

# Delhi EV Policy Accelerates India's Electric Mobility Transition

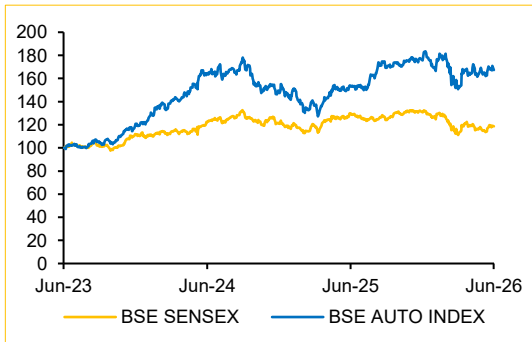
June 30, 2026

Sector View: Neutral

Sector Update

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rating
<b>Auto OEMs</b>			
Ashok Leyland (AL)	159	195	BUY
Bajaj Auto (BJAUT)	9,723	11,250	ADD
Eicher Motors (EIM)	7,117	7,650	ADD
Hero MotoCorp (HMCL)	4,803	6,000	BUY
M&M (MM)	3,090	4,450	BUY
Maruti Suzuki (MSIL)	14,108	14,600	ADD
TVS Motors (TVSL)	3,496	3,920	ADD
<b>Auto Ancillaries</b>			
Endurance Tech (ENDU)	2,663	2,820	ADD
Fiem Industries (FIEM)	2,261	2,700	BUY
Gabriel India (GABR)	1,239	1,050	REDUCE
Lumax Auto (LMAX)	1,549	1,950	ADD
Lumax Ind (LUMX)	5,289	7,100	BUY
Minda Corp (MDA)	692	700	BUY
Motherson Sumi (MSUMI)	40	48	BUY
Sansera Eng. (SANSEERA)	3,207	2,950	ADD
Suprajit Eng. (SEL)	462	525	ADD
Uno Minda (UNOMINDA)	1,094	1,240	ADD

\*CMP as on June 30, 2026



Source: BSE, Choice Institutional Equities

## Strong Incentives and Mandated Transition to Accelerate EV Adoption

- The Delhi Cabinet approved **EV Policy 2.0**, effective **July 01, 2026 to March 31, 2030**, with a planned investment of **INR 150 Bn** over FY27–30, including **INR 70 Bn** towards purchase incentives and **INR 80 Bn** for charging infrastructure, tax benefits and EV ecosystem development.
- The policy provides attractive demand incentives of up to **INR 30,000** for electric two-wheelers, **INR 50,000** for electric three-wheelers and **INR 100,000** for electric light commercial vehicles (N1 category), along with **100% exemption on road tax and registration charges** for electric cars priced up to **INR 3 Mn**.
- To accelerate fleet replacement, the government has announced scrappage incentives of up to **INR 100,000** for older passenger vehicles, **INR 50,000** for N1 commercial vehicles, **INR 25,000** for three-wheelers and **INR 10,000** for two-wheelers. The policy also mandates that only electric three-wheelers can be newly registered from January 2027, while new petrol/CNG two-wheelers will no longer be registered **from April 2028**. Additionally, **around 32,000 EV charging points** are planned across Delhi.

### Our View:

- The policy is a strong positive for India's EV ecosystem as it combines attractive purchase incentives, mandatory electrification timelines and significant investment in charging infrastructure. We believe the policy will accelerate EV adoption, particularly in the **2W, 3W and passenger vehicle** segments, while creating long-term opportunities for OEMs with established EV portfolios and auto ancillary companies involved in EV powertrain, battery systems and charging infrastructure. If replicated by other large states, Delhi's EV Policy 2.0 could become a key catalyst for faster nationwide EV penetration and localisation.
- Beneficiaries as per our coverage: TVSL, BJAUT, M&M, UNOMINDA, MINDACORP, MSUMI.**

Vehicle Category	Maximum Incentives (INR)		
	Year 1	Year 2	Year 3
Electric 2W	30,000	20,000	10,000
Electric Auto Rickshaws	50,000	30,000	20,000
Electric Goods Vehicles (N1)	1,00,000	75,000	50,000

Source: Choice Institutional Equities

Scrappage Incentives	For replacing older Vehicles with EVs (INR)
Two-wheelers	10,000
Three-wheelers	25,000
E-LCV (N1 Category)	25,000
Four-wheelers (For Scrapping BS-IV or older Vehicles)	1,00,000

Source: Choice Institutional Equities

## ICE vs EV segment-wise retail volumes for Delhi

Volumes (FY26)	Delhi				Overall Volumes	% Delhi
	ICE	EV	Total	EV%		
2W Domestic Volumes	5,27,189	41,243	5,68,432	7.3%	2,21,87,252	2.6%
3W Domestic Volumes	9,434	46,295	55,729	83.1%	14,18,608	3.9%
PV Domestic Volumes	1,84,169	16,997	2,01,166	8.4%	48,40,660	4.2%

Source: Vahan, Choice Institutional Equities

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<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
 \*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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