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# AUTOMOTIVE INDUSTRY

Business Standard, 3 May 2025

## Two-wheeler sales off to choppy start

Major players posted double-digit drop in April numbers

ANJALI SINGH  
Mumbai, 2 May

In line with market expectations, two-wheeler sales in April were muted owing to the enforcement of the second phase of emission-control (onboard diagnostic-2B) norms, resulting in a price rise, and weak rural liquidity.

Domestic sales of Bajaj Auto, Honda Motorcycle & Scooter India (HMSI), and Hero MotoCorp, which together have more than a 65 per cent market share, dropped in double digits.

Some two-wheeler makers like Eicher (Royal Enfield), Suzuki Motorcycle, and TVS Motor, however, saw single-digit growth.

The Federation of Automobile Dealers Association (Fada) had indicated last month that while two-wheeler dealers anticipated a boost from festive buying and demand during the wedding season, it was wary of rising OBD-2B costs, weak rural liquidity, and mounting competition from electric vehicles.

TVS Motor Company, however, rang in a 7 per cent year-on-year rise in domestic sales to 323,647 units in April, up from 301,449 units in the same month last year.

Royal Enfield posted a growth rate of 1 per cent to 76,002 units. Suzuki Motorcycle saw an 8 per cent rise in domestic sales to 95,214 units.

Bajaj Auto saw a 13 per cent decline in sales to 188,615 units, and for Hero MotoCorp it was a fall of 43.8 per cent, selling 288,524 units as against 513,296 units in April last year.

The company said it had paused production in its four facilities from April 17-19 to facilitate supply-chain alignment and do scheduled maintenance and infrastructure enhancement.

Normalisation is expected in May, it said.

HMSI reported a 12.1 per cent decline in domestic sales in April.

Experts say April typically sees a slow start because the year-end push from dealers ends and not many new offers are introduced.

"Sales pick up as the year progresses, especially during the festive season and post-monsoon months. This year, income tax relief and

### SLOW RIDE

Domestic sales in April 2025

Companies	Units sold	% change (Y-o-Y)
Suzuki	95,214	8
TVS	323,647	7
Royal Enfield	76,002	1
Bajaj	188,615	-13
HMSI	422,931	-12.10
Hero Motocorp	288,524	-43

Source: Companies

increased disposable income, especially for those earning up to ₹12 lakh, could further boost two-wheeler consumption," said Nikhil Dhaka, vice-president, Primus Partners.

In export, the firms barring a few fared relatively well.

Royal Enfield's exports grew 55 per cent to 10,577 units as it focused on strengthening its global presence and introduced its Classic 350 in Nepal. Suzuki's export grew 57 per cent to 17,734 units in April.

Bajaj Auto saw a 4 per cent year-on-year rise, touching 129,322 units in April.

Hero MotoCorp's export, however, declined 16.8 per cent. HMSI too saw a dip - of 4.8 per cent.

Two-wheeler wholesales in FY25 had grown by 9.1 per cent to 19.6 million, according to the data from Society of Indian Automobile Manufacturers (SIAM). Growth was also led by the scooter segment, which was supported by better connectivity in rural and semi-urban areas and the launch of newer models with enhanced features.

As for FY26, experts predict single-digit growth.

"Growth is likely to remain in single digits. We may not see the 9 per cent jump witnessed in FY25. However, a shift toward electric vehicles, especially in urban centres like Delhi due to stricter electric-vehicle policies, will shape the market," Dhaka said.



# Top Carmakers Push Dealership Expansion Despite Falling Sales

## Stepping On the Gas



Total Sales Touchpoints		
	2023-2024	2024-2025
Maruti Suzuki	3,863	3,925
Hyundai	1,360	1,360
Tata Motors	1,311	1,625
M&M	1,280	1,330
Kia	700	725
Toyota	867	1,100

Source: FADA

Total Sales Per Outlet		
	2023-2024	2024-2025
Maruti Suzuki	479	457
Hyundai	452	440
Tata Motors	436	341
M&M	359	415
Kia	351	352
Toyota	304	306

HEMANT L

**Dealers see move as attempt by cos to drive inventory and inflate wholesale numbers**

**Lijee Philip**

**Mumbai:** Leading automobile manufacturers have aggressively expanded their sales touchpoints, even as passenger vehicle sales have been under pressure in recent months, sparking concern among their dealers.

While manufacturers justify the rapid growth of their dealership networks as part of a broader strategy aligned with a strong growth phase, dealers argue that the network expansion is being used to push inventory and inflate wholesale numbers.

The expansion led to a dip in per-outlet sales in 2024-25 for several major players, including Maruti Suzuki, Hyundai and Tata Motors. However, a few companies such as Mahindra & Mahindra, Toyota and Kia saw a marginal increase in per-outlet sales, according to data compiled by the Federation of Automobile Dealers Associations (FADA).

While Maruti Suzuki, Mahindra & Mahindra and Kia saw a 1-4% jump in the number of dealerships in 2024-25, others such as Tata Motors and Toyota saw a surge of 25-27%. The mushrooming of outlets in overlapping territories came during a year when most manufacturers recorded lower sales.

Dealers said this led to internal cannibalisation of sales, shrinking margins, a fragmented cus-

tomers experience, heightened discounting and inconsistent service standards—all of which threaten long-term value creation.

"When too many dealerships compete in limited geographies, individual outlet volumes drop. It also strains the relationship between manufacturers and dealers," said a dealer representative, who did not wish to be identified.

Increasing operational costs, inadequate back-end support and outdated retail models that stifle innovation have compounded the issue, another dealer said on condition of anonymity.

Manufacturers, however, maintain that they are in the midst of a growth cycle, driven by the launch of new models. Skoda, for instance, recently introduced two new vehicles—the sub-four-metre sport utility vehicle (SUV) Kylaq and the seven-seater SUV Kodiaq.

The company aims to sell 1,00,000 vehicles annually by 2026 and plans to expand its dealership network to 350 outlets by the end of 2025 from the current 284. "This network expansion underpins our long-term strategy of accessibility and customer proximity, with plans to enter over 40 new tier-2 and tier-3 cities in 2025 alone," said Petr Janeba, brand director, Skoda Auto India.

The expansion in digital outreach to potential customers notwithstanding, auto manufacturers see value in opening new physical outlets. "There is a personalised feel, and physical experience is the key for a better sale," said a senior executive of a Delhi-based car company, requesting not to be identified.

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# Auto retail sales see 3% rise in April

Fada keeps outlook positive for May

## MIXED BAG

All-India vehicle retail data for Apr'25

Category	Apr'25	M-o-M (%)	Y-o-Y (%)
Two wheelers	1,686,774	11.84	2.25
Three wheelers	99,766	0.39	24.51
Passenger vehicles	349,939	-0.19	1.55
Tractors	60,915	-17.70	7.56
Commercial vehicles	90,558	-4.44	-1.05
<b>Total</b>	<b>2,287,952</b>	<b>7.57</b>	<b>2.95</b>

SHINE JACOB

Chennai, 5 May

Automobile retail sales witnessed a 3 per cent rise to 2.28 million units in April this year, up from 2.22 million units in April 2024. This came on the back of rising demand due to festivals across states, according to a report by the Federation of Automotive Dealers Associations (Fada) released on Monday.

All categories, except commercial vehicles (CV), closed in the green, with two-wheelers, three-wheelers, passenger vehicles, and tractors up 2.25 per cent, 24.5 per cent, 1.5 per cent, and 7.5 per cent, respectively. However, CVs saw a 1.05 per cent year-on-year decline following OEM-led price increases against stagnant freight rates and fleet utilisation.

This comes after automobile retail sales declined for the second consecutive month (0.7 per cent) in March.

Dealers indicate that advance purchases in March resulted in elevated carryover stocks, while holiday calendars dampened fresh enquiries and delayed conversions — particularly in the small commercial vehicle (SCV) cargo category, where price and product gaps have weighed heavily.

"In addition to the festivals, pause on the tariff war and sharp pullback by stock markets also helped in the recovery of sales in April," said C. S. Vigneshwar, president, FADA. In the PV segment, Maruti

Suzuki led the surge with 138,021 units with a 39.4 per cent market share. On the other hand, Mahindra & Mahindra came in second (14 per cent), followed by Tata Motors (13 per cent), and Hyundai Motor (12.5 per cent).

"This reflects a discounted market and elevated inventories amid cautious consumer sentiment that tempered enquiry-to-sale conversions," he said. "Sustained SUV demand underpinned volumes even as entry-level customers remained cautious, underscoring the need for OEMs to recalibrate production and reduce stock levels to mitigate deeper discounts and carrying costs at dealerships," he added.

The rise in two-wheelers was attributed to buoyant enquiry growth in rural areas post-Rabi harvest, while wedding-season tailwinds sustained rural offtake.

Fada expects improved numbers going ahead, as May's agricultural cycle is concluding on a strong note. "The IMD's forecast of an above-normal southwest monsoon bodes well for rural incomes, farm-sector growth, and downstream demand, while a well-distributed rainy season is critical to contain food inflation. At the same time, Kantar's Rural Barometer and GroupM data signal heightened consumer selectivity in rural India—household spending has outpaced income growth, and inflation is tempering discretionary purchases," Vigneshwar said.



# SUV, tractor fire up M&M earnings, Q4 PAT up 20%

Company plans greenfield PV plant by FY28 as SUV capacity runs past 90%

SOHINI DAS & ANJALI SINGH  
Mumbai, 5 May

**M**ahindra & Mahindra (M&M) posted strong double-digit growth in consolidated revenue and profit after tax (PAT) in the fourth quarter (Q4) of 2024-25 (FY25), driven by an 18 per cent rise in sport utility vehicle (SUV) sales and a 23 per cent jump in tractor sales.

M&M's consolidated PAT for Q4FY25 came in at ₹3,295 crore, up 20 per cent year-on-year (Y-o-Y), while revenue from operations rose 20 per cent Y-o-Y to ₹42,599 crore.

The stock was up 3 per cent in afternoon trade on the BSE.

For the full year, revenue rose 14 per cent to ₹1,59,211 crore, while PAT grew 15 per cent to ₹12,929 crore. Sequentially, revenue increased 2.7 per cent in Q4FY25, while PAT was up 3.6 per cent.

Buoyed up by strong demand for its vehicles, the company now plans to set up a greenfield manufacturing facility for passenger vehicles (PVs) by 2027-28. Without disclosing the location or capacity of the upcoming plant, Rajesh Jejurikar, executive director and chief executive officer (auto and farm sectors), M&M, said SUV capacity

## SCORECARD

Consolidated results (in ₹ cr)

	Q4FY25	FY25	Revenue	Y-o-Y (% chg)
			42,599	20
			159,211	14
			PAT*	
			3,295	20
			12,929	15

\*Profit after tax;  
Source: Companies

utilisation is already over 90 per cent.

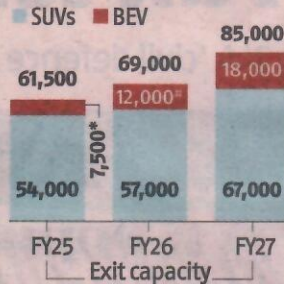
"We have not finalised the exact capacity addition, and that's a work in progress... But with the new products we are planning to launch by 2030, it is clear we will need additional capacity," he told reporters.

M&M currently has an SUV capacity of 54,000 units per month, which can be expanded to 67,000 units per month by 2026-27 (FY27).

The company also plans to introduce a new platform on August 15. It has outlined a capital expenditure plan of ₹27,000 crore for the automotive business between FY25 and FY27, as it prepares to launch nine internal combus-

## IN NUMBERS

Per month capacity



\* 5,000 operationalised; # 8,000 operationalised; note: BEV stands for born electric vehicle Source: Companies

tion engine (ICE) SUVs, seven born electric vehicles (BEVs), and seven light commercial vehicles.

Last year, the M&M board approved an investment of ₹12,000 crore in its EV arm, Mahindra Electric Automobile (MEAL), to fund its EV journey over the next three years. In 2025-26 (FY26), M&M will launch three ICE SUVs (including mid-cycle enhancements) and two BEVs.

Speaking on the overall performance, Anish Shah, group CEO and managing director, M&M, said the automotive and farm businesses continue to gain market share and improve profitability.

"Tech Mahindra (TechM) is

making commendable progress towards its dual objectives of strengthening client positioning and margin expansion. M&M Financial Services (MMFSL) has maintained Gross Stage 3 under 4 per cent as committed, remains focused on controls, and has delivered 33 per cent growth in profits," he said.

Shah added that the group has set a target of creating \$2-3 billion in valuation for each of its 'scalable growth gems', which include its Logistics, Hospitality, Real Estate, Last Mile Mobility, Susten (renewable energy), and Truck and Bus businesses.

Terming it an "excellent year", M&M Group Chief Financial Officer Amarjyoti Barua said: "Our results include nearly ₹10,000 crore of cash generation in FY25, which gives us the ability to continue driving value for our shareholders through strategic investments." M&M has announced a 20 per cent increase in dividend for FY26.

The company has taken write-downs to reduce losses in two of its international farm subsidiaries — Sampo Rosenlew Oy in Finland and Mitsubishi Mahindra Agricultural Machinery Co. in Japan.



# Siam seeks six-month rare earth supply lifeline to keep EVs rolling

**SURAJEET DAS GUPTA**  
New Delhi, 8 May

Automotive companies, through the Society of Indian Automobile Manufacturers (SIAM), have requested the Ministry of Heavy Industries (MHI) to engage with the Chinese government — via the Ministry of External Affairs (MEA) — to grant a six-month approval to a specific Chinese exporter to ship the same rare earth materials to the same Indian importer. The request follows China's new and complex "export control order" on rare earths, including magnets essential for electric vehicles (EVs).

Such a move would eliminate



## BUMPY RIDE FOR EVs

- Magnet stocks could run dry by June, paralysing EV production if imports don't clear
- "End-user certificate" process is

the need for Indian importers to seek clearance for each shipment — a process both tedious and time-consuming.

The industry fears these rules

slow, cumbersome, and inefficient

- Importers must prove materials won't be misused or linked to weapons of mass destruction
- Global export curbs tighten, affecting India's access to crucial rare earths

will disrupt magnet imports from China, which are vital for EV motors. EV makers warn that if shipments are delayed due to procedural hurdles, production at some

companies could come to a halt by the end of June, once current magnet inventories are exhausted.

Meanwhile, according to stakeholders, the Indian and Chinese governments are engaged in discussions to establish a standardised procedure for these import clearances. Current rules require Indian importers to submit an "end-user certificate" confirming that the material will not be transferred to third parties without the consent of the Chinese government, will be used only for the purpose "declared by the purchaser", and will not be stored, processed, or repurposed for "weapons of mass destruction or their delivery systems". Turn to Page 8 ▶

## Suzuki Motor expects to grow 1-2% in India in FY26

Our Bureau  
New Delhi

Suzuki Motor Corporation (Japan) on Monday said overall passenger vehicle (PV) wholesale in the Indian market is expected to grow around 1-2 per cent in 2025-26, with the company's arm Maruti Suzuki India (MSIL) looking to outpace industry growth.

"With the launch of two SUVs, including the battery electric vehicle (BEV) e-Vitara, our company plans to outpace market growth. In addition, the new Kharkhoda (Haryana) plant started operations in February, contributing to increased production and sales of the popular SUV Brezza," SMC said in its financial results on Monday.

On the outlook for FY25, although sports utility vehicles (SUVs) continue to be strong in the market, demand for compact cars continues to be sluggish, and the overall market for wholesale



**ADDING STRENGTH.** The Kharkhoda plant started operations in February this year

(dispatches to dealers) sales is expected to grow between 1 and 2 per cent, it said.

### CAPEX PLANS

The parent company of MSIL also said that it has earmarked capex of ₹380 billion, of which investments in India will account for around 50 per cent, with plans to increase production capacity of mainly automobiles.

In March this year, MSIL's board had approved an investment of ₹7,410 crore to

set up a third plant at Kharkhoda plant with a capacity of up to 2.5 lakh vehicles per year. "Being a global production and export base for battery EVs, the company will contribute to the 'Make in India' initiative of the Indian government by expanding global exports while flexibly responding to the increase in demand in India as it works to build a system to produce four million units in India," it said.

Talking about two-

wheeler business, SMC said strong sales of scooters, particularly the flagship 'Access' model, outpaced the growth rate of the overall market and exceeded one million units for the first time. Production and sales of all motorcycles increased year on year.

### SAFETY GEAR

Meanwhile, MSIL said it will offer six airbags as standard equipment across models such as WagonR, Alto K10, Celerio, and Eeco, with no changes in the pricing of these upgraded vehicles. The move underscores the company's commitment to offering enhanced safety for customers across diverse segments, it said.

"India's rapidly expanding modern road infrastructure, high-speed expressways and evolving mobility patterns imply that the need for robust safety measures has never been greater," Partho Banerjee, Senior Executive Officer (Marketing & Sales), MSIL, said.



## GM, LG to Make New, Low-Cost Batteries for Future e-Vehicles



Reuters

**Detroit:** General Motors and battery partner LG Energy Solution are planning to start commercial production of lower-cost cells for future electric vehicles at a U.S. facility starting in 2028, the companies said on Tuesday.

The cells will have a lithium manganese-rich (LMR) chemistry, which GM says is lower cost than the nickel-rich cells used today, but will still give customers the range they want in future electric trucks and full-size SUVs. The cells will also be prismatic versus the current pouch structure, reducing the number of parts in the battery pack by more than 50%, according to GM.

The Detroit automaker, which now has 12 electric vehicles in its lineup, is trying to lower its battery costs to enable cost parity with its gas-powered products by adding new types of cells and chemistries in those cells.

"We're adopting flexible chemistries for the best balance of

range, performance and affordability," said Kurt Kelty, GM's vice president of battery, propulsion and sustainability during a media briefing on the announcement. "My mission here is to get as many EVs on the road as possible. We need to get price parity with (internal combustion engine vehicles) and then this thing's just going to take off."

The LMR cells will be made at one of the two LG-GM joint-venture Ultium Cells battery plants the companies have in Ohio and Tennessee. With the LMR prismatic cells, GM expects to offer more than 400 miles of range in a single charge on an electric truck, "while significantly reducing our battery costs," Kelty said.

GM is expecting to reduce its battery pack costs by \$30 per kilowatt-hour in 2025, but it hasn't said how much its per-kilowatt-hour costs are.

GM is also planning to offer vehicles with lithium-iron phosphate-based cells that are also lower cost than the nickel cells. Kelty said GM will release more information soon.



## Nissan shuts plants, cuts jobs after worst loss in 25 years

**Bloomberg**

Nissan Motor Co vowed to close seven factories and cut 20,000 jobs after posting its biggest annual loss since French carmaker Renault SA rescued the company from near bankruptcy a quarter century ago.

The company decided against issuing an operating profit forecast for FY26. The carmaker reported a net loss of ¥670.9 billion (\$4.5 billion) in the year that ended in March.

Nissan is also accelerating its restructuring. The carmaker will close the seven manufacturing facilities by FY27, with annual production capacity set to fall to 2.5 million units from 3.5 million last year. It also confirmed it will cut 20,000 jobs, which includes the loss of 9,000 roles it announced previously. The measures are aimed at cutting costs by ¥500 billion, it said.

### **RESTRUCTURING BIZ**

The Japanese carmaker has struggled to turn around its business as its ageing line-up failed to win over consumers in the US and China. It has already announced plans to cut thousands of jobs, slash production capacity and replaced most of its top executives — including appointing a new chief executive officer — after efforts to tie-up with Honda Motor Co fell apart earlier this year, leaving it in urgent need of another lifeline.

Nissan announced last week that it was abandoning plans to build a battery plant in Fukuoka to focus on its own recovery.

Its restructuring efforts risk are being derailed by US tariffs on imported cars and auto parts.

The carmaker said it expects to see a ¥450 billion impact from policies, which is included in its forecast for a ¥200 billion operating loss in the first quarter.



# ELECTRIC VEHICLEC

## Business Standard, 1 May 2025

### Ola grabs top slot for e2W sales in April

SURAJEET DAS GUPTA  
New Delhi, 30 April

#### THE TOP FOUR

Company	Registration numbers (April)	Market share (%)
Ola Electric	18,485	22.40
TVS	18,205	22.06
Bajaj Auto	17,743	21.50
Ather	12,361	14.90

Source: VAHAN

Ola Electric, which has been struggling with sales of its electric two-wheelers (e2Ws), has once again managed to grab the top spot in April, the first month of the new financial year 2025-26 (FY26), with its market share reaching 22.4 per cent and registrations hitting 18,485.

However, Ola Electric's lead with its rivals is very narrow — TVS at the number two slot has registrations of 18,205 vehicles (market share 22.06 per cent), and Bajaj Auto at the third slot having 17,743 regis-

trations (21.5 per cent). This is a clear reflection of the fierce competition among the three players for the e2W sweepstakes. The impact of the government subsidy on escooters, which has been halved to ₹5,000 from April 1, is clearly taking its toll on overall sales

of e2Ws. Overall sales in April saw a sharp fall over March, declining by a substantial 35 per cent from 126,703 vehicles to a mere 82,539 vehicles. The question is will this cut in subsidy adversely impact sales for the next few months too.

The sales in April represent

an increase of around 30 per cent Y-o-Y while the expectation of the industry was much higher. In March, Ola Electric's shares fell sharply, pushing the firm down to the third spot, with Bajaj taking the top slot followed by TVS. Ola's fall can be attributed to its battle with its vendors who do the registration for the firm.

The startup once had touched a share of 50 per cent of the e2W market but competition from rivals, allegations about its poor service, and regulatory investigations have had an adverse impact on its sales as well shares on the bourses.



# EV race among states: Early movers pull ahead

Those that seized the initiative doubled sales as others play catch-up

SHINE JACOB  
Chennai, 30 April

Way back in 2017, India's technology capital, Karnataka, became the first state to introduce a dedicated electric vehicle (EV) policy. By January 2021, at least 15 states had EV policies in some form, which increased to 25 states by April 2025.

As Maharashtra's new EV policy grabbed headlines on Tuesday, industry experts indicate that states like Uttar Pradesh, Maharashtra, Karnataka, Delhi, and Tamil Nadu are reaping the most from their early-mover advantage, posting twofold sales compared to states that rolled out policies later.

Take the case of Karnataka: the penetration of electric two-wheelers (e2Ws) was just 0.01 per cent, four-wheelers (e4Ws) 0.16 per cent, and three-wheelers (e3Ws) 0.35 per cent in 2018-19, a year after the policy was introduced. This increased to 11.25 per cent, 4.42 per cent, and 12.73 per cent, respective-

ly, by 2024-25.

The state fine-tuned its policy from time to time, with the latest update in February 2025 targeting ₹50,000 crore in investments, 100,000 jobs, and 2,600 EV charging stations. This comes at a time when the India's EV market has seen a fourteenfold rise in volume and a ninefold growth in penetration over the past five years, according to data by CEEW Green Finance Centre.

"In 2024-25 alone, India recorded 1.96 million EV sales, with a penetration rate of 7 per cent. A previous CEEW-GFC study found that states with EV policies have achieved nearly double the sales of those without. Presently, around 25 states and Union Territories have notified dedicated EV policies, with Uttar Pradesh, Maharashtra, Karnataka, Delhi, and Tamil Nadu leading the charge with the highest sales volumes," said Gagan Sidhu, director, CEEW-GFC.

The states that announced their

policies between 2017 and 2020 included Delhi, Kerala, Maharashtra, Uttarakhand, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, and Telangana. In addition, Bihar, Chandigarh, Punjab, Haryana, Gujarat, Assam, and Himachal Pradesh had their draft EV policies in place as early as January 2021.

"India, much like Europe, is following a policy-driven path to electrification, where systemic pushes — ranging from tax incentives and loan concessions to relaxed parking norms — are actively enabling EV adoption," said Dhriti Kharbanda, lead — strategic partnerships and collaborations in the climate change and sustainability practice at IPE Global.

Take the case of Maharashtra, for instance. The state's new policy not only offers purchase incentives for consumers but also extends financial incentives aggregating ₹11,373 crore over five years to encourage EV manufacturing,

## DRIVING THE CHARGE

By April 2025, 25 states and UTs had notified EV policies — up from 15 in Jan 2021

States with early EV policies (2017-2020) like UP, Maharashtra, Karnataka, Delhi, Tamil Nadu lead in sales

India saw 1.96 million EV sales in FY25, with 7% market penetration

adoption, and the development of charging infrastructure. This even includes toll exemptions. The state unveiled its previous EV policy in September 2021, and since then, penetration of e3Ws has increased to 10.41 per cent (from 1.91 per cent), e2Ws to 10.17 per cent (from 3.19 per cent), and e4Ws (personal) to 3.46



### KARNATAKA

■ The state was India's first state to roll out a dedicated EV policy in 2017

■ Its EV 2W penetration rose from 0.01% in 2018-19 to 11.25% in 2024-25

### MAHARASHTRA

■ State's new policy includes ₹11,373 cr in incentives over 5 years

■ EV 3W penetration in the state rose to 10.41% in 2024-25 from 1.91% in 2021

per cent (from 1.84 per cent), according to CEEW-GFC data.

"Studies infer that mainstreaming EVs into both public and private fleets is gaining traction across these states due to strong policy backing. e3Ws have seen the highest EV penetration so far," Kharbanda added.



# EV sales down 17.6% in Apr: Fada

PUJA DAS

New Delhi, 6 May

Sales of electric vehicles (EVs) dropped 17.6 per cent month-on-month (M-o-M) to 1,67,455 units in April, with weakness in all segments barring three-wheelers (e3w), according to data from the Federation of Automobile Dealers Association (Fada). However, sales were 44.4 per cent more than the corresponding period last year.

While TVS Motor and Ola Electric topped the electric two-wheeler (e2w) sales with 39,445 units against 53,912 in March, the total e2w sold last month was 91,791. The e2w sales fell nearly 30 per cent M-o-M, but increased 40 per cent year-on-year (Y-o-Y). Bajaj Auto, Ather Energy, Hero also recorded a double-digit decline in their monthly sales. With 55.1 per cent, only Kinetic Green Energy and Power Solutions saw a rise in their M-o-M e2w sales.

The decline in e2w sales can be attributed to the government halving subsidy on e2w to ₹5,000 from April 1.

The guidelines of PM E-drive scheme, operational till the financial year 2025-26 (FY26), outline that the government will provide a maximum of ₹10,000 subsidy per electric two-

## BUMPY RIDE EV sales (in units)

Category	April '24	March '25	April '25	M-o-M chg (in %)	Y-o-Y chg (in %)
Two-wheelers	65,555	1,30,375	91,791	-29.5	40
Three-wheelers	42,039	59,556	62,531	5	48.7
Passenger vehicles	7,798	12,356	12,233	-1	56.87
Commercial vehicles	513	961	900	-6.3	75.4
<b>Total</b>	<b>1,15,905</b>	<b>2,03,248</b>	<b>1,67,455</b>	<b>-17.6</b>	<b>44.4</b>

Source: Fada

wheeler sold in FY25, and a maximum of ₹5,000 per unit in FY26.

E2w has been the dominant segment within EV sales because of affordability and ease of use in congested urban areas. However, with diminishing incentives, the industry anticipates that sales growth will largely depend on technological advancements, cost reductions through localised manufacturing, and state-level incentives that may supplement the shrinking central subsidies. However, e2w is not alone, other segments are also set to face changes. E3w, which received incentives up to ₹10,000 per kWh under FAME II, will see this drop to ₹2,500 per kWh by 2026. E3w sales last month rose to 62,531, 5 per cent up from a month ago and 48.7 per cent more than a year

ago. Though Mahindra Group sold 11,264 units compared to 13,352 in March, Bajaj Auto and TVS Motor recorded 4.1 per cent and 63.8 per cent more monthly sales in April. In the case of passenger vehicles and commercial vehicles, 12,233 and 900 units respectively were sold in April, down from 12,356 and 961 units in March, but up from 7,798 and 513 units in April 2024.

Tata Motors recorded a single-digit decline in its monthly sales, while MG Motor India, Hyundai Motor India, BYD India and BMW India had a double-digit drop. The EV market is expected to grow at a compound annual growth rate (CAGR) of 43 per cent, reaching 932,000 units by 2030. Of this, 61 per cent of demand is projected to come from electric SUVs.

## Tesla's India head quits ahead of EV maker's entry

Tesla's country head for India, Prashanth Menon, has resigned after nine years at the company and ahead of the American electric vehicle (EV) maker's planned entry into the world's third-largest car market. *Bloomberg News* reported on Thursday, citing people familiar with the matter.

Tesla's China teams will oversee the Elon Musk-led firm's India operations, with no immediate successor named, the report said, citing unnamed sources.

Menon is also stepping down as the chairman of Tesla India's board, the report said.

Tesla, which has for years planned an India market entry, did not immediately respond to a Reuters request for comment.

India is working on a trade deal with the US that includes lower auto tariffs, a potential win for Tesla, which has secured showroom locations to begin selling imported cars in the country this year.

The company has posted close to two

dozen mid-level jobs in India, including store, service and customer relationship managers, signaling progress in its plans to launch in the country.

Menon was appointed Tesla's country manager — India in July 2021 in place of Venkatram Sreeram.

Earlier, he had served as director advisory of cost, process, and regulatory measures at Tesla US. Menon's relationship with Musk goes beyond Tesla, as both had attended Wharton School of Business at the University of Pennsylvania. Since his appointment in 2021, Menon has been overseeing Tesla's India entry.

As chairman of the board for Tesla India Motors and Energy, Menon played a vital role in laying the foundation for the company's entry into the Indian market. His efforts included setting up a local office in Pune in 2021 and securing Tesla's initial showroom leases.

AGENCIES



# Tesla scouts for land in Satara to set up CKD unit

PUJA DAS

New Delhi, 11 May

Elon Musk's Tesla is exploring land parcels in Satara, the hometown of Maharashtra Deputy Chief Minister Eknath Shinde, to set up a completely knocked down (CKD) assembly unit for electric vehicles (EVs), a senior government official said.

This comes after Tesla's negotiations with Hyderabad-based Megha Engineering fell through, the official said, adding that the EV maker was in discussions with another Indian firm for a joint venture to acquire land and set up a CKD unit. CKD is a method used to reduce import duties and facilitate local assembly by shipping vehicle parts separately to be assembled in the destination country.

The US carmaker's entry into India is expected by the last quarter of the current financial year, the official said. The company has already secured a showroom location in Mumbai to sell imported cars in India this year.

Queries sent to Tesla's offices in the US and India (Tesla India Motors and Energy Pvt Ltd), the Union heavy industries ministry, and the Maharashtra government remained unanswered at the time of going to press.

Last week, Tesla's India head Prasanth Menon stepped down. A Tesla's China team will now oversee the EV



## THE ROAD AHEAD

- Tesla secures showroom location in Mumbai to sell imported cars
- Firm in talks with a low-profile yet creditor realtor
- Ongoing India-US trade talks on lower auto tariffs may benefit the EV maker
- To position itself alongside premium brands like Jaguar and Lamborghini
- Lists nearly two dozen mid-level job openings in India

maker's India operations.

The Maharashtra government had earlier offered Tesla land in Chakan and Chikhali, near Pune, for setting up a factory. Chakan is one of India's largest automobile hubs and is home to global manufacturers such as Mercedes-Benz, Tata Motors, Mahindra & Mahindra, Volkswagen, and Bajaj Auto.

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## Tesla's India entry expected by Q4FY26

Satara also hosts automobile manufacturing facilities, including those of Cooper Corporation, a leading producer of engine components, engines, gensets, and tractors.

"Satara, around 110 km from Pune, is where Tesla is planning to start assembling its cars. The company has secured large plots of land," the official said. The official, however, was unable to disclose the size of the land or logistics details.

Regarding the Indian

partner for land acquisition, the official said: "Currently, Tesla is in talks with a low-profile yet highly accountable and credible Indian realtor. This has been a work in progress for a year."

"Tesla attempted to collaborate with Megha Engineering to purchase land, but the discussions did not succeed due to multiple conditions, such as not being allocated a larger share of the land," the official explained.

India is currently negotiating a trade deal with the US

that includes lower auto tariffs, which could benefit Tesla. According to media reports, India may propose a 0-1 per cent tariff on the import of automobile parts if the US reduces its 25 per cent duty on the same. India is also open to modifying its Scheme to Promote Manufacturing of Electric Passenger Cars in India (SMEC), based on the outcome of the bilateral trade agreement with the US and other free trade pacts.

"The initial batch of vehi-

cles will not be manufactured in India, as it will take around 18 months for Tesla to set up its operations, including 6-7 months for necessary permissions and clearances, and to have a fully equipped team," the official added.

While the national capital has emerged as a leader in EV adoption, especially in the two-wheeler segment, the automaker is focusing on Mumbai, Bengaluru, and to some extent, Delhi for its niche market.

"Tesla's initial launch plan was in Delhi, but the national capital is almost electrified and as its cars will not be budget-friendly for at least the next 3-4 years in terms of profitability. Hence, Delhi is not of interest to Tesla at this stage," the official said.

Tesla plans to position itself similarly to Jaguar and Lamborghini, with prices starting at around ₹60 lakh, including registration and other fees. Its entry-level model may resemble a Mini

Cooper, priced around ₹50 lakh-55 lakh.

The official said Tesla is proceeding cautiously because it recognises that the EV market in India is emerging. The automaker is betting on the Indian population. While the SMEC policy may be a contributing factor, relocating an entire unit and hiring a substantial workforce will be necessary.

Tesla has already listed close to two dozen mid-level job openings in India, including positions for store, service, and customer relationship managers, indicating progress in its plans to launch in the country.



# TRACTOR

## Business Line, 13 May 2025

### Tractor industry kicks off FY26 on positive note

G Balachandar  
Chennai

The Indian tractor industry has begun FY26 on a strong footing, with April sales showing positive momentum through both year-on-year and month-on-month. The industry remains optimistic for the rest of the fiscal year, projecting high single-digit growth, buoyed by positive monsoon forecasts.

Domestic tractor sales rose 8 per cent to 82,839 units in April 2025, up from 76,945 units in April 2024. On a sequential basis, sales were up 4 per cent, according to data from the Tractor & Mechanization Association (TMA).

Leading tractor manufacturer Mahindra & Mahindra reported an 8 per cent increase in domestic tractor sales, rising to 38,516 units in April. The company attrib-



**BRIGHT PROSPECTS.** M&M expects the overall tractor market to register a high single-digit growth in FY26 REUTERS

uted the growth to strong retail momentum spurred by the Chaitra Navratri festival in the first week of April, along with favourable crop prices and high procurement activity at Mandis, which have strengthened farm cash flows.

Sonalika Tractors registered a 3 per cent rise in sales, reaching 9,955 units in April 2025 (9,649 units). In contrast, Escorts saw its

tractor sales decline 4 per cent, falling to 8,148 units in April.

M&M expects the overall tractor market to register high single-digit growth in FY26. Escorts Kubota has also forecast mid-to-high single-digit growth for the sector during the current fiscal.

#### HIGHEST PRODUCTION

On the production front,

total tractor output in April 2025 stood at 93,369 units, the highest monthly figure recorded in the past six months. This compares with 77,464 units produced in April 2024 and 85,500 units in March 2025.

A report by Kotak Institutional Equities highlighted that demand momentum is likely to remain resilient, supported by strong Rabi sowing activity, elevated water storage levels in major reservoirs, continued government support and favourable terms of trade for farmers.

However, tractor exports saw a dip, falling to 7,441 units in April 2025 (7,459 units). While Mahindra and Escorts reported growth in overseas shipments, Sonalika's exports remained flat. Escorts Kubota expressed optimism about the export market, projecting a 20-25 per cent growth in exports for FY26.

# RAW MATERIAL

The Economic Times, 1 May 2025

## Vedanta Plans up to \$1.7 billion Capex, Bulk Goes to Aluminium

Funds sufficient for growth push in zinc, power in FY26 and paying debt too: CFO

**Nikita Periwal**

**Mumbai:** Vedanta plans to incur capital expenditure of \$1.5-1.7 billion in this financial year, up from \$1.5 billion in the previous fiscal, chief financial officer Ajay Goel said.

The funds will be spent across the aluminium, power, zinc and oil and gas business, with up to \$700 million earmarked for the aluminium and power business, and \$400-450 million for the zinc business.

"With our augmented volume base, with our compressed cost base, our operating free cash flows will be sufficient to fund the growth and, at the same time, leave money for deleveraging both Vedanta India and Vedanta Resources," Goel told ET.

Vedanta's net debt stood at ₹53,521 crore at the end of the

March quarter, down from ₹57,358 crore a year ago, while its net debt to EBITDA ratio improved to 1.2 times from 1.5 times a year ago.

The company expects its earnings before interest, tax, depreciation and amortisation (EBITDA) to increase 20% year-on-year in this fiscal as it ramps up volume and brings down costs of production further, Goel said.

"We are looking at 10% higher volume, and 10% lower cost in the current year," he said. "So, that will be about 20% higher profitability driven by operations."

In 2024-25, Vedanta's consolidated EBITDA increased 37% year-on-year to ₹43,541 crore, its second-highest ever. The year also saw record production volume for both aluminium and zinc, while revenue surged to an all-time high of ₹1.51 lakh crore. Its cost of production for zinc was at a four-year low in 2024-25.

Vedanta has operations across aluminium, zinc, power, oil and gas and steel segments. It is currently in the last leg of capacity expansion in several of these businesses, with additional capacity expected to come on board during the year.

### March Quarter Profit More Than Doubles

**Mumbai:** Vedanta's consolidated profit more than doubled on year in the March quarter to ₹4,961 crore driven by strong volumes and realisations across its key businesses. This also helped its consolidated revenue rise to an all-time high of ₹39,789 crore for the quarter, up 14% compared to the previous year.

The bottomline was also boosted by lower tax expenses during the quarter, with a lower effective tax rate of 28% as compared to 46% a year ago. This was mainly due to changes in profit mix and reduction in tax rate of a foreign subsidiary, the company said. Consolidated EBITDA rose 30% on year to ₹11,618 crore. —Our Bureau





IN THE CURRENT FINANCIAL YEAR

## 'Aluminium Sector to Remain Profitable Despite US Tariffs'

PTI

**New Delhi:** The profitability of domestic primary aluminium manufacturers is likely to remain healthy in the current financial year despite some moderation amid global headwinds, including higher US tariffs, Crisil Ratings on Wednesday said.

The US raised the tariff on aluminium imports to 25% for all countries. For India, the increase in tariff from 2.55% to 25% will have a limited direct impact as the US accounted for less than five per cent of India's aluminium exports over the past five financial years.

"The robust profitability will support healthy operating cash flow required for the ongoing capital expenditure (capex) by domestic primary aluminium players and will keep credit profiles comfortable," it said in a statement.

Nonetheless, with nearly 50% of the country's annual primary aluminium output exported, Indian producers may face heightened competition in their regular overseas markets, as key exporters to the US divert supplies to other geographies. Despite this, trade volume is unlikely to be drastically disrupted, given the historical tight match between global primary aluminium demand and supply, which is expected to continue this fiscal as well, it said.



"While global demand growth may moderate this fiscal, surplus will still be limited. This is because the global aluminium market faces limited risk of oversupply, as smelters in major aluminium-producing countries, including India, have consistently operated at utilisation rates well above 90%.

Moreover, there is limited primary aluminium capacity in the US -- which has been relying on imports to meet over 80 per cent of its primary aluminium demand -- and setting up new smelter capacities has a long gestation period. Moreover, India's position as one of the lowest-cost primary aluminium producers globally provides a comfortable cushion against the potential increase in competition in overseas markets," Crisil Ratings Director Ankit Hakhu said.

## Jindal Stainless eyes 25-30% export surge with Trump tariffs, says MD

**Abhishek Law**  
New Delhi

Jindal Stainless is eyeing a 25-30 per cent export surge in volumes, benefiting from the 26 per cent Trump tariffs that hammer US steel imports.

The tariffs, windfall for the company, strip cost advantages from several larger Asian rivals, paving Jindal's re-entry into the US market.

Green shoots in some European economies are an added advantage, Managing Director, Abhyuday Jindal, said.

### LEVELS PLAYING FIELD

According to him, Trump tariffs on steel imports into the US raise the cost of foreign steel and uniformly across all competing nations, that include those from the European Union, South Korea, Taiwan and Japan, eroding the price and competitive advantage that they were drawing over Jindal.

"This levels the playing field (for us)," Jindal said, adding that this Jindal's stainless steel is seen as a more attractive and reliable option to US buyers.

"We have started getting queries from US customers and discussions are quite positive."



Abhyuday Jindal, Managing Director, Jindal Stainless

"Our old customers are back, and some new ones are approaching us with queries," he told *businessline* adding that in 2016, the company reduced its exposure to the US market since tariffs were specifically imposed on Indian and Chinese stainless steel shipments. Alloys from these two nations attracted a 26 per cent tariff in the US.

### EXPORT GROWTH

With higher costs for rivals, Jindal can aggressively boost sales, capture market share, and strengthen its dominance in the US, turning the tariffs into a strategic edge for export growth.

Previously, the company had been tapping into "low-margin, high volume economies for exports" to offset slowdown in the EU and practical exit from the US.

Demand improvement is

expected in the EU too, specially in high margin, valued-added products.

"Right now nearly 70-75 per cent of our exports will be catering to US and EU, the remaining to other smaller economies and geographies," Jindal said.

### EXPORT GUIDANCE

According to him, the company is expecting 22,000-25,000 tonnes of stainless steel export per month, as against 16,000-18,000 tonnes in FY25

In FY25, exports took a hit, accounting for 9 per cent of its sales mix, while domestic was 91 per cent. In FY24, the domestic to export mix was 87:13.

### NET REVENUE

Jindal Stainless has pegged volume sales guidance (outlook), for FY26, at 10 per cent, which include improving export market outlook and better domestic demand driven by segments like automobile, infra, power, and so on.

In FY25, Jindal Stainless saw its standalone net revenue rise by 5 per cent year-on-year, to ₹40,182 crore. In FY25, EBITDA was recorded at ₹3,905 crore, down by 3 per cent over last year, and PAT at ₹2,711 crore, up 7 per cent y-o-y.



# GOVERNMENT POLICY

Business Line, 5 May 2025

## BEE launches energy drive in South India, with Chennai in the spotlight

**G Balachandar**  
Chennai

As India confronts summer temperatures and escalating electricity demand, Chennai has been placed at the forefront of a nationwide energy conservation campaign launched by the Bureau of Energy Efficiency (BEE), under the Union Ministry of Power.

The initiative aims to promote responsible air conditioner usage, urging both households and businesses to set their ACs to a default temperature of 24°C.

With over 1.35 crore residents and a vast network of commercial establishments, Chennai's energy consumption has become central to India's broader climate action and sustainability efforts. In a statement, BEE highlighted the city's critical



**GREEN CHOICE.** BEE has called on manufacturers to set 24°C as the default factory setting in all new AC units

role in the country's energy future. Milind Deore, Secretary, BEE, noted that Chennai's energy usage patterns had a direct impact on national power stability and climate goals. "A collective shift to 24°C AC settings could be a game changer," he said, while calling for an aggressive awareness campaign led by Tamil Nadu's State Designated Agency (SDA), Tangedco.

According to BEE estim-

ates, increasing the AC temperature by just one degree can reduce electricity consumption by up to 6 per cent.

### RECOMMENDED STEP

If air conditioners across the country are set to 24°C, the potential benefits include saving up to 20 billion units of electricity annually, reducing power costs by ₹10,000 crore, and cutting carbon emissions by 8.2 million tonnes.

Other benefits include up

to 24 per cent lower electricity consumption compared to settings of 20°C, enhanced thermal comfort and extended appliance lifespan.

BEE recommends practices such as using ceiling fans alongside ACs, insulating rooms to retain cooling, and installing programmable thermostats to optimise energy use.

BEE has asked manufacturers to set 24°C as the default factory setting in all new units. The campaign places emphasis on high-consumption zones such as shopping malls, IT parks, hotels, airports and government buildings. One AC unit operating for 8 to 10 hours a day can emit nearly 10 kg of CO<sub>2</sub>, highlighting the urgency of the initiative.

While Chennai leads the drive in South India, the campaign is also being rolled out in other major cities.



# 'US trade deal mother of all opportunities'

## Deals With Chinese, Other Global Suppliers Will Be Win-Win: Dixon Chairman Vachani

Pankaj Doval  
@timesofindia.com

**New Delhi:** Dixon Electronics is seen as India's Foxconn and has grown its manufacturing footprint exponentially over the last few years, securing contract-manufacturing orders from some of the world's biggest giants. As Trump tariffs shake up the global manufacturing ecosystem, Dixon chairman Sunil Vachani tells **TOI** in an interview that "There is no better place than India right now because we have a large pool of manpower, we give frugal and low-cost manufacturing, we offer high productivity, and all these are backed by strong govt incentives." Excerpts:

### What is the impact of US tariffs on India's manufacturing ambitions?

To be honest, the initial opportunity that came our way was when Donald Trump was elected in his first term. Then, everybody was looking at an alternative to our neighbour (China). But, at that time, the Indian industry was not very well prepared and we missed that opportunity as Vietnam surged ahead. This time, the opportunity is much bigger and India is much better prepared. The four years of smartphone production-linked incentive (PLI) scheme helped the Indian industry create a very large scale. As Dixon, we were hardly producing a few million sets of smartphones per year until a few years back, but led by PLI, today we have

a capacity to produce almost 70 million devices annually. Our industry's scale (in smartphones) today is comparable to what we see in our neighbouring country. Moreover, our industry is also investing in backward integration. If India really emerges as one of the first countries to have a bilateral trade agreement with the US with zero tariffs, this will be the mother of all opportunities.

les, it will take me a very long time. Unfortunately, our industry doesn't have time on our side. Last time we may have lost this opportunity, but this time we don't want to lose it. So, the quickest way and the most efficient way is to tie up with component suppliers, who are already vendors to our customers. We have to agree on a JV structure, which is acceptable to govt. Because security considera-



What do you need for creating a large scale? You need a large pool of trained manpower and modern machines and make sure to achieve best productivity. India's strength is a large pool of manpower, which is waiting to be employed. All the industry needs to do is invest resources to give training and skills to these people, so that they become extremely productive"

—SUNIL VACHANI | CHAIRMAN, DIXON

### People talk about Dixon as the next Foxconn. Do you think that scale can be developed?

What do you need for creating a large scale? You need a large pool of trained manpower and modern machines and make sure to achieve the best productivity. India's strength lies in having a large pool of manpower, which is waiting to be employed. All the industry needs to do is invest resources to give requisite training and skills to these people, so that they become extremely productive.

### Should we partner with suppliers from China, Vietnam and Taiwan?

As an entrepreneur, if I go and try and reinvent the wheel and develop technologies on display and camera modu-

tions are the most important factor. They will do their vetting, they will do due diligence, and only then will the projects get approved. So, after clearing those hurdles, any partnership that comes through will be a win-win because the Chinese are getting access to a market, which they are not going to have if the tariffs hit Beijing.

### Your view on China?

If you see our story of smartphone manufacturing, we were broadly importers around ten years back or so. For us, this journey has just begun. China is far, far ahead of us in this journey. They've developed huge strengths, including in backward integration and component ecosystem. Over a period of time, we can do it on our own..



## India offers zero-for-zero levy on auto parts, steel from US

India has proposed zero tariffs on steel, auto components and pharmaceuticals on a reciprocal basis up to a certain quantity of imports in its trade negotiations with the US, sources said.

Beyond this threshold, imported industrial goods would attract the regular level of duties, the people said, asking not to be identified as the discussions are private. The offer was made by Indian trade officials visiting Washington late last month to expedite negotiations on a bilateral trade deal expected by fall this year, the people said.

The two nations are prioritising certain sectors to strike an early trade deal before the end of the 90-day pause on US President Donald Trump's tit-for-tat tariffs, the people said.

Amid a contraction in the US economy, Trump suggest-

ed Sunday that some trade deals could be sealed as soon as this week, offering the prospect of relief for trading partners seeking to avoid higher US import duties. Asian economies, including South Korea, Japan and India are among the nations leading the race for reaching interim deals with his administration.

An email to the Ministry of Commerce and Industry was not immediately answered.

Washington has also asked India to resolve its concerns around Quality Control Orders, which it considers a non-tariff trade barrier for its exports, the people said. The mandatory quality standards, which lay down benchmarks that both local and foreign manufacturers must meet before selling their goods in India, have been criticised for being non-transparent and unfair.

**BLOOMBERG**

## US-China tariff truce may narrow India's export edge

ASIT RANJAN MISHRA  
New Delhi, 12 May

The United States (US)-China trade truce, following negotiations over the weekend in Geneva, could erode the tariff advantage Indian exporters enjoyed after Washington slapped steep import duties on Chinese goods in April.

The US has agreed to pare back tariffs on Chinese imports from a combined 145 per cent to 30 per cent, including a 20 per cent levy on fentanyl, effective May 14. In return, China will

**Even though US tariffs on Indian goods remain at 10%, the massive tariff gap that once favoured India is shrinking fast**

reduce its tariffs on US goods to 10 per cent from 125 per cent. The revised tariff framework will apply for a 90-day window, the two sides announced on Monday.

For now, Indian exporters face a 10 per cent baseline US tariff introduced by the Donald Trump administration on April 2, following the suspension of country-specific reciprocal tariffs through July 8.

Ajay Srivastava, founder of Delhi-based think tank Global Trade Research Initiative, said that while US tariffs on Indian goods remained well below those still levied on Chinese imports, the once-significant gap that benefited India was shrinking fast.

"Just months ago, the US imposed duties of up to 145 per cent on Chinese goods — giving India a major edge in attracting companies looking to relocate," Srivastava said.

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▶ US, CHINA AGREE ON TRADE



## At the WTO, India warns US of retaliation over tariffs on metals

**Amiti Sen**  
New Delhi

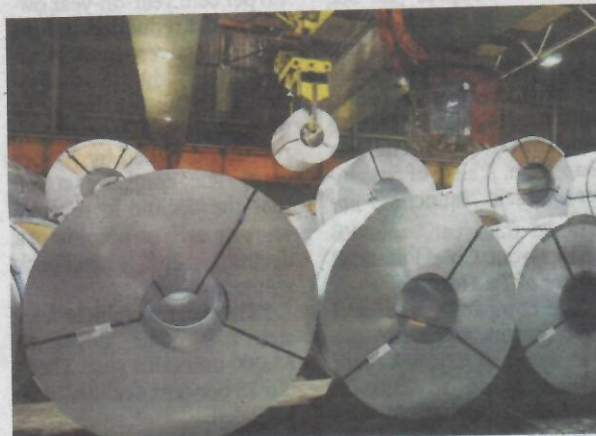
In a WTO notification, India has warned the US that it may take retaliatory action against the sweeping 25 per cent import duties on steel and aluminium imposed by the Donald Trump regime on March 12. Escalating the clash, India may impose tariffs on American goods leading to equivalent duty collection of \$1.91 billion in 30 days.

However, New Delhi is hopeful that the issue can be settled amicably with the US, if not at the WTO, then as part of the India-US Bilateral Trade Agreement (BTA) which is currently being negotiated.

"This (India's notification to the WTO) is an enabling action. It is up to India to act or not after 30 days. There have been instances when India has taken a much longer time to retaliate or has not retaliated at all. As the India-US BTA negotiations are on, the government hopes that the issue could be settled at that platform," a source tracking the matter told *businessline*.

### INCONSISTENT VIEWS

In the notification, India said



**TRADE BARRIER.** On March 12, the Trump regime imposed sweeping 25% tariffs on steel and aluminium imports REUTERS

the US measures were safeguard duties, despite contrary claims by Washington, and needed to be countered as these were inconsistent with the WTO subsidies agreement.

"The safeguard measures would affect \$7.6 billion imports into the US of the relevant products originating in India, on which the duty collection would be \$1.91 billion," the notification stated.

"Accordingly, India's proposed suspension of concessions would result in an equivalent amount of duty collected from products originating in the US," the notification added.

Trump imposed sweeping

tariffs of 25 per cent on steel and aluminium imports on March 12 by modifying the steel and aluminium tariffs that he had originally imposed in 2018 (during his first stint as President).

In 2019, India imposed retaliatory tariffs on 28 items exported by the US but rolled back the levies on key items in 2023.

The move signals a tougher Indian stance, especially in politically sensitive sectors like steel and aluminium that align with its 'Make in India' industrial strategy, pointed out Ajay Srivastava of the Global Trade and Research Initiative.