

# Vehicle retail sales hit record 26.1 mn in '24, but '25 outlook muted

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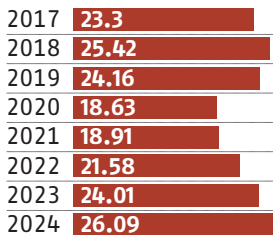
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Vehicle retail sales in India grew by 9 per cent in 2024, reaching a record of nearly 26.1 million units and surpassing the pre-Covid peak of 25.4 million units set in 2018, thus, in the process, finally marking a full recovery from the pandemic-induced slowdown. This milestone follows two consecutive years of double-digit growth, with sales climbing from 24 million units in 2023.

Industry experts, however, predict a subdued 2025: Passenger vehicle (PV) sales are expected to grow in low single digits, two-wheeler sales are projected to rise by 6-8 per cent, and tractor sales are anticipated to grow by 3-5 per cent. Commercial vehicle sales, meanwhile, will likely depend on government infrastructure spending. [Turn to Page 5 ▶](#)

## BEATING PANDEMIC BLUES, FINALLY

Vehicle registrations (in mn)



Source: VAHAN

# EV sales in '24 hit record 1.95 mn

Shailesh Chandra, managing director of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said the industry remains "optimistic" about PV growth in the new calendar year.

Data from the VAHAN portal (Ministry of Road Transport and Highways) showed that total new vehicle registrations were 24.16 million in 2019, 18.6 million in 2020, 18.9 million in 2021, and 21.5 million in 2022.

"We are possibly one of the few economies that have crossed pre-Covid levels and are far ahead of those numbers. We expect overall GDP growth to exceed 6.5 per cent in FY26, with normal rains supporting growth across segments. The two-wheeler industry is expected to grow by 6-8 per cent, while PV industry growth may remain in low single digits. Tractor sales are projected to grow by 3-5 per cent in FY26, and commercial vehicle growth will depend on infrastructure capex in the upcoming Budget. Electrification will continue to proliferate in FY26," said Hemal Thakkar, senior practice leader and director at Crisil.

Electric vehicle (EV) sales also hit new highs in 2024, with 1.95 million units sold, up from 1.5 million in 2023. EV penetration rose to 7.5 per cent, compared with 6.39 per cent the previous year. Of the 26.1 million vehicles sold in 2024, petrol vehicles accounted for 74 per cent (19.3 million), while diesel vehicles made up 10 per cent (2.63 million).

"As we head into 2025, we are optimistic about the growth of the Indian passenger vehicle market. Tata

Motors is well-positioned to capitalise on key industry shifts, such as rising demand for greener, emission-friendly powertrains and safer cars and SUVs. Our focus remains on growing market share, introducing new SUVs, and strengthening our leadership in the EV segment while enhancing customer satisfaction," Chandra further said. A significant challenge for the PV industry in 2024 was high inventory levels, which reached 650,000 units in early December, equivalent to 65-68 days of supply. Stock clearance during the festival season helped alleviate this burden. "For us, 2024 was a strong year, with good numbers during the festival season. We are optimistic about 2025, especially with multiple launches lined up, and expect the EV sector to perform well," said C S Vigneshwar, president of the Federation of Automobile Dealers Associations (Fada).

"The macroeconomic scenario in the second quarter of FY24 was affected by unusually heavy rainfall in certain areas and slowing infrastructure capex. However, low-ticket discretionary items performed relatively better, aided by a recovery in the rural economy, healthy rains, good crop output, higher minimum support prices, and improved mandi prices, which boosted rural cash flows," Thakkar noted. "Commercial vehicle sales declined due to reduced infrastructure activity and slower government capex, though bus sales remained robust. Financier portfolios are showing signs of stress, especially in the first-time buyer and retail segments," he added.