ACMA
(Western Region)

Press Reports on Automotive Industry 2022-23

Automotive Component Manufacturers Association of India

(Western Region)

Mumbai

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PRESS REPORTS ON AUTOMOTIVE INDUSTRY

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PRESS REPORTS
ON
AUTOMOTIVE INDUSTRY

Business Standard 13th October 2022

Strong operational show to drive Q2 for auto firms

Easing chip supply, demand for premium models and price hikes at play

SHALLY SETH MOHILE
Mumbai, 12 October

A strong operational performance, which was aided by a brisk volume growth across segments, is expected to drive earnings at auto companies for the quarter ended September.

Easing shortage of semiconductors enabled companies to ramp up production and this gave them the much-needed operating leverage.

There was a strong preference for premium models, and coupled with price hikes, this boosted profitability at the firms.

At an aggregate level, net profit at auto firms (excluding Tata Motors) is estimated to increase by a fourth for the July-September quarter over a year ago to ₹6,388 crore, according to Bloomberg's earnings estimate.

Net profit is expected to rise 7.4 per cent quarter-on-quarter with the underlying recovery. Net sales are also expected to go up 17 per cent year-on-year (YoY) on the back of good volume run.

"For the second quarter in a row, we expect earnings before interest, tax, depreciation and amortisation (EBITDA) margin to improve by 310 basis points (bps) YoY and 130 bps Q-o-Q for the auto universe," said a research note from Motilal Oswal.

This has been led by price hikes and operating leverage, despite the residual impact of an increase in raw material cost.

Car market leader Maruti Suzuki is expected to report healthy earnings with profit increasing by 65 per cent to ₹1,708 crore (YoY), according to Bloomberg's estimates.

An improved mix of models is likely to expand the company's ebitda (earnings before interest, tax, depreciation and amortisation) by 189.8 per cent to ₹2,483 crore.

RESULTS PREVIEW

On a consolidated basis, Tata Motors is expected to trim its losses to ₹1,167 crore during the September quarter from ₹5,007 crore in the year-ago period.

Net sales are also estimated to advance by 14 per cent. The recovery will be led by an improved performance of the India business even as JLR remains a drag. A research note on the company by YES Securities expects Tata Motors' consolidated revenue to decline 13 per cent Q-o-Q to ₹62,408 crore. This is because JLR revenue is expected to remain flat in the same period at £4.4 billion.

Mahindra and Mahindra, Bajaj Auto, Ashok Leyland and TVS Motors are also expected to report healthy earnings as the broad-base recovery across segments continues.

Passenger vehicle and commercial vehicle makers are expected to fare better than the two-wheeler makers as the latter continues to suffer from weak demand.

"After operating through several headwinds in the last three-four years, some of these headwinds are turning into tailwinds. While demand recovery is expected to sustain on a low base, commodity prices have started to moderate, with benefits expected to accrue from Q3 of FY23," said the Motilal Oswal note.

It flagged increase in interest rates and weakening global macros as concern areas for demand. Two-wheeler makers such as Bajaj Auto and TVS are likely to see some headwinds in export markets.

Mitul Shah, head of research at Reliance Securities, sees near-term pressure on exports due to currency devaluation. Sales in the domestic two-wheeler segment would cushion overall two-wheeler sales in FY23, he wrote in a research note.

IN NUMBERS

(in ₹ cr)	Q2FY22	Q1FY23	Q2FY23E
Net sales	66,309	81,727	77,416
Ebitda*	9,425	10,286	8,917
PAT**	5,100	5,946	6,388

*Earnings before interest, taxes, depreciation and amortisation; **Profit after tax. E: Estimate
Source: Bloomberg; Compiled by BS Research Bureau

	QoQ	YoY
Net sales (% change)	-5.3%	17%
Ebitda* (% change)	-13.3%	-5.39%
PAT** (% change)	7.4%	25.3%

Business Line 10th October 2022

Good home show turns things around for 2-wheeler makers

ON A ROLL. Shrug off exports dip due to ban on motorcycle taxis in some African countries

Aroosa Ahmed
Mumbai

While 2021 saw two-wheeler exports hitting record highs for different brands, a ban on motorcycle taxis in some African countries saw exports hit the lowest this year in August. On the other hand, demand in the local market has bounced back with sales nearly three times that of exports this year.

As the Indian automobile market opened post-Covid, in 2022, domestic sales of two-wheelers have gained momentum since January. According to data from the Society of Indian Automobile Manufactures (SIAM), August witnessed the highest domestic sales of two-wheelers, with more than 15 lakh vehicles sold. In August, 15,57,429 two-wheelers were sold in the domestic market while 3,03,692 were exported.

Mixed bag

DOMESTIC MARKET

Between January and August, 99,99,876 two-wheelers were sold in the domestic market and 29,11,680 vehicles were exported. Earlier, *businessline* had reported that exports had hit a record high for most two-wheeler brands.

The share of exports in Bajaj Auto's total sales in 2021 stood at nearly 56 per cent against 49.44 percent in 2020. Exports of Bajaj Auto in 2021 grew 32.5 percent to 2.23 million (1.68 million in 2020). TVS Motor's export contribution grew to 34 per cent in 2021 (24.44 per cent). Demand from South Asia, West Africa and Latin America had helped TVS to grow exports by 71 per cent to 1.09 million units in 2021 (6.43 lakh in 2020) and Hero MotoCorp had clocked a growth of 71 per cent in export volumes to 2.89 lakh in 2021 (1.69 lakh in 2020). But now, exports have taken a knock due to the ban on motorcycle taxis, according to experts.

"The export growth rate is on a high base, and hence seems to be on a downfall. The ban on Okadas in key markets in Africa is also starting to show. Domestic sales are also showing some improvement during the festival season," said Hemal Thakker, Director of transport, logistics & mobility at Crisil Ltd.

As the domestic sales of two-wheelers are increasing, experts say rise in inflation, fuel and product prices will continue to impact entry-level consumers.

SINGLE-DIGIT GROWTH

"Domestically, the inventory is also high. But with minor tweaks to OBD II implementation, we should see a high single-digit growth for the current fiscal on an abysmally low base. The impact on a commuter segment of two-wheelers, entry-level cars, and low-ticket consumables is largely on account of income pressures, inflation growth, and increase in ownership costs on account of inflated fuel prices and low-interest rates too," added Thakker.

Business Standard 4th October 2022

RECOVERY TRACKER

Vehicle registrations 15% higher over 2019

Aviation traffic, freight numbers improve

SACHIN P MAMPATTA & KRISHNA KANT
Mumbai, 3 October

Key high frequency indicators of economic activity trended higher in the latest week.

Fifteen per cent more vehicles were registered in the latest week than in the corresponding period of 2019. About 414,000 vehicles were registered in the seven days ended Sunday, compared to around 360,000 in the same period in 2019. This reverses the gap seen in the previous week (*chart 1*).

The Indian Railways recorded higher freight growth numbers. The year-on-year growth in the volume of goods carried came in at 8.91 per cent compared to 7.17 per cent previously. The money it made from carrying these goods, called freight revenue, grew by 13.43 per cent compared to the previous week's 12.26 per cent (*chart 2*).

There were more people taking flights. For example, there were 375,000 passengers on October 2. It was 364,000 on the previous Sunday. There was an average of nearly 2,700 flights taking off every day ferrying passengers on domestic trips (*chart 3*).

Essential shopping picked up in the latest week. Grocery and pharmacy visits rose, shows mobility data from search engine Google. Retail and recreation visits were also higher than before (*chart 4*). Google uses anonymized location data to track how people are moving during the pandemic.

There was a drop in traffic in major cities, shows data from global location technology firm TomTom International. New Delhi traffic was down 51 per cent on Monday morning at 9am. Mumbai traffic fell 45 per cent (*chart 5*).

Electricity consumption inched up last week and the gap over the 2019 levels increased to record highs as generation had declined sharply in corresponding week in 2019. Power producers generated 4,318 million units (MU) of electricity per day on average in the latest week. It was 4,302 million units per day in the previous week. In comparison, power generation was 3246 MU per day during the corresponding week in 2019 (*chart 6*).

Electricity consumption inched up last week and the gap over the 2019 levels increased to record highs

Business Standard tracks these indicators as a way of getting a weekly picture of the economy. Analysts globally have been using similar indicators since the pandemic began as official macroeconomic data is often released with a lag. This provides a more current idea of the economic effects of Covid-19.

The Google data is released with a lag. The latest is as of September 28. Traffic data is as of Monday morning 9am on 3rd October. All other data is as of Sunday, October 2.

PRESS REPORTS ON ELECTRIC VEHICLE

Business Standard 3rd October 2022

Ola Electric eyes stakes in JVs to up raw material supplies

Also in talks for tie-ups with firms that provide elements to make batteries

SURAJEET DAS GUPTA
New Delhi, 2 October

- Cell testing has started at its R&D lab and production will begin by next year-end
- Committed to building a plant making batteries of 20 GWH annually under PLI
- Will soon be ordering equipment to manufacture cells and batteries
- Working with global players of cathodes, anodes and electrolytes – seeking partnership with them to set operations in the Ola EV hub
- Working on R&D for two technologies to make lithium ion batteries. Both will be possible at the plant
- In the initial stages, it would mix its own manufactured cells as well as buy from others
- This will improve Ola's bargaining power with global cell manufacturers

Ola Electric is open to picking up minority stakes in a couple of joint ventures in order to build a robust supply chain of the key raw materials it needs to manufacture advanced cell chemistry batteries.

It is also in talks for partnerships with providers of global anode, cathode and electrolytes which are used to make the batteries in the hope that these providers are keen to open up shop in India and create facilities in the electric vehicle hub which Ola is building. The company has already worked on making its first pre-sample cell in a lab in South Korea and will now test it at its new research and development facility in Bangalore. If all goes according to plan, Ola will be able to produce the first GWH of battery power by the end of 2023. Giving a probable timeline for starting commercial production, Ola chief financial officer Arun Kumar G R explained its manufacturing ambitions. "We will now test the cell in our world class lab which has been operational for over 45 days. Once we go to sample A (the various stages of commercializing the cell) and then sample B which would probably be six months apart, sample C is pretty much commercial production so we need to order equipment soon and hope to have our 1GWH by the end of next year," said Kumar.

Explaining its strategy to ensure key raw materials which have to be sourced from abroad such as lithium, cobalt and nickel, he said the company was ready. "As we speak, we have a mining delegation which has come to visit our plant. On raw materials, we have to dig deep in the supply chain and figure out what contracts at what stage and with whom. We could end up being associated with a few joint ventures in which we are minority partners," said Kumar.

The strategy makes sense considering that Chinese companies have control over raw materials globally by virtue of having acquired some companies or taken stakes in them.

For other elements in the making of the battery, Kumar said Ola is venturing into partnership with anode, cathode, and electrolyte providers.

"They are keen to open shop in India as part of our own EV hub. The government is keen that we build a supply chain in India," he said.

Ola Electric is one of three players which are eligible for incentives of Rs 18,100 crore under the Production Linked Incentive scheme for setting up advanced chemistry cell battery plants. Ola Electric has committed to set up a plant for batteries of 20 GWH annually. The company says that, in terms of technology choices for building a lithium ion battery, there are two different chemistries: NMC batteries which use nickel manganese and cobalt oxides or batteries made with lithium iron (ferrous) phosphate or LFP. "While Ola is comfortable developing indigenous technology with NMC, in the next 18-24 months we will also do research on LFP, as both are changing fast," said Kumar.

The plan is to enable both the technologies in its manufacturing plant.

While LFP technology, as Kumar explains, is used in vehicles where space is not a constraint such as in commercial vehicles, NMC, on the other hand, has high density, enables high performance and is used for two wheelers and four wheelers.

Ola will not initially make batteries which have 100 per cent of the cells coming from its own plant; it will buy cells from others too.

"To the extent that we may not have caught up with the volumes we require, we will substitute by buying some cells from global companies as vehicle volumes will also go up. We will have a mix and at some point, we will be completely indigenous. But currently it will give us tremendous bargaining power with other cell players," said Kumar.

Ola's R&D centre will also undertake research in other areas such as sodium ion batteries, the design of a chip for artificial intelligence, and dry coating batteries whose capex is 30 per cent lower than liquid coated batteries.

Kumar said that the journey that Ola has embarked on is essentially an indigenous discovery of technology because the basic technology is already available.

"The basic chemistry is the same. We can change proportions, in areas where there are Ips, we will find a different process or way to do the same. For instance, we will work on electrolytes which could perhaps make it possible for the charging time to be reduced," he said.

The Economic Times 8th October 2022

'Hero Moto will Bring in More Affordable E-Bikes in Future'

Co open to spinning off emerging mobility business, says chairman

Sharmistha.Mukherjee
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...at Hero, the requirement for cash, the investment into EVs will be lesser than some of the others because of our infrastructure

PAWAN MUNJAL
Chairman, Hero MotoCorp

Kukas (Jaipur): Hero MotoCorp, a relative straggler in the capital markets lately because of tepid demand for its commuter segment two-wheelers, on Friday entered the world of EVs with the promise of democratising the powertrain through introduction of future models that chairman Pawan Munjal said wouldn't require buyers to break the bank.

Munjal said Hero remains open to spinning off its emerging mobility business unit should volumes and future market share demand such a structure. "We are starting with, shall I say, a premium product but that doesn't mean we will never have a more affordable product than this in terms of pricing. Surely, they will be going forward," Munjal said on the sidelines of the launch of electric scooter VIDA V1 at the Centre for Innovation and Technology (CIT) near Jaipur on Friday.

The VIDA V1 comes in two variants—Plus and Pro—priced at ₹1.45 lakh and ₹1.59 lakh (ex-showroom), respectively. The electric scooter will be available for sale in Delhi, Bengaluru and Jaipur initially, with eight more markets planned for addition once deliveries commence in December this year. The VIDA V1 has been developed at CIT, in collaboration with engineers at Hero Tech Centre near Munich, Germany. Munjal explained the emerging mobility business unit (EMBU) itself is a separate vertical, which functions as a startup, backed by Hero's infrastructure, resources and tech.

"And with Hero's balance sheet today, there is sufficient cash available. I also believe that at Hero, the requirement for cash, the investment into EVs will be less than some of the others because of our infrastructure," Munjal said. "Having said that, as we go along, as we grow in volumes, as we grow the market share, we are always evaluating the structures how we want to go financially."

Several companies, including Tata Motors, have spun off subsidiaries to raise investments for expanding EV ventures.

New Space Tech can Charge EVs in 5 mins: NASA

Washington: A new NASA-funded technology for future space missions may charge an electric car in just five minutes on Earth, paving the way for increased adoption of such vehicles. Researchers at Purdue University in the US developed the Flow Boiling and Condensation Experiment (FBCE) to enable two-phase fluid flow and heat transfer experiments to be conducted in the long-duration microgravity environment on the International Space Station. —**PTI**

Business Line 15th October 2022

Tariff hike for charging stations 'threatens viability of EVs in TN'

G Balachandar
Chennai

The new tariff structure order of the Tamil Nadu Electricity Regulatory Commission for electric vehicle (EV) charging points is seen as a move in the wrong direction as the rate is now double the commercial tariff, say operators of EV charging stations.

The charges per kWh have increased 49 per cent from ₹8.05 to ₹12 for peak hours. But, more alarmingly, according to operators, the fixed charges have been increased from ₹70 to ₹300 per kW (for 51-112 kW connections) and to ₹550 (for above 112 kW).

"Under the new tariff, the per km charge for an EV user in Tamil Nadu is estimated at more than ₹3.50, which is reported to be higher than in other States," said Awadhesh Jha, Chairman, Indian Chargepoint Operators Association.

SHOCKED. Under the new structure, charges have been increased 49% from ₹8.05 to ₹12 for per kWh during peak hours

'CRITICAL TIME'

In January, the Union Power Ministry had recommended that all regulators and State Discoms be exempted from fixed demand charges till 2025. "Since the next 2-3 years will be critical for EV adoption, State governments should encourage the EV ecosystem. We understand that Discoms would look for additional revenue. But if charging stations don't offer viability, investors will lose interest," Jha said, adding they have sought support for three years.

Report p2

The Economic Times 11th October 2022

NEW POLICY FOR PROMOTING E-MOBILITY

Major Rly Stations to Install EV Charging Points in Three Years

Twesh.Mishra
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New Delhi: The Indian Railways will install electric vehicle (EV) charging stations at all major railway stations in the country in the next three years under a new policy of promoting e-mobility.

According to a policy document, seen by **ET**, railway stations in mega cities with a population of more than four million each will be taken up in the first phase.

It envisages installation of EV charging stations at the railway stations in Mumbai, Delhi, Bengaluru, Hyderabad, Ahmedabad, Chennai, Kolkata, Pune and Surat by December 2024.

The move is aimed at significantly curtailing the use of internal combustion engine (ICE) vehicles by 2025 for the Indian Railways' internal use, as part of its endeavour to be a net zero carbon emitter by 2030.

A two-pronged strategy has been proposed that focuses on the adoption of EVs and on proliferation of affordable and accessible charging infrastructure at railway stations.

All railway stations in big cities with a population of more than a million and in mega cities with population of more than four million will be taken up in the second phase, which will culminate in December 2025.

The remaining electrified stations on the Indian Railways network will have EV charging stations installed by December 2026, based on feasibility studies by the zonal railways on a case-by-case basis.

The EV charging stations can be set up through a budgetary grant with the zonal railway owning the stations. The other option is the developer mode, under which the charge point operators invest in setting up EV charging stations and pay a licence rent to the railways.

The policy targets phasing out ICE use at Railway Board, zonal offices, production units and workshops. Under the policy plan, 20% ICE vehicles will be phased out by December 2023 at these locations. This will be increased to 60% by December 2024 and 100% by December 2025.

On E-Mobility Track

Target for installing EV charging stations:

- **Dec 2024**: Railway stations in mega cities with more than 40 lakh population
- **Dec 2025**: Stations in big cities with more than 10 lakh population
- **Dec 2026**: All remaining stations, based on feasibility

Business Standard 12th October 2022

Start-up EV makers allege partial treatment, halt of FAME subsidies

Transfers not halted to firms that submit required documents: Govt sources

SHALLY SETH MOHILE & NITIN KUMAR
Mumbai/New Delhi, 11 October

Start-ups manufacturing electric two- and three-wheelers have alleged they are not getting subsidies under the second phase of the Faster Adoption and Manufacturing of Electric Vehicles (FAME II) scheme even though some established, large manufacturers are receiving them. Subsidies of ₹200-300 crore remain unpaid, said executives of various start-ups.

Players like TVS Motor Co, Bajaj Auto, Ola Electric, and Mahindra Electric continue to enjoy benefits, they said. Sources at these firms said they had been getting reimbursements without delay.

To get FAME-II benefits, manufacturers must do 50 per cent of value addition locally. A government audit at a few e-two-wheeler companies is underway for alleged non-compliance with localisation norms under FAME II.

For some like Hero Electric, Okinawa Auto Tech, Ampere Electric and Rattan India's Revolt, non-payment is related allegedly to this.

The founder of an electric two-wheeler start-up said: "We don't understand this differentiated treatment. The worst part is, all this is being done without even an audit."

Uday Narang, founder and chief executive officer (CEO), Omega Seiki Mobility, said "the non-payment of subsidy has led to serious cash flow issues". Omega Seiki Mobility had plans to double its capacity from 500 units a month to 1,000 units but has now deferred the expansion. "I don't know how long this will continue," said Narang.

Amitabh Saran, founder and CEO at Altigreen Propulsion Labs, too said his firm had not received the subsidy.

In a bid to jump-start electric mobility in the country and bridge the price-gap funding between fossil fuel-based vehicles and electric vehicles, the government launched the second phase of the FAME scheme in 2019. Turn to Page 6 ▸

SUBSIDY FINE PRINT

Electric two-wheelers:
₹20,000 to ₹55,000 per unit

Electric three-wheelers:
₹75,000 to ₹1,00,000 per unit

₹10,000 crore Outlay of FAME II scheme for 3 years, starting April 1, 2019

1.5 million Electric two- and three-wheelers to be supported by incentives

Source: Ministry of Heavy Industries

FROM PAGE 1

EV...

Depending on the model, the FAME-II subsidy on an e-two wheeler ranges from ₹20,000 to ₹50,000. For e-three wheelers, it ranges from ₹75,000 to ₹1 lakh.

A senior official from the Ministry of Heavy Industry refuted the allegations.

"The ministry doesn't halt transfers of subsidy to any company that has submitted the required documents for it. The subsidy is given after the company applies for it. The process takes 15-20 days," he said.

The incentives under the scheme are given to several categories of vehicles using advanced batteries.

To begin with, the subsidy tap for Hero Electric and Okinawa and a few others was turned off by the ministry sometime in May after it received complaints about them.

"The ministry took action on the direction of the Prime Minister's Office after it got a complaint from an e-two wheeler manufacturer regarding Hero and Okinawa," said the ministry official.

The ministry has not formed any committee to investigate the matter. As of now, it has asked the companies to explain if they are importing products. Action will be taken only after verifying the claims, the official said.

As of now, there are no plans to probe other electric-vehicle segments for localisation, the official added.

A spokesperson for Hero Electric declined to comment.

Everything in an electric vehicle is sourced, unlike the internal combustion engine, where a lot of in-house manufacturing is done, said an official at a company being audited by the Automotive Research Association of India to ascertain if it meets localisation norms.

The spokesperson at Greaves Cotton declined to comment.

A spokesperson at Okinawa Autotech said the company had been following the FAME-II and other guidelines notified by the government.

The Economic Times 15th October 2022

SOP for EVs lays stress on parking & charging safety

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TO PREVENT FIRES AND BLASTS

SOME RULES FROM SOP

- All electrical installation work for charging station shall be carried out by licensed electrical contractor approved by state government
- Where rapid charging points, known as DC fast charge and operating at 500V DC are provided, these should be clearly differentiated from conventional charging points because of hazards associated with direct current
- Charging bays should be signed and marked prominently

RECENT EV BATTERY EXPLOSION DEATH

A seven-year-old boy suffered serious burns after the battery of his father's electric scooter exploded thaas it was charging in their living room in Vasai on September 23. The boy succumbed to his injuries

Mumbai: Parking of vehicles other than electric vehicles (EVs) will now be prohibited in designated charging areas in housing societies and malls. E-scooters cannot be taken to different floors or individual flats for charging.

These rules are part of the detailed standard operating procedure (SOP) issued by the state government recently in the wake of EV fires.

"Maharashtra is the first state to come out with the guidelines," said Kaustubh Gosavi, consultant (sustainable cities and transport), WRI India, on Friday. "This advisory will help guide citizens to install individual EV charging points in a safe way, avoiding harm to human life."

The BMC has also distributed a copy of the guidelines among senior officials.

The SOP, a copy of which is with **TOI**, said the "parking of other vehicles in charging areas should be prohibited. In some cases, the introduction of barriers or other physical measures to prevent charging bays being used as conventional parking spaces, may need to be considered."

It stated that for e-scooters/bicycles with detachable/portable batteries, owners shall not use household 15A/3-pin switch sockets for charging. Dedicated EV charger conforming to standards will be installed to prevent fires. The SOP will be applicable to all multi-storey buildings, including residential buildings, hospitals, malls and hotels, across the state.

The SOP stated: "Where charging points are to be provided in multi-storey car parks, consideration should be given to locating these in the open air at roof deck level to minimise potential for fire spread within the structure. All electric vehicle charging points shall be installed so that any socket-outlet of supply is at least 800 millimeters above the highest flood level. Also, charging points should be child-proof and preferably installed away from any children's play area."

State chief electrical inspector Dinesh J Khonde said the number of EVs in the state was close to 1.5 lakh and rising. "While acknowledging the growth trajectory, it is imperative to ensure that electrical and fire safety standards are followed across all EV charging stations," Khonde said.

The SOP prohibits charging within 10m of combustible materials, or 15m of hazardous installations such as transformers, inflammable liquid stores and liquefied petroleum gas tanks.

The Economic Times 12th October 2022

Govt Buys EVs from Users to Take Apart and Check for Local Parts

Dozens of EVs bought back to check for EV subsidy misappropriation

Nehal.Challawala @timesgroup.com

Mumbai: Dismantle and investigate is the new approach being adopted by the government to get to the bottom of the alleged electric vehicle (EV) subsidy misappropriation scam.

On a direction from the heavy industries ministry, dozens of electric two-wheelers have been bought back from customers to pull them apart and inspect whether the manufacturers have violated the localisation rules under the government's flagship EV-promotion scheme, Faster Adoption and Manufacturing of Electric and hybrid vehicles in India (FAME-India). The Automotive Research Association of India, Pune and International Centre for Automotive Technology, Manesar are conducting the inspection, people with direct knowledge of the matter said, speaking on the condition of anonymity as the details are not public. Their report is expected in a few days, one of the people said.

> "There have been allegations of some cos flouting localisation guidelines and using imported components, mostly from China, despite their assertions to the contrary when claiming subsidies"

Disassembling the vehicles will give "irrefutable proof" as to whether the components used in a vehicle sold with subsidy are locally sourced as per the guidelines or are imported, the people said.

The inspection covers multiple units of all the electric two-wheeler makers who have availed of subsidies under the FAME-India scheme. The vehicles for testing are chosen at random and bought from customers in various cities after explaining to them the reason for this exercise.

FOR FULL REPORT, GO TO www.economictimes.com

PRESS REPORTS
ON
COMMERCIAL VEHICLE

Business Line 7th October 2022

CV sales on stable path, but previous peak miles away

SMOOTH RIDE. Demand outlook remains favourable on the back of strong infra push

G Balachandar
Chennai

Despite strong and stable growth in sales over the past several months, the CV industry, the medium and heavy commercial vehicle segment (M&HCV) in particular, is still some time away from the previous peak volume.

After hitting a peak in FY19, CV sales fell sharply by 29 per cent in FY20, and 21 per cent in FY21. While the current fiscal saw the industry record strong growth in volumes, it will take some more time for the industry to reach its previous peak as the volume decline, which was caused by multiple factors, was massive.

BOUNCING BACK. The recovery in the post second-Covid wave period has been strong despite the rise in the cost of trucks SRIRAM MA

AXLE LOAD NORMS

The CV industry slipped into a slowdown phase after the revised axle load norms were announced in 2018. They came at a time when volumes were at their peak. The new norms led to the creation of at least 15-20 per cent excess capacity, especially in the M&HCV segment. This was followed by a sluggish freight scenario, the transition to BS VI, which led to higher acquisition costs for trucks, and the pandemic phase. The industry went through a bumpy ride from H2 of FY19 to H1 of FY21.

While the recovery began in H2 of FY21, the second wave of the pandemic caused some temporary disruption. However, the recovery in the post-second wave period has been strong despite the rise in the cost of trucks. The government's aggressive push to revive the economy with massive spending on infrastructure development aided the CV industry's recovery and the demand for trucks has remained robust.

"After two consecutive years of severe disruptions, which saw the domestic CV industry shrinking by almost half (FY21 vs FY19), the industry grew by 26 per cent in FY22 over FY21. The growth in demand has been broad-based, across regions and segments," says Girish Wagh, Executive Director, Tata Motors Ltd.

While M&HCV, I&LCV (intermediate & light commercial vehicles), and passenger segments grew by 104 per cent, 138 per cent, and 341 per cent respectively in Q1FY23, the September quarter also proved to be healthy for all categories, improved sentiments of fleet owners and economic activities.

The M&HCV industry reported a total volume of about 89,000 units during Q1 of FY19. In Q1 of this fiscal, volumes were at about 76,000 units. With strong growth in the September 2022 quarter by all leading players, the volume gap between the FY19 level and this fiscal is expected to narrow further.

"However, the FY23 volume numbers are not expected to reach the previous peak," says Wagh.

ECONOMIC GROWTH

Gopal Mahadevan, Director & CFO, Ashok Leyland, pointed out that excess capacity created by the axle load norms has been consumed. September quarter volumes were good on the back of general economic development.

Stable growth is expected and there is a hope that the overall volumes would reach close to pre-axle load norms by the end of this fiscal if the current trend continues, he said.

The demand outlook remains favourable for the industry in FY23 on the back of a strong drive on infrastructure spending by the Government.

While sectors such as e-commerce, FMCG, FMCD, construction, mining, steel, and the cement will continue to drive demand in the M&HCV and I&LCV categories, the SCV (small commercial vehicle) segment is expected to grow on the back of resilient demand from the agriculture, dairy and e-commerce sectors.

Also, recovery in buses to continue helped by the reopening of offices and schools and increased activity in the tourism sector.

But, there are concerns too due to fuel price hike and high interest rates.

PRESS REPORTS
ON
TRACTORS

Business Line 10th October 2022

Tractor industry hits a green patch as Sept volumes zoom

G Balachandar
Chennai

September proved to be a strong month for the domestic tractor industry as sales more than doubled on a month-on-month basis and registered a 23 per cent growth on year-on-year basis despite the high-base effect. Total tractor production during the month was the highest ever in this calendar year.

This is the first month that domestic tractor sales have recorded a year-on-year growth after April.

POSITIVE SALES

Total domestic tractor volumes stood at 113,686 units in September, compared with 52,691 units in August. Compared with volumes of 92,465 units in September 2021, sales grew 23 per cent this September. Also, last month's volumes were the second-highest monthly number in the past 12 months, according to data provided bythe Tractor & Mechanization Association (TMA).

The strong y-o-y growth of 23 per cent is attributed to the inventory build-up before the festive season and positive farmer sentiments. Tractor makers are upbeat about the festive season sales.

RAPID GROWTH. The domestic tractor industry registers a 23 per cent growth on a year-on-year basis

Top tractor maker, Mahindra & Mahindra (M&M) reported a 21 per cent increase in its September volumes at 47,100 units, while Sonalika Tractors reported its highest-ever monthly sales of 18,619 units. Escorts Kubota's tractor sales this September grew 43 per cent at 11,384 units.

Hemant Sikka, President-Farm Equipment Sector, M&M, said the company recorded its highest-ever monthly sales in September 2022, supported by strong demand owing to the festive boost, which the company expects to continue this month as well.

For H1FY23, total domestic tractor volumes have grown 10 per cent to 4.87 lakh units compared with 4.41 lakh units in the April-September 2021 period.

Total tractor production during September 2022 stood at 104,698 units against 98,745 units in August 2022 and 100,160 units in September 2021.

EXPORTS

Exports for September 2022 stood at 11,320 units against 12,690 units in September 2021 and 12,118 units in August 2022. For the April-September 2022 period, exports grew 13 per cent to 70,420 units.

Industry analysts say the exports are expected to rise 8-10 per cent this fiscal. Demand for Indian tractors has been high in Bangladesh, the US, Mexico and the European Union. Tractor makers are increasingly focussing on growing their exports and have been rolling out products in 90-120 HP category to target some major markets..

PRESS REPORTS
ON
COMPANY NEWS

Business Standard 14th October 2022

Toyota marks turnaround in India, reports highest profit in four years

DEEPAK PATEL &
SHALLY SETH MOHILE
New Delhi/Mumbai, 13 October

TOYOTA KIRLOSKAR'S PERFORMANCE OVER THE YEARS

	FY17	FY18	FY19	FY20	FY21	FY22
Sales turnover (₹ cr)	21,151	18,998	19,633	15,666	13,181	19,563
Net profit (₹ cr)	557.7	965.7	407.6	187.8	-55	518.8
Domestic unit sales	143,364	140,645	150,525	114081	93,124	100,494

Source: Company

A strong volume run and frequent price hikes helped Toyota Kirloskar Motor (TKM) turn around its loss-making operations and post its highest net profit in four years in the last fiscal year (FY22).

The turnaround shows that in addition to the cost optimisation initiatives at TKM and an increase in the average selling price of its own models, the four-year old global alliance between Toyota Motor (TMC) and Suzuki Motor (SMC) has started paying off. The partnership involves sharing and cross badging of models and technologies, said analysts.

The company logged a net profit of ₹518.8 crore in FY22 compared to a net loss of ₹55 crore in FY21, according to the financial documents submitted by the company to the Registrar of Companies. (*see chart*).

Swapnesh R Maru, executive vice-president, Finance and Administration, TKM told Business Standard, "Profit for the FY 2021-22 is mainly attributed to the contribution by TKM manufactured models, apart from various cost reduction and revenue enhancement measures undertaken by company."

"Higher unit sales, which has been driven by TKM's own models and supported by the re-badging strategy with Maruti has aided profitability," said Ravi Bhatia, president and director at JATO Dynamics.

"The strategy has helped the firm in amortisation of expenses and fixed costs. A sharp increase in prices, which has been higher than the increase in raw material prices, too has boosted profits," he added.

Starting with the Glanza (the rebadged Suzuki Baleno) in June 2019 and the Urban Cruiser Hyryder(re-badged Suzuki Vitara) SUV that went on sale this month, the two companies are now gearing up for the launch of a C-segment multi-purpose vehicle later this fiscal, TKM said in the filing.

"Your company is preparing for CMPV (C-segment multi-purpose vehicle) launch in FY23, which is produced not just for company but also will be the first cross badge Toyota vehicle being offered to MSIL (Maruti Suzuki India Limited)."

The global collaboration between two Japanese giants was announced in FY19 for mutual supply of products and components. The tie-up included swapping of models between their Indian subsidiaries – TKM and MSIL.

TKM has been successful in meeting its first year sales targets of both the Glanza and the Urban Cruiser launched in the A-SUV (A-segment sport utility vehicle) segment in 2020, the documents stated. TKM also started export of service parts and accessories of cross-badge vehicles to Africa in 2020, it said.

The company has worked towards meeting the mobility needs of consumers. Maru mentioned: "Our focus in India has always been to introduce advanced products that are not only safe but also environment friendly." In reference to the Hyryder's response, said Maru, "the new offering has received tremendous appreciation from our customer."

The Economic Times 5th October 2022

Mahindra Eyes $200-million GMV from Farming-as-a-service Vertical by 2025

To offer affordable and accessible farming tech and services to farmers via Krish-e vertical

Ketan.Thakkar@timesgroup.com

Mumbai: To grab a pie of the $600 billion agriculture market beyond tractors, Mahindra & Mahindra is eyeing $200 million of gross merchandise value through its farming as a service vertical Krish-e by 2025.

Through Krish-e, Mahindra aims to offer affordable and accessible farming technologies and services to over 2 million farmers, enabling the company to engage with them throughout the entire value chain of farming — right from offering advisory services, selling inputs like seeds and pesticides, and offering mechanised equipment and tractors on rent via a subscription or pay-per-use model.

Launched just around the time of the Covid pandemic, Mahindra is expecting Krish-e to grow its GMV four to five times from its current base of $40 million.

With an Omni channel approach, Krish-e services can be available through the Krish-e suite of digital apps, the Krish-e call centre and through over 100 Krish-e dealers. The company eventually wants to extend Krish-e to all 2,000 Mahindra & Swaraj dealers.

Ramesh Ramachandran, SVP, farming as a service head (FAAS) of farm sector strategy at Mahindra & Mahindra, said the tractor market is getting increasingly competitive and the idea was how Krish-E can help Mahindra approach the customer in a differentiated manner and affect the lives positively at every step of farming.

"The FAAS exists to improve the income per acre for the farmer and others in the agricultural ecosystem, so it's very focused on income improvement in a sustainable manner, primarily for the farmer, but also for service providers to inform others in the agricultural ecosystem, where Mahindra plays a role of catalyst," said Ramachandran.

India has about 2 million tractor rental entrepreneurs. It is a large unorganised market with roughly about ₹30,000 crore of business done annually. Ramachandran believes the rental farming solutions will open the market for advanced farm machinery as well as the precision farming market, which is still largely undefined.

Krish-E was formed by bringing together different parts of the Mahindra group or farm equipment business and integrated to offer a coherent value proposition to the farmers. Samriddhi, the advisory service from Mahindra Agri Solutions, My Agri-Guru App, Tractor rental arm Trringo and the precision farming decision, all came together under Krish-E to offer a comprehensive ones-top shop solution three years ago.

Ramachandran says with agriculture increasingly becoming technology intensive, over the last few years, Mahindra has worked with several startups across the agri-value chain.

Business Line 7th October 2022

Merc hopes to resume annual sales of over 15,000 units from this year

G Balachandar

Chennai

Mercedes-Benz India said it hopes to resume its annual sales volume level of 15,000 plus units from this calendar year. The company's luxury car volumes were on a strong growth curve in the past. It clocked annual volumes of more than 13,000 units in 2015 and 2016, and more than 15,000 units in 2017 and 2018. Its previous highest annual sales were in 2018, when it sold 15,538 units.

However, the following years proved to be challenging due to macroeconomic headwinds in 2019 and the pandemic in 2020 and 2021.

MADE IN INDIA. Martin Schwenk, MD and CEO, Mercedes-Benz India, at the launch of the EQS 580 4MATIC electric car in Chennai on Thursday BIJOY GHOSH

STRONG DEMAND

While it witnessed improvements in demand in the post-second wave period in 2021, this calendar year started well as it clocked the best-ever volumes in the March 2022 quarter. Supported by strong pent-up demand, a host of new launches and attractive schemes, its sales started to increase this calendar year, supported by a strong order book amid production constraints. "On the demand side, it is the strongest ever for our brand. But we still have capacity constraints. We had a very good production and sales in September, and we are aiming for growth not just for the September 2022 quarter but also for the calendar year 2022. We hope to end 2022 with sales of more than 15,000 cars. We currently have an order book of 7,000 units," Martin Schwenk, MD and CEO of Mercedes-Benz India told *businessline* during the launch of its locally-made electric car – EQS 580 4Matic here.

"We don't see change in sentiments and we are trying to deliver as fast as possible to meet customer requirements," Schwenk added.

Mercedes-Benz India sold 7,573 units during the January-June 2022 period (as compared to 4,857 units in H1 of 2021). Its September 2022 performance is expected to be strong, and the sales numbers will be announced next week.

Business Line 4th October 2022

Tata Motors retains No. 1 spot in UV space

G Balachandar
Chennai

HOT FAVOURITE. With strong pent demand and new launches, the UV segment witnessed heightened action REUTERS

Leading automaker Tata Motors has managed to retain its leadership position in the domestic utility vehicle (UV) space despite intense competition in the segment.

In the first quarter of this fiscal, Tata Motors displaced Maruti Suzuki to become the No.1 player in the UV segment, supported by strong volume growth of its new SUVs.

With strong pent demand and a slew of new launches, the UV segment witnessed heightened action and players like Mahindra boosted the presence with a significant increase in volumes amid production constraints due to chip shortage. Leading players like Maruti and Hyundai also introduced new products to regain their presence and market share. But, with robust demand for its SUVs such as Nexon and Punch and growing response to other products such as Harrier and Safari, Tata Motors' sales exhibited a strong upward curve in the September quarter. According to data, Tata Motors sold 181,481 units in the UV segment during the first half of this fiscal. The company sold 87,943 units in Q1 of this fiscal and 93,538 units in the September quarter. Over the past two quarters, SUVs made up for about two-thirds of the company's total PV sales. In Q1, SUVs accounted for 68 per cent of PV volumes.

"Led by record-setting sales of Nexon and Punch, SUV sales contributed a rich 66 per cent of the quarterly (September) PV sales. Going forward, we expect the festival season will witness strong retail on the back of an improving supply of vehicles," said Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles Ltd.

OTHER PRODUCTS

With an impressive new SUV product line-up, Mahindra's sales have been zooming in recent months. Last month, it clocked the highest ever monthly SUV sales of 34,262 units.

As a result, the company secured No.2 position in the segment by pushing Maruti to the third position. Mahindra's total UV volumes, including SUVs, stood at 167,052 units in H1 of this fiscal, while Maruti's total volumes were at 163,630 units. Hyundai has occupied the Number 4 position, followed by Kia.

The competition in the UV space is set to intensify further in the coming months. Most of the players are sitting on a huge backlog of orders and with some easing of chip issues, the companies are expected to ramp up production to meet the delivery schedules.

Business Line 11th October 2022

Tata Motors global sales up 33% in Sept quarter

Press Trust of India
New Delhi

Tata Motors on Monday reported 33 per cent increase in global sales, including that of Jaguar Land Rover to 3,35,976 units in September quarter 2022. It had sold 2,51,689 units in the same period last year.

Global wholesale units of all Tata Motors' commercial vehicles and Tata Daewoo range in the quarter stood at 1,03,226 units, up 16 per cent from 89,055 units a year ago, the company said in a statement. Global sales of all passenger vehicles were at 2,32,750 units in the quarter as against 1,62,634 units in the year-ago period.

Global sales of JLR stood at 89,899 units in the period under review. While Jaguar wholesale stood at 16,631 vehicles, Land Rover wholesales were 73,268 units. JLR had sold 78,251 units in July-September last fiscal year.

WEBSITE GLITCH

Tata Motors on Monday said its website faced temporary glitches as customers rushed in to book its recently introduced electric hatchback Tiago.ev.

Bookings for the model commenced on Monday and deliveries are expected to commence from January next year.

"We are overwhelmed with the response to the Tiago.ev at our dealerships and on our website. With thousands of customers rushing to book online at the same time, the website slowed down for a bit and is restored. We regret the inconvenience to our customers," Tata Motors Passenger Vehicles Managing Director Shailesh Chandra said in a statement.

All customer enquiries and booking-related concerns are being suitably addressed, he added.

Tiago EV is now the most most affordable in the company's e-vehicle range.

Business Standard 7th October 2022

Porsche overtakes Volkswagen as Europe's most valuable carmaker

REUTERS
Berlin, 6 October

Porsche took pole position as Europe's most valuable automaker on Thursday, overtaking former parent Volkswagen as the price of the sportscar maker's newly-listed shares sped higher.

Although Porsche shares had fallen below its listing price on Monday to 81 euros, in line with a wider fall in markets, they rose to 93 euros ($91.95) earlier on Thursday, giving the sportscar brand a market valuation of 85 billion euros.

They later eased to 91.04 euros by 1308 GMT but the company's valuation was still well above that of Volkswagen at just under 84 billion euros.

Porsche's share price regained momentum after investment banks involved in its flotation had purchased almost 3.8 million shares for 312.8 million euros as part of the so-called greenshoe option, designed to support a listing.

Volkswagen is valued at 77.7 billion euros with Mercedes-Benz third among European carmakers with a 57.2 billion euro valuation, followed by BMW at 47.5 billion euros and Stellantis at 39.7 billion.

"Inflation data from Europe and the United States, recent worries over energy supply in Europe and the escalation of the war in Ukraine last Thursday led to fluctuations which made small-scale stabilisation measures necessary," a spokesperson for Volkswagen said.

Business Line 14th October 2022

Tata Motors, M&M take UV pole position in H1

Overtake Maruti Suzuki, Hyundai, which sold the most in the same period last year

S Ronendra Singh
New Delhi

Tata Motors emerged the leader in domestic utility vehicle/sports utility vehicle segments in April-September, selling 1,82,481 units, followed by Mahindra & Mahindra at 1,67,052 units and Maruti Suzuki India at 1,63,630 units.

Both the home-grown companies have overtaken Maruti Suzuki and Hyundai Motor India, which had sold the most number of UVs in the same period last year, at 1,35,079 and 1,22,700 units, respectively.

Top 5 UV sellers in India
in April-September 2022

Company	April-Sept 2022-23	April-Sept 2021-22	% Change
Tata Motors	1,81,481	74,120	145
M&M	1,67,052	92,016	81
Maruti Suzuki	1,63,630	1,35,079	21
Hyundai Motor India	1,52,498	1,22,700	24
Kia Motors India	1,31,962	88,383	49
Total (of top 5 companies)	**7,96,623**	**5,12,298**	**55**

Source: SIAM

RIDING ON NEXON

Among top five UV makers, Tata Motors leads with a market share of 23 per cent, followed by M&M (21 per cent), Maruti (20.50 per cent), Hyundai (19 per cent) and its subsidiary Kia (16.50 per cent). Over the last one year, Tata Motors has been accelerating, with the success of its Punch, Harrier and Safari models, and especially the Nexon including its electric version. In September, of the company's total PV sales of 47,654 units, SUVs numbered 31,795.

"Led by higher exposure to UVs and success of new products, Tata Motors and M&M are outpacing Hyundai and Maruti Suzuki. Going forward, volumes should improve for Maruti Suzuki with the ramp-up of Vitara production and upcoming launches," said a recent research report on automobiles by Emkay Global Financial Services.

According to analysts, UV sales are continuing to outpace sedans and hatchbacks.

"The PV industry witnessed strong demand during the second quarter of this financial year fuelled by the festival season and new launches," Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, had said recently.

DOMESTIC SALES UP

The latest SIAM data corroborates this. Domestic wholesales (dispatch to dealers) of all PVs almost doubled to 3,07,389 units in September against 1,60,212 units in the same month last year.

This is also the highest-ever monthly sales after September 2018.

"We are hopeful that the industry will do well in October, which has two major festivals of Dasara and Diwali," said SIAM President Vinod Aggarwal.

The Economic Times 14th October 2022

Suzuki makes India global mfg hub for two-wheelers

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New Delhi: Suzuki Motorcycles has made India a global manufacturing hub for motorcycles and scooters, which are being shipped to Europe, Latin America, Middle East and the Asean region. The company is making fresh investments and hirings in the country to factor in worldwide sourcing needs.

The company, a fully owned subsidiary of Suzuki Motor Corp, has long been a shadow of its illustrious car-selling sibling, Maruti Suzuki, but is now going global to reach economies of scale and ramp up technologies.

"Making in India is at least 20% cheaper than what we are spending to make in countries such as Thailand and Indonesia. We have a good manufacturing volume in the country, and even the vendor base here is robust," Suzuki India MD Satoshi Uchida said.

Uchida said that Suzuki sold 7.5 lakh two-wheelers last year (28% growth), including around 1.5 lakh units through exports

Electrics in 2 years: Suzuki Motorcycles

New Delhi: Suzuki Motorcycles has started work on an electric scooter for India, and the product — for which a minimum range of 100km on a single charge is being targeted — should be out in two years, VP (sales & marketing) Devashish Hand said. TNN

800 Yamaha workers on strike at TN plant

Chennai: Around 800 employees of Japanese two-wheeler major India Yamaha Motor are on strike from October 11 due to disagreement with the management over union leadership. Yamaha refused to comment on the matter. TNN

Business Standard 11th October 2022

For UN missions, Bharat Forge rolls out 16 Kalyani M4 vehicles to Army

AJAI SHUKLA
New Delhi, 10 October

India's military has a proud record of being one of the leading contributors to United Nations Peacekeeping Operations (UNPKO) all over the world. They have displayed exceptional bravery with one officer — Captain Gurbachan Singh Salaria — winning the highest gallantry award, the Param Vir Chakra, after laying down his life in a pitched battle with Congolese rebels in 1961.

Yet, until recently, Indian contingents used to go into international peacekeeping missions equipped with shoddy, second-hand equipment that contrasted with the gleaming weaponry carried by other militaries.

All that is changing as Indian vehicle and equipment suppliers have begun producing world-class kit.

On Monday, Bharat Forge handed over 16 world-class, made-in-India Armoured Personnel Carriers (APCs), called the Kalyani M4, to the Indian Army for UNPKOs.

According to the defence ministry, the Kalyani M4 is a "Quick Reaction Fighting Vehicle (Heavy), indigenously manufactured by Bharat Forge and capable of carrying an infantry section (10 soldiers) in full combat gear. The Kalyani M4 successfully completed a series of extreme vehicle trials in some of the toughest environments in India. Trials were conducted in the freezing terrains of Leh and Ladakh, and the unforgiving deserts of Rann of Kutch.

"The Kalyani M4s are state-of-the-art APCs that provide unprecedented levels of protection to the occupants against high kinetic energy threats including severe mine blasts and grenades," said a Kalyani Group press release.

Instead of exposing infantry troops to fire from jungles, built up areas, and improvised explosive devices buried in mud roads, up to 10 soldiers can travel protected from blasts. "The (Kalyani M4) vehicle can withstand three tri-nitro-toluene charges under the wheels and one 50 kg IED blast at one side," stated the media release.

That amounts to a STANAG-3 rated protection for the crew and the infantry soldiers inside, said Colonel Rajinder Bhatia (Retired), the defence business chief of the Kalyani Group.

The Army has placed an order for 45 Kalyani M4 APCs, while another 23 APCs are being handed over to Army that are going into UNPKOs

With a combat radius of approximately 800 kms, the Kalyani M4 brings to bear its combat power, in minimum time, in all types of terrain. It is equipped with modern optics and sighting equipment that provide the crew inside with full-time situational awareness. The APC is powered by a 460 Horsepower engine from Cummins.

"The Kalyani M4 today is the best mobility platform available in the world and variants such as the ambulance and command post vehicles have been delivered to the Indian Army in the past," said Bharat Forge in its media release.

The Army has placed an order for 45 Kalyani M4 APCs, while another 23 APCs are being handed over to Indian Army units that are going into UNPKOs.

"Keeping crew safety and vehicle performance as paramount factors, the Kalyani M4 has been ergonomically and aesthetically designed to allow the crew to perform their duties in an optimum manner," stated Amit Kalyani, deputy managing director of Bharat Forge.

Business Line 13th October 2022

10 yrs of BharatBenz: Daimler India to launch 10 new trucks, be a niche player

G Balachandar
Chennai

Daimler India Commercial Vehicles (DICV), which is celebrating 10 years of selling BharatBenz brand of trucks and buses in India, has charted a major 'product offensive' strategy with a plan to roll out 10 new trucks even as the truck and bus arm of Germany's leading auto giant Daimler Truck AG seeks to be a niche player in the Indian CV market.

After unveiling its BharatBenz brand in India in February 2011, the company began its commercial vehicle journey by introducing three BharatBenz heavy-duty trucks, produced out of its manufacturing complex near Chennai, in September 2012. Since then, the company has sold more than 1.4 lakh BharatBenz brand trucks and buses in India and exported more than 60,000 India-built trucks to about 60 countries worldwide.

Martin Daum, Chairman of the Board of Management, Daimler Truck Holding AG

MARKET SHARE

However, the company's market share in the Indian CV market is still in single digit with annual volumes of about 15,000 units.

Martin Daum, Chairman of the Board of Management of Daimler Truck Holding AG, who was in Chennai along with his senior management for the celebration of 10 years of BharatBenz, said DICV's journey exceeded the group's expectations in many ways with a strong team and technical expertise in place as also the emergence of Indian manufacturing operations as a strong export hub.However, DICV could have grown much better had the modernisation of the market in India happened much faster.

NEW TRUCKS

DICV would launch 10 new BharatBenz trucks in GVW categories, where the brand has not been present earlier. Among others, a 38-tonne modern truck would also be introduced.

Business Line 12th October 2022

BYD launches premium e-SUV, plans to drive in all types of vehicles

S Ronendra Singh
New Delhi

Chinese electric vehicle (EV) maker BYD on Tuesday said the company will bring in all the vehicles suitable for the Indian market — whether a hatchback, sedan or large SUVs — whilst setting a target of garnering 40 per cent market share by 2030 in the Indian EV space.

"As soon as the market (India) requires it, we will bring it ...we have everything. Starting from small hatchbacks to sedans to whatever you name it, big SUVs ... everything is there," Sanjay Gopalakrishnan, Senior Vice President, Electric Passenger Vehicles, BYD India, told *businessline* on the sidelines of the launch of premium electric SUV Atto 3.

He said BYD is also bringing in heavy-duty trucks to India, which will be directly imported from China for the customers (mining, construction companies).

EV DEBUT. Sanjay Gopalakrishnan, Senior V-P, Electric PVs, BYD India, at the launch of Atto 3 in New Delhi KAMAL NARANG

LATEST OFFERING

Atto 3 marks BYD's official entry into the Indian electric passenger vehicle market with its brand mission of "technological innovations for a better life".

The company will announce the price in December. Atto 3 is equipped with the ultra-safe 'blade battery' technology and the born EV platform (e-Platform 3.0). It features fast charging from 0-80 per cent within 50 minutes, a range of 521 km according to ARAI tests.

'RIGHT TIME'

"The penetration of levels are increasing because of the high cost of fuel. People wanting to travel long distance or even 100-200 km a day find it expensive. So they might have a second car as an EV and that's how we expect the demand to increase, and with the charging infrastructure, we think this is the right time," said Gopalakrishnan, adding that the company expects to sell around 15,000 units of the Atto 3 over the next one year.

On manufacturing in India or making new investments, Gopalakrishnan said: "Currently, we are exploring and it will come as the demand increases... with 10,000 units, it doesn't make sense right now."

The Economic Times 7th October 2022

ZF Expects India EV Biz to Pick up Fast

The global acceleration in favour of EVs is quite visible in India too, says top exec

Ketan.Thakkar
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Mumbai: €38-billion Global Autocomp major ZF Group expects a quarter of its business to come from supplying parts for electric vehicles in India in the next 3-5 years, said a global CXO in an interview to **ET**.

Stephan von Schuckmann, Member of the Board of Management of the ZF Group Electrified Powertrain Technology, said in the last two to three years, there has been an extreme acceleration in favour of EVs around the world and the shift is quite visible in India too.

"Three to four years ago, we thought EV penetration will be about 30% (including hybrids) by 2030, but today our current projection for electrified vehicles – i.e BEVs and hybrids will touch 67%. The government regulations – be it in the EU or the US are driving this change, the stance is going to be quite similar in India going ahead," said Schuckmann.

ZF on its part is sitting on an order book of €23 billion till 2030 and regardless of regulatory changes, the German autocomp major will be moving towards carbon neutral operation, assured Schuckmann.

"We will transform ourselves faster than the market. The large order book will help us in this shift from conventional engines to EVs. In India we are making good progress, we are understanding in depth the needs of our prospective buyers and the order pipeline is getting filled," he added.

ZF is sitting on an order book of €23 billion till 2030

The company has all the competencies needed in India to participate in this shift. The electric mobility modules or solutions developed by ZF globally have critical India feedback to ensure that they are industrialised in the country easily, once the order flow grows.

GOVERNMENT POLICY

Business Line 15th October 2022

'New tariff may cripple public charging, EV adoption in TN'

UNVIABLE DEAL. Operators unhappy with rate being higher than commercial sector

G Balachandar
Chennai

Tamil Nadu has been at the forefront of attracting investments in electric vehicle manufacturing and related areas. But its effort to drive faster adoption of EVs (the State is ranked 6th) is likely to feel a big jolt as the new tariff order of Tamil Nadu Electricity Regulatory Commission (TNERC) may play spoilsport.

Recently, TNERC issued a new tariff order for public charging stations in the State. It has placed charging stations one step above commercial tariff, which is the most expensive structure in the State.

The new tariff structure is classified under peak and off-peak hours. Energy charges per kWh have been fixed at ₹8, ₹10, and ₹12 for public charging stations in the State.

OVER CHARGED. Tamil Nadu has classified the new tariff structure under peak and off-peak hours. Energy charges per kWh have been fixed at ₹8, ₹10, and ₹12 for public charging stations

AS PER TIME OF DAY

Although ₹8 slab is equal to the commercial tariff, it is applicable only between midnight and early morning, while the peak hour rate is ₹12 per kWh, an increase of 49 per cent.

Operators of public charging stations in the State argue that not many people drive or charge e-cars at public stations during these hours.

OTHER STATES

In States such as Delhi, Karnataka, Maharashtra, Kerala and Andhra Pradesh, the per kWh rate is fixed in the range of ₹4- ₹6.7 for public charging stations.

While the peak hour tariff of ₹12 kwh is manageable, as operators point out, the alarming side of the new tariff is the fixed charges. In Karnataka, fixed charges for a 50 kW (0-50 kW) connection are ₹70 per month and ₹170 for every additional kW above 50 kW. In some States, there are no such rates, while in Maharashtra and Kerala it is just ₹90 for an LT connection.

In Tamil Nadu, however, the rate for a 0-50 kW connection is ₹100 per kW per month, and from 51 kW to 112 kW the rate will be ₹300 per kW. So, fixed charges for a 49 kW connection is ₹4,900, but if the connection goes up to 51 kW, the charge will be ₹15,300. So, just for an extra 3 kW, the bill shoots up by ₹10,000.

OPERATIONAL EXPENSE

Also, if the connection is above 112 kW, the rate will be ₹550 per kW. Suppose an operator takes a 120 kW connection, he or she must pay ₹66,000 as fixed charges per connection, irrespective of how much or little electricity the operator consumes.

If one works out the cost structure for a 100 kW connection under a new tariff, the cost per kW amounts to ₹17-18 (excluding other costs) at public charging stations in Tamil Nadu.

"For charge point operators like us, there are several costs over and above this. Some of them are AC-DC conversation loss, charger cost, electrical infrastructure, real estate rentals, electrical maintenance team, spares, customer support team, software development, maintenance etc.," KP Karthikeyan, CEO & Co-Founder, Zeon Electric, which currently operates more than 70 charging stations (DC fast chargers) in South India and has 10,000 registered customers.

Of course, these are rates (fixed charges) fixed for the commercial sector, but there is a critical difference. With a commercial load of 100 kW in other sectors, consumption will be 20,000-25,000 units a month. But, in public charging stations, according to operators, the utilisation is lower as of now, and the maximum consumption per month is about 5,000 units.

CHARGING TIME

The new tariff order will only force people to go for a smaller kW connection of 49 kW and below, leading to longer charging time for e-cars. "The whole case of viability for public charging stations will go for a toss and may lead to the collapse of existing infrastructure in Tamil Nadu," he added.

EV charging operators have requested the state government to reduce the tariff for public charging stations to ₹7 per kWh (still higher than other states) and revise fixed charges to ₹70 per kw. They have also requested that the tariff be maintained till 2025.

"Raising tariffs at this early stage will make it unviable to run a public charging station. It will stall growth of the infrastructure," said Karthikeyan.

Govt Tightens ₹10k cr FAME-II Sops Scrutiny

Heavy Industries min issues notices to a set of EV makers seeking information to support subsidy claims

Lijee Philip, Twesh Mishra & Pranav Balakrishnan

EYES ON THE ROAD

- **FAME-II scheme** stipulates at least 50% value addition to be done within the country for e-two-wheelers
- **In Sept,** DRI sought a probe into Hero Electric Vehicles and Tunwal e-Vehicles
- **FAME-II portal** shows none of the models under Hero Electric and Okinawa are eligible for subsidy
- **From Oct 1,** all EV two-wheeler firms have to inform DHI about domestic value addition via new digital mechanism

Source: ET Research

IVO PANNAGGI *Centauro*

Bengaluru | New Delhi | Mumbai: The Ministry of Heavy Industries (MHI) has sent notices to some electric vehicle (EV) makers to check if the components used in their vehicles are largely locally sourced, as they avail benefits provided under the ₹10,000-crore Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME)-II scheme, sources aware of the matter said.

According to government officials aware of the development, Hero Electric and Okinawa have been asked to show documents that support their subsidy claims, while a few other firms have also come under the scanner.

Micromax cofounder Rahul Sharma's Revolt Motors, and Coimbatore-based EV manufacturer Ampere Vehicle have also received notices, said multiple people familiar with the details.

Over the past few weeks these notices have been sent to conduct an audit at factories, people told **ET**.

"An audit by the Automotive Research Association of India (ARAI) is currently underway at four more EV companies besides Hero Electric and Okinawa... The scope of the audit at manufacturing facilities of EV two-wheeler manufacturers is to verify that the components used in their vehicles are largely locally sourced. This is an essential criterion to ensure that the vehicles sold by these companies are eligible to be subsidised by the Centre...," said a person familiar with the development.

All of these EV two-wheeler manufacturers (including Hero Electric and Okinawa) are facing checks; however, subsidies have been put on hold for only the two till now, a person cited earlier said on the condition of anonymity.

"The subsidies for EV manufacturers will be restored once they submit appropriate documentation to substantiate localisation claims," a senior government official told ET, adding that at present, no steps have been taken to recover the already disbursed subsidy.

Officials had earlier maintained that any penalties raised on these companies for fabricating localisation claims can be recovered from future subsidy disbursals.

ET had reported in June this year that the government had tightened scrutiny to prevent leakage of EV subsidies to vehicles with imported content. According to the FAME-II portal, none of the models sold by Hero Electric or Okinawa has been identified as eligible for the subsidy.

Ampere EV confirmed to ET that audits were conducted at its factory, and said that the government had given it a clean chit.

Hero Electric and Okinawa declined to comment on the queries sent by ET.

Revolt Motors and DHI did not respond to queries as of press time.

The Economic Times
7th October 2022

Auto cos call for tax cut on imports in UK trade deal

Siam has written to the government backing phased cuts to 30% over five years

New Delhi: Indian carmakers have proposed cutting to 30% the tax rate on imported cars as part of a trade deal with the UK, sources told Reuters, an unprecedented move that could ease access to one of the world's most protected automobile markets.

It is the first time Indian carmakers have backed such cuts, caving to pressure from a government that wants them to give up their protectionist position and lower entry barriers, sources with direct knowledge of the matter said.

Import taxes from 60% to 100% in the world's fourth largest car market rank among the highest globally, drawing criticism from companies such as Tesla, which shelved entry plans because of the high tariffs.

Lobby group Society of Indian Automobile Manufacturers (Siam) has written to the government backing phased cuts to 30% over five years, following a grace period of five years with none, three sources said, speaking on condition of anonymity.

It was not immediately clear if India had presented the offer to Britain in trade talks due to end soon, with the signing of a final deal expected by the end of the month. Siam, which groups carmakers from India's top-seller Maruti Suzuki, to major companies such as Tata Motors and Mahindra, did not immediately respond to a request for comment.

The commerce ministry, which is leading the trade talks, also did not respond.

For years, Indian car makers have resisted tax cuts so as to protect their turf, while arguing that such a move would dry up investment in domestic manufacturing by making imports cheaper and easier for global automakers.

While Britain has few car factories run by the likes of Nissan, BMW and Tata's Jaguar Land Rover, companies fear the move could set a precedent in negotiating deals with others like the European Union (EU), Japan or South Korea, the sources said.

The shift in stance comes weeks after commerce minister Piyush Goyal firmly told senior executives of companies such as Maruti Suzuki, Tata Motors and Mahindra that India needed to make some kind of offer to Britain on autos. REUTERS

The Economic Times
8th October 2022

The Economic Times 8th October 2022

2 EV Cos Served Notices over Alleged Subsidy Violations

Govt seeks details of compliance with localisation norms under FAME scheme

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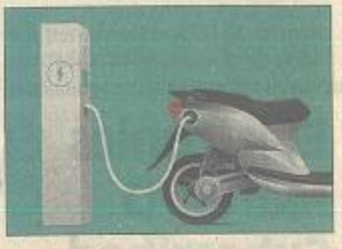
Kevadia: Two electric vehicle makers have been served notices that sought details of compliance with localisation norms under the government's flagship EV promotion scheme, heavy industries minister Mahendra Nath Pandey said, adding that if they are found to be in violation of the norms, "all possible steps" will be taken against them, regardless of their size.

While the minister declined to identify the two automakers, they are Hero Electric and Okinawa Autotech, according to government sources who did not want to be identified. This comes after several allegations of EV makers bypassing mandatory localisation norms to avail subsidies under the ₹10,000-crore Faster Adoption and Manufacturing of Electric (and hybrid) Vehicles in India (FAME-India) scheme.

"When we started the FAME scheme, all our conditions were mentioned in the policy. If someone is found to be violating these conditions, we will take steps against them as per the policy," the minister said. "The policy is clear that we want to promote 'Make in India.' If anyone, big or small, is found to be cheating the Indian government's policies, then we will take all possible steps against them." Subsidies on the electric scooters made by Hero Electric and Okinawa have been revoked, said a government official. The FAME-India website shows the subsidy to have "expired" for all their models.



Under Lens

Officials from the ARAI have visited facilities of multiple EV makers over past couple of months

Officials from the Automotive Research Association of India (ARAI), an organisation that certifies vehicles in India, have visited the manufacturing facilities of multiple EV makers over the past couple of months to audit their component sourcing, said multiple people in the know. The subsidies of Hero Electric and Okinawa have been revoked based on ARAI's findings.

"We have sought answers from them," Pandey said. "If they are not compliant with the guidelines, then we'll take a decision accordingly." Hero Electric declined to comment on the matter. "There is no comment on the same from Hero Electric," a spokesperson said in an email. An Okinawa spokesperson said via email that the company has been following the FAME policy guidelines and the company adheres to all government guidelines.

"The audits were done a few months ago as part of regular inspections by testing agencies for all the OEMs. We have shared all the documentation with the testing agencies to their satisfaction. We are meeting 50% DVA criteria as per the government norms. Furthermore, at Okinawa, we ensure that the highest quality standards are met in all our products and processes," said the email. OEM stands for original equipment manufacturer, referring to automakers in this case. DVA means domestic value addition.

The Economic Times 15th October 2022

States Cautioned on Large-scale Flouting of Electric Two-wheeler Testing Norms

Told to take action against such errant operators as Centre announces strict standards for batteries

Our Bureau

New Delhi: The Centre has cautioned states about large scale flouting of testing norms by two-wheeler electric vehicles and sought action against errant operators.

The move comes close on the heels of the centre announcing stringent standards for batteries used in electric vehicles following a series of two-wheeler fire incidents.

The Ministry of Road, Transport, and Highways Friday cautioned the state governments about higher battery capacity electric vehicles (EV) evading checks under the garb of low speed ones.

An advisory sent out to the state governments said that many dealer showrooms had mushroomed across the country indulging in sale of battery operated two-wheelers in contravention to the provisions under the Central Motor Vehicles Rules (CMVR), 1989.

The state governments have been asked to take action against such errant operators.

"These manufacturers and dealers are supplying higher battery capacity models which are plying with top speed 40-50 kilometres per hour (kmph) without type approval, insurance and vehicle identification as per norms," it said, adding that these vehicles were tampering with the verification undertaken by the Testing Agency.

Under the existing rules, the maximum speed of EVs that can be sold without type approvals must not cross 25 kmph.

The Transport Ministry further specified that a two-wheeled battery operated vehicle shall not be deemed to be a motor vehicle if it is equipped with an electric motor having 30 minute power of less than 0.25 kW.

Unladen weight (excluding battery weight) of these vehicles is not supposed to cross 60 kilograms. They also need to be fitted with suitable brakes and retro-reflective devices such as a white reflector in the front and a red one in the rear.

The Economic Times 4th October 2022

MeitY may Spend $1.30b to Upgrade Semicon Lab SCL

Funds to spruce up Mohali firm will come from $10 billion semiconductor incentive package

Aashish Aryan & Surabhi Agarwal

New Delhi: The government plans to spend $1.25-$1.30 billion to modernise and upgrade its semiconductor laboratory, SCL, in Mohali, sources told ET.

The capital expenditure, by the Ministry of Electronics and IT, will come from the government's $10 billion semiconductor incentive package and is intended to strengthen India's intellectual property rights (IPR) in the semiconductor space, the sources added.

SCL, which was until six months ago under the Indian Space Research Organisation (Isro), has been placed under the ambit of the IT ministry. SCL has floated a request for proposal (RFP) inviting bids for the modernisation plan. ET has reviewed a copy of the RFP. As per the terms of the RFP, bidders also need to onboard a commercial partner for the fabrication of chips developed by the SCL. The last date for submission of bids is October 25.

"We will require the bidders to carry out a comprehensive market assessment of the requirements of semiconductors, not just for India but the global markets as well," an official said.

"We are asking them to take a period of at least the next 10 years into consideration for the bid. Though we have decided not to focus on the development of any specific technology node, the idea is to develop as modern chips as possible," the official added.

SCL is the only government-owned semiconductor fabrication unit that produces chips for stra-

Govt's SCL Plan

SCL is the only govt-owned semicon fab unit that produces chips for strategic purposes

Once upgraded, SCL will be equipped to produce 28-nm chips

Besides producing chips for space and defence, the plan is to empower SCL to make chips for smartphones and laptops

SCL has more than 70 semiconductor fabricated chips in its product portfolio

other chips researched and fabricated at the SCL, have been used to power the country's Mars Mission. Once upgraded, SCL will be equipped to produce 28-nm chips, considered the leading edge offering currently.

SCL and the Semiconductor Technology and Applied Research Centre (SITAR) in Bengaluru, which has a 100-nanometre unit, also make micro-electrical mechanical systems (MeMs) and sensors that have applications in critical areas. SITAR also runs a Gallium Arsenide Enabling Technology Centre in Hyderabad.

The plan, sources said, is to up-

BID/ISSUE

• The three BRLMs associated with the issue

• Average cost of acquisition of Equity Shares