

# ICRA: PV Sales in India likely to Moderate to 4-6% in FY27

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**Press Trust of India**

**New Delhi:** India's passenger vehicle industry growth is expected to moderate to 4-6% in FY27, largely due to the high base and evolving macroeconomic conditions, ratings agency Icra said on Friday.

For FY26, the industry is estimated to report wholesale volume growth of around 7-9%, supported by strong festive demand, GST rate cuts and multiple new model launches, Icra said in a statement.

"The industry continues to witness structural shifts, with utility vehicles accounting for 67% of overall sales, reflecting sustained premiumisation trends," it said.

Further, rising penetration of alternative powertrains such as CNG and electric vehicles is aiding demand diversification, Icra said.

Despite the anticipated moderation in growth, passenger vehicle original equipment manufacturers are expected to continue with significant capital expenditure towards new product development and electric vehicle platforms, while tractor manufacturers are likely to benefit from stable input costs and operating leverage..

For the tractor industry, Icra said growth is likely to moderate to 1-4% in FY2027.