

PV, 2W dispatches ride on GST wave to log best Jan figures

Growth powered by healthy cash flow in rural areas

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Dispatches of passenger vehicles (PVs) and two-wheelers in January posted double-digit growth, their highest ever sales in the month, indicating that the momentum generated after rationalisation in goods and services tax (GST) has not tapered off.

Sales of PVs year-on-year (Y-o-Y) grew 12.6 per cent to 449,616 units while those of two-wheelers rose 26.2 per cent to 1,925,603.

Two-wheeler dispatches were led by scooters, which saw a 37 per cent rise, compared to 20 per cent for motorcycles.

Motorcycles, however, have larger volumes, accounting for more than 58 per cent of two-wheeler sales.

Rajesh Menon, director general, Society of Indian Automobile Manufacturers, said: "The new year has begun on a positive note, extending the strong momentum seen in the previous quarter. The initiatives announced in the Union Budget to strengthen India's manufacturing base, along with existing policy tailwinds, are expected to deliver long-term benefits for the sector and support growth in the medium term."

SALES OF PVs GREW 12.6% WHILE THOSE OF TWO-WHEELERS ROSE 26.2%. FOR APRIL-JANUARY 2025-26, PV EXPORTS GREW 17.6% Y-O-Y, WHILE TWO-WHEELER SHIPMENTS ROSE 23.7%

Three-wheelers witnessed a strong growth rate of 30.2 per cent compared to January last year, with sales of 75,725 units.

For April-January 2025-26, PV exports grew 17.6 per cent Y-o-Y to 747,752 units, while two-wheeler shipments went up 23.7 percent.

PV exports were led by Maruti Suzuki India and Hyundai Motor India, which sent out 358,953 units and 162,458 units, respectively.

Some PV makers like Honda Cars India saw their exports shrink from 50,866 units in the previous year to 22,451 units in the first 10 months of 2025-26.

Major two-wheeler manufacturers posted growth in exports in the first 10 months of the financial year despite geopolitical uncertainties and the rare-earth magnet shortage.

Bajaj Auto, Hero MotoCorp, Honda Motorcycle and Scooter India, Royal Enfield, and TVS Motors saw a rise in exports.



Racing ahead

Vehicle sales (in units)

Segment	Jan '26	Y-o-Y chg (%)
Total passenger vehicles	449,616	12.6
Total three wheelers	75,725	30.2
Scooters	750,580	36.9
Motorcycles	1,126,416	20.3
Mopeds	48,607	16.1
Total two wheelers	1,925,603	26.2

Note: BMW, Mercedes, JLR & Volvo Auto data are not available Source: SIAM

Growth in retail sales remained robust in January.

Driven by a stellar show in rural markets, retail sales of PVs zoomed 7.22 per cent to 513,475 units over the same month last year, said the data from the Federation of Automobile Dealers Associations (Fada) on Tuesday.

Apart from continued post-GST momentum, growth was powered by a healthy cash flow in rural areas and sustained demand visibility in mobility and freight.

"This reinforces the structural expansion of PV demand beyond the top cities, aided by a strong SUV/compact-SUV (SUV is sport utility vehicle) preference, the revival of entry-level cars, product availability and continued schemes. Crucially, PV inventory levels continued to soften to 32-34 days, which is a constructive indicator of healthier channel discipline and improved working-capital efficiency across the network," C S Vigneshwar, president, Fada, had said.