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Key Press Reports on Industry and Govt. Policies
(1st Fortnight November 2025)

AUTOMOTIVE INDUSTRY

Business Line, 1 November 2025

In a first, Ford to make engines outside US at Chennai plant

UNIT TO BE REVIVED. Auto giant to invest ₹3,250 crore; first powertrain to roll out in 2029

TE Raja Simhan
Chennai

US auto giant Ford will revive its Maraimalai Nagar factory near Chennai by setting up its first powertrain facility outside the US at a cost of ₹3,250 crore, Martin Everitt, Global Director, Powertrain Manufacturing Engineering, Ford Motor Company, US, told *businessline* on Friday at the State Secretariat.

The facility will be a 100 per cent export-oriented one for the company's global manufacturing footprint, he added.

The company stopped operating its Maraimalai Nagar manufacturing site in 2021.

WORK STARTS ON MON

"I have got a team of engineers set aside, ready to start. So, on Monday morning, we'll start working on the industrialisation of this engine," Everitt said after signing an MoU with the Tamil Nadu government on reviving the plant.

"Today, we are announcing some really exciting news around the MoU we signed with the Government of Tamil Nadu and announcing a great investment in the State. We will be manufacturing a new, high-tech engine that will start production in 2029. We are investing ₹3,250 crore, and we'll be looking to employ about 600 people," he said.

Asked about the delay in reviving the plant, Everitt said, "We have gone through a detailed process of doing some strategy planning work and then our detailed work with the government here in Tamil Nadu. And it's been really exciting progress. But now we are into the industrialisation stage. And to have a world-class, world-leading powertrain manufacturing facility takes time. We need to do the engineering, industrialisation and source all the equipment to bring into the factory," he said.

CAR MANUFACTURING

Asked if the company would revive car manufacturing at the plant, Everitt said, "We are presently focusing on celebrating the signing of the deal for the powertrain."

Building on the letter of intent signed in September 2024, representatives from Ford and the government of Tamil Nadu signed a memorandum of understanding outlining the strategic direction that leverages India's manufacturing expertise as part of the Ford+ plan, said a company release.

The plan, confirmed on Friday, complements Ford's existing engine manufacturing plant in India, which produces and exports engines, thereby ensuring that India continues to be vital to the company's operations in the region, said the release.

"We are pleased to advance our plans and confirm the Chennai plant's vital role in Ford's manufacturing network," said Jeff Marentic, President, International Markets Group, Ford Motor Company.

BOOST FOR TN

Tamil Nadu Industries Minister TRB Rajaa said, "Ford's decision to commence manufacturing in Chennai will further energise the resurgent automotive sector of Tamil Nadu."

Besides its manufacturing units, Ford currently employs approximately 12,000 individuals in its global business operations in Tamil Nadu, the release said.

India journey

- **1999:** Ford sets up Maraimalai Nagar factory in Chennai, Tamil Nadu
- **2021:** Stops production at the plant due to slowdown and regulatory issues
- **2024:** Signs a letter of intent with the Tamil Nadu government to explore restarting the plant
- **2025:** Inks MoU with the State govt to start next-gen powertrain manufacturing at the same plant

> I have got a team of engineers set aside, ready to start. So, on Monday morning, we'll start working on the industrialisation of this engine

MARTIN EVERITT
Global Director, Powertrain Manufacturing Engineering, Ford Motor Company, US

Business Line, 1 November 2025

'Honda Motor plans to launch 10 cars by 2030 to regain 5% market share in India'

S Ronendra Singh
Tokyo

Japanese auto major Honda Motor Company said on Friday it will launch 10 cars in India by 2030, of which, seven will be sports utility vehicles (SUVs). This is to regain its market share of 5 per cent in the Indian passenger vehicle market.

GEARING UP. Honda Motor plans to export its 0-Alpha from India to Japan and other Asian markets

INVESTMENT FIGURES

However, the senior management of the company declined to share any investment figures, saying they are still in the planning stage right now.

"Within Honda, we've started out the project team, especially for the Indian market, and the team is working on the strategy for the Indian market now. The project team is trying to develop the strategy, and one of the key works in this process is the electrification of the vehicles... We are exploring all kinds of potential approach in the Indian market," Toshihiro Mibe, President and CEO, Honda Motor Company, told reporters here.

For instance, just like Honda's two-wheelers are performing well in the Indian market by collaborating with Indian suppliers and original equipment manufacturers (OEMs), there could be similar partnerships for the car business to maximise its localisation in the country, he said.

"So, the team is working out the optimal strategy for India, and they are defining high-level directions now... We have unveiled the 0 (Zero) series at the Japan Mobility Show 2025, including the 0-Alpha, which will be launched in India in 2027. So, currently, we are thinking of a very aggressive model launch plans, including that model as well. Our plan is to export 0-Alpha from India to Japan and to some other Asian markets as well. That's our plan," Mibe noted.

ATTRACTIVE PRODUCTS

Therefore, across all different types of the internal combustion engine, like petrol engine, hybrid or battery electric vehicles (BEVs), Honda will be able to deliver attractive products for its customers in India, Mibe added.

On the strategy for regaining the 5 per cent market share in India, Takashi Nakajima, President and CEO, Honda Cars India, said: "Our market share in India is less than 5 per cent, maybe because of our efforts to streamline the number of the models over there in the past. However, rather than sticking to the percentage of market share over there, we'd like to try to come up with these 10 models in the Indian market by 2030, so that we can become stronger in the Indian market in the future."

"Also, the Indian automotive market is expanding now, and it is becoming clearer which segment in particular is showing significant growth in the Indian market, and therefore [we are] identifying the products to be launched to increase the number of cars to gain back the market share," Nakajima added.

The writer is in Tokyo at the invitation of Honda Cars India

Business Line, 4 November 2025

Daimler India CV eyes €400 m in savings via India-sourced parts

TE Raja Simhan
Chennai

Daimler Trucks AG expects to achieve €400 million in savings by sourcing from a best-cost country like India and another €200 million through manufacturing optimisation by 2030, said C Muthu, President & Chief of Operations & Logistics, Daimler India Commercial Vehicle (DICV). Daimler's relationship with India dates back to 1954, when it launched its first trucks in partnership with Tata.

The journey evolved over decades and culminated in 2009 with the establishment of DICV, a 100 per cent subsidiary of Daimler Truck AG, headquartered in Oragadam, near Chennai.

Since then, the company has rolled out over 2,00,000 vehicles for the domestic market, exported 73,000 trucks and buses to more than 70 countries, and shipped 63,000 aggregates to Daimler entities worldwide.

In addition, 300 million parts, from over 400 local suppliers in India, find their way into Daimler's global supply chain, he said at the India Maritime Week 2025 held last week in Mumbai.

C Muthu, President and Chief of Operations & Logistics, Daimler India Commercial Vehicle

Speaking to *businessline*, he said: "Looking ahead, DICV plans to scale up its operation by 2030, targeting production of over 60,000 vehicles annually for domestic and export markets. There will be significant savings by way of India-sourcing components, he added.

KEY ENABLERS

Muthu credits four key enablers for DICV's success in Chennai — thriving supplier ecosystem in and around Chennai, skilled and agile workforce, strong road, rail and port infrastructure, and business-friendly government that streamlines operations. "These have allowed us not only to serve Indian roads but also to turn Oragadam into a manufacturing and export powerhouse," he said.

"The momentum is real," said Muthu. "We've already shipped 73,000 vehicles across the world. With Tamil Nadu's next-gen maritime infrastructure and a collaborative ecosystem, the next 70 countries are within reach," he said. Chennai and Ennore ports have played a pivotal role in DICV's export success. Their proximity to the company's manufacturing base allows efficient logistics and reduced turnaround times.

LOGISTICS ECOSYSTEM

Muthu also pointed out that growth at this scale will require focused collaboration across the logistics ecosystem. "We need port capacity that can absorb volume surges, dedicated RoRo berths for automotive exports and seamless road and rail connectivity from Oragadam to the ports," he said. "Predictable vessel schedules and competitive port tariffs are no longer aspirations – they're prerequisites for global competitiveness," he added.

Business Line, 5 November 2025

Wheels India to roll out tractor wheels to Europe from Mambattu plant this quarter

TE Raja Simhan
Chennai

Wheels India is all set to start exporting tractor wheels from its new plant in Mambattu near Chennai, said its Managing Director, Srivats Ram. The company has invested around ₹100 crore in this plant, which has an annual capacity of over one lakh tractor wheels, he told *businessline*. The company is one of the world's largest wheel manufacturers and exports to the US, South America and Korea.

"We will export the first set of tractor wheels from this plant to the Europe market this quarter. An interesting feature of the plant is that the wheels are in unique sizes and designs, and there is a high variety," he said.

The company, which holds the largest market share in India in the tractor wheels segment, is also manufacturing them for the domestic market from this plant. Its products in this segment caters to small tillers as well as high-end tractors and are also used for industrial applications and in turf/garden tractors for recreational purposes, he added.

> An interesting feature of the plant is that the wheels are in unique sizes and designs, and there is a high variety
>
> **SRIVATS RAM**
> MD, Wheels India

GROWTH SEGMENT

Revenues from the Tractors and Construction Equipment segment had risen to around ₹1,500 crore (one-third of the company's revenues) last year, Ram said, adding that going forward, this is one of the important growth segments for the company.

He said there is a revenue potential of another ₹500 crore over the next five years from this segment. "We have a 7 per cent market share in this segment in the overseas market and see prospects for a substantially-larger growth. With the export focus, we should start winning new business in the future," Ram said.

Business Line, 5 November 2025

Farm equipment, auto segments drive M&M's Q2 profit up 28%

GOOD NUMBERS. Growth in profit excludes one-time gain on land sale

Aroosa Ahmed
Mumbai

Driven by strong performance in the farm equipment and automobile segments, automaker Mahindra & Mahindra (M&M) reported a 28 per cent increase in consolidated net profit to ₹3,673 crore in Q2 FY26.

Revenue from operations grew 22 per cent to ₹46,106 crore.

M&M stated that the 28 per cent growth in profit after tax excludes one-time gain on land sale in the second quarter of FY25, SML Isuzu tax impact and period PLI benefits in Q2 F26.

The PBIT margin in the automobile segment was 9.2 per cent, excluding eSUV contract manufacturing at 10.3 per cent, while the farm equipment was at 19.7 per cent.

Scorecard *(in ₹ crore)*

	Sep 2024	Sep 2025	y-o-y change (%)
Profit	2,867	3,673	28
Revenue from operations	37, 924	46,106	22

SEGMENT GROWTH

The automobile volume grew 13 per cent year on year, while tractors registered 32 per cent growth in the quarter. During the quarter, the SUV market share was 25.7 per cent, the tractor market share was 43 per cent and the electric three-wheeler market share was 42.3 per cent.

"Auto and Farm sustained their leadership with consistent gains in market share and profitability. TechM is progressing well on its transformation journey. MMFSL achieved a 45 per cent PAT growth and remains committed to quality growth and digital transformation," said Anish Shah, Group CEO & Managing Director, M&M.

The company stated that it had reached a production milestone of 45 lakh Mahindra tractors by August, while 25 lakh Swaraj tractors by September.

In the automotive segment, the company has sold 30,000 eSUVs to date and noted that the vehicles are now users' primary cars.

The company pointed out that post the festival season, it expects demand to be robust in the farm equipment and automobile segment. However, it continues to maintain its guidance of mid- to high-teens growth in the year.

"Post-festival demand continues to be robust. It will never be at the level of the festival period, but it is not falling off significantly. Cash flow from farmers is coming in now, and we expect sustained demand through November. The sentiment around good monsoons and reservoir levels is a great enabler. There has been an increase in MSPs. The terms of trade are at a reasonable level, with the difference between output inflation and input inflation. Further, the government spending is continuing at a good level, which is putting money into the economy," said Rajesh Jejurikar, Executive Director & CEO (Auto and Farm Sector), M&M.

The Economic Times, 5 November 2025

Small SUVs Make Biggest Strides on Tax Reforms, Hatchbacks Run Out of Steam

Sales of small SUVs rise to over 30% in first 10 months of 2025 against hatches' 22% fall

Sharmistha Mukherjee

New Delhi: Small SUVs seemed to have gained most from the tax cuts by the Centre with their share in total passenger vehicle sales rising to 30.4% in the first 10 months of the ongoing calendar year itself, compared to hatchbacks whose contribution in the tally declined to 21.9% during the same period. Sales of hatchbacks and small SUVs stood at 24% and 27.1%, respectively in CY25 as per industry wholesale data accessed by **ET**.

Race On

Calendar Year	Hatchbacks	Small SUVs^
2020	**47.1**	13.5
2021	**40.0**	19.3
2022	**34.6**	21.0
2023	**29.5**	23.1
2024	**24.0**	27.1
2025*	**21.9**	30.4
% Change	**-27.8**	28.3

Share in total PV sales (%) | *Jan-Oct 2025
^(less than 4 metres) | **Source:** Industry

Tarun Garg, chief operating officer at Korean auto major Hyundai Motor India confirmed, post GST recast the company has seen increased traction for smaller SUVs (less than 4 metre in length). "A customer wanting to buy a vehicle has the same amount before and after the tax cuts. With vehicle prices coming down, he is now utilising the same amount to opt for a higher variant. The preference for SUVs still remains strong," Garg informed.

The share of SUVs in total vehicle sales rose to 56.9% in September-October, from 54.4% in January-August 2025. Garg said while hatches will continue to sell in India, growth in the sales volumes in the local market is likely to come in from SUVs, going ahead. "Hatches will stay, 20% of a 4 million+ market means that the segment will remain relevant. But growth will come in from SUVs," he added.

Market leader Maruti Suzuki, however, struck a contrarian note. Partho Banerjee, senior executive officer, marketing and sales at Maruti Suzuki said, while sales of SUVs are growing the tax cuts have helped bring back many customers who earlier could not afford to buy a car. "We are getting a new set of customers in our showrooms. There are so many helmets you will see lying on tables when you visit a dealership now. There are people who want to upgrade from a two-wheeler to a four-wheeler. We are seeing a lot of people wanting to buy small cars," he said.

Banerjee said while the company received 25,847 bookings for mini cars, it could only retail 15,700 units last month due to production constraints. "Based on past offtake, the production team set capacities. It is not possible to change this overnight. We are trying to see how best to serve them," he said, adding, "We have only seen resising within segments these last two years, with market shares shifting from one automaker to another. But the overall market can only grow when new sets of customers come in. We are seeing early signs."

Maruti Suzuki, Banerjee said, saw the share of mini cars, comprising the Alto K10, S-Presso, Wagon R, and Celerio models, in total sales rise to 20.5% post the GST cut, from 16.7% during April 1-September 21 prior to the tax relief.

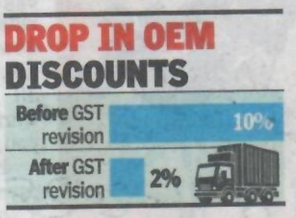
The Times of India, 8 November 2025

GST rate cut eases discount pressure for truck makers

G.Balachandar
@timesofindia.com

Chennai: The recent GST rate rationalisation has not only resulted in a drop in the prices of commercial vehicles but also eased the long-standing pressure on original equipment manufacturers (OEMs) to offer steep discounts in India's highly price-sensitive and fiercely competitive truck market.

Before the GST revision, medium and heavy commercial vehicles (M&HCVs) priced around Rs 50 lakh typically came with discounts of up to Rs 5 lakh — roughly 10% of the sticker price — as OEMs sought to attract buyers through aggressive pricing. However, with the GST rate on vehicles dropping from 28% to 18%, OEMs found room to scale back discounts substantially, reducing them to just about 2%, according to Umesh G Revankar, executive vice chairman, Shriram Finance.



This shift effectively absorbed the tax relief into the pricing structure. While the tax cut lowered the base price of trucks, the simultaneous reduction in discounts meant that the overall cost to customers changed only marginally. "Since OEMs have significantly reduced the discounts, the net cost to customers has not really changed much — hardly a big change for customers, especially in the commercial vehicle segment," he added.

A senior official of an NBFC engaged in commercial vehicle financing said that while M&HCV prices came down after OEMs passed on the GST rate cuts, the discount levels dropped by at least 5 to 6 percentage points compared with previous levels.

A top official of a leading truck and bus maker said the company witnessed a 3% to 4% drop in discount levels, though he couldn't confirm if the same trend was observed in the M&HCV segment.

However, a couple of CV dealers described this drop in discounts as a temporary trend. Though OEMs maintain that they don't resort to discounts, it continues to be a norm in the competitive truck segment.

Business Line, 8 November 2025

HAL signs $1 b engine deal with GE to power LCA Mk1As

BOOST FOR IAF. Order of 113 engines to run next batch of 97 LCAs; deliveries from 2027

Dalip Singh
New Delhi

In a major boost to India's indigenous fighter jet programme, Hindustan Aeronautics Ltd (HAL) on Friday signed a major contract with General Electric (GE), US, for the supply of 113 F404-GE-IN20 engines and associated support packages to power the next batch of 97 light combat aircraft (LCA) Mk1A.

The deal, valued around $1 billion or ₹8,868 crore, marks a significant step forward in HAL's ongoing efforts to strengthen India's self-reliance in defence production, sources familiar with the contract said. Top representatives from HAL, including CMD DK Sunil, and GE were present at the signing of the contract.

PRODUCTION BOOST

With this agreement, the total number of F404 engines ordered from GE for the LCA Mk1A programme rises to 212 — 99 contracted in 2021 for 83 aircraft and the latest 113 engines for 97 aircraft. The remaining 32 engines will be used for testing, maintenance and other operational requirements.

ADDED STRENGTH. With this, the number of F404 engines ordered from GE for the LCA Mk1A programme rises to 212 ANI

Deliveries under the latest contract will commence in 2027 and continue through 2032, aligning with the production schedule of the LCA Mk1A fighters, HAL posted on X.

The Defence Ministry had, on September 25, signed a ₹62,370 crore contract with HAL for the procurement of 97 LCA Mk1A aircraft — including 68 single-seaters and 29 twin-seaters — for the Indian Air Force. Deliveries are to start in 2027-28 and conclude within six years.

HOMEGROWN SYSTEMS

The aircraft will feature an indigenous content of over 64 per cent, incorporating 67 additional locally developed components compared to the earlier Mk1A batch contracted in January 2021.

Key upgrades include integration of UTTAM Active Electronically Scanned Array (AESA) Radar, *Swayam Raksha Kavach* electronic warfare suite, and indigenous control surface actuators, reinforcing the government's *Atmanirbhar Bharat* (self-reliant India) initiative.

In 2021, HAL signed a $716 million contract with GE Aerospace for 99 F404-IN20 engines to power the first batch of LCA Mk1A fighters. While engine deliveries were delayed due to global supply chain disruptions, the first units were delivered in 2025, with 12 engines expected to be supplied by the end of the current financial year.

HAL received the fourth engine last month, but the aircraft's induction into the IAF has been delayed due to weapon and other integration challenges.

The LCA Mk1A, the most advanced variant of India's indigenously designed fighter aircraft, is expected to serve as a key operational platform for the IAF in the coming decade, combining enhanced combat capability with reduced maintenance costs and improved reliability. Separately, HAL and GE are nearing the conclusion of talks to jointly manufacture GE F414 engines in India, with an 80 per cent transfer of technology, to power India's upcoming LCA Mk2 and fifth generation AMCA fighter aircraft.

The contract is likely to be inked early next year.

Business Standard, 11 November 2025

Shailesh Chandra becomes first Indian to head OICA

The Organisation Internationale des Constructeurs d'Automobiles (OICA) has elected Shailesh Chandra, president of the Society of Indian Automobile Manufacturers (SIAM) and MD & CEO of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, as its president for a term starting November 1, 2025. He succeeds John Bozzella, President and CEO of the Alliance for Automotive Innovation, USA. Chandra becomes the first Indian to head OICA, marking a significant milestone for India's presence in global automotive decision-making.

BS REPORTER

Business Line, 12 November 2025

Defence, domestic biz drive Bharat Forge Q2 growth

Our Bureau
Pune

Bharat Forge's consolidated revenue rose to ₹4,032 crore in Q2 of FY26, compared with ₹3,909 crore in Q1 of this fiscal, supported by strong performance in Indian manufacturing and defence businesses. EBITDA stood at ₹715 crore, translating into a margin of 17.7 per cent. The Q2 numbers highlight its steady performance driven by its domestic industrial and defence segments, despite weakness in export markets.

NEW ORDERS

During the first half of FY26, Bharat Forge secured new orders worth ₹1,582 crore, including ₹559 crore from the defence segment. The company's defence orderbook stood at ₹9,467 crore as of H1 FY26.

Bharat Forge also completed the transfer of all defence-dedicated assets to its wholly-owned subsidiary, Kalyani Strategic Systems Ltd (KSSL), further strengthening its focus on the defence sector.

Baba Kalyani, CMD, Bharat Forge

Chairman and MD, Baba Kalyani, said, "TheUS and European operations saw weakness driven by seasonality and prevailing sentiments. Review of the European steel manufacturing footprint is on track, and we expect to have measures in place by the fiscal-end."

The Economic Times, 13 November 2025

'Listing Aimed at Turning TaMo's PV & CV Divisions into Future-ready Entities'

COMMERCIAL VEHICLE UNIT LISTS Process marks culmination of a multi-year transformation: Chairman

Our Bureau

Mumbai: Tata Motors chairman N Chandrasekaran said the listing of the company's commercial vehicle (CV) business marks the culmination of a multi-year transformation that began nearly a decade ago. The exercise was aimed at turning its passenger and commercial vehicle divisions into separate, future-ready entities.

"It's always very difficult to make changes to a company that has been there for a very long time and considered to be an icon," he said at the listing ceremony of Tata Motors at the Bombay Stock Exchange. "But it was clear to me eight-nine years ago that this company had to have a different path."

The journey toward the demerger began in 2017-18, with the goal of making the businesses "fit and strong," he said. Historically, the commercial vehicle (CV) arm had been profitable while the passenger vehicle (PV) division depended on it for financial support. The PV unit is called Tata Motors Passenger Vehicles (TMPV).

"Cash flows were coming from commercial vehicles and were assumed in the capital expenditure of passenger vehicles. We had to make sure both companies were fit, and directionally both had to become very strong," he said.

The extensive restructuring involved splitting functions, creating separate engineering and technology teams as well as defining distinct customer and investor bases for each business.

"The number of corporate actions and restructuring that we have done in Tata Motors, with all humility I will say, is very difficult to find elsewhere," Chandrasekaran said, adding that the process involved creating "efficient" rather than "duplicate" functions for both entities.

The Covid-19 pandemic briefly slowed progress, but the company regained momentum after 2020.

"Now we have come to this day where we will have two strong independent companies—Tata Motors Passenger Vehicles and Tata Motors Commercial Vehicles (TCMV)," he said, acknowledging the efforts of teams, vendors, bankers and advisors who "stayed with us in this journey." TCMV is listed as Tata Motors.

Tata Motors chairman N Chandrasekaran and BSE chief Sundararaman Ramamurthy ring the bell during the 'Tata Motors Commercial Listing Ceremony' at BSE, in Mumbai, on Wednesday

Cash flows were coming from CVs and were assumed in the capex of passenger vehicles. We had to make sure both cos were fit, and directionally both had to become very strong

N CHANDRASEKARAN
Chairman, Tata Motors

In the June quarter (Q1 FY26), TMCV reported revenue of ₹17,000 crore, down 4.6% year-on-year, with an Ebitda margin of 12.2%. For FY25, the segment posted revenue of ₹75,055 crore and Ebitda of ₹8,856 crore, with a robust return on capital employed (ROCE) of 37.7%.

In the June quarter, TMCV reported revenue of ₹17,000 crore, down 4.6% from the year ago, with an ebitda margin of 12.2%. For FY25, the segment posted revenue of ₹75,055 crore and Ebitda of ₹8,856 crore, with return on capital employed (ROCE) at a robust 37.7%.

"Today, as TMCV becomes a separate listed entity, it marks an important milestone on our journey—one that reflects our commitment to sharper governance, deeper accountability, relentless execution and value creation," said Girish Wagh, MD and CEO of TMCV.

He added that TMCV has listed with seven million shareholders—the same extensive shareholder base as before the demerger—likely setting a record in India. "This scale underscores our commitment to uphold strong shareholder management and governance from day one," he said.

Wagh said the company's businesses in the Middle East, Africa and Asia are gaining traction. The focus now will be on building a financially stronger company and accelerating the transformation towards greener and smarter mobility.

The Economic Times, 14 November 2025

ET GRAPHICS

Small Car Sales May be On Track to Rise to 5-Year High

Sales of small cars—those under four metres in length—are estimated to climb to a five-year high of about 749,000 units in the September-November 2025 period, according to data from JATO Dynamics. The surge is being driven by strong demand for compact SUVs, aided by the recent 10-percentage-point cut in GST on small cars that has made them significantly more affordable. Every second vehicle sold in this period is likely to be a compact SUV.

—Shally Seth Mohile

SUB-FOUR-METRE VEHICLES

Hatchbacks | Mini MPVs | Compact SUVs

Micro cars

Combined sales to mark the best festive-quarter performance since 2021

GOVERNMENT'S MOVE

GST on small cars reduced from 28% to 18%

RESULT
Spurred both retail and fleet purchases

Automakers came up with aggressive discounts and easy financing

Demand across urban and rural markets rises

MINI MPVs

Led by Maruti Suzuki Omni and Renault Triber

MICRO CARS

Maruti Suzuki Alto K10 and S-Presso sales continue to decline as buyers upgraded to larger, feature-rich models

KEY TRIGGERS

GST cut, festive demand and new model launches

Strong sales of small cars reaffirm their vital role in India's passenger-vehicle market

UNIT SALES

BODY TYPE	Hatchback	Micro Car	*Mini MPV	Sedan	SUV	Convertible	Grand Total
2021	199,005	43,962	34,394	38,421	162,245	53	478,080
2022	297,521	61,767	37,577	74,095	245,168	32	716,160
2023	265,042	29,821	39,382	69,368	321,626	0	725,239
2024	225,338	27,689	39,285	59,365	347,551	0	6,99,228
2025^	226,002	25,425	44,714	72,938	380,116	0	749,195

Note: Unit figures are for Sept-Nov; ^Forecast volumes; *Maruti Omni Eeco & Renault Triber

Source: JATO Dynamics

Business Line, 15 November 2025

Automakers mull hiking prices in 2026 on costlier inputs

Aroosa Ahmed
Mumbai

With rising commodity prices and volatility in the exchange rate, passenger vehicle (PV) prices are set to go up in 2026. Automakers are evaluating price increases, which are likely to be implemented early next year.

"We will not be increasing the vehicle prices in Q3 (October-December) because of the Goods and Services Tax (GST) price reduction implementation. However, we will be taking price increases in Q4 (January-March)," said Shailesh Chandra, Managing Director & CEO, Tata Motors Passenger Vehicles Ltd, to *businessline*.

GST rates on cars up to 4 metres in length and with up to 1,200cc engine were slashed to 18 per cent from 28 per cent. Cess was also removed, making vehicles cheaper. With the price reduction, original equipment manufacturers (OEMs) reported record sales across vehicle segments and witnessed an increase in demand for small cars.

Nomura, in a report, noted that commodity costs, led by precious metals, have seen a

If commodity prices go up, depending on inflation, vehicle prices will move in sync REUTERS

sequential increase of 100 bps quarter-on-quarter (q-o-q) in two-wheelers and passenger vehicles (PV). "Hence, OEMs might need to consider price hikes in January to offset these pressures and protect margins," stated the report.

"With commodity prices going up, depending on inflation, vehicle prices will move in sync, as is the norm. Anything that goes into the vehicle manufacturing process would be taken up either by the OEM or the end consumer. This trend has been going on for years, and I believe every OEM has planned their business accordingly," Nitin Kohli, Brand Director, Volkswagen India, told *businessline*.

Analysts stated that the pick-up in PV demand is because of the festive season and GST cuts.

EXCHANGE RATE

Luxury car makers are also expected to increase their vehicle prices in India in the wake of Rupee depreciation.

"We have not retained anything from GST reduction....because the exchange rate is high, we will have to take some pricing action, starting early next year. And that would again cause sentimental issues, and buying behaviour may also change. So, those risks remain," said Santosh Iyer, MD & CEO, Mercedes-Benz India.

Business Line, 15 November 2025

PVs, 2- & 3-Ws see best-ever Oct wholesales

POLICY BOOST. The month also witnessed strong uptick in vehicle registrations due to reduced GST rates

Our Bureau
New Delhi

Passenger vehicle (PV) wholesales (dispatches to dealers) recorded its highest-ever monthly sales in October, to 4,60,739 units, reporting a growth of 17.2 per cent year-on-year (y-o-y), as compared with 3,93,238 units in the year-ago period, according to data provided by the Society of Indian Automobile Manufacturers (SIAM) on Friday.

Domestic two-wheeler wholesales grew two per cent y-o-y, to 22,10,727 units during the month, as against 21,64,276 units in October, 2024.

Scooter dispatches grew by over 14 per cent y-o-y, to 8,24,003 units (7,21,200 units). Motorcycle dispatches declined by four per cent y-o-y, to 13,35,468 units in October, against 13,90,696 units in October 2024.

Three-wheeler dispatches also grew by six per cent y-o-y, to 81,288 units in October, against 76,770 units in the corresponding month last year.

"Passenger vehicle, two- and three-wheeler segments posted their highest-ever dispatches to dealers in October, primarily buoyed by the festive demand and the recent GST rate reduction, despite being constrained due to certain logistic limitations," said Rajesh Menon, Director General, SIAM.

With the reduced GST rates effective from September 22, October also witnessed a strong uptick in vehicle registrations, resulting in a notable rise compared to wholesales, he added.

Riding ahead

(in units)

Segment/category	Oct-24	Oct-25	% change
Total PVs	3,93,238	4,60,739	17
Total three-wheelers	76,770	81,288	6
Scooters	7,21,200	8,24,003	14
Motorcycles	13,90,696	13,35,468	-4
Total two-wheelers	21,64,276	22,10,727	2
Grand total	**26,34,284**	**27,52,754**	**4.5**

EXPORTS

Overall, domestic wholesales of vehicles across categories grew by 4.5 per cent y-o-y in October, to 27,52,754 units, during the month as compared with 26,34,284 units in October 2024, indicated SIAM data.

In terms of exports, the dispatches across categories grew by more than 19 per cent y-o-y, to 5,41,191 units, in October, as compared with 4,54,055 units in the same month last year.

The PV exports grew by around 12 per cent y-o-y to 68,738 units during the month, as against 61,531 units in October last year. Similarly, total two-wheeler exports grew by around 18 per cent y-o-y, to 4,30,035 units last month, as compared with 3,65,342 units in October the previous year.

Total three-wheeler exports grew by 56 per cent y-o-y, to 41,866 units in October, as against 26,798 units in the year-ago period.

The Times of India, 15 November 2025

Commercial vehicle cos eye heavy duty demand

G.Balachandar
@timesofindia.com

Chennai: Commercial vehicle manufacturers are projecting a strong second half for FY26, supported by improving industry conditions and robust demand triggers. Growth in the medium and heavy commercial vehicle (M&HCV) segment is expected to accelerate to high single digits in H2, with all major CV sub-segments likely to close the fiscal on a positive note.

The first half of the fiscal marked a turnaround for the CV industry after nearly two subdued years, and the momentum has carried into the second half, with CV makers reporting healthy growth in Oct.

Girish Wagh, MD & CEO, Tata Motors, said the CV sector's growth momentum is expected to continue across categories in H2. The GST rate cut has boosted consumption and improved vehicle utilisation, supporting truck demand in the M&HCV segment. Mining, construction, and infrastructure activity have picked up, lifting demand for tippers,

STRONG H2

while LCV demand has strengthened due to lower effective prices for B2C buyers. "We expect high single-digit growth in the M&HCV segment in H2," he said.

The overall CV market — including light, medium, and heavy trucks and buses — recorded total volumes of 4.63 lakh units in H1, a 4% year-on-year increase.

Shenu Agarwal, MD & CEO, Ashok Leyland, said industry demand improved further in October, with the M&HCV segment growing by around 7% and its addressable LCV segment expanding nearly 15%. "The market is clearly positive. Nov and Dec should be much better, and growth may turn out slightly higher than the original forecast for the year," he said.

The GST rate cut has also lowered vehicle prices and reduced EMIs, prompting a likely shift among fleet operators from used trucks to new, feature-rich models, said Paramjit Singh Chadha, MD, ZF Commercial Vehicle Control Systems India. The LCV segment is also projected to gain further traction, driven directly by GST reductions and indirectly by rising consumption, supporting sustained growth through the rest of the fiscal.

ELECTRIC VEHICLES

Business Line, 1 November 2025

Bajaj Auto tops electric two-wheeler registrations in October: Vahan data

TE Raja Simhan

Chennai

Registration of electric two-wheelers (both pure EV and battery operated vehicle) in October rose by 31 per cent to 1,35,554 units as against 1,03,762 units in September, according to Vahan data collated on October 31, at 8.15pm.

Year-on-year, Ola Electric saw the sharpest decline to 15,481 units in October 2025, as against 41,843 a year back.

MARGINAL DROP

TVS Motor saw a marginal drop.

On the contrary, Bajaj, Ather, Hero Motocorp and Greaves saw an increase, says the data. All the top original equipment manufacturers (OEMs) showed strong growth in October 2025 and industry trackers attributed the uptick mainly to the strong festive season sale.

Bajaj topped the list, accounting for 29,562 units in October, as against 19,687 units in September, a 50 per cent month-on-month (m-o-m) growth. TVS Motor followed with 28,006 units (22,659 units) — 24 per cent growth — and Ather saw a 46 per cent growth to 26,713 units (18,268).

HERO HONDA

Hero Honda's registrations were up 17 per cent to 15,052 units (12,817 units), while Ola Electric saw a 15 per cent increase to 15,481 units (13,420).

Greaves Electric reported the highest growth with a 65 per cent increase to 6,976 units (4,234 units), the data says.

MARKET SHARE

In terms of market share, Bajaj and Ather Greaves Electric saw an increase in October versus September, while TVS Motor, Hero Motocorp and Ola Electric saw a decline.

Bajaj topped with a 22 per cent share in October, as against 19 per cent in September.

TVS Motor's market share dropped to 21 per cent from 21.84 per cent in September, says the data.

Electric two-wheeler registrations *(units)*

Company	Oct 2024	Sep 2025	Oct 2025
Bajaj Auto	28,441	19,687	29,562
TVS Motor Company	30,205	22,659	28,006
Ather Energy	16,248	18,268	26,713
Hero Motocorp	7,354	12,817	15,052
Ola Electric	41,843	13,420	15,481
Greaves Electric	3,990	4,234	6,976

Source: Vahan Data collated on October 31 at 8.15 pm

Business Line, 5 November 2025

EV makers urge Tamil Nadu govt to extend road tax waiver beyond 2025 to boost adoption

Rohan Das
Chennai

As the Tamil Nadu government's 100 per cent tax exemption for both transport and non-transport electric vehicles (EVs) is set to expire by the end of 2025, industry players and experts have called for the extension of the critical incentive to spur adoption.

Speaking to *businessline*, EV industry experts suggested that tax exemptions, along with other incentives, had significantly bolstered EV adoption, and a further extension is critical for the continued development of the State's ecosystem.

"One of the main hindrances, which directs people against EVs, is the higher upfront costs compared to ICE vehicles. With tax and registration fee exemptions, a significant portion of these costs are offset, and this has greatly benefited EV adoption," said Karthikeyan Palanisamy, CEO of Zeon Charging.

He added that Tamil Nadu's EV adoption of around 7.5 per cent, which has improved in the past few years, lags the national average of 8.5 per cent.

The State's EV adoption of around 7.5% lags the national average of 8.5%

CLARITY SOUGHT

Ragavendra Ravichandran, Co-Founder, Plugzmart, said, "Extending the exemption for another five years, and phasing it out gradually, would help maintain demand while giving local manufacturing and charging infrastructure enough time to mature."

Srinivasan, Senior Advisor, EV Sector, FaMe TN, said he believes that since subsidies and tax exemptions for EVs are not yet a significant financial burden on the State, the government is most likely to extend the policies. "There has been a strong demand from within the industry to improve EV adoption and to this effect, I think they will have to extend it for a couple more years," he said.

He added that the government could alternatively reduce the exemption below the current 100 per cent.

The State introduced the exemption, along with other benefits, for the EV industry under its Tamil Nadu Electric Vehicle Policy 2019. Initially, the exemption was granted until 2022, and it was later extended for three years.

Vahan data show that in calendar year 2025 (Jan-October), Tamil Nadu recorded over 1.4 lakh EV registrations, up from about 3,500 in 2019.

The policy also included incentives such as SGST reimbursement, capital subsidies, electricity tax and Employee Provident Fund benefits for EV and EV charging infrastructure manufacturers. Additionally, the policy also provided for a waiver on registration and permit fees for EVs.

Palanisamy said he believes that, going forward, the extension should not be for a fixed period but for as long as the State maintains a significantly higher EV adoption rate. "Our suggestion is that the government set a target of 20 per cent EV adoption and provide these exemptions and benefits until the target is met."

Business Standard, 8 November 2025

Exponent targets 2-2.5 mn 3Ws with 24-hr EV retrofit

SOHINI DAS
Mumbai, 7 November

Exponent Energy, a Bengaluru-based energy-tech company with financial backing from the family office of Hero MotoCorp Chairman and CEO Pawan Munjal, has launched its 'Exponent Oto' technology, a disruptive solution designed to retrofit Internal Combustion Engine (ICE) three-wheelers into electric vehicles (EVs). The offering is anchored by a proprietary battery system that enables a 15-minute rapid-charge.

The company is setting an aggressive initial target, aiming for the conversion of 2 to 2.5 million auto-rickshaws across the top 20 Indian cities. This segment is considered the immediate addressable market out of India's estimated 8-10 million unit auto installed base. Exponent plans to scale its conversion capacity from a few hundred per month to several thousand shortly, driven by the high operational costs of liquefied petroleum gas (LPG) and compressed natural gas (CNG) in urban centres.

The conversion process is comprehensive, involving the complete removal of all fuel-based ICE components, which clears space and reduces vehicle weight. This is followed by the installation of Exponent's electric powertrain.

"The entire retrofit can be completed within 24 hours," Ayush Bhargava, head of business, Exponent Energy, told *Business Standard*. Once converted, the vehicle can be charged from zero to 100 per cent in just 15 minutes at any Exponent station. This rapid charging capability is coupled with a five-year warranty or 3,000 charging cycles on the battery system.

Ayush Bhargava, head of business, Exponent Energy, said the conversion not only extended the vehicle's life but also allowed drivers to save up to ₹5,000 per month

Bhargava said the conversion not only extends the vehicle's life but also allows drivers to save up to ₹5,000 per month, making the transition to electric mobility simple, affordable, and sustainable.

The retrofit process is priced at approximately ₹1.7 lakh. To ease adoption, Exponent is offering crucial financial incentives, including zero downpayment, flexible EMI options, and an assured buyback scheme after three years.

Exponent's core advantage lies in its in-house developed battery technology, which forms the basis of its proprietary energy ecosystem. This ecosystem comprises the battery pack (e-pack), charging station (e-pump), and charging connector (e-plug), engineered together to deliver the 15-minute full charge capability and the industry-leading 3,000-cycle life warranty, even with high-frequency rapid charging.

Since its founding in 2020 by former Ather Chief Product Officer Arun Vinayak, Exponent Energy has deployed its technology in 2,100 EVs on Indian roads, established 150 charging stations, and completed over 1 million rapid charging sessions. The company, which has raised a total of $44.6 million in Pre-series A, Series A and B led by Lightspeed, Eight Roads Ventures, YourNest VC, 3one4 Capital, AdvantEdge VC, and the family office of Dr Pawan Munjal, chairman & CEO of Hero MotoCorp.

It is currently operational across Delhi-National Capital Region, Bengaluru, Chennai, and Ahmedabad.

Business Standard, 10 November 2025

Blue Energy Motors to transform 2 mn trucks into EVs

SURAJEET DAS GUPTA
New Delhi, 9 November

Blue Energy Motors, a Mumbai-based outfit, is set to disrupt the market for two million heavy-duty trucks running on diesel and petrol in the case of routes under 500 km by transforming them into electric.

The company, which has Essar, Iveco, and Nikhil Kamath as investors, has put together a two-pronged strategy to build the market, which includes creating its own small "battery-swapping stations" in Indian highways at a regular interval of 150 km to resolve the issue of range anxiety and the long wait at charging stations.

Secondly, it is offering, for the first time, customers "energy as a service", under which a vehicle can be sold without the battery, sharply bringing down the gap between its upfront price and that of a diesel-powered truck. Instead, customers will pay for the new service, based on the operating cost per km.

THE COMPANY IS INVESTING ₹3,500 CRORE, WHICH WILL INCLUDE HAVING, IN 36 MONTHS, AROUND 1,200 SWAPPING STATIONS IN 200 LOCATIONS IN MORE THAN 38 NATIONAL HIGHWAYS

Anirudh Bhuwalka, founder and managing director, Blue Energy, said: "There are only 350 electric trucks for the short haul in a two-million market, dominated by diesel. We have just begun supplying the trucks and this year we have seen the inflexion point needed for customers to shift from diesel to electric."

The company is investing ₹3,500 crore, which will include having, in 36 months, around 1,200 swapping stations in 200 locations in over 38 national highways.

In the same period it is planning to churn out over 30,000 electric trucks.

Bhuwalka said the market scenario was changing in favour of electric vehicles. For instance, prices of LFP (lithium iron phosphate) batteries, used in electric trucks, in the past few months fell 50 per cent. And they account for 60 per cent of the cost of the vehicle. That has led to the cost of producing electric trucks substantially going down.

Next, electricity prices are stable and are expected to fall with the advent of solar even while diesel prices go up.

However, the key is bringing down the upfront cost of an electric truck closer to a diesel-powered vehicle.

"End users will not pay a premium to go green because its capital cost is three times that of an electric vehicle, but we have cracked the code."

Bhuwalka said typically a diesel truck was priced at ₹35 lakh-37 lakh while an electric battery-powered alternative was ₹95 lakh. But when sold without the battery, the price is down to ₹55 lakh. And with the operating cost per kilometre lower by 5-10 per cent over diesel, it offers attractive return on investment to fleet owners.

Not only that, the company expects that battery prices will fall 10 per cent in the next few years, which will nearly neutralise the upfront cost altogether.

The company got into the business by manufacturing trucks running on liquefied natural gas (LNG) for distances of over 500 km and has a fleet of over 1,000 operating across major industrial hubs.

It is planning to offer both the options — electric and LNG — to customers.

Business Standard, 12 November 2025

Yamaha India makes EV debut

ANJALI SINGH
Mumbai, 11 November

India Yamaha Motor (IYM) on Tuesday announced its entry into the electric two-wheeler market with the launch of its first battery-powered models AEROX-E and EC-06.

The move is part of the company's broader strategy to introduce 10 new models in India by the end of 2026, spanning both electric and petrol-powered categories.

The new lineup will include products jointly developed by Yamaha's Indian and global R&D teams, with an emphasis on performance, technology, and design. The line-up will also include more than 20 model updates.

Yamaha expects its first EVs to hit showrooms by the last quarter of FY26 (January - March), once network readiness is complete.

Alongside the EVs, the company also introduced two new internal combustion models the XSR155 and FZ-Rave, aiming to reinforce its presence in the 150cc and premium motorcycle segments.

"India is central to Yamaha's global growth strategy, a market where we see immense potential across both premium and electric mobility segments," said Itaru Otani, chairman, Yamaha Motor India Group.

"With these launches, we are deepening our connection with riders who seek performance, design, and technology, while also responding to the nation's transition towards sustainable transportation."

Yamaha's foray comes amid intensifying competition in India's electric two-wheeler market, currently led by Ola Electric, TVS Motor, Bajaj Auto, and Ather Energy. The segment is witnessing strong growth driven by government incentives and rising consumer adoption in urban markets.

Speaking to *Business Standard* about Yamaha's EV roadmap, Ravinder Singh, senior vice-president, Yamaha Motor India, said the firm's approach will remain "premium and performance-focused," reflecting its global DNA.

TRACTOR

Business Line, 11 November 2025

Record tractor sales in October on good monsoon, GST rate cut

PLOUGHING AHEAD. 1,73,635 tractors were sold against 1,51,772 in October 2024

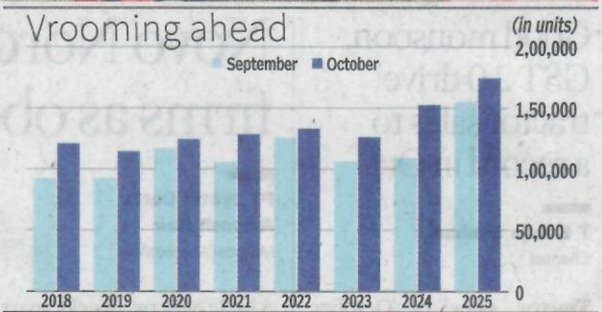
T E Raja Simhan
Chennai

Tractor sales in October touched the highest-ever levels for any month in the last seven years, driven by a good monsoon and GST rate-cut.

In October, 1,73,635 tractors were sold as against 1,51,772 in October 2024 and 1,54,417 in September 2025, according to data from Tractor and Mechanisation Association. The previous highest monthly tally was in September 2025 at 1,54,417 units.

"A good monsoon, combined with the benefit of GST rate cut announced in September have supported the strong performance in September and October 2025. Going forward, factors like timely onset of Rabi sowing and good progress in Kharif harvesting augur well for tractor sales," Veejay Nakra, President, Farm Equipment Business, Mahindra & Mahindra, said recently.

Traditional cyclical segments such as earth-moving equipment and agricultural tractors also saw month-on-month gains in October, highlighting the spillover from infrastructure and rural activity, according to the Shriram Mobility Bulletin.



Source: Tractor and Mechanisation Association

GROWTH DRIVERS

Poonam Upadhyay, Director, Crisil Ratings,said that tractor sales surged 14 per cent month on month in October, driven by festival demand, robust kharif cash flows and pre-Rabi buying sentiment.

"The GST 2.0 rationalisation has improved affordability, with tractors up to 1,800 cc now attracting a 5 per cent GST rate, down from 12 per cent, and on parts reduced from 18 per cent to 5 per cent. This has prompted advance purchases, but demand is expected to normalise after the Rabi season. Additionally, impending emission norms, potentially effective from early 2026, may trigger pre-buying in the near term, before demand stabilises," Upadhyay said.

Meanwhile, credit rating firm ICRA revised its growth outlook for the Indian tractor industry for fiscal year 2026. The new forecast of 8-10 per cent wholesale volume growth represents a substantial increase from the previous estimate of 4-7 per cent, driven primarily by above-normal monsoon rainfall and the recent reduction in the GST.

According to ICRA, the tractor original equipment manufacturers will maintain their strong credit profiles. Profit margins are likely to remain healthy, aided by the expected rise in volumes, benefits from operating leverage and stable raw material costs.

The industry's financial strength is further underpinned by low debt levels and sufficient cash and liquid investments.

RAW MATERIAL

Business Standard, 5 November 2025

Govt eases entry for MSMEs in third round of specialty steel PLI

Revises base year, relaxes thresholds to reflect current market trends

SAKET KUMAR
New Delhi, 4 November

Union Minister of Steel and Heavy Industries H D Kumaraswamy launched the third round of the production linked incentive (PLI) scheme for specialty steel, announcing a recalibrated framework designed to enable wider industry participation.

In its new phase, the scheme has modified investment and capacity thresholds to encourage MSMEs and downstream units to take part, while also updating the base year for prices from 2019–20 to 2024–25 to align incentives with current production and price levels. The changes mark a strategic shift aimed at deepening the manufacturing ecosystem for value-added and high-grade steels.

The PLI 1.2 round will target advanced and emerging categories such as super alloys, CRGO, stainless steel long and flat products, titanium alloys, and coated steels among others.

Applications have been invited through the portal within 30 days beginning November 4. Companies registered in India and engaged in end-to-end manufacturing of the notified products are eligible to apply. The third round covers 22 product sub-categories across five broad segments, including strategic and commercial grades as well as coated and wire products.

Under the revised structure, incentives will range from 4 per cent to 15 per cent of incremental sales, depending on the product and year of production. Benefits will be available for up to five years starting FY26, with disbursal commencing in FY27. The scheme, approved by the Cabinet in July 2021, has so far attracted investment commitments of ₹43,874 crore in the first two rounds and is expected to add 14.3 million tonnes of new specialty steel capacity. As of September 2025, companies participating in the first two rounds have invested ₹22,973 crore, according to the ministry.

More relaxations

	PLI 1.0	PLI 1.1	PLI 1.2
Minimum investment threshold	₹5,000 cr (For CRGO)	₹3,000 cr (For CRGO)	Threshold further modified
Minimum capacity creation threshold	200,000 tonnes (For CRGO)	50,000 tonnes (For CRGO)	Further reduced
Incremental production requirement	Applicants required to meet "minimum incremental production rate" over base year	Retains production threshold but allows carry-forward of excess production	Requirement removed
Base year*	2019-20	2019-20	2024-25

*Base year for incremental production calculation; CRGO: Cold-rolled grain-oriented steel

Low steel prices put ₹9 trn expansion plan at risk: Steel secy

India's steel industry is facing stress as five-year low prices have forced around 150 small producers to shut down operations and 50 more to cut output by half, raising concerns over the sector's ability to invest ₹9 trillion required for funding its next phase of capacity expansion, said steel ministry Secretary Sandeep Poundrik on Tuesday.

Speaking at a conference organised by the Confederation of Indian Industry (CII), Poundrik said the current price levels, while manageable for larger players, have severely hurt smaller firms.

He cautioned that subdued prices could jeopardise investment in fresh capacity. India needs to add 100 million tonnes (mt) of steelmaking capacity in the next five to seven years, and another 100 mt soon after, requiring an estimated $100 billion (₹8.5-9 trillion. "From where this money will come, if the prices are not reasonable," he said.

SAKET KUMAR

Business Line, 6 November 2025

Evonith Steel to double capacity with expansion plan of ₹6,000 crore

Suresh P Iyengar
Mumbai

Evonith Steel (formerly Uttam Galva Metallics and Uttam Value Steel) plans to more than double the capacity to 3.5 million tonnes per annum (mtpa) from 1.4 mtpa, with an investment of ₹5,500 crore – ₹6,000 crore over three years.

The promoters of the company, Nithia Capital, plan to fund the expansion through internal accruals, debt, and an initial public offering in 18-24 months.

GROWTH JOURNEY

In 2021, UK-based stressed asset management companies, Nithia Capital and CarVal Investors, through an NCLT-driven process, acquired Uttam Galva Metallics and Uttam Value Steel for about ₹2,000 crore.

In the last five years, the company based out of Wardha, Maharashtra, has increased its finished steel capacity to 1.1 mtpa (including the proposed pipe plant) from 0.5 mtpa, with an investment of ₹1,500 crore from internal cash flows. The new 0.3 mtpa Ductile Iron Pipe Plant will go on stream by December.

Jai Saraf, Chairman of Evonith Steel and Founder and CEO of Nithia, said in the last five years, the company has created a net current asset of ₹1,400 crore, which was a net current liability prior to the acquisition.

"We have not distributed one penny as dividend to the shareholders," he said.

FINANCIAL STRENGTH

The company has been running at an EBITDA run rate of ₹1,200 crore, and next year it will be about ₹1,500 crore. Gross debt is about ₹1,700 crore, while net debt is about ₹1,350-1,400 crore.

It has liquidity of ₹300-350 crore and unutilised credit lines of over ₹500 crore.

"Our compounded annual growth rate in terms of volume increased over 30 per cent consistently for over five years and we intend maintain it through an aggressive growth plan and strong balance sheet," he said.

PRODUCT PORTFOLIO

Currently, the company produces about 8 lakh tonnes (lt) of flat steel and 5 lt of hot-rolled coil. The OEM customers include BHEL and large pipe and cylinder makers.

It also produces about 3 lt of galvanised steel, sold to OEMs tapping into the Indian Railways and non-exposed automotive industries.

The company plans to tap into the exposed automotive and white goods markets after expanding to 3.5 mtpa, he said.

STRATEGIC EDGE

Evonith Steel has received a ratings upgrade to an 'AA-(Stable)' rating by Crisil Ratings.

The rating highlights the company has a healthy performance, driven by efficient operations, strategic location in central India with proximity to raw material sources, and a strong financial risk profile.

Business Line, 11 November 2025

E-bus adoption 'hit due to lack of charging infra, delayed deliveries'

Rishi Ranjan Kala
New Delhi

Even as the government has been consistent with its policy bush to boost the adoption of electric buses (e-buses), their adoption has been adversely impacted due to a lack of charging infrastructure, delayed deliveries and exclusion of the private sector, said India Ratings and Research (Ind-Ra).

While e-buses offer compelling advantages in terms of lower operating costs and environmental impact, Ind-Ra pointed out that their adoption had been impeded by challenges such as inadequate charging infrastructure, exclusion of private electric bus operators from major schemes, and delayed deliveries of e-buses by original equipment manufacturers (OEMs).

KEY CHALLENGES. E-buses entail higher upfront purchase costs compared to diesel and compressed natural gas buses

"As per industry estimates, India has less than one-third of EV charging stations compared to total fuel refilling stations. Furthermore, majority of the government policies have been focused on State transport undertakings (STUs), which operate only 5-7 per cent of the total buses registered in India, and have been witnessing significant losses, declining fleet size and low fleet utilisation," it added.

This poses the risk of delayed payments, restricting the enhancement of electric fleet size. While the risk is mitigated to a large extent by the gross cost contract model along with the payment security mechanism scheme of the government, the inclusion of private bus operators is imperative for the segment to grow rapidly, the ratings agency feared.

SUPPLY CHAIN ISSUES

Furthermore, e-bus deliveries in India had been slower than expected, primarily due to supply chain bottlenecks, the agency emphasised.

"The top five OEMs together hold an order book of more than 25,000 e-buses to be delivered over the next one-to-two years.

However, the industry has noted delays in servicing these orders on account of supply chain issues, including dependence on imports for some of the critical components and essential minerals," it said.

Major OEMs have reported shortages of key components such as batteries, chassis, and powertrains, many of which are imported, causing delays in production, Ind-Ra said.

Additionally, the lack of alternate indigenous suppliers of crucial parts further constrains the ability to fulfil large orders quickly. India is developing local manufacturing capacities for batteries, with significant investments coming in; however, the same could take some time, it added.

LOOKING AHEAD

Despite challenges, Ind-Ra expects the share of e-buses in overall sales in India to increase to 10-12 per cent by FY27, from levels of 5 per cent in FY25.

"This would be driven by the government's thrust to decarbonise India's road transportation sector, a supporting policy framework, and the total ownership cost of e-buses being more feasible compared to internal combustion engine vehicles," it noted.

Currently, e-bus deployment is largely confined to Delhi, Mumbai, Bengaluru, Ahmedabad and Lucknow. Under the initial phase of the PM E-DRIVE scheme, the buses were deployed in these cities, in view of high vehicular traffic and severe pollution levels.

Business Line, 12 November 2025

JSW Steel looks to offload 50% stake in BPSL for ₹16,000 crore

Suresh P Iyengar
Mumbai

Sajjan Jindal-led JSW Steel plans to raise ₹15,000-16,000 crore by diluting 50 per cent stake in its subsidiary Bhushan Power and Steel, sources aware of the development said.

JSW Steel is in talks with several companies and strategic investors to get a better valuation for the stake sale though its long-term Japanese partner JFE Steel appears to be the front-runner for acquiring the stake, the sources said.

EXPANSION DRIVE

- Japan's JFE Steel is the front-runner; deal is expected to close by December
- The fund-raise is for JSW Steel's expansion plans
- JFE Steel will bring in its latest technology in steel making

WIDER REACH

JFE would be a natural partner because besides the required investment, it brings the latest technology and wider market reach, said a source.

Given the company's aggressive expansion plans, the deal is expected to be closed by December, the sources added.

When reached for confirmation of the deal, a JSW Steel spokesperson said the company's strategy includes evaluating various opportunities, both organic and inorganic in India and overseas, including potential collaborations aimed at enhancing scale, efficiency and global competitiveness. "However, we would not like to comment on speculation," he said.

JFE Steel has been holding 15 per cent in JSW Steel since 2010 and has partnered with the company in all its ventures.

In August, JSW and JFE Steel formed a joint venture to manufacture grain-oriented electrical steel with an investment of ₹5,845 crore at Vijayanagar, Karnataka, and Nashik, Maharashtra.

Since the acquisition of BPSL under a bankruptcy process, JSW Steel has already doubled its capacity to 3.5 mtpa and recently increased it further to 4.5 mtpa with an investment of over ₹4,500 crore.

The company plans to ramp-up the capacity to 10 mtpa by 2030-31.

The acquisition of BPSL was part of JSW Steel's growth strategy, giving it a major presence in eastern India and improving its product mix, said an analyst.

CAPEX PLAN

JSW Steel has planned ₹20,000 crore capital expenditure in FY26 with a major portion of the investment focused on expanding its Dolvi plant in Maharashtra.

The company plans to increase the plant's capacity from 10 million tonnes to 15 mt by September 2027. The remaining capex will fund ongoing projects at BPSL and in other downstream initiatives.

The company is looking to increase its installed capacity from 36 mtpa to 44 mtpa by FY29 and 51 mtpa by FY31. It commands a market capitalisation of ₹2.91 lakh crore.

JSW Steel acquired BPSL through a bidding process under the Insolvency and Bankruptcy Code in 2021.

The resolution plan of ₹19,700 crore was approved by the National Company Law Tribunal but went through lot of ups and downs with significant legal battle.

Business Line, 14 November 2025

Safeguard duty needs to be renewed, says Tata Steel MD Narendran

FUTURE INVESTMENT. 'For the steel industry to keep building capacity, it needs healthier cash flows'

Suresh P Iyengar
Mumbai

Tata Steel is expecting the government to extend the safeguard duty of 12 per cent amid sharp increase in imports and domestic consignments meant for exports hitting the markets.

TV Narendran, Managing Director, Tata Steel, in an interview with *businessline* said steel companies had demanded a safeguard duty of 25 per cent, but it was fixed at 12 per cent for six months.

The safeguard duty will be up for renewal and needs to be extended to protect huge investments made in the recent years, he said.

In April, the government levied a provisional 12 per cent safeguard duty on select steel imports for 200 days to protect the domestic industry from imports.

> If Tata Steel has to invest huge capital for growth, it needs to have more comfort on the margin that it can see going forward
>
> **TV NARENDRAN**
> Managing Director, Tata Steel

"For the steel industry to keep investing and building capacity, it needs healthier cash flows than it has today and that cannot happen without the safeguard duty," he added.

Imports keep steel prices low and this will derail a very good private sector capex programme of the steel industry, he said. Tata Steel will continue to be profitable; but if it has to invest huge capital for growth, it needs to have more comfort on the margin that it can see going forward, said Narendran.

Asked whether the duty needs to be raised to 25 per cent, he said the 12 per cent safeguard duty needs to be renewed and then talk about what else can be done to reduce imports. "We are conscious that there are many consumers of steel who then feel that they are at a disadvantage, but there is no logic in it," he said.

For that matter, consumers can buy any products right from appliances and cars from China cheaper than what is made in India, but that does not make sense, he added.

ADVANTAGE CHINA?

China will have an advantage because the scale is much bigger and they get incentives and various other support much more than in India, said Narendran. "It takes much less time to build steel plants and there are a lot of advantages for them. It is unfair to equate them with a manufacturer in India," he said. With China still exporting 10 million tonne a month, it is very difficult for someone in India to export into any market which is not protected or which is not dominated by the Chinese at very low prices, he added. As the export options are removed, Narendran said pretty much all Indian producers are selling almost all the capacity in India and this is adding to the stress in the domestic market.

Business Line, 5 November 2025

Govt to review 43.9 GW of renewable energy capacities that have no takers

GREEN SIGNAL. Next growth phase to focus on adding capacity, ensuring it is absorbed efficiently: MNRE

Rishi Ranjan Kala
New Delhi

In a significant development, the Ministry of New & Renewable Energy (MNRE) said on Tuesday that it has directed renewable energy implementation agencies (REIAs) to review 43.9 gigawatt (GW) capacities that are languishing due to lack of interest from discoms in signing power sale agreements (PSAs).

"The government is closely monitoring the cases where letters of award (LoAs) have been issued by REIAs, but PSAs with discoms or end procurers have not yet been finalised. Some discoms have expressed apprehensions in signing PSAs for such bids, where the likely start date of connectivity for the successful bidders is in the distant future," said the MNRE.

Over the past year, energy project developers and other stakeholders have been constantly flagging the issue of stalled RE capacities due to discoms' lack of interest in signing PSAs and power purchase agreements (PPAs).

CONDUCIVE ENVIRONMENT. To facilitate the execution of PSAs, the govt has undertaken several proactive measures

SHIFT IN FOCUS

This issue was last raised with the Ministry at its monthly meeting with stakeholders in the second fortnight of October.

Following the meeting, the MNRE, on October 22, said the sector has now entered a phase where the focus is shifting from capacity expansion to capacity absorption. The next monthly meeting with the Ministry is expected in the next two weeks.

REIAs issued LoAs for 43,942 megawatt (MW) capacity, where PSAs with end procurers remain unsigned as of September 2025. Since April 2023, these agencies have successfully signed PSAs for 24,928 MW capacity, indicating continued progress in contract execution and market alignment.

The MNRE said it has advised REIAs — Solar Energy Corporation of India (SECI), NTPC, SJVN and NHPC — to carry out due diligence by reviewing and categorising such cases based on the likelihood of securing PSAs with end procurers.

"This assessment will consider multiple factors, including the configuration of RE envisaged to be supplied under the bid, the discovered tariff for supply of renewable power and the expected timeline for connectivity," it pointed out.

Following the review, only those LoAs with minimal or no prospects of PSA execution may be considered for cancellation on a case-to-case basis. Even then, such cancellations are expected to be phased and undertaken only after all feasible and viable options for executing the PSAs and corresponding PPAs have been thoroughly explored, the Ministry said.

"Further, the apprehensions regarding massive investments in renewable power may go into limbo on account of cancellation of LoAs which cannot secure PSA/PPA, is unfounded, since major investment in any renewable power project starts only after the execution of PPAs, and the investments, if any made by any RE power developer in land or connectivity, are used by the RE power developers for other existing projects or future projects in their portfolio," it clarified.

GOVT MEASURES

To facilitate the execution of PSAs, the government has undertaken several proactive measures. These include urging the States to comply with the Renewable Consumption Obligation under the Energy Conservation Act and advising the REIAs to aggregate demand from discoms and other consumers before designing and issuing tenders.

Regional workshops have been organised with major RE-procuring States to address implementation challenges and accelerate PSA signing.

Business Line, 11 November 2025

India-US trade talks: EEPC proposes inclusion of steel, aluminium items

Our Bureau
New Delhi

Engineering goods exporters have proposed the inclusion of steel and aluminium products, especially those manufactured by MSMEs, in the ongoing bilateral trade agreement (BTA) talks with the US and also sought government support to deal with the high tariffs.

The Engineering Export Promotion Council (EEPC) of India, the top body for promoting engineering exports, also suggested that the EU must be persuaded to maintain status quo in terms of quota (specified quantity allowed at zero or low import duties) and the out-of-quota tariffs on steel. The latter should be phased out as part of the free trade agreement being negotiated with the bloc, it said.

The implementation of 50 per cent tariff on steel and aluminium (under Section 232 duties) has significantly impacted engineering exports to the US market, necessitating the inclusion of specified products in the BTA negotiation, the EEPC said in a statement.

Pankaj Chadha, Chairman, EEPC

"The 50 per cent tariff imposition by the US increases the tariff differential with our competitors to an average of 30 per cent. This definitely impacts our position in the US market. A special support package that can absorb at least 15 per cent of this differential would help us to secure our position," said Pankaj Chadha, Chairman, EEPC.

ON EU PROPOSAL

Exporters are also concerned about the EU proposal on reducing quotas and increasing out-of-quota tariffs to 50 per cent. The EU allows import of steel for a specified quota (quantity) at zero or reduced duties while the duties are higher for quantities over and above the specified quota.

"The existing quota already poses a challenge for the exporters as our volumes are much higher. The EU has also kept these products out of the purview of its trade agreement negotiations with India. In this case, our suggestion is to maintain the status quo in terms of both quota and the out-of-quota tariffs. Additionally, this should be brought under FTA negotiation, and once the FTA is implemented, the tariff should be gradually phased out," Chadha said.

EEPC has proposed that India should seek exemption for stainless-steel long products from tariff rate quotas, given their MSME dominance and strategic importance. For other product categories, it suggested that quota volumes should be raised.

"It may be ensured that out-of-quota tariffs do not exceed 25 per cent, and the same is gradually phased out over five to six years, especially considering the ongoing FTA negotiations with the EU," Chadha said.

Business Line, 13 November 2025

CAFE norms inappropriate for India: Maruti Chairman

POLICY BIAS. 'Norms make compliance tougher for smaller cars, which is unjustified'

S Ronendra Singh
New Delhi

Maruti Suzuki India Chairman RC Bhargava said, in his "personal opinion", the Corporate Average Fuel Efficiency (CAFE) standards should not exist at all, arguing they were European norms created for larger, heavier cars and inappropriate for India.

"I think the CAFE norms are inappropriate, but that's a different matter — that's my view. Regulation should not be biased in favour of anybody. These norms (the current draft CAFE-3 norms in India) are biased in favour of big cars and are, therefore, inappropriate. They were made in Europe, they reflected the power structure there between car makers — the German manufacturers were the most powerful," Bhargava told *businessline*. "You want CAFE norms to improve fuel efficiency and reduce emissions. How does a norm that favours larger and heavier cars really do that? At least give some merit somewhere," he said.

> How does a norm that favours larger & heavier cars improve fuel efficiency, reduce emissions?
>
> **RC BHARGAVA**
> Chairman, MSIL

Bhargava added that any policy or regulation should remain neutral. There should be no discrimination in favour of or against any class of vehicle unless the government explicitly declares such intent. "The norms of CAFE ...actually favour bigger cars. As weight decreases, the norms become less favourable for smaller cars. There is a bias in the entire system in favour of heavier cars. I don't understand why that should be so, or how it is justified," he said.

DRAFT CAFE-3

His comments come amid industry discussions on the draft CAFE-3 standards for four-wheelers, set to take effect from April 1, 2027 to March 31, 2032. Bhargava said the first draft of the policy, released in December 2024 by the Bureau of Energy Efficiency (BEE), favoured larger vehicles. The latest draft, issued in September, has made some corrections by including small cars — a "small but right step," he noted.

"So what the Power Ministry (BEE) is doing now is, I think, a small step in the right direction. It's not a full correction of the CAFE norms, but at least it's a beginning. Who supports it or not is not really relevant — I am more concerned with what is right and what is wrong." After extensive deliberations, the Society of Indian Automobile Manufacturers (SIAM) recently submitted its feedback to the BEE on the draft CAFE-3 norms. However, the industry body could not reach a consensus, leaving it to the government to decide. Maruti, Honda Cars India and Renault India support small-car-friendly provisions; Tata Motors, M&M, Hyundai Motor and Kia have backed weight-based relaxations for larger vehicles.

Business Standard, 13 November 2025

Extend NPA window to 180 days, MSME players tell govt

MONIKA YADAV
New Delhi, 12 November

Key suggestions

- Increase in limit for tax-free conversion of private companies into LLPs
- Proposed launching technology mission to identify technology gaps
- Increase in mandatory tax audit limit from ₹1 crore to ₹5 crore
- Removal of the dividend tax for firms with turnover up to ₹1,000 crore
- Proposed an 8 per cent concessional GST rate on inputs
- Allowing GST refunds on purchases of plant and machinery

Micro, small and medium enterprise (MSME) players on Wednesday urged the central government to revise the rule for classifying loans as non-performing assets (NPAs) by extending the recognition period from 90 days to 180 days, citing long payment cycles and supply-chain disruptions.

In a pre-Budget meeting with Finance Minister Nirmala Sitharaman and finance ministry officials, MSME representatives sought an increase in the limit for tax-free conversion of private companies into limited liability partnerships. The current limit — ₹60 lakh turnover or ₹5 crore in assets — was set in 2009. They want this raised to ₹50 crore for both turnover and assets, in line with the Micro, Small and Medium Enterprises Development Act. They have also proposed a one-time amnesty for such tax-free conversions.

For small and growing companies, the representatives have asked for removal of the dividend tax for firms with turnover up to ₹1,000 crore. They said the combined burden of corporate income-tax and dividend tax discourages entrepreneurs from incorporating their businesses.

Under the goods and services tax (GST) system, MSMEs have pointed to problems caused by the inverted duty structure following the merger of slabs under GST 2.0. In some cases, inputs are taxed at 18 per cent while final goods attract 5 per cent, locking up working capital. They have proposed an 8 per cent concessional GST rate on inputs used in such cases and automatic, time-bound GST refunds. They also suggested allowing GST refunds on purchases of plant and machinery. At present, manufacturers cannot claim input tax credit refunds on capital goods, increasing the upfront cost of new equipment.

On the manufacturing and export front, MSMEs have raised concerns about the growing number of quality control orders (QCOs) on inputs and intermediate goods, saying these have disrupted production and exports. The sector has proposed a self-certification system or verification at ports, and suspension of QCOs where domestic capacity is inadequate.

They have also suggested launching a Technology Mission for MSMEs to identify and bridge technology gaps across clusters. Another proposal is to promote private trading houses to support MSME exports, similar to global trading companies such as Mitsui and Cargill.

For ease of doing business, MSMEs have requested an increase in the mandatory tax audit limit from ₹1 crore to ₹5 crore. They have also sought a revision of the thresholds for corporate social responsibility obligations. The current limits — ₹500 crore turnover and ₹5 crore profit — were fixed a decade ago. The sector has suggested raising these thresholds and linking the profit condition to 10 per cent of turnover instead.

Business Standard, 13 November 2025

Exporters get ₹45,060 cr boost amid US tariff blow

Cabinet approves export promotion mission, credit guarantee schemes

SHREYA NANDI
New Delhi,
12 November

The Union Cabinet chaired by Prime Minister Narendra Modi on Wednesday approved schemes worth ₹45,060 crore to support exporters, particularly micro, small and medium enterprises (MSMEs), grappling with challenges due to the 50 per cent tariff imposed by the United States (US) on several Indian products.

The package includes the much-awaited Export Promotion Mission (EPM), with an outlay of ₹25,060 crore, and ₹20,000 crore towards the Credit Guarantee Scheme for Exporters (CGSE).

Export-oriented industries directly and indirectly employ over 45 million people, and MSMEs contribute nearly 45 per cent of India's total exports. The announcement came a week after the PM held meetings with the heads of at least half a dozen export promotion councils across sectors most affected by the steep, double-digit tariffs by the US.

On Tuesday, US President Donald Trump and Indian officials had indicated that both sides were pretty close to reaching a fair trade deal, suggesting that another round of negotiations might not be required.

The CGSE will include collateral-free support to exporters as additional working capital of up to 20 per cent of their sanctioned export limits. The programme would provide credit guarantee on loans of up to ₹50 crore. The Department of Financial Services (DFS) will implement the scheme through National Credit Guarantee Trustee Company Limited (NCGTC).

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Push for outbound trade

Export Promotion Mission

Outlay: ₹25,060 crore

Duration: 6 years (FY26 to FY31)

Priority sectors: Textile, leather, gems and jewellery, engineering goods, and marine products

Credit Guarantee Scheme for Exporters

Outlay: ₹20,000 crore

Duration: Until March 31, 2026

Key features: Additional working capital; collateral-free credit support; 100% government guarantee

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Extend NPA window to 180 days: MSMEs

RUN-UP TO THE BUDGET 2026-27

Micro, small and medium enterprises (MSMEs) on Wednesday urged the Centre to revise the rule for classifying loans as NPAs by extending the recognition period from 90 days to 180 days.

FROM PAGE 1

Exporters get ₹45K crore boost

A management committee chaired by the DFS secretary will oversee its progress and implementation.

"The scheme is expected to enhance the global competitiveness of Indian exporters and support diversification into new and emerging markets. By enabling collateral-free credit access under CGSE, it will strengthen liquidity, ensure smooth business operations, and reinforce India's progress towards achieving the $1 trillion export target. This will further reinforce India's journey towards Aatmanirbhar Bharat," the government said in a statement.

The EPM, announced in the FY26 Union Budget with an initial allocation of ₹2,250 crore for the current financial year, will now continue until FY31 with an expanded outlay. It aims to strengthen India's export competitiveness, particularly for first-time exporters and labour-intensive sectors, such as textiles, leather, gems and jewellery, engineering goods, and marine products.

EPM will bring together key support programmes – the Interest Equalisation Scheme and Market Access Initiative.The scheme will be implemented through two sub-schemes — Niryat Protsahan, with an allocation of ₹10,401 crore, to provide trade finance support; and Niryat Disha, with ₹14,659 crore, to promote international market access. Niryat Protsahan will focus on improving access to affordable trade finance for MSMEs through interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement for market diversification.

"EPM marks a strategic shift from multiple fragmented schemes to a single, outcome-based, and adaptive mechanism that can respond swiftly to global trade challenges and evolving exporter needs... Under EPM, priority support will be extended to sectors impacted by recent global tariff escalations, such as textiles, leather, gems & jewellery, engineering goods, and marine products. The interventions will help sustain export orders, protect jobs, and support diversification into new geographies," the statement said.

Business Standard, 15 November 2025

Weight-based CAFE relief to hurt safer car push: Shailesh Chandra

DEEPAK PATEL
New Delhi, 14 November

“THERE HAS BEEN AN EFFORT TO DEFINE A CATEGORY OF SMALL PASSENGER VEHICLES BASED ON WEIGHT, WHICH IS ARBITRARY. WE DO NOT SUPPORT THIS”

Shailesh Chandra
Managing Director and CEO, Tata Motors Passenger Vehicles

Some automakers are seeking to create an "arbitrary" weight-based category of small cars to get relief under the upcoming norms on corporate average fuel efficiency (CAFÉ), but such a criterion will conflict with the auto industry's progress and the government's policies that incentivise the production of safer vehicles, said Shailesh Chandra, managing director and chief executive officer, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, on Friday.

This is the first time that Chandra has spoken against the demand for weight-based exemption for small cars, which has divided the auto industry since the beginning of this year.

The CAFE framework sets fleet-wide emission targets on carbon dioxide for automakers in gm/km, with penalties for non-compliance from the Bureau of Energy Efficiency (BEE).

Earlier this year, Maruti Suzuki sought a weight-based exemption for small cars. On September 25, the BEE released the draft CAFE-3 and CAFE-4 norms, which, for the first time, introduced weight-based exemption.

According to this draft, petrol cars of less than 909 kg, with an engine below 1,200 cc, and having a length of less than 4 metres will get a fuel-emission relaxation of an additional 3 gm/km.

Last weekend, Society of Indian Automobile Manufacturers (Siam) submitted its final comments on the draft, noting that its members could not reach a consensus on the proposed weight-based exemption. CAFE-3 and CAFE-4 norms will take effect in April 2027 and stay in force for 10 years.

During a press conference on Friday, Chandra said: "There has been an effort to define a category of small passenger vehicles based on weight, which is arbitrary. We do not support this. Such a criterion would conflict with one of the core objectives of the policy and undermine the significant progress the industry has made in improving safety standards and protection."

Weight is linked to safety because many of the features that make cars safer — such as stronger body structures, side-impact beams, larger crumple zones, and additional airbags — add weight to a vehicle. As a result, cars that meet higher safety standards naturally tend to weigh more.

He mentioned that the upcoming CAFE regulation should also not be in dissonance with evolving consumer preferences. "At some stage you have to align with it. And market trends indicate that, in the sub-4 metre space, consumers are shifting towards compact sport utility vehicles. This shift reflects evolving customer aspirations and their clear preference for safer, feature-rich vehicles at nearly the same price," added Chandra, who is also president of Siam.

He noted although some argued lighter cars were naturally more affordable, in practice there were models close to the proposed 909-kg threshold that already sold for around ₹10 lakh. With small reductions in weight, these vehicles could be made to fit within the limit. That, he said, would effectively allow higher-priced cars to qualify for concession.

"So all in all, diluting emission norms based on weight criteria compromises vehicle safety and detracts from concrete action on sustainable mobility. Therefore, we believe the focus of the conversation needs to be on encouraging the movement towards sustainable technologies, including electric vehicles and flex-fuel vehicles, rather than giving much attention to this topic of the small-car definition," he mentioned.