

Passenger Car Market and Its Leading Automobile Players in India (Tata Motors, Mahindra & Mahindra and Maru TI Suzuki)

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Abstract

Globalization and open opportunities to enter into global market has made India one of the strongest contenders in global automobile sector. The approach Liberalization, Privatization and Globalization (LPG), Indian economy starts with the objective of economic boost and to take full gain of opportunities new policies taking place world over. Passenger car market is one of the main industries that support GDPs of any country to a greater extent. India is the second-largest populated country in the world and its attractive growth prospects make it hotspot for the automobile market in world. Its growth opportunity and increasing gross domestic savings along with new opportunities in exploring economic opportunities worldwide has made passenger cars more affordable to Indian consumers. This review paper investigates the passenger car market of India, its future, support and growth prospects in future along with major player's position in automobile sector. Examination and analysis of market reports and outcomes indicate bright future for Indian automobile market as its gets full supports from government, economic growth, opportunities and new initiatives in new sectors i.e. Electric Vehicles and Green fuel automobiles.

Keywords: Automobile; Passenger Car; Indian Car Market; Leading Automobile Players; "Automobile Industry"; Maruti Suzuki; Mahindra & Mahindra; Tata Motors.

1. Introduction

In the era of globalization, India holds a strong position in the automobile sector. This happened only after the policy shift by the Indian government during 1990s which influenced the economic growth of the country. This happened only after the policy shift by the Indian government during the 1990s, which influenced the country's economic growth Technologies were also growing rapidly, and change was the need of the hour, which the Indian market sensed, and the result is visible. India enjoys a prominent position in the 'heavy vehicle market (HVM)' as the world's top producer of tractors, buses, and heavy trucks, ranking second, third, and fourth, respectively. In India, the 'AI ("Automobile Industry")' is divided into four sections: 'two-wheelers', 'three-wheelers', 'passenger automobiles', and 'commercial vehicles'. Each segment has a few market leaders. Cars and two-wheelers dominate the 'Indian domestic market'. According to a report published by 'India Brand Equity Foundation1 (IBEF)', in year 2017, India ranked fourth globally in the automobile sector manufacturing, having produced more cars than any other nation and more commercial vehicles than any other country in the world. A recent 2023 report states that India's annual automobile production was 25.93 million vehicles, which pushed it to third position globally. 'According to estimates, the passenger automobile market in India was worth US\$32.70 billion in 2021, and it is anticipated to rise at a 'CAGR (Compound Annual Growth Rate*)' between 2022 and 2027, of more than 9% to reach 'US\$54.84 billion'. The global 'EV (Electric Vehicle)' market is anticipated to reach 'US\$1,318 billion' in 2028, up from an estimated 'US\$250 billion' in 2021. (IBEF, "An initiative of the Ministry of Commerce and Industry, The Government of India") This growth indicates sizable growth potential in automobile sector in near future.

*CAGR or "Compound Annual Growth Rate, is defined as the mean annual growth rate of an investment over a specific period of time, generally longer than one year. This is one of the most accurate way to calculate and determine returns for individual assets, investment portfolios and anything that can rise or fall in value over time".

2. Automobile Market in India

The Indian automobile industry (AI) has a sizable market for both domestic and export demand. The country has registered growth in 'middle-class income group' and a substantial youth population which has pushed the demand for passenger vehicles as the economic

condition of Indian people has improved and affordability index has also jumped upward. In March 2023, '20,04,592 units' of total passenger vehicles ('three-wheelers', 'two-wheelers', and 'quadricycles') were produced and sales of 'passenger vehicles' as a whole totaled 'US\$3.89 million' in FY23. This reflects India's cost advantages over Europe and Latin America, allowing automakers to achieve 10–25% cost savings. Between 2016 and 2026, the 'Indian auto industry' intends to increase car exports by five times 47,61,487 vehicles were exported. The sector's share of GDP rose from 2.77–7.1% between 1992–93 and 2024, making India the fourth-largest vehicle producer globally. About 19 million people have been absorbed by automobile industries either directly or indirectly in India and a vision has been set to generate additional 2–2.5 million jobs by 2030 through scaling up production to 'US\$145 billion' and increasing export to 'US\$60 billion'. As the future of EVs is bright as the fossil fuel has limited stocks and also increasing concern of global warming and environmental preservation and healthy living environment for humankind has triggered large scale Research and Development in the field of fuel efficiency and green fuel has opened a door for EV as it is being seen as alternative and hope for clean and green energy option. The Indian government has shown its commitment to increase electric vehicle sales to 30% by year 2030, which clearly shows the shift towards new sector.

In 2022–2023, India, representing a 168% YoY (Year-over-Year) increase over sales in the previous year. As stated in a report by the 'India Energy Storage Alliance', the country's 'Electric Vehicle Industry' is expected to rise at a 'CAGR of 36%' until 2026**. Additionally, it is anticipated that during that time the 'Electric Vehicle Battery' market will raise at a 'CAGR of 30%'.

**Data source: "IBEF (India Brand Equity Foundation), an initiative of the Ministry of Commerce and Industry, The Government of India." India is currently focusing more on electric vehicles in order to reduce rising pollution in the country and metropolitan areas. EV sales reached a record 6,094,960 units in Q4 FY22. 'A total of 21,204,162 EVs were sold, according to the Indian government, the automobile industry will attract 'US\$8–10 billion' in local as well as foreign investments by 2023, hence there have been excess investments recently. From April 2000 to December 2022, the industry received US\$34.11 billion in FDI Equity Inflows (FEI), accounting for 5.45% of total FDI equity. With a potential investment opportunity of more than 'US\$200 billion' over the following 8–10 years India is on course to overtake China as the world's largest 'EV market' by 2030. 'Nissan' and 'Renault' announced in February 2023 to invest 'US\$600 million' in India over the following 3–5 years to increase market share in 'passenger automobiles' and 'electric vehicles'. 'In January 2023, MG Motor India announced a US\$100 million investment to expand capacity and target 70% growth in 2023. 'Tata Group' is also forecasting to increase 25% its share to 50% by coming 2030, which would be a significant investment in auto sector by this group. 'Mahindra & Mahindra' has also planned to introduce new passenger vehicles with the help of global players like 'Jio-bp', 'Statiq', and 'Charge+Zone' to provide charging options for their selection of 'passenger electric vehicles' and scheduled to invest 'Rs.10,000 crore (US\$ 1.2 billion)' for its 'EV' sector.

3. Future of Passenger Vehicle in India

The Government is also promoting automobile sector through infrastructure, finance and policy liberalization. The incentives of "US\$3.5 billion" that the Indian government proposed as part of a new program to encourage the development and export of 'clean technology vehicles' over a five-year period until 2026 clearly demonstrate this. The Government of India's "Vehicle Scrappage Policy" for 2021 seeks to safely phase out old, environmentally dangerous cars while creating space for new, eco-friendly models to enter the market. This step of govt. is surely going to ignite new wave in auto sector and it will boost the market further. India is also growing as center for global industry and 'R&D (research and development)' and government's concern is evident from its move to establish NATRiP ("National Automotive Testing and R&D Infrastructure Project") centers and the "National Automotive Board" to act as intermediaries between the The Government of India and the auto industry.

As per the information supplied by 'Federation of Automobile Dealers' Association (FADA)', Indian automobile retail sales has recorded 20% increase in September 2023 over the previous year in same period to 1.89 million units. And it has been projected that India has the capability to become export-led in automobile sector touching 'US\$ 1 trillion' by 2035, enabling it to be a global leader in automobile manufacturing. According to media reports "Automobile Industry" is anticipated to rise by 70–80% due to the extension of the 'production-linked incentive (PLI)' scheme. "Mr. Shashank Srivastava, Senior Executive Officer (Marketing and Sales) at Maruti Suzuki, has informed that in September 2023, the Suzuki Motor Corp. division sold 150,812 units, up 1.6% from the 148,380 vehicles sold one year prior." Tata Motors informed that sales of 'commercial vehicles' increased 13% to '37,214 units' in September 2023. Considering the information received by "Mr. Girish Wagh, Executive Director of Tata Motors the Medium Commercial Vehicle (MCV) and Heavy Commercial Vehicle (HCV) showed strong growth of 24% over Q2 of FY23". While information from 'Mahindra & Mahindra' shows that its tractor sales in the 'Agricultural Equipment Market' decreased 11% to '42,034 units' in September 2023, but passenger sector has positive signs of growth. According to estimates from the 'Rocky Mountain Institute (RMI)' and 'NITI Aayog', the 'Indian Electric Vehicle Finance Market' is expected to reach a valuation of 'Rs. 3.7 lakh crore (US\$ 50 billion)' by 2030. The 'India Energy Storage Alliance' predicts that until 2026, the nation's 'Electric Vehicle Commerce' will expand at a 'compound annual growth rate (CAGR)' of 36%. In addition, a 30% 'compound annual growth rate (CAGR)' in the 'Electric Vehicle Battery' industry is predicted for the same time frame. Indian government's policy shift towards EVs has fueled growth to compete with global leaders like China which has reported to produced '8 million' EVs in 2023. The Government of India's initiatives like FAME (Faster Adoption and Manufacturing Hybrid and Electric Vehicles) phase I & II, PLI (Production Linked Incentive), PM E-Drive Scheme, Atmanirbhar Bharat and Make in India has mobilized ₹66,000+ crore to Support localization and EVs. By 2030 NITI Aayog anticipates GVC (Global Value chain) and targeted reforms to expand its globally competent trade share from 3 to 8 percent. Indian Automobile sector is recovering quickly from the aftermath of COVID-19 as the trend in production is consciously increasing since year 2021.

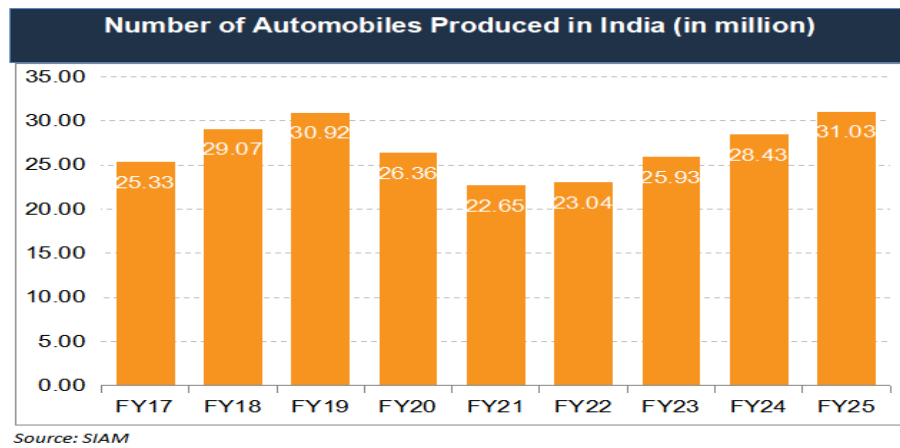


Fig. 1: Number of Automobiles Produced in India.

Source: India Brand Equity foundation (IBEF), SIAM (Society of Indian Automobile Manufacturers).

The chart shows automobile production in India. It rose from 25.33 million in FY17 to 31.03 million in FY25. Production dropped during FY21 but recovered strongly after FY22. The Indian automobile sector has long served as a reliable gauge of the country's "economic health" revealing both macroeconomic expansion and technological innovation. The "Working Capital Management (WCM)" of the automobile industry has been reinforced, offering a suitable and adequate level of liquidity to meet short-term financial commitments resulting from operations. Improved WCM has ensured the automobile industry's survival and increased profitability, which is crucial for the expansion of the sector. Balancing current assets and liabilities is critical in the auto industry, as imbalances can create liquidity risks and increase vulnerability. Rising FDI inflows indicate strengthened WCM in the Indian automobile sector. WCM and FDI are interrelated: effective WCM boosts FDI profitability, while FDI affects a company's working capital requirements. By providing technology that can expedite operations and the cash conversion cycle, bringing in fresh capital that can finance short-term assets and liabilities, and even changing a company's strategic approach to managing liquidity, FDI has an impact on WCM. The Indian automobile industry received a total of around 'US\$29.07 billion' in equity foreign direct investment between April 2000 and March 2025. The Vietnamese manufacturer VinFast has agreed to invest up to 'US\$2 billion' to build an electric vehicle plant in Tamil Nadu, India, while Ola Electric has launched a 'US\$1.01 billion' initial public offering (IPO). The PLI budget for cars and auto parts was raised by the government from US\$70.6 million in FY24 to US\$ 409 million in FY25. Along with 'FDI' and balanced 'WCM' strong 'R&D' facilities, reasonably 'priced skilled labor', and reasonably priced steel manufacturing are just a few of the factors that impact the auto industry in India. The industry offers strong investment potential and generates both direct and indirect employment for skilled and unskilled workers.

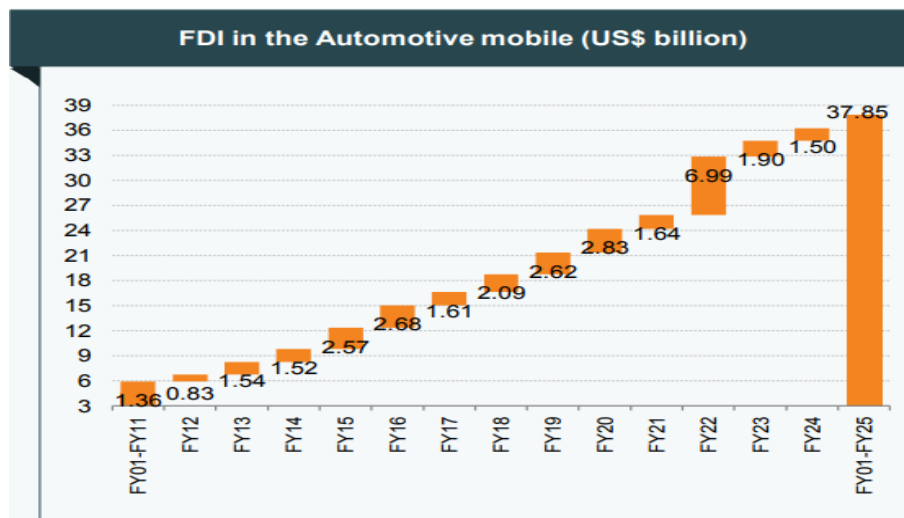


Fig. 2: FDI in the Automotive Mobile in India.

Source: India Brand Equity foundation (IBEF).

The graph shows Foreign Direct Investment (FDI) in India's automobile sector. It increased steadily from 1.36 billion USD in FY11 to 37.85 billion USD in FY25. Growth was slow at first but rose sharply after FY21. The major jump happened in FY22, showing strong investor confidence in India's auto industry.

4. Factors Responsible for Passenger Car Market Boost in India

India has become a highly attractive market for the global passenger car industry in recent years more global players has entered into the market and may more be planning to enter into market with robust and attractive strategies. Indian "Automobile Industry" has produced 25.9 million automobiles in year 2023 and 21.2 million automobiles have been sold in India during the same period.

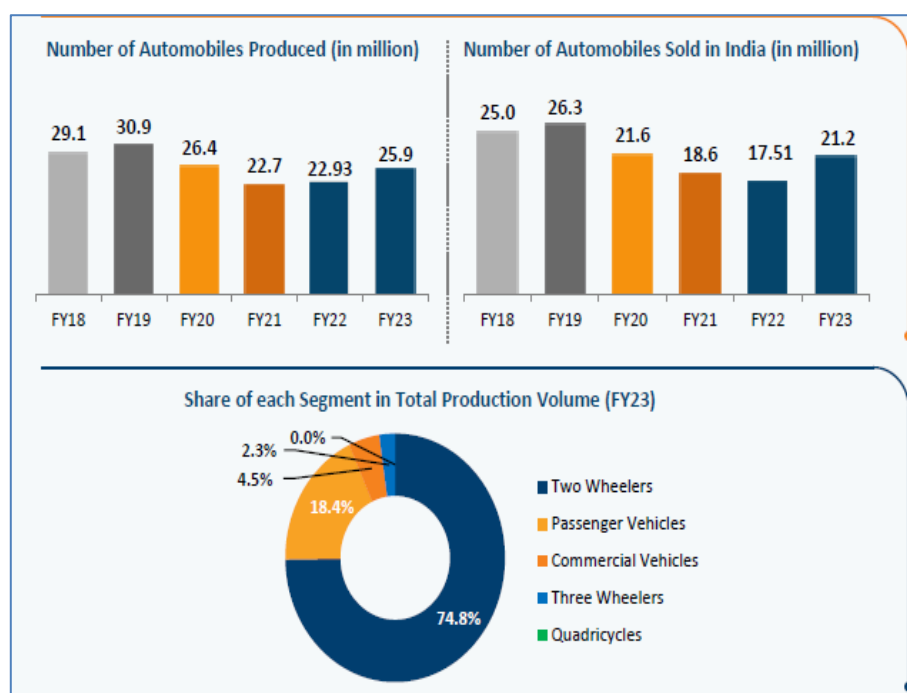


Fig. 3: Number of Automobiles Produced in India (In Million).

Source: India Brand Equity foundation (IBEF).

The chart shows India's automobile production and sales. Production dropped from 30.9 million in FY19 to 22.9 million in FY22, then rose to 25.9 million in FY23. Sales followed a similar trend. In FY23, two-wheelers made up 74.8% of total production, passenger vehicles 18.4%, and others had smaller shares. The Indian industry has seen an increase in demand for automobiles; reports state that there was a demand of 20,04,592 vehicles in March 2023. India's population is living better standards of living every day OR enjoying better living standards, which is a result of rising disposable income. Indians now upgrade from two-wheelers to four-wheelers as a sign of their social standing in the community, which is the outcome of a stronger economy and greater earning ability. India has strengthened its road networks nationwide as a matter of policy, which has contributed significantly to road development and infrastructure and the growth of the "Automobile Industry". Indian automakers enable middle-class individuals to purchase personal passenger automobiles by offering simpler financing options to their customers. It is projected that India's GDP will grow at the quickest rate in Asia starting in the next year. Between April 2000 and December 2022, the automotive industry recorded a total equity foreign direct investment (FDI) inflow of approximately 'US\$34.11 billion'. Consumers' needs have grown with rising living standards. Due to exposure to global markets, Indian consumers increasingly demand high-quality products for their homes. Children have their own tastes and preferences, and consumer tastes and preferences are always evolving. India's structural changes have been mostly driven by increased consumerism and urbanization. Further it is estimated that gross domestic savings in India have grown to 994.21 Billion in 2022.

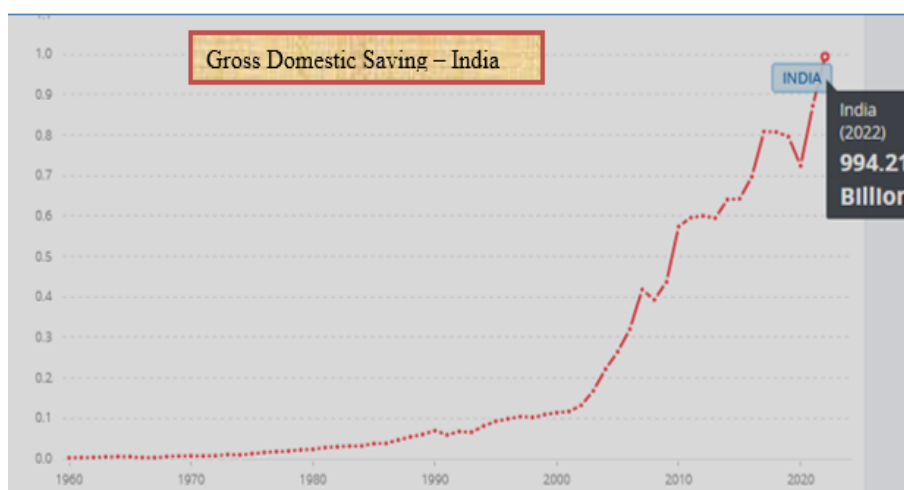


Fig. 4: Gross Domestic Savings in India.

Source: The World bank <https://data.worldbank.org>.

The Indian Government offers complete assistance to the country's "Automobile Industry", as evidenced by a September 2021 government statement announcing a PLI plan for automobiles components valued at 'Rs. 25,938 crore (US\$3.49 billion)'. The 'Government of India' and the "Indian Automobile Industry" mutually launched the 'automobile Mission Plan 2016–26' to establish the industry's development roadmap. By 2020, the Indian "Automobile Industry" has a great chance to lead the shared mobility space, opening doors for electrified and driverless cars alike. The passenger vehicle market in India has shown positive growth over the past two decades, reaching 5,061,164 units in 2024–25, aligning with trends in gross domestic savings.

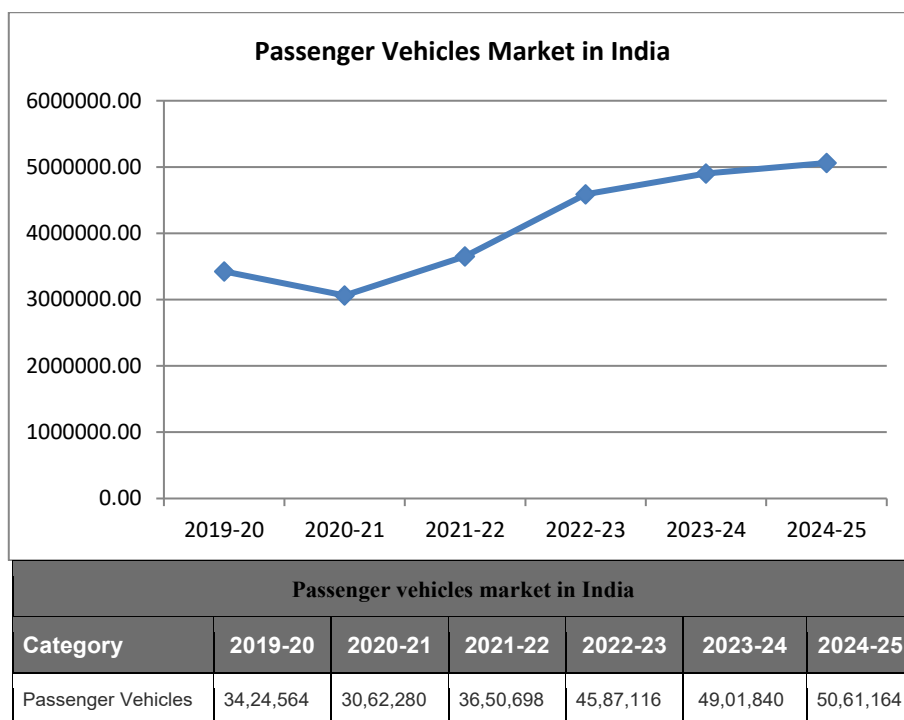


Fig. 5: Passenger Vehicles Market in India.

India's passenger car market went up and down. In 2020, sales dropped. After that, numbers kept growing each year. By 2025, over 50 lakh cars were sold. This shows people are buying more cars now. The market is getting stronger and more people want vehicles.

Table 1: Car Market Share in India Car Market Share in India 2023

Car Brand	Units Sold in September 2023	Units Sold in September 2022	Y-O-Y Growth (%)	Market Share (%)
Maruti Suzuki	1,50,812	1,48,380	1.6	41.6
Tata Motors	44,810	47,655	-6	12.3
Mahindra & Mahindra	41,267	34,238	20.5	11.4
Toyota	22,168	15,387	44.2	6.1
Kia	20,022	25,857	-22.6	5.5
Honda	9,861	8,714	13.2	2.7
Morris Garages (MG)	5,003	3,803	31.4	1.4
Skoda	4,032	3,543	13.8	1.1
Volkswagen	3,568	4,103	-13	1.0
Hyundai	54,241	49,700	9.1	14.9

Source Sankul Nagpal, 2023, www.spinny.com.

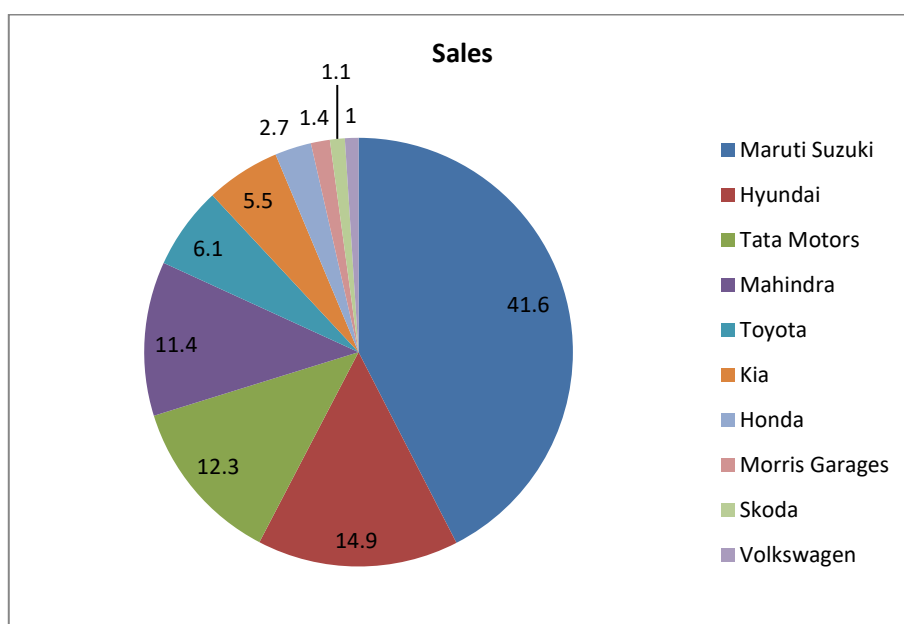


Fig. 6: Sales of Vehicles in India.

Source: Sankul Nagpal, 2023, www.spinny.com.

5. Presence of Major Passenger Vehicle Players

The study focuses on Indian brands that are popular in India. Based on market share and popularity, Maruti Suzuki, Tata Motors, and Mahindra & Mahindra were selected for analyzing India's growing auto industry and its potential to seize global opportunities. These three brands share whopping 66.3 % of Indian car market where 41.6% by Maruti Suzuki, 12.3% by Tata Motors and 11.4 by Mahindra & Mahindra. India's car production is expected to exceed 28 million units in 2023–2024, demonstrating rapid growth. In 2022, the global market for automotive components was estimated to be worth '\$2 trillion', with '\$700 billion' in cross-border commerce. The fact that India's share of the globally traded car component market is under 3% i.e., '~\$20 billion', despite having a robust manufacturing base, shows how much room there is for growth. With imports and exports almost equal, India's trade ratio in auto components is close to neutral (~0.99). In high-value, high-precision markets like engines and parts of the engine, drive transmissions, and steering mechanisms, in which India accounts for only 2-4 percent of world commerce, this further highlights the domestic sector's poor penetration. Addressing this gap requires a concerted industrial policy, targeted investments, and structural reforms. By 2030, India can become a globally competitive, innovation-driven manufacturing hub by generating A "\$25 billion" surplus in commerce, generating more than 2–2.5 million formal occupations, and tripling its exports to '\$60 billion' with the correct enabling conditions.

6. Maruti Suzuki

The largest automaker in India is Maruti Suzuki India Limited, a subsidiary of Japan's "Suzuki Motor Corporation", holding over 42.75% of India's passenger vehicle market in FY22. The company sold 1,165,483 passenger vehicles in FY22. In December 2022, Maruti Suzuki sold 112,010 units of passenger cars. As production of the automaker's first electric vehicle began in 2025, Suzuki Motor of Japan proposed investing \$8 billion in India over the following five to six years in order to increase its market position in the auto industry. With plans to establish India as the world's production center for the business's electric vehicles, Maruti Suzuki manufactures 17 models in India that are exported to about 100 countries, including Japan. The company hopes to sell between 50,000 and 100,000 EVs annually. While the Indian government aims for a 30% EV share by 2030, EV sales growth is outpacing the overall auto market, with electric vehicles making up over 4.5% of all cars sold in 2025.

7. Tata Motors

Tata Motors is a major player in the hatchback and sedan segments of passenger cars, as well as SUVs and MUVs. With a global network of over 6,600 touch points, the Tata Motors Group has expanded its business to over 175 countries. With around 81,090 workers, making it one of the top automakers in the world. With a portion of the market that roughly, 42.23% in the commercial vehicle class in FY22, it dominated the market. Numerous vehicle sectors, such as cars, trucks, buses, electric vehicles, and defines in the Italy, UK, South Korea vehicles, including utility vehicles. Through joint ventures (JVs), such as the strategic relationship with Fiat and Maropolo, the business has expanded its footprint abroad. With R&D facilities in Italy, the UK, South Korea and India Tata Motors has operations in roughly 175 nations. In December 2022, Tata Motors sold 40,045 automobiles By FY30, Tata Motors hopes to have 30–40% of its sales from EVs, and aims to invest roughly 'US\$ 2.16 billion' to develop an ecosystem for its electric car business. Over the next two years, the company intends to launch new models. With significant introduction from Maruti Suzuki, Hyundai, Mahindra & Mahindra, Tata Motors, and JSW MG Motor, battery electric vehicle production in India is expected to nearly quadruple from 130,000 units in 2024 to 377,000 units in 2025, accounting for a 6.6% market share. Notable EV investment promises in 2024 include VinFast up to 'US\$ 2 billion', Royal Enfield 'US\$ 358.1 million', Stellantis 'US\$ 238.7 million', and Tata Motors-JLR 'US\$ 1.07 billion'.

8. Mahindra & Mahindra

An international Indian company that manufactures automobiles, Mahindra & Mahindra, maintains business ties with international firms like Renault SA, France. Products from Mahindra and Mahindra are exported to numerous nations; the company is widespread. Mahindra's growth has been steady and consistent over the years and in the year 2023 it controls 11.4% of Indian car market with a promising outlook in car exports through its new models. By August 2023, Mahindra & Mahindra expects its new facility in Chakan, Maharashtra, to be able to produce 200,000 electric cars a year between 2027 and 2029. By 2030, they predict that EVs will account for 30% of all volumes. Over the next three years, Mahindra & Mahindra has committed roughly \$1.44 billion, to fortify Mahindra Electric Automobile Ltd., its electric car division. The company's demonstrating the company's strong commitment to a cleaner, greener mobility future.

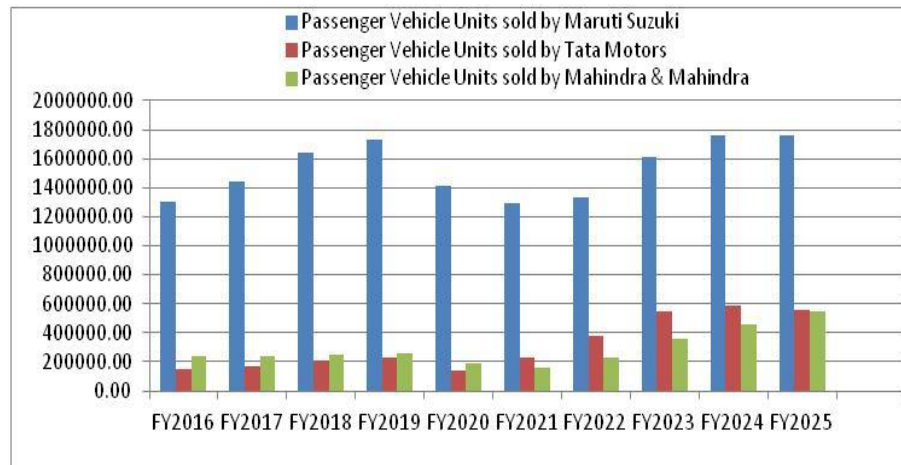
9. Market Potential of Major Passenger Vehicle Players

With a projected market size of 'US\$247.4 billion' by 2033 and a turnover of roughly 'US\$240 billion' in 2023–2024, the Indian automotive market has enormous potential and offers significant investment opportunities. It has been steadily growing due to strong domestic demand and rising FDI. Because the automobile industry supports around 30 million jobs and contributes about 6% of the country's GDP, it also provides young people and hopefuls with employment prospects and contributes to the economic success of the country. With exports of 4.5 million units across all categories in FY 2023–2024—including 3.45 million two-wheelers and 0.672 million passenger cars—auto industries have a promising future. This tendency is best illustrated by multinational automakers such as Maruti Suzuki, which exports about 2.8 lakh units a year, and Skoda Auto Volkswagen India, which exports 30% of its manufacturing. The sector attracted US\$36 billion in FDI over the past four years, underscoring India's increasing importance in the global automotive market.

Table 2: 1–10-Year Sales Comparison (Maruti Suzuki, Tata Motors, Mahindra & Mahindra)

Fiscal	Units sold by Maruti Suzuki	Units sold by Tata Motors	Units sold by Mahindra & Mahindra
FY2016	13,05,351	1,49,420	2,36,307
FY2017	14,43,641	1,72,504	2,36,130
FY2018	16,43,467	2,10,200	2,48,859
FY2019	17,29,826	2,31,512	2,54,351
FY2020	14,14,346	1,38,238	1,86,942
FY2021	12,93,840	2,24,109	1,57,215
FY2022	13,31,558	3,73,138	2,25,895
FY2023	16,06,870	5,44,391	3,59,253
FY2024	17,59,881	5,82,915	4,59,877
FY2025	17,60,767	5,53,585	5,51,487
Total	1,52,89,547	31,80,012	29,16,316

Source: SIAM.

**Fig. 7: Passenger Vehicle Sold by Maruti, Tata and M&M.**

Mercedes-Benz has committed US\$360 million, Toyota plans to invest US\$2.3 billion, and Hyundai plans to invest 'US\$4 billion'. These major international businesses are making significant commitments. Top automakers Mahindra & Mahindra, Tata Motors, and Maruti Suzuki, who are the focus of this study, have a combined sales total of 2,865,839 units in 2025 and a solid sales history over the past ten years, as indicated in table 1. Strong sales figures show that India's auto industry is well-positioned since it has a robust domestic market and a feasible production base that allows businesses to meet demands from around the world.

Table 2 – 10-YEAR YoY Sales Change (Maruti Suzuki, Tata Motors, Mahindra & Mahindra)

Fiscal	YoY % change (M&M)	YoY % change (Tata)	YoY % change (Maruti)
FY2016	5.51%	-7.69%	11.50%
FY2017	-0.07%	15.45%	10.59%
FY2018	5.39%	21.85%	13.84%
FY2019	2.21%	10.14%	5.25%
FY2020	-26.50%	40.29%	-18.12%
FY2021	-15.90%	62.12%	-8.52%
FY2022	43.69%	6650%*	2.92%
FY2023	59.04%	45.90%	20.68%
FY2024	28.01%	7.08%	9.52%
FY2025	19.92%	-5.03%	0.05%

Source: SIAM.

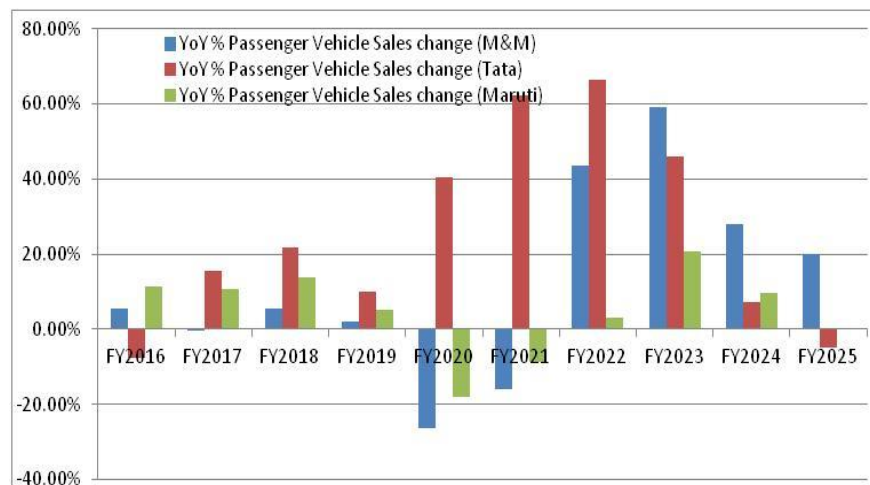
**Fig. 8: Y-O-Y Passenger Vehicle Sales Change of M&M, Maruti, and Tata.**

Table 2's year-over-year steady growth for selected companies also shows that the Indian auto industry is stable, underscoring India's rising stature in the world auto industry. India's automotive sector is even more alluring to investors thanks to the 100% FDI permitted under the automatic route, which makes the nation an attractive location for a global automotive hub. With more than 20 million vehicles registered in 2023, domestic demand is still high. Meanwhile, sustainable mobility has attained a 6.6% market penetration rate 4.4 million electric vehicles registered by August 2024, comprising 956,000 in the first eight months of 2024. In line with this rapid development, the Indian EV market is expected to increase by 'US\$113.99 billion' by 2029. As the auto component industry is predicted to reach the 'US\$100 billion' export objective by 2030, the automobile industry is expanding rapidly along with its dependent sectors, making it one of the finest places for investors and the largest employer in the nation.

Over 1.5 million people are directly employed in India's car component industry, which accounts for 2.3% of the country's GDP. In FY24, the industry generated 'US\$74.1 billion' in revenue, of which 54% came from domestic OEM supply and 18% came from exports. The industry expanded at a CAGR of 8.63% from FY16 to FY24. With a 'US\$300 million' trade surplus, exports totaled 'US\$21.2 billion' in FY24 and are expected to reach 'US\$30 billion' by 2026.

More than 25% of the auto parts produced in India are exported each year. By cutting imports and taking advantage of the "China Plus One" trend, the Indian car industry hopes to invest 'US\$7 billion' by FY28 to increase the localization of sophisticated components such as electric motors and automatic gearboxes. Over a two-year period, the car component industry reduced imports by 5.8% in 2023. Europe accounts for 'US\$6.89 billion' of total exports, followed by North America 'US\$6.19' and Asia 'US\$5.15'.

Table 3: Year-on-Year (YOY) Passenger Vehicle Sales Change (%) of Maruti Suzuki, M&M, and Tata Motors

Year	Maruti Suzuki (%)	M&M (%)	Tata Motors (%)	Industry Avg (%)	Best Performer	Lowest Performer
2020–21	-17.5	-12.3	-9.8	-13.2	Tata Motors	Maruti Suzuki
2021–22	+12.8	+18.4	+20.6	+17.3	Tata Motors	Maruti Suzuki
2022–23	+19.3	+31.2	+44.1	+31.5	Tata Motors	Maruti Suzuki
2023–24	+7.6	+13.5	+8.9	+10.0	M&M	Maruti Suzuki
Q1 2024–25	+3.2	+5.6	+6.8	+5.2	Tata Motors	Maruti Suzuki
Q2 2024–25	-2.4	+8.7	+4.5	+3.6	M&M	Maruti Suzuki

The table shows the year-on-year sales change for Maruti Suzuki, M&M, and Tata Motors. In 2020–21, all three companies recorded a decline in passenger vehicle sales. From 2021–22 onward, sales began to recover across the industry. Tata Motors achieved the strongest growth in most years, showing effective market performance. M&M maintained steady and consistent improvement, while Maruti Suzuki remained the weakest performer in several periods. Overall, the data reflects a positive recovery trend and growing stability in the Indian passenger vehicle industry after 2021.

10. Conclusion

Automobile Industry contributes significantly to GDP of India and offers significant growth potential as there remains a large gap to fill in automobile sector globally. With around '28 million' vehicles produced in 2023–2024, India's car industry is expanding at an exponential rate. In 2022, the global market for automotive components was estimated to be worth '\$2 trillion', with '\$700 billion' in cross-border commerce. The fact that India's share of the globally traded car component market is under 3% i.e., '~\$20 billion', despite having a robust manufacturing base, shows how much room there is for growth. India's leading brands share whopping 66.3 % of Indian car market where 41.6% by Maruti Suzuki, 12.3% Tata Motors and 11.4 by Mahindra & Mahindra. The Indian automobile industry received a total of around 'US\$29.07 billion' in equity foreign direct investment between April 2000 and March 2025. Stable growth and strong positions of automobile industry in India offers safe and viable opportunities for investors with Indian government's initiatives to encourage automobile sectors growth to compete the huge global market potential to become production hub. India is offering suitable ecosystem for automobile industry to grow and thrive, with resources, policies, skills, manpower and passion to become world leader.

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