



# INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

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**Wholesale volumes improved in July 2025 with a 6.1% YoY growth while retail volumes remained flattish YoY**

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*Domestic CV wholesale volumes witnessed a moderate 6.1% YoY growth in July 2025, while retail volumes witnessed a marginal 0.2% YoY growth. Domestic CV wholesale volumes reported a miniscule 0.1% YoY growth in 4M FY2026.*

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



**The Indian commercial vehicle (CV) wholesale volumes reported a moderate 6.1% YoY increase in July 2025**, with a 2.7% sequential decline. This is a recovery post the 1.7% YoY decline in the domestic CV wholesale volumes in Q1 FY2026, which was impacted by weak market sentiments and regional geopolitical situations impacting demand, mainly in the northern and eastern regions. CV retail volumes reported a marginal 0.2% YoY growth in July 2025 while registering 4.2% sequential increase for the month.



**In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes saw a slight decline of 0.2% on a YoY basis in July 2025**, while reporting a moderate sequential growth of 6.0%. While weak market sentiments had a bearing on CV retail volumes in July 2025, weak volume base of July 2024 due to the General Elections restricted the YoY decline in volumes to an extent. ICRA forecasts the M&HCV (trucks) wholesale volumes to register a 0-3% YoY growth in FY2026.



**Retail volumes in light commercial vehicle (LCV) segment increased by 0.5% on a YoY basis in July 2025** while reporting a modest sequential growth of 3.0%, 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 a few of the headwinds for this segment.



**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 see 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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