AIFI
Association of Indian Forging Industry

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

AUTOMOTIVE INDUSTRY

Business Standard, 16 September 2026

Fada pushes automakers to give dealers more contractual certainty

ANJALI SINGH
Mumbai, 15 September

The Federation of Automobile Dealers Associations (Fada) is pushing automobile manufacturers to adopt a model dealer agreement to provide greater contractual certainty to dealers making substantial investments in setting up and running dealerships.

Fada President Sai Giridhar said dealers are sometimes being asked to invest crores of rupees on the basis of letters of intent (LoIs) that may be valid for only a few months, leaving them with limited certainty over their long-term relationship with the automobile manufacturer.

"You make a dealer invest crores of rupees with only a letter. It is only on trust and faith that dealers do that," Giridhar said in an interaction with *Business Standard*.

Fada has already shared its model dealer agreement with automobile manufacturers and is seeking wider adoption of the framework, Giridhar said. While some original equipment manufacturers (OEMs) have been reluctant to accept the agreement in its entirety, discussions have resulted in movement on some provisions, he said.



Call for fair dealing

- Fada urges OEMs to adopt model dealer agreement
- Dealers asked to invest crores on short-term LoIs, says president
- Some OEMs reluctant to adopt agreement fully, but talks progressing
- Framework seeks dealer protection on OEM exits and terminations
- Model agreement covers all segments: 2W, PV, CVs and tractors

The proposed agreement is aimed at creating a more balanced framework governing the relationship between OEMs and dealers. Fada said the agreement has been prepared after studying international dealer agreements and is intended to protect the interests of both sides.

The issue assumes significance due to the capital-intensive nature of the automobile retail business. Dealers typically have to invest in showrooms, workshops, equipment, manpower, and other infrastructure before they begin to recover their investment. Fada has previously said it can take several years for a dealership to break even. "Some OEMs offer letters of intent valid for only two to three months, while dealers are expected to make substantial investments to set up the business. A fair agreement that provides dealers with a contractual safety net would put many of them at ease, as there is currently no uniform structure governing the relationship," a two-wheeler dealer said requesting anonymity.

An auto manufacturing executive, on the condition of anonymity, said a more formal and well-defined contractual framework between automakers and dealers could help address concerns arising from changing managements, informal commitments, and rising dealership costs. Dealer financial viability remained central to the relationship, the executive said, as a profitable dealer would be better placed to continue investing in the brand.

The executive also noted that the dealership model is changing globally, with multi-brand retail becoming more prevalent, particularly in two-wheelers. He added that any framework would need to account for the responsibilities and economics of both dealers and manufacturers.

A formal agreement could also provide clarity, protecting dealers from sudden policy shifts when OEM management changes, the executive said.

Fada's push for a model agreement also comes against the backdrop of abrupt exits by global automakers from the Indian market in recent years.

More on business-standard.com

Business Standard, 16 September 2026

PV exports fell 17% in Aug as firms stocked up for festivals

SOHINI DAS
Mumbai, 15 September

India's passenger vehicle (PV) exports declined 17 per cent year-on-year in August, contrasting with a 36.5 per cent surge in domestic dispatches as automakers stocked up for the festival season.

Domestic PV dispatches surged to 439,309 units in August — up from 321,901 a year earlier — making it the highest ever for the month, according to data released by the Society of Indian Automobile Manufacturers (Siam) on Tuesday.

In contrast, PV exports declined 17 per cent to 68,230 units from 82,246. The export data does not include Tata Motors, BMW, Mercedes-Benz, Jaguar Land Rover and Volvo as Siam does not have their monthly numbers.

Overseas shipments of passenger cars fell 51.5 per cent to 21,181 units in August from 43,650 a year earlier, driving the overall decline in exports.

Utility vehicle (UV) exports beat the trend, rising 23.7 per cent to 46,400 units from 37,522 units. Van exports declined 39.6 per cent to 649 units.

Domestic demand remained strong across PV segments. Excluding Tata Motors and some luxury manufacturers, UV dispatches jumped 39.2 per cent to 250,084 units. Passenger car dispatches increased 23.8 per cent to 112,011 units.

Van sales rose 10.9 per cent to 11,961 units. PV production increased 25.7 per cent to 454,266 units from 361,489 units. UV production grew 28.3 per cent, passenger car production 22.1 per cent and van output 11.5 per cent.

Siam attributed the strong August sales partly to a favourable base while pointing to healthy underlying demand.

"India's automobile industry is passing through a robust growth phase. The growth in August 2026 has been supported by a lower base in the previous year," said Rajesh Menon, director general of Siam.

He said strong consumer confidence, resilient rural markets and improving financing conditions are supporting demand, with the festive season expected to provide an additional boost.

Automobile demand is also supported by a replacement cycle that goes beyond the boost from last year's rate cuts in goods and services tax (GST), said Jitin Makkar, senior vice-president and group head at ICRA.

"We would have otherwise expected the GST-related sentiment boost and the economic boost to have started to show signs of fading. That is yet to happen. Therefore, our view is that it is not just the GST factor alone but also the replacement demand," Makkar said.

Consumers who had deferred replacing vehicles bought five to seven years ago are returning to the market. However, ICRA expects the pace of growth to moderate in the second half of FY27. "From the levels of volumetric growth that the automobile sector has seen in H1 [first half] FY27, H2 perhaps, from a growth perspective, is going to be much softer," Makkar said.

The divergence between domestic sales and exports was specific to PVs. Two-wheeler exports rose 28.5 per cent to 555,292 units, while domestic dispatches increased 10.5 per cent to 2.03 million units.

Three-wheeler exports increased 31.3 per cent to 56,166 units, alongside a 22.8 per cent rise in domestic dispatches to 93,764 units.



Domestic dispatches surge

Dispatch volumes (in units)

Category	Aug '25	Aug '26	Y-o-Y chg (%)
Passenger vehicles	321,901	439,309	36.5
Three-wheelers	76,324	93,764	22.8
Two-wheelers	1,841,954	2,034,698	10.5

Note: BMW, Mercedes, JLR and Volvo auto data are not available. Tata Motors' domestic sales data included only in 'Total PV', detailed break-up is not available

Export volumes (in units)

Category	Aug '25	Aug '26	Y-o-Y chg (%)
Passenger vehicles	82,246	68,230	-17.0
Three-wheelers	42,773	56,166	31.3
Two-wheelers	432,234	555,292	28.5

Source: Siam

Business Line, 16 September 2026

Bharat Forge ties up with Pratt & Whitney for UAVs

Press Trust of India
Mumbai

Bharat Forge Ltd on Tuesday said it has teamed up with aircraft engine maker Pratt & Whitney Canada to evaluate integration of advanced turboprop engines into a high-altitude, long-endurance (HALE) unmanned aerial vehicle (UAV) programme, designed and developed by the DRDO.

Pratt & Whitney Canada will evaluate engine compatibility, performance and installation requirements while Bharat Forge will lead engine-airframe integration, including installation design and systems interfaces, the company said.

SELF-RELIANCE

The collaboration, aimed at advancing India's indigenous aerospace and defence manufacturing capabilities, supports the country's unmanned aerial systems efforts, Bharat Forge said. "We aim to support development of a world-class HALE platform that strengthens India's strategic self-reliance and defence preparedness," said Amit Kalyani, Vice-Chairman and Joint MD, Bharat Forge Ltd.

"The collaboration reflects our continued commitment to supporting India's aerospace and defence ambitions. Pratt & Whitney Canada's turboprop engines have a proven legacy of reliability in demanding operational environments," said Ashish Saraf, V-P and Country Head, Pratt & Whitney.

Business Line, 16 September 2026

Automobile exports surge 22% in August led by two-wheelers

T E Raja Simhan
Chennai

India's automobile exports rose 22.2 per cent year-on-year to 6,81,338 units in August 2026, compared with 5,57,446 units in the same month last year, according to data released by the Society of Indian Automobile Manufacturers (SIAM).

Two-wheelers led the surge with 28.5 per cent growth. Passenger-vehicle exports were more subdued, declining 17 per cent to 68,230 units from 82,246 units in August 2025. In the segment, passenger car exports declined by 51.5 per cent in August over the same period last year.

The geopolitical disruptions led to the decline, say industry sources. However, PV data does not include numbers for BMW, Mercedes, JLR, Tata Motors and Volvo Auto, SIAM notes.

Two-wheelers accounted for the bulk of the increase, with exports rising 28.5 per cent to 5,55,292 units from 4,32,033 units a year earlier. Motorcycles were the largest contributor within the segment, with exports increasing 33.4 per cent to 4,86,325 units from 3,64,487 units. Scooter exports rose 5.1 per cent to 68,085 units.

The decline in PV exports was witnessed among all the OEMs and in all segments — mini, compact and mid-size, says the data.

Kotak Institutional Equities' report on automobiles and components said that exports saw weak trends across OEMs owing to logistical disruptions arising from West Asia crisis.

Poonam Upadhyay, Director, Crisil Ratings, said the trend suggests Indian automotive manufacturing is moving up the value chain rather than simply benefiting from a cyclical demand upswing. "Global markets are viewing India as a sourcing hub for compact SUVs, not just entry-level cars. Whether this marks a durable shift will depend on how quickly OEMs expand SUV-focused capacity to meet what appears to be sustained international demand," she added.

She drew attention to utility vehicle exports, which she noted, rose 23 per cent to around 2.03 lakh units during April-August FY27.

Business Line, 16 September 2026

Favourable ecosystem helped automakers post record sales in August, says SIAM

S Ronendra Singh
New Delhi

The automobile industry is in a robust growth phase, driven by consumer confidence, resilient rural markets, improving financing conditions, and accelerating adoption of alternative drivetrains, creating a favourable ecosystem, said the Society of Indian Automobile Manufacturers (SIAM) on Tuesday.

According to the monthly wholesale (dispatches to dealers) numbers shared by the industry body, all three major categories — passenger vehicles (PVs), two-wheelers and three-wheelers — recorded their highest-ever sales in August.

PV dispatches grew 36.5 per cent year-on-year (y-o-y) to 4,39,309 units during the month, up from 3,21,901 units in August 2025. Major PV makers, including market leader Maruti Suzuki India, Tata Motors, Mahindra & Mahindra and Hyundai Motor India registered record domestic wholesales during the month.

Healthy growth

Domestic wholesales in August 2026

Segment	August 2025	August 2026	y-o-y change (in %)
Passenger vehicles	3,21,901	4,39,309	36.5
Three-wheelers	76,324	93,764	22.8
Two-wheelers	18,41,954	20,34,698	10.4
Total	22,40,179	25,67,771	14.6

Source: SIAM

TAMO SALES UP 59%

While Maruti's sales grew 35 per cent y-o-y to 1,76,971 units, Tata Motors reported a 59 per cent y-o-y growth in domestic dispatches to 65,253 units. M&M reported a 50 per cent y-o-y growth to 59,257 vehicles.

Similarly, two-wheeler wholesales grew 10.5 per cent y-o-y to 20.34 lakh units. Motorcycle sales grew 2.4 per cent y-o-y to 11.33 lakh units, while scooter sales grew 23.8 per cent y-o-y to 8.55 lakh.

Overall domestic wholesales across categories grew 14.6 per cent y-o-y to 25.67 lakh units last month, up from 22.4 lakh units in August 2025.

"The is passing through a robust growth phase. The growth in August has been supported by a lower base. The broader demand environment remains fundamentally healthy," said Rajesh Menon, Director General, SIAM. "Strong consumer confidence, resilient rural markets, improving financing conditions, and accelerating adoption of alternative drivetrains are creating a favourable ecosystem across vehicle categories."

In terms of exports, the industry recorded a 22.2 per cent y-o-y growth to 6.81 lakh units, led by two-wheelers.

The Economic Times, 17 September 2026

EXPANSION PLAN High tariffs, trade woes force OEMs to move away from single -country hubs

Parts Suppliers Think Global as Auto Majors Focus on Sourcing Mix

Shally Seth Mohile

Mumbai: Indian auto parts makers are expanding manufacturing presence overseas and building advanced engineering capabilities to capitalise on global automakers shifting their sourcing strategies away from single-country production hubs toward suppliers that can design components in one location and manufacture them across multiple sites globally. This transition is being driven by trade uncertainties, unpredictable tariffs, and supply chain disruptions.

The trend is accelerating across major tier-1 suppliers, including Suprajit Engineering, Highway Roop Precision Technologies, SPR Auto Technologies, and Tenneco, as OEMs prioritise supply chain flexibility over single-country dependence.

"Global OEMs (original equipment manufacturers) are looking for a diversified footprint where you can develop the product in one location and then supply from multiple locations," Ajit Rai, chief strategy officer at Suprajit Engineering told ET. Bengaluru-based Suprajit—a manufacturer of control cables and mechanical and electronic parts—operates plants across India, China, Mexico, Hungary, and Morocco. This distributed setup enables global clients to shift order volumes seamlessly to hedge against tariff swings.

"Whatever learnings we have had in China, we can deploy in Mexico, Hungary, or Morocco," said Rai, highlighting that if trade barriers make one region uncompetitive, production can be reallocated elsewhere without switching suppliers.

This evolving "China+1" dynamic is backed by data from a joint BCG-ACMA report, which forecast India's auto parts exports to surge to $45 billion by the turn of the decade from $24 billion in FY26. While India currently holds less than 5% of the global trade in auto parts compared to China's 12%, Indian suppliers are rapidly closing the gap as product technology reaches global standards.

Tenneco highlighted that technological equalisation has made India-engineered parts directly comparable to European quality. "Because of technology equalisation, products developed and supplied from India are now at the same tech level as those sold in Europe," said Arvind Chandra, CEO at Tenneco, noting strong demand from European automakers seeking to diversify their supply lines away from China.

At the same time, Indian suppliers are taking on greater design responsibility to cement global partnerships.

Highway Roop, which derives 55% of its ₹2,500 crore annual revenue from exports, is transitioning from build-to-print manufacturing into proprietary product design and sub-assemblies. "OEMs increasingly want their tier-1 suppliers to handle more engineering because their own internal resources are stretched across new technologies," according to the company.

Similarly, SPR Auto is expanding across sub-assemblies and multiple powertrains including hybrid, hydrogen, CNG, and electric platforms, reducing its legacy internal combustion engine business to under 35% of revenue.

"We are already doing a lot of sub-assemblies," said Krishnakumar Srinivasan, MD & CEO at SPR Auto, highlighting a recent order win to supply full floor console assemblies. "We now have over 14 plants in the country and eight assembly centres."

By offering multi-country manufacturing flexibility alongside full-service design, Indian companies are positioning themselves not just as low-cost alternatives to China, but as indispensable partners in the restructured global automotive supply chain.

Hedging Bets

Trade friction and disruptions accelerating global sourcing diversification

$24 b India's projected component exports in FY26

$45 b Projected Indian component exports by FY30

5% India's current share of global component trade

12% China's comparatively larger global component-trade share

Source: BCG-ACMA report



Business Standard, 22 September 2026

PV inventory climbs as dealers prep for festivals, keep discounts in check

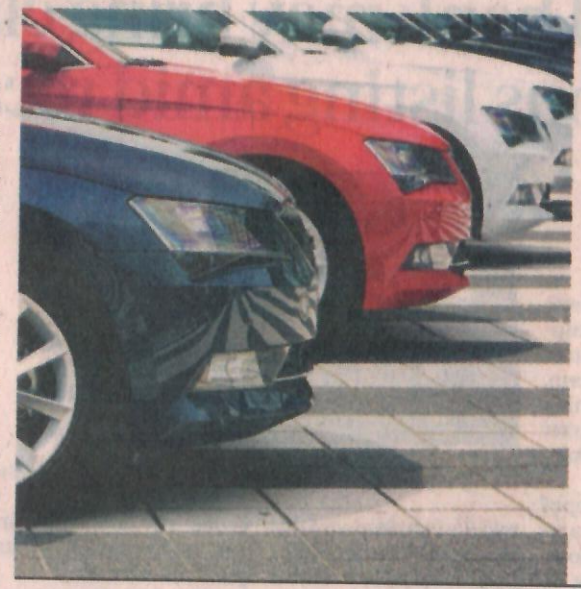
ANJALI SINGH
Mumbai, 21 September

Passenger vehicles (PVs) dealers reported inventories of 38-40 days for August — around five days higher than in July —as automakers stock up ahead of the festivals, but the buildup has so far not triggered the steep discounts seen last year.

Dealer-level offers are ranging from around ₹50,000 to ₹3.35 lakh across several mass-market models. Som Kapoor, partner and future of mobility leader, EY-Parthenon, said discounts on some models had reached ₹5 lakh-10 lakh last year, as against around ₹3 lakh now. The inventory increase comes as manufacturers' wholesale volumes grew 36.5 per cent year-on-year in August, more than twice the 16.14 per cent growth in retail registration.

The August data with Society of Indian Automobile Manufacturers (Siam) showed PV wholesale volumes at 439,309 units, significantly ahead of the Federation of Automobile Dealers Associations' (Fada's) retail registration of 402,398 units.

The nearly 37,000-unit gap, coupled with the increase in dealer inventories, points to a sizeable amount of stock moving into the channel ahead of the festival season.



Zooming in

- PV inventory up 5 days to 38-40 days in August
- Wholesale-retail gap at 37,000 units in August
- 56% dealers reported higher inventory.
- Inventory buildup not uniform across OEMs
- Maruti inventory at 16 days; Hyundai at 4-5 weeks.
- Discounts remain contained despite higher inventory
- Discounts on some hit ₹5-10 lakh last year vs ₹3 lakh now
- Current offers range from ₹50,000 to ₹3 lakh
- Hyundai discounting at 2.8% of Q1 revenue, broadly unchanged

Fada's data of inventories at — 38-40 days at the end of August — is well above the association's recommended 21-day level. About 56 per cent of dealers reported higher inventories. The buildup, however, is not uniform across manufacturers. Maruti Suzuki, the country's largest PV manufacturer, had around 16 days of network inventories, according to Partho Banerjee, senior executive officer, marketing and sales. This is below the company's preferred festival inventories of around 30 days. The company has also received more than 60,000 bookings for its Victoris, indicating that stock availability remains a constraint for some products.

Hyundai Motor India's inventories stood at four to five weeks, which Managing Director and Chief Executive Officer Tarun Garg described as healthy. The company has been maintaining a disciplined approach to discount, whose rate is 2.8 per cent of revenue in the first quarter, broadly in line with the previous year.

At industry level, available dealer-sourced offers also do not point to a uniform escalation in discounts.

Tata Motors has benefits of up to ₹3.35 lakh on select Curvv electric-vehicle variants and up to ₹2.75 lakh on the Harrier EV, while for Mahindra & Mahindra those are up to ₹2.5 lakh on select sport utility vehicles.

Maruti Suzuki's Grand Vitara carries headline benefits of up to ₹3.10 lakh, including a zero-road-tax benefit of up to ₹1.85 lakh. Hyundai's Creta has benefits of up to ₹1 lakh, while Kia's offers range from ₹50,000 on the Sonet to ₹1.5 lakh on the Carnival. Honda's Elevate has benefits of around ₹2.44 lakh. These are dealer-sourced figures and can vary by location, variant, model year, stock and customer eligibility.

Kapoor attributed the moderation in discounts from last year to a tighter demand-supply balance. The comparison, however, is based on his talks with original equipment manufacturers rather than an industry-wide discount series.

The key test now is whether the elevated inventories can be absorbed through retail demand in the festival season without a broadbased increase in incentives. Fada's survey showed 81.62 per cent of dealers expected growth during September-November, although this was lower than the 87.85 per cent a month earlier.

The expectations come against a high base. Siam has attributed part of August's wholesale growth to the lower base of the previous year, while Fada has flagged risks such as weaker than expected demand, a deficient monsoon in several states, and price increases.

The Economic Times, 23 September 2026

Auto Retail Sales Rise 20% as GST Cut Boosts Affordability

Cos sell 30 m units in 11 months as tax reforms also draw first-time buyers

Our Bureau

New Delhi: Automobile sales in India climbed 20% to 30 million units in the 11 months since the government cut goods and services tax (GST) last September.

The move boosted affordability across categories as automakers dropped prices in line with the reduced tax rates, helping draw first-time buyers to showrooms in both urban and rural markets, said industry executives. At Maruti Suzuki, passenger vehicle sales surged nearly 36% from a year earlier in the April-August period, with the entry-level segment expanding more than 96%.

"This demonstrates the power of the Indian consumer and the importance of affordability," said Hisashi Takeuchi, managing director & CEO, Maruti Suzuki, adding that the company is accelerating capex plans, with a "multiplier effect across the economy" expected to follow.

Hyundai Motor India echoed the trend. "The GST 2.0 reforms have been a significant catalyst for the Indian automotive industry," said Tarun Garg, MD, HMIL, noting that monthly wholesale volumes of over 400,000 units have become "the new normal."

HMIL's passenger vehicle sales grew over 15% on year between September 2025 and March 2026, accelerating to more than 29% in the subsequent five months, Garg said. Indian auto retail has registered over 30 million vehicles, growing nearly 20% year-on-year, against under 5% in the comparable year before the reform, Federation of Automobile Dealers Associations data showed.

FADA president Sai Giridhar said two-wheeler sales have hit levels last seen in 2018, alternative-fuel vehicles have overtaken petrol models in the passenger segment for the first time, and rural markets are now outpacing urban ones. Improved affordability, he said, "did not merely pull demand forward; it widened the market itself."

The impact has extended well beyond passenger vehicles. Anish Shah, Group CEO & MD, Mahindra Group, said SUV sales have grown 17% since the rationalisation, while light commercial vehicles and tractors have risen 20%. He added that the reform has lifted disbursements at Mahindra Finance and boosted discretionary spending across the group's hospitality, real estate and logistics businesses.

Fast & Furious



36% Maruti Suzuki passenger vehicle sales growth during April-Aug

96% Growth in Maruti's entry-level vehicle segment



15% Industry passenger vehicle sales growth initially in Sept 2025-Mar 2026



17% Mahindra SUV sales growth after tax rationalisation

Business Standard, 24 September 2026

Netradyne, govt talk driver-monitoring systems for CVs

SOHINI DAS
Mumbai, 23 September

Artificial intelligence (AI)-powered fleet-safety company Netradyne is engaging with the Ministry of Road Transport and Highways (MoRTH) and road-safety authorities as it makes a case for driver-monitoring systems to be made mandatory for commercial vehicles (CVs) in India, while simultaneously testing its technology with vehicle manufacturers for factory-level integration.

"One of our proposals is that if driver monitoring can be made mandatory, it could significantly reduce road accidents by coaching the driver," said Teja Gudena, executive vice president–engineering at Netradyne.

The San Diego-headquartered company's technology uses AI and computer vision to detect driver behaviour — such as drowsiness, distraction, mobile-phone usage, and failure to wear a seat belt — and issue real-time alerts to the driver as well as notify fleet managers.

Gudena said CVs could be the starting point for such a requirement. "Making it mandatory for commercial fleets would be a great starting point, but again these are all government choices," he said.

The proposal comes as the government steps up the use of technology for vehicles and road safety. MoRTH has already mandated Driver Drowsiness Detection and Alert Systems under AIS-184 for relevant categories of vehicles from January 1, 2028, along with other advanced driver-assistance systems. Electronic stability control and Advanced Emergency Braking Systems for trucks are to become mandatory from October 2027.



Revving up

- The proposal comes as the government steps up the use of technology for vehicles and road safety
- State-level pilot involving transport buses and tourism taxis to start next month; company is also pitching retrofits for existing vehicles
- Indian CV OEMs are testing its technology for potential factory-level integration

In August, the National Highways Authority of India and the National Road Safety Board also identified commercial-vehicle safety, Intelligent Transport Systems, and technology-enabled interventions among six strategic areas for improving safety on national highways.

Netradyne is arguing that safety interventions will also have to address India's large population of vehicles already on the road rather than being restricted to new vehicles.

"We met the Supreme Court Committee on Road Safety a month back, and the discussion was: the new vehicles that come on the road every year are contributing, I think, about 5 per cent or 7 per cent to the total vehicle count. And what about the remaining 90-95 per cent? Because if those are not safe, safety will not be reached," said Amit Kumar, vice-president – marketing at Netradyne.

Kumar said the company was also seeing interest from state governments. Without identifying the state, he said a pilot was due to start there next month, covering a combination of transport buses and tourism taxis. The pilot would generate data that could help the state evaluate the case for regulation, he added. At the same time, Netradyne is working with CV manufacturers on integrating its technology into vehicles at the factory level.

"Some testing is happening," Gudena said when asked whether Indian OEMs (original equipment manufacturers) had begun testing the technology. The company is engaged with "a couple of top OEMs" in India and globally, though he declined to identify them.

Factory integration, however, could take time. "OEM engagements are very, very time-consuming," Gudena said, adding that manufacturers typically test the technology extensively before signing off on integration, and have demanding technology and integration standards.

India is also becoming an important growth market for the company. Its customers here span oil and gas, cash transportation, automobile carriers, and metal transportation, while discussions are underway for corporate and GCC employee-transport fleets.

More on business-standard.com

Business Standard, 24 September 2026

Fuel shift gathers pace across vehicle segments



India's automobile market is seeing a steady shift in its fuel mix, with electric vehicles (EVs) gaining ground across passenger vehicles (PVs), two-wheelers, three-wheelers and commercial vehicles (CVs), while compressed natural gas (CNG) is strengthening its position in the PV market.

The change is most visible in PVs. Petrol/ethanol's share of retail sales fell from 47.49 per cent in January to 40.85 per cent in August but CNG/LPG increased from 22.91 per cent to 25.28 per cent, according to analysis of monthly retail data by the Federation of Automobile Dealers Associations (Fada).

EV penetration more than doubled from 3.6 per cent to 7.63 per cent over the same period. By August, CNG, hybrid and EVs together accounted for 41.95 per cent of PV retail, overtaking petrol/ethanol for the first time. Fada attributed the shift partly to running-cost economics and consumer concerns around the transition to E20 fuel.

Electric two-wheelers increased their share from 6.63 per cent in January to 10.68 per cent in August. In three-wheelers, EV penetration rose from 59.60 per cent in January to 65.30 per cent in August, while CNG/LPG's share declined.

COMPILED BY SOHINI DAS

Fuel mix

Passenger vehicles

Figures are market-share percentages

2026	Petrol/Ethanol	Diesel	CNG/LPG	Hybrid	EV
Jan	47.49	17.07	22.91	8.94	3.60
Feb	46.08	18.80	23.45	8.19	3.48
Mar	44.81	18.33	23.76	7.99	5.11
Apr	45.71	17.75	22.18	8.25	6.11
May	45.76	16.23	23.34	8.05	6.63
Jun	43.15	16.32	24.35	8.27	7.91
Jul	41.68	17.73	24.67	8.02	7.90
Aug	40.85	17.21	25.28	9.04	7.63

Two-wheelers

2026	Petrol/Ethanol	EV	CNG/LPG
Jan	93.27	6.63	0.10
Feb	93.34	6.57	0.09
Mar	90.13	9.79	0.07
Apr	92.01	7.92	0.07
May	90.68	9.25	0.07
Jun	89.34	10.59	0.07
Jul	88.67	11.24	0.09
Aug	89.23	10.68	0.08

Three-wheelers

2026	EV	CNG/LPG	Diesel	Petrol/Ethanol
Jan	59.60	27.11	12.88	0.41
Feb	56.69	28.29	14.64	0.39
Mar	57.89	27.19	14.51	0.41
Apr	59.17	25.44	14.98	0.41
May	64.44	22.08	13.04	0.43
Jun	62.66	22.86	14.18	0.30
Jul	65.07	21.56	13.09	0.28
A ug	65.30	21.50	12.89	0.31

Commercial vehicles

2026	Diesel	CNG/LPG	Petrol/Ethanol	EV	Hybrid
Jan	81.97	12.51	3.58	1.92	0.03
Feb	83.50	11.04	3.40	2.03	0.02
Mar	83.01	11.20	3.35	2.40	0.03
Apr	82.68	11.75	3.25	2.26	0.06
May	81.12	12.39	3.58	2.86	0.05
Jun	80.67	12.37	3.38	3.54	0.04
Jul	80.40	12.75	3.25	3.57	0.03
Aug	78.77	12.87	3.15	5.18	0.04

Source: Fada Research; monthly vehicle-retail press releases

Business Line, 25 September 2026

Maruti Suzuki commissions 300 kW green hydrogen plant

Our Bureau
New Delhi

Maruti Suzuki India on Thursday said it has commissioned a pilot 300 kW Green Hydrogen (GH_2) electrolyser plant at its Manesar facility.

Through multiple clean technologies, the company aims to reduce its carbon footprint in manufacturing operations from the present 6.15 lakh tonnes to 2.66 lakh tonnes by FY31, it said.

MAXIMUM USE

The GH_2 is blended with natural gas to be used as process fuel in the manufacturing operations, said Maruti Suzuki, adding that the plant helps maximise the utilisation of solar energy generated at the Manesar unit.

Solar energy produced during holidays, which would otherwise remain unutilised, will be used to generate GH_2, it added. The hydrogen is stored and subsequently used in manufacturing operations..

The company is also in the advanced stage of setting up a 10 tonnes per day biogas plant at its Kharkhoda (Haryana) facility, which will be commissioned this financial year. It has also begun integrating compressed biogas as process fuel. Recently, the company's board approved four CBG projects and earmarked a budget of ₹561 crore towards the same.

Separately, Suzuki Motor Corporation in partnership with organisations such as NDDB and dairy industry unions will set up 10 biogas plants across India, three of which are already in Gujarat.

Business Line, 29 September 2026

Kinetic bets ₹40 crore more to revive 90s era silhouette

Amit Vijay Mohile
Mumbai

Kinetic Engineering is betting heavily on finding out whether one of India's great scooter memories can become a viable EV business again. Ajinkya Firodia is committing another ₹40 crore to its electric reincarnation as part of the total ₹57 crore rights issue for its shareholders.

The DX, unveiled in July 2025, has clocked 2,317 registrations against 4,300 primary sales — averaging roughly 230 registrations a month through September.

Ajinkya Firodia, Vice-Chairman and Managing Director of Kinetic Engineering, said that the average masks a sharp change in trajectory.

"We are completely on track to achieve our business plan for 12,000 vehicles this year," Firodia informed *businessline*. Kinetic Engineering has raised ₹177 crore through its warrant programme, including a final ₹57-crore tranche from the Firodia promoter family. The latest infusion comes as the company tries to scale its revived Kinetic DX electric scooter business.

> It will work as a standalone entity and will have its own avenues to raise funds as required, including KEL and others
>
> **AJINKYA FIRODIA**
> Vice-Chairman and Managing Director of Kinetic Engineering



CAUTIOUS DEALERS

Dealers contacted by *businessline* were more cautious. One dealer, requesting anonymity, said wholesale revenues were being recorded, but the retail offtake remained poor. Another described customer response as tepid despite Kinetic expanding its network.

A competing EV dealer described the DX as having an "uncle-type scooter" look, questioning the appeal of its deliberately retro styling among younger buyers.

Firodia disputed that premise. The DX is not primarily aimed at Gen Z, he said; its core market is 30-50-year-old family-scooter customers, putting it up against products such as the TVS iQube, Bajaj Chetak, and Ather Rizta.

Kinetic calls the DX an Italian-designed "retro futuristic" reincarnation, combining the squared-off proportions of the original with an all-metal body, LFP battery, 37-litre storage and connected features. "Our heritage is an advantage, but we are not dependent on nostalgia," Firodia said.

BRIDGING GAP

Kinetic has signed 150-plus dealer letters of intent, with over 60 outlets operational.

The unanswered question is how much capital it will take to bridge the gap, even as profitability at the listed parent has come under pressure. KEL's consolidated revenue rose 7.2 per cent to ₹166.41 crore in FY26, but net profit fell to ₹0.87 crore. In Q1 FY27, revenue jumped 43 per cent year-on-year to ₹50.59 crore, while the company reported a consolidated net loss of ₹11.50 crore as expenses rose sharply.

Firodia has attributed the difficult quarter to higher input costs and other operating disruptions and says the business has since turned around. He also rejected concerns that KWVL could become a liquidity burden on the parent, pointing out that the EV subsidiary is equity-funded and carries no debt.

"It will work as a standalone entity and will have its own avenues to raise funds as required, including KEL and others," Firodia said. That makes the DX more than a bet on whether an old scooter can find a new generation of buyers Kinetic Engineering is committing shareholder capital to rebuild a two-wheeler business while the listed company's own profitability is under pressure — and the EV arm must eventually climb from hundreds of registrations a month to around 8,000 scooters a month to break even at the EBITDA level.

For Firodia, the challenge is to prove that nostalgia can be converted into scale before the cost of the comeback overtakes its promise.

ELECTRIC VEHICLES

Business Line, 21 September 2026

BPCL, ARAI partner on EV cooling technologies and next-generation fuels

Amit Vijay Mohile
Mumbai

Bharat Petroleum Corporation Ltd (BPCL) and the Automotive Research Association of India (ARAI) are expanding their automotive research collaboration across advanced coolants, lubricants, fuels and additives, bringing together expertise at both ends of India's mobility transition, from managing heat in increasingly powerful electric vehicles to improving the efficiency and fuel compatibility of conventional vehicles.

The two organisations signed an MoU that combines ARAI's testing and research capabilities with BPCL's expertise in energy and lubrication technologies for joint research. The MoU was exchanged by ARAI Director Reji Mathai and BPCL Business Head (Lubes) Kannan S.

"This collaboration will accelerate innovation, enhance vehicle performance, and shape a cleaner, more sustainable future for the Indian automotive industry," ARAI said.

EMERGING TECH

For electric vehicles, the collaboration creates opportunities for the development and validation of advanced thermal-management fluids as charging speeds rise and electric drive systems become increasingly integrated.

One emerging technology is dielectric fluid, which can come into direct contact with battery cells and electrical components. Unlike conventional indirect cooling, where coolant circulates through channels around battery modules, direct or immersion cooling can remove heat closer to the cells, a capability that is becoming increasingly important as high-power fast charging



Kannan S, Business Head, BPCL Lubes, and Reji Mathai (right), Director, ARAI

gains traction. Specialised e-fluids are also becoming critical as electric motors, inverters and reduction gears are packaged into compact drive units. Such fluids must often perform dual functions of cooling and lubrication.

EMISSIONS CONTROL

For combustion engine vehicles, advanced low viscosity lubricants can reduce internal friction and deliver incremental fuel economy gains as manufacturers face increasingly stringent efficiency and emissions requirements. However, the shift requires extensive validation to ensure that efficiency does not come at the cost of engine durability.

Fuel additives are another important part of the equation, particularly as India's petrol pool transitions to higher ethanol-blending levels. ARAI has undertaken phased validation studies as India moves from E5 to E20 petrol, examining performance, durability, startability and driveability.

"Validating alternative fuel blends is a step-by-step engineering journey built on years of continuous testing and data collection," ARAI has previously said.

That existing validation base provides a backdrop for the BPCL partnership to focus on next-generation fuels and additives, opening another avenue for the development and testing of new formulations as ethanol use expands, officials said.

The Economic Times, 23 September 2026

JSW Greentech Gears Up to Take on Top Players in Electric-CV Mkt

Our Bureau

Mumbai: JSW Greentech, the newly formed electric commercial vehicle arm of the JSW Group, is targeting a top three position in India's commercial vehicle market with sales of 100,000 electric trucks and buses by 2030, chairman **Sajjan Jindal** said on Monday in a media interaction ahead of launch of its AMPSTAR brand of e-CVs on Tuesday.

The entry comes as India's CV market remains concentrated among a handful of established players. Tata Motors, Mahindra & Mahindra and Ashok Leyland together accounted for over 78% of CV retail sales in August, with market shares of 33.4%, 26.4% and 18.3%, respectively, according to FADA data. Tata Motors and Ashok Leyland together accounted for over half the market. At same time, electric CVs accounted for 5.2% of August retail sales, up from 2.1% a year earlier, pointing to a growing market for new entrants.

JSW Greentech will initially focus on the heavier end of the market, where electric adoption is beginning to pick up. Electric truck sales in the N3 category rose from about 850 units in FY26 to around 1,300 in the first five months of FY27, helped by state EV policies in Maharashtra and Haryana, sector-specific deployments in cement and steel and rising diesel and CNG prices.



Asked about the scale of the 100,000-unit ambition, Jindal said the group wanted to become one of the largest players. "Once we as JSW Group get into that area, then we would also want to be one of the largest players, large in the top 2 or 3 players. It is a very crowded market. It is not an easy market, that also we know."

He said the current plant was an entry strategy and that JSW could ramp up capacity rapidly. "Given the group strength and this new technology that we are bringing in, we believe that we can really ramp up the capacity very quickly." He indicated 2030 as the target timeframe.

The company has invested ₹2,500 crore in a 90-acre EV manufacturing facility at Chhatrapati Sambhajinagar, Maharashtra, with annual capacity for 15,000 buses and trucks.

RAW MATERIAL

Business Line, 22 September 2026

Steel prices hit 4-year high amid strong demand

Suresh P Iyengar
Mumbai

Steel prices have surged to four-year high of ₹63,800 a tonne after an increase ₹1,600 a tonne week-on-week (w-on-w) ended September 18, on the back of restocking by the trade and distributors amid fear of further rally in prices.

Rebar prices rose ₹2,300 a tonne w-on-w to ₹60,450 a tonne, marking a renewed uptrend after seasonal moderation in June quarter.

BigMint benchmark Mumbai HRC assessment rose by ₹1,200 a tonne to ₹63,900 a tonne while CRC prices jumped ₹1,300 a tonne to ₹73,500 a tonne.

Major producers increased HRC prices by about ₹750-1,750 a tonne and CRC prices by ₹1,500-2,000 a tonne, prompting corresponding increased across trade markets, it said.

Post-monsoon revival of infrastructure projects also supported domestic demand and prices.

On the cost front, imported coking coal prices moved up 22 per cent to $283 a tonne against an average of $232 a tonne in August due to growing supply concerns.



RENEWED UPTREND. Major producers increased HRC prices by ₹750-1,750 a tonne and CRC prices by ₹1,500-2,000 a tonne

NMDC increased 65.5 per cent FE content iron ore prices by ₹150 per tonne to ₹5,400 per tonne but retained the lower grade 64 per cent fines at ₹4,500 a tonne.

Geopolitical tensions continue to exert pressure on raw-material, freight and supply-chain volatility. The steel supply in the domestic markets also remained tight.

CRUDE STEEL

India's crude steel production edged down 0.1 per cent year-on-year to 14.1 million tonne in August, while finished steel consumption rose 4 per cent y-on-y to 14.32 mt. Finished steel imports rose 8 per cent y-on-y to 0.72 mt, while exports increased 31 per cent to 0.69 mt.

Bhavik Bhagwanji Shah, Analyst (Metals & Mining), Choice Institutional Equities, said post-monsoon demand from infrastructure, construction and automotive sectors, together with higher coking-coal costs, could provide further support to domestic steel prices.

However, he added the ability of mills to pass through further increases will depend on import flows and downstream demand.

The rise in steel prices will impact MSMEs, particularly in the downstream sectors such as auto components, engineering, fasteners, fabrication and construction-linked segments, he said.

MARGIN PRESSURE

The immediate impact is likely to be margin pressure and higher working-capital requirements, as smaller manufacturers generally have less pricing power than integrated steelmakers and large OEMs, he added.

Vandana Bharti, Head of Commodity Research, SMC Global Securities, said driven by geopolitical tensions, global and regional steel markets face selective upward pressure primarily from escalating energy, power generation and maritime freight overheads, establishing a structural cost floor beneath raw materials such as imported ferrous scrap.

Instead of triggering runaway price spikes, these cost-push factors are counter-balanced by subdued real estate demand in key consumer markets such as China, leaving broader markets relatively range-bound, she said.

Business Line, 27 September 2026

Aluminium extrusion units hit by supply chain disruption

WAR EFFECT. Output down to 30% of 30 lt capacity; face closure as costs soar

Avinash Nair
Ahmedabad

Aluminium extrusion units are facing the threat of closure and further job losses with production falling sharply post the Iran war, leaving manufacturers operating at 27-30 per cent of their installed capacity, according to the Aluminium Extrusion Manufacturers Association of India (ALEMAI).

Production has declined to 8-9 lakh tonnes from around 12 lakh tonnes earlier against an installed capacity of about 30 lakh tonnes. This means capacity utilisation has fallen from roughly 40 per cent to 27-30 per cent, said Jitendra Chopra, President, ALEMAI. "If the government does not act soon, we will



have to lock our factories and hand over the keys to banks," added Chopra who was in Gandhinagar for inauguration of 'Aluminium Bharat' exhibition.

Chopra attributed the decline to supply-chain disruptions, energy costs and expensive raw materials. He said aluminium product imports have risen to 15-16 lakh tonnes, significantly exceeding local production.

"When we are importing 15-16 lakh tonnes which is double our production, then we are literally turning into a trading hub," he said.

REMOVE DUTY

The industry is seeking removal of the 7.5 per cent basic Customs duty on primary aluminium, arguing that it raises the raw-material cost for domestic downstream manufacturers.

The Cable and Conductor Manufacturers Association of India (CACMAI) and the Aluminium Secondary Manufacturers Association (ASMA) said LME prices have risen from around $2,200 a tonne to over $3,700, while several other inputs have become pricier by 20-35 per cent over the past three months.

A 10 per cent social welfare surcharge on the import duty, takes the effective duty to 8.25 per cent, the Associations said. They argue that domestic aluminium is generally priced at international and import-parity levels, meaning downstream manufacturers bear the duty burden even when sourcing locally.

The squeeze is also showing in employment and working capital. "Job losses are happening, we are facing problems getting access to working capital. Orders have dropped. In the last one year 30 per cent of the manpower has been slashed," Chopra said.

CACMAI said Gujarat has nearly 100 aluminium extrusion units across Rajkot, Ahmedabad, Vadodara, Surat and Morbi, serving sectors including automobiles, engineering, construction, power and RE sectors.

Business Line, 30 September 2026

'New national steel policy to target 600 mt capacity by 2047'

Our Bureau
New Delhi

India will soon unveil a steel policy targeting 600 million tonnes (mt) of steelmaking capacity by 2047, replacing the 2017 policy and setting out a roadmap for the sector over the next two decades, Steel Secretary Sandeep Poundrik said on Tuesday.

"We are going to bring the national steel policy for public consultation very soon. This national steel policy is being formulated with a vision to bring India to the Viksit Bharat target in 2047," Poundrik said.



Sandeep Poundrik, Steel Secretary

POLICY FOCUS

The Steel Secretary said that the policy would be circulated in the public domain within the week for consultations and comments from stakeholders.

The policy will focus not only on capacity expansion but also on decarbonisation, technology, speciality steel and reducing the dependence on imports.

India has already reached around 220 mt of steelmaking capacity, well ahead of the 300 mt target set under the 2017 policy for 2030-31.

The new target comes as steel demand continues to rise.

Domestic steel consumption reached about 164 mt in 2025-26, and India has become the world's second-largest crude steel producer.

The government is also seeking to protect domestic producers from cheap and substandard imports amid a sharp increase in steel imports this fiscal year.

KEY CONCERN

The Steel Secretary said that the new policy would provide measures to "discourage cheap, sub-standard" imports, a key concern with the domestic industry, including safeguard duties, anti-dumping duties and much more.

It also envisages measures to make the Indian steel industry, especially the small players, competitive in terms of technology and price.

The policy is expected to give greater emphasis to green steel as India seeks to expand production while meeting its 2070 net-zero goal.

Earlier research has highlighted the difficulty of decarbonising India's coal-intensive steel sector and the need for investment in technologies, such as hydrogen-based direct reduced iron, greater scrap use and renewable energy.

SCALE-UP NEED

The scale-up will also require securing raw materials, particularly iron ore and coking coal, while improving technology and productivity across the industry.

The government has separately been working on a ₹5,000 crore scheme to support steelmakers, particularly the smaller secondary producers, in reducing emissions.

GOVERNMENT POLICY

Business Line, 17 September 2026

8 crore workers assured of higher savings with EPFO wage cap raised to ₹25,000

Dalip Singh
New Delhi

SAVINGS BOOST

- Covers 7.98 crore EPFO subscribing workers
- Boosts PF, pension, EDLI insurance protection
- Move ensures parity with rising wages

The Union Cabinet on Wednesday approved raising the EPFO (Employees' Provident Fund Organisation) wage ceiling from ₹15,000 to ₹25,000 per month, ensuring that 7.98 crore subscribing workers have mandatory higher savings and enhanced social security protection from Thursday.

The announcement will effectively result in monthly Provident Fund (PF) contributions for employees going up from the existing ₹1,800 to ₹3,000.

The EPFO wage ceiling acts as the statutory limit on an employee's salary base for mandatory PF and Pension (EPS) contributions. The basic salary plus dearness allowance makes for PF wage.

WAGE GROWTH

The EPFO wage ceiling remained unchanged throughout the decade from 2004 to 2014, before being substantially enhanced to ₹15,000 in September 2014.

Further raising of the ceiling to ₹25,000 reflects sustained wage growth, rising incomes and a continued expansion of formal employment over the intervening years, the government said in a statement.

Union Minister for Labour and Employment Mansukh Mandaviya said the move aims to bring nationwide parity since minimum wages of workers in many States have jumped over the years to ₹15,000 and more per month and, at the same time, the average salary in the private sector, too, hovers around ₹23,000 per month.

Henceforth, the average monthly contribution of an employer towards EPF will go up to ₹600, the Minister explained. The annual government outgo is estimated at about ₹11,339 crore, against the existing annual budgetary support of about ₹10,250 crore. The estimated expenditure over five years is approximately ₹56,696 crore.

Business Line, 18 September 2026

'MSMEs must be energy efficient for competitiveness'

Our Bureau
Hyderabad

India's next phase of energy transition will require faster electrification and wider adoption of clean technologies, digital solutions and energy-efficiency measures, with MSMEs needing to significantly accelerate adoption, Krushna Chandra Panigrahy, Director General, Bureau of Energy Efficiency (BEE), said.

Speaking at the 25th edition of the CII Energy Efficiency Summit 2026 here on Thursday, he said energy efficiency and electrification would be central to meeting rising energy demand while ensuring energy remained affordable and reliable.



Krushna Chandra Panigrahy, Director General, BEE

While large industries had made significant progress in energy efficiency, MSMEs continued to face barriers relating to technical capabilities, financing and operating costs, he said. The ADEETIE scheme could help address some of these constraints, he added. "Energy efficiency should not be seen as a compliance requirement, but as a pathway to global competitiveness," Panigrahy said.

Tejpreet Singh Chopra, Chairman, CII Energy Efficiency Summit 2026 and Founder & CEO, BLP-Industry.AI, said AI and digital tools could accelerate energy-efficiency adoption by shortening the gap between identifying inefficiencies and taking corrective action.

AI could make energy-efficiency insights more accessible and actionable for MSMEs, helping them identify inefficiencies, optimise processes and take data-driven decisions despite having limited technical teams, Chopra said.

PV Kiran Ananth, Executive Director- Energy Efficiency, Renewable Energy & Green Entrepreneurship, CII Godrej GBC, said energy efficiency remained one of the most cost-effective levers for industrial decarbonisation.

Business Line, 19 September 2026

EV push faces subsidy test as Centre asks industry to make economics work

Amit Vijay Mohile
Mumbai

The electric vehicle industry is being asked to do what subsidies were designed to make easier: Close the cost gap with conventional vehicles and make the transition work increasingly on its own economics.

Heavy Industries Minister HD Kumaraswamy on Thursday called for an "inclusive, affordable and economically sustainable" transition to electric mobility, putting cost competitiveness, localisation and manufacturing scale at the centre of the next phase of India's EV push.



SUBSIDY BOOST. The ₹11,900-crore PM E-DRIVE programme has incentivised more than 23.2 lakh electric vehicles, with ₹2,281.94 crore reimbursed as of July 1

SUBSIDY-DEPENDENCE

The tension is increasingly difficult to ignore. Incentives have helped bring millions of EVs onto Indian roads, particularly two- and three-wheelers, while manufacturers have used government support to narrow the upfront price gap with petrol and diesel alternatives. But sustaining growth without permanently relying on such support will require companies to lower battery and vehicle costs, increase localisation and build sufficient scale.

The ₹11,900-crore PM E-DRIVE programme has incentivised more than 23.2 lakh electric vehicles, with ₹2,281.94 crore reimbursed as of July 1. Its support also includes ₹4,391 crore for electric buses, ₹2,000 crore for charging infrastructure and ₹500 crore for electric trucks.

INDUSTRY BACKING

Kumaraswamy, speaking at an interaction with EV users, dealers and manufacturers in New Delhi, said the transition needed to be backed by "robust manufacturing, innovation and a strong ecosystem".

ECONOMICS TEST

The language marks an important change in emphasis. Affordability is being discussed alongside economic sustainability, domestic manufacturing and global competitiveness, effectively placing a larger part of the burden on manufacturers to improve the underlying economics of EVs.

Heavy Industries Secretary Kamran Rizvi said, "Electric mobility is a great opportunity for India to become a global electric mobility player."

Additional Secretary Hanif Qureshi highlighted localisation as central to building a resilient domestic automotive ecosystem, with PM E-DRIVE and the production-linked incentive programmes supporting local manufacturing of critical EV components.

The Economic Times, 23 September 2026

MODI-XI MEETING BREAKS MORE ICE

Auto PLI Scheme may Allow Entry of China JVs

Investment from neighbour may no longer be no-no for car incentive scheme

Twesh Mishra

New Delhi: The government is likely to consider applications of automobile and auto component companies with Chinese investment for production-linked incentives, officials said, signalling an easing of curbs on Chinese investments in the backdrop of President Xi Jinping's recent visit to India.

The move could clear the way for PLI benefits for two Tata AutoComp Systems ventures with Chinese companies and JSW MG Motor India, a senior official told **ET**.

"Existing PLI applications, that now have FDI approvals, will be considered. A window for fresh applications under PLI is not being opened," the official clarified.

JSW MG Motor India, which sells MG branded passenger vehicles in India, is a joint venture between JSW Group and SAIC Motor.

Tata AutoComp Systems' venture with Prestolite Electric Beijing, TACO Prestolite designs and manufactures advanced electric drivetrains and traction motors for electric vehicles, while TACO Air International, its partnership with Air International Shanghai Co, is an automotive air conditioning manufacturer. JSW MG is already selling its vehicles in India.

India and China are witnessing a thaw in relations.



Hand in Hand

INDO-CHINESE AUTO VENTURES...

Approvals for **Tata AutoComp, JSW-MG**

Speedier nod under new FDI approach

Auto PLI approvals in fast lane

Chinese joint ventures can now participate

...SCHEME PROGRESSING

Total investments cross **₹45,000 cr**

Outlay at **₹25,938 cr**

budget FY27 earmarked **₹5,939.87 cr**

Business Line, 24 September 2026

'India should be aware of the risks which could unfold'

Our Bureau
Mumbai

While India has withstood the risks emanating from different types of crisis — Covid-19, Russia-Ukraine war and the West Asia conflict — it must not be complacent, said PK Mishra, Principal Secretary to the Prime Minister.

The country, he said, should be aware of the risks which could unfold despite its macroeconomic fundamentals and stable economic growth.

> We will need strong banks alongside deeper bond and equity markets, larger institutional investors, infrastructure funds and a more efficient channel through which domestic savings are converted into productive investment
>
> **PK MISHRA**
> Principal Secretary to the Prime Minister



WHAT'S HAPPENING

"First, alliances are fragmented. Supply chains are being used as weapons. Capital can be switched on and off. Trade barriers, both tariff and non-tariff, are rising again. We cannot count on a friendly tailwind," said Mishra.

"We have a significant merchandise trade deficit. We must make things at home and competitively. Efforts are being made to improve our manufacturing performance and skilling of young people," he said at the State Bank of India's annual banking and economics conclave in Mumbai on Wednesday.

Referring to the pressure on the country's external accounts in a world where capital is fickle, Mishra underscored that it needs to focus on foreign direct investment. This calls for stability of tax policy.

While for three decades, much of the discussion around Indian finance has been about financial deepening — more accounts, more branches, more credit and greater financial inclusion — Mishra said the financial system must now increasingly move from "accommodating growth" to "enabling growth".

In this regard, he noted that India will have to mobilise very large volumes of capital over the next two decades for infrastructure, manufacturing, urbanisation, energy transition, enterprise and innovation.

"Assets with long gestation period require capital for longer tenure. Innovation requires risk capital. High growth enterprises require equity. Infrastructure requires patient capital. And cities require new financial structures. This means the depth of the corporate bond market is not a separate issue from the health of bank lending. They are two sides of the same financing requirement," he said.

ROLE OF BANKS

Mishra emphasised that banks will remain central. But a larger and more sophisticated economy cannot be financed by banks alone. "We will need strong banks alongside deeper bond and equity markets, larger institutional investors, infrastructure funds and a more efficient channel through which domestic savings are converted into productive investment."

The task before the financial sector, he said, is larger than financing next year's growth. "It is to finance the next generation of Indian enterprise. It is to finance the capabilities that will define India's space in the world. And ultimately, it is to convert India's scale into prosperity, its potential into capability and its economic strength into leadership. That is the journey from emerging to leading economy," he added.

Credit must be appraised against the economics of the project than the enthusiasm of the moment, said Mishra. He also called for appraising a business on the basis of what it earns and what it can become, rather than primarily on the assets that its promoters already possess.

"This is not an argument for lower standard of credit appraisal. It is an argument for better information and better credit appraisal. It is particularly important for the first generation entrepreneur, the asset light exporter of services and the small enterprise...," he said.

Business Standard, 25 September 2026

BoP pressure likely to remain a challenge: CEA

SUBRATA PANDA
Mumbai, 24 September

India's balance of payments (BoP) pressure is likely to remain a challenge as rising imports, dependence on key commodities, high global interest rates and competition for capital weigh on the external account, said V Anantha Nageswaran, the government's chief economic advisor, on Thursday.

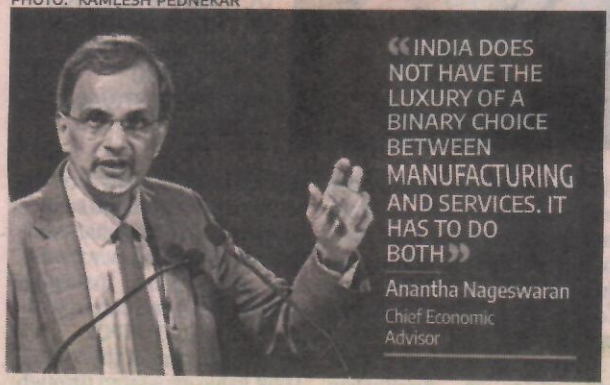
Funds mobilised by the Reserve Bank of India (RBI) under its concessional swap window this year provide "a lot of breathing room" in the near term but they are not a lasting solution, he said at State Bank of India Banking & Economics Conclave 2026 in Mumbai.

"What the government and the RBI did this year...is an act of foresight which does give us a lot of breathing room in the near term. But at the same time, this is not a lasting solution or a lasting answer because the pressure on balance of payments will remain," Nageswaran said.

"With rising imports, with rising import dependence on key commodities, global competition for capital including from developed countries and higher interest rates, the balance of payments will remain a challenge not just episodically but almost continuously," he said.

The RBI said this week that inflows from its concessional forex swap window — operationalised on June 8 — had topped $143.5 billion as of September 18 across Foreign Currency Non-Resident (Bank) deposits, overseas foreign currency borrowings and external commercial borrowings. FCNR(B) deposits account for the bulk of the inflows at nearly $133 billion. Aided by the flows, India is expected to post an overall balance of payments surplus of $100 billion in FY27, compared with a deficit of $23 billion in FY26.

PHOTO: KAMLESH PEDNEKAR



India will have to look more carefully at both capital inflows and outflows as the competition for global capital intensifies, Nageswaran said. Developed economies are also competing, with demand coming from both the public and private sectors.

India's goods trade deficit is between 3.5 and 4 per cent of the gross domestic product after excluding oil and gold, Nageswaran said, making manufacturing crucial. Promoting manufacturing is not merely about diversifying growth but also about building resilience and economic security, as global supply chains become vulnerable to disruption, he said.

"India does not have the luxury of a binary choice between manufacturing and services. It has to do both."

As the economy grows, imports will inevitably rise even if India succeeds as an exporter, he said. Imports will have to be financed through exports, foreign direct investment (FDI) or a combination of the two. The focus, therefore, should be on making domestic production globally competitive rather than replacing imports.

Three challenges

India will need to do more to attract FDI as developed economies compete aggressively for global capital, he said. Sub-national government policies, tax certainty and simplicity, investor protection, sanctity and continuity of contracts, and a skilled workforce would all be important.

"There is no excuse for preparation because the global world is an exogenous factor. We have to take it as given, but we have to do what is within our limit," Nageswaran said.

The changing external environment presents three near-term headwinds for India: An unsettled relationship with the United States, uncertainty over energy supplies and prices amid the Persian Gulf conflict, and the country's absence from the capital-intensive artificial intelligence (AI) hyperscaler investment boom.

India, given its location and size, cannot belong to any geopolitical bloc. Maintaining sovereignty and independence, however, comes with a cost in the form of higher energy prices and possible supply interruptions.

Nageswaran said India will have to account for the fact that its transition to a developed economy by 2047 will happen under conditions different from those faced by East Asian economies. Those economies had more benign conditions, while India faces geopolitical tensions, weaponisation of supply chains, climate variability and the challenge of managing its demographic dividend, he said.

India's demographic dividend needs to be "managed and earned", Nageswaran said, adding that this goes beyond education and skilling to include mental, physical and emotional health. "We have to reimagine and be prepared to reinvent many of the ways in which we operate, whether you are in the private or the public sector," he said.

AI growth

Nageswaran said India should not be overly concerned about not being part of the capital-intensive hyperscaler-led model of AI growth. The country could instead find opportunities in the AI inference layer and Edge AI, where computing requirements are relatively affordable. "Not being the first mover but the second might turn out to be an advantage when it comes to AI," he said.

The more immediate concern is the impact of AI on employment, particularly for younger workers.

Business Standard, 29 September 2026

Carmakers likely to get more design freedom

Govt considers industry proposal for easing certain technical requirements

DEEPAK PATEL
New Delhi, 28 September

The Ministry of Road Transport and Highways (MoRTH) is considering a proposal to remove the prescribed technical requirements for four aspects of passenger cars — wheel-hub assemblies, brake fluid, ground clearance and accelerator controls — giving carmakers greater flexibility in how they design and certify vehicles, and potentially bringing down homologation costs, sources told *Business Standard*.

The proposal was discussed at a meeting of the ministry with industry stakeholders, a few months ago, the sources said.

The deregulation could reduce the testing and compliance burden on automakers, although the proposal does not specify which tests or certification requirements would be removed or relaxed. However, the proposal is being considered on the condition that the industry would ensure quality control and recall vehicles if failures are observed in the field, said the sources cited above.

Among the items being considered for potential deregulation, wheel-hub assemblies are the components (nuts and bolts) that secure a car's wheels to the vehicle, while brake fluid transfers the force from the brake pedal to the braking system. Ground clearance is the vertical space between the road surface and the lowest part of a vehicle's chassis, and the accelerator control system is the mechanism through which the driver controls the vehicle's acceleration.



On the table

- Rules related to wheel-hub assemblies, brake fluid, ground clearance and accelerator controls may be relaxed
- It will give carmakers greater flexibility in design and certifying vehicles
- It can reduce testing and compliance burden on automakers
- The road ministry wants industry to ensure quality control and recall vehicles if failures are observed in the field

The proposal suggesting deregulation of existing technical requirements for these items was submitted by the Society of Indian Automobile Manufacturers (Siam) earlier this year.

The four requirements form a part of the broader type-approval process for a new passenger vehicle (PV), which involves multiple vehicle- and component-level tests to ensure that the vehicles adhere to the prescribed quality and safety norms. The proposal was discussed at a meeting of MoRTH with automobile industry stakeholders a few months back.

During the meeting, the Automotive Component Manufacturers Association (Acma) said that it would submit recommendations on deregulating brake-fluid requirements, adding that while deregulation of the proposed items was appreciated, some critical information related to brake fluids had to be documented.

During the meeting, MoRTH said that the responsibility for ensuring quality, after the aforementioned deregulation, would rest with vehicle manufacturers. It added that manufacturers would be responsible for recalling vehicles if failures were observed in the field.

The Siam has also asked for deregulation of testing requirements related to bumpers, brake hoses, hood latch systems, gradeability, hand holds and wheel rims. However, the request for these six systems was unlikely to be accepted by MoRTH.

MoRTH, Siam and Acma did not respond to queries emailed by *Business Standard* on this matter.

A June 2019 Indo-German automotive study put indicative testing charges for wheel-nut, ground-clearance and accelerator-performance tests at ₹23,700 combined, while hydraulic brake-fluid testing was estimated at ₹1.38 lakh.

The combined indicative testing charge for the four requirements was therefore about ₹1.62 lakh. The study also estimated indicative vehicle-level testing charges for an "M1 category" passenger vehicle — a four-wheel vehicle meant to carry not more than 8 passengers — at ₹80.2 lakh. The actual cost of homologation varies depending on the tests and activities required for each vehicle model, according to the study.

Business Line, 30 September 2026

India, EFTA to review trade pact a year on, eye new opportunities

Amiti Sen
New Delhi

India and the European Free Trade Association (EFTA) countries (Switzerland, Norway, Iceland and Liechtenstein) will review the implementation of their Trade and Economic Partnership Agreement (TEPA) at the second India-EFTA Prosperity Summit in New Delhi in October, a year after the pact came into force.

The review comes as India's exports to the four-nation bloc are declining.

India's goods exports to the bloc fell 10.77 per cent to $1.75 billion in FY26, and the slide has deepened since TEPA took effect on October 1, 2025, with a 22.72 per cent drop to $461.64 million in April-June, the first quarter of FY27. The fall in exports to Switzerland, by far the largest market in the bloc, was sharper.

Imports from the bloc rose 10.99 per cent to $24.9 billion in FY26 but fell 13.09 per cent to $2.93 billion in April-June 2026, mostly due to a fall in gold shipments.

EFTA OFFER

"The participants at the summit, which would include political leaders, senior officials and businesses, are expected to discuss implementation-related issues, including market access and procedural bottlenecks, and ways to expand trade and investment further," a source tracking the matter said.

The summit will also look at ways to expand investment towards the $100 billion target that EFTA has committed to promote, and there may be announcements for collaboration in various sectors, the source added.

EFTA's offer covers 92.2 per cent of its tariff lines, encompassing 99.6 per cent of India's exports, offering opportunities in sectors like engineering goods, chemicals, textiles and apparel, processed foods, agricultural products and marine products.

The Commerce Department has sought detailed inputs from exporters on their experience with TEPA so far.

"To fully utilise the tariff concessions, Indian exporters need to navigate regulatory requirements, including certification procedures and rules-of-origin requirements," the source said.

During his visit to Switzerland in May, Commerce Secretary Rajesh Agrawal stressed the need to resolve implementation issues early so that businesses on both sides could fully utilise the agreement.