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Key Press Reports on Industry and Govt. Policies
(2nd Fortnight July 2025)

AUTOMOTIVE INDUSTRY

Business standard, 23 July 2025

Ashok Leyland looks to fuel LNG boom in trucks

SHINE JACOB
Chennai, 22 July

Commercial vehicle major Ashok Leyland is in talks with leading city gas distribution companies to ensure the availability of liquefied natural gas (LNG) in their compressed natural gas (CNG) retail outlets, according to a top company executive.

The plan is being floated as the Petroleum and Natural Gas Regulatory Board (PNGRB) is expecting a multi-fold jump in the number of LNG trucks from 700 at present to 500,000 by 2040. "Original equipment manufacturers and customers are talking about the availability of fuel stations. We find that many city gas distribution (CGD) companies are getting into selling both CNG and LNG in the same fuel station. We are

in talks with Adani, AG&P Pratham, Think Gas, and Mahanagar Gas to ensure the availability of LNG once the market evolves," Sanjeev Kumar, president, MHCV business of Ashok Leyland, told *Business Standard*.

At present, India is in the process of expanding the LNG infrastructure through setting up stations along major highways and the Golden Quadri-

lateral. "The penetration of LNG is very slow now. There is a definite advantage in terms of total cost of ownership (TCO) of a vehicle when it comes to LNG over diesel. This is a new concept where a fuel pump can provide both CNG as well as LNG. The chemical formula is

the same; the only question is about how you store the gas. We feel that at some point of time, it will start picking up," Kumar added.

According to the plan, CGD firms will enter into a tripartite deal with OEMs, along with prospective customers and fleet owners. "They are looking for some tripartite agreement, where they are sure about the supply of vehicles by OEMs, and some sense coming from their customers in terms of putting up vehicles," he said. At present, companies like Tata Motors, Ashok Leyland, and Blue Energy Motors are mainly offering LNG-powered trucks.

Kumar also batted for complete LNG corridors to be in place for the segment to pick up. "We have seen major developments happening in

the West, and some in the South also. Unless one complete corridor is in place, it will be difficult for operators also," he added. The company is looking at all options of alternate fuels now.

According to a demand assessment study conducted by the PNGRB, India is expected to see a rise in LNG trucks in the next 15 years as the fuel offers to reduce user consumption and cut carbon emissions in the freight sector. The study says that LNG trucks in India may increase from around 700 trucks in FY24 to nearly 200,000 by 2040 in a Good-to-Go (GtG) scenario and to 500,000 in a high-growth Good-to-Best (GtB) scenario. Interestingly, China already has a network of around 800,000 trucks and 6,000 refuelling stations.

“A FUEL PUMP CAN PROVIDE BOTH — CNG AND LNG. THE CHEMICAL FORMULA IS SAME; ONLY QUESTION IS ABOUT HOW YOU STORE THE GAS. WE FEEL THAT AT SOME POINT IN TIME, IT WILL START PICKING UP”

Sanjeev Kumar
President, MHCV Business,
Ashok Leyland



SAYS AMBITION IS TO MAKE COUNTRY A STRONG SOURCING HUB

Renault Plans to Double India Parts Sourcing: MD

Shally Seth Mohile

Mumbai: Renault plans to more than double component sourcing from India to €400 million (about ₹4,055 crore) over the next five years, a senior executive said, as the automaker sharpens focus on making the country a key part of its global supply chain. The company currently buys €170 million worth of auto parts from India annually.

Renault's move to accelerate component sourcing from India tracks the French automaker issuing a profit warning last week amid weaker-than-expected June sales and headwinds in Europe. It also said it would accelerate cost-cutting measures to improve margins in the second half of this calendar year.

"Our ambition is to make India a strong sourcing hub, not only to meet global requirements but also to drive greater value for our Indian supplier ecosystem," Venkatram Mamillapalle, MD at Renault India, told ET on Wednesday. Scaling of component exports will help strengthen the company's supplier base and improve its global competitiveness, he said.

The senior Renault India executi-

PARTNERSHIP BUZZ

There is no reason I need a partner. We have our own design, engineering, manufacturing and network

VENKATRAM MAMILLAPALLE
MD, Renault India

ve was speaking on the sidelines of the introduction of the new Triber on Wednesday. The updated model is likely to challenge Maruti Suzuki's Ertiga and Toyota's Rumion in the compact MPV segment besides compact SUVs.

The Triber is the first of four new models Renault will be introducing over the next two years as part of its \$600 million investment plan for the Indian market. The company,

which has been a fringe player in the local market with less than a 1% share, is looking to reboot its Indian operations with the new model launches. Mamillapalle noted that the company is moving towards faster decision-making and tighter integration under a unified leadership structure, following a shift from the earlier multi-entity model involving Renault, Nissan, and the Alliance.

Dismissing speculation about potential collaborations with Indian automakers, he said, "There is no reason I need a partner. We have our own design, engineering, manufacturing and network. Somebody else may need my assistance — we don't need anybody's."

Bloomberg reported on July 4 that Renault is in early discussions with the JSW Group for a potential joint venture.

"We are fully committed to the Indian market, and we believe the next phase of growth will be driven by scale, efficiency, and a sharper product focus," he said.



COMPANY PHOTO

Auto sector can cut emissions by 87%

This is possible by 2050 by switching to green electricity, low-carbon steel: CEEW

SHINE JACOB
Chennai, 23 July

India's automobile industry, the world's third largest, could cut its emissions by 87 per cent by 2050 through green electricity and low-carbon steel, according to an independent study by the Council on Energy, Environment and Water (CEEW) released on Wednesday.

The CEEW study comes as automakers — Tata Motors, Mahindra & Mahindra, TVS Motors, and BMW among them — have in two years increased the production of electric and hybrid vehicles while simultaneously setting ambitious emission targets. The companies have committed to the Science-Based Targets initiative, aligning with global definitions of net zero that require full value-chain decarbonisation by 2050. Indian auto manufacturers' cleanup of supply chains will not just lower emissions, but also enhance long-term cost competi-

tiveness and position them as preferred international suppliers.

While targets typically focus on direct factory and downstream use-phase emissions, upstream supply chain emissions are largely overlooked despite contributing the majority of the sector's carbon footprint.

The study tracks emissions on three "scopes": direct emissions from vehicle manufacturing (Scope 1), indirect emissions from electricity use (Scope 2), and upstream supply chain emissions (Scope 3). Scope 3 emissions comprise over 83 per cent of the auto industry's emissions in India due to the use of coal-intensive steel and rubber in manufacturing, according to CEEW, a not-for-profit policy research institution based in New Delhi.

"India's auto industry stands at a turning point. To lead in a low-carbon global economy, we must decarbonise not just the vehicles we drive but the industrial processes that build them," said Arunabha Ghosh, chief executive officer, CEEW. "Auto-

makers must clean up how their vehicles are made, what powers their factories, and how their suppliers produce critical inputs like steel and rubber. This is not new — promisingly, most major manufac-

turers in India are already thinking about these shifts," he said.

The study used a customised version of the Global Change Analysis Model to project emissions from India's vehicle manufacturing sector under various pathways. It found that if cur-

rent business-as-usual (BAU) trends continue, annual vehicle production could rise nearly four-fold: from 25 million units in 2020 to 96 million by 2050. Emissions, however, would only double, reaching 64 million tonnes of carbon dioxide, suggesting a steady decline in emissions per vehicle. Still, the absolute rise in emissions underscores the need for accelerated action.

Steel alone would remain the largest source of supply chain emissions, with suppliers expected to rely heavily on coal in this BAU scenario. The study estimates that sourcing low-carbon steel could reduce emissions by nearly 38 million tonnes by 2050.

If original equipment manufacturers (OEM) and their suppliers were to aim for net-zero by 2050, annual emissions could fall from the projected 64 million tonnes of carbon dioxide equivalent to just 9 million tonnes of carbon dioxide: an 87 per cent reduction.

**IF BUSINESS-AS-USUAL
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Automakers clash over CAFE norms at Siam meet

A CEO council meeting is likely to be called to resolve differences

DEEPAK PATEL
New Delhi, 25 July

Automakers have clashed over exemption demands under the upcoming Corporate Average Fuel Efficiency (CAFE) norms at an internal meeting of the Society of Indian Automobile Manufacturers (Siam) on Friday.

In the wake of this, a CEO council meeting is likely to be called soon to resolve differences on relief sought for light commercial vehicles (LCVs) and small passenger vehicles (PVs), *Business Standard* has learnt.

The CEO council, the apex body comprising the heads of all major automakers, is expected to take up key issues under the upcoming CAFE-3 and CAFE-4 regulations. They include proposals to exempt N1 category LCVs (weighing less than 3.5 tonnes) and small PVs (weighing less than 1,000 kg).

Both demands have triggered sharp divisions within the industry.

During Friday's executive council meeting, senior execu-

tives of passenger vehicle makers debated the matter at length. While some strongly supported relief for N1-category LCVs, they opposed similar consideration for small PVs based on weight.

In response, another carmaker expressed concern over the differing treatment of the two vehicle segments, pointing out that both serve cost-sensitive buyers and face affordability challenges.

Amid the disagreement,

members suggested the matter be escalated to the CEO Council if the industry is to revisit its current position. The CEO Council, once convened, is expected to deliberate on both exemption proposals. It will also discuss broader concerns over the feasibility of achieving the stricter CAFE targets set to take effect from April 2027.

CAFE norms are government-mandated fuel consumption standards that require auto manufacturers to meet fleet-wide average carbon dioxide emission targets, based on vehicle weight and sales volume.



Auto firms align dispatches with retail demand amid stock pileup

ANJALI SINGH
Mumbai, 27 July

Manufacturers of passenger vehicles (PVs) in the first half of the calendar year (2025) reported a modest 0.5 per cent year-on-year increase in wholesale dispatches, while retail sales grew 2.5 per cent for the same period, reflecting a calibrated approach by automakers amid elevated dealership inventories and cautious consumer sentiment. According to the Society of Indian Automobile Manufacturers (Siam), dispatches rose marginally to 2.16 million units, up from 2.15 million units a year earlier.

Retail sales, meanwhile, grew at a stronger pace of 2.5 per cent during the same period, reaching 2.07 million units, according to the data from the Federation of Automobile Dealers Associations (Fada), compared to 2.02 million units last year.

Industry analysts say this data signals a broader industry shift, by which factory output is becoming more closely aligned with market demand, as original equipment manufacturers (OEMs) adopt leaner, demand-driven inventory strategies.

Automakers are increasingly synchronising factory output with retail movement to avoid a stock buildup across dealership networks.

"Dealership inventory levels continue to remain elevated — well above the 50-day mark — which has prompted OEMs to moderate dispatches," said Anurag Singh, advisor, Primus Partners. "This is a prudent and necessary step as it helps maintain market discipline and avoids inventory overhang across the retail network."

Singh added inventory levels varied widely across regions, depending on the model, variant, and even colour preferences.

"Ahead of the festival season, dealers typically build inventories to cater to time-sensitive demand, but for now, factory output is closely



In the slow lane

Units (in million)

Passenger vehicle	H1CY25	% change
Wholesale dispatch	2.16	0.50
Retail sales	2.07	2.53
Production	2.36	5.69

H1: January to June

Sources: Siam, Fada

tracking actual sales trends."

Despite the 2.5 per cent increase in retail sales over the first half of the calendar year, high inventories persist.

Fada notes meaningful stock correction will occur only if OEMs significantly scale down factory dispatches below retail volumes. "OEMs must recalibrate at a much bigger pace. Maintaining current levels won't help anyone," said C S Vigneshwar, president, Fada.

Honda Cars India is aligning output with market demand by focusing on retail deliveries over wholesale dispatches.

"With a favourable monsoon and the onset of the festival period starting with Onam, we are optimistic of an uptick in demand and have planned to ensure our models are available across the country," said Kunal Behl, vice-president, marketing and sales, Honda Cars India.

"We will enhance our marketing campaigns and introduce exciting product updates to catch the festive fervour."

Maruti Suzuki, Mahindra & Mahindra, Hyundai Motor India, Kia, and Toyota did not respond to queries, citing the ongoing silent period ahead of their upcoming financial results.

Among OEMs, Maruti Suzuki clocked a 4.5 per cent increase in PV production during January-June. The company produced 1.07 million units compared to 1.02 million units during the same period last year.

Growth was strongest in March, around 17 per cent, and in April it was 6.2 per cent, while June saw a 4.2 per cent year-on-year decline in output.

Maruti Suzuki is one of the country's leading PV exporters.

Hyundai Motor India, in contrast, saw a marginal contraction of 0.6 per cent in production during the period. While April and May showed growth of 7.8 per cent and 3.5 per cent, respectively, the others posted declines, with June showing the highest fall at 7.5 per cent.

Mahindra & Mahindra (M&M) posted the most robust growth among major OEMs, with a 25.2 per cent increase in PV production.

Domestic wholesale figures for the first half of 2025 showed M&M as the strongest performer among major passenger vehicle manufacturers, registering 20.2 per cent year-on-year growth.

Maruti Suzuki, the market leader, saw a marginal decline of 2.2 per cent in wholesales, which stood at 0.87 million units in H1 2025 compared to 0.89 million units a year ago. While it witnessed modest gains in January, February, and April, significant drops in May, around 5.5 per cent, and June, around 13.3 per cent, offset the earlier momentum.

Hyundai, meanwhile, faced sustained pressure across the board, reporting a 7.7 per cent year-on-year decline in wholesales.

Tata Motors to acquire Italy's CV maker Iveco Group N.V. for €3.8 billion

Aroosa Ahmed
Mumbai

Indian automaker Tata Motors Ltd (TML) will acquire Italy's commercial vehicle maker Iveco Group N.V. for €3.8 billion in an all-cash deal.

The acquisition by Tata Motors is for the non-defence part of the business.

"The acquisition is expected to support the Commercial Vehicles business of Tata Motors. Expands capabilities — Strengthens portfolio by securing access to emerging technologies, future-ready capabilities and talent. Creates a global player — Creates a platform to compete on a truly global basis, unlocking the ability to invest boldly for long-term growth. Leverages strengths — Portfolio and geographical complementarity make it easier to leverage each other's strengths. Diversifies portfolio — Diversifies exposure across markets and segments, thereby reducing the impact of cyclicalities on group cash flows," Tata Motors informed the stock exchanges.

The Iveco Group N.V. is a global automobile leader



that designs, produces and sells trucks, commercial vehicles, buses and defence vehicles.

STRATEGIC BUY

"This is a logical next step following the demerger of the Tata Motors Commercial Vehicle business and will allow the combined group to compete on a truly global basis with two strategic home markets in India and Europe. The combined group's complementary businesses and greater reach will enhance our ability to invest boldly. I look forward to securing the necessary approvals and concluding the transaction in the coming months," said Natarajan Chandrasekaran, Chairman of Tata Motors.

ELECTRIC VEHICLE

Business standard, 16 July 2025

DATANOMICS

India EV penetration subdued even as biggies enter mkt

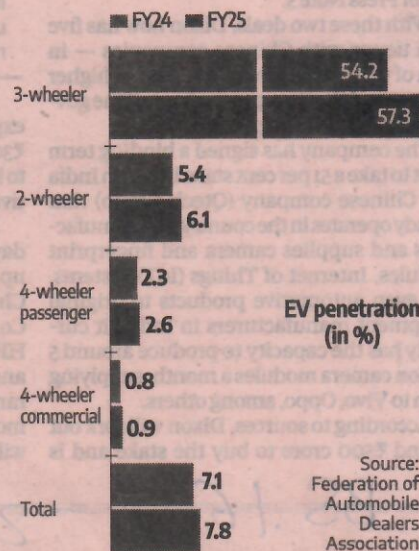
The electric vehicle ecosystem is set to get a boost in India with Tesla's first store in the country opening its doors on Tuesday in Mumbai. Its rival, Vietnamese EV firm VinFast, has also started bookings for its VF6 and VF7 models. However, the government's target to raise EV sales to 30 per cent of vehicle sales, or attain 30 per cent EV penetration, by 2030, looks unachievable at the current pace of adoption.

YASH KUMAR SINGHAL



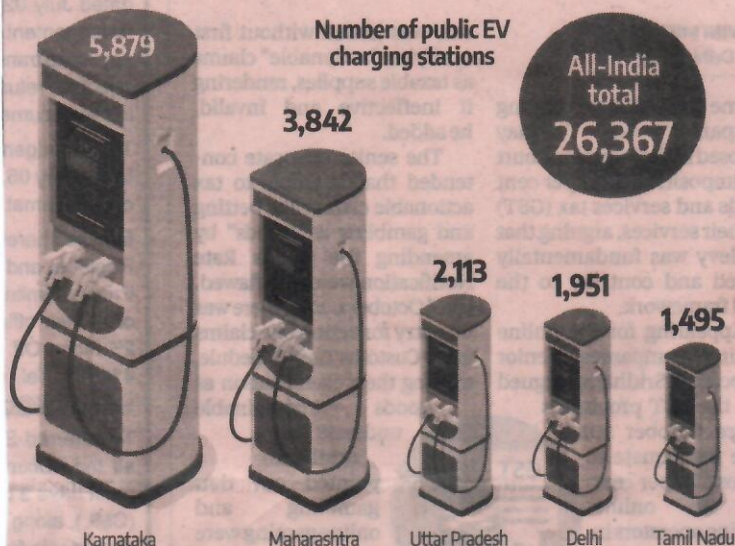
Report card

According to data from the Federation of Automobile Dealers Association (Fada), the EV penetration in India was just 7.8 per cent in 2024-25 (FY25), marginally up from 7.1 per cent in FY24. Most of this was due to high EV penetration in the 3-wheeler segment, which was 57.3 per cent in FY25, higher than 54.2 per cent in FY24. In fact, India was the world's largest market for electric 3-wheelers in 2023 and 2024, according to the Global EV Outlook 2025 released by the International Energy Agency. However, EV penetration for 4-wheeler passenger and commercial vehicles remained subdued.



Lopsided distribution

There were a total of 26,367 public EV charging stations in India as of March, 2025. However, the distribution of these charging stations was heavily skewed. Only five states and Union Territories — Karnataka, Maharashtra, Uttar Pradesh, Delhi, and Tamil Nadu — comprised nearly 58 per cent of these public charging stations, with Karnataka alone accounting for 22.3 per cent of the total.



Source: Data from a written reply in the Lok Sabha

MG Motor to ramp up EV production amid surging demand; scale exports

TE Raja Simhan
Chennai

MG Motor India is witnessing strong traction in the electric vehicle (EV) space, and the company is operating near full capacity at its Halol plant in Gujarat. It plans to ramp up production in two-three years to meet the rising demand of its EVs — both domestically and from select international markets.

MG's current annual installed capacity stands at 1.1 lakh units, and the company is producing at nearly full strength with certain lines like battery manufacturing and paint shop already running three shifts.

It is currently producing 6,000-7,000 units per month across variants and plans to reach 72,000 units by CY25, up from around 60,000 last year, Biju Balendran, Deputy Managing Director, JSW MG Motor, told *businessline*.

EXPERIENCE CENTRE

He was in Chennai for the opening of experience centre of MG Select, the luxury brand channel of JSW MG Motor.



Biju Balendran,
Deputy Managing Director,
JSW MG Motor India BUJOY GHOSH

"In two-three years, the plant will have full capacity. We are preparing for the next phase of growth, with blueprints ready for future capacity expansion and on new models," he said.

While MG's overall car passenger market share remains close to 2 per cent, he said the company has a strong foothold in the EV segment, with a share of around 38 per cent.

The MG Comet has seen strong traction in cities like Bengaluru. "Doctors and professionals prefer a smaller, more nimble vehicle like Comet for local commuting," he said, adding that the

company is ramping up production for the model, along with others, including Windsor.

EXPANSION MODE

The company exports vehicles to Bhutan and Nepal, with plans to expand to more international markets.

"Initial volumes will be small — around 100-200 units — but this will grow meaningfully next year," he said.

On the issue of supply chain disruptions due to China's restrictions on rare earth imports, Balendran said the company has proactively mitigated risks.

"We've done a full audit of our EV components. Most of our suppliers use components, not raw magnets. So currently, we are not impacted by rare earth sourcing issues," he added.

MG Motor is also addressing consumer concerns around EV charging infrastructure through its in-house app, MG eHub. The app provides real-time information on public chargers along travel routes, allows users to block slots and even supports payments.

Domestic air traffic rises to 1.36 cr passengers in June: DGCA

Press Trust of India
New Delhi

Indian airlines carried more than 1.36 crore passengers in June, higher than the year-ago period, according to official data released on Thursday. The number of passengers flown by the carriers was 3 per cent more in June compared to 1.32 crore in May.

IndiGo's market share dipped to 64.5 per cent in June from 64.6 per cent in May, while that of Air India Group rose to 27.1 per cent last month compared to 26.5 per cent in May. Last month, the market share of Akasa Air remained unchanged at 5.3 per cent, while that of SpiceJet declined to 1.9 per cent from 2.4 per cent in May.

"Passengers carried by domestic airlines during January-June 2025 were 851.74 lakh as against 793.48 lakh during the corresponding period of the previous year, thereby registering an annual growth of 7.34 per cent and a monthly growth of 3.02 per cent," the Directorate General of Civil Aviation (DGCA) said in its report.

No relief: EV makers face govt hard line on localisation

But industry representatives argued that those targets have become increasingly difficult to meet. Traction motors typically require neodymium and dysprosium magnets — rare earth materials almost exclusively imported from China. With Beijing now restricting exports of raw magnets but not finished motors, domestic automobile makers claimed it had become unfeasible to continue assembling traction motors locally.

Manufacturers had urged the ministry to allow temporary imports of fully assembled motors without disqualifying them from incentives. Instead, manufacturers were asked to return a signed statement declaring: "We hereby declare that we have sufficient inventory of rare earth magnets, which is required for manufacturing of traction motor and electronic throttle."

The declaration — reviewed by *Business Standard* — also includes a commitment to adhere to PMP guidelines and a waiver of claims if any deviation is later discovered. "We assure that we will follow motor and electronic throttle manufacturing process as per PMP requirements mentioned in the notification... and we will

not claim any demand incentive... in case we deviate," it mentioned.

Companies must notify the relevant testing agency and the ministry of any change in their localisation status, the letter said. It also warned that any violation of PMP requirements would render financial claims ineligible.

"It is difficult to understand the expectation of local magnet fitment when the primary raw material — rare earth magnets — is currently inaccessible," said a senior executive at an EV manufacturer. "This is not a question of willingness to localise, but rather a matter of practical feasibility under current circumstances."

Both traction motors and electronic throttles are critical to electric vehicle functionality and are particularly vulnerable to supply chain disruptions linked to the rare earth crunch.

Business Standard sent queries to 12 major two- and three-wheeler makers participating in the scheme, including Mahindra Last Mile Mobility, Hero MotoCorp, TVS Motor, Ather Energy, and Bajaj Auto. None responded by press time. The Ministry of Heavy Industries also did not reply to requests for comment.

EV plants face shutdown as magnet supply runs dry

S Ronendra Singh
New Delhi

India's electric vehicle manufacturers are fearing imminent plant shutdowns as their crucial rare earth magnet inventories are set to run dry by July 31.

This looming manufacturing halt is magnified by the government's alarming delay in disbursing incentives under both the production linked incentive (PLI) and the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) schemes.

Industry sources reveal a grim picture: several original equipment manufacturers (OEMs) of electric two- and three-wheelers are teetering on the edge, with only days of rare earth magnet supply remaining. The dire situation is compounded by the prohibitive cost of exploring alternatives, which would inevitably lead to a sharp price escalation for vehicles. Without government incentives,



manufacturers are left with no margin to offer discounts, a critical factor during the upcoming festival season when customer expectations for deals are high.

The Ministry of Heavy Industries (MHI) has further exacerbated the crisis with a recent directive demanding OEMs declare sufficient rare earth magnet inventory — a move that has trapped manufacturers in an impossible 'Catch-22' situation.

"As festival season kicks in from next month, it will be very difficult to meet the demand, and also customers expect heavy discounts during these times," an industry source confided. "Both PLI

and PM E-DRIVE schemes are on hold until Chinese curbs on rare earth magnets resolve. So, without any support from the government, it will be difficult to sell vehicles."

MOTOR SHORTAGE

Adding to the despair, component suppliers have informed OEMs that no motors will be available after July 31. Direct importation of motors presents an equally unviable solution, attracting a steep 15 per cent customs duty compared to the 7.5 per cent levied on standalone magnets.

This disparity prompted the Society of Indian Automobile Manufacturers to urgently appeal to the MHI last month, requesting a cut in the basic customs duty on motors to 7.5 per cent.

The government's hesitant stance on incentives stems from past controversies, where the MHI accused companies such as Hero Electric, Benling India Energy and Technology and Ok-

inawa Autotech International of fraudulently claiming subsidies under the FAME-2 scheme. This matter remains under investigation, making the government cautious.

However, industry insiders are urging the government to adopt a holistic view, emphasising that the entire sector should not be judged based on the inventory claims of a single company. While Ola Electric recently informed MHI that it possesses sufficient magnet inventory and is exploring ferrite motors as an alternative — with testing and validation expected to conclude by Q3 this year — this singular example offers little solace to the majority of manufacturers facing an immediate and severe supply crunch.

Attempts to seek clarity from an Ola spokesperson and senior MHI officials on the matter went unanswered. The clock is ticking for India's EV industry, with a critical deadline just days away.

VinFast makes 1st India stop with Surat showroom



Pham Sanh Chau, CEO, VinFast Asia, at the inauguration of company's first dealership VinFast Surat

PHOTO: COMPANY

SHINE JACOB
Chennai, 27 July

VinFast Auto India, the Indian subsidiary of global electric vehicle (EV) major VinFast, inaugurated its first Indian showroom in Surat, Gujarat on Sunday — kicking off its retail journey in the country.

The move comes ahead of the company's inauguration of a \$2 billion Thoothukudi manufacturing unit on August 4. The outlet serves as the brand's physical touchpoint in India, underscoring VinFast's long-term commitment to establishing a strong, customer-centric electric mobility ecosystem, the company said. The Showroom will showcase VinFast's upcoming range of premium electric SUVs — VF 6 and VF 7. As part of its road map, the company aims to launch 35 dealerships by the year-end, across over 27 cities.

The dealership 'VinFast Surat' is promoted by Chandan Car, a leading name in India's automotive retail sector. Strategically located in Surat's Piplod, the dealership will serve as a one-stop destination for VinFast's prospective buyers. Spanning across 3,000 square feet, the facility will offer immersive product experiences, seamless vehicle purchase journeys, and world-class after-sales support.

VinFast opened pre-bookings for the VF 6 and VF 7 models on July 15, backed by a rapidly expanding dealer network and EV ecosystem initiatives. The models are open to booking at the firm's showrooms and website with a booking amount of ₹21,000.

With New Energy, JSW Group Gets Ready to Disrupt EV Market

Forms JSW Motors, separate from MG joint venture; roll out of first car likely in H2

Sharmistha Mukherjee

New Delhi: Sajjan Jindal-led JSW Group has set up a dedicated automotive vertical—JSW Motors. This will be an umbrella platform under which the group will launch passenger cars focussed on new energy vehicles at an investment of up to \$3 billion over the next five years with launches set to begin in the second half of FY26. It will be separate from the group's joint venture with China's SAIC, JSW MG Motor India.

JSW Motors is in talks with three-four companies across Italy, Germany, South Korea and China for collaborations to design and develop these cars, which will be sold under the JSW brand, newly appointed chief executive officer Ranjan Nayak told ET in his first media interview. All vehicles will be made in India, with the earmarked resources deployed for commissioning the manufacturing facility, research and development.

JSW's automotive hub, spread across 630 acres, is coming up at Bidkin in Chhatrapati Sambhajinagar in Maharashtra. Elaborating on the expansion strategy, Nayak said JSW Motors is aiming to disrupt the domestic electric ve-

hicle (EV) market by manufacturing "world class automotive products in the country" by leveraging the best technologies from across the globe, including Italy, Germany, South Korea and China, and combining that with India's own strengths in robust supply chain and digital integration.



JSW Motors aims to offer affordable, world-class electric, hybrid, and plug-in hybrid vehicles

"We are looking at rapidly scaling up our in-house automotive technology, and not remain dependent on any external entity. Our integrated approach allows us to combine global excellence with local relevance, ensuring high performance, affordability and sustainability", Nayak said, adding, "Our first New Energy Vehicle (NEV) under the JSW badge will hit the roads in the second half of FY2026."

Nayak said JSW Motors is drawing on "the unique strengths of industry-leading partners" from around the world, without specifying details of the companies it is collaborating with.

"We will be combining the craftsmanship and aesthetics of Italian designers

and the German precision in manufacturing and engineering with the advanced welding technologies from South Korea and China's expertise in electric propulsion systems, battery innovation and New Energy Vehicle (NEV) technologies with that of the Indian IT sector's deep capabilities in software and digital integration," said Nayak.

He declined to share details of the investments the JSW Group has scheduled for its automotive venture. However, industry sources said the group has lined up an investment to the tune of \$2-3 billion in its automotive business over the next five years. Similar to its strategy in the steel sector, JSW intends to "energize the auto ecosystem—spurring suppliers and competitors to rise with us" to accelerate India's shift to clean mobility and reduce its dependence on oil, said Nayak, who is also executive vice president and head, corporate strategy, JSW Group.

"Our aim is to push New Energy Vehicle (NEV) penetration to 50%, offering affordable, world-class electric, hybrid, and plug-in hybrid vehicles," he said.

Nayak said China is at the forefront of EV and hybrid vehicle innovation and has become an integral part of the global automotive supply chain.

TRACTOR

The Economic Times, 30 July 2025

Tractor Dispatches to Grow Up to 7% in FY26, says Icra

Press Trust of India

New Delhi: Tractor dispatches from companies to dealers are expected to grow at a moderate pace of 4-7% in the current fiscal, as per rating agency Icra.

The domestic industry saw volumes grow by 10.5% year-on-year in June this year and 9.3 % in the April-June quarter compared with the same period last year.

"Going forward, wholesale volumes are estimated to grow at a moderate pace of 4-7 % in FY26. The projected growth is likely to be supported by above-normal monsoons, which are expected to boost agricultural production across key regions," Icra said in a statement. The rating agency said that despite global macroeconomic headwinds, commodity costs have eased, driven by a slowdown in global demand and a correction in Chinese steel prices.

This trend is likely to support margins of original equipment manufacturers (OEMs), it added.

As a result, the credit profile of tractor manufacturers is expected to remain healthy, backed by rising volumes, low debt, and adequate cash and liquid investments, Icra said.

RAW MATERIAL

Business Line, 23 July 2025

SAIL pushes ₹36,000 cr capex to FY27 amid debt concerns

CURRENT TREND. Gets board approvals but awaiting financial closure on tenders

Abhishek Law
New Delhi

PSU steel-maker SAIL will look to push ahead with its ₹36,000 crore expansion of IISCO Steel Plant, expanding capacity by 4.5 mtpa the next fiscal onwards.

While Board approvals have been received, financial closure on the tenders is yet to happen and are expected either towards “end-Q3FY26 or in early Q4” (between December-end and March 2026). Capex jump is expected next year onwards only.

Capex plans saw a near-25 per cent y-o-y increase to ₹7,500 crore (from ₹5,700–6,000 crore in the year-ago period) for the current fiscal with the PSU major already spending ₹1,642 crore in the first quarter, higher than target.

“We expect a good jump in capex next year, but the actual numbers depend on fi-



QUARTERLY STATS. Debt to equity ratio was 0.51 in the June quarter ending, improving over 0.54 in FY25 REUTERS

nalising packages,” Ashok Panda, Director (Finance), SAIL, said during an investor call, highlighting the capital deployment schedule.

With tendering still in progress and order placements expected only in late FY26, execution timelines have likely slipped.

As per initial plans, SAIL's capacity addition at IISCO will be around 4 million tonne per annum (mtpa), while an additional 0.5 mtpa is expected through de-bottlenecking.

The expansion plan is ex-

pected to play out by FY30.

This IISCO expansion is a part of SAIL's 15 mtpa addition plan across all its plants, with an expected investment of over ₹1,00,000 crore. One major concern has been bringing down the debt.

DEBT POSITION

In Q1FY26, the company saw a ₹1,100 crore reduction in borrowings — down 4 per cent over FY25-end — but the numbers continue to be elevated at ₹28,741 crore.

Borrowings in FY25-end were at ₹29,811 crore levels.

Debt to equity ratio was 0.51 in the June quarter over 0.54 in FY25.

PRICE SOFTNESS

In July, long products were priced at ₹51,500/tonne and flat products at ₹48,600/tonne.

With net sales realisation (NSR) in Q2 expected to dip below Q1's ₹51,700/tonne, earnings pressure is likely to persist.

SAIL's full-year sales target of 18.5 million tonnes (excluding NMDCL volumes) as against 17.9 mt in FY25 hinges on continued domestic demand, which has been growing at 8 per cent-plus.

“(Steel) imports in Q1 of this year (FY26) is under control. The prices of steel have also been operating in a narrow band, but with the prices stabilising in the past one or two weeks right now. There are hopes for improvement in the next quarters,” Panda said.

Steel exports dip in Q1, trade deficit narrows on import curtailment

Abhishek Law

New Delhi

India's steel exports declined 5 per cent year-on-year (y-o-y) to 1.2 million tonnes (mt) in the April-June period, as against 1.3 mt in Q1 FY25, with large markets in the European Union (EU) witnessing lower buying. The country was still a net importer of the alloy, at 1.4 mt, outpacing exports by 0.2 mt. Exports to the US surged 200 per cent — primarily driven by stainless steel, alloys and bar and rod shipments — to 71,000 tonnes (23,400 tonnes).

The EU was the largest market accounting for 0.57 mt — or 48 per cent of the alloy exports. However, shipments to the region were down 3 per cent y-o-y (0.6 mt). Of the nine EU markets, Belgium saw a 41 per cent y-o-y increase to 0.23 mt, followed by Spain — up 36 per cent at 0.12 mt. Steel shipments to Germany and Greece also increased. On the other hand, Italy — one of the largest buyers — saw a 40 per cent y-o-y decline in shipments at 0.17 mt, followed by France, Sweden, Portugal and Poland.

TRADE DEFICIT

As per a Steel Ministry report accessed by *businessline*,

steel trade deficit declined 40 per cent, to ₹4,240 crore, y-o-y. Trade deficit was at ₹6,704 crore in Q1 FY25. This was fuelled by larger imports and a substantial slowdown in steel exports.

"Rebar and HRC prices came down both month-on-month and y-o-y in India and China," stated the report, adding that seasonal changes like monsoon have impacted rebar prices here. Exports stood at ₹9,776 crore in value terms for Q1, down 8 per cent y-o-y (₹10,636 crore).

IMPORTS DOWN

During the period under review, imports — down 30 per cent in volume terms — were valued at ₹14,016 crore. Shipments in the year-ago-

period (at 2 mt) were valued at ₹17,341 crore.

Hit by a 12 per cent safeguard duty imposed in May, imports from Japan declined 65 per cent to 0.17 mt in April-June period (0.5 mt). Steel imports from China, too, declined 45 per cent, to 0.3 mt (0.57 mt).

Shipments from Vietnam declined 15 per cent y-o-y to 47,000 tonnes; Korea — the largest import market for Indian steel-makers — saw a 7 per cent decline to 0.53 mt (0.57 mt). "Safeguard duty investigation and imposition have resulted in decline in imports," said a Ministry official. India, however, was the second largest crude steel producer globally at over 67 mt, up 8 per cent y-o-y.

GOVERNMENT POLICY

Business standard, 24 July 2025

Ola opposes auto firms' plea to reduce duty on traction motors

SURAJEET DAS GUPTA

New Delhi, 23 July

Electric two-wheeler maker Ola Electric has struck a divergent note with the auto industry, which has appealed to the government to cut the basic Customs duty (BCD) on traction motors by half due to the ongoing export restrictions placed by China on standalone magnets.

While the industry has asked the ministry of heavy industries (MHI) to reduce the basic customs duty on traction motors to 7.5 per cent from the current 15 per cent, Ola has opposed the move saying that "there is no global supply chain crises in electric magnets in the auto sector".

The Bengaluru-based firm has reasoned that it was not in favour of any reduction in duty as this would have an adverse impact on those companies which are making the motors in India, and only importing the rare earth motors (like them).

The industry, represented by the Society of Indian Automobile Manufacturers (SIAM), has however, said that they have made the request because due to the restrictions on import of standalone mag-

INDUSTRY HAS ASKED THE MHI TO REDUCE BASIC CUSTOMS DUTY ON TRACTION MOTORS TO 7.5% FROM THE CURRENT 15%

nets (which had a duty of 7.5 per cent) from China, full assembly and sub-assemblies will have to be imported at 15 per cent which would lead to the increase in the cost of the vehicle.

When contacted, Ola Electric declined to comment on the issue.

The company has argued that it has procured stocks of rare earth magnets from alternative non-Chinese sources in South East Asia and Europe and also plans to introduce "ferrite motor" powered vehicles by Q3 of 2026, which are as efficient as rare earth powered motors.

So they have already worked out an alternate plan of action.

In its communication with the MHI, the industry has also sought exemption for traction and wheel rim hub mounted motors which were to be manufactured in the country under the phased manufacturing program for eligibility in

the PM e-drive subsidy scheme.

That apart, they have also asked for exemption from another condition to get subsidy, that import of PMP components and all other components for electric-2 and 3 wheelers from a single supplier should not be permitted.

In the case of PLI, it has requested that additional import costs in sourcing motor assemblies, sub-assemblies, components and electronic throttle will be exempted from the computation of domestic value addition and the import content declared in the techno commercial audit issued before the restrictions by China was imposed will be calculated for DVA calculation. Ola has also made it clear that they are not in favour of any change in the domestic value addition norms of PLI as well as the phased manufacturing program as requested by many auto companies.

The industry has also pointed out to MHI that while they are committed to the 'Make in India' vision, under the prevailing scenario there is need for the government to provide them with some flexibility to ensure the momentum of growth in EV penetration.

Govt may mandate public procurement of 25% green steel

EU's CBAM is against spirit of FTA: Official

SAKET KUMAR
New Delhi, 25 July

The government is finalising a green steel procurement mandate, with a potential 25 per cent target, even as it criticises the European Union's Carbon Border Adjustment Mechanism (CBAM) as a trade barrier that undermines ongoing India-EU free-trade agreement (FTA) talks.

Ashwini Kumar, economic advisor to the Ministry of Steel, confirmed that public procurement would play a key role in creating a market for low-emission steel. He said the government was considering a

mandate to ensure green steel is not edged out by cheaper, high-emission alternatives.

"We are working on that also. It's a tricky business. I don't know when we will see green steel public procurement coming into force. But still, modalities are being worked out," he said at the India Steel Conclave 2025 in New Delhi on Friday.

While no official quota has been announced, Arvind Bodhankar, chief sustainability officer at ArcelorMittal Nippon Steel India, said the policy could involve substantial purchases.

"The government is coming out with a green steel procurement policy where I believe the government will be procuring 25 per cent of steel as green steel," he said. Kumar also raised concerns about CBAM, which will impose a carbon tax on steel and other imports into the European Union (EU).

THE GOVERNMENT IS CONSIDERING A MANDATE TO ENSURE GREEN STEEL IS NOT EDGED OUT BY LESS EXPENSIVE, HIGH-EMISSION ALTERNATIVES

"The EU is important because around half of India's steel exports go to the EU. Now, there is a tendency to weaponise carbon emissions as an instrument for trade.

The term that the EU uses is environmental law, but this is essentially trade restrictions and it has

bearings for Indian steel companies who export to the EU," he said. He added that CBAM is "actually against the spirit of FTA," pointing out that the EU's waste treatment regulations, which restrict scrap exports to non-OECD countries, hurt India's efforts to decarbonise steelmaking.

"On the one hand, they are pushing us to reduce our CO₂ emissions in the name of CBAM.

On the other hand, they have constrained our ability to take that course of reduction of CO₂ emissions in the steel sector," Kumar said.

FADA seeks RBI intervention against private banks delaying rate cut transmission to auto buyers

Press Trust of India
New Delhi

The Federation of Automobile Dealers Associations (FADA) has sought the Reserve Bank of India's intervention against alleged delays by private banks in transmission of the interest rate cuts to automobile buyers.

In a letter to RBI Governor Sanjay Malhotra, FADA also called for a review of private banks' repo-rate pass-through lags in the auto-loan portfolio and for issuing corrective directives to ensure uniform 100 per cent transmission to auto borrowers.

"Under your leadership, the RBI has delivered the fastest series of policy-rate reductions in its history, a clear positive signal for the economy. Yet, this benefit is not fully visible in the auto-retail sector," FADA Vice President Sai Giridhar said. "While public-sector banks pass on repo-rate cuts to auto borrowers immediately, many private banks delay transmission on the pretext of internal cost-of-funds assessments," he added.

MONITOR&ENFORCE

In order to ensure that private banks also transmit the benefit of the rate cuts, FADA urged the RBI to

"monitor and enforce a strict, time-bound transmission of policy-rate changes across all banking institutions".

It also suggested making periodic, public disclosure of banks' cost-of-funds calculations to enhance transparency.

FADA also requested the central bank to "conduct a focused review of private banks' repo-rate pass-through lags in the auto-loan portfolio, and issue corrective directives to ensure uniform, 100 per cent transmission to auto borrowers".

The body urged the RBI to issue clear guidelines to all banks to ensure uniform

application of MSME lending benefits to eligible auto-retail businesses, alleging that in several instances, banks have not extended preferential interest rates to MSME-registered dealerships, although auto workshops, service centres and smaller dealerships are eligible for MSME registration under the Udyam framework.

The guidelines must also cover mandatory extension of concessional lending rates, priority sector classification and improved access to MSME-linked support schemes and grievance-redressal mechanisms, FADA said in the letter.