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June PV sales slip, Mahindra retains growth streak

Leading OEMs including Maruti Suzuki, Hyundai and Tata Motors have reported double-d YoY declines in domestic dispatches. Belying the market conditions is M&M, which saw 18 rise in June dispatches, solidifying its position as the second-largest PV maker in India for third consecutive month in FY26.

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Last month, auto dealers' body Federation of Automobile Dealers Associations (FADA) highlighted that the average inventory in the system hovered around 50 days.

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Article Content:

The continuing subdued market conditions have weighed on the wholesale volumes in the passenger vehicle (PV) segment for June. Leading OEMs including Maruti Suzuki, Hyundai Motor India, and Tata Motors have reported double-digit year-on-year (YoY) declines in domestic dispatches, underscoring broader market headwinds. It is worth

noting that the slowdown in dispatches comes against the backdrop of a high base built over three years of sustained growth.

Maruti Suzuki, the country's largest PV manufacturer, registered a 13 per cent year-on-year (YoY) decline, with June wholesales falling to 1.18 lakh units, compared to 1.36 lakh units in June 2024. This marks the company's lowest monthly wholesale figure in the past 18 months, following a similar dip to 1.04 lakh units in December 2023.

The slowdown spans across segments for the maker of Swift and WagonR, with volume pressure evident in mini cars, compact hatchbacks, SUVs, and vans. Maruti Suzuki has attributed the decline primarily to weakened demand in the entry-level (small car) segment, which continues to face affordability challenges and shifting consumer preferences.

"Historically, PV sales used to grow at 1.5 times the GDP growth. But now even after 6.5 per cent GDP growth, the car market is nearly flattish. This is because the once mass small car segment is not participating in the growth at all. This is clearly an affordability issue," said Rahul Bharti, Senior Executive Officer, Corporate Affairs, Maruti Suzuki.

He noted that entry-level car prices have risen by over 70 per cent since 2017 due to stricter regulations, leading to a more than 70 per cent decline in small car sales. Kumar Rakesh, Analyst – IT & Auto at BNP Paribas India noted that most PV OEMs, except M&M, saw lower dispatches due to soft demand amid seasonality and inventory adjustments as retail dispatches were flat YoY.

With the festive season still a few months away and inventory levels being recalibrated, OEMs and channel partners are expected to maintain cautious optimism while closely monitoring the monsoon impact, and the ongoing rare earth magnet issue.

Meanwhile, auto major Mahindra & Mahindra (M&M) continued to solidify its position as the second-largest PV maker in India for the third consecutive month in FY 2025-26, driven by sustained demand in the SUV segment.

In June 2025, the company reported domestic wholesales of 47,306 units, marking continued YoY growth and further reinforcing its upward momentum. This performance sees Mahindra maintain its lead over Hyundai Motor India, displacing the long-standing No. 2 player in the market since the beginning of the fiscal year.

Domestic Wholesales	June 2025	June 2024	% change
Maruti Suzuki	1,18,906	1,37,160	-13
M&M	47,306	40,022	18
Hyundai	44,024	50,103	-12
Tata Motors	37,083	43,524	-15
Toyota Kirloskar	26,453	25,752	3
JSW MG Motor	5,829	4,644	25
Honda Cars	4,618	4,804	-4

The sales volumes are based on monthly dispatch data reported by OEMs.

Hyundai reported a 12 per cent YoY decline in domestic wholesales for June 2025. The company attributed the downturn to broader geopolitical uncertainties that continue to weigh on consumer sentiment. Tarun Garg, Whole-time Director and Chief Operating Officer at HMIL, noted, “In the domestic market, the geopolitical situation continued to affect the market sentiment.”

Meanwhile, Hyundai remains "cautiously optimistic" about a gradual recovery in demand. Garg added that a combination of monetary easing, including a reduction in repo rates and improved liquidity from the cut in the Cash Reserve Ratio (CRR), could help restore market momentum. Last month, auto dealers’ body Federation of Automobile Dealers Associations (FADA) also highlighted that the average inventory in the system hovered around 50 days.

According to Anurag Singh, Advisor at Primus Partners, the overall inventory numbers are currently below the peak, though still on the higher side. "Inventory adjustment is evident in June wholesale sales. They differ widely across manufacturers, models and variants--there is virtually no inventory for Mahindra Thar Roxx, Toyota Hycross and other in

demand models." Tata Motors reported a 15 per cent YoY dip, marking its lowest monthly volume since December 2021.

Shailesh Chandra, Managing Director at Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, acknowledged the industry-wide challenges, stating that May and June were impacted by muted consumer sentiment, resulting in flat market growth. Chandra highlighted that the company aims to leverage its new product pipeline to engage customers, even as the "overall industry growth is expected to remain subdued". In June, Tata Motors launched the Harrier.ev and opened bookings for the refreshed Altroz.

Toyota Kirloskar Motor, on the other hand, has continued its steady upward trajectory driven by strong consumer preference for utility vehicles (UVs) and its hybrid portfolio. This momentum has helped the company consolidate its position among the top five OEMs in the country. In its latest report, HSBC Global Research said, "We expect the PV discount to remain elevated around the current level.

The rare-earth metals availability issue remains a potential risk for the overall industry." It may also be noted that Kia India, which dispatched 21,300 units in June last year, has not shared the data for June this year. The company saw Hardeep Brar step down from his role of Senior VP and Head of Sales and Marketing.

Meanwhile, JSW MG, which is riding on the growing demand for its Windsor EV, is gearing up to launch its MG M9, Presidential Limousine, and the Cyberster, which will be sold via its luxury sales channel MG Select. During the period under review, JSW MG registered a 25 per cent increase in its dispatches. The electric four wheeler penetration increased to 3.6 per cent in June. Tata Motors' market share declined to 34 per cent, with MG stable at 31 per cent and M&M increasing to 22 per cent. Hyundai held 4 per cent of the EV market. Rakesh noted that the Ministry of Road Transport and Highways (MoRTH) is currently reviewing the IRDAI's recommendation to increase third-party motor insurance premiums by 18–25 per cent, a move that could potentially raise the upfront cost of vehicle ownership.

Additionally, from July 1, diesel vehicles older than 10 years and petrol/CNG vehicles over 15 years are prohibited from refueling at Delhi fuel stations regardless of the registration state of the vehicle. The new rule will be enforced via ANPR cameras and weekly logs.