Auto sector retail sales register 28.6% growth in July: Report

RIDING HIGH

- Two wheeler sales registered 31% growth YoY
- PV sales have gone up by 20.6% due to strong demand of SUVs
- Commercial vehicle sales recorded 27.3%
- Three wheeler sales have gone up by 18.1%

NEW DELHI

INDIA's automotive retail sales rose 28.6 per cent year on year in July 1–23, with all segments expanding compared with the same period last year, a report said on Friday. The report from Choice Institutional Equities said two wheeler sales grew 31 per cent YoY, while passenger vehicle sales rose 20.6 per cent YoY, driven by strong demand in the SUV and passenger car segments.

Commercial vehicle sales recorded 27.3 per cent YoY growth, while three wheeler sales grew 18.1 per cent.

The tractor segment was up 36.8 per cent YoY, the report added. "Overall, we expect the industry to report strong growth in July 2026, supported by a low base in July 2025, steady consumer sentiment, recent model launches, strong EV adoption, softer interest rates and improved affordability following GST rationalisation," the report said. It added that outlook for subsequent months is positive supported by strong demand, lower base for August–September 2026 and the festival-led demand support in the second half of Q2FY27.

The firm noted that historically, for July, the last eight days have accounted for roughly 25–28 per cent of the month's volume. India's auto and auto ancillaries sector is expected to see operating revenue to grow by around 8 per cent in FY27, another recent report said. The report from Brickwork Ratings said the sector is entering a new investment cycle with Rs 703 billion of projects scheduled for commissioning between FY27 and FY29.