

Auto sector expects to close FY26 on a positive note amid geopolitical concerns

SENTIMENT SHIFT. Domestic sales in Q2 get a boost from GST 2.0 and festival mood, according to SIAM

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The automobile industry on Wednesday said the sector expected to close the fiscal year in a positive growth trajectory, while it remains watchful of geopolitical developments.

The rollout of GST 2.0 reforms, coupled with income-tax relief to common taxpayers is expected to sustain buying interest across all vehicle segments through the festive and post-festive months, Society of Indian Automobile Manufacturers (SIAM) said. The Indian automobile industry recorded its best-ever sales of September for PVs, 2Ws and 3Ws, said SIAM.

"In spite of the new GST rates coming into effect from September 22, only for 9 days of the month, passenger vehicles (PVs), two-wheelers (2Ws) and three-wheelers (3Ws) have already posted their highest-ever sales of



Q2 show

	2024-25	2025-26	% change
Passenger vehicles	10,55,137	10,39,200	-1.5
Commercial vehicles	2,21,463	2,39,781	8.3
Three-wheelers	2,08,718	2,29,239	9.8
Total two-wheelers	51,79,349	55,62,077	7.4

September. In addition, very strong exports growth, in all segments in Q2, indicates the growing brand acceptance on Indian-made vehicles. Looking ahead, the outlook for the sector remains encouraging on the

back of key tailwinds," Shailesh Chandra, President, SIAM, said.

LANDMARK DECISION

The GST 2.0 reform is a landmark decision of the government which, apart from cata-

pulating the Indian auto industry to the next level, would bring in vibrancy in the entire economy, as this industry is closely intertwined with strong forward and backward linkages, he added.

The Indian automobile industry enters the second half (H2) of FY26 with renewed cheer, supported by strong festival season momentum, stable macroeconomic conditions and GST 2.0 reforms that have improved overall affordability and consumer sentiment, SIAM said.

On monthly domestic wholesales (dispatches to dealers), SIAM reported that the total PV sales grew 4.4 per cent year on year to 3,72,458 units during September, against 3,56,752 units in the corresponding month last year.

Similarly, the 2W sales grew 6.7 per cent to 21,60,889 units (20,25,993 units). While the motorcycle sales grew 5.8 per cent to 13,73,750 units (12,98,610

units), the scooter sales grew 9 per cent to 7,33,391 units (6,72,414 units).

The total 3W sales grew 5.5 per cent to 84,077 units (79,683 units).

PV SALES DECLINE

In terms of quarterly numbers, the total PV sales in the second quarter (Q2) declined 1.5 per cent to 10,39,200 units (10,55,137 units).

However, 2W sales grew 7.4 per cent to 55,62,077 units (51,79,349 units). Motorcycle sales grew 5 per cent to 33,70,495 units (32,09,965 units) and scooters sales grew 12.4 per cent to 20,59,957 units (18,32,306 units), the SIAM report indicated.

Total commercial vehicles grew 8.3 per cent to 2,39,781 units (2,21,463 units). Total 3W sales grew 9.8 per cent to 2,29,239 units (2,08,718 units). The grand total of all vehicles sales grew 6 per cent to 70,70,29 units (66,64,695 units).