

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

The Economic Times 25th October 2022

EVs' Bigger Carbon Footprint at Start Shrinks as They Get Going

Study debunks the myth that battery EVs have a larger carbon footprint than non-electric vehicles

Eric A Taub

New York: In the 19th century, major cities faced their own emissions problem: horse manure. With horse-drawn carriages clogging major thoroughfares, cities were burdened with noxious, smelly manure that drew flies and spread disease.

The issue started to resolve itself as internal combustion engine cars grew in popularity at the beginning of the 20th century. Of course, that meant horses, slowly but inexorably, were replaced by vehicles emitting greenhouse gases.

Now, as battery electric vehicles, or BEVs — marketed as a more environment-friendly vehicular option — replace internal combustion engines, some skeptics are pointing out that they actually have a larger carbon footprint than nonelectric vehicles. That's due to the manufacturing and disposal of BEVs — specifically their batteries — as well as a reliance on coal to create the electricity that powers them.

To determine the environmental costs of the trade-off, trade organisations and universities have conducted life cycle analyses, or LCAs: comparisons between the amount of greenhouse gases created from the production, use and disposal of a

Key Numbers

STUDY FINDINGS...

Emissions from BEV sedans were **35%** of the emissions from an internal-combustion sedan

Electric SUVs produced **37%** of emissions of a gasoline-powered counterpart

BEV pickup logs **34%** emissions of an internal combustion model

EVs saved **65%** in emissions compared to a regular vehicle

BEVs predicted to log a **76%** reduction in greenhouse gases by 2030

A POTENTIAL **81% DECREASE BY 2050**

Source: LCA study



BEV and the gases from a gasoline-powered vehicle of a similar size. The good news: Studies have found that, though it's true that the production of a BEV causes more pollution than a gasoline-powered counterpart, this greenhouse-gas emission difference is erased as the vehicle is driven.

And erasing the difference does not appear to take very long. In a study conducted by the University of Michigan, the pollution equation evens out

between 1.4 to 1.5 years for sedans, 1.6 to 1.9 years for SUVs and about 1.6 years for pickup

EARLIER...



Some were pointing out that BEVs have a larger carbon footprint than non-electric vehicles

trucks, based on the average number of vehicle miles traveled in the US.

The study found that, on average, emissions from BEV sedans were 35% of the emissions from an internal-combustion sedan. Electric SUVs produced 37% of the emissions of a gasoline-powered counterpart, and a BEV pickup created 34% of the emissions of an internal combustion model. These results vary, based on how much greenhouse gas is created through the production of the electricity needed to charge a battery. The greater the use of renewable sources — such as wind, solar, nuclear and hydropower — the greater the reduction in emissions.

Multiple studies have supported the view that electric vehicles are already the more environmentally friendly choice. One of the main critiques of BEVs has centered on a reliance on coal to produce the electricity needed to power these vehicles, along with the emissions produced by battery production and the shortness of battery life.

All of the criticisms of BEVs will soon be a thing of the past, said Auke Hoekstra, director of energy transition at Eindhoven University of Tech, as battery production becomes cleaner and begins to last the lifetime of a vehicle, while electricity generation moves away from coal. — NYTNS

Festival demand sparks 3-w sales in September

SHIPPING DIP. Exports were at 32,642 units against 44,166 in Aug

Aroosa Ahmed
Mumbai

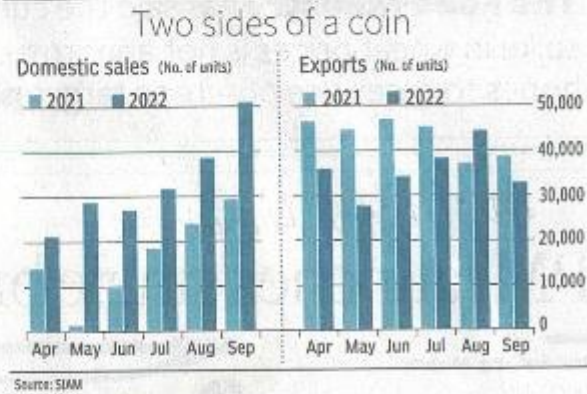
The domestic sales of three-wheelers in September has been the highest uptick this fiscal.

According to data by the Society of Indian Automobile Manufacturers (SIAM), a total of 50,626 units were domestically sold in September, compared with 29,191 units in the same month last year.

Between April and September, as many as 1,96,500 units were domestically sold and 2,12,126 units were exported, the data showed.

In 2021, the overall domestic sales in that period were 95,451 units and the exports were 2,58,012 units.

While the domestic sales of three-wheelers grew sharply, the export market witnessed a dip with only 32,642 units being shipped in September, compared with



44,166 units in August. The highest exports in a month, between April and September, was done in August.

'MUCH-NEEDED CHEER'
The reason for the spike in domestic sales could be attributed to the festival season demand.

"The festival season has brought in some much-needed cheer to the market with lucrative offers, and higher buying sentiments.

We are happy to report a 94 per cent growth in sales when compared y-o-y and more than 20 per cent when compared m-o-m," said Suman Mishra, CEO of Mahindra Electric - Last Mile Mobility.

In September, "Mahindra's EV penetration touched 70 per cent, showing that electric vehicles are the preferred choice among customers, this festival season," Mishra added.

Business Line
22nd October 2022

Business Line
18th October 2022

Carmakers to double spending on EVs to \$1.2 trillion by 2030

Automakers are planning to spend nearly \$1.2 trillion through 2030 to develop and produce EVs, along with the batteries and raw



materials to support production, according to a Reuters analysis of public data and projections released by those companies. Automakers have forecast plans to build

54 million battery EVs in 2030, representing more than 50 per cent of total vehicle production, according to the analysis. Leading the charge is Tesla, where Chief Executive Elon Musk has outlined plans to build 20 million EVs in 2030, requiring an estimated 3 terawatt-hours of batteries. Volkswagen is targeting well over \$100 billion to build out its global EV portfolio. Toyota Motor Corp is investing \$70 billion and expects to sell at least 3.5 million battery electric models (BEVs) in 2030. Ford Motor Co aims to produce around 3 million BEVs in 2030 - half its total volume. Mercedes-Benz has earmarked at least \$47 billion. BMW, Stellantis and General Motors planned to spend \$35 billion on EVs and batteries, with Stellantis laying out the most aggressive battery programme. REUTERS

PRESS REPORTS ON ELECTRIC VEHICLE

Motovolt Mobility to roll out e-scooters for mass market

Shobha Roy
Kolkata

Kolkata-headquartered electric two-wheeler manufacturer Motovolt Mobility Pvt Ltd is looking to roll out e-scooters for the mass market by Q4-FY23. The e-scooter, which the company claims will be fully indigenous, is to be launched in the high-speed category (60 km/hour).

IN THE OFFING

The company, which currently manufactures e-cycles and e-bikes, has lined up a plan to invest close to ₹200 crore over the next 18 months on new products and expansion.



Tushar Choudhary, Founder and CEO, Motovolt Mobility

According to Tushar Choudhary, Founder and CEO of Motovolt Mobility, the e-scooter will be fully designed and made in India, and will be targeted at the mass market.

The company has sold close to 10,000 e-cycles so far and is looking to sell 50,000 units (annually) by end of FY23.

"We have grown by more than four times over last year, and we are hopeful of touching an annual run rate of 50,000 units by end of this fiscal. We plan to roll out new products in our existing categories, that is, e-cycle and e-bikes, and also launch e-

scooter by Q4-FY23," Choudhary told *businessline*.

NEXT-GEN E-BIKE

The company recently introduced URBN, the next-generation smart e-bike in West Bengal. Motovolt URBN is powered by a removable BIS-approved battery, a peddle-assist sensor, multiple riding modes, an ignition key switch, handle lock and other features. URBN needs no licence or registration, allowing hassle-free sustainable rides.

The company claims to be the second-largest e-cycle company and market leader in the cargo e-cycle and smart e-cycle segment.

CAPACITY, EXPANSION

Motovolt currently has a production capacity of 50,000 units. It is looking to ramp up capacity to around one lakh units annually, and set up a new unit in either North or South India.

The company is hopeful of achieving an annual run rate of around 5 lakh units in the next four years. Next it plans to open more than 250 retail points by end of 2024.

Business Line
26th October 2022

EMotorad gets ₹24 cr in pre-series A funding

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Pune: The electric mobility firm EMotorad, which specialises in electric bikes, has announced that it has raised Rs 24 crore in a pre-series A round of funding from multiple investors, led by Green Frontier Capital (GFC), as well as LetsVenture and Ivy Growth Associates.

"GFC is one of the leading cleantech investors in India. Their solution-driven approach and the expertise they bring to the table made them an obvious match. We are grateful to GFC and many other early

believers and angels for backing our vision of building in India to serve the world," said Kunal Gupta, co-founder and CEO of EMotorad.

The company recently announced a foray into some countries in the European markets, expanding its international footprint, earlier in the United Arab Emirates, and Japan.

EMotorad added that the funding will be used to hire more industry talent and expand and accelerate its business.

The company is aiming a revenue of around Rs 165 crores by the end of the ongoing fiscal.

The Economic Times
26th October 2022

Ola drives in cheaper version of S1 e-scooter, starting at ₹79,999

Yatti Soni
Bengaluru

EV unicorn Ola Electric has launched an e-scooter S1 Air at an introductory price of ₹79,999 (ex showroom) till October 24 and ₹84,999 (ex showroom price) thereafter.

Ola has re-engineered the powertrain and battery pack to build the S1 Air e-scooter. The scooter will have a 2.5KWh battery pack, a 4.5KW hub motor, and will weigh 99 kg. S1 Air has a top-speed of 85 km/hr, and can go from 0-40 km/hr in just 4.3 seconds. It also comes with a range of 100 km in eco mode.

The introductory price will be available to customers who reserve the scooter for ₹999 on or before Diwali (October 24). The purchase window for the Ola S1 Air will open in February and deliveries are scheduled to commence from early April next year. In the



BIG CHANGE. Ola has re-engineered the powertrain and battery pack to build the S1 Air e-scooter

past year, Ola has battled consumer backlash over late deliveries, low scooter range and fire-related incidents.

MASS MARKET

Commenting on the launch, CEO Bhavish Aggarwal said, "Our objective is to launch a mass market electric scooter and that's what we have done today."

He added that the company is working on an electric

motorcycle that may be announced next year. The company also offered a peek into its electric car that was announced earlier this year and will debut by summer of 2024.

Further, the company has set up 50 hypercharger points and 50 experience centres (offline touchpoints) across the country. Ola aims to expand the experience centres' network to 200 by March.

The Economic Times 25th October 2022

EV Firm Revamp Moto in Talks to Raise \$3.5m

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Mumbai: Electric vehicles company Revamp Moto, which shot into prominence after its founders appeared on reality TV show Shark Tank India, is in talks with investors to raise \$3-3.5 million as it looks to bring to market its first model and finish development of the second.

The round will be led by a Dubai-based investor, said Pritesh Mahajan, a cofounder. The company is also in talks with multiple Indian venture capitalists and another Dubai-based real estate player for the round for raising funds. The Dubai-based lead investor will not only bring capital but also help the company expand into the Middle East and North Africa regions in the future, Mahajan said. While the company is yet to launch its product, it has be-

gun pilot trials with platforms such as Swiggy and Vogo, he said. It will soon also be starting similar pilots with Flipkart, Amazon, Zomato and Jubilant FoodWorks.

Revamp Moto had earlier raised over \$1 million in its pre-seed funding round from investors including Veda VC and Venture Catalysts besides Aman Gupta, Anupam Mittal, Ashneer Grover, and Peeyush Bansal on the show Shark Tank.

The company has outsourced the assembly of its scooters to a Bhiwandi, Maharashtra-based manufacturer that will make up to 80,000 units annually. It has no plans presently to set up its own assembly line.



Funds will be utilised to develop a high-speed electric two-wheeler called Mitra

PRESS REPORTS ON COMMERCIAL VEHICLE

Business Line 29th October 2022

Sop powered e-buses to charge up public transport

G Balachandrar
Chennai

After battery-powered two- and three-wheelers, electric buses are increasingly hitting the road, supported by a significant subsidy component.

Electric buses are being deployed across the country under the GCC (gross-cost contract) model, which helps address the upfront capital burden on cash-strapped State Road Transport Undertakings.

Under the FAME II scheme, the Union government offers capital subsidies of ₹35-55 lakh per bus (or up to 40 per cent of the bus cost) to bridge the upfront cost differential. Of the total outlay of ₹10,000 crore for FAME II, 35 per cent is earmarked for e-buses.

While there are no additional capital subsidies for e-buses, some States offer sops such as exemption of registra-



GREEN OPTION. Electric buses are being deployed under the GCC model, which helps address the upfront capital burden of State Road Transport Undertakings

tion fees, road tax, and preferential electricity tariffs for EV charging.

As of August, close to 2,000 electric buses were deployed across the country, supported by FAME I & II schemes.

"Till date, electric buses have largely been deployed under the GCC model. Some private operators have, however, also started deploying electric buses on inter-city routes and the numbers are

expected to pick up over the medium term," says Rohan Kanwar Gupta, Vice-President and Sector Head, Corporate Ratings, ICRA.

GOVT TENDERS

Tata Motors has set up a subsidiary — TML Smart City Mobility Solutions Ltd — to develop clean and sustainable transport solutions.

The company was recently declared the lowest bidder for

the largest global tender of 5,450 e-buses with CESL. Under this large tender, Tata Motors has already won an order of 3,600 electric buses including 1,500 from the Delhi Transport Corporation, 1,180 from the West Bengal Transport Corporation, and 921 from the Bengaluru Metropolitan Transport Corporation. Recently, it bagged a 200 e-bus order from Jammu & Kashmir. The company has so far supplied more than 715 e-buses.

Olectra Green had mentioned in July that it had carried an order book of 3,300 electric buses that had to be supplied in the next 12-18 months.

Ashok Leyland's Switch Mobility carries an order book of over 600 electric buses.

ICRA expects electric bus penetration (as a percentage of overall bus sales) to increase from about 4 per cent in FY22 to 12 per cent in FY25 and 35-40 per cent by FY30.

PRESS REPORTS ON COMPANY NEWS

The Economic Times 17th October 2022

OPERATING MARGINS surge in Q2 on higher realisations, but macro troubles in key markets of Nigeria and Egypt hurt volumes and are unlikely to rebound soon, weighing on the stock

Bajaj Auto's Going Strong at Home, But Exports Hit a Bump

ET ANALYSIS

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ET Intelligence Group: Bajaj Auto hit a home run in the three months to September, but the away leg of its business had to negotiate the dollar-surge speed bump.

That would continue to weigh on its stock as exports, hitherto the mainstay of the maker of Pulsar and Platina, are unlikely to rebound quickly due to the macroeconomic headwinds faced by African nations that give the bulk of the business to the Pune-based automaker.

Revenue climbed 16% in the second quarter despite volume expansion of just 1%, reflecting superior realisation per unit on export sales, a richer mix and favourable currency movement. Local sales expanded 30% to about 700,000 units, while export volumes decli-



ned a quarter, led primarily by lower two-wheeler shipments.

Besides the dollar surge, regulatory curbs in Nigeria and Egypt — two geographies that account for the bulk of Bajaj Auto's Africa sales — contributed to the shrinkage in overseas shipments.

Realisation per vehicle climbed 16% year-on-year to ₹88,687 as local sales rose to half the total, from 41% a year ago. The sales mix was better overse-

as in that lower-priced bikes witnessed a steeper decline in dispatches, aiding average realisation. This helped Bajaj Auto expand its operating margin by 120 basis points to 17.2% in the September quarter, lower operating leverage notwithstanding. One basis point is 0.01%.

In a post-earnings investor call, the company management said export volumes will likely be soft, although sequential improvements

are likely. Exports helped Bajaj Auto ride out the rough patch the past two years when mobility curbs were periodically imposed to prevent the spread of Covid.

Last fiscal year, it earned export revenue of \$2.17 billion, up 32%, with an average run rate in excess of 200,000 units monthly. Last quarter, however, those numbers shrank to about 150,000 a month.

If the company delivers export volumes equal to the first half of 1.03 million vehicles, then it implies a volume contraction of 15-18% on a year-on-year basis. This may weigh on overall volume growth. The street has baked in the likelihood of a single-digit decline.

This would mean that of the five fiscal years to FY23, volume growth contracted in three of those years.

Bajaj Auto's stock is trading at 16.6 times one-year forward earnings, a discount of 7% to its long-term valuation band. Upside potential appears limited — at least for now.

Business Line 18th October 2022

With fewer takers for 110 cc bikes, Bajaj to focus on 125cc plus segment

G Balachandhar
Chennai

Bajaj Auto has indicated that it will remain focussed on the higher cc bike segment due to better traction amid some recovery in the entry/commuter segment.

While the 110cc entry/commuter bike segment has seen a sharp fall, particularly in rural areas, the 125cc and above segment has been registering growth in volumes.

KEY DRIVER

Bajaj's bike volumes in the 110cc and below category declined to 350,261 units during H1 of this fiscal as against 414,021 units in the year-ago period. But in the 111-125 cc category, its volumes grew to 344,789 units (222,583



GROWTH EXPECTATIONS. Company expects single-digit growth on festival demand, in line with that of the industry

helped by new 125cc bike launches. The company has grown sales and share in other higher categories, too. "About 60 per cent of our portfolio was in the 125cc plus segment in Q2 compared to 46 per cent in FY20. This is the key driver for improved

profitability," Rakesh Sharma, Executive Director, told during the company's Q2 earnings call.

To drive volumes in the 125cc plus segment, the company launched two new bikes in Q2. Also, Pulsar 125 refresh is being launched as the new

Pulsar platform appeared to have received well among the buyers. "We will continue to direct innovation and energy towards 125cc plus segment that appears to be enjoying tailwinds and growing faster. This will also help us improve both profitability and market share," said Sharma.

THE ROADMAP

On festival demand, he said: "We expect the industry to report a single-digit growth and we expect to be in line with the industry. However, the growth will be higher in the 125cc plus segment."

Bajaj Auto is planning to strengthen its EV portfolio with 3-4 launches in the next couple of years. It hopes to garner monthly sales volume of about 6,000 units of EV model, Chetak.

VEHICLE TO BE PRICED BELOW ₹15 LAKH

MG Motor India to Launch Affordable EV Next Fiscal

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New Delhi: MG Motor India is set to launch an affordable electric vehicle priced below ₹15 lakh in the local market next financial year to challenge the dominance of home-grown auto major Tata Motors in the green mobility segment.

Rajeev Chaba, president and managing director, MG Motor India, told ET the company will source batteries for the product locally to keep prices competitive. With this vehicle in the mainstream market, the company expects EVs to generate up to a quarter of its sales next year. "For India, if we want to democratise technology we will need low-cost solutions. We will launch our second electric vehicle in the second quarter (April-June 2023). We expect to get good volumes," Chaba said.

The vehicle is likely to be priced between ₹11 lakh and ₹15 lakh. The company already has on offer the ZS EV, which is locally manufactured at its facility in Halol, Gujarat.

Tata Motors, the market leader locally in EVs with a share of more than 80%, currently has three models — Tiago, Tigor and Nexon. These are priced between ₹8.49 lakh and ₹17.50 lakh (ex-showroom). The company is set to close the



APPROACH IN INDIA

In India, we need to ensure low cost of ownership from consumer perspective. Also, on supply side, we have to see which combination works best

RAJEEV CHABA

President & MD, MG Motor India

ongoing financial year with sales of close to 50,000 electric vehicles. Overall, Tata Motors has plans to launch 10 EVs over the next five years. Chaba said MG Motor India is working on creating an ecosystem for electric vehicles to accelerate the shift to clean mobility.

"In India, we need to ensure low cost of ownership from the consumer perspective. Also, on the supply side, we have to see which combination (battery chemistry and charging solution) works best for the country," he added.

The company is collaborating with tech startups to innovate on battery chemistry and charging solutions for the local market under the MG Developer Program (MGDP), which eventually can be

replicated in MG Motor's arm in the UK and in emerging markets globally.

So far, 180 startups including Koinearth, Electreefi, Voxomos, Redbot Technologies, and Mihup have been identified and mentored by MG and its consortium members to explore and create applications in connected car technology, futuristic technologies, and CaaP (Car-as-a-Platform).

Overall, Chaba said the demand for electric vehicles remain robust. MG Motor India is working on ramping up production of ZS EV to 500 units per month, from 300-350 units now. Efforts are on to increase production of SUV Hector to 4,000 units per month by January 2023, from the current 2,000 units.

Piggy Bank

Funding tap is open for a host ventures as investors seek out deals

Ather Energy Gets \$50 m to Rev up EV Production, Valued at \$800 m

Existing backer Caladium Investment leads round, with Herald Square Ventures and others chipping in

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Bengaluru: Electric scooter maker Ather Energy has raised \$50 million, led by existing backer Caladium Investment, regulatory filings sourced through business intelligence platform Toller showed.

Herald Square Ventures also participated in the latest funding round. The company has been valued at \$700-800 million after the round, sources aware of the development said. According to a source, the latest round is an extension of its \$128 million fundraise in May, which was led by India's sovereign wealth fund National Investment and Infrastructure Fund (NIIF) and Hero MotoCorp.

The company will use the fresh capital to scale up its manufacturing capacity as demand for electric vehicles has jumped this year. Its second manufacturing facility, which has the capacity to make 400,000 units a year, is ready to start production.

Sources told ET that the company's current annual revenue run rate for

Fast Lane

• Latest funding an extension of its \$128 million round in May 2022

• It was led by National Investment and Infrastructure Fund and Hero MotoCorp

FY23 is over ₹1,000 crore. This is more than double the ₹408 crore revenue for FY22, which was five times its revenue in the previous financial year.

The company, a source said, has already started talks with different stakeholders to set up a third manufacturing facility. The company launched a new variant of its 450cc scooter in July with a bigger battery.

• Co will use funds to scale manufacturing capacity

• With 40,000 units/year capacity, its second manufacturing plant is ready to start production

• It has started talks with different stakeholders to set up its third facility



Ather Energy declined to comment when contacted.

The latest funding comes amid intensifying competition in the electric two-wheeler space. Hero MotoCorp, Ather's biggest investor, unveiled its first electric scooter on October 7.

According to industry sources, Ola Electric is expected to unveil another scooter that is priced below ₹80,000 on October 23. Ola Electric declined to

comment on the development.

Meanwhile, electric vehicle companies are also facing the heat for claiming

RISING REVENUE



Co's current annual revenue run rate for

FY23 is over ₹1,000 crore, say sources

the Rs 10,000 crore Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India (FAME)-II subsidy without sourcing the required number of components locally.

ET reported on October 7 that EV two-wheeler makers Hero Electric and Okinawa have been served a notice by the government for not meeting the required localisation norms.

FOR FULL REPORT, GO TO
www.economictimes.com

How Ather built a touchscreen for hot, rough roads

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How do you build a premium product feature in India, and not just take something that works in California and make it cheaper to sell to Indian customers? That was the question Ather Energy co-founder Tarun Mehta asked himself when trying to build what went on to become a pioneering touchscreen dashboard for electric scooters.

"We wanted a lot of compute power on a scooter in India for the first time, and it was quite a big deal because the only automotive grade solutions available, just for the dashboard, cost between Rs 30,000-50,000," he says.

Building a touchscreen dashboard from scratch meant Ather had to overcome a host of issues. The first was thermal. This is a visible display, unlike a car display. Which means the sun is on it all the time. Taking that much heat out from a display and keeping the processor cool was the number one challenge.

Then there's vibration, given India's infamous pothole-strewn roads. If the scooter goes into a really bad pothole, you can't have the display crack or disconnect. It needed to be as reliable as the motor, it needed the ability to absorb road vibrations and shocks.

Mehta says to overcome the thermal and vibration issues, Ather's engineering team had to have a fun-

damental understanding of chips so that they could engineer, from the ground up, a PCB (printed circuit board) design that could withstand the rigorous requirements. "It took thousands of hours of in-house testing," he says.

The software was another huge challenge. Every part of the vehicle – charger, motor, controller, even the lights and brakes – was connected to the central processor on the dashboard, and was sending data. "Managing all this incoming data was the hardest problem in the end to solve," says Mehta.

"The onboard computer is collecting several gigabytes of data. You want to be able to reliably, safely and quickly upload all of this data so that when somebody opens the mobile app, they can track everything about the vehicle in real-time – where the vehicle is, what the vehicle is operating at, even limit its operating ranges," Mehta says.

For all of that to happen, the entire data pipeline had to be built. At first Mehta and his team thought they were faced with a simple problem. Until they realised that everyone in the industry relies on WiFi. "Making it work on a 4G sim card and putting all of this directly to the cloud, caching it, and making a two-way communication from the cloud and setting up the entire cloud infrastructure, those were huge problems," he says. Ather had to design an advanced three-layered vehicle software architecture which comprised real-time, edge, and cloud computing, with strict error checking and redundancy.

Ather had 100 of their engineers just working on this one problem statement alone. "The kind of data that our engineering teams are dealing with rivals many e-commerce companies in India today," Mehta says.

**CUTTING EDGE
MADE IN INDIA**



"We get too many hand-me-downs. Very few companies try to build automotive hardware from scratch in India for the Indian customer."

Tarun Mehta | CO-FOUNDER & CEO,
ATHER ENERGY

Business Line 26th October 2022

Royal Enfield steps up EV focus with hiring and investments

G Balachandrar
Chennai



B Govindarajan, CEO,
Royal Enfield Motors

Royal Enfield Motors is accelerating its electric vehicle journey by forming a new vertical for EV business and pumping in significant investments as the leading motorcycle manufacturer seeks to launch its first e-motorcycle by 2025.

"Over the past 6-8 months, we have made investments in EV space to create physical infrastructure for testing of vehicles. We have also been hiring talent for our technology centres in India and UK. Overall, we have been intensely focusing on the EV space," B Govindarajan, CEO, Royal Enfield Motors, part of Eicher Motors Ltd, told *businessline*.

IN NO HURRY

The company, a leading brand in the 250cc and above bike segment, has also started testing some prototype EV products in different parts of the world and in In-

dia. But, Royal Enfield is not in hurry to launch electric vehicles.

"Being a pioneer in motorcycle manufacturing, it is easy for us to take the aggregates, assemble the same and launch it in order to be ahead of others. But we would like to understand buyer requirements in this segment completely before rolling out new products. Our objective is to come out with differentiated product offerings in the EV space," said Govindarajan.

Toyota Scrambles to Speed-up EV Plan to Keep Pace with Supercharged Rivals

A working group within Toyota has been asked to outline an accelerated EV plan by early next year

Reuters

Tokyo: Toyota is considering a reboot of its electric-car strategy to better compete in a booming market it has been slow to enter, and has halted some work on existing EV projects, four people with knowledge of the still-developing plans said.

The proposals under review, if adopted, would amount to a dramatic shift for Toyota and rewrite the \$38-billion EV rollout plan the Japanese automaker announced last year to better compete with the likes of Tesla.

A working group within Toyota has been charged with outlining plans by early next year for improvements to its existing EV platform or for a new architecture, the four individuals

On Track

The proposals, if adopted, will be a dramatic shift for Toyota

Set to rewrite \$38 billion EV rollout plan the Japanese automaker announced last year

said. In the meantime, has suspended some of the projects announced in December, which according to the source

The company looks to compete with the likes of Tesla

A Toyota team has been charged with outlining plans by early next year



cause the plans have not been made public.

The revamp under consideration could slow the rollout of EVs already on the drawing board. But it would also give Toyota a chance to compete with a more efficient manufacturing process, as industry-wide EV sales run past Toyota's earlier projections.

es and a document reviewed by Reuters include the Toyota Compact Cruiser crossover and the battery-electric Crown.

Toyota said it was committed to carbon neutrality but declined to comment on specific initiatives.

"In order to achieve carbon neutrality, Toyota's own technology — as well as the work we are doing with a range of partners and suppliers — is essential," the company said. The four sources declined to be identified be-

cause the plans have not been made public. The revamp under consideration could slow the rollout of EVs already on the drawing board. But it would also give Toyota a chance to compete with a more efficient manufacturing process, as industry-wide EV sales run past Toyota's earlier projections.

In addition, it would address criticism by green investors and environmental groups who argue that Toyota, once a darling of environmentalists, has been too slow to embrace EVs.

As part of the review, Toyota is considering a successor to its EV-underpinning technology called eTNGA, unveiled in 2019. That would allow Toyota to bring down costs, the people said.

The Economic Times
25th October 2022

Audi India to hike prices even as demand picks up

Aroosa Ahmed
MUMBAI

With the Indian automobile industry hit by constant changes in the geo-political scenarios, semiconductor constraints, inflation and commodity prices, prices of luxury vehicles could rise in coming quarters.

"I do see a hike in prices. We try and absorb the price hike at our end, so as to not pass it on to consumers, but not everything can be absorbed," said Balbir Singh Dhillon, Head of Audi India.

SEMICONDUCTORS

The German luxury carmaker, a part of Volkswagen Group, locally assembles about 85 per cent of its vehicles. Fluctuations in semiconductor and commodity prices have also impacted the pricing of its cars.

"The last one-and-a-half years have been a challenge on the semiconductor side, but the situation is improving. There are challenges that are global — including sub-suppliers based in



Balbir Singh Dhillon, Head, Audi India
KAMAL NARANG

Ukraine, fluctuation of currency, shipping line availability with the cost, and metal costs. Due to these pressures, over the last two years, most of us have had to raise prices mainly due to commodity prices and other issues," said Dhillon.

SURGE IN DEMAND

The industry is witnessing a surge in demand for luxury vehicles post-coronavirus which has led to a double-digit growth for automobile companies.

"The luxury segment has been leading the overall automotive industry growth. For

Audi, we grew by 101 per cent last year and for the first nine months, we clocked 29 per cent growth. The demand in the last quarter has also been good," said Dhillon.

SUPPLIES

Despite an uptick in demand for luxury vehicles, companies continue to witness an impact on the supply of vehicles.

"Stock levels are historically low at our end or the dealer's end. It is just a replenishment of existing orders. There is high demand but limited supply. We are hopeful that in the next three quarters the situation will improve," said Dhillon.

With introduction of the PLI scheme, the luxury car maker is hopeful that semiconductor constraints will be resolved. "Semiconductor manufacturing is very intensive on initial investments, and it takes time. With the PLI scheme, India will also become a manufacturing hub. However, the problem will continue for some months next year as well. We are not completely out of the woods," said Dhillon.

Business Line
26th October 2022

‘Maruti share down due to fall in demand for small cars’

SIZE MATTERS. Chairman RC Bhargava expects rise in sales of company’s SUVs, MUVs

S Ronendra Singh
New Delhi

The Indian auto industry has lost almost four years due to Covid-19 and so did Maruti Suzuki India (MSIL), RC Bhargava, Chairman said on Friday.

The market is moving away from small cars or hatchbacks and on to sports utility vehicles (SUVs) or multi utility vehicles (MUVs). And with that Maruti’s market share has also come down, says MSIL chief.

“There has been a shift in the composition of the market. We are moving away from a market, which was predominantly small car or hatchback to a market in the upper segments of SUVs and MUVs. And we are in the process of transitioning that. Though our market share has come down, but our capacity has been going up. The utilisation of our capacity has been the maximum possible,” he said.

CHANGING NEEDS

He said the capacity utilisation has been constrained only by unavailability of cer-



We have not given up on our challenge of selling 2 million units in FY23. We have the capability, but what finally determines our success or failure is availability of chips, which is really not in our hands.”

RC BHARGAVA
Chairman
Maruti Suzuki India (MSIL)



tain components and Covid restrictions in the recent years. There was no need for any manufacturer to worry if it is able to ‘produce and sell everything which is physically possible for it to produce’, he added.

MORE DEVELOPMENTS

“You will see more developments in the SUV segment in the Auto Expo in January, when we will introduce vehicles for 2023-24. Such developments happen because we as a car manufacturer have to follow what our

customers want. If the customer profile is changing, we have to change with them,” he noted.

DIP IN MARKET SHARE

MSIL’s market share till three years ago was 51 per cent in the Indian passenger vehicles market, which has come down to 41 per cent now.

When asked if MSIL was still sticking to its target to sell 20-lakh units in the ongoing fiscal, Bhargava said, “We have not given up on our challenge of reaching two-

million (20-lakh units). The main determinant of our ability to succeed will be semiconductors. At the moment, there is a constraint of semiconductors fundamentally from one company, and that is affecting four of our models.”

CHIPS SHORTAGE

Bhargava said MSIL has no certainty of how much will be supplied in the next five months.

“If we get reasonably good supplies, we should reach the target. It’s something we want to get to and are trying to get. We have the capability too, but the factor that finally determines our success or failure is not in our hands.”

‘WILL SPRING BACK’

On the overall industry, he said that it is expected to come back to pre-Covid level.

“Sales will be ahead of 2018-19; the hatchback segment will still see de-growth. But overall the industry in the country will have a growth rate, which looking at all parameters, could be around 8 per cent for the auto industry for a while,” he added.

Business Line 19th October 2022

Levy taxes on vehicles based on emissions: Nissan

Our Bureau
New Delhi

Japanese subsidiary Nissan India on Tuesday said that there should be some incentives for hybrid vehicles, too, and the government should consider it, just as it has done for electric vehicles (EV).

In fact, consider taxing passenger vehicles (PV) based on emissions, rather than length and engine size of vehicles, for a cleaner environment, Rakesh Srivastava, Managing Director, Nissan Motor India, told reporters on the sidelines of an event here.

HIGHEST TAX SLAB

"Incentives on hybrids can be far different as compared with incentives given to totally electrified vehicles.



FRESH LINE-UP. Rakesh Srivastava, MD, Nissan Motors India, along with Frank Torres, President, Nissan India Operation, unveiling three new products KAMAL NARANG

Moreover, on ICE (internal combustion engine) vehicles, we could have different tax slabs based on emission levels," he said.

The government already has a different tax structure for vehicles less than four metres, more than four metres in terms of length

and in terms of fuel capacity, he said.

Under the GST regime, cars attract the highest tax slab of 28 per cent, and to top it, a cess is also levied. For instance, small petrol cars with engine capacity less than 1200cc attract only one per cent cess, while diesel cars with engine capacity less than 1500cc attract three per cent cess, over and above the 28 per cent GST. Similarly, sports utility vehicles (SUVs), which include cars with length exceeding four metres, and having a ground clearance of 169mm and above, attract 50 per cent GST.

For hybrid vehicles, the total tax incidence is 43 per cent, which is inclusive of GST, while battery powered EVs attract a tax of about five

per cent. "I think the time has come, maybe, to look towards incentives in the market place based on emission levels. That is going to create a cleaner and greener environment," Srivastava noted.

SUVs TO BE LAUNCHED

Nissan, meanwhile, unveiled some of the global SUVs that will be launched here in coming years. The models include the new X-Trail, Juke and Qashqai, which are all fitted with hybrid and strong hybrid powertrains.

Testing has already begun for the X-Trail and Qashqai on Indian roads. Focusing specifically on their adaptability to Indian roads and differing terrains, the tests will assess each vehicle's ability to meet needs of customers, the company said.

Business Standard 19th October 2022

'Drawback of IGST also available on re-export of imported goods'



CHATROOM

T N C RAJAGOPALAN

We had imported certain goods on payment of full duty including IGST. Finding them defective, we have not used them. The supplier has agreed to take the goods back. So, we want to re-export them. Can we get drawback of 98 per cent of the duty we paid, including IGST, under Section 74 of the Customs Act, 1962?

Yes, provided you submit to the Customs a certificate from your jurisdictional GST officer that the input tax credit (ITC) of IGST paid

on imported goods has not been taken, and that no refund of such ITC or IGST paid on the goods has been claimed. Please refer to CBEC Circular no.21/2017-Cus dated June 30, 2017, which clarifies this matter.

Para 3.12 of HBP (2015-20) says that when goods imported using duty credit scrips are found defective and re-exported, the Customs will issue a certificate containing particulars of scrip used, date of import of re-exported goods and amount debited while importing such goods, and that based on this certificate, upon application, a fresh scrip will be issued by the concerned RA to the extent of 98 per cent of the debited amount, with the same port of registration and valid for a period equivalent to the balance period available on date of import of the goods. Our CHA, however, says

that the Customs' certificate itself can be used for payment of duty on other imported goods, and that there is no need to take a fresh scrip from the RA.

What is the correct position?

The provision for re-export of defective/unfit goods and issue of fresh scrip by the RA at Para 3.11.6 of HBP 2009-14 was amended through DGFT Public Notice No. 22/2009-14 (RE-2010), dated January 14, 2011, allowing the use of re-credit certificate issued by the Customs to the extent of 98 per cent, within six months from the date of the re-credit certificate.

The CBEC had issued circular no. 45/2011-Cus dated October 13, 2011, giving effect to that change. It appears the Customs are following the same circular, as it has not been changed or withdrawn.

Is it a discrepancy if an insurance policy presented under a letter of credit states that the cover is subject to a fran-

chise or excess (deductible)?

Article 28(j) of Uniform Customs and Practices for Documentary Credits 2007, ICC Publication no. 600 (UCP 600), says that "an insurance document may indicate that the cover is subject to a franchise or excess (deductible)".

However, Clause 177 of International Standard Banking Practice for Examination of Documents under Documentary Credits, 2007, ICC Publication no.681 E (ISBP 681E), says that "if a credit requires the insurance cover to be irrespective of percentage, the insurance document must not contain a clause that the insurance cover is subject to a franchise or excess deductible."

So, there is no discrepancy if the insurance policy says that the cover is subject to a franchise or excess deductible, provided the LC does not call for an insurance policy stating that the cover should be irrespective of percentage.

The Economic Times 29th October 2022

Sparks in charging e-bike battery trigger major fire in Mumbai flat

Richa.Pinto@timesgroup.com

Mumbai: In the second such incident in as many months, sparks in an electric bike battery that was being charged inside a flat in Mazgaon, Byculla, led to a major fire on Friday afternoon. No one was injured in the incident that left the entire flat gutted.

Rafiq Shaikh, Mandvi fire station officer, told TOI: "While the battery was being charged, sparks started flying due to the charging cable and the battery got involved. Prima facie, the cause appears to be a short-circuit."

There were five people in the first-floor flat in the two-storey Ahmed building at the time of the incident who ran out immediately on noticing the sparks. The flat was burnt by the time the fire was extinguished at 12.48pm. Around eight to 10 people were brought down from the building using a fire ladder as the staircase was filled with smoke.

"We were informed that some of these senior citizens were asthma and tuberculosis patients and were having extreme difficulty in breathing, considering that the smoke had spread throughout the building. Some tried to escape making use of the staircase but were unable to do so. We later rescued them," he added.

Kishore Jain, owner of the gutted flat, said he had purchased an electric bike six months ago. "I had kept the battery for charging. Never in the past did it give any indication that it would cause sparks. There were

'DISTRIBUTE SAFETY SOP IN BLDGS'

Electric two-wheeler popn

In state

1.3L

in Mumbai

10,305

Tardeo **2,676**

Wadala **2,347**

Andheri **2,646**

Borivali **2,636**



Latest govt standard operating procedure for charging EV

- All electrical installation work for charging stations must be carried out by state-approved, licensed electrical contractors
- Where rapid charging points—known as DC fast charge and operating at 500V direct current (DC)—are provided, they should be clearly differentiated from conventional charging points due to

hazards associated with DC

- Charging bays should be signed and marked prominently on ground to allow vehicles to park close to charging points and prevent stretching of charging cables
- Parking of other vehicles in charging areas prohibited
- E-scooters should not be taken to floors or individual flats for charging

AND IT'S NOT JUST EVs

Any device using a lithium-ion battery is susceptible to fire. Thus, not just e-vehicles, but also laptops and mobile phones are at risk of spontaneous combustion

re five people in the house when the fire started but they all ran out quickly," he said.

A seven-year-old child had died of serious burns after the battery of his father's e-scooter charging in their living room in Vasai exploded on September 23. Police had said overheating of the battery could have caused the explosion and subsequent fire.

The government's latest standard operating procedure for the safety of EV charging states that for e-scooters with detachable and portable batteries, owners will not use household 15A/3 pin switch sockets. It also emphasises that e-scooters cannot be taken to flats or floors for the purpose.

In the wake of recent fire incidents, EV experts told TOI

on Friday there was a need to distribute the SOP to every housing society so people are made aware of the rules and take precautions. Kaustubh Gosavi, consultant (sustainable cities and transport), WRI India, said that the Mumbai EV cell was working with the registrar of societies to create awareness in buildings.

Inputs from Somit Sen

‘Clear, stable policy needed to push flex fuel’

Our Bureau
New Delhi

Honda Motorcycle and Scooter India (HMSI), on Tuesday, said, that a clear and stable policy roadmap will be critical in the implementation of alternative fuel roadmap in the country.

“Policy enablers that can provide reasonable fuel cost and support for localisation would help in maintaining reasonable cost of ownership for successful flex fuel road map implementation in India,” Atsushi Ogata, President, Chief Executive Officer and Managing Director, HMSI, said at the International Conference on Bio-fuels organised by Society of Indian Automobile Manufacturers (SIAM).

SUPPLY AND PRICE

The Japanese two-wheeler subsidiary said that while the company remains aligned to the government’s vision,

challenges related to fuel supply and price need to be addressed.

“To derive advantages of biofuels, it is important to have a clear, consistent, and stable policy. Stable supply with stable price — that is the challenge we perceive from the original equipment manufacturer (OEM) side. Also, we need to invest additionally for the flex fuel, which also means additional cost for the consumer,” he said.

FOREMOST CONCERNS

Elaborating on some challenges regarding flex fuel engines, Ogata listed stable supply of high quality ethanol as one of the foremost concerns for the domestic auto industry. Citing Brazil’s case, he noted that the government there gave incentives to promote flex fuel vehicles. Similarly, some incentives in terms of taxation would encourage the alternate fuel strategy to kick off in



Atsushi Ogata, President, CEO and MD, HMSI

India too, Ogata said. India has postponed the target date for achieving 20 per cent ethanol-blending in petrol by five years to 2025.

The government expects the automobile industry to move towards flex-fuel engines after crossing the 20 per cent ethanol-blending milestone.

SAVING BILLIONS

Ethanol extracted from sugarcane and damaged food grains such as wheat and broken rice and agriculture

waste is less polluting, and also provides farmers an alternative source of income.

India is the world’s third-biggest oil importer, relying on foreign suppliers to meet over 85 per cent of its demand. Achieving E20 blending with petrol by 2025 will help India save foreign exchange by about ₹30,000 crore per annum while also curbing air pollution.

“Through SIAM, I am happy to note that the Indian automotive industry is working with the government as we transition to sustainable transportation through the implementation of stringent emission standards and emphasis on alternate fuels. Biofuels offer a pathway towards a sustainable future which includes clean air and less dependence on imported oil, thereby supporting Aatmanirbhar Bharat,” said Vinod Aggarwal, President, SIAM and CEO and MD, Volvo Eicher Commercial Vehicles.