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Three-wheeler market may keep chugging in FY26 with 6-8% sales growth

Market to wrap up FY25 with 5-8% volume growth



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The growth is primarily attributed to robust demand for passenger carriers, which saw a 9.3 per cent rise, reaching 5,51,880 units, and electric carts (E-carts), which posted a 9.3 per cent growth, reaching 3,762 units.

The Indian three-wheeler market is projected to maintain a growth trajectory, with industry experts forecasting a 5–8 per cent expansion in FY25 and a 6–8 per cent increase in FY26, driven by strong demand for passenger carriers and electric carts.

Domestic wholesale sales of three-wheelers have shown robust growth, increasing by 6.4 per cent in the first 11 months of the financial year, according to data released by the Society of Indian Automobile Manufacturers (SIAM).

Retail sales, as reported by the Federation of Automobile Dealers Associations (FADA), also reflected positive momentum, climbing by 5.5 per cent during the same period. FADA estimates that the three-wheeler industry will grow by 5–6 per cent in FY25, with similar growth in FY26. Speaking on the three-wheeler market, C S Vigneshwar, president of FADA, stated: "The entire auto industry is facing some challenges, with sales not meeting industry expectations. However, we anticipate growth in the three-wheeler segment, driven by electrification.

A significant portion of three-wheelers are electric vehicles, and demand for them continues to rise. Additionally, the increasing need for last-mile mobility has further boosted growth in this segment." The growth is primarily attributed to robust demand for passenger carriers, which saw a 9.3 per cent rise, reaching 5,51,880 units, and electric carts (E-carts), which posted a 9.3 per

cent growth, reaching 3,762 units. While the overall sector experienced healthy expansion, the E-rickshaw segment faced a downturn, plummeting by 41.2 per cent to 17,399 units, compared to 29,595 units in the same period.

Commenting on the same, Anurag Singh, advisor at Primus Partners, stated: “Electrification is driving the growth of three-wheelers, with almost 40 per cent of new three-wheelers being electric vehicles. While there is a shift happening from three-wheelers to mini trucks like Tata Ace, I expect another strong year with over 6 per cent growth in FY26.” Industry experts remain optimistic about the sector's future. Mythri Macherla, vice-president and sector head, corporate ratings at ICRA, highlighted the steady growth trajectory: "We anticipate the sector to maintain its momentum, with an expected growth of 6–8 per cent in FY26."

In the 11 months from April to February, three-wheeler sales reached 6,78,607 units in wholesale, while retail sales stood at 11,21,607—growing 6.4 per cent and 5.5 per cent, respectively. This growth highlights sustained demand in the segment despite fluctuations in sub-categories.

This growth is in line with exports, which grew by 0.8 per cent for the same period. For the first eleven months of FY25 (April–February), Bajaj Auto led the three-wheeler segment with 4,41,506 units sold across the passenger carrier, E-rickshaw, goods carrier, and E-cart segments. Following Bajaj, Piaggio Vehicles recorded 92,858 units sold, while Mahindra & Mahindra accounted for 78,080 units, as per SIAM data. The consistent demand for last-mile delivery vehicles continues to support market expansion.

However, certain sub-segments may require policy support or market interventions to regain momentum. Overall, the three-wheeler market remains a crucial segment in India's transportation ecosystem, catering to both urban and rural mobility needs.