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Association of Indian Forging Industry

Key Press Reports on Industry and Govt. Policies
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AUTOMOTIVE INDUSTRY

Business Standard, 17 August 2026

2W makers to oppose immediate real driving emission norms in BS7

DEEPAK PATEL

New Delhi, 16 August

The automobile industry, through the Society of Indian Automobile Manufacturers (SIAM), is planning to resist the immediate introduction of real driving emissions (RDE) measurement norms for two-wheelers (2Ws) under the proposed BS7 emission regime, *Business Standard* has learnt.

During internal discussions, major 2W makers have cited concerns over the weight and accuracy of equipment used to measure RDE on the road, as its heaviness itself can increase emissions.

They also pointed to the absence of a developed and ready "RDE cycle" — the prescribed pattern of speeds, acceleration and riding conditions used for testing emissions on roads — for motorcycles and insufficient real-world data.

RDE refers to measuring pollutants emitted by a vehicle during actual road driving instead of a controlled laboratory test. India currently applies RDE requirements to four-wheelers weighing less than 3.5 tonnes, but there is no global precedent for RDE for two-wheelers.

Currently, BS6 emission norms are in place in India, while BS7 norms are under discussion between the government and the auto industry. BS7 emission norms might come into force from 2027. SIAM did not respond to *Business Standard's* queries on this matter.

"The industry's position is not against RDE permanently. It would seek more time from the ministry (Ministry of Road Transport and Highways) to develop suitable measurement equipment and a reliable testing methodology before RDE becomes a regulatory require-



Key concerns

- SIAM may seek Phase II implementation, rather than introducing real driving emissions (RDE) for two-wheelers from the time BS7 starts
- 2W makers have cited concerns over the weight and accuracy of equipment used to measure RDE on the road
- PEMS equipment being bulky could itself end up increasing emissions
- SIAM has considered two alternatives to conventional RDE testing for motorcycles

ment for 2Ws," an executive of a major 2W maker said.

Therefore, during internal SIAM discussions, 2W makers said RDE for two-wheelers should be taken up in Phase-II of BS7, rather than being from the beginning. During the discussions, major 2W makers talked about the concerns raised by the Japan Automobile Manufacturers Association (JAMA) over application of the current portable emissions measurement systems (PEMS) technology to motorcycles. PEMS is equipment fitted to a vehicle to measure its emissions during actual road driving.

One of the main concerns is the size and weight of PEMS equipment. 2W makers, during internal discussions, said that commercially available PEMS is large and heavy. This can af-

fect the motorcycle's stability and handling. It could result in high measurement inaccuracy when the equipment is used with small-capacity engines.

They also cited a study by Japan Automotive Research Institute (JARI), which compared PEMS measurements with those from a laboratory analyser on five motorcycles.

The study found that PEMS did not meet European RDE accuracy requirements for carbon monoxide (CO), total hydrocarbons (THC), nitrogen oxides (NOx) and carbon dioxide (CO₂) across all five motorcycles during the World Motorcycle Test Cycle (WMTC).

Adding 120 kg of PEMS equipment resulted in a significant increase in emissions.

Average CO emissions increased by 26 per cent, while average NOx emissions rose 66 per cent across the five motorcycles, according to the study.

The 2W makers also pointed to gaps in the testing methodology. An RDE cycle for two-wheelers is yet to be prepared. Executives of 2W makers said there is a need to establish "correlation and repeatability." This means the test should accurately reflect real-world riding and produce consistent results when repeated. They pointed out that Indian two-wheelers shifted from the Indian Driving Cycle to the World Motorcycle Test Cycle (WMTC) in 2017. WMTC is already close to a real-driving cycle, which is another reason for further study before a separate RDE requirement is introduced, they added.

SIAM's internal discussions have considered two alternatives to conventional RDE testing for motorcycles.

More on business-standard.com

Mahindra bets on SML acquisition; eyes 10-12% CV market share by FY31

Amit Vijay Mohile
Mumbai

Mahindra & Mahindra is betting that its acquisition of SML Isuzu will provide the scale, portfolio breadth and service reach needed to accelerate growth in India's above 3.5-tonne commercial vehicle market, with the seven product Blazo i-TRK marking the first major product move since the deal.

The financial ambition is to more than double the combined truck and bus revenue from close to ₹6,000 crore now to ₹12,500 crore by FY31, Vinod Sahay, President, Trucks & Buses; Executive Chairman, SML Mahindra; and member of the Mahindra Group Executive Board, told *businessline*.

"Many of the scale challenges which were headwinds for us start becoming our tailwind," said Sahay, pointing to benefits across sourcing, product development, manufacturing and distribution as the two businesses come together.

COMBINED REVENUE

The businesses had combined FY26 revenue of about ₹5,827 crore — ₹2,989 crore from Mahindra Truck and Bus Division (MTBD) and about ₹2,838 crore from SML. They sold 9,389 vehicles in Q1FY27, up 11 per cent year-on-year, with a combined truck and bus market share of 7.8 per cent.

Mahindra aims to raise its share of the above-3.5-tonne market to 10-12 per cent by FY31, from around 6 per cent when the SML acquisition was announced, and cross 20 per cent by FY36.

GROWTH EQUATION

M&M acquired 58.96 per cent of SML Isuzu for ₹555 crore in August 2025, and has since approved the transfer



Vinod Sahay, President, Trucks & Buses, and Executive Chairman, SML Mahindra

of MTBD to SML Mahindra for ₹525 crore. The transaction, which will place the group's truck and bus operations under a focused entity, is targeted for completion by January 31, 2027, subject to approvals.

SML brings strength in buses and light and intermediate commercial vehicles, while Mahindra contributes heavy trucks, along with technology, sourcing and product development capabilities.

Sahay said he expects the combination to lower sourcing costs, improve value engineering and reduce duplicated product development expenditure.

CROSS-BADGING

Mahindra intends to retain both brands, initially using cross-badging to plug portfolio gaps before progressively sharing platforms and aggregates.

Service reach has effectively doubled as the brands can support each other's products, addressing a key constraint Mahindra faced in expanding its heavy-truck business.

The combined network has about 200 dealers and 650 touchpoints. Mahindra plans to add 20-25 dealerships and 50-60 service stations over the next 18 months.

Improving supplies may drag lithium prices lower in H2

PRICE FLOOR. However, energy storage demand is likely to hold rates from any sharp fall despite China ending tax sops on EV batteries

Subramani Ra Mancombu
Chennai

Prices of lithium, a key raw material in electric vehicle (EV) batteries, are likely to head lower in the current half of this year due to a resurgence in supplies, but energy storage demand is likely to hold prices from any sharp fall, industry analysts have said.

Prices of lithium carbonate, a vital chemical compound used to produce EV batteries, dropped to a six-month low of 1,40,000 Chinese yuan (\$20,770) a tonne as risks of a drop in consumption combined with higher global supply. The prices have recovered by \$1,000 over the past week.

The *Trading Economics* website said prices had come under pressure also because China said it will end tax exemption for lithium-ion batteries to stop manufacturers from cutting prices to gain market share.

PRICE FORECAST

On Tuesday, lithium carbonate spot price ruled at 1,55,400 yuan (\$23,054), while benchmark futures ruled at 1,52,000 yuan (\$22,550).

"We are revising up our 2026 average annual lithium price forecasts to \$20,100/tonne for Chinese lithium carbonate 99.5 per cent and \$19,600/tonne for Chinese lithium hydroxide monohydrate 56.5 per cent as prices maintained solid up-

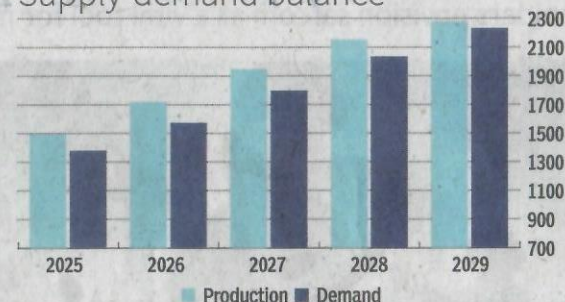
ward momentum throughout Q2 2026," said research agency BMI, a unit of Fitch Solutions. Lithium hydroxide monohydrate is another chemical compound used in EV battery production.

However, it expects lithium to drift lower this half, on imminent Chinese supply resurgence, alongside project restarts in Australia, which look to curtail the rally and serve as the primary bearish catalyst for the rest of the year.

SPODUMENE OUTLOOK

Australia's Office of the Chief Economist (AOCE) said prices of spodumene concentrate, a high-purity lithium aluminium silicate powder produced by crushing and processing hard-rock

Supply-demand balance*



*in lithium carbonate equivalent kt

Source: Office of the Chief Economist, Australia

pegmatite ore, are forecast to stay elevated in 2026 around \$2,240 a tonne as refiners and cathode manufacturers continue to respond to solid demand from downstream industries.

"Lithium hydroxide prices are expected to follow a sim-

ilar path in the next few years, moderating from a 2026 high of about \$19,230 a tonne," it said.

The AOCE said lithium prices had increased dramatically over the past 12 months, with spodumene concentrate increasing al-

most four-fold and lithium hydroxide almost tripling from mid-2025 lows.

"Spodumene concentrate average price to late May in the June 2026 quarter was around \$2,430 a tonne CIF (cost, insurance and freight) China. Lithium hydroxide prices averaged \$20,770 a tonne (free-on-board China) for the same period," it said.

2 SUPPLY SHOCKS

Two notable supply shocks contributed to the rise in prices over the period. This includes China's Jianxiawo mine's permit lapsing in mid-2025, causing supply curbs to its battery mineral supply chains. It was exacerbated later by Jiangxi province revoking expired mining permits of the lepid-

olite mines in December 2025, said AOCE.

Chinese commodity data group Sunsirs said the current lithium carbonate futures market is caught in a game between strong fundamentals and weak expectations. "The overall supply-demand pattern of domestic lithium carbonate still remains tight at present," it said.

The AOCE said elevated global fuel costs associated with the West Asian conflict had prompted reports of faster EV uptake through the June quarter. "The extent to which this will spur a sustained shift in consumer preferences towards EVs remains a key upside risk to lithium demand over the outlook period," it said.

Fuel-efficiency tool for trucks may be ready by Dec, launch likely in Feb

DEEPAK PATEL
New Delhi, 19 August

India's first certification tool to assess the fuel efficiency and carbon dioxide (CO₂) emissions of medium and heavy commercial vehicles is likely to be ready by December, with The Automotive Research Association of India (Arai) targeting its launch at the Bharat Mobility Global Expo, scheduled for February 4-9, 2027, government officials told *Business Standard*.

At the same time, a senior official of the Ministry of Road Transport and Highways (MoRTH) suggested to Arai that implementing the tool for heavy-duty vehicles could align with Bharat Stage-VII — the next stage of India's vehicle emission norms — which is expected to be rolled out from the middle of 2027 onwards, officials said. Arai works under the Ministry of Heavy Industries.

The tool's scope will eventually go beyond diesel trucks, with its second phase set to cover range calculations for electric commercial vehicles (eCVs), officials said. This could give the government a standardised way to determine



Measuring performance

- Arai completed field trials and collected data from all 16 diesel vehicles tested
- Second phase will extend to eCVs, to enable standardised range estimates for trucks and e-buses under different operating conditions
- Bharat VECTO, a beta version, was targeted for release to manufacturers by July for evaluation and feedback
- Arai is also developing eight mission profiles to standardise truck and bus operating patterns in India

how far electric trucks and buses can travel on a single charge under different operating conditions, as electrification of the commercial vehicle (CV) segment gathers pace.

Officials said Arai has completed field trials and acquired data from all 16 diesel-run vehicles being tested for the project, while input generation for four proof-of-concept (PoC) vehicles has also been completed.

A PoC is an initial exercise to demonstrate that a system works as intended.

A beta version of the tool, known as Bharat Vecto, was targeted for release to vehicle manufacturers by July for evaluation and feedback, officials said. Moreover, Arai was also developing eight "mission profiles", which are standardised operating patterns designed to represent

different ways trucks and buses are used in India. These could capture differences in factors such as speed, load, route, and driving conditions, allowing the tool to assess vehicle performance under conditions more representative of actual operations. The profiles were also targeted for completion by July.

It is not clear whether these profiles and the beta version of the tool have been shared with vehicle makers for evaluation and feedback. *Business Standard* emailed queries to MoRTH, Arai, and the Society of Indian Automobile Manufacturers regarding the Bharat Vecto programme. They did not respond to the queries until the time of going to press.

Meanwhile, Arai has also submitted a draft notification on Bharat Vecto to MoRTH for consideration, according to officials. Arai was also preparing AIS 218, an Automotive Industry Standard that will set out the technical methodology and requirements for Bharat Vecto.

For the CV industry, the tool could change how manufacturers design and optimise trucks, as fuel efficiency and CO₂ performance

would be assessed across different operating conditions rather than at a single fixed speed. This could push manufacturers to improve the efficiency of the entire vehicle — including the engine, transmission, tyres, and aerodynamics — while giving fleet operators a more standardised basis to compare vehicles. For eCVs, the system could similarly encourage optimisation of battery size, vehicle weight, motor efficiency, and other parameters that determine driving range.

Bharat Vecto will use technical information about a vehicle, including its engine, transmission, weight, tyres, and other characteristics, to simulate its performance over these standardised operating patterns. It will then calculate the vehicle's fuel consumption and CO₂ emissions.

In its second phase, Bharat Vecto is expected to shift towards electricity consumption and driving-range calculations for eCVs. Since electric vehicles do not consume liquid fuel, the system would assess how far an electric truck or bus can travel on a given battery charge under standardised operating conditions.

Hero-backed Euler Motors expands Haryana unit to build 4-wheeler commercial vehicles

Our Bureau
New Delhi

Electric commercial vehicle manufacturer Euler Motors on Thursday announced the expansion of its manufacturing footprint in Palwal, Haryana, with an investment of over ₹100 crore.

The plant will focus on making four-wheelers, including the Euler Turbo EV 1000 and Storm EV, with an annual production capacity of up to 24,000 vehicles.

BETTER ECONOMICS

"India's commercial mobility sector is at an important inflection point, with electrification gaining momentum



COMMON GROUND. Pawan Munjal (left), Executive Chairman, Hero MotoCorp, and Saurav Kumar, CEO, Euler Motors

on the back of supportive government policies, improving total-cost economics and the growing demand for sustainable last-mile mobility," said Hero MotoCorp's Executive Chairman Pawan Munjal who inaugurated the unit.

He said Euler has demonstrated that EVs can deliver the performance, economics, and technology that commercial customers demand, and this facility can take that proposition to a much larger scale.

Hero MotoCorp holds

over one-third stake in Euler Motors.

The facility follows a layered validation approach, with testing integrated across every stage of manufacturing. Critical systems, including suspension frames, drivetrain and steering, undergo rigorous testing for early fault detection.

"The four-wheeler cargo segment has long run on internal combustion engine... Our vehicles have demonstrated as the right fit to that gap with penetration moving from 1 per cent to 5.8 per cent and Euler securing around 28 per cent market share," Saurav Kumar, Founder and CEO, Euler Motors, said.

Premium bikes, scooters lead export surge in two-wheelers

STRONGER, SHARPER. Premium bikes grow 12.8%, scooters 18.2% during FY22-FY26

Amit Vijay Mohile
Mumbai

Two-wheeler exports are acquiring a higher-value layer, with scooters and motorcycles above 200 cc growing three-to-five times faster than overall shipments as manufacturers expand beyond the traditional African markets.

The shift is being driven by Indian brands gaining ground overseas and the country emerging as a manufacturing and export hub for global markets. For instance, Royal Enfield is building its international presence with mid-capacity motorcycles, while Bajaj Auto and TVS Motor are expanding their own brands as well as manufacturing for global partners.

In the four years to FY26, overall two-wheeler exports grew at a CAGR of 3.9 per cent, compared with 12.8 per cent for motorcycles above 200cc and 18.2 per cent for scooters. Sub-125cc motor-



WHAT'S WORKING. The shift is driven by Indian brands gaining ground overseas and the country emerging as a manufacturing and export hub for global markets REUTERS

cycles, however, have historically accounted for more than 60 per cent of exports and remain the volume backbone, suggesting the faster-growing premium segments are adding a high-value layer.

This, as India increasingly serves two sides of the global market — by increasing footprint and outsourcing factories. Overall exports hit a record 5.18 million units in FY26, up 23 per cent, and are projected to grow another 15-20 per cent in FY27.

Manufacturers have ex-

panded distribution networks, introduced market-specific products, and strengthened presence overseas, said India Ratings and Research (Ind-Ra).

BEYOND AFRICA

The changing product mix is accompanied by a geographical shift. Colombia, Mexico, and Brazil have found place among India's top 10 two-wheeler export destinations, reducing the dependence on Africa. Higher-income markets in Latin America and

SouthEast Asia are supporting demand for larger motorcycles, while urbanisation and a preference for automatic mobility are helping scooter exports.

Yet, Africa remains central to India's volume story and could provide another leg of growth. Nigeria, India's largest two-wheeler export destination until FY24, suffered a sharp downturn following currency, inflation, and forex pressures.

"The current upcycle appears to be increasingly structural, rather than purely cyclical, with OEMs benefiting from a wider geographic reach and stronger distribution networks," said Shruti Saboo, Director, Corporate Ratings, Ind-Ra.

The shift also changes the economics of exports. Premiumisation is increasing realisations, while the rupee has depreciated 15 per cent since 2024. Ind-Ra expects these factors to support higher revenue growth and improve profitability.

Carmakers gear up for festival demand, step up production

However, high base and inventory risks loom over H2 growth

ANJALI SINGH & SOHINI DAS
Mumbai, 21 August

Passenger vehicle (PV) manufacturers are ramping up production, stocking dealerships, resolving supply bottlenecks and preparing launches for the festival season as bookings strengthen. However, growth is expected to moderate in the second half (H2) of FY27 against last year's post-GST surge, with commodity inflation and high inventory adding further risk.

As many as 74.3 per cent of dealers expect growth in August, up from 51.24 per cent ahead of July, according to the Federation of Automobile Dealers Associations (Fada). Festival pipelines are already forming, with 53.57 per cent of PV dealers reporting a build-up in bookings.

Supply data shows how manufacturers are preparing for demand. PV production rose 26.4 per cent year-on-year (Y-o-Y) to 505,520 units in July, while domestic dispatches jumped 34.3 per cent to a record 457,810 units, according to the Society of Indian Automobile Manufacturers (Siam).

The industry entered the festival build-up after a strong first quarter. PV production rose 16.8 per cent Y-o-Y to 1.45 million units in April-June, while domestic dispatches increased 25.9 per cent to a record 1.27 million units. Exports grew 8.8 per cent to 222,392 units, according to Siam.

Retail demand also remained firm. Fada's data showed that PV registrations increased 22.64 per cent Y-o-Y to 1.26 million units during the April-June quarter. The momentum continued in July, when retail registrations grew 19.13 per cent.

The faster increase in dispatches than retail sales indicates that part of the rise was driven by festival stocking. Industry inventory increased to 33-35 days, against Fada's recommended 21 days. Half of PV dealers reported higher inventory and around a quarter were carrying over 25 per cent aged stock.

Fada expects August and September growth to benefit from a



The road ahead

- Over 74% of dealers expect August growth
- Q1 PV production rises 16.8%
- July dispatch growth outpaces retail growth
- High post-GST base could slow H2 growth
- Maruti says supply, not demand, will constrain growth
- Tata sees H2 industry growth below 10%
- Commodity inflation could trigger further price increases

base effect takes hold.

"Since inventory levels are much lower than they were in the last financial year, I believe there is still significant scope for sustained growth in H2, although it could be below 10 per cent," Chandra told media during the Q1FY27 call. Even with single-digit H2 growth, he expects full-year industry growth to "safely exceed 10 per cent".

Tata is building inventory ahead of stronger retail demand expected in October, according to Motilal Oswal Financial Services. Electric vehicle (EV) demand should strengthen further during the festivals, with Chandra identifying supply as the principal constraint. Tata is targeting EV volume growth of more than 70 per cent in FY27 and an exit market share above 40 per cent.

Mahindra & Mahindra retained its mid-to-high-teens SUV growth forecast. "We are not changing our outlook," said Rajesh Jejurikar, executive director and CEO of the company's auto and farm sector. Its XEV 9S and XUV 7XO SUVs carry comparatively long waiting periods, while supply shortages constrained June-quarter production. Mahindra said further pricing would balance cost recovery with protecting demand.

Hyundai Motor India retained its FY27 volume-growth guidance of 8-10 per cent for domestic sales and exports after recovering most production lost to a supplier fire. It plans a new mid-sized SUV for the festive season, its first mass-market dedicated EV and a third shift at its Pune plant from October.

Tarun Garg, MD and CEO of Hyundai India, expects his company to outpace the industry in H2, but sees overall industry growth normalising to lower single digits as the base turns unfavourable.

The festival outlook is supported by bookings, production, launches and rural demand. Its sustainability will depend on retail conversion amid higher inventories, rising prices and a tougher base.

TaMo to raise car, SUV prices by up to ₹25,000; third hike this year

Tata Motors Passenger Vehicles (TMPV) will raise prices of its cars and sport utility vehicles by up to ₹25,000 from September 1, the company said on Friday.

The increase, which will vary across models and variants, will cover both internal combustion engine and electric vehicles. It will be the com-

pany's third price revision this year and the TMPV said the increase was intended to partially offset rising input costs and sustained inflationary pressures. The company continues to absorb a significant portion of the cost increase but is passing on part of the impact to customers.

SOHINI DAS

low base, as buyers deferred purchases ahead of Goods and Services Tax (GST) rate cuts last year. October, however, faces a tough comparison against last year's GST-driven surge, especially with Dhanteras and Diwali shifting to November. Consequently, retail conversion — not dispatch growth — will be the true test.

Maruti Suzuki's concern is supplies. "We had mentioned at the beginning of the year that this year, most likely, our sales would be constrained by the supply side rather than the demand side. The demand side seems to be healthy," Chief Investor Relations Officer Rahul Bharti said during the June quarter call.

Small-car sales rose 34 per cent

in the June quarter, while SUVs grew 44.6 per cent. Dealer inventory stood at 13 days, against its preferred level of around 30 days, with 130,000 pending orders.

Maruti commissioned a new plant at Kharkhoda in Haryana and added a manufacturing line at its Gujarat facility, together providing around 500,000 units of additional annual capacity. The facilities will take four to six months to ramp up. "From a supply-side perspective, we see headroom of about 10 per cent growth," Bharti said.

Shailesh Chandra, managing director (MD) and chief executive officer (CEO) of Tata Motors Passenger Vehicles, expects industry growth of 15-20 per cent in the September quarter before the high-

Greaves Electric eyes double-digit e2W mkt share

SHINE JACOB
Chennai, 23 August

Greaves Electric Mobility Ltd (GEML), a subsidiary of Greaves Cotton Ltd, is eyeing to cross 10 per cent market share in electric two-wheelers soon, from around 6 per cent now, a top company executive has said. The company is also betting big on markets such as Nepal, the Philippines, Indonesia and Sri Lanka for two-wheeler exports.

Vikas Singh, managing director of GEML, said the double-digit market share would be achieved through a series of measures such as expansion in product portfolio, distribution network and financing partnerships amid a sharp rise in electric vehicle (EV) demand. Singh added that the two-wheeler EV penetration in India is expected to touch 30 per cent in the next five years.

"Penetration is currently about 11 per cent. I expect it to reach 15 per cent in the near future and potentially 30 per cent by 2030-31," he said. India's electric two-wheeler market is currently growing at around 70-75 per cent annually, with monthly sales of about 200,000 units, compared with roughly 120,000 units at the end of last year, he said. He expects this to be around 300,000 units a month and 15 per cent penetration in the near term.

The company has sold around 10,127 vehicles in June, and its products are priced between ₹65,000 and ₹1.5 lakh. The portfolio includes Ampere Nexus, Ampere Magnus G Max, Ampere Reo, and a low-speed scooter Reo VYB.



Greaves Electric Mobility MD Vikas Singh says the firm is betting big on markets such as Nepal, the Philippines, Indonesia and Sri Lanka

He said the company also lined up an investment of ₹530 crore in the near term. The company is also strengthening its battery and component ecosystem. "We will be looking at a lot of insourcing of technology and some key products. Battery is definitely one area. We will also look at technology enhancements and capacity enhancements. That will be the core direction," he added.

Greaves is developing a rare-earth-free motor to reduce supply-chain risks following disruptions caused by rare-earth shortages. "We have developed a rare-earth-free motor, which should be launched in the next three to four months. Similarly, on the battery side, work is underway to reduce our import dependency and ensure that both supply and cost economics work for us," he added.

More on business-standard.com

Hyundai Motor unveils aggressive product roadmap

Our Bureau
New Delhi

Hyundai Motor Company (HMC) unveiled an aggressive product roadmap at its 2026 CEO Investor Day on Wednesday, targeting global sales of 5.55 million units by 2030 while strengthening profitability across key markets, including India.

The company will launch or refresh over 100 models by 2030, including its first extended-range electric vehicle (EREV) that combines the power and efficiency of a battery electric vehicle (BEV) and the convenience of an onboard charger. Out of the over 100 vehicles launches globally by 2030, it said 58 will happen in the US, 49 in Korea, 41 in Europe, 26 in India and 22 in China. Many of these will be all-new products or entries into new market segments, Jose Munoz, President and CEO of HMC, said.

STRONG FINANCES

"Our fundamentals have never been stronger. Hyundai Motor Group is the third-largest automotive group and the second-most profitable, which gives us the ability to invest while others are pulling back. We are bringing more than 100 new models to market by 2030 with multiple powertrain options and raising our operating margin above 9 per cent," Munoz said.

He said the company was leveraging partnerships to scale new technologies and opportunities, and becoming a physical artificial intelligence company, which will produce and deploy robots and robotaxis.

He said Hyundai Motor intends to build on the performance in the first half of 2026, noting that the company delivered two million wholesale units, generating revenue of 95.2 trillion won, up 2.7 per cent year on year with an operating profit



Jose Munoz, President and CEO, Hyundai Motor Co

margin of 5.6 per cent.

INDIA PLANS

In India, the company will expand its SUV line-up, starting with the launch of an all-new electric SUV in the fourth quarter.

Localised and designed for India, the new model will come equipped with a next-generation infotainment system and Level-2 assisted driving technology.

India will also receive a new internal combustion engine (ICE)-powered mid-

size SUV, he said. Hyundai Motor continues to invest in a local supply chain in India, aiming to source 90 per cent of vehicle content from the country by 2030, with a network of over 1,400 local suppliers and over 900 local engineers, he noted.

Home to manufacturing facilities with a capacity to produce 1.1 million units a year, India will continue to be an important export hub for Hyundai Motor. The company aims to export around 30 per cent of its India production volume by 2030, to markets in West Asia, Africa, Asia and South America, he added.

In October last year, Munoz had announced investment of ₹45,000 crore in India between FY26 and FY30, to drive the next phase of growth, with 60 per cent of the spends allocated to product development and R&D, and the remaining 40 per cent to capacity and upgradation.

Maharashtra topped States in PV, CV sales in Q1: SIAM data

S Ronendra Singh
New Delhi

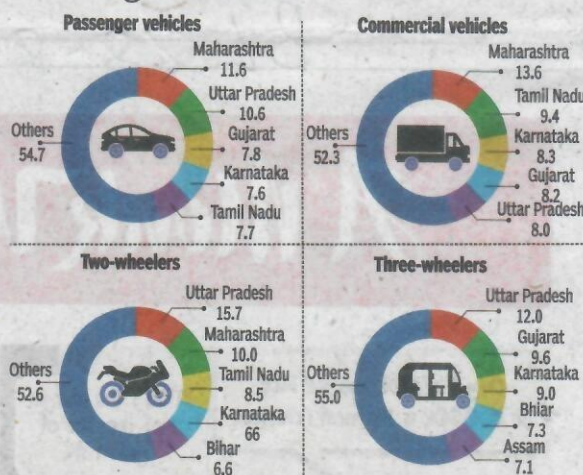
Maharashtra sold the most number of passenger vehicles and commercial vehicles among all States in the quarter ended June, according to data shared by the Society of Indian Automobile Manufacturers (SIAM).

The State sold over 1.47 lakh units, followed by Uttar Pradesh (1.35 lakh), Gujarat (98,785), Karnataka (98,315) and Tamil Nadu (96,327). "In Q1 FY27, as many as 12.74 lakh units of passenger vehicles were sold in the country. The Western Zone led the PV sales with 3.9 lakh units," SIAM said in the report.

Maharashtra had a market share of 11.6 per cent in PV sales during the quarter, Uttar Pradesh had 10.6 per cent, Gujarat 7.8 per cent, Karnataka 7.7 per cent, Tamil Nadu 7.6 per cent, and Haryana 6.3 per cent.

In terms of CVs, Maharashtra sold 36,433 units during the period in review, followed by Tamil Nadu with 24,743 units, Karnataka (21,830), Gujarat (21,776), and Uttar Pradesh (21,161). Market-share wise, Maharashtra led the States with

The big five Share (in %)



Source: SIAM For the period April-June 2026

13.8 per cent, followed by Tamil Nadu with 9.4 per cent share, Karnataka with a share of 8.3 per cent, Gujarat 8.2 per cent, Uttar Pradesh 8 per cent, and Rajasthan 6.2 per cent, the data indicated.

2-, 3-WHEELERS

In terms of the number of two-wheelers and three-wheelers sold, Uttar Pradesh topped the list. The northern State saw sales of over 8.82 lakh two-wheeler units during the quarter, followed by Maharashtra (5.61 lakh), Tamil Nadu (4.80 lakh),

Karnataka (3.74 lakh), and Bihar (3.69 lakh).

SIAM said 56.29 lakh units of two-wheelers were sold in the country in Q1 FY26-27.

In three-wheelers also, Uttar Pradesh also led the market with 25,669 units (with a 12 per cent market share) in the three months, followed by Gujarat at 20,534 units (9.6 per cent share), Karnataka at 19,192 units (9 per cent share), Bihar at 15,653 units (7.3 per cent share), and Assam at 15,223 units (7.1 per cent share), SIAM data showed.

Indian automakers eye easier access to Chinese parts, EV tech as ties improve

S Ronendra Singh
New Delhi

The gradual thaw in India-China relations is raising hopes in the Indian automobile industry that New Delhi and Beijing could begin easing some of the restrictions that have made access to Chinese technology, components, and business partners increasingly difficult.

The industry is closely watching the expected visit of Chinese President Xi Jinping for the BRICS summit in New Delhi next month. National Security Adviser Ajit Doval held the 25th round of Special Representatives' talks with Chinese Foreign Minister Wang Yi in Beijing on Tuesday.

VISAS AND IMPORTS

As Indian manufacturers move into EVs, hybrids, plug-in hybrids and range-extender vehicles, their dependence on Chinese capabilities has only increased, industry sources said.

Particularly when it comes to battery cells, critical electricals, and rare earth magnets, India has a strong dependence on China. For instance, in FY26, India imported auto components worth \$17.75 billion from Asia, up 19 per cent from the previous year. Most of it was from China.

The Automotive Component Manufacturers Associ-

ation of India's annual performance review shows China accounted for 36 per cent of imports, followed by Japan at 11 per cent and South Korea at 7 per cent among the Asian countries. The visa issue has become a particular irritant for companies dependent on regular interaction with Chinese suppliers.

"The visa issue is almost permanent for technical people now and very limited to a few people in a go. Companies are finding it tough to get visas for even trade fairs in China now, unlike earlier when planes full of components makers used to go," an auto industry veteran told *businessline*.

Another executive said for rare earth magnets, too, the licenses are still restricted and what China has done since last year is allowing only fully assembled rotor to be exported to India.

VITAL LINK

- Tata AutoComp Systems' JV makes lithium-ion battery packs using cells from China's Gotion
- M&M and Maruti Suzuki import blade cells from BYD's subsidiary in China
- Nissan is exploring products developed through its JV with China's Dongfeng Motor



The thaw is, therefore, being watched closely by both large automakers and newer players with Chinese technology links. Mahindra & Mahindra, Maruti Suzuki, and Tata Motors are looking to strengthen their EV capabilities. Stellantis, Nissan, and JSW are pursuing arrangements involving Chinese partners or technology.

'BE OPEN'

"We should remain open to technology and partnerships from across the world including mainland China," said Puneet Gupta, Director, Sales and Powertrain Forecast, India & Asean, Mobility Global.

He said the focus should be on technologies that could accelerate localisation, strengthen India's supply chain and support the long-term growth of the automotive industry.

E20 fallout: Waiting period for EV, CNG cars stretches up to 6 months ahead of festival season

Amit Vijay Mohile
Mumbai

Concerns over E20's impact on older petrol engines and festival buying are accelerating demand for electric and alternative-powertrain vehicles faster than manufacturers can supply some models and variants.

Mahindra's XEV 9S faces a waiting period of up to six months, select Tata Punch EV and Tiago EV variants 18-24 weeks and TVS Motor's iQube electric scooter four to five months. Maruti Suzuki's Brezza averages about two months, with its turbo-petrol and CNG variants together accounting for more than 70 per cent of bookings.

The queues are building before festival demand peaks despite dealers carrying about four weeks of passenger-vehicle inventory and four to five weeks of two-wheeler stock. EV and CNG



Shifting preferences leave dealers stocked overall but short on popular variants PTI

car enquiries and bookings have risen more than 30 per cent, more than twice the growth in conventional ICE vehicles, according to an August channel check by YES Securities. It attributed the surge to new launches and "negativity around E20", with the highest waiting period rising to three-four months from about one month five months ago.

"The trend on the ground is consistent with the channel checks, enquiries for EVs and CNG vehicles have risen

sharply, while supply of some variants customers want has not kept pace," said Vinkesh Gulati, former FADA President and Chairman of the Automotive Skills Development Council.

The shortage can be sharpest at the cheaper end of some EV ranges. Punch EV Smart 30 and Tiago EV variants face waiting period of 18-24 weeks. Sierra EV Pure 65 takes around 12-15 weeks, against four-six weeks for some higher variants. A buyer willing to spend more can therefore get the same nameplate months earlier.

E20 CONCERNS

Motorists' E20 concerns centre on lower mileage and fears of damage to engines in older petrol vehicles. Randheer Singh, former Director, Electric Mobility and Clean Energy at NITI Aayog and Founder & CEO of ForeSee Advisors, however, told *businessline* that owners need not

distress-sell serviceable older vehicles. When replacement makes economic sense, they can consider an E20-optimised petrol vehicle or an EV, with battery-as-a-service schemes lowering up-front cost and battery risk.

The squeeze is visible in Maharashtra too. "Overall inventory may be comfortable, but that does not mean the vehicle a customer wants is immediately available," said Sachin Mahajan, FADA's Maharashtra State Chairman, and an automobile dealer. Electric two-wheeler enquiries are growing 30-40 per cent, against 10-12 per cent for the broader market, while iQube waiting period remains four-five months.

The mismatch has emerged before the biggest festival weeks. Onam passenger-vehicle sales in Kerala grew more than 20 per cent y-o-y, with Ganesh Chaturthi, Navratri, Dhanteras and Diwali still ahead.

Rural CV retail sales growth outpaces urban

Diversification of rural economy, GST-led consumption are key supporting factors, say experts

ANANYA PODDER
New Delhi, 30 August

Growth in rural commercial vehicle (CV) registrations (retail sales) outpaced urban sales every month between April and July 2026, according to data from the Federation of Automobile Dealers Associations (Fada).

In April, rural sales surged 20.25 per cent year-on-year (Y-o-Y) versus 10.22 per cent for urban. In May, rural sales grew 8.10 per cent against 2.62 per cent in urban areas.

The gap continued in June, with rural sales up 21.63 per cent against urban's 12.75 per cent, and widened further in July, when rural growth hit 29.37 per cent compared with 19.36 per cent in urban India.

"CV retail, at 99,666 units, grew 24.04 per cent Y-o-Y — the highest in July ever, knocking on the door of the 100,000 mark — and 4.94 per cent rise month-on-month (M-o-M). Rural again led

decisively, growing 29.37 per cent Y-o-Y against urban's 19.36 per cent," said Sai Girdhar, vice-president of Fada.

"Light commercial vehicles (LCVs) grew 27.65 per cent Y-o-Y, medium commercial vehicles (MCVs) 25 per cent and heavy commercial vehicles (HCVs) 16.72 per cent, with HCVs up a sharp 13 per cent M-o-M (month-on-month). These came as dealers cited cement, steel and mining-linked movement, e-commerce logistics boost and improving finance availability, even as school-bus season demand tapered," Fada said in its July retail data report.

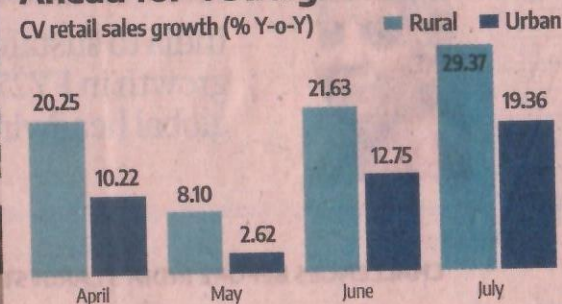
Fada consistently pointed to the trend as evidence that goods-movement demand is broadening beyond the metros.

In April, it said logistics-led demand was no longer concentrated in metros, while its May, June and July releases reiterated the broadening of goods movement demand outside large



Ahead for 4 straight months

CV retail sales growth (% Y-o-Y)



Source: Fada (Federation of Automobile Dealers Associations) Research

urban centres.

"Earlier in the rural economy, there used to be two short periods of time with huge amounts of economic activity," said Anurag Singh, advisor at Primus Partners. "Now, the rural economy has diversified significantly."

According to Singh, the surge in small CV sales is best explained not by a single seasonal trigger such as a harvest cycle, but by a structural diversification of the

rural economy. In this, goods now move more consistently rather than in concentrated bursts.

Ratings agency ICRA said CV wholesale volumes dipped slightly M-o-M in May but remained strong Y-o-Y, with the first two months of FY27 seeing a rise of 15 per cent compared with the same period last year.

Retail sales also grew 5.3 per cent Y-o-Y in May, and ICRA noted that rural markets posted stronger

retail growth than cities, pointing to improving freight activity outside major urban centres.

The agency added that LCVs continued to outperform, helped by e-commerce and last-mile logistics growth, though financing delays remained a challenge for the segment.

The rural outperformance also comes as the broader CV market enters FY27 on a stronger footing.

CRISIL Ratings expects do-

mestic CV demand to remain supported by infrastructure activity, replacement demand and improved affordability following last year's goods and services tax (GST) rate rationalisation.

It expects LCVs, which account for around 60 per cent of industry volumes, to grow 5-6 per cent this financial year, driven by e-commerce and last-mile delivery demand.

The ratings agency expects overall CV volume growth to moderate to 5-6 per cent in FY27 after a 13 per cent rebound in FY26.

Beyond the direct tax relief on vehicles, Singh said GST cuts on a wide range of other goods had supported consumption, feeding demand for small CVs.

"Higher sales in rural India can be a sign of revival in income as well as pent-up demand working through," said Madan Sabnavis, chief economist, Bank of Baroda. "We need to see if it will sustain given that rains have not been well spread."

ELECTRIC VEHICLES

Business Line, 19 August 2026

EV ecosystem charging up in UP, Karnataka, Telangana

Rishi Ranjan Kala
New Delhi

The electric vehicle ecosystem is rapidly broadening beyond its traditional urban hubs, with Uttar Pradesh, Karnataka and Telangana emerging as major centres of power consumption at public charging stations (PCS).

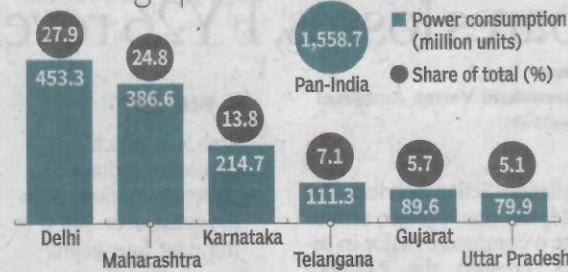
Latest data from the Central Electricity Authority show that power consumption by EV PCS across India rose to 1,558.69 million units (MU) in FY26, more than three times the 465.85 MU recorded in FY24.

While Delhi and Maharashtra continue to account for a significant share, demand in Uttar Pradesh, Karnataka and Telangana has increased rapidly.

UP's SHARE

Uttar Pradesh is the biggest surprise entrant. Its share of pan-India electricity con-

Powering up



Source: Central Electricity Authority (CEA)

sumption by EV charging stations was below 1 per cent before FY24 but rose to 5.12 per cent in FY26.

Akshay Shekhar, CEO of EV charging station start-up Kazam Energy, said the State's growth is likely due to a combination of e-rickshaw and electric three-wheeler penetration, NCR spillover, highway and inter-city charging, logistics movement and the formalisation of charging loads under discom-connected PCS categories.

Karnataka's rise is strongly aligned with both existing charger density and fresh PM E-DRIVE momentum. It has India's largest installed charging base. A similar story is playing out in Telangana. These States also have a more mature EV ecosystem with higher presence of EV start-ups, OEMs, fleet & charging operators, and digitally enabled consumers, he noted.

Delhi's declining share of national EV charging con-

sumption does not indicate a contraction in the capital's EV ecosystem; rather, it reflects the rapid broad-basing of EV adoption across the country. While Delhi's charging consumption has continued to rise — from 203.1 MU in FY24 to 453.3 MU in FY26 — other States have expanded faster.

In effect, Delhi is not losing its EV lead so much as the rest of India is catching up.

EV TRANSITION

Kazam's founder said he expects electricity consumption by PCS to continue rising sharply and potentially cross 2,500-3,000 MU in FY27, depending on the pace at which sanctioned chargers become operational and commercial fleets shift to EVs. The trend points to the next phase of India's EV transition being increasingly about energy infrastructure rather than merely vehicle sales.

VW group weighs global EVs, local assembly for India mkt

ANJALI SINGH
Mumbai, 23 August

Škoda Auto Volkswagen India is evaluating multiple routes to enter India's growing electric vehicle (EV) market, including importing global models as fully built units, assembling vehicles locally and developing highly localised products.

"We have to identify the right product, which we can localise, so that it is also in the segment that is relevant for the Indian market," Piyush Arora, managing director (MD) and chief executive officer (CEO), Škoda Auto Volkswagen India, told *Business Standard*.

Arora said global models could be introduced relatively quickly through the fully built-up (FBU) route, while assembling vehicles locally using imported parts and components offered another option. The company also remains committed to developing a locally produced EV, he added.

"We are actively evaluating" the global portfolio for India, Arora said. The company would assess the right product, its localisation potential and the segment in which it could compete.

The company has not committed to a timeline for its next EV launch in India. Arora said developing a new vehicle involved a lengthy product cycle, although global models could be brought into the country more quickly if supported by the business case.

The company had earlier considered developing an entry-level electric sport utility vehicle (SUV) for India. Arora said in 2024 that the group was assessing which platform could be adapted for a compact electric SUV.



"WE HAVE TO IDENTIFY THE RIGHT PRODUCT, WHICH WE CAN LOCALISE, SO THAT IT IS ALSO IN THE SEGMENT THAT IS RELEVANT FOR THE INDIAN MARKET"

Piyush Arora
MD & CEO, Škoda Auto Volkswagen India

Its EV plans come as alternative powertrains account for a growing share of India's passenger vehicle market. Arora expects EV penetration, which he estimates at 7-8 per cent currently, to reach 17-18 per cent by the end of the decade.

This shift is also prompting the company to reassess its addressable market. Arora said its volumes were growing, but market share had been affected. This is because a significant part of the recent growth in India's passenger vehicle market had come from alternative powertrains, where the company currently has limited participation.

Volkswagen Group's retail sales rose 29.8 per cent year-on-year (Y-o-Y) to 110,000 units in

Ready to rev up

- Volkswagen evaluating EV routes for India: Fully built-up imports, local assembly, localised models
- Global EVs could be introduced faster, while development of an India-specific model would require a longer product cycle
- The company is assessing bringing in its global portfolio but has not finalised a model
- Limited participation in alternative powertrains has affected the group's share in India's expanding passenger vehicle market
- FY26 retail sales rose 29.8% to 110,000 units, lifting market share to 2.34%
- July sales, however, fell 7.6%, while monthly market share declined to 1.9%

FY26 from 84,810 units in FY25, according to Federation of Automobile Dealers Associations (Fada) data. Its market share increased to 2.34 per cent from 2.04 per cent.

Škoda Auto Volkswagen India accounted for the bulk of these sales, with volumes rising to 109,000 units from 84,267 units a year earlier.

The group's momentum, however, moderated in July. Retail sales declined 7.6 per cent to 8,221 units from 8,902 units in the same month of last year. Its monthly market share fell to 1.9 per cent from 2.55 per cent.

Arora expects India's passenger vehicle market to maintain a strong momentum in FY27, with growth likely to be in the high-

single digits and potentially reaching double digits. The market could approach 5 million vehicles during the year, he said.

However, geopolitical tensions, higher commodity prices and supply-chain disruptions could weigh on demand, particularly if higher input costs are passed on to consumers.

India's growing importance for Volkswagen is also reflected in its manufacturing and export strategy.

The company has achieved more than 90 per cent localisation for products developed under its India 2.0 programme. It exports around 30 per cent of its annual production to more than 40 countries.

Arora said the company would continue developing products in India for the domestic market while assessing their export potential.

Major export markets include Mexico and South Africa, while the company is also evaluating opportunities in West Asia and other regions. The group has combined manufacturing capacity of around 300,000 vehicles across its two Indian locations.

Product-driven investments in localisation, suppliers and engineering are being evaluated, Arora said, while capacity expansion would be considered as the portfolio and volumes grow.

The company is also evaluating partnerships as part of its broader India strategy.

Responding to reports of a possible joint venture, Arora did not confirm any specific partnership. Instead, he said the group would consider all possible opportunities in India.

JSW MG Motor India seeks lower taxes on plug-in hybrid EVs

Amit Vijay Mohile
Mumbai

JSW MG Motor India has called for lower taxation on plug-in hybrids and plans to bring extended-range EVs to India as it widens its new-energy technology play. This, even as JSW Group's ₹40,000-crore Odisha EV and battery project, including a planned 50 GWh battery plant, remains on hold while it searches for an LFP cell-technology partner.

"We would love to see a tax reduction for plug-in hybrid electric vehicles (PHEVs)," said Parth Jindal, scion of the JSW Group, and Director on the Board and a Steering Committee Member of JSW MG Motor India.

THE TAX GAP

Pure EVs attract 5 per cent GST, while larger PHEVs can face 28 per cent GST plus compensation cess, thereby substantially increasing their effective indirect-tax burden. Jindal acknowledged the government's rationale: because a PHEV's petrol engine can directly drive the wheels, it is treated as an internal-combustion vehicle.

But he pointed to JSW's newly launched Hector Tomahawk to illustrate the price consequence. Its PHEV version could effectively have been priced alongside

Don't make it 12 per cent, make it 18 per cent... But consumers should get it cheap

PARTH JINDAL

Director, JSW MG Motor India



the battery-electric Tomahawk but for the difference in taxation, he added.

He stopped short of seeking the same tax treatment as a pure EV, instead floating a middle ground. "Don't make it 12 per cent, make it 18 per cent... But consumers should get it cheap," Jindal said.

The Tomahawk PHEV has a 20.5 kWh battery, more than 115 km of claimed electric-only range, and a combined petrol-electric range exceeding 1,100 km. MG sees such vehicles as a bridge for customers who can make much of their everyday travel on electricity but do not want to depend entirely on charging infrastructure for longer journeys.

MG bets that India's transition will be a spectrum: Battery EVs (BEVs) for buyers ready to depend on charging and PHEVs for those wanting electric commuting without sacrificing long-distance flexibility.

That said, MG now in-

tends to bring extended range EVs (EREVs) to India. "We can bring, and I mean we want to bring," Jindal said, adding that he expects the technology to become popular in the country.

BATTERY HURDLE

Battery cells remain a key gap in MG's localisation push.

JSW Group's ₹40,000-crore Odisha project envisages a 50 GWh battery plant alongside other investments. The project has been put on hold while JSW searches for an LFP cell-technology partner.

TRACTOR

Business Line, 26 August 2026

CNH to invest ₹1,000 crore to double tractor output

Mithun Dasgupta
Kolkata

US-based CNH Industrial is planning to invest around ₹1,000 crore to double its tractor-manufacturing capacity in India by 2030. The move is also expected to increase its market share to around 10 per cent.

The company will spend an additional ₹1,000 crore in the next five years in product development and R&D, said Narinder Mittal, President and MD, CNH Industrial (India). "We have a tractor-production capacity of 70,000 per annum. We are planning to increase it to around 1.4 lakh by 2030. We will be setting up a greenfield plant, close to our existing plant in Greater Noida," said Mittal.



Narinder Mittal, President & MD, CNH Industrial India

The company has around 5 per cent market share in India, in terms of volume. "We aim to be in double digits in four to five years," Mittal said.

In India, CNH manufactures CASE brand tractors for Bangladesh, Sri Lanka, and other markets. The company sold around 48,000 tractors in the domestic market and exported 10,600 units in calendar year 2025.

RAW MATERIAL

Business Standard, 28 August 2026

Steelmakers turn to value-added steel as end-users go premium

ISHITA AYAN DUTT &
SAKET KUMAR

Kolkata/New Delhi, 27 August

Major steelmakers are sharpening their focus on value-added steel as end-user industries such as automotive, appliance, and construction demand higher-performance products and move towards premium offerings.

The move up the value chain for steel producers has been underway for some time, both organically and through acquisitions. As billions of dollars continue to flow into upstream capacity, companies are also allocating a higher share of capital towards downstream operations, expanding their product mix and capabilities to capture a larger share of higher-margin segments.

Sehul Bhatt, director, Crisil Intelligence, observed that India's crude steel capacity increased by 23 per cent between 2023-24 and 2025-26, compared with around 20 per cent growth in domestic steel demand.

Hot-rolled coil (HRC) capacity expanded faster, by 29 per cent, intensifying competitive pressure on prices, he said. "Consequently, producers are increasing the conversion of HRC into cold-rolled and other downstream products to improve product differentiation and margins."

At the same time, Bhatt said demand for value-added steel, particularly from the automotive and white goods sectors, is rising. "This trend

is expected to sustain as India transitions towards an upper-middle-income economy."

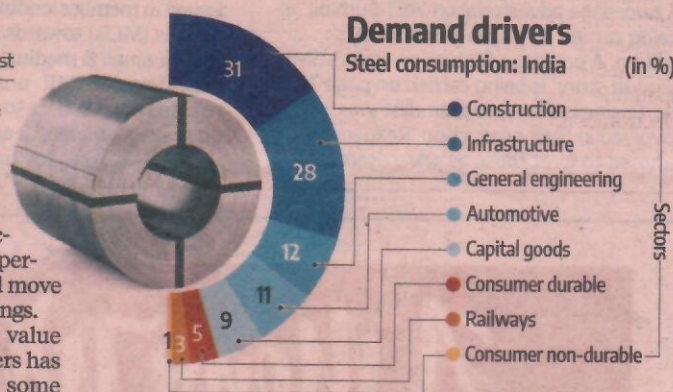
Premiumisation raises the bar

Producers point to the growing market for value-added steel as the rationale for moving up the chain. Ranjan Dhar, director and vice-president (V-P) — sales and marketing, Arcelor-Mittal Nippon Steel India (AM/NS India), pointed out that India's increasing per capita income and accelerated progress towards becoming a developed nation are now reflected in premium and discerning consumer choices. "The type of automobiles, housing, consumer goods, roofing solutions, etc that consumers are demanding are on a par with the developed world. This transformation of consumer preferences in turn is getting reflected in demand for specialty and smarter steels of the type India has not seen earlier," he said. The building blocks for this shift, however, have been laid over the years.

Demand drivers

Steel consumption: India

(in %)



Source: BigMint

Climbing the value ladder

In 2014, when JSW Steel's capacity stood at about 14 million tonnes (mt), value-added special products accounted for about 25 per cent of its sales volume. "Our India capacity today is 36.4 mt, including the joint venture Bhushan Power and Steel, and now the share of value-added special products steel is 60 per cent of the sales volume," said Jayant Acharya, joint managing director (MD) and chief executive officer (CEO), JSW Steel.

He expects value-added and special products to continue accounting for 55-60 per cent of the sales mix even as the company's capacity rises to 62 mt by 2031-32.

Increasing the value-added mix to insulate against the commodity cycle is, however, a trend across the industry.

Tata Steel aims to take its overall downstream products from the current 35-40 per cent to roughly 60 per cent by volume.

More on business-standard.com

India's July steel output up 1.9%

Gayathri G
Chennai

India's crude steel production rose 1.9 per cent year-on-year (y-o-y) to 14.4 million tonnes (mt) in July, even as global output declined marginally, according to data released by the World Steel Association (worldsteel).

India retained its position as the world's second-largest steel producer, with output during January-July rising 6.1 per cent to 101.1 mt. The country was among the major producers to record growth during the period, alongside the US, Türkiye, Germany and Vietnam.

Global crude steel production across 70 reporting countries stood at 149.2 mt in July, down 0.3 per cent from a year earlier. The countries covered account for about 98 per cent of global crude steel production.



CHINA'S DECLINE

China, the world's largest producer, reported a sharper decline, with output falling 3.6 per cent y-o-y to 76.9 mt. Its January-July production was down 3.1 per cent at 577 mt. China's decline weighed on overall global output as Asia and Oceania, which includes China and India, produced 109.4 mt in July, down 1.2 per cent.

Among other major producers, the US increased output 4.4 per cent to 7.4 mt, while Japan produced 6.9 mt, up 0.4 per cent. South

Korea's output rose 6.4 per cent to 5.7 mt, while Russia's production was estimated at 5.7 mt, up 3.3 per cent. Türkiye and Vietnam recorded stronger growth of 7 per cent and 34.7 per cent, respectively.

On a regional basis, Africa's output rose 6.1 per cent to 2 mt, while the European Union produced 10.5 mt, up 3.8 per cent. North American output increased 4.9 per cent to 9.6 mt and South America's production rose 2.8 per cent to 3.6 mt. West Asia was a notable laggard, with output falling 13.4 per cent to 3.8 mt.

For January-July, global crude steel production was down 0.6 per cent at 1,081.2 mt. Asia and Oceania remained the largest producing region, accounting for 799.6 mt, although its output was down 0.9 per cent. India's 6.1 per cent growth during the period contrasts with China's 3.1 per cent decline.

GOVERNMENT POLICY

Business Line, 20 August 2026

Cabinet gives green signal to five rail and road projects worth ₹13,041 crore

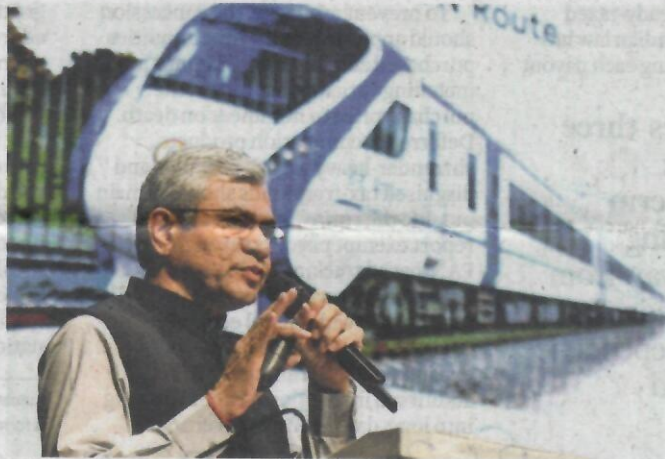
Our Bureau
New Delhi

The Union Cabinet on Wednesday approved five projects, including four for the Railways and one of highways, together worth ₹13,041 crore, with Union Minister Ashwini Vaishnaw emphasising that the government's focus on expanding the rail network is backed by transport economics.

Comparatively, the cost of transportation through rail works out to 46.67 per cent cheaper than road transportation though shipping freight is the cheapest among three modes of transportation — through land, air and water.

While transportation through rail costs ₹1.6 per tonne-km, the cost goes up to ₹3 per tonne-km when goods are transported by road, Vaishnaw told reporters at a briefing to announce Cabinet decisions. It is cheapest to transport goods by ship, at just 55 paise per tonne-km, while air freight is the costliest, ranging from ₹9 to ₹35-40 per tonne-km, the Minister said.

Another point the Minister shared was that between road and rail, rail freight could be up to 90 per cent less carbon-intensive than road freight. This would hold true if the comparison is between train sets and road carriers running on diesel fuel, he emphasised, adding that rail cargo had seen 10 per cent growth. The Railways, being an



CONNECTIVITY BOOST. Union Minister for Information and Broadcasting Ashwini Vaishnaw at the Cabinet briefing in New Delhi on Wednesday SUSHIL KUMAR VERMA

environment friendly and energy efficient mode of transportation, will help both in achieving climate goals and minimising logistics cost of the country, reduce oil import (~13 crore litres) and lower CO₂ emissions (~65 crore kg) which is equivalent to the plantation of 2.6 crore trees, the Minister stated.

HOWRAH-CHENNAI LINE

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, approved four projects of the Ministry of Railways with total cost of ₹9,450 crore approximately, aimed at quadrupling sections of the Howrah-Chennai main railway line to increase passenger and freight capacity on the key East Coast corridor.

These projects include: Kharagpur-Bhadrak (Ranital) fourth railway line, spread across 173 km between West Bengal and Odisha which will involve a cost of ₹3,352 crore. Another stretch is the Bhadrak-Haridaspur fourth line, covering 75 km in Odisha and involving an expenditure of ₹1,583 crore.

Likewise, the Gummidipundi-Gudur third and fourth line, covering 90 km between Andhra Pradesh and Tamil Nadu, will involve a cost of ₹2,229 crore.

The Cuttack-Paradeep (Badabandha) phase is part of the third and fourth line that is stretched across 72 km in Odisha at a cost of ₹2,286 crore.

The proposed projects are essential routes for transportation of commodities such as coal,

iron ore, cement, iron and steel, container, automobiles and foodgrains, the Minister stated. The capacity augmentation works will result in additional freight traffic of magnitude 76 million tonnes per annum.

Planned on the PM-Gati Shakti National Master Plan, the projects will focus on enhancing multi-modal connectivity and logistic efficiency through integrated planning and stakeholder consultations.

The projects will provide seamless connectivity for movement of people, goods and services as they cover eight districts across West Bengal, Odisha, Tamil Nadu and Andhra Pradesh, and will increase the existing network of the Indian Railways by 410 km. The proposed projects will enhance connectivity to 6,448 villages.

The Cabinet also gave nod to the upgradation of the Muzaffarpur-Sitamarhi-Sonbarsa Section of NH-22 to four-lane standards in Bihar. The project, covering 82.578 km, will be developed on hybrid annuity mode at a capital cost of ₹3,590.73 crore.

It acts as a key feeder corridor connecting the India-Nepal border at Sonbarsa with economic centres like Muzaffarpur at NH-27 (East-West Corridor). The project will significantly reduce congestion in densely populated areas of Muzaffarpur, Muksudpur, Runni Saidpur, Thumma, Dumra, Bhutahi and Sonbarsa.

India steps up CBAM preparedness as EU carbon payments begin in 2027

Our Bureau
New Delhi

With the EU's carbon tax regime under the Carbon Border Adjustment Mechanism (CBAM) coming into force from January 2026 and financial payments beginning in 2027, the Commerce Department is reaching out to exporters and industry stakeholders to step up preparedness for the new regime, focusing on emissions data, reporting, accreditation and verification requirements.

The Department of Commerce, in collaboration with the National Accreditation Board for Certification Bodies and the Engineering Export Promotion Council, organised an awareness session at Vanijya Bhawan, New Delhi, with around 100 exporters and industry stakeholders participating,



stepping up efforts to prepare Indian exporters for the new regime and its financial impact from 2027.

The EU's CBAM currently covers iron & steel products, aluminium, fertilizers, cement, electricity and hydrogen sectors. "Practical case studies relating to the iron and steel and aluminium sectors were discussed to provide exporters with a better understanding of the application of requirements in practice," according to a government statement.

CARBON COSTS

For Indian exporters, the mechanism could increase the effective cost of carbon-

intensive exports to the EU and affect competitiveness, particularly where producers cannot provide verified actual emissions data.

EEPC India Chairman Pankaj Chadha highlighted the importance of awareness and preparedness across the export value chain, including the availability of appropriate emissions-related data from suppliers and other stakeholders.

The outreach comes as Indian exporters face the challenge of establishing reliable emissions data and verification systems across their supply chains to meet EU requirements. Under the definitive regime, which began on January 1, 2026, EU importers are required to report embedded emissions annually and surrender CBAM certificates. The first annual declaration and surrender of certificates will be due by September 30, 2027.

Delhi-NCT to ban diesel, petrol, CNG LGVs from January

S Ronendra Singh
New Delhi

The Commission for Air Quality Management (CAQM) has announced what could become one of the most consequential shifts in India's urban freight policy: From January 2027, Delhi will effectively shut its new vehicle market to diesel, petrol and compressed natural gas (CNG) light goods vehicles (LGVs) of up to 3.5 tonnes, which is also known as N1 category.

The ban then progressively moves into the National Capital Region (NCR) districts of Gurugram, Faridabad, Sonapat,

Ghaziabad and Gautam Buddha Nagar (Uttar Pradesh), which may be classified as high vehicle density (HVD) districts from January 2028, highly placed sources told *businessline*.

"No diesel/petrol/CNG LGVs (N1 - 3.5 tonnes GVW or less) shall be permitted to be registered in Delhi-NCR in a phased manner," sources quoting the CAQM's direction dated August 19, said, adding that the ban in the NCR would be effective January 1, 2027, including HVD districts of NCR.

PHASED BAN

For the N2 category of commercial vehicles (above 3.5 tonnes and up to 7.5 tonnes),

no diesel/petrol/CNG would be permitted to be registered in Delhi-NCR, in a phased manner, it said. While the ban in the National Capital Territory (NCT) of Delhi will be effective January 2028, no registration of this vehicle category will be allowed from July 2028 in the HVD districts of NCR.

In all NCR districts other than NCT of Delhi and HVD districts, no diesel/petrol LGVs (N2 — above 3.5 tonnes and up to 7.5 tonnes GVW) would be permitted to be registered from January 2029, the CAQM said.

"These directions shall operate in addition to and not in derogation of the directions, advisories, orders

and other measures issued by the Commission under the Act for prevention, control and abatement of air pollution in NCR. In the event of any inconsistency, the provisions of these directions shall prevail to the extent of such inconsistency," a source, quoting the instructions of CAQM, said.

The government of the NCT of Delhi (GNCTD/NCR) should give wide publicity to these directions and take necessary measures for ensuring effective implementation, the instructions added.

To develop strategies for abatement of air pollution caused by vehicular emissions in Delhi-NCT, an ex-

pert committee was constituted by the Commission in December 2025 and after extensive consultations with stakeholders, the CAQM noted. The committee, in its interim report submitted in July/August, has observed that within the transport sector, LGVs — comprising N1 and N2 vehicles account for a notable share of PM 2.5 emissions due to their widespread usage for last-mile goods transport, it said.

The committee recommended the transition of LGVs (N1 and N2) to EV in a phased manner in Delhi and HVD districts, and EV/CNG in NCR districts other than NCT of Delhi and HVD districts, it added.

IMRH EXPECTED TO EVENTUALLY REPLACE THE RUSSIAN-ORIGIN MI-17 FLEET

HAL, Safran to Develop Next-gen Helicopter Engine

Over ₹4,000 cr to be invested in R&D over 7 yrs for testing, certification & integration

Manu Pubby

New Delhi: Hindustan Aeronautics Ltd (HAL) is stepping up its joint ventures with private-sector partners, announcing plans to develop a next-generation helicopter engine and manufacture avionics for helicopters and combat aircraft.

On Wednesday, the state-owned aerospace company announced a partnership with French manufacturer Safran to develop a new-generation helicopter engine for its upcoming Indian Multi Role Helicopter (IMRH). The engine has been selected for the IMRH, which is expected to eventually replace the Russian-origin Mi-17 fleet.

The same day, HAL chairman and managing director Ravi K inaugurated manufacturing facilities of its joint venture with Samtel, which will produce avionics for helicopters, including Light Combat Helicopters, and develop next-generation

India on Course to Becoming One of Top Three Economies, Says Rajnath Singh

Panaji: Defence minister Rajnath Singh on Wednesday said India is among the world's top five economies and would have become the third largest soon had the "recent global crisis" not occurred, but it would certainly reach that milestone too. He was addressing a gathering after inaugurating the Martyrs' Memorial at Patradevi village in North Goa district. Chief Minister Pramod Sawant, Union Minister Shripad Naik and Rajya Sabha MP Sadanand Shet Tanavade were also present on the occasion. India is one of the top five economies of the world, Singh said, adding, "Had there been no recent global crisis, today we would have been the third largest economy." The Union minister was apparently referring to the US-Iran war. — PTI

electron systems for aircraft. Samtel HAL Display Systems will address avionics requirements, including test benches and systems, across HAL's fixed-and rotary-wing platforms.

For helicopter engines, HAL's joint venture SAFHAL Helicopter Engines Pvt Ltd will develop a

3,500-4,000 shaft horsepower engine named Aravalli.

"Through this collaborative programme with SAFHAL and Safran Helicopter Engines, we are creating a strong foundation for powering next-generation Indian helicopter platforms," said HAL chairman and managing director Ravi K.

How Vietnam beat China & India in the export game

Chidanand Rajghatta | TNN

Washington: There is still hope yet for US-Iran ties.

Some 50 years after the fall of Saigon, America's former enemy has achieved a distinction that would have seemed like satire in the 60s and 70s. Vietnam has now run up the biggest trade surplus with the United States — \$114 billion in just the first half of 2026 — ahead of giants such as China, Mexico, and Taiwan, according to the Wall Street Journal. In 2025, Vietnam ranked third after China (\$202 billion) and Mexico (\$197 billion), but it is now on track to be the world's top exporter to the US.

It is a remarkable transformation for a country of 100 million people which was battered by the US and has long lived in the shadow of China's 14x population and 40x econo-



THE BIG SHORT

my (\$20 trillion v \$500 billion). Yet American imports from Vietnam ramped up 40% from a year earlier, while imports from China fell from \$168 billion to \$129 billion.

The journey, according to trade experts, began not with tariffs but with pragmatism. Hanoi launched its Doi Moi economic reforms in the 1980s, abandoning Soviet-style central planning and opening itself to global commerce. Washington lifted its trade embargo

in 1994 and normalised diplomatic relations in 1995. A bilateral trade agreement that took effect in 2001 then transformed the relationship. According to state department figures, two-way trade rose from just \$451 million in 1995 to nearly \$124 billion in 2023.

Vietnam also did something that many developing countries promise but few accomplish: it made manufacturing for export the centerpiece of its economic strategy, joining regional trading arrangements, cultivating foreign investment, and building industrial parks and ports. The World Bank says Vietnam's trade-to-GDP ratio is now nearly 170%, making it one of the world's most trade-oriented economies.

Much of this has been at the expense of Beijing. As Chinese wages rose and the US-

China relationship deteriorated, multinational corporations adopted the now-famous "China plus one" strategy. Energetic Vietnam — and not slothful India — became the obvious plus one: geographically close to China's manufacturing heartland, deeply integrated into Asian supply chains, cheaper, politically stable, and increasingly experienced in making the things Americans buy.

Samsung, Intel, and Foxconn established substantial Vietnamese operations with Apple, Nike, and Lululemon following. The Journal reports that about 60% of Vietnamese exports to America are now machinery, electronics or appliances — hardly evidence of Chinese shirts merely being given Vietnamese name tags. Miami firm TOV Furniture, flipped its sourc-

ing from 60% China/25% Vietnam in 2024 to 25% China/60% Vietnam today, explicitly because of tariffs.

Trump wants tariffs to bring factories back to America to address its manufacturing Achilles heel. Instead, some factories moved next door to China: China's effective US tariff rate was 23.2% in June, compared with only 6.5% for Vietnam.

Vietnam's success also highlights New Delhi's relatively disappointing performance. India has roughly 14 times Vietnam's population, yet its goods trade surplus was only \$58.4 billion. The comparison is striking: a country with barely one-fourteenth of India's population is running a US trade surplus roughly twice as large.

Of course, India and Vietnam have very different eco-

nomic structures. India's enormous domestic market and its strengths in services means that US goods-trade balances don't capture the whole economic relationship. But clearly, Vietnam has been dramatically more successful than India at converting foreign investment and low-cost labour into export-oriented manufacturing and US-bound supply chains.

Still, India is now making impressive gains in electronics — mobile-phone exports, for example, have risen sharply. But it has historically been less deeply embedded in manufacturing supply chains. The World Bank notes that India's labour-force participation is just 56.4%, versus 73% in Vietnam, while 45% of Indian employment remains in agriculture (in Vietnam, it fell from 65% in 2000 to 25% in 2025).