



INDIAN TRACTOR INDUSTRY

**Tractor wholesale and retail volumes
grew by 28% and 30% respectively in
August 2025**

SEPTEMBER 2025





Click to see full report

The wholesale volumes reported a growth of 28.2% YoY in August 2025 and 11.7% YoY in 5M FY2026.

Wholesale volumes are estimated to grow at a moderate pace of 4-7% in FY2026. The growth is likely to remain backed by above-normal monsoons, which is expected to support agricultural production.



- **Tractor demand remained strong in August 2025:** The tractor wholesale and retail volumes rose by 28.2% YoY and 30.1% YoY, respectively, in August 2025 on account of positive farmer sentiments and adequate monsoons. The recent GST rate cut on tractors to 5% is expected to support demand, particularly during the upcoming festive season.



- **Favourable monsoon to support agricultural activities and industry volumes:** With early onset of monsoon, the country has received above-normal rainfall at 108% of the long period average (LPA) till September 17, 2025. As of September 12, 2024, India's kharif sowing exceeded the normal sown area, driven by healthy precipitation across most regions of the country. The third Advance Estimates for kharif and rabi crop for AY2024-25* indicate a YoY increase of 7.9% and 4.5%, respectively, in the foodgrain output over the final estimates for AY2023-24.



- **Tractor volumes likely to report moderate growth in FY2026:** Following a growth of 7% in FY2025, the industry is expected to report a growth of 4-7% in FY2026, supported by favourable monsoons. Pre-buying ahead of the TREM V emission norms, proposed to take effect from April 1, 2026, could further aid volume growth.



- **Tractor original equipment manufacturers (OEMs) maintain strong credit profiles:** The margins of tractor manufacturers are likely to remain healthy, aided by expected rise in volumes, operating leverage and stable raw material costs. The credit profile of the manufacturers is anticipated to remain supported by a rise in volumes, low debt and adequate cash and liquid investments.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice President & Group Head	jitinm@icraindia.com	0124 – 4545 368
K. Srikumar	Senior Vice President & Co-Group Head	ksrikumar@icraindia.com	044 – 4596 4318
Rohan Gupta	Vice President & Sector Head	rohan.kanwar@icraindia.com	0124 – 4545 808
Astha Bansal	Senior Analyst	astha.bansal@icraindia.com	0124 – 4545 342





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!