



# INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

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**Wholesale volumes declined 3.8%  
YoY while retail volumes grew 6.6%  
YoY in June 2025**

**JULY 2025**



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*Domestic CV wholesale volumes saw a modest 3.8% YoY decline in June 2025, while retail volumes witnessed a 6.6% YoY growth. Domestic CV wholesale volumes reported a marginal 1.7% YoY decline in Q1 FY2026.*

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



**The Indian commercial vehicle (CV) wholesale volumes reported a modest 3.8% decline on a YoY basis in June 2025**, while growing by 1.7% sequentially. The domestic CV wholesale volumes declined 1.7% YoY in Q1 FY2026 owing to weak demand. CV retail volumes reported a 6.6% YoY growth in June 2025, hinting at inventory liquidation at the dealerships. The domestic CV retail volumes saw a modest 3.0% sequential decline for the month.



**In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes in June 2025 witnessed a modest growth of 3.4% on a YoY basis**, while reporting a moderate sequential decline of 7.4%. While early arrival of monsoons had a bearing on CV retail volumes in June 2025, the narrow volume base of June 2024 due to General Elections led to the said YoY growth in volumes. ICRA expects the M&HCV (trucks) wholesale volumes to register a 0-3% YoY growth in FY2026.



**Retail volumes in light commercial vehicle (LCV) segment in June 2025 increased by 8.8%** on a YoY basis, and remained flattish on a sequential basis, reflecting steady demand for the segment. The LCV (trucks) wholesale volumes are likely to register a limited 3-5% YoY growth in FY2026. Cannibalisation from the electric three-wheelers (e-3W) segment and increasing preference for pre-owned vehicles over new vehicles in this segment are few of the headwinds for this segment.



**Domestic CV industry likely 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.



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