

INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

Volumes increased by 16.5% YoY in
April 2026, driving a strong start to
FY2027

MAY 2026



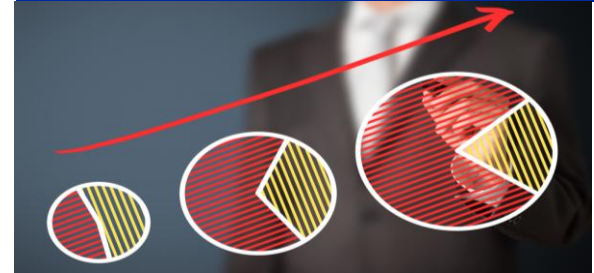
1 Trends in Domestic Commercial Vehicle Industry



2 Segment-wise Domestic Sales Trends



3 Trends in Market Share



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Domestic CV wholesale volumes witnessed a 16.5% YoY growth in April 2026, while retail volumes rose by 15.0% YoY, with GST rate cuts being the primary driver.

ICRA expects domestic CV wholesale volumes to register a moderate 4-6% YoY increase in FY2027, with the broadened base effect of FY2026 likely to have some bearing on growth momentum in FY2027.



The Indian commercial vehicle (CV)* wholesale volumes reported a healthy 16.5% year-over-year (YoY) growth in April 2026 while witnessing a sequential decline of 27.8%. The YoY growth was primarily driven by sustained demand stemming from the Goods & Services Tax (GST) rate cut to 18% from 28% with effect from September 22, 2025. The demand momentum was also supported by higher freight activities in the goods segment. Overall, the domestic CV retail volumes reported a healthy 15.0% YoY growth in April 2026, while recording a sequential decline of 3.1%.



Retail volumes in the medium and heavy commercial vehicle (M&HCV) segment witnessed a healthy growth of 11.8% on a YoY basis in April 2026 and a sequential increase of 0.6%. The volume growth momentum in the segment had picked up post the implementation of GST rate cuts and is also driven by infrastructure-led freight movement and school-bus replacement demand picking up ahead of the new academic year. The M&HCV segment reported a 10.1% YoY growth in retail volumes in FY2026.



Retail volumes in light commercial vehicle (LCV) segment in April 2026 grew by 17.8% on a YoY basis, with a sequential growth of 5.8%. Demand momentum for the LCV segment has also been positively impacted by the GST rate cuts on demand momentum, further supported by improved last-mile freight movement. Elongated financing turnaround time, however, remains one of the key challenges for this segment. LCV segment reported a 12.4% YoY growth in retail volumes in FY2026.



ICRA expects the domestic CV industry to register a moderate YoY growth of 4-6% in wholesale volumes in FY2027. While M&HCV (trucks) and LCV (trucks) segments are expected to witness a YoY volume growth of 1-3% and 6-8%, respectively, the buses segment is likely to see a 7-9% YoY growth over the fiscal. The broadened FY2026 base is likely to have some bearing on the growth momentum in FY2027.

*Note: ICRA considers aggregate of Mahindra & Mahindra Limited, Ashok Leyland Limited, SML Mahindra Limited, Tata Motors Limited and VE Commercial Vehicles Limited



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