AIFI

Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies
(2nd Fortnight July 2026)

AUTOMOTIVE INDUSTRY

Business Line, 16 July 2026

June passenger vehicle sales up 24.1%:

Our Bureau
New Delhi

Domestic passenger vehicle (PV) sales rose 24.1 per cent year-on-year in June, driven by robust demand across vehicle segments, particularly scooters and utility vehicles, according to data released by the Society of Indian Automobile Manufacturers (SIAM). The data showed that PV sales increased to 3,88,144 units in June from 3,12,851 units in the year-ago period.

Robust demand

Category	Domestic sales (in units) June 2025	2026	% change
Total passenger vehicles	**3,12,851**	**3,88,144**	**24.10**
Three-wheelers			
Passenger carrier	51,350	64,181	25.00
Goods carrier	9,141	11,828	29.40
Total three-wheelers	**61,828**	**77,951**	**26.10**
Two-wheelers			
Scooters	5,35,307	7,44,823	39.10
Motorcycles	9,92,627	10,56,422	6.40
Total two-wheelers	**15,61,283**	**18,51,400**	**18.60**

Source: SIAM: Data does not include detailed passenger vehicle break-up for Tata Motors, sales figures of BMW, Mercedes-Benz, Jaguar Land Rover and Volvo Auto. Tata Motors' domestic sales have been included in the overall passenger vehicle total

Three-wheeler sales increased 26.1 per cent to 77,951 units (61,828 units), led by passenger carriers, whose sales rose 25.0 per cent to 64,181 units, while sales of goods carriers saw a 29.4 per cent increase to 11,828 units. E-rickshaw sales climbed 52.4 per cent to 1,590 units and e-cart sales rose 19.7 per cent to 352 units. In the two-wheeler segment, domestic sales increased 18.6 per cent to 18,51,400 units (15,61,283 units).

Segment wise, scooter sales recorded the strongest growth among major two-wheeler categories, rising 39.1 per cent to 7,44,823 units. Motorcycle sales increased 6.4 per cent to 10,56,422 units, while moped sales surged 50.4 per cent to 50,155 units.

Q1 SALES

For Q1 FY27 (April-June), data showed that domestic PV sales increased 25.9 per cent to 12,73,811 units (10,11,884 units). Two-wheeler sales increased 20.3 per cent to 56,28,675 units (46,77,990 units). Commercial vehicle sales rose 18.3 per cent to 2,64,831 units (2,23,860 units). Overall automobile sales increased 21.4 per cent to 73,81,656 units (60,78,949 units).

"PVs, commercial vehicles and three-wheelers posted their highest-ever Q1 sales, while all vehicle segments, including two-wheelers, recorded their highest-ever exports during the quarter," said Shailesh Chandra, President, SIAM.

"The strong performance across segments in Q1 of 2026-27, despite headwinds arising from disruptions in West Asia, can be attributed

Business Standard, 16 July 2026

FESTIVE DEMAND SEEN SUPPORTING GROWTH

Auto industry posts record Q1 sales across segments

ANJALI SINGH
Mumbai, 15 July

India's automobile industry recorded its highest-ever first quarter sales in 2026-27 (Q1FY27) across passenger vehicles, commercial vehicles and three-wheelers, supported by lower goods and services tax (GST) rates, easier financing and new model launches.

The robust performance also benefited from a favourable base, as demand remained relatively subdued in the year-ago period, according to the Society of Indian Automobile Manufacturers (Siam).

Passenger vehicle sales rose 25.9 per cent year-on-year (Y-o-Y) to 1.27 million units in the April-June quarter.

Utility vehicles continued to dominate the segment, accounting for about 68 per cent of total passenger vehicle sales. They grew 28.6 per cent during the quarter, while passenger car sales increased 21.3 per cent.

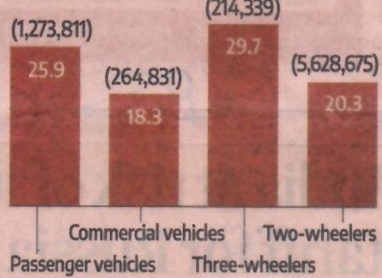
Two-wheeler sales grew 20.3 per cent to 5.63 million units, with scooters significantly outpacing motorcycles. Scooter sales rose 30.8 per cent during the quarter, compared with 14 per cent growth in motorcycles.

Commercial vehicle sales rose 18.3 per cent to 264,831 units, aided by replacement demand and higher activity in the mining and cement sectors. Within the segment, goods carriers outperformed passenger carriers, underpinning the overall growth. Three-wheeler sales climbed 29.7 per cent to 214,339 units, driven by growth in both passenger and goods carriers. Siam said increasing economic activity in urban areas and easier financing availability also supported demand during the quarter.

Exports also emerged as a key growth driver during the quarter, with all major vehicle segments recording their highest-ever first-quarter overseas shipments. Passenger vehicle exports rose 8.8 per cent, while two-wheeler exports grew 36.6 per cent, commercial vehicles increased 43.3 per cent and three-wheelers surged 57.7 per cent.

Revving up

Q1 FY27 domestic sales (April–June 2026)
Figures in brackets: Sales
Y-o-Y growth (in %)



Source: Siam

"The strong performance across segments in Q1 of 2026-27, despite headwinds arising from disruptions in West Asia, can be attributed to supportive domestic demand, aided by lower GST rates, softer financing costs, low base effect and introduction of new models. While overall consumer sentiment and demand remain steady, the industry continues to closely monitor geopolitical developments and the progress of the monsoon," Siam president Shailesh Chandra said.

Looking ahead, Siam said demand is expected to remain steady during the July-September quarter as the industry enters the festival season. It noted that lower vehicle costs following GST 2.0 and easier availability of finance continue to support demand, while improving rainfall has reduced the monsoon deficiency to some extent.

The Economic Times, 17 July 2026

CO TO INTRODUCE 4 NEW VEHICLES THIS FISCAL YEAR: MD

JSW MG Lines Up ₹1,400 cr to Ramp Up Halol Plant Capacity

Our Bureau

New Delhi: JSW MG Motor India is investing ₹1,400 crore to boost capacity by nearly a third at its existing facility in Halol, Gujarat, and introduce four new vehicles this financial year, said managing director Anurag Mehrotra.

The automaker is expanding capacity to 160,000 vehicles by March-end from 120,000 vehicles currently, said Mehrotra. In the second phase, capacity will be further ramped up to 300,000 vehicles.

"We introduced three new vehicles last year and had scheduled four more this year," said Mehrotra. "The first of these, the Majestor, has already hit roads. We will be launching a battery electric vehicle, and a plug-in hybrid vehicle shortly."

The new vehicles will be launched on the latest vehicle platform called ADAPT or Advance Drive Architecture Platform Technology, which the automaker plans to deploy for rolling out a hybrid vehicle, followed by a range-extended electric vehicle (REEV) at a later stage.

EXPANSION PLANS

Automaker is expanding capacity to 160k vehicles by March-end from 120k vehicles, second phase capacity will be up to 300k vehicles

Mehrotra said the capital expenditure outlined for FY27 is part of the total investment of ₹3,000-4,000 crore JSW MG Motor announced for the mid-term towards expanding capacity, deepening localisation, and launching new products.

Mehrotra said the board has already approved the expansion plan. Currently, JSW MG Motor is structured as a 51:49 joint venture, with JSW holding 35%, Indian financial institutions 8%, MG Motor India dealers 3%, and JSW MG Motor India employees owning a 5% stake. The remaining 49% is held by China's SAIC Motor.

The company clocked a 19% sales growth at 70,554 vehicles in 2025. Majority of the volumes came from the Windsor electric car.

Going forward, Mehrotra said the company wants to continue its position as a leading automotive brand in the new energy vehicle (NEV) segment that includes pure electric and hybrid cars. "At any point in time, we want to clock 70-80% of our total sales from NEVs," he said.

Mehrotra said the company is witnessing growing demand for EVs since the Iran conflict started on February 28 and that the momentum should sustain in the coming months.

"There is a lot of awareness about EVs now," he said. "While Tier 1 market is larger, we are seeing strong growth in smaller towns and cities also. The share of electric in new vehicle sales in the market should be close to double-digits by the end of this year."

Business Line, 17 July 2026

JSW MG expects 80% of total sales to come from NEVs

S Ronendra Singh
New Delhi

With new energy vehicles (NEVs) picking up on the Indian roads, especially after the West Asia crisis and cut in GST rates last year, JSW MG Motor India is planning to launch more NEVs in the market, which is expected to contribute 80 per cent of its overall sales this year, a top official has said.

Anurag Mehrotra, Managing Director, JSW MG Motor India, told *businessline* that since the GST cut to 5 per cent for EVs last year, sales had grown multifold for the whole industry; it was not only in tier-1 cities, but also in tier-3 and 4 towns, where sales are picking up.

"The amount of conversation on EV cars has gone up in the last 6-12 months. A year or two ago, one would not have asked. We have 50 per cent of sales coming from tier-I cities and the rest from tier-II, III and beyond," he said, adding that JSW MG sold around 40,000 units of NEVs last year, which was a growth of 12-13 per cent over previous year.

EV GROWTH

For the industry also, Mehrotra noted that in the overall passenger vehicle industry, EV penetration was only 3.8 per cent in January this year and in June, it was over 8 per cent.

"Given the growth that we are seeing today, we have already increased our headcount by almost 40 per cent at the plant to cater to the third shift that got added. We will invest ₹3,000-4,000 crore in expansion of the plant to 1.2-3 lakh units per annum and new products development, and this year we will spend ₹1,300-1,400 crore out of that total amount," he said while declining to comment on where the funds would come from.

Meanwhile, the company unveiled a new platform called ADAPT (Advance Drive Architecture Platform Technology), under which it will launch four different vehicles in the NEV portfolio in the next one year.

Designed as a future-ready modular architecture, MG ADAPT will support electric vehicles (EVs), hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs) and range extender electric vehicles (REEVs), bringing multiple energy solutions together on a single intelligent platform.

Mehrotra added the company would bring in the products in the shape of sports utility vehicles (SUVs) as of now.

Business Line, 21 July 2026

Ford delegation calls on TN CM to discuss revival of Chennai plant

Our Bureau
Chennai

A high-level delegation from Ford Motor Company, led by Vice-Chairman Mathew Godlewski, met Tamil Nadu Chief Minister C Joseph Vijay on Monday. Among the topics discussed was the revival of the company's Maraimalai Nagar manufacturing facility, with a focus on the new engine production unit.

The discussions centred on Ford's previously announced plan to invest ₹3,250 crore in setting up next-generation powertrain manufacturing at the existing plant, a project expected to generate around 600 direct jobs.

Government sources said on Monday that the project remains on track, with commercial production likely to begin in 2029 or 2030.

ON TRACK. Ford officials with Tamil Nadu Chief Minister C Joseph Vijay (middle) in Chennai on Monday

POWERTRAIN UNIT

Ford is establishing what is expected to be its first powertrain manufacturing facility outside the US at Maraimalai Nagar.

Martin Everitt, Global Director, Powertrain Manufacturing Engineering at Ford Motor Company, had told *businessline* after meeting the then Chief Minister MK Stalin in October 2025 that production was targeted to commence in 2029.

According to a government release, Chief Minister Vijay assured the Ford delegation of the State government's full support for the project.

Business Line, 21 July 2026

Tata Osprey joins Toyota Urban Cruiser and Maruti Across as India-made cars go global

Amit Vijay Mohile
Mumbai

Tata Motors Passenger Vehicles will sell its India-made Nexon in South Africa as Tata Osprey from the third quarter of 2026, giving the compact SUV a market-specific identity as the company rebuilds its passenger-vehicle presence in the country.

The move, inspired by the osprey, a bird found in parts of South Africa, is more than a name change: Nexon, which Tata says has crossed one million customers globally, reflects how vehicles developed or manufactured in India are increasingly being adapted for overseas markets through local branding, alliance partnerships and market-specific equipment.

The South African version will retain Nexon's core product identity. Tata's announcement does not specify whether the Osprey will receive changes to its equipment, powertrain, suspension or safety specification. Any modifications are likely to relate to local homologation, market requirements or equipment levels, rather than a substantially different vehicle.

"South African customers increasingly demand vehicles that combine contemporary styling, technology, practicality and safety along with excellent value for money," said Jeff Allison, General Manager, Marketing and Product at Tata Motors Passenger Vehicles South Africa. The Osprey will join Punch, Tiago, Curvv and Harrier in Tata's South African range. The company returned to the country's passenger vehicle market last year in partnership with Motus Holdings, and is expanding its offering as Chinese, Japanese and Korean brands intensify competition in the compact-SUV segment.

GLOBAL EXPORTS

India's passenger vehicle exports rose 18.4 per cent to 4.46 lakh units in the first half of FY26, from 3.77 lakh in the year-earlier period. For the full financial year, exports reached a record 9.05 lakh units, up about 17.5 per cent year-on-year. The momentum continued into FY27, with first quarter exports rising 8.8 per cent to 2.22 lakh units.

The figures point to a structural shift in India's role in the global automobile industry. Domestic plants are no longer being used only to supply neighbouring markets; they are becoming production and export bases for vehicles sold across Africa, Europe, Japan, West Asia and Latin America.

Maruti Suzuki's Victoris is the latest example. Manufactured exclusively in India, the SUV is being exported to international markets as Suzuki Across, with the company targeting more than 100 countries and regions.

The Suzuki-Toyota partnership has led to several other name changes in India. Maruti Suzuki Ertiga is sold in South Africa as Toyota Rumion, Celerio as Toyota Vitz, Baleno as Toyota Starlet and Fronx as Toyota Starlet Cross.

The same approach is being applied to electric vehicles. Suzuki's Gujarat-built e-Vitara is exported under the Suzuki name, while its Toyota counterpart is sold overseas as Urban Cruiser.

The Times of India, 22 July 2026

JSW Group in talks to buy stake in Volkswagen India

Volkswagen is in advanced discussions with India's JSW Group, said people familiar with the matter, as the German automaker seeks an ally to infuse fresh capital and bolster its local unit in the world's third-largest auto market. The two sides are working toward a potential agreement in the coming weeks involving JSW making an investment in closely held Skoda Auto Volkswagen India, the people said, asking not to be identified as the discussions are confidential.

The Sajjan Jindal-led conglomerate is seeking a majority stake in the venture, the people added.

While top executives from Volkswagen and JSW have held meetings recently, several sticking points remain unresolved, including a valuation for the deal and JSW and Volkswagen's capital investments, the people said.

The transaction, if finalised, will cap Volkswagen's years-long hunt for a local Indian partner. The German manufacturer has struggled to build scale in India even after operating in the country for more than two decades. For the steel-to-electric vehicles conglomerate JSW, a deal would provide access to Volkswagen's vehicle platforms and a springboard for further potential cooperation globally with a well-established European carmaker.

MAJORITY SHARE

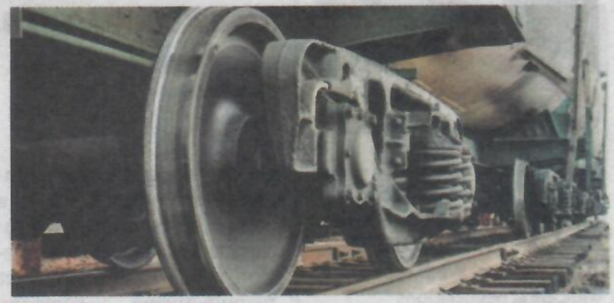
Volkswagen is constantly evaluating new business opportunities to implement its strategy in India, which is an important market for Skoda Auto's global growth plans, a company spokesperson said in an email, while declining to comment on any discussions with JSW. A JSW spokesperson did not respond to an emailed request for comments on the deal.

The Volkswagen group, across its brands, makes up about 2.5% of India's passenger vehicle market.

Volkswagen has become more willing to cede control of its India unit as it grapples with a difficult turnaround globally, the people familiar with the talks said. Although the Indian unit has posted a jump in profit for the year ended March 31, they said the European parent is growing wary of funding the business without a local partner to share the load. BLOOMBERG

Business Line, 23 July 2026

Ramkrishna Forgings, Titagarh JV to start rail wheel production in Aug



ROLLING FORWARD. Supplies to Indian Railways will begin with 40,000 wheels, rising to 80,000 annually in 3-4 years

T E Raja Simhan
Chennai

The Titagarh Rail Systems–Ramkrishna Forgings consortium is set to commence commercial production of forged railway wheels at its greenfield manufacturing facility in Gummudipoondi, near Chennai, in August, marking a significant milestone in India's railway manufacturing sector.

The project is expected to end Indian Railways' dependence on forged wheels imported from Ukraine, Russia and China for nearly seven decades.

India will now become an exporter of forged wheels with excess capacity from the plant, said sources.

The plant has an annual production capacity of 2.28 lakh forged wheels. Of this, about 80,000 wheels will be supplied to Indian Railways, while the balance will be exported, sources in the know said.

Cold commissioning of the forging line has been completed, and trial production has been underway since June, they add.

PRODUCTION RAMP-UP

Supplies to Indian Railways are expected to begin with about 40,000 wheels in the first year of operations, with production ramping up to 80,000 wheels annually over the next three-four years. Under the long-term arrangement, the venture will supply around 15 lakh forged wheels to Indian Railways over the next 20 years.

The Gummudipoondi facility will be the second-largest forged wheel manufacturing plant in Asia after China.

The joint venture is majority-owned by Ramkrishna Forgings, which holds a 51 per cent stake, while Titagarh Rail Systems holds the remaining 49 per cent. The project involves an investment of around ₹2,000 crore. As of March 31, 2026, the two partners had infused around ₹500 crore in equity into the joint venture.

TAMIL NADU'S PITCH

Separately, Titagarh Rail Systems Vice Chairman and Managing Director Umesh Chowdhary and Deputy Managing Director Prithish Chowdhary met Tamil Nadu Chief Minister C Joseph Vijay on Monday.

While the meeting was described as a courtesy call, sources said the company officials were briefed about the State's shipbuilding developments and urged to set up one in Tamil Nadu.

Over time, the company may explore Tamil Nadu as a possible location for a second shipyard after its other one in West Bengal, said sources.

Business Line, 23 July 2026

HAL, Safran to make superalloy ring forgings for LEAP engines

Our Bureau
New Delhi

Hindustan Aeronautics Ltd (HAL) and Safran Aircraft Engines have signed a long-term agreement for the production and supply of turbine ring forgings in superalloys for the CFM LEAP engine programme.

Under the agreement, HAL will manufacture near-net shape ring forgings for the LEAP engine at its state-of-the-art Ring Rolling facility at HAL's Foundry & Forge Division in Bengaluru.

These superalloy ring forgings are used in elevated-temperature applications of the rotating section of the aero-engine and are critical to engine performance and reliability.

The contract was signed by Praveen B, General Manager, Foundry & Forge Division, HAL, and Dominique Dupuy, Senior Vice President – Purchasing, Safran Aircraft Engines at the Farnborough International Airshow on Wednesday.

At the event, Ravi K, Chairman & Managing Director, HAL, and Jayakrishnan S, who is CEO of Bangalore Complex, were also present.

TRUSTED PARTNERSHIP

Ravi said, "HAL and Safran share a longstanding and trusted partnership that has evolved over several decades." He also said that "by contributing to the LEAP engine programme, we are expanding our footprint in the international civil aerospace market and demonstrating our ability to manufacture complex aero-engine components to global standards."

The two have also formed a dedicated joint venture in Bengaluru to design, develop, and produce new-generation helicopter engines. Its primary objective is providing the Aravalli engine for the Indian military's future 13-tonne Indian Multi-Role Helicopter (IMRH).

FLYING WHALES MOU

At the Farnborough International Airshow 2026, Bharat Forge Ltd signed an MoU with Flying Whales, a French-Canadian global firm, to jointly develop, manufacture and field, advanced airships for India's defence and strategic operational requirements.

Business Line, 28 July 2026

Forvia to invest ₹2,000 cr in India, targets €1-b biz by 2030

Amit Vijay Mohile
Mumbai

Global automotive technology supplier Forvia, which generated €26.15 billion in revenue in 2025, plans to invest around €200 million (about ₹2,000 crore) in India through 2030 as it seeks to more than double its India business from €450 million to over €1 billion by the end of the decade, underscoring the country's growing role in the group's global manufacturing and technology strategy.

Forvia, which brings together the businesses of Faurecia and Hella, supplies seating, electronics, lighting, clean-mobility systems and cockpit technologies to most major vehicle manufacturers in India, including Tata Motors, Mahindra & Mahindra, Maruti Suzuki, Hyundai, Kia, Toyota, Honda, Volkswagen Group, Renault-Nissan-Mitsubishi, Ashok Leyland and VE Commercial Vehicles.

It currently contributes about 1.7 per cent of the group's global revenue but is growing at roughly 11 per cent annually, almost twice the pace of the domestic passenger-vehicle market.

DYNAMIC MARKET

"India is becoming one of the world's most dynamic automotive markets and a strategic pillar of Forvia's growth trajectory. We are expanding our industrial footprint, strengthening localisation and investing in advanced technologies because India will play a much larger role in our future growth," Forvia Chief Executive Officer Martin Fischer told *businessline*.

The investment will be spread across electronics, seating, clean mobility and

lighting businesses, with electronics accounting for the largest share of future growth.

LOCAL PRODUCTION

The company plans to expand local production of body electronics, power electronics, radar systems, battery-management systems, zonal controllers and motor controllers as automakers accelerate the shift towards software-defined vehicles.

Electronics revenue alone is targeted to increase from about €100 million today to more than €400 million by 2030.

CLEAN MOBILITY

Clean mobility will add another manufacturing facility to support exhaust aftertreatment systems and electrification technologies.

While the seating business will establish Forvia's first dedicated complete-seat manufacturing plant in India, scheduled to begin production in 2027, the facility will also introduce the company's proprietary cover carving technology, designed to improve rear-seat space and passenger comfort.

Fischer said Forvia's India strategy has fundamentally evolved from adapting European products for India to designing products specifically for Indian cost structures through frugal engineering and value engineering. The company is also decentralising decision-making, giving its India business greater autonomy to respond quickly to customer requirements instead of relying on approvals from Europe.

CLOSE TO CUSTOMERS

"We have all the competencies on the ground here. We want to be very close to our customers when it comes to developing products and launching products," Fischer said, adding that engineers who earlier supported global programmes are increasingly taking ownership of products and customer programmes from India.

Fischer said the company's strategy reflects the regionalisation of global automotive supply chains, with products increasingly being engineered and manufactured closer to customers.

Business Line, 30 July 2026

M&M to sell ₹2,989 cr truck and bus division to SML Mahindra for ₹525 cr

BIZ REJIG. Transaction to be completed by January next, will create a unified commercial vehicle company

Amit Vijay Mohile
Mumbai

Mahindra & Mahindra (M&M) on Wednesday said the board of SML Mahindra has approved the acquisition of its Mahindra Truck and Bus Division (MTBD) for ₹525 crore through a slump sale, completing the group's plan to consolidate its truck and bus operations under a single listed entity.

KEY MOVE. The combination gives Mahindra a 26.6% share of the intermediate light commercial vehicle market PAUL NORONHA

UNIFIED STRUCTURE

The transaction, expected to be completed by January 2027, will create a unified commercial vehicle business spanning light, intermediate and heavy trucks as well as buses. MTBD generated revenue of ₹2,989 crore in FY26 — slightly more than SML Mahindra's ₹2,838 crore, making the acquisition transformative for the listed company even though the division accounted for only about 2 per cent of M&M's revenue.

"The transaction simplifies Mahindra Group's commercial vehicle business structure by consolidating truck and bus operations under SML Mahindra, creating a single focused entity dedicated to growth and leadership in the commercial vehicle sector," said Anish Shah, Group CEO and Managing Director, Mahindra Group.

Rajesh Jejurikar, Executive Director and CEO, Auto and Farm Sector, M&M, said the combination would "unlock synergies across operations, technology and customer-facing functions" while preserving the heritage and market positioning of the two brands.

Vinod Sahay, Executive Chairman of SML Mahindra, called the acquisition "a transformative step" that would create a stronger commercial vehicle platform with greater scale, wider market coverage and a more comprehensive product portfolio.

SML Mahindra will acquire MTBD as a going concern. Manufacturing of Mahindra-branded trucks and buses will, however, continue to be undertaken by M&M under a contract-manufacturing arrangement, ensuring continuity of production and supply.

On a simple pro-forma basis, the two businesses generated combined FY26 revenue of about ₹5,827 crore before inter-company eliminations and other adjustments.

Analysts examining the original SML acquisition had described the combination as strategically positive but execution-intensive. ICICI Securities said it could fill gaps in Mahindra's commercial vehicle portfolio and generate synergies across sourcing, manufacturing, platforms and distribution.

Nomura said SML's bus-building capabilities, CNG and electric-vehicle portfolio and customer base strengthened Mahindra's "right to win", although it termed the company's market-share and profitability targets ambitious.

Nirmal Bang said that SML brought relationships with school, corporate and institutional bus operators, while M&M contributed telematics, modern cabins, a wider service network and greater purchasing power. Emkay Global, however, said the original acquisition's immediate financial impact on M&M would remain limited.

ROAD AHEAD

The combination gives Mahindra a 26.6 per cent share of the ILCV bus market, where it was the second-largest player in Q1FY27. Its share of the broader above-3.5-tonne commercial vehicle market, however, remains about 6 per cent, leaving a substantial gap with Tata Motors and Ashok Leyland.

Mahindra also aims to increase this share to 10-12 per cent by FY31 and more than 20 per cent by FY36.

Business Line, 30 July 2026

Eicher Motors board approves ₹1,225 cr investment in A.P. plant

STRONG MOMENTUM. Auto major posts 21% rise in Q1 net profit at ₹1,463 crore

Our Bureau
Chennai

The board of Eicher Motors Ltd (EML) on Wednesday approved an investment of ₹1,225 crore for Phase I of the greenfield expansion in Andhra Pradesh. The plant at full utilisation can produce an additional 4.5 lakh motorcycles per year.

The above capacity addition is expected to be completed during FY 2029-30, subject to market conditions, says a release.

B Govindarajan, Managing Director - Eicher Motors Ltd and Chief Executive Officer - Royal Enfield, in a press release said, "To support our growth over the long-term, we announced plans for a new greenfield manufacturing facility in Tada, Andhra Pradesh, to expand our capacity beyond the existing facilities in Tamil Nadu."

Q1 AT GLANCE

- The company's net profit rises to ₹1,463 crore
- Total revenue up 32% to ₹6,632 crore
- Royal Enfield recorded its highest-ever quarterly sales of 3,32,940 motorcycles, up 27 per cent

GROWTH STRATEGY

As part of its long-term growth strategy, Royal Enfield announced plans to acquire a land parcel in Tada, Andhra Pradesh, for a new greenfield manufacturing facility.

With a planned investment of approximately ₹2,500 crore implemented in a phased manner, the project will strengthen the company's manufacturing capacity to meet future market demand, says the release.

B Govindarajan, Managing Director - Eicher Motors Ltd and CEO - Royal Enfield

Meanwhile, the company reported a 21 per cent increase in consolidated net profit to ₹1,463 crore for the quarter ended June 30, 2026 against ₹1,205 crore last year.

Total revenue rose by 32 per cent to ₹6,632 crore from the corresponding quarter of previous year, says the release.

Royal Enfield recorded its highest-ever quarterly sales of 3,32,940 motorcycles, up 27 per cent from 2,61,326 in the corresponding quarter, says a release.

VECV PROFIT UP

VE Commercial Vehicles (VECV) net profit increased to ₹300 crore (₹288 crore) on 17 per cent growth in revenue to ₹6,610 crore (₹5,671 crore). VECV recorded its highest-ever first quarter sales of 24,815 vehicles, up from 21,610 vehicles in the previous year, says a release.

Govindarajan said on the results, "Building on a record-setting performance in FY26, we have sustained our strong momentum into the new financial year, with Royal Enfield recording its highest-ever quarterly sales and VECV recording its highest-ever Q1 sales."

Business Standard, 30 July 2026

L&T makes ₹5K cr play for auto components

ANJALI SINGH
Mumbai, 29 July

Plans ahead

- The ₹5,000-crore investment will be deployed over 5 years
- It will be deployed across manufacturing, R&D, technology licensing and testing infrastructure
- It comes as auto-component makers seek to move from predominantly mechanical products into higher-value electronics and software

Larsen & Toubro (L&T) on Wednesday announced its entry into the automotive (auto) components sector, with plans to invest ₹5,000 crore over the next five years to manufacture electric vehicle (EV) motors, safety systems, and connected-vehicle technologies at a new manufacturing hub in Tamil Nadu.

The initiative is being driven by L&T Electronic Products & Systems (EPS) business, headed by Prashant Chiranjive Jain, managing director of L&T Vyom and head of the company's EPS group, and forms part of the conglomerate's broader Lakshya 31 strategy. Besides mobility, the EPS platform covers power electronics, robotics and automation, and electronic systems design and manufacturing, drawing on L&T's long-established strategic electronics capabilities.

Jain dismissed suggestions that the move represented diversification for L&T. "The DNA of L&T has been engineering across very diverse sectors from Day One," he said, describing the company's ambition to become a Tier-I auto supplier as a natural extension of its engineering capabilities rather than a departure from them.

L&T estimates the industrial business-to-business electronics market it is targeting at around $2 billion today, with the opportunity expected to expand to $4.85 billion by 2031. The company is targeting a 10-15 per cent market share across the EPS portfolio, although it did not disclose a standalone revenue target for its mobility business.

The ₹5,000 crore investment will be deployed over five years across manufacturing, research and development (R&D), technology licensing, testing infrastructure, and the development of an intellectual property (IP)-led electronics business, Jain said.

The investment comes as Indian auto component makers seek to move from predominantly mechanical products into higher-value electronics and software. Goldman Sachs estimates that India's auto component industry will grow at an annualised rate of 10 per cent, from $86 billion in 2025-26 to $124 billion by 2029-30, driven partly by electrification and new opportunities in electronics and semiconductors.

Business Standard, 30 July 2026

SML Mahindra to take over M&M's trucks biz

DEEPAK PATEL
New Delhi, 29 July

The board of SML Mahindra on Wednesday approved the acquisition of the Mahindra Truck and Bus Division (MTBD) from parent Mahindra & Mahindra (M&M). The transaction, structured as a slump sale valued at ₹525 crore, brings all commercial vehicle (CV) operations above 3.5 tonnes under a single listed entity.

The restructuring marks the second phase of Mahindra Group's CV strategy. It follows M&M's acquisition of a controlling 58.97 per cent stake in SML Isuzu in August 2025, which was subsequently rebranded as SML Mahindra.

The new structure brings together complementary product lines, combining SML Mahindra's strength in intermediate and light commercial vehicles (LCVs) with MTBD's heavy truck and bus platforms under one roof.

SML Mahindra expects to complete the acquisition of MTBD during the current financial year (2026–27), subject to shareholder approval. Addressing reporters after the board meeting, Vinod Sahay, executive chairman of SML Mahindra, said the company remained focused on strengthening its presence in the country's CV market, particularly in heavy trucks.

"As a combined entity, we strengthen our core businesses in intermediate and LCV buses and trucks. Heavy commercial vehicles (HCVs) continue to be the largest and most profitable segment of the industry, and that is one segment we will continue to focus on. You will see our intention coming through in the form of product launches as we work towards our market share aspirations by 2030-31," said Sahay.

The company plans to introduce new HCV products, including a 48-tonne multi-axle truck and a 28-tonne tipper. While cross-badging and platform sharing will primarily be undertaken in the intermediate and LCV segments, M&M said heavy trucks will continue to be sold only under the Mahindra Truck brand.

Under the terms, M&M will continue to assemble Mahindra-branded CVs through a contract manufacturing arrangement. This will ensure uninterrupted vehicle supply.

Synergy play

- SML Mahindra's board approved the acquisition of Mahindra Truck and Bus Division from M&M
- The transaction, structured as a slump sale valued at ₹525 crore
- The acquisition consolidates all Mahindra commercial vehicle operations above 3.5 tonnes under SML Mahindra
- It represented the second phase of Mahindra Groups commercial vehicle strategy

Business Line, 31 July 2026

Fourth plant takes Maruti's capacity in Gujarat facility to 10 lakh units

S Ronendra Singh
New Delhi

Maruti Suzuki India (MSIL) on Thursday said that it has commenced commercial production at the fourth plant (Plant D) of its Hansalpur facility in Gujarat, marking the first time in Suzuki's history that the total annual production capacity at a single manufacturing facility has reached 10 lakh units.

The fourth plant, with annual capacity of 2.5 lakh units, enhanced the Hansalpur facility's total annual production capacity from 7.5 lakh units to 10 lakh units, the company said.

MORE CAPACITY. MSIL said that the new plant will initially produce its flagship battery electric vehicle, e Vitara

HANSALPUR FACILITY

It added that it also makes MSIL's Hansalpur facility India's largest passenger vehicle manufacturing facility at a single location. With Hansalpur Plant D, MSIL's total manufacturing capacity stands at 29 lakh units per annum. The cumulative investment at the Hansalpur facility stands at ₹25,288.7 crore, including estimated investment of ₹3,900 crore for Plant D.

The new plant will initially produce the company's flagship Battery Electric Vehicle (BEV), the e Vitara, MSIL said.

MANUFACTURING HUB

"Gujarat has emerged as a manufacturing and export hub for Maruti Suzuki, backed by strong infrastructure and a progressive industrial ecosystem. The new line will further strengthen our ability to meet the growing demand from customers in India and overseas while advancing our 'Make in India, Make for the World' vision and expanding our global footprint," Hisashi Takeuchi, MD and CEO, MSIL, said.

The state-of-the-art Hansalpur facility produces Fronx, Baleno, Swift and e Vitara, and the facility has emerged as a major export hub for the company, accounting for nearly 47 per cent of its overall overseas shipments in FY26, he said.

"Together, the Hansalpur and the upcoming Sanand facility in Gujarat will play a pivotal role in achieving our long-term ambition of producing four million units annually in India. These projects reflect our commitment to strengthening India's manufacturing competitiveness, creating employment and boosting exports," Takeuchi added.

ELECTRIC VEHICLES

Business Line, 22 July 2026

Bajaj Auto seeks strategic partner for KTM; plans new models, EV expansion

UPBEAT. Despite recent supply chain disruptions, firm remains optimistic about sustaining export momentum

Amit Vijay Mohile
Mumbai

Bajaj Auto is open to considering a strategic partner for KTM if an interested investor's vision is aligned with that of the global motorcycle brand, Executive Director Rakesh Sharma said during a post-results interaction with the media.

KTM has returned to EBITDA break-even after several difficult quarters. Bajaj Auto also plans to launch 10 new or upgraded motorcycles, expand its electric-vehicle portfolio and raise annual production capacity in India by more than 25 per cent.

The strategy follows a record first quarter, although supply-chain disruptions and capacity constraints prevented the company from fully meeting demand for exports, electric vehicles, higher-capacity motorcycles and selected three-wheelers.

Rakesh Sharma, Executive Director, Bajaj Auto

Bajaj Auto took effective control of KTM in November 2025 after its the Netherlands-based subsidiary acquired Pierer Bajaj AG for €800 million. The transaction gave Bajaj Auto an effective 74.9 per cent controlling stake in Pierer Mobility AG and KTM AG, making KTM a step-down subsidiary.

Sharma said KTM continues to operate independently and is not being integrated into Bajaj Auto. Bajaj has injected liquidity, supported the appointment of new leadership and improved sourcing from competitive locations, including India.

"It has broken even at EBITDA, and now it will keep going progressively," Sharma said, adding that KTM would continue to improve its topline and bottomline.

Bajaj Auto will raise annual production capacity from 7.11 million units, or 71.1 lakh, to more than nine million units over the next few quarters. The expansion of more than 25 per cent will support demand for EVs, exports, higher-capacity motorcycles and selected three-wheelers.

Bajaj Auto's record Q1 performance came despite inflation, supply-chain disruptions and international logistics problems. Sharma estimated that availability was impaired by 10-15 per cent during the quarter.

QUARTERLY VOLUMES

"If everything was normal, we could have been 10 to 15 per cent more than what we achieved," he said, adding that quarterly volumes could have crossed 1.5 million units.

Bajaj Auto has upgraded around eight motorcycle models since November-December, particularly in the 150-160cc segment. Growth in the segment during Q4 and Q1 was around 1.5 times the industry's growth, based on vehicle registrations.

Over the next six weeks, the company plans to introduce around 10 additional models, including motorcycles in the 125cc and 150-160cc categories. The new range will be rolled out from August, with a completely refreshed portfolio expected by the festive season.

Bajaj Auto is targeting the number-one position in electric two-wheelers after emerging as the second-largest player in Q1.

"We want the leadership position, but it's not going to be at the cost of compromising the bottom line," Sharma said.

The company now has 12 EV models. Electric vehicles account for about 24 per cent of industry scooter sales and 45 per cent of three-wheeler sales, he said.

Business Line, 25 July 2026

Electric bus makers take steps to enter China-dominated market

Amit Vijay Mohile
Mumbai

Indian commercial vehicle makers, including EKA Mobility, Switch Mobility, JBM Auto and Tata Motors, are beginning to enter the global electric bus market worth $40 billion, where more than 1,00,000 e-buses are sold annually and Chinese manufacturers such as BYD, Yutong and King Long remain dominant.

EKA Mobility's export of 10 made-in-India electric buses to Zanzibar has taken India's confirmed overseas e-bus deployments to at least 110 this calendar year, as Indian OEMs build an initial presence across Africa, Mauritius and Europe.

The 10 buses exported by EKA Mobility are expected to serve routes connecting Zanzibar's airport, Malindi Port and key urban centres. The company is also targeting South Africa, and has announced plans to enter Ethiopia and other East African markets. Its partnership with Ethiopia's Kerchanshe Trading covers distribution, after-sales support and a proposed CKD assembly facility for electric buses, trucks and three-wheelers. "Ethiopia's growing industrial base and clean energy focus make it an ideal hub for our East African operations," said EKA's founder and Chairman Sudhir Mehta while announcing the partnership.

Switch Mobility, the electric-vehicle arm of Ashok Leyland and part of the Hinduja Group, has completed delivery of 100 EiV12 electric buses to Mauritius. Manufactured at its Chennai facility, the buses were supplied through a CESL tender under a government-to-government arrangement.

The fleet is operated by Mauritius' National Transport Corporation. Switch has described it as India's largest electric-bus export so far and its first export order.

CRUCIAL FACTORS. Manufacturers must meet safety rules, provide charging infra and guarantee long-term service support

The delivery gives Switch an operating reference outside South Asia as it seeks opportunities in Bhutan, Nepal, Seychelles, Africa, GCC and Europe.

JBM EYES EUROPE

JBM Auto is pursuing a higher-value but more demanding market. It has launched its Ecolife electric city bus in Europe, established a headquarters in Frankfurt and partnered with German leasing company Kazenmaier. The company has announced plans to deploy more than 100 buses in Germany. These remain part of an execution pipeline, and should not be added to India's confirmed overseas fleet until deliveries and commercial operations are established.

Indian OEMs are targeting markets where their cost base, right-hand-drive capability and ability to customise buses for tropical and emerging-market conditions could offer an advantage. However, competitive pricing alone will not be enough. Manufacturers must meet local safety and homologation rules, provide charging infrastructure and guarantee long-term service support. China's advantage extends beyond vehicle volumes. Yutong, BYD, Higer, King Long, Golden Dragon and Zhongtong have built global footprints across Europe, Latin America, West Asia, Asia and Africa. They benefit from large production volumes, established battery supply chains and extensive overseas service networks.

TRACTOR

Business Line, 25 July 2026

JMI targets 20% revenue growth in FY27 on strong tractor demand

T E Raja Simhan
Chennai

Chennai-based auto component manufacturer JM Frictech India (JMI) is targeting a 20 per cent increase in revenue in FY27, driven primarily by sustained growth in the tractor industry, which accounts for a major share of its business.

The company, which supplies components to original equipment manufacturers (OEMs), including TAFE, John Deere, AGCO, Mahindra, Swaraj, CNH Industrial, Caterpillar, JCB, Escorts Kubota, Sonalika, VECV and Tata Motors, reported revenue of ₹520 crore in FY26, Managing Director E Madhavan told *businessline*.

Founded in 2008 as a joint venture between India's NTC Engineering and South Korea's Jinmyung Frictech Co Ltd (JMFT), JM Frictech

E Madhavan, MD, JM Frictech India

manufactures wet friction systems and hydraulic actuation components for off-highway vehicles. While the Korean company continues as a partner, most of the technology development is now carried out in India, said Madhavan.

The company has invested nearly ₹200 crore in three manufacturing facilities near Chennai, and is expanding its footprint with a ₹35 crore greenfield plant at Chandigarh. The new facility, expected to be inaugurated by March 2027, will manufacture braking systems for customers in north and western India.

JMI employs around 1,100 people, and the growth in the number will be in sync with the revenue growth, he said.

TRACTOR SEGMENT

Agricultural machinery contributes around 75 per cent of the company's revenue, followed by construction, mining and transmission at 21 per cent, while direct exports account for the remaining 4 per cent. Brakes contribute nearly 80 per cent of revenue, clutches 17 per cent and hydraulic components 3 per cent.

"The tractor industry has been growing steadily and will be a key driver of our growth," said Madhavan, adding that the company manufactures around 80,000 brake assemblies every month for the tractor segment.

RAW MATERIAL

Business Standard, 27 July 2026

Hindustan Zinc planning ₹25K cr capex to expand refined metals capacity

SUDHEER PAL SINGH
New Delhi, 26 July

- The company expects to seek board approval for the capex in Q3FY27
- The company is already investing ₹12,000 crore to expand refined metal capacity by 250 ktpa
- The ongoing project includes expansion of the integrated zinc smelter at Debari, Rajasthan
- The overall target is to raise the refined metal capacity 1.7 times to around 2,000 ktpa by FY30
- It is also investing ₹3,823 cr to set up a 10 mtpa zinc tailings reprocessing plant

Vedanta subsidiary Hindustan Zinc is planning to spend around ₹25,000 crore to implement the next phase of its refined metal capacity expansion, that will involve setting up over 600 thousand tonne per annum of (ktpa) of additional Zinc and Lead smelting capacity.

The company's management will seek approval for the proposed investment from the board in the third quarter of the current financial year, Chief Executive officer (CEO) Arun Misra said. "Post the approval of the board, the expansion project will take around 36 months to be implemented," he said in the earnings conference call.

Hindustan Zinc is already investing ₹12,000 crore to expand its existing 1,144 ktpa of refined metal capacity by an additional 250 Ktpa. The project involves raising the capacity of the integrated Zinc smelter at Debari in Rajasthan. It is working on a capital expenditure plan of around $500-600 million in the current financial year, as part of a larger 1 million tonne capacity expansion strategy.

Misra said that detailed engineering and supply ordering is in progress and mine development work has commenced. The project, which also involves mined metal capacity expansion from the existing 1,180 ktpa to 1,510 ktpa across mines, is expected to be complete by second quarter of FY29.

The overall target is to raise the refined metal capacity 1.7 times to around 2,000 ktpa by FY30. The company, among the largest integrated Zinc producers globally, is simultaneously investing ₹3,823 crore to set up a Zinc tailings reprocessing plant of 10 mtpa capacity by fourth quarter of FY28.

It produced 260,000 tonne of refined metal, including both Zinc and Lead, in the first quarter ended June 2026, a 4 per cent growth over the production of 250,000 tonne achieved in the same quarter last fiscal.

In the first quarter, HZL's net profit more than doubled to ₹5,469 crore, against ₹2,234 crore recorded in the same quarter last year. The company attributed the growth to higher metal prices, increased metal production, lead concentrate sale, higher by-product realisation, and a stronger dollar. Total income also jumped 74 per cent year-on-year to ₹14,063 crore.

GOVERNMENT POLICY

Business Line, 21 July 2026

Delhi govt clears Centre's Parivartan scheme to phase out old trucks, buses

OEMs ONBOARD. Manufacturers with a cumulative 50% market share agree to offer 8% discount under scheme

Our Bureau
New Delhi

The Delhi government on Monday approved a Ministry of Road Transport and Highway's (MoRTH) scheme for reducing vehicular emissions in the national capital.

The Programme for Accelerated Renewal and Incentivisation of Vehicle Assets for Reducing Transport Air Pollution and Network Emissions (Parivartan) aims to phase out old, polluting trucks and buses and replace them with BS-VI, higher-emission-standard or electric vehicles (EVS).

Companies like Tata Motors, Ashok Leyland and Switch Mobility have signed agreements with the government to offer discounts of 8 per cent on the eligible trucks and buses, under the scheme. Together, these companies have around 50 per cent of the market share in trucks and buses.

FLEET RELIEF. According to the government, the scheme is expected to benefit around 2.07 lakh truck and bus owners

For EVs, the discount would be capped at the discount applicable to an internal combustion engine (ICE) vehicle of the equivalent gross vehicle weight (GVW) category. In addition, the Centre will provide 5 per cent interest subvention and fixed monthly fuel vouchers for five years.

IMPORTANT STEP

"The scheme will strengthen the capital's clean transport system while helping modernise the commercial vehicle fleet and reduce air pollution," Rekha Gupta, Delhi Chief Minister, said.

> **The scheme will further strengthen** the objectives of the Delhi EV Policy-2026, Rekha Gupta said

She said that under the scheme, owners of BS-IV or older Light Goods Vehicles (LGVs) who scrap their vehicles and purchase a new electric LGV will receive a 100 per cent exemption on motor vehicle tax and registration fees for 10 years from the Delhi government.

The decision was taken in a recent Cabinet meeting.

If, the owner buys a used electric LGV, the beneficiary will receive a 50 per cent exemption on motor vehicle tax for 10 years, a five per cent interest subvention and a one-time benefit equivalent to the discounted value of the fuel vouchers, Gupta said.

According to the government, the scheme is expected to benefit around 2.07 lakh truck and bus owners in the Delhi-NCR.

The scheme will further strengthen the objectives of the Delhi EV Policy-2026, the CM said.

"It will replace a large number of old, highly polluting commercial vehicles with cleaner and more modern ones, leading to a reduction in air pollution. The Delhi government is fully committed to promoting clean transport. Keeping this objective in mind, the scheme provides that all LGVs purchased in Delhi under the scheme must be electric. For buses, only BS-VI CNG or EVs will be permitted," Gupta added.

The Economic Times, 22 July 2026

AMID GROWING CONCERNS OVER CONTAMINATED PETROL...

Carmakers Call on Govt to Test Fuel Quality at Pumps

E20 fuel isn't harmful, but infra must be put in place to ensure compliance, prevent car damage: Cos

Sharmistha Mukherjee

New Delhi: The auto industry has urged the oil ministry to devise a formal system to detect contamination at pumps across the country amid growing concerns over fuel quality. The push comes as customers increasingly report worsening vehicle performance since ethanol blending in petrol rose to 20% under the E20 programme. Industry executives clarify that E20 fuel itself isn't harmful to compliant vehicles. The real issue, they say, is adulterated or contaminated fuel reaching consumers.

Investigations triggered by complaints of stalled or non-starting vehicles have repeatedly turned up elevated chloride and moisture levels in the petrol supplied. Given this, carmakers are calling for an independent body to test and certify fuel quality at filling stations, ensuring what's dispensed matches prescribed standards and doesn't damage engines. Fuel pump owners too have been highlighting the issue of contaminated petrol.

"The maker cannot be the checker. At present, oil marketing companies (OMCs) check the quality of fuel being dispensed at pumps. An independent body needs to be made responsible to examine whether the fuel being retailed meets the specifications outlined by BIS (Bureau of Indian Standards)", a senior industry executive said on condition of anonymity.

As per BIS specs, there should be "no addition of detergents, dispersants, silicon, chlorine containing additives, materials and metallic additives" in E20 fuel.

A second industry executive explained, "The quantum of ethanol being blended in petrol has doubled to 11 billion litres in the last two years. But while the ratio of ethanol in the fuel has increased, the infrastructure remains the same. Trucks which were used in alternate applications are carrying E20 fuel; depots and fuel storage tanks at petrol pumps have not been upgraded. Therefore, the instances of fuel contamination."

ET Insight

India mandated sales of E20 nationwide from April 2026. Several consumers since have complained of falling fuel efficiency

Ethanol is hygroscopic in nature or has an affinity to water. Since the existing underground tanks and pipelines were designed to carry conventional petrol, higher ethanol blends can result in contamination of E20 stocks. Industry insiders said, the underground tanks that store fuel often have some amount of water due to ingress during rains or moisture or condensation or from the fuel tanker that brings petrol to the petrol pump.

When water content in the entire E20 stock in underground tanks exceeds 0.5%, ethanol binds with water because of its hygroscopic nature. This results in phase separation, where water-ethanol mixture settles at the bottom of tank, the petrol forms a separate layer on the top. When petrol is drawn from the underground tank, some vehicles may get the water-rich mixture from the bottom instead of E20 fuel, which can cause vehicles to break down or fail to start.

Underground tanks and fuel pipelines made of mild steel also stand the risk of corrosion, if not upgraded, due to ethanol's tendency to absorb water. This again leads to fuel contamination.

Business Line, 28 July 2026

Exporters seek govt intervention as W. Asia crisis disrupts shipping

GROWING CONCERN. FIEO flags fewer mother vessel calls, surging freight costs; carriers roll out new surcharges

Amiti Sen
New Delhi

Escalating shipping disruptions triggered by the continuing crisis in West Asia have prompted Indian exporters to seek urgent government intervention, amid warnings that soaring freight rates, fewer direct calls by mother vessels at Indian ports and increasing dependence on foreign transhipment hubs are hurting India's export competitiveness.

In a letter last week to Union Ports, Shipping and Waterways Minister Sarbananda Sonowal, the Federation of Indian Export Organisations (FIEO) sought an urgent meeting with the Ministry to discuss immediate and long-term measures to address the disruptions.

TRADE TURBULENCE. The continuous rise in freight charges is taking place as shipping lines are rerouting services and adjusting capacity in response to security concerns in the Red Sea region PTI

KEY DEMANDS

"We want to take up with the Shipping Ministry the escalation in shipping related problems being faced by exporters and look for some solutions," FIEO DG Ajay Sahai told *businessline*.

Key demands include rationalisation and greater transparency in freight and contingency charges, restoration of more direct mother vessel calls at Indian ports, measures to ensure adequate vessel capacity and schedule reliability, and the creation of contingency mechanisms to minimise disruptions during future geopolitical crises.

"The concerns have been reinforced by continued freight hikes by global shipping lines, the latest being French carrier CMA CGM's announcement of a fresh Peak Season Surcharge (PSS) effective August 15 on cargo originating from India, Pakistan, Sri Lanka, the Middle East Gulf and Red Sea ports and bound for the US East Coast, Gulf Coast and inland destinations," Sahai said.

FRESH SURCHARGES

The surcharge has been fixed at $5,000 per container across major categories.

In its letter, FIEO highlighted that the West Asia crisis had disrupted shipping networks, resulting in fewer direct calls by mainline vessels at Indian ports and forcing a larger share of export cargo to be routed through overseas transhipment hubs such as Colombo, Singapore and Jebel Ali.

The increased reliance on feeder services has increased transit time, cargo handling costs and overall logistics expenses, while irregular sailing schedules and container shortages have added to uncertainty.

The continuous rise in freight charges is taking place as shipping lines are rerouting services and adjusting capacity in response to security concerns in the Red Sea region.

"These developments are particularly concerning at a time when India is pursuing an ambitious export growth strategy and has set its sights on achieving merchandise and services exports of $2 trillion by 2032. Reliable, predictable and cost-efficient maritime connectivity is indispensable for achieving this national objective," the letter noted.

FIEO also urged the government to work with shipping lines and port authorities to restore direct mainline connectivity, improve schedule reliability and strengthen India's maritime resilience against future geopolitical disruptions.

It said timely intervention would help contain logistics costs and safeguard the competitiveness of Indian exports.

Business Line, 28 JuLy 2026

Vehicle scrappage highest in UP with 2-lakh units off the roads in three years

S Ronendra Singh
New Delhi

Following the implementation of the vehicle scrappage policy by the Centre, more than 1.85 lakh private vehicles and around 10,000 government vehicles have been scrapped through authorised scrapping centres in Uttar Pradesh as of June 30, according to government data.

"The Uttar Pradesh government has made the entire vehicle scrapping process technology-driven, transparent and simple. At present, 101 Registered Vehicle Scrapping Facilities (RVSFs) have been registered in the State, of which 50 are fully operational. These centres are carrying out the scientific disposal of old and unserviceable vehicles," said a senior official in the State government.

The entire process is conducted online through the Centre's Vechicle-Scrap Portal and Vahan system, under the Ministry of Road Transport and Highways (MoRTH), ensuring transparency while also relieving vehicle owners of unnecessary hassles.

According to Vahan data, the Centre has scrapped around `4.2 lakh vehicles across categories since August 2022, when the policy actually kicked off, through authorised Registered Vehicle Scrapping Facilities (RVSFs).

In this year alone, these RVSFs have processed 1.82 lakh applications between January and July 27 (Monday) for scrapping of vehicles from across India, the Vahan portal indicated.

As per the Vahan portal, after Uttar Pradesh, the maximum number of RVSFs are in Haryana with around 25 centres, followed by Gujarat and Maharashtra with 10 each.

TRANSPORT SYSTEM

Meanwhile, the Uttar Pradesh Transport Department said that the scrappage policy also gives special attention to the interests of vehicle owners, as after depositing their vehicle at an authorised scrapping centre, they are issued a certificate of deposit.

Based on that certificate, there is a provision for up to 10 per cent rebate in road tax for commercial vehicles and up to a 15 per cent rebate for private vehicles when they purchase a new vehicle.

In addition, the vehicle owner receives the value of the scrapped vehicle. If the vehicle owner does not purchase a new vehicle immediately, the certificate of deposit can be sold to any other person who needs it under the prescribed system, added the official.

Apart from Uttar Pradesh, the Delhi-National Capital Region is also promoting the scrappage of vehicles and recently approved the roll out of the Delhi Electric Vehicle Policy 2026, in which it has placed vehicle scrappage at the centre of the clean mobility transition by introducing incentives of up to ₹1 lakh for owners replacing older vehicles with electric vehicles.

According to a recent report by NITI Aayog, less than 3 per cent of the country's targeted end-of-life vehicles were successfully processed through authorised channels between August 2022 and July 2025.

"India's vehicle scrappage ecosystem is steadily transitioning from a policy-led initiative to a broader circular-economy opportunity. Beyond improving fleet age, road safety and environmental outcomes, organised scrappage can unlock value through material recovery, component reuse and more efficient resource utilisation. Going forward, greater consumer awareness, RVSF reach, recycling economics and integration across the automotive value chain will be critical to scaling adoption," Pratik Shah, Partner, EY Parthenon, Automotive, told *businessline*.

Business Line, 29 July 2026

Centre plans performance-based safety norms for 2Ws

Rohit Vaid
New Delhi

The Centre plans to introduce performance-based safety norms for two-wheelers by replacing technology-specific regulatory mandates with functional safety standards in a move aimed at providing manufacturers greater engineering flexibility while strengthening road safety, sources told *businessline*.

Accordingly, sources said that the Ministry of Road Transport and Highways (MoRTH) is reworking the proposed regulatory framework to prescribe measurable safety outcomes, including braking performance and stopping distance, instead of mandating specific technologies such as anti-lock braking systems (ABS) or combined braking systems (CBS).

MANDATORY FITMENT

The proposed changes follow representations from industry stakeholders over an earlier draft notification that prescribed the mandatory fitment of ABS and CBS across specified vehicle categories. At that time, manufacturers had argued that technology-specific regulations could restrict innovation and impose unnecessary engineering and manufacturing constraints across different vehicle platforms.

Under the revised framework, manufacturers will instead be required to meet prescribed safety performance benchmarks while retaining the flexibility to deploy any technology capable of delivering the required braking outcomes.

SAFETY NORM

According to sources, the objective is to improve braking performance and reduce accidents arising from sudden braking and vehicle instability, particularly among entry-level motorcycles and scooters, which account for a significant share of road fatalities in the country.

Besides, the revised approach is expected to align India's vehicle safety regulations more closely with evolving international regulatory practices, where performance-based standards are increasingly preferred over technology-specific mandates. Speaking to *businessline*, industry executives said the proposed framework is expected to strike a balance between improving road safety and allowing manufacturers greater engineering flexibility while reducing compliance complexities for products developed for both domestic and export markets.

The development comes as the Centre sharpens its focus on reducing road fatalities through improved vehicle safety regulations, better road engineering and stricter enforcement measures.

Sources said MoRTH is expected to issue the revised draft notification shortly for stakeholder consultations before finalising the new norms.