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Indian carmakers stamp their authority on domestic turf amid eroding Korean share



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Article Content:

The Korean brands will have to introduce new products to stay competitive in the Indian market.

Amid handsome performances by Tata Motors and Mahindra & Mahindra, the cumulative share of Indian companies in the domestic passenger vehicle (PV) market has witnessed further expansion. Their growth has coincided with a substantial erosion in the market share of Korean brands like Hyundai Motor India and Kia India.

At 2,81,436 units, Tata and Mahindra together accounted for a 27.81% share of the PV market in Q1 FY26. In comparison, Hyundai and Kia jointly clocked 1,98,822 units during the quarter, contributing 19.65%.

While the Indian brands have now moved ahead of their Korean counterparts in the domestic PV market, the situation was opposite till a few years back. In FY22, the Korean share was at 21.77% (6,68,287 units) as against the Indian share of 19.51% (5,99,033 units).

Indian brands (Tata & Mahindra): Volumes & Market Share

Period	Cumulative Volumes	Cumulative Market Share
FY22	5,99,033 units	19.51%
FY23	9,03,644 units	23.23%
FY24	10,42,792 units	24.72%
FY25	11,20,732 units	26.05%
Q1 FY26	2,81,436 units	27.81%

Korean brands (Hyundai & Kia): Volumes & Market Share

Period	Cumulative Volumes	Cumulative Market Share
FY22	6,68,287 units	21.77%
FY23	8,36,775 units	21.51%
FY24	8,60,351 units	20.39%
FY25	8,53,873 units	19.85%
Q1 FY26	1,98,822 units	19.65%

According to industry experts, the Indian carmakers have made strong gains owing to a robust SUV portfolio, new product launches in internal combustion engine (ICE) and electric vehicle (EV) segments, and strategic pricing decisions.

Mahindra is the largest SUV manufacturer in India right now. It offers ICE SUVs like the Bolero, Bolero Neo, XUV 3XO, Thar, Thar Roxx, Scorpio Classic, Scorpio-N and XUV700. Its electric SUV portfolio includes the XUV400, BE 6 and XEV 9e.

Even Tata has a robust ICE and electric SUV line-up, which includes the Punch, Nexon, Curvv, Harrier, Safari, Punch.ev, Nexon.ev, Curvv.ev and Harrier.ev.

While the Indian brands boast a powerful SUV arsenal, the Koreans are no less, with Hyundai selling the Exter, Venue, Creta, Alcazar, Tucson, Creta Electric and Ioniq 5, and Kia offering the Sonet, Syros, Seltos, EV6 and EV9.

"India's carmakers bounced back after Covid and during the chip shortage, stepping up when global brands could not meet timely demand (longer waiting periods). What began as a supply-side advantage soon turned into lasting consumer trust, driven by quick decisions on price revisions, strong local leadership and aggressive product launches. While global companies struggled, Indian automakers responded swiftly, fuelling growth through smart choices and market agility," S&P Global Mobility Light Vehicle Production Forecasting Associate Director Gaurav Vangaal told Moneycontrol.

Primus Partners Vice President Nikhil Dhaka said that both Tata and Mahindra have demonstrated a sharp understanding of Indian consumer preferences, backed by agile decision-making, strong domestic supply chains, and a clear focus on features that matter to buyers India.

Dhaka observed that Hyundai has become increasingly dependent on the Creta for volumes, a risk that is starting to show, with growth tapering off. "Kia, too, despite introducing new models, has not been able to capture more ground," he said.

For reference, the Creta, at 1,94,871 units, contributed 32.55% to Hyundai's domestic volumes in FY25. In FY26 year-to-date, its share has already increased to 36.04% with wholesales of 47,662 units. Although the Creta is among the best-selling SUVs in India, other models like the Exter and the Alcazar have not been able to emulate its performance.

Once Kia's volume driver, the Seltos is now an ageing model as it was launched in 2019 and received a mid-life update in 2023. Besides, the company's recent introduction, the Syros, has had an

underwhelming performance due to its distinctive body style and relatively high price.

"Korean automakers in India are losing ground due to a shift in consumer priorities. While their after-sales support remains best-in-class, conservative designs, fewer launches, and declining affordability in the sub-Rs 10 lakh bracket have dimmed their competitive edge," S&P Global's Vangaal said, adding that in contrast, the Indian carmakers have responded by offering larger, tech-rich and safer vehicles that deliver strong value across key segments.

As many as eight Tata SUVs and five Mahindra SUVs have scored a five-star safety rating across adult and child occupant protection categories at Bharat NCAP. In comparison, Hyundai and Kia have just one SUV each with similar star ratings.

Amid headwinds, both Hyundai and Kia will have to introduce new products to stay competitive, according to industry experts. While the Creta-maker has announced that it will introduce 26 products in India by the end of FY30, its next important launch will be the new-generation Venue. Kia is planning to bring the Syros EV next.

"If Korean automakers do not fast-track value-driven launches and expand their nameplate portfolio, they risk further erosion of market share. In today's India, buyers are drawn to products that offer commanding road presence, generous size, and technology-rich features that fit the price point, with product power currently outweighing ecosystem support, even though both remain important," S&P Global's Vangaal observed.

Primus Partners' Dhaka said that Hyundai and Kia will need to accelerate their pipeline of new launches, especially in the EV and SUV categories, to stay relevant. "The broader market trends are clear with hatchbacks losing steam, consumers are moving up the value chain, and Indian brands are better positioned right now to meet those aspirations," he added.