

Bajaj Auto mulls EV expansion out of Maharashtra on sops row

UNPLUGGING? Company riled by State's autorickshaw permit curb; TN, Karnataka woo automaker

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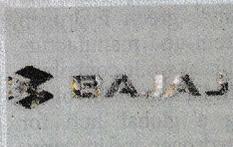
Bajaj Auto is contemplating moving a part of its electric vehicle (EV) manufacturing out of Maharashtra and allocating future EV investments to other States following a disagreement with the State government over nearly ₹75 crore in unpaid subsidies and restrictions on new autorickshaw permits, according to sources familiar with the matter.

Industry sources said the company is exploring the possibility of shifting future EV manufacturing expansion to its Pantnagar facility in Rudrapur, Uttarakhand, while also considering directing new investments to States offering clearer policy support and incentives. The development has prompted rival States to reach out to the Bajaj Auto management to compete for the company's upcoming EV investments. Karnataka and Tamil Nadu have already initiated discussions with the automaker, industry sources said.

The dispute stems from tensions between Bajaj Auto

POLICY SNAG

- Bajaj Auto's plan to shift base comes amid a dispute with Maharashtra over ₹75 crore in unpaid subsidies and curbs on new auto permits
- Permit curbs could hit the company as the State accounts for 15-17% of its ICE three-wheeler volumes
- Bajaj has invested about ₹750 crore in the EV ecosystem in Pune; vendors added ₹250 crore more



and the Maharashtra Transport Department over delays in subsidy payments and a recent decision to restrict the issue of new autorickshaw permits in the State, citing market saturation.

Subsidy dues to Bajaj Auto are estimated around ₹75 crore, though the company has reportedly received partial payments.

MINOR ISSUE: GOVT

The Maharashtra government sought to downplay the issue as it continues to engage with the company. Maharashtra Industries Secretary P Anbalagan described the subsidy issue as a relatively minor one from a budget perspective while

emphasising that the State remains committed to working with industry.

"That is a small component problem from a budget perspective. The government is there to engage with industry, and we are working closely on the issues," Anbalagan told *businessline* at the Confederation of Indian Industry Maharashtra Annual Meeting, where he outlined the State's \$1 trillion manufacturing ambitions.

PERMIT CURBS

The situation drew wider attention after Bajaj Auto MD Rajiv Bajaj publicly criticised the State's EV policy, calling it a "massive failure" and saying that in his 36-year career,

he had never seen such a major policy breakdown.

Analysts said that the permit restrictions could significantly affect Bajaj Auto, given its strong presence in the three-wheeler market. The State accounts for 15-17 per cent of the company's domestic ICE three-wheeler volumes and about 15 per cent of its overall three-wheeler sales, according to analyst estimates.

Bajaj Auto is estimated to hold around 87 per cent market share in Maharashtra's three-wheeler segment, making it particularly sensitive to regulatory changes.

Through its subsidiary Chetak Technology Ltd, the company has invested about ₹750 crore in its EV ecosystem at its Akurdi facility in Pune.

Vendors have invested another ₹250 crore in the local component ecosystem, while Bajaj has earmarked ₹420 crore for EV-related capex, suggesting that any expansion outside the State could affect the wider supplier network.

businessline did not receive a response from Bajaj Auto till press time.