

Car sales hit top gear on festival push

Up 15-35% during Navaratri-Diwali period

SHINE JACOB

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India's leading automobile manufacturers have recorded their best Diwali season ever, driven by recent goods and services tax (GST) reforms, repo rate relief, and buoyant consumer sentiment during the festival period from Navaratri to Diwali.

According to initial industry estimates, passenger-vehicle makers have seen between 15

per cent and 35 per cent sales growth during this period.

Industry major Maruti Suzuki on Saturday reported 450,000 bookings during the festival period, with retail sales touching a record 325,000 units. Tata Motors on Tuesday said it delivered over 100,000 vehicles, a 33 per cent increase over last year, while Hyundai Motor India saw retail sales surge 30 per cent year-on-year (Y-o-Y), averaging around 2,500 cars a day.

According to C S Vigneshwar, president of the Federation of Automobile Dealers Associations (Fada), this season could deliver record sales once the final numbers are out. At Tata Motors Passenger Vehicles, the growth momentum was led by the sport utility vehicle segment. Turn to Page 6 ►

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■ Modi lists GST 2.0 decision among historic achievements

satisfaction with stable pricing, which encouraged sustained festival spending.

Khandelwal said the non-corporate, non-agriculture sector (comprising over 90 million small businesses and millions of manufacturing units) continues to serve as the main engine of India's growth.

Diwali trade activity this year created 5 million temporary jobs across logistics, packaging, transport, and retail services. Rural and semi-urban India accounted for about 28 per cent of total trade, indicating deeper economic participation beyond metros.

The report said that the sales

momentum was likely to continue through the winter, wedding, and forthcoming festival season starting mid-January.

It recommended simplifying GST compliance and improving credit access for small traders and manufacturers. Other suggestions included developing logistics and warehousing hubs in Tier-II and -III cities, promoting low-MDR digital payments and market digitisation, strengthening traffic, parking, and urban market infrastructure, and continuing the "Swadeshi" promotion through coordinated trade-government initiatives..

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The Nexon, India's bestselling car in September 2025, recorded over 38,000 retail sales, up 73 per cent Y-o-Y, while the Punch clocked 32,000 units, a 29 per cent rise.

"Our electric vehicle portfolio, too, has shown strong traction, with over 10,000 EVs retailing during this period, up 37 per cent Y-o-Y," said Shailesh Chandra, managing director and chief executive officer, Tata Motors Passenger Vehicles. "Our full portfolio of cars and SUVs has supported this surge further, reinforcing our strategic commitment to product leadership, market relevance, and delivery excel-

lence in this pivotal festive window."

Maruti Suzuki also witnessed its best ever Dhanteras, with more than 51,000 units being sold in a day. "Now, we are getting close to 14,000 bookings per day. Almost 450,000 bookings have come in a month. Small-car sales were around 94,000, and our total retail numbers stood at 350,000," said Partho Banerjee, senior executive officer (marketing and sales), Maruti Suzuki India. This was after a price reduction on September 18 to pass on the benefits of GST rate cut to buyers.

Tarun Garg, whole-time

director and chief operating officer of Hyundai Motor India, said enquiries increased 10 per cent Y-o-Y, with over 18,000 customers enquiring daily. "Bookings have been even stronger, averaging nearly 3,500 per day — solid 17 per cent growth over last year."

During the Dhanteras period, Hyundai delivered

about 14,000 cars, 20 per cent more than last year.

According to Vinkesh Gulati, the chairperson of the Automotive Skills Development Council and former Fada president, the industry has seen average sales during the last 50 days, as sales started picking up after the GST reforms on September 22.

Large private banks expect revival in credit demand in H2FY26

Amitabh Chaudhry, MD and CEO, Axis Bank, said after the bank's Q2 earnings: "We are seeing some positive signs. Some of the cuts happened only 20-25 days ago and it will be foolish on our part to jump to conclusions straightaway. But at least on the retail disbursement side, we are seeing some positive uptake. On the wholesale side, we have demonstrated pretty good growth anyway."

The bank's advances rose 12 per cent Y-o-Y and 5 per cent sequentially to ₹11.16 trillion in Q2FY26.

"As we look back, H1FY26 unfolded against a dynamic macroeconomic backdrop. While tariff-related developments presented headwinds, the policy rate cuts, a favourable monsoon, GST rate reductions, and improving liquidity conditions are poised to serve as strong tailwinds as we enter the second half (H2FY26)," Chaudhry said, adding that these factors, combined with RBI policy interventions, had set the stage for an acceleration in credit growth.

"With a resilient balance sheet, a sharp execution focus, and a clear strategic direction, we remain confident and optimistic about the opportunities that lie ahead."

The RBI recently announced 22 measures aimed at boosting credit flows to the real economy and promoting ease of doing business while lowering bank costs.

These include a nod for

banks to fund acquisitions of Indian non-financial sector companies, upgraded ceilings for loans against securities and initial public offerings (IPO) financing, and tweaks to risk weightings on home loans and other loans. The central bank has also sought to slash the cost of infrastructure financing by non-banking financial companies (NBFCs). It is proposing to reduce the risk weightings applicable for NBFC lending to operational, high-quality infrastructure projects.

"We expect the second half to be better. And we do hope it reflects better loan growth. We remain positive on it," said Sandeep Batra, executive director, ICICI Bank, at the post-earnings media call.

ICICI Bank's net domestic advances grew 10.6 per cent Y-o-Y and 3.3 per cent sequentially in Q2FY26, with the retail loan portfolio growing 6.6 per cent Y-o-Y, the business banking portfolio 24.8 per cent, and the domestic corporate portfolio growing 3.5 per cent.

"There was a bit of a slowdown till the GST rate cuts became effective on September 22. Since then there has been strong momentum, which was probably just reflected in just about a week during the current quarter (Q2FY26). We do expect this momentum to continue. And if the economic momentum continues, it will show in our loan growth and the quality of the books we have built," Batra said.