

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

Business Line 21st December 2022

Passenger vehicles record highest sales in November

IN THE FAST LANE. Two-wheeler sales also grow; industry wary of inflationary pressures

S Ronendra Singh
New Delhi

The passenger vehicles (PV) wholesale (dispatches to dealers) in November has recorded the highest-ever monthly figure with 3.22 lakh units compared with 31.5 lakh units in the year-ago period.

Most companies, including Maruti Suzuki India, Hyundai Motor India, Tata Motors, M&M and Kia India, have reported a double digit growth on a y-o-y basis during the month. Two-wheeler manufacturers, too, have shown positive growth.

PEAKING SALES

“Industry estimates as many as 322,861 passenger vehicles were sold last month, an increase of 31.5 per cent over 245,636 units sold in the same period last year. This is the highest sales recorded in the month historically,” Shashank Srivastava, Senior Executive Officer, Marketing & Sales, Maruti Suzuki India (MSIL) said.

The company reported a domestic wholesale of 132,395 units during the month, up 21 per cent y-o-y. “PV sales are expected to peak at 3.8 million units in the ongoing calendar year. PV makers have already sold 3.5 million vehicles till November, comfortably higher than record sales of 3.38 million units registered in 2018,” he said.

Srivastava, however, also cautioned that the increase in

Domestic auto sales

| Company | Nov 2022 | Nov 2021 | % change | Company | Nov 2022 | Nov 2021 | % change |
|---------------------------|----------|----------|----------|----------------------------------|----------|----------|----------|
| Passenger vehicles | | | | Two-wheelers | | | |
| Maruti Suzuki India | 1,32,395 | 1,09,726 | 21 | Hero MotoCorp | 3,79,839 | 3,28,862 | 15 |
| Hyundai Motor India | 48,003 | 37,001 | 30 | Honda Motorcycle & Scooter India | 3,53,540 | 2,56,174 | 38 |
| Tata Motors | 46,425 | 29,947 | 55 | Bajaj Auto | 1,23,490 | 1,44,953 | -15 |
| M&M | 30,392 | 19,458 | 56 | TVS Motor | 1,91,730 | 1,75,940 | 9 |
| Toyota Kirloskar Motor | 11,765 | 13,003 | -9 | Suzuki Motorcycle India | 63,156 | 55,662 | 13 |
| Honda Cars India | 7,051 | 5,457 | 29 | Royal Enfield | 65,760 | 44,830 | 47 |
| Kia India | 24,025 | 14,214 | 69 | Commercial vehicles | | | |
| MG India | 4,079 | 2,481 | 64 | Ashok Leyland | 13,654 | 9,364 | 46 |
| Nissan India | 2,400 | 2,651 | -9 | Volvo Eicher | 4,903 | 4,085 | 20 |
| Skoda Auto | 4,433 | 2,196 | 102 | Tata Motors | 27,430 | 28,295 | -3 |
| | | | | M&M | 19,591 | 17,543 | 12 |
| | | | | Maruti Suzuki (Super Carry) | 2,660 | 3,291 | -19 |
| | | | | Tractors | | | |
| | | | | Escorts | 7,359 | 6,492 | 13 |
| | | | | M&M | 29,180 | 26,094 | 12 |



Source: Companies

repo rates announced earlier are now being effected in retail financing, as in the PV segment, about 80 per cent of sales and all of inventory is financed. “It is important to monitor the impact of inflationary pressures on demand going forward,” he added.

Hyundai Motor India also recorded a 30 per cent y-o-y growth in its November sales to 48,003 units (37,001). “This year, we have seen a sustained recovery and growth in demand for our cars. On the back of a strong festival season, we have achieved a high double digit growth in domestic sales in the last couple

of months compared to same period last year,” Tarun Garg, Director (Sales, Marketing & Service), Hyundai Motor India, said.

TWO-WHEELERS

In the two-wheeler segment, market leader Hero MotoCorp reported a y-o-y growth of 15 per cent in its domestic wholesale in November to 379,839 units as against 328,862 units in same month last year.

The company said it expects the momentum to build-up in the coming quarters on account of favourable economic indicators, includ-

ing encouraging farm activity and positive consumer sentiments along with the upcoming marriage season.

Honda Motorcycle & Scooter India also registered a 38 per cent y-o-y growth in sales and TVS Motor Company reported domestic sales of 1,91,730 units, up 9 per cent y-o-y.

However, Bajaj Auto reported a decline of 15 per cent in its domestic two-wheeler sales. In the commercial vehicle segment, too, most companies, including Ashok Leyland, Volvo Eicher and M&M reported a double digit growth.

CNG-run Car Sales' Share Rises to 10% Despite Escalating Costs

Low cost of operation, new launches & higher cash incentives power demand growth

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Mumbai: Notwithstanding the increasing compressed natural gas (CNG) prices, sales of passenger cars powered by CNG have been seeing a steady increase and now account for about 10% of total car sales in the country, up from 8% in January.

Lower cost of operation compared to cars run on diesel and petrol, new launches, and higher cash incentives are powering the rising demand for CNG vehicles, experts said.

"The running cost of CNG at ₹2.5 to ₹2.60 per km, is less than half of ₹5.30 to ₹5.45 per km for petrol and diesel-driven vehicles," said Shashank Srivastava, senior executive director at the country's largest carmaker Maruti Suzuki, which has the largest portfolio of CNG cars in the country.

"As geopolitical situation eases, it is likely that prices of CNG will fall, which can further increase the running cost advantage of CNG cars over petrol and diesel cars," Srivastava said.

CNG prices have gone up 48% since January 2022 to ₹78.61 per kg.

Cash incentives for CNG cars in December

₹25,000
Suzuki Alto

₹45,000
Suzuki Celerio

₹40,000
Suzuki S-Presso

₹15,000
Suzuki Eeco

₹10,000
Suzuki Wagon R



Source: Jato Dynamics

Yet, retail sales of CNG-powered cars increased from 22,807 units in January to 33,529 units in October. Sales dipped slightly to 25,904 units in November, according to automotive market research firm Jato Dynamics.

This month, the incentives offered on CNG cars by carmakers are higher than in November.

CNG models of Suzuki Celerio and S-Presso are being sold with

cash incentives of ₹45,000 and ₹40,000, respectively, while Alto CNG has cash incentive of ₹20,000-25,000, as per estimates of Jato Dynamics.

CNG cars largely dominate the taxi segment in cities. One of the big challenges for larger adoption of CNG-powered cars is the time it takes to refuel due to limited number of CNG dispensing stations that often lead to long queues of vehicles, experts said.

But the number of CNG stations has been rising steadily. There are 4,709 CNG pumps across Indian cities as of November 2022, up from 2,207 in 2019-20.

CNG, which is considered a green fuel, is a far better option than diesel and other conventional fuels but its rising price has a big cost implication, according to

VEHICLE-FRIENDLY

The running cost of CNG at ₹2.5 to ₹2.60 per km, is less than half of ₹5.30 to ₹5.45 per km for petrol- and diesel vehicles

SHASHANK SRIVASTAVA
Senior Executive Director, Maruti Suzuki

taxi operators.

"The profitability of taxi operators is impacted as the fuel is generally the second or third key cost component for the taxi drivers," said Shashank Rao, president of Taxi and Autorickshaw Union in Mumbai.

While electric cars are set to be the future, they are not yet feasible for taxi operators due to high acquisition cost and low availability of chargers, said Jaspal Singh, partner at Valoriser Consultants, a management consultancy firm that specialises in urban transport and e-mobility.

The Times of India 3rd December 2022

E-mobility can drive luxury vehicle sales, says Merc CEO

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Pune: The outgoing managing director and CEO of Mercedes-Benz India, Martin Schwenk, told TOI on Friday that the push towards e-mobility would push up sales in the relatively small luxury vehicle segment in India.

The company has launched GLB petrol and diesel variant SUVs, as well as its electric EQB SUV. The GLB is priced between Rs 63.8 lakh and Rs 69.8 lakh, while the electric EQB is priced at Rs 74.5 lakh.

"There will be continuous growth in the luxury car market in India, and we may reach a little bit higher than the current share of luxury cars in total car sales (around 1.5%), but it will take much longer to reach 10% of the passenger car market. That is what needs to happen in the next 5-10 years. There is certainly a possibility that the growth in the electric car market could be higher, and that can get you accelerated growth in the premium and luxury segment," he said.

Schwenk said the clientele of the company's cars

was shifting in India, from just businessmen and high networth individuals, to salaried people and professionals, along with an average younger buyer as well.

"In the last 10 years or so, we have seen a shift in our customer base. For example, we have a higher number of salaried purchasers here, and earlier, it was largely businessmen and entrepreneurs. Now there are builders, doctors, architects, and a growing middle class, and we have seen a much younger profile of buyers, of below 40 years of age," he said.

At 23.8 lakh units, Nov records highest-ever auto retail sales

SPOILER ALERT. China lockdown may slow down supply of semi-conductors, says FADA

Our Bureau
New Delhi

The auto industry in November clocked the highest retail sales in history on a year-on-year (y-o-y) basis. The total vehicle retail sales have grown 26 per cent with all the categories in the industry closing in green, as robust registrations across segments including passenger vehicles, two-wheelers and commercial vehicles took place during the month.

PV, CV SALES

According to the monthly retail sales data shared by Federation of Automobile Dealers Associations (FADA) on Friday, sales of the passenger vehicle grew 21 per cent y-o-y to 3,00,922 units during the month, compared with 2,48,052 units in the corresponding month last year.

Commercial vehicle sales grew 33 per cent y-o-y to 79,369 units last month compared with 59,765 units in November 2021.

Similarly, two-wheeler sales also grew by more than 23 per cent to 18,47,708 units in November as against



CHIN UP. Buyer enthusiasm is on account of better perception of economic situation and employment, as per RBI data.

14,94,797 units in the same month the previous year.

Led by electric vehicles, the three-wheeler retail sales grew 80 per cent y-o-y to 74,473 units in November against 41,296 units in corresponding month last year.

The total sales across all categories were recorded at 23,80,465 units during the month compared with 18,93,647 units in November 2021.

“November has clocked highest retails in the history of the Indian automobile industry, with March 2020 as an

exception when retails were higher due to BS-4 to BS-6 transition,” said Manish Raj Singhanian, President, FADA.

On future outlook, Singhanian said that RBI’s latest consumer confidence data suggest that customers are enthusiastic on account of better perception of the general economic situation, employment and household income. This, along with the ongoing festive season, has continued to help bring customers to the showrooms as on date.

In the meantime, most manufacturers are announc-

ing price hikes. But, to counter this, and for the lower end of the pyramid, manufacturers have also started announcing discounts for slow moving products, lower variants and to clear their year-end stocks. This may help year-end sales to remain healthy, he said.

PRICE HIKES

“While the above actions are positive, RBI has increased the repo-rate by 35 bps (225 bps increase since May’22) and continues to hint at more hikes in future. This increase now brings repo rate to 6.25 per cent, the highest since February 2019. This will further lead to a higher cost of borrowing, and along with price hikes made by manufacturers may dent consumer confidence specially in two-wheeler and entry level passenger vehicle segment,” Singhanian said.

Along with this, the China lockdown may play spoiler by slowing the supply of semi-conductors. This may act as a speed-breaker and add to supply-demand mis-match which was showing improvement over the last few months, he added.

Auto production to normalise only after 2-3 quarters: Report

G Balachandrar
Chennai

Despite an improvement in the availability of semiconductor chips, vehicle makers are likely to take another 2-3 quarters to restore normalcy in production and to overcome the supply-demand mismatch.

Availability of chips for the auto sector has improved on the back of a slowdown in demand in the electronics space. As a result, the global supply-side shortages are easing for the auto industry.

INSUFFICIENT SUPPLY

Though passenger vehicle (PV) makers are ramping up capacities to cut waiting periods for customers, the growth in supply is not sufficient to meet the demand.

“Demand for auto chips remains strong with a pick-up in volumes of PVs, given the tailwinds of a post-Covid recovery, and supply chains falling short of meeting the requirements. The increase in demand for electric vehicles globally has also contributed to this shortage. Consequently, most OEMs in India have been reporting a loss of volume, but it has eased significantly in relation to the position a year back,” says a report by India Ratings & Research.

The personal computer market, inclusive of desktops, notebooks, and workstations, declined by 11.7 per cent year-on-year during September 2022

CHIP WOES

Despite slackening demand for electronic chips required for phones and PCs, supply of automotive chips has not returned to normalcy.

quarter after eight consecutive quarters of growth, while the country's smartphone market declined 10 per cent during the last quarter. This was the lowest third-quarter shipment since 2019 despite an earlier onset of the Diwali festivities, according to IDC.

However, despite the slackening demand for electronic chips required for smartphones and PCs, the supply of automotive chips has not returned to normalcy.

‘WORST IS OVER’

“While the worst is probably over for chip shortages, normalisation of supply could still take time and would remain a function of not only capacity constraints but also the slowing global demand,” added India Ratings.

Along with Maruti, other PV makers are also facing similar challenges due to the insufficient availability of semiconductor chips. For commercial vehicle makers, the continuing shortages in chips are affecting the production of their light commercial vehicles, used for last-mile delivery by companies.

PRESS REPORTS ON ELECTRIC VEHICLE

The Economic Times 12th December 2022

India Engineers in Demand as Global Autocos Take EV Route

Car makers are integrating digital into all aspects of their ops, from product design to production

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Pune: Top-end automakers are turning to India for their engineering needs. In the past year, Daimler Truck set up a new R&D hub in India, while Mercedes-Benz and Volvo have expanded their existing facilities.

The worldwide shift towards electrification and autonomous vehicles is driving demand for software engineers, a largely untapped category for car makers until now.

Work around electric batteries and hydrogen-powered fuel cells is being driven out of India, apart from the software and electronics that go inside the car.

"The auto industry is undergoing a total disruption and the skills needed today are very different from the past," said Raghavendra Vaidya, managing director of Daimler Truck Innovation Center India.

"When it comes to product engineering, there's no better location than India to build a strong engineering team." The company set up its facility in Bengaluru earlier this year, and it has already become the second largest hub for the company outside Germany.

Mercedes-Benz was among the earliest auto firms to set up a centre in India 26 years ago. The company currently has 7,000 employees with plans to add another 1,500 next year.

Car makers are integrating digital into all aspects of their opera-

Way Forward

EXPERTS SAY...

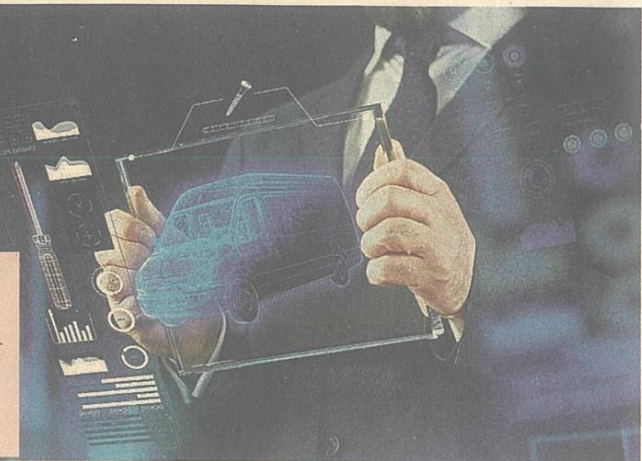
- Tech cos reevaluating their business plans and making investments in a connected future
- Car makers are integrating digital into all aspects of their operations

KEY TRENDS

Greater connectivity, autonomous driving, IoT, wireless features and driver assistance systems

Daimler Truck set up its facility in Bengaluru this year

Automaker Mercedes-Benz set up a centre in India 26 years ago



tions, from product design to production. "Technology companies are reevaluating their business plans and making investments in a "connected" future due to emerging trends like greater connectivity, autonomous driving, IoT, wireless features, and driver assistance systems, as well as changing consumer expectations," said Manu Saale, MD and CEO of Mer-

cedes-Benz Research and Development India (MBRDI), which plays a key role in the areas of software, digitalisation, simulation, and data science.

All of these trends are driving demand for engineers in India.

Recruitment firm Antal said cities like Hyderabad, Pune, Delhi and Bengaluru were witnessing a surge in the number of global capability centres being set up by auto firms.

"India is currently seen as a goldmine to invest in, in terms of skilled talent. The cost required to set up such centres is also relatively less compared to other auto hubs such as Japan, Korea and China etc," said Nagesh Joshi, managing partner, Antal International India.

In the last quarter, there was a

12-15% increase in mandates within engineering and IT functions, with hiring for roles in artificial intelligence, digital transformation, machine learning and business intelligence.

"These centres are eager to set up elite technical teams to oversee the full product development process and foster international product management, among other things," Joshi said, adding these mandates will increase in the coming months.

"Companies have seen the success that companies like Bosch or Mercedes-Benz have had in terms of being able to show the kind of products they have built out of India," said Atit Danak, partner and head, Zinnov CoNXT. Their success is also attracting more companies to India.

RAGHAVENDRA VAIDYA
MD, Daimler Truck Innovation Center India



The auto industry is undergoing a total disruption and the skills needed today are very different from the past

M&M to invest ₹10,000 cr to set up EV plant in Pune

To put in the money over 7-8 years, targets 30% sales from EVs by 2027

SOHINI DAS

Mumbai, 14 December

Mahindra and Mahindra (M&M) said on Wednesday it will invest ₹10,000 crore for setting up an electric vehicle (EV) manufacturing facility in Pune.

The company is in talks with states to set up EV plants as it seeks at least 30 per cent of its sales to come from such vehicles by 2027.

The Pune facility will be set up under the Maharashtra government's industrial promotion scheme for EVs, the company said. M&M, through a subsidiary, will invest ₹10,000 crore over seven to eight years for the plant that will make its upcoming Born Electric Vehicle (BEV). The company showcased BEV in Oxfordshire, England, on August 15. Vehicles made at the Pune plant will be based on M&M's INGLO EV platform and will include e-SUVs under the XUV brand.

Rajesh Jejurikar, executive director, auto & farm sectors at M&M said that the company was "delighted" with Maharashtra's approval for the plant and "investing in their home state of 70 years".

"The government's focus on 'ease-of-doing-business' and progressive policies, together with Mahindra's investment, will act as a catalyst for Maharashtra to become India's EV hub, attracting further Indian and Foreign Direct Investment (FDI)," Jejurikar said. M&M is raising funds for its EV subsidiary as its rival, Tata Motors, gets a headstart

40% of all vehicles will be electric by 2030, says Bain

As much as 35 per cent to 40 per cent of all vehicles sold in the country across segments will be electric by 2030, up from a mere 2 per cent this year, says a Bain & Co report released on Wednesday. This translates to 14-16 million new electric vehicles (EVs) selling in a year. The inflexion point, which is now being seen month on month in many segments (such as two-wheelers which hit around 4-5 per cent in December), will be more than visible in

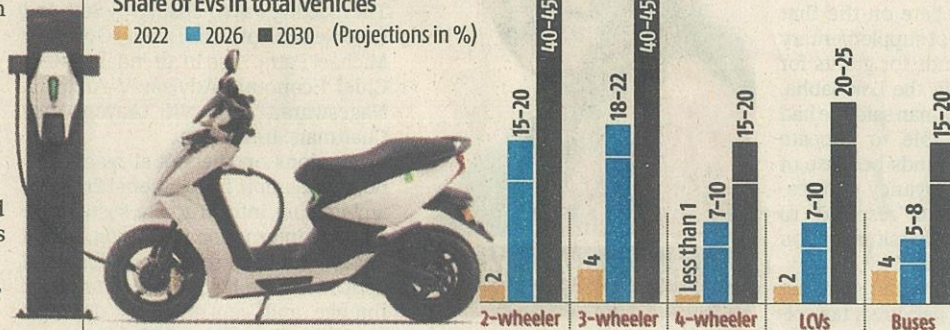
2026, when 4-5 million EVs across segments are expected to be sold, accounting for 15-20 per cent of the total sales, says the report. What's more, the projected level of penetration, according to Bain, will lead to a new EV-specific revenue pool of anything between \$76 billion and \$100 billion by FY 2030. (This includes some double counting in the value chain from the cost of batteries and other components).

SURAJEET DAS GUPTA

FEELING THE ZING

Share of EVs in total vehicles

■ 2022 ■ 2026 ■ 2030 (Projections in %)



Note: LCVs: Light commercial vehicles

Source: Bain & Company

in the game. In July, M&M raised ₹1,925 crore from British International Investment (BII) for a new four-wheel passenger EV company.

BII, UK's development finance institution, and M&M have an agreement to invest up to ₹1,925 crore each in the EV company. M&M has said that there would be an approximate capital infusion of ₹8,000 crore between FY24 and FY27 for the planned product portfolio. In September, Reuters reported

that M&M is in talks with global investors to raise between \$250 million and \$500 million to accelerate its plans to build EVs. Jejurikar, in September, indicated that M&M is looking to create a new segment in the e-SUV market with XUV400, which is likely to go on sale in January 2023. It would be followed by XUV.e and BE (born electric) range from 2024 onwards. It has five electric SUVs in the works, which will be sold under two

distinct brands — XUV and BE.

Despite being an early entrant in the EV segment with the e-Verito and e2o, M&M had lost out to rival Tata Motors. The company is now keen to regain that lost market share. India's retail sales of EVs, including passenger vehicles, surged by 185 per cent year-on-year to 111,971 units in October according to data industry body Federation of Automobile Dealers Associations (FADA).

Electric Two-wheeler Sales Sustain Momentum in Nov

ON TRACK Total electric two-wheeler sales, which touched an all-time high of 76,445 units in October, came in only slightly lower at 76,148 units in November

Lijee Phillip & Pranav Balakrishnan

Bengaluru: Sales of electric two-wheelers sustained their momentum in November on pent-up demand from customers despite forecasts by industry watchers that they would fall as discounts dried up after the festive season.

Total electric two-wheeler sales, which touched an all-time high of 76,445 units in October, came in only slightly lower at 76,148 units in November, with both Ather Energy and Ampere posting higher numbers in the month, the government's vehicle registration tracking portal Vahan showed.

However, Okinawa's sales fell sharply owing to supply constraints and non-subsidy issues, while Hero Electric

On the Road

ELECTRIC TWO-WHEELER SALES (UNITS) IN 2022

| | | |
|---------------|---------------|---------------|
| Ather | 7,541 | 7,353 |
| Ampere | 11,671 | 10,063 |
| Hero Electric | 8,692 | 8,867 |
| Okinawa | 8,750 | 14,936 |
| Ola Electric | 15,655 | 16,327 |
| TOTAL | 76,148 | 76,445 |

In Oct, electric 2-wheeler sales were about **4.5%** of the petrol vehicle sales volume

Source: Vahan

and Ola Electric reported a marginal drop in the month.

Ola Electric continued to lead the EV two-wheeler sales chart, selling 15,655 units in November.

"What we are seeing in the EV space is consistent with what we have been articulating and expecting for a while," Arun Kumar GR, group chief financial officer of Ola, told ET. "The fundamental point is that adoption into EV is a strong trend, and the in-

flexion point is just around the corner."

The company, Kumar said, is expected to see a significant increase in sales in March and April as it starts delivering its cheapest product - Ola S1 Air - which is priced at ₹84,999.

Total electric vehicle (EV) sales - which include three-wheelers as well as four-wheelers - in November also matched the record set in October amid the Navratri and Di-

wali festive season. October recorded a monthly record of 1,15,886 EV sales, while in November it was 1,15,095 units, as per Vahan data.

"There has been a spill over from October to November," said Jay Kale, SVP, equity analyst, auto and auto ancillary, Elara Capital.

"The EV contribution as a percentage of total two-wheeler sales hasn't changed in last two-three months."

In October, electric two-wheeler sales were about 4.5% of the petrol vehicle sales volume.

Sales of electric two-wheelers are poised to grow 117% year on year to 750,000 units this fiscal year, while three-wheelers are expected to grow 12% to 200,000 units, according to the Society of Electric Vehicle Manufacturers (SMEV).

EV Makers Want Subsidies Restored

Our Bureau

New Delhi: The Society of Manufacturers of Electric Vehicles (SMEV) on Tuesday sought restoration of subsidies offered under a key government scheme to promote sale of EVs saying that the move to unilaterally stop subsidies will "choke the very life breath of the industry".

In a letter to the heavy industries ministry, the SMEV said the ministry had blocked subsidy disbursement to almost all the major electric two-wheeler manufacturers, leading to an unprecedented situation, and suggested setting up a committee to look into the matter and resolve it.

Subsidies worth ₹1,100 crore meant for promoting electric vehicles in the country were blocked by the Centre following allegations that manufacturers were not adhering to localisation norms.

The goal of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme was to promote sale of electric vehicles. Under the present model, the subsidy is credited to the EV ma-

kers after the vehicles are sold.

"This cannot be sustainable and many of the manufacturers will collapse... to unilaterally stop subsidy is to choke the very life breath of the industry," the letter said.

In October, the Centre had sent notices to a set of EV makers to check whether the components used in their vehicles were largely locally sourced as they availed benefits provided under the ₹10,000 crore FAME-II scheme. The subsidy that was given to the EV companies after the sale of these vehicles was also stopped pending the investigation.

"At the core of the problem is the department's inexplicable behaviour vis-à-vis the localisation norms against target dates which, everyone is aware, re-



The subsidy given to the EVs after the sale of these vehicles was also stopped pending investigation

ceived a severe setback due to the two years of Covid blackouts," the letter said.

PRESS REPORTS ON TRACTORS

Business Line 12th December 2022

Tractor sales rise 7% in Nov on improved rabi sowing

PLOUGH POWER. Good kharif procurement has put money in the hands of the farmer

G Balachandar
Chennai

After hitting a historic high in October, tractor sales in the domestic market moderated in November. However, volumes were still higher compared with November 2021 sales as demand sustained post-festival season too.

Last month, domestic sales grew about 7 per cent at 67,940 units compared with 63,783 units in November 2021, but were down a whopping 45 per cent from October 2022 volumes of 123,525 units. Top tractor maker Mahindra & Mahindra outpaced industry growth with 12 per cent increase in its November 2022 volumes at 29,180 units. "Demand continued to remain strong in the post-festival period on account of brisk



MARCHING AHEAD. Mahindra & Mahindra outpaced industry growth with 12% increase in its November 2022 volumes

sowing of rabi crops, fuelled by high moisture content in the soil. Procurement of kharif crop has progressed well, bringing liquidity in the hands of farmers and this augurs very well for the tractor industry's

growth," said Hemant Sikka, President - Farm Equipment Sector, M&M.

Escorts also recorded higher-than-industry growth of 13.4 per cent at 7,359 units for November. The total pro-

duction in November was also higher at 78,709 units (67,566 units), according to Tractor & Mechanisation Association (TMA) data.

EXPORTS DIP IN NOV

Tractor exports were lower at 9,884 units in November when compared with 10,790 units in November 2021. However, they were up 11 per cent compared to October 2022 exports of 8,888 units.

"Tractor industry volumes have remained at healthy levels in the ongoing fiscal, aided by decent farm cash flows. Domestic volumes are expected to record a single digit growth in FY23 on the back of a high base, aided by favourable underlying drivers for rural cash flows, said Rohan Kanwar Gupta, Vice President & Sector Head - Corporate Ratings, ICRA Ltd.

PRESS REPORTS ON COMPANY NEWS

The Economic Times 11th December 2022

10% OF ITS SALES HERE ARE LIKELY TO COME FROM EVs BY 2023 END

BMW Set to Drive Record Sales in India in 2022

German luxury carmaker expects sales in the country to grow 40% in 2022

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New Delhi: BMW is slated to clock its best-yet sales in the Indian market this calendar year, driven by strong consumer demand in the luxury segment. "This year, we expect to post our best-ever sales since inception," Vikram Pawah, EO BMW Group India, told ET.

The German luxury carmaker expects its sales in the country to grow at least 40% in 2022, he said.

BMW India had sold 8,876 units in 2021. The company posted its best annual sales in 2018 when it sold 10,405 cars in India. "We have launched 26 products in the last two years, which have been received well by our customers," Pawah said.

BMW India is currently sitting on pending orders for

2,500 vehicles.

Demand for its electric vehicles — iX, i4 and MINI Electric — has been better-than-expected, Pawah said. With a fourth model scheduled for launch in 2023, the company expects 10% of its sales in the country to come from EVs by the end of 2023.

BMW India has sold out the allocated batches of SUV iX. The all-electric MINI is booked out till the first quarter of 2023, and sedan i4 till the end of next year.

While studies are still on to gauge the feasibility of assembling electric vehicles locally, given that the initial response from consumers has been so encouraging, the company is working on increasing allocations for the market here to meet customer demand, Pawah said.

Globally, BMW is set to introduce 25 electric vehicles by 2023. Nearly half of them — the full electric ones — can be launched in India, provided the current incentives continue and adequate charging infrastructure is set up across the country, Pawah said. India currently levies a reduced GST rate of 5% on EVs.

Overall, Pawah said potential for luxury carmakers in India is promising given that it is among the countries with the highest number of billionaires while penetration of luxury vehicles at less than 2% of overall car sales is among the lowest among major economies in the world. The peak annual luxury car sales recorded in the country so far is only about 40,000 units in 2018.

EV-Savvy

| | | |
|--------|-------|--------|
| 12,400 | 8,876 | 10,405 |
| 2022* | 2021 | 2018 |



Source: BMW India; BMW India sales (in units); *Estimates

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With near-8% market share, M&M the leader in e-3-wheelers, to up production

Aroosa Ahmed
Mumbai

With the penetration of electric vehicles increasing in the Indian automobile market, Mahindra & Mahindra is increasing its production capacity and adding more dealer touchpoints. The company is now the market leader in the electric three-wheeler segment with a 7.9 per cent market share.

The company sold 1,000 electric vehicles in March 2021, which doubled by March 2022. In November 2022 the company sold 4,000 units. According to a BNP Paribas report, the electric three-wheeler market grew 115 per cent in volume year-on-year and 11 per cent month-on-month. The report further mentions that Mahindra &



IN DEMAND. Mahindra & Mahindra sold 4,000 EVs in November, up from 1,000 in March 2021.

Mahindra is marginally leading the highly fragmented electric three-wheeler market followed by YC Electric.

"In this financial year, we aim to increase the production capacity, add more dealer touchpoints and bring in cutting-edge, technology-driven last-mile mobility EVs. Mahindra Last Mile Mobility will continue to focus on in-

creasing the 3-wheeler EV penetration through our customer-centric products and bringing the true electric vehicle experience to our driver partners," said Suman Mishra, CEO of Mahindra Electric—Last Mile Mobility.

SALES HIGHEST IN UP

The penetration of electric three-wheelers is the highest

in Uttar Pradesh with 79 per cent in FYTD 23 followed by Punjab and Delhi.

"We have a pan-India presence, with more than 800 touchpoints – the North, and East, have progressively adopted more 3-wheeler electric vehicles than other regions. The electric three-wheeler industry is now almost 30 thousand strong YTD, as per SIAM. Our electric vehicles have been providing employment opportunities through sustainable mobility," added Mishra

The sales of three-wheelers had also seen an uptick. Earlier *businessline* had reported that 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).

Record e-scooter sales prompt TVS Motor to up production

G Balachandar
Chennai

TVS Motor Company Ltd said it's on track to ramp up capacity of electric two-wheelers from 10,000 units a month to about 25,000 units by March 2023. This comes in the wake of the leading two and three-wheeler maker's growing volumes for its e-scooter iQube on the back of increasing acceptance of e-two-wheelers in the country.

While the company's e-scooter sales continue to move northwards every month in the personal mobility segment, TVS Motor is also readying its e-product options for B2B along with an ecosystem of battery, connected service, and alternate ownership. For this it has collaborated with e-commerce players like Amazon India and Swiggy, a move that will bring incremental volumes.

"Our EV journey with TVS



● MILESTONE

TVS iQube touched a milestone this year in November with a record 10,056 units sold in a single month

iQube recorded a milestone in November 2022 with record sales of 10,056 units in a single month. This achievement is backed by the strong order books and increasing acceptance towards e-mobility, as the e-scooters continue to be at the forefront in this sector," K N Radhakrishnan, Director & CEO of TVS Motor Com-

pany told *businessline*.

With improving sales of iQube, TVS Motor secured a market share of about 10.6 per cent in November. It occupied 5th position after Ola, Ampere, Okinawa, and Hero Electric in the electric 2W market.

TO ADD NEW MODELS

"The TVS' iQube is also riding well on this EV upward trend and despite having only one EV model in its lineup, The company will have to add new models in its lineup to offer customers more choices as well as to remain competitive across different price and performance segments," said Suraj Ghosh Director, Mobility, S&P Global.

Presently, the company carries an order book of 25,000 units for iQube, with a presence in over 88 cities, which will reach 100 soon. The company has already committed ₹1,000 crore capex, primarily towards its EV business.

Li-ION BATTERY CELLS

Ola Electric plans steady supply of raw material

SURAJEET DAS GUPTA
New Delhi, 4 December

Ola Electric — in conjunction with stakeholders — is putting together a plan to ensure a stable supply of raw materials, which go into the making of a lithium battery cell.

The company is the only two-wheeler electric vehicle (EV) player, which has decided to manufacture the cell and control its technology — that are crucial components for making the battery.

Ola broke the myth that crucial raw materials, which include lithium, nickel and cobalt, are controlled by China and it may be difficult for India strategically to play a key role in EVs. Ola Electric founder Bhavish Aggarwal said, "There is a lack of understanding on raw materials, which go into the making of the battery cell. We presume that China controls the supply of these materials, which is not true. I am optimistic that the Indian ecosystem will get its fair share of raw materials as India is becoming a key EV market. All mines and processors are looking at India."

For instance, Australia and



India cannot skip lithium and do a strategic blunder, says founder Bhavish Aggarwal

South America are the largest suppliers of battery-grade lithium in the world. While China does not control the mines, it controls the midstream. So, a lot of lithium is shipped and processed in China to hydroxides and carbonates, which are then used in cell factories. China has the largest scale of cell factories in the world.

Aggarwal said many in India say we should skip lithium and are too late. "We are not late at all and we cannot skip lithium and do a strategic blunder," he added.

Their are various alternatives being worked out. India can become strategic partners to countries like Australia. Aggarwal said that he is work-

ing on building this ecosystem.

He pointed out that if India and Australia consummate their free-trade agreement (FTA), battery-grade lithium will be a very valuable business between the two countries.

The government is already working closely on this. Government-owned mining company Khanij Bidesh India (KABIL) — a joint venture of three public sector undertakings (PSUs) set up to ensure supply of critical minerals — is one platform.

It has already signed agreements with the Australian Critical Minerals Facilitation Office to facilitate sourcing of lithium from both countries.

Even India has lithium reserves but they have not been mined. "The government is also serious and is taking a strategic view. So, we (companies) should put our best step forward and play the lithium global game through public-private partnership," he added.

In nickel also, Aggarwal said Russia and Indonesia, and not China, control the mining but the midstream is in China. But India has the opportunity to build the midstream business too, he felt.

SUN Mobility to set up 16,000 battery swap stations by 2025

Isha Rautela
Bengaluru

SUN Mobility plans to build 16,000 battery swap stations with 2,40,000 battery chargers, allowing for over 3 million swaps per day, in order to meet its goal of onboarding 1 million battery swap-enabled electric vehicles by 2025.

According to Anant Badjatya CEO, India, SUN Mobility the entire funding for establishing the stations would be done through debt and equity. "The equipment cost per station alone is around \$8,000. The entire funding of setting up the stations would be done through debt and equity," Anant Badjatya CEO, India, SUN Mobility told *businessline*. He added that it was most important for them to have an ecosystem—the OEMs, and distributors.

Business Line 3rd December 2022

Amara Raja Batteries to invest ₹9,500 crore in lithium-ion battery facility in Telangana

Our Bureau
Hyderabad

Amara Raja Batteries Limited (ARBL) will be setting up a modern research and manufacturing facility for lithium-ion batteries in Mahbubnagar district, Telangana. The company intends to invest over ₹9,500 crore over the next 10 years in the lithium cell gigafactory with an ultimate capacity up to 16 GWh and a battery pack assembly unit up to 5 GWh.

This was announced by Jayadev Galla, Chairman and MD, Amara Raja Batteries, in the presence of KT Rama Rao, State's Minister for Industries, after signing a formal MoU here on Friday.



(From left) Jayesh Ranjan, Principal Secretary, Industries and Commerce & IT; Vijayanand Samudrala, President, New Energy, Amara Raja Batteries Pvt Ltd; KT Rama Rao, Minister for Municipal Administration & Urban Development, Industry & Commerce, IT, Electronics and Communication; Jayadev Galla, CMD, Amara Raja Batteries Pvt Ltd and; Vikramadithya Gourineni, Executive Director, Amara Raja Batteries Pvt Ltd

ADVANCED CENTRE

Amara Raja Batteries had chosen Telangana to house the Amara Raja Giga Cor-

ridor, Rao said, adding that the initial facilities would include a first-of-its kind advanced energy research and

innovation centre in Hyderabad, dubbed the Amara Raja e-hub. The proposed facility will be equipped with advanced laboratories and testing infrastructure for material research, prototyping, product life cycle analysis and proof of concept demonstration. It would also cater to the development needs of Amara Raja and provide a range of facilities for other players in the energy and mobility ecosystem.

In addition, it would be establishing a commercial scale pilot plant and the first giga scale cell production facility. Towards this, the company had last month announced the incorporation of a subsidiary named Amara Raja Advanced Cell Technologies Pvt Ltd.

2-wheeler firms get over 2-year breather on emission sensor

Rule deferred as trial results were 'far from satisfactory'

SHALLY SETH MOHILE
Mumbai, 9 December

The government has deferred the regulatory requirement of deploying sensors on two-wheelers that can indicate whether the exhaust emission control device is functioning optimally. This comes as a respite for the industry reeling from a protracted slowdown, as the move would have resulted in added costs.

An official of the ministry of road transport and highways (MoRTH) confirmed the decision. "The (requirement of) fixing sensors to assess the performance of the catalytic converter has been deferred to April 1, 2025," said the official.

A catalytic converter converts toxic gases and pollutants from an internal combustion engine into less toxic pollutants.

The norm, part of the On-Board Diagnostic (OBD) phase II regulations for manufacturers of motorcycles and scooters, was to come into effect from April 1, 2023. The official, however, clarified that the manufacturers would still have to comply with the other requirements of the OBD II regulations.

The two-wheeler industry has been witnessing a slowdown since 2018 due to the multiple cost increases that have come on the back of a slew of regulations. Compliance with yet another regulation would have jacked up the prices of entry-level models by ₹1,000-1,500 each, denting the sales



Compliance with yet another regulation would have raised prices of entry-level models by up to ₹1,500 each, denting sales, said company execs

further, said company executives.

The decision to defer the rule was arrived at after extensive stakeholder consultation, said the MoRTH official cited above. "It's the only one (requirement) that has been deferred among a host of other things that are to be complied with," he added. The official said extensive trials were carried out by various manufacturers, but the results were far from satisfactory.

The performance of the sensor is not getting established conclusively. That's the reason the ministry thought of deferring it. There's no point in rolling it out if the system "is not fool-proof", he added.

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2-wheeler...

Citing an example, he said that sometimes the OBD lamp (attached to the sensor) might start glowing even when the catalytic converter's performance was as expected.

The exact location of the sensor on a two-wheeler has yet to be ascertained. Globally,

Europe has also not been able to do it. The time extension in Europe, too, is 2025.

"In case, the rider gets a false alarm, the owner will unnecessarily get hassled and feel he or she has been short-changed by the manufacturer," the official said.

Welcoming the decision, Sanjeev Vasdev, founder and MD, Flash Electronics, said, "I am very glad that the government has deferred this by two years. It would have otherwise been a big blow to the two-wheeler industry." Flash is a manufacturer of electrical, electronics, gears and transmissions, and counts almost every two-wheeler maker in India as its customer.

According to Vasdev, the additional sensor would have made a huge cost impact. "It also would have required changes to be made to the design of the catalytic converter. This would have led to cost escalation," he said.

The Economic Times
10th December 2022

Govt looks to Fuel eMobility with Sops for Local EV, Battery Output

Budget may hold customs duty exemptions for ESS, lower import duty on battery parts

Kirtika.Suneja@timesgroup.com

New Delhi: India's electric mobility ambitions could get a boost in the upcoming budget, with the government examining incentives to encourage local manufacture of electric vehicles (EVs) and energy storage systems (ESS). Customs duty exemptions available to lithium ion cells for making battery packs for mobile phones could be extended to EV batteries and ESS as well. Additionally, the government may also lower import duty on all components that go into producing lithium ion

batteries, currently at 5-20%. "Discussions are going on to further promote the manufacturing of the entire ecosystem related to electric transportation and some proposals on reviewing the duties are being examined," said a government official.

Duties on anodes, cathodes and synthetic separators, among other components of lithium ion batteries, could be lowered to promote indigenous manufacturing. India imported \$1.32 billion of lithium ion batteries in April-September FY23.