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Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies

(2nd Fortnight April 2025)

Macro trends, geopolitics to shape auto demand in FY26

RECORD SALES. In FY25, PVs post highest-ever sales of 4.3 million units, per SIAM data

S Ronendra Singh
New Delhi

The automobile industry will closely monitor macroeconomic factors and global geopolitics, which will determine the key demand conditions and supply chain dynamics in FY26, Society of Indian Automobile Manufacturers (SIAM) said on Tuesday.

However, vehicles across categories are expected to continue with the growth momentum in FY26, building on the robust performance of recent years due to stable macroeconomic conditions, proactive government policies and infrastructure spending by the government, it said.

Sharing the monthly and annual sales data, SIAM said that passenger vehicles (PVs) posted its highest-ever wholesales (dispatches to dealers) in FY25 of 43,01,848 units, with a growth of 2 per cent compared with 42,18,750 units in FY24. "PVs also saw their highest-ever exports in FY25 of 0.77 million units registering a growth of 14.6 per cent. Growth in exports have been driven by demand of global models manufactured from India in Latin America and Africa. Some companies have also commenced exporting to developed markets," it said.

SIAM said utility vehicles continued to drive growth, now contributing 65 per cent of total PV sales (60 per cent).

A normal monsoon, as currently forecasted for 2025, is also expected to support broader economic activity, especially in rural and semi-urban regions, which would be a tailwind for auto sector demand, SIAM said. "Looking ahead, the backdrop of stable policy environment, along with recent measures such as reforms in personal income tax and RBI's rate cuts, will help in supporting consumer confidence and demand across segments," Shailesh Chandra, President, SIAM, said.

Steady performance (in units)

Segment/ Sub-segment	2023-24	2024-25	% change (y-o-y)
Total PVs	42,18,750	43,01,848	2
Total three-wheelers	6,94,801	7,41,420	6.7
Scooter	58,39,325	68,53,214	17.4
Motorcycle	1,16,53,237	1,22,52,305	5.1
Total two-wheelers	1,79,74,365	1,96,07,332	9.1
Total commercial vehicles	9,68,770	9,56,671	-1.2
Grand total of all categories	**2,38,57,411**	**2,56,07,391**	**7.3**

Source: SIAM

2W SEGMENT

In the two-wheeler segment, total wholesales grew 9 per cent to 1,96,07,332 units (1,79,74,365 units). While scooter sales grew 17.4 per cent to 68,53,214 (58,39,325 units), motorcycle sales grew 5 per cent to 1,22,52,305 units (1,16,53,237 units).

The whole industry grew 7.3 per cent to 2,56,07,391 units (2,38,57,411 units).

"The Indian automobile industry continued its steady performance in FY25, driven by healthy demand, infrastructure investments, supportive government policies and continued emphasis on sustainable mobility," Chandra added.

In electric vehicle (EV) sales, SIAM said EV registrations reached 1.97 million units (1.68 million units).

Business Standard, 16 April 2025

PV wholesales rose 2% in FY25

Siam data shows sales hit record volumes

SOHINI DAS
Mumbai, 15 April

Passenger vehicle (PV) wholesales grew by 2 per cent in FY25, riding on demand for utility vehicles (UVs) to touch the highest ever volume of 4.3 million units, said an industry association on Tuesday as it noted a "momentum" for electric vehicles (EV) in the country.

Sales improved despite the high base effect in FY24, according to data released by the Society of Indian Automobile Manufacturers (Siam). Two-wheeler (2W) and three-wheeler (3W) sales grew 9.1 percent (19.6 million units) and 6.7 percent (740,000 units) in FY25. Commercial vehicle (CV) sales declined by 1.2 per cent. Overall sales by the automotive industry grew 7.3 per cent and exports 19.2 per cent.

EV sales in FY25 grew 16.9 per cent (1.97 million units), compared to 1.68 million in FY24. Electric PV registrations reached 100,000, growing 18.2 per cent, according to VAHAN data analysed by Siam. Electric 2W registrations stood at 1.15 million units, up 21.2 per cent. Registrations for electric 3Ws increased 10.5 per cent at around 700,000 units. "Recent policy interventions of the government of India have provided the necessary momentum for the adoption of electric vehicles in the country," Siam said.

Siam expects all segments of the automobile industry to continue growth in FY26 due to stable macroeconomic conditions and the government's policies and infrastructure spending. "A normal monsoon, as currently forecast for 2025, is expected to support broader economic activity, especially in rural and semi-urban regions, which would be a tailwind for auto sector demand.

"The sector will also benefit from the reforms in the personal income tax announced in the recent Union Budget of 2025-26, which has been followed by two back-to-back rate cuts by RBI [Reserve Bank of India]," it said.

"Overall, the automobile industry will closely monitor macroeconomic factors and global geopolitics, which will determine the key demand conditions, and supply chain dynamics going forward."

Sales of UVs grew 11 per cent in FY25. Their share in total PV sales increased from 60 per cent in FY24 to 65 per cent in FY25. New UVs packed with advanced features and modern design "resonated strongly" with consumers, along with promotional offers and discounts offered by auto manufacturers.

PVs clocked their highest ever exports at 770,000 units in FY25, up 14.6 per cent year on year (Y-o-Y).

SALES BOOK

■ FY25 wholesales ■ March wholesales

	Units	% change Y-o-Y
2W	19,607,332	9.1
	1,656,939	11.4
3W	741,420	6.7
	62,813	10.5
PV	4,301,848	2.0
	381,358	3.6
CV	956,671	-1.2

PV: Passenger vehicles; CV: Commercial vehicles

Source: Siam

Business Line, 17 April 2025

CV sales to reach one million units in FY26: Crisil

Aroosa Ahmed
Mumbai

With a boost in infrastructure and replacement demand, domestic commercial vehicle (CV) sales volume will touch one million units in FY26, according to Crisil.

The growth will be led by light CVs that have seen an increase in sales with rising penetration of e-commerce and warehousing in tier-2/3 cities, and will contribute to 62 per cent of the total volume. LCV volumes will likely grow between 4 per cent and 6 per cent this fiscal.

DEMAND REVIVAL. Domestic CV volume should grow 3-5 per cent this fiscal, rebounding from last fiscal's slowdown BIJOY GHOSH

"Domestic CV volume should grow 3-5 per cent this fiscal, rebounding from last fiscal's slowdown and aligning with the sector's long-term growth trend. The recovery will be driven by a revival in infrastructure execution – an anchor for CV demand – which gained momentum in the last quarter of FY25 and is likely to sustain on the back of a 10-11 per cent rise in Central government capex.

"A strong replacement cycle, expected to account for about a fifth of the volume, will further support demand," said Anuj Sethi, Senior Director, Crisil Ratings.

The domestic CV sales uptick, which will reclaim the pre-pandemic peak in FY19, is also attributed to the support from the PM-eBus Sewa scheme.

PRICE HIKE

Medium and Heavy CV (MHCV) prices are expected to see an uptick of a minimum of ₹30,000 per unit with regulatory changes of mandatory air-conditioned cabins in trucks applicable from October. CV makers have implemented price hikes of up to 3 per cent in January.

Led by increased infrastructure spending, the MHCV segment is expected to grow 2-4 per cent this fiscal

Business Line, 18 April 2025

Vehicle exports race past 5 m units in FY25

G Balachandar
Chennai

Automobile exports from India

(shipments in units)

Particulars	FY24	FY25
Total exports	**45 lakh**	**54 lakh**
Total passenger vehicles exports	**6.7 lakh**	**7.7 lakh**
Maruti	2.8 lakh	3.3 lakh
Hyundai	1.6 lakh	1.6 lakh
Nissan	0.43 lakh	0.71 lakh
Total two-wheelers exports	**35 lakh**	**42 lakh**
Bajaj Auto	15 lakh	17 lakh
TVS Motor	9 lakh	11 lakh
Honda Motorcycle	3.6 lakh	5 lakh

Source: SIAM

India's automotive export engine accelerated sharply in FY25, with total vehicle exports rising 19 per cent to cross the 5-million mark, reaching 5.4 million units after two years of moderation. However, exports are still below the FY22 peak of 5.6 million units.

According to data from the Society of Indian Automobile Manufacturers (SIAM), all vehicle categories — except passenger cars and three-wheeler cargo carriers — posted growth in FY25. Notably, utility vehicles (SUVs, MPVs, MUVs), trucks, passenger carriers, scooters and motorcycles recorded increased exports.

Although motorcycle exports grew by 21 per cent in FY25, total shipments around 4.2 million units remained below the FY22 peak. The overall surge in FY25 exports was driven by higher shipments of scooters and utility vehicles (UV).

UV exports grew sharply to 0.36 million units, up from 0.2 million in FY22. Scooter exports also saw a strong uptick, rising to 0.6 million units from 0.35 million in FY22.

MARUTI SUZUKI

Maruti Suzuki, India's leading passenger carmaker, made a notable impact, increasing its exports to 3.3 lakh units in FY25, a 17.5 per cent jump from FY24. The company's strategic focus on emerging markets fuelled this growth, with South Africa, Saudi Arabia, Chile, Japan, and Mexico emerging as its top five export destinations.

Honda recorded impressive gains, with its car exports tripling from 19,323 units in FY22 to 60,229 units in FY25. Nissan also ramped up shipments of its Chennai-built cars to a range of overseas markets, while Volkswagen regained export momentum after a dip in FY23.

In the scooter segment, Honda Motorcycle & Scooter India remained the dominant player, accounting for 55 per cent of total scooter exports. The company nearly doubled its export volumes during the review period.

Bajaj Auto continued to lead in motorcycle exports from India, holding a 46 per cent share in FY25. However, its volumes dipped from 2.2 million units in FY22 to 1.7 million in FY25, despite recovering from 1.5 million in FY24. Key markets for India-made two-wheelers include ASEAN countries, Africa, and Latin America.

During its Q3FY25 earnings call, Bajaj Auto expressed cautious optimism, highlighting potential currency volatility in South Asia and Africa. Nevertheless, the company expects exports to grow over 20 per cent year-on-year going forward. Latin America has emerged as the most promising market for motorcycles — nearly double Africa in volume and more than triple in value, according to Bajaj Auto.

Business Line, 18 April 2025

Auto sector in top gear, posts $1.5 b in deals in Q1 2025

Our Bureau
Chennai

India's automotive and mobility sector put up a strong show in Q1 2025, recording 29 deals worth $1.5 billion, according to the latest Automotive Dealtracker by Grant Thornton Bharat. This includes private equity, venture capital and M&A deals.

While overall deal value dipped 63 per cent from the previous quarter (December 2024), largely due to the absence of Hyundai Motor's $3.6 billion IPO, core activity remained resilient. Excluding IPOs and QIPs, the sector saw deal volumes climb from 22 to 28 and values soar 191 per cent quarter-on-quarter, from $509 million to $1.4 billion.

The period saw a blend of strategic and financial investments, including a billion-dollar private equity deal and rising investor interest in emerging areas like electric vehicles (EVs), autotech, and Mobility as a Service (MaaS). The quarter featured one billion-dollar transaction and three deals exceeding $50 million, it said.

INVESTOR CONFIDENCE

"Despite global trade shifts and supply chain pressures, investor confidence remains robust — as seen in the sharp uptick in deal volumes and values this quarter. To maintain a competitive edge, Indian companies must accelerate innovation, forge strategic partnerships, and focus on value-added offerings, especially in EVs, auto components, and next-generation mobility solutions," said Saket Mehra, Partner and Auto Industry Leader at Grant Thornton Bharat.

PE and VC deal activity was particularly strong, with 19 deals for a total value of $1.12 billion.

A standout transaction was a $1 billion investment in Erisha E Mobility from a UAE-based investor, which spurred a six-fold increase in PE/VC deal values compared to the previous quarter.

Mergers and acquisitions remained active, with nine deals totalling $359 million. This marked the third consecutive quarter of growth, buoyed by a wave of domestic consolidations and rising average deal sizes.

Capital market activity was subdued with no IPOs during the quarter — following Hyundai Motor's record-setting $3.6 billion IPO in Q4 2024.

However, PMI Electro managed to raise $29 million through a Qualified Institutional Placement (QIP), targeting advancements in innovation, production, and scaling.

Business Line, 19 April 2025

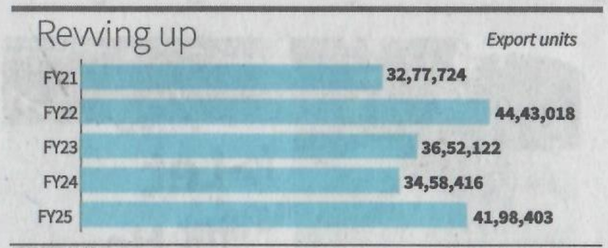
2W exports rebound after 2 years, Bajaj Auto leads

Aroosa Ahmed
Mumbai

With the revival in demand in the international markets, two-wheeler exports from India saw a double-digit revival in FY25. Pune-based Bajaj Auto registered the highest growth in exports at 13.31 per cent, according to the Society of Indian Automobile Manufacturers (SIAM) data.

A 21.4 per cent growth was registered with 41,97,517 two-wheelers exported in FY25, compared to 34,58,416 two-wheelers exported in FY24.

According to SIAM statistics, the total number of two-wheeler exports in FY23 declined by 17.80 per cent while in FY24, exports declined by 5.3 per cent. The data reveal that TVS exported 10,89,748 units, while Hero exported 2,89,668 two-wheelers in FY25.



Source: SIAM

Auto experts have pointed out that the surge in exports can be attributed to the budgeted product portfolio offered by Indian Original Equipment Manufacturers (OEMs).

"The sharp rise in two-wheeler exports shows that demand is bouncing back in key markets like Africa and Latin America. Indian manufacturers are doing well globally, especially in the entry-level and commuter segments, thanks to their affordable pricing, reliable products, and strong on-ground dealer networks," Nikhil Dhaka, Vice-President, Primus Partners, told *businessline*.

Indian OEMs in 2024 increased their focus on expansion into new international markets for the export of two-wheelers. Further, OEMs also witnessed the recovery of exports across Asia in FY25. Bajaj Auto, which registered the highest share of exports, had noted that the export momentum will continue.

FY26 OUTLOOK

"In the domestic market, the near-term outlook is that the industry growth will be between 6 and 8 per cent, and the 125cc+ segment will continue to grow. Presently, the 125cc+ segment is growing at twice the rate, while the 100 cc segment is growing at half the speed.

"Further, the exports saw a broad-based recovery and returned to 5,00,000 units after nine months. The growth is positive, with Latin America recording the highest growth," said Rakesh Sharma, Executive Director of Bajaj Auto, during an earnings call.

Rohan Kanwar Gupta, Vice-President & Sector Head, Corporate Ratings, ICRA Ltd, said, "Even as a recovery has been seen in demand across most markets, the demand prospects in Africa remain weak, especially in Nigeria, thereby constraining export prospects to an extent. The export volumes are expected to continue to grow at a moderate to healthy pace and near all-time peak levels in FY2026."

Business Standard, 22 April 2025

M&M rejigs leadership after logistics CEO quits

SOHINI DAS
Mumbai, 21 April

In a major shake-up, Mahindra and Mahindra (M&M) on Monday announced a slew of appointments in its top management across businesses after the company's logistics business head Ram Swaminathan decided to resign from the post.

Swaminathan, MD & CEO of Mahindra Logistics (MLL), one of the largest logistics solution providers in the country, decided to resign to "pursue other professional interests". Hemant Sikka, president of Farm Equipment Sector (FES), will replace Swaminathan as the additional director and MD & CEO designate of MLL from April 22. He will take over the post on May 5.

Veejay Nakra, who is currently president of Automotive Division, will be appointed president of Farm Equipment Business, while R Velusamy, who is the president Automotive Technology and Product Development, will be appointed as president of the Automotive Business. Velusamy, who now operates from Chennai, will be moving to Mumbai for this role.

Besides the top-level appointments, senior company officials said the Agri Solutions and Powerol businesses would be soon carved out of the FES vertical and would likely be made separate entities. Swaminathan joined MLL in July 2019 as CEO designate and was appointed as CEO in October 2019, followed by his appointment as MD & CEO in February 2020.

"Under Ram's leadership, MLL has emerged as a leading integrated logistics provider in India. Despite the challenges of the Covid-19 pandemic, the company has doubled revenues in the last four years," M&M said in a statement. Swaminathan's last working day at MLL would be July 20.

M&M said that Sikka is one of their top leaders who brings with him a "powerful combination of strategic skills, operational rigour, customer centricity and people leadership capabilities".

As the largest farm tractor company in the world by volume, Mahindra FES commands a domestic market share upwards of 43 per cent in India, with on-ground presence in the US, Japan, Turkey, Finland and Brazil, with flagship brands like Mahindra, Swaraj, and Erkunt.

KEY CHANGES

Hemant Sikka
CURRENT POSITION
President of Farm Equipment Sector
NEW DESIGNATION
Additional director and MD & CEO of MLL

Veejay Nakra
CURRENT POSITION
President of Automotive Division
NEW DESIGNATION
President of Farm Equipment Business

R Velusamy
CURRENT POSITION
President- Automotive Technology and Product Development
NEW DESIGNATION
President of Automotive Business

Business Line, 23 April 2025

Renault opens design centre in Chennai

Our Bureau
Chennai

AUTO MOTIVE. Laurens van den Acker, Chief Design Officer, Renault, Venkatram Mamillapalle, India CEO and MD, at Renault Nissan Technology & Business Centre in Mahindra City BIJOY GHOSH

French automaker Renault has unveiled what it calls its largest design facility outside France, the Renault Design Centre Chennai (RDCC), located on the Renault Nissan Technology & Business Centre India campus at Mahindra City, near Chennai.

The new facility will be responsible for designing all five upcoming Renault models set to launch in India over the next two years. The studio currently employs over 30 design professionals.

"India is a unique and complex market shaped by local consumer preferences. Establishing a dedicated design studio here is essential to truly understand these dynamics and create relevant solutions," said Laurens van den Acker, Chief Design Officer, Renault Group.

"The Chennai studio will not only focus on India-specific concepts and models but will also contribute to global projects under the Renault Group umbrella."

'MOST INDIAN'

"We are proud to be the most Indian of European carmakers," Venkatram Mamillapalle, Country CEO and Managing Director of Renault India Operations, said.

"From our extensive R&D centre to a robust manufacturing footprint and a deeply localised supply chain, Renault has built strong roots in India. The new Chennai design centre adds yet another dimension to this foundation, positioning us to take forward the Renault International Game Plan 2027."

INDIA JOURNEY

The company's design journey in India began with studios in Pune and Mumbai, which have now been consolidated into the new state-of-the-art Chennai facility.

"We are expanding our Indian design team and collaborating closely with stakeholders across the country's automotive ecosystem," van den Acker added.

"This enables us to deliver products that resonate deeply with Indian consumers while strengthening Renault's global innovation pipeline."

Renault already operates one of its largest global R&D centres in Chennai, with nearly 10,000 engineers contributing to both local and global projects.

Business Standard, 29 April 2025

US TARIFF JITTERS

Auto part exporters may take a ₹4,500 crore hit

ANJALI SINGH
Mumbai, 28 April

Indian auto component exporters may suffer an earnings hit of ₹2,700 crore to ₹4,500 crore following the imposition of steep US tariffs on key automotive parts, credit rating agency Icra said in a note on Monday. The new 25 per cent tariff on engines, transmissions, electrical components, and other parts is expected to moderate the industry's revenue growth to 6–8 per cent in FY26, down from the earlier projection of 8–10 per cent.

The US, which accounted for around 8 per cent of the Indian auto component industry's revenues in FY24, recently imposed a 25 per cent import duty effective from May 3. Around 65 per cent of India's auto component export basket is estimated to fall under this tariff regime. Prior to this, a 25 per cent tariff on steel and aluminium content in auto parts was implemented in March.

Icra estimates that if Indian exporters have to absorb 30-50 per cent of the additional costs, they may see a 10-15 per cent impact on operating profits, while the overall auto component industry's operating profits may see a 3-6 per cent impact. Consequently, operating margins could moderate by 150-250 basis points (bps) for exporters and 50-100 bps across the industry in FY26.

"While the auto component suppliers with whom Icra has interacted (with) indicate that most of the incremental costs would be passed on, the extent of pass-through would depend on factors such as the supplier's criticality, share of business, competition, and the technological intensity of components supplied," said Shamsher Dewan, senior vice-president and head of corporate ratings, Icra.

Despite the expected pressures, debt metrics and liquidity are likely to remain "comfortable" for most exporters, the agency said. Exporters with manufacturing operations within the US would also be partly insulated from the new tariffs.

The Economic Times, 29 April 2025

LOOKS TO BECOME NO.4 IN 3.5+ TONNE TRUCK & BUS MARKET

'Isuzu Acquisition to Help M&M Scale Up its CV Biz'

Deal to also pave way for Mahindra Trucks & Buses' entry into the electric segment

Our Bureau

Mumbai: Mahindra & Mahindra (M&M) Monday said the acquisition of SML Isuzu will make it a significant fourth-ranked manufacturer in the more than 3.5-tonne truck and bus segment and boost its share in the 5-12 tonne bus category to 21%.

The deal will also accelerate Mahindra Trucks & Buses' entry into the electric bus segment thanks to SML Isuzu's advances in electric vehicle development.

On Saturday, Mahindra announced it will buy a 58.96% stake in SML Isuzu at ₹650 per share totalling ₹555 crore. M&M will also launch a mandatory open offer for up to 26% from public shareholders.

The acquisition aligns with Mahindra's strategy of scaling businesses over the next five to 10 years, said Anish Shah, MD and CEO, Mahindra Group. "In the greater than 3.5 tonne CV space, we are currently number five with a 3% market share. We focus on excelling in specific areas before expanding, and now see strong potential here," Shah said.

> We focus on excelling in specific areas before expanding, and now see strong potential here
>
> **ANISH SHAH**
> MD & CEO, Mahindra Group

Mahindra is targeting 10–12% market share in the segment within five years, backed by growth in the LCV and ILCV categories. SML Isuzu has a 16% share in the LCV bus segment, which combined with Mahindra's share increases the total to 21%.

"Combining Mahindra Trucks & Buses and SML Isuzu gives us a clear number four position in trucks and buses over 3.5 tonnes. We see significant opportunities across costs, platform synergies, aggregates, network, and suppliers," said Rajesh Jejurikar, executive director, auto and farm business, M&M.

He said Mahindra does not plan to merge or rationalise the two entities immediately, and SML Isuzu vehicles will continue to be sold under the Swaraj Mazda brand.

SML Isuzu's shares hit the lower circuit on Monday, closing at ₹1,590 apiece. M&M shares closed at ₹2,927.7 each, up 2.3%.

ELECTRIC VEHICLEC

The Economic Times, 23 April 2025

Tesla's Troubles may Force Elon Musk to Return to His Day Job

May curtail his work for President Trump and spend more time managing auto firm

NYT

Tesla is expected to report on Tuesday that its profits fell in the first three months of the year, which could increase the pressure on Elon Musk, the automaker's chief executive, to curtail his work for President Trump and spend more time managing the company.

Wall Street analysts expect Tesla to say its net profit declined slightly from $1.1 billion in the first quarter of 2024.

Tesla sales have been slumping because of intense competition from Chinese carmakers like BYD, a lack of new models and Mr. Musk's support of far-right causes, which has turned away some liberals and centrists from buying Tesla vehicles.

Tesla remains the most valuable automaker in the world as measured by its stock price, but its shares have lost about half their value since mid-December as investors have grown more pessimistic about the company's prospects and concerned about Mr. Musk's role in the Trump administration.

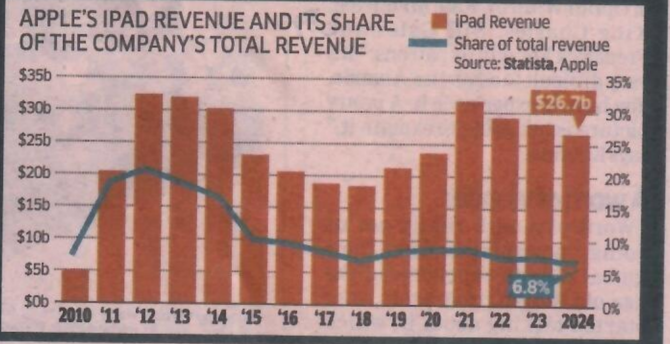
Tesla has steadily lost market share to Chinese carmakers and more established automakers, like General Motors, Volkswagen and Hyundai, that have been offering a growing selection of electric vehicles.

Mr. Musk's company once hoped to sell 20 million vehicles a year by the end of the decade, twice as many as Toyota. But sales have been sliding after climbing to 1.8 million in 2023. Last year, the company sold 1.7 million cars, and its global sales fell 13 percent in the first quarter of 2025 from a year earlier. The Cybertruck, Tesla's newest vehicle, which consumed a lot of the company's resources while it was being developed, is looking increasingly like a flop. Sales of the Cybertruck in the first quarter were down about 50 percent from the last three months of the year, according to Cox Automotive, a research firm.

Tesla's website has recently offered discounts of as much as $8,500 on trucks in the company's inventory.

On the edge. Elon Musk

At 15-year Mark, iPad is Less Important Than Ever to Apple



Business Standard, 26 April 2025

Eka Mobility to make 10K e-buses by FY27

PUJA DAS
New Delhi, 25 April

Eka Mobility, a startup-turned-original equipment manufacturer (OEM) that makes electric vehicles (EVs), is targeting to ramp up production of e-buses to 10,000 by 2026-27, founder and chairman Sudhir Mehta told *Business Standard*. According to him, the company plans to bring in a new product every six months across its commercial vehicle (CV) segments.

This is being envisioned as the company is focusing on supply chain management and readying one million square feet of manufacturing space across its three plants. It is expanding its research and development and technology centre at Pune's Chakan plant.

"To contribute to the government's EV push, considering the extremely low penetration of e-buses in the country, we are ramping up our e-bus production capacity to 10,000 in our Koregaon and Pithampur plants by FY27," Mehta said.

The current capacity at the Koregaon-Bhima unit in Pune is about 2,500 a year, which is expected to increase to 5,000 by FY27. Once operational by FY27, the Pithampur, Madhya Pradesh facility is set to manufacture another 5,000 units annually.

Meanwhile, Eka has bagged an order for 2,125 e-buses from the Centre under its PM e-Bus Sewa scheme. The order list includes 750 e-buses for Andhra Pradesh, 675 for Rajasthan and 205 for Chhattisgarh. This is in addition to its previous order of 1,500 e-buses from Uttar Pradesh State Road Transport Corporation (UPSRTC) and Nagpur Municipal Corporation.

The e-bus and small electric CV manufacturer now aims to hold the largest electric commercial vehicle portfolio in the country. It plans to create an initial annual capacity of 24,000 vehicles across all truck segments (small CVs to e-trucks).

Elaborating on the plan, Mehta said, "Heavier trucks are under trial and testing at the moment. Commercial launch of these will be before September. The trial and validation process takes almost six months to one year."

He added, "We will have trucks small to large, from three-wheelers to heavy trucks. For the next 12-18 months, we plan to have the largest fully available electric commercial vehicle portfolio in the country. A new product will be coming every 4-6 months".

On a similar line, Eka also plans to roll out its new 18-metre articulated coach with 125-seater e-buses in the next 12 months. At present, it has a variety of e-buses in the 7-metre, 9-metre and intercity coach segments.

The company's head said that Eka is eyeing the e-ambulance market. It plans to roll out e-ambulances as part of its product range over the next year or so.

According to Mehta, Eka took the longer route for developing technologies in India with its partners. He said, "We are creating a supply chain with 100 per cent localisation which took us 4-5 years. Now, you will see us coming with a new product almost every four to six months over the next one to two years. And, all our products will be available for commercial sale."

When asked about Eka's estimated revenue by FY30, Mehta said, "We began production three to four months ago. We can estimate once we start selling. If each bus is about ₹1 crore and we do 2,000 buses in 12 months, that's ₹2,000 crore. Trucks will add additional revenue."

Business Standard, 30 April 2025

New Maha EV policy aims to boost charging infra

With outlay of ₹1,995 cr, state targeting 30% EV registrations by '30

SOHINI DAS
Mumbai, 29 April

Maharashtra, which ranks second among states in terms of electric-vehicle (EV) sales, cleared the new EV Policy 2025, which targets lifting the share of EV registrations to 30 per cent of new vehicle registrations by 2030. With an outlay of ₹1,995 crore, the new EV policy also aims to strengthen the charging infrastructure for boosting adoption.

The EV policy 2021 had an outlay of around ₹930 crore. Maharashtra accounted for 12 per cent of total EV sales in India in 2024.

Sanjay Sethi, additional chief secretary (transport), government of Maharashtra, told *Business Standard* that the number of vehicle categories eligible for state incentives has been raised to 13 from the current five. At the moment, cars, two-wheelers, three-wheelers (goods and passenger), state transport buses, and four-wheeler goods carriers are eligible for incentives in the range of ₹10,000 (two-wheelers) to ₹20 lakh (e-buses). Sethi explained that now more vehicle categories, including the highly polluting heavy commercial vehicles, would be eligible for incentives. "At the moment, state transport undertaking buses were eligible for the subsidy, but now even private buses would be eligible. Trucks, utility vehicles used by corporations and mahanagar palikas would also be covered along with trailers, dumper trucks, agri-trailers, etc.," he said.

In a bid to encourage EV buying, the state government has also decided to make several key highways toll-free for EVs. These highways include the Mumbai-Pune Expressway, the Samruddhi Mahamarg (Nagpur Highway), and the Mumbai Trans-Harbour Link or Atal Setu. The country's longest sea bridge, Atal Setu, has recorded an average traffic of 23,000 vehicles a day in a year since it opened to public. Tolls would be waived across all PWD highways too in a phased manner. The toll-waiver would be on actual over and above the ₹1,995 crore outlay under the EV policy.

ELECTRIC PUSH

- State has decided to make key highways toll-free for EVs
- It would also support public charging operators
- Commercial spaces too would need to have charging infra
- Urban development department would create specific zones in dumping yards, solid waste management areas for recycling old EV batteries

Sethi highlighted that boosting public charging infrastructure is one of the key pillars of the EV policy. Charging infra has not kept pace with the growth in vehicle population, especially in densely populated cities like Mumbai. The idea is to expand the charging infra both within the city as well as on highways. "Memoranda of understanding will be signed with oil-marketing companies to develop charging infra at petrol pumps. While each and every fuel station cannot have charging stations, we estimate at least 60-70 per cent of them can have. Moreover, all state transport bus depots too will have charging infrastructure and dedicated space for public charging. A specific area would be carved out where two-three vehicles can charge," he elaborated.

The state government would also support public charging operators, who wish to start new charging stations, with viability gap funding of up to ₹10 lakh.

All new residential housing societies too would need to have charging infrastructure mandatorily. Even existing societies can opt for it if 50 per cent of the residents vote for it. Commercial spaces too would need to have charging infra.

The urban development department would create specific zones in dumping yards and solid waste management areas for recycling old EV batteries. According to the International Council on Clean Transportation report, UP led Indian states in terms of EV sales in 2024, accounting for 19 per cent of total EV sales, followed by Maharashtra at 12 per cent and Karnataka at 9 per cent. Together, these three states accounted for 40 per cent of EV sales in the country.

According to the Maharashtra Economic Survey 2024-25, the total number of vehicles on road in the state as on January 1, 2025 was 48.8 million as against 45.8 million as on January 1, 2024. The number of battery electric vehicles registered in the state up to December 2024 was 644,779 as against 394,337 up to December 2023.

While top auto majors said they were still studying the finer details of the new EV policy, sources indicated that the boost to charging infrastructure, if translated on ground, can prove to be a major driver of EV adoption. "The state government needs to ensure that remote highways and roads too have charging stations. The move is in the right direction, and this will boost buying of both commercial and personal vehicles. For commercial vehicles it makes more sense in terms of cost of operations," said a senior official in an automotive original equipment manufacturer.

TRACTOR

Business Standard, 22 April 2025

Tractor sales may hit record high in FY26 on monsoon, MSP hike

Expected above-normal monsoon, increased minimum support prices (MSPs) for key crops, and rising replacement and construction demand are likely to drive domestic tractor sales to a record high of approximately 9,75,000 units in the financial year 2025-26 (FY26), marking a 3-5 per cent year-on-year growth.

In FY25, tractor sales had dipped by 1.04 per cent.

Sales for that year had come in at 8,83,095 units, down from 8,92,410 units in FY24, according to data from the Federation of Automobile Dealers Associations (FADA).

But the ongoing financial year is expected to bring good news. A recent analysis by Crisil Ratings says that a surge in demand will likely propel sales beyond the previous peak of 9,45,000 units achieved in FY23, sustaining the consistent volume expansion witnessed since FY19. This projection follows a healthy 7 per cent increase in tractor sales in financial year 2025, according to the Crisil report.

Analysts attribute the expected turnaround in FY26 to favourable macro and agriculture-linked factors.

"The Indian Meteorological Department's forecast of an above-normal monsoon should lift rural sentiment and reinforce farmer confidence," said Anuj Sethi, senior director, Crisil Ratings.

"This, along with the expected rise in MSP for key cash crops and a pick-up in construction activity, should help drive tractor volumes higher this year," Sethi said.

ANJALI SINGH

GOVERNMENT POLICY

Business Line, 26 April 2025

Govt should ease taxes, rules for small cars: MSIL chairman

EMULATE JAPAN. Aim to make cars affordable; firm's consolidated net down 1% y-o-y

S Ronendra Singh
New Delhi

Maruti Suzuki India (MSIL) on Friday said the government should bring down taxes and ease regulations for entry-level cars so that more than 30-crore two-wheeler owners can upgrade to cars.

Like Kei cars (small car) in Japan, the Centre should bring down the taxes and regulations to make such vehicles affordable, RC Bhargava, Chairman, MSIL told reporters during a virtual call. "Kei cars have a different set of regulations compared to other cars, and the taxes on them are much lower. They are cheaper and affordable and have made it possible for people in Japan to switch from motorcycles to four-wheelers. We need to do something similar here," he said.

Asked if small electric vehicles (EVs) can be a solution, he said that can be possible if any manufacturer can bring down the cost of an EV by half or even lesser to around ₹5 lakh. Not just an EV, but even a petrol car of around ₹5 lakh and solve the issue, Bhargava added.

Net weighed down by high costs

	Q4 FY24	Q4 FY25	% change
Net profit (₹ crore)	3,952	3,911	-1.0
Revenue (₹ crore)	38,471	40,920	6.3
Sales volume	5,84,031	6,04,635	3.5

Source: Company reports

MSIL'S FIRST EV IN SEPT

On the company's first EV, e Vitara, Bhargava said it will be launched before September-end, and MSIL plans to sell around 70,000 units this year, of which maximum will be exported.

Meanwhile, the company reported a consolidated net profit of ₹3,911 crore in the fourth quarter (Q4) ended March 31, declining by one per cent year-on-year (y-o-y), on account of higher expenses. It had clocked a net profit of ₹3,952 crore in the year-ago period. Total revenue, however, increased to ₹40,920 crore in Q4FY25 (₹38,471 crore). Its total expenses during the quarter in review rose to ₹37,585 crore (₹34,624 crore) – up 8.5 per cent y-o-y.

DOMESTIC SALES

Domestic sales grew by 3 per cent while exports were up 8 per cent y-o-y, resulting in an overall growth of 3.5 per cent, it said.

Domestic sales stood at 5,19,546 units and exports at 85,089 units in Q4.

For the full financial year, the company reported a consolidated net profit of ₹14,500 crore, up 7.5 per cent, as compared with ₹13,488 crore in FY2023-24.

Revenue also rose by around 8 per cent to ₹1,52,913 crore in FY25 on a consolidated basis against ₹1,41,858 crore in FY24.

MSIL sold a total of 22,34,266 vehicles during the year, with 19,01,681 units sold in the domestic market and 3,32,585 units in the export market.

"The domestic market growth was quite muted. For the company, a modest domestic sales growth of 2.7 per cent was compensated by a healthy 17.5 per cent export growth leading to an aggregate growth of 4.6 per cent for the year," MSIL added.

Shares of MSIL closed at ₹11,685.90 apiece on the BSE on Friday, down ₹1.81 per cent from the previous close.

Business Line, 30 April 2025

Govt set to extend input tax remission scheme for exporters beyond Sept 30

Amiti Sen
New Delhi

In what could provide confidence to Indian exporters grappling with an unpredictable global market, the government is set to extend the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme beyond September 30, 2025 when it is scheduled to lapse, sources have said.

"The scheme will definitely be extended beyond September 30 to the main beneficiaries. It is usually extended for a limited period just to monitor the spend and ensure that the budgetary allocation for the scheme is not exceeded. We are comfortable as far as budgetary allocation for the ongoing fiscal is concerned," a source told *businessline*.

There is no guarantee, however, that the benefits will also be extended to units in SEZs and EOUs and Advance Authorisation (AA) holders, the source added.

For FY26, the Budget for RoDTEP is ₹18,000 crore as opposed to ₹16,575 crore in the previous fiscal, the source pointed out.

"As exports of goods at the moment are not growing at a fast pace because of global uncertainties, one can expect that RoDTEP claims will not overshoot the allocation," the source said.

While most manufacturing sectors are included in the scheme, a few such as steel, pharmaceuticals and chemicals are excluded

The RoDTEP scheme, announced in January 2021, refunds embedded duties and taxes, such as VAT on fuel used in transportation, mandi tax and duty on electricity used during manufacturing of the exported items.

SECTORS IN THE SCHEME

While most manufacturing sectors are included in the scheme, a few such as steel, pharmaceuticals and chemicals are excluded.

"Apart from the excluded sectors, all other sectors are likely to continue to be included when the scheme is extended beyond September 30. But extension for units in SEZs and EOUs is not certain," the source said.

SEZ units and EOUs and AA holders got included in the RoDTEP scheme in March 2024. The scheme lapsed for them on December 31 2024 and was recently extended with retrospective effect till February 5 2025.

"It is unfair to treat SEZ exporters different from other exporters. The scheme tenure should be same for all. If there is a funding constraint then more sectors could be excluded but SEZs and EOUs should not be discriminated against," a Delhi-based garments exporter pointed out

Exporters have also been demanding that instead of extending the scheme for just a few months, the government should consider extending it by five years for continuity and better decision making on prices.

In FY25, India's goods exports were almost flat at $437.4 billion compared to $437.1 billion in the previous year. While geopolitical crisis and a global slowdown had made the going difficult for exporters, things have become even more predictable due to US President Donald Trump's tariff threats.