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Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies
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AUTOMOTIVE INDUSTRY

Business Line, 16 March 2026

Bajaj Auto mulls EV expansion out of Maharashtra on sops row

UNPLUGGING? Company riled by State's autorickshaw permit curbs; TN, Karnataka woo automaker

Amit Vijay Mohile
Mumbai

Bajaj Auto is contemplating moving a part of its electric vehicle (EV) manufacturing out of Maharashtra and allocating future EV investments to other States following a disagreement with the State government over nearly ₹75 crore in unpaid subsidies and restrictions on new autorickshaw permits, according to sources familiar with the matter.

Industry sources said the company is exploring the possibility of shifting future EV manufacturing expansion to its Pantnagar facility in Rudrapur, Uttarakhand, while also considering directing new investments to States offering clearer policy support and incentives. The development has prompted rival States to reach out to the Bajaj Auto management to compete for the company's upcoming EV investments. Karnataka and Tamil Nadu have already initiated discussions with the automaker, industry sources said.

The dispute stems from tensions between Bajaj Auto

POLICY SNAG

- Bajaj Auto's plan to shift base comes amid a dispute with Maharashtra over ₹75 crore in unpaid subsidies and curbs on new auto permits
- Permit curbs could hit the company as the State accounts for 15-17% of its ICE three-wheeler volumes
- Bajaj has invested about ₹750 crore in the EV ecosystem in Pune; vendors added ₹250 crore more



and the Maharashtra Transport Department over delays in subsidy payments and a recent decision to restrict the issue of new autorickshaw permits in the State, citing market saturation.

Subsidy dues to Bajaj Auto are estimated around ₹75 crore, though the company has reportedly received partial payments.

MINOR ISSUE: GOVT

The Maharashtra government sought to downplay the issue as it continues to engage with the company. Maharashtra Industries Secretary P Anbalagan described the subsidy issue as a relatively minor one from a budget perspective while

emphasising that the State remains committed to working with industry.

"That is a small component problem from a budget perspective. The government is there to engage with industry, and we are working closely on the issues," Anbalagan told *businessline* at the Confederation of Indian Industry Maharashtra Annual Meeting, where he outlined the State's \$1 trillion manufacturing ambitions.

PERMIT CURBS

The situation drew wider attention after Bajaj Auto MD Rajiv Bajaj publicly criticised the State's EV policy, calling it a "massive failure" and saying that in his 36-year career,

he had never seen such a major policy breakdown.

Analysts said that the permit restrictions could significantly affect Bajaj Auto, given its strong presence in the three-wheeler market. The State accounts for 15-17 per cent of the company's domestic ICE three-wheeler volumes and about 15 per cent of its overall three-wheeler sales, according to analyst estimates.

Bajaj Auto is estimated to hold around 87 per cent market share in Maharashtra's three-wheeler segment, making it particularly sensitive to regulatory changes.

Through its subsidiary Chetak Technology Ltd, the company has invested about ₹750 crore in its EV ecosystem at its Akurdi facility in Pune.

Vendors have invested another ₹250 crore in the local component ecosystem, while Bajaj has earmarked ₹420 crore for EV-related capex, suggesting that any expansion outside the State could affect the wider supplier network.

businessline did not receive a response from Bajaj Auto till press time.

Bosch, Tata Autocomp to set up 50:50 JV

Our Bureau
Mumbai

Bengaluru-headquartered Bosch Ltd said it will set up a 50:50 joint venture with the Pune-based Tata Autocomp Systems Ltd to manufacture e-axles and electric traction motors in India.

The proposed entity is to be incorporated as a private limited company with an initial paid-up capital of ₹10 lakh and a total investment of up to ₹94 crore, as suppliers move to localise key electric vehicle drivetrain components.

In a regulatory filing, Bosch said its board had approved entering into a joint venture (JV) agreement to set up the new entity that will undertake the "manufacture, sale, and after-sales service of e-axles and electric



traction motors and any other products".

LOCALISATION IS KEY

The partnership combines Bosch's engineering and software capabilities in electric drivetrains with Tata Autocomp's manufacturing, sourcing, and localisation strengths, as well as its proximity to large domestic original equipment manufacturers, including within the Tata Group.

The JV will focus on manufacturing, sales, and after-sales service of electric powertrain components as automakers scale up electric vehicle launches across segments.

E-AXLE SYSTEMS

E-axles, which integrate the motor, inverter and transmission into a single unit, are key components of electric drivetrains and are increasingly being localised to reduce costs and improve supply chain resilience.

They are emerging as a core component in EV architectures, helping simplify vehicle design and improve efficiency.

The move comes at a time when automakers are accelerating electric vehicle launches, increasing demand for integrated electric powertrain systems.

Industry executives are of the view that localisation of such systems will be critical as automakers look to reduce costs and improve supply chain resilience, particularly in high-volume segments such as compact passenger vehicles and light commercial vehicles.

BOSCH INDIA REVENUES

Bosch, which reported India revenues of ₹18,087 crore in FY25, stated that the firm will contribute in engineering and development expertise, while Tata Autocomp will support operations, procurement and administration.

Both companies will enter a segment that is seeing increasing competition, with players such as Sona Comstar, Dana and BorgWarner already building capabilities in electric drivetrains and e-axle systems.

A first: 2-wheeler sales cross 20 mn in FY26

But electric penetration lags NITI Aayog's targets

SURAJEET DAS GUPTA
New Delhi, 22 March

For the first time in a financial year, India's two-wheeler market, including both internal combustion engine (ICE) and electric models, crossed the 20 million mark in registrations in FY26, according to VAHAN data. The previous peak was in pre-Covid FY19, when registrations stood at 18.4 million.

As on March 22 this financial year, registrations touched 20.05 million, against 18.3 million recorded for the full financial year in FY25.

Despite this milestone, the key challenge remains. The government's ambitious target for electric two-wheeler penetration by 2030 now seems increasingly unrealistic, even after projections have been sharply reduced.

Based on the latest VAHAN figures for FY26, with just a few days left in the financial year, electric two-wheeler penetration (motorcycles and scooters) stood at 6.27 per cent as of March 22 and is expected to end the year at around 6.5 per cent, a marginal increase over last year.

In FY25, e-two-wheeler penetration was at 6.06 per cent, with 1.1 million vehicles registered, according to VAHAN data. In contrast, as of March 22 this financial year, total electric two-wheeler registrations have risen to 1.25 million.

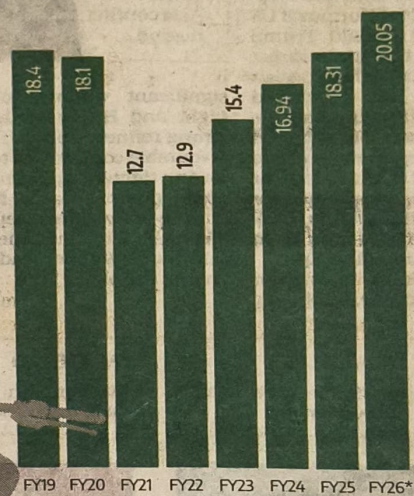
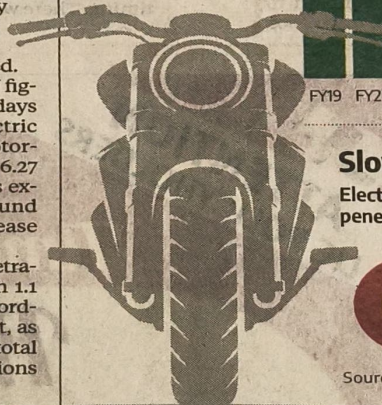
This is nowhere close to even the lowest target set by NITI Aayog, which has revised its projections on electric two-wheeler penetration over time. In 2019, NITI Aayog, along with the Rocky Mountain Institute, had projected that e-two-wheeler penetration in new sales would reach 80 per cent by 2030.

However, this target was sharply scaled down in a subsequent 2022 report by NITI Aayog in collaboration with BCG, which reduced the penetration target to 35-40 per cent. Even then, NITI Aayog projected that to achieve this goal, e-two-wheeler penetration should reach 13-15 per cent by FY26.

Vrooming ahead

Registrations for overall two-wheelers (ICE and electric) in million

■ Registrations



Slow and steady

Electric two-wheeler market penetration (%)



*As of March 22, 2026

Source: VAHAN

The report also projected that, to meet the 2030 target, the industry would need to reach annual sales of 10-11 million electric two-wheelers. Based on current numbers, this would require sales volumes to grow by a staggering eight to nine times over the next four years.

Auto industry experts point out that one key factor behind overall two-wheeler sales crossing the 20 million mark, with a clear skew in favour of ICE vehicles, was the government's decision to reduce the goods and services tax (GST) on these vehicles from 28 per cent to

18 per cent. This narrowed the tax differential, making ICE vehicles relatively more attractive compared to electric vehicles, which continue to attract 5 per cent GST.

Additionally, one of the top players in the electric two-wheeler space, Ola Electric, saw a sharp decline in market share in FY26, selling over 150,000 fewer vehicles than in the previous financial year. However, incumbent players such as TVS Motor, Bajaj Auto, Hero MotoCorp, and startup Ather not only offset this decline but also contributed to the overall growth of the electric two-wheeler segment.

2 years on, automakers await clearance of FAME-II dues

DEEPAK PATEL
New Delhi, 26 March

Several major automobile makers, such as TVS Motor, Ather Energy, and Tata Motors, are still waiting for the government to clear their dues under the FAME-II scheme, even though the scheme ended two years ago, *Business Standard* has learnt.

Under FAME-II, automakers provided subsidies to electric vehicle (EV) customers at the time of purchase, with the understanding that the government would reimburse the firms later.

Officials of the Society of Indian Automobile Manufacturers (SIAM) recently met Ministry of Heavy Industries (MHI) officials and raised the matter about pending dues again, especially as the financial year is ending.

"Tata Motors, TVS Motor, Ather Energy and OPG Mobility (formerly Okaya EV) are among those awaiting payments from the MHI. The pending dues run into tens of crores," an industry executive said.

The executive also expressed concern that funds earmarked for clearing FAME-II dues could lapse if not utilised before March 31, as unspent allocations are typically returned by ministries to the Finance Ministry at the end of a financial year. This has created uncertainty over whether the funds would be reallocated if approvals come after March 31. Ideally, the amount set aside should be used to clear pending dues within the current financial year, the executive said.

A second industry execu-

Bumpy ride

- Pending dues run into tens of crores, say executives
- Risk of funds to lapse as financial year ends
- Delay impacts balance sheets, financial reporting of listed OEMs
- Portal glitches, 120-day rule blocked valid subsidy claims



tive said that clarity from the MHI on the timeline for payments is critical, particularly because many of the affected original equipment manufacturers (OEMs) are listed and need visibility on receivables for accurate balance sheet preparation and financial reporting.

"Auditors may ask companies to make provisions for dues if there is uncertainty over recovery, as per accounting norms. These provisions are treated as expenses and can reduce net profit, though this depends more on the likelihood of recovery than just how long the dues have been pending," the second executive said.

The delay is worrying for two-wheeler and three-wheeler makers, which were among the largest beneficiaries of the scheme, the second executive said. The issue is not new. In a letter dated April 30 last year, SIAM had written to the MHI seeking intervention for the release of pending FAME-II dues.

sought reconsideration of claims rejected for being submitted beyond the 120-day limit, arguing that OEMs had approved cases within the stipulated period but were unable to complete submission due to portal-related issues. It further clarified that the "claim creation date" should not be treated as the actual submission date, as the portal distinguishes between the two.

Despite repeated follow-ups, SIAM had noted in its letter that dues remained unsettled, and had urged the MHI to provide clarity on the timeline for disbursement, warning that the lack of communication was creating uncertainty for companies.

MHI, SIAM and the four aforementioned automakers did not respond to *Business Standard's* emails.

Launched in April 2019 with a budget outlay of ₹11,500 crore, FAME-II aimed to accelerate electric vehicle adoption by making EVs more affordable. The scheme targeted support for 1 million electric two-wheelers, 500,000 three-wheelers, 55,000 passenger vehicles and 7,000 buses. It ended on March 2024.

Under the scheme, manufacturers provided upfront discounts to buyers at the time of purchase, effectively reducing EV prices. The government later reimbursed these discounts to the companies. To qualify for the subsidy, manufacturers had to meet localisation requirements under the Phased Manufacturing Programme, which mandated that at least 50 per cent of the vehicle's value be sourced domestically.

In the letter, SIAM flagged that several member companies had not received "pre-receipts" for their claims. These are acknowledgements generated by the government system before the final subsidy payment is released to manufacturers.

SIAM also noted that some companies had submitted clarifications for rejected claims, but those cases were still pending. A key concern raised related to the 120-day submission rule under the scheme. According to policy, dealers were required to submit sales claims to OEMs within 120 days of the invoice date, after which OEMs would upload them on the government portal for reimbursement. SIAM said technical glitches in the FAME-II portal prevented timely submission in several cases, resulting in valid claims being excluded once the system automatically locked entries after the deadline.

The industry group also

Auto sector set for Q1 disruption; Crisil flags slowdown in FY27

Amit Vijay Mohile
Mumbai

India's automobile sector is headed for a disrupted start to FY27, with Crisil warning that production across segments could be hit in the first quarter due to emerging supply-side stress, even as growth expectations moderate after a strong FY26.

Crisil said closures among tier-3 and tier-4 vendors, rising energy costs and risks to key inputs could weigh on output. It also flagged potential disruptions in AdBlue supplies, critical for BS6 commercial vehicles, which could create bottlenecks for road transport if geopolitical tensions persist.

The agency has also cut its FY27 growth estimates across segments by up to 200 basis points (bps). Passenger vehicle (PV) volumes are



ALL CHARGED UP. EVs remain the fastest-growing segment, with PV EVs seen expanding about 70 per cent and three-wheeler EVs over 60 per cent in FY26

now expected to grow 3-5 per cent to about 4.9 million units, while two- and three-wheelers are seen expanding at 5-7 per cent, lower than earlier projections.

"Growth could remain challenging in parts of FY27 as high base effects and supply-side constraints begin to weigh on the sector. We are also seeing early signs of stress in the supplier ecosystem and input availability,

which could create near-term production bottlenecks even if underlying demand remains intact," said Hemal Thakkar, Senior Practice Leader and Director at Crisil.

He added that the sector is entering a more complex phase where multiple pressure points — costs, supply chains and sentiment — could overlap, making growth less broad-based than in FY26.

"The issue is not whether the industry stops growing, but if multiple sources of friction begin to hit at the same time. That could make for a weak and volatile opening quarter. Q1 looks less like a collapse and more like a reset, as the sector shifts from policy-supported expansion to execution-led growth," said Harshvardhan Sharma of Nomura.

GROWTH DRIVERS

EVs remain the fastest-growing segment, with PV EVs expanding about 70 per cent and three-wheeler EVs over 60 per cent in FY26, even as overall growth begins to taper.

Crisil said structural shifts in the PV market are becoming more pronounced. SUVs now account for nearly 65 per cent of sales, up from about 28 per cent in FY19, but growth is expected to

moderate to single digits. Hatchbacks, aided by urban constraints and GST-led price corrections, are likely to retain relevance, while premiumisation continues with base variants shrinking to 10-20 per cent of sales.

Battery-as-a-service (BaaS) models are expected to remain niche at under 5 per cent of PV EV sales, reflecting improving battery economics.

2- & 3-WHEELERS

Two-wheelers are projected to grow from 20 million units in FY25 to 21.3-21.6 million in FY26 before easing to 5-7 per cent growth in FY27, taking volumes to 22.5-23 million units, Crisil said.

Electric two-wheelers are expected to grow 20-22 per cent in FY27. Three-wheelers may rise from about 681,000 units in FY25 to nearly 800,000 units in FY26.

ELECTRIC VEHICLES

Business Line, 16 March 2026

Tata Motors, Ashok Leyland to gain from move to extend localisation deadline for EV motors

Amit Vijay Mohile
Mumbai

The Centre has pushed the localisation deadline for key electric bus and truck components to September 1 under the PM E-Drive scheme, a move that's expected to provide relief to manufacturers such as Tata Motors, Ashok Leyland, Eicher Motors and EKA Mobility. These players are ramping up electric bus and commercial vehicle deployments across the country.

TRACTION MOTORS

The amendment gives vehicle makers additional time to domestically manufacture traction motors used in electric buses and N2-category electric trucks, with officials acknowledging that



the revised timeline factors in supply chain disruptions flagged by OEMs, particularly shortages of rare-earth magnets used in high-efficiency electric powertrains.

The Ministry of Heavy Industries notified the change through a Gazette notification dated March 13, amending the phased manufacturing programme (PMP) roadmap for electric trucks

in the N2 and N3 commercial vehicle categories under the PM E-Drive scheme.

REVISED NORMS

Under the revised norms, traction motors used in these vehicles must be manufactured domestically from September 1, with key processes carried out within India. According to the notification, domestic manufacturing must include processes such as magnet fitment, rotor and stator assembly, shaft fitment, bearing integration, enclosure fitment and connector, and cable installation.

The rules also mandate deeper localisation of integrated systems, including motor-transmission assemblies and traction motor controllers with inverters. For integrated traction motors used

with transmissions, domestic assembly of motor-transmission systems, transmission controllers and software flashing must be undertaken locally from September. Similarly, traction motor controllers with inverters must undergo domestic manufacturing that includes PCB assembly with electronic components and semiconductors, high-voltage connector integration, heatsink fitment and firmware flashing.

Industry executives said the revised timeline reflects persistent global supply-chain constraints, particularly the limited availability of rare-earth permanent magnets, which are essential for high-efficiency traction motors used in electric buses and heavy commercial vehicles.

EV discounts cross ₹5 lakh as fuel jitters, tax perks push March sales

Amit Vijay Mohile
Mumbai

Electric vehicle discounts have exceeded ₹5 lakh for the first time in India as automakers roll out aggressive incentives to boost sales before the financial year-end amid fuel uncertainty and production-linked incentive (PLI) scheme targets.

Total effective discounts, including manufacturer incentives and dealer commission payouts, have crossed ₹5 lakh on some EV models. Discounts of up to ₹5.05 lakh are being offered on leftover MY2025 units of the Ioniq 5. Mahindra's XUV400 EL Pro carries offers of up to ₹4 lakh, and incentives on newer Mahindra EVs, such as the BE 6 and XEV 9e, have reached ₹2.95 lakh. Discounts on certain Tata Motors models, including the Curvv.ev, Nexon.ev and Tiago.ev, have gone up to ₹3.8 lakh.

Carmakers, including Hyundai, Tata Motors, Mahindra & Mahindra and JSW MG Motor India, have rolled out aggressive offers, ranging from cash discounts and exchange bonuses to corporate incentives and extended warranty packages to boost EV demand, particularly on leftover model-year inventory.

JSW MG Motor India



TAX LEVERAGE. Dealers said the surge in incentives is being supported by tax advantages for corporate buyers. REUTERS

pitching its Windsor EV with a different strategy — offering free public charging for one year and depreciation benefits that could reach ₹13.17 lakh for first-time business buyers, aimed at corporate and fleet customers looking to electrify their operations.

CORPORATE PUSH

Dealers said that the surge in incentives is also being supported by tax advantages for corporate buyers. Under tax rules, businesses can claim accelerated depreciation of up to 40 per cent on electric vehicles, compared with 15 per cent for petrol and diesel vehicles, making EV purchases attractive ahead of the fiscal year-end.

Fuel price volatility and concerns over CNG availability are also prompting more customers to consider electric mobility.

"In two-wheelers and

buyers are increasingly evaluating total running costs. Concerns around fuel volatility are pushing many customers to consider EVs during this uncertain period," said Vinkesh Gulati, Chairman of the Automotive Skill Development Council and Founder-Director of United Automobiles.

Manufacturers have added incentive to push EV sales, as payouts under the government's auto PLI scheme are linked to incremental sales of advanced automotive technology vehicles.

According to the Federation of Automobile Dealers Associations, electric passenger vehicle sales grew 44 per cent year-on-year in February to 13,733 units, compared with 9,505 units in February 2025. Dealers said the surge in enquiries could translate into stronger EV sales as the fiscal year draws

JSW Motors ties up with Dassault to boost EV plans

DEEPAK PATEL
New Delhi, 26 March

JSW Motors Limited on Thursday partnered French technology firm Dassault Systèmes to deploy a digital platform aimed at speeding up the design, engineering and manufacturing of its upcoming "new energy vehicles", as part of the group's broader multi-billion dollar automotive push.

The partnership will see JSW Motors adopt Dassault's 3DEXperience platform as its core digital backbone. A digital backbone is a unified software system that connects product design, engineering and manufacturing, allowing real-time data sharing and faster development cycles.

The platform will support a modular vehicle architecture, which allows multiple models to be developed using shared components, reducing costs and time to market. It will be powered by tools such as Catia, a 3D design software, and Enovia, which helps manage product data and col-

laboration across teams.

The collaboration with Dassault comes as the JSW Group scales up its automotive ambitions through a dual strategy. While its joint venture JSW MG Motor India is expanding capacity at its Halol plant and planning multiple launches in 2026, including electric vehicles, JSW Motors is being developed as a fully independent brand.

JSW Motors said it will also deploy Dassault's Delmia solutions that monitors and optimises factory processes to improve efficiency and reduce waste, thereby lowering carbon emissions. The collaboration will also involve creating virtual twins, or digital replicas of vehicles and manufacturing processes, enabling simulation and testing before physical production. JSW Motors has already entered into a technology licensing agreement with Chinese conglomerate Chery Holding Group to access advanced vehicle platforms without equity dilution.



Dassault Systèmes' Senior Director and Country Head-Strategic Business Tanuj Mittal (left) with JSW Motors VP-operations & manufacturing engineering Asit Kumar Ojha at the partnership announcement on Thursday

E-2-wheelers may get subsidy for 3 more mths

E-Rickshaws Likely To Enjoy Extended Sops Till March '28

Saksham Mehta &
Dipak Dash | TNN

New Delhi: Govt is likely to extend subsidies for electric two-wheelers under the PM e-Drive scheme until June, while subsidies for e-rickshaws may continue for two years or so. The scheme, initially notified in Sept 2024, is valid till March 31.

"We are looking at extending the incentive for these two categories of electric vehicles. Since we have budget under this head, we want that more people get the benefit of the scheme," a person aware of the development said. Under the scheme, e-two-wheeler and e-rickshaw buyers get subsidy of Rs 2,500 per kWh.

Official data shows that out of Rs 1,772 crore subsidy earmarked for electric two-wheelers, about Rs 1,260 crore has been utilised. For electric three-wheelers, Rs 737 crore has been spent out of the Rs 907 crore allocation.

Industry sources said e-rickshaw manufacturers have struggled to meet localisation norms under the Phased Manufacturing Programme (PMP), making it difficult for many players to qualify for subsidies.

"In the e-rickshaw segment, localisation remains a challenge as several key components such as traction battery packs, motors and instrument clusters are still largely imported. This has

PM E-DRIVE SCHEME

► Out of ₹ 1,772 crore subsidy for electric two-wheelers, about ₹ 1,260 crore has been utilised

► For electric three-wheelers, ₹ 737 crore has been spent out of ₹ 907 crore allocation

► The ₹ 10,900-crore PM E-Drive scheme aims to speed up EV adoption and build charging infrastructure across India



limited eligibility for incentives and slowed fund utilisation," an industry executive said. The Rs 10,900-crore PM E-Drive scheme aims to accelerate EV adoption and build charging infrastructure across the country. Incentives are offered as upfront price reductions for buyers, which are later reimbursed to manufacturers, while localisation norms are aimed at strengthening domestic EV manufacturing.

The scheme has been extended by two years, from March 2026, to March 2028, to support the adoption of electric buses, trucks, and ambulances. The scheme aims to boost local manufacturing, requiring e-bus makers to localise traction motors, but so far, no electric buses or trucks have hit the road, according to department of heavy industry data.

Officials said that trucks are in the process of getting tested before sales start.

Exide invests ₹450 crore in EV battery arm

Our Bureau
Mumbai

Exide Industries infused another ₹450 crore into its electric vehicle battery subsidiary, Exide Energy Solutions Ltd (EESL), as its lithium-ion gigafactory in Bengaluru enters the final leg of commissioning, marking a shift from build-out to execution. The investment comes via the allotment of 11.25 crore equity shares at ₹40 apiece on a rights basis, taking Exide's total commitment to ₹4,802 crore while retaining full ownership.

The funds are earmarked for last-mile requirements, including equipment calibration, trial runs and working capital, with the company targeting commercial production in the first half of FY26. Phase 1 of the facility will have 6 GWh of annual ca-

capacity, spanning NMC cells for high-performance EVs and LFP chemistry for mass-market vehicles and stationary storage.

The financial trade-off, however, is immediate. EESL reported a loss of ₹209 crore in FY25, and the ramp-up phase is expected to weigh on margins due to high depreciation and operating costs. "The next 12-18 months will be a drag on consolidated profitability, but that's typical for a project of this scale. Break-even is likely only by late FY27 or early FY28 once utilisation crosses 40-50 per cent," added an analyst at a leading brokerage.

CORE BUSINESS

Company insiders maintain the balance sheet can absorb the transition. "The lead-acid business continues to generate strong cash flows,



with steady 7-9 per cent growth led by replacement demand and OEM traction. That gives us the ability to invest through the cycle," a senior executive said.

The management has indicated the lithium-ion business will begin contributing meaningfully to revenues by FY27, with the group targeting around ₹20,000 crore in by FY28 and ₹25,000 crore by 2030. Exide is not enter-

ing the market without visibility on demand.

STRATEGIC MoU

In 2024, it signed a strategic MoU with Hyundai Motor and Kia Corp to supply locally manufactured LFP cells for upcoming EV models in India, providing a ready off-take pipeline. The company is in advanced talks with domestic electric two-wheeler makers, targeting e-scooters that remains dependent on imports.

This positions Exide distinctly in an intensifying battery race. Amara Raja is scaling up its own gigafactory with a 2027 timeline, while Ola Electric has already operationalised in-house cells. "Exide's advantage is that it is entering commissioning with a visible order book, reducing the risk of idle capacity — one of the biggest concerns," the analyst added.

Transition to e-mobility must be inclusive, sustainable: Minister

Our Bureau
New Delhi

The government on Monday said that India's electric mobility transition must be inclusive and economically sustainable, with a focus on urban as well as rural markets.

Speaking at an event here, HD Kumaraswamy, Minister of Heavy Industries and Public Enterprises of India, said that going forward, the focus must move beyond just adding more charging points.

"What we need now is reliability, ease of access, and most importantly, interoperability. We must ensure that

India's EV transition remains inclusive and economically sustainable. Light electric vehicles (LEVs) will remain central to this," Kumaraswamy said at the launch of the industry-led platform Light Electric Vehicle Acceleration Forum (LEAF).

"If we can develop cost-effective and scalable solutions here, we can take them to our emerging markets across Asia, Africa and Latin America that share similar mobility needs," the Minister noted.

He assured government support. "At the same time, industry collaboration like what we are seeing through LEAF will be critical in deliv-



EMPOWERING AGENTS. (left) Kausalya Nandakumar, Chief Business Officer-Emerging Mobility Business Unit, Hero MotoCorp; HD Kumaraswamy, Union Minister for Heavy Industries (MH) & Public Enterprises; Vinnie Mehta, DG- ACMA, and Rajesh Menon, DG- SIAM, at the event on Monday

ering real impact on the ground," he added.

'NOT JUST A PLATFORM'
LEAF has the potential to become more than just a plat-

form. It can serve as a model on how collaboration can drive meaningful change across the entire ecosystem, he added.

LEAF as an industry con-

sortium for light electric vehicles (LEVs), can bring together original equipment manufacturers (OEMs), infrastructure providers, technology partners, and other stakeholders.

Ather Energy, in partnership Hero MotoCorp and with other emerging mobility business units like IPEC, have come together to form the consortium.

"Delivering a seamless and interoperable charging experience at scale will require alignment on shared approaches, which LEAF aims to enable," Kausalya Nandakumar, Chief Business Officer-Emerging Mobility Business Unit, Hero MotoCorp, said.

TRACTOR

Business Line, 19 March 2026

Panel endorses subsidy on e-tractors

Prabhudatta Mishra
New Delhi

The Standing Committee on Agriculture, Animal Husbandry and Food Processing has recommended subsidy on electric tractors and educational support for children of small and marginal farmers, among others related to the farm sector.

While suggesting that the budget allocation for the agriculture department be increased to deal with challenges like climate change and market volatility, the panel also raised concerns over profits from the purchase of milk not reaching the farmers as big cooperatives corner it.

The panel presented a separate report on the demands for grants (2026-27) of the Department of Agriculture and Farmers' Welfare, Ministry of Cooperation and other related departments in the Lok Sabha on Monday.

During the discussion of



the Committee, the issue of subsidies for electric tractors was raised to make them economically viable vis-a-vis diesel tractors, thereby boosting farmer acceptance and making them affordable for small and marginal farmers. RJD MP Sudhakar Singh, a member of the panel, is said to have written to the Chairman of the Committee on the issue.

SUSTAINABLE FARMING

"The Committee feels that electric tractors are vital for sustainable farming as they cut diesel emissions significantly, thereby promoting a greener planet with lesser

The panel also recommended scaling up EV charging infrastructure in rural areas to make electric tractors popular

carbon emissions. They also promote energy independence via solar charging and align them with India's net zero goals. The Committee recommends that proportionate subsidies may be given on electric tractors to that of diesel tractors to make them economically feasible and boost their acceptance among the farmers, especially small and marginal farmers. The Committee also recommends that infrastructure relating to EV charging facilities may also be scaled up in rural areas to make electric tractors popular among the farmers," the report said.

RAW MATERIAL

Business Line, 17 March 2026

Exclude aluminium from 50% cut in new RoDTEP norms: Industry body

Our Bureau
Chennai

The Aluminium Association India (AAI) has urged the Director-General of Foreign Trade (DGFT), the Ministry of Commerce and Industry, to exclude aluminium and aluminium products from the 50 per cent reduction in the Remission of Duties and Taxes on Exported Products (RoDTEP) rates.

The AAI said its request follows the reduction in RoDTEP rates across sectors by a flat 50 per cent with immediate effect.

Earlier, RoDTEP rates for aluminium exports were nearly 3 per cent for domestic tariff area (DTA) units and 2.2 per cent for special economic zones (SEZ) units.

In a detailed representation to the DGFT, the AAI sought exclusion of export products under ITC HS



Chapter 76 (Aluminium and Articles thereof) from the scope of the February 23, 2026, order. It is similar to the exemption already granted to products under ITC HS Chapters 01-24.

UNREBATED TAXES

The notification of RoDTEP rates for FY27 is based on the actual incidence of unrebated taxes applicable to the aluminium sector, for both DTA and SEZ units.

The AAI said India's aluminium exports, valued around \$7 billion or nearly 2 per cent of the country's

total goods exports, are facing increasing pressure due to escalating tariff and non-tariff barriers in key markets. At the same time, the domestic aluminium industry is confronting a double challenge: Export opportunities are shrinking as global tariff regimes tighten, while imports into India continue to rise sharply.

The European Union's Carbon Border Adjustment Mechanism has created an indirect tariff barrier, ranging from 7 per cent to 50 per cent, while exports to the US continue to face 50 per cent duties under Section 232 Tariffs.

The association said Mexico had increased customs duties on aluminium products to 10-35 per cent from January 2026, while rising Chinese-funded aluminium capacities in Indonesia are further intensifying competition in global markets.

Tata Steel to invest \$2 b in overseas arm

Our Bureau
Mumbai

Tata Steel will invest \$2 billion (₹18,488 crore) in its Singapore-based wholly owned subsidiary T Steel Holdings Pte in tranches from FY27.

The proposed fund infusion will be used by TSHP to support the overseas subsidiaries for its business operations (including capex and restructuring costs), and for repayment of existing debt.

The board of directors of the company, that met here on Tuesday, also approved the proposal to merge its wholly owned subsidiary Neelachal Ispat Nigam with itself.

NINL operates an integrated steel plant at Kalinganagar in Odisha with a rated crude steel produc-

tion capacity of 0.98 million tonnes per annum. It also holds a mining lease for a captive, fully mechanised open cast iron ore mine located in Sundergarh and Keonjhar districts, Odisha.

The amalgamation will result in operational efficiencies and business synergies besides resulting in simplified corporate holding structure and agility to business ecosystem of the merged entity, Tata Steel stated.

SINGLE ENTITY

The merger will consolidate long products assets under a single entity unlocking the opportunity for creating shareholder value. The proposed amalgamation will reduce administrative costs of maintaining separate companies, while reducing multiple legal and regulatory compliances. The proposed



merger will bring down operational costs through pooling of orders, improved sales and production planning.

Iron ore sourced from the mines of both NINL and Tata Steel can be used appropriately which can enhance overall life of mines of the merged entity.

Consolidation and optimisation of stockyards will sig-

nificantly reduce logistics and distribution costs for the merged entity.

Clubbing of cargoes may keep lower shipping costs, port terminal charges and ocean freight. The move will reduce inventory levels and release working capital from the system. Furthermore, efficiency in debt and cash management will improve cash flow.

Tata Steel will also acquire Medica TS Hospital which owns and operates a multi-speciality hospital in the Kalinganagar Industrial complex, Odisha, with a capacity of 100 beds. The company will pay ₹1.49 crore to Manipal Hospitals Eastern India to complete the deal. The transaction is expected to be completed in one month. The hospital is the only multi-speciality facility in Kalinganagar.

Steel gains forged in demand, margins

Price recovery offsets rising coal costs

DEEPAK KORGAONKAR
Mumbai, 17 March

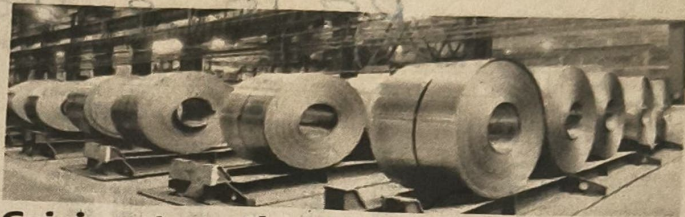
Shares of steel manufacturers were among the top gainers on Tuesday, closing about 6 per cent higher on the BSE on expectations of strong domestic demand. Steel Authority of India (SAIL), Tata Steel, Jindal Steel, and JSW Steel rose between 2 per cent and 6 per cent. By comparison, the Sensex gained 0.8 per cent to 76,070.

Over the past month, these stocks have declined at a slower pace (2.5 per cent to 6 per cent) compared to the 9 per cent fall in the benchmark index. In the past six months, they rallied between 5 per cent and 15.6 per cent, against an 8.4 per cent decline in the Sensex.

The Indian steel industry continues to see robust demand, with consumption in the first nine months of 2025-26 (FY26) rising nearly 7 per cent over the same period last year. Crude steel production grew even faster, by around 9.5 per cent, during the same period. This has helped India return to net exporter status, with exports increasing about 33 per cent to 4.8 million tonnes (mt), while imports fell roughly 37 per cent to 4.65 mt, SAIL said during its third-quarter (October-December/Q3) earnings call.

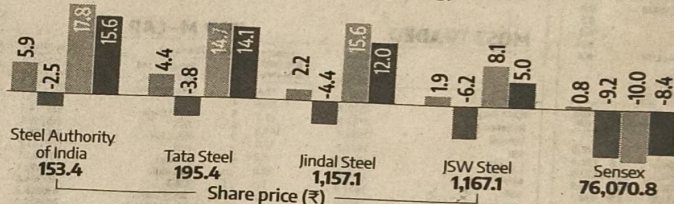
Meanwhile, in the ferrous sector, analysts at ICICI Securities do not expect ongoing geopolitical tensions to have a major impact, as exports account for less than 6 per cent of total steel production. Minor trade disruptions may occur, but these are unlikely to affect domestic players meaningfully, the brokerage said.

Thermal coal prices in the fourth quarter (January-March/Q4) of FY26 have risen 12 per cent quarter-on-quarter (Q-o-Q) compared with the Q3FY26 average, increasing input costs for sponge iron producers. As a result, industry players are unlikely to undertake aggressive



Gaining strength

■ 1-day ■ 1-mth ■ 3-mth ■ 6-mth (% chg)



Sources: Bloomberg, exchanges; Compiled by BS Research Bureau

price cuts, as higher coal costs will need to be passed on to steel prices, supporting pricing discipline. Analysts at Elara Capital said this dynamic could create a positive bias for primary long steel prices.

Looking ahead, domestic steel prices have recovered sharply (up over ₹5,000 per tonne) following the government's imposition of a 12 per cent safeguard duty in mid-December 2025. ICICI Securities expects steel players to see healthy improvements in profitability. Gains will be somewhat limited by the recent rise in coking coal prices (up ₹1,500 per tonne Q-o-Q), but continued focus on reducing employee and operating costs should support margins.

With the safeguard duty-led steel price hike, favourable demand trends, and a focus on cost optimisation, SAIL is expected to deliver improved performance. Trading at 6x enterprise value-to-operating profit (EV/OP) for 2027-28 (FY28) — the lowest among its peers — the brokerage has a "buy" rating on SAIL with a target price of ₹200, valuing it at 7x FY28 EV/OP.

On a consolidated basis, Tata

Steel's operating profit is expected to improve Q-o-Q in Q4FY26, with volumes rising by nearly 500,000 tonnes. Higher steel prices in India are expected to offset the increased coking coal consumption cost, lifting spreads. Capital expenditure sequencing will remain aligned with balance sheet strength, maintaining flexibility through the cycle. Cost transformation initiatives continue to anchor earnings despite macroeconomic volatility, analysts at Axis Securities said. The brokerage maintains a "buy" rating on Tata Steel with a target price of ₹219 per share.

Motilal Oswal Financial Services believes JSW Steel is well-positioned, with new capacities coming online, strong domestic demand, and a growing share of value-added products in its sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.

Looking ahead, the brokerage expects double-digit revenue growth for JSW Steel over FY26-FY28, driven by capacity rampup and steel price recovery led by the safeguard duty.

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GULF CONFLICT LIKELY TO HIT SMALL & MEDIUM ENTITIES MOST

Raw (Material) Wounds Run Deep, may Bleed Cos

Rising energy prices, freight charges to raise input costs, hurt margins

Anoushka Sawhney

New Delhi: Companies are set to face mounting cost pressures as the ongoing Gulf conflict disrupts supply chains and production, pushing up raw material prices in the months ahead.

Economists caution that rising energy costs and higher freight charges will add to inflationary pressures and squeeze margins in a wide range of sectors, including oil marketing companies (OMCs), fertilisers, ceramics and tiles, paints, tyres, chemicals, synthetic textiles and airlines.

Ranjan Sharma, senior director at CareEdge Ratings, noted that micro, small and medium enterprises are likely to be the most vulnerable to the conflict.

Data from S&P Global Market Intelligence show that the input price index (seasonally adjusted) rose to a 15-month high of 54.7 in February



Cost Burden

Some cost pass-through likely, margins to stay tight

WPI to face more pressure than CPI

Metal and industrial input prices surge

Wholesale Inflation Outlook (%)

HDFC Bank	3.5
IDFC Bank	3.6
ICRA	3.2
India Ratings	3.7
BoB	4-5

Input Prices Index (seasonally adjusted)



from 52.5 in January and 53.6 in February 2025.

A reading above 50 indicates expansion. "Going forward, rising costs of petrochemical-linked commodities, higher shipping and logistics costs

and insurance premiums, and the weakening rupee will raise input costs across most domestic industries," said Hanna Luchnikava-Schorsch, head of Asia-Pacific economics at S&P Global Market Intelligence.

Tata Steel commissions ₹3,200 cr Ludhiana EAF in green steel push

ISHITA AYAN DUTT
Kolkata, 20 March

Tata Steel on Friday commissioned a ₹3,200-crore scrap-based electric arc furnace (EAF) at Ludhiana in Punjab with a capacity of 0.75 million tonnes per annum, a milestone in its journey towards greener steelmaking.

Designed to limit CO₂ emissions to under 0.3 tonnes per tonne of steel, the company's first scrap-based EAF will run on nearly 50 per cent renewable energy. It will use 100 per cent steel scrap as raw material, with around 40 per cent sourced from the company's recycling plant in Rohtak, Haryana.

The inauguration ceremony was attended by Punjab Chief Minister Bhagwant Singh Mann, and Tata Steel Chairman N Chandrasekaran along with Tata Steel Chief Executive Officer (CEO) & Managing Director (MD) TV Narendran and other senior government offi-



Tata Steel Chairman N Chandrasekaran and Punjab CM Bhagwant Mann at the inauguration ceremony on Friday

cials and company representatives.

Describing the event as a "momentous milestone" and "historic occasion," Chandrasekaran said the group has a comprehensive programme for sustainability across its companies. "We have a goal to achieve Net Zero in 2045 across all companies. And the company which probably has the toughest challenge is Tata Steel."

"In Tata Steel, today, we have 35 million tonnes (mt) of steel capacity. Of this, 25 mt is in India, and another 10 mt between Europe and the UK," he noted. In the UK, Chandrasekaran pointed out, 3 mt was getting converted to green steel. In Europe, efforts were on to convert 7 mt capacity into green steel over the next 10 years. "In India, it's going to be very hard because we

are also increasing capacity," the chairman of Tata Steel explained.

From the current level of 25 mt capacity, Tata Steel is committed to add 6.5 mt — 5 mt at Neelachal Ispat Nigam Ltd (NINL) and 1.5 mt at the Meramandali plant. But it would be blast furnace-based.

"So we have to start our journey of green steelmaking," Chandrasekaran said, adding that the first step in this direction was the Ludhiana EAF.

This project, which is a little less than one million tonne capacity is the role model, he said. "We are already talking about replicating this, at least in four or five different locations — wherever we can source the raw material in the country," he said. The plant would produce construction grade steel rebar under the company's flagship retail brand "Tata Tiscon".

In a statement, Narendran said the Ludhiana EAF marks a defining milestone in Tata Steel's journey towards achieving Net Zero by 2045. "It reflects how Tata Steel is rethinking capital investment for circular economy — by backing technologies that reduce resource intensity while remaining globally competitive."

India plans LPG imports from Russia, Japan; shipments to arrive mid-April

Rishi Ranjan Kala
New Delhi

As the conflict in West Asia intensifies, throttling 60 per cent of India's consumption, the government is scouting for cargoes of the key cooking fuel from Russia and Japan, while also depending on the US for a major share of the lost cargoes.

Besides prioritising domestic liquefied petroleum gas (LPG) consumption over commercial use, sources said that India has also intensified diplomatic efforts to secure cargoes of the critical commodity — the main cooking fuel for more than 33 crore consumers.

TALKS UNDERWAY

"Cargoes are being sought from Russia, which are expected to start from next month. Talks are ongoing. Deliberations are also on to explore LPG from Japan, albeit the quantities will be low. Japan cargoes, if fixed, should reach India by mid-April. At this point, the objective is to arrange as much as possible from wherever possible," said one of the sources.

On Thursday, Randhir Jaiswal, spokesperson for the Ministry of External Affairs, said India aims to secure LPG from all available



sources, including Russia, to meet domestic fuel needs.

LPG MARKET TIGHT

"The silver lining is the ongoing diplomatic dialogue between Iran and India. This engagement helped enable Indian-flagged LPG carriers to transit the region, setting a positive precedent," said Charles Kim, Associate Director for LPG at S&P Global Commodities at Sea.

Continued cooperation could support the passage of additional Indian-linked ships, keeping vital supply routes workable for India and offering some relief to the broader market, he added.

Besides, India is already in talks with the US to procure more propane cargoes. The world's second largest importer procured nearly 4,80,000 tonnes of US-origin

LPG in the first two months of 2026, corresponding to around 11 very large gas carriers (VLGCs).

It has already secured a term tender for 2.2 million tonnes of US-origin LPG for 2026 — equivalent to about four VLGCs per month, said S&P.

SHIFT IN IMPORTS

According to S&P Commodities At Sea (CAS), India's weekly LPG imports fell to 265,000 tonnes in the week to March 19, from 322,000 tonnes on March 5. West Asian inflows to India declined to just 89,000 tonnes in the week to March 19, representing only 34 per cent of total imports, the lowest share since January.

Alternative regional supplies increased to 176,000 tonnes in the week to March 19, up from zero the previous week when West Asia accounted for 100 per cent of imports, CAS data showed.

LPG prices have also risen amid persistent supply disruptions. Platts, part of the S&P Global Energy, assessed FOB AG propane and butane cargoes \$9 per tonne higher day over day at \$648 per tonne and \$642 per tonne, respectively, on March 18, following deals concluded on the Intercontinental Exchange during the end-of-day trading window.

Steel companies gearing up to hike prices further

RIISING COST. Domestic hot rolled coil prices are already up 23% at ₹54,000-58,000/tonne

Suresh P Iyengar
Mumbai

Steel companies are gearing up for substantial increase in prices with the recent spike in key raw material and logistics costs on the back of the ongoing war in West Asia.

Though steel firms have increased prices of late to offset iron ore and energy costs, the prolonged US attacks on Iran have pushed up the costs of all imported raw materials including coking coal, alongside the shipping charges.

The domestic hot rolled coil prices are already up 23 per cent at ₹54,000-58,000 a tonne against ₹47,000 a tonne recorded last November, driven by the spike in iron ore and energy costs.

Bhavik Bhagwanji Shah, Research Analyst, Metals & Mining, Choice Institutional Equities, said though prices have risen 15-20 per cent from recent lows, the cost of coking coal and ferro-alloys have climbed at a faster clip,



GEOPOLITICAL CONCERN. Prolonged US attacks on Iran have pushed up the cost of all imported raw materials, including coking coal, alongside shipping charges

compressing the EBITDA spreads for non-integrated players.

"We anticipate further hike of ₹1,000-2,000 a tonne in the coming weeks. However, a sharper rise may face resistance from price-sensitive sectors such as automotive and white goods," he said.

STARK DIVIDE

The ongoing gas and fuel shortages are creating a stark divide in the industry. The MSME steel cluster, which contributes nearly 40 per cent of India's output, is facing an operational crisis.

Gas supply cuts of up to 70 per cent in key industrial hubs such as Punjab and Maharashtra have led to reduced shifts and potential shutdown risks.

The gas shortage has already forced many MSME downstream producers to down shutters and this will impact demand in the near future, said a steel company official.

Early this month, the Indian Steel Association moved the government over the shortage of propane and liquefied petroleum gas impact on the entire value

chain. JSW Steel noted that disruptions in fuel supplies and maritime operations are beginning to affect its operational stability and supply chain.

JSW Steel Coated Products faces the risk of failing to meet its obligations to sell and supply tinplate under a government production-linked incentive scheme and is requesting a six-month extension. The company has received a force majeure notice from one of its key suppliers — Petronet LNG Ltd — which has affected LNG supplies.

Divya Mandaliya, Commodity Research Analyst, Anand Rathi Shares and Stock Brokers, said the recent spike in fuel prices with diesel doubling to \$180 a barrel has already pushed mining and logistics costs higher and has directly impacted steel cost curves.

While cost pressures will keep steel prices higher, the macro uncertainty and slowing demand will prevent a sustained bull run keeping the market volatile, she said.

Global steel production goes south by 2.2% in February

Sneha Joseph
Chennai

Global steel output plummeted to 141.8 million tonnes (mt) in February 2026, a decrease of 2.2 per cent when compared with the same period a year earlier.

The top producer China recorded a drop of 3.6 per cent in its production to 76.1 mt while India's output reached 13.6 mt, an increase of 7.7 per cent.

The US' production also went north by 5.8 per cent at 6.5 mt. Meanwhile, Japan's numbers stayed flat at 6.4 mt.

RUSSIA, OTHER CIS
Russia's output decreased by 10.2 per cent at 5 mt. Simil-



arly, the production of Brazil and Iran also showed a drop of 5.7 per cent at 2.5 mt and 1.3 per cent at 1.7 mt, respectively.

South Korea saw a marginal increase of 0.2 per cent in its output at 4.8 mt.

Germany's production went up by 4.8 per cent at 2.8 mt and Türkiye had 3 mt of

output, up 3.4 per cent.

Region wise, Africa witnessed an increase of 4.7 per cent in its steel production at 2 mt in February 2026. Asia and Oceania produced 105.3 mt, down 1.9 per cent.

The European Union's numbers went south by 3.6 per cent at 9.8 mt while Europe (Other) had a 3.1 per cent rise in its output at 3.4 mt.

West Asia's steel production surged by 0.1 per cent at 3.7 mt.

North America also recorded an increase of 0.5 per cent in its production at 8.5 mt.

However, the output of Russia and other CIS + Ukraine slipped 10.5 per cent to 6 mt. South America also had a 7.7 per cent dip in its production at 3.1 mt.

Brace for \$200 per barrel oil if the war lasts till June, warns Macquarie

Bloomberg

Crude oil may hit a record \$200 a barrel if the Iran war drags on till June, with the Strait of Hormuz staying shut, Macquarie Group Ltd has said.

A conflict that stretches through the second quarter would result in historically high real prices, analysts, including Vikas Dwivedi, said in a note, outlining a scenario with odds of 40 per cent. An alternative outlook, with probability of 60 per cent,

suggested the war may finish at the end of this month, they said.

RECORD MONTHLY RISE

Brent crude is on pace for a record monthly gain in March, as the war between the US, Israel and Iran has rocked the oil-rich Middle East. The conflict has seen Tehran oversee a near-complete closure of the Strait of Hormuz, severely restricting flows of energy that are vital to the global economy.

"If the Strait were to stay closed for an extended

period, prices would need to move high enough to destroy an historically large amount of global oil demand," the analysts said in the March 27 report. "The timing of the re-opening of the straits, and physical damage to energy infrastructure, is the main determinant of the longer-term impact on commodities." Brent was last near \$107 a barrel on Friday, after touching \$119.50 earlier this month. The benchmark set a nominal peak of \$147.50 in 2008, according to data compiled by Bloomberg.

GOVERNMENT POLICY

Business Line, 16 March 2026

MSMEs push for 6 month moratorium on debt as gas supply shortage hits operations

Suresh P Iyengar
Mumbai

The ongoing gas supply disruptions have started impacting the micro, small and medium enterprises, which are gearing up to seek six months moratorium on outstanding loans and fresh loans to deliver pending orders.

Most of the MSMEs are sitting on a good order book with the financial year coming to an end this month. However, they are finding it difficult to execute these orders due to the West Asia war crippling gas supply.

More than 70 per cent of MSMEs in the western region have cut production by 50-60 per cent due to gas shortages and are struggling to complete the orders in hand before the financial year-end.

Industrial gas is crucial for



foundries and metal fabrication companies. These companies are unable to undertake gas-fired processes, such as heat treatment and powder coating. This has hit the industry and will affect automotive and engineering components' supply in the near term.

Chandrakant Salunkhe, President, SME Chamber of India, said all SMEs across sectors using gas for making

value-added products are in a bind as they have to complete the orders before the financial year-end and the government bringing in one or three ships is not enough to meet the gas shortfall since the demand is huge.

The association will meet the RBI to seek moratorium on loans for three months and extend further credit to complete the pending orders amid the gas shortage, he said. Just like Covid times, the Finance Ministry should announce a 3-6 month moratorium on outstanding MSME loans and provide additional 25 per cent loan under the Credit Guarantee Scheme, he said.

GAS SHORTAGE

Prashant Damle, CEO, Precision Auto Components Industries, said given the gas shortage the company tried switching to coal but had to give up due to high costs, par-

ticularly with no certainty on when gas supply will be restored to normalcy.

"We have cut production by reducing the number of shifts to two and will take a further call by the month-end," he added.

TMT BAR PRICES

Steel companies have already hiked TMT bar prices by ₹1,000-₹1,500 a tonne while the Morbi cluster is experiencing significant production cuts due to the reliance on natural gas for kilns. This will have an impact on real estate and infrastructure projects by this month-end.

Anand Gupta, Chairperson, Housing and Rera Committee of the Builders Association of India, said the rise in TMT bar prices will have an impact on individual home builders in the rural areas and impact demand marginally.

Amid lobbying, govt may defer fuel efficiency norms for car cos

Dipak Dash &
Saksham Mehta | TNN

New Delhi: Amid lobbying by car companies, govt may end up deferring the implementation of Corporate Average Fuel Efficiency norms (CAFE 3.0) beyond April 2027. The PM's Office has held two meetings during the last three weeks and more deliberations on the issue are planned to work out a formula that is acceptable to industry and helps improve fuel efficiency and emission.

At a meeting in PMO on Monday, the power ministry made a detailed presentation on the proposed CAFE 3.0 norms, while highlighting the "urgent" need to notify the norms.

For the first time, the ministry presented a detailed assessment of the expected performance of the top five car makers in the country. It said that based on the proposed framework, which will be released for public comment, only

CAFE 3.0

Tata Motors will be able to meet the target between 2027-28 and 2031-32, while Maruti Suzuki and Hyundai Motors India may not make the cut.

The presentation shows that Toyota-Kirloskar Motors will be able to meet targets in first three years, 2027-28 to 2029-30, while Mahindra & Mahindra will miss the goals in first three years. "Going by this, the proposed regime will end up in

levying high penalty on companies that do not meet the target," said an official.

CAFE 3.0 norms propose to do away with derogation (extra allowance) or relief for small car makers, while seeking to introduce Range-Extended Electric Vehicle (REEV), which would have the same Volume Derogation Factor (VDF) of 8 as for electric cars. VDF is a targeted govt measure to push the sale of less polluting vehicles like EVs, REEVs and hybrids.

"Going by current status, it may take at least a couple of months to notify norms. The industry would require at least a year to implement this," a person aware about the development said.

WEST ASIA CRISIS: Govt Mulls Steps To Support Exports |

Exporters seek moratorium on loan repayment for 6 mths

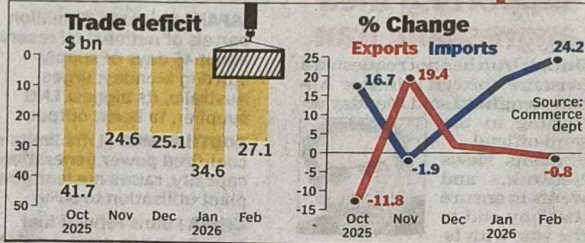
Sidhartha@timesofindia.com

New Delhi: Exporters on Monday sought a moratorium on loan repayment for six months, along with higher credit limits and longer tenure, amid indications that govt and RBI are working on a package to help offset the impact of the West Asia conflict, which may take a toll on exports during March.

During a meeting with the Reserve Bank of India on Monday, exporters sought a package on the lines of the one given by the regulator last year after the US imposed steep 50% tariffs on all Indian exports.

“...the moratorium on repayment of principal and interest announced by RBI for the period Oct-Dec 2025 for sectors affected by the US tariff measures may kindly be considered for further expansion and extension. It would be helpful if the existing moratorium on principal and interest repayments could be extended to cover the first and second quarters of

Conflict Shadow On March Exports



2026 and made applicable across export sectors, that are currently facing logistics-related disruptions,” Fieo said in its proposal.

The meeting with RBI follows consultations with the department of financial services and the Indian Banks’ Association last week. Exporters have also demanded a liberal regime to restructure short-term export credit, arguing it was required to offset the temporary cash flow stress caused by longer payment cycles from buyers.

The commerce depart-

ment is considering insurance related relief for exporters. “Hopefully within this week...we will send you the detailed briefing on what are the steps we are taking in the commerce department to support the exports during this troubled time,” commerce secretary Rajesh Agrawal told reporters.

After the European Union, West Asia is the second largest market for Indian exports, accounting for over 15% of the goods shipped from the country. Last year, exports to the region were

valued at nearly \$66 billion.

Agrawal said that there may be a “southward trend” in exports this month due to the logistical challenges posed by disruption in the Strait of Hormuz.

“...there are logistical challenges. Movement of ships...even air cargo also must face certain challenges because of some disruption in flights. So, it will have some impact. Indian exports to that region will suffer and their imports from India will also suffer because they are also dependent on India for multiple product categories,” Agrawal said, adding that he was hoping to close the year with some export growth.

In Feb, India’s exports stayed flat, falling 0.8% to \$36.6 billion, while imports jumped 24% to \$63.7 billion on account of a surge in gold and silver imports.

Gold imports jumped over three times to \$7.4 billion, while the value of silver shipments surged nearly four times to \$1.7 billion.

'Vehicle scrappage network running at 25% capacity'

Amit Vijay Mohile
Mumbai

The country's vehicle scrapping infrastructure is operating at about a quarter of its installed capacity, with 134 authorised facilities capable of dismantling 1.3-1.6 million vehicles annually, but only 2,79,792 vehicles have been scrapped so far in FY26, according to data shared by Road Transport and Highways Minister Nitin Gadkari in a written reply to the Rajya Sabha.

"The existing RVSF infrastructure is... sufficient to support the transition towards an organised and environmentally-compliant vehicle scrapping ecosystem," Gadkari said in response to a question on the operational efficiency of scrapping centres.

The data indicate that while capacity has been created, utilisation remains low due to the limited inflow of vehicles into the authorised centres.

"A significant number of vehicle owners prefer annual fitness tests instead of scrapping their ageing vehicles, allowing them to extend operational life," a senior Ministry of Road Transport and Highways official said.

At the current pace of around 2,80,000 vehicles being scrapped annually, it could take over 15 years to clear the backlog, even as another five-six lakh vehicles cross the 15-year threshold every two years, according to analysts.

VEHICLE INFLUX

The gradual rollout of Automated Testing Stations (ATS), meant to identify unfit vehicles and direct them to scrapping facilities, has slowed the pace of scrapping. Industry data suggest actual scrappage remains below 3 per cent of the eligible vehicles, pointing to deeper structural issues.



"There is a clear mismatch between scrap value and resale value... the resale value of an ageing M&HCV is often in multiples of scrap value, which discourages scrapping," said Hemal Thakkar, Director, Crisil Intelligence.

"The lack of sufficient incentives to persuade vehicle owners to scrap their older vehicles remains a key bottleneck," said Kinjal Shah, Senior Vice-President & Co-Group Head, Corporate Ratings, ICRA.

SYSTEM GAPS

The dominance of the informal recycling ecosystem continues to undercut authorised facilities.

"From the customer's point of view, it is easier and more beneficial to sell the vehicle to a second-hand dealer," said Anurag Singh, Managing Director at Primus Partners.

Experts stated that improving liquidity and ease of transactions will be critical. Suggested measures include direct cash incentives, digital and time-bound payouts, market-linked scrap pricing, integration with OEM exchange programmes and stricter enforcement against unauthorised recycling.

Industry observers said the core issue is not infrastructure capacity, but the limited inflow of end-of-life vehicles into the formal scrappage ecosystem, a gap likely to persist unless scrapping becomes financially viable.

NITI Aayog rejects auto firms' request on definition of ZEVs

THINK TANK'S VIEW. Transition shall begin with phased elimination of polluting vehicles

S Ronendra Singh
New Delhi

NITI Aayog has strongly supported bio-fuels in the run-up to net zero by 2070, rejecting three car makers' — Tata Motors, Mahindra & Mahindra and JSW MG Motor — requests of straight away moving to electric vehicles as zero emission vehicles (ZEVs) without mixing other alternatives like hybrids. These companies opposed a February 10, 2026, transport report by NITI Aayog and have written requesting to reconsider the expanded definition of ZEVs "to preserve conceptual clarity around true zero tailpipe emission technologies".

The NITI Aayog's report has definition of ZEVs that include ethanol-based flex fuel vehicles (FFVs), hybrids and compressed bio-gas (CBG) vehicles, alongside battery electric vehicles (BEVs) and hydrogen-based vehicles.

Sources told *businessline* that the NITI Aayog turned down the request and stated that adoption of ZEVs, including BEVs, FFVs, CBGs



CAR MAKERS' PITCH. Tata Motors, M&M and JSW MG Motor wrote to NITI Aayog requesting to reconsider the expanded definition of zero emission vehicles "to preserve conceptual clarity around true zero tailpipe emission technologies"

and hydrogen-based vehicles, should be kept as key priority for the long-term vision, and accordingly segment-wise ZEV acceleration will be formalised. The government think tank said the transition strategy should begin with the phased elimination of polluting diesel vehicles and the adoption of lower-emission CNG vehicles, hybrids, and electric vehicles.

"The subsequent phase should advance the use of biofuels through FFVs, CBG, and hybrid FFV models, alongside continued growth in EV adoption. The final

phase should ensure full deployment of ZEVs such as EVs, FFVs, hydrogen based vehicles and CBG-based models," it said.

'GOOD MOVE'

The Indian Federation of Green Energy (IFGE) wrote to NITI Aayog, thanking it for not coming under industry pressure and for continuing to support biofuels in the national interest. "We would like to place on record our strong appreciation that NITI Aayog has not buckled under pressure from certain industry lobbies and self-interest groups and has re-

tained the core framework of a biofuel-led, technology-neutral and India-relevant decarbonisation pathway," sources told *businessline*, quoting Sanjay Ganjoo, Director General, IFGE in the letter.

IFGE is an umbrella organisation representing India's green and bioenergy ecosystem in its entirety, spanning biofuels, CBG, ethanol, and the broader renewable energy sector. It has several companies and associations as members such as NTPC, GAIL, Bajaj, Murugappa, Shree Renuka Sugars and Hero Future Energies.

Addressing the letter to Suman Berry, Vice-Chairman, NITI Aayog, IFGE appreciated the clarification of NITI Aayog that ZEVs are defined based on lifecycle emissions across the value chain. "This further reinforces the principle that for any technology, tailpipe emissions alone cannot be the basis of assessment, and emissions must be evaluated across the entire lifecycle to arrive at a scientifically robust and policy-relevant conclusion," the source added.

Business Standard, 26 March 2026

MHI asks auto sector to shift away from oil-based fuel to power

DEEPAK PATEL

New Delhi, 25 March

The Ministry of Heavy Industries (MHI) on Wednesday asked the automotive industry to shift away from oil-based fuels to electricity and optimise production processes to reduce fuel consumption, amid supply disruptions triggered by the ongoing West Asia conflict, Business Standard has learnt.

In a communication sent to the Automotive Component Manufacturers Association of India and the Society of Indian Automobile Manufacturers, the ministry said: "I am directed to state that, in line with the Government's ongoing efforts to enhance energy efficiency in the industrial sector in the wake of the prevailing West Asia/Middle East crisis, it is requested that the automotive industry may be advised to undertake the following measures."

In addition to energy-related measures, the government has flagged concerns over supply constraints in metals, particularly aluminium.

Centre extends EV incentives under PM E-DRIVE scheme

Amit Vijay Mohile
Mumbai

Electric two- and three-wheeler makers have welcomed the Centre's decision to extend the PM E-DRIVE scheme till March 2028, even as the move draws a clear distinction between segments, limiting incentives for electric two-wheelers to July 2026 while continuing support for last-mile electric three-wheelers.

In a notification issued on March 27, the Ministry of Heavy Industries said the scheme, capped at ₹10,900 crore, will remain in force till March 31, 2028, or until the funds are exhausted, after which "no further claims will be entertained". It added that incentives for registered electric two-wheelers will apply only to vehicles registered on the portal till July 31, 2026, with support continuing at ₹2,500 per kWh, capped at ₹5,000 per vehicle.

For electric three-wheelers, incentives for e-rickshaws and e-carts will continue for the full duration of the scheme, i.e., till March 31, 2028, unless funds are exhausted earlier.

TWO-WHEELERS

Industry executives said the change creates a compressed window for electric two-wheelers, setting up what many describe as a "registration cliff" ahead of the July deadline.

"The extension ensures continuity in policy support while allowing the industry to move towards a more self-sustaining model. For electric two-wheelers, this transition phase is critical as manufacturers recalibrate pricing, localisation and scale," Hemant Kabra, Founder and Managing Director of BGauss said.

3W SEGMENT

For the three-wheeler segment, which continues to receive longer policy support, sentiment is more positive. Uday Narang, Founder and Chairman of Omega Seiki Mobility (OSM), said the decision reinforces the government's focus on last-mile electrification.

With incentives for electric two-wheelers now applicable only till the end of July, OEMs contacted by *businessline* said they are in the process of evaluating whether to sustain or recalibrate these offers.

businessline.

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PMO directs Transport Ministry to revise CAFE-2 norm penalties

THE NEW MATH. The mechanism aims to reduce total fines from as much as ₹8,800 crore to ₹2,700 crore

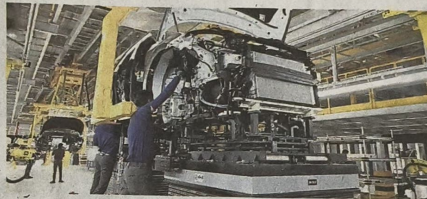
S Ronendra Singh
New Delhi

In a significant development, the Prime Minister's Office (PMO) has asked the Ministry of Road Transport and Highways (MoRTH), and Ministry of Power (MoP) to work on a new mechanism for collecting penalties from carmakers under the CAFE-2 norms for FY23 to FY25.

According to sources, there is a recalculation of the penalties too, which comes to a total of around ₹2,700 crore now, from the previous calculation of around ₹8,800 crore.

As per earlier calculations, the penalty was fixed at ₹10 lakh plus ₹25,000 per units manufactured if non-compliance of norms below 0.2 litres per 100 km and ₹50,000/car for violation beyond 0.2 litres/100km.

But under the new calculation for April-December



FRESH TIMELINE. The CAFE-3 standards are supposed to kick off from April 1, 2027 until March 31, 2032

2022-23, the penalty has been fixed to only ₹0.375 as standard for all OEMs, hence the difference in the amount.

HYUNDAI LEADS

Under the Corporate Average Fuel Efficiency (CAFE-2), Hyundai Motor India (HMI) has the maximum number of penalties going up to around ₹3,000 crore, followed by Mahindra & Mahindra (M&M) at around ₹1,800 crore and Kia India at around ₹1,350 crore.

However, with the new calculation method, HMI's penalties under CAFE-2 come to a total of around ₹355 crore, and M&M's at ₹224 crore and Kia's at ₹337 crore.

But, for companies like Honda Cars India, the total penalties has been raised to ₹885 crore from ₹458 crore earlier and Renault India at ₹505 crore from earlier ₹438 crore.

In a meeting held last week with Secretaries of

MoRTH, MoP, Ministry of Heavy Industries, Ministry of Petroleum and Natural Gas, Principal Secretary-2 to Prime Minister, Shaktikanta Das has also suggested that they fast track the process so that a final proposal on CAFE-3 can go the Prime Minister.

IMMEDIATE TRIGGER

In an earlier meeting, these Ministries failed to arrive at a clear accountability framework and the immediate trigger was a pointed query from Das on who imposed the penalties, who approved them, and crucially, who is responsible for recovering them.

"In this meeting also, the main discussions were around past penalties (of CAFE-2) and how to recover them from the OEMs. The Principal Secretary-2 has told all the Secretaries of the concerned Ministries to get clarity among themselves

too and come with a final consensus in the next meeting," a source told *businessline*.

The official said that it has been decided that Ministry of Road Transport and Highways will prepare a procedure to recover the penalties, and under that procedure Bureau of Energy Efficiency (BEE, under the Ministry of Power) will send the notices to the OEMs.

FAST TRACK

The CAFE-3 standards are supposed to kick off from April 1, 2027 until March 31, 2032, and while companies including Maruti Suzuki India, Toyota Kirloskar Motor, Honda Cars India and Renault India are on one side supporting small cars, others including Tata Motors, Mahindra & Mahindra, Hyundai Motor India, Kia India, etc are supporting weight cut for the bigger vehicles in the norms.

Fuel efficiency: At ₹2,728cr, fine on car cos cut to 1/3rd

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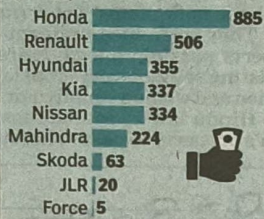
New Delhi: The penalty on nine carmakers that failed to meet the Corporate Average Fuel Efficiency (CAFE-2) targets for three years — FY23 to FY25 — has been revised to Rs 2,728 crore, as per power ministry's presentation made to the PMO last week. Earlier, the penalty was estimated around Rs 7,800 crore.

Earlier, penalty was fixed at Rs 10 lakh per OEM plus Rs 25,000 per car manufactured for non-compliance of norms below 0.2 litres per 100km and Rs 50,000 per unit for violation beyond 0.2 litres per 100km. Under the new calculation, for April-Dec of FY23, penalty has been fixed at Rs 37.5 lakh as standard for all OEMs. This has resulted in reduction of penalty.

TOI has learnt that the

CAFE BLUES

Estimated penalty on car cos under CAFE-2 for FY23 to FY25 (in ₹ Cr)



ministry also said in its presentation that the credit-debit registry of each original equipment manufacturer (OEM) will be established and maintained by the designated authority. Officials said this will ensure better enforcement of penalties and provisions along with providing greater clarity as govt is working to fi-

nalise the norms for CAFE-3.

The ministry, in its presentation, said that surplus credits generated by a manufacturer may be pooled within the same block period — first three years and then two years during the 5-year implementation period — for compliance. OEMs with deficit credits can procure credits from other manufacturers holding surplus credits.

Earlier, PMO had asked power and road ministries to come up with a clear mechanism for recovery of penalties imposed on carmakers. CAFE-2 is in force from FY23 to FY27 and the next phase is scheduled to be from FY28 to FY32. TOI has also learnt that the PMO has asked departments to arrive at a consensus on CAFE-3 before the final proposal is put before PM Narendra Modi.

CII tells cos to work with govt, build reserves

New Delhi: Confederation of Indian Industry (CII) on Sunday called upon companies to work with govt to build reserves of raw material, fuel and strengthen supply chains amid disruptions from the West Asia crisis.

"The present situation represents a supply side disruption, with pressures transmitted through energy costs, logistics and working capital cycles," it said in a statement, while advising firms to ensure benefits of stable fuel and logistics costs are passed on to consumers to help manage inflation.

The industry body suggested accelerating investments in renewable energy, green hydrogen and energy efficiency to reduce dependence on conventional fuels and to explore switching from LPG to natural gas where feasible. TNN

Govt eyes flexible-fuel vehicles' faster rollout

Dipak Dash & Saksham Mehta | TNN

New Delhi: The ongoing West Asia conflict and concerns over energy supplies have prompted govt to explore faster rollout of flexible-fuel vehicles (FFVs), which can run on blended petrol as well as 100% ethanol. At a meeting called by the petroleum ministry on Saturday, original equipment manufacturers (OEMs) flagged the need to address consumer concerns, particularly regarding the need to lower fuel costs as vehicle mileage decreases when using ethanol, for faster adoption.

People aware of the developments said since major car and two-wheeler manufactu-

CRUDE CRISIS: A 'VIABLE OPTION'

> Flexible-fuel vehicles (FFVs) can run on blended petrol as well as on 100% ethanol

What industry wants:

- 1 Clear road map about the fuel stations that would dispense ethanol
- 2 Compensation for mileage loss, which is around 27-30% less than petrol



3 Incentive for people to buy FFVs considering these are expensive

> Officials and industry sources said that FFVs are a much more viable option than increasing ethanol blending in petrol, as higher blending levels would impact the performance of existing vehicles

urers have their prototype FFV models ready, now govt needs to create the ecosystem for adoption of these vehicles. Govt has maintained that 20% ethanol blending in petrol has helped India save imports of

around 4.5 crore barrels (700 crore litres) of crude annually.

Officials and industry sources said that FFVs are more viable option than increasing ethanol blending in petrol, as higher blending levels would

impact performance of existing vehicles. A person aware of the discussions said, the meeting focused on enabling conditions for FFVs. **TOI** has learnt that the industry sought clear road map about the fuel stations that would dispense ethanol, compensation for mileage loss, which is around 27%-30% less than petrol. "Industry made a clear point that consumers should not feel 'cheated' for buying such vehicles on account of less mileage," said a person who attended the meeting. Last year, petroleum minister Hardeep Singh Puri had written to FM Nirmala Sitharaman seeking GST parity of FFVs with EV. Currently, the GST for FFVs is 28% compared to 5% for EVs.

MHI, DFS plan financing push for e-buses, e-trucks

DEEPAK PATEL
New Delhi, 30 March

The Ministry of Heavy Industries (MHI) is in talks with the Department of Financial Services (DFS) to develop a financing mechanism for electric buses (e-buses) and e-trucks for private operators amid banks' reluctance to lend, with the Small Industries Development Bank of India (Sidbi) likely to design a model to enable credit flow, *Business Standard* has learnt.

The move comes at a time when the government is looking to accelerate electric mobility amid rising crude oil prices due to the ongoing West Asia conflict. Sidbi works under the DFS.

Financing of e-buses and e-trucks remains constrained due to limited participation by banks and non-banking financial companies (NBFCs), stringent credit norms, and a highly fragmented ownership structure, where most operators own very small fleets, government officials stated.

Officials said that India has about 2.4 million buses, but only around 150,000 (6-7 per cent) are run by government-owned transport companies called State Transport Undertakings (STUs). The rest — over 90 per cent — are privately owned, but most of these independent operators are small businesses or individuals with just a



few buses each. This makes it harder for banks to lend, because small operators have limited financial records and their fleets are too small to support standard loan products. They added that STUs have a system called "Payment Security Mechanism", or PSM, which ensures that the STU pays contractors (which are private firms) on time for running government buses. Independent bus operators without this safeguard are considered higher risk, so banks are cautious about giving them loans.

The MHI is working with Sidbi to design a financing model that can address these risks and unlock lending to these independent operators. The proposed structure is expected to include risk-sharing arrangements, where a part of the default risk is shared with lenders through a guarantee-backed mechanism, along with interest subvention, under which the gov-

ernment bears a portion of the interest cost to make loans cheaper for borrowers.

Officials said Sidbi is likely to play a structuring and implementing role, which could involve designing a partial credit guarantee framework to provide comfort to banks, rather than directly assuming full default risk. Together, these measures aim to improve loan viability and encourage greater participation from banks and NBFCs. Sidbi has previously piloted similar financing approaches in the e-vehicle segment. In 2023, it launched Mission 50K-EV4ECO to support the deployment of electric two-wheelers (e2Ws) and four-wheelers (e4Ws) for commercial use. The MHI and the Ministry of Finance (FinMin) did not respond to *Business Standard's* queries on this matter.

E-bus penetration in India has reached around 4.5 per cent of

Streamlining financing

- Sidbi likely to design a model to enable credit flow
- Financing of e-buses and e-trucks remains constrained due to
 - limited participation by banks, NBFCs
 - Stringent credit norms
 - fragmented ownership structure
- Proposed structure is expected to include risk-sharing arrangements

total bus sales in financial year 2025-26 (FY26), up from about 3.5 per cent in FY25, demonstrating gradual adoption.

Unlike e2Ws, demand for e-buses in India is largely driven by public procurement rather than private buyers. The Centre aggregates demand through schemes such as PME-DRIVE and PM eBus Sewa, issuing large tenders through agencies like Convergence Energy Services Limited. These tenders follow gross cost contract or public-private partnership models, where private operators own and run the buses while STUs pay on a per kilometre basis. To ensure reliable payments, a "payment security mechanism" is administered by the central government or its implementing agencies, which guarantees timely payments to operators. This gives confidence to both private operators and lenders.

Govt plans overhaul of skilling course content

AUHONA MUKHERJEE
New Delhi, 30 March

The Ministry of Skill Development and Entrepreneurship (MSDE) is likely to roll out a pilot project in the next two months to develop new digital content for government skilling programmes, according to two officials aware of the matter.

The initiative will involve the creation of nine modules, 50 sub-modules, and around 200 learning units. The Centre is expected to spend around ₹8 crore on the initiative, with content to be developed by a vendor selected through requests for proposals (RFPs). The new learning materials are likely to be made available online free of cost as part of efforts to standardise training content across the skilling eco-

system, the officials said.

The government's initiative follows feedback from awarding bodies that flagged a lack of flexibility in the current modules. In India's skilling ecosystem, awarding bodies are organisations authorised to grant nationally recognised certificates for skill qualifications after a learner completes training and assessment.

They operate under the oversight of the National Council for Vocational Education and Training (NCVET), which regulates the vocational education and training system.

NCVET is the regulator for India's vocational education and skilling ecosystem under the MSDE. Established in 2018, it is responsible for recognising

and regulating awarding bodies, setting standards for vocational qualifications aligned with the National Skills Qualification Framework, and ensuring quality and consistency in training, assessment and certification across the country's skill development programmes.

Emails sent to both NCVET and the skill ministry did not elicit a response till press time.

Currently, the common curriculum framework used in skilling programmes consists of four modules of 30, 60, 90, and 120 hours that together cover around 11 broad topics, including communication and workplace skills. The same structure is used across multiple sectors, ranging from

agriculture to technology.

However, awarding bodies have indicated that the existing structure does not offer sufficient flexibility for sector-specific training needs. Feedback suggested that common modules were being used across diverse sectors even though skill requirements vary widely, said one of the officials.

For instance, the communication skills expected of an engineer in a technology firm may differ from those required by workers in sectors such as handicrafts or agriculture.

The proposed framework seeks to address this by allowing training providers and sector skill councils to select learning units that better match sector-specific requirements, the official added.

