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

AUTOMOTIVE INDUSTRY

Business Line, 1 May 2026

Not all auto firms keen on 100% ethanol

WHAT THEY SAY. Luxe vehicle makers sceptical of diversifying powertrains beyond E20 standards

S Ronendra Singh
New Delhi

The regulatory push for high-blend ethanol and hydrogen-CNG fuels is facing a reality check from the automotive industry, as manufacturers weigh the technical feasibility against low market volumes and inconsistent fuel availability.

While the draft notification for E100 and E85 has been cheered by the sugar and distillery sectors, auto-makers, particularly in the luxury segment, remain sceptical of the business case for diversifying powertrains beyond the current E20 standards.

The E100 will only be available as an option to the vehicle owners across oil pumps in India and not as a monofuel; and car makers too would not have to tweak much for the compatibility, industry experts have said.

And, luxury car makers such as Mercedes-Benz said

it won't necessarily require to make E100 compliant vehicles as the luxury car market is still 1 per cent of the total passenger vehicle market, and E20 can be an ideal fuel.

THE 1 PER CENT

"The luxury car segment is only 1 per cent of the total passenger vehicle market... we are already giving gasoline (petrol), diesel, electric and some plug-in hybrids. To complicate it with more, I don't think we at Mercedes-Benz see any merit in that because it is a very small volume (luxury car market), and it is not going to change the game," Santosh Iyer, MD and CEO, Mercedes-Benz India told *businessline*.

He said the total luxury car market in India, which is around 50,000-55,000 cars, or even if it is 60,000 cars, giving more powertrain options would not make a strong business case.

"We still have fuel-efficient engines like diesel,



SUGAR RUSH. The plan is to start pumps at least in those States where sugarcane or ethanol production is high

which are highly fuel-efficient, so the customer will do a trade-off on what he gets with a flex-fuel... The price has to be significantly cheaper on the fuel for a customer alongside better mileage. It is a complete TCO (Total Cost of Ownership) argument for the customer," Iyer added.

Another original equipment manufacturer (OEM)

said that though this is a "very good" move at the moment by the government, to enable flexible fuel vehicles (FFVs) in the country, the oil marketing companies have to make sure such fuel is available in all their pumps across the country.

"The auto industry has been working for last two years in making E100 compliant engines, but custom-

ers will buy such vehicles only when blend of fuel is available in the country. There were 400 such fuel pumps which were dispensing E100 fuel in States such as Maharashtra, Tamil Nadu and Uttar Pradesh, where there were ethanol surplus, but that has come down to only three-four pumps now," said an auto industry veteran.

500 PUMPS

According to sources, the oil marketing companies in the recent meetings on FFVs and Corporate Average Fuel Efficiency (CAFE-III), have not committed to make E100 as yet, but the government's intention is to make E100 fuels in at least 500 pumps across some of the States by end of this year.

"The government's plan is to start these pumps at least in those States where sugarcane or ethanol production is the highest in the country," said an official privy to the developments.

Business Standard, 4 May 2026

Auto industry faces ₹25K cr hit on profits for FY26 due to end-of-life vehicle rule

PRESS TRUST OF INDIA
New Delhi, 3 May

The Indian automobile industry is staring at a hit of about ₹25,000 crore on bottom line for FY26 with the Environment Protection (End-of-Life Vehicles) Rules 2025 triggering an accounting standard clause that requires automakers to make budgetary provision for environmental compensation for vehicles sold in the past.

The "Rule 4 (6)" of the January 2025 notification "triggers accounting standard INDAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', which means automakers will have to make

substantial financial provisions for the cost of EPR certificates for all vehicles sold over the past 20 years for private, and 15 years for commercial," said an industry executive on condition of anonymity.

It is understood that industry body Society of Indian Automobile Manufacturers (Siam) had also taken up the matter with the ministry, highlighting the financial impact on the bottom line of automakers.

It had sought the possibility of resolving the issue through amending Rule 4(6) before EC cost notification to clarify that cumulative budgetary provisioning may not be required. However, the ministry in its

amendment notification to the Environment Protection (End-of-Life Vehicle) Rules, 2025 on March 27, 2026 did not alter the specific clause.

According to industry estimates, the overall industry impact on four-wheeler makers due to the rule is about ₹14,623 crore and for two and three-wheeler makers the total impact is estimated to be ₹9,650 crore for FY26.

This policy makes a huge dent on the auto industry's bottom line wiping off ₹25,000 crore from profits. It may affect the ability of many manufacturers to further invest in their business, said one of the executives.

No impact of family feud on record FY26 results, says Sona Comstar CEO

Amit Vijay Mohile
Mumbai

Sona BLW Precision Forgings Ltd (Sona Comstar) posted record financial performance in FY26 and the March quarter, even as a dispute within the promoter family over control of the Sona Group — often pegged at around ₹30,000 crore — has escalated into a legal battle.

The Gurugram-based mobility technology firm reported Q4 revenue of ₹1,272 crore, up 47 per cent year-on-year (y-o-y), with EBITDA rising 32 per cent and net profit growing 17 per cent. For FY26, revenue rose 26 per cent to ₹4,475 crore, while EBITDA growth moderated to about 13.5 per cent. Battery electric vehicle (BEV) contribution touched a record 39 per cent in Q4.

The dispute between the family of late Chairman Sunjay Kapur, including his mother Rani Kapur and widow Priya Sachdev Kapur, centres on control of Aureus, the promoter entity that holds shareholding in the listed company.

CLEARING THE AIR

The legal battle has culminated with the Delhi High Court ordering status quo on the estate and the Supreme Court nudging mediation, suggesting investor focus remains on fundamentals.

Speaking to *businessline*, Managing Director and Group CEO Vivek Vikram Singh drew a clear distinction between ownership-level developments and business execution.

"There is zero impact on operations, on strategy, on governance, on how the company is run," Singh said, adding that the dispute sits "two levels above" the listed entity. He also pushed back against widely cited estimates of the dispute's scale. "There is a lot of confusion around the ₹30,000 crore



Vivek Vikram Singh, MD and Group CEO, Sona Comstar

number... I don't know how anybody came to that number," he said.

As the conversation shifted to business, Singh described FY26 as a year of recovery and acceleration. "Q4 was our best-ever quarter... after a terrible first quarter, everything seems like an upside," he said.

The rebound builds on a longer-term trajectory. "We've grown revenue about 6.4 times in seven years... despite Covid, semiconductor shortages and geopolitical disruptions," he added.

GROWTH DRIVERS

Singh outlined three clear drivers of growth: Electrification, new product ramp-ups and steady order inflows. "Our growth is coming from electrification, new products launched over the last two years, and new orders ramping up," he said.

Global trends continue to reinforce this trajectory, with EV adoption accelerating across markets. "Electrification is one of the few things that gains from disruption. Whenever supply chains are disrupted or oil prices rise, EV adoption accelerates — and that benefits us," he said.

Sona Comstar ended FY26 with a net order book of about ₹23,700 crore, representing a 10-year pipeline of expected revenue. The company operates across 67 EV programmes with 35 customers, and has diversified beyond passenger vehicles into two- and three-wheelers, commercial vehicles and non-automotive segments such as Railways.

Exports lift Bajaj Auto sales up 40% in Apr

RECOVERY ALL ACROSS. Commercial vehicle exports, primarily 3W, jumped 125%, while 2W exports rose 78%

Amit Vijay Mohile
Mumbai

Bajaj Auto on Monday reported a 40 per cent year-on-year rise in total sales for April at 5.13 lakh units, driven by strong export demand. Exports surged 83 per cent to 2.65 lakh units, overtaking domestic volumes, which grew 13 per cent to 2.48 lakh units, according to the company's disclosure.

Commercial vehicle exports, primarily three-wheelers, jumped 125 per cent, while two-wheeler exports rose 78 per cent, highlighting a broad-based recovery in overseas markets.

Nearly 80 per cent of the incremental volume growth in April came from exports, underlining the extent to which Bajaj Auto's performance is once again being driven by its global business.

Analysts say the recovery in three-wheelers signals not

Sales at a glance

Segment	April 2025	April 2026	Change (Units)	Change (%)
2W Domestic	1,88,615	2,10,063	21,448	11
2W Exports	1,29,322	2,29,890	1,00,568	78
2W Total	3,17,937	4,39,953	1,22,016	38
CV Domestic	32,000	38,147	6,147	19
CV Exports	15,873	35,692	19,819	125
CV Total	47,873	73,839	25,966	54
Domestic Total	2,20,615	2,48,210	27,595	13
Exports Total	1,45,195	2,65,582	1,20,387	83
Overall Total	3,65,810	5,13,792	1,47,982	40

just a cyclical upturn, but a restoration of Bajaj's core earnings engine, supported by favourable currency movements and a richer product mix.

EXPORTS SOAR AGAIN

Analysts at Elara Capital and Motilal Oswal attribute the surge to improving macro conditions in key export markets, including currency

stabilisation in Africa, particularly Nigeria, and a recovery in Sri Lanka. With exports now accounting for over half of total volumes, Bajaj is also strengthening its position as a net foreign exchange earner, providing a hedge against domestic cost pressures.

Domestic growth reflects continued stress in entry-level segments even as the

Bajaj Auto board will meet on May 6 to consider its Q4 results and a potential share buyback

company pivots toward higher-value offerings such as CNG, EVs and premium motorcycles. However, the renewed reliance on exports introduces risks. Any disruption in key markets or shipping routes, particularly in the Red Sea corridor, could impact momentum.

TRIPLE-ENGINE PHASE

Brokerages including CLSA and JM Financial see FY27 as a "triple-engine" phase for Bajaj Auto, driven by exports, clean mobility and premiumisation.

The company is expected to expand its CNG portfolio following the Freedom 125,

while scaling up its electric scooter Chetak, where it holds a strong No. 2 position with around 23 per cent market share, according to industry estimates.

Premiumisation is expected to be the third growth lever, with a new motorcycle brand planned in the ₹1.5-2 lakh segment and an expanded Triumph line-up in sub-350cc categories, benefiting from a lower GST structure.

BUYBACK TRIGGER

The strong export-led performance comes ahead of a key capital allocation decision. Bajaj Auto's board will meet on May 6 to consider its March quarter results and a potential share buyback.

With surplus cash estimated at ₹15,000-16,000 crore, analysts see the company entering a phase where export cash flows fund both its EV/CNG transition and shareholder returns.

Skoda targets 80,000 units in FY27 after record FY26, but EV gap and cost pressures loom

Amit Vijay Mohile
Mumbai

Skoda Auto India is heading into FY27 on the back of its strongest-ever performance, with total sales of 75,555 units in FY26, driven largely by the Kylaq, which contributed 49,089 units and over 80 per cent of utility vehicle volumes.

Speaking to *businessline*, Brand Director Ashish Gupta said the company is now focused on building on this momentum, targeting over 80,000 units in FY27 through a calibrated strategy to deepen its portfolio and expand reach, even as it navigates rising input costs and prepares for an EV rollout by late FY27.

Early signals, however, point to a softer demand environment. Skoda Auto Volkswagen India's volumes fell

to 8,862 units in April from 9,158 in March, a decline of around 3 per cent, based on Vahan data. This compares with an industry-wide drop of about 10 per cent, indicating relative resilience. Skoda reports only quarterly numbers; Vahan data is indicative.

Electrification remains Skoda's most structural challenge. With CAFE III norms kicking in from April 2027, the company enters FY27 without hybrids, CNG, or a finalised local EV roadmap.

Gupta struck a measured tone, calling the framework "workable" and noting that penalties are "there to make sure everyone finds a fair way to account them," signalling confidence in managing compliance.

But the strategy is clear, even if execution is not. "We don't intend to get into strong hybrids. Our volume



Ashish Gupta, Brand Director, Skoda Auto India

play has to be in EVs," Gupta said. "Definitely in FY27 I will bring some electric cars... but whether local or CBU, that is something we will have to see."

On imports, he added: "Bringing cars from our global portfolio right now doesn't make sense." That leaves Skoda strategically aligned, but not yet execution-ready.

FY26 growth has been anchored by the Kylaq, enabling expansion into the

mass market. Models such as the Kushaq, Slavia and Kodiaq continue to support the portfolio.

FY27 will see around 10 product actions, largely refreshes rather than new launches — including updates to the Kylaq, Kushaq and Slavia, along with premium halo models such as the Kodiaq RS and Octavia RS. "New models are launched only once in three to five years... the rest are product actions," Gupta said.

PRICING TIGHT

Input cost pressures are building despite moderate oil prices. Aluminium costs are rising, while imported components such as DSG transmission kits are becoming more expensive amid global supply constraints and logistics volatility linked to West Asia.

Pricing flexibility remains limited. "At the current point of time, we can absorb the cost pressures. Our effort is to ensure that these are not passed on to customers," Gupta said.

DEMAND REALITIES

While fuel efficiency is re-emerging as a factor, Gupta maintained that Skoda's core appeal remains performance and driving dynamics. Buyers are weighing fuel costs alongside financing and up-front pricing, rather than making decisions based on efficiency alone.

FY27, as Gupta frames it, is about "building trust and delivering excellence". His focus is now on stabilising volumes, expanding reach, and preparing for electrification. The real test will be whether Skoda can hold its ground if demand weakens further.

Sona BLW steps on the electric-vehicle pedal

Revenue beat, record EV contribution, diversified bets in play

RAM PRASAD SAHU

Mumbai, 5 May

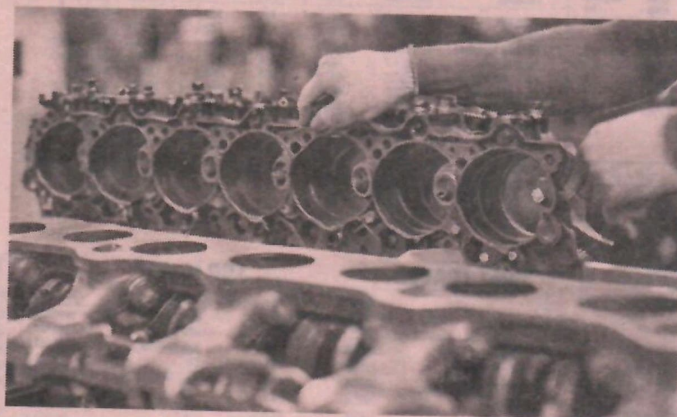
Notwithstanding a challenging global environment, automotive component major Sona BLW Precision Forgings beat estimates for the fourth quarter (January-March/Q4) of 2025-26 (FY26). The outperformance, especially on the revenue front quarter-on-quarter, was led by higher demand and a rising share of electric vehicles (EVs).

Given the better than expected topline performance and a strong order book, some brokerages have raised their earnings estimates for 2026-27 (FY27) and 2027-28 (FY28). At the current price of ₹576, the stock, which has gained 15.5 per cent over the past month, is trading at 45-50x its FY27 earnings.

While the 47 per cent year-on-year (Y-o-Y) growth was driven by the integration of the railways business and strong growth in traction and suspension motors, sequential growth of 5.3 per cent was led by a sharp pickup in EV revenue. The company reported its best-ever quarter for the EV business, with segment revenues growing 22 per cent Y-o-Y and the segment's share of revenue rising to a record 39 per cent.

The company said rising EV penetration globally remains a key tailwind, while order wins from the European Union across EV and hybrid segments underscore its diversified capabilities and market-share gains in the region. Diversification improved meaningfully in FY26 compared with 2024-25 across products, geographies, and segments.

Following the Q4 revenue beat, Motilal Oswal Research raised its earnings estimates by 1 per cent for FY27 and 6 per cent for FY28. However, analysts at the brokerage, led by Aniket Mhatre, caution that a global automotive



On upswing



demand slowdown and a slower-than-expected EV transition in key markets remain concerns. While the company has a healthy order backlog, execution may face challenges if the EV transition slows. At current one-year forward valuations, most positives appear priced in. The brokerage maintains a "neutral" rating with a target price of ₹546.

ICICI Securities has downgraded the stock to "add" from "buy", citing the sharp rally. It has, however, built in a robust 20-23 per cent revenue and earnings growth over FY26-FY28, supported by a healthy order book (₹23,700 crore, 70 per cent from EVs), continued expansion of the product portfolio, and gradual diversification of the customer and geographic mix.

While operating profit rose 44 per cent Y-o-Y, operating margins declined 270 basis points (bps) to 24.4 per cent. Adjusted for the full-year production-linked

incentive accrual impact (190 bps in Q4 last year), margins were down 80 bps Y-o-Y, reflecting a 40-bp impact each from an unfavourable mix and commodity inflation.

The company has guided for margins in the range of 23-25 per cent, compared with 24-26 per cent earlier, due to an unfavourable product mix driven by higher growth in the traction motor segment. It has a pass-through arrangement for commodity price changes with most of its customers.

Nomura Research maintains the company as its top pick among auto suppliers. Higher oil prices are stoking EV demand globally, and similar trends may play out in India if fuel prices rise, analysts Kapil Singh and Siddhartha Bera observe. They expect opportunities in EV traction motors, drivelines, and suspension motors to expand considerably over the next five years.

Auto sales raced to record 2.61 million units in April: Fada

GST 2.0 boost and rural tailwinds kept growth on track

SHINE JACOB
Chennai, 5 May

Automobile retail sales hit a record high in April, with 2.61 million units sold — a 12.94 per cent rise over the same month last year. This was largely driven by rural India outpacing urban markets, carrying forward the momentum from Goods and Services Tax (GST) 2.0.

Five of the six vehicle categories — two-wheeler/2W (13 per cent), three-wheeler (7 per cent), passenger vehicle/PV (12 per cent), commercial vehicle/CV (15 per cent), and tractor (23.22 per cent) — posted record April sales, according to data from the Federation of Automobile Dealers Associations (Fada). Only construction equipment segment declined by 2 per cent.

"With this momentum, we expect double-digit growth in 2026-27. The drivers include improved affordability after GST 2.0, the Reserve Bank of India's supportive rate stance translating into better equated monthly instalment comfort, and a strong marriage season pipeline," said Sai Giridhar, vice-president, Fada.

"This underlines that the structural demand momentum seen in the second half of 2025-26 (FY26) has carried into the new financial year. The 3 per cent sequential softness reflects the usual post-March seasonal reset rather than any weakening in demand," he added.

PV retail sales stood at 407,355 units in April, up 12.21 per cent year-on-year (Y-o-Y) — the highest ever for the month. Rural PV sales grew 20.4 per cent, nearly 3x the urban



Retail sales surge

Category wise retail vehicle sales in India for April 2026 (in units)

Category	Apr'26	M-o-M chg%	Y-o-Y chg %
Two-wheelers	19,16,258	-1.78	13.01
Three-wheelers	1,06,908	-2.61	7.19
Passenger vehicles	4,07,355	-7.45	12.21
Tractors	75,109	-8.49	23.22
Construction equipment	6,348	-8.08	-2.25
Commercial vehicles	99,339	-3.12	15.02
Total	26,11,317	-3.01	12.94

Source: Fada Research

growth rate of 7.11 per cent.

This points to a broader shift in personal mobility towards Tier-III and rural markets, supported by a revival in small cars, steady demand for sport utility vehicles, and a more diverse powertrain mix. Compressed natural gas vehicles held a 22.62 per cent share, while electric vehicles (EVs) rose to 5.77 per cent. PV inventory levels edged up to 28-30 days, remaining within a healthy band.

2W sales continued to show strength, reaching 1.9 million units — the highest-ever April figure for the category. Growth remained broad-based, with urban markets expanding 14.07 per cent and rural markets 12.3 per cent Y-o-Y. Dealers credited this to improved rural liquidity following a strong rabi season.

EV penetration in 2Ws eased to 7.76 per cent in April from 9.79 per cent reading in March, which had been amplified by pre-buying activity ahead of the expiry of certain mass-segment EV incentives. However, it remained above the FY26 average of 6.5 per cent.

CV sales rose 15.02 per cent Y-o-Y to 99,339 units in April. Rural markets grew 20.25 per cent, compared to 10.22 per cent in urban areas, indicating that logistics-led demand is no longer concentrated in metros.

"Dealers reported steady freight movement, infrastructure-linked goods activity, school bus replacement demand, and sustained confidence among single-owner operators as principal drivers," Giridhar said.

Business Line, 8 May 2026

Tata Motors expected to close Iveco acquisition by Q3 2026

Amit Vijay Mohile
Mumbai

The Turin-based Iveco Group said Tata Motors' proposed acquisition of the company is expected to close by the third quarter of 2026, even as the European commercial vehicle-maker slipped into a first-quarter loss due to higher quality-related investments, bus re-work costs and weakness in South America.

The company said regulatory approvals for Tata Motors' proposed acquisition are progressing, with most clearances already received. "The last pending approvals are being actively pursued for the earliest closure," it said. "Based on the information received from Tata Mo-

Through targeted investments and operational measures, we are laying stronger foundations for future growth and lasting performance

OLOF PERSSON
CEO, Iveco Group



tors, the transaction is expected to close by the third quarter of 2026," Chief Executive Officer Olof Persson said.

The quarter also marked the completion of the sale of Iveco's defence business to Leonardo SpA, which generated net proceeds of about

€1.6 billion. Iveco paid an extraordinary interim dividend of €1.55 billion in April from the proceeds of the transaction.

Q1 LOSS

The CV maker reported a consolidated EBIT loss of €109 million in Q1 2026

against a profit of €54 million in Q1 2025, while adjusted EBIT fell to a loss of €55 million from a profit of €117 million a year earlier. Net loss from continuing operations stood at €116 million, compared with a profit of €14 million in the year-ago quarter.

Adjusted net loss came in at €74 million, against an adjusted net profit of €60 million in Q1 2025.

Revenue, however, remained broadly stable. Consolidated net revenues rose marginally to €2.83 billion (€2.81 billion), supported by stronger bus volumes.

"In the first quarter, Iveco Group further strengthened its focus on quality, making a short-term impact on profitability, but driving long-term positive effects on our

products and services," Persson said.

"Through targeted investments and operational measures, we are laying stronger foundations for future growth and lasting performance," he added.

TRUCK MARGINS

Iveco's truck division remained under pressure during the quarter despite stable European demand trends.

The company said profitability was impacted by lower volumes and an adverse mix in South America, along with higher production costs linked to its quality improvement measures.

The bus division delivered one of the strongest volume performances in the quarter, with revenues rising 28.9 per cent to €616 million.

Royal Enfield to invest ₹2,200 crore in AP plant

Our Bureau
Hyderabad

Motorcycle manufacturer Royal Enfield will invest approximately ₹2,200 crore in two phases to establish a state-of-the-art manufacturing facility at Satyavedu in Tirupati district, Andhra Pradesh.

The upcoming investment will be the company's first major expansion outside Tamil Nadu. The project is expected to add nearly nine lakh units to Royal Enfield's manufacturing capacity.

The Andhra Pradesh State Investment Promotion Board, chaired by Chief Minister N Chandrababu Naidu, approved the project at its meeting held on Wednesday. The State government has allocated 267 acres for the project. The facility will become Royal Enfield's second manufacturing destination in In-



dia and is expected to generate around 5,000 direct and indirect employment opportunities.

AUTO CLUSTER

The project will also include a dedicated vendor park in the first phase, helping bring the company's supplier ecosystem to Andhra Pradesh and accelerating the development of a world-class automotive manufacturing cluster in the State.

The first phase is targeted for completion by 2029, while the second phase is expected to be completed by 2032.

Bajaj Auto warns motorcycle growth could slow to 7-9% in FY27 due to rising fuel prices, metal inflation

Amit Vijay Mohile
Mumbai

Bajaj Auto has cautioned that India's motorcycle industry could slow sharply in FY27, with growth moderating to around 7-9 per cent from over 20 per cent levels seen in recent quarters. The company is betting on premium motorcycles, exports and electric vehicles (EVs) to sustain momentum.

"It's a considerable slowdown," Executive Director Rakesh Sharma said, pointing to rising fuel prices, metal inflation, supply-chain disruptions and uncertainty triggered by tensions in West Asia. He added that softer sentiment was already visible in April retail trends and could continue in the coming



months. Yet, even as the broader motorcycle market slows, Bajaj Auto believes the premium end of the industry continues to outperform.

Sharma highlighted the 150cc-plus motorcycle category — home to the Pulsar franchise — as the company's biggest growth driver. He said Bajaj had gained market share across regions in H2FY26 through multiple product upgrades and refreshes introduced since October, with the 150cc-plus segment growing faster than

the industry in major States.

BROADER SHIFT

The comments reinforce a broader shift underway in India's two-wheeler market, where growth is increasingly being driven by premium motorcycles, while demand in entry-level commuter motorcycles remains under pressure. That transition is also helping Bajaj protect margins despite rising commodity costs.

Sharma said the company expects input-cost inflation of around 3-5 per cent due to higher metal prices, although some of the pressure has been offset through price hikes taken from April and favourable currency movements. A weaker rupee nearing ₹95 against the dollar was partly offsetting raw-mater-

ial inflation through stronger export realisations, he said.

Exports emerged as one of Bajaj Auto's biggest growth engines during FY26, with overseas shipments crossing the six lakh unit mark for the second consecutive quarter. The export business is now operating at around two lakh units a month.

Sharma indicated that the export recovery is now becoming geographically diversified rather than dependent on a single market. While Nigeria, historically Bajaj Auto's largest export market, remains at roughly half of its FY22 peak levels, the company still reported strong export growth due to sharp expansion in Latin America and recovery across other emerging markets.

Toyota expects \$4.3 billion hit from effects of Iran war

REUTERS

Tokyo, 8 May

Japan's Toyota expects the effects of the Iran war to cost it about \$4.3 billion this financial year, in one of the most significant warnings yet by a global company on the wider impact of the conflict.

The world's largest automaker reported an almost 50 per cent drop in quarterly earnings on Friday and said full-year profit is expected to fall by a fifth in the year just started, as rising costs from the

war outweigh surging demand for hybrid vehicles.

The bulk of the 670 billion yen (\$4.3 billion) hit will come from higher material costs, with the remainder from delivery delays and lower sales volumes.

The impact of the Iran war is being felt in everything from "fuel costs, transportation expenses, and the cost of paint and other materials used

at vehicle assembly plants," Azuma said.

Sales of hybrids are expected to exceed 5 million vehicles for the first time this

year, said Toyota, whose overall results highlight the lopsided impact of the Iran war, as higher energy prices drive customers to fuel-efficient cars but not enough to offset underlying cost pressures. Toyota's estimates exceeded those given by many major companies so far, including airlines. Unlike many companies, the Japanese manufacturer has an additional burden as it has pledged to take on cost increases faced by its group suppliers.

Operating profit totalled 569.4 billion yen for the three months to March 31, from 1.1 trillion yen a year earlier.

**REPORTS AN
ALMOST 50%
DROP IN
QUARTERLY
EARNINGS**

Siam divided over Delhi's CNG 3W ban move

SURAJEET DAS GUPTA
New Delhi, 10 May

The Society of Indian Automobile Manufacturers (Siam) may seek more time from the Delhi government to respond to its draft policy for electric vehicle (EV), as member companies remain divided over the proposal to stop registrations of CNG-powered three-wheelers from January 1, 2027 and allow registrations only for electric three-wheelers thereafter. The deadline for responses to the draft policy ended on May 10.

According to sources aware of the development, Siam's three-wheeler CEO Council had earlier drafted a letter proposing a "neutral stance" on the issue, sources aware of the development said. The position was eventually supported by Mahindra & Mahindra, after initial opposition. However, the company later sent another communication conveying its



inability to accept the draft letter prepared by the CEO Council, the sources added.

Bajaj Auto, which dominates the CNG-powered three-wheeler market in India and Delhi, has taken the stand that the government should not adopt "double standards" and, in that case, should ban CNG across all segments, including passenger

DEADLINE FOR RESPONSES TO THE DRAFT EV POLICY ENDED ON MAY 10 BUT SIAM MAY SEEK MORE TIME FROM THE DELHI GOVERNMENT TO RESPOND

vehicles, trucks and commercial vehicles. M&M, meanwhile, is the largest player in the electric three-wheeler market.

A query sent to Siam Director General Rajesh Menon did not elicit a response until press time.

However, sources said that during Siam deliberations in Chennai, President Shailesh Chandra urged Mahindra Electric Managing Director R Velusamy to support a neutral position. The request was made in the interest of maintaining a unified industry stance. Mahindra eventually agreed, only to later reverse its position, the sources added.

Responding to a query from

Business Standard on whether the company had moved away from the proposed neutral stance, Sameer Misra, managing director and chief executive officer of Mahindra Last Mile Mobility Ltd, said the Delhi EV policy recognises the role electric last-mile mobility can play in improving air quality and reducing noise and emissions in densely populated urban centres, where commercial passenger and cargo vehicles operate extensively every day.

Misra added that by supporting EV adoption, charging infrastructure and a stronger ecosystem, the policy could significantly accelerate the transition towards cleaner last-mile transportation in India. "As India's largest electric three-wheeler manufacturer, we remain committed to working with the government and industry partners to ensure that the transition is smooth and well-supported on the ground," he added.

W Asia shocks put auto supply in the back seat

ANJALI SINGH
Mumbai, 10 May

With raw material inflation resurfacing amid escalating geopolitical tensions in West Asia, two-wheeler (2W) makers have begun raising prices as higher commodity, logistics, and supply-chain costs start feeding into margins and demand outlook.

Escalating tensions in West Asia are beginning to disrupt India's automotive supply chain, with automakers flagging rising commodity prices, logistics bottlenecks, material shortages, and pressure on consumer demand during recent quarterly earnings calls.

Firms across the 2W market indicated that the impact is now extending beyond crude oil prices, affecting metals, electronic components, battery materials, and export logistics.

Bajaj Auto said the conflict had created a "significant change" in the operating environment, particularly for exports and supply-chain operations. The company indicated that inflationary pressures and disruptions in overseas logistics had started affecting vehicle dispatches and market demand, especially in price-sensitive segments.

During the company's earnings call, Rakesh Sharma, executive director of Bajaj Auto, said: "The demand environment softened in April due to general inflation, increased prices of our vehicles, liquefied petroleum gas (LPG) shortages, manpower migration, and the LPG shortage-like effect on consumer sentiment." He added that "supply-chain difficulties in terms of the LPG shortage, manpower availability, and outbound logistics to overseas markets have impaired availability to service demand by about 10 to 15 per cent".

Bajaj Auto also indicated that the sharp recovery seen in the domestic motorcycle market since October had started moderating, with industry growth slowing from nearly 20 per cent to around 9 per cent amid inflationary pressures and cautious consumer sentiment. The company, however, said premium motorcycles continued to see relatively stronger demand compared to entry-level commuter segments.

Apart from softer demand conditions, Bajaj Auto also warned that rising commodity prices could create fresh



margin pressure in the coming quarters. Dinesh Thapar, chief financial officer of Bajaj Auto, said the company was seeing "distinct signs of very steep inflation carrying into the next quarter", adding that "the commodity environment has moved to being sharply inflationary, almost hyper". He warned about "the prospect of material availability on the aluminium alloys and polymer front also being very tight".

The firm said commodity inflation could have an impact equivalent to nearly 3.5 to 4 per cent of revenue in the current quarter, although only around 40 per cent of the inflation impact had been offset through price hikes taken from April. Bajaj Auto said it was adopting a month-by-month approach to pricing and cost management.

For India's automotive industry, which depends heavily on imported components, electronics, and global shipping networks, the impact is beginning to show up in the form of rising input costs, tighter material supplies, and growing uncertainty around exports and production planning.

Hero MotoCorp similarly pointed to rising macroeconomic uncertainty linked to developments in West Asia.

During the earnings call, Hero MotoCorp Chief Executive Officer (CEO) Harshvardhan Chitale said: "As 2026-27 (FY27) begins, the broader economy is navigating certain short-term uncertainties due to developments in West Asia that have impacted the entire industry in terms of com-

A fresh inflationary bend

- Freight, raw material costs climb as supply chains come under strain
- Steel, aluminium, rubber, and plastic costs continue to rise
- Bajaj Auto says supply snags hit demand servicing by 10-15%
- Motorcycle industry growth slows from nearly 20% to 9%
- Bajaj Auto flags 3.5-4% Q1 revenue hit from commodity inflation
- Hero MotoCorp raises prices by about 2% amid rising input costs
- Ather flags spike in battery, magnet, and electronics costs; hikes prices by nearly ₹4,000

modity costs, be it the cost of metals, the cost of gas or, in the recent past, increases in certain labour costs."

Unlike Bajaj Auto, however, Hero indicated that its manufacturing operations and supplier ecosystem had so far remained largely insulated from direct disruptions. The firm said it had navigated its supply chain with no disruption at its plants and suppliers.

Hero also said it had implemented price hikes of around 2 per cent across products from April, with increases ranging from ₹700 to ₹3,500 depending on the model. The company indicated that while commodity cost increases were largely passed on through pricing, margins remained under pressure due to higher raw material costs across aluminium, steel, rubber, and plastics, as well as rising costs linked to its electric vehicle business.

Ather Energy highlighted that the geopolitical uncertainty was also exposing vulnerabilities in the EV supply chain, particularly around globally sourced critical materials and electronics. Ather Energy CEO Tarun Mehta said, "2025-26 was not without challenges. Supply-chain challenges, in particular, have been building up through the course of the year."

Ather said it had already implemented cumulative price hikes of ₹4,000 this year and indicated that additional price increases could be considered if cost pressures persist.

More on business-standard.com

Rolls-Royce to expand sourcing, eyes 'make in India' opportunities

Janaki Krishnan
Aneesh Phadnis
Mumbai

Rolls-Royce will increase the sourcing of high precision aero-engine components with the inauguration of its third co-owned manufacturing unit in Hosur this week, said Sashi Mukundan, company's executive vice-president (transformation), India.

It is also expanding its global capability and innovation centre in Bengaluru to bid for Make in India opportunities in engines and propulsion systems.

While Rolls-Royce relies on third party suppliers, it also has a 50:50 joint venture with Hindustan Aeronautics Ltd.

The JV, International Aerospace Manufacturing Pvt Ltd (IAMPL), has production lines in Bengaluru and Hosur. A third manufac-

turing unit has been developed at Hosur with an investment of around £30 million and this will help the company source more civil and military aircraft engine components.

Mukundan said Rolls-Royce is also growing its business services and engineering teams at its Bengaluru facility to make it the company's largest capability hub. The facility supports in-house HR, finance, procurement functions while its engineering teams work alongside civil aerospace and defence businesses.

STRONG PERFORMANCE

The company reported strong performance at the group level in 2025 and generated an operating profit of £3.5 billion, it announced in February.

Similarly, these investments are a part of the company's ambitions to design

and develop products for India such as engines for the in-development Advanced Medium Combat Aircraft.

It has also expressed intent to collaborate with the Indian Navy on an electric warship project.

The company's global CEO Tufan Erginbilgic visited India twice in the past seven months showcasing its ambitions.

"We have deep ambitions to develop India as a home for Rolls-Royce building on our strong and successful partnership," Erginbilgic said during his visit last October.

"Our competitively advantaged technologies across air, land and sea applications position us to successfully build in-country capabilities and foster strategic partnerships that will accelerate India's progress towards a Viksit Bharat," he had said.

Toyota Motor's new Maharashtra plant to attract ₹20,000-crore investments in several phases

Amit Vijay Mohile
Mumbai

Toyota Motor Corp. is expanding its manufacturing footprint in India with a new vehicle plant at Bidkin in Maharashtra's Chhatrapati Sambhajanagar district. The project is expected to attract investments of around ₹20,000 crore over multiple phases, a senior official in the State's Industries Department told *businessline*, although Toyota Kirloskar Motor did not disclose any investment figure in its announcement on Monday.

Toyota Kirloskar Motor said it will build a greenfield manufacturing facility at the Bidkin Industrial Area, with production scheduled to begin in the first half of 2029. The plant will have an initial capacity of one lakh vehicles



EXISTING UNITS. Toyota Kirloskar Motor currently operates two plants at Bidadi near Bengaluru with a combined installed capacity of 342,000 vehicles annually

a year and employ about 2,800 people.

The company said the facility will be positioned to "steadily deliver vehicles not only to customers in India but also to customers in surrounding regions."

The project marks Toyota's first major greenfield manufacturing invest-

ment in India in more than a decade and its first production base outside Karnataka, where it currently operates two plants at Bidadi with a combined installed capacity of 342,000 vehicles annually. The Maharashtra facility will raise Toyota's installed capacity in India to about 442,000 vehicles a year in the first

phase, an increase of roughly 29 per cent.

FUTURE MODELS

Though Toyota has officially confirmed that the Bidkin plant's first product will be a new SUV, industry speculation suggests the facility could eventually become the production base for a broader family of utility vehicles positioned between the Urban Cruiser Hyryder and Fortuner, helping Toyota address a key gap in its India portfolio.

The plant's integrated manufacturing set-up, covering stamping, welding, painting and assembly, will give Toyota flexibility to build hybrid and conventional SUVs. Its export-oriented mandate also makes such products well suited for markets in West Asia and Africa.

CRISIL REPORT

PV sales in FY27 likely to hit record 5.9 million units

SOHINI DAS
Mumbai, 13 May

India's passenger vehicle industry is set to clock record sales of nearly 5.9 million units in FY27, riding on last year's rate cut in goods and services tax (GST) and demand for utility vehicles, according to a report by Crisil Ratings.

The ratings agency expects sales to grow 5-7 per cent in FY27, despite rising commodity prices, higher freight costs and stricter emission and fuel-efficiency regulations weighing on automakers' margins and

investment plans. The industry sold 4.7 million vehicles in FY26.

The industry turned around after the GST reduction in September 2025. Domestic passenger vehicle sales grew 16.7 per cent in the second half of FY26, reversing a 1.4 per cent decline in the first half to help the industry end the year with 7.9 per cent growth. Crisil estimates utility vehicle sales will grow 7-9 per cent in FY27 to continue their market dominance. The segment's share in total passenger vehicle sales is projected to rise to 69 per cent in FY27 from 67 per cent last year.

Doubling of platinum import duty set to raise costs for diesel SUVs, hybrids

PAYING MORE. Increased emission-compliance costs could mean across-the-board showroom price hikes

Amit Vijay Mohile
Mumbai

The decision to more than double the effective import duty on platinum to 15.4 per cent from 6.4 per cent is expected to raise the cost of emission-control systems used in cleaner internal combustion vehicles, with the biggest impact likely on diesel trucks, SUVs and strong hybrid models that use larger quantities of the precious metal in their catalytic converters.

Sharing his assessment of the development, Hemal Thakkar, Senior Practice Leader and Director at CRISIL Intelligence, said the increase in emission-compliance costs could translate into showroom price hikes of about ₹2,500-4,000 for entry-level petrol cars, ₹8,000-12,000 for mid-size diesel SUVs and ₹12,000-18,000 for strong hybrid vehicles as automakers pass



ON THE CARDS. Estimates suggest price hikes of ₹2,500-4,000 for entry-level cars, ₹8,000-12,000 for mid-size diesel SUVs and ₹12,000-18,000 for strong hybrids if the costs are passed on

on higher costs to consumers.

He noted that most original equipment manufacturers procure precious metals such as platinum and palladium directly because of economies of scale and then supply them to vendors for the manufacture of catalytic converters. Given the current demand conditions, automakers are more likely to pass on the increase gradually rather than imple-

ment a full price hike immediately.

Thakkar added that the duty hike could marginally improve the relative cost competitiveness of battery electric vehicles, which are largely insulated from this specific increase because they do not use catalytic converters or platinum-based emission-control systems. He said the move also highlights platinum's growing strategic importance in hy-

drogen fuel cells and electrolyzers.

EMISSION COMPLIANCE

"The duty hike essentially raises the cost of emission compliance," said Randheer Singh, Founder of ForeSee Advisors and former Director, Electric Mobility, at NITI Aayog.

Industry estimates suggest entry-level petrol cars typically use 2-4 gram of platinum-group metals in their emission-control systems, compared with 6-10 gram in mid-size diesel SUVs, 10-15 gram in strong hybrids and 20 gram or more in heavy commercial vehicles.

Commercial vehicle manufacturers such as Tata Motors and Ashok Leyland are expected to be among the most affected, as heavy-duty diesel engines require larger quantities of platinum in diesel oxidation catalysts and particulate filters. Mahindra & Mahindra may

also face higher costs across diesel-intensive models such as the Scorpio-N, Thar and XUV700, while strong hybrid vehicles sold by Toyota Kirloskar Motor and Maruti Suzuki are also likely to see a greater impact.

"The impact will be most visible in commercial vehicles, diesel SUVs and strong hybrids, where precious metal loading is higher," Singh said.

Girish Wagh, Managing Director and CEO, Tata Motors, said the impact of the platinum duty increase would be modest compared with the broader rise in steel, aluminium, rubber and other commodity costs.

"The duty has gone up, but the overall impact of platinum duty increase and the resulting cost increase is not going to be as significant compared to the other commodity increases we are facing," he said during the company's post-results conference call.

Business Line, 14 May 2026

With focus on e-mobility, JBM Auto renames OEM division as EV business

Amit Vijay Mohile
Mumbai

JBM Auto is sharpening its focus on electric mobility, with its board renaming the OEM division as the "EV business," signalling a strategic shift from a traditional auto components maker to an electric mobility platform. The move comes as the EV business has emerged as its principal growth engine, even as rapid expansion places increasing pressure on working capital and the balance sheet.

Revenue from the EV business rose 16.2 per cent to ₹2,307 crore in FY26 from

₹1,985 crore in FY25, accounting for nearly 38 per cent of consolidated revenue. In Q4, segment revenue increased 11.4 per cent to ₹831 crore, while segment profit climbed 44.5 per cent to ₹106 crore. At the consolidated level, revenue rose 4.1 per cent to ₹6,088 crore (₹5,849 crore) in FY26. However, trade receivables more than doubled to ₹2,185 crore (₹1,007 crore), operating cash flow fell 59.4 per cent to ₹160 crore (₹394 crore) and borrowings increased 61.4 per cent to ₹2,070 crore (₹1,282 crore).

CAPITAL-HEAVY

The numbers highlight the



JBM Auto said it now commands 79 per cent of the electric tarmac bus market

capital-intensive nature of JBM's electric bus model, where vehicles, batteries and charging systems must be deployed well before pay-

ments are fully realised from public transport contracts.

JBM said it now commands 79 per cent of the electric tarmac bus market and more than 50 per cent share in intercity electric luxury coaches.

Capital expenditure remained elevated at ₹713 crore in FY26, including ₹389 crore of capital work-in-progress, while the EV business asset base expanded to ₹5,129 crore — more than twice the division's annual revenue. Nishant Arya, Vice-Chairman and Managing Director, had told *businessline* earlier that JBM's order-book stands at around 10,000 electric buses and

could at least double over the next one-two years as it brings in leasing partners to support deployment and financing. JBM is also exploring a potential \$500 million fundraise to support execution of the order pipeline and strengthen its electric mobility platform.

Cars, 2-, 3Ws swerve past price hikes in Apr, touch record sales

MARUTI WINS. Mahindra, TaMo, JSW MG, Kia announced hikes of up to 3% from April 1

S Ronendra Singh
New Delhi

Led by continued demand momentum after the GST rate cut last year and new launches, cars, two-wheelers and three-wheelers recorded double-digit wholesales (dispatches to dealers) growth in the domestic market in April, even though several automakers began the month with a price hike due to higher input costs.

In the passenger vehicles (PVs) segment, except Maruti Suzuki India (MSIL), companies like Mahindra & Mahindra, Tata Motors, JSW MG Motor, and Kia India, etc. had announced price hikes of up to 3 per cent from April 1.

According to the monthly sales data shared by the Society of Indian Automobile Manufacturers (SIAM) on Thursday, the PVs recorded their highest-ever sales of 4,37,312 units in April with a growth of 25.4 per cent year-on-year (y-o-y), over

In full throttle

Segment/ Sub-segment	April 2025	April 2026	y-o-y % change
Total PVs	3,48,847	4,37,312	25.4
Total three-wheelers	49,441	65,668	32.8
Scooter	5,48,370	6,91,993	26.2
Motorcycle	8,71,666	11,38,452	30.6
Total two-wheelers	14,58,784	18,72,691	28.4
Grand total of all categories	18,57,072	23,75,671	27.9

3,48,847 units in April 2025.

"The first month of FY27, posted high double-digit growth in PVs, three-wheelers and two-wheelers. In April 2026, PVs recorded their highest-ever sales of 4.37 lakh units with a growth of 25.4 per cent over April 2025. Though there are concerns of high commodity prices emanating from the disruptions in West Asia, industry has been witnessing good demand," said Rajesh Menon, Director General, SIAM.

MARUTI'S RECORD

Market leader MSIL recorded its all-time high monthly sales since its inception to 1,87,704 units in April

against 1,38,704 units in April 2025, up 35.3 per cent. Its small car segment had also grown by 74.4 per cent y-o-y during the month.

Similarly, Tata Motors Passenger Vehicles recorded domestic wholesales of 59,000 units in April, up 30.5 per cent y-o-y against 45,199 units in April last year.

M&M also reported 8 per cent increase in its domestic wholesales to 56,331 units, against 52,330 units in the same month last year.

Hyundai Motor India (HMIL) also said it achieved the highest-ever monthly sales for any April with domestic wholesales of 51,902 units last month, a y-o-y growth of 17 per cent as com-

pared with 44,374 units in April 2025.

RUNNING ON TWO

Likewise, in the two-wheeler segment, the total wholesales grew by 28.4 per cent y-o-y to 18,72,691 units during the month against 14,58,784 units in the year-ago period, as per the latest data shared by SIAM.

Motorcycle sales grew by 30.6 per cent y-o-y to 11,38,452 units (against 8,71,666 units in April 2025), and scooter sales grew by 26.2 per cent y-o-y to 6,91,993 units (5,48,370 units). In the three-wheeler segment, domestic sales grew by 32.8 per cent y-o-y to 65,668 units in April against 49,441 units in April 2025.

Cumulatively, all categories grew by 28 per cent y-o-y to 23,75,671 units during the month against 18,57,072 units in April 2025.

In terms of exports, the grand total of all categories grew by 38 per cent y-o-y to 6,28,128 units in April (4,55,330 units).

SUVs, 2-wheelers power auto sales growth in April

Aabhas.Sharma
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New Delhi: India's automobile industry began FY27 with strong growth across segments, led by rising demand for SUVs and two-wheelers, even as concerns persist over higher commodity prices linked to tensions in West Asia.

Domestic passenger vehicle sales rose 26% year-on-year to nearly 4.4 lakh units in April, according to data released by the Society of Indian Automobile Manufacturers (SIAM). The industry had dispatched around 3.5 lakh passenger vehicles to dealers in April last year.

Sport utility vehicles continued to dominate the passenger vehicles market, with utility vehicle dispatches climbing 20% to 2.4 lakh units during the month. Passenger car sales grew at a faster pace, rising 33% year-on-year to 1.2 lakh units, while van sales increased 14.4% to 13,087 units.

Rajesh Menon, director, SIAM, said the industry had carried forward the momentum seen in the second half

IN FAST LANE

Segment	Sales		YoY Growth %
	April 2025	April 2026	
Total vehicle	18.1L	23.1L	28
Passenger vehicle	3.5L	4.4L	26
Utility vehicles (SUVs)	2.0L	2.4L	20
Passenger cars	90.4k	1.2L	33
Total two-wheelers	14.6L	18.7L	28

Source: SIAM



Auto exporters dodge West Asia pothole

Chennai: India's automobile exporters began the new fiscal year in buoyant form. Shipments of locally made cars, utility vehicles and two-wheelers rose at a double-digit pace in April, despite logistical snarls triggered by tensions in West Asia. For now, exporters point out that diversification across markets is cushioning the blow. Passenger vehicle (PV) exports were led by utility vehicles, whose shipments rose 13% year-on-year to 35,289 units in April, while car exports climbed 12% to 31,335 units. Two-wheelers fared even better. Motorcycle exports surged 36% to 426,000 units, while scooter exports jumped 50% to 80,810 units. — G Balachandrar

of FY26, with strong double-digit growth across passenger vehicles, two-wheelers and three-wheelers. He added that demand has remained healthy despite concerns around rising commodity costs stemming from disruptions in West Asia.

The two-wheeler segment

also posted strong growth, with overall sales rising 28% to 18.7 lakh units in April. Motorcycle sales rose 30.6% to 11.3 lakh units, while scooter dispatches increased 26.2% to 6.9 lakh units.

Three-wheeler sales grew 32.8% year-on-year to 65,668 units last month.

Tata Motors flags diesel cost as biggest risk to CV recovery

Diesel forms 25-50% of total cost of ownership for a truck operator

SOHINI DAS
Mumbai, 14 May

India's commercial vehicle (CV) industry has finally crossed its pre-2018-19 (FY19) wholesale peak, driven by improving fleet economics, goods and services tax (GST)-led cost reductions and infrastructure spending. But even as Tata Motors rode that recovery to record revenues and a 15-year high Ebitda margin, the company's Managing Director and CEO, Girish Wagh, flagged the biggest threat to the cycle: diesel prices.

Diesel forms between 25 and 50 per cent of total cost of ownership (TCO) for a truck operator, depending on the segment and duty cycle. A ₹1 increase in retail diesel trans-



“WE ARE ACTIVELY TRACKING HOW RETAIL PRICES ARE LIKELY TO MOVE AND WHAT IT MEANS FOR OPERATING ECONOMICS FOR THE FLEET OWNER”

Girish Wagh
MD & CEO, Tata Motors CV

lates into a proportional rise in TCO — and for segments where diesel accounts for the higher end of that range, the impact is significant. “This remains a very, very important monitorable,” Wagh said. “We are actively tracking how retail prices are likely to move and what it means for operating

economics for the fleet owner.” The timing makes this particularly sensitive. The West Asia war, which began on February 28, has pushed global crude prices sharply higher. India has so far shielded retail consumers from the full impact, with state-run oil marketing companies absorbing

under-recoveries — but that buffer is finite.

The CV upcycle that Tata Motors rode through FY26 was built largely on improving fleet operator economics. Wagh described FY26 as a “clear inflection point for the CV industry, with volumes surpassing the pre-FY19 peak, supported by GST 2.0 reforms and sustained infrastructure spending.”

The September 2025 GST rate cut lowered upfront vehicle costs and unlocked deferred demand, while freight rates stabilised and operator cash flows improved. A diesel hike of any meaningful scale would work in the opposite direction — raising operating costs for operators who have only recently returned to the market.

Automakers ramp up production with dispatches, exports powering FY27

SOHINI DAS

Mumbai, 14 May

India's automobile industry began FY27 with a surge in production and exports in April, driven by robust domestic demand for passenger vehicles, two-wheelers and three-wheelers. The narrowed gap between production and dispatch growth in key segments suggests inventory normalisation and better production planning after a slower FY26 base.

Production of passenger vehicles (PVs), three-wheelers, two-wheelers and quadricycles rose 26 per cent year-on-year (Y-o-Y) to 2.92 million units in April. Domestic dispatches increased 27.9 per cent to 2.31 million units. Exports grew 38 per cent to 628,128 units.

PV dispatches rose 25.4 per cent to a record 437,312 units in April, according to the Society of Indian Automobile Manu-

facturers (Siam). Two-wheeler dispatches increased 28.4 per cent to 1.87 million units, while three-wheeler sales rose 32.8 per cent to 65,668 units.

"Continuing with the momentum of the second half of FY26, the first month of FY27 posted high double-digit growth in PVs, three-wheelers and two-wheelers," Siam Director General Rajesh Menon said.



April data signalled improved production planning and inventory normalisation, particularly for PVs, where domestic dispatches outpaced output following a slower FY26 base. According to Siam's charts, which exclude Tata

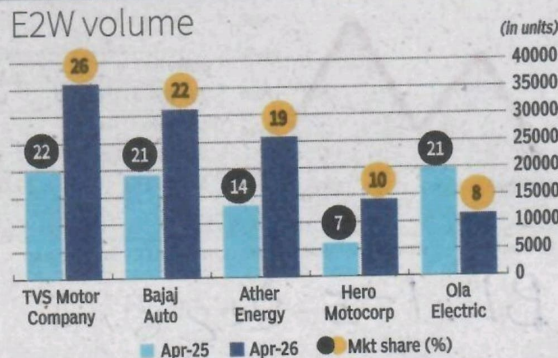
Motors from the segment-wise break-up, PV production rose 12.8 per cent Y-o-Y, while domestic dispatches increased 24.6 per cent. Data further showed a strong recovery in export demand, led by two- and three-wheelers. Total two-wheeler exports rose 38.3 per cent Y-o-Y to 509,199 units,

PV PRODUCTION TRAILED DISPATCH GROWTH IN APRIL, SIGNALLING INVENTORY NORMALISATION AND BETTER PRODUCTION PLANNING AFTER A SLOWER FY26 BASE

while three-wheeler exports surged 84 per cent to 50,655 units. PV exports, by comparison, rose a relatively moderate 13.3 per cent to 67,308 units.

Maruti Suzuki's domestic PV sales rose to 187,704 units in April from 138,704 the previous year. Mahindra & Mahindra's PV sales increased to 56,331 units from 52,330. Toyota Kirloskar Motor's domestic sales rose to 30,156 units from 24,789 units. Two-wheeler makers also reported strong momentum. Hero MotoCorp's domestic dispatches nearly doubled Y-o-Y to 532,433 units from 288,524, while Royal Enfield crossed the monthly mark of 100,000, with domestic motorcycle sales of 104,129 units in April.

E2W market starts FY27 with strong 34% growth; TVS widens lead, Ola slips



Source: Data collated from Vahan website on April 30 at 8.30 am

T E Raja Simhan
Chennai

The electric two-wheeler (E2W) market opened FY27 with a strong surge, clocking a 34 per cent on-year rise in April volumes to 1.39 lakh units, up from 92,424 units a year earlier, Vahan data showed, signalling sustained momentum in the transition to electric mobility.

The growth was led by established OEMs such as TVS Motor Company, Bajaj Auto, Ather Energy and Hero Motocorp. These top four players not only posted strong volumes but also expanded their combined market share, underlining how legacy manufacturers are tightening their grip on the fast-scaling E2W segment through improved distribution, supply chains, and product reliability.

At the top of the market, TVS Motor cemented its leadership position, significantly widening the gap over Bajaj Auto. The lead expanded to 4,896 units in April 2026 from just 814 units a year ago, aided largely by strong demand for the iQube electric scooter.

Bajaj, Ather and Hero Motocorp reported higher volumes. While Bajaj marginally improved its market share, both Ather and Hero saw a drop.

Ola Electric, which ranked fifth, reported a sharp drop in volumes after briefly regaining momentum in March by overtaking Greaves Electric Mobility.

The diverging trajectories point to intensifying competition in India's E2W space. While start-ups con-

tinue to innovate, legacy players appear to be gaining ground through execution strength, suggesting the market may be entering a phase where scale, service networks and operational discipline matter as much as product innovation.

RIVER'S VOLUME SURGE

A standout performer during the month was the Bengaluru-based River Mobility, which saw volumes jump 74 per cent year-on-year to 3,037 units, driven by rising traction for its Indie electric scooter. The sharp growth reflects increasing consumer willingness to explore newer brands offering differentiated products, said sources.

Poonam Upadhyay, Director, Crisil Ratings, said the E2W segment has had a strong start to FY27.

"Global oil supply uncertainty continues to nudge fence-sitters toward electric... Legacy manufacturers with established dealer and service networks have capitalised well on this shift, while pure-play EV start-ups are being pushed to improve on customer experience and product dependability," she said.

With the PM E-Drive incentive already scaled down to a modest ₹5,000 per vehicle, its expiry in July 2026 is unlikely to be a material disruption, Upadhyay said. "The bigger watch is on rising raw material costs and whether the OEMs can absorb that pressure through improving localisation and a more disciplined approach to pricing to sustain healthy double-digit growth for the full year," she added.

Electric 3-wheeler sales up a tad in April, led by L5 vehicles

Amit Vijay Mohile
Mumbai

Electric three-wheeler (E3W) sales held steady in April at about 61,260 units, with Vahan data showing modest month-on-month growth, even as rising fuel cost concerns among fleet operators accelerated the shift towards higher-speed L5 vehicles.

Growth was led by the L5 segment, which expanded nearly 4 per cent to 25,307 units, while the L3 category declined about 1 per cent to 35,953 units, pointing to a gradual shift towards higher-value, lithium-ion powered vehicles.

CONSOLIDATION

The gains were sharply concentrated among incumbents. Mahindra Last Mile Mobility, Bajaj Auto and TVS Motor continued to dominate, accounting for nearly 88 per cent of the L5 market, reflecting increasing consolidation. In contrast, several smaller players, including Omega Seiki Mobility (OSM), reported sharp declines, highlighting pressure on the long tail as scale and distribution become critical.

Even so, industry participants view the shift positively. "There may be dips for a few OEMs, including us, but what is encouraging is the move towards higher-speed vehicles, that is a positive for

the industry," said Uday Narang, Founder and CEO of Omega Seiki Mobility, adding that cost visibility is increasingly shaping fleet decisions.

NEXT PHASE

"While commercial LPG prices have moved up, there is growing concern around the trajectory of petrol, diesel and CNG costs. For logistics and e-commerce players, that uncertainty is pushing a faster shift towards electric three-wheelers, particularly in cargo applications," he said, noting a rising demand for higher payload vehicles. "There is a clear shift towards vehicles with payload capacities of 1-1.5 tonnes."

Fuel economics are reinforcing this transition. CNG prices remain elevated across key cities — about ₹77/kg in Delhi, ₹81/kg in Mumbai, ₹91.5/kg in Chennai and ₹90/kg in Bengaluru — translating to a running cost of ₹3-4 per km while electric three-wheelers offer significantly lower running costs of around ₹1.4 per km, making them more viable for high-utilisation use-cases.

Narang said the next phase of growth will be led by cargo and logistics even as passenger vehicles continue to dominate volumes. "Quick commerce and food delivery are driving demand for compact, high-utilisation electric three-wheelers operating in short-delivery cycles," he said.

Vintage Fiat 500s get electric makeover

In a workshop in Turin — the historic home of Italian carmaker Fiat — vintage 500 models are getting a makeover with electric engines. Classic Fiat 500s, made between 1957 and 1975, are being brought “into the 21st century”, said Giovanni Gentile, owner of Officine Gentile.

Outside the workshop, rusty hulks of the tiny, curvy cars are lined up waiting their turn. Inside, sparks fly as workers cut and weld the metal. The cars then get repainted, re-wired and the electric engines are installed.

The charging socket is hidden behind the vintage Fiat symbol at the front of the car. Many of the revamped cars are painted in pastel colours



and some are convertibles. The retrofitted cars sell for 40,000-50,000 euros; convertibles for up to 80,000 euros.

The original Fiat 500 became a design icon and some 4.2 million models were made.

They are still popular with vintage car enthusiasts the world over and regularly attract large rallies around Italy and beyond.

The model was relaunched in 2007 with some modern two-



LA SECONDA DOLCE VITA:

(Left) Giovanni Gentile sits at the wheel of retrofitted Fiat 500 Jolly Lido at his workshop in Turin, Italy; (above) the digital dashboard of the car

aks and is now also sold electric. Giorgio Pagliero, sales director at Officine Gentile, said the workshop wanted to maintain “the legacy and historic nature” of the cars while giving them “a second life”. AFP

Electric PVs, two-wheelers show exponential growth in April: FADA

IN TOP GEAR. In the mass-market segment, Tata Motors leads with 8,543 units, a growth of 77 per cent

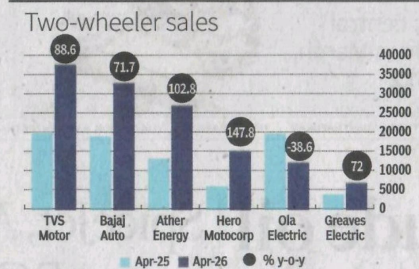
Our Bureau
New Delhi

Electric passenger vehicle (PV) retail sales in India grew 75.14 per cent year on year at 23,506 units in April 2026 as compared to 13,421 units in the same month last year, Federation of Automobile Dealers Associations (FADA) said on Wednesday.

The auto industry body said that the electric PVs now contributed 5.8 per cent (3.7 per cent) to the overall PV market in India.

In the mass-market segment, Tata Motors continued to lead the market with 8,543 units (4,822 units) in April, a growth of 77 per cent.

Mahindra & Mahindra (M&M) was number two, re-



Source: FADA Research

porting a growth of 64 per cent to 5,413 units (3,310 units), followed by JSW MG Motor India with sales of 5,006 units (3,777 units).

Newcomers VinFast and Maruti Suzuki India saw neck and neck with the Vietnam-based EV maker selling

1,232 units and the latter selling 1,231 units, as per the latest data shared by FADA.

In the luxury electric PV segment, BMW sold 300 cars (144) in April, followed by Mercedes-Benz India with 104 units (87 units) and Tesla with 43 units.

In the electric two-wheeler (2W) segment, TVS Motor Company leads the market with sales of 37,683 units (19,976 units) in April, a jump of 88.64 per cent.

Bajaj Auto follows with registration of 32,898 units (19,162 units), followed by Ather Energy with 27,034 units (13,332 units) and Hero MotoCorp with 15,238 units (6,150 units) during the month. However, Ola Electric reported decline in sales, even though its position remains on fifth.

Its sales declined 38.60 per cent to 12,171 units (19,824 units). Overall, the electric 2W retail sales grew around 61 per cent to 1,48,740 units (92,538 units), FADA report indicated.

"The EV share in 2Ws moderated to 7.8 per cent in

April (in overall two-wheeler sales including petrol) from the elevated 9.79 per cent reading in March — the latter having been amplified by pre-buying activity around the closing window of certain mass-segment EV incentives — yet remained well above the FY26 average of 6.5 per cent," Sai Giridhar, Vice-President, FADA, said in the monthly vehicles sales report.

E3W SEGMENT

In the electric three-wheeler segment, the total sales grew 3.30 per cent to 64,549 units (62,489 units). M&M led the market with 10,292 units, followed by Bajaj Auto at 9,725 units and TVS Motor Company with 3,046 units as the top three selling companies.

Tata, JSW planning to invest \$1 billion in electric vehicle, battery technologies

Bloomberg

Two Indian conglomerates are looking to spend nearly \$1 billion to build domestic capabilities in electric vehicle and battery technologies, sources said, reflecting a growing urgency on the part of the country's biggest companies to reduce their reliance on Chinese technology.

Tata Group and JSW Group are separately funding research and development centres aimed at building in-house expertise in next-generation battery technologies and advanced EV systems, the sources said.

LOCAL CAPABILITY

Batteries are the priciest and most technically demanding part of an EV, and the investments signal a more deliberate push by Indian companies to build local capability.



China is growing increasingly guarded about sharing critical technology as the world's No. 2 economy seeks to ring-fence its core expertise areas amid a tariff war with the US.

Tata's battery unit, Agratas Ltd, is spending more than \$400 million on a new R&D facility in Bengaluru focused on developing lithium iron phosphate, or LFP, and lithium manganese iron phosphate technologies to create products for which it cur-

rently depends from China, the sources said. LFP cells are increasingly in demand for their use in battery energy storage systems.

The centre is designed to help Tata develop and eventually manufacture those cells at home, and build intellectual property, the sources added.

Agratas currently has access to nickel manganese cobalt battery technology sourced from South Korea.

"Our global R&D programme is progressing well, supported by two state-of-the-art labs in Bengaluru and Oxford," an Agratas spokesperson said.

The firm is utilising advanced equipment and workforce "to drive our next generation of battery innovation," the spokesperson added.

JSW Motors, the passenger-vehicle arm of billionaire Sajjan Jindal's conglomerate,

is pursuing a parallel track. The company plans to invest at least \$500 million over the next five to six years in a research hub at Maharashtra, its Chief Executive Officer Ranjan Nayak said.

The JSW centre will focus on localising vehicles developed with global partners, build proprietary software capabilities, and advance work on connected vehicles, Nayak said.

INDIAN CONDITIONS

The goal is to adapt global automotive technology to Indian conditions — from road environments to price points — as JSW aims to deliver products that meet global quality benchmarks at Indian cost structures.

The moves are part of the auto industry's reassessment of long-standing partnerships that once delivered speed and scale, but now face growing constraints.

PERSISTENT POLICY GAPS

Modi's EV push lifts industry confidence

ANJALI SINGH, SHINE JACOB &
DEEPAK PATEL
Mumbai/Chennai/New Delhi, 11 May

Prime Minister Narendra Modi's renewed push for electric mobility has strengthened confidence across India's EV industry at a time when sales momentum is already accelerating sharply, with automakers, charging firms and policy experts betting on faster adoption even as some executives warn of mixed policy signals from the government itself.

India's electric vehicle (EV) market maintained strong momentum in April 2026, with electric passenger vehicle (PV) sales rising 75.1 per cent year-on-year (Y-o-Y) to 23,506 units, while electric two-wheeler (E2W) sales grew 60.7 per cent to around 149,000 units, according to Federation Of Automobile Dealers Associations (Fada) data. During 2025-26 (FY26), E2W sales crossed 1.4 million units, up 21.8 per cent Y-o-Y, while electric PV sales surged 83.6 per cent to nearly 200,000 units.

Anirudh Ravi Narayanan, chief executive officer (CEO) and cofounder of Bharat New-Energy Company, an E2W maker, said the company has seen a sharp increase in EV orders from B2B customers such as quick commerce and food delivery firms in recent months. Adoption accelerated nearly three-fold in the last month



Seizing opportunities

- Sharp increase in EV orders from B2B customers. Adoption accelerated nearly 3x in the last month alone
- The biggest opportunity remains the mass-market PV segment priced below ₹12 lakh, but EV penetration is still low here
- Charging infrastructure remains critical for long-term adoption
- Land availability, power connectivity key bottlenecks for large-scale expansion

alone and expanded beyond select markets to become more widespread across the country, he added.

A spokesperson for Tata Motors said the PM's remarks reinforce the role of EVs in improving India's energy security by reducing dependence on oil imports. It said the biggest opportunity remains the mass-market PV segment priced below ₹12 lakh, which accounts for nearly 65 per cent of the domestic PV market but still has low EV penetration. Tata Motors added that improving affordability and reducing adoption barriers remain central to its EV strategy.

Anurag Singh, managing director at Primus Partners, said the industry is well positioned for strong growth in FY27 after robust momentum in FY26 across vehicle categories. He said total cost of ownership has already turned

favourable in segments such as E2W, electric three-wheelers, e-buses and fleet vehicles, while financing, charging infrastructure and supply chains continue to improve steadily.

Rising fuel price uncertainties are making EVs more of an economic consideration.

Akshay Shekhar, cofounder and CEO of Kazam, said rising fuel uncertainty has made EVs a mainstream economic consideration rather than only a sustainability choice. He said higher EV demand would help automakers achieve economies of scale and eventually lower costs, but added that charging infrastructure remains critical for long-term adoption. "India's EV transition will scale only when charging becomes safe, accessible, interoperable and deeply integrated with the grid," he said.

However, a senior executive at a major EV maker said policy messaging remains inconsistent despite the Prime Minister's strong endorsement of electric mobility.

"Take the ongoing discussions between the auto industry and the Bureau of Energy Efficiency on the draft CAFE-3 norms. The draft does not unequivocally push EVs but also gives incentives to vehicles with significant tailpipe emissions, such as strong hybrids," the executive said.

He added that the February 2026 NITI Aayog report advocating a broader transition strategy involving hybrids and alternative fuels had also created uncertainty within the industry before being partially revised following objections from EV-focused automakers.

The executive further pointed to states such as Maharashtra, Tamil Nadu and Rajasthan scaling back direct EV purchase subsidies. "What the industry needs is coherent policy-making," he said.

Industry executives also said growth in charging infrastructure will remain central to sustaining adoption.

Kartikey Hariyani, founder and CEO of EV charging services provider ChargeZone, said India now has over 30,000 public EV charging stations and demand is increasingly shifting towards highways, intercity corridors and urban fleet hubs.

JSW MG Motor set to build an Indian core for its electric PVs

SURAJEET DAS GUPTA
New Delhi, 12 May

JSW MG Motor India is aggressively pursuing localisation of its passenger cars as its first priority, targeting a rise from the current average of 30-40 per cent to over 70 per cent within the next 12-18 months.

The joint venture between JSW and Chinese carmaker SAIC Motor Corporation plans to approach the government for support under the production-linked incentive (PLI) scheme for automobiles, which ends in 2027-28 (FY28), after achieving the localisation target.

In an exclusive interview with *Business Standard*, Anurag Mehrotra, managing director of JSW MG Motor India, said: "Localisation is our first priority. Once we achieve the target, we will look at getting support through schemes like PLI. We are not pushing localisation only to get PLI, but it is key for us in mitigating challenges related to foreign exchange and freight costs."

He said the company aims to achieve 70 per cent localisation within 12 to 18 months, and several of its cars, including



the Comet electric vehicle (EV), have already crossed the 50 per cent localisation mark.

This is significant because, under the current PLI scheme for electric four-wheelers, companies need over 50 per cent localisation to qualify for incentives of 13-18 per cent on sales. Competitors, including Tata Motors and Mahindra &

Next big drive begins at home

- Aggressive drive to achieve 70% localisation within 12-18 months
- Will seek government support under PLI scheme after meeting localisation targets
- Investing an extra ₹4,000 crore, including expansion of capacity from 120,000 to 300,000 units by FY28
- Launching four new models this year across electric, hybrid, and premium segments
- Positioning itself as a new energy vehicle company, with EVs accounting for 80% of sales

Mahindra, already have some eligible models under the scheme. However, other eligible players such as Hyundai, Kia, and Suzuki do not yet have any model cleared for PLI incentives.

To execute its three-pronged strategy, the company has received board approval to invest up to ₹4,000 crore in expanding its existing Halol plant.

Apart from localisation, the investment will also go towards increasing production capacity from the current 120,000 units per annum to 170,000 units per annum by the end of FY27, and further to 300,000 units per annum by FY28.

The company will also use the funds to launch four new car models this year, one of which will be positioned in the premium segment above ₹50 lakh. The new launches will include a hybrid model, while other will be electric.

On the growth of the EV market this year, Mehrotra said: "The penetration of electric cars is rising. It was at 5 per cent in the last financial year and crossed 6 per cent in April. We expect it to end this financial year at 8 per cent penetration."

It has also taken a clear call to focus on new energy vehicles, though it will continue to offer internal combustion engine vehicles as well. Mehrotra said: "Last year, we sold 72,000 vehicles, of which 80 per cent were electric. We introduced battery-as-a-service to reduce the upfront entry cost, and it already accounts for 10-12 per cent of our total sales. It took some time for consumers to adopt it."

TRACTOR

Business Line, 6 May 2025

Truck, tractor sales surge in April; CVs up 15%, tractors 23%: FADA

SUSTAINED TREND. 'Demand momentum in the second half of FY26 has carried into the new financial year'

Amit Vijay Mohile
Mumbai

Truck and tractor sales surged in April, with commercial vehicle retail sales rising 15.02 per cent year-on-year and tractor sales jumping 23.22 per cent, reflecting strong freight activity and rural demand, according to data released by the Federation of Automobile Dealers Associations (FADA).

Medium commercial vehicles (MCVs) grew 27 per cent year-on-year, significantly faster than both light and heavy trucks, indicating that freight movement is increasingly being driven by mid-distance, intra-regional trade rather than long-haul or last-mile logistics.

"The structural demand momentum which defined the second half of FY26 has carried into the new finan-



RURAL DEMAND. Tractor sales rose 23.22% year-on-year to 75,109 units, making it the fastest-growing segment and reinforcing the strength of rural demand

cial year," FADA Vice President Sai Giridhar said, pointing to sustained demand across segments.

FREIGHT SHIFTS

The sharp rise in MCVs points to regional supply chains linking smaller manufacturing clusters, consumption centres and emerging logistics hubs coming to the fore. This shift is being supported by infrastructure expansion, improved road connectivity, and rising consumption in Tier-2 and -3 markets, creating new freight corridors between local and national networks.

Tata Motors retained its leadership with a 37.14 per cent market share, expanding its lead with 20.3 per cent growth — well above the industry average.

Mahindra held steady at around 24.5 per cent share, growing broadly in line with the market.

Ashok Leyland ceded share despite reporting double-digit growth, while VE Commercial Vehicles posted above-industry growth of 18.3 per cent, continuing to gain ground.

Smaller players such as Maruti Suzuki and SML Isuzu recorded faster percentage growth on a lower base, while Force Motors saw volumes decline sharply, losing significant market share.

TRACTOR SALES

Tractor sales rose 23.22 per cent y-o-y to 75,109 units, making it the fastest-grow-

ing segment and reinforcing the strength of rural demand. Mahindra retained its dominance with a combined market share of about 42 per cent, with gains in its Swaraj brand offsetting a slight decline in its core tractor portfolio. CNH Industrial emerged as the fastest-growing player, expanding over 50 per cent year-on-year and gaining share.

Sonalika and Escorts Kubota also posted strong gains of over 30 per cent, strengthening their position in the mid-market, while TAFE grew in line with the industry and maintained its share.

John Deere lagged significantly, with growth of just over 5 per cent and a sharp decline in market share. Smaller players saw the steepest contraction, with the 'Others' category declining nearly 20 per cent, signalling rapid consolidation.

Tractor sector saw 27% jump in sales in April on strong rural sentiment

T E Raja Simhan
Chennai

Domestic tractor industry opened FY27 on a strong note, with wholesale rising 27 per cent year-on-year to 1,05,021 units in April, against 82,839 units in the same month last year, aided by favourable farm sentiment, improved rural liquidity and lower GST rates.

According to data from the Tractor and Mechanization Association (TMA), this is the second consecutive month that domestic tractor sales have crossed the one lakh mark. Domestic sales stood at 1,03,193 units in March 2026 before increasing further in April.



According to Crisil Ratings, GST reduction continues to support affordability and sustain near-term demand momentum.

GST PUSH

Poonam Upadhyay, Director, Crisil Ratings, said India's tractor industry opened FY27 on an encouraging

note. The GST reduction on tractors from 12 per cent to 5 per cent continues to support affordability and is likely playing a role in sustaining near-term demand. However, the high base built over FY26, which was a record year driven by a favourable monsoon and strong farm incomes, will make comparisons progressively harder as the year progresses, she told *businessline*.

The IMD has projected 2026 southwest monsoon at 92 per cent of the Long Period Average, with possible El Niño conditions raising concerns over kharif sowing. How the rest of FY27 shapes up will depend largely on monsoon distribution and crop output, she added.

GOVERNMENT POLICY

Business Line, 1 May 2025

Centre mandates domestic manufacturing of key electronic parts in EV trucks from September

Amit Vijay Mohile
Mumbai

The Ministry of Heavy Industries (MHI) has mandated domestic manufacturing of key electronic components in electric trucks, including battery management systems (BMS), DC-DC converters and vehicle control units (VCUs), from September 1, 2026, making localisation a condition for accessing subsidies under its e-truck incentive programme.

The move, notified by MHI on April 29, amends the phased manufacturing programme (PMP) for N2 and N3 category electric trucks. It tightens localisation norms and effectively phases out imports of critical control systems.

India has earmarked ₹500 crore for electric trucks un-

der the broader ₹10,900-crore PM E-Drive scheme. The notification marks a shift from basic assembly to component-level manufacturing. As per the MHI notification, "manufacturing of BMS... shall at least include assembly of electronic components/semiconductors/connectors on the PCB... and shall be domestically performed". Similar requirements apply to DC-DC converters and vehicle control units, covering wiring, connector fitment, enclosure integration and software or firmware flashing.

For DC-DC converters, the norms move from integration of imported PCB assemblies to full domestic assembly, with the notification stating that "assembly of electronic components... on the PCB... shall be domestically performed" from September 2026.



PRODUCTION BOOST. The incentive framework covers electric trucks with a gross vehicle weight between 3.5 tonnes and 55 tonnes

IMPORT WINDOW

The regulation also sets a clear transition deadline. As per the notification, "up to 31st August 2026, import of BMS may be permitted", after which vehicles using imported systems will no longer qualify for incentives.

The incentive framework covers electric trucks with a gross vehicle weight between 3.5 tonnes and 55 tonnes. Subsidies are calculated at ₹5,000 per kilowatt-hour of battery capacity, capped at 10 per cent of the vehicle's ex-factory price.

Electric trucks in the N2 category are eligible for incentives of up to ₹2.7 lakh, while trucks in the 7.5–12 tonne range can receive up to ₹3.6 lakh. Buyers are required to scrap older vehicles to claim the subsidy. For electric truck manufacturers, the September 2026 deadline creates a compressed timeline to restructure sourcing strategies, particularly for companies dependent on imported BMS and control systems.

"This transition will require investments and could increase costs in the near term, especially as OEMs rework supply chains and localise critical electronics," said Uday Narang, Founder & CEO, Omega Seiki Mobility. "But this is a necessary step if we want to build scale in India's zero-emission journey." The shift goes beyond hardware, extending to

software and firmware integration, and pushing OEMs to take greater control over vehicle electronics architecture.

VALUE CHAIN

Narang added that the policy could accelerate the development of a domestic ecosystem. "This kind of localisation will drive capability building across the value chain — from component manufacturing to electronics and software. It is an investment the industry needs to make collectively."

The move is expected to benefit domestic component makers and electronic manufacturing services (EMS) providers, as suppliers transition from integrating imported PCB assemblies to full component-level manufacturing, including semiconductor placement and assembly.

New codes boost gratuity but trim take-home pay

Shilpa Phadnis &
Veena Mani | TNN

Bengaluru: With many employees seeing a moderate dip in net take-home salaries in their latest payslips, companies are issuing explainers to help them understand the impact of the new labour codes.

The reduction is largely due to changes in salary composition. Employee provident fund (PF) contributions have increased, as they are now calculated as 12% of a higher basic salary component. At the same time, gratuity accruals have also risen because they are linked to this expanded wage base.

Vikram Shroff, partner, employment, labour and benefits at law firm AZB & Partners, said the labour codes mandate that at least 50% of total remuneration is treated as wages for statutory payments, regardless of the CTC (cost to company) breakup. This, he said, protects employees' interests. "In cases where basic salary was lower, some employers increased it to 50% to better align with the wages definition. As a result, some of the other components were reduced or revised, while provident fund contributions increased. These changes led to a reduction in net take home pay," he said.

Employees are beginning to see this play out in their compensation. IT professional Deepak C, who received a salary increment effective April, said the gratuity component in his pay has doubled. He received a Rs 90,000 annual increase in CTC, but "Rs 40,000 is going into the gratuity," up from Rs 20,000

SAP India has extended the revised gratuity calculation retrospectively to cover employees' entire tenure

earlier. "My hike is effectively Rs 50,000 which is split between the PF and other components," he said, highlighting the reduced immediate gain in take-home pay.

In some cases, companies are going beyond statutory requirements to cushion the impact. German software firm SAP India, for instance, has extended the revised gratuity calculation retrospectively to cover employees' entire tenure, rather than only from the date of implementation. It has also allocated additional budget to provide a one-time, permanent uplift in total target compensation (TTC), absorbing the higher employer-side PF and gratui-

ty costs within the overall CTC. Additionally, SAP has introduced an uncapped gratuity benefit, where payouts exceeding the statutory cap of Rs 20 lakh are calculated on basic salary, resulting in higher payouts.

SAP has described the "one-time uplift" as a compensatory increase to offset the reduction in monthly take-home pay due to the revised salary structure. As a larger portion of salaries is redirected toward PF and gratuity, the uplift is aimed at stabilising employees' net pay. An email sent to SAP didn't elicit a response till press time.

Puneet Gupta, partner at EY India, said that under the earlier regime, gratuity was calculated on basic salary plus dearness allowance. Under the new labour codes, however, gratuity is linked to the broader definition of "wages" under the Code on Social Security, 2020. "This shift is significant because the definition of wages expands inclusion of pay elements, subject to a 50% exclusion threshold. As a result, the base for gratuity calculation may increase," he said, adding that gratuity at exit will be based on last drawn wages.

(With inputs from
Supriya Roy)

Business Standard, 8 May 2026

Extend CNG ban to all vehicles, not just 3Ws: Bajaj to Delhi govt

SURAJEET DAS GUPTA
New Delhi, 7 May

Bajaj Auto has said the Delhi government should not adopt "double standards" in its proposed ban on compressed natural gas (CNG)-powered three-wheelers (3Ws) in the national capital under its draft electric vehicle (EV) policy, and should extend the move to all other vehicle segments, including passenger cars, buses, and trucks.

The Pune-headquartered company is a dominant player in the CNG-powered 3W market, and Delhi is one of its key markets. Responding to the proposed ban, a senior company executive said: "If the Delhi government does so (ban CNG 3Ws), it should also do so for cars, buses, and trucks, as there should not be any double standards."

The company was responding to the Delhi

government's contentious draft EV policy, released for stakeholders in April, under which it has proposed stopping new registrations of CNG autorickshaws (autos) from January 1, 2027, and allowing only electric 3Ws (e3Ws).

The policy also proposes incentives of up to ₹50,000 in the first year, ₹40,000 in the second year, and ₹30,000 in the third year for the purchase of e3Ws, apart from ₹25,000 for scrapping old CNG units. Existing permits for CNG autos will also not be renewed to encourage owners to shift to electric vehicles.

The move would clearly impact Bajaj Auto, the dominant player in the CNG 3W market across the country. On the other hand, its key competitor in the segment, Mahindra & Mahindra, is the largest player in the e3W space. Despite rising sales of e3Ws, Delhi itself sold 32,224 CNG three-wheelers in 2025-26 (FY26), up from 23,330 units in 2024-25 (FY25).



The Economic Times, 10 May 2026

MOVE BY FINMIN AIMED AT PROTECTING OUTSOURCED & CONTRACTUAL WORKERS

Govt Links Labour Law Compliance to Eligibility for Public Contracts

Firms can now face bidding bans of up to 3 years for wage delays & social security defaults

Our Bureau

New Delhi: The finance ministry has linked compliance with labour laws to eligibility for government procurement contracts, a move aimed at strengthening protections for outsourced and contractual workers engaged across central ministries, departments, autonomous bodies and central public sector enterprises (CPSEs).

The ministry has also amended Rule 151 of the General Financial Rules (GFR), 2017, relating to debarment from bidding. Under the revised rules, firms can now face debarment for up to three years not only for corruption or integrity violations, but also for failure to pay wages to emp-



loyees engaged under contracts and failure to deposit statutory social security contributions under applicable labour laws.

The debarment provisions will apply in cases where the procuring entity has had to step in and make payments because of contractor defaults.

In an office memorandum dated May 8, the procurement policy divi-

sion under the department of expenditure directed ministries, departments, autonomous bodies and CPSEs to ensure contractors disburse wages within prescribed timelines. It also directed drawing and disbursing officers to verify compliance every month.

The directions invoke Section 17(1) of the Code on Wages, 2019, which prescribes timelines for payment of

wages, and reiterate the responsibility of the principal employer under Section 55(3) of the Occupational Safety, Health and Working Conditions Code, 2020, to ensure contractors pay wages on time.

The finance ministry has also directed secretaries of all ministries and departments to review timely wage payments to ensure effective implementation of the Labour Codes.

The new procurement rules come alongside the final rules notified by the labour and employment ministry on Friday for implementation of the four Labour Codes.

The government believes linking labour law compliance with eligibility for government contracts will help curb delays in wage payments and defaults in statutory dues affecting contract workers.

The measures are also aimed at ensuring timely remittance of social security contributions, improving accountability of contractors and principal employers and strengthening enforcement against labour law violations.

India plans UPI-style common network for EV charging

OPEN ACCESS. Heavy Industries Min meeting on May 12 to focus on interoperability standards

Amit Vijay Mohile
Mumbai

India is attempting to do for electric-vehicle charging what the Unified Payments Interface (UPI) did for digital payments: Create a common network where any EV owner can locate, access and pay at any public charging station regardless of the operator.

That ambition will take centre-stage on May 12, when Union Minister for Heavy Industries HD Kumaraswamy chairs a high-level meeting in Bengaluru with automakers, charging companies, power utilities and State officials to address one of the sector's biggest bottlenecks — an expanding but fragmented charging ecosystem.

UNIFIED PLATFORM

The meeting is expected to focus on interoperability standards, common payment systems, charger discoverability, grid readiness and faster implementation of public charging infrastructure under the Centre's PM E-DRIVE scheme. Discussions will also cover the rollout of a unified digital platform being



POWER POINTS. The government is attempting to address charging gaps through the ₹10,900-crore PM E-DRIVE, which earmarks ₹2,000 crore for charging and battery-swapping infra

developed by Bharat Heavy Electricals Ltd (BHEL) that will allow users to locate, book and pay for charging stations across operators through a single interface, similar to UPI.

The urgency stems from a structural imbalance in India's charging network. According to data tabled in Parliament, the country had 27,737 public EV charging stations installed as of March 2026, with Karnataka, Maharashtra, Delhi and Uttar Pradesh in the lead.

However, 70-75 per cent of public charging points are slow AC and low-power DC chargers aimed at electric two- and three-wheelers, which account for most EV sales in India. Fast chargers

for passenger cars remain relatively limited and concentrated in urban centres and highways, mostly set up by private operators and automakers. High-capacity charging infrastructure for buses and trucks is still at a nascent stage.

STANDARDISATION PUSH

Fragmentation in charging standards remains another challenge. Passenger vehicles have largely converged around the CCS2 standard, but electric scooters and three-wheelers continue to rely on proprietary systems that often lock users into brand-specific networks. The proposed Light Electric Combined Charging System (LECCS), or Type-7 con-

nect, is intended to create a common standard for light electric vehicles.

Kausalya Nandakumar, Chief Business Officer, Emerging Mobility Business Unit at Hero MotoCorp, said the industry welcomes the government's push to expand EV charging infrastructure.

The government is attempting to address these gaps through the ₹10,900-crore PM E-DRIVE scheme, which has earmarked ₹2,000 crore for charging and battery-swapping infrastructure. The scheme targets 72,300 charging points nationwide, including chargers for two- and three-wheelers, passenger vehicles and buses. Yet, implementation remains slow. As of March 23, 2026, no expenditure had been recorded under the charging component, despite thousands of chargers reportedly being sanctioned or in the pipeline.

Officials say the Bengaluru meeting is aimed at shifting the programme from allocation to execution and creating a nationwide charging ecosystem that is interoperable, reliable and accessible across vehicle categories.

Govt unveils Unified Bharat e-Charge

INNOVATION PUSH: The platform, like the UPI, aims to streamline EV charging availability across all States

Our Bureau
Mumbai

India on Tuesday unveiled what could become the electric-vehicle equivalent of UPI, as Union Heavy Industries Minister HD Kumaraswamy launched Unified Bharat e-Charge (UBC), a national platform that will allow EV users to locate, book and pay across charging networks operated by oil companies, state agencies and private charge point operators through a single interoperable interface.

The launch gives official shape to a "UPI for EV charging" framework that *businessline* first reported on May 10. Built by Bharat Heavy Electricals Ltd (BHEL) and supported by the National Payments Corporation of India (NPCI), the platform is designed as a "one nation, one app" system displaying real-time charger availability, ownership, power output and location.



CHARGING AHEAD. Heavy Industries Minister HD Kumaraswamy inaugurates the Conference on Enabling Nationwide EV Charging Infrastructure, on Tuesday ANI

"Just as UPI revolutionised digital payments, Unified Bharat e-Charge is set to revolutionise EV charging in India," Kumaraswamy said at the National Conference on Enabling Nationwide EV Charging Infrastructure under the PM E-DRIVE scheme in Bengaluru.

REVOLUTIONISING EV
Heavy Industries Additional Secretary Hanif Qureshi said the next phase "is not about

how many chargers we install, but whether any EV owner can access any charger seamlessly."

India's planning benchmark is about 72,000 public chargers by 2030, including 44,000 for two- and three-wheelers, 26,000 fast chargers for passenger vehicles and 1,800 high-capacity chargers for buses and trucks.

Trucks account for just 3 per cent of vehicles on In-

dian roads but consume 42 per cent of the country's diesel, making commercial vehicle electrification central to reducing oil imports.

So far, ₹503.86 crore has been sanctioned for 4,874 chargers under PM E-DRIVE across states and public sector enterprises including BPCL, Indian Oil and HPCL. Of 9,100 approved chargers, 6,200 have been energised, while around 1,800 are awaiting grid connectivity, highlighting utility connections as the principal bottleneck.

CENTRAL SUPPORT

Kumaraswamy also announced approval of 1,243 chargers in Karnataka with central support of ₹123.26 crore. The state has more than 8,600 charging stations, the highest in the country.

India currently has over 67,000 chargers, including private and captive installations, of which more than 25,000 are fast chargers. "You travel on these highways and you'll find a charger

in less than 30 km," Qureshi said.

Automakers said the focus is shifting from charger availability to reliability. "The questions are no longer around availability. Now the questions are around reliability, will the charger work when I reach there?" said Omkar A. Shaligram, Head of EV Charging & Ecosystem Development at Tata Motors and Tata Charge.

POLICY ATTENTION

Shaligram noted that nearly 90 per cent of EV charging still happens at homes and workplaces, while most policy attention remains focused on public charging. Tata Motors is advocating a statutory "right to charge" to allow apartment residents to install home chargers.

"If you want 30 per cent EV penetration in India, you have to solve for public charging and home charging. Solving only one will not get us there," he said.

With inputs from Bengaluru bureau