

# PV sales growth to ease 4-6%: Icra

THE AUTOMOTIVE INDUSTRY is set to enter a phase of moderate growth in FY27, with wholesale volumes across segments expected to expand by 3–6%, according to ICRA. The forecast signals a normalisation after the elevated growth seen in the second half of FY26, which was driven by GST rate cuts and a revival in rural demand.

ICRA expects passenger vehicle (PV) volumes to grow 4–6% YoY in FY27, compared with an estimated 5–7% expansion in FY26. While

improved affordability, replacement demand and preference for personal mobility supported recent growth, the higher base and relatively elevated system inventory are likely to temper momentum next year.

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Utility vehicles are expected to continue outperforming, supported by new launches and consumer preference for larger, feature-rich models.

The shift toward alternative powertrains such as CNG, hybrids and EVs is also gaining traction.

—FE BUUREAU