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

AUTOMOTIVE INDUSTRY

Business Line, 2 September 2025

Ashok Leyland to invest ₹5,000 cr in 7-10 years to make batteries in tie-up with China's CALB

Our Bureau
Chennai

Commercial vehicle manufacturer Ashok Leyland plans to invest over ₹5,000 crore towards the development and manufacturing of next-generation batteries. The investment, planned over the next 7-10 years, will include both automotive and non-automotive applications, including energy storage systems.

In the backdrop of improving bilateral relations, The Hinduja Group company has entered into a long-term exclusive partnership with a Chinese battery technology firm CALB Group.

STRATEGIC TIE-UP. Ashok Leyland has signed a long-term exclusive partnership with CALB Group for development and manufacturing of next-generation batteries

Ashok Leyland said it will invest towards battery localisation in India, catering not only to its own company and its electric vehicle arm Switch's portfolio, but also to meet non-captive demand in the automotive sector and in the energy storage sector.

"Our strategic partnership with CALB is a significant step towards creating a localised battery supply chain in India to accelerate adoption of electric vehicles in India and reduce our dependence on fossil fuels," said Dheeraj Hinduja, Chairman, Ashok Leyland.

FOCUS AREAS

Shenu Agarwal, MD and CEO, added that in the initial phase, the new battery business shall focus on the automotive sector, and then move to non-automotive areas.

"A Global Centre of Excellence will be created to serve as a hub for research and development, fostering innovation in battery materials, recycling, battery management systems and advanced manufacturing processes," he said.

The Times of India, 8 September 2025

Car dealers try to tide over ₹2,500cr compensation cess

GST 2.0: Hyundai, Merc Among Cos That Announce Cuts

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New Delhi: Fearing challenges to working capital and potential losses, car dealers are knocking multiple doors for adjustment of the Rs 2,500 crore GST cess paid by them to govt and have written to finance minister Nirmala Sitharaman, auto companies and banks to help them tide over the issue.

The dealers — who are saddled with an inventory of around six lakh vehicles which was loaded up in anticipation of the festive rush — say with no avenue to adjust the cess which was removed after the GST Council meeting on Sept 3, they have no option but to seek relief, or else risk running into heavy losses and disruption in working capital.

"While GST 2.0 subsumes the earlier compensation cess regime for automobiles, dealers today hold significant, validly-availed compensation cess balances in their electronic credit ledgers. Once no further cess liability arises, these balances cannot be utilised against CGST/SGST/IGST under the current law. Without a transitional pathway, credits risk lapsing, creating an unintended, permanent loss and a sharp working-capital shock for compliant MSME dealerships," C S Vigneshwar, president of Federation of Automobile Dealers Associations (FADA), said in a representation to the finance minister.

The dealers have petitioned Sitharaman that their balance lying in Compensation Cess Credit Ledger as on Sept 21 may be allowed to be transferred to IGST/ CGST credit ledger. "Such balance may then be utilised for discharge of regular GST liability," they said in their representation, which was also sent to revenue secretary Arvind Shrivastava and CBIC chairman Sanjay Kumar Agarwal.

The dealers' body has also requested car companies to help them tide over the challenge. "We have also asked automakers for help, which includes seeking credit in liquidating the stock faster by provision of consumer discounts. Also, we have requested them to share some of our GST cess burden till a solution can be arrived at through negotiations with the govt."

Companies such as Mahindra & Mahindra and Skoda have already announced immediate discounts to clear the dealer inventory, instead of waiting till Sept 22 for the lower GST rates to come into play. Other companies such as Hyundai, Toyota, BMW, Classic Legends, Tata Motors, and Mercedes-Benz have also announced cuts in retail prices, but from the day when the new rates are effective. FADA has also requested banks to delay the payment tenure of the inventory funding, for which dealers take loan.

ASKING FOR HELP

- Dealers have urged FM Nirmala Sitharaman that their balance lying in Compensation Cess Credit Ledger as on Sept 21 may be allowed to be transferred to IGST/CGST credit ledger. **"Such balance may then be utilised for discharge of regular GST liability."**
- Dealers have requested car companies to share some of **GST cess burden till a solution** can be reached through negotiations with govt
- They urged banks to **delay the payment tenure** of inventory funding, for which loans are taken

'India has potential for small e-cars'

Munich: German automotive group Volkswagen is looking at India as a potential market for its affordable small electric cars and is working with partners on how to best introduce them in the market, its CEO Oliver Blume said on Sunday. "India is a fantastic market, now the third biggest in the world. We see potential in India. We are sorting out what we can do with partners and also bringing a small car to India," Blume said. AGENCIES

The Economic Times, 9 September 2025

STEPPING UP INFRA DEVELOPMENT

₹16kcr Plan to Build Construction Gear Locally On Cards

Focus on tunnel-boring machines, cranes, earth movers to lower import dependence

Twesh Mishra

New Delhi: The Centre is readying a programme to incentivise the local manufacture of key construction equipment to plug a yawning gap in India's infrastructure development push that's aimed at easing bottlenecks and boosting growth. Proposals for supporting the indigenisation of construction equipment, tunnel-boring machines and cranes have been initiated, said officials aware of the matter.

"Inter-ministerial consultations are underway on a Rs 14,000-16,000 crore incentive scheme for the construction equipment manufacturing industry," a senior official told ET, adding that it's likely to be operational in the next fiscal year.

According to sector watchers, India's mining and construction equipment industry imports nearly half its components by value from China, Japan, South Korea and Germany, among others.

"Consultations on the proposal have started," the representative of a construction equipment manufacturer said.

The Indian construction equipment industry, inclusive of exports, grew 3% in FY25, said Manish Mathur, CEO, cranes, at equipment maker ACE. On the domestic front, the industry reported a 1% annual decline in sales during the first quarter of the current fiscal.

"A scheme to incentivise local manufacturing is much needed towards strengthening India's construction and mining equipment ecosystem," Mathur said.

Much of the equipment needed for India's ambitious infrastructure development programme comes from overseas.

The Buildup

KEY GOALS...

Scheme operational next fiscal

Push for indigenisation of equipment

Weaning import dependence

...WHAT'S COMING

Metro, semi- and high-speed trains

Port capacity ramp up by 4x

Flurry of mega road projects

Mining output scale-up

JWL KOVIS DEBARRED BY RAILWAY BOARD FOR 6 MONTHS

Business Line, 16 September 2025

Passenger vehicle dispatches in Aug fall 9% to 3.22 lakh units

SILVER LINING. Two- and three-wheeler sales grew in the month, per SIAM data

S Ronendra Singh
New Delhi

The total passenger vehicle wholesales (dispatches to dealers) declined by around 9 per cent to 3,21,840 units in August compared with 3,52,921 units in the corresponding month last year, the monthly sales data shared by the Society of Indian Automobile Manufacturers (SIAM) said on Monday.

The decline in numbers was primarily due to recalibration of dispatches by passenger vehicle manufacturers, SIAM said.

SEGMENT-WISE

However, total two-wheeler dispatches grew 7 per cent to 18,33,921 units (17,11,662 units).

Two-wheelers continue to grow

Segment/sub-segment	Aug 2025	Aug 2024	% change (YoY)
Total passenger vehicles	**3,21,840**	**3,52,921**	**-9.0**
Total three-wheelers	**75,759**	**69,962**	**8.3**
Scooters	6,83,397	6,06,250	13
Motorcycles	11,06,638	10,60,866	4.3
Total two-wheelers	**18,33,921**	**17,11,662**	**7.0**
Grand total of all categories	**22,31,520**	**21,34,545**	**4.5**

Source: SIAM

While motorcycles sales rose 4.3 per cent to 11,06,638 (10,60,866 units), scooters sales jumped around 13 per cent to 6,83,397 units (6,06,250 units).

Three-wheeler sales posted a growth of 8.3 per cent to 75,759 units last month (69,962 units).

"Three-wheelers posted their highest-ever sales of August in 2025 of 0.76 lakh units, with a growth of 8.3 per cent. The landmark decision of the government to reduce GST rates on vehicles will go a long way in enabling broader access to mobility and inject fresh momentum into the Indian automotive sector in the upcoming festival season," Rajesh Menon, Director-General, SIAM, said.

The grand total of all vehicle categories grew 4.5 per cent to 22,31,520 units (21,34,545 units).

The decline in numbers was primarily due to recaliberation of dispatches by passenger vehicle manufacturers

EXPORTS UP

Total vehicle exports rose 28.5 per cent to 5,57,446 units (4,33,771 units).

Total exports of passenger vehicles jumped 24.6 per cent 82,246 units (66,008 units).

Total three-wheeler exports also rose 48 per cent to 42,765 units (28,873 units), the SIAM report indicated.

Business Line, 19 September 2025

China's SAIC 'to cut stake in car JV with JSW Group post Delhi investment curbs'

Reuters
New Delhi

China's SAIC Motor will slash its 49 per cent stake in its Indian joint venture with the JSW Group and halt further investment, five people said, the latest sign of how political tensions between the Asian neighbours is spilling over into business.

SAIC's decision comes after India introduced limits on investment from its neighbours in 2020, a move widely seen as being aimed at China.

Leaders of both countries met last month to ease relations, raising hope of improved business ties. There has since been little sign of progress, with Indian auto firms, for instance, still awaiting Chinese approval to buy rare earths from China.

The tie-up with JSW was meant to inject funds into the automaker's largest production base outside of China and also ease regulatory hurdles. But it has not delivered, said one of the people.

All five of the people familiar with the matter declined to be identified because they weren't authorised to speak publicly about it.

SAIC is not pulling out of India but wants to dilute its stake in JSW MG Motor significantly and will continue to provide technology and products for the venture, said a second person.

STALLED DEALS

JSW has offered to purchase most of SAIC's stake to become the single largest shareholder, but the two sides disagree on valuation, with SAIC seeking a higher price, the person said, adding that talks are ongoing.

The friction between the two companies is not all down to politics. JSW also appears to have irked its partner by pursuing talks with rival Chinese firm Chery Automobile to build cars in India, sources said. JSW has long wanted to sell cars under its own brand and talks are at an advanced stage with Chery for a technology, not equity, partnership for cars JSW will build in India, said one of the people.

Last year, SAIC sold a majority stake in the local company to Indian entities with JSW picking up a 35 per cent share for about $300 million. Proceeds went to SAIC rather than the local entity, two of the people said.

JSW MG Motor has since submitted a proposal to invest $240 million in EV manufacturing, the outcome of which is pending. A sticking point is whether any return on investment will go to China considering the source of the initial funds, said a third person.

The Economic Times, 21 September 2025

Auto Inc Takes Multi-fuel Powertrain Drive

Rollout of reduced GST rate on vehicles expected to accelerate this shift

Lijee Philip

Mumbai: Indian automakers are shifting gears rapidly to adapt to a multi-fuel future and hedge their bets in an increasingly competitive market. Fuel policy reforms, changes in transportation economics, and rising inventory pressures are moving companies to devise varied strategies across fuel offerings for their product portfolios.

From petrol-ethanol blends to compressed natural gas (CNG), hybrids, and electric vehicles (EVs), companies in the world's third-largest automobile market are introducing a range of technologies, waiting to see which would win over the consumer.

The share of petrol, diesel, and CNG stood at 55.3%, 18.25%, and 19.61% respectively during January-July 2025. EVs and hybrids (including plug-ins) had a 6.25% share, according to Jato Dynamics data.

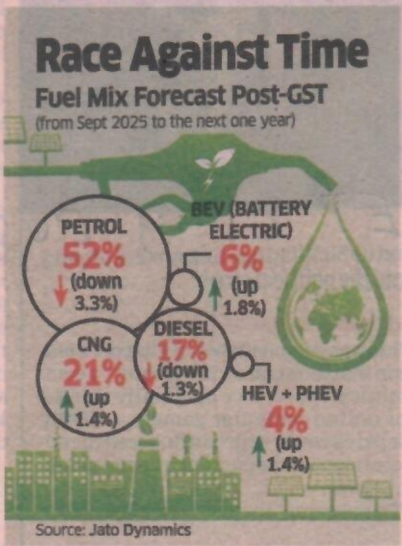
The rollout of reduced goods and services tax (GST) rate on vehicles is expected to accelerate this shift. The share of petrol cars is expected to drop to 52% and that of diesel to 17% in the 12 months from September 22 when the revised GST rates will take effect, according to Jato Dynamics. However, the share of CNG vehicles is forecast to rise to 21%, while EVs and hybrids (including plug-ins) would touch 10%.

Despite the churn, most carmakers are reluctant to comment publicly on government policies and their future plans.

These companies are optimising production and supply chains while navigating rising inventory pressures across the ecosystem, from manufacturers to dealers.

Multifuel lineups take centre stage

Recent launches underscore this pivot. Maruti Suzuki's latest model, Victoris SUV, for instance, comes in petrol, strong hybrid, and CNG variants, giving customers flexibility as fuel dynamics evolve.



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www.economictimes.com

The Economic Times, 22 September 2025

INDIA'S PACTS WITH UK AND EUROPE EXPECTED TO REDUCE IMPORT DUTIES

'FTAs Won't Make Luxe Cars Cheaper, But Model Allocation Could Improve'

Most cars are made here and won't be affected by FTAs; festive season best time to buy: Auto co execs

Shally Seth Mohile

Mumbai: Indian luxury car buyers waiting for the India-UK or India-EU free trade agreements (FTAs) to bring down prices may be in for disappointment. Top executives from Mercedes-Benz, BMW, and Jaguar Land Rover (JLR) say the perception that FTAs will slash prices of premium cars is misplaced, though they admit that allocation of imported models could improve once trade agreements are signed.

India and the UK signed a landmark FTA in July 2025 that will cut import duties on fully built UK luxury cars from over 100% to about 10%, phased in over five years, with quotas limiting the number of vehicles eligible for the concessional rate each year. Negotiations with the European Union are still under way, with officials indicating that India may offer duty cuts similar to the UK deal, gradually bringing down the current 110% duty on cars priced above $40,000. Industry analysts caution that any price impact will be modest and phased, rather than a sudden sharp reduction.

Mercedes-Benz India MD Santosh Iyer said that even with these agreements, dramatic price drops are unlikely. "It's a complete misconception that European cars will suddenly become ₹30-40 lakhs cheaper. Ninety-five percent of the cars we sell are locally produced, so they aren't impacted by import duties in the first place," Iyer told ET. He added that the main benefit of FTAs would be in improving the business case for more niche models.

"Currently, India competes with other markets for limited production slots of fully imported cars. If FTAs lower duties even slightly, our business case improves and we can push for higher allocations—meaning customers will get their imported cars faster."

JLR India MD Rajan Amba said most of JLR's portfolio is localized in Pune and thus unaffected by FTAs from a pricing standpoint. "Once we explained to customers that 95% of our line-up is not impacted, bookings returned to normal levels," Amba said. "But FTAs will definitely help us strengthen our case for bringing in more CBUs and special editions, since lower duties improve margins."

BMW Group India President Hardeep Singh Brar also stressed that the current environment of reduced GST and festive offers represents one of the best windows to buy. "Our focus is to pass on GST benefits now and deliver cars during the festive season. FTAs, even when they materialise, won't have a dramatic effect on final customer prices," he said.

After a record 2024, when luxury car sales in India breached the 50,000 mark for the first time, sales in the first half of 2025 were muted as stock market volatility and geopolitical uncertainties weighed on buyers' sentiment. Analysts say the bigger story this quarter is demand, not duties. With GST cuts, financing support, and buyers advancing purchases before likely January price hikes, luxury carmakers expect this festive season to be a record one for the segment. "India could get more niche and performance models thanks to better allocation economics—but mainstream luxury prices are unlikely to crash," said a Mumbai-based auto sector analyst.

With luxury carmakers already hinting at price hikes in early 2026 due to currency pressures, executives say the next three months could be the most lucrative for buyers. "Waiting for FTAs is not a winning strategy," Iyer said.

Delayed Effect

Mercedes-Benz India
Main benefit of FTAs would be in improving the business case for more niche models

JLR India
Most of JLR's portfolio localised in Pune and unaffected by FTAs

Industry
2024: Luxury car sales in India touched **50,000**

Sales in H1 of 2025 muted

Reasons: Stock market volatility, geopolitical uncertainties

Business Standard, 23 September 2025

Small cars drive PV export growth amid fall in domestic sales

SOHINI DAS
Mumbai, 22 September

Even as passenger car sales are on a downhill trajectory in India, their exports are on the rise, as the appetite for affordable cars is growing in economies like Mexico and those in Africa — which are witnessing steady growth in disposable incomes but remain price-sensitive.

Data from the Society of Indian Automobile Manufacturers (Siam) showed that between April and August this financial year, passenger car exports rose 8.5 per cent year-on-year (Y-o-Y), while domestic sales fell by 8.5 per cent, indicating a slowdown in demand in the home market.

Two of India's largest passenger vehicle (PV) exporters — Maruti Suzuki India and Hyundai Motor India — saw 37 per cent and 12.45 per cent jump, respectively, in overall exports during this period. PVs include both cars and utility vehicles.

Of this, in the passenger cars segment, where Maruti exports Swift, Baleno, Dzire models, there was a staggering 43 per cent growth in exports between April and August. Hyundai too saw close to 16 per cent growth in passenger car exports. The Korea-headquartered company exports the i10 NIOS from India. During the same time, Hyundai saw a close to 16 per cent drop in passenger car sales in India, while Maruti witnessed 6.4 per cent decline in domestic sales of passenger cars.

"Interestingly, if you notice, all our top five export models are less than four metres. So, it is clear that globally customers prefer compact cars and have a strong acceptance for small cars. Customers understand that small cars have a lower impact on the environment and help reduce road congestion," Rahul Bharti, senior executive officer, Maruti Suzuki, told *Business Standard*.

Maruti's top five models for exports in FY26 are Fronx, Jimny, Swift, Baleno and Dzire with the top five markets being Japan, West Asia, Africa, and Latin America. For Hyundai too, Latin American and African markets are doing well when it comes to small car exports.

"Our small cars, particularly the i10 NIOS, have been performing very well in markets like South Africa, Mexico and Chile where customers value Hyundai's advanced features, quality and premium design that appeal to both fleet and retail segments," said Tarun Garg, whole-time director & COO, Hyundai Motor India.

Puneet Gupta, director, Mobility Forecast India & Asean Region, S&P Global Mobility said: "Indian expertise in producing compact, cost-efficient cars at scale has created a strong manufacturing base. This advantage positions India as a natural export hub for global small-car demand."

"With economies such as Africa and Mexico witnessing steady growth in disposable incomes, yet remaining price-sensitive, the appetite for affordable, reliable cars is rising. India is uniquely placed to seize this demand and cement its role as the world factory for small cars," he said.

Garg is pinning hopes on exports and says they target to grow by 7-8 per cent in FY26. "Most of our export markets have remained stable and continue to register growth helping us deliver consistent performance. From April to August 2025, we recorded a 12.5 per cent growth in exports, and we are on track to achieve target of 8 per cent Y-o-Y."

Maruti is the country's largest car exporter since FY22. Bharti said that they plan to continue this stride, and their share in PV exports is more than 46 per cent today.

Tracking the trajectory

Car sales during April-August 2025

Figures in units

	Domestic sales	Y-o-Y growth (%)	Exports	Y-o-Y growth (%)
Passenger cars	489,604	-8.5	183,602	8.45
Overall passenger vehicles	1,593,972	-2.3	353,868	14.7
Maruti Suzuki passenger cars	337,711	-6.4	81,762	43.0
Hyundai Motor passenger cars	67,795	-15.8	67,507	16.0

Source: Siam

The Times of India, 25 September 2025

JSW Motors talks tech tie-up with BYD, other China car cos

Lines Up ₹26K Cr Investment, To Launch 25 Models In 5 Yrs

Times News Network

New Delhi: Steel magnate Sajjan Jindal's fully-owned car venture JSW Motors is in talks with BYD — the world's biggest EV maker — and a clutch of other Chinese companies like Geely, Cherry, Xiaomi, Nio Auto, and Li Auto for platform and component access. The Indian company has lined up investments of nearly Rs 26,000 crore over next five years for a foray into competitive passenger vehicle segment.

JSW Motors intends to launch its cars next year (before June) from a new factory that is coming up Maharashtra. It is planning to launch 25 new models by 2030. It is also in talks with certain European makers, such as Volkswagen and Renault, as it stitches up alliances and partnerships for access to platforms and components, CEO Ranjan Nayak told **TOI**.

The partnership talks with BYD, which is currently importing its cars to India after paying heavy customs duty, had been initiated sometime back and are continuing. Nayak said JSW is also open to making cars for the Chinese giant at its Maharashtra factory, which will have a production capacity of 5 lakh units per annum.

"I met the BYD teams even last month. I had talks with them... they can also leverage the Indian ecosystem in line with the shift in geopolitical dynamics. India could become an export hub for global markets. BYD can make here, localise here, and export to the US and Europe."

He said that JSW Motors, which also runs a car JV with another Chinese giant SAIC called JSW MG Motor, however, does not want any equity partnership in the new venture. "What we are looking at through the talks with various companies is access to components, access to core tech, and (car) platforms. We want to get the technology here and localise. Brutal localisation is our aim. Whoever is aligned with this goal is someone we are ready to collaborate with. The partner will share the tech and will be paid a fee for that — upfront as well as royalty. We don't want to be locked up with one partner."

In terms of products that it plans to launch in India, JSW Motors is focusing on electrics, plug-in hybrids, and range extenders. "SUVs will be the preferred body type that we will target, even though there are plans for a premium sedan by around 2027. The average price of the early cars will be Rs 22-25 lakh, and after that we will enter the mass segment targeted at fleets and taxis which could be a hatchback. These mass products will be priced at Rs 8-9 lakh."

Eyes Platform, Parts Access

- JSW Motors is also in talks with certain European makers such as Volkswagen and Renault
- JSW Motors does not want any equity partnership in the new venture (unlike JV with SAIC—JSW MG Motor)

> What we are looking at through the talks with various companies is access to components, access to core tech, and (car) platforms. We want to get the technology here and localise...The partner will share the tech and will be paid a fee for that — upfront as well as royalty
>
> —Ranjan Nayak | CEO, JSW Motors

Business Line, 27 September 2025

Bharat Forge, Data Patterns, BEML in joint bid to build 5th gen fighter

TAKING OFF. More private players set to enter fray for DRDO-conceived Advanced Medium Combat Aircraft

Dalip Singh
New Delhi

After the entry of Larsen & Toubro (L&T) and Bharat Electronics Ltd (BEL), two more private defence firms — Bharat Forge Ltd (BFL) and Data Patterns (India) Ltd — have joined hands with government-owned BEML to sign a tripartite Memorandum of Understanding (MoU) to bid for the DRDO-conceived Advanced Medium Combat Aircraft (AMCA) programme.

ALLIANCE FORMALISED

Bharat Forge will hold a 50 per cent stake, BEML will take 30 per cent, and Data Patterns the remaining 20 per cent, sources familiar with the matter said.

DEFENSE PUSH. More private players, including a Tata-led consortium, an Adani led aerospace group, and Hindustan Aeronautics Ltd are likely to join the race for AMCA MURALI KUMAR K

This move comes just days after L&T publicly announced a strategic partnership with BEL to back India's fifth generation fighter project. In that arrangement, L&T brings its strengths in aerospace systems and structural engineering, while BEL contributes its decades of expertise in defence electronics, avionics, and mission systems — a combination designed to respond to the Expression of Interest (EoI) issued by DRDO's Aeronautical Development Agency (ADA).

Industry watchers say that with L&T-BEL having staked their claim early in the race, other major contenders are scrambling to assemble competitive consortiums. As of now, three more bids are expected — including a Tata led consortium, an Adani led aerospace group, and Hindustan Aeronautics Ltd (HAL), which is also exploring collaboration with private players to enter the stealth combat fighter manufacturing domain. The deadline for submitting proposals for the fullscale engineering model and five aircraft is September 30 after which ADA will issue the Request for Proposal (RFP) to shortlisted bidders.

STEALTH AIRCRAFT

The AMCA programme, fully designed in India by ADA, aims to deliver a fifth generation stealth aircraft endowed with advanced avionics, super cruise capability, internal weapons bays, and futuristic electronic warfare systems.

The new BFL–BEML–Data Patterns MoU seeks to ride that wave, and aligns closely with the Government's Atmanirbhar Bharat goal of building cutting edge defence capabilities indigenously.

By pooling complementary capabilities across engineering, systems integration, electronics, and defence manufacturing, this alliance seeks not only to strengthen India's strategic autonomy, but also to position the country as an emerging hub for next generation aerospace innovation.

Business Line, 30 September 2025

Wheels India inks deal with S Korean firm for hydraulics cylinder business

Our Bureau
Chennai

Wheels India has signed a technical agreement with SHPAC, a leading hydraulics cylinder manufacturer in South Korea, for technology transfer in manufacturing. Wheels India has identified hydraulic cylinders as one of the strategic growth areas, and the pact is expected to drive growth further in this segment.

"It has been our stated intent to focus and grow the hydraulics cylinder business significantly over the next few years. We believe this business segment has the potential to be an important growth driver for Wheels India globally. Wheels India has been expanding its presence in Europe and North America. We expect to leverage the technology transfer by accessing existing customers, and will continue to invest in the hydraulic cylinder business as opportunities arise, said Srivats Ram, MD, Wheels India."

"SHPAC is a leading manufacturer of hydraulic cylinders in South Korea with a successful track record over the last few decades in this business exporting their products worldwide. Our agreement with them is expected to create new growth opportunities for Wheels India," he added.

Business Line, 30 September 2025

Passenger vehicles inventory at minimum levels in Sept

GST BOOST. Expected to be in 30-40 day range against 50-55 days in other months: FADA

S Ronendra Singh
New Delhi

The inventory levels of passenger vehicles (PVs) are believed to have come down substantially for the first time in several years since GST cuts were rolled out in September 22.

A SEVERE DROP

The inventory levels in September are expected to be in the 30-40 day range, compared to usual 50-55 days in a typical month. This is a severe drop from September 2024, when inventory levels reached 80-85 days, equivalent to 7.9 lakh vehicles worth ₹79,000 crore due to aggressive OEM dispatches, according to Federation of Automobile Dealers Associations (FADA) numbers.

"The sales are high every *Navratri*, but this year is a bit different compared to any other year because of GST 2.0. There is a pent-up demand for cars for sure, as people who were holding their purchase for the last six months or a year are buying now," a Delhi-based analysts told *businessline*. Also, many original equipment manufacturers are offering attractive discounts, over and above the GST rate cut, which is also leading to more footfalls at showrooms, he said.

SHOPPING FRENZY. Many OEMs are offering attractive discounts, over and above the GST rate cut, which is also leading to more footfalls at the showrooms REUTERS

HUGE DISCOUNTS

Companies such as Maruti Suzuki India (MSIL) and Tata Motors have reduced the prices of their products heavily for a limited period till September 30. MSIL has reduced the prices of Alto K10 Lxi by around ₹99,000; Celerio Lxi around ₹94,000 and WagonR Lxi by around ₹79,000. Similarly, Tata Motors has reduced prices of Tiago by up to ₹1.20 lakh, Tigor by up to ₹1.11 lakh and Punch by up to ₹1.58 lakh.

"The OEMs are firing on all cylinders when it comes to production right now. Some OEMs had halted productions during the end of August, but since September, they are producing vehicles with all strength. It will be tough to calculate at the moment, but this September could record one of the highest sales in a month. On a rough calculation, there could be an inventory of minimum 3 lakh cars at the moment," said a Mumbai-based sector analyst.

Business Line, 30 September 2025

TVS Indeon working with global R&D firms to manufacture lithium ion battery cells in India

TE Raja Simhan
Chennai

TVS Indeon Ltd, the 100 per cent subsidiary of Chennai-based Lucas TVS, is working with global R&D companies to manufacture the latest technology lithium ion battery cells in India.

"We have picked the next-generation technology. This has been proved in the lab scale in small pilots and supplied in smaller quantities to some of the Japanese companies," said TK Balaji, CMD, Lucas TVS.

Addressing the Madras Chamber of Commerce and Industry's Chamber Day on Monday, Balaji said EVs have come to stay. In 10-15 years, EV penetration will certainly be much much larger. However, today, the entire supply chain is dominated by China not only in the cells but the entire ecosystem, including raw materials, he said.

"So, the question came to us as to what do we do? It's easy to go to a Chinese company, have a collaboration and set up a plant. But we came to the conclusion not to follow because that will not solve the problem, and we will still have to compete with the same Chinese," he said.

"We chose a different route. The cost of setting up the cell plant is prohibitively expensive, costing $70-$80 million per gigawatt hour. We need to set up at least 10 gigawatt hours to be viable. This means about $800 million, and this is not a small amount," he said.


TK Balaji, CMD, Lucas TVS

The technology that the company is working on brings in a lot of advantages. The capex cost is much lower. The raw materials can be recycled, and the safety levels of the batteries are significantly higher, he said.

'MANY CHALLENGES'

"But this route that we have chosen is full of challenges, and we need to develop an entire ecosystem. We are working with some raw material suppliers in India who are also developing some solutions. Our progress is going to be slow, but I think if we succeed it will give us a basis for us to not only grow faster later but also make an impact globally," he said.

ELECTRIC VEHICLES

Business Line, 8 September 2025

EV four-wheeler registrations up 11 per cent in August: Vahan data

TE Raja Simhan
Chennai

As the festive season kicked-off in August with Ganesh Chaturthi, the fervour was reflected in the growth in registrations of four-wheeler electric vehicles (EVs), which saw an 11 per cent increase to 17,029 units in the month as against 15,389 units in July, according to Vahan data.

In August, Tata Motors topped the list, with JSW MG and Mahindra Electric Automobile trailing in the second and third positions, respectively. Hyundai and BYD India held the fourth and fifth spots, respectively. While Tata Motors and Mahindra reported a positive growth, registrations of the other players declined, according to data.

Top 5 in 4-wheeler EV registrations

Maker	Aug-25	Jul-25	Growth (%)
Tata Passenger Electric Mobility	6,810	5,914	15
JSW MG Motor India	4,801	5,229	-8
Mahindra Electric Automobile	3,287	2,725	21
Hyundai Motor India	589	623	-5
BYD India	420	477	-12

Source: Vahan Portal data as on September 5; Data include both pure EV and battery-operated vehicle

Tata Passenger Electric Mobility (vehicles like Nexon, Punch and Tiago) reported a 15 per cent increase in volume, and that of Mahindra (XUV400 EV, XUV 9e and BE 6) reported a 21 per cent increase.

JSW MG's (Windsor and Comet) volume declined by 8 per cent; Hyundai (Creta) saw a 5 per cent decline and BYD India's (Atto 3, Seal, Sealion 7 and eMAX 7) numbers declined by 12 per cent, the data showed.

BRIGHT SPOT

A spokesperson for Tata Motors said, "We have had back-to-back months of record EV sale in July and August. The EV category remains a bright spot, supported by new launches and growing customer interest in our EV offerings."

"In July, the company achieved its highest-ever monthly EV sales, marking a significant milestone in our electrification journey. In August, the company surpassed its July numbers — reflecting growing customer confidence in EVs and accelerating India's transition to sustainable mobility," said the spokesperson.

Poonam Upadhyay, Director, Crisil Ratings, said that the surge in passenger EV demand in August was driven by the onset of the festive season, supportive policies, and the introduction of new models.

"On the product front, launches from a few leading original equipment manufacturers (OEMs) are giving buyers more options, thereby widening the addressable customer base. Additionally, a few OEMs managed (to navigate) the ongoing rare-earth magnet supply constraints better than others. As a result, overall EV sales continued to move upward," she added.

On the policy side, schemes like the the Faster Adoption and Manufacturing of Electric Vehicles (FAME-II) and the Prime Minister's Electric Vehicle Drive (PM-E-DRIVE) are boosting adoption through subsidies and the faster rollout of charging stations, which is improving consumer confidence, she said.

Business Line, 23 September 2025

Euler Motors aims to double revenue to ₹400 cr

S Ronendra Singh
New Delhi

Electric vehicle (EV) maker Euler Motors said it aims to be among the top three players in EV commercial vehicles with more products, and double the revenue to around ₹400 crore this financial year from ₹191 crore last year.

"We've been able to map customer needs, identify the technology required, and deliver at the right price point... As long as we continue with our customer-first approach and uphold our promise that 'if they succeed, we succeed,' I am confident we will remain among the top three players — and, perhaps, even move ahead of some," Saurav Kumar, Founder and Chief Executive Officer, Euler Motors, told *businessline*.

INDUSTRY-FIRST

Between three and four-wheeler products, the company has introduced around 15 industry-first features.

On expansion, he said over the next 12 months, Euler plans to expand to 100 cities and more showrooms by the end of this financial year, from current presence in around 60 cities with 80 showrooms.

Saurav Kumar, Founder and CEO, Euler Motors

On the partnership with Hero MotoCorp, Kumar said with Hero's experience in manufacturing at scale and the extensive ecosystem of network partners and financing partners, Euler is benefiting and accelerating its journey much faster. In March this year, Hero MotoCorp acquired a 32.5 per cent stake in Euler for ₹525 crore.

Euler Motors launched Turbo EV 1000 that comes in three variants: City, Fast Charge and Maxx, available at ₹5.99 lakh, ₹8.19 lakh and ₹7.19 lakh, respectively.

GST Council clears 2 slabs of 5% & 18%; sin goods tax at 40%

EASE OF LIVING. They will come into force from September 22: FM Nirmala Sitharaman

Shishir Sinha
New Delhi

The GST Council on Wednesday approved a dual tax structure of 5 per cent and 18 per cent, removing the slabs of 12 per cent and 28 per cent.

Finance Minister Nirmala Sitharaman, who chaired the meeting, said, "These reforms are not just rate revision but structural reforms. The intention is to promote ease of living. There should be just two slabs. These reforms have been carried out keeping in mind the common man."

"We are all together for the sake of the common man," the FM said, referring to the Council's uniform intent.

The new slabs are expected to be implemented from September 22.

NO COMPENSATION

Some States' demand to be compensated for the revenue loss owing to the rate cut was not approved. As endorsed by a Group of Ministers and fine-tuned by the Committee of Centre and State officials, the Centre's proposal to reduce the 4 basic slabs (5, 12, 18 and 28 per cent) to two (5 and 18 per cent) was deliberated upon by the GST Council. A proposal to bring a new rate of 40 per cent for 5-7 goods, while maintaining special rates of 0, 0.25, 1 and 3 per cent, was also approved by the Council.

New GST rates *(in %)*

	From	To
Individual health and life insurance	18	**Nil**
Notebooks, pencils, crayons, sharpeners	12	**Nil**
Toiletries	18	**5**
Butter, ghee, cheese, etc.	12	**5**
Tractors, drip irrigation system	12	**5**
Corrective spectacles, medical grade oxygen, diagnostic kits, glucometer and test strips	12	**5**
Petrol, LPG, CNG, diesel, hybrid cars (under 4 metres), three-wheelers, motor cycles (up to 350 cc)	28	**18**
ACs, TVs (above 32")	28	**18**

NONE ON INSURANCE

The Council also approved the exemption of health insurance premiums from GST and slashed rates for life-saving drugs. Key essential items such as toothpaste, hair oil and soaps have been brought under the 5 per cent slab. For readymade garments and footwear, there are two categories based on MRP. Garments priced below ₹2,500 will continue to attract 5 per cent. The same will be applicable for some categories where the rate is 12 per cent. However, garments above a sale value of ₹2,500 will be placed in the 18 per cent slab in place of 12 per cent.

Footwear with a sale value below ₹2,500 will be brought under the 5 per cent slab from 12 per cent, while products with a sale value of over ₹2,500 will continue to attract 18 per cent.

Another proposal related to lowering the rate to 18 per cent from 28 per cent on air-conditioners, dish-washers and TV sets (LCD and LED) was approved.

VEHICLES RATE CUT

For the automobile sector, cars (petrol, LPG or CNG, length up to 4 m and engine with capacity below 1200 cc) and cars (diesel driven with length of 4 m and engine capacity of 1500 cc) will fall under the 18 per cent slab against 28 per cent now.

'SIN', LUXURY TAX

A key proposal about hiking the rate on some services to 40 per cent (with ITC) from 28 per cent was approved. These include admission to casinos, race clubs, sporting events such as IPL and race club services, besides betting, casinos, gambling, horse racing and lottery.

The Council also took up a proposal to raise the rate to 40 per cent from 28 per cent plus compensation cess for station wagons, racing cars, motor vehicles of more than 1,200 cc and 4,000 mm length, aircraft, helicopters, aeroplanes for personal use and motorcycles more than 350 cc.

The Economic Times, 11 September 2025

Automakers brace for PLI benefits hit as RE magnet curbs continue

RAVI DUTTA MISHRA &
SOUMYARENDRA BARIK
New Delhi, September 10

Automakers are cutting down on certain equipment in their vehicles to reduce the usage of rare earth materials as uncertainty over China's green light to export the key materials looms large

Even as India and China have signalled a relaxation in ties, Beijing continues its stranglehold over exports of rare earth (RE) magnets, with applications made by Indian automakers to source the key minerals from that country continuing to hang fire. This has forced them to procure entirely built motor parts and components from China and Vietnam, which could adversly impact automobile prices and end up reducing the manufacturers' domestic value addition percentages.

"None of the Indian automobile companies are receiving rare earth magnets from their suppliers in China. Instead of fitting the magnets in India, Indian companies are forced to source entire components from China and Vietnam, which is more expensive. Several such stopgap arrangements are being figured out by the automobile industry. There was an expectation that after the SCO summit, the supply would be restarted, but that has not materialised on the ground. Producing rare earth magnets in India will take 3-4 years, and it cannot happen immediately. There are several parts of the supply chain. India has some of it, but not the entire process to produce rare earth magnets," a source said.

A senior auto industry source said that carmakers have already started purchasing complete parts and components from China, which could drive prices up. This, the source said, has another downside — for automakers who have qualified under India's Production Linked Incentive (PLI) scheme for automobiles and auto components, this could bring down their domestic value addition, which is a key requisite to be eligible for incentives. The PLI scheme has mandated a target of 50 per cent local value addition.

It was widely anticipated that after Prime Minister Narendra Modi's visit to China for the Shanghai Cooperation Organisation (SCO) summit, which signalled a thaw in the relations between the two countries, there could be some easing from Beijing's side on the stranglehold it has maintained over exporting critical minerals. So far, however, there has not been any worthwhile progress on that front.

Last month, Prime Minister Modi said that the government was aware of the rare earth shortage issue and was trying to address it with the Rs 16,300 crore critical minerals mission, which would entail more than 1,200 explorations for critical minerals across various locations in India. Earlier this month, the Union Cabinet also cleared a

Rs 1,500 crore scheme to promote recycling of battery waste and e-waste for the extraction of key minerals.

The Indian Express had earlier reported that automakers are cutting down on certain equipment in their vehicles to reduce the usage of rare earth materials as uncertainty over China's green light to export the key materials looms large. Royal Enfield, for instance, has implemented a temporary hack for its gear position sensor due to the "ongoing global shortage of rare-earth materials, which are key to manufacturing the magnets in gear position sensors".

A large Indian carmaker is learnt to have tweaked its central console to do away with the gear position indicator in its automatic models as a stopgap measure to rationalise rare earth magnet supplies for more essential applications, including automatic transmissions, throttle bodies, sensors, seat belts, power steering, power windows and cameras.

It is learnt that in June 2025, the Indian arms of a European automaker had their application for rare earth magnet shipments from China rejected, while applications made by the European headquarters received approvals. While the Chinese government has not imposed an outright ban on the export of rare earth magnets — a crucial element in making electric vehicles — the process has been made very difficult, which could take a long time and pose a risk of shortage in the meantime.

Some applications were routed through the Ministry of Commerce (DGFT), but then Beijing insisted that they be forwarded by India's Ministry of External Affairs, with end-use certifications being insisted upon in most cases by the Chinese side. The back-and-forth has led to sharply increased sourcing timelines and uncertainty over supplies.

As per a report by Research and Information System for Developing Countries (RIS), India is almost 100 per cent import-dependent for 13 critical minerals identified as most critical for its manufacturing sector by 2030, including beryllium, chromium, germanium, graphite, lithium, silicon, strontium, limestone, rhenium, tantalum, zirconium, niobium, and rare earth elements.

The report said that China has gained access to African minerals through a multi-faceted strategy that combines significant financial investments and infrastructure development. The African continent is home to around 30 per cent of the world's mineral reserves, having about 90 per cent of chromium and platinum, along with the largest reserves of cobalt in the world.

Business Line, 22 September 2025

Seeing opportunity, India moving to turn GCCs into innovation hubs

S Ronendra Singh
New Delhi

EMERGING SECTOR. Currently, GCCs generate $65 billion in revenues and directly employ more than two million people

Seeing an opportunity in Washington's latest move to make H-1B visas expensive, India is fast-tracking a national policy on global capability centres (GCCs) to turn the sector from back-office support to high-value innovation in AI, R&D and strategy, said government sources.

"With this, we hope to fast-track the country's national GCC policy and will accelerate efforts to grow the GCC ecosystem. Things are already in place, and we are growing our GCCs which can probably help Indian IT companies operate from here, instead of sending their employees outside the country," a senior government official told *businessline*.

The Ministry of Electronics and Information Technology has convened an industry-led panel to draw up a national framework, focussing on developing talent, strengthening infrastructure and expanding beyond the metros into tier-2 and smaller cities. The aim is to underpin India's ambitions in technology and business process management with a broader, more resilient base.

GCC MARKET

According to Nasscom, GCCs represent one of the fastest-growing opportunities in India, with the market projected to reach $99-105 billion by 2030. At present, GCCs generate around $65 billion in revenues and directly employ more than two million people. Once largely confined to legacy operations and routine back-office work, GCCs in India are now assuming end-to-end product ownership and delivering cutting-edge work in Big Data, automation, AI and product R&D, often at significant global scale.

MODEL STATE POLICY

Industry leaders are reinforcing the government's move. The Confederation of Indian Industry (CII) has released a Model State Policy on GCCs, a blueprint to help States attract and scale enterprise hubs.

While the national framework sets the vision, the CII has stressed that States will ultimately determine the pace and breadth of growth.

"The extraordinary rise of GCCs in India has been one of the most important developments in our economic journey over the past two decades. But to expand our share of global value chains, States must step up with competitive and innovation-oriented policies. The Model State GCC Policy offers a ready framework to guide this effort – helping States design their own strategies, accelerate GCC growth beyond the metros and generate high-quality jobs," said Chandrajit Banerjee, Director-General, CII.

The policy is significant because nearly 95 per cent of India's 1,800-plus GCCs are clustered in six Tier-1 cities. Future expansion, both government and industry sources agree, will depend on States unlocking potential in Tier-2/3 centres.

The CII model calls for State-level facilitation cells to serve as single point of contact for investors and enterprises, alongside targeted fiscal and regulatory incentives.

Business Line, 25 September 2025

India govt nominates IIT Madras as UN's AI Centre of Excellence

NATION FIRST. MeitY Secretary S Krishnan speaking at the UN event in New York

Sindhu Hariharan
Chennai

The Indian Institute of Technology-Madras (IIT-Madras) has been nominated as a UN Centre of Excellence for artificial intelligence (AI), capacity building and skilling by India.

Speaking in New York on the sidelines of the 80th session of the United Nations General Assembly, Ministry of Electronics and Information Technology (MeitY) Secretary S Krishnan said that in its endeavour to support the Global South in AI capacity building and skill development, India is nominating IIT-Madras to be an AI Centre of Excellence (COE) under the initiative of the United Nations Office for Digital and Emerging Technologies (ODET).

'ADAPT TO AI'

ODET is an organisation set up to help the UN address more effectively the opportunities and challenges posed by the rapidly evolving technological landscape, including areas of AI governance. Various countries will nominate an institution under ODET to form a network of COEs.

Krishnan was speaking at an event, titled 'Empowering Nations for Inclusive Prosperity in the Era of Artificial Intelligence', co-hosted by the Kingdom of Saudi Arabia and the Republic of Kenya, and supported by the UN ODET.

INDIA'S MANTRA

The MeitY Secretary said in his speech that India's mantra when it comes to AI is that "capacity is the new connectivity".

The AI capacity gap is widening across regions and pooled global resources are required to address the structural divide, he added.

Noting that India is hosting the AI Impact Summit in February 2026, Krishnan invited countries and companies to be part of the event. He highlighted India's mission with the India AI initiative and said that under the mission, India had 38,000 GPUs and is increasing AI capacity every day. A total of 300 open source models are hosted there, and more are coming in, he added.

Business Standard, 27 September 2025

REVISED CORPORATE AVERAGE FUEL ECONOMY STANDARDS

Automakers may form a pool to meet CAFE norms: BEE

Designated 'pool manager' will be responsible for paying any penalties imposed

DEEPAK PATEL
New Delhi, 26 September

An automaker having difficulty in meeting standards on corporate average fuel economy (CAFE) will be allowed to form a pool with up to two other manufacturers, according to the draft notification of the new fuel-efficiency rules.

This gives flexibility in compliance but puts penalties squarely on the designated manager of such a pool should norms are not adhered to.

The move is expected to help companies with less fuel-efficient portfolios — such as those relying heavily on petrol- or diesel-run sport utility vehicles — as they will be able to combine their performance with manufacturers offering greener vehicles such as electric cars. This is the first time that such a provision is being introduced in CAFE norms.

The Bureau of Energy Efficiency (BEE), which works under the Ministry of Power, on Thursday issued draft CAFE-3 and CAFE-4 norms, which will come into effect in April 2027 and will remain in place till March 2037.

The draft stated: "For the purpose of meeting their Annual Average Fuel Consumption Standard, manufacturers (not more than 3) of said motor vehicles may decide to conclude a pool. A pool shall be considered as 'one manufacturer' for the purpose of compliance with Annual Average Fuel Consumption Standard. A manufacturer can only be a member of one pool in a given reporting period. Manufacturer nominated as the 'pool manager' will be the contact point for the pool and will be responsible for paying any penalty imposed on the pool in accordance with Energy Conservation Act, 2001."

Once pooled, the companies' fuel-consumption performance will be assessed as if they were a single manufacturer.

Green goal

- Provision to help firms with less fuel-efficient vehicle portfolios
- The draft CAFE-3 and CAFE-4 norms will be effective from April 2027 to March 2037
- A manufacturer is permitted to be a member of only one pool per year
- The pooling allows strategic partnerships to balance fleet emissions and reduce costs
- New draft offers incentives for flex-fuel and strong hybrid vehicles

The rules say a manufacturer can join one pool a year. It cannot be part of two pools in the same reporting period. That said, the draft does not prevent firms from switching pools in subsequent years.

One member of a pool will have to act as "pool manager" and it becomes the government's official contact point. If the pool fails to meet its target, the pool manager will be liable to stump up penalties under the Energy Conservation Act.

Saket Mehra, partner (auto & electric vehicles), Grant Thornton Bharat, called pooling a "standout" feature of the draft. "This (pooling) enables strategic partnerships where manufacturers can balance fleet emissions, reduce compliance costs, and jointly meet regulatory targets. The designated pool manager will be legally accountable for any penalties under the Energy Conservation Act, 2001, adding a layer of governance and responsibility," he added.

The draft norms issued are a revision of those issued in June last year. The revision comes after an intense and bitter debate in the automobile industry. Maruti Suzuki had requested special relief for small cars under the CAFE-3 and CAFE-4 norms while other carmakers, including Tata Motors and Mahindra & Mahindra, opposed any such concession.

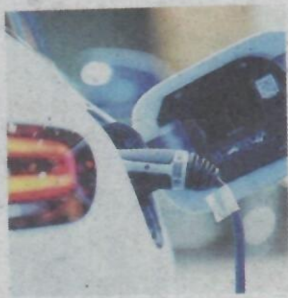
The draft norms introduce special relief for small cars for the first time and offer incentives for flex-fuel and strong hybrid vehicles.

Mehra said: "The draft also recognises flex-fuel vehicles — those running on ethanol-petrol blends — alongside electric vehicles, expanding the compliance toolkit and supporting India's biofuel ambitions. Importantly, the new norms are designed to revive the small car segment, which has seen a 71 per cent decline in sales over six years. In response, the government has rolled out GST 2.0 reforms, reducing the GST rate on small cars from 28 per cent to 18 per cent, making them more accessible to consumers."

Business Line, 29 September 2025

Govt unveils new guidelines for setting up EV charging stations

Press Trust of India
New Delhi



The Centre has issued operational guidelines for the deployment of about 72,300 public EV charging stations across the country with a ₹2,000 crore outlay under the ₹10,900 crore PM E-DRIVE scheme.

The norms recommend a tiered subsidy structure to be followed to support the installation of EV charging infrastructure across different locations.

BIG SUBSIDY

Government premises such as offices, residential complexes, hospitals and educational institutions will receive 100 per cent subsidy on both upstream infrastructure and EV charging equipment, provided the chargers offer free public access.

For locations in cities and along highways which are owned, controlled or managed by state or central governments or their public sector undertakings, such as railway stations, airports (operated, maintained by Airports Authority of India), retail outlets of public sector oil marketing companies, bus stations operated by state transport undertakings, metro stations, municipal parking lots, public sector ports and NHAI/State government controlled/ managed toll plazas, wayside amenities on highways/ expressways, the subsidy will cover 80 per cent of upstream infrastructure and 70 per cent of EV supply equipment cost, according to the guidelines.

Moreover, 80 per cent on upstream infrastructure will be subsidised for cities — streets, shopping malls, market complexes etc, along with highways and expressways, the norms said.

For battery swapping stations/battery charging stations deployed at any location 80 per cent on upstream infrastructure will be subsidised.

The eligible entities (Government of India Ministries and State/UT governments) shall appoint nodal agencies to aggregate the EV public charging station demand and submit proposals to the Ministry of Heavy Industries, the guidelines said.

NODAL BODIES

The nodal bodies established will be responsible for identifying high-priority locations and submitting consolidated proposals through a dedicated online portal.

Bharat Heavy Electricals Limited will serve as the project implementation agency for the deployment of EV public charging stations, said the norms.

The subsidy disbursal will follow a two-tranche system, with funds being released upon meeting compliance and performance benchmarks.

The Economic Times, 29 September 2025

NEW AUTOMOTIVE MISSION PLAN TO BE READIED BY END OF FISCAL

AMP Up! India Aims to be Among Top 2 Auto Makers

IN LINE WITH VIKSIT BHARAT Eyes doubling production by 2030 & taking it to over four times at around 200 m units by 2047

Twesh Mishra & Sharmistha Mukherjee

New Delhi: India aims to double its current automobile output by 2030, and take it to over four times at around 200 million units by 2047. This will place the country among the top two global producers, as part of a new national automotive mission plan (AMP) being readied by the end of this fiscal.

The mission, which was deliberated last week–including with representatives from the industry, is expected to prioritise localisation of sustainable vehicles across hydrogen, electric, compressed natural gas, and compressed biogas sans any curbs on petrol or diesel vehicles "in the foreseeable future." But the share of Internal Combustion Engine (ICE) vehicles is expected to taper as newer and cleaner fuel options proliferate by 2047.

"The automotive mission 2047 is being prepared by industry consensus in line with Viksit Bharat goals," a senior official aware of the deliberations told ET while adding AMP 2047 is pushing for a technology agnostic approach but lays emphasis on improving local supply chains and exports.

India produced roughly 25 million vehicles in 2023-24.

"We aim for producing around 50 million vehicles in 2030 and scaling up to 200 million units by 2047," the official said while adding there are no plans to ban ICE vehicles but their share in domestic sales will reduce going forward.

The goal of doubling passenger vehicle (PV) exports by 2030 is also being finalised with steeper targets for 2047 on the anvil.

"Roughly 30% of domestic PV production will be exported in 2030," the official said. This is likely to increase to 40% by 2047.

CLEAN MISSION

AMP likely to prioritise localisation of vehicles across H2, electric, CNG and compressed biogas sans curbs on petrol or diesel vehicles "in foreseeable future"

A meeting of the seven sub-committees tasked with preparing various aspects of AMP 2047 was held last week. An official statement said deliberations were held in collaboration with ministries, industry bodies, sub-committee chairs, academic institutions, and testing agencies.

A senior industry executive who did not wish to be identified said, "The sub committees made their presentation. This is a zero draft. An apex level meeting is scheduled in November. These numbers have been discussed initially, and may and may not change depending on the outcome of the consultations with economists, think-tanks including Niti Aayog going ahead. The final plan should be ready by the end of this fiscal."

Officials aware of the discussions during the meeting said partnerships with global partners were deliberated but emphasis was laid on technology transfer to ensure local supply chains are developed.

AMP 2047 seeks to integrate the collective vision of stakeholders, including Original Equipment Manufacturers (OEMs), auto component manufacturers, policymakers, academia, and end users, to address challenges like technological advancements and charging infrastructure.