

Shadow bank crisis hits India's auto sales

Year-on-year passenger vehicle sales in India fell by 17.5 percent in June – the eighth consecutive fall in monthly sales – driven by a liquidity squeeze in the country's shadow banking sector

New vehicle sales (excluding exports)

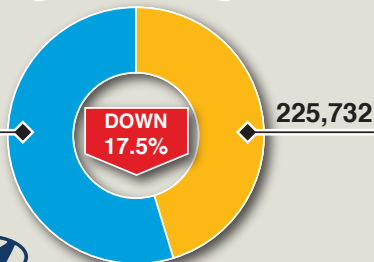


June 2018

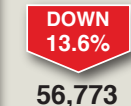


June 2019

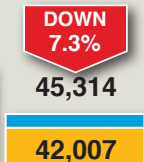
Passenger
vehicle sales
273,748



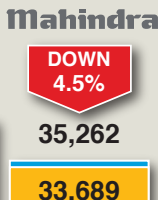
Maruti Suzuki
India Ltd.



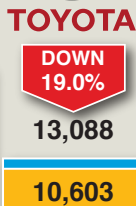
Tata



Hyundai
Motor India



Mahindra
& Mahindra



Toyota

Shadow banks: \$65.4 million default by **Infrastructure Leasing & Finance Services** in 2018 led to shadow banking sector hiking borrowing costs on retail auto sector



State Bank of India: SBI halts lending to car dealers unless they provide security of 25% and 50% of loan amounts. SBI has also cut credit period for dealers from 90 days to 60 days