ACMA
(Western Region)

Press Reports on Automotive Industry 2021-22

Automotive Component Manufacturers Association of India

(Western Region)

Mumbai

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

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PRESS REPORTS
ON
AUTOMOTIVE INDUSTRY

Business Standard 19th June 2021

Car, phonemakers may have to wait longer for chips, thanks to bitcoin

SURAJEET DAS GUPTA
New Delhi, 18 June

The growing popularity of bitcoin across the world is spurring demand in an unexpected industry — semiconductors. In response, global chipmakers are re-purposing their plants to make chips which can power the high processing speeds required by bitcoin servers. They are also moving to smaller but more powerful nanometer chips which fetch a higher price tag.

The result is that other industries such as car makers and telecom device manufacturers face a shortage that is likely to be prolonged, both across the globe and in India.

Estimates by Applied Materials, the leading manufacturer of equipment for chipmakers, indicate that it could take between 24-30 months, once new factories start production, for supply to align with demand.

RIPPLE EFFECTS

- **Chip makers have repurposed capacity to meet the sudden demand of** bitcoin servers which require high-end chips providing better margins
- **They are also shifting from manufacturing high-end nanometer chips** to low-end ones based on the latest tech

- **Telecom device makers and auto makers say** the shortage of chips could last for up to one year

The shortage began about a year ago. Hari Om Rai, chairman of Lava International which manufactures mobile devices, said the shortage was proving longer than expected. "We had thought it would be over after a year but now we expect it to go on for another six months," he said.

Rai said the shortage is creating havoc for mobile device manufacturers who are getting less than 30-40 per cent of the normal requirement of chips.

It's not merely that demand from bitcoin players has intensified the shortage. It's also, as Rai pointed out, that the sudden increase in demand for phones (and therefore chips) was not anticipated post-lockdowns. The shortage is more acute for mass-produced, non-leading edge, chips which offer lower margins. As the Indian CEO of a global leading chip design company which has chips manufactured through OEMs for the mobile devices industry, said: "Mobile devices are the only product where you require cutting edge (10-15 nanometers) chips as well as chips which are low tech (60-60 nanometers)."

"For instance, the integrated circuits for power management and display communication are commoditised while those for the memory and central processing unit are high tech. The shortage is in the non-leading tech chips. Without them, the phones cannot be made."

He said the relatively larger chip makers are repurposing capacity to make high-end chips and he is asking mobile device players to buy the high nanometer chips from smaller manufacturers or through traders. This led to disruption.

Bitcoin has provided chipmakers with a new opportunity in the past year. "What we are seeing is the repurposing of existing chip capacity to immediate action areas like Bitcoin servers which require cutting edge chips and they are ready to pay top dollars," said Applied Materials India country president Srinivas Satya.

On the other hand, said Satya, automakers in India and elsewhere which follow just-in-time operations to reduce costs, have asked chipmakers to trim their production as the sale of vehicles and production levels have plummeted. In response, chipmakers shifted this capacity to make chips for bitcoin servers. This was particularly advantageous for them because many of the chips required in the micro controllers used by automakers are not cutting edge and therefore do not fetch the kind of margins as the high tech chips used for bitcoin farms.

An Indian auto firm executive said: "We require semiconductors now as we push up production. But the feedback is clear — it will take at least a year before they can shift back capacity or before new capacity starts firing."

Economic Times 30th June 2021

COS SET TO POST SECOND-HIGHEST JUNE DESPATCHES OF 245,000 UNITS

June Car Dispatches in Fast Lane

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Indian carmakers are expected to have dispatched up to 245,000 units to retail outlets in June, the second-highest for this month, with sustained plant operations through the lockdown and phased easing of mobility curbs prompting companies to build dealership inventory and help meet pent-up demand.

Factory dispatches in June this year are more than double that for the same month last year. In June 2019, automakers sent 220,000 units to retail outlets across the country. Lost volumes in April and May are being recovered in June, as dispatches in the month this year are still higher than the average of 227,000 units for the month of June between 2015 and 2019, industry data showed.

Eyeing demand revival, carmakers have been sending vehicles to retail outlets through the lockdown months.

"Carmakers used this opportunity to replenish inventory at dealerships, and the stock is at normal levels of 30-40 days. The retail momentum is gradually picking up pace," said Shashank Srivastava, Senior ED, Sales and Marketing, Maruti Suzuki. "With more than 95% of the market opened, normal retailing activity should resume. Much, of course, depends on the Covid situation."

Pent-up demand for personal mobility, multiple product launches and a thriving rural economy are expected to underpin car sales at a time consumers are generally sceptical of public transport. To be sure, dispatches in June are about four-fifths of the March quarter average, with retailing inventory rising to 35-40 days from about 20 days.

Business Line 21st June 2021

Over 20 semiconductor firms submit EoIs for PLI scheme

DEBANGANA GHOSH

Mumbai, June 20

Over 20 semiconductor manufacturing and designing companies in high-end, displayand specialty fabrication have submitted expressions of interest (EOIs) to set up manufacturing plants in India. Of this, two-three are 'very serious' projects, according to the India Electronics and Semiconductor Association (IESA).

For semiconductor manufacturing, which majorly involves chip making, the government will be open to negotiating new incentives beyond the fixed incentives already announced.

"The government is looking at at least 3-4 companies leveraging this incentive or showing expression of interest. They do not want to fix what kind of incentives they want to provide. Once they have EOIs, they will customise incentives based on the company's area of work, type of fab, and requirement. It will not be a one-size-fits-all solution and that is going to be USP of fab incentives this time compared to the traditional approach of take it or leave it," Rajeev Khushu, chairperson, IESA told *BusinessLine* declining to name the companies.

Rajeev Khushu, chairperson, IESA

Wooing investors

The government has been trying to bring a semiconductor fabrication unit to India for many years now however earlier schemes had failed to attract actual investments.

But this time Khushu reckons that there could be serious players since the Government is engaging with companies to understand what kind of incentives are required.

'Open to hiking incentive'

"There are (existing) incentives which are already in place like $1 billion incentive per chip company wanting to set up their manufacturing unit in the country.

"The government is open to increase the incentive amount depending on the investment the company is bringing to the country. They wanted to mention a figure to create interest, but this also means that they are not restricting the figures to $100,000 or $1 million or a billion. As the government starts engaging with the companies participating, clarity on incentives will start becoming apparent."

The customised incentive approach was recommended by IESA.

"India has a large pool of engineers working in the semiconductors space, right from product defining up to fabrication. Even testing and validation of chips happens within the country once we receive engineering samples from the fab.. All the countries are looking at having fabrication within the country, while becoming a part of the global supplier, not because they have demand, but it makes sense from a security and supply-chain perspective," he said.

Khushu estimated that the sector has been growing at a CAGR of around 15 per cent for several years now although on a low base. Along with steady growth there has been an increasing demand for electronics owing to the younger population in India. All of these factors are early signs of expected growth, he said.

Business Line 26th June 2021

'Tech, lowest total cost of ownership will be our USP'

We are expanding our sales network more in the North and East: Ashok Leyland MD

G BALACHANDAR

Chennai, June 25

Leading commercial vehicle manufacturer Ashok Leyland managed to post strong profit in Q4 of FY21 while it incurred losses of ₹314 crore in FY21, which was a tough year for the CV industry due to the impact of the pandemic and BS-6 norms, among others.

THE BL INTERVIEW

Its consolidated revenue stood at ₹19,454 crore in FY21, down 11 per cent from ₹21,951 crore in FY20. However, the company says it is well-positioned to benefit from the revival in the CV market as it used the downcycle phase to build its next-gen Avtr truck platform and establish the new pick up Bada Dost in the market. Vipin Sondhi, MD & CEO of Ashok Leyland, spoke to *BusinessLine* about CV market recovery, its new vehicle platforms and growth plans. Experts:

How do you see the recovery in the CV market this time around?

As a country we have learnt our lessons and we are far better prepared this time to handle the pandemic. For Ashok Leyland, we were in the process of launching new products —Avtr modular platform with BS-6 technology in June and pick up Bada Dost out of our new LCV platform Phoenix in September 2020. We had no experience how it would pan out in the market. But we are now more confident as we come out of this lockdown with product, technology and people.

Do you see the tipper segment reporting better recovery than others due to resumption of construction activity?

Actually, tippers never went down dramatically. In some ways, building roads and highways continued at a slower pace. Now it is picking up again. So, I hope the government continues to invest in infrastructure developments and tippers will continue to grow. Our GDP forecast is 9.5 per cent, though Q1 will be challenging. So we do see growth coming quarter on quarter. Each segment of CV — light, intermediate, medium and heavy — will have its own trajectory of growth and so also tippers.

When will the benefits of scrappage policy start flowing and is there a plan for the used truck market?

The ecosystem has to develop — fitness centres and scrappage yards — over a period of time. It will start adding value gradually. Once the ecosystem is in place, the full benefits of scrappage will take place. On used vehicle business, we are reviewing a plan.

How will the new set of platforms such as Avtr or Pheonix help AL to grow volumes and share?

A modular vehicle platform helps a buyer to customise to their specific application by looking at the load patterns, distance etc.. Why do you need a standard or heavier fuel tank if you are going to run it for short hauls? This is like a lego system model under which you configure your own truck. But this will take time for customers to get used to. Secondly, in total cost of ownership (TCO), the largest part is fluid economy, that is, fuel economy followed by tyre wear and tear. Modularity addresses the latter and the design of engines addresses the former. Based on the data from the trials we have conducted with customers, we have the best TCO that will give significant savings to customers in addition to the quality and reliability built into the design of the new modular platform. So, there are many, many reasons for the Avtr platform to be a preferred choice among the truck buyers.

Ashok Leyland has always been very, very strong in medium and heavy commercial vehicles.

VIPIN SONDHI

MD & CEO of Ashok Leyland

Is there a shift among the truck buyers to consider TCO over initial price?

It will take some time for this change to take place, probably in a gradual manner. Because truck customers are used to a particular kind of negotiation while buying new vehicles. Will TCO be the way in which truck buyers will look more and more in the future? The answer is absolutely yes. Are all of them looking at it? No. Are some of them considering TCO as a way? Yes. It is also our responsibility to show the benefits of TCO with the real data.

How is Ashok Leyland devising growth for the future?

Ashok Leyland has always been very, very strong in medium and heavy commercial vehicles. Going forward, technology and lowest TCO will be our key selling points. Avtr platform has given us the edge to be one step ahead in technology. We are also expanding our sales network more and more in the northern and eastern region to strengthen our presence further.

What are the plans for the Bada Dost and LCV business? Are you planning more variants, new launches and other expansion initiatives?

Before Bada Dost, which was the first product of the Phoenix platform, we were addressing little over a third of the market. After the launch of Bada Dost, we are now participating in 50 per cent of the market. Customer segment remains retail and we have both new buyers and upgrades happening for Bada Dost, a pick up. We are definitely gaining in market share after the launch of this new product, which will be launched in more markets going forward.

Business Standard 23rd June 2021

After a stupendous performance in the fourth quarter of FY21, India Inc faltered in Q1 of this financial year due to the second wave of the pandemic. What do the prospects for Q2 look like? The first of a four-part series looks at the automobile industry

Motown gears up for fast-lane drive

ARINDAM MAJUMDER
New Delhi, 22 June

As the second wave of the Covid-19 pandemic abates, India's automakers are hopeful of a quick recovery in sales volumes, led by better rural sentiment, low interest rates, improved availability of finance and a gradual uptick in business and economic activity. In fact, companies have started to ramp up production already, encouraged by high order books and the growing preference for private transport in both rural and urban areas as a means to avoid infections.

In early April, the industry had been bullish as the sales trend for March showed that the effects of the Covid-19 pandemic had been left behind. The total vehicle sales had grown by 77 per cent, albeit on a lower base, and for the past few months, sales had consistently touched 300,000 units per month.

An optimistic Maruti Suzuki, India's largest carmaker, had said that the higher liquidity in the market, coupled with easier finance options, would likely be a boon for the industry.

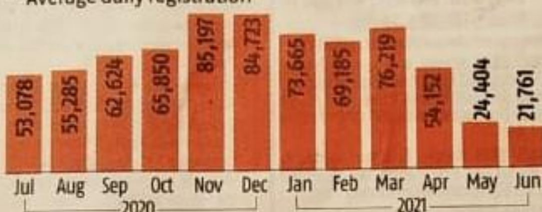
But once the second wave of the pandemic struck, all the gains of the previous few months got eroded. With more than 80 per cent of the country under lockdown, carmakers were forced to shut factories and dealers had to close their showrooms.

Q2 COUNTDOWN
PART-I
AUTOMOBILES

Now, the pendulum has swung back once again. As the Indian economy starts opening up once more, industry executives are hoping for a robust Q2. Sales are projected to recover from August, once economic activity gathers pace.

After the lockdown period last year, vehicle sales had gone up, but fell sharply again from April 2021, when the second Covid wave forced 80% of auto dealers to close down

▪ Average daily registration



Note: Data of Andhra Pradesh, Madhya Pradesh & Telangana not captured; June data till 15th
Source: Vahan

Industry sources said that in June, two of India's largest carmakers, Maruti Suzuki and Hyundai, are aiming to produce 165,000-169,000 units and 60,000-65,000 units, respectively.

This is an increase from April, when Maruti Suzuki produced 157,585 vehicles and Hyundai about 57,100 vehicles, before production nosedived in May when the country was hitting the peak of the second wave. The quick ramp-up in production has been possible since, unlike last year, there was little or no flight of workforce this time.

"Ten states that account for 40.2 per cent of total sales have opened up fully. Since unlocking began, our dealer partners are seeing good traction and enquiry from customers. I expect 70-75 per cent of sales witnessed in early April to be back in June," said Shashank Srivastava, executive director (marketing and sales) at Maruti Suzuki.

Out of 3,145 of Maruti's outlets, 2,300 were open as of the end of last week.

Hyundai is also ramping up production and has restarted the third shift at its Chennai plant. Tarun Garg, head of sales at Hyundai, said that the company was of the view that 75 per cent of normal monthly sales will return by June.

"Today, 80 per cent of our dealerships are open. While May saw only 25-30 per cent of sales, we expect that by June, 70-75 per cent of normal demand will be back," Garg said.

However, the rebound in two-wheelers may take a while, as rural areas, which are one of their primary markets, were badly hit by the second wave of the pandemic.

Y S Guleria, head of sales at Honda Motorcycle and Scooter India, said, "Rural areas have also been impacted by the pandemic this time. But there is one positive aspect: there has been a record agricultural output and we can expect a normal monsoon. We can clearly see it from the trend of tractor sales, which have fared well in the last two seasons. The fundamentals look strong but we will have to see if it translates to demand."

However, Srivastava of Maruti cautioned that the current bullishness in the industry really depends on the overall mood of the economy and whether or not India will be able to resist a third wave. "The supply side is smooth, but the actual recovery of demand will depend on the overall macro economy," he said.

Agreed Guleria of Honda: "It is like crystal-gazing. We are on a week to week business planning."

Apart from the uncertainty in demand, what is worrying companies is a spike in input costs, which will pinch profit margins. For instance, for Bajaj Auto, input costs have risen by 4-5 per cent, against which the company has taken price hikes of 4 per cent in phases. The two-wheeler-maker's Ebitda margin contracted 60 basis points (bps) year-on-year and 170 bps quarter-on-quarter to 17.7 per cent in Q4. The firm expects a further 300 bps impact in Q1 of FY22, for which it has increased the price of its products by 1.5-2 per cent in April.

Analysts say that despite the increase in production cost, the uncertainty in demand will make it tough for companies to increase prices.

"We expect a stronger FY22 on a very low base of H1FY21. However, the growth will be lower than our earlier expectations as the second wave of the pandemic has hit the country badly. Therefore, retail as well as wholesale numbers will be impacted at least in Q1 of FY22. We are, however, expecting a strong bounce back in Q2FY22 across the segments as Wave #2 is expected to subside," LKP Securities said in a note.

The Economic Times 19th June 2021

SUVs Rule the Roads with 48.5% Mkt Share in May

Nearly half a million units sold in first 5 months this year compared with 707,000 units in 2020

Sharmistha.M
@timesgroup.com

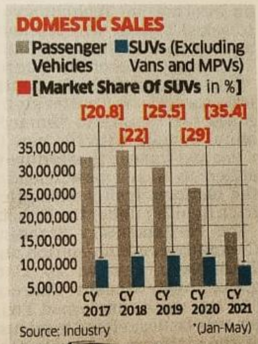
New Delhi: More than one out of every three passenger vehicles sold in the local market is now an SUV, as Indian consumers increasingly opt for sporty, multipurpose personal vehicles that they can drive to office every day and take on long family leisure trips.

Industry estimates put the number of SUVs sold in the first five months of this year at nearly half a million, compared with 707,000 units in the 12 months of 2020. This has increased the share of SUVs in India's passenger vehicle sales to 35% from 29% last year. The segment's share was as much as 48.5% in May, but industry insiders don't see it as a true picture of the market as much of the country was in lockdown last month due to the second wave of the Covid-19 pandemic.

While passenger vehicle sales picked up quickly after the nationwide lockdown last year, the gains were faster in the SUV segment, continuing the trend in shifting consumer preference towards these more spacious vehicles with higher ground clearance that are more comfortable in Indian conditions.

"India is at the cusp of an SUV revolution," said Tarun Garg, director of sales and marketing at Hyundai Motor India. "The contribution of SUVs to overall PV (passenger vehicle) sales is only going to grow going ahead."

At Hyundai, SUVs now account for 45% of total India sales compared with just 9% in 2015 and the manufacturer of the Creta and Venue SUVs expects this to only increase as the market recovers from the disruptions caused by the pandemic.



The Economic Times 25th June 2021

SPIRALLING COSTS OF PETROL, DIESEL SEEN FAVOURING CNG PUSH

Maruti, Hyundai Expect Sales of CNG Vehicles to Pick Up

Sharmistha.Mukherjee
@timesgroup.com

New Delhi: The country's top two carmakers Maruti Suzuki and Hyundai Motor India are gearing up for a big push in sales of CNG-powered vehicles, especially at the entry level, amid spiralling costs of petrol and diesel.

Maruti Suzuki plans to produce 250,000 CNG vehicles this fiscal, an increase of nearly 60% over FY21, while Hyundai expects sales of its CNG models to treble to around 35,000 units this calendar year.

"We have seen an exponential increase in demand for CNG vehicles, first of all because of the rise in price of petrol and diesel fuel," said Shashank Srivastava, executive director (marketing and sales) at Maruti Suzuki. "Second, the availability of CNG itself has improved, both geographically as well as in absolute numbers, making it emerge as a viable option for consumers," he told ET.

Maruti Suzuki has eight CNG-powered vehicles — Alto, S-Presso, Celerio, WagonR, Ertiga, Eeco, and Dzire — in its portfolio. It plans to make CNG option available on all small cars in future.

Its closest rival Hyundai, too, expects a spike in CNG vehicle sales. The Korean carmaker currently has CNG options available on three models — Aura, Santro and Nios. "If we see demand for CNG in other products, we will not hesitate to bring it to the market," said Tarun Garg, director (marketing and sales) at Hyundai Motor India (HMIL).

He expects sales of CNG vehicles in the company to increase to around 35,000 units in CY2021, up from annual average sales of 8,000-10,000 units recorded the past couple of years. Hyundai will focus on petrol and CNG in the small car segment, and play on petrol and diesel for its SUVs, Garg said.

The running cost of CNG vehicles is less than half of petrol/diesel vehicles, automakers said. In Delhi, running costs of a CNG vehicle is ₹1.60-1.70 per km against ₹4-4.10 of petrol/diesel vehicles.

Switching Over

Maruti Suzuki plans to produce **250K CNG vehicles** this fiscal

Hyundai expects sales of CNG models to treble to **35,000 units** this year

Maruti plans to make CNG option available on all small cars soon

Running cost of CNG vehicles is less than half of petrol/diesel vehicles

3,400 CNG distribution outlets are operational across **350 cities** in the country

The Economic Times 22nd June 2021

Q2 PASSENGER VEHICLE PRODUCTION MAY HIT 3-YEAR HIGH

Auto Cos Ramping up Output

Around 350,000 units expected to be manufactured next month

Ketan Thakkar & Ashutosh R Shyam

Mumbai: India's passenger vehicle makers are ramping up production to recoup the output lost during the lockdowns since April, with market leader Maruti Suzuki expected to record itss highest ever volume for a month in July.

Maruti Suzuki is scheduled to produce 198,000 units next month, industry insiders with knowledge of its plans said. They projected the July production volume of Hyundai Motor at 60,000 vehicles and Tata Motors at 30,000 units, taking the total expected output of the top three automakers alone to close to 300,000 units.

Including the output of other passenger vehicle makers, the industry output could be around 350,000 units next month, short of the high of 364,000 units produced in January 2019.

MARUTI TO HIKE PRICES FROM Q2
▸▸ PAGE 5

300,000 Units Estimated output of Maruti, Hyundai and TaMo in July

Close to a million cars may be produced in July-Sept

This may be highest Q2 output in 3-4 years

Auto component cos say order book improving every week

Over 90% of market opened, PV sales for June seen at almost 75% of pre-second wave

The Economic Times 29th June 2021

Share of Petrol Vehicles Up in UV Segment Sales

THE REASON Increase in the cost of diesel vehicles post transition to BS-VI emission norms and the narrowing price differential between two fuels

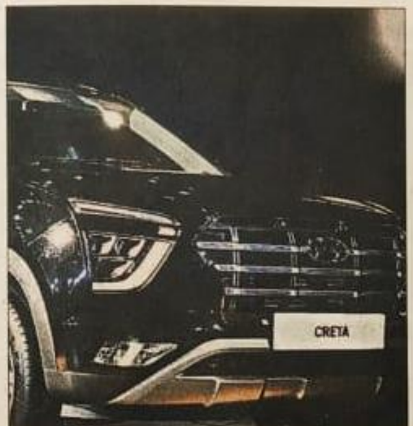
Sharmistha.Mukherjee
@timesgroup.com

New Delhi: The share of petrol in the country's fast-growing utility vehicle segment has nearly doubled in the past one year, thanks to the rise in cost of diesel vehicles post the transition to BS-VI emission norms and the narrowing price differential between the two fuels.

Three out of every five utility vehicles sold in the Indian market last fiscal ran on petrol, up from about a third the previous year. The shift is particularly pronounced in the entry SUV segment where the share of diesel crashed to 25% last fiscal, from 60% in FY20. In hatchbacks, sedans and vans too the share of diesel slid sharply to stand at 1% (down from 5% in FY20), 6% (down from 33% in FY20) and 3% (down from 10% in FY20) respectively last fiscal.

Industry veterans say higher acquisition costs of diesel vehicles, improved fuel efficiency of petrol vehicles and lower price differential between the two fuels have wiped off the gains of lower running costs from diesel.

Shashank Srivastava, senior executive director (marketing and sales) at Maruti Suzuki told **ET**, "The price differential between petrol and diesel have narrowed to an average of around ₹5, from a peak of ₹31-32 in 2012. Fuel efficiency of petrol vehicles has improved due to the introduction of better technology. If the running costs of petrol and diesel vehicles are now similar, why should a consumer pay more to own a diesel vehicle?"



In May 2012, when the price differential between petrol and diesel was at its peak, diesel fuel was 40% cheaper than petrol. Since diesel fuel has been unregulated, prices have increased steadily and the price gap between the two fuels now stands at less than ₹5 nationally.

Even in a state like Delhi where the retail price of petrol and diesel stood at ₹98.46 and ₹88.90 Monday — translating into a price gap of ₹9 — running costs of compact petrol and diesel vehicles stand ₹4.10 and ₹4 per km. While savings on running costs have thus become minimal, premium payable on a diesel vehicle has increased to ₹140,000-200,000, from ₹100,000-110,000 post the transition to BS-VI emission norms from April 1, 2020, making unviable economics of ownership. Veejay Nakra, CEO (automotive division), at Mahindra & Mahindra (M&M) agreed, "The sub 4m segment, with the phasing out of BS-IV, has seen an increasing preference for gasoline vehicles and we see a similar trend at M&M as well. The demand for the gasoline variant of the Mahindra XUV300 has continued to go up from 33% in FY20 to 45% in FY21. Even in a true-blue SUV like Thar which is sub 4m the gasoline demand is a significant 25% of the bookings." Mahindra added the mStallion range of gasoline engines in 1.2, 1.5, and 2 litres in the recent past to cater to the increasing demand for gasoline.

Diesel fuel, however, is expected to remain relevant at the premium end of the market as it delivers higher power and torque. Diesel variants contribute 64% of volumes in the mid SUV segment, and also dominate sales of high-end SUVs with a share of 94%.

Tarun Garg, director (sales and marketing) at Hyundai Motor India, confirmed the company continues to see robust demand for diesel-driven options in its larger SUVs. As much as 55% of the bookings for the recently launched SUV Alcazar came from diesel. In Creta, the demand is higher at 60%.

"Diesel offers higher torque, better fuel efficiency, which has become important now that fuel prices are on a rise. Besides, there are certain markets like Telangana, Andhra Pradesh, UP, Madhya Pradesh and Punjab, where demand for diesel is particularly strong," said Garg.

The Economic Times
17th June 2021

CO NOW HAS A REIMAGINE STRATEGY: CHANDRA

'JLR's Come Out of the Pandemic Much Stronger'

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Jaguar Land Rover has emerged "much stronger" from the pandemic and is "future-ready" to be a leader in electrified luxury vehicles, said Natarajan Chandrasekaran, chairman of Tata Motors that owns the British automaker.

The company has delivered a "resilient performance" in a year that has been among the most challenging because of the pandemic, Chandrasekaran, who is also the chairman of JLR, wrote in his address to its shareholders in the fiscal 2021 annual report.

Revenue at the maker of the Jaguar I-Pace electric luxury car and Land Rover Defender SUV fell 14% to £19.7 billion in fiscal 2021, as the pandemic and Britain's exit from the European Union disrupted business in several of its biggest markets. But the profit margin before interest and tax widened to 2.6% from 0.1% the year before and it also generated £185 million cash, Chandrasekaran said.

"Looking into the next year and beyond, I am happy that we have come out of the pandemic much stronger, with a future-ready strategy that we will execute flawlessly," the chairman said.

JLR's new chief executive, Thierry Bolloré, said the automaker's focus would be on value creation through a profit-over-volume approach.

"Our goal is to deliver a double-digit Ebit margin and become one of the world's most profitable luxury manufacturers," the CEO wrote in the annual report.

In February this year, the automaker had announced a new global strategy, 'Reimagine', which envisages the Jaguar brand to have only electric vehicles from 2025 and the company to exit the diesel market altogether by 2026, as it looks to be a net-zero carbon business by 2039. The strategy is aimed at making the company a world leader in electrified luxury vehicles, adopt new technologies and improving sustainability and manufacturing efficiency.

It has created new positions on the board to look after aspects like quality, customer satisfaction, supply chain, product development and creativity with a focus on modern luxury.

JLR will focus on sustainability and quality in all aspects of the business, Bolloré wrote in the report.

Road Ahead

Reimagine strategy envisages to make the co a world leader in electrified luxury vehicles

Both Jaguar Land Rover brands will be transformed through electrification

Co to have 6 new all-electric Land Rover models in next 5 years & Jaguar completely reimagined as a pure electric brand, from 2025

Top Management Rewarded

JLR handsomely rewarded its top management that manoeuvred it through the uncertainties caused by the pandemic, even as it "right-sized" the organisation by cutting headcount. Emoluments of top executives rose 55% from the year before to £7.15 million in fiscal 2021, the highest at least since FY15, according to data from JLR's annual report.

One of the reasons for this was the appointment of the new CEO, made in March. The previous CEO remains on the board as its vice chairman. The earnings of both were included in directors' emoluments. The growth in this expense is quite contrast to the trajectory in employee cost.

The Economic Times
18th June 2021

Deal with Suzuki is Paying off for Toyota in India

Stronger Together

Toyota Motor Corp, Suzuki Motor Corp inked pact in 2018 for sharing tech and products

Toyota Kirloskar has readied production plan of about 120,000 vehicles for 2021-22

Two rebadged Maruti Suzuki vehicles – Glanza and Urban Cruiser – made up about 40% of Toyota's sales in India at end of last fiscal

Vehicles sourced from Maruti Suzuki may account for 50% Toyota India sales in FY22

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Toyota Kirloskar Motor, the Indian subsidiary of Japan's Toyota Motor Corporation, is expected to garner more than half of its sales in this financial year from vehicles sourced from market leader Maruti Suzuki India and its subsidiaries under an agreement signed about three years ago.

The company has readied a production plan of about 120,000 vehicles for 2021-22, more than 50% of which (including exports) are expected to be from the Maruti Suzuki stable. Last fiscal, it sold about 93,000 vehicles, 40% of which were from Suzuki. Two rebadged Maruti Suzuki vehicles, premium hatchback Glanza and compact sports utility vehicle Urban Cruiser, accounted for about 40% of Toyota's sales in India at the end of last fiscal.

Toyota Motor Corporation, the world's largest carmaker in terms of market share, had signed an agreement with Suzuki Motor Corporation, Maruti Suzuki's Japanese parent, in 2018 for sharing technology and products. The move has paid off handsomely for Toyota in India, as it has already sold more than 50,000 units of rebadged Maruti vehicles since June 2019. Of these, 38,325 vehicles were sold last fiscal.

The company has been gradually discontinuing its models such as Etios, Liva, Corolla and Yaris over the years. Instead, rebadged versions of Maruti Suzuki's Ciaz and Ertiga are underway, even as a joint project of mid-size SUV and multi-purpose vehicle is in the works for India and emerging markets after 2023.

Naveen Soni, senior vice president, Toyota Kirloskar Motor, said the expansion of business partnership with Suzuki Motor Corporation for mutual supply of vehicles will strengthen the competitiveness of both the companies. "By applying our strong points and learnings from one another, we will be able to offer customers more choices. The partnership will pave the way for introduction of competitive products and technologies in India, giving customers varied choices of products to meet their evolving needs and expectations," said Soni. Non-committal on future models, Soni said the intention is not to chase numbers but cover more segments competitively and bring in new first-time car buyers.

Robust sales of the Glanza and Urban Cruiser can be attributed to the growth at the lower end of the market amid the pandemic, which led to increased demand for personal mobility. This has prompted Toyota Kirloskar Motor to expand its network in the country. "There is a demand surge in rural markets and hence we are expanding our reach by tapping into demand for our entry-level products like Glanza and the Urban Cruiser in such locations," said Soni. "Our network reach will expand from 420 at present to 480 by the end of 2021-22, and most of the growth in dealerships may come from unrepresented towns in rural and semi urban India."

PRESS REPORTS
ON
ELECTRIC VEHICLE

The Economic Times 20th June 2021

IN FAST LANE Sub-₹70,000 price segment to see new launches as cos revise prices, rejig portfolios, rework product plans; industry experts say govt move to hasten adoption of electric two-wheelers

Cos Line Up Affordable Electric Bikes Post FAME II Subsidy Hike

Lijee.Philip@timesgroup.com

Mumbai: A number of electric two-wheelers will soon be available in the sub-₹70,000 price segment, which has traditionally been dominated by the internal combustion engine players, as manufacturers firm up new launches, rejig portfolios and rework product plans.

This comes in the backdrop of the government's decision to increase subsidy on electric two-wheelers by 50% to ₹15,000 per kWh under the Faster Adoption and Manufacturing of Electric Vehicles in India (FAME II) scheme. The scheme came into effect in 2019 to help hasten the transition to electric vehicles to curb air pollution and reduce India's dependence on oil imports.

Currently, most electric two-wheelers retail between ₹80,000 and ₹1.4 lakh.

While increased subsidy will result in faster adoption of electric two-wheelers, Sohinder Gill, director general of the Society of Manufacturers of Electric Vehicles (SMEV) said the next two-three months will see a temporary dip in sales as manufacturers readjust the product mix and stock up dealer networks with new products as they make significant investments in technology and distribution.

Many manufacturers have already revised prices, making the products more affordable. Ampere Vehicles, the e-mobility business of Greaves Cotton, announced a price cut of up to ₹9,000 on its electric scooters.

"The subsidy revision makes EVs (electric vehicles) affordable and helps strengthen our customer base," said Roy Kurian, chief operating officer, E-Mobility Business (two and three-wheelers), Ampere Electric.

Okinawa Autotech has reduced the prices of its entire range of electric scooters in the range of ₹7,200-17,800. "Lowering the prices of electric scooters will persuade more riders to switch from a combustion-engine model to an electric one," said Jeetender Sharma, managing director, Okinawa Autotech.

The company is investing ₹150 crore to set up a new manufacturing facility in Rajasthan near its existing plant.

"It's a no-brainer to go electric. This is a significant policy move in a decade, with not much difference in the upfront price," said Tarun Mehta, CEO of Ather Energy.

The company is backed by Flipkart founders Sachin Bansal and Binny Bansal, Hero MotoCorp and Tiger Global, and it plans to expand distribution to 30 cities in the next six months. The Ather 450 plus is priced around Rs 1.3 lakh, close to the Vespa or Aprilia scooter, said Mehta. The increase in subsidy will trigger a 20-30% jump in sales of electric two-wheelers to more than six million units by 2025, he said.

Others like electric two-wheeler manufacturer Revolt Motors reopened bookings for its e-motorcycles. The Rahul Sharma-promoted company managed to close bookings in less than two hours on Friday. It sold ₹50 crore worth of its flagship RV400 bike, which is priced less than Rs 1 lakh.

Experts said the subsidies will increase adoption, encourage research & development and innovation to bring it closer to the target of 30% two-wheeler market becoming electric in five years, up from just 1% at present. In 2020-21, electric two-wheeler sales stood at 140,000 units while two-wheeler sales were 17 million.

India has the potential to become a global EV manufacturing hub, said Ola chairman Bhavish Aggarwal. "Our Ola Future factory will be coming online soon, and will be able to accelerate the global transition to sustainable mobility even faster and price our range of electric scooters aggressively to make it accessible," he said.

These zero emission vehicles with lower maintenance cost will surely spur a substantial demand for electric two-wheelers, said experts.

Benefits of Subsidies

PRICE CUTS FOLLOW HIGHER SUBSIDY ON ELECTRIC TWO-WHEELERS

AMPERE VEHICLES, the electric mobility business of Greaves Cotton, lowers prices up to ₹9,000

TVS IQUBE battery-powered two-wheeler prices down by ₹11,250

ATHER ENERGY slashes prices of its models by ₹14,500

OKINAWA AUTOTECH slashes prices of electric scooters by ₹7,200-17,800

REVOLT MOTORS cuts electric motorcycle prices by ₹10,000

Business Line 19th June 2021

Luxury car makers testing electric vehicle market ahead of Tesla entry

But these cars may not be game changers in terms of sales volumes, say analysts

AYUSHI KAR

Mumbai, June 18

There has been a spate of electric vehicles launched by luxury car makers in India over the past few months but most of these brands are still testing waters ahead of the big entry by Tesla later this year.

Top luxury players, including Jaguar, Mercedes Benz and Volvo, have all introduced their first all-electric variants, in a span of one year. Others like Audi are set to launch their electric bet soon. With Tesla likely to close 2021 with a much-anticipated entry into the Indian market, it seems like India is finally ready for electric mobility spearheaded by the luxury giants.

Select user base

According to Rahul Mishra, Partner at management consultancy firm Kearney, recent launches by luxury OEMs is more of a foot in the door strategy. "It creates presence and shows the OEM's alignment with electrification agenda, creates the brand association with EVs and possibly also creates a very small, select user base," Mishra explained.

The purchases will play a larger role in bringing awareness about the EV technology BLOOMBERG

Mishra believes that the cars are unlikely to be big game changers in terms of volumes, but given the present fuel crisis, luxury car owners might purchase them as their second car. Thus, these purchases will play a larger role in bringing awareness about the EV technology.

At present, sales by volume for EVs in the luxury space are almost negligible, at less than 1 per cent of the total sales, according to Ajay Srinivasan, Director of credit ratings agency Crisil. Srinivasan does not anticipate these volumes to change for the next 2-3 years, but that depends on the launches by the companies and the price points. Balbir Singh Dhillon, Head of Audi India, concurs with analysts that luxury vehicles are not likely to be the first car of purchase for a long time. "Demand for Etron would be largely driven by car enthusiasts who already own a fleet of cars and are driven by their love for new technology and design". Audi's Etron is slated for launch in the coming weeks, but will not be assembled locally in the foreseeable future, since it will take time for volumes to reach a number to make it a viable business case.

Martin Schwenk, Managing Director of Mercedes Benz India, said the car maker is still testing the waters with EQC.

Ultimately significant electrification will drive mass market EVs. Concerted effort by the government to build a robust electrification infrastructure to address concerns about range, inter-city travel etc will make EVs more adoptable. Partnerships such as those between Tata Powers and Tata Motors to set up charging stations are examples of such endeavours.

Dhillon said: "We estimate that it will be a slow journey. India is a very big country and the geography is very large. To set up infra will be a mounting task, which is not just the responsibility of the manufacturer. It is hard to tell when the inflection point will be".

Business line 23rd June 2021

Gujarat gives ₹870-cr push to EV, charging infra

New policy offers average subsidy of ₹10,000/kw, says CM Rupani

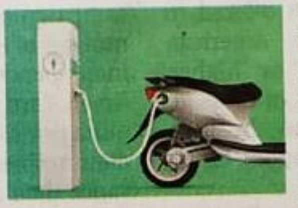
OUR BUREAU

Ahmedabad, June 22

The Gujarat Government, on Tuesday, announced a electric vehicle policy with subsidies and capital incentives support over the next four years to encourage use of EVs and development of charging infrastructure.

Announcing the Gujarat Electric Vehicle Policy 2021, Chief Minister Vijay Rupani said the State would give a big push to EV adoption by providing subsidy for two-wheelers, three-wheelers and cars. As per the policy, electric two-wheelers will be eligible for subsidy up to ₹20,000, for three-wheelers ₹50,000 and cars will be eligible for subsidy of up to ₹1.5 lakh. Also, the State government has exempted e-vehicles registered at Gujarat RTO from registration fee.

As per the State government's calculations, Gujarat's subsidy for EVs stands at ₹10,000 per kilowatt as against other States that provide maximum ₹5,000 per kilowatt. The subsidy amount will be directly credited to the bank accounts of the buyers. This will be in addition to the benefits announced by the Centre under Faster Adoption and Manufacturing of Hybrid and EV-2 scheme for electric vehicles.



The subsidy and incentives will cost the State ₹870 crore over the next four years.

Four key objectives

"With the benefits of the subsidy and policy incentives, very soon we will see 200,000-250,000 EVs on Gujarat roads, that will include about 1.25 lakh two-wheelers; 75,000 three-wheelers and about 20,000 cars," he said, during the announcement.

The policy would focus on achieving four key objectives — development of ancillary industries in battery and other areas, encouraging start-ups and investors in the electric automotive mobility space, bringing down pollution from conventional fuels, increasing the number of EVs in the State.

Notably, the State government in its annual Budget for 2021-22 had announced ₹26 crore allocation to promote the use of EV. Earlier, a scheme of e-bike was launched for college students for up to 10,000 e-bikes.

"The new policy for EVs will help to save ₹5-crore worth of fuel consumption annually, and about 6-lakh tonnes of carbon emission. Just as Gujarat has emerged as the automobile hub in the country, it will also become an EV hub," said Rupani.

Over 500 charging stations

The State government will provide capital incentive of up to ₹10 lakh or 25 per cent capital subsidy of the project cost for development of charging stations across the highways.

"The Government of India has identified 278 charging station locations in the State. We will invite applications for the additional 250 such stations from interested parties. This will take the total charging stations in the State to more than 500," Saurabh Patel, State Energy Minister, said.

Highway hotels and petrol pumps, besides dedicated charging complexes, will be encouraged to participate in setting up such charging infrastructure.

Business Line 19th June 2021

2021 EV policy: Maha push for battery gigafactory

Somit Sen & Bhavika Jain | TNN

Pic for representation

CM Uddhav Thackeray was positive about the project and asked for the draft policy to be submitted in the cabinet soon

Mumbai: As part of the revised electric vehicle (EV) policy, the state transport ministry on Friday made a presentation before chief minister Uddhav Thackeray for a gigafactory — the first of its kind in the state—to manufacture advanced lithium-ion batteries. The presentation also emphasised the need to improve the electric-charging station infrastructure to encourage more people to switch to electric cars and bikes by 2025.

Thackeray was positive about the project and asked for the draft policy to be submitted in the cabinet soon. There are plans to encourage e-charging points in housing societies, government buildings, and MSRTC bus stops, besides petrol pumps and at malls in future. The presentation mentioned over 2,300 charging stations. An official said: "Also, incentives are being planned to attract industries from the sector to set up in Maharashtra."

Transport commissioner Avinash Dhakne said the 2018 electric vehicle policy focussed on attracting investments and incentives, while the 2021 policy draft is keen on infrastructure. "There has to be affordability and good infrastructure to push for e-vehicles," Dhakne said, adding that the CM asked senior officials for their feedback on the proposed policy and the larger benefits to citizens.

The presentation pointed out that the state's share of the country's EV registrations was around 12% (32,000 vehicles). The 2021 EV policy draft targets across urban agglomerations—Mumbai Metropolitan Region, Aurangabad, Pune, Nagpur, and Nashik—aims to achieve 25% electrification of intra-city public transport and last-mile delivery vehicles by 2025.

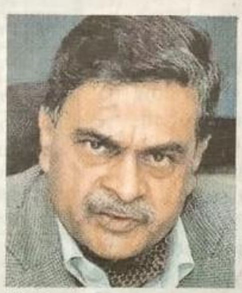
Business Line 18th June 2021

Electric mobility to be pushed more aggressively: RK Singh

OUR BUREAU

New Delhi, June 17

The Central government will set up an inter-ministerial committee on implementing energy efficiency and low carbon technologies with a focus on high-emitting industries such as transport, power plants and MSMEs, Minister of State (Independent Charge) for Power, New and Renewable Energy RK Singh said.



RK Singh

Directing all the departments to keep focus on high emission sectors, Singh also instructed them that electric mobility should be more aggressively pushed, the Ministry said in a statement.

"Ministries should take appropriate measures on the demand side to ensure that the wastage of energy is minimised and the deployment of low carbon technologies need to be taken up on a massive scale, especially in the MSMEs, where it is highly essential," Singh said while chairing a high-level meeting to review the progress of various energy efficiency programmes and the preparedness for climate change actions in the country.

For better implementation of all energy efficiency schemes, the institutional mechanisms in the Bureau of Energy Efficiency will be strengthened, Singh said. The State agencies will also need to be strengthened to scale up energy efficiency efforts, the statement added.

PRESS REPORTS
ON
COMMERCIAL VEHICLE

Business Line 16th June 2021

After Covid disruptions, bus makers 'cautious' on demand recovery

Hope mandatory scrappage policy, restart of public mobility will drive demand

AYUSHI KAR
Mumbai, June 15

The long-drawn Covid-19 pandemic had pushed sales for buses to an eight-year low in FY21 but bus makers such as Ashok Leyland and Tata Motors are betting that the mandatory scrappage policy for state transport undertakings (STUs) as well staff applications and the restart of labour movements will revive demand this fiscal.

Lockdowns during the first and second wave of the pandemic were big blows to mobility of citizens. Work from home for many organisations, closure of schools, muted demand from the tourist segment and transition to BS-VI emission norms had crippled bus sales in FY21. Anuj Katuria, COO, Ashok Leyland, said demand for buses during the first and the second quarter of FY21 was almost nil due to the pandemic.

Upsurge in pre-buying

But during the January-March period, Ashok Leyland found an upsurge in pre-buying of buses, by operators stocking up on vehicles to avoid the subsequent high prices in March. "This pre-buying was mostly driven by STUs. This further increased the blow since government operators are our only customers that were in a financially viable position to buy buses during the pandemic. This pre-buying is likely to have had a suppressive effect on the demand," Katuria explained.

Hetal Gandhi, Director, Crisil, also explained that the transition to BS-VI norms in March last year increased the prices of buses by 8-10 per cent. The mandatory scrappage policy announced in March 2021, aided in maintaining a trickle of demand from STUs, seeking to upgrade their fleet. According to the policy, vehicles owned by the government need to be updated by April 2022. With some vehicles in STUs' fleet over 50 years old, this upgrade was long overdue. However, Vinod Aggarwal, MD and CEO, VE Commercial Vehicles, said the purchase by government STUs continued to be at low levels. Representatives from OEMs Ashok Leyland and Tata Motors also concurred with this observation.

Demand seen reviving in third and fourth quarters of this fiscal

Another segment that helped maintain the demand was staff transportation, according to Katuria. With manufacturing sector continuing operations, employers had to order more buses to comply with the social distancing norms that reduced the number of workers they could transport per vehicle

Buying of buses by schools that occurs between the period January and July, was also a major miss in both FY21 and FY22. "School buses normally account for 25 per cent of buses sold in the country and this has been a major blow for these two years," Katuria said.

School bus segment

OEMs saw some green shoots of recovery between the first and second wave. For instance, Rohit Srivastava, Vice-President, Product Line, Buses, Tata Motors, said there was some traction in the fourth quarter of FY21 with an uptick in school bus segment. However, it was wiped out with the second wave.

With an ebb in the the second wave and vaccination drive growing, OEMs remain confident of some recovery.

For instance, Eicher's Aggarwal believes that recovery is likely to commence from July. Katuria thinks Ashok Leyland will see a lag in demand from private operators who still need to get back on their feet. Thus, contacts from them will come in Q3 and Q4.

Demand drivers

Katuria believes that the drivers of demand for Ashok Leyland will be the mandatory scrappage policy and the ₹18,000-crore subsidy for buses announced in the Union Budget. Srivastava said that Tata Motors is seeing greenshoots with IT industries gearing up for staggered work hours from the office as well as the restarting of labour movements in States like Uttar Pradesh, Bihar and Rajasthan. "However, school buses form a larger share of the market, and we are waiting for signs of restart of schools to have an uptick in volumes," said Srivastava

Yet, most of the manufacturers remain cautiously optimistic.

PRESS REPORTS
ON
TWO-THREE WHEELERS

Business Line 17th June 2021

For the first time, two-wheeler exports overtake domestic sales

International demand continues to be robust: players

G BALACHANDAR

Chennai, June 16

Two-wheeler exports from India exceeded domestic volumes in May for the first time in the history of the industry.

In May, total two-wheeler exports stood at 358,756 units, while total domestic sales were at 352,717. Total motorcycle exports were much higher at 330,164 units compared to total domestic sales of 295,257 units.

The total two-wheeler exports in May represented about 57 per cent of the total two-wheeler production during the month. Also, the volumes were 22 per cent higher than May 2019 volumes (comparison with May-20 volumes is not meaningful due to the total lockdown last year).

In May 2021, Bajaj and TVS exported over 50 per cent of their total two- wheeler production. Overall, TVS Motor, Bajaj Auto and Hero MotoCorp together account for about 83 per cent of two-wheeler exports from the country.

"The international demand continues to be robust. We can see the shift to premiumisation in all markets. We are now witnessing robust demand from the Middle East and recovery from traditional markets in South Asia, West Africa and Latin America. Irrespective of markets, some challenges like safe, personal transportation are universal, which will drive the business going forward," said a TVS Motor Company spokesperson.

A steady export demand could be a big driver for two-wheeler industry volumes in FY22

Pandemic woes

In the midst of the coronavirus pandemic, TVS Motor Company's international two-wheeler volumes achieved a milestone of more than a lakh units in March, while Hero MotoCorp registered its highest-ever monthly despatches to global markets in the same month.

Currently, Bajaj Auto is the largest two-wheeler exporter from India, followed by TVS Motor Company. But Hero has also been ramping up its international growth plans under its R4 Global Business (GB) strategy — Revitalize, Recalibrate, Revive and Revolutionize. As a result, its export volumes have started to move northwards.

"We have significantly enhanced our global operations both in terms of volumes and presence. Our total global volumes grew by 8 per cent, including a 58 per cent growth in premium motorcycles in FY21," said a spokesperson of Hero MotoCorp.

Hero recently commenced operations in the strategically important market of Mexico, while it has enhanced presence in markets such as Nigeria, Nicaragua, and Honduras, and plans to augment its presence in Argentina as well.

Market recovery

"Demand for two wheelers in key export markets has remained robust since September 2020, reporting YoY growth. Most markets in South-east Asia, Africa and LATAM had already recovered to an extent from the adverse impact of the pandemic and quickly reverted to pre-Covid levels," said Shamsher Dewan, Vice-President & Group Head, ICRA.

TVS focus

While TVS Motor seeks to cash in on the premiumisation in most of the markets with its vast range of products such as Apache, NTorq 125, Jupiter ZX and Grande series, Hero MotoCorp says it is witnessing positive customer sentiments and sustained demand in the markets in Africa and the Americas, helped by its specially designed and developed products to meet geography-specific customer requirements.

A steady export demand could be a big driver for two-wheeler industry volumes in FY22 amid uncertain domestic demand in the near term due to the pandemic impact.

Business Line 23rd June 2021

Hero MotoCorp to increase prices up to ₹3,000 from July 1

Maruti too plans revision in Q2

OUR BUREAU

New Delhi, June 22

The country's largest two-wheeler manufacturer, Hero MotoCorp on Tuesday said it will hike prices of all scooters and motorcycles by up to ₹3,000 effective July 1, due to continuous increase in commodity prices.

"The price hike across the range of motorcycles and scooters will be up to ₹3,000 and the exact quantum of the increase will depend on the model and the specific market," the company said in a statement.

The upward revision will be in the ex-showroom prices of its motorcycles and scooters, it said.

"The price hike has been necessitated to partially offset the impact of continuous increase in commodity prices. The company continues to drive its cost savings programme aggressively, in order to minimise the impact on the customer," it added.

This is the second time that the company has increased the prices in recent times. In April, the company had revised the ex-showroom prices of its motorcycles and scooters by up to ₹2,500 sighting similar reasons of increased commodity costs.

Rise in input costs

Maruti Suzuki India, on Monday had said the company's vehicles continue to be adversely impacted due to increase in various input costs, and hence, it has become imperative for it to pass on some impact of the above additional cost to customers through a price rise.

"The price rise has been planned in quarter two and the increase shall vary for different models," it had said.

Recently, Tarun Garg, Director (Sales and Marketing) at Hyundai Motor India (HMIL), had told *BusinessLine* that the company has cost pressure from all sides due to various economic reasons, but the company would not make any price revisions right now.

"The cost pressures are there, everybody knows that because of the commodity prices, but at the same time we at HMIL, are trying to hold it as much as possible. We will watch the situation carefully and take an appropriate decision at the right time... as of now we are holding on to the current prices," he said.

Business Line 19th June 2021

Yamaha Motor unveils FZ-X motorcycle at ₹1.16 lakh

OUR BUREAU

New Delhi, June 18

India Yamaha Motor (IYM) on Friday launched the FZ-X motorcycle at a starting price of ₹1,16,800 (ex-showroom, Delhi).

With innovative features and comfortable riding position for riders, it is powered by an air-cooled, 4-stroke, 149 cc, SOHC engine and comes with a 2-valve Blue Core FI Engine which generates 12.4PS of peak power at 7,250 rpm and 13.3Nm of torque at 5,500 rpm.

Bluetooth option

It also offers the FZ-X with Bluetooth enabled option, and has a communication control unit, which is compatible with Yamaha's dedicated Y-Connect app that helps users enjoy a fuller motorcycling lifestyle. The model with the Bluetooth option is available at ₹1,19,800 (ex-showroom, Delhi). Through the Bluetooth, the rider can also check smartphone notifications via the instrument cluster icons, look at maintenance recommendations, track the bike's last parking location, track fuel consumption, receive malfunction notification, along with a unique feature - The Revs Dashboard, which displays data such as engine rpm, degree of throttle opening, rate of acceleration, an eco-friendly riding indicator, and many more information on the user's smartphone, the company said.

Fascino 125 Fi Hybrid

The company also unveiled Fascino 125 Fi Hybrid scooter, which will be available in both Disc and Drum brake versions.

Business Line 21st June 2021

'We are expecting fast-paced market recovery, stability from the festival season'

S RONENDRA SINGH

New Delhi, June 20

Since its iconic brand RX100 came to India in the 1980s, Yamaha Motor has emerged as one of the oldest two-wheeler companies in the country over the last four decades. However, with the four-stroke engine norms kicking in, the company has been playing it safe by focussing on only those products — both in scooters and motorcycles — where it is confident of meeting targets. This has resulted in a drop in the overall share of two-wheeler market here. But, now that its target audience of 125cc two-wheelers is growing, the company aspires to achieve a marketshare of around 9 per cent by 2025 from around 4 per cent today.

In an interview with BusinessLine, Motofumi Shitara, Chairman, Yamaha Motor India Group Companies shared his plans for India. Excerpts:

THE BL INTERVIEW

How do you see the market for two-wheelers shaping up now?

Within the personal mobility space, two-wheelers prove to be the most viable option of commuting due to low maintenance, easy manoeuvrability and the convenience of riding over multiple terrains. As markets open up, we are expecting the industry to ride on a positive growth curve. Retailers are also using various digital initiatives to make the most of the upcoming festival season, which will prove crucial in meeting this year's industry targets. We are also driving most of our product publicity and campaigns over digital mediums for an enhanced reach targetting young Indians.

Will this year be better than last year in terms of sales?

Definitely. Unlike last year when the markets were completely shut due to a pan-India lockdown, the situation was a lot better this year since the State governments have been directing lockdowns. Some markets had business continuity, allowing companies to plan and channel their economic activities in a better way. So the economic condition isn't as badly hit as it was before. Hence, we are expecting a fast-paced market recovery and stability from the festival season onwards.

Yamaha has invested around ₹1,600 crore in India since 2015. We will continue to consider new investments, going forward

MOTOFUMI SHITARA

Chairman, Yamaha Motor India Group

What is Yamaha's long-term plan in India from now?

Yamaha aims to achieve an 8.7 per cent overall market share in India by 2025. To achieve this target, Yamaha's strategy for India, under "The Call of the Blue" brand direction, is to continue to strengthen its product portfolio in the 125cc scooter, and the 150cc and 250cc motorcycle segments. To meet the requirements of the youth, emphasis will be more on the digital medium to promote our brand, especially in the metro cities and the surrounding districts. Going forward we will rev up the excitement by introducing connected mobility solutions in our models.

The launch of the feature-loaded, and technologically advanced new FZ-X and Fascino 125 Fi Hybrid is a significantly important step towards strengthening our market share in the premium segment. We also aim to set up 300 premium retail outlets called "Blue Square", in the next two-three years, and we will also be organising on-ground activities that allow new customers to test ride and understand our product features better.

Have your planned investments in India been affected due to the pandemic? Although Yamaha has two plants in India, it has limited sales. Is it because you have limited products? Do you plan to expand your portfolio?

Yamaha has made a total investment of around ₹1,600 crore in India, since 2015. We will continue to consider new investments going forward.

Yamaha has one of the most diverse product portfolios in the industry. We will continue to strengthen and expand our product portfolio by introducing new models that are in sync with evolving market demand of our target audience.

Our scooter models like the Fascino 125 Fi, the Ray ZR 125 Fi and the Ray ZR Street Rally 125 Fi are highly popular. The motorcycle line-up targeting the deluxe and premium segment is also very diverse including the 149cc FZ Fi, FZS Fi and the newly launched FZ-X. The premium 155cc space consists of the high-performance street fighter MT-15 and the flagship supersport YZF-R15 V3.0, whereas the 249cc premium street naked offering consists of the FZ 25 and the FZS 25.

What is your total capacity right now and what is your expansion plan? What is your export strategy?

Our installed production capacity at both the plants is 1.55 million units per annum, of which we are utilising up to 60 per cent per annum. Hence, the current installed capacity is sufficient to meet future market demands and there is no expansion plan as of now.

Currently, we export between 25 to 30 per cent of our total production to countries in Latin America, Africa, and South Asia. The demand for our products here's growing year by year. Yamaha's top export countries are Nepal, Colombia, Bangladesh, the Philippines and Mexico, and we will continue to keep our focus on these markets in the near future as well.

Business Line 18th June 2021

TVS Motor launches iQube Electric in Chennai, priced at ₹1.15 lakh

OUR BUREAU

Chennai, June 17

TVS Motor Company has announced the launch of its electric scooter iQube Electric in Chennai at an on-road price of ₹1,15,218. This price includes post-FAME II subsidy.

The electric scooter will be available in select dealerships across Chennai, the third city after Bengaluru and New Delhi.

TVS iQube Electric can be booked through the website with a booking amount of ₹5,000. This will be followed by an end-to-end digital purchase experience and dedicated customer relationship assistance for purchase and support. The customer can also avail of loan schemes offered by TVS Credit.

The company has initiated completely contactless delivery of vehicles, keeping the safety and convenience of customers in focus, an official statement said. TVS iQube Electric is powered by a 4.4 kW electric motor to deliver both high power and efficiency with no transmission loss. The scooter has a maximum speed of 78 kmph and can travel 75 km in full charge. It offers acceleration of 0 to 40 kmph in 4.2 seconds.

Multiple features

It is equipped with proprietary next-gen TVS SmartXonnect platform and comes with an advanced TFT cluster and TVS iQube app, which offers multiple features such as geo-fencing, remote battery charge status, navigation assist, last park location, incoming call alerts/ SMS alerts, among others. For charging, customers can avail of the recommended choice of SmartXHome, which offers a dedicated home charging solution with Bluetooth connectivity, live charging status and RFID-enabled security.

At present, charging units for the scooter are installed across six locations in Chennai. Further, the company is developing a public charging ecosystem by expanding network strength across the city.

"After a successful response in Bengaluru and Delhi, we are thrilled to bring our electric scooter to Tamil Nadu. The TVS iQube Electric ecosystem is built around digital platforms that offer enable customers the convenience of booking and paying for the vehicle online, and contactless deliveries," said KN Radhakrishnan, Director & CEO, TVS Motor Company.

PRESS REPORTS
ON
WORLD AUTOMOBILES

The Economic Times 27th June 2021

Tesla 'Recalls' Most of its Cars in China for Software Update

MAJOR FIX Company likely to make a software fix to more than 285,000 cars in China

Bloomberg

Beijing: Tesla will make a software fix to more than 285,000 cars in China, or most of the vehicles it delivered there over the past few years, to address a safety issue identified by the country's regulator. In many cases the recall is expected to be done remotely with an online update to the cars' active cruise control feature. Tesla will upgrade the software for free.

The State Administration for Market Regulation said in a statement on Saturday that the action would involve some 211,256 locally-produced Model 3 vehicles and 35,665 imported ones, as well as 38,599 China-made Model Ys.

The cars' autopilot systems can be activated automatically, potentially leading to crashes from sudden acceleration, the Chinese agency said.

Tesla has faced various setbacks in China over recent months. A protest at the Shanghai auto show in mid-April went viral, while there was concern a number of crashes would sour public opinion toward billionaire Elon Musk's California-based company. Some local governments and official institutions were also reviewing Tesla ownership among their staff, citing concerns that the cars pose security risks, Bloomberg News reported. Still, a sales surge of the China-made Model Y in May eased the worries to some extent.

> The cars' autopilot systems can be activated automatically, potentially leading to crashes from sudden acceleration, the Chinese regulator said

Local registration data as of May shows Tesla delivered more than 275,000 imported and domestically-made Model 3s and Model Ys in China since 2019.

Business Standard 28th June 2021

Apple's car obsession is all about taking eyes off the road

REED STEVENSON & MARK GURMAN
25 June

At first glance, the forays Apple, Google, and other technology giants are making into the world of cars don't appear to be particularly lucrative.

Building automobiles requires factories, equipment and an army of people to design and assemble large hunks of steel, plastic and glass. That all but guarantees slimmer profits. The world's top 10 carmakers had an operating margin of just 5.2 per cent in 2020, a fraction of the 34 per cent enjoyed by the tech industry's leaders, *Bloomberg* data shows.

But for Apple and other behemoths that are diving into self-driving tech or have grand plans for their own cars, that push isn't just about breaking into a new market — it's about defending valuable turf. "Why are tech companies pushing into autonomous driving? Because they can, and because they have to," said Chris Gerdes, co-director of the Center for Automotive Research at Stanford University. "There are business models that people aren't aware of."

Apple has prioritised plans for the "Apple Car" PHOTO: YOUTUBE

A market projected to top $2 trillion by 2030 is hard to ignore. By then, more than 58 million vehicles globally are expected to be driving themselves. And Big Tech has the means — from artificial intelligence and massive data, to chipmaking and engineering — to disrupt this century-old industry.

What's at stake, essentially, is something even more valuable than profitability: The last unclaimed corner of consumers' attention during their waking hours.

The amount of time people spend in cars, especially in the US, is significant. Americans were behind the wheel for 307.8 hours in 2016, or around six hours a week, according to the latest available data by the American Automobile Association. That's a fair chunk of someone's life not spent using apps on an iPhone, searching on Google or scrolling mindlessly through Instagram. Any company that's able to free up that time in a meaningful way will also have a good chance of capturing it.

cc after previously focusing on making an autonomous driving system, *Bloomberg* has reported. That's fuelled intense speculation over which automakers and suppliers the company behind the iPhone may partner with to realise its vision. While Apple has recently lost multiple top managers on the project, it still has hundreds of engineers in its larger car group. **BLOOMBERG**

Business Standard 26th June 2021

China's electric car capital has lessons for rest of the world

BLOOMBERG
27 June

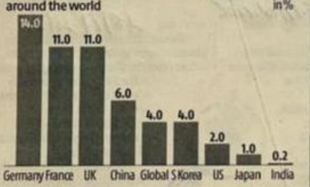
One of the first things visitors to the southern Chinese city of Liuzhou notice is the quiet. Missing is the incessant noise of throbbing engines and clashing gears that provides the backdrop to daily life in most metropolises around the globe.

The reason: almost 30 per cent of the cars sold in Liuzhou last year were electric, according to WAYS Information Technology, a Guangzhou-based consulting firm, more than five times China's average — making the city of 4 million the effective capital of the biggest EV market in the world. Globally, it trails only Oslo for electric-vehicle penetration. Not only that, but Liuzhou's air and water quality is among the best in a nation synonymous with choking pollution.

This green dividend is an unexpected bonus of a push by city authorities to make Liuzhou an EV manufacturing hub, and a concerted effort to overcome concerns over range, reliability and battery safety that have held back electric car take-up globally. Working with local carmaker SAIC-GM-Wuling Automobile Co. — whose tiny, dirt cheap EV has been China's top seller for most of the past nine months, beating even Tesla Inc. — they also rolled out a slew of incentives, from extensive test drives to free parking and tens of thousands of charge points, to encourage people to buy electric cars.

SLOW TAKE-UP

EV sales still lag well behind fossil-fuelled cars around the world



Note: Passenger EV sales in selected markets
Source: BNEF, Marklines

ELECTRIC TOWN

EV-ownership in Liuzhou is the highest in China

Source: WAYS Information Technology

It's an approach that may provide a blueprint for other cities around the world as they try and convince drivers to give up their gas guzzlers to meet ambitious emissions targets.

While governments from Germany to the US offer subsidies on EV purchases, sales still lag well behind those for conventional cars outside of a few pockets in Europe like Norway and Sweden. Liuzhou's strategy may also be instructive for legacy automakers like General Motors Co. and Volkswagen AG, which are pumping tens of billions of dollars into a high-stakes bet that the future is electric. New-energy vehicles accounted for just under 4.5 per cent of global passenger vehicle sales last year, said BloombergNEF.

"At the beginning, people had many concerns about EVs, such as safety or the convenience of charging," Gou Yi, a deputy chief at Liuzhou's branch of the National Development and Reform Commission, China's top economic planner, said in an interview. "What we did was to make sure our citizens felt it's very comfortable to use EVs. People have realised how economical and easy electric cars are, and how much cleaner our air has become after more and more EVs hit the roads."

Liuzhou's first move was to expose wary residents to EVs. SAIC-GM-Wuling, a joint venture between US giant General Motors and state-backed SAIC Motor Corp. and Guangxi Automobile Group Co., carried out a free 10-month test-drive campaign in 2017. More than 15,000 people took the automaker's Baojun E100 for a spin, providing the company with 12,000 items of feedback. The trial was so popular that available slots ran out within minutes, and 70 per cent of test-drivers bought one of the vehicles.

Wuling then studied residents' needs and driving habits, tailoring the Baojun E100 for a daily commute of less than 30 kilometers (19 miles). The pint-sized two-seater — about half the length of a Tesla Model X and similar in appearance to the Smart car — comes with a similarly small price tag of around $5,000. That not only helps lower the bar for ownership, but reduces running costs such as insurance.

In a further incentive, drivers could earn cash rewards of up to 1,000 yuan ($160) a year for driving up to 10,000 kilometers. Hua Yong, an official in charge of EV promotion at the NDRC, said he made 500 yuan the first year he had his EV and 400 yuan the next, while Gou says he got the maximum reward every year.

The mini cars — which are everywhere in Liuzhou — also allowed the government to create 15,000 additional parking spots around the city. Their size meant they could fit on previously unusable tracts of land, such as the sidewalk verge.

That's what appealed to 30-year-old bank worker Zhang Jiageng, who said the cost of using his Baojun E200 is almost unnoticeable. He pays about 0.1 yuan, or 2 cents, per kilometer for charging and gets unlimited free parking at the designated electric-vehicle parking lots, or two hours free in regular car parks. Zhang said barely drives his other car, a Subaru SUV.

"If you make EVs that are affordable and convenient, then they will replace peoples' bike, scooter or whatever else they might be commuting on," said Bill Russo, chief executive officer of advisory firm Automobility, Shanghai.

PRESS REPORTS
ON
COMPANY NEWS

The Economic Times 18th June 2021

Mercedes Plans to Run India Plant at Full Capacity Soon

Co expects market to recover fast, targets significant double digit growth in 2021

Ketan.Thakkar
@timesgroup.com

Mumbai: Mercedes-Benz is ramping up capacity utilisation at its India plant to reach 100% by the end of this month, as the top luxury-car company in the country expects the market to bounce back strongly as it did after the first wave of the pandemic last year.

The local unit of the German automaker is targeting "significant double-digit" growth in 2021. The company also plans to hire factory workers and assembly-line operators at its plant at Chakan near Pune, Mercedes-Benz India managing director Martin Schwenk said.

"We are growing week by week. Within two weeks of unlocking, we are already witnessing 80% of activity back and within the next few weeks, once South India opens up, we should witness a healthy momentum to continue," Schwenk told **ET**.

For the first six months of 2021, Mercedes-Benz is on course to post more than 50% growth, albeit on a low base as sales had fallen over 40% last year. Promising response from the market as states started unlocking businesses after the second Covid-19 wave in April-May gives it the confidence that the momentum would continue in the coming months as well. Showroom traffic has hit more than 60% of the levels before the second wave, while bookings are as much as 80% over the March sales, the MD said. Digital platforms have helped the company to stay in touch with customers during the lockdown period.

Schwenk, who on Thursday launched the all new S Class in India, said the company had brought production down during the second Covid wave. "We are now ramping up based on the market response. We are adding capacity including workforce to meet the higher demand. By the end of the month, we expect to hit 100% capacity," he said.

The German car maker locally assembles 13 models at Chakan. These include the recently added GLA AMG and A35 AMG, which are in high demand. The all new S Class will also be assembled in India by the October-December quarter. Mercedes-Benz said it had seen a very good recovery and that all the new launches were adding to the traction in the marketplace. The S Class is the company's eighth new model in the year and there are seven more in the offing.

RAMPING UP

We are adding capacity including workforce to meet the higher demand

MARTIN SCHWENK
MD, Mercedes-Benz India

The firm that sold out the 50 new GLS Maybach units allotted for India on the day of its launch, has also already secured bookings for half the 150 all new S Class it will be getting for this market. "There is improved customer sentiment and our core markets of the National Capital Region and Mumbai have seen a strong recovery," the India MD said. But Mercedes-Benz is wary of a potential third wave which could disrupt operations. Hence, it has already implemented a new model of retailing, with direct sale to customers wherein the firm can now manage the inventory on its own. This will allow the firm to quickly adjust its stock via reduced production without burdening the dealer with inventory cost.

Business Line 17th June 2021

Volkswagen bets big on demand for used cars in India

Rural and smaller towns are likely to enjoy a bigger share of the demand, says report

AYUSHI KAR

Mumbai, June 16

The used-car market space is expected to sell 8.2 million units per year by FY25, with a compound annual growth rate of 21 per cent, according to a study commissioned by Volkswagen Passenger Cars India, in collaboration with research firm Frost and Sullivan.

The market space is also likely to pivot towards an increased market share for the organised sector from 25 per cent to 45 per cent in FY25. Rural and tier-2 and -3 cities are likely to enjoy a bigger share of demand for used cars due to stringent emission norms in tier-1 cities as well as an increase in aspirational buying by the rural sector, the report said. Urban demand for used cars is likely to decrease from 45 per cent to 30 per cent. For Volkswagen Passenger Cars (VPC), which has invested heavily in the used car space, the report further validates its intuition on the promise the used car market holds for OEMs.

Ashish Gupta, Brand Director for VPC, told *BusinessLine* that the used car business has been doubling for the company, for the past few years. At present, VPC enjoys a 2.5 per cent market share in the organised used car market. The almost doubling of the organised sector market share for used cars bodes well for the company, accordiing to Gupta.

Used cars are usually the first cars for buyers entering the car market, thus, "the aim for Volkswagen is to be with the customer, from the very beginning of their mobility journey". "The immediate benefits to the revenue by the sale of used cars under Volkswagen dealerships are not as much as the value we will generate by customer acquisition for the purchase of their second car, which is normally a new car model," he said.

Volkswagen enjoys 2.5 per cent market share in the organised used car market

Other attractions for VPC include revenue generated by selling car servicing, car parts, accessories etc. The main beneficiaries of the increase in market share for organised sectors would be the dealerships.

However, according to Gupta, "for some major dealerships, as much as 40 per cent of their business comes from the used car space, sale of used car also has better margins for dealerships as the cost of holding inventory is substantially low."

Used car finance

The report also finds that used car finance penetration is expected to increase from 21 per cent to 35 per cent by 2025, with financial penetration increasing in non-metros from 48 per cent to 55 per cent. Volkswagen is looking to partner with financial institutions to capitalise on the financial penetration and help buyers secure loans to purchase cars.

At present, India's used car ratio to new car ratio is almost 1:1, while the European counterparts have a ratio of 3:1 or 4:1. These are the numbers to aspire for, according to Gupta.

Business Line 18th June 2021

Sundaram Clayton, TVS Motor sell most of their stake in Suprajit

Unifi Capital buys bulk of the shares

OUR BUREAU

Chennai, June 17

Sundaram Clayton and TVS Motor Company have almost exited from Suprajit Engineering as they sold a significant portion of their stake in the firm on Wednesday.

According to bulk deal data on the NSE, TVS Motor sold 28.09 lakh shares (worth about ₹80 crore) and Sundaram Clayton sold 56.62 lakh shares (worth ₹161.19 crore) at an average price of ₹284.70.

Most of the shares (about 46.51 lakh shares) were bought by Unifi Capital, a Chennai-based portfolio management company.

As of March 2021, Sundaram Clayton held 4.13 per cent stake (or 57.72 lakh shares) and TVS Motor held 2.07 per cent stake (or 28.92 lakh shares) in the Karnataka-based Suprajit Engineering.

Shareholding pattern

At the end of March 2021, promoters held 44.57 per cent stake in Suprajit Engineering. Mutual funds held 10.84 per cent stake (mostly by DSP Small Cap Fund and HDFC Small Cap Fund) and FPIs held 4.33 per cent stake. Small investors held 16.58 per cent stake in the company and HNIs held 9.06 per cent stake. The HNIs included Shobita Punja and MRB Punja who collectively held 2.38 per cent stake in the small-cap company.

The Karnataka-based firm had posted a profit of ₹48.83 crore for the quarter-ended March 31, 2021 on revenues of ₹346.76 crore.

TVS family deal

In December last year, family members of the TVS group had announced alignment and synchronisation of ownership of shares in various group companies.

However, it is not known whether the sale of stake in Suprajit Engineering is part of the structured deal.

Business Standard 26th June 2021

Maruti may pick stake in mobility start-ups

Carmaker has reaped benefits from firms that it has incubated under the accelerator programme

ARINDAM MAJUMDER
New Delhi, 25 June

Maruti Suzuki's start-up incubation programme has now started reaping benefits as the automaker has implemented these solutions across its system, leading to cost benefits.

Encouraged by the success of the programme, the company is now planning to pick equity stake in some of these start-ups. "Some of these start-ups have created good value for our company, leading to immense cost benefits. This is part of our effort to identify and implement innovation outside the company. As part of this, we search for start-ups at all levels — it could be just an idea or a mature start-up, which has got funding and is looking to scale up. We are ready to fund them and pick an equity stake if their idea is usable in our companies," said Rajesh Uppal, chief information officer at Maruti Suzuki.

Two years back, the company had launched corporate accelerator programme Mobility & Automobile Innovation Lab (MAIL), in partnership with Japanese seed fund and co-creation centre, GHV Accelerator.

CHARTING GROWTH

START-UPS	APPLICATION	LOCATION
ENNMOVIL	Management of fleet, driver and routes	Hyderabad
SENSEGIZ	Tracking vehicles in service centres	Belagavi
XANE.AI	Real time feedback for employee and customer survey	Gurgaon
EYEDENTIFY	Using AI for developing system on driver and passenger safety	Hyderabad

Under the programme, the company identifies innovative solutions in the mobility and automobile space, which are futuristic and customer-oriented. "We identify innovations matching our needs and on-board them. We already have 17 start-ups working with us. Many of these companies have become our regular vendors. For instance, with a particular start-up's ideas, we have been able to increase the efficiency of our workshops by almost 40-50 per cent," he said.

The company recently launched the mobility challenge to explore new-age technologies and help growth-stage start-ups scale up their businesses. This new programme has been unveiled in partnership with Hyderabad-based innovation intermediary and business incubator, T-Hub.

Uppal said that while the company regularly incubates start-ups from the scratch, the idea behind selecting established start-ups is to reduce the on boarding time. "As part of this current mobility challenge, we are looking at start-ups which are established. Against the six-to-nine-months period required for onboarding a start-up, which requires incubation. In this case, it will take a maximum two months to on-board," Uppal said.

Founders of start-ups selected by Maruti said that it is quite difficult for hardware start-ups to sell their solutions to corporates. So, a company like Maruti offering its platform comes as a big boost. "Most corporates expect start-ups to have already deployed a large number of products because they are concerned about the unknown – quality of the product and longevity of the start-up. I am glad some corporates are attempting to evaluate products from start-ups like ours," said Krishna Jasti, co-founder of Eyedentify — a company that uses artificial intelligence for developing a system on driver and passenger safety.

Business Line 24th June 2021

Tube Investments plans ₹250-crore capex for electric three-wheeler project, other expansions

To focus strongly on bicycle exports

G BALACHANDAR
Chennai, June 23

Murugappa Group's engineering company Tube Investments of India (TII) is gearing up for a new growth curve with a capex of ₹200-250 crore in FY22 that will be spent on electric three-wheeler vehicle project and other expansions, and an aggressive focus on exports of bicycles.

In FY21, it incurred a capex of ₹129 crore. This fiscal it plans a capex of up to ₹250 crore, a major portion of which will be spent on electric three-wheeler manufacturing and a few expansion plans that include ramp up in China and in the domestic engineering business.

The ₹4,256-crore company plans to manufacture and sell electric three-wheelers, which has been seeing faster adoption due to low operational costs in last-mile transport in the country. It is working on launching its electric three-wheelers this fiscal.

"Progress continues on the electric vehicle project front. Obviously, things have been slightly delayed due to Covid. Our initial plan was to try and launch it in the fourth quarter of this financial year. We are still working towards those targets, but it might get pushed out because we have had several delays due to Covid in this last quarter," Vellayan Subbiah, Managing Director, Tube Investments of India, said during the Q4FY21 earnings call.

This is the second entry by TII into the electric vehicle segment. A little over a decade ago, it entered the electric scooter segment.

After an encouraging response in the initial months, volumes stagnated in the following years due to poor acceptance and withdrawal of government subsidy then. The company had to abandon the business. This time it is keen on making its EV story a successful one in view of better ecosystem and strong government support.

Vellayan Subbiah, MD

Bicycle business

In the bicycle business, the company will focus on four key areas — increasing domestic market share, product mix, aggressive push on exports and new products and categories.

"We are looking at a far more concerted and aggressive focus than what we have done in the past. We believe that will traditionally give us good growth opportunities and balance the vagaries of domestic growth," said KK Paul, President-Cycles Division, TII.

Multi-pronged strategy

The company has embarked on multi-pronged initiatives as part of the above strategy. These include realignment of cost structure and supply chain, building capabilities of people, a structure for export business with a long-term growth plan, removal of gaps and weaknesses in distribution system, brand rationalisation and stronger focus on digital sales.

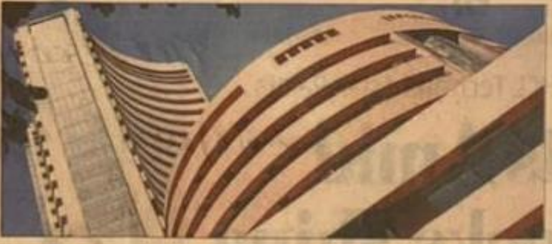
Overall, TII sees a good potential on the export front. Several companies in the US do not want 100 per cent dependence on Chinese supply chain and TII sees that as a definite advantage.

Given the growing opportunity, the company's export revenue is expected to move northwards.

The Economic Times 25th June 2021

Shyam Metalics, Sona Make Strong Debuts

Our Bureau



Mumbai: Shyam Metalics and Sona BLW Precision Forgings made strong trading debuts on Thursday with both the stocks ending 22-25% above their issue prices.

While Shyam listed on an optimistic note, Sona BLW witnessed a tepid opening but unexpectedly picked up pace towards the trading close.

Blackstone-backed Sona BLW was listed at ₹302.40 on BSE, a 3.92% premium over its issue price of ₹291. The stock however ended at ₹362.85, a 24.69% higher than the offer price. The ₹5,550 crore offer of Sona BLW was subscribed 2.33 times last week.

Shyam Metalics and Energy got listed at ₹380, a 24.18% premium over its issue price of ₹306 and ended at ₹375.85, at 22.83% premium to offer price. Shyam's ₹909-crore IPO was subscribed 121 times.

While most analysts expected 20-25% listing gains in Shyam Metalics, Sona BLW's performance on day one on the bourses came as a surprise as the stock was trading at a grey market premium of just ₹5 per share.

A SLOW START

Sona BLW had a tepid opening at just 3.9% premium to IPO price, but rose thereafter to close with 24.7% gains

"We like Sona BLW given its presence in the fast-growing global electric vehicle market, diversified portfolio across categories and robust financials," said Hemang Jani, head equity strategist, Motilal Oswal Financial Services. "Though the valuation at 74 times appears fully priced in, given its thrust in fast-evolving EV space both in India and globally, the market would like to give premium to such emerging growth story."

The market capitalisation of Sona BLW stood at ₹21,165 crore on Thursday, the third biggest in the sector. The market value of Motherson Sumi and Bharat Forge are at ₹74,554 crore and ₹34,275 crore respectively.

Shyam Metalics has a market capitalisation of ₹9,587 crore.

Business Line 30th June 2021

TVS Automobile forms digital aftermarket subsidiary with funds from tech investors

OUR BUREAU

Chennai, June 29

TVS Automobile Solutions Pvt Ltd (TVSASL), a leading independent automotive aftermarket player, has announced the formation of a new digital aftermarket subsidiary—Ki Mobility Solutions — with ₹85-crore funding from tech investors led by Pratithi Investment Trust (represented by its trustee S Kris Gopalakrishnan, co-founder of Infosys) and SeaLink Capital Partners (SCP).

Ki Mobility, what TVSASL calls 'India's first full-stack O-to-O (online-to-offline) digital platform' will offer quality, standardised and cost-effective service to vehicle owners of two-wheelers, passenger cars and commercial vehicles across the country. It will become a one-stop-shop for all service requirements — repair management services, parts, accessories, tyres, batteries, insurance and on-demand roadside assistance across the country.

R Dinesh, Director, TVSASL

TVSASL's move is seen as a logical next step to dominate the digital space segment after being in the aftermarket space for long.

Over the past three years, TVSASL has been making significant investments in the digital technology space. The last two acquisitions — GoBumpr (now 100 per cent owned by TVSASL), a B-to-C service aggregation platform, and Mahindra First Choice (MFC) — gave the company digital marketing competency to reach out to the customers in the digital space. The combination of three has been morphed into a full-fledged O-to-O (online-to-offline) digital platform through a separate subsidiary.

Creating ecosystem

"We are not hiving off any business but creating an ecosystem so that supply chain and digital technology solutions are so mingled as a business model (O-to-O). Having been in this space for so long, we should be the market leader as far as digital space is concerned. It is also about creating a right mindset of leadership and culture within the organisation. Hence, we have formed a new subsidiary," said R Dinesh, Director, TVSASL.

TVSASL's total revenue was estimated at ₹1,170 crore in FY21. The size of the hived off business — Ki Mobility — was in the range of ₹500-600 crore.

The digital platform move aims to include and provide nearly 10,000 retailers and 20,000 garage owners a single digital ecosystem. This will give them the opportunity to increase their business, access to high-quality parts with better margins, link with a large pool of suppliers, digital technology solutions to provide superior services to their customers, digital learning to upgrade their skill and financial solutions to manage their working capital, etc.

The Economic Times 16th June 2021

TURNAROUND in European arm SMP, lower debt, proposed demerger of wiring harness unit and rising EV orders to support stock in near term

Motherson Going Strong On Cash Flows, Value Unlocking

Ashutosh.Shyam@timesgroup.com

ET Intelligence Group: Motherson Sumi Systems, which provides components to global automobile majors, looks well-positioned to take advantage of a gradual pick-up in demand given the turnaround in its European subsidiary SMP and efforts to prune debt. Besides, value unlocking from the proposed demerger of the domestic wiring harness (DWH) business would offer further support to the stock, which has remained range-bound over the past three months.

SMP, which supplies polymer products to Daimler, Audi, Volkswagen and others, has shown margin improvement in each of the past three quarters after a lackadaisical performance in the previous two years.

The company's operating margin before depreciation and amortisation (Ebitda margin) improved to 8.5% in the nine months to March 2021 led by a better performance of greenfield plants in the US and Hungary. It compares with a margin of 4.4% in the corresponding period of the previous year.

Since SMP contributes nearly half to Motherson's consolidated revenue, its improving financials augur well for the parent. Analysts expect SMP to report a margin of 8.7% and 10.5% for the current and next fiscal years.

Another positive factor is the rising share of orders from the electric vehicles (EV) segment, which has been the fastest-growing in the global passenger vehicles market. The pure EV powertrains contributed nearly 25% to the total order book of 15.6 billion euros at the end of March 2021. The company's consolidated revenue is expected to grow by over 25% and 12% for FY22 and FY23 given the existing order book size.

With improving cash generation amid limited capital expenditure, Motherson's net debt dropped to ₹4,820 crore at the end of March 2021 compared with ₹9,083 crore at the end of June 2020. As a result, the debt-Ebitda ratio slipped to a record low of 1.2. Analysts expect the company to generate ₹16,000 crore of free cash flow in the next three years.

A demerger of the DWH business could be a near-term trigger for the stock. The company expects the approval of the National Company Law Tribunal (NCLT) by July 2021. The demerged entity is expected to be listed separately by October 2021.

At Tuesday's closing price of ₹246 on the BSE, Motherson's stock was traded at 24.4 times the FY23 earnings, a 17% premium to the long-term average. It may sustain given the company's growth prospects.

Financial Highlights

	FY19	FY20	FY21
EBITDA	5,532	5,395	**5,015**
Capex	2,685	2,194	**1,932**
Net Debt	7,992	6,917	**4,820**
Debt/EBITDA (x)	1.6	1.5	**1.2**

(Fig in ₹crore) Source: **Company Presentation**

Business Standard 22nd June 2021

Maruti to hike prices in Q2, third increase this CY

PRESS TRUST OF INDIA
New Delhi, 21 June

The country's largest carmaker Maruti Suzuki India (MSI) on Monday said it will increase prices of its entire product portfolio in the second quarter of the current fiscal due to rise in prices of various essential commodities, including steel. This will be the third hike in 2021.

The auto major, which has already taken a price increase in April this financial year, noted that the price of steel and various precious metals has gone up considerably prompting the company to pass on some of the impact to the customers. "The prices of steel and precious metals like Rhodium and Palladium have gone up substantially. In April we passed on a part of the increased input costs to consumers thinking that the prices of these essential commodities will come down eventually. But that has not happened and as a last resort we are doing it to safeguard the company's financial health," MSI Executive Director (Sales and Marketing) Shashank Srivastava told *PTI*.

He noted that the price of steel has gone up from ₹38 per kg to ₹68 per kg while that of Rhodium has gone up from ₹19,000 per gram to about ₹66,000 per gram thus impacting the production cost.

Business Line 25th June 2021

Maruti Suzuki's 1.5-litre diesel engine to power new XL6 MPV, other models

The car major has not had any diesel engine since the ban on BS-IV engines last year

S RONENDRA SINGH

New Delhi, June 24

The country's largest passenger vehicle maker Maruti Suzuki India (MSIL) will soon be ready with its 1.5-litre diesel engine, which may be fitted in the upcoming models of Ertiga, XL6, Ciaz and Vitara Brezza.

Sources in the know told *BusinessLine* that the company is working on this engine for over a year now at its powertrain factory in Manesar (Haryana), which could fill the void of diesel options in its upcoming products.

"The diesel 1.5-litre engine may come with the new XL6 multi-purpose vehicle (MPV) that the company plans to launch around January. Later, it may be fitted to the Vitara Brezza that MSIL plans to launch in February at the Auto Expo and then to Ertiga MPV," a source privy to the development said.

The company said launches are being delayed due to impact of the pandemic REUTERS

Requesting anonymity, the person said, in future, the same engine can be fitted to the only mid-sedan it has — the Ciaz — which had earlier too enjoyed having the 1.5-litre diesel engine at its heart. Ertiga also briefly had the engine its earlier avatar.

MSIL that had diesel engine options, including the 1.3-litre for long in models such as Swift, Dzire, S-Cross and Baleno, had to stop because of the new regulations of BS -VI that kicked in last year.

The company does not have any diesel engine since the ban on BS-IV engines in March last year.

Once the new diesel engine is ready then the vehicles that Maruti Suzuki supplies to Toyota Kirloskar Motor, will automatically have the same. For instance, the Urban Cruiser which has the same engine and specifications of Vitara Brezza.

When asked about the developments, a company spokesperson, said, "We do not give any forward-looking guidance on products."

Covid-19 hits launches

Sources at the company said the launches are being delayed due to the pandemic and when things get to normalcy, more products and variants are expected to be launched.

The Economic Times 28th June 2021

GM India Offers Final Separation Scheme to Talegaon Unit Workers

SHUTTING DOWN

Package, which is 50% higher than the previous one, expires on June 30

Ketan.Thakkar
@timesgroup.com

Mumbai: General Motors India has announced its final 'Voluntary Separation Scheme' for workers at its shuttered Talegaon plant in Maharashtra.

The scheme, which is 50% higher than its previous offer, is intended as a truce between workers and the company, who have been at loggerheads for the last six months. The new scheme offers a separation package of 110 days of salary for each completed year of service, instead of the 75-day settlement plan offered earlier.

The scheme expires on June 30.

The revised scheme is also 20% higher than the separation package offered to workers at its Halol plant in Gujarat.

The average payout will be equivalent to 3 years and 7 months of salary after tax with further additional benefits, the company said.

If employees do not accept the offer before the deadline ends, the company will cease to pay the 1,550 workers, having enforced Section 25M of the Industrial Disputes Act, which deals with conditions for laying off factory workers.

George Svigos, director of communication, GM International, told **ET** that the company continues to pursue a formal closure of the Talegaon plant. Production at the plant ceased in December 2020.

Sandeep Bhegade, president, General Motors Employees' Union told ET that the scheme is not acceptable to the union and this has been communicated to the company in writing.

"The revised VSS does not consider the future of the workers; if this is their final scheme it is not acceptable to the union. The union will continue its efforts to resolve this issue in a legislative and non-violent way, either through discussion or through the courts, considering the future of the union workers," Bhegade said.

Business Line 19th June 2021

No immediate plans to revise prices: Hyundai Motor

Launches Alcazar at starting price of ₹16.30 lakh

S RONENDRA SINGH

New Delhi, June 18

Hyundai Motor India (HMIL), the second largest passenger vehicles maker in the domestic market, said that despite cost pressure due to various economic reasons, the company will not revise prices now.

"There is cost pressure because of the commodity prices, but we at HMIL, will try to hold the price as much as possible. We will watch the situation carefully and take an appropriate decision at the right time," Tarun Garg, Director (Sales and Marketing) at HMIL, told *BusinessLine* on the sideline of the launch of its SUV Alcazar. He said prices are going up in all areas, whether it is raw materials or logistics costs, due to the fuel price hike.

SS Kim, MD and Chief Executive Officer, HMIL, at the launch

On the sales front, Garg said with almost 85 per cent of the Indian market opening up in June, HMIL expects a better July in terms of sales.

"May had almost 80 per cent lockdown, so the industry survived on 25 per cent of usual sales. In June, already the industry has reached up to 75 per cent of normal times, so it is a good progress...there is a lot of positive learnings from last year and the Indian customers are moving towards personal mobility, which gives us hope," Garg said.

HMIL launched the premium six and seven-seater sports utility vehicle (SUV) - Alcazar, priced between ₹16.30 lakh and ₹20 lakh (ex-showroom across India).

It is powered by 2-litre Petrol MPi engine and 1.5-litre Diesel CRDi engine with options of 6-Speed Manual and 6-Speed Automatic transmissions. While the petrol version is available between ₹16.30 lakh and ₹19.85 lakh, the diesel option is available at ₹16.53-20 lakh (all ex-showroom).

The company said it has invested about ₹650 crore in developing the new model which would compete with the likes of Mahindra XUV500, Tata Safari and Hector Plus.

Increase in sales

Garg said India has seen a robust increase in SUV sales over the last few years. In 2015, the SUV segment contributed only 13.5 per cent to the overall passenger vehicle sales.

This increased to 26 per cent in 2019 and further rose to 29 per cent in 2020.

Business Line 30th June 2021

ZF plans to invest €200 million under 'Refresh India' strategy

G BALACHANDAR

Chennai, June 29

ZF, a global leader in driveline and chassis technology and safety parts, is charting 'Refresh India' strategy under which the company will invest €200 million in the country over the next five years to spur rapid growth over the next decade.

"Despite the current severe situation regarding Covid-19 in India, the ZF Group strongly believes in the long-term growth potential of the region. Therefore, we are launching a 'Refresh India' four-point strategy. This includes an intensive plan to rapidly grow our business in one of the largest automotive markets in the world. We plan to invest around 200 million Euros in the next few years to aid this growth through product launches, manufacturing and engineering footprint expansions, hiring and other developments across all business domains," Holger Klein, ZF Member of the Board responsible for Asia Pacific and India, said in a statement.

Holger Klein, ZF Member of the Board

Four-point strategy

The 'Refresh India' four-point strategy revolves around 4 key areas — Readapt, Reinforce, Retain & Restructure, and supports the strategic repositioning of the unique ZF brand identity in India.

Under the Readapt pillar, ZF aims to introduce advanced global technological solutions at an affordable value for the Indian market. through higher levels of localisation and a strong thrust on design-to-market-solutions.

Reinforce strategy is all about making Indian operations a global hub for worldwide requirements across research & development, IT & digital innovation, manufacturing & material sourcing. Substantial progress has been made in the recent past to utilise the Indian supplier base for child part requirements for the various divisions.

Under the Retain area, ZF Group will continue to set high standards for performances in the areas of safety, quality and sustainability. ZF will continue to unlock its innovation power in the region by investing in the overall development of its employees.

Under the Restructure programme, it will undertake necessary next steps to ensure all regulatory guidelines are adhered to for WABCO India, in which ZF Group is a majority stakeholder.

Business Line 29th June 2021

Tata Motors in no hurry to find a new CEO...

6-member panel to look after day-to-day operations; will report to Chairman Chandrasekaran

RAJESH KURUP

Mumbai, June 28

The Tata Group is in no hurry to find a replacement for outgoing Tata Motors' boss Guenter Butschek as its six-member executive committee will look after the company's day-to-day operations.

The committee will report to Non-Executive Director and Chairman N Chandrasekaran, who also heads the $113-billion Tata Group, until a new Chief Executive Officer is appointed, sources close to the development said.

The six-member committee includes Group Chief Financial Officer PB Balaji; President (Commercial Vehicles Business Unit) Girish Wagh; President (Passenger Vehicles Business Unit) Shailesh Chandra; President and Chief Technology Officer Rajendra Petkar; Tata Motors' President and Chief Purchasing Officer Thomas Flack; President and Chief Human Resources Officer Ravindra Kumar GP. Chandrasekaran will also be more involved with the company's operations and business, till Tata Motors brings a new head on board.

N Chandrasekaran, Chairman

Last week, Tata Motors announced that Butschek would step down from his post on June 30, but would continue as a consultant till the end of this financial year.

Butschek to step down

Butschek had informed the company of his desire to relocate to Germany when his contract ends, the company added.

Butschek took over the position on February 25, 2016, after Tata Motors searched globally for nearly two years to fill up the positions left vacant by the death of Karl Slym in January 2014.

Before joining Tata Motors, he was the Chief Operating Officer of Airbus for four years, and has previously worked with Daimler AG for 25 years.

Tata Motors also elevated Girish Wagh as Executive Director, effective July 1.

... bets big on EV space

OUR BUREAU

Mumbai, June 28

To address future disruptions of autonomous, connected and shared mobility, Tata Motors is evaluating an automotive software and engineering vertical within the group, N Chandrasekaran, Chairman and Non-executive Director, Tata Motors, said in the company's latest annual report released on Monday.

Tata Sons, parent of Tata Motors, is also exploring opportunities to invest in lithium cell manufacturing in India and Europe to establish a proper supply chain for its zero-emission vehicles in the coming decade, he added.

Tata Motors also plans to launch 10 electric vehicles by 2025. "In India, EV penetration in our portfolio has now doubled to 2 per cent this year and we expect penetration to increase exponentially in the coming years. Tata Motors will lead this change in the Indian market. By 2025, Tata Motors will have 10 new BEV and as a Group, we will invest proactively to set up charging infrastructure across the country," said Chandrasekaran.

EV ecosystem

To enable faster adoption of EVs across emerging segments, Tata Motors has also embarked on a journey to create an EV ecosystem through Tata group synergies. A comprehensive EV ecosystem Tata UniEVerse was launched in FY20 providing a unique collaboration platform ('One Tata') for Tata companies to leverage mutual competencies to support e-mobility in India. Tata Motors also plans on winning proactively in the EV segment associated with personal mobility.

It has an early mover advantage in the segment and has already established itself as a market leader. The report states that Tata Motor's electric SUV, Nexon EV is driving growth in this segment accounting for 65 per cent of the total sales in FY21. In order to retain a competitive advantage in EVs, Tata Motors plans to widen the portfolio of product offerings, bring India-specific product specifications and transition towards a multi-energy platform.

Business Line 16th June 2021

TVS Motor cuts electric scooter prices in Delhi, Bengaluru

OUR BUREAU

Chennai, June 15

Leading two and three-wheeler maker TVS Motor Company has announced a price cut for its electric scooter, TVS iQube Electric.

In Bengaluru, iQube will be priced at ₹100,777, down from the earlier price of ₹112,027, while in Delhi, the electric scooter's price will be reduced to ₹110,506 from ₹121,756 earlier, according to a statement.

The company said the new pricing is in line with the recently announced revision in subsidy under FAME II Scheme by the government, which had increased the subsidy by 50 per cent per KWh.

"The improved incentives for electric two-wheelers will increase penetration and encourage further indigenous investments in future technology," Sudarshan Venu, Joint Managing Director, TVS Motor Company, had said.

Business Line 19th June 2021

India Motor Parts posts ₹50-crore profit in FY21

OUR BUREAU

Chennai, June 18

India Motor Parts & Accessories, a TVS Group company engaged in the distribution of automobile parts and accessories, reported a profit after tax of ₹50 crore in 2020-21 compared to ₹49 crore in FY20.

Profit before exceptional items and tax stood at ₹65 crore against ₹60 crore in FY20. Its revenue was flat at ₹518 crore for FY21, according to information provided to the stock exchanges.

For the quarter ended March 31, the company's PAT was higher at ₹19 crore (₹14 crore). Revenue was significantly higher at ₹161 crore(₹119 crore).

On a consolidated basis, the company's PAT stood at ₹53 crore for the year ended March 31 against ₹50 crore in the previous year. Its consolidated revenue was also flat at ₹532 crore.

The board recommended a dividend of ₹10 (100 per cent) per equity share for FY21 on the paid-up capital of ₹12.48 crore.

Business Line 24th June 2021

EV battery firm Grinntech raises $2 m in bridge funding round

OUR BUREAU

Chennai, June 23

Grinntech, a start-up that specialises in lithium-ion batteries for EVs and energy storage systems, has closed a bridge funding round of about $2 million, which was fully subscribed by the existing investors.

The Chennai-headquartered company also announced the launch of its new Finch and Monal series of batteries and an order to develop a larger pack incorporating advanced thermal management and utilising Grinntech's proprietary battery management system for a US-based vehicle manufacturer.

"On the back of the recent announcement from the Government of India, increasing the subsidy for EV 2-wheelers and 3-wheelers by 50 per cent, we have already seen increased orders and enquiries. With this bridge funding secured, our plans for growth of our business remain on target," said Puneet Jain, Co-Founder and Director of Grinntech.

Business Line 19th June 2021

Tata Motors, Tata Power inaugurate solar carport

The 6.2 MWp solar carport will generate 86.4 lakh kWh of electricity per year and is estimated to reduce 7,000 tonnes of carbon emissions annually and 1.6 lakh tonnes over its lifecycle

30,000 sqm facility up at Tata Motors car plant in Pune

OUR BUREAU

Mumbai, June 18

Tata Motors and Tata Power jointly inaugurated India's largest grid synchronised, behind-the-meter solar carport at the Tata Motors car plant in Chikhali, Pune, on Friday. The 6.2 MWp (mega watt peak) solar carport deployed by Tata Power will generate 86.4 lakh kWh of electricity per year and is estimated to reduce 7,000 tonnes of carbon emissions annually and 1.6 lakh tonnes over its lifecycle.

Spanning over 30,000 square metres, the carport will not only generate green power, but will also provide covered parking for finished cars in the plant.

Net zero carbon goal

Launch of the carport is a part of Tata Motors' net zero carbon goal for 2039. Tata Motors had entered into a Power Purchase Agreement (PPA) with Tata Power on August 31, 2020. Both companies developed this massive carport infrastructure in nine-and-a-half months.

Shailesh Chandra, President, Passenger Vehicle Business Unit, Tata Motors said "At Tata Motors, we have consciously anchored sustainability in every aspect of our business by striving for more meaningful ways to reduce our impact on the planet, whilst providing exciting products and sustainable solutions to our customers.

Our partnership with Tata Power to deploy India's largest solar carport at our car plant in Pune is a step in that direction."

Praveer Sinha, CEO & MD, Tata Power, said: "Our partnership is a testament to our collective efforts to lower the carbon footprint and provide innovative and future-focussed green energy solutions."

Business Line
24th June 2021

ZF completes divestment of full stake in Brakes India

OUR BUREAU

Chennai, June 23

TVS Group auto parts maker Brakes India said its joint venture partner ZF's divestment of entire shareholding in the company has been completed.

Brakes India was founded in 1962 as a joint venture between TV Sundram Iyengar and Sons Private Ltd (TVS) and ZF Friedrichshafen AG (ZF) of Germany.

Recently, ZF acquired WABCO Holdings, Inc and due to the resultant competitive situation, ZF agreed to divest its entire shareholding (about 49 per cent) in Brakes India to TV Sundram Iyengar and Sons Private Ltd, Sundaram Finance Holdings Ltd, India Motor Parts and Accessories Ltd (IMPAL) and Flometallic India Private Ltd, according to a statement.

In March, IMPAL said it would acquire some stake of ZF in Brakes India for a consideration of ₹70 crore.

The Economic Times 30th June 2021

Mahindra-Owned SsangYong Puts Controlling Stake up for Auction

Co under court receivership since Apr after it failed to rollover loans worth $148 m

Lijee.Philip
@timesgroup.com

Mumbai: Cash-strapped Korean carmaker SsangYong Motor has put up a controlling stake for auction as it looks to bring on board a new investor to take charge of the company. SsangYong is currently undergoing a court receivership process after parent company, India's Mahindra & Mahindra, failed to bring in a buyer over the last one year after announcing it would make no further investment in SsangYong.

EY Hanyoung, the court appointed auditor in charge of the sale, said that as it receives letters of intent (LOI) till end July from potential buyers, it will start preliminary reviews of the bids from this August, and a preferred bidder will be announced in September, according to people in the know.

The Korean auto major, which is 75% owned by Mahindra, is under court receivership since April after it failed to rollover loans worth $148 million from creditors such as the state-run Korea Development Bank (KDB) and several other banks.

"Auctioning the hard assets is the only option now for the company," said Bahram Vakil, founding partner at AZB & Partners, and that the potential buyer will get the assets at a good price.

An email sent to SsangYong seeking comment on the matter remained unanswered. Reports mention that local law firm, Shin & Kim, is also participating in the sale process in sync with EY Hanyoung, while SsangYong has apparently requested the Seoul Bankruptcy Court to postpone the submission date for its rehabilitation to early September. This is the second time that SsangYong has come under court receivership, the first being in 2009 when the company laid off more than 35% of its workforce, prior to Mahindra's acquisition in 2011.

US vehicle importer HAAH Automotive was the frontrunner as a strategic investor but did not officially submit its bid. HAAH Automotive spokesperson Chris Hosford said: "At this time there are no comments on your questions."

The value of the stake is likely to be fixed around $250 million, offered earlier by HAAH Automotive. With the increased push for electric vehicles globally, SsangYong is likely to see more EV bidders too in the fray.

While HAAH Automotive continues to be in the game, others including electric bus maker Edison Motors, small electric vehicle maker K Pop Motors, and a consortium of EV makers along with a PE fund are also showing interest in picking up a stake.

It must be seen whether SsangYong can find a new investor soon, considering its heavy debt and poor sales. Its sales dropped 19% to 1.07 lakh units last year and net loss jumped to 423.5 billion Korean won from 281.9 billion won for same period.

Recently, workers at SsangYong agreed to accept restructuring measures that included the company's proposal to furlough 1,681 of the 3,224 unionised workers, which works out to 52% of the workforce. The remaining staff will see a deduction in wages.

The Slide

Korean auto major 75% owned by Mahindra

Carmaker failed to roll over loans worth **$148 million** from creditors

Creditors include Korea Development Bank

EXPOSURES

JPMorgan Chase	Bank of America	BNP Paribas
₹408 cr	₹204 cr	₹68 cr

The Economic Times 29th June 2021

Business Standard 29th June 2021

Skoda Targets 10% of Mid-size SUV Market with Kushaq

Czech carmaker will offer car upgraders option beyond Kia & Hyundai with model

Ketan Thakkar & Nehal Chaliawala

Mumbai: In a bid to break into the mainstream market, Czech carmaker Skoda Auto has entered the highly competitive yet fast growing mid-size SUV market with made-for-India Kushaq sports utility vehicle and will offer an option for car upgraders beyond rivals Hyundai Motor and Kia.

Designed and developed with over 95% local content, Skoda is confident of garnering 10% market share or sell a minimum of 3,000 to 4,000 units a month. On a low base, Skoda expects the sales to almost triple to 30,000 units in 2021 with almost 80% of its volumes or 24,000 units coming from the new mid-size SUV.

With the new mid-size sedan to be followed by Kushaq later in the year, the company aims to more than double 2021 volumes.

Zac Hollis, brand director, Skoda Auto India claims the new Kushaq is highly competitive and the company is eyeing healthy volumes, yet hoping to translate the value luxury quotient in the mainstream. "We have 10% segment share with Rapid, we have 30% segment share with Superb. As you know there are only two major dominant players in the space, so I think we can attain 10% market share. The key criteria for Indian buyers are moving to safety, driving dynamics, engine performance and we are what really matters to the Indian customers," added Hollis.

While the rivals Hyundai Motor India and Kia garner over 50% of their sales of Creta and Seltos from the diesel powered vehicles, Skoda is going with an all-petrol portfolio.

Hollis says there is no long-term future of diesel in India especially with the new emission norms lined up in the coming years. "Over a period of time the share of petrols in SUVs is rising and we feel our TSI engines are quite superior and deliver all the attributes of power, performance as well as fuel efficiency. With just TSI engines, our sales of Rapid and Superb have increased, underlining the shift," he claimed.

Tata Motors announces changes to its board

ARINDAM MAJUMDER
Mumbai, 23 June

Tata Motors has announced Guenter Butschek, who had informed his desire to relocate to Germany at the end of the contract for personal reasons, will therefore be stepping down from his role as CEO and MD from June 30, 2021. He will continue as a consultant to the company till the end of this financial year, the company said in an exchange filing on Wednesday.

Tata Sons Chairman Natarajan Chandrasekaran said: "I would like to thank Guenter for leading Tata Motors successfully over the past 5 years and creating a strong foundation for the future. I look forward to his continued inputs as a consultant to the company."

Guenter Butschek said: "Leading Tata Motors over the last 5 years was an exciting experience. The business fundamentals are stronger, and we are well positioned to leverage the opportunities in both commercial and passenger vehicles. I look forward to my continued association with the company as a consultant in the coming months."

Pursuant to this, Girish Wagh is being appointed as the executive director to the board of Tata Motors from July 1, 2021.

PRESS REPORTS
ON
RAW MATERIALS

Business Line 17th June 2021

Aluminium — The EV manufacturers' dream metal

RK JAIN

Policy incentives and technological advancements are going to guide the manufacturing and adoption of EVs or Electric Vehicles in a big way.

Electric vehicles are set to push the demand for aluminium exponentially, with innovation in products being the focus of the downstream aluminium sector.

According to government data, from 69,012 units in 2017-18, EV sales zoomed to 1,67,041 units in 2019-20.

Two-wheelers have led this growth.

Making it drive

Making the EV story successful is aluminium, both used in the manufacturing of electric vehicles and also in creating the necessary charging infrastructure. A higher performance metal, the push for EVs is adding importance to the role that this light and sturdy metal will play.

From helping vehicle manufacturers in reducing vehicle weight to improving the efficiency of conventional vehicles or to better the range of electric vehicles, aluminium extrusions are an increasing part of the solution.

This is an opportune moment for the downstream aluminium sector — which is an old partner of the automobile industry and finds its use in the making of a vehicle body, doors, trunks, hoods, bumpers, crash boxes, brakes, cables, wheels, etc. — to increase its overall usage.

However, bringing about innovation in production is the need of the hour for the Indian downstream aluminium manufacturers. Innovation in production is also crucial to raise the average quantity of aluminium used per vehicle from India's average of 29 kg per vehicle to global usage standards of 160 kg or 250 kg as predicted for use in EVs in time to come.

Automobiles with aluminium bodies are costlier than other metals . This poses as one of the major obstacles to the aluminium market. This will be addressed once the demand for EVs picks up and costs are lowered.

As the government introduces policies that require vehicles to bring out fuel-efficient variants, fuel-saving, carbon emission, costs, including repair are areas where the downstream aluminium sector has an important role to play.

Aluminium The green metal
ISTOCK.COM

Innovation is needed and is already being done at various levels. For instance, in meeting the EV demand, the automobile industry is looking at major changes in vehicle manufacturing that will focus on improved combustion, calibration, injection, and cylinder pressure. Downstream aluminium suppliers are meeting the needs through extrusions and rolling by using technology and innovation.

New applications of downstream aluminium include lightweight battery casings and heat exchangers, besides overall structural integration. Offering a higher strength-to-weight ratio compared to other metals, the ability to absorb a larger amount of crash energy, and ensuring that vehicular performance enhancements do not come at the cost of safety is what downstream aluminium offers to the automobile industry.

All this, and the ease with which aluminium fits into creating simple and intricate shapes giving an elegant finish to the vehicle, make it an automaker's dream metal. Thus, not only will this innovation in material supplied lead to light-weighting, lowering costs, and meeting the commitments of going green, it will, through EVs, now offer a higher per-unit usage of downstream aluminium products in automobiles.

The writer is Senior Vice-President – Commercial at Jindal Aluminium Ltd

Business Standard 20th June 2021

Steel companies raise prices by 10-16% for auto industry

ISHITA AYAN DUTT
Kolkata, 28 June

After protracted negotiations, leading steelmakers have finally struck a deal with automakers for a price increase of 10-16 per cent.

For flat steel — used in car bodies, non-exposed car chassis and safety components — the increase is ₹7,500-₹9,800 a tonne; the increase in longs — used in engine, transmission, steering, seating and wire applications — is about ₹6,000 a tonne. Some of the mills have already finalised contracts; some are hoping to close by month-end. The contract is for the April-June quarter.

Ranjan Dhar, chief marketing officer, ArcelorMittal Nippon Steel India (AM/NS India), said, "We have finalised some contracts and the rest will be done by the end of the month. The increase in CRCA (cold-rolled close-annealed) will be around ₹10,000 a tonne for the Q1 of FY." AM/NS is into flat steel making.

Jayant Acharya, director (commercial & marketing), JSW Steel, confirmed that auto contracts for the April-June quarter had been finalised.

Tata Steel is working towards closing its contracts by month-end. Acharya said, "While we appreciate the closure, there is still a substantial gap between domestic spot prices and quarterly contracts finalised in different products."

Steel industry sources pointed out that the gap between domestic prices and quarterly auto contracts is about 18-25 per cent in different products per tonne after the increase. Also, the gap between international spot and domestic quarterly contract prices for automotive is higher. One of the producers said the opening price for CRCA was ₹57,000-₹58,000 a tonne (starting point for negotiations), and for auto-grade hot rolled, it is ₹54,000-₹55,000 a tonne. With the finalisation of April-June contracts, companies are likely to open negotiations for Q2 and indications are that the increase could be higher. Dhar said, "We will soon finalise the Q2 contracts as well, on the basis of movement of the index during April-June, which should be around ₹20,000/tonne."

Steel prices have been surging over the past year, globally. Domestic flat steel prices nearly doubled to ₹72,000 a tonne in June 2021 from ₹38,000 a tonne in June 2020. Long steel prices rose 1.4 times to ₹57,900 a tonne, a CRISIL report, earlier in the month, had said.

Domestic steel prices, however, were still at a discount to international prices. Much of the surge in domestic steel prices happened after November, which saw the auto contracts move to a quarterly pricing from a six-monthly one.

PRESS REPORTS ON GOVERNMENT POLICY

Business Line 26th June 2021

SEBI mulls new norms to make it easier for companies to delist after open offer

OUR BUREAU
Mumbai, June 25

In a bid to make it easier for takeover of listed entities, SEBI proposes to put in place a new framework on the process and pricing of an open offer and delisting of shares.

The market regulator is doing this because there is an overlap of several regulations. For example, when an entity acquires over 26 per cent of a listed company, a mandatory open offer is triggered.

The new owner could end up acquiring as much as 90 per cent if such an open offer is successful. Alongside, there is the requirement of minimum 25 per cent public shareholding. So, the acquirer has to sell shares to bring its holding below 75 per cent. This gets further complicated if the new owner plans to delist the shares. A SEBI discussion paper issued on Friday on this says: "The consecutive flow of public transactions would also confuse investors in the secondary market who need not be shareholders in the listed company — an offer to buy their shares (open offer under the Takeover Regulations), followed by an offer to sell shares to them (to comply with the Securities Contracts Regulation Rules), and then an offer to buy their shares (under the Delisting Regulations)."

The paper is based on the recommendations of a sub-group of SEBI's primary market advisory committee.

Under the new framework, the acquirer must state in the first public announcement, triggered by the mandatory tender offer, whether delisting is intended.

"If the acquirer is desirous of delisting, a differential pricing must be proposed — an open offer price no lower than the takeover price and a higher price with a suitable premium reflecting what the acquirer is willing to pay if delisting were successful," the sub-group's report suggested.

If the delisting bid goes through, the acquirer will have to pay the delisting price to all the shareholders. If it fails, all the shareholders will be paid the open offer price. The panel also wants to give a majority of the minority shareholders the power to reject a delisting bid.

"If these approvals are not received, the delisting element of the open offer would stand rendered void and the open offer would continue with the takeover price," says the SEBI paper.

The new framework also proposes allowing the acquirer to take more than one shot at delisting.

This will be allowed without the acquirer having to bring down its stake to below 75 per cent for a period of 18 months.

Business Line 23rd June 2021

TDS/TCS norms: New tool on I-T portal to help businesses do 'compliance check'

OUR BUREAU
New Delhi, June 22

The Income Tax Department has provided a new functionality on its portal to help businesses in ensuring compliances related to the new norms for TDS (tax deducted at source) and TCS (tax collected at source) coming into effect from July 1.

The Finance Act 2021 has inserted section 206AB and 206 CCA in the Income Tax Act that prescribes special provision for deduction of tax at source for non-filers of income tax.

New sections

Now, the department has said that with the help of the new functionalities, one can carry out 'Compliance Check for Sections 206AB and 206CCA'. New sections mandate tax deduction or tax collection at higher rate in case of 'specified person'. Higher rate is twice the prescribed rate or 5 per cent or

whichever is higher. A specified person is defined as one who has not filed returns for two years before the year in which tax is required to be deducted/collected, and whose aggregate of TDS/TCS is ₹50,0000 in each of these two previous years.

"It can be seen that the tax deductor or the tax collector is required to do due diligence of satisfying himself if the deductee or the collectee is a specified person. This can lead to extra compliance burden on such tax deductor or tax collector," said the department.

Now, with the help of new functionality, the tax deductor or the collector can feed the single or multiple PAN of the deductee or collectee, and can get a response from the functionality if such deductee or collectee is a specified person.

For single search, response will be visible on the screen, which can be downloaded in the PDF format, while for bulk search, response will be available in a downloadable file.

According to Sandeep Jhunjhuwala, partner at Nangia Andersen, as per the logic of the functionality, the list of non-specified persons will get freezed at the beginning of the financial year. However, if a specified person files a valid return for the assessment year 2019-20 or 2020-21 during FY22, that name will be removed from the list.

"This could be ultra vires the I-T Act as the provisions of Section 206AB and Section 206CCA require the return to be filed within Section 139(1) timeline. Any return filed for AY20 or AY21 in FY22 would be a belated or revised return and would not be a 139(1) return and hence, such person may continue to remain a specified person," he said.

Removal of names

Also, the removal of names from the specified person list is contemplated in a case of revision or belated filing of the TDS/TCS. A reverse case could also be possible where such revision could lead to exceeding the ₹50,000 limit and a consequent inclusion of a non-specified person in the specified person list.

"With the I-T portal currently being fraught with multiple glitches, which are yet to be allayed, taxpayers aver that the workability of this functionality may turn out to be an after the Lord Mayor's show," said Jhunjhuwala.

Business Line 26th June 2021

India Inc can now hold EGMs via video conferencing till Dec 31

KR SRIVATS

New Delhi, June 25

With the pandemic risk not yet mitigated and travel restrictions continuing, the Corporate Affairs Ministry (MCA) has now allowed companies to hold their Extraordinary General Meetings (EGMs) via video conferencing mode or other audio visual means till December 31 this year.

It maybe recalled that the MCA had in end-December 2020 extended the validity of such a facility till June this year. This facility, which was allowed on April 8 last year in the backdrop of extraordinary circumstances of Covid-19 pandemic, was to expire on June 30, 2020 but was later extended to September 30, December 31, June 30, 2021 and has now been extended to December 31, 2021.

The video conferencing system leverages on the strengths of digital India by using a combination of VC and e-voting/simplified voting through registered emails to enable companies to conduct their EGMs. As the meetings will be conducted over VC/OAVM, the facility for the appointment of proxies had been dispensed with, while

representatives of corporate bodies will continue to get appointed for participation in such meetings.

Recording of proceedings

This framework allows companies to hold shareholders' EGMs through VC/OAVM without compromising on the other requirements of the law. As an additional check, all companies using this option are required to maintain a recorded transcript of the entire proceedings in safe custody, and public companies must post this transcript on their website for greater transparency.

Further, all resolutions passed through this framework will be required to be filed with the RoC within 60 days, so that such resolutions may be viewed publicly.

Khazat Kotwal, Partner, Deloitte India, said the MCA's latest move is one more step towards ease of doing business in India and will help remove administrative bottlenecks and enable swift decision-making by companies and their Boards.

Harish Kumar, Partner, L&L Partners, said: "Amidst the prevailing Covid restrictions, this extension for passing necessary shareholders resolution at EGM through video conferencing up to December 31, 2021 was much needed given the expiry of earlier provided extension up to June 30."

Digital mode

Aseem Chawla, Managing Partner, ASC Legal, said: "In line with MCA earlier allowing companies to conduct board meetings through virtual means, the instant relaxation pertaining to business required to be carried out under EGMs also through virtual means is in alignment with the broader objective of acknowledging the digital mode as an alternative efficacious mode for conducting affairs of companies."

In the wake of Covid-19 pandemic, MCA had allowed companies to conduct board meetings via video conferences till June 30.

Business Line 18th June 2021

Validity of vehicle papers to be extended till Sept 30

Extension to cover fitness, permits, licence, registration and related docs

OUR BUREAU

New Delhi, June 17

The Road Transport and Highways Ministry has advised State governments to treat driving and vehicle related documents – that have expired since February 1, 2020 – as valid till September 30, 2021, sources told *BusinessLine*.

The validity extension applied to vehicle fitness, permits, registration, driving licence, and other concerned document(s).

Pandemic concerns

"Taking into consideration the need to prevent the spread of Covid-19, it is further advised that all of the above referred documents may be treated to be valid till September 30, 2021. This covers all documents whose validity has expired since February 1, 2020 or would expire by September 30, 2021. Enforcement authorities are advised to treat such documents valid till September 30, 2021. This will help out citizens in availing transport related services, while maintaining social distancing," sources said.

The Ministry of Road Transport and Highways had issued advisories on March 30, 2020; June 9, 2020; August 24, 2020; December 27, 2020; March 26, 2021 regarding extension of validity of documents related to Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989.

The Economic Times 30th June 2021

Industry Bodies to Raise Host of GST Compliance Issues Before July 1

Gulveen.Aulakh@timesgroup.com

New Delhi: Industry bodies such as Assocham and PHD Chamber are set to raise several issues with the government related to goods and services tax (GST) compliances, legislation and administration before July 1, which marks the fourth anniversary of the indirect tax reform.

Simplifying input tax credit procedures, addressing issues arising from inverted duty structure, applicability of faceless assessment within GST structure, introducing process of rectification of returns and improvement in the GSTN system are some of the recommendations that will be highlighted by the industry.

Issues such as blocking of input tax credit of buyers or action by GST authorities due to supplier default or non-compliance and parallel investigation proceedings by state as well as central GST authorities despite assessee being under one of the jurisdictions are among other critical ones that will be highlighted.

ON THE AGENDA

Simplifying input tax credit procedures, addressing issues arising from inverted duty structure, applicability of faceless assessment within GST structure

"We will send detailed recommendations to the government on the legislative, administrative and compliance challenges being faced by industry," said Pratik Jain, chairman of the indirect tax committee at Assocham. "It's been four years, now time has come to simplify and align our laws with global practices."

"While the government has provided relief to consumers by reducing the GST rate on Covid-related relief material to 5%, the advantage should also be given to stockists and dealers that have already paid the tax at higher rate… that money should be refunded to provide liquidity to trade," said Bimal Jain, head of indirect tax committee at PHDCCI.

Tax rates on 18 items including medical oxygen, oxygen concentrators, drugs prescribed by the ministry of health and welfare for Covid treatment, Covid testing kits among others were reduced to 5% from either 12% or 18% this month. The reduction has been applied on existing stock as well, leading to sellers having to send out revised rate lists, however the balance GST already paid to the government has not been refunded.

Business Line 18th June 2021

New norms of TDS/TCS from July 1

Three key changes relate to purchase of goods, pension income and accelerated TDS rates for non-filers

SHISHIR SINHA

New Delhi, June 17

Businesses may be in for some extra work from July 1 to ensure compliance with the new Tax Deducted at Sources/Tax Collected at Sources norms and face higher TDS if Aadhar is not linked with PAN.

Finance Act 2021 has made three key changes in TDS norms which are purchase of goods, pension income of eligible senior citizens and accelerated TDS rates for non-filers. While the first and third provisions are applicable from July 1, second one applies for the pension income of this entire financial year.

Newly inserted section 194Q related to deduction of tax at source on payment of certain sum for purchase of goods. Section 206AB and 206CCA prescribes special provision for deduction of tax at source for non-filers of income-tax return.

Explaining the new provisions, Sujit Bangar, Founder of *Taxbuddy.com* says from this July subject to certain conditions, business purchases of more than ₹50 lakh per annum will attract TDS at the rate of 0.1 per cent of the value of such gross purchases.

Turnover limit

"Other important conditions are that your gross turnover in preceding year should have exceeded ₹10 crore and no other TDS is to be applicable to such transaction. This TDS needs to be done at the time of credit to the account of the purchase party or at the time of making payment whichever is earlier," he said, adding that this applies to suspense accounts too.

According to Shailesh Kumar, Partner with Nangia & Co LLP, where section 194Q is applicable, the buyer will have to communicate to all its vendors not to collect TCS on its purchases. "From a seller's point of view, they'll have to ensure information from their customers as to whether provisions of section 194Q are applicable, if not the seller will have to collect TCS in order to avoid non-compliance. Such data gathering is another difficulty for taxpayers while complying with new provisions," he said.

Another provision of TDS intends to curb non-filing of income tax returns. This is applicable in case of persons who have not filed ITRs in two years previous to the year of TDS deduction. And the tax is deductible in case of each these two years. In such cases the deductor or payer of income is required to deduct tax at twice the rates applicable for the relevant transactions or at 5 per cent whichever is more. "The ITR filing status of the person can be known by the bank from the income tax portal of the Government," Bangar said.

Kumar says the deductor/ collector may be required to gather huge data from each and every vendor/ customer with respect to filing of their ITRs and available TDS/TCS credit in order to ensure correct rate for deduction/ collection of taxes. "This may not be practically possible unless the tax authorities provide them with a utility having all the data with respect to filing of ITRs and available TDS/TCS credit in Form 26AS," he said.

After numerous extensions, new deadline for linking Aaddhar with PAN is June 30. Kumar said that if not done, the PAN shall be treated as inoperative and the person shall be liable for all consequences under the ITA for not furnishing, intimating or quoting PAN. (example, higher rate of TDS at the rate of 20 per cent).

Key points to note

- New Section 194Q relates to TDS on payment of certain sum for purchase of goods
- Sections 206AB and 206CCA lay down special provision for TDS for non-filers of income-tax return
- From July, business purchases of more than ₹50 lakh per annum will attract TDS at the rate of 0.1 per cent
- Latest deadline for linking Aadhaar with PAN is June 30

Business Line 25th June 2021

Accounting standards: MCA lightens corporate reporting burden for more SMCs

KR SRIVATS

New Delhi, June 24

The Corporate Affairs Ministry (MCA) has lightened the burden of corporate reporting for Small and Medium sized companies (SMCs), expanding the coverage of such companies who could adopt less onerous accounting standards.

It has come up with new set of Rules that enhances the limits on turnover and borrowings for SMCs that would be eligible to adopt a set of accounting standards, which are simpler than the Indian Accounting Standards (Ind AS).

As per the revised definition, in addition to SMC being an unlisted company which are not banks, or financial institutions or an insurance companies, the turnover limit has been enhanced from ₹50 crore to not exceeding ₹250 crore and with no borrowings in excess of ₹50 crore, as against ₹10 crore earlier.

Revised definition

Vikas Bagaria, Partner, Deloitte India, said that the latest MCA notification is a self-contained accounting standards of about 388 pages tailored for the needs and capabilities of smaller businesses, and acts as a common set of accounting standards as has been applicable to SMC in preparing its general purpose financial statements.

The move widens definition of such companies to enable more to adopt simpler accounting standards

"The Accounting Standards for SMC which were notified in December 2006 and amended from time to time are much simpler as compared to Indian Accounting Standards (Ind AS). These accounting standards involve less complexity in its application including the number of required disclosures being less onerous," he added.

Sanjeev Singhal, Partner, SR Batliboi & Co, said that the increase in turnover and borrowing threshold for classification into the category of small and medium size company for certain exemptions in application and disclosure of accounting standards is a welcome step.

"The limits are in line with a similar increase in threshold and by ICAI for non-corporate entities. The revised criteria will help number of companies and will promote ease of doing business," Singhal said.

PRESS REPORTS ON ECONOMY

Business Line 18th June 2021

CII chief calls for ₹3-lakh-crore fiscal stimulus to boost demand

Centre must ramp up jab availability, says TV Narendran

OUR BUREAU

New Delhi, June 17

The Centre must rollout a fiscal stimulus of atleast ₹3-lakh crore to boost demand in the economy that has been ravaged by Covid-19, the new CII President TV Narendran said on Thursday.

Besides ramping up domestic vaccine production to atleast 175 crore doses by December, India must achieve average daily vaccination of minimum 71.2 lakh doses between now and December to cover the entire adult population, Narendran said, in his first press conference after taking charge as President of the industry body on May 31.

T V Narendran, CII President

"CII estimates that there is fiscal headroom of up to ₹3 lakh crore, and this amount can be channelised towards direct cash transfers to Jan Dhan accounts, higher allocation for MNREGA, short-term GST rate cuts and lower excise duty on fuel," Narendran said.

Demand can also be revitalised through a time-bound tax concession of interest rate subvention for home buyers, an LTC Cash voucher scheme as done last year and extending the Aatmanirbhar Bharat Rozgar Yojana till March 31, 2022, he said. He also called for further expansion of the RBI balance sheet to meet the demand exigencies of the pandemic.

Narendran also pitched for an increase in the Emergency Credit Line Guarantee Scheme (ECLGS) corpus to ₹5 lakh crore along with the extension of the scheme till March 31, 2022.

Vaccination programme

The Centre should also appoint a Minister of Vaccination to accelerate the vaccination programme and procure and distribute vaccines to States based on set criteria, he added.

"The government should fast track all necessary licensing requirements and pay in advance for purchases, besides providing capital subsidies to incentivise production. It should also urge the IP owners of vaccines to issue licenses for mass manufacturing with transfer of technology," Narendran said, adding that vaccine availability must grow twofold to be able to vaccinate all adults with at least one dose by the end of the year.

High retail prices

Sky-rocketing retail prices of petrol and diesel need to be stabilised to keep economy-wide inflation in check, he said. "India has been blessed with relatively low oil prices over the last few years, which gave the government an opportunity to raise taxes and get revenue. This may be a time to give some of that back," Narendran added.

In the medium term till 2025-26, CII expects India's GDP to grow at 6.5 per cent annually, assuming that most of the population would have been vaccinated with both doses of the vaccine by 2022.

The Economic Times 26th June 2021

China Replaces UAE as India's 2nd-largest Export Mkt in FY21

US continued to be India's top export partner but shipments declined 2.78%

Kirtika.Suneja
@timesgroup.com

TRADE TREND

Beijing's share in India's exports, imports rose in FY21

Fall in diamond exports made shipments to Hong Kong decline **7.39%**

Agri commodities, pharma drove FY21 exports

Beijing's share in India's exports, imports rose in FY21

China's share in India's imports at 16.57% in FY21 vs 13.75% in FY20

New Delhi: China replaced the UAE as the second largest export destination for India in fiscal 2021, with outbound shipments to the neighbouring country rising 27.53% to $21.18 billion in the pandemic year.

The US remained the country's top export partner, according to government data, but shipments declined 2.78% to $51.63 billion in a year when India's merchandise trade — both exports and imports — fell amid global lockdowns and disruption to logistics due to the pandemic.

Iron ore, organic chemicals and petroleum were the top exports to China in the year ended March 31. Exports to China increased last fiscal year despite tensions between New Delhi and Beijing over border skirmishes. India's imports from China declined marginally, but its share of total imports increased. Hong Kong, Bangladesh and Singapore were the other top markets for India last fiscal year.

Exports to Bangladesh rose 9.83%, led by dairy products, fruits and vegetables, tea, coffee, cereals, mineral fuels and aluminium. A sharp decline in outbound shipments of diamonds caused a 7.39% fall in exports to Hong Kong.

Export of agricultural and allied products in 2020-21 grew 17.34% to $41.25 billion with the largest markets being the US, China, Bangladesh, the UAE, Vietnam, Saudi Arabia, Indonesia, Nepal, Iran and Malaysia.

"Commodity prices were a key reason for India's higher exports to China," said a government official.

Vannamei shrimp and light naphtha were the new products of exports to China last year, the official said.

China's share in India's export basket rose to 7.29% in FY21 from 5.3% the year before. Farm products followed by pharmaceuticals drove exports last fiscal year with iron ore and some labour-intensive sectors such as ceramics, jute and carpets being other growth areas.

"There was a sharp spike in exports of rice, wheat, maize, other cereals, processed food products, fruits and vegetables in 2020-21 with new export markets being added. We are seeing a pickup in organic and value-added products such as processed vegetables and alcoholic beverages, led by high demand in the Middle East, Far East, the US and the UK," said M Angamuthu, chairman of the Agricultural and Processed Food Products Export Development Authority (Apeda).

India aims to post $400 billion of merchandise exports in the ongoing FY22. Exports in FY21 shrank 7.3% to $290.6 billion while imports fell 18% to $389.2 billion, leading to a trade deficit of $98.6 billion. "In line with the contraction in global trade in 2020, India's exports also witnessed a similar fate but this was no mean feat considering national and local lockdowns, and disruption in logistics that affected manufacturing and trade," said Ajay Sahai, director-general of the Federation of Indian Export Organisations.

Meanwhile, the growth in India's pharmaceutical exports at 10% in 2016-20 has outpaced the 8% global growth of imports.

Business Line 18th June 2021

Crypto start-ups coining funds, up 73% in H1

Funding still low compared to other fintech ventures

DEBANGANA GHOSH

Mumbai, June 17

Despite the regulatory uncertainty and the volatility of cryptocurrencies, Indian start-ups in the space saw funding grow 73 per cent in the first six months of calendar 2021 compared to the whole of 2020.

Total funding year-to-date in 2021 stood at \$50.03 million against the \$28.85 million raised by cryptocurrency-based start-ups in 2020, according to data from Tracxn. This is much higher than the \$2.55 million raised across three rounds in 2019 and \$4.78 million raised across five rounds in 2018.

Top gainer

Bengaluru-based crypto trading start-up CoinSwitch Kuber was the top gainer, accounting for \$41.5 million of the \$50.03 million raised so far in 2021.

Funding for cryptocurrency start-ups

Year	Rounds*	Total funding ($ million)*
2018	5	4.78
2019	3	2.55
2020	9	28.85
2021 YTD*	4	50.03
Total	21	86.22

*Excludes Debt, Grant and Post IPO Rounds
YTD* is till date i.e. till June 17, 2021
Source: Tracxn

The lockdown in 2020 had led to increased activity in the cryptocurrency market as retail and institutional investors turned to this investment avenue as volatility hit the stock market.

"Cryptocurrency has seen tremendous growth in the last one year and from a consumer and technology standpoint, India is an important destination for cryptos. For instance, within just one year of our launch, we have crossed 7.5 million users. This gives investors the confidence of the massive potential that the Indian market offers. Other driving factors are Bitcoin hitting record highs during the year and well-known companies investing in the currency," Ashish Singhal, Co-founder and CEO, CoinSwitch Kuber, told *BusinessLine*.

The No 2 start-up in the space, in terms of funds raised, is Mumbai-based crypto exchange CoinDCX, which has raised \$19.4 million in the past three years. CoinDCX is backed by 100X.VC, Coinbase Ventures, Bain Capital Ventures, and Polychain to name a few.

Silicon Valley's Tim Draper, known for his investments in Tesla, SpaceX, Twitter, Skype, and Baidu, too, has invested in the crypto space in India through Unocoin.

People seeing value

"More and more people are now believing in the inherent value of a cryptocurrency. We have seen some really good use cases coming up in the last two years including the rise of decentralised finance (DeFi) or taking loans from the blockchain and the non-fungible tokens (NFTs), which puts a digital certificate of ownership on digital art or an asset. The investments are a lagging indicator of the work that has happened in the space," said Vatsal Kanakiya, partner and CTO, 100X.VC.

However, the volume and amount of investment is still very low when compared to funding of other fintech start-ups.

"The funding numbers you are seeing is still very small in comparison to other companies in the fintech space. If the industry gets regulatory clarity, instead of getting banned, you'll see this (funding) jump by 20-50x. There are a lot of early investors who think they might miss this early stage valuation and are willing to take risks," said Naveen Surya, Chairman, Fintech Conversion Council and Emeritus Chairman, Payments Council of India.

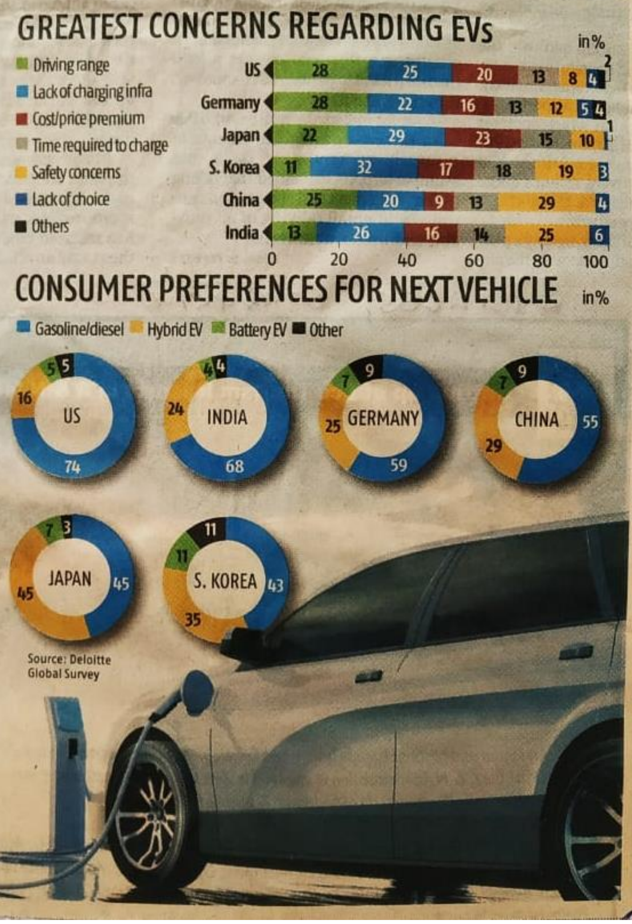
MISCELLANEOUS REPORTS

Business Standard 18th June 2021

INDIANS PREFER HYBRIDS OVER PURE EVs: SURVEY

An astounding 68% of Indians – the largest after the US (74%) – will prefer the tried and tested internal combustion engine-powered vehicles as their next purchase. Interestingly, among the remaining 32% who are open to buying an alternative fuel vehicle, as high as 24% will prefer a hybrid, while only 4% will go for a pure EV, according to a recent global survey conducted by Deloitte. This is the lowest after the US, where only 5% prefer EVs. The trend comes as a stark contrast for a market like India, where EVs and not hybrids are getting all the subsidy push from policy makers under the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme. According to Rajeev Singh, Partner and Leader-Automotive at Deloitte Touche Tohmatsu India, hybrids can be a good stepping stone, an "excellent bridge" till India transitions to EVs fully. "Close to 26% of Indians surveyed cited the lack of charging infra as the biggest impediment in faster adoption of EVs. As this is something that will take 5 to 6 years, the hybrid can be a good solution for the interim period." To be sure, an exorbitant price that comes on the back of high import duties and lack of subsidies have made hybrids a non-starter in India.

COMPILED BY SHALLY SETH MOHILE



Business Line 16th June 2021

Relief for employers: EPFO extends time to link Aadhaar with PF accounts

The revised date will now be Sept 1 instead of June 15

OUR BUREAU

New Delhi, June 15

Accepting requests from employers, the Centre has relaxed the mandatory requirement of Aadhaar for filing the electronic challan-cum-return (ECR). The revised date, the Employees' Provident Fund Organisation said, will be September 1.

June 15 was the last date for employers for remitting their share of provident fund for May by linking the Aadhaar cards of employees with their account.

Various groups of employers had approached the Union Labour Ministry and the EPFO, seeking time for completing the procedure. A circular issued by the EPFO on Tuesday said the date for seeding Aadhaar numbers of employees is changed to September 1, from June 1.

Earlier, the EPFO had said in a message to employers that "with the coming into force of Section 142 of the Code on Social Security, 2020, the ECR (Electronic Challan cum Return) shall be allowed to be filed only for those members whose Aadhaar numbers are seeded and verified with the UANs (Universal Account Number), w.e.f., 01.06.2021."

The EPFO has also told the employers that its website was down on Tuesday, the last date for filing ECR of employer's share of PF. So the employer should send a mail to the EPFO office that any delay in filing the return was not intentional. An official said such a step is to ensure that the interest on the deposit is not impacted due to the delay in remittance.

Various groups of employers had approached the Labour Ministry and the EPFO, seeking time for completing the procedure

For smoother withdrawal

A senior Government official had told *BusinessLine* that it is better if there is seeding of Aadhaar with UAN at time of deposit so there is no hassle during withdrawal. He had also said that the problem of not seeding mainly concerned employers, and not employees.

Employers had also approached the court for extension of time to fulfil the requirement.