

INDIAN AUTOMOTIVE MARKET UPDATE

Status as of April 2025



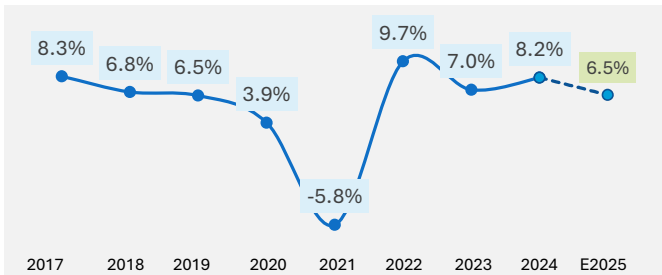
Prepared by Mobiintel

Executive Summary

- India's automotive industry commenced the FY2026 with a positive note. Excluding the 2W segment, **overall production rose by 10%** over same period previous year. However, 2W segment declined by 5% mainly due to high base effect and inventory moderation.
- GDP growth moderated to 6.5% while inflation stabilized less than 4%, and the PMI stayed above 58 indicating continued expansion. Overall, the industry benefited from favorable economic conditions, including controlled inflation, stable interest rates, and supportive government policies promoting sustainable mobility
- All the segments other than 2-Wheeler witnessed strong growth; Passenger cars segment continued to grow, with the production growth of 9% over previous year, partly supported by robust export demand. 2-Wheeler segment witnessed production correction mainly to adjust inventory and high base effect of previous year.
- **EVs contribute to 3.8% of Passenger Car sales** April'25, reflecting a marginal improvement over year. The adoption rate remains modest due to infrastructure challenges and higher upfront costs. However, Strong hybrid vehicles gained popularity, with manufacturers like Toyota and Maruti Suzuki expanding their **hybrid portfolios which saw 2.6% share**. There was a notable increase in Petrol/CNG vehicle sales, particularly in urban centers, driven by lower operating costs and government incentives.
- The commercial vehicle (CV) segment experienced moderate growth in April 2025, supported by revival of government infrastructure initiatives and higher freight demand.
- The Automotive sector is witnessing robust rural demand supporting Tractors and two-wheelers, stable urban sentiment, and increased preference for alternative fuel technologies such as hybrids and EVs.
- India's macroeconomic fundamentals remain strong - robust GDP growth, stable inflation, and accommodative interest rates offer tailwinds to auto demand, especially in the second half of 2025.
- While the Indian automotive industry has growth potential, it is navigating headwinds from global economic pressures, trade tensions, technological transitions, and intensified domestic competition.

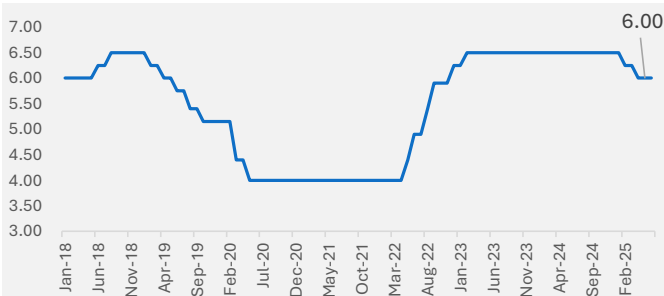
Economy

GDP [%] value as of financial year ending March



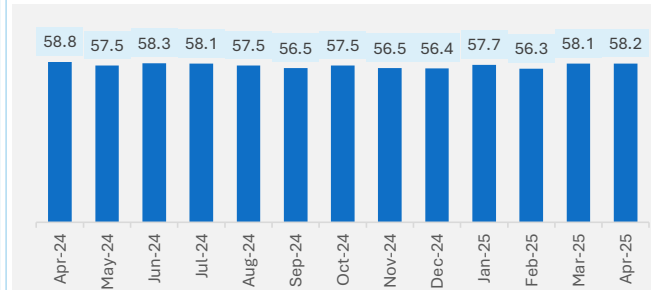
Though the GDP growth moderated to 6.5% in FY2025E from 8.2% in FY2024, India is still one of the fastest-growing major economies

INTEREST RATE (REPO)



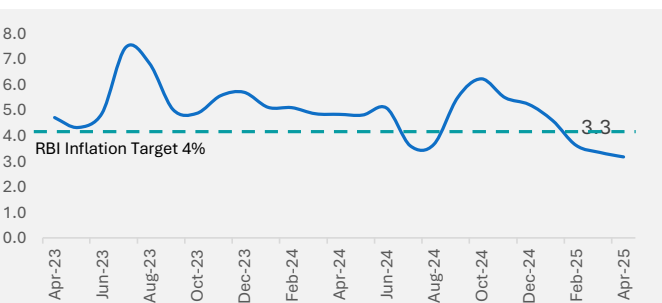
RBI has reduced the REPO rate to 6% to fuel economic growth considering inflation is under control.

PMI [Index: >50 growth, <50 contraction]



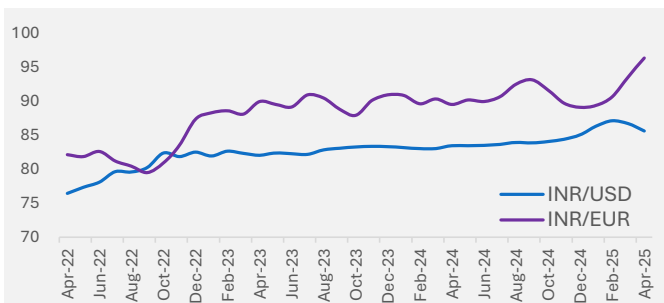
Manufacturing PMI reached 58.2, a 10-month high, indicating strong sectoral health and driven by robust domestic and foreign demand.

INFLATION (CPI in %)



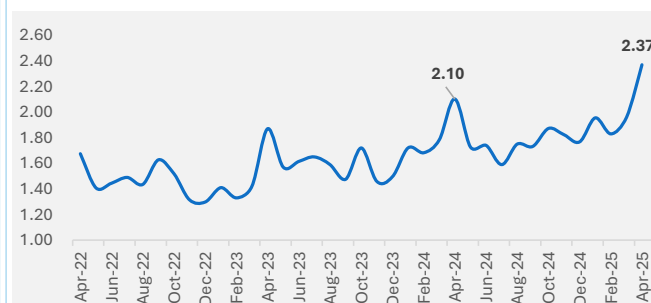
CPI inflation was contained at 3.2% in April 2025, comfortably within RBI's target, enabling the central bank to maintain the repo rate at a supportive 6%.

EXCHANGE RATE



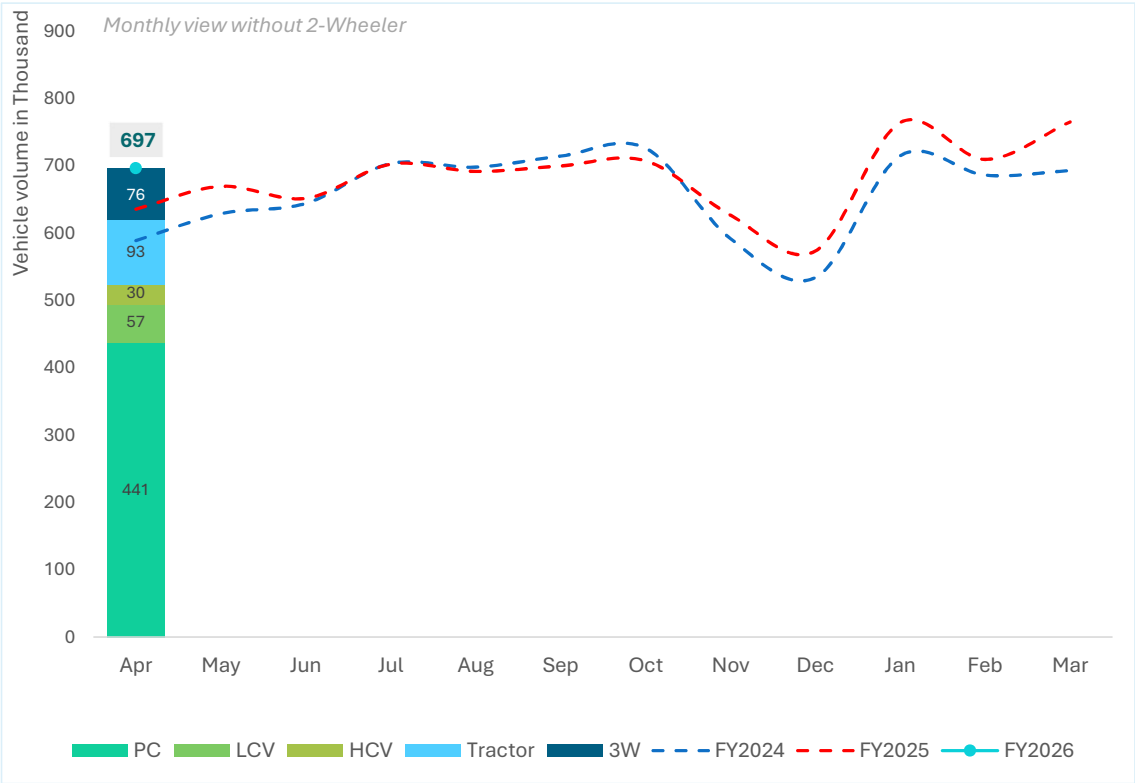
INR/USD stable around 85; INR/EUR showed fluctuations.

GST COLLECTION [Value in Trillion INR]



GST collections reached INR 2.37 trillion in April 2025, registering a 12.6% YoY growth—an indicator of strong domestic consumption

India Vehicle Production overview



- Total vehicle production (excluding 2Ws) rose 10% YoY, with Tractors (+21%) and Passenger Cars (+9%) driving the momentum. Passenger Car growth, led by strong UV segment performance and increasing Strong hybrid and EV adoption
- Two-wheelers production declined by 5% due to higher based effect and inventory moderation effort.
- LCV and HCV segments experienced moderate growth in April 2025, supported by revival of government infrastructure initiatives and higher freight demand.

LCV (Light Commercial Vehicle) : <7.5T GVW, including passenger carrier | HCV (Heavy Commercial Vehicle): >7.5T GVW , including passenger carrier

Source: Mobiintel Research

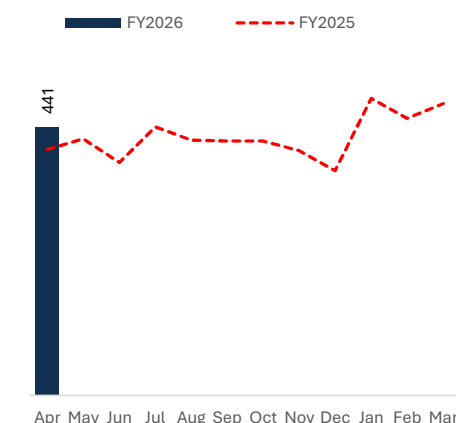
		Volume in Thousand			
Segment		April 2025	Growth over PY	YTD FY2026	Growth over PY
PC		441	9%	441	9%
LCV		57	5%	57	5%
HCV		30	4%	30	4%
Tractor		93	21%	93	21%
3W w/o e-rickshaw		76	5%	76	5%
Total (w/o 2W)		697	10%	697	10%
2W		1,873	-5%	1,873	-5%



Passenger Car

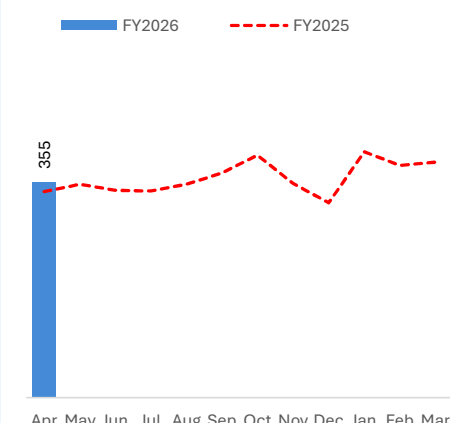
PRODUCTION

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
441	9%



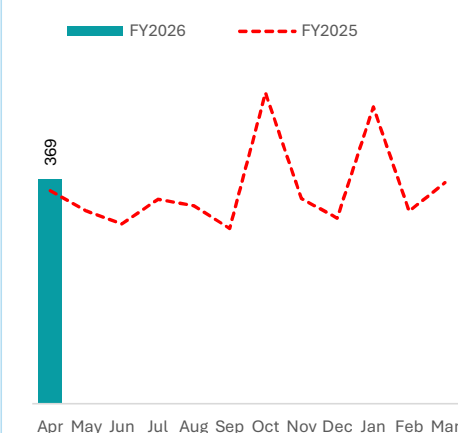
WHOLESALE (DOMESTIC)

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
355	5%

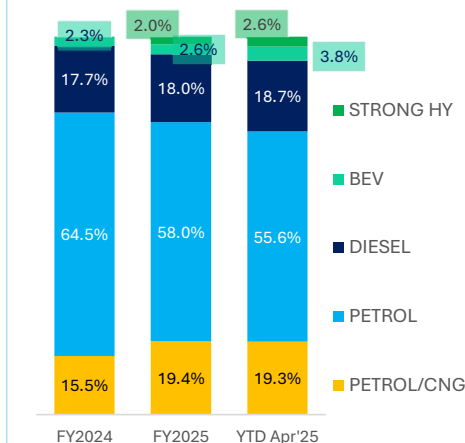


RETAIL SALES ⁽¹⁾

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
369	5%



POWERTRAIN MIX (based on Retail Sales)



- The Passenger Car segment sustained its upward trajectory, fueled by SUV demand, new model introductions, and expanding hybrid portfolios.
- Production higher than the domestic sales, largely supported by export market which has grown 20% over last year.
- With the launch of new BEV models especially from M&M, electrification share improved in current month. Also, higher demand seen for Strong Hybrid vehicles, with 2.6% share, strong hybrids are emerging as competitor to BEVs.
- Estimated Dealer + Transit Inventory level as of April'25 is around 60 days. Inventory levels remain elevated, especially for entry-level models, leading to increased discounts to stimulate sales
- The segment is expected to maintain steady growth, supported by favorable financing options and upcoming festive seasons.

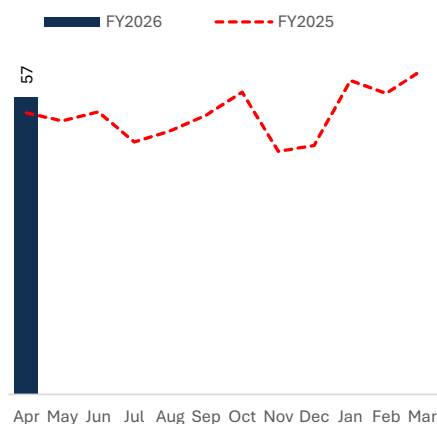
(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart to have a comparable view w.r.t wholesale
Source: Mobiintel Research

LCV - Light Commercial Vehicle



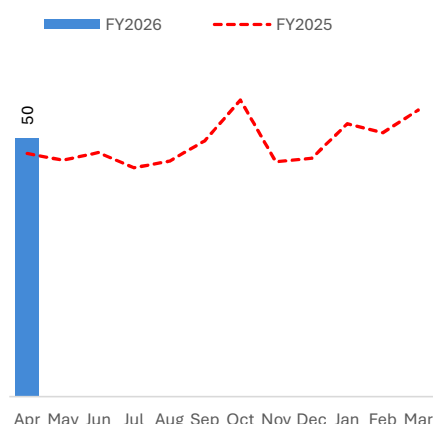
PRODUCTION

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
57	5%



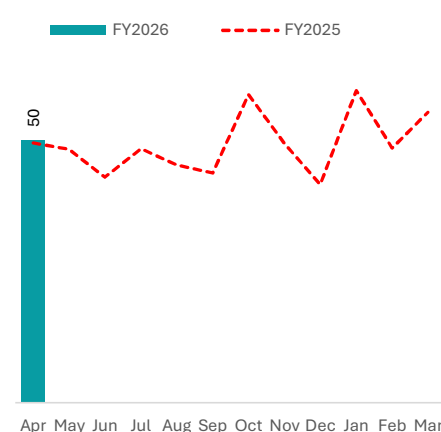
WHOLESALE (DOMESTIC)

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
50	7%

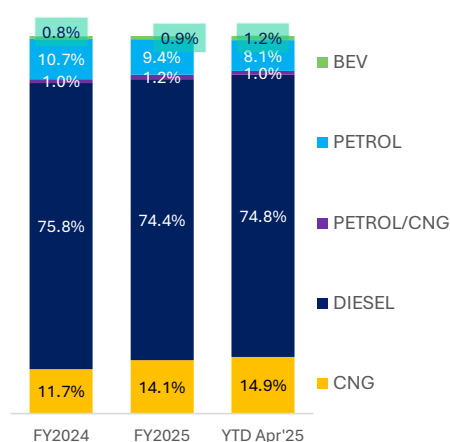


RETAIL SALES ⁽¹⁾

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
50	1%



POWERTRAIN MIX (based on Retail Sales)



- Demand remained stable, supported by e-commerce and last-mile delivery; however, high financing costs and increasing competition from sub-1T three-wheelers posed headwinds.
- The segment's powertrain mix remains diesel-heavy, though gradual CNG and EV adoption is visible in urban logistics
- Estimated Dealer + Transit Inventory level as of end April'25 is **around 53 days**. Which is higher than the optimal level, leading to pressure on dealers

(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart

LCV (Light Commercial Vehicle) : <7.5T GVW, including passenger carrier

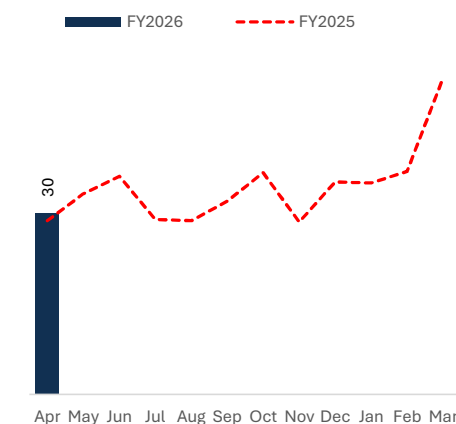
Source: Mobiintel Research

HCV - Heavy Commercial Vehicle



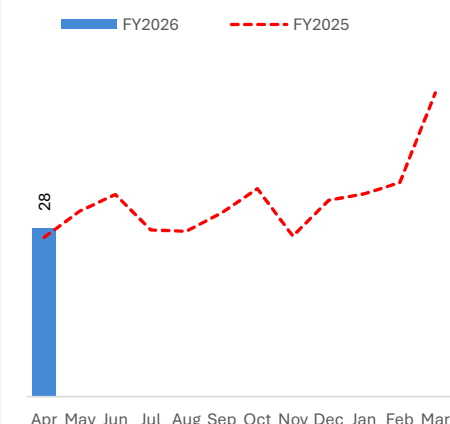
PRODUCTION

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
30	4%



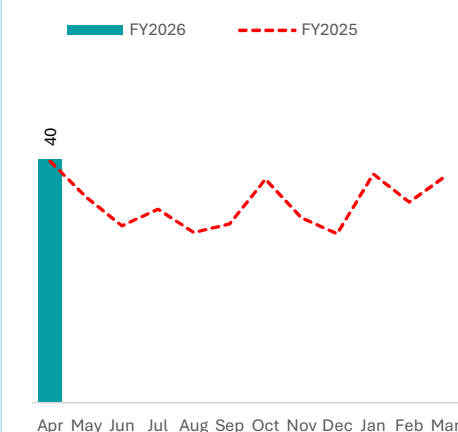
WHOLESALE (DOMESTIC)

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
28	6%

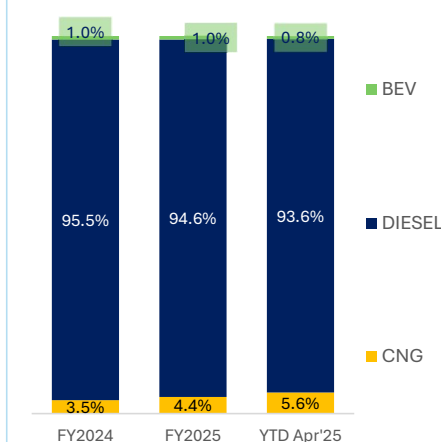


RETAIL SALES ⁽¹⁾

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
40	1%



POWERTRAIN MIX (based on Retail Sales)



- The HCV segment grew 6% YoY, benefitting from higher government infrastructure spending and freight movement.
- Diesel dominates with 93.6% share, while BEV applications are limited to select STU-run buses (State Transport Utilities).
- Estimated Dealer + Transit Inventory level as of end April'25 is **around 35 days**, which is an optimal level

(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart

HCV (Heavy Commercial Vehicle): >7.5T GVW , including pass

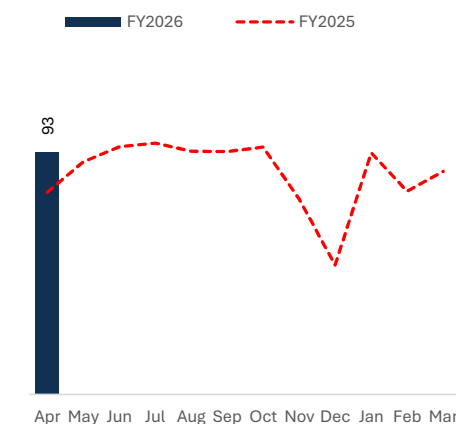
Source: Mobiintel Research



Tractors

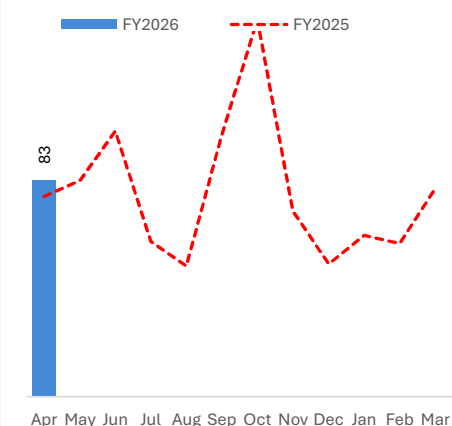
PRODUCTION

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
93	21%



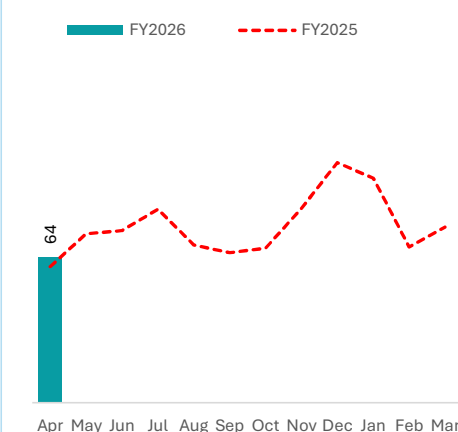
WHOLESALE (DOMESTIC)

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
83	8%

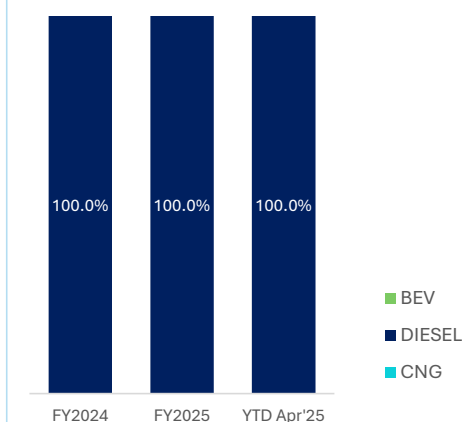


RETAIL SALES ⁽¹⁾

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
64	7%



POWERTRAIN MIX (based on Retail Sales)



- Tractor sales surged 21% YoY, underpinned by favourable agricultural output, rural liquidity, and continued policy support.
- Estimated Dealer + Transit Inventory level as of end April'25 is **around 65 days**. inventory remains aligned with seasonality, estimated at 65 days
- Growth is anticipated, supported by agricultural activities and rural development programs.

(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart

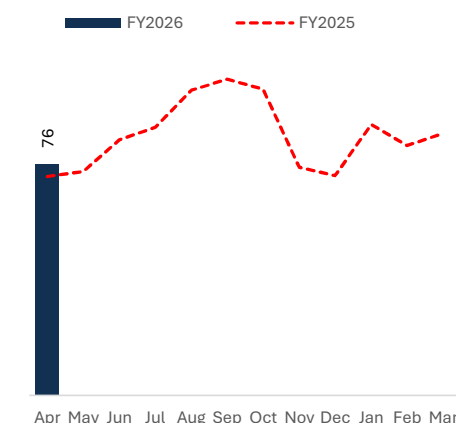
Source: Mobiintel Research



Three Wheelers (w/o e-Rikshaws)

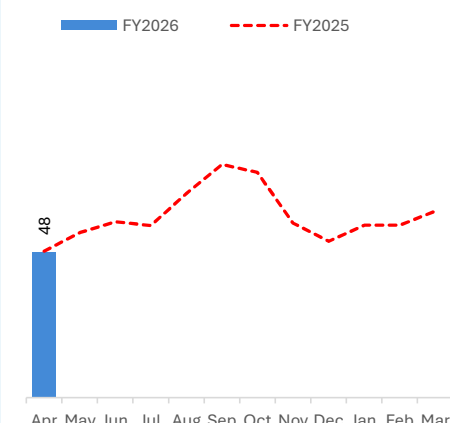
PRODUCTION

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
76	5%



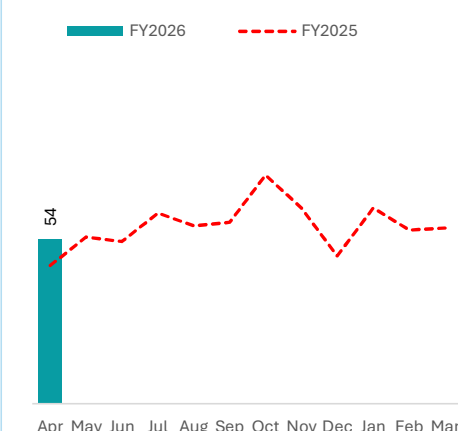
WHOLESALE (DOMESTIC)

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
48	0%

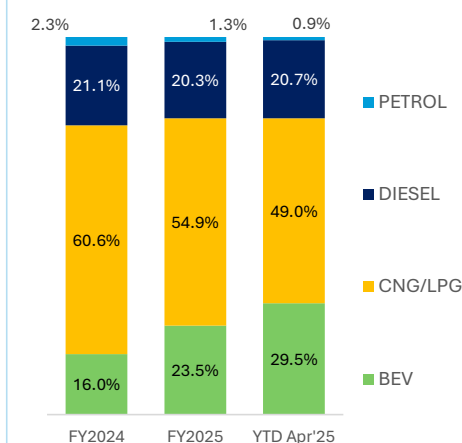


RETAIL SALES ⁽¹⁾

YTD FY2026 (volume in Tsd.)	Growth over Previous Year
54	20%



POWERTRAIN MIX (based on Retail Sales)



- Three-Wheeler production increased by 5% YoY, largely driven by export demand and urban last-mile applications. Retail demand grew 20% YoY, while domestic wholesale was muted due to inventory adjustments.
- Predominant fuel for 3W segment is CNG and LPG with nearly 50% share. However, electrification continues gaining momentum with EVs now accounting for ~30% of 3W retail sales, supported by state incentives and operational cost benefits.
- Estimated Dealer + Transit Inventory level as of end April'25 is **around 37 days**. Inventory levels are healthy, with quick turnover due to high demand.

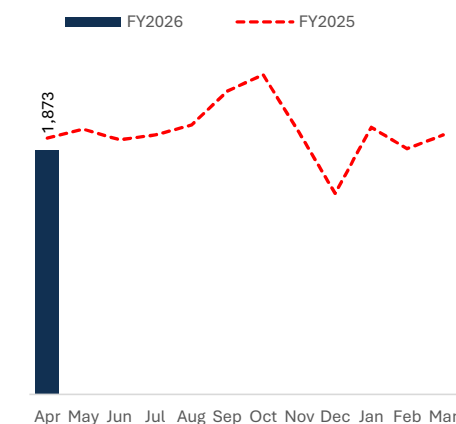
(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart
Source: Mobiintel Research



Two Wheelers

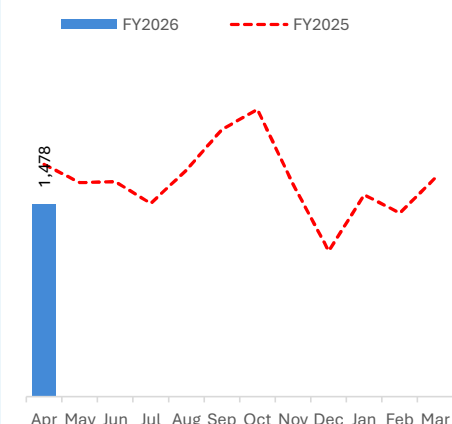
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
1,873	-5%



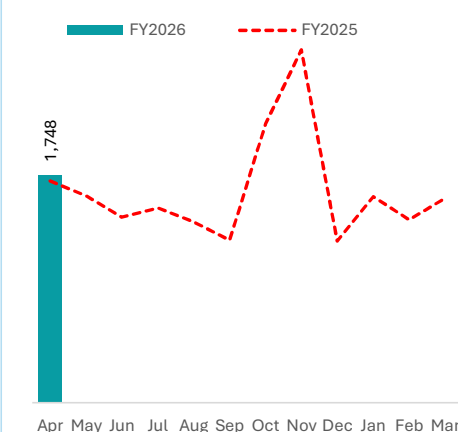
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
1,478	-17%

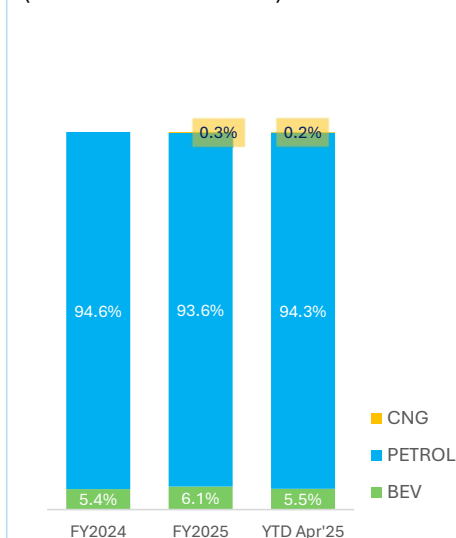


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
1,748	3%



POWERTRAIN MIX (based on Retail Sales)

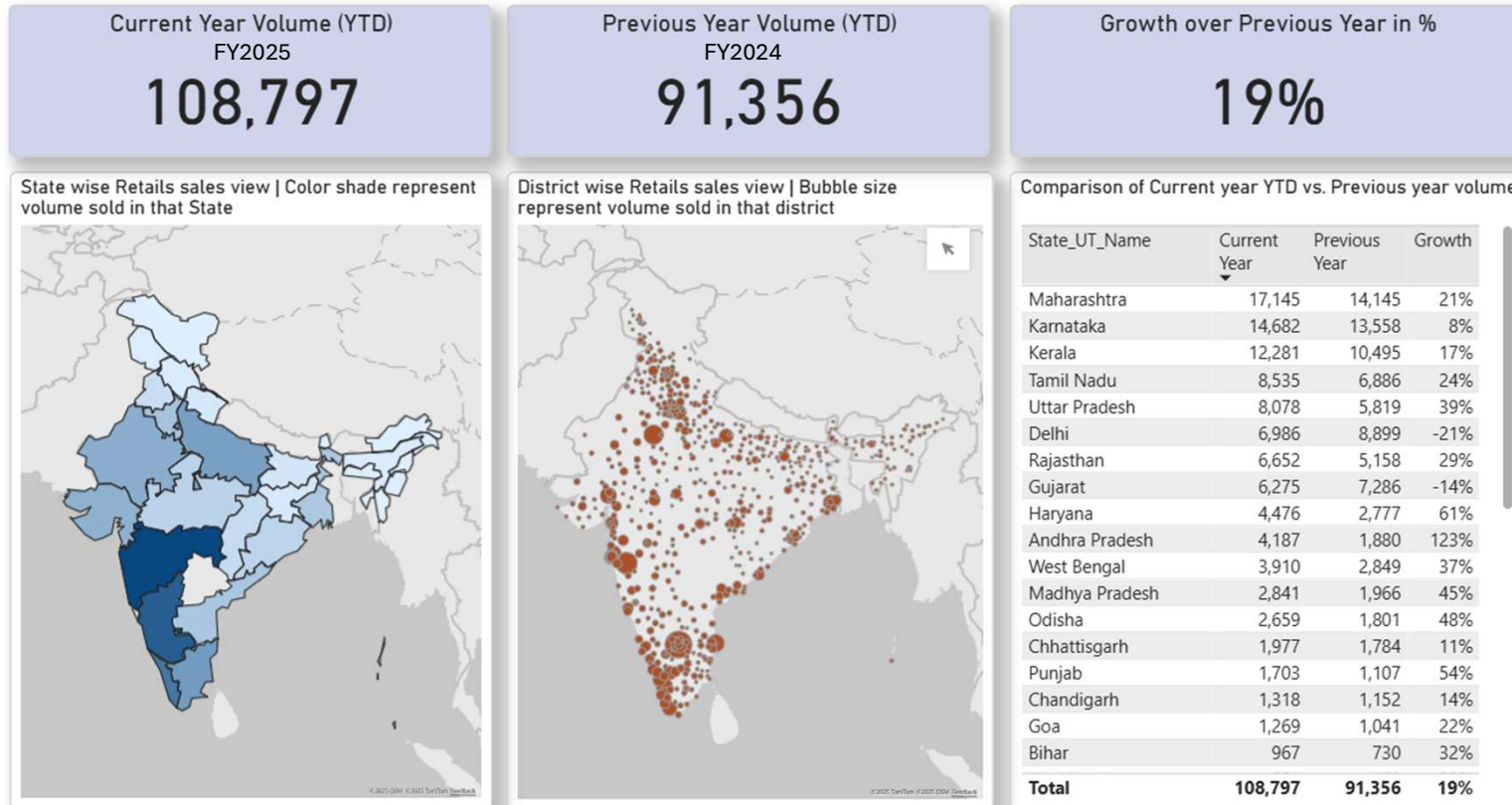


- The Two-Wheeler segment saw a 5% YoY production decline, primarily due to a high base effect and inventory correction.
- Rural demand and new model launches have supported retail sales, despite overall challenges
- Though this segment is dominated by Petrol powertrain, marginal increase observed in Electrification.
- Estimated Dealer + Transit Inventory level as of end April'25 is **around 35 days**
- Recovery is anticipated, driven by economic revival and increased consumer confidence.

(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart
Source: Mobiintel Research



Analysis of the Month – India Electric vehicle Retail Sales Overview in Passenger Car Segment



- The EV growth rate moderated to 19% over last financial year. Adoption remains largely urban-centric, with metros and Tier-1 cities accounting for most of the sales.
- Currently EV adoption is mainly seen in Metros and Tier1 cities.
- Though the base volume is small, barriers to faster adoption include high upfront costs, range anxiety, limited model choices, and lack of consumer awareness.
- With multiple new BEV launches expected and infra investments underway, the segment is positioned for accelerated growth in H2 FY2025

Data Source: Vahan, Mobiintel research | Data without Telangana state due to non availability in Vahan Dashboard

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