

2W wholesales may grow 6-9% in FY26: Icra

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Domestic two-wheeler wholesale despatches are likely to clock 6-9 per cent year-on-year (Y-o-Y) growth in FY26, on the back of stronger replacement demand, post goods and services tax (GST) cuts, pickup in urban consumption and healthy rural incomes supported by a normal monsoon, according to rating agency Icra.

Wholesale volumes rose sharply by 19 per cent year-on-year (Y-o-Y) to 1.8 million units in November 2025. It was supported by dealer inventory replenishments after sustained showroom footfall during and after the festival season.

Icra stated that the recent GST rate reductions and promotional offers by original equipment manufacturers (OEMs), encouraged dealers to stock up even as retail demand moderated.

In contrast, retail sales declined 3.1 per cent Y-o-Y during the month, reflecting the impact of an early festival season this financial year and a high base after record



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sales in October.

Dealer enquiries, however, remained steady, aided by positive sentiment around GST reductions and demand from the ongoing wedding season.

According to the Federation of Automobile Dealers Association (Fada), the 42-

day festival period between Dussehra and Diwali saw two-wheeler retail sales growing by 22 per cent Y-o-Y. This was supported by improved rural sentiment, better liquidity conditions and affordability boost from GST rationalisation.

Dealers described the season as among the best in recent years. They cited strong demand for commuter motorcycles and scooters, alongside rising consumer interest in electric two-wheelers.

Fada said the convergence of festival demand with policy support created a rare demand upcycle for the segment.

According to Fada data, electric two-wheeler retail sales dipped marginally by 2.5 per cent Y-o-Y in November, with volumes falling to 116,982 units from 143,887 units.

Exports continued to be a bright spot, with two-wheeler shipments rising 27.9 per cent Y-o-Y in November.

Cumulative export volumes grew 23.6 per cent during April-November FY26, supported by a low base in the corresponding period last year.