

AIFI

Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies

(1st Fortnight March 2025)

AUTOMOTIVE INDUSTRY

Business Line, 5 March 2025

Auto component industry sets \$100-b export target in 7-8 years

NEW STRATEGY. ACMA calls to position India as a hub for classic & emerging auto parts

Our Bureau
New Delhi

The Indian auto component industry has taken an ambitious target of reaching \$100 billion in the next seven-eight years (currently at \$21.2 billion in FY24) in exports.

For achieving this, the country needs to position itself as a hub for both classic and emerging auto components, Automotive Component Manufacturers Association of India (ACMA) said on Tuesday.

The road to \$100 billion exports will hinge on two critical factors — a 2-3x growth in classical vehicle components (ICE and carry-over components to EVs) and building an exports-ready foundation in electrification and electrification opportunities, the latest report by Boston Consulting Group (BCG) and ACMA said. The report, titled "Revving Up Exports: The Next



CHANGING FORTUNES. Auto component exports have turned around from a \$2.5 billion deficit in FY19 to a \$300 million surplus BUJOY GHOSH

Phase of Export Growth for the Auto Component Industry," also said India could potentially add another \$40-60 billion in incremental exports by prioritising 11 product families, including engines, gears, gearbox parts, rubber brakes, axles suspension, wiring harness and motors, with focus on the US and Europe markets.

Second, India can also capitalise on emerging electric vehicle (EV) and electronic value chain through localisation, to tap into additional \$15-20 billion exports

in components such as battery management systems, telematics units, instrument clusters and anti-lock braking system, it said.

SUSTAINING GROWTH

"We have not only achieved a positive trade balance, but for auto-specific use cases, the surplus is even more pronounced, reaching around \$0.5-1.5 billion. We are committed to sustaining this growth trajectory and have set an ambitious target of \$100 billion in exports ahead," Shradha Suri Mar-

wah, President, ACMA, said.

India's auto component exports that reached \$21.2 billion in FY24, is a significant turnaround from a \$2.5-billion deficit in FY19 to a \$300-million surplus, she said. The report also said that as geopolitical dynamics evolve, global original equipment manufacturers (OEMs) are reassessing their supply chains and manufacturing strategies, presenting India with an optimal opportunity to establish itself as a top destination for global OEMs and Tier-1s.

"Encouraging two-three global OEMs to establish manufacturing bases in India can serve as an anchor — helping the domestic auto component players to gain a deeper understanding of global OEM requirements, integrate more seamlessly into their supply chains, and enhance India's position in the global auto component market," Vikram Janakiraman, Managing Director and Senior Partner at BCG, said.

Indian luxury car market can reach one lakh units per annum in the next decade: Volvo Car India chief

S Ronendra Singh
New Delhi

With the Indian economy growing and several young customers buying luxury items, the luxury car market can also grow at double the size of the current market in the next decade, a top official at Volvo Car India said on Tuesday.

"From India perspective, there are a few things which we know for sure — one is, our economy is in a good path and it will become an even bigger economy in the next few years... so if the In-

dian economy does well as we progress and if all the basic things are in place, the luxury car market, which is at 50,000-plus (in 2024) units, can grow at one-lakh plus per annum, in the next decade," Jyoti Malhotra, Managing Director, Volvo Car India, told *businessline* on the sidelines of the new XC90 launch here.

The luxury car market in India grew 6 per cent year on year in calendar year (CY) 2024 to around 51,200 units compared with around 48,500 units in CY23. Volvo Car India retailed 1,824 units in CY24, a decline of 13.55



New Volvo XC90 B5 - Dynamic

per cent compared with 2,110 units in CY23.

Malhotra said that the adoption rate of the luxury electric vehicles (EVs) would also be much faster than that of the mass-market EVs, which is already visible currently in the Indian market. "In the mass market, the

penetration of EVs is around 2 per cent right now compared to 6-7 per cent in the luxury segment and I think this will only grow as far as luxury cars are concerned because typically our (luxury) buyers are multi-car owners and luxury cars typically have a much longer range, say a minimum of 500 km per charge," he said, adding that the range is also getting better.

THE NEW XC90

Priced at ₹1,02,89,900 (ex-showroom), the new XC90 is designed to be one of the safest vehicles on the road,

featuring a robust safety cage and a comprehensive array of active safety technologies, ensuring the protection of occupants and other road users, he said.

Utilising the radar and front camera, the new XC90 can detect unintentional lane drifts and automatically steer the vehicle back into its lane, preventing potential collisions.

It also includes run-off road mitigation and collision avoidance systems that can detect and react to other vehicles, pedestrians, cyclists and large animals, Malhotra added.

As PV stocks pile up, dealers refuse fresh dispatches from OEMs

Aroosa Ahmed
Mumbai

Passenger vehicle inventory pile-up with automobile dealers across the country has led to their declining to accept fresh dispatches from Original Equipment Manufacturers (OEM), industry officials said.

In February, the passenger vehicle inventory held by dealers was in the range of 50-52 days.

The Federation of Automobile Dealers Association (FADA) has urged OEMs to align their production with the industry inventory and offtake.

INVENTORY PRESSURE

They pointed out that OEMs were dumping their excess inventory on dealerships, which then bear inventory costs and risks linked to unmanageable stock levels, given the cyclical nature of



DEMAND REVIVAL. Auto dealers anticipate a rise in PV sales in March, driven by festivals and year-end depreciation benefits PTI

the automobile industry.

"Passenger vehicle inventory continues to be high, and we are yet to reach stability after inventories hit a record high last year. They are dispatching vehicles to dealerships without consent, which has led to an increase

in the passenger vehicle stocks at dealerships," FADA President CS Vigneshwar told *businessline*.

"Dealers have started saying 'no' to excess units and 'without consent' dispatches, raising concerns with OEMs. PV retail sales

declined 10.34 per cent year-on-year in February. OEMs should avoid overburdening dealers with excessive inventories," he said.

Passenger vehicle sales declined in February due to dampened consumer confidence on the back of five consecutive months of decline in the stock market, investors closing more SIPs and reduced discretionary spending.

FESTIVAL PUSH

However, automobile dealers anticipate a rise in passenger vehicle sales in March, driven by festivals such as Gudi Padwa, Holi, Navratri and year-end depreciation benefits.

businessline had earlier reported that due to weak retail demand for cars in February, OEMs are expected to increase discounts on their product offerings starting in March.

On top of the discounts,

automobile dealers are likely to offer additional benefits to consumers to clear the accumulating passenger vehicle inventory. The incentives will include cash and exchange discounts.

"The discounts offered by OEMs will also impact automobile dealers' margins. We will be cautiously watching the sales situation in March," added FADA's Vigneshwar.

Automobile companies implemented price hikes of up to 3 per cent on passenger vehicles in January.

MARKET OUTLOOK

"The dealer expectations in March indicate that nearly 45 per cent foresee growth, 40 per cent expect a flat performance and 14 per cent anticipate de-growth. The PV space is expected to gain traction, fuelled by attractive schemes, the impact of preponed festival sales, and fiscal year-end advantages," stated FADA.

Commercial vehicle sector to see higher capex in FY26: ICRA

G Balachandar

Chennai

The Indian commercial vehicle (CV) industry is set to witness a significant increase in capital expenditure (capex) and investments, estimated at ₹5,800-6,000 crore for FY25 and FY26, compared to ₹34 billion in FY24, according to rating agency ICRA. These investments will primarily focus on product development, alternative powertrains, technology upgrades and maintenance-related initiatives.

A key regulatory change in the industry is the mandatory installation of air-conditioned cabins in trucks from October 2025, which is expected to increase vehicle prices by ₹20,000-30,000.

ICRA anticipates a 3-5 per cent year-on-year (y-o-y) growth in wholesale CV volumes in FY26, following a stagnant FY25, which was impacted by a demand slowdown in the first half due to the general elections.

Kinjal Shah, Senior Vice-President & Co-Group Head, ICRA, said the resumption of construction and infrastructure projects, stable rural demand and higher replacement sales driven by ageing fleets and government mandates are expected to drive volume expansion from the latter half of FY25 through FY26.

The medium and heavy truck segment is expected to grow by 0-3 per cent y-o-y in FY26, following a flat or slightly negative trend in FY25.

Exports of PVs, 2-Ws grew in double digits in April-Feb

MARUTI SUZUKI LEADS. Company executive pegs MSIL's share in PV segment at 40%

S Ronendra Singh
New Delhi

While domestic wholesales (dispatches to dealers) of passenger vehicles (PVs) and two-wheelers have been down for the last few months, exports have grown over the last 11 months, indicating that the current financial year (FY) will close with double-digit growth against the year-ago period.

PV exports grew 13.6 per cent year-on-year (y-o-y) to 6,92,311 units during the April-February period in 2024-25 as compared with 6,09,505 units in 2023-24, as per data shared by the Society of India Automobile Manufacturers (SIAM).

Maruti Suzuki India (MSIL) and Hyundai Motor India (HMIL) recorded export growth in this period, with MSIL having exported 2,99,617 units between April and February, up 16.5 per cent y-o-y (2,57,175 units).

"It is heartening to see

Domestic sales slow in April-Feb FY25

Segment	Production		Domestic sales			Exports		
	2023-24	2024-25	2023-24	2024-25	% of change	2023-24	2024-25	% of change
PV (passenger cars, utility vehicles, vans)	43,64,437	44,87,064	37,42,205	38,21,852	2.1	6,09,505	6,92,311	13.6
Two wheelers	1,96,05,831	2,19,17,283	1,64,86,786	1,79,50,393	8.9	31,31,299	38,33,591	22.4

Source: Society of India Automobile Manufacturers

that more than 40 per cent of total vehicle exports comes from Maruti Suzuki alone. In the last few years, Maruti Suzuki has systematically enhanced its export product portfolio and diversified its markets to cover more than 100 countries," Rahul Bharti, Executive Officer, Corporate Affairs, Maruti Suzuki India, told *businessline*.

OVERSEAS DEMAND

"In FY24-25, the company commenced exports of Fronx and Jimny five-door to Japan and the response has been encouraging," he added. "The robust exports number demonstrate high acceptance of our vehicles overseas. This exports ambition draws inspiration from

the government's Make in India-Make for the world initiative and supporting policies. We hope to grow our exports further by about 2.5x by the turn of the decade," said Bharti.

HMIL said it is positioning the Indian facility as a production hub for emerging markets. The company exported 1,49,766 units in April-February 2024-25, up around one per cent on-year (1,48,675 units).

"We are manufacturing and exporting our cost-optimised vehicle to the emerging markets. We have a balanced mix of domestic and export volume, which gives us good profit and the natural hedge against any market fluctuation. We have a

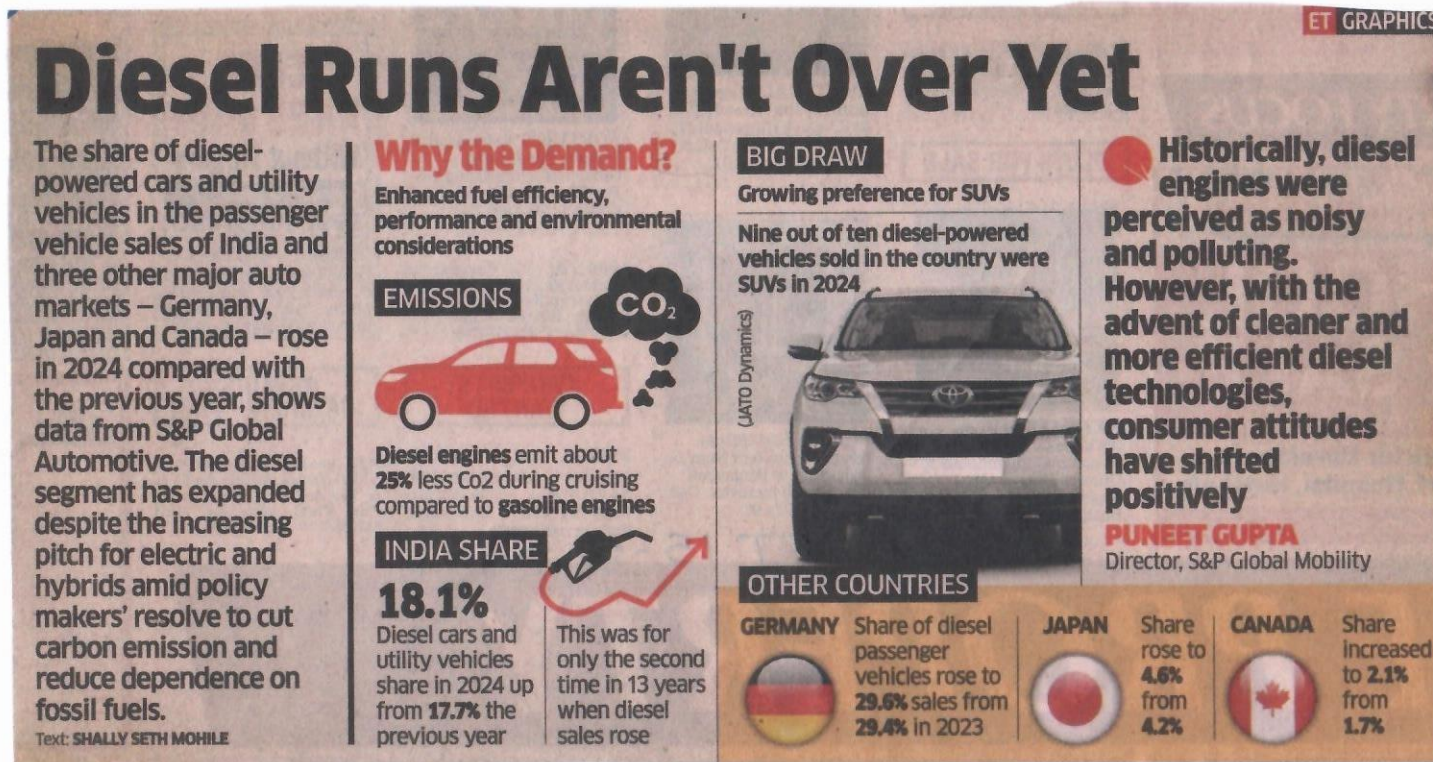
suitable product line-up for emerging markets," said Unsoo Kim, MD, HMIL.

KEEPING UP

The company witnessed growth in almost all regions in the first half of FY25 as compared to the second half of FY24, in particular, in Africa, Mexico and Latin America, he added.

Exports in the two-wheeler segment grew 22.4 per cent y-o-y to 38,33,591 units in the period (31,31,299 units).

Hero MotoCorp reported a huge growth of 46 per cent y-o-y to 2,47,911 units in the period (1,69,765 units). Bajaj Auto's exports were up 15 per cent y-o-y to 15,41,987 units (13,46,457 units).



ELECTRIC VEHICLEC

Business Standard, 8 March 2025

EV sales skid 2% in February: Fada

PUJA DAS

New Delhi, 7 March

Electric vehicle (EV) sales fell 1.9 per cent year-on-year (Y-o-Y) and 18.2 per cent month-on-month (M-o-M) to 139,026 units in February, according to data from the Federation of Automobile Dealers Association (Fada). While all four categories of EVs registered double-digit M-o-M decline in sales, three-wheelers, commercial, and passenger vehicles saw single-digit Y-o-Y growth.

With sales of TVS Motor, Ather Energy, and Ola Electric dropping to 18,762, 11,807, and 8,647 in February, the country recorded a 22.1 per cent fall in two-wheeler sales.

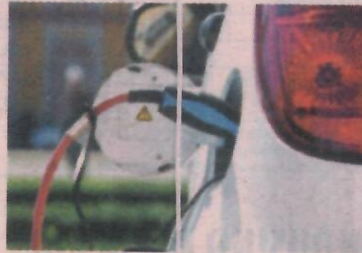
Bajaj Auto, however, saw a slight improvement in its monthly figures in the same category. But Y-o-Y sales plunged by 8 per cent.

Three-wheeler sales last month fell 11.4 per cent M-o-M but rose 4.9 per cent Y-o-Y, with total sales at 53,116 units. All original equipment manufacturers (OEMs), except Omega Seiki, saw a sharp decline in their M-o-M three-wheeler sales.

In the case of passenger vehicles, sales dropped to 8,968 units in February from 11,266 units a month ago but increased from 7,539 units a year ago. Only Hyundai Motor and BMW India recorded substantial growth in both M-o-M and Y-o-Y figures.

Electric commercial vehicle sales stood at 856 units last month, compared to 847 units in January and 972 units a year ago.

"As an industry, we must sustain collaborative efforts towards enhancing charging infrastructure, policy incentives, and awareness initiatives to unlock the full potential of EV adoption in India. Aligning with the Centre's ambitious EV30@2030 vision — aiming for 30 per cent of private cars, 40 per cent of buses, 70 per cent of commercial vehicles, and 80 per cent of two and three-wheelers to be electric — the auto industry needs to



A DOWNTURN

EV sales (in units)	Feb '25	Y-o-Y chg in %
Passenger vehicles	8,968	18.95
Two-wheelers	76,086	-8.05
Commercial vehicles	856	2.2
Three-wheelers	53,116	1.1
Total	139,026	-1.9

Source: Fada

do a lot more in driving India's clean mobility transition forward," said C S Vigneshwar, Fada president.

The second half of 2024 saw higher total EV sales, peaking in October at 219,482 units, the highest monthly figure of the year.

Electric vehicle sales, however, fell in November and December to 192,575 units and 132,302 units (till December 29), respectively, but monthly sales remained above 100,000 units throughout the year.

Last year's growth received a fresh boost as the Ministry of Heavy Industries (MHI) reinstated subsidies for cargo electric three-wheelers (e3Ws) under the PM E-DRIVE scheme for the remainder of the current financial year (FY25).

However, the subsidy, previously halted after annual targets for FY25 were achieved, has been revised downward to ₹25,000 from ₹50,000 per vehicle. The e3W industry sold 80,546 units within months of the scheme's launch.

JSW group to raise ₹1,487 cr for setting up EV unit in Maha

ABHIJIT LELE

Mumbai, 9 March

JSW Greentech Ltd, a JSW group entity, plans to raise about ₹1,487 crore through a long-term loan for setting up a greenfield facility to manufacture electric buses (e-buses) and electric trucks (e-trucks) as well as a supporting ecosystem in Aurangabad, Maharashtra.

The automotive facility is expected to have a capacity to make 10,000 e-buses and 5,000 e-trucks per annum.

The capital expenditure (capex) for the manufacturing facility for vehicles and related components is to be funded by debt of ₹1,487.5 crore and the rest by equity infusion from the JSW group. Rating agency Icria has assigned an 'A-' rating (stable) for long-term loans of JSW Greentech.

The financial closure for the project has been

achieved and the sanctioned credit has a long tenor with door-to-door tenor of more than 10 years. There will be a moratorium of one year after the scheduled commercial operations date (SCOD). The SCOD for the project is July 2027, according to Icria's rating rationale statement for term loan.

Till January 6, 2025, the company had incurred only 3 per cent of the project cost, which was funded through equity.

JSWGTL has also entered into an early-stage memorandum of understanding (MoUs) with some of its group companies and third-party operators, which mitigates the off-take risk to an extent.

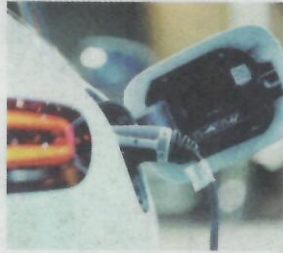
Icria said ratings factor in superior financial flexibility for being part of the JSW group, a leading conglomerate with presence in sectors like steel, energy, infrastructure, cement, e-commerce, sports, and venture capital.

'Maharashtra EV tax on luxury 4W will drive up costs; no impact seen on Tesla operations'

Aroosa Ahmed
Mumbai

With the Maharashtra government levying 6 per cent tax on electric vehicles costing over ₹30 lakh, electric cars are expected to become costlier. The tax is not likely to impact Tesla's debut in Mumbai.

The Maharashtra government will be implementing the new tax starting from April 1. "The prices of electric vehicles will go up with the 6 per cent tax implementation. The period of subsidy for electric vehicles is coming to an end. This was the perfect time to continue the subsidy as automobile players are bringing new product launches," said Manish Raj Singhania, Chairman of Research & Academy, FADA, to *businessline*.



Electric vehicle penetration in the passenger car segment in India has gone up to 2.5 per cent. Experts said while electric vehicle prices will increase, the battery prices are set to reduce with the exemption of duties announced in the budget.

"Even as the proposed implementation of 6 per cent road tax on vehicles priced above ₹30 lakh by the Maharashtra government would lead to an increase in the on-road price for EVs in the state, the same is likely to be

offset to an extent by an expectation of a gradual decline in battery prices," said Rohan Kanwar Gupta, Vice-President & Sector Head, Corporate Ratings, ICRA Limited.

TESLA IMPACT

The electric vehicle tax is not expected to have any repercussions on Tesla beginning its operations in Maharashtra.

"It might not have a major impact on Tesla. However, they will ask for a level-playing field as they plan to operate in multiple States. A consumer purchasing a vehicle for more than ₹30 lakh is an aspirational buyer, and the tax will not impact his purchase decision significantly," said Hemal N Thakkar, Senior Practice Leader & Director, Crisil Intelligence.

"The additional 6 per cent

tax on premium EVs with the existing 5 per cent GST, may not discourage EV enthusiasts but would slow broader consumer adoption. Even in the premium segment, price sensitivity remains a crucial factor, influencing purchase decisions," said Nikhil Dhaka, Vice-President of Primus Partners.

The Maharashtra government also announced an increase in taxes on CNG vehicles by 1 per cent. The implementation of EV and CNG vehicle taxes is set to bring in revenue for the cash-strapped State.

"The move could generate around ₹320 crore in the upcoming fiscal year. Automakers might reconsider pricing, local assembly or incentives to offset the tax impact," said Pratik Kamdar, CEO & Co-Founder of Neuron Energy.

TRACTOR

Business Line, 11 March 2025

Tractor sector maintains momentum in February

G Balachandar
Chennai

In February, the tractor industry maintained its year-on-year growth momentum in domestic sales for the third consecutive month, despite a slight dip on a sequential basis. Meanwhile, exports continued their upward trend, registering both year-on-year and month-on-month growth.

Top tractor maker Mahindra & Mahindra's domestic sales in February 2025 stood at 58,797 units, marking a significant 36 per cent rise compared to 43,277 units in the same month last year. This growth was driven by strong rabi sowing, supported by higher water storage levels in major reservoirs and consistent government backing.

MONTHLY SALES

However, sales in February showed a decline when compared to the 61,923 units sold in January 2025, according to data from the Tractor & Mechanization Association (TMA).

The country's leading tractor manufacturer recorded a 19 per cent increase in domestic tractor volumes, reaching 23,880 units in February 2025, up from 20,121 units in February 2024. Over the first 11 months of the current fiscal year, the company's total sales rose by 10 per cent, climbing from 3,40,250 units in the previous fiscal period to 374,512 units.

Escorts Kubota posted a 10 per cent rise in domestic tractor sales, with volumes



increasing to 7,968 units in February 2025, compared to 7,269 units in January 2025. "While demand remained strong in our key markets, the western region experienced some pressure due to lower crop prices affecting liquidity," the company said.

Similarly, Sonalika Tractors recorded a 11 per cent increase in domestic sales, reaching 7,669 units in February 2025, up from 6,911 units in the previous year.

Total tractor production in February 2025 stood at 65,996 units, down from 71,607 units in February 2024 and 92,648 units in January 2025.

Tractor exports showed improvement, rising to 8,954 units, compared to 7,847 units in January 2025 and 8,487 units in February 2024.

"Following a strong kharif crop, the rabi crop outlook remains positive due to favourable weather conditions. Increased agricultural credit limits, continued government support for boosting farmer incomes, and a bumper rabi harvest will further drive tractor demand in the coming months," said Hemant Sikka, President, Farm Equipment, Mahindra & Mahindra Ltd.

RAW MATERIAL

Business Standard, 3 March 2025

Jindal Power all set to acquire Bhadreshwar Vidyut for ₹500 cr

KEY ACQUISITION. The 150x2 MW thermal plant gives the Jindal group a foothold in Gujarat

Abhishek Law
New Delhi

Jindal Power is set to acquire Gujarat-based thermal power genco, Bhadreshwar Vidyut Pvt Ltd, for nearly ₹500 crore, sources in the know told *businessline*.

The acquisition, happening under the corporate insolvency process, allows the Naveen Jindal group to gain a foothold in Gujarat.

"Jindal Power has received CoC approval and the Letter of Intent some days back. The resolution plan was for nearly ₹470 crore," a person in the know said.

Jindal Power did not respond to queries from *businessline*.

VIA INTERNAL ACCRUALS

The acquisition is to be funded through internal accruals and Jindal Power will invest ₹25-₹50 crore



SMART SPEND. A greenfield project of this size would cost Jindal Power a capex of ₹2,500 crore. Jindal Power currently has projects running in Raigarh, Nellore and Dhule

additionally towards capex. Bhadreshwar Vidyut, formerly known as OPGS Power Gujarat, is a special-purpose vehicle promoted by

the OPG group. It has two coal-based power plants of 150 MW each in Kutch, built at a cost of ₹1,640 crore with a debt-equity ratio of 75:25.

The first unit was completed in February 2015, and the second in February 2016.

The company was admitted to NCLT (Chennai) in October 2022 following a petition by the State Bank of India.

The loan was classified as a non-performing asset (NPA) in December 2020 and a debt restructuring was carried out subsequently, where it was recast to ₹850 crore as against ₹1,200 crore.

Lenders rejected the recast, forcing the company to go into corporate insolvency.

HIGHEST BIDDER

Jindal Power emerged as the highest bidder across multiple rounds of bidding, sources said.

There were multiple rounds of bidding to determine the highest bidder (H1) under two separate challenge processes. Both the challenge processes were

conducted through an iterative bidding process — each participant was given the chance to improve the offer of the last round and this process continued till only one bidder was left standing.

FINAL OPPORTUNITY

Importantly, in the second challenge process, the rules stated that it was the final opportunity given to the bidders to make their offers. In both the first and second challenge processes, Jindal Power emerged the highest bidder.

"Jindal Power was the sole participant and the highest bidder in the second challenge process," the person said, adding that the company would look to complete the acquisition in the next six months.

Jindal Power currently has projects running in Raigarh (3,400 MW), Nellore (600 MW) and Dhule (300 MW).

Metal firms may see choppy prices amid global uncertainties

AMRITHA PILLAY
Mumbai, 14 March

A string of geo-political events have sent the global commodity market into a tizzy, with uncertainties looming over demand-supply and price forecasts.

Amid this, India's metal industry is expected to have steady supplies, but choppy price realisations, say industry executives and analysts.

With multiple countries announcing import tariffs, focusing on increasing domestic production or planning export ban on ores, raw material security and price forecasts take centre stage for Indian metal makers.

Brokerage firm JP Morgan expects the global deficit in refined copper to grow to 160,000 metric tonnes in 2026, reported news agencies this month. However, domestic industry sources expect this deficit to play out differently in the Indian context.

Analysts with India Ratings, in a media call on Tuesday, said they expect India's copper deficit to reduce with a new firm — Adani's Kutch Copper — starting operations in the last financial year.

As India's copper consumption outstrips domestic production, India is an importer of refined copper. Further, a significant part of India's refined copper output is dependent on raw material import, of copper concentrates. The global deficit, however, is not expected to hit these supplies.

"Indian copper makers have their raw material sourcing tied up through long-term contracts," said a source from the industry, adding that these contracts

are of three-five years in tenure.

Not ores, but India's scrap imports — both for copper and aluminium — are likely to feel the geo-political heat. The source added, "It is the copper scrap supply that is dwindling (for India through imports), as more countries want to secure it for their own needs."

JP Morgan predicts the global aluminium deficit to exceed 600,000 tonnes in 2025, according to news reports. Those at CRISIL, in a press statement last week, said that after the US's 25 per cent tariff kicks in, it will increase US domestic consumption of aluminium scrap. It will impact the 26 per cent aluminium scrap of Indian imports, which is from the US.

The impact is already showing. On Monday, BigMint, a commodity market intelligence firm, noted that aluminium tense scrap ex-Delhi stood at ₹184,000/tonne, while it was ₹185,000/tonnes ex-Chennai. Both the cities witnessed a rise of ₹4,000/tonnes on a week-on-week basis.

In February, news reports said the Philippines government was considering an export ban on ores, which could include nickel. India's stainless makers are big importers of nickel, a key raw material. They stand to be affected.

There is a word of caution on most global deficits, and hence, related price realisation forecasts.

"These factors will remain choppy as there are many moving parts concerning Trump and the US policies. Demand and deficit forecasts

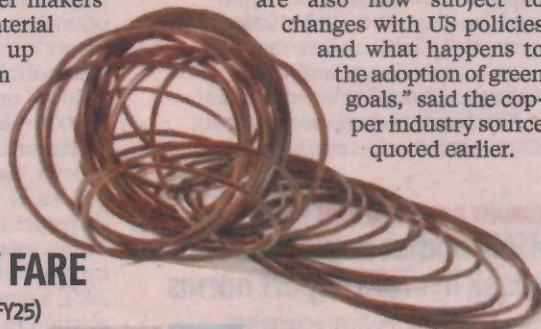
are also now subject to changes with US policies and what happens to the adoption of green goals," said the copper industry source quoted earlier.

HOW THEY FARE

In kilo tonnes (Q3FY25)

	Production	Usage	Deficit
Domestic aluminium	616	1,403	Met through scraps and imports
Domestic refined copper	156	206	Met through imports

Source: Hindalco Industries Investor Presentation



DGTR moots 12-15% safeguard duty on steel imports

Abhishek Law
New Delhi

The Directorate General of Trade Remedies (DGTR), post an initial investigation following allegations of dumping of steel, has recommended a 12-15 per cent safeguard duty imposition on select types of the metal coming into India, *businessline* has learnt from sources in the know.

A safeguard duty is a temporary tariff that a country imposes to protect its domestic industry from a sudden increase in imports. Safeguard duties are applied to all countries, not just those that engage in unfair trade practices.

There will be certain price points post which the duty is likely to be not levied, that is, if the price of the metal or that particular alloy category crosses an upper threshold, additional duties will not be charged, it has been suggested as per initial discussions, an official said.

The Steel Ministry is yet to respond to queries from *businessline*.

"Preliminary finding for safeguard is being uploaded, most likely within this week. And a provisional duty 12-15 per cent is likely to be recommended," one of the sources said.

A second person said, no duty will be levied, if prices are equal to or above \$650-675 per tonne for the benchmark hot-rolled coils (HRCs), around \$700 per tonne range for hot rolled plates, around the \$860-865 per tonne range for coated steel and around \$964 per tonne price point for colour coated steel products.

"Some of the price points are still under discussion.



Over the last 12-18 months, India has turned a net importer of steel with Chinese stocks making their way into the country

And there could be revisions to these limits if required," the second person said.

UP TO 25% DUTY

The Steel Ministry had pitched for a 20-25 per cent safeguard duty to protect the domestic industry in view of increased imports specially from FTA nations and China. The recommendations were made to the country's Commerce Ministry.

Over the last 12-18 months, India turned a net importer of steel as Chinese excess stocks started making their way into the country. For the first 11 months of this fiscal, April-February, India's import of the alloy was 8.9 million tonnes (7.7 mt), up 16 per cent y-o-y, and exports at 4.9 mt (6.7 mt), down 34 per cent y-o-y. Steel trade deficit in value terms have soared to multi-year highs.

For most months of the fiscal, India's steel imports have been in the 0.70-1 mt range, barring April and June when they were in the 0.5-0.6 mt range.

India had around December initiated a probe into an alleged increase in imports of certain steel flat products into the country following a complaint from the Indian Steel Association.

Steel-makers bet on value-added products to beat pricing pressure

Suresh P Iyengar
Mumbai

Hit by largescale imports and a fall in traditional product realisation, leading steel companies are focusing more on increasing the share of value-added products and pushing sales to MSMEs through the online medium.

The US government has already levied an import duty of 25 per cent on steel and made it even more difficult for Indian companies to tap those markets. Steel companies' profits have been under pressure as cheap imports have put pressure on domestic steel prices amid weak demand.

Utsav Verma, Head of Research, Institutional Equities, Choice Broking, said steel imports into India were up by 16 per cent at 8.1 million tonnes in last nine months, mainly as a result of excessive exports from China and other countries.

"Over the last year, steel prices have been weakening in India and globally and resulted in EBITDA and EBITDA per tonne declining



THE STRATEGY. Firms will be launching newer products to substitute imports ISTOCK

gradually over the last four quarters," he added.

In this back drop, steel companies are betting big on launching newer products that target to substitute imports. ArcelorMittal Nippon Steel India recently commissioned two modern continuous galvanising production lines dedicated to manufacturing advanced automotive steel products at its Hazira plant in Gujarat. The initiative builds on the success of Optigal and Magnelis, introduced by AM/NS India.

Ranjan Dhar, Director & Vice-President, Sales & Marketing, said the automobile industry could source its entire requirements from the

domestic market and stop imports completely after the series of products introduced by the company. All the products introduced will match the quality standards of parent companies, ArcelorMittal and Nippon Steel, and some of them will be manufactured for the first time in India, he added.

PLI SCHEME

The government's PLI Scheme expanded in 2024 to include advanced alloys; moreover, high-strength automotive grades have helped India to reduce reliance on critical imports.

While geopolitical and pricing threats persist, the stra-

tegic emphasis on import substitution has the potential to foster long-term sustainability. Besides value added and speciality products (VASP), some of the companies, such as JSW Steel and Tata Steel, have been focusing on ramping up capacity and using alternate sales channels to target micro, small and medium enterprises.

VASP SALES

JSW Steel reported that its domestic VASP sales were up 13 per cent in the December quarter and accounted for 60 per cent of all sales. The company opened 280 JSW Shoppe and JSW Shoppe Connect stores this fiscal and enhanced overall branded stores to 2,339 from 2,059 in FY24. It has 739 JSW Shoppe across urban areas and 1,600 JSW Shoppe Connect in semi-urban and rural areas, besides 28 experience centres. Enrollment of partners in JSW Privilege Club crossed 1.06 lakh.

JSW One, the online platform, crossed GMV of ₹14,000 crore, a growth of 2.7 times from the last fiscal.

GOVERNMENT POLICY

The Economic Times, 5 March 2025

PM Assures Policy Consistency, Tells Industry to Explore Opportunities

Our Bureau

New Delhi: Prime Minister Narendra Modi on Tuesday urged industry to capitalise on India's position as a destination for global economic partnership and take "big steps". He assured manufacturing and export-related stakeholders of policy consistency and asked them to explore opportunities as the world looks towards India as a trusted partner.

Amid global uncertainties, India remains a growth centre and a growth engine, the Prime Minister said while addressing a post-budget webinar on MSMEs, manufacturing, exports, regulations, investment and ease of doing business.

"Today every country in the world wants to strengthen its economic partnership with India. Our manufacturing sectors should come forward to take maximum advantage of this partnership," Modi said.

He said the world needs a reliable



supply partner that can produce high-quality products.

"It is a very big opportunity for us. India is capable of doing this. Our industries cannot be spectators to such expectations and need to find opportunities," he said.

He asked Indian industries and stakeholders to identify products that have demand and can be manufactured locally. Talking about reforms and policy consistency,

Modi said the government is working on a Jan Vishwas 2.0 Bill.

"We have also decided to constitute a committee to review non-financial sector regulations," he said. "Our endeavour is to make them modern, flexible, people-friendly and trust-based."

Industry has a very important role in this exercise, Modi said, adding that with its experiences, it can identify problems that take a lot of time to resolve.

"You can give suggestions to make processes more simple. You can guide where we can use technology to get quicker and better results," he said.

In the production-linked incentive scheme for 14 sectors, so far investments of over ₹1.5 lakh crore have been made, resulting in incremental production worth more than ₹13 lakh crore and exports of over ₹5 lakh crore.

The focus should be on better technologies, quality of products, skilling, and research and development, he said.

US has not imposed reciprocal tariffs on India as on date: Jitin Prasada

Our Bureau
New Delhi

The US has not imposed reciprocal tariffs on India as on date, Minister of State for Commerce and Industry Jitin Prasada informed Parliament on Tuesday.

"Both countries plan to negotiate a mutually beneficial, multi-sector bilateral trade agreement. Both countries would focus on increasing market access, reducing tariff and non-tariff barriers, and enhancing supply chain integration," Prasada said in a written reply to the Lok Sabha.



Jitin Prasada ,
Minister of State for
Commerce and Industry

RECIPROCAL TARIFFS

The US has issued memorandum on reciprocal trade and tariffs on February 13, 2025, wherein the Secretary of Commerce and United States Trade Representative are to take necessary actions to investigate harm to US from any non-reciprocal trade arrangements adopted by trading partners, the reply pointed out. They would then provide a report with detailed proposed remedies for each trading partner, based on which US action against relevant trading partner could, thereafter, be undertaken under any of the relevant US legislation. "As on date, reciprocal tariffs have not been applied by US on India," he said.

Under the ambitious "Mission 500", both countries aim to more than double US-India trade to \$500 billion by 2030 to be achieved by

deepening the trade relationship across multiple sectors, Prasada added.

US President Donald Trump has said that the country would impose reciprocal tariffs on 'high tariff charging countries' on April 2. "... whatever they tariff us, other countries, we will tariff them. That's reciprocal back and forth. Whatever they tax us, we will tax them. If they do non-monetary tariffs to keep us out of their market, we will do non-monetary barriers to keep them out of our market," he said at his Congressional address last week.

FACILITATING TRADE

India's tariff policy aims to regulate trade, protect domestic industry and generate revenue through taxes on imported and exported goods, Prasada said in a separate reply.

"Recent reforms have focused on streamlining the tariff structure and facilitating trade," Prasada said.

Trump's 25% tariffs on all steel, aluminium imports go into effect

Press Trust of India
Washington

US President Donald Trump officially increased tariffs on all steel and aluminium imports to 25 per cent on Wednesday, promising that the taxes would help create factory jobs at a time when his see-sawing tariff threats are jolting the stock market and raising fears of an economic slowdown.

Trump removed all exemptions from his 2018 tariffs on the metals, in addition to increasing the tariffs on aluminium from 10 per cent. His moves, based on a February directive, are part of a broader effort to disrupt and transform global commerce.

The Republican President has separate tariffs for Canada, Mexico and China, with plans to also tax imports from the European Union, Brazil and South Korea by charging "reciprocal" rates starting on April 2.

EU's TARIFFS

The EU announced its own counter-measures on Wednesday. European Commission President Ursula von der Leyen said that as the US was "applying tariffs worth \$28 billion, we are responding with counter-measures

COUNTER-MEASURES

- The EU announced counter-measures worth €26 billion (\$28 billion), targeting steel, aluminium, textiles, home appliances and agricultural goods, set to take effect on April 1
- Canada plans retaliatory tariffs of C\$29.8 billion (\$20.7 billion) on steel, aluminium and US goods, starting Thursday
- This is in addition to its 25% counter tariffs on C\$30 billion (\$20.8 billion) of US imports, implemented on March 4 in response to other US import taxes



worth €26 billion," or about \$28 billion.

Those measures, which cover not just steel and aluminium products but also textiles, home appliances and agricultural goods, are due to take effect on April 1.

CANADA RESPONDS

Canada, which is the largest foreign supplier of steel and aluminium to the US, responded with its own counter-measures.

It plans to impose retaliatory tariffs of C\$29.8 billion (\$20.7 billion) starting Thursday in response to the US taxes on the metals. Canada's new tariffs will be on steel and aluminium products as well as US goods including computers, sports

equipment and water heaters worth C\$14.2 billion (\$9.9 billion).

Canada's new tariffs are in addition to its 25 per cent counter tariffs on C\$30 billion (\$20.8 billion) of imports from the US that were put in place on March 4 in response to other Trump import taxes that he has partially delayed by a month.

TARIFF THREAT

Trump on Tuesday threatened to put tariffs of 50 per cent on steel and aluminium from Canada but he chose to stay with the 25 per cent rate after the Province of Ontario suspended plans to put a surcharge on electricity sold to Michigan, Minnesota and New York.

Goyal, USTR continuing to engage on reciprocal tariffs: US govt

STRATEGIC APPROACH: Trade pact talks will be guided by 'India First', says Commerce Minister

Amiti Sen
New Delhi

Commerce & Industry Minister Piyush Goyal and US Trade Representative Jamieson Greer's meeting in Washington DC last week was productive and the two sides are continuing to engage on reciprocal tariffs, America First Trade Policy and market access expansion under the proposed bilateral trade agreement, the USTR office has indicated.

"Ambassador Jamieson Greer had a productive meeting with the Indian Minister of Commerce and Industry Piyush Goyal during his recent trip to the US. They have since continued to have engaging conversations on reciprocal trade, expanding market access, and President Trump's America First Trade Policy," the USTR office posted on social media platform 'X' on Thursday.

Goyal, too, posted on 'X' on Friday on the meeting with Greer on the BTA and said the country's approach will be guided by 'India First'



FOSTERING TIES. Commerce & Industry Minister Piyush Goyal with US Trade Representative Jamieson Greer in Washington DC last week

and the comprehensive strategic partnership between India and the US.

"Had a forward-looking discussion with US Trade Representative Jamieson Greer on a mutually beneficial Bilateral Trade Agreement. Our approach will be guided by 'India First', 'Viksit Bharat' and our Comprehensive Strategic Partnership," Goyal said.

TRUMP TARIFFS
US President Donald Trump

has threatened countries, including India, that have high import tariffs on US goods with reciprocal tariffs that are scheduled to be announced on April 2.

India is trying to improve its market opening offers for the US as part of the BTA being negotiated to avoid the reciprocal tariffs, but it has its sensitivities to protect including agriculture and dairy.

While there was no official communication from either

side for about a week after the meeting between Goyal and Greer, the USTR's stress on reciprocal trade and America First Trade Policy and Goyal's on 'India First' approach in the recent posts indicate that both sides are keen to protect their own interests.

Trump and Prime Minister Narendra Modi agreed to establish "new, fair-trade terms" to work out an India-US BTA that could more than double bilateral trade to

\$500 billion. The first tranche is set to be finalised by fall this year.

PRESSURE ON INDIA

The US President and US Commerce Secretary Howard Lutnick have been openly putting pressure on India to commit to stiff tariff cuts across the board since Goyal's meetings with his counterparts last week.

"They have agreed, by the way; they want to cut their tariffs way down now because somebody is finally exposing them for what they have done..." Trump said last Friday.

India's tariffs on US goods are at a much higher 15.30 per cent (2022) than US tariffs on Indian products at around 3.83 per cent. On agriculture, India applies a higher average tariff of 39 per cent to protect its vulnerable farmers. Lutnick has insisted that agriculture must also be on the table.

The US was India's largest trading partner in FY24 with exports worth \$77.51 billion and imports worth \$42.19 billion.