ACMA
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Press Reports on Automotive Industry 2022-23

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
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Business Line 25th April 2022

Auto majors sitting on 7.5-lakh pending orders

Long waiting period also skewing true demand scenario: Industry watchers

SWARAJ BAGGONKAR

Mumbai, April 24

With no visibility on supply of semiconductors beyond a few weeks, Indian carmakers are sitting on pending orders of more than 7,50,000 units, the highest-ever.

Car market leader Maruti Suzuki claims to have pending orders of 3,25,000 units, which is the highest ever in the company's nearly 40-year history. All CNG-powered models, especially the CNG Ertiga, have a significantly high waiting period stretching to as much as six months.

Hyundai, Tata Motors and Mahindra & Mahindra (M&M) together have bookings for 3,50,000-3,75,000 units. Hyundai Creta, Tata Nexon and Punch, Mahindra XUV700 and Thar continue to witness a surge in demand. These top four carmakers control 80 per cent of India's passenger vehicle market.

Two new debutants from Kia and Skoda – Carens and Slavia – have also generated a positive response. The Kia Carens carries a waiting period of 4-6 months, while the Skoda Slavia has 2-3 months' waiting period.

Customers are booking multiple brands and may go for one that is likely to be delivered first, say dealers

Volkswagen's upcoming sedan Virtus, for which bookings opened a few weeks ago, has also met with encouraging reception. Honda City Hybrid, which was launched a few days ago, has received an "overwhelming" response from the market, claimed Honda Cars India.

The true market picture

While the industry's total number of bookings may be good enough to cover three months of the country's total passenger vehicle sales, carmakers warn that booking numbers do not necessarily represent the true picture of market demand.

Shashank Srivastava, Senior Executive Director, Marketing and Sales, Maruti Suzuki India, said, "Consumers are not just making bookings with multiple dealers for one product, but are also booking vehicles of other car brands. They will go for the product that gets delivered to them first. Therefore, the current market situation does not provide you with the real demand."

With one buyer doing multiple bookings, booking cancellations have also gone up across the industry.

Fall in enquiries

Srivastava added that the number of enquiries its dealerships received have also gone down because consumers have factored in the long waiting period in the overall process of car buying. He, however, added that the company's online portal is receiving a strong response though the conversion rate is not strong (compared with dealerships).

The surge in booking continues parallelly with the issue of shortage of semiconductors, which has been plaguing the industry for the past several quarters. Though semiconductor manufacturers have improved output across the globe, demand continues to outpace supply.

"Even after months of struggling with this issue, we still do not have visibility beyond a few weeks with regard to supplies of chips. The situation continues to remain dynamic and beyond our control, but each company is working hard to avoid letting go of even one chip," said a senior executive of a leading carmaker.

The Economic Times 27th April 2022

AS SRI LANKA BATTLES A SEVERE ECONOMIC CRISIS...

Auto Firms Step On the Gas In B'desh; Likely to be Next Hub

TaMo, Ashok Leyland, Mahindra, Bajaj investing in JVs, expanding capacity & launching new products

Lijee.Philip@timesgroup.com

Mumbai: As Sri Lanka battles an economic crisis, the new destination for Indian auto companies seems to be Bangladesh, which is on the brink of a major economic boom, making auto majors look eastwards.

Tata Motors, Ashok Leyland, Mahindra and Bajaj Auto have stepped up their game through joint ventures and begun identifying homegrown distributor groups to assemble a major portion of their products in Bangladesh. These companies are firming up launches and ramping up capacity as they offer a very high level of customisation to customers, reinforcing the product portfolio across all segments in the region, experts said.

"Automobile majors are working with the government, industry associations and with SIAM (Society of Indian Automobile Manufacturers) to help develop an auto policy that serves the needs of customers and the local industry. We are looking forward to introducing high-end bikes, fuel efficient CNG 3Ws and in due course, EVs," said Rakesh Sharma, ED, Bajaj Auto, a leader in 2&3 wheelers in Bangladesh. "We actively support our distribution partners through local manufacturing, financing and go-to-market operations," added Sharma.

In Fast Lane

- Indian auto OEMs bullish on Bangladesh
- Emission standards in country more lax than in India and developed nations
- It's an India-like market, with similar terrain and weather conditions
- And so auto OEMs find it easier to service customers in Bangladesh

Indian auto cos saw an average sales growth of 15-20% in Bangladesh in last 2-3 years

Tata Motors is the largest commercial vehicle brand, including small & heavy CVs and buses, in Bangladesh with a two-third share. "It continues to invest in Bangladesh in developing a suitable product portfolio to serve our customers, building a wide network of sales & services, and expanding our CKD assembly facility in Jessore," said a TaMo spokesperson.

Indian auto OEMs have focused on building their presence in the South Asian, African and Middle Eastern markets over the last few decades. In the economic downturn caused by Covid, the Bangladesh market continued to sparkle while most others suffered, said Kaushik Narayan, CEO of Leaptrucks, a platform for the sale of trucks and buses.

Emission standards in Bangladesh also lag India's and other developed nations. With a wide range of value for money products available in their portfolio across multiple emission standards, matching terrain and weather conditions, Indian OEMs are uniquely positioned to cater to the requirements of the Bangladesh market, Narayan said.

Indian auto OEMs are capitalising on this growth story in Bangladesh by making substantial investments in JV and assembly operations. It's an India-like market, so auto OEMs find it easier to service such customers, said Kavan Mukhtar, head, auto practice, PwC.

Mahindra Automotive, which works with the local partner Rangs Group, has established itself in the pick-up segment. In tractors, Mahindra is exploring possibilities of local assembly of some specific products which will help the Bangladesh government in their program of 'Make in Bangladesh.'

"We are also exploring possibilities in the aggrotech space to help farmers achieve higher yields and prosperity...," said a Mahindra spokesperson.

Business Line 30th April 2022

Maruti hints at shifting focus from hatchbacks

Plans to strengthen presence in SUV segment with new launches

G BALACHANDAR

Chennai, April 29

The country's top carmaker Maruti Suzuki India Ltd (MSIL) is looking at a major shift in product strategy from its bread and butter low priced-hatchback segment to other categories for future growth.

"Compared to 2018-19, the hatchback segment has shrunk by 4 lakh units in 2021-22, from 15.5 lakh units to 11.5 lakh units. This is more than 25 per cent decline in the size of the market. This used to be a major part of the market. Low-priced cars became unaffordable for people due to regulatory changes, higher taxes by States, increase in commodity prices. We have only bread now, the butter has gone," RC Bhargava, Chairman, MSIL, said while discussing the company's annual results for FY22.

Over the last three years, people from the low income group are not able to buy vehicles for commuting – be it a two-wheeler or an entry-level hatchback – as these vehicles have become expensive.

"Prices in the hatchback segment have gone up at least 32 per cent in the past three years," said Shashank Srivastava, Senior Executive Director, Sales and Marketing, MSIL.

Rural vs urban markets

Growth percentage in the rural market is higher than in urban markets. But growth itself has slowed or has become negative, more so in urban markets. Overall markets have shrunk.

RC Bhargava, Chairman, MSIL

While the hatchback segment has shrunk, the non-hatchback segment has not recorded a big increase either, growing marginally from 18 lakh units in FY19 to 19 lakh units in FY22. It was argued that the per capita income in India (about $2,000) which is about 5 per cent of that in Europe and Japan, reduces the ability of a large population to buy upper-end cars. As a result, not only do two-wheelers sell in large numbers in India but about three-fourth of cars sold are less than 4 metres in length and lower in cost.

"Policymakers and the Centre should take note that hatchbacks can become affordable only via government measures and lower commodity prices," said Bhargava.

As demand grows in the non-hatchback segment, Maruti will focus on launching numerous such products throughout this fiscal.

"Today, the demand is rising for upper segments," said Bhargava. Hatchbacks, presently, account for bulk of the company's sales.

SUV segment

Maruti is planning to strengthen its presence in the SUV segment by launching new products. Its market share in the SUV segment in FY22 was about 11 per cent. The company's overall market share was 65 per cent (without SUVs) and was 43.4 per cent with SUVs.

The SUV segment mix (including MUVs) improved to 50.5 per cent in FY22 from 43.4 per cent in FY21 and 39.1 per cent in FY20.

The SUV mix in India has surpassed the global SUV mix, which stood at about 45 per cent in CY2021, according to a report of Kotak Institutional Equities Research.

TACKLING TAILPIPE EMISSIONS TO BE THE BIGGEST CHALLENGE

Automakers Accelerate Drive to Cut Their Carbon Footprint

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Mumbai: Automobile manufacturers are taking several measures like increasing the use of renewable energy and pushing their suppliers to cut their emissions in a bid to reduce their carbon footprint, but the biggest challenge for them will be tackling the tailpipe emissions from the vehicles they sell.

Leveraging their vast manufacturing sites, automakers are increasingly deploying solar panels to generate captive renewable energy. They are also signing power purchase agreements with third-party renewable energy providers to ensure their electricity is carbon-free. For example, Maruti Suzuki has scaled up its captive solar power generation from 1 megawatt four years ago to 26 megawatts now, said Rahul Bharti, executive director, corporate affairs at Maruti Suzuki India. The company was also increasing the use of railways to transport cars to reduce logistics-related emissions, he said.

Rival Mahindra & Mahindra has taken it a step further by fixing an internal carbon price when making all its business decisions, said Rajesh Jejurikar, the executive director for auto and farm sectors at the company. While assessing any new project, the company will consider a price of $10 per tonne of CO2 that is estimated to be generated. This ensures that less expensive but more polluting options do not trump those that are cleaner but more expensive. "At M&M, we identify climate change risk to our business and stakeholders and build a strategy with a mitigation action plan," he said.

However, these measures do not tackle the elephant in the room. As per the Greenhouse Gas (GHG) Protocol – an internationally recognised framework to measure emissions – any company's carbon footprint includes the direct emissions that it causes as well as the indirect emissions from the energy it uses, its supply chain and the life cycle of the products that it sells, among other things. Essentially, the emissions caused by vehicles add to the manufacturer's balance sheet. How significant can the tailpipe emissions be in the grand scheme of things?

As per Volkswagen AG's sustainability report 2021, three-quarters of the Volkswagen Group's GHG emissions come from the tailpipe of the vehicles they sell. Daimler reported that about 80% of its emissions in 2020 came from the use phase of the vehicles it sold.

"Therefore, any automobile company looking to reduce emissions will have to work on tailpipe (emissions)," said SJR Kutty, chief sustainability officer, Tata Motors.

While automakers are taking steps towards making their vehicles more efficient and reducing tailpipe emissions, experts say the bigger remedy will be transitioning to cleaner vehicle technologies like electric vehicles (EV) or hydro-

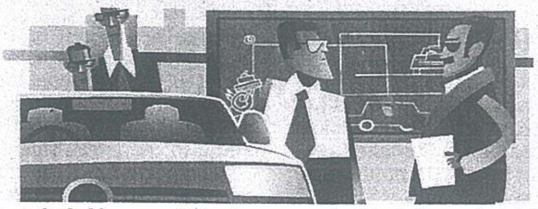
Greener Pastures

➲ Automakers opt for renewable energy

➲ Adopt measures like carbon pricing

But mfg operations generate only a fraction of total emissions

➲ Go for use of railways to transport vehicles to cut logistics-related emissions



➲ Over 75% of all greenhouse gas emissions come from usage of vehicles

➲ Around 15-20% of emissions come from supply chain

➲ Transition to EVs, hydrogen-powered vehicles a more sustainable solution

has to be led by manufacturing companies like ours," Kutty said.

Tata Motors is currently the market leader in electric cars in India, with about 5% of its sales coming from EVs. Suzuki Motor, the parent of Maruti Suzuki, in March announced its plan to invest over ₹10,000 crore in Gujarat. The funds will be used to set up local capacity to manufacture EVs, batteries as well as a vehicle recycling unit.

Mahindra, Ashok Leyland and TVS Motor, among others, have also set up separate subsidiaries for increasing investment in EVs. But no company has yet committed to a complete transition away from fossil fuel-burning vehicles.

But EVs may not be the silver bullet that everyone hopes for. A recent report from Volvo claimed that the carbon footprint of manufacturing an EV was far higher than manufacturing a combustion engine vehicle owing to the materials that go into its batteries. The Swedish carmaker reported that the production of its all-electric C40 Recharge caused 70% more emissions than its combustion engine counterpart XC40.

Manufacturing and supply chain usually account for 15-20% of the carbon footprint of automakers.

Another challenge that remains to be addressed is the source of the electricity used to drive EVs. In a country like India, where a bulk of the electricity is generated using fossil fuels like coal, the emissions are simply moving away from the tailpipe to the power plant, Mohapatra said. However, Kutty played down these concerns. EVs have a higher thermal efficiency than combustion engine vehicles, he said. What this means is that even if 100% electricity comes from burning fossil fuel, the carbon footprint of EVs will still be lower than combustion engine vehicles.

far as electricity is concerned. Fossil fuel-based power plants today account for 60% of India's installed electricity generation capacity compared to 70% five years ago, as per data from the power ministry. With the centre's renewable push, the share of fossil fuel-based electricity is bound to dip further in coming years, making the net emissions of EVs during the usage phase much lower fossil-fuel driven vehicles.

So, while automakers are taking the necessary steps to make their manufacturing processes cleaner, to reduce their net carbon footprint they will have to look much deeper at their supply chains and the technologies they bet on.

This article is part of a series on sustainability in association with BCG. BCG did not play any role in editorial decision-making.

Business Standard 23rd April 2022

EV adoption may stem forex outgo on oil imports

Currently, imports account for 40-46% of an EV's manufacturing cost

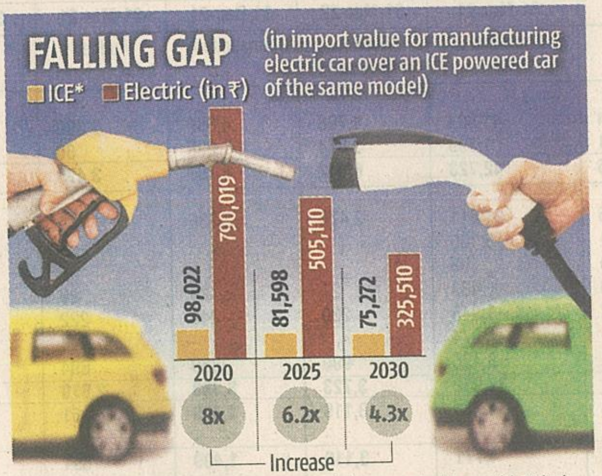
SURAJEET DAS GUPTA
New Delhi, 22 April

The sharp increase in imported fuel prices could well speed up the day when the overall foreign exchange outflow on an electric car powered by a 30 kwn lithium ion battery will be equal to, or below, that of an internal combustion engines (ICE) car of the same model.

The foreign exchange outflow has two elements. The imported cost for manufacturing an electric car is very high compared to a ICE-powered model. The second element is the operating cost of running the vehicle by using imported fossil fuels through the entire life cycle of an ICE-powered car which is assumed to be 15 years with an average run of 12,000 kilometres annually. An electric car hardly has any operating cost which leads to a foreign exchange outflow in the same period.

Once this happens, the government will be able to reduce its overall foreign exchange outflow due to a burgeoning fuel import bill —this is a key goal in pushing electric vehicles, apart from the need to reduce carbon emissions.

According to Nomura, Its research had pointed out that in 2020, the import cost of an electric car was more than double that of an ICE-powered car (the import cost in manufcturing and also imported fuel cost) of the same model. It had assumed that an ICE car would require around ₹3 lakh of imported oil (minus all taxes) for the entire life cycle of the vehicle.



*ICE: Internal combustion engine; comparison is between electric car with 30 kwh battery and ICE car of a similar model; assumption: 20% batteries made locally in 2020, 60% in 2030, no motor or motor controller localisation in 2020, 50% in 2025
Source: Nomura

But, based on an assumption that oil prices will remain stable throughout, the research had projected that by 2030 the gap will not only be bridged but that the import cost of an electric car will be lower than an ICE powered car of the same model.

However, with the price of oil breaching ₹100 per litre due to the prolonged Russia-Ukraine war and the speed at which the government is pushing for localisation through the Production Linked Incentive scheme, the gap could close much faster. Exactly when, though, is difficult to predict owing to the volatility of oil prices.

According to Nomura, in 2020, the import cost of an electric car was more than double that of an ICE-powered car of the same model. It also assumed an ICE car would require ₹3 lakh of imported oil (minus taxes) for the entire life cycle

Nomura's research says that the manufacturing import cost of an electric car in 2020 was eight times that of an ICE car of the same model. In 2025, it will be 6.2 times. In 2030, it will be 4.3 times (see chart). The reasons are simple: the benefits of localisation through local supply chain development, higher electric vehicle penetration and the proliferation of charging stations will reduce the dependency on imports.

Unlike in ICE vehicles, where localisation in the most popular cars has reached over 80 per cent, the scenario in electric cars is very different.

Industry estimates say that in some of the popular electric cars manufactured here, imports account for 40-46 per cent of the total manufacturing cost. The key components which constitute the bulk of the imports are the cells which go into making the lithium ion battery and the components which go into the making of the motor and the motor controller.

The cost of the lithium ion battery accounts for 43 per cent of the total cost of manufacture and 80 per cent of the cost of making a lithium ion battery is the cells and they are not manufactured in India. A similar percentage of the cost of manufacturing controllers and motors is also imported. Motors and controllers account for 14 per cent of the overall manufacturing cost.

Clearly, the government is aware of the large import dependency in manufacturing electric vehicles which is why it has been pushing for localisation. It is why it has identified eligible players for two Production Linked Incentives schemes: one for the manufacture of electric vehicles and the other for the manufacture of advanced chemistry cells to power batteries. It has also earmarked over ₹18,100 crore as incentives to be given to the players as part of the grand plan for the localisation of advanced chemistry cells batteries.

The Economic Times 18th April 2022

Global Auto Cos Switching Off Hatchback Engine

Datsun out, Polo and Jazz to follow as SUVs gain muscle in India; no of hatchback models down to 19 from 31 in 5 years

Ketan.Thakkar@timesgroup.com

Mumbai: Nissan pulled the plug on its hatchback — Datsun — last month. The final batch of the globally successful Volkswagen Polo has been produced. Next year, the Honda Jazz will also go out of the market.

The appetite for hatchbacks is now largely restricted to the top three players – Maruti Suzuki, Hyundai Motor India and Tata Motors — as other automakers turn their attention to utility vehicles.

The small car hub for global markets has clearly lost its charm for some automotive players.

As sport utility vehicles (SUVs) muscle in, sales of hatchbacks, or small cars, are dwindling.

In fact, sales of SUVs overtook hatchbacks as the largest segment in India in the previous fiscal year(FY22).

"Hatchbacks are going out of fashion," said Thomas Schaeffer, the global chief executive of Skoda Auto.

For a car maker that recently invested one billion euros and is lining up more for India, the prospects of the two-box car in the local market seems modest compared with SUVs.

"There are certain areas of the world (where) certain shapes have disappeared, so it does not make sense to reinvest," Schaeffer said.

This is a view echoed by many global auto conglomerates about India.

After Nissan relaunched Datsun in January 2014 for India, the brand eventually made its way into Indonesia, Russia and South Africa. Tailored to meet entry-level buyers across markets, the brand could, however, barely make a mark.

The company produced about 470,000 units of the Datsun in its new avatar over the last seven years worldwide. The model made up for 2% of its total sales globally in 2016. However, falling sales amid a major reshuffle at the top led to Nissan discontinuing the brand across markets in the last two years.

Slamming Brakes

Nissan discontinues budget car brand Datsun in India

The last batch of Volkswagen Polo special edition was produced couple of weeks back

Honda likely to discontinue Jazz hatchback in 2023

Jato Dynamics India, however, expects hatchbacks to remain a critical segment in India

Top three carmakers account for 92% of hatchback space

Year	Number of Hatchback Models in India
FY-17	31
FY-18	29
FY-19	26
FY-20	25
FY-21	20
FY-22	19

Source - Industry Sources

Business Line 16th April 2022

Demand for multi-purpose vehicles gathers pace

Maruti Suzuki's Ertiga and XL6, Kia's Carens, and Toyota's Innova Crysta rule the market

S RONENDRA SINGH

New Delhi, April 15

The multi-purpose vehicle (MPV) segment is growing by leaps and bounds along with the sports utility vehicle (SUV) segment in the domestic market. Customers are also choosing MPVs for personal use as they are loaded with new technology and safety features.

Kia India has a successful run with the recently launched Carens and Maruti Suzuki India (MSIL) is launching two MPVs back-to-back — the all-new Ertiga on Friday and the XL6 in the coming week. Bookings of the new Ertiga have already crossed 7,500 units. "For Ertiga, we received about 1,250 bookings per day. The segment has found a lot of traction recently and we have 61 per cent market share in the MPV segment," Shashank Srivastava, Senior Executive Director – Marketing & Sales, MSIL, told *BusinessLine*.

Aspirational customers

He added that MSIL's volumes in this segment crossed 13,000 per month and the company is moving towards customers who prefer feature rich products.

"Aspirational customers are now buying MPVs so our goal is to increase volumes in this segment," he said. Srivastava added, "People prefer our CNG variant in Ertiga because the cylinder is placed in a such way that there is an ample boot space for long journeys."

The industry is expected to sell over 2.80 lakh MPV units in 2022

He said 48 per cent of the total Ertiga sold are in CNG.

According to Hardeep Singh Brar, Vice President and Head of Sales and Marketing, Kia India, the Carens has received tremendous response from customers and the vehicle has struck the right chord with modern Indian families across the country.

"The Carens crossed 50,000 bookings within two months of starting bookings. We saw great demand from all parts of the country; in fact, 42 per cent of bookings came from Tier-3 and beyond cities," he said.

Semi-conductor shortages

Brar said the company has tried to address the need gap in the three row segment by catering to the evolved needs of the customers. However, because of semi-conductor shortages, companies are not able to make deliveries on time. For instance, the standard waiting period on Carens is somewhere between three months and one year depending on the variant.

"We have recently started the third shift at our Anantapur plant in Andhra Pradesh which will help us increase our production and eventually lower waiting periods," he said.

According to Srivastava, the MPV segment achieved domestic sales of around 2.61 lakh units in 2021. This year, the industry is expected to sell more than 2.80 lakh units.

Apart from MSIL and Kia India, Toyota Kirloskar Motor has also been doing well with its Innova Crysta, mostly on the commercial side (tours and travels), and clocked almost 8,000 units in March.

Datsun exit: Nissan's decade-long struggle in India

G BALACHANDAR
Chennai, April 25

Nissan's decision to discontinue its Datsun brand of cars in India, a decade after the revival of the Japanese auto maker's heritage brand, signals the company's continuing challenges in one of the largest automotive markets in the world.

In March 2012, Nissan's then President and CEO, Carlos Ghosn, announced the return of the Datsun brand for 'high-growth' markets such as India, Russia and Indonesia, and he indicated that cars under the Datsun brand would be sold from 2014.

Ghosn's idea was to capture a decent market share with a low-cost (sub-₹4 lakh) brand as its previous small car Micra failed to make an impact in the price-conscious Indian car market. The company unveiled the Datsun GO, the first new model of the brand since 1970s, with a 1.2-litre engine in July 2013. The first Datsun GO was rolled out of

Renault-Nissan Alliance's factory at Oragadam in Chennai on February 4, 2014. With aggressive pricing in the range of ₹3.12 lakh to ₹3.70 lakh (ex-showroom, Chennai), Datsun GO was expected to establish its name in the volume segment, dominated by Maruti and Hyundai. After some initial excitement, the new vehicle failed to sustain momentum. The company also came out with an MPV Datsun GO+. In 2016, the company introduced a new hatchback Datsun redi-GO, built on a new platform. In June 2020, the company launched an all-new Datsun redi-GO at an introductory price of ₹2.83 lakh. Despite aggressive pricing, the new vehicle didn't excite the buyers to fetch good volumes.

Now, Nissan has officially announced that production of the Datsun redi-GO has ceased at the Chennai plant, though after-sales service, parts availability, and warranty support would continue from dealerships for the existing customers.

Evolving market

"The Datsun brand was introduced by Nissan to play in the entry-level segment which used to be a big segment once. But as the market is evolving and customers are shifting to more aspirational vehicles, loaded with tech and safety features, the group may believe that the brand has surpassed its 'use-by' date," said Suraj Ghosh, Director - Mobility, S&P Global.

Moreover, the fact that the brand Datsun didn't turn out to be a sales chartbuster in any segment validates the move. Also, Nissan is reorienting its global product and platform strategy to accommodate the shift towards electrification. It has to make some prudent investment adjustments, he added.

Such exits by big brands leave a trail of uncertainty and looming losses for partners in dealerships, suppliers and, most importantly, the customers.

Nissan fumbled quite badly in the Indian market as its strategy to play the "cost/price" game rather than playing on its strengths along with other factors such as its business model of partnering with a third- party company for fulfilling its sales and service requirements and a long gap in new product launches, among others impacted it deeply.

Reading the pulse right

But there is some silver lining. Its compact SUV Magnite, launched in December 2020, appears to have ticked many of the boxes for the SUV customers, as it has received a very good response. Nissan has secured more than one lakh customer orders to date for the new compact SUV. Unfortunately, the chip shortage has played a spoilsport for the company as it is facing challenges in delivering the vehicles.

PRESS REPORTS
ON
ELECTRIC VEHICLE

Business Line 27th April 2022

'Making Tesla EVs in China and selling them in India is not a good proposition'

Nitin Gadkari invites Elon Musk to manufacture electric vehicles in India

OUR BUREAU

New Delhi, April 26

Road Transport and Highways Minister Nitin Gadkari, on Tuesday, invited Tesla founder Elon Musk to manufacture electric vehicles (EVs) in India, which is a huge market for automobiles running on clean fuel.

However, Tesla manufacturing EVs in China and selling them in India is not a good proposition for the world's fifth-largest market for automobiles and the largest for two wheelers, said the Minister at the Raisina Dialogue event here on Tuesday.

India is a huge market

"It is a very easy alternative. If Elon Musk is ready to manufacture Tesla in India, there is no problem. We have all the competency. The vendors are available. We have got all types of technology, and because of that, he can reduce costs. My request to him is that you come to India and start manufacturing here. India is a huge market. Exports are there. He can export from India," said Gadkari when asked about Tesla's presence in India.

The Minister added: "But suppose he manufactures in China and sells in India, it cannot be a good proposition for India."

When asked about the growing incidence of fire in EVs, the Minister said: "In March, April and May, particularly, when temperatures rise, there is some problem with the battery cell.

Union Minister Nitin Gadkari

"We have already appointed an expert committee and there are scientists from DRDO in it. We will get the reports. But apparently, I feel it is a problem of temperature, particularly high temperature. Now, we have decided to make standards and rules for that. We need to have a testing system for the battery and cell. With the appropriate technology, we can certify." Terming the incidents as "unfortunate accidents", Gadkari emphasised that while the government is committed to exploring solutions, its intention is not to create unnecessary complications for the industry.

'Safety, highest priority'

"But safety is of the highest priority for the government. In due course of time, we will come out with standards and rules and regulations. Meanwhile, if there is some manufacturing problem, my request to companies is to recall the product and fix the issue. This is very important. Companies should find out why there is this problem [fire in EVs]," he added.

The Centre for Fire Explosive and Environment Safety (CFEES) has been asked to investigate the circumstances that led to the incident and suggest remedial measures, according to the Road Transport Ministry.

The Economic Times 28th April 2022

EV Makers Told to Halt Launches of 2-wheelers

Government wants investigation into rise in incidents of fire

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New Delhi: The government has asked electric two-wheeler manufacturers not to launch new vehicles till instances of fire are investigated. This was communicated to manufacturers at a meeting called by the Roads, Transport & Highways Ministry on Monday to discuss the rise in incidents of fire in electric two-wheelers.

"EV makers have been verbally dissuaded from launching new vehicles until clarity about the cause of fires and steps required to stop them have been firmed up," said an official privy to the deliberations.

All-electric two-wheeler manufacturers have also been asked to voluntarily recall the entire batch of vehicles from amongst which a fire incident has been reported. "Most have already begun this process," said the official. Transport Minister Nitin Gadkari had last week asked electric vehicle makers to voluntarily recall faulty electric two-wheelers after a series of accidents in which some lives were also lost.

A week after Gadkari's call, Ola, Okinawa and Pure EV reportedly recalled nearly 7,000 e-two-wheelers they had sold.

The vehicle recall instructions were reiterated during the interaction between EV makers and senior Roads Ministry officials on Monday.

The EV makers were also reminded about provisions of the Motor Vehicle Act that allow the centre to order forceful recalls and levy penalties on errant manufacturers.

"Those manufacturers that did not have incidents of electric two-wheelers catching fire have also been cautioned to take corrective actions on their sold vehicles. The Roads Ministry has asked EV makers to educate consumers about charging safety and how to prevent fire incidents," the official said.

Earlier this month, Okinawa had announced a recall of 3,215 units of its Praise Pro electric scooter "to fix any issue related to batteries".

Ola too issued a statement saying it will recall 1,441 vehicles.

Ola Electric Logged ₹200 cr Loss in FY21 Before EV Pivot

Company clocked operational revenue of ₹86 L during the period, filings show

Our Bureau

Bengaluru: Ola Electric's losses in the financial year ended March 2021 touched nearly ₹200 crore, regulatory filings accessed by **ET** showed, a period in which the mobility company pivoted from building a battery-as-a-service business to manufacturing electric scooters.

Employee benefits made up close to 70% of total expenses

The company clocked operational revenue of only ₹86 lakh as it did not sell a single product during the period. Employee benefits made up close to 70% of total expenses. Ola Electric was earlier running a pilot in Gurugram where it had set up battery swapping stations for electric three-wheelers. Revenue from swapping and subscriptions was ₹85 crore.

The company shut that business and cofounder Ankit Jain quit in August 2020. Ola Electric's overall revenue, which included interest earned on bank deposits, was ₹106 crore. The company brought in ₹97 crore as interest from bank deposits.

For full report, go to www.economictimes.com

Money Matters

In July 2019, Ola Electric raised $250m from SoftBank to become a unicorn

Raised $200m more in 2021 from Alpha Wave, SoftBank

The Economic Times 22nd April 2022

The Economic Times 25th April 2022

Renewable Energy may Power EV Charging Stations

EVs have been drawing criticism from various sections on use of fossil fuel for generating power to charge them

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New Delhi: Electric vehicles in India may soon have the opportunity to go carbon-free in operations as the government endeavours supply of renewable energy to charging stations in a coal-driven economy, a first of its kind initiative in the world.

Though EVs have no tailpipe emissions, they draw criticism from various sections on the use of fossil fuel for generating the electricity used to charge them. Coal contributes to 76% of electricity generation in India, and renewables including hydro 19%.

A policy directive enabling any consumer above 100 kW hour load, including residential societies, commercial complexes or charging stations, to source green electricity from any source other than the local distribution supplier has been announced by the government.

Sources in the government said the rules are at the stage of final legal vetting. The Draft Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2021 were issued in August last year.

"Open access is for entities buying more than 1 MW of power. But none of the charging stations will have 1 MW at one location. The draft green open access rules lowers the threshold to 100 kW for consumers. Though not intended only for EV, it is an excellent opportunity to make them completely green," said Awadesh Jha, executive director (charge and drive) at Fortum and chairman of national committee on future mobility at CII.

He said this is the first of its kind initiative in the world. "This brings the EV ecosystem a step closer to Europe, where Fortum customers if they are charging from a particular location, are informed they are charging their vehicle from wind or solar," he said.

A directive says any consumer using above 100 kW hour load should source green electricity

A report by the International Energy Agency on Global EV Outlook said that to ensure electric vehicles can unleash their full potential to mitigate climate change, it is crucial to reduce the CO2 intensity of power generation. Indeed, the well-to-wheel emissions of the future electric vehicle fleet are projected to be significantly lower than those of internal combustion engines in 2030 in both scenarios, the 2020 report had said.

CII has called for an early notification of the policy. Such policy measures will get reflected in various state EV policies. However, without having enabling rules framed under statute, implementation would be difficult, it said.

In COP 26 at Glasgow last November, India proposed to cut its emissions to zero by 2070. The country announced 500 Gw of non-fossil electricity capacity, 50% renewable energy capacity, reduction of emissions by 1 billion tonnes and reduction of emissions intensity of the GDP by 45% by 2030.

The Economic Times 22nd April 2022

Hero Moto Plans to Export EVs to LatAm, European Markets

Sharmistha.Mukherjee
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New Delhi: In a move which will support the government's vision to develop India as a manufacturing hub for electric vehicles, the country's largest two-wheeler maker Hero MotoCorp has started work on priming strategic markets ahead of the launch of products and services under its emerging mobility brand 'Vida'. Electric vehicles are a focus area for the company, which will introduce its first product in the segment next quarter. Apart from local sales, some of the key geographies for EV products will be Europe and Latin America, Hero MotoCorp global business head Sanjay Bhan told **ET**.

"Vida, Powered by Hero, is a global brand and we are working towards priming our strategic markets ahead of the products and services launch. Some of the key geographies for our EV products will be Europe and Latin America along with a few more markets", informed Bhan. Earlier in March this year, Hero MotoCorp unveiled 'Vida, Powered by Hero' as the new identity for its emerging mobility solutions. The first of the Vida products — an electric vehicle — will be officially unveiled on July 1, 2022, to coincide with the birth anniversary of Brijmohan Lall Munjal, the late founder of Hero MotoCorp.

GLOBAL BUSINESS HEAD SAYS

EVs are a focus area for the co, which will introduce its first product in the segment next quarter

The production of the new Vida model will be done at Hero MotoCorp's manufacturing facility in Chittoor, India. Dispatches to customers will begin later in 2022. Hero MotoCorp has tied up with Taiwan's Gogoro to set up a battery swapping network ahead of the launch of its first electric two-wheeler, a collaboration which may also be extended to global markets.

"There is a great appreciation for EV products, especially in mature economies and we are aiming to be present in a lot of these markets. Undoubtedly, EVs provide us access to several new geographies as it opens up new customer and mobility segments," said Bhan.

Overall, Hero MotoCorp — which registered its highest-ever sales from markets outside India last fiscal — is aiming to register 15% of its sales from overseas business by 2025. Bhan informed, "We have witnessed significant growth in our global business over the past two years and we are working towards taking the contribution of global sales to 15% of our overall company sales within the next couple of years."

Business Line 25th April 2022

Ola recalls 1,441 units of electric two-wheelers

Everyone has to go through a learning curve spanning all aspects of industry: Bhavish Aggarwal

YATTI SONI

New Delhi, April 24

Ola Electric is recalling 1,441 units of its electric two-wheelers in the wake of fire accidents involving the vehicles, according to the company. The company said its investigation into the fire incident on March 26 in Pune is ongoing.

The company has commissioned world-class agencies to report on the incident, according to the company's CEO, Bhavish Aggarwal. A preliminary assessment found that the Pune incident was an isolated one.

However, it said, "As a pre-emptive measure, we will be conducting a detailed diagnostic and health check of the scooters in that specific batch, and therefore, are issuing a voluntary recall of 1,441 vehicles."

Ola Electric further said, "These scooters will be inspected by our service engineers and will go through a thorough diagnostics across all battery systems, thermal systems as well as safety systems." The company added its battery systems already comply with and is tested for AIS 156, the latest proposed standard for India, in addition to being compliant with the European standard ECE 136.

Multiple instances

Recently, there have been widespread incidents of electric two-wheelers catching fire in various parts of the country, forcing manufacturers to recall their vehicles. Responding to queries about the growing cases of EV fire incidents in the past few months, Aggarwal said that EV is a new industry for everybody, and skyrocketing of the adoption curve led to these instances coming to light.

"In electric vehicles, we will all have to go through the curve of understanding what causes this, figuring out the right regulatory framework, the right policy framework, and the right best practices in the companies and workers," he added.

Two other OEMs, Okinawa and Pure EV, have announced a voluntary recall of their e-scooters following fire incidents involving their vehicles. Earlier this week, transport minister Nitin Gadkari said in a tweet that the government constituted an expert committee to enquire into these incidents and make recommendations on remedial steps. "If any company is found negligent in their processes, a heavy penalty will be imposed, and a recall of all defective vehicles will also be ordered," Gadkari added.

Ola's autonomous cars

The company is also doing its R&D on developing an electric car by early 2024 or the end of 2023. Aggarwal said Ola's car, to be exported outside India, needs autonomous capabilities. Otherwise, it won't be competitive in the market. He added that the company's vision is to build electric vehicles for the masses.

"The origin of electrification happened in the West with companies like Tesla. They have done a good job in technology innovation, but their products are not relevant to Indian consumers. Anything beyond ₹50 lakh is a luxury in India. The same is true for ASEAN, South-East Asia, Africa, Latin America, and parts of Eastern Europe and Western Europe. Our focus is to electrify vehicles such as two-wheelers, small cars and mid-sized cars. India is a very good representation of that market. What we like to say internally is, Tesla is for the West, Ola is for the rest," Aggarwal added.

Edit p4

Business Line 23rd April 2022

Ola refutes claims of faulty brakes on electric scooter

Says data does not reveal any such issue after tweet by a customer goes viral

YATTI SONI

Bengaluru, April 22

Following an Ola customer's tweet that a fault in the electric scooter brakes has led to his son's accident, the company said the data with it does not point to any such fault in the scooter.

"I had purchased new Ola S1 Pro. On March 26, 2022 my son had an accident due to fault in regenerative breaking where on a speed breaker instead of slowing, the scooter accelerated sending so much torque that he had an accident. The scooter went airborne crashing and skidding. My son was severely hospitalised on 26th March where he had fractures in left hand and 16 stitches in right hand due to fault in Ola S1 Pro," wrote Balwant Singh from Guwahati in a twitter thread on April 15.

Over-speeding

Shortly after the tweet went viral on Friday, Ola published a statement on the incident.

"We did a thorough investigation of the accident and the data clearly shows that the rider was over-speeding throughout the night and that he braked in panic, thereby losing control of the vehicle. There is nothing wrong with the vehicle," the statement said.

Many social media users have complained that the speed of their Ola scooter dropped from sub-40 km to 0 km without any warning PTI

Ola said the scooter's speed during the night of the accident was between 95-115 kph. At the time of accident, three brakes were applied together — front, rear and regenerative (reverse throttle) — bringing the scooter from 80 kph to 0 kph in 3 seconds.

"Road safety is of paramount importance to us. We strongly recommend everyone to ride responsibly, adhere to speed limits and ensure you're wearing a helmet," the statement added. This is not the first instance of a customer reporting faults in Ola's electric scooters. Multiple social media users have said that their Ola scooter speed dropped from sub-40 km to 0 km without any warning.

Pune fire incident

There had also been a case of Ola S1 scooter catching fire in Pune last month.

In a statement released in March, Ola said, "We are aware of an incident in Pune that happened with one of our scooters and are investigating to understand the root cause and will share more updates in the next few days." There has been no update from the company on the fire incident investigation.

PRESS REPORTS
ON
TWO – THREE WHEELERS

Business Line 30th April 2022

2W segment still wobbly, gets only a temporary respite this quarter

Wedding season, opening of colleges and offices may spur short-term demand

G BALACHANDAR
Chennai, April 29

The domestic two-wheeler industry, which has been going through a rough patch, is likely to get some temporary respite in terms of a surge in sales this quarter, while signals for some real recovery in demand are yet to manifest.

Industry representatives and analysts state that domestic 2W volumes are expected to grow in the near term driven by the marriage season and the opening up of colleges and offices.

Awaiting a turnaround

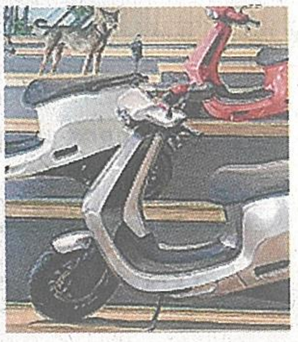
"While in the immediate term, driven by the wedding season, there will be some surge in retail sales in April and May, we would like to watch the months of June, July and August to fundamentally understand whether there is a genuine and structural turnaround in the two-wheeler industry," said Rakesh Sharma, Executive Director-Sales, Bajaj Auto.

"Our interaction with leading industry channel partners indicates a recovery in 2Ws owing to the marriage season and improved cash flows in the hands of consumers due to the harvesting of the Rabi crop," said analysts at Motilal Oswal Financial Services.

Demand from rural areas

"Demand improved in April 2022 amid the festive (Navratri) and ongoing marriage season (which started around April 20). It is improvement in cash flows in the rural economy due to harvesting of the Rabi crop that is supporting the demand revival. ICE scooters are benefitting from the e-2W fire incidents.

Inventory in the system has normalised to 30-45 days (v/s an average of 40-60 days in the last few months), they added.



With poor offtake in rural markets, the overall demand for motorcycles in the country remains weak.

Worst year in decade

With a double-digit decline in volumes, FY22 has been the worst year for the two-wheeler industry in a decade.

This was on account of subdued domestic demand, both in rural as well as in urban markets on the back of higher fuel prices, a steep increase in the acquisition cost driven by higher commodity prices and insurance costs. Meanwhile, on a sequential basis, two-wheeler sales increased by about 14 per cent in March due to pent-up demand with the opening up of offices and educational institutions, festivals and wedding season. April is also likely to have a decent number of sales.

Daunted by prices

Since two-wheeler buyers are mostly from weaker and low-income sections, the price hike on account of spike in commodity prices and other regulatory measures continue to impact demand recovery.

Although the rural market is a major driver of motorcycles sales, the higher cost of acquisitions has daunted buyers.

It remains to be seen whether the favourable monsoon predicted for this year and consequent impact on the rural population by way of adequate cash flow in their hands leads to a stable recovery in two-wheeler demand.

Business Line 18th April 2022

TVS Motors' bike exports cross 1 m units in FY22

Motorcycle exports were also higher than its FY19 record domestic sales

G BALACHANDAR

Chennai, April 17

TVS Motor Company has scripted a success story on the export front with motorcycle exports surpassing one million units for the first time in 2021-22. Motorcycle exports were also higher than the company's highest-ever domestic motorcycle sales recorded in FY19.

While domestic demand for two-wheelers has been subdued in the post-second wave of the Covid-19 pandemic, exports of two-wheelers from India, particularly motorcycles have been increasing, supported by the early recovery from the pandemic in some markets, deeper penetration of the company into more countries and a strengthened dealer network across markets. TVS Motor Company's total bike exports in FY22 stood at 1.02 million units, a 43 per cent increase from 714,105 units in FY21. FY22 bike export volumes were higher than the company's highest-ever domestic bike sales of 1.01 million units in FY19.

Gaining traction

"Over the past year, the international two-wheeler industry has gained significant traction, and there is a demand for quality, durable and more fuel-efficient personal mobility options. In FY22, TVS Motor's international two-wheeler business sold one million units. The company has reached this significant milestone in a financial year for the first time," a company spokesperson told *BusinessLine*.

Scooter exports grew to 55,727 units in FY22, up from 41,621 units in FY21

TVS Motor's scooter exports grew to 55,727 units in FY22, up from 41,621 units in FY21.

In FY22, India's total bike exports were 4.08 million units, up from 3.04 million units in FY21. Bajaj Auto remained India's largest bike exporter, with a 53 per cent market share, down from 59 per cent in FY21. TVS Motor was the second-largest motorcycle exporter with a 25 per cent market share, up from 23 per cent in FY21. Hero MotoCorp was the third-largest bike exporter, with a 7 per cent market share, up from 5.8 per cent in FY21.

In FY22, the Indian two-wheeler industry shipped 0.35 million units of 'Made in India' scooters to various markets, up from 0.23 million units the previous fiscal.

Growth plans

"We are excited to build on this positive export momentum and expand into newer geographies with attractive products and first-in-segment, technology-loaded offerings. The key products for the international market include the Apache series, NTorq 125, HLX series, Raider, and Neo series," said the spokesperson.

TVS Motor has rapidly expanded its presence in over 80 countries in Africa, South East Asia, the Indian Sub-Continent, Latin America and West Asia.

"Two-wheeler exports were trending at 20 per cent higher than pre-pandemic levels in FY22, driven by healthy demand from African and LATAM markets, thanks to a stable economic and political environment. ASEAN markets are recovering from Covid-19 restrictions and expected to augment demand in the coming months," according to an ICRA report.

Business Line 18th April 2022

Vespa maker LML to stage comeback with e-hyperbikes

The pedal-operated two-wheelers will be a cross between bicycles and mobikes

SWARAJ BAGGONKAR

Mumbai, April 17

The maker of LML Vespa scooters, is set to stage a comeback with the unveiling of three electric two-wheelers and a rejuvenated company brand logo in September, on the occasion of the company's golden anniversary.

The privately held LML Electric, led by Managing Director and CEO, Yogesh Bhatia, has tied up with a German company eRockit Systems GMBH, to launch electric hyperbikes in India. The pedal-operated hyperbikes, a cross between electric bicycles and motorcycles, will be commercially manufactured in India in early 2023.

eRockit does not have a throttle on its handlebars like those found on motorcycles and scooters. Instead, the e-bike has bicycle-like pedals that can push the vehicle to speeds of up to 80 km per hour with a few strokes. The LML branded variant of the eRockit will, however, have pedal-assist wherein the user can get help from the electric motor on the move.

"This is the right time to bring a very unique and innovative hyperbike to the market," Bhatia said to *BusinessLine*.

The two companies will form an equal equity stake joint venture which will take the responsibility of manufacturing the eRockit, besides managing the exports. India will provide a low-cost manufacturing base for the German company.

The pedals can push the vehicle to speeds of up to 80km/hour with a few strokes

The third product from LML Electric will be an electric scooter. "Production of the e-bike and e-hyperbike will begin in January-February while the e-scooter will undergo production in August-September next year," Bhatia added.

Production plant

LML Electric has entered into a strategic partnership with Saera Electric — the former manufacturing partner of Harley-Davidson India — to use its Haryana-based plant to produce electric two-wheelers. "We shall begin production with 18,000 a month. Separately, we have received proposals from Madhya Pradesh, Haryana and Rajasthan for setting up our own plant. We are evaluating these proposals and shall finalise before the end of this year," Bhatia added.

LML Electric is completely delinked from the yesteryear LML, except for the brand. The previous LML, founded in 1972, permanently shut operations in 2018 after multiple attempts to revive the company.

PRESS REPORTS ON COMMERCIAL VEHICLE

Business Line 19th April 2022

Ashok Leyland makes an entry into used CV business

Signs deal with Mahindra arm to roll out hybrid ecosystem for the business

OUR BUREAU

Chennai, April 18

Truck and bus maker Ashok Leyland (AL) has signed an agreement with Mahindra First Choice Wheels (MFCW), a leading player in the used vehicle segment, to introduce an exclusive hybrid ecosystem for the former's used commercial vehicle (CV) business.

The proposed phygital platform will facilitate the exchange and proper disposal and purchase of old CVs.

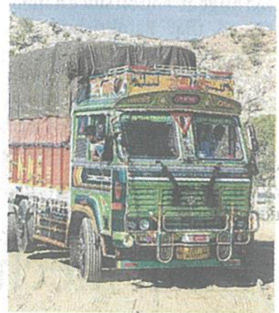
With an entry into this segment, Ashok Leyland aims at streamlining the used vehicle market by leveraging its digital ecosystem, its existing and potential channel partners for physical interactions in over 700+ parking yards across the country, and other advanced technologies, according to a statement.

"With the combined strength of our knowledge in CV and MFCW strength on the yards & digital ecosystem, AL's association with MFCW will provide enhanced value to our customers," said Sanjeev Kumar, Head-MHCV, Ashok Leyland.

To reduce old vehicles

Ashok Leyland seeks to bring more transparency into this space through effective and efficient processes to provide better options to reduce the number of old vehicles plying on Indian roads. The buyers will also have access to other value-added services like iALERT telematics solution, Driver SAATHi skilling solution, valuation, breakdown services, fuel solutions, etc. through various digital solutions offered by Ashok Leyland.

"Through the OEM's expertise of the CV segment and our phygital auctions platform which include 20,000+ eDiiG network strength spread across India, we aim at expanding and bringing forth further innovations in the



pre-owned vehicle segment, both for end consumers and institutional clients," said Ashutosh Pandey, CEO, MFCW.

Vehicle exchange

eDiiG is a leading automobile exchange platform, which is a division of MFCWL. Through facilities like an exchange, disposal, hybrid, and special vehicle inspection, the platform aims to become the first choice amongst the customers considering an exchange of their vehicles. This will create an opportunity for Ashok Leyland to reach as many fleets and single truck owners across India, as possible, the statement said.

Business Line 16th April 2022

Olectra commences trials of heavy-duty electric tipper

Will be produced at factory coming up on the outskirts of Hyderabad

OUR BUREAU

Chennai, April 15

Electric mobility firm Olectra Greentech has announced that it has begun trials of its 6x4 heavy-duty electric tipper as part of its plans to expand product portfolio into electric truck segment.

The company, a leading manufacturer of electric buses, has built a prototype of the tipper.

Described as the 'first of its kind truck in India', Olectra's tipper, with a 220-km range on a single charge, is built with a heavy-duty bogie suspension tipper capable of managing gradability of more than 25 per cent (scaling slopes on roads with elevation, and ghat roads), according to a statement.

Skyrocketing fuel costs

"Olectra has now begun trials. With fossil fuel costs skyrocketing, the electric trucks will be a game-changer in the segment. This first-of-its-kind tipper has many performance features. Olectra has finally realised the dream of cost-effective highly efficient tippers," said KV Pradeep, Chairman and Managing Director of the company.

The electric tipper will be produced at the factory coming up on the outskirts of Hyderabad.

Business Standard 22nd April 2022

Ashok Leyland arm lines up £300-mn EV investment

The company is expecting to create over 4,000 skilled jobs in the UK and India as part of the investment

SHINE JACOB
Chennai, 21 April

Switch Mobility, the electric vehicle arm of Ashok Leyland, has lined up investments of about £300 million across the UK and India to develop its range of electric buses and light commercial vehicles.

On Thursday, UK Prime Minister Boris Johnson praised Switch Mobility and its investment in the UK and India during his trade visit to India. As part of his visit to Delhi and Gujarat, Johnson took the opportunity to highlight Switch as an example of a business strengthening bilateral trade between the countries. The UK and Indian businesses confirmed more than £1 billion in new investments.

"We are delighted that the Prime Minister has commended the investment Switch is making to become a leader in electric transportation as an example of the benefits of UK-India collaboration. Since forming Switch Mobility over a year ago, we have seen the pace of change to electric vehicles for public and commercial transportation increase significantly," said Dheeraj Hinduja, Chairman of Switch Mobility.

The company is expecting to create over 4,000 skilled jobs in the UK and India as part of the investment, the UK Prime Minister's visit also coincided with the launch of the company's new 12m electric bus for India and the announcement of a new technical centre in the UK.

"With a strong order bank of nearly 600 buses and ambitious investment plans already in place, we believe we are well placed to capitalise on this growth. The new 12m bus has been designed specifically taking into account the requirements of the Indian market and delivering a range of up to 300km," he added.

PRESS REPORTS ON TRACTORS

Business Line 19th April 2022

Open to partnerships in India, says tractor major CNH Industrial

To introduce products in 40-50 HP range, pump in ₹350 cr to step up production

SWARAJ BAGGONKAR

Mumbai, April 18

The $8-billion tractor and agriculture equipment market in India is set to witness heightened rivalry with foreign heavyweights like Case and New Holland Industrial (CNHI), one of the world's largest tractor manufacturers, looking to stretch its muscle through new product addition, manufacturing expansion and possible local partnerships.

The company, which is India's sixth largest tractor seller, makes tractors under the New Holland brand in the 35hp-90hp range. It also sells agricultural equipment like harvester and post-harvest machines which make up most of the nearly $1 billion in revenues per annum. Construction equipment business forms a part of the company's operations.

Aggresive competition

The deal between the Nanda family-led Escorts and Japan's Kubota a few months ago set the tone for what the market perceives to be an aggressive chase by participants for market share grabbing. The Indo-Japanese entity said it is aiming to be the largest tractor player in India beating the current heavyweight Mahindra & Mahindra (M&M).

CNHI said the company is 'open' to partnerships in India, when asked if the company would like to take the acquisition route for growth in the country.

Entry via domestic players

In an interview with *BusinessLine*, Raunak Varma, Managing Director, CNHI (India), said, "We are definitely open to it. We are open to partnering with players who can bring value to the table. Most Indian OEMs have gone the inorganic way for growth. The barrier of entry is pretty high right now, therefore foreign OEMs are acquiring stakes in domestic players."

Varma, however, clarified that the company is not in talks for a partnership but asserted that the partner must bring in valuable strengths like competitive production costs. New Holland and John Deere are greenfield players who have set up their independent products and distribution reach in the country without partnerships.

"We have products in the 35-90 hp range which make up more than half of the market. The meat of the market is the 40-50 hp range and that's a segment where we are looking to introduce products. We are aiming at doubling our market share of 4 per cent over the next three years. At the CNH Industrial India group level, we generated ₹6,500-7,000 crore turnover in 2021. We aim to hit a $1-billion revenue company soon," Varma added.

Raunak Varma, MD, CNH Industrial (India) CNH INDUSTRIAL

CNHI is pumping in ₹350 crore to increase its tractor production by 60 per cent to 80,000 in the next one year from 50,000 last year. Product-related investments will be in further addition.

Export, R&D

CNH has set up four R&D centres in India which include a unit for construction equipment as well. The newest one in Gurgaon will become the biggest for the company in the world employing 1,000 people in two years.

"Our Noida facility houses R&D for tractors, Pune for harvesting and Pithampur for construction equipment. We have now established a global R&D centre in Gurugram, where we expect to consolidate the R&D from high-cost countries," Varma added.

Besides R&D, the company's aim is to make India the base market for utility tractors. CNH has established itself as a value player across global markets. From a total of 50,000 tractors last year, CNH sold 14,000 in the export market including 5,000 in NAFTA market, followed by South Africa and South-East Asia.

'India offers an edge'

CNH Industrial has plans to offer components made in India to its global sister concerns, thereby presenting an opportunity for increased parts purchases. The company's total parts purchases in India in 2021 stood at $600 million, including $100 million for exports. Further ahead, it plans to more than double the parts purchases for the export market.

"Given the supply chain challenges we have seen, India offers a hedge against China for the group. We are now looking at how we could leverage India more for a 'best cost country' and the first target is to do half a billion more purchasing from here," Varma added.

The Economic Times 26th April 2022

Tractor Major CNH Industrial Plans to Triple Parts Sourcing from India in 3 yrs

'CHINA PLUS' STRATEGY

India has proven to be a reliable source despite supply chain disruptions: Top exec

Ketan.Thakkar@timesgroup.com

Mumbai: Case New Holland Industrial, the world's fourth largest tractor maker, aims to triple sourcing of parts and components from India in value terms to over $300 million in the next three years, according to top executives.

As part of its 'China plus' strategy, the Italian-American company has clear visibility of at least tripling its sourcing from India to worth over $300 million by 2024, the executives at CNH Industrial (India), told **ET**, adding that it could be increased to half a billion dollars in three to five years.

According to Raunak Varma, managing director of CNH Industrial (India), over the last two years India has proven to be a reliable source by delivering over 100% efficiency despite supply chain disruptions due to Covid-19, and this is compelling the headquarters to veer towards it for sourcing a range of products — from engines and engine parts to forgings and other critical components.

The company is looking at how to source more from India and that it will be a hedge against large sourcing from China, he said.

"India has proven to be a lot more predictable than China and the government policies have been a lot more stable — they are not disruptive in a way that rattles the whole world," said Varma. "India is the only plant in the CNHI globe that is delivering at or above plan. With the localised supply chain, it is more profitable too."

ON INDIA OPS

India is the only plant... that's delivering at or above plan... It is more profitable too

RAUNAK VARMA
MD, CNH Industrial (India)

Apart from exports of parts and components, India is also turning into a sole sourcing base for tractors below 100 horsepower for the global markets.

CNH Industrial exported about 15,000 tractors globally in 2021, including to the developed markets of Europe and the US.

Varma expects even full-fledged tractor exports from India to double in the next three to five years.

India is CNH Industrial's biggest manufacturing base by volume. It manufactures tractors at its facility in Greater Noida and farm equipment such as harvesters and balers in Pune.

The company is working on increasing its Indian unit's tractor production capacity by 60% to 80,000 units over the next 12-14 months, for which it plans to spend about ₹350 crore.

In 2021, the company had sold 36,000 tractors in India and the SAARC nations.

PRESS REPORTS
ON
COMPANY NEWS

The Economic Times 25th April 2022

Maruti Suzuki's Passenger Vehicles See Faster Growth in Rural Markets

Good rains, bumper crop, higher MSP bolster demand for co's best-selling models such as Alto, Swift

Sharmistha.Mukherjee
@timesgroup.com

New Delhi: Passenger vehicle sales in rural markets grew at a faster clip compared to urban centres in the last financial year amid strong consumer demand bolstered by good monsoon, bumper crop output and higher minimum support prices.

As much as 43.6% of overall volumes for market leader Maruti Suzuki came from rural markets last fiscal, as against 40.9% the previous year. The company sold more than half a million units in non-urban areas, driven by demand for hatchbacks Alto, Swift and WagonR.

Shashank Srivastava, senior executive director (marketing and sales) at Maruti Suzuki said rural markets have outperformed for the company every year, barring 2013, and ever since the company started monitoring rural sales separately in 2007.

"The reason is with rural incomes rising, motorisation is spreading to rural areas. If you see the last 3-4 years, the monsoon has been good. Last year we saw record kharif crop, rabi sowing also has been very good. Reservoirs are much above the average capacity. So I think things are okay," said Srivastava.

Maruti Suzuki sold 591,800 passenger vehicles in rural markets in the last financial year, compared to the total of 1,331,558 units sold across the country. The best-selling models for the company in rural markets were Alto, Swift, WagonR, DZire and Eeco.

Interestingly, the increase in car sales in rural areas is coming at a time when demand for motorcycles in the local market has been on a decline the last couple of years due to a rise in acquisition costs post the transition to BS-VI and the economic impact of the pandemic during the second wave of the pandemic. Srivastava informed, "The target customer for two-wheeler and car buyers are different. The two-wheeler buyer is also comparatively more sensitive to running costs."

Overall, while demand for passenger vehicles remains strong in the local market, the automobile industry is facing headwinds due to the global shortage of semiconductors, high commodity prices, and most recently the disruption in supply chain due to the Russian invasion of Ukraine and Covid-19 curbs in China. Maruti Suzuki has particularly faced disruptions in production operations due to inadequate availability of chips. The company's share in local sales fell to 43.4% last fiscal, from 47.7% the previous year.

Srivastava said while the supply of semiconductors has improved, there would be some disruption in production in the ongoing quarter too. The company is sitting on an order-book of 345,000 units, which is its highest ever, owing to high demand and supply-side issues.

Srivastava said the company will continue to strengthen its portfolio, both in hatchbacks and utility vehicles, to regain 50% share in the local market going ahead. The company will drive in multiple SUVs, while focusing on new technologies like hybrid powertrains to enhance fuel efficiency, and take on rivals in the space. "It's a war cry in our organisation-...what we call constructive paranoia-...which means you cannot rest easy-...it doesn't take much time for the market dynamics to change, so we are always on our toes as how to improve efficiency, products etc," he said.

Srivastava explained hybrid technology, which features both internal combustion engine and battery, could be a good bridge to transition to pure battery electric vehicles in the Indian market, which currently does not have adequate charging infrastructure.

"There is a consensus in the industry that EVs will become mainstream going forward. However, there is no consensus when it is going to happen...analysts are saying that by 2030, 10-12% of the sales will be EVs..you can't wait for it to become 100% to take care of the environment. So what happens? Of course, one solution is to make engines more efficient and the other thing is to have hybrid which is cheaper to acquire than EVs. That could well be the road to electric," he informed.

The Economic Times 26th April 2022

German Auto Parts Co ZF Eyes €1 b from its India CV Business

Co aims to grow its commercial vehicles division in India by 2.5 times by end of this decade

Ketan.Thakkar@timesgroup.com

Mumbai: German auto components major ZF has set a target to grow its commercial vehicle (CV) division to a €1 billion, or about ₹9,000-crore, business in India by the end of this decade, a senior official has said.

ZF Group has committed investments of over €200 million (approximately ₹1,800 crore) across its businesses in the country for this decade and will set up a new manufacturing site at Oragadam on the outskirts of Chennai under the government's production-linked incentive (PLI) scheme.

"We are investing heavily in India," said Wilhelm Rehm, global head of the commercial vehicle solution division at ZF and a member of its board of management. "There is a reason why India has been carved out as a separate region from Asia Pacific with a dedicated P&L (profit and loss statement) to offer higher responsibility on the base," he told ET.

Since the integration of Wabco following its acquisition in 2020, ZF Commercial Vehicle Solutions has become the largest CV components and solutions supplier in India, and boasts of the broadest product portfolio – offering everything from truck and bus up to trailer technology to digital solutions for fleet management and autonomous driving aspects.

The CV business in India aims to regain its past peak of €400 million in 2022, India head of the company said.

ZF group employs 6,500 people in the country across its businesses that include three subsidiaries and eight global engineering centres. It has hired 300 software engineers for its CV division alone, Rehm said.

With a significant rise in global sourcing and a strong revival of the domestic commercial vehicle market, ZF's India operations are expected to continue to outpace its global growth and the country will be one of the fastest growing markets for the group in this decade.

While the group headquarters has set itself a target of achieving €10 billion turnover for the commercial vehicle business solution by 2030, India is expected to account for one-tenth of that, the company management said.

"We have a clear growth path for the next eight years," Rehm said. "We want to grow this division to €10 billion by the end of the decade and India will be a strong contributor to this by not only participating in India's growth story but also source a lot more from India amid global disruption of supplies."

He said his vision is to serve the customers with the next-generation technology with a localised solution.

To be sure, ZF currently sources merely €100 million worth of components from India out of its global kitty of €20 billion.

Given the disruption in supply chain globally, India should play a much bigger role in the future, Rehm said.

While the automotive industry is challenged as a whole by the huge investments required not only for the transformation towards electrification, automation and digitalisation, but also in modernisation of the commercial vehicle landscape in the country, experts said suppliers like ZF can play a critical role for original equipment manufacturers (OEMs) by reducing R&D costs for them and offering world-class solutions at the Indian cost.

Big Plans

Co will set up new mfg site at Oragadam on outskirts of Chennai under PLI scheme

ZF's India ops expected to continue to outpace its global growth

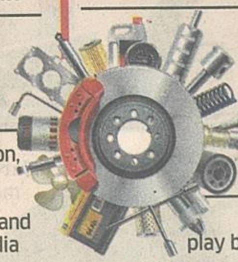
Since Wabco's integration, ZF Commercial Vehicle Solutions has become largest CV components and solutions supplier in India

Group HQ has set itself a target of achieving Euro 10 b turnover for CV biz solutions by 2030

India to account for 1/10th of that

ZF sources €100 m worth of components from India out of its global kitty of €20 b

It expects India to play bigger role in future



Business Line 22nd April 2022

TVS Motor to infuse £100 million more in UK's Norton Motorcycles

OUR BUREAU

Chennai, April 21

Leading two-wheeler maker TVS Motor Company has announced an additional investment of £100 million in Norton Motorcycles, Britain's most iconic sporting motorcycle brand that it acquired in April 2020.

"TVS Motor Company is excited to announce an investment of about £100 million in Norton Motorcycle, the iconic British brand we had acquired in 2020. Some of these investments have already been made, leading to the creation of a world-class facility and the imminent launch of a re-engineered V4 SV and 961 Commando. A world-class team led by Robert Hentschel is working to bring Norton back to its rightful place. This investment will be towards electrification, cutting edge technology, world-class vehicles, manufacturing, sustainability & the future of mobility," said Sudarshan Venu, Joint Managing Director, TVS Motor Company, in a press release.

The new investment is expected to create 250-300 direct jobs over the next three years and another 500-800 indirect jobs across the supply chain. The investments, spread over the next few years, will result in an exciting range of products for the global market.

A brand new facility has already been set up at Solar Park, Solihull, UK, which houses Norton's manufacturing capability and the company's new global design and R&D hub.

"Trade and investment between the UK and India are creating good jobs and sustaining livelihoods in both of our countries. I'm very pleased that TVS Motor Company has decided to join the legions of Indian companies investing in the UK, boosting our future mobility sector and driving economic growth," UK Prime Minister Boris Johnson said in the statement.

The Economic Times 27th April 2022

Business Line 21st April 2022

Kia Looks to Improve Profitability in FY23 as India Demand Soars

Ketan Thakkar & Sharmistha M

Mumbai: South Korean carmaker Kia aims to continue to outpace the market and will look at enhancing profitability in FY23 on the back of sustained demand for its models. The company told investors that the backorder in India is increasing despite efforts to maximise production. The total orderbook rose to 127,000 vehicles in March 2022, compared with 82,000 in Dec 2021, led by the newly launched Carens MPV.

Already Kia has secured over 60,000 bookings for the Carens MPV and it plans to sell around 60,000 units in 2022. Beyond sustained increase in domestic order, it is also witnessing strong demand in the exports market too.

The company plans to enhance capacity at plant to 4 lakh units with efficiency improvement in order to cater to the higher demand.

Announcing the launch of all new EV6, Tae-Jin Park, MD, Kia India, told ET, "I think for the next few years, we have already secured sufficient production capacity. The enhancement in capacity will happen at the existing site by the end of this year."

Park said that while production capacity of semi-conductors have improved, supplies continue to remain constrained because of limited availability of ships.

"The semi-conductor situation is a nightmare. We do not know which chip will be or not be available. Logistics is a challenge. We monitor our production plan almost on a daily basis and make adjustments," he added.

> The enhancement in capacity will happen at the existing site by the end of this year
>
> TAE-JIN PARK
> MD, Kia India

With the hope of improved supplies, the South Korean auto major is looking at growing sales in India by nearly a third in 2022.

The company produced over 2.27 lakh vehicles at its Anantapur manufacturing facility, and it contributed to 8% of global production. With the launch of the 4th product Carens for the Indian market and targeted third shift commencement, it aims to produce over 3-3.5 lakh vehicles in CY2022, including exports, this will enhance India's contribution to rise to 10%.

Of the total production of 300,000-350,000 units planned for 2022 from India, the company will be exporting about 80,000 units, as per its global presentation.

With a better operational leverage and bigger contribution from higher priced product, Kia is also confident of improving its profitability, amid severe rise in commodity cost.

Hero Electric, BOLT to set up 50,000 charging stations

PRESS TRUST OF INDIA

New Delhi, April 20

Hero Electric on Wednesday said it has partnered with BOLT, a leading electric vehicle charging network, to set up 50,000 charging stations in the country in the next one year. As part of the collaboration, BOLT chargers will be installed in more than 750 Hero Electric's touch points across India benefitting over 4.5 lakh customers. Furthermore, around 2,000 Hero Electric riders will avail free of cost BOLT charging units set up at their homes.

Strong ecosystem

"Our mission is to enable carbon-free mobility and fasten EV adoption in the country by building a strong charging ecosystem and reskilling mechanics to offer an enhanced EV riding experience. We are positive that this collaboration will broaden our efforts to reach the set objective," Hero Electric CEO Sohinder Gill said in a statement. The partnership will benefit the industry overall and allow electric two-wheeler riders easy access to charging stations pan India, he added. "With having a 'Charger on-demand', range anxiety will be history as we move towards achieving our goal of installing over 1 million charging points over the next two years," BOLT Co-founder Jyotiranjan Harichandan said.

Sohinder Gill, CEO, Hero Electric

The Economic Times 19th April 2022

AUTO COMPONENT MAKER WANTS TO PARE ITS DEBT

Varroc Looking to Sell Global Lighting Biz for up to $650m

Ashutosh R Shyam & Ketan Thakkar

Mumbai: Varroc Engineering, an auto component maker promoted by Tarang Jain, is likely to sell its global lighting business Varroc Lighting System (VLS) at an enterprise value of up to €600 million ($650 million) to a leading European component maker to pare its debt, multiple people aware of development told ET.

The company has brought on board a European investment bank based in Paris a few months ago to look for buyers for its global lighting business where it makes head lamp, rear lamps, and fog lamps, added people in the know.

"The sale exercise is currently undergoing a due diligence process with European component makers. It has annual revenue potential of more than €6 billion," said a person familiar with the development. After the deal, Varroc is likely to become debt free. VLS is the sixth largest automotive lighting maker globally, supplying parts to Ford and Jaguar Land Rover.

VLS has 12 operating facilities for passenger cars in the Czech Republic, China, India, Mexico, Morocco, Turkey, Poland, Brazil and Romania, and two facilities in two-wheelers, according to Varroc's annual report of FY21.

In a stock exchange communication after the third quarter earnings, the company said that it has received expressions of interest from certain strategic investors in the VLS business of the company.

In an email response, a Varroc Engineering spokesperson said, "We would not like to comment on any market information. Any such developments will be intimated by us to the stock exchanges."

Varroc Engineering had acquired a global lighting business based in the US for $72 million in 2012 from Visteon Corporation. The company invested close to around ₹2,000 crore on capex related to new plants and tech upgradation of old plants. However, lower capacity utilization of its plant due to lower sales of one of the large OEMs in the three years, lower production due to Covid-19 and chip shortages weighed in on the financial performance of VLS, which dented financials on a consolidated level.

Revenues of Varroc remained in the range of ₹10,378-12,036 crore in the past four years (FY18-FY21), while it posted a loss of ₹628 crore in FY21.

In the first nine month of FY22, revenue grew 18% to ₹9,109 crore, while VLS revenue grew just 6.9% year on year to ₹5,561 crore in the same period.

Business Line 28th April 2022

Bajaj Auto Q4 net profit down to ₹1,526 cr as exports take a hit

Auto major exports 60 per cent of its total volumes

OUR BUREAU

Mumbai, April 27

Bajaj Auto, India's second largest manufacturer of two-wheelers, reported a 2 per cent fall in consolidated net profit for the quarter ended March 31, 2022, weighed down by decrease in exports and disruption in supply chain yet helped by an exceptional item pertaining to incentive receivable from Maharashtra government.

The Board of Directors of Bajaj Auto has recommended a dividend of ₹140 per equity share which would amount to a total pay-out of ₹4,051 crore, the company informed.

The Pune-based maker of Pulsar motorcycles posted a consolidated net profit of ₹1,526.16 crore for the reporting quarter (Q4-FY22), as against ₹1,551.28 crore reported in the same quarter (Q4-FY21) in FY21.

The exceptional item for the reporting quarter contains ₹315.28 crore towards incentive receivable from government of Maharashtra under Package Scheme of Incentive 2007 for the period April 2015 to March 2021.

Income fell 7%

The total income of the company in Q4-FY22 fell 7 per cent to ₹8,263.70 crore as against ₹8,879.70 crore reported in Q4-FY22. This fall can be attributed to the 30 per cent slump in the company's domestic two-wheeler volume, further accentuated by the 7 per cent drop in two-wheeler exports. The Rajiv Bajaj-led company exports 60 per cent of its total volumes and is the country's largest exporter of two and three-wheelers.

PRESS REPORTS
ON
GOVERNMENT POLICY

Business Line 22nd April 2022

NITI Aayog's draft policy aims to bring standardisation to battery swapping

Industry wants standards set after road-tests

S RONENDRA SINGH

New Delhi, April 21

Even as episodes of electric vehicles (EVs) bursting into flames rock the industry, the NITI Aayog on Thursday released a draft battery-swapping policy.

In its first phase, it proposes to prioritise setting up battery-swapping networks in metropolitan cities with a population above 40-lakh (per Census 2011).

In the second phase, all major cities such as State capitals, Union Territory headquarters and those with population of over five lakh (per Census 2011) will be covered, given the importance of two- and three-wheelers in these cities, the policy paper said.

It said any individual or entity is free to set up a battery swapping station at any location, provided the specified technical, safety and performance standards are adhered to.

Battery swapping is an alternative, which involves exchanging discharged batteries with charged ones and provides the flexibility to charge them independent of the vehicle GETTY IMAGES/ISTOCKPHOTO

Alternative

Battery swapping is an alternative, which involves exchanging discharged batteries for charged ones and provides the flexibility to charge them independent of the vehicle. This de-links battery charging and usage and translates into minimum downtime. for the vehicle

"Any Central and State government agency involved in implementation of battery swapping networks may consider this prioritisation when providing additional policy support and/or subsidy allocations for battery swapping networks," the government think tank said in the draft policy.

However, according to some EV manufacturers, there should be standards and policies only after road testing them.

"We are completely aligned with the government on the need to establish standards to promote interoperability of the swapping infrastructure. However, we would request the government to form these standards and policies only after testing them on ground and not limiting the assessment to lab tests," Vivekananda Hallekere, Chief Executive Officer and Co-Founder, Bounce, told *BusinessLine*.

He said the technology around battery and its infra is fast evolving and the policies and standards should not choke innovation. "We urge the government to consider the above points before the policy and standards for battery swapping are formalised," he said. Battery swapping will help rural India more than anyone else because people there do a lot of inter-city rides. Therefore, prioritising battery-as-a-service (BaaS) there than in urban areas should have been better, he added.

The NITI Aayog had in February organised an inter-ministerial discussion to formulate a robust and comprehensive battery swapping policy framework. It also held a pre-draft discussions with a spectrum of stakeholders representing battery swapping operators, manufacturers, vehicle OEMs, financial institutions, and think tanks, and other experts.

Comments invited

The draft policy also proposes that demand side incentives offered under existing or new schemes for EV purchase be made available to EVs with swappable batteries eligible under this policy. "The size of the incentive could be determined based on the kWh rating of the battery and compatible EV," it suggested.

The NITI Aayog has invited comments on the draft policy until June 5.

EV battery explosion leaves 1 dead in Telangana

OUR BUREAU

Hyderabad, April 21

There's been yet another instance of EV battery explosion in the country, this time in Nizamabad, Telangana. One person was killed and two injured when the detached battery of an electric scooter exploded while it was being charged at the city's Subhash Nagar Colony on Tuesday night. According to the police, the deceased, Ramaswamy, aged about 80 years, was sleeping in the room in which the battery was being charged. He suffered severe burns from the explosion and succumbed en route to a hospital.

His son Prakash and daughter Kamalamma were injured when they tried to rescue him.

A case has been registered under Section 304 A against the vehicle's manufacturer, Pure EV, and investigation is on. Meanwhile, taking a stern view on fire incidents in electric two-wheelers, Road Transport and Highways Minister Nitin Gadkari on Thursday said that defaulting companies will face heavy penalties and will have to recall defective vehicles, which will be based on the findings of the expert committee formed to look into the issue.

Business Line
26th April 2022

‘Ethanol can now match petrol as fuel, technology ready’

Gadkari tells sugar mills to open pumps to supply to flex-fuel vehicles

OUR BUREAU
Pune, April 25

Ethanol can now match petrol in terms of calorific value with technology available to enhance its calorific value, said the Union Road and Transport Minister Nitin Gadkari on Monday. He even urged sugar mills in Maharashtra to produce ethanol from sugar syrup directly and set up ‘fuel pumps’ to supply the fuel to vehicles.

Gadkari said that the government with the help of Russian scientists has succeeded in equalising the calorific value of petrol and ethanol and hence the vehicles using petrol and ethanol as fuel will have an equal average (mileage).

Speaking in Solapur, Gadkari said, “This research has been conducted in Russia. These scientists were invited here and after three months of trial, I am happy to announce that with the formula given by Russian scientists the calorific value of petrol and ethanol is the same”.

Road and Transport Minister Nitin Gadkari

The heat value of a fuel is the amount of heat released during its combustion and it is referred to as energy or calorific value.

Gadkari said that one of the problems in the use of ethanol in India was its lower calorific value compared to petrol. He said that the government was working on this issue with Russian scientists. He added that the development will accelerate the use of alternative fuel.

‘Step up ethanol output’

The minister appealed to sugar mills in Maharashtra to produce maximum ethanol from sugar syrup and start petrol pumps to provide fuel for flex-fuel engines.

Gadkari reiterated that many two-wheeler companies have introduced vehicles with flex engines and in the next few months vehicles running only on alternative fuel will be running on Indian roads.

Green hydrogen

Gadkari also said that use of green hydrogen will multiply in the coming days. Gadkari said he has been using a hydrogen-powered car and it is “best than Mercedes” as it doesn’t emanate smoke and makes no noise.

Battery Swapping Policy Charges up Indian EV Industry

But some say standardisation may stifle space

Nehal.Chaliawala@timesgroup.com

Mumbai: The electric vehicle (EV) ecosystem in India welcomed the draft Battery Swapping Policy announced by the Niti Aayog, especially suggestions like having unique identification numbers (UIN) for the assets, but also cautioned that the policy will have to walk a thin line between aiding standardisation and stifling innovation.

The draft policy announced last week lays the groundwork for a battery-swapping ecosystem that, in theory, will make recharging EVs as simple as refuelling conventional vehicles. It provides guidance on areas like interoperability of batteries, traceability and data sharing, business models, fiscal support, grievance redressal, battery reuse, and recycling and implementation of battery-swapping stations.

The policy will enable easier collaboration between battery manufacturers, automakers, service providers and financers, experts said. “Guidelines on battery data sharing will provide more room for safety and performance improvement of advanced cell chemistry,” said Sohinder Gill, the director-general of EV industry lobby Society of Manufacturers of Electric Vehicles (SMEV).

The policy also indicated that the GST on batteries could be reduced from the present 18% and brought closer to the 5% rate levied on EVs. This will be a “shot in the arm” of the battery ecosystem, Gill said.

Setting Rules

Battery Swapping Policy outlines an open communication protocol and standardisation to ensure interoperability as well as testing standards

UIN is an extremely intelligent idea to drive consistency, reliability, accountability

Akshay Singhal, CEO, Log9 Materials

Akshay Singhal, the chief executive of cell maker Log9 Materials said that the draft policy was a “pretty rounded document” which touched all the key aspects of the battery-as-a-service model.

The policy indicated that the GST on batteries could be brought closer to the 5% rate levied on EVs

Vivekananda Hallekere, CEO of Bounce, said that the technology around batteries was fast evolving and the policies and standards should not stifle innovation.

FOR FULL REPORT, GO TO www.economictimes.com

The Economic Times 25th April 2022

The Economic Times 21st April 2022

PLI Scheme draws Investment of ₹2.34 Lakh Cr in 14 Sectors

Scheme expected to enhance production by ₹28.15 lakh cr, create 6.45 m jobs over 5 yrs

Yogima.Sharma
@timesgroup.com

For Make in India

Scheme **offers cash incentive** for 3-5 years on incremental sale of locally-made goods

Aims to enhance India's manufacturing capabilities and exports

INCENTIVES LINED UP

Govt to offer **incentives worth ₹1.97 lakh cr**

Scheme operational since 2021-22; will run for five years

BIG-TICKET INVESTMENT COMMITMENTS

Auto & Auto Components	Solar & Renewable Energy	Advanced Chemistry Cells	Specialty Steel	Textiles & Apparels	Mobile & Electronic	Food Processing
₹45,000 cr	₹30,000 cr	₹45,000 cr	₹39,625 cr	₹19,000 cr	₹11.573 cr	₹8,212 cr

New Delhi: India's production-linked incentive (PLI) scheme to encourage domestic manufacturing has generated investment commitments of ₹2.34 lakh crore across 14 sectors, according to data collated from various ministries.

Automobile and auto components, advanced chemistry cell batteries, specialty steel and high-efficiency solar panels have attracted the maximum interest.

The government expects the scheme to generate additional output worth Rs 28.15 lakh crore and 6.45 million new jobs over the next five years. There has been a tremendous response across all the sectors for which the scheme has been implemented, said a senior government official. Total outlay for the scheme across the 14 sectors is Rs 1.97 lakh crore. The programme, launched two years ago, offers a cash incentive for three to five years on the incremental sale of goods made in India over the determined base-year sales. Additionally, the identified beneficiaries are required to commit to a certain minimum investment in India.

"The PLI scheme is an initiative that has the potential to significantly enhance the scale of manufacturing in India—it has started off quite well," said Pawan Goenka, chairman of SCALE Committee and former managing director of Mahindra & Mahindra.

"Going forward, we will need to have flexibility to make changes, wherever necessary, in terms of adapting to emerging requirements," Goenka said.

The Steering Committee for Advancing Local Value-Add and Exports (SCALE) has been formed by the ministry of commerce and industry and works with the Department for Promotion of Industry and Internal Trade.

Business Line 28th April 2022

Labour Codes rules soon: Minister

'Almost all States have framed the rules and 5 or 6 have partially drafted the rules'

OUR BUREAU
New Delhi, April 27

Union Labour Minister Bhupender Yadav told reporters here on Wednesday that the Centre is taking all efforts to help the States to frame rules for the four Labour Codes. He said almost all States have framed the rules and five or six States have partially drafted the rules. "We believe in cooperative federalism. Labour is in the concurrent list of the Constitution. We are holding talks with those States who are yet to complete the procedure," Yadav said.

When asked when will the Centre frame the rules of all four codes, he said the process will start as soon as all States frame their rules. He countered the Opposition trade unions' allegation that the Centre is framing rules in a piecemeal manner. "It is not true. We will frame comprehensive rules soon," he said and added that the codes will be implemented soon.

Credibility of surveys

The Minister questioned the inference of the Centre for Monitoring Indian Economy on their surveys on labour force participation. He said such surveys are not credible and the Centre is conducting periodic labour force surveys, which provide a correct analysis of the ground situation. "We will continuously work to collect data on various aspects of employment for evidence-based policy making," he said.

Labour Minister Bhupender Yadav

MISCELLANEOUS

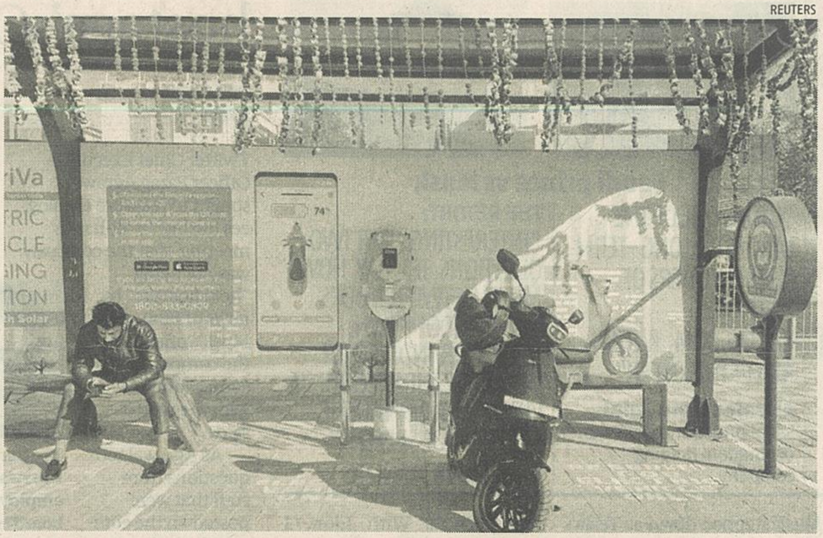
Business Standard 16th April 2022

EV adoption disparate, hastens slowly

The government's efforts to push electric vehicles is yielding results only in some segments & states

ISHAAN GERA
New Delhi, 15 April

REUTERS



The introduction of new brands and government efforts to push for electric vehicles (EVs) seems to be yielding results but only in some segments of the automobile industry and in some states. A *Business Standard* analysis of data from the Vahan portal found that registrations of electric two-wheelers (E2Ws) accounted for nearly two per cent of total two-wheeler sales in the passenger segment in the last fiscal. Of the 12 million two-wheelers sold in 2021-22, 228,669 were electric two-wheelers.

Overall, though two-wheeler sales were muted last fiscal year, growing only 3.8 per cent over 2020-21, sales of E2Ws grew 480.8 per cent, though this growth was on a much smaller base.

The increase in car sales was less impressive. Electric car sales only accounted for 0.5 per cent of the total private cars sold and increased by 266.6 per cent compared to last year.

In the commercial segment, though, the performance was much better. In the light passenger vehicle category, 1.4 per cent of sales were for EVs. In 2020-21, the electric cars' share was 0.8 per cent.

In the heavy passenger vehicle segment (trailers and buses), one in ten vehicles sold last fiscal were electric. In contrast, one in three two-wheelers registered in the commercial segment were electric.

In Delhi, a sixth of the heavy passenger vehicles sold in 2021-22 were in the electric category. The Delhi government had in its 2020 policy laid down a target of having 25 per cent of new vehicle registrations in the electric category.

A state-wise analysis of data shows that four states accounted for most sales. Maharashtra alone accounted for 38 per cent of the total sales in the private car segment. The share of Delhi was a little over 10 per cent, whereas Kerala accounted for 13 per cent of total sales. Between 2017-18 and 2021-22, the registrations for electric cars in Kerala increased 48 times, whereas electric vehicle registrations in the country increased 17 times during this period. Tamil Nadu registered a 168-times increase, whereas Rajasthan and Maharashtra recorded increases of 76 and 50 times respectively.

Karnataka, which had the highest electric registrations in 2017-18, even higher than Maharashtra, had slipped to the fourth position. Karnataka's electric four-wheeler registrations increased six times between 2017-18 and 2021-22.

In the non-transport two-wheeler segment, Maharashtra, Karnataka and Tamil Nadu accounted for 50 per cent of electric two-wheeler registrations. Maharashtra's two-wheeler registrations jumped 108 times between 2017-18 and 2021-22, lower than the 122-times rise in the country's electric two-wheeler sales.

While Uttar Pradesh accounted for 22.4 per cent of electric two-wheeler sales in 2017-18, its share had reduced to just 4.4 per cent in 2021-22. The share of Haryana had come down from 14.3 per cent to 2.5 per cent.

The message is clear: State governments need to focus on building charging infrastructure to realise the goal of transitioning a large proportion of their sales to EVs.

ELECTRIC TWO-WHEELER SALES HAVE RISEN 480% IN A YEAR

	2017-18	2018-19	2019-20	2020-21	2021-22
Heavy passenger vehicle	26	53	362	217	1,066
Light motor vehicle	975	811	925	4,607	16,890
Two-wheeler (NT)	1,882	24,214	23,251	39,372	228,669

Source: VAHAN Dashboard

THEIR SHARE IN TOTAL SALES HAS ALSO RISEN

(Share of electric vehicles in total sales, %)

	2019-20	2020-21	2021-22
Heavy passenger vehicle	1.1	5.0	13.5
Light motor vehicle	0.0	0.2	0.5
Light passenger vehicle	0.6	0.8	1.4
Medium passenger vehicle	0.4	4.4	2.6
Two-wheeler (NT)	0.1	0.3	1.9
Two-wheeler (T)	6.6	36.0	34.2

Source: VAHAN Dashboard

MAHARASHTRA ACCOUNTS FOR NEARLY 40% OF PRIVATE ELECTRIC CAR SALES

(% share in total national sales)

	2017-18	2021-22
Maharashtra	13.2	37.9
Kerala	4.7	13.1
Delhi	15.4	10.1
Karnataka	31.4	10.0
Gujarat	3.4	7.2
Tamil Nadu	0.7	7.0
Rajasthan	1.0	4.5
West Bengal	2.3	2.4
Goa	1.7	2.0
Uttarakhand	0.0	1.0

IT HAS THE HIGHEST SHARE IN ELECTRIC TWO-WHEELER SALES AS WELL

(% share in total national sales)

	2017-18	2021-22
Maharashtra	20.5	18.3
Karnataka	4.9	16.9
Tamil Nadu	2.4	15.6
Rajasthan	3.7	8.4
Gujarat	2.4	7.3
Delhi	4.8	6.2
Kerala	0.4	5.0
Uttar Pradesh	22.4	4.4
Odisha	11.3	4.1
Haryana	14.3	2.5

Source: VAHAN Dashboard

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Boris Johnson inaugurates JCB's £100-million factory at Vadodara

The plant will be company's 6th in India, to provide jobs for 1,200 people

G BALACHANDAR

Vadodara (Gujarat), April 21

Leading manufacturer earth-moving and construction equipment maker JCB India, a fully-owned subsidiary of UK-based J C Bamford Excavators, will consolidate its manufacturing and fabrication of parts meant for its global factories at its new £100-million factory near Vadodara in Gujarat.

The new factory, which was inaugurated by Gujarat Chief Minister Bhupendra Patel and British Prime Minister Boris Johnson on Thursday in presence of the Chairman of J C Bamford Excavators, Lord Bamford, will be JCB's 6th factory in India and will generate jobs for 1,200 people directly and thousands more through its supply chain units. About 50 per cent of the staff will be women.

Production capacity

With the Gujarat factory, the total investment made by JCB in India is estimated at more than £1 billion. Also, one in two of every construction machines sold in India today is made by JCB. The company has a total production capacity of about 50,000 machines a year.

UK PM Boris Johnson at the JCB factory in Vadodara in Gujarat AFP

"This new factory is meant for exports. We make components in all other Indian factories such as Jaipur, Pune and Ballabgarh for some global requirements. Those plants will stop making the export components and this new factory will make all of those. We made this decision as there is a proximity to Surat Port, which is modern and about 3 hours from our factory," Lord Bamford told a select group of journalists here.

India is also an export hub for complete machines of JCB and this year the total exports are expected at more than 14,000 machines. "This will go to many parts of the world, including the US and UK," he said.

The Vadodara factory, which has come up on a 47-acre site, is expected to start full production in October. It will be capable of processing 85,000 tonnes of steel annually.

Bamford indicated that the growth outlook for the company is positive given the immense focus on infrastructure development.

Growing demand

JCB's factories are now running at 65-75 per cent capacity as Deepak Shetty, CEO & Managing Director, JCB India, said the company would always invest ahead of demand.

This correspondent was at Vadodara at the invitation of the company