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Key Press Reports on Industry and Govt. Policies
(1st Fortnight August 2025)

AUTOMOTIVE INDUSTRY

Business Line, 7 August 2025

Hyundai to begin Talegaon plant operations in Q3; with Chennai unit, annual output to top 1 million

Our Bureau
Chennai

Hyundai's operations at the Talegaon plant in Maharashtra is set to begin in Q3 this fiscal. It is preparing to launch 26 new models and upgrades, including six EVs and 20 ICE by FY30, according to its 2024-25 annual report.

The Talegaon manufacturing initially added 1.7 lakh units to Hyundai's annual capacity, eventually scaling to 2.5 lakh units. The company's Chennai manufacturing plant has an annual capacity of 8.24 lakh units. Together, the two facilities will enable Hyundai to exceed the milestone of producing over one million (10 lakh) units annually in India, the report said.

Hyundai Motor India (HMIL) is India's second-largest player in the PV market, leveraging a robust manufacturing base in Chennai.

ROBUST OPERATIONS. The Chennai plant currently produces 14 passenger vehicle models with over 450 variants

The Chennai plant comprises two fully-integrated plants. The first plant commenced commercial operations in 1997 and the second in 2008. The Chennai plant currently produces 14 PV models with over 450 variants, the report said.

TALEGAON EXPANSION

With the Talegaon plant, the company is expanding its manufacturing capabilities to increase production volumes and achieve greater economies of scale. "Our objective is to maintain a capacity utilisation rate of over 90 per cent, supported by a robust mix of domestic and export volumes. We will also deepen localisation efforts by expanding our supplier base, especially in and around Talegaon. This integrated approach aims to enhance operational efficiency and ensure profitable, demand-led growth," the report said.

A major milestone has been achieved with the official commencement of engine production at the plant. With an installed capacity of 1.5 lakh engines annually, it enhances HMIL's manufacturing footprint and driving future growth and competitiveness, the report said.

RAPID EXPANSION

On EVs, HMIL said it has substantially expanded its EV-selling outlets from 119 (as of September 2024) to 544 across 239 cities (as of March 2025), a four-fold increase. These outlets are equipped with over 900 AC chargers across showrooms and workshops, offering capacities of 7.2 kW and 11 kW for in-house use, the report said.

Business Line, 7 August 2025

Bharat Forge Q1 results resilient amidst export headwinds

Our Bureau
Pune

Bharat Forge Ltd, a global leader in engineering and manufacturing, announced its unaudited financial results for the first quarter ended June 30, 2025 (Q1 FY26), demonstrating resilience despite challenging conditions in the export markets.

The performance was supported by robust domestic demand and strategic order wins. On a standalone basis, the company reported revenue of ₹2,105 crore, marking a 2.7 per cent decline quarter-on-quarter. EBITDA stood at ₹588 crore, with a healthy margin of 27.9 per cent. Profit before tax (before exceptional items) came in at ₹465 crore, while profit after tax was at ₹339 crore.

During the quarter, Bharat Forge secured new orders worth ₹847 crore, including ₹269 crore in the defence sector. The company's defence order book now stands at ₹9,463 crore. On a consolidated basis, the company reported revenue of ₹3,909 crore. EBITDA was ₹682 crore, reflecting a margin of 17.5 per cent, and profit before tax (before exceptional items) was ₹423 crore.

In domestic business, passenger vehicle and industrial segments performed strongly while defence execution remained robust.

Exports declined 12.7 per cent q-o-q; North America was impacted by emission norm rollback and policy flux. Europe showed early signs of recovery. CV exports to Europe saw some revival post the lows seen last year.

Business Line, 7 August 2025

Automobile OEMs to switch to rare-earth magnet alternatives

DELAYING TACTICS. China yet to approve 30 applications from Indian auto-makers

Aroosa Ahmed
Mumbai

With no respite in sight, Indian automakers are moving towards rare-earth magnet alternatives for the manufacture of electric vehicles (EVs). Original Equipment Manufacturers (OEMs) are also planning to introduce components entirely free of rare-earth magnets.

Indian automobile makers have submitted 30 applications to China for procuring rare-earth magnets.

"None of the applications of heavy rare-earth magnets have been approved yet. We are not in a position to say when the supply will resume. We have, however, moved towards light rare-earth magnets which are not under restrictions. We have started to receive their supply. However, they are under scrutiny of China, as often light rare-earth magnets and heavy rare-earth magnets get mixed up," said Rakesh Sharma, Executive Director, Bajaj Auto.

LIMITED ALTERNATIVES

"There are limited techno-commercially proven options available today to replace rare-earth magnets. EVs have a high functional requirement for magnets — high performance, small form factor, long life, ability to withstand vibrations and so on. Alternatives like Ceramic Magnets, Graphene-based Technologies, Nano crystalline, Synthetic meteorite magnets, Iron Nitride Super Magnets, Rare-Earth . Magnet-free design etc. are being developed, but are not yet proven for large-scale production," Anurag Singh, Advisor, Primus Partners, told *businessline*.

CHANGE IN COMPONENT

OEMs are also looking to develop component systems free from rare-earth magnets

Companies are also looking at procuring light rare-earth magnets from other countries. Mahindra & Mahindra has stated that it does not see any concern on its born-electric vehicles (BEVs) with the rare-earth magnet scarcity.

"We are comfortable for the coming and next quarter; we have taken actions including replacing rare-earth magnet with light earth," said Rajesh Jejurikar, Executive Director & CEO (Auto and Farm Sector), M&M.

OEMs are also looking to develop component systems free from rare-earth magnets.

"We are also developing a non-light rare-earth magnet and high rare-earth magnet component system that does not require sourcing," said Sharma.

DELIBERATE EFFORT

Experts have pointed out that the restrictions are deliberately imposed by China.

"China's putting in restrictions on the export of rare-earth magnets, which is a deliberate strategy to promote their components and assemblies as well as push prices up. China has invested, over the last decade, to develop the entire value chain and ecosystem. There are limited non-China origin sources available," added Singh.

The Economic Times, 7 August 2025

BEE MADE RESPONSIBLE FOR COMPLIANCE ENFORCEMENT OF CAFE NORMS

Carmakers Could Face Steep Fines for Emission Violations

Sharmistha Mukherjee & Shilpa Samant

New Delhi: Carmakers flouting emission norms may soon face hefty penalties, with the government notifying draft rules empowering the Bureau of Energy Efficiency (BEE) to oversee compliance and impose fines.

Under the proposed Energy Conservation (Compliance Enforcement) Rules, 2025, BEE will enforce adherence to Corporate Average Fuel Efficiency (CAFE) norms and levy penalties proportional to the shortfall in targets, the government said in its notice.

At present, there is no procedural framework to penalise automakers that miss CAFE targets, even though the Energy Conservation (Amendment) Act, 2022, allows for such action.

The government is now framing guidelines for the third edition of CAFE norms, which are set to take effect from April 2027.

"In order to avoid the difficulties of imposing penalty, it has become necessary or expedient to empower the bureau to detect, verify, assess and represent non-compliance cases before the adjudicating officer appointed by the state commission," the power ministry said in the draft notification issued on Monday.

In case of disputes, the electricity regulatory commission (SERC) of the state where the registered office of a carmaker or importer is located will adjudicate the claims and pass an order on final penalties, the notification explained.

The penalties will be credited into the Central Energy Conservation Fund (CECF).

Of the penalties, 90% will be transferred to states.

"As much as 90% of collected penalties will be distributed to states based on the sales share of the non-compliant vehicle model in that state," a senior industry official said. "Only 10% will remain with the central government."

As per an assessment done by the Centre, eight carmakers including Kia, Renault and Mahindra & Mahindra (M&M) had higher than mandated emission levels in FY23, which could mean penalties of around ₹7,300 crore.

These companies had vehicles whose fuel consumption exceeded 4.78 litres per 100 km and had carbon dioxide emissions of more than 113 grams per km.

The quantum of penalties though had become a point of contention between the Centre and automakers.

Carmakers had argued that the new and stricter penalty norms came into effect only from January 1, 2023, and therefore calculating penalties based on cars sold in the entire financial year 2022-23 would not be appropriate.

Business Line, 8 August 2025

Flood, landslides may hit auto sales in coming months: FADA

TARIFF FALLOUT. The additional 25% may cause import-cost pressures on exporters

S Ronendra Singh
New Delhi

While the monsoon outlook through August-September appears broadly supportive, the localised flood and landslides in select areas may hamper automobile sales in the coming months, Federation of Automobile Dealers Associations (FADA), said on Thursday.

Also, external headwinds have emerged as the US administration's imposition of an additional 25 per cent tariff on Indian exports has precipitated a 0.4 per cent dip in benchmark equity indices and a depreciation of the rupee, injecting volatility into financial markets, the auto retail sector body said.

"The resulting wealth erosion and import-cost pressures on exporters could erode consumer confidence, trigger a precautionary rise in household savings and exert downward pressure on discretionary spending — including on vehicles — over the near term," CS Vigneshwar, President, FADA, said while sharing the monthly sales data.

By harnessing precision-targeted promotions, partnership-driven finance solutions and dynamic rural–urban engagement, the industry can navigate these headwinds and anchor itself on a trajectory of sustained retail growth, he said.

Bumpy road

Category	July 2025	July 2024	y-o-y %
Passenger vehicles	3,28,613	3,31,280	-0.81
Two-wheeler	13,55,504	14,49,487	-6.48
Three-wheeler	1,11,426	1,10,511	0.83
Commercial vehicles	76,439	76,261	0.23
Tractor	88,722	79,961	11
Total	**19,64,213**	**20,52,759**	**-4.31**

Source: FADA

GUARDED OPTIMISM

"We enter August with a sense of guarded optimism, confident in the upside but ever mindful of the risks," he added. In the monthly retail sales data, FADA reported the passenger vehicle segment declined around 1 per cent to 3,28,613 units in July as compared with 3,31,280 units in July last year. In the two-wheeler space, July saw a 6.48 per cent decline to 13,55,504 units (14,49,487 units). In the three-wheeler segment, the retail segment grew around 1 per cent to 1,11,426 units (1,10,511 units). The commercial vehicle segment also grew marginally to 76,439 units (76,261 units). Tractor sales grew 11 per cent to 88,722 units (79,961 units).

In total, the sales across categories declined 4.31 per cent to 19,64,213 units (20,52,759 units). "After three consecutive months of growth, India's auto retail sector applied the brakes in July, with overall retail declining 4.31 per cent," Vigneshwar said.

This pullback largely stems from a high-base effect in July 2024, when an extreme heat wave was immediately followed by excessive rainfall, constraining volumes before a rebound later that month, he added.

Business Line, 9 August 2025

Philippines to get first batch of 50 locally assembled Ashok Leyland LCVs

Our Bureau
Chennai


Shom Hinduja, right, with President Ferdinand Marcos Jr

President Ferdinand Marcos Jr of the Philippines, who is currently on a bilateral visit to India, met with the Hinduja Group delegation, led by Shom Hinduja, to strengthen strategic partnership.

President Marcos Jr and his team invited the Hinduja Group to expand its investments across defence, energy, automotive and digital technology sectors.

CEMENTING TIES

Shom Hinduja, President Alternative Energy & Sustainability at the Hinduja Group, and a Board Member, Gulf Oil Lubricants and Ashok Leyland, stated after the meeting: "We shared with the President the details about the first batch of 50 LCVs being locally assembled and delivered in the Philippines by our India flagship, Ashok Leyland."

"Hinduja Global Solutions (HGS) signed a letter of intent (LOI) with the Philippine government to make significant investments to expand its local business operations, reaffirming its commitment to the country as a strategic growth market for its global operations," he said in a release.

Business Line, 11 August 2025

Hyundai achieves 82% localisation in FY25, up from 78% a year ago

TE Raja Simhan
Chennai

Hyundai Motor India Ltd (HMIL) continued its localisation push in FY25 and achieved 82 per cent of local purchasing in the fiscal in internal combustion engine (ICE) vehicles, successfully localising over 1,200 components since 2019 in collaboration with nearly 200 suppliers.

The localisation level was around 78 per cent, as per a recent statement made by Hyundai to analysts, and within a year, this figure has gone up to 82 per cent.

In the case of electric vehicles (EVs), the dedicated battery assembly line with Mobis India enhances supply chain resilience while driving down costs, Gopalakrishnan CS, Wholetime Director & Chief Manufacturing Officer, Hyundai Motor India Ltd, said in the annual report for 2024-25.

'MAKE IN INDIA'

While 'Make in India' promotes investment and reduces import dependence, 'Aatmanirbhar Bharat' has driven localisation of critical auto components, such as EV batteries, engines and transmissions, while supporting the integration of start-ups and SMEs into global value chains, he said.

To support India's carbon neutrality goals, HMIL is building a holistic EV ecosystem from localised EV manufacturing and battery pack assembly in Chennai to cell localisation through strategic partnerships.

COST EFFICIENCY

Many of the company's EVs in the future will have locally produced cells for increased cost efficiency.

"We have deployed close to 80 fast chargers and aim for 600+ in the next 6-7 years, alongside Smart Home Charging (up to 11kW) and the myHyundai CMS for seamless charging, payments and after-sales support," Gopalakrishnan said in the report.

The Times of India, 13 August 2025

Auto parts makers gear up for profit squeeze

Priya Kothari, Shashank Didmishe & Nandini Sengupta | TNN

Pune/Chennai: What do the new tariffs by the US mean for India's auto component exporters? The math is complicated but the pinch is very real.

According to auto analysts and industry experts, 15-20% of India's US-bound auto-component exports could be lost in the short term. The US is India's biggest exporting destination with 27% of auto parts exported there. Which means, says Jitin Makkar, group head & senior VP (corporate ratings) at ICRA, "around 8% of the Indian auto-component production will be impacted by the increase in tariffs".

According to ACMA auto component exports to the US stood at nearly $7 billion in 2024. Of this, $3.6 billion — which covers parts and components for cars and small trucks — will attract 25% duty. But the real squeal will be in the balance $3-billion worth of exports that are part of a reciprocal tariff of 50%. This would include commercial vehicle parts, construction equipment components, off highway, tractor and farm equipment parts.

While large OEMs are already looking at alternative markets, it is the sector mainstay MSME exporters that will hurt most. Take Noble Cast Comp, an aluminium casting manufacturer in Bhosari, that exports 60% of its products to the US. The company's CMD Nitin Bhagwat said US customers were already demanding that they share the tariff burden, which would affect profit margins. Others like R K Industries in Pimpri Chinchwad exports computer numerical control machined components to global auto firms, with 20% going to the US.

"Effects are expected to be felt from next month, with US customers likely seeking price reductions due to increased landing costs and clients may also explore alternative suppliers from countries with lower costs," said R K Industries's operations head Nilesh Khaire.

While the effective duty can range anywhere from 25-28% to 45-50% depending on the different slabs, the pinch will differ on the basis of how sticky the product exported is. Ravindra Patki, managing partner at Vector Consulting Group said, "30-40% of India's auto component exports to the US comes from programmes in which India is one of multiple approved suppliers with a defined share of business."

As for the larger exportable parts, Indian auto-component exporters will be at a disadvantage compared to other Asian countries like Japan, Vietnam and Indonesia which face a lower tariff of 15-19%.

Component exporters however say a lot will depend upon their individual relationship with US-based buyers. Sipra Engineering MD M Umadi said, "US customers, accounting for 28-32% of exports, have assured support if we maintain cost, quality and delivery standards, but may request cost reductions later."

THE TARIFF MATH

Source: ICRA & ACMA

- Effective Aug 7, most auto parts being **exported to the US are being tariffed at 25%-28%**
- Part assemblies constituted by certain steel and aluminium **HS codes are being tariffed on a blended basis.** Eg if the steel/ aluminium content is 80% and the other content is 20%, then the 80% portion is tariffed at 50% (as part of Sec 232 tariff rate) and the 20% portion is tariffed at 25% (as per the recently hiked reciprocal tariff rate), **making the blended rate 45%**
- CV, CE, tractor, off highway vehicle, farm implements etc will attract **50% from Aug 27**

Business Standard, 15 August 2025

PV despatches in reverse gear for 3rd straight mth in July

Inventory stayed high, prompting manufacturers to moderate despatches

SOHINI DAS
Mumbai, 14 August

Right ahead of the festival season, passenger vehicle (PV) despatches remained in the slow lane in July, slipping 0.2 per cent year-on-year (Y-o-Y) to 340,772 units as dealership inventory stayed high, prompting manufacturers to moderate vehicle despatches. This is the third consecutive month that PV despatches have declined.

PV production in July was nearly unchanged at 398,071 units (up 0.1 per cent), indicating that original equipment manufacturer despatches are being calibrated to retail demand. Within PVs, passenger car wholesales fell 0.5 per cent, while utility vehicles grew by a modest 2.4 per cent.

PV retail sales dropped 0.8 per cent Y-o-Y in July, and the Federation of Automobile Dealers Associations (Fada) said urban demand remained muted due to low enquiries and subdued customer sentiment; inventory levels continue at about 55 days.

PV despatches have been under pressure since the start of this financial year (2025-26).

After rising 5.5 per cent in April, they fell in the next two months — down 0.8 per cent in May and 6.3 per cent in June. For April–July, PV despatches were down 0.7 per cent.

India's largest PV maker, Maruti Suzuki India (MSIL), saw flat despatches in July at 137,776 units, according to data from the Society of Indian Automobile Manufacturers (Siam). Speaking to reporters earlier this month, Partho Banerjee, senior executive officer for marketing and sales at MSIL, said they were upbeat about the upcoming festival season, with Onam in Kerala and Ganesh Chaturthi in September likely to lift demand.

"Bookings in Kerala are already up 10 per cent in July, which is a strong festival indicator. A good monsoon and potential minimum support price hikes are also expected to support rural sentiment and push sales," he had said.

Rajesh Menon, director-general of Siam, echoed this view: "With the festival season beginning with Onam in late August, the Indian automotive industry remains cautiously optimistic that demand will gather pace in the coming months."

The first hints are showing: retail PV sales grew 10.8 per cent in July compared to June.

Fada said monsoon tailwinds and festival enthusiasm should drive demand in August. Precision promotions, partnership-led finance solutions, and targeted rural–urban outreach will be critical to turning latent demand into sustained retail growth, it said.

Industry insiders said that rural growth has slowed from 10 per cent last year to 2–3 per cent, while urban demand shows improved bookings but deferred deliveries amid information technology job concerns, artificial intelligence-related uncertainties, and geopolitical risks.

Analysts pointed out that, based on their channel checks, buyer footfall and enquiries have dropped in recent months, partly due to job market jitters, with people taking longer to finalise purchases.

PV exports, meanwhile, stayed firm, rising 8.7 per cent in July. The base, however, remains low at 67,292 units.

Two-wheeler and three-wheeler despatches climbed in July by 8.7 per cent and 17.5 per cent, respectively. Within two-wheelers, scooters grew in double digits (16.2 per cent), while motorcycles were up 4.7 per cent. Among three-wheelers, passenger carriers rose 21.4 per cent, while goods carriers grew 10.6 per cent.

Electric rickshaw despatches, however, dropped 53 per cent.

Mixed bag July sales

Segment	2024	2025	% chg (Y-o-Y)
PV	341,510	340,772	-0.2
3-wheeler	59,073	69,403	17.5
2-wheeler	1,441,694	1,567,267	8.7

Note: Data for BMW, Mercedes, JLR & Volvo Auto are not available
Source: Siam

ELECTRIC VEHICLES

Business Line, 3 August 2025

EV 4-wheeler registrations up 12% m-o-m in July; e2Ws down 3.5%: Vahan

TE Raja Simhan
Chennai

Pure electric four-wheeler registrations grew 12 per cent to 11,778 units in July 2025 as against 10,511 units in June, as per Vahan data.

This is in contrast to the 3.5 per cent decline in registrations of pure electric two-wheelers (e2W) registrations in July.

JSW MG Motor Pvt Ltd led the e4W table with 4,602 units, including its Windsor and Comet models, followed by Tata Passenger Electric Mobility (including Nexon, Punch and Tiago) and Mahindra Electric Automobile (XUV400 EV, XUV 9e, and BE 6).

Hyundai registered 581 units (Creta) and BYD India 448 (Atto 3, Seal, Sealion 7 and eMAX 7), the Vahan data said.

Among the top five EV car manufacturers, JSW, Tata and Hyundai reported a positive growth while Mahindra and BYD saw a decline, Vahan data (as of 10.45 am on) showed.

Electric car registrations have likely risen in July but it yet remains marginal compared to electric two-wheelers, which account for nearly 60 per cent of total EV sales, said Poonam Upadhyay, Director, Crisil Ratings. Sustenance of the momentum of electric cars sales needs monitoring amid high acquisition costs, limited charging infrastructure and range concerns, she told *businessline*.

"Besides, over a dozen new EV cars, mostly based on permanent magnet synchronous motors platform, are lined up for launch. But continued rare earth magnet supply disruptions from China could impact these EV launches, affect production and weigh on the segment's growth momentum, as these magnets are critical to PMSM used in EVs for their high torque, energy efficiency and compact size," Upadhyay added.

Leading the race

Company	June	July	% growth
JSW MG Motor India	3,973	4,608	15.98
TATA Passenger Electric Mobility	1,992	3,007	50.95
Mahindra Electric Automobile	3,013	2,578	-14.44
Hyundai Motor India	521	581	11.52
BYD India	487	448	-8.01

Source: Vahan as at 10.45 am on August 2, 2025

JSW, Tata and Hyundai reported a positive growth while Mahindra and BYD saw a decline

Business Standard, 5 August 2025

VinFast rolls out assembly unit for EVs in Thoothukudi

Plant to see investment of up to ₹16K cr; ₹4,300 cr to be used in 1st phase

SHINE JACOB
Chennai, 4 August

Vietnamese electric vehicle major VinFast on Monday officially inaugurated its electric vehicle (EV) assembly plant at Thoothukudi in Tamil Nadu. The unit is set to see an investment to the tune of ₹16,000 crore in phases, of which ₹4,300 crore will be used in the first phase.

The plant was inaugurated by Tamil Nadu Chief Minister M K Stalin. VinFast Tamil Nadu is the company's third operational plant and the fifth project in its global manufacturing network. The company is planning to develop Thoothukudi as an export hub, as "EV capital of South Asia", said a top executive.

Stalin said that the facility was built in a record time of 17 months from the date of groundbreaking ceremony.

"The VinFast Tamil Nadu plant marks a strategic milestone in our long-term commitment to the Indian market. It establishes a strong foundation for sustainable growth and positions us to offer high-quality, competitively priced electric vehicles to Indian consumers," said Pham Sanh Chau, chief executive officer of VinFast Asia.

In its initial phase, VinFast Tamil Nadu will focus on assembling two premium electric SUV models — VF 7 and VF 6. The plant's starting capacity is 50,000 vehicles per year, scalable up to 150,000 units annually to meet the rising market demand.

Tamil Nadu CM M K Stalin signs on the VF7 premium SUV, the first off the assembly line PHOTO: DIPR TN

The company has reportedly scouted 15 locations in six Indian states before choosing Tamil Nadu. "This investment will lead to an entirely new industrial cluster in south Tamil Nadu, and more clusters are what India needs to emerge as a global manufacturing hub," said state industries minister TRB Rajaa.

As the first VinFast facility inaugurated outside Vietnam, it demonstrates both the brand's global vision and its capacity to deliver large-scale projects.

With a total area of 400 acres, the plant is equipped with state-of-the-art production lines meeting world-class standards, featuring advanced automation and cutting-edge technologies. The complex houses multiple workshops, including body shop, paint shop, assembly shop, quality control centre, and a logistics hub. It also includes an auxiliary cluster for local contractors, which is expected to expand in the coming years.

At full capacity, the plant will create 3,000-3,500 direct jobs for local workers, along with thousands of indirect jobs in the supply chain ecosystem. This will help boost socioeconomic development in Tamil Nadu, positioning the state as a manufacturing hub for India and a potential EV capital of South Asia in the near future.

With the launch of the Tamil Nadu plant, VinFast moves closer to its 2025 sales target of 200,000 vehicles and its long-term production goal of 1 million vehicles per year by 2030. This milestone reaffirms VinFast's commitment to promoting sustainable mobility and advancing a greener future in India and worldwide, it said.

"Looking ahead, the facility will expand its production capacity to meet rising demand. We aim to develop it into VinFast's largest export hub for South Asia, the West Asia, and Africa. In fact, we've already secured initial orders from several countries across these regions. In close collaboration with the Tamil Nadu government, VinFast is working to transform the area into the 'EV capital of South Asia'— supporting both the dynamic domestic market and our broader regional ambitions," Chau added.

Business Standard, 6 August 2025

Tesla leases space for second India showroom in Gurugram

PRACHI PISAL
Mumbai, 5 August

US electric car maker Tesla is planning to open a showroom in Gurugram, where it has leased 33,475 square feet area, as the Elon Musk-owned firm doubles down on Indian bet. Once operational, it will be the second Tesla showroom in India, after Mumbai where the firm had opened a showroom less than a month ago.

Tesla India Motor & Energy, the India entity of US-based autonomous electric car maker, has leased the retail space in Gurugram at a monthly rent of ₹40.17 lakh. It will escalate by 4.75 per cent per annum.

According to the property registration details provided by CRE Matrix, a real estate data analytics firm, the US-based firm has leased the space for 9 years.

The space is located on the ground floor of Orchid Business Park at Sohna Road and has a chargeable area of 33,475 square feet. This means that Tesla will be paying a rent of ₹120 per square foot per month. The total super built-up area of the space is 50,914 square feet.

Tesla will be using the space as a service centre, delivery centre, and retail store. It has paid a security deposit of ₹2.41 crore. The space has a lock-in period of the first three years of lease tenure.

The transaction was registered on July 28, 2025, with the relevant administrative authorities, while the lease commenced on July 15, 2025. Tesla will get 51 parking spaces along with the space.

Earlier, in March, the company had leased a showroom space in Mumbai's Bandra Kurla Complex (BKC), India's costliest commercial hub, for a starting monthly rent of ₹35.26 lakh, which is ₹888 per sq ft per month, for five years.

The company opened its Mumbai showroom on July 15 while introducing the Model Y in India, with prices starting from ₹60 lakh.

Final destination

Tesla's real estate leases in India so far

Location	Date	Tenure (years)	Starting monthly rent (₹ lakh)
Office space in Pune	Oct '23	5	11.65
Showroom space in BKC, Mumbai	Mar '25	5	35.26
Office space in Mumbai	Apr '25	1	3.00
Warehousing facility in Kurla, Mumbai	May '25	5	37.53
Showroom space in Gurugram	Jul '25	9	40.17

Source: CRE Matrix and others

The Economic Times, 6 August 2025

BOOST FOR MAKE IN INDIA

18 R&D Proposals Shortlisted for EV Parts

MeitY, MHI to take final call; projects in partnerships with academia, industry & govt

Twesh Mishra

New Delhi: The Centre has shortlisted 18 proposals for research and development (R&D) of electric vehicle (EV) subsystems to boost domestic manufacturing of these largely imported components, looking to reduce dependence on imports.

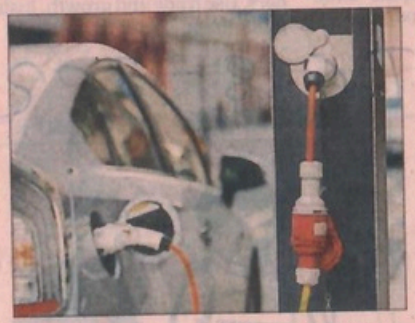
The projects will be executed in partnerships with academia, industry and the government.

A final call on the proposals will be taken after vetting by a panel comprising officials from the Ministry of Heavy Industries (MHI) and Ministry of Electronics and Information Technology (MeitY), officials said.

"Proposals currently being vetted include EV wireless chargers, power train and traction motors," a senior official told ET on condition of anonymity, adding that the government is also in discussions with the industry and academia before deciding on the proposals.

A key factor in the decision, according to the official, would be which EV subsystems need to be localised on a priority basis.

The proposals came after the October



2024 joint call by the MHI and MeitY. Approved proposals need to be at technology readiness level (TRL) 7 or above, indicating they are close to the manufacturing stage and only need a little more push.

Development must be taken up in consortium mode with a minimum upfront contribution of 20% in cash by an industry partner, the official said.

Projects leading to the development of a device or prototype with TRL 7 and above, having potential for commercialisation, will be preferred for financial support. Basic R&D proposals leading to only research publications are not being considered.

Technology developed through these incentives will be available to the domestic industries on a non-exclusive basis. But projects where the industry contributes more than 50% of the total project in cash or in kind with significant contribution can be transferred on an exclusive basis. The maximum project duration including product development, field testing and commercialisation may be up to 36 months.

"A decision on who will be incentivised will be taken shortly," the official added.

Industries having the capabilities of design and development, component manufacturing and vehicle manufacturing, and fulfilling the criteria of consortium may participate individually and will act as project leading agency.

Once successful, companies that use the newly developed technologies will part with 3% of their annual net sales as royalty to MeitY. The royalty payment will start after a two-year moratorium from the date of first commercial sale of the product. This levy will be applicable till the royalty amount paid becomes 1.5 times the grant-in-aid disbursed.

Business Standard, 9 August 2025

EV car sales nearly doubled in July

e2W sales fell partly because of output cut after rare-earth magnet shortage

ANJALI SINGH
Mumbai, 8 August

Retail sales of electric passenger vehicles (ePVs) nearly doubled in July 2025, surging 93 per cent year-on-year (Y-o-Y) to 15,528 units, even as overall passenger vehicle (PV) retail volumes declined marginally.

In contrast, electric two-wheeler (e2W) sales dropped by 4.3 per cent to 102,973 units, according to the Federation of Automobile Dealers Associations (Fada) data.

In the passenger vehicles category, EV share surged to 4.7 per cent in July 2025, more than doubling from 2.4 per cent in July 2024, and improving from 4.4 per cent in June 2025. This sharp rise has been attributed to an expanding model line-up, improved availability, and state-level subsidies.

In the two-wheeler space, EV penetration reached 7.5 per cent in July 2025, a modest increase from 7.4 per cent last year and 7.3 per cent in June 2025. Leading players like TVS, Bajaj, and Ola posted month-on-month (M-o-M) declines, reflecting ongoing pressure.

Mixed bag

Source: Fada

"Electric mobility continued its forward momentum in July 2025, with EV penetration rising across most segments, barring two-wheelers, despite a softer overall retail environment," said Fada president CS Vigneshwar. "This momentum signals that India's EV transition is steadily moving beyond early adopters into mainstream consumer and fleet markets. Consistent policy support, accessible financing, and rapid expansion of charging infrastructure will be pivotal in sustaining this growth through the festival season and beyond," he added.

Tata Motors and JSW MG Motor continued to lead the electric passenger vehicle market in July 2025. Tata Motors recorded sales of 6,047 units, growing 28.4 per cent M-o-M and 18.6 per cent Y-o-Y. JSW MG Motor sold 5,089 units, up 28 per cent M-o-M and a staggering 214.9 per cent Y-o-Y.

Mahindra, Hyundai, and BYD posted notable Y-o-Y growth, albeit on smaller volumes. Mahindra saw a 446.3 per cent jump, while Hyundai's sales rose 938.9 per cent Y-o-Y. BYD's sales increased 28.9 per cent Y-o-Y.

The strong momentum for Mahindra and Hyundai was driven by new electric SUVs and compact models. M&M, however, saw a 6.4 per cent M-o-M fall in volumes while BYD volumes slid 3.57 per cent.

In the e2W market, Ola Electric saw the sharpest fall, with sales plunging 57.3 per cent Y-o-Y. Established players TVS Motor and Bajaj Auto reported double-digit M-o-M declines — down 12 per cent and 14.5 per cent, respectively, with 13 per cent and 10 per cent Y-o-Y growth.

Business Standard, 11 August 2025

Electric 2W manufacturing loses charge amid rare earth shortage

Industry racing to fast-track magnet-free designs, diversifying sourcing

ANJALI SINGH
Mumbai, 10 August

A global squeeze on heavy rare earth magnets has reduced the Indian electric two-wheeler output, with the country's EV industry racing to fast-track magnet-free motor designs and diversifying sourcing to keep assembly lines moving.

Among major players, Bajaj Auto has already slashed production by up to 50 per cent in July and warned of continued curbs through August and September. Hero MotoCorp has said that it has managed to secure supplies for both ICE and EV models for Q2, while TVS has indicated that they are managing daily production through locally sourced higher-sized magnets. Among newer entrants, Ather CEO Tarun Mehta clarified that while there is no full halt in production, the supply gap is affecting deal demand fulfilment in Q2.

Admitting the production slowdown, Rakesh Sharma, executive director of Bajaj Auto, in post-earnings call, said, "Our impairment of production started towards the end of June. In July, output was hit by 50 per cent. We expected zero production in August, but it will be slightly better, though still at 50–60 per cent of plan."

Bracing for impact

- TVS Motor said the firm is managing daily output through available stocks and locally sourced higher-sized magnets
- Bajaj Auto has slashed output by up to 50% in July, warned of continued curbs through August, September
- Ather said that while there is no full halt in production, supply gap is affecting deal demand fulfilment in Q2
- Hero Moto acknowledged the shortage as serious, but said it has secured magnets for both ICE and EV models through Q2

Rare earth magnets are critical to EV motor production and China produces 60 per cent of global rare earth production and controls 90 per cent of the refining capacity.

TVS Motor's CEO and Director, K N Radhakrishnan, said the company is managing daily output through available stocks and locally sourced higher-sized magnets while exploring alternative strategies.

"In the medium-to long-term, we are working on heavy rare earth metals free, ferrite-based, magnet-free designs and sourcing from alternate countries. The aim is to build a more resilient company and country on magnets," he said.

Hero MotoCorp, meanwhile, acknowledged the supply crunch as a serious industry-wide challenge, but assured investors it has secured rare earth magnets for both ICE and EV models through Q2FY26. "Key components such as EV motors, engine speed sensors, wheel speed sensors, and bank angle sensors are covered for now," the management noted, while confirming that work is underway to develop long-term alternatives.

Industry voices remain divided on the extent of the impact. Experts note that while Bajaj and TVS anticipate cuts, Ather Energy expects only a one-week lag, and Ola Electric claims to be unaffected due to its magnet-less motor design, which will enter production around the festive season.

"Most electric two-wheeler OEMs are bracing for some impact in Q2 as the rare earth magnet crunch continues. Some have flagged outright production cuts, others expect short delays, while a few are turning to ferrite motors or alternate suppliers which could push up freight costs. Even if production doesn't fall sharply, the cost curve may rise for many players," said Sanket Kelaskar of Ashika Group.

TRACTOR

Business Line, 12 August 2025

Tractor sales plunge 40% m-o-m in July

TE Raja Simhan
Chennai

Tractor sales declined by nearly 40 per cent in July to 72,797 units as against 1,21,613 in June. However, the July 2025 number was up by nearly 8 per cent when compared with 67,952 reported in July of 2024, according to Tractor and Mechanisation Association data.

Tractor sales follow a cyclical pattern, peaking in June, post harvest in May, as farmers prepare for the next sowing cycle. After a slow July, sales rose from August onwards, with the festival season typically witnessing the highest sales, said an official.

MONTHLY DATA

Major companies have reported month-on-month decline in tractor sales in July. Mahindra & Mahindra's total tractor sales (domestic + exports) during July 2025 were at 28,708 units, a 5 per cent increase over 27,209 units for the same period last year but a 46 per cent decline when compared with 53,392 units reported in June 2025.

Similarly, Escorts Kubota Ltd Agri Machinery Business in July 2025 sold 7,154, including exports, a 3 per cent increase over 6,963 in July 2024 but a 40 per cent drop when compared with 11,498 in June 2025. It was a similar trend for other companies too, said sources. The drop in July volumes, as per TMA data, is more about inventory and timing, than demand, said Poonam Upadhyay, Director, Crisil Ratings. After heavy June stocking, OEMs eased July dispatches to keep dealer inventory and receivables in check, something that happens almost every year, she added.

"For the top players, July wholesales were up by about 9 per cent year-on-year, underscoring healthy demand. In July, wholesale normalised, while retail held up by improved monsoon spread, kharif sowing, and steady rural sentiments," she said.

RAW MATERIAL

Business Standard, 5 August 2025

JSW Steel, JFE to invest ₹5.8K cr to spur steel output

ISHITA AYAN DUTT
Kolkata, 4 August

JSW Steel — in collaboration with Japanese partner JFE Steel Corporation — on Wednesday announced expansion of its manufacturing capacity for grain-oriented electrical steel at a cost of ₹5,845 crore.

The investment would be through joint ventures JSW JFE Electrical Steel Private Limited at Vijayanagar, Karnataka (J2ES), and JSW JFE Electrical Steel Nashik Private Limited, Maharashtra (J2ESN).

JSW Steel said this capital investment along with previously announced investments at Vijaynagar and acquisition of the Nashik facility would take the overall investments to ₹15,560 crore.

In a statement, Jayant Acharya, joint managing director (MD) & chief executive officer (CEO), said India's green energy transformation, decarbonisation and digital infrastructure development were triggering large demand for high-grade electrical steel.

He said, "Our grain-oriented electrical steel investment is a critical step in enabling import substitution, supporting India's energy transition goals, and delivering high-efficiency electrical steel solutions to the domestic and global markets."

Grain-oriented electrical steel is an important material in the production of energy-efficient transformers and large and high performance generators.

Acharya added, "This investment with our long-standing partner JFE Steel reaffirms our commitment to building strategic and future-ready steel capabilities that serve both national and global priorities."

J2ESN, formerly thyssenkrupp Electrical Steel India Private Limited, is one of the first manufacturers of cold rolled grain-oriented electrical steel in India with a capacity of 50,000 tonnes per annum (TPA) at Nashik.

Earlier this year, in a ₹4,051 crore acquisition, JSW Steel with JFE completed the acquisition of thyssenkrupp Electrical Steel India Private Limited.

Steel synergy

- The investment will be made through joint ventures in Vijayanagar and Nashik
- With this round, total investment by JSW and JFE in these projects reaches ₹15,560 crore
- The Nashik facility's capacity will be raised to 250,000 from 50,000 tonnes per year
- Vijayanagar plant capacity will rise to 100,000 tonnes, with ₹1,545 crore added
- After both expansions, total CRGO steel capacity will reach 350,000 tonnes annually

On Wednesday, JSW Steel said that considering the increasing domestic demand for cold rolled grain-oriented electrical steel, the board approved expansion of this steel's facility from 50,000 TPA to 250,000 TPA. The expansion cost was estimated at ₹4,300 crore

J2ES, a 50:50 joint venture between JSW Steel and JFE Steel, had planned to set up a 62,000 tonnes cold rolled grain-oriented electrical steel manufacturing facility at Vijayanagar with a planned investment of ₹5,557 crore. This was being enhanced to 100,000 TPA with an additional investment of ₹1,545 crore.

The additional capital expenditure for capacity expansion at Nashik and Vijayanagar would have equity funding of ₹1,966 crore. It would be funded equally by the JSW Steel and JFE Steel Corporation. After completion of capacity additions, the overall cold rolled grain-oriented electrical steel capacity would increase to 350,000 TPA. It is expected to be commissioned in phases from FY28.

Business Line, 15 August 2025

Eye on EU carbon levy, govt to incentivise steel-makers for cutting CO_2 emissions

Abhishek Law
New Delhi

To accelerate decarbonisation of the steel industry, India is preparing a policy roadmap that will offer financial incentives to steel-makers that can prove they have cut carbon emissions.

This initiative aims to safeguard the nation's $25 billion steel export market against new carbon tariffs from the European Union. Unlike traditional subsidies, this framework will only reward companies showing improvements in emission intensity year over year.

The initial plans show that for every 0.1 tonne reduction in CO_2 per tonne of iron or steel produced, mills will earn ₹100, with an annual cap (upper limit) of ₹1,000 per tonne. No payment will be made in years when the emission intensity fails to improve, as per preliminary documents reviewed by *businessline*.

GREEN DRIVE

- For every 0.1 tonne reduction in CO_2 per tonne of iron or steel produced, mills will earn ₹100, with an annual cap of ₹1,000/t
- No payout if annual emission intensity fails to improve
- Only plants commissioned on or before March 31, 2025 eligible
- Emission data to be verified by BEE-accredited auditors and authenticated by the National Institute of Secondary Steel Technology

EYEING BENEFITS

The move comes amid industry — both integrated and secondary steel-makers — seeking "benefits" from the Centre to switch to greener steel-making solutions. Eligibility is restricted to plants commissioned on or before March 31, 2025. All reported emissions data will be independently verified by Bureau of Energy Efficiency (BEE)-accredited auditors and authenticated by the National Institute of Secondary Steel Technology. Any manipulation of data will lead to disqualification and recovery of subsidy.

The average CO_2 emission (in terms of tonnes per tonne of crude steel produced) in India is around 2.5 T/tcs (reduction from 2.65 T/tcs in 2015). The global average is 1.85-1.92 T/tcs (World Steel Association numbers) or 1.4 T/tcs (IEA estimates).

The scheme will run from FY27-FY31 and is expected cover 60 million tonnes of "sustainable steel".

India's crude steel output stood at 152 mt in FY25, making it the world's second-largest producer, though the per capita consumption remains a modest 108 kg. The sector is responsible for roughly 12 per cent of the country's total carbon dioxide emissions.

KEY CHALLENGE

Much of the industry runs on low-grade coal and iron ore, lowering efficiency and raising environmental impact.

Forty-four per cent of secondary steel is produced via coal-based direct reduced iron, one of the most polluting methods. Horizontal rotary kilns limit the adoption of cleaner hydrogen or gas-based alternatives, while scrap shortages restrict the growth of electric arc and induction furnaces, which are far less carbon-intensive. Limited access to natural gas further impedes the shift away from coal.

GOVERNMENT POLICY

Business Standard, 4 August 2025

Just 1/5th of auto PLI firms have products cleared for incentives

Report card

Some key original equipment manufacturers and their PLI position

	PLI-approved models
Bajaj Auto	22
M&M	21
Tata Motors	19
TVS Motor Co.	6
Ola Electric	5
Hero MotoCorp	1
Eicher Motors	1

Auto majors with no PLI-approved vehicles: Ashok Leyland, Hyundai Motor, Kia India, PCA Automobiles, Suzuki, Piaggio, Elest, HOP Electric

Source: MHI data as on July 31

SURAJEET DAS GUPTA
New Delhi, 3 August

More than two years after its launch, only 16 of the 84 firms eligible under the ₹25,938 crore production-linked incentive (PLI) scheme for automobiles and auto components have products that have met the required domestic value addition (DVA) criteria to qualify for incentives.

These companies have received clearance for 107 model and component variants, having met the DVA threshold, based on data available till July 31. However, with China tightening restrictions on exports of critical rare earth materials, which is crucial for manufacturing electric motors in India, achieving the 50 per cent localisation target is likely to become even more challenging. This has prompted the auto industry to urge the government to exclude electric motors from the DVA calculation.

The scheme, which was launched initially from April 1, 2022, to March 2027, was extended for a year to 2028 (started from April 1, 2023). However, the first OEM model to be approved under the scheme for achieving the required 50 per cent DVA threshold was only cleared on August 17, 2023.

The data on companies whose models have cleared the DVA criteria and received incentive approvals paints a telling picture. Among the "Champion OEMs", which include manufacturers of electric four-wheelers, two-wheelers, and three-wheelers, and new auto entrants (such as Ola Electric), only seven out of 20 companies have secured DVA clearance for their models. This is despite the fact that 15 of these firms already have EVs on the road, while four companies do not yet have a single electric model.

In the Champion OEM category for four-wheelers (excluding two- and three-wheelers), only Tata Motors, Mahindra & Mahindra, Eicher Motors, and Pinnacle Mobility have secured DVA clearance, out of a total of 10 players. Turn to Page 3

FROM PAGE 1

Just 1/5th of auto PLI firms have products cleared for incentives

Others, including Suzuki, Ashok Leyland, Hyundai, Kia, and PCA Automobiles, have yet to receive approval for any electric model. The performance in the auto components category is even weaker. Only nine of 64 eligible companies have received DVA clearance.

What makes the situation more difficult is that at least three companies have received clearance to manufacture traction motors or wheel rims integrated with hub motors. But they now face challenges due to China's ban on rare earth material exports, making domestic production increasingly difficult.

To encourage fresh investments, the government had carved out a separate segment under the PLI scheme for new non-automotive investors. But apart from Ola Electric, none of the other five firms in this category have received DVA clearance for even a single model.

The only area where the PLI scheme has seen big success is in the electric two- and three-wheeler space under the Champion OEM category. Three of the four eligible companies (barring Piaggio) have already received DVA clearance for several of their models.

In terms of financial disbursement, the Union Budget for FY25 initially allocated ₹3,500 crore for the scheme. However, the revised estimates sharply reduced this figure to ₹346.87 crore. As of December 2024, cumulative disbursements under the scheme stood at ₹322 crore, according to a government release in March. For FY26, the government has earmarked an allocation of ₹2,818 crore under the PLI scheme.

Business Line, 5 August 2025

NITI Aayog bats for national EV policy with clear targets

Press Trust of India
New Delhi

Government think tank NITI Aayog on Monday pitched for a national EV policy with clear targets and timelines to fast-track India's electric mobility transition.

The Aayog, in its report titled *Unlocking a $200 billion opportunity: Electric vehicles in India*, further recommended expanding corporate average fuel efficiency (CAFE) norms to a wider segment of vehicles.

The report called for establishing a national EV policy with clear targets and timelines, and a regulatory framework with phased EV mandates. It also pitched for a clear policy, with target timelines, for zero-emission vehicle (ZEV) adoption.

"Create a pooled fund with contributions from the public budget and multilateral development banks for providing lower-interest loans for the procurement of e-buses and e-trucks," the report said, and suggested designing and launching an appropriate scheme to channel funds.

DELIVERY MODELS

The Aayog also called for prioritising service delivery models over asset procurement, shifting capital costs to operating expenditures and scaling R&D efforts to drive down battery costs, enhance energy density and reduce reliance on imported rare earth materials.

"Strategic scaling of charging infrastructure and enhancing public awareness and information systems are critical enablers," the Aayog said. India seeks to attain a 30 per cent share of electric vehicles in total vehicles sold by 2030.

Sales of EVs in India increased from 50,000 in 2016 to 2.08 million in 2024, against global EV sales of 9,18,000 units in 2016 to 18.78 million in 2024. The report said India's transition had been slow to start with, but it is picking up.

Noting that India's EV penetration was only about one-fifth of the global penetration in 2020 but had picked up to over two-fifths in 2024, the report said it continues to show an increasing trend, though relatively slow.

ELECTRIC MOBILITY INDEX

Delhi, Maharashtra and Chandigarh have emerged as frontrunners in NITI Aayog's first India Electric Mobility Index (IEMI), which assesses performance across three themes of EV adoption, charging infrastructure readiness and EV technology and innovation.

The Aayog, in its report titled *India Electric Mobility Index 2024*, evaluated all States and Union Territories across 16 indicators under three core themes.

In transport electrification, Delhi and Maharashtra are the frontrunners while Haryana, Karnataka, Ladakh and Himachal Pradesh lead in charging infrastructure readiness.

In terms of EV research and innovation, the Aayog said Delhi, Tamil Nadu, Maharashtra, Karnataka, Haryana and Telangana stand out as front-runners. According to the Aayog, currently 29 States and UTs have notified EV policies, with four in the draft stage where policies drive localised action through targeted incentives and regulatory support.

Business Line, 5 August 2025

Govt, auto majors differ over use of ethanol-blended petrol

RAGING DEBATE. Oil Ministry downplays mileage drop; vehicle makers warn of parts damage

Rishi Ranjan Kala
S Ronendra Singh
Aroosa Ahmed
New Delhi/Mumbai

On a day the Ministry of Petroleum and Natural Gas clarified that the "marginal" decrease in vehicle mileage by ethanol-blending can be minimised through engine tuning, industry experts said petrol blended with 20 per cent ethanol (E20 fuel) is decidedly corrosive and a staggering number of two- and four-wheelers would require retrofitting to minimise the damage.

DROP IN RANGE. Ethanol's lower energy density leads to a slight mileage drop — about 1-2 per cent in E10-designed four-wheelers calibrated for E20, and 3-6 per cent in others

MARGINAL MILEAGE DIP

In the wake of a social media campaign about the negative impact of ethanol-blended petrol on vehicles, the Ministry asserted on Monday that ethanol, being lower in energy density than petrol, results in a marginal decrease in mileage, estimated at 1-2 per cent for four-wheelers designed for E10 fuel and calibrated for E20, and 3-6 per cent in other vehicles.

"This marginal drop in efficiency can be further minimised through improved engine tuning and use of E20-compatible materials, which leading automobile manufacturers have already adopted," the Oil Ministry said on X.

It added that material corrosion in older vehicles could be checked by replacing some rubber parts, which are inexpensive and easily done.

However, an automobile industry leader pointed out that old vehicles are at a risk of facing serious complications with components and damage if they are not modified by manufacturers.

CORROSIVE FOR PARTS

Experts pointed out that ethanol is "corrosive" for vehicles. "E20 fuel can cause serious issues in vehicles not designed for it. Ethanol absorbs moisture, leading to phase separation and corrosion in metal components like fuel tank, pipes, injectors, engine and exhaust. It also degrades rubber and plastic parts such as seals, gaskets and fuel hoses, which aren't ethanol-resistant," said Anurag Singh, Advisor, Primus Partners. "Additionally, ethanol alters the air-fuel ratio, and if the ECU or PGM-FI system isn't calibrated for E20, it can result in poor combustion, knocking, reduced performance and hard cold starts."

RETROFIT NEEDED

Leading two-wheeler manufacturer Hero MotoCorp said on its website that vehicles manufactured before April 2023 may require modifications in the engine-fuel system for it to run efficiently on E20 fuel.

"Certain rubber, elastomers and plastic components (like gaskets, O-rings and fuel tube) may need to be replaced for prolonged usage with new parts made with E20 compatible material," it added. TVS Motor, too, mentioned on its website that ethanol is corrosive to several materials.

"There are isolated incidences of choking of fuel injectors of E20 fuel, which are still bearable. But if you go for higher ethanol mix (like E30 or E40), then issues may come up," said CS Vigneshwar, President, Federation of Automobile Dealers Association.

Business Standard, 9 August 2025

PM E-DRIVE scheme extended by 2 years

The move applies to only certain segments

DEEPAK PATEL
New Delhi, 8 August

The Ministry of Heavy Industries (MHI) has extended the PM E-DRIVE scheme, a programme to accelerate electric-vehicle (EV) adoption and its charging infrastructure, for two years for certain segments including trucks, ambulances, buses, and charging infrastructure.

These segments will continue to get subsidies under the scheme till March 31, 2028.

However, subsidies for electric two-wheelers, electric rickshaws, electric three-wheelers, and electric carts will be over by March 2026, according to the government notification dated August 7, 2025.

The notification stated: "This is a fund limited scheme. Total payout under the scheme shall be limited to the scheme outlay of ₹10,900 crore ... The terminal date for registered e-2W, registered e-rickshaws & e-cart and registered e-3W (L5) shall be March 31, 2026."

The government's recent extension of the EV incentive scheme offers much-needed relief to slower-moving segments like trucks, buses, ambulances, and public charging infrastructure, said Saket Mehra, partner (auto & EV leader), Grant Thornton Bharat.

He said public charging stations required considerable time for project implementation, especially after receiving proposals from state governments and various ministries. He also pointed out that limited manufacturing capacity and slow progress under the phased manufacturing programme (PMP) — which mandates specific levels of localisation in a vehicle — had held back the rollout of electric trucks. Ebuses face a separate bottleneck.

The extension of the EV incentive scheme offers much-needed relief to slower-moving segments like e-trucks, e-buses, e-ambulances, and public charging infrastructure

Mehra said under the scheme, deploying ebuses depended on a payment security mechanism (PSM), which is being formulated. Because of this, the extension till March is necessary to accommodate the mechanism's implementation and the subsequent rollout of buses. On e-ambulances, he noted India did not have hybrid or electric models in the market, so more time was needed for their development and procurement.

The scheme, launched in October last year with an outlay of ₹10,900 crore, aims to give subsidies to 2.48 million electric two-wheelers, 315,000 three-wheelers, 5,643 trucks, 14,028 buses, and 88,500 charging stations.

Saurabh Agarwal, partner and automotive tax leader, EY India, said: "The adoption in the case of etrucks and e-ambulances was very limited. The government wanted to give clarity to this segment that subsidies will continue for them in the long run. This segment was of the belief that the localisation levels and adoption in this segment will happen over a period of time. Therefore, the industry was a bit sceptical of making investment in this segment due to no clear timeline. This is the reason why the timeline for the segment has been increased."

The scheme offers demand incentives of around ₹3,679 crore to promote the purchase of electric two-wheelers (₹1,772 crore), three-wheelers (₹907 crore), ambulances (₹500 crore), and trucks (₹500 crore).

Another ₹7,171 crore was allocated under the scheme of which ₹4,391 crore was for electric buses, ₹2,000 crore for charging infrastructure, and ₹780 crore for testing facilities.

The Times of India, 12 August 2025

LS approves updated I-T bill, to ease compliance burden

Reforms To Promote A Transparent Tax System: Experts

TIMES NEWS NETWORK

New Delhi: Lok Sabha on Monday approved the Income Tax Bill 2025 — a key reform aimed at revamping the decades old income tax law for individuals and companies, making it simple for taxpayers and easing the compliance burden.

Earlier, FM Nirmala Sitharaman introduced the revised and updated version of the I-T bill in Parliament, incorporating recommendations of the Select committee of Parliament. On Aug 8, FM had withdrawn the earlier bill, which was introduced in the house on Feb 13. The Select committee of the Lok Sabha headed by BJP's Baijayant Panda had examined the I-T Bill 2025 and adopted the report on the draft legislation last month.

The parliamentary panel had suggested 285 recommendations on the draft legislation, aimed at simplifying and modernising the country's tax laws. "Almost all of the recommendations of the Select Committee have been accepted by govt. In addition, suggestions have been received from stakeholders about changes that would convey the proposed legal meaning more accurately," according to the statement of Objects and Reasons of the Income Tax (No.2) Bill." For TDS correction statements, the time period for filing statements has been reduced to two years from six years in the Income-tax Act, 1961. I-T department sources said this is expected to reduce the grievances of deductees significantly.

Flexibility has been provided in the new I-T bill for allowing refund claims in cases where the return is not filed on time, a move which is expected to come as a major relief for taxpayers.

Tax experts said the reforms are expected to ease compliance for individuals, companies, MSMEs and promote a stable, predictable and transparent tax system, key for sustaining domestic consumption, attracting foreign investment and supporting growth. "The withdrawal of the earlier I-T bill and the introduction of a revised version demonstrates govt's responsiveness to stakeholder feedback and the Select Parliamentary committee's recommendations," said Gouri Puri, partner, Shardul Amarchand Mangaldas and Co.

Puri said the original draft raised concerns about ambiguities, particularly regarding house property taxation, pension deductions, and the refund process for delayed filings. "The revised bill addresses these gaps to simplify interpretation, reduce disputes and promote fairness," said Puri.

The new I-T Bill also aims to eliminate redundant and repetitive provisions for better navigation, reorganising sections logically to facilitate case of reference. It has opted for simplified language to make the law more accessible and has removed obsolete and redundant provisions for greater clarity.

Mandatory investment and deposit of deemed accumulated income of 15% of regular income in specified modes has been done away with. The word "profession" has been added after "business" in clause 187 to enable professionals with total receipts exceeding Rs 50 crore in a year the facility of prescribed electronic modes of payment.

FOCUS ON SIMPLIFICATION

- Deductions for commuted pension and gratuity for family members are provided under Clause 93
- For TDS correction statements, time period for filing statements has been reduced to two years from six years in the I-T Act, 1961. This is expected to substantially reduce grievances
- Provisions of MAT (Minimum Alternate Tax) and AMT (Alternate Minimum Tax) are separated as two sub-sections under section 206
- AMT applicable only to those non-corporates, which have claimed deductions
- LLPs (Limited Liability Partners) who have only capital gains income are not liable for AMT if there is no claim for deduction

Source: Govt