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July PV dispatches flat amid high inventory, festive season to boost demand

Domestic passenger vehicle dispatches show flat growth in July, but experts remain optimistic that the festive season and monsoon will revive demand

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Original equipment manufacturers are prioritising retail sales and aligning dispatches with market demand.

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Dispatches of passenger vehicles (PVs) in the country reported a flat growth rate of 1 per cent year-on-year (Y-o-Y) in July to 348,000 units, hobbled by high inventories with dealers and subdued consumer demand.

Original equipment manufacturers are prioritising retail sales and aligning dispatches with market demand.

Retail sales have remained muted with around 328,000 units sold in July. Vahan registrations showed Maruti Suzuki leading with 128,423 units, capturing a 40 per cent market share.

Hyundai Motor India reclaimed second spot with 42,661 units and a 13 per cent share after slipping to third in June, followed by Mahindra & Mahindra (M&M) at 41,476 units (13 per cent) and Tata Motors at 39,795 (12 per cent).

Industry experts say domestic sales will stay muted in the short term. “Inventories remain elevated, prompting manufacturers to moderate dispatches. According to dealer feedback, customer enquiries have declined and buyers are taking longer to finalise purchases,” said Anurag Singh, advisor, Primus Partners. Maruti Suzuki, India’s largest PV maker, saw a flat growth rate of 0.2 per cent Y-o-Y, dispatching 137,776 units in the month as against 137,463 units in the same month last year.

The company said it was not focusing on dispatches but on alignment with retail sales, which saw 7 per cent Y-o-Y growth. The top-selling model for the month was the Dzire, at 20,895 units, followed by the Ertiga and WagonR, at 16,600 units and 14,700 units, respectively.

Bucking the trend, M&M posted a 20 per cent increase Y-o-Y in its domestic dispatches, reaching 49,871 units, as against 41,623 units last year. The company showed growth had been supported by the recent launches of the Xuv 3xo ‘Revx’ series and the start of deliveries for pack two variants of the Be 6 and Xuv 9e models.

“We are optimistic about the upcoming festival season, with Onam and Ganesh Chaturthi in September likely to drive demand. Bookings in Kerala (because of Onam) are already up 10 per cent in July, which is a strong festival indicator. A good monsoon and potential MSP (minimum support price of farm products) increases are also expected to support rural sentiment and further boost sales,” said Partho Banerjee, senior executive officer, marketing & sales, Maruti Suzuki.

To offset muted domestic demand, Maruti Suzuki is focusing on maximising export.

Rural growth has slowed from 10 per cent last year to 2-3 per cent while urban demand shows improving bookings but deferred deliveries amid job worries in information technology on account of artificial intelligence, and geopolitical factors.

The dealer stock is tightly calibrated at 36-37 days to avoid a buildup in inventories, with factory output aligned to retail growth rather than pushing wholesales. The company is planning to continue calibrated dispatches through the festival season, maintaining a demand-driven supply strategy.

Hyundai Motor India posted a decline of 10 per cent Y-o-Y at 43,973 units for its dispatches compared to 49,013 units last year.

Tarun Garg, wholetime director and chief operating officer, said: “While the industry has seen some softness in recent months, we remain optimistic with the onset of the festival season and are fully geared up with robust supply and exciting product offers.”

Tata Motors saw a decline of 12 per cent, dispatching 39,521 (including electric vehicles) units in July compared to 44,725 units last year.

However the company marked its highest ever monthly sales for electric vehicles, selling more than 7,000 units.

Toyota Kirloskar Motor reported a marginal decline of 1.2 per cent Y-o-Y, with its monthly domestic dispatches standing at 29,159 units as distinct from 29,533 last year.

Skoda Auto India’s domestic dispatches surged 163 per cent Y-o-Y at 5,536 units this month as against 2,103 last year as it is witnessing robust demand for its compact sport utility vehicle (SUV) Kylaq.

Ashish Gupta, brand director, Skoda Auto India, stated: “July set a strong pace for the second half of 2025, reinforcing our growth momentum in India. This growth reflects a strong response to our diverse product portfolio. Our SUVs — the Kylaq, Kushaq and Kodiaq, alongside the premium Slavia sedan — are helping us expand into new markets and connect with more customers.”

JSW MG Motors reported its highest ever monthly numbers surging 46 per cent Y-o-Y. The company dispatched 6,678 units this July over 4,575 units last year.

The company launched its first two luxury products under the brand’s new luxury sales channel MG Select, the M9 presidential Limousine and the MG Cyberster.