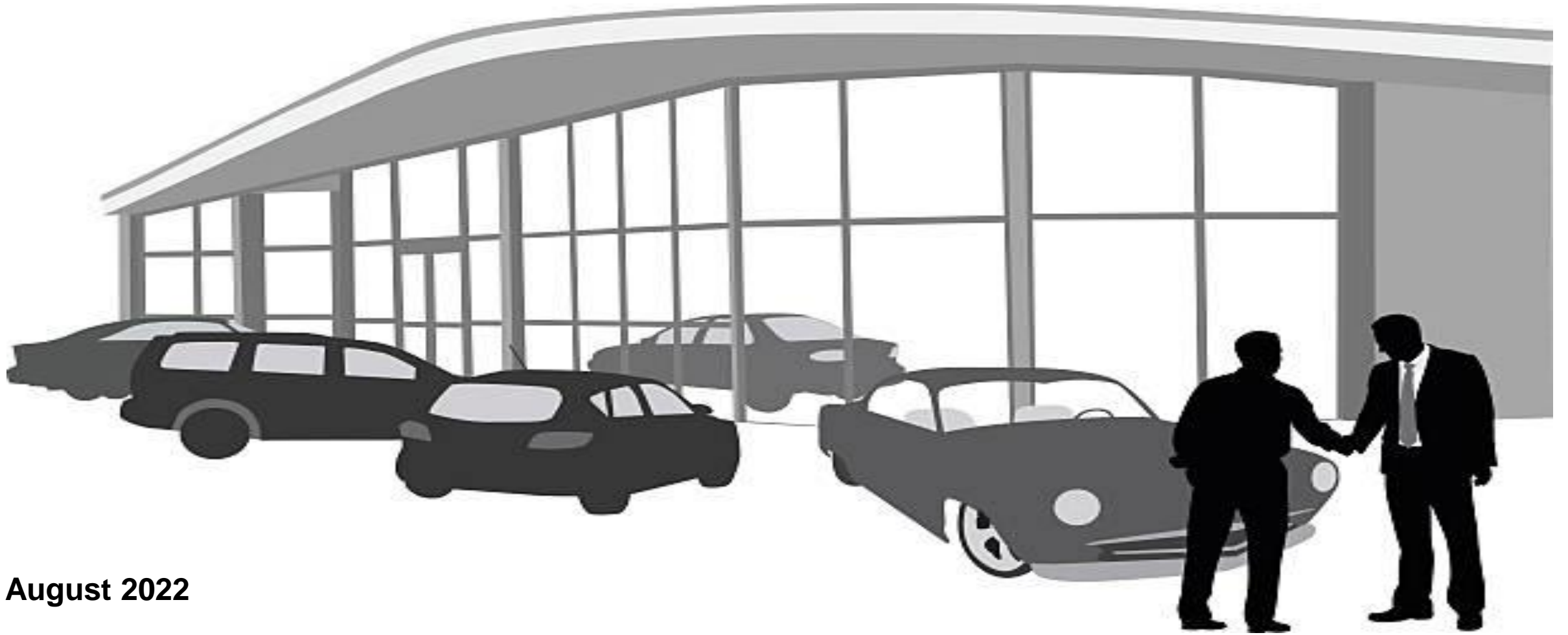


Monthly trend – Retail versus off-take

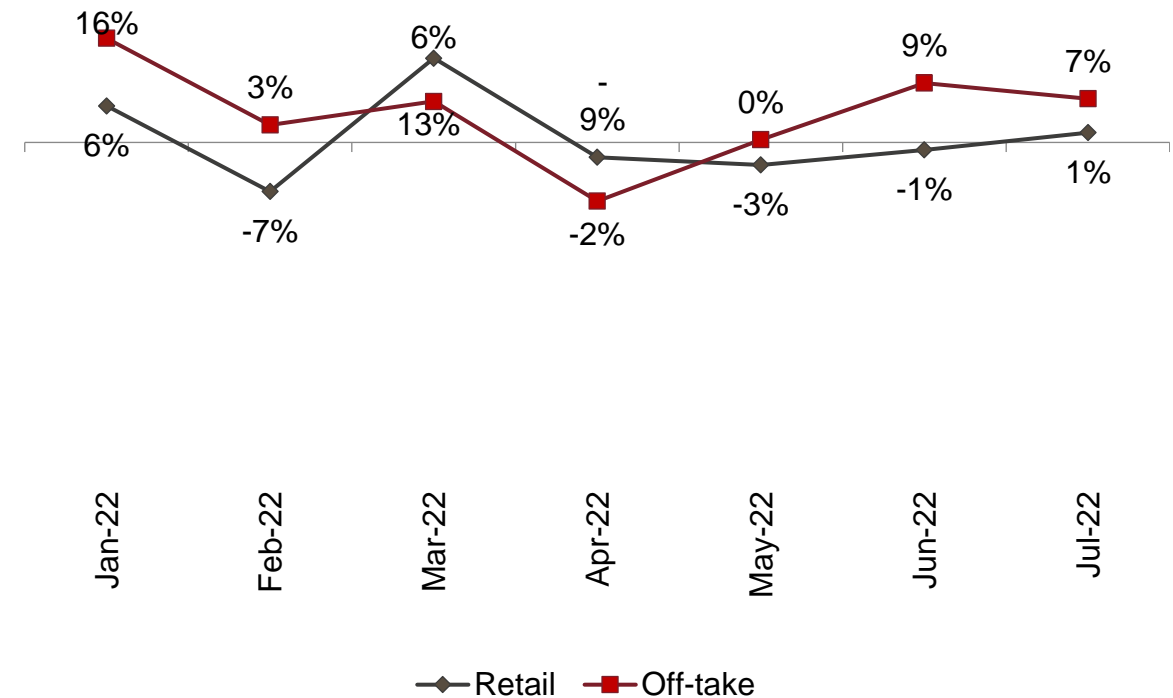
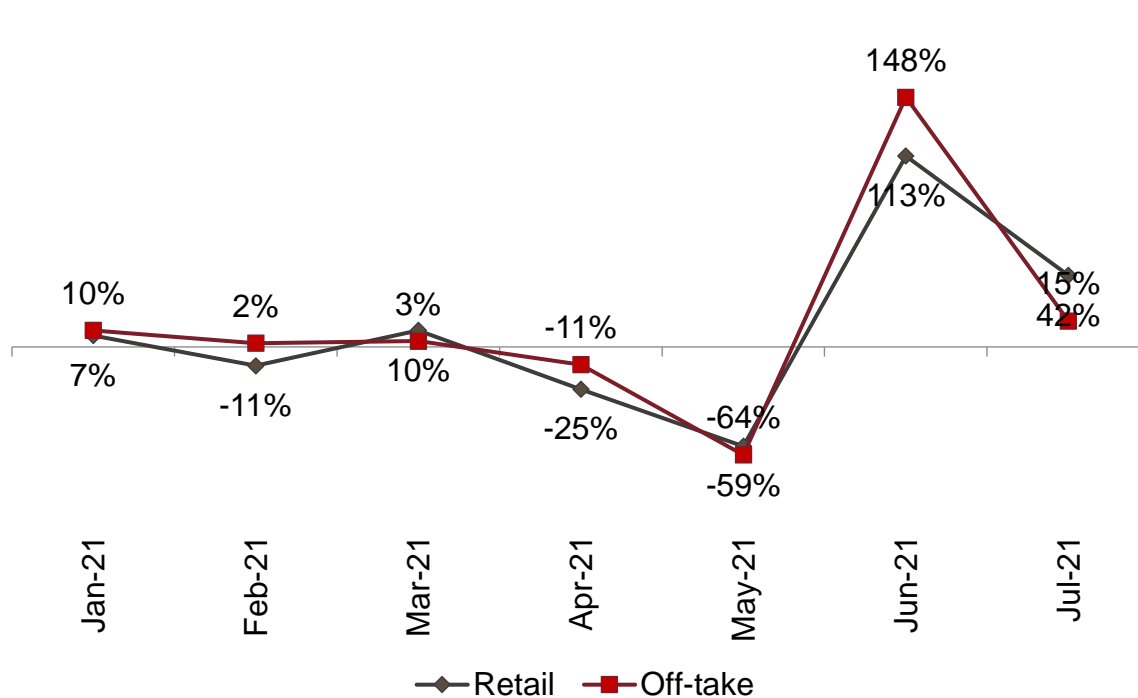


August 2022

Research

Wholesale volumes grew by 7% m-o-m aided by high inventory build up

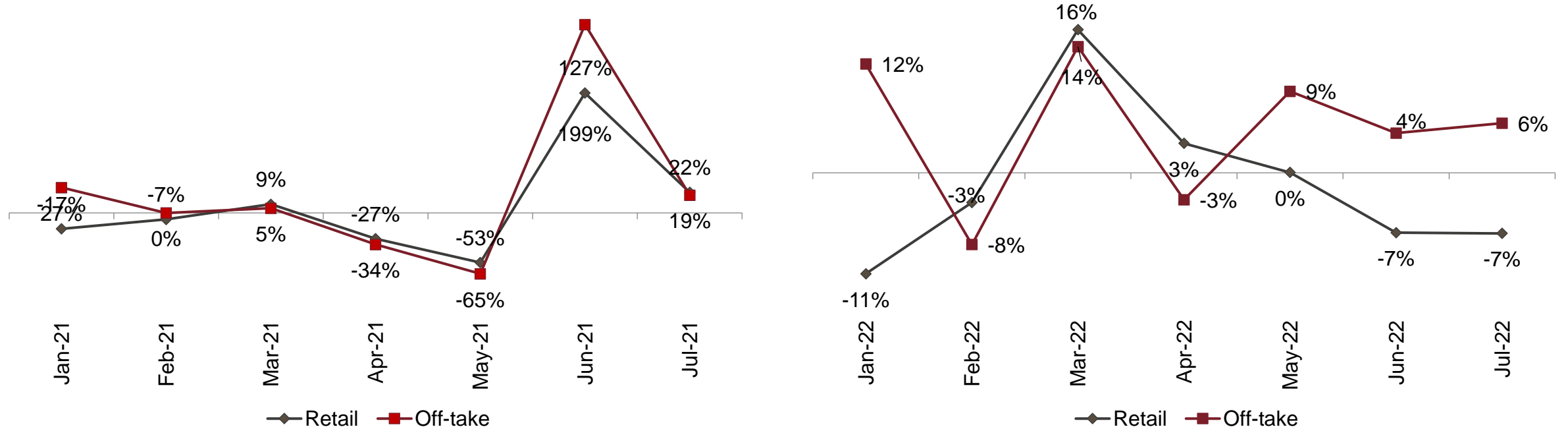
Passenger vehicle - Retail vs off-take (growth m-o-m)



- The passenger vehicle industry is estimated to have witnessed a 7% month-on-month and 16% on-year in July 2022 due to robust retail demand and production recovery aided by better availability of semiconductor as well as inventory build-up ahead of upcoming festive season.
- However, retail sales are estimated to have declined by 1% on-year and grew 1% month-on-month.
- Consequently, dealer inventory is currently estimated to be at 19-24 days as of July 2022.

Two-wheeler wholesale volumes grew by 6% sequentially in July 2022

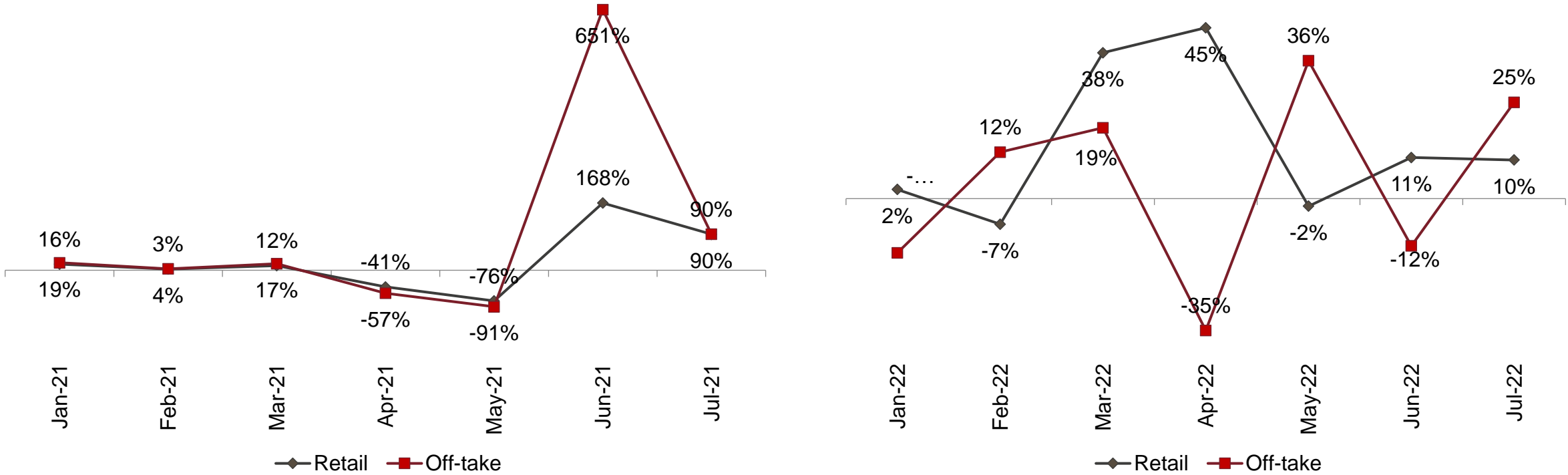
Two-wheeler - Retail vs off-take (growth m-o-m)



- Wholesale offtake of leading two-wheeler manufacturers, who account for over 94-96% of overall domestic volumes, improved 6% sequentially in July 2022. However, retail sales of two-wheelers declined by 7% sequentially in July 2022.
- This sequential growth can be attributable to improving component supply as well as OEMs building up inventory in light of the upcoming festive season, which traditionally sees healthy retail demand. Inventory levels in the preceding months had fallen to 40-50% of the previous year as companies had cut back on production due to depressed retail sales and auto-component shortages.

Three-wheeler Off-take continues to grow on a low base

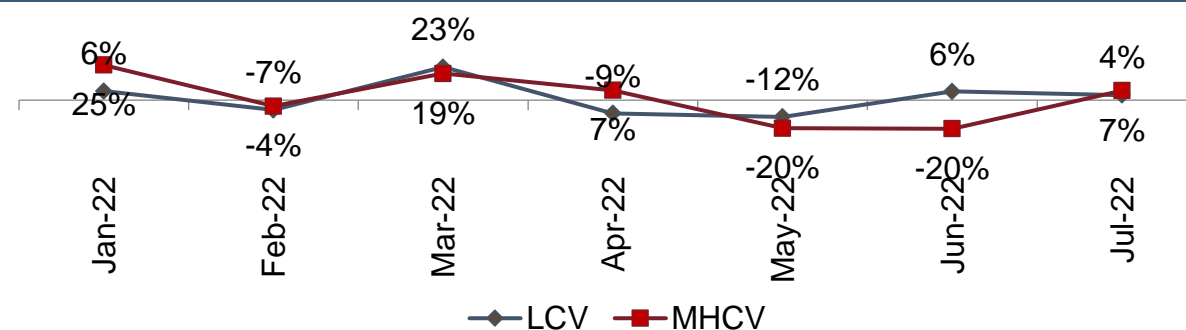
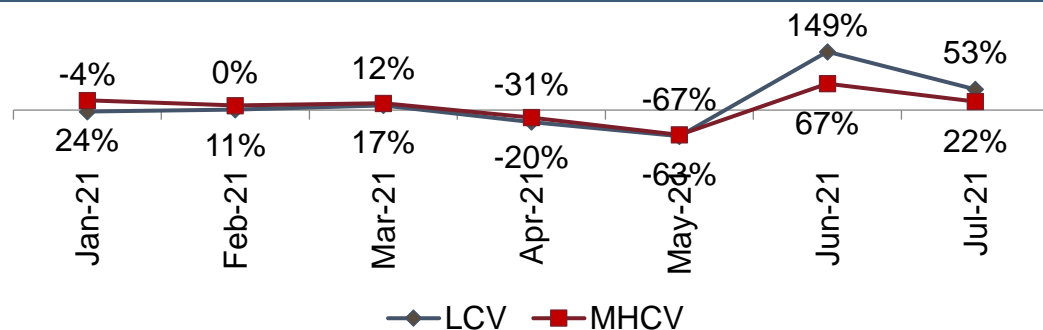
Three-wheeler - Retail vs off-take (growth m-o-m)



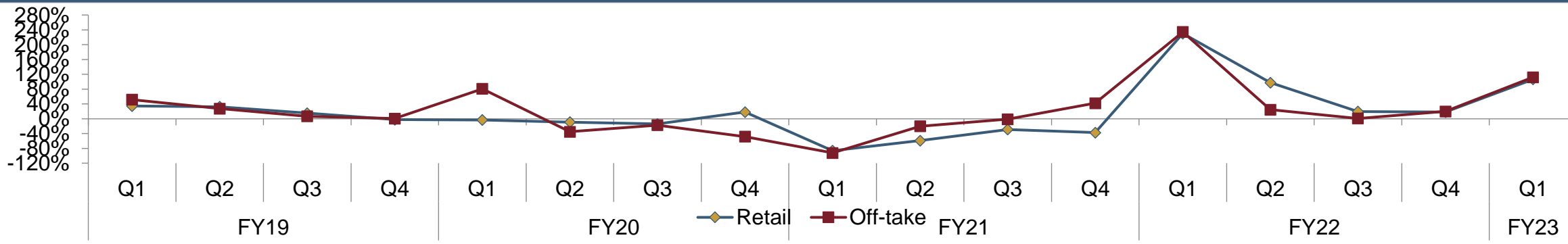
- July 2022 off take grew by 25% on year
- With vaccination pace improving remarkably, usage of public transport is expected to increase.
- As schools, colleges and workplaces are opening, demand for three-wheeler is also gradually increasing.

Retail & offtake showing recovery on sequential basis

Commercial vehicle – LCV & MHCV retail (growth m-o-m)



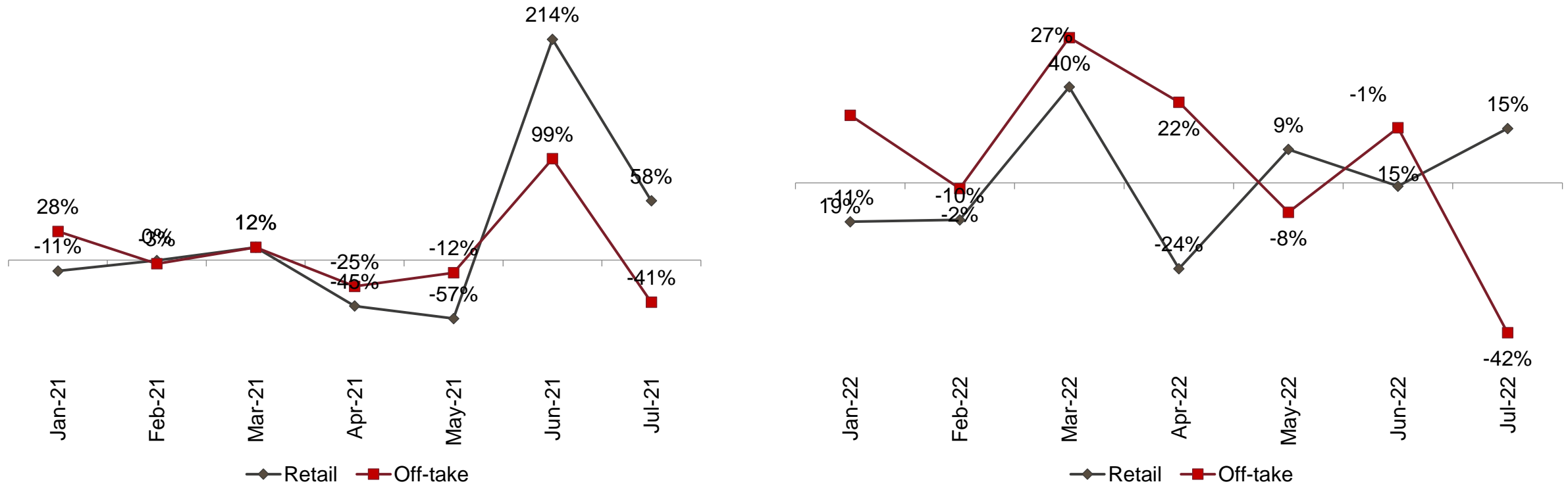
CV - Retail vs off-take (growth y-o-y)



- Industry volumes improved significantly in July 2022 on year, over a low base of previous fiscal
- Wholesale offtake of goods carrying commercial vehicles in the month of July 2022 is estimated to have grown by ~26-30% y-o-y but declined by ~5-9% on a m-o-m basis.
- Wholesale volumes are expected to show robust growth, in-line with inventory build-up ahead of festive season; however, significant recovery to be restricted as infrastructure activities typically undergo a slowdown in the second quarter of the fiscal on account of rainfall.

Tractor wholesale volume declined on-year in July 2022

Tractor - Retail vs off-take (growth m-o-m)



- Tractor domestic sales declined by ~15.3% on-year in July'22.
- After registering healthy growth in Q1 FY23, domestic sales declined in July 2022 due to lower retail sentiments amid higher inventory levels across state.
- Delayed monsoon across the country led to delay in kharif sowing further contributing towards slower retail momentum.

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