

# Construction equipment sales fall 13% in FY26 on project delays, weak execution: FADA

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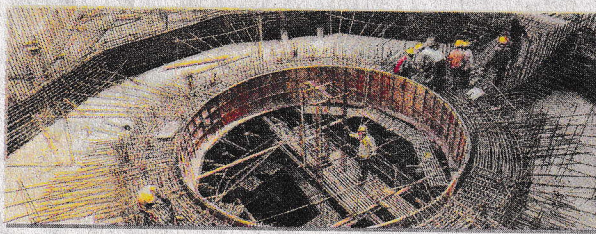
The construction equipment (CE) segment emerged as the only laggard in the automobile retail market in FY26, even as all other segments posted growth, according to data from the Federation of Automobile Dealers Associations (FADA).

CE retail sales declined 13 per cent year-on-year to 71,227 units in FY26, compared with 80,668 units in the previous year, reflecting a broad-based slowdown across the sector.

FADA President CS Vigneshwar attributed the decline to multiple factors, including project-level delays, a high base effect, delays in mining licences and the impact of unseasonal rains. He said that it was in FY26 that FADA, for the first time, released separate retail data for the CE segment, which was earlier clubbed with commercial vehicles.

## SHARP DECLINE

Market leader JCB India Ltd



## Sales retreat

	(in units)			
	FY25	Market share (%)	FY26	Market Share (%)
JCB India Ltd	39,782	49.3	34,632	48.6
Action Construction Equipment	9,258	11.5	7,416	10.4
Ajax Engineering	4,984	6.2	4,622	6.5
Escorts Kubota Ltd (CE)	5,474	6.8	4,556	6.4
Tata Hitachi Construction Machinery	1,943	2.4	1,934	2.7

Source: FADA

saw its retail sales fall 15 per cent to 34,632 units, with its market share slipping marginally to 48.62 per cent from 49.32 per cent a year earlier.

The second-largest player, Action Construction Equipment Ltd, reported a sharper 25 per cent decline, while Ajax Engineering Ltd, ranked third, saw volumes drop 8 per cent. Interestingly, Ajax Engineering has overtaken Escorts Kubota (CE) to take the third spot in FY26.

Among the 14 OEMs

tracked by FADA, only three companies — Bull Machines Pvt Ltd, All Terrain Crane, and Liugong India — registered growth, albeit on a low base.

P Parthiban, Managing Director of the Coimbatore-based Bull Machines, said the market remains volatile, with capital-intensive buying decisions being deferred amid weak sentiment influenced by global factors such as US tariff concerns and geopolitical tensions. He ad-

ded that despite the downturn, the company did well last fiscal and have room to grow through operational efficiency.

## KEY FACTORS

Poonam Upadhyay of Crisil Ratings highlighted that FY26 volumes were impacted by slower project execution and a high base created by pre-buying in FY25 ahead of the rollout of CEV Stage V emission norms in January 2025, which increased equipment costs.

She added that the roads sector, accounting for nearly 40 per cent of CE demand, had seen slower project mobilisation and execution.

Unseasonal rain and delays in residential real estate clearances, particularly in Maharashtra and Karnataka, had further dampened demand.

Additionally, unlike automobiles and tractors that benefited from GST rate cuts, CE continues to be taxed at 18 per cent, limiting price-driven demand support and keeping ownership costs elevated, she said.