

Used cars may outpace new ones in sales in FY26

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The used-car market in India is expected to expand 8–10 per cent in 2025-25 (FY26), more than double the projected growth for new car sales.

The total used-car volume is likely to surpass 6 million units in FY26, according to a report by Crisil Ratings, driven by affordability concerns, growing digital platforms, and improved financing access.

The used-to-new car sales ratio has increased to 1.4 from less than 1 five years ago. The market value of these used cars is estimated to be around ₹4 trillion, nearly matching that of new car sales.

Crisil's analysis of six organised used-car companies — including CarDekho, Cars24, CarTrade, Spinny, Mahindra First Choice, and OLX-backed platforms — shows that revenue growth is expected to help players break even at the operating level in the next 12–18 months. Until then, liquidity and timely fundraising will be critical, especially as most companies are still incurring cash losses due to high operating costs tied to logistics, refurbishment, and customer acquisition.