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AUTOMOTIVE INDUSTRY

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Maruti Suzuki to spend ₹77,500 cr on capex by FY31

BIG PLANS. Aims to boost capacity, carbon reduction; wants bigger share of SUV market

S Ronendra Singh
New Delhi

Maruti Suzuki India on Monday increased its capex outlay and said will invest around ₹77,500 crore till FY31 on capacity expansion across its plants and new products.

The country's largest passenger-vehicle maker is also launching seven new cars in the coming years, Hisashi Takeuchi, its Managing Director and CEO, said at the company's 45th annual general meeting.

"For FY27, we have planned a 40 per cent jump in capex in a single year, from around ₹10,000 crore to ₹14,000 crore. Cumulatively, during FY27 to FY31, we have planned a capex of ₹77,500 crore."

Takeuchi said the major allocations would go towards capacity expansion, new model development, research and development (R&D), plant maintenance, marketing and sales infrastructure, carbon reduction measures and logistics.



All of our current products are E20-compatible. Actually, we improved our compatibility to ethanol in 2008. Since then, all of our products are E20-compatible

HISASHI TAKEUCHI
MD and CEO



Last year, Toshihiro Suzuki, Representative Director and President of Maruti's parent firm Suzuki Motor Corporation (Japan), had said the company would invest ₹70,000 crore in the next five to six years in India to strengthen its operations.

E20 COMPATIBILITY

To another question about E20 fuel compatibility, Takeuchi said, "I would like to assure that all of our current products are E20-compatible. Actually, we improved our compatibility to

ethanol in 2008. Since then, all of our products are E20-compatible."

On sustainability efforts in manufacturing, he said the company is taking many steps to achieve carbon neutrality, including increasing in-house solar capacity from 79.1 MW in FY26 to 211.3 MW by FY31, "which will cover almost 35 per cent of our total electricity requirements".

"(For) the remaining portion, we are going to buy green electricity mainly by solar and wind power for our

plant operations," he added. The company will also put up biomass plants at its Manesar, Kharkhoda and Sanand facilities.

FUTURE-READY

About the company's preparedness on new engines and advanced technology in the upcoming cars, Takeuchi said most of Maruti Suzuki's work is based on new technology and market research capabilities.

"We have strengthened our processes and systems in the area of new product development and also market research capabilities... along with Suzuki Motor Japan we are working extensively on future-ready technologies in our vehicles. In addition, we are engaging with startups companies to explore new innovations and process technology," he noted.

Responding to a shareholder's concern on Maruti not having as strong a hold on premium SUVs like its peers, Takeuchi said, "We will introduce 10 new SUVs in next five years so as to improve our market share."

Mahindra Aerostructures' Bengaluru unit to make fuselage skins for Airbus A320 aircraft

Our Bureau
New Delhi

Global aerospace major Airbus has awarded a contract for the manufacture of A320 aircraft fuselage skins to Mahindra Aerostructures. According to Airbus, this collaboration is a significant boost to the 'Make in India' commitment.

The collaboration, the aerospace major said, further solidifies India's role in high-precision engineering, deepening the country's footprint in global aerospace manufacturing.

Under the contract, Mahindra Aerostructures will manufacture and supply fuselage skins for Sections 18 and 19, the rear fuselage and tail sections of the Airbus A320neo Family from its facility in Bengaluru to Airbus Aerostructures' manufacturing facility in Augsburg, Germany.



The scope includes the manufacture of eight fuselage skins for Section 18 and three fuselage skins for Section 19 of the aircraft.

"This contract from Airbus Aerostructures to Mahindra for the manufacture of the A320 family fuselage skins is a testament to the world-class precision manufacturing capabilities present in the country," said Jürgen Westermeyer, President and Managing Director, Airbus India and South Asia.

'PIVOTAL ROLE'

"By manufacturing complex components for our A320neo Family aircraft dir-

ectly out of Bengaluru, Mahindra is playing a pivotal role in deepening India's aerospace footprint and further driving the vision of 'Make in India' on the global stage," he said.

Under the multi-year industrialisation roadmap, Mahindra Aerostructures will expand its specialised manufacturing capabilities through advanced chemical milling, surface treatment and stretch-forming production lines.

CRITICAL TECHNOLOGY

The partnership, Airbus said, will enable critical technology development in India by introducing stretch-forming capabilities, which is a critical process for the manufacturing of skin panels, making up a very large portion of the aerostructure of an aircraft.

Besides, the programme's initial manufacturing engineering activities, including tooling design, process flow

updates, qualification and inspection, are underway with the final delivery targeted for 2028.

Furthermore, the new contract builds on the growing relationship between Mahindra Aerostructures and Airbus.

In the recent past, Mahindra Aerostructures has been awarded contracts to manufacture and assemble the main fuselages of the Airbus H125 and H130 helicopters, in addition to supplying components and sub-assemblies for Airbus commercial aircraft programmes.

Notably, every Airbus commercial aircraft contains components and technologies made in India. Airbus currently sources components and services worth over \$1.6 billion annually from India, including complex aerostructures and assemblies such as aircraft doors and helicopter cabins.

OEMs report double-digit growth in August PV sales

OPTIMISM. Market leader Maruti Suzuki sees no headwinds, aims for 10% growth in FY27

S Ronendra Singh
New Delhi

Driven by continued demand, new launches and positive sentiments in the market, passenger vehicle (PV) manufacturers reported double-digit growth in their domestic wholesales in August.

Industry sources said total PV sales grew 36.6 per cent y-o-y to around 4.5 lakh units during the month.

ACROSS THE BOARD

Except for Toyota Kirloskar Motor, which reported a decline of 3 per cent y-o-y, all other manufacturers saw a healthy double-digit growth in their numbers. Market leader Maruti Suzuki India posted a 35 per cent growth in its domestic dispatches to 1,76,971 units.

"There is optimism and for the ongoing fiscal, the expectation is 10 per cent growth, although in the second half, the high base effect will kick in. Till now, we are having good tailwinds, and we don't see any headwinds there," said Partho Banerjee, Senior Executive Officer, Marketing and Sales, MSIL. "Yes, being the market leader, in order to take care of the increasing fuel prices, we diversified and we had the

Domestic dispatches Sales in August 2026

Company	Aug 2026	Aug 2025	% change
Passenger Vehicles			
Maruti Suzuki India	1,76,971	1,31,278	34.8
Tata Motors	65,253	41,001	59.0
M&M	59,257	39,399	50.4
Hyundai Motor India	54,396	44,001	23.6
Toyota Kirloskar Motor	28,410	29,302	-3.0
Kia India	29,042	19,608	48.0
JSW MG Motor India	7,508	6,578	14.0
Honda Cars India	5,385	3,850	40.0
Two-wheelers			
Hero MotoCorp	5,42,305	5,19,139	4.40
HMSI	5,17,329	4,81,021	8.0
TVS Motor	4,33,796	3,68,862	18.0
Bajaj Auto	2,01,898	1,84,109	10.0
Royal Enfield	1,14,204	1,02,876	11.0
Suzuki Motorcycle India	1,03,118	91,629	13.0
Commercial Vehicles			
Ashok Leyland	19,438	13,622	43.0
Tata Motors	36,619	27,481	33.0
M&M	42,337	32,954	28.4
Volvo Eicher Commercial	7,584	6,331	20.0
Maruti Suzuki (Super Carry)	3,107	2,772	12.0
Tractors			
M&M	27,595	26,201	5.0
Escorts Kubota	9,523	7,902	20.5

Source: Companies

strategy of CNG. The CNG portfolio is doing really well."

With the festival season already setting in, car makers believe the demand momentum will continue.

Tata Motors, reported a 59

per cent growth in its PV dispatches to 65,253 units during the month.

Multi-utility vehicles maker Mahindra & Mahindra (M&M) sold 59,257 vehicles, up 50 per cent y-o-y while subsidiaries of South Korean

auto majors, Hyundai Motor India and Kia India, also reported double-digit growth in sales.

"We continue to sustain strong growth momentum in FY27... Our August domestic sales of 54,396 units, the highest-ever figure for any August month, reflect the popularity of Hyundai's versatile product portfolio," Tarun Garg, MD and CEO, HMIL, said.

JSW MG Motor India, too, achieved a 14 per cent y-o-y growth in August with 7,508 wholesale units.

TWO-WHEELERS

In the two-wheeler segment, market leader Hero MotoCorp reported a 4.4 per cent growth in its domestic sales to 5,42,305 units.

Honda Motorcycle & Scooter India saw domestic wholesales rise 8 per cent to 5,17,329 units and 'Jupiter' scooter maker TVS Motor Company reported an 18 per cent y-o-y growth with sales of 4,33,796 units during the month. The company had sold 3,68,862 units in August 2025.

Royal Enfield also reported a growth of 11 per cent y-o-y in its domestic wholesales to 1,14,204 units in August 2026 compared with 1,02,876 units in the corresponding month last year.

Petrol vehicles now account for less than half of new PVs

Amit Vijay Mohile
Mumbai

Fewer people in India are buying petrol-powered passenger vehicles than before. Petrol's share in of the passenger vehicle (PV) market has fallen below half to 48.1 per cent in August, amid concerns over the transition to E20 petrol that have pushed buyers towards alternative powertrains. A year earlier, petrol vehicles accounted for 51.9 per cent of total PV sales.

Currently, nearly one in three new PVs run on CNG or battery. The shift has played out in a market that grew 14.9 per cent y-o-y in August. The month saw PV registrations of over 3.9 lakh with Maruti Suzuki retaining its lead at 1.64 lakh units. Tata Motors grew the fastest among six major manufacturers tracked, accounting for 57,357 units in August.

The Federation of Automobile Dealers Associations had predicted in July that hesitation around ethanol-blended petrol would influence customers' purchase decisions.

Longer-term economics are also at work. Hemal



FADA had predicted in July that hesitation around E20 fuel will influence buyers

Thakkar, Senior Practice Leader and Senior Director, Crisil Intelligence, pointed to consumer preference for cost-efficient mobility and a maturing CNG ecosystem. EV demand is similarly benefiting from increasing consumer acceptance and wider model availability, he said.

Electric and strong-hybrid vehicles accounted for 34.8 per cent of PV retails in August 2026, up from 29.9 per cent in August 2025. Strong hybrids themselves slipped to 1.9 per cent from 2.7 per cent.

CNG BATTLE WIDENS

Market analysts say Maruti and Tata's broad factory-fitted CNG portfolios and im-

provements in packaging put them in a stronger position to capture the shift.

Tata's twin-cylinder technology reduces the traditional loss of luggage space from CNG cylinders. Maruti's advantage is breadth and scale. The Wagon R, Dzire, Ertiga and Eco provide established CNG nameplates, while the Brezza and Fronx extend S-CNG into SUVs and crossovers.

Rivals have been slower to build comparable CNG breadth. Hyundai offers CNG on the Grand i10 Nios, Aura and Exter, while its larger SUV portfolio remains largely petrol- and diesel-led. Mahindra has largely stayed out of CNG, combining its petrol- and diesel-heavy SUV franchise with an expanding EV line-up.

TATA GAINS FASTEST

Tata's share of overall PV registrations rose to 14.7 per cent in August from 12.1 per cent a year ago, narrowly outpacing Maruti's gain to 42.1 per cent from 39.6 per cent. Kia's registrations rose 16.6 per cent y-o-y to 23,162 units. Mahindra and Hyundai gained volumes but lost share because their growth lagged the market.

Construction equipment industry raises FY27 growth forecast to 9-12%

DEEPAK PATEL

New Delhi, 1 September

Driven by accelerated infrastructure project execution across several states over the past three months, the Indian construction equipment (CE) industry has raised its domestic sales growth forecast for financial year 2026-27 (FY27) to 9-12 per cent year-on-year (Y-o-Y), up from its initial 7 per cent estimate.

Deepak Shetty, president of the Indian Construction Equipment Manufacturers' Association (ICEMA), on Tuesday said: "The last three months have been very positive. And the industry has grown well. In some places, execution of projects has started getting expedited. We are also seeing that some of the state governments, which were earlier not investing that much in infrastructure, have slowly started doing so."

Shetty, who is also the managing director and chief executive officer (MD & CEO) of



"WE ARE SEEING THAT SOME OF THE STATE GOVERNMENTS, WHICH WERE EARLIER NOT INVESTING THAT MUCH IN INFRASTRUCTURE, HAVE SLOWLY STARTED DOING SO"

Deepak Shetty
President, ICEMA

JCB India, had on May 8 given a Y-o-Y growth forecast of 7 per cent for the Indian CE industry for FY27.

On Tuesday, in an interview with *Business Standard* on the sidelines of ICEMA Annual Session 2026, Shetty said: "I think the growth outlook has improved a bit. I would say that

it should be around 9-12 per cent Y-o-Y in FY27."

This would be a turnaround for the CE industry. The domestic sales of CE in India had reduced by 6.7 per cent Y-o-Y to 113,229 units in FY26 due to slower execution of infrastructure projects, higher equipment prices after transition to stricter emission norms, financing pressures, and rising commodity costs amid the West Asia conflict.

Shetty said that faster execution of infrastructure projects by state governments could provide an even larger boost to demand, although its full impact may be felt in FY28.

The industry also expects strong growth in exports after shipments of CE rose 31.5 per cent in FY26. Shetty hopes for exports to increase by around 30 per cent in FY27, with Indian equipment seeing strong demand in Africa, Southeast Asia, and Latin America.

India's major export markets include East Africa, Europe, the US, Southeast Asia,

and parts of Latin America, according to Shetty. The US and Europe account for the majority of Indian CE exports, although the American market was affected by higher tariffs.

Shetty said exports to the US had started recovering as the tariff situation improved. The US had earlier imposed a tariff of around 50 per cent on Indian goods, which has now fallen to around 15 per cent, he said.

He also expected recently signed free trade agreements, which reduce or remove import duties between countries, to create another opportunity for Indian manufacturers. These include agreements with the UK, the European Union (EU), Australia, New Zealand, and the UAE.

However, CE manufacturers are facing pressure from higher input and operating costs. The overall cost of manufacturing CE has increased by around 6-7 per cent Y-o-Y over the past six months, he said.

More on business-standard.com

TaMo gains biggest market share in PV segment in Jan-Aug

SOHINI DAS
Mumbai, 1 September

Tata Motors has emerged as the biggest market share gainer among India's leading passenger vehicle (PV) makers in the first eight months of 2026, with strong growth in its standard fuel portfolio providing the bulk of incremental volumes even as its electric vehicle (EV) business staged a sharp recovery.

Tata's market share consequently rose to 14.29 per cent from 12.62 per cent in the year-ago period, the largest gain among the six leading manufacturers. The strong growth also lifted Tata to the No. 2 position in the PV market during January-August 2026, from No. 4 in the corresponding period last year. Mahindra & Mahindra, which was second during January-August 2025, slipped to third, while Hyundai moved to fourth.

The automaker registered 494,370 PVs between January and August 2026, up 37.2 per cent year-on-year from 360,245 vehicles, according to VAHAN registration data. This was well ahead of the 21.2 per cent growth in the overall PV market, which expanded to 3.46 million vehicles from 2.85 million during the same period.

The growth was not driven by EVs alone. Excluding EVs, Tata's registrations rose around 30.1 per cent to 408,188

vehicles from 313,789, still substantially faster than the overall market.

Non-EVs accounted for about 70 per cent of the 134,125 additional vehicles registered by Tata during the eight-month period, indicating that its conventional portfolio remained the principal volume driver. EVs made up the remaining 30 per cent of incremental registrations.

The performance stands out against its closest competitors. Mahindra's registrations grew 21.3 per cent to 470,692 vehicles, broadly in line with the market, leaving its share virtually unchanged at 13.60 per cent. Hyundai's registrations increased a relatively modest 10.4 per cent to 407,252 units, resulting in its share declining to 11.77 per cent from 12.92 per cent. Market leader Maruti Suzuki grew 22.4 per cent to 1.40 million vehicles, with its share rising to 40.53 per cent from 40.13 per cent. Kia also outpaced the industry, growing 26.8 per cent and increasing its share to 6.25 per cent from 5.97 per cent. Toyota's registrations grew 12.9 per cent, slower than the market, and its share fell to 6.90 per cent from 7.40 per cent.

EVs re-emerged as a significant growth engine for Tata. Its electric registrations jumped 85.5 per cent to 86,182 vehicles, ahead of the electric PV market's 79.7 per cent expansion.

Stepping up on the gas

PV registrations in Jan-Aug 2026

OEM	Jan-Aug 2026	Y-o-Y chg (in %)	Market share 2025 (%)	Market share 2026 (%)
Maruti Suzuki	1,402,338	22.43	40.13	40.53
Tata Motors	494,370	37.23	12.62	14.29
Mahindra	470,692	21.28	13.60	13.60
Hyundai	407,252	10.4	12.92	11.77
Toyota	238,664	12.92	7.40	6.90
Kia	216,172	26.78	5.97	6.25
Total market	3,459,901	21.21		

Source: VAHAN registration data shared by industry sources
Calculations by Business Standard

450,000 and counting: PV dispatches set Aug record

Wholesales jump nearly 40% on weak base as firms project festival boost

SOHINI DAS

Mumbai, 1 September

Passenger vehicle (PV) dispatches to dealers are estimated to have touched a record for the month of August at around 450,000 units, as the country's leading carmakers reported strong double-digit growth ahead of the festival season. The estimated volume is only around 1.7 per cent below July's 457,810 units, the highest-ever July for the industry.

The near 40 per cent year-on-year (Y-o-Y) jump, however, comes on an unusually weak base. PV wholesales had fallen 8.8 per cent to 321,840 units in August 2025, which the Society of Indian Automobile Manufacturers (SIAM) credited primarily to manufacturers recalibrating dispatches. This was necessary as retail demand was affected after the government signalled goods and services tax (GST) rate rationalisation in mid-August, prompting some customers to defer purchases in anticipation of lower prices. The new rates were eventually approved in early September and took effect from September 22.

Maruti Suzuki India (MSIL), the country's largest carmaker, estimates August industry wholesales at around 450,000 units, plus or minus 2,000-3,000 units. SIAM numbers will be published later in the month.

The strong growth was visible across the country's largest manufacturers. Tata Motors led the pack, with domestic PV wholesales rising 59 per cent Y-o-Y to 65,253 units, while Mahindra & Mahindra's (M&M's) domestic sport utility vehicle sales increased 50 per cent to 59,257 units from 39,399 units. MSIL's domestic PV dispatches rose 35 per cent to 176,971 units, while Hyundai Motor India's (HMIL's) sales increased 23.6 per cent to 54,396 units, its highest-ever August. Tarun Garg, managing director (MD) and chief executive officer (CEO), HMIL, said domestic sales had grown 12.6 per cent Y-o-Y during April-August.

Together, MSIL, Tata Motors, M&M,



Zooming ahead

August PV dispatches

OEM	Aug '25	Aug '26	Y-o-Y growth (in %)
Maruti Suzuki	131,278	176,971	34.8
Tata Motors	41,001	65,253	59.1
Mahindra	39,399	59,257	50.4
Hyundai	44,001	54,396	23.6
JSW MG*	6,578	7,508	14.1
Nissan	1,384	3,426	147.5

*JSW MG figures are total wholesale because the company does not provide a domestic/export split in these releases
Source: Companies

and HMIL dispatched around 355,900 vehicles to dealers, accounting for nearly 79 per cent of the estimated PV market during the month.

The numbers come as manufacturers prepare for the crucial festival selling period. MSIL has around 180,000 pending bookings, while dealer inventory stood at only around 16 days at the end of August. "Whatever we are producing, we are able to just dispatch it to our channel partners," said Partho Banerjee, senior executive officer, marketing and sales, MSIL. He said there were virtually no vehicles lying at the company's factories and that dealers required more supplies.

MSIL is producing around 8,000 vehicles a day, with its production and supply-chain teams working to maximise vehicle availability during the festival season. It is also adding 250,000 units of capacity each at Kharkhoda in Haryana and Hansalpur in Gujarat during 2026-27 (FY27). The new Brezza has received over 55,000 bookings in about 35 days, while retail sales in Kerala during Onam grew 61 per cent, according to the company.

Shailesh Chandra, MD and CEO of Tata Motors Passenger Vehicles, has also indicated that there remains significant scope for sustained industry growth in the second half, helped by lower inventory levels compared with last year. He expects full-year industry growth to

exceed 10 per cent, even though second-half growth could moderate to below 10 per cent because of the higher base.

M&M, too, remains positive on festival demand. "Demand continues to remain strong across our portfolio, with the updated Scorpio-N and BE 6 SPORTEQ receiving strong market response from customers. We look forward to building on this momentum during the festival season," said R Velusamy, president of automotive business at M&M.

The outlook also needs to be seen against last year's unusual festival trajectory. The first 21 days of September remained muted before purchases picked up following the September 22 GST rate cuts and the onset of Navratri. PV retail grew 5.8 per cent in September and subsequently rose to a record 557,000 units in October as pent-up demand, festival purchases, and improved affordability came together.

This year, those benefits are already embedded in the market, but the higher year-ago base is expected to moderate headline growth rates in the second half. MSIL continues to expect the PV industry to grow by at least 10 per cent in FY27. "We have given an outlook that this year industry should grow by 10 per cent. And we stand by that," Banerjee said, adding that first-half growth was unlikely to persist in second half due to the base effect.

Fada to seek OEM meetings as 2W dealers flag workshop losses

ANJALI SINGH

New Delhi, 1 September

The Federation of Automobile Dealers Associations (Fada) plans to approach two-wheeler (2W) original equipment manufacturers (OEMs) to seek measures to improve dealership profitability, as low earnings from workshops and rising competition from unorganised multi-brand outlets (MBOs) emerge as key concerns.

It plans to engage OEMs to address the weak economics of after-sales service and other challenges affecting the financial health of authorised two-wheeler dealers.

Pranav Shah, chairman of Fada's two-wheeler vertical, said the association will write to all two-wheeler OEMs seeking one-on-one meetings between their representatives and dealers. Joint meetings with multiple OEMs could also be held, if required, to discuss the challenges facing the



Taking stock

- The central issue that Fada plans to raise is the economics of two-wheeler workshops
- Plans to also discuss unorganised multi-brand outlets that compete with authorised dealerships without being part of the OEM-authorised network
- Is seeking a more balanced model of agreement between OEMs and dealers
- Will write to all two-wheeler OEMs seeking one-on-one meetings between their representatives and dealers

dealership network.

The central issue Fada plans to raise is the economics of two-wheeler workshops — the service centres where vehicles are repaired and maintained. Shah said dealers are targeting revenue of around ₹500 per two-wheeler from workshops to make the service business profitable, against the current average of about ₹300. In comparison, car workshops generate

nearly ₹5,000 per vehicle.

The gap is significant because workshops continue to incur costs towards technicians' salaries, infrastructure, and other operations despite generating far lower revenue per vehicle. Shah said that if sales and service operations were assessed separately, around 70 per cent of two-wheeler workshops would not be profitable.

"Some OEMs offer ₹100

per vehicle, which covers nothing for us. We have to take care of rent, labour, and other things. While OEMs don't encourage MBOs, they are not actively doing anything about it, and we want to change that as it is eating into our profits," a two-wheeler dealer from Rajasthan said, requesting anonymity.

"Volume is there in two-wheelers, but considering the revenue, the workshop is not profitable," Shah said, adding that dealerships remain profitable only when vehicle sales and service operations are combined.

Fada also plans to take up the issue of MBOs, which Shah said compete with authorised dealerships without being part of the OEM-authorised network. The association is seeking a more balanced model of agreement between OEMs and dealers, arguing that existing arrangements do not adequately account for dealer interests.

CV sales rise in August before festival season

SOHINI DAS

Mumbai, 2 September

Commercial vehicle (CV) sales picked up in August, with major manufacturers reporting double-digit growth as demand from freight movement, infrastructure work and fleet replacement helped them ahead of the festival season.

The year-on-year (Y-o-Y) growth partly reflects a favourable base — CV dispatches were subdued in August last year amid uncertainty about goods and services tax (GST) changes. However, sequential sales and retail registrations show underlying demand strength.

Ashok Leyland sold 19,438 CVs in India in August — up 43 per cent from 13,622 units in the same month last year. Tata Motors' domestic CV volumes increased 33 per cent to 36,619 units from 27,481 units. Mahindra's domestic sales of sub-3.5-tonne CVs rose 22 per cent to 27,415 units. The company's trucks and buses unit — comprising the Mahindra Truck & Bus Division and SML Mahindra — reported a separate 47 per cent rise in overall sales (including exports) to 2,495 units, up from 1,701 units a year earlier.

VE Commercial Vehicles (VECV), a joint venture of Volvo Group and Eicher Motors, saw domestic CV sales increasing 19.8 per cent to 7,584 units. Importantly, three of the four major manufacturers also posted sequential growth. Domestic volumes at Tata Motors and Ashok Leyland rose by nearly 8 per cent each over July, while Mahindra's sub-3.5-tonne CV segment gained nearly 9 per cent. VECV's domestic sales remained broadly flat.

Retail demand shows that the wholesale growth was not entirely a function of the low base. CV registrations on the VAHAN portal increased 22



FREIGHT MOVEMENT, EXPANDING INFRASTRUCTURE ACTIVITY AND FLEET REPLACEMENT FUELLED CV DEMAND IN AUGUST

per cent Y-o-Y in August, according to InCred Research.

The industry's growth was particularly visible in sales of heavier vehicles. Ashok Leyland's domestic M&HCV sales jumped 55 per cent to 12,408 units from 7,991 units a year earlier. Within this category, truck sales surged 60 per cent to 10,285 units, while bus sales rose 36 per cent to 2,123 units. Tata Motors' domestic medium, heavy and intermediate commercial vehicle sales rose 31 per cent to 17,531 units from 13,405 units.

Mahindra's heavier CV segment showed a similar trend. Cargo vehicle sales in its truck and bus business surged 55 per cent, while passenger carrier volumes rose 35 per cent.

"The truck and bus segment continues to be supported by higher infrastructure spending, rising freight demand, and replacement demand, while facing challenges on rising input and fuel costs," said Vinod Sahay, executive chairman, SML, and president, aerospace, advanced technologies, trucks, buses & CE at Mahindra & Mahindra.

More on business-standard.com

Auto retail sales rise 17.5% in August: FADA

'Biggest-ever' August

Category	All-India vehicle retail sales (in units)		
	Aug-25	Aug-26	y-o-y growth (in %)
Passenger Vehicles	3,46,468	4,02,398	16.14
Two-wheelers	14,32,537	17,14,610	19.69
Three-wheelers	1,12,553	1,22,281	8.64
Commercial Vehicles	79,306	90,769	14.45
Tractors	87,244	87,977	0.84
Total	20,62,038	24,23,201	17.51

Source: FADA

S Ronendra Singh
New Delhi

Alternative fuels such as CNG, electric and hybrids collectively overtook petrol variants in passenger vehicles (PVs) for the first time, in the monthly sales during last month, the Federation of Automobile Dealers Associations (FADA) said on Monday. It was also the biggest-ever August in Indian auto retail with the industry registering sales of 24,23,201 units, the industry body added.

Total automobile (across all categories) retail sales grew by 17.51 per cent year-on-year compared with 20,62,038 units sold in August 2025, it said.

FESTIVAL DEMAND

Going forward, the sales expectations rest on the proper festival season, now beginning with Ganesh Chaturthi, the Onam sales spillover and the onset of Navratri, with dealers reporting booking pipelines already, Sai Giridhar, President, FADA, said on Monday.

"For the September-November period, 81.62 per cent of dealers expect growth, 17.09 per cent a flat market and just 1.28 per cent de-growth — a strong reading, though moderated from the 87.85 per cent recorded a month ago," said Giridhar.

Two-wheelers should draw support from festival demand and the alternative-fuel shift, though rural cash-flows remain hostage to late-

season rainfall, he said, adding that PVs enter September with fresh launches and healthy pipelines but must convert them against elevated inventory and a demanding base.

On monthly retail sales, FADA report indicated PV sales grew 16.1 per cent y-o-y to 4,02,398 units during the month. Two-wheeler (2W) sales also grew by around 20 per cent y-o-y to 17,14,610 units. Similarly, three-wheeler (3W) sales grew by around 9 per cent to 1,22,281 units and CVs recorded a 14.4 per cent y-o-y growth to 90,769 units, the FADA report indicated.

MONSOON EFFECT

The industry body added that even as a widening monsoon deficit — around 13 per cent, with 14 States short of rain — held tractors flat and pulled them 25.03 per cent lower month-on-month, every other rural segment outgrew its urban counterpart. Rural PV sales rose 24.99 per cent against urban's 10.93 per cent, and rural 3Ws grew 23.95 per cent even as urban 3Ws fell.

"Rural demand has begun to decouple from the monsoon — the farm-income-linked segment softened, yet the non-farm rural economy of livelihood mobility, goods movement and construction kept accelerating. For an industry long accustomed to reading rural India through the rainfall map, that is the quiet structural marker of FY27," Giridhar added.

Skoda Auto, JSW sign MoU to explore PV joint venture

TIMES NEWS NETWORK

New Delhi: Skoda Auto and JSW Green Mobility have signed a non-binding agreement to explore a joint venture that could develop, manufacture and sell passenger vehicles in India and overseas, the companies announced on Wednesday. The proposed partnership will span internal combustion engine vehicles, electric vehicles, plug-in hybrids and hybrids, signalling that the discussions extend beyond an electric mobility alliance.

"At this stage, the MoU is exploratory and non-binding. The two companies are in early discussions, and there is no definitive agreement yet," a JSW Group spokesperson said. Any binding arrangement will require further negotiations, internal approvals and regulatory clearances, the spokesperson added. The companies did not disclose the proposed investment, shareholding structure or timelines for concluding the negotiations.

Skoda Auto, which leads Volkswagen Group's operations in India, said the proposed two-party partnership would have joint control, with clearly defined responsibilities and mechanisms for faster decision-making.

The collaboration is expected to focus on widening the product portfolio, increasing localisation and strengthening manufacturing and research and development capabilities in India. Platform synergies and deeper localisation are also expected to help the companies offer more competitively priced vehicles, build scale and improve profitability. "To fully explore the country's growth potential, we are always considering new business opportunities," the spokesperson said.

Hero Motors revives tech acquisitions plan

Amit Vijay Mohile
Mumbai

Five years after acquiring a strategic stake in UK-based transmission specialist Hewland Engineering and three years after buying Spur Technologies, Hero Motors Ltd is back on the acquisition trail, with up to ₹150 crore from its proposed ₹1,000 crore IPO available for acquisitions and other strategic initiatives.

The Pankaj Munjal-led automotive technology firm is considering opportunities in controllers, aviation powertrains and high-end machining, as well as businesses that could bring established global customers. Management said acquisition proposals were already being discussed at the board level. Industry sources said a transaction could be announced after the IPO and before the end of 2026.

Speaking to *businessline* after the IPO roadshow, Chairman Pankaj Munjal and Managing Director and CEO Amit Gupta declined to

identify potential targets or commit to a timeline. Gupta, however, confirmed that proposals were coming in.

"We are discussing at a board level... where should we move," Gupta said.

Hero Motors' ₹1,000-crore IPO comprises a ₹600-crore fresh issue and a ₹400-crore offer for sale. Of the fresh proceeds, ₹190 crore will go towards debt repayment and ₹200 crore towards equipment to expand powertrain capacity at Gautam Buddha Nagar.

INORGANIC GROWTH

The balance can fund what Hero Motors describes in its RHP as "inorganic growth through unidentified acquisitions and other strategic initiatives", alongside general corporate purposes.

Spending specifically on acquisitions and other strategic initiatives is capped at 25 per cent of the fresh issue, or ₹150 crore.

Combined spending on these initiatives and general corporate purposes cannot exceed 35 per cent, or ₹210 crore.

'Sixfold jump in Gestamp's hot-stamped steel used in Indian cars'

bl.interview

Amit Vijay Mohile
Mumbai

Gestamp India is betting on rising demand for safer, lighter vehicle structures as Bharat NCAP and five-star crash ratings push advanced structural technologies deeper into mass-market cars.

The Spanish auto-components major expects its India business to grow through 2031, while adding giga-stamping capacity and investing ₹523.7 crore in Gujarat.

Bharat NCAP and the growing focus on five-star crash-test ratings are reshaping how Indian cars are built. Pune-based Gestamp India said hot-stamped steel used in an average Indian-made passenger vehicle has risen sixfold to around 60 kg from roughly 10 kg six years ago, as stronger structural parts

spread from premium to entry-level cars.

The sixfold increase reflects greater hot-stamped content per vehicle, rather than equivalent growth in Gestamp's overall business.

The Indian arm of the €11.3-billion Spanish auto-components major grew revenue to about 80 per cent over five years to roughly ₹2,200 crore in 2025, according to regulatory filings.

Looking ahead, Gestamp expects India revenue to broadly track the passenger-vehicle market, which it sees growing 5-7 per cent annually through 2031, while investing ₹523.7 crore in its Bhagapura facility in Gujarat.

Glyn Jones, Country Head & President of Gestamp India, spoke about India growth, crash safety and the technologies changing vehicle structures.

Edited excerpts:



Our challenge is developing common architectures that can accommodate different requirements

GLYN JONES

Country Head & President of Gestamp India



Gestamp's India revenue has grown around 80 per cent over five years. What do you see ahead?

India is a bright spot in the passenger vehicle market. We expect our sales revenue to grow broadly in line with the market, which we see growing around 5-7 per cent annually through 2031.

We are well positioned for future growth and committed to further investment as required.

How much has hot stamping increased as crash safety becomes more important?

Ultra high-strength steel is becoming more prevalent in body-in-white structures. Today, hot stamping accounts for around 15 per cent of the average body in-white structure. We are at around 60 kg of hot-stamped content per vehicle on average, a sixfold increase over six years. Safety is the most important factor in any body-in-white structure.

Has hot stamping moved beyond premium cars?

Previously, hot stamping was seen as a niche technology at a certain price level. Today, even entry-level B-segment cars have hot-stamped parts. We were a supplier partner on Tata Motors' Altroz five-star NCAP programme and have since developed multiple solutions for customers in India.

What role are Bharat NCAP and India's multiple powertrains playing?

Crash performance has become increasingly important with BNCAP. India also has diesel, petrol, CNG, BEVs, hybrids and range extenders. Our challenge is developing common architectures that can accommodate these different requirements. Our technical teams work with customers on CAE, BNCAP, CAFE and packaging.

What comes after hot stamping?

Giga stamping is the next evolution.

Customers want more with less complexity. We can take the whole side of a vehicle and make it as one complete ring, whereas today it might require six or seven parts. It can also reduce the equipment customers' require in their body shops and make the body-in-white more cost-effective.

How much capacity are you building for this growth?

We have two giga-stamping lines running in India — Pune and Bhagapura. A second Bhagapura line will be operational by the year-end. Pune and Chennai are running at around 80 per cent capacity, so we have room to grow. We have also acquired around 11 acres at Khed City near Pune for future expansion.

ELECTRIC VEHICLES

Business Line, 2 September 2026

VinFast pulls brakes on 3 EV models

Reuters
New Delhi

VinFast has suspended plans to manufacture three electric vehicles in India and ordered suppliers to halt work on the projects while it reassesses costs, according to two sources and a company memo reviewed by Reuters.

The manufacturer has asked suppliers to "hold all activities" on three programmes, including a two-door SUV called VF3, expected to be its most competitive model in the market, and the VF6 and VF7 SUVs, which it assembles in the country.

EXPANSION SETBACK

The suspension marks another setback for loss-making VinFast, which has turned to India for growth after facing difficulties gaining market share in the US and Europe.

VinFast opened its first factory outside Vietnam in southern India last year and



REVIEWING COSTS. The company has ordered suppliers to halt work on projects, including the VF6 and VF7. REUTERS

pledged to invest \$2 billion.

The company did not directly address whether it suspended local manufacturing plans for the three models. It said it has not changed or suspended plans for VF6 and VF7 currently on sale in India and will continue to assemble them.

MEMO TO SUPPLIERS

"India is an important market in VinFast's long-term business and manufacturing strategy," a company representative told Reuters in a statement, adding that it is making "appropriate adjust-

ments" to its products.

In a July memo to suppliers, the auto maker said it decided to "temporarily" put on hold all development work related to the VF3, VF6 and VF7.

The memo also asked suppliers to provide a detailed breakdown of the "total amount invested to date" on projects that require payment or reimbursement from VinFast.

VinFast didn't meet planned costs for developing parts in India for the cars, which is why it stopped the work, one of the sources said.

EVs may account for 7-8% of FY28 sales: Hyundai India

ANJALI SINGH

New Delhi, 3 September

Hyundai Motor India expects electric vehicles (EVs) to account for 7-8 per cent of its sales next financial year as the automaker expands its electric portfolio with new models, including a dedicated sub-4-metre EV, company's Managing Director and Chief Executive Officer (MD & CEO) Tarun Garg said on Thursday. The company also expects EVs, hybrids, and compressed natural gas (CNG) vehicles to together account for around 50 per cent of its sales by 2030, he said.

"With our upcoming models, the expectation is that by next fiscal, we should be touching an industry contribution of about 7-8 per cent for EVs, and the contribution of EVs to Hyundai's own sales would also be close to 7-8 per cent," Garg added.

The company sold 584,906 vehicles in the domestic market in 2025-26 (FY26), while its domestic sales grew 12.6 per cent year-on-year (Y-o-Y) during April-August of FY27.

In August, Hyundai recorded its highest ever domestic sales for



Tarun Garg, MD & CEO,
Hyundai Motor India

the month with 54,396 units sold, up 23.6 per cent Y-o-Y.

The Creta Electric currently anchors Hyundai's mass-market electric portfolio, while the Ioniq 5 caters to the premium end. Monthly sales of Creta Electric have increased to around 1,000 units from 400-500 units.

Garg said demand for the Creta Electric was consistent rather than a temporary spike. The company is also working to reduce the model's waiting period, which currently ranges from around four-eight weeks.

Hyundai is preparing to enter the sub-4-metre EV segment

Gearing up

- Monthly sales of the Creta Electric have increased to around 1,000 units from 400-500 units
- EV expansion forms part of its broader strategy of keeping multiple powertrain options open
- Plans to offer roughly four to six models each across EVs, hybrids and CNG by the end of decade

with a dedicated born-electric model, which Garg expects to provide another leg of growth. The segment already includes high-selling electric models such as the Tata Punch EV and Nexon EV.

Competition in the broader electric passenger vehicle market has intensified, with an expanding range of models across price points. Prominent electric cars include the MG Windsor, Tata Nexon EV and Punch EV, and Mahindra's XEV 9e and BE 6.

Hyundai's EV expansion forms part of its broader strategy of keeping multiple powertrain

options open. Garg said the firm expects EVs, hybrids, and CNG vehicles to together account for around 50 per cent of its sales by 2030, with the three technologies contributing broadly equally.

The company plans to offer roughly four-six models each across EVs, hybrids, and CNG by the end of the decade. CNG, however, is expected to remain concentrated in vehicles priced below ₹15 lakh. The automaker is not rushing to introduce hybrids in India. Garg said Hyundai has the technology but would introduce hybrid models only after achieving sufficient localisation to offer customers a competitive price proposition. While consumer interest in hybrids is expected to be strong, affordability would ultimately determine their adoption, he said.

The strategy reflects differing powertrain preferences across vehicle segments. Diesel continues to account for about 40 per cent of demand for the Creta, while CNG contributes around 18 per cent to Hyundai's overall sales. CNG penetration is particularly high in models such as the Aura and Grand i10 Nios.

EV shift puts auto parts MSMEs under pressure

G. Balachandar
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Chennai: India's shift towards electric mobility and tech-intensive vehicles is exposing a capability gap among auto component manufacturers, particularly MSMEs, even as imports of batteries, power electronics, embedded software and advanced electronics rise.

Domestic OEM sourcing of auto components grew 16% to Rs 6.6 lakh crore in FY26, while component exports reached Rs 2.1 lakh crore. But imports are growing faster, with China accounting for about 36% of India's auto component imports, according to a study by Vector Consulting Group.

The challenge is significant for MSMEs, which account for around 80% of India's auto parts producers. While advanced engineering, electronics, embedded software and systems integration are increasingly critical to competitiveness, fewer than half of MSME suppliers are estimated to have these capabilities. Embedded software capability exists in only about 10% of

suppliers and systems integration and product development capabilities in around 14%.

"India's automotive opportunity will depend on how quickly capability can be built across the supplier ecosystem," Ravindra Patki, Managing Partner, Vec-

The challenge is significant for MSMEs, which account for around 80% of India's auto parts producers

tor Consulting Group, told **TOL**. "Policy support has an important role in creating the right environment, but it cannot by itself close the capability gap."

The financial constraints of smaller suppliers make the transition harder. Inventory levels can reach 60 days in some cases, locking up working capital, while EBITDA margins remain around 12%. Only about 10% of suppliers are estimated to have the financial capacity to invest consistently in technology, engineering and product development.

EV registrations in TN rise 38% to over 1.90 lakh in 2025-26

Our Bureau
Chennai

Over 1.9 lakh electric vehicles (transport and non-transport) were registered in Tamil Nadu in 2025-26, up from 1.37 lakh in 2024-25, a robust 38 per cent growth, as per the Policy note on the Motor Vehicles Act - Administration, tabled in the Assembly on Tuesday by Transport Minister A Vijay Tamilan Parthiban. Over 92 per cent of the e-vehicles (defined as battery-operated vehicles) registered in 2025-26 are in the non-transport vehicles category.

A total of 5.52 lakh e-vehicles are registered in the State cumulatively over the years, the data show.

"Over ₹1,011 crore in tax has been exempted for the registration of e-vehicles in 2025-26," the Minister said.

Hero Motors plans ₹1,000 cr IPO, focuses on electric mobility push

GROWTH ENGINE. The company prices issue at ₹79-84 a share, targeting a valuation of about ₹3,815 crore

Amit Vijay Mohile
Mumbai

Hero Motors Ltd is seeking a valuation of about ₹3,815 crore in its ₹1,000 crore initial public offering (IPO), pricing the September 16-18 issue at ₹79-84 a share as the Pankaj Munjal-led automotive-components maker raises capital to cut debt and expand powertrain capacity.

Of the offer, ₹600 crore is a fresh issue, while ₹400 crore, or 40 per cent, will go to selling shareholders, including ₹395 crore to promoter O P Munjal Holdings and ₹5 crore to Hero Cycles.

The IPO comes as Hero Motors increasingly pivots towards electric powertrains and bets on a recovery in Europe's e-bike market. E-mobility revenue jumped 55.6 per cent to ₹273.29 crore in FY26, raising its share of revenue to 23 per



NEW LEVER. (from left) Amit Gupta, Hero Motors MD & CEO, Pankaj M Munjal, Chairman, Abhishek Munjal, Director, Utkarsh Sanghi, CFO and Keshav Misra, Director, at the IPO roadshow

cent from 16.1 per cent.

The growth, however, comes against a 46.2 per cent fall in US revenue and low utilisation at some newer facilities, leaving investors to weigh a fast-growing EV portfolio against the challenge of converting capacity built ahead of demand into returns.

"We are not just the manufacturing partner; we are a technology partner," Chairman Pankaj Munjal said, as Hero Motors moves up the value chain from supplying components to designing,

developing and integrating powertrain systems.

The company will use ₹190 crore of the fresh proceeds to repay or prepay borrowings and ₹200 crore to buy equipment for expanding capacity at its Gautam Buddha Nagar facility in Uttar Pradesh.

The underlying machinery programme is estimated at about ₹228 crore and includes 26 machines.

POWERTRAIN REVENUE

Powertrain solutions have meanwhile overtaken the

company's legacy alloys and metallics operations. Powertrain revenue rose 19.4 per cent to ₹637.75 crore in FY26, accounting for 53.7 per cent of revenue.

EVs now contribute 23 per cent of Hero Motors' revenue, while management said roughly 80 per cent of its R&D spending is directed towards EV and hybrid technologies.

The company spends about 7 per cent of revenue on R&D, including design, testing and validation of powertrain systems.

Europe provides another growth lever. European revenue jumped 28.8 per cent to ₹399.22 crore in FY26, helping offset the sharp US decline. Management said the region's e-bike industry, hit by a severe post-Covid inventory correction, began clearing excess stocks last year and has returned to growth.

"Powertrain solutions have grown much more, and we have added more customers," Managing Director and CEO Amit Gupta said. "Our overall strategy is to diversify going forward."

Hero Motors enters the IPO with FY26 revenue up 9.1 per cent to ₹1,188.35 crore and net profit up 25.5 per cent to ₹41.17 crore. EVs are already nearly a quarter of its business; the harder part now is filling the capacity built for that transition and making those investments deliver returns.

Ultraviolette set to scale output at ₹779 cr EV factory in Hosur

Sindhu Hariharan
Chennai

Electric vehicle maker Ultraviolette Automotive is getting ready to scale its production as it launches its new facility — Big Global Ambition (BIGGA) Factory — near Hosur in Tamil Nadu.

Ultraviolette's cumulative investment in this facility over the next four to five years is set to be around ₹779 crore.

MOU SIGNED WITH TN

The company signed an MoU with the State government in the investment conclave last month.

Phase I will have capacity for around 2.5 lakh vehicles, while Phase II, expected after 2029, will double this to 5 lakh units. The construction of Phase I will be completed by Q1 2027.

Ultraviolette's future product portfolio includes multiple motorcycle seg-



WHAT'S IN STORE. Ultraviolette Automotive's vision for BIGGA incorporates sustainability and automation techniques

ments (Sports, Crossover, Cruiser, Street) and scooters, including the Tesseract electric scooter.

SCALING UP PRODUCTION

"In the next three to four years, we forecast that the product mix for Ultraviolette would be 50-50 between scooters and motorcycles. The immediate volume ramp-up is more skewed towards the Tesser-

act and the intent is to scale to about 10,000 units a month as quickly as possible through the new facility," Narayan Subramaniam, Co-founder & CEO, Ultraviolette, told *businessline*.

The paperwork for the land allotment is on, and the next step would be to commence plant development activities, he adds. He expects the new facility, set to come up at SIPCOT Indus-

trial Park, Shoologiri, to simplify their supply chain, given that a large part of their vendor and supplier ecosystem today is already consolidated around Hosur and Chennai.

Phase I will have capacity for around 2.5 lakh vehicles, while Phase II, expected after 2029, will double this to 5 lakh units

In terms of direct employment, it would scale to 2,000 people in Phase I of operations and possibly double to 4,000 to 5,000 in Phase 2.

Ultraviolette's vision for BIGGA incorporates sustainability and automation techniques. The company is investing heavily in becoming a sustainability-oriented manufacturer; on automa-

tion, the battery line, currently semi-automated, will gradually move towards full automation in the new facility, said Subramaniam.

Advanced automation, including collaborative robots for sorting, welding and assembly, automated assembly fool-proofing and vision-based inspection systems, will be deployed across key manufacturing processes.

Speaking about localisation levels, Subramaniam said over 90 per cent of their components are already localised.

"We make our chargers, motors, all of it locally. Even our battery pack is manufactured by us in-house," he added. Like many players, the cell technology and the magnets needed for the EVs are still imported.

Despite the industry's capital-intensive nature, the Co-founder said Ultraviolette is currently capitalised to execute the outlined expansion plan.

EVs see record all-round growth in August: FADA

LOW BATTERY NO MORE. Each segment gained more market; e-CV sales nearly tripled

S Ronendra Singh
New Delhi

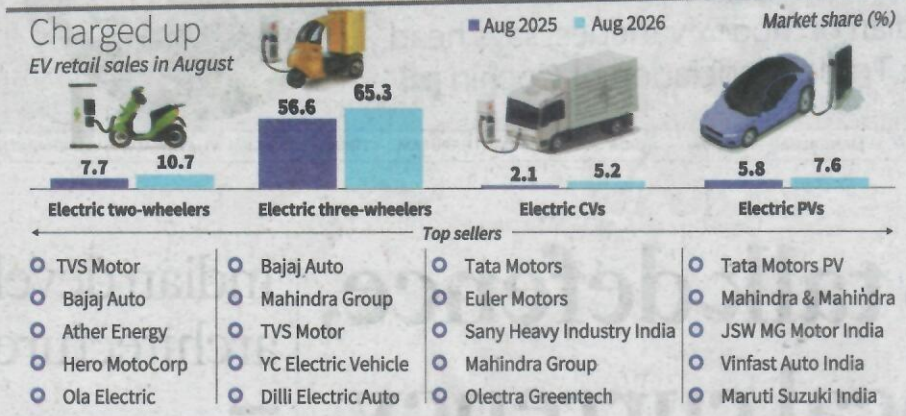
It was the "biggest-ever" August for not just overall vehicle retail sales in India, but also for electric mobility across categories. The segment saw sales of over 2.98 lakh units during the month, a 53 per cent uptick from the same period a year ago, taking overall EV penetration to 12.3 per cent.

Remarkably, each of the four EV categories also set a fresh August record, the Federation of Automobile Dealers Associations (FADA) said on Tuesday.

TAMO NO 1

In the electric passenger vehicle (PV) sales, Tata Motors continued to lead the market, followed by Mahindra & Mahindra and JSW MG Motor. Newcomer VinFast secured the fourth position just within a year of its entry into the country, recording sales of 2,199 units, followed by Maruti Suzuki India. The latter has just one EV offering, the eVitara.

Tata Motors Passenger Vehicles sold 13,158 units during the month, up 63 per cent y-o-y while M&M grew its sales by 56 per cent to 6,464 units.



Source: FADA

However, JSW MG Motor's sales declined 17.77 per cent to 4,622 units during the period, though it sold the third-most number of electric PVs. The total retail sales of electric PVs grew by around 52 per cent y-o-y to 30,696 units in the last month compared to 20,210 units sold in August 2025, the monthly data shared by FADA showed.

TVS MOTOR OUTSHINES

In the electric two-wheelers category, TVS Motor Company sold the most with 48,938 units, recording a growth of 91 per cent y-o-y against 25,646 units in August last year. Bajaj Auto followed with sales of 41,114 units, which was more than

triple the sales of 12,246 units it saw in August 2025.

Ather Energy recorded sales of 28,757 units, up around 50 per cent y-o-y compared with 19,210 units in August 2025. Hero Motor-Corp followed with 19,007 units as against 13,769 units in the same month last year.

Total electric two-wheeler sales grew 67 per cent y-o-y to 1,83,204 units in August compared with 1,09,673 units in August 2025.

THREE-WHEELERS, CVs

In the electric three-wheeler segment, the total sales grew by 25.28 per cent y-o-y to 79,846 units compared with 63,736 units in August 2025. The electric commercial vehicle sales also almost

tripled to 4,702 units last month compared with 1,631 units in August 2025.

"The clear standout is electric CVs, which touched an all-time monthly high — the single best month in our entire series — nearly trebling to a 5.18 per cent share, as fleet electrification moves decisively from pilots to purchase orders," said Sai Giridhar, President, FADA.

"Electric two-wheelers held above 10 per cent penetration even in a seasonally soft, non-festive month and now account for over 60 per cent of all EV retails; three-wheelers remain structurally electric at 65.3 per cent, and passenger EVs grew 52 per cent to a 7.6 per cent share," he added.

RAW MATERIAL

Business Line, 1 September 2026

Steel prices to rise ₹2,000/t on firm demand

Suresh P Iyengar
Mumbai

Steel prices will increase by ₹1,500-2,000 per tonne to ₹72,500 a tonne in September, on the back of a strong revival in demand post-monsoon and firm trend in input cost.

The domestic steel market continues to witness healthy demand, with finished steel consumption growing by 8 per cent during April-July, according to the Ministry of Steel. Hot-Rolled Coil (HRC) prices were up 15 per cent at about ₹70,448 per tonne in August year-on-year. TMT bar prices have jumped 6 per cent to ₹58,000 a tonne y-o-y in August.

The supply situation has remained tight with most steel companies taking maintenance shutdowns in



DOMESTIC MARKET. Finished steel consumption grew 8 per cent during April-July, according to the Ministry of Steel PTI

anticipation of weak demand during monsoon.

COAL COSTS

Supported by government spending, the steel demand has also been riding on a strong pipeline of infrastructure and construction projects in the last few months. Healthy sales of automobiles and consumer durables are adding to flat-steel demand.

Domestic steel demand is expected to grow at 7 per cent CAGR over between FY26 and FY29 and the utilisation is expected to remain above 90 per cent, which provides a favourable medium-term pricing environment, said Bhavik Shah, Research Analyst-Metals and Mining, Choice Institutional Equities. Coking coal prices have risen about 5 per cent

from Q1 levels, while higher coal costs are putting pressure on steel makers' margins.

STEEL IMPORTS

Vandana Bharti, Head of Commodity Research, SMC Global Securities, said steel mills have implemented selective price revisions, including recent hikes of about 14 per cent in some flat products, to offset rising input costs and margin pressures.

Indian HRC remains 5-6 per cent below Chinese import parity. However, the discount has narrowed significantly, partly due to safeguard measures and India becoming a net steel importer in Q1. Steel imports from China, Japan, and Russia increased by about 22 per cent quarter-on-quarter during the period, she said.

MAJOR STEP TOWARDS 'MOTHER OF ALL DEALS'

India Set to Get 6.94 Lakh Tonne Steel Export Quota Under EU FTA

Quotas cover stainless steel products, pipes & tubes, hot-rolled sheets & strips, metallic-coated & cold-rolled sheets

Our Bureau

New Delhi: India will get country-specific tariff-rate quotas (TRQs) of 1.64 million tonnes annually to export steel products to the EU. Of this, nearly 700,000 tonnes will be under the free trade agreement, as per the deal text published by the EU.

The quotas cover stainless steel products, pipes and tubes, non-alloy and alloy hot-rolled sheets and strips, metallic-coated sheets, and cold-rolled sheets, among others. The rest of the 940,000 tonnes are under the most favoured nation (MFN) component.

The two sides concluded the talks for an FTA in January, which is expected to be signed later this year and come into force the first quarter of next year.

The European Commission Friday formally submitted its proposal to the European Council to sign and finalise the FTA with India, marking a major step towards implementing the "mother of all deals".

At present, India exports about four million tonnes of steel annually to the EU.

As per the text, the largest country-

Steel Deal

India to get annual TRQ of
1.64 million
tonnes for steel
exports to EU

6.9 lakh
tonnes to
be allocated
under FTA

Quotas part of EU
Steel Overcapacity
Regulation

India can
access
additional
and residual
quotas for
some products

Largest quotas
for non-alloy
and alloy hot-
rolled sheets
and strips, and
cold-rolled
sheets

specific quota is for non-alloy and other alloy hot-rolled sheets and strips at 5.09 lakh tonnes, followed by cold-rolled sheets with a total quota of 2.18 lakh tonnes and metallic-coated sheets with 1.97 lakh tonnes. It added that the TRQs relating to imports into the EU of steel products originating in India shall take effect on the date the EU Steel Regulation starts applying. The TRQs follow the EU's Steel Overcapacity Regulation, which came into force on July 1 this year which aims at ensuring pro-

tection for the bloc's steel industry against the effects of global overcapacity. It sets free-of-duty quotas at 18.3 million tonnes, with a 50% duty for out-of-quota imports and a melt-and-pour regime to enhance transparency.

Steel imports from India outside these quotas will attract the applicable base-rate duties under the EU's tariff commitments. "If the European Union amends the Product Specific Rules (PSRs) for products covered under the EU Steel Regulation, the European

Union shall consult with India immediately upon the proposal for such an amendment," the text said. The EU would administer the TRQs, it said, in a transparent, objective and non-discriminatory manner so as to be conducive to trade and facilitate, to the extent feasible, their effective utilisation.

This includes making publicly available in a timely and continuous manner all relevant information concerning the administration of those TRQs.

It added that India will also get access to additional quota volumes in categories where India has a country-specific quota. Those additional volumes will be allocated through competition among EU FTA partners that have country-specific quotas in those categories. For product categories where India does not have a country-specific quota, it will have access to residual quotas, including general residual quotas open to eligible trading partners and preferential quotas reserved for EU FTA partners.

The agreement also provides for periodic reviews of the quotas, with the first review to be initiated one year after the FTA comes into force and subsequent reviews every five years.

GOVERNMENT POLICY

Business Standard, 4 September 2026

Gadkari launches retrofit device to cut emissions, urges OEMs to back scrappage

ANJALI SINGH
New Delhi, 3 September

Road Transport and Highways Minister Nitin Gadkari on Thursday announced the approval of new AIS 228 standards for retrofitting rear emission-control devices on pre-BS6 heavy vehicles, with the technology capable of reducing particulate matter (PM) emissions by 90 per cent and nitrogen oxides (NOx) by 60 per cent.

The device, developed by an IIT Delhi-led team, costs around ₹4,000-5,000 and has demonstrated emissions from a retrofitted BS4 vehicle com-

parable to those of a BS6 vehicle, Gadkari said.

At the same time, Gadkari urged original equipment manufacturers (OEMs) to actively support the government's vehicle-scrappage drive by offering discounts to customers who scrap old vehicles and purchase new ones. He said the industry should view scrappage as a commercial opportunity that could boost vehicle sales and production, rather than merely as a government recommendation.

The government's Parivartan scheme for the Delhi-NCR region, launched in July, targets the scrapping of more than

200,000 older trucks and buses, and provides incentives for purchasing newer BS6 and electric vehicles. Gadkari asked OEMs to offer additional concessions against scrappage certificates, saying this would help accelerate fleet replacement while creating demand for new vehicles.

The twin approach of retrofitting older vehicles and accelerating their replacement through scrappage comes as the government seeks to tackle vehicular emissions in Delhi-NCR while supporting the renewal of the commercial vehicle fleets.

Gadkari said Bharat NCAP

(New Car Assessment Programme) has emerged as a major success, with more than 30 models from 11 companies already certified under it. He said the initiative has also significantly lowered the cost of vehicle safety testing, with testing under Bharat NCAP costing around ₹60 lakh per model compared with about ₹2.5 crore under Global NCAP.

The lower cost has encouraged even foreign automakers to send vehicles to India for testing, he said, adding that the programme is also helping improve the credibility and quality of Indian vehicles in global markets.

Auto industry warned of stricter norms for ICE vehicles

S Ronendra Singh
New Delhi

The government on Thursday provided a clear policy direction for conventional internal combustion engine powered vehicles.

Speaking at the 66th Annual Convention of the Society of Indian Automobile Manufacturers (SIAM) here, Tarun Kapoor, Advisor to the Prime Minister, said more restrictions, such as the upcoming ones in Delhi are in the offing, and that major changes were likely to be introduced on the taxation part as well across India.

"On taxation front, there are certain issues to be sorted out because people keep meeting me about import of batteries and whether more manufacturing now is happening in India; can we put some restrictions there?" Kapoor said. He outlined the need to discuss and debate on how to put in certain measures so that the industry on battery manufacturing takes off gradually.

"On the four-wheeler side, I can tell you that more and more restrictions will come... therefore, please be prepared, and we need to push electric in a big way," he told the auto industry.

THE DELHI POLICY

In June, the Delhi Cabinet approved the State EV Policy under which registration of ICE two-wheelers will not be allowed from April 1, 2028. Similarly, only electric three-wheelers (L5 - passenger and goods autos) and electric N1 (light commercial vehicles capable of carrying loads of up to 3.5 tonnes) goods carriers will be allowed from January 1, 2027.

As per the policy guidelines, the Delhi government is offering subsidies for all these categories of vehicles.

Kapoor also observed that certain manufacturing costs may still be high, but the auto



STRONG MESSAGE. (From left) V Umashankar, MoRTH Secretary; Tarun Kapoor, Advisor to the Prime Minister; Kamran Rizvi, MHI Secretary; and Shenu Agarwal, newly elected SIAM President, at the SIAM conference in New Delhi on Thursday

industry needs to think of ways and means to bring down the costs, so that the end product becomes cheaper. "Then we need to come up with some financing models or maybe some other methods, say battery swapping, or maybe charging has to come up along the highways," he added.

Meanwhile, Kamran Rizvi, Secretary, Ministry of Heavy Industries, said the subsidies are going to end for EVs and companies need to be prepared for the challenge.

EXPIRY FOR SUBSIDIES

"I can lay out some key challenges, which will happen in the next four or five years. The first thing will be that subsidies and government support will come to an end,

and in fact, they have come to an end in some sectors," Rizvi said.

The electric three-wheeler segment in India currently accounts for half of the total sales in the segment, which is significantly higher than the target of 10 per cent by 2026, he noted. In about two to three years, it could be 75 per cent, and two-wheelers are not far behind as 7 per cent of the segment sold are in electric.

Speaking at the plenary session, V Umashankar, Secretary, MoRTH, also said the industry and the government need to work together to face challenges, such as "options of the fuel mix or the power train mix", in future. "... We are in a position where the fuel is also becoming

an issue, and that issue will need to be tackled with the same spirit of cooperation [as before]."

'WELL-PLACED'

Meanwhile, addressing the conference via a message, Prime Minister Narendra Modi urged the automobile industry to continue innovating, pursuing excellence and proactively charting a bold pathway towards *Viksit Bharat*. Collective vision and collaborative spirit, he said, will contribute significantly to shaping the future of India's mobility ecosystem.

"India has been one of the fastest growing major economies in the world over the last decade. As our economy grows, the demand for mobility is also rising. The rapid expansion of highways and other infrastructure is facilitating the movement of people and goods while creating new opportunities for the industry," Modi said.

"The PLI scheme and Make in India have further strengthened the manufacturing capabilities of the industry. With recent FTAs providing greater access to international markets, the sector is well placed to further expand its global presence," Modi added.

Ashok Leyland's Shenu Agarwal named new SIAM President

Our Bureau
New Delhi

The SIAM Executive Committee on Thursday appointed Shenu Agarwal, MD and CEO, Ashok Leyland, as its President for 2026-27.

Agarwal, who previously served as the Vice-President of SIAM, succeeds Shailesh Chandra, MD and CEO, Tata Motors Passenger Vehicles.

The other members that SIAM elected were KN Radhakrishnan, Director and CEO, TVS Motor Company, as the Vice President, and Santosh Iyer, MD and CEO, Mercedes-Benz India, as the Treasurer.

ACMA OFFICE BEARERS

Meanwhile, Automotive Component Manufacturers Association of India (ACMA) appointed Sriram Viji, MD, Brakes India, as its President for 2026-27, and Anjali Singh, Executive Chairperson, Anand Group and Gabriel India, as President-Designate.

Welcoming the new leadership, Vinnie Mehta, Director General, ACMA, said, "Their rich industry experience and strategic vision will guide ACMA as the sector navigates geopolitical uncertainty and the evolving mobility landscape.

I am confident that their leadership will strengthen our engagement with government and industry partners to diversify supply chains, improve access to critical raw materials and enhance India's global competitiveness."

Viji added that the components industry body's priority is to deepen local capabilities and accelerate investment in advanced technologies, R&D and innovation, while embedding sustainability across the industry.

Maruti MD bats for right balance between regulation, affordability

Our Bureau
New Delhi

Maruti Suzuki India (MSIL) on Thursday said it expected the right balance between regulations and affordability to continue in the future, saying it will ensure safer and cleaner mobility remain within the reach of Indian customers.

In his address at SIAM's 66th annual convention, Hisashi Takeuchi, MD and CEO, MSIL, said compressed biogas (CBG) has a strong potential for India as the country has abundant



Hisashi Takeuchi, MD and CEO, Maruti Suzuki India

cattle dung, biomass and agricultural wastes that can be converted into clean fuel.

SAFETY AND COMFORT

"For millions of Indian families, buying a car is still a major

aspiration. It gives them greater safety, convenience, and comfort. This is why affordability is important," he said adding that over the last many years, the small-car segment declined significantly as rising regulatory costs made car ownership difficult.

On sustainable mobility, he reiterated the company's multi-technology pathway, including EVs, hybrids, CNG, CBG and ethanol. Besides being carbon negative, he said CBG can curb stubble burning, thereby improving air quality.

Deadline for e-bus/truck motor localisation extended to April 2027

S Ronendra Singh
New Delhi

In a significant development regarding the import of rare earth magnets from China, the Centre has extended the manufacturing of traction motors for electric buses (e-Buses or M2/M3 category) and e-Trucks (N2/N3) under the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme.

The Chinese government has not yet granted any licences to Indian automotive companies for the import of rare earth magnets and, therefore, New Delhi had to extend the dates for manufacturing of traction motors for e-Buses by six months, from September 1, 2026 to now April 1, 2027, for the phased manufacturing programme (PMP) under the PM E-Drive scheme.

THIRD AMENDMENT

The PMP for e-Buses was notified by the Ministry of Heavy Industries (MHI) on March 3, 2025, which was further amended on September 30, 2025 and again on March 13, 2026. So, this is the third amendment that the MHI has made due to the unavailability of magnets in the country.

With effect from April 1, 2027, "Manufacturing of traction motor which at least includes magnet fitment, fitment of rotor assembly into motor, fitment of stator assembly into motor, shaft fit-

ment, bearing fitment, enclosure fitment, connectors fitment, cables fitment shall be domestically performed," the MHI said through a Gazette Notification dated September 3.

Similarly, for e-Trucks (N2/N3), the amendments state that the traction motor must be manufactured in India. This includes the magnet, rotor assembly, stator assembly, shaft, bearings, enclosure, connectors, and cables. For N3 trucks, this rule applies only where the motor has no integrated transmission. The PMP for e-Trucks was notified by MHI in July 2025 and further amended in September 2025, and again in March 2026 and April 2026.

However, since the import of REPM is now restricted by the Chinese government, companies have to rely on importing traction motors as complete units. Therefore, the MHI had to make these amendments, sources said.

"All the traction motors for heavy duty vehicles like the e-Buses or e-Trucks require permanent magnets, but there is a challenge of localisation here because of restrictions on import of those magnets from China. Therefore, the government had to extend the dates for localisation of these parts in India as the mathematics for incentives cannot be worked out under the PM E-DRIVE scheme," a senior auto industry executive told *businessline*.

AS CBAM COMPLIANCE BITES...

Engg Exporters Seek Carbon Data Mandate

Our Bureau

New Delhi: Engineering goods exporters have sought a government mandate requiring raw-material suppliers to provide accredited carbon emissions data, saying small companies could be unable to export to the European Union without it because of requirements under the bloc's Carbon Border Adjustment Mechanism (CBAM).

The concern, according to engineering exports body EEPC, is that importers of raw materials need to provide accredited carbon emissions data but are unable to do so, leaving exporters without the required test certificates. "Our entire value chain is impacted but most emissions happen in raw materials. We need accredited carbon emission data from them otherwise we can't have test cer-

tificates," said EEPC chairman Pankaj Chadha.

Under CBAM, importers must submit annual declarations based either on actual verified emissions data or default emissions values. For actual emissions, verification must be carried out by independent verifiers accredited by EU national accreditation bodies. CBAM came into force in January. "70% of the engineering exports to the EU are from MSMEs and they need accredited data for carbon emission certificates. Hence, a mandate is required for this," Chadha said.

On trade with the US, Chadha identified the proposed Lindsey Graham tariff bill, passed by the US Senate and pending in the House of Representatives, as the biggest concern. The bill seeks to impose tariffs of up to 100% on countries buying Russian oil.



BS7 norms open up ₹10,000 cr opportunity for component makers

Amit Vijay Mohile
Mumbai

The move towards Bharat Stage 7 emission norms open up an estimated ₹10,000-crore annual opportunity for auto-component manufacturers as tighter pollution standards increase the value of catalysts, filters, sensors, electronic controls and exhaust-treatment systems fitted to combustion vehicles.

Industry experts told *businessline* that heavy trucks and buses could see the richest incremental content at ₹75,000-1 lakh per vehicle, followed by medium commercial vehicles at ₹30,000-40,000 and light commercial vehicles at ₹15,000-20,000, reflecting more complex dosing, after-treatment and electronic-control requirements.

Diesel cars and SUVs could add ₹12,000-16,000 through

more sophisticated SCR after-treatment and NOx monitoring, while petrol, CNG and hybrid passenger vehicles could require ₹3,000-4,000 of additional content through components such as particulate filters and sensors.

Two-wheelers sit at the other end at ₹750-1,130 per vehicle, but annual volumes exceeding two crore units make them a significant part of the opportunity.

WHO GETS WHAT

The government is moving closer to putting the next emission regime on paper.

Speaking at the SIAM Annual Convention in New Delhi on September 3, Road Transport and Highways Secretary V Umashankar said final consultations were nearing completion.

"The draft should come in a couple of months," he said.

Exhaust and after-treat-

ment systems are estimated to capture the largest slice of the BS7 opportunity, about 40-45 per cent, or ₹3,000-4,500 crore, followed by sensors and monitoring controls at 25-30 per cent, or ₹2,000-3,000 crore. Fluid-dosing systems could represent another 15-20 per cent, or ₹1,200-2,000 crore, and precision engine and valve hardware 10-15 per cent, or ₹800-1,500 crore.

"The annual incremental opportunity for the component industry is directionally possible if BS7 requires the expected step-up in after-treatment, sensors, dosing and electronic controls across major vehicle categories," said Randheer Singh of Fore-See Advisors.

"The value addition will not be uniform: heavy commercial vehicles and diesel passenger vehicles could see the largest increase per vehicle,



NEW RULES. Heavy trucks and buses could see the richest incremental content at ₹75,000-1 lakh per vehicle

while two-wheelers could become significant because of their volumes," Singh said.

That puts Sharda Motor Industries and Tenneco Clean Air India among the more direct beneficiaries through exhaust and after-treatment assemblies, alongside Eberspacher and Cummins in heavy-duty applications. Bosch, Uno Minda, Continental and Sensata have expos-

ure to the sensors and monitoring opportunity.

Diesel-heavy portfolios such as that of Mahindra and Tata Motors, alongside offerings from Hyundai, Kia and

Toyota, are higher-value applications for suppliers. Singh said the final opportunity would depend particularly on real-driving emissions, on-board monitoring and the treatment of two-wheelers.

tracking the natural rollout of BS7. BS7 will overlap with tighter CAFE III fuel-economy requirements and India's shift to WLTP emissions testing from April 2027.

SWING FACTOR

That makes two-wheelers a key swing factor in the final tally. SIAM, backed by Japanese industry body JAMA, wants the segment kept out of initial real-driving emissions (RDE) testing.

"Deferring RDE for two-wheelers could push back a sizable portion of the incremental sensor, monitoring, and control revenue linked to the segment," experts noted,

China accounts for 80% of India's imports across 71 tariff lines in 2025-26: Report

Our Bureau
New Delhi

As India and China seek new avenues for a closer economic relationship on the eve of the BRICS Summit, a study on trade flows revealed on Wednesday that the rising electronics imports from China reflect a deepening integration of supply chains rather than merely a dependence on price-competitive finished goods.

At a granular level, the study released by Koan Ad-

visory Group, in partnership with the Institute of Chinese Studies, revealed that China accounted for at least 80 per cent of India's imports across 71 tariff lines at the eight-digit level in 2025-26.

Of these, 46 crossed the 80 per cent threshold only after 2018-19, pointing to a rise in import concentration over time. India's trade deficit with China stood at \$112.1 billion in 2025-26, the country's largest bilateral trade deficit, it said.

Notably, India's import dependence is centred on a

small set of core components including motors, electrical machinery, cables, and switching equipment. These constitute inputs used across electrical equipment, telecom infrastructure, consumer electronics and industrial machinery.

The integration is particularly visible in lithium-ion batteries as India's EV and energy-storage ecosystems expand. Lithium-ion batteries crossed the 80 per cent threshold for imports from China in 2025-26.

India's imports of lithium-

ion batteries from China have more than doubled since 2021-22, reaching \$3.9 billion in 2025-26, with China accounting for 83.6 per cent of India's total imports. The report also added that China remained the dominant source of India's semiconductor imports in 2025-26, accounting for 48.9 per cent of total imports, well ahead of Singapore (8.4 per cent), Indonesia (7.5 per cent), and Vietnam (6.6 per cent), despite its share declining from 64 per cent in 2024-25.

From policy to code: DPDP creates new privacy roles

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Bengaluru: India's data privacy push is creating demand for a new breed of technology professionals who can translate regulations into working systems, as companies grapple with increasingly complex data environments and rapid adoption of artificial intelligence (AI).

Privacy has traditionally been handled by legal, compliance and cybersecurity teams. But as the Digital Personal Data Protection (DPDP) Act moves towards implementation, companies are finding that having policies on paper is very different from making technology comply with them.

"The challenge is that organisations are moving from legal and advisory work to putting structured policies and

THE NEW PRIVACY-TECH JOBS

ROLE	WHAT THEY DO
Data Protection Officer (DPO)	Leads an organisation's data-protection governance, compliance and regulatory engagement
Privacy Engineer	Builds technical controls for consent, access, retention, deletion and privacy-by-design
AI Data Protection Engineer	Uses AI/ML to discover, classify and protect sensitive and personal data
AI Governance Engineer	Builds technical guardrails, monitoring and controls around AI systems and agents
Data Privacy Architect	Designs enterprise systems and data platforms with privacy and data-protection requirements built in

controls in place. It is moving from regulatory compliance to more of a technical compliance," said Sachin Salian, senior VP and global business and delivery head at Writer Information. That is creating a shortage of professionals who can engineer privacy controls into

enterprise systems.

"There is definitely a supply gap," said Srinivas L, joint CEO and joint MD of 63SATS Cybertech. "Most people are offering advisory services — gap assessments, creating policy documents and telling you how ready you are for DPDP.

But what is very scarce is engineering." The challenge becomes clear when companies try to implement requirements such as allowing customers to withdraw consent.

"You have built these networks for the last 15 or 20 years and there is a system of data flow happening. There is no consent mechanism built into that data," Srinivas said. Making consent withdrawal and data erasure work across production systems can require companies to rebuild complex data flows.

Companies are also struggling to demonstrate that privacy controls work across their systems. "If tomorrow I ask whether you have deleted the data, you need to show the evidence," Salian said. While tools for consent, cookie management and data mapping are

emerging, "it is a journey," he said. Legacy technology adds to the challenge. Mainframes and COBOL-based databases were not designed for modern consent and data-lifecycle requirements.

For Allcargo Group global CTO Kapil Mahajan, AI has changed the privacy question itself. AI can combine multiple legitimate data points to infer information a customer never explicitly provided.

"The whole privacy question was, who can access this data? That, to me, shifted," Mahajan said. "The new question is: what are we permitted to infer from it?" "The architecture now has to evolve from protecting data to governing intelligence," he said. "Just because technology can know something doesn't mean an enterprise should know it."