

INDIAN AUTOMOTIVE MARKET UPDATE



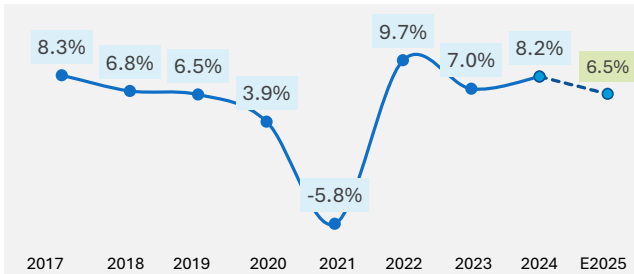
Status as of March 2025

Executive Summary

- India's automotive industry registered moderate growth in FY2025. Excluding the 2W segment, overall production rose by 3%, while the 2W segment alone saw 11% growth
- While LCVs and HCVs remained subdued, Passenger cars segment showed resilient growing 4% over previous year. Strong two-wheeler and tractor sales supported by rural demand.
- GDP growth moderated to 6.5% while inflation stabilized around 4%, and the PMI stayed above 56 indicating continued expansion. Overall, the industry benefited from favorable economic conditions, including controlled inflation, stable interest rates, and supportive government policies promoting sustainable mobility
- EVs accounted for approximately 2.6% of PC sales for FY2025. 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% share in the first year of introduction
- There was a notable increase in CNG vehicle sales, particularly in urban centers, driven by lower operating costs and government incentives.
- The commercial vehicle (CV) segment experienced moderate de-growth, largely due to long-term cyclicity and slowdown in government infrastructure initiatives.
- The sector is witnessing robust rural demand (tractors and two-wheelers), stable urban sentiment, and increased preference for alternative fuel technologies such as hybrids and EVs.
- While the Indian automotive industry has growth potential, it is navigating headwinds from global economic pressures, trade tensions, technological transitions, and intensified domestic competition.

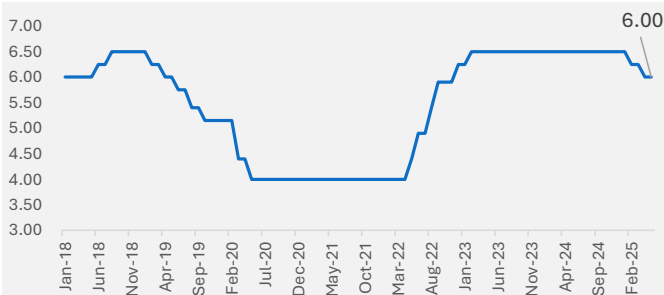
Economy

GDP [%] value as of financial year ending March



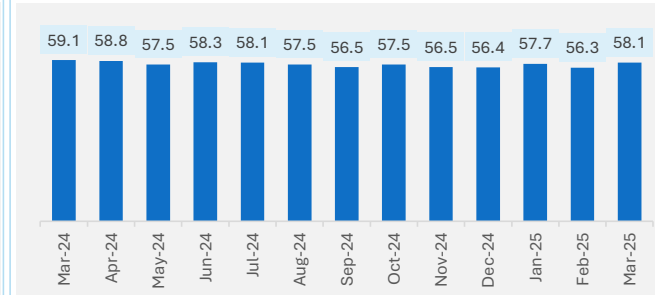
Though the GDP growth moderated to 6.5% in FY2025E from 8.2% in FY2024, India is still one of the fastest-growing major economies

INTEREST RATE (REPO)



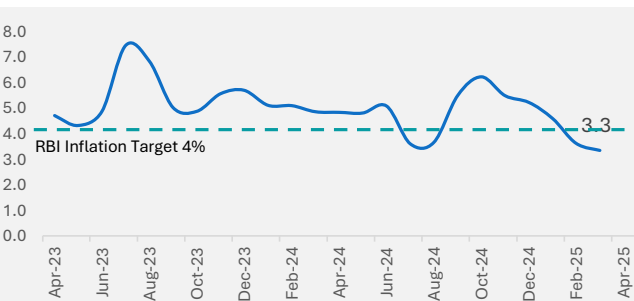
RBI has reduced the REPO rate to 6% to fuel economic growth considering inflation is under control.

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



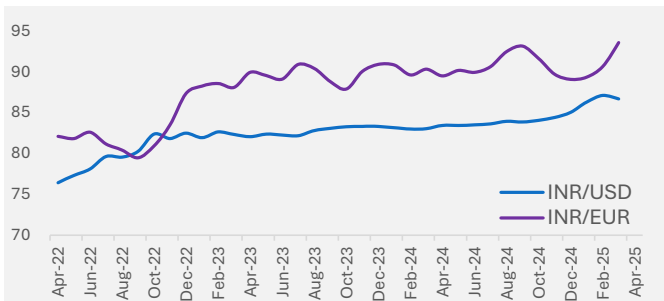
Manufacturing PMI remained above 56 throughout the year, suggesting consistent industrial expansion

INFLATION (CPI in %)



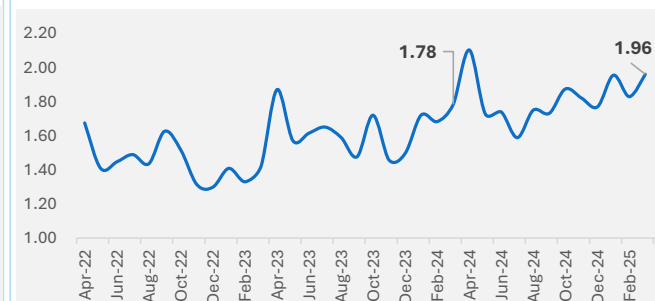
CPI inflation remains controlled at ~4%, well within the RBI's target of 4%.

EXCHANGE RATE



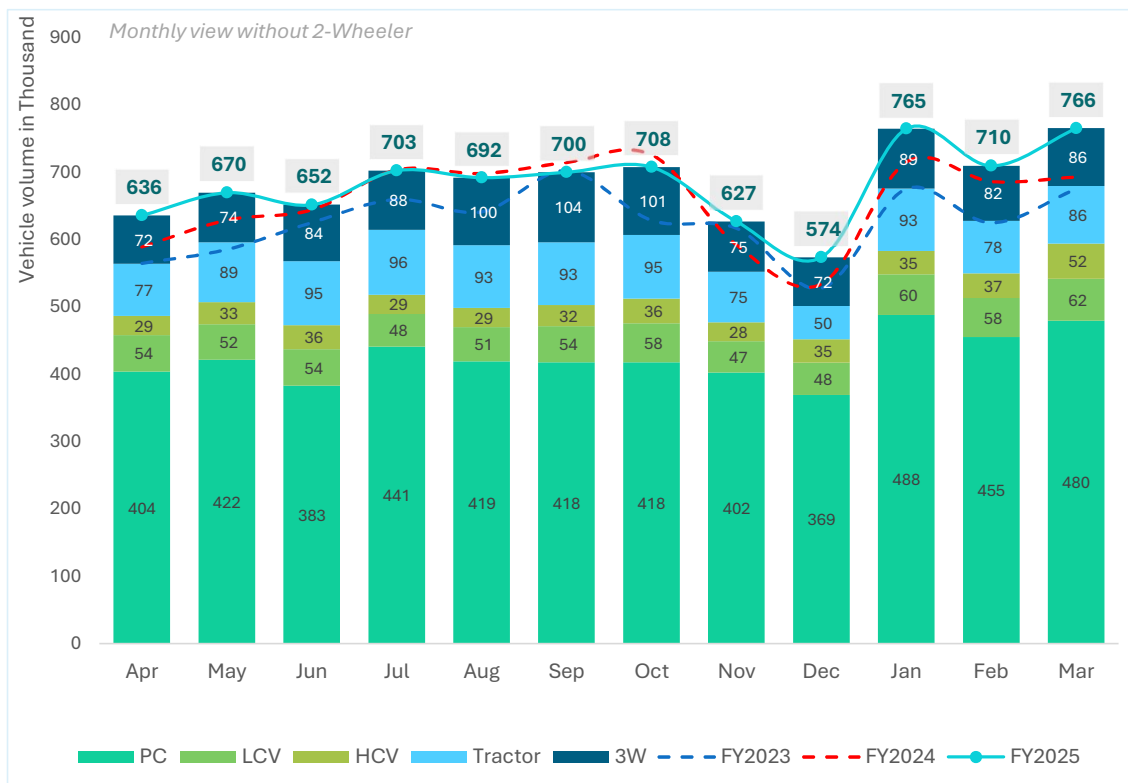
INR/USD stable around 84; INR/EUR showed minor fluctuations.

GST COLLECTION [Value in Trillion INR]



GST collections exceeded INR 1.9 trillion in March 2025, indicating strong economic activity

India Vehicle Production overview



- Total vehicle production (excluding 2W) grew 3% YoY, with tractors (+8%) and 3-wheelers (+7%) leading growth. Two-wheelers registered 11% YTD growth
- Passenger cars saw 4% growth, led by strong UV segment performance and increasing Strong hybrid adoption
- LCV and HCV segments reported decline due to election related slowdown in the beginning of the year, weak freight demand and industry cyclical.

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

Source: Mobiintel Research

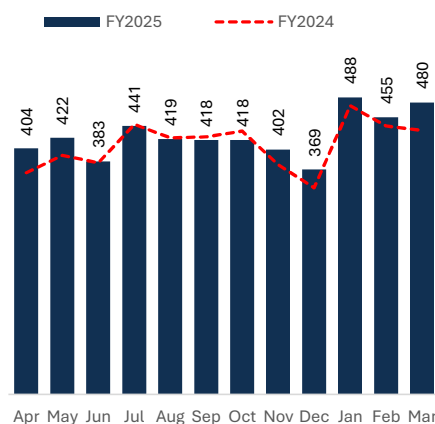
		Volume in Thousand			
Segment		March 2025	Growth over PY	YTD FY2025	Growth over PY
PC		480	11%	5,100	4%
LCV		62	-1%	646	-5%
HCV		52	19%	409	-2%
Tractor		86	19%	1,019	8%
3W w/o e-rickshaw		86	7%	1,027	7%
Total (w/o 2W)		766	10%	8,201	3%
2W		1,990	4%	24,257	11%



Passenger Car

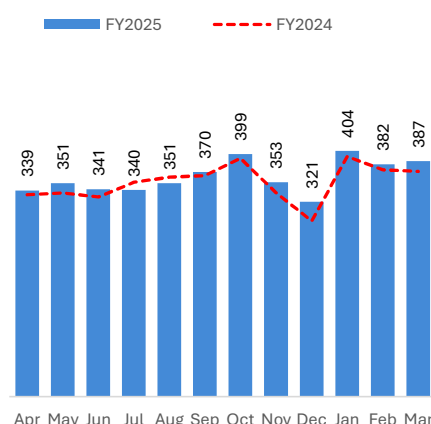
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
5,100	4%



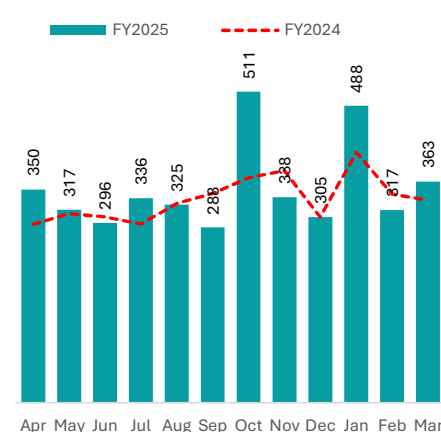
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
4,338	3%

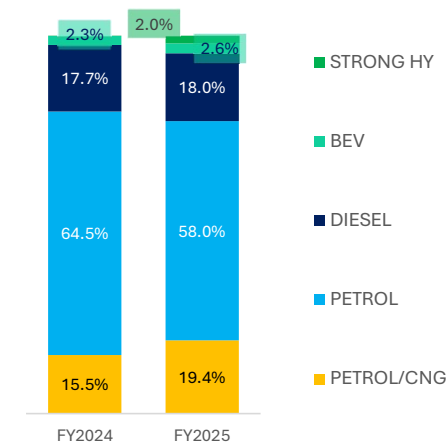


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
4,234	5%



FUEL MIX – DOMESTIC (based on Retail Sales)



- PC segment shown continued growth backed by strong demand from UV segment
- Higher demand seen for Strong Hybrid vehicles. With notable fuel-mix share of 2% for FY2024-25, Strong hybrids are emerging as alternative to EVs.
- Estimated Dealer + Transit Inventory level as of March'25 is **around 60 days**

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

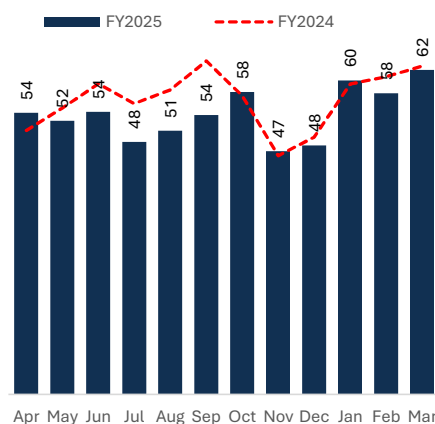
Source: Mobiintel Research

LCV - Light Commercial Vehicle



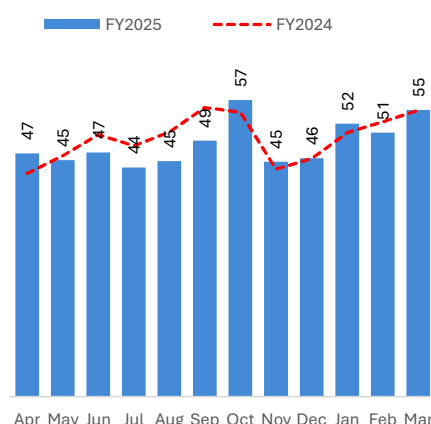
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
646	-5%



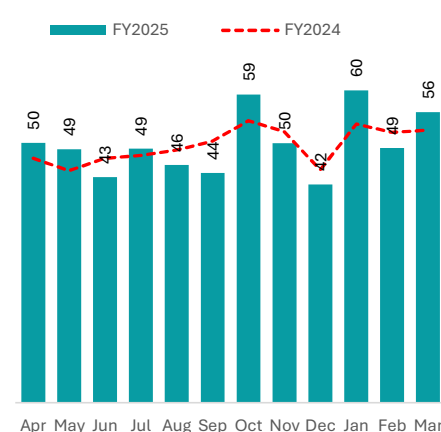
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
583	-2%

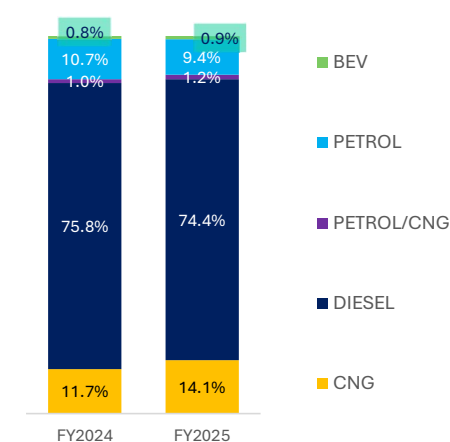


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
595	0%



FUEL MIX – DOMESTIC (based on Retail Sales)



- LCV segment seen correction in the growth mainly driven by slowdown by <1 tonne class, which was partly cannibalized by 3-Wheeler segment
- Powertrain-mix remains largely diesel dominated with minor BEV penetration. However, CNG seen notable growth over previous year
- Estimated Dealer + Transit Inventory level as of end March'25 is **around 55 days**

(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

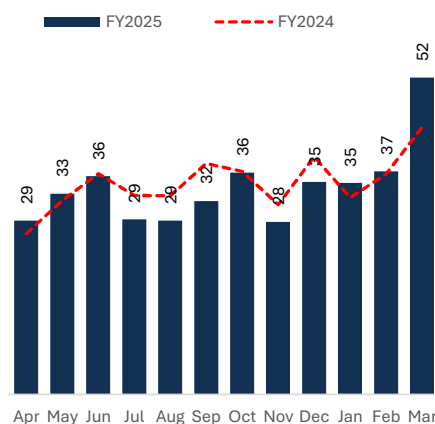
Source: Mobiintel Research

HCV - Heavy Commercial Vehicle



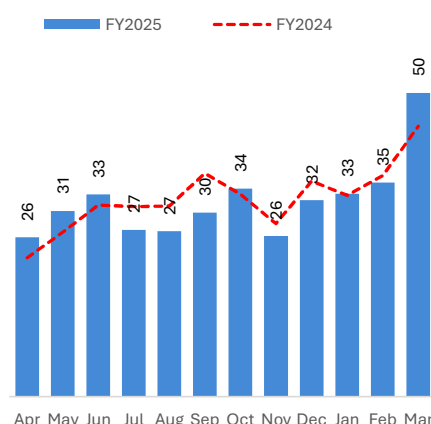
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
409	-2%



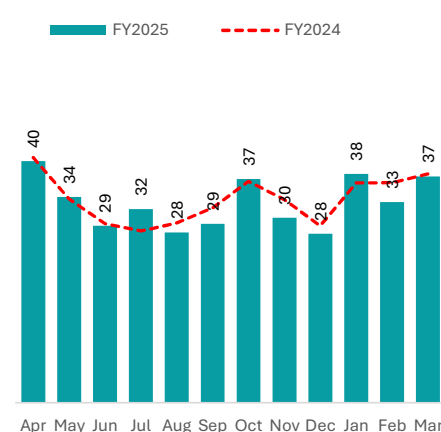
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
386	-1%

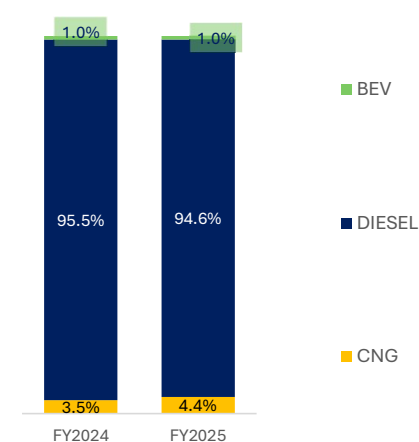


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
395	-2%



FUEL MIX – DOMESTIC (based on Retail Sales)



- From the high base of previous year, HCV segment moderated in current FY owing to long term cyclical and election related slowdown in the beginning of the year.
- Powertrain-mix remains largely diesel dominated with 1% BEV penetration, mainly for Bus applications.
- Estimated Dealer + Transit Inventory level as of end March'25 is **around 40 days**

(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

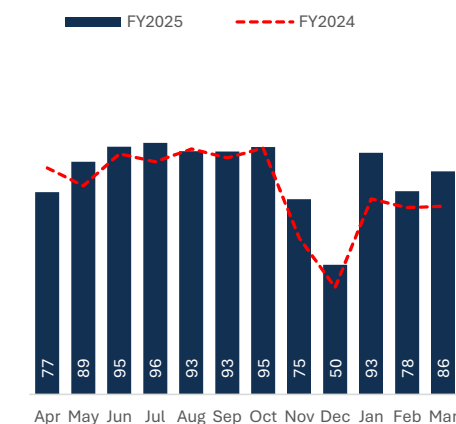
Source: Mobiintel Research



Tractors

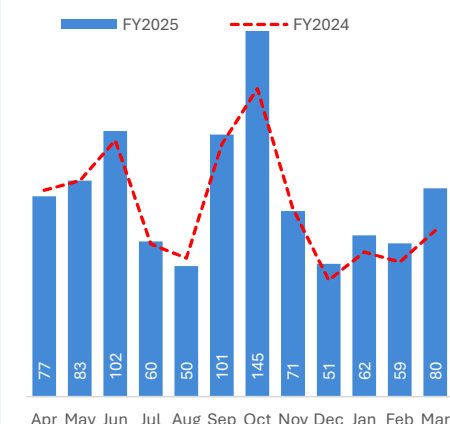
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
1,019	8%



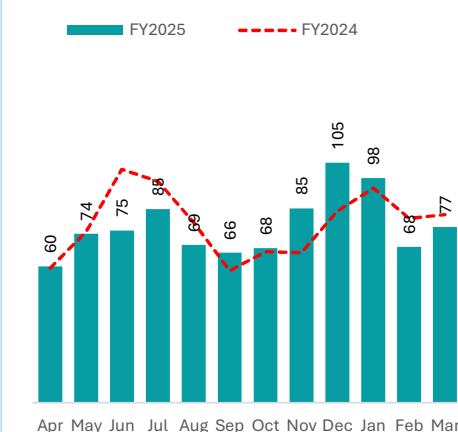
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
940	7%

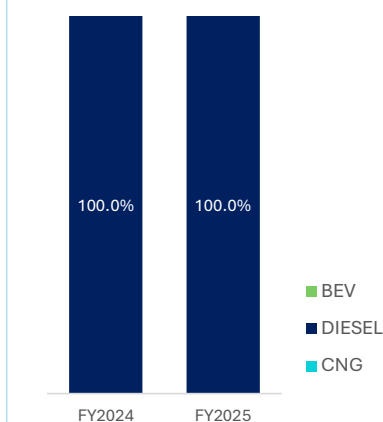


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
931	-1%



FUEL MIX – DOMESTIC (based on Retail Sales)



- Favourable agricultural conditions, supportive government policies and revival of rural economy enabled growth in Tractor segment. However, the retail for last two months not as expected, which may lead to higher inventory in coming months
- Estimated Dealer + Transit Inventory level as of end March'25 is **around 60 days**

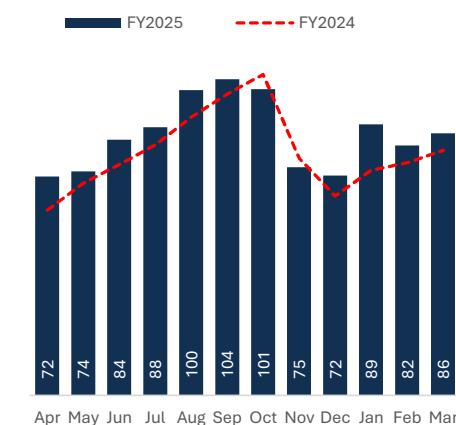
(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart
Source: Mobiintel Research



Three Wheelers (w/o e-Rikshaws)

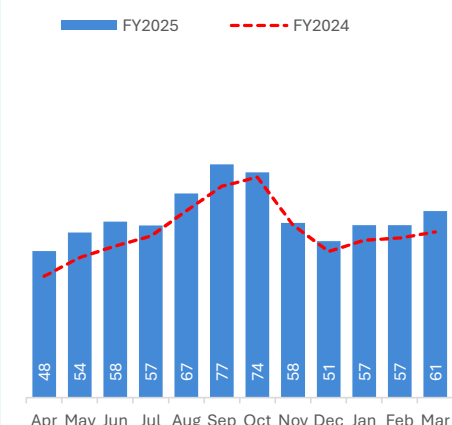
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
1,027	7%



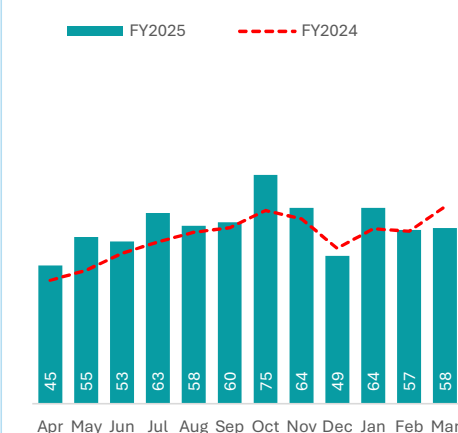
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
719	9%

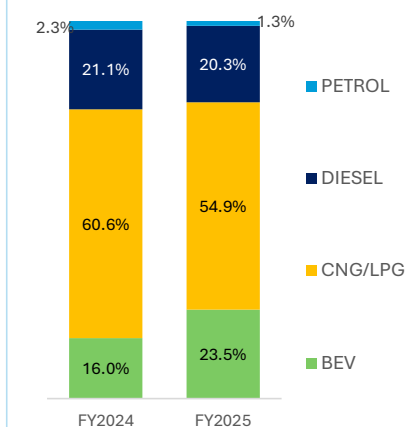


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
702	7%



FUEL MIX – DOMESTIC (based on Retail Sales)



- Three-Wheeler (3W) segment witnessed higher than the market growth of 7% over last year, baked by last mile connectivity applications
- Predominant fuel for 3W segment is CNG and LPG with nearly 55% share. However, significant transition to electrification is also seen with a share of 23.5
- Estimated Dealer + Transit Inventory level as of end March'25 is **around 35 days**

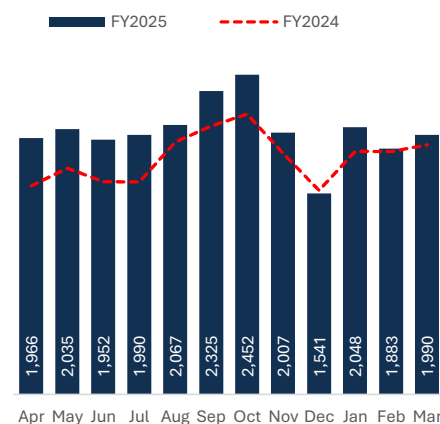
(1) Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart
Source: Mobiintel Research



Two Wheelers

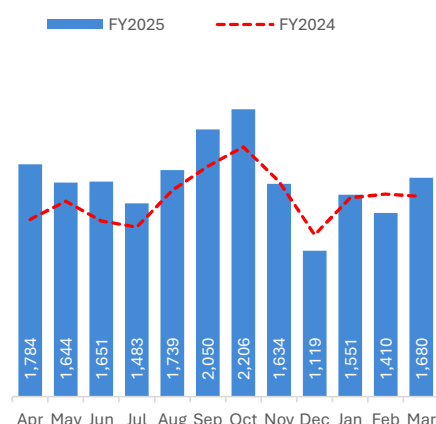
PRODUCTION

Year to date (volume in Tsd.)	Growth over Previous Year
24,257	11%



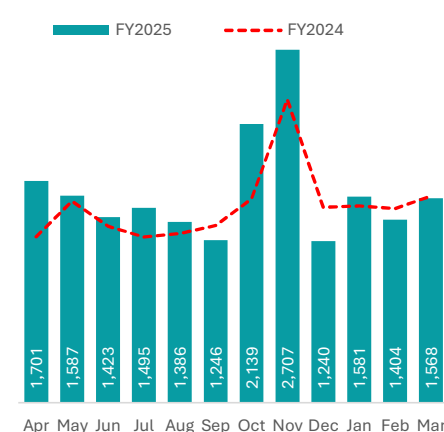
WHOLESALE (DOMESTIC)

Year to date (volume in Tsd.)	Growth over Previous Year
19,952	9%

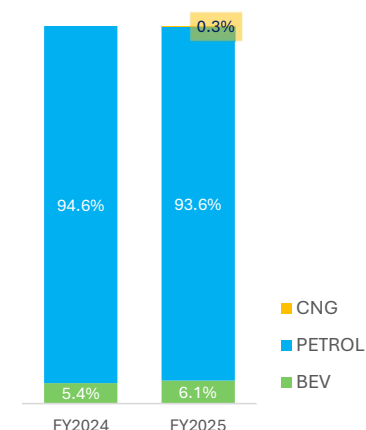


RETAIL SALES ⁽¹⁾

Year to date (volume in Tsd.)	Growth over Previous Year
19,477	8%



FUEL MIX – DOMESTIC (based on Retail Sales)

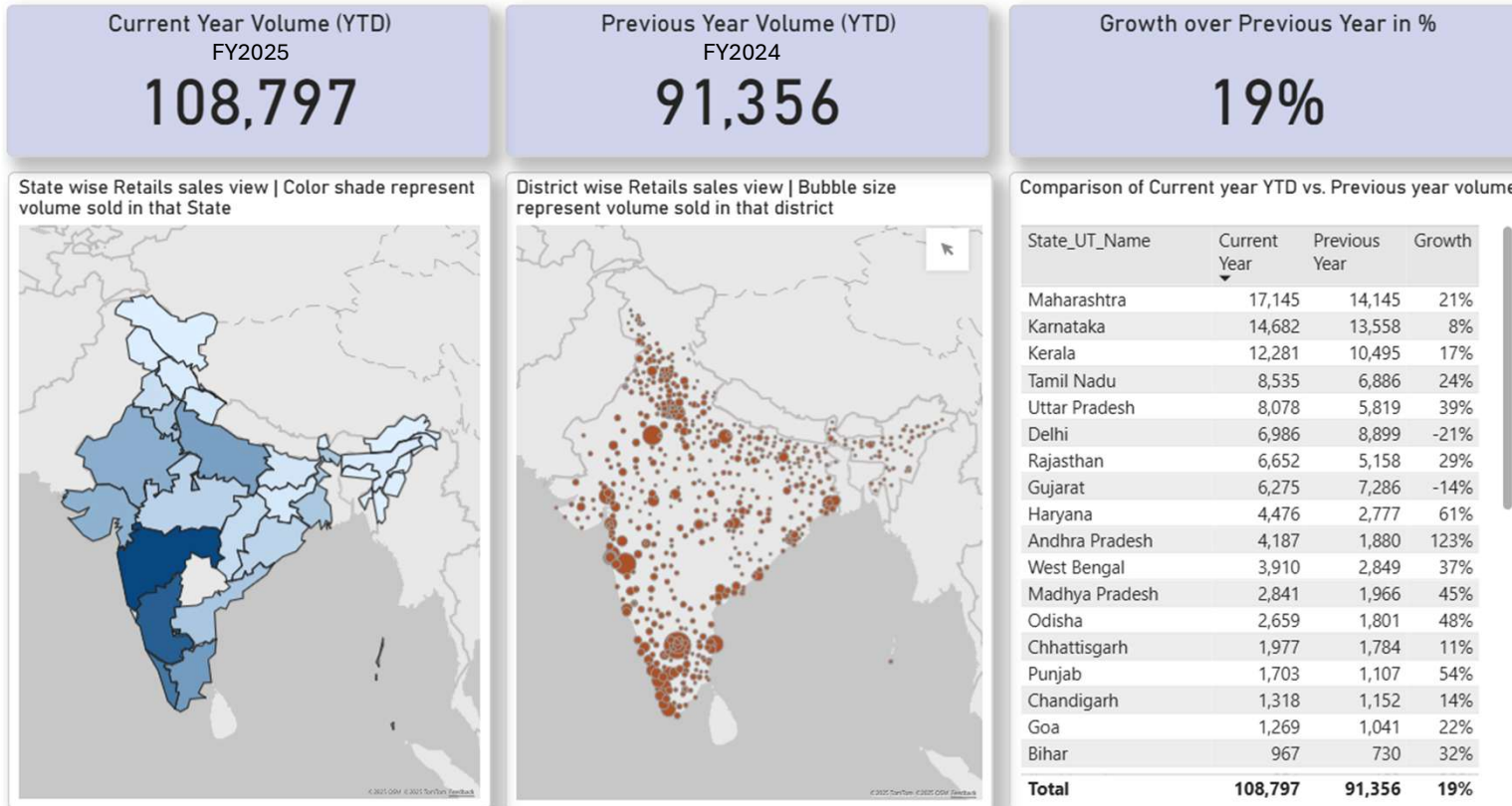


- Two-Wheeler (2W) segment continued to witness a robust growth, clocking 11% growth in production mainly supported by revival of rural economy and export market
- Though this segment is dominated by Petrol powertrain, marginal increase observed in Electrification.
- Estimated Dealer + Transit Inventory level as of end March'25 is **around 40 days**

(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 year. Growth was seen across most states, except Delhi and Gujarat
- 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 the launch of new models in coming months and charging infra expansion, it is expected the electrification rate would pickup

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

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