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## JCB India Cuts Growth Forecast Sharply amid Market Pressures

August 8, 2025

– Categories: Real Estate



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JCB India has drastically revised its growth forecast for the financial year 2025-26, lowering expectations from an earlier 8-9 percent to a more conservative 2-3 percent. The adjustment reflects a slowdown in infrastructure projects and the added headwind of new Stage 5 emission norms introduced in January, which disrupted market dynamics and dragged on sales.

Deepak Shetty, Managing Director and Chief Executive Officer of JCB India, announced at the ICEMA Annual Session 2025. He cited sluggish domestic infrastructure activity and regulatory impacts as key factors forcing a more cautious outlook. The regulatory change created market hesitation as stakeholders adjusted to stricter emission standards.

Exports, particularly to the United States, were also noted as under pressure. Shetty said that tariff uncertainties and geopolitical tensions are expected to keep export growth flat in the near term.

Despite the subdued near-term outlook, Shetty expressed cautious optimism about a rebound in the second half of the year. He pointed to a forecast of above-normal monsoon rains and a strengthening rural economy as potential catalysts for a turnaround. He also noted positive signs from neighboring markets such as Nepal, Sri Lanka, and parts of Africa, though pricing pressures remain a concern in these regions.

On the investment front, JCB India plans to remain committed to long-term capacity building. The company intends to invest ₹200-250 crore in FY26, focused on tooling, research and development, and digital innovation, to support future growth, even as it adjusts to current market conditions.

Production capacity utilization remains healthy at around 85 percent, aided by adjustments in product mix to better suit evolving demand.

Looking further ahead, Shetty highlighted the growing industry interest in electric and hydrogen-powered machinery. However, he acknowledged that wider adoption of these technologies will take more time, suggesting an early-stage shift rather than a rapid technological transformation.

In summary, JCB India's revised forecast reflects near-term challenges but leaves room for recovery and growth later in the fiscal year, supported by infrastructure revival, healthier rural sentiment, and strategic investments in innovation.