

Quote by Nikhil Dhaka, Vice President, Primus Partners

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2-wheeler prices set to increase on ABS mandate from Jan 1, 2026

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The Union Government has directed that all two-wheelers manufactured on or after January 1, 2026 should be fitted with ABS, irrespective of engine size | Photo Credit: SUDHAKARA JAIN

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Article Content:

Two-wheeler prices are set to increase from next year onward as the Ministry of Transport and Highways has mandated installing Anti-lock Braking System (ABS) across the segment.

The Union Government has directed that all two-wheelers manufactured on or after January 1, 2026 should be fitted with ABS, irrespective of engine size. At present ABS is mandatory for 2-wheelers with an engine capacity of 125 cc and above.

Experts have pointed out that in the price-sensitive segment of under 125 cc, the cost of two-wheelers could increase up to ₹10,000. This comes at a time when at the entry level demand for 2-wheelers is muted.

“The decision to mandate ABS for all two-wheelers will lead to major changes in how manufacturers design and build their products. Entry-level models, particularly those under 125cc, will need to be re-engineered. This means replacing drum brakes with disc brakes, updating tooling on assembly lines, and going through fresh rounds of testing and certification. For the market, the immediate impact will be felt in the budget commuter segment. This segment makes up 78 per cent of all two-wheeler sales in India and is highly price-sensitive. Any increase in cost is likely to affect volumes, especially in rural and semi-urban areas where affordability matters most,” Nikhil Dhaka, Vice President, Primus Partners, told *businessline*.

Prevent crashes

ABS in two-wheelers will improve braking safety and prevent crashes, especially on slippery roads and in case of emergencies.

“For manufacturers and buyers, the price impact is real. Entry-level models could become more expensive by anywhere between ₹3000 and ₹6000. That may not sound like much in the premium segment, but it may impact and delay the purchase decisions for the entry-level segment,” added Nikhil Dhaka.

With the prices set to impact the Tier 2 and Tier 3 markets the most, two-wheeler makers have urged the government to intervene and provide subsidies.

“Making ABS mandatory for all two-wheelers is a critical step toward saving lives. However, this may also increase the cost of manufacturing and the overall price of the vehicle. The real-world impact cannot be ignored: for many customers in Tier 2 and 3 cities, a ₹4,000– ₹7,000 price hike could mean the difference between choosing safety and dropping out of the market. This regulation risks slowing down adoption in price-sensitive segments. We urge the government to balance safety with accessibility through phased implementation or targeted subsidies because safety must be smart, but also scalable and inclusive,” said Suhas Rajkumar, CEO & Founder, Simple Energy.

Further, the union government has also mandated all two-wheeler manufacturers to provide two BIS-certified helmets (for rider and pillion) with every two-wheeler purchase. “This move, strongly supported by the Two-Wheeler Helmet Manufacturers Association of India, ensures both riders and pillion passengers receive reliable protection. The mandate will bring approximately four crore BIS-certified helmets onto Indian roads annually, significantly reducing the circulation of fake or substandard helmets that were previously distributed by some dealers. By ensuring only genuine, certified helmets are

provided, this regulation eliminates unethical practices and raises the bar for safety. We believe this initiative has the potential to reduce road fatalities by up to 50 per cent by 2031. It reflects the ethical commitment of OEMs and marks a transformative step toward safer roads in India,” said Rajeev Kapur, MD, Steelbird Helmets & President of 2-wheeler Helmet Manufacturer Association India.