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Key Press Reports on Industry and Govt. Policies
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AUTOMOTIVE INDUSTRY

The Economic Times, 17 February 2026

JSW MG to Invest ₹3k cr, Set up Second Mfg Unit in India

Co to consider financing options later this year, roll out four new mass market vehicles: MD

Our Bureau

New Delhi: JSW MG Motor India is looking to invest ₹3,000 crore over the next two years for expansion, including setting up its second manufacturing facility in the country, said a senior company executive. The maker of Astor and Gloster SUVs is exploring "multiple financial instruments" to raise fresh capital, Anurag Mehrotra, managing director, told ET. He didn't elaborate.

"Right now, we are funding operations through internal accu-

als," said Mehrotra. "But as we get towards starting work on our second plant in the later part of this year, we will go for financing options. We are determining which instrument to use to fund our growth." In addition to the new facility, the funds will also be earmarked for product introductions, and capital expenditures.

JSW MG Motor's second manufacturing unit will come up alongside its existing facility in Halol, Gujarat. It will have an annual installed capacity of 300,000 cars. The company is currently utilising 65-70% capacity at its existing 110,000-120,000 units facility in Halol.

Currently, JSW MG Motor is structured as a 51:49 joint ventu-

re, with JSW owning 35%, Indian financial institutions 8%, MG Motor India dealers 3%, and JSW MG Motor India employees holding 5%. The remaining 49% is held by China's SAIC Motor.

Mehrotra said the company will be introducing four new vehicles in 2026, of which two will be in the high-volume mass market segment. "Given that we are already utilising 65-70% of our installed capacity, we need to expand going forward," he said. "From the start of construction, till commissioning a new plant takes 18-24 months."

JSW MG Motor India produced 72,000 vehicles in 2025.

Mehrotra said the company's vehicle sales last year grew at more than threefold that of the domestic industry. He expects to maintain the momentum this year. "The industry grew by about 6% last year," he said. "Our wholesales rose 19% and retails by 36% in the same period. This year too, I expect industry volumes to grow in high-single or in early double-digits. Our momentum should continue in 2026." JSW MG Motor clocked a 19% increase in sales at 70,554 vehicles in 2025.

Given that we are already utilising 65-70% of our installed capacity, we need to expand going forward... From the start of construction, till commissioning a new plant takes 18-24 months

ANURAG MEHROTRA
MD, JSW MG Motor India



Renault to Ramp Up EV 'Offensive' as Sales Climb

AFP

Paris: French automaker Renault said on Thursday that it would "renew and enlarge" its range of electric and hybrid vehicles in Europe, despite worries that consumers are hesitating to switch away from combustion engines.

The plan for new models came as the company posted a 3% rise in sales last year to €58 billion (\$68 billion), with EV sales jumping 77% and hybrid EVs up 35%.

Overall, EVs now represent 14% of total sales by volume, and hybrids 30%.

Renault's strategy is a stark contrast to its French rival Stellantis, which stunned investors this month with a massive €22 billion write-down of its EV operations, saying it had misjudged buyers' willingness to shift to cleaner vehicles.



The plan for new models follows a 3% rise in sales to €58 b, with EVs sales up 77% and hybrids 35%

"This success validates our solid product strategy and the power of our brands," chief executive Francois Provost, who took over last summer after previous CEO Luca de Meo was poached by French luxury group Kering, said in a statement.

But Renault makes less money on electric vehicles than those with fossil fuel-powered engines, and Renault's operating margin fell to 6.3% last year from 7.6% in 2024.

The pursuit of its "electrification offensive" in Europe will see the margin fall further this year, to 5.5%, in a "highly challenging environment", the company said.

At the bottom line, Renault posted a net loss of €10.8 billion, reflecting a write-down of the value of its stake in Nissan. Without that charge, net profit would have been down 74%, to €715 million.

Auto part cos step on expansion pedal as FTAs open up markets

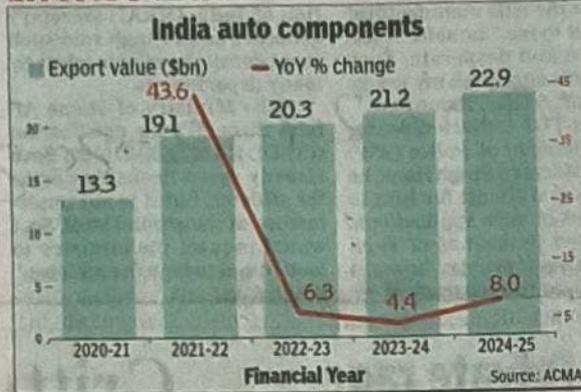
Saksham Mehta
@timesofindia.com

New Delhi: Auto component companies are stepping up investments in India, scouting for new acquisitions and expanding capacities as free trade agreements (FTAs) open up fresh export opportunities for them.

Executives across companies told **TOI** that India is fast emerging as a manufacturing and export base, especially for US and European markets, with recent trade deals improving cost competitiveness.

Tenneco India (subsidiary of US-based Tenneco Group) CEO Arvind Chandra said the change in US tariffs has altered the export outlook. "India is becoming the export base for rest of the world." Exports now account for 20% of Tenneco India's order book, comprising clear

IN FAST LANE



air technology and suspension products, compared with 5% earlier, and are seeing rapid growth, he added.

French auto component major Valeo is also doubling down on India. CEO Christophe Périllat said the company will invest over \$237 million to expand its indus-

trial footprint and aims to triple India sales to around \$740 million by 2028.

"India is a key pillar of Valeo's global growth and innovation roadmap," he said. Valeo commissioned a new plant and an e-axle production line in Pune and is expanding operations at its Sa-

nand facility in Gujarat.

An Indian auto component company, Lumax Auto Technologies, said its recent acquisition of IAC India can be seen as a move to deepen engagement with Original Equipment Manufacturers (OEMs). "OEMs increasingly prefer suppliers who can co-develop and deliver integrated solutions rather than stand-alone components," said Anmol Jain, the company's MD.

Industry executives said as global automakers look to diversify supply chains, India's improving trade access through FTAs and its growing manufacturing base are positioning the country as a competitive export hub. For component makers, the next phase appears to be about scaling up, localising advanced technologies, and using acquisitions to move up the value chain.

TVS Motor Company announces re-entry into South African market

Our Bureau
Chennai

TVS Motor Company (TVSM) has announced its re-entry into the South African market. It has entered into a partnership with The Nexus Collective, a specialised distributorship backed by the Bidvest Group Ltd, South Africa's largest



automotive distributor.

With this launch, TVSM becomes the only two-wheeler brand in South Africa to operate across multiple product forms and segments simultaneously, according to a release.

INTERNATIONAL BIZ

The expansion is a cornerstone of TVSM's international growth strategy.

As of 2025, international

business accounts for 25 per cent of the company's total sales, with Africa representing over half of global operational revenue and nearly 70 per cent of export unit volumes.

South Africa is a strategically important market for TVSM, said Peyman Kargar, President - International Business.

"Our focus will be on building a scalable distribution footprint and creating sustainable long-term value in South Africa's evolving mobility ecosystem," he said.

TVSM is also introducing seven proven products tailored for diverse applications, including daily commuting, leisure, delivery utility and shared mobility, the release said.

businessline.

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Tata Motors to deploy 40 green hydrogen-powered trucks at VOC port

Our Bureau
Chennai

Tata Motors has signed a memorandum of understanding (MoU) with the VO Chidambaranar Port Authority (VOCPA) in Thoothukudi, Tamil Nadu, to deploy 40 green hydrogen internal combustion engine-powered (H₂ ICE) prime movers at the port.

The MoU was signed in the presence of Sarbananda Sonowal, Union Minister of Ports, Shipping and Waterways, on Monday.

As part of the MoU, Tata Motors will commence trials with a hydrogen-powered prime mover, followed by the phased deployment of H₂ ICE-powered prime movers



over the next two years.

The project will be funded by the Ministry of Ports, Shipping and Waterways, according to a release.

SETTING BENCHMARK

Susanta Kumar Purohit, Chairperson, VOCPA, said the deployment of green hydrogen-powered trucks will significantly decarbonise cargo handling operations

while setting a benchmark for sustainable port-led logistics in India. To support the phased induction of the green hydrogen trucks, the port is progressing plans to establish a 2 MW electrolyser and a dedicated hydrogen refuelling station.

Rajesh Kaul, Vice President and Business Head-Trucks, Tata Motors Ltd, said, "Over the past several months, we have worked closely with the port authorities to assess pathways for hydrogen trucks in cargo handling applications. This pilot will help demonstrate the potential of assessing the TCO parity and with green hydrogen in supporting the transition of India's ports towards cleaner and more sustainable logistics solutions."

Affordability keeps ICE relevant as buyers warm up to hybrids

SOHINI DAS

Mumbai, 26 February

Affordability, rather than technological enthusiasm, is the primary driver for Indian car buyers. Over half of consumers refuse to spend beyond ₹15 lakh, often opting for longer loan tenures to manage costs. Consequently, internal combustion engine (ICE) vehicles remain the market anchor, while hybrids have emerged as the leading transition pathway, according to Deloitte's Global Automotive Consumer Study.

"Powertrain choices mirror this pragmatism. ICE remains the anchor, with hybrids strengthening their position as the preferred transition pathway," Rajat Mahajan, partner and automotive sector leader at Deloitte India, told *Business Standard*.

Battery electric vehicles (BEVs) still form a small base — around four per cent of passenger vehicle sales.

Nearly 10 per cent of respondents prefer a BEV for their next purchase, signaling building latent demand. However, hybrid preference significantly outstrips current market penetration, highlighting an underserved segment requiring closer policy attention. Deloitte expects ICE hybrid, and BEV technologies to coexist for the foreseeable future.

Cost outweighs technology ambition across all segments. Nearly half of buyers refuse to exceed the ₹15 lakh bracket and almost 50 per cent intend to finance their purchase — the highest pro-



“THE ADEQUACY OF EV CHARGING REMAINS A STRUCTURAL CHALLENGE, DESPITE THE RAPID EXPANSION OF CHARGING INFRASTRUCTURE IN INDIA”

Rajat Mahajan
Partner & Auto Sector Leader, Deloitte India

portion among major global markets. Increasingly, consumers are opting for longer loan tenures to soften EMIs, highlighting persistent price sensitivity despite rising expectations for advanced features.

This emphasis on affordability also explains why EV interest in India is driven more by operating economics than environmental considerations.

Original equipment manufacturers (OEMs) admit that EV penetration is low in the segment where volumes lie.

"Below ₹12 lakh, the EV market is negligible," said Shallesh Chandra,

managing director of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, recently.

In the sub-₹12 lakh segment, where over 3 million passenger vehicles (PVs) are sold annually, EV penetration languishes at 1.5 per cent. That is in contrast to the above ₹12 lakh segment, where EV adoption has hit 10 per cent. "We have been very committed to the entry EV segment because 65 per cent of demand lies there. Unless we crack this segment, EVs will not become mainstream in India. That is why this phase is so critical in the evolution of electric vehicles in the country," Chandra had told reporters.

Public charging availability, charging time and battery concerns dominate consumer anxiety, making home charging the preferred choice for most EV intenders, according to the Deloitte study.

Mahajan noted that this preference will clash with urban realities such as dense housing and limited parking. "The adequacy of EV charging remains a structural challenge, despite the rapid expansion of charging infrastructure in India," he said. As public charging networks mature and the EV-to-public-charger ratio improves, consumer preferences could gradually shift towards shared or public charging solutions, particularly in dense urban areas where private chargers are less feasible.

Digital public infrastructure is already influencing behaviour. QR code and UPI-based payments are the most preferred modes for public EV charging.

ELECTRIC VEHICLES

Business Standard, 17 February 2025

Ola Electric loses speed as volumes, mkt share slip

Q3 numbers disappoint; analysts flag cash burn, execution risks

SAI ARAVINDH &
RAM PRASAD SAHU
Mumbai, 16 February

Shares of electric vehicle (EV) maker Ola Electric Mobility fell nearly 7 per cent to a fresh low on Monday after its revenue growth in the third quarter (October-December/Q3) of 2025-26 (FY26) slowed, with analysts warning that any turnaround could be prolonged. The stock declined for a third straight session and is currently trading at 2.1x its average 30-day trading volume, according to *Bloomberg*. The counter is down 20 per cent so far this year, compared with a 2.5 per cent decline in the benchmark Nifty 50. Ola Electric's market capitalisation stands at ₹12,716 crore.

The EV maker reported a consolidated net loss of ₹487 crore in Q3, narrower than ₹564 crore in the same quarter last year. Revenue from operations fell 55 per cent year-on-year (Y-o-Y) to ₹470 crore from ₹1,045 crore in Q3 of 2024-25. Sequentially, revenue declined about 32 per cent from ₹690 crore in the July-September (Q2) quarter of FY26. The drop was driven by a sharp fall in scooter sales to 32,680 units in Q3FY26 from 84,029 units a year earlier. The company, however, said its consolidated gross margin improved to 34.3 per cent, up 15.7 percentage points Y-o-Y.

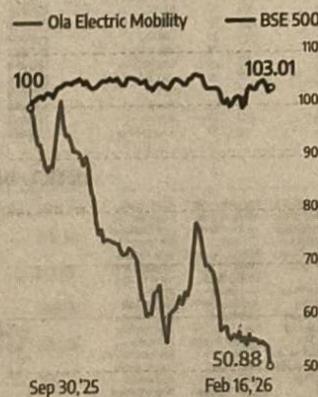
Kotak Research has maintained a "sell" rating while cutting its target price to ₹20 from ₹25. The brokerage said operating losses were higher than expected due to an increase in other expenses, adding that the company's lack of a clear strategy to arrest its sharply declining market share and lower-than-expected volume offtake remain concerns.

Kotak has cut its 2026-27 through 2027-28 volume assumptions by 33-34 per cent, citing moderation in the electric two-wheeler (e2W) industry growth in recent



Losing grip

Base=100



Sources: Bloomberg, BSE

months, driven by higher demand for internal combustion engine-powered scooters following goods and services tax cuts.

Emkay Global Financial Services has downgraded Ola Electric to "sell", slashing its target price by 60 per cent to ₹20 from ₹50, citing concerns over the company's survival amid sharp operational deterioration. The brokerage

observed that Ola Electric reported a weak Q3, with revenue declining 55 per cent Y-o-Y due to a 61 per cent fall in volumes. While the broader e2W theme remains intact and the industry continues to see healthy growth, Ola Electric has continued to lose ground, Emkay said. Volumes fell to about 32,000 units during the quarter, alongside a sustained erosion in market share.

Emkay said any turnaround is likely to be prolonged and challenging, especially as incumbents sharpen their focus and competitors such as Ather Energy scale up operations. A revival would require the company to maintain a strong cash balance to weather this phase, it added. However, a potential upside risk could come from a strategic stake sale in the battery business, which could lead to a meaningful cash infusion.

"Q3FY26 marks a structural reset for Ola Electric. We chose to fix the fundamentals by restoring service execution, resetting our cost structure, and deepening vertical integration. The result is a leaner operating model with a materially lower breakeven and industry-leading gross margins," the company said.

UP, Rajasthan and AP lead in EV, green hydrogen adoption: Study

FRONT RUNNERS. States' Electricity Transition report analysed 21 States representing 95% of power demand

Rishi Ranjan Kala
New Delhi

To increase the adoption of electric vehicles (EVs) and green hydrogen fuel, States such as Uttar Pradesh, Andhra Pradesh and Rajasthan undertook regulatory steps including green tariffs, green open access mechanism, and made progress on solar-hour-aligned time-of-day (ToD) tariffs.

The States' Electricity Transition (SET) report, a joint study by the Institute for Energy Economics and Financial Analysis (IEEFA) and Ember, analysed 21 States, which represent 95 per cent of India's power demand.

Karnataka, Himachal Pradesh and Kerala have also progressed well in decarbonising their electricity systems with higher renewable energy (RE) share in their procurement mix and lower



NORTHERN STARS. Delhi and Haryana remain ahead in terms of power ecosystem readiness and performance REUTERS

power sector emissions intensity.

Similarly, Delhi and Haryana remain ahead in terms of power ecosystem readiness and performance, supported by robust distributed solar adoption, reliable power supply, and relatively sound discom performance.

AHEAD OF THE PACK
Uttar Pradesh demonstrated

strong momentum in EV deployment, the study noted, with an adoption rate of 10 per cent in FY25. It has a RE policy, which targets 22 GW of solar capacity installed by FY27.

The State's green tariff premium for FY26, at \$0.0041 per kWh (₹0.34/kWh), reflects a reduction compared to the previous year. Uttar Pradesh is also

advancing in green hydrogen uptake and has a target of 1 million tonnes by 2028. It has also introduced a solar-hour-aligned ToD tariff mechanism. The State could benefit from accelerating its efforts to install storage capacity to facilitate reliability of RE sources.

AP & SMART METERS

On the other hand, Andhra Pradesh's performance is driven by its integrated RE policy released in October 2024 and advancements in green hydrogen uptake.

With the deployment of smart meters, Andhra Pradesh is actively moving towards implementing the solar-hour-aligned ToD tariff mechanism. It has adopted the Green Energy Open Access Rules, 2022, with limited waivers on open access charges such as cross subsidy surcharge, State distribution and transmission charges.

Andhra Pradesh's latest

green tariff premium stands at \$0.0083 per kWh (₹0.75 per kWh). The State has 1,440 MW of pumped hydro storage capacity operational or under construction. It performed moderately in EV ecosystem development with a 6.2 per cent adoption rate in FY25 across all vehicle categories.

Building on its RE leadership, Rajasthan continued to excel with a well-established RE policy landscape and with the lowest green tariff premium of \$0.0006 per kWh (₹0.05/kWh).

It performed moderately in transport sector decarbonisation, with an EV adoption rate of 6.6 per cent in FY25. However, despite advancing in ToD tariff mechanism adoption, Rajasthan fell behind in the deployment of smart meters.

The State only has 25 MW of storage capacity, indicating significant scope to expand its storage capacity.

Funding crunch stalls Maharashtra's EV push as subsidy dues top ₹3,000 cr

NOT IN SYNC. Lack of coordination between Transport and Finance departments poses a challenge

Amit Vijay Mohile
Mumbai

Maharashtra's initiative to promote electric vehicles (EVs) is facing hurdles due to nearly ₹3,000 crore in unpaid subsidy dues since FY22, said top industry sources.

Both established automakers and smaller vehicle manufacturers are feeling the impact. For instance, Bajaj Auto is awaiting payment of close to ₹100 crore in subsidies for its electric cargo and passenger three-wheelers, the sources said.

Chairman Rajiv Bajaj has warned the ongoing delays could undermine confidence in the State's EV programmes. When *businessline* reached out to Bajaj Auto, company officials declined to comment on the issue.

Additionally, Mahindra Last Mile Mobility is expecting approximately ₹25-30 crore in incentives, with sources indicating that payments that have trickled in are mostly related to dues from earlier tenures. Subsidy payments over the last two



DOMINO EFFECT. The delays in subsidy disbursement have complicated Maharashtra's broader electric bus rollout plans

to three years are completely stalled, they informed.

COORDINATION ISSUES Officials and industry insiders attribute the backlog to prolonged coordination and Budget allocation challenges between the Transport and Finance Departments.

Late Ajit Pawar, former Deputy Chief Minister who also held the Finance portfolio, was unable to address the needs of the Transport Department, led by Minister Pratap Sarnaik, and implement the new EV Policy 2025-2030. Maharashtra offers demand incentives of ₹5,000 per kWh of battery

capacity, capped at ₹10,000 for electric two-wheelers, ₹30,000 for three-wheelers, ₹1.5 lakh for passenger vehicles, and up to ₹20 lakh for electric buses.

Following Pawar's tragic demise on January 28, Chief Minister Devendra Fadnis took control of the Finance department last month, but clarity on the pending dues is awaited.

To gain further insights, *businessline* spoke with Maharashtra's Transport Commissioner Rajesh Narvekar.

"I have just taken charge of the department and have requested officials to brief me on the pending dues owed to various auto-

makers," Narvekar stated.

The extent of the funding shortfall became apparent in January 2026 when the government approved only ₹60 crore for disbursement, ₹30 crore for outstanding claims under the 2021 policy, and approximately ₹26 crore for new incentives under the 2025-26 policy, addressing only a small fraction of the total outstanding amount.

EV BUS INCENTIVES

Public electric bus deployments constitute a significant portion of the unpaid subsidies. Evey Trans Private Ltd, a subsidiary of Olectra Greentech, is awaiting around ₹860 crore in incentives for supplying electric buses, according to industry insiders.

The delays in subsidy disbursement have complicated Maharashtra's broader electric bus rollout plans. The State previously cancelled a ₹10,000 crore electric bus order awarded to Olectra Greentech before reinstating it, highlighting the execution and funding constraints surrounding one of India's

largest e-bus procurement programmes.

Transport Minister Sarnaik has acknowledged that slow subsidy disbursement complicates contract execution. Company representatives noted that delayed incentive payments have affected production schedules and vehicle deliveries.

Industry sources also indicated that, due to the ongoing subsidy issues, Olectra is facing difficulty servicing the Maharashtra bus order.

MSRTC'S LOSSES

The financial difficulties facing the Transport department are evident in the Maharashtra State Road Transport Corporation (MSRTC).

A recent white paper by MSRTC revealed that accumulated losses reached ₹10,324 crore in FY24, up from ₹4,603 crore in FY19.

The State-run transporter has recorded profits in only eight of the past 45 years, limiting its ability to fund largescale electrification efforts without consistent budgetary support.

Logistics players too see EVs delivering economic value

Jyoti Banthia
Aishwarya Kumar
Bengaluru

India's electric mobility story is increasingly being written not in premium car showrooms but in logistics hubs, depots and freight corridors.

"Simply put, economics and usage patterns favour commercial fleets," said Zoeb Karampurwala, Chief Product Officer, EKA Mobility. A personal car typically runs 30-40 km a day while a commercial vehicle 120-200 km in structured duty cycles. At that level of utilisation electric power trains offer measurable financial gains."

Saurav Kumar, Founder and CEO, Euler Motors, said, "Commercial vehicles electrify faster because utilisation fundamentally changes



the economics," he said. "A commercial vehicle has a high-uptime, revenue-generating asset. When vehicles run predictable routes every day, lower fuel and maintenance costs compound rapidly."

For Jalaj Gupta, MD of Montra Electric, the shift is structural. Small and light commercial vehicles typically operate 8-12 hours daily, covering 100-200 km, while medium and heavy commercial vehicles can clock 7,000

km a month on average, and in some electric use cases, even 12,000 km. Higher daily utilisation accelerates recovery of upfront costs and improves fleet profitability, Gupta added.

Karampurwala said total cost of ownership parity with diesel often emerges when vehicles run 120-200 km daily, with payback in roughly 18-24 months in many urban fleet applications. Kumar noted that in predictable return-to-base operations, economic parity can begin at 100-150 km per day, depending on tariffs and financing structures.

In urban small commercial vehicles, "electric vehicles begin to demonstrate clear running-cost advantages at approximately 80-90 km per day," strengthening materially at 100-150 km daily.

In heavy commercial segments, consistent monthly utilisation of around 9,000 km can deliver payback within three to four years.

FLEET DEMAND

In 2024, commercial EV ventures raised \$499.1 million across 20 rounds, more than double the \$232.7 million raised by passenger EV startups, as per market intelligence platform Tracxn.

In 2025, commercial EVs secured \$254.4 million — over four times the \$61.6 million raised by passenger-focused firms.

Karampurwala said, "Predictability removes two big uncertainties: Range anxiety and charging planning."

Gupta said, "Charging can be aligned with scheduled meal breaks, driver rest cycles, or loading and unloading windows. Energy re-

plenishment becomes an operational rhythm, not a constraint."

E-commerce, last-mile delivery, FMCG distribution and organised logistics operators are emerging as anchor customers.

"The conversations are shifting from 'Should we electrify?' to 'How fast can we electrify more routes?'" Karampurwala said.

Arun Vinayak, Co-founder and CEO, Exponent Energy, noted that India's trajectory diverges from global EV trends.

"In the US, Europe, and China, electrification began with premium passenger cars, a top-down shift. In India, it's the opposite. Commercial vehicles make up barely 10 per cent of the fleet but account for nearly 70 per cent of energy consumption," he concluded.

Japanese auto firms plan green investment in UP

S Ronendra Singh
New Delhi

Automobile and auto components companies like Suzuki Motor (SMC), Honda Motor (HMC) and Minda Corporation have offered to invest in Uttar Pradesh towards green mobility and sustainable industrial growth.

Senior leadership of these companies met Uttar Pradesh Chief Minister Yogi Adityanath in Japan and discussed future plans. For instance, Yogi met Toshihiro

Suzuki, President of SMC, and Hisashi Takeuchi, Managing Director and CEO, Maruti Suzuki India, who proposed a compressed biogas plant.

4 DAY VISIT

As per the State government, during his four-day visit, the Chief Minister held successful investment road shows in Singapore and Japan.

In Singapore, the State government received investment proposals worth around ₹1 lakh crore and signed MoUs worth ₹60,000 crore. Similarly, it received

investment proposals worth ₹1.5 lakh crore and inked MoUs worth ₹90,000 crore in Japan.

"Discussions focused on Suzuki's proposed entry into the renewable energy sector through a compressed biogas plant, along with expansion of its supplier ecosystem to strengthen the automotive value chain and generate employment," Yogi said in a social media post.

He apprised the delegation about land parcels available at competitive rates for auto clusters. "[The government] offered land at com-

petitive rates in the Bundelkhand Industrial Development Authority for renewable energy projects and suitable land parcels across Uttar Pradesh for development of auto clusters, reinforcing our shared vision of sustainable industrial growth and green mobility," he said.

Similarly, Honda Motor which houses its first factory and corporate office in Greater Noida for the last 30 years, said that 30 per cent of its investment had been made in Uttar Pradesh.

Though Honda Cars India

has discontinued making cars in the Greater Noida factory and does it only from its Tapukara plant in Rajasthan, it still retains the corporate headquarters out in Greater Noida.

"Uttar Pradesh is the home of Honda Motor Company in automobiles as well as the byproducts... 30 per cent of the investment that we have made in India is in Uttar Pradesh. We see a lot of potential in Uttar Pradesh," Noriya Kaihara, Director, Executive Vice President and Representative Executive Officer, HMC, said.

Auto PLI distorted e2W market, hurt innovation: C-DEP report

DEEPAK PATEL
New Delhi, 27 February

The production-linked incentive (PLI) scheme for the automobile sector has created market distortions, excluded innovation-led electric two-wheeler (e2w) makers, and failed to convert cost advantages into export competitiveness, with 77 per cent of export volumes driven by non-PLI models, said a report released by the Centre for Domestic Economy Policy Research (C-DEP) on Friday.

The study stated that by prioritising scale-based eligibility thresholds over innovation capability, product development and intellectual property creation, the scheme had unintentionally distorted competition within India's e2w sector.

It noted that early-mover original equipment manufacturers (OEMs) that pioneered e2w technology, invested in research and development (R&D), achieved high domestic value addition (DVA) – the share of components and manufacturing carried out within India – and built intellectual property portfolios remained excluded from production-linked support.

The auto PLI scheme, approved by the Union Cabinet on September 15, 2021, had an outlay of ₹25,938 crore over five years and aimed to promote domestic manufacturing of advanced automotive technologies through incentives linked to incre-

mental sales. Of 115 applicants, 82 companies, including vehicle manufacturers and auto component firms, had been approved. Under the rules, an OEM had to sell at least ₹125 crore worth of eligible vehicles in the first year and grow those sales by at least 10 per cent annually to continue receiving incentives.

On the objective of scaling domestic manufacturing, the report stated that while the scheme had increased overall production volumes, it had also led to significant market distortion. Between FY23 and FY25, growth among non-PLI players had fallen sharply. Their sales growth rate declined from 407 per cent in FY22 to -33 per cent in FY24 and -11 per cent in FY25. The study said this "coincided with a reordering of market leadership, at the expense of the industry's innovation engine," and attributed it to "market distortion arising out of PLI intervention".

Non-PLI companies considered in the analysis included Ather, Ampere, BGauss, Revolt, Wardwizard, Purev, Kinetic Green and Okaya, while PLI beneficiaries included Hero MotoCorp, Ola, TVS and Bajaj.

The report noted that several OEMs that had ranked among leading sellers before the entry of large-

scale incumbents lost market share following the introduction of PLI-induced cost differentials.

On overcoming cost disabilities and building global competitiveness, the study found a divergence between incentive access and export outcomes. While India's e2W exports had grown in absolute terms, 77 per cent of export volumes were

driven by non-PLI models. "This suggests that the scheme's incentives have been primarily used to capture domestic market share rather than to develop export-ready technology platforms," the report stated.

Despite conferring a 13-16 per cent cost advantage, PLI-approved models remained largely focused on the domestic market.

The study warned that as global demand shifted towards electric mobility, this trend could increase the risk of India losing its traditional automobile export market to Chinese manufacturers such as Yadea, Sunra, Aima, Niu, Tailg and CFMoto.

On supporting innovation in advanced automotive technologies, patent filings and product development data showed that a significant share of innovation activity originated from OEMs outside the PLI framework. The report noted that the scheme had concentrated resources

among incumbents that had largely avoided difficult-to-electrify segments. This was particularly evident in electric motorcycles. Although motorcycles accounted for a large share of India's two-wheeler market, mass-market electric motorcycle offerings remained limited among PLI beneficiaries.

"Most electric motorcycle and high-performance platforms have been developed by non-PLI OEMs," the study stated, adding that these firms faced higher capital requirements and did not receive production-linked cost support, which limited their ability to scale.

A similar pattern was observed in low-speed electric scooters used for delivery and fleet applications. Despite clear policy-driven demand, PLI beneficiaries had not entered this segment due to lower margins. "The PLI entities are getting a larger margin in the PLI models thus disincentivising them from focusing on the low-value low speed e-scooters," the report stated, adding that this had left the Indian market reliant on imports, particularly from China.

On localisation, the report noted that access to the scheme remained uneven despite comparable levels of domestic value addition across OEMs. Several non-PLI OEMs met stringent localisation norms under the PM E-DRIVE phased manufacturing programme but remained excluded from the auto PLI scheme.



RAW MATERIAL

Business Line, 17 February 2025

Tata Steel, JSW and AM/NS bet big on scrap as green steel norms roll out

EMISSION CONTROL. Govt begins green ratings for steel; PSUs will soon procure only rated steel for projects

Suresh P Iyengar
Mumbai

Steel companies, including Tata Steel, ArcelorMittal, Nippon Steel, and JSW Steel, are planning to increase use of scrap in steelmaking and setting up steel processing centres as the green steel taxonomy rolls out.

The government has started issuing green steel star ratings based on carbon emissions and is working on norms for PSUs to mandatorily use certified green steel in their projects.

CARBON EMISSIONS

Based on carbon emissions from the steel-making process, the National Institute of Secondary Steel Technology, acting as the nodal agency, will issue three-, four-, and five-star ratings.

Tata Steel is looking at re-



RECYCLING EXPANSION. The company has set up a plant for recycling printed circuit boards and is seeking similar plants in western and southern India

cycling as a separate vertical. The company already has a 0.5 million tonne scrap recycling plant with a shredder, baler, etc at Rohtak. The green steel plant of Tata Steel at Ludhiana is expected to go on stream soon.

The company has set up a plant for recycling PCBs

(printed circuit boards) and is seeking similar plants in western and southern India.

TV Narendran, Managing Director and CEO, Tata Steel, said in an interview with *businessline* that the company will produce steel using iron ore and coal in East India, but will use re-

cycled or scrap in North, West, and South India.

"We will move in that direction once the Ludhiana plant starts and stabilises in the next few months. The next plant will be either in the west or south. We are already exploring opportunities," he said.

NATURAL GAS FUEL

ArcelorMittal Nippon Steel was the first integrated steel producer to receive a four-star rating for its Hot Rolled coil and a three-star rating for its Cold Rolled coil. It had the advantage of producing Direct Reduced Iron (DRI) using natural gas, increasing steel scrap use, and achieving 31 per cent green energy at its plant.

Arvind Bodhankar, Chief Sustainability Officer, AM/NS India - Hazira, said the company will set up three steel scrap processing

centres, in addition to the one in operation at Kopoli, on the outskirts of Mumbai.

"Besides the availability of steel scrap, the quality is an issue. The quantum of zinc, copper and paints are very high. We are setting up our own scrap processing centres," he said.

JSW GREEN INITIATIVE

JSW Steel has started using hydrogen at its DRI plant, aiming to reduce carbon intensity by 42 per cent by 2030.

"Aligned with the Government's Steel Scrap Recycling Policy, 2019, we are setting up a 0.5 mtpa scrap processing facility in Maharashtra," said JSW Steel.

This initiative is a key step towards reducing dependence on virgin raw materials and lowering the overall carbon footprint of steel production, it said.

Business Standard, 28 February 2025

Proterial to set up metglas plant in AP under PLI

SAKET KUMAR
New Delhi, 27 February

Japanese steel and metal products company Proterial Ltd (formerly Hitachi Metals) said it was planning to set up a 30,000-tonne-per-annum Metglas plant in Andhra Pradesh.

This would be under the government's production-linked incentive (PLI) 1.2 scheme for specialty steel. Once functional, the plant's output could replace around half of India's amorphous electrical steel imports with the potential to eliminate nearly all import dependence in 3-5 years, global president and chief executive officer (CEO) Sean M Stack told Business Standard.

The facility, to be located in Sri City and scheduled to begin operations in October 2026, will be India's first domestic production site for Metglas. Metglas is an amorphous metal material used in

high-efficiency transformers.

The project is being implemented under the PLI 1.2 scheme announced in November 2025 to boost domestic manufacturing of specialty steel.

"At present, all the electrical steel materials used in India, whether grain oriented steel or amorphous, are imported. Ours will be the first locally-produced material, reducing reliance on imports, giving customers greater supply chain confidence," Stack said.

He said that using amorphous material products in electrical transformers reduces output losses and boosts usable power. He added that Metglas can cut standby power loss by around one-third compared with conventional grain-oriented electrical steel. India currently consumes around 60,000-70,000 tonnes of amorphous material annually in the transformer market.

The first phase of the project, to come up at an

investment of ₹680 crore, will comprise two manufacturing lines. They would have a combined capacity of 30,000 tonnes per year and could cut hose imports by half, Stack said.

"With Phase-II, which would effectively double capacity, we could replace nearly the entire import dependence for amorphous material within 3-5 years," he said. The second phase would require an investment of ₹1,300 crore.

India currently imports amorphous material largely from Japan and China. Proterial produces Metglas in the United States and Japan and exports a major chunk from Japan to India. Stack said local production in India would shorten delivery timelines for the company and reduce logistics costs.

The India operations will be housed under Metglas (India) Private Limited. This is a joint venture in which Proterial will hold 74 per cent stake and Shirdi Sai Electricals the remaining 26 per cent.

TRACTOR

Business Line, 16 February 2025

After tariff cut, CNH India plans ₹1,800 cr expansion, to resume exports to US

Press Trust of India
Pune

Italian-American agriculture equipment firm CNH's India unit plans to resume tractor exports to the US and invest approximately ₹1,800 crore over the next two to three years, capitalising on the recent India-US trade agreement that reduced tariffs on Indian goods to 18 per cent.

The New Delhi-based subsidiary, which operates brands such as New Holland and Case IH, halted most US-bound shipments late last year after higher duties made them unprofitable.

Production for the US market was paused in the final months of 2025, except for limited-compact tractor models used for testing and

customer trials.

To support rising domestic demand, exports and long-term growth, "we are committing a fresh investment of approximately ₹1,800 crore over the next two-three years," CNH India President and MD Narinder Mittal said, out of which an estimated ₹1,000 crore will go for a new greenfield standalone tractor manufacturing plant. The facility, CNH's fourth in India, aims to double the company's annual tractor production capacity from around 60,000 units to about 1,20,000 units.

Land acquisition discussions are underway with State governments, with Uttar Pradesh as the preferred location due to synergies with the existing Noida facility and supply chain, he said.

Escorts Kubota Hits the Long Road to Gain Ground in a Competitive Tractor Market

Co needed time to align strengths of both sides after merger to build something new: Execs

Shally Seth Mohile

Mumbai: Five years after Japan's Kubota Corp took majority control of Escorts, the merged entity — Escorts Kubota — is struggling to make tangible market share gains in an intensely competitive Indian tractor market.

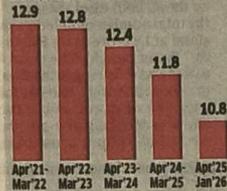
The country's fourth-largest tractor maker trailed the broader industry's more than 20% growth last fiscal year. Notably, the company has lost ground consistently since the merger.

Escorts Kubota's market share slipped to 10.8% in the first ten months of this fiscal year from 12.9% in FY22, according to company filings. In the first nine months of FY26, the company's domestic tractor sales grew 11% to 96,550 units — roughly half the industry's 20% increase. Exports though were a bright spot, jumping 54% to 4,863 units, outpacing the industry's 8.7% rise.

Both Nikhil Nanda, chairman

Slippery Slope

Domestic market share (%)



Source: Company filings



and managing director, and deputy MD Akira Kato are candid about the turnaround taking longer than expected.

"We needed time to align the strengths of both sides — the agility, flexibility, and low cost of India, and the strengths of Japan — to create something new together," said Kato. The recent launch of the Promaxx tractor model, under Farmtrac, offered an early glimpse of what that collaboration can deliver, said Nanda.

Demand exceeded projections so dramatically that supply couldn't keep pace in the first four states during its initial rollout. "Even in the selective four states, the volume that we were doing was what we thought we would do in the entire India," said Nanda.

That process, however, meant first rebuilding systems from the ground up — product development, procurement, manufacturing, and a quality-oriented corporate culture. "We had to establish a new system and a new corporate culture — one focused on delivering the highest level of quality in each segment in India. Finally, we did it," Kato said.

The Kubota brand has been the deeper, structural drag, the management acknowledged on a post-earnings investor call recently. A limited two-model lineup, heavy import dependence on components including engines, and the resulting cost disadvantage has left the brand priced well above local competition. The portfolio addresses only 40-50% of the addressable market,

concentrated in the South and West, with little presence in the North and Central India.

"The issue is on the product side — the product lineup is not very strong," the company said.

Geography has compounded the problem. "Escorts is really strong in the northern market but very weak in the South and East — where the business is growing," said Kato. "We have big potential there, but we didn't have the right products to match the soil conditions for paddy and rice fields."

That gap is now being addressed. New models — lightweight, with a short turning radius and water-proofing suited to wet paddy conditions — are being launched this fiscal year, the direct result of the Escorts-Kubota engineering collaboration.

The broader fix lies in building a fully localised Indian platform under the Kubota brand. "If we introduce the Indian platform under that brand name, profitability will increase, we will be able to compete much better and the product portfolio will also expand," said Nanda. A complete range is still 12 to 18 months away, but launches have begun.

Once addressable market coverage moves from 40-50% to 70-80%, the company believes both volumes and regional reach can scale meaningfully.



Carraro India plans ₹300-crore expansion of tractor drivelines, bets on e-tractors and farm tech shift

Amit Vijay Mohile
Mumbai

Carraro India, the Indian arm of Italian driveline maker Carraro and a key supplier to tractor manufacturers such as Mahindra & Mahindra and Escorts Kubota, plans to invest about ₹300 crore over the next three years to expand manufacturing capacity, as India's farm mechanisation shifts toward higher-horsepower and electric platforms, top industry sources told *businessline*.

The Italian major which supplies axles, transmissions, and gearboxes to leading manufacturers, will invest about ₹100 crore annually starting FY27 to de-bottleneck assembly lines,

add new capacity and prepare for upcoming programmes from global tractor and construction equipment manufacturers. With a ready 53-acre land bank and integrated gear manufacturing and paint facilities, the company can scale up without major greenfield investments.

Carraro India expects revenue of about €220 million (₹2,200 crore) in FY26, up from €200 million last year, and is targeting over ₹3,500 crore in annual revenue by FY30, supported by strong order visibility and rising localisation.

"Our products are co-designed and validated with OEMs over 1.5 to 2 years, which gives us clear visibility of demand two to three years ahead," Balaji Gopa-



Balaji Gopalan, MD,
Carraro India

lan, Managing Director, Carraro India, told *businessline*.

4WD TRACTORS

India's tractor market is undergoing a structural shift toward four-wheel-drive (4WD) platforms. 4WD penetration has risen sharply from about 1-2 per cent six years ago to nearly 25 per cent today, driven by rising farm mechanisation, export

demand, and the need for higher productivity equipment.

ELECTRIC TRACTOR

Carraro is also working with Murugappa Group's Montra Electric division to develop drivelines for electric tractors expected to launch within the next two years. The company is providing feasibility studies, vehicle configuration and engineering support through its Pune R&D centre.

Beyond agriculture, India's ₹12.2-lakh-crore infrastructure allocation is driving demand for construction equipment such as backhoe loaders, cranes and telehandlers — segments where Carraro supplies critical drivetrain components.

GOVERNMENT POLICY

The Economic Times, 23 February 2026

India may Take a Middle Path for Car Cos under CAFE III Norms

Stricter fuel efficiency goals for large automakers, some respite for small players expected

Twesh Mishra & Sharmistha Mukherjee

Balancing Act

WHAT'S IN

Stricter fuel efficiency goals for large carmakers

Some leniency for smaller ones



Makers of larger vehicles need to invest more heavily in electrification or hybridisation

WHAT'S OUT

Category-specific relaxation for entry-level cars



Adopting fuel-saving tech may raise price of small cars

New Delhi: India is likely to balance interests across its widely divided automobile industry through the latest Corporate Average Fuel Efficiency (CAFE) III standards.

According to multiple officials aware of the move, stricter fuel efficiency goals for large car makers while some leniency to smaller ones is now expected. But a blanket safety net may go away with derogation (extra allowance) for small cars being discontinued.

The Centre is also likely to cap the relaxation for adopting newer technologies, forcing car makers to genuinely improve fuel efficiency. "Slope value for CAFE III is likely to reduce from 0.002 in the existing draft to 0.00153 in the final version," a senior official told ET, adding the derogation benefit will no longer be there.

This slope defines how much additional carbon dioxide (CO₂) a manufacturer is allowed for every kilogram of vehicle weight. A steeper slope (like the 0.002 in the September 2025 draft) allows heavier vehicles to have significantly higher emission targets, making it easier for large cars to comply.

Reducing the slope (to the proposed 0.00153) flattens the target line. This makes the regulations more stringent for heavier vehicles, as they are granted less CO₂ headroom for their mass. It also forces manufacturers of larger vehicles to invest more heavily in electrification or hybridisation.



'Exceeded authority': US SC strikes down Trump's global tariffs

White House to 'quickly replace levies using other tools';
GTRI says ruling should prompt India to review deal

AGENCIES
20 February

The US Supreme Court struck down President Donald Trump's sweeping global tariffs that he pursued under a law meant for use in national emergencies, undercutting his signature economic policy and delivering his biggest legal defeat since he returned to the White House.

The ruling came weeks after India and the US issued a joint statement towards an interim trade agreement on February 7 stating the contours of the deal. Delhi-based think tank Global Trade Research Initiative (GTRI) said the ruling should prompt India to re-examine its trade deal with Washington.

Voting 6-3, the US court said Trump exceeded his authority by invoking the 1997 law to impose his "reciprocal" tariffs across the globe as well as targeted import taxes the administration says address fentanyl trafficking. Stocks rose while bonds fell alongside the dollar, with investors trying to figure out how much the ruling changes US trade policy. Over 300 shares in the S&P 500 rose, with the gauge extending this week's advance.

In a meeting with state governors at the White House, Trump called the decision "a disgrace" and told them he has a backup plan to reinstate the measures, reported CNN. The

White House has said it will quickly replace the levies using other legal tools.

Turn to Page 6 ▶



▶ FROM PAGE 1

'Exceeded authority': US SC strikes down Trump's global tariffs

The justices didn't address the extent to which importers are entitled to refunds, leaving it to a lower court to sort out those issues. If fully allowed, refunds could total as much as \$170 billion — more than half the total revenue Trump's tariffs have brought in.

According to GTRI report, the decision effectively renders recent trade deals initiated or concluded by the US with the UK, Japan, the EU, Malaysia, Indonesia, Vietnam and India one-sided and useless. Partner countries may now find reasons to dump these deals.

As a first step, the US removed the 25 per cent punitive tariffs imposed on India 'in recognition of India's commitment to stop purchasing Russian Federation oil'. The tariff is expected to reduce further this month, from the existing 25 per cent to 18 per cent. Both sides aim to sign the deal by March.

The removal of reciprocal tariffs will free about 55 per cent of India's exports to the US from the 18 per cent duty, leaving them subject only to standard most-favoured nation (MFN) tariffs as per global trade rules.

On the remaining exports, Section 232 tariffs will continue — 50 per cent on steel and aluminium and 25 per cent on certain auto components — while products accounting for roughly 40 per cent of export value, including smartphones, petroleum products and medicines, will remain exempt from US tariffs, GTRI said in a report.

"Trump could attempt to reimpose similar tariffs under Section 301 or Section 232, but those statutes require new investigations and public justification, delaying action and inviting further legal challenges. Also, such measures cannot serve as a universal enforcement tool. This ruling against Trump



would reassert Congress's primacy in trade policy, sharply curbing presidential latitude to weaponise tariffs and reshaping how future administrations wield emergency economic powers," the GTRI said.

The ruling strikes at the heart of Trump's agenda, blunting an all-purpose cudgel he has enthusiastically wielded against trading partners. Trump this month set up a process to impose tariffs as high as 25 per cent on goods from countries doing business with Iran. He previously threatened to impose tariffs on European countries resisting his attempt to take over Greenland.

The decision could cut the US average effective tariff rate by more than half. A Bloomberg Economics analysis before the ruling concluded that a broad decision against Trump would reduce the rate from 13.6 per cent to 6.5 per cent, a level not seen since March.

The high court majority said the law doesn't authorise tariffs. IEEPA, as the law is known, gives the president a panoply of tools to address national security, foreign policy and economic emergencies but doesn't explicitly mention tariffs or taxes.

"When Congress grants the power to impose tariffs, it does so clearly and with careful constraints," Chief Justice John Roberts wrote in the

court's majority opinion. "It did neither here."

Two Trump appointees — Justices Neil Gorsuch and Amy Coney Barrett — joined Roberts and the court's three liberals in the majority. Justices Brett Kavanaugh, Clarence Thomas and Samuel Alito dissented.

Kavanaugh wrote that the refund process was "likely to be a 'mess,' as was acknowledged at oral argument." Trump has called tariffs "my favourite word" and vowed they will "make us rich as hell."

(With inputs from Shreya Nandi)

Benefits for Exporters under RoDTEP Halved

Our Bureau

New Delhi: The government on Monday halved the benefits given to exporters under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme.

In a notification, the Directorate General of Foreign Trade said that "RoDTEP benefits shall be restricted to 50% of the notified rates and value caps with immediate effect", prompting exporters to urge the government to review the decision amid slowing demand and heightened uncertainty.

"With immediate effect, the applicable RoDTEP rates for all HS Lines as notified... shall be limited to 50% of the existing rates and, where applicable, 50% of the notified value caps," DGFT said.

The RoDTEP scheme refunds taxes and duties that are not rebated under any other scheme and benefit rates range between 0.3-4.3%. "The reduction in RoDTEP rates

and the 50% reduction in value caps come at a particularly difficult juncture, when Indian exports are already navigating significant global headwinds, including slowing demand, heightened uncertainty, and rising protectionist tendencies. We urge the government to review and reconsider this decision," said S C Ralhan, President, Federation of Indian Export Organisations (FIEO). With the revision, the rebate on unginned raw cotton of staple length not exceeding 20 mm has been reduced to 1.55% with a cap of ₹0.80 per kg from 3.1%, capped at ₹1.60 per kg.

Trade experts said that World Trade Organization rules permit such remission because it merely neutralizes domestic taxes on exports. Cutting these rates therefore raises exporters' costs at a time when India's shipments are already facing weak global demand, supply disruptions and rising compliance burdens, eroding competitiveness in price-sensitive markets.

One target or five: Siam opposes BEE's CAFE 3 reset

DEEPAK PATEL
New Delhi, 22 February

The Society of Indian Automobile Manufacturers (SIAM) has opposed the Bureau of Energy Efficiency's (BEE's) latest proposal to prescribe separate, tightening industry-wide carbon dioxide (CO₂) emission targets for each year from 2027-28 (FY28) to 2031-32 (FY32) under the upcoming Corporate Average Fuel Efficiency 3 (CAFE 3) norms, *Business Standard* has learnt.

The revised framework was unveiled by BEE at a February 10 meeting at the Ministry of Heavy Industries (MHI), catching several automotive (auto) industry executives off guard as it marked a clear departure from earlier discussions on the third phase of CAFE norms.

At the meeting, BEE told carmakers and government officials that industry-wide emission targets under CAFE 3 would tighten every year, dropping from 92.5 grams per kilometre (g/km) in FY28 to 77.08 g/km in FY32.

However, SIAM had, in November 2025, said that CAFE 3 should retain a single industry-wide CO₂ target of 89.6 g/km for the entire five-year period from FY28 to FY32. This would mirror the structure used under CAFE 1 and the current CAFE 2 regime, which prescribes one headline target per five-year block.

Under CAFE 2, the government notified a single industry-wide target of 113 g/km for the period between 2022-23 and 2026-27. This figure represented the average emission level the passenger vehicle industry was expected to achieve, from which individual carmaker targets were mathematically derived using a formula linked to the average weight of vehicles sold.

Following the February 10 meeting, SIAM emailed BEE on February 19, flagging the shifting goalposts. "The first CAFE 3 draft was shared on June 9, 2024, followed by a substantially revised second proposal



on September 25, 2025. At the February 10, 2026, meeting, a third revised proposal was presented for the first time, reflecting significant variations from the previous two versions," the industry body said.

The September 2025 draft proposed the following principal formula for CAFE 3: $[a \times (W - b) + c] \times 23.7135$, where "a" was fixed at 0.002, "W" denoted vehicle weight, "b" represented the industry's average car weight of 1,170 kilogram (kg), and "c" was designed to decline from 3.7264 in FY28 to 3.0139 in FY32.

At the February 10 meeting, however, BEE indicated that "a" would no longer remain constant and would instead decline annually, from 0.00154 in FY28 to 0.00128 by FY32. It also revised "b" upwards to 1,229 kg and altered the trajectory for "c", which would now fall from 3.9008 in FY28 to 3.2504 in FY32.

In a February 19 email, SIAM said this version of the draft was being seen for the first time, making it difficult to offer an immediate response. "At first glance, members felt the revised proposal shown by BEE, particularly the change in average weight, annual targets, and modified parameters, appears far more challenging," it added.

The industry body reiterated that its unified submission on November 8, 2025,

- At February 10 meeting, BEE proposed separate yearly CAFE-3 emission targets
- BEE revealed that targets would gradually drop from 92.5 g/km in FY28 to 77.08 g/km in FY32
- BEE said main compliance formula would be revised once more
- On February 19, SIAM told BEE it prefers single 89.6 g/km target for FY28-FY32 period
- Multiple CAFE-3 drafts since 2024 have widened industry divide

should be treated as a "packaged deal", comprising a single five-year target along with interlinked elements such as slope, super credits, biogenic factors, and off-cycle credits. "Addressing these parameters in isolation may not lead to a workable outcome," SIAM said. SIAM was referring to its November 8 letter, which argued for a single 89.6 g/km target for FY28-FY32. Neither SIAM nor BEE responded to *Business Standard's* queries.

Since 2024, the CAFE 3 norms have triggered a prolonged tussle within the auto industry, alongside long-drawn-out negotiations with BEE. The BEE released the first draft in June 2024, with SIAM submitting comments in December that year. Months later, Maruti Suzuki India independently sought a weight-based exemption for small cars, splitting industry opinion.

In September 2025, BEE revised the draft and introduced weight-based relief, proposing an additional 3 g/km deduction for petrol cars weighing under 909 kg. Two months later, SIAM said its members could not reach a consensus on the exemption.

BEE is now expected to drop this provision in the final notification. Instead, it plans to modify the core equation itself to deliver more lenient targets for vehicles below 1,229 kg and tougher ones above that threshold.

Govt mandates sale of E20 petrol nationwide from April 1

Press Trust of India
New Delhi

The government has mandated the sale of petrol with up to 20 per cent ethanol and a minimum Research Octane Number (RON) of 95 across all States and Union Territories from April 1, 2026.

The Oil Ministry, in a February 17 notification, said, "The Central government hereby directs that oil companies shall sell ethanol-blended motor spirit (pet-

rol) with percentage of ethanol up to 20 per cent as per the Bureau of Indian Standards specifications and having minimum Research Octane Number (RON) of 95, in States and the Union Territories."

The Centre can allow exceptions in special situations, for specific regions and for a limited time.

The government has mandated ethanol blending in petrol to help cut oil imports, as also reduce emissions. Such a mandate also sup-



ports farmers as it boosts demand for sugarcane, maize and agricultural surplus.

Most vehicles manufactured in India from 2023-2025 onward are designed to run on E20 and no major is-

ssues are expected, industry officials said. Older vehicles may however see a slight drop in mileage (3-7 per cent). Also rubber/plastic component may wear.

PREVENT DAMAGE

The insistence on minimum RON 95 is to prevent engine damage. RON is a measure of a fuel's resistance to engine knocking (pre-ignition). Knocking happens when fuel burns unevenly inside the engine, causing pinging sound, loss of power and

possible engine damage over time.

The higher the RON, the more resistant the fuel is to knocking. Ethanol naturally has high octane value (around 108 RON). Blending 20 per cent ethanol in petrol increases knock resistance.

Encouraged by India achieving 10 per cent ethanol doping in petrol in June 2022, the government advanced 20 per cent blending to 2025-26 from 2030. Most pumps in the country now sell E20.

US announces preliminary 126% duty on Indian solar imports

PRESS TRUST OF INDIA
New Delhi, 25 February

The US has announced a preliminary countervailing duty of 125.87 per cent on imports of certain Indian solar goods, alleging that these products are unfairly subsidised by New Delhi.

The US has also announced different duties on the imports of 'Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules' from Indonesia and Laos.

"On February 24, 2026, the US Department of Commerce announced its preliminary affirmative determinations in the countervailing duty investigations of crystalline silicon photovoltaic cells, whether or not assembled into modules (solar cells), from India, Indonesia, and the Lao People's Democratic Republic (Laos)," a US order has said.

These duties are over and above the 10 per cent tariffs announced by the Donald Trump administration on all countries from February 24.

THESE DUTIES ARE OVER AND ABOVE THE 10 PER CENT TARIFFS ANNOUNCED BY THE DONALD TRUMP ADMINISTRATION ON ALL COUNTRIES FROM FEB 24

According to the order, solar imports from India into the US increased to \$792.6 million in 2024 from \$83.86 million in 2022.

"Unless postponed, the final determination in these CVD (countervailing duty) investigations are currently scheduled to be issued on July 6, 2026. Commerce (department) is also conducting concurrent anti-dumping duty investigations of solar cells from India, Indonesia, and Laos," it said. Countervailing duties help firms to protect them from increase in subsidised imports.

India is taking a series of measures to promote renewable energy production in the country and reduce its import dependence. Solar energy is one of the key components in this.

India is the world's third-largest solar power producer.

According to an official statement, India's solar manufacturing sector includes key components like solar modules, solar PV cells, ingots and wafers. Producing these within the country supports the domestic economy and reduces dependence on imports. To boost domestic manufacturing, the government has made it mandatory for projects under schemes like the Rooftop Solar Programme, Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhayan (PM-KUSUM) Scheme, and CPSU Scheme Phase-II to use panels and cells made in India.

Domestic players like Vikram Solar, Waaree Energies, and Premier Energies, said the US decision to impose countervailing duties on certain solar goods from India will have a limited impact on them.

The US has announced a preliminary countervailing duty of 125.87 per cent on imports of certain Indian solar goods.

India to continue talks for best trade deal with US: Goyal

SHREYA NANDI
New Delhi, 27 February

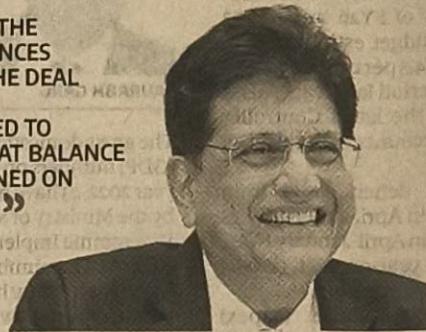
India is closely watching the evolving situation following the US Supreme Court's verdict against tariffs and will continue to engage with Washington for best possible opportunities in the interim trade deal finalised earlier this month. Commerce and Industry Minister Piyush Goyal said on Friday.

When asked whether India's position will change regarding the trade deal negotiations at the "News18 Rising Bharat Summit 2026", Goyal pointed out at the sanctity of the deal, saying the joint statement includes a clause that makes it clear that "should the circumstances change, the deal would be rebalanced to ensure that the balance of the deal is maintained on both sides".

Before last week's ruling, both countries announced an interim trade agreement that lowered tariffs on Indian goods to 18 per cent, ending long negotiations. "In the event of any changes to the agreed upon tariffs of either country, the US and India agree that the other country may modify its commitments," according to the

« SHOULD THE CIRCUMSTANCES CHANGE, THE DEAL WOULD BE REBALANCED TO ENSURE THAT BALANCE IS MAINTAINED ON BOTH SIDES »

Piyush Goyal
Commerce and Industry Minister



India-US Joint Statement on framework for an interim trade agreement issued on February 7.

The US administration under Donald Trump has imposed a 10 per cent tariff against all trading partners for 150 days starting February 24, after the US Supreme Court struck down Trump's April 2025 decision to impose reciprocal tariffs on all imports. Trump also announced further increasing the tariffs to 15 per cent. Earlier this week, Trump also warned countries to honor the deals agreed so far and threatened higher tariffs on goods from nations that 'play games'.

"It is an evolving situation. We'll have to see. The Trump administration has made some

comments... They have many other tools that they could possibly use (to impose new tariffs). They've already used one of them, Section 122, to put a 10 per cent tariff. I think they are on record that next week, they may increase it to 15 per cent for the first 150 days," Goyal said.

"But bear in mind, the deal was better because it had many other elements... So till we finally ink it, I am not in a position to share every detail. Though all the sensitive matters have already been clarified, but I can assure you, there's so many more positives to the deal that we should wait. Let us see how the situation moves forward," he said.

India-EU trade pact includes model mediation procedures

PRESS TRUST OF INDIA
New Delhi, 27 February

The free-trade agreement (FTA) between India and the EU has included an annexure for mediation for a mutually-agreed solution to a dispute through an expeditious procedure with the assistance of a mediator.

According to the text, an annexure on 'model mediation procedures' has been included in the pact, the conclusion of which was announced on January 27. The pact is likely to be signed after legal scrubbing. It may be implemented next year. These FTA texts may undergo modifications as a result of the process of legal

revision/scrub. The texts will be final upon signing.

"A party (India or EU) may at any time request to enter into a mediation procedure with respect to any measure by a Party alleged to adversely affect trade between the parties," the text said, adding that the request shall be sufficiently detailed to present the concerns of the requesting side clearly and shall identify the specific measure at issue; and the adverse effects that the requesting party considers the measure has or may have on trade between the two sides.

However, it added that the mediation procedure may only be initiated by mutual agreement of the two sides.

Momentum to sustain, GDP may grow 7.4% in FY27: CEA

Points To Policy Certainty, Improvement In Flow Of Capital

TIMES NEWS NETWORK

New Delhi: Chief economic adviser V Anantha Nageswaran Friday raised the growth forecast for the next financial year to 7-7.4% as against 6.8-7.2%

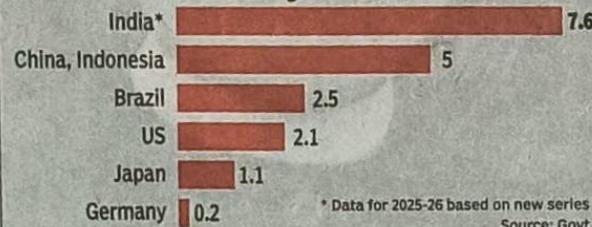
projected in last month's Economic Survey, banking on improved policy certainty due to trade agreements and an improvement in capital flows, along with high-frequency data pointing to sustained momentum in consumption and investment.

He said that the Indian economy was likely to cross \$4 trillion next year. The CEA added that recent trends point to improved capital flows, especially when the handicap of India's low AI exposure is behind it. Govt's topeconomist also said the recent trade agreements signed by India will help in the coming months, while also of-



'INDIAN ECO LIKELY TO CROSS \$4TN'

Real GDP growth (%) in 2025



fering policy certainty.

"Because of global uncertainties related to capital flows, the exchange rate had a depreciating (effect) in 2025. With these trade agreements and the second mover advantage that India has in AI ecosystem...so all those things will improve capital flows, stabilise the exchange rates... which will then mean that the dollar value of the Indian GDP will reflect better the true underlying performance of the Indian economy in rupee terms in the years to come," Nageswaran

said. "We also have had the framework agreement with the US (in the meantime). Though the full effect of these trade deals may be felt in 2027-28, there will (still) be a positive impact in terms of capital formation in FY 2026-27, which will spill over into the consumption (as well)," he said.

Citing multiple sets of numbers, he said the growth momentum was expected to sustain. "At the moment, the risk is on the upside in this range. Of course, global uncertainties are the downside risk

Fisc deficit at 4.5%

With revision in the GDP numbers in the latest estimate, the fiscal deficit for FY26 is pegged at 4.5% of GDP. This may require govt to squeeze spending in March, unless it can mop up more revenue, to meet the 4.4% fiscal deficit target. The deficit in April 2025-Jan 2026 was Rs 9.8 lakh crore, 63% of the estimate. TNN

factor to keep in mind."

Nageswaran stressed that the focus on policy and reforms, which are in "our control", have helped India be among the fastest growing G20 countries, paving the way for a "sustained non-inflationary growth of at least 7% in real terms", post Covid, despite the exchange rate not going in India's favour in 2025.

On the March quarter GDP growth, Nageswaran said, momentum in the economy is good enough to give a growth rate of 7.3% or more.

CAQM proposes mandating only EV taxis from April 2027

TIMELINE CONCERNS. Experts warn of impact to ride-hailing companies & Bharat Taxi

S Ronendra Singh
New Delhi

The Commission for Air Quality Management (CAQM) has convened a meeting of its expert committee on Friday with select stakeholders to discuss measures to curb vehicular emissions in the Delhi-National Capital Region (NCR) and adjoining areas.

The move could have significant implications for taxi and ride-hailing services in Delhi as the committee is understood to be considering a proposal to allow only electric vehicles (EVs) to be registered as taxis in Delhi-NCR from April 1, 2027.

In what industry observers describe as an unusual step, the CAQM has not invited major cab aggregators, such as Ola Cabs and Uber, fleet operators or the Society of Indian Automobile Manufacturers (SIAM) to the meeting.

Instead, invitations have reportedly been sent to select automobile manufacturers, including Maruti Suzuki India, Tata Motors, Hyundai Motor India, Mahindra & Mahindra, Toyota Kirloskar



FAR-REACHING GOAL. All private vehicles would be required to adhere to ZTE norms from April 2030

Motor, Skoda Auto Volkswagen India, Honda Cars India and Mercedes-Benz India.

The expert committee is chaired by Ashok Jhunjhunwala of IIT-Madras. Sources familiar with the discussions said the panel is proposing that only zero tailpipe emission (ZTE) four-wheeler taxis, effectively zero-emission vehicles (ZEVs), be registered in Delhi-NCR from April 1, 2027.

BEVS, FCEVS

The primary vehicle categories under consideration include battery electric vehicles (BEVs) and hydrogen fuel cell electric vehicles (FCEVs).

The proposal also extends

to two-wheeler taxis, food delivery vehicles and all three-wheelers, both passenger and goods carriers, which would be required to be ZTE vehicles from the same date.

From April 2028, the committee is said to be recommending similar restrictions for larger segments, such as buses and trucks.

The most far-reaching recommendation, according to sources, is for April 2030, when all private vehicles, both two- and four-wheelers, would be required to be ZTE vehicles.

The CAQM is mandated to review and coordinate policies related to clean mobility across Delhi-NCR, including Bharat Stage (BS)

emission norms, electric mobility initiatives and fuel efficiency standards.

However, the proposed timeline has raised questions within the industry. "The Committee is proposing that all taxis be EVs from April 2027, and from April 2030 all private vehicles too should be ZTEs. But in the interim, the Home Minister has launched Bharat Taxi, under which nearly three lakh taxis have reportedly been registered, about 90 per cent of them running on CNG. Lakhs of drivers are enrolled on the platform. If EVs are made mandatory, where will these vehicles and drivers go?" asked a sector expert.

The expert added that a calibrated approach with a mix of technologies may be more practical, particularly given cost concerns. Lower- and middle-income commuters, who constitute the bulk of users of taxis and three-wheelers, could face higher fares if operators are compelled to shift entirely to EVs, given the upfront cost of electric vehicles.

The recommendations are expected to trigger wider consultations before any final notification is issued.