

'2W firms to see high single-digit growth in FY27'

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India's two-wheeler industry is expected to post high single-digit volume growth in FY27, driven by nationwide demand for motorcycles and scooters despite the West Asia conflict pushing up commodity costs, Harshavardhan Chitale, chief executive officer (CEO) of Hero MotoCorp, said on Wednesday.

About 21.71 million two-wheelers were sold in India in FY26, recording a 10.7 per cent year-on-year growth that was driven by cuts in goods and services tax rates in September 2025.

"Industry expects high single-digit volume growth in FY27 and growth in motorcycles as well as scooters," Chitale said, adding that the sector has "started the year on a positive note, continuing the momentum that we saw in the second half of FY26".

Chitale, while talking to market analysts in a post-results call, said there has been "no softening of demand yet" in April and early May as input cost increases have not been fully passed on to customers. He said last year's strong second half provided support to growth momentum in 2026, while underlying drivers such as ecommerce expansion and gig economy demand help volumes.

Detailing the company's priorities, Chitale said scooters, electric vehicles (EVs), alternative low-emission technologies, and exports will drive the next phase of growth, alongside capacity expansion. Hero increased manufacturing capacity for Destini scooters by 50 per cent in FY26 and aims to double it for Xoom scooters within a quarter.



“WE WILL HAVE EVEN STRONGER PLAY GOING FORWARD IN SCOOTERS”

Harshavardhan Chitale
CEO, Hero MotoCorp

"We will have even stronger play going forward in scooters," he said, adding that EVs remain "a second area of focus" as the company continues to invest in product development. EV manufacturing capacity is being ramped up from about 15,000 units a month to 25,000 units, with plans to double it again by the end of the year.

Chitale said "other low-emission powertrains" was an area of focus, and the company will launch vehicles that can run on higher ethanol blends. Currently, Indian vehicles run on E25 blend (25 per cent ethanol mixed with petrol).

He said exports offer significant room to grow, with strong presence in Latin America, expansion plans across Africa, leadership position in Bangladesh, and a re-entry in Sri Lanka that is gaining traction.

Chitale said the company's focus on scooters is structural.

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