

**ACMA**  
(Western Region)



**Press Reports on Automotive Industry  
2022-23**

**Automotive Component Manufacturers Association of India  
(Western Region)  
Mumbai**



(Western Region)

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**PRESS REPORTS ON AUTOMOTIVE INDUSTRY****CONTENTS****AUTOMOTIVE INDUSTRY****Page No.**

❖ Maruti gets nod for Sonipat plant, to invest Rs 11,000 crore initially .....	01
❖ Lakshmi Venu is MD of Sundaram – Clayton .....	01
❖ Chrysler Jeep bets on new SUV to double volumes, gain top position in segment .....	02
❖ Ford ditches plans to manufacturers EVs in India .....	02
❖ Auto sales in fast lane, but still behind pre-covid levels .....	03
❖ Russian war dries up chip supplies for auto firms .....	04
❖ Auto sector likely to face the heat .....	04
❖ Cant claim EV to be clean powered by thermal energy : RC Bhargava .....	05
❖ TVS Motor elevates Sudharshan Venu as MD .....	05
❖ Tesla unplugs India plan with no headway on tariffs .....	06

**ELECTRIC VEHICLES**

❖ Looking for partners in India to develop electronic parts : Switch Mobility CEO ....	07
❖ Hero Electric hopes to Spark a 3-Fold rise in sales this fiscal .....	08
❖ Toyota to invest Rs. 4,800 cr to make EV powertrain, parts .....	08
❖ EVTRIC Motors targets 350 dealerships across India .....	08
❖ EV maker ather raises \$128 million .....	09
❖ EV registrations dip 6% in April over March as 2W fires play spoilsport .....	09
❖ Tata unveils Nexon EV max with a range of 437km, bigger battery .....	10
❖ Ceat plans to develop tech for EVs, connected vehicles .....	10

**PASSENGER CARS**

❖ For Skoda, India was 2 <sup>nd</sup> biggest market in March .....	11
❖ Ukraine war; China lockdown delay availability of PVs : FADA .....	11
❖ PV dispatches fall 4% in April on supply – side challenges .....	12
❖ Tata Motors PV roll-out down 15% in April on chip shortage .....	12

**TWO-THREE WHEELERS**

❖ Honda Motorcycle looks to drive in “Flexi-fuel’ Two-wheelers in 2 years .....	13
❖ Hero MotoCorp upbeat on wedding and festive sales ....	13

**COMMERCIAL VEHICLE**

❖ TaMo to keep pushing Capex for Electrifying CV portfolio .....	14
❖ How different procurement modes reduced EV bus prices for cities .....	15
❖ Truck, bus sales rise at brisk pace in April .....	15

## TRACTORS

Page No.

❖ Tractor sales pick up in April after being in slow lane for 5 months .....	16
❖ TAFE launches Eicher Prima G3 premium range of tractors .....	16

## COMPANY NEWS

❖ Mercedes launches fuel-efficient C-Class for the 'Cost conscious' .....	17
❖ Anand Group plans \$150m electric push .....	18
❖ M&M likely to split Auto Biz into 3 units .....	18
❖ MG Motor to raise Rs. 5,000 cr before Dec .....	19
❖ Varroc looks to change tack : shift focus to India, lighting business .....	20

## RAW MATERIAL

❖ Tata Steel plans capex of Rs 12,000 cr this fiscal .....	21
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## GOVERNMENT POLICY

❖ EV fire : NITI member flags imported cells .....	22
❖ Gadkari pitches for priority sector lending to alternative fuel players .....	23
❖ Labour returns in force in Apr, 8.8 m more join work .....	23
❖ Auto makers can club benefits under various PLI schemes .....	24
❖ Give priority to locals in jobs : CM to firms in Maharashtra .....	24

## MISCELLANEOUS

❖ Sanjiv Bajaj takes over as CII president for 2022-23 .....	25
❖ Salary hikes inch closer to pre-Covid levels : TeamLease .....	25



# PRESS REPORTS ON AUTOMOTIVE INDUSTRY

Business Line 14<sup>th</sup> May 2022

## Maruti gets nod for Sonipat plant, to invest ₹11,000 crore initially

Plans to roll out 2.5 lakh vehicles in 1st phase by 2025

**S RONENDRA SINGH**

New Delhi, May 13

Maruti Suzuki India (MSIL) on Friday said it has been allotted 800 acres in Sonipat district of Haryana, for a new plant, in which the company will invest ₹11,000 crore in the first phase.

The company had been in discussion with Haryana government for long, to shift from the Gurugram facility and invest in a new manufacturing site for its proposed capacity expansion.

"The company has completed the process of allotment of an 800 acres site at IMT Kharkhoda in district Sonipat with HSIIDC (Haryana State Industrial and Infra-



Haryana CM Manohar Lal Khattar (centre) with Maruti Suzuki Chairman RC Bhargava, MD and CEO Hisashi Takeuchi and senior officials.

structure Development Corporation). In the first phase, the investment will amount to over ₹11,000 crore. The site will have space for capacity expansion to include more manufacturing plants in the future," MSIL said in a filing to stock exchanges.

### Current capacity

The first plant with an initial

manufacturing capacity of 2.5 lakh vehicles per annum is expected to be commissioned in 2025 subject to administrative approvals, it said.

Currently, MSIL has a cumulative production capacity of around 5.5 lakh units per quarter or about 22 lakh units per annum across its manufacturing plants in Haryana (total 15 lakh units per an-

num) and Gujarat (7.5 lakh units per annum).

The company's priority was to find a new site due to difficulties of functioning within the existing 300-acre compound, especially after the area turned into a bustling megapolis over the years.

However, when asked about the shift, Rahul Bharti, Executive Director, Corporate Affairs, MSIL, told *BusinessLine*, "As of now, this is an expansion project and incremental capacity. We are not increasing production in Gurugram plant; it will be a product flexible plant where any model can be manufactured."

For the supply chain, Bharti added, "In the immediate future, we will procure from the current suppliers, but over a period of time the supply ecosystem will also be developed at the new plant."

Business Line 7<sup>th</sup> May 2022

## Lakshmi Venu is MD of Sundaram-Clayton

Has been serving as Joint MD since September 2014

**OUR BUREAU**

Chennai, May 6

A day after the elevation of his son Sudarshan Venu as Managing Director of TVS Motor Company, Venu Srinivasan's daughter Lakshmi Venu (38) has taken over as MD of Sundaram Clayton (SCL), a leading manufacturer of automotive components.

Lakshmi Venu, a graduate of Yale University, holds a doctorate in Engineering Management from the University of Warwick and has been serving as the Joint Managing Director

of SCL since September 2014.

She has been the lead architect in establishing Sundaram Clayton's global footprint. Her decision to set up a foundry in the US three years ago in 2019 in Dorchester, South Carolina was almost prescient, as most US-based customers were looking for on-shore foundry units to reduce supply chain risks and curtail carbon footprint, according to a company statement.

"Lakshmi has successfully chartered a strategy to have a global footprint to build a competitive advantage. I am confident that she will continue to transform Sundaram-Clayton into a world-class automotive manufacturer,"



Lakshmi Venu, MD, Sundaram-Clayton

said R Gopalan, Chairman, Sundaram-Clayton.

### FY22 results

On a standalone basis, the company's net profit for FY22 was

₹2,276.69 crore as compared with ₹75.84 crore in FY21. Its FY22 net profit was boosted by an exceptional income of ₹2122.60 crore, which included a profit of ₹2,094.43 crore from the sale of shares, representing a 7.14% stake in its subsidiary, TVS Motor Company and interest income of ₹47.92 crore arising out of investments, among others. Standalone revenue for FY22 stood at ₹1,743 crore (from ₹1177 crore).

For the quarter ended March 31, 2022, SCL posted a standalone net profit of ₹722 crore, including exceptional items, as compared to ₹83 crore in FY21. Its revenue from operations stood at ₹497 crore as against ₹405 crore.



# Chrysler Jeep Bets on New SUV to Double Volumes, Gain Top Position in Segment

**Ketan.Thakkar**  
@timesgroup.com

**Mumbai:** The iconic SUV maker Chrysler Jeep is set to double its volumes in India led by new generation premium SUV Meridian as it seeks to eye a leadership position in the lifestyle SUV segment priced above ₹20 lakh.

Its first D segment SUV, Jeep has developed Meridian with over 82% local content, designed to participate in the growing Indian premium SUV space. With the addition of Meridian, Jeep sales in India could cross over 25,000 to 30,000 units per annum.

The launch of Meridian is part of a \$250-million investment plan kicked off by Stellantis in India in 2021, which envisages bringing in four all new locally-produced models in the country.

Roland Bouchara, CEO & MD, Stellantis India says, Jeep continues to operate with strong results in the segments it operates in. The Jeep Meridian is

part of Jeep's product offensive planned for India.

"We have 70%+ market share in the premium C segment with Jeep Compass and a clear leadership in the premium lifestyle SUV segment with the Jeep Wrangler. My expectation is no different from the Jeep Meridian which is hugely anticipated to take a significant market share in the premium 3 row SUV segment," added Bouchara.

After introducing the new Compass in 2021 and the locally-produced Wrangler Jeep, the company will now be rolling out Meridian in May, followed by locally produced Grand Che-

rokee, making India the only base in the world, outside of the US, where four models are locally produced, underlining the strategic importance of the location. With the introduction of facelifted Compass, Jeep was able to pull up the monthly sales number for its first locally-produced model to over 1,000 from 700-800 last year.

Likely to be priced between ₹30-45 lakh, with a very limited competition from Toyota Fortuner and the segment vacated by the Ford Endeavour, Jeep may be looking at a similar monthly volume of Meridian as Compass.

According to people in the know, Meridian Jeep is planning for a production of 15,000 to 17,000 units per annum.



## Ford ditches plans to manufacture EVs in India

The US company was among 20 selected under auto PLI scheme

**SWARAJ BAGGONKAR**  
Mumbai, May 12

Ford Motor Company has decided not to go ahead with its plans of manufacturing electric vehicles in India just months after its application for Production Linked Incentive (PLI) was approved by the Indian government.

The US brand intended to make electric vehicle from one of its plants in Gujarat and Chennai but has now decided against it.

"After careful review, we have decided to no longer pursue EV manufacturing for exports from any of the Indian plants. We remain grateful to the Government for approving our proposal under the production-linked incentives and for being supportive while we continued our exploration," said a Ford India spokesperson.

Ford was among 20 car-makers selected by the Centre under the Champion OEM Incentive Scheme — a part of the PLI scheme having a budgetary outlay of nearly ₹26,000 crore.

Industry sources stated that Ford has been in dialogue with automakers for putting both its plants to use. Tata Motors and MG Motor India are believed to have been held discussion with the Ford.

"Ford India's previously announced business restructuring continues as planned, including exploring other alternatives for our manufacturing facilities. We continue to work closely with unions and other stakeholders to deliver an equitable and balanced plan to mitigate the impacts of restructuring," the spokesperson added.

Little over eight months ago, Ford said, it will discontinue making cars in India and will explore solutions for both of its plants. The company's exit follows the exit of General Motors a few years ago.

Business Line 13<sup>th</sup> May 2022



# Auto Sales in Fast Lane, But Still Behind Pre-Covid Levels

Registrations rise 37% YoY in Apr amid pickup in economy, falling cases

Our Bureau

New Delhi: Retail sales of automobiles jumped into strong double-digits percentage last month, albeit on a low base, aided by healthy consumer demand amid a recovery of economic activity after the pandemic cases tapered off in India.

Vehicle registrations with regional transport offices (RTO) rose 37% year-on-year to 1,627,975 units in April, showed data collated by vehicle retailers' body Federation of Automobile Dealers' Association (FADA). However, vehicle retail sales are yet to retain levels seen in pre-Covid month of April 2019. Automakers in India do not disclose retail sales numbers and hence registration numbers are used as a proxy.

FADA president Vinkesh Gulati said that while registrations went up across categories last month, April 2021 and April 2020 sales were low on account of disruptions caused by the first and the second wave of the pandemic. "A better comparison will be with April 2019, which was a normal pre-Covid month. April 2022, when compared with April 2019, reveals that we are still not out of the woods as overall retail sales were down by -6%", said he.

Retail sales of passenger vehicles and tractors grew by 12% (to 264,342 units) and 30% (to 48,319 units) when compared to April 2019. Registrations of two-wheelers, three-wheelers and commercial vehicles are yet to turn around as these categories were down by -11% (to 1,194,520 units), -13% (to 42,396 units) and -0.5% (to 78,398 units), respectively.

The data was put together by Fada from the Vahan platform of the ministry of road transport and highways (MoRTH). Vahan captures data from 1,429 out of 1,613 RTOs in the country.



Slow & Steady

Category	% chg over Apr 2021	% chg over Apr 2019
Two-wheelers	37.99	-10.75
Three-wheelers	95.91	-13
Passenger vehicles	25.47	11.91
Tractors	26.14	30.55
Commercial vehicles	52.18	-0.49
TOTAL	37.06	-6.39

Note: Change in retail sales

Gulati explained, "The two-wheeler segment, which has witnessed slight increase in sales when compared to last month, is extremely sensitive to price hikes and continues to remain below pre-Covid levels. It is a clear sign that Bharat has not been keeping up with India. Apart from rural distress, multiple price hikes coupled with high fuel prices are keeping price sensitive entry level two-wheeler customers away."

Acquisition cost of two-wheelers has gone up by more than 20% in the past couple of years after the transition to BSVI emission norms, denting demand, especially at the lower end of the market.

Even as demand remained strong in the passenger vehicle segment, Gulati cautioned that with the Russia-Ukraine war and Covid-induced lockdowns in China, the global auto industry continues to wrestle with a supply crunch. Headwinds remain from the global shortage of semi-con-

ductor chips and high metal prices and container shortages. Customers in the passenger vehicle segment will continue to witness long waiting periods.

The commercial vehicle segment, which saw a long downturn since the announcement of axle load norms in 2018, is now witnessing demand recovery as all sub-categories continue to inch north, said Gulati, with the government's push for infra spending supporting sales.

Near-term, Gulati said challenges will persist for stakeholders in the local automobile industry. The RBI on Wednesday hiked repo rate by 40 basis points to contain inflation, which the industry fears will result in an increase in interest rates and impact demand.

"The move will curb excess liquidity in the system and will make auto loans expensive. While PV segment may be able to absorb this shock due to long waiting periods, two-wheeler segment is already reeling due to underperforming rural market, vehicle price hikes and high fuel costs...Certainly, this move will slow the speed of auto retail and dampen the sentiments further," said Gulati.

On the positive side, there has been an increase in private consumption and discretionary spends. Monsoons too are expected to be normal this year, and if evenly distributed, it will have a positive rub-off on rural sentiments benefiting tractor and two-wheeler sales. This along with the marriage season in coming days is expected to give a fillip to auto retail.

## RIISING COST



Prices of bikes have gone up by over 20% in

the past couple of years after the transition to BSVI emission norms, denting demand



# Russian war dries up chip supplies for auto firms

SWARAJ BAGGONKAR

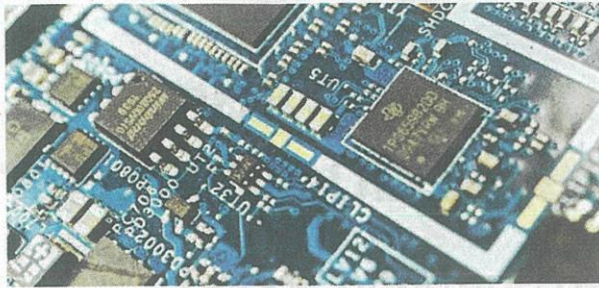
Mumbai, May 8

The prolonging Russia-Ukraine war has taken its toll on availability of semiconductor raw material with the West ramping up production of missile systems that rely heavily on these chips.

Therefore, the global supply of semiconductors has worsened in the last quarter, leading to a loss of production for automobile companies, followed by minimal supply visibility in the coming months.

US and European countries are ramping up production of critical defence systems after supplying such weapons to Ukraine. While such chips are much more advanced than other chips powering laptops and cars, an increase in their production is putting pressure on raw materials overall. These chips rely heavily on gas and rare metals supplied by Ukraine and Russia.

Sanjay Gupta, Vice-President and India Managing Director, NXP Semiconductors, said: "Every country is trying to protect its borders. It is natural to



The chips rely heavily on gas and rare metals supplied by Ukraine and Russia

assume that if they increase the expenditure on defence and today, like automobiles, defence is dependent on semiconductors, in general semiconductor demand will go up."

NXP is one of the world's largest semiconductor manufacturers, and claims to have a leader position in the Indian market.

Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said: "We try to gain as much visibility as possible by directly interacting with tier 2 suppliers, but many a times the dynamics which are going on, the entire auto in-

dustry remains distanced from that. We are depending on Russia and Ukraine for neon gas and certain precious metals. We are seeing greater uncertainty on semiconductors this quarter compared with last quarter."

## Material supplies hit

Material supply chain advisory services firm Techcet said Ukraine supplies more than 90 per cent of the US's semiconductor-grade neon gas, while Russia supplies 35 per cent of the US's palladium, a rare metal used for semiconductor production.

Besides an increase in chip

prices, the waiting period has also shot up significantly in the past few weeks. For instance, the Bengaluru-based electronic parts maker Pricol has seen the overall prices of chips go up by 25 per cent in three months.

"The lead times have gone up as high as 52-54 weeks. The escalation in chip prices has been pretty sharp, going up by 25 per cent, including logistics costs, in the last quarter itself," Siddharth Manoharan, Director and Head of Strategy, Pricol.

Besides placing orders for chips with suppliers, automobile companies have been searching for alternatives, including purchasing chips from open markets at higher rates, reducing the number of chips used per vehicle, and offering smarter solutions for features offered.

Bajaj Auto, for instance, is predicting a shortfall of 15-20 per cent in production in Q1-FY23 on account of the shortage of chips. Market leader Maruti Suzuki said its production will continue to remain affected in the current quarter.

# Auto sector likely to face the heat

Industry foresees a hike in loan rates which could put pressure on retail demand

SWARAJ BAGGONKAR  
S RONENDRA SINGH

Mumbai, May 4

Reserve Bank of India's (RBI) move to hike the key lending rate could see banks increasing rates on auto loans which would likely strain retail level demand — especially for two-wheelers — even as demand for cars and SUVs continue to surge.

Auto loan rates, in recent years, have hit the lowest-ever, driving the orderbook for the passenger car industry. As of April-end, there was an outstanding order of 7,50,000 units.

## Impact on demand

Shashank Srivastava, Senior Executive Director — Marketing and Sales, Maruti Suzuki India, said, "Around 80 per cent of the passenger vehicles (PV) retails are through finan-

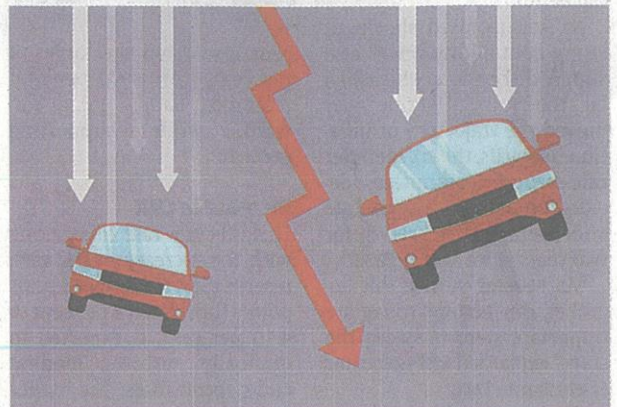
cing. An increase in rates will have an adverse impact on demand. But it depends on the extent of the increase."

A hike in auto loans will have a steeper impact on two-wheeler buyers rather than car buyers.

Market watchers believe that the hike comes just as the two-wheeler demand was turning the corner on the back of marriage season purchases.

## Blow on purchases

Vinkesh Gulati, President, Federation of Automobile Dealers Association, said, "While the PV segment may be able to absorb this shock due to long waiting periods, the two-wheeler segment will not be able to take one more blow of high vehicle loan costs." Two-wheeler demand has remained subdued due to an



Auto loan rates in India, in recent years, have hit the lowest

underperforming rural market, price hikes and high fuel costs.

Besides, automakers are worried about the rising inflation which has eaten into the consumer sentiment and purchasing power.

Rakesh Sharma, Executive Director, Bajaj Auto, said, "I would be more concerned about inflation and if that gets curbed, then it protects

the customers' purchasing power."

Mitul Shah, Research Analyst, Reliance Securities, said, "With the industry already under stress due to the fuel price hike, inflation and weaker demand, this hike would have a negative impact on automobile purchases. Two-wheeler segment is relatively more sensitive to price hikes and rate increases."



Business Line 4th May 2022

# Can't claim EV to be clean if powered by thermal energy: RC Bhargava

## Maruti wants to focus on other vehicle tech like hybrids, ethanol, CNG and biogas

SWARAJ BAGGONKAR

Mumbai, May 3

Electric vehicles are doing a limited job of reducing emission levels, as most are powered by coal-fired power plants, said RC Bhargava, Head of India's top carmaker, Maruti Suzuki.

"Electric cars are doing — at this point in time, and in the next few years — a very limited job of reducing CO<sub>2</sub>. That is not as clean as some impressions, given it is a clean vehicle that uses electricity, of which 75 per cent is produced by thermal stations," Bhargava said.

India's private sector has lined up significant investments for producing renewable energy such as solar, wind and hydro, but the projects will take several years to come on stream. Until then, fossil fuel will largely continue to meet India's energy needs.

"If you are burning coal to produce electricity and then that same electricity drives cars, you can't call the cars clean because there is emission happening from the



RC Bhargava, Chairman, Maruti Suzuki India

power station. If we are burning more coal, then what are we cleaning up?" asked Bhargava.

### Late entrant

Maruti Suzuki has been criticised by market watchers for its late entry into the electric vehicle market.

The Delhi-based car market leader is planning to launch its first EV only by 2025, by which time Tata Motors, the current leader in the EV segment, would have a portfolio of around 10 EVs.

Lack of public charging stations, high EV acquisition costs

and an underdeveloped EV manufacturing ecosystem were some of the primary reasons Maruti Suzuki stayed away from the EV segment. But despite these challenges, the notable demand for EVs surprised doubters.

For Tata Motors, 8 per cent of its sales comes from EVs. Its Nexon EV — which is India's largest selling passenger electric vehicle — has a waiting period of three to six months, despite a price tag of ₹15 lakh.

Maruti Suzuki wants to focus on other vehicle technologies for the time being. The company is among the few to bank on hybrid vehicle technology — a mix of battery electric and petrol engine — even though such vehicles do not enjoy any special GST slab like EVs. Hybrids are taxed in the same bracket as petrol/diesel-powered vehicles.

"We should look at other technologies to reduce carbon-dioxide emission from automobiles and transportation. This includes hybrids, CNG, ethanol and biogas. We would like all this to be incentivised and produced so they lead to an overall reduction of the CO<sub>2</sub> in the atmosphere," Bhargava added.

## TVS Motor Elevates Sudharshan Venu as MD

Our Bureau

Chennai: Automobile manufacturer TVS Motor has elevated family scion Sudharshan Venu to managing director, eight years after he took over the position of joint managing director of the company and spearheaded several domestic growth initiatives and international expansions.

In a statement TVS Motor said the decision to elevate Venu was announced at a board meeting held on Thursday.

Among notable market initiatives, Venu helmed two large acquisitions that drove TVS Motor in important markets: the ₹153-crore

acquisition of Norton in April 2020 gave the Chennai-based company an opportunity to scale a renowned motorcycle brand; more recently, TVS' \$100-m acquisition of e-bike maker Swiss E-Mobility Group (SEMG) offered it a foothold in the e-bike space in Europe, a large market.

TVS Motor recently hit the 1-million sales milestone for its two wheelers in overseas markets, for the first time ever, drawing on Venu's push into markets abroad over several quarters, people who have watched Venu's rise within the company told ET.

### Q4 STANDALONE NET DIPS 5%

Meanwhile, the Chennai-based automaker on Thursday said that its standalone net profit declined by 5.1% to ₹274.5 crore for the quarter ended March 2022. The company had posted a net profit of ₹289.2 crore for the same period a year ago.

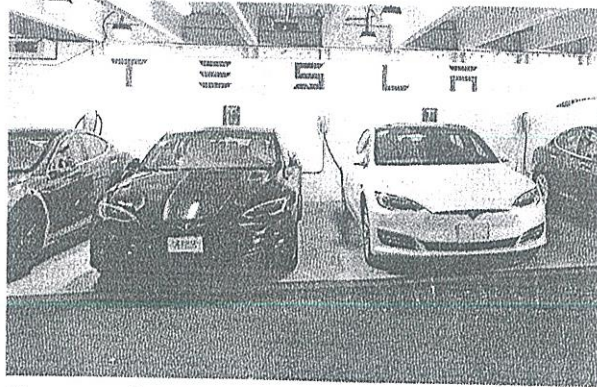
Revenues from operations at TVS rose 4% to ₹5,530.5 crore as against ₹5,321.9 crore registered in the year-ago period.



This comes 8 yrs after Venu took over as joint MD and spearheaded many growth initiatives and international expansions



## Tesla unplugs India plan with no headway on tariffs



The company has shelved the search for real estate for showrooms and service centres, and re-assigned its small local team REUTERS

### REUTERS

New Delhi, May 13

Tesla Inc has put on hold plans to sell electric cars in India, abandoned a search for showroom space, and reassigned some of its local team after failing to secure lower import taxes, sources told *Reuters*. The decision caps more than a year of deadlocked talks with the government as Tesla sought to first test demand by selling electric vehicles (EVs) imported from production hubs in the US and China, at lower tariff.

### 'Manufacture locally'

But the government is pushing Tesla to commit to manufacturing locally before it will lower tariff, which can run as high as 100 per cent on imported vehicles.

Tesla had set itself a deadline of February 1, the Union Budget day, to see if its lobbying brought a result, sources said. When the Centre did not offer a concession, Tesla put on hold the plans to import cars into India, added

man, too, did not immediately respond.

### Shift in strategy

Tesla has assigned additional responsibilities for other markets to some of its small team in India. Its India policy executive Manuj Khurana has taken on an additional "product" role in San Francisco since March, his LinkedIn profile shows. In January, Chief Executive Elon Musk had said Tesla was "still working through a lot of challenges with the government". But the strong demand elsewhere and the stand-off over taxes prompted the shift in strategy, sources said.

# PRESS REPORTS ON ELECTRIC VEHICLE

Business Line 11<sup>th</sup> May 2022

## Looking for partners in India to develop electronic parts: Switch Mobility CEO

**GBALACHANDAR**

Chennai, May 10

Switch Mobility, the electric vehicle arm of Hinduja flagship Ashok Leyland, was formed in April 2021 after combining its electric mobility assets in India and UK. While focussing on producing electric buses and LCVs, the company also seeks to pioneer electric mobility as a service model. Mahesh Babu, COO of Switch Mobility & CEO of Switch Mobility India spoke to *BusinessLine* on the company's first-year journey, proposed investments in India and growth plans. Excerpts:

### How was the first year for Switch Mobility in the EV space?

We celebrated our first year with tremendous satisfaction. We have progressed on multiple fronts globally as well as in India. Last April, when Switch was formed, we had an order for 60 electric buses. But, when we exited FY22, we had orders for 600 buses, a growth of 10x.

We are also establishing ourselves as a global brand. We now have factories in Leeds (UK), and Ennore (India) and we have laid the foundation for one in Spain. So, these three

factories serve Europe, the UK, India, Africa and Southeast Asian markets.

### How strong is the orderbook for electric buses?

We got our first Switch-branded type of role recently—for the new 12-metre bus which we will launch in a couple of months. The first delivery as part of the 300-bus order is going to be for BMTC, Bengaluru, followed by our iconic double-decker bus in Mumbai. We are also likely to get an order for 550 buses out of a tender from CES, and 1,400 buses from BEST tender.

### How much are you investing in production of EVs in India?

We have created a line at the Ennore campus to start with. It will have a capacity to produce about 2,000 electric buses a year and can be ramped up to 4,000 depending on the order size. We are also creating a line for EV products in the LCV segment.

However, we are going to invest in a new facility in this part of the country. We will finalise the location in next couple of months and expect this to be ready by 2025. Of the £300-million

“ We have created a line at the Ennore campus with a capacity to produce about 2,000 e-buses a year, which can be ramped up to 4,000

**MAHESH BABU**  
CEO, Switch Mobility India



investments planned, a significant portion will come to India for creating products and for manufacturing facilities.

We are also in the final stage of winning an order for 70-100 electric buses for staff transportation services in the private segment. We intend to create multiple products, including low-floor buses.

For LCV electrification, we have already announced that Dost and Bada Dost will have electric variants by end of the year. The electric LCV is expected to be launched by the end of this fiscal.

### What will be the USP or differentiating factors of Switch in the e-bus space?

Firstly, we will work on the best total cost of operations for all

our products — on the efficiency of the bus and its offerings. Also, our arm Ohm will focus on electric mobility as a service — customers can pay us per km.

### How are you building your EV supply chain?

For non-EV parts such as suspension, steering systems etc., the platform will come from Ashok Leyland. For EV parts, we have a tie-up with Dana (also an investor) which will give us latest global technologies on electric drive trains. For batteries, we have a tie-up with a cell supplier in China and we are assembling the battery pack on our premises.

For other parts, we look at more *Aatmanirbharta* — we are looking for partners in India.



**FOCUS ON CAPACITY** Co plans to ease chip supply constraints: CEO

# Hero Electric Hopes to Spark a 3-Fold Rise in Sales this Fiscal

**Sharmistha.M**  
@timesgroup.com

**New Delhi:** Hero Electric is planning to nearly treble sales in the ongoing financial year, the company's top executive said, amid a sharp rise in petrol and diesel prices that may dent the sales of conventional vehicles.

The country's largest electric two-wheeler manufacturer, which reported zero dispatches last month due to disruptions in production on account of a semiconductor chip shortage, has also arranged for alternative sources of supply, Hero Electric chief executive **Sohinder Gill** told ET.

The company is working on increasing capacity and easing supply constraints to deliver vehicles, Gill said, as demand remains strong.

The current waiting period for its products is over two months.

Hero Electric is looking to sell 250,000-300,000 units in the current fiscal year.

"The acquisition cost of a city-speed electric two-wheeler is now almost similar to that of a petrol-powered one. Running costs though are nearly a tenth (compared to petrol counterparts), leading to a sharp spurt in demand," he said. The running cost of an electric two-wheeler which, on average, runs for 45 kilometres every day is ₹8-10, compared to ₹90-100 every day for its petrol counterpart, Gill said.

The lower operating costs, coupled with incentives by the central and state governments to encourage the shift to green mobility, has triggered a shift in consumer behaviour, he added.

"Even if we were to factor in battery replacement costs after a run of four years, a consumer still ends up with savings of ₹68,000-₹70,000 in that period," Gill said.

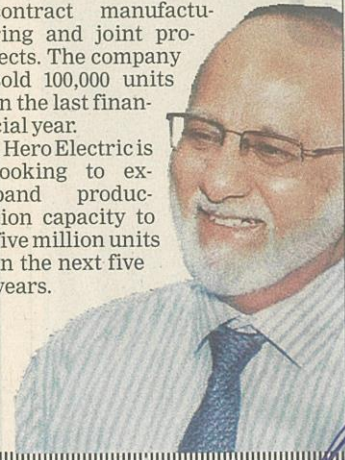
The proportion of electric two-wheelers in the overall two-wheeler sales in the country rose to 2.5% last fiscal year, from about 1% in the previous year.

Electric two-wheelers are likely

to account for almost 30% of two-wheeler sales in the country by 2025, according to the company's internal estimates.

Hero Electric is constructing a new plant that will bring on-stream capacity to roll out 500,000 vehicles by the end of 2022. It also has access to additional capacity through its alliance with Mahindra and Mahindra for contract manufacturing and joint projects. The company sold 100,000 units in the last financial year.

Hero Electric is looking to expand production capacity to five million units in the next five years.



## Business Line 10<sup>th</sup> May 2022

### Toyota to invest ₹4,800 cr to make EV powertrain, parts

OUR BUREAU  
Bengaluru, May 7

Toyota Group of Companies, which includes Toyota Kirloskar Motor, Toyota Kirloskar Auto Parts and Toyota Industries Engine India Pvt Ltd, will invest a total of ₹4,800 crore in India for manufacturing powertrains and other components for electric vehicles (EV).

On Saturday, a Memorandum of Understanding was signed between the Toyota Group of Companies and the Karnataka government. The investment will promote green technologies that will help lower dependence on fossil fuels and mitigate carbon emissions. It will also enable local production facilities to build electric powertrain parts and components, thereby catering to EV manufacturing in India.

#### 'Significant milestone'

Toyota Industries Engine India Pvt Ltd will invest ₹700 crore, while the remaining will be by the other two group firms. The company did not

share details of the timeline. The announcement coincides with Toyota's 25 years in India.

Vikram S Kirloskar, Vice-Chairman of Toyota Kirloskar Motor, said: "Toyota is committed to enhancing the pace of electrification and strengthening domestic production with 'Make in India'. Today's MoU signing... is a significant milestone in terms of ushering in large-scale investment to make deeper cuts in carbon emissions, higher employment generation, creating a local manufacturing hub."

Toyota Group of Companies has so far invested ₹1,812 crore and employs more than 8,000 people in its Indian operations.

"We want to make Karnataka a global supply-chain and manufacturing hub under our 'build for the world' mission. This MoU is a huge stride in this regard, and the government is confident of Toyota's commitment toward sustainable growth and local manufacturing quality," CM Basavaraj Bommai said.

## Business Line 13<sup>th</sup> May 2022

### EVTRIC Motors targets 350 dealerships across India

E-scooter maker has set up 100 outlets over the last six months with focus on small towns

OUR BUREAU

Pune, May 12

Electric two-wheeler maker, EVTRIC Motors, has set up over 100 dealerships across India in the last six months.

Currently EVTRIC Scooters are available in Rajasthan, Punjab, Uttar Pradesh, Maharashtra, Gujarat, Karnataka, Telangana, Kerala, West Bengal and Bihar with a significant presence in in Tire II and Tier III markets and interior locations. The small cities include Agra, Varanasi, Aligarh, Jodhpur, Bikaner and Surat.

Manoj Patil, Founder and MD EVTRIC Motors said the brand is offering seven different electric scooters.

EVTRIC has in-house robotic welding chassis manufacturing and building and is on the path to achieve 100 per cent made-in-India product, the company statement added.

Currently, Maharashtra and Karnataka are the two States generating maximum sales for EVTRIC Motors. The company is on target to set up 350 dealerships across India, it said.



# EV Maker Ather Raises \$128 million

NIIF and Hero MotoCorp lead round, co to use funds to expand manufacturing, retail ops and R&D

Pranav.Balakrishnan  
@timesinternet.in

**Bengaluru:** Electric scooter maker Ather Energy said it has raised \$128 million in a funding round led by National Investment and Infrastructure Fund (NIIF) and existing investor Hero MotoCorp.

Tarun Mehta, cofounder of Ather Energy, told **ET** the funds will be used for expanding manufacturing facilities, to grow the company's retail network, and for research and development and charging infrastructure. "The largest chunk of investment will go into investing in capacity — not just our own capacity but also that of the supply chain so that it can scale quickly," Mehta said. "Overall, our components are fairly unique, so we have to make sure

## On Track

Ather plans to raise funds via two more rounds in the coming year

**Mehta said,** latest funding round is first step in correcting Ather's valuation

FIRM IS  
GEARING  
UP FOR AN  
IPO

Firm plans to achieve gross margin of **25%** in next 2 years

What you are seeing with this round is that we are trying to fix the liquidity problems first

**Tarun Mehta,**  
Cofounder, Ather Energy

that our suppliers can invest for us. So a fair bit of capacity will go towards that."

Mehta, who is also the CEO, did not disclose Ather's valuation after the latest funding ro-



Hero had announced an investment of ₹420 cr in Ather in Jan

und but said the company is yet to reach \$1 billion in value. Ather's rival Ola Electric is valued at over \$5 billion. Hero MotoCorp had announced an investment of ₹420 crore (about \$54 million) in Ather in January.

"Ather is considerably undervalued still... People are starting to discover real value gradually... In a way I take responsibility for that. As founders, around Covid-19 or just before Covid we got so focused on operations and fixing the nuts and bolts of this business that we decided we did not want to raise more capital," Mehta said. "But now we feel like we have underfunded the business. I don't completely regret it because some of the starvation has brought in ridiculous efficiencies and very high-quality decisions."

## Business Line 5<sup>th</sup> May 2022

# EV registrations dip 6% in April over March as 2W fires play spoilsport

To quell fears, govt must share findings of its probe, say experts

G BALACHANDAR

Chennai, May 4

Overall electric vehicle registrations declined 6 per cent in April compared to March amid intensifying debate on EV safety and power sources for charging. Year-on-year numbers, however, registered a significant growth.

Total registered EV sales in April stood at 72,519 units compared to 77,243 units in March but significantly higher than the 14,179 units registered in April 2021, according to data on the Vahan Dashboard.

EV registrations in April were driven by two-wheelers and passenger-type three-wheelers which, together, accounted for about 93 per cent of total registrations, said a report by JMK Research.

High-speed electric two-wheeler registrations stood at 49,141 units against 49,491 in March as the month saw heightened debate over re-



cent fire incidents involving electric two-wheelers and the consequent recall of e-scooters by companies such as Ola, PURE EV and Okinawa.

### Fire incidents

Industry analysts point out that despite the strong growth potential for electric two-wheelers, fire incidents have the potential to negatively impact the growing market.

"The recent fires have the potential to discourage new users to buy electric vehicles, as they may now become more cautious and aware of the potential challenges. However, to quell these fears, the government should publicly share the key reasons for the fire incidents and penalise OEMs in case the batteries did

not meet the quality standards," Rishabh Jain, Programme Lead, CEEW-CEF (Centre for Energy and Finance), told *BusinessLine*.

"Also, the testing and certification mechanism of batteries may be revisited based on the findings of the investigation into the fire incidents. Awareness campaigns by OEMs and government agencies on best practices for electric vehicle usage should also be carried out," he added.

### E-car sales

Total electric car registrations in April stood at 2,659 units, a 26 per cent dip over March, but a 345 per cent jump over registrations in April 2021. While Tata Motors has been driving e-car sales (accounting for 87 per cent of registrations in April), BYD, Audi, and BMW reported a pick-up during the month.

Total electric three-wheeler registrations stood at 21,043 units, including 19,461 e-rickshaws, 700 passenger vehicles and 812 cargo vehicles, according to CEEW-CEF analysis.



# Tata unveils Nexon EV Max with a range of 437 km, bigger battery

OUR BUREAU

Mumbai, May 11

Tata Motors, India's biggest electric car maker, today launched the Nexon EV Max, which features a 30 per cent bigger battery and a claimed drive range of 437 km on a single charge.

The Nexon EV Max with a charger option of 3.3kW is priced at ₹17.74 lakh, while the 7.2kW charger is priced at ₹18.24 lakh. The car has two trims with the top-end variant priced at ₹19.24 lakh (all prices ex-showroom). Tata Motors has opened bookings of Nexon EV Max and commenced deliveries of the car, too.

The 7.2kW AC fast charger, that reduces charging time to 6.5 hours, can be installed at home or the workplace. The current Nexon EV, which has a claimed range of 312 kms, takes 8 hours of charging from 0.80 per cent through a 3.3kW charger.



## Better capacity

Tata Motors claims that a 50kW DC fast charger can charge Nexon EV Max from 0-80 per cent in 56 minutes. The Nexon EV Max sports a 40.5 kWh battery pack, which is better than the 30.2 kWh battery pack installed in the Nexon EV. The Nexon EV Max is 100 kgs heavier than Nexon EV, as the larger battery pack weighs 70kgs. The ground clearance too is less by 10mm. Tata Motors claims that

Nexon EV Max can do a top speed of 140km per hour. Tata Motors is providing 8 years/1,60,000 kms warranty on the battery and motor.

The company further claims that real world mileage of Nexon EV Max is 35 per cent higher than Nexon EV, though it did not provide any actual mileage data. Depending on the driving style and driving conditions, Nexon EV owners have claimed a mileage of 200-250 kms in real world driving.

## Business Line 11<sup>th</sup> May 2022

# Ceat plans to develop tech for EVs, connected vehicles

Anant Goenka-led company among the 75 shortlisted for the PLI scheme

SWARAJ BAGGONKAR

Mumbai, May 10

The RPG Group tyre-maker Ceat will diversify its product portfolio by offering technologies for connected and electric vehicles. According to the Mumbai-based company, the move will be a major diversification initiative in its 64-year-old history.

The Anant Goenka-led Ceat was among the 75 companies selected to under the Centre's production linked incentive (PLI) scheme. The scheme has a

budgetary outlay of nearly ₹26,000 crore. "We have relationships with auto majors and can bring a value proposition to them. But we don't want to do what 20 other companies are doing today. We are interested in future trends like connected technologies and electric vehicles," Arnab Banerjee, Chief Operating Officer and whole-time director, Ceat, told *BusinessLine*.

Like smartphones, electric vehicles are increasingly becoming smarter especially with the

use of the Internet. Ride data, vehicle diagnostics, battery behaviour and several other vehicle vitals can be tracked with the help of a smartphone.

## Smart meters

Archaic analogue meters are making way for smart digital displays that provide a variety of information including turn-by-turn navigation, drive range, and Bluetooth connectivity.

Other companies like Minda Industries and Pricol have already entered this space and are providing solutions to vehicle makers. Both these companies, which have also been se-



Anant Goenka, MD, Ceat Tyres

lected under the PLI scheme, have set up new verticals to cater to the requirements of electric vehicles. Ceat is yet to start its operations in this segment.

"We have shortlisted the segments (that interest us) but are yet to take the final call. The in-

tenation of participating in the PLI is to go after the non-tyre, tech-based business," Banerjee added. Last month, Ceat incorporated a wholly-owned subsidiary Ceat Auto Components with an authorised capital of ₹1 crore. The subsidiary will manufacture, sell, market, export, and import auto components for all categories of vehicles and any mode of transportation.

Recently, Ceat unveiled its plan to launch branded tyres in the US, Canada, Australia and South America. In Europe, where the company has been present for several years, it will launch new tyres.



# PRESS REPORTS ON PASSENGER CARS

Business Line 10<sup>th</sup> May 2022

## For Skoda, India was 2<sup>nd</sup> biggest market in March

Demand for Slavia, Kushaq leads to five-fold growth in sales

**SWARAJ BAGGONKAR**  
Mumbai, May 9

India bought more Skoda cars than any other country save Germany in March making it the best phase for the Czech company's India subsidiary since making its debut here 20 years ago.

Skoda Auto sold 5,608 units in March, recording its best monthly sales in India. The company also dethroned the Honda City to claim the top position in the mid-size sedan segment with the Slavia.

Zac Hollis, Brand Director, Skoda Auto India said, "If the comparison is for last year then India is way down the list (of biggest markets for



Zac Hollis, Brand Director, Skoda Auto India with the Kushaq Monte Carlo

Skoda). We sold 22,000 cars last year and that puts us on par with a small to medium European country. But in March, we were the No. 2 worldwide."

There was a five-fold growth in March sales due to demand for the new models Slavia and Kushaq. Both these were launched in the past 12 months. Both the models carry a wait period of 2-4

months. Skoda on Monday introduced the Monte Carlo edition of the Kushaq, starting at ₹15.99 lakh (ex-showroom).

### Aims to be in top 3

While Skoda Auto India admits that staying at the No. 2 spot will not be easy, the long-term goal of the company is to break into the league of top three globally in terms of sales in the next three years.

"Staying at No. 2 might not be sustainable because Russia is a very strong market. But I would expect us to be in the top 3 in the long term. We should be doing this within the next three years," Hollis added.

Besides market demand, the other key reason behind Skoda Auto India climbing to the second spot is the priority given by Skoda's global headquarters to the India market for semiconductor allocation since India is a new product launch market.

### Chip shortage

"The success of the India 2.0 products has helped us. It has certainly helped us to get priority from our headquarters in climbing to the No. 2 spot. We have been given preference (in allotment) for semiconductors because we are a launch market," Hollis added.

While the chip shortage has disallowed auto companies to plan production for months ahead, it has also forced several of them to get innovative. Skoda Auto, for instance, had to offer some variants in its models without the radio and automatic folding rear-view mirrors.

"We don't have much transparency for future supply which makes production planning more difficult. But we have been innovative. For instance, we recently launched a variant without a radio because we could not get the semiconductors for the radios and we asked the customers to come back to us in 3-6 months and buy the radio. And this has been very successful. We also had to remove the automatic rear-folding mirrors because of shortage of chips and now we have put them back," Hollis added.

Business Line 6<sup>th</sup> May 2022

## Ukraine war, China lockdown delay availability of PVs: FADA

Dealers' body says high interest rates for vehicle loans a further blow

**OUR BUREAU**

New Delhi, May 5

The Russia-Ukraine war and lockdowns in China will continue to create demand-supply mismatch thus delaying the availability of passenger vehicles (PVs) in the country, the Federation of Automobile Dealers Associations (FADA) said on Thursday adding that RBI's off-cycle repo rate hike by 40 bps has taken everyone off-guard.

While the PV segment may be able to absorb the shock due to long waiting periods, the two-wheeler (2W) segment is already reeling due to underperforming rural

### Vehicle retail sales across categories (in units)

Category	Apr-22	Apr-21	Growth %
Passenger vehicles	2,64,342	2,10,682	25
Two-wheelers	11,94,520	8,65,628	38
Three-wheelers	42,396	21,640	96
Commercial vehicles	78,398	51,515	52
Tractor	48,319	38,306	26
<b>Total</b>	<b>16,27,975</b>	<b>11,87,771</b>	<b>37</b>

Source: FADA

market, vehicle price hikes and high fuel costs, the association said.

High interest rates for vehicle loans will be an additional blow for the segment and will slowdown the speed of auto retail and dampen the sentiments further, it added.

"On the other hand, private consumption is regaining traction backed by a recuperating contact-intensive ser-

vices and rising discretionary spending. Also, Skymet has come out with its normal monsoon forecast. It will thus benefit tractor and 2W sales. This, along with the marriage season in the coming days, will also see a traction in auto retail," FADA said.

Overall, the retail sales grew by 37 per cent across categories to 16,27,975 units (11,87,771 units).



# PV dispatches fall 4% in April on supply-side challenges

Two-wheeler sales see 15% growth at 11,48,696 units

**OUR BUREAU**

New Delhi, May 11

Domestic wholesale (dispatches to dealers) of passenger vehicles declined four per cent year-on-year (y-o-y) in April to 2,51,581 units, compared with 2,61,633 units in the same month last year.

According to the monthly report by Society of Indian Automobile Manufacturers (SIAM), sales in the passenger car segment declined by more than 20 per cent y-o-y to 1,12,857 units, against 1,41,194 units in the corresponding month last year.

**Growth for some segments**

However, the utility vehicle segment saw a growth of 17 per



cent y-o-y to 1,27,213 units (1,08,871 units). The three-wheeler segment saw 51 per cent growth at 20,938 units (13,856 units), SIAM said. Two-wheeler sales grew more than 15 per cent to 11,48,696 units (9,95,115 units). While scooter sales grew by more than 24 per cent to 3,74,556 units (3,01,279 units), motorcycle sales grew by more than 10 per cent to 7,35,360 units (6,67,859 units). After many months, two-wheelers sales have seen some positive growth.

According to Rajesh Menon, Director-General, SIAM, sales of passenger vehicles are still below the April 2017 figures, while two-wheelers are even below the April 2012 figures, and three-wheelers are yet to reach normal levels, as sales are still less than 50 per cent of April 2016 figures.

“Manufacturers are working hard to manage the supplier ecosystem with agility and flexibility, as supply side challenges continue for the industry. Further, manufacturers are also monitoring the likely impact on demand, due to the recent hike in repo rates, as it would increase the lending rates to the customers,” he said.

Overall, domestic sales across categories rose to 14,21,241 units, a growth of 12 per cent against 12,70,604 units in April last year.

# Tata Motors PV roll-out down 15% in April on chip shortage

**SWARAJ BAGGONKAR**

Mumbai, May 13

Tata Motors, India's third largest passenger vehicle maker, produced 15 per cent lesser number of cars and SUVs in April due to shortage in supply of semiconductors.

The ongoing quarter is expected to remain challenging for Tata Motors, which closed last financial year with the best sales since its inception.

It clocked sales of 41,587 units during April, including 2,322 electric vehicles. April sales were down compared to March when the company had sold 42,293 units, including 3,357 electric vehicles.

Speaking at a post-earnings call, Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said, “We have been growing month-on-month as far as our supplies are concerned and



we were able to meet the figure of 41,000-42,000.

“But in terms of what we could have produced based on the capacity and the order book, I would say we have incurred a loss of 10-15 per cent due to the supply constraints we faced in April.”

**Capacity debottlenecking**

Tata Motors, however, claims to have a strong order book with an average waiting period of three months. Sources say the company is sitting on an order bank of around 1,50,000 units despite

increasing sales and production by 40 per cent in less than five months.

The company is undertaking capacity debottlenecking to unlock the ‘next phase of growth’ and targeting production of close to 50,000 units a month.

The supply of semiconductors, which had started reviving in Q4 of FY22, was affected by the Russia-Ukraine war. Certain raw materials for producing semiconductors have to be procured from Russia and Ukraine which are now facing uncertainty.

Automakers say that uncertainty over chip availability will continue for the entire first half of the current financial year but should start easing out by December this year when incremental supply starts to hit the market from new capacities created previously.



# PRESS REPORTS ON TWO – THREE WHEELERS

The Economic Times 7<sup>th</sup> May 2022

## Honda Motorcycle Looks to Drive in 'Flexi-fuel' Two-wheelers in 2 Years

Govt measures positive, biofuel tech a sustainable solution, says HMSI MD

Sharmistha Mukherjee  
@timesgroup.com

**New Delhi:** Honda Motorcycle and Scooter India (HMSI) is looking at opportunities to bring in a flex-fuel vehicle within the next two years, its top executive said, in line with the government's drive to curb consumption of fossil fuels. Flex-fuel vehicles have a higher proportion of ethanol in the fuel mix, which helps reduce petrol consumption. Road transport minister Nitin Gadkari has urged vehicle makers to use green fuels to reduce crude imports and bring down pollution.

The country's second largest two-wheeler maker is working to introduce a flex-fuel two-wheeler before the end of 2024, Atsushi Ogata, managing director and CEO of HMSI told ET. "We think internal combustion engine (ICE) vehicles will continue to comprise a significant proportion of two-wheeler sales in the country even after 10 years. The policy measures being undertaken by the government are positive. Biofuel technology is definitely a sustainable solution and can help reduce oil imports," he added.

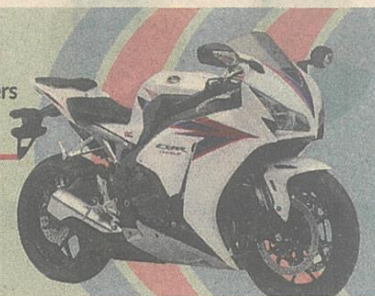
### More Power

Honda has sold over 7m flex fuel two-wheelers in Brazil

HMSI evaluating a product which will work on a high ethanol blend

Govt urging automakers to power vehicles with green fuels

Govt aims to achieve 50% of installed energy capacity from non-fossil energy sources by 2030



The Japanese automaker operates flex-fuel two-wheelers in Brazil and plans a phase-wise implementation and integration of flex-fuel technology in its model range in the country.

"We have over a decade of experience with flex fuel in Brazil, where emission norms are at par with Euro IV levels. India follows a variation of Euro V norms. We are investigating how much ethanol we can blend in India so that fuel efficiency is not impacted. The key point for making the product successful is if consumers can see benefits in it," Ogata said.

Honda has sold over seven million flex-fuel two-wheelers in Brazil till date.

The decision comes at a time when two-wheeler sales in the local market have declined by nearly a third from a peak of 21 million units in FY19 due to higher costs of ownership.

Acquisition costs of two-wheelers have risen by nearly a third in the past couple of years, while a sharp increase in fuel prices have dented demand for two-wheelers, especially entry-level ones.

HMSI's sales declined to 3.47 million units in the previous fiscal year, from a record 5.5 million units in FY19.

Last year, Prime Minister Narendra Modi advanced the target to attain 20% ethanol blending in petrol by five years to 2025.

Business Standard 5<sup>th</sup> May 2022

## Hero MotoCorp upbeat on wedding and festive sales

ARINDAM MAJUMDER  
New Delhi, 4 May

Despite posting weak numbers in the March quarter of financial year 2021-22 (Q4FY22), two-wheeler market leader Hero MotoCorp said it sees better days ahead thanks to the robust wedding season and a bumper Rabi crop.

Motorcycle and scooter dispatches increased year-on-year (YoY) in April for the first time in 10 months, shows monthly sales data from vehicle manufacturers. An early harvest, coupled with pent-up demand for weddings and festivals bumped up sales.

Apart from the marriage season, there are multiple auspicious days till July 15 that will help two-wheeler sellers to increase sales. "We



have seen rural being a driver. The wheat procurement and export have all been very positive and we are seeing that in our business where rural and semi-urban sales are looking extremely strong," said Ranjivjit Singh, chief growth officer at Hero MotoCorp.

He pointed out that festive sales witnessed during Gudi

Padwa (Marathi new year), Ugadi, and Akshaya Tritiya have been multiple times better than what was witnessed in the last two years.

Singh said the company is comfortable with its current inventory level, which is around six weeks.

Hero's sales growth also came on the back of price

hikes announced by the company to counter inflation in commodity prices. Hero MotoCorp increased the product price by around ₹1,000 on showroom rates.

"The kind of shock that the auto industry has gone through in the last few years, no industry has been impacted by such shockwaves. Economic growth has been soft owing to the pandemic, but it is going to bounce back just like other macro indicators. Along with that, vehicle ownership is still under-penetrated in the country. So the scope of growth remains strong and that doesn't go away due to a few odd quarters," said Niranjan Gupta, chief financial officer of Hero.

In April, the maker of Splendor and Passion bikes saw its monthly dispatches

advance 12.4 per cent YoY. The company attributed the growth to the reopening of the economy and government policy support.

The improvement in retail sales also came on the back of the company rolling out multiple attractive financing schemes. "[Around] 65-70 per cent of our customers are first-time buyers who don't have a credit history. We are going to be rolling out and ensuring financing for all our customers in urban, semi-urban or rural areas going ahead," Singh said.

He added that the growth of first-time buyers will continue to be strong and the company will continue to see good sales as it will focus on entry-level products. "We will further strengthen our 110 cc segment this year," he said.



# PRESS REPORTS ON COMMERCIAL VEHICLE

Business Standard 14<sup>th</sup> May 2022

## *How different procurement modes reduced EV bus prices for cities*

NIKUNJ OHRI

New Delhi, 13 May

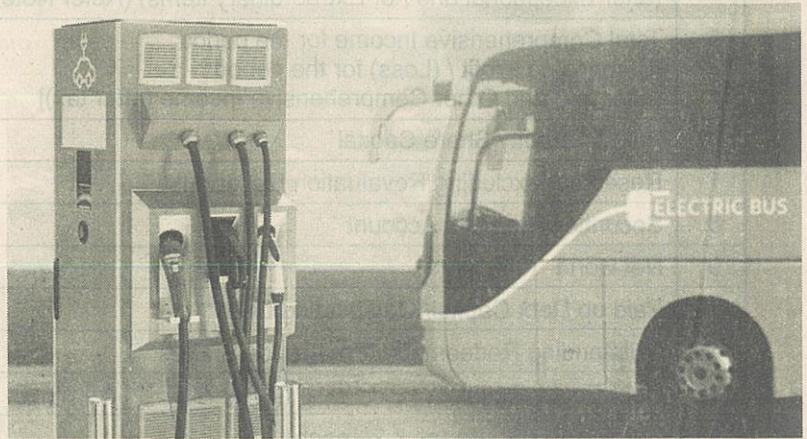
The recently concluded procurement of 5,450 electric buses — the largest so far in India — is set to change the way state transport authorities operate buses.

Five cities — Delhi, Bengaluru, Kolkata, Hyderabad and Surat — ceded their power of procurement and agreed to a different procurement model to operate state-run buses. The Centre's policy thinktank, NITI Aayog, brought these cities/states and all stakeholders on a common procurement portal, which harmonised standards and specifications for the procurement that helped in aggregating demand.

Moving away from the "inefficient" own-and-operate model, city governments decided to "procure, maintain and run" buses over a 12-year period by charging the discovered price of per-kilometre operations. Electricity cost, and fuel of these buses, were bundled into the bid price.

State governments will be responsible for handling of depots and electricity connection to the operators. This helped in discovering lowest price to run such buses, making them 15-20 per cent cheaper than combustion buses. The procurement allows state agencies to purchase mobility as a service (MaaS) and operators are paid a fixed price in rupees per kilometre over a period of time.

The initiative is an example of power of aggregation of demand, said Amitabh Kant, chief executive officer (CEO) at NITI Aayog. "This demonstrates that when India uses its size and scale to procure goods through cutting-edge technology, prices fall radically," Kant told



Business Standard.

Getting states together on the same page for procurement of this size was a result of marathon meetings, but now it reflects India's cooperative federalism as advocated by Prime Minister Narendra Modi, Kant said.

The drafting of the tender document for the procurement, and shaping of the business model was done by NITI Aayog through its National Mission on Transformative Mobility and Battery Storage. The tender drafted included standardisation of specifications, terminal and charging stations. It was made attractive by including a term of 12 years, with assured kilometre of 10 lakh per bus, along with a credible payment security system that encouraged robust participation and aggressive bidding. Tata Motors had emerged as the lowest bidder for the tender in the auction that concluded last month.

The lowest price discovered for a 12-metre bus was ₹43.49/km, and a 9-metre bus is ₹39.21/km. This represents a 48

per cent reduction as compared to a past tender. These prices will set a benchmark for public transport, which will now encourage other cities to adopt electric vehicles. This is bound to redefine a new way of mobility for Indian cities, making deployment of e-buses at an affordable rate, Kant said.

The Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME-II) scheme has helped bring down prices as it provides capital subsidy of up to ₹55 lakh per electric bus, narrowing the cost differential with traditional diesel/CNG buses.

"The fall in prices of electric buses is path-breaking, the same was earlier done for LEDs," Kant said. NITI Aayog plans to consolidate with more states to procure electric two-wheelers and three-wheelers by pushing the use of this procurement platform, he added.

The wider adoption of electric vehicles will help India in meeting its climate change goals announced in COP-26, Kant said.



# TaMo to Keep Pushing Capex for Electrifying CV Portfolio

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New Delhi: Homegrown auto major Tata Motors – which has tasted success with electric products in the passenger vehicle segment – will progressively increase the proportion of capital expenditure towards electrifying its commercial vehicle (CV) portfolio to cut down crude imports and carbon emissions in the country.

Girish Wagh, executive director, Tata Motors told ET, “We are going to work on and keep identifying sectors more amenable for electrification in the commercial vehicle segment. We will keep technology, vehicle architecture and aggregates ready and launch products for multiple applications going ahead. The proportion of capex investments for electrifying commercial vehicles will only increase.” Tata Motors has invested ₹1,000-2,000 crore in capex in its commercial vehicle business on an average over the last 5 years.

Wagh was speaking on the sidelines of the unveiling of mini truck Ace EV, which has been developed after receiving critical feedback from last mile mobility providers. The company, which has signed pacts with leading e-commerce players and logistics service providers such as Amazon, BigBasket, City Link, DOT, Flipkart, LetsTransport, MoE-Ving, Yelo EV, has already received orders for 39,000 units. Ace EV offers a range of 154 km on a single charge.

Wagh added the company will target applications where the usage cycle makes the total cost of ownership of electric cargo transport vehicles closer to or below CNG, without specifying the number of electric products the company will launch mid-term. “E-commerce is booming and the demand for last-mile distribution of goods is expanding significantly. This represents the next big opportunity for customized EV solutions,” he informed.



**“Ecomm is booming and demand for last-mile distribution is expanding significantly. This represents the next big opportunity for customized EV solutions”**

**GIRISH WAGH**

Executive Director, Tata Motors

Tata Group chairman N Chandrasekaran said sustainable mobility is an imperative as well as a trend that is irreversible and it is a global mega trend. “At the Tata Group, Tata Motors in particular, we have embraced this fully and made a business model that integrates sustainability as one of the key pillars. Whether it is in passenger cars, our commercial vehicles, or in general Jaguar Land Rover, we are committed to making this transition and are accelerating it everyday,” he said.

Tata Motors has already launched electric options in several models in the passenger vehicle segment. “In the commercial vehicles we have

successfully launched electric buses and we are seeing huge acceptance and pickup in that segment. Today marks the day where we are moving into e-cargo mobility”, said Chandrasekaran.

adding, the company wants to “engage and build e-cargo solutions, not only in Ace platform, but in other categories as per what is required to serve the market across the country.”

The price of the Ace EV would be announced when deliveries start from the next quarter. Last week, Tata Motors – which dominates sales of electric products in the passenger vehicle segment – unveiled its all-new electric vehicle architecture for the space on which it plans to introduce multiple advanced EVs starting from 2025.

The Economic Times  
6th May 2022

Business Standard 4th May 2022

## Truck, bus sales rise at brisk pace in April



### ON THE MOVE

Companies	Apr '21	Apr '22	% chg YoY
Tata Motors	16,515	30,838	87
Ashok Leyland	7,961	11,197	41
Mahindra and Mahindra	12,543	14,473	15.3
Maruti LCV	1,272	4,266	235.4
Volvo Eicher Commercial Vehicles	1,555	4,766	206.5
<b>Total</b>	<b>39,846</b>	<b>65,540</b>	<b>64.4</b>

Source: Companies

Extending the previous months' trend, commercial vehicle (CV) sales advanced at a brisk pace year-on-year in April, aided by last year's low base and a pick-up in the infrastructure sector.

Cumulative dispatches at the top five manufacturers – Tata Motors, Ashok Leyland, Mahindra and Mahindra, Volvo Eicher, and Maruti Suzuki India – jumped 64.4 per cent to 65,540 units during the month, according to data released by the companies on Monday.

Though growth was seen across segments, a big push came from the small CVs used for the last-mile delivery as demand from e-commerce firms remained strong.

Though on a low base, recovery in the bus segment, one of the worst affected by the pandemic, also inched up YoY. Tata Motors, for instance, saw deliveries of SCV and pick-ups jump to 14,711 units from 6,930 units a year ago. Others saw a similar trend.

Shashank Kanodia, analyst at ICICI Direct Research, wrote in a recent report that he expects the infrastructure thrust, private capex cycle revival, and strong order book to help PVs and CVs witness a healthy pickup in sales volume. However, he said, the near-term bumps in terms of commodity inflation and semiconductor supply will need to be watched. **SHALLY SETH MOHILE**



# PRESS REPORTS ON TRACTORS

Business Line 12<sup>th</sup> May 2022

## Tractor sales pick up in April after being in slow lane for 5 months

Progress in rabi harvesting, higher prices for crops boost sales

GBALACHANDAR

Chennai, May 11

Domestic tractor sales reported a rebound during the first month of this fiscal with a month-on-month increase of 22 per cent and a year-on-year increase of 41 per cent, supported by progress on the rabi harvesting and better price realisations for farmers' produce.

The rebound comes after five consecutive months of y-o-y decline in domestic sales.

Total tractor sales stood at 89,201 units in April, against 72,888 units in March 2022 and 63,422 units in April 2021, according to data provided by Tractor and Mechanisation Association.

"Delay in rabi harvest due to delayed sowing had pushed the harvesting cycle from March 2022 to April 2022. Further, festivals in the first week of April like *Gudi Padva*, *Navratri* and *Ugadi* led to an uptick in retail delivery momentum, Hemal Thakkar, Director, Crisil Research, told *BusinessLine*.

However, the wholesale



All leading players witnessed double-digit increase in sales

growth has been much higher as compared to the retail growth on account of a significant inventory push by all major OEMs due to vehicle price increases on the back of a steep increase in raw material prices. "Most OEMs have already or are going to increase vehicle prices by 1-3 per cent between April and May 2022," he added.

### Double-digit growth

All leading players such as Mahindra & Mahindra, TAFE, International Tractors and Escorts witnessed double-digit increase in domestic sales in April. Leading tractor maker Mahindra & Mahindra repor-

ted a 51 per cent growth in its April sales at 39,405 units and Hemant Sikka, President-Farm Equipment Sector, Mahindra & Mahindra attributed the significant growth to the strong progress of rabi harvesting and higher prices for farmers' crops in the open market than MSP.

Sonalika's domestic sales grew 43.5 per cent to 10,217 units in April, while Escorts reported a 20 per cent growth in its domestic tractor sales at 7,676 units.

Does April's rebound signal a revival in tractor demand? Industry representatives and analysts expect retail sales to be strong in Q1 of this fiscal due

to better crop realisation against MSP, the likelihood of a normal monsoon and timely sowing of kharif crops amid inflationary pressures.

"Tractor demand for Q1-FY23 is expected to be strong as crop prices in the market are higher on-year due to increased demand and low supply. Also, global uncertainty, especially for crops like wheat, has kept domestic foodgrain prices elevated. Export of foodgrains momentum is also strong further supporting prices. This is expected to result in better farm income for farmers and thus tractor demand is expected to be good. However, going forward, demand largely depends on the monsoon season and how well spread will it be," said Thakkar.

### Outlook

The tractor industry is expected to be flattish to marginally positive (low single-digit growth) in FY23 over a high base of previous years backed by the normal monsoon, good cash flow and continued support from the government.

High inventory levels, along with consistent price increases on account of ongoing geopolitical scenarios, may restrict further growth in FY23.

## TAFE launches Eicher Prima G3 premium range of tractors

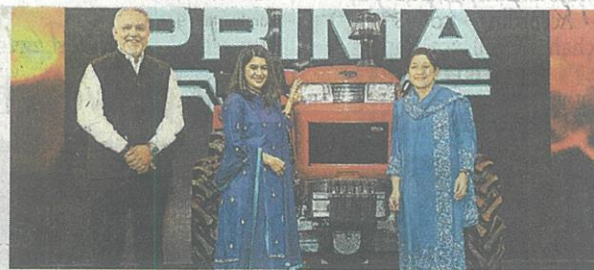
OUR BUREAU

Chennai, May 9

Eicher Tractors, part of TAFE (Tractors and Farm Equipment Ltd), announced the launch of its Prima G3 Series, an all-new range of premium tractors in the 40-60 hp range, which promises premium styling, progressive technology and perfect comfort.

### New-age design

The new Prima G3, which boasts a new-age design with its distinct aerodynamic hood, offers easy access to the engine with its one-touch front-open, single-piece bonnet. The bold grille with high intensity 3D cooling technology and wrap-around headlamps and Digi NXT Dashboard are a perfect fusion of bold and elegant looks, which provide higher



Sandeep Sinha, CEO, TAFE; Lakshmi Venu, DMD, TAFE Motors and Tractors Limited, and Mallika Srinivasan, CMD, TAFE, at the launch of the Prima G3 Series tractor range on Monday.

cross airflow and long hours of continuous operation. The youthful sporty steering wheel with a spinner knob offers effortless control, the company said in a statement.

The new range comes with the high torque-fuel saver (HT-FS) liquid-cooled engine, that promises greater efficiency for higher productivity and more

fuel savings. The CombiTorq Transmission offers the perfect pairing of the engine and the transaxle to deliver maximum power, torque and productivity. The new multispeed PTO (power takeoff) provides four different PTO modes, making the Prima G3 compatible with multiple agricultural and commercial applications.

Business Line  
10<sup>th</sup> May 2022



# PRESS REPORTS ON COMPANY NEWS

Business Line 11<sup>th</sup> May 2022

## Mercedes launches fuel-efficient C-Class for the 'cost conscious'

Average age of buyers down to 35-40 years: CEO

**SRONENDRA SINGH**

New Delhi, May 10

Indian customers are always conscious about fuel prices even for luxury brands, and they are sensitive on operational costs too, which are being calculated while buying a new car, a top official at Mercedes-Benz India said.

There have been instances of 14 price hikes of fuel in 16 days (between March 22 and April 6) and till mid-April, retail prices of petrol and diesel have gone up by 6-8 per cent.

"We have always seen that Indian customers are conscious about fuel prices, specifically even on higher-end cars or the larger SUVs, where we would think the prices of the vehicles anyway were more than ₹1 crore, so would it matter to them? But, it does matter to them," Martin Schwenk, Managing Director and Chief Executive Officer, Mercedes-Benz India, told *BusinessLine*.

He said that is why Mercedes-Benz has launched the new C-Class with best mileage in the segment—16.9 km/l for the new C 200 (petrol), 23 km/l for the C



Martin Schwenk, MD & CEO, and Santosh Iyer, V-P, Sales and Marketing, Mercedes-Benz India with the newly launched C-Class

220d (diesel) and 20.37 km/l for the C 300d (diesel). The C 200 is priced at ₹55 lakh, C 220d at ₹56 lakh, and C 300d at ₹61 lakh (all India ex-showroom prices).

"We are confident our new C Class will attract several customers from the aspect of fuel efficiency. They are saving a lot compared with previous models and also with what is available in the market," Schwenk said adding that the average age of buyers have also come down to 35-40 years now, from 40-45 years earlier.

### 'Best year'

He said with such products and demand for existing models, this year will be the best for Mer-

cedes-Benz India. There is already an orderbook of 5,000 cars as of April. The waiting period ranges from two to eight months. Mercedes has 48 per cent of sedans in its portfolio, in which the E-Class is the strongest, followed by the C-Class and 48 per cent of the C-Class are first-time luxury car buyers, he added.

Schwenk said the company will not have hybrid models, though most of the cars will have 'integrated starter generator' (mild hybrid) and there will be more EVs. In the next five years where more models will be added, either imported or domestically produced or assembled, he added.



# Anand Group Plans \$150m Electric Push

**Auto component firm scouting for partners and acquisitions in UK, Europe, Israel & Japan**

Ketan.Thakkar@timesgroup.com

**Mumbai:** The \$1.5-billion diversified auto component major Anand Group is planning to invest over \$100-150 million in future mobility business led by ventures in electric vehicle space. The group that runs over a dozen joint venture businesses successfully in India for over six decades is already scouting for acquisitions including partnerships in UK, Europe, Israel, Japan, amongst other markets, to participate in the entire value chain of electric vehicles, right from battery, motors, charging system for two wheelers to cars. It plans to have six different dedicated plants to cater to this fast emerging space. The group aims to be amongst the top 3 players in the country in the EV component segment and sees a business poten-

tial of half a billion dollars in the coming five years from this space.

The group is in discussion with companies from UK, Israel, Germany and Japan for an acquisition, alliance or a joint



**Group aims to be amongst the top 3 players in the country in the EV component segment**

venture and its group president Sunil Kaul, who heads future mobility, has started meeting prospective partners around the world. "We are on the lookout for acquisitions and partnerships. We are in the middle of discussions with multiple companies, which will help us accelerate our penetration into the future mobility or clean mobility space," told Kaul. He added, "We are going all out to participate in the fast transition electric two and three wheeler space. Hence we are preparing ourselves by entering into partnerships, getting into engineering of parts, testing and also into sourcing — to generate a significant part of our total business going ahead." There will be at least four to five different companies, largely

in alliance or JV form catering to future mobility space — right from motors, controllers, transmission system, light weighting material amongst others.

"Our target is to generate \$500 million worth of business from future mobility in the coming three to five years. By then the group turnover would have doubled to \$3 billion, by 2026-2027," said Kaul.

To be sure, just from one of its group companies Anand Mando eMobility (AMeM) it is eyeing a revenue of over ₹750 crore by FY26. AMeM will further invest over ₹150 crore in the next three years to expand the manufacturing capacities beyond 2 wheelers components. To extend the footprint and revenue from the EV market, AMeM targets to venture into 3 & 4-wheeler EV components by 2025.

AMeM's product range will have motors from 1KW to 170 KW. The current annual production of the AMeM plant is 200,000 motors which will be ramped up to 500,000 for EV motors and controllers over the next three years. As part of the new business blueprint in the EV component segment, the group plans to capture more than 30% market share with a full range of products produced locally.

## MAJOR RESTRUCTURING PLAN

# M&M Likely to Split Auto Biz into 3 Units

**EV and Pininfarina will form one entity; tractor and passenger vehicle verticals to be other standalone units**

Indulal PM & LiJee Phillip

**Mumbai:** The Mahindra Group has initiated a restructuring to trifurcate its flagship automobiles business that contributes 55% to the group revenue.

The exercise, which is understood to be in the early stages, will involve separating the electric vehicle, tractor and passenger vehicle businesses into three independent companies via a demerger process, said people in the know of the plan. Currently, these are housed under Mahindra & Mahindra as separate divisions.

The EV business, along with its manufacturing plant in Pune, will be clubbed with Italian design house Automobili Pininfarina to form a company, the people said. The group is also exploring raising funds at the EV entity.

The farm equipment and tractor division is likely to become another standalone entity. After Mahindra acquired Punjab Tractors in 2007, this division is the largest tractor maker in the country with a 43% market share. The division is also the most profitable within Mahindra's

### MAHINDRA GROUP

**India's largest tractor maker with 43% market share**

**Farm equipment division contributes to nearly 80% of total profits**

**Besides auto, the group has interest in IT, finance, hospitality, agribusiness, defence aerospace, logistics, real estate, education**

**India's second largest UV manufacturer with 25% market share**

**Acquired 100% stake in Gujarat Tractors in 1999, bought out Punjab tractors in 2007**



automobiles business. The passenger vehicle business, with brands like the Scorpio, the XUV range and the Thar, is likely to become the third standalone company.

The rationale for this demerger, said people close to the group, is unlocking value in each of the businesses.

An M&M spokesperson said the company "would not like to comment on market speculation".

People in the know said at least two international consulting and investment banking firms were engaged with the strategy plans.

The Economic Times  
6<sup>th</sup> May 2022



# MG Motor to raise ₹5,000 cr before Dec

To double capacity, launch products

location and portfolio," Chaba added.

**SWARAJ BAGGONKAR**

Mumbai, May 10

MG Motor India is hoping to reach an agreement with potential investors to raise ₹5,000 crore before December this year to fund its expansion drive, as it aims to record profits for the first time ever next year.

A senior company official told *BusinessLine* that the funds would be used to more than double the company's production capacity to 3,00,000 units as well as to introduce a range of



Rajeev Chaba, President and MD, MG Motor India

new products, including electric vehicles and next level of autonomous car features.

## Increasing production

Rajeev Chaba, President and MD, MG Motor India, said, "We are committed towards launching the fifth car and increasing production capacity to 1,30,000 units a year, and funds have been organised ... We are a loss-making company (now) and hopefully, we will start making profits next year."

Plans are afoot to produce 65,000-70,000 units this year followed by 1,30,000 next year. "In the next few months, we should be able to have clarity on funds and size of the plant and portfolio. My expectation would be that in the 3-6 months, we should be able to finalise this ... We will decide soon about the plant

## Second EV

MG's electric vehicle ZS EV is the second largest selling model in the EV space in India.

In 2023, the company will bring in its second EV priced much below the ZS EV with a smaller drive range.

"It will be priced between ₹10-15 lakh. We have to decide on the range," he added.

He clarified that there are no plans to place EVs under a separate unit and dilute stake in it. He

also ruled out getting into the sub-₹10 lakh segment with an EV due to price constraints.

MG also wants to keep the lead on offering new technologies to the Indian buyer. "While driverless tech is level 5, there are two levels in between. So, depending on the segment and product, we will launch levels 3 and 4," Chaba added.



# Varroc looks to change tack: shift focus to India, lighting business

SHALLY SETH MOHILE  
Mumbai, 8 May



Varroc Engineering will sharpen its focus on the domestic market and play to its strength in the lighting, electrical, and electronics components segment in India. This is part of its bid to re-align focus and enhance return on capital employed (RoCE).

Last week, the company had said it signed an agreement to sell its four-wheeler lighting business in Europe and Americas to Compagnie Plastic Omnium SE for €600 million.

Varroc seeks to consolidate its position in its home market and exit underperforming ones.

The lighting business in India and China are not part of the deal.

After closure of the deal by July or August this year, Varroc hopes to double its earnings before interest, tax, depreciation and amortisation (EBITDA) by next year.

“We will be targeting a double-digit Ebitda and a RoCE of over 20 per cent. We see a good free cash flow in

## WHAT WILL BE LEFT WITH VARROC AFTER THE PLASTIC OMNIUM DEAL

Businesses by geography/Annual revenue (₹cr)

<b>INDIA BUSINESS</b> 5,000 Varroc Lighting System 4 wheeler biz 400-500	<b>VIETNAM AND EU</b> 2-wheeler lighting business 500	<b>ROMANIA</b> Electronic component manufacturing 250-300 <b>ITALY</b> Forging entity 300 <b>CHINA</b> JV stake to remain as earlier
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**Annual PAT of ₹40-₹70 crore**

Source: ICICI Direct

all the remaining businesses. We are poised for a very good level of profitable growth,” Tarang Jain, chairman and managing director of Varroc Engineering, told *Business Standard*.

Post the deal, 85 per cent

of its business will come from India.

Focus on the domestic market is a change in tack for the Tarang Jain-led company, which was aiming to be the top three global lighting players after its acquisition

of Visteon in 2012.

“Our larger play will remain in India now. I don’t want to get into a global lighting business any more. We will rather focus on India and China. Even China, we need to see how it goes,” he said.

Varroc will also take a call within a year on whether it wants to remain in the lighting business in China.

The proposed transaction with Compagnie Plastic will help Varroc become debt free.

The net equity value that Varroc will get after paying off all the debt (in Varroc Lighting Systems) will be €160-175 million.

It would use some of the amount for partially retiring high-cost debt in India that it had taken for Varroc Lighting Systems’ operations.

The company would use the balance amount for dividend or some other purpose.

Net cash accretion to Varroc, post-tax and net of escrow, is estimated to be €160-175 million subject to closing adjustments.

The escrow of €35 million would be released over 2-3 years, the company said in a filing to the exchanges.



# PRESS REPORTS ON RAW MATERIAL

Business Line 5<sup>th</sup> May 2022

## Tata Steel plans capex of ₹12,000 crore this fiscal

Of this, about  
₹8,500 cr will be  
spent in India,  
₹3,500 cr in Europe

**SURESH PIYENGAR**

Mumbai, May 4

Tata Steel, which recorded one of the highest profits of ₹41,700 crore last fiscal, plans to invest ₹12,000 crore in various ongoing projects in this financial year. Aided by the sharp rally in steel prices, the company's net profit in the March quarter alone was ₹9,800 crore as it off-loaded some of the low-cost inventory at a higher price.

TV Narendran, Managing Director, Tata Steel, told *Business-Line* that the company will spend ₹12,000 crore in capital expenditure this fiscal with about ₹8,500 crore in India and ₹3,500 crore in Europe. The capex plan will be reviewed after six months to see whether it can be increased further, and the company intends to spend the entire capex from internal accruals and will not raise any debt, he added.

Last fiscal, Tata Steel had spent ₹10,522 crore in capex and repaid debt of about ₹15,200 crore. The company expects to commission the 6 million tonne per annum (mtpa)



TV Narendran, Managing Director, Tata Steel

pellet plant at Kalinganagar by December followed by the Cold Roll Mill complex and then increase production capacity to 5 mtpa from 3 mtpa.

### Repayment of \$1-b debt

"The focus on deleveraging the balance sheet will continue with targeted repayment of \$1-billion (about ₹7,600 crore) debt even while spending on capital expenditure," said Narendran.

On plans for Neelanchal Ispat Nigam, he said the immediate focus would be to complete the transaction by this month and ramp up production to its rated one mt capacity. Subsequently, the capacity will be raised to 5 mtpa and then to 10 mtpa in a phased manner. Taking the capacity to 5 mtpa will need an investment of about ₹25,000

crore, he said. In February, Tata Steel won the state-owned Neelanchal Ispat Nigam by placing a bid of ₹12,100 crore.

### 'Rate hike inevitable'

Alluding concern over RBI hiking key bank rates, Narendran said the rate hike had to happen at some point of time as the industry has been asking RBI to be accommodative for the last few years. Globally, interest rates are going up and inflation is also on the higher side, so the rate hike is inevitable.

"I do not see any immediate impact on steel demand. Primarily, steel demand is dependent on government infrastructure spending which is continuing. The second important sector for steel industry is automobile, which is also growing on back of government spending on infrastructure. I do not see any of this getting deviated immediately. The industry has to adapt to higher interest cost than it has been used to in last few years," he said.

On impact of rate hike on steel demand, he said residential demand is only 20-25 per cent of total demand, but investment in supply chain and warehousing is continuing because e-commerce firms are doing well.



# PRESS REPORTS ON GOVERNMENT POLICY

Business Standard 10<sup>th</sup> May 2022

## EV fire: NITI member flags imported cells

Foreign battery cells may not be suitable for Indian conditions: VK Saraswat

BIJAY KUMAR SINGH  
New Delhi, 9 May

Amid multiple incidents of electric vehicles (EVs) catching fire, NITI Aayog member and scientist V K Saraswat has said imported battery cells "may not be" suitable for the country's conditions and emphasised the need for locally manufacturing the cells.

His comments also come against the backdrop of authorities probing such incidents and Union minister Nitin Gadkari, recently, asserting that recall of all defective vehicles will be ordered after the expert panel submits its report.

In recent times, there have been multiple incidents of EVs catching fire and resulting in deaths as well as severe injuries to people.

"Battery technology is evolving. India does not manufacture battery cells at the moment... we should set up our own cell manufacturing plants at the earliest. We should make sure that whatever cells we manufacture are suitable for Indian conditions of high temperature," Saraswat told PTI.



**Battery technology is evolving... We should make sure that whatever cells we manufacture are suitable for Indian conditions of high temperature**



**V K SARASWAT,**  
NITI Aayog member and scientist

Saraswat, a former chief of the Defence Research and Development Organisation, said the fires could have been due to poor quality of cells, which are not designed

for high temperature and tropical climate. "What (battery) cells India is getting may not be suitable for Indian conditions... so what is important is when we import cells, we should do our own screening and rigorous testing system," he said.

He also noted that there are certain countries that have developed cells which can operate at high temperatures.

On whether the fire incidents could undermine India's efforts to become a leader in EVs, Saraswat said, "What we are seeing is that the kind of accidents which are taking place will certainly have some impact on penetration of batteries into the automobile sector."

Recently, Road Transport and Highways Minister Nitin Gadkari, who is known for his frank views, said the companies found negligent will be penalised and a recall of all defective vehicles will be ordered after the expert panel submits its report.

Last month, the government ordered a probe after an e-scooter launched by ride-hailing operator Ola's electric mobility arm caught fire in Pune.

PTI



# Gadkari pitches for priority sector lending to alternative fuel players

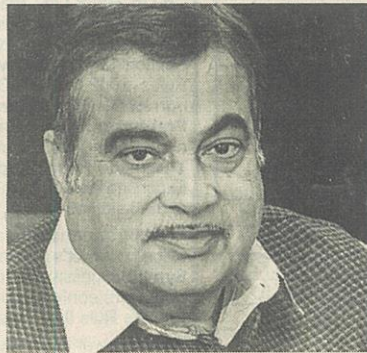
DHRUVAKSH SAHA  
New Delhi, 2 May

Union Minister Nitin Gadkari on Monday said there was a need for players in the alternative fuel sector to be extended priority sector lending. The minister said he would discuss the issue with Finance Minister Nirmala Sitharaman and the Reserve Bank of India (RBI).

As green energy is in a nascent stage, the financial strength of entities in this space is limited. Gadkari said they found it difficult to compete with the petrol and diesel sector, which has deep pockets. Under the RBI's priority sector lending, banks are required to extend smooth credit at lower interest rates to sectors considered as a priority.

Gadkari also called on players in the alternative fuel sector to stop operating in silos and push forward for green energy transition as a collective if they want to be competitive against the internal combustion engine (ICE) vehicle sector.

"Some players think of electric vehicles



**"IF ALL OF YOU (THE INDUSTRY) EXERT EVEN 20 TIMES THE STRENGTH YOU ARE RIGHT NOW, BRINGING DOWN THE IMPORTS OF PETROL AND DIESEL WILL BE DIFFICULT EVEN THEN"**

**NITIN GADKARI**, Union road transport and highways minister

(EVs), some are in the biomass space, and some are concerned with the sugar industry. This way, there are different compartments in operation. If you all (barring petrol, diesel, and gas) can come together under the banner of alternative fuel and present a forward-looking road map, it will be beneficial for everyone," the minister said at an event.

He said the sector didn't have the privilege of competing internally when it's at

such a nascent stage. "If all of you exert even 20 times the strength you are right now, bringing down the imports of petrol and diesel will be difficult even then," he told the industry.

Automobiles are a ₹7.5-trillion sector, a large majority of which is dominated by petrol- and diesel-run vehicles. While alternative fuels are more cost effective, supporting infrastructure for vehicles running on them is not adequate yet, he said.

## The Economic Times 13<sup>th</sup> May 2022

# Labour Returns in Force in Apr, 8.8 m More Join Work

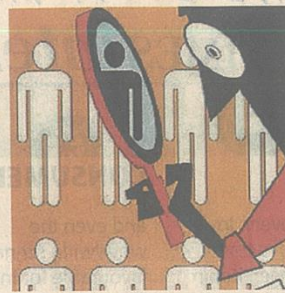
Labour expansion still inadequate to absorb sudden surge in demand for work

Our Bureau

**New Delhi:** The labour force in India increased by 8.8 million from 428.4 million in March 2022 to 437.2 million in April 2022, one of the largest monthly increases, as working age people who were out of the labour force joined back the labour market in April, the Centre for Monitoring Indian Economy said.

The 8.8 million jump in the labour force in April comes after a 12 million fall in labour market during the preceding three months when labour moved out of the labour markets during January-March. Employment expanded by 7 million in April 2022, which was higher than preceding months but was inadequate to absorb the sudden surge in demand for work.

"This is also an extraordinarily large increase and comes after three consecutive months of de-



cline in employment," CMIE said in its weekly labour market analysis.

Employment had fallen by 10 million from 406 million in December 2021 to 396 million in March 2022. In April, it recovered part of this fall to reach 403 million.

The high surge in the labour force but inadequate employment opportunities resulted in 1.8 million increase in the count of the unemployed in the month pushing the total number of unemployed to 34.2 million.

"As a result, April also saw an increase in the number of people left unemployed and the unemployment rate inched up a bit compared to its level in March," CMIE said in its weekly labour market analysis.



Business Line 6<sup>th</sup> May 2022

## Give priority to locals in jobs: CM to firms in Maharashtra

Wants industrial policy to include provision of educating and training youth



Maharashtra Chief Minister Uddhav Thackeray

### OUR BUREAU

Pune, May 5

Maharashtra Chief Minister Uddhav Thackeray has said that while taking efforts to invite industries to invest in the State, efforts should be made to provide jobs for locals. He insisted on local people being given priority in jobs by industries investing in the State.

While speaking to the industry department officials in a meeting organised on Wednesday, the Chief Minister Thackeray said that the industrial policy of the State needs to focus on creating jobs for the local people.

He suggested that the industrial policy should include

the provision of educating and training of youth.

### Urges for coordination

The industry department must involve higher and technical education departments in this regard and urged the other departments to co-ordinate to form a comprehensive policy.

State Industry Minister Subhash Desai said that the government is focusing on providing basic infrastructure to the educational institutes in the industrial areas so that they can train the youth.

ET Q&A MAHENDRA NATH PANDEY  
HEAVY INDUSTRIES MINISTER

## Auto Makers can Club Benefits Under Various PLI Schemes



Vehicle manufacturers can club the benefits available under various performance-linked incentive (PLI) schemes to bring down sale price, heavy industries minister Mahendra Nath Pandey told ET's **Twesh Mishra** in an interview. Edited excerpts:

### What is the government's view on the incidents of EVs catching fire?

The road transport ministry is examining the incidents. An independent investigation is underway. I am sure there will be corrective measures in place once the faults are identified.

### The Centre has been putting its weight behind PLI schemes. What has the experience been so far?

The PLI scheme for automobile and auto components industry is for enhancing manufacturing capabilities for advanced automotive products (AAPs), with a budgetary outlay of Rs 25,938 crore. It has attracted proposed investment of Rs 72,850 crore, against the target estimate of Rs 42,500 crore over a period of five years. Proposed investment of Rs 43,016 crore is from applicants under Champion OEM Incentive Scheme and Rs 29,834 crore from applicants under Component Champion Incentive Scheme. The scheme shall bring in incremental production of AAT products of over Rs 2.3 lakh crore.

The overwhelming response shows that industry has reposed faith in India's progress as a world-class manufacturing destination.

### How can PLI help increase our share in advance tech global supply chains?

The PLI-Auto Scheme will facilitate the automobile industry to move into higher value-added products. It also provides incentives up to 18% to encourage industry to make fresh investments in indigenous supply chain of advanced automotive technology (AAT) products of PLI Scheme for Automotive Sector.

The scheme incentivises only those eligible AAT products for which minimum 50% domestic value addition (DVA) is achieved. It is expected that DVA will increase to more than 50% during the tenure of the scheme. Other PLI schemes, like those for advanced chemistry cell (ACC), specialty steel, large-scale electronics manufacturing, IT hardware, and semiconductors, will also help in achieving higher DVA for automobile and auto components.

### What could be the reason for higher-than-expected investment commitment in the PLI scheme for automobile and auto components?

There is enthusiasm in the country with respect to AAT products. The focus on zero-emission technology—battery electric vehicles and hydrogen fuel cell vehicles—is also an encouragement. There is an attractive incentive package with this PLI scheme for the automotive sector. Incentives can also be availed of under PLI scheme for advanced chemistry cell (₹18,100 crore) and faster adoption of manufacturing of electric vehicles (FAME) (₹10,000 crore).



## Sanjiv Bajaj Takes Over as CII President for 2022-23

Our Bureau

**New Delhi:** Sanjiv Bajaj, Chairman and Managing Director of Bajaj Finserv Ltd, on Thursday took over as the president of the industry body Confederation of Indian Industry (CII) for 2022-23.

He takes over from T V Narendran, CEO & Managing Director of Tata Steel Ltd.

Pawan Munjal, Chairman and CEO, Hero MotoCorp Ltd has taken over as CII President-Designate for 2022-23 while R Dinesh, Executive Vice Chairman, TVS Supply Chain Solutions takes over as Vice President for this period.



A CII statement said that Bajaj has been engaged with CII for many years at the State, Regional and National level.

He was the President-Designate for 2021-22 and the Chairman of the Western Region during 2019-20.

Bajaj has led CII National Committees on Insurance & Pensions and CII Taskforce on Fintech. He is an alumnus of Harvard Business School, USA and a Member of Board of Indian School of Business, Member of the International Advisory Board (IAB), Allianz SE and the International Technology Advisory Panel (ITAP) of Monetary Authority of Singapore (MAS) and Regional Stewardship Board for India and South Asia 2019-2020 of the World Economic Forum.

## Salary hikes inch closer to pre-Covid levels: TeamLease

Report says median salary increment in FY22 was around 8.13%

VINAY UMARJI  
Ahmedabad, 12 May

Inching closer to pre-Covid levels, median increments in FY22 have been around 8.13 per cent, the latest edition of leading people supply chain company TeamLease Services India's Jobs and Salary Primer Report has found. In the previous edition, the median increment was 7.12 per cent.

According to the report, of the 17 sectors reviewed, 14 have indicated a single-digit hike while e-commerce & tech start-ups, health care & allied industries, and information technology (IT) & knowledge services are the only three sectors to register a salary growth greater than 10 per cent.

Backed by in-depth research covering jobs and payout trends across eight functions, 263,000 temp profiles, 17 industries, and nine cities, the report found that employers are not shying away from rewarding skills, especially niche skills. For instance, the salary hike for super specialised job roles range between 11 per cent and 12 per cent.

In terms of geography, Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Mumbai, and Pune were

amongst the top-paying cities with increments of 12 per cent and above. The report found that most of the sectors had recovered from the Covid-induced slump sectors, with 10 of 17 indicating a progression rate of 7-10 per cent with the rest growing at 5-7 per cent.

TeamLease Services' Co-founder and Executive Vice President Rituparna Chakraborty said while the increments were yet to reach the double-digit hikes, the phase of salary de-growth and stagnation that had been hovering across the job market in the past two years was nearing its end.

"The revival, coupled with the growing appetite for roles across profiles and sectors, indicates that the modest approach will soon taper off and push the increments to reach the pre-Covid level," she said.

Among its key findings, the report saw a growing interest from India Inc towards 'hot and upcoming' jobs, such as cutting-edge, new-age roles that keep businesses ahead of the curve. According to the report, while in FY21 only five out of the 17 sectors had created such hot jobs, close to nine sectors created the same in FY22.