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Automobile & Consumer Electronics Industry

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1. Global Macroeconomic Scenario

The global economy is projected to experience a deceleration in growth, with global GDP expanding by 2.8% in CY 2025, down from 3.3% in CY 2024. This slowdown is attributed to escalating trade tensions, particularly due to new U.S. tariffs, and heightened policy uncertainties. Global headline inflation is expected to decline to 4.3% in CY 2025 and further to 3.6% in CY 2026, as inflationary pressures ease across advanced economies, aided by tighter monetary policy, improved labour market conditions, and the resolution of supply disruptions. However, global trade growth is forecasted to slow significantly to 1.7% in CY 2025, reflecting the effects of escalating trade barriers and geopolitical instability.

In China, economic prospects remain constrained as the IMF downgraded its CY 2025 GDP growth forecast to 4.0%, due to persistent challenges in the real estate sector, weak consumer demand, and trade-related pressures. In Europe, growth is expected to stagnate, with Germany's GDP forecast at 0.0% in CY 2025, amidst trade disruptions and domestic weaknesses. The EU is actively seeking to address these challenges through renewed trade dialogue with the U.S.

Meanwhile, India continues to show resilience, with the IMF projecting stable real GDP growth of 6.2% in CY 2025, followed by a slight uptick to 6.3% in CY 2026. This is supported by robust rural consumption and sustained infrastructure investment. The IMF notes that India remains one of the fastest-growing major economies, driven by favourable demographics, expanding digital infrastructure, and rising investment activity. Consumer price inflation in India is projected to moderate to 4.2% in CY 2025, staying within the Reserve Bank of India's (RBI) target range of 2–6%, which helps maintain purchasing power and economic stability. The IMF also highlights the importance of continued structural reforms in India, particularly in labour markets, logistics, and capital formation, to sustain medium-term growth momentum.

Overall, while inflation is declining globally, the economic outlook remains clouded by geopolitical uncertainty, trade fragmentation, and region-specific structural challenges. However, India's relative macroeconomic stability, demographic advantage, and ongoing investment cycle place it in a strong position amid global headwinds.

1.1 Global GDP Growth Scenario

The global economy began to recover from its lowest levels following the lifting of lockdowns in 2020 and 2021. The pandemic-induced lockdown was a key factor that severely disrupted economic activities, leading to a recession in CY 2020, where global GDP contracted by -2.7%.

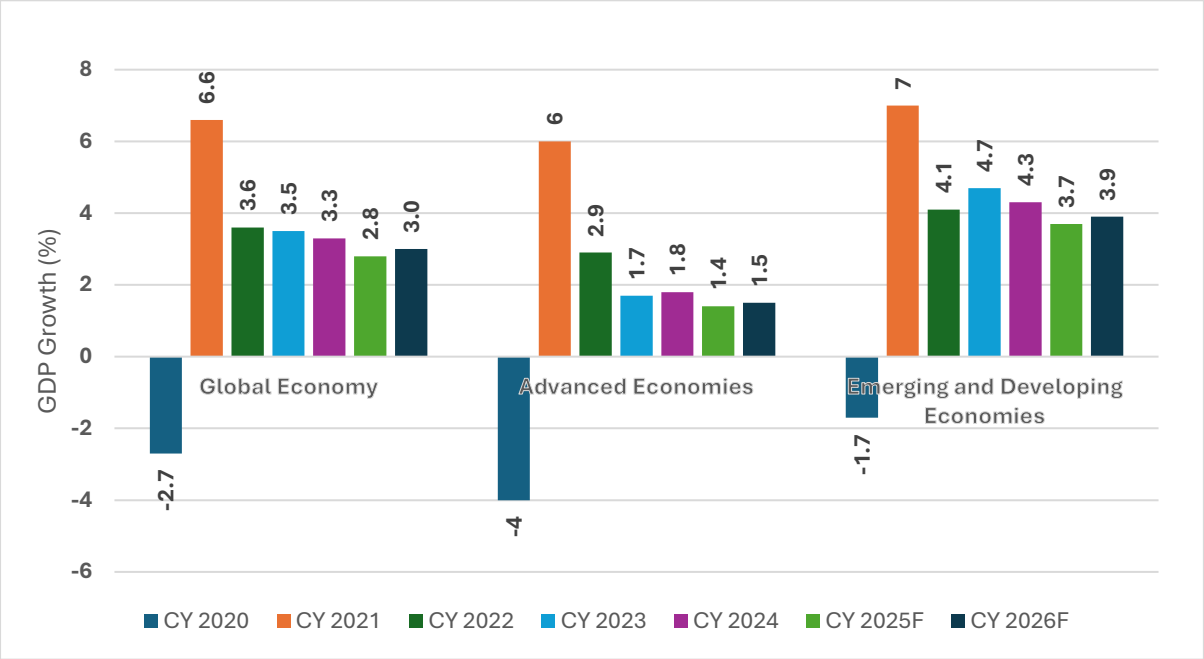
In CY 2021, supply chain disruptions significantly impacted both advanced economies and low-income developing economies. The rapid spread of the Delta variant and the threat of new variants in mid-2021 further heightened uncertainty in the global economic environment.

Global economic activity saw a sharper-than-expected slowdown in CY 2022. The highest inflation in decades, observed in 2022, forced most central banks to tighten their monetary & fiscal policies. Russia's invasion of Ukraine exacerbated global food supply issues, further increasing the cost of living.

Despite initial resilience in early CY 2023, marked by a rebound from the pandemic and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity continued to lag its pre-pandemic trajectory, especially in emerging markets and developing economies, leading to widening regional disparities. Several factors impeded recovery, including the lasting impacts of the pandemic, geopolitical tensions, tightening monetary policies to combat inflation, reductions in fiscal support amid high debt levels, and extreme weather conditions. As a result, global growth slowed from 3.6% in CY 2022 to 3.5% in CY 2023.

The global economy maintained moderate momentum in CY 2024, with real GDP growth estimated at 3.3%, supported by easing inflationary pressures, recovering supply chains, and resilient consumer demand in some major economies. Advanced economies, particularly the U.S., benefitted from strong labour markets and improved private consumption. However, growth remained uneven across regions, with emerging markets facing tighter financial conditions and subdued export demand. Inflation declined faster than anticipated in many regions, enabling some central banks to consider gradual monetary easing by the end of the year.

1.2Historical GDP Growth Trends



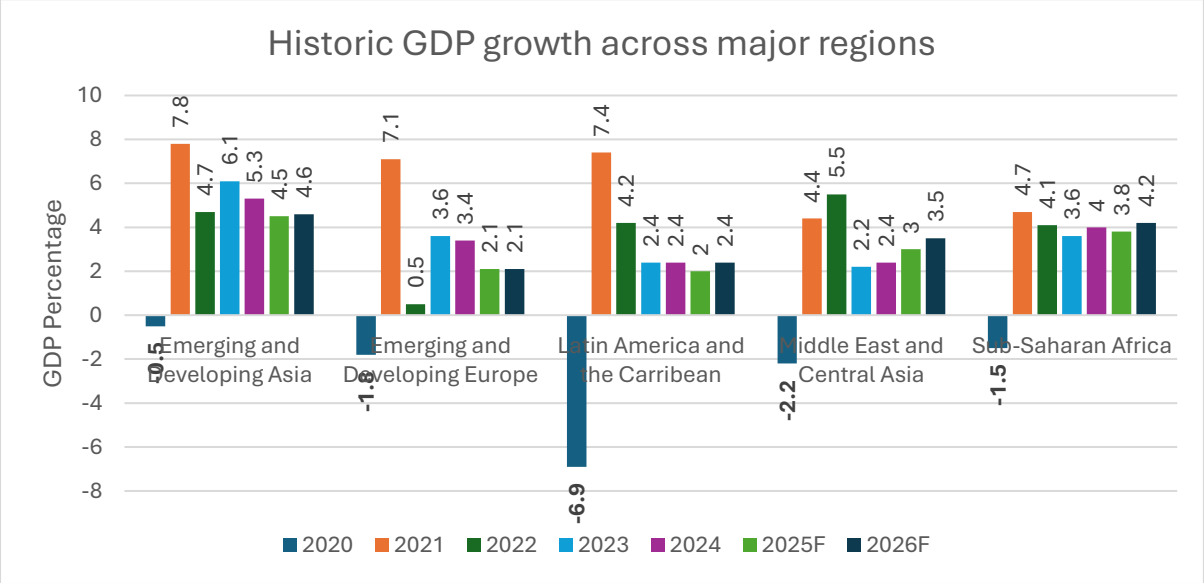
F – Forecast, Source – IMF World Economic Outlook April 2025

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

In the current scenario, global GDP growth is projected to decelerate to 2.8% in CY 2025, reflecting mounting economic pressures across both advanced and emerging markets. This marks a significant slowdown driven by intensifying trade fragmentation, the impact of new U.S. tariffs, and elevated geopolitical tensions. Structural weaknesses such as the ongoing real estate crisis in China, stagnant growth in the Eurozone, and tight financial conditions in major economies are expected to weigh heavily on global output. Additionally, stress in housing and banking sectors, coupled with subdued industrial activity, is contributing to a muted growth outlook. On the inflation front, the IMF projects global headline inflation to decline to 4.3% in CY 2025, continuing a disinflationary trend as energy prices stabilize and supply-side disruptions ease. The softening of labour markets—reflected in lower job vacancy rates and modest increases in unemployment—is also expected to help reduce core inflation. This provides room for some central banks to initiate cautious interest rate cuts, although the broader economic outlook remains uncertain due to persistent global risks.

1.3 GDP Growth Across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Source-IMF World Economic Outlook April 2025 update.

In Emerging and Developing Asia, growth is projected to moderate from 5.3% in CY 2024 to 4.5% in CY 2025, before recovering slightly to 4.6% in CY 2026. India is expected to grow at 6.2% in CY 2025, supported by resilient rural consumption and sustained infrastructure investments, though lower than 6.5% growth recorded in CY 2024. In contrast, China's growth is likely to decelerate to 4.0% in CY 2025, amid persistent real estate concerns and weak domestic demand.

Sub-Saharan Africa is projected to grow at 3.8% in CY 2025, slightly below the 4.0% growth in CY 2024, with a further improvement to 4.2% in CY 2026. The recovery is being aided by improved weather conditions and better functioning supply chains.

In the Middle East and Central Asia, the economy is forecasted to expand at 3.0% in CY 2025, up from 2.4% in CY 2024, and further strengthen to 3.5% in CY 2026, driven by stabilization in oil production and ongoing economic reforms.

For Latin America and the Caribbean, modest growth of 2.0% is forecast for CY 2025, holding steady from CY 2024, with expectations of a rebound to 2.4% in CY 2026, helped by stronger macroeconomic management across key economies.

Emerging and Developing Europe remains subdued, with growth estimated at 2.1% in CY 2025, down from 3.4% in CY 2024, expected to be stable at 2.1% by CY 2026. The region continues to face structural manufacturing challenges, particularly in major economies like Germany.

Overall, while global growth is expected to remain steady, regional disparities persist, influenced by a combination of domestic challenges, external geopolitical tensions, and fluctuating commodity prices.

1.4 Global Economic Outlook

At the midpoint of the year, so far in 2025 the global economy continues to exhibit mixed performance, with divergence in outcomes across regions due to differences in economic growth, inflation dynamics, and policy responses. The global GDP growth is projected at 2.8% in CY 2025, down from an estimated 3.3% in CY 2024. While short-term prospects have improved since early 2024 due to easing inflation and gradual loosening of monetary policy in several regions, the broader environment remains challenging. Structural headwinds, such as tighter credit conditions, supply-side bottlenecks, and lingering geopolitical risks, are keeping global growth below historical averages.

The United States has continued to outperform other advanced economies, with growth projected at 1.8% in 2025, though slightly down from 2.8% in 2024, as the economy absorbs the lagged effects of previous monetary tightening and persistent inflation. In contrast, the Euro Area remains subdued, with GDP growth expected to 0.8% in 2025, supported by the European Central Bank's first-interest rate cuts since 2019 (implemented in June 2024) and stronger domestic demand. However, countries like Germany, France, and Italy continue to struggle due to weak manufacturing performance, whereas Greece and Spain have benefited from robust tourism activity.

In China, growth has held up at a projected 4.0% for CY 2025, supported by targeted stimulus and a gradual recovery in the real estate sector. Growth in the rest of Asia is also benefiting from a revival in global trade and domestic demand. India remains one of the strongest performers globally, with GDP growth forecasted at 6.2% in 2025, supported by robust consumption, capital investment, and favourable demographics.

In Latin America and the Caribbean, growth is more uneven. Larger economies like Brazil and Mexico are seeing moderate expansions, but the overall regional outlook is weaker, with GDP growth forecast at 2.0% in 2025, due to external headwinds, commodity price volatility, and political uncertainty. Meanwhile, Sub-Saharan Africa's growth is expected to slow slightly to 3.8%, as global financial conditions tighten, and oil-exporting nations face declining revenues. The Middle East and North Africa (MENA) region is also seeing tempered prospects, with growth revised down to 2.6%, influenced by lower oil prices and ongoing geopolitical pressures.

Globally, industrial production has remained sluggish through the first half of 2025, constrained by high interest rates, trade fragmentation, and lingering supply chain disruptions. However, a mild recovery is anticipated in the second half of the year as global trade stabilizes and domestic demand for goods strengthens. Central banks in several advanced economies—including the Eurozone, Switzerland, Sweden, and Canada—have begun cutting rates to support demand, though inflation trends remain uneven. Disinflation

has progressed slower than expected, particularly in services and wage-heavy sectors, making monetary easing cautious and data-dependent.

Overall, the global economy appears to be stabilizing, but growth in CY 2025 remains below historical averages. Advanced economies continue to grow modestly under the weight of tight policies and weak external demand, while emerging markets, particularly in Asia, show stronger but slowing momentum. The outlook for the remainder of 2025 depends significantly on geopolitical developments, the trajectory of inflation, and the pace of monetary easing.

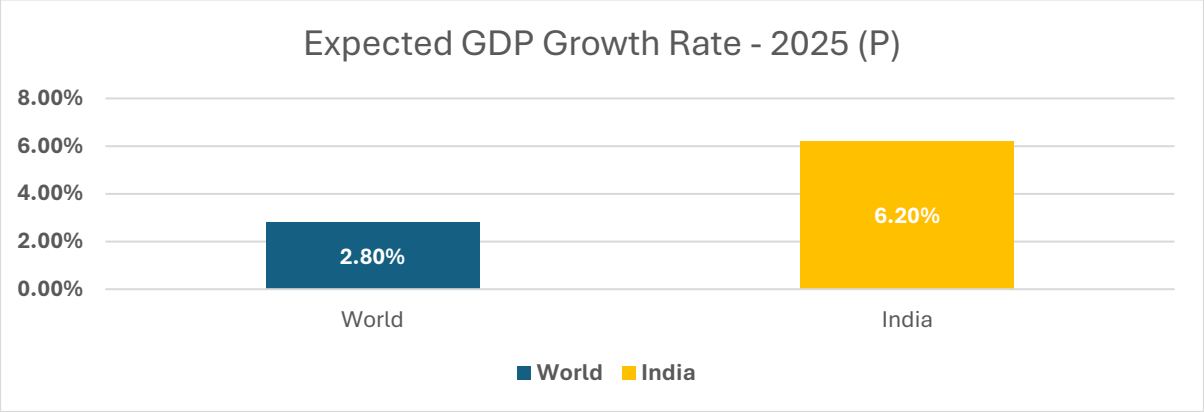
2. India's Macroeconomic Scenario

2.1 Gross Domestic Product (GDP)

India Expected to Grow at Twice the Pace of Global Economic Growth

Global and India Growth Outlook Projections (Real GDP growth)

The global economy continues to face persistent challenges, including the lingering effects of the COVID-19 pandemic, heightened geopolitical tensions, and climate-related disruptions that have affected energy and food supply chains. Global real GDP growth is projected at 2.8% in 2025, indicating a moderation in global momentum. In contrast, India's real GDP is projected to grow at 6.2% in 2025, continuing its trend of significantly outpacing global averages and reaffirming its position as the fastest-growing major economy. This implies that India is expected to grow at more than twice the pace of global GDP, supported by strong domestic demand, structural reforms, and increased infrastructure investment. India's resilience among the G20 economies further strengthens its role as a key driver of global economic growth in the coming years.



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2025

India's Economic Growth Momentum Remains Strong - Surpassed USD 4 Trillion.

In FY 2024-25, India was the fifth-largest economy globally, with an estimated real Gross Domestic Product (GDP) at constant prices of INR 184.88 lakh crore, against the Provisional Estimate of GDP for the year 2023-24 of INR 173.82 lakh crore registering a GDP growth rate of 6.4% as compared to 8.2% in FY 2023-24. Since FY 2005, India's GDP growth has consistently outpaced global economic growth, often growing at nearly twice the global average, and this trend is expected to continue over the medium term.

Source: MOSPI, first advance estimates of GDP 2024-25 released on January 7th, 2025

In June 2025, India became the fourth-largest economy in the world and retained its position as the fastest-growing major economy. The country is projected to become the world's third largest economy by 2030, with an estimated GDP of USD 7.3 trillion.

Source: PIB, Press Release - India Becoming an Economic Powerhouse posted on June 16, 2025

GDP Growth Rate Projections for India

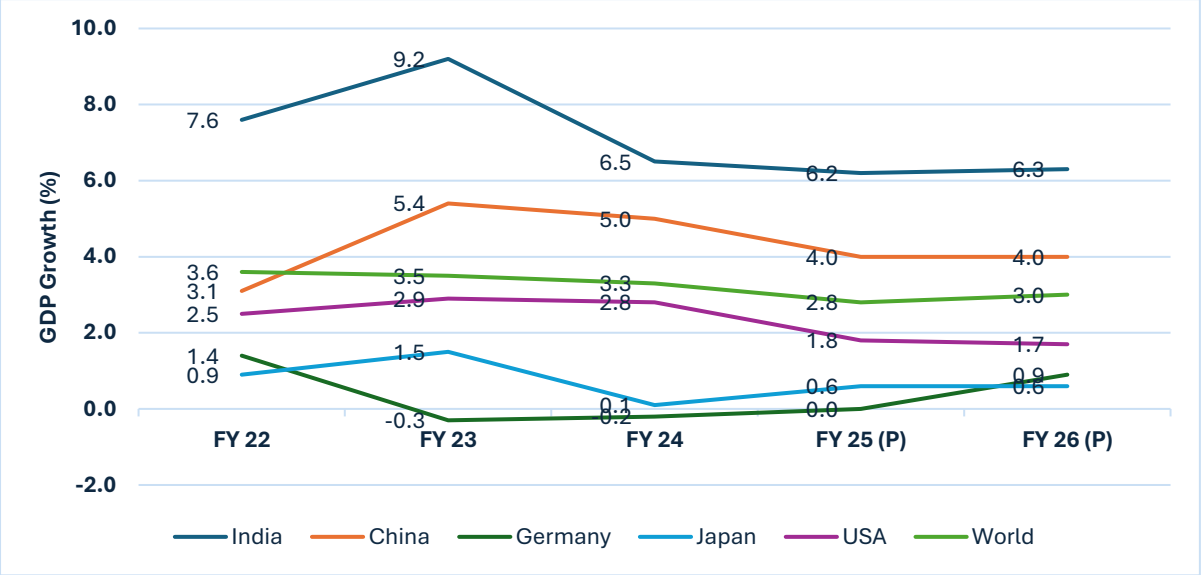
GDP growth projections by Government of India and other agencies are summarised below:

	Estimated GDP Growth Rate		
	FY 25E	FY 26E	FY 27E
Ministry of Finance, GOI	6.4%	6.3%-6.8%	N.A.
IMF*	6.2%	6.3%	N.A.
RBI#	6.6%	6.5%	N.A.
National Statistical Office (NSO)@	6.4%	N.A.	N.A.
PHDCCI@	6.5%	6.7%	6.7%
S&P Global@	6.8%	6.5%	6.8%
Morgan Stanley@	6.3%	6.5%	6.5%
Asian Development Bank#	6.5%	6.7%	N.A.
Moody's Agency	6.1%	N.A.	N.A.
Fitch Ratings@	6.3%	6.5%	6.3%

** Source: World Economic Outlook Update April 2025*

@ Data is updated as of 28th March 2025, #updated as of 10th April 2025

India and Top 5 Global Economies GDP Growth Forecast



Note: P = Projections, Source: IMF World Economic Outlook April 2025 update.

In September 2024, India achieved a significant milestone by overtaking Japan to become the third most powerful nation in the Asia-Pacific region, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.8-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.

2.2 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- India's economy demonstrated robust growth across various sectors. The gap between GDP and GVA growth turned positive. The positive gap between GDP and GVA growth indicates robust tax collections contributing to GDP growth.
- India's sector-wise economic performance in FY 2024–25 reveals a shift in momentum across its primary, secondary, and tertiary sectors, with notable differences compared to the previous fiscal year.
- The Primary Sector—comprising agriculture, livestock, forestry, fishing, and mining & quarrying—registered a growth of 3.6% in FY25, showing a notable improvement from the 2.1% growth in FY24. This uptick can be attributed to stronger performance in agriculture and allied activities, along with moderate gains in mining and quarrying. However, erratic monsoon patterns and rising input costs may have constrained agricultural output during the year.
- In contrast, the Secondary Sector—which includes manufacturing, electricity, gas, water supply & other utilities, and construction—recorded a solid growth of 6.5% in FY25, though lower than the impressive 9.7% growth seen in the previous year. This resilient performance was primarily driven by a notable recovery in manufacturing and robust momentum in infrastructure-related segments like construction and utilities.
- The Tertiary Sector or services sector posted 7.2% growth in FY25, slightly lower than the 7.6% achieved in FY24, yet it remained a major pillar of overall economic growth. Strong performances were observed in trade, hotels, transport, financial services, real estate, and professional services. However, public administration and defence services saw more modest growth, slightly dampening the overall momentum in this segment.
- Overall, growth in India's real Gross Value Added (GVA) in FY25 was primarily driven by the resurgence of the secondary sector and sustained strength in key segments of the services sector, even as the primary sector showed signs of moderation.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

Sector-wise growth in GVA at constant (2011-12) prices (in %)	FY 2024	FY 2025
Primary	2.1	3.6
Secondary	9.7	6.5
Tertiary	7.6	7.2

Source: MOSPI, First advance estimates of GDP 2024-25, released on January 7th , 2025

2.3 Consumer Price Index (CPI)

Inflation Stable Inflationary Environment

In fiscal year 2025 (FY25), India's General Index inflation, as measured by the Consumer Price Index (CPI), averaged 4.6%, marking the lowest annual inflation rate since 2018–19. This moderation in inflation reflects a significant improvement in the country's price stability post-COVID. In March 2025, CPI Inflation stood at 3.34%, the lowest monthly rate since August 2019, indicating sustained disinflationary momentum in recent months.

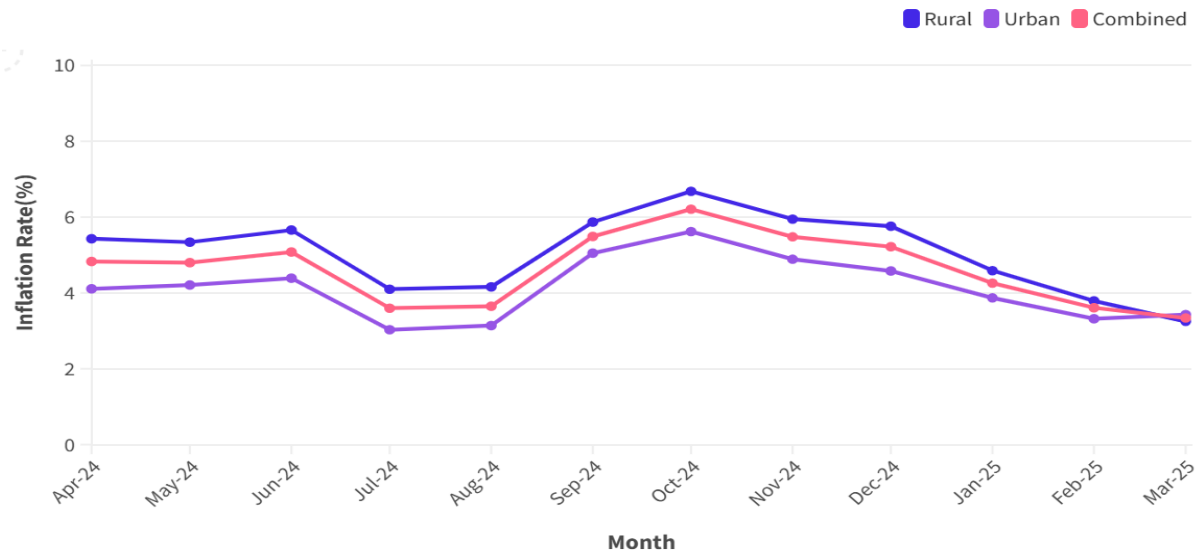
Source: - RBI, Annual Report-Inflation, Money and Credit Dated May 29th, 2025

Several key factors contributed to this decline in inflation:

The Reserve Bank of India (RBI) pursued a pro-growth monetary policy, aiming to strike a balance between supporting economic recovery and containing inflation. In parallel, the government actively intervened in food markets, particularly by augmenting buffer stocks of essential commodities and releasing them strategically to stabilize prices. These coordinated efforts helped ease supply-side pressures, especially on food inflation.

Looking ahead, projected CPI inflation for FY26 to average around 4%, signalling continued focus on maintaining price stability. In support of this trajectory, the RBI recently announced a cut in the repo rate, which is expected to result in a more accommodative monetary policy stance in the coming months. This environment of low inflation and easing interest rates may provide a favourable backdrop for economic expansion in the near term.

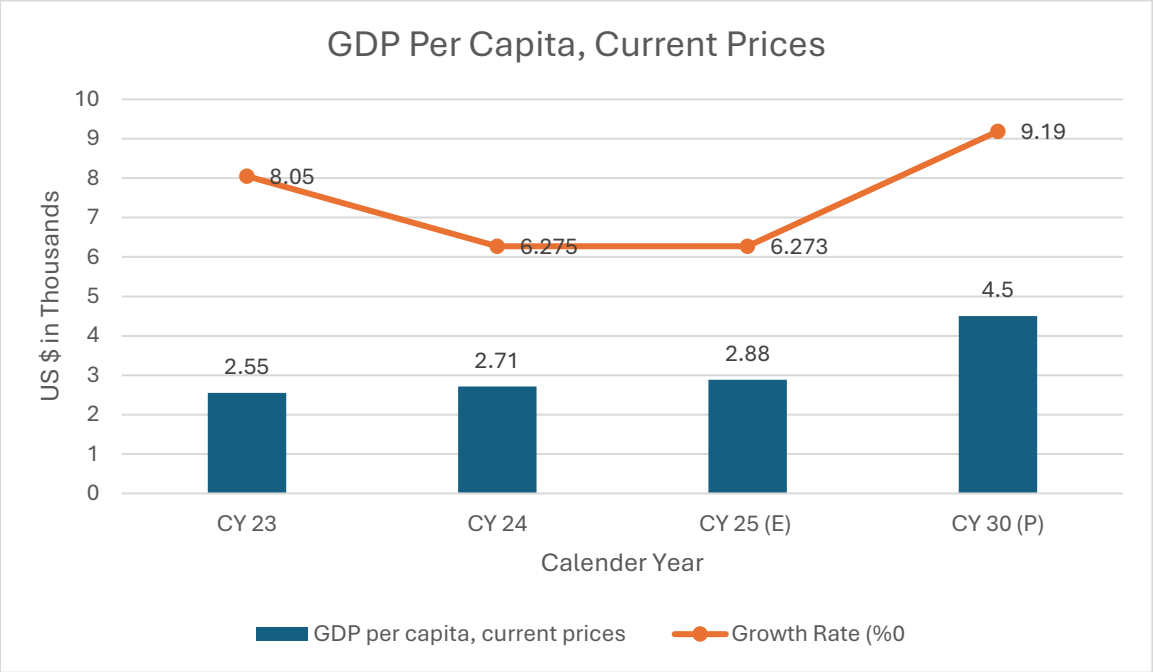
India's CPI Inflation Monthly



Source: MOSPI

2.4 India Per Capita GDP Forecast

Per capita GDP growth for India is estimated at 9.19 % CAGR between FY 2025-FY 2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected

Source: IMF Data Mapper, World Economic Outlook April 2025, India, GDP Per Capita

2.5 Private Final Consumption Expenditure (PFCE)

Private Final Consumption Expenditure (PFCE) represents the total spending by resident households on final consumption of goods and services, serving as a key indicator of consumer demand and overall economic well-being. It reflects the extent of household consumption and plays a crucial role in driving GDP growth. In FY2025, PFCE at constant prices rose to 56.7% of GDP, up from 56.1% in FY2024, indicating a gradual improvement in household spending patterns. This increase suggests stronger consumer confidence, supported by factors such as easing inflation, improving income levels, and a favourable consumption environment.

Source: - MOSPI, Second Advance Estimates of GDP 2024-25 dated February 28,2025

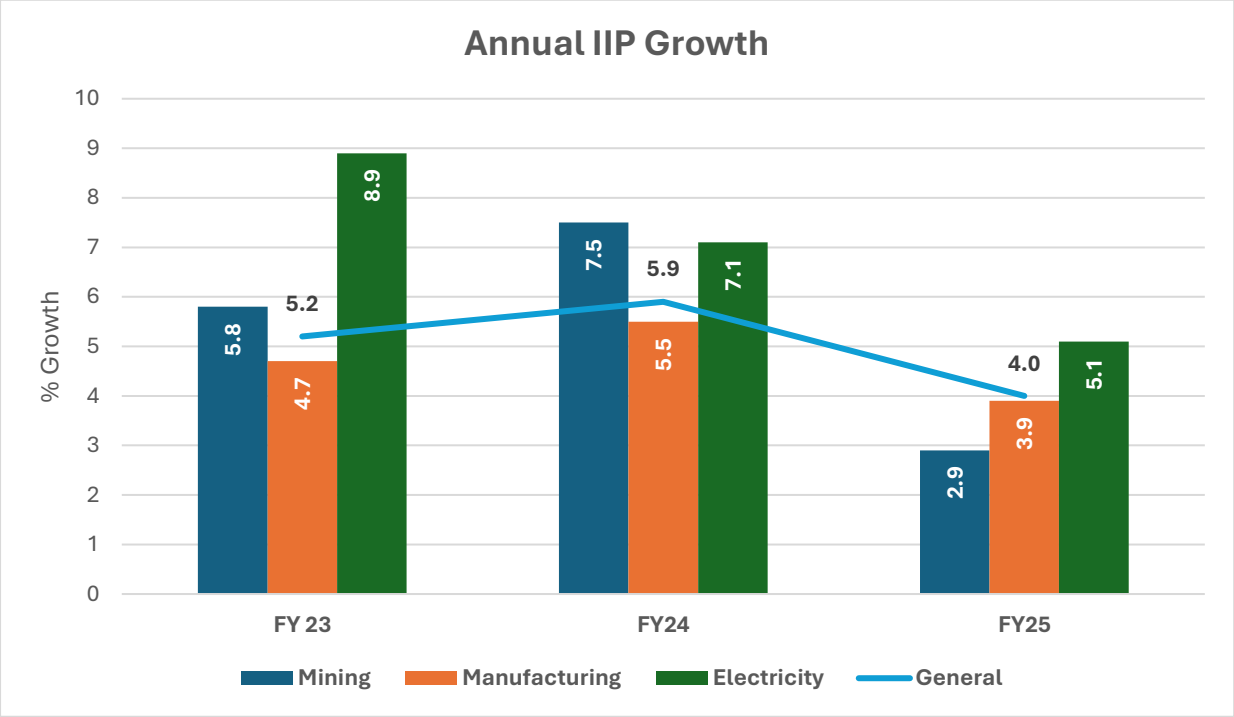
2.6 IIP Growth – Index of Industrial Production

As per the Index of Industrial Production (IIP), the industrial sector grew by 4.0% in FY 2025, moderating from 5.9% in FY 2024 and 5.2% in FY 2023. This deceleration in overall IIP growth in FY 2025 reflects a softening of industrial momentum amidst global headwinds and tighter financial conditions.

Among key components:

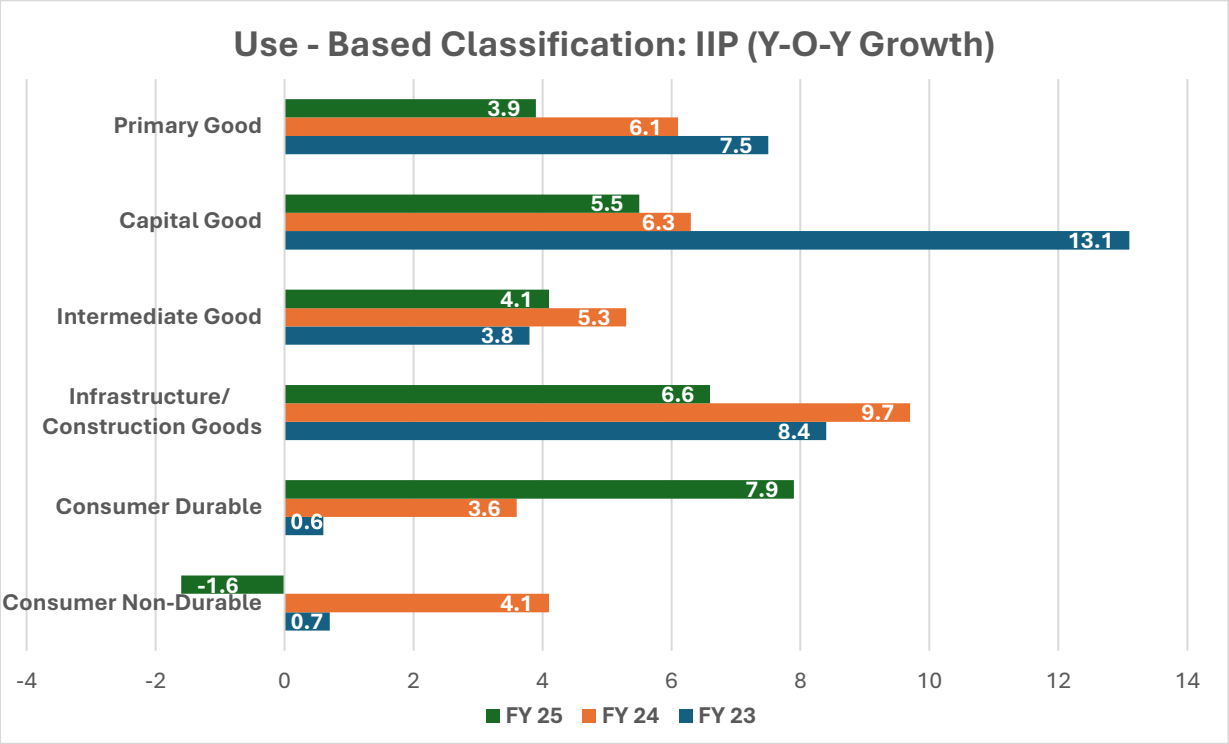
- **Manufacturing** (which holds a 77.6% weight in IIP) registered a slower growth of 3.9% in FY 2025, compared to 5.5% in FY 2024 and 4.7% in FY 2023.
- **Mining** growth also moderated sharply to 2.9% in FY 2025 from 7.5% in FY 2024 and 5.8% in FY 2023.
- **Electricity** growth remained relatively stable at 5.1% in FY 2025, slightly down from 7.1% in FY 2024 and significantly lower than 8.9% in FY 2023.

This slowdown indicates tightening domestic demand and spillover effects from a weaker global industrial cycle.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

Use-Based Classification Trends:



Source: Ministry of Statistics & Programme Implementation (MOSPI)

According to the use-based classification:

- Capital Goods segment growth slowed to 5.5% in FY 2025, down from a high of 13.1% in FY 2023 and 6.3% in FY 2024, indicating a reduction in investment momentum.
- Primary Goods also witnessed slower growth at 3.9%, compared to 6.1% in FY 2024 and 7.5% in FY 2023.
- Intermediate Goods rebounded modestly to 4.1% in FY 2025, up from 3.8% in FY 2023, although still lower than 5.3% in FY 2024.
- Infrastructure/Construction Goods slowed to 6.6% in FY 2025 from 9.7% in FY 2024 and 8.4% in FY 2023, pointing to softening construction and infrastructure activity.
- Consumer Durables grew significantly by 7.9%, rebounding from 3.6% in FY 2024 and 0.6% in FY 2023, indicating improved demand in consumer electronics and appliances.
- In contrast, Consumer Non-Durables contracted by 1.6% in FY 2025, reversing the 4.1% growth in FY 2024, likely reflecting subdued rural and essential goods demand.

The divergence in growth across segments suggests an uneven industrial recovery in FY 2025. While certain consumer categories have rebounded, investment-related and primary sectors remain under pressure.

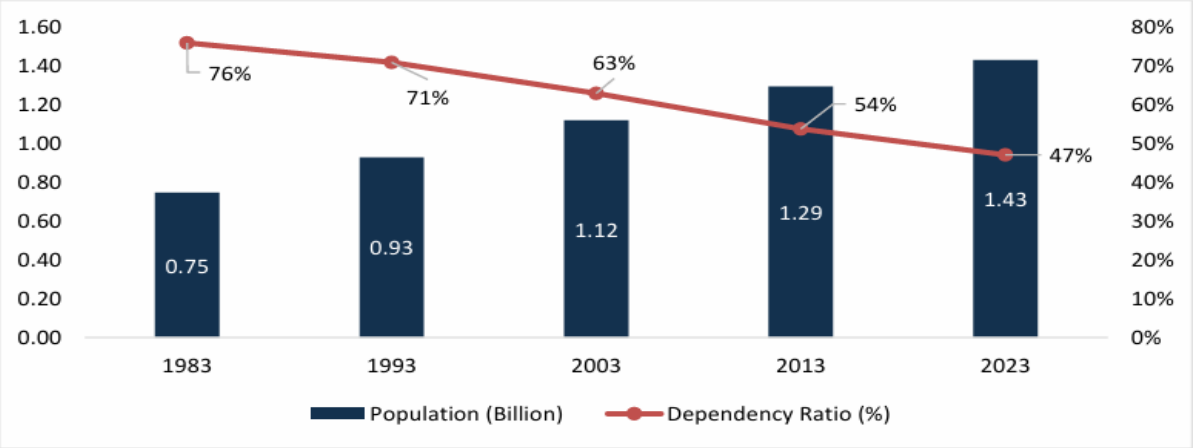
2.7 Overview on Key Demographic Parameters

2.7.1 Population growth and Urbanization

India's economic growth and expanding private consumption are intrinsically linked to its demographic and urbanization trends. According to the World Bank, India's population is estimated to have reached approximately 1.44 billion in 2024, reaffirming its position as the world's most populous country, ahead of China. This continued growth reflects an expanding labour force and consumer base, both of which are critical to sustaining long-term economic development.

A key metric in demographic analysis—the age dependency ratio, defined as the ratio of dependents (individuals aged below 15 or above 64) to the working-age population (15–64 years)—has been on a downward trajectory for several decades. From a high of 76% in 1983, the dependency ratio declined to 47% in 2023 and is estimated at 50.2% in 2024. This decline signifies that for every 100 working-age individuals, there are only about 50 dependents, indicating a favourable demographic dividend. A greater share of the population is now within the working-age group, potentially contributing to enhanced economic productivity and income generation.

Trend of India Population vis-à-vis dependency ratio



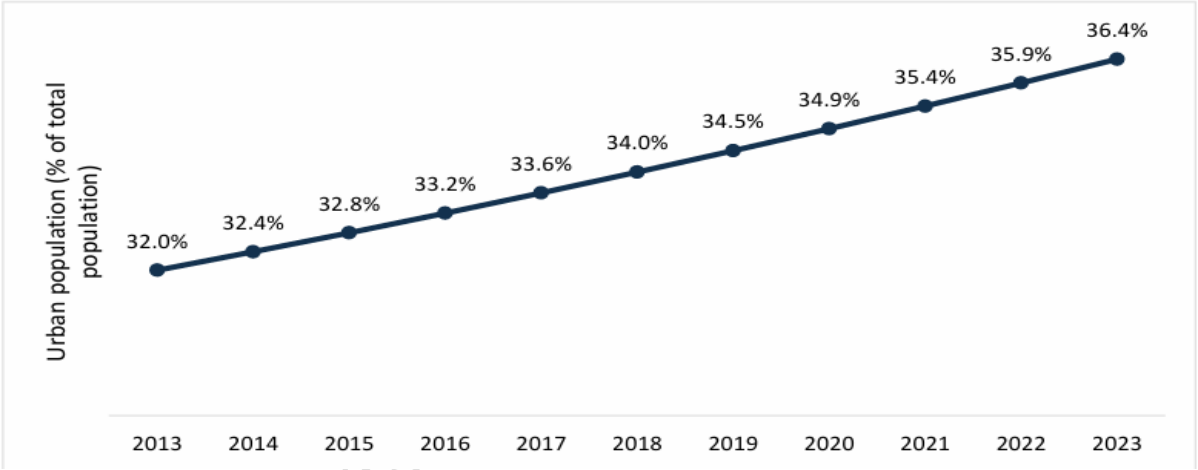
Source: World Bank Database

However, a parallel trend is emerging in the form of a rising old-age dependency ratio—the proportion of individuals aged 65 and above relative to the working-age population. This figure has gradually increased, reaching 10.4% in 2024, suggesting the onset of an aging demographic shift. This highlights the growing need for robust healthcare systems, pension reforms, and social security mechanisms to address future challenges associated with an aging population.

India's youthful demographic remains one of its most significant advantages. With a median age of around 29 years, India has one of the youngest populations globally. Nearly one-fifth of the world's youth resides in India, and as millions enter the workforce each year, this demographic bulge offers enormous potential—provided it is met with adequate job creation, education, and skills training.

Urbanization, too, is transforming India's socio-economic fabric. The urban population rose from 413 million in 2013 (32% of total population) to 519.5 million in 2023 (36.4%), and further to approximately 535 million in 2024 (36.9%), according to World Bank estimates. This rapid growth in urban areas underscores the need for sustainable urban planning, investment in infrastructure, and development of smart cities to accommodate and benefit from the shifting population dynamics.

Urbanization Trend in India



Source: World Bank Database

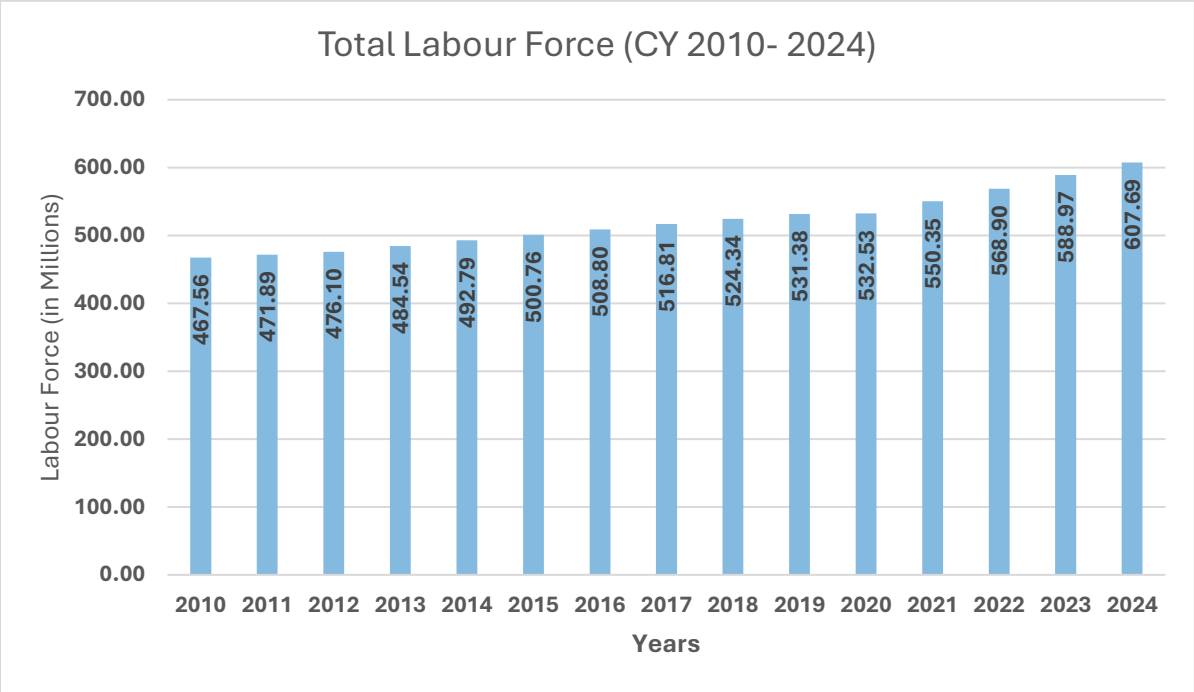
2.7.2 Labour Force in India

India's labour force has experienced significant growth over the past decade. In 2010, the total labour force was approximately 467.56 million. By 2024, this number had increased to 607.69 million, reflecting a Compound Annual Growth Rate (CAGR) of 1.89% over the 14-year period.

This upward trend underscores the expanding working-age population and the country's ongoing economic development. However, it also highlights the need for effective employment policies to ensure that the growing labour force is adequately absorbed into productive sectors.

The labour force participation rate (LFPR) has also seen fluctuations, influenced by various socio-economic factors. As of 2024, the LFPR stood at 45.1%, indicating the percentage of the working-age population that is either employed or actively seeking employment.

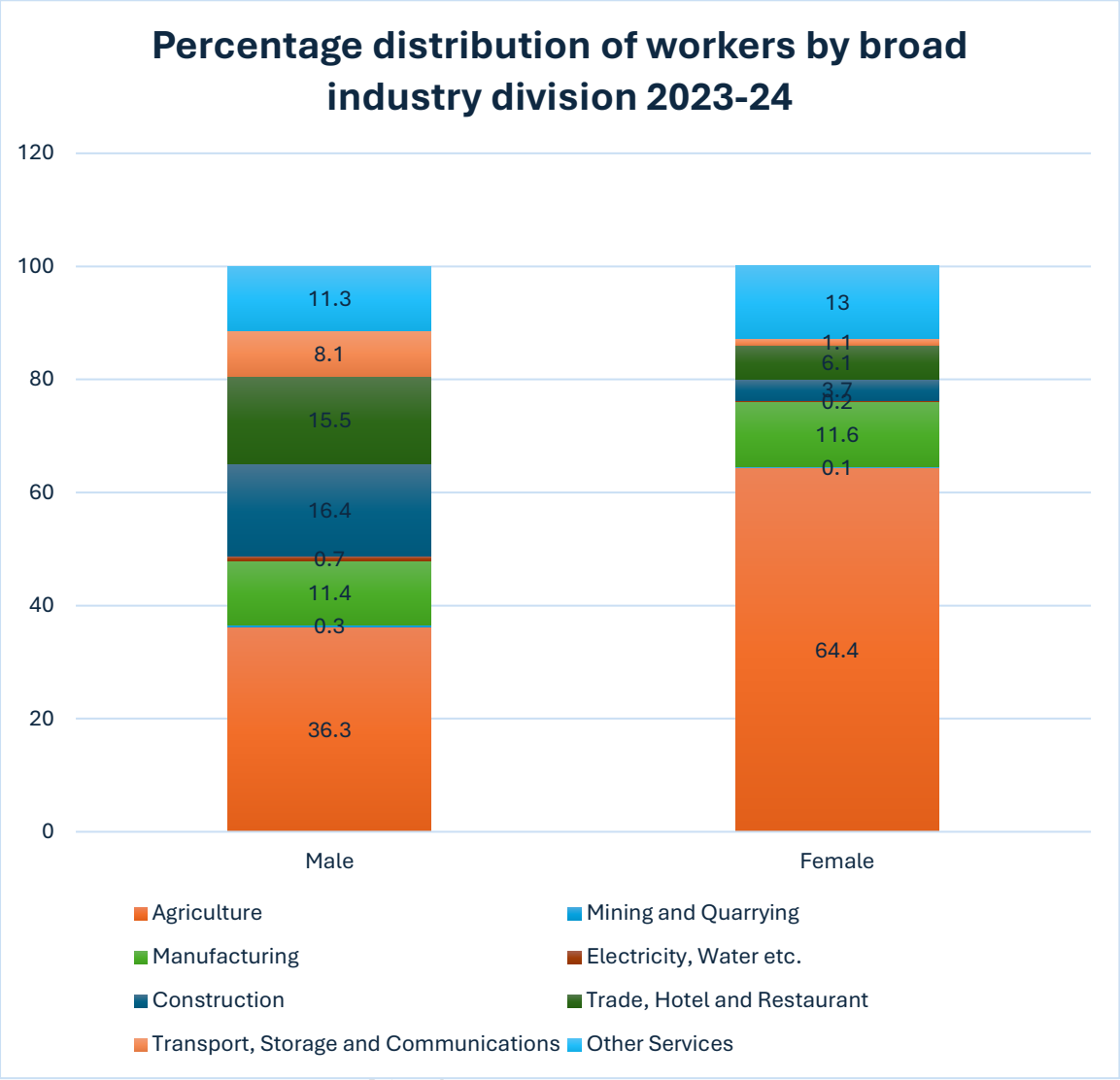
These statistics emphasize the importance of implementing strategies that not only create employment opportunities but also enhance the quality and inclusivity of jobs across different sectors of the economy.



Source: World Bank Database

2.7.3 Breakdown of Employment by Sector

According to the Periodic Labour Force Survey (PLFS) 2023–24, the employment distribution across various sectors exhibits distinct gender-based patterns. A significant portion of male workers are engaged in agriculture, followed by notable participation in construction, manufacturing, and trade-related activities. In contrast, female workers are predominantly employed in agriculture, with considerable involvement in manufacturing and other services sectors. While female representation in trade and construction is lower compared to males, Additionally, a substantial proportion of employed women are self-employed, often contributing as unpaid helpers in household enterprises or operating small businesses, indicating a reliance on informal employment avenues.



Source: Annual Report 2023-24, Periodic Labour Force Survey

2.7.4 Labour Laws in India

Labour is a subject under the Concurrent List of the Indian Constitution, enabling both the Central and State Governments to frame relevant legislation. In a major reform initiative, the Government of India has consolidated 29 existing central labour laws into four comprehensive Labour Codes to simplify compliance, reduce multiplicity of definitions, and promote transparency. These include:

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Code on Social Security, 2020
- The Occupational Safety, Health and Working Conditions Code, 2020

As of 31st December 2024, the Central Government and a majority of States/Union Territories had pre-published draft rules under all four Labour Codes. Regional consultations were held to align state-level rules with the central framework. Once fully implemented, these Codes are expected to harmonize the needs of workers and industry, facilitate ease of doing business, and support employment generation.

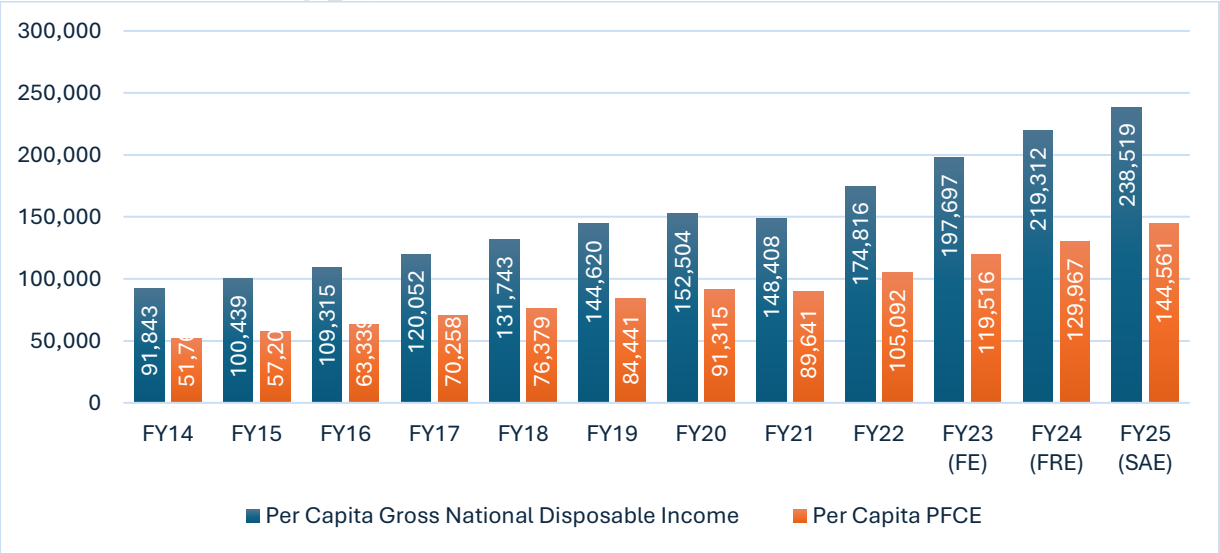
Additionally, the Ministry of Labour & Employment is revamping the Shram Suvidha Portal to improve regulatory compliance and has launched the e-Shram Portal to register workers from the unorganised sector. Over 30 crore registrations have been completed, and the portal has been integrated with 12 key social welfare schemes, enabling targeted delivery of benefits.

2.7.5 Disposable Income and Consumer Spending

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. In FY24, Per capita GNDI grew by 9.85%, followed by a moderate growth of 8.05% in FY25. This steady increase indicates that households and businesses had more income at their disposal, which is critical for supporting both consumption and savings—key components of economic resilience and expansion.

The rise in GNDI has translated into higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE grew by 8.04% in FY24 and further accelerated to 10.09% in FY25, highlighting strong consumer confidence and robust domestic demand.

Trend of Per Capita GNDI and Per Capita PFCE (Current Price)



Note: Data mentioned is in Rs. Crore, FE – Final Estimates, FRE – First Revised Estimates, SAE – Second Advanced Estimate; Source: MOSPI

2.8 Union Budget FY25-26 Highlights

The **Union Budget FY 2025–26**, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**
  The government has earmarked a substantial ₹11.21 lakh crore (3.1% of GDP) for capital expenditure in FY 2025–26. This allocation is directed towards infrastructure projects, including rural development, manufacturing, and skill-building initiatives. Notably, the Urban Challenge Fund has been established with a corpus of ₹1 lakh crore, aimed at financing 25% of the cost of bankable urban infrastructure projects, thereby promoting sustainable urban development.
- **Support for MSMEs**
  Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduces several measures to bolster this sector. The Credit Guarantee cover has been enhanced to ₹10 crore, unlocking ₹1.5 lakh crore in additional funding for MSMEs over the next five years. Additionally, the establishment of a Fund of Funds with a ₹10,000 crore corpus aims to provide equity support to startups and potential MSMEs, focusing on high-growth sectors such as electronics and renewable energy.
- **Tax Reforms and Disposable Income**
  To stimulate consumption and investment, the budget introduces significant tax reforms. The tax-free income threshold has been raised to ₹12 lakh, and the new tax regime offers reduced rates for higher income brackets. These changes are expected to increase disposable income, thereby encouraging higher savings and investment among the middle class.
- **Focus on Agriculture and Exports**
  The budget prioritizes agriculture as a key engine of development, with increased allocations for agricultural credit and initiatives aimed at enhancing productivity. Furthermore, measures to promote exports include the reduction of customs duties on select goods and the introduction of policies to facilitate easier market access for Indian products.
- **Urban Development Initiatives**
  A significant increase in the budget allocation for the Ministry of Housing and Urban Affairs to ₹96,777 crore reflects the government's commitment to urban development. Key initiatives include the establishment of the Urban Challenge Fund, enhanced loans under the PM SVANidhi scheme, and substantial provisions for the Pradhan Mantri Awas Yojana

and Urban Rejuvenation Mission, all aimed at improving urban infrastructure and living standards.

The Union Budget FY 2025–26 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, tax reforms, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

2.9 Concluding Remarks about Macroeconomic Scenario

The major headwinds to global economic growth remain significant, with escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflationary pressures, instability in international financial markets, climate change, rising public debt, and the rapid evolution of new technologies. Despite these challenges, India's economy is relatively well-positioned compared to other emerging markets. According to the latest IMF forecast, India's GDP growth is expected to be 6.2% in 2025, maintaining its position as the fastest-growing major economy globally, well above the global growth projection of 2.8%. Key positive factors for the Indian economy include continued strong domestic demand, robust government support for capital expenditure, moderating inflation, growing investments in technology, and improving business confidence.

India's strategic position as a manufacturing hub is further strengthened by government initiatives, a skilled labour force, and a dynamic startup ecosystem, all of which bolster the country's economic outlook. The ongoing reforms and focus on innovation are enabling India to seize emerging opportunities, making it a growing player in the global manufacturing landscape. In addition, several high-frequency growth indicators—such as the Purchasing Managers' Index (PMI), E-way bills, bank credit, toll collections, and GST collections—have shown a positive trajectory in FY25. The normalization of employment post-economic reopening is expected to provide further support to consumption expenditure.

Public investment is also poised to grow, with the government allocating a significant ₹11.21 lakh crore for capital expenditure in FY25. The private sector's investment intentions are showing positive signs, as evidenced by increased new project investments and a strong import of capital goods. Furthermore, rural demand is likely to improve, bolstered by healthy sowing, better reservoir levels, and the positive progress of the southwest monsoon, coupled with the government's push for infrastructure investment and other policy measures. These factors are expected to further support the investment cycle and strengthen India's economic resilience in the coming years.

3. Industry Overview – Automobile Industry

Some imagine the automobile as a symbol of personal freedom—cruising through open highways under boundless skies—while others rely on it as a lifeline for daily routines, commuting to work, transporting goods, or connecting communities. Today, with an astonishing variety of vehicles—ranging from sleek electric cars and rugged SUVs to two-wheelers and high-tech autonomous shuttles—the global automobile industry fuels movement in all forms. It is no surprise that this sector stands as one of the most vital and transformative industries worldwide, serving as a key engine of economic growth, technological advancement, and sustainable mobility.

The industry's influence extends far beyond the manufacturing of vehicles. It underpins multiple ancillary industries, including auto components, electronics, logistics, petroleum, finance, insurance, and retail. Showrooms, service centres, fuel stations, and digital platforms for buying, selling, and financing vehicles make up an extensive ecosystem that generates millions of jobs and business opportunities. In fact, automobile retail alone accounts for over 15,000 dealerships playing a crucial role in India's formal and informal economy.

With globalization and urbanization accelerating over the past decades, automobiles have become more than a convenience—they are a necessity. At the same time, profound changes are reshaping the global automotive landscape. The rise of electric vehicles (EVs), tightening emissions regulations, the push for autonomous driving, and the emergence of connected cars have unleashed a wave of disruption. Digital platforms are redefining how vehicles are bought, shared, or subscribed to, while global supply chains—previously optimized for scale—are being reimagined for resilience, sustainability, and geopolitical alignment.

The automobile industry is increasingly recognized as a key player in the fight against climate change. With global commitments toward net-zero emissions, automakers are pivoting to electric drivetrains, green hydrogen, and circular economy principles. Nations are investing in charging infrastructure, battery recycling, and clean mobility solutions, aligning industrial policies with environmental goals. The mobility of tomorrow is expected to be electric, shared, autonomous, and digitally connected—ushering in a new era of transportation that balances efficiency with sustainability.

In this dynamic and highly competitive global environment, the automobile industry continues to be a mirror of progress—constantly adapting, innovating, and accelerating toward a cleaner, smarter, and more inclusive future.

Market Segmentation

Segmentation Basis	Segment	Description
1. Vehicle Type	Two-Wheelers	Scooters, motorcycles, mopeds; dominant in personal urban and rural transport.
	Passenger Vehicles (PVs)	Hatchbacks, sedans, SUVs; used for personal and family transportation.
	Commercial Vehicles (CVs)	Trucks, buses, LCVs, HCVs for logistics, transport, and cargo.
	Three-Wheelers	Passenger and cargo rickshaws; strong growth in EV format.
	Electric Vehicles (EVs)	EV versions across all categories; supported by government incentives.
	Luxury & Premium Vehicles	High-end brands like BMW, Audi; caters to affluent buyers.
2. Fuel Type	Petrol	Widely used in 2Ws and small PVs; dominant in entry segments.
	Diesel	Preferred in CVs and larger SUVs; use declining post BS-VI norms.
	Electric	Environment-friendly alternative; growing across 2W, 3W, and PV segments.
	Hybrid	Combines ICE and battery power; low adoption in India currently.
	CNG / LPG	Used in taxis and fleets for cost efficiency; metro city focused.
3. Customer Type	Individual Buyers	Mass market buyers; prefer fuel-efficient, affordable vehicles.
	Fleet Operators	Cab aggregators, delivery services, and logistics players.
	Government / Institutions	Procure vehicles for public services, police, transport, utilities.

	Commercial Users	SMEs, retailers, farmers using vehicles for goods movement.
4. Geography	Urban Markets	Feature-rich models, EV adoption, connected tech, organized dealerships.
	Rural Markets	Emphasis on mileage, durability, ease of service; 2W and LCV dominant.
	Tier-II and Tier-III Cities	Fast-growing aspirational demand; value-focused purchases.

3.1 Global Automobile Industry

3.1.1 Market Size & Recovery

According to the Organisation Internationale des Constructeurs d'Automobiles (OICA), global sales of commercial and passenger vehicles stood at approximately 95.31 million units in 2024 and are projected to exceed 100 million units by 2031, reflecting a CAGR of 0.70% over the forecast period. While short-term macroeconomic challenges and supply chain constraints have created headwinds, the industry continues to demonstrate steady growth, supported by rising urbanization, infrastructure expansion, higher disposable incomes, and ongoing fleet replacement cycles. Looking ahead, emerging markets in Asia-Pacific and Africa are expected to be key drivers of volume growth, aided by regulatory initiatives promoting cleaner mobility and increasing investments in road transport infrastructure.

Moreover, the global automotive industry is undergoing structural transformation, with growing adoption of electric vehicles (EVs), digital in-vehicle technologies, and enhanced safety norms. These trends are expected to reshape product portfolios and demand patterns across both commercial and passenger vehicle segments over the coming years.

3.1.2 Global Vehicle production

According to the International Organization of Motor Vehicle Manufacturers (OICA), total global motor vehicle production in 2024 reached approximately 92.5 million units, representing a slight decline of about 1% compared to 2023. Out of this total, 67.67 million units were passenger vehicles, while the remaining 24.83 million units comprised commercial vehicles, including light commercial vehicles, trucks, and buses/coaches. This production data reflects the continued recovery and stabilization of the global automotive industry post-pandemic, with sustained output levels across major manufacturing nations such as China, the United States, Japan, India, and South Korea.

Rank	Country	Total Production (Units)	Passenger Vehicles	Commercial Vehicles	Global Share (%)
1	**China**	**31,281,592**	27,476,886	3,804,706	~34%
2	**United States**	**10,562,188**	1,432,615	9,129,573	~11.4%
3	**Japan**	**8,234,681**	7,139,188	1,095,493	~8.9%
4	**India**	**6,014,691**	4,991,413	1,023,278	~6.5%
5	**South Korea**	**4,127,252**	3,849,326	277,926	~4.5%

Source – OICA (International Organisation of Motor vehicle manufacturer)

3.2 Global Two-wheeler Industry & Market size

The influence of the two-wheeler industry stretches well beyond vehicle production. It sustains a vast ecosystem—including engine and battery manufacturers, parts suppliers, finance, insurance, fuel and charging infrastructure, digital retail platforms, and service centres. Millions of jobs from dealerships to logistics are powered by these vehicles. Take India, where over 15,000 dealerships alone support both formal and informal economies—it's a microcosm of global impact. Today's global two-wheeler landscape spans traditional petrol scooters and commuter motorcycles to feature-rich electric bikes and performance e-mopeds. Electrification is accelerating, especially across Asia-Pacific, where electric two-wheelers are becoming key components in the broader mobility ecosystem.

The global two-wheeler vehicle market is poised for robust growth, having been valued at approximately USD 307.76 billion in 2024 and projected to reach USD 487.45 billion by 2033, reflecting a 5.24% Compound Annual Growth Rate (CAGR) over the forecast period.

This expansion is primarily driven by increasing urbanization, rising demand for efficient personal mobility in congested areas, and rapid electrification fuelled by supportive policies and advancing battery technology. The industry's evolution is further amplified by innovations in smart connectivity, battery-swapping services, and digital sales and subscription models, all unfolding within an ecosystem of manufacturers, suppliers, infrastructure providers, and service networks that together underscore the strategic and economic significance of two-wheelers in global transportation.

3.3 Global Three-wheeler Industry & Market Size

Three-wheelers—ranging from petrol and CNG auto-rickshaws to electric passenger and cargo variants—play a vital role in urban and rural mobility ecosystems, offering cost-effective, efficient transport in dense and semi-urban regions. Their adaptability makes them central to last-mile logistics, shared passenger transport, and community mobility, especially in developing economies.

The global three-wheeler vehicle market is poised for robust growth, having been valued at approximately USD 12.62 billion in 2024, it is projected to reach USD 25.61 billion by 2033, reflecting an 8.18% Compound Annual Growth Rate (CAGR) over the forecast period.

3.3.3 Key Trends:

Key trends in global Automobile industry are:

- **Electrification (EVs and Hybrid Models) -** One of the most significant shifts in the global automotive landscape is the movement toward electrification. Governments across the world are encouraging the adoption of electric vehicles (EVs) and hybrid electric vehicles (HEVs) through policy incentives, stricter emission norms, and infrastructure development. This trend is driven by the need to reduce carbon emissions, improve air quality, and reduce dependence on fossil fuels. Original Equipment Manufacturers (OEMs) are investing billions in EV development, battery technologies, and supply chain localization. Electric two- and three-wheelers, especially in developing markets, are gaining traction due to their low operating costs and government subsidies.
- **Autonomous and Connected Vehicles -** Autonomous vehicles (AVs) and connected car technologies are redefining the future of driving. Autonomous vehicles use sensors, AI, and real-time data to operate with minimal human input, while connected cars leverage internet and communication technologies (IoT, 5G) to stay linked with external networks, other vehicles, and infrastructure. These technologies are enhancing safety, convenience, and efficiency. Features such as adaptive cruise control, lane assistance, and predictive maintenance are increasingly becoming standard even in mid-segment vehicles. Globally, companies like Tesla, Waymo, and Baidu are leading AV development, while most mainstream OEMs are integrating connected features into their product lines.
- **Digital Dealership Platforms -** The rise of digital dealership platforms has revolutionized how vehicles are bought, financed, and serviced. From browsing vehicles and customizing features to booking test drives and processing EMIs, a significant part of the customer journey has moved online. Consumers now expect a seamless digital experience with virtual showrooms, AI-powered chat assistance, real-time inventory access, and digital payment options. This transformation accelerated

during the COVID-19 pandemic and has since become a standard expectation. Leading dealerships are investing in Customer Relationship Management (CRM) tools, ERP systems, WhatsApp commerce, and video consultations to create an omnichannel experience that blends online and offline interactions.

3.4 Indian Automobile Industry

India's automobile industry stands as one of the most vital pillars of its economy, consistently ranking among the top contributors to the country's manufacturing output, employment generation, and export earnings. As one of the world's largest automobile markets by volume, India holds a prominent position in the global automotive landscape, particularly in the two-wheeler and three-wheeler segments. The diversity and depth of India's automobile sector—from mass-market motorcycles and scooters to commercial vehicles and emerging electric mobility solutions—provide it with a competitive edge in both domestic and international markets.

India's automobile ecosystem is vast and multifaceted, catering to a wide spectrum of mobility needs across the country. From the bustling metro cities where passenger cars dominate the urban landscape to rural and semi-urban regions where two-wheelers and three-wheelers serve as essential means of transport, the industry plays a critical role in enabling access, connectivity, and livelihood. With the continuous rise in urbanization, aspirations for personal mobility, and growth in e-commerce and logistics, the demand for diverse vehicle types has accelerated significantly. This has positioned India not only as a manufacturing powerhouse but also as a consumption-driven auto market.

Moreover, India's position as **the** largest two-wheeler market and one of the top producers of three-wheelers has made it a focal point for global OEMs and investors. Indian companies like Bajaj Auto, Hero MotoCorp, and TVS Motor Company have carved out strong footprints not only domestically but also in export markets across Asia, Africa, and Latin America. Meanwhile, global manufacturers continue to expand operations in India, drawn by its scale, skilled workforce, and supportive policy environment.

Adding to this momentum is the country'**s** emphasis on clean and sustainable mobility. With growing concerns over pollution and fossil fuel dependency, India has emerged as a strong advocate for electric vehicle (EV) adoption, particularly in the two- and three-wheeler segments. The government's initiatives such as the FAME-II scheme, Production Linked Incentives (PLI), and state-level EV policies are fostering a shift toward greener transportation solutions. This transition is further supported by advances in battery technology, local manufacturing of EV components, and an expanding charging infrastructure.

India's automobile industry is not just inward-looking; it is also shaping global markets. The export of affordable, fuel-efficient two- and three-wheelers has placed Indian manufacturers at the forefront of mobility solutions for developing nations. Additionally, India's growing focus on design innovation, smart connectivity, and safety features has elevated the quality standards of its automotive offerings.

As income levels rise and mobility becomes increasingly central to both personal and professional lives, India's automotive market continues to evolve. Consumer preferences are shifting toward feature-rich vehicles, digital touchpoints, and flexible ownership models such as leasing and subscription. Dealerships, finance companies, and insurance providers have adapted by offering integrated services, ensuring a seamless purchase and ownership experience.

3.4.1 GDP Contribution (2024)

~7.1% of India's GDP

India's automotive industry is a cornerstone of the nation's manufacturing and economic growth, contributing 7.1% to India's Gross Domestic Product (GDP) and 49% to manufacturing GDP. As the fourth-largest automobile producer globally, India possesses the scale and strategic depth to emerge as a global leader in the automotive value chain. The sector spans a vast ecosystem, from vehicle assembly and auto component manufacturing to deep interlinkages with critical industries such as steel, electronics, rubber, IT, and logistics. In recent years, India has seen exponential growth in vehicle production, with over 28 million units manufactured in 2023–24 alone. The industry's contribution goes beyond industrial output, and it supports millions of direct and indirect jobs, spurs innovation, and is central to India's green mobility transition, industrial ambitions, and trade strategy. Source - PIB

3.4.2 Employment

According to Ministry of Heavy Industries in 2024-25, around 30 million jobs (Direct: 4.2 million and Indirect: 26.5 million) are supported by the Indian Auto Industry. Indian Automotive Industry exported vehicles and auto components amounting to about USD 35 billion. In terms of global standing, India is the largest manufacturer of three-wheelers, among the top 2 manufacturers of two-wheelers in the world, the top 4 manufacturers of passenger vehicles, and the top 5 manufacturers of commercial vehicles in the world. Source – PIB.

This vast employment base underscores the industry's deep integration into rural and urban economies. Notably, the dealer and service network—comprising 15,000+ dealerships and 30,000+ service outlets—serves as a critical source of livelihood in Tier-II and Tier-III cities, as well as rural areas.

3.4.3 Automobile Market Size

India's automobile industry has demonstrated substantial growth over the years, emerging as one of the largest automotive markets globally. The industry has expanded from a market size of ₹5,027.79 Billion in FY 2020 to ₹9,542.70 Billion in FY 2024, reflecting a strong upward trajectory. As per industry, it is estimated at INR ₹11,101.35 Billion in FY 2025. The Indian automobile market is projected to register a Compound Annual Growth Rate (CAGR) of 8.38%

over the forecast period from FY 2025 to FY 2030, driven by rising demand across passenger vehicles, two-wheelers, and commercial vehicles, increasing disposable incomes, expanding rural penetration, and continued policy support including PLI schemes and EV adoption incentives.

The Indian economy has been expanding with the rise in disposable income of middle-class consumers. This, in turn, has a favourable impact on the increasing demand for automobiles. Vehicle manufacturing has increased rapidly over the last few years because of the country's low production costs. The automotive industry is gaining traction as vehicle manufacturing increases.

Increasing corporate interest in tapping into rural markets has been instrumental in driving the expansion of the Indian automobile industry. The surge in logistics and passenger transportation sectors is driving the demand for commercial vehicles. Prospective market growth is projected to be fuelled by emerging trends such as the adoption of electric vehicles, particularly in the three-wheeler and small passenger vehicle segments. However, the primary challenge for the Indian automobile industry is regulatory compliance and adherence to stringent emissions standards.

3.4.4Indian Two-wheeler Industry & Market size

The India Two-Wheeler Market was estimated at approximately 17.97 million units in FY 2024, rising to 18.21 million units in FY 2025, and is projected to reach 20.22 million units by FY 2033, representing a Compound Annual Growth Rate (CAGR) of 1.32% during the 2025–2033 period.

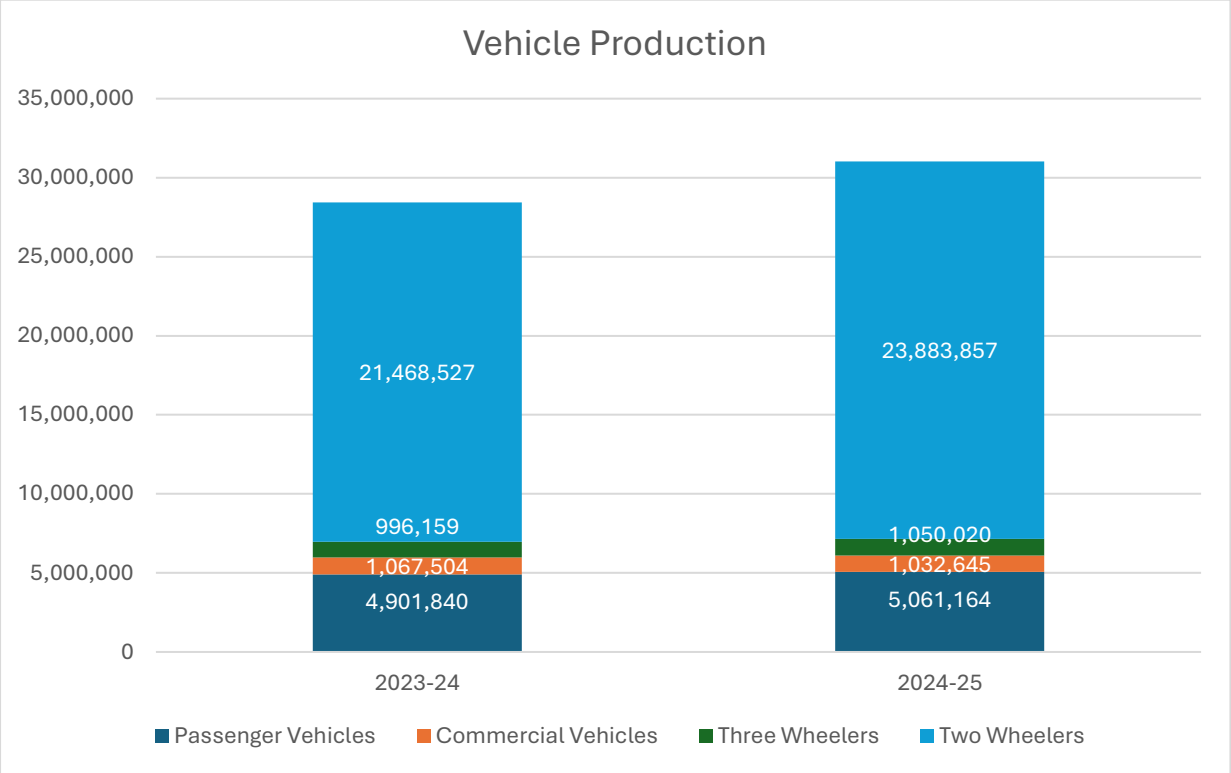
This growth trajectory reflects the industry's resilience and adaptation to changing market dynamics, particularly in urban mobility solutions. The market's evolution is characterized by increasing consumer preference for premium features and advanced technology integration in two-wheelers. Manufacturers are responding to this trend by introducing sophisticated models with enhanced connectivity features, improved safety systems, and superior performance capabilities. The industry's competitive landscape continues to evolve, with established players maintaining their stronghold while new entrants bring innovative solutions to the market.

3.4.5India Three-wheeler Industry & market size

The Indian three-wheeler vehicle market was valued at approximately 6,91,749 units in FY 2024 and is projected to grow to over 9,35,355 units by 2033**,** registering a Compound Annual Growth Rate (CAGR) of 3**%** during the forecast period.

Government incentives promoting electric mobility, rapid urbanization boosting last-mile connectivity, escalating demand for affordable public transport, expanding charging infrastructure, and rising e-commerce logistics adoption are key factors propelling India's three-wheeler market, fostering innovation, sustainability, and widespread accessibility in both passenger and cargo transportation segments across urban and semi-urban regions.

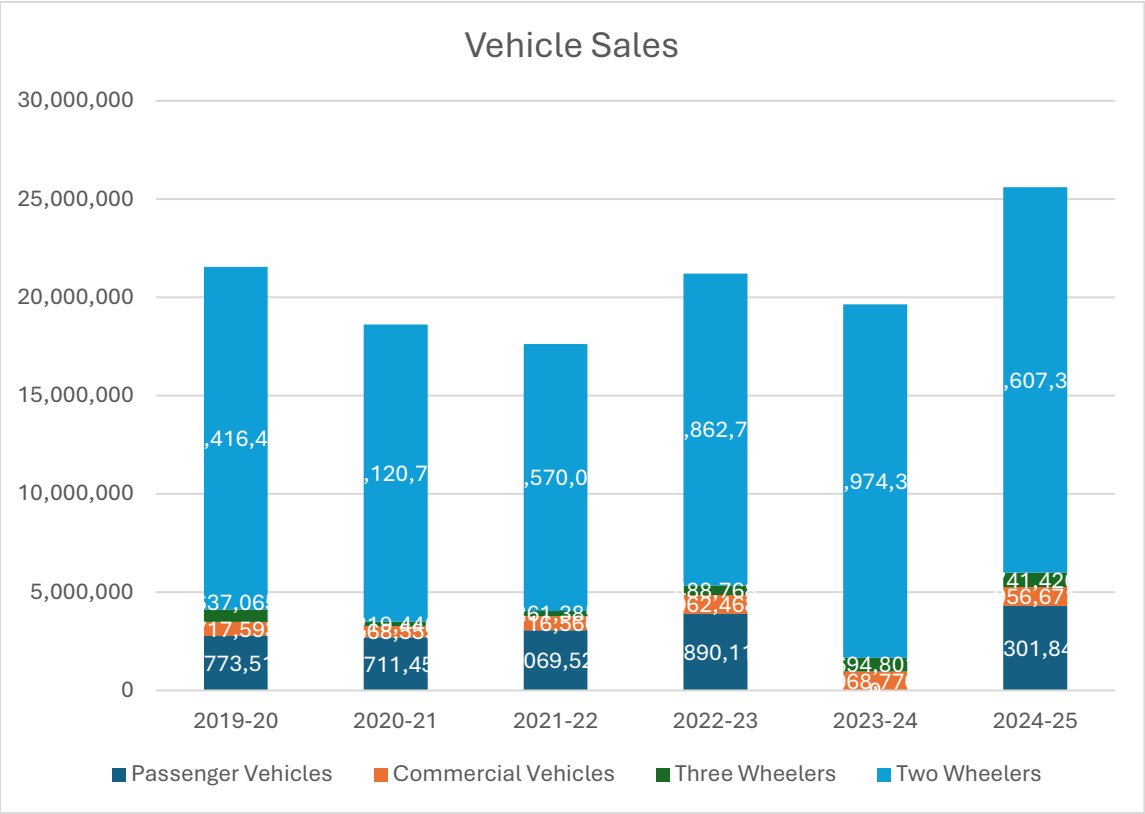
3.4.6 Indian Vehicle Production Trends (in unit)



Source - SIAM (Society of Indian Automobile Manufacturer)

Two-wheelers continue to dominate the Indian automotive landscape, capturing over 75% of total production. Their share increased from approximately 75.5% in FY 2023–24 to ~77% in FY 2024–25. This reaffirms their role as the backbone of personal mobility—particularly in rural and peri-urban regions—driven by affordability, fuel efficiency, and a steadily growing EV subsegment.

3.4.7 Domestic Sales trends (in Unit)



Source – SIAM (Society of Indian Automobile Manufacturer)

Over the past six years, two-wheelers have remained the dominant force, consistently capturing 75–81% of domestic vehicle sales. Their strong share—76.57% in FY 2024–25—highlights consumers' ongoing preference for affordable, fuel-efficient mobility, especially in rural and peri-urban markets, where they continue to gain ground even as other segments fluctuate.

Passenger vehicles, on the other hand, have shown notable resilience—from around 12.87% in 2019–20, peaking at 18.35% in FY 2022–23, then retreating slightly to 16.8% in FY 2024–25. The dip reflects the faster growth rate of two-wheelers, although PV volumes remain robust, with SUVs contributing more than half of total PV sales—a clear signal of shifting consumer preferences toward higher-end, personal mobility vehicles.

Commercial vehicle share climbed to 4.5% in FY 2022–23, buoyed by infrastructure-driven freight demand, before pulling back to 3.7% in FY 2024–25 as logistics growth waned and financing costs tightened.

Three-wheelers, initially hit hardest by the pandemic, rebounded from a low of 1.2% in FY 2020–21 to maintain around 2.9% in FY 2024–25. This revival underscores their role in last-mile transport, especially in urban and peri-urban areas.

3.4.8 Industry Value Chain of Automobile Industry

- **Raw Material Supplier -** Raw material suppliers form the foundation of the automobile industry value chain, providing essential inputs used in the manufacturing of vehicle components and structures. Key raw materials include metals such as steel, aluminium, copper, and magnesium, which are critical for vehicle frames, engines, and electrical systems. Plastics and polymers are used extensively in interiors, dashboards, bumpers, and fuel systems, while glass is essential for windshields, mirrors, and digital displays. Rubber is another vital input used in tires, hoses, and seals. For electric vehicles (EVs), rare earth elements and lithium are crucial for battery and motor production.
- **Component Manufacturers and Suppliers -** This stage of the automobile industry value chain involves the fabrication and supply of parts that are assembled into the final vehicle. Component manufacturers are typically organized into a tiered structure based on their proximity to the original equipment manufacturers (OEMs). Tier I suppliers deliver complete modules such as braking systems, air conditioning units, and infotainment systems directly to OEMs. Companies like Bosch, Continental, and Denso are leading Tier I players. Tier II suppliers provide critical sub-components such as sensors, wiring harnesses, and smaller electrical assemblies to Tier I companies. Tier III suppliers operate further upstream, delivering raw or semi-processed materials like castings, forgings, and plastics. This segment requires significant investment in research and development, precision manufacturing, and automation technologies.
- **Vehicle Manufacturer** - Original Equipment Manufacturers (OEMs) form the core of the automobile industry value chain, responsible for assembling various components into finished vehicles and managing the entire vehicle lifecycle from design to delivery. OEMs are categorized into global and domestic players—global giants like Toyota, Volkswagen, Ford, General Motors, and Hyundai dominate international markets, while Indian leaders include Tata Motors, Maruti Suzuki, Mahindra, and Ashok Leyland. Their key responsibilities encompass vehicle design, engineering, research and development, final assembly in manufacturing plants, coordination with suppliers and logistics partners, and ensuring compliance with regulatory and safety standards. The industry is witnessing a major shift toward electric vehicle (EV) production platforms, driven by regulatory push and consumer demand.
- **Distributors & Dealers** - Distributors and dealers play a critical role in the automobile industry value chain by acting as the direct interface between original equipment manufacturers (OEMs) and end consumers. Their primary responsibilities include maintaining vehicle inventory, facilitating vehicle sales, offering test drives, managing

documentation, and supporting customers with financing and insurance solutions. They also handle vehicle delivery and registration, ensuring a seamless buying experience. There are three major business models in this segment. Authorized dealerships are exclusive partners of OEMs and operate under branded retail formats such as Maruti Suzuki Arena or Hyundai Showrooms. Multi-brand dealers offer a variety of vehicle makes and are especially prominent in the used vehicle segment. With the advancement of technology, digital platforms like Cars24, Spinny, and OEM-operated direct-to-consumer (D2C) channels are gaining traction, allowing customers to browse, finance, and purchase vehicles entirely online.

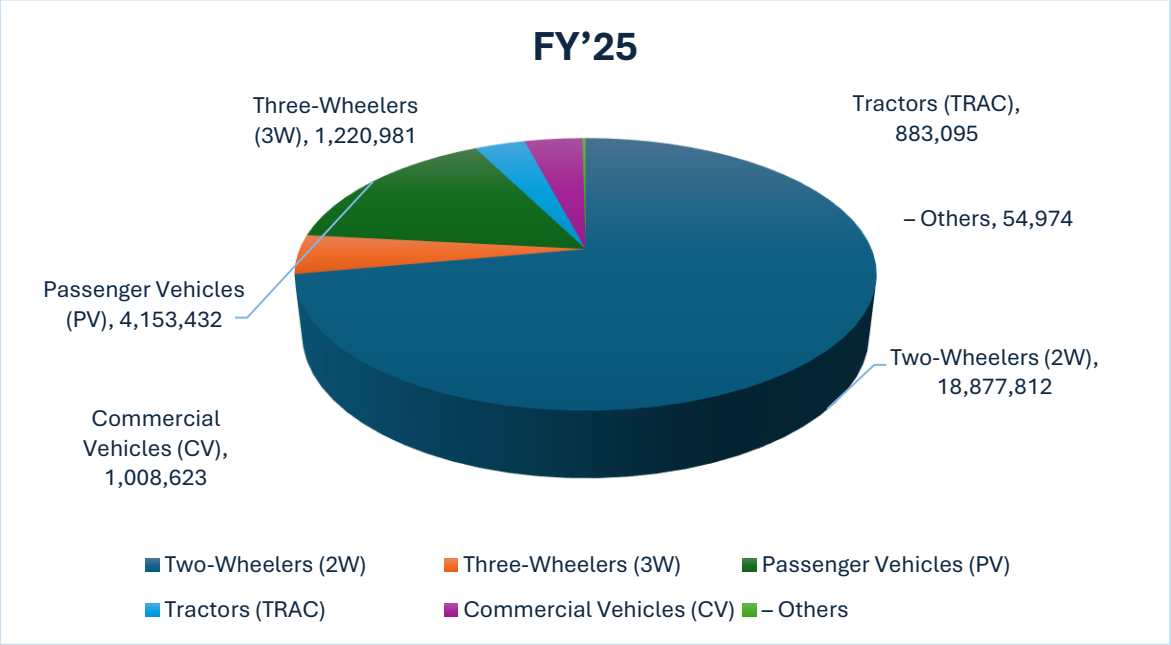
- **After -Sales Service providers** - After-sales service providers form a vital part of the automobile industry value chain, ensuring vehicle performance, longevity, and customer satisfaction long after the initial sale. These services are essential not only for building brand loyalty but also for generating recurring revenue. The scope of after-sales includes servicing and maintenance such as routine inspections, oil changes, brake checks, and fluid replacements to keep the vehicle in optimal condition. It also covers repair and bodywork, including accident repairs, part replacements, dent removal, and repainting. The segment extends to the sale of spare parts and accessories like batteries, filters, infotainment systems, tires, and cosmetic enhancements. To enhance customer retention, many OEMs offer extended warranties and pre-paid service packages, which guarantee long-term support at fixed costs.

3.4.9 Vehicle Retail Trends and Performance

In FY'25, India's overall automobile retail sector experienced a modest yet growth of 6.46%, reflecting a cautiously optimistic market sentiment. The Passenger Vehicle (PV) segment grew by 4.87%. The Two-Wheeler (2W) segment, a major component of India's automotive retail landscape, concluded the year with a 7.71% growth rate—a respectable performance, though it fell short of the much-anticipated double-digit growth. On the other hand, the Commercial Vehicle (CV) segment remained nearly stagnant, registering a marginal decline of 0.17%, signalling the combined effects of erratic weather patterns, tight financing conditions, and subdued business sentiment among fleet buyers.

A closer look at rural vs. urban dynamics highlights the stronger momentum in rural markets. Two-wheeler sales in rural areas grew by 8.39%, outpacing the 6.77% rise in urban markets. Similarly, three-wheeler sales surged by 8.70% in rural belts, a stark contrast to the mere 0.28% growth seen in cities. The passenger vehicle segment followed a similar trend, with rural regions recording 7.93% growth compared to 3.07% in urban centres—indicating a sustained recovery in the countryside driven by demand for affordable mobility and improved rural incomes.

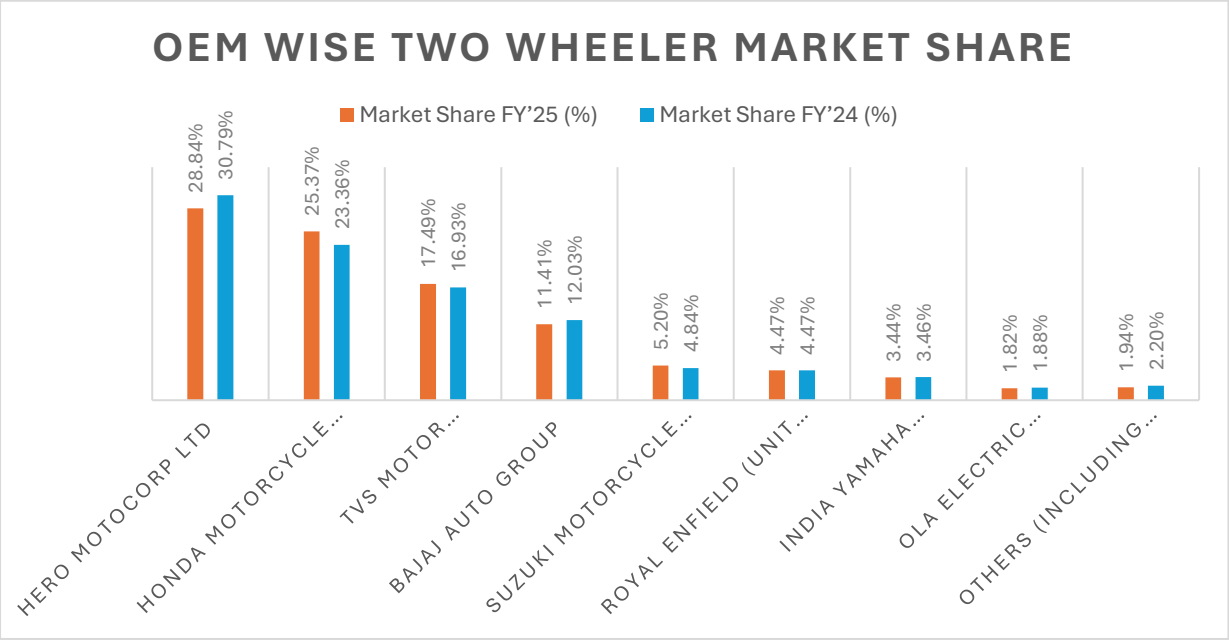
All India Vehicle Retail data for FY '25



Source – FADA (Federation of Automobile Dealers Associations)

OEM wise Two-Wheeler Market Share Data for FY'25 (YoY comparison)

Two-Wheeler OEM	FY'25 Units	FY'24 Units
Hero MotoCorp Ltd	54,45,251	53,97,315
Honda Motorcycle and Scooter India Pvt. Ltd	47,89,283	40,93,895
TVS Motor Company Ltd	33,01,781	29,67,164
Bajaj Auto Group	21,54,467	21,08,808
Suzuki Motorcycle India Pvt. Ltd	9,82,007	8,47,654
Royal Enfield (Unit of Eicher Ltd)	8,43,058	7,82,897
India Yamaha Motor Pvt. Ltd	6,49,900	6,06,859
Ola Electric Technologies Pvt. Ltd	3,44,009	3,29,947
Others (Including EV)	3,68,056	3,92,576
Total	1,88,77,812	1,75,27,115



Source – FADA (Federation of Automobile Dealers Associations)

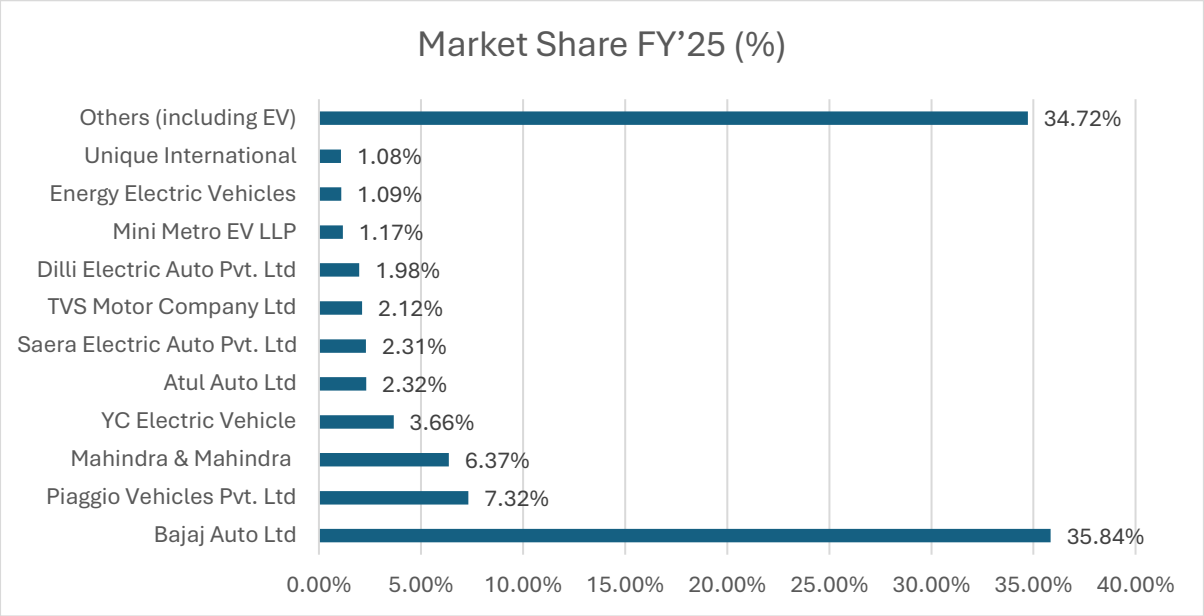
Hero MotoCorp maintained its position as the market leader with a volume of 54.45 lakh units, but its market share declined from 30.79% to 28.84%, reflecting increased competition, especially in the scooter and EV segments. Honda Motorcycle and Scooter India (HMSI), the second-largest player, significantly expanded its market share from 23.36% to 25.37%, driven by strong sales in its Activa scooter line-up and a deeper rural and semi-urban push.

TVS Motor Company saw consistent growth, improving its share from 16.93% to 17.49%, supported by robust sales across motorcycles, scooters, and electric models. Meanwhile, Bajaj Auto—although steady in volumes—saw a dip in its overall share, slipping from 12.03% to 11.41%, partly due to stagnation in certain commuter and export-driven models.

The electric two-wheeler segment continued to show gradual adoption, with Ola Electric maintaining a stable presence at 1.82% market share, slightly down from 1.88% in FY'24. Ather Energy, another EV startup, improved its market presence from 0.62% to 0.69%, indicating growing traction among urban buyers. Established EV players like Greaves Electric Mobility and Chetak Technology (Bajaj's EV arm) still contribute marginally, though their share is expected to rise as infrastructure and demand improve.

Three-Wheeler OEM Market Share – FY'25

OEM	FY'25 Units
Bajaj Auto Ltd	4,37,637
Piaggio Vehicles Pvt. Ltd	89,368
Mahindra & Mahindra	77,808
YC Electric Vehicle	44,634
Atul Auto Ltd	28,373
Saera Electric Auto Pvt. Ltd	28,229
TVS Motor Company Ltd	25,878
Dilli Electric Auto Pvt. Ltd	24,213
Mini Metro EV LLP	14,297
Energy Electric Vehicles	13,362
Unique International	13,229
Others (including EV)	4,23,953
Total	**12,20,981**



Source – FADA (Federation of Automobile Dealers Associations)

Bajaj Auto Ltd maintained its dominant position as the market leader with 4.37 lakh units sold, translating to a 35.84% market share, reflecting growing competition from smaller and electric-focused players.

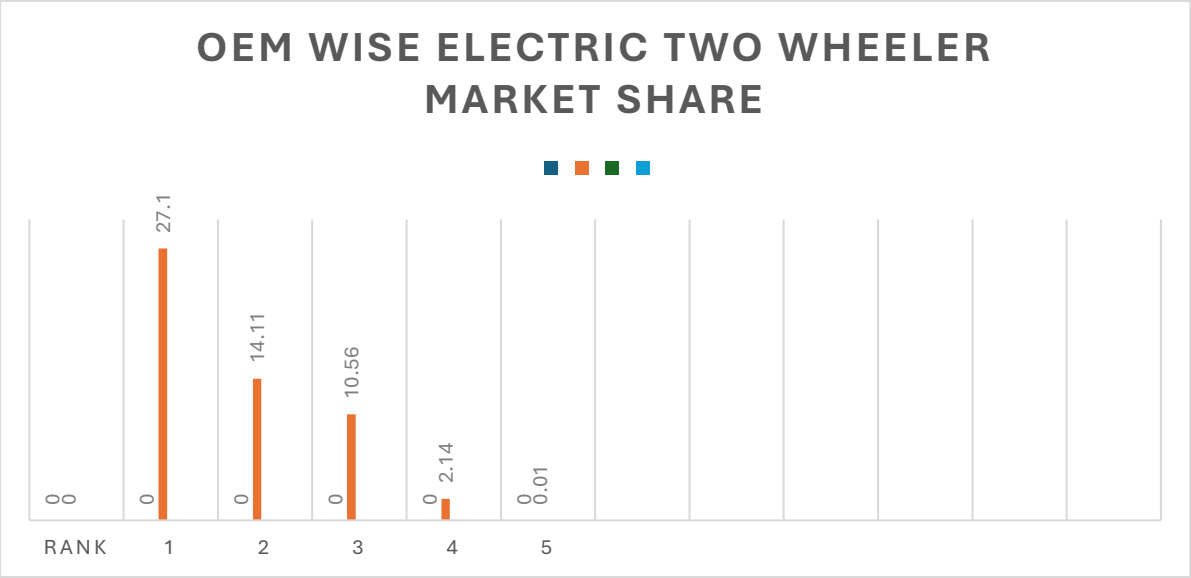
Piaggio Vehicles Pvt. Ltd, traditionally the second-largest player, registered a decline both in volume and share—from 95,123 units (8.14%) in FY'24 to 89,368 units (7.32%) in FY'25. This may be attributed to intensified competition in the mid-size commercial three-wheeler segment and slower adaptation to electric offerings.

The Mahindra Group showed a significant reshuffling of volumes across its entities. Mahindra Last Mile Mobility Ltd more than doubled its volume to 76,894 units, increasing its market share to 6.30%, while Mahindra & Mahindra Ltd (standalone) saw a steep drop in registrations, indicating strategic realignment under its mobility arm. The group's combined performance, however, remains strong and improving.

Electric three-wheeler players continued to gain traction, albeit modestly. YC Electric Vehicle maintained its share at 3.66%, while Saera Electric Auto, Dilli Electric Auto, and Mini Metro EVLLP registered mixed performance—some posting volume drops despite increasing overall industry demand. These shifts reflect rising competition and fragmentation within the electric three-wheeler segment.

OEM wise EV Market Share Data for FY'25 (YoY comparison)

Two-Wheeler OEM	FY'25 Units	FY'24 Units
Ola Electric technologies Limited	3,44,009	3,29,947
TVS Motor Company	2,37,576	1,83,189
Bajaj Auto Limited	2,30,806	1,07,188
Ather Energy Pvt. Ltd	1,30,944	1,09,161
Hero Motor Corp limited	48,674	17,720
Greaves Electric Mobility	40,162	31,276
B gauss Auto private Limited	17,343	15,241
Revolt Intellicorp Pvt. Ltd	11,564	7,352
Ward Wizard Limited	9,394	9,120
Pur Energy Pvt. Ltd	8,982	6,981
Kinetic Energy & Power Solutions Ltd	8,452	9,713
Others	61,516	1,21,630
Total	11,49,422	9,48,518



Source – FADA (Federation of Automobile Dealers Associations)

India's electric two-wheeler segment recorded significant expansion in FY'25, with total retail sales increasing by 21.2%, from 9.48 lakh units in FY'24 to 11.49 lakh units in FY'25. This growth underscores the rising acceptance of electric mobility among Indian consumers, driven by factors such as government incentives under FAME-II, rising fuel prices, and increasing

awareness of sustainable transportation. However, while volumes have grown, market share dynamics reflect an evolving and increasingly competitive landscape.

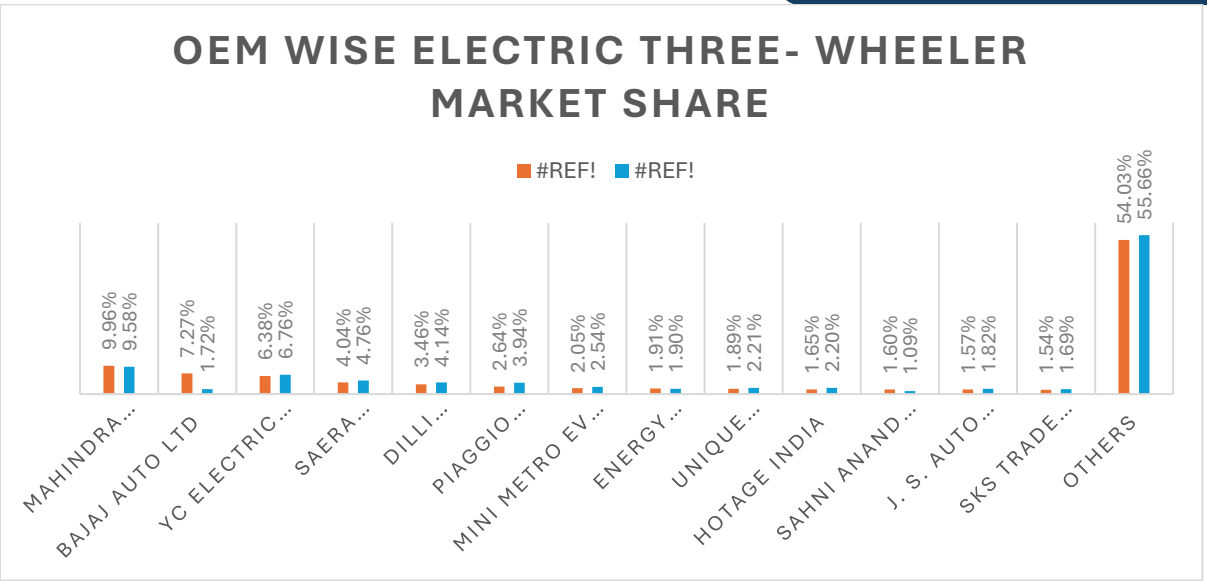
Ola Electric Technologies Pvt. Ltd retained its leadership position in the EV two-wheeler segment, selling over 3.44 lakh units in FY'25. Despite a volume increase, its market share declined from 34.79% to 29.93%, indicating intensified competition from legacy OEMs and new entrants. Ola's focus on direct-to-consumer sales and aggressive pricing helped retain the top spot, but its dominance is being challenged.

TVS Motor Company Ltd solidified its position as a major player in the EV segment, growing its volume by nearly 30% to 2.38 lakh units and increasing its market share to 20.67%, up from 19.31% in FY'24. TVS's iQube has gained traction across urban centres, supported by the brand's wide dealership network and strong after-sales service.

Bajaj Auto Ltd emerged as a breakout performer, nearly doubling its market share from 11.30% in FY'24 to 20.08% in FY'25, backed by its Chetak EV, which saw broader market availability and promotional support. Bajaj's resurgence in the EV space highlights how established ICE players are now asserting themselves in the electric domain.

Three-Wheeler EV OEM Market Share – FY'25 & Fy 24

OEM	FY'25 Units	FY'24 Units
Mahindra Group (Total)	69,616	60,618
Bajaj Auto Ltd	50,823	10,890
YC Electric Vehicle	44,632	42,753
Saera Electric Auto Pvt. Ltd	28,229	30,137
Dilli Electric Auto Pvt. Ltd	24,213	26,175
Piaggio Vehicles Pvt. Ltd	18,476	24,917
Mini Metro EV LLP	14,297	16,067
Energy Electric Vehicles	13,362	12,002
Unique International	13,229	13,963
Hotage India	11,521	13,892
Sahni Anand E Vehicles Pvt. Ltd	11,168	6,902
J. S. Auto Pvt. Ltd	11,007	11,527
SKS Trade India Pvt. Ltd	10,773	10,712
Others	3,77,717	3,52,251
Total	**6,99,063**	**6,32,806**



Source – FADA (Federation of Automobile Dealers Associations)

India's electric three-wheeler (e-3W) segment continued its upward trajectory in FY'25, with total retail sales rising from 6.33 lakh units in FY'24 to 6.99 lakh units in FY'25, marking a 10.4% year-on-year growth. This growth underscores the increasing role of e-3Ws in affordable urban and rural mobility, especially for last-mile transport and shared commuting. However, market share dynamics indicate both consolidation among top players and the continued dominance of fragmented regional manufacturers.

The Mahindra Group (combining its three subsidiaries: Mahindra Last Mile Mobility, Mahindra & Mahindra Ltd, and Mahindra Electric Mobility) emerged as the clear market leader with a combined market share of 9.96%, slightly up from 9.58% in FY'24. This growth was driven primarily by Mahindra Last Mile Mobility Ltd, which nearly tripled its sales from 27,950 to 68,931 units, highlighting the success of its focused EV strategy. In contrast, traditional Mahindra & Mahindra Ltd operations saw a steep drop, reflecting a realignment of EV operations under a specialized vertical.

Bajaj Auto Ltd delivered one of the most notable performances of FY'25, increasing its market share from 1.72% to 7.27%—a more than fourfold rise. This remarkable growth is likely fuelled by improved distribution of Bajaj's e-3W portfolio and better financing options for its cargo and passenger models. Bajaj's performance signifies a strong pivot from ICE dominance to a competitive position in the EV segment.

YC Electric Vehicle, a prominent regional player, maintained a stable share of 6.38%, slightly down from 6.76%. Although its absolute volumes grew, its share was diluted by the faster growth of larger brands. Similarly, Saera Electric Auto, Dilli Electric Auto, and Mini Metro EV LLP saw slight declines in both volume and share, signalling the challenge smaller players face as major OEMs expand in the segment.

Recent Development in Automobile Sector (as per Karnataka)

Karnataka, known for its progressive industrial policies and strong manufacturing ecosystem, has made significant strides in promoting sustainable and technologically advanced mobility solutions. The following are key recent developments in the automobile sector:

- **Launch of Karnataka Clean Mobility Policy (2025-2030)** - The Government of Karnataka introduced the Clean Mobility Policy 2025–2030 to position the state as a leader in electric and sustainable mobility. The policy aims to attract ₹50,000 crore in investments and generate over 1 lakh jobs by promoting Electric Vehicles (EVs), Hydrogen Fuel Cell Vehicles, and Battery Swapping infrastructure.
- **Major Automotive & EV Investment** - To encourage EV vehicle manufacturing and usage, a testing track of international standards and a state-of–the-art EV cluster with common infrastructure will be established in Bengaluru Zone at a cost of Rs. 25 crores.

3.4.10 Automobile Dealership in India

Dealerships form an intrinsic part of the automobile sector, playing the role of an intermediary between the customers and the manufacturers. The dealership plays an indispensable role in the overall vehicle supply chain, providing a local vehicle distribution channel based on a contract with an automaker. It also plays a key role in the aftermarket space by providing maintenance services and supplying spares/automotive parts and accessories. From manufacturers' perspective, dealers play the crucial role of retail distribution at regional, city and local levels, and provide manufacturers with customer insights that are useful in the production planning of manufacturers. For financial institutions, dealerships provide a huge business opportunity in the form of retail finance as well as inventory funding. Even for insurance providers, dealerships act as an easy avenue for new customer acquisitions. A dealership is a one-stop shop for all the below requirements:

- Buying a new vehicle
- Vehicle repair and servicing
- Regular maintenance/ AMC
- Buying necessary spares/ lubricants
- Vehicle accident repair
- Buying a pre-owned vehicle
- Selling/ exchanging an old vehicle
- Availing required financing
- Buying vehicle insurance
- Renewing Vehicle Insurance
- Vehicle Registration
- Vehicle Customization

- Buying Accessories
- Insurance Claims (for accident repair)

In India, a typical dealer is associated with one or more manufacturers across vehicle segments: CVs, PVs, two-wheelers, three wheelers, and tractors. While smaller dealers associate with one manufacturer of a single vehicle segment, larger dealers associate with multiple manufacturers across segments, diversifying their investments. Dealers normally

have three types of outlets: sales-service-spares (3S), only sales (1S), and only workshops. Most large dealers have multiple outlets or touchpoints with a few 3S outlets and many workshops/ service stations across the city. They also have a large sub-dealer network that works under the umbrella dealership and caters to smaller semi-urban/ rural areas nearby. A few dealers also have ARDs (authorised representatives of the dealer) that provide the minimal required services to customers in rural areas. ARDs are more prominent in the two-wheeler segment.

3.4.11 Dealership analysis (Metro vs non-metros)

The dealership industry in India operates within a diverse geographical framework comprising metropolitan (metro) cities and non-metropolitan regions (Tier II, III, and IV towns). Each segment exhibits distinct market characteristics in terms of consumer behaviour, infrastructure, and operational economics, which collectively influence the dealership network structure and business strategies adopted by companies across sectors.

Parameter	Metropolitan Cities (Metro)	Non-Metropolitan Cities (Tier II/III/IV)
Market Structure	Mature markets with high population density and strong purchasing power; presence of exclusive showrooms and multi-brand outlets in malls and commercial hubs.	Emerging markets with expanding retail presence; operations via franchises, authorized dealers, and shop-in-shop models.
Consumer Behaviour	Brand-conscious, prefers premium and convenience-driven purchases; influenced by digital research and showroom experience.	Value-conscious, influenced by dealer trust and word-of-mouth; key purchase factors include financing, durability, and service support.
Operations & Profitability	Higher overhead costs due to real estate and skilled manpower; faster product movement but lower margins due to competition.	Lower operational costs and stronger local ties; better pricing flexibility but slower inventory turnover.

OEM Strategy & Network	Direct involvement through company-owned stores or high-standard franchises to maintain brand control and display premium offerings.	Reliance on rural distributors and independent dealers supported by OEM-led training, incentives, and co-branded marketing.
Opportunities	Demand for smart solutions, premium products, and value-added services; large addressable base in dense urban pockets.	First-time buyers, lower competition, and significant untapped demand in semi-urban and rural areas.
Challenges	High competition, operational costs, and digital price transparency impacting margins.	Logistics limitations, after-sales service access, and credit facilitation pose challenges.

3.4.12 Dealership Growth Drivers

- **Rising Consumer Incomes -** Increased disposable income, especially in Tier II/III cities, is driving demand for branded goods across sectors like electronics, automobiles, and appliances.
- **Urbanization & Infrastructure Development -** Expanding urban centres and improved connectivity are enabling dealerships to penetrate semi-urban and rural markets more effectively.
- **Brand-Consciousness & Aspirational Spending -** Consumers across regions are showing a strong preference for branded products, pushing OEMs to strengthen retail presence via dealerships.
- **Consumer Financing & Credit Availability -** Growth in NBFC and fintech lending (e.g., EMI schemes, no-cost financing) is enabling more consumers to make high-ticket purchases via dealerships.
- **OEM Channel expansion -** Manufacturers are aggressively expanding dealer networks to widen market reach, improve service access, and reduce delivery times.
- **Post sales service & Customer Engagement -** Growing importance of reliable service support has increased consumer dependence on authorized dealerships for sales and after-sales needs.
- **Digital Integration in Retail -** Technology adoption (e.g., POS systems, CRM tools, virtual demos) has made dealerships more efficient and capable of serving digitally aware customers.
- **Government Initiatives & Rural Demand -** Schemes promoting rural electrification, mobility, and digital penetration (e.g., PMAY, EV incentives) are fuelling dealership growth beyond metros.

- **Replacement & Upgrade Cycles -** Shorter product lifecycles, especially in consumer durables and vehicles, are driving recurring sales through established dealership networks.
- **Franchise & Asset-Light Models -** OEMs leveraging franchise-led or asset-light dealership formats have enabled faster market entry and regional scalability.

4. Consumer Electronics Industry

4.1 Introduction

The consumer electronics industry—spanning smartphones, laptops, wearable devices, smart TVs, IoT gadgets, and home appliances—is driven globally by rising digital consumption, technological innovation, and evolving user expectations. In India, this sector has rapidly grown from niche product categories to essentials in household utility and lifestyle. With increasing internet penetration, rising disposable incomes, and a tech-savvy younger population, devices such as smartphones, smart TVs, and wearable trackers have become ubiquitous across urban and rural markets alike. Consumers now prioritize high-performance features—such as AI-enabled cameras, voice control, and wireless connectivity—at competitive price points, fostering a culture of frequent upgrades and brand engagement.

Electronic devices are one of the highly penetrated products among a wide range of technical consumer goods in households. On one side, television sets with wider screen size are receiving popularity, whereas, on the other side, the miniaturization of electrical components is on the rise. Companies are focusing on developing high performing and convenient-to-use devices owing to the increasing demand. Therefore, the advent of technology and digitalization is likely to push the demand for electronic items and domestic/ household appliances.

E-commerce growth has also played a pivotal role, providing consumers with easy access to a wide range of electronic products. Furthermore, the shift towards sustainable and energy-efficient solutions, coupled with rising awareness of environmental concerns, has spurred the development of eco-friendly and energy-efficient devices, further bolstering market growth. Rising disposable incomes have also significantly influenced the market, particularly in emerging economies. Consumers are increasingly willing to invest in premium and cutting-edge electronic products as they achieve higher earning potential. This trend has expanded the demand for high-quality smartphones, smartwatches, laptops, and other lifestyle-enhancing gadgets, driving growth across various product categories.

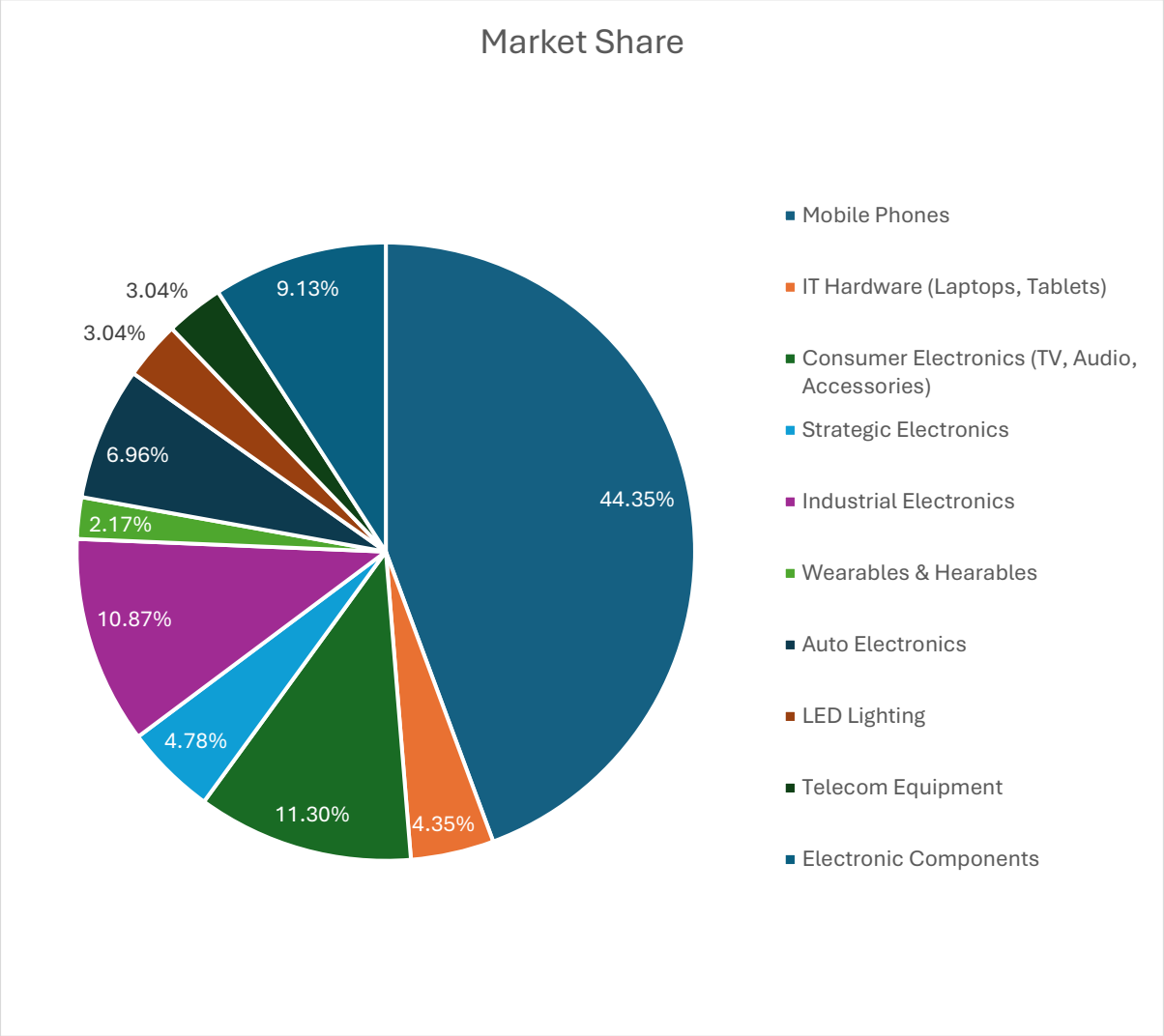
Market Segmentation

Segmentation Basis	Category	Sub-Category / Region / Examples
By Product Type	Electronic Devices	• Television • Mobile & Smartphones • Laptops & Computers • Audio and Video Players • Cameras • Speakers • Others
	Home Appliances	• Refrigerator • Washing Machine • Air Conditioner • Microwave Ovens • Electric fans • Vacuum Cleaners • Others
	Strategic & Industrial Electronics	• Defence Electronics • Radars • Automation Equipment • Sensors • Weapon System
	Auto Electronics	• Navigation System • Vehicle Sensors • Infotainment Systems
	Lighting & Components	• LED Lighting (Bulbs) • Electronics Components (Semiconductors, Resistors) • Telecom Equipment
	Personal Care & Grooming	• Smart Watches • Headphones • Earphones and Ear Buds • Hair Straightener • Hair Curler
By Distribution Channel	Online Retail	• Third Party marketplaces (Amazon, Flipkart etc.)

		• Company owned E- commerce Platforms
	Offline Retail	• Multi-Brand Outlets • Exclusive Brand Stores • Large – format retail stores
	Direct Sales	• Corporate/Bulk Sales • Government & institutional contracts

Consumer Electronics Market Segmentation Analysis

By Product



Source – MEITY Annual report 2024-25

India's electronics manufacturing sector is heavily dominated by **mobile phones**, which contribute nearly half of the industry's total output value. In FY 2023–24, the segment generated about USD 51.00 billion, a significant increase from the previous year, underscoring India's rise as the second-largest mobile phone producer globally. This growth is largely driven by robust domestic demand, a thriving export market, and strong government support through initiatives such as the Production Linked Incentive (PLI) scheme.

Consumer electronics, including televisions, audio systems, and related accessories, form the second-largest segment, benefiting from rising household incomes, urbanization, and lifestyle upgrades. Industrial electronics and electronic components have also emerged as key pillars,

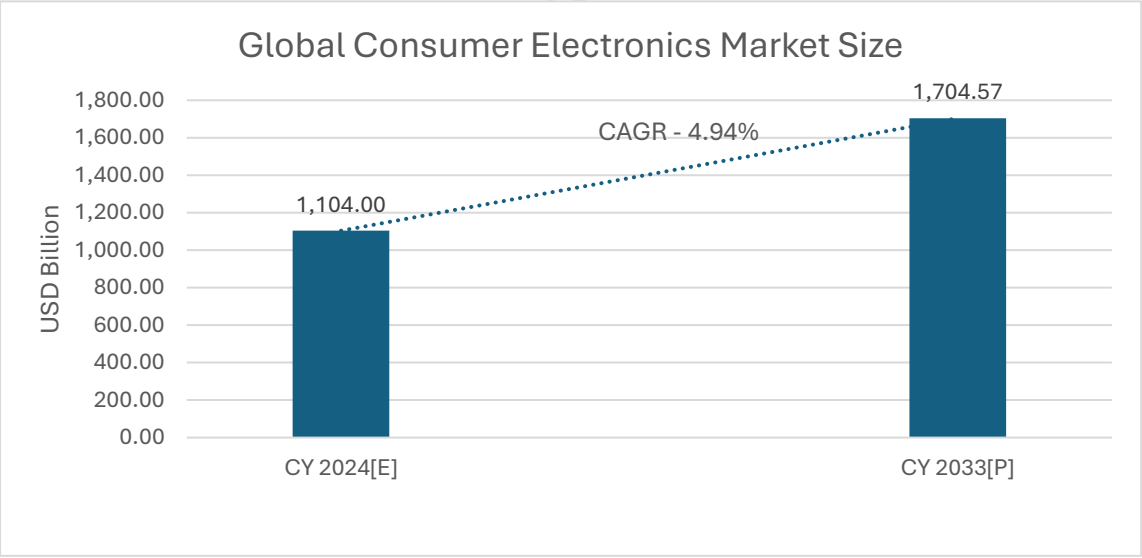
indicating that India's manufacturing capabilities are diversifying beyond consumer-focused products into areas like automation, infrastructure, and component localization.

Other segments such as automotive electronics and strategic electronics are witnessing accelerating demand, propelled by the expansion of electric mobility and defense manufacturing. Niche areas like IT hardware, wearables and hearables, LED lighting, and telecom equipment, though smaller in share, are fast-growing due to technological innovation and evolving consumer preferences.

Overall, the sector's composition reflects a balanced growth trajectory—anchored by mobile phone dominance but steadily expanding into a wide range of high-value and specialized electronics segments, strengthening India's position as a global manufacturing hub.

4.2 Global Outlook & Market Size

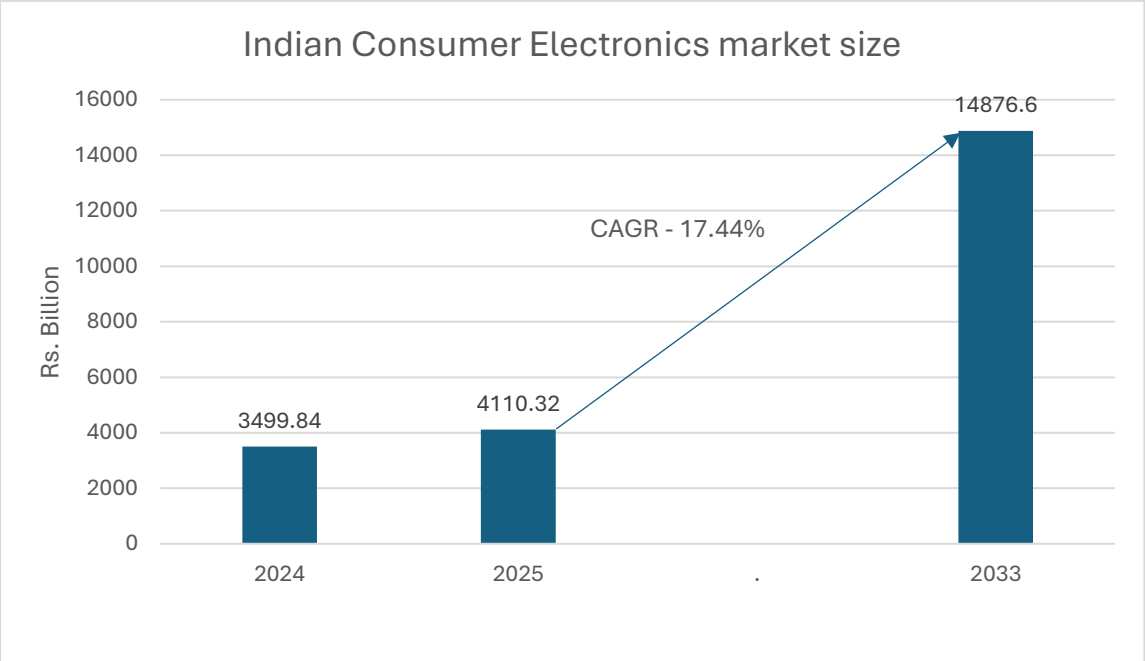
The global consumer electronics market is estimated at USD 1,104.45 billion in CY 2024 and the market is projected to reach USD 1,704.57 billion by CY 2033, growing at a Compound Annual Growth Rate (CAGR) of 4.94% during the forecast period. The growth is primarily driven by increasing disposable incomes, technological advancements, rising adoption of smart and connected devices, and growing demand from emerging economies.



Source – Infomerics Analytics & Research

4.3 Indian Market Size

The Indian consumer electronics market was valued at INR 3,499.84 billion in FY 2024 and is estimated INR 4,110.32 and is projected to reach INR 14,876.60 billion by FY 2033, expanding at a compound annual growth rate (CAGR) of 17.44% during the forecast period (FY 2024–FY 2033). This robust growth is driven by rising disposable incomes, increasing urbanization, growing digital penetration, and a shift in consumer preference towards smart and connected devices across segments such as televisions, air conditioners, washing machines, refrigerators, and mobile phones.



4.4 Market Trends of Consumer electronics (Product wise)

- ***Televisions & LED*** **-** The television market is witnessing a shift toward premium smart TV segments, with major brands launching AI-powered OLED and QNED series that customize content recommendations and enhance interactivity using voice control and advanced processors. Rising disposable incomes and increasing 5G-led connectivity are fuelling demand for high-resolution displays and smart functionality, moving consumers away from basic models.
- ***Refrigerators*** - Refrigerator demand in India grew sharply in metros and Tier-2 cities, driven by premium features such as smart cooling, inverter technology, built-in models, and aesthetic finishes. These newer models offer IoT integration, voice control, and personalized cooling functions in line with consumer expectations.
- ***Air Conditioners*** - The AC segment recorded ~30% growth in 2024, led by rising urban temperatures and higher purchasing power. Brands like Voltas set new sales records, and Godrej forecasted 50% sales growth in FY26, driven by premium smart ACs featuring AI and energy-efficient 5-star ratings.

- ***Washing Machines & Dishwashers*** - The adoption of high-capacity front-loads washers (8–9 kg+) grew by ~30% in 2024, reflecting urban consumers' shift toward smart, water- and energy-efficient models. Growth in dishwasher demand—especially in metro cities—has surged over 100%, with built-in kitchen offerings expanding rapidly as a premium appliance category.
- ***Emerging Smart devices*** - Smart appliances—such as IoT-enabled refrigerators, connected washing machines, and robotic vacuum cleaners—are gaining traction, especially in premium segments. Companies like Samsung and Panasonic are launching India-specific AI products, enhancing personalization, energy savings, and remote operation via voice or app control.

4.5 Market trends (Urban vs Rural)

- **Urban India** - Urban areas remain the primary hub for consumer electronics consumption, but demand is shifting from initial purchases to product upgrades and replacements. Urban consumers increasingly seek feature-rich, branded electronics—such as smart TVs, high-end refrigerators, and connected home devices—with a focus on energy efficiency, aesthetics, and integrated experience. With well-established retail channels and high brand visibility, urban markets drive innovation and premium trends. Purchase decisions are often influenced by technology, lifestyle alignment, and perceived value of warranties and after-sales support. In larger cities, market behaviour is shaped more by product sophistication and brand positioning rather than price sensitivity. Consumers expect smart functionality—voice control, app integration, and remote diagnostics—as standard features across electronics categories.
- **Rural India** - Rural India, though historically underpenetrated, now fuels much of the growth in consumer electronics. Many households now make their first durable electronics purchase—frequently TVs or refrigerators—driven by rising digital aspirations and broader exposure to media and online content. Rural shoppers increasingly align their choices with urban consumer behaviour across brand trust, product features, and value propositions. Unlike cities, rural consumers often rely on local retailers rather than traveling to distant towns—this shift reflects greater local availability and trust in neighbourhood sellers. Seasonal purchasing rhythms—aligned with harvest and festivals—remain prominent, but brands are now endeavouring to convert these into steady, habit-forming buying behaviour. Even though entry-level and price-sensitive segments dominate, small towns and adjacent rural areas are embracing premium cohorts—including smart appliances, inverter motors, and branded electronics—especially when offered with financing options or bundled promotions.

4.6 Market Trends (Tier 1 & 2)

Parameter	Metropolitan Cities (Tier I)	Non-Metropolitan Cities (Tier II/III/IV)
Market Structure	Sophisticated, high-visibility retail supported by exclusive flagship stores (e.g. Reliance Digital, Croma) and multi-brand outlets in malls or high-streets—reflecting strong brand control and premium footprint.	Rapidly evolving retail network driven by franchisees, localized brand stores, and shop-in-shop formats. Although under-penetrated historically, these areas now see a rise in outlets, from neighbourhood electronics stores to kiosk-style displays in regional malls.
Consumer Behaviour	Consumers largely driven by feature-rich, premium-grade electronics, emphasizing specs, reliability, total cost of ownership, and speed of service over price. Replacement/upgrading cycles dominate.	Aspirational buyers often upgrading via financing or festive deals. First-timers still dominate category entry—especially for smartphones and appliances—but the taste for premium models is quickly rising, fuelled by local influencers and value-oriented dealers.
Operations & Profitability	High fixed costs—real estate, skilled manpower, flagship retail standards—combine with thin margins due to digital pricing transparency and competition. Profitability depends on scale and service premiumisation.	Lower fixed overhead and more flexible pricing models give non-metros a cost advantage per outlet. Profitability is supported by limited competition and promotional loyalty, but turnover is slower and logistics/credit offer ability vary regionally.
OEM Strategy & Network	Brands control pricing and customer experience via company-owned/operated outlets or ultra-premium franchise stores, generally located in malls or prime high streets.	Brand expansion is via franchised partners, regional dealers, or multi-brand stores, backed by OEM training, next-gen financing partnerships, and vernacular-language engagement. These networks enable deep penetration with minimal capital.
Opportunities	Strong potential in upselling smart appliances, 5G phones, premium audio, and value-added services like extended warranties or bundling—especially given the larger ASP and brand loyalty in metro segments.	Non-metros offer fertile ground for volume growth: upgrading to smart TVs, front-load washers, 5-star ACs, AI-enabled appliances. E-commerce adoption in smaller cities now drives first-time

		premium purchases, amplified by affordable EMI schemes.
Challenges	Extreme channel saturation and digital-era price transparency impair margins. Recruiting skilled workforce at managed costs remains difficult; loyalty hard to sustain when consumers can shop across channels.	Poor logistics infrastructure and inconsistent customer service in remote areas. After-sales support is often fragmented, requiring OEMs to invest in training and supply chain robustness. Credit facilitation is essential for conversions but needs deep dealer networks.

4.7 Product wise Market Share of Top 5 Companies

WASHING MACHINE	AIR – CONDITIONERS & REFRIGERATORS	TELEVISION RECEIVERS (INC. TV SPARES & KITS)
LG Electronics	SAMSUNG	SAMSUNG
27.10%	11.46%	17.79%
IFB INDUSTRIES LTD.	LG Electronics	Dixon
14.11%	10.14%	15.78%
B/S/H/ BOSCH SIEMENS	VOLTAS	LG Electronics
10.56%	7.60%	10.71%
STARION	Whirlpool	CTI
2.14%	6.11%	7.24%
SPERRY	DAIKIN	TT Electronics
0.01%	5.85%	3.21%

Source – CMIE, Infomerics Analytics & Research

The Indian consumer durables industry reflects varied dynamics across product categories. In washing machines, the market is largely brand driven, with LG Electronics (27.10%) holding a dominant position, followed by IFB (14.11%) and BSH Household (10.56%), reflecting consumer preference for specialized and premium offerings.

The air conditioners & refrigerators segment is more fragmented, with Samsung (11.46%) and LG (10.14%) leading closely, while Voltas (7.6%), Whirlpool (6.11%), and Daikin (5.85%) capture meaningful shares, showing a balance between multinational and Indian brands where technology, energy efficiency, and after-sales service drive competitiveness.

The television receiver's category, however, stands out as a blend of global leaders and Indian OEMs, with Samsung (17.79%) leading the market, closely followed by Dixon Technologies (15.78%) and LG (10.71%), while Competition Team Technology (7.24%) and TTE Technology (3.21%) highlight the growing importance of contract manufacturers in India's electronics ecosystem.

Collectively, while washing machines and cooling appliances remain brand-oriented markets, the television segment demonstrates India's transition into an OEM and contract manufacturing hub, reinforcing the country's rising role in the global consumer electronics supply chain.

5. Market Dynamics – Automobile & Consumer Electronics Industry

5A Automobile Industry

5A.1 Key Growth Drivers

India's Automobile sector is experiencing robust growth, propelled by a combination of demographic shifts, infrastructural advancements, and strategic government initiatives. Below is a detailed analysis of the key growth drivers:

Market drivers and impact assessment

Driver	Impact		
	1–2 Years	3–4 Years	5–7 Years
1. Rising Income and Growing Young Population.	High	High	High
2. Automotive Mission Plan 2016–2026 (AMP 2026)	Medium	High	High
3.Greater Availability of Credit and Financing Options	High	High	Medium
4. Technological Innovations (EVs, ADAS, Telematics, IoT)	Medium	High	High
5. Government Push for Electrification and Green Mobility	Medium	High	High

- **Rising Income and Growing Young Population –** India's expanding middle class, and a youthful population base are among the most influential drivers of automobile demand. As disposable incomes increase, especially in urban and semi-urban areas, there's a notable shift toward personal vehicle ownership. Younger consumers prioritize mobility, technology, and value for money, prompting global OEMs like Kia Motors and Volkswagen to tailor their product designs, price points, and features to meet the evolving needs of Indian buyers. These adaptations have intensified competition, pushing both foreign and domestic firms to innovate and diversify their offerings across the economy, mid-range, and premium segments.
- **Automotive Mission Plan 2016–2026 (AMP 2026) -** Launched jointly by the Ministry of Heavy Industries and Society of Indian Automobile Manufacturers (SIAM), AMP 2026 aims

to position India as one of the top three global automotive hubs in engineering, manufacturing, and exports. The plan targets a four-fold growth in the size of the automobile industry—including OEMs, auto component makers, and tractor manufacturers—by 2026. Key goals include increasing job creation, enhancing global competitiveness, and boosting domestic R&D capabilities. The plan also promotes electric mobility, safety, and fuel efficiency, aligning with the broader "Make in India" and "Atmanirbhar Bharat" initiatives.

- **Greater Availability of Credit and Financing Options -** The ease of financing continues to significantly drive vehicle sales in India, particularly among first-time buyers. Enhanced financial inclusion, fintech integration, and partnerships between OEMs and financial institutions have expanded access to credit. A notable example is Maruti Suzuki's 'Smart Finance' platform, launched in 2021, which allows customers to compare loan offers, calculate EMIs, and complete paperwork online through integration with 14 partner financiers. Digital financing has improved affordability, especially in rural and semi-urban areas, thereby supporting higher vehicle penetration.
- **Technological Innovations -** Innovation in vehicle technology is transforming the automobile industry. Consumer demand is rising for advanced electronics, telematics, safety features, and connected car technology. OEMs are now focusing on integrating ABS (anti-lock braking systems), electrically controlled steering, suspension systems, and 42-volt electrical architectures. Moreover, the development of electric, hybrid, and fuel-cell vehicles is gaining momentum, especially for urban mobility and commercial fleets. These advancements are being driven not only by consumer expectations but also by stricter regulatory norms and global sustainability goals.
- **Government Push for Electrification and Green Mobility -** The government's FAME II scheme, PLI for ACC batteries, and state-level EV policies are creating a favourable ecosystem for electric vehicle growth. Subsidies, incentives, and investments in charging infrastructure are promoting adoption of EVs—especially in the two-wheeler, three-wheeler, and commercial vehicle segments.

5A.2 Market Restraints and Impact Assessment

Restraint	Impact		
	1–2 Years	3–4 Years	5–7 Years
1. Regulatory Compliance (emissions, safety norms)	High	High	Medium
2.Infrastructure Constraints (charging, logistics)	High	High	Medium
3. Supply Chain Disruptions (semiconductors, imports)	High	Medium	Low
4. Rising Input and Commodity Costs	High	High	Medium
5. Shortage of Skilled Manpower in EV & Tech Segments	Medium	High	High

- **Regulatory Compliance -** The automobile industry operates within a dynamic regulatory environment, encompassing emission standards, safety mandates, import/export duties, and fuel efficiency norms. In India, regulations like BS-VI emission norms, proposed six-airbag mandates, and CAFE standards require constant technological upgrades and compliance investments. Frequent regulatory shifts can disrupt product planning and increase costs, especially for smaller OEMs and suppliers. Adapting to international standards while balancing cost-efficiency remains a critical challenge.
- **Infrastructure Constraints** - While India has made progress in road and highway development, gaps still exist in logistics infrastructure, public transportation integration, and especially in electric vehicle charging networks. Inadequate road conditions in rural areas affect last-mile delivery and vehicle maintenance. For the EV segment, limited fast-charging stations and inconsistent power supply hinder large-scale adoption. These infrastructural limitations reduce operational efficiency and affect consumer confidence in adopting newer mobility technologies.
- **Supply Chain Disruptions -** The industry faces disruptions in the supply chain, including shortages of critical components, fluctuations in raw material prices, and delays in the delivery of parts. These issues can affect production schedules and cost structures.
- **Cost Pressures -** Cost pressures in the automobile industry have intensified due to a combination of rising input costs, regulatory demands, and competitive pricing pressures. Key raw materials such as steel, aluminium, copper, and lithium have seen significant price hikes globally, directly impacting vehicle manufacturing costs—particularly for electric vehicles. In addition, rising labour wages, increased energy tariffs, and higher logistics expenses have further inflated operational costs. Despite these increases, intense market

competition forces manufacturers to keep vehicle prices stable, especially in cost-sensitive segments like entry-level cars and two-wheelers, which compresses profit margins. Moreover, automakers are required to make substantial investments in research and development, emission control technologies, vehicle safety features, and digital innovations to comply with evolving regulatory norms such as BS-VI in India and Euro 7 globally.

5B. Consumer Electronics

5B.1 Growth Drivers

Driver	Impact		
	1–2 Years	3–4 Years	5–7 Years
1. Rising Disposable Income & Expanding Middle Class	High	High	High
2. Technological Advancements (AI, IoT, Smart Devices)	Medium	High	High
3. Government Push via PLI Scheme & "Make in India"	Medium	High	High
4. Growing Demand from Tier II/III Cities	Medium	High	High
5. Expansion of E-commerce & Omni-channel Retail	High	High	Medium

- **Rising Disposable Income & Expanding Middle Class** - Increasing income levels and a growing middle-class population are driving higher demand for consumer electronics, as more households can afford a wider range of gadgets and appliances.
- **Technological Advancements (AI, IoT, Smart Devices -** Innovations like artificial intelligence, Internet of Things (IoT), and smart home integration are creating new product categories and enhancing user experiences, stimulating consumer interest and market growth.
- **Government Push via PLI Scheme & "Make in India "-** Government initiatives encouraging local manufacturing and production-linked incentives are boosting domestic capacity, reducing imports, and fostering industry growth through better infrastructure and investment.
- **Growing Demand from Tier II/III Cities** - Increasing urbanization and rising aspirations in smaller cities and towns are expanding the consumer base, offering significant untapped potential for companies targeting these emerging markets.

- **Expansion of E-commerce & Omni-channel Retail -** The rapid growth of online sales platforms combined with integrated offline and online retail channels is improving product accessibility, convenience, and consumer reach, fuelling overall industry expansion.

5B.2 Challenges

Challenge	Impact		
	1–2 Years	3–4 Years	5–7 Years
1. Supply Chain Disruptions & Component Shortages	High	Medium	Medium
2. Intense Competition & Price Pressure	High	High	High
3. Rapid Technology Obsolescence	Medium	High	High
4. Regulatory Compliance & Import Duties	Medium	Medium	Medium
5. After-Sales Service & Customer Support Challenges	High	Medium	Medium

- **Supply Chain Disruptions & Component Shortages** - Global disruptions and shortages of critical components like semiconductors cause production delays and increase costs, impacting availability and profitability.
- **Intense Competition & Price Pressure** - A crowded market with many players drives fierce price competition, squeezing margins and forcing companies to constantly innovate and optimize costs.
- **Rapid Technology Obsolescence** - Fast-paced technological advancements shorten product lifecycles, requiring continuous R&D investments and frequent product launches to stay relevant.
- **Regulatory Compliance & Import Duties** - Evolving regulations, import tariffs, and quality standards increase operational complexity and costs, especially for companies relying on imports or cross-border supply chains.
- **After-Sales Service & Customer Support Challenges** - Ensuring timely, high-quality after-sales service across diverse geographies is critical but costly and operationally challenging, impacting brand reputation and customer loyalty.

6. SWOT Analysis of Automobile & Consumer Electronics Industry

6.1 Automobile Industry

Strengths	*Weaknesses*
Global Production Hub & Economic Contributor - Since liberalisation in 1991, India has become the world's 4th-largest vehicle producer, facilitated by 100% FDI and ease-of-doing-business reforms. This large manufacturing base supports upward of 30 million jobs and significantly boosts GDP.	**Import Dependent value Chain** - Despite manufacturing growth, India relies heavily on imports—semiconductors, EV batteries, and critical auto components—leaving the sector vulnerable to global supply disruptions.
Comprehensive Policy & Incentive support - The government backs the sector through flagship initiatives like *Make in India*, *Automotive Mission Plan 2016–26 (AMP)*, *FAME-II*, and PLI schemes, which include support for advanced automotive technologies and EV component localisation	**Infrastructure & Skill Gaps** - Non-metropolitan regions often lack sufficient EV-charging networks and modern logistics, while the skilled workforce in advanced automotive technologies remains limited.
Robust Export system - The auto and auto-components sectors generate a trade surplus, and India exports millions of vehicles annually—evidence of globally competitive manufacturing and supply capabilities	**Regulatory Evolution Pressure** - Upcoming emission standards (CAFE III/IV) and vehicle safety mandates (Bharat NCAP) require OEMs and suppliers to absorb additional development costs and compliance burdens.

Opportunities	*Threats*
E V market Electrification - The rapid growth in EV registrations and government targets for 30% electric vehicle penetration by 2030 create substantial growth prospects for localisation and new mobility ecosystems.	**Global Supply Chain disruptions -** Semiconductors and specialized EV component shortages, coupled with global geopolitical tensions, pose risks to production continuity—even as localisation efforts ramp up.
Localized manufacturing via PLI Schemes - Key government incentives via PLI-Auto, PLI-ACC (battery cells), and FAME-II aim to move India up the value chain, reduce import dependence, and generate significant employment.	**Intensifying Regulatory Burden -** Compliance with stricter emissions norms (CAFE III/IV) and Bharat NCAP crash-safety standards will elevate costs and require technological adaptation—risking margin pressure.
Global OEM Investments & Export expansion - India's strategic position amid global supply chain realignment ("China plus one") opens doors for further FDI and export-led manufacturing, especially in EV and clean-tech segments.	**Disruptive Mobility Trends -** Accelerating shared mobility services and public transport infrastructure could suppress growth in personal vehicle ownership, impacting long-term demand.
Smart Sustainable Mobility - Government urban infrastructure plans, EV charging mandates in building regulations, and NATRiP-backed testing facilities foster a conducive environment for sustainable, smart-connected mobility growth.	**Competition & economic volatility -** India faces increasing global competition from low-cost automakers in ASEAN and China. Domestic vehicle affordability is sensitive to rising input costs, credit availability, and slowing rural economic activity.

6.2 Consumer Electronics Industry

Strengths	*Weaknesses*
Government Backed Manufacturing push - Under *Make in India* and National Electronics Policy 2019, initiatives like the PLI scheme and SPECS drive domestic manufacturing of components, PCBs, displays, IT hardware, and white goods, reducing import reliance and increasing value addition.	**Heavy Import Dependency** - Most high-complexity components—like semiconductors, PCB units, displays, and battery cells—are imported, making domestic production vulnerable to global supply disruptions
Robust Infrastructure & Quality Standards - Development of Electronics Manufacturing Clusters (EMC 2.0), STQC-led testing & certification, and streamlined support for R&D enable better product quality and global competitiveness.	**Limited Value Addition & R&D** - India's electronics value chain remains shallow, especially in advanced components, with minimal investment in indigenous R&D and design capabilities.
Skilled workforce & Lower Costs - The sector benefits from abundant skilled labour complemented by competitive wage structures, making India an appealing manufacturing destination	**Infrastructure & Policy execution Delays** - While government schemes offer incentives, slow execution hampers timely infrastructure buildup and manufacturing readiness.
Opportunities	***Threats***
Rural & Tier -2/3 Market expansion - As incomes rise and digital awareness spreads, tier-2/3 markets offer untapped demand—especially for affordable LG appliances and smart devices.	**Competitive pressures and technology obsolescence -** Intense competition from low-cost producers and rapid product evolution demands constant innovation and amplifies margin pressures.
Emerging Smart and IOT products - Growth in wearable devices, smart home appliances, and automotive electronics points to high-potential segments for both consumer and industrial electronics.	**Regulatory and environmental risks -** new e-waste rules require extended producer responsibility and formal recycling systems, increasing operational costs.
Strategic resilience efforts - Plans for structural independence from China—via incentive schemes for rare-earth magnets, PCBs, and import curbs on laptops—help build a secure, local ecosystem.	**Component cost and Global Volatility -** Continued import reliance exposes manufacturers to unstable global pricing and supply chain shocks.

7. Government Initiatives and Policy Support

7A.1 Automobile Industry

The Government of India has launched several strategic initiatives to support the automobile industry, with particular emphasis on retail growth, vehicle electrification, ease of access, and digital transformation. These initiatives are designed to enhance vehicle sales, modernize infrastructure, and improve the overall ecosystem for consumers and dealers.

Source - PIB

- **FAME India Scheme (Faster Adoption and Manufacturing of Electric Vehicles) – Phase II –** As of December 31, 2024, under the FAME India Scheme (Phase II) launched by the Ministry of Heavy Industries, a total of 16,14,737 electric vehicles has been supported through demand-side incentives. This includes 14,28,009 electric two-wheelers, 1,64,180 electric three-wheelers, and 22,548 electric four-wheelers. The scheme, aimed at promoting electric mobility in India, also supports the development of charging infrastructure to facilitate EV adoption. These government subsidies have significantly reduced the upfront cost of EVs for consumers, allowing automobile dealers and retailers to offer competitively priced electric vehicles. As a result, EV dealerships across India have seen increased customer interest and sales volumes, contributing to the rapid expansion of the EV market.
- **PM-eBus and PM-edrive Schemes (2024–26) -** The 'PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE)' Scheme, recently approved by the Cabinet with a financial outlay of Rs. 10,900 crores came into effect on October 1, 2024, and will remain in force until March 31, 2026. The primary goal of the scheme is to accelerate the adoption of electric vehicles (EVs), develop essential charging infrastructure, and establish a robust EV manufacturing ecosystem across the country. Under this scheme, electric vehicle sales have already seen a record surge, reflecting the growing momentum of EV adoption. The PM E-DRIVE initiative promotes mass mobility by supporting public transportation systems.
- **Bharat Series (BH) Vehicle Registration -** The Bharat Series (BH) vehicle registration system was introduced by the Ministry of Road Transport and Highways (MoRTH) in August 2021 with the primary objective of facilitating seamless inter-state vehicle movement without the need for re-registration when owners relocate across state boundaries. Traditionally, vehicle owners moving to a new state were required to re-register their vehicles within 12 months under the Motor Vehicles Act, a process often considered time-consuming and bureaucratic. For automobile **dealers and retailers**, the BH registration system has created **new sales opportunities**, especially in urban

centres and metro cities where a significant population comprises transferable professionals. By removing the barrier of re-registration, the scheme **broadens the potential customer base** across state lines and makes interstate vehicle purchases more attractive.

- **PLI Scheme for Auto and Auto Components -** The Production-Linked Incentive (PLI) scheme for the automotive sector, introduced in 2021, aims to boost domestic manufacturing of advanced automotive technologies. The scheme has a budget of INR 25,938 crore ($ 3.5 Bn) and is focused on encouraging the production of EV components, hydrogen fuel cells, and other advanced automotive technologies in India. This initiative is expected to generate significant investments and foster technological innovations in the sector. Source – Niti Ayog
- **Atmanirbhar Bharat -** The Atmanirbhar Bharat initiative aims to foster self-sufficiency in manufacturing and reduce the country's dependence on foreign components. In the automotive sector, this has resulted in increased domestic production of critical components such as engines, transmissions, and EV batteries. The government has also extended support to start-ups and small and medium enterprises (SMEs) in the automotive space, helping them integrate into global supply chains. Source – Niti Ayog
- **e-Vahan and e-Sarathi Portals -** The e-Vahan and e-Sarathi portals are flagship digital platforms developed by the Ministry of Road Transport and Highways (MoRTH) under the broader Digital India initiative, with the objective of digitizing vehicle registration and driver licensing services across India. These systems are designed and managed by the National Informatics Centre (NIC) to create a unified, transparent, and efficient transport database that integrates services offered by Regional Transport Offices (RTOs) nationwide.
- **Automotive Mission Plan 2016-2026 –** Automotive mission plan is a visionary roadmap aiming to elevate India into the top three global automotive hubs by 2026. It sets ambitious goals: creating 65 million jobs, expanding the sector to contribute to GDP, and positioning the industry as a manufacturing powerhouse in the *Make in India* initiative. The plan encompasses sweeping reforms across the ecosystem—ranging from R&D, design, and manufacturing to safety, environmental compliance, export expansion, and value-chain localisation. Pillars include emission norms standardisation, safety protocols.
- **Ethanol Blending Policy -** The government's proactive approach to ethanol blending is evident in its decision to advance the target of 20% ethanol blending from 2030 to 2025, demonstrating a strong commitment to sustainable energy practices. This has triggered a significant shift in feedstock use—from sugarcane to grain-based ethanol, also involving surplus rice deployment. As a result, ethanol blending has climbed from ~1.53% in 2013 to over 15% by 2024, reducing CO_2 emissions, and benefiting farmers and distilleries. This policy supports the internal combustion engine market by

improving fuel security and sustainability, while providing a transitional pathway amid the rise of electric vehicles.

- **Vehicle Scrappage Policy** - The **Vehicle Scrappage Policy** encourages the retirement of old, inefficient vehicles through a voluntary model: private vehicles over 15 years and commercial vehicles over 10 years are incentivised via scrappage, backed by government-certified facilities. More recently, the End-of-Life Vehicle (ELV) Rules 2025 have imposed EPR obligations on dismantlers and recyclers for automobile components like batteries, tires, and lubricants. These measures underpin environmental sustainability, ensure safe and responsible disposal, and create a structured market for recyclable auto waste.
- **Battery Waste Management rules -** The Ministry of Environment, Forest, and Climate Change has issued the Battery Waste Management Amendment Rules, 2025 on 24th February 2025. These rules aim to further streamline the regulations governing the collection, recycling, and disposal of battery waste in India. This amendment serves as an update to the Battery Waste Management Rules, 2022, reinforcing the Extended Producer Responsibility (EPR) framework and enhancing environmental sustainability. Producers are now required to print barcodes or Quick Response (QR) codes displaying their EPR registration number on battery or battery pack, Equipment containing battery and others.

Measures taken by other Ministries include the following initiatives:

- Ministry of Power has issued guidelines and standards for EV Charging Infrastructure titled, "Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024" on 17 September 2024. These revised guidelines outline standards and protocols to create a connected & interoperable EV charging infrastructure network in the country.
- Ministry of Finance has reduced GST on EVs from 12% to 5%.
- Ministry of Road Transport & Highways (MoRTH) announced that the battery-operated vehicles will be given green plates and be exempted from permit requirements.
- Ministry of Housing and Urban Affairs has amended the Model Building Byelaws, mandating the inclusion of charging stations in private and commercial buildings.
- MSME Dealer Support via Credit Access**:** Provision for collateral-free MUDRA loans and CGTMSE schemes for small and medium-sized dealerships to modernize infrastructure and stock diverse vehicle segments. Source – Niti Ayog Automotive Industry Powering India's participation in GVC_Non Confidential.pdf

7B.1 Consumer Electronics

- **Production Linked Scheme -** Boost domestic manufacturing of electronic goods such as mobile phones, appliances, and components. Offers financial incentives based on incremental sales, attracting global and domestic investments and reducing import dependence.
- **Make in India Initiative -** Promote India as a global manufacturing hub. Encourages local value addition and manufacturing across sectors including electronics, supported by ease-of-doing-business reforms.
- **Scheme for Promotion of Manufacturing of Electric Components and Semiconductors (SPECS) -** Support manufacturing of critical electronic components. Provides capital subsidies (up to 25%) on plant, machinery, and other expenditures for eligible units in the electronics value chain.
- **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme -** Develop world-class infrastructure for electronics manufacturing. Facilitates development of manufacturing clusters, reducing logistics costs and enabling supply chain efficiencies.
- **FDI Policy Liberalization -** Attract foreign direct investment into the consumer electronics and white goods sector. 100% FDI allowed under the automatic route for electronics and consumer durable manufacturing, encouraging global players to set up units in India.
- The Ministry of Consumer Affairs has asked top consumer durables companies (such as LG, Samsung, Havells, etc.) to share data to create a common repository of information on their service centres and repair policy to protect customers' rights to repair and maintain home appliances.
- **National Policy on Electronics** - The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US$ 190 billion by 2025, out of which 600 million handsets valued at US$ 100 billion are likely to be exported.

8. Technology & Digital Transformation

The automotive sector has led the way in adopting automation and robotics, driven by the need for precision, speed, and cost-efficiency in mass production. The sector's complex production processes and high volumes of output have necessitated significant investment in automation technologies to ensure consistency and minimize errors.

- **Automation and AI:** Artificial intelligence and machine learning are transforming automotive manufacturing by optimizing production lines, reducing downtime, and predicting potential equipment failures. AI-driven predictive maintenance systems are increasingly common in modern automotive factories, helping to avoid costly disruptions. For example, BMW employs AI to monitor production machinery, ensuring smooth operations and improving the overall efficiency of its plants.
- **Digital Retailing and CRM Platforms -** The automobile retail landscape is undergoing a major digital transformation, with dealerships and OEMs embracing end-to-end digital retailing solutions to cater to evolving consumer preferences. Today's car and two-wheeler buyers increasingly expect the same level of convenience, speed, and transparency that they experience in e-commerce. As a result, leading manufacturers and dealers have integrated virtual showrooms, 360-degree vehicle views, EMI calculators, and online trade-in tools on their websites and mobile platforms, allowing consumers to browse, configure, finance, and even complete their vehicle purchases from the comfort of their homes. This digital-first approach is further reinforced by robust Customer Relationship Management (CRM) platforms, which enable dealerships to capture leads across multiple touchpoints—social media, walk-ins, aggregator platforms—and manage them efficiently through automated follow-ups, test drive scheduling, quotation sharing, and post-sale engagement.
- **Smart Manufacturing and Industry 4.0 -** The automobile industry is rapidly embracing Industry 4.0 technologies to enhance efficiency, quality, and flexibility in manufacturing. Key innovations such as robotics, AI-driven quality control, digital twins, and 3D printing are enabling faster production, reduced downtime, and greater customization. These smart manufacturing tools help lower costs, improve precision, and accelerate product development. In India, major OEMs like Tata Motors, Mahindra, and Bajaj Auto are adopting these advancements to modernize operations and stay globally competitive.
- **EV Ecosystem and Battery Management Technologies -** The rise of electric vehicles (EVs) is transforming the automotive landscape, supported by advancements in battery management systems (BMS), charging infrastructure, and energy technologies. BMS ensures battery safety and efficiency by monitoring cell performance and thermal conditions, while smart charging stations—integrated with mobile apps, smart meters,

and grids—enhance user convenience and energy management. Innovations like battery swapping (especially for 2Ws and 3Ws) and vehicle-to-grid (V2G) systems are enabling faster, flexible, and cost-effective energy solutions. As EVs become more connected, software-defined platforms and energy analytics are playing a vital role in predictive maintenance, range optimization, and real-time diagnostics, driving smarter, cleaner, and more intelligent mobility ecosystems.

9. PESTEL Analysis of the Industry

Factor	Key Insights
Political Factors	• **Government Incentives**: Policies like PLI schemes for electronics and EV subsidies for automobiles encourage product sales and availability. • **Trade & Tax Regulations**: Import duties, GST rates, and foreign investment regulations influence pricing, margins, and sourcing strategies. • **Urban Infrastructure Policies**: Development of smart cities, EV charging infrastructure, and rural electrification impact dealership network planning.
Economic Factors	• **Disposable Income & Consumer Financing**: Rise in middle-class income and availability of EMI/loan options drive sales for both vehicles and electronics. • **Inflation & Currency Fluctuations**: Affect costs of imported components and overall profitability. • **Seasonal Sales Trends**: Demand spikes during festivals, financial year-ends, and promotional seasons impact dealership inventory and cash flow.
Social Factors	• **Brand Preference & Trust**: Consumers are brand-sensitive and value dealers who provide consistent quality and after-sales support. • **Lifestyle Shifts**: Rising preference for tech-savvy lifestyles (smart appliances, connected vehicles). • **Customer Experience**: Growing expectation for personalized, transparent, and assisted buying experiences both online and in-store.
Technological Factors	• **Digital Transformation**: Integration of CRM, ERP, and online-to-offline platforms is becoming essential. • **Smart Products**: Increasing use of AI, IoT, and automation in products requires better product knowledge and tech-savvy staff. • **E-commerce Competition**: Online platforms are altering consumer buying behaviour, pushing dealerships to adopt omnichannel strategies.
Environmental Factors	• **Sustainability Focus**: Demand for energy-efficient products and eco-friendly vehicles is rising. • **Regulations on Waste**: Dealerships must comply with e-waste and vehicle scrappage norms. • **Green Retailing**: Focus on eco-friendly packaging, lighting, and operations is growing among responsible dealers.

Legal Factors	• **Consumer Protection Laws**: Dealers must comply with regulations regarding warranties, returns, service standards, and advertising transparency. • **Certifications & Approvals**: BIS, RTO norms, and environmental clearances depending on product type. • **Tax & Labour Compliance**: GST filing, employee benefits, and licensing for retail premises are mandatory for operations.

10. Competitive Landscape

The dealership ecosystem in India—across both automobile and consumer electronics sectors—is being reshaped by digital disruption, rising customer expectations, expanding product portfolios, and a growing emphasis on experience-led retailing. The competitive terrain is no longer just about price and location, but about **personalization, convenience, and technological agility**. The following trends highlight how dealership competition is becoming more integrated, tech-driven, and customer-centric

10.1 Key Factors shaping competition

- **Transition to Phygital Retail and Omnichannel Engagement -** Dealerships are evolving into hybrid models that merge physical presence with digital interfaces. Whether it's an auto showroom or a consumer electronics outlet like LG Best Shop, modern dealerships are integrating online booking, virtual product demos, real-time inventory visibility, and CRM tools to enhance consumer engagement. Leading players are building phygital ecosystems where walk-in customers benefit from online research, and online shoppers can visit for hands-on experience.
- **Localized Expansion into Tier-II and Tier-III Cities** - As urban markets reach saturation, both automotive and electronics dealerships are aggressively expanding into smaller towns and semi-urban areas. Regional showrooms and brand-exclusive outlets are being set up with vernacular support, regional marketing campaigns, and hyperlocal service networks. Companies are tailoring product displays and financing solutions to match local preferences, ensuring deeper market penetration.
- **Direct-to-Consumer (D2C) and Platform Disruption -** New-age brands, especially in EV and smart appliance categories, are bypassing traditional dealership networks in favor of D2C models. Auto players like Ola Electric and electronics startups are leveraging their own platforms for end-to-end digital sales and servicing. This model reduces distribution costs and gives greater control over the customer journey—but intensifies pressure on traditional dealers to modernize.
- **Tech-Driven After-Sales as a Differentiator -** The post-sale experience is becoming a major battleground. Dealerships are investing in digital service tracking, real-time diagnostics, doorstep service, and predictive maintenance tools. In electronics, AMC plans, quick-installation services, and tech-assisted troubleshooting are being used to enhance customer loyalty. Dealerships that offer a frictionless after-sales experience are securing long-term brand trust.
- **Financing Innovation and Affordability Schemes -** With rising ticket sizes across both industries, easy financing, zero-cost EMIs, exchange offers, and subscription models are gaining traction. Auto dealers are collaborating with NBFCs for rural credit tie-ups, while

electronics outlets are integrating with fintech platforms for instant approvals. The dealership's ability to offer flexible ownership options now directly affects sales conversions.

- **Experiential and Aspirational Retail Environments** - Modern dealerships are being reimagined as experience centres. In both sectors, brands are redesigning their stores with immersive product zones, interactive displays, demo corners, and branded customer lounges. Whether test-driving a vehicle or exploring smart home integrations, consumers expect a premium showroom experience that blends lifestyle with utility.

10.2 Competitive Strategies

- **Brand Differentiation** - Dealerships are leveraging the brand equity of their parent OEMs to position themselves on key values such as innovation, affordability, and premium experience. Exclusive formats like LG Best Shops or Maruti Suzuki showrooms are designed to mirror the brand's identity, using uniform layouts, curated displays, and influencer-driven campaigns to emotionally connect with local audiences and enhance brand loyalty.
- **Product Innovation at Retail Level -** Dealerships play a pivotal role in delivering product innovation to customers through in-store demonstrations, test drives, and immersive product displays. By showcasing smart features in electronics or advanced vehicle technologies like ADAS and hybrid engines, dealers help translate OEM innovation into real consumer value, often tailoring their stock to match local demand and segment preferences.
- **Technology Integration -** Digital tools are transforming dealership operations, from AI-enabled CRM systems to WhatsApp-based service updates. Showrooms now use digital kiosks, online configurators, and mobile apps to engage customers more efficiently, while backend systems offer real-time inventory visibility and predictive maintenance alerts, enabling a seamless, tech-powered customer experience.
- **Pricing & Promotions** - Competitive pricing, exchange offers, festival discounts, and zero-cost EMI schemes have become standard promotional tools for dealerships. Tie-ups with NBFCs and digital lenders make it easier for consumers to finance large purchases, while subscription and leasing models in the auto sector help lower upfront cost barriers and appeal to younger, urban buyers.
- **Localization -** To effectively penetrate Tier-II and Tier-III markets, dealerships are customizing both product offerings and service delivery. This includes stocking region-specific models, using vernacular marketing content, employing local sales staff, and offering financing options tailored to rural or semi-urban consumers—thereby ensuring higher relatability and trust.
- **Vertical Integration -** Modern dealerships are evolving into one-stop solution providers offering financing, insurance, servicing, and even product resale or recycling. This vertical integration helps streamline the ownership journey, improve customer stickiness, and unlock new revenue streams beyond the initial sale, particularly in urban and premium market segments.
- **Dealer Network Expansion and Modernization -** Dealers are rapidly expanding into underpenetrated regions with smaller-format showrooms, service hubs, and mobile sales units. At the same time, modernization of existing outlets includes virtual showrooms, paperless processes, and smart inventory systems—creating a tech-forward environment that appeals to digitally-savvy customers.

10.3 Barriers to Entry

While dealership businesses in India present a lucrative opportunity due to rising urbanization, consumer demand for branded electronics and vehicles, and increasing digitalization, the segment also faces significant barriers to entry. High setup costs, stringent OEM requirements, technological evolution, and the dominance of legacy players make it difficult for new entrants to establish a competitive foothold. Below are the key structural and operational barriers limiting new dealership entrants:

- **High Capital Investment** - Establishing a dealership requires substantial capital to set up infrastructure such as showrooms, service bays, and customer lounges. Additional expenses include investing in inventory, spare parts, skilled labour, and digital tools like CRM systems. For automobile dealerships, the cost of maintaining multiple demo vehicles and adhering to brand-specific design standards further raises the entry threshold.
- **OEM Compliance and Entry Criteria -** Original Equipment Manufacturers (OEMs) enforce strict dealership onboarding criteria, including financial stability, location viability, infrastructure readiness, and management capability. Dealers must adhere to performance-linked contracts, maintain brand guidelines, undergo regular audits, and often face limited geographic expansion opportunities, making OEM approvals a key entry barrier.
- **Strong Brand Loyalty -** Customers tend to trust long-established dealerships that have built a reputation for service quality, authenticity, and reliability. This brand loyalty translates into repeat business and strong word-of-mouth, making it difficult for new entrants to build trust or divert footfall, especially in mature urban markets or regions dominated by legacy dealers.
- **Thin Margins and Financial Risk -** Dealerships often operate on slim profit margins, especially in the two-wheeler and electronics sectors. Profitability heavily depends on high sales volume, upselling of accessories, and after-sales services. New entrants face challenges in achieving break-even quickly due to high fixed costs, intense price competition, and limited early-stage customer base.
- **Digital and Technical Demands -** Modern dealerships must offer a seamless digital experience, including online booking, virtual showrooms, service tracking, and AI-powered CRM tools. Additionally, rising demand for connected vehicles and EVs requires technical upgrades and staff training. Keeping up with rapid technological change adds complexity and cost for new entrants.
- **Service Network Expectations -** Customers expect accessible, responsive, and high-quality after-sales service, including maintenance, repairs, and genuine parts availability. Meeting these expectations requires building a skilled technical team and a service footprint that can span Tier 2 and Tier 3 cities—something new dealerships may struggle to establish without scale or OEM backing.

10.4 Key Industry Players - Automobile

S.no	Company	Details
1.	Popular Vehicles & Services Ltd.	One of India's largest dealership networks; operates over 300 outlets across Kerala, Tamil Nadu, and Karnataka; authorized dealer for Maruti Suzuki, Honda, JCB, and Ather Energy; diversified into EV distribution, used vehicles, leasing services.
2.	Kalyani Motors	**Kalyani Bajaj**, operating under **Kalyani Motors**, is an authorized Bajaj dealership. Established in 2000, the dealership specializes in the sale and service of Bajaj two-wheelers, including models like Pulsar, Platina, and Avenger, as well as the Chetak electric scooter. In addition to vehicle sales, Kalyani Bajaj offers genuine Bajaj spare parts such as clutch plates and sprocket kits.

Key Industry Players – Consumer Electronics

S.no	Company	Details
1.	Unilet Appliances Pvt Ltd	Instituted in 2005, Unilet Appliances Pvt Ltd is a multi-brand consumer electronic retail chain in Karnataka. Headquartered in Bangalore, the retail chain is a one-stop shop focusing on lifestyle technology products with a continuous and innovative multi-brand product range. offer a unique retailing experience to help customers "Live Product Experience". With over 15 years since its inception, Unilet has established its reputation on precise, dependable and consistent customer experience.
2.	Adishwar Electro world	Adishwar is a renowned and reliable brand in Retail Industry of Consumer Electronics and Home Appliances industry. Adishwar Electro world is a Consumer durables and Home Appliances Retail chain of stores vertical commenced operations in 2004 and stormed into market by having 3 stores in Bangalore. Adishwar Electro world offers 3,34,572 Sq. Ft Showroom Space and 2,66,613 Sq. Ft display area for comfortable shopping experience to the customers

10.5 Financial Performance Analysis

Key Indicators (in INR Lakhs)	Amba Auto Sales & Services Limited		
	FY 2023	FY 2024	FY 2025
Revenue from operations	11295.45	21122.82	24236.65
Total Income	11305.14	21133.48	24246.07
EBITDA	477.04	895.91	1802.91
EBITDA Margin	4.22%	4.24%	7.44%
PAT	63.83	288.69	777.60
PAT Margin	0.56%	1.37%	3.21%
Current Ratio	1.43	1.25	1.20
Net worth	416.89	705.81	1486.98
Total Debt	2740.67	3760.26	5579.48
Debt Equity Ratio	3.15	1.96	0.86
ROCE (%)	26.19%	21.69%	28.82%
Return on net worth (%)	30.62%	51.43%	70.92%

Amba Auto Sales & Services Limited has demonstrated strong growth across its key financial indicators over FY 2023–FY 2025, reflecting both operational expansion and improving profitability.

Revenue from operations increased substantially from INR 11,295.45 lakhs in FY 2023 to INR 24,236.65 lakhs in FY 2025, nearly doubling in two years, supported by a corresponding rise in total income. EBITDA showed a robust upward trend, rising from INR 477.04 lakhs in FY 2023 to INR 1,802.91 lakhs in FY 2025, with EBITDA margins improving from 4.22% to 7.44%, signalling enhanced operational efficiency.

Profit after tax (PAT) grew markedly from INR 63.83 lakhs in FY 2023 to INR 777.60 lakhs in FY 2025, and the PAT margin improved from 0.56% to 3.21%, indicating stronger bottom-line performance. While the current ratio declined gradually from 1.43 to 1.20, it remained above 1, reflecting adequate short-term liquidity.

The company's net worth expanded significantly from INR 416.89 lakhs to INR 1,486.98 lakhs, supported by controlled leverage. Total debt increased from INR 2,740.67 lakhs to INR 5,579.48 lakhs, but the debt-to-equity ratio improved sharply from 3.15 in FY 2023 to 0.86 in FY 2025, reflecting prudent capital management and reduced reliance on debt. Return metrics also indicate efficiency and profitability improvements, with ROCE rising from 26.19% to 28.82% and return on net worth increasing from 30.62% to 70.92%, demonstrating strong capital utilization and value creation for shareholders.

Overall, the company exhibits a healthy growth trajectory, improved operational efficiency, and strengthening financial stability over the period.

10.6 Company Positioning – Amba Auto Sales & Services Limited

Amba Auto Sales & Services Limited ("Amba Auto" or "the Company") has been engaged in the automobile retail and after-sales service business for over two decades and operates as an authorised dealer of Bajaj Auto Limited in Bangalore, Karnataka. The Company's activities include the sale and distribution of two-wheelers and three-wheelers in petrol, CNG, and electric variants, comprising models under the Chetak Electric and KTM brands.

The Company operates a network of showrooms, service centres, and storage facilities to undertake sales, scheduled and unscheduled maintenance, repair services, and the supply of spare parts, lubricants, and accessories. The after-sales and vehicle care segment encompass servicing of Bajaj two-wheelers and three-wheelers, including routine maintenance, repairs, and the provision of genuine spare parts, and constitutes a higher-margin component of the Company's operations. It facilitates vehicle financing for customers through arrangements with third-party financiers, including equated monthly instalment (EMI) options for the purchase of two-wheelers and three-wheelers. It is also engaged in the distribution of insurance products of third-party insurers for Bajaj vehicles, both at the time of initial sale and upon renewal.

In the consumer electronics segment, the Company acts as a distributor and retailer of a wide range of appliances and electronic products such as LED and OLED televisions, refrigerators, washing machines, air conditioners, microwave ovens, dishwashers, and audio systems. After-sales support and services ensuring a seamless customer experience and adherence to brand standards.

The Company maintains an online presence through its website, dealership portals, and OEM websites for the purpose of disseminating product information, displaying model launches by OEM partners, and facilitating lead generation.

The Company's positioning is characterised by its presence in both the automobile and consumer electronics segments, its association with established OEMs, and its integration of retail, after-sales service, financing, and insurance facilitation functions. This operational structure supports diversification of revenue streams and sustained customer engagement within its area of operations.

10.7 Swot Analysis

Strengths	Weaknesses
✔ Devoted customer-centricity and Brand loyalty: A healthy 35+ year relationship with Bajaj Auto and other brands onboarded along the way. ✔ Increasing trend in sales as well as profitability of the company. ✔ Wide Product Range & After sales Quality Service. ✔ Wide Customer base for products of the company.	✘ Limited Diversification. Focused only on two wheelers and three wheelers. ✘ Working Capital Intensive business ✘ Moderate adoption of CRM/IoT tools compared to global peers
Opportunities	**Threats**
🌱 Growing demand of products dealt by the company on account of brand partnership. 🌱 Investment in integrated CRM and online booking for sales and service could enhance convenience and lead conversion. 🌱 Opening outlets in additional Tier-2/3 cities across neighbouring states could broaden market reach. 🌱 High Innovation Oriented products.	⚠ Other authorized Bajaj dealerships and multi-brand service centres, increase customer acquisition pressure. ⚠ Negative perception of high service pricing may lead consumers to opt for lower-cost alternatives. ⚠ Supply chain disruption. ⚠ Changes in compliance norms or safety standards may increase costs and operational risks

11A. Future Outlook – Automobile Industry

India's automobile industry is on the cusp of a transformative decade, driven by rapid electrification, proactive government policies, rising consumer demand, and technological disruption. As the sector evolves from traditional manufacturing to a mobility-centric ecosystem, it is expected to play a pivotal role in achieving India's economic, environmental, and industrial development goals. Increased localization, private investments, and digital integration will further propel the sector's global competitiveness. The following key trends and projections illustrate the long-term growth potential of the industry:

India's automobile industry has demonstrated substantial growth over the years, emerging as one of the largest automotive markets globally. The industry has expanded from a market size of ₹5,027.79 Billion in FY 2020 to ₹9,542.70 Billion in FY 2024, reflecting a strong upward trajectory. As per industry, it is estimated at INR ₹11,101.35 Billion in FY 2025. The Indian automobile market is projected to register a Compound Annual Growth Rate (CAGR) of 8.38% over the forecast period from FY 2025 to FY 2030, driven by rising demand across passenger vehicles, two-wheelers, and commercial vehicles, increasing disposable incomes, expanding rural penetration, and continued policy support including PLI schemes and EV adoption incentives.

India's automobile industry is poised for robust long-term growth, fueled by rising domestic demand, rapid electrification, proactive government policies, and accelerating digital transformation. At the same time, automakers are heavily investing in capacity expansion, localized supply chains, connected vehicle technologies, and AI-powered service platforms to stay competitive. The rise of digital showrooms, subscription-based ownership, and smart servicing options is reshaping consumer experience, while platforms like e-Vahan and e-Sarathi are streamlining the regulatory environment. India is also strengthening its global footprint, emerging as a major export hub for small cars, two-wheelers, and components. With these structural and technological shifts, the Indian automobile industry is well-positioned to become a global leader in sustainable, smart mobility, contributing significantly to the country's economic growth and manufacturing leadership in the coming decade.

Technological advancement is playing a crucial role in reshaping the industry. Automakers are increasingly investing in digital solutions—from connected vehicles and telematics to over-the-air updates and predictive maintenance. The integration of AI, machine learning, and IoT is enhancing the customer experience through real-time diagnostics, personalized recommendations, and smoother servicing processes. Government-led platforms like e-Vahan and e-Sarathi are streamlining vehicle registration and licensing.

11B. Future Outlook – Consumer Electronics Industry

India's consumer electronics industry is entering a pivotal growth phase, shaped by rising income levels, deepening digital penetration, evolving consumer preferences, and supportive government policies. As the industry transitions from traditional appliances to a smart, connected ecosystem, it is expected to play a critical role in driving India's digital economy, manufacturing expansion, and export competitiveness. Rapid urbanization, proliferation of e-commerce, and increased focus on domestic production through schemes like PLI will accelerate growth across categories such as smartphones, smart TVs, wearables, and home automation devices. The following trends and projections highlight the industry's long-term growth trajectory:

The Indian consumer electronics market was valued at INR 3,499.84 billion in FY 2024 and is projected to reach INR 14,876.60 billion by FY 2033, expanding at a compound annual growth rate (CAGR) of 17.44% during the forecast period (FY 2024–FY 2033). This robust growth is driven by rising disposable incomes, increasing urbanization, growing digital penetration, and a shift in consumer preference towards smart and connected devices across segments such as televisions, air conditioners, washing machines, refrigerators, and mobile phones over the forecast period. This growth is driven by increasing digitization, affordability of devices, rural market expansion, and rising demand for smart and energy-efficient products.

India's consumer electronics sector is poised for sustained long-term expansion, backed by domestic manufacturing incentives, growing tech-savvy demographics, and the increasing convergence of electronics with lifestyle and home environments. Manufacturers are investing in R&D for innovation in AI, IoT, and cloud-integrated devices, while also focusing on sustainable and modular design to meet evolving consumer expectations. Global brands and domestic players alike are enhancing localization strategies to reduce dependency on imports, strengthen the supply chain, and comply with regulations on e-waste and sustainability.

Technological transformation is redefining the consumer electronics landscape. From smart TVs with voice assistants to AI-powered air conditioners and IoT-enabled kitchen appliances, the industry is witnessing the rise of hyper-connected homes. Companies are deploying digital-first strategies including online-exclusive models, AR/VR-powered shopping, and direct-to-consumer channels to engage modern customers. Integration of data analytics, subscription-based servicing, and app-based control systems is also enhancing the post-purchase experience, while platforms like India Stack and ONDC are supporting broader access and inclusivity.

With India becoming a strategic hub for global electronics manufacturing and exports, and continued investment in technology, talent, and infrastructure, the consumer electronics industry is well-positioned to become a cornerstone of India's economic growth and digital empowerment in the coming decade.

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