

# INDIAN AUTOMOBILE INDUSTRY – PASSENGER VEHICLES

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Healthy YoY retail and wholesale  
volume growth in April 2026

MAY 2026





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*Wholesale and retail volumes grew at a strong pace in April 2026 on YoY basis, with demand continuing to be supported by GST rate cuts, extended summer wedding season and healthy demand for newly launched models.*

*ICRA expects industry volumes to expand by 4-6% in FY2027, led by the likelihood of sustained demand momentum. The moderation in growth considers the elevated base of FY2026 and the weak monsoon outlook.*



**Wholesale volumes rose by 25% Year-on-Year (YoY)** to 4.4 lakh units in April 2026, as original equipment manufacturers (OEMs) continued steady production to cater to the robust domestic demand. On a sequential basis, wholesale dispatches remained steady. Retail sales recorded a strong YoY growth of 16% in April 2026, supported by the steady traction of newly launched models, extended summer wedding season and the sustained positive impact of the revised Goods and Services Tax (GST) rates. The retail volumes reduced on sequential basis from March 2026, supported by higher discounts to boost year-end volumes.



**Inventory levels remained low at 28-30 days in April 2026** from 50 days in April 2025 and 60 days as of September 2025, as per the Federation of Automobile Dealers Association (FADA), aided by stronger retail offtake. In FY2026, utility vehicles (UVs) accounted for 68% of the overall passenger vehicle (PV) volumes. While UVs continue to drive most of the volumes, volumes in the mini, compact and super-compact segments have recovered slightly after the GST rate cuts. The UV segment is likely to remain the key volume driver, though demand for passenger cars is also expected to go up.



**Export volumes rose by a healthy 13% in April 2026** on sequential basis. The growth indicates the increasing supply push from Indian OEMs. The upward trend continued with Maruti Suzuki India Limited maintaining its lead as the top exporter (49% market share in exports), followed by Hyundai Motor India Limited in FY2026.



**ICRA expects wholesale volume growth of 4-6% in FY2027** amid the anticipation of steady demand, aided by GST rate cuts and new model launches by the OEMs, partly offset by the elevated base of FY2026 and the weak monsoon outlook. The impact of the ongoing West Asia crisis on inflation and, in turn, demand sentiment remains a key monitorable.



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