

Car sales zoom 26% in Dec on GST cut, year-end rush

But full-year growth lags Dec surge as demand picked up only after rate cut

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New Delhi, 1 January

Domestic passenger vehicle (PV) wholesales jumped 25.8 per cent year-on-year (Y-o-Y) to 405,000 units in December, driven by sustained demand after the goods and services tax (GST) rationalisation in September and buyers advancing purchases ahead of annual price hikes by automakers in January.

For calendar year 2025, domestic PV wholesales rose 5.7 per cent Y-o-Y to record 4.55 million units.

Growth for the full year lagged the December surge as demand stayed muted in the first half and picked up only after the GST rate cut, said Partho Banerjee, senior executive officer (marketing and sales) at Maruti Suzuki India (MSIL), during a video press conference.

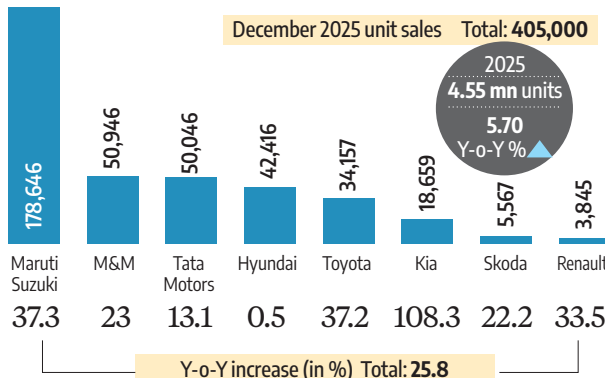
MSIL, the country's largest carmaker, reported a 37.3 per cent Y-o-Y rise in domestic PV wholesales to 178,646 units in December. Sales in the mini segment, comprising Alto and S-Presso, nearly doubled to 14,225 units.

In September, Maruti rolled out a "strategic pricing" initiative that cut prices by more than the effective GST rate reduction to revive demand in the mini



In the fast lane

Domestic passenger vehicle sales



Note: Total includes other carmakers

Source: Companies

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- SUVs lead PV retail sales in 2025
- e2W registrations jump 27.5% in December

segment. The programme, which ran until December 31, is now under review.

Banerjee said the company

was evaluating whether to extend the initiative in the coming weeks as demand, particularly for mini cars, re-

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In second full month of GST 2.0, net collections rise 2.2%

Net revenues from the goods and services tax (GST) inched up 2.2 per cent year-on-year in December 2025 to ₹1.45 trillion, without factoring in GST compensation cess receipts, marking the lowest receipts from the indirect tax since December 2024.

■ UPI clocks 21.6 billion transactions in December

mains strong.

"In mini cars, we have about one-and-a-half months of pending bookings. Customers are keen to purchase vehicles at older prices. We will soon decide whether to revert to GST rate cut-equivalent pricing or continue with strategic pricing," he said.

MSIL is also reconfiguring its production lines to meet higher demand for mini cars, partly by trimming output in other segments. "Every customer is important to us. Production constraints exist, and we are trying to balance them," Banerjee said. Turn to Page 7

Sustained GST 2.0 demand spurs 26% rise in car sales

Despite the revival in small-car demand, the share of SUVs in total industry wholesales continued to rise in calendar year 2025, increasing to 55.8 per cent from 53.8 per cent a year earlier. From September 22, small cars — less than four metres in length with engines up to 1,200 cc for petrol and 1,500 cc for diesel — attract 18 per cent GST, down from an earlier rate of 29-31 per cent, including cess. Under the new GST rates, larger cars are taxed at 40 per cent, from an earlier rate of about 50 per cent. The Centre has also withdrawn the compensation cess.

MSIL exported 395,000 vehicles in 2025, up over 21 per cent Y-o-Y, the company said on Tuesday. The automaker shipped 18 models to more than 100 countries and began exports of its first battery electric vehicle, the e-Vitara, sending over 13,000 units to 29 markets — mainly in Europe — since August. Mahindra & Mahindra ranked second in domestic PV sales in December, selling 50,946 units, up 23 per cent Y-o-Y.

Tata Motors Passenger Vehicles (TPMV) ranked third, with domestic PV sales growing 13.1 per cent to 50,046 units. Shailesh Chandra, managing director and chief executive officer of TPMV, said 2025 saw steady progress for the PV industry, powered by a growing preference for SUVs and accelerating adoption of cleaner, emission-friendly powertrains. “December was another standout month as we continued our growth trajectory... At the same time, our retail sales significantly exceeded wholesales, driving dealer inventory down to 18 days, and underscoring our strategic focus on demand-led growth and prudent channel health management,” Chandra noted. TPMV remains confident about industry growth. “With deliveries of recently introduced products commencing in Q4 (of FY26) and an exciting pipeline of launches and innovations on the anvil, Tata Motors is well poised to accelerate its growth trajectory in FY26,” he concluded.