basis to 3.1 lakh units. The supplies from original equipment manufacturers (OEMs) remained steady, which led to ~10% YoY growth in volumes. However, the volumes moderated from the highs of October and November 2024 as OEMs continued to rationalise their production levels to control inventory. Retail sales moderated by ~9% on a sequential basis, partly on account of slowdown in sales during the end of the calendar year.



Inventory levels moderated to 55-60 days; but remained elevated at the end of December 2024, as per the Federation of Automobile Dealers Association (FADA). Sport utility vehicles (SUVs) continued to be the most preferred segment in the passenger vehicle (PV) industry, driving 64-65% of the overall PV volumes. 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 dealers.



Monthly export volumes improved at a healthy pace of 30% on sequential and YoY basis in December 2024. Overall, in 9M FY2025, export volumes grew by ~14% on a YoY basis. The trend needs to be monitored as a shortage of forex availability in certain African markets and inflationary pressures may hit demand.



ICRA's outlook on industry volume growth is 0-2% for FY2025 (growth of ~2% in April-December FY2025) owing to elevated inventory level, which has partly impacted 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, 2025 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!