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GST Cuts & Festive Demand Boosts Two-wheeler Sales | Report

Rural liquidity and wedding season will continue to fuel two-wheeler demand in the next few months



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Festive sentiment and tax-cut propelled sales of two-wheelers to new heights. This festive season, with Dussehra and Diwali falling in the same month, coupled with the rollout of the new GST framework boosted demand.

During the festive season, two-wheeler sales rose 22 per cent year-on-year (YoY), powered by improved rural sentiment, better liquidity, and the affordability impact of GST rationalisation. Dealers described it as the best festive season in recent memory, with strong traction in commuter bikes and scooters, alongside rising EV interest, stated the Federation of Automobile Dealers Associations (FADA) in its latest report.

Reflecting a similar sentiment, Bajaj Auto said that GST rate change and upbeat festive sentiment together provided a fillip to the typical seasonal upswing. In Q2FY26, revenue from operations was at INR 15,000 crore backed by a richer mix of vehicles and spares sales. Domestic business clocked record revenue, as stepped-up growth on premium

bikes and double-digit growth on CVs led the way. Exports set the pace with a quarter driven by strong double-digit growth in Africa and Asia and LATAM.

According to FADA, dealers nationwide reported record enquiries, higher conversions, and a palpable sense of optimism as customers advanced their buying decisions to benefit from reduced GST rates and attractive festive schemes.

TVS Motor posted the highest ever operating revenue of INR 11,905 crores registering a growth of 29 per cent for the quarter ended September 2025 as against INR 9,228 crores reported in the quarter ended September 2024. The overall two-wheeler and three-wheeler sales including international business grew by 23 per cent registering highest ever quarterly sales of 15.07 lakh units in the quarter ended September 2025 as against 12.28 lakh units in the quarter ended September 2024. The two-wheeler sales in international business grew by 31 per cent at 3.63 lakh units in the quarter ended September 2025 as against 2.78 lakh units in the quarter ended September 2024.

Two-wheeler dealers foresee steady demand backed by rural liquidity, wedding-related purchases, and spillover from festive bookings, aided by GST benefits and improved sentiment.

Anurag Singh, advisor, Primus Partners said, "Q2 has been extremely good for both Bajaj and TVS with all their segments and exports showing marked growth. The profitability numbers are decent and the development come at a good time as both are investing in EV and future portfolios."