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Key Press Reports on Industry and Govt. Policies
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AUTOMOTIVE INDUSTRY

Business Line, 4 March 2026

Tata Motors, Mahindra & Mahindra clarify on Indonesia orders; say there is no material impact

Amit Vijay Mohile
Mumbai



NOT AFFECTED. Tata Motors and M&M clarified that they had not received any official notice on suspension of orders

State-backed initiative focused on rural mobility.

CONTRACT SECURED

Tata Motors referenced its disclosure from February 10, in which its subsidiary, PT Tata Motors Distribusi Indonesia, secured a contract for 70,000 vehicles.

The company dismissed the media reports, stating, "The articles in Indonesia (reproduced in India) reflect a domestic policy discussion on imports and local manufacturing, rather than any demand or execution risk related to the order we received."

They stressed that "the order and the advance payment we have received are programme-driven," with plans to start supplies soon and deliver in phases. "The published article has no material impact on the company."

Mahindra & Mahindra highlighted its announcement from February 4 of a record 35,000 units export order for Scorpio Pik Up light commercial vehicles.

The company confirmed that it had received an advance payment and added, "To date, we have not received any further communication from Indonesia regarding the suspension of the order."

EXPERT CLAIM

Despite both OEMs asserting that "all is well," a senior industry analyst who spoke

to *businessline* said that the situation highlights the risks for Indian OEMs pursuing scale in politically sensitive markets. Large deals tied to government programmes often clash with host countries' push for localisation and domestic production.

"Competitors like China's BYD have already established a foothold through factories; Indian companies must consider similar investments," the analyst stated, emphasising that while export success brings contracts, a sustainable presence requires adaptation.

"For Tata and Mahindra, achieving success may rely on shifting from pure imports to joint ventures, phased local assembly or technology transfers to align with host-country priorities."

Tata Motors and Mahindra & Mahindra in back-to-back regulatory filings have countered media reports that Indonesia had suspended vehicle imports from them.

The clarifications followed exchange queries and share price volatility triggered by a March 2 report.

Both companies confirmed that they had not received any official notice of suspension, and there had been no significant impact on their businesses.

Together, they are set to supply 1,05,000 vehicles to Agrcinas Pangan Nusantara as part of Indonesia's Koperasi Desa/Kelurahan Merah Putih project, which is a

Maruti Suzuki to Rev Up its Capacity Next Fiscal to Meet Surge in Demand

Looks to add 500k more cars in FY27, but contributions from new plants to be in phased manner: Co

Sharmistha Mukherjee

New Delhi: The country's largest carmaker Maruti Suzuki will add capacity to produce 500,000 more cars in the upcoming financial year to meet a spike in demand in the local market, post the reset in GST rates.

Maruti Suzuki has total installed capacity of 2.6 million units per annum across its facilities in Haryana and Gujarat in the country.

The company—which has pending orders for about 200,000 vehicles—said it is operating at 100% capacity and is unable to fully meet customer demand. Maruti Suzuki has stocks of about 12 days, of which 7 days worth of inventory is in transit. Normally, the company

In Fourth Gear

Total installed capacity
2.6M units per annum

Pending orders
200K vehicles

Stocks
About 12 days

Maruti contributes **56%** to total sales at Suzuki

From next fiscal year, Suzuki expects capacity additions of **250,000 units per year** each at new plants in India.

Suzuki agreed fixed costs will rise due to investment in production expansion



has stocks of 30 days in dealerships.

"Our bookings grew by 20% last month. We are constrained by capacity and are calibrating our production every month to ensure that no customer be it for hatchbacks or sedans or utility vehicles have to wait for too long to get their vehicles", Partho Banerjee, senior executive officer (marketing and sales) at Maruti Suzuki said, adding last month the company focussed of utility vehicles whose sales grew 12% in the period.

In all, Maruti Suzuki dispatched

161,000 passenger vehicles last month, compared to 160,791 sold in February 2025.

Parent Suzuki Motor Corporation (SMC) in a post-earnings call last month said, "Currently, we produce 220,000-230,000 units per month, with 170,000-180,000 units per month for India domestic, and about 50,000 units per month for exports, etc. Exports are in demand in

Africa, the Middle East, etc., and with expanded production capacity next fiscal year (two new plants), about 20,000 units/month will be added, which we look forward to."

Indian subsidiary Maruti Suzuki currently contributes 56% to total sales at SMC. Next fiscal year, Suzuki said it expects capacity additions of 250,000 units per year each at the new plants in India. While the second line at Kharkhoda (Haryana) is scheduled to commence operations in the first quarter, the fourth line at Hansalpur (Gujarat) is set to be commissioned in the second quarter. "Since ramp-up production is necessary, contributions will be phased.

Kharkhoda is expected to contribute from the first quarter of next fiscal year; Hansalpur from the second quarter", SMC added.

"There is a risk that customers who cannot wait for delivery may switch to other companies, so it is desirable to secure inventory close to the standard level (about 30 days is desirable), but the situation remains tight, and we see strong supply-demand", SMC said.

Commercial vehicle sales rise to 29% in February, Tata Motors retains lead

T E Raja Simhan
Chennai

Commercial vehicle (CV) retail sales in India rose 29 per cent year-on-year in February 2026 to 1,00,820 units compared with 78,219 units in the same month last year, reflecting steady freight activity and improved fleet utilisation, according to Federation of Automobile Dealers Associations (FADA) data. All major original equipment manufacturers (OEMs) reported more than 20 per cent growth during the month while their market shares remained largely unchanged.

Tata Motors Ltd continued to dominate the segment with a 35.61 per cent market share in February 2026. It was followed by Mahindra & Mahindra Ltd with 26.79 per cent and Ashok Leyland Ltd with 18.47 per cent, FADA data showed.

Among manufacturers, Daimler India Commercial Vehicles recorded the highest growth at 39.46 per cent, with sales rising to 2,389 units from 1,713 units a year ago. Force Motors Ltd posted the lowest growth at 4.75 per cent, with sales increasing to 2,097 units from 2,002 units.

DEALER FEEDBACK

FADA stated dealer feedback pointed to improved freight availability, steady e-commerce activity and infrastructure-linked demand, supporting fleet additions across regions. The positive



Commercial vehicle OEMs (In units)

	Feb 2025	Market share (%) Feb 2025	Feb 2026	Market share (%) Feb 2026
Tata Motors	27,184	34.75	35,900	35.61
Mahindra & Mahindra	21,168	27.06	27,014	26.79
Ashok Leyland	14,606	18.67	18,619	18.47
VE Commercial Vehicles	6,356	8.13	8,263	8.20
Maruti Suzuki India	3,679	4.70	4,489	4.45

Source: FADA

sentiment following the rollout of GST 2.0 also helped boost secondary demand and bulk purchases. However, some regions reported supply constraints for certain models even as the overall booking pipeline remained healthy.

According to Poonam Upadhyay, Director, Crisil Ratings, commercial vehicle volumes remain on a healthy trajectory with demand for medium and heavy commercial vehicles (M&HCVs) leading the growth, supported by strong construction activity, higher mining output and increased goods movement. Growth in light commercial vehicles (LCVs) is being driven by the expansion of e-commerce and last-mile logistics, she said.

Fleet replacement demand is gaining momentum

after being deferred during FY20-FY22 amid the pandemic and the transition to BS-VI emission norms, which increased vehicle costs. The reduction in GST on commercial vehicles to 18 per cent in September 2025 from 28 per cent earlier improved purchase economics and unlocked postponed buying decisions.

Looking ahead, replacement demand and infrastructure-led freight activity are expected to sustain volumes, though growth could moderate to mid-single digits on a higher base, Upadhyay noted.

The 6 per cent month-on-month decline in February sales was largely seasonal, reflecting dispatch timing and purchase bunching rather than any slowdown in demand, she added.

At 24.09 lakh units, February auto sales best-ever across all segments

ON A ROLL. Going forward, demand is expected to be supported by the confluence of multiple festivals: FADA

S Ronendra Singh
New Delhi

It was the best-ever February this year for two-wheelers (2W), three-wheelers (3W), commercial vehicles (CV), passenger vehicles (PV) and tractors, with retail sales totalling 24,09,362 units, up 25.6 per cent year-on-year (y-o-y), compared with 19,17,934 units in February 2025.

The strong performance extended the momentum seen after GST 2.0, with improved affordability and market confidence translating into broad-based retail growth, said the Federation of Automobile Dealers' Associations (FADA) on Thursday, adding that despite being a shorter month, the retail performance remained exceptionally strong across segments.

Win-win for all

All-India vehicle retail data for February 2026

Category	(in units)		
	Feb-25	Feb-26	% change
Passenger vehicles	3,13,015	3,94,768	26.1
Two-wheelers	13,60,155	17,00,505	25
Three-wheelers	94,162	1,17,130	24.3
Commercial vehicles	78,219	1,00,820	28.8
Tractors	65,579	89,418	36.3
Total	19,17,934	24,09,362	25.6

Source: Federation of Automobile Dealers' Associations (FADA)

Segment-wise, PV retail sales grew 26 per cent y-o-y to 3,94,768 units in February, compared with 3,13,015 units in the corresponding month last year.

Two-wheeler sales grew 25 per cent y-o-y in the month at 17,00,505 units, against 13,60,155 units in the same month last year. Similarly, 3W sales grew 24.3 per cent y-o-y at 1,17,130 units last month, compared with 94,162 units in February

2025, the FADA monthly report indicated.

The CV segment grew by around 29 per cent y-o-y to 1,00,820 units in February, against 78,219 units in the same month last year.

"February 2026 has turned out to be a landmark month for the Indian auto retail sector, further strengthening the positive momentum seen after the GST 2.0 announcement. The growth was broad-based across al-

most all segments," said CS Vigneshwar, President, FADA.

He said the PV inventory reduced further to 27-29 days, moving closer to FADA's recommended 21-day benchmark and indicating healthier wholesale-retail alignment.

FESTIVAL DRIVE

In terms of outlook, Vigneshwar said demand is expected to be supported by the confluence of multiple festivals such as Navratri, Ramzan, Ugadi, Gudi Padwa and Eid, along with the financial year-end buying cycle, which traditionally accelerates vehicle purchases across segments.

"In the 2W segment, strong booking pipelines, improved agri incomes and post-examination demand are expected to support retail momentum. Passenger

vehicles may benefit from year-end depreciation advantages, festival-led enquiries and customers advancing purchases ahead of potential price revisions," he said.

CVs are likely to see continued traction driven by infrastructure activity, freight movement and strong pipeline bookings, as businesses close the financial year. However, supply constraints in certain models and evolving global geopolitical developments remain factors to watch, he said.

"Overall, the next three months still appear cautiously optimistic — the growth momentum is intact, but compared to the sharper optimism seen earlier, the survey now indicates that the industry may gradually move from a phase of strong rebound to a phase of more stable and calibrated growth," Vigneshwar added.

'Auto component industry to grow 8-10% in FY27'

Amit Vijay Mohile
Mumbai

Domestic vehicle demand is projected to grow 5-8 per cent in FY27, moderating from the estimated 7-10 per cent growth in FY26, as the industry moves beyond the post-pandemic recovery phase and faces a higher base effect.

India's auto component sector is entering a phase of structural transformation rather than cyclical expansion. Despite moderating vehicle sales growth, rising technology content, export opportunities and localisation trends are expected to support a stronger growth trajectory for component manufacturers compared with the broader auto industry.

Shruti Saboo, Director, India Ratings & Research, said auto ancillaries are likely to benefit from persistent domestic market demand and continued formalisation of the supply chain following GST revision. She added that export market sentiment is also expected to improve amid favourable trade agreements, which could support investments and research and development in advanced technology compon-

ents and the electric vehicle ecosystem.

The ratings agency said profitability for component manufacturers is expected to improve gradually as input costs stabilise. Prices of key raw materials, such as steel, aluminium and other metals, have eased from earlier peaks, supporting EBITDA margins across the sector and improving free cash flows in FY27. Capital expenditure is also becoming more modular, while net leverage levels are expected to remain broadly stable.

CONTENT PER VEHICLE

One of the most significant advantages for component manufacturers is the rising value of parts per vehicle, as automakers incorporate more electronics, safety systems and advanced materials to meet regulatory and consumer expectations.

India Ratings identified premiumisation as a key demand driver, particularly in passenger vehicles where sport utility vehicles (SUVs) and higher-end models dominate sales. This shift means each vehicle sold carries higher-value components, enabling suppliers to grow revenues even when overall vehicle volumes expand at a slower pace.

PV sales growth may dip up to 5% in FY27: India Ratings

DEEPAK PATEL
New Delhi, 5 March

Passenger vehicle (PV) sales growth in India is expected to moderate to 3-5 per cent year-on-year (Y-o-Y) in financial year 2027 (FY27) due to a high base and preponed replacement demand, according to a report released by India Ratings and Research on Thursday. This comes despite a domestic upcycle in the overall automotive industry.

The growth rate of PV sales in the first 11 months of FY26 stood at 11.82 per cent, according to data released by Federation of Automobile Dealers Associations (Fada) on Thursday. About 4.25 million PVs were sold in the April-February period of the current financial year, compared to 3.8 million sold in the corresponding period last financial year, it added.

Growth in the PV segment is likely to stabilise after a period of strong expansion, with utility ve-

hicles continuing to outperform small cars and vans, the report said. Demand in recent years has been driven by replacement purchases and rising consumer preference for sport utility vehicles, resulting in a higher base for the industry.

The report stated that the two-wheeler (2W) segment is expected to reach a key milestone, with domestic sales projected to surpass pre-pandemic highs in FY26. The sector is emerging as a key driver of the industry's volume recovery, after several years of pandemic-related disruptions and weak rural demand, the ratings agency said.

The pre-pandemic peak for two-wheeler sales in India was in FY19, when domestic sales reached about 21.18 million units. In the first 11 months of the current financial year, two-wheeler makers sold about 19.46 million units, recording a 12 per cent Y-o-Y growth. This means sales in the segment

will cross the pre-pandemic peak in FY26 itself.

Following the strong recovery in FY26, two-wheeler growth is expected to moderate to 6-8 per cent in FY27, due to the higher base effect, it said. The recovery is increasingly being driven by premiumisation, with scooters and premium motor-

**THE REPORT STATED
DOMESTIC SALES OF 2W
SEGMENT IS PROJECTED
TO SURPASS PRE-COVID
HIGHS IN FY26**

cycles above 200cc outperforming entry-level motorcycles. Improving demand across both rural and urban markets is also supporting the rebound in two-wheeler sales, although revenue growth has been outpacing volume growth because of better price realisations.

The commercial vehicle (CV) segment, meanwhile, is expected to recover in FY26 and FY27 after witnessing a decline in FY25. Medium and heavy commercial vehicles segment is projected to grow by 5-7 per cent, while light commercial vehicles may expand by 6-8 per cent in FY27.

MM Forgings to deploy 150 robots amid manpower shortage

T E Raja Simhan
Chennai

MM Forgings, the Chennai-based auto component manufacturer, plans to deploy 100-150 robots across its facilities to address manpower shortages and rising labour costs, according to CMD Vidyashankar Krishnan.

Speaking at the Auto Ancillaries' Virtual Investor Conference, Krishnan said automation is becoming necessary as labour costs continue to climb.

"Manpower costs are rising rapidly, and one of the ways to mitigate them is to look at productivity everywhere and across the board," he added.

Each robot can replace

roughly 3 per cent of the manpower, he noted, adding that the manufacturing sector faces stiff competition for workers from the services industry.

"We say India has a huge opportunity, but we also have a huge competition for the same manpower from the services industry. Somebody working as a janitor in a mall does not have to work as hard or in as harsh an environment as in a forge shop," he said.

CAPEX PLAN

Krishnan said the company plans to invest about ₹160 crore in capital expenditure next fiscal. The investment will go towards completing the 16,500 tonne press, fin-



Vidyashankar Krishnan,
CMD, MM Forgings

ishing the installation of the 4,000 tonne press, and adding capacity on the machining side.

"If there are new customer interests and cash availability, then the capex could increase up to ₹200

crore," he added. Krishnan said the company has seen a sharp decline in revenue from the US market, which has affected overall growth.

US REVENUE

"As far as the US is concerned, the company has lost almost 10 per cent of revenue. While we have grown in other geographies, including India, we have not grown overall only because the US market has tanked," he said.

The US share in MM Forgings' revenue has dropped from about 16-17 per cent earlier to around 9 per cent now, he added.

"That's a huge reduction we have had to face. Otherwise, we would have seen some growth this year as

well," he said. Despite the setback in the US, Krishnan said demand conditions remain favourable.

GEOPOLITICAL WOES

"The US market is very strong and the Indian truck market is doing well. Subject to similar macroeconomic conditions, particularly geopolitical tensions not throwing a spanner in the works, the company should be able to easily achieve 20 per cent growth next year," he said.

"We have the parts and the orders for that," he added.

He noted that the company had consistently invested nearly ₹1,000 crore over the past five years, which is expected to provide strong growth tailwinds.

India gets driver's seat in Renault global futuREady road map

SHINE JACOB
Chennai, 10 March

French automaker Renault on Tuesday announced its new strategic plan, futuREady, through which the company has set an ambitious target of selling 2 million Renault-branded vehicles by 2030, with half coming from outside Europe. More importantly, India is lined up as one of the three key growth hubs outside Europe and is planned as a global production hub.

Based on this strategy, Renault plans 36 new models in the next five years, including 14 outside Europe, compared with just eight in the previous five years. Between now and 2030, four new models will be designed and assembled in India, including 100 per cent electric and full-hybrid cars.

The Bridger Concept is the forerunner of the first vehicle to be developed in India in under two years, in line with Renault Group's new standards. Designed on the Renault Group modular platform, or RGMP Small (its new name), it will be



The company will launch four new models in India by 2030, and 36 globally

available in combustion, hybrid or electric versions depending on the market. It will be launched initially in India by the end of 2027, with a gradual rollout to other international markets.

Present in India for 15 years, Renault said it is taking advantage of its in-depth knowledge of the market and a fully integrated local ecosystem. "In this way, India will become a global production and supply hub for the brand, serving its domestic market as well as many other countries," a statement said.

"The plan is based on four pillars: growth ready, tech ready, excellence ready and

trust ready. We plan to launch 36 new models between now and 2030 and substantially transform the customer experience during the lifetime of our vehicles. We will accelerate our technological road maps for all key technologies. We will also set highly ambitious goals for operational performance, with the widespread use of AI," said François Provost, chief executive officer of Renault Group.

The group said it is stepping up the pace with a targeted approach in its growth hubs – India, South America and South Korea – all of which will contribute to its expansion.

The company added that it is planning to sell over 2 million Renault-branded vehicles every year, with half from outside Europe. It is also planning to have 100 per cent electrified sales in Europe and 50 per cent outside Europe.

"Renault now relies on robust hubs in Morocco, Türkiye, Latin America, South Korea and India, where we already have strong industrial and commercial presence. With futuREady, our ambition is clear: to strengthen our positions in our key markets with products that are fully adapted to each region, electrified and true to Renault's DNA," said Fabrice Cambolive, chief executive officer, Renault brand.

The world's leading French car brand, Renault sold 620,000 vehicles outside Europe in 2025, an increase of 11 per cent compared with 2024. Building on these results, the brand is preparing to step up its offensive in order to reap the full potential of its five international hubs in Morocco, Türkiye, Latin America, South Korea and India.

Ashok Leyland announces ₹500 cr battery pack manufacturing facility near Chennai

Our Bureau
Chennai

Auto major Ashok Leyland on Wednesday announced the groundbreaking for a greenfield battery pack manufacturing facility in Pillaipakkam, near Chennai. The project would entail an investment of ₹400-500 crore, and is part of investments from the Hinduja Group under an MoU signed in September 2025.

The battery pack project aligns closely with Tamil Nadu's Electric Vehicle Policy 2023, the National Mission on Transformative Mobility and Battery Storage, and India's vision of achieving net-zero emissions by 2070.

Chief Minister MK Stalin unveiled the foundation plaque in the presence of Industries Minister TRB Rajaa and Shenu Agarwal, MD and



POWER-PACKED. Tamil Nadu Chief Minister MK Stalin unveiling the foundation plaque for Ashok Leyland's greenfield battery pack manufacturing facility in Pillaipakkam, near Chennai, in the presence of senior company officials

CEO, Ashok Leyland, said a company statement.

STRATEGIC MOVE

The new facility represents a strategic step in building a robust EV ecosystem. It will localise EV battery pack production, strengthen India's electric mobility supply chain and create new opportunities for employment and advanced skill development

in Tamil Nadu, reinforcing the State's position as a leading hub for next-generation automotive manufacturing and EV innovation, the statement added.

Dheeraj Hinduja, Executive Chairman, Ashok Leyland, said, "Our journey has been closely intertwined with the growth of Tamil Nadu for more than seven decades. Ashok Leyland,

along with its subsidiary Switch Mobility, has already developed a vast range of electric commercial vehicles, and taken a lead position in the EV market. The groundbreaking of the new battery pack manufacturing facility marks an important step in our electric mobility journey and reinforces our commitment to building a strong domestic EV ecosystem."

Ashok Leyland MD and CEO Agarwal said, "Battery pack technology is central to the future of electric mobility and energy storage. This facility will enable us to build advanced battery pack solutions with greater efficiency and reliability while supporting the battery supply chain localisation.

"It will also contribute to developing specialised talent and creating new opportunities in high-technology manufacturing within Tamil Nadu."

PV sales hit record high for Feb, rose over 10%

DEEPAK PATEL
New Delhi, 13 March

India's passenger vehicle (PV) market hit record February sales of 417,705 units, marking a growth of 10.6 per cent year-on-year (Y-o-Y), as consumer sentiment remained positive following the Goods and Services Tax (GST) rate cuts in September last year, according to the data released by Society of Indian Automobile Manufacturers (SIAM) on Friday.

Two-wheeler and three-wheeler segments also posted all-time February highs. Two-wheeler sales stood at 1,871,406 units, up 35.2 per cent Y-o-Y, while three-wheeler sales grew 29 per cent Y-o-Y to 74,573 units, signalling strong momentum in the country's automobile sector.

In the PV segment, Maruti Suzuki India led domestic sales at 161,000 units, a marginal increase of 0.13 per cent compared to February 2025. Mahindra & Mahindra took the second spot with 60,018 units sold, a 19.04 per cent Y-o-Y growth.

Hyundai Motor India sold 52,407 units in February, up 9.81 per cent Y-o-Y, while Toyota Kirloskar Motor saw a notable rise of 16.62 per cent Y-o-Y, reaching 30,734 units. Kia India completed the top five with 27,610 units, a 10.33 per cent Y-o-Y increase. Tata Motors' monthly sales for February were not disclosed in SIAM data.

Hero MotoCorp led in the two-wheeler segment, with sales jumping 44.68 per cent Y-o-Y to 516,968 units. Honda Motorcycle & Scooter India followed closely, selling 513,217 units, a 33.68 per cent Y-o-Y growth.

TVS Motor Company sold 365,471

In high gear

Segment sales	February 2025	February 2026	% change
Passenger vehicles	377,689	417,705	10.6
Two-wheelers	1,384,605	1,871,406	35.2
Three-wheelers	57,788	74,573	29.0

Source: SIAM

■ In the PV segment, Maruti Suzuki India led domestic sales with 161,000 units

■ Two-wheeler sales were led by Hero MotoCorp, which sold 516,968 units



units, marking a 32.38 per cent increase Y-o-Y, while Bajaj Auto's sales rose 27.39 per cent Y-o-Y to 186,164 units. Suzuki Motorcycle India reported sales growth of 38.05 per cent Y-o-Y to 101,071 units.

Rajesh Menon, director general of SIAM, said, "Positive sentiments in the industry continues as PVs, two-wheelers and three-wheelers posted their highest ever sales of February in

2026, with double digit growth, compared to February 2025."

While March has festive drivers, the recent conflict in West Asia remains a concern in terms of supply chain, which could impact the manufacturing processes and exports, he said. "Industry would keep a close watch on evolving geopolitical developments," Menon added.

West Asia conflict a concern for auto industry, says SIAM

S Ronendra Singh
New Delhi

The Society of Indian Automobile Manufacturers (SIAM) said on Friday that while March sees festival-led demand in several parts of the country, the recent conflict in West Asia remains a concern from the perspective of supply chains, which could impact the manufacturing processes and exports.

On March 9, both SIAM and Automotive Component Manufacturers Association of India (ACMA) had expressed concerns regarding the availability of LNG and PNG for industrial use via letters to the Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Heavy Industries (MHI) and Department of Commerce.

APPLICATIONS

LPG and PNG are particularly used for foundry, forging and machining units, as well as other applications within the automotive supply chain for operational processes.

"Industry would keep a close watch on evolving geo-



political developments," said Rajesh Menon, Director General, SIAM, while sharing the sales data for February.

In terms of domestic wholesales (dispatches to dealers), Menon said positive sentiments in the industry continues as passenger vehicles, two-wheelers and three-wheelers posted their highest-ever sales in February 2026, with double-digit growth, compared to February 2025.

According to the data released by the industry body, the passenger vehicle wholesales reported a growth of 10.6 per cent year-on-year at 4,17,705 units in February, compared with 3,77,689 units in the corresponding month last year. Similarly, two-wheelers dispatches

grew by 35.2 per cent y-o-y in February with sales of 18,71,406 units, compared to 13,84,605 units in February 2025. While the motorcycles dispatches grew around 31 per cent y-o-y to 10,96,537 units (against 8,38,250 units in February 2025), scooter dispatches grew 42.3 per cent y-o-y at 7,29,774 units (against 5,12,783 units in February 2025).

Three-wheelers also witnessed a strong growth of 29 per cent y-o-y with dispatches of 74,573 units last month, against 57,788 units in February the previous year. The grand total of all vehicles across categories grew 30 per cent y-o-y at 23,63,684 units in February, compared to 18,20,082 units in February last year.

AUTO EXPORTS

In terms of exports, total passenger vehicles exports grew 34 per cent y-o-y at 75,892 units during the month, compared to 56,638 units in February last year.

Similarly, exports of total two-wheelers grew 26 per cent y-o-y at 4,92,414 units, compared to 3,91,408 units in February 2025, the SIAM data indicated.

Tata Motors bags orders for over 5,000 buses from State transport undertakings

Our Bureau
Mumbai

Tata Motors has secured cumulative orders for more than 5,000 buses and bus chassis from multiple State transport undertakings (STUs), reinforcing its position as a key supplier of mass mobility solutions.

The orders were awarded through a competitive e-bidding process under the government procurement system and will be executed in phases in coordination with the respective STUs.

The orders include those from the Maharashtra State Road Transport Corporation (MSRTC), the Gujarat State Road Transport Corporation (GSRTC), the North Western Karnataka Road Transport Corporation (NWKRTC), the Telangana State Road Transport Corporation (TGSRTC), the Bi-



BID PROCESS. The orders were awarded via a competitive e-bidding process under the government procurement system

har State Road Transport Corporation (BSRTC), the Rajasthan State Road Transport Corporation (RSRTC), the Kerala State Road Transport Corporation (KSRTC), the Haryana Roadways and the Chandigarh Transport Undertaking (CTU).

"These orders reflect the trust that STUs place in Tata Motors' mobility solutions," said Anand S, Vice-President and Head, Commercial Passenger Vehicle Business, at Tata Motors.

The orders span a range of models, including the Tata

Magna, Tata Cityride, Tata Starbus, Tata Starbus Prime and bus chassis platforms, such as the LPO 1618, LPO 1622 and LPO 1822. These vehicles are configured for intercity, long-haul and intra-city operations.

LIFECYCLE SUPPORT

Tata Motors has long been a major supplier to STUs and private fleet operators across India. Its commercial passenger vehicle portfolio ranges from 9-seater vans to 55-seater buses across multiple powertrain options.

The company supports these vehicles through its Sampurna Seva 2.0 lifecycle management programme, which provides maintenance support, assured turnaround times, genuine spare parts availability and breakdown assistance. Tata Motors also has a nationwide network of more than 4,500 sales and service touchpoints.

ELECTRIC VEHICLES

Business Line, 1 March 2026

E2W registrations jump 36% in February

e2W registrations in units

Company	Feb '26	Mkt share (%)	Feb '25	Mkt share (%)
TVS Motor	30,506	28.83	18,952	24.82
Bajaj Auto	24,239	22.91	21,571	28.25
Ather Energy	19,733	18.65	11,978	15.69
Hero MotoCorp	11,957	11.30	2,673	3.50
OLA Electric	3,891	3.68	8,672	11.36

Source: Vahan data as at 1.15 pm on February 28

T E Raja Simhan
Chennai

Registrations of electric two-wheelers (e2Ws) — including pure electric and battery-operated vehicles — rose 36 per cent to 1.05 lakh units in February compared with 76,350 units a year ago, according to Vahan data as of 1.15 pm on Saturday.

TVS Motor retained leadership in the segment, clocking 61 per cent year-on-year growth in February and further improving its market share. Hero MotoCorp more than tripled its volumes over the year-ago period, lifting its market share to 11.30 per cent in February from 3.50 per cent a year earlier.

Second positioned Bajaj Auto reported a 12 per cent growth.

Barring Ola Electric, all major manufacturers posted growth over February 2025. Ola continued to lose volume, recording a 55 per cent decline during the month. The company, which had trailed Bajaj Auto in February 2025, slipped to the fifth position a year later. Ola's market share slumped to 3.68 per cent from

11.36 per cent, the data showed.

STRONG MOMENTUM

The strong year-on-year growth underscores healthy underlying momentum in e2Ws, aided by better product quality and deeper distribution, while increasing participation from legacy OEMs is lending greater stability to the market, said Poonam Upadhyay, Director at Crisil Ratings.

With volumes sustaining above a 100,000-unit monthly run rate, the industry is operating at a higher structural base than in FY25, indicating demand consolidation at elevated levels. "More importantly, the demand construct is evolving, with E2Ws increasingly transitioning from an aspirational purchase to a more economically driven decision, reinforcing growth durability," she said.

The 14 per cent month-on-month decline in February was largely due to base effects and normalisation after strong January sales, along with the shorter month, rather than any underlying demand slowdown, she added.

Volvo Car India drops its 2030 all-electric deadline

ANJALI SINGH
Mumbai, 1 March

Volvo Car India has recalibrated its strategy by dropping its earlier global commitment to become an all-electric carmaker by 2030 and, instead, adopting a market-led approach without fixed timelines.

"We are not putting a date behind it," said Jyoti Malhotra, managing director of Volvo Car India. According to the carmaker's plan, it will keep the long-term ambition of transitioning fully to electric vehicles (EVs) unchanged but the pace of adoption will be shaped by infrastructure readiness, customer demand and policy support across markets.

EV adoption and ecosystem development vary across countries, requiring market-specific strategies, Malhotra said.

In India, Volvo is already ahead of the broader luxury car market on electrification. EVs currently account for around 25 per cent of the company's domestic sales, compared with an estimated 10-11 per cent EV penetration in the overall luxury segment. The carmaker now aims to raise the share of EVs to nearly one-third



Jyoti Malhotra, MD of Volvo Car India, said the company was not focused on chasing short-term volume spikes but on building a foundation for sustainable, long-term growth

of its sales in the near term, supported by new product launches and ecosystem investments.

As part of this push, Volvo plans to introduce two new electric models in 2026 — one in the SUV segment and another in the sedan category while continuing to offer internal combustion engine (ICE) and mild-hybrid models. The dual strategy reflects the company's view that India remains a dynamic and

evolving market, where consumer preferences, charging infrastructure and government incentives are still developing.

Sales trends underline both the challenges and the rationale behind Volvo's recalibration. According to Vahan data, Volvo Auto India sold 2,120 vehicles in 2023 and 1,861 units in 2024. Volumes declined to 1,630 units in 2025, and stood at 307 units for 2026 until March 1.

Malhotra said the company is not focused on chasing short-term volume spikes but on building a foundation for sustainable, long-term growth.

Volvo is also investing in supporting infrastructure and customer experience. It recently set up an ultra-fast charging station on the Mumbai-Nashik corridor and plans to support the development of a wider charging ecosystem. Improving after-sales service, parts availability and overall ownership experience also form key pillars of its strategy.

Despite intensifying competition in India's luxury car market, Volvo intends to retain its premium positioning. Malhotra said the brand will continue to differentiate itself through its core pillars of safety, Scandinavian design and sustainability.



Keto Motors to go public via reverse merger with Taza Intl; Taiwan's Tron Energy to pick 10% stake

Amit Vijay Mohale
Mumbai

Electric three-wheeler OEM Keto Motors plans to go public through a reverse merger with listed entity Taza International, even as it brings in Taiwan's Tron Energy Technology as a strategic investor and technology partner to enter India's supply-constrained electric bus segment.

Tron Energy, one of Taiwan's largest electric bus OEMs, will acquire around 10 per cent stake in Keto Motors, valuing the company at an estimated ₹350-500 crore, according to company officials. The partnership will provide Keto access to proven elec-



STRATEGIC STAKE. Taiwan's Tron Energy will acquire a 10% stake in Keto Motors, valuing the firm at ₹350-500 crore

tric bus platforms, drivetrain architectures and battery systems, areas that have slowed deliveries across India's electric bus industry.

"Tron is coming in as a strategic partner, not just a vendor," Venkatesh Challa, Director of Keto Motors, told *businessline* in an ex-

clusive interaction. "The goal is to localise powertrain and battery capability so we aren't constrained by technology dependencies as we scale," he said.

SWAP RATIO

Keto's merger will be executed at a swap ratio of three Taza shares for every

two Keto shares, resulting in the issuance of 5.6 crore new shares. The company expects trading to commence within the next two months, giving it access to public capital markets to fund expansion.

₹300 CRORE PLANT

The listing comes at a time when capital-intensive EV manufacturers are exploring alternative routes to market amid tight private funding conditions.

To support its electric bus ambitions, Keto has signed an MoU with the Telangana government to set up a ₹300 crore manufacturing facility in Jadcherla, expected to generate over 2,000 jobs. The plant will initially

produce 9 m electric buses for city and intercity operations.

The total investment, including working capital and phased capacity expansion, could eventually rise to ₹1,000-2,000 crore, Challa said.

Keto has already raised around ₹50 crore from strategic investors, including Tron, and is in discussions to secure an additional ₹150 crore to support its manufacturing push.

Challa said India's electric bus market is currently supply-constrained, with major manufacturers largely committed to state transport undertakings under government-backed gross cost contracts.

Ola Electric eyes \$50-75 m QIP fundraise for a reset as market share slides, competition rises

Jyoti Banthia
Aishwarya Kumar
Bengaluru

Electric two-wheeler maker Ola Electric is looking to raise \$50-75 million through the qualified institutional placement (QIP) route over the next two-three quarters, according to people aware of the development, as it grapples with falling sales and mounting competitive pressure.

"The QIP is likely to be done at a deep discount to the current market price, and a stake sale cannot be ruled out," said a person close to the discussions.

STAKE DILUTION

"The company has enough cash runway for the next three quarters, but will need to tap external capital thereafter." The proposed fundraise is expected to dilute Founder-CEO Bhavish Ag-



Ola Electric slipped on the Vahan dashboard rankings, with rivals gaining ground

garwal's stake, the person added.

SALES SLUMP

The move comes at a time when Ola Electric has slipped on the government's Vahan dashboard rankings, with legacy automakers and newer rivals steadily gaining ground. In calendar 2025, the company fell to the fourth place on India's electric two-wheeler leaderboard, behind TVS Motor Company, Bajaj Auto and Ather Energy. Sales stood at nearly 2,00,000 units

last year, down more than half from 2024 levels.

More recent Vahan data show the company continued to lose ground after once being among the top players in the segment.

The company has faced multiple headwinds, including aggressive festival discounting, senior management exits, and persistent servicing and spare-parts challenges.

LAYOFFS

It has also been trimming its workforce as part of what it describes as an ongoing structural transformation. Recently, the company said around 5 per cent of employees would be impacted as it increases automation across front-end operations.

"An aggressive vertical integration strategy led to execution gaps and operational bottlenecks. The leadership now faces a strategic choice, whether to persist with a

largely direct-to-consumer model or expand a dealership-led distribution approach to regain scale and trust," said another industry source.

CHANGED STANCE

Since April 2025, Aggarwal and the company have revised their stance on gigafactory capacity, monthly break-even volumes, revenue guidance and distribution strength, contributing to investor uncertainty.

The stock, which debuted last year, is trading significantly below its listing level, with more than half its market value eroded over the past year. Analysts say any sales recovery could be gradual, particularly as incumbents deepen their EV push and rivals scale up production and retail presence.

A detailed questionnaire sent to the company remained unanswered till press time.

EV sales revved up across categories in Feb

However, month-on-month, there was a decline over January's high base

SHINE JACOB
Chennai, 6 March

India's electric vehicle (EV) sales in February moved up across categories with two-wheelers (2Ws) rising 46 per cent, passenger vehicles (PVs) 44 per cent, commercial vehicles (CVs) 156 per cent, and three-wheelers (3Ws) increasing 25 per cent versus February 2025, the Federation of Automobile Dealers Associations (Fada) said on Friday. However, on a monthly basis, this dipped due to a higher base in January, and a shorter month.

One major development in 2Ws was the ouster of Ola Electric from the top five electric two-wheeler (e2W) manufacturers in

India in February this year with its lowest ever sales of 3,968 units in the last four years. Its sales dipped 54 per cent from 8,675 units in February 2025.

However, 2Ws as a category witnessed a 46 per cent jump in sales from 76,722 units in February 2025 to 111,709 units this February. On a month-on-month (M-o-M) basis, sales were down by 9 per cent versus January 2026.

More importantly, 70 per cent of 2W sales in February were contributed by three players - TVS Motor with 31,614 units (up 67 per cent versus last year), Bajaj Auto with 25,328 units (up 17 per cent), and Ather Energy with 20,584 units (up 72 per cent).

Hero MotoCorp, which sold

On fast track

EV sales

Segment	Feb '25	Feb '26	Chg (%)
Two-wheeler	76,722	111,709	46
Passenger vehicles	9,505	13,733	44
Three-wheeler	53,082	66,398	25
Commercial vehicles	800	2,051	156

Source: Fada

12,514 units (up 364 per cent), and Greaves Electric Mobility, which sold 4,724 units (up 28 per cent), are the other players in the top five, as Ola was pushed down to number six. The penetration of 2Ws during the month was 6.6 per cent, falling flat versus January and up from 5.6 per cent in February 2025.

"EV retails in February 2026 continued to grow on a year-on-year (Y-o-Y) basis across categories,

even as overall EV penetration remained largely range-bound due to much faster growth in ICE (internal combustion engine) volumes.

The M-o-M softness visible in a few EV categories is largely a reflection of the shorter month and the high January base, and does not dilute the structural direction of India's EV transition," said C S Vigneshwar, president, Fada.

In February 2026, as many as 13,733 PVs were sold, up 44 per cent

from 9,505 in the same month last year. However, this was 26 per cent down from January numbers of 18,470 units. Penetration was also up from 3 per cent to 3.5 per cent versus last February.

More importantly, 86 per cent of the month's sales were contributed by three players - Tata Motors with 5,568 units, JSW MG Motor with 3,312 units, and Mahindra and Mahindra (M&M) with 2,913 units. New en-

trant VinFast Auto was in the fourth spot by selling 384 units during the month.

"India's EV story is being built on a stronger foundation - improving product choices, expanding the charging ecosystem, better financing comfort, and growing consumer confidence. As these building blocks deepen and scale, we expect the healthy Y-o-Y growth to translate into a more meaningful stepup in EV penetration over the medium term," Vigneshwar said.

On the other hand, electric three-wheelers (e3Ws) remained the most electrified segment at 66,398 units, up 25.09 per cent compared to last year, with a penetration level of 57 per cent, and electric CVs - though on a small base - rose to 2,051 units, moving up 156 per cent with share improving to 2.03 per cent.



OVER HALF A DOZEN CHINESE COS PLANNING TO LAUNCH HEAVY TRUCKS

European Freight Truck Cos Brace for Chinese EV Rivals

Chinese cos may upend market with better technology and lower prices

Reuters

Antwerp | Sodertalje, Sweden: Chinese electric freight trucks are rolling into Europe at pace this year, following the trail blazed by Chinese EVs and threatening to upend the market with better technology and lower prices.

Reuters has identified more than half a dozen Chinese manufacturers planning to launch European heavy truck sales in 2026. They include EV giant BYD; Geely Holding unit Farizon; China's top-selling electric truck brand Sany; Sinotruk; and startups Windrose and SuperPanther.

Founded in 2022, Windrose will build trucks in Europe and is exploring US production with Xos, which makes delivery trucks for UPS and FedEx. That would put it in direct competition with Tesla's Semi big rig, which CEO Elon Musk recently said will start mass production this year, nine years after its 2017 unveiling.

In Europe, the new arrivals aim to price their trucks up to 30% below the European average price of €320,000 (\$380,000), managers at Chinese and European truckmakers told Reuters. Their cost advantages rely on their greater scale in China, where zero-emission heavy-duty trucks account for 29% of sales, as well as China's lower-cost electric vehicle and battery supply chain.

Electric freight trucks made up 4.2% of overall truck sales in the EU in 2025, up from 2.3% in 2024. Their growth has been slowed by prices that are about triple the 100,000-euro average for a diesel truck.



Europe's truck-fleet owners are loyal to trusted brands. But they are also cost-conscious, raising fears among legacy truck makers that the influx of lower-priced Chinese rivals could quickly build electric-truck market share, one advantage for European truck brands including Daimler Trucks, Volvo Group, Iveco, and Volkswagen unit Traton, which owns the MAN and Scania brands. These incumbents dominate Europe's market and control large portions of the global market outside China.

But fleet owners are also cost-conscious, raising fears among legacy truck makers that the influx of lower-priced Chinese rivals could quickly build electric-truck market share.

"We have one or two years to get ahead of this," says Chris Heron, secretary general of trade association E-Mobility Europe. "Or the Chinese will eat our lunch."

EUROPEANS SEEK GOVT HELP

Traditional truckmakers are taking the competitive threat seriously. Chinese rivals "are speedy, innovative, decisive and committed," said Volvo Group's CEO Martin Lundstedt. "Full respect – and the race is on."

Behind the scenes, industry groups like the European Automobile Manufacturers Association

(ACEA) and E-Mobility are pushing the European Commission for policies to boost demand for their electric trucks before Chinese brands gain a European foothold. They seek lower highway tolls, zero-emissions freight mandates for major truck-fleet customers and other ways to boost demand. "We need a significant acceleration of ZET (zero-emission truck) adoption in Europe," said Thomas Fabian, ACEA's chief commercial vehicle officer.

European climate groups like Transport & Environment (T&E) also support efforts to boost demand. The Commission proposed easing 2030 carbon-emissions standards for truckmakers as part of a December automotive package and backs a number of measures to boost electric demand, including lower tolls. The Commission is also considering linking electric-truck subsidies to European production and mandating fleet electrification over time, a spokesperson said.

Underscoring the potential demand, the Dutch government in January offered a generous electric-truck subsidy programme totalling \$95 million that was oversubscribed in a single day.

"That tells you it's also about price," said Stef Cornelis, T&E's director of electric fleets and trucks.

Euler Motors signals Hero MotoCorp stake raise as EV maker scales capacity

Amit Vijay Mohile
Mumbai

Hero MotoCorp is set to increase its investment in electric commercial vehicle maker Euler Motors with an additional ₹275 crore, which will raise the two-wheeler major's stake in the start-up from 34.1 per cent to about 36 per cent on a fully diluted basis.

The investment comes as demand for electric cargo vehicles gathers pace in India's last-mile logistics and urban freight segments, prompting Euler to accelerate manufacturing expansion and product development. Founder and CEO Saurav Kumar indicated the development was underway and would be finalised soon. "It is in the works. Give me a couple of days or weeks and I will come back with the full picture," he told *businessline*.

CAPEX PLAN

Euler has outlined a ₹300-400 crore capital expenditure plan over the next 18-24 months to expand production facilities and strengthen its electric commercial vehicle portfolio.

The company currently operates three manufacturing facilities in Palwal, Haryana. As part of its expansion



GROWTH ARC. Euler Founder Saurav Kumar indicated the development was well underway and would be finalised soon

strategy, it is adding new production lines and dedicated manufacturing space for electric four-wheelers.

Across its facilities, Euler plans to scale production capacity from about 1,000 vehicles per month per shift to around 2,000 vehicles per month per shift, with flexibility to add additional shifts as demand grows.

Euler initially built its presence in the electric three-wheeler cargo segment through its flagship Hi-Load platform, which now has more than 10,000 vehicles on the road serving logistics and e-commerce operators.

However, the company's business mix is increasingly shifting towards electric four-wheel cargo vehicles. Euler has introduced two

models — the Storm EV and Turbo EV1000 — which have been witnessing impressive numbers. According to Kumar, the company now commands roughly 20 per cent share in the electric four-wheel cargo segment, placing it among the top three players in the category. Even as Euler scales operations, EV start-ups are seeking greater policy support to strengthen domestic manufacturing capabilities.

Start-ups including Euler Motors and Ather Energy have written to the government seeking modifications to the automotive production linked incentive (PLI) scheme, arguing that companies investing heavily in EV-focused manufacturing and research should also be eligible for incentives.

Honda warns of \$15.7 b charge on global EV downturn

Bloomberg

Honda Motor faces up to ¥2.5 trillion (\$15.7 billion) in charges and an historic annual loss as it joins a growing list of global brands battered by the rapid unravelling of the electric vehicle transition.

The carmaker's strategy rethink will see it cancel the development and launch of three EV models that had been planned for North America, the company said on Thursday.

OPERATING LOSS

Honda also forecast between ¥270 billion and ¥570 billion in operating losses for the fiscal year ending in March.

Meanwhile, its net loss could be as much as ¥690 bil-



BIG AMBITIONS. Honda forecast operating losses between ¥270 billion and ¥570 billion for the fiscal year ending March

lion — the first since Honda began disclosing consolidated results in 1977.

It previously predicted a profit.

“The situation changed far more rapidly than we expected,” Chief Executive Officer Toshihiro Mibe said.

“The suspension of EV subsidies in North America undercut growth, and competition in China meant we couldn't provide attractive models or maintain our competitive edge.”

Just last month Honda warned of surging expenses

related to its EV business, but the shock announcement lays bare how fast electric ambitions are crumbling.

After piling into the sector as clean-energy initiatives fuelled a bullish outlook, car-makers are now scaling back their big EV bets as they struggle with volatile demand and intense competition from Chinese manufacturers.

EV STRATEGY

Honda's charges would put it alongside Stellantis NV, which is taking more than €22 billion (\$25 billion) in charges mainly linked to reversing course in its EV strategy, and Ford Motor Co's \$19.5 billion hit from its overhaul.

Honda's ¥2.5 trillion hit will be split almost evenly

across this fiscal year and the next, it said.

FINANCIAL FALLOUT

The financial fallout is relatively large because Honda had been particularly aggressive on EVs, according to Bloomberg Intelligence senior auto analyst Tatsuo Yoshida.

“The scale of the charges exceeded expectations and are likely to be viewed negatively in the near term,” he said.

“Uncertainty and risks remain, so it is too early to say that all negative factors have been cleared. Nevertheless, the disclosure clarifies a substantial portion of the downside related to BEVs, offering at least some visibility where there had previously been little.”

TRACTOR

Business Line, 14 March 2026

Tractor sales jump a robust 34% in Feb, exports rise 7%

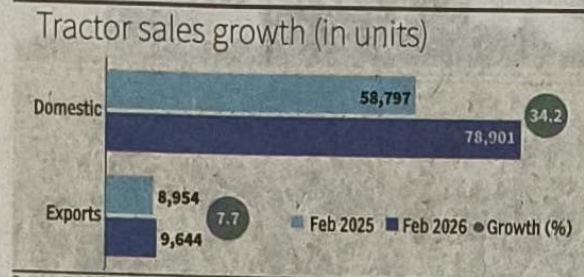
KEY DRIVERS. Growth attributed to strong rural sentiment, improved farm economics

T E Raja Simhan
Chennai

Domestic tractor sales grew sharply by 34 per cent year-on-year in February, while exports rose by 7 per cent, according to data released by the Tractor and Mechanization Association of India (TMA).

The industry recorded domestic sales of 78,901 units in February 2026, compared with 58,797 units in February 2025. Export shipments increased to 9,644 units from 8,954 units during the same period.

Industry players attribute the growth to strong rural sentiment and improved farm economics. A robust rabi sowing area, healthy



Source: Tractor and Mechanization Association of India



reservoir levels and a favourable kharif harvest have strengthened cash flows in rural markets. Positive sentiment in rural areas, coupled with Navratri-related seasonal demand, is expected to further support tractor sales in the coming months.

GST RATE CUT
Poonam Upadhyay, Director

at Crisil Ratings, said that the demand surge continues to be supported by the GST rate cut implemented last September, which improved affordability and triggered purchases from both first-time buyers and replacement demand.

However, with domestic sales already running at a high base, sequential norm-

alisation is visible, with volumes declining 10-11 per cent month-on-month, which is typical for the season, she said.

"Overall demand momentum is expected to remain steady, though on a very high base. The emerging El Nino probability will also be a factor to watch," she added.

RAW MATERIAL

The Economic Times, 6 March 2026

CONFLICT IN WEST ASIA LED TO A SPIKE IN ALUMINIUM PRICES

Aluminium Makers' Shares Unlikely to Stay High for Long, say Analysts

Experts advise taking profits in as prices may struggle to sustain current levels

Nikita Periwai

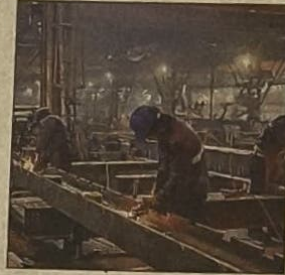
Mumbai: The recent rally in shares of local aluminium producers is likely to see a pullback as a key underlying factor – the prices of aluminium – are unlikely to sustain at the current levels, experts said. Accordingly, they advise taking some profits as share prices are now likely to consolidate.

Conflict in West Asia has led to a spike in aluminium prices

recently, with prices on the London Metal Exchange having risen 5% since then. In the domestic market, shares of Vedanta, Hindalco Industries and National Aluminium Co ended 1-6% higher on Thursday, outpacing gains in the broader market.

"Even before the Middle East conflict, aluminium prices were quite high in the range of \$3,000 - \$3,100 (per tonne), which is a good level for smelters to make cash," said Aditya Welekar of Axis Securities. "An upside in shares will be only if prices (aluminium) increase further, and that will be a blue sky scenario if geopolitical events further deteriorate and the war continues," he said.

Earlier this week, Doha-based QatarEnergy, suspended



the production of liquified natural gas following which, Qatalum, an aluminium smelter in the country, initiated a shutdown of production. The Gulf Cooperation Council accounted for a little over 8% of the primary aluminium produced in 2026, data on the International Aluminium Institute showed.

Vedanta, Hindalco Industries and National Aluminium Co are the key aluminium producers in India, which itself is the second largest producer of aluminium in the world with an annual production capacity of over 4 million tonne.

Two factors are playing out in pushing aluminium prices higher, Satyadeep Jain of Ambit Capital said. Given the energy-intensive nature of aluminium, higher energy prices are pushing up the cost curve and consequently prices, while supply disruptions are adding to these gains.

"The benefit for Indians (Indian companies) is that they rely on coal and most of this coal is through long-term contracts. So the cost does not go up as much, but prices go up more," he said.

GEARING UP FOR CAPACITY EXPANSION

Stainless Steel Cos Seek Govt Action on China Dumping & Raw Materials

Sector facing global pressure from rising imports, trade barriers in Western mkts

Twesh Mishra

New Delhi: The domestic stainless steel industry is seeking government intervention to safeguard its interests as it prepares to scale up output by the end of the decade.

According to a presentation by the Indian Stainless Steel Developers Association (ISSDA), improving raw material availability and protecting the sector from Chinese dumping are key priorities.

"We are at an inflection point in Indian stainless steel growth story," Karan Pahuja, former president of ISSDA, told ET, adding that domestic consumption is growing 7-8% annually and exceeded 5 million tonnes (mt) last year. To keep pace with demand, producers are expanding capacity from about 7 mt to 11 mt.

Subhrakant Panda, managing director at Indian Metals & Ferro Alloys Ltd (IMFA), said India's per capita consumption of about 3 kg "will easily double" over the next de-

Seeking Govt Support

What stainless steel industry wants:

Protection from Chinese dumping

Eliminate duties on imported scrap

Implement rigorous quality control orders

Review outdated free trade agreements



Fast-tracking mining

Secure domestic nickel supply chains

Designate chromium as critical mineral

cade. IMFA is doubling its ferrochrome output to nearly 500,000 tonnes by FY28 and shifting its sales mix from 90% exports to a 60:40 split to "cater substantially to the domestic market where space is opened up".

India currently meets only 15-18% of its nickel requirement domestically.

To secure the supply chain, ISSDA is urging the government to designate Chromium as a Critical Mineral, allowing the centre to usher speedier operationalisation of auctioned mines. To secure supply chains, ISSDA has urged the government to designate chromium as a critical mineral, which would allow faster operationalisation of auctioned mines.

Pahuja also said "customs duty on imported inputs like scrap and ferro alloys should be made zero permanently" to keep costs competitive.

The sector is also facing pressure globally from rising imports and trade barriers in Western markets.

Shortage of gas supply puts steel companies in the dock

Suresh P Iyengar
Mumbai

The ongoing shortage of gas supply for industrial use has forced many steel companies to either cut production or focus on value-added products that enable them to pass on the incremental cost to the end consumer.

Besides the shortage of gas, the sharp depreciation of the rupee against the dollar, has also pushed up the cost of coking coal imports amid rising shipping and insurance expenses.

INDUSTRIAL GAS

Abhyuday Jindal, MD, Jindal Stainless, said due to the heavy dependence of stainless steel manufacturing on industrial gases such as propane/LPG and natural gas, several processes across the plants have been adversely impacted.

Unlike the conventional steel industry, which largely uses blast furnace and coke oven gases as energy sources, the stainless steel industry follows the scrap-based production route, where such gases are not generated in-



GRINDING TO A HALT. Several mills, especially in Gujarat, have warned that they may cut production by 50% ISTOCKPHOTO

Depreciation of the rupee has also pushed up the cost of coking coal imports, amid rising shipping and insurance expenses

ternally. Given the constraints in fuel availability, the company's plants are operating at a rationalised capacity, he added.

Additionally, disruptions in global shipping routes are resulting in vessel diversions, longer transit times and cargo delays, which are also placing additional pressure on supply chains and margins, said Jindal.

NO CLARITY

In the absence of clarity on gas allocation, Jindal foresees a cascading effect across the industry, the severity of which will depend on how quickly these issues are resolved.

Companies such as Triveni Iron and Steel Industries

have reported up to 50 per cent production cuts, with warnings of complete halt if supplies do not improve soon, while others like Friends Steel Group cite shrinking margins and supply concerns affecting operations. The government has prioritised domestic, CNG, LPG and other essential sectors over industry, leaving smaller steel mills, often operating with thin margins and limited inventories, more vulnerable.

Divya Mandaliya, Commodity Research Analyst at Anand Rathi Shares and Stock Brokers, said gas shortages linked to disruptions in LNG imports from West Asia are beginning to affect parts of India's steel sector, particularly smaller long-steel producers that rely on gas-based direct reduced iron.

Several mills, especially in Gujarat, have warned they may cut production by up to 50 per cent as industrial gas supplies are curtailed following *force majeure* declarations by gas distributors, he added.

businessline.

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GOVERNMENT POLICY

Business Standard, 2 March 2026

Panel pitches for 4-month BS-IV vehicle ban in NCR

DEEPAK PATEL
New Delhi, 1 March

BS-IV vehicles in the National Capital Region (NCR) could be barred from operating during the peak winter months — October 16 to February 15 — starting this year, before being fully phased out by 2030, an expert panel of the Commission for Air Quality Management (CAQM) has told automakers.

The 15-member panel, chaired by IIT Madras professor Ashok Jhunjhunwala, has conveyed this to two-wheeler and four-wheeler manufacturers during a meeting last Friday.

The resale of these vehicles in nearby states in the Indo-Gangetic plain is also likely to be banned from 2030, as NCR's pollution won't drop if emissions keep flowing in from neighbouring states, a panel member told *Business Standard*.

The panel also told automakers that even BS-VI vehicles — currently the cleanest internal combustion engine (ICE) models on sale — may not be allowed to operate during the four-month winter window starting 2035, whenever the average Air Quality Index (AQI) exceeds 200. These measures are being examined to "disincentivise" ICE vehicles, pushing companies to shift to selling only zero-tailpipe emission vehicles, or electric vehicles (EVs), in Delhi after a defined period, it said.

Executives present at the meeting told *Business Standard* that the scale and speed of the proposed measures caught many automobile companies aback, particularly those with limited or no EVs in their portfolio, as they may have to significantly rework investment plans and product pipelines to accelerate EV launches.

The panel, set up in December 2025 to



Bid to check pollution

What CAQM panel could recommend:

- BS-IV vehicles may be banned in NCR between Oct 16 and Feb 15
- The vehicles to be completely phased out from NCR by 2030
- BS-IV vehicles may not be resold in Indo-Gangetic states after 2030
- BS-VI vehicles may also face ban in NCR from 2035 whenever AQI crosses 200
- BS-VI two-wheelers could be removed from NCR by 2035

prepare a strategy to reduce vehicular emissions in Delhi-NCR, is finalising its recommendations. These will be submitted to CAQM, which will then take a final decision and issue any binding directions.

Bharat Stage (BS) norms are India's vehicle emission standards notified by the Ministry of Road Transport and Highways to limit pollutants from automobiles. BS-IV came into force on April 1, 2017, while BS-VI, which India adopted directly by skipping BS-V, took effect on April 1, 2020, with sharply tighter emission limits. CAQM did not respond to the queries sent by *Business Standard* regarding the Friday meeting.

The panel also told the automakers that it is evaluating timelines for full exit of

vehicles that fall even under the BS-VI category. It is considering recommending that all BS-VI two-wheelers exit Delhi-NCR by 2035. This will shorten their usable life compared to the current 15-year age limit for petrol vehicles that is allowed under existing rules. The panel is also considering a complete ban on BS-VI four-wheelers from 2040.

The panel is also examining whether these complete ban measures should be extended to other states in the broader Indo-Gangetic plain, which includes Punjab, Haryana, Delhi, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Chandigarh, and parts of Rajasthan and Uttarakhand. It believes curbs confined to the NCR may have limited impact if neighbouring states continue adding high-emission vehicles within the same air-shed.

Moreover, companies could be assigned specific EV sales thresholds for each financial year. These targets would progressively rise, eventually leading to a stage where dealerships in the region sell only EVs after a defined transition period, the panel told automakers during the meeting.

During the meeting, committee members told automakers that the shift would be phased and calibrated rather than abrupt, allowing the industry time to adjust production plans and dealership strategies. However, the broader direction — towards a full electrification of new vehicle sales in the region — was made clear, participants said.

Industry executives flagged concerns around charging infrastructure readiness, grid capacity, battery supply chains and consumer affordability, and stressed the need for alignment with central government policies to avoid regulatory fragmentation.

Deferred Duty Scheme Opens for Manufacturer-Importers

From April 1, eligible firms can clear imports without upfront payment

Our Bureau

New Delhi: The Central Board of Indirect Taxes and Customs (CBIC) has introduced a deferred customs duty payment facility for eligible manufacturer importers. The step, first announced in the FY27 budget, is aimed at helping companies effectively manage cash flows and working capital, supporting local manufacturing.

The trust-based "Eligible Manufacturer Importer" (EMI) scheme, effective April 1, will allow approved companies to de-

fer customs duty payments, the CBIC said, adding it has also notified eligibility criteria and operational guidelines for the programme.

Applications under the EMI scheme can be submitted online from March 1, 2026, and the facility will run through March 31, 2028. Under this initiative, EMIs would be able to clear imported goods without paying customs duty at the time of clearance.

Instead, the applicable duty can be paid on a monthly basis as prescribed under the Deferred Payment of Import Duty Rules, 2016.

The deferred payment facility will be available to EMI meeting prescribed criteria related to customs and goods and services tax (GST) compliance, revenues, financial standing, and past track record.

Customs commissioners will

monitor usage through ICES dashboards to ensure timely payments. Approval can be suspended or revoked if eligibility conditions are breached.

"This reform is expected to significantly improve ease of doing business, strengthen the compliance culture, promote wider participation in the AEO programme and provide a boost to domestic manufacturing," the ministry said.

CONDITIONS APPLICABLE

In a separate circular, CBIC said the applicant must be a manufacturer-importer with a valid importer exporter code and at least one active GST registration, having filed a minimum of 25 export-import documents such as bills of entry or shipping bills in the previous financial year and having an annual aggregate turnover exceeding ₹5 crore.



EU may use FTA quotas to test India's premium car market

IMPLEMENTATION. Import duties on CBUs will drop immediately from 70-110% to an initial rate of 30-35%

Poornima Joshi
Amiti Sen
New Delhi

The European Union is likely to use the limited-volume export quotas, secured under the newly-concluded free trade agreement (FTA) with India, to test the country's premium car market before committing to investments in local manufacturing facilities, said senior official sources.

"The Europeans have indicated that it would be very difficult for them to compete in the automobile market in India with products made in Europe. They needed quotas to sell small quantities to test the Indian market and see if it works for them. This will help them decide on setting

up their plants here," an official tracking the matter told *businessline*.

CONSUMER APPETITE

These lower-duty windows will help EU car manufacturers gauge consumer appetite and operational viability before committing to large-scale investments in local manufacturing facilities, the official added.

Under the terms of the deal finalised in January, import duties on completely built units (CBUs) will see an immediate drop from the current 70-110 per cent to an initial rate of 30-35 per cent (or 40 per cent in some categories) upon the pact's implementation. This rate will then be phased down over a 5-10 year period to 10 per cent. These concessions are



TASTE OF INDIA. The lower-duty windows will help European car makers understand consumer appetite. BLOOMBERG

strictly limited to a combined annual quota of 2.5 lakh vehicles, and are subject to a minimum price floor of €15,000 (approximately ₹15 lakh).

Vehicles falling below this price threshold are entirely excluded from the deal.

"The price cap ensures that the high-volume, small-car segment, dominated by Maruti Suzuki, Tata Motors and Mahindra, remains protected," another source noted. Although traditional internal combustion engine (ICE) and hybrid vehicles

will enjoy immediate tariff relief, the agreement includes a strategic lock-in period of five years for the electric vehicle sector to protect India's growing domestic ecosystem.

BEVs EXCLUDED

Under the provisions, battery electric vehicles are strictly excluded from duty concessions for the first five years after the pact's implementation, keeping the current tariffs of up to 110 per cent until at least 2031.

This will give companies such as Tata Motors and Mahindra, as well as firms benefiting from the government's production linked incentive (PLI) schemes, more time to scale their battery manufacturing and supply chains.

Acma flags export delays, LPG supply risk to MHI

DEEPAK PATEL
New Delhi, 10 March

India's automotive (auto) component industry has sent an SOS to the Ministry of Heavy Industries (MHI), warning that the escalating conflict in West Asia and disruptions to Red Sea shipping routes are pushing up export logistics costs, delaying shipments, and disrupting imports of critical raw materials. The industry has also raised concerns about the availability of liquefied petroleum gas (LPG) and piped natural gas (PNG) needed for manufacturing.

In a letter dated March 9 to MHI Secretary Kamran Rizvi, Automotive Component Manufacturers Association of India (Acma) President Vikrampati Singhania said several member companies have reported growing operational and cost pressures affecting both exports and imports of key inputs linked to export production. *Business Standard* has reviewed the letter.

Singhania said that shipments to key markets such as Europe, the US, and parts of West Asia are already being affected due to vessel rerouting, port congestion, and rising freight costs linked to the Red Sea shipping disruptions.

One of the most immediate challenges flagged by the industry is a sharp increase in logistics costs. According to Singhania, export logistics expenses have risen by 20-40 per cent due to vessel rerouting around the Cape of Good Hope, higher freight rates, container shortages, and increased insurance premiums. The industry is also recording major shipment delays. "Export lead times have increased by two to four



President Vikrampati Singhania said that shipments to key markets were already being affected due to vessel rerouting, port congestion, and rising freight costs linked to the Red Sea shipping disruptions

weeks or more, leading to delayed deliveries, order deferments, and inventory buildup at warehouses and ports," he said.

Exports of auto components from India rose 9.3 per cent year-on-year (Y-o-Y) to about ₹1.05 trillion during the first half (H1) of 2025-26 (FY26). Imports, however, increased at a faster pace of around 12.5 per cent Y-o-Y to about ₹1.07 trillion in the same period.

Apart from logistics challenges due to the West Asia conflict, Singhania raised concerns regarding the availability of industrial fuels such as LPG and PNG, which are widely used in foundry, forging, and machining operations across the auto supply chain. Acma's member companies have highlighted "emerging concerns regarding the availability of LPG and PNG for industrial use".

"Any disruption or uncertainty in the availability of LPG/PNG could impact production schedules of critical auto components, particularly for micro, small, and medium enterprise (MSME) units, which have limited flexibility to transition to alternative energy sources in the short term," Singhania warned. He also noted that different states are applying varying regulatory norms for the supply of these gases.

Singhania also said the import of key raw materials such as chemicals, synthetic rubber, aluminium scrap, and petrochemical-based inputs like polypropylene is "experiencing delays and cost escalation" due to shipping disruptions in the Red Sea region. Many of these materials are imported, and he urged the government to facilitate their continued availability to prevent disruptions in production.

In view of the situation, Acma has urged the government to consider a set of immediate measures to support the industry during what it described as an "extraordinary" global situation.

Among the key suggestions, the association has sought assurances on the continued availability of LPG and PNG for industrial users, particularly MSME foundry and forging units, or a "reasonable transition window" to enable companies to shift to alternative fuels.

"Ensuring at least one month of continued LPG supply would allow these units to undertake necessary technical and operational adjustments in an orderly manner," Singhania said.

More on business-standard.com

Essential Commodities Act invoked to prioritise LPG supply for households

Our Bureau
New Delhi

The government has invoked the Essential Commodities Act to regulate the supply of natural gas, prioritising the critical commodity for households and CNG vehicles, as well as for the production of liquefied petroleum gas (LPG) for shipment. The order was issued by the Ministry of Petroleum & Natural Gas (MoPNG) on Monday.

AS PER NEED

The order prioritises the supply of natural gas to the domestic piped natural gas (D-PNG) supply, compressed natural gas (CNG) for transport, LPG production, Pipeline compressor fuel, and other essential pipeline operational requirements.

These sectors "shall be treated as priority allocation and shall be maintained subject to operational availability to hundred per cent of



their average past six month average gas consumption".

The government's second priority is to ensure 70 per cent natural gas supply to the fertilizer plants.

"The gas marketing entities shall ensure that gas supply to tea industries, manufacturing and other industrial consumers through the national gas grid is maintained at 80 per cent of their past six month average gas consumption," stated the government order.

All city gas distribution (CGD) entities shall ensure that industrial and commer-

cial consumers supplied through their networks get 80 per cent of their average gas consumption over the past six months, the notification added.

The oil refining companies shall absorb the impact of liquefied natural gas (LNG) supply disruption to the extent feasible by reducing gas allocation to refineries to approximately 65 per cent, stated the government order.

GAS ALLOCATION

The document also fixes the gas allocation mechanism. State-run GAIL, in coordination with the Petroleum Planning and Analysis Cell (PPAC), shall manage the supplies of natural gas to implement the said directions, for which it shall submit the invoice of every diverted volume of natural gas to the PPAC.

A pooled price shall be notified by the PPAC for the natural gas diverted from non-priority to priority sectors, it added.

Auto sector seeks restoration of LPG/PNG supply for production

S Ronendra Singh
New Delhi

The automotive industry has sought the restoration of the allocation of LPG/PNG/Propane to the extent possible, and has requested the government to provide visibility on the availability of supplies for industrial consumers in the automobile sector through a dedicated interface. Any interruption would mean stalling the production of vehicles or the final components.

Auto industry bodies, including Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association of India (ACMA), wrote to (dated March 9) the Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Heavy Industries (MHI), and the Department of Commerce expressing concerns over the availability of LPG and PNG for industrial use — particularly for foundry, forging and machining units, as well as other applications — within the automotive supply chain.

“While SIAM fully understands that the recent developments in West Asia have resulted in disruptions in global energy supplies affecting India, any restrictions in the supply of LPG/PNG/Propane to the automobile sector and its ancillary industries may adversely impact the supply chains of vehicle manufacturers, potentially leading to disruptions in vehicle production across the country, triggering reduced manufacturing and allied employment challenges,” industry sources told *businessline*, quoting the SIAM letter.

Similarly, ACMA said that



TAKING A HIT. Any disruption, say industry bodies, could impact the production schedules of critical automotive components, particularly for MSME units REUTERS

Sources said factories located in Gujarat are most vulnerable as the State government has imposed a 50 per cent cut on industrial uses of gas amid West Asia conflict

any disruption or uncertainty in the availability of LPG/PNG could impact production schedules of critical automotive components, particularly for MSME units, which have limited flexibility to transition to alternative energy sources in the short term.

REGIONAL CHALLENGES

For instance, sources said that factories located in Gujarat are the most vulnerable as the government has imposed a 50 per cent cut on industrial uses of gas amid West Asia conflict.

Meanwhile, MoPNG has formed a three-member panel to review the LPG sup-

ply to sectors like restaurants, hotels, among others.

According to ACMA Director General Vinnie Mehta, the sector is concerned about the overall environment, since India has a huge exposure to exports.

“While West Asia accounts for around \$1 billion of our exports, the European Union is another \$7 billion. The Red Sea is impacted right now, so the exports have to be routed through Cape of Good Hope, and that is going to increase the logistics cost, insurance, and the availability of containers at this juncture is also a challenge. So, there is a lot of things happening around sourcing of raw materials, especially the derivatives of petrochemicals like polypropylene for plastics (for auto parts),” he said.

Mehta added that the industry needs a few more days to actually come to terms with what’s happening, and what’s going to be impacted now because some of the industries like the forging or casting largely use LPG and LNG, which would be definitely impacted if supplies are constrained.

Tariff fears back as US opens Sec 301 probe into India, 15 others over distorting 'excess capacities'

Amiti Sen
New Delhi

In an escalation of trade tensions that could raise fresh concerns for Indian exporters, the US has launched investigations into India and 15 other economies over alleged "structural excess capacity" in manufacturing that it says is distorting global markets and threatening American industries.

The move could slow negotiations on the India-US bilateral trade agreement (BTA) by increasing tariff-related uncertainty for New Delhi, sources said. Some experts caution that the probe highlights the risk of fresh tariff actions even if a trade deal is eventually concluded.

The investigation, initiated on Wednesday under Section



The move could further slow the India-US bilateral trade agreement negotiations

301 of the Trade Act of 1974, targets India's textiles, health products, construction goods, automotive goods, solar modules, petrochemicals and steel. Other economies identified by the Office of the US Trade Representative (USTR) include China, the EU, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, South Korea, Vietnam, Taiwan, Bangladesh, Mexico and Ja-

pan. "The US will no longer sacrifice its industrial base to countries exporting their excess capacity and production to us," USTR Jamieson Greer said in a statement.

TRADE SURPLUS

Greer said evidence suggests structural excess capacity in several Indian sectors. It noted that India recorded a \$58-billion bilateral trade surplus with the US in 2025 and that sectors such as textiles, health products, construction goods and automotive goods contributed to India's global goods trade surplus. The notice also flagged excess capacity in solar modules, petrochemicals and steel.

International trade expert Biswajit Dhar said the move demonstrated the futility of a trade deal with the US. "Even if we had done the trade deal

with the US, like Vietnam and Bangladesh, there was no assurance that [US President Donald] Trump would not do what he has done now," he said.

Dhar added the US may fast-track the investigations and impose Section 301 tariffs by July, as the 10 per cent global tariffs under Section 122, introduced after the US Supreme Court struck down country-specific reciprocal tariffs, are to lapse in 90 days.

Indian exporters, who saw relief when tariffs fell to 10 per cent after facing duties of up to 50 per cent since August 2025, are worried about the outcome of the probe.

Public comments open on March 17, submissions are due by April 15, and hearings begin on May 5. Consultations with affected economies have been sought, too.