

Quote by Anurag Singh, Advisor, Primus Partners

Published in Business Standard

December 20, 2025

Link : [Primus Partners Pvt Ltd 12 20 2025 8 51 08 AM \(1\).pdf](#)

# Premium bike sales defy GST hike, register 4% growth

ANJALI SINGH

Mumbai, 19 December

Sales of premium motorcycles in India, those with more than 350 cubic capacity (cc) engine capacities, have demonstrated notable resilience, registering 4 per cent year-on-year (Y-o-Y) growth in October-November 2025, despite a sharp hike in the goods and services tax (GST) rate, indicating stable demand in this niche segment.

Effective September 22, 2025, motorcycles exceeding 350 cc attract a 40 per cent GST, a significant jump from the earlier 31 per cent. This hike immediately translated into higher prices for larger and more aspirational models.

However, the segment appears to have largely absorbed the shock.

Sales volumes surged 7.2 per cent Y-o-Y in October 2025 to 19,555 units, before moderating by 1.4 per cent in November to 10,396 units.

Cumulatively, the two-month period saw a respectable 4 per cent increase in volumes, totalling 29,951 units.

The October upswing was primarily fuelled by the 350-500 cc sub-segment, which houses popular models like the Bajaj Dominar, Royal Enfield Guerrilla



450, Kawasaki Eliminator, and Honda Mavrick 440.

The moderation in November was largely attributed to a decline in the 500-800 cc category, which includes models such as the Piaggio Aprilia RS660, Honda CBR 650F, and Kawasaki Ninja 650. Higher-capacity bands (800-1,600 cc) posted incremental gains, albeit on a small base. "Motorcycles above 350 cc account for only about 1 per cent of total

## Sales tag

Motorcycle segment performance post GST 2.0

Motorcycle over 350 cc to 1600 cc

	2025	% change
October	19,555	7.20
November	10,396	-1.40
Overall	29,951	4

Motorcycle over 75 cc to 350 cc

	2025	% change
October	13,15,913	-4
November	11,53,353	18
Overall	24,69,266	5

Source: Slam

bikes in the Bajaj 400cc, Triumph, and Royal Enfield 450cc families.

In stark contrast to the premium segment's tax hike, motorcycles below 350 cc benefited from a lower GST rate of 18 per cent. This segment continued to support overall industry volumes, recording a healthy 5 per cent growth over the two months.

Strong traction was observed in the 150-200 cc category (Hero Xpulse 200, Yamaha MT 15, TVS Apache) and the 250-350 cc category (Royal-Enfield Bullet 350, Honda CB 350), underscoring a sustained consumer preference for higher-powered, yet more affordable motorcycles. Analysts at IcrA noted that the broader two-wheeler market experienced a sharp rebound following the 'GST 2.0' changes, with retail sales soaring 22 per cent Y-o-Y during the festive period. This surge was underpinned by festival demand, stable rural consumption, and GST rate reductions in select categories.

"Post GST 2.0, GST rate cuts and the decline in vehicle prices have unlocked deferred demand, notably among first-time buyers and those in Tier-II and Tier-III cities," said Srikumar Krishnamurthy, senior vice president & co-group head, Corporate Ratings, IcrALimited. IcrA's channel checks indicate that original equipment manufacturers (OEMs) largely passed on the GST benefits in the sub-350 cc segments, which, combined with promotional schemes, boosted footfalls.

motorcycle sales," noted Anurag Singh, advisor, Primus Partners.

"While the higher GST has weighed on November volumes, demand has not seen a sharp drop as buyers in this segment are relatively less price-sensitive."

Singh, however, cautioned that the growing price disparity between 350 cc and 450 cc models is becoming harder to justify without significant product differentiation, potentially affecting