

PV dispatches up 20.6% in Q3 on strong UV demand

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India's passenger vehicle (PV) industry has achieved a rare feat — witnessing the strongest-ever performance in calendar year 2025 as well as in Q3FY26. This was owing to a decisive recovery in consumer demand aided by policy support, improved affordability and festival-led buying momentum.

According to data released by the Society of Indian Automobile Manufacturers (Siam), PV domestic wholesales in October–December 2025 rose to an all-time high of 1.27 million units, a 20.6 per cent growth over the same quarter last year. This made Q3 the highest-selling quarter for PVs, driven by strong traction across utility vehicles (UVs), passenger cars and vans during the festival season. The robust third-quarter performance also lifted calendar-year volumes to a new peak.

PV dispatches during January–December 2025 stood at 4.49 million units, up 5 per cent year-on-year (Y-o-Y), with Q3 accounting for a disproportionately large share of the annual off-take.

Commenting on the calendar year 2025 performance, Siam president Shailesh Chandra said the year turned out to be a “landmark year for the Indian automobile industry,” despite a subdued first half and ongoing supply-side challenges.

He added that a series of structural policy measures — including income tax relief, successive repo rate cuts and the rollout of goods and services tax (GST) 2.0 — helped create a favourable demand environment.

“The reduction of GST rates made vehicles more affordable and injected fresh momentum into the sector,” Chandra said, adding that growth during the year was broad-based across segments. Passenger vehicles grew 5



In the fast lane

Segment	Jan-Dec '25	Change (in %)
PV	4,489,717	5.0
CV	1,027,877	7.7
3 Wheelers	788,429	8.2
2 Wheelers	20,500,639	4.9
Total	26,806,670	5.1

Note: BMW, Mercedes, JLR & Volvo Auto data are not available. Daimler data is not available.

Source: SIAM

per cent to around 4.5 million units, commercial vehicles rose 7.7 per cent to 1 million units, and three-wheelers increased 8.2 per cent to 788,000 units, while two-wheeler sales crossed the 20-million mark for the second time at 20.50 million units, growing 4.9 per cent Y-o-Y.

Meanwhile, Siam director general Rajesh Menon said all vehicle segments posted their “highest-ever sales of Q3,” supported by double-digit growth across categories.

A closer look at the passenger vehicle mix shows that UVs continued to be the primary growth driver during the quarter as well as over the calendar year. UV sales in Q3 of FY26 rose 20.9 per cent Y-o-Y to 852,498 units, marginally outpacing the growth in passenger cars.

Passenger cars, meanwhile, recorded a 20.5 per cent growth in Q3 to 381,226 units, supported by improved affordability following goods and services tax (GST) rate cuts and lower financing costs. Passenger cars accounted for almost a third of the October–December PV sales. However, on a calendar-year basis, passenger car volumes remained largely flat, growing just 0.6 per cent during January–December 2025.

In contrast, UV sales grew 7.4 per cent over the same period, reinfor-

cing their role as the growth backbone of the PV segment even beyond the festival quarter.

For the calendar year, UVs accounted for 65 per cent of overall PV sales (see chart).

Industry executives attributed the surge to a confluence of demand-side enablers. Improved affordability following the GST rate reduction, benefits from personal income tax relief, and successive repo rate cuts by the Reserve Bank of India (RBI) helped lower financing costs and revive discretionary spending. This was further supported by a renewed sense of consumer optimism during the festival quarter.

Exports added another layer of strength to the PV story. Passenger vehicle exports during Q3 of FY26 touched a record 225,046 units, registering a 11.7 per cent growth over the year-ago period. For the full calendar year, exports climbed to an all-time high of 863,000 units, up 16 per cent compared to 2024.

Other automotive segments also reported healthy growth in the quarter. Two-wheeler domestic sales during October–December 2025 rose to 5.69 million units, up 16.9 per cent Y-o-Y, driven by strong scooter demand and a gradual recovery in entry-level motorcycles.