

INDIAN AUTOMOBILE INDUSTRY – PASSENGER VEHICLES

**Marginal wholesale growth in
FY2025; export volumes saw healthy
improvement on a low base**

APRIL 2025





[Click to see full report](#)

Wholesale volumes improved marginally on a sequential basis in March 2025; retail volumes saw a healthy revival owing to end-of-the-year discounts by OEMs.

ICRA estimates the PV industry to grow at 4-7% in FY2026 after a flattish FY2025.



In FY2025, domestic wholesale sales volumes improved marginally on a YoY basis to 4.3 million units. The wholesale volumes for original equipment manufacturers (OEMs) remained steady, reporting a growth of ~2% YoY. Retail sales saw a growth of ~3.5% in FY2025 owing to new model launches and various discounting offers from OEMs, which led to some moderation in inventory levels at dealerships.



Inventory levels remained elevated at 50-55 days at the end of March 2025, as per the Federation of Automobile Dealers Association (FADA). Sport utility vehicles (SUVs) continued to be the most preferred segment in the passenger vehicle (PV) industry, driving 64-65% of the overall PV volumes. Utility vehicles (UVs) are likely to remain the key volume drivers in the near term. Sustaining the demand after the recently concluded wedding season remains key in keeping inventory levels under check and providing liquidity cushion to dealers.



Export volumes saw a healthy improvement of 15% in FY2025 albeit on a smaller base. Maruti Suzuki remains the key exporter with ~43% market share in overall exports, followed by Hyundai. The shortage of forex availability in certain African markets and inflationary pressures may constrain demand.



ICRA estimates domestic industry volumes to grow by 4-7% for FY2026 after a marginal 2% improvement in FY2025, with the expectation of demand revival aided by higher disposable income on the back of changes in the income tax structure. However, the production and wholesale volumes might be impacted by high elevated inventory levels at dealerships.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice President and Group Head	jitinm@icraindia.com	0124 – 4545 368
K. Srikumar	Senior Vice President and Co-Group Head	ksrikumar@icraindia.com	044 – 4596 4318
Rohan Gupta	Vice President and Sector Head	rohan.kanwar@icraindia.com	0124 – 4545 808
Akshay Dangi	Analyst	akshay.dangi@icraindia.com	0124 – 4545 396





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!