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# AUTOMOTIVE INDUSTRY

Business Line, 16 April 2026

## Tata Motors faces tougher FY27 at home

**Amit Vijay Mohile**  
Mumbai

Tata Motors is entering FY27 with two parallel priorities: closing a global deal that could reshape its scale and navigating a domestic market that is turning more unpredictable.

The company is targeting a first-quarter close for its Iveco acquisition, according to top industry sources, subject to regulatory approvals.

Executive Director Girish Wagh declined to comment on specifics but said a transaction is awaiting approvals and would move forward as it is awaiting some cross-border approvals, adding the company was "keeping its fingers crossed".

That global ambition comes even as the company's core commercial vehicle (CV) business, fresh off a

strong FY26, faces a more complex operating environment at home.

### **STRONG FY26, BUT...**

Tata Motors' CV business grew 14 per cent to 428,329 units in FY26, its highest since FY21. But the headline number masks a split year: a flat first half followed by a sharp recovery in the second.

The rebound was driven by GST-led freight efficiency, sustained infrastructure spending and a delayed fleet replacement cycle. Medium and heavy CV volumes surged, while passenger carriers and electric CVs also saw strong growth.

Industry analysts say margins held at 11-12 per cent despite the weak first half, reflecting a conscious decision to avoid aggressive discounting.

The bigger question now is not demand but its durab-



ility. "Underlying demand remains strong... but sentiment has turned cautious," Wagh said, pointing to healthy order pipelines even after recent global disruptions. Two emerging risks are shaping that caution: diesel prices and export uncertainty.

"The most important monitorable is diesel prices," Wagh said, noting that any sustained increase would directly raise operating costs for fleet owners and delay purchase decisions.

That sensitivity is now intersecting with develop-

ments in export markets.

West Asia a key destination for Indian CV exports, has seen immediate disruption following the recent crisis. However, Tata does not yet see a structural shift in demand.

"There is no shift, we'll have to see the longer-term impact," Wagh said.

The impact remains uneven. While markets such as Sri Lanka are seeing sharper pressure, Africa has held relatively steady, suggesting that exports are softening at the margins rather than weakening broadly. To-

gether, these factors are reshaping the near-term outlook. Domestic demand remains supported by infrastructure and consumption but is becoming increasingly sensitive to fuel costs. Exports, meanwhile, are no longer a clear tailwind.

### **EV ADOPTION UNEVEN**

Tata enters FY27 with one of the widest electric CV portfolios in India, spanning small cargo vehicles to heavy-duty trucks.

The economics are beginning to work in select use cases.

Payback periods versus diesel can be achieved in two to three years, Wagh said, adding that electric CV volumes grew about 65 per cent last year.

In buses, Tata continues to see steady order inflows but is becoming more selective.

## CV growth seen moderating in FY27

**ANJALI SINGH**  
Mumbai, 15 April

India's commercial vehicle (CV) industry is expected to enter a phase of moderated growth in FY27 after a strong rebound in FY26, with analysts pointing to cyclical headwinds and macro-economic uncertainties tempering momentum.

The CV industry grew about 11.7 per cent in FY26 to around 1,060,906 units, from 949,406 units in FY25 as per Federation of Automobile Dealers Associ-

### Segment-wise projections for FY27

#### Y-o-Y growth (%)

LCV (trucks)	3-5%
M&HCV (trucks)	5-7%
Bus	7-9%
Overall CV volumes	4-6%

Source: Icmra

ation (Fada) data.

According to Som Kapoor, partner and future of mobility leader at EY-Parthenon, FY26

marked a robust recovery year. However, he expects growth in FY27 to slow to around 6-7 per cent, not due to any structural downturn but due to cyclical factors such as oil price volatility, monsoon-linked rural demand, and broader macro-economic pressures.

"The upcycle has largely played out in FY26. FY27 is likely to see continued growth, but at a more moderate pace," he said, adding that the industry still has headroom for expansion.

Anurag Singh, managing director at Primus Partners, noted that CV cycles remain difficult to predict since they are closely tied to infrastructure spending, freight demand, and credit availability.

"Given current geopolitical uncertainties, commodity fluctuations, and tighter financing conditions, a phase of muted or flat growth is a realistic base case rather than an outright downturn," he said.

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# Renault group gears up for India expansion; 7 launches by 2030

French carmaker aims to make India one of its top 3 mkts; eyes 5% share in country

SHINE JACOB  
Chennai 16 April

Renault group on Thursday said that the company aims to transform India into one of the top three markets for the company globally. As part of this road map, the French automaker will launch seven new vehicles and is targeting annual exports of 2 billion euros by 2030 in vehicles, research and development, and components.

The company is eyeing a 5 per cent market share in India. "In India, we have great ambition: make it one of Renault brand's top 3 markets worldwide. To achieve this, we are entering our largest product renewal cycle in India. We will introduce new vehicles, bringing our portfolio to seven models by 2030," said François Provost, chief executive officer (CEO), Renault group. He said that exporting from or to Europe is not part of the



“ WE ARE ENTERING OUR LARGEST PRODUCT RENEWAL CYCLE IN INDIA ”

François Provost, CEO, Renault group

company's India strategy, despite the India-European Union trade deal.

Four vehicles are in the line-up to reach a total of a seven-vehicle portfolio by 2030, including the Renault Duster unveiled in January 2026, which is already generating strong

enthusiasm among customers. As part of its 'futuREady' announcements, the group also presented the Bridger Concept, which previews a new B-segment compact SUV, a true multi-energy vehicle including an electric version.

The seven vehicles will be based on two complementary platforms — Renault Group Entry Platform (RGEP) and Renault Global Modular Platform (RGMP) — deployed first in the Indian market and both designed with a multi-energy approach to offer internal combustion powertrains, including hybrids, and electric powertrains depending on needs.

"We have already launched the new Duster, and we are already seeing strong interest and enthusiasm from customers. We presented the new Bridger concept: a multi-energy vehicle, with best-in-class efficiency. Our goal is to begin

production in India in the second half of next year," he added. Provost expects India to contribute 40 per cent share of its total global volume, excluding the US, Europe and China.

Following the launch of 'futuREady' on March 10, Renault group is now unveiling 'futuREady India', aimed at establishing its 15,000-employee full-fledged operations as a leading hub.

In Chennai, the group has one of its largest engineering centres worldwide, bringing together 6,000 engineers and IT specialists in vehicle architecture, software, simulation, and vehicle lifecycle upgrades.

"Leveraging world-class engineering, competitive manufacturing, and a clear, ambitious product roadmap, India is poised to be a major driver of sustained value for Renault group," said Stéphane Deblaise, CEO, Renault group in India.

## Siam wants govt to notify CAFE-3 norms soon

**DEEPAK PATEL**

New Delhi, 16 April

The Society of Indian Automobile Manufacturers (Siam) on Thursday endorsed the latest draft of corporate average fuel efficiency-3 (CAFE-3) emission norms and told the government that it should be notified quickly, as there is limited time available to implement it, *Business Standard* has learnt.

The view was conveyed by Siam President Shailesh Chandra, during a meeting on Thursday between Siam members and officials from the Ministries of Power, Road Transport and Highways, Heavy Industries and Petroleum and Natural Gas.

CAFE norms set a fleet-wide limit on the average carbon dioxide emissions, measured in grammes per kilometre (g/km), for all passenger vehicles (PVs) sold by a carmaker in a year. CAFE-2 is currently in force and CAFE-3 will come into effect starting April 2027 for a period of five years.

The consultation on CAFE-3 norms has been underway

for the past couple of years, with the issue of special relief for sub-909 kg cars emerging as the primary sticking point. The Bureau of Energy Efficiency (BEE), in its April 10 draft shared with Siam, did not keep any separate carve-out for sub-909 kg vehicles, but provided relief through changes in the main mathematical formula, which is used to determine emission limits for each carmaker.

**WHILE SOME AUTOMAKERS HAVE DIFFERING VIEWS ON THE LATEST DRAFT OF THE NORMS, THE INDUSTRY BODY IS IN ALIGNMENT WITH IT**

raising the issue of carve-out for sub-909 kg cars. This carve-out was part of the September 2025 draft of CAFE-3, but was removed in later versions after strong opposition from most other automakers.

Other manufacturers opposed them stating that concerns around small cars have already been addressed through changes done to the main mathematical formula in the April 10 draft.

The meeting, chaired by Pankaj Agarwal, Secretary at the Ministry of Power, included a presentation by the BEE.

The issue of a special exemption for small cars resurfaced, with three carmakers

# Maruti Suzuki, Hyundai, Nissan lead India's PV exports with 80% share

Tata Motors, M&M's share stood at 3.2%

**SURAJEET DAS GUPTA**  
New Delhi, 15 April

India is witnessing a substantial consolidation of passenger vehicle (PV) exports with two global car makers, Maruti Suzuki India and Hyundai Motor India — now cumulatively accounting for 70.03 of the total exports of 905,200 PVs from the country in FY26. In FY25, they accounted for a much lower share of total PV exports at 64.05 per cent, according to data released by the Society of Indian Automobile Manufacturers (SIAM).

If the third largest PV exporter, Nissan India, is also added to the above number, the three foreign players cumulatively accounted for 80 per cent of the total PV exports from the country in FY26. The three carmakers together accounted for 73 per cent of PV exports in FY25.

In a striking contrast, leading home-grown passenger vehicle makers Tata Motors and Mahindra & Mahindra lag foreign peers with just 3.2 per cent share of PV exports in FY26. The two companies exported 29,072 PVs combined, slightly

**Top 5 exporters** PV exports ■ FY25 ■ FY26



more than Kia Motors India's FY26 exports of 27,953 vehicles.

This represents a marginal increase over the previous financial year when Tata Motors and M&M's combined share of total PV exports was only 2.4 per cent.

The substantial consolidation of exports has been led by Maruti Suzuki India — which reported a 34.4 per cent increase in exports in FY26 from 330,081 PVs in FY25 to a record 443,825 vehicles in FY26. Hyundai India's car exports rose

16.36 per cent to hit 190,725, while Nissan India's exports were up 15.5 per cent to 84,408 vehicles in FY26. As a result, overall passenger vehicle exports rose nearly 15 per cent year-on-year (Y-o-Y) in FY26.

The contrasting numbers should be seen against the backdrop of the government's big push to make passenger electric vehicles (EVs) globally competitive under the production-linked incentive (PLI) scheme, which is already offering substantial incentives to EV makers.

## CAFE III norms may jack up car prices by up to ₹1.25 lakh

**Amit Vijay Mohile**  
Mumbai

The automobile industry is aligning with the April draft of the CAFE III norms, which will usher in a stricter fuel-efficiency regime from April 2027.

The transition is expected to raise car prices by ₹20,000-₹1.25 lakh, while imposing a compliance burden of ₹61,500 crore-₹1.48 lakh crore on manufacturers.

A *businessline* analysis, based on inputs from Fore-See Advisors and Kotak Institutional Equities, shows that entry-level car prices could rise by ₹20,000-₹35,000 initially due to upgrades such as idle start-stop systems, tyre pressure monitoring systems, low rolling resistance tyres and engine optimisation.

As norms tighten, additions, such as six-speed transmissions, better aerodynamics and 48V mild-hybrid systems, could push costs up ₹85,000-₹1.25 lakh by FY32. While fuel savings of about ₹15,800 annually are expected, payback periods may range from 3-6 years as upfront costs approach ₹1 lakh.

For automakers, the shift presents financial and structural challenges, alongside

an accelerated move towards electrification.

### OIL IMPORT BILL

"The more pressing issue is the affordability of small cars," said Harshwardhan Sharma, Head of Auto Retail Practice at Nomura. At the same time, improved efficiency could cut India's crude oil import bill by ₹60,000-₹90,000 crore annually by FY32.

CAFE III, or the Corporate Average Fuel Efficiency norms, introduce costs in phases — starting with basic efficiency technologies in 2027, followed by transmission and aerodynamic upgrades by FY30 — and culminating in hybridisation and deeper electrification by FY32. "This is no longer just a compliance exercise; it is a strategic decision regarding portfolio and capital allocation," said Hemal Thakkar of Crisil. The shift is expected to redraw competitive dynamics. Tata Motors, with an EV mix of 14-15 per cent, is seen as well-positioned.

Maruti Suzuki could benefit from its lightweight portfolio, while Mahindra & Mahindra has a viable transition path. Hyundai and ICE-heavy players such as Skoda, Volkswagen and Renault-Nissan face greater challenges.

# Automakers may report strong volume-led growth

SOHINI DAS  
Mumbai, 19 April

Analysts see Q4FY26 revenue growth for automotive companies in the range of 17-20 per cent, underpinned by double-digit volume expansion across passenger vehicles (PVs), two-wheelers (2Ws), and commercial vehicles (CVs).

Demand has been supported by improving affordability, following the goods and services tax (GST) rate cuts, healthy financing availability, festival tailwinds and better realisations driven by lower discounting and a favourable product mix.

However, profitability trends remain mixed. Earnings before interest, taxes, depreciation and amortisation (Ebitda) growth are seen broadly around 12-20 per cent year-on-year (Y-o-Y) for the sector.

However, there are some outliers on either side, as operating leverage, scale benefits and favourable currency partly offset rising input costs. On margins, some brokerages expect marginal expansion of around 50-70 basis points (bps), led by mix and leverage. Others flag flat to slight contraction (up to around 20

bps decline). This is due to commodity inflation, indicating that cost pressures are beginning to cap the benefits of strong volume growth.

Building on this, brokerages remain aligned that demand momentum in Q4FY26 has been broad-based across



## Mixed trends

Figures in ₹ crore	Net sales		Change %		Ebitda		Change %		PAT		Change %	
	Q4FY26E	Q-o-Q	Y-o-Y	Q4FY26E	Q-o-Q	Y-o-Y	Q4FY26E	Q-o-Q	Y-o-Y	Q4FY26E	Q-o-Q	Y-o-Y
Tata Motors PV	1,11,064	58.4	-6.6	6,958	639.5	-57.4	2,793	-	-67.7			
Bajaj Auto	15,471	1.6	27.4	3,176	0.5	29.6	2,587	1.6	26.2			
Ashok Leyland	14,047	22.4	18.0	2,008	30.8	12.1	1,383	73.8	11.9			
TVS Motor Co	12,955	-12.2	12.2	1,664	-28.3	-13.3	1,043	19.0	63.6			
Hero MotoCorp	12,540	1.7	26.2	1,782	-1.6	25.9	1,365	-4.7	26.3			

Note: Ebitda - Earnings before interest, taxes, depreciation, and amortisation; PAT: Profit after tax; Source: Bloomberg

segments, though the drivers vary.

According to Nuvama, 2W volumes rose around 25 per cent, supported by improved affordability post GST cuts and better financing access and exports also grew over 25 per cent.

PV volume rise was relatively modest around 12 per cent Y-o-Y domestically but exports surged over 30 per cent, aided by favourable currency and mix improvement.

CV volumes increased around 20 per cent, driven by improved freight availability and financing, while tractors remained the standout with around 33 per cent growth. It was on the back of strong rabi sowing and rural support measures.

Motilal Oswal's channel checks are similar, pegging aggregate industry volumes at around 23 per cent Y-o-Y, with 2Ws up 25 per cent, PVs 15 per cent, CVs 22 per cent and tractors 33 per cent. This underscores that the quarter's growth has been volume-led rather than purely price-driven.

At a company level, the growth is expected to translate into strong top-line prints.

Nuvama estimates Maruti Suzuki's revenue to grow around 28 per cent, while Centrum pegs 27 per cent Y-o-Y revenue growth with Ebitda growth estimated at 46.5 per cent and margins expanding to 12.1 per cent (up 161 bps). This is driven by better mix and lower discounting.

In two-wheelers, Bajaj Auto is expected to post around 29 per cent revenue growth with Ebitda growth of around 30-35 per cent, while TVS Motor's revenue is seen rising around 32 per cent, aided by both domestic and export strength.

Hero MotoCorp is expected to see mid-20 per cent revenue growth, though margin expansion remains modest, supported mainly by scale.

In PVs, divergence is sharper. While Maruti and Mahindra & Mahindra are expected to deliver strong double-digit growth, Hyundai is likely to underperform with mid-single-digit revenue growth (around 6-7 per cent) and Ebitda decline of

over 20 per cent. It was hit by higher commodity costs, elevated marketing spends and costs related to its Talegaon plant.

Tata Motors' India PV business is expected to see a sharp 53 per cent revenue jump, but this is offset by weakness in Jaguar Land Rover, where margins are likely to compress by around 500 bps. It is due to tariffs, and lower scale, dragging consolidated profitability.

In CVs, Tata Motors' CV division and Ashok Leyland are expected to deliver high-teens to mid-20 per cent revenue growth, supported by strong volumes. Kotak Institutional Equities estimates overall original equipment manufacturers (OEM) revenues to grow around 17-19 per cent, with Ebitda rising around 26 per cent (ex-Tata Motors), led by operating leverage and mix.

On the cost side, the narrative turns more cautious. Motilal Oswal highlights that input cost inflation has picked up sharply in Q4, though the full impact is likely to be visible from Q1FY27 due to lagged contracts.



# Auto component makers set for windfall as hybrid and electronics demand surges

**CAFE III SHIFT.** As norms tighten, incremental engine improvements will no longer suffice, forcing a change

**Amit Vijay Mohile**  
Mumbai

The new fuel efficiency norms are set to unlock a multi-billion rupee opportunity for auto component makers as a mandatory technology upgrade shifts value from engines to electronics and hybrid systems. From start-stop systems to 48V hybrids, suppliers such as Bosch India, Uno Minda and Sona BLW Precision Forgings (Sona Comstar) are poised to benefit, alongside drivetrain players like Schaeffler India and Endurance Technologies, as automakers move to more efficient gearboxes.

A broader structural shift is underway from standalone components to integrated systems, with the transition to more stringent WLTP testing, 15–20 per cent more demanding than current standards, requiring advanced solutions such as improved aerodynamics and low rolling resistance technologies. As compliance



**THE TRANSITION.** The CAFE III norms, spanning FY27 to FY32, are expected to drive supply-side investments of ₹61,500 crore to ₹1.48 lakh crore, much of which will flow into new components, systems and technologies rather than traditional engine upgrades

costs rise from ₹18,000–26,000 per vehicle initially to as much as ₹75,000–1.1 lakh by FY32, the share of electronics, hybrid systems and efficiency technologies in overall vehicle value is set to expand sharply, with additional upside from hybridisation benefiting battery makers such as Exide Industries and Amara Raja Energy.

The CAFE III norms, spanning FY27 to FY32, are expected to drive supply-side investments of ₹61,500 crore to ₹1.48 lakh crore,

much of which will flow into new components, systems and technologies rather than traditional engine upgrades.

#### PHASE 1: VOLUME-LED

From April 2027, even entry-level vehicles will require additional layered technologies to meet baseline targets. Start-stop systems alone could add ₹8,000–12,000 per vehicle, tyre pressure monitoring systems ₹3,000–6,000, and LED lighting another ₹2,000–4,000. These changes are expected to raise small

car prices by ₹20,000–35,000 in the initial phase, creating a high-volume opportunity for suppliers of electronics and efficiency-linked components.

#### VALUE SHIFT

As norms tighten toward FY32, incremental engine improvements will no longer suffice, forcing a shift toward hybrid and electric systems. Mild hybridisation (48V), if required for mass-market vehicles, could increase component value per vehicle to

₹85,000–1.25 lakh. Stronger hybrids are expected to account for 7–8 per cent of the mix by FY32, while battery electric vehicles could reach 17–19 per cent, creating demand for electric motors, power electronics, battery packs, and management systems. Kotak estimates alternative powertrains, including EVs, hybrids, and CNG could account for 30–35 per cent of the market by FY32, significantly expanding the addressable market for such suppliers.

The transition is unlikely to be uniform. SUVs and heavier vehicles with tighter efficiency targets are to see faster adoption of strong hybrids and electric drivetrains, benefiting suppliers of higher-value components. Smaller cars will still require 9–14 per cent electrification to remain compliant, ensuring steady demand across segments. Regulatory mechanisms such as super-credits, particularly for EVs, are expected to accelerate sourcing of electrification-linked components.

## Energy, intelligence and social impact to drive CV transformation: Ashok Leyland MD & CEO

Our Bureau  
Chennai

Ashok Leyland Managing Director and CEO Shenu Agarwal on Wednesday outlined three transformative shifts, namely energy, intelligence and social impact, that will reshape the commercial vehicle (CV) industry.

Speaking at the CII Commercial Vehicle Summit, Agarwal said while 2047 may appear distant, the foundations of that future are already being laid in R&D labs, factory floors, policy corridors and customer aspirations.

"For the CV industry, I see 2047 as trillions of tonnes of cargo carried through billions of green kilometres,



Shenu Agarwal, V-P, SIAM, and MD & CEO, Ashok Leyland, at the CII Commercial Vehicle Summit in Chennai BIJOY GHOSH

supporting millions of livelihoods. The industry will not just participate in the journey towards a *Viksit* India, but it will be one of its key authors," he said.

Highlighting energy transition as both the biggest challenge and opportunity, Agar-

wal stressed the need for energy independence. "Over the last seven decades, the industry has mastered diesel-based vehicles, largely dependent on imported crude. This is a vulnerability we must engineer our way out of," he said.

He called for a multi-fuel strategy encompassing electric, LNG and bio-CNG, with a strong focus on domestically generated energy.

### GREEN HYDROGEN

Agarwal underscored the potential of green hydrogen: "At Ashok Leyland, we often say we have the world's largest fleet of hydrogen ICE trucks — though it is just 23 vehicles today. But within the next decade, India could become the largest producer

of hydrogen-powered long-haul trucks, eliminating dependence on imported crude."

On technology, Agarwal said intelligence would become the "nervous system" of the 2047 vision. "A truck will no longer be a mechanical asset; it will evolve into a software-defined entity," he said. He pointed to current advances such as AI-driven predictive maintenance and real-time fuel optimisation, adding the future will see fully autonomous and connected transport ecosystems.

Emphasising the human dimension, Agarwal said the sector must address long-standing issues around driver welfare and perception.

## Maruti Suzuki achieves highest-ever production of 23.4 lakh cars in FY26

**S Ronendra Singh**  
New Delhi

Maruti Suzuki India (MSIL) has achieved its highest-ever annual production volume of 23.4 lakh units in FY26.

This makes Maruti Suzuki the only original equipment manufacturer (OEM) in India to achieve such a record production volume of passenger vehicles, the company said.

In addition, it has also become the only company among Suzuki Motor Corporation's global automobile manufacturing facilities to achieve this landmark volume.

Dzire, Fronx, Swift, Ertiga and Baleno were the most produced models during the year, with each crossing the two-lakh unit mark, MSIL said.

### PROUD MOMENT

"This is a proud moment for us, as very few companies across the world have been able to manufacture such large volumes in a single country. At Maruti Suzuki, we have always believed in offering products and technologies that complement the evolving needs and aspirations of our customers, earning their trust, generation after generation," Hisashi Takeuchi, Managing Director and CEO, MSIL, said.

The achievement is the outcome of a carefully nurtured automobile ecosystem built over four and a half decades, he said, adding that the ecosystem is supported by the government's policy en-



vironment, like the rollout of GST 2.0, strengthened market confidence and stimulated demand at a critical time allowing us to manufacture record-high units.

"Our parent Suzuki Motor Corporation's strong belief in India's growth story, along with an increased focus on developing India as an export hub, is enabling us to further expand our production capacity. We aim to scale it to about 40 lakh units per annum," Takeuchi added.

Maruti Suzuki currently operates four manufacturing facilities, one each in Gurugram, Manesar and Kharkhoda in Haryana, and Hansalpur in Gujarat. Together, these facilities have an installed annual capacity of 24 lakh units.

As part of its capacity expansion strategy, the company, in March 2026, identified land for its fifth manufacturing facility at Khoraj Industrial Estate in Sanand, Gujarat.

Once fully operational, this facility will have an annual production capacity of 10 lakh units. The company manufactures 17 models with over 650 variants for domestic and export market requirements.

# W Asia conflict: Auto cos feel price pressure

TIMES NEWS NETWORK

**New Delhi:** Automobile manufacturers will face cost pressures that is expected to impact their margins and slow down demand in the coming quarters as prices of key raw materials, including steel, metals and plastics, have risen sharply since March, latest data from the Society of Indian Automobile Manufacturers (Siam) showed.

Due to war in West Asia, steel prices, a critical input for vehicles, increased around 10% year-on-year to around Rs 60,000 per tonne in March 2026, while stainless steel cost has increased 16% to above Rs 2 lakh a tonne, pushing up the cost of body and structural components.

The pressure was further intensified by a 31% surge in coking coal prices, a key raw material used in steel production. Non-ferrous metals also recorded strong gains, with aluminium and copper rising 27% and 28%, respectively.

In plastics segment, widely used in interiors and com-

## STEEL UP 10%

ponents, price increases were even sharper, with thermoplastics like polypropylene rising up to 34% to Rs 136.2 per kg in March 2026 from Rs 102 a year ago, while polycarbonate was up 9% at Rs 227 in March 2026, the industry body said in a report. Precious metals used in emission control systems saw steep spikes in March, with platinum rising 124% to Rs 6,196 per gm,

rhodium 121% to over Rs 33,000 per gm and palladium 74% to Rs 4,712 per gm, increasing cost of essential emission control device in cars.

Experts said broad-based rise would not affect demand in near-term, but prolonged stress would slow purchases across segments. "Rising costs for metals, polymers and precious metals are squeezing carmakers. Coupled with a weakening rupee, these pressures will force price hikes to protect margins," said Gaurav Vangaal of S&P Global Mobility.

Industry players said the impact is being felt across the value chain, with steel alone accounting for 50% to 60% of vehicle input costs. "The pressure is very real," an executive said.

# Maruti Suzuki to invest ₹14,000 cr in FY27

**QUARTERLY SHOW.** Car maker's Q4 consolidated net profit declines 6.45% year-on-year to ₹3,659 cr due to mark-to-market impact

**S Ronendra Singh**  
New Delhi

Maruti Suzuki India Ltd (MSIL) on Tuesday said it will invest ₹14,000 crore in the current financial year (FY27) to add 5-lakh unit additional capacity in two plants — one each in Kharhoda (Haryana) and Hansalpur (Gujarat) — from the current capacity of 24 lakh units per annum.

In January, the MSIL board approved the purchase of land in Khoraj Industrial Estate, Sanand, Gujarat, for its fifth manufacturing facility and announced ₹4,950 crore for land acquisition and preparation. In March, the board approved an additional ₹10,189 crore for phase-I development with 2.5-lakh unit capacity, and development of common infrastructure and facilities.

Meanwhile, MSIL reported a decline of 6.45 per cent

year-on-year in consolidated net profit to ₹3,659 crore for the fourth quarter (Q4) ended March 31, due to mark-to-market impact despite record vehicle sales as compared with ₹3,911.1 crore in the same quarter in FY25.

The net profit declined primarily due to mark-to-market impact, the company said, adding that there was lower non-operating income, a notional loss due to a change in bond yields, which can be recovered at a later stage. However, consolidated revenue from operations in Q4 grew by 28.2 per cent on-year to ₹52,462.5 crore against ₹40,920.1 crore in the same period in FY25. Net sales crossed the ₹50,000 crore milestone for the first time in the fourth quarter, MSIL said.

Asked about the dwindling market share even though the company is manufacturing cars in full scale, RC



Q4 performance (in ₹ crore)

	Q4 FY25	Q4 FY26	% Change
Net profit	3,911.1	3,659	-6.5
Revenue	40,920.1	52,462.5	28.2
Sales volume (units) (domestic + exports)	6,04,635	6,76,209	11.8

Bhargava, Chairman, MSIL, told reporters that the growth is now more or less determined by the company's ability to add capacity and to run.

"I don't think any company in the world will be doing the kind of expansion at

the rate we are expanding... two one-million plants at the same time... Of course, we run at 100 per cent (capacity)... so don't look at market share. Look at how much we are expanding, how much we are utilising this capacity, how we meet customer ex-

pectation; I think those are much more critical aspects of a car company than market share."

He said in FY26, MSIL's sales were restricted by a limitation in the production capacity, with about 1.9 lakh pending customer orders at the year-end, including nearly 1.3 lakh orders in the small car segment of 18 per cent GST bracket. Besides, the dealer inventory was at a low of about 12 days' stock.

Bhargava added that in the next few years, India will see growth in the car industry every year because of the fact that the demand has once again revived.

"The GST reforms, which the government brought about from September last year, have had a very big effect, not only on the automobile sector but in many other sectors and to the economy," he added.

The company also recorded its highest-ever

quarterly sales of 6,76,209 units (domestic + exports), up 11.8 per cent against 6,04,635 in same period previous fiscal.

## FULL-YEAR FIGURES

For the full financial year, MSIL's consolidated net profit grew by 1.24 per cent to ₹14,679.5 crore against ₹14,500.2 crore in FY25.

Total revenue from operations grew by 20 per cent in FY26 to ₹1,83,316 crore compared to ₹1,52,913 crore in FY25. Total vehicle sales in FY26 were at a record of 24,22,713 units against 22,34,266 units in FY25, the company added.

Meanwhile, the board of directors recommended a dividend of ₹140 per share for the year (face value of ₹5 per share) compared to ₹135 per share in FY25.

Shares of MSIL closed at ₹12,891.70 apiece on the BSE on Tuesday, down 2.53 per cent from the previous close.

# ELECTRIC VEHICLES

Business Line, 21 April 2026

## Hyundai, TVS Motor formalise partnership for E3W commercialisation



**RIDING TOGETHER.** TVS Motor will co-develop the product using its leading-edge electric platform, extensive three-wheeler engineering expertise and deep local market knowledge

**Our Bureau**  
Chennai

Hyundai Motor Company (Hyundai) and TVS Motor Company Ltd (TVS Motor) are partnering to capture a share of the growing electric three-wheeler market.

Hyundai and TVS Motor on Monday signed a Joint Development Agreement (JDA) to advance the development and commercialisation of Electric Three-Wheeler (E3W) solutions designed specifically to address India's last-mile mobility needs.

Under the agreement, Hyundai Motor will lead the design of and co-develop the E3W by leveraging its R&D expertise, advanced mobility technologies and human-centric design approach, the companies said in a joint statement.

TVS Motor will co-develop the product using its leading-edge electric platform, extensive three-wheeler engineering expertise and deep local market knowledge.

TVS will also lead local sales, with its manufacturing operations in India catering to Indian market demand and future exports, as per the companies.

### STRATEGIC DECISION

"Our collaboration with TVS Motor is a strategic decision

rooted in that effort. We hope the co-developed E3W enables broader access to safer and more sustainable transportation for people across the country," Joong-sun Ko, Senior Vice-President of Corporate Strategy & Planning at Hyundai Motor Company, said in a statement

### SHARED AMBITION

Sharad Mishra, President, Group Strategy, TVS Motor Company, said: "The JDA marks an important step in our partnership with Hyundai Motor Company and advances our shared ambition to develop electric three-wheeler solutions. By bringing together complementary strengths, including our E3W platform, engineering expertise, and deep understanding of customer needs, we are well-positioned to deliver purpose-built products for India and additional markets."

### E3W CONCEPT

The partnership was formalised following the successful presentation of the E3W concept at the Bharat Mobility Global Expo 2025, the companies said.

Both Hyundai and TVS Motor have established dedicated cross-functional teams to accelerate development timelines and the regulatory approval processes, the release said.

## Montra Electric expands small-truck range with two new variants

Our Bureau  
Chennai

Montra Electric, the clean mobility brand of the Chennai-based Murugappa Group, has expanded its eSCV portfolio with the introduction of two new EVIATOR variants, EVIATOR 350 (32kWh) and EVIATOR 350L+ (50kWh).

While the 40kWh EVIATOR remains a core pillar of the lineup, the new 32kWh variant is engineered as the 'last-mile champion' for high efficiency runs up to 140 km, providing a more accessible price point without compromising on the brand's signature 99 per cent uptime.

Conversely, the EVIATOR 350 L+

(50kWh) variant is positioned as the 'Marathon Runner', offering a category-leading certified range of 300+ km and a real-world range of 200+ km to eliminate anxiety for inter-city logistics and power-hungry specialised applications like reefer and municipal services, a company release said.

With this expansion, Montra Electric is moving beyond a one-size-fits-all approach to electric mobility and introducing a duty-cycle and use-case led vehicle strategy, where fleet operators can choose battery configurations aligned to their exact operational needs, from high-frequency urban routes to intensive inter-city logistics, the release said.

Jalaj Gupta, Managing Director, Montra Electric, said, "The next

phase of EV adoption will not be driven by products alone, but by how intelligently they fit into real-world operations. This is a critical step in making electric mobility not just viable but scalable for commercial applications, enhancing operational efficiency while significantly reducing logistics costs."

With three distinct battery configurations (32kWh, 40kWh and 50kWh), EVIATOR becomes the only electric SCV platform designed around application-specific energy needs, setting a new benchmark for flexibility and operational precision.

The EVIATOR range is priced at an introductory ₹14.58 lakh for the 32 kWh variant and ₹16.86 lakh for the 50 kWh variant.

# EV-only path poses threat to energy security: Maruti's RC Bhargava

**NET-ZERO GOAL.** He champions biogas that requires no imports and leverages India's own natural wealth

**S Ronendra Singh**  
New Delhi

"Whether it is CAFE norms or Delhi's EV policy, the ultimate aim is net zero," said RC Bhargava, Chairman, Maruti Suzuki India Ltd (MSIL). He advocated inclusion of biogas in the transport fuel mix, describing it as potentially the cheapest fuel source available to India.

In an interview, Bhargava said small cars must remain a fixture of the Indian market for at least the next two decades.

He noted that lower per capita income levels make larger vehicles unaffordable for many, while highlighting biogas as a "friendly" and viable fuel alternative for the small-car segment.

"As a major agricultural nation with the world's largest livestock population, India possesses unparalleled

biogas potential," Bhargava said.

He emphasised that the country has both the raw animal waste and the necessary means to leverage this resource to bolster the rural economy and support agricultural needs.

## NATURAL WEALTH

Clarifying that he was speaking in a personal capacity rather than on behalf of Maruti Suzuki, Bhargava said he has never opposed electric vehicles (EVs).

While acknowledging that all OEMs, including MSIL, are actively promoting EVs, he argued that the industry cannot afford to ignore a "large, valuable, and entirely homegrown" resource like biogas, a fuel source that requires no imports and leverages India's own natural wealth.

Addressing the supply chain risks, Bhargava said an



The industry cannot afford to ignore a large, valuable and entirely homegrown resource like biogas

**RC BHARGAVA**  
Chairman, Maruti Suzuki India Ltd



"EV-only" approach poses a threat to energy security. He pointed out that since battery cells are currently imported almost entirely from China, increasing EV production directly increases India's import dependency, a reality that necessitates a more diversified technological roadmap.

"What happens if for some geopolitical reasons there is a disruption in supplies? The

companies that are dependent on EVs to a large extent, will have huge issues. We have also seen that the governments do not continue with their subsidies indefinitely. You see what's happened in the US, Europe and China, everywhere they are cutting back on the subsidies," he explained.

Highlighting the risks of subsidy-driven growth, Bhargava said the global auto

industry is currently recalibrating.

He pointed out that many companies have recently incurred large investment write-offs after realising that the actual pace of EV adoption has failed to meet the ambitious projections made just a few years ago.

"We have to prevent that risk also because I don't know for how long government would continue with subsidies... If you look at what happened globally, nowhere, not even the most developed countries today, electric cars are near 100 per cent. Customers everywhere are not willing to put everything into electric cars... that is why in Europe electric cars and hybrids are selling more or less in equal numbers, and the trend is similar in the US. In China also, strong hybrids or plug-in hybrids are growing decently," Bhargava added.

# EV fleet registrations fall 25% amid shift to 'anti-burn' model

**WHAT'S IN FOCUS.** Subsidy withdrawal for EVs drives operators to prioritise utilisation

**Amit Vijay Mohile**  
Mumbai

Additions to the electric fleet market are slowing as operators rethink how the business is being built. New EV registrations for fleet usage fell 25 per cent year-on-year (y-o-y) to 5,559 units in FY26 from 7,453 units in FY25, according to Vahan data.

Naveen Gupta, Founder of Trev Mobility, said, "The industry has moved past the era of high-burn growth. The focus now is on utilisation, disciplined capital deployment and sustainable unit economics."

India's EV cab fleet stands around 50,000 vehicles nationwide, according to Gupta, which suggests that while fewer vehicles are being added, existing fleets are being used more intensively.

## ENTRY SEGMENT

The shift follows the collapse of capital-heavy fleet models and the withdrawal of subsidies.

Tata Motors accounted for 3,475 of the 5,559 fleet EV re-



**SHIFTING TREND.** Smaller operators and driver-cum-owners are emerging as incremental buyers

gistrations in FY26, translating to a 63 per cent market share and reinforcing its dominance in the entry-level segment.

"At present, we do not intend to participate in the premium EV fleet segment, choosing instead to remain sharply focused on volume and value-driven categories where demand is strongest," it added.

## PREMIUM SHIFT

This positioning is shaping how a new set of operators is building its fleet. Trev Mobility, which operates around 100 vehicles, is taking a dif-

ferent approach. "We don't want to operate entry-level sedans. We focus on premium EV vehicles that offer reliability, comfort and consistency," said Gupta.

"Two things matter most in EV mobility — choosing the right product and having the right infrastructure. Earlier, a lot of players struggled because the vehicles weren't suited for commercial use," he said.

Gupta said the company's fleet is built around models such as BYD and MG ZS, with demand coming from airport transfers, rentals and outstation travel.

A different premium strategy is being pursued by TREVEL, which is currently raising about \$1 million as it scales its operations.

## CONTROL-LED MODELS

"Urban mobility today has become unpredictable when it should be the exact opposite. At TREVEL, we are building a system where pricing is fixed and rides are guaranteed," said Mishu Ahluwalia, Co-founder and CEO.

The company said it operates a fully integrated model with owned vehicles and employed drivers, enabling "zero cancellations" and consistent service delivery across use cases such as airport transfers, city rides and hourly rentals.

Across the market, smaller operators and driver-cum-owners are emerging as incremental buyers.

Both JSW MG Motor and VinFast are likely to push battery-as-a-service models to lower upfront acquisition costs, a move that could make EVs more accessible to small operators and fleet buyers.

# RAW MATERIAL

## Business Line, 21 April 2026

### Global steel demand to rise despite W. Asia war

**Our Bureau**  
Chennai

Though the ongoing West Asia conflict poses a risk, the global steel demand is poised to rise marginally by 0.3 per cent to 1,724 million tonnes (mt) in 2026. This will be followed by an accelerated growth of 2.2 per cent in 2027 to reach 1,762 mt, according to the short-range outlook (SRO) released by the World Steel Association.

However, the ongoing conflict might have a negative impact on the demand of that region in 2026.

After a protracted period of decline, all major developed economies, including the European Union, the US, Canada, Japan and Korea, are expected to post positive growth in 2027.

Consequently, global steel demand, excluding China, is expected to grow 4 per cent in 2027. While this outlook reflects data available as of mid-March 2026, the escalating West Asia conflict



presents a significant stress test.

The developed world's steel demand grew by 0.2 per cent in 2025, marking the end of a three-year consecutive decline since 2021.

The outlook expects this stabilisation to pave the way for a gradual recovery, with growth reaching 1 per cent in 2026 and gaining further momentum to 2.3 per cent in 2027.

#### ASEAN ECONOMIES

Steel demand growth across developing economies, excluding China, is projected to moderate to a 2.5 per cent

pace in 2026, a significant deceleration from the roughly 5 per cent annual growth recorded in recent years. This cooling is primarily driven by a sharp contraction in West Asia, where regional conflict has abruptly reversed previous growth expectations.

Further, the forecast predicts normalisation of demand across ASEAN economies. Following a strong expansion in 2025, growth in this region is expected to temporarily soften as stockpiling activity subsides. However, the outlook for 2027 is more robust, with growth forecast to rebound to 5.1 per cent.

The ongoing West Asia conflict might have a negative impact on the demand in that region in 2026.

Alfonso Hidalgo Calcerada, Chief Economist, UNESID, and Chair of the Worldsteel Economics Committee, said: "Our latest forecasts validate the trajectory established in our October 2025 SRO, confirming that global steel demand is

bottoming out over the 2025-2026 period. This follows a protracted and challenging phase of global structural adjustments that has suppressed demand since 2022. We are now transitioning to a path of modest growth in 2026, with a more pronounced acceleration projected for 2027. This broader recovery is being driven by distinct shifts in regional dynamics."

#### CHINA & INDIA

In China, the rate of demand contraction is finally decelerating in 2026, while demand growth across key developing markets, most notably India, remains vibrant, he added.

India maintains its position as the world's fastest-growing major steel market, with demand projected to expand by 7.4 per cent in 2026 and accelerate to 9.2 per cent in 2027.

This robust outlook is underpinned by broad-based strength across all key steel-consuming sectors.

## Min wage hike may send many out of EPFO net Mandatory Contribution Cap May Go Above ₹15K/Month

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**New Delhi:** The increase in minimum wages in states such as Uttar Pradesh and Haryana may result in several workers getting out of the provident fund net as the current wage ceiling for mandatory contribution to Employees Provident Fund Organisation is Rs 15,000 a month.

Amid labour protests, the UP govt has increased the minimum wage for semi-skilled and skilled workers to over Rs 15,000 in districts such as Ghaziabad and Gautam Budh Nagar from April 1, while in Haryana the basic minimum wage for even for unskilled workers is Rs 15,220.

"EPFO coverage is mandatory for workers, who have basic wages up to Rs 15,000. The current notification crosses this threshold, making it voluntary for workers to join. However, a decline in coverage is not foreseen," an official said. Official data showed that in most states and UTs, the minimum wages for semi-skilled and skilled workers are now in the range of Rs 15,000 to Rs 20,000 a month, with some such as Kerala and Delhi report minimum wages around Rs 22,000 for some work categories.

While the Centre has been discussing the possibility of increasing the wage ceiling to Rs 25,000 a month, it has not made headway due to opposition from employers but the latest developments are expected to allow it to push ahead with the plan.

Economists pointed out that the latest move by Haryana is in line with the trend seen over the past few years where minimum wa-

### Joining EPFO Voluntary

- > UP govt has increased minimum wage to over ₹15,000 in some districts. In Haryana, basic minimum wage is ₹15,220
- > Current notification makes it voluntary for workers to join EPFO, says an official

“With EPFO's wage ceiling remaining intact and wages crossing this threshold effectively takes away one more form of statutory social security net available to workers

—AN ECONOMIST

ges in several states and union territories (UTs) for various categories of workers have breached the EPFO's threshold, making it imperative for the retirement fund body to raise its own wage ceiling, which has remained unchanged since Sept 2014, so that workers in lower income groups are statutorily enrolled by their employers.

Amit Basole, professor at Azim Premji University said EPFO coverage is becoming increasingly skewed in favour of higher income workers. The latest revision by Haryana effectively provides employers with a chance to skip compliance for workers, who are in most need of social security. "Its high time that EPFO revises its own wage ceiling somewhere around Rs 22,000-25,000, so that workers at the bottom of pay scale are statutorily covered by this social safety net," he said.

Labour economist KR Shyam Sundar said the biggest worry with minimum wage is non-compliance. Contractors and establishments anyway don't pay the prescribed minimum basic wages.

## Govt rejects industry call for gratuity relief under labour Codes

AUHONA MUKHERJEE  
New Delhi, 15 April

Industry bodies have urged the labour ministry to allow grandfathering provisions in gratuity payments as part of evolving labour norms, but the proposal has not been accepted, according to sources aware of the parleys. The employers' demand comes amid concerns of a potential rise in gratuity liabilities if revised norms are applied uniformly across the workforce.

Industry representatives have argued that any changes to eligibility criteria or benefit calculations could significantly raise costs for companies. Grandfathering, in this context, refers to allowing existing employees to continue under the current gratuity framework, while revised

rules would apply only to future hires or future accruals. Employers say this approach would help ease the transition to a new regime by avoiding a sudden financial impact on firms, while still enabling the government to implement reforms.

However, the labour ministry has conveyed that grandfathering provision cannot be incorporated in the rules as it is not part of the original labour Codes passed by Parliament, the people said. This effectively limits the scope for introducing grandfathering at the rule-making stage.

Under the Code on Social Security, 2020, gratuity provisions have been expanded to cover fixed-term employees, who become

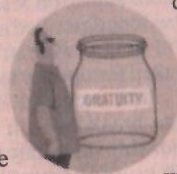
eligible after completing one year of service instead of the earlier five-year requirement. The code also changes the definition of wages by limiting allowances, which could increase the base used to calculate gratuity and, in turn, raise payouts in some cases. Many firms reported a hit to their December-quarter profits due to higher provisioning for gratuity and related employee benefits.

Tata Consultancy Services saw a statutory impact of ₹2,128 crore, with ₹1,816 crore due to gratuity payouts. Infosys took a hit of ₹1,289 crore, and HCLTech about ₹956 crore, while Wipro reported a ₹303-crore impact. Bharti Airtel also recorded a ₹257-crore provision, with these one-time charges weighing on mar-

gins and net profit.

Several industry bodies representing both large firms as well as micro, small, and medium enterprises (MSMEs) are still in talks with the government for further clarifications regarding the new codes. However, it is unlikely that the final rules will have significant changes from the draft rules that were released in December 2025 for public consultation, according to ministry officials and stakeholders.

This comes at a time that the rollout of the labour Codes remains incomplete, with the final rules yet to be notified. The codes were implemented from November 2025, and draft rules were released in December. While the codes are already in force, the rules meant to provide further operational clarity have been delayed.



## Auto industry, govt agree on draft CAFE-3 norms; nudge for E25 fuel vehicles

**S Ronendra Singh**  
New Delhi

In a significant development, the automobile industry has reached a consensus on the draft Corporate Average Fuel Efficiency (CAFE-3) norms, stating that the current version released on April 8 should remain unchanged without further additions.

This was conveyed at a meeting on Thursday between the industry and Secretaries of the Ministries of Power, and Road Transport and Highways, as also the Additional Secretary, Ministry of Heavy Industries. At the meeting, the government proposed introducing an E25 fuel mixture in the near future, advising the industry to begin preparations immediately, according to sources.

### EMISSION REDUCTION

What the industry has agreed to are draft CAFE-3 norms, effective from April 2027 to 2032, that shift India's regulatory focus towards total fleet emission reductions rather than vehicle size.

To reach net-zero goals, the framework introduces a market-based credit trading system, besides incentivising



the shift to electric, hybrid and flex-fuel vehicles.

The Secretaries urged the industry to prioritise all fuel types that contribute to decarbonisation while reducing India's reliance on oil imports.

While some small-car manufacturers requested specific categorisation, other players opposed the move, arguing that a consensus had already been reached.

The industry maintained that the current format should not be diluted or reconsidered, insisting that no new elements be added to the existing draft.

Government sources indicated that the industry requested more flexibility on super credits for electric and hybrid vehicles. Instead of the proposed three-year and two-year split, manufacturers suggested applying the credits directly at the end of the five-year period, a proposal the government has agreed to consider.

# Exporters eye refund as US opens window

## Hope To Recover Some Of Discounts They Offered

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**New Delhi:** With the US opening a refund window, exporters are hoping to recover some of the discounts they had offered during the period, when the Trump administration levied a hefty 50% tariff on Indian goods.

In a large number of cases the discount was to the tune of 15-18% to compensate for the 30% gap between the tariff imposed on India and its rivals. Following a US court order, in case of importers on record, the US authorities will deposit the money into the bank accounts there, which in most cases will be of customs agents. But in 80-85% of the cases, it will be the buyer, who will receive the refund, and it will be up to them to refund the money to Indian exporters, said Fieo director general Ajay Sahai.

"When we had given those discounts, there was an understanding about getting it back in case there was a refund, we are discussing the issue with our buyers in the US," said Puran Dawar, a footwear exporter from Agra.

But, many are sceptical as it is the large exporters, especially those with written contracts covering the issue, that are likely to emerge as winners. "For those with a long-standing relationship, there is a possibility of some of it coming back. It is, however, subject to getting the mo-

### TARIFF TALE

**April 2, 2025** | Trump announces 10% tariff



**Aug 7** | Indian goods face 25% reciprocal levy

**Aug 28** | Rises to 50% as additional duty for buying Russian oil kicks in

**Feb 2, 2026** | India, US announce framework deal, tariff to be cut to 25%, then to 18%

**Feb 20** | US Supreme Court makes tariffs legally void, triggering refunds

ney from the administration," said Pankaj Chadha, chairman of EEPC India.

Some exporters are also unclear about how the process will work, amid demands from certain American consumer groups that the benefit should actually accrue to the consumers.

"For India, the US decision to refund tariffs offers a potential — but uncertain — financial upside. While Indian exports were heavily affected by the now-invalidated tariffs, especially in labour-intensive sectors, any recovery will depend not on policy but on how effectively exporters negotiate with US buyers, who will receive the refunds," GTRI founder Ajay Srivastava said in a note.

But, many are also expecting a boost for their businesses. "It will give a lot of confidence to the retailer and the brands, and ultimately to the consumers in the US.

ON TOP OF COUNTERVAILING DUTIES OF OVER 125%...

# US Slaps 123% Dumping Duty on Solar Cells, Modules from India

Limited impact of preliminary duty as most manufacturers said to have diversified exports

**Shilpa Samant & Kirtika Suneja**

**New Delhi :** The US has announced a preliminary anti-dumping duty of 123.04% on solar cells and modules from India, a move expected to further restrict shipments to the key market, although most manufacturers are said to have already diversified exports.

India's solar industry said the decision to impose steep preliminary anti-dumping duties on cells and modules from India will have limited immediate impact on domestic exporters, but remains a matter of concern.

"We will contest this through the final determination and the ITC proceedings, and remain hopeful of a favourable outcome," said Amit Manohar the

Secretary General of the Indian Solar Manufacturers Association (ISMA).

In a notice on Thursday, the US Department of Commerce said it had found "critical circumstances" for imports from companies including Mundra Solar Energy, Mundra Solar PV, Kowa and Premier Energies, adding that the suspension of liquidation will apply to shipments entered for consumption up to 90 days prior to the publication of the order.

The findings come amid the two sides being engaged in negotiations for a bilateral trade agreement and wrapped up their three-day talks on Wednesday in Washington, the first in-person talks since October.

Noting that the four companies failed to submit the necessary information to calculate an anti-



dumping duty margin in this investigation and failed to cooperate by not acting to the best of their ability to comply with the requests for information, the department said it is using an adverse inference in selecting from among the facts otherwise available.

Shares of Waaree Energies ended 2.7% low-

er at Rs 3,320 on the BSE, while those of Vikram Solar ended 2.3% lower at Rs 222.4. Premier Energies fell in early trade but ended 1% higher at Rs 1011.4.

The move comes on top of existing countervailing duties of over 125% on Indian supplies, taking the combined tariff burden to over 200%, which had already made exports to the US largely unviable. "With this kind of tariff stack, Indian modules are effectively locked out of the US," an industry official said.

As a result, exporters have over the past few years shifted focus to alternative markets, including Europe, the Middle East and other emerging regions, reducing reliance on the US.

## Boost for auto exports, EV investments

**ANJALI SINGH**  
Mumbai, 27 April

The recently concluded India-New Zealand (NZ) Free Trade Agreement (FTA) is expected to open fresh avenues for trade, investment, and industrial collaboration, particularly in the automotive and electric mobility sectors.

Anish Shah, group CEO and managing director of the Mahindra Group, said the pact marks a significant step in strengthening bilateral economic ties. "Built on shared trust and concluded with remarkable speed, the agreement creates new opportunities across farm solutions, mobility, technology, and hospitality, while enabling innovation and more resilient supply chains," he noted.

The FTA eliminates duties on Indian automotive exports to New Zealand. India-made passenger vehicles and auto components will now enter the NZ market at zero duty from the date of enforcement. Earlier, 5-10 per cent tariffs were imposed on select engineering goods.

Industry stakeholders believe the move could provide a meaningful boost to India's auto exports, particularly at a time when companies are looking to diversify markets and scale global operations.

In addition to trade benefits, the agreement is expected to catalyse investment flows. NZ has pledged investments worth \$20 billion, with

a portion likely to be directed towards India's high-technology manufacturing ecosystem. This includes components and systems

used in electric vehicles (EVs), an area where India is seeking to strengthen domestic capabilities and reduce import dependence.

The FTA comes amid India's broader push to position itself as a global manufacturing hub, especially in emerging sectors such as clean mobility and advanced engineering. The combination of duty-free access and potential capital inflows could accelerate growth in these segments while deepening economic engagement between the two countries.



## Piyush Goyal assures exporters of govt support to enter new markets

Our Bureau  
New Delhi

Commerce and Industry Minister Piyush Goyal has assured exporters of sustained government support, including facilitation under ongoing schemes, targeted interventions to reduce entry barriers to export markets, and steps to enhance the ease of doing business.

Industry representatives raised concerns on high compliance costs, stringent testing requirements and other challenges faced by MSMEs in entering export markets in a meeting on Monday with the Minister and senior officials.

Exports have been affected by the prolonged West Asia crisis that has resulted in sea route blockades, increased shipping and insur-



ance costs and intensified uncertainty. Exports of goods in FY26 from India registered barely 1 per cent growth (year-on-year) to \$441.78 billion.

### GOVT MEASURES

"The Minister reaffirmed the government's commitment to strengthening a facilitative trade ecosystem through ongoing reforms, targeted

support measures and close collaboration with industry to accelerate export growth and position India as a trusted global supply partner," per a statement issued by the Commerce Department.

Discussions also highlighted progress under the Export Promotion Mission (EPM), the government's flagship scheme to support exporters.

"The Minister encouraged Export Promotion Centres to take steps to increase the number of active exporters," the statement noted.

Representatives from key sectors such as gems & jewellery, apparel, leather, engineering goods, cotton textiles, man-made and technical textiles, carpets, handicrafts, agriculture and processed food, pharmaceuticals, and IT and software participated in the meeting.

# Centre pushes for 100% ethanol-powered vehicles

**AMBITIOUS SHIFT.** Industry flags 'mileage penalty' and feedstock gaps

**Our Bureau**  
New Delhi

To push an ambitious shift towards 100 per cent ethanol blending, the government moved to align vehicle regulations to formally integrate E100 (100 per cent ethanol) into the country's regulatory architecture, effectively legalising the certification and mass production of flex-fuel vehicles (FFVs).

While the E20 (20 per cent ethanol) will continue as monofuel available across the country, the latest move encourages introduction of higher ethanol blends in vehicle manufacturing.

## MV RULES CHANGE

The Ministry of Road Transport and Highways issued a draft notification on April 27, seeking to amend the Central Motor Vehicles Rules, 1989 to formally allow vehicle standards covering fuels up to E100, replacing earlier references that were limited to E85.

The draft seeks to amend Rule 115, expanding emission-related tables and fuel



## FUELLING CHANGE

India's petrol consumption reached 42.59 million tonnes. Ethanol now makes up 8.52 mt of total petrol volume

classifications to include high-blend ethanol and B100 biodiesel. Crucially, the notification increases the gross vehicle weight category for compliance from 3,000 kg to 3,500 kg.

The changes also expand petrol compatibility norms from E10 to E20 and introduce provisions for B100 biodiesel, indicating that the regulatory architecture is being widened to support a full range of high-blend fuels.

References related to hydrogen plus compressed natural gas nomenclature have been revised, while petrol fuel classifications have been updated to reflect "E10/E20" categories.

## FUEL SALES MAY RISE

Petrol sales in India grew by approximately 6 per cent in 2025-26, reaching 42.59 million tonnes (mt). Following the successful nationwide rollout of the E20 mandate, ethanol now accounts for 8.52 mt of that volume.

However, industry experts warn that as blending levels rise toward E100, the overall growth rate of fuel sales may accelerate further.

This is largely due to the "mileage penalty" since high-ethanol blends possess lower energy density, consumers must purchase a higher volume of fuel to cover the same distance, potentially increasing the total market demand for blended petrol.

While India has built a robust distillation infrastructure, boasting a capacity of 2,000 crore litres as of March 2026, achieving E100 parity

remains a feedstock challenge. Industry leaders, including Atul Chaturvedi of Shree Renuka Sugars, noted that while current capacities can comfortably support a 30 per cent blend, moving beyond that threshold requires a significant scaling of raw materials.

Currently, feedstock efficiency varies wildly: a tonne of sugarcane juice yields only 70 litres of ethanol, whereas grain-based alternatives like broken rice and maize offer a more concentrated output of up to 475 litres per tonne.

The automobile industry, represented by the Society of Indian Automobile Manufacturers (SIAM), is approaching the transition with a blend of technical readiness and fiscal caution. The leap to E100 introduces a significant "efficiency gap".

"We are reviewing the draft internally," a SIAM official noted, emphasising that pricing and availability of ethanol, matching pace of the automobile industry to manufacture vehicles with new engines, pricing of vehicles, fuel efficiency have to align for full adaptation.

## Energy subsidies hit ₹4.3 lakh crore in FY25, three times the incentive given to clean energy sector

Our Bureau  
Chennai

India spent at least ₹4.3 lakh crore (\$51 billion) on energy subsidies in 2024-25, with nearly three-fourths going towards electricity and LPG, even as support for fossil fuels remains around 3x higher than that for clean energy, according to an analysis by the International Institute for Sustainable Development (IISD).

The report, *Mapping India's Energy Policy 2026: Power Subsidies and Supply Shocks Tightening Clean Energy Support*, stated that rising broad-based fossil fuel subsidies are shrinking the fiscal space for scaling clean energy, which is crucial for reducing India's dependence on volatile fuel imports.

Of the total subsidy bill,



**LARGE SHARE.** Electricity subsidies stood at ₹2.41 lakh crore, or 58 per cent of total energy subsidies VELANKANNI RAJ B

electricity subsidies stood at ₹2.41 lakh crore (58 per cent), while LPG subsidies reached ₹71,718 crore in FY25.

### SUBSIDY SPENDING

The report noted that electricity subsidies have nearly doubled over the past decade and are growing faster than consumption itself, partly due to higher eligibility limits for subsidised consumers in

some States. In several States, these subsidies are equivalent to nearly 20 per cent of annual revenues, with a rising share being used to cover routine operating costs of power distribution companies rather than efficiency improvements.

### HUGE VULNERABILITY

LPG remains the single largest fossil fuel subsidy and

a major source of fiscal vulnerability, IISD said. India imports around 60 per cent of its LPG needs, making subsidy spending highly sensitive to global prices. Nearly half of the FY25 LPG subsidy burden came from under-recoveries — losses borne by oil marketing companies when retail prices are kept below cost.

Subsidies for renewable energy stood at ₹26,406 crore and support for electric vehicles at ₹16,812 crore in FY25.

Together, clean energy subsidies accounted for only about 10 per cent of total support.

The report called for better targeting of electricity and LPG subsidies and stronger support for alternatives such as rooftop solar, electric cooking, decentralised biogas and EVs.