

# Tractor sales cross 1mn units, FY26 set for record high

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**Chennai:** Domestic tractor volumes have crossed the one-million-unit mark in FY26, with a month still left in the fiscal year. Backed by strong double-digit growth, the industry is on track to record its highest-ever annual domestic sales.

Riding on robust demand, the Indian tractor industry is expected to exceed the growth projections set for the current fiscal. Last month, total domestic tractor sales stood at 78,901 units, compared with 58,797 units in Feb 2025 and 88,522 units in Jan this year, according to data from the Tractor & Mechanisation Association (TMA).

For the 11-month period of this fiscal, total domestic tractor sales stood at 1,057,038 units, compared with 859,767 units recorded during April 2024–Feb 2025, registering an increase of 23%. With March typically being a peak month for the industry, annual total volumes are expected to reach the highest-ever level achieved by the sector.

A healthy monsoon, GST rate reductions and strong replacement demand have led to a significant boost in volumes in fiscal 2026, according to rating agency Crisil.

While the first six months

of the fiscal registered total volumes of 5.6 lakh units (4.72 lakh units in H1 FY25), the five months of the second half recorded 4.96 lakh units, compared with 3.88 lakh units in the corresponding period of FY25.

Kotak Institutional Equities noted that the strong double-digit growth in tractor sales in FY26 was driven by the GST rate cut, farm subsidies in Maharashtra, a favourable monsoon and adequate reservoir levels.

In Dec 2025, rating agency ICRA revised its wholesale volume growth outlook for the tractor industry upwards

## **Vs 8.6 LAKH UNITS**

to 15% to 17% for FY2026, a significant increase from its earlier estimate of 8% to 10%.

However, with March also expected to be a strong month, the overall growth for FY26 is likely to be significantly higher. Tractor production during the 11 months of this fiscal rose to 1.13 million units, compared with 9.22 lakh units in the same period last year. Tractor exports are also likely to cross the 1-lakh-unit mark this fiscal, having already reached 96,318 units during the 11 months, compared with 88,080 units in the corresponding period of the previous fiscal.