

***AIFI***

**Association of Indian Forging Industry**

**Key Press Reports on Industry and Govt. Policies**

**(1<sup>st</sup> Fortnight April 2025)**

# AUTOMOTIVE INDUSTRY

Business Standard, 1 April 2025

## Renault to take over Nissan's 51% in Chennai plant

PHOTO: COMPANY



Japanese carmaker will continue to use the facility in Oragadam, near Chennai, for India and export markets

SHINE JACOB

Chennai, 31 March

French major Renault Group is set to take full control of Renault Nissan Automotive India (RNAIPL) after agreeing to acquire Japanese carmaker Nissan Motor's 51 per cent stake in the Chennai-based joint venture. Renault already holds the remaining 49 per cent. The deal is part of Nissan's broader turnaround strategy.

Though the firms declined to disclose financial details of the deal, Nissan will continue using RNAIPL as a key sourcing hub for its vehicles, including the Magnite, for both India and export markets.

The transaction, pending regulatory approvals, is expected to close by the end of the first half of 2025. Nissan asserted that it has no plans to exit India.

"We remain committed to the Indian market, delivering vehicles tailored to local consumer needs while ensuring top-notch sales and service for our existing and future customers. India will remain a hub for our research and development, digital, and other knowledge services," said Ivan Espinosa, president and CEO of Nissan. Turn to Page 6 ▶

### MAJOR HUB

**400,000 units the annual capacity** of Chennai-based plant operated by Renault Nissan Automotive India Pvt Ltd (RNAIPL)

**51:49 the percentage stake** currently held by Nissan and Renault, respectively, in RNAIPL

**2.75 mn vehicles produced** by both companies there since 2010 (until October 2024)

**>65 countries** where both firms export cars from the Chennai unit

**99,000 units Nissan produced** at the unit in FY24 — 28,000 for Indian market; 71,000 for exports

**4,958 permanent employees** are at the unit, besides 1,600 contract workers

▶ **RENAULT, NISSAN TO LOOSEN TIES**

P8



## March truck sales growth raises market recovery hopes

**G Balachandar**  
Chennai

Commercial vehicle (CV) manufacturers posted growth in truck sales for March 2025 after a phase of subdued performance. This positive growth hints at a revival in the sector, which has faced headwinds and uncertainty in recent months.

Despite reporting a decline in overall truck volumes for FY25 due to a challenging demand scenario, CV makers achieved single-digit growth in sales volumes for March.

### SALES VOLUME

Tata Motors, the leading truck manufacturer, recorded 6 per cent year-on-year

growth in sales of intermediate, light and medium CVs at 7,181 units. While passenger carriers posted a 4 per cent increase, reaching 6,088 units, heavy truck sales saw a modest 1 per cent rise to 12,856 units. However, the small CV segment, including mini-trucks and pick-ups, declined 17 per cent. "In Q4 FY25, the sustained year-on-year growth in sales volume over previous periods gained further traction. Both trucks and passenger carriers recorded healthy sales," said Girish Wagh, Executive Director, Tata Motors.

Ashok Leyland, the second-largest medium and heavy commercial vehicles (M&HCVs) maker, reported a 9 per cent increase in M&HCV truck sales, reach-



**BETTER OFFTAKE.** CV makers achieved single-digit growth in sales volumes for March

ing 12,882 units in March. However, for FY25, its total M&HCV volumes dropped 5 per cent to 93,540 units.

Bus sales, on the other hand, surged 22 per cent to 3,200 units in March, aligning with the broader market trend.

Shenu Agarwal, MD & CEO, Ashok Leyland, said,

"The M&HCV segment has demonstrated strong momentum in March, with both the bus and truck segments doing well. We believe this momentum will continue into the next year."

VE Commercial Vehicles (VECV) saw a 6.3 per cent increase in domestic sales of the Eicher brand of trucks

and buses, reaching 11,187 units in March 2025. The company's heavy-duty truck segment experienced a growth of 3.9 per cent, with 3,079 units sold. LMD bus sales also grew supported by demand for school and staff transport.

"The government's focus on improving logistics efficiency, infrastructure investments, rising rural and consumer demand and fleet modernisation continue to support the development of the CV industry. We expect this to continue going forward," said Vinod Aggarwal, MD & CEO, VECV.

However, CV players remain cautious about how new regulations mandating truck cabin air-conditioning may affect vehicle prices.



# Accelerated CNG car adoption leads to strong FY25 sales

**G Balachandar**  
Chennai

The demand for CNG (compressed natural gas)-powered cars and SUVs remained strong in FY25. Maruti Suzuki led the charge, with one in every three vehicles sold running on CNG, while Tata Motors followed closely, with one in four.

Hyundai, too, experienced a notable surge in the share of CNG vehicles in its overall sales.

Economic and environmental factors continue to drive the growing preference for CNG vehicles.

Maruti Suzuki, the country's top carmaker, retained its dominance in the CNG segment, selling about 6.2 lakh CNG vehicles in FY25 — a 28 per cent increase from the previous year. The share of CNG vehicles in Maruti's total sales has surged over the years, from 12 per cent in FY21 to 34.5 per cent in FY25.

"As CNG is composed of 90 per cent methane (CH<sub>4</sub>),

## Rising demand

Share of CNG in total sales (%)

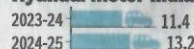
### Maruti Suzuki



### Tata Motors



### Hyundai Motor India



Source: Companies

it is inherently much cleaner than petrol or diesel, with four hydrogen atoms for every carbon atom.

"The government aims to increase the share of natural gas in the energy basket from around 7 to 15 per cent.

"Aligning with this, Maruti Suzuki has offered factory-fitted S-CNG vehicles. Consumers have responded positively to this shift toward cleaner mobility," said Rahul Bharti, Senior Executive Officer, Corporate Affairs, Maruti Suzuki India Ltd.



**GREEN DRIVE.** Economic and environmental factors continue to drive the growing preference for CNG vehicles.

## MORE ACCEPTANCE

Tata Motors also reported an impressive 50 per cent year-on-year growth in CNG vehicle sales, outpacing the industry in FY25.

The company's CNG penetration in overall sales increased to 25 per cent (139,218 units), up from 16 per cent (91,046 units) in FY24 and 8 per cent (40,994 units) in FY23.

A Tata Motors spokesperson highlighted the growing acceptance of emission-friendly fuels among customers seeking greener and

more cost-effective alternatives to petrol and diesel.

The company has expanded its CNG portfolio to include models such as the Tigo, Tigro, Altroz, Punch, and Nexon.

He attributed the strong growth of CNG vehicle sales to a combination of factors, including its twin-CNG-cylinder technology, which improves boot space and convenience, while maintaining fuel efficiency.

Hyundai Motor India Ltd (HMIL), the country's second-largest passenger

vehicle maker, also saw a rise in CNG adoption, with penetration in domestic sales increasing to 13.2 per cent in FY25 from 11.4 per cent in FY24.

Tarun Garg, Whole-time Director & COO at Hyundai, credited this growth to the introduction of Hy-CNG Duo technology in 2024.

"Currently, HMIL offers Hy-CNG technology in three models — the AURA, along with the Grand i10 NIOS and Exter (Hy-CNG Duo). Across these models, the consolidated CNG share rose to 40.7 per cent in FY25, up from 35.7 per cent in FY24," he said.

CNG adoption has also extended to the upper-end vehicle segment, with launches of CNG variants of top-selling SUVs.

Maruti has reported strong demand for CNG versions of the Brezza and Ertiga. Tata Motors noted that offering CNG in top variants with premium features such as sun-roofs has helped position these vehicles as aspirational choices rather than just economical alternatives.



## TVS Motor taps ION for EV expansion in South-East Asia

Our Bureau  
Chennai

TVS Motor Company (TVSM), a leading two- and three-wheeler maker, has announced the integration of Singapore-based ION Mobility's assets, intellectual property, and core talent into its operations as what it calls a strategic move to bolster its electric vehicle (EV) footprint in South-East Asia.

The region, known for its booming motorbike market, presents a significant opportunity for growth in the EV sector, the company said in a statement.

TVS Motor had previously been a strategic investor in ION Mobility, a full-stack EV

**TVS Motor had previously been a strategic investor in ION Mobility, a full-stack EV company**

company engaged in industrial design, mechanical and electrical engineering, software, and supply chain solutions.

### **STRONGER GROWTH**

"By integrating ION Mobility's assets, IP, and team into TVSM, we are leveraging their entrepreneurial spirit and engineering excellence with our R&D expertise and manufacturing scale.

"This positions us for deeper market penetration and stronger growth in South-East Asia," said Sharad Mohan Mishra, President of Group Strategy at TVS Motor Company. Earlier this week, TVS Motor (Singapore) Pte Ltd, completed the acquisition of select assets from ION Mobility while divesting its previous stake in the company.

Following this transition, ION Mobility's Founder and CEO, James Chan, has joined TVS Motor Company as Senior Vice President.

Chan will lead TVSM's ASEAN business and oversee the development and launch of the M1-S electric mobility platform, the company said.

## Delay in local value-add certification hits FY25 electric bus volumes

**G Balachandar**  
Chennai

The electric bus (e-bus) segment has witnessed a marginal dip in volumes in FY25, falling short of the optimistic growth forecasts made at the start of the fiscal.

Despite strong momentum in the first half and a robust order pipeline, the sector was unable to sustain its projected trajectory.

Electric bus volumes for FY25 declined by around 4 per cent at about 3,570 units, according to JMK Research, quoting data from Vahan and the Telangana Dashboard.

Industry stakeholders had anticipated a year of substantial expansion. However, delivery schedules were disrupted by unexpected delays in obtaining Domestic Value Addition (DVA) certification



Mahesh Babu, CEO,  
Switch Mobility

— a requirement under recent government tenders.

Convergence Energy Services Ltd (CESL) floated tenders, including one for 5,000 buses. However a lack of clarity around the DVA certification process hindered deployment.

This ambiguity led to prolonged back-and-forth between agencies, including the Ministry of Heavy Industries, the Department of Heavy Industry and CESL.

“By the time the final guidelines were issued, test-

ing agencies indicated that the certification process would take approximately four to five months, a timeline that had not been accounted for in the original tender schedule. This has become the central issue behind the delays,” Mahesh Babu, CEO of Switch Mobility, the EV arm of Ashok Leyland, told *businessline*.

### STRONG REBOUND

While OEMs are ready to comply, the extended certification period has forced several scheduled FY25 deliveries to shift into FY26. Despite this short-term disruption, the industry expects a strong rebound in this fiscal.

Switch has achieved a monthly run rate of over 100 e-bus deliveries in Q4 of FY25, a pace it aims to maintain or surpass in FY26.



# Three states place orders for 15,000 e-buses from Centre

PIJIA DAS

New Delhi, 7 April

Under the PM e-Bus Sewa-Payment Security Mechanism (PSM) scheme, three states — Gujarat, Telangana, and Karnataka — have placed requests with the Centre for 15,000 electric buses (e-buses) at a subsidised price. India aims to deploy 50,000 e-buses by 2030, with a focus on nine major cities and seven states — Gujarat, Telangana, Karnataka, Delhi, Maharashtra, Tamil Nadu and West Bengal — under the National Electric Bus Program (NEBP), which was launched in 2022.

Demand from the remaining four states are still awaited, officials said. "We got a

demand for 15,000 e-buses from Gujarat, Telangana, and Karnataka under the PSM scheme against our target of 14,000. Delhi is in the process of specifying the numbers, and it will come shortly. However, no demand has come from Maharashtra, Tamil Nadu, and West Bengal," one of the officials said.

The ministry of heavy industries (MHI) plans to spend about 40 per cent of the ₹10,900 crore PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-Drive) scheme towards electrification of public transport. It has allocated ₹4,391 crore to roll out a little over 14,000 e-buses by providing the vehicles at a subsidised price



**India aims to deploy 50,000 e-buses by 2030, with a focus on nine major cities**

by the end of FY26.

"Now, we are mulling over whether to open a tender for these states and give them (the e-buses) in the first phase, or wait for another month for the remaining states and do it at one go. We will take a call in a

week," the official added.

Convergence Energy Services Limited, a subsidiary of Energy Efficiency Services Limited, is ready with its first tender. As soon as the MHI gives the go-ahead, it will process tenders, another official informed.

Queries sent to spokespeople and secretaries of the aforementioned ministry and authorities remained unanswered till press time.

The MHI is also planning to allow operators to participate in e-bus tender processes, the officials added. This comes at a time when registration of e-buses in the country has been stagnant, and the government is pushing for e-mobility adoption.



# Auto retail sales slow to 6.5% in FY25, may face headwinds

Dealers concerned about ongoing tariff war and its potential impact on sales in India

SHINE JACOB  
Chennai, 7 April

Automobile retail sales grew 6.5 per cent in financial year 2024-25 (FY25), driven primarily by a 5 per cent rise in passenger vehicle (PV) sales, an 8 per cent increase in two-wheeler numbers, and a 5 per cent uptick in commercial vehicle (CV) sales.

This compares to a growth of 10 per cent for the industry in the previous financial year (FY24).

However, concerns emerged in March, as retail sales declined for the second consecutive month — down 0.7 per cent compared to March 2024.

The fall was attributed to a 2 per cent slide in two-wheeler sales, a 6 per cent drop in three-wheeler sales, and a 6 per cent decline in tractor sales, according to data from the Federation of Automobile Dealers Associations (Fada).

The only silver lining in March's performance — which otherwise dragged down the financial year's momentum — was a 6 per cent year-on-year (Y-o-Y) growth compared to March of the previous year. This is largely due to incentives, festival-driven gains, and new launches.

In February, industry sales were down by 7 per cent, with all cate-



## IN THE SLOW LANE Auto retail sales (in mn)

Category	FY25	Y-o-Y change (in %)
2W	18.88	7.71
3W	1.22	4.54
PV	4.15	4.87
Tractor	0.88	-1.04
CV	1.01	-0.17
<b>Total</b>	<b>26.14</b>	<b>6.46</b>

Source: Fada

gories falling into the red.

In absolute numbers, the country saw sales of 26 million vehicles in FY25, versus 24.5 million in FY24.

"The first three weeks of March were notably weak, largely due to the Kharwas period, but sales accelerated significantly last week, driven by positive triggers such as Navratri, Gudi Padwa, Eid, and year-end purchasing influenced by depreciation benefits," said C. S. Vigneshwar, president, Fada.

Though passenger vehicles posted a good show in March, the dealers' body warned original equipment manufacturers (OEMs) about a higher inventory level of 50-55 days. "Unrealistic targets, liquidity challenges, and regional pockets of low demand are resulting in PV inventories rising to about 50-55 days. Incentives and festival-driven gains pushed overall results higher, but dealers remain cautious about high-stock levels and target

pressures as the new financial year begins," Vigneshwar added.

Dealers expressed concern about the ongoing tariff war and its potential impact on sales in India.

"Adding to the uncertainty is the looming spectre of a global tariff war, which could trigger stock market turbulence and erode returns on mutual fund SIPs. If investors see their disposable incomes shrink alongside increased market volatility, discretionary spending — such as on auto purchases — may take a hit," said Vigneshwar.

Dealers across India are cautiously optimistic, looking ahead to FY26, with Fada projecting mid-to-high single-digit growth in the two-wheeler segment and low single-digit growth for both PVs and CVs.

Another cause for concern for the government and the industry is the static growth in the penetration level of electric vehicles (EVs). While EV penetration moved marginally up from 7.1 per cent in FY24 to 7.8 per cent in 2025, in March 2025 it came down to 9.9 per cent compared to 10.3 per cent last March.

In PVs, market leader Maruti Suzuki posted a 3 per cent rise in sales in March to 132,423 units.

However, a healthy competition is going on between three majors — Tata Motors, M&M, and Hyundai Motor — for the second slot.



# TaMo Q4 wholesales slip 3%

## Weak PV, CV sales drag overall numbers

**ANJALI SINGH**  
Mumbai, 8 April

Tata Motors Group reported a 3 per cent year-on-year (Y-o-Y) decline in global wholesales for the fourth quarter of FY25, with total volumes at 366,177 units, including its luxury arm Jaguar Land Rover (JLR).

The fall was driven by a slowdown in both commercial and passenger vehicle segments, according to a company statement released on Tuesday.

Wholesales of Tata Motors' commercial vehicles, including Tata Daewoo (wholly owned South Korean subsidiary), stood at 107,765 units in Q4 FY25, down 3 per cent compared to the same period last year.

Its PV wholesales, which include EVs, also fell 6 per cent Y-o-Y to 146,999 units globally.

However, JLR provided a contrasting picture, registering a marginal 1 per cent increase in global wholesales to 111,413 vehicles in Q4.

Within JLR, Land Rover's performance

was buoyant with wholesales of 104,343 units, while Jaguar's stood at 7,070 units for the quarter. JLR's figures do not include volumes from C.JLR, the joint venture between JLR and Chery Automobiles in China. However, the company's retail performance painted a different picture. Retail sales dropped 5.1 per cent in Q4 to 108,232 units, despite the slight uptick in wholesales.

JLR's wholesale volumes in North

America saw a significant 14.4 per cent jump in the fourth quarter, with Chinese wholesale volumes falling by 29.4 per cent, Europe by 10.9 per cent, and the United Kingdom remaining flat at 0.8 per cent.

However, the positive momentum could be short lived as the firm faces headwinds in its most crucial market, the United States. This is owing to President Donald Trump's declaration of a 25 per cent tariff on automobile imports.



**PV wholesales, which include EVs, fell 6% Y-o-Y to 146,999 units globally**



# 'Automotive sector needs robust policy support to compete globally'

**MISSION POSSIBLE.** NITI Aayog report says the sector is poised for substantial growth by 2030

**S Ronendra Singh**  
New Delhi

The auto components sector needs strong policy support to overcome structural challenges and foster innovation, according to a report released by NITI Aayog on Friday.

Achieving these objectives will require a strategic blend of investments, enhanced global competitiveness and measures to improve the ease of doing business, stated the report titled *Automotive Industry: Powering India's participation in Global Value Chains*.

The report noted that India's automotive manufacturing sector faces a disability of around 10 per cent

compared to China on account of higher raw material costs, steeper import duties and increased freight costs.

"Moreover, India's depreciation rates are twice that of China, at 100 per cent versus 50 per cent, and the prime lending rate is substantially higher, with China's rate at 3.45 per cent compared to India's marginal cost of funds-based lending rate (MCLR) of 9.37 per cent. These disadvantages underscore the need for targeted support to enhance the competitiveness of India's automotive industry," it said.

The report highlighted that India's auto component sector is poised for substantial growth by 2030, with plans to increase production from \$70 billion in fiscal year



**DOMESTIC DEFICIENCIES.** The sector faces a disability of around 10% compared to China on account of higher raw material costs, import duties and freight costs BLOOMBERG

2023 (FY23) to \$120 billion by FY30.

## **3-4 M JOBS BY 2030**

It has also been envisioned to triple auto component exports, growing them from \$20 billion to \$60 billion during this period, positioning the country as a formidable

player in global markets.

"Domestic production is projected to rise from \$70 billion to \$145 billion, driven by increasing demand and a focus on high quality, value-added products. This ambitious growth strategy highlights the sector's commitment to enhancing its

contribution to both the national economy and global supply chains," the report said, adding the sector can generate direct employment for 3-4 million people by 2030 from around 1.5 million currently.

Realising these targets, however, will require overcoming significant challenges, including improving scale and cost competitiveness, auto component global value chain ambition-bolstering R&D capabilities and upgrading infrastructure, it noted.

"Keeping above aspects in mind, strategic policy interventions will be crucial to supporting industry growth and elevating its global competitiveness," the report added.



## PM E-DRIVE SCHEME

# TaMo, Maruti, two others seek to make e-ambulances

PUJA DAS

New Delhi, 13 April

Four major original equipment manufacturers (OEMs) — Force Motors, Tata Motors, Maruti Suzuki India (MSIL), and EKA Mobility — have expressed interest in manufacturing electric ambulances (e-ambulances) under the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PME-DRIVE) scheme, two people said.

While Force Motors and Tata Motors have committed in writing, MSIL and EKA — a startup that produces electric buses and small electric commercial vehicles — are yet to give their written commitment. These two are

awaiting the release of the guidelines.

In MSIL's case, the firm is exploring its hybrid segment for e-ambulances — the only segment that includes hybrid cars. None of these OEMs, however, has indicated volume expectations yet, as that will depend on the guidelines.

The guidelines, or eligibility criteria and subsidy figures for the scheme, are being finalised by the ministries of heavy industries and health, a senior government official said.

"Once the guidelines are out, the OEMs will make a prototype, followed by testing standards clearance by the Automotive Research Association of India. Then we

will know the numbers," the government official said.

The guidelines are broadly expected to specify the type of e-ambulance covered under the scheme, which will clarify for OEMs whether they can participate and avail of the subsidy. Queries sent to the aforementioned OEMs did not elicit a response. While Force Motors, MSIL, and EKA declined to comment, a spokesperson for Tata Motors said, "It will be too early to

comment because the talks with the government are at a nascent stage."

The Ministry of Heavy Industries and the Ministry of Health also did not respond to queries.

There are mainly four types of ambulances in India:

medical first responder, patient transport vehicle, basic life support, and advanced life support.

The guidelines will determine which OEMs can participate in the scheme, as not all manufacturers have ambulances available in all four categories. For example, MSIL's ambulances (the Eeco model) are categorised under Type 2. With ₹500 crore available, if the government considers only Type 4, or Type 3 and Type 4, MSIL will be out of the picture. It is not possible for the government to cover all four categories with the current allocation, said a senior industry executive involved in the discussions.

## ROAD AHEAD

- Maruti Suzuki and EKA Mobility yet to give their written commitment

- OEMs to make a prototype followed by testing standards clearance by ARAI, according to a government official

- The guidelines will decide which OEMs can participate in the scheme



# Auto sector may have cruised in Q4 on festival boost, launches

Rising input costs, higher ad spends may keep margins under pressure

ANJALI SINGH

Mumbai, 13 April

**A**utomotive (auto) companies are expected to post a 5–8 per cent improvement in revenue during the fourth quarter (Q4) of 2024-25 (FY25), aided by new launches, early-year momentum in January, and festivals such as Gudi Padwa and Holi.

Earnings before interest, tax, depreciation, and amortisation (Ebitda) growth is estimated at 4–8 per cent year-on-year (Y-o-Y), according to several brokerages. This is being driven by positive operating leverage and a richer product mix. However, margins are expected to remain under pressure, impacted by rising input costs, higher discounting, increased advertising spends, and negative operating leverage — though partially offset by price hikes implemented over the past year.

Analysts at Axis Securities said, “The expected Y-o-Y Ebitda margin remains flat due to higher discounts/advertisement expenses and negative operating leverage being partly offset by price hikes taken over the past year.”

Meanwhile, auto original equipment manufacturers (OEMs) are expected to report around 6 per cent Y-o-Y volume growth in Q4FY25, though underlying demand is expected to remain weak. Some OEMs are likely to benefit from regional festivities such as Holi and Gudi Padwa, which could provide marginal support to volumes in select markets.

Automakers are not expected to be impacted by the looming US tariffs; analysts believe component makers will remain cost-competitive.

Analysts also highlight potential tailwinds such as lower interest rates, tax cuts, and falling oil prices, which could help offset demand concerns. Easing commodity prices may support margins, though discounting pressure could partially negate this benefit. Companies with robust product cycles are expected to perform better in this environment.

The passenger vehicle (PV) segment is expected to see volume growth in the low-to mid-single digits in Q4. PV segment revenues are likely to grow by 5.2 per cent

## SCOREBOARD TOP 5 AUTO COMPANIES IN TERMS OF NET SALES (in ₹ cr)

	Net sales			Ebitda			PAT*		
	Q4FY25E	Q-o-Q	Y-o-Y	Q4FY25E	Q-o-Q	Y-o-Y	Q4FY25E	Q-o-Q	Y-o-Y
Tata Motors	121,713	7.2	2.1	16,417	26.0	-3.4	7,582	39.1	-56.6
Maruti Suzuki	40,997	11.4	11.7	4,896	9.5	4.5	3,718	5.5	-4.1
M&M	29,947	-1.9	19.3	4,168	-4.9	33.6	2,465	-16.8	21.0
Bajaj Auto	12,209	-4.7	6.3	2,454	-4.9	6.4	2,026	-3.9	4.6
Ashok Leyland	12,084	28.1	7.7	1,708	41.0	7.3	1,115	46.4	37.1

E: Estimates; \* profit after tax

Source: Bloomberg; Compiled by BS research Bureau



Y-o-Y, driven by strong volumes in sport utility vehicles (SUVs). Entry-level demand remained subdued, with longer conversion cycles and growing caution among dealers. Elevated inventory levels — estimated at 50–52 days — emerged as a major concern, with dealers urging OEMs to better align dispatches with on-ground demand.

“Entry-level demand remained soft, with conversion cycles stretching longer and dealer sentiment turning increasingly cautious,” Devan Choksey Research observed.

The two-wheeler (2W) market is expected to see 1–6 per cent volume growth due to a recovery in exports, festival demand, healthy demand from urban and rural markets, and easing government regulation for the electric 2W vehicle market. Commodity cost stabilisation may aid margins for auto ancillary players and OEMs. However, discounts and higher ad spends may offset benefit.

As for major OEMs, analysts expect Maruti Suzuki India's revenue to grow by 8–11 per cent, driven by exports, a strong SUV lineup, electric vehicle expansion, rural growth outpacing urban growth, and a richer product mix.

Tata Motors' revenue is expected to

grow by 2 per cent, supported by steady performance from Jaguar Land Rover (JLR) in Q4FY25, when its global wholesale volumes rose 1.1 per cent, led by North America. High-margin models like Range Rover and Range Rover Sport contributed 67.8 per cent of FY25 wholesale volumes for JLR, and the company ended FY25 with a net cash-positive position despite softer volumes from China.

As for 2Ws, Motilal Oswal said Bajaj Auto's total volumes grew by around 3 per cent Y-o-Y in Q4FY25, driven by a 3 per cent rise in 2W sales and a 5 per cent rise in three-wheelers. The growth was entirely led by exports, which surged 19 per cent Y-o-Y, offsetting a 7 per cent decline in domestic demand. Devan Choksey also highlighted that Bajaj is expected to report a 7.1 per cent Y-o-Y revenue growth, supported by strong export performance.

Hero MotoCorp's volume growth remained subdued in Q4FY25, with a 1 per cent Y-o-Y decline as 2W demand lagged expectations. However, the average selling price is expected to improve by 3 per cent Y-o-Y, driven by a better product mix, particularly in the 125cc segment, supporting a projected 2 per cent revenue growth. Overall, profit after tax is estimated to grow 3 per cent Y-o-Y. Similarly, Axis Securities estimates a 27-basis-point (bp) Y-o-Y expansion in Ebitda margins for Hero in the 2W segment.





# GOVERNMENT POLICY

## The Economic Times, 1 April 2025

AS MANY STATES RAISE DEMAND FOR SUPPORT FROM ₹4,391 CR FUND...

# Electric Bus Subsidy may be Cut to E-DRIVE Scheme into More Cities

Twesh Mishra

**New Delhi:** The Centre may lower the per unit subsidy for electric buses (e-buses) under the PM E-DRIVE scheme to cover more cities. The centre currently offers a subsidy from ₹20-35 lakh per e-bus depending on the carrying capacity and specifications of the vehicle.

According to officials aware of the development, Surat, Pune, Hyderabad, and Bengaluru have raised a demand for over 15,000 units. This is well above the

scheme target to subsidise 14,028 e-buses from a ₹4,391 crore fund support.

"The newly formed Delhi government is expected to raise a significant demand for e-buses. Orders from Ahmedabad, Mumbai, Chennai and Kolkata are awaited as well," a senior official told ET, adding that the government may lower the per e-bus subsidy for catering to more cities.

India's Ministry of Heavy Industries (MHI) supports deployment of e-buses through the PM E-DRIVE, PM E-Bus Sewa, and a payment security mechanism

scheme. While PM E-Bus Sewa is focused on smaller cities with lesser population, the PM E-DRIVE scheme is for larger cities with existing public transport networks.

"Our goal is to increase e-bus access for a wider population," the official added.

PM E-DRIVE has replaced the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME) scheme which had similar objectives. Besides e-buses, the new scheme also aims to support e-trucks and e-ambulances.

"A call on the quantum of support for electric trucks will also be taken soon,"

officials said while adding the subsidy will not exceed 25% of the per unit retail value. According to official estimates, India needs 10,565 e-trucks by 2030. The maximum demand is for 35-55 Gross Vehicle Weight (GVW) tractor-trailers at over 7000 units.

India is also planning to offer up to 30% subsidy of the cost of producing electric ambulances to encourage local manufacturing, officials said.

## Lane Change

Sops cut...

Plans to lower per bus subsidy



Current subsidy at ₹20-35 lakh per e-bus

...as demand rises

Request for 15,000 plus e-buses

Surpassing PM E-DRIVE target

Surat, Hyderabad, Pune, Bengaluru raise demand

Delhi, Ahmedabad, Mumbai, Chennai & Kolkata to join



# Exports to US may fall \$5.76 b in 2025 due to Trump tariffs: GTRI

Our Bureau  
New Delhi

India's exports to the US could fall by an estimated \$5.76 billion in 2025 to \$84 billion owing to the reciprocal tariffs announced by US President Donald Trump, per a report by research body GTRI. It would translate into a 6.45 per cent decline compared to India's exports to the US valued at \$89.81 billion in 2024 (US data).

Items that could witness a significant decline in exports to the US include fish and crustaceans (20.2 per cent), iron or steel articles (18 per cent), diamonds, gold, and related products (15.3 per cent), vehicle and parts exports (12.1 per cent), electrical, telecom and electronic products (12 per cent), the report noted.

However, there are sectors that may make modest gains due to their competitive position, the report added.

These include textiles made-up, apparel, ceramic products, inorganic chemicals and pharmaceuticals.

Other categories such as plastics, carpets, petroleum products, organic chemicals

## TARIFF EFFECT

- **Significant decline seen in exports:** Fish and crustaceans: -20.2%; iron or steel articles: -18%; diamonds, gold and related products: -15.3%; vehicles and parts: -12.1%; and electrical, telecom, and electronic products: -12%
- **Other categories with negative impact:** Plastics, carpets, petroleum products, organic chemicals and machinery
- **Modest gains:** Textiles made-up, apparel, ceramic products, inorganic chemicals and pharma



and machinery are also expected to be negatively impacted, it added.

"While the overall effect of the new tariffs points toward a decline in trade, India's competitive position in select product segments may help cushion some of the losses," the report said.

## SOME EXEMPTION

The report noted that items such as energy products (including petroleum and solar panels), pharmaceuticals and copper had been exempted from country-specific tariffs.

These high-value items accounted for \$20.4 billion or

22.7 per cent of India's exports to the US in 2024. They will continue to face only the standard MFN (Most Favoured Nation) tariff.

Key industrial goods such as steel, aluminium, automobiles and auto parts will face a 25 per cent tariff. "However, the largest impact falls on the remaining basket of goods.

"These exports, valued at \$ 67.2 billion or 74.8 per cent of total trade, will be hit with a 26 per cent tariff. While MFN tariffs still apply, this sweeping hike is expected to reshape trade dynamics across a wide range of industries," the report said



# Delhi Plans to Stop Registration of New 3-wheelers from Aug 15

Autorickshaws running on CNG may be phased out, Vehicles' permit renewal may also be disallowed

Our Bureau

**New Delhi:** The Delhi government is looking at phasing out autorickshaws running on CNG, proposing to stop new registrations from August 15, 2025, and deny renewal of existing permits.

For goods carriers, too, no new diesel, petrol, or CNG three-wheelers will be registered from August 15, as per the draft electric vehicle policy floated on Tuesday.

Also, all CNG autorickshaws older than 10 years must be either replaced or retrofitted with battery-powered systems.



The draft policy also proposes a ban on new registrations of petrol, diesel, and CNG two-wheelers from August 15, 2026.

Delhi government officials, however, clarified that the draft policy is likely to undergo changes as it awaits cabinet approval. Final rules will come into effect after an official notification of EV Policy 2.0, they said.

As per the draft, people owning two cars will be allowed to purchase only electric cars if they want to buy mo-

re. The proposed policy is part of the state government's aggressive push to curb vehicular pollution in the national capital.

As per the draft policy, all public transport and municipal vehicles, all garbage collection vehicles owned or leased by the Municipal Corporation of Delhi (MCD), New Delhi Municipal Council (NDMC), and Delhi Jal Board (DJB) must transition to electric vehicles in a phased manner, with a 100% electric fleet target by December 31, 2027.

Public transport buses operated by the Delhi Transport Corporation (DTC) and Delhi Integrated Multi-Modal Transit System (DIMTS) will also shift to electric buses. While intra-city operations will see only e-buses, BS VI-compliant buses will still be allowed for interstate services.

The current EV policy, which expired on March 31, has been extended by 15 days as the final draft for a new policy nears completion.

## April 30 is last date for declaration of tax arrears under Vivad se Vishwas Scheme, 2024

**Shishir Sinha**  
New Delhi

The Income Tax Department has set April 30 as the last date for a declaration in respect of tax arrears under the Direct Tax Vivad se Vishwas Scheme, 2024.

The scheme aims to reduce income tax litigation by allowing taxpayers to settle pending appeals, writs and petitions before various appellate authorities, including the Supreme Court and High Courts, as of July 22, 2024.

"The Central government hereby notifies under the Direct Tax Vivad se Vishwas Scheme, 2024, the 30th day of April, 2025, as the last date, on or before which a declaration in respect of tax arrear shall be filed by the declarant to the designated authority," the Central Board of Direct Taxes said in a notification.



The second edition of the Direct Tax Vivad se Vishwas scheme 2024 (VSV 2.0) was made operational from October 1, the Finance Ministry has said in a notification. The scheme was announced in the Budget of FY25 to reduce the litigations related with income tax. According to the Budget document, the scheme provides for a mechanism of filing of appeals against orders passed under the proceedings of the Act, both by the taxpayer and the Department before respective appellate fora, such as Joint Commissioner of In-

come-tax (Appeals), Commissioner of Income-tax (Appeals), the Income-Tax Appellate Tribunal, High Courts and the Supreme Court.

"It has been the endeavour of the Central Board of Direct Taxes to provide expeditious disposal of appeals by appellate authorities under its administrative control," the explanatory memorandum said. One such measure was the Direct Tax Vivaad Se Vishwas Act, 2020 (VSV 1.0), launched for appeals pending as of January 31, 2020.

### LITIGATION PENDENCY

The pendency of litigation at various levels has been on the rise due to a larger number of cases going for appeal than the number of disposals. "Keeping in view the success of the previous Vivaad Se Vishwas Act, 2020 and the mounting pendency of ap-

peals at CIT(A) level, introduction of a Direct Tax Vivad se Vishwas Scheme, 2024 is proposed with the objective of providing a mechanism of settlement of disputed issues, thereby reducing litigation without much cost to the exchequer," the memorandum said.

According to consultancy firm Deloitte, before VSV 1.0, there were 483,000 direct tax appeals pending across various forums, with ₹4.96 lakh crore in tax amounts locked. The said scheme successfully resolved over 1.46 lakh (30 per cent) of these appeals, resulting in ₹0.54 lakh crore (11 per cent) in collections for the government.

The government forgave ₹0.45 lakh crore in taxes under this scheme. Further, it said that to be eligible under VSV 2.0, cases must be pending as of the cut-off date of July 22, 2024.



# Delhi govt mulls series of green measures to boost EV adoption

₹2K-10K cess on non-EVs older than 10 years, pollution cess on petrol under consideration

DEEPAK PATEL & PUJA DAS  
New Delhi, 10 April

**T**hrough a series of green measures, the Delhi government is considering boosting the adoption of electric vehicles (EVs) in the National Capital Region (NCR).

The steps include introducing a pollution cess on petrol, increasing the cess on diesel, imposing annual green levies between ₹2,000 and ₹10,000 on non-EVs older than 10 years, and mandating the installation of EV-charging stations in parking areas of housing societies.

These measures are being considered under EV Policy 2.0, which the state government is formulating. Sources said a draft of the policy would soon be released for public comments.

Sources also stated under the policy the Delhi government was planning to boost the "State EV Fund". For this, the cess on diesel, which is now 25 paise per litre, is proposed to be increased to ₹1 per litre. Additionally, there is a proposal for a cess of 50 paise per litre on petrol, which is not levied in Delhi. These are expected to generate approximately ₹125 crore annually for the Delhi government, they said.

The Delhi government is also considering annual green levies on vehicles that have been running for 10 years or more. Under them, transport

## NEED FOR SPEED

EV registrations fell in NCR in FY25

Category	FY25 registrations	Y-o-Y change (%)
Electric two-wheelers	27,242	-29
Electric cars	6,979	-22
Electric commercial vehicles	1,509	-16

Source: Vahan registration data

vehicles will be subject to an annual charge of ₹10,000 when they complete 10 years from the date of registration. An annual fee of ₹2,000 could also be charged on non-electric two-wheelers older than 10 years.

Additionally, a fee of ₹10,000 is proposed to be collected from owners of all other non-EVs, such as passenger cars. These annual green levies will be charged when the "Pollution Under Control" (PUC) certificate is issued to vehicles that are more than 10 years old, sources said.

It is estimated that the Delhi government will ring in around ₹184 crore

annually from transport vehicles and ₹1,320 crore cumulatively over three years from non-transport vehicles from the annual green levies.

Transport vehicles refer to those used for commercial purposes — such as buses, taxis, trucks, goods carriers, and autorickshaws — whereas non-transport ones include private two-wheelers and passenger cars.

In terms of infrastructure, the Delhi government is planning to mandate that 20 per cent of parking capacity in new buildings be equipped with EV-charging infrastructure, with occupancy certificates to be issued only upon

compliance. The state government could also ask all existing buildings to establish EV-charging infrastructure in at least 5 per cent of their parking capacity, sources mentioned.

Making it compulsory for all public parking spaces in the city to have a minimum number of EV chargers is also being considered.

EV registration in the NCR declined in FY25 over FY24. In FY25, the registration of electric two-wheelers fell 29 per cent year-on-year to 27,242 units, that of electric cars dropped 22 per cent to 6,979 units, and that of electric commercial vehicles declined 16 per cent to 1,509 units, according to the Vahan data. An official of the Delhi government's transport department said vehicles running on compressed natural gas, petrol, and diesel would be phased out of the city.

Shyamasis Das, fellow (energy, resources and sustainability), Centre for Social and Economic Progress, said Delhi was likely to have an edge in pushing EVs because of there being reliable electricity supply.

"This advantage should be utilised to rapidly expand charging infrastructure citywide. However, power distribution companies in Delhi need to improve their distribution infrastructure to support charging hubs at bus depots and in residential neighbourhoods," Das said.



## In tariff war with US, China plays rare earth card, suspends exports

Elements Integral To Tech, From EVs To Missiles

Chidanand Rajghatta | TNN

Washington: Dysprosium and Neodymium sound like the names of cough syrups, perhaps. In fact, they are two rare earth elements from group 17 in the periodic table that are critical for a range

► **EDIT: Chuckling Chinese**

of technologies, from missiles to wind turbines to EVs, and they made a splash Monday after China, which has a 90% hold on the field, suspended all exports.

The move, one of the cards held by Beijing in the tariff war launched by US, sent shock waves through American tech industry, even as the

### TRUMP TIMES

► Nobody's 'getting off the hook' for unfair trade balances, 'especially not China', says Trump

► Trump suggests he might temporarily exempt auto industry from tariffs he previously imposed: 'they're going to make them here'

► El Salvador president says he doesn't have the power to return man wrongly deported from US

P 14

White House has momentarily relaxed tariffing some electronic imports. Even though the US has gradually dialled down rare earths import from China from 80% in 2017 to around 70% now, its import from other countries also involve Chinese processing.

► **Controls 90%, P 14**

## China controls 90% of rare earths' refining capacity

► Continued from Page 1

India has the fifth-largest deposits after China, Vietnam, Brazil and Russia, but China has a chokehold because it controls almost 90% of refining capacity. The disruption brought into focus tag-team efforts by US and India to overcome the Chinese monopoly even as Washington scours the globe — from Greenland to Ukraine — for deposits and refining capacity.

Earlier this year, in a bipartisan US effort, the Biden govt lifted decades-old sanctions on the state-owned Indian Rare Earths Ltd and the incoming Trump administration followed up by announcing during PM Modi's visit to Washington a US-India 'Strategic Mineral Recovery' to recover and process critical minerals.

"Recognising the strategic importance of critical minerals for emerging technologies and advanced manufacturing, India and the US will accelerate collaboration in research and development and promote investment across the entire critical mineral value chain, as well as through the Mineral Security Partnership, of which both the US and India are members," the two sides said in a statement.

Industry experts say that's a start but nowhere near meeting the critical needs of US (and India), given the headstart China has in the field. In fact, even the Pentagon relies on Chinese-processed rare earth elements for components like permanent magnets in F-35 jets, laser target-

### COUNTRIES WITH THE MOST RARE EARTH MINERALS

In million metric tonnes



ting systems, and missile guidance systems — a shock realisation that has propelled the Trump White House to urgently look for other sourcing.

Elon Musk, who needs rare earths for a range of his tech products from EVs to rockets, was among those who reacted cautiously to China's squeeze. "Important to note that what matters is the ability to refine rare earth elements (which are NOT actually meaningfully rare) and manufacture magnets for use in electric motors. People understandably tend to think that rare earth mineral deposits are what's scarce, given the name. That is false. They're everywhere," Musk said in a post on X, conceding that as with lithium, what China has that others lack is the heavy industry of refining the minerals. In fact, even US-mined material is often sent to China for processing.



# RAW MATERIAL

## Business Line, 3 April 2025

# India prioritises local steel in govt contracts to shield mills

**CURBING IMPORTS.** Also bans suppliers from nations that bar Indian firms from govt tenders

**Abhishek Law**  
New Delhi

After imposing safeguard duties on imported steel, India has revamped its procurement policy that will give preference to homegrown steel in government contracts. The move is aimed at combating rising steel imports, especially from countries like China and Vietnam, that have hit domestic steel producers.

The policy prioritises locally produced steel in government contracts, effectively shutting out foreign competition through stringent procurement regulations. A reciprocal provision also bars suppliers from countries that exclude Indian companies from their government tenders, reinforcing India's commitment to self-reliance.

### US TARIFF EFFECT

The introduction of the Domestically Manufactured Iron & Steel Products Policy-2025 coincides with the Trump administration's imposition of tariffs on steel imports into the US, heightening concerns about a po-



**INDIA FIRST.** Effective immediately, all ministries, departments and their affiliated agencies have been directed to prioritise iron and steel products manufactured within India

tential surge in steel being dumped into India.

Effective immediately, all ministries, departments and their affiliated agencies have been directed to prioritise iron and steel products made in India. This includes items such as flat-rolled steel, bars, rods and railway materials, which must comply with the 'Melt & Pour' condition, meaning the steel must be melted and solidified in India. Industry sources say China continues to be among the target nations under these revised procurement rules. There are also efforts to slow imports from other Asian countries, with which India has FTAs.

Chinese imports totalled 2.4 million tonnes (mt) for

April-February FY25, down 5 per cent y-o-y. Imports from Korea and Japan reached 2.7 mt and 1.92 mt levels, up 7 and 70 per cent y-o-y, respectively. Overall imports stood at 8.9 mt, up 16 per cent y-o-y, with exports down 34 per cent at 4.4 mt.

"Some protection is being provided to domestic manufacturers but we need to see how the policy plays out," an industry participant said.

The government continues to be a key procurer of steel, picking up 25-30 per cent of the country's finished steel production.

The new policy explicitly prohibits global tender enquiries for iron and steel products and limits such enquiries for capital goods val-

ued up to ₹200 crore unless approved by the Department of Expenditure.

### RECIPROCAL CLAUSE

The policy introduces a reciprocal clause, wherein entities from countries that restrict Indian companies from participating in government procurement will be barred from bidding in India for steel-related items, unless explicitly permitted by the Ministry. "This measure underscores India's intent to protect its industry amid global trade tensions," an official said.

### VALUE ADDITION

The revised policy also states that capital goods used to produce the alloy, such as furnaces and rolling mills, must achieve at least 50 per cent domestic value addition. Per industry observers, the policy's success hinges on effective enforcement and the ability of domestic producers to meet quality and volume demands. The Standing Committee's role in resolving disputes and ensuring fair pricing will be crucial, especially in cases where sole bidders quote exorbitant rates.



## Iron ore exports to China plummet in FY25, realisations down

**Abhishek Law**  
New Delhi

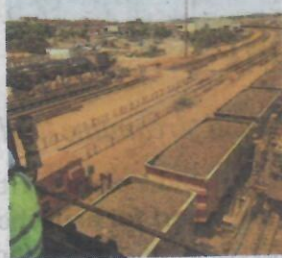
Iron ore exports to China, the largest buyer from India, have nearly halved in FY25 to 24.14 million tonnes (mt) as against the 45.36 mt in the year-ago-period, following an economic slowdown and a glut in steel production in Asia's largest economy. Iron ore is key feedstock material in steel-making.

China, the world's largest crude steel producer, accounted for 80 per cent of the iron-ore shipments from India, slightly lower than the 86 per cent average it has maintained over a six-year-period (FY20-FY25), data sourced from market research firm BigMint said. Supplies to the Asian nation had peaked in FY24, when nearly 95 per cent of the exports, or 45.4 mt (out of 47.8 mt), went there.

Average realisations, sources said, were around the \$100 per tonne range for Indian exporters, 17 per cent down on a y-o-y basis, as against \$120 mt for FY24. Existing iron ore price is in the \$110 per tonne range.

### EXPORTS DOWN

Overall, iron ore exports shipments saw a sharp 35 per cent decline y-o-y to 30.92 mt, from the 47.8 mt in the



Average realisations were around the \$100/tonne range for Indian exporters, 17 per cent down against \$120 mt for FY24

year-ago-period, according to the data showed. Exports of iron ore fines and lumps were recorded at nearly 24 mt, while pellet sales overseas were assessed at 6.8 mt in the just-concluded fiscal.

In FY24, iron ore exports stood at 36.5 mt and pellets over 11 mt, a three-year high.

"Demand for iron ore and pellets was lower because of a decline in steel production in FY25," a market participant told *businessline*. China produced 924 mt of crude steel between April 2024 and February, a slight decline of one per cent, y-o-y, as per data published by the World Steel Association (WSA).

Steel production there has slowed down on account of spiralling debt crisis and overcapacity in the real estate and construction sector

- key consumer industries, slowdown in infrastructure projects, among other factors.

"Therefore, even though iron ore imports (may look) high, the general slowdown in demand led to accumulation of port inventories in China which further weighed on demand," BigMint said in its report.

Other major buyers of iron ore — pellets and lumps — from India included Malaysia at 1.74 mt, up 176 per cent; Indonesia — down 44 per cent to just 0.52 mt.

### PORT TRAFFIC DOWN

Overall iron ore shipments — export and imports — are down over 18 per cent to 50 mt for FY25; as against 61 mt in FY24. Maximum shipments moved through east coast ports of Paradip and Vizag — around 23 mt, down 12 per cent y-o-y; and 11.6 mt, down 26 per cent.

The two ports account for nearly 70 per cent of the country's iron-ore traffic, as per data from India's Ports, Shipping and Waterways Ministry.

Other major ports for movement of iron ore included Momugao, New Mangalore, Kandla and Mumbai. Smaller shipments happened through Kolkata and Haldia docks and Chennai.



# ELECTRIC VEHICLEC

## The Economic Times, 3 April 2025

**LOWEST SINCE 2022**

### Tesla Sales Tumble 13% Amid Anti-Musk Backlash

Double-digit drop is due to a combination of factors, including its aging lineup and competition from rivals

**New York:** Tesla sales fell 13% in the first three months of the year, another sign that Elon Musk's once high-flying electric car company is struggling to attract buyers.

The double-digit drop is likely due to a combination of factors, including its aging lineup, competition from rivals and a backlash from Musk's embrace of right wing politics. It also is a warning that the company's first-quarter earnings report later this month could disappoint investors.

Tesla reported deliveries of 336,681 globally in the January to March quarter. The figure was down from sales of 387,000 in the same period a year ago. The decline came despite deep discounts, zero financing and other incentives.

Analysts polled by FactSet expected much higher deliveries of 408,000.

Dan Ives of Wedbush said in a note to clients that Tesla is seeing soft demand in the United States and China, as well as facing pressure in Europe. "The brand crisis issues are clearly having a negative impact on Tesla...there is no debate," he said.

Ives said that Wall Street and analysts alike knew that the first-quarter figures were likely to be bad, but that it was even worse than expected. "We are not going to look at these numbers with rose-colored glasses...they were a disaster on every metric," he said.

Tesla's stock has plunged by roughly half since hitting a mid-December record as expectations of a lighter regulatory touch and big profits with Donald Trump as



**People protest against Elon Musk in Berlin on Monday. REUTERS**

president were replaced by fear that the boycott of Musk's cars and other problems could hit the company hard.

Analysts are still not sure exactly how much the fall in sales is due to the protests or other factors. Electric car sales have been sluggish in general, and Tesla in particular is suffering as car buyers hold off from buying its bestselling Model Y because of plans for an updated version later this year.

Still, even bullish financial analysts who earlier downplayed the backlash to Musk's polarizing political stances are acknowledging that it is hurting the company, something that Musk also recently acknowledged.

Shares of Tesla fell 3% Wednesday.

Europeans have also balked at buying Tesla, especially Germans upset after Musk publicly supported a far-right party in national elections and gave what many say was a Nazi-like salute at a Trump inauguration rally in January.

The protests come as the EV maker faces fierce competition from other EV makers offering vastly improved models, including those of BYD. The Chinese EV giant unveiled in March a technology that allows its cars to charge up in just five minutes. **AP**



# Opportunity in crisis: Duty on cars, auto parts likely to spur EV push

**PUJA DAS**  
New Delhi, 3 April

US President Donald Trump's imposition of 25 per cent import tariff on cars and automobile components could be an opportunity for India to reshape its automotive supply chains with a renewed focus on electric vehicle (EV) manufacturing, experts say.

Saurabh Agarwal, tax partner at EY India, said, "While India's direct car exports to the US are currently minimal, global tariff shifts offer a significant chance to reshape automotive supply chains. Our Make-in-India initiative, along with a renewed focus on EV manufacturing, positions us uniquely."

India's growing auto components industry could step in to fill the gap left by these shifts. This change could enhance exports and draw further investments into domestic manufacturing. At the same time, the changes may reveal new dynamics, such as the US car market could become less appealing for vehicle exports.

Companies producing EVs or EV components, which have large production capacities in countries such as China, Korea, Japan, and Vietnam, may seek new export markets for their products. These companies could face substantial idle inventory otherwise.

"These companies will likely try to aggressively market their products, especially EV components, in India due to the country's growing appetite for quality EV products," said Shyamasis Das, a Fellow in Energy, Resources and Sustainability at the Centre for Social and Economic Progress. Finance Minister Nirmala Sitharaman announced recently that as part of customs tariff rationalisation, no import duties will be levied on 35 capital goods for EV batteries. This could entice large Asian players to direct their products to India.

Direct competition could pose a formidable challenge, but if they suc-



## EXPORTS TO US

Top car exporting nations (\$ bn) with % share in brackets

Mexico	49.98 (22.8%)
Japan	40.76 (18.6%)
South Korea	38.02 (17.3%)
Canada	28.40 (12.9%)

Source: US Import data

Top auto components exporting nations (\$ bn) with % share in brackets

Mexico	36 (39%)
Canada	11.49 (13%)
China	10.1 (12%)
INDIA	6.79 (2%)

Source: United Nations COMTRADE database, Automotive Component Manufacturers Association of India

cessfully integrate these components into their supply chains, they may find an opportunity to make their EVs or lithium-ion batteries cost-competitive, according to Das.

Das added, "With Indo-China relations on a recovery path, Chinese companies may show increased interest in the Indian EV market. This will be an interesting situation to monitor,

as there will be winners and losers among Indian businesses."

The shift will not only open new doors for Indian EV manufacturers but also help strengthen the country's foreign exchange reserves, according to other experts.

"If exports represent 2 per cent of this volume (200,000 units), forex revenue could rise significantly, especially if India advances up the value chain to export higher-end EVs and battery technology. Furthermore, increased foreign direct investment (FDI) in EV manufacturing could further bolster forex reserves," said Dhiraj Agrawal, chief business officer of Mufin Green Finance.

In 2023, India's EV exports grew by 246.3 per cent year-on-year, reaching ₹2,139 crore, driven by demand from countries like Nepal and France. India's EV market is projected to reach 10 million units annually by 2030. Currently, India exports around 100,000 EVs each year, primarily in the two- and three-wheeler segments.

Preetesh Singh, a specialist in CASE (Connected, Autonomous, Shared, Electric) and Alternate Powertrains at Nomura Research Institute Consulting and Solutions India, noted that while India has the potential to capture the export market in the short term with its current products, it cannot completely replace China or its alternatives unless it significantly improves its product quality to meet the standards of the US and other global markets. "Once there are better products, the demand for superior components will follow," he explained.

"Moreover, India is focusing on ramping up battery and component manufacturing, which requires greater momentum through fiscal or non-fiscal incentives. While the overall direction is positive, the magnitude of support needs to increase to enhance component quality in India, especially regarding policy incentives," Singh said.



## China delays nod for Geely, BYD investment in Latin America

Reuters

Shanghai/Beijing

China is delaying approval for plans by Chinese automakers Geely and BYD to produce cars in Latin America as US tariffs fuel trade and economic uncertainties, two sources said.

Geely and Renault said in February they had reached an agreement for Geely to use the French automaker's production facilities in Brazil and take a minority stake in Renault's business in the country. BYD had announced plans for a Mexican plant in 2023 and said it would announce where the factory would be located by the end of 2024.

### TALKS IN LIMBO

But approval from Beijing has taken longer than anticipated and China's State planner told representatives at the automakers that there would be technology transfer risks in the plans, without elaborating, sources added.

Officials at the country's auto industry associations also cautioned in separate conversations with the auto-

makers that US President Donald Trump's tariffs would create uncertainties in global trade and economies, and complicate the risks and returns of their investments, they said.

The people cautioned that discussions were still fluid and subject to change. A third source said that authorities had become more strict and cautious on investments by Chinese automakers abroad, but not to the point where they would completely stop accepting applications. The review timeline had been lengthened and they will ask enterprises to submit more materials, the source added.

Geely said in a statement that its cooperation with Renault in Brazil had been successful, with no delays or extra scrutiny, noting that its EVs had launched locally this week, just 52 days after the agreement was signed. BYD, Renault and China's State planner, the National Development and Reform Commission, did not immediately reply to requests for comment. *The Financial Times* reported, citing sources, that

China was delaying approval for BYD's Mexican plant due to concerns that the technology developed by the EV maker could leak to the US.

The approval delays come as Chinese automakers have in recent years announced plans to manufacture more abroad, as markets such as Europe impose tariffs on cars exported from China.



# TRACTOR

## Business Line, 15 April 2025

### Tractor industry rebounds with 8% growth in FY25

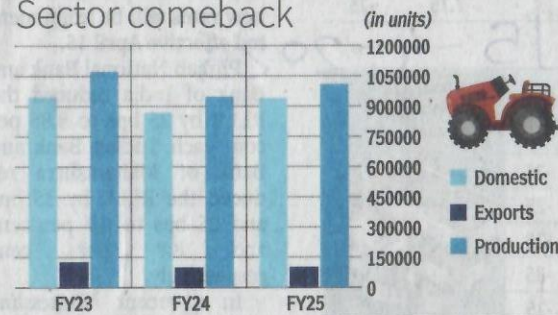
**G Balachandar**  
Chennai

The tractor industry bounced back in FY25, recording an 8 per cent increase in domestic sales. This growth, driven by a favourable monsoon and other positive factors, comes after an 8 per cent decline in the previous fiscal.

Exports also edged up, reversing the 22 per cent slump seen last year, and total production during the period surpassed the one-million mark.

Domestic tractor sales stood at 939,713 units in FY25, compared with 867,237 units in FY24, according to data from the Tractor & Mechanisation As-

Sector comeback



Source: TMA

sociation (TMA). Top tractor maker Mahindra & Mahindra reported a 12 per cent increase in FY25 sales, reaching 407,094 units.

"We have achieved our highest-ever tractor sales in FY25 with a growth of 12 per cent. This is driven by very

strong retail sales across the country and the lowest-ever dealer channel inventory," said Hemant Sikka, President-Farm Equipment Sector, Mahindra & Mahindra.

Sonalika Tractors registered a 7 per cent increase in domestic tractor sales,

reaching 1,23,764 units in FY25.

Escorts Kubota's annual volumes for FY25 saw only marginal growth (1.6 per cent) at 110,563 units but recorded a 15 per cent rise in March sales.

March saw a sharp rise in sales, both year-on-year and month-on-month, with domestic sales for the month reaching 79,946 units, up from 63,755 units in March 2024 and 58,797 units in February 2025.

#### CASH FLOW IMPROVES

Industry experts expect the momentum to continue into Q1 FY26. "Delivery momentum picked up in the last week of March on account of festivities, and it is expected to continue in Q1 FY26 due

to a very good Rabi crop harvest and improved cash flow in the hands of farmers," said Sikka.

ICRA projects a moderate growth rate of 4-7 per cent for FY26, based on early indications of a normal monsoon.

Total tractor exports in FY25 stood at 98,813 units (97,828 units). Mahindra's exports grew 27 per cent to 17,547 units while Sonalika and Escorts each recorded a 11 per cent decline in exports at 33,606 units and 4,991 units, respectively.

Total tractor production in FY25 stood at 10,07,660 units (9,47,143 units). However, it remained below FY23's peak of 10,71,310 units — the highest-ever annual production figure.