

**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 22<sup>nd</sup> December 2022

## Our passenger vehicle sales will cross 5 lakh this calendar year: Tata Motors

### bl.interview

**S Ronendra Singh**  
New Delhi

The country's largest electric vehicles (EVs) maker Tata Motors has twice claimed the second place in passenger vehicle monthly sales—in December 2021 and May 2022. The company's top official said that EV sales are growing at a fast pace, and Tata Motors is on track to launch 10 new EVs over the next five years.

In a recent interview with *businessline*, Shailesh Chandra, Managing Director and Chief Executive Officer of Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, shared the company's plans. Excerpts:

**This has been the best year for everyone in the industry. Do you think the trend will continue in 2023?**

This calendar year will end with 3.7 plus million sales of PVs from the supply perspective, and supply had been an issue for the last two years. This signals a strong supply in the industry, which has completely eaten away the pent-up demand which was hitting regular models – new models and some popular models. Hatchbacks have been hit the hardest. Therefore, we saw a mismatch between mix of demand versus mix of supply. That is also why we saw a dip in demand in November, post a very good festive season. But, fortunately December

“

For the first time, we will be the third player to cross the 5 lakh mark in domestic annual sales. We are manufacturing 47,000 vehicles on an average every month.

**SHAILESH CHANDRA**  
MD and CEO  
Tata Motors Passenger Vehicles &  
Tata Motors E-Mobility



I am. And, this calendar year, we will sell more than five-lakh units. And for the first time, we will be the third player crossing the five-lakh mark in domestic sales.

bookings are back to normal and that is a ray of hope.

But next fiscal will see single digit growth because of very high base. There has already been a jump of 25-30 per cent from last year. Then there are the new emission norms from next fiscal, so we have to see how it pans out.

**Now that Tata Motors has all fuel injections available including CNG and Electric, will you continue with diesel vehicles?** Diesel contributes 15-17 per cent of our overall sales. It is in Altroz, Nexon, Harrier and Safari...and in some of the future models. It will sustain in compact UVs and SUVs for sometime, but after BS-7 it will definitely face a lot of pressure. We have existed in BS-6 and from April 2023 also, we will carry forward.

**How is the booking going for Tiago EV? Are you on track to sell 50,000 EVs this fiscal?**

We have crossed 20,000 units of bookings for Tiago EV which was available at an introductory price of ₹8.49 lakh. We are selling roughly 4,500 EVs per month, which makes for more than 50,000 units annually. So, by this fiscal end, we should be closer to it in all probability, because in eight months (April-November), we would have sold already done around 30,000 EVs.

We consider all the plants as a combined capacity. We are manufacturing 47,000 vehicles on an average every month. We can do better with better demand. We will aim for a number every month and that will be our only focus.

For us it is more important we keep growing our product portfolio and focus on what we want to achieve, the rest will be consequential.

But, if we have invested into capacity, I have a certain aspiration related to the capacities I am investing in. My plan is to grow from where



# Airbag industry to grow to ₹7,000 cr by FY27: ICRA

Aroosa Ahmed  
Mumbai

The airbag market is expected to register a compounded annual growth rate (CAGR) of 25-30 per cent over the next four years to touch ₹6,000-7,000 crore, from the current ₹2,500 crore, owing to the stipulation on the number of airbags in vehicles, said a study by ICRA.

The study said ₹1,000-1,500 crore will be spent over the next 12-18 months for capacity enhancements and localisation.

Initially, only one airbag per car (for driver) was mandatory. However, this has been increased to two airbags (in front) for category M1 vehicles (vehicles that can seat up to eight passengers and weigh less than 3.5 tonnes) manufactured from January 1, 2022. For M1 category vehicles that will be manufactured from October 1, 2023, two side airbags and two side curtain airbags have been mandated, so as to prevent torso injury for people occupying front-row outboard seating positions and prevent head injury for people occupying the outboard seating positions.

The industry expects the cost of production of airbags



**RISE IN COST.** The industry expects production cost of airbags per vehicle to rise from ₹3,000-4,000 to ₹8,000-10,000 by Oct 1, 2023

per vehicle to rise from ₹3,000-4,000 presently to ₹8,000-10,000 by October 1, 2023.

## IMPORTING PARTS

The airbag industry currently imports 60-70 per cent of its components, primarily from overseas parents/venture partners, with the inflator constituting about 50 per cent of the total airbag cost, while cushion and other components account for the rest. ICRA added that unless there is an adequate backward integration for the incremental airbags expected to be produced, the import content would only increase further.

"The average number of airbags sold per car is about three currently, and this is expected to increase significantly

post the mandatory implementation of six airbags per car from October 1, 2023. The cost for OEMs could increase further depending on modifications required in cars' structural changes and deployment of additional sensors," said Vinutaa S, Vice-President and Sector Head, ICRA.

Manav Kapur, Executive Director of Steelbird International, an auto component maker, said, "I believe that the conscious effort to provide for safety will bring the best technology, practices and product quality standards to the auto components and accessories industry in India. It will give a thrust to the growth of the industry not just in percentage but in multiple terms."

Business Line 21<sup>st</sup> December 2022

# Auto sector can't grow with 50% taxes: Bhargava

S Ronendra Singh  
New Delhi

The high tax regime is a critical factor for cars being unaffordable for the common people, rues India's largest passenger vehicles maker Maruti Suzuki India.

Policy-makers and the government treat cars as a luxury item and that is why they are not affordable to a majority of the population, Maruti Suzuki Chairman RC Bhargava said at an annual meet with mediapersons, late on Monday.

"You can't grow an automobile industry with 50 per cent taxation. Where in the world has an industry like automobile grown with 50 per cent taxation? But it's the wisdom of the policymakers and the political leadership... all taxes on automobiles should be rationalised, just like rest of the world," he said. Bhargava said compared with developed markets like Europe



RC Bhargava, Chairman of Maruti Suzuki India

and Japan, where taxes are low despite per capita income being far higher, levies on cars in India are much higher.

## UNIFORM TAX REGIME

Asked about a uniform tax regime, Bhargava said that if there is a single GST slab then everything will fall in place.

"Electric cars today have one slab of taxation (5 per cent GST) — whether small or big... so there is already that kind of talk on uniform taxation. The current situation is because of regulatory changes and the burden of regulatory

changes on small cars is far higher than on big cars (internal combustion engine or hybrid)," he said.

Bhargava said this is the factor behind the changed market behaviour... with people no longer buying small cars. "Neither of this is good for the healthy growth of the automobile industry... there should be a steady growth," Bhargava added.

At present, automobiles are taxed at 28 per cent GST with additional cess ranging from 1 per cent to 22 per cent depending on the vehicle type.

Cars imported as completely built units attract Customs duty ranging from 60 per cent to 100 per cent, depending on engine size and the CIF (cost, insurance and freight) value being less or above \$40,000.

## ON FREE TRADE PACT

Asked about free trade agreement (FTA), especially the ongoing talks with the UK and the EU, which may have a bearing on the automobile industry, Bhargava said, "I believe we can compete not through the dumping route but by providing good quality, highly competitive vehicles for many parts of the world."

Stressing that these are his personal opinions, Bhargava said India should aggressively reduce tariffs and get into FTAs. "At the same time, we must make our industrial manufacturing much more competitive... I think our interest is best protected by subjecting ourselves to competition," he added.



# India will take 40 years to match China's car penetration: Bhargava

Maruti Suzuki chairman blames high taxes for low car ownership

SURAJEET DAS GUPTA  
New Delhi, 20 December

**M**aruti Suzuki India Chairman R C Bhargava on Monday at a media interaction said that even with the number of cars per 1,000 population projected to grow by three to five per year, India would still take 40 years to draw level with China.

In the past five years, car penetration on average grew by a mere one per 1,000 population, especially with the closure of plants and disruption of sales during the pandemic. The key drivers for the car industry's sluggish growth — and consequently penetration — are twofold: high taxation and higher cost of regulatory compliance, especially for small cars.

Bhargava pointed out that currently, the penetration ratio in India is 30 cars per 1,000 population, as opposed to China's 221 cars per 1,000 population. "Based on this calculation, we will take around 40 years," he said.

The message clear: the Indian car market is not growing as fast as it ought to.

He said the low penetration is reflected in a torpid passenger car market.

"In the first decade of this century (2000-2010), the passenger car market grew at around 10-12 per cent per annum. In the next 12 years, the average growth was a mere 3-4 per cent."



## THE ROADBLOCKS

- ▶ **High taxation, higher cost of regulatory compliance, especially for small cars, key reasons for a sluggish car market**
- ▶ **India still treats cars as a luxury product, unlike other developed countries whose manufacturing prowess is built on automobiles**
- ▶ **Tax incidence on cars far higher than in Europe or Japan**
- ▶ **India should sign FTAs aggressively, said Maruti Suzuki India chairman, so that carmakers in India can export to these countries**

Unlike other developed countries like Germany that build their manufacturing prowess on the strength of their automotive (auto) industry, India, he said, continues to be dismissive of cars as a product of luxury.

"Government policies are such that they treat cars as luxury products that need to be heavily taxed," he lamented, adding, "Car affordability is not at all related to income."

"Taxation on cars in Japan is 10 per cent; in Europe, 19 per cent. Apart from the goods and services tax (GST), cess, state taxes, and a one-time road tax, the tax incidence in India is anywhere from 40 per cent to as

high as 60 per cent for premium sport utility vehicles. It's a call the government has to take," he said.

At present, four-wheelers are taxed at 28 per cent GST, with additional cess ranging between 1 per cent and 22 per cent, depending upon the type of vehicle. Cars imported as completely-built units attract Customs duty ranging between 60 per cent and 100 per cent, depending upon engine size and cost, insurance and freight value being less or above \$40,000. He said the cost of regulatory compliance (implementing

Bharat Stage VI norms, for instance), especially on smaller and cheaper cars, has been going up. While the cost of doing so is similar for both versions, the impact as a percentage of cost is far higher on a smaller car.

As a result, the small car market has been shrinking as two-wheeler customers shelve or delay plans to upgrade to a four-wheeled drive. For instance, the market share of a ₹5 lakh and below car has fallen from 25.8 per cent in 2018-19 to a meagre 10.3 per cent in 2021-22. In the same period, the market for cars of ₹7 lakh and below fell from 60 per cent to 43 per cent. Bhargava also took a contrarian view on India's decision to go in for free trade agreements (FTAs) with different countries — a move strongly resisted by many auto companies that feared the absence of tariff barriers opening the floodgates to imported vehicles entering the country.

"My view is not accepted by many in the industry. But I believe our cost of production is very competitive compared to any country in the world. I believe we should aggressively go for FTAs so that car companies in India can enter these markets and increase exports," he said.

Bhargava pointed out that adding safety features will not suffice. The lack of training for drivers and the ease with which licences are procured are bigger areas of concern that need a relook.

Moreover, there is no regulatory requirement that warrants checking the health and maintenance of a car after it rolls off the assembly line, he observed.

RC Bhargava, Maruti chairman

**GOVERNMENT POLICIES ARE SUCH THAT THEY TREAT CARS AS LUXURY PRODUCTS WHICH NEED TO BE HEAVILY TAXED... CAR AFFORDABILITY IS NOT AT ALL RELATED TO INCOME**





# China's Covid Surge No Longer a Worry for Indian Auto Parts Cos

Higher localisation, inventory to help component makers cut dependence on Chinese imports

**Lijee.Phillip**  
@timesgroup.com

**Mumbai:** As a new wave of Covid sweeps through China, raising concerns about another bout of supply chain disruptions globally, India's automotive suppliers don't seem to be overly worried.

Indian companies have scaled up local sourcing over the past couple of years, thereby reducing their reliance on imports.

The segment that is still heavily dependent on China is electric vehicles, where battery cells and motor magnets are sourced from the neighbouring country.

But they haven't seen any major impact of the Covid surge on their supplies so far.

There is no disruption yet, as Chinese factories have not stopped production, said Sohinder Gill, chief executive of electric bike and scooter maker Hero Electric and director-general of the Society of Manufacturers of Electric Vehicles. The-

## Still Unfazed

Auto component makers self-sufficient, localising more since the last **2 years**

**Supply chain** uncertainties, inflation and need for stocking lead to incremental inventory requirements



Production-linked incentive scheme accelerates investments in **EV components**

**Component makers** hold buffer stocks and enter into long-term contracts

re is a slight delay in delivery schedules, but clearly there is no crisis as yet, he said. Also, demand for electric vehicles is softer now; so, a minor delay doesn't really affect production schedules.

Component manufacturers have also changed the way they manage inventory since the Covid outbreak, when they faced major supply disruptions. They are now stocked up on raw material and components and don't follow the "just-in-

time" policy where goods are received only when they are needed. This insulates them from short-term supply issues.

"Indian auto component players have become self-sufficient and have adequate inventory now," said Vivek Singh, managing director at component manufacturer Sona Comstar.

Many of them are also building up inventory before China closes for its New Year.

## DOCTORS WEIGH IN

### 'No Spurt in Covid Cases, but Hospitals Ready'

Teena.Thacker@gmail.com

**New Delhi:** Doctors all over the country are seeing an increase in the seasonal flu cases. However, there is no uptick in the number of Covid-19 cases even as they start preparations to handle any potential spurt.

"Covid numbers have not increased but seasonal flu is more this year," said Sandeep Budhiraja, group medical director at Max Healthcare.

To be sure, hospitals are restocking medical supplies, identifying isolation areas, and reinforcing Covid-19 appropriate behaviour to deal with likely threats from the new virus variant, hospital executives told ET.

"Max Healthcare has initiated the setting up of flu clinics again. Patients with flu-like symptoms will need to report to these clinics," Budhiraja added. Sanjith Saseedharan, consultant & head, critical care, SI Raheja Hospital, Mahim-A Fortis Associate, said they are seeing a marginal increase. We are seeing a marginal increase in the number of upper respiratory tract infections presenting as cough and cold, he said.

## Bharat Bio Prices IncoVacc at ₹800 for Pvt Mkts

### Our Bureau

**Mumbai:** Bharat Biotech said on Tuesday that it would price its intranasal Covid-19 vaccine — IncoVacc - at ₹800 per dose for private markets and ₹325 for the central and state governments. The vaccine will be made available on the CoWin platform, it said. The vaccine will be rolled out as a booster dose in the fourth week of January for those

over 18 years of age.

This is the world's first intranasal vaccine for Covid-19 to receive approval for the primary 2-dose schedule, and as a heterologous booster dose.

Earlier this month, Bharat Biotech received approval from the Central Drugs Standard Control Organization (CDSCO) to use IncoVacc as a heterologous booster.

"We have achieved the goals we set for ourselves during this pande-

mic. We have developed Covaxin and IncoVacc, two Covid vaccines from two different platforms, with two different delivery systems," said Krishna Ella, chairman of Bharat Biotech.

"The vectored intranasal delivery platform gives us the capability for rapid product development, scale-up, easy and painless immunization during public health emergencies and pandemics," he added.



# Another robust run expected for auto components sector in FY23

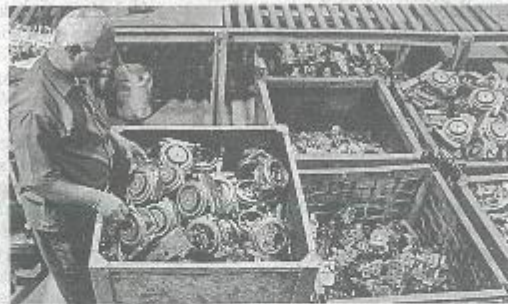
Our Bureau  
New Delhi

The auto component industry is cautiously looking at global events including Covid-19 situation in China, the Russia-Ukraine war and the impending recession in the US/ Europe, Auto Component Manufacturers Association of India (ACMA), said on Wednesday.

"For the medium to long term outlook, we need to be wary of the impending recession in Europe and the US, as also the supply chain issues, which are not fully behind us. I am optimistic that the current fiscal year will witness good performance from the auto components sector again," Sunjay Kapur, President, ACMA told reporters in a virtual conference.

## IMPORTS GREW

Further, with growth in consumption of electric vehicles (EVs), the industry is witnessing a fast transformation of the auto components sector to be an integral part of the EV manufacturing supply chain, he said.



**RUNNING HOT.** Being an integral part of the EV manufacturing supply chain, the industry is undergoing fast transformation.

Sharing the half yearly performance of the components industry, Kapur also noted that the imports (mainly from China) also grew by 17.2 per cent to ₹79,815 crore (\$10.1 billion) in the first half of this fiscal from ₹64,310 crore (\$8.7 billion) in H2-FY22.

Asia accounted for 65 per cent of imports, followed by Europe and North America, with 26 per cent and 8 per cent, respectively. Imports from Asia grew by 21 per cent, from Europe by 6 per cent and North America by 29 per cent, the Association

noted. Export-import imbalance has come on the back of several developments such as the ongoing Russia-Ukraine war that caused a huge spike in global oil and commodity prices, depreciation of the Rupee, supply chain bottlenecks due to the slow easing of Covid restrictions in China, and pent-up demand for imports (especially of semiconductor chips), as the manufacturing sector recovered from the pandemic's shadow, the industry body explained.

Exports from India grew by 8.6 per cent to \$10.1 bil-

lion in the first half of this year as compared with \$9.3 billion in H1-FY22, it said.

## FINE BALANCE

Meanwhile, Vinnie Mehta, Director General of ACMA, said that while the components industry closed the last fiscal with a trade surplus of \$700 million, in the current fiscal it has become neutral with exports and imports finely balanced.

"The sharper growth in import has been due to the uptick in the domestic market, very much correlated to growth in the domestic market for the OEM segment," he added.

Overall, the industry body in its latest data said that India witnessed a 34.8 per cent growth to ₹2.65 lakh crore in H1-FY23, riding on domestic demand, particularly from the passenger vehicles segment.

"We've seen great growth from passenger cars and commercial vehicles. The festive season was very positive for two-wheelers, which we hope will be back on the growth track, like they have been in the past," Kapur said.

Business Line

22<sup>nd</sup> December 2022

Business Standard 26<sup>th</sup> December 2022

# European carmakers want India to cut down import duty by half

SURAJEET DAS GUPTA  
New Delhi, 25 December

The European Business Group (EBG), which has top European passenger car and auto component companies as its members, has demanded a sharp reduction in the import duty on premium and luxury completely built units (CBU) of over 1,500 cc to 50 per cent.

Currently, the duty on CBUs of these new passenger cars stands at either 60 per cent or 100 per cent. The advocacy group, which is a joint initiative of the European Commission and the European business community in India, has suggested that instead of two rates, there should be one rate — of 50 per cent.

Currently, Customs duty of 100 per cent is levied on models with a freight on board (FoB) value of more than \$ 40,000, or engine capacity of more than 3 litres for petrol variants/2.5 litres or more for diesel. For CBUs of cars with an FoB value less than \$40,000 and petrol and diesel engine capacity less than 3000 cc and 2500 cc, respectively, it is 60 per cent.

Explaining its demand, the EBG said most European carmakers import parts and CKD (completely knocked down) kits to India to assemble them locally to maximise domestic value addition. However higher import duties on components sourced from Europe as against those imposed by nations/bloc with which India has free trade agreements (FTAs), such as Japan, South Korea, and Asean, places European manufacturers at a disadvantage. The premium market in India is small, according to the group, and as a result, European vehicle makers are constrained by the economics of scale and

**DEMANDS SWIRMS**

- Costly imported components from Europe make their firms uncompetitive in assembling premium and luxury cars in India
- Localisation beyond a point not possible owing to low volumes of premium and luxury cars
- Pushing for including the automotive sector in the European Union-India FTA agenda
- Eliminate non-tariff barriers
- Have a 7-year EV policy to encourage investment
- Extend localisation targets for EVs and peg PMP targets to volumes
- Phased reduction and elimination of cess on premium cars in three years
- Seek one GST rate for the automotive industry

quality, and hence not able to develop a supplier ecosystem to expand localisation beyond a point. These problems, of course, could be resolved through the proposed FTA being discussed between the EU and India. The EBG has recommended that the inclusion of the automotive sector in the proposed EU-India FTA is a must and said that it stands for a pragmatic compromise on tariff reductions and relaxations in non-tariff restrictions.

It has also argued that the elimination of non-tariff barriers should be given equal priority as they are significant deterrents to investments in India by European manufacturers. Third, it has argued that differentiation between premium and vol-

ume products is a possible pathway that can address the Government of India's concerns about the adverse impact on the local automotive industry.

The European auto sector has invested around ₹300 billion in the country and automakers like the Volkswagen group have made commitments to invest \$2 billion.

On giving a push to EVs, the EBG has recommended a seven-year EV policy framework to boost confidence in long-term investments, the continuation of the 5 per cent GST on EVs for a long period, and extension of the indigenisation target and possible imposition of a phased manufacturing programme after a certain EV volume is achieved.



# PRESS REPORTS ON ELECTRIC VEHICLE

Business Standard 30<sup>th</sup> December 2022

## Electric two-wheeler sales zoom past 550K this year

SURAJEET DAS GUPTA  
New Delhi, 29 December

Electric two-wheelers have zipped past the half-a-million registration mark and achieved a market penetration of 4 per cent at the fag end of Calendar 2022, according to data released by VAHAN.

According to VAHAN data for the year (until December 27), 560,000 two-wheelers were registered in the country, up a staggering fourfold over 2021, when only 136,000 were registered, and when electric vehicle penetration was a mere 1.05 per cent.

The total number of two-wheelers (internal combustion engine, or ICE, and electric) registered so far in 2022 stands at 14.5 million, up only 12.7 per cent over the previous calendar year.

The number of electric two-wheelers registered might be lower than the 750,000 many had projected at the beginning of the year, but chip issue was a key reason registrations began slowing down since May, only to claw back in the festival season, when there was a big kick-up in sales. That, and the capital expenditure plans in the space, has fuelled consensus that the market will cross well over 1 million in 2023.

Consumers can expect dozen-odd new electric two-wheelers in the market in 2023, with the big push coming from motorcycles, which account for over 60 per cent of the two-wheeler market.

Ampere EV by Greaves is expected to showcase a raft of new scooters at the Society of Indian Automobile Manufacturers' Auto Expo in January.

Ola plans to launch its



### CHARGING UP

Total registrations (CY 2022)

Company

Ola Electric	105,861
Okinawa	100,826
Hero Electric	96,110
Ampere	79,161
Ather	50,236
TVS	45,143
Bajaj Auto	24,367

Sales figures will be generally higher  
Source: VAHAN (as on December 27)

electric alternative, the Ola S1 Air (priced at ₹84,999), in April next year, and clash head-on with Honda's Activa, which dominates the ICE scooter market (sales at about 120,000 a month).

Ola has serious competitors in the motorcycle space, where everyone is waiting for Bajaj Auto and TVS Motor Company to make the next move.

Hero MotoCorp's quiet entry into electric, too, will be watched eagerly.

Yet, some challenges could upset the electric two-wheeler appellation.

One is the recent crackdown on electric two-wheeler firms, which the government says have violated localisation norms. The firms were to have achieved 50 per cent localisation to be eligible for Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) II subsidy of ₹40,000-50,000 per vehicle. If they don't get that subsidy, their sales will falter.

Many electric scooter (e-scooter) companies are also

facing short-term challenges. One such is the implementation of the tough new norms for batteries. This was to be done in two phases - by December 1 and by March 1 - to prevent e-scooters from catching fire due to overheating and address long-standing concern on the part of consumers. Experts say the implementation of these norms will increase the cost of battery and, consequently, the price of the e-scooter.

Overall registrations this month (until December 27) have been muted at 52,309. This is just 72 per cent of what was achieved in November - a gap most players say cannot be covered within the next four days.

But companies like Ather Energy, Oyo Electric, Bajaj, and TVS have not been impacted seriously by the FAME II investigations, and are quite close to levels achieved in November.

However, Okinawa Scooters, the world's second-largest player in the business, which saw its registra-

tions hit 14,491 in October, is merely a third of that number at 4,422 in December, with just a few days to go. This figure is also half of what it clocked in November, at 9,062.

Okinawa and Hero Electric are among companies under investigation for not achieving the localisation norms needed to get the FAME II subsidy. Hero Electric, at 6,385 registrations in December, is at 70 per cent of what it did in November.

Ampere, acquired by Greaves Mobility, has also seen a dramatic fall. Its registrations so far in December stand at 3,715, which is a third of the 12,259 it did in November.

A spokesperson for the company says, "Ampere has successfully transitioned all its existing products into new battery norms, effective December 1. It is normal to see some drop in registrations in December for the industry. But we are confident that in the electric two-wheeler market, Ampere will see a surge starting January."



# EV Sales on Track to Cross 1-million Milestone This Year

Fleet operators, 2-wheeler buyers to lead growth; easy finance, leasing to boost sales in 2023

Lijee.Phillip@timesgroup.com

**Mumbai:** India's electric vehicle (EV) industry is set to cross a milestone this year.

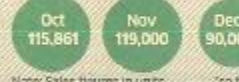
Retail sales of EVs are estimated to top the 1-million mark in calendar year 2022, accounting for about 4.7% of the total automobile sales.

According to data on the government's Vahan website, about 989,000 EVs have been registered with regional transport offices till Thursday. The numbers already show a more than threefold increase from 2021. The numbers do not include data from Telangana.

EV fleet operators and individuals buying two-wheelers have been the main drivers of the growth, with new launches and increased availability of charging points, along with low running cost, attracting buyers. Manufacturers such as Ola Electric, Tata Motors and Ather Energy are the main gainers from the increased

## Charged Up

E-vehicle sales (2022)



Note: Sales figures in units



## Electric two-wheeler sales



Note: Sales figures in units



Note: Sales figures in units

December is traditionally a weaker month for automobile sales as consumers wait for the new year to purchase. But the number is still expected to touch 100,000 by the month end.

"Our aggressive approach in the EV segment helped us being the first Indian auto manufacturer to cross the 50K (50,000) EV sales milestone this year," said Shallesh Chandra, managing director of Tata Motors Passenger Vehicles.

Tata Motors holds an 85% market

share in the electric passenger vehicle segment.

Multiple product launches announced by major industry players, rising acceptance of EVs as a mainstream choice with barriers to adoption reducing, and stringent emission regulations that make automakers to include EVs as a part of their portfolio are all aiding the industry growth, said Chandra.

Tata Motors plans to launch 10 EVs in the next five years.

In the two-wheeler segment, EV sales slowed sequentially in December, to 56,976 units so far in December from 76,000 units the previous month. But the segment, the top contributors to EV sales, is expected to regain the momentum in the new year.

"The growth momentum in the electric two-wheeler industry has been building positively in the last few months. In the next few years, there would be more electric two-wheeler product launches at competitive price points, which would help boost their adoption," said Hero Electric chief executive Sohinder Gill.

# Ola Electric will launch 6 products by 2027, says Bhavish Aggarwal

Our Bureau  
Bengaluru

Electric vehicle manufacturer Ola Electric will have six products in the market by 2027. The company, in the next two years, plans to launch several new two-wheeler products, its CEO Bhavish Aggarwal said in a blog post.

Aggarwal said that Ola Electric is looking at launching a mass-market scooter, mass-market motorcycle and multiple premium motorcycles (sports, cruisers, adventure, and road bikes).

He also mentioned that



Bhavish Aggarwal, CEO, Ola Electric

Ola will launch its first car in 2024, and will have 6 different products in the market by 2027. The company, he said, has sold almost 1,50,000 EVs this year and is working towards Mission Electric - all 2-wheelers sold

in India by 2025 end to be electric, and all cars in India to be electric by 2030.

## Erratum

This is regarding an article published on December 28 in *businessline*, titled 'Jet Airways staff jump ship due to delay in restarting business.' The story had a sentence: "200 other employees at Jet Airways have quit the company in the last three months". However, the company has clarified that 'over 200 professionals continue to be employed by the Jalan-Kalrock Consortium as on date.' We regret the error.

Business Line  
29<sup>th</sup> December 2022

The Economic Times  
29<sup>th</sup> December 2022

# China's Electric Car Exports Surge to Record on European Demand

**Beijing:** Exports of electric vehicles from China more than doubled in November, creating a monthly record, mostly fuelled by European carmakers that farmed out the production to the country.

Car manufacturers in China exported \$3.2 billion worth of electric vehicles in November, up 165% from a year ago to reach the highest-ever monthly total, data from the nation's customs authority showed. European countries like Belgium and England were the biggest importers, ta-

king up nearly 70% of the shipments.

Exports of electric passenger vehicles accounted for more than half of the total car shipments for two months in a row, with November registering a record high of \$6 billion in exports. The numbers come at a time when European carmakers, including Volkswagen AG and BMW AG, aim to make parts and cars inside China due to limited production capacity at their home markets. **Bloomberg**





# PRESS REPORTS ON COMPANY NEWS

The Economic Times 27<sup>th</sup> December 2022

## TaMo & M&M Ahead of Korean Rivals in SUV Sales in 2022

SUV sales of the 2 Indian cos have risen 67% against 5% for Hyundai, Kia

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New Delhi: Tata Motors and Mahindra & Mahindra (M&M) have together sold more sport utility vehicles (SUV) this calendar year than incumbent Korean leaders Hyundai and Kia following a raft of new launches, bolstering Indian presence in the most competitive and fastest-expanding segment of the local automotive market.

Backed by aggressive product and powertrain initiatives, Tata Motors grabbed for itself the top slot in the SUV space from Hyundai Motor India with sales of 326,354 units until November, data from automotive consultancy firm JATO Dynamics showed.

Tata Motors and M&M together sold 628,970 SUVs in the domestic market in the first 11 months of the year, as against 450,102 units sold by Hyundai-Kia. While sales of Tata-Mahindra rose 67%, those of Hyundai-Kia in the segment went up by around 5% in this period. The value dynamics, however, are slightly different, with some Tata-Mahindra models priced at the budget end of the spectrum and costing about a lakh of rupees less than competing Korean models.

With this, Tata Motors and Mahindra now account for two out of every five SUVs sold in the country. "The domestic OEMs decided

### High Road

	Jan-Nov 2022	Jan-Dec 2021
Tata Motors	326,354	177,544
M&M	302,616	199,608
Hyundai*	273,753	252,586
Kia India	176,349	177,476
Maruti Suzuki	147,605	136,351

Company-wise SUV sales, India ops  
Source: JATO Dynamics



early to ride the SUV wave," said Ravi Bhatia, president at JATO Dynamics. Their product interventions, built around multiple powertrain options, helped boost volumes and market share, he said. More than two-thirds of sales in the passenger vehicle segment for Tata Motors came from SUVs this year. Tata Nexon has emerged as the best-selling model in the SUV space this year.

Shailesh Chandra, managing director (passenger vehicle business unit), Tata Motors, said that the company has outperformed the market, expanding volumes 65% (vis-à-vis industry growth of 24%) on the back of its strong product portfolio, and is undertaking de-bottlenecking measures to enhance capacity by nearly a fifth to meet customer demand for its products. Rajesh Jejurikar, executive director (automotive and farm equipment sector), M&M, recently told ET that the company made a few strategic choices and decided to focus on SUVs in 2020.

The company's new launches since — Thar, XUV700, Scorpio (Classic and N) — have seen "overwhelming demand", with waiting periods stretching up to two years on some variants.

"Our key levers this year have been to maintain strong brand value, develop platform and EV strategy, transform customer experience, de-risk supply chain and optimise costs... We are committed to bringing to our customers authentic SUVs with unmissable presence," Jejurikar said. M&M had an order book of about 260,000 units at the end of the second quarter. With fresh bookings coming in on a fast clip, Mahindra is looking at increasing its production capacity by nearly 70% to 49,000 units per month by the end of Q4FY24, from 29,000 units per month in Q2FY23.



# Auto Parts Cos Benteler, Lumax Lease Production Space in Pune

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**Mumbai:** Blackstone Group-backed Horizon Industrial Parks has leased over 410,000 sq ft built-to-suit manufacturing facilities to automotive majors including Germany's Benteler Automotive and Lumax-DK Jain Group company Lumax Automotives in its park at Chakan in Pune.

Benteler Automotive, which is one of the world's leading companies in the fields of automotive technology, steel and tube production and engineering, has picked up a 150,000 sq ft plug-and-play facility.

Lumax, part of the automotive lighting industry, has also picked up 260,000 sq ft in the same industrial park. Benteler and Lumax have leased the manufacturing facility for nine and five years, respectively and the agreements include a clause to renew the term further.

"Manufacturing companies coming into India are looking at globally benchmarked plug-and-play factory solutions," said Rahul Pandit, CEO, Horizon Industrial Parks. "We are keen to offer them bespoke facilities that enable



them a rapid start and focus on their core business. Our ideologies on creating a green future are similar, as are our efforts to reduce carbon emissions." For over 110 years, Lumax has operated from their own facility, and this is the first ever leased facility for the company.

"The shifting of equipment to the new location from our existing plant was done in less than 90 days," said Mukund Gangane, MD, Benteler Automotive India. "With

this new location, Benteler is set to become one of the largest rear axle manufacturers in the country."

For Lumax, the newly-leased facility will serve as a manufacturing centre for a range of automobile lighting systems and solutions for a variety of applications.

"Traditionally, Lumax operated out of standalone facilities, but the facilities witnessed at the Horizon Industrial Park prompted us to move within," said Dhanesh Kumar Jain, chairman, Lumax-DK Jain Group. "They bring global technical know-how and provide a one-stop-solution for our industrial real estate needs."

Business Standard 30<sup>th</sup> December 2022

## Eicher Motors to buy 10% stake in Spanish EV firm

SHINE JACOB  
Chennai, 29 December

Indian automotive major Eicher Motors, the parent company of Royal Enfield, on Thursday, announced a strategic collaboration in the space of electric motorcycles with Spain-based Stark Future SL.

The board of directors of Eicher Motors has cleared an investment of ₹50 million for close to 10.35 per cent equity stake in Stark Future.

With this investment, Eicher will have a seat on Stark Future's board and will explore further opportunities to collaborate in the space of electric mobility.

This investment has strategic significance for both Royal

Enfield and Stark Future, given both companies are keenly invested in creating innovative and sustainable solutions for global mobility.

Stark Future recently launched its first high-performance electric motocross dirt bike, the Stark VARG, which received good response globally.

Speaking about Stark Future and this partnership, Eicher Motors Managing Director Siddhartha Lal said,

"We believe Stark Future has the highest potential for real breakout growth in the EV leisure space with this model, and the potential to use this strong base to extend into other contiguous segments and beyond," he added.





## Three Wheels United to procure 3,300 e-3-wheelers from Piaggio Vehicles

Press Trust of India  
Mumbai

Tech-enabled EV financing firm Three Wheels United (TWU) has inked an initial pact with small commercial vehicle maker Piaggio Vehicles to procure 3,300 electric three-wheelers, a release said on Monday. Under the partnership, the company will facilitate easy and affordable financing for individuals and fleet operators to easily switch from conventional engines to EV three-wheelers, Three Wheels United said in a statement.

Drivers will be provided loans covering up to 100 per

cent of the vehicle cost without any collateral, the company said, adding that its driver app, which provides details on the locations of charging stations, parking options, and vehicle maintenance, will offer constant support to them.

### IN NEXT 18 MONTHS

These vehicles will be deployed across Delhi-NCR, UP, Karnataka, Kerala, Telangana, Maharashtra and Andhra over the next one-and-a-half year, it stated. TWU will also provide a buyback option for drivers to sell their existing more than 10-year-old vehicles and purchase Piaggio electric three-wheeler, the company said.

CM  
K

## TAFE pays ₹400 crore for interior systems unit of French auto firm Faurecia

Our Bureau  
Chennai

Leading tractor and farm equipment maker TAFE on Friday announced the acquisition of the Indian interior systems business of French global automotive supplier Faurecia. The deal size is about ₹400 crore.

A part of Group Forvia, Faurecia is among the top 10 global automotive suppliers providing solutions relating to seating, interiors, electronics and clean mobility. The Indian arm serves majors including Mobis-Kia, Mobis-Hyundai, Volkswagen, FCA and the Tata group.

### DESIGN SUPPORT

The deal covers Faurecia's operations in Maharashtra (Chakan), Andhra Pradesh (Anantapur) and Tamil Nadu. The transaction with

respect to Chakan and Anantapur has been completed but the Tamil Nadu operation is expected to be concluded shortly, said a statement.

It added that the integration of TAFE's plastics business with Faurecia's interior systems business offers synergistic benefits to all its customers. TAFE's current customers include Toyota, TVS Motors, Hyundai, Kia, Renault Nissan and GE Medical System. As part of the deal, Faurecia will continue to support TAFE and its customers with its design capabilities.

Mallika Srinivasan, Chairman and MD, TAFE, said the company is encouraged by the strong synergistic opportunities offered by this acquisition. "Technology, innovation and manufacturing excellence will drive our journey forward."



## MOVING AWAY FROM MINIMUM WAGES

# Labour Ministry Weighs Shift to 'Living Wages'

Aims to pull millions out of poverty; huge implications for govt and India Inc finances

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**New Delhi:** India is considering shifting from the minimum wage to living wages to pull millions of people out of poverty.

While it can have huge financial implications for India Inc and the government as a living wage is indexed to inflation, the move could be a game changer for the country as it strives to meet its Sustainable Development Goal (SDG) commitment of eliminating extreme poverty by 2030.

A living wage is defined as the minimum income necessary for workers to meet their basic needs compared to subsistence wage or a minimum wage which is based on labour productivity and skill sets.

The minimum wage is an amount set by law, whereas the living wage is determined by average costs to live, and the difference between the two could range from 10-25% depending on the cost of living in a place.

A person familiar with the development told ET that senior labour ministry officials have been asked to weigh the pros and cons of living wages, including financial as well as economic and social implica-

### Line of Support

► **Shift to living wages** can help reduce extreme poverty by 2030

► **The idea** is yet to get a political backing

**Living wages** are based on cost of living

► **Difference** between the two could be **10-25%**

► **Move** could have huge financial implications

► **India** has **228.9 m** poor people, as per MPI



tions on the country.

"Initial discussions have begun within the labour ministry. India could seek help from the International Labour Organisation (ILO) to arrive at living wages if the idea gets a political backing," a senior government official said on the condition of anonymity.

Members of the ILO, including India, recently requested the United Nations body to contribute to a better understanding of living wages by undertaking peer-reviewed research on concepts and on estimations in that respect and provide assistance to member states in arriving at living wages in their respective countries. India is a founding member of the ILO.

Under the SDG 1.2, India is deter-

mined to reduce the proportion of men, women and children of all ages living in poverty in all of its dimensions by half by 2030.

As per the United Nations Multidimensional Poverty Index (MPI) 2022, India has about 16.4% of its population or 228.9 million poor people based on the 2019-2021 data, with an average intensity of 42%. About 4.2% of the population lives in severe poverty, it said.

A living wage is determined by housing, food, location, transportation and health care, among other factors, and there is no established governing body for its regulation.

A minimum wage, on the other hand, is based on various factors including state, area within the state based on development level, industry, occupation and skill-level. Minimum wages in India have been set for nearly 2,000 different types of jobs for unskilled workers and more than 400 categories of employment.



## Uncertainty over e-invoicing for biz with more than ₹5-crore turnover

**Shishir Sinha**  
New Delhi

Uncertainty prevails over implementing e-invoicing for businesses with turnover of more than ₹5 crore. The Goods and Service Tax Council had made it mandatory for businesses with an annual turnover of over ₹5 crore to move to e-invoicing from January 1.

The Central Board of Indirect Taxes and Customs (CBIC) is yet to come out with a notification in this regard. Experts feel the time is too short to bring down the threshold for implementation.

At present, e-invoicing is mandatory for businesses with turnover exceeding ₹10 crore. E-invoicing prescribes a standard format of an invoice that a machine can read. An identification number is issued against every invoice by the registration portal to be managed by GSTN. The invoice not registered on the portal will not be valid. In such a situation, input tax credit (ITC) on the same cannot be availed of by the recipient, and will attract applicable penalties.

Earlier, on multiple occasions, Finance Ministry offi-



The Central Board of Indirect Taxes and Customs is yet to come out with a notification

officials had said that following the recommendations of the GST Council, the threshold was being lowered in a phased manner.

Though tax officials were silent on when the notification would be out, they said the system is good for policy making. It can help analyse the four-digit harmonised system data to zero in on sectors which contribute more to GST and identify those that have higher potential, but not contributing enough. Also, the system will help weed out fake ITC.

### ACCOUNTS UPGRADE

Parag Mehta, Partner, NA Shah Associates, said the notification for ₹5-crore threshold is still not out and it will be difficult to implement it in the next six days.

Those with turnover between ₹5 crore and ₹10 crore are small assesseees and if the limit is reduced to ₹5 crore, they will need to register on the portal and upgrade their accounting systems very quickly. The staff will also have to be trained for the same in a short span. "One good thing is the e-invoicing portal, as on date, functions very smoothly and has been taking the load in an efficient manner. The normal accounting systems have also been fairly upgraded to support the business," he said.

### AVOID ITC LOSS

According to Harpreet Singh, Partner with KPMG, for multinationals, it becomes imperative to determine whether their suppliers are covered under lower e-invoice threshold, so that they can update their supplier master and tag such suppliers with more checks while processing the invoices to avoid ITC loss.

Rajat Mohan, Senior Partner with AMRG, said SME and MSME businesses need to prepare for the implementation of an e-invoicing regime. Systematic implementation is a must for business continuity.