



INDUSTRY PRIMER

Automobile industry

AUTOMOBILE INDUSTRY

The automobile industry includes designing, development, manufacturing, marketing and sale of motor vehicles.

MARKET ANALYSIS

Strong demand, rising exports and growing electric vehicles sector is resulting in rapid expansion of Indian automobile industry.



MARKET OVERVIEW

\$ 235.94 Billion

Indian Market Size

7.84 %

CAGR

\$ 541.32 Billion

Expected Indian Market Size

\$ 3564.67 Billion

Global Market Size

INTRODUCTION - MAJOR SEGMENTS



Passenger Cars

It includes sedans, SUVs and minivans, primarily used for personal use.



Commercial Cars

It includes trucks and buses used for commercial purposes.



Two wheelers

It consists of motorcycles and scooters used for short travel.



Electric vehicles

These are battery operated electric cars, buses and motorcycles.



Automobile parts

It includes engine, batteries, powertrains, breaks, tyre etc.

- Strong demand due to rising young population.
- India could be a leader in shared mobility by 2030.
- Surging automobile exports from India, driven by strong demand in international markets.
- Improved financing and credit options create competitive interest rates..

KEY DRIVERS

The rapid expansion of Indian automobile industry is driven by several key policy initiatives like



National Automotive Testing and R&D Infrastructure Project (NATRIP)

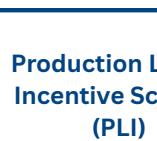


Ola Electric, India's largest EV company, became the first two-wheeler automotive EV manufacturer in India to receive incentives under the PLI scheme. The company has been granted a total incentive of ₹73.74 Crore for the Determined Sales Value of FY 2023-24.



National Automotive Testing and R&D Infrastructure Project (NATRIP)

Automotive Mission Plan 2016-2026 (AMP)



Production Linked Incentive Scheme (PLI)



Faster Adoption and Manufacturing of Electric Vehicles (FAME)

RECENT PARTNERSHIPS AND JOINT VENTURES



Maruti Udyog Limited (India) and Suzuki Motor Corporation (Japan)



Tata Motors and Jaguar Land Rover (acquisition by Tata)



Mahindra and Mahindra and Ford Motor Company (collaboration ended)



TVS Motor Company and BMW Motorrad (collaboration ended)



MAJOR PLAYERS

Company	Product Categories	Approximate Market Share
	Hatchbacks, Sedans, SUVs / MUVs, Vans, Accessories, Specialty Vehicles	39.7 %
	SUVs, Commercial Vehicles, EVs, Two-wheeler, Performance Cars, Tractors	11.4 %
	Sedans, SUVs, Coupes, Hatchbacks, EVs, Buses, Vans, Trucks	12.3 %
	SUVs, MUVs, Hatchbacks, Sedans, Pickups, Crossovers, Hybrids, Luxury Cars, Compact Cars	5.5 %
	SUVs, Sedans, Hatchbacks, EVs, MPV	13 %

INDUSTRY ANALYSIS

In the current environment, the auto industry is riding a wave of electrification and cautious consumer sentiment.

CURRENT OVERVIEW

Hero Motocorp

Two Wheeler Leader

31.03 Million

Production

Maruti Suzuki

Indian Automobile Market Leader

7.8%

EV Market Share

AAA FRAMEWORK

AGGREGATION

Companies are making substantial cost advantage by grouping elements of value chain, such as raw materials procurement. Add production processes hence creating economies of scale.

ADAPTABILITY

Automobile makers are producing cost-effective, reliable vehicles especially small cars and SUVs. Efforts are being made to develop infrastructure in EV and producers are investing in local EV technology.

ARBITRAGE

India has always been a low cost manufacturing hub. Due to presence of skilled engineers and factory labourers, India has now become a global hub for designing, testing as well as software development.

Raw material sourcing

(Procuring steel, aluminium, rubber and plastics, and electronics which form the basis for vehicle parts)

Component manufacturing

(multi-tiered segment where suppliers produce components such as engine parts etc.)

VALUE CHAIN

Vehicle assembly

(Raw materials and components are assembled at assembly plants to produce finished vehicles.)

Supporting industries

(such as steel, electronics, rubber and plastics, IT as well as software, and lastly logistics)

RECENT INNOVATIONS



It launched Tata Punch EV, which is affordable and five star rated. They are also integrating roof top solar systems to improve efficiency.

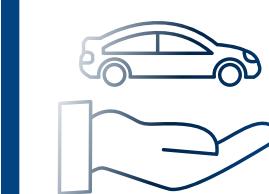


Toyota is now integrating 48V mild-hybrid assist in models like the Fortuner Neo Drive, intended to improve efficiency.



Hero MotoCorp. and Honda are expanding and investing in dedicated EV manufacturing facilities.

BUSINESS MODELS



Automobile Insurance and Financing

It also provides insurance and financial aid needed by the consumers



Original Equipment Manufacturer

Designing, manufacturing, sale of vehicle under their own brand name.



Dealership Of Cars

Companies give the authority to dealers to sell the vehicles to final consumers



Car Subscription Model

You pay a monthly fee, get access to a car without the ownership.



Mobility as a Service

Transportation of people or goods in return of a fare or a service charge.



Leasing Of Vehicles

The companies provide vehicles on a lease, and gets rentals.