

INDIAN TWO-WHEELER INDUSTRY

**Retail sales volumes grow by a
strong 25% in February**

MARCH 2026





[Click to see full report](#)

Wholesale volumes grew by 33.7% in February 2026; retail volumes increased by 25.0% on a YoY basis.

ICRA estimates 2W domestic volume growth to moderate to 3-5% YoY in FY2027, constrained by a higher base, even as demand is expected to remain supported by GST rationalisation led improvement in vehicle affordability.



Wholesale volumes record strong growth - Domestic wholesale volumes grew by 33.7% year-on-year (YoY) in February 2026, reaching 1.8 million units; wholesale volumes have recorded an 8.7% growth during 11M FY2026 (April-February). Building on the previous quarter's momentum, demand remained buoyed by the GST rate cut and festive season-led uptick. The ongoing conflict in West Asia poses supply chain risks that could affect manufacturing operations and export flows; industry participants continue to closely monitor the evolving geopolitical situation.



Retail volumes grow at healthy pace - Retail sales grew by 25.0% YoY in February 2026, supported by wedding and festive season demand. Dealers highlighted improved rural liquidity on the back of healthy crop outcomes, attractive marketing schemes, and enhanced affordability post-GST revisions, while the wedding season and new model launches further boosted enquiries.



Electric two-wheeler (e2W) sales gained traction - Retail volumes for e2W reached 112,322 units in February 2026, a robust increase of 47.6% YoY. Monthly e2W penetration within the overall two-wheeler (2W) segment remained at 6.0% in 11M FY2026, reflecting steady adoption.



Export volumes continue to grow in double digits - Monthly export volumes reported a growth of 25.8% YoY in February 2026. Industry volumes have recorded a 23.9% increase during 11M FY2026 (April-February), supported by a relatively low base in the corresponding period of FY2025. The evolving geopolitical situation in West Asia remains a key export risk.



ICRA estimates 2W volume growth of 3-5% YoY in FY2027 - ICRA projects a 3-5% wholesale volume growth for the industry in FY2027, constrained by a high base, even as demand will remain supported by GST rationalisation, improved replacement and rural demand.



ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice President & Group Head	jitinm@icraindia.com	0124-4545 368
K. Srikumar	Senior Vice President & Co-Group Head	ksrikumar@icraindia.com	044-4596 4318
Rohan Gupta	Vice President & Sector Head	rohan.kanwar@icraindia.com	0124-4545 808
Aman Agarwal	Lead Analyst	aman.agarwal@icraindia.com	99715 07353
Akshit Goel	Analyst	akshit.goel@icraindia.com	0124-4545 857





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public