



# INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

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**Volumes declined by 1.4% YoY in  
April 2025; modest recovery  
expected in coming months**

**MAY 2025**



# What's Inside...

## 1 Trends in Domestic Commercial Vehicle Industry



## 2 Segment-wise Domestic Sales Trends



## 3 Trends in Market Share



## 4 ICRA Ratings in the Sector





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*Domestic CV wholesale volumes saw a modest 1.4% YoY decline in April 2025, while the retail volumes witnessed a 1.0% YoY contraction.*

*ICRA expects Indian CV industry wholesale volumes to witness YoY growth of 3-5% in FY2026, aided by resumption of construction and infrastructure activities and steady economic environment.*



**The Indian commercial vehicle (CV) industry reported a 1.4% YoY decline in wholesale volumes in April 2025**, with a sizeable 30.2% sequential decline mainly due to the seasonality associated with volume offtake. CV retail volumes declined by 1.0% YoY during the month, while sequential decline was at 4.4%. Such trends reflect liquidation of inventory at the dealerships' end.



**In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes in April 2025 witnessed a minuscule decline of 0.2% on a YoY basis**, while reporting a sequential increase of 7.3%. The M&HCV (trucks) wholesale volumes are expected to register a modest 0-3% YoY growth in FY2026, after a 4.0% decline witnessed in FY2025.



**Retail volumes in light commercial vehicle (LCV) segment in April 2025 declined by 1.1% on a YoY basis**, and by 10.7% on a sequential basis, reflecting muted demand for the segment. The LCV (trucks) wholesale volumes are likely to register a limited 3-5% YoY growth in FY2026, with factors such as a high base effect and cannibalisation from electric three-wheelers (e3Ws) likely to play headwinds. Increasing preference for pre-owned vehicles over new vehicles in this segment has also impacted the demand in recent past.



**Overall, some recovery in demand was witnessed in the final months of the fiscal (FY2025) as macroeconomic activities were restored**, with continuation of the same likely to fuel a modest YoY volume growth in FY2026. The General Elections and its impact on infrastructure and construction activities had resulted in a muted demand for the domestic CV industry in H1 FY2025, with some recovery in volume offtake seen in the latter months of the fiscal.



**ICRA expects the domestic CV industry to register a modest YoY growth of 3-5% in wholesale volumes in FY2026** after witnessing a marginal 1.2% YoY decline in FY2025. While M&HCV (trucks) and LCV (trucks) segments are expected to witness modest YoY volume growth of 0-3% and 3-5%, respectively, in FY2026, the buses segment is likely to see a relatively higher growth of 8-10% YoY for the fiscal. While pick up in construction and mining activities, coupled with steady economic environment, will support the demand prospects for the LCV (trucks) and M&HCV (trucks) segments, replacement demand is likely to support volume growth for the buses segment



# ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice President & Group Head	<a href="mailto:jitinm@icraindia.com">jitinm@icraindia.com</a>	0124 – 4545 368
Kinjal Shah	Senior Vice President & Co-Group Head	<a href="mailto:kinjal.shah@icraindia.com">kinjal.shah@icraindia.com</a>	022 – 6114 3442
Mythri Macherla	Vice President & Sector Head	<a href="mailto:mythri.macherla@icraindia.com">mythri.macherla@icraindia.com</a>	022 – 6114 3435
Yashowardhan Swami	Senior Analyst	<a href="mailto:yashowardhan.swami@icraindia.com">yashowardhan.swami@icraindia.com</a>	020 – 6606 9923





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# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Neha Agarwal	Head – Research Sales	<a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohigt@icraindia.com">rohigt@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vinita Baid	Head Business Development – East	<a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	<a href="mailto:sanket.kulkarni@icraindia.com">sanket.kulkarni@icraindia.com</a>	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





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