



**Capital**  
—SPROUT—

**Wealth Bulletin**  
**Jan, 2025**

# Growth of India's **AUTOMOBILE SECTOR** post Covid era





Greetings from Capital Sprout!

It gives us great pleasure to share the January 2025 issue of Capital Sprout's Wealth Bulletin. This month bulletin is about Growth of India's Automobile sector post Covid era.

The automobile industry has historically been a good indicator of how well the economy is doing.

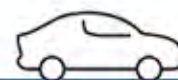
India is the 3rd Largest Automobile producer in the world surpassing Japan. India enjoys a strong position in the global heavy vehicles market, as it is the largest Tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. The automotive market in India is valued at USD 121.50 billion in 2024. Rise in population, rise in middle class income, ease of availability of credit and financing, ever improving road infrastructure, technological advancement in automobile sector, favorable Government policies etc. are some of key reasons of growing demand of automobile sector in India.

Recently concluded, "Bharat Mobility Global Expo 2025" is the prime example of India's leadership in Automobile Sector. Bharat Mobility Global Expo 2025 is the leading global mobility show in India and is a confluence of the world's leading automotive and mobility players; Global expo unites the entire mobility value chain under one umbrella. More than just an event, it sets the stage for the future of Mobility. Bharat Mobility Expo was spread in more than 2 lakh SqMtr area in 3 venues with 5,100 overseas players & more than 5 Lakh visitors have visited expo.

This bulletin provides an in-depth analysis of India's Automobile Sector, and how Automobile sector plays a crucial role in Indian Capital Market

I trust you will find this newsletter valuable and informative

*CA DR Rajesh Khandol*



# Automobile sector | Major economic growth driver

The worldwide automobile industry makes a significant contribution to the global GDP.

## Direct Contribution:

The automotive industry directly contributes roughly 3% of the total world GDP.

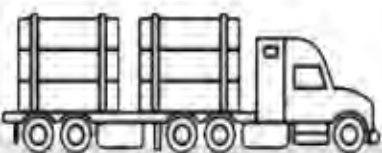
## Impact in Emerging Markets:

The industry's share of GDP is even higher in developing economies. In countries like China and India, the automotive industry accounts for up to 7% of the nation's GDP.

## Economic Multiplier Effect:

The automotive industry has a significant multiplier effect on the overall economy. This means that its impact extends beyond its direct contribution. For example, the industry supports numerous other sectors, including:

- Steel manufacturing
- Glass manufacturing
- Transportation and logistics
- Job Creation
- Automation and robotics
- Component production
- Fuel Consumption
- Electronics and software
- Retail and sales
- Technological Advancement



It's challenging to pin down an exact, current market size for the entire global automotive industry. This is because it's a vast and complex sector. However, as per data from many research agencies, the global automotive industry size is calculated at USD 4,075.65 billion in 2024 and is expected to reach around USD 6,678.28 billion by 2032, growing at a CAGR of 6% - 7% from 2024 to 2032.



# Automobile sector of India

The automotive market in India is valued at USD 121.50 billion in 2024, it is expected to grow by 7 % - 8 % in next decade. The automotive industry in India is the world's fourth largest by production As of 2023, India is the 3rd largest automobile market in the world in terms of sales.

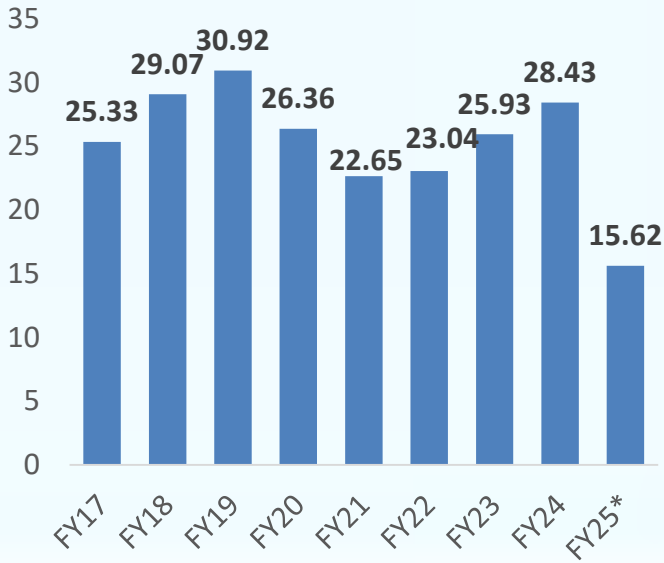
The automobile sector contributes approximately 6% to India's national GDP, with exports reaching 4.50 Million units (including 2 wheel, 3 wheel & 4 wheel) across all categories in fiscal year 2023-24.

The major drivers for the India Automotive market are supportive government policies, increasing disposable income, growing middle class population, improving road infrastructure, world-class high-ways, rapidly expanding commercial vehicle and logistics industry.

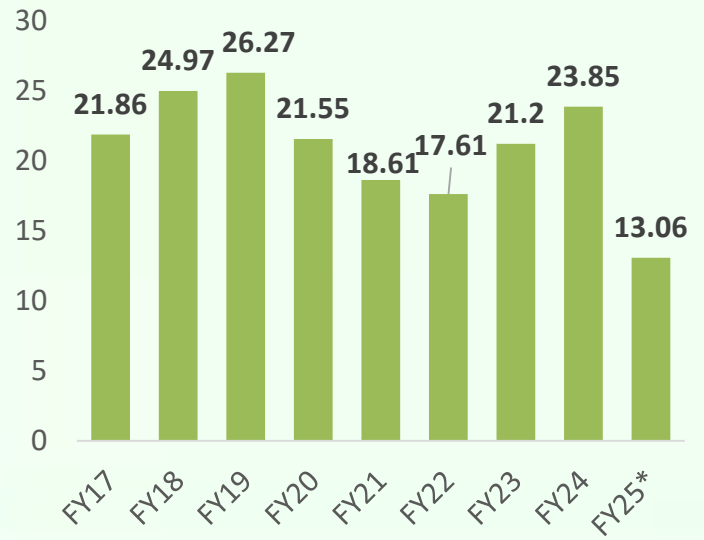
Country	Automotive calendar year sales Only four wheel vehicles (in lakh units)				
	2020	2021	2022	2023	2024
China	252.25	260.83	270.2	301.6	312.8
USA	88.22	91.67	100.6	106.11	102.39
India	34.9	43.99	54.57	58.51	52.26
Japan	80.67	78.46	89.97	89.97	78.3
Germany	37.42	33.09	36.77	41.09	41
France	13.16	13.51	13.84	15.06	20.99
UK	9.87	9.32	8.77	10.26	7.8
Korea	35.06	34.62	37.57	42.44	42.22



## Number of Automobile produced in India (in million)



## Number of Automobile sold in India (in million)



### Notes :

The automotive manufacturing industry comprises the production of commercial vehicles, passenger vehicles, three-wheelers, and two-wheelers

In April-September FY25 (6 months of FY 2024-25) the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles was 1,56,22,388 units.

## YoY change in market share

Market share	2023	2024	Change (%)
Maruti Suzuki	41.68%	40.94%	-0.74%
Hyundai	14.70%	13.97%	-0.73%
Tata	13.45%	13.18%	-0.27%
Mahindra	10.57%	12.41%	1.84%
Toyota	5.40%	7.00%	1.60%
Kia	6.22%	5.71%	-0.51%
Honda	2.05%	1.70%	-0.35%
Volkswagen	1.06%	0.98%	-0.08%
Skoda	1.18%	0.82%	-0.36%
MG	1.39%	1.35%	-0.04%
Nissan	0.73%	0.97%	0.24%
Renault	1.18%	0.68%	-0.50%
Citroen	0.23%	0.18%	-0.05%
Jeep	0.15%	0.10%	-0.05%

## YoY change sales volume

Vehicle type	Company	Sales Volume		% Change YoY
		FY 2024-25	FY 2023-24	
Passenger	Maruti Suzuki	18,41,882	17,50,656	5.2%
	Hyundai Motor India	8,29,772	8,33,401	-0.4%
	M&M-Domestic	4,53,019	3,76,845	20.2%
	TATA Motors	4,57,580	4,71,877	-3.0%
Two Wheelers	Eicher Motors	8,18,290	7,61,246	7.5%
	TVS Motors	38,16,964	33,08,444	15.4%
	Hero MotoCorp	2,17,139	1,46,612	48.1%
Three Wheelers	TVS Motors	1,08,009	1,24,962	-13.6%
	Atul Auto	27,419	20,611	33.0%
	M&M	71,689	66,152	8.4%
Commercial	Ashok Leyland	1,53,134	1,54,185	-0.7%
	Volvo Eicher CV	69,975	66,894	4.6%
	TATA Motors	3,03,248	3,18,498	-4.8%
	M&M-Domestic	2,21,306	2,19,055	1.0%
	SML Isuzu	10,618	10,919	-2.8%
Farm Equipment	Escorts Kubota	95,590	96,799	-1.2%
	M&M	3,64,180	3,30,690	10.1%
	VST Tillers Tractors	31,432	32,963	-4.6%



## Key automobile statistics

Market size of automobile industry of calendar year 2024	121.5 USD billion
Annual growth rate	7% - 8%
Share of automobile in India's GDP in year 2023	7.10%
Direct employment generated through automobile industry	19 million
Indirect employment generated through automobile industry	37 million
Annual exports automobile units inclusive of 2 wheel & 3 wheel vehicle   calendar year 2024	5.09 million
Share of automobile in country's export   calendar year 2024	3%
Share of automobile sector in country' total GST collection	14% - 15%



Bharat Mobility Global Expo 2025 is the leading global mobility show in India and is a confluence of the world's leading automotive and mobility players. Now, in its second year, this global expo unites the entire mobility value chain under one umbrella. More than just an event, it sets the stage for the future of Mobility.

## Statistics Bharat mobility expo

3 venues	2,00,000 + Sq.mtr area
9+ concurrent shows	5,00,000+ event visitors
1,500 + exhibitors	500+ international delegates
5,100 overseas players	Over 1,00,000+ square meters of exhibition space





# Top listed companies in automobile companies

Name of company	FY 23-24 Turnover Rs. in crore	FY 23-24 Net profit Rs. in crore	Market cap Rs. in crore	P/E ratio
Maruti Suzuki	141,858	13,488	3,77,343	26.0
Mahindra & Mahindra Ltd	139,078	12,270	3,69,132	31.1
Tata Motors Ltd	437,928	31,807	2,56,591	8.06
Bajaj Auto Ltd	44,870	7,708	2,44,481	32.4
Eicher Motors Ltd	16,536	4,001	1,41,918	33.2
Hyundai Motor India Ltd	68,539	5,954	1,31,795	22.2
TVS Motor Company Ltd	39,145	1,779	1,16,615	59.1
Hero MotoCorp Ltd	37,789	3,742	83,566	20.3
Ashok Leyland Ltd	45,791	2,696	61,679	23.9
Escorts Kubota Ltd	8,850	1,049	39,989	34.4

Data as on 30-01-2025



# Conclusion

India's automobile industry is at a pivotal juncture, poised for sustained growth driven by innovation, policy support, and evolving consumer preferences. While challenges such as supply chain constraints, regulatory compliance, and global competition persist, the sector's resilience and adaptability continue to propel it forward. The rise of electric mobility, smart vehicle technologies, and sustainability initiatives indicate a transformative shift that will redefine the industry in the coming decade.

However, for the EV revolution to reach its full potential, India must significantly enhance its charging infrastructure, battery supply chains, and energy grid capacity. Large-scale investment in these areas will not only accelerate EV adoption but also stimulate overall spending in the auto sector, creating a ripple effect across allied industries such as manufacturing, logistics, and renewable energy. As domestic and global players invest in India's automotive ecosystem, the country is set to emerge as a major hub for automobile manufacturing and innovation.

India is witnessing a rapid shift towards Software-Defined Vehicles (SDVs), Autonomous Vehicle Technology, Connected mobile technology transforming the automotive ecosystem with advancements in electrification, autonomous driving, and connectivity.

To summarize, Indian Automobile Sector has an ample advantages & opportunities as the sector is witnessing constant growing demand both domestic & overseas with supportive Government policy, ever improving road infrastructures, technological advancement, Increasing demand of Indian manufacturing cars globally etc.



# Performances

## Equity Market

Indices	01-01-2025	31-1-2025	High	Low
BSE S&P SENSEX	78,265.07	77,500.57	80,072.99	75,267.59
NIFTY 50	23,637.65	23,508.40	24,226.70	22,786.90

## Mutual Fund

### AUM Data of Mutual Fund for the Month of Jan 2025

(INR. In Lakh Crore)

Particulars	AUM As On 31-12-2024	Fresh Fund Mobilize During Jan-25	Redemption During Jan-25	AUM As On 31-01-2025
Total AUM of all mutual funds scheme	65.11	12.18	10.30	66.99
AUM of equity oriented (growth) schemes	29.07	0.67	0.27	29.47

Source: Association of Mutual Fund of India (AMFI)

### SIP Contribution

(INR. In Crore)

Month	SIP Contribution	SIP AUM
Jan-2025	26,400	13,19,853

# Performances

## FII & DII Inflow/Outflow Position

FII's selling in the month of Jan-25 is 0.87 Lakh.

DII's buying in the month of Jan-25 is 0.87 Lakh.

### Inflow/Outflow position in the month of Jan-2025

(INR. In Crore)

FII /DII	Gross Purchase	Gross Sale	Net
FII	2.43Lakh	3.30Lakh	(0.87)Lakh
DII	3.40 Lakh	2.53Lakh	0.87Lakh

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