

# Auto sales raced to record 2.61 million units in April: Fada

GST 2.0 boost and rural tailwinds kept growth on track

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Automobile retail sales hit a record high in April, with 2.61 million units sold — a 12.94 per cent rise over the same month last year. This was largely driven by rural India outpacing urban markets, carrying forward the momentum from Goods and Services Tax (GST) 2.0.

Five of the six vehicle categories — two-wheeler/2W (13 per cent), three-wheeler (7 per cent), passenger vehicle/PV (12 per cent), commercial vehicle/CV (15 per cent), and tractor (23.22 per cent) — posted record April sales, according to data from the Federation of Automobile Dealers Associations (Fada). Only construction equipment segment declined by 2 per cent.

“With this momentum, we expect double-digit growth in 2026–27. The drivers include improved affordability after GST 2.0, the Reserve Bank of India’s supportive rate stance translating into better equated monthly instalment comfort, and a strong marriage season pipeline,” said Sai Giridhar, vice-president, Fada.

“This underlines that the structural demand momentum seen in the second half of 2025–26 (FY26) has carried into the new financial year. The 3 per cent sequential softness reflects the usual post-March seasonal reset rather than any weakening in demand,” he added.

PV retail sales stood at 407,355 units in April, up 12.21 per cent year-on-year (Y-o-Y) — the highest ever for the month. Rural PV sales grew 20.4 per cent, nearly 3x the urban



## Retail sales surge

Category wise retail vehicle sales in India for April 2026 (in units)

Category	Apr'26	M-o-M chg%	Y-o-Y chg %
Two-wheelers	19,16,258	-1.78	13.01
Three-wheelers	1,06,908	-2.61	7.19
Passenger vehicles	4,07,355	-7.45	12.21
Tractors	75,109	-8.49	23.22
Construction equipment	6,348	-8.08	-2.25
Commercial vehicles	99,339	-3.12	15.02
Total	26,11,317	-3.01	12.94

Source: Fada Research

growth rate of 7.11 per cent.

This points to a broader shift in personal mobility towards Tier-III and rural markets, supported by a revival in small cars, steady demand for sport utility vehicles, and a more diverse powertrain mix. Compressed natural gas vehicles held a 22.62 per cent share, while electric vehicles (EVs) rose to 5.77 per cent. PV inventory levels edged up to 28-30 days, remaining within a healthy band.

2W sales continued to show strength, reaching 1.9 million units — the highest-ever April figure for the category. Growth remained broad-based, with urban markets expanding 14.07 per cent and rural markets 12.3 per cent Y-o-Y. Dealers credited this to improved rural liquidity following a strong rabi season.

EV penetration in 2Ws eased to 7.76 per cent in April from 9.79 per cent reading in March, which had been amplified by pre-buying activity ahead of the expiry of certain mass-segment EV incentives. However, it remained above the FY26 average of 6.5 per cent.

CV sales rose 15.02 per cent Y-o-Y to 99,339 units in April. Rural markets grew 20.25 per cent, compared to 10.22 per cent in urban areas, indicating that logistics-led demand is no longer concentrated in metros.

“Dealers reported steady freight movement, infrastructure-linked goods activity, school bus replacement demand, and sustained confidence among single-owner operators as principal drivers,” Giridhar said.