

# After two muted years, CVs aim to hit 1 mn sales in FY26

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**COMMERCIAL VEHICLE (CV)** volumes for the March quarter grew by 1.5% year-on-year — a modest performance that the manufacturers had been hoping for.

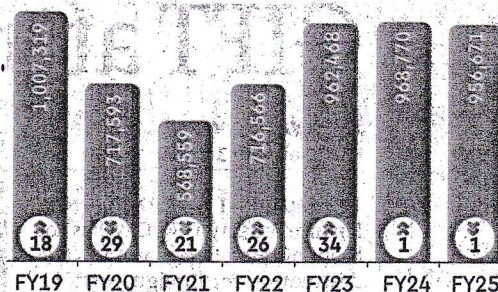
In FY25, the CV segment recorded its first annual fall in four years, effectively paving the way for an upcycle in demand for trucks and buses.

Auto makers have recorded an improvement in buyers sentiment for CVs stemming from better freight rates and pick up in mining and infrastructure activities in recent weeks. After ending FY25 at 0.95 million, the segment is expected to breach the 1 million volume milestone this year, as per Crisil Ratings.

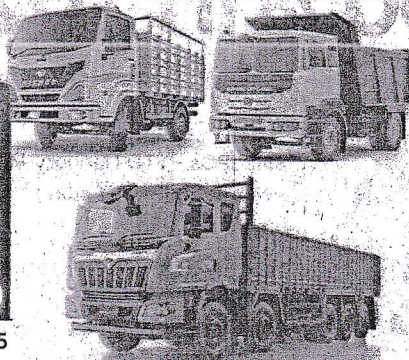
Girish Wagh, executive director, Tata Motors said, "The sentiment index has gone up for heavy tippers. We should see single-digit growth across all the segments for FY26; slightly better growth for HCV (heavy commercial vehicles) and buses. Q2 should see better

## IMPROVED SENTIMENT

Domestic sales ■ Volume ▲ % change



Source: SIAM



growth on a y-o-y basis."

Speaking to analysts post the March quarter earnings, Wagh added, "Freight rates have improved in Q4 by 1-2% which is supported by better utilisation (2-5% higher), due to good commodity movement, stable agriculture produces and seasonal demand for white goods. There is good mining and infrastructure activity also."

Since FY25 has been the second consecutive year of muted

performance in the CV segment, trucks and buses makers are expecting vehicle replacement demand to kick in during FY26, aided by restart of some old government funded projects which had remained static. CVs had grown by 0.6% in FY24 and fell by 1.2% in FY25.

"Infrastructure projects are already coming back on track and this segment generates large demand. The CV segment is cyclical and FY26 has begun

positively after two years of muted growth," said a top official of a CV company.

Accelerating infrastructure execution, replacement demand and policy support from the PM-eBus Sewa scheme will drive up the domestic commercial vehicle (CV) sales volume to ~1 million units this fiscal, reclaiming the pre-pandemic peak logged in fiscal 2019, said a report by Crisil.