

# FIRST LIGHT

03 December 2025

## RESEARCH

### AUTOMOBILES

Buoyancy backed by GST softening, festivities, wedding season

## SUMMARY

### AUTOMOBILES

- Domestic passenger vehicles posted broad-based 19% YoY growth (-8%MoM), backed by robust SUV demand and small car segment revival
- 2-Wheeler demand surged ~22% YoY with across-the-segment gains contributed by all OEMs, except BJAUT with tepid gains of 3%
- Strong growth pitch boosted tractor sales by 29% YoY, CV revival after a lull with 33% YoY growth, aided by a healthy MHCV adding ~32% YoY

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**PVs deliver strong performance:** Domestic PVs posted a healthy and aggregate of 19% YoY (down ~8% MoM). This was supported by robust SUV demand and GST-led affordability gains, helping small car segment revival. MSIL grew 20% YoY, led by compact and UV strength. TMPV jumped 22% YoY domestic growth, with EVs surging 52% YoY, reinforcing its mass-EV leadership while MM posted 22% YoY over sustained SUV leadership. HMIL grew 9% YoY. Kia posted 24% YoY.

**2W growth accelerates:** 2W demand surged ~22% YoY with across-the-segment gains contributed by all OEMs. The premium-motorcycle strong momentum helped TVSL/EIM continue gains of 27%/22% YoY. HMCL added 31% YoY with healthy traction from the scooter segment and new launches boost. BJAUT slowed at 3% YoY growth, driven by exports. Exports supported industry growth with 33% gains.

**Strong mobility demand pushes 3Ws:** 3W volumes remained strong with a jump of 47% YoY, reflecting resilient last-mile demand. BJAUT grew 37% YoY, while TVSL grew 147% on a smaller base. MM's 3W volumes were up 7% YoY. The segment growth is driven by exports and EV adoption, though competition is intensifying.

**Tractor demand firmly positive:** Strong soil moisture, reservoir levels and increased Rabi sowing drove Tractor sales up 29% YoY. MM rose 32% YoY and Escorts grew 18% YoY; supported by favourable agri conditions, increasing mechanisation and GST 2.0 affordability benefits.

**Broad-based CV recovery:** CV sales maintained strong momentum, backed by GST rate rationalisation, improving freight movement, and steady post-festive replacement. AL rose 29% YoY, led by LCVs (+37% YoY). TMCV was strong, 35% up while EIM reported 37% growth. Overall, data underscores broad-based CV strength, backed by logistics, infrastructure activity, and recovering export markets.

**Key ratings:** Maintain **BUY** on **MSIL** and **MM**; **SELL** on **VSTT** and **ESCORTS**. Further we assign **HOLD** rating to the 2-wheelers pack (TVSL, EIM, BJAUT, HMCL) on fair valuations.



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