



# INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

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**Wholesale volumes improved with  
6.0% YoY growth in August 2025,  
while retail volumes grew 3.2% YoY**

**September 2025**



# What's Inside...

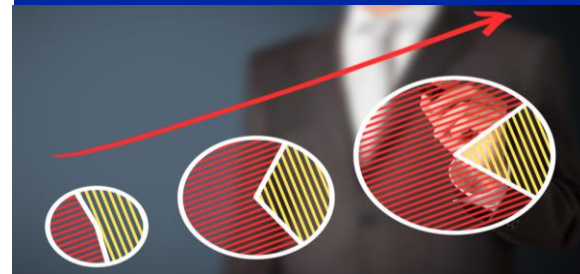
## 1 Trends in Domestic Commercial Vehicle Industry



## 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 witnessed a 6.0% YoY growth in August 2025, while retail volumes witnessed a 3.2% YoY growth. CV retail volumes in August 2025 were impacted to a certain extent by the impending reduction in the goods & services tax (GST) rates, leading to deferment of purchases by the fleet operators. Domestic CV wholesale volumes reported 1.3% YoY growth in 5M FY2026.*



**The Indian commercial vehicle (CV) wholesale volumes reported a moderate 6.0% YoY increase in August 2025**, with a 4.1% sequential growth. CV retail volumes reported a 3.2% YoY growth in August 2025, with the relatively lower YoY growth compared to wholesale volumes hinting at inventory build up at the dealerships. The domestic CV retail volumes saw a modest 1.1% sequential decline for the month.



**In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes witnessed a decent increase of 9.2% on a YoY basis in August 2025**, while recording a sequential decline of 3.9%. While early onset and extended period of monsoons had a bearing on demand in recent months, a gradual recovery is envisaged, going forward, as construction and infrastructure activities pick up. ICRA forecasts the M&HCV (trucks) wholesale volumes to register a 0-3% YoY growth in FY2026.



**Retail volumes in the light commercial vehicle (LCV) segment in August 2025 increased by 8.2% on a YoY basis** while reporting a marginal sequential growth of 0.8%. 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.



**ICRA expects the domestic CV industry to register a YoY growth of 3-5% in wholesale volumes in FY2026** after witnessing a marginal 1.2% YoY decline in FY2025. While the 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 bus segment is likely to see a relatively higher growth of 8-10% YoY for the fiscal. The 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. The replacement demand is likely to support volume growth for the bus segment.



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