AIFI

Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies

(1st Fortnight January 2026)

AUTOMOTIVE INDUSTRY

The Times of India, 1 January 2026

Bharat Forge receives ₹1,662cr order

Pune: Bharat Forge signed a Rs 1,662-crore contract with the ministry of defence for the supply of 2.6 lakh indigenously designed CQB carbines to the Indian Army, with execution over 4 years. The compact firearm was jointly developed by the Armament Research & Development Establishment (ARDE), the Defence Research and Development Organisation (DRDO) and the company, a statement said. TNN

Business Line, 2 January 2026

Commercial vehicle makers report robust December sales

T E Raja Simhan
Chennai

India's top commercial vehicle makers Tata Motors, Ashok Leyland and Eicher Motors posted strong growth in sales volume in December 2025 and the larger third quarter (Q3) of FY26, supported by GST 2.0 and the festive surge.

Tata Motors reported the strongest increase with 24 per cent increase in December 2025 with volumes of 40,057 units as against 32,369 units in the corresponding period last year.

SEGMENT-WISE

The highest growth of 40 per cent was in the intermediate, light, and medium commercial vehicles (ILMCV) segment used for diverse applications like e-commerce, construction and logistics. This was followed by the heavy commercial vehicles with 31 per cent growth.

In Q3FY26, the company reported a 18 per cent increase in domestic sales to 1.07 lakh units as against 91,260 units in the same period of last year. The ILMCV trucks had the highest growth of 26 per cent in Q3. The company attributed it to a strong rebound in construction and mining activity after the extended monsoon, along with sustained demand from core sectors and auto logistics.

Girish Wagh, MD & CEO, Tata Motors Ltd, said: "The sales momentum ignited by GST 2.0 and the festive surge in Q2FY26 continued into Q3FY26, driving growth and lifting overall sentiment of the commercial vehicles industry.

Chennai-based auto major Ashok Leyland reported a 26 per cent increase in sales in December 2025 to 19,855 units (15,713 units).

Domestic sales of VE Commercial Vehicles Ltd, a joint venture between the Volvo Group and Eicher Motors Ltd, was up by 26 per cent to 9,527 units (7,545 units).

The Times of India, 2 January 2026

Petrol, diesel vehicles eat into EV pie after GST cut

G.Balachandar
@timesofindia.com

Chennai: Battery electric vehicle penetration in India's two-wheeler and passenger vehicle segments lost momentum in 2025 after the reduction in GST rates for petrol- and diesel-powered vehicles from Oct, even as EV volumes saw healthy growth for the year.

The narrowed price gap between internal combustion engine (ICE) vehicles and EVs after GST reduction led to a spike in ICE sales in the Dec quarter, weighing on EV market share. The three-wheeler (3W) segment, however, stood out as an exception, recording an improvement in penetration levels during the year.

In the two-wheeler (2W) segment, penetration of battery-powered vehicles rose from 6% in 2024 to a peak of 8.1% during the Jan–Sept 2025 period. However, a lower EV share in the Dec quarter, which was the first post-GST rate-cut quarter led to overall E2W penetration for 2025 to be 6.3%. Similarly, EV penetration (excluding hybrid models) in the passenger vehicle (PV) segment, inclu-

BATTERY LOW

ding cars and SUVs, improved from 2.5% in 2024 to nearly 4% for the year. In contrast, electric three-wheeler penetration (excluding e-rickshaws) increased sharply from 12% in 2024 to 18% in 2025.

Despite the pressure on penetration, EV sales growth remained robust across segments. Total registrations of battery-powered EVs—including 2W, 3W, cars and SUVs—rose 16% year-on-year to 22.7 lakh units in 2025, up from 19.5 lakh units in 2024, Vahan data showed.

The electric two-wheeler segment reported an 11% increase in volumes to 12.8 lakh units in 2025, up from 11.5 lakh units a year earlier. The electric PV segment (excluding hybrids) delivered the strongest performance, with registrations surging 77% to 1.8 lakh units from about 99,500 units in 2024, aided by aggressive expansion by existing players and the entry of new manufacturers. Electric three-wheeler volumes grew 15% year-on-year to 8 lakh units, compared with 6.9 lakh units in 2024, with e-rickshaws accounting for around 70% of total E3W sales during the year.

Business Standard, 5 January 2026

Replacement demand, GST reset may boost MHCV sales

SOHINI DAS
Mumbai, 4 January

India's medium and heavy commercial vehicle (MHCV) segment appears to be entering a fresh upcycle after several years of uneven growth. This is mainly on the back of improving freight economics, an ageing fleet profile, regulatory tailwinds and a reset in goods and services tax (GST)-driven distortions.

Brokerages say the recovery, while still freight-rate dependent, is becoming more structurally grounded than previous false starts. This is a view increasingly echoed by industry executives. Volumes (419,000 units) remain below the FY19 peak for MHCVs, underscoring how deep and prolonged the downturn has been. But conditions on the ground are improving.

Nomura, in a recent note on the sector, said the MHCV industry is entering early stages of an upcycle. It has forecast volume growth of about 8 per cent in FY26 and closer to 10 per cent in FY27 as utilisation improves and replacement demand gathers pace. As a result, Nomura estimates MHCV volumes at 404,000 units for FY26; 444,000 units for FY27 and 466,000 units for FY28.

One of the biggest changes has been in fleet operator economics.

Lower upfront vehicle costs following GST cuts — estimated at around 8 per cent — have eased equated monthly instalment (EMI) burdens, while freight rates have stabilised after years of oversupply. This has improved cash flows for transporters, particularly small and mid-sized operators, who had largely stayed away from the market.

Tata Motors' managing director (MD) and chief executive officer (CEO) Girish Wagh acknowledged this shift during the company's Q2 FY26 post-results call. "We are seeing early signs of stability in the MHCV market," Wagh said.

He added, "Fleet utilisation has improved and operator cash flows are better than what they were a year ago. That is important for replacement demand to come back."

He was careful not to declare a full-fledged recovery. "It's not a sharp bounce yet, but the direction is positive," Wagh added, noting that demand continues to vary by region and application.

And, mining and infrastructure-linked segments are holding up better than long-haul freight. Brokerages say the current phase looks structurally different from previous false starts.

Antique Stock Broking pointed to a major shift in market behaviour following the recent GST recalibration.

Over the past few years, tax distortions had encouraged large fleet operators to buy trucks aggressively to optimise input tax credits, even when freight demand was weak. This led to excess supply, pressure on freight rates and the marginalisation of small operators.

That distortion is now fading. With GST on new commercial vehicles cut to 18 per cent and the forward-charge mechanism rate raised, "irrational, tax-driven buying has largely stopped," Antique said in a recent note.

It added, "Purchases are increasingly being driven by utilisation and replacement needs rather than tax arbitrage."

Replacement demand, in particular, is emerging as a key theme.

Nomura estimates the average age of trucks on Indian roads at close to 10 years, significantly higher than the historical norm of 7-7.5 years.

Many vehicles bought in 2015-2017 — ahead of the GST and emission norm changes — are now nearing the end of their economic life.

Ashok Leyland MD and CEO Shenu Agarwal reflected this view in his comments after the company's Q2 FY26 results. "We believe the MHCV cycle is close to the bottom," Agarwal said.

He added, "Replacement demand is slowly coming back as fleet operators see better freight availability and improvement in operating economics."

He said while demand recovery remains uneven, the medium-term outlook is improving.

"As ageing fleets need to be replaced and new regulations come in, the replacement cycle should support volumes over the next couple of years," Agarwal said.

Regulatory changes could add to this momentum. New safety and braking norms slated for FY27-FY28 are expected to push up truck prices, potentially triggering pre-buying ahead of the implementation. Antique estimates the incremental cost at ₹70,000-80,000 per vehicle, a meaningful sum for cost-sensitive operators. Concerns that the Dedicated Freight Corridor (DFC) could hurt road freight demand appear overstated, at least for now. Nomura said non-bulk cargo will continue to depend on road transport due to first- and last-mile constraints. Wagh echoed that view, saying rail and road are "complementary rather than competing modes", particularly as logistics chains become more time sensitive.

Structural changes in CV demand and supply

Pre-GST scenario (Prior to July 2017)	Post-GST scenario	Consequences
■ Fleet operators paid excise duty, VAT on vehicle purchases, and service tax on freight services ■ There was no comprehensive input tax credit (ITC) framework, leading to more demand aligned vehicle purchases ■ Small fleet operators (<10 trucks) constituted nearly 70-80% of the MHCV market	■ Introduction of: ■ 5% GST under Reverse Charge Mechanism (RCM), or ■ 12% GST under Forward Charge Mechanism (FCM) with eligibility to claim ITC. ■ Post-Covid, large fleet operators overwhelmingly opted for 12% FCM, claiming 28% ITC on truck purchases ■ This created tax-driven incentives to buy trucks irrespective of freight demand	■ Large fleet operators: Expanded owned fleets aggressively. Reduced dependence on hired trucks (largely small operators) ■ Market outcome: ■ Fleet size increased, but freight demand did not keep pace ■ Freight rates declined due to oversupply and intense competition ■ Smaller owner-operators were crowded out (<40%)

Source: Antique Stock Broking

Business Standard, 10 January 2026

Suspend PM E-DRIVE truck-scrapping rule for a yr: Auto industry

DEEPAK PATEL
New Delhi, 9 January

The automobile industry in India has asked the Ministry of Heavy Industries (MHI) to suspend for one year the rule governing financial incentives for buying an electric truck (e-truck) under the PM E-DRIVE scheme, *Business Standard* has learnt.

For buyers to get the incentives, the rule requires them to submit a certificate showing that a truck running on the old internal combustion engine (ICE) has been scrapped.

As very few commercial vehicles are being scrapped at present, the Society of Indian Automobile Manufacturers (Siam) has said that even when the scrapping mandate comes into force after one year, it should be implemented with relaxed weight-related requirements to improve "administrative simplicity" while maintaining "environmental integrity".

What Siam said

- Very few commercial vehicles currently being scrapped
- Limited certificate availability creating 'operational bottlenecks'
- Matching scrappage certificates with e-truck weight is 'impractical'
- Any certificate within the same truck category (N2, N3) should suffice
- VAHAN, Digielv systems must allow seamless certificate verification

The scheme requires buyers to scrap an old ICE truck that is of the same weight or heavier than the electric truck they want to buy.

After scrapping is done, a certificate of deposit (CD) is issued, and it must be submitted when purchasing the e-truck to claim incentives.

Buyers who do not own an old ICE truck must buy a CD from the government's Digielv website. However, very few CDs for medium and heavy trucks are available. Siam called the strict rule of matching CDs to e-truck weight "impractical". The e truck incentive guidelines were issued in July last year. As of now, it is not clear if anyone has applied.

In its letter dated December 10, Siam stated this entire mandate for CDs under the guidelines was "encountering operational bottlenecks due to the very limited availability of valid CDs within the formal scrappage system (Digielv portal)".

"The current volume of scrapped commercial vehicles, particularly in the medium and heavy categories, remains inadequate to meet the demand expected under the PM E-DRIVE scheme. This shortfall poses a significant constraint for both large fleet operators and small logistics service providers seeking to transition to e-trucks," it added.

Therefore, to ensure that the budgetary outlay of ₹500 crore for the scheme till 2027-28 is utilised well, the industry body has requested the one-year suspension of the rule.

"This interim measure would remain in effect until the availability of CDs improves through wider operationalisation of registered vehicle scrapping facilities (RVSFs) and higher scrappage volumes. Such a temporary waiver would facilitate the immediate rollout and adoption of e-trucks without diluting the long-term policy intent of linking incentives with the scrappage ecosystem," it added.

Siam has recommended a rationalisation of the CD linkage criteria after one year is over. It suggested that for N2 category vehicles — medium commercial vehicles with a gross vehicle weight (GVW) of more than 3.5 tonnes and up to 12 tonnes — that are taking the PM E-DRIVE subsidy, the buyer may furnish a CD of any vehicle within the same N2 category, irrespective of GVW.

Similarly, for N3 category vehicles — heavy commercial vehicles with a GVW of more than 12 tonnes — taking the PM E-DRIVE subsidy, the buyer may furnish a CD of any vehicle within the same N3 category, irrespective of GVW. "This rationalisation will eliminate the impractical requirement of matching CDs with identical GVW ratings, thereby aligning the scheme with the principles of ease of doing business and administrative efficiency," it added.

Siam also requested the ministry to coordinate with the Ministry of Road Transport and Highways to ensure mutual recognition and interoperability of CDs used under PM E-DRIVE with those issued for benefits for automakers and those under road tax under the national vehicle scrapping policy. It also asked for seamless integration within the Vahan and Digielv portals so that each CD can be verified and used under PM E-DRIVE without duplication or conflict.

Siam said these measures would ensure consistency across government systems while maintaining transparency and accountability in the disbursement of incentives.

Business Standard, 12 January 2026

2-wheeler industry expects 6-9% growth in 2026

ANJALI SINGH
Mumbai, 11 January

The two-wheeler segment of the country's automobile industry is expected to grow 6-9 per cent this calendar year, supported by improved affordability following the cut in goods and services tax (GST) from 28 per cent to 18 per cent, and urban recovery in purchases for replacing vehicles.

However, the proposed mandate to make anti-lock braking systems (ABS) compulsory for sub-125cc two-wheelers is likely to push up prices and weigh on near-term volumes.

Analysts say the cost of adding an entry-level ABS system is estimated at ₹2,000-5,000 per vehicle.

Given the thin margins in the mass commuter segment, manufacturers are unlikely to absorb the entire increase, leading to price increases of up to 7 per cent in entry-level motorcycles and scooters.

"Once prices move up permanently, demand gets reset at a lower base," said Kumar Rakesh, analyst (information technology and auto), BNP Paribas.

"We will see the impact for about a year, as volumes adjust and the industry laps up a high base created by the GST benefit."

The risk has been amplified by the structure of the two-wheeler market, where sub-125cc models account for a dominant share of volumes. Motorcycles below 125cc contribute 74-75 per cent of sales in this sub-segment, while scooters are largely concentrated in lower-engine capacities.

On a monthly basis, sales of sub-125cc two-wheelers are estimated at around 900,000, based on the November data. Analysts expect the impact of price increases owing to the ABS to be most pronounced in these entry-level segments, where affordability remains the primary purchase trigger.

From a timing perspective, the immediate impact may be limited. The first half of CY26 is expected to benefit from a relatively low base of last year. However, pressure is likely to build in the second half as the base becomes more demanding and the benefit of GST reduction fades.

"In the first half, we may not see a dramatic demand impact because the base is favourable," Rakesh said.

"But in the second half, reporting growth becomes more challenging as the GST benefit is already in the base."

There is also regulatory uncertainty around the timing and scope of the proposed ABS mandate. At a recent meeting with the government, two-wheeler manufacturers raised concern about the effectiveness of ABS in motorcycles and scooters up to 125cc, arguing that the safety benefits might be limited in lower-speed commuter segments.

Reports suggest the Centre is likely to defer the January 1 deadline, leaving the implementation timeline unclear.

Despite near-term headwinds, industry watchers' growth outlook is on account of improved affordability after GST, resilient rural demand, and strengthening urban replacement demand.

The industry closed CY25 with retail sales exceeding 20 million units, according to the data of the Federation of Automobile Distributors Associations. The momentum strengthened after the GST cut.

Rural markets, which account for 55-60 per cent of volumes, remained resilient on expectations of a healthy Rabi crop, while urban demand outpaced rural growth on improved affordability.

Electric two-wheelers are also expected to add incremental volumes as penetration continues to rise.

"We expect 6-8 per cent overall growth this year, with electric vehicles continuing their steady expansion, and penetration likely to reach around 7.5 per cent," said Subhabrata Sengupta, partner, Avalon Consulting.

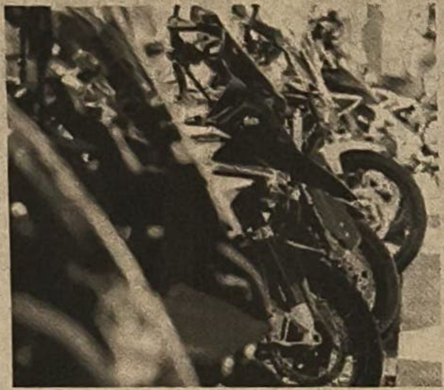
Anurag Singh, advisor at Primus Partners, said: "Two-wheelers have benefited significantly from GST reduction, leading to a noticeable improvement in sales since October."

The sector can still see growth of 7-9 per cent this year if trends in demand sustain, even after factoring in regulatory changes, he said.

While the ABS mandate could disrupt volumes in the short term, analysts say it is structurally positive for the industry.

"ABS is a safety feature that has demonstrably helped save lives," Singh said, noting that the incremental cost was significantly lower than the benefit consumers received from the GST reduction.

Price elasticity would imply that growth in volumes will be impacted till the time the base gets reset," Rakesh said. "After one year



The ABS challenge

- Cost of adding an entry-level anti-lock braking system is estimated at ₹2,000–5,000 per vehicle (sub-25cc)
- This may lead to price hikes of up to 7 per cent in entry-level motorcycles and scooters
- Motorcycles below 125cc contribute around 74–75 per cent to total motorcycle sales
- On a monthly basis, sales of sub-125cc two-wheelers are estimated at around 900,000 units

Business Line, 13 January 2026

Maruti okays ₹4,960 cr land acquisition in Gujarat

Our Bureau
New Delhi

Maruti Suzuki India (MSIL) on Monday said its board has approved a ₹4,960 crore proposal to acquire land and expand manufacturing in Gujarat. The board granted approval to acquire land for the expansion of production capacity at Khoraj Industrial Estate from the Gujarat Industrial Development Corporation, and "the proposed capacity addition is up to one-million (10 lakh) units", MSIL said in a filing.

The investment would be made through a combination of internal accruals and external borrowings, to meet the demand in market, including exports. On the overall investment, the company said, it would be finalised and approved by the board while framing the phases of installation of capacity.

"The total existing capacity is around 24 lakh units per annum in Gurugram, Manesar, Kharkhoda (Haryana) and Hansalpur (Gujarat), with a capability to produce 26 lakh units per annum. This includes the units produced at erstwhile Suzuki Motor Gujarat Private Ltd, which has been amalgamated with the company," MSIL said, adding that the existing plants are running at full capacity at the moment.

MoU WITH IOCL

In 2024, Toshihiro Suzuki, President, Suzuki Motor Corporation had announced

that the company's Indian arm, Maruti Suzuki India, would invest ₹35,000 crore to set up its second manufacturing facility in Gujarat with an installed production capacity of 10 lakh units per annum.

Meanwhile, MSIL on Monday also announced the signing of a memorandum of understanding (MoU) with Indian Oil Corporation Limited (IOCL) to establish vehicle service facilities at several IOCL fuel retail outlets across the country.

SERVICE NETWORK

The initiative will strengthen Maruti Suzuki's service network, which already spans over 5,780 service touchpoints across 2,882 cities in India, it added.

"By partnering with Indian Oil Corporation Ltd, we will leverage their unmatched reach to take our after-sales service to locations frequently visited by customers. This collaboration marks a significant step to bring mobility and energy sector together...," Ram Suresh Akella, Executive Officer (Service), MSIL, said.

The Economic Times 14 January 2026

ET GRAPHICS

Strong Finish for Autos

Passenger vehicle sales closed 2025 on a strong note, growing by 27% in December from a year earlier. This lifted volumes by 5% to a record 4.49 million units in the year

Category	Dec 2024	Dec 2025	% chg
Passenger vehicles	3,14,934	3,99,216	26.8
Three-wheelers	52,733	61,924	17.4
Two-wheelers	11,05,565	15,41,036	39.4

Category	CY24	CY25	% chg
Passenger vehicles	42,74,793	44,89,717	5.0
Commercial vehicles	9,54,051	10,27,877	7.7
Three-wheelers	7,28,670	7,88,429	8.2
Two-wheelers	1,95,43,093	2,05,00,639	4.9
TOTAL	2,55,00,823	2,68,06,670	5.1

Domestic sales only; Source: Society of Indian Automobile Manufacturers

Exports also rose at a robust pace, growing in double digits across segments last year. **PV** exports increased by **16%**, **CVs** by **27%**, **three-wheelers** by **43%**, and **two-wheelers** by **24%** in **2025**

Passenger vehicles, commercial vehicles, and three-wheelers clocked record segment sales while two-wheelers posted second-highest sales ever in a calendar year

Two-wheeler sales also rose by about **5%** to **20.5 million units** and commercial vehicle sales by **7.7%** to **1.03 million units** in **2025**, showed data compiled and issued by **Siam** on **Tuesday**

The year 2025 began with a subdued first half, and the industry continued to navigate supply side challenges. Structural reforms, including income tax relief, successive repo rate cuts, and the rollout of GST 2.0, laid the foundation for a positive demand environment. GST rate reductions made vehicles more affordable and boosted the sector

SHAILESH CHANDRA
President, SIAM

OUTLOOK

Looking ahead, the industry expects the positive momentum to continue well into 2026, supported by stable macroeconomic conditions, improving affordability, and continued policy support

The industry will also continue to monitor geopolitical developments to ensure resilience in supply chain and export volumes

'Targeted Govt Support Needed to Drive Demand for Sub ₹10L EVs'

Segment key to mass adoption but faces structural cost hurdles: Tata PV head Chandra

Shally Seth Mohile

Mumbai: Scaling electric cars into mass-market adoption will remain a difficult task unless the government extends targeted support to e-cars priced below ₹10 lakh, said Shailesh Chandra, MD and CEO at Tata Passenger Vehicles, noting that the segment currently faces structural cost challenges.

More than half of India's car buyers are below the ₹10 lakh mark, a segment where the Tata Group automotive flagship sells the Tiago and Tigor electric cars. "If EVs have to go mainstream, this is the segment that must click," Chandra said on Tuesday, pointing out that in small cars, battery costs can account for nearly 70% of the vehicle price while customers still expect a real-world range of over 400 km.

The sharp reduction in prices of petrol and diesel cars under GST 2.0 have increased the price gap between the EVs and the traditional-fuel powered cars further pushing the price parity out of reach for entry-level EVs, he said.

India's electric car market leader wants the Centre to reintroduce incentives on such eco-friendly vehicles used in the fleet segment. He said while fleet vehicles make up only 7–8% of passenger vehicle sales, they contribute nearly 35% of passenger kilometres driven.

SHAILESH CHANDRA
MD and CEO, Tata Passenger Vehicles

From an environmental return-on-investment perspective, this is where government support delivers the biggest impact

"From an environmental return-on-investment perspective, this is where government support delivers the biggest impact," said Chandra. Prior to the PM e-Drive scheme which took effect from October 2024, e-cars in the fleet segment were getting subsidies of ₹10,000 per kWh, capped at ₹1.5 lakhs.

The top executive's comments come amid a mixed but ultimately strong 2025 for Tata Motors.

The year, according to Chandra, had "two unequal halves", with the first eight months under pressure till the GST cuts, which took effect on September 22, and demand improving sharply from November onwards.

The passenger vehicle industry ended the year with about 5-6% increase in wholesales or factory dispatches, while registrations or retail sales grew at a faster 9–10%. Tata Motors outpaced the industry growth, exiting the December quarter as the second-largest in the market.

Earlier in the day, the company introduced a facelift of its Punch micro-SUV, priced at ₹5.59 lakh to ₹9.29 lakh.

Business Line, 14 January 2026

'Macroeconomics, affordability & policy to power autos in 2026'

RIDE TO THE FUTURE. Income tax relief, GST cuts to lay foundation for demand growth

Our Bureau
New Delhi

The automobile industry expects the positive momentum to continue well into 2026, supported by stable macroeconomic conditions, improving affordability and continued policy support, while it will continue to monitor geopolitical developments to ensure resilience in supply chain and export volumes. Sharing monthly sales data, Shailesh Chandra, President, Society of Indian Automobile Manufacturers (SIAM), said 2025 was a landmark year.

"The year began with a subdued first half, and the industry continued to navigate supply side challenges. Multiple structural policy reforms, including income tax relief, successive repo rate cuts and rollout of GST 2.0, laid the foundation for a positive demand environment. The GST rate cut made vehicles more affordable and injected fresh momentum," he said.

UNDERCURRENTS. The industry will monitor geopolitical shifts to ensure resilience in supply chain and export volumes

PV GROWTH

Growth was broad-based across segments, with passenger vehicles (PVs), commercial vehicles (CVs) and three-wheelers (3Ws) recording highest-ever sales and two-wheelers (2Ws) posting second-highest sales ever, in a calendar year, he added. PVs grew by 5 per cent year-on-year (y-o-y) in the calendar year (CY25), with domestic dispatches of around 45 lakh units (44,89,717 units), as compared to 42,74,793 units in January-December 2024.

Total 2Ws dispatches grew by 5 per cent y-o-y to 2,05,00,639 units as compared with 1,95,43,093 in FY24. Similarly, 3Ws dispatches grew by 8.2 per cent y-o-y in FY25 to 7,88,42 units as compared with 7,28,670 units in the previous year.

Total commercial vehicles posted a 7.7 per cent y-o-y growth in 2025, with sales of 10,27,877 units, as compared to 9,54,051 units the previous year. The grand total across all categories grew by 5.1 per cent y-o-y to 2,68,06,670 units in the domestic market in 2025, compared with 2,55,00,823 units in 2024.

Meanwhile, exports grew in double digits across vehicle segments in 2025 compared to calendar year 2024. The industry exported 5,78,887 units in December 2025, up 21 per cent y-o-y against 4,79,426 units in December 2024. In terms of monthly dispatches, PV sales grew by around 27 per cent y-o-y to 3,99,216 units in December 2025, compared with 3,14,934 units in the same month of the previous year. Total 2W sales grew by 39.4 per cent y-o-y to 15,41,036 units during the month as compared with 11,05,565 units in December 2024. Total 3W sales grew by 17.4 per cent y-o-y to 61,924 units in December 2025 as compared with 52,733 units a year ago.

Business Standard, 15 January 2026

US auto firms hesitant to acquire parts from Indian manufacturers

Acma says tariff impact may become evident in H2FY26

DEEPAK PATEL
New Delhi, 14 January

Automakers in the US and its neighbouring countries are showing hesitation in discussions on import supply contracts with Indian auto component manufacturers for new projects due to recent high tariffs imposed by President Donald Trump's administration, the Automotive Component Manufacturers Association of India (Acma) said on Wednesday.

The Association said exports from India to the US remained flat year-on-year (Y-o-Y) at around $3.64 billion in the first half of 2025-26 (H1FY26), adding that the impact of tariffs is expected to become evident from H2FY26.

The US, which is Indian auto component industry's largest export market, imposed a 25 per cent tariff on India last year.

Addressing a press conference, Acma President-designate Sriram Viji said higher tariffs imposed by the US on several countries, including India, have created uncertainty among buyers. "...the tariffs imposed by the US on much of the world and India have led to a lot of hesitation from companies in the US and the Nafta (North American Free Trade Agreement) region to source components for their new projects from firms in India," he added.

Viji, who is also the managing director (MD) of Brakes India, noted that while existing components trade with the US may continue in the near term, the bigger concern lies in future orders. "While the immediate auto components trade may not take a hit, you will see hesitation in people awarding businesses that are a year, or two years, or three years down the line. This is a big cause of concern for many people in the industry," he noted.

Viji added that India faces a disadvantage as some countries have secured more favourable tariff terms under US trade rules. "Some countries have negotiated new beneficial tariff rates under Section 232 (the US Trade Expansion Act of 1962). India does have a disadvantage in that context, competing with some other countries out there," he said.

Trade trajectory

Indian auto component industry's exports to the US

Exports (in $ billion)

H1FY21	1.639
H1FY22	2.97
H1FY23	3.325
H1FY24	3.387
H1FY25	3.67
H1FY26	3.64

Source: ACMA

Section 232 is a clause in the Act that permits the US President to impose tariffs or trade restrictions on imports on national security grounds.

According to Viji, even small differences in import duties can materially affect sourcing decisions. "Even a 10 per cent tariff rate difference between countries will make a significant shift in trade because margins are relatively thin and absorbing those kinds of price differences is very hard for (Indian) companies... Unless we see either some resolution on this front, or at least stability or clarity on where things are going, I think there would be some challenges going forward with respect to trade, especially with the US," he mentioned.

Vikrampati Singhania, MD of JK Fenner (India) and president of Acma, said uncertainty with the US over tariff issues has already begun to affect fresh orders. "New contracts, which are due, are in a little bit of limbo while the existing supply chain is continuing right now... A supplier has to go through a stringent qualification process before starting supplying components to an automaker. This is why it is not easy to immediately switch suppliers," he noted.

"To some extent, the rupee depreciation against the dollar has helped cushion the impact of US tariff a little bit," he mentioned.

Indian auto component industry's overall exports in H1FY26 stood at $12.2 billion, recording a growth of 9.3 per cent Y-o-Y, according to Acma. After the US, Germany, Thailand, Brazil and the UAE are the top export markets for the industry.

The industry's imports, meanwhile, grew at a faster rate than its exports. In H1FY26, its imports stood at $12.3 billion, recording a 12.5 per cent Y-o-Y growth.

Business Line, 15 January 2026

'Luxury car market to remain flat in 2026'

S Ronendra Singh
New Delhi

Mercedes-Benz India, the leader in the luxury car segment, announced on Wednesday that the industry is expected to remain flat this year. Despite a 6 per cent reduction in GST, a top official noted that economic headwinds, particularly foreign exchange (forex) depreciation, continue to weigh on growth. The company has already done price adjustments up to 2 per cent effective January, across its model range on ex-showroom prices, driven by increased material costs, inflationary pressures, and logistics expenses, leading to higher operational costs.

Santosh Iyer, Managing Director and Chief Executive Officer, Mercedes-Benz India

As per industry estimates, the luxury car market in India grew by around 2 per cent in calendar year (CY) 2025 to around 52,100 units as compared with around 51,200 units in CY 2024. The market had crossed 50,000 units for the first time in CY 2024. Recently, the BMW Group India had declared its sales numbers that grew by 14.4 per cent on year in CY 2025 to 18,001 units as compared with 15,723 units in CY 2024.

However, 'Q8' maker, Audi India reported a decline of 22.4 per cent on year to 4,510 units last year as compared with 5,816 units in CY 2024.

"Major factor is sentiment driven... because of all the geopolitical reasons, the sentiment has been on and off in terms of purchase, and that makes it a more flattish kind of luxury cars growth in 2026," Santosh Iyer, Managing Director and Chief Executive Officer, Mercedes-Benz India, told *businessline.*

Having said that, he added that while on one side there is a strong headwind because of currency and geopolitics, on the other side, there is a strong positive tailwind from policy, too. For instance, the overall GDP is strong, he noted.

"The government has been very active last year. Three things — they actually reduced the tax slabs or changed the tax slabs favourably, the interest rate reductions from RBI, and we saw GST reduction. So I think the government is also riding on the growth CAGR, and they will be proactive to do more stimulus even in 2026," Iyer said.

POSITIVE SENTIMENT

"Also, the free trade agreement (FTA) talks, like the one with the European Union, in the background, provide a strong positive sentiment. So, there are enough headwinds," he added. Meanwhile, the company on Wednesday said its CY 2025 sales declined by 3 per cent on year to 19,007 units as compared with 19,565 units in CY 2024. Iyer said the firm has decided to focus on growing its top-end vehicles (TEVs) and core segment and not participate in the pricing war in entry level luxury cars. Sales of TEVs, which are priced above ₹1.5 crore, grew by 11 per cent and comprised 25 per cent of all Mercedes-Benz vehicles sold in India in 2025. The high-performance AMG portfolio also grew by 34 per cent on year.

Business Line, 15 January 2026

US tariffs unlikely to hit automotive parts industry until FY27: ACMA

S Ronendra Singh
New Delhi

Despite immediate pressure from US tariffs, the auto parts industry should see long-term stability beginning 2027, a top official at the Automotive Component Manufacturers Association of India (ACMA) said on Wednesday.

"So far, the impact has not been seen. But the true effect of this would come in the second half of the year in mid-August... Our view is that ongoing programmes (new investment) may last a little longer because original equipment manufacturers (OEMs) and companies need to validate suppliers and supply chain. It takes time for them to switch sources to alternatives. New programmes from some companies have certainly slowed down at this point in time. So, the impact may not be in 2026, it could be in 2027 (financial year)," Vikrampati Singhania, President, ACMA, told *businessline*.

Speaking on the sidelines of the half yearly (H1 FY26) review of the components industry, he said that some companies already have production bases in eastern Europe or Mexico and that will continue to work well. Some Indian auto component industries are exploring this idea of setting up alternate bases, he added.

According to ACMA, in H1 FY26 (April–September 2025), the exports to the US (North America market) has declined marginally year-on-year (y-o-y) to $3.64 billion as compared with $3.67 billion in H1 FY25. However, imports from the US has increased marginally y-o-y to $0.92 billion during the period as compared with $0.79 billion in H1 FY25.

RETAIL SENTIMENT

Meanwhile, on the overall performance in H1 FY26, Singhania said while demand conditions in the first half were driven largely by underlying domestic fundamentals, the second half is expected to benefit from improving retail sentiment, supported by recent policy measures, seasonal demand and continued infrastructure-led activity. ACMA's latest report stated the component industry grew by 6.8 per cent y-o-y to ₹3.56 lakh crore ($41.2 billion) in H1 FY26, as compared with ₹3.33 lakh crore a year ago.

ELECTRIC VEHICLES

Business Line, 1 January 2026

Electric two-wheeler registrations cross 1 million for second year in a row in 2025

T E Raja Simhan

Chennai

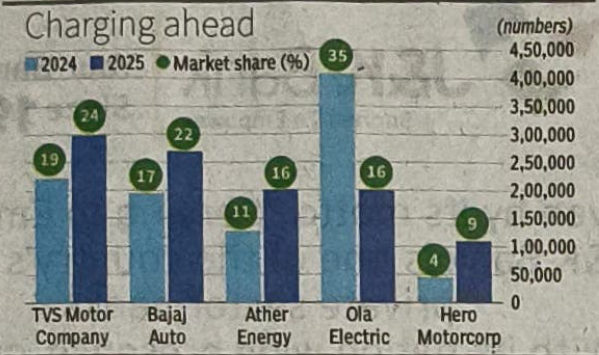
Registration of electric two-wheelers (e-2W), both pure EV and battery-operated vehicles, crossed the 1 million mark for the second time in a row in 2025.

TVS Motor led the pack in 2025 with Bajaj Auto, Ather Energy and Hero MotoCorp making substantial gains, eating into Ola Electric's market share, which saw a steep decline. e-2W registrations rose by 11 per cent in the calendar year 2025 to 12,68,334 units (1.26 million) as against 11,44,206 units (1.14 million) in the previous year and 8,58,356 (0.8 million) in 2023, according Vahan data collated at 3 pm on Wednesday.

TVS Motor (iQube model) continued to lead the pack in 2025, with Bajaj Auto (Chetak) in the second position, followed by Ather Energy, Hero Motocorp and Ola Electric. TVS Motor's market share increased to 24 per cent in 2025 against 19 per cent the previous year. Bajaj saw its market share increase to 21 per cent from 17 per cent.

However, Ola saw its market share decline sharply to 16 per cent from 35 per cent, according to the data.

In December 2025, total e-2W registrations stood at 92,247 units against 91,984 in November. TVS continued its lead over Bajaj Auto.



Source: Data from Vahan portal as of 3 pm

COST DYNAMICS

Despite the rise in registrations, Poonam Upadhyay, Director, Crisil Ratings, said the e-2W penetration rate had plateaued around 6 per cent of total two-wheeler sales as policy and cost dynamics had evolved.

Notably, the GST 2.0 regime had reduced the tax differential between ICE and e-2W, with ICE models now taxed at 18 per cent, she pointed out. In contrast, EVs continue to attract a lower GST rate of 5 per cent.

This narrowed the tax gap and reduced the upfront price advantage of EVs, leading to decreased cost competitiveness. Additionally, temporary supply chain constraints, such as rare earth magnet shortages, impacted the sector, she said.

"Looking ahead, the e-2W segment is poised for sustainable, performance-driven growth. CY26 growth is expected to be in the high single- to low double-digit range, driven by improving product offerings, established brands and enduring total cost of ownership benefits, rather than relying on subsidy-led volume growth," she said.

Business Line, 2 January 2026

e4W registrations soar 88% year-on-year in 2025

GREEN MILE. Count at 1,69,854 units against 90,525 in 2024 and 73,280 in 2023

T E Raja Simhan
Chennai

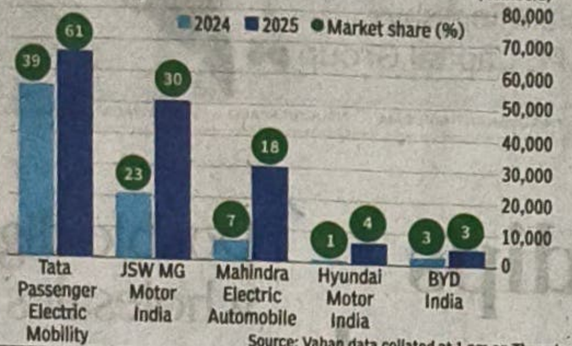
2025 saw a strong patronage of electric motor cars (e4W) by consumers with registrations in both battery-operated vehicles and pure electric vehicles increasing by 88 per cent to 1,69,854 units, as against 90,525 units in 2024 and 73,280 in 2023, according to latest Vahan data.

While Tata Passenger Electric Mobility with its Nexon, Punch and Tiago models continues to lead the pack, JSW MG Motor (with the performance of Windsor and Comet) and Mahindra Electric, with the demand for XUV400 EV, XUV 9e, and BE 6, decreased the market share of Tata.

Tata Passenger Electric Mobily's market share in 2025 dropped to 39 per cent from 61 per cent in 2025. On the other hand, JSW MG's market share increased to 30 per cent (23 per cent last year).

Mahindra Electric saw the sharpest increase as it grew market share to 18 per cent as of December 2025, from 7 per cent last year, Vahan data showed.

Giant leap



Source: Vahan data collated at 1 pm on Thursday

FOURTH SPOT

Hyundai Motor overtook BYD to take the fourth spot in the electric 4W toppers table, with its market share now at 4 per cent in 2025.

In the month of December, registrations of motor car EVs were down by 4 per cent at 14,465 units as against 15,140 in November. Among the top five OEMs, Tata Passenger Electric Mobily managed to post a slight increase while the other four saw a decline.

NEW ENTRANTS

The two new entrants in the Indian electric car market, Vinfast and Tesla, closed their maiden year with 825 registrations and 225 registrations respectively. Vinfast, with a more affordable price point, continues to outpace its more premium rival Tesla.

In December, Vinfast saw registration of 385 vehicles as against 308 in November; while Tesla's number rose to 68 in December versus 48 in November.

The Economic Times, 3 January 2026

BYD Rear-ends Tesla to Take Pole Position in EV Circuit

Sales slide for second year running at Musk-owned carmaker, end of US tax credit hits; Chinese major gains in Europe

Reuters

Tesla ceded its crown as the world's top electric vehicle maker to China's BYD after annual sales fell for a second year, with intensifying competition, the expiration of U.S. tax credits and damage to the automaker's brand hurting demand.

With global EV sales rising 28% last year, BYD outsold Tesla for the first time on an annual basis, helped by rapid growth in Europe where the Chinese automaker has been widening its lead over the U.S. rival.

The annual deliveries figure raises questions about whether Tesla can stabilize its core auto business following two consecutive years of sales declines, even as it pivots to futuristic projects such as robotics and self-driving cars to justify its steep valuation.

Tesla shares were marginally up in early trading.

"I think the market remains focused on the robotaxi business, where Tesla is testing its Cybercab in Austin," said Seth Goldstein, senior equity research analyst at Morningstar.

RELATED REPORTS ▸▸ 4, 5

"If deliveries can continue to not be down too much in the coming quarters, I expect market sentiment around the robotaxi will continue to drive the stock," Goldstein added.

Tesla's fourth-quarter figures come after third-quarter deliveries were supported by a rush to lock in U.S. EV tax credits before they expired at the end of September, followed by a sharper slowdown as incentives rolled off.

EV demand has softened in the U.S. since the end of September, when President Donald Trump's administration ended $7,500 federal tax credits.

Tesla said it delivered 418,227 vehicles in the October–December quarter, down 15.6% from 495,570 a year earlier. Analysts expected 434,487 vehicles or a 12.3% drop, according to Visible Alpha.

For the full year, Tesla delivered 1.64 million vehicles, compared with 1.79 million in 2024. Analysts polled by Visible Alpha had expected deliveries of about 1.65 million vehicles, marking the company's second consecutive annual decline.

Business Standard, 3 January 2026

Delhi CM, minister meet six automakers on EV Policy 2.0

Charging infra, grid adaptability discussed at two separate meetings

DEEPAK PATEL
New Delhi, 2 January

As the national capital continues to choke amid severe pollution, Delhi Chief Minister Rekha Gupta and Transport Minister Pankaj Kumar Singh *(pictured)* on Friday separately met six automakers to discuss the draft Electric Vehicle (EV) Policy 2.0, government officials and industry sources told *Business Standard*. The discussions centred around a few broad issues — whether strong hybrid cars should qualify for incentives under the new policy, bottlenecks in quickly expanding charging infrastructure and the impact of large-scale EV adoption on the power grid.

There were also concerns around end-of-life battery disposal, the design of demand-side incentives, including scrappage-linked benefits and purchase subsidies, and possible support measures for fleet operators to accelerate transition to electric mobility.

The six automakers that attended the two meetings were Maruti Suzuki India (MSIL), Honda Cars India, Toyota Kirloskar Motor (TKM), Tata Passenger Electric Mobility (TPEM), Mahindra & Mahindra (M&M) and JSW MG Motor. Of these, MSIL, Honda and TKM do not currently sell electric cars in India, though MSIL plans to launch its first electric model in the first half of this year.

According to Federation of Automobile Dealers Associations (Fada) data, TPEM, JSW MG Motor, M&M, Kia, BYD and Hyundai were the top six electric vehicle makers by volume in October 2025. Kia, BYD and Hyundai, however, were not invited to the two meetings.

AUTOMAKERS FLAGGED ACCESS TO LAND AS THE BIGGEST CONSTRAINT, PARTICULARLY IN AREAS CONTROLLED BY AGENCIES SUCH AS THE NDMC, WHICH HAS BEEN RELUCTANT TO ALLOCATE SPACE

On incentives for strong hybrid cars, the two meetings saw a clear divergence of views among automakers.

Companies such as Maruti Suzuki and Toyota argued that strong hybrids should be incentivised as they offer better fuel efficiency and lower emissions than conventional internal combustion engine (ICE) vehicles.

However, other manufacturers, including TPEM, M&M and JSW MG Motor, opposed the move, arguing that policy support should remain firmly focused on fully electric vehicles. According to an official present at the meeting, the Delhi government is discussing whether to prioritise a faster shift towards electric vehicles in view of the severity of the city's air pollution problem.

The official added that the parliamentary standing committee report tabled on December 12 was also discussed. The report had recommended that central incentives be directed exclusively towards EVs rather than hybrid vehicles. It noted that hybrids continue to rely on fossil fuels and emit tailpipe pollutants unlike "true zero-emission vehicles."

Charging infrastructure was another key focus, with the government seeking inputs on obstacles to scale up charging points across Delhi.

Automakers flagged access to land as the biggest constraint, particularly in areas controlled by agencies such as the New Delhi Municipal Council (NDMC), which they said has been reluctant to allocate space.Industry representatives said that if land is made available wherever feasible, charging infrastructure could be rolled out quickly and at scale. This would significantly increase the number of public charging points in the city.

The meetings also examined whether the power distribution network could handle a sharp rise in EV adoption.

Automakers told officials that the additional load from home charging would be limited, estimated at no more than 1.4 per cent, while public fast chargers could add less than 10 per cent to the grid load.

They said these increases could be managed with better planning and coordination with power distribution companies (discoms). They cited global examples such as Beijing, where EV users are encouraged to charge during non-peak hours through lower tariffs. Battery disposal and end-of-life management was another concern raised by the government.

Automakers pointed to the existing extended producer responsibility (EPR) norms, which mandate proper collection and recycling of battery waste. They said compliance with these guidelines should address environmental concerns. Demand-side incentives were also discussed, particularly the need to redesign benefits for consumers scrapping older vehicles and shifting to EVs.

Officials acknowledged that since EVs are already exempt from road tax in Delhi, existing scrappage-linked incentives on road tax offer limited value, and a new mechanism may be required.

The government is also considering reintroducing purchase-time subsidies for EVs under Policy 2.0, sources said.

Business Line, 10 January 2026

Ashok Leyland opens plant in Lucknow to manufacture EVs

STRONG START. The unit has the capacity to produce up to 5,000 vehicles annually

Our Bureau
Chennai

Commercial vehicle maker Ashok Leyland, the flagship of the Hinduja Group, on Friday inaugurated its latest integrated commercial vehicle plant in Lucknow that focuses on green mobility.

The plant was inaugurated by Uttar Pradesh Chief Minister Yogi Adityanath, Union Minister of Defence Rajnath Singh and Union Minister of Heavy Industries and Public Enterprises HD Kumaraswamy.

The primary focus of the plant will be the production of electric vehicles. It is designed to produce up to 5,000 vehicles annually. Most of the employees are from Uttar Pradesh, with a significant percentage of women workforce, according to a statement.

GREEN DRIVE. The inauguration of the plant marks the beginning of an important chapter for Ashok Leyland in Uttar Pradesh, said Dheeraj Hinduja, Chairman SANDEEP SAXENA

GREEN FACILITY

Designed as a green facility, the plant incorporates rooftop solar panels, energy-efficient LED lighting, battery-operated in-plant logistics, positive water balance initiatives and a zero-discharge system.

'NEW CHAPTER BEGINS'

Dheeraj Hinduja, Chairman, Ashok Leyland, said: "The inauguration of this new plant marks the beginning of an important chapter for Ashok Leyland in Uttar Pradesh. Our Group remains deeply committed to unlocking further opportunities that drive economic growth, create meaningful employment and foster long-term prosperity in the region."

He added: "This manufacturing plant reaffirms our resolve to help shape the future of India's commercial vehicle industry, and we are confident it will make a strong contribution towards employment generation while advancing sustainable mobility."

Shenu Agarwal, MD and CEO, Ashok Leyland, said: "Uttar Pradesh has demonstrated a strong and consistent commitment to environmental responsibility and sustainable development, making it a natural partner in our green mobility journey. This, coupled with Ashok Leyland's ambition to achieve Net Zero by 2048, has been a key catalyst for establishing this facility in Uttar Pradesh."

The Economic Times, 13 January 2026

GEARING UP FOR FTA WITH EUROPEAN UNION

Destination EU: Incentive for Electric Car may be Tweaked

EU expected to cut tariffs on fully built or semi-knocked down EVs

Twesh Mishra

New Delhi: India could revamp its incentive scheme for electric passenger car manufacturing since the proposed free trade agreement (FTA) with the European Union (EU) is expected to offer tariff cuts on fully built or semi-knocked-down electric vehicles, said people familiar with the matter.

Officials are evaluating changes to the Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI), which relies primarily on import duty concessions, including the introduction of more direct incentives, to entice global premium EV makers establish manufacturing bases in the country, the people said.

"SPMEPCI will need to change after the India-EU FTA," a senior official told ET, adding that the government has yet to get any application under this scheme.

Global automakers have listed the ongoing India-EU FTA negotiations, and China's curbs on rare earth magnet exports among reasons for not participating in SPMEPCI, minister of state for heavy industries, Bhupathiraju Srinivasa Varma informed the Lok Sabha last month.

India and the EU are continuing negotiations for the FTA, expected to be announced early next year.

Companies had conveyed they may decide on joining SPMEPCI after the India-EU FTA if finalised. Sector watchers emphasised that making an investment commitment under this scheme solely due to the concessional duty sops won't be feasible since a possible FTA could offer this incentive without the capital expenditure mandate.

Cos have conveyed they may decide on joining SPMEPCI after the India-EU FTA if finalised

In addition, automakers noted that the investment threshold requirements and timelines may pose a challenge, Varma said at the time.

The Centre approved SPMEPCI in March 2024 and subsequently held multiple rounds of deliberations with potential participants. Scheme guidelines were approved in June 2025 following which the invitation of applications window was opened till last October, but there were no responses.

This was despite the Centre writing to embassies of countries which have established automotive industries, encouraging them to participate in the scheme. Invitations were extended to Vietnam, Germany, Czech Republic, UK, and the US, officials had said.

SPMEPCI offered importing completely built-up units (CBUs) of electric four-wheelers with a minimum import value of $35,000 at reduced customs duty of 15% for five years.

Weetening the Deal

SPMEPCI under review

Officials evaluating changes to the scheme

It mainly offers import duty concessions to attract global cos

Govt considering direct incentives to boost mfg

KEY CONCERNS FLAGGED:

Ongoing India-EU FTA negotiations

China's restrictions on rare earth magnet exports

INDIA-EU FTA

Lower duty on cars expected

Boost for trade

Business Standard, 15 January 2026

Bajaj Auto plans to take Chetak EVs to over 100 countries

SOHINI DAS
Akurdi (Pune), 14 January

Bajaj Auto is planning a slow, calibrated push to take the Chetak, its electric scooter, to more than 100 countries on the strength of its distributor network and market-specific localisation rather than an aggressive global roll-out, said Rishab Bajaj, general manager, electric-vehicle (EV) two- and three-wheelers, at the launch of the Chetak C25 on Wednesday.

The launch, at Bajaj Auto's Akurdi campus, was the first occasion when Rishab Bajaj, son of Bajaj Auto Managing Director and Chief Executive Officer Rajiv Bajaj, fielded questions on the company's electric two-wheeler strategy.

His presence signalled a generational transition and underscored his rising responsibilities in the company.

Rishab joined Bajaj Auto about four years ago, and is now involved in shaping the Chetak's product, pricing, and expansion.

Rishab Bajaj (*centre*), general manager, electric-vehicle two- and three-wheelers, Bajaj Auto, with his team at the Chetak C25 launch

Bajaj Auto is exporting the Chetak to markets such as Nepal and Sri Lanka, apart from the Philippines, though the volumes are small, said Rakesh Sharma, executive director.

Rishab told *Business Standard*: "While the goal is more than 100 countries, it has to be done one step at a time."

"Every country has its own regulations, infrastructure, and requirements. Certification alone can take up to six months in some markets, and there is some localisation required. All of that is in the pipeline."

Rishab acknowledged the uncertainty on EV exports, particularly issues related to charging infrastructure, the quality of electricity, and service readiness in overseas markets.

He said Bajaj Auto's decades-old distributor network provided a strong foundation. "Our distributors across continents are our eyes and ears on the ground. They have a strong association with local markets, and we meet them regularly."

The export push comes as Bajaj Auto consolidates its position in India's electric two-wheeler market. The company in February last year emerged as the top electric two-wheeler maker and followed it up with its best ever monthly sales of 35,214 units in March.

Last year the Chetak's retail sales stood at 269,847 units, up 39.34 per cent year-on-year, securing second position and narrowing the gap with market leader TVS Motor, which sold 298,881 units.

Production and retail sales were affected during July and August due to supply-chain disruption linked to rare-earth magnets.

"We've covered all bases on the supply side and have a strong production facility. Our teams are working to improve throughput and cater to more customers faster. I don't see any concern on supply."

Bajaj Auto launched the Chetak C25 at a starting price of ₹91,399 (including central-government subsidy under the PM E-DRIVE scheme), positioning it as a more affordable and practical addition to the Chetak range. The scooter is powered by a 2.5 kWh NMC battery pack with a claimed range of 113 km per charge and supports 0-80 per cent charging in two hours and 25 minutes. It offers 25 litres of under-seat storage and is 22 kg lighter than the previous-generation model. The C25 comes with a warranty of three years or 50,000 km.

TRACTOR

Business Line, 10 January 2026

Domestic tractor sales cross 10 lakh units in '25

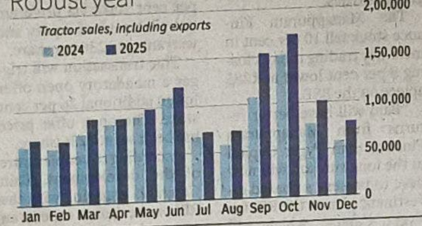
T E Raja Simhan
Chennai

It was a double delight for the Indian tractor industry in 2025. For the first time, domestic tractor sales in a calendar year crossed the 10 lakh mark with exports crossing 1 lakh.

In 2025, domestic tractor sales were at 10.90 lakh units against 9.10 lakh units in 2024.

Domestic sales were up by 20 per cent over the previous year, according to Tractor Manufacturers' Association data. The increase in sales was mainly attributed to conducive weather conditions, lower GST rates and strong kharif output, said industry sources.

Robust year



Source: Tractor Manufacturers Association

Similarly, exports crossed the 1 lakh mark to 1,05,006 units in 2025, an increase of 7 per cent when compared to 97,745 units in the year-ago period, according to the data.

In December 2025, domestic sales were up by 35 per cent to 69,890 units against 50,993 in December 2024. Similarly, exports were up 22 per cent to 9,815 (8,074).

STRONG PERFORMANCE

Escorts Kubota, in a recent business update, said that the domestic tractor industry sustained its strong performance in December, propelled by supportive government policies, lower GST rates and continued State subsidies that enhanced affordability for farmers.

Increase in sales was attributed to conducive weather conditions, lower GST rates and strong kharif output

The industry benefited from a strong kharif output, enhanced rabi sowing compared to last year, increased water availability and positive rural sentiment, all of which contributed to heightened retail demand.

With these encouraging factors in place, the industry is poised to sustain its growth momentum in the upcoming months, the company said.

Veejay Nakra, President, Farm Equipment Business, Mahindra & Mahindra Ltd, in the business update for December, said that cash flow availability in the market had improved, supported by favourable crop yields following the kharif harvest.

Additionally, conducive weather conditions and healthy reservoir levels had contributed to an increase in the rabi sowing acreage, which is expected to sustain tractor demand in the coming months.

RAW MATERIAL

Business Standard, 1 January 2026

Steel safeguard duty imposed for 3 yrs

Move aimed at curbing cheap imports coming from China

SAKET KUMAR
New Delhi, 31 December

The Centre has imposed a safeguard duty of up to 12 per cent on import of some steel products for three years, aiming to shield domestic producers from low-priced steel products from China and some other countries.

The Central government had in April this year imposed a 12 per cent "provisional" safeguard duty on these steel imports, which expired on 7 November. According to experts, it pulled down monthly volumes by around 33 per cent year-on-year.

Safeguard duties are temporary trade remedies allowed under WTO norms to protect domestic industries from import surges.

The move comes after the Directorate General of Trade Remedies' (DGTR's) final findings in August, which concluded that imports of key steel flat products had risen in a "recent, sudden and significant manner, threatening serious injury to the domestic industry".

The Centre's "provisional" safeguard duty was based on DGTR's preliminary findings.

The Tuesday notification — issued by the Union finance ministry — says that the safeguard duty applies to a broad range of steel flat products including hot-rolled coils, sheets and plates, hot-rolled plate mill plates, cold-rolled coils and sheets, metallic coated steel and other colour-coated products classified under the Customs Tariff Act.

The duty will be levied at 12 per cent from April 21, 2025 to April 20, 2026. The rate will taper to 11.5 per cent in the second year and 11 per cent in the third year, with the safeguard protection ending on April 20, 2028.

Country-specific exemptions have also been provided for imports from certain developing nations, though China and, for some selected products, Vietnam and Nepal, have been excluded from these relaxations. Several specialised steel products including stainless steel, electrical steel, tinplate and aluminium-coated steel are excluded from the scope of the duty.

Imports priced above specified threshold levels on a Cost, Insurance and Freight (CIF) basis will be exempt from this recent levy.

These include hot-rolled coils, sheets and plates priced at or above $675 per tonne, cold-rolled coils and sheets priced at or above $824 per tonne, metallic coated steel priced at or above $861 per tonne, and colour-coated products priced at or above $964 per tonne. The extension comes at a time when domestic steelmakers are facing margin pressure despite steady domestic demand. However, muted global demand and threat of routing of surplus steel into the country continue to be a worry. Earnings are expected to remain subdued as margins have tightened due to softer prices, Sumit Jhunjhunwala, vice-president and sector head at Icra, said during the rating agency's recent webinar on steel industry trends and outlook.

Domestic steel prices have been trading at unusually steep discounts to import parity. Hot-rolled coil prices were around ₹46,000 per tonne in early December, compared with landed import costs of around ₹54,000 per tonne, implying a discount of nearly $93 per tonne.

Jhunjhunwala described the situation as "historically unusual", noting that domestic prices typically trade at parity or at a slight premium when demand is strong.

He said Ebitda per tonne is expected to be around $108 in FY26, at the lower end of Icra's $100-$150 per tonne range for a stable outlook, and cautioned that further cost, price or demand headwinds in FY27 could lead to a revision of the sector outlook to negative.

More on business-standard.com

CBAM may force steel, aluminium firms to cut prices by 22%: GTRI

Indian steel and aluminium exporters may be forced to cut prices by 15-22 per cent to retain access to the European Union (EU) market from January 1, 2026, when the EU's Carbon Border Adjustment Mechanism (CBAM) enters its payment phase, according to a report by the Global Trade Research Initiative (GTRI).

Under CBAM, every shipment of steel and aluminium entering the EU will carry a carbon cost linked to the emissions generated during production. While the tax will be formally paid by EU-based importers through the purchase of CBAM certificates, the financial burden is expected to be passed back to Indian exporters through lower prices and tighter contract terms, the report said.

GTRI warned that exporters using high emission production routes, particularly blast furnace-basic oxygen furnace (BF-BOF) steelmaking and coal based power for aluminium, will face the steepest loss of competitiveness. In contrast, producers using gas based direct reduced iron, scrap based electric arc furnaces or cleaner electricity could gain market share by becoming "cheaper after carbon".

BS REPORTER

Business Standard, 7 January 2026

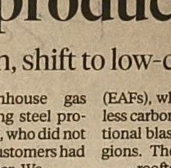
Steelmakers rejig production system as CBAM kicks in

Companies secure emission verification, shift to low-carbon routes even as lawyers flag risks for small exporters

SAKET KUMAR
New Delhi, 6 January

Indian steel exporters supplying to the European Union (EU) are reworking production processes, certification systems, and supply chains to deal with the EU's Carbon Border Adjustment Mechanism (CBAM), even as lawyers warn that legal, compliance, and commercial risks could intensify sharply now that the levy has entered its payment phase from January 1, 2026.

A senior executive at a top Indian steelmaker told *Business Standard* that the company has secured EU-recognised plant-level emissions verification and begun exporting lower-emission steel to Europe, aligning shipments in advance with CBAM requirements. "Our company has tied up with an international certification body to issue environmental product declarations (EPDs), documents that disclose the embedded carbon, or total greenhouse gas emissions generated during steel production," said the executive, who did not wish to be identified. "EU customers had started pushing much earlier. We did not want to wait till 2026."



Under CBAM, exporters must report verified emissions data for steel and aluminium sold into the EU. If data is not verified by EU-accredited agencies, authorities apply default values based on the worst-performing producers in Europe, raising the payable carbon levy. "If data is not available, default values get applied and that can make exports unviable. That risk ultimately gets passed back to the exporters," the executive said.

To limit exposure, the company is segmenting production based on destination markets. It is exporting steel produced through electric arc furnaces (EAFs), which use steel scrap and emit less carbon, to Europe while using traditional blast furnace routes for other regions. The firm has also invested in rooftop solar installations and coal gasification units to reduce emissions intensity, and is designing new plants as low-emission facilities. However, the executive acknowledged that CBAM compliance will raise costs, particularly for EAF-based steel. "There will be an increase in production costs, particularly when steel is made through EAFs, although it is difficult to quantify the impact at this stage."

Executives at Tata Steel echoed similar pressures in an analyst call recently following the company's results for the second quarter of 2025-26, highlighting that carbon costs are already becoming a material factor in European steelmaking. "There is already a carbon cost coming in, and as carbon prices rise, the economic case for electric arc furnaces becomes stronger. Typically, the cost difference between an EAF route and a blast furnace route is about $100 per tonne," said T V Narendran, managing director and chief executive officer of Tata Steel.

Legal experts advising exporters on CBAM warn that not all companies are equally prepared and that compliance involves significant complexity. "From the firms we are advising, determining 'embedded carbon' is far from straightforward. We are seeing that differences in 'accounting boundaries' — what is included versus excluded — can lead to divergent numbers between the exporter, the importer, and the EU verifier," said Ankur Arora, partner at Argus Partners.

Stress is already visible among exporters, prompting a rise in legal consultations. "We have seen an increased number of queries from clients. Contract renegotiation is becoming imperative as CBAM's payment phase fundamentally alters the economics of EU-India trade," said Shashi Mathews, partner at CMS INDUSLAW. Without protective pricing and indemnity clauses, exporters, particularly smaller firms, may be forced to absorb carbon costs, squeezing margins, Mathews added.

Arora flagged what he described as a looming "verification vacuum", citing a severe shortage of EU-accredited emissions verifiers in India. Once CBAM enters its definitive phase, self-reported emissions data will no longer be accepted. "If exporters cannot secure a verification slot, their data gets rejected, triggering default values that make exports commercially unviable," he said. If actual data is not verified, the EU applies punitive default values based on the worst-performing European producers, legally binding importers to pay higher taxes that are inevitably passed down to Indian exporters.

The Economic Times, 7 January 2026

Initial Probe by CCI Finds Steel Biggies Colluding Over Pricing

Tata, JSW, JSPL, SAIL, among others, under lens; top executives liable too

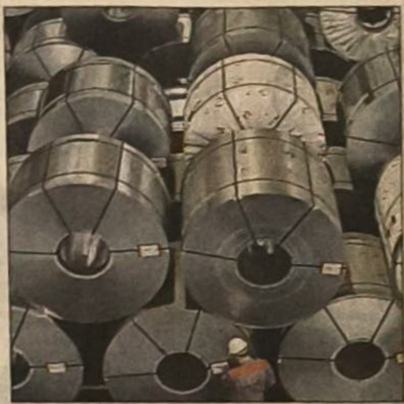
Our Bureau

New Delhi: An initial probe by the Competition Commission of India's (CCI's) investigation wing has found that 28 steel companies, including Tata Steel, JSW Steel, JSPL and state-run SAIL, violated antitrust rules by colluding over pricing, people aware of the development said.

The report by the CCI's director general (DG) for investigations, firmed up in October 2025, also held top executives of these companies, including Tata Steel's TV Narendran and JSW's Sajjan Jindal, liable for the rule breach, the people said.

The collusion over pricing allegedly took place at different periods between 2015 and 2023. All these steel players are learnt to have refuted the allegations of wrongdoing.

The CCI probe followed a July 2021 order by the Madras High Court, asking the regulator to investigate allegations of cartelisation by steel manufacturers labelled by the Coimbatore Corporation Contractors Welfare Association. The body had accused the steel manufacturers of controlling supply and creating artificial shortages in the market, thereby jacking up the metal prices and cornering unlawful gains.



The probe was later expanded to cover 30-odd steel companies and industry groups, along with dozens of senior executives.

Final report awaited

To be sure, the CCI is yet to finalise its order, which is usually done by the CCI coram—comprising the chairperson and at least two members–after thoroughly assessing the DG's report and giving all the relevant parties adequate chances to respond to the findings.

If required, these key CCI functionaries can direct further investigation by the DG before pronouncing the final regulatory order. In critical cases, this process can take months even after the submission of the DG's initial report.

The steel companies did not respond to queries sent late Tuesday evening. CCI chairperson Ravneet Kaur couldn't immediately be contacted for her response.

"All domestic steel players are trying to get the limited market space. There is no price manipulation or cartelisation possible among the large and medium steel players," a sector industry representative said.

"This seems to be a local issue in small retail pockets which are being extrapolated," he added.

Business Line, 8 January 2026

Steel companies hike prices by ₹4,000/t post safeguard levy

DUTY FALLOUT. Hot-rolled coil rate raised to ₹51,000/ tonne, cold-rolled coil by 2-4%

Suresh P Iyengar
Mumbai

STABILISING DOWNSTREAM SUPPLY. The Centre, last month, imposed a safeguard duty of 11-12% for three years PTI

Days after India imposed a safeguard duty, steel companies increased prices by ₹4,000-4,500 a tonne, bringing it closer to import parity.

Prices of hot-rolled coil were hiked by ₹4,000 to ₹51,000 a tonne while cold-rolled coil prices were increased by 2-4 per cent depending on the quality and specifications, said trade sources.

The government, late last month, imposed the safeguard duty of 11-12 per cent for three years on steel. Starting at 12 per cent, the duty will progressively reduce to 11.5 per cent and 11 per cent in the next two years.

The Centre has included a price-based exemption mechanism. For instance, no safeguard duty will be applicable if the imports are priced at $675 a tonne for hot-rolled coils and $824 a tonne for cold-rolled coils. This provision ensures that fairly priced imports are not penalised and help maintain downstream supply stability.

ANTI-DUMPING

Similarly, the government imposed an anti-dumping duty for five years on imports of certain steel products from China, following a probe that found adverse impact on domestic industry. As a result, imports of cold rolled non-oriented electrical steel (CRNO) from China will now attract duty of $224 per tonne.

In November, an anti-dumping duty of $122 per tonne was imposed on imports of hot-rolled flat steel from Vietnam for a five-year period.

Sehul Bhatt, Director, Crisil Intelligence, said trade-level HRC steel prices were on a declining trend in November, which continued till the first two weeks of December, and then, steel mills started increasing listed prices. The key factor that drove up prices was the imposition of the three-year safeguard duty on imports of non-alloy flat steel, he said.

Sumit Jhunjhunwala, Vice-President and Sector Head, Corporate Sector Ratings, ICRA, said domestic HRC prices in past month had gone up by ₹5,000 a tonne ($60 a tonne), compressing the import parity discount to $23-25 a tonne from elevated levels of $70-90 a tonne earlier.

With the import parity gap significantly narrowed, the resistance to further increase in steel prices would be high. "If Chinese HRC prices fall below $435 a tonne, the protective impact of the safeguard duty would be materially weakened," he added.

GOVERNMENT POLICY

Business Standard, 1 January 2026

SPREE scheme deadline extended till January 31

AUHONA MUKHERJEE
New Delhi, 31 December

The deadline for the Scheme for Promotion of Registration of Employers and Employees (SPREE 2025) under the Ministry of Labour and Employment has been extended to January 31, 2026 from the earlier deadline of December 31, 2025.

The SPREE 2025 scheme was launched by the Employees' State Insurance Corporation (ESIC) in July, 2025 to expand social security coverage and encourage voluntary registration of employers and employees under the Employees' State Insurance Act, 1948 (ESI Act).

The scheme was originally operational from July 1 to December 31, 2025 for unregistered employers and left-out workers to be included in the ESI framework without undergoing inspections or facing demands for past dues or penalties. According to a statement by the labour ministry, the deadline was extended after receiving feedback from employers, employers' associations, and state governments.

Now, employers will have another month to register their businesses and employees digitally through the ESIC, Shram Suvidha, and MCA portals, with registration effective from the date specified by the employer. "Establishments that were previously not registered will also benefit from the provision of 'no demand of past contribution', no inspections, and no requirement of prior records, if they register within the new timeframe. If the employer fails to avail the benefits of the scheme and do not register under the ESI Scheme then such establishment will be liable to pay past contributions along with damages & interest besides legal actions and penalties after January 31, 2026," said the ministry's statement.

The Times of India, 1 January 2026

PLI in auto: Investment target of ₹42,500cr in sight

TIMES NEWS NETWORK

New Delhi: Production-linked incentive (PLI) scheme for the automobile sector is on track to exceed its investment target of Rs 42,500 crore, with manufacturers already committing over Rs 35,000 crore, a senior govt official said Wednesday.

Of the 82 applicants for the scheme, comprising auto manufacturers and component makers, 72 have already committed investments with 18 of them making the cut in terms of the required investment and domestic value addition norms. Under the PLI auto scheme, incentives are linked to achieving at least 50% domestic value addition (DVA). "Next year we expect 5 to 10 more companies will join this list, so production volumes will increase even more," said the official. For 10 applicants, which have so far failed to invest, govt may look to invoke their bank guarantee.

"This year is a success for PLI auto. In two out of five years since this scheme started, a large chunk has already been invested. From the investment criteria, the scheme is very successful. The biggest beneficiaries have been MSMEs," the official said.

Manufacturers have committed over Rs 35,000 crore, says an official

The scheme had spent 98% of its budget for the year, with Rs 2,000 crore given from Rs 2,091 crore budget to firms such as Tata Motors, Bajaj Auto, Mahindra & Mahindra, TVS Motor, Toyota and Ola Electric. The scheme saw the highest domestic value addition in four-wheelers, with around 80,000 electric cars qualifying since 2023.

The Times of India, 3 January 2026

MSME exporters get ₹7.3k cr credit lifeline

Higher Incentive To Those Selling In New Mkts

New Delhi: The commerce department on Friday unveiled a new interest subsidy mechanism targeted at MSMEs, along with a corpus to guarantee loans to small businesses that export.

The interest subsidy scheme, which has an allocation of nearly Rs 5,181 crore spread over six years starting the current fiscal, will offer a 2.75% subsidy on loans with a reset planned every six months. The extent of subsidy will be linked to the repo rate as well as interest rates in other competing economies, a senior official told reporters, adding that the move is meant to address a critical handicap faced by small businesses.

Besides, an incentive will be offered to exporters selling goods in new and emerging markets, with the details of the scheme to be announced in the coming weeks along with initiatives to develop other financial tools such as factoring. For years, Indian businesses have complained of lack of access to credit and higher interest rates as major impediments.

Officials said that currently, small businesses borrow at 9-12% to meet their export credit requirement and the subsidy will provide some relief.

Wiser by its earlier experience, this time, the Directorate General of Foreign Trade has capped the annual interest subsidy assistance at Rs 50 lakh per businesses with 75% of the product lines, especially the labour-intensive ones, eligible.

The second scheme on collateral support has a corpus of Rs 2,114 crore, again spread over six years, with govt hoping to leverage it 30-35 times in helping facilitate the flow of loans of Rs 60,000-65,000 crore. "The amount of delinquency is 3-4% and it seems to have peaked, so the money can be leveraged to provide more loans," said an official.

For micro and small businesses, guarantee cover of up to 85% will be provided, while it will be capped at 65% for medium enterprises.

"The launch of interest support for pre- and post-shipment export credit and the collateral guarantee mechanism marks a decisive step towards addressing two of the biggest challenges faced by MSME exporters— high cost of credit and lack of collateral. These measures will greatly enhance the competitiveness of Indian MSMEs in global markets," said Fieo president S C Ralhan.

What's Being Offered

- The interest subsidy scheme with an allocation of nearly **₹5,181 crore** will be spread over six years, starting the current fiscal
- The second scheme on collateral support has a corpus of **₹2,114 crore**, again spread over six years

The Times of India, 8 January 2026

Auto players seek EV protection in EU pact

Industry Wary Of Chinese Cos Bringing Electrics Through Europe At A Lower Duty

Saksham Mehta & Sidhartha | TNN

CALL FOR HIGHER VALUE ADDITION

- Auto players say, if needed, only high-end EVs should be allowed and in limited numbers in deal with EU
- They also insist on a high level of value addition, which could be 50% or more
- Chinese companies have not been able to set up shop in India due to checks on FDI and have been relying on imports to sell in the Indian market

"We are seeing Indian companies work hard on EVs and also move up the value chain. It is important to protect them at this time so that we have a strong eco-system for green vehicles before it is opened up to competition
—An industry executive

New Delhi: As Indian and European negotiators enter what is seen to be the final rounds of talks for a free trade agreement (FTA), the local auto companies are wary of Chinese electric vehicles using European Union as a gateway to enter the domestic market at lower duty.

As a result, auto players have demanded that govt negotiate the agreement in such as way that if needed, only high-end EVs are allowed into the country — with a high price threshold and in limited numbers — while also insisting on a high level of value addition, which could be 50% or more, people familiar with the deliberations told **TOI**.

In the trade deal with the UK, which was signed last year, govt had protected EVs but the auto industry also realises that there are trade-offs to be made for a successful outcome.

The worry, however, is bigger in the case of the European Union, given that some of the Chinese companies could use member nations of the trading bloc to locate assembly units and ship goods to India, taking advantage of the duty benefit. Some of the Chinese companies that have been hovering around have not been able to set up shop in the country due to checks on FDI and have been relying on imports to sell in the Indian market. "We are seeing Indian companies work hard on EVs and also move up the value chain. It is important to protect them at this time so that we have a strong eco-system for green vehicles before it is opened up to competition," said an industry executive.

Several global majors, including the likes of Tesla, Mercedes and BMW, are expected to use their European facilities to export EVs to India, a large and growing market where govt is also keen on a transition to green fuel. While Tesla is currently importing its vehicles from its Chinese facilities, lower tariffs are expected to result in shipments from the company's German plant.

The Centre's scheme to allow lower duty import of electric cars for a limited period in return for investment in three years saw no response as some of the auto makers are waiting for the trade deals to be finalised before taking a call on their plans.

Goyal seeks investment from Liechtenstein

Commerce and industry minister Piyush Goyal on Wednesday invited companies from Liechtenstein to invest in India and leverage the India-EFTA trade pact to expand their presence. India and the four-nation European bloc EFTA implemented a free trade agreement last year. Goyal was in Liechtenstein for an official visit.

Business Line, 14 January 2026

To hike competitiveness, Stalin unveils circular economy policy

TRADE COMPLIANCE. The Tamil Nadu Circular Economy Investment Policy 2026 aims to aid industry align with initiatives like EU's CBAM and Deforestation Regulation

Our Bureau
Chennai

The Tamil Nadu government on Tuesday released a policy on circular economy to align industries with global sustainability standards and to enhance their competitiveness in evolving markets.

The Tamil Nadu Circular Economy Investment Policy 2026, released by Chief Minister MK Stalin, will support industry readiness for green transition and low-carbon manufacturing.

This will help in aligning with key initiatives like the European Union's Carbon Border Adjustment Mechanism and the EU Deforestation Regulation.

WASTE MANAGEMENT

The policy aims to support manufacturing entities that incorporate circularity by utilising discarded products, industrial waste or wastewater as primary inputs and converting them into usable outputs.

The government will also support technology-driven waste management platforms headquartered in Tamil Nadu that leverage digital solutions to serve as aggregators, linking water generators, recyclers and brands, said the policy.

GREEN SHIFT. The policy released by Tamil Nadu Chief Minister MK Stalin will support industry readiness for green transition and low carbon manufacturing

As an initial transaction towards the adoption of circular practices in the State, the policy will cover sectors like textiles, automobiles, electronics and plastics.

The scope of the policy will also cover companies engaged in tyre recycling through any recognised sustainable method, including mechanical, thermal or biological processes.

CAPITAL SUBSIDY

Eligible entities will be provided with a capital subsidy of 10 per cent of eligible fixed assets, disbursed over five years; receive employment incentives as reimbursement of employers' EPF contribution for net new jobs created during the policy period, and a skill subsidy of ₹10,000 per person, the policy document stated.

Technology enablers/platform entities headquartered in Tamil Nadu and registered on or after July 1, 2024 with a net new employment of 15 jobs created within one year of commencement of operations and with a minimum annual turnover of ₹10 crore in 2025-26 will be considered eligible for the payroll subsidy, which will be capped at ₹20,000 per employee per month, said the policy.

The policy period will be for five years.