(Western Region)

Press Reports on Automotive Industry 2021-22

Automotive Component Manufacturers Association of India

(Western Region)

Mumbai

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PRESS REPORTS ON AUTOMOTIVE INDUSTRY

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PRESS REPORTS
ON
AUTOMOTIVE INDUSTRY

The Economic Times 11th November 2021

India Remains a Big Bet for the Long Term: Maruti Chief

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New Delhi: Even though short-term challenges stemming from inadequate availability of semiconductors have disrupted operations in the local automotive industry, mid and long-term prospects of the Indian market remains strong, said Kenichi Ayukawa, MD at the country's largest carmaker Maruti Suzuki.

The vaccination drive being undertaken by the government, rapid development of road infrastructure and a young aspirational population ensurse good growth will soon returns to the Indian car market, he added.

Both bookings and enquiries remained strong in the recently concluded festive season. The company currently has pending orders of over 250,000 units. Maruti Suzuki is working closely with supply chain partners to ease supply constraints and fasten deliveries.

"In September, we lost about 60% of our production. In October we recovered, but lost 40%. Even in November we are losing 15% or something. Situation has begun improving but still challenging. Globally, all industries are facing difficulties", informed Ayukawa at the sidelines of the launch of the all new Celerio priced between ₹4.99-6.94 lakh (ex-showroom).

Ayukawa said the company is working on introducing a product in the fast-growing sports utility vehicle segment shortly, however, it will continue to focus on hatchbacks which account for 46% of all passenger vehicles sold in the local market.

"There is trend pushing SUV sales but then we also have demand other than that. We have to provide options for them also. We are offering fuel efficient, sporty cars..I think such models are very very important for customers", he said.

Ayukawa admitted the company is "little behind" on introducing more products in the SUV segment, which has been growing at a fast clip due to the impact of the pandemic. But he "hopes" to corner the pole position in the category once there are more products in the market.

At present, Hyundai and Kia with models such as Hyundai Creta, Hyundai Venue, Kia Sonet and Kia Seltos dominate the SUV segment.

Overall, Ayukawa said despite increasing competition from Korean and European rivals Maruti Suzuki intends to retain and enhance its market share in the country.

Business Line 2nd November 2021

Car sales skid again in October due to chip shortage; CV sales up

Two-wheeler sales too decline

OUR BUREAU

New Delhi, November 1

Reeling under the pressure of semiconductor shortage, leading car makers, including Maruti Suzuki India (MSIL), Hyundai Motor India (HMIL) and Kia India, have reported decline in domestic sales by double-digits in October.

Overall, except commercial vehicles, even two-wheeler sales declined during the month on the yearly basis.

In the passenger vehicle segment, India's largest passenger car manufacturer MSIL reported domestic wholesale (dispatches to dealers) of 1,08,991 units in October, down 33 per cent year-on-year (y-o-y) as compared to 1,63,656 units in the corresponding month last year.

Similarly, HMIL reported a decline of 35 per cent at 37,021 units (56,605 units).

No festival cheer (in units)

	Oct-21	Oct-20	% change
Passenger vehicles			
Maruti Suzuki	1,08,991	1,63,656	-33
Hyundai Motor	37,021	56,605	-35
Tata Motors	33,925	23,617	44
Mahindra & Mahindra	20,130	18,622	8
Toyota Kirloskar	12,440	12,373	1
Kia	16,331	21,021	-22
Honda Cars	8,108	10,836	-25
MG Motors*	2,863	3,750	-24
Nissan	3,913	1,105	254
Skoda Auto	3,065	1,421	116
Two-wheelers			
Hero MotoCorp	5,27,779	8,06,848	-34
Honda Motorcycle & Scooter	3,94,623	4,92,514	-20
Bajaj Auto	1,98,738	2,68,631	-26
TVS Motor	2,58,777	3,01,380	-14
Suzuki Motorcycle	56,785	67,225	-15
Royal Enfield	40,611	62,858	-35
Commercial Vehicles			
Ashok Leyland	10,043	8,885	13
Volvo Eicher	4,863	3,815	27
Tata Motors	31,226	26,052	20
M&M	18,604	23,716	-21
Bajaj Auto	19,827	12,529	58
Maruti Suzuki (Super Carry)	3,797	3,169	20
Tractors			
M&M	45,420	45,588	-0.4
Escorts	12,749	13,180	-3

Source: Companies *Retail sales

Production hit

"While the shortage of electronic components continued to affect the production of vehicles during the month, the company took all possible measures to minimise the impact. Accordingly, the company sold more vehicles than the sales volume expected at the start of the month," MSIL said in a statement. 'Seltos' maker Kia India recorded a 22 per cent dip in sales on yearly basis to 16,331 units compared with 21,021 units in October 2020.

Commenting on the numbers, Tae-Jin Park, Managing Director and Chief Executive Officer, Kia India, said, "As we foresee the issue (semiconductor shortage) to continue for the next few months, we assure our customers to keep optimising our production to the maximum level and ensure delivery at the earliest. We are keeping a close eye on the situation and are ready to take the necessary steps as and when required."

Honda Cars India also saw a decline of 25 per cent in sales during the month to 8,108 units (10,836 units).

Positive growth

However, homegrown companies Tata Motors and Mahindra & Mahindra reported positive growth during the month, backed by new and refreshed launches over the last few months.

Tata Motors recorded sales of 33,925 units (23,617 units), an increase of 44 per cent. Though in single-digit (8 per cent) M&M's sales grew to 23,130 units (18,622 units).

In the two-wheeler segment, market leader Hero MotoCorp reported a decline of 34 per cent YoY at 5,27,779 units in October compared with 8,06,848 units in October last year.

However, the company said it was positive as demand in the festival season has been building up, especially with Dhanteras and Diwali.

Others including Bajaj Auto, TVS Motor and Royal Enfield reported double-digit decline during the month.

In the commercial vehicle segment, companies including Ashok Leyland, Volvo Eicher and Tata Motors recorded positive sales with double-digit growth during the month.

Why your next car might be alcoholic, not electric

Transport minister Nitin Gadkari says new vehicles should be able to run on ethanol. Here's why it might be better for India and the planet than waiting for battery-electrics

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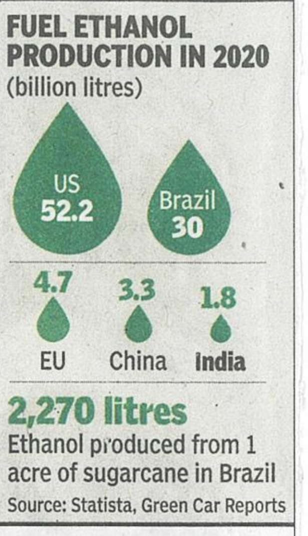
Photo: Getty Images



Some years ago astronomers discovered a cloud of methyl alcohol 300 times longer than the distance between Earth and Sun. A tiny bit of that cloud could fulfil our fuel needs for ages, but methyl alcohol is nasty stuff, responsible for dozens of 'hooch tragedies' every year. Its heavier cousin ethyl alcohol, or ethanol, is gentler. It's the spirit in every drink from beer to whisky. It's also an excellent fuel that burns cleaner than petrol, diesel and other hydrocarbons. The best part is that you can 'grow' ethanol rather than depend on a handful of countries to sell it to you. That's what Brazil has been doing since the 1970s, so why not India?

This question has popped up regularly since the first oil price shock in 1973. Back then, India didn't make enough alcohol, but things are different now. It is the world's fifth largest producer of ethanol. Besides, it's not a question of high fuel prices alone. Every ounce of coal, gas, petrol or diesel burnt releases carbon that was buried in the earth's crust aeons ago, worsening global warming. So, transport minister Nitin Gadkari's recent comments about making 'flex-fuel' engines mandatory, and turning India into an 'ethanol economy' are timely.

Why not go electric?

Electric vehicles would be ideal, but it could be years before every automobile runs on a battery. Motorsports body F1 estimates only 8% of cars in 2030 will be fully electric. So, internal combustion engines will be around for many more years, and it is important to clean them up as much as possible. That's why F1 has decided to switch to 100% sustainable fuel made from municipal waste, agricultural waste, etc in 2025. And starting next year, F1 cars will run on E10 – petrol containing 10% ethanol, the same as ordinary road cars.

Advantage alcohol

Burning alcohol inside an engine also produces carbon dioxide, so how is it better than petrol and diesel? For one, it naturally burns cleaner since it contains oxygen and has less carbon. The bigger difference, experts say, is that ethanol is a sustainable fuel. If you make alcohol from sugarcane, the crop uses carbon dioxide from air to grow. In a sense, running cars on alcohol made from plants is like living on your income, while extracting petroleum is like using a credit card – it frees carbon that was trapped long before humans existed.

In the UK, which is increasing the alcohol content in petrol from 5% to 10%, the government estimates its effect will be similar to removing 350,000 cars from the roads. And petrol engines can be made to run on higher percentages of alcohol, all the way up to 100%, which is what they do in Brazil.

The Brazil model

The possibility of using alcohol as a fuel was explored a century ago. When the US imposed prohibition in 1920, analysts jumped at the prospect of converting the glut of molasses and alcohol into fuel. Under the headline 'Molasses Newest Substitute Fuel,' the Arizona Republican newspaper of April 25, 1920 says: "There is no doubt that alcohol for motor fuel purposes looms more important and more promising than ever."

But alcohol first became the main motor fuel of a country only in the 1980s when Brazil turned to it, to shield itself from another oil shock. By the mid-1980s, almost 90% of Brazilian cars could run on a petrol-alcohol mix. With technological improvements, more than 80% of Brazil's vehicles today can switch between petrol or 100% alcohol, or any ratio in between. Even 'normal' petrol in Brazil contains 22% ethanol, as against 8.5% in India. A car's engine control system takes about two seconds to analyse what's in its tank, and maps combustion accordingly. That's the 'flex-fuel' capability Gadkari wants in new Indian automobiles.

What about food prices?

Critics say the use of biofuels, including ethanol, is unethical as it pushes up food prices. If farmers start growing sugarcane instead of wheat because the ethanol industry pays them more, that would be a fair concern. In the US, for example, 40% of the maize crop is used for making ethanol. In France, it is made from sugar beet and grains, and demand for E85 (85% ethanol) fuel is growing as petrol prices rise.

But recent technological advancements have made it possible to convert many types of waste into ethanol. Prince Charles, for example, runs his 51-year-old Aston Martin on E85 made from "surplus English white wine and whey from the cheese process".

Wood, straw and grain stalks are much more abundant raw materials, and new technologies are making 'cellulosic' ethanol from them viable. Brazil is again taking the lead in such 2G (second generation) ethanol based on inedible waste. One of its producers is setting up a 2G plant with 82 million litres annual capacity. Similar factories could end north India's yearly stubble burning problem.

Business Standard 9th November 2021

90% chipmakers have design footprint in India, says Intel

SURAJEET DAS GUPTA
New Delhi, 8 November

AT A GLANCE

- Intel India is collaborating with both Airtel and Jio in helping to build their 5G networks in the country
- As many as 2,000 chips are annually designed in India by semi-conductor and fabless companies
- Intel to offer telcos products from processors to software for 5G network
- The company is also building software solutions to help telecom players
- For Intel, India is their second-largest design centre in the globe and they are working on state of the art global projects in the country

As many as 2,000 chips are annually designed in India by semiconductor and fabless companies, Intel India Managing Director Prakash Mallya said in a conversation with *Business Standard*. Mallya was reiterating the importance of India in the semi-conductor sweepstakes.

"As much as 90 per cent of the semi-conductor companies have a design footprint in India. And as many as 2,000 chips are being designed annually in the country, which reflects the talent and the fact that the eco system is already in place. For Intel, India is their second-largest design centre in the globe and they are working on state of the art global projects in the country," Mallya pointed out.

On the likelihood of India becoming a manufacturing hub for semi-conductors, Mallya said it's a highly capital intensive industry and very diverse too with chips needed for anything from phones, 5G equipment to laptops and Internet of Things (IoT). All that will require a conducive policy, great infrastructure as well as public-private partnership and industry-academia collaborations. "Once all of these elements come together and happen consistently for multiple years, you will see great progress in creating a manufacturing eco system beyond just fabless," Mallya said.

Intel India is collaborating with both Bharti Airtel and Reliance Jio in helping to build their 5G networks in the country. Mallya said the engagement with Airtel was in open RAN (radio access network) and on overall network transformation. As for Reliance Jio, it has taken a minor stake in Jio Platforms Ltd and has a collaboration in 5G, artificial intelligence and EDGE.

Intel has been a key player in the virtualisation of 4G networks based on open standards, Mallya said in an interaction. "It is now engaged in virtualising the 5G core (the heart of the network) and will also do so in the access network side." The company is also building software solutions to help telecom players.

The collaboration with Intel is significant as Reliance Jio is building an indigenous stand-alone 5G network which it wants to sell across the globe and take on incumbent telecom gear makers like Ericcson and Nokia amongst others. Bharti Airtel is in a tie-up with the Tatas to build open RAN networks and plans to test them by April next year. On key areas of technological transformation which India may see in 2022, Mallya said one is the growing adoption of cloud as a delivery system whether it is in payments or e-commerce. Also, the pandemic has inspired a rethink on whether one should move jobs to where talent is located and not the other way round. And, increasingly the ecosystem will become diverse with many startups, new age firms coming in and altering the earlier trajectory in which one saw some big companies and a lot of SMEs. Finally, all this will be fuelled by localised infrastructure, including 5G and Cloud. "These four would change the ecosystem dramatically in the next few years" said Mallya. At the global level, the key shifts which Intel sees is the move from cloud to EDGE computing and pervasive connectivity which will have a dramatic impact on areas such as agriculture and healthcare.

The Economic Times 11th November 2021

ET ANALYSIS

SUVs on a Fast Lap can Pick Up Tractor Slack, Lift M&M Stock

The recovery in automobile segment may offset slowdown in tractors division

Ashutosh.Shyam
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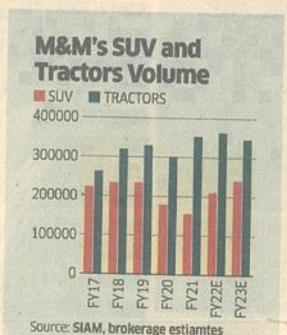
ET Intelligence Group: Mahindra & Mahindra's (M&M) stock has gained 7% since its second quarter result on Tuesday following a strong momentum in the sports utility vehicles (SUV) segment. The recovery in the automobile segment may offset the pressure on the tractors division owing to the higher base in the last fiscal year.

The total order booking of the auto segment rose to 160,000 units in the quarter, of which XUV 700 accounted for 70,000 units. It improves the volume visibility as the total order book is eight times the sales volume in October.



While investors were wary of XUV 700's aggressive pricing and its impact on the company's profitability, the management, during a conference call after the quarterly result, said that it clocked a positive margin on even the early bookings. In addition, 95% of the XUV 700 bookings are for higher variants, reflecting that majority of the interested customers are looking for the value quotient and not just pricing.

M&M's SUV market share fell to 14% in the first half of FY22 from 55% in FY12 while the automotive margin shrank to 2.7% in the September 2021 quarter compared with 5-6% historically. However, the company now aims to reach the number one spot in the core SUV segment, which is about 70% of the UV market, through new launches and expansion of the customer base. It plans to launch 13 new SUVs with aggressive pricing by FY27 of which eight will be electric to capture the rising penetration of electric vehicles (EVs).

Business Line 10th November 2021

Industry bodies concerned over Haryana private jobs law

MEENAKSHI VERMA AMBWANI
New Delhi, November 9

Industry bodies have raised a red flag over Haryana's new law mandating reservations in private jobs for local domiciled residents that will be rolled out from January 15. Companies and industry bodies are up in arms against what they characterise as an "anti-free market" enactment which would curtail fresh investments and expansion of the existing businesses in the State. Some have even called for a repeal of the legislation.

The Haryana State Employment of Local Candidates Act, 2020 covers private companies, societies, trusts and partnership firms and any entity that employs 10 or more personnel. It mandates 75 per cent reservation of local youth in private sector jobs that offer a salary of ₹30,000 per month or less.

'Not the best model'

Sunjay Kapur, Immediate Past Chairman of CII Haryana and Chairman, Sona Comstar said, "This is a restrictive practice that will hinder the growth of the industry and make it uncompetitive. It is not the best model to follow to create employment and employability and we believe the State government and the industry can come together to look for other solutions as opposed to creating restrictions. It will set a wrong precedent."

Kapur said this can create challenges in terms of future expansion of businesses and said the industry will need to see the fine-print of the regulations. "In the next few days, we are looking to hold a special council meeting with other industry associations," he added.

Industry bodies such as FICCI believe this could impact the business-friendly image of the State, ease of doing business rankings and discourage fresh investments. Industry players said that it needs to be seen whether enough skilled and semi-skilled workforce is available.

Pradeep Multani, President, PHDCCI, said the regulations could result in businesses looking to move out of the State.

"If Indian industry has to be competitive globally, we need to be able to have the most efficient workforce. Investors and businesses source the best human resources available on merit and talent rather than domiciles of the candidates and draw on talent from across the country. A lot of our members have manufacturing units in Haryana and they are worried about the impact of this regulation on their businesses. While we are in favour of generating employment, no compulsion should be put on businesses," he added.

Anil Bhardwaj, Secretary General, Federation of Indian Micro, Small and Medium Enterprises believes that the regulation will create an artificial distortion in the free market economy and will not be sustainable.

Business Standard 13th November 2021

Passenger vehicle dispatches drop 27%

PRESS TRUST OF INDIA
New Delhi, 12 November

Passenger vehicle wholesales in India declined by 27 per cent year-on-year in October with semiconductor shortage hitting production of automobile manufacturers, auto industry body SIAM said.

Passenger vehicle sales last month stood at 2,26,353 units, as compared to 3,10,694 units in the year-ago period.

As per the latest data by the Society of Indian Automobile Manufacturers (SIAM), two-wheeler dispatches to dealers also witnessed a 25 per cent decline at 15,41,621 units, compared to 20,53,814 units a year ago.

Motorcycle dispatches were also down 26 per cent last month to 10,17,874 units, as against 13,82,749 units in the year-ago period.

Scooter sales fell 21 per cent to 4,67,161 units, SIAM said.

Vehicle sales across passenger vehicles, three-wheelers, two-wheelers and quadricycles categories last month, declined by 25 per cent to 17,99,750 units, from 23,91,192 units in October 2020. "Manufacturers were banking on the festive season to recover from the severe drop in sales they have faced in the early part of the financial year 2021-22. But shortage of semiconductors and steep hike in raw material cost have been a major spoilsport for the industry," SIAM Director General Rajesh Menon said.

Business Line 13th November 2021

Egypt's ban of tuk-tuk to hit India's 3-wheeler OEMs

Bajaj Auto, seen to be worst affected, may move to exporting Quadricycles

AYUSHI KAR
Mumbai, November 12

Egypt's decision to ban the import of three-wheelers (tuk-tuks), citing safety concerns, can have major implications for India's three-wheeler-makers including Bajaj Auto. Egypt accounts for about 5 per cent of three-wheelers exported by Indian OEMs.

Egypt had previously issued a similar ban in 2014, where it had halted import of 2- and 3-wheelers for three months. This time, the country appears to be focussing on three-wheelers for safety concerns, aiming to permanently transition out of three-wheelers.

A file photo of Bajaj Auto workers at its plant in Aurangabad, Maharashtra. The company exports about 10 per cent of its three-wheelers to Egypt.

Safety concerns

Hemal N Thakkar, Director, CRISL, told *BusinessLine*, "Actually initially only Cairo had this ban and now entire Egypt has banned the import of 3-wheelers. What the order states is that the ban is because of safety concerns and they would want to shift to CNG 4-wheelers."

Alternative exports

While this may be bad news for India's three-wheeler makers, Thakkar reckons that automakers will also gain on Quadricycle (4-wheeler) exports as a replacement category. OEMs can export alternatives or supplementary products instead of three-wheelers.

According to Anish Rankawat, Equity Research Analyst (Autos) at Centrum Broking Limited, "Unlike the 2014 ban by Egypt, which was on both two- and three-wheelers, the present ban is merely on three-wheelers which form a small part of the business for these OEMs. Although right now it is speculation, given that the ban is due to safety concerns where the government wants to encourage the adoption of minivans, etc., OEMs can export alternatives rather than three-wheelers."

Bajaj Auto, which exports around ten per cent of its three-wheeler production to Egypt, will be the worst hit. While Bajaj Auto did not comment on the development, according to sources close to the company, the ban is only going to result in an impact of one per cent on the topline. "For Bajaj, three-wheelers comprise only 12-13 per cent of their overall export business, ten per cent of that is a 1 per cent loss of revenue from exports," a source told *BusinessLine* on condition of anonymity.

According to sources, Bajaj's distributors in Egypt are in conversation with the government and the company is also exploring the possibility of exporting its Quadricycle to Egypt.

Shares dip

On the BSE, shares of three-wheeler-makers dipped, with Bajaj Auto's and TVS' seeing a drop of 2.93 per cent and 2.01 per cent, respectively, on Friday.

PRESS REPORTS
ON
TWO – THREE WHEELERS

Business Standard 11th November 2021

E-three-wheelers rev up for growth

Manufacturers hitch a ride on this fast-growing segment of the EV market, which is leading the electric mobility charge

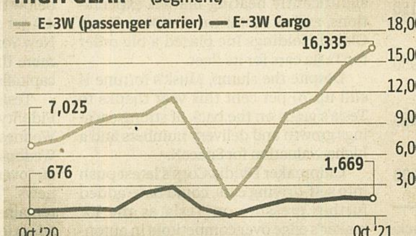
SHALLY SETH MOHILE
Mumbai, 10 November

Encouraged by the rapid growth of the electric three-wheelers, manufacturers of such vehicles are betting big on the segment. Most of them have lined up aggressive expansion plans in capacities and new products. Among other things, the segment, like the e-two-wheelers, has immensely benefited from the government's policy push, particularly the FAME II subsidy scheme.

The FAME scheme, which stands for Faster Adoption and Manufacturing of Hybrid and Electric vehicles, has made e-three-wheeler pricing more competitive than internal combustion engine (ICE)-powered vehicles. For instance, a Mahindra Treo auto rickshaw costs ₹2.22 lakh whereas a Bajaj Compact RE costs ₹2.27 lakh. A recent government tender for 100,000 vehicles worth ₹3,000 crore has also given manufacturers another reason to be optimistic.

Although much of the attention has been focused on e-two-wheelers, it is e-three-wheelers that are leading the electric mobility charge, accounting for more than 60 per cent share in the overall electric vehicle (EV) market. By 2030, 70 per cent of all three-wheelers sold in India are expected to be electric, according to Nomura Research Institute. This is higher than the 30 per cent penetration expected for e-two-wheelers and 10 per cent for the commercial e-four-wheelers.

HIGH GEAR (Segment)



Source: Vahan Dashboard, JMK Research

Piaggio's Apé E-City (*above*) and Mahindra's e-Alfa Mini

Though on a low base, sales have been advancing at a fast clip. Growth has surpassed pre-pandemic levels thanks to brisk month-on-month expansion. Passenger carriers, for instance, have doubled to 14,507 units in October 2021 from 7,025 units in the same month a year ago. Cargo variants, too, have shown similar traction, tripling to 1,821 units in October compared to 676 units in the corresponding month last year.

Mahindra Electric Mobility, which leads the e-three-wheeler segment, claims to offer the widest range consisting of the Treo and Alfa vehicles, with Li-ion (lithium and lead acid) options, and has seen robust sales, said Suman Mishra, chief executive, Mahindra Electric.

"Mahindra is the only player in India to have crossed sales of 10,000 Li-ion electric three-wheelers based on the Treo platform. Just last month, we achieved record production numbers for the Treo. In the first half of this year, we have grown our electric business by five times versus the first half of last year, thereby outperforming the electric three-wheeler industry," said Mishra. On an average, Mahindra has been selling 1,500-2,000 electric three-wheelers in a month.

Mishra claimed that e-three-wheelers are practical and when compared with CNG or diesel vehicles, owners can save up to ₹1.2 lakh annually on fuel costs and an additional ₹45,000 in maintenance cost. "It is a fantastic economic proposition. With an increasing number of state governments notifying EV-friendly policies, EV adoption has been picking up pace. In the load segment, more than 10 per cent sales are from the electric three-wheelers," she said.

Nagesh Basavanhalli, group CEO & MD at Greaves Cotton, concurred. "Value-conscious buyers in urban pockets have started understanding the economic benefit of owning an e-three-wheeler. Added to this, the last mile logistics demand, growing urbanisation and satellite towns will spur replacement demand," he said.

On an annualised basis, the e-auto rickshaw market in the passenger carrier segment has grown from 46,000 units in 2016 to 126,000 units in 2019, according to the Vahan Dashboard of the Ministry of Road Transport & Highways. For the first eight months of the current fiscal, it has declined to 64,000 units over 81,000 units in the corresponding period last year. The dip is largely attributable to the Covid-19-induced lockdown.

By 2030, 70 per cent of all three-wheelers sold in India are expected to be electric, according to Nomura Research Institute

Even as the segment looks promising, it's not without challenges. Harshavardhan Sharma, head, auto retail practice at Nomura Research, pointed to limitations such as finance, repair and maintenance, parity with CNG, shift to e-four-wheelers and underdeveloped charging infrastructure that can impede the current pace of growth.

"If CNG catches up faster, EV three-wheelers may not remain attractive. A shift to e-four wheelers and small commercial vehicles such as Tata Ace, Ashok Leyland Dost etc. can also slow the advancement as buyers may go for higher load-carrying EVs," he said.

Basavanhalli sees huge potential for growth, especially in tier-II and tier-III cities where connectivity is still a challenge and e-three-wheelers are bridging that gap. It is also providing meaningful livelihood opportunities to new and traditional auto-drivers who want to shift to affordable, sustainable and environment-friendly mobility solutions, he added.

Greaves Electric Mobility, he added, has a strong presence in e-three-wheelers and through the recent acquisition of MLR Auto, the company has a wide portfolio of products in the passenger and cargo solutions segment. Currently, it has a capacity to produce 1,000 units per month and there are plans to up this pace.

In addition to Greaves and Mahindra, TVS Motor, Piaggio Vehicles, Kinetic Green and Atul Auto are some of the other prominent players in the e-auto rickshaw market. Most companies have new products and investments lined up over the next few months. Bajaj Auto, the market leader in three-wheelers in the passenger carrier segment, has been conspicuous by its absence so far. Now it, too, is revving up with plans to enter the segment by the first quarter of next fiscal, a company official recently said.

PRESS REPORTS
ON
COMMERCIAL VEHICLE

Business Line 9th November 2021

CNG-powered trucks fire up CV market

Demand up as CNG is available at half the price of diesel; lowers truckers' operational cost

G BALACHANDAR

Chennai, November 8

The recovery in the commercial vehicles industry appears to have a tinge of 'green' with a surge in sales of CNG (compressed natural gas)-powered trucks.

Demand for CNG-powered trucks is on the rise in the past two quarters due to improved availability of CNG and lower cost of operations.

For Tata Motors, India's top commercial vehicle company, CNG models make up 40-50 per cent of ICVs (intermediate commercial vehicles) /LCVs (light commercial vehicles) and 15 per cent of SCVs (small commercial vehicles),

VE Commercial Vehicles, the third largest medium and heavy-duty commercial vehicle company, indicated that CNG models were doing well in the light and medium duty truck portfolio, where it witnessed about 50 per cent swing in favour of CNG from diesel.

Globally, commercial trucks contribute to emissions in a big way

"In the new commercial vehicle sales one particular differentiating item what we have witnessed this time is the demand for CNG vehicles. CNG vehicle sales have been constant at about 25,000 units a year in the past three years. But in the last six months, CNG vehicle sales rose to 31,529 units. That means new vehicle sales are moving towards CNG significantly, and especially in the corridor where it is available. After Delhi, CNG availability is reasonably good in the Mumbai-Delhi corridor," says Umesh Revankar, Vice-Chairman and Managing Director, Shriram Transport Finance Company Ltd.

Cost is key

Since the cost of CNG is about half the price of diesel, truckers see a 50 per cent reduction in their operational cost. Sensing good benefits and profitability, scores of truck owners are also fitting CNG kits in their existing vehicles.

CNG availability is good in the Ahmedabad to Delhi corridor and in Baroda to Mumbai corridor. It is also available till Kanpur in Uttar Pradesh and a number of CNG stations are being ramped up in the Mumbai-Bengaluru corridor, adds Revankar.

Promoting CNG

Not just in India, even globally commercial trucks contribute to emissions in a big way and the efforts to make them more environment-friendly didn't see much progress. In India, which is one of the largest CV markets in the world, the number of polluting trucks is high.

Though the Centre has made some beginning with the announcement of a scrappage policy, there have been big efforts to push CNG-powered vehicles as a viable alternative to diesel-powered ones.

Industry representatives say that truckers would gradually move towards CNG or even LNG (as the latter is more efficient than CNG). With LNG, trucks can carry double the load. But LNG availability needs to improve. Overall, the next 2-3 years will see a huge shift (including retrofitments) towards CNG or LNG.

"When the freight rate is fixed at diesel price, smart operators use CNG vehicles (or retrofit CNG kits) and make more profits," says Revankar.

Business Line 4th November 2021

Truckers gear up for happy journey

Truck rentals for medium and long haulage rose by 10-12% in Oct

Freight rates and demand for vehicles rose during October

TE RAJA SIMHAN

Chennai, November 3

Heading into Diwali, truck operators finally have something to cheer about, and that too, after 20 long months. Freight rates and demand for vehicles have risen consistently in the last 30 days on the back of increased economic activity and festival demand.

Truck rentals for medium and long haulage rose by 10-12 per cent during October, said SP Singh, Senior Fellow & Coordinator, Indian Foundation of Transport Research and Training.

For instance, rental for a 28-tonne vehicle in the Delhi-Mumbai-Delhi route on November 1 was ₹1.32 lakh against ₹1.20 lakh a month earlier. Similarly, in the Delhi-Chennai-Delhi route, the rental increased to ₹1.46 lakh from ₹1.33 lakh.

E-way bills on the rise

Freight rates apart, fleet utilisation has also jumped. It was as high as 80-85 per cent on various trunk routes. Strong consumer demand and a 25 per cent increase in despatches from factory gates have led to a double-digit demand for goods carriers in the 7.5-55 tonne categories, Singh added. Not surprising that e-way bills have registered a strong increase. In May, when the second Covid wave peaked, 9 crore e-way bills were generated. In October, it had risen to 15 crore.

What has brought relief to the operators is that the demand has crossed the threshold where they can pass on increase in diesel and other costs to customers. For instance, in October, diesel prices rose by ₹7.55 per litre. They were able to comfortably pass on the entire increase to the customers.

Abhishek Gupta, Managing Committee Member, Bombay Goods Transport Association, while agreeing with Singh on the quantum of freight cost increase, also said there was a significant shortage of vehicles on the road, especially in the trunk routes.

For the shortage to ease, he said, small truck operators who had stopped operating due to high operating costs, need to restart their business. That has begun to happen.

Adaikalraj, a Namakkal-based single truck owner who till October was not plying his vehicle for over a year, has now re-started his operations. "If this momentum continues for a few months, I will make profits," he said in hope.

PRESS REPORTS
ON
PASSENGER CARS

Business Line
11th November 2021

With shapely design, high mileage, new Celerio targets young buyers

OUR BUREAU
New Delhi, November 10

Set against the backdrop of rising fuel prices, the 26.68 kmpl mileage claim for the new Maruti Suzuki Celerio will set off the right kind of bells in the minds of potential car buyers. For a company that has benefited the most from the "*Kitna Deti Hai*" (how much mileage does the car offer) catchphrase, the new Celerio will now attempt offering a fresh proposal for the next generation of potential car owners.

Kenichi Ayukawa (left), MD and CEO, Maruti Suzuki India, and Shashank Srivastava, Senior Executive Director, MSIL Marketing & Sales, at the Celerio launch in New Delhi KAMAL NARANG

Key features

At the heart of this 2021 model is the new K10C petrol engine that features multiple new technologies including idle start/stop enabling it to offer what is being claimed as the best mileage for any petrol car in India. It has been built on the new 5th generation Heartect platform. It is wider, and more roomy than the outgoing model, and luggage space in the boot is much higher at about 313 litres.

The new Celerio's exterior design features 3D organic sculpted surfaces and a stance that seems like a hybrid between a hatchback and compact SUV. Some features, like the 15-inch black alloys and low-rolling resistance tyres, the animated headlamps and wide-opening rear doors, are segment firsts. The cabin also sees a number of changes. The 7-inch touchscreen infotainment system on the centre-focused dashboard and some segment-first features like engine push start with smart key and pollen filters for the aircon are new to the Celerio's cabin. It gets more than 12 safety features, including hill hold control.

It has the next generation K-Series one-litre petrol engine with Dual Jet, Dual VVT, and Idle Start-Stop. These have not only helped it deliver high mileage (up by 15-23 per cent depending on variant), but also enable lower CO_2 emissions by up to 19 per cent across variants. The engine offers a torque of 89Nm and peak power of 49kW. The engine is paired with a 5-speed manual or an optional auto gear shift transmission.

Prices start at ₹4.99 lakh for the LXI MT and go up to ₹6.94 lakh for the ZXI+ AMT.

PV segment

Kenichi Ayukawa, MD and CEO, Maruti Suzuki India, said, "India is primarily a small car market, with nearly 46 per cent of total passenger vehicle sales contributed by hatchbacks. With the All-New Celerio, we endeavour to boost the most important passenger vehicle segment in the country."

Talking about the current status of the automobile industry, Ayukawa said, "while volumes may be lower currently than our best during the 2018-19 fiscal, I am confident that we will reach those levels. But there may be some supply side constraints in the short term due to shortage of electronic components."

The Economic Times
15th November 2021

Porche Bets on India's Sports Car Buffs, to Build Product Portfolio

Sharmistha.Mukherjee
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New Delhi: German luxury sports carmaker Porsche is working on strengthening its product portfolio and expanding its presence in the Indian market, to build on the strong momentum in demand it has seen this year.

"We increased our volumes by 90% in the first nine months of the year. We could have done better if not for the semiconductor shortage. It means the market is ready and the customers are available," Manolito Vujicic, the brand head for Porsche India, told ET. "Our ambition is the next year will become the best year ever for Porsche India in all aspects, be it in volumes, customer care or market share of sports cars."

Co saw strong demand post the easing of lockdowns imposed by state govts

Porsche India delivered 334 cars during January-September this year. Vujicic was speaking on the sidelines of the launch last week of the electric Taycan and the new Macan, tagged upwards of ₹1.50 crore and ₹83.21 lakh, respectively.

The company saw strong demand post the easing of the lockdowns imposed by state governments to check the spread of the second wave of the pandemic, with sales last quarter increasing 164% compared with the same period of 2020. In July-September 2021, sales also grew 25% over its "previous best third quarter from 2014", Vujicic said.

He added: "We see huge potential in the Indian market, not only because of the size of the market here, but also because consumers here are car enthusiasts. The share of sports cars in our overall sales stands at 20%, which is double of that in Europe."

The national capital currently contributes the highest sales volumes to Porsche India, which has a sales presence in five major cities in the country. To increase reach, it will open four new showrooms, including in Bengaluru and Chennai, in the first half of 2022.

Focus on Growth

Porsche India delivered 334 cars during January-September this year

Delhi contributes the highest sales volumes to Porsche India

Co to open 4 showrooms in the first half of 2022

We see huge potential in the Indian market...The share of sports cars in our overall sales stands at 20%, which is double of that in Europe
MANOLITO VUJICIC, Brand Director, Porsche India

The Economic Times 2nd November 2021

CHIP CRISIS CONTINUES TO TAKE A TOLL

Car Dispatches Plunge Despite Soaring Demand

October sales fall by over a fifth even as waiting periods stretch for months

Our Bureau

Mumbai: Wholesale dispatches of passenger vehicles (PV) dropped by more than a fifth in October despite growing consumer demand and months-long waiting periods at showrooms, as a shortage of semiconductors limited production.

Maruti Suzuki and Hyundai, the largest two carmakers in the domestic market, reported a decline in sales of over 30% year-on-year each — dragging the entire market into the red. Tata Motors, meanwhile, reported 44% growth, outpacing the entire market.

The PV companies that revealed October data on Monday cumulatively reported a decline of 20% year-on-year in the wholesale numbers of cars, utility vehicles and vans at 260,098 units.

Automakers in India report wholesale dispatches from factories to showrooms and not retail sales made to customers.

In the two-wheeler segment, demand at the entry-level continued to be a cause of concern. The three companies which revealed sales figures on Monday reported a cumulative decline of 19% in domestic sales.

Meanwhile, commercial vehicle (CV) makers saw marginal signs of growth, as demand for trucks and smaller pick-up vehicles slowly inched upwards from the lows of last year. Cumulatively, CV makers reported sales growth of 2.1% in the domestic market in October.

"As far as the commercial vehicle recovery is concerned, it is more gradual than we would have liked. Where we see challenges at this point in time is the retail segment of the fleet or people who buy one or two trucks," said PB Balaji, the group chief financial officer at Tata Motors.

Speed Bump

Company	Oct-21	% CHG
Maruti Suzuki	108,991	-33.4
Hyundai	37,021	-34.6
Tata Motors	33,925	43.6
M&M	20,130	8.1
Kia	16,331	-22.3
Toyota	12,440	0.5
Renault	8,910	-19.0
Honda	8,108	-25.2
Nissan	3,913	254.1
Volkswagen	3,077	49.8
Skoda	3,065	115.7
MG Motor*	2,863	-23.7
FCA	1,324	59.1
Total	**260,098**	**-20.4**
COMMERCIAL VEHICLES		
Tata Motors	31,226	19.9
M&M	18,604	-21.6
Ashok Leyland	10,043	13.0
Total	**59,873**	**2.1**
TWO-WHEELERS		
Bajaj	198,738	-26.0
TVS	258,777	-14.1
Suzuki	56,785	-15.5
Total	**514,300**	**-19.3**

*(retail)

PV market leader Maruti Suzuki in a statement said the decline in production could have been higher if not for the measures it took to minimise the impact. "Accordingly, the company sold more vehicles than the sales volume expected at the start of the month," the Delhi-based carmaker said.

Executives across PV companies said demand continued to remain robust, but it was supply that was an issue.

"Demand in the market has been robust in the last few months and this can be attributed to various factors besides pent-up demand. Customer orders too have been on a constant rise, restoring normalcy in demand trends when compared to pre-Covid times," said V Wiseline Sigamani, associate general manager, sales and strategic marketing, Toyota Kirloskar Motor.

The high demand and low production meant that waiting periods for popular models have become as high as 5-6 months. In extreme cases, customers may have to wait for a year to get

TaMo Losses Widen as JLR Falters, Local Sales Jump

Our Bureau

Mumbai: Losses widened at Tata Motors during the September quarter as the semiconductor crisis weighed on the business of British subsidiary Jaguar Land Rover, pulling the automaker into the red for the third straight quarter.

The company reported a consolidated loss of ₹4,442 crore during the quarter compared to a loss of ₹315 crore in the corresponding quarter last year.

Revenue for the quarter improved by 15% to ₹61,379 crore on the back of a stellar performance in Tata Motors' domestic business. However, lower realisations at JLR and high commodity costs meant that earnings before interest, tax, depreciation and amortisation (Ebitda) declined by 8% to ₹5,160 crore. Ebitda margin narrowed by 210 basis points to 8.4%.

During a post-earnings media call P B Balaji, group chief financial officer at Tata Motors called it a "challenging quarter" adding that while there was a significant improvement in the stand-alone business, JLR was impacted due to the semi-conductor shortage.

Sept qtr revenue improved by 15% on the back of strong performance in TaMos' domestic business

The demand momentum for both JLR and the domestic passenger vehicle (PV) business remained strong and while the commercial vehicle (CV) business was seeing gradual recovery, he said.

"The commodity inflation and the semi-conductor issue is likely to continue in the short term. We are doing our best to manage them. We are targeting to deliver a positive EBIT margin and positive free cash flow before restructuring in the second half of the year," he added.

While the situation on the semi-conductor front is likely to improve the however Balaji cautions that the recovery is going to be gradual and both "Tata Motors and JLR are still to get out of woods from this challenge."

PRESS REPORTS
ON
ELECTRIC VEHICLE

Business Line 2nd November 2021

Electric 2- and 3-wheelers see highest-ever monthly sales in Oct

Better outreach by manufacturers and price parity with conventional vehicles drive sales

G BALACHANDAR

Chennai, November 1

The growing electric vehicle market in the country received a festive boost in October with the electric two- and three-wheeler segments clocking the highest-ever monthly sales.

Overall, registered EV sales saw a big surge in October, clocking 38,170 units, signifying a month-on-month increase of 11 per cent and year-on-year jump of 250 per cent. Total EV sales crossed 30,000 units mark for the second month in a row, according to the information provided by CEEW (Council on Energy, Environment and Water), based on the available data on Vaahan Dashboard.

Better outreach by manufacturers and price parity with conventional vehicles have been driving sales of electric two and three wheelers.

Registered electric two-wheeler sales stood at 18,988 units in October, while electric three-wheeler sales stood at 18,002 units during the month.

High fuel price

Leading electric two-wheeler players such as Hero Electric and Ather had indicated a strong sales period in October in view of the festival season and growing shift to electric vehicles due to high fuel price and lower maintenance cost.

Sohinder Gill, CEO, Hero Electric, said that the company sold 50,331 units of its electric two wheelers in the April-October period.

"While we are happy celebrating the delivery of 50,000 bikes to customers, we owe an apology to another 16,500 customers who are on the wait list for deliveries and may have to wait for a few more weeks. We are ramping up our capacities quickly, he said.

In the April-October period, the total registered electric vehicle sales stood at about 1.6 lakh units, of which, electric two- and three-wheelers account for a major portion.

"Improved awareness and acceptance of EVs are providing traction in rural and non-commercial segments as well. Further, higher vaccination levels in India and lower restrictions are slowly increasing the transport demand and corresponding vehicle demand," said Himani Jain, Senior Programme Lead, CEEW (Council on Energy, Environment and Water).

Charging ecosystem

While electric two wheelers will continue to see strong sales momentum due to improving charging ecosystem and high fuel prices for ICE (internal combustion engine) vehicles, the opening up of schools and colleges and resumption of public transport are expected to drive demand for last-mile connectivity, and electric three wheelers may see a revival in demand in the coming months. The electric car market has been showing signs of improvements, led by Tata Motors. Unlike the electric two-wheeler market, where buyers have many models to choose from, the electric car market offers limited options now.

"Tata dominance in the e-car segment is because SUV Tata Nexon is the only model in the segment that qualifies for FAME-II incentives, ergo the State-level incentives, too (since only the models approved under the FAME-II scheme can avail State-level incentives).

"The inclusion of these incentives has driven prices further down, making the Nexon EV more affordable by almost ₹2.5-3lakh (depending on the state subsidy), says a report of JMK Research.

Business Line 12th November 2021

Sundram Fasteners sees surge in orders from global EV-makers

Q2 net profit rises 23% at ₹120 crore

G BALACHANDAR

Chennai, November 11

Leading auto-parts-maker Sundram Fasteners expects the electric vehicle (EV) business to account for about 15 per cent of its portfolio over the next 3-4 years, up from 2 per cent now, with a strong pick up in its EV parts orders with global OEMs (original equipment manufacturers) implementing the China+1 strategy on the back of growing momentum for EVs in Europe and North America.

"Our EV business is starting to look good with a surge in orders from global passenger vehicle OEMs. The China+1 factor is also playing in this," Arathi Krishna, Managing Director, Sundram Fasteners, told *BusinessLine*.

The company has signed a few new contracts with passenger vehicle makers in Europe and North America, and is in discussion with a few more to supply parts for their upcoming new launches.

Supplying to top 5

"Of the top 10 global PV OEMs, we are supplying to 5, while we have bagged very good orders from two big players. So, we are presently focussing on the PV side of the EV business in the global market. Overall, our EV business is very promising now," she added. Meanwhile, the company has also started to target the domestic electric two-wheeler market in view of growing adoption of these vehicles. "We are already in RFQ stage with most electric two-wheeler manufacturers," said Krishna,

Arathi Krishna, MD, Sundram Fasteners

"We are going ahead with our capex plan. We were a little slow in Q1 due to the uncertainty over Covid situation. Hopefully, the worst is behind us, and if India continues to vaccinate the way it is doing, there will be a positive momentum'

She said the company's existing manufacturing technologies present huge opportunities to serve the EV requirements.

Barring certain areas like battery and associated parts, the company is able to supply most other parts for EVs.

In the traditional vehicles, Sundram Fasteners is seeing a good revival in demand, which has pushed its capacity utilisation from 65 per cent in Q1 to 70-75 per cent in Q2 depending on the segment.

Capex plan on track

"We are going ahead with our capex plan. We were a little slow in Q1 due to the uncertainty over Covid situation. Hopefully, the worst is behind us and if India continues to vaccinate the way it is doing, there will be a positive momentum. We are looking at about ₹250 crore capex for this fiscal. But if there is a demand surge, we may even increase the spend," she said.

Topline jumps

Sundram Fasteners has reported a double-digit growth in topline and bottomline during the September quarter amid challenging market conditions due to shortage of chips and commodity price increases.

Its standalone profit-after-tax grew 23 per cent at ₹120 crore compared to ₹97 crore in the year-ago quarter. Revenue from operations grew 39 per cent at ₹1,063 crore (₹767 crore)

EBITDA for the September 2021 quarter was ₹201 crore (₹168 crore), helped by cost-control measures amid a spike in raw material prices.

Business Line 3rd November 2021

Growing EV sales may accelerate the rush to create charging ecosystem

India has a few thousand EV charging stations against 70,000 petrol pumps

G BALACHANDAR

Chennai, November 2

The rush to install adequate charging stations for electric vehicles across the country is expected to gather momentum in the coming months with increasing sales of electric vehicles and 'infrastructure-boost plans' of new as well traditional players in the segment.

EV charging infrastructure has clearly lagged now but a healthy ecosystem needs both vehicle volumes as well as charging infrastructure.

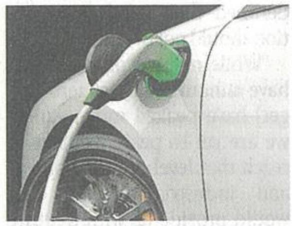
Various models

Though the quantity and speed of charging stations may pose challenges in the purchase of electric vehicles in the near term, various models are emerging to improve the charging ecosystem. Industry representatives and analysts opine that the increasing sales of electric vehicles will help companies and other stakeholders to speed up the efforts to build charging infrastructure. "EV charging stations in India number in a couple of thousands. This compares to about 70,000 petrol pumps in the country — so, there is a long way to go. However, we are seeing demand pick up significantly for EVs across segments, and this will in turn be instrumental in driving demand for charging services," said Gagan Sidhu, Director, CEEW Centre for Energy Finance.

Legacy players

New-age players now lead the electric vehicle market in India, particularly in the two and three wheelers. However, traditional ICE players are lining up with not just new EV launches, but also by building necessary ecosystems like charging infrastructure through tie-ups with energy players to make easier the purchase of electric vehicles.

Tata Power aims to increase the number of EV charging stations in the country to 2,000+ by the end of this fiscal, up from about 878 stations spread across 178 cities now. It has been roped in by TVS Motor Company to build an ecosystem to support the latter's ambitious EV plans.



Hero Electric, a leading player in the electric two-wheeler space, has set an ambitious target of setting up 20,000 charging stations by the end of next year, up from about 1,700 now. It has also roped in a start-up — Massive Mobility — to realise its objectives.

Fragmented market

Ather, an emerging brand in electric two-wheeler space, has decided to make available its proprietary charging connector to other EV companies to adopt for their two-wheelers, a move that may lead to an interoperable two-wheeler fast charging platform for the country.

"The charging infra market appears to be fragmented from the perspective of current EV volumes. Even so, the pickup in EV volumes will create space for new business models and players to emerge. Partnerships are key to de-risking and offer the potential for faster rollout of charging infrastructure," said Sidhu.

Modular infrastructure

Will high real estate prices in big cities pose challenges for setting up charging stations? "Unlikely," Sidhu said.

"EV charging infrastructure is more modular and does not have to limit itself to the kind of formats that petrol pumps operate under," he added. "For example, charging points can be integrated with existing parking spots in malls, markets, offices etc. Therefore, high urban real estate prices won't necessarily restrict rollout."

The Times of India 10th November 2021

M&M open to PE funding for EVs

Pankaj.Doval@timesgroup.com

New Delhi: Once a maker of fuel-guzzling diesel vehicles, Mahindra & Mahindra is changing course and taking a bold bet on greens. The company will launch eight new electric SUVs — some under a new brand — over the next six years as it invests Rs 3,000 crore in sustainable mobility while staying open to private equity funding and strategic partnerships.

The Anand Mahindra-led company — which was perhaps the first big auto company in India to look at electrics but failed to maintain the gusto thereafter — is extending the charge in electrics to its light commercial vehicle (LCV) range too where again it plans eight new EVs by 2026.

COMING SOON: 8 NEW E-SUVS

- Mahindra & Mahindra will launch **eight new electric SUVs** over the next six years
- Electric SUVs may lead to a **new brand**
- It plans to invest **₹ 3,000 crore** in sustainable mobility
- In light commercial vehicle segment too, it plans **eight new EVs** by 2026

Q2 profit jumps 785% to ₹1,432 crore

New Delhi: Mahindra & Mahindra reported a 785% growth in net profit (year-on-year) in the second quarter of this fiscal, helped by a lower base where the company made impairment provisions for certain long-term investments, including towards Korean subsidiary SsangYong. The company said net profit in the quarter-ended September 30, 2021 stood at Rs 1,432 crore against Rs 162 crore in the second quarter of fiscal 2020-21. Revenue in the period stood at Rs 13,305 crore, up 15% over Rs 11,590 crore in the comparable period last year. TNN

Under the leadership of its new boss Anish Shah, the company has made it clear that it will not try to attract buyers with 'soft' offroaders but rather focus on what it terms as 'authentic SUVs', primarily built around its top brands — Bolero, Scorpio, XUV and Thar.

Electric SUVs will likely give rise to another new brand. "A lot of work is going on (within the company) to prepare ourselves for EVs. We were the first ones to bet on greens, and have a lot of experience under our belt... arguably the best," Shah, MD & CEO of M&M, said when asked about the plans in greens.

He said he is "open" to getting in outside funds to power the EV business and even hiving off the greens portfolio into a separate subsidiary, something done by Tata Motors. "We are open to all options... we are open to funding from outside for faster growth... private equity and other strategic partners help us grow faster," Shah said.

Business Line 13th November 2021

Porsche launches all-electric Taycan range in India

PRESS TRUST OF INDIA

New Delhi, November 12

German luxury sports carmaker Porsche on Friday launched its all-electric Taycan range in India with price starting at ₹1.5 crore with the latest version of its compact SUV Macan priced ₹83.21 lakh onwards with an aim to accelerate its growth in the country.

The Taycan is Porsche's first ever, fully electric model and will be available in four saloon models comprising the Taycan, Taycan 4S, Turbo and Turbo S. A 'Cross Turismo' variant will also be available in the 4S, Turbo and Turbo S versions, Porsche India said.

These are powered by battery units with capacities ranging from single-deck 79.2 kWh to two-deck 93.4 kWh.

"The Taycan was already introduced in the other markets around the world and now it's time for India. We wanted to do it earlier but Covid-19 didn't allow us to do it," Porsche India Brand Head Manolito Vujicic told *PTI*.

Now with the official launch, he said, "we expect the first deliveries in quarter one of next year (2022)." Porsche has already delivered 30,000 units of the Taycan in other global markets, he said, adding the company is confident that the electric sports car would also have a good response in India as it has been able to achieve globally.

"Our expectation is to fulfil the same percentage of Taycan deliveries globally (in India)," he said.

"The introductions of Taycan and the latest Macan in India coinciding with Porsche's dealer expansion is a proof of the roadmap the company is creating for future business growth in the country as it invests in new products and facilities throughout 2022." he added.

Porsche India said its Taycan Turbo S sports saloon is the most powerful sports car in the Porsche range and generates power of up to 560 kW and accelerates from 0 to 100 kmph in 2.8 seconds. Depending on the variant, the Taycan range has a mileage between 456-484 km on a single charge.

Macan

The latest Macan comes in three variants – Macan, Macan S and Macan GTS.

The Macan variant has a four-cylinder engine with power output of 195 kW capable of accelerating from 0-100km/h in 6.2 seconds with a top speed of 232 kmph, the company said.

On the other hand, Macan S has a 2.9 litre-engine with power output of 280 kW and can accelerate from 0-100km/hr in 4.6 seconds , while the Macan GTS has a similar 2.9 litre biturbo engine with power of 324 kW capable of accelerating from 0-100km/hr in 4.3 seconds, it added.

Business Standard 4th November 2021

IndianOil plans 10K EV charging stations

BS REPORTER

New Delhi, 3 November

The country's largest automobile fuel retailer, Indian Oil Corporation, has announced its plans to set up 10,000 charging stations in three years. Setting up of EV charging stations and production of green hydrogen will be part of the company's net carbon zero strategy expected to be unveiled soon.

The announcement comes two days after Prime Minister Narendra Modi made public India's target to be net zero by 2070. "EVs are now a reality, and IndianOil is geared up to tide over challenges and leverage opportunities in this area. Our bouquet of services will now include alternative energy offerings, including EV charging, at our fuel stations," chairman, IndianOil, S M Vaidya, said. This would provide confidence both to automobile manufacturers for enhancement of EV production and to customers for uninterrupted drive, Vaidya said.

Besides IndianOil, Bharat Petroleum Corporation Limited (BPCL) also announced plans to offer charging stations at 7,000-odd petrol pumps over the next few years. State-owned Hindustan Petroleum Corporation Ltd (HPCL) had in September announced plans to commission 5,000 charging stations over the next three years. It had 84 EV charging stations.

Nine cities, including Mumbai, Delhi, Bangalore, Hyderabad, Ahmedabad, Chennai, Kolkata, Surat and Pune, will be in focus in the first phase with 231 charging stations. State capitals, smart cities and major highways and expressways would be covered in a phased manner.

IndianOil has collaborated with Tata Power, REIL, Power Grid Corporation, NTPC, Fortum, Hyundai, Tech Mahindra, BHEL and Ola for setting up EV chargers at its fuel stations.

Business Standard 11th November 2021

TVS Auto's Ki Mobility forays into EV space

SHINE JACOB
Chennai, 10 November

Ki Mobility Solutions, part of TVS Automobile Solutions, on Wednesday announced the launch of a comprehensive digital mobility service platform for electric vehicles (EVs).

Marking its entry into the EV segment, the company has tied up with eight manufacturing start-ups and leading original equipment manufacturers (OEM), including Okinawa and Boom Motors.

The set of services include providing charging station facilities for these companies at over 2,500 garages that are associated with myTVS. Ki Mobility is India's first full-stack online to offline (O-to-O) digital platform that operates the myTVS brand. The move will help EV manufacturers jump-start their operations across the country. The tie up will include companies in the two-wheelers, three-wheelers, light commercial vehicles (LCVs) and passenger cars space.

The digital platform from Ki Mobility Solutions will provide manufacturers a wide service network across 250 plus towns for sales, services, insurance, roadside assistance, charging stations and parts.

"Launch of digital mobility platform for EVs is a milestone moment in the automotive aftermarket industry. The platform provides an opportunity to discover new business models that have been traditionally defined as dealership and independent aftermarket. This platform provides a portfolio of solutions that would help electric vehicle manufacturers provide complete customer centricity to their customers," said G Srinivasa Raghavan, managing director (MD), Ki Mobility Solutions.

He added that Ki Mobility's cloud-based service network would support the accelerated roll out plans along with service promises to the electric vehicle manufacturers that would help drive competitive advantage.

"We are not going to invest in charging stations.

"This platform provides a portfolio of solutions that would help electric vehicle manufacturers provide complete customer centricity to their customers"
G Srinivasa Raghavan
MD, Ki Mobility Solutions

We will provide them with both physical and technological infrastructure. We are targeting a share of around 30 per cent in the EV market," Raghavan said.

As technicians servicing EVs have to be trained in different battery operations technology and power transmission concepts, Ki Mobility Solutions has already invested in training around 500 technicians across the country.

TVS Automobile Solutions had created its new subsidiary Ki Mobility Solution in November 2020. Later, the new entity raised ₹85 crore from investors such as Pratithi Investment Trust (represented by its trustee and Infosys co-founder Kris Gopalakrishnan) and SeaLink Capital Partners (SCP). Through Ki Mobility, TVS ASL is looking to capture a larger market share in the $10-billion automotive aftermarket. This market is largely unorganised through the presence of about 500,000 garages.

The sale of EVs, especially two wheelers, has been on the rise over the last couple of years. H1 of FY22 saw sales of over 1.18 lakh EV units, which is equivalent to 90 per cent of the total sales last year.

"Ki Mobility Solutions aims to fill the gap for manufacturers through its digital tech solutions and mobility delivery model. It will support them to provide customer centricity, thereby accelerating their growth plans," the company said in a statement.

The Economic Times 11th November 2021

BID TO GARNER AROUND $1.5 BILLION IN FUNDING FOR ELECTRIC VEHICLES

Niti, World Bank Ready EV Financing Push

Setting up a $300 m 'first loss risk sharing instrument', with SBI as its programme manager

Banks lukewarm due to a small resale market, higher default probabilities and significant upfront costs

Instrument would act as a hedging mechanism, for banks to access in case of defaults of loans on purchase of EVs

Expected to bring down the cost of financing for EVs by **10-12%**

Present rate of interest for electric two-wheelers & electric 3-wheelers in the range of **20-25%**

Lijee Philip & Saloni Shukla

Mumbai: Niti Aayog and the World Bank are working together to facilitate a programme for faster and easier financing of electric vehicles (EV) after high-street banks seemed lukewarm due to a small resale market, higher default probabilities and significant upfront costs.

The two entities are setting up a $300-million 'first loss risk sharing instrument', with State Bank of India (SBI) as its programme manager. This facility would seek to garner around $1.5 billion in financing for EVs.

The instrument would act as a hedging mechanism, for banks to access in case of defaults of loans on purchase of EVs, and is expected to bring down the cost of financing for EVs by 10-12%, Amitabh Kant, CEO of Niti Aayog, told ET.

The risk sharing instrument of $300 million would be institutionalised with SBI, and the funds would be available for all financial institutions to access as a first-loss instrument, said Kant.

GOVT SUBSIDIES, RISING FOSSIL FUEL PRICES PROVIDE FILLIP TO SALES

Cos Expect Boost in Financed EVs

Two-wheeler EV brands such as Hero Electric, Ather Energy and Ola Electric are optimistic about more financing options to boost growth. **Alnoor Peermohamed** & **Dia Rekhi** report. ▸▸ FACING PAGE

Financing Supercharge EV Nos

EV firms see subsidies and rising fuel prices pushing up growth

Alnoor Peermohamed & Dia Rekhi

Bengaluru | Chennai: Electric two-wheeler brands such as Hero Electric, Ather Energy and Ola Electric are optimistic about more financing options to further supercharge growth, as government subsidies and rising fossil fuel prices provide a fillip to sales of higher quality and affordable electric vehicles (EVs).

Hero Electric, which ranked eighth in terms of two-wheeler sales in September, says it expects the proportion of financed EVs to grow to 20% by the end of the ongoing fiscal year, from around 11% now. The company sold 6,289 units in September, narrowly beating Piaggio, which sells traditional fuel-powered scooters under the Aprilia brand.

Bengaluru-based EV startup Ather Energy expects the number of vehicles bought through financing to nearly double to around 45% over the next few years from around 20-25%, bringing it on par with the overall scooter market in the country.

"There is still a 25-percentage-point gap between the overall scooter market average (for vehicles being bought on finance) and our average," said Ravneet Phokela, chief business officer at Ather Energy. This average has remained steady even after the company began selling its 450X electric scooter in small towns, rather than only in big cities such as Bengaluru and Chennai, he said.

EV finance is evolving quickly, Phokela said, with banks and NBFCs more willing to co-develop solutions today due to the sharp rise in EV sales across the country.

"The role of finance till quite recently was to give an option to somebody who had the willingness to buy but did not have access to cash. In future, it will be less about filling a hole in the market, and more about creating new ownership models," he added.

(For full report, go to www.economictimes.com)

On the Move

Hero Electric expects the proportion of financed EVs to grow to **20%**

Firm sold **6,289** units in Sept

Ather expects vehicles bought via financing to nearly double

Ola Electric ties up with 10 banks, non-banks

PRESS REPORTS ON TRACTORS

Business Line 11th November 2021

Tractor sales hit record high in October on festival boost

115,615 units sold on expectation of good harvest, strong sowing data, brimming reservoirs

G BALACHANDAR

Chennai, November 10

October was a month of rich harvest for the tractor industry, which posted the highest ever domestic sales. It is a sign that rural demand has begun to pick up as consumer confidence returned on account of expectations of good harvest, strong sowing data, copious water in reservoirs and availability of finance.

Raman Mittal, Executive Director, Sonalika Tractors, said the festival season is mostly when farmers upgrade their tractors to increase productivity and income.

Festivities, indeed, spurred volumes and tractor sales stood at historic high of 1,15,615 units in October.

"October has been good for the tractor industry and that month saw tractor disbursement touch highest," said Ravindra Kundu, Executive Director, Cholamandalam Investment & Finance Company Ltd.

The October sales were marginally higher than 1,15,155 units sold in the same month last year. But compared with September 2021 sales of 92,465 units, the October volumes were higher by 25 per cent, according to data provided by the Tractor & Mechanisation Association (TMA). Total tractor production stood at 90,395 units in October.

For the April-October 2021 period, the total domestic tractor sales stood at 5,56,447 units compared to 5,16,762 units in the same period the previous fiscal, registering an increase of about 8 per cent.

"High reservoir levels, expectation of a good kharif harvest, coupled with good preparations for the rabi crop will boost positive sentiments and drive demand in the coming months," said Hemant Sikka, President, Farm Equipment Sector, Mahindra & Mahindra.

The industry is sticking to its guidance of single digit growth for this fiscal after growing at 27 per cent in FY21.

Driving factors

"Rising adoption of farm mechanisation coupled with the introduction of precision farming to increase productivity have been significantly driving the Indian tractors market," says Mittal.

Simultaneously, tractor exports continued to be strong with dispatches rising 75 per cent at 74,491 units during the April-October period.

PRESS REPORTS
ON
COMPANY NEWS

Business Line 14th November 2021

In top gear, M&M scorches SUVs track

With a slew of new launches, the company looks to lay claim for segment leadership

G BALACHANDAR
Chennai, November 13

Even as the Indian SUV segment continues to excite the market and attract more buyers amid production constraints, the spotlight seems to have moved towards one brand recently – Mahindra & Mahindra – which has picked up good sales momentum with its new launches to challenge the top two players.

While Maruti & Hyundai continue to dominate the SUV segment (includes MUVs, MPVs etc), there has been a fierce battle between Mahindra & Mahindra and Kia Motors for the Number Three position. However, Mahindra has managed to hold on to the third position with slightly higher sales than Kia.

But now Mahindra has upped the ante in the SUV market with an impressive set of new launches that come with high safety ratings. Its recent vehicles such as the all-new 4x4 SUV Thar and the 7-seater SUV XUV 700 carry 4-star and 5-star safety ratings from Global NCAP, a UK-based non-profit safety and testing organisation. Both the vehicles have attracted tremendous response and have helped Mahindra widen its sales gap with Kia. In particular, Mahindra XUV 700 has been a big hit and has secured 70,000+ bookings till date.

In October 2021, Mahindra's total sales in the segment stood at 20,034 units, the second highest after Maruti's volumes of 27,081 units.

Hyundai sold 18,538 SUVs, while Kia's sales were at 16,331. Of course, all players are facing severe production constraints due to chip shortages. During the April-October 2021 period, Mahindra's total sales stood at 112,050 units, while Kia's volumes were at 104,714 units.

A year ago, the sales gap between the two was about 1,000 units. So, new launches have been helping Mahindra to boost its sales and market share in the segment. With its SUV order book at about 1.6 lakh units, Mahindra is expected to sustain the momentum going forward.

Also, with a strong pipeline of new vehicles, Mahindra is now gunning for leadership position in the SUV market. In fact, Mahindra was a leader in the UV segment till about 5 years ago. But the launch of compact and mid-SUVs changed the market landscape and the company lost its dominant position.

Mahindra has planned 13 new launches, including 8 electric SUVs, across existing and new brands between 2020 and 2027 with an eye on leadership position in the segment.

"M&M brand in India is synonymous with 'real' SUV maker with the company making a strong comeback in the market with its core SUV product Thar in 2020. It has now been creating a buzz with its all new XUV700 launch. It also aims to roll out a hybrid version of the SUV by 2021. For some time, compact SUVs remained a major battleground for most OEMs in the market. But with every leading OEM well-positioned in the sub-compact/compact SUV segment, bigger or core SUVs segment looks to be the new battleground – a segment which is M&M's core expertise," says Bakar Sadik Agwan, Senior Automotive Consulting Analyst at GlobalData.

This year has witnessed the rollout of a slew of mid-size and large SUVs – Hyundai Alcazar, M&M Bolero Neo, M&M XUV700 and Tata Safari. M&M is also expected to introduce its new version of Scorpio during this fiscal as part of its mid-term launch programmes.

Showstoppers Models like Thar and XUV 700 have been lapped up by the market

Business Standard 4th November 2021

DHANTERAS NUMBERS

Maruti Suzuki sales decline; TaMo's up 94%

PRESS TRUST OF INDIA
New Delhi, 3 November

Car market leader Maruti Suzuki India on Wednesday said it sold around 13,000 units on the day of Dhanteras, lower than last year hampered by supply constraints due to semiconductor shortage, although Tata Motors stated its deliveries grew 94 per cent.

Automobile dealers' body FADA on Tuesday termed the current festive season the worst in terms of business in a decade for its retail partners across the country as chip shortage impacted supplies in passenger vehicles creating a huge shortage of vehicles in SUV, compact - SUV and luxury segment.

"Demand and bookings have been good. We tried our best to deliver as many vehicles as possible. However due to supply side constraints we closed a little lower than last year, at around 13,000 units," Maruti Suzuki India Senior Executive Director (Marketing & Sales) Shashank Srivastava told PTI.

Tata Motors, however, had a good day on Dhanteras on Tuesday. "On the auspicious day of Dhanteras, our deliveries nearly doubled as compared to last year, owing to strong demand for our 'New Forever' range, including the newly launched Punch and the EVs. Across India, our deliveries grew by 94 per cent," Tata Motors President, Passenger Vehicles Business Unit Shailesh Chandra said.

"This year's festive season has been remarkable as the brand has registered 40 per cent growth," Mahindra First Choice Wheels Managing Director and CEO Ashutosh Pandey said in a statement.

Ola Cars clocks 1K sales in weekend

SoftBank-backed mobility platform Ola said it has sold over 1,000 cars over the weekend, leading up to Dhanteras. The company last week announced India's biggest pre-owned car festival — Ola Cars Carnival — with deals and offers on over 2,000 cars on the Ola Cars platform. As part of the festive offer, Ola said customers can avail of discounts of up to ₹1 lakh, as well as several industry-first offers like free servicing for up to 2 years, a 12-month warranty, and a seven-day easy return policy. BS REPORTER

The Economic Times 3rd November 2021

Minda Buys Out Stoneridge in JV Co, Lines Up Over $100 m to Push Growth

Auto parts co aims to become a supplier of entire systems, not just a few components

Ketan Thakkar &
Ashutosh R Shyam

Mumbai: Minda Corp has lined up over $100 million (about ₹750 crore) of investment in the coming three years to outpace the slowing market by aiming to transform into a supplier of entire systems as opposed to just a few parts to automakers.

Minda Corp, a part of Ashok Minda's Spark Minda Group, on Tuesday bought partner Stoneridge's 49% stake in Minda-Stoneridge joint venture to take full control of the automotive instrument cluster and sensors business. The company is also actively scouting for acquisitions in the sensors and electronics space to increase its product offerings.

The company is aiming to grow 10 percentage points faster than the market and the intent is to build capabilities through organic and inorganic ways to attain the target, group chairman Ashok Minda told **ET**. "Our technical collaboration with Stoneridge continues — or rather we have expanded our technical scope. However, after the stake buy, there is a flexibility for us to go in for newer collaboration to access technological products and offer a wider product to customers," said Minda.

The group has already entered into a joint venture in 2021 with a South Korean company, Infac, in the auto electronic space of antennas. It has also formed an alliance with Israeli company Ride Vision to offer collision-avoidance technology.

ON COLLABORATION

Technical collaboration with Stoneridge continues... We've expanded technical scope... There's a flexibility... to go in for newer collaborations

ASHOK MINDA
Chairman, Spark Minda Group

The Spark Minda Group is evolving itself to keep pace with the fast-transforming automotive industry that focuses on electrification and connectivity. The company is mapping the consumer trends and government regulations closely and will be looking at adding more technology-led products to its offerings. Minda said the role of sensors in the vehicle is only going to grow in the future and the group is looking at inorganic opportunities or technical collaboration in this technology.

On the rationale behind the complete takeover of the Stoneridge JV, Minda said the acquisition will be value-accretive for shareholders as financial performance of the group will strengthen and the company will have perpetual ownership of all existing technology licences granted by Stoneridge.

US-based Stoneridge is helping the Indian company in localisation of exhaust gas temperature gauge sensors, which have become compulsory in all diesel vehicles after the transition to BS-VI emission standards.

The company said the deal will improve the operating profit (Ebitda) margin and also the return on capital employed. Based on the financials of FY21, Minda Corporation is trading at an enterprise value/Ebitda of more than 15, whereas the deal at which it acquired the remaining stake in the JV is less than 6. This creates value to the shareholders from day 1.

Business Line 2nd November 2021

'UNPRECEDENTED DEMAND' FOR E-SCOOTERS

Ola postpones opening of purchase window

Aims to open the second window for fresh orders on December 16

YATTI SONI

Bengaluru, November 1

Ola Electric has postponed the opening of its second purchase window to December 16 from the earlier date of November 1.

In a note to customers, the company has cited unprecedented demand for Ola S1 and S1 Pro scooters as the reason for the delay. Ola said it is "busy fulfilling existing orders and will be opening the purchase window for fresh orders on December 16."

The opening of the first purchase window of Ola e-scooters was also postponed by a week due to a website glitch. Ola claims to have sold electric scooters worth $150 million in a span of two days of opening the first purchase window. The change in the second purchase window is said to have no effect on those who have already secured their scooters in the first purchase window of September 15 and 16 by paying ₹20,000. The company claimed that the already secured scooters are "on track to reach the customers within the delivery window already communicated to them".

Last month, Ola also pushed the final payment date of already purchased scooters to November 10. The company said the final payments will start after the customers have taken the test ride, which starts from November 10. The customers will have the choice to defer the purchase after taking the test ride.

Fund-raise

In September, Ola Electric raised over $200 million from Falcon Edge, Softbank and others investors, at a valuation of $3 billion.

Ola Electric has committed to employ 10,000 women at the company's manufacturing facility Ola Futurefactory and make it entirely women-run. Located in Hosur, Tamil Nadu, Ola Futurefactory is a 500-acre manufacturing unit set up for the production of Ola's two-wheeler EV.

The manufacturing facility is said to have the capacity to produce 10 million electric scooters per year.

Charging network

Along with the manufacturing plans, Ola Electric also has plans to set up a charging network called Ola Hypercharger Network. The company claims to have set up more than 100,000 charging points across 400 cities. The first Hypercharger has been installed in the Ola Campus.

The Economic Times 3rd November 2021

Tata Motors Making More Money per Car than Maruti for First Time in a Decade

Strong demand, agile production and supply chain mgmt come as advantages

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Here's a quiz question you might struggle to answer: Who makes more money per car - Maruti Suzuki or Tata Motors?

Until last year, you could have answered that off the bat. Not any longer as TaMo, among the biggest gainers in the automotive pack this year, now makes more per vehicle in a market where one out of every two cars still sports the Suzuki badge.

Tata Motors' operating profit per car rose to ₹45,810 in the second quarter, nearly double that of Maruti, data compiled by ETIG showed. This was the first time in a decade that Tata Motors made more money per car than did the market leader Maruti Suzuki.

Operating margins at the Tata Motors PV division rose to 5.2%, a gain of 110 basis points in the second quarter of FY22, while the metric fell 50 basis points to 4.2%, a multi-quarter low, at Maruti. Of course, the pandemic-stricken quarter in the first Covid wave has been kept out of the equation.

Operating profit of the Tata Motors PV business is equivalent to 45% of Maruti Suzuki in the September quarter, while volumes sold by the maker of Nexon and Harrier are 22% of those at Maruti.

Thanks to continued improvement in the volume aided by the operating leverage, Tata Motors' PV business has been posting positive EBITDA margins for the last five quarters in a row.

Tata's outperformance is on account of strong demand momentum and flexibility and agile production and supply chain management. This was backed by R&D efforts that quickly introduced re-engineered products relying on standard chipsets. Doing so ensured better supplies. To be fair, it is a tale of different growth trajectories. Tata Motors is right now at its peak - on capacity utilisation and volumes expansion, whereas Maruti's operational performance is bottoming out. But with the rollout of new products and improvement in chipset supplies, Maruti Suzuki is likely to build on its operational performance.

Kia Does a First, Turns PAT-positive in Just 3rd Year of its India Journey

TOP GEAR Co's profit jumps 400% on optimum plant utilisation and higher realisation from SUVs

Ketan Thakkar & Ashutosh R Shyam

Mumbai: At a time when global automotive giants like Ford and GM have exited the Indian market, South Korean car maker Kia India has proven that if you get the strategy right, you can make healthy profits in India.

Kia's Indian operation has turned profitable (at PAT level) in the third year of operations in the India—a feat not even achieved by incumbents with a higher market share.

Within just a year of selling cars, Kia India had broken even in FY-20 and in the following year of FY-21, the company delivered profit after tax.

In a Covid-hit year, the company's volume grew 90% year-on-year to 1.96 lakh units in FY21 bolstering revenue. The total turnover grew 87% to ₹20,290 crore in the last fiscal year, this is equivalent to 10% of the total passenger car estimated industry revenue in the same period.

The company delivered a net profit of ₹1,111 crore in FY21, versus loss of ₹329 crore in FY-21, according to the company filing with ministry of corporate affairs shared with ET by business information platform Tofler.

The maker of Seltos and Sonet has recouped nearly half of the total loss it incurred in the four year of capital investment in India. The net profit of the local arm of the South Korean parent is equivalent to 26% of the Maruti Suzuki, while it constitutes around 13% of the total volume of the India's largest car maker.

Led by optimum plant utilisation and higher realisation from its SUVs, Kia Motors India has been able to grow its revenues by over 50% and profits by over 400% in a covid struck year.

An email sent to the company did not elicit any response. With a sustained demand for its models, the company is sitting on a healthy orderbook of over 50,000 units, with waiting period running into three months. A strong revenue growth has enabled the company to close differences with legacy incumbents. Kia Motors India revenue in FY21 is equivalent to 30% of Maruti Suzuki and half of Hyundai India. Even on the parent level, the India share in total revenue is expanding.

Business Line 10th November 2021

M&M net surges to ₹1,929 cr in Q2 on strong all-round performance

But commodity price inflation, chip shortage continue to pose challenges

OUR BUREAU

Mumbai, November 9

Mahindra and Mahindra's profit rose 214 per cent to ₹1,928.64 crore for the second quarter of the current fiscal, from ₹614.64 crore reported in the corresponding quarter of the previous year. The company reported an 11 per cent increase in consolidated revenue, year on year, rising to ₹21,735.96 crore, from ₹19,509.14 crore.

While M&M reported resilient operating performance and strong recovery across group companies, major headwinds for it include, commodity price inflation, supply chain semiconductor shortage as well as freight costs increasing on imported components.

The auto and farm verticals reported stressed margins as a result of commodity price inflation and chip shortage. With consolidated profit before interest and tax decreasing 14 per cent year on year in the farm segment, and for the auto segment, PBIT reduced by 44 per cent year on year. Commodity price inflation has been a major factor, along with the shortage of the ECU chipset, which resulted in a volume loss of 32,000 units in the auto segment.

Other milestones for the farm segment, according to Rajesh Jejurikar, Executive Director of Auto and Farm segment, M&M, include a 1.9 per cent gain in market share to 40.1 per cent, second highest Q2 exports by volume at 4,100 tractors, strong PBIT margins at 18.7 per cent despite commodity inflation.

XUV700 launch

For the auto side, XUV700 saw a mammoth launch, crossing 70,000+ bookings so far and total open bookings have crossed over 1,60,000.

The three-wheeler EV segment has seen an increase in volume by 318 per cent, and according to Jejurikar, M&M enjoys best-in-class margins despite commodity inflation, some of which has been transferred to consumers through aggressive price increases, which approximate to 7 per cent since September 2020.

Anish Shah, Managing Director & CEO, M&M

After completing major divestments, Mahindra is poised for major growth milestones by 2025.

These include revenue growth of 15-20 per cent in a three-year compound annual growth rate, a 10X growth in the farm machinery segment by 2027, and a growth of over 40 per cent in the tractor segment.

Mahindra also plans on being number 1 in the core SUV segment and the light commercial vehicle segment.

Jejurikar added that the chip-related supply chain issues are likely to continue into 2022, although the worse is over.

New products

On the farm machinery segmentMahindra has a strong product pipeline of 15 new products by 2027, it will explore partnerships and alliances and increase financial access through finance leasing and rentals. For Mahindra's SUV business, 13 new products are slated for launch by 2027, of which eight will be electric vehicles. Mahindra will focus on four major brands — Bolero, Scorpio, XUV, Thar — as well as a new electric brand that is yet to be named. The company has 17 new products slated for launch on the LCV side.

Anish Shah, Managing Director & CEO, M&M Ltd, said, "We have seen significant all-around improvement in our performance this quarter. Our strong show in the auto and farm sectors was complimented well by the improved performance in the group companies. Our investments in digital platforms are doing well and present a meaningful opportunity to create and unlock value."

Business Line 11th November 2021

Bosch back in the black; posts ₹372-crore profit in Sept quarter

OUR BUREAU

Bengaluru, November 10

Bosch Ltd, one of the leading suppliers of technology and services, has posted a net profit of ₹372 crore on a standalone basis during the second quarter of the current fiscal following substantial recovery in sales as the lockdown restrictions have eased across States. During the corresponding period last year, the company had posted a loss of ₹64.79 crore.

The company said its total income grew 17.88 per cent to ₹3,042.33 crore. "Although the automotive market production in India has currently declined due to the ongoing semiconductor shortage, there are first signs of recovery. However, uncertainty in the market remains a major concern for the automotive industry going forward," said Soumitra Bhattacharya, Managing Director, Bosch Limited & President, Bosch Group in India.

PLI scheme

With regard to the recent announcements from the government on the automotive PLI, the latest in a series of emerging-industry focused PLI schemes, he added, " The focus on incentivising advanced automotive technology components will enable the industry to accelerate future technologies in mobility with an aim to bring India at par with global standards. Bosch will participate to maximise the PLI benefits which will help in overcoming some of the shortcomings linked to industrialising such technologies."

The company said its product sales increased 20 per cent in the second quarter of FY22, with the Powertrain Solutions' division registering an increase of 16 per cent and the Aftermarket division witnessing an increase of 27 per cent due to a low base in Q2 of FY 2020-21.

Outside the Mobility Solutions business division, Bosch recorded an increase of 36 per cent mainly due to growth in the power tools segment in July-September

Business Line 9th November 2021

Tesla slumps as Twitteratti votes for Musk selling stake

CEO Elon Musk proposed a sale of about a tenth of his holdings in the EV maker

BLOOMBERG

November 8

Tesla Inc tumbled the most in eight months after Elon Musk's Twitter followers voted in favour of selling 10 per cent of his stake in a poll set up by the electric-car chief.

A majority of 3.5 million Twitter users — 58 per cent said they'd support such a sale in a Twitter poll that Musk ran during the weekend. The stake would be valued at about $21 billion based on 170.5 million Tesla shares he holds.

"I was prepared to accept either outcome," Musk said in a tweet after the poll closed.

Tesla shares dropped 4.7 per cent to $57.55 at 9:34 am Monday in New York after slumping as much as 7.3 per cent, the most intra-day since March 5. The stock had climbed 73 per cent this year through November 5, while the S&P 500 rose 25 per cent.

The crowd-sourcing exercise is the latest example of Musk's long history of using Twitter and his legions of fans on the platform to stoke interest in his company, sometimes pushing the envelope with tongue-in-cheek tweets.

The world's richest person proposed the move in a tweet citing recent discussions about the ultra-wealthy hoarding unrealised gains to avoid paying taxes. Musk doesn't take a salary, but has to pay taxes on any stock option that he exercises.

Elon Musk, CEO of Tesla

Signalling intentions

While large sales by insiders are often seen as a negative signal, a sale of this size won't alter Tesla's story in a meaningful way, said Dan Ives, an analyst at Wedbush Securities. Demand remains high for Tesla shares among both institutional and retail investors, he said.

The auto-maker's stock has soared 73 per cent this year to $1,222.09 as of November 5, giving it a valuation of $1.2 trillion. The number of shares that Musk could be set to offload is equivalent to 80 per cent of Tesla's average daily trading volume in the past three months.

The amount of stock he may potentially sell would be even greater if his options are included. Tesla's stock won't officially begin trading again until the early morning hours of Monday in the US.

Personal fortune

Musk's fortune stands at $338 billion, according to the Bloomberg Billionaires Index. About one-quarter of that consists of Tesla stock options that he's free to exercise at any time. The securities come from two big awards he received in 2012 and 2018.

The older contracts expire in August next year. If he exercised all of the options now and immediately sold the shares, they would net him $95.9 billion before taxes.

Musk may be signaling that he wants liquidity beyond the cash he's secured by borrowing against his holdings in the EV maker. Last week he suggested he'd sell some stock if the UN could prove $6 billion could help alleviate world hunger.

Business Line 13th November 2021

Ashok Leyland trims loss in Q2 on recovery in truck market

But cost increase weighs on performance

OUR BUREAU

Chennai, November 12

Truck and bus maker Ashok Leyland has reduced its net loss to ₹83 crore for the quarter ended September 30, compared with a net loss of ₹147 crore in the year-ago quarter.

Revenue from operations grew 57 per cent at ₹4,458 crore compared to ₹2,837 crore in Q2 of the previous fiscal, helped by higher sales of trucks on the back of revival in demand.

Its domestic medium and heavy commercial vehicle sales grew 71 per cent at 11,988 units (6,994 units). LCV volumes were 22 per cent higher at 13,328 units (10,952 units), according to a statement.

Gopal Mahadevan, Whole-Time Director & CFO, Ashok Leyland

Portfolio approach

"We have been driving a portfolio approach to our business, and apart from our core business, our other businesses like aftermarket, power solutions, defence and customer solutions, have contributed increasingly to our revenue. We will continue to focus on driving operational efficiency," said Gopal Mahadevan, Director & CFO, Ashok Leyland.

However, the company could just about maintain its EBITDA of 3.0 per cent for the September quarter. It had reported an EBITDA of 2.8 per cent in Q2 FY21.

Its total expenses were at ₹4,595 crore (includes ₹3,093 crore of raw material costs and services) when compared with ₹3,015 crore (includes ₹1,922 crore of raw material costs).

Its depreciation and other expenses were higher at ₹184 crore (₹171 crore) and ₹504 crore (₹362 crore) respectively.

As a result, the company's loss before exceptional items and tax stood at ₹116 crore against a loss of ₹156 crore in Q2 of previous fiscal.

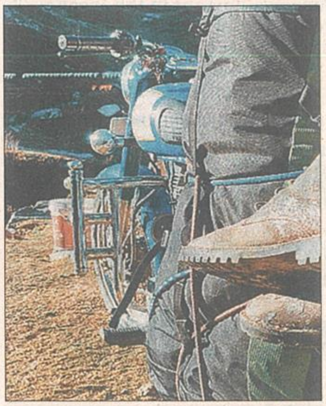
Bullish on outlook

"The industry has seen signs of volume recovery in Q2 FY22 over the same period last year, and we remain confident and optimistic about the future. The economy is showing signs of return to growth and we at Ashok Leyland will continue to build competitive products and organisational capabilities for future growth. Our focus will be to continuously improve our market share and gain it profitably and sustainably," said Vipin Sondhi, MD & CEO, Ashok Leyland.

Net cash generated for the September quarter was ₹1,063 crore, which was used to pay down debt. Net debt stood at ₹3,112 crore in Q2 (₹4,175 crore in Q1; debt equity 0.6 times).

The Economic Times 5th November 2021

Eicher Motors Sept qtr Profit Grows 9% YoY



Our Bureau

Mumbai: Eicher Motors, the maker of Royal Enfield motorcycles, reported a 9% year-on-year growth in profit during the September quarter as better business at its commercial vehicles joint venture VE Commercial Vehicles (VECV) made up for the decline in the motorcycles business.

The company's consolidated net profit came in at ₹373 crore compared to ₹343 crore a year ago. Revenue improved by 5% on-year to ₹2,250 crore. Earnings before interest, tax, depreciation and amortisation (Ebitda) remained flat at ₹471 crore.

Sales at Royal Enfield declined by 17% to about 123,500 motorcycles during the quarter. However, VECV recorded an 85% growth in volumes to 15,134 units over last year's low base. The latter's revenue improved by 80% to ₹3,153 crore with a profit of ₹18 crore compared to a loss of ₹7 crore a year ago.

VECV is a joint venture between Eicher Motors and Sweden's Volvo.

"While this quarter was impacted by the ongoing global shortage of semiconductor chips, we have remained engaged with our suppliers to mitigate the situation and maximise supplies," B Govindarajan, executive director at Royal Enfield, said in a press statement.

While sales in the domestic market remained sluggish for the 120-years-old motorcycle brand, international sales were encouraging.

"The second quarter of the FY 2022 saw a remarkable performance by Royal Enfield in international markets with a growth of more than 130% over the corresponding period last year," said Siddhartha Lal, the managing director of Eicher Motors. He said the semiconductor and supply chain issues were expected to ease off over the next quarter making the company optimistic for growth.

The stock of Eicher Motors closed 0.77% lower at ₹2,521.75 per share on the BSE on Wednesday compared to a 0.43% decline in the benchmark Sensex. The earnings were announced post market hours.

Business Line 2nd November 2021

Tata Motors loss widens to ₹4,441 crore in Sept quarter

Supply chain issues, commodity inflation impact margins

OUR BUREAU

Mumbai, November 1

Tata Motors' consolidated loss widened to ₹4,441.57 crore in the September quarter compared to ₹314.45-crore loss reported in the same quarter of FY21.

The automobile major saw consolidated revenue from operations increase 14.6 per cent to ₹61,378 crore (₹53,530 crore).

On a standalone basis, Tata Motors reported a decrease in loss from ₹1,212.45 crore in Q2FY21 to ₹659.33 crore in Q2FY22.

Free cash inflow

Jaguar Land Rover was worse hit by the ongoing silicon scarcity, with the second quarter for this fiscal seeing the worst shortage. Wholesales to dealers in the quarter were 64,032 vehicles, down 12.8 per cent year-on-year, and retail sales (including the China Joint Venture) were 92,710 vehicles, down 18.4 per cent, reflecting the semiconductor shortage and lower retailer inventories. "For Q2 FY22," revenue was £3.9 billion with a pre-tax loss of £302 million (EBIT

N Chandrasekaran, Chairman

margin -4.7 per cent). Free cash outflow was £664 million, this was significantly better than prior guidance for a £1 billion free cash outflow, reflecting prioritised production of higher-margin products and cost controls to reduce the cash break-even point further," according to the company's financial report.

According to PB Balaji, Group CFO, Tata Motors, India operations showed significant improvement compared to the September quarter a year ago.

However, supply chain issues and commodity inflation impacted the margins. As a result, TML reported an EBIT loss of 1.6 per cent and a pre-tax loss of ₹800 crore for Q2 FY22. PV business continued its turnaround journey and strengthened its double-digit market share with decade-high quarterly sales.

The EV business recorded nearly three-fold growth and recorded the highest monthly and quarterly sales of 1,078 units and 2,704 units, respectively.

The commercial vehicle segment continued to show muted recovery, with CV EBITDA at 3.1 per cent, a decline of 0.1 per cent year on year due to commodity inflation despite improvement in volumes and mix. CV retails were at 77,300 up 102 per cent, with the market share at 44.6 per cent.

Business outlook

Tata Motors sees the business scenario continuing to show gradual improvement. However, there are significant challenges on the supply side, including semiconductor issues and sharp commodity inflation. "Sequential improvement in overall performance is expected to continue and we target to be EBIT and free cash flow positive in H2 FY22. We continue with our efforts to unlock the supply bottlenecks by working proactively with our vendor partners," the company said stated.

In commercial vehicles, the focus will remain on growing market share, particularly in small commercial vehicles, and protecting margins amidst an inflationary environment

PRESS REPORTS
ON
RAW MATERIAL

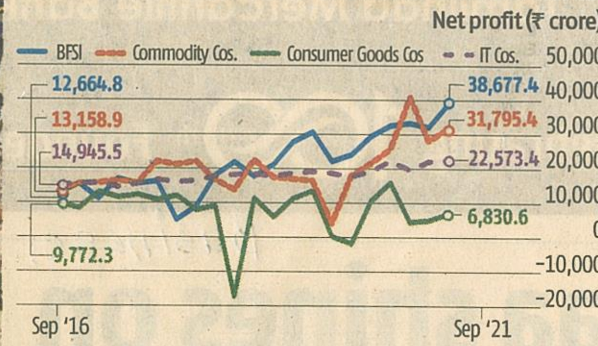
Business Standard 11th November 2021

High commodity prices yet to hit India Inc's profits

Combined net profit of 42 Nifty50 companies increases 19.2% YoY in Q2

KRISHNA KANT
Mumbai, 10 November

MORE GAINS FOR COMMODITIES & BFSI FIRMS



Note: Based on sample of 42 Nifty50 companies that have declared their Q2FY22 results; BFSI includes banks, NBFCs and insurance; commodities include oil & gas, metals & mining and cement firms; cosumer goods include FMCG and automakers
Compiled by *BS* Research Bureau; Source: Capitaline

High prices of commodities and energy have led to a sharp decline in corporate margins across sectors but they are yet to affect India Inc's overall profits.

The combined net profits of 42 Nifty50 companies that have declared their results for Q2FY22 were up 19.2 per cent year-on-year (YoY) and reached a record high of ₹1.12 trillion, up from the ₹94,000 crore a year ago and the ₹95,750 crore in the Q1FY22 quarter.

The double-digit growth rate in earnings came despite a 35 per cent YoY decline in the combined net profits of consumer goods companies in the second quarter. *(See the chart.)*

A sharp rise in the profits of commodity producers and banks and non-banking finance companies more than compensated for this.

In comparison, the combined net sales of these 42 index companies were up 26.5 per cent year-on-year during Q2FY22 while their combined operating profits were up 11.2 per cent. Slow growth in operating profits compared to revenues indicates a decline in operating margins but a reduction in interest cost largely compensated for this. The interest cost for the index companies was down 4 per cent YoY in the second quarter. As a result, the combined profit before tax (PBT) was up 26.2 per cent YoY.

The combined net profits of consumer goods companies such as Maruti Suzuki, Bajaj Auto, Tata Motors, Hindustan Unilever, ITC, Nestlé, Asian Paints, and Britannia declined to ₹6,831 crore in Q2 from ₹10,492 crore a year ago.

The combined net sales of these consumer companies were up 13.8 per cent YoY in Q2FY22 — growing at the slowest pace in the last three quarters. Their combined operating profits were, however, down 4.3 per cent YoY and their operating margin was down 300 basis point YoY to 15.3 per cent of revenues in the second quarter. One basis point is one-hundredth of 1 per cent.

Analysts attribute the overall rise in Nifty earnings to gains made by commodity companies and banks and non-lenders in the last few quarters.

The commodity producers and BFSI (banking, financial services and insurance) companies together accounted for 63 per cent of the combined earnings of the 42 Nifty 50 companies in our sample, up from 54 per cent a year ago. The analysts expect their contribution to grow further once Oil & Natural Gas Corporation and Tata Steel declare their second-quarter results this week.

"The inflation impact on corporate margins was significant in Q2FY22 but this has been more than offset by the gains to top commodity and energy companies from higher commodity prices. As a result, the overall corporate earnings continue to edge higher," said Shailendra Kumar, chief investment officer, Narnolia Securities.

The combined net profits of commodity producers such as Reliance Industries, JSW Steel, Bharat Petroleum Corp and Ultratech Cement were up 48 per cent YoY in Q2FY22 to ₹31,800 crore from around ₹21,500 crore a year ago and around ₹28,000 crore in the first quarter of the current financial year.

The corporate earnings have got a boost also from a sharp decline in interest rates after the pandemic came. The resulting decline in borrowing cost led to a sharp rise in the profitability of banks and non-bank lenders. This has also lifted the earnings of commodity companies, most of which have large debts on their books.The combined net profits of BSFI companies in the index were up 31.7 per cent YoY to a record high of around ₹38,700 crore in Q2FY22.

Business Line 4th November 2021

Aluminium prices likely to remain volatile

Rates may remain at elevated levels over next few months on high production costs

SUBRAMANI RA MANCOMBU

Chennai, November 3

Aluminium prices have plunged by 14 per cent from the multi-decades high of $3,198 a tonne witnessed on October 18, but the volatility in the aluminium market will likely continue as energy consumption constraints persist, according to rating agencies.

Though prices are expected to ease in the coming months, they are projected to remain at elevated levels as the shift to the green economy will support the metal's prices.

After dropping from the highs seen last month, aluminium prices are hovering in the $2,700 range. On Tuesday, the LME three months contract was quoted at $2,698.

Major inflection point

Dutch multinational financial and investment services firm ING's economic and financial analysis arm Think said, in a note, that the high aluminium costs are here to stay as smelter margins have collapsed and escalating energy costs have become a major inflection point of smelting costs. As a result, producers' margins have dropped.

Fitch Solutions Country Risk and Industry Research (FSCRIR), a Fitch group unit, said in its note that producers around the world resorted to cutting back on production in view of the high energy costs, which make up approximately 40 per cent of the total production cost.

ING Think Senior Commodities Strategist Wenyu Yao said aluminium prices have dropped from the October 18 highs as speculative bets have been withdrawn from the market ahead of some major macro events.

Signs of easing

Yao said major energy costs inputs have come off significantly, a sign of the power crunch easing. "In China, strong policy intervention from Chinese policymakers sent thermal coal prices into a free-fall," she said, pointing to the nearly 60 per cent fall in thermal coal prices traded on China's Zhengzhou Exchange.

Onshore inventories were building up faster than expected and this has turned the focus on demand uncertainties in China, where the slowing economy due to property slowdown, Covid outbreak and power crisis has caused concern.

Prices will slip in 2022 as global demand growth would taper off after this year's robust recovery

Fitch Solutions said despite expectations of aluminium rates easing, it was raising its price forecast for this year and next to $2,450 and $2,300 from $2,300 and $2,100, respectively.

"First, the continuing global economic recovery will support aluminium demand through robust manufacturing activity. Outside of China, recoveries from contracting construction industry values and vehicle production will bolster aluminium demand across major aluminium consumption markets in 2022," FSCRIR said. Fitch Solutions and ING Think said aluminium prices had begun their journey north from the second quarter last year to the third quarter this year. Besides, China's severe power crunch led to aluminium smelters being ordered to limit or halt production in order to reduce the pressure on the power grid.

"Nevertheless, production declined year-on-year during July-September 2021. After an intense government crackdown on coal hoarding and speculative trading in China, coal prices have declined to levels that make it economical for power providers to produce electricity, reducing the need for power rationing or lowering power consumption," Fitch Solutions said.

ING Think said a 20 per cent rise in power cost would lead to a seven per cent increase in production costs. Though some provinces such as Guangxi are set to slap a 50 per cent premium on power charges.

Winter challenges

Fitch Solutions said energy supply would be a challenge for the Chinese aluminium sector as the winter is approaching and Beijing continues its decarbonisation strategy.

Prices will slip in 2022 as global demand growth would taper off after this year's robust recovery. However, demand fundamentals and supply concerns will support prices, FSCRIR said.

On the other hand, the coup in Guinea has the potential to lead to bauxite shortage, besides continuing diplomatic tensions between Australia and China.

ING Think said with production costs rising sharply, aluminium supply growth looks unsustainable if prices stay at current levels.

Fitch Solutions said sustainability has become the top of the mind this year beyond, but low-carbon aluminium presented a future risk to aluminium pricing.

Business Line 12th November 2021

Tata Steel posts multi-fold jump in net profit to ₹12,548 cr

Lower base, higher realisation boost Q2 performance

OUR BUREAU

Mumbai, November 11

Tata Steel has reported that its consolidated net profit in the September quarter was up multi-fold to ₹12,548 crore, against ₹1,665 crore logged in the same period last year, on the back of lower base and higher realisation. Revenue from sales was up at ₹59,394 crore (₹38,249 crore).

On a sequential basis, the net profit increased 28 per cent compared to ₹9,768 crore registered in June quarter while sales jumped 13 per cent from ₹52,574 crore.

The company registered an income of ₹720 crore from sale of NatSteel Holdings. It recorded the highest-ever consolidated quarterly EBITDA of ₹17,810 crore, up seven times compared to last year.

TV Narendran, MD, Tata Steel

With the NCLT approval of Tata Steel BSL merger with the parent company, Tata Steel will issue one share for every 15 share of TSBSL held by investors. This will lead to issuance of about 1.99 crore equity shares, the company said.

On a standalone basis, net profit was up more than three times to ₹8,708 crore against ₹2,539-crore logged in the same period last year while sequentially it was down marginally compared to ₹8,780 crore registered in June quarter. Quarterly adjusted EBITDA was up 2.3 times at ₹13,877 crore year-on-year.

Revenues at Tata Steel Europe increased 50 per cent year-on-year to £2,108 million with EBITDA per tonne of £153. Tata Steel is pursuing the hydrogen route in IJmuiden. This involves introduction of direct reduced iron technology which can make iron using natural gas or hydrogen, before it is converted to steel.

Sales up

TV Narendran, Managing Director, Tata Steel, said despite fall in demand in domestic markets the company managed to increase sales and will continue to drive value accretive growth.

The Economic Times 2nd November 2021

Steel Cos Hike Benchmark HRC Prices by up to ₹3,500 a Tonne

Rising coking coal rates prompts move despite softening ore prices

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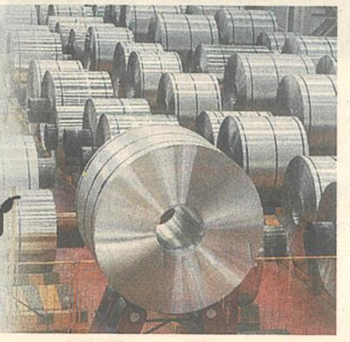
Cost Curve

JSW Steel, ArcelorMittal Nippon Steel and Jindal Steel and Power have raised prices

Other steelmakers are expected to follow suit	Industry execs says fuel costs are up by over 70%

Iron ore prices, a significant raw material for the steelmakers, are also rising



Mumbai: India's leading steelmakers have raised prices of the benchmark hot-rolled coil (HRC) by up to ₹3,500 a tonne on the back of rising cost inflation due to soaring coal prices.

"This was an expected move by the industry. The cost inflation is too high. Our fuel costs have gone up by more than 70% yoy and a fall in iron ore price is minimal," said an executive at one of India's top steelmakers.

The price increase is effective Monday. The benchmark HRC prices are quoting around ₹72,500 levels. Industry sources said that JSW Steel, ArcelorMittal Nippon Steel and Jindal Steel and Power have raised prices by around Rs 3,000 - Rs 3,500 a tonne. Other steelmakers are expected to follow suit.

JSW Steel, while announcing its September quarter earnings, said that the company was considering an energy surcharge.

"Price increases will happen either through a surcharge or through price hikes in HRC until coking coal prices normalize," JSW Steel's joint managing director Seshagiri Rao told ET last week.

Another steelmaker said that in the short to medium term, the cost impact worldwide on mills will be $200-250/t.

"Even if 50% of our cost is passed on to customers, the market is looking at a $100-120/t price increase," said a top industry official, requesting anonymity.

Global coking coal prices have breached all-time highs. As per data from steel price research firm SteelMint, prices of Australian premium coking coal have jumped to around $430/t on FOB (freight-on-board) levels this week compared to $110-120/t in April'21. Added to this, India's thermal coal availability has taken a hit, with state-owned Coal India Ltd, prioritizing the coal supply to power sector.

Coal India usually loads around 210-230 rakes per day for both power and non-power categories. Around 50-60 rakes per day go for non-power categories and half of those go to steel and aluminium.

Iron ore prices, a significant raw material for the steelmakers, were falling in the past 3 months. However, these have started to move up again. Domestic iron ore in Odisha is up 20% MoM to Rs 7,000/t (63% grade fines).

"We might see NMDC's notified prices also bottoming out. Besides, the latest iron ore e-auction trends are positive, indicating that demand stays firm," said Edelweiss in a report last week. However, some steelmakers also said that there is a demand push with the festive season around the corner.

Construction, auto recovery to drive global steel demand

India's offtake may top 100 mt: worldsteel

Business Line
11th November 2021

OUR BUREAU
Chennai, October 31

Global steel demand is projected to increase by 4.5 per cent this year compared with 2020, even as the Chinese offtake is expected to drop one per cent with economic recovery slowing.

India's steel demand will show a strong recovery in 2021 and reclaim the 100 million tonnes mark this year, according to the World Steel Association or worldsteel (WSA).

Demand for steel is projected at 1,855 million tonnes (mt) after a meagre 0.1 per cent growth last year. Next year, the demand will likely increase by 2.2 per cent to 1,896.4 mt, according to WSA's "Short Range Outlook" for this and next year. Next year's demand growth is projected lower than this year since no growth is seen in offtake from China.

WSA said the projections have been made assuming that with the progress of vaccinations across the world, spread of the Covid pandemic will be less damaging and disrupting than during the first and second waves.

Regaining recovery

Supply-side constraints have led to a levelling off of the recovery in the second half of the year, preventing a stronger recovery in 2021, Remeithi said, adding that recovery in steel demand will continue next year.

The association said the Indian economy got another shock from the second wave of Covid-19 during April-June this year, causing production in all sectors to decline. "However, the economic impact of the second wave was much less severe compared with the first wave, due to more localised lockdowns. Since July, a healthy recovery has resumed for all sectors," it said.

According to WSA, the Chinese economy has slowed since June and there are marked signs of deceleration in the steel using sector's activity since July. This led to a steel demand contracting by 13.3 per cent in July, 18.3 per cent in August and 21.2 per cent in September.

PRESS REPORTS
ON
ECONOMY

Business Standard 11th November 2021

Economy takes 'formal' leap as informal shrinks

15-20% of economy informal now as against 52% in FY18; digitisation, gig economy key drivers: Study

ILLUSTRATION: AJAY MOHANTY

INDIVJAL DHASMANA
New Delhi, 31 October

The share of the informal sector in India's economy fell drastically to 15-20 per cent in 2020-21 from 52.4 per cent in 2017-18 due to digitisation and the rapidly expanding gig economy, according to a study by SBI Research.

"Currently, the informal economy is possibly at maximum 15-20 per cent of gross value added (GVA)," said Soumya Kanti Ghosh, group chief economic advisor, SBI. The share stood at 53.9 per cent in 2011-12. As such, the formalisation of the economy crawled between 2011-12 and 2017-18 but gathered pace between 2017-18 and 2020-21.

However, Madan Sabnavis, chief economist at CARE Ratings, said the employment approach to formalisation had yielded these results, but if the structure of the economy in terms of output was taken into account, 40-45 per cent was still informal. Aditi Nayar, chief economist at ICRA, did not comment on the study, but said the large and formal players were gaining at the cost of the smaller and less-formal entities in various sectors.

This is evidenced by the sharp disparity in the performance of the stock markets, robust growth in direct tax collection, and improved business sentiment, juxtaposed with the continued pessimism displayed by urban households in the Reserve Bank of India's latest consumer confidence survey, she said. The latter is a likely reflection of the lingering income uncertainty being faced by households that are dependent on the less formal and contact-intensive sectors of the economy, she added. India's GVA declined 3 per cent in terms of current prices, but the largest informal sector — agriculture and allied — grew 6.6 per cent in FY21.

FORMALISATION PICKS UP

Share of informal economy across sectors (GVA in %)

	'11-12	'17-18	'20-21*
Agriculture, forestry and fishing	96.8	97.1	70-75
Mining and quarrying	22.6	22.5	15-17
Manufacturing	22.5	22.7	19-21
Electricity, gas, water	4.3	5.3	0
Construction	76.4	74.5	35-40
Accommodation, food services, trade	86.6	86.6	40-45
Transport, storage, communication	47.0	47.7	40-45
Financial services	9.3	11.9	20-25
Real estate, ownership of dwellings	63.1	52.8	20-25
Public administration and defence	0	0	0
Total GVA at basic prices	53.9	52.4	15-20

*2020-21 numbers are projections; GVA: Gross value added
Source: IMF Policy Paper (Feb 2021); SBI projections

The study estimated that 114 mn tax-paying households, or 8.5% of the population, contributed ₹75 trillion, or 65%, to the private final consumption expenditure

PRESS REPORTS
ON
GOVERNMENT POLICY

The Economic Times 5th November 2021

RISING THEME With India's carbon-free ambition, bankers expect ESG-compliant overseas bond sales to rise to $10 billion this year, grow further in 2022

ESG-linked Fund Mop up may Surge to a Record this Year

Saikat.Das1@timesgroup.com

Mumbai: Indian companies are poised to set a record in raising funds with the ESG (environmental, social and governance) tag this year as banks join the bandwagon ahead of the Reserve Bank of India (RBI) coming up with its own guidelines on ESG compliance. With the regulatory push set to accelerate after Prime Minister Narendra Modi declaring India's ambition to be a carbon-free nation, bankers expect such overseas bond sales can go up to $10 billion this year and surge further in 2022.

Companies including Adani Green Energy, JSW Hydro Energy, Axis Bank, Shriram Transport Finance, Power Finance Corporation and Greenko have collectively raised $7.24 billion this calendar year so far through ESG-compliant papers, equivalent to two-thirds of what has been done in the past years, show data from Dealogic, Hong Kong.

"ESG-linked fundraising will surge to record levels this year onwards in India," said Jayesh Mehta, India country treasurer, Bank of America. "Global investors are seeking green opportunities for fund deployment in India as the country holds big potential, especially in the renewable energy sector."

With large conglomerates entering the clean energy space along with international private equity investors, India will chart a new path in producing clean energy, he said.

Any funds raised with ESG tag has to be deployed in dedicated pockets to remain compliant with the benchmark that lowers funding costs for borrowers.

"Investors want to distinguish themselves by supporting companies that are focused on pursuing the ESG agenda sincerely," said Pramod Kumar, head of investment banking at Barclays Bank India.

STEPPING IN SYNC WITH CARBON-FREE AGENDA

Date	Company	Parent	Deal Value ($ m)
17-Sep-21	Power Finance Corp Ltd	Power Finance Corp Ltd	353
01-Sep-21	Adani Green Energy Ltd	Adani Green Energy Ltd	750
01-Sep-21	Axis Bank	Axis Bank	600
11-Aug-21	Azure Power Energy Ltd	Azure Power Global Ltd	414
29-Jul-21	India Cleantech Energy	ACME Solar Holdings Ltd	334
10-May-21	JSW Hydro Energy Ltd	JSW Steel Ltd	707
31-Mar-21	Renew Wind Energy Delhi Pvt Ltd	Renew Wind Energy Delhi Pvt Ltd	585
26-Mar-21	Shriram Transport Finance Co Ltd	Shriram Transport Finance Co Ltd	226
22-Mar-21	Greenko Dutch BV	GIC Pte Ltd	940
18-Mar-21	Clifton Ltd	GMR Infrastructure Ltd	450
18-Mar-21	Clean Renewable Power (Mauritius) Pte Ltd	Hero Group Ltd	363
08-Feb-21	India Green Power Holdings	ReNew Energy Global plc	460
02-Feb-21	Continuum Energy Levanter Pte Ltd	Morgan Stanley	561
07-Jan-21	Shriram Transport Finance Co Ltd	Shriram Transport Finance Co Ltd	500

Source: Dealogic

The Economic Times 15th November 2021

India will Need 22 Million Skilled Workers by 2025 with 5G Rollout

Jobs to come up in fields such as IoT, artificial intelligence and cloud computing

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New Delhi: India will need about 22 million skilled workers by 2025 as the country takes a leap into 5G-led technologies such as Internet of Things (IoT), artificial intelligence (AI), robotics and cloud computing, according to the Telecom Sector Skill Council (TSSC).

"Considering technologies like IoT, AI, machine learning, big data, cloud computing and robotic process automation, roughly about 22 million workers will be required to skill or upskill themselves to match industry demand by 2025," Telecom Sector Skill Council CEO Arvind Bali told **ET**.

He said India is poised to become a global supplier for both electronics and human resources, and that to achieve this there will be a need to create an extended skill network with the participation of both industry and academia.

TSSC is a non-profit organisation set up by the Cellular Operators Association of India, India Cellular and Electronics Association, and the National Skill Development Corporation, which seeks to ensure availability of skilled manpower in the industry.

"We have the largest pool of human resources on the planet, and it is imperative that we leverage the advantage we have over other nations. We feel that an alignment of education and vocational training is the ideal impetus required to bridge this skill gap," said Bali.

India's telecom sector currently employs nearly four million workers and has nearly 60% workforce employed with telecom service providers Reliance Jio Infocomm, Bharti Airtel, Vodafone Idea and state-run Bharat Sanchar Nigam Limited, and multinational technology vendors such as Huawei, Ericsson, Nokia, Cisco, Ciena, Juniper and ZTE.

With an expansion in the labour force in electronics equipment manufacturing through the recently introduced production-linked incentive scheme, the industry has also identified the lack of skilled workforce, which has triggered a large demand for upskilling of current workers and skilling of fresh workers, said Bali.

Last month, the Department of Telecommunications said that India is expected to receive an investment of about ₹3,300 crore from 31 domestic and multinational companies over a period of four years under the manufacturing scheme that may lead to employment of 40,000 individuals in the telecom sector.

Business Line 2nd November 2021

Coal stock at power plants to improve to 12 mt by Diwali

SHOBHA ROY
Kolkata, November 1

Festival of lights may not turn out to be that dark as feared, as coal stock situation at thermal power plants which had improved to over 10 million tonne by the end of last month from as low as 7-7.5 mt in early October, is expected to further improve to around 12 mt before Diwali.

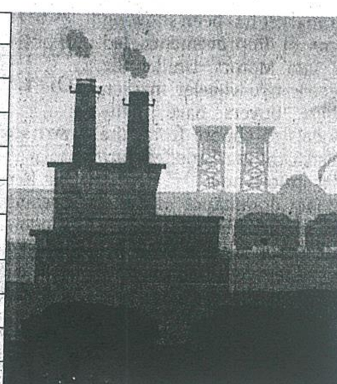
The improving stock position is likely to ease the power supply situation at a majority of coal-fired plants which had been reeling under depleting fuel stock.

According to a senior official of Coal India Ltd, the coal pile at power plants climbed to 10.52 mt as on October 30 equivalent to six days' stock in less than a fortnight, up from 7.3 mt as on October 17. CIL, which registered highest ever daily dispatch to power plants at 1.8 mt towards end October, expects to further boost up the stocks to 12 mt by Diwali. "With concentrated efforts to consolidate dwindling coal stocks at power utilities, the state-owned miner scaled up its supplies to close to 48.2 mt in October clocking a year-on-year growth of around 23 per cent as compared to 39.2 mt same period last year. This was a 42 per cent jump against a Covid-free October 2019 when despatch was around 34 mt," CIL said.

Coal stock at power plants

Mode	Year*	Pithead	Non-pithead	Total
Number of plants	2020	18	118	136
	2021	16	119	135
Capacity (MW)	2020	35,100	1,28,226	1,63,326
	2021	35,200	1,29,866	1,65,066
Daily requirement ('000T)	2020	436.50	1,295.00	1,731.50
	2021	441.80	1,353.20	1,795
Total stock ('000T)	2020	6,274.90	27,590.40	33,865.30
	2021	2,997.50	7,092.20	1,00,089.70
Total stock in days	2020	14	21	20
	2021	7	5	6

*As on October 29 Source: National Power Portal



CIL's coal supplies to power sector was up by nearly 24 per cent at 294 mt for the period April-October 2021, as against 237.8 mt same period last year.

Against coal consumption of around 1.8 mt per day, by the power sector, the supply from CIL and other sources has been around 2.2 mt during the last week of October, with CIL accounting for the major share.

According to the data available on the website of Central Electricity Authority, the number of plants holding critical or super critical stock levels (holding less than six days' stock) came down to 83 as on October 29, as compared with around 115 plants as on October 10.

Business Standard 12th November 2021

Tax filers must fix errors in Form 26AS before filing ITR

Taking excess tax credit while filing tax return could lead to a notice from I-T department

BINDISHA SARANG

With only a month and a half left for the December 31 deadline for filing income-tax return (ITR) for 2020-21, taxpayers should begin the process now instead of waiting until the last minute. ITR filing should begin with checking Form 26AS. Tax filers need to see if the information contained in it matches with the information in the Annual Information Statement (AIS) and in Form 16.

Check both documents

Checking only Form 26AS or AIS will not suffice for filing ITR this year.

Archit Gupta, chief executive officer, Clear, says, "Taxpayers need to review both Form 26AS and AIS. Form 26AS could be done away with once AIS is fully functional. Right now, taxpayers should look at both statements."

Mismatch between 26AS and AIS

Form 26AS includes details about tax deducted at source (TDS), tax collected at source (TCS), advance tax paid, self-assessment tax paid, information regarding the refund received in a fiscal year, regular assessment tax deposited, and information regarding high-value transactions in mutual funds, shares, etc.

AIS provides details about financial transactions throughout the year.

Sandeep Bajaj, founder and managing partner, PSL Advocates & Solicitors, says, "In case there is variation in the data contained in Form 26AS (available on TRACES) and the data in AIS (available on the compliance portal), rely on the data contained in Form 26AS."

YOUR MONEY

Mismatch between Form 26AS and Form 16

Compare Form 16, Form 16A, and Form 16B with Form 26AS to check if your TDS, as shown in the TDS certificate taken by the deductor, has been received by the government.

Pratyush Miglani, managing partner, Miglani Varma & Co. (Advocates, Solicitors and Consultants), says, "Mismatches between Forms 16 and 26AS are quite common and can be attributed to several factors, including delay in deposit of TDS by the deductor, entry of incorrect amount in TDS returns, wrong Permanent Account Number (PAN) information, incomplete assessee information, etc."

If you find a mismatch, compare the two forms to locate the source of inconsistency. If the inconsistency is due to an error on the deductor's part, your only remedy lies in approaching the deductor and asking it to file a revised TDS return, incorporating necessary corrections.

Aditya Chopra, managing partner, Victoriam Legalis — Advocates & Solicitors, says, "Go through each entry on Form 26AS and validate the same. Validate the details of TDS deducted in Form 16 (TDS on salary) against TDS mentioned in Form 26AS."

If the entries in Form 26AS match, status 'F' (final) is mentioned against the status of booking under each entry.

Missing information

Sometimes, a transaction may be mentioned in Form 26AS which you did not do.

Kapil Rana, founder and chairman, HostBooks, says, "While filing ITR, if that transaction auto-appears in the TDS/TCS Schedule, you should remove it and file the return accordingly."

If the taxpayer notices any transaction not related to him, he should approach the person who reported the transaction, quote his PAN, and get it rectified.

What should you do if there is a transaction you did but failed to mention?

Gopal Bohra, partner, N.A. Shah Associates, says, "Disclose such a transaction properly. Remember that the onus of filing an accurate return and paying taxes is on the taxpayer."

Finally, remember if there is a mismatch between Form 26AS and the information given while filing ITR in TDS, TCS, advance tax, or self-assessment tax schedule, you may get a notice from the income-tax department regarding information mismatch.

Utsav Trivedi, partner, TAS LAW, says, "A mismatch could lead to undue delay in receipt of refund of excess tax."

HOW TO DOWNLOAD FORM 26AS

- Log into 'e-filing' portal *https://www.incometax.gov.in/iec/foportal/*
- Go to the 'My Account' menu, click 'View Form 26AS (Tax Credit)' link
- Read the disclaimer, click 'Confirm' and you will be redirected to the TDS-CPC portal
- On the TDS-CPC portal, click on 'Agree acceptance of usage'
- Click on 'Proceed', and then on 'View Tax Credit (Form 26AS)'
- Select 'Assessment Year' and 'View type' (HTML, text, or .PDF)
- Click on 'View/Download'

Source: Income-tax department website

Business Line 10th November 2021

'India has entered into vaccine pacts with 96 nations'

Despite WHO nod, not all recognise Covaxin, given their own protocol: Mandaviya

AMITI SEN
MONIKA YADAV
New Delhi, November 9

India has entered into agreements for mutual recognition of vaccination certificates with as many as 96 countries, including the US, Canada, the UK and several EU members for easing of travel restrictions for fully vaccinated travellers, said Health Minister Mansukh Mandaviya.

But this may not automatically lead to approval for Bharat Biotech's Covaxin, which received WHO's emergency use nod last week, as the agreements are subject to domestic regulations of partner countries. While countries such as the UK and Switzerland have agreed to accept vaccines that are part of WHO's EUL, others such as Canada have their own processes in place for approving a vaccine.

Nod for Covishield

Covishield, the Astra Zeneca Covid vaccine manufactured in India, received WHO approval as early as February this year, and is being recognised in over 60 countries.

"Canada does not review every vaccine the WHO has accepted. For a vaccine to be reviewed and approved in Canada, the manufacturer of the vaccine needs to submit an application with all data and evidence as to the clinical trials conducted and the scientific data about its safety and efficiency," pointed out an official from the Canadian High Commission.

Bharat Biotech needs to submit its application to Canada to review this vaccine, the official added, pointing out that as per the information on Health Canada website on Tuesday morning, an application from the company has not been made yet.

The official websites of several countries with which India has entered into a mutual recognition agreement for vaccine certification, such as the US and the Netherlands, do not include Covaxin in the list of approved vaccines.

Germany, another country with which mutual recognition has been reached, requires that travellers vaccinated with Covishield must have their vaccination certification with their passport numbers and date of birth as Aadhaar number is not sufficient.

Negative PCR report

Persons vaccinated with Covaxin, or any other vaccine that is not yet recognised by the Paul Ehrlich Institute (an agency of the German Federal Ministry of Health) must carry a negative PCR test report, which is not older than 72 hours on entry in Germany.

Business Standard 12th November 2021

Industry may move court over Haryana job reservation law

ARINDAM MAJUMDAR
New Delhi, 11 November

Companies in the micro, small and medium enterprises (MSME) sector may legally challenge the Haryana government's new law which mandates 75 per cent reservation of jobs in the private sector for locals.

"We had earlier gone to the high court against this law, but the court said that it would hear the matter after the law was notified," said Manoj Tyagi, general secretary, IMT Industrial Association.

Industries and associations feel that the law will not benefit the state and will hit MSMEs that are just coming out of the crippling effects of the lockdowns owing to the Covid-19 pandemic.

Haryana is a highly industrialised state with a large automobile manufacturing hub, containing multiple small component manufacturers that supply to large companies like Maruti Suzuki.

Unlike the MSMEs, however, an auto major like Maruti will be much less affected by the law since the state government has said that the quota would apply only to jobs with a gross monthly salary of up to ₹30,000. The draft bill had set the salary ceiling for the reservation at ₹50,000.

The law will hit MSMEs hard, though larger companies may be relatively unaffected

"Such restrictive policies are not at all welcome. However, due to our negotiations, the salary ceiling has come down. Almost all of our employees earn more than ₹30,000. So, we are happy that the negotiations have shown some results. We will go ahead and finalise the new land where we will move within this calendar year 2021," Maruti Suzuki chairman, R C Bhargava, told *Business Standard*.

Bhargava said that the major reason to set up the plant in Haryana was that Maruti's vendor base is situated in the state and relocating them would be difficult.

The Haryana State Employment of Local Candidates Act, 2020, lays down that private companies, societies, trusts, and partnership firms in the state which employ more than 10 people have to reserve 75 per cent of their jobs that offer a salary of ₹30,000 or less, for locals. Notified last week, the law will kick in from January 15, 2022.

Stressing that auto component companies will be severely hit by the law, Sunjay Kapur, chairman of auto component major Sona Comstar and president of the Automotive Component Manufacturers Association of India (ACMA), said that the salary ceiling of ₹30,000 will primarily hurt the MSMEs which are just recovering from the downturn caused by the pandemic.

"This is a restrictive practice which will challenge hiring of the best and skilled employees. This will also set a wrong precedent for other states. The government should find some other means to increase employment and livelihood," Kapur said.

"More than 800 ACMA members are MSMEs trying to find their feet after the pandemic. This law is going to seriously impact them," he added.

MISCELLANEOUS REPORTS

Business Line 12th November 2021

Torrential rain cripples MSME operations in Chennai

Flooding disrupts Ambattur, Kakkalur, Ekkaduthangal, Thirumazhisai industrial hubs

G BALACHANDAR

Chennai, November 11

The heavy rain that battered Chennai on Wednesday and Thursday took a hevy toll on MSMEs with industrial estates, which house thousands of small units, flooded, forcing them to shut their operations. Losses could run into a few hundred crores, say industry bodies.

Industrial estates at Ekkaduthangal, Ambattur, Kakkalur and Thirumazhisai, among others, were affected by the severe inundation as the low-pressure system brought on incessant rain.

Worst-affected hub

The Kakkalur Industrial Estate (KIE) at Thiruvallur, one of the oldest industrial estates in the State, is the worst-affected. "The whole area is completely flooded. No unit was able to operate on Thursday. This is the situation we face every year during heavy rain. Though this estate has very good connectivity, there has not been any improvement in infrastructure – roads, water drains, garbage collection. It is lagging others in infra and other basic amenities," K Baskaran, Secretary, Kakkalur Industrial Estate Manufacturers Association (KIEMA), told *BusinessLine*.

KIE houses about 520 MSMEs, of which, only 250 are operational now. The Association has been making requests to successive governments to solve infra-related issues. But nothing has happened so far.

Though Ambattur and Guindy Industrial Estates managed to get some releif in the form of storm water drains, the Kakkalur Estate has not got any support.

Several units at Ambattur Industrial Estate have gone under water, and operations have come to a standstill PICHUMANI K

Water logging made travel impossible in Chennai BIJOY GHOSH

"At Ekkaduthangal, the entire industrial area was flooded and no unit was able to open. All units shut their operations due to the heavy rain," said V Nithiyanantham, General Secretary of TANSTIA. In the Ambattur Industrial Estate, 99 per cent of the 2,000 MSMEs remained closed; only a few large players could operate.

Lack of transport

Another key reason for the closure of units is the Electricity Board cutting off supplies as a safety measure. The inundation and roads cut off by uprooted trees made transport impossible. Power and transport will resume once water recedes and trees are removed, said a member of AIEMA (Ambattur Industrial Estate Manufacturers' Association).

"Some of us had no choice but run on generators since we have export commitments. Though it is a little early, we estimate the loss due to production stoppage today in excess ₹100 crore if you take both the north and south phases of the industrial estate," he added.

The exceptions to this disruption were the two key industrial corridors – at Oragadam and Sriperumbudur – that were not significantly affected. But here the major challenge was staff turnout as a large number of employees had to abstain from work due to the lack of transport.

(With inputs from V Narayanan)

Business Line 4th November 2021

Churn in demand for upskilling post-Covid: NSDC

GARIMA SINGH

New Delhi, November 3

There is a churn in demand for skill sets post-Covid. A new set of skills such as in apparel sector, electronic, healthcare have come to the fore in Recognition of Prior Learning programme of the National Skill Development Corporation (NSDC). Under RPL, apparel has the highest share (17.5 per cent) of enrolments though it did not figure among the top 15 in the pre-Covid period.

Similarly, electronics is now ranked second followed by healthcare and retail, according to NSDC, the implementing agency. RPL is a platform to recognise skills achieved through informal learning or on-job learning on par with formal levels of education. It assesses individual's skills as an outcome rather than learning as process.

According to Ved Mani Tiwari, Chief Operating Officer (Officiating CEO), NSDC, the skill set requirement points to a dynamic ecosystem wherein demand for training in job roles keep shifting according to circumstances and industry progression.

"We cannot yet call it a clear trend. For that, we still have to wait and analyse the demand for a longer period," Tiwari told *BusinessLine*.

Infrastructure focus

Sectors such as construction, power, capital goods and automotive are gaining preference among skill-seekers. This augurs well for the country as these areas are all related to infrastructure. "In terms of numbers, apparel (21 per cent), electronics (19 per cent) and IT-ITES (10 per cent) have seen maximum interest with others following closely behind," said Tiwari.

Sectors such as construction, power, capital goods and automotive are gaining preference among skill-seekers

The data also mentioned that the interest in job roles such as sewing machine operator, self-employed tailor, assistant electrician, has seen a spike after the easing of Covid-19 cases. On the other hand, roles such as safai karamchari, general housekeeper, taxi driver have dropped out of preferences compared to October 2019-March 2020 period.

State-wise demand

Uttar Pradesh, Bihar, Rajasthan and Gujarat are the States that have seen an uptick in terms of enrolment under the RPL.

"Assam is another example of a State driving awareness about skill training among the people. The State did not feature in the list of top 15 before the pandemic, but it is now occupying the sixth position in terms of enrolment," said Tiwari. On the other hand, Maharashtra has dropped a few places from the second position in terms of enrolment as compared to the pre-pandemic era, as have Karnataka and Punjab.

Female participation

As far as the status of female participation in the skilling programmes in the pre- and post-Covid era is concerned it is almost the same.

"Under the Short-Term Training (STT), female participation stood at 51 per cent from January 2021 to October 2021, compared to 52.67 per cent from October 2019 to March 2020. Similarly, under RPL, the percentage increased to 38.8 per cent from 38.5 per cent at the same time. NSDC has been encouraging women to undergo training and contribute to making India the skill capital of the world," he added.