ACMA
(Western Region)

# Press Reports on Automotive Industry 2021-22

**Automotive Component Manufacturers Association of India**

**(Western Region)**

**Mumbai**

# Thank You

Here ‘s thanking everyone associated with us as we Goodbye to the current Financial year 2021-2022 and lets all welcome the New Financial Year 2022-2023 with lots of new hopes, new opportunity and new possibilities

ACMA
(Western Region)
**AUTOMOTIVE COMPONENT MANUFACTURERS ASSOCIATION OF INDIA**
80, Dr. Annie Besant Road, Worli, Mumbai 400 018
Phone: (022) 24933507, 24980502, 24975877 Fax: (022) 24936527
E-mail: acmawr@acma.in

# PRESS REPORTS ON AUTOMOTIVE INDUSTRY

## *CONTENTS*

## COMPANY NEWS contd…… Page No.



## RAW MATERIAL



## GOVERMENT POLICY



## MISCELLANEOUS



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# PRESS REPORTS
# ON
# AUTOMOTIVE INDUSTRY

Business Line 13th March 2022

## Capex cycle in auto components sector has begun: ACMA President

### Companies investing in expansion, new-age technologies, says Sunjay Kapur

**S RONENDRA SINGH**
New Delhi, March 16

The pace of growth in the auto components industry is steadily returning to pre-Covid levels. Companies have begun to invest in expansion and development of new-age technologies for autonomous driving and electric mobility.

**PLI scheme**

"The capex cycle has begun and investments are coming in. If you see the production linked incentive (PLI) scheme alone, the minimum investment of each company is around ₹250 crore in the next five years, and if you calculate for 75 companies (who were selected) in auto component space, you are looking at atleast ₹19,000-crore investment coming over the next five years," Sunjay J Kapur, President, Automotive Component Manufacturers Association of India (ACMA), told *BusinessLine*.

Kapur, who is also the Chairman of Sona Comstar, said the industry will leverage the scheme by meeting the criteria in terms of investment as well as output and growth and developing future technologies.

Sunjay J Kapur, President, ACMA

"Given the disruption that's happening in the industry, we are constantly making investment in terms of technologies...the industry is moving from a pure-play automotive industry to mobility industry where we are seeing a lot of disruptions happening like CASE - Connectivity, Autonomous, Shared and Electric," he said.

As more smart cars come with connectivity and telematics solutions, they will provide component players more opportunity to expand their businesses, he said.

**Chip crunch**

On semiconductor chip shortage, Kapur said it's a challenge for everyone now and will continue for at least the next few quarters.

He said the demand is strong, but there is a supply side challenge that comes with semiconductor shortage, raw material price increase, containers shortages or logistics cost increase.

"It is definitely going to be a challenge when it comes to supply side, but the good thing is demand exists. So, if everything goes well and we meet the numbers, we will see growth," Kapur said when asked if ACMA projects growth similar to the first half of the current fiscal year.

The turnover of the automotive component industry stood at ₹1.96 lakh crore in the first half of the fiscal, a 65 per cent growth over the first half of the previous year.

The government, on Tuesday, selected 75 companies under the PLI scheme for automobile and component industry. The scheme is for five years, commencing in 2022-23 and has an outlay of ₹25,938 crore.

Business Standard 24th March 2022

## No bar on Maruti to make EVs: Bhargava

### Says fears over Suzuki's MoU with Gujarat unfounded

**SURAJEET DAS GUPTA**
New Delhi, 23 March

Maruti Suzuki India (MSIL) Chairman R C Bhargava on Wednesday made it clear that the announcement by Suzuki Motor Corporation (SMC) on Sunday about investing 150 billion yen (or ₹10,445 crore) by 2026 for indigenous manufacturing of battery electric vehicles (BEV) and BEV batteries in Gujarat does not restrict the listed MSIL from making electric vehicles (EVs).

He said the fears stoked by proxy advisors that the move might not be beneficial to shareholders or that the company could become simply a distributor of products of Suzuki Motor Gujarat (SMG) — a wholly owned subsidiary of SMC — are 'unfounded'.

"There is no bar on MSIL to manufacture EVs. The demand for EVs is currently low and not enough for installing two plants right now. Back in 2014, proxy advisors had said a 100 per cent Suzuki subsidiary would be detrimental to MSIL shareholders. That was unfounded. The performance and growth profitability of MSIL in all these years are for all to see," said Bhargava.

Proxy advisor Institutional Investor Advisory Services has raised some key issues in its report about the memorandum of understanding signed by SMC on March 20 under which it will make a total investment of ₹10,445 crore.

6 ▸

"BACK IN 2014, PROXY ADVISORS HAD SAID A 100% SUZUKI SUBSIDIARY WOULD BE DETRIMENTAL TO MSIL SHAREHOLDERS. THAT WAS UNFOUNDED"
**R C BHARGAVA**, chairman, MSIL

The Economic Times 25th March 2022

# Maruti Suzuki Board Okays Appointment of New Chief

## Takeuchi to succeed Ayukawa as MD & CEO from Apr 1

Our Bureau

**New Delhi:** India's largest car maker Maruti Suzuki Thursday said the company's board has approved the appointment of Hisashi Takeuchi as managing director and chief executive officer for a period of three years with effect from April 1.

Takeuchi will succeed Kenichi Ayukawa — a whole-time director — who will be designated as executive vice-chairman for a period of six months with effect from April 1. Ayukawa joined as MD of Maruti in 2013.

Ayukawa headed the company at a difficult juncture in the carmaker's history, when a senior executive was killed during industrial action at its Manesar facility. Repeated labour unrests and production disruption at the unit had, at the time, dented the company's market share that was at 39.4% as of March, 2013.

With Ayukawa at the helm, Maruti Suzuki redirected its product strategy, plugged gaps in its portfolio and made successful launches in new segments with the Baleno, Brezza, Ciaz and S-Cross. The company took an unprecedented step and launched a new retail channel NEXA for premium buyers.

Ayukawa is credited with having steered Maruti Suzuki from just a small car specialist, helping build the brand's presence in the more premium end of the local market.

To be sure, Maruti Suzuki has lost market share last year on account of disruptions in production due to the global shortage of semi-conductors. However, its order book stands strong at around 270,000 units.

Takeuchi is a graduate from the Faculty of Economics, Yokohama National University, Japan. Takeuchi joined Suzuki Motor Corporation (SMC) in 1986 and started his professional journey with the overseas marketing department, Europe Group of SMC.

Prior to his appointment as joint managing director (commercial) in Maruti Suzuki India in April 2021, he was working as managing officer, executive general manager- Asia automobile marketing/India automobile department at SMC.

Business Line 23rd March 2022

An attendee checks out a SkyDrive flying car during CES 2022 in Las Vegas REUTERS FILE PHOTO

# Suzuki MotorCorp, SkyDrive sign agreement to develop 'flying cars'

REUTERS

Tokyo, March 22

Japanese automaker Suzuki MotorCorp and flying car firm SkyDrive said on Tuesday they have signed a deal to team up in research, development and marketing of electric, vertical take-off and landing aircraft.

In a joint statement, the two companies said they will also work to open up new markets with an initial focus on India, where Suzuki has a roughly half share of the auto market.

Suzuki announced on Sunday it plans to invest $1.37 billion in its India factory to produce electric vehicles and batteries.

### Details of investment

The companies didn't disclose details of investments in their partnership, nor outline any production timetable or target.

Founded in 2018, Tokyo-headquartered SkyDrive counts big Japan businesses such as trading house Itochu Corp, techfirm NEC Corp and a unit of energy company EneosHoldings, among its main shareholders. In 2020 it raised ¥5.1 billion ($42 million) in total in Series B funds, according to its website.

SkyDrive is currently engaged in the development of a compact, two-seating electric-powered flying car with plans for full-scale production. The statement did not say whether Suzuki would be working on this specific vehicle.

The company, which is also developing cargo drones, aims to launch a flying car service in Osaka in 2025 when the Japanese city hosts the World Expo.

The Economic Times 17th March 2022

# Compact SUVs to Beat Premium Small Cars, Top Charts in FY22

## Share of small SUVs in total sales in 11 months of fiscal rises to 22% vs 19% for hatches

Ketan.Thakkar@timesgroup.com

**Mumbai:** Sport utility vehicles have become the core of the Indian passenger vehicle market, dethroning hatchbacks, the long-standing leaders.

Compact SUVs are set to overtake premium small cars to become the top-selling segment in the Indian passenger vehicle market this fiscal year ending March 31. More than one in every two passenger vehicles sold in the country now is a utility vehicle, driven by the strong demand for SUVs.

The introduction of new SUV models costing under ₹10 lakh over the last few years, availability of finance and supply chain disruptions that impacted the production of hatchbacks more, meant higher-priced SUVs marched ahead of small cars in FY22.

According to data sourced from industry players, close to 600,000 entry-level SUVs — like the Maruti Suzuki Brezza, Tata's Punch and Nexon, Renault Kiger and Hyundai Venue — were sold in the first 11 months of FY22, making up for 22% of India's passenger vehicle market. Sales of premium hatchbacks totalled about 540,000 units, or 19% of the market.

**In Motion**

**5.4 lakh** Premium hatchbacks sold in 11 months of FY22

**19%** Hatches share of the overall sales

SUVs have also added to bottomline of cos

**Why SUVs?**

- High ground clearance
- Upright driving stance
- Price points of entry SUVs overlap with the premium hatches & compact sedans

**Total Industry Vs SUV Share**

| | |
|---|---|
| 2016 | 18% |
| 2017 | 22% |
| 2018 | 23% |
| 2019 | 26% |
| 2020 | 29% |
| 2021 | 38% |

Shashank Srivastava, Maruti Suzuki's senior executive director (sales and marketing), cited three key reasons for the faster growth of the entry-level SUV segment: an increasing preference among consumers for the SUV design, the upright driving stance and high ground clearance that make them more suitable to drive in Indian conditions, and price points that overlap to a large extent with the premium hatches and compact sedans. "This segment has seen a slew of new launches which have further galvanised consumer interest," he said.

Maruti Suzuki's Brezza is the top-selling model in the compact SUV category, Srivastava said.

SUVs account for more than half the sales at Hyundai Motor India and Tata Motors, while Mahindra & Mahindra, Jeep, Kia, MG Motor and Nissan have a pure SUV portfolio. Over three dozen new SUVs have hit the Indian roads in the last three-four years. The share of entry-level SUVs in the overall SUV market is 60%.

For Shailesh Chandra, MD of Tata Motors Passenger Vehicle division, a key reason for the segment's growth was new model launches, especially at the affordable end of the SUV market. "The number of new models in the compact SUV segment has more than doubled to about 14, however the product action in the hatchback space has been very limited. The launches of entry SUVs have ensured more options in the sub-₹10 lakh range and it has eaten into the hatchback space as well as sedans," Chandra said.



Business Standard 23rd March 2022

# Supply chain uncertainty hits auto parts makers

## Auto firms too struggling with frequent changes to production schedule

SHALLY SETH MOHILE
Mumbai, 22 March

Amid supply chain disruption and skyrocketing commodity prices that have been worsened by the Russian invasion of Ukraine, automotive (auto) component makers are staring at a dilemma they haven't faced in some years. Most have seen the inventory of raw materials and finished goods increase.

Here is why: passenger vehicle makers are no longer able to adhere to the production schedules, owing to the shortage of critical parts like semiconductors and raw materials.

On the other hand, two-wheeler, tractor, and commercial vehicle makers haven't been able to give accurate projections on production volumes, owing to the frequent swings in demand.

Consequently, suppliers are left guesstimating the quantum they need to produce and are tied down with inventory of raw material and finished goods.

"The production schedules are dynamic — they are changing every week," said Jayant Davar, co-chairman and managing director, Sandhar Technologies.

Most auto companies follow the just-in-time model of supplies. However, the current situation warrants suppliers to keep stock due to price volatility and supply crunch. This, in turn, has taken the efficacy off the just-in-time model and been singing the margins of auto component firms, said suppliers.

Turn to Page 6

**A BUMPY RIDE**

- **Two-wheeler, tractor and commercial vehicle makers** haven't been able to give accurate projections of production volumes owing to demand swings
- **PV manufacturers, facing shortages of critical parts like semiconductors,** have failed to stick to production schedules
- **Inventory of finished goods and raw materials** piling up at auto component firms
- **India Ratings has revised its outlook** for the auto ancillary sector to neutral for FY23 from improving

Business Line 16th March 2022

# Auto PLI scheme: 75 firms offer to invest ₹74,850 cr over 5 years

## Will help India leapfrog from fossil fuel-based system to EV ecosystem

**OUR BUREAU**

New Delhi, March 15

The government on Tuesday selected 75 companies under the production-linked incentive (PLI) scheme for automobile and component industry including Maruti Suzuki India, Hero MotoCorp, Bharat Forge, Bosch Automotive, Asahi India, Cummins Technologies, Delphi-TVS Technologies, Toyota Kirloskar Auto Parts and Wabco India.

The PLI scheme for automobile and auto component industry, for five years, commencing fiscal year 2022-23, has an outlay of ₹25,938 crore.

The scheme has been successful in attracting investment proposals of ₹74,850 crore against the target of ₹42,500 crore over five years. While an investment of ₹45,016 crore is from approved applicants under the 'Champion Original Equipment Manufacturers (OEM) incentive scheme, ₹29,834 crore is from approved applicants under Component Champion Incentive Scheme.

### Other auto PLI plans

This PLI scheme for automotive sector, along with the already launched PLI schemes for Advanced Chemistry Cell (₹18,100 crore) and Faster Adaption of Manufacturing of Electric Vehicles (₹10,000 crore) will enable India to leapfrog from traditional fossil fuel-based automobile transportation system to efficient electric vehicles-based system.

A total of 115 companies had applied for the PLI scheme

A total of 115 companies had applied for the PLI scheme for automobile and auto component industry, which was notified on September 23, 2021. Of these, five OEMs had applied for both the parts of the scheme. The scheme was open for receiving applications till January 9. The incentives are applicable under the scheme for determined sales of advanced automotive technology (AAT) products manufactured in India from April 1, 2022 for five consecutive years, the Ministry of Heavy Industries said in the statement.

"The overwhelming response shows that the industry has reposed its faith in India's stellar progress as a world-class manufacturing destination... India will surely take a huge leap towards cleaner, sustainable, advanced and efficient electric vehicles-based system," Mahendra Nath Pandey, Minister of Heavy Industries, said.

### Domestic manufacturing

The PLI scheme for automobile and auto component industry proposes financial incentives to boost domestic manufacture of AAT products and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of AAT products, the Ministry said.

### ACMA welcomes scheme

The Automotive Component Manufacturers Association of India (ACMA) said the PLI scheme will not just help the component manufacturers become globally competitive but also provide a much-needed momentum to the 'Make in India' initiative.

"Today's announcement ... and a slew of recent policy measures including the extension of FAME-2 scheme, the PLI for ACC battery, the initiative on battery swapping and energy as a service will create a new paradigm of technological excellence in the automotive supply chain in India to make it globally competitive," said Sunjay J Kapur, President ACMA.

Business Line 31st March 2022

# PLI: Sundram Fasteners to invest ₹350 crore in advanced auto parts

## Industrial supplier proposes total capex of ₹2,000 crore over next five years

OUR BUREAU
Chennai, March 30

Leading auto component player Sundram Fasteners said it will invest more than ₹350 crore under the Central government's production-linked incentive (PLI) scheme for the development and production of advanced automotive parts.

"We are setting aside around ₹350 crore for the manufacture of advanced automotive technology components for the next five years," Arathi Krishna, Managing Director of the company, said in a statement.

The company has proposed a capital expenditure of about ₹2,000 crore over the next five years. Of this, more than ₹350 crore is projected for manufacturing advanced automotive technology (AAT) components such as powertrain sub-assemblies for electric vehicles and select internal combustion engine vehicles, according to a company statement. Sundram Fasteners has secured orders from global OEMs for the supply of these components under their EV programmes.

### Increasing localisation

The Ministry of Heavy Industries has approved the company's investment proposal under the Component Champion Incentive Scheme of the PLI scheme, which aims at building a robust supply chain for AAT components.

Arathi Krishna, Managing Director, Sundram Fasteners

The eligibility criteria require a minimum investment of ₹250 crore over five years, with at least ₹100 crore in the initial two years.

The PLI scheme will benefit the sector by increasing localisation and making India an export hub in the global auto supply chain, said Krishna.

### Supplier recognition

Meanwhile, the company's powertrain components division has been recognised as Supplier of the Year by General Motors (GM) in the 30th year of the awards. This is the ninth time the Chennai-headquartered company has bagged the coveted recognition.

GM has honoured 134 of its suppliers in 16 countries with the 'supplier of the year' distinction in 2021.

"This recognition is a validation of our commitment to quality, safety, innovation, sustainability and excellence. The fact that we have received this award for the ninth time demonstrates our ability to exceed customer expectations consistently," said Krishna.

Sundram Fasteners, which supplies key products such as transmission shafts and radiator caps, has been a GM vendor for over 25 years.

Business Line 29th March 2022

GOVT PROCUREMENT

# Industry worried as India opens doors to UAE firms; fears demands from other nations

AMITI SEN
New Delhi, March 28

After refusing to accept binding commitments to open up government procurement in its free trade negotiations so far, India finally seems to have bitten the bullet. In the recently-concluded India-UAE Comprehensive Economic Partnership Agreement (CEPA), the government has agreed to extend "national treatment" to UAE firms albeit with a number of safeguards and exceptions.

The domestic industry is apprehensive that allowing UAE firms in the area of government procurement could hit them and also encourage other FTA partners such as the EU, Japan, Australia and the UK to seek similar access. But sources tracking the development maintain that with safeguards in place and several exclusions, domestic interest will be protected. "India had so far insulated government procurement, estimated at over one-fifth of the country's GDP, from commitments under free trade pacts. But the opening up has been calibrated with the inclusion of only Central government procurement and exclusion of a number of broad sectors such as infrastructure projects, construction projects, healthcare procurement and purchases under agriculture support programmes," a source told *BusinessLine*.

### Industry apprehensive

Industry players are, however, still apprehensive. "The threshold level for entry of UAE businesses is high but the kind of competition that could come from entities operating in the free trade zones could be huge," a representative of an MSME said.

The India-UAE CEPA, likely to come into force from May, will open up preferential market access for India on over 97 per cent of UAE's tariff lines that account for 99 per cent of India's exports to the country. India will offer preferential access to the UAE on over 90 per cent of its tariff lines.

The inclusion of government procurement in the India-UAE CEPA could immediately lead to countries like Japan asking for similar market access. "There is a provision in the India-Japan CEPA that if India opened up more to other countries in future free trade pacts, it will have to open up for Japan, too, subject to negotiations," said Ranja Sengupta from Third World Network.

### Other countries may enter

At present, India does allow foreign companies to participate in government procurement contracts, but it does so on its own terms, pointed out Biswajit Dhar, Professor, JNU. "The flexibility the WTO gives us regarding providing favourable treatment to domestic players in government procurement will be gone once we start taking on bilateral commitments in the area. Although in the India-UAE CEPA, the government has tried to build in protection by stating that it can retain its flexibility to favour domestic companies by passing specific orders, once other countries too start making demands in the area, the going may become more difficult for India," Dhar said.

Business Standard 21st March 2022

# Rising steel input costs to weigh on auto contracts

## Steel prices saw steep correction in December, but are now back at record levels

**ISHITA AYAN DUTT**
Kolkata, 20 March

Steel companies are weighing options for factoring in spiralling raw material costs as they begin discussions with auto companies for contracts starting April.

Typically, a six-month average of steel prices is used as a benchmark for negotiations. But in addition to steel prices, the spike in raw material prices caused by the Russia-Ukraine war is likely to add to the backdrop for discussions with automakers as costs have run ahead of price hikes.

"Our teams are in discussion with automotive companies and have apprised them of the situation in the market. Discussions for the next contracts have been initiated," said JSW Steel Director (commercial & marketing) Jayant Acharya.

"Various materials are impacting the cost, such as ferroalloys, refractories, some metals and consumables that are used for certain steels for automotives. The surge is across all raw materials and not just limited to iron ore and coking coal," Acharya pointed out.

Ranjan Dhar, chief marketing officer at ArcelorMittal Nippon Steel India (AM/NS India) said discussions with auto firms over contracts for the coming months have not been held as yet.

He, however, said that in the backdrop of supply chain disruptions due to the Russia-Ukraine crisis, the current volatile market conditions are exerting knock-on effects on the industry, as input costs have skyrocketed between February-end and March.

"We need to factor this in for the April (onwards) contracts," Dhar said.

The current contracts with auto companies are from October to March and the new contracts will start from April for a six-month period.

Over the past six months, steel prices peaked in November but saw a steep correction in December. The prices are now back at record levels. Beginning March, companies increased prices by around ₹6,000 a tonne for monthly contracts. For the trade segment, they were higher, said a source. But cost increases are currently higher than price increases.

### THE BACKDROP

- Russia-Ukraine fuelling cost increase for steel — from ferroalloys, refractories, and consumables to metals
- Steel companies increased prices beginning March by around ₹6,000 a tonne for monthly contracts and they were higher for the trade segment
- Auto contracts for steel are six-monthly; steel companies looking to mitigate cost impact for contracts starting April as current costs ahead of price hikes
- Flat steel is used in a car's body, non-exposed car chassis and safety components; longs are used in engines, transmission and steering, and seating wire applications
- According to steel industry sources, steel accounts for about 8-9 per cent of the sale price of a car

"The current steel prices have not captured the steep jump in raw materials prices. We can look at a surcharge for raw material and energy costs, which can be discontinued once the situation returns to normalcy. However, this needs to be discussed with the OEMs," Dhar said.

Raw material prices had been increasing for a while. But the current rally is fuelled by the ongoing war. Russia and Ukraine are major suppliers of steel and raw materials, including coal, iron ore, and metallics, to the world and supply gaps are driving prices.

The idea, Acharya said, is to see how the cost can be mitigated between the steel and automotive industries.

Negotiations for auto contracts are generally protracted. For H2, contracts got settled over November and December with the increase in flats (hot rolled/cold-rolled) at ₹9,500-10,000 a tonne and longs ₹4,600-4,700 a tonne.

A steel industry source, however, said that the current spot prices were trailing contract prices by ₹10,000-12,000 a tonne.

A secondary steel producer said that while negotiations for the contracts were on, input cost was becoming a challenge for all customers.

The 10-million tonne automotive steel demand in India is met by companies like Tata Steel, JSW Steel, AM/NS India, and some secondary and long product producers.

Flat steel is used in a car's body, non-exposed car chassis and safety components; longs are used in engines, transmission and steering, and seating wire applications.

According to steel industry sources, steel accounts for about 8-9 per cent of the sale price of a car.

# PRESS REPORTS
# ON
# PASSENGER CARS

Business Line 16th March 2022

## Toyota's new Glanza costs ₹6.39 lakh

### Entry price slashed by ₹1.3 lakh

SWARAJ BAGGONKAR

Mumbai, March 15

The new Toyota Glanza has debuted for the Japanese car brand in India with prices starting at ₹6.39 lakh (ex-showroom), which is more than ₹1.3 lakh less than the outgoing model. The reduction was due to the introduction of a new entry variant that has brought the car's price down and closer to the Maruti Suzuki Baleno's entry variant.


Glanza with Toyota Kirloskar senior management TOYOTA KIRLOSKAR

**Baleno derivative**

The Glanza launch comes a few days after Maruti Suzuki introduced the refurbished Baleno priced at ₹6.35 lakh. The Glanza is essentially a derivative of the Baleno and is made by Suzuki Motor Gujarat before it is shipped to Toyota Kirloskar to be sold through its showrooms.

The new Glanza is offered with a 1.2 litre petrol engine generating peak power of 89hp, same as the Baleno. The Glanza comes in four trims in manual and automatic manual transmission (AMT) versions. The entry AMT variant of the car is priced at ₹7.79 lakh. The top manual variant is priced at ₹9.19 lakh while the top AMT variant is priced at ₹9.69 lakh.

**First upgrade**

The older version of the Glanza had a continuously variable transmission (CVT) which is considered to be a better but more expensive form of automatic transmission unit than AMT. Toyota opened bookings of the Glanza last week and promises to start delivery of the car next week. This is the first upgrade that Glanza has received since its debut in 2019.

**Features**

The Glanza gets a head-up display, a 360-degree camera, and an infotainment system that can be controlled through an Apple or Android smartphone. The top two variants get six airbags. Antilock braking with electronic brake-force distribution, vehicle stability control, ISOfix, and hill hold control are also offered on the Glanza. Tilt and telescopic steering, steering-mounted audio control with push start, footwell and courtesy lamps, 9-inch new smart playcast, automatic inside rearview mirror, cruise control, rear AC vents, UV protected glass, rear USB, and automatic AC are some of the features offered on the Glanza.

Business Line 31st March 2022

## Renault India rolls out Kiger MY22 at ₹5.84 lakh

### Bookings for the compact SUV to start today

OUR BUREAU

Chennai, March 30

French carmaker Renault introduced its new Kiger MY22, with advanced features, at a starting price of ₹5.84 lakh.

The bookings for the new compact SUV Kiger MY22 range will start on Thursday.


**Good air quality**

Available in two engine options — 1.0L energy engine in MT & EASY-R AMT transmissions and 1.0L Turbo in MT & X-TRONIC CVT transmissions — the Kiger MY22 will offer PM2.5 advanced atmospheric filter as a standard feature across the range, ensuring good air quality inside the cabin, according to a statement. The interiors have been enhanced with features like cruise control and wireless smartphone charger along with a new colour option —metal mustard with mystery black roof in Dual Tone.

The Kiger MY22 Turbo range will feature tailgate chrome insert, front skid plate and turbo door decals along with 40.64 cm diamond cut alloy wheels with red wheel caps, making the exteriors more sporty.

**Safety rating**

The Renault Kiger has been awarded with the 4-Star safety rating for adult occupant safety by Global NCAP, the foremost global car assessment programme. For driver and front passenger safety, the Kiger comes equipped with four airbags — front and side — along with seatbelts with pre-tensioner and load-limiter (for driver occupant). It also features ABS with EBD and rear parking sensors.

Additionally, Kiger has an impact sensing door unlock, speed-sensing door lock, 60/40 split rear row seat with adjustable headrests and ISOFIX anchorage for a child seat.

Kiger was ranked 2nd in the J.D. Power 2021 India Initial Quality Study (IQS) in the compact SUV segment in addition to multiple awards in the compact SUV category, it said.

The compact SUV also promises best in segment fuel efficiency of 20.5 km/litre (5-speed manual).

# PRESS REPORTS
# ON
# ELECTRIC VEHICLE

Business Standard 23rd March 2022

# Gadkari: EVs to cost same as petrol-run vehicles in 2 years

DHRUVAKSH SAHA
New Delhi, 22 March

Union Minister of Road Transport and Highways Nitin Gadkari on Tuesday said that rapid strides in green fuel technology will reduce the cost of electric vehicles (EVs), bringing them on a par with petrol-run vehicles in two years' time.

In his reply to a discussion on the Ministry of Road Transport and Highways' (MoRTH) additional demand for grants, the minister hailed the rise in EV sales, adding that the future will be led by alternative fuels derived from renewable energy sources, such as electric, green hydrogen, and ethanol. EV sales in India rose 162 per cent in the last year, said MoRTH last week, citing the latest available data.

**"Projects like Delhi-Dehradun Expressway, Delhi-Jaipur Expressway, and Delhi-Mumbai Expressway will be completed before the end of this year"**
NITIN GADKARI,
Union Road Transport and Highways Minister

Committed to cleaner energy and low-carbon pathways, Gadkari had launched a pilot project for India's first hydrogen-based advanced fuel cell EV last week. "We want to become energy exporters in the future," he had said at the launch. He also stressed on the need for reducing pollution in the country, saying his ministry has to spend ₹62,000 crore to tackle toxic air in the national Capital, which sees hazardous air quality during winters.

Members of the Lok Sabha (LS) had on Monday also raised concerns on the felling of trees for highway construction.

Gadkari told the House that the ministry was working on a policy to have 1,000 contractors undertake transplantation work. "We want to reduce felling and transplant more trees instead," he said.

**No change in construction pace formula**

Gadkari also told the LS that important national highway and expressway projects will be completed by December. "Projects like Delhi-Dehradun Expressway, Delhi-Jaipur Expressway, and Delhi-Mumbai Expressway will be completed before the end of this year," he said in his reply to the discussion. He added that the Bengaluru-Chennai Expressway will also be completed soon.

Earlier, the minister had reportedly said that the government planned to increase the speed of construction to 50 kilometres (km) per day. "Some members raised concerns that we were using the wrong method to calculate national highway construction. The formula is the same as it was during the United Progressive Alliance government. If we construct four lanes of 1 km, we still count it as 1 km - and the same is done for six lanes and eight lanes."

Gadkari also informed thye House that the Centre, in collaboration with World Bank and Asian Development Bank, will roll out a new project at a cost of ₹14,000 crore identifying 'accident blackspots'. The Centre will bear 50 per cent of the

## BUDGET SESSION IN THE HOUSE

### Govt: Closely following global Covid trajectory

**Noting that mathematical models meant for predicting Covid waves have failed to give reliable results due to a small sample size,** the Centre on Tuesday said it was closely following the virus trajectory globally, given the emergence of its new variants. Minister of State for Health Bharati Pravin Pawar said the INSACOG is undertaking genome sequencing of samples for a timely detection of mutant variants of the virus. PTI

### ₹19,111-cr assets of Mallya, Nirav, Choksi attached

**The government on Tuesday said assets worth ₹19,111.20 crore relating to fugitives Vijay Mallya, Nirav Modi and Mehul Choksi, have been attached so far.** In a written reply to the Rajya Sabha, Minister of State for Finance Pankaj Chaudhary said that the three fugitives have defrauded public sector banks by siphoning off funds through their companies resulting in total loss of ₹22,585.83 crore to the lenders. "... as of March 15, 2022, assets worth ₹19,111.20 crore have been attached under the provisions of PMLA," he said. Out of ₹19,111.20 crore, assets worth ₹15,113.91 crore as been restituted to the public sector banks. PTI

### Covid vaccination pace slows down as most targets covered

**The first dose Covid-19 vaccination coverage of those aged 15 years and above is 95.5 per cent currently,** while the second dose coverage is 80.6 per cent and, hence, the vaccination pace has slowed down relatively as most of the target beneficiaries are already covered, the Centre said on Tuesday. PTI

### Govt: 257 police stations don't have a vehicle

**As many as 257 police stations do not have any vehicle** and 638 police stations in the country do not have a telephone connection, Union Minister of State for Home Nityanand Rai informed the Lok Sabha on

### Discoms owe ₹1 trn to power gencos till Feb

**Power distribution utilities outstanding dues stood at ₹1 trillion** at the end of February this year, Power Minister RK Singh said in the Rajya Sabha. According to the reply, this overdue amount does not include the

Business Standard 29th 2nd March 2022

# India's EV battery race is led by a newbie scooter maker

## Bengaluru-based Ola Electric Mobility will get more govt subsidies than the much larger Reliance Industries

ANDY MUKHERJEE
New Delhi, 28 March

The dark horse of India's battery race is pulling away from the pack, but can it beat the bookies' favourite?

Ola Electric Mobility, a Bengaluru-based startup, will get state support to manufacture EV batteries that can store a total of 20 gigawatt-hours of power, the government said on March 24. Reliance Industries, the country's largest conglomerate, will get subsidies for five gigawatt-hours. The upstart is getting 40 per cent of the total capacity covered by New Delhi's $2.4 billion in battery incentives over five years. The plan is to shave off $33 billion from the country's fuel-import bill.

Paying firms to play has a checkered history in India: Favoured companies invariably ask for protectionist cover. But with Brent crude oil at $120 a barrel, this particular gamble has some merit. Consumers are already shelling out too much at the pump because of high domestic taxes on gasoline and diesel. However, cutting the levies will only make the government's pandemic-strained budget creak and groan. Hence, the desperate policy push to EVs.

There's another goal behind giving money to battery makers, something that can't be articulated in a government press release. The idea is to keep the nascent EV adoption as far away from Chinese technology and raw materials as possible so that India's hydrocarbon dependence doesn't metastasize into a different kind of geopolitical liability. "Today 90 per cent of global capacity is in China," Ola Electric founder Bhavish Aggarwal said on Twitter after winning state support. "We will reverse that and make India a global hub for EVs and cell tech."

That's a lot of chutzpah for a startup valued at $5 billion, based on its last $200 million funding round in January. Ola Electric, backed by SoftBank Group and Tiger Global Management, is tiny compared with Reliance, which is 45-times bigger in public markets. The conglomerate is controlled by Mukesh Ambani, Asia's richest man, who also owns the world's largest oil-refining complex. Last year, he pirouetted to clean energy by announcing plans for everything from solar panels and batteries to green hydrogen and fuel cells. He committed $10 billion, but has already raised the investment target to $76 billion. There's unlikely to be a bigger national champion of India's bold pledge at the COP26 climate summit.

NEWS ANALYSIS

Yet, New Delhi is backing the lesser-known newbie. Aggarwal won incentives for the maximum 20 GWh that any one company was eligible to receive. Reliance also applied for the full quota, but was put on the wait-list for 15 GWh.

Unlike Reliance, which recently bought a UK company with patents in sodium-ion cells — cheaper than lithium-ion, and therefore, potentially more attractive to buyers in emerging markets — Ola is yet to drop a hint about its technology. It wants to research and develop its own batteries, and fill the gaps with investments like the one it made recently in Israel's StoreDot, whose silicon-dominant anodes claim to provide rapid charging. To show his commitment to R&D, Aggarwal has roped in Prabhakar Patil, a former chief executive of LG Chem Power, the US-based research arm of the world's No 2 EV battery maker, to the Ola Electric board.

Like Ambani, Aggarwal too has made a pivot. In 2011, three years after graduating with a computer science degree from the prestigious Indian Institute of Technology, he cofounded Ola Cabs, a ride-hailing app that competes in India with Uber Technologies Inc. But as the pandemic sucked the wind out of transportation services, Aggarwal jumped on to the EV manufacturing bandwagon.

Last year he built — in record time — a "Futurefactory" that would be the world's largest producer of electric scooters at full capacity, run entirely by 10,000 women and 3,000-plus robots. It's had a bumpy start. The first product — the two-wheeler S1 Pro — initially got delayed, and then ran into bad press. "In its hurry to launch a product, Ola Electric hasn't given the battery enough time in the development process to evolve and mature, resulting in breakdowns that are potential safety hazards and could be Ola Electric's undoing," the *Morning Context*, a news portal, wrote last month based on user feedback.

Still, consumers appear to be keeping their faith. In February, Ola delivered 7,000 scooters, garnering a market share of nearly 9 per cent among high-speed two-wheeler EVs, according to the research arm of Haitong International Securities Group. This month's target is 15,000. Ola even bagged a slice of a separate $3.4 billion pool of incentives that New Delhi has set aside for auto and parts makers.

India is at the cusp of an EV revolution. It won't start in cars but in the scooters and motorbikes that are usually the first vehicles owned by a middle-class family. Electric two-wheelers, which cost roughly $1,400 apiece, will see faster adoption in India than smartphones, according to Goldman Sachs Group, whose base-case scenario is for EV penetration in the segment to swell to 38 per cent by 2030 from 2 per cent this year. Still, Indian automakers don't seem terribly interested in cell manufacturing. Indeed, the only established vehicle brand to have qualified for India's battery subsidies is South Korea's Hyundai Motor.

Which makes tiny Ola Electric the big exception — and in more ways than one. China's ride-hailing giant Didi Global has become an unwitting poster child for Beijing's crackdown against the tech industry. Grab Holdings, Southeast Asia's Uber slayer, has diversified into financial services. Its rival Gojek reduced its reliance on mobility by merging with Indonesian e-commerce platform PT Tokopedia to become GoTo Group. But they all stuck to the consumer-data business — none of them hit the shop-floor to get into EV and battery manufacturing. The path ahead for Aggarwal is guaranteed to be a potholed Indian road, but as long as he can keep private-market investors, consumers and — above all — policymakers hooked to his vision, he can clock the miles.

*Bloomberg*

Business Line 29th March 2022

# Govt orders investigation into EV fire incidents

## May take one month to reach a final conclusion, says Transport Secretary

S RONENDRA SINGH
New Delhi, March 28

Two incidents, in quick succession, of electric scooters catching fire, have prompted the Centre to order an investigation into leading companies — Ola Electric and Okinawa Autotech — the manufacturers of the vehicles.

In the first incident, an e-bike made by Okinawa went up in flames due to an electrical short circuit mishap in Vellore, Tamil Nadu, which eventually led to two deaths on Friday, and the next morning, on Saturday, Ola's S1 Pro (flagship model) caught fire in the busy Lohegaon area of Pune, Maharashtra.

"We have asked an independent expert to probe the actual circumstances. These could be internal and external — whether the fire incident was due to the vehicle design operation or the external environment which triggered the fire," Giridhar Aramane, Secretary, Ministry of Road Transport and Highways (MoRTH), told *BusinessLine*.

### 'No room for speculation'

He said if the vehicles' designs were approved and tested, there is no room for speculation or loopholes. The probe teams will be visiting Pune and Bengaluru (Ola headquarters) for the investigation and also Vellore for the Okinawa incident.

Okinawa also faced an incident in October last year when a scooter caught fire while being charged in a garage

Though these two incidents are not the first to hit headlines, Aramane said the investigation is confined to Ola and Okinawa, as they "are the recent cases, so we will investigate the incidents". Okinawa had an earlier (October 2021) incident of a scooter catching fire while being charged in a garage.

In December last year, two scooters from Pure EV also caught fire, and another scooter manufactured by Manesar-based HCD India, caught fire while being charged, leading to the death of a 60-year-old man.

Asked about the time frame for the investigation of the latest incidents, Aramane said that since it's a scientific thing it may take long, "but one month will be adequate".

He added that there are fire incidents in petrol and CNG also, and the government is concerned about such incidents.

"There are fire incidents in big vehicles, including petrol and CNG — we are concerned about everything, not only this...We have already asked the independent expert to go and check the actual cause of the fires, and if there is any problem, we will ensure that they are taken care of," he added. However, he did not comment on what actions would be taken if the companies are at fault.

### 'Lot of politics'

According to sources, there is a lot of politics in the electric vehicle (EV) battery space right now; the battery swapping group versus the fixed battery group, and the petrol group versus EV group...there is a lot of politics.

Sources in the government also said that according to the Motor Vehicles Act, certain vehicles can be discontinued if it is found that an hazardous incident has occured due to negligence in manufacturing.

Meanwhile, when asked about the latest development (investigation by government), both Okinawa and Ola declined to comment.

Business Line 21st March 2022

# 'Govt must tighten norms for low-speed EVs'

## Kinetic's Motwani says unorganised players thriving because of few standards

S RONENDRA SINGH
New Delhi, March 20

The government should tighten the norms and regulations for low-speed electric two- and three-wheelers, where there are many unorganised players, according to Sulajja Firodia Motwani, Vice-President, Kinetic Engineering.

"Unorganised players exist because there are very loose norms for low-speed vehicles, like the e-rickshaws have very easy homologation standards. While we have to meet with 30 standards... e-rickshaws have only seven-eight. So, I think the government should tighten the standards for low-speed two- and three-wheelers which will then enable better technology, performance and safer vehicles on the road," Motwani told *BusinessLine*.

The government is "working hard" to push the EV industry and there will be more and more organised players who will dominate the market over time, she said.

Motwani, who is also the Founder and Chief Executive Officer of Kinetic Green Energy & Power Solutions, said the government is likely to come out with the battery swapping or battery-as-a-service (BAAS) policy, which will help customers overcome range anxiety, leading to growth of the sector.

Work is on at the NITI Aayog, and Kinetic is part of the stakeholders' consultation, she said.

Sulajja Firodia Motwani

"It (the NITI Aayog) is going to standardise connectors and battery sizes so that customers do not have to run high and dry... there is also going to be competition among players rather than a monopoly," she said.

### Kinetic EV push

Motwani said Kinetic is targetting sales of one- akh electric two-wheelers in 2022-23, from 25,000 units now. "We are already a leading three-wheeler company (in EVs) and entered the two-wheeler space in 2021. We are now rolling out aggressively and the range is being expanded and a lot of work is also carried out in powertrain, battery, advanced solutions on Internet of Things (IoT) for connected solutions and remote diagnostics. We are a pure EV player so will be aggressive now," Motwani added.

According to a recent Vahan data (from the Ministry of Road Transport & Highways), electric two-wheeler retail numbers have grown 425 per cent to 1,43,271 units in 2021 from 27,269 units in 2020. In the three-wheeler segment, retail sales grew 74 per cent in 2021 to 1,53,432 units compared with 88,139 units in 2020.

The Economic Times
23rd March 2022

# Rising Costs may Force EV Cos to up Prices by 8%

## Despite margin pressures, many firms hold on

Lijee.Philip@timesgroup.com

**Mumbai:** India's electric vehicle makers are bracing for a major hike in prices across models on the back of rising input and component costs of EVs. Two-, three- and four-wheeler EV manufacturers are under severe pressure to increase prices, industry experts say, and the price hike would be in the range of 6-8% across the board starting next month.

Some companies including Tata Motors and Ather Energy have already increased prices, while several others such as Hero Electric and Kinetic Green Energy are reviewing the quantum of price hikes.

"There is a sharp increase in upstream raw material prices. The affordability gains realised in the past few years, and rising prices of nickel, lithium and other materials have been impacted by the Russia-Ukraine situation. It is expected that average EV battery prices will be higher by 5% compared to last year," said Ravi Bhatia, president of Jato Dynamics, a global supplier of automotive business intelligence.

Russia supplies about 20% of the world's nickel, a critical element in batteries used in EVs.

Every manufacturer is facing margin pressures, but they are also adopting a 'wait and watch' mode to see who takes the lead in hiking prices.

"The last month saw the highest battery price increase. The increase may narrow the price advantage and dampen buying to an extent," said Sohinder Gill, CEO, Hero Electric and director-general, Society of Manufacturers of Electric Vehicles (SMEV).

Batteries account for nearly 50% of the total cost of EVs.

Battery suppliers have begun putting pressure on Original Equipment Manufacturers (OEMs) as well. "There is at least a 20-22% input cost pressure from the battery suppliers. All OEMs are in the same boat. We are all studying the impact and will announce a hike soon," said Sulajja Firodia Motwani, CEO, Kinetic Green Energy, a leading player in electric three-wheelers.

The March to June 2022 period will see global cell prices going up by 20-30%, said Anand Kabra, vice chairman and managing director of Battrixx, a battery pack supplier to two wheelers.

"Although last year saw a 15% increase, it was absorbed by the manufacturers. We have started sounding out our customers to increase prices," Kabra said. "This time there is a huge demand supply mismatch. It is a seller's market, and they are calling the shots."

### NARROWING ROAD

GIORGIO DE CHIRICO, *Mystery and Melancholy of a Street*

**TWO-WHEELER SALES**

| CY 2020 | CY2021 |
|---|---|
| ELECTRIC 26,331 units | ELECTRIC 136,699 units |
| TOTAL SALES 12,473,545 units | TOTAL SALES 12,287,709 units |
| SHARE: 0.21% | SHARE: 1.11% |

**ANAND KABRA**
Vice Chairman, Battrixx

**Although last year saw a 15% increase, it was absorbed by the manufacturers. We have started sounding out our customers to increase prices**

The Economic Times
28th March 2022

# As EVs Catch Fire, Cos Plan to Cool Batteries Down

## Niti Aayog is expected to roll out a battery swapping policy in the next four months

Lijee Philip & Pranav Balakrishnan

**Mumbai | Bengaluru:** Electric vehicle (EV) makers and their battery suppliers are exploring various technical solutions to eliminate overheating risks amid incidents of electric two-wheelers catching fire. Videos of an S1 Pro of Ola Electric catching fire in Pune went viral on social media on Saturday afternoon. The same day, another electric scooter caught fire leading to two casualties in Vellore, Tamil Nadu.

While Ola Electric is investigating the issue and is yet to find the root cause of the problem, other EV companies plan to work closely with component and battery manufacturers to get to the bottom of this safety issue as this could flatten the spiralling sales chart of EVs in the country.

Battery makers said design and chemistry need to be looked into.

"An ideal situation would be to keep the battery cold always and at a low temperature," said Anand Kabra, managing director of Battrixx, a battery pack supplier for electric two-wheelers. "However, India being a low-cost market in the two/three-wheeler segment, companies are not ready to invest in active cooling solutions," he added.

Even in the absence of a cooling solution, industry experts said a high degree of safety redundancy can be built into battery design through fuses and other means to check thermal runaway and ensure increasing temperature in one cell does not cascade onto the rest of the battery.

Battery makers may also move away from cobalt, an unstable material that can cause fire.

"We might move to sodium and other technologies in future, where the risk of fire or thermal runaway gets eliminated or largely reduced," Kabra said.

Battery swapping could also help minimise risk of fire, experts said.

"In battery swapping, the battery can be cooled down when it's charged outside of the vehicle," said Chetan Maini, chairman of Sun Mobility, which is exploring battery swapping partnerships with several auto majors.

"There is a stringent regulatory framework in place for battery makers. A lot more testing is required as capacities scale up," he said. "The challenge is for two and three-wheelers."

Government think tank Niti Aayog is expected to roll out a battery swapping policy in the next four months, which could play a key role in enabling the EV industry to reach critical scale.

That is because consumers will not need to own battery – which accounts for 50% of the cost of electric two-wheelers and three-wheelers (e2w and e3w) – once disruptive business models such as battery swapping and leasing are in place. This will bring down upfront vehicle cost of e2w and e3w much below their ICE (internal combustion engine) counterparts. Meanwhile, to minimise fire risk and keep consumer confidence intact, EV makers should recall models involved in firing incidents till they sort out battery-related issues, industry experts said.

### Rapid Growth

**The EV two-wheeler industry saw a 2.3X jump in sales in 2021**


**TOP FIVE SELLERS EV COS OF 2021**
1 Hero 2 Okinawa 3 Ather 4 Ampere 5 Pure EV


**Battery makers say designs and chemistry need to be investigated**

Business Standard 21st March 2022

# E-scooter sales may reach inflection point this year

## Analysts predict sales of 0.7-0.8 million, which may account for around 13% of the scooter market

SURAJEET DAS GUPTA
New Delhi, 20 March

This year, sales of electric scooters are set to reach an inflection point. They are projected to reach 0.7-0.8 million, according to estimates by makers as well as analysts and this will account for 13 per cent of the six million per annum scooter market (including ICE scooters).

When it happens, it will be the first time that the market share of electric scooter sales will have touched double digits.

They could already have reached one million sales, had it not been for the Russia-Ukraine war, which has led to a shortage of semiconductors and other materials.

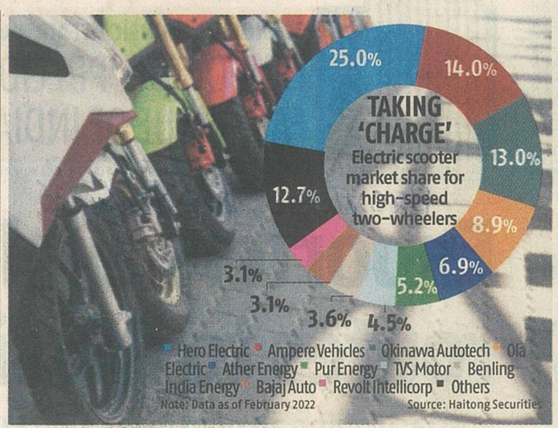
> E-scooter sales could already have reached 1 million sales, had it not been for the Ukraine war that has led to a shortage of semiconductors and other materials

Last year, 0.2 million electric scooters were sold. Analysts estimate that the two key players, Ather Energy and Ola Electric, will jointly sell between 0.25 million to 0.26 million scooters this year.

For 2023, the expectation, based on the capacity build-up by manufacturers, is that sales could range between 1.5-2 million, making a further dent in the overall two-wheeler market.

If that happens, electric scooters will cross another milestone: they will account for 10 per cent of the total 18-20 million per annum two-wheeler market, which includes motorbikes.

It could also mark a shift in the domestic market, where 70 per cent of two-wheeler sales come from motorcycles, in favour of electric scooters in the coming years. Apart from anything else, there are only a few electric motorbikes and these have just entered the market.




But these sales targets which manufacturers have projected, while striking, are far lower than Ola Electric founder Bhavish Aggarwal's ambitious target to see all petrol two wheelers vanish from the roads of the country by 2025.

The government has its own estimate. It believes that 80 per cent of two wheelers will be electric by 2030.

"Our estimates are that about 0.7-0.8 million electric scooters will be sold in 2022. Currently there are 35-36 players but we expect a consolidation in the next two to three years. The market will grow but gradually," said Harshvardhan Sharma, head of the auto retail practice at Nomura.

Sharma said that, as consumers change their electric scooter, as they do their ICE scooter, every three to four years, they will face a steep decline in its residual value in the second-hand market because 50 per cent of the cost is for the battery. This might have an impact on sales.

He also pointed out that electric scooters will have to tackle the pricing pressure of raw materials such as rare earth which will go up as demand outstrips supply, forcing companies to increase prices.

More importantly, Sharma said the price of electric scooters is also likely to go up when the government eventually withdraws the huge subsidy, which is currently helping to keep its price low.

However, electric scooter manufacturers say with monthly volumes hitting 60,000 per month, they expect the second-hand sale price of ICE scooters to fall in the next few months. This, they predict, will push the demand for electric scooters in anticipation of a further depreciation in the value of petrol scooters.

Business Standard 28th March 2022

# E-scooter fires: Li-ion batteries in focus

SHALLY SETH MOHILE
Mumbai, 27 March

March 26 will go down as a black Friday in the history of the electric two-wheeler (e-two-wheeler) industry. In a span of 24 hours, two electric scooter (e-scooter) models went up in flames. While such incidents of e-two-wheelers bursting into flames have been on the rise with increasing sales, it's the first one that has claimed two lives. Including recent ones, over half a dozen cases of e-two-wheelers catching fire have been reported in less than a year.

Experts are of the view that given the novelty of the technology (tech) and an under-developed testing system, the government should introduce a mandatory recall policy for electric vehicles (EVs).

"It's a new tech, therefore, the ecosystem for rigorous testing and validation of the vehicles and its parts and aggregates have yet to fully mature and develop," said Balraj Bhanot, former director, ARAI, and founder chairman of CMVR technical standing committee.

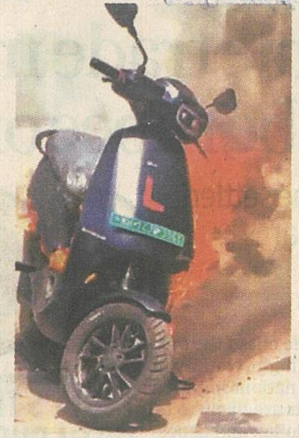
"There's a need for a mandatory recall until the tech matures. Why should customers suffer? The manufacturers should be penalised," he added.

The mishap on Friday involved a brand new Okinawa model going up in flames. The second one was a parked Ola S1 bursting into flames in Pune.

These come at a time when battery-powered EVs are being touted as cleaner, greener, and cheaper alternatives to their internal combustion engine counterparts and getting policy thrust from the government.

"We're in constant touch with the customer who is absolutely safe. Vehicle safety is of paramount importance at Ola and we are committed to the highest quality standards in our products. We take this incident seriously and will take appropriate action and share more in the days to come," said a spokesperson for Ola Electric.

A spokesperson for Okinawa said the "investigation is underway and the company will be able to comment only after it's concluded". As reported by the local media, the Okinawa incident that claimed the lives of a 49-year-old man and his 13-year-old daughter happened in Vellore district, while the scooter was plugged in for charging.



India has close to 1 million EVs on the road. While one may argue that such incidents are few and far between for a tech that is new not only in India but also globally, it doesn't take away the criticality of rigorous testing, said experts.

There are a number of new entrants with a static electronics background. Most of them import kits from China, he said. "They do not have full battery testing infrastructure and limited knowledge in automotive electronics. Battery management and packaging knowledge are lacking," said Bhanot.

The battery management system (BMS) is the heart of an EV comprising a hardware and software interface that controls power supply to a battery pack's underlying cells, as well as the charging speed and voltage. It's the BMS that controls the power cut-off point when charging batteries. This helps maintain the claimed longevity of a battery and prevents it from exploding.

Sohinder Gill, director-general, Society of Manufacturers of Electric Vehicles (SMEV), said, "We, at SMEV, are in touch with original equipment manufacturers to exchange the latest research findings and actions being taken by agencies the world over to have safer EVs."

According to him, 100 per cent safe batteries is a global quest for EVs. Some of the possible ways of handling this critical concern of EV users are switching from less volatile chemistries to safer ones, and multi-layered safety design that can try and stop or at least reduce the propagation of fire.

Suhas Rajkumar, founder, Simple Energy, which launched its first e-scooter in August last year, said his firm has been advocating a more intense dialogue around the safety of EVs. "Quite a few people in the EV industry haven't understood the basics of how to make a battery pack and the varied safety layers it involves."

Business Line 24th March 2022

# EV sales volumes at record high, cross 4-lakh mark in FY22 so far

## Growth led by two-wheelers which have seen stronger acceptance in urban areas

G BALACHANDAR
Chennai, March 23

As the electric vehicle (EV) momentum gathers pace in the country, the total registered EV sales have hit a record with annual volumes surpassing the 4-lakh mark in FY22.

As per information compiled by *BusinessLine* based on the data on Vahan dashboard, the total registered EV sales stood at about 50,000 units for the current month (as of March 23), taking the total number of registered EV volumes for this fiscal to about 4.02 lakh units, so far. In FY21, the number was at about 1.36 lakh units.

### Bucking the trend

The current growth is led by electric two-wheelers (high speed) (E2W), which have seen a stronger acceptance in urban centres due to the roll-out of new models and improving charging infrastructure. In the overall EV sales, the share of E2Ws is estimated in the range of 53-55 per cent.

Given the current momentum, March will see the highest monthly registered EV sales at about 60,000 units as also the highest monthly registered E2W volumes, estimated in the 35,000-38,000 units range.

"E2W volumes have bucked the overall industry trend and posted strong sequential growth since July 2021. The unit sales are estimated to nearly double in FY22 (compared to FY21), supported by favourable cost of ownership narrative, improving technology, government initiatives and OEM push. The penetration of E2Ws in overall 2W sales in India was less than 1 per cent till FY21. It has more than doubled this fiscal. We expect E2W penetration in new 2W sales to touch about 14 per cent by FY25 and about 30 per cent by FY30," said Rohan Kanwar Gupta, Vice-President & Sector Head — Corporate Ratings, ICRA Limited.

The current month will see the highest-ever monthly registered EV sales at about 60,000 units PTI

### Expanding fleet

The incremental volumes are contributed by players like Ola Electric, which has started supplying its electric scooters to buyers. Ola Electric has emerged as the third-largest player after Hero Electric and Okinawa in registered E2W sales this month. As of March 23, Hero had sold 8,100 units, while Okinawa and Ola sold about 5,800 and 5,600 units, respectively.

According to data, the combined sales of the top 10 E2W makers stood at about 30,000 units, as of March 23.

The space has also become attractive for the commercial fleet and hence several companies have indicated plans to expand their fleet.

# Ola Electric Invests in Israel's StoreDot

## Gets access to super-fast charging technology

The Economic Times
22nd March 2022

Our Bureau

**Bengaluru:** Electric vehicle (EV) maker Ola Electric has made a strategic investment in Israel-based battery technology company StoreDot.

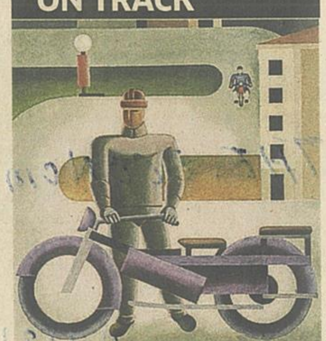
StoreDot is a "pioneer in batteries with extreme fast charging technology", the company said, without disclosing financial details. As part of the investment, Ola Electric will have access to StoreDot's battery technology which charges a battery completely in five minutes.

**Currently, Ola Electric buys lithium-ion cells from foreign vendors**

Ola will also have exclusive rights to manufacture batteries integrating StoreDot's fast charge technology in India.

This is the first of several global strategic investments planned by Ola Electric as it looks to ramp up its core R&D in advanced cell chemistry and manufacturing as well as other battery technologies. Ola Electric said on March 16 that it had hired former LG Chem chief executive Prabhakar Patil as it plans to make battery cells on its own and to set up a "giga-factory". The company has already submitted a bid under the government's production-linked incentive scheme for lithium-ion cell manufacturing. Currently, Ola Electric buys lithium-ion cells from foreign vendors and assembles them to make battery packs at its factory in Tamil Nadu.

**ON TRACK**



SANDOR BORTNYIK, *Motorrider*

Ola will have exclusive rights to manufacture batteries integrating StoreDot's fast-charge technology in India

Business Line 31st March 2022

# EV sales ease into fast lane

## Number of units sold in FY22 increased by 211% over FY21 numbers

**DATA FOCUS**

**RAM NARAYAN MURTHY**
Chennai, March 30

The Indian automotive industry is the fifth largest in the world and is projected to take third place by 2030. While the majority of automobiles still run on fuel, the shift to electric vehicles has begun. Electric vehicle sales gained momentum in 2022 with total sales increasing by more than 211 per cent from sales in FY21.

The number of electric vehicles sold in the country, based on registrations at Vahan portal, were 4,19,812 in FY22 against 1,34,853 in FY21.

### Incentivising purchase

Growing awareness about climate change, the need for a cleaner environment and rising pollution levels are propelling users towards electric vehicles. The government is also keen to promote their sales in a bid to arrest the huge oil import bill and move the country away from fossil fuels.

The Centre has therefore been rolling out a slew of incentives to speed up the shift, such as offering exemption from road tax and registration fee, providing income tax benefits, and incentivising purchase of these vehicles.

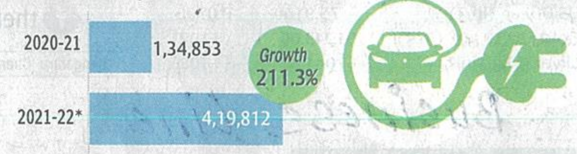
### Growth across classes

All classes of electric vehicles have shown a big growth in FY22.

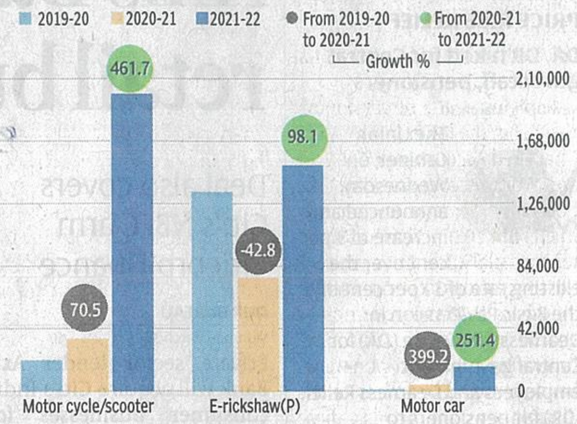
Motorcycle/scooter sales have shown the biggest jump, growing 461 per cent from 35,626 units in FY21 to 2,00,102 in FY22. E-rickshaws were also greatly in demand this fiscal with 1,52,039 units sold till March 29, 2022. Electric cars sales increased 251 per cent this fiscal with more than 16,000 sales compared to 4,593 electric cars being sold last fiscal year.

**Electric vehicle sales on the rise**

*Total number of EV registrations*

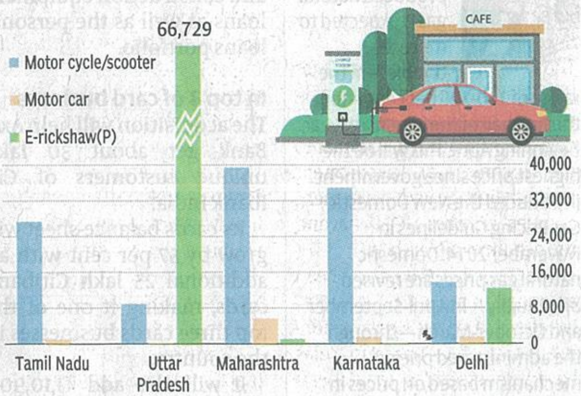



**The highest growth is in two-wheelers at 461%**




**Top 10 electric vehicle makers 2021-22** *(as on March 29)*

| Maker | Number of registrations | Vehicle category |
|---|---|---|
| Hero Electric Vehicles Pvt Ltd | 63,005 | Two-wheeler |
| Okinawa Autotech Pvt Ltd | 45,704 | Two-wheeler |
| Ampere Vehicles Pvt Ltd | 23,852 | Two-wheeler |
| Ather Energy Pvt Ltd | 19,669 | Two-wheeler |
| YC Electric Vehicle | 16,876 | Three-wheeler |
| Pur Energy Pvt Ltd | 14,696 | Two-wheeler |
| OLA Electric Technologies Pvt Ltd | 13,301 | Two-wheeler |
| Tata Motors Ltd | 9,794 | Four-wheeler |
| TVS Motor Company Ltd | 9,210 | Two-wheeler |
| Saera Electric Auto Pvt Ltd | 8,354 | Three-wheeler |




Source: Vahan Dashboard

The top 10 players in India are dominated by two-wheeler companies with total sales of over 2 lakh units. Hero Electric Vehicles leads with the highest number of vehicles sold in FY22 at 63,005. Okinawa Autotech comes second with more than 45,700 vehicles sold. Tata Motors is the only electric car maker in India in the top 10 companies with more than 9,700 vehicles sold.

Business Standard 31st March 2022

# Another e-scooter catches fire; panel widens investigation

SHINE JACOB & SHALLY SETH MOHILE
Chennai/Mumbai, 30 March

The government-appointed expert committee, which probes incidents of Ola Electric's S1 Pro and Okinawa vehicles catching fires, has added the latest case of fire involving PureEV electric scooter to its investigation, a senior government official told *Business Standard*.

"A team comprising experts from Indian Institute of Science (IISC) and Centre for Fire, Explosive and Environment Safety (CFEES) are investigating the cases. As soon as the report is submitted, we shall take appropriate action," said Giridhar Aramane, secretary at the ministry of road transport and highways.

Videos of a PureEV electric scooter model engulfed in flames in Chennai went viral on social media Tuesday night. It was the fourth such incident involving e-scooters within a week, putting in doubt the safety of battery-operated two-wheelers.

It wasn't a one-off for the Hyderabad-based PureEV. In September 2021, two of its EPluto 7G models caught fire. A company statement on the latest mishap indicated the fire was caused by "Thermal Runaway scenario", where a battery's cells reach a critical temperature that causes them to spontaneously combust.

"We are investigating the incident and will do a thorough assessment. We adhere to the highest safety standards through rigorous internal testing as well as special phase change materials being implemented in our battery packs to avoid rapid fire/blast kind of scenarios," the company said about the fire at Mathur toll plaza at Manjampakkam area in north Chennai.

The Okinawa EV fire in Vellore on Saturday killed a man and his 13-year-old daughter. There were no casualties in the Ola vehicle fire in Pune.

PureEV said that the following mechanisms are in their batteries for the worst-case thermal runaway scenarios and to give adequate warning time periods to end users. It claimed that "PURE batteries come with the state-of-the art thermal management system, which is a combination of the electronics coupled with multiple active/passive materials, to avoid the thermal-runaway events. We also have a special vent mechanism so that the smokes get released immediately whenever there is any kind of event inside the battery, otherwise, a pressure cooker kind of scenario can take place, leading to sudden blast/explosion," it added.

India has seen quite a few cases of e-scooter fires in the recent past. In December 2021, a 60-year-old man was choked to death and four others were injured in Kanhai village, Gurugram, after their electric two-wheeler exploded while charging at home.

In the same month, electric bike X1 from Gwalior-based company Super Eco caught fire in Mumbai. In September 2021, there was a fire involving an Okinawa electric scooter.

# PRESS REPORTS
# ON
# COMPANY NEWS

The Economic Times 28th March 2022

## With an Eye on E-Cars Market, Toyota Plans to Drive in Hybrids

**Co has already invested ₹2,000 cr in technology and electrification; 1st car to hit roads soon**

**Sharmistha.M**@timesgroup.com

**New Delhi:** Japanese auto major Toyota has firmed up plans to step up its play in the green mobility segment and is readying for launch a slew of strong hybrid vehicles at the heart of the local market over the next few years to reduce vehicular emissions, till wider availability of renewable energy make electric vehicles cleaner and more mainstream. The first of these products, which will be manufactured locally, will hit roads in the course of the year.

Toyota – which operates in the country through a joint-venture Toyota Kirloskar Motor (TKM) – is additionally studying the feasability of CNG, ethanol, electric and green hydrogen powered vehicles, basis the economics, net carbon emissions of each of these technologies, aligned with the energy security needs of the country.

The company has already invested ₹2,000 crore on technology and electrification, both for the domestic market and export. Fresh investments will be made ahead of the new launches.

In an exclusive interview Vikram Kirloskar, vice chairman, Toyota Kirloskar Motor (TKM) told **ET**, "We feel very strongly with 70% coal-based power, strong hybrids give the least amount of well to wheel carbon emissions. We will continue pushing hybrids. As this 70% starts coming down and more renewable energy starts coming in, we will start seeing more and more EVs. Our objective is overall carbon reduction." TKM currently assembles a premium sedan Camry hybrid in India.

Once the new generation cars come in, the company will make a representation to the government to rationalise the tax structure on these vehicles to emcourage adoption. "At present, the only hybrids we make are pretty large luxury cars. I think it is pretty difficult to make case for them, very frankly. As the newer generation cars come in, the mass market, at that point of time we would certainly try to make a representation", Kirloskar informed. Currently, India levies 28% GST on small hybrids (sub 4m) and 43% on larger vehicles running on the technology.

Kirloskar explained the vehicle architecture on the electrified vehicles - whether it is hybrid or plug-in hybrid, electric - is essentially the same. "They have a lot of common components and we are trying to see what is best for each country.

...With 70% coal-based power, strong hybrids give the least amount of well-to-wheel carbon emissions. We will continue pushing hybrids

**VIKRAM KIRLOSKAR**
VC, Toyota Kirloskar Motor

Business Standard 29th March 2022

# Motherson Sumi sees scope of buys amid Ukraine war

SHALLY SETH MOHILE
Mumbai, 28 March

The current geopolitical instability triggered by the Russian invasion of Ukraine, is an opportunity for firms like Motherson Sumi to acquire companies in distress, said Vivek Chaand Sehgal, chairman, Motherson Sumi Wiring (MSWL), during a media interaction in Mumbai.

Sehgal was in the city for the listing of the company's equity shares on the BSE and National Stock Exchange (NSE). The company was formed when the domestic wiring harness business was demerged from Motherson Sumi Systems (MSSL). The demerger came into effect on January 5, 2022.

The $10-billion group — that acquired 27 companies in the last two decades — is gearing up to add several more in the coming months.

All past acquisitions have been driven by the automakers it counts as customers, he said. "Customers are asking us to buy out companies more and more. When we have customers standing behind us, success is by and large easier," said Sehgal. Many companies have tried their hands at acquisitions but have failed. However, Motherson has done it year after year amid the worst crisis and emerged successful, he said.

"There will be a lot of acquisitions as the pain in the system is too much," said Sehgal, steering clear of giving a definitive answer on the number of buyouts he is planning.

Commenting on the impact of the current geopolitical instability on the company's 'Vision 2025', he said plans are on track and the envisaged targets will be met.

"We are in a position to be debt free but we don't want to be," he added.

> THE CUSTOMERS ARE ASKING US TO BUY OUT COMPANIES MORE AND MORE. WHEN WE HAVE CUSTOMERS STANDING BEHIND US, SUCCESS IS BY AND LARGE EASIER
>
> VIVEK CHAAND SEHGAL, Chairman, Motherson Sumi

He added that the cost of borrowings in India, at 18 per cent, is much higher than the cost of debt on equity — which is 1 to 2 per cent. Therefore, he felt that the company would rather have some debt on its balance sheet. Moreover, in proportion to the company's top line, the debt is negligible.

MSSL had raised ₹1,000 crore through non-convertible debentures (NCDs) during the third quarter of FY22. This would be utilised for funding working capital requirements and debt repayment.

Its consolidated net debt increased from ₹7,600 crore in September 2021 to ₹8,700 crore in December 2021, driven by higher working capital and reorganisation scheme.

The Economic Times 30th March 2022

# Motherson Ready to Make Chips, Looks for a Global Partner

**MAKE IN INDIA PUSH** Group has already bought 300 acres in Chennai for its foray into the sector

Ketan Thakkar
& Ashutosh R Shyam

> If someone can bring the tech and is looking for an Indian partner – we are there. We are actively looking at space
>
> LAKSH VAAMAN SEHGAL
> VC, Samvardhana Motherson

**Mumbai:** $10-billion Samvardhana Motherson Sumi Group is eyeing entry into semi-conductor space and is scouting for a global partner.

The Indian conglomerate that has 29 different joint ventures, has already acquired 300 acres plot on the outskirts of Chennai to enter into new avenues and further Government's Make in India vision.

As part of the internal initiative called 'Make in India, Make with Motherson', the company is actively looking for a partner in semiconductor space, said the top executive. The Group plans to invest $1 billion in the next three years as part of its capex plan.

Laksh Vaaman Sehgal, vice chairman, Samvardhana Motherson told **ET**, the investment to get into semiconductor manufacturing is large, so the company won't get into the space on its own and it is eyeing a partner to get into the space.

Sehgal says the company has successfully run over 26 JV companies, so we are open to a partnership in the semiconductor space.

"As part of Make in India, make with Motherson internal intiative, we have set up a 300 acres industrial park in Chennai to bring in good manufacturing partners into the country. If someone can bring the semiconductor technology and is looking for an Indian partner - we are there. We are actively looking at space. If a global giant wants an Indian partner to set up shop, we are open for an alliance," said Sehgal.

The Tata Group and Vedanta Group have both committed to investing in the Semiconductor space in India. The central government will also be incentivizing investment into localization of Semiconductor chips, the shortage of which has already led to billions of dollars loss world over including India.

India's semiconductor requirement is expected to grow at 33% annually between 2020 and 2026 to reach $63 billion driven by higher usage of wireless communication, consumer electronics, and automotive. These three segments is likely to accounted for about 20-24% of the total semiconductor requirement of the country.

In order to reduce import dependence and timely availability of semiconductor, the government has cleared Rs 76,000 crore incentive scheme to set up more than 20 semiconductor design, components manufacturing and display fabrication (fab) units over the next six years.

The semiconductor manufacturing is very capital intensive, and a state of art fabrication unit is expected to cost about $15-20 billion. If a company desire to lower end of foundry unit, it may require investment of around $3-4 billion.

Business Line 23rd March 2022

# Skoda eyes compact SUV, EV; plans more investments

## The auto giant's new city-centric e-car will use locally procured parts

**SWARAJ BAGGONKAR**

Mumbai, March 22

Skoda Auto is exploring a SUV-style compact car that will mark its re-entry into the sub 4-metre segment which it had renounced nearly a decade ago. The Czech car brand is also looking to bring a small city-centric electric car to India that will be produced in India built using locally procured parts.

The new initiatives will be part of Volkswagen's new investment cycle titled internally as India 2.5. The German auto giant's India 2.0 programme saw investments of €1 billion (over ₹8,000 crore) which included finetuning one of its global vehicle platforms and launch of a series of new models under both Volkswagen and Skoda Auto brands.

Speaking to *BusinessLine*, Thomas Schaefer, Chief Executive of Skoda Auto, who will take over as head of Volkswagen from April 1, said, "We will probably not look at a hatch but more like a SUV/CUV kind of body shape. Hatch is going out of fashion. Certain body shapes have disappeared from certain areas of the world. To reinvest into this (hatchback) is not a great idea. But the sub-4-metre segment is a very important segment in India, we will find a solution to this."

Thomas Schaefer, Chief Executive of Skoda Auto

### 2 models in past one year

In the past one year, Skoda Auto launched two new models – Kushaq and Slavia – in India. Volkswagen followed with the launch of Taigun and Virtus. The four new models have heralded a new beginning for the Germany headquartered company in India where some of the biggest auto companies of the world like General Motors and Ford have struggled before their eventual exit.

"We are looking at the next level; the next vehicle we need to bring. We have four cars in the market already but you cannot build them for the next ten years and bring nothing in between. We are looking at least one coming in and that will be the next investment cycle and that will be called India 2.5. It's a bit early to talk about the actual investment under that programme," Schaefer added.

Volkswagen (VW) has acknowledged India's enthusiasm towards electric cars. The recent investments in the electric vehicle segment from Tata Motors and Suzuki Motor Corporation have not gone unnoticed. Skoda and VW are also looking to bring EVs to India and are jointly working on this plan.

### Fully imported model

To start with, Skoda will bring the Enyaq, an electric SUV, to India as fully imported model. Though this model will be priced at a premium, it will be launched to test the waters before the group plans to get more EVs to India but at more affordable pricing.

"We need more models below the Enyaq; in the mass market. We are putting three more models below the Enyaq. We are starting with Europe but if the demand picks up in India and there is any indication of it, then yes, we will bring them to India as well. There will be at least one small car based on the same platform. It will be slightly bigger than the ID Life concept showcased by VW. It could be the vehicle that could be used in India," Schaefer added.

Business Line 23rd March 2022

# Tata Motors to hike prices of CVs from April 1

**OUR BUREAU**

Mumbai, March 22

Tata Motors, India's largest commercial vehicle manufacturer, announced a hike in prices of its commercial vehicles in the range of 2-2.5 per cent with effect from April 1. The hike, which is across the range, will depend upon individual model and variant. This will be the second instance of price hike by the Mumbai-based company in two quarters for its commercial vehicles.

Tata Motors hiked prices on January 1 to the extent of 2.5 per cent.

Increase in prices of commodities such as steel, aluminium and other precious metals, besides higher costs of other raw materials, has led to this price hike, Tata Motors said in a release.

While the company claims it has initiated action to absorb a significant portion of the increased costs at various levels of manufacturing, steep rise in overall input costs made it imperative to pass on some residual proportion.

Luxury carmakers Mercedes-Benz and Audi have also announced a price hike from April 1, 2022. Both brands will effect carry out a 3 per cent hike in prices to offset rising input costs.

Business Line 23rd March 2022

# Volkswagen to ride on e-cars rather than hybrids in India

## While EVs carry 5% GST and zero cess, hybrid vehicles pay 28% GST and 15% cess

SWARAJ BAGGONKAR
Mumbai, March 22

The world's No 2 carmaker Volkswagen has chosen battery electric vehicles over hybrids for India owing to lack of tax breaks on the latter making them economically unfavourable.

The German carmaker had explored bringing hybrids to India, which are widely considered to be the bridge between internal combustion engine vehicles (petrol, diesel, CNG-powered vehicles) and pure battery electric vehicles. Plug-in hybrids were the one variant the company had considered for India.

**Plug-in hybrid**

A vehicle using hybrid technology employs two sources of energy for mobility. While one source is the traditional petrol/diesel engine, the other source is a battery pack.

The battery pack is usually used for smaller distance commute (under 80 kms) while the petrol motor is used for travelling longer distances.

**Battery EVs**

Speaking to *BusinessLine*, Klaus Zellmer, Board Member for Sales, Marketing and After Sales at Volkswagen Passenger Cars, said, "Plug-in hybrid would make perfect sense if the commute is short where the electric motor can be used. But when the motor is not used it's just a petrol-powered car. We need to stay focused on battery electric because it is a safe bet. Battery electric vehicles are probably the best focus we can have (for India). Plug-in hybrids are expensive technology and heavy."

A plug-in hybrid, as the name suggests, needs external charging of its batteries like any normal electric vehicle unlike the full hybrid which charges on its own when the petrol/diesel engine is used.


Klaus Zellmer, Board Member for Sales, Marketing and After Sales at Volkswagen Passenger Cars

While electric vehicles carry a Goods and Services Tax (GST) of 5 per cent and zero cess, hybrid vehicles are slapped with a GST of 28 per cent with a further 15 per cent cess (except small hybrids), taking the total to 43 per cent.

This taxation puts hybrids in the same bracket as petrol and diesel cars. Many States have even waived road tax registration on electric vehicles. Because of the expensive price tag, only luxury car models are available with hybrid options in India. Toyota Kirloskar, Lexus, Volvo and BMW have full hybrid cars on sale in India.

According to electric vehicle market leader, Tata Motors, hybrid vehicle technology won't be able to sustain itself beyond the next few years and its usage is purely to achieve the CAFÉ (Corporate Average Fuel Economy) norms.

Phase 2 of the CAFÉ norms, which will come into force on April 1, 2024, will require vehicular emission to go down further to less than 113gm/km from the current 130gm/km.

Such norms are already in practice in developed automotive markets.

Volkswagen is developing an electric car on the lines of the concept car ID Life, which was showcased recently. While this car is aimed at global markets, it could make its way to India if response from the market is positive, coupled with a favourable cost structure.

Business Line 21st March 2022

# Suzuki to invest ₹10,430 crore in Gujarat

## Inks MoU with State government at the India-Japan Economic forum to set up EV, battery production facilities

S RONENDRA SINGH
New Delhi, March 20

Suzuki Motor Corporation on Sunday said it has signed a memorandum of understanding with the Gujarat government, to invest ¥150 billion (around ₹10,430 crore) for manufacturing of electric vehicles and batteries.

The investment includes ₹3,100 crore on increasing production capacity for Battery Electric Vehicles by Suzuki Motor Gujarat by 2025 and ₹7,300 crore on construction of a manufacturing plant for EV batteries (at land neighbouring to SMG) manufacturing by 2026. It also includes ₹45 crore investment for construction of vehicle recycling plant by Maruti Suzuki Toyotsu India by 2025, Maruti Suzuki India (MSIL) said in a filing to BSE on Sunday. The MoU was signed on Saturday at the India-Japan Economic Forum held here, in the presence of Japanese Prime Minister Fumio Kishida and Prime Minister Narendra Modi.

Toshihiro Suzuki, Representative Director and President, SMC and Kenichi Ayukawa, Managing Director and Chief Executive Officer, MSIL were joined by senior government personnel of India and Japan at the ceremony.

**Carbon neturality**

"Suzuki's future mission is to achieve carbon neutrality with small cars. We will continue active investment in India to realise self-reliant India (Atmanirbhar Bharat)," Toshihiro Suzuki said.


**Investment promotion**

The investment announcement was part of the 14th Annual India-Japan Summit on Saturday where Japan announced its plans to invest ₹3.2-lakh crore over the next five years, which follows the investment promotion partnership of 2014.

Apart from partnerships in other fields, both the countries also welcomed the launch of the India-Japan Clean Energy Partnership for cooperation towards achieving sustainable economic growth, addressing climate change and ensuring energy security, in areas such as electric vehicles, storage systems including batteries, EV charging infrastructure, solar energy, clean including green hydrogen/ ammonia, wind energy, exchange of views on respective energy transition plans, energy efficiency, Carbon dioxide Capturing, Utilisation and Storage and carbon recycling.

The Economic Times 17th March 2022

# Maruti to Increase CNG Car Output to Over 5 L in FY23

## Lower price of CNG makes such vehicles a good option, says chief

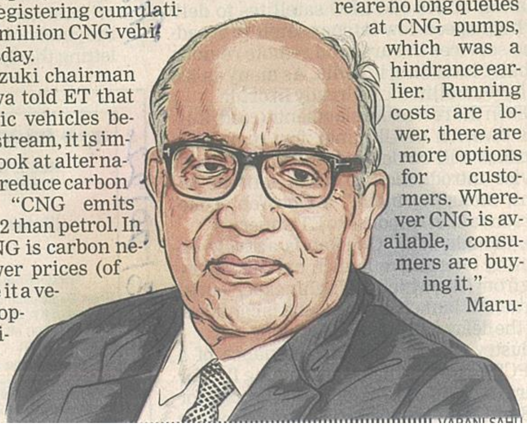
Sharmistha.Mukherjee
@timesgroup.com

**New Delhi:** The country's largest carmaker Maruti Suzuki is looking at producing more than half a million CNG-powered vehicles in the upcoming financial year amid growing consumer preference triggered by a sharp increase in the price of motor fuels.

The company has firmed up plans to produce 600,000 CNG vehicles in FY23 — which is more than half of a million CNG vehicles it has sold in the local market cumulatively in the last two decades. The company clocked the milestone of registering cumulative sales of 1 million CNG vehicles on Tuesday.

Maruti Suzuki chairman RC Bhargava told ET that until electric vehicles become mainstream, it is important to look at alternative fuels to reduce carbon emissions. "CNG emits 20% less Co2 than petrol. In fact, bio CNG is carbon negative. Lower prices (of CNG) make it a very good option, especially for small car buyers," said Bhargava, adding more effort should be made to produce bio CNG in India. In the current fiscal year itself, Maruti Suzuki expects CNG sales to expand nearly 50% to 235,000-240,000 units. The company has pending orders for an additional 115,000 units.

Automakers cite wider availability of CNG, lower running costs of vehicles powered by the fuel and increased product options as major reasons behind the growth in the category. Bhargava concurred: "With the government supporting the establishment of an increasing number of CNG distribution stations, consumer acceptability of the fuel has risen. Now, there are no long queues at CNG pumps, which was a hindrance earlier. Running costs are lower, there are more options for customers. Wherever CNG is available, consumers are buying it."



> With govt supporting the establishment of an increasing number of CNG stations, consumer acceptability of the fuel has risen
>
> **RC BHARGAVA**
> Chairman, Maruti Suzuki

Maruti Suzuki has nine CNG-powered vehicles — Alto, S-Presso, Celerio, WagonR, Ertiga, Eeco, Dzire, and Super Carry — in its portfolio. It has plans to make the fuel option available on more vehicles in the future. In January, Tata Motors managing director (passenger vehicles business unit) Shailesh Chandra said the company will study consumer preference for CNG across models in its portfolio. The company expects to receive a third of its small car sales from vehicles factory-fitted with CNG fuel kits.

The premium paid on the acquisition cost of a CNG vehicle at ₹80,000-90,000 is lower compared to ₹125,000-150,000 for diesel vehicles. Additionally running costs of CNG vehicles at ₹1.50 per km is less than half of ₹3.5-4.5 for petrol/diesel vehicles in Delhi.

Business Standard 24th March 2022

# Skoda VW India to move close to break-even in '23

SHALLY SETH MOHILE
Mumbai, 23 March

Skoda Auto Volkswagen India expects to inch closer to break-even next calendar year thanks to its India 2.0 strategy and ramps up volumes for the domestic and export markets, Thomas Schaefer, Global chief executive officer of Škoda Auto said in an interaction on Tuesday.

"We need to get the numbers. We have been producing low volumes in the past. Our game is volumes. Therefore, the factory has to be utilised fully," Schaefer told Business Standard at a virtual roundtable from Prague. There is a need for deeper part-by-part localisation, said Schaefer, who is set to take over as the Volkswagen Group's CEO in April.

"There's a lot of opportunity. The path is clear, we know where to go. We have great products, good teams and great attention from the public. I think it can be done," he added. The company is now focused on working off the heavy investments it made under India 2.0 and optimally utilising its existing facility.

The European carmaker is also betting on exports to utilise its facility optimally. It aims to grow exports by over 40 per cent in 2022 with 50,000 units. India will serve as an export base for markets like Southeast Asia and Africa.

Schaefer's confidence to do better in the world's fifth largest auto market stems from the success of models, which has helped the firm double its sales. Earlier on Tuesday, speaking to the global media post the 2021 earnings call, Schafer said Skoda is on course for success outside of Europe in countries like India. "Our sales figure in the region has more than doubled."

The India 2.0 strategy was an affirmation of Volkswagen Group's commitment to the Indian market and they have stayed the course with some good model launches, said Ravi Bhatia, president and director, JATO Dynamics.

Business Line 24th March 2022

# Honda 2-wheeler exports cross 30 lakh in 21 years

## 15 lakh scooters exported in the last five years

OUR BUREAU
New Delhi, March 23

Honda Motorcycle & Scooter India (HMSI), on Wednesday, said its cumulative exports have surpassed the 30-lakh units mark in its 21st year of operations.

While Honda's cumulative exports crossed the 15 lakh in 2016, the next 15 lakh exports were added in only the last five years, which is more than three times the earlier speed, the company said in a statement.

In 2021, HMSI established a new overseas business expansion vertical and also expanded its global exports footprint to developed markets like the US, Japan and Europe, among others, it said. Additionally, HMSI has also commenced manufacturing global engines from its fourth factory at Vithalapur, Gujarat.

### World's manufacturing hub

"As we make further inroads into developed markets, our reinstated focus on exports expansion takes HMSI one step closer to become a 'manufacturing hub for the world'," Atsushi Ogata, MD, President and CEO, HMSI, said.

The company exports to 29 diverse markets and its portfolio consists of 18 two-wheeler models with Dio leading the contingent.

"We are expanding our export portfolio including both scooters and motorcycles. To establish high quality and efficiency, matching global standard, HMSI raised a dedicated overseas business vertical in 2021," Yadvinder Singh Guleria, Director –Sales and Marketing, HMSI, said.

# PRESS REPORTS ON RAW MATERIAL

Business Line 30th March 2022

# Steel-makers step up exports to Europe

## See opportunity as supplies from Russia, Ukraine take a hit

**ABHISHEK LAW**

New Delhi, March 29

Indian steel majors are tapping the export market, primarily Europe, as supply shortage from Russia, Ukraine and China led to a jump in spot steel prices there. Indian steel majors, according to market sources, have seen at least 5 percentage point jump in exports to Europe which now stand at between 30 and 35 per cent of total production.

Spot price variation is close to ₹15,000 per tonne (between Europe and India) or around $2,000 per tonne, thereby making exports an attractive proposition.

Indian steel majors normally export close to 20-25 per cent of their production, with Europe being a major buyer. JSW, Tata Steel, Jindal Steel and Power Ltd (JSPL) and ArcelorMittal Nippon Steel (AMNS) continue to be the major exporters.

Around 81 per cent of the country's steel production comes from private players while 19 per cent comes from PSUs.

### Ministry data

According to data available with the Ministry of Steel, exports (of finished steel) rose 30 per cent y-o-y , to 12.29 million in the 11-month-period of FY22 (April-February). In the corresponding period last fiscal, finished steel exports stood at 9.5 million tonnes.

"Yes, exports are moving up and it accounts for around 35 per cent of our production, up from the 25-30 per cent levels during normal times. Considering some of the booking trends, exports could be up to around 40 per cent in April," VR Sharma, Managing Director, JSPL, told *BusinessLine*.

JSW refused to comment on the matter. According to Ranjan Dhar, CMO, AMNS, exports account for "approximately 10-15 per cent" of the company's annual production of 7.5 million tonnes. The focus continues to be on catering to domestic demand.

Considering the booking trends, exports could be up to 40 per cent in April

"There has been some increase in prices primarily because of input cost rise like that of Australian coking coal. But, in terms of volume growth there has not been much jump for us. Moreover, there is good domestic demand that we are catering to," he said. Russia's invasion of Ukraine has severely hit supplies in Europe.

Both Russia and Ukraine are major suppliers to Europe, with close to 3-4 million tonnes of supplies per month from each of these countries. With the war, there is now a shortage of "at least 4-5 million tonnes per month", which is being met through Indian and Chinese imports.

AMNS's Dhar added that steel production in China has been lower on y-o-y basis impacting supplies, which has further accelerated the price situation in Europe.

### New Covid cases in China

Market sources say an impending lockdown in Tangshan in China — known as the steel city — has led to further volatility in prices. Global Times in a report mentioned that the largest steel-producing city in North China's Hebei Province, had strict traffic controls and other curbs after new Covid-19 cases were reported there, resulting in many steelmakers and related businesses halting production and evaluating impact.

"Even if the war were to stop today, we do not see a situation where high prices of steel would come down in six to eight months. For one, Ukraine would look to rebuild itself and there are high chances of it becoming a net importer of steel; rather than being an exporter, at least for a period of time," JSPL's Sharma explained.

The Economic Times 28th March 2022

# Steel Cos Agree to Cut Prices for MSMEs Despite Disruption: Singh

**Our Bureau**

**New Delhi:** As steel prices continue to rise due to disruptions caused by the Russian invasion of Ukraine, the steel ministry has persuaded steelmakers to provide some reduction in the price of the metal for the Micro, Small and Medium Enterprises (MSME) sector.

"Prices are deregulated and is decided by demand and supply. We had discussions with steel companies, and they have agreed to provide a discount of Rs 2,000 to Rs 2,500 per MT to the MSME sector," union minister RCP Singh told reporters on Sunday.

The discounts will not be available for large infrastructure projects and companies.

Singh added that steel prices have increased due to tensions between Russia and Ukraine.

"Ukraine and Russia together exported about 55 MT steel to various countries across the globe. Supply has been disrupted due to the war, and hence there has been a price increase of 5% to 7%," Singh further said. Singh was speaking on the sidelines of a conference called to discuss the issues concerning the secondary steel sector.

Business Line 23rd March 2022

# ArcelorMittal to invest ₹4,570 cr in green power

## Joins hands with Greenko Group to develop 975 MW solar-wind project

**SURESH P IYENGAR**

Mumbai, March 22

ArcelorMittal has entered into a strategic partnership with Greenko Group to develop a round-the-clock renewable energy project with nominal capacity of 975 MW.

The $0.6-billion (₹4,570 crore) project that will combine solar and wind power will be supported by Greenko's hydro pumped storage project.

The project will be owned and funded by ArcelorMittal, while Greenko will design, construct and operate the renewable energy facilities in Andhra Pradesh. The project is expected to be completed by mid-2024.

### Dual benefits

ArcelorMittal's joint venture company in India, ArcelorMittal Nippon Steel India (AMNS), will enter into a 25-year off-take agreement with ArcelorMittal to purchase 250 MW of renewable electricity annually from the project.

As a result, over 20 per cent of the electricity requirement at AMNS India's Hazira plant will come from renewable sources, reducing carbon emissions by about 1.5 million tonnes per year.

Aditya Mittal, CEO, ArcelorMittal

Aditya Mittal, CEO, ArcelorMittal said, "The project will enable AMNS India to reduce both its electricity costs and carbon emissions, besides providing consistent, guaranteed returns for ArcelorMittal. Large amounts of green energy are one of the key foundations for both a net zero economy and a decarbonised steel industry. We are excited about the potential of replicating this model in other regions," he added.

Anil Kumar Chalamalasetty, Managing Director, Greenko, said the project will serve as a blueprint for adoption of renewable power for large-scale steel manufacturing in India.

These efforts will also represent a notable contribution to India's commitment to build 500 GW of renewable energy capacity by 2030, he said.

# PRESS REPORTS
# ON
# GOVERNMENT POLICY

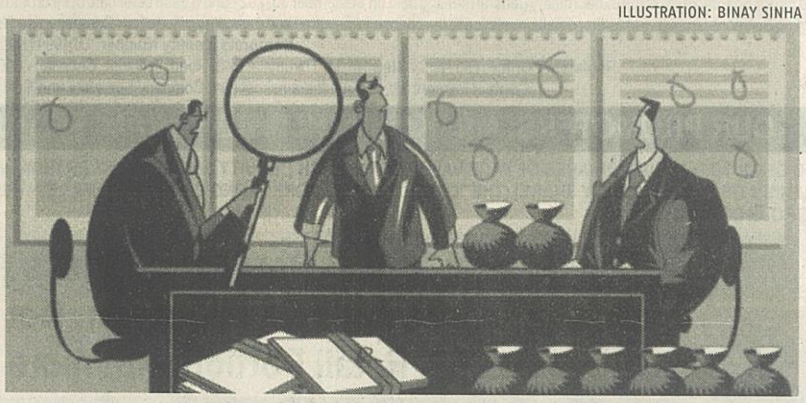
Business Standard 31st March 2022

# Govt to go for 2-stage review of PLI scheme

## Decision on utilisation of savings to be taken by group of secys, says an official

SHREYA NANDI
New Delhi, 30 March

ILLUSTRATION: BINAY SINHA



The government will undertake a two-stage review of the production-linked incentive (PLI) scheme, where its progress and implementation across various sectors will be discussed.

This will be followed by utilisation of unused funds and the possibility of reallocation to the government department and ministries, which need more amounts, will be assessed, people in know of the matter said.

An empowered group of secretaries headed by Cabinet Secretary Rajiv Gauba is expected to meet next month to review the progress of the PLI schemes. "Any decision regarding utilisation of savings (from PLI) will also be taken by the empowered group of secretaries," a senior government official told *Business Standard*.

Apart from that, Amitabh Kant, chief executive officer (CEO) of government's policy think tank NITI Aayog, will also hold a meeting on Friday to review the progress and performance of PLI schemes as of now. The total savings for the government under the PLI scheme has been ₹11,484 crore, which can be utilised or reallocated to any other government department in need of funds. This provision was made while designing the PLI scheme.

Last year, the ministry of new and renewable energy (MNRE) had sought more fund allocations towards its PLI scheme as the original outlay — ₹4,500 crore — they believed was not enough to reach India's ambitious renewable energy target. Thereafter, in the Union Budget for 2022-23, an additional of ₹19,500 crore was made for the PLI scheme for solar manufacturing. Similarly, in November last year, the department of pharmaceuticals had also urged the top government panel to provide additional funds of around ₹3,000 crore under the PLI scheme for pharmaceutical drugs to further boost domestic manufacturing of medicines, in-vitro diagnostics (IVD) and their raw materials in India. The official quoted above said a decision on the demand of the pharmaceutical department will be taken once the funds allocated to them are utilised.

*Business Standard* had earlier reported that the Ministry of Electronics and Information Technology (MeitY), which is in charge for PLI scheme for large scale electronics manufacturing, IT hardware and IoT devices — wearables and hearables — informed the empowered group of secretaries that it would require over ₹22,900 crore for the all the schemes that it is running. However, the budget available with the ministry is ₹2,923 crore. The amount, if allocated, will be utilised to offer more incentives to companies and boost exports.

### WHAT NEXT

- Cabinet secretary-headed panel to meet next month to review the progress of PLI schemes
- Decision regarding the utilisation of the savings from PLI can be taken in the review meeting
- NITI Aayog CEO Amitabh Kant to separately hold a review meeting on Friday
- Total savings under the PLI scheme has been ₹11,484 crore
- Demands of pharma department, MeitY still pending

As of now, 14 PLI schemes have been notified and guidelines have been issued by the respective government departments. The first three schemes were notified in 2020 and were for mobile phones and specified electronic components, APIs and medical devices. "They have seen the maximum progress," the official said.

According to the economic survey 2021-22, in the case of mobile phones and specified electronic components, in the first round, 16 applications worth ₹36,440 crore were approved and in the second round, 18 applications worth ₹483 crore were approved.

"In case of APIs/drug intermediates and medical devices, 42 applications worth ₹4,347 crore and 13 applications with a committed investment of ₹798 crore have been approved so far by the competent authority, respectively," according to the survey.

Business Standard 30th March 2022

# Four labour codes may not come up before June-end

INDIVJAL DHASMANA
New Delhi, 29 March

The long-awaited introduction of four labour codes, originally scheduled to happen at the beginning of the current fiscal year, may take at least three more months because all states have not framed rules on them. Officials said the introduction could drag at least until the end of June.

Their implementation is expected to create investment owing to improving ease of doing business as well as initiating pro-worker measures.

"Labour is on the Concurrent List of the Constitution. As many as 23 states have framed rules on the codes. Seven states are left," a key government source said.

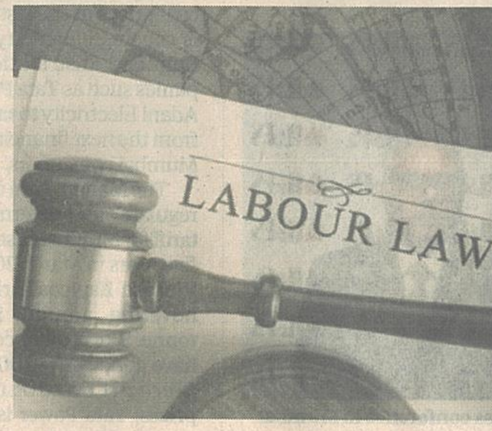
The Concurrent List is the one with items on which the Centre and the states can enact laws. However, in the case of a conflict between Central legislation and a state law, the former prevails.

In the case of the labour codes, apart from the states, the Centre too is required to frame rules. The government wants to introduce all four labour codes — the code on wages; on industrial relations; on occupational safety, health and working conditions (OSH); and on social security — at one go. Experts said while quick implementation would draw in investors, a few months' delay would not scare them away, either.

Madan Sabnavis, chief economist at Bank of Baroda, said: "Problems of labour were well known even in the past. Expediting the labour codes will hasten investor interests. A temporary delay in their introduction to my mind should not create any problem."

After taking a severe beating during Covid-affected 2020-21, gross fixed capital formation (GFCF), which denotes investment, is projected to grow 14.5 per cent in the current fiscal year. However, when seen on the base year of 2019-20, at the end of which the pandemic arrived, growth would be just 2.54 per cent. GFCF contracted 10.40 per cent during 2020-21.

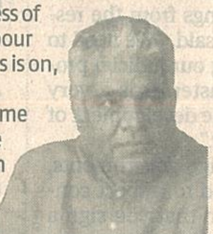
## LONG-AWAITED IMPLEMENTATION




- **Four labour codes subsumed** 29 central labour laws
- **The code on wages** was passed by Parliament in August 2019
- **The other three were passed** in September 2020
- **The code on wages envisages uniform applicability of the provisions of timely payment** of wages and minimum wages to all employees irrespective of the wage ceiling and sector

## Labour codes in consonance with ILO norms, says minister

Union Labour Minister Bhupender Yadav has said that the Centre notified four labour codes in consonance with the norms set by the International Labour Organisation (ILO). Addressing the annual general meeting of the Federation of *PTI* employees unions on Monday as the chief guest, Yadav said the labour codes have been notified, keeping in mind social security, safety, occupational hazards and the welfare of the workers of all sectors. The process of ratifying the four labour codes in all the states is on, and as soon as it is completed, it will come into effect across the country. Labour is on the concurrent list of the Constitution. PTI



The Union Ministry of Labour and Employment has been holding consultations with states and India Inc. on the codes. Among the four, the most controversial is the one on wages. One of its provisions says if all payments other than wages (basic and dearness allowance) exceed 50 per cent (of the total) or such other percentage as may be notified by the government, then the excess will be included in wages. This means wages will need to be at least 50 per cent of the remuneration of the employee.

As a general industry-wide practice, wages do not constitute 50 per cent of the remuneration. They are in the range 30-35 per cent because remuneration is increasingly based on performance incentives, bonuses, and other allowances.

In a recent meeting, the Confederation of Indian Industry (CII) expressed the fear that the definition will lead to a sudden increase in the wages on a cost-to-company (CTC) basis.

Given the current financial stress, many employers may be forced to pass on some impact of it to employees in the form of reduced cash in hand in spite of an increase in overall wages on a CTC basis. "This would mean less disposable income in the hands of the workforce, impacting consumption demand. Given the industries are still trying to recover from the impact of Covid, the additional financial impact will only be adding to their financial woes," the CII said.

Business Line 24th March 2022

# SEBI notifies voluntary regulations to separate posts of Chairman, MD/CEO

## Lists relatives who cannot hold the positions

**SHISHIR SINHA**

New Delhi, March 23

Market regulator Securities and Exchange Board of India (SEBI) has notified voluntary norms for splitting the post of Chairman and Managing Director or Chief Executive Officer for 500 top listed companies.

"The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall be a non-executive director and not be related to the Managing Director or the Chief Executive Officer, as per the definition of the term 'relative' defined under the Companies Act, 2013," said SEBI in a notification. Earlier, the separation of roles was mandatory and was to come into effect from April 1.

### 24 categories

The Companies Act defines relatives in 24 categories. These include members of the Hindu Undivided Family, husband-wife, father, mother (including step-mother), son (including stepson), son's wife, daughter (including step-daughter), father's father, father's mother, mother's mother, mother's father, son's son, son's son's wife, son's daughter, son's daughter's husband, daughter's husband, daughter's son, daughter's son's wife, daughter's daughter, daughter's daughter's husband, brother (including step-brother), brother's wife, sister (including step-sister) and sister's husband.

The notification is the outcome of a SEBI board decision

in February after it found that out of the top 500 listed companies, only 54 per cent had followed the norm. It said that expecting the remaining to comply with these norms by the target date would be a tall order and, accordingly, said it would be voluntary.

### Better corporate governance

Ashish K Singh of Capstone Legal says a majority of the leading companies are promoter or promoter family-driven. This amendment will go a long way to ensure better corporate governance in companies to protect the interests of shareholders. "It also sends a clear message to international investors that India is now taking proactive steps to become more transparent on how listed companies are run," he said.

Sudish Sharma, Executive Partner with Lakshmikumaran & Sridharan Attorneys, says the appointment of separate persons to the posts of the Chairperson and the Managing Director or CEO is now voluntary for listed companies.

The said requirement was proposed to ensure good corporate governance and reduce excessive concentration of authority in a single individual. However, the "present amendment has been brought by SEBI in the light of representations received from industry expressing difficulties such as over-regulation and excessive compliance", he said.

# Six airbags mandatory even for small cars, no two tolls within 60 km: Gadkari

## Air bags rule shocks auto industry; sales will be dented further, says Maruti Suzuki

S RONENDRA SINGH
New Delhi, March 22

Transport Minister Nitin Jairam Gadkari's assertion on Tuesday about making it mandatory even for small cars to have six airbags sent the auto industry into a tailspin.

Gadkari also made another announcement that there should be a minimum distance of 60 km between any two toll gates on the national highways, giving freight movers the much-sought relief. However, this is an existing stipulation under the National Highways Fee (Determination of Rates and Collection) Rules 2008.

"There is a rule that no two tolls should be there within 60 km, but it is there in some places. Today, I promise to this House that this is illegal, and within three months, there will be only one toll within a distance of 60 km. If there is another one, it will be shut."

### Safety concerns

Flagging safety concerns, Gadkari told Parliament that India has one of the highest road accidents in the world with five lakh accidents in a year; 1.5 lakh people die and around three-lakh become handicapped. Hence, it was time India adopted better safety norms — both for pedestrians and vehicles. The six


Transport Minister Nitin Gadkari speaks in Lok Sabha PTI

airbags should mandatorily be part of the enhanced safety regime, said the Minister.

The auto industry, already reeling under stress due to semiconductor chip shortage and rise in commodity prices, was stunned by the Minister's six airbags announcement.

"This will reduce sales of small cars. We are still below our peak which was in 2018-19...the peak sales was three years earlier. Two of these years were Covid years and one was not even the Covid year (2019-20), but sales fell 18 per cent. We haven't even reached there yet...so it really means three years are lost," RC Bhargava, Chairman, Maruti Suzuki India (MSIL), told *BusinessLine*.

"And, prices have gone up due to materials costs/chip shortages, and now we have the airbags cost. So, the recovery will get pushed back," he added.

According to industry experts, costs could go up by ₹18,000-22,000 (excluding GST) per car, if six airbags are made mandatory.

Gadkari had issued a draft notification earlier making six airbags compulsory in motor vehicles carrying up to eight passengers. But his statement on Tuesday included even smaller cars.

Business Line 23rd March 2022

# SC permits registration of BS-VI light, heavy diesel public utility vehicles

PRESS TRUST OF INDIA
New Delhi, March 22

The Supreme Court on Tuesday permitted registration of BS-VI light and heavy diesel vehicles used for public utility and essential services.

A bench of Justices L Nageswara Rao and BR Gavai directed that the authorities should not insist on production of court orders for the registration of vehicles in this category.

"We are of the considered view that the registration can be permitted in respect of BS-VI light and heavy diesel vehicles used for public utility and essential services. The registering authorities are directed not to

insist on any order passed by this court to be produced for registration of such vehicles", the bench said.

The order was passed after perusing the report of advocate ADN Rao, appointed as *amicus curiae*, who told the court BS-VI light and heavy diesel vehicles used for public utility and essential services may be permitted to be registered.

### BS-IV vehicles in J&K

The top court also dealt with a plea seeking relaxation for sale of BS-IV vehicles in Jammu and Kashmir on account of the curfew and internet suspension imposed in 2019 following the abrogation of Article 370.

The bench asked the applicant to approach the Jammu and Kashmir High Court for seeking the relief.

The order was passed while hearing various pleas including the PIL filed by Environmentalist MC Mehta, seeking permission for registration of BS-VI diesel vehicles.

# MISCELLANEOUS

The Economic Times 4th March 2022

# Labour Market Witnesses Uneven Recovery in January

## Formal job creation sugres under EPFO but declines under ESIC and NPS

**Our Bureau**


**New Delhi:** Formal job creation under the Employees Provident Fund Organisation rose in January while the net new additions under the Employees State Insurance Corporation and the National Pension Scheme fell month-on-month, suggesting an uneven labour market recovery in India.

The payroll data, released by the ministry of statistics and programme implementation on Friday, shows net new subscriber addition under the EPFO stood at 1.52 million, 20.6% more than 1.26 million added in December 2021.

Net new subscribers under Employees State Insurance Corporation, however, fell 16.2% in January at 1.28 million as against 1.53 million added in December 2021.

The National Pension Scheme also witnessed a dip of 10.4% with 64,998 new subscribers in January compared to 72,578 subscribers added in December 2021.

According to the report, 1.04 million male subscribers were added to ESIC while 0.23 female subscribers were added to ESIC.

Of the 1.52 million net subscribers added to EPFO during the month, around 0.86 million new members have been registered under the social security ambit of EPF & MP Act, 1952 for the first time and approximately 0.66 million net subscribers exited but rejoined EPFO by continuing their membership with EPFO instead of opting for final withdrawal.

Under NPS, maximum subscriber addition in January was from state government employees at 38,524 followed by central government employees (13,421) and 13,053 from the non-government or corporate sector.

Business Line 26th March 2022

# Gujarat again tops NITI Aayog's Export Preparedness Index 2021

**PRESS TRUST OF INDIA**

New Delhi, March 25

Gujarat, for the second consecutive year, has topped the NITI Aayog's Export Preparedness Index 2021 which is aimed at assessing the readiness of States' export potential and performance.

Gujarat was followed by Maharashtra, Karnataka, Tamil Nadu, Haryana, Uttar Pradesh, Madhya Pradesh, Punjab, Andhra Pradesh and Telengana, according to the government think tank's report.

At the bottom were Lakshadweep, Arunachal Pradesh, Mizoram, Ladakh and Meghalaya.

The index, prepared in partnership with the Institute of Competitiveness, can be used by the States and Union Territories to benchmark their performance against their peers and analyse potential challenges to develop better policy mechanisms to foster export-led growth at the sub-national level.

The ranking is based on: Policy, business and export ecosystem and export performance, and 11 sub-pillars like export promotion policy and business environment. The index's primary goal is to instil competitiveness among States to bring about favourable policies, ease the regulatory framework, create necessary infrastructure and assist in identifying strategic recommendations for improving export competitiveness.

Releasing the report, NITI Aayog Vice-Chairman Rajiv Kumar said growth of India's exports is 36 per cent, while the world trade growth is 30 per cent. "After a very long time, we will see India's share in world merchandise trade increasing from 1.6 to 1.7 per cent," he said, adding, sectors which contributed in the growth include vehicles, electrical machinery, iron and steel.

### Room for growth

Kumar said the value of global trade is $24 trillion, of which India's export is worth $400 billion, so there is "massive" potential. Around 70 per cent of exports are from five States—Maharashtra, Gujarat, Karnataka, Tamil Nadu and Telangana, he added.