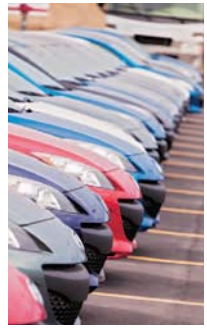
2026 set for record auto sales: Fada

SHINE JACOB
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India is all set to cross the 30 million mark in automobile retail sales for the first time in history, potentially touching 32 million in 2026 and posting double-digit growth over the 28.2 million clocked in 2025, the Federation of Automobile Dealers Associations (Fada) said on Friday. This was mainly due to strong macroeconomic and policy support, including the GST 2.0 reforms.

Passenger vehicles (PVs) may also cross a record 5 million units for the first time in a calendar year, with forecasts pointing towards a final tally of nearly 5.3 million units. "We are going to cross 30 million for the first time, and the industry reached cumulative retail sales of 26.6 million units by the end of October," Fada President Sai Giridhar said.

"Driven by strong festival sentiment surrounding Dhanteras and Diwali, along with a steady monthly run rate of approximately 2.66 million units this year, industry experts project that November and December will comfortably push full-year volumes beyond the 30 million mark to settle around 32 million units," he added. Fada indicates that GST 2.0 reforms and tax rationalisation have bolstered consumer purchasing power across urban and semi-urban markets.



But Oct ride was bumpy

Auto retail sales

Category	Oct '26 (units)	Y-o-Y chg %
2-wheelers	2,321,419	-28.35
PV*	507,768	-14.23
CV**	115,140	2.29
3-wheelers	141,420	3.97
Tractors	79,285	3.10
Wheeled CE	7,434	22.07
Total	**3,172,466**	**-23.80**

*Passenger vehicles, **Commercial vehicles, CE: Construction equipment, Source: Fada Research

Oct sales decline on high base

This comes as retail sales declined 23.8 per cent year-on-year (Y-o-Y) to 3.2 million units in October 2026. The drop is primarily due to an unusually high base last year, when Navratri and Diwali both fell in October, combined with the pent-up demand released after the GST 2.0 rate cuts on September 22.

Despite the higher base impact, October recorded the second-highest vehicle retail sales for the month, showing a 25 per cent month-on-month (M-o-M) rise versus September, indicating stable festive demand, said data shared by Fada.

Reflecting the trend, even after recording the third-best October performance, PV sales dipped 14 per cent to 507,000 units compared to September 2026. However, PV sales improved 19 per cent Y-o-Y. The festival season and a rise in rural demand also helped two-wheelers, which achieved the second-best monthly sales of 2.32 million, down 28 per cent versus October last year and up 29 per cent M-o-M. More importantly, commercial vehicles (CVs), three-wheelers (3Ws) and tractors posted their best ever October sales, moving up by 2.3 per cent to 115,000 units, 4 per cent to 140,000 units, and 3 per cent to 79,285 units, respectively.

"The sharpest falls are precisely in the most Diwali-dependent pockets — rural two-wheelers, down 34 per cent against urban's 21 per cent, and the Northern markets — the very segments and regions our dealers there now expect to lead in November. To our mind, this is the signature of demand deferred by the festival calendar, not demand destroyed: the rural, two-wheeler-led buying that powered last October is set to land in this year's November print," said Giridhar.

Wheeled construction equipment recorded the strongest growth, rising 22.07 per cent to 7,434 units. "Regarding passenger vehicles, our pressing concern is inventory: against record wholesale dispatches from manufacturers, passenger vehicle channel stock held at around 43-45 days — unchanged from September. With the Dhanteras-to-Diwali retail wave now under way, we expect inventory to fall back to the 30-day range by the end of 2026," Giridhar added.

EV sales hit all-time high

Electric vehicle (EV) retail sales emerged as a major bright spot, touching an all-time high of 355,000 units in October, up 45 per cent from a year earlier. EV penetration increased to around 11.5 per cent of total vehicle retail sales, compared with about 6 per cent last year — a best ever October for electric two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles alike.

"Demand ran ahead of supply this month," he said.