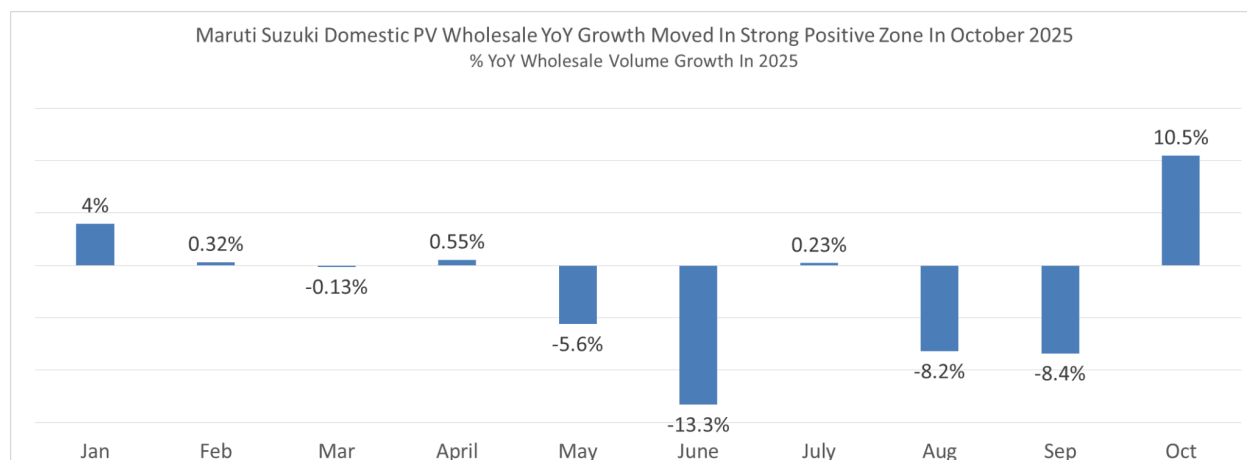


Maruti Suzuki Back To Basics As Small Car Segment Drives Growth Post GST 2.0

Suhani Adilbadkar

There are more helmets in the [Maruti Suzuki](#) showrooms than ever. Now what are helmets doing in a four wheeler showroom. GST 2.0 opened doors for the Indian middle class to Maruti Suzuki Showrooms across India. Goods & Services Tax (GST) reduction from 28% to 18% on small cars aided the largest Indian car manufacturer to report double-digit domestic passenger vehicle (PV) wholesales YoY growth in October 2025, highest this calendar year.

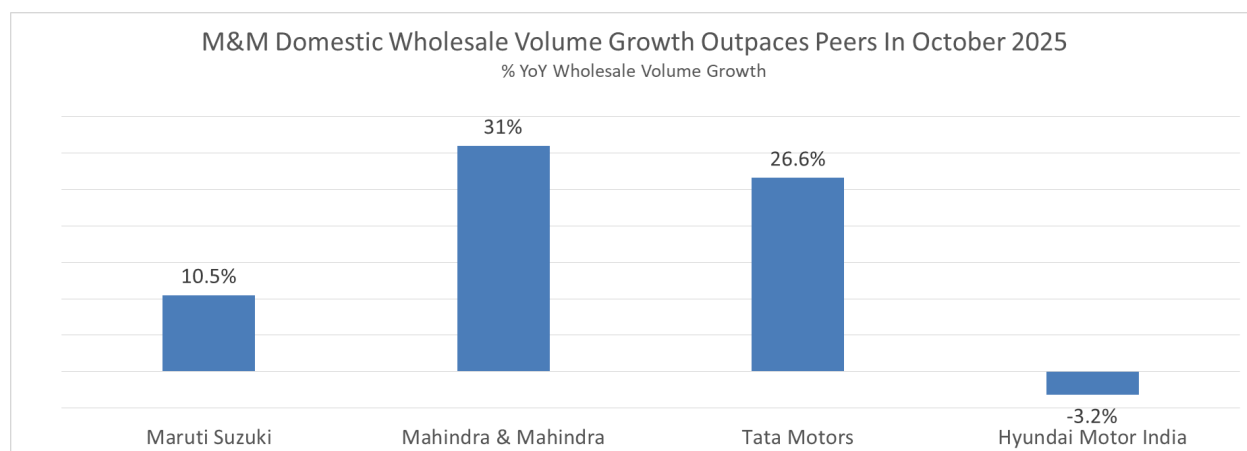


GST of 18% rate is applicable on small cars with length ≤ 4 m and engine up to 1,200 cc. Maruti Suzuki's Alto, S-Presso, Swift, Dzire, Baleno, Ignis, Fronx, Celerio and Wagon R come under the 18% GST slab.

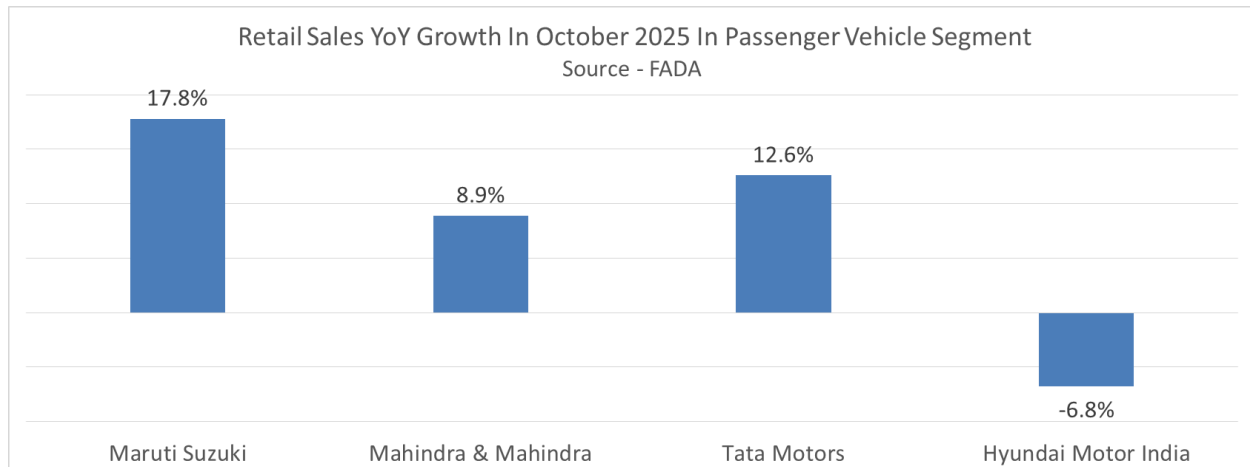
M&M Strong In Wholesale Growth, Maruti Suzuki Top Performer In Retail Sales

[Hyundai Motor India](#) on the other hand came in with flat wholesale YoY growth in the festive month of October. While Hyundai witnessed lackluster growth, [Mahindra & Mahindra](#) (M&M) and [Tata Motors](#) saw much higher growth than Maruti Suzuki in Dussehra and Diwali month of October 2025. M&M and Tata

Motors reported strong domestic wholesale growth of 31% and 27% YoY respectively in October 2025.



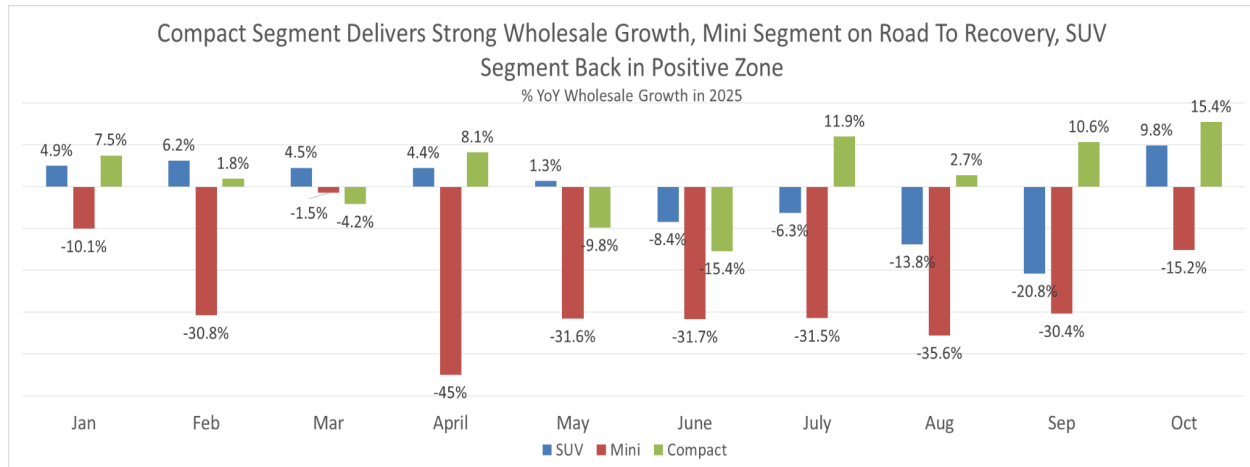
But this is wholesale volume growth which indicates dispatches by auto companies to auto dealers. Wholesale volumes indicate inventory status and production health of the company. In India, auto companies report wholesale volumes every month, but the real picture is seen through retail sales. While wholesale volumes can be manipulated by companies by pushing higher volumes to dealers, retail sales show the real offtake or purchase by customers indicating demand sentiment. Data released by [Federation of Automobile Dealers Associations](#) (FADA) for October 2025, has Maruti Suzuki at the top slot with the largest market share of 42% in the passenger vehicle segment followed by Tata Motors at 13.5%. Maruti Suzuki's retail sales are up 18% YoY in October 2025.



Small Car Segment Drives Growth Post GST 2.0

Both Maruti Suzuki and Tata Motors have a strong small car presence which has worked in their favour this festive season. Small cars account for nearly 47-48% of Maruti Suzuki's wholesales volumes. While Tata Motors does not give out wholesale volume break-up, nearly 85% of its sales come from the small car segment.

Speaking on small car revival post GST 2.0, Rahul Bharti, Chief Investor Relations Officer at Maruti Suzuki said, "If we talk about retail sales, in festive period (Navaratri-Diwali) this year, we did about 400,000 units retail. And in the festive period, the previous year, retails were 211,000 units. And within this 400,000 units retail, about 250,000 units came from small cars, which had a growth of almost 100%." Small cars accounted for more than 60% of Maruti Suzuki's total retail sales this festive season in 2025. For Maruti Suzuki, small car segment revival has come at the right time, as sports utility vehicles (SUV) have been in the negative zone from June-September 2025.



While Maruti Suzuki's SUV wholesales have also recovered post GST 2.0 reporting 10% YoY wholesale growth in October 2025, growth rate is lower than the compact car segment up 15% YoY. Mini car segment has also recovered from a low of -45% YoY in April 2025 to -15% YoY wholesale YoY growth in October 2025.

GST for SUVs which was earlier 45%, is now 18% for compact SUVs and 40% for mid-large size SUVs. Though SUVs are now an integral part of the Indian passenger vehicle segment, intense competition, buyer fatigue, market maturity and saturation have slowed down sales in India. SUVs now have around 50% market share in the passenger vehicle segment in India. Maruti Suzuki is expected to launch 8 new SUVs by 2030, Hyundai is planning to launch 26 new models in next five years and a fair share of it would be SUVs. Around 70% of Hyundai's total volumes are contributed by SUVs. And not to forget, M&M and Tata Motors are gunning for a fair chunk of market share in one of the largest PV markets in the world. So If Maruti Suzuki wants to get back to its dream 50% market share, it has to get back to basics, the small car segment.