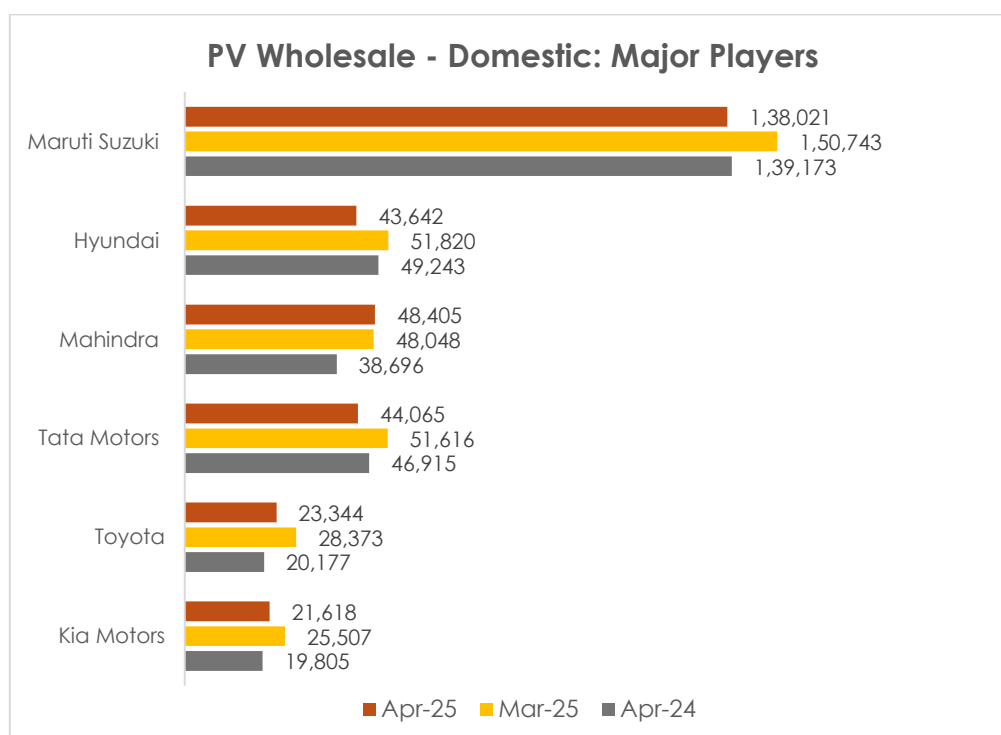




Indian Automobile Industry Starts FY2026 With Steady Growth



Passenger Vehicles:



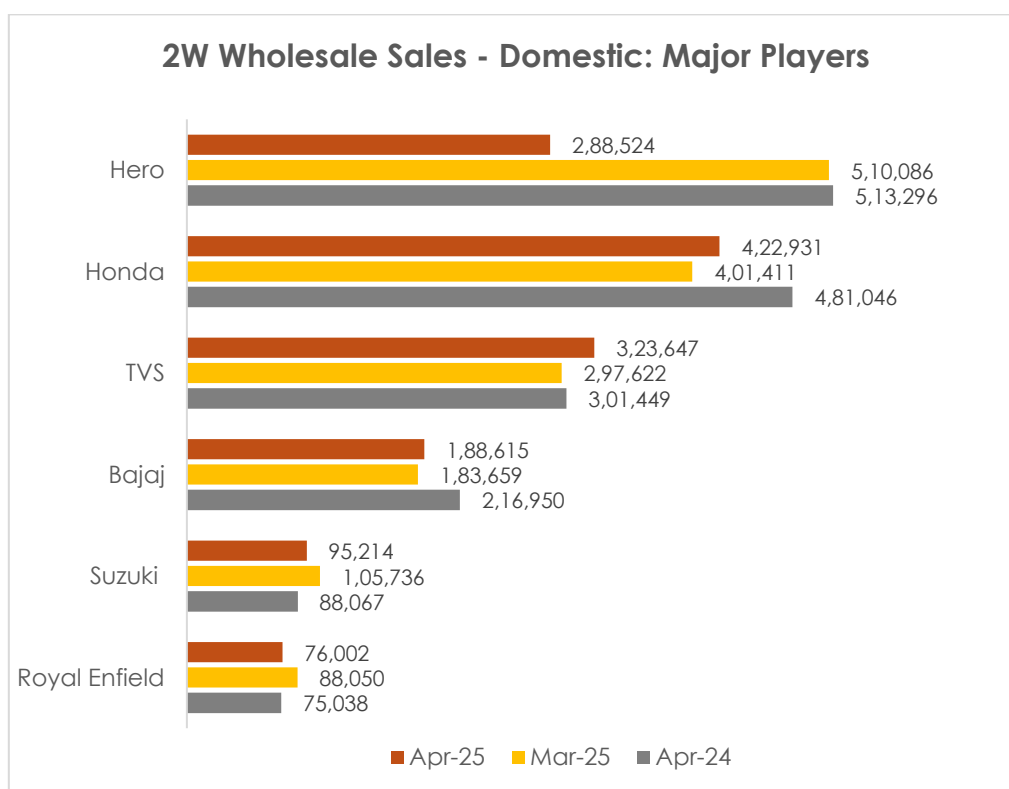
Source: Company Data

- On the wholesale front, domestic sales volume of passenger vehicles (PVs) across the top 12 OEMs in the country were up 1.5% in Apr'25 compared to Apr'24, though it showed a decline of 11.0% vs Mar'25.
- In Apr'25, domestic wholesale sales of PVs among the key players, Mahindra secured third place beating Tata Motors, selling 48,405 units in India, up 25.1% YoY owing to strong demand for its SUVs. Specifically, the growth was fueled by popular models such as the XUV 700, XUV 3X0 and Thar. Further, Mahindra is probably the only mainstream brand among the top 12 OEMs to be known as an SUV manufacturer. Maruti Suzuki continued to hold the throne of India's best-selling car brand, selling 1,38,021 units, but witnessed a marginal 0.8% YoY decline. Despite a decline in its mini segment, especially the models like Alto and S-Presso, Maruti observed a rise in compact car sales, including models like Fronx, WagonR, Baleno, Dzire, Ignis and Swift.
- Kia Motors, up 9.2% on a YoY basis, showed notable growth, driven by strong product demand and expanding market presence. This growth was led by the new updated model launch of Kia Sonet compact SUV, which emerged as the top-seller, accounting for 8,068 units, while the Seltos midsize SUV followed in the second position with 6,135-unit sales. Toyota also experienced a growth of 15.7% YoY, where the Company's MPV (Multi-Purpose Vehicles) and SUV (Sports Utility Vehicle) segments

continue to be the primary growth drivers where the strong demand led by models such as Innova Crysta, Innova Hycross, Urban Cruiser Hyryder, Hilux, Fortuner, Legender and Rumion reflects its biggest contributor to overall volumes. Skoda VW also delivered an impressive 39.5% growth on a YoY basis, bolstered by Skoda Kylaq, which has easily emerged as the Company's best-selling model.

- MG Motors experienced a growth of 14.2% on a YoY basis. This growth was primarily driven by the Windsor EV, MG's top-selling model, which accounted for the largest share of the company's April 2025 sales and upheld its position as India's best-selling EV for the seventh consecutive month. Other models in MG's portfolio include the Comet EV, ZS EV, Astor, and Gloster, but the Windsor EV continues to drive the brand's momentum in the electric vehicle (EV) segment. Additionally, MG plans to expand its product portfolio with the introduction of the MG Cyberster and MG M9 under its luxury brand channel, MG Select, with advanced features such as ADAS and V2L, which is expected to further strengthen its position in the automotive market.
- In contrast, Tata and Hyundai both witnessed YoY decline in sales, with Tata seeing a fall of 6.1% from last year and Hyundai seeing a decline of 11.4% from Apr'24. Further, the drop in sales was due to intense competition and a shift in consumer preferences towards other brands.
- On the retail front, PV sales witnessed a mixed performance where the sales increased by 1.6% on a YoY basis alongside a marginal 0.2% Mom decline. This performance highlights a market driven by discounts and high inventory levels, currently at a 50-day supply, against a backdrop of cautious consumer sentiment, which has impacted the conversion of enquiries into sales. Strong SUV demand continued to support overall volumes; even as entry-level buyers remained hesitant. This situation emphasises the importance for OEMS to adjust production and lower inventory levels to avoid deeper discounts and reduce carrying costs at dealerships. FADA maintains its recommendation for dealerships to keep inventories at a 21-day level to improve market agility and cost effectiveness.
- New upcoming product launches expected in May'25, such as Kia Clavis MPV, Kia Carens Facelights, Tata Altroz Facelift, MG Cyberster and the Volkswagen Golf GTI will likely generate interest among urban car buyers and improve PV volumes.

Two Wheelers:



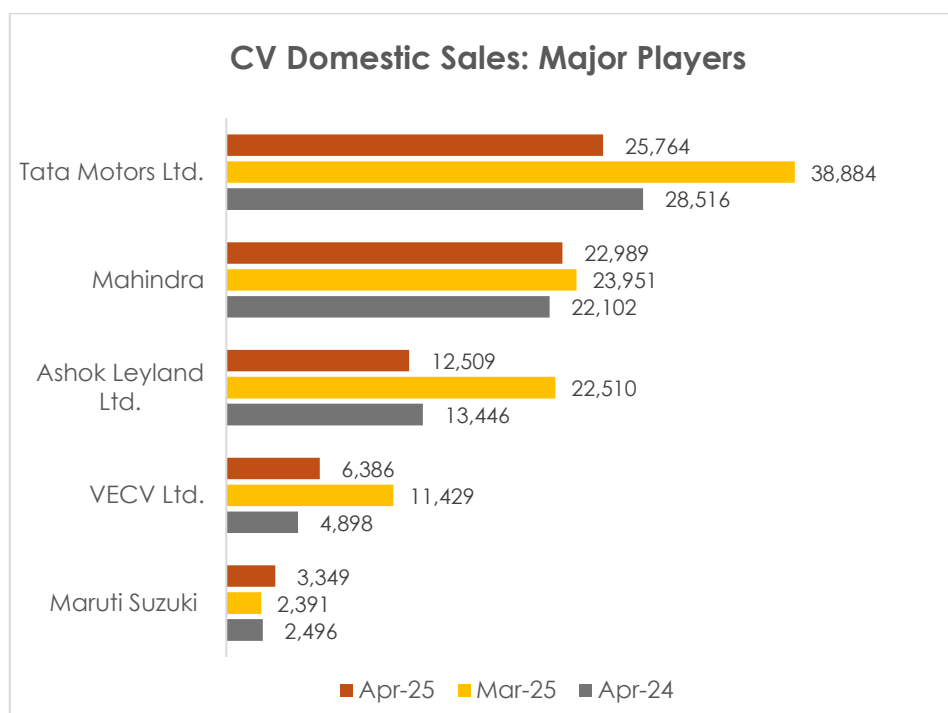
Source: Company Data

- In Apr'25, the top six OEMs in the Indian two-wheeler market reported mixed performance compared to the same month last year. This was due to a significant decline in domestic demand but an increase in export volumes. Domestic wholesale sales declined by 16.8% on a YoY basis and by 12.1% on a MoM basis. In contrast, exports led with a growth of 14.1% on a YoY basis and 1.8% on a MoM basis.
- On the wholesale domestic front, Suzuki led the market with a growth in sales in Apr'25 of 8.1% on a YoY basis, largely driven by demand for the Access 125, V-Storm SX and Burgman models. TVS Motors showed a growth of 7.4% increase in domestic sales compared to the same month last year, driven by healthy demand for the new model TVS Jupiter, TVS Apache series, TVS Ronin and TVS i-Qube scooter. Strong demand has been sustained by robust consumer sentiment, which is bolstered by a steady rise in first-time buyers. Furthermore, Royal Enfield saw a stable growth of 1.3% on YoY basis, driven by Super Meteor, 650 Twin and Classic 350 models.
- In contrast, Hero MotoCorp, Baja Auto and Honda reported YoY declines of 43.8%, 13.1% and 12.1%, respectively. These declines and challenges are attributed to ongoing domestic market issues, such as inflation and economic pressures affecting

lower-middle and working-class consumers, as well as rising competition from new entrants across segments.

- On the wholesale export front, Suzuki leads with a 56.8% growth on a YoY basis, driven by its updated two-wheeler lineup to comply with the latest BS6 P2 OBD2B emission standards. This includes key models like the Burgman Street, Avenis, Gixxer, V-Strom, and Hayabusa, making their products more attractive and compliant for international markets. Additionally, the company have recently enhanced its digital accessibility by launching online bookings via Flipkart across eight Indian states, which may have indirectly supported overall brand visibility and demand, including in export markets.
- Bajaj Auto, Royal Enfield and TVS Motors also saw a growth of 3.6%, 54.5% and 45.9% on a YoY basis, driven by strong demand for premium motorcycles in key international markets and demonstrated steady progress despite rising competition. In contrast, Hero MotoCorp and Honda 2-wheelers registered a decline in sales of 16.8% and 4.8% on a YoY basis, attributed to factors such as competition and market dynamics that impacted their export volumes.
- On the retail front, 2Ws' sales grew by 2.3% YoY and 11.8% on a MoM basis. Dealers observed strong enquiry growth in rural markets following the Rabi harvest, supported by robust crop yields, healthy reservoir levels, and a positive monsoon forecast. The ongoing wedding season further boosted rural sales. Meanwhile, urban demand remained solid, aided by the launch of new models, though higher financing costs and price adjustments related to OBD2B compliance presented some isolated hurdles.
- Retail sales of 2Ws are expected to rise, driven by increased walk-ins, new product launches, and strategic promotional activities, all of which are likely to sustain customer footfalls and further boost demand. Additionally, the marriage season and post-harvest demand are expected to drive enquiry levels. However, financiers are tightening credit criteria at the customer level, raising CIBIL score requirements and increasing down-payment mandates, even though overall banking system liquidity remains adequate.

Commercial Vehicles:



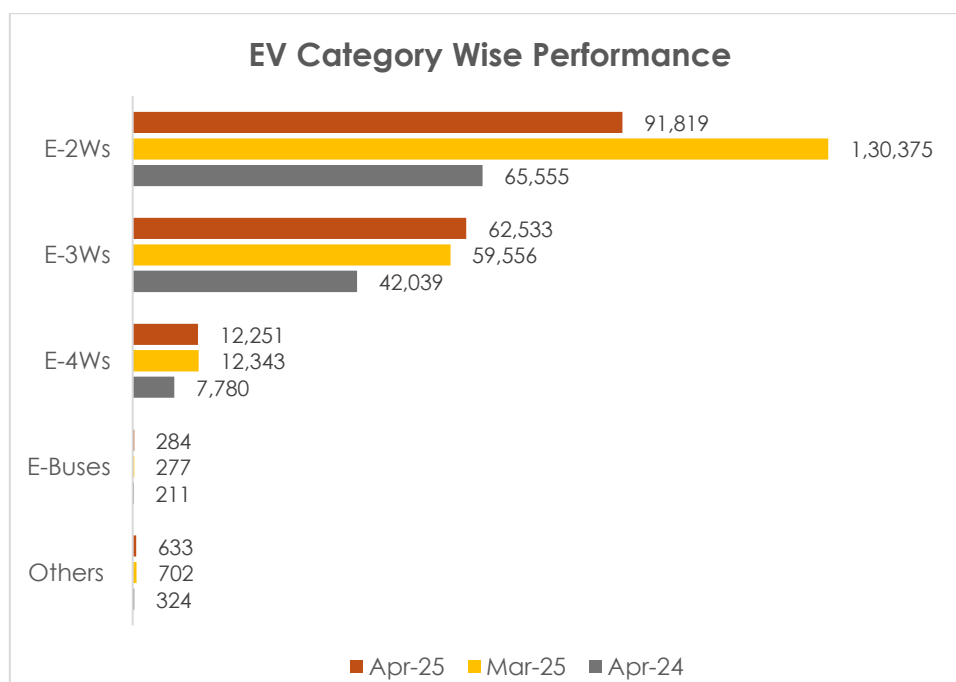
Source: Company Data

- In Apr'25, the domestic Commercial Vehicle (CV) sales trend for the top five players has seen a decline of 0.6% on a YoY basis and 28.4% on a MoM basis, reflecting a challenging period in domestic sales.
- On the wholesale domestic front, Mahindra achieved 22,989 units in domestic sales, reflecting a modest 4.0% increase on a YoY basis, driven by an 8.5% rise in LCV (2T-3.5T) and a 9.5% jump in LCV >3.5T & M&HCV. VECV stood out with a significant 30.4% growth on a YoY basis, selling 6,386 units, driven by new model launches, steady demand and a strategic focus on domestic markets. Maruti Suzuki also saw a growth of 34.2% in sales, primarily due to an increase in the LCV segment.
- In contrast, Tata Motors reported 25,764 units sold, a decline of 9.7% on a YoY basis and 33.7% on a MoM basis. This decline was primarily driven by a decrease in the SCV (Small Commercial Vehicle) cargo & pickup segment, where the company sold 9,131 units in Apr'25, down from 11,823 units in Apr'24, reflecting a 22.7% decrease. The demand remained flat, hindered by affordability issues and a shift to Electric 3Ws. Ashok Leyland reported 12,509 units, a decline of 7.0% on a YoY basis. This decline was primarily due to a decrease in the M&HCV Trucks segment, where the company sold 5,915 units in Apr'25, down from 6,537 units in Apr'24, reflecting a 9.5% decrease.

- In terms of the total exports, the volumes for the top four players have seen strong 53.0% YoY growth. This growth was led by Mahindra and Tata Motors, selling 3,381 units and 1,457 units, up 82.1% and 42.6% on a YoY basis, respectively. While the broader CV market faced headwinds from price increases and subdued domestic demand, these export gains highlight the growing competitiveness of Indian CV manufacturers internationally, supported by infrastructure projects and diversified product portfolios.
- On the retail front, CV sales experienced a decline of 1.0% on YoY and 4.4% on a MoM basis. This decline is primarily due to OEM-driven price hikes amid stagnant freight rates and fleet utilisation. According to dealer feedback, advance purchases made in Mar'25 led to higher inventory carryover, while holiday schedules reduced new enquiries and delayed sales conversions-especially in the SCV cargo segment, where price and product disparities have been significant challenges. In contrast, the bus segment remained robust, supported by strong demand for school transportation and staff mobility. While overall financing availability is stable, providing greater assistance to first-time users will be essential for reviving growth momentum going ahead.
- Expectation of increased investments in road infrastructure, logistics hubs, and urban development to enhance transportation efficiency and improve market access will help CV volumes.

Electric Vehicles (EV):

In Apr'25, India's electric vehicle (EV) market exhibited a mixed performance across most categories. However, the Indian EV market, driven by increasing consumer adoption and competitive market dynamics, continues to evolve. Despite the competitive landscape, economic factors and consumer spending remain significant influencers on overall EV sales. The sector is striving to maintain its upward momentum, bolstered by initiatives like the PM E-DRIVE Scheme and supportive state government incentives.



Source: Vaahan Portal, EV Reporter

- **E2W:**

The segment saw a mixed performance, with a growth of 40.1% on a YoY basis. This makes Apr'25 the best April yet for electric two-wheelers since the start of the data series in Jan'23. Despite a reduction in government subsidy (halved to INR 5,000 per unit from April 1, 2025), the segment continues to grow due to affordability, rising fuel prices, expanding model options, and the appeal of low running costs. However, the subsidy cut is expected to moderate growth in the coming months, making future sales more dependent on technological improvements and state-level incentives.

- This growth was led by TVS Motor, which tops monthly sales for the very first time with 19,746 units, leaving behind Ola Electric and Bajaj Auto, which also sold over 19,000 units each in Apr'25. As per Vahan registration data, TVS sold 1,534 units on April 30, 2025, which was the festive day of Akshaya Tritiya, which typically sees a

high level of new vehicle buying. This is the highest single-sales day of the top four OEMs on Akshaya Tritiya.

- Ola Electric, which had taken an early lead in the month with 4,294 units, has narrowly missed out on being No. 1 in Apr'25 with sale of 19,709 units, just a few units less than TVS. Ola offered a 72-Hour Electric Rush' special Akshaya Tritiya festive offer from April 28-30, offering discounts of up to INR 40,000 on its S1 scooters and a free extended warranty on all Gen 2 and Gen 3 models.
- Bajaj Auto, which topped the e-2W chart in Feb'25 (21,563 units) and Mar'25 (35,160 units), is down to No. 3 position in Apr'25 with its lowest sales in three months. This was due to, e-2W buyers were likely aware that the company was about to roll out the most affordable Chetak in the new 35 series in late April. The company sold 19,001 Chetaks in Apr'25; nevertheless, they are up 151% on year-ago sales of 7,561 units and give it a current market share of 20.7%, nearly doubling its Apr'24 market share of 11.5%.
- Going forward, Hero's Vida V2 is expected to see steady sales thanks to the brand's strong reputation and recent updates, while the entry of Honda and Suzuki into the electric two-wheeler market will significantly intensify competition among leading manufacturers, driving innovation and expanding consumer choice. Both Honda and Suzuki are actively developing electric options. Honda has begun bookings for its Activa EV and QC1 electric scooters, and Suzuki is preparing to launch models like the Access Electric and Burgman Electric in 2025, signalling a shift where established and new players alike are focusing on the EV segment.

- **E3W:**

The overall E3W market experienced a growth of 48.7% on a YoY basis and 5.0% on MoM basis, reflecting a strong performance varied across its sub-segments:

- The E3W (e-rickshaw) segment saw a growth of 24.3% on YoY and 9.5% on a MoM basis. This was due to a growth in sales of YC Electric, up by 12.1% and Dilli Electric, up by 1.1% on a YoY basis. Further, this segment remains the largest sub-segment, driven by robust demand for affordable last-mile passenger mobility in urban and peri-urban areas. Their low operating costs, ease of financing, and suitability for short-distance commutes make them highly popular, especially among self-employed drivers and small fleet operators.
- E3W (Passenger L5 Pax) segment saw a strong growth of 206.5% on a YoY basis but a decline of 3.0% on a MoM basis. Year-on-year growth was led by Mahindra Last

Mile Mobility, which led the charge and sold 4,512 units, followed by Bajaj Auto, which sold 5,131 units in Apr'25. This surge indicates a rise in demand for E3W Passenger L5 Pax, fueled by improved infrastructure and government support for eco-friendly mobility options.

- E-Card segment saw a growth of 77.2% on a YoY basis and 3.3% on a MoM basis. This performance was attributed to JS Auto and YC Electric, which sold 479 units and 464 units in Apr'25. This highlights the growing demand for e-carts, reflecting the increased adoption of sustainable logistics solutions.
- E3W (Goods L5) segment saw a growth of 38.4% on a YoY basis but a decline of 10.5% on a MoM basis. The slight dip in sales on MoM basis reflects seasonal fluctuations and potential delays in fleet purchases, but overall adoption remains strong due to the economic advantage of EVs for last-mile logistics. Further, commercial operators are attracted by lower running costs, government incentives, and the growing need for sustainable urban delivery solutions.

- **EPV (e-4W):**

The sales in this segment grew 57.5% on a YoY basis but declined by 0.7% on a MoM basis, reflecting a mixed performance:

- MG Motors led the market and saw a growth of 212.9% on a YoY basis, selling 3,464 units in Apr'25. This significant YoY increase points to a strong adoption of electric cars, driven by improved infrastructure and better models such as MG Windsor. The company's third EV after the ZS EV and Comet EV, has sold over 20,000 units since its Sep'24 launch and helped the company eat into Tata Motors' market share. Windsor EV combines the features of both a sedan and an SUV and benefits from the innovative Battery-as-a-Service (BaaS) program. These new model upgradations strengthen MG's presence in the EV segment.
- In contrast, Tata Motors saw a decline of 36.1%, reflecting the growing competition from rival EV OEMs, increased product choice for buyers and expiry of the FAME 2 subsidy. The company's monthly market share has plunged to a new low of 36% versus the 61% it had a year ago.

- **ECV (e-Bus):**

- Overall, the e-bus segment reported decent performance. The sales in this segment grew by 34.6% on a YoY basis and 2.5% on a MoM basis. PMI Electro Mobility, led the e-bus segment, with the highest market share in e-bus of 68% in

Apr'25, selling 188 units, followed by JBM Auto, selling 46 units and Olectra Electric, selling 25 units in Apr'25.

- The e-bus market is facing challenges like long procurement cycles and infrastructure limitations. Despite increasing sales, electric buses remain a fraction of India's total bus registrations. However, government incentives, city-level electrification initiatives and procurement programs, such as the PM e-Bus Sewa Scheme-2, are expected to accelerate adoption.

Overall Comments – Auto Sales:

Indian automobile sales began FY2026 with steady growth, though performance varied across segments.

Passenger Vehicles

PV sales in Apr'25 showed steady growth, with Mahindra and Toyota performing well, owing to their new launches. While premium and SUV segments continued to outperform, the entry-level demand remained subdued. The near-term outlook remains optimistic, supported by rising incomes and urbanization, although global headwinds and persistent inventory issues could temper growth and sentiment. Further, the PV segment is expected to see modest single-digit growth, with EVs gaining market share as charging infrastructure and consumer acceptance improve.

Two Wheelers

The 2Ws segment reported mixed numbers in Apr'25, mainly driven by exports but marred due to domestic demand, which remained subdued due to extreme heatwaves, fewer auspicious wedding dates, and delayed rural payments. Additionally, the segment saw a notable rise in first-time buyers. Going ahead, the growth is expected to continue steadily, led by both internal combustion engine (ICE) and electric models, with rural and urban demand balancing each other effectively.

Commercial Vehicles

CV total sales in Apr'25 reached 73,858 units, marking a 1.1% YoY increase from 73,022 units, driven by infrastructure investments, stable freight demand, and supportive government policies. LCVs, such as Maruti Suzuki's Super Carry, performed particularly well, posting significant YoY growth. Additionally, the CV segment is also poised for moderate growth, driven by infrastructure investments and logistics sector expansion, although fleet renewal cycles and macroeconomic uncertainties could lead to fluctuations.

Looking ahead, the broader auto sector is expected to retain moderate strength, supported by new model launches, improved disposable incomes owing to favourable agricultural output, and improvement in overall demand on the back of economic stability.

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