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Key Press Reports on Industry and Govt. Policies

(1st Fortnight June 2026)

AUTOMOTIVE INDUSTRY

Business Line, 2 June 2026

As mobility norms tighten, ARAI is growing its testing capability from cars to metros

Amit Vijay Mohile
Mumbai

India's largest automotive testing and certification agency, Pune-based ARAI, has begun validating metro carriage components testing and expand beyond cars and trucks into EV battery testing, vehicle crash safety, automotive software certification and compliance support for bus manufacturers. Operating Under the Ministry of Heavy Industries, the agency recently tested an Obstacle & Derailment Detection (ODD) system for the Delhi Metro Rail Corporation (DMRC).

ARAI is expanding capabilities aimed at helping automakers test safer vehicles, study EV battery fire risks and reduce dependence on expensive overseas crash-testing facilities. The broader objective is to help companies prepare for tougher regulations expected, including stricter fuel-efficiency norms under CAFE III expected from April 2027, stronger EV battery safety rules under AIS-156, tougher crash-safety standards under Bharat NCAP and Euro NCAP, and new structural safety norms for buses under AIS 153 and GSR 159(E).

CONVERGING TECH

"Mobility technologies are increasingly converging across sectors," an ARAI official said. "Electric vehicles, metro systems and future connected mobility platforms now rely on similar batteries, software systems, sensors and electronic controls."

At ARAI's Pune testing centre, engineers recently recreated a high-impact emergency scenario for a Delhi Metro train using

ARAI's Obstacle & Derailment Detection validation

equipment normally associated with automotive crash testing. The project, carried out with metro rail major Alstom and engineering firm IPA, was aimed at validating the ODD system before deployment in real-world operations.

Meanwhile, AIS-156 battery safety norms have tightened testing requirements around battery overheating and thermal runaway risks, while Bharat NCAP crash-safety norms are increasing pressure on manufacturers to improve passenger protection systems.

"Vehicle development cycles are becoming shorter while compliance requirements are becoming significantly more complex," another ARAI official said. "If testing and validation infrastructure does not expand in parallel, it can eventually slow down product development timelines for the industry."

ARAI has also launched a support programme for bus body builders to help smaller operators comply with new safety regulations under GSR 159(E) notified in March 2024, and AIS 153. Structural safety certification is mandatory for larger passenger buses and require builders to clear inspections before vehicles registration.

Business Line, 3 June 2026

Diesel vehicles see market shrink 16%; CNG and EVs gain

Amit Vijay Mohile
Mumbai

Alternative fuel vehicles — CNG, EVs and strong hybrids — accounted for 32.1 per cent of passenger vehicle sales in May 2026, up from 27.2 per cent a year earlier.

In contrast, the combined share of petrol and diesel vehicles declined to 67.9 per cent from 72.9 per cent over the same period, marking a nearly 500 basis-point shift in India's fuel mix within a year.

However, contrary to expectations that fuel-price hikes would boost demand for premium fuel-efficient cars, strong hybrid vehicles lost market share in May even as diesel's share in the market fell over 16 per cent year-on-year (y-o-y), according to Vahan data.

One in three cars sold in India now runs on CNG, electric or hybrid technology, signalling a rapid shift towards lower running-cost mobility options as fuel prices and operating economics increasingly shape vehicle purchase decisions.

The transition, however, is currently being dominated more by CNG than pure electrification.

LOW RUNNING COSTS

CNG vehicles alone accounted for 23.5 per cent of total passenger vehicle sales in May, up from 22.2 per cent in April and 19.9 per cent a year earlier, highlighting how buyers are increasingly prioritising lower running costs amid rising fuel prices.

EVs accounted for 6.6 per cent of total passenger vehicle sales in May, up from 6.1 per cent in April and 4.6 per cent a year earlier.

Strong hybrids, meanwhile, slipped to 2 per cent market share in May from 2.3 per cent in April and 2.7 per cent a year earlier, suggesting that higher fuel prices are not yet pushing mass-market consumers toward premium hybrid vehicles.

Passenger vehicle retail sales declined 6.3 per cent month-on-month to 3.96 lakh units in May from 4.22 lakh units in April, although the market remained up 23 per cent y-o-y over last year's lower base.

FUEL PREFERENCE

Hemal Thakkar, Senior Director & Senior Practice Leader, Crisil Intelligence, said the transition was increasingly being driven by operating economics rather than fuel preference alone.

"EV penetration has improved to 6.6 per cent in May from 6.1 per cent in April. Compared with around 4.6 per cent in the same period last year, that's nearly a 200 basis-point jump year-on-year," he said.

Saket Mehra, Partner and Automotive & EV Industry Leader at Grant Thornton Bharat, said the market was witnessing a calibrated normalisation rather than a structural demand slowdown, although rising fuel prices were beginning to influence consumer sentiment across the automotive sector. Vinkesh Gulati, Chairman of the Automotive Skills Development Council, said the 'one-in-three-cars' shift was being driven more by affordability than technology sophistication, explaining why CNG vehicles were gaining faster than strong hybrids despite recent CNG price hikes.

Business Standard, 3 June 2026

2W makers post strong May sales on resilient domestic demand

ANJALI SINGH
Mumbai, 2 June

Zooming ahead

Domestic two-wheeler sales

OEMs	May '26	Y-o-Y chg (%)
Hero MotoCorp	536,784	10
HMSI	459,611	10
TVS Motor	384,565	24
Bajaj Auto	209,528	9
Suzuki Motorcycle India	110,028	2
Royal Enfield	94,115	24

Source: Company data

India's two-wheeler (2W) makers reported broad-based growth in May, driven by channel inventory replenishment, resilient demand for premium motorcycles and scooters, and a recovery in exports.

Four of the country's largest manufacturers — TVS Motor Company, Royal Enfield, Hero MotoCorp and Honda Motorcycle & Scooter India (HMSI) — posted double-digit growth in domestic dispatches during the month, while Bajaj Auto and Suzuki Motorcycle India reported single-digit gains.

Analysts said wholesale volumes continued to outpace retail sales, aided by inventory replenishment at dealerships. Arun Agarwal, vice president, Fundamental Research at Kotak Securities, said domestic 2W wholesale volumes saw double-digit growth, supported by channel inventory replenishment.

Retail sales of internal combustion engine (ICE) 2W grew at a slower pace due to a high base effect from a year ago, while electric (e2W) retail sales continued to post strong year-on-year growth.

Exports also remained a key growth driver for the industry in May, with most manufacturers reporting healthy gains in overseas shipments. Hero MotoCorp's exports surged 78 per cent year-on-year (Y-o-Y) to 33,284 units from 18,704 units a year ago. TVS Motor's 2W exports rose 48 per cent to 158,546 units, while Bajaj Auto, traditionally India's largest 2W exporter, recorded a 30 per cent increase to 183,676 units.

Suzuki Motorcycle India reported a 5 per cent rise in exports to 22,216 units from 21,117 units in May 2025. Royal Enfield was the exception, with exports declining 33 per cent Y-o-Y to 9,116 units from 13,609 units a year earlier.

TVS Motor led the industry's growth trajectory, with domestic 2W dispatches rising 24 per cent Y-o-Y to 384,565 units in May 2026 from 309,287 units a year ago. Its overall motorcycle sales, including exports, rose 30 per cent to 273,802 units, while scooter sales increased 32 per cent to 220,740 units. E2W sales grew 56 per cent to 43,632 units.

Premium motorcycles continued to remain a bright spot for the industry. Royal Enfield's domestic sales rose 24 per cent Y-o-Y to 94,115 units in May from 75,820 units in the year-ago period.

"We are carrying our momentum in FY27 with continued growth in Q1, despite the prevailing macro-headwinds. This month was exciting for us as we strengthened our product portfolio with the launch of the Bullet 650," said B Govindarajan, chief executive officer, Royal Enfield.

Hero MotoCorp reported a 10 per cent increase in domestic wholesales to 536,784 units, attributing it to strong demand in the Deluxe 125cc, premium motorcycle and scooter segments, all of which recorded double-digit growth.

Business Line, 4 June 2026

Margins of auto parts sector to moderate by 10.5-11% amid W. Asia crisis: Crisil

Our Bureau
Chennai

Operating margins of the auto component sector are expected to moderate by 100-150 basis points this fiscal, from around 12 per cent last year, with the West Asia conflict driving up input prices and freight costs across domestic and overseas markets. Revenue growth, however, is expected to remain resilient, according to a Crisil Ratings report.

Demand from original equipment manufacturers (OEMs), the largest contributor to the sector's revenues, is expected to remain steady, providing underlying support for this revenue momentum. Further, balance sheets, though not debt-free, remain at moderate levels, adequate to fund capital expenditure (capex) and working capital needs.

An analysis of Crisil-rated auto component makers, which accounted for almost half the sector's revenue of ₹9 lakh crore last fiscal, indicates as much.

Last fiscal, OEMs generated over two-thirds of the sector's revenue, while exports and the after-market contributed 16 per cent and 12 per cent respectively.

COST STRESS

Raw materials constitute three-fourths of the sector's total cost. Notably, prices of steel and aluminium, which together account for 50-60 per cent of input costs, have risen sharply.

Anuj Sethi, Senior Director, Crisil Ratings, "Raw materials, employee expenses and power together account for 90 per cent of overall cost structure. Input and energy prices have risen, with minimum wage revisions across several States, adding further pressure. OEMs, accounting for over two-thirds of revenues, offer a cost pass-through, though with a lag of one to two quarters and not always in full, thus moderating operating margins by 100-150 bps to 10.5-11 per cent this fiscal. With revenue growth expected at 9-11 per cent, the impact on overall profitability is expected to remain contained."

Poonam Upadhyay, Director, Crisil Ratings, said, "Capex of auto component players rated by us is expected at ₹27,000 crore this fiscal, up 10 per cent on-year."

The Economic Times, 5 June 2026

UK's New Car Sales Post Best May Since 2019

Reuters

Britain's new car sales rose 7.1% in May, the strongest for the month since 2019, driven by resilient retail demand, especially for electric vehicles, according to industry data released on Thursday. EVs have been gaining ground in Europe as rising fuel costs, largely driven by global oil shocks from the Iran war, steer customers toward alternatives.

Overall new car registrations in Britain rose to 160,662 vehicles last month, the Society of Motor Manufacturers and Traders (SMMT) said. Battery electric vehicles (BEV), the biggest under EVs, climbed 34.2%, the most among all car categories.

"We're seeing surging interest linked to macro shocks earlier in the year now materialise into real consumer demand," said Melanie Lane, CEO of EV charging provider Pod. BEV sales share is around 24% of total sales this year, short of the 33% target, highlighting broader challenges amid the UK's push for faster adoption of zero-emission vehicles.

"The EV transition is progressing, but consumer uptake still lags behind even today's targets, let alone the ambition set out in the latest Carbon Budget," SMMT CEO Mike Hawes said, referring to Britain's long-term targets.

Business Line, 5 June 2026

TVS SCS, Italy's ALA Group partner to form aerospace and defence JV

Our Bureau
Chennai

TVS Supply Chain Solutions (TVS SCS) and Italy's ALA Group have partnered to build an aerospace and defence supply chain platform in India.

TVS SCS will have a 51 per cent stake, while the Italian firm will hold the rest; the JV will have an initial investment of €2 million, said R Dinesh, Executive Chairman, TVS SCS.

TVS Packaging Solutions, a subsidiary of TVS SCS, will be revived and used to undertake projects for the JV, said sources. The proposed investment of around ₹10 crore in TVS Packaging aims to support business expansion initiatives and execution of definitive agreements with ALA Corporation for collaboration and development of opportunities in India's aerospace and defence sectors, says a stock exchange filing. The JV is targeting cumulative revenues of over ₹2,000 crore in three-five years, Dinesh said.

Vittorio Genna, Vice-President and Co-Founder, ALA Group, and R Dinesh, Executive Chairman, TVS SCS BIJOY GHOSH

The JV marks TVS SCS' entry into the high-growth aerospace and defence supply chain market, estimated at around $12 billion. India is emerging a key growth engine, driven by localisation initiatives, strategic investments and expanding international collaboration, he added.

Vittorio Genna, Vice-President and Co-Founder, ALA Group, said, "India is one of the world's fastest-growing aerospace and defence markets, driven by increasing defence modernisation."

The Times of India, 8 June 2026

TaMo to gain from scrappage push

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Chennai: With a network of 11 registered vehicle scrapping facilities (RVSFs) across 10 states, excluding the southern region, and the capacity to dismantle more than 1.9 lakh vehicles annually, Tata Motors stands to benefit from the Centre's push to retire ageing commercial vehicles as India intensifies efforts to curb vehicular pollution.

Last week, the Union cabinet approved a Rs 9,585-crore two-year scheme to replace ageing trucks and buses in the Delhi-NCR region, a move expected to boost vehicle scrappage activity and demand for cleaner vehicles.

For Tata Motors, which operates its scrappage facilities under the Re.Wi.Re (Recycle with Respect) initiative, the policy could provide a strong tailwind. Several of the company's facilities are located in Delhi-NCR, Haryana, Rajasthan and Uttar Pradesh, positioning it to benefit from a potential increase in scrapping volumes as vehicle owners seek access to the formal recycling ecosystem and incentives under the programme. The company commands more than 50% market share in the medium and heavy truck segment across these four markets, and is also steadily expanding its RVSF network.

Business Standard, 8 June 2026

Services, digital business emerge as drivers of TaMo CV arm's earnings

SOHINI DAS
Mumbai, 7 June

Fresh from its demerger and standalone listing, Tata Motors' commercial vehicle business is increasingly looking beyond vehicle sales for growth, with parts, services, connected-vehicle platforms and digital businesses emerging as key profit drivers as it seeks to reduce dependence on industry cycles.

The strategy comes at a time when the country's largest commercial-vehicle maker expects industry growth in FY27 to moderate from the strong recovery seen last year, even as long-term demand drivers such as infrastructure spending, freight movement and logistics modernisation remain intact.

"Opportunities in alternative powertrains, digital services and monetisation of parts and services remain significant," Managing Director and CEO Girish Wagh said in the company's FY26 annual report.

The company said its non-cyclical businesses delivered growth of 18.2 per cent in FY26, with spares and services making an increasing contribution to profitability. Tata Motors has also been expanding newer businesses such as automotive fluids, aggregates and FleetCare, while strengthening its digital ecosystem.

Fleet Edge, the company's telematics platform, has crossed one million connected vehicles, while Fleet Verse, its digital commerce platform, has seen growth in vehicle sales, bookings and customer enquiries.

"Our focus during this period was not on reacting tactically, but on staying anchored to fundamentals — maintaining execution discipline, protecting customer relationships and aligning supply with evolving demand signals," Wagh said.

Chairman N Chandrasekaran said Tata Motors would continue investing in "digital-led solutions, connected vehicle technologies, advanced driver assistance systems, data-driven fleet services and new-age powertrains." He added that while the company continues to scale its portfolio of electric commercial vehicles, it will also invest in hydrogen-based technologies for heavier-duty applications. The proposed acquisition of Iveco Group is central to Tata Motors' global ambitions. Chandrasekaran said the deal would add scale, manufacturing and powertrain capabilities, complementary markets and "a strong technology road map aligned to evolving emission norms and alternative fuel powertrains."

Business Line, 8 June 2026

Tata Motors CV redraws strategy to insulate itself from market cycles: Chandrasekaran

Amit Vijay Mohile
Mumbai

Tata Motors' commercial vehicles business is overhauling its business model to reduce dependence on the domestic cyclical market as geopolitical disruptions, freight volatility and technology shifts reshape the global commercial mobility industry.

The strategy, outlined in Tata Motors commercial vehicles' FY26 annual report, marks one of the company's sharpest structural pivots in years as the newly demerged entity expands into software, services, exports, electric mobility and alternative fuel technologies to build more resilient and recurring revenue streams beyond vehicle sales.

Chairman N Chandrasekaran said the company had reorganised itself into an "8-vertical structure" aimed at creating "new revenue streams while derisking the business from economic cycles."

Tata Sons Chairman N Chandrasekaran

RISING UNCERTAINTY

The shift comes amid rising uncertainty across the global freight ecosystem, with the chairman flagging US tariffs, supply-chain reconfiguration, uneven economic recovery and the West Asia crisis as emerging risks reshaping commercial mobility markets.

Managing Director and CEO Girish Wagh described FY26 as a "defining year" for Tata Motors CV, saying the demerger and standalone listing sharpened strategic intent, strengthened governance and enabled "clearer capital allocation choices, faster decision-making and a deeper alignment between strategy and outcomes."

The company reported FY26 revenue of ₹83,855 crore compared with ₹76,359 crore in FY25, while EBITDA margins improved to 12.3 per cent. Return on capital employed (ROCE) stood at 72.3 per cent, among the highest in the global commercial vehicle industry, according to the company.

STRATEGIC SIGNAL

But the bigger strategic signal in the report was the growing importance of businesses outside traditional truck manufacturing. Tata Motors said its non-cyclical businesses grew 18.2 per cent in FY26, led by spares and services.

The annual report repeatedly stresses on "customer economics" — signalling that Tata Motors increasingly sees trucks not merely as hardware products but as data, uptime and operating-efficiency platforms.

Its connected vehicle platform Fleet Edge crossed one million connected vehicles during the year, while Fleet Verse — Tata Motors' digital commerce platform — recorded growth across vehicle sales, bookings and enquiries. Wagh said AI-led insights around fuel efficiency and driver behaviour were helping customers systematically lower operating costs, improving renewal rates and fleet engagement.

Business Line, 9 June 2026

Auto retail sales hit all-time high in May, EV reach crosses 11% for the first time

CHANGING GEARS. Demand grows for green vehicles after last month's fuel price hikes, says FADA

S Ronendra Singh
New Delhi

The automobile retail sales have recorded the best-ever May in overall registrations including passenger vehicles (PVs), two-wheelers (2Ws) and three-wheelers (3Ws), the Federation of Automobile Dealers Associations (FADA) said on Monday.

Significantly, the electric vehicle (EV) penetration crossed 11 per cent for the first time, as dealers saw a surge in enquiries for fuel-efficient and green vehicles after last month's fuel price hikes amid the West Asia crisis, FADA noted.

"A notable feature of the month was the consumer response to May fuel-price revisions: Dealers reported a visible rise in enquiries for fuel-efficient and alternative-powertrain options, reflected in the two-wheeler EV share climbing to 9.25 per cent from 6.11 per cent a year ago. Overall alternative fuel share rose to 38 per cent+ in May," CS Vigneshwar, President, FADA, said.

On the channel side, PV inventory edged up to a range of 31-33 days at May-end from 28-30 days at the close of April. Inventory is now moving away from FADA's recommended 21-day benchmark, he said. "We urge PV original equipment manufacturers (OEMs) to maintain disciplined dispatches through the seasonally-softer June window so that channel stocks stay closely aligned with retail demand," he added.

Overall, the grand total of all vehicles across categories grew 9.55 per cent year on year to 25,31,067 units in May as compared with 23,10,451 units in the same month last year.

In fast lane

(in units)

Category	May 2026	May 2025	% change
Passenger vehicles	4,02,591	3,26,656	23.25
Two wheelers	18,44,947	17,15,581	7.54
Three wheelers	1,11,526	1,07,688	3.56
Commercial vehicles	83,823	79,614	5.29
Tractors	83,092	74,744	11.17
Grand total	**25,31,067**	**23,10,451**	**9.55**

Source: FADA Research

SEGMENT-WISE

The PV retail sales in May grew 23.25 per cent to 4,02,591 units (3,26,656 units), FADA said in its monthly sales report.

Similarly, the 2W sales grew 7.54 per cent to 18,44,947 units (17,15,581 units). The 3W segment grew 3.56 per cent to 1,11,526 units (1,07,688 units). Commercial vehicle (CV) sales grew 5.29 per cent to 83,823 units (79,614 units).

"Above-normal heatwave, fuel-price pressure and the evolving West Asia situation did come into play during May 2026, and yet Indian auto retail has held its growth trajectory with May 2026 registering the best-ever May across 3W, PV, Tractors and overall registrations," Vigneshwar said.

In June, dealer sentiment is measured, with 50.52 per cent of dealers expecting growth, 39.90 per cent anticipating a flat market and only 9.59 per cent foreseeing a decline, he noted.

He added that June appears measured but cautiously optimistic, with monsoon progress and rural cash flows expected to provide the structural support even as near-term cost pressures persist.

"With the South-West monsoon having set in over Kerala on June 4, and beginning its northward advance, demand expectations are anchored in the progress of the monsoon, early Kharif sowing preparation and the tail of the marriage season, supported by a stable financing environment after the Reserve Bank of India held the repo rate at 5.25 per cent in its June review," Vigneshwar added.

Business Line, 10 June 2026

Wheels India expands patent portfolio to 125 in FY26

T E Raja Simhan
Chennai

Chennai-based Wheels India, part of the TSF Group, strengthened its focus on innovation during FY26 by securing 26 new design patents, taking its total patent portfolio to 125. It increased its research and development expenditure to 0.76 per cent of turnover in FY26 from 0.53 per cent in the previous year, according to Chairman and Managing Director Srivats Ram's message in the 2025-26 annual report.

As part of its product development efforts, Wheels India introduced new styles of flex wheels in multiple sizes for passenger car applications. The technology is expected to enable the company to offer both steel and alloy wheels with enhanced designs.

Srivats Ram, CMD, Wheels India

Wheels India has planned capital expenditure of more than ₹280 crore in FY27, higher than the approximately ₹260 crore invested in the previous year.

The company increased its research and development expenditure to 0.76% of turnover in FY26 from 0.53% in the previous year

For FY26, the company reported a net profit of ₹139 crore on revenues of ₹5,124 crore.

Wheels India operates 14 manufacturing plants across India, including two wheel and tyre assembly facilities, catering to commercial vehicles (CVs), passenger vehicles (PVs), tractors and construction equipment manufacturers. Its customer base spans India, the US, Japan, Europe, Korea, Brazil, the UK and Mexico.

The company said business conditions improved during FY26, aided by GST 2.0 reforms and stronger rural incomes, which boosted demand across PVs, CVs and agricultural tractors. All three segments recorded growth of over 10 per cent during the year.

EXPORT GROWTH

On the export front, Wheels India said it remained cautiously optimistic despite tariff-related disruptions. Strong demand from the US market supported growth in its wheels, structural fabrication and hydraulic cylinder businesses. The company expects export growth to continue, backed by new business under development across segments.

In the wind energy segment, Wheels India expanded supplies of fabricated and machined components to offshore wind turbine manufacturers globally and plans to widen its customer base further during the current year.

The company, however, flagged risks arising from geopolitical tensions in West Asia, including potential supply-chain disruptions and higher commodity and energy prices.

It said operational efficiencies would remain a key focus area to mitigate these challenges.

Business Line, 12 June 2026

Sales of wheeled construction equipment fall 17.5% in May

BROAD-BASED MODERATION. Industry sees 20% dip in sales sequentially

T E Raja Simhan
Chennai

The Indian wheeled construction equipment (CE) market witnessed a sharp year-on-year decline in May 2026, with total industry sales falling 17.5 per cent to 5,088 units from 6,168 units in May 2025.

The decline was not only on a year-on-year basis, but also sequentially. Industry sales in May 2026 declined nearly 20 per cent when compared with 6,348 units reported in April, indicating a broad-based moderation in demand for wheeled CE.

While the wheeled CE market contracted sharply in May 2026, JCB, Escorts Kubota and Bull Machines gained market share, reinforcing their positions in an increasingly concentrated industry landscape.

According to FADA Research data, JCB India sold 2,265 units in May 2026 (2,414 units). Despite a 6.2 per cent decline in sales, its market share jumped to 44.52 per cent (39.14 per cent), gaining over 5 percentage points.

Action Construction Equipment (ACE) retained the second position with sales of 632 units (712 units), down 11.2 per cent. However, its market share improved marginally to 12.42 per cent (11.54 per cent).

Escorts Kubota emerged as one of the gainers during the month. Sales rose 6.1 per cent to 401 units (378 units), while its market share increased to 7.88 per cent (6.13 per cent).

Among other manufacturers, the Coimbatore-based Bull Machines recorded strong growth, with sales rising 28.8 per cent to 179 units (139 units). Its market share expanded to 3.52 per cent (2.25 per cent).

Wheeled construction equipment industry struggles (volume in units)

Company	May 2025	Market share (%)	May 2026	Market share (%)
JCB India	2,414	39.14	2,265	44.52
Action Construction Equipment	712	11.54	632	12.42
Escorts Kubota (Construction Equipment)	378	6.13	401	7.88
Ajax Engineering	465	7.54	388	7.63
Bull Machines	139	2.25	179	3:52

Source: FADA Research

ELEVATED BASE

The 17.5 per cent on-year decline in May 2026 retail sales, compounded by a sequential drop of around 23 per cent from April, is consistent with a broader trend that has weighed on wheeled CE segment through much of FY26, a year that followed a high base in FY25.

The elevated base, combined with slower on-ground execution, has visibly weighed on fleet utilisation levels, which in turn has kept fresh equipment demand subdued, said Poonam Upadhyay, Director, Crisil Ratings.

While government capex allocations remained at historically-high levels, delays in project execution, land acquisition challenges and slower disbursement cycles held back demand.

Unlike consumer-facing segments, CE demand is driven by on-ground contract activity, and seasonal softness ahead of monsoon adds to near-term pressure, she said.

Business Line, 15 June 2026

Dana-Eaton $5.1 billion deal set to reshape India's EV, CV supply chain

Amit Vijay Mohile
Mumbai

Days after Dana Inc and Eaton Corporation announced a $5.1 billion deal to combine their mobility businesses, industry experts said the transaction could have significant implications for India's commercial vehicle (CV) and electric vehicle (EV) supply chain, potentially accelerating localisation, integrated powertrain development and electric mobility adoption.

The deal combines Dana's strengths in axles, driveshafts, thermal-management systems and e-axles with Eaton Mobility's expertise in transmissions, clutches and electrification technologies, creating a supplier with more than $11 billion in annual revenue and a sizeable presence in India's automotive manufacturing ecosystem.

Industry experts told *businessline* that the combination reflects a broader shift underway in the global automotive sector, from supplying individual components to delivering complete vehicle systems.

SYSTEM INTEGRATION

For Indian vehicle manufacturers, the significance lies less in the size of the transaction and more in what it brings together. "This is not merely a merger of two component suppliers. It is effectively the creation of a systems supplier at a time when OEMs increasingly want integrated solutions rather than managing multiple vendors across the powertrain," industry experts told *businessline*.

Traditionally, automakers sourced drivetrain, transmission and thermal-management components from different suppliers and integrated them in-house. The combined Dana-Eaton entity will be able to offer a wider range of powertrain solutions under a single umbrella.

The implications could be particularly significant for India's commercial vehicle industry, where electrification remains at a relatively early stage. "The toughest EV challenge in India is not passenger cars. It is buses, trucks and light commercial vehicles that operate in extreme temperatures, congested traffic and demanding load conditions," experts said.

They noted that Dana's expertise in e-axles and thermal management complements Eaton's strengths in transmission and electrification technologies. Bringing those capabilities together could help vehicle manufacturers develop electric commercial vehicles better suited to Indian operating conditions.

LOCALISATION FOCUS

Industry observers also see the merger strengthening India's role within global automotive supply chains. Both companies already have engineering and manufacturing operations in India, and experts believe the combined entity could further expand local sourcing and development activities as it seeks to achieve operational efficiencies and cost synergies.

"India sits at the intersection of the three biggest themes shaping the global auto industry today — electrification, localisation and cost competitiveness. Any supplier looking for scale in those areas will inevitably view India as a strategic market," industry experts told *businessline*.

Some experts also see an opportunity for India to deepen its position as an export and engineering hub as global suppliers optimise manufacturing footprints.

However, experts cautioned that the consolidation could alter competitive dynamics within the supplier ecosystem. "The benefits of integration are clear, but consolidation also changes bargaining power. OEMs may gain engineering efficiencies, but they could face a supplier with greater scale and stronger negotiating leverage, particularly in commercial vehicle powertrains," they said.

ELECTRIC VEHICLES

Business Line, 1 June 2026

EV 2-W registrations up 58% in May amid fuel supply woes

NEW ORDER. TVS retains top position followed by Bajaj; Ather, Hero gain, Ola loses share

T E Raja Simhan
Chennai

The electric two-wheeler (E2W) market maintained its strong growth trajectory in May 2026, with total registrations rising 58 per cent year-on-year (y-o-y) to 1.64 lakh units from 1.04 lakh units in the same month last year, according to Vahan portal registration data as of 8.30 am on Sunday.

Accelerating consumer adoption of electric mobility — aided by expanding product portfolios, improving charging infrastructure and rising participation from both legacy automakers and dedicated EV manufacturers — along with a larger push towards energy security post the West Asia war led to the surge.

WEST ASIA FACTOR

On a sequential basis, too, EV two-wheeler sales grew 18 per cent compared to total registrations of 1.39 lakh units in April 2026, indicating sustained demand for electric scooters and motorcycles across the country.

Going electric

Company	May 2025	Market share (%)	May 2026	Market share (%)
TVS Motor Company	25,804	25	41,489	25
Bajaj Auto	22,642	22	38,005	23
Ather Energy	14,016	13	27,523	17
Hero Motocorp	7,381	7	18,253	11
Ola Electric	18,967	18	14,752	9

Source: Data collated from Vahan website on May 31, 2026 at 8.30 am (In units)

Poonam Upadhyay, Director, Crisil Ratings, said the average monthly run rate through the first half of FY26 was around 1.05 lakh units.

"Three factors are driving growth. Fuel supply concerns stemming from the West Asia conflict has added to consumer anxiety around petrol dependence, nudging more buyers towards electric. The running cost advantage remains a compelling pull — operating costs are significantly lower than comparable ICE options, a gap that only widens as fuel price uncertainty persists. Legacy manufacturers with established distribution and service networks continue to gain ground, giving buyers confidence that after-sales support is no longer a concern," she said. The underlying demand drivers — improving cost economics, fleet adoption and wider OEM participation — continue to be drivers, she added.

LEADERS & LOSERS

TVS Motor Company retained its leadership position in the segment, registering 41,489 units during May and holding on to a 25 per cent market share.

The company recorded a 61 per cent increase over the 25,804 units sold in May 2025.

Bajaj Auto consolidated its second position with registrations rising 68 per cent to 38,005 units from 22,642 units a year ago. Its market share edged up to 23 per cent from 22 per cent, reflecting increasing acceptance of its electric scooter range.

Among the new-age players, Ather Energy had a standout month, nearly doubling its registrations to 27,523 units from 14,016 units in May 2025, a 96 per cent y-o-y growth. The Bengaluru-based EV maker expanded its market share to 17 per cent from 13 per cent, emerging as one of the biggest gainers.

Hero MotoCorp also delivered a strong performance, with registrations more than doubling to 18,253 units from 7,381 units a year earlier. Its market share climbed to 11 per cent from 7 per cent, highlighting the company's growing presence in the electric mobility space.

However, Ola Electric continued to face pressure amid intensifying competition and its own execution challenges. Registrations fell to 14,752 units in May 2026 from 18,967 units in the corresponding month last year. Its market share nearly halved to 9 per cent from 18 per cent.

Business Line, 3 June 2026

Olectra targets EV bus fleet expansion, bets on 55-tonne EV trucks with ₹600 crore capex plan

Amit Vijay Mohile
Mumbai

After clocking ₹2,312 crore in FY26 revenue, Olectra Greentech is internally targeting turnover of around ₹4,000-4,500 crore by FY27, as the company prepares a major expansion into heavy electric trucks, battery systems and integrated EV manufacturing.

Speaking to *businessline*, Mahesh Babu, Managing Director of Olectra Greentech, said the company's next growth phase would be driven by heavy commercial EVs, integrated manufacturing and energy businesses as electrification expands beyond buses into freight and industrial transportation.

"Olectra's performance reflects our continued focus on sustained and profitable growth across both our mobility and energy businesses," Babu said.

The Hyderabad-based company is expected to invest ₹400-500 crore over the next two years across new platforms and production infrastructure, while longer-term investments could range between ₹2,000 crore and ₹5,000 crore spanning products, capacity expansion and battery systems.

> We are deliberately starting from the top end because heavy-duty applications already make economic sense for electrification
>
> **MAHESH BABU**
> MD, Olectra Greentech

India's largest electric bus maker delivered 1,280 EVs in FY26 and ended the year with an order-book of 10,161 vehicles. Its deployed EV fleet now stands at nearly 4,000 vehicles nationwide.

HEAVY TRUCK PUSH

At the centre of Olectra's next growth phase is its planned entry into heavy electric trucks — a segment still at a nascent stage in India. The company is developing a 55-tonne electric tractor trailer and a 38-tonne electric tipper, with commercial deliveries expected from the last quarter of FY27.

Unlike several EV startups focusing on light commercial cargo vehicles, Olectra is betting on heavy-duty applications where vehicles running 300-400 km daily already offer stronger total-cost-of-ownership economics over diesel fleets. "We are deliberately starting from the top end because heavy-duty applications already make economic sense for electrification," Babu said, pointing to demand from mining, construction, ports and industrial transportation operators.

The company believes financing, rather than technology, could become the biggest barrier for electric truck adoption in India.

Babu said extending EV financing tenures from the current three-four years to six-seven years could significantly improve adoption by aligning EMIs more closely with operating savings. India's electric truck market remains tiny at an estimated 600-800 units in FY26, but Olectra internally expects annual demand could cross 3,000 units by FY28-29.

FUTURE PLANS

Olectra is evaluating a blade battery pack assembly line in India with technology support linked to BYD, while also expanding sourcing partnerships with Indian battery suppliers to reduce dependence on a single ecosystem.

The company has consolidated operations at its 150-acre Seetharampur Industrial Park near Hyderabad, which it describes as among India's largest integrated electric bus manufacturing hubs. It is developing next-generation 7 m, 9 m and 12 m bus platforms, alongside upgraded intercity electric coaches.

The Economic Times, 4 June 2026

In a Pivot, TaMo to Use China JV Platform for Premium EV Foray

Our Bureau

Mumbai: Tata Motors has overhauled its Avinya strategy, the company's premium EV brand and future luxury EV platform, pivoting to partnerships and ready-made architectures to accelerate launches after years of delays, a shift first reported by Reuters.

The company has dropped its original plan to build Avinya models on Jaguar Land Rover's upcoming electrified modular architecture (EMA). It will now use the Freelander platform being developed through its Chinese joint venture Chery Jaguar Land Rover (CJLR), allowing it to bypass lengthy development timelines and speed up entry into the premium EV segment, the news agency reported.

The reset is significant because Avinya sits at the centre of Tata Motors' long-term electric vehicle ambitions. Conceived as a global luxury EV brand, Avinya is intended to take Tata beyond the mass-market electric segment and position it against international premium EV rivals in India and overseas markets. "Avinya is being developed as a global premium brand for a next-generation EV portfolio to be built on multiple, scalable platforms and architectures while being anchored in Tata Motors' design, engineering and integration capabilities," a Tata Motors spokesperson said in a statement.

The first Avinya model is now scheduled to launch in India in 2027. It will be based on the CJLR-developed Freelander architecture and manufactured at the Tata Passenger Electric Mobility–JLR facility in Panapakkam, Tamil Nadu. Notably, Chery will act only as a supplier of platforms to be used for Avinya. There is no licensing or technology transfer being done. Tata Motors said its collaboration with JLR and its partners would be a key pillar of Avinya's growth. "Our collaboration with JLR and its partners will be an important pillar of our global premium EV journey as we expand the Avinya portfolio across segments and geographies," the company said.

The automaker added that Avinya would combine global technology, advanced engineering and local manufacturing.

Business Line, 4 June 2026

Bajaj tops May e3W market as EV sales surge 96% y-o-y

POWER MODE. The firm sold 11,639 electric 3-wheelers during the month: Vahan data

Amit Vijay Mohile
Mumbai

Bajaj Auto emerged as India's largest electric three-wheeler player in May 2026 as EV retail sales surged 96 per cent year-on-year (y-o-y) even though the broader three-wheeler industry remained flat sequentially, according to Vahan data.

Electric vehicles accounted for 46.6 per cent of total three-wheeler retail sales during the month, while ICE volumes continued to decline.

India's three-wheeler market is increasingly being reshaped by electrification rather than fresh demand growth, with Bajaj Auto overtaking Mahindra Last Mile Mobility to emerge as the country's largest electric three-wheeler player in May 2026. Vahan data showed Bajaj sold 11,639 electric three-wheelers during the month, marginally ahead of Mahindra Last Mile Mobility's 10,709 units.

The broader three-wheeler industry, however, showed signs of stalling, with total retail sales standing at 74,221 units in May 2026, almost unchanged from 74,211 units in April.

E3W FRONTRUNNER. In contrast, internal combustion engine (ICE) three-wheeler sales declined 4.5 per cent y-o-y and 11.8 per cent m-o-m to 39,650 units REUTERS

Within that flat market, electric three-wheeler sales surged 96.3 per cent y-o-y and 18.1 per cent sequentially to 34,571 units, while ICE sales fell 4.5 per cent y-o-y and 11.8 per cent month-on-month (m-o-m) to 39,650 units, according to Vahan data.

In contrast, ICE three-wheeler sales declined 4.5 per cent y-o-y and 11.8 per cent m-o-m to 39,650 units, signalling that EVs are now beginning to cannibalise conventional fuel-powered volumes in absolute terms rather than merely contributing incremental growth.

EV ADOPTION

Industry executives said improving operating economics and rising fuel costs are accelerating EV adoption across commercial mobility applications, particularly in three-wheelers, where vehicles operate at high daily utilisation.

"The rising demand for EVs across two-wheelers, three-wheelers, and four-wheelers is a clear indicator that clean mobility is becoming mainstream in India," said Uday Narang, Founder and Chairman of Omega Seiki Mobility (OSM).

Omega Seiki Mobility retailed 1,264 electric three-wheelers in May 2026, up 16.4 per cent from 1,086 units in April and 58.8 per cent higher than 796 units sold in May 2025, according to Vahan data.

TVS Motor also sharply expanded its electric presence, with EV sales more than doubling year-on-year to 3,590 units. Electric vehicles now account for over 60 per cent of the company's three-wheeler retail volumes.

Piaggio, one of the more ICE-heavy players in the segment, continued to face pressure with ICE retail sales falling to 6,495 units in May from 7,260 units in April, while EV volumes remained relatively small at 1,251 units.

The latest numbers indicate India's three-wheeler market is approaching a key inflection point where EVs could soon rival ICE vehicles in overall monthly retail sales.

Business Line, 7 June 2026

EV bus registrations dip 7 per cent in May

Amit Vijay Mohile
Mumbai

India's electric bus registrations declined 7.2 per cent month-on-month in May, reflecting persistent infrastructure and financing bottlenecks in the country's public transport electrification push even as JBM Auto emerged the strongest performer with a sharp jump in deployments.

According to VAHAN portal data, total electric bus registrations fell to 322 units in May from 347 units in April. However, beneath the modest market decline, competitive positions shifted sharply across manufacturers, highlighting the uneven and deployment-led nature of the EV bus market.

JBM IN LEAD

JBM Auto recorded the strongest growth during the month, with registrations rising to 157 units in May from 62 units in April, helping the company capture 48.8 per cent market share and emerge the market leader. Commenting on the performance, Nishant Arya, Vice-Chairman and Managing Director, JBM Auto, said the company's growth reflected its long-term focus on sustainable public mobility.

"At JBM Auto, we are building solutions that combine innovation, efficiency, and user-centric design," Arya added.

The sharp increase points to strong execution of fleet deployment orders and highlights how India's electric bus market is increasingly becoming an execution-led business where deployment capability matters as much as manufacturing scale.

PMI Electro Mobility, which led the market in April, saw registrations decline to 50 units in May from 111 units a month earlier, with its market share falling to 15.5 per cent.

Switch Mobility retained a relatively stable presence with 54 registrations in May compared with 62 units in April, while Olectra Greentech rebounded sharply to 47 registrations from just one unit in the previous month, taking its market share to 14.6 per cent.

The data also showed steep decline for several players. Pinnacle Mobility's registrations dropped to five units from 52 in April, while Aeroagle fell to three units from 28. Tata Motors remained marginal in the segment with two registrations during the month.

Industry executives said electric bus deployments are constrained by charging infrastructure and financing hurdles rather than vehicle availability alone.

The high upfront cost of electric buses continues to weigh on adoption. Private fleet operators executing gross cost contract projects often lack large fixed land assets that banks typically require as collateral to extend low-cost financing.

Business Line, 13 June 2026

Ather's factory hits 90% capacity utilisation, supply controlled

Our Bureau
Bengaluru

Electric two-wheeler manufacturer Ather Energy has introduced allocation controls in select markets after capacity utilisation at its Hosur factory crossed 90 per cent, following a 69 per cent year-on-year volume expansion in fiscal year 2026. CEO Tarun Mehta announced the measures alongside the company's annual financial results for the year ended March 31, 2026, which showed revenue from operations rising 66 per cent to ₹3,671 crore and net losses narrowing by 36 per cent to ₹517 crore. The company also reported positive operating cash flow for the first time, supported by a record fourth quarter volume of 83,418 units.

To address the capacity constraints, the company is relying on Factory 3.0, a new greenfield plant in Chhatrapati Sambhajinagar. Phase 1 of the facility, designed for a monthly capacity of 42,000 units, is scheduled to become operational by March 2027. The performance indicates an operational shift from April 2025, when Ather launched its IPO when the Hosur plant was operating at approximately 30 per cent of its 4.2 lakh-unit annual capacity, FY24 revenue had declined, and losses were widening.

The Economic Times, 13 June 2026

How Green is My Truck, Asks India Inc?

FOSSIL FIX Big corporates plug into electric trucks as rising diesel and logistics expenses drive a rethink

TIME IS NOW EV registrations up 4x this year amid a focus on sustainability, and growing confidence in technology

Lijee Philip

Mumbai: India's biggest industrial companies are accelerating investments in electric trucks as volatile diesel prices, rising logistics costs and sustainability commitments reshape freight economics, driving a sharp increase in adoption of electric commercial vehicles across sectors. Companies such as UltraTech Cement, Vedanta, JSW are expanding electric mobility initiatives across logistics operations, while manufacturers are reporting a surge in enquiries from large corporates looking to reduce dependence on conventional fuels and improve operating efficiency.

The momentum is beginning to reflect in market data, with electric truck registrations nearly quadrupling in the first five months of 2026. This also signals growing market acceptance and increased commercial deployment across logistics, ports, cement, mining and quick-commerce operations.

Among the early movers is UltraTech Cement, which has deployed electric trucks for bulk logistics operations in what is among the country's largest interstate EV truck deployments in the industrial freight segment. The company plans to progressively replace conventional diesel-powered vehicles in its logistics network. Vedanta, too, is pushing fleet electrification. "We have also transitioned approximately 14% of our light motor vehicle fleet to electric mobility, with over 200 electric vehicles deployed," a company spokesperson said.

The shift is extending beyond fleet adoption. The JSW Group is making a strategic foray into sustainable commercial mobility through JSW Greentech, which will design and manufacture next-generation electric commercial vehicles, underscoring growing confidence in the long-term potential of the segment.

ET Insight

As battery costs decline and vehicle utilisation improves, total ownership costs are expected to become increasingly attractive

Truck makers say corporate interest has risen sharply over the past year. Ashok Leyland has seen a significant increase in enquiries and pilot projects, driven by sustainability commitments, evolving regulations and increasing awareness of the long-term economic benefits of electrification.

Going Green

ELECTRIC TRUCK REGISTRATIONS

497 units: First five months (2026)

127 units: In the year-ago period

Source: Vahan Portal

EV SHIFT EXTENDING BEYOND FLEET ADOPTION

Triggers for interest: Sustainability commitments, evolving regulations, awareness of economic benefits of electrification

Areas seeing strongest adoption: Cement, steel, minerals, ecommerce, FMCG distribution, and port operations

FUTURE FORWARD: Improving battery tech, charging infra hold key

The company is seeing interest from MNCs large fleet operators, ecommerce and logistics firms, FMCG distributors, municipal institutions and customers operating in ports and industrial hubs. These sectors are emerging as the earliest adopters because they operate on dedicated routes and centralised networks that simplify charging and vehicle deployment.

Currently, cement, steel, minerals, FMCG distribution, ecommerce and port operations are witnessing the strongest adoption of electric trucks. "These applications are particularly promising as vehicles operate within defined ecosystems where charging can be planned efficiently," said Sanjeev Kumar, president, MHCV, Ashok Leyland. Blue Energy Motors is seeing a similar trend. The company said enquiries for its electric trucks have risen nearly three-fold over the last four to five months, with a significant share coming from large corporates and fleet operators.

"Businesses today are increasingly focused on building resilience against fuel price volatility and supply-chain uncertainties, and this is emerging as a key driver accelerating interest in electric trucks," said Anirudh Bhuwalka, founder and managing director, Blue Energy Motors.

Industry executives expect the pace of adoption to accelerate over the next few years as battery technology improves and charging infrastructure expands. "Over the next two-three years, we expect substantial progress across the EV ecosystem. Battery technology is likely to deliver higher energy density and improved durability," Kumar said.

Improvements in energy efficiency and faster charging capabilities are expected to extend vehicle range and productivity, while expanding charging infra across logistics corridors, industrial zones and urban centres will improve operational convenience for fleet operators.

The economics, however, remain central to the transition. As battery costs decline and vehicle utilisation improves, total ownership costs are expected to become increasingly attractive. Industry stakeholders say innovative ownership models such as battery-as-a-service and battery swapping, along with easier financing, dedicated EV freight corridors and continued policy support, will be critical in accelerating large-scale adoption of electric trucks across India's freight ecosystem.

TRACTOR

Business Standard, 8 June 2026

M&M bets beyond tractors to drive farm mechanisation

SOHINI DAS
Mumbai, 7 June

After building a record 43.6 per cent share in India's tractor market, Mahindra & Mahindra (M&M) is increasingly looking beyond tractor sales and considering broader farm mechanisation encompassing harvesters, balers, seed drills and telematics-enabled services as its next growth driver.

The shift comes as the company's farm-machinery business is growing faster than its operations in tractors, albeit from a much smaller base.

Revenues from the tractor segment in FY26 rose 32 per cent year-on-year to ₹1,354 crore, up from ₹1,024 crore in FY25 and ₹866 crore in FY24.

By comparison, M&M's farm-equipment business in FY26 generated over ₹42,500 crore.

M&M says the next phase of growth in Indian agriculture will be driven not only by farmers buying tractors but also by a growing network of rural entrepreneurs who own machinery fleets and provide mechanisation services to small farmers on a rental basis.

"Many farmers cannot afford expensive mechanisation. Rural entrepreneurs make this equipment available on a pay per use basis," Veejay Nakra, president (farm equipment business), M&M, told *Business Standard*.

Rather than treating tractors as standalone products, the company is increasingly focused on a "tractor-plus-implement-plus-technology" model, which combines machinery, digital tools and service delivery.

Nakra said the trend could create greater opportunities for rural entrepreneurs while expanding access to mechanisation.

Veejay Nakra, president (Farm Equipment Business), M&M

Growth engine

	Tractor market share (%)	Farm machinery revenue (₹ cr)
FY24	41.60	866
FY25	43.30	1,024
FY26	43.60	1,354

Source: M&M, Q4 FY26 Investor Presentation; market share includes Gromax. Farm machinery revenue includes MITRA

"If we can create higher levels of skill, entrepreneurship and income opportunities in rural India, why would people want to leave their families and migrate to cities?" he said.

Mechanisation levels remain low across much of the agricultural value chain, creating headroom for growth beyond land-preparation equipment, like rotavators and tillers, which make up a significant portion of mechanisation beyond tractors compared to other areas of farming.

"Across the broader farming value chain, mechanisation is still below 40 per cent," Nakra said, adding that growth would come from higher-value categories such as harvesters, balers, and seed drills.

The company expects labour shortage and rising labour costs to support long-term adoption. Governments are also increasingly encouraging the adoption of complete farming solutions rather than standalone tractors.

As part of mechanisation, M&M is also offering telematics. The technology enables machinery operators to track digitally the acreage covered, the hours worked, and fuel consumption while helping fleet owners monitor equipment utilisation and drivers.

"No more standing with a measuring tape — everything is now available right on an app," Nakra said.

The mechanisation push comes even as concerns over El Niño and a potentially weaker monsoon cloud the outlook for rural demand in FY27.

Rating agency ICRA recently said the India Meteorological Department's revised monsoon forecast of 90 per cent of the long-period average rainfall, down from 92 per cent earlier, could weaken agricultural prospects in FY27. The agency expects the impact to vary across sectors, with agriculture and rural demand remaining key monitorables.

RAW MATERIAL

The Economic Times, 5 June 2026

Tata Steel Targets 9% India Sales Growth This Fiscal

Kalinganagar output to aid guidance; co also targets clearing all outstanding overseas bonds by FY28

Our Bureau

Mumbai: Tata Steel is targeting a near 9% rise in steel sales in India this fiscal year, aided by additional production from its facility in Kalinganagar, Odisha, which is currently ramping up. The company commissioned an additional five million tonne capacity at this facility last year, taking the total to five million tonne.

The fresh capacity will come at a time when demand for steel is seen growing by 8-9% in 2026, largely driven by greater spending on infrastructure and urbanisation. Tata Steel sold a record 22.53 million tonne of steel in India in FY26.

Tata Steel, among the world's top producers of the commodity, has manufacturing operations in the Netherlands, UK, and Thailand, besides its home market of India.

The company is also targeting fully repaying outstanding bonds issued by its overseas subsidiaries by this fiscal year-end, according to senior executives.

"For the last few years, we have been focusing on the onshoring of overseas debt to mitigate the rupee depreciation risks," said chief executive officer TV Narendran and chief financial officer Koushik Chatterjee in the company's FY26 annual report.

Tata Steel's overseas debt stood at 18% of its total debt last fiscal, declining from 50% in FY21, per the company. "Without this proactive onshoring, our gross debt would have been higher by ₹12,500 crore due to rupee depreciation alone," the executives said.

A strengthened balance sheet is helping Tata Steel retain financial flexibility required to fund investments in growth, value-added upstream and downstream assets, as well as new technologies and decarbonisation through the business cycle, the management said. Tata Steel closed FY26 with a gross debt of ₹80,144 crore, and a net-debt-to-Ebitda ratio of 2.3 times.

US may push India to lock in 18% tariff deal, offer Section 301 relief

DEAL DYNAMICS. It may seek deeper tariff cuts; India wants assured trade advantage

Amiti Sen
New Delhi

To clinch an early free trade deal with India, the US is likely to press New Delhi to accept a tariff package that locks in import levies on Indian goods around 18 per cent, as agreed to in the February framework deal. This will be backed by an assurance that more penalties won't be added after the ongoing Section 301 investigations against India conclude, sources said.

The high-level US trade team visiting India on June 1-4 to push negotiations to conclude the interim trade deal may also throw in a sweetener, guaranteeing further tariff reductions in the future aligned with the reduction in America's trade deficit with India, a source told *businessline*.

TARIFF LOCK-IN

"The US is keen to close the deal very soon, but it may take a while for its domestic tariff situation to settle down. That is why negotiators are likely to lock in a tariff rate around the 18 per cent level agreed to in February. This means additional penalties will not be imposed even if the Section 301 investigations result in an adverse verdict for India in the coming months," the source explained.

However, India remains uncertain about what tariffs competitors like Vietnam, Bangladesh, Indonesia or Cambodia will face, which determines how good its own deal is.

"Commerce Minister Piyush Goyal has stated that while India looks forward to sealing a bilateral pact, its primary objective remains securing a competitive advantage over other economies. If India agrees to a tariff level now, it needs to be sure it fares better than others," a second source said.

PACT FRAMEWORK

While this interim deal will focus mainly on tariffs and non-tariff barriers, the pact will subsequently expand to include elements like intellectual property, government procurement, investment protection, data flows, and customs and trade facilitation.

Under the February 2 framework, the US offered to lower reciprocal tariffs to 18 per cent from 25 per cent and remove the 25 per cent penalty for buying Russian oil, over and above the normal MFN tariffs. In return, India agreed to significantly reduce tariffs on US industrial and agricultural products. The US removed the oil tariffs, but reciprocal tariffs remained.

However, a landmark February 20 US Supreme Court judgment invalidated those reciprocal tariffs, leaving most countries facing a temporary 10 per cent global tariff above regular MFN rates.

The US' counter-argument to India's caution is that its competitors also face Section 301 investigations. "Every country realises Section 301 penalties could be huge. It will suit competitors to implement older trade deals clinched before the reciprocal tariffs were invalidated. The US is starting talks with many of them," the first source said.

India's trade surplus with the US declined in FY26 to \$34.41 billion from \$40.88 billion in FY25 as imports of American goods increased. However, the US remained India's largest export market in FY26 at \$87.31 billion.

TRADE BARGAIN

- US wants India to accept capped tariffs of 18% that it had agreed to in the February framework
- It is likely to offer a guarantee that additional penalties under Section 301 will not be slapped
- Further tariff rollbacks for India, tied to the narrowing of the US trade deficit, may be proposed
- New Delhi wants assurance of tariff advantage over competitors such as Vietnam and Bangladesh
- Interim deal to focus on tariffs and non-tariff barriers, and will be expanded to include investments, IPR and government procurement

The Economic Times, 1 June 2026

Localisation Lens on 500 Imported Items

DPIIT analysing data; move aims to reduce country's import bill and build supply resilience amid ongoing West Asia crisis

Import Scrutiny

Govt studying goods where imports are high

Electronics, chemicals, machinery, textiles, civil aviation imports being examined

DPIIT collecting data from other ministries

100 goods may be shortlisted where local production can be raised

Kirtika Suneja

New Delhi: The government is examining 500-odd heavily imported products including machinery, fertilisers, chemicals, cotton staple fibre, plastics, silicon wafers and carbon fibres, to identify localisation opportunities and reduce dependence on overseas supply.

The commerce and industry ministry is collating data from different ministries on import dependence, estimated time and capital investment required to achieve commercially viable domestic manufacturing capability, and national strategic relevance of these products, officials privy to the development said.

The idea is to reduce the country's import bill and build supply resilience amid the ongoing West Asia crisis.

The Department for Promotion of Industry and Internal Trade (DPIIT) is "analysing data such as production capacity and bottlenecks faced by industry," one of the officials said.

The department has sought information such as the extent to which domestic demand for the product is met through imports, indicating vulnerability to external supply and the need for localisation, and the importance of the product in ensuring continuity, resilience, and stability of domestic manufacturing and essential downstream sectors.

The exercise also covers harvester-threshers, parts of turbo jets and certain graphite, officials said.

DPIIT is likely to shortlist around 100 items where the imports are high but the country has capacity to produce them locally, another person aware of the development said.

High import dependence means where 60% or more of the domestic demand for the product is met through imports while medium is where imports are 30-60%.

"Electronics and chemicals are two key sectors where imports are huge but the potential to export is also significant," another official said.

India's goods import bill stood at $774.98 billion in FY26, led by oil at $174 billion, electronics at $116.17 billion, and gold at $72 billion. The country also imported organic and inorganic chemicals worth $28 billion last fiscal.

Makeup preparations, dishwashers, industrial valves and certain silicon wafers also figure in the list of the products whose imports are being studied.

The exercise comes after Prime Minister Narendra Modi urged citizens to help preserve foreign exchange and contain the country's rising import bill amid the ongoing conflict in West Asia.

India's current account deficit is likely to widen sharply to 2.3% of GDP in FY27 from 0.9% in FY26 amid elevated oil prices and external sector pressures, HSBC has cautioned.

Business Standard, 3 June 2026

Automotive body trims export PLI red tape after industry pushback

DEEPAK PATEL
New Delhi, 2 June

After facing opposition from automobile (auto) makers over additional paperwork under the auto production-linked incentive (PLI) scheme, the Automotive Research Association of India (ARAI) on Monday relaxed certification requirements for vehicles meant for export under the scheme, *Business Standard* has learnt.

In a notice issued on Monday afternoon, the ARAI said: "In cases where the Bill of Materials (BoM) and description of an export variant are identical to those of the corresponding domestic variant, the domestic value addition (DVA) certificate issued for the domestic variant would hold good for the export variant."

A BoM is a detailed list of all parts, components, and raw materials used to manufacture a vehicle. DVA refers to the proportion of a vehicle's value generated within India through local manufacturing, sourcing of components, and other domestic inputs. Under the auto PLI scheme, manufacturers must meet specified DVA levels to qualify for financial incentives.

On December 22, 2025, ARAI — the government-run testing agency that verifies localisation levels of vehicle models claiming incentives under the auto PLI scheme — issued a notice requiring manufacturers to obtain separate DVA certificates for each export model.

ARAI ALSO EASED PROCEDURE FOR EXPORT VARIANTS THAT DIFFER FROM THEIR DOMESTIC COUNTERPARTS IN TERMS OF CERTAIN COMPONENTS USED IN THE VEHICLE

Business Standard reported on Monday morning that automakers, during a meeting with officials of the Ministry of Heavy Industries (MHI) on April 23, opposed the December 22 notice, arguing that it was not part of the scheme's original standard operating procedure and significantly increased the paperwork burden. Automakers said each new DVA certification required manufacturers to collect fresh documentation from suppliers across the value chain, a process that could take months.

A senior ministry official who chaired the April 23 meeting asked the testing agencies whether the industry had been consulted before the document was issued.

The ARAI, one of the testing agencies present at the meeting, admitted that no stakeholder consultation had taken place. The official then told the agencies that the scheme did not distinguish between vehicles sold domestically and those exported, and asked them to review the December communication.

In its notice issued on Monday afternoon, ARAI also eased the procedure for export variants that differ from their domestic counterparts in terms of certain components used in the vehicle. Such cases will be treated as "variants" under the existing certification framework, it said.

This means manufacturers will no longer have to approach testing agencies as though such an export model were an entirely new product, reducing the amount of documentation and scrutiny required.

According to ARAI's Monday notice, a fresh application will be needed only when there is no previously certified domestic model. In such cases, the export model will become the base model for future variant assessments.

The auto PLI scheme was approved by the Union Cabinet on September 15, 2021, with an outlay of ₹25,938 crore over five years to promote domestic manufacturing of advanced automotive technologies through incentives linked to incremental sales. Of the 115 applicants, 82 companies — including vehicle manufacturers and auto component firms — were approved. Under the rules, an automaker has to sell at least ₹125 crore worth of eligible vehicles in the first year and increase those sales by at least 10 per cent annually to continue receiving incentives.

Business Line, 4 June 2026

Centre clears over ₹9,500 cr vehicle replacement scheme for Delhi-NCR

CLEAN DRIVE. Programme targets older trucks and buses to reduce emissions and accelerate cleaner mobility

Rohit Vaid
New Delhi

To reduce air pollution and accelerate the adoption of cleaner transport technologies in the Delhi-NCR region, the Centre has approved a ₹9,585-crore vehicle replacement scheme.

The Union Cabinet cleared the two-year programme aimed at incentivising owners of older trucks and buses to replace them with Bharat Stage-VI (BS-VI) compliant vehicles or electric vehicles (EVs).

The scheme has a total financial outlay of ₹9,585 crore, including ₹5,041 crore from the Central government and an estimated ₹1,601 crore in tax concessions from participating States, said an official communique.

The programme is expected to benefit around 2.07 lakh vehicle owners across the region. The scheme will cover around 1.91 lakh trucks and 16,329 buses currently operating under BS-IV or earlier emission standards.

REGIONAL IMPACT. The programme is expected to benefit around 2.07 lakh vehicle owners across the region. It will cover around 1.91 lakh trucks and 16,329 buses

The approval comes amid concerns over air quality in the Delhi-NCR region, particularly during winter.

KEY POLLUTANT

According to a study by the Automotive Research Association of India and The Energy and Resources Institute, the transport sector contributes 14 per cent of PM2.5 emissions, 40 per cent of carbon monoxide emissions and 63 per cent of nitrogen oxide emissions in the region. Of this, trucks and buses account for 36 per cent of PM2.5 emissions despite representing only 3 per cent of the total vehicle fleet.

According to the communique, a single pre-BS heavy-duty vehicle emits pollution equivalent to 14 BS-VI-compliant vehicles, while a BS-IV vehicle emits 2.7 times more emissions than a BS-VI counterpart.

Consequently, the replacement of older vehicles is expected to reduce vehicular pollution across the region.

SCHEME BENEFITS

Under the programme, owners of BS-III and older vehicles will be required to scrap their vehicles at registered scrapping facilities, while BS-IV vehicles may either be scrapped or sold outside the NCR in non-national clean air programme cities and towns.

Vehicle owners will then be required to purchase and register BS-VI-compliant or electric vehicles within the NCR region.

In Delhi, light goods vehicles purchased under the scheme must be electric, while buses will be permitted only under BS-VI compressed natural gas (CNG) or electric vehicle categories.

The Centre will provide a 5 per cent interest subvention on vehicle loans for five years, monthly fuel vouchers of up to ₹4,800 depending on vehicle category and lump-sum incentives for electric vehicle purchases or certificate of deposit trading.

Besides, the participating States will waive registration fees and provide motor vehicle tax concessions of up to 100 per cent for new vehicles and 50 per cent for used vehicles for a period of 10 years. Furthermore, the State governments will waive pending liabilities on old vehicles participating in the scheme.

Additionally, participating automobile manufacturers will offer discounts of 8 per cent on ex-showroom vehicle prices. The Central government benefits will continue for five years from the registration date of the replacement vehicle, extending support beyond the scheme's two-year enrolment period.

IMPLEMENTATION

The implementation will be carried out through an integrated digital platform that will facilitate eligibility verification, interest subvention claims, fuel voucher credits and monitoring of pollution reduction outcomes.

Benefits provided by the Centre will continue for five years from the registration date of the replacement vehicle. It will be monitored by an empowered committee chaired by the Cabinet Secretary, while District Collectors and District Magistrates will oversee implementation at the local level.

Business Standard, 4 June 2026

Govt approves highway projects worth ₹24.2K cr

HEMANT KUMAR ROUT
Bhubaneswar, 3 June

The Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi, approved national highway (NH) projects worth around ₹24,249.6 crore in Odisha, Telangana, Madhya Pradesh and Bihar on Wednesday.

The much-awaited Odisha coastal highway project is finally set to take off as the Cabinet approved the Rameshwar-Paradip section at an estimated cost of ₹8,300.79 crore.

Announced in 2015, the construction of the 346-km greenfield highway from Rameswar in Odisha to Digha in West Bengal has been delayed by more than 10 years.

Initially planned as a four-lane highway, the section from Konark to Paradip was reduced to two lanes on the grounds of current and expected traffic volume, prompting the National Highways Authority of India to revise the detailed project report.

According to the traffic assessment, the estimated volume for package-I is 10,437 passenger car units, whereas for package-II, the estimated volume is 7,249 PCUs during 2027-28. The projected traffic on the corridor is 14,377 PCUs by 2037-38 and 20,833 PCUs by 2047-48. The package-I will be taken up at a cost of ₹5,304.8 crore and the package-II at ₹2,995.99 crore. Both packages include land acquisition and other pre-construction costs of ₹1,419.75 crore.

Odisha Chief Minister Mohan Charan Majhi expressed gratitude to the PM saying: "This landmark project will strengthen connectivity and create new opportunities for tourism, trade, logistics and economic growth," Majhi said.

The CCEA approved widening of the existing Armoor-Jagtial-Mancherial section of NH-63 on HAM and the Jagtial-Karimnagar section of NH-563 in Telangana to a four-lane highway under a build-operate-transfer (BOT-toll) model. It would comprise three work packages with a combined length of 190.76 km and a capital cost of ₹7,597.16 crore.

The Armoor-Jagtial-Mancherial section passes through Nizamabad, Jagtial and Mancherial districts of Telangana, currently facing congestion due to several built-up areas along the highway. The projects will have a four-lane configuration with bypasses to built-up areas with open tolling.

In Madhya Pradesh, the CCEA gave its nod to the upgradation of the existing 125-km intermediate lane of the Hiwarkhedi-Roshni-Ashapur-Rudhy section of NH-347B to a two-lane standard.

It also okayed widening of the 108.64-km two-lane Deshgaon-Julwaniya section of NH-347B to a four-lane highway on HAM at a cost of ₹4,415.60 crore.

The CCEA also cleared the upgradation of the 143.5-km Khagaria-Purnea section of NH-31 and NH-231 to a four-lane standard on a BOT mode at a cost of ₹3,936.05 crore to address congestion in built-up areas across Khagaria, Bhagalpur, Katihar and Purnea districts.

REPRESENTATIONAL PHOTO

Proposed Odisha coastal highway gets nod after a decade

Paths cleared

Odisha: Rameshwar-Paradip section of Coastal Highway — **₹8,300.79 crore**

Telangana: Armoor-Jagtial-Mancherial (NH-63); Jagtial-Karimnagar (NH-563) — **₹7,597.16 crore**

Madhya Pradesh: Hiwarkhedi-Roshni-Ashapur-Rudhy; Deshgaon-Julwaniya (NH-347B) — **₹4,415.60 crore**

Bihar: Khagaria-Purnea (NH-31); NH-231 — **₹3,936.05 crore**

Business Line, 12 June 2026

India to remain fastest-growing economy at 6.6% in FY27: World Bank

Press Trust of India
Washington

India will remain the world's fastest-growing major economy, expanding at 6.6 per cent in fiscal year 2026-27, a sharp moderation from 7.7 per cent in the previous year, the World Bank said.

"Growth in India is projected to moderate to 6.6 per cent in fiscal year 2026/27 (April 2026 to March 2027), reflecting a slowdown in private demand growth owing to higher energy prices and other input costs," the World Bank said in its report on Global Economic Prospects.

Reduction in GST rates should somewhat support consumer demand, the report said, adding that the economy is expected to rebound to 7.2 per cent projected growth in fiscal 2027-28.

Despite heightened uncertainty related to the conflict, economic activity in India remained robust early this year, supported by resilient domestic demand, the World Bank report said.

It said private consumption, particularly in rural areas, has been strong, with urban demand recovering.

In per capita terms, growth in Emerging Markets and Developing Economies (EMDEs) in 2026 is projected to slow to its weakest pace since the pandemic, with the conflict and lingering disruptions impacting EMDEs to varying degrees.

In EMDEs, excluding China and India, subdued per capita income growth is expected to lead to nearly a decade of lost income convergence with advanced economies by 2028.

Business Standard, 13 June 2026

Govt clears way for car safety technology

REUTERS
12 June

The government has scrapped licence requirement for radar sensors, freeing automakers to adopt technology that helps cars avoid crashes and drive themselves by sensing surrounding objects, in a bid to make some of the world's deadliest roads safer.

The world's third largest car market, India reported more than 177,000 deaths in nearly half a million road accidents in 2024, the latest figures show.

In a notice on Thursday, the government waived the licence requirement for radar sensors operating in the frequency band from 77GHz to 81 GHz. That lets companies enable the technology without the government having to separately assign the airwaves.

Automakers Maruti Suzuki, Tata Motors and Mahindra & Mahindra, stand to benefit from the change, as well the suppliers behind them, such as Germany's Bosch and Continental.