



INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

**Wholesale volumes reported a healthy
11.9% YoY growth in September 2025,
while retail volumes grew 2.7% YoY**

October 2025



What's Inside...

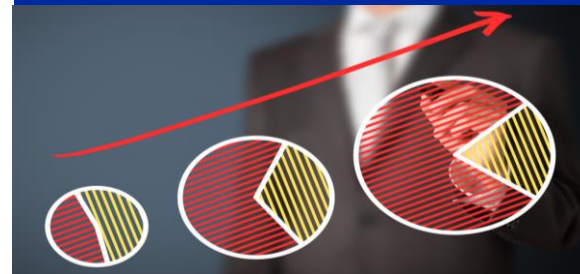
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Domestic CV wholesale volumes saw a healthy 11.9% YoY growth in September 2025, while retail volumes reported a 2.7% YoY growth. Overall, domestic CV wholesale volumes reported a 3.2% YoY growth in H1 FY2026.

ICRA forecasts the CV industry wholesale volumes to witness growth of 3-5% in FY2026, aided by the pick-up in construction and infrastructure activities and a steady economic environment.



The Indian commercial vehicle (CV) wholesale volumes reported a robust 11.9% YoY increase in September 2025, with a 19.4% sequential growth, partially aided by the rationalisation of the goods & services tax (GST) to 18% from 28% with effect from September 22, 2025. The domestic CV wholesale volumes expanded by 3.2% YoY in H1 FY2026 supported by progress in execution of infrastructure projects and a revival in logistics activity.



In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes in September 2025 saw a contraction of 2.2% on a YoY basis, while recording a sequential decline of 5.8%. This was primarily on account of speculation around GST rationalisation, leading to deferment of purchases by the fleet owners and limited billing days, post-GST reform. The M&HCV (trucks) wholesale volumes reported a marginal 1.3% YoY growth in H1 FY2026 and are expected to register a 0-3% YoY growth in FY2026.



Retail volumes in light commercial vehicle (LCV) segment in September 2025 grew by 6.0% on a YoY basis, while reporting a sequential decline of 3.8%, mainly due to sales deferment, ahead of the GST rationalisation. The LCV (trucks) wholesale volumes are likely to register a limited 3-5% YoY growth in FY2026, with a moderate 5.1% YoY growth reported in H1 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 likely to see modest YoY volume growth of 0-3% and 3-5%, respectively, in FY2026, the buses segment may 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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