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Key Press Reports on Industry and Govt. Policies
(1st Fortnight April 2026)

AUTOMOTIVE INDUSTRY

Business Line, 2 April 2026

Ashok Leyland to raise LCVs' addressable market

T E Raja Simhan
Chennai

Ashok Leyland plans to expand its addressable market in the light commercial vehicle (LCV) segment from 54 per cent to around 80 per cent over the next three to four years entering new categories, including the sub-2 tonne and 4-6 tonne segments, as well as the small passenger vehicles.

The company has lined up two new product launches — one each in cargo and pas-



Viplav Shah, Head-LCV,
Ashok Leyland

senger segments — said Viplav Shah, Head of LCV Business. Ashok Leyland reported LCV volumes of about 66,500 units in FY24 and expects growth of 13-13.5 per cent supported by a steady monthly run rate of 6,000-7,000 units. Capacity has already been ramped up to meet future demand.

The company's key platforms — Dost, Bada Dost, Saathi and Partner — continue to drive volumes, while

Mitra caters to the passenger segment.

DOMESTIC MARKET

The domestic LCV market, estimated at around 6.48 lakh units annually, remains heavily skewed towards cargo vehicles, which account for 91 per cent of volumes. The 2-4 tonne segment dominates, accounting for about 3.4 lakh units annually, and the company holds an 18.5 per cent market share. Rather than competing on price, Ashok Leyland is focusing on a value-driven strategy centred on driver comfort, higher payload, improved mileage, longer warranties and a strong service network. Government initiatives such as the Swachh Bharat Mission are also creating demand for specialised vehicles, including tippers and compactors.

Shah said strengthening

consumption, the continued expansion of e-commerce, and improving infrastructure are expected to keep the LCV segment on a high-growth trajectory, positioning the company to gain further market share. Following the Union government's tax cuts in September, industry growth accelerated from 0.8 per cent in the first half to 21 per cent in the subsequent months, taking year-to-date growth to 10.8 per cent, based on Vahan registrations.

The rebound has been driven by a pickup in consumption, with sectors such as FMCG, retail, white goods and quick-service restaurants reporting 10-12 per cent higher activity during the festive season. This has boosted demand for last-mile and mid-mile logistics, while improved affordability has led to a shift from used to new vehicle purchases.

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PV makers end FY26 on positive note

MONTHLY DATA. Domestic sales number at 4.48 lakh in March against 3.86 lakh recorded a year ago

S Ronendra Singh
New Delhi

All passenger vehicle makers including Maruti Suzuki India (MSIL), Mahindra & Mahindra (M&M), Tata Motors, Hyundai Motor India (HMIL), and Toyota Kirloskar Motor (TKM) have reported growth in their domestic wholesales (dispatches to dealers), taking the total figure to around 4.48 lakh in March against 3.86 lakh in the same month last year.

In the two-wheeler segment too, companies including Hero MotoCorp, Honda Motorcycle & Scooter India (HMSI), TVS Motor Company (TVS) and Royal Enfield recorded growth in sales.

WAR EFFECT

Meanwhile, PV makers said they are keeping a track of their stocks and supply chains, which could be impacted because of the war in West Asia.

For instance, MSIL said if the war continues for a

Auto firms said that they are keeping a track of stocks and supply chains, which could be impacted as a result of the war in West Asia

longer time than the industry might see cost escalation of commodities, and the company may have to take a call on passing them on to the customers.

"Our supply chain team is working very hard and they have given us the assurance of rolling out vehicles on time. But, the situation is very dynamic... we all know that there is pressure on the commodity prices since December. Other OEMs have increased the prices, but keeping in mind that first-time buyers are coming, we don't want to pass on the cost; but very soon, we are going to review whether to

Domestic wholesales for March 2026

	March 2026	March 2025	% change
Passenger vehicles			
Maruti Suzuki India	1,66,219	1,50,743	10.2
Tata Motors	66,192	51,616	28
M&M	60,272	48,048	25
Hyundai Motor India	55,064	51,820	6.3
Kia India	29,112	25,525	14.5
Toyota Kirloskar Motor	28,373	35,125	24
Honda Cars India	7,585	7,228	5
Skoda Auto	7,928	7,422	7
JSW MG Motor India	6,528	5,500	19
Renault India	5,046	2,846	77
Nissan Motor India	4,408	2,499	76
Two-wheelers			
Hero MotoCorp	5,52,505	5,10,086	8.3
Honda Motorcycle India	5,12,303	4,01,411	27.6
TVS Motor	3,72,383	2,97,622	25
Suzuki Motorcycle India	1,05,397	1,05,976	-0.5
Royal Enfield	1,00,406	88,050	14
Commercial vehicles			
Ashok Leyland	23,743	22,510	5
Volvo Eicher	12,904	11,429	13
Tata Motors	45,825	38,884	18
M&M (LCVs)	24,928	22,488	11
Maruti Suzuki (Super Carry)	3,209	2,391	34.2

Source: Companies/Industry sources

increase the prices," Partho Banerjee, Senior Executive Officer, Marketing & Sales, MSIL, told reporters.

The company's domestic wholesales grew by 10.2 per

cent on-year to 1,66,219 units in March as compared with 1,50,743 units in March 2025.

Similarly, Shailesh Chandra, MD and CEO, Tata

Motors Passenger Vehicles, said the industry will need to closely monitor "geopolitical developments to mitigate potential supply-side risks".

UNCERTAINTY LOOMS

"While we stay mindful of the prevailing geopolitical uncertainties, Hyundai Motor India is well-prepared for a strong FY27, delivering aspirational, connected and innovative products, along with unmatched customer experience and pride of ownership," Tarun Garg, MD and CEO, HMIL, said.

The company sold 55,064 units in March as compared with 51,820 units in the same month last year.

In the two-wheeler segment, market leader Hero MotoCorp reported a year-on-year growth of 8.3 per cent to 5,52,505 units in March as against 5,10,086 units in the corresponding month last year.

HMSI reported a growth of 27.6 per cent on-year to 5,12,303 units during the month as compared with 4,01,411 units in March 2025.

M&M no. 2 in PV sales, dethrones Hyundai

S Ronendra Singh
New Delhi

For the first time in a financial year, Mahindra & Mahindra (M&M) has ended the long-standing legacy of Hyundai Motor India (HMIL) to become the country's second-largest domestic passenger vehicle (PV) manufacturer. In FY26, M&M recorded sales of 6,60,276 units, surpassing Hyundai's 5,84,906 units.

Even Tata Motors overtook HMIL in the last fiscal year, posting total domestic wholesales (dispatches to dealers) of 6,31,387 units. This marks the first time in Hyundai's Indian history since the late 1990s that the company has slipped from the number two position to number four.

"Our ambition has been to be the No. 1 SUV player by revenue and we are proud to

Top 7 passenger vehicle makers' domestic sales performance

Company	FY26	FY25	% change
Maruti Suzuki India	18,23,129	17,60,767	3.5
M&M	6,60,276	5,51,487	20.0
Tata Motors	6,31,387	5,53,585	14.0
Hyundai Motor India	5,84,906	5,98,666	-2.3
Toyota Kirloskar Motor	3,67,107	3,09,508	19.0
Kia India	2,89,035	2,55,207	13.2
Skoda Auto	75,555	44,869	68.3

have achieved that. We are equally humbled to be the No. 2 passenger vehicle company for FY26. Our priority remains unchanged: to create products that truly wow our customers and we are delighted to see that coming to life," Rajesh Jejurikar, Executive Director and Chief Executive Officer, Auto and Farm, M&M, told *businessline*.

UNDISPUTED LEADER
Maruti Suzuki India (MSIL)

remains the undisputed leader in the PVs, maintaining a massive lead over all competitors with domestic wholesales of 18,23,129 units in FY26, compared to 17,60,767 units in FY25.

While other original equipment manufacturers (OEMs) — including MSIL, Tata, M&M, Toyota Kirloskar Motor (TKM), and Kia India — reported record sales, HMIL's FY26 sales declined by more than 2 per cent on-year to 5,84,906

units, down from 5,98,666 units in FY25. In contrast, MSIL's sales grew by 3.5 per cent on-year, while other major OEMs reported double-digit growth.

Industry estimates show the overall PV market grew by more than 7 per cent on-year in FY26 to approximately 47 lakh units, up from 43.4 lakh units in the previous fiscal year.

"For Tata Motors Passenger Vehicles, FY26 has been a landmark year with multiple milestones. We achieved our highest-ever annual sales volumes of over 6.4 lakh units, delivering industry beating growth of 15 per cent on-year and ended it with strong positive momentum, emerging as the number two ranked player based on Vahan registrations in the second half (H2)," Shailesh Chandra, MD and CEO, Tata Motors Passenger Vehicles, said.

BMW surges, Audi slumps as luxury EV market splits

Amit Vijay Mohile
Mumbai

Luxury passenger EV market is splitting sharply in FY26, with BMW scaling to record highs even as Audi's volumes have collapsed, exposing a widening gap in how automakers are executing electric strategies, industry observers said.

Data from the Vahan portal show BMW India more than doubled EV sales to 3,537 units in FY26, up from 1,580 units a year ago, lifting market share to 65 per cent from 47 per cent.

In contrast, Audi's volumes fell sharply to just 17 units from 131 in FY25, one of the steepest declines.

The contrast, in many ways, captures the rise of BMW and the fall of Audi in India's luxury EV market, analysts said.

The gap with other com-



BMW India more than doubled its EV sales to 3,537 units in FY26

petitors has also widened. Mercedes-Benz India, the segment's traditional leader in overall luxury vehicles, saw its EV sales decline 10 per cent on-year to 1,047 units, with its market share dropping to 19 per cent from 34 per cent.

The decline reflects supply constraints, pricing pressures, and a shift in buyer preference at the top end, where diesel-powered models continue to dominate, limiting the addressable

Sales trend

Brand	FY25	FY26
BMW	1,580	3,537
Mercedes	1,157	1,047
Volvo	403	382
Tesla	0	342
Porsche	58	59
Audi	131	17
Rolls-Royce	0	15
JLR	0	5

market for high-end EVs.

In contrast, BMW has driven volumes through competitively priced entry-level offerings such as the iX1, which accounts for a significant share of its sales.

Analysts said BMW's ability to position EVs closer to internal combustion models has reduced the friction for first-time luxury EV buyers.

BMW Group India President Hardeep Singh Brar said the company's record performance was driven by

strong demand for its expanding EV portfolio.

"This success has been made possible by BMW's advanced technology, higher driving range, and a growing charging ecosystem. Our 'power of choice' strategy, offering petrol, diesel, and electric powertrains on shared platforms, along with local assembly and competitive pricing, has helped accelerate adoption," he said.

CHAUFFEUR-DRIVEN

At the top end, models such as the i7 are gaining traction among chauffeur-driven buyers, reflecting evolving usage patterns, analysts said.

The divergence is not just about demand, but execution. BMW has focused on localisation, pricing, and portfolio breadth, while competitors balance premium positioning with the need to build EV scale.

Volvo, the third-largest player, reported a 5 per cent decline in EV volumes to 382 units, indicating steady demand but rising competitive pressure.

Tesla, entering the market with 342 units, has emerged as a new disruptor, with its tech-first positioning drawing interest from buyers, particularly those considering premium EVs from traditional luxury marques, analysts said.

Taken together, the data suggest the market is not expanding evenly but tilting towards a winner-takes-most dynamic, where early scale advantages are translating into disproportionate gains.

EV penetration in the luxury segment remains modest at 2.71 per cent, down from 3.08 per cent a year earlier, indicating that the transition is still at an early stage, analysts said.

Automobile retail sales hit all-time high of 2.96 crore units in FY26

S Ronendra Singh
New Delhi

Automobile retail sales hit an all-time high of 2,96,71,064 units in FY26, a year-on-year (y-o-y) growth of 13.3 per cent, compared with 2,61,87,255 units in FY25, the Federation Of Automobile Dealers Associations (FADA), said on Monday.

"This is not just a number — it represents the industry approaching the 3-crore mark, a milestone that would have seemed distant just two years ago. What makes this year particularly significant is that the growth was structurally sound, underpinned by improving affordability,

widening mobility demand across urban and rural India, and a diversifying power-train mix," CS Vigneshwar, President, FADA, said sharing latest data. Two-wheelers (2W) reclaimed their pre-Covid peak, retailing over 2.14 crore units and growing 13.40 per cent — a recovery that had been long-awaited and finally unlocked by the combination of GST-led affordability, improved rural cash flows, and a broadening product portfolio in entry-level and aspirational segments, he said.

PVs SOAR

Passenger vehicles (PVs) crossed the 47-lakh mark for the first time, growing 13 per

All India vehicle retail data for FY26

Category	FY26	FY25	y-o-y%
Passenger vehicle	47,05,056	41,63,927	13.00
Two-wheeler	2,14,20,386	1,88,89,595	13.40
Three-wheeler	13,63,412	12,20,834	11.68
Commercial vehicle	10,60,906	9,49,406	11.74
Tractor	10,50,077	8,82,825	19.00
Total (including others)	2,96,71,064	2,61,87,255	13.3

Source: FADA Research

cent y-o-y compared with around 41.64 lakh units, supported by a rich new-model pipeline, steady urbanisation, and sustained shift towards SUVs and alternative powertrains.

Three-wheelers (3Ws) set third consecutive annual record at 11.68 per cent growth, with the electric

vehicle (EV) transition now accounting for over 60 per cent of the segment's retail.

Commercial vehicles (CVs) recorded best-ever figures and surged above the 10-lakh mark for the first time at 11.74 per cent growth on infrastructure-driven freight demand and a particularly strong MCV sub-seg-

ment. FADA said tractors were the year's standout performer, crossing 10-lakh units for the first time at 18.95 per cent growth — a direct reflection of an excellent monsoon, strong rabi sowing, and improving farm economics.

In terms of monthly retail, March 2026 was a landmark month when industry retailed 26,92,449 vehicles — the highest-ever March in FADA records — posting a 25.28 per cent on-year growth compared with 21,49,116 in the corresponding month last year. "More than the headline number, what stands out is the quality of this close: it was driven by genuine retail pull rather

than channel push, backed by enquiry conversion, healthy walk-in trends, and sustained consumer engagement right through the month," Vigneshwar said.

PV sales grew by 21.48 per cent on-year to 4,40,144 units during the month as compared with 3,62,304 units in March 2025. Similarly, 2W retail sales grew by 28.68 per cent y-o-y to 19,51,006 units in March as against 15,16,150 units in the same month last year. Retail sales of 3Ws grew by 10.52 per cent y-o-y to 1,09,777 units as compared with 99,325 a year ago.

CV segment grew by 15 per cent y-o-y to 1,02,536 units last month.

PV wholesales rose 16% in March despite W Asia war

DEEPAK PATEL
New Delhi, 1 April

Domestic passenger vehicle (PV) wholesales in March stood at 450,000 units, recording a 16.3 per cent year-on-year (Y-o-Y) increase, as the demand momentum following the goods and services tax (GST) rate cuts in September helped the industry shrug off concerns triggered by the ongoing West Asia conflict.

The PV industry's total wholesales (dispatches to dealers) increased to 4.7 million units in financial year 2025-26 (FY26) from 4.34 million units in FY25, marking an 8.3 per cent Y-o-Y growth, due to a strong recovery in the latter half of the year.

Maruti Suzuki India Ltd (MSIL), the market leader, reported wholesales of 166,219 units in March 2026, recording a 10.3 per cent Y-o-Y increase. Partho Banerjee, senior executive officer-marketing & sales, MSIL, said commodity prices had been rising since December, even before the conflict, and the company had so far absorbed these costs to support a shift from two-wheelers (2Ws) to PVs. However, with input cost pressures intensifying after the conflict, the company may now have to consider price hikes, he mentioned.

The GST cuts led to a sharp pickup in small car demand in the second half of the financial year (H2FY26), with around 175,000 units sold, registering a 12 per cent Y-o-Y increase, he said. However, production constraints limited further sales, and dealer inventory has now tightened to roughly 12 days, Banerjee added. He said the company sold 2,205 units of its newly launched e-Vitara in March, and it expects volumes to remain steady until capacity constraints ease.

Rahul Bharti, senior executive officer-corporate affairs, said MSIL's operations and production remain on track despite the ongoing

Revvving up



Units sold in March

Company	2025	2026	Y-o-Y increase (%)
Maruti	150,743	166,219	10.3
Tata Motors	51,616	66,192	28.2
Mahindra	48,048	60,272	25.4
Hyundai	51,820	55,064	6.3
Toyota	28,373	35,125	23.8
Kia	25,525	29,112	14.1
Skoda	7,422	7,928	6.8
Renault	2,846	5,046	77.3

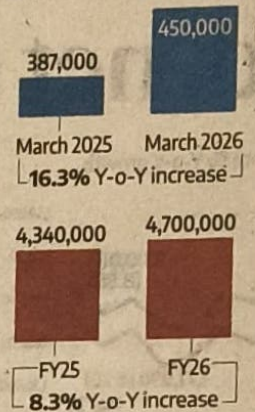
Source: Companies

conflict. He added that exports continue to be diversified across about 100 countries and remain buoyant, although higher shipping costs are emerging as a challenge.

The wholesales of Tata Motors Passenger Vehicles (TMPV) saw a very strong growth in March, with dispatches rising to 66,192 units from 51,616 units, a 28.2 per cent Y-o-Y increase, driven by strong traction in Sport Utility Vehicles (SUVs) and electric vehicles (EVs).

Shailesh Chandra, managing director and chief executive officer of TMPV, said the PV industry has touched record volumes of around 4.7 million units in FY26, reflecting about 8 per cent Y-o-Y growth, with a strong rebound in H2FY26 supported by GST

PV industry's overall domestic wholesales in India



Source: Maruti

changes and festive demand.

He added that consumer preference for greener technologies accelerated, with CNG volumes growing about 20 per cent Y-o-Y and EV volumes crossing 200,000 units, aided by rising consumer confidence and broader product offerings from automakers.

Mahindra & Mahindra (M&M) maintained its growth momentum, with wholesales touching 60,272 units in March, a 25.4 per cent Y-o-Y increase, supported by sustained demand for its utility vehicle portfolio. Hyundai Motor India's PV wholesales stood at 55,064 units in March, reflecting a 6.3 per cent Y-o-Y increase, indicating stable demand across its SUV lineup.

With 26.3 lakh units, SUVs continue to rule car market in FY26 with 56% share

Top 5 best selling vehicle segments in FY26

S. No.	Segment	FY26		FY25	
		Sales	%	Sales	%
1	SUV	26,34,666	55.8	23,66,274	54.3
2	Compact	9,88,469	20.9	10,20,311	23.4
3	MPV	5,31,563	11.3	4,68,139	10.8
4	Mid Size	3,98,691	8.4	3,41,092	7.8
5	Van	1,39,769	3.0	1,35,672	3.1

Source: Industry sources

S Ronendra Singh
New Delhi

Sports utility vehicles have become the best selling segment in the Indian market again in FY26 as more customers prefer them as compared to the other products on offer.

Data sourced from industry sources indicated that more than 26.34 lakh SUVs were sold in FY26, and the share had gone up to around 56 per cent during the year in among passenger vehicles (PVs) in the country.

In FY25, it was 54.3 per cent, with sales of around 23.66 lakh units.

In terms of rankings, Tata Motors' Nexon SUV tops the chart with 2,16,054 units during FY26 against 1,63,089 units in FY25. Hyundai Motor's Creta followed at 2,01,921 units against 1,94,871 units in the year-ago period.

According to the data, Tata's small SUV 'Punch' is ranked third with 1,83,980 units in FY26 against 1,96,572 units in FY25.

Maruti Suzuki's Brezza is at number four with 1,80,104 units against 1,89,163 units in FY25.

HIGHEST SELLING

"Nexon and Punch emerged as the highest selling SUV models in H2, underscoring the strength of our SUV portfolio... Our recent launches of Sierra, refreshed Punch and the petrol version of Harrier and Safari continue to see progressive

growth in customer traction, across bookings, enquiries and deliveries. Looking ahead, industry momentum is expected to sustain, led by growth in SUVs, CNG versions and EVs," Shailesh Chandra, MD & CEO, Tata Motors Passenger Vehicles, said.

Mahindra & Mahindra's Scorpio ranks fifth in the list with sales of 1,78,800 units in FY26 against 1,64,842 units.

Partho Banerjee, Senior Executive Officer, Marketing & Sales, Maruti Suzuki India, said that with options available like petrol, hybrid, CNG and electric (with e-Vitara), in the SUV segment, there are more choices for the customers in this segment.

STRONG HYBRID

"Presently, we are having a strong hybrid in Grand Vitara, Victoris and Invicto, and we feel that we are giving options to the customer in the mid-SUV segment — they can go for internal combustion engine, CNG... Just to give a perspective, even the underbody CNG is doing very well. Victoris with underbody CNG, which is the first in the segment. Of the total bookings which we are receiving, the booking of CNG is almost 40 per cent," Banerjee told reporters recently.

According to Puneet Gupta, Director at S&P Global Mobility, the continuous launch of new models across diverse price points and size segments has democratised SUV ownership in the country.

El Nino shadow looms on auto sector growth in FY27

Amit Vijay Mohile
Mumbai

The automobile industry, which headed into a year of moderation after a strong FY26, may face fresh headwinds as forecasts of a below-normal monsoon linked to El Nino raise concerns around rural demand and inflation. Private weather forecaster Skymet projected rainfall at about 94 per cent of the long-period average in 2026, with the El Nino impact expected to intensify in the second half of the June-September season.

Rating agencies have flagged the monsoon as a key downside risk for rural-linked segments. ICRA expects tractor industry growth to slow sharply to 1-4 per cent in FY27 from 22.8 per cent in FY26, citing the potential impact of a weak monsoon on farm output and incomes.

Early signals of stress are also emerging at the company level. Analysts at HSBC Global Research have cut tractor volume estimates for Mahindra & Mahindra by 5-7 per cent for FY27, citing the "looming spectre of El Nino." The company's SUV portfolio is expected to cushion the impact partly.

Maruti Suzuki, too, remains exposed to rural demand trends, with any disruption to farm incomes likely to weigh on demand even as it prepares for capacity expansion.

RURAL TO TAKE A HIT

Harshvardhan Sharma, who leads the Automotive Retail Consulting Practice at the Japanese global consulting firm Nomura, said, "El Nino introduces a clear downside risk to the rural demand engine that underpins tractors, two-wheelers and the entry end of passenger vehicles."

"After an FY26 in which two-wheeler retail grew to 2.14 crore units and tractor retail to 10.5 lakh, the key issue is whether rural purchasing power loses momentum rather than whether overall auto demand breaks



sharply," he added.

Analysts across the board indicate that two-wheelers, the most rural-dependent segment, are likely to be the first to feel the impact, especially given that growth is expected to taper after a strong FY26. Entry-level passenger vehicles could also see delayed recovery while SUVs may remain relatively resilient, supported by urban demand and premiumisation.

"A weakness in farm cash flows could weigh on demand for the automotive industry, especially in tractor and two-wheeler segments," said Rohan Kanwar Gupta, Vice-President and Sector Head, Corporate Ratings, ICRA Ltd.

Even as the impact will remain sensitive to the extent of monsoon underperformance, the support provided by the government to help cushion the impact of weak farm flows would also remain monitorable, Gupta explained.

The Reserve Bank of India has flagged El Nino as a key upside risk to inflation in FY27, pointing to the potential impact of weather disruption on food prices and overall consumption.

Crisil expects industry growth to moderate after a strong FY26, with passenger vehicle expansion seen easing off a high base.

Commercial vehicles may see a lagged impact if rural freight weakens, while three-wheelers, particularly electric models, could prove more resilient due to their strong operating cost advantage, analysts at other rating agencies told *businessline*.

Auto production in 'precarious' phase on low LPG supply: Siam

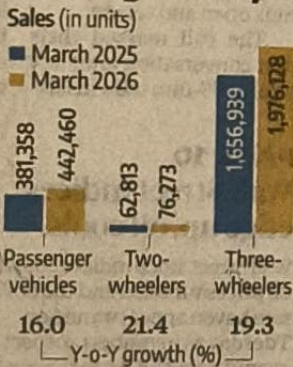
DEEPAK PATEL
New Delhi, 14 April

Automobile production in India is in a "precarious" phase because a reduced supply of liquefied petroleum gas (LPG) owing to the conflict in West Asia is affecting the manufacture of components, said Shailesh Chandra, president of the Society of Indian Automobile Manufacturers (Siam), on Tuesday.

Chandra said that while headline sales and production numbers had remained strong till now, underlying supply chains, particularly among vendors dependent on LPG, were facing the strain and were "stressed". "Production-wise I have not seen much impact ... but 'precarious' is the word I would use," he said, adding that suppliers were often providing visibility for just a few days at a time.



Holding steady



Source: Siam

"Clarity from suppliers, especially where there was dependence on LPG, in March came every third day about supplies for the next three days. So it has been a bit stressed," he added.

He noted some companies had managed disruption by resorting to costlier logistics such as air freight, even as input costs were rising. At present, there is limited visibility beyond a week.

"I can say one week ... we should not be disrupted to that extent," he said.

As the inflation rate continues to rise, workers, including those at automobile and auto component makers, in Noida and Gurugram have protested low wages over the past few days.

In response, the Uttar Pradesh and Haryana governments have increased minimum wages.

When asked if the protests had impacted production, Chandra replied: "Not in a big way... but definitely in some pockets."

On the impact of minimum wage increases in Haryana and Uttar Pradesh, he said this could increase costs for an automaker, though it might remain a smaller factor compared to rising commodity (raw material) prices.

Despite these near-term concerns, the industry closed FY26 on a strong note, with all segments recording their highest ever annual sales in

seven years.

According to the Siam data released on Tuesday, sales of passenger vehicles stood at 4.643 million units in FY26, up 7.9 per cent year-on-year (Y-o-Y). Sales of commercial vehicles were 1.08 million units, growing 12.6 per cent, while three-wheelers saw sales of 836,000 units, up 12.8 per cent.

Two-wheelers sales reached 21.7 million units, marking a 10.7 per cent increase.

March also saw robust momentum, with sales of passenger vehicles at 442,460 units, up 16 per cent Y-o-Y, and two-wheeler sales at 1.976 million units, up 19.3 per cent. He attributed the growth to positive sentiment from reforms in goods and services tax and multiple repo rate cuts.

Chandra also flagged early signs of changing consumer behaviour amid uncertainty around fuel prices.

"While inquiries for cars are strong, conversion is delayed ... especially at the entry (entry-level cars) side," he said, adding that this trend had not yet translated into a year-on-year decline in growth.

The conflict is also influencing demand patterns, particularly for electric vehicles (EVs). EV sales saw a big spike in March, he said, and a portion of this jump could be attributed to concerns around fuel availability.

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Auto exports grow at fastest pace in 7 years

TIMES NEWS NETWORK

New Delhi: India's automobile exports touched a record 66.4 lakh units in FY26, growing 24% (fastest in seven years) from 53.6 lakh units in the last financial year, driven by strong demand across categories, especially passenger vehicles and two-wheelers, as manufacturers used India as a global manufacturing and export hub, Siam data released Tuesday showed.

In the domestic market, deliveries touched a new high of 2.8 crore units in 2025-26, 10.4% higher than the previous financial year.

Car makers exported about nine lakh units in 2025-26, up 17.5%. Maruti Suzuki has taken the lead, with shipments of 4.4 lakh units, showing a jump of 33%. Tata Motors has recorded the sharpest increase as a company, with exports soaring 3.8 times to 10,200 units, largely due to a low base and re-entry into

GOING FULL THROTTLE

Company	2024-25	2025-26	YoY %
Maruti Suzuki	3.3 lakh	4.4 lakh	33.3
Hyundai Motor	1.6 lakh	1.9 lakh	18.8
VW India	49,543	40,143	-19
Toyota Kirloskar	27,640	38,974	41
Kia India	26,892	27,953	3.9

Source: Siam

markets, such as South Africa.

"Indian exports are poised to expand across nearly all global markets, with Europe expected to play a particularly significant role. By end of the decade, increased shipments from Maruti Suzuki to European markets should drive substantial growth," said Gaurav Vangaal, associate director, light vehicle production forecast, at S&P Global Mobility.

Shallesh Chandra, president of Siam, said export momentum remained strong throughout the year. "Unlike domestic market, where first

half was relatively muted, exports grew consistently at around 20% across most segments. Passenger vehicles saw strong momentum, though there could be some headwinds in markets like Mexico and Middle East. Acceptance of Indian products is increasing and rupee depreciation has supported export growth. Overall, outlook for exports remains strong," he said.

Chandra cautioned that West Asia conflict may pose short-term challenges for the auto industry due to higher prices of crude oil and other commodities.

ELECTRIC VEHICLES

Business Line, 1 April 2026

E-autos: Mahindra, Bajaj, TVS in 3-way race

Amit Vijay Mohile
Mumbai

India's electric three-wheeler market is turning into a three-way contest in FY26, with Mahindra Last Mile Mobility leading the high-speed electric auto (L5) segment at over 91,000 units and around 35 per cent market share, closely followed by Bajaj Auto at more than 87,000 units and over 33 per cent.

TVS Motor, with over 27,000 units, has emerged as a fast-growing challenger, taking its share to double digits.

DECISIVE SHIFT

The shift comes as electric autos decisively outpace e-rickshaws. L5 volumes surged 65 per cent year-on-year to 262,683 units, while



low-speed e-rickshaws (L3) grew just 4 per cent to 561,154 units. Overall registrations rose 18 per cent to 823,837 units, with electric autos contributing over 100,000 units, accounting for more than 80 per cent of incremental growth. As a result, L5 share rose to nearly 32 per cent from about 23 per cent, while L3 fell below 70 per cent.

"This is the first clear inflection point where electric

autos are not just growing faster, but starting to structurally displace e-rickshaws," said an industry analyst.

The L5 segment is rapidly consolidating, with Mahindra, Bajaj and TVS accounting for nearly 80 per cent of volumes, while Piaggio Vehicles has seen volumes drop to around 13,000 units, with market share falling to nearly 5 per cent. Even as mid-tier players such as Omega Seiki Mobility (6,991 units, up 16 per cent), TI Clean Mobility (6,724 units, up 10 per cent) and Euler Motors (4,166 units, up 29 per cent) continue to grow, they are losing share, signalling that gains are increasingly concentrated among the top three.

Product strategy is emerging as a key differentiator. Bajaj has pushed multiple

platforms, including the Riki range (5.4 kWh battery, up to 164 km range) aimed at the mass segment, alongside the higher-end WEGO with a 17.7 kWh battery and nearly 300 km range. Mahindra has introduced the UDO electric auto with an 11.7 kWh battery and around 200 km real-world range.

Among challengers, Omega Seiki's NRG (-15 kWh, up to 300 km) targets cargo fleets, while Euler focuses on high-payload logistics and TI Clean Mobility (Montra) on premium positioning. Piaggio has upgraded its Apé Elektrik range with improved efficiency and swappable battery options.

"What we are seeing is a shift from a fragmented market to one where scale, distribution and financing access are becoming critical," another analyst said.

E4W registrations up 88% in FY26

T E Raja Simhan
Amit Vijay Mohile
 Chennai/Mumbai

Electric passenger vehicle (e4W) registrations in India saw a sharp surge in FY26, rising 88 per cent on-year to 1.91 lakh units from 1.01 lakh in the previous fiscal, according to Vahan data, reflecting strong consumer demand and an expanding product line-up.

Market leader Tata Motors retained the top position but saw its market share decline to 38.7 per cent in FY26 from 53.3 per cent a year ago, indicating intensifying competition. JSW MG Motor, the second-largest player, also witnessed a drop in share.

In contrast, Mahindra Electric Automobile posted a sharp rise, with market share climbing to 20.8 per cent from 7.5 per cent, emerging as a strong challenger. The company, along with new entrants VinFast and Maruti Suzuki — which began regis-

Steady growth

	(in numbers)			
	2025-26	Market share (%)	2024-25	Market share (%)
Tata Passenger Electric Mobility	74,021	38.71	53,913	53.27
JSW MG Motor	51,852	27.12	29,393	29.04
Mahindra Electric	39,804	20.82	7,662	7.57
Hyundai	5,791	3.03	2,477	2.45
BYD	5,077	2.66	3,346	3.31

Source: Vahan data collated at 4 pm on March 31, 2026

trations during the fiscal — drove volumes in the second half.

Notably, in March alone, Maruti Suzuki and VinFast displaced JSW MG Motor and BYD India to claim the fourth and fifth spots, respectively, highlighting the rapidly evolving competitive landscape. Industry experts attributed the surge to new product launches and a deepening pipeline. Models such as the Maruti e-Vitara, Mahindra XEV 9s, and Tata Punch EV — absent a year ago — have significantly boosted volumes, said Gaurav Vangaal of S&P

Global Mobility. With more launches planned annually, EV penetration is expected to increase further.

Vinkesh Gulati, former President of Federation of Automobile Dealers Associations and Chairman of Automotive Skills Development Council, noted that the top three players now control nearly 87 per cent of the market, signalling a shift from a single-leader phase to a “high-growth, competitive triopoly”.

LONG-TERM CASE

According to Crisil Ratings’ Director Poonam Upadhyay,

improved charging infrastructure, wider OEM participation, and enhancements in range and features could accelerate further adoption. Ongoing geopolitical volatility in West Asia is also reinforcing the long-term case for electrification by underscoring fuel price and supply uncertainties, she added.

Kranthi Bathini of WealthMills Securities observed that the EV market is becoming increasingly crowded, with a “second wave” of players — Maruti Suzuki, VinFast, and Hyundai — collectively contributing over 2,000 units a month.

Another analyst pointed out a significant structural shift with JSW MG Motor and Mahindra Electric together having overtaken Tata Motors, swinging from a combined deficit of 17,000 units last year to a surplus of over 17,000 units this year. This marks a transition from a leader-dominated market to a more competitive, multi-player ecosystem, the analyst said.

EV sales saw surge in FY26 on strong year-end push

ANJALI SINGH
Mumbai, 1 April

India's electric vehicle (EV) market witnessed a strong surge in financial year 2025-26 (FY26), driven by robust growth in both two- and four-wheeler (e2W and e4W) segments, and a sharp year-end push, according to Vahan portal data on vehicle registrations.

e4W registrations nearly doubled, surging 91.3 per cent year-on-year (Y-o-Y) to 193,633 units in FY26, compared with 101,205 units in FY25. In FY24, there were registrations of 80,495 units.

e2Ws grew 21.8 per cent to 1.40 million units in FY26, up from 1.15 million units in FY25. The figure was 948,586 units in FY24.

The growth momentum accelerated in the fourth quarter (Q4), between January and March 2026. e4W sales rose from 14,177 units in February to 21,716 units in March, a 53.2 per cent month-on-month (M-o-M) increase, while e2W sales surged 70.1 per cent to 184,300 units from 108,357 units in the same period.

January had already set a strong base, with 18,875 e4Ws and 119,195 e2Ws sold, highlighting sustained demand through the quarter before a sharp March spike.

Experts believe the surge in FY26 was underpinned by multiple structural factors, including a steady expansion of charging infrastructure, a wider range of feature-rich models launched across price segments, and improved supply chains that enabled faster deliveries.

Financing options have also become more accessible, lowering entry barriers for first-time EV buyers, while reduced battery costs and localisation efforts have supported competitive pricing. In addition, year-end dispatches and dealer-level incentives typically seen in Q4 further amplified volumes.

The strong momentum comes amid rising global uncertainties, particularly tensions in West Asia, which have pushed fuel prices, perhaps prompting consumers to consider EV options.

Industry experts say the e2W segment is entering a more mature phase. "The e2W market share for FY26 is around 9 per cent, up roughly 1.4 times from about 6.3 per cent in FY25. The market has entered the next phase of maturity despite subsidies reducing, and sales have continued to grow," said Anurag Singh, managing director at Primus Partners.



Hero emerges as biggest gainer in e2W mkt share

SURAJEET DAS GUPTA
New Delhi, 3 April

It has been a year of surprises for the electric two-wheeler (e2W) market. Hero MotoCorp, once a laggard in the electric vehicle (EV) sweepstakes, ended 2025-26 (FY26) with the highest gain in market share in e2Ws (through the VIDA brand) against all its competitors, moving up from a mere 4.2 per cent share in FY25 to 10.3 per cent at the end of FY26, registering a sharp increase of 6.1 per cent.

A bulk of this gain has come from a phenomenal aggression in sales by the company in just three states — West Bengal, Odisha, and Bihar. In West Bengal, Hero MotoCorp ended FY26 as the largest e2W player, with a 24.4 per cent market share, an increase of 15.4 per cent over FY25. In Odisha and Bihar, the company's market share in FY26 increased 13 per cent and 10.4 per cent, respectively.

The honours for the second highest gain in market share in this period went to Ather Energy, which gained 5.7 per cent share to 17.1 per cent in FY26 from 11.4 per cent in FY25. The company has quietly increased its market share in FY26 in five key states — Gujarat by 9.7 per cent, and Maharashtra, Punjab, Odisha, and Rajasthan by 7 per cent each. Ola Electric, however, saw its market

Current shifts

- Hero's share up 6.1%; gains driven by strong sales push in West Bengal, Odisha and Bihar
- Ola Electric's share declined sharply, while Bajaj Auto saw marginal growth
- Madhya Pradesh led growth in registrations and penetration; Delhi and Odisha also among fastest-growing markets
- Overall penetration rose marginally by only 0.4%; nine states, including Maharashtra and Gujarat, saw declines



share get wiped out to almost a third in one year — from 29.9 per cent in FY25 to a mere 11.7 per cent in FY26. Even Bajaj Auto was able to make a marginal gain, with its market share going up by only 0.5 per cent in FY26. The company faces a tough chal-

lenge ahead from TVS and Hero.

Interestingly, new states which looked far behind in EV adoption emerged as big boys in both EV penetration as well as setting new records on growth in registrations in this period. Madhya Pradesh saw the highest growth in registration — up 55 per cent from 73,400 in FY25 to 113,500 in FY26. The state also showed the highest increase in EV penetration in this period — up from 5.9 per cent in FY25 to 8.6 per cent in FY26.

Delhi and Odisha stood out as the second and third fastest-growing e2W states, respectively, in the country. Delhi exhibited a registration growth of 51 per cent — from 27,200 in FY25 to 41,200 in FY26. Odisha recorded 79,500 registrations in FY26, growing 42 per cent over FY25. Yet, there are areas of concern. Overall e2W penetration in FY26 hit 6.5 per cent, a marginal increase from 6.1 per cent in FY25. That is way behind ambitious targets set by the government that penetration will hit 35-40 per cent by 2030.

Overall EV registration growth in the same period went up by 21.8 per cent to 1.4 million from 1.15 million in FY25.

Based on VAHAN data, as many as nine states in India saw a fall in e2W penetration in FY26 over FY25. These include key states like Maharashtra, Gujarat, and Goa. The fall raises questions about quicker EV adoption and also about state policies.

Tesla trails new foreign entrants in India's EV race

VinFast, BYD outpace US EV giant with sharper pricing, wider networks

SOHINI DAS
Mumbai, 8 April

India's electric passenger vehicle (PV) market surged to 199,923 units in FY26, accounting for 4.2 per cent of the overall PV market, up 83.6 per cent year-on-year (Y-o-Y).

Within this growing market, new foreign entrants such as Vietnamese automaker VinFast and China's BYD have significantly outperformed Tesla. This is despite all of them facing similar completely built unit (CBU) import constraints and geopolitical headwinds.

Tesla entered India in July 2025 and began deliveries in September, managing to sell 342 units in FY26, translating into just 0.17 per cent share of the EV market. VinFast also started sales around the same time.

VinFast, entering as a new brand just 12 months ago, delivered 2,390 units — about seven times Tesla's volume — capturing a 1.2 per cent EV market share.

The company gained traction by pricing its VF e34 and VF7 models in the ₹25-35 lakh range, undercutting Tesla's ₹60-67 lakh Model Y by around 50 per cent. VinFast simultaneously announced a Tamil Nadu plant with 120,000 unit annual capacity by 2027 to accelerate localisation.

BYD, meanwhile, clocked 5,361 units in FY26, up 54 per cent Y-o-Y, or around 15 times Tesla's tally, despite importing most vehicles as CBUs subject to 100-110 per cent duties. Its expansion has also been constrained by geopolitical tensions, including the blocking of its proposed \$1 billion joint venture in India.

Even so, BYD leveraged a broader portfolio — such as the Atto 3 and eMax 7 — priced in the ₹25-35 lakh band, alongside rapid service network expansion and plans to explore semi-knocked down (SKD) assembly.

The company operates a small Chennai facility with 10,000-15,000 unit annual capacity, even as full manufacturing plans remain on hold.

Tesla's relatively muted performance is also being linked to its limited retail footprint. The company currently operates just two showrooms in Delhi and Mumbai, compared to around 35-39 outlets for BYD and 34-35 for VinFast across more than 30 cities.

Anurag Singh of Primus Partners told



Changing gear

PV OEM	FY26	Y-o-Y %	FY26 market share (%)
Tata Motors PV	78,811	35.90	39.42
JSW MG Motor India	53,089	73.67	26.55
Mahindra & Mahindra	42,721	407.01	21.37
BYD India	5,361	54.01	2.68
VinFast Auto India	2,390	NA	1.20
Tesla India Motors and Energy	342	NA	0.17

Source: Fada

Business Standard that Tesla's approach in India appears tentative, noting that its cars are "imported and expensive." And, the company still lacks a full customer ecosystem, including "dealership, service and charging" infrastructure.

In his view, Tesla is "experimenting rather than committing."

Singh added that over the long term, traditional internal combustion engine (ICE) automakers may have an edge over EV startups, given the complexity of the automobile business.

"It takes an Elon Musk to do Tesla," he said, pointing out that most EV startups globally have struggled to sustain themselves, with China being "a different story" due to strong government backing. He added that it is "easier for ICE players to get into EVs" than for startups to build an automobile business from scratch.

Tesla's global market entry performance has varied significantly across regions, shaped largely by import duties, local manufacturing timelines, and model availability.

In the United States, Tesla launched the Model S in June 2012 — its first full production vehicle — and sold 2,650 units in that debut year. The company faced zero import duty, as production

was localised at its Fremont factory in California, which it had acquired in 2010 ahead of the launch.

Tesla entered Europe in mid-2013, beginning Model S deliveries in August-September across Norway, the Netherlands, Germany, France and Switzerland. It sold around 5,000 units in its first year, despite a 10 per cent European Union (EU) tariff on imports.

Local manufacturing only came nearly a decade later, with Giga Berlin commencing production in March 2022 with an initial capacity of 250,000 units, ramping up to 500,000 units annually by 2025.

In China, Tesla began Model S shipments in April 2014, selling 2,499 units in its first year, while facing 95-100 per cent import duties. The high cost led to an inventory overhang of more than 2,300 unsold vehicles.

Tesla addressed this by setting up Giga Shanghai, which started production in September 2019 — just five years after entry — and scaled from 150,000 units annually to over 1 million units by 2025. This made China its largest market, with 657,000 units sold in 2024, a 263-fold increase from its first year.

In contrast, India marks Tesla's weakest first-year performance globally.

Vingroup plans 60,000 EV fleet as part of \$6.5 billion Maharashtra push

Our Bureau
Mumbai

Vietnam's Vingroup has signed an MoU with the Maharashtra government to explore investments worth \$6.5 billion across urban infrastructure, electric mobility and renewable energy, marking a deeper push into India's growth markets.

The proposed investments include \$5 billion for integrated townships spanning about 1,000 hectares around Mumbai, and \$1.5 billion toward deploying up to 60,000 electric vehicles through a mobility-as-a-service platform.

LONG-TERM STRATEGY

The group will also explore renewable energy and social infrastructure projects



TOGETHER FORWARD. Vingroup CEO Pham Sanh Chau at the signing of the MoU with Maharashtra CM Devendra Fadnavis

across education, healthcare, and transport.

"This marks a step in our long-term strategy to build an integrated ecosystem spanning urban development, mobility, and green energy in India," said Pham Sanh Chau, CEO of Vingroup Asia.

Chief Minister Devendra Fadnavis said the scale of in-

vestments would "enhance urban infrastructure, boost sustainable mobility, and create large-scale employment opportunities" in the State. The Maharashtra government, through MMRDA and the industries department, will support land identification, approvals, and infrastructure linkages to facilitate the projects.

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Ather to cut aluminium content to lower costs

The brokerage noted that the upcoming EL platform is expected to "drive the next leg of BOM cost reduction," supporting a multi-year improvement in unit economics.

Equirus expects margins to continue improving, with a path to Earnings Before Interest, Taxes, Depreciation, and Amortization (Ebitda) breakeven over the medium term as scale and cost efficiencies kick in. A separate report by Emkay Global Financial Services highlighted margin expansion, noting that Ather's gross margins have risen to around 20 per cent, while Ebitda losses have narrowed sharply to under 10 per cent.

Jain said aluminium costs remain highly sensitive to global energy prices, adding to the urgency of reducing dependence. "Aluminium depends heavily on energy, so the cost goes up as energy prices rise," he said, noting that while India has adequate domestic capacity and supply shortages are unlikely due to the West Asia crisis, pricing volatility remains a concern.

The company's material strategy is part of a broader response to an increasingly complex supply chain environment shaped by geopolitical disruptions and shifting demand. Jain described the current situation as "very dynamic", where

commodity prices—from aluminium to copper—are influenced by both macro-economic conditions and sector-specific demand trends.

"It's a very complex play... I don't think anybody today can take a definitive call," he said.

Ather is also working to reduce dependence on rare-earth materials, particularly those with concentrated supply chains. It has already eliminated heavy rare-earth elements such as dysprosium and terbium from its motors and is exploring more reductions without affecting performance. This is part of a broader push to localise supply chains, with Ather

working with Indian labs, suppliers and academic institutions on magnets, batteries, and power electronics.

Battery chemistry is another key lever in cost and supply-chain optimisation. The company's upcoming platform will support both lithium iron phosphate (LFP) and nickel manganese cobalt (NMC) batteries, allowing flexibility depending on supply conditions. Analysts at Equirus note that a shift towards LFP could be structurally margin-accretive, as these cells are 15-20 per cent cheaper than NMC and rely on more abundant materials such as iron and phosphate.

Ather to cut aluminium content to ease costs

Savings of up to 15% per vehicle possible

SOHINI DAS
Bengaluru, 12 April

Electric two-wheeler maker Ather Energy is looking to reduce aluminium usage in its scooters as part of a broader engineering-led effort to cut costs and improve margins, even as it navigates volatile global supply chains and commodity cycles.

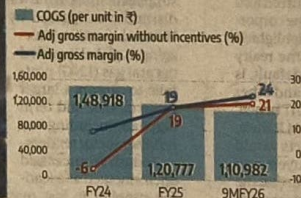
Speaking to *Business Standard*, Cofounder and CTO, Swapnil Jain said the company's earlier products, particularly the performance-focused 450 series, were built with relatively high aluminium content to deliver lightweight and high-performance characteristics. That approach is now being recalibrated as Ather pivots towards more practical and family-oriented scooters.

"High aluminium was meant for a nimble, high-performance product. A high-performance family vehicle doesn't necessarily need all of that," Jain said, adding that newer models such as the Rizta have already reduced aluminium intensity, with further cuts being planned on the upcoming platform.

The transition is expected to have a meaningful cost impact. Sources indicated that reducing aluminium content and replacing it with alternatives such as iron and steel could deliver cost savings of up to 15 per cent for every vehicle, directly aiding margins. This aligns with Ather's new EL platform strategy, which is being designed for scalability and cost efficiency, including changes in



Calculated move



COGS stands for cost of goods sold. It represents the total direct costs — raw materials, labour, and factory overhead — incurred to manufacture the vehicles or parts that were sold during a specific period. Source: Company investor presentation

materials, electronics integration, and overall architecture.

Analysts say such design-led cost optimisation is already visible in the company's financial trajectory. According to an Equirus Securities report, Ather's gross

margins have expanded sharply — from around 6 per cent in 2021-2022 (FY22) to about 20 per cent in the first nine months of FY26 — driven by bill-of-material (BOM) reductions and engineering efficiencies.

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PAGE 2

Electric motorcycle segment shows early traction

India's electric motorcycle market is beginning to show early signs of traction, even as the segment remains nascent and too small compared with the broader two-wheeler industry. According to the VAHAN data, electric motorcycle volumes rose 28 per cent Y-o-Y to 17,173 units in FY26, up from 13,430 units in FY25.

■ Delhi EV draft policy likely to draw pushback from major automakers

EV shift may power scooters ahead of motorbikes by FY37

SOHINI DAS
Mumbai, 13 April

India's two-wheeler market is approaching a structural inflection point, with scooters on course to overtake motorcycles in volume terms over the next decade as electrification accelerates and reshapes consumer preferences, according to a report by Equirus Securities.

According to the brokerage, scooter volumes will grow at roughly 9 per cent annually between FY25 and FY30, outpacing motorcycles, which are expected to expand at about 4 per cent over the same period. This widening gap is projected to culminate in scooters surpassing motorcycles after FY37, marking a decisive shift in the composition of the world's largest two-wheeler market.

The transition reflects a combination of socio-economic changes: Rapid urbanisation, rising participation of women in the workforce, and a tilt towards convenience-led mobility. Electrification, however, remains the central driver, and scooters hold a structural edge here.

Electric two-wheelers are set to be the fastest-growing segment, with volumes expected to rise at a compound annual rate of around 34 per cent between FY25 and FY30. Penetration, currently in the low single digits, is projected to climb to about 19 per cent by FY30 and over 50 per cent by FY40.

Within this shift, electric scooters dominate. Their penetration is expected to reach nearly 38 per cent by FY30 and surge beyond 80 per cent by FY40, supported by strong product-market fit for urban commuting,



Escooter penetration likely to reach nearly 38% by FY30 and surge beyond 80% by FY40

faster innovation cycles, and more favourable total cost of ownership. Electric motorcycles are likely to lag, with penetration estimated at just 5 per cent by FY30 amid persistent concerns over range and upfront costs.

"The scooter category has grown faster than others in the past two years. We do think that the share of scooters, both in internal combustion engine and electric, will continue to grow," Sudarshan Venu, chairman and managing director of TVS Motor Company, said in August last year. The result is an increasingly skewed electrification curve, with scooters emerging as the primary vehicle of the EV transition and consolidating their share of the overall two-wheeler mix.

In the near term, however, growth will be driven less by structural change than by cyclical recovery.

More on [business-standard.com](https://www.business-standard.com)

TRACTOR

Business Line, 3 April 2026

TAFE tractor sales rise 37% in FY26

Our Bureau
Chennai

Tractors and Farm Equipment Ltd (TAFE), India's second-largest tractor company, reported a 37 per cent growth in sales at 2,14,951 units for the fiscal ended March 31, 2026.

This is the highest-ever in the firm's history, a company statement showed.

It achieved highest-ever domestic sales, with both the company's brands Massey Ferguson and Eicher Tractors recording highest sales.

TAFE's export momentum was also strong, with 12,584 tractors shipped to international markets.

To meet sustained demand across domestic and export markets, TAFE's manufacturing plants operated at full capacity during the year, and the company is evaluating capacity expansion



This has been a very positive year for both the tractor market and farmers across the country

LAKSHMI VENU
Vice-Chairman, TAFE



initiatives to support future growth, the release stated.

GST BOOST

"This has been a very positive year for both the tractor market and for farmers across the country. In addition to favourable monsoons, the government's move to reduce GST has provided significant relief to the farming sector," Lakshmi Venu, Vice-Chairman, TAFE,

said in the statement. "We are now seeing a very encouraging trend in the penetration of mechanisation in rural areas. This year marks a meaningful shift in the access to mechanisation for small farmers with many first time users entering the mechanisation ecosystem. This will go a long way in improving farm productivity and strengthening farmer incomes across the country," she added.

Tractor makers to hike prices this month as input rates bite

Amit Vijay Mohile
Mumbai

Tractor manufacturers are rolling out price hikes through April, led by market leader Mahindra & Mahindra, as rising commodity costs and inflationary pressures push the industry towards coordinated margin protection.

Mahindra & Mahindra said it will increase prices across its domestic tractor range effective April 8, attributing the move to "cost escalations in input commodities", with hikes varying across models and geographies.

COST PRESSURES

Within the group, Swaraj Tractors also announced a similar increase effective April 21, citing the same reason of rising input costs, with price revisions differing by model and geography.

Escorts Kubota, which had earlier announced price hikes for its standard tractor range, has now extended the increase to its Kubota-branded tractors as well, with effect from April 15, with revisions varying across



COMING SOON

M&M, along with group firm Swaraj Tractors, and Escorts Kubota have announced price hikes across their tractor ranges effective between April 8 and April 21

geographies. The inclusion of Kubota, typically positioned at the premium end, signals that cost pressures are no longer limited to entry- and mid-segment tractors, but are now spreading across the value chain.

INDUSTRY TREND

The back-to-back announcements signal the start of a

broader industry-wide pricing cycle, while players such as TAFE and Sonalika are expected to recalibrate prices.

At TAFE, management commentary accompanying its FY26 performance pointed to "inflationary pressures from ongoing geopolitical tensions" impacting input costs, indicating ongoing price realignments across its Massey Ferguson and Eicher tractor portfolio.

"Rising geopolitical developments are beginning to feed into input costs and supply chains, prompting manufacturers to recalibrate pricing to protect margins," said Hemal Thakkar, Senior Director and Senior Practice Leader, Crisil Research, adding that as growth moderates in FY27, maintaining profitability becomes as important as sustaining volumes.

The staggered hikes come even as the tractor industry remains supported by stable rural demand and strong FY26 volumes.

However, analysts expect cost pressures, to persist, making calibrated price increases a key lever for profitability for tractor manufacturers.

Tractor sales cross 10 lakh in FY26 on strong rural demand, GST cut

IN THE FAST LANE. Total industry sales touch 11.60 lakh units, up 18% from 9.39 lakh units in FY25

T E Raja Simhan
Chennai

The tractor industry posted a record-breaking performance in FY26, with annual sales crossing the 10 lakh mark for the first time, driven by sustained rural demand, a reduction in GST rates, and robust agricultural output.

As per the Federation of Automobile Dealers Associations (FADA), tractor sales reached 10.5 lakh units in FY26, up 19 per cent from 8.22 lakh units recorded in the previous fiscal.

Data from the Tractor and Mechanization Association also showed strong momentum, with total industry sales touching 11.6 lakh units, an 18 per cent increase from 9.39 lakh units in FY25.

FADA described tractors as the standout performer of the year, noting that retail sales crossed one million units for the first time in history. The surge was attributed to an excellent monsoon, strong rabi sowing, and improving farm economics.

Mahindra & Mahindra (Tractor) led the table with a market share of 23.81 per cent in FY26 (23.57 per cent) while its Swaraj Division in the second position with a market share of 18.76 per cent (18.75 per cent). International Tractors Ltd, Tafe and Escorts Kubota Ltd occupied the next three spots, according to FADA.

Chennai-based TAFE Ltd reported its highest-ever annual performance, with total tractor sales of about 2,14,951 units in FY26. The company also recorded its

Progress card

	FY25		FY26	
	Units	Market share (%)	Units	Market share (%)
Mahindra & Mahindra (Tractor)	2,08,056	23.57	2,49,973	23.81
Mahindra & Mahindra (Swaraj Division)	1,65,565	18.75	1,96,975	18.76
International Tractors	1,15,162	13.04	1,34,030	12.76
TAFE	99,257	11.24	1,18,326	11.27
Escorts Kubota (Agri Machinery)	87,631	9.93	1,14,468	10.90

Source: FADA

highest domestic sales, with both Massey Ferguson and Eicher Tractors brands achieving record volumes.

Lakshmi Venu, Vice Chairman of TAFE, said the year marked a positive phase for both farmers and the tractor industry. "We are now seeing a very encouraging trend in the penetration of mechanisation in rural areas. This

year marks a meaningful shift in access to mechanisation for small farmers, with many first-time users entering the ecosystem," she said.

STEADY MOMENTUM

Meanwhile, Escorts Kubota Ltd said the industry maintained steady momentum in March 2026, supported by ongoing rural demand and

gradual onset of rabi harvesting. Although rainfall caused slight delays in harvesting, the overall outlook remains positive, aided by above-normal reservoir levels.

Industry experts highlighted policy support as a key catalyst. Poonam Upadhyay, Director, Crisil Ratings, said the GST rate cut to 5 per cent from 12 per cent significantly improved affordability, bringing in first-time buyers while also triggering replacement demand.

"This was supported by higher minimum support prices and strong cash flows from a healthy rabi harvest, keeping rural sentiment firm," she noted, adding that favourable monsoon conditions, easier access to credit, and growing non-farm use of tractors further boosted demand.

Steel companies to raise HR coil prices by ₹3,500/tonne

MYRIAD ISSUES. Raw material volatility, supply chain disruptions add to overall costs

Suresh P Iyengar
Mumbai

Steel companies plan to increase hot-rolled (HR) coil prices by ₹3,500 a tonne to about ₹64,500 per tonne this month to pass on the incremental cost of raw material and energy costs.

Following HR coil price rise, cold-rolled coil prices will also increase by ₹3,000 to ₹68,000 a tonne.

INVENTORY PROBLEMS

NMDC Ltd, the largest iron ore producer in India, also increased iron ore prices by 11 per cent in April on the back of strong demand. The iron ore lump (65.5 per cent Fe) from Bailadila mine in Chhattisgarh was marked up to ₹5,300 a tonne and at that of fines (64 per cent Fe) was priced ₹4,500 per tonne.

The revised prices are excluding statutory levies such as royalty, District Mineral Foundation charges, Na-



FORGING THROUGH. Steel and other raw material imports have stalled due to costs involving the war in West Asia. REUTERS

tional Mineral Exploration Trust contributions, GST, environmental cess and other taxes, said NMDC.

Most steel companies have almost exhausted their raw material inventory and are now completely dependent on imports for their key raw materials, said a steel company official.

MORE CHALLENGES

This apart, the rise in energy cost, shortage of gas and constraints in labour availability will hit the cost of steel in-

dustry in June quarter, he added.

Steel and other raw material imports have come to almost a standstill due to high shipping and insurance charges due to the month-long war in West Asia.

The steel demand from the downstream industry are expected to slowdown as they are dependent on consistent LNG supply for powder coating and welding, he said.

Vedant Goel, Director of an integrated metal supply

platform Enlight Metals, said ongoing geopolitical uncertainties and energy supply challenges, particularly around LNG availability, are impacting production consistency.

VOLATILITY CONCERNS

Bhavik Bhagwanji Shah, Research Analyst, Choice Institutional Equities, said steel companies have been gradually increasing HR and CR coil prices, largely driven by rising input costs.

However, the current pricing environment remains largely cost-push in nature as the current demand is stable but not strong enough to independently drive sharp price increases, he said.

Overall, while price momentum has turned positive, the sustainability of further hikes will depend on raw material trends, global pricing dynamics and supply discipline, with demand providing a steady but not aggressive tailwind, he added.

GOVERNMENT POLICY

Business Line, 1 April 2026

RoDTEP scheme for exporters extended till September 30

Amiti Sen
New Delhi

Extending support to exporters reeling under record freight costs and maritime disruptions linked to the West Asia crisis, the government has decided to continue the popular Remission of Duties and Taxes on Exported Products (RoDTEP) scheme at fully restored rates for another six months, until September 30.

While exporters welcomed the move as providing immediate relief, there is disappointment over the short extension.



BIG RELIEF. The RoDTEP scheme refunds embedded taxes and duties that are not otherwise reimbursed

Repeated stop-gap renewals of a key scheme create uncertainty, they said.

"The RoDTEP scheme shall continue for all eligible

export products for another six months... Eligible exports made during the period from April 1, 2026, to September 30, 2026, shall

continue to be entitled to RoDTEP benefit at the rates and value caps in force as on March 31, 2026, subject to the existing terms and conditions of the scheme," per a DGFT notification issued on Tuesday.

WELCOME STEP

The RoDTEP scheme refunds embedded taxes and duties that are not otherwise reimbursed, and is seen as a crucial support mechanism for MSME exporters across many labour-intensive sectors, such as textiles and leather.

The rates range between 0.3 per cent and 3.9 per cent

of the export value linked to the input taxes paid by exporters.

"The continuation of the scheme at this stage is certainly a welcome step as it provides immediate relief and reassurance to exporters. However, exporters require greater policy stability and predictability to plan their operations, pricing and market commitments effectively," Ajay Sahai, Director General, Federation of Indian Export Organisations, told *businessline*.

A longer-term extension of the scheme would go a long way in instilling confidence and ensuring that the

sector is not faced with recurring uncertainty, he said.

RESTORING RATES

The government had slashed the RoDTEP rates by half on February 23, but restored it a month later after exporters warned that the reduced rates would increase costs and affect competitiveness at a time when global demand was slowing down.

While in the April-February 2025-26 period, India's goods exports posted a growth of 1.84 per cent (year-on-year) to \$402.93 billion, in February 2026, exports dipped by 0.8 per cent to \$36.61 billion.

FY26 defence exports hit all-time high ₹38,424 cr

Our Bureau
New Delhi

Defence exports touched an all-time high of ₹38,424 crore in the FY26, marking a massive rise of ₹14,802 crore which is 62.66 per cent over the previous fiscal year's figure of ₹23,622 crore, the Ministry of Defence said in a statement on Thursday.

Defence public sector undertakings (DPSUs) and the private sector contributed 54.84 per cent and 45.16 per cent respectively.

MARCHING AHEAD

Defence Minister Rajnath Singh lauded this exemplary performance of the Department of Defence Production, Indian defence exporters and all other stakeholders, and asserted that India is marching ahead towards becoming a global manufacturing hub for defence equipment.

In a post on X, Singh stated that "under the inspiring leadership of Prime Minister Narendra Modi, India is scripting an impressive defence exports success story."

This big jump of ₹14,802 crore in defence exports reflects the growing global trust in India's indigenous capabilities and advanced manufacturing strength, he added.

DPSUs' exports surged by 151 per cent compared to the previous year, with private firms showcasing their robust presence by recording an increase of 14 per cent.

According to the Ministry, in terms of value of contribution, the private sector accounted defence exports worth ₹17,353 crore, while DPSUs contributed ₹21,071 crore.

Their respective figures in the previous financial year stood at ₹15,233 crore and ₹8,389 crore.

This record high figure indicates an increase by



The record high figure indicates an increase by around three times in the last five years

around three times in the last five years. This sharp rise highlights the increasing global acceptance of Indian-made defence products and the sector's growing integration into the international supply chains, the MoD added.

GLOBAL PARTNER

Apart from being a successful global partner for systems/sub-systems, India is exporting defence equipment such as Dornier aircrafts, BrahMos supersonic cruise missiles, Akash air defence systems, Pinaka rockets, lightweight torpedoes, fast interceptor boats, armoured vehicles, and small arms/ammunition to more than 80 countries as of FY26.

The number of exporters underwent a surge to 145 from 128, a 13.3 per cent rise from the previous fiscal.

The government's continuous endeavours towards ease of doing business and facilitation of defence exporters have paved the way for a performance oriented and globally competitive defence industry.

To support defence exporters in this growth trajectory, the Department of Defence Production has streamlined defence export regulatory processes with a revamped online portal and simplified standard operating procedure for authorisations.

How India's top cars stack up on CO₂ emissions ahead of CAFE-3

GEOPOLITICAL FALLOUT. Push for granular data comes amid global energy volatility post West Asia conflict

S Ronendra Singh
New Delhi

As the Centre moves to tighten fuel efficiency standards for passenger vehicles, the Ministry of Petroleum and Natural Gas (MoPNG) has submitted vehicle-specific emission data to the Prime Minister's Office (PMO) as part of accelerated preparations for the upcoming Corporate Average Fuel Efficiency (CAFE-3) norms, scheduled to take effect next year.

The push for more granular data comes against the backdrop of global energy volatility triggered by the ongoing West Asia conflict, which has sharpened the government's focus on reducing fuel consumption and improving energy security. Sources told *businessline*

that the PMO had sought detailed information on vehicle-level fuel consumption and carbon emissions to identify high-consumption models and those delivering the lowest mileage, signalling tighter scrutiny of the automotive sector's efficiency performance ahead of the new regulatory phase.

Data submitted indicate Maruti Suzuki India's fleet shows a comparatively lower carbon footprint than several key competitors across segments.

MID-HATCHBACK

In the mid-hatchback segment, of vehicles with 1.0 l to 1.2 l engines priced between ₹5 lakh and ₹6.6 lakh, Maruti Suzuki WagonR emits 98 kg of CO₂ per 1,000 km, significantly lower than the 122 kg recorded by Tata Tiago. In premium hatchbacks

Carbon footprint

Car category	Fuel guzzler	(Emissions in kg of CO ₂ terms/1,000 km)	
		Emission	Fuel saver
Mid hatchback			
Engine size: 1 L to 1.2 L	Tata Tiago	122	Maruti Wagon R 98
Premium hatchback			
Engine size: All 1.2 L	Tata Altroz	127	Maruti Swift 106
Mid SUV			
Engine size: 1.5 L to 2 L	Scorpio	195	Maruti Victoris 113
	MG Hector	182	Maruti G. Vitara 117
			Maruti Victoris* 84
			Maruti G. Vitara* 85

*S Hybrid

(1.2 l engine, ₹6.5-₹9 lakh), Maruti Suzuki Swift (petrol) emits 106 kg of CO₂ per 1,000 km, compared with 127 kg per 1,000 km for the Tata Altroz (petrol).

A similar trend is seen in sedans (1.2 l engine, ₹6.5-₹8.5 lakh), where Maruti Suzuki Dzire (petrol) emits 98 kg per 1,000 km, while the Tata Tigor emits an estim-

ated 123 kg per 1,000 km.

In mid-SUVs (1.5-2 l engine, ₹13-₹16 lakh), Maruti Suzuki's Victoris (petrol) and Grand Vitara record emissions of 113 kg and 117 kg per 1,000 km respectively, compared with Mahindra & Mahindra's Scorpio at an estimated 195 kg per 1,000 km and the MG Hector at 182 kg per 1,000 km.

In multi-utility vehicles (1.5 l engine, ₹13-₹14 lakh), Maruti Suzuki Ertiga emits an estimated 116 kg per 1,000 km, lower than the 139 kg per 1,000 km recorded by the Kia Carens.

Officials said multiple rounds of consultations had been held among key ministries, including the Ministry of Power, Bureau of Energy Efficiency, Ministry of Heavy Industries and Ministry of Road Transport & Highways, along with the PMO to finalise the contours of the CAFE-3 framework.

CAFE-3 standards for four-wheelers are slated to come into force from April 1, 2027, and will remain applicable until March 31, 2032, marking the next phase in India's effort to reduce vehicular emissions and improve fuel efficiency across the passenger vehicle fleet.

LPG quota hiked to 70% for pharma, food, agriculture

The allocation would be capped at 200 tonnes per day for each sector

SHUBHANGI MATHUR
New Delhi, 8 April

The government on Wednesday increased the allocation of liquefied petroleum gas (LPG) to 70 per cent for industrial units in the pharmaceutical, food, polymer, agriculture, and several other sectors. The allocation will be capped at 200 tonnes per day for each sector, according to a communication from the Ministry of Petroleum and Natural Gas (MoPNG).

"Industrial units in the sectors of pharmaceutical, food, polymer, agriculture, packaging, paint, uranium, heavy water, steel, seed, metal, ceramic, foundry, forging, glass, aerosol, etc.

shall receive 70 per cent of the units' pre-March 2026 bulk non-domestic LPG consumption level, subject to an overall sectoral limit of 200 tonnes per day," Neeraj Mittal, secretary, MoPNG, said in a letter to states.

Units will be required to register with state-run oil-marketing companies to be eligible for the additional allocation. Commercial users will also need to apply for piped natural gas (PNG) with the city gas distribution company and take steps to adopt PNG.

"However, if the indus-

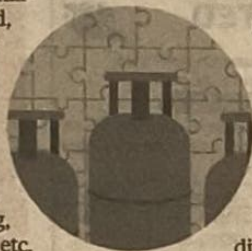
tries mentioned above use LPG as an integral input in the manufacturing process or for specialised purposes that cannot be substituted by natural gas, the requirement relating to application for PNG shall stand waived," the letter added.

In a media briefing on the West Asia crisis, the government also said it has increased overall natural gas allocation by 5 per cent for fertiliser plants to about 95 per cent of the units' six-month average consumption.

In a relief to the petrochemical (petchem) sector, the government allowed 800 million tonnes (mt) per day of propane and butane to be diverted for petchem production.

Officials said that to ensure coal affordability, Coal India (CIL) has reduced the reserve price of coal by 20 per cent under e-auctions and increased supply through both e-auctions and the state-nominated agency mechanism.

CIL also increased the frequency of e-auctions in March 2026, offering 32.53 mt of coal, of which 13.32 mt was booked. For April 2026, 30 e-auctions have been planned, offering 25.8 mt, with 3.2 mt offered so far and 1.24 mt booked, the government said.



Construction equipment sales fall 13% in FY26 on project delays, weak execution: FADA

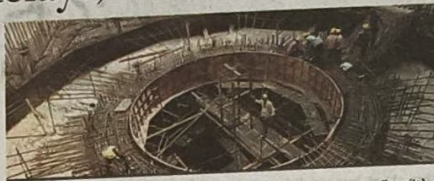
T E Raja Simhan
Chennai

The construction equipment (CE) segment emerged as the only laggard in the automobile retail market in FY26, even as all other segments posted growth, according to data from the Federation of Automobile Dealers Associations (FADA).

CE retail sales declined 13 per cent year-on-year to 71,227 units in FY26, compared with 80,668 units in the previous year, reflecting a broad-based slowdown across the sector.

FADA President GS Vigneshwar attributed the decline to multiple factors, including project-level delays, a high base effect, delays in mining licences and the impact of unseasonal rains. He said that it was in FY26 that FADA, for the first time, released separate retail data for the CE segment, which was earlier clubbed with commercial vehicles.

SHARP DECLINE
Market leader JCB India Ltd



Sales retreat

	(in units)			
	FY25	Market share (%)	FY26	Market Share (%)
JCB India Ltd	39,782	49.3	34,632	48.6
Action Construction Equipment	9,258	11.5	7,416	10.4
Ajax Engineering	4,984	6.2	4,622	6.5
Escorts Kubota Ltd (CE)	5,474	6.8	4,556	6.4
Tata Hitachi Construction Machinery	1,943	2.4	1,934	2.7

Source: FADA

saw its retail sales fall 15 per cent to 34,632 units, with its market share slipping marginally to 48.62 per cent from 49.32 per cent a year earlier.

The second-largest player, Action Construction Equipment Ltd, reported a sharper 25 per cent decline, while Ajax Engineering Ltd, ranked third, saw volumes drop 8 per cent. Interestingly, Ajax Engineering has overtaken Escorts Kubota (CE) to take the third spot in FY26.

Among the 14 OEMs

tracked by FADA, only three companies — Bull Machines Pvt Ltd, All Terrain Crane, and Liugong India — registered growth, albeit on a low base.

P Parthiban, Managing Director of the Coimbatore-based Bull Machines, said the market remains volatile, with capital-intensive buying decisions being deferred amid weak sentiment influenced by global factors such as US tariff concerns and geopolitical tensions. He ad-

ded that despite the downturn, the company did well last fiscal and have room to grow through operational efficiency.

KEY FACTORS

Poonam Upadhyay of Crisil Ratings highlighted that FY26 volumes were impacted by slower project execution and a high base created by pre-buying in FY25 ahead of the rollout of CEV Stage V emission norms in January 2025, which increased equipment costs.

She added that the roads sector, accounting for nearly 40 per cent of CE demand, had seen slower project mobilisation and execution.

Unseasonal rain and delays in residential real estate clearances, particularly in Maharashtra and Karnataka, had further dampened demand.

Additionally, unlike automobiles and tractors that benefited from GST rate cuts, CE continues to be taxed at 18 per cent, limiting price-driven demand support and keeping ownership costs elevated, she said.

Exporters flag concerns over shipping costs, scheme gaps

Also Seek Steps To Address Shortage In Packaging Material

TIMES NEWS NETWORK

New Delhi: Indian exporters on Thursday flagged their concern over the charges being levied by shipping lines as well as gaps in the ECGC scheme announced by commerce department, while seeking measures to address concerns related to packaging material, which is in short supply.

At a meeting on the West Asia crisis with commerce secretary Rajesh Agrawal and shipping secretary Vijay Kumar, exporters also complained about the shortage of bunker oil at ports, such as Paradip and Haldia and demanded adequate supplies.

Besides, they complained about shipping lines not passing on the benefits of lower charges or waivers in a transparent manner. A leading exporter said that shipping companies were seeking upfront payment and promising to adjust it later. "The benefit should be given upfront," said Fieo director general Ajai Sahay. While DG Shipping so-

FREIGHT FRIGHT

Pre-war to now

JNPT to Rotterdam:
1,000 to 2,000

JNPT to Mombasa:
1,250 to 1,800

JNPT to Savannah (US):
1,700 to 2,500

JNPT to Agadir (Morocco):
2,100 to 3,300

All data in \$ per 20-foot container;
Source: Industry

Feb 26 to April 9

Shanghai to Los Angeles:
2,191 to 2,308

Shanghai to Rotterdam:
2,094 to 2,910

World Container Index:
1,899 to 2,309

All data in \$ per 40-foot container
Source: Drewry



ught to address this concern, exporters said govt has little control over foreign lines. On Wednesday, it instructed port authorities to ensure that concessions for Gulf-bound cargo passed on immediately and transparently.

"We were receiving complaints that terminal operators were not immediately passing on some concessions granted by port authorities, particularly relating to detention charges, ground rent, reefer plug-in charges

and similar other charges to exporters. But they were giving that on reimbursement basis... It should not happen that they will charge the exporter and then subsequently say after one month or 15 days they will reimburse that. The relief should be immediate," said Mukesh Mangal, additional secretary in shipping ministry.

EEPC India chairman Pankaj Chadha said shipping lines were picking up Dubai-bound cargo from, say

Kochi, and were returning to India and leaving it at another port, and were not responding to requests to bring it back to Kochi or bearing the transport cost.

Some exporters also flagged problems with ECGC scheme, announced by the commerce department, arguing that payments linked to bank realisation of export proceeds would result in the package proving to be a non-starter. Besides, they demanded that the benefit should be extended to goods going via ports in Egypt, Jordan and Sudan as well.

Packaging material woes

Apart from "artificial shortages" due to stockpiling, at another meeting called by Agrawal, AEPC secretary general Mithileshwar Thakur suggested that prices of plastic material have soared by up to 50%, while glass prices are 8-20% higher and suggested duty exemption for some of the packaging polymers, whose availability was hit due to the conflict in Iran.

India poised to lead global net zero transition with 150 GW solar milestone, says Minister Pralhad Joshi

G Naga Sridhar
Hyderabad

India is poised to lead the global net zero transition with the 150-GW solar milestone and 5.1 million green jobs potential, according to Union Minister for New & Renewable Energy Pralhad Joshi.

Speaking at the second edition of FICCI Net Zero Forum — 'Pathways to a climate-responsible future' held here on Friday, Joshi said India is 'firmly' resolved to lead the global transition towards net-zero emissions.

"Today, India stands as the third-largest country globally in solar power capacity, after China and the US. The country has achieved a significant milestone, with approximately 50-55 per cent of its installed electricity capacity

coming from non-fossil fuel sources, including solar, wind, hydro, and nuclear energy," he said.

A landmark achievement in this transition was India reaching around 150 GW of installed solar power capacity, positioning it among the top three solar power nations globally.

India's progress towards net-zero emissions could generate approximately 51

lakh (5.1 million) green jobs over the next four years, reflecting the strong linkage between climate action and economic growth, he added.

COST FACTOR

Navin Mittal, Principal Secretary, Department of Energy, Telangana, said following India's solar revolution, the next major transformation would be driven by energy storage.

India was consuming nearly 150 billion litres of petrol and diesel annually, underscoring the urgent need for cleaner alternatives, Mittal said.

He emphasised that solar-powered electric mobility can cost as low as ₹0.60 per kilometre, compared to approximately ₹10 per kilometre for fossil fuels and ₹2 per kilometre for conventional EVs.

Auto hub in Manesar hikes minimum wage after protests

Reuters
Manesar

The auto-making State of Haryana ordered a 35 per cent hike in minimum wages on Friday, after factory workers boycotted work and staged protests this week over rising living costs as a result of the US-Israeli war on Iran.

The Haryana government said it was raising the minimum wage for unskilled workers to \$165 per month, from roughly \$120, effective April 1, a move that will help workers but will raise cost pressures for India's auto industry.



PINCHING LIVES. Workers said they were demanding pay rises to sustain their livelihoods as food was becoming expensive and gas supplies were erratic. REUTERS

The decision comes a day after clashes between the police and workers in Manesar, located 48.28 km south of New Delhi and home to companies like Maruti Suzuki, as well as hundreds of ancillary

units that feed into it. "We urge the workers to peacefully carry on their work," Ajay Kumar, a State official, said in a video address on Friday. Factory workers have been hit hard as prices at eat-

eries have surged due to disrupted supplies of gas, prompting some to return home.

GAS CRISIS

India is battling its worst gas crisis in decades, with the government cutting supplies for industries to shield households from any shortage of cooking gas. The government's move will increase costs for the car industry, already dealing with higher raw material prices stemming from the Iran war. While Tata Motors and Mahindra have raised car prices, Maruti has warned of a similar move. India's heavy reliance on gas across the

economy — businesses of all sizes, households, agriculture and public transport — makes its factories as well as lower-income earners among the most vulnerable in Asia. Akash Kumar, who works at Munjal Showa, a supplier to motorbike maker Hero MotoCorp, said street vendors were charging double the price for a meal of bread, curry and yogurt.

Friday's decision, he said, will bring some relief. "Whatever we get, we have to be happy," he said, adding that workers had resumed duties after being told about the pay hike.

Industrial unrest in Manesar affected various

auto suppliers this week, according to Reuters. Workers said they were demanding pay rises to sustain their livelihoods as food was becoming expensive and gas supplies were erratic.

NO SHORTAGE

The Centre maintains there is no shortage of cooking gas for households, and it is increasing availability of smaller cylinders for daily-wage earners and migrants.

While talks between Iran and the US have raised hopes of de-escalation, auto industry executives said supply chains could take weeks to normalise, as migrant workers head back home.

E-trucks drive stalls as costs, scrappage regulations bite

POOR SHOW. Parliamentary panel flags 'nil achievement' in heavy-duty EV targets

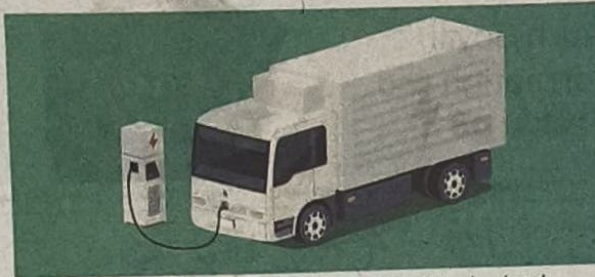
Amit Vijay Mohile
Mumbai

India's push to electrify freight transport is running far behind schedule, with fewer than 100 heavy electric trucks deployed under the ₹500 crore PM E-DRIVE scheme against a target of 5,643 vehicles.

A Parliamentary Standing Committee report tabled in early 2026 flagged "nil achievement" in physical targets for the heavy-duty segment as of January, even as the broader EV programme reached 58.6 per cent of its goals. The scheme, originally due to expire in March 2026, has since been extended to March 2028.

KEY HURDLES

The economics remain the first hurdle. A heavy-duty electric truck costs close to ₹1 crore, compared with ₹25-30 lakh for a diesel equivalent. While the subsidy is capped at ₹9.6 lakh, operators incur ₹3-4 lakh in scrappage logistics and compliance, leaving a net benefit of ₹5-6 lakh against a price gap



PRODUCTION BOOST. Tata Motors, Ashok Leyland and Blue Energy Motors are scaling electric truck capacity

of nearly ₹70 lakh. The scheme's design adds a structural constraint. Incentives are linked to scrapping older trucks of equal or higher gross vehicle weight — a condition that is difficult to meet in practice.

Heavy-duty trucks in the 55-tonne category were introduced only around 2018 and remain in active use. "As a result, there are limited vehicles in this segment that are genuinely ready for scrapping," said Amit Bhat, India Managing Director at the International Council on Clean Transportation (ICCT). The burden falls heaviest on driver-cum-operators, who make up nearly

70 per cent of the market and often lack the capacity to navigate the process.

In March 2026, the Ministry of Heavy Industries allowed "aggregation", enabling operators to combine smaller trucks to meet scrappage thresholds. In effect, this means scrapping two lighter trucks to qualify for one electric replacement, increasing documentation and compliance costs. Bhat suggests allowing any truck within the N2 or N3 categories to qualify, while industry discussions are increasingly questioning whether scrappage should remain a prerequisite for incentives.

OEMs including Tata Mo-

tors, Ashok Leyland and Blue Energy Motors are scaling electric truck capacity, with deployments focused on closed-loop applications such as mining, cement and port logistics.

Yet EV penetration in the commercial vehicle segment stood at just 1.83 per cent in FY26, despite overall CV growth of 12.5 per cent and 17.7 per cent expansion in heavy-duty trucks.

BOTTLENECKS REMAIN

Beyond policy and cost, structural bottlenecks remain. Charging infrastructure along freight corridors is limited, and the absence of a secondary market for electric trucks continues to deter smaller operators.

CS Vigneshwar, President of FADA, said many end-of-life trucks continue to be dismantled in informal markets rather than at authorised scrapping centres mandated under PM E-DRIVE. Expanding scrappage infrastructure and improving state-level implementation will be critical to scaling adoption.

Charities, trade bodies come under I-T scrutiny

Tax authorities flag certain receipts as 'commercial', citing possible violation of Section 2(15)

MONIKA YADAV
New Delhi, 13 April

The Income Tax Department has issued notices to charitable trusts, trade associations, and educational institutions, questioning whether certain income streams qualify for tax exemption under the Income-tax Act, 1961, according to sources.

The notices were issued after these organisations applied for registration or a periodic renewal of their tax-exempt status under the Act.

Such registration allows charitable entities to claim exemption under Section 12A, while approval under Section

80G enables donors to claim tax deduction.

According to copies of notices reviewed by Business Standard, tax authorities have flagged certain receipts as "commercial in nature", potentially violating the proviso to Section 2(15), which defines "charitable purpose" and restricts entities engaged in activities of general public utility from carrying out activities in the nature of trade or business beyond specified limits.

An email sent to the finance ministry remained unanswered till the publishing of this news.

According to the notices, applicants have been asked to

THE NOTICES WERE ISSUED AFTER THESE ORGANISATIONS APPLIED FOR REGISTRATION OR A PERIODIC RENEWAL OF THEIR TAX-EXEMPT STATUS UNDER THE ACT

explain why such receipts should not lead to a rejection of registration, demonstrate that their activities remain charitable in substance, and maintain separate books of accounts for such income.

The department has warned that failure to respond could result in an adverse view on the genuineness of their charitable intent. Organisations in their replies have said that activities

such as conducting seminars, training programmes, issuing certificates, publications, and collecting membership fees are integral to their objectives and should not be treated as "commercial".

According to Vivek Jalan, partner with Tax Connect Advisory Services, the rule of consistency as relied by the Supreme Court in the case of the Radha Saomi Satsang is pertinent in these cases. "The coordinate Benches of the Income Tax Appellate Tribunal (ITAT) have relied upon this rule and focused on the fact whether the charitable organisations have had any change in their objects. In case they have been claiming the benefit of exemption under

Section 11 for decades and there is no change in their objects, the department accepted the position year after year. So, now settled positions cannot be challenged."

According to Abhishek A Rastogi, recent rulings in 2025 by the ITAT have also provided relief to several trade and industry bodies. The ITAT Kolkata restored the registration of the Bengal Chamber of Commerce & Industry, while the ITAT Delhi granted registration to the Federation of European Business in India (FEBI), holding that such activities serve public utility.

Similar favourable orders have been passed in cases involving industry associations.



Uttar Pradesh hikes minimum pay by up to 21% after workers' protests

Dalip Singh
New Delhi

The Uttar Pradesh government has announced an interim increase in minimum wages for workers, effective April 1, on the recommendation of a high-level committee constituted following violent protests in Noida demanding better remuneration and working conditions.

The revised minimum wage rates, which have gone up from a minimum of 9.21 per cent to a maximum of about 21 per cent, will be implemented across three different categories — Gautam Buddha Nagar or Noida-Ghaziabad, for districts with municipal corporations, and the remaining districts of Uttar Pradesh.

WAGE HIKES

For Gautam Buddha Nagar or Noida-Ghaziabad districts, which lead the regions with maximum raise, unskilled workers' wages have been increased to ₹13,690 from ₹11,313 (up 14.97 per cent). Semi-skilled workers' wages in these two districts will be hiked to ₹15,059 from ₹12,445 (up 14.95 per cent) and for skilled workers to



KEEPING VIGIL. Security personnel conducting a march in Sector 80 amid workers' protests in Noida on Tuesday PTI

₹16,025 from ₹13,940 (14.96 per cent), per a government statement. In other districts, the interim hike is the least at about 9.21 per cent.

Now, unskilled workers will be paid ₹12,356 in place of ₹11,313, semi-skilled ₹13,591 (₹12,445), and skilled ₹15,224 (₹13,940).

WELFARE MEASURES

Announcing a series of worker welfare measures to quell the unrest ahead of the Uttar Pradesh elections that are due in 2027, District Magistrate of Gautam Buddha Nagar Medha Roopam urged labourers to maintain peace as "violence is not the answer."

"I thank the Chief Minister and the high-powered committee for accepting the workers' primary demand of wage increase. Furthermore, other directives have been issued, including ensuring that

workers' wages are credited to their accounts before the 10th of every month," she said.

WORKERS' RIGHTS

The welfare package also includes additional benefits to safeguard workers' rights.

"Bonuses will also be paid before November of each year. Double pay will be paid for overtime work. Double pay will also be paid for working on weekly holidays. Sexual harassment committees will be formed everywhere. Women will chair these committees. Complaint boxes will also be available," Roopam said.

Infrastructure and Industrial Development Commissioner Deepak Kumar had earlier stated that workers were demanding wage hikes due to inflation and alleged that the violence was carried out by "outsiders."