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Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies

(2nd Fortnight January 2026)

AUTOMOTIVE INDUSTRY

Business Line, 17 January2026

Maruti Suzuki begins export of Victoris to Latin America, Africa & Middle East

Our Bureau
Ahmedabad

Maruti Suzuki India on Friday announced the commencement of export of its premium SUV Victoris, with over 450 units shipped from Gujarat's Mundra and Pipavav ports to global markets, including Latin America, Middle East and Africa.

Manufactured at Maruti Suzuki's Haryana facility, Victoris was introduced in the domestic market in September 2025 and has since gained strong traction. The company has already received 70,000 bookings in the domestic market as of January 1, 2026, of which 35,000 units have already been dispatched, official sources told *businessline*.

The premium SUV will be globally sold under the name Across.

EXPORT PUSH

Commenting on the development, Hisashi Takeuchi, Managing Director & CEO, Maruti Suzuki India, said the company's export strategy is aligned with the 'Make in India, Make for the World' vision. The company exports about 18 models manufactured in India. Takeuchi also said in 2025, Maruti Suzuki exported over 3.9 lakh vehicles, emerging as India's largest passenger vehicle exporter for the fifth consecutive year.

The year also marked the company's re-entry into Europe, with the commencement of exports of its first battery electric vehicle, e VITARA manufacturer, at the Hansalpur facility in Gujarat.

"If we look at the growth of India's passenger vehicle exports in the past five years, from 2020 to 2025, while the rest of the industry grew by 1.43 times, Maruti Suzuki's exports grew 4.67 times. The addition of Victoris will further support our export ambitions, and we are hopeful it will be well received in international markets," he added.

Business Line, 17 January2026

Bharat Forge gets ₹300 crore defence contracts for unmanned systems

Our Bureau
New Delhi

Bharat Forge Ltd's aerospace division has got contracts worth approximately ₹300 crore under the ongoing Emergency Procurement-VI (EP-VI) framework for supply of a range of indigenous unmanned systems for the Army and Navy.

The range of indigenous unmanned systems, including intelligence, surveillance and reconnaissance (ISR) platforms and loitering munitions — namely Omega One, Omega Nine, Bayonet, and Cleaver — are developed for India to meet urgent operational requirements across diverse terrains and mission profiles, the company said in a statement.

One of their systems, Omega One was displayed during the Army Day Parade held in Jaipur on January 15, onboard an upgraded BMP-2 infantry fighting vehicle.


Amit Kalyani, Vice Chairman & Joint MD, Bharat Forge

DUAL ACHIEVEMENT

These inductions underscore Bharat Forge Ltd's relentless focus on delivering indigenous solutions aligned with the national vision of Atmanirbhar Bharat, the private defence company stated.

"This dual achievement of securing EP-VI contracts and showcasing Omega One at Army Day reaffirms BFL's commitment to Atmanirbhar Bharat," said Amit Kalyani, Vice Chairman & Joint Managing Director. "We are proud to equip our Armed Forces with India specific, EW resistant, homegrown unmanned systems," he added.

Business Standard, 19 January 2026

Auto, ancillary sectors to see strong earnings momentum

SOHINI DAS
Mumbai, 18 January

The automobile and auto-ancillary sector is expected to show strong Q3FY26 results, aided by festival-led demand, rationalisation in goods and services tax (GST) rates for select categories of vehicles, easing interest rates, and improving rural sentiment.

Brokerages estimate revenue growth in the range 18-32 per cent year-on-year (Y-o-Y) while the increase in profit after tax is seen to be 15-35 per cent, supported by recovery in volumes, and a favourable mix and operating leverage, albeit partially offset by higher input costs, and discounting.

Sales of passenger vehicles (PVs) in the quarter delivered a record-breaking performance, clocking 1.27 million units, up 20.6 per cent Y-o-Y, according to the data from Society of Indian Automobile Manufacturers.

Exports scaled new heights, with shipments of passenger vehicles rising 11.7 per cent Y-o-Y to 225,000 units, supported by demand in West Asia, Africa, and Latin America.

Two-wheelers mirrored this strength, recording their highest ever third-quarter volumes of 5.70 million units, up 16.9 per cent Y-o-Y and crossing five million for the first time.

Kotak Institutional Equities expects revenues of original equipment manufacturers to increase 5 per cent Y-o-Y, but if Tata Motors is excluded revenue growth could be 25 per cent.

The brokerage says there is low single-digit improvement in the average selling price due to a favourable mix in the PV and two-wheeler segments and favourable forex. This has been partly offset by a decline in Jaguar Land Rover's production volumes.

"We expect the Ebitda (earnings before tax, interest, depreciation, and amortisation) margin (excluding Tata Motors) to increase 90 bps Y-o-Y, led by an operating leverage benefit and a richer product mix, partly offset by higher discounts and commodity headwinds. As a result, we expect Ebitda to increase 33 per cent Y-o-Y in 3QFY26E (excluding Tata Motors)," the analysts said.

Performance check

(In ₹ crore)	Net sales Q3FY26E	Chg in % Y-o-Y	PAT Q3FY26E	Chg in % Y-o-Y
Maruti Suzuki India	48,413	31.5	4,094	9.8
Bajaj Auto	15,272	19.3	2,523	19.7
Tata Motors PV	85,487	-24.7	1,847	-66.1
Hero MotoCorp	12,199	19.5	1,402	16.5
Ashok Leyland	11,172	18.4	965	26.7

Compiled by BS Research Bureau

Source: Bloomberg

Q3 RESULTS PREVIEW

JLR will report a weak print, with a 41 per cent Y-o-Y revenue decline due to tariffs imposed by the United States and production challenges from a cyberattack.

There may be a one-time impact on employee costs due to revisions in labour laws, which "we have not factored in", they added.

Maruti Suzuki's Ebitda likely to increase 38 per cent Y-o-Y, said Kotak Institutional Equities.

Input costs, however, are likely to marginally rise quarter-on-quarter (Q-o-Q), say analysts at Motilal Oswal. Precious metals are up but likely to be partially offset by cooling steel prices.

DevenChoksey Research estimates a 9 per cent decline in Tata Motors' PV revenues owing to JLR challenges, while Ebitda is estimated to be down 5.4 per cent Y-o-Y with a PAT at ₹445 crore reflecting a 17.6 per cent Y-o-Y drop.

Nuvama analysts said that improved affordability, a healthy pipeline for products, adequate financing, and the implementation of the Pay Commission award for government employees would create strong domestic volume growth over FY25-28.

As for two-wheelers, Kotak analysts expect Bajaj Auto's Ebitda to increase 24 per cent Y-o-Y mainly due to favourable forex and a richer product mix.

Hero MotoCorp's Ebitda margin to increase 60 basis point Y-o-Y.

In commercial vehicles, Eicher Motors' Ebitda (consolidated business) is expected to improve 22 per cent Y-o-Y. Kotak analysts forecast Ashok Leyland to report a 24 per cent Q-o-Q Ebitda rise whereas the same metric for Tata Motors' domestic CV business is likely to rise 44 per cent Q-o-Q.

Kotak analysts forecast that Ashok Leyland will report a 24 per cent rise in Ebitda Q-o-Q), whereas the Ebitda of Tata Motors' domestic commercial vehicle business is likely to rise 44 per cent. As for ancillaries, Nuvama estimates revenue growth at 13 per cent Y-o-Y.

Tyre maker Ceat's revenues are likely to grow riding on domestic demand, while the Ebitda margin is expected to expand on lower input costs and better scale.

Business Line, 21 January 2026

ZF Group opens electric parking brake line at its Oragadam plant near Chennai

Our Bureau
Chennai

Germany's ZF Group, an automotive supplier and technology company, inaugurated a electric parking brake (EPB) line at its manufacturing plant in Oragadam, near Chennai.

The line, which will produce EPBs for passenger vehicles, will have a peak annual capacity of 80,0000 units.

It will require seven employees to assemble the units from start to finish; the company currently runs one shift which it plans to expand to three soon. Akash Passey, President, ZF Region India, said around 40 per cent of the EPB components are currently sourced locally with ZF planning to increase it by around 80-90 per cent over the next two years.

He said the new line is part of the company's $200-250 million investments in India announced a few years ago, without disclosing the exact figures allocated.

Akash Passey (left), President, ZF Group India; Michael Hasper (third from left), German Consul General; and others at the company's facility near Chennai on Tuesday BIJOY GHOSH

Passey added that the company is poised for a period of strong growth in the passenger vehicle segment, given the regulatory mechanism of India now being closer to developed auto markets.

"Original equipment manufacturers are heavily investing in new solutions around safety, efficiency and so on, making us a logical contact point to build them for our customers," he said.

SUSTAINED GROWTH

Peter Holdmann, Board of Management member at ZF and Head of Division, Chassis Solutions, said the Indian auto market is showing sustained growth as opposed to North America and Europe. On the engineering side, he added that the older model, where the engineering for most markets was done at the headquarters, is no longer viable.

"Customers in markets like India and China will not accept solutions being designed remotely, and engineering now has to be done in-region, close to customers," he said.

ZF currently operates its tech-focused GCCs in Hyderabad and Chennai for passenger and commercial vehicle solutions.

Andreas Moser, Member of the Board of Management for the Commercial Vehicle Solutions and Industrial Technology Divisions and the India Region, said ZF is exploring options to bring its advanced driver assistance systems to India.

The Economic Times, 26 January 2026

US Automakers' Troubles Extend to Canada

Canada's plan to lower tariff for limited number of Chinese vehicles could be an ominous development for US cos

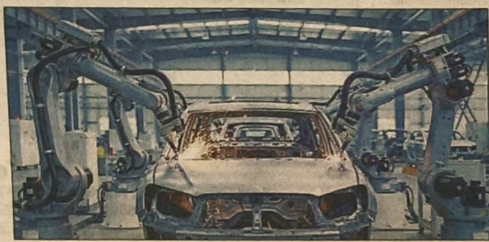
NYT

Canada's decision this month to give Chinese carmakers a toehold in the country's car market may be an ominous development for US automakers that are already struggling to stay relevant outside North America.

General Motors and Ford Motor Co. — the two largest US-based car manufacturers — have been steadily losing customers in Asia, Europe and Latin America, as Chinese carmakers have gained ground. Now Canada plans to lower tariffs on a limited number of Chinese-made vehicles, potentially giving companies such as BYD, SAIC or Geely a small but significant presence on the United States' northern border after already building a thriving business in Mexico and much of Latin America.

If they lose significant ground to Chinese companies in Canada, Mexico and other countries where they once dominated, Ford and GM could gradually become niche manufacturers, said Erik Gordon, a professor at the Ross School of Business at the University of Michigan. They will end up primarily making and selling large pickup trucks and SUVs favoured by many Americans but that tend to sell less well in much of the rest of the world.

"There's a real danger that the market for US carmakers is going to largely to be the US, and only that part of the US market that wants big SUVs and trucks," Gordon said.



The number of Chinese vehicles eligible for low tariffs in Canada will be small — less than 3% of the Canadian car market. Still, "it is very symbolic and significant to the industry," said Lenny LaRocca, who leads the auto industry practice at consulting firm KPMG. The US automakers, he said, "are taking it very seriously."

The deal with China, which was announced Jan. 16 in Beijing by Canadian Prime Minister Mark Carney, was the latest example of how President Donald Trump's policies have disrupted the US auto industry. His hostile rhetoric toward Canada and 25% tariffs on cars imported from Canada have devastated the Canadian auto industry, which is highly intertwined with US automakers and parts suppliers.

Last year, GM ended production of an electric van at a factory in Ingersoll, Ontario, after Republicans in Congress ended tax credits for buyers of electric vehicles, undercutting demand. GM is cutting a shift at a pickup factory in Oshawa, Ontario, at the end of this month. Stellantis abandoned a plan that had been subsidised by the Canadian government to produce a Jeep model at a factory in Brampton, Ontario, and moved production to Illinois.

Business Line, 29 January 2026

'Two-wheeler OEMs set to expand EU footprint'

Our Bureau
New Delhi

The India-EU free trade agreement (FTA) will unlock opportunities for domestic two-wheeler manufacturers to expand their footprint in the European market, said leading manufacturers on Wednesday.

Market leader Hero MotoCorp stated the agreement is expected to have long-term implications for manufacturing-led sectors, including the two-wheeler industry.

The agreement is expected to have long-term implications for manufacturing-led sectors, including the two-wheeler industry

GLOBAL VALUE CHAINS

"The conclusion of the trade agreement heralds more than a commercial milestone: it's a strategic partnership shaping resilient economies. This agreement will unlock opportunities for the two-wheeler industry to expand their footprint and support 'Make in India' products in the European markets. This trade pact will strengthen regulatory cooperation, encourage R&D, innovation and deeper integration into global value chains," Harshavardhan Chitale, Chief Executive Officer, Hero MotoCorp, said.

Similarly, TVS Motor Company said agreements of this scale don't just reduce tariffs — they transform business environments, strengthen supply-chain resilience and open pathways for innovation-led Indian manufacturers to compete on the global stage.

"As a global two-wheeler company, with the TVS and Norton brands, we're focused on identifying and pursuing the opportunities it will create for Indian industry in Europe and beyond," Sudarshan Venu, Chairman, TVS Motor Company, said.

According to BNP Paribas India, mid-sized motorcycle maker Royal Enfield could benefit from the FTA, with a cut in EU import tariffs.

Europe, Middle East and Africa (EMEA), one of the major markets for Royal Enfield, contributed 26 per cent of its exports but only three per cent of total volumes in FY25, Kumar Rakesh, Analyst-IT & Auto at BNP Paribas, said.

India's two-wheeler exports to the EU were just about one per cent of the country's total two-wheeler exports, he added.

The India-EU FTA could also benefit the auto component industry, as lower duties may encourage European manufacturers to shift more production and sourcing to India.

This would help Indian suppliers become part of global motorcycle supply chains.

SOURCING PARTNER

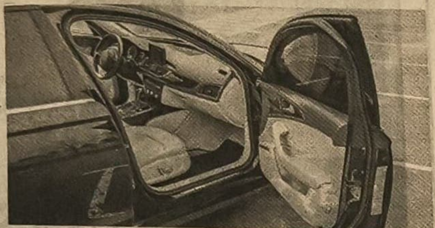
"As global OEMs (original equipment manufacturers) and suppliers look to build resilient supply chains, a well-balanced and pragmatic FTA can position India as a reliable manufacturing and sourcing partner for Europe, while strengthening our long-standing industrial partnership," Vikrampati Singhania, President, Automotive Component Manufacturers' Association of India, said.

Business Standard, 29 January 2026

Auto firms eye India to take on Chinese rivals

Look to use India's manufacturing cost advantage as carmakers from China have gained market share in EU in recent years

SOHINI DAS & SHINE JACOB
Mumbai/Chennai, 28 January



Tapping opportunity

- The industry is bullish on the ability to export left-hand-drives from India
- Carmakers look to build vehicles according to European customer preferences like colour and body-type
- India to gain through manufacturing, EU will gain through competitiveness
- Maruti Suzuki India has already begun exporting its electric Vitara to Europe

The India-European Union (EU) free trade agreement (FTA) is primed to put India on Europe's auto map, challenging Chinese dominance. Several original equipment manufacturers (OEMs) are expected to leverage India's cost advantage to accelerate the country's drive into the European car market, positioning Indian-made vehicles as a competitive alternative to Chinese imports.

Renault India Managing Director Venkatram Mamillapalle said the FTA will allow OEMs to export left-hand-drive vehicles from India. "Today, most of our exports are right-hand-drive models. Now, we can export left-hand-drive vehicles to competitive markets like Europe," he said, adding that Renault, as a European brand, can capitalise on its India presence under this FTA.

"We can start producing cars locally at competitive prices. With engineering, suppliers, and manufacturing based in India, this gives us a cost advantage and greater competitiveness, especially since exports now face lower duties," Mamillapalle added. He said that both Europe and India stand to benefit. "We gain through manufacturing, while the EU gains competitiveness, particularly against Chinese players."

Chinese automakers have increased their market share in the EU over the past few years, with estimates putting it at over 6 per cent by the end of 2025 — almost double the 3 per cent share they held previously.

Regarding imports, Renault plans to focus on high-end vehicles in low volumes through the Chennai port. Between April and December 2025, Renault India exported 12,841 vehicles, up from 9,687 units the previous year, according to the Society of Indian Automobile Manufacturers.

India's auto exports are primarily directed to Asian and African countries, along with select Latin American markets.

Another European player, Skoda Auto Volkswagen India, also uses India as an export hub, shipping over 31,000 vehicles between April and December last year. Sources close to the company said the FTA opens up new export opportunities. "European customers are discerning. Volkswagen Group may consider producing vehicles tailored to their preferences, such as colour or body type, while leveraging India's low-cost manufacturing to remain competitive," a source said.

Skoda Auto Volkswagen India declined to comment, citing a lack of clarity on the FTA's details.

Meanwhile, Maruti Suzuki India has already begun exporting its electric Vitara to Europe. Volumes remain low, but the company aims to export to 100 countries globally. Suzuki Motor Corporation also has a plant in Hungary that can support European supplies.

Mahindra & Mahindra has indicated plans to enter the UK market, leveraging the India-UK FTA to export electric vehicles by 2026-27.

Business Line, 30 January 2026

Auto exports hit top gear backed by policy push

IN FAST LANE. Industry has recorded 33% growth in production over the last decade

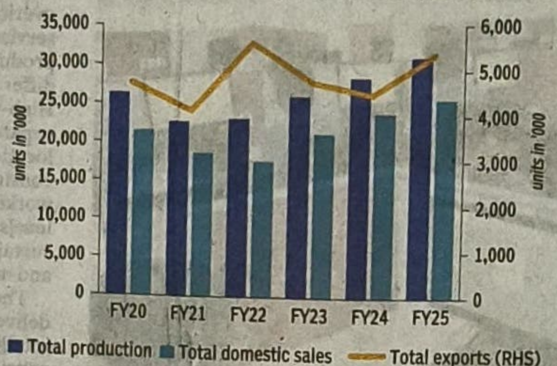
S Ronendra Singh
New Delhi

The automobile industry is witnessing a surge in export growth, with more than 53 lakh vehicles shipped in FY25 and posting double-digit growth in the first half (H1) of 2025-26, reflecting rising global acceptance of India-made vehicles, said the Economic Survey.

"Overall, the industry has recorded nearly 33 per cent growth in production over the last decade. A robust demand-side recovery has driven both production growth and sales in the post-pandemic period," the Survey said.

Also, government initiatives such as production linked incentive (PLI)-Auto Scheme, PLI scheme for 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' (PLI ACC Scheme), PM E-DRIVE and PM e-Bus Sewa-Payment Security Mechanism (PSM) Scheme have driven significant growth in Electric Vehicle (EV) registrations in recent years (FY20 to FY25), it highlighted.

Production, sales and exports of automobiles



Source: SIAM; Ministry of Heavy Industries

EV REGISTRATION

The registration of EVs has grown by a compound annual growth rate of 62.5 per cent in the last five years, it said. The Survey said the PLI-Auto scheme, approved in September 2021 with an outlay of ₹25,938 crore, had attracted cumulative investments of ₹35,657 crore up to September 2025.

Similarly, the PLI Advanced Chemistry Cell (ACC) scheme, with an outlay of ₹18,100 crore for 50 GWh capacity, is localising ACC manufacturing, with 40 GWh already awarded, strengthening the EV ecosystem.

The Economic Times, 31 January 2026

Exports, Premium Bikes Take Bajaj Auto Profit up 19% in Q3

Profit rises to ₹2,502 cr from ₹2,108 cr a year ago as revenue from operations rises 19%

Our Bureau

New Delhi: Bajaj Auto Friday reported a 19% rise in fiscal third quarter consolidated net profit helped by robust exports and higher sales of premium motorcycles in the domestic market. Profit in the three months ended December 31 increased to ₹2,502.8 crore from ₹2108.7 crore a year earlier.

Most brokerages had projected the Pune-based two- and three-wheeler maker to post double-digit growth in revenue and profit in the December quarter, attributing it to robust export demand, favourable currency movements, and steady recovery in premium motorcycle volumes.

Revenue from operations climbed 19% year-on-year (YoY) to ₹15,220.3 crore thanks to record quarterly vehicle sales and a richer product mix.

Sales volume grew in double digits across businesses spanning domestic motorcycles, electric two-wheelers, three-wheelers, and exports, supported by buoyant festive demand and GST-led momentum in the domestic market.

Bajaj Auto also clocked highest-ever quarterly sales of electric vehicles during the period. Exports crossed the 600,000-unit mark last quarter, for the first time in 15 quarters, signalling a sustained recovery in overseas markets.

The commercial vehicle segment reported record retail sales of more than 100,000 units for the tenth consecutive quarter.

Rakesh Sharma, executive director at Bajaj Auto said he expects the demand momentum to continue in the local market over the next few months.

"From what we have seen of consumer demand in December and January, demand should be good next few months," he said. "We expect the sales spike post GST cut will continue as long as inflation remains under control."

Exports too are expected to remain healthy going forward. Sharma said while Mexico is among the top three markets for the company, Bajaj Auto has a local partner in the Latin American country, and therefore, remains unaffected by the increase in import duties on Indian shipments. Bajaj Auto has limited exposure in South Africa, which too is considering raising levies on imports.

Earnings before interest, tax, depreciation and amortisation (Ebitda) rose by 22% to a quarterly high of ₹ 3,161 crore. Ebitda margin stood at 20.8% during the December quarter.

ELECTRIC VEHICLES

The Economic Times, 17 January 2026

Canada to Cut Tariffs on Chinese EVs for Lower Levies on its Farm Products

Beijing: Breaking with the United States, Canada has agreed to cut its 100% tariff on Chinese electric cars in return for lower tariffs on Canadian farm products, Prime Minister Mark Carney said Friday.

Carney made the announcement after two days of meetings with Chinese leaders. He said there would be an initial annual cap of 49,000 vehicles on Chinese EV exports to Canada, growing to about 70,000 over five years. China will reduce its total tariff on canola seeds, a major Canadian export, from 84% to about 15%, he told reporters.

"It has been a historic and productive two days," Carney said, speaking outside against the backdrop of a traditional pavilion and a frozen pond at a Beijing park. "We have to understand the differences between Canada and other countries, and focus our efforts to work together where we're aligned."

Beijing will reduce its total tariffs on canola seeds, a major Canadian export, from 84% to 15%

Earlier Friday, he and Chinese leader Xi Jinping pledged to improve relations between their two nations after years of acrimony.

Xi told Carney in a meeting at the Great Hall of the People that he is willing to continue working to improve ties, noting that talks have been underway on restoring and restarting cooperation since the two held an initial meeting in October on the sidelines of a regional economic conference in South Korea.

"It can be said that our meeting last year opened a new chapter in turning China–Canada relations toward improvement," China's top leader said.

US AUTO MARKET SHARE IN CANADA HITS RECORD LOW

US factories' share of the Canadian vehicle market has tumbled to a new low, as automobile tariffs upend an industry that for decades enjoyed tight cross-border integration.

Just 36% of passenger vehicles imported to Canada were manufactured in the US during the first 10 months of 2025.

That compares with an average of 49% in the 10 years before that, according to Statistics Canada imports data. Canada is the largest buyer of American-made new cars and trucks, by far.

But the numbers help illustrate how the trade war has changed the business. **Agencies**

The Economic Times, 18 January 2026

CARMAKERS RESIST EV RETROFITTING

Auto Cos See Red in Delhi's Green Push

₹50k to first 1,000 vehicles replacing ICE with EV engine

Lijee Philip

New Delhi: India's capital is experimenting with EV retrofitting, but the country's carmakers are not convinced.

The Delhi government's recent announcement of incentives to encourage electric vehicle (EV) retrofitting has opened a can of worms for India's auto industry, with major carmakers expressing strong reservations even as startups and independent retrofitters remain excited to tap the opportunity.

Under the policy, the first 1,000 vehicles retrofitted from internal combustion engines to electric powertrains will receive an incentive of ₹50,000. The initiative is aimed at reducing vehicular pollution by extending the life of older cars while transitioning them to cleaner propulsion.

However, leading automobile manufacturers appear unconvinced. Industry executives, speaking on condition of anonymity, said EV retrofitting raises serious safety and technical concerns and is not comparable to earlier transitions such as CNG or LPG conversions.

CONCERNS

Globally, only a few automakers, including Toyota, have expressed some support for EV retrofitting, while most manufacturers cite concerns over structural integrity and safety. Retrofitting is also seen in conflict with automakers' core business model of selling new vehicles.

Major EV players Tata Motors, Mahindra & Mahindra and JSW MG Motor declined comment on detailed email queries sent by **ET**.

A senior official at a car company said, "In CNG or LPG kits, the basic architecture of the vehicle remains unchanged — the fuel system is the only difference."

Risk Evaluation Needed ▸▸ 7

RETROFITTERS' WISHLIST

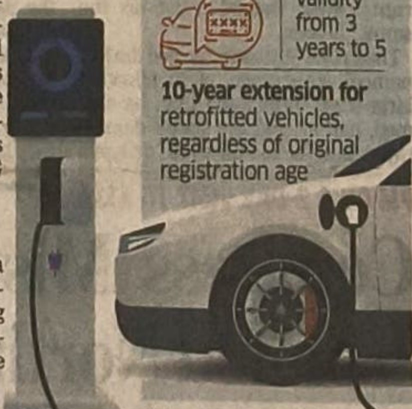
GST reduction from the **current 18%**

Scrappage-linked subsidies to encourage retrofitting over discarding vehicles

Simplified registration procedures

Extending type approval validity from 3 years to 5

10-year extension for retrofitted vehicles, regardless of original registration age



The Economic Times, 19 January 2026

Railways Speeds Up Shift Towards Engines Run on Battery, Green Fuel

Looks to replace or retrofit around 2,500 diesel locomotives with clean fuel

Twesh Mishra

New Delhi: India is scaling up adoption of battery and alternative fuel-powered train engines to replace diesel fired ones for short to medium runs.

The move follows near complete electrification with just 405 route kilometres (rkm) left of the national transporter's entire 70,117 rkm track network. Officials aware of the move said the national transporter's focus is now weaning the remaining around 2,500 diesel locomotives by retrofitting or replacing them with clean fuel powered ones.

"The first step will be replacing the diesel locomotives in yard operations, shunting services and last-mile freight connectivity," a senior official said adding that these still rely on diesel traction, primarily due to non-electrification or intermittently electrified sections.

Officials said while overhead supply based electric traction remains the dominant strategy, battery-powered traction solutions are a parallel solution for specific operational requirements.

In September last year, Concord Control Systems said it successfully retrofit a 700-horsepower (HP) diesel locomotive to be powered by a lithium ferro phosphate (LFP) battery. On Friday, the company said it was developing the "world's largest 3100 HP hydrogen-fuelled locomotive propulsion system."

The 3100 HP locomotive is for public sector undertaking NTPC to haul coal for its power plants.

Last month railways minister Ashwini Vaishnaw announced that India is currently testing world's longest (10 coaches) and most powerful (2400 kW) Hydrogen Train Set on a Broad-Gauge platform.

Pilot projects for locomotives to run on lithium–ion and other on-board battery technologies started some six years ago. Chittaranjan Locomotive Works was tasked with making 10 such railway engines. Eastern Railway Kanchrapara Railway Workshop had also converted a motor coach to work as a battery cum 25 kV shunting engine which was able to pull freight and passenger trains at low speed when on battery mode. Indian Railways relies almost exclusively on diesel locomotives for long-haul freight services. Long distance passenger services have shifted to electric trains that draw power from overhead cables. In a first, Germany's Siemens was awarded a roughly ₹26,000 cr tender to supply and maintain 1,200 electric freight trains.

The Economic Times, 21 January 2026

E-trucks reach diesel cost parity in 3-5 yrs: TaMo CV

Company says its e-bus tender bid relied on 12-year cost realism

DEEPAK PATEL
New Delhi, 20 January

The total cost of ownership (TCO) of an electric truck (e-truck) becomes comparable to that of a diesel truck in three to five years, after which, owners increasingly benefit from lower fuel costs because electricity is cheaper than diesel, Girish Wagh, managing director and chief executive officer of Tata Motors Commercial Vehicles, said in an interview with *Business Standard* on Tuesday. TCO refers to the combined cost of acquiring, operating, and maintaining a vehicle over its entire lifecycle.

When asked about losing the central government's electric bus (e-bus) tender for 10,900 buses, Wagh said Tata Motors' bid was based on a "rational" long-term cost assessment, drawing on years of e-bus operations. He added that the company remains keen to participate in the upcoming 6,000-bus tender.

Tata Motors on Tuesday launched a next-generation portfolio of 17 trucks, including e-trucks spanning seven to 55 tonnes for light, medium, and heavy-duty applications.

Wagh said Tata Motors has focused on localisation, with indigenisation levels in e-trucks exceeding the government-mandated 51 per cent threshold, making the vehicles eligible for production-linked incentive scheme benefits.

According to Wagh, sectors such as steel, cement, and chemicals — considered "hard-to-abate" because reducing greenhouse gas emissions is particularly difficult due to high energy and process requirements — are increasingly evaluating e-trucks as part of their efforts to cut emissions.

Beyond vehicle sales, Wagh said Tata Motors is offering a full ecosystem, including charging infrastructure, financing solutions, and lifetime maintenance support. Costs for establishing charging infrastructure are separate from the vehicle cost and are planned based on buyers' routes and truck deployment patterns.

He explained that the TCO analysis was conducted by studying specific use cases, such as steelmakers using tractors for short-haul, closed-loop movement of coils. Tata Motors worked with prospective buyers to assess how many diesel vehicles were needed per day, how many e-trucks would replace them, the required charging infrastructure, and the total project cost before calculating the overall TCO.

Wagh said the key consideration for customers evaluating e-trucks is overall economics rather than upfront pricing. "For e-trucks, what is important is the TCO comparison," he said. Tata Motors has been working closely with customers to match the TCO of diesel trucks by factoring in the optimal daily duty cycle, he added.

"With this whole range of e-trucks that we are launching, the customer can get a payback within around three to five years. After that, the running cost of an e-truck is lower than that of a diesel truck," Wagh said.

Meanwhile, Tata Motors failed to secure any orders in the PM Electric Drive Revolution in Innovative Vehicle Enhancement Scheme e-bus tender, which was concluded by state-owned Convergence Energy Services on December 25, 2025, for the procurement of 10,900 e-buses to be deployed across cities, including Delhi, Bengaluru, Hyderabad, Ahmedabad, and Surat. Most contracts were awarded to new-age manufacturers such as PMI Electro Mobility, Eka Mobility, and Olectra Greentech.

When asked about losing this tender, Wagh said Tata Motors' bid was guided by long-term financial rationality rather than aggressive pricing. "Our bid was based on the experience we have and what we expect expenditure to be over 12 years... We are finding that in the industry, as original equipment manufacturers gain more experience in bus deployment, their quotes have also become more rational. We expect this trend to continue," he said.

"WITH THIS WHOLE RANGE OF E-TRUCKS THAT WE ARE LAUNCHING, THE CUSTOMER CAN GET A PAYBACK WITHIN THREE TO FIVE YEARS"

Girish Wagh, MD & CEO, Tata Motors Commercial Vehicles

The Economic Times, 21 January 2026

Toyota enters India's EV market

The electric car is expected to hit the market in February. The bookings started on Tuesday

ANJALI SINGH
Mumbai, 20 January

Toyota Kirloskar Motor, the Indian arm of the Japanese giant Toyota Motor Corporation, has officially entered the electric vehicle market with the launch of the Urban Cruiser Ebella — a badge-engineered model sharing its platform with the Maruti Suzuki's e-Vitara.

Toyota, and Maruti Suzuki had signed a pact in 2017 to collaborate by combining Toyota's electrification capabilities with Suzuki's expertise in compact vehicle technologies. As part of the alliance, the two companies are also engaged in the mutual supply of vehicles across global markets. Toyota said it will continue to follow a multi-technology electrification strategy, including hybrids, rather than set near-term EV targets, arguing that a mix of green powertrains is better suited to India's decarbonisation needs.

Vikram Gulati, country head & executive vice president at Toyota Kirloskar Motor, said, "This is an opportune time for us to introduce the electric vehicle as the market is picking up. Going ahead, we will continue to explore all green technology options depending upon the consumer requirement. Therefore, it is critical for us to provide as many green technology options as possible, which can in turn meet the diverse needs of the consumers."

Toyota has not revealed the price of the electric car. However, it is expected to hit the market in February, with the bookings started on Tuesday.

Business Line, 21 January 2026

Tata Motors to bid for govt eBus schemes

S Ronendra Singh
New Delhi

Commercial vehicles maker Tata Motors on Tuesday said it will leverage new launches to participate in various Central and State schemes to grow sales. The firm launched 17 products spanning 7-55 tonne trucks, including the all-new Azura series, the Tata Trucks.ev range and significant upgrades to the established Prima, Signa and Ultra platforms.

Girish Wagh, MD and CEO, Tata Motors, told *businessline* that the company was preparing to bid for a government tender of as many as 6,000 electric buses (eBuses) to gain market share without joining the steep discounting by some companies that was experienced in recent auctions.

"We will be clearly having the widest range of electric commercial vehicles in the country and with this, we will try to leverage the PM E-DRIVE (Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement), PLI (production-linked incentive) schemes and we have ensured that we also meet the domestic value addition. I think the regulation calls for being 50 per cent but we have more than 51 per cent. So, we are comfortably above that," Wagh told *businessline*.

Girish Wagh, MD & CEO, Tata Motors; Rajesh Kaul, V-P and Business Head – Trucks; Aniruddha Kulkarni, Head-Engineering, at the launch of the all new 'Azura' range

Tata Motors has supplied about 3,600 eBuses across States, including Tamil Nadu over the past seven years, which are at the end of their operational life.

Soon, the tender for a fresh round of eBuses is expected.

Wagh said the demand for commercial vehicles (CVs) has picked up post GST 2.0, and the trucking landscape is undergoing a rapid transformation, driven by progressive national policies, modern infrastructure and the rising demand for safer, cleaner and more efficient logistics.

"With the introduction of our next-generation portfolio with significant upgrades to European standard cabins and industry-leading safety features, increased payload and fuel efficiency, all seamlessly integrated with Fleet Edge digital services, we are advancing this legacy," he said.

GOOD TIMES AHEAD

Wagh said between the second quarter and the third, total registrations increased by 25.8 per cent, while Tata Motors volumes increased by around 29.4 per cent. "We want to leverage this positivity and momentum with a new range of trucks... I think we are looking at good times ahead," Wagh added.

Ashok Leyland will be launching a range of high-horsepower tippers and tractors on Thursday.

The Economic Times, 22 January 2026

Buybacks, battery subscriptions among plans on offer to make EV ownership risk-free

Electric Carmakers Pull Out All Stops to Make You Own One

Shally Seth Mohile

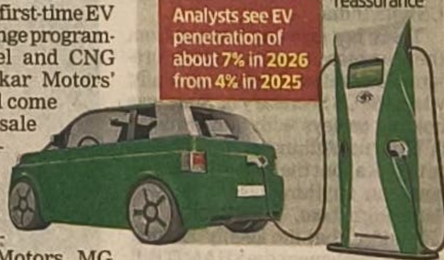
On Full Charge

Late entrants **Toyota** and **Maruti** pairing EV debuts with ecosystem guarantees

Early leaders **Tata Motors, JSW MG** & **Mahindra** doubling down on reassurance

VinFast to launch **ICE-to-EV** exchange programmes

Analysts see EV penetration of about 7% in 2026 from 4% in 2025



Mumbai: Electric carmakers in India are going beyond launches to remove the biggest anxieties holding buyers back. From assured buybacks and battery subscriptions to exchange schemes and dense charging networks, incumbents and new entrants are bundling services to make EV ownership predictable and risk free.

VinFast is set to woo first-time EV buyers with an exchange programme for petrol, diesel and CNG cars. Toyota Kirloskar Motors' EV debut Ebella will come with a guaranteed resale value and battery-as-a-service option, mirroring Maruti Suzuki's upcoming e-Vitara. Early movers such as Tata Motors, MG, and Mahindra are doubling down on charging infrastructure and offering lifetime warranties.

Backed by several launches this year and the aforementioned initiatives S&P Global Mobility sees 2026 as an inflection point, with penetration rising to 7% from 4% in 2025. The shift comes as electric car adoption accelerates, albeit from a relatively small base. Electric car sales in India surged 77.4% to 176,817 units in calendar year 2025, while penetration rose to about 4% from 2.5% a year earlier, according to data from the Federation of Automobile Dealers Associations (FADA). Industry executives say the next phase of growth will depend less on adding models and more on reducing long-term ownership risks for a more cautious, mainstream buyer.

That thinking is shaping the strategies of both new and established players. "People talk about range anxiety, but service anxiety and resale anxiety are equally big," Tadashi Asazuma, deputy managing director at Toyota Kirloskar Motor, told ET. "If you don't have a complete ecosystem, customers will hesitate." Toyota's EV approach—centred on home charging support, high-voltage service readiness, assured buyback programmes and flexible financing—signals a broader recalibration as manufacturers prioritise predictability over novelty.

VinFast's proposed exchange programme for petrol, diesel and CNG vehicles is designed to lower the psychological barrier for first-time EV buyers. "EV volume is going to increase, for sure," Tapan Ghosh, CEO of VinFast India told ET. "Once more products are there and the ecosystem is in place, an inflection point is bound to come and volumes will rise rapidly." The Vietnamese automaker is prioritising network expansion, charging partnerships and service policies over near-term volume targets.

Mahindra has articulated a similar view. "Our EV push is now as much about confidence-building as product expansion, with a focus on battery durability, service preparedness and total cost of ownership, " Nalinikanth Gollagunta, CEO, Automotive division said.

Tata Motors has also leaned into this shift. "Addressing ownership concerns—particularly around battery life, service costs and residual value—is central to driving the next wave of EV growth," Anand Kulkarni, chief product officer at Tata Motors Passenger Vehicles and Passenger Electric Mobility said. Tata's move to extend lifetime battery warranties across models such as the Nexon.ev, Curvv.ev and Harrier.ev is aimed at removing uncertainty around long-term battery health and replacement costs, a hurdle the company sees as more pressing than range for many buyers.

Business Line, 24 January 2026

'Will opt out of PM E-DRIVE scheme for e-ambulances'

S Ronendra Singh
New Delhi

Commercial vehicle maker Ashok Leyland said it will not participate in the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme for e-ambulances.

FUNDS ALLOTED

The PM E-DRIVE scheme was implemented on October 1, 2024, and will go on till March 21 this year, for which the Centre had allotted ₹10,900 crore to incentivise 28,26,634 vehicles across categories, including e-2 wheelers, e-3 wheelers, e-trucks, e-buses and e-ambulances. However, the nodal ministry for this scheme, the Ministry of Heavy Industries (MHI), which had said there would be a separate notification for e-ambulances, is yet to notify it. The Centre has allotted ₹500 crore for e-ambulances from the total outlay of ₹10,900 crore of the PM E-DRIVE scheme.

Shenu Agarwal, MD and CEO, Ashok Leyland

"We decided not to participate. There is a lot to do... You have to choose what to do and what not to do. So, there are more attractive things to do for us. I mean, for somebody else, e-ambulance would be a priority, but for us it is not, at least right now," Shenu Agarwal, Managing Director and Chief Executive Officer, Ashok Leyland, told *businessline*.

Having said that, Agarwal also added that the company will be participating in all upcoming tenders for its e-buses. "We are participating in every tender... Convergence Energy Services Limited (CESL), of course, is the biggest one where they combine a lot of cities as per the requirements and then they put out the tenders... We are the leader in buses, and we have been a leader for many many decades with very strong market share; so, for buses, we will not leave anything on the table," he said.

TECHNICAL GLITCH

Recently, CESL closed the 10,900 e-bus tender, in which Ashok Leyland could not win any deal due to a technical glitch. It had filed a case in the Delhi High Court which was later withdrawn.

TATA MOTORS

Meanwhile, CESL launched another tender earlier this month for over 6,000 buses under the PM E-DRIVE scheme.

Other than Ashok Leyland, another major company, Tata Motors, also recently said that it would participate in all upcoming tenders for e-buses across the country.

Tata Motors said it will also participate in the e-ambulance under the PM E-DRIVE scheme.

The Economic Times, 28 January 2026

EV Sales Overtake Petrol Cars' in EU for First Time in December

Sales hit five-year high; Chinese brands gain ground and Tesla stumbles

Brussels: Sales of fully electric cars surpassed those of petrol vehicles in the European Union for the first time in December, even as policymakers proposed easing emissions regulations, data from auto industry group ACEA showed on Tuesday. Battery-electric registrations, a proxy for sales, also overtook petrol car registrations across the wider European market, which includes Britain and Norway. Overall car sales in the region recorded a sixth consecutive month of year-on-year growth.

Competition from Chinese automakers such as BYD, Changan and Geely is intensifying in Europe, while domestic manufacturers including Volkswagen and BMW roll out new electric models.

In December, the EU unveiled plans to abandon an effective 2035 ban on combustion-engine vehicles, bowing to pressure from carmakers facing competition from Chinese rivals, U.S. import tariffs and challenges in selling electric vehicles profitably.

Despite the policy shift, experts expect electric vehicles to continue increasing their share of the European market. In December, registrations rose 10.2% at Volkswagen and 4.5% at Stellantis, while Renault saw a 2.2% decline. Tesla's registrations fell 20.2% in the month, while those of BYD surged 229.7%.

CAR SALES RISE TO FIVE-YEAR HIGH

Total car sales in the EU, Britain and the European Free Trade Association rose 7.6% in December to 1.2 million vehicles and increased 2.4% in 2025 to 13.3 million, their highest level in five years, though still below pre-pandemic volumes, ACEA data showed.

Within the EU alone, sales climbed 5.8% in December to nearly one million vehicles and rose 1.8% over the year to 10.8 million. **Reuters**

RAW MATERIAL

Business Standard, 22 January 2026

Steel minimum import price: SC overturns 2018 Delhi HC order

BHAVINI MISHRA
New Delhi, 21 January

The Supreme Court of India on Tuesday ruled that a government notification imposing a minimum import price (MIP) on certain steel products could acquire legal force only upon its publication in the Official Gazette, and not from the date it was uploaded on a government website.

Allowing appeals filed by steel importers, a Bench of Justices Pamidighantam Sri Narasimha and Alok Aradhe set aside a 2018 Delhi High Court ruling and held that the MIP notification issued by the Directorate General of Foreign Trade (DGFT) became operative only on February 11, 2016, the date of its gazette publication, and not February 5, 2016, when it was uploaded online.

SC HELD THAT THE MIP NOTIFICATION BECAME OPERATIVE ONLY ON FEBRUARY 11, 2016, THE DATE OF ITS GAZETTE PUBLICATION

The case arose from challenges to a February 2016 notification that introduced a minimum import price on 173 categories of steel products under Chapter 72 of the Foreign Trade Policy (FTP) 2015-20.

Several importers had entered into firm contracts and opened irrevocable letters of credit with overseas suppliers before February 11, 2016, but after February 5, 2016, when the notification was uploaded on the DGFT website with a note stating it was "to be published" in the Gazette. Though the Delhi High Court had acknowledged that the notification legally operated from February 11, 2016, it nevertheless held that the website upload constituted sufficient notice to bind importers who had not opened letters of credit before February 5, 2016. That reasoning was rejected by the apex court.

"Law, to bind, must first exist. And to exist, it must be made known in the manner ordained by the legislature," the Bench said, emphasising that delegated legislation acquires enforceability only upon publication in the Official Gazette, as required under Section 3 of the Foreign Trade (Development and Regulation) Act, 1992.

Business Line, 28 January 2026

Hindalco rolls out ₹21,000 cr plan to expand Odisha aluminium smelter

FACILITY UPGRADE. Expansion to add 3.6 lakh tonnes capacity, FRP facility to make 1.7 lakh tonnes annually

Our Bureau
Mumbai

Hindalco Industries announced a ₹21,000 crore expansion of its aluminium smelter 'Aditya Aluminium complex' at Sambalpur, Odisha, on Tuesday, while commissioning a ₹4,500 crore flat-rolled products (FRP) and battery foil manufacturing facility. The projects were inaugurated by Odisha Chief Minister Mohan Charan Majhi.

The smelter expansion will add 3.6 lakh tonnes per annum capacity, while the newly-commissioned FRP facility will produce 1.7 lakh tonnes annually.

The battery-grade aluminium foil plant, India's first, can support up to 100 GWh of lithium-ion cell manufacturing capacity, directly feeding from the FRP complex.

INVESTMENT PLAN

The announcements are part of Hindalco's ₹37,000 crore investment plan for Odisha and form a significant portion of its overall ₹55,000 crore growth capital expenditure across India. The projects are expected to generate over 15,000 additional jobs.

Hindalco dominates over 50 per cent of India's flat-rolled aluminium market. With nearly 40 per cent of such products currently imported, the expanded FRP capacity is expected to halve India's import dependence. The smelter expansion will partially use round-the-clock renewable energy.

JOBS BOOST. The projects are expected to generate over 15,000 additional jobs

Kumar Mangalam Birla, Chairman, Aditya Birla Group, said the company had been building a fully-integrated aluminium ecosystem that spans from upstream resources to high-value downstream products.

CRITICAL SECTORS

"Our long-standing partnership with Odisha continues to play an important role in this journey. The strategy strengthens India's self-reliance, supports critical sectors and accelerates the nation's transition towards advanced and sustainable manufacturing," he said.

Satish Pai, Managing Director, Hindalco Industries, said the FRP expansion and smelter growth at Sambalpur exemplify the company's integrated upstream-downstream growth strategy.

The company will deliver high-quality aluminium solutions across packaging, defence, electric mobility, renewable energy and advanced manufacturing to support the country's industrial ambitions while creating long-term value, he said.

The Aditya Birla Group company has invested over ₹25,000 crore in Odisha over 15 years across bauxite mining, alumina refining and aluminium smelting. Its integrated operations currently employ nearly 23,000 people, with the next phase expected to generate over 15,000 additional direct and indirect jobs. The expansion supports India's electric vehicle, defence and advanced manufacturing sectors.

Business Line, 30 January 2026

World will soon run short of copper due to power demand, AI data centres

SUPPLY CRUNCH. Energy transition meets hard geological limits resulting in the metal becoming highly volatile

Rishi Ranjan Kala
New Delhi

The Economic Survey has raised concerns that the world will soon run short of copper due to the massive proliferation of AI-enabled data centres and the current state of exponential growth in power demand.

Citing examples, the Survey pointed out that it would take 1,194 truckloads to provide the 2,866 tonnes of copper needed for a 1 gigawatt (GW) wind turbine — that's just for the copper — illustrating the investment and operational costs involved.

MINING INTENSITY

To produce 2,866 tonnes of copper from ore with a 0.6 per cent yield, miners must process about 167-200 tonnes of ore per tonne of copper.

Historic highs

Copper hits $12,000 a tonne for the first time

Prices are heading for their biggest annual gain since 2009

Source: London Metal Exchange Note: Shows highest intraday price

Source: Bloomberg

Current estimates (2020s) place the average for operating mines at approximately 0.5-0.6 per cent with many large mines below 0.6 per cent and new projects even lower (around 0.4-0.5 per cent), it said.

"This already assumes only the copper-bearing ore, no waste rock, no overburden, no rejected material, no processing losses.

In real mines, the total material moved is typically 2-4 times higher once waste rock stripping is factored in. If fully accounted for, total material moved per GW of wind power would likely exceed 1-2 million tonnes, not 0.48 million," it added.

The Survey also pointed out that copper is becoming highly volatile due to a series of mine outages in Indonesia, Congo, and Chile, rising concerns of a supply deficit in medium- to long-terms, given perpetually growing demand from the power sector and data centres across the world, and trade protectionist measures.

ENERGY TRANSITION

"The global energy transition is no longer solely determined by technology; it is increasingly constrained by who controls critical minerals. Metals like lithium, cobalt, nickel, copper, and rare earth elements have become the new strategic chokepoints in shaping the contours of a low-carbon economy, influencing energy security, industrial competitiveness, and geopolitical power, as observed through several trade restrictions on export of critical minerals by source countries," it explained.

As demand accelerates, advanced economies are responding by promoting standards-based critical mineral markets, emphasising sustainability, traceability, and governance.

BINDING CONSTRAINT

Suvendu Bose, Partner, Metals and Mining at Grant Thornton Bharat, said: "As power demand accelerates driven by renewables, electrification and AI data centres, the material intensity of clean energy is becoming the binding constraint."

"A single gigawatt generated through renewable sources requires thousands of tonnes of copper, translating into the movement of well over a million tonnes of material once real mining conditions are factored in," he added.

GOVERNMENT POLICY

The Economic Times, 16 January 2026

Niti Proposes Merger of Similar MSME Schemes

Our Bureau

New Delhi: NITI Aayog has proposed convergence of similar schemes, spread across ministries, for the micro, small and medium enterprises (MSMEs) through a well-coordinated governance structure to enable smoother implementation and greater efficiency in the sector.

In its report Achieving Efficiencies in MSME Sector through Convergence of Schemes, prepared by the Administrative Staff College of India (ASCI), Hyderabad, the Aayog said such convergence can be strengthened by fostering collaboration among ministries and implementing agencies through workshops, joint trainings, and targeted outreach, which would enhance scheme impact and improve beneficiary mobilisation.

The ministry of MSME has introduced multiple schemes to provide financial aid, skill development, infrastructure support, marketing aid, and technological upgradation.

The Aayog, however, feels that the presence of overlapping objectives and fragmented implementation across various ministries and departments might increase inefficiencies, affecting the effectiveness of these schemes.

As per the report, the government should set up a centralised portal for micro, small and medium enterprises (MSMEs) to enhance information convergence and streamline access to MSME support.

Further, it has suggested convergence of Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with the Micro and Small Enterprises - Cluster Development Programme (MSE-CDP) to streamline cluster development efforts and optimise resources.

"A coordinated skill development framework will ensure a more structured and responsive training approach for MSMEs," it said, suggesting the need for convergence of skill development programmes across multiple ministries as they have overlapping objectives.

The report further proposes convergence of Procurement and Marketing Scheme (PMS) and International Cooperation (IC) Schemes to simplify access to marketing support for MSMEs and enhance their domestic and international market reach.

NITI Aayog says flagship programmes must remain independent; aims for smoother implementation and greater efficiency

In addition, it has also proposed convergence of A Scheme for Promoting Innovation, Rural Industries & Entrepreneurship (ASPIRE) with MSME Innovative to streamline innovation support for the sector. However, it suggests the government to exercise caution while converging specific schemes.

"Convergence efforts must be approached with caution for schemes designed for specific beneficiary groups, such as the National Scheduled Caste or Scheduled Tribe (SC/ST) Hub or the North Eastern Region (NER) MSME Promotion Programme, to prevent dilution of their intended impact," it said.

Cut the Overlap

NITI lays out road map for greater efficiency in MSME sector

Proposes convergence of schemes with overlapping objectives

Convergence of info & process needed for smooth implementation

Proposes setting up centralised portal for greater access to info

SAYS FLAGSHIP SCHEMES SHOULD BE KEPT AS IT IS TO PREVENT DILUTION OF IMPACT

Business Standard, 22 January 2026

Niti suggests ₹13K cr schemes for MSME decarbonisation

Proposes ₹6,000 crore for viability gap funding and ₹7,000 crore for a new PM-Suryaghar-like scheme

DHRUVAKSH SAHA
New Delhi, 21 January

With India's micro, small and medium enterprises (MSMEs) facing the challenge of energy transition, the government could launch a PM-Suryaghar-like scheme that provides capital subsidies for green energy, and a viability gap-funding (VGF) scheme for energy efficient solutions, the Niti Aayog has recommended.

"For MSMEs, energy is one of their highest input costs and efficiency is deeply linked to their business viability and growth. It also affects their technology processes. In the export market, with all the regulations in place, if the MSME sector does not decarbonise soon, the challenges in the trade sector would deepen further," said S C L Das, Union MSME secretary.

He was speaking at the launch of a report on decarbonisation of MSMEs by the Aayog. India's MSMEs form the backbone of the nation's industrial landscape, contributing nearly 30 per cent to national gross domestic product (GDP), employing over 250 million people and accounting for approximately 46 per cent of exports.

The Aayog, the government's policy think tank, has recommended a host of measures to support the transition for MSMEs amid an international market turning increasingly unfavourable to goods produced through polluting means. The MSME ministry will work with stakeholders to start implementing the recommendations, at least in some high-energy-intensity clusters, and see the output, Das said.

The Aayog has estimated an emission reduction potential of 27-36 million tonnes (mt) over the implementation period of the scheme as MSMEs adopt green electricity over the next decade. The Aayog has proposed a VGF mechanism, under which funds will be directly credited to the original equipment manufacturers (OEMs), for significant uptake of energy efficiency technologies.

The scheme aims to support manufacturing projects which are economically justified but fall marginally short of financial viability. Support under this scheme is available only for companies selected through competitive bidding. The total VGF under the scheme will not exceed 15 per cent of the total project cost, and is estimated to cost the government around ₹6,000 crore.

The Niti Aayog has estimated an emission reduction potential of 27-36 million tonne over the implementation period of the scheme as MSMEs adopt green electricity over the next decade

The PM-Suryaghar-like scheme will aim to provide capital subsidies for setting up installations up to 3 kilowatt capacity, which can be provided directly to the micro enterprises for coverage up to 800,000 units.

"The scheme will require financial support from the government in terms of capital subsidy for each solar rooftop installation. The total expected outlay is estimated at ₹28,672 crore over a 20-year period, based on the projected capex of ₹21,109 crore," the report said.

The Aayog has initially recommended an allocation of ₹7000 crore for phase-1 implementation of this proposed scheme.

The government has identified 10 electricity-intensive clusters for immediate action in the first phase of implementation. Speaking at the event, Niti Aayog Vice Chairman Suman Bery said India's electricity charges are among the highest compared to some of its peers. He said there is a need to reconcile decarbonisation with competitiveness, which is important for meeting manufacturing goals.

Business Line, 23 January 2026

Trusted Aerospace looks beyond US with Sriperumbudur plant for exports to Europe

Our Bureau
Chennai

Masahiko Mori, President, DMG MORI, Japan, and Sankararaman Vaidyanathan, Chairman, TASE Global, at a press meet in Chennai on Thursday T·E RAJA SIMHAN

Trusted Aerospace Engineering (TASE Global), the Chennai-based precision manufacturing firm, on Thursday, inaugurated its new facility in Sriperumbudur that will produce aero structure components for the export markets, especially Europe.

The facility would enable the company to get an additional revenue of nearly ₹300 crore in three years through increased aircraft production, said Sankararaman Vaidyanathan, Chairman, TASE Global. "We will supply to a tier 1 vendor of French aircraft major Dassault," he said. "We are talking to a few clients."

US TARIFFS

The diversification to the European market would also help the company, which was affected by US tariffs from August 27. The company, with a revenue of ₹45 crore last year, had nearly 90 per cent exposure to the US.

With ₹70 crore revenue expected this fiscal, the company's exposure will decline to around 45 per cent as it increases presence in Europe, Vaidyanathan said. The company has invested ₹150 crore in the facility. This is in addition to the existing manufacturing of aero engine and precision medical components for export. Masahiko Mori, President, DMG MORI, Japan, inaugurated the facility. The Japanese company, which manufactures advanced high precision machines, is a technical partner in the new facility. Nearly 250 employees will work at the new facility.

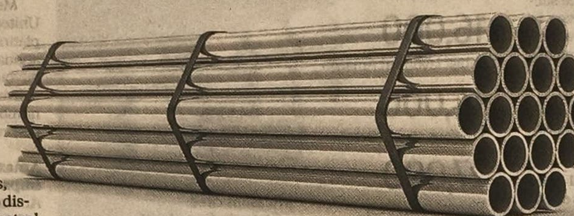
The aero structures unit spans 40,000 sq ft and houses DMG MORI machines capable of manufacturing components up to 6 m, including critical structural elements like frames, spars, ribs, longerons, door assemblies, and floor beams, he said.

Business Standard, 26 January 2026

CBAM rules strain India's steel MSMEs

At least 10 consignments held at European ports this month; order cancellations on the rise

SAKET KUMAR
New Delhi, 28 January



India's small steel exporters are reporting the first wave of shipment seizures at European ports and order cancellations due to missing compliance reports, marking the most serious disruption yet for the country's steel micro, small and medium enterprises (MSMEs) since the European Union's (EU's) Carbon Border Adjustment Mechanism (CBAM) entered its payment phase on January 1.

India was unable to secure any concession on CBAM in the free trade agreement signed with the EU on January 27.

CBAM is the EU's tool to impose a "fair price" on carbon embedded in carbon-intensive goods — such as steel, cement, and aluminium — entering the bloc. It is mandatory for imports exceeding 50 tonnes per calendar year.

According to Nilesh Bhattad, founder of CleanCarbon.ai, which has generated around 8,000 CBAM compliance reports for smaller exporters, at least 10 Indian consignments have already been held at European ports this month for missing or incomplete carbon declarations. One shipment from a Mumbai-based tractor manufacturer was stuck in a Polish port, accruing heavy detention charges.

"We have mapped over a thousand suppliers, generated 8,000 CBAM reports, and are already handling multiple cases of stuck shipments. The disruption is spreading fast," Bhattad said.

Order cancellations are surfacing as well.

A Mumbai-based exporter recently had a 7,000-tonne steel order cancelled after CBAM increased the final cost by ₹5–6 crore, rendering the deal unviable, Bhattad added, referring to a client his company serves.

The EU accounts for 32–45 per cent of India's annual steel exports (2–4 million tonnes). In an October 2025 report, rating agency Icra warned that CBAM could constrain export volumes and profitability.

Another report released last month by the Global Trade Research Initiative observed that Indian steel and aluminium exporters may have to cut prices by 15–22 per cent to retain access to the EU market once CBAM enters its payment phase.

Steeling the thunder

- Under CBAM, compliance costs push production expenses up by 5-8%
- Over 30,000 MSMEs now exposed to EU's carbon levy
- Carbon taxes for MSMEs tripled to 240-300 euros per tonne
- Small suppliers risk losing orders due to data gaps
- Even India's green steel fails EU's tax-free benchmark

Fresh data from CleanCarbon underscores the potential scale of disruption. The company estimates that 25,000–30,000 MSMEs exporting indirectly to the EU are now exposed to CBAM risk, along with 3,000–4,000 direct exporters.

Carbon levies for most MSMEs have trebled — from 70–80 euros to 240–300 euros per tonne — because they are being pushed into the EU's punitive default emission values, a near-universal outcome in India's fragmented MSME ecosystem, Bhattad said.

Across industrial clusters, exporters describe a mounting compliance burden.

"The most significant hurdle under CBAM is the lack of reliable carbon data across the supply chain. While CBAM aims to promote transparency, it imposes additional costs and compliance burdens on companies without providing infrastructure or readiness support. As a result, compliance costs and operational complexity have increased substantially," said a senior executive at a Kolkata-based fasteners manufacturer.

Based in the Ludhiana forging and agri-parts belt, Yerik International, which exports tractor and agricultural machinery parts to 15 European countries, including Germany and Poland, has seen a surge in compliance requirements since January 1. "Requirements have increased sharply, and small suppliers will lose orders because they don't have the infrastructure," said Kishan Yadav, general manager (process and system improvements). Yerik has begun shifting to biodegradable cutting oils, reducing furnace oil use, and incorporating solar energy into its processes. "All these changes have already raised our production costs by 5–8 per cent," Yadav said.

Bhattad said the default-value trap is the biggest danger for MSMEs. "Even if one supplier in the chain fails to provide compliance data, MSMEs are pushed into punitive default values. No small exporter has the margins to absorb that kind of shock," he said, adding that reporting expectations are unrealistic for micro units. "A workshop with 15 workers has to meet the same emissions reporting standards as a billion-dollar steelmaker. The compliance burden is completely disproportionate," he said.

Most MSMEs cannot secure emissions data from dozens of small vendors in their supply chains. "Indian MSME supply chains are not prepared to comply with CBAM rules. We are seeing exporters struggle to collect emissions data from their vendors," Bhattad said.

He also warned of a structural disadvantage for Indian exporters. "Even India's best 'green steel' emits 1.7–1.9 tonnes of carbon dioxide per tonne of output. The EU's tax-free benchmark is 1.34. So even the cleanest Indian steel will attract CBAM," Bhattad said, adding that this threatens the competitiveness of thousands of micro suppliers who lack audit systems, energy-efficient furnaces, or waste-handling infrastructure.

Business Line, 28 January 2026

₹18,000-crore metro rail link to connect Mumbai and Navi Mumbai airports

Our Bureau
Pune

Maharashtra will develop a 35-km metro rail corridor to connect Chhatrapati Shivaji Maharaj International Airport with the Navi Mumbai International Airport at an estimated cost of ₹18,000 crore, announced Chief Minister Devendra Fadnavis on Tuesday.

The announcement followed a meeting of the Cabinet Committee on Infrastructure chaired by him.

Addressing the media in Mumbai after the meeting, Fadnavis said the project would be implemented under the public-private partnership (PPP) mode, with financial participation from both the State and the Central government.

URBAN MOBILITY

While the original project timeline envisaged completion within five years, the Chief Minister said he had directed the implementing agencies to expedite execution and complete the corridor in 3.5 years. "This is not merely a Metro link between two airports. It is a critical urban mobility project that will integrate multiple existing and planned Metro lines and significantly ease congestion along the Mumbai–Navi Mumbai corridor," he said.

According to the plan, around 9 km of the Metro route will be underground, with the remaining stretch elevated. The corridor will have 25 stations and is designed to serve some of the most densely populated and congested areas between Mumbai and Navi Mumbai.

Areas such as Kurla, which witness heavy commuter traffic, are expected to benefit from improved last-mile connectivity and reduced pressure on road networks. The project will play a crucial role in preparing Mumbai's transport infrastructure for the operationalisation of the Navi Mumbai International Airport, while also offering a reliable, high-capacity public transport option.

LINKING SUBURBS. Two elevated corridors spanning 12.75 km include 13 stations, connecting fast-developing suburbs

Business Standard, 29 January 2026

India proposes opening of automobile market to EU in a phased manner

NEW PASTURES. Constructive approach to trade could support broader ecosystem, industry veterans say

S Ronendra Singh
New Delhi

India has proposed a tightly controlled opening of its automobile market to the European Union (EU) under the ongoing Free Trade Agreement (FTA) negotiations, offering quota-based and phased tariff reductions that sharply limit exposure for the mass-market auto industry while signalling flexibility on premium vehicles and local assembly.

WELL THOUGHT-OUT. India's offer on automobiles is calibrated rather than comprehensive, with concessions capped by volume, delayed timelines and a clear preference for completely knocked down imports over fully built vehicles REUTERS

EV ECOSYSTEM

According to official details, concessions on electric vehicle (EV) imports are proposed only from the fifth year of the agreement, reflecting concerns about protecting India's nascent electric mobility ecosystem.

Officials said India's offer on automobiles is calibrated rather than comprehensive, with concessions capped by volume, delayed timelines and a clear preference for completely knocked down (CKD) imports over fully built vehicles.

Under the proposal, India has offered tariff concessions for up to 1.6 lakh internal combustion engine (ICE) cars annually, alongside 90,000 EVs. A significant portion of this access, however, is designed to channel imports into local assembly lines rather than opening the door to large-scale fully built imports. Of the ICE quota, 75,000 units are reserved for CKD imports, with customs duties proposed to be cut from 16.5 per cent to 8.25 per cent.

Officials involved in the negotiations said the structure mirrors the current operating model of global auto manufacturers, most of whom already rely on CKD routes to reduce tariffs and assemble vehicles locally. As a result, any reduction in tariffs on completely built units (CBUs) is expected to affect only a limited set of high-end and niche imports, rather than India's volume-driven passenger vehicle (PV) market.

ONE-LAKH UNITS OF ICE

According to the officials, in the first year, only one-lakh units of ICE vehicles will be allowed to enter India across different categories. For instance, 34,000 units will be allowed for cars priced at €15,000-35,000 with 35 per cent import duty, and 33,000 units each for cars priced at €35,000-50,000 and above at a duty of 30 per cent each.

The 30-35 per cent duty on ICE cars imports will go down to 10 per cent over five years, and one-lakh quota will go up to 1.60 lakh units in 10 years, they added. A similar provision has been given for EVs with price ranging between €20,000 and €60,000.

Analysts said European auto majors such as the Volkswagen Group, which has brands like Audi, Lamborghini and Skoda, Mercedes-Benz, Stellantis, and Renault would benefit under this deal.

"This constructive approach could support the broader ecosystem, including innovation, supply-chain efficiency, and technology collaboration. We are positive the FTA will create a stable and predictable environment for European automakers to invest, innovate, and better serve customers in India," Balbir Singh Dhillon, Brand Director, Audi India, said.

Business Line, 29 January 2026

Ashok Leyland bats for more scrappage boost

SHINE JACOB
Chennai, 25 January

Commercial vehicle major Ashok Leyland is batting for more government incentives to boost fleet replacement in the country. According to a top executive, the firm will soon set up half a dozen scrappage centres across cities like Ahmedabad, Chennai, Jaipur, and others.

"We thought the current scrapping policy would be enough, but apparently it is not. I can't quantify how much incentive is needed, but it has to be quite substantial," said Shenu Agarwal *(pictured)*, managing director and chief executive officer, Ashok Leyland. Last week, the Indian flagship of the Hinduja Group reintroduced two of its most legendary trucks — Taurus and Hippo. Taurus represents the high-horsepower tipper range, while Hippo anchors the tractor portfolio. The launch marks the return of names long synonymous with ruggedness and reliability, now re-engineered with next-generation technology to meet the evolving needs of India's economy. Built on Ashok Leyland's advanced AVTR modular truck platform, the new range offers enhanced flexibility through multiple configurations and feature options. "Taurus and Hippo are purpose-built for the heavy-duty requirements of mining, infrastructure, and construction applications. The new truck range is powered by Ashok Leyland's A-Series 6-cylinder engines, now with industry-leading peak torque and power, delivering unmatched durability and reliability, higher productivity, and faster turnaround times," he added.

He said that the demand cycle in the commercial vehicle market will continue for some time. "Till October, the demand was flat. We had always been saying that we are sitting on a fleet that is more than 11 years old. Historically, it was 7–8 years. GST 2.0 was one such trigger that helped the whole industry. The consumption economy is moving up, which is creating a lot of demand. It is a fundamental change in the industry, so it will continue for some time," he said.

Business Line, 30 January 2026

Need to bridge gaps in the manufacture of aircraft components

G Naga Sridhar
Hyderabad

India needs to bridge gaps in aircraft component manufacturing as some critical capabilities are missing from the ecosystem, industry experts say.

While it has been gaining pace in India in recent decades, there were concerns in areas such as adequate production of raw materials, hardware and processes, said Andreas Schwab, Head of Procurement-India and South Asia, Airbus, at a roundtable on aircraft component manufacturing at Wings India 2026.

NICHE AREAS

To continue to grow and to develop new capabilities, there should be more focus on critical and niche areas component manufacturing, he added.

Ashwani Bhargava, Head, Supply Chain, Boeing, said the company sources components worth $1.35 billion from 325 suppliers in India. There was an imbalance in supply and demand and the full ecosystem had not evolved to take up the whole process of aircraft manufacturing.

A key ingredients for manufacturing growth is the right qualification for the CEOs. "The CEO should be the operational guy," he said, adding that only such business leaders could correctly understand the requirements of original equipment manufacturers. There are certain issues component makers are focusing on, according to Ashish Saraf, Country Head & Chairman of the Board of Pratt & Whitney India. While observing that a substantial amount of focus had gone to machining, he said a big barrier is raw materials for hard metal instruments.