

# INDIAN AUTOMOTIVE MARKET UPDATE

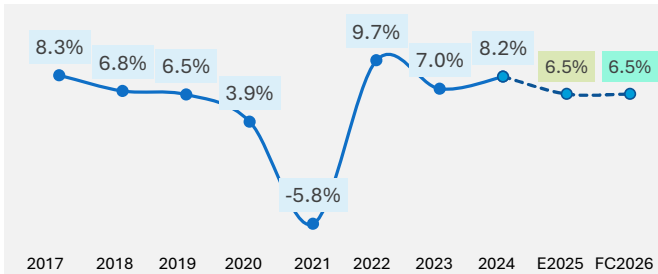
Status as of May 2025



Prepared by Mobiintel

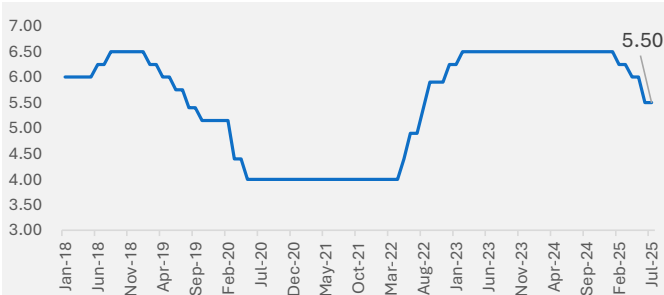
## Economy

**GDP [%] value as of financial year ending March**



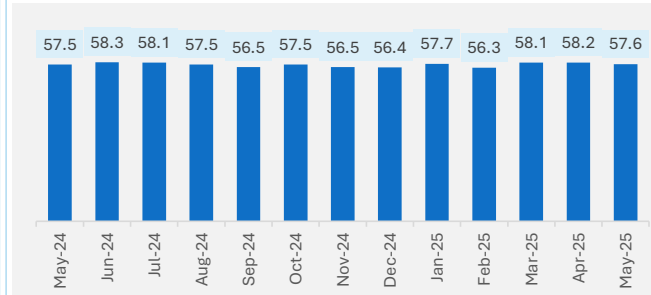
GDP growth expected to be around 6.5% in FY2026. Overall, India is expected to continue as the world's fastest-growing major economy in FY26

**INTEREST RATE (REPO)**



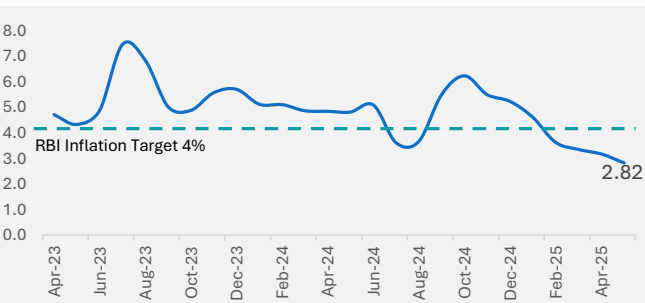
RBI has reduced the REPO rate to 5.5% to fuel economic growth considering inflation is under control.

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



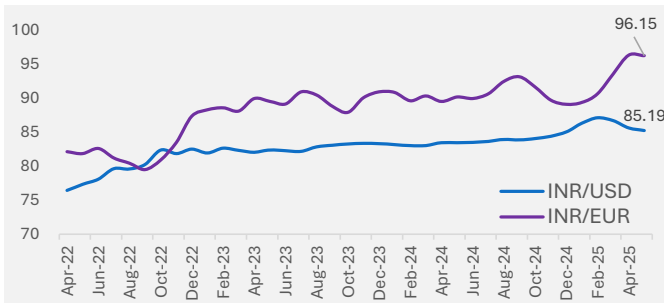
Manufacturing PMI slipped from 58.2 in April, marking a three-month low—but still well above the 50-point growth threshold. strong new orders and job creation continues.

**INFLATION (CPI in %)**



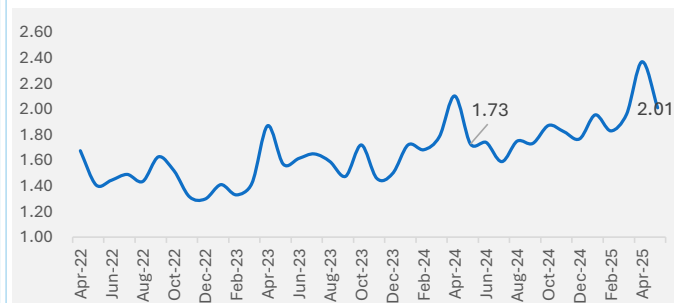
Headline CPI at 2.82% marks a new 6+ year low, driven largely by sharply reduced food prices. This also supports the RBI's recent 50 bps repo rate cut

**EXCHANGE RATE**



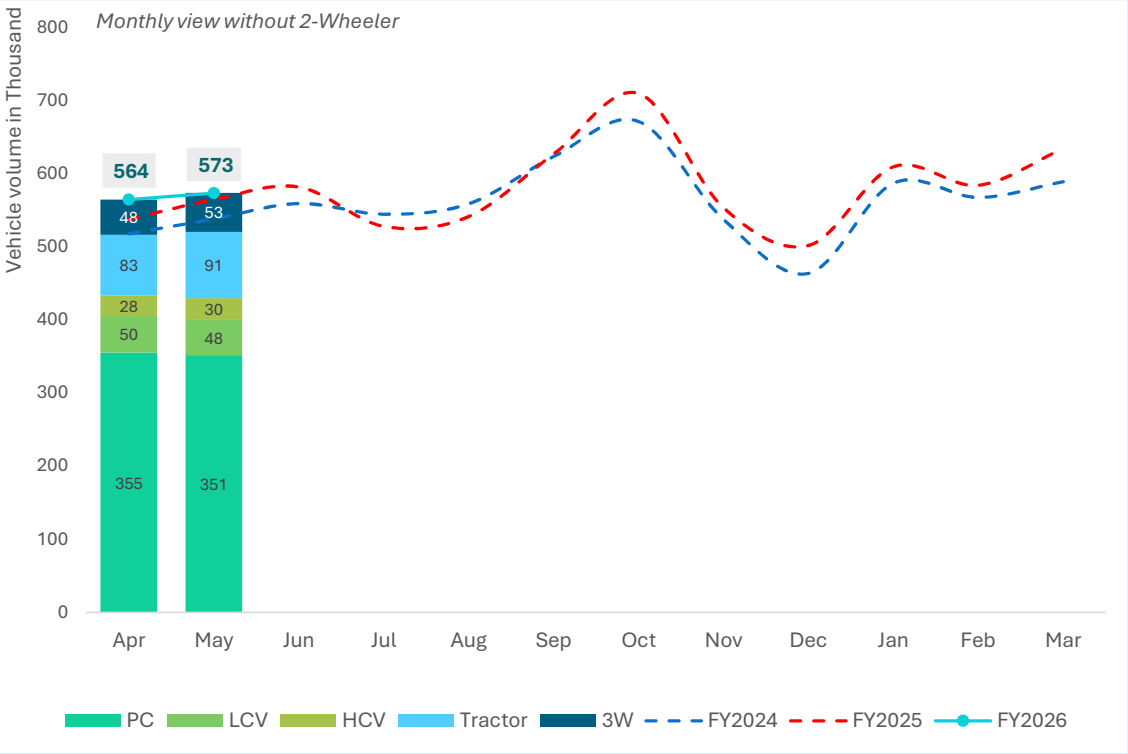
INR/USD and INR/EUR stable for the past two months due to RBI intervention.

**GST COLLECTION [Value in Trillion INR - Gross]**



GST collections reached INR 2.01 trillion in May 2025, registering a 16.4% YoY growth—marks a strong start to FY26, with healthy domestic consumption and a notable surge in import-related GST

Domestic Sales overview



Domestic Sales		Volume in Thousand			
Segment		May 2025	Growth over PY	YTD 05.2025	Growth over PY
PC		351	0%	706	2%
LCV		48	6%	98	6%
HCV		30	-1%	58	2%
Tractor		91	9%	174	9%
3W w/o e-rickshaw		53	-2%	101	-1%
Total (w/o 2W)		573	2%	1,137	3%
2W		1,674	2%	3,153	-8%

- Domestic vehicles (ex-2W) grew by 2 % YoY, Lifted by a 6 % jump in LCVs and a robust 9 % surge in tractors, keeping the overall market in positive territory.
- Passenger-car headwinds: Utility Vehicles (UVs) still expanding, but the compact-car sub-segment is softening as affordability pinches first-time buyers. OEMs are widening cash discounts and finance schemes to clear rising dealer stocks.
- Commercial Vehicles stabilizing: LCV + HCV volumes improved modestly on the back of reviving infrastructure outlays and firmer freight demand.
- Two-Wheeler Wholesale shipments were up just 2 % for the month of May, however, YTD is still in negative territory (-8%), signaling a slow but steady climb from the bottom.

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

Source: Mobiintel Research

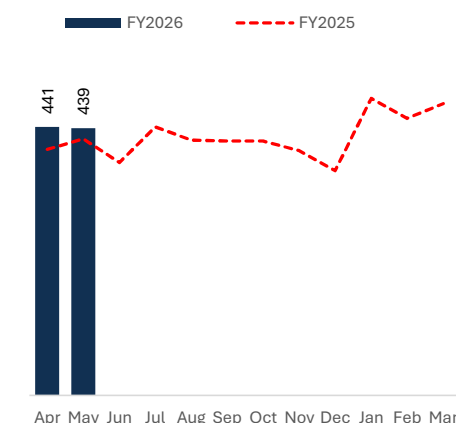




# Passenger Car

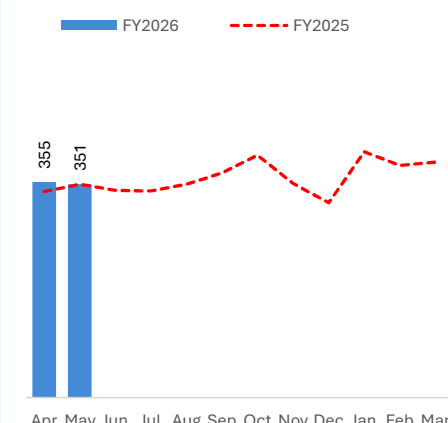
## PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
880	6%



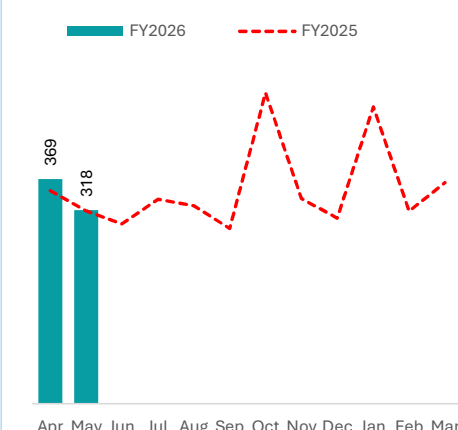
## WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
706	2%

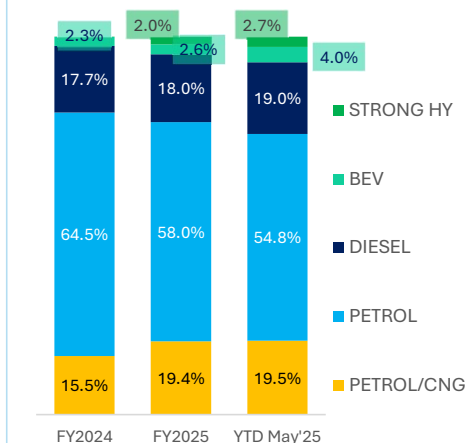


## RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
687	3%



## POWERTRAIN MIX (based on Retail Sales)



- The Passenger Car segment sustained its upward trajectory albite at a muted level, fueled by SUV demand, new model introductions, and expanding hybrid portfolios.
- With the launch of new BEV models especially from M&M, electrification share improved in current month to 4%. Also, higher demand seen for Strong Hybrid vehicles, with 2.7% share.
- Estimated Dealer + Transit Inventory level as of end May'25 is **around 60 days**. Inventory levels remain elevated, especially for entry-level models, leading to increased discounts to stimulate sales
- The segment is currently facing headwinds and expected to have a muted growth in coming months. However, expected to recover from H2 supported by favorable financing options and upcoming festive seasons.

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart to have a comparable view w.r.t wholesale

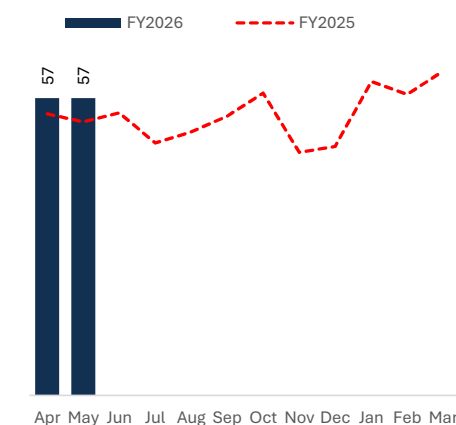
Source: Mobiintel Research

## LCV<sup>(3)</sup> - Light Commercial Vehicle



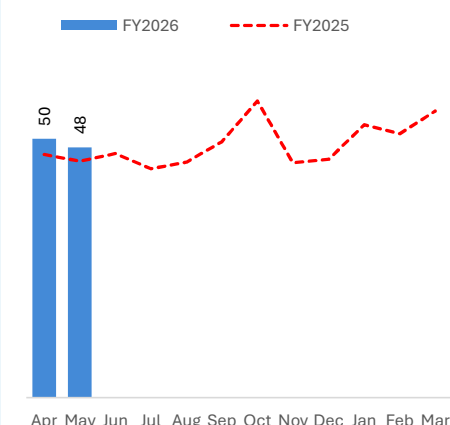
### PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>113</b>	<b>7%</b>



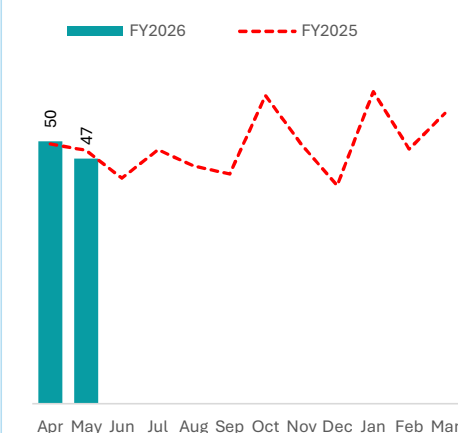
### WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>98</b>	<b>6%</b>

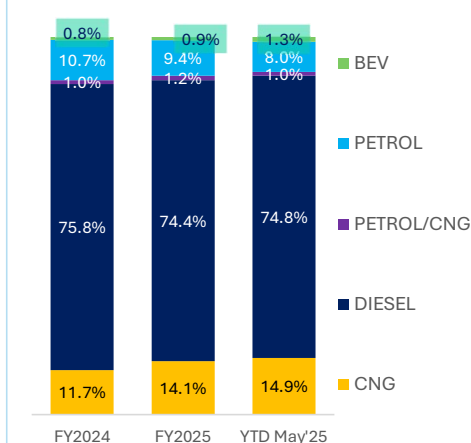


### RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>97</b>	<b>-1%</b>



### POWERTRAIN MIX (based on Retail Sales)



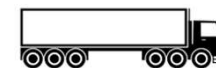
- Demand remained stable, supported by e-commerce and last-mile delivery; however, high financing costs and increasing competition from sub-1T three-wheelers posed headwinds.
- The segment's powertrain mix remains diesel-heavy, though gradual CNG and EV adoption is visible in urban logistics
- Estimated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

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart to have a comparable view w.r.t wholesale

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

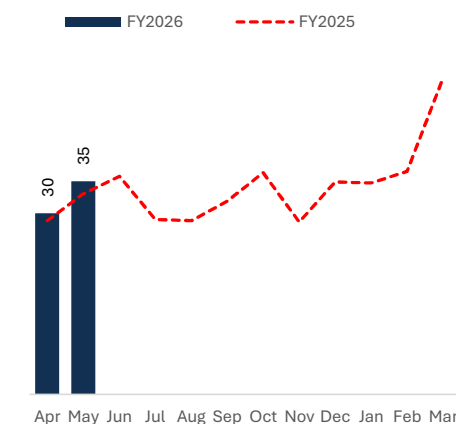
Source: Mobiintel Research



## HCV<sup>(3)</sup> - Heavy Commercial Vehicle

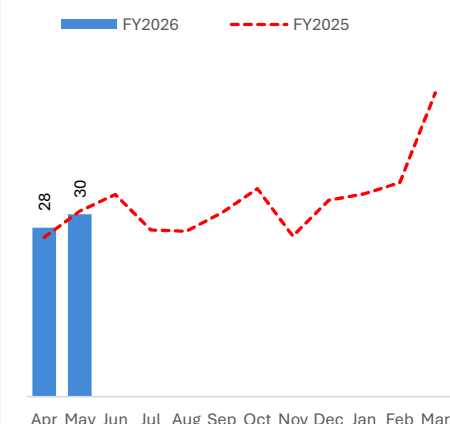
### PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
65	5%



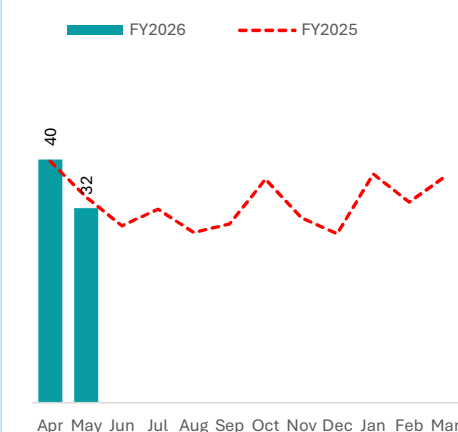
### WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
58	2%

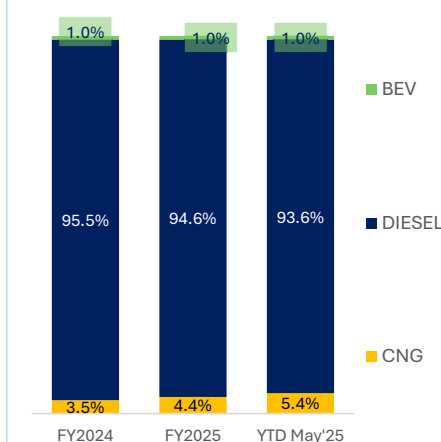


### RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
72	-1%



### POWERTRAIN MIX (based on Retail Sales)



- The HCV segment production grew 5% YoY, benefitting from higher government infrastructure spending and freight movement.
- Diesel dominates with >90% share, while BEV applications are limited to select STU-run buses (State Transport Utilities).
- Estimated Dealer + Transit Inventory level as of end May'25 is **around 33 days**, which is an optimal level
- Expect HCV production and sales to **remain elevated through late 2025**, especially as replacement cycles and infrastructure roll-outs pick pace.

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart to have a comparable view w.r.t wholesale

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

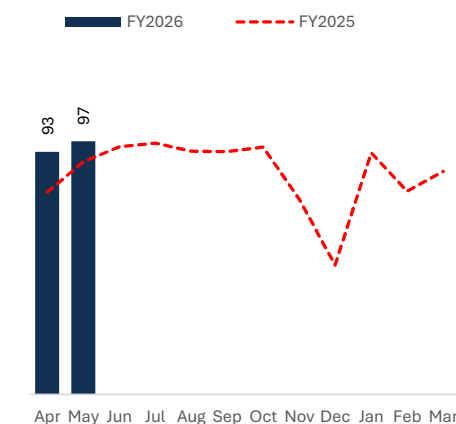
Source: Mobiintel Research



## Tractors

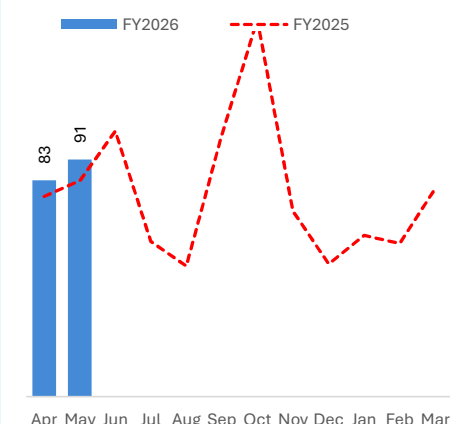
### PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>191</b>	<b>14%</b>



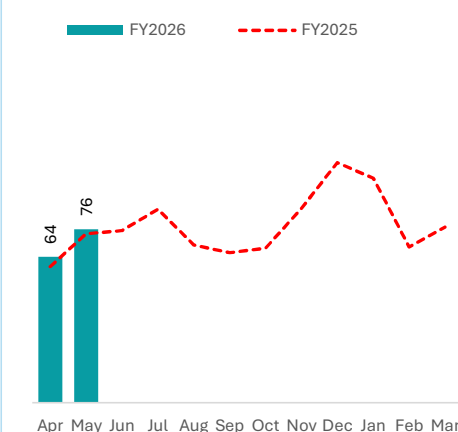
### WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>174</b>	<b>9%</b>

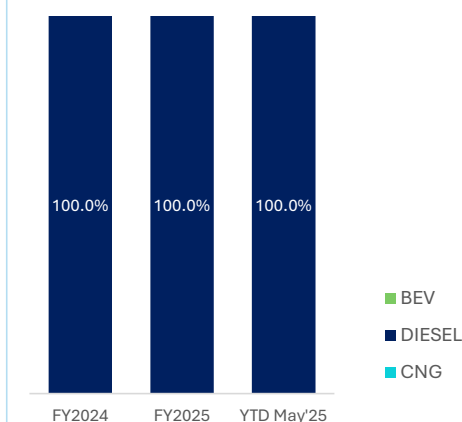


### RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>139</b>	<b>4%</b>



### POWERTRAIN MIX (based on Retail Sales)



- Tractor volume seen notable growth, fueled by monsoon optimism, pre-buy incentives, and high MSP-linked rural demand.
- Estimated Dealer + Transit Inventory level as of end May'25 is **around 71 days**. inventory remains aligned with seasonality.
- Growth is anticipated, supported by agricultural activities and rural development programs.

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic Retail Sales numbers are from Vahan dashboard. Telangana volume additionally included in the above chart to have a comparable view w.r.t wholesale

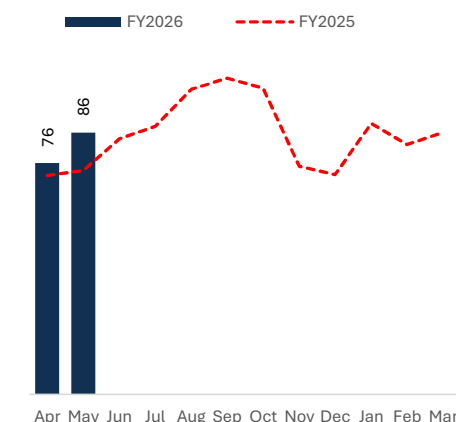
Source: Mobiintel Research



## Three Wheelers (w/o e-Rikshaws)

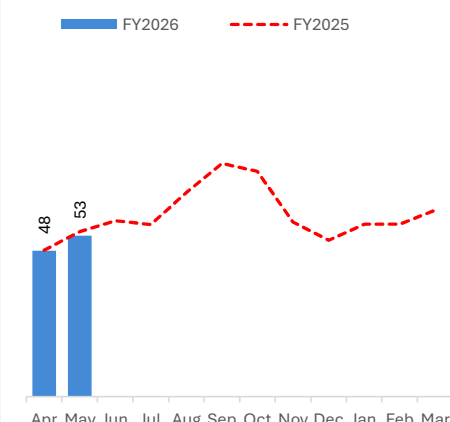
### PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>162</b>	<b>11%</b>



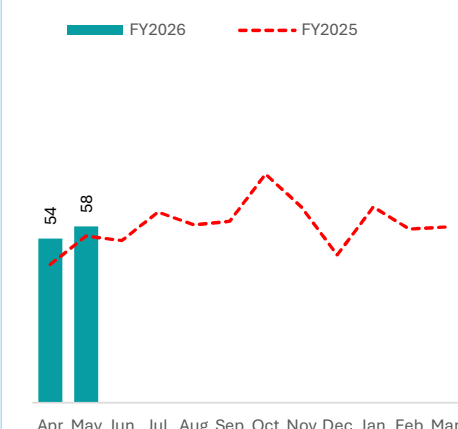
### WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>101</b>	<b>-1%</b>

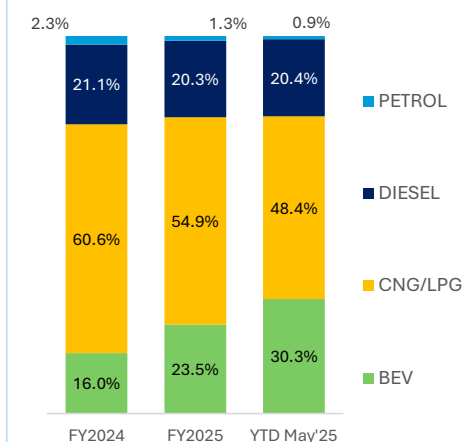


### RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>112</b>	<b>12%</b>



### POWERTRAIN MIX (based on Retail Sales)



- Three-Wheeler production increased by 11% YoY, largely driven by export demand and urban last-mile applications. Retail volume grew 12% YoY, while domestic wholesale was muted due to ICE brands.
- Predominant fuel for 3W segment is CNG and LPG with around 48% 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 May'25 is **around 35 days**. Inventory levels are healthy.

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic 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

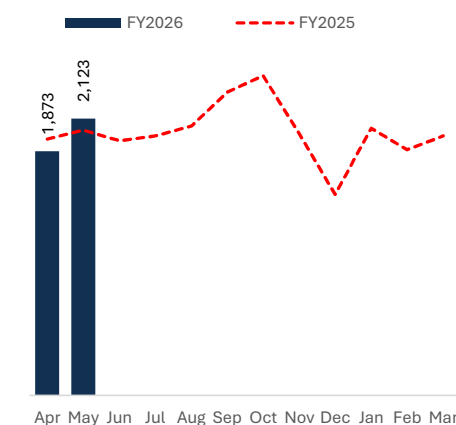




## Two Wheelers

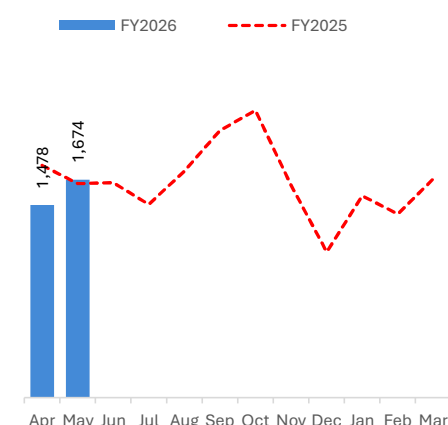
### PRODUCTION <sup>(1)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>3,996</b>	<b>0%</b>



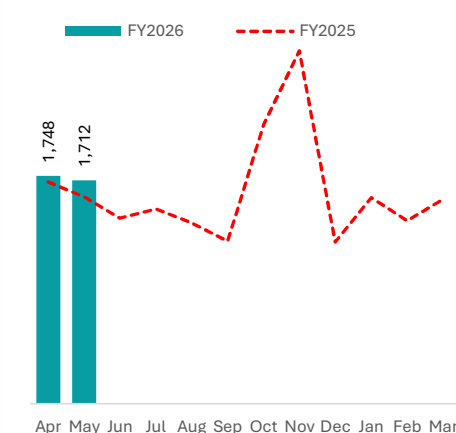
### WHOLESALE - DOMESTIC

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>3,153</b>	<b>-8%</b>

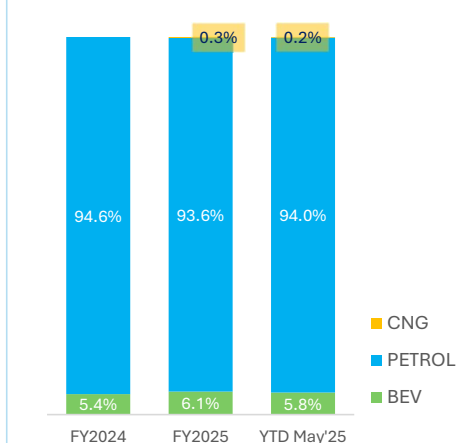


### RETAIL SALES <sup>(2)</sup>

YTD 05.2025 (volume in Tsd.)	Growth over Previous Year
<b>3,460</b>	<b>5%</b>



### POWERTRAIN MIX (based on Retail Sales)



- The Two-Wheeler segment saw a muted growth, primarily due to a high base effect and inventory correction.
- Rural demand and new model launches have supported retail sales, despite overall challenges
- This segment is dominated by Petrol powertrain. Electrification share seen marginal reduction, mainly due to Ola's loss of market share.
- Estimated Dealer + Transit Inventory level as of end May'25 is **around 34 days**
- Two-wheelers is expected to continue resilient recovery with modest growth, led by scooters, premium bikes and EVs scaling from a low base.

(1) Production volume represent total vehicle production in the country, including for Export market.

(2) Domestic 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

## Summary

- India's macro backdrop remains broadly supportive for auto demand. GDP is projected to expand  $\approx 6.5\%$  in FY 2026, keeping the country the fastest-growing major economy. Headline CPI has cooled to  $2.8\%$ , giving the RBI room to trim the repo rate to  $5.5\%$ . GST inflows touched a record ₹2.01 trn ( $+16\%$  YoY) and the manufacturing PMI, although off recent highs, stays well above the 50-point growth line. Currency markets are calm after targeted RBI intervention.
- Against this backdrop, domestic vehicle wholesales (ex-2W) in May edged up  $2\%$  YoY, lifted by Light Commercial Vehicles ( $+6\%$ ) and tractors ( $+9\%$ ), which more than offset softness in passenger cars and marginal contraction in three-wheelers.
- Two-wheelers showed a tentative  $+2\%$  monthly lift but remain  $-8\%$  YTD, underlining an uneven rural recovery.
- Segment dynamics are diverging. Utility Vehicles continue to expand, helped by fresh SUV launches, hybrids and a rising BEV mix ( $4\%$  of May retail). Conversely, entry-level compact cars are under pressure, prompting OEMs to deploy deeper incentives to clear a 60-day inventory overhang.
- LCVs benefit from e-commerce and urban logistics demand yet rising competition from sub-1 tonne three-wheelers and elevated financing costs are emerging headwinds.
- HCV output is up  $5\%$  YTD, buoyed by infrastructure spending and replacement demand due to ageing long-haul fleet; inventory at 33 days is healthy.
- Tractor volumes are riding monsoon optimism and pre-buying ahead of emission norms, while three-wheelers see export-led production growth and rapid electrification (EVs  $\approx 30\%$  of retail).
- Production pipelines largely mirror wholesale trends, PV and LCV lines are steady, HCV plants are running above last year's levels, and tractor factories are gearing up for kharif demand. Inventory days remain manageable across most channels, suggesting no systemic glut.
- In sum, the industry enters FY 2026 on stable footing - growth is segment-selective, but supportive economics, infrastructure roll-outs and targeted incentives position the sector for a stronger second half

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Our expertise spans the entire spectrum of mobility, covering Passenger Vehicles, Commercial Vehicles, Two-Wheelers, Three-Wheelers, Tractors, Construction Equipment, and Mobility Service Providers.

At Mobiintel, we empower organizations to navigate the complexities of a dynamic market by bridging the gap between data and decision-making, ensuring they stay ahead of emerging trends and opportunities.

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