



Passenger Vehicle (PV) manufacturers plan to invest close to Rs 65,000 crore by the end of the 2025 fiscal year to increase production capabilities to meet growing demand.

It said the market's wholesale volumes are anticipated to reach an all-time high of 3.7-3.8 million units in FY23, an increase of 21-24% over the previous fiscal, and that PV demand has continued to be strong.

Rohan Kanwar Gupta, vice-President & sector head – corporate ratings, ICRA, said, "Multiple original equipment manufacturers (OEMs) have already announced an aggregate outlay in excess of Rs 25,000 crore towards capacity expansion for the next few fiscals.

Besides capex, auto component manufacturers are also expected to scale up their investments to support their customers." He added, "With OEMs budgeting for a substantial outlay towards new product development, including development of capabilities/dedicated platforms for electric vehicles, aggregate capex outlay for OEMs is likely to remain heightened at Rs 65,000 crore over FY2023-FY2025."

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