

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 Standard 17th January 2023

Auto firms have foot on price pedal, even as commodity costs tail off

DEEPAK PATEL & SOHINI DAS
New Delhi/ Mumbai, 16 January

Automotive (auto) majors like Maruti Suzuki India (MSIL), Tata Motors, Kia India, and Hero MotoCorp have continued to hike prices, even as commodity costs have eased during the past several months. This is being done to recover earlier surges in raw material costs and prepare for the anticipated real driving emission (RDE) norms, said industry sources and experts.

MSIL announced it was increasing the prices of its models by 1.1 per cent from Monday due to increased cost pressure, driven by overall inflation and recent regulatory requirements.

Between March 31 last year and January 13 this year, the prices of raw materials, such as aluminium, copper, and tin, have decreased on the London Metal Exchange by 28.3 per cent, 11.9 per cent, and 35.5 per cent, respectively.

Hyundai Motor India had on December 15 said it would raise the prices of all its models from January, citing rising input costs.

Hero MotoCorp increased the prices of its motorcycles and scooters by up to ₹1,500, with effect from December 1, due to inflationary cost pressures.

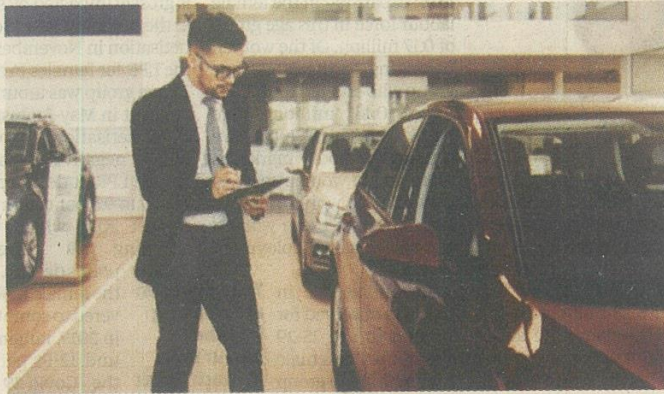
Kia India has hiked the prices of its models by up to ₹1 lakh in January.

Mitul Shah, head of research at Reliance Securities, said the recent price hikes by auto companies are "to cover past underrecoveries since earlier price hikes were not sufficient to offset cost escalation".

"Considering stable commodity cost, the price hike for the coming months would be minimal to cover higher energy cost and other inflationary cost pressures. The pace of price increase in 2023 would be much lower than the past two years," added Shah.

Puneet Gupta, director-mobility, S&P Global, said the recent cost hikes by auto companies are primarily due to regulatory changes like RDE norms.

"There is a cost implication to upgrade, especially diesel vehicles, due to these norms. On petrol vehicles, the price increase is expected to be about



PRICE CHANGE OF RAW MATERIALS

	Unit	Mar 31, '22	Jan 13, '23	% Change (FY23)
LME Index	Index	5,174	4,273	-17.4
Zinc	\$/tonne	4,260	3,302	-22.5
Lead	\$/tonne	2,433	2,215	-9.0
Nickel	\$/tonne	33,400	27,175	-18.6
Aluminium	\$/tonne	3,503	2,511	-28.3
Copper	\$/tonne	10,337	9,107	-11.9
Tin	\$/tonne	44,200	28,530	-35.5
Brent crude spot	\$/BBL	107	84	-20.8
Rubberspot Kottayam	₹/Qtl	17,500	13,900	-20.6
China HR steel Avg price	CNY/tonne	5,267	4,198	-20.3

Note: CNY - Chinese Yuan; Source: Bloomberg; Compiled by BS Research Bureau

₹20,000. On diesel vehicles, the price increase is ₹65,000-70,000. So, original equipment manufacturers (OEMs) will absorb some impact. Some will be passed on in phases (January and April) to minimise the psychological impact on consumers," he added.

Commodity prices are likely to drop further by another 10 per cent by the middle of 2024, he added.

"The Indian consumer is price-sensitive. Once this pent-up demand due to the pandemic is over, OEMs will realise that the demand is not as strong as it is visible today. By the second half (H2) of 2023, companies may have to offer discounts to sustain customer

interest," said Gupta.

RDE norms, under which auto companies have to install a self-diagnostic device in their models to monitor emissions real-time, will be implemented in April this year.

Auto companies will have to incur significant costs to update their models to install these devices.

The country's largest commercial vehicle maker - Tata Motors - said in mid-December that it would implement a 2 per cent price hike from January 2023, alluding to overall input cost rise.

"The company has been absorbing a significant portion of the increased costs, but a steep rise in overall input

costs has compelled it to pass on some proportion through this minimal price hike," the company had said in its statement.

As for the passenger vehicle (PV) segment, Shailesh Chandra, managing director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, had indicated last month that the PV segment could see a price hike.

Sharekhan analysts said that the consolidated earnings before interest, tax, depreciation, and amortisation margins of Tata Motors will improve 630 basis points quarter-on-quarter to 9.7 per cent in the third quarter (Q3) of 2022-23, on the back of operating leverage and the benefit of a fall in key raw material prices.

Mahindra & Mahindra (M&M), meanwhile, has announced a price hike of up to ₹1 lakh for its ScorpioN sport utility vehicle launched six months ago. The price hike ranges between ₹15,000 and ₹1 lakh.

Chola Wealth analysts said in their report in December that M&M took a price hike of 1.5-2 per cent in auto and 1-2 per cent in tractors, thereby increasing its margin sequentially.

"The next leg of margin improvement in the auto segment would be driven by a gradual transition from promotional pricing to competitive pricing in combination with falling raw material prices," they said.

Meanwhile, a report released by Chola Wealth in the last week of December showed that while steel prices were down 16 per cent year-on-year (YoY) in November 2022, on a month-on-month (MoM) basis, they were up 3.1 per cent.

For rubber, prices were down 20.57 per cent YoY, but up 6.2 per cent MoM in November.

For aluminium, too, prices were up 4.2 per cent MoM.

Steel prices witnessed an increase of ₹5 per kilogram (kilo) in the first quarter. However, they were down ₹10 per kilo in the second quarter. The benefit from commodity cost softening will, therefore, flow in from H2.

Rohan Kanwar Gupta, vice-president and sector head-corporate ratings, ICRA, said commodity prices have started to ease.

"Depending upon how the commodity cycle pans out, OEMs may have to resort to further price hikes," said Gupta.

OEMs have been increasing vehicle prices over the past 12-15 months to pass on raw material price hikes, with a view of protecting their profitability margins, he said.

"While numerous price hikes have been undertaken over the past year, OEMs have generally been hiking prices at the start of the calendar year over the years," he noted.

Luxury Car Sales Likely to Scale a Record High This Yr

Strong order book, pent-up demand, new models to give a fillip: Industry insiders

**Shally Seth Mohile
& Sharmistha Mukherjee**

Mumbai | New Delhi: After a robust year of sales in 2022, luxury car sales in India are expected to reach a record high in 2023. A strong order book, pent-up demand and new model launches are estimated to take the segment to a record 42,000 to 45,000 units, according to industry estimates. The segment, which accounts for less than 1% of the broader passenger vehicle market, ended last year with an estimated 37,000-38,000 units. The best year for the segment was in 2018, when sales touched 40,863 units.

Strong corporate earnings and steady growth are driving demand for luxury vehicles, despite global uncertainties. Santosh Iyer, managing director at Mercedes-Benz India, told ET.

"The momentum remains strong. The industry should grow in double-digits this year. We aim to outperform the market," he said. Mercedes-Benz currently has pending orders for 6,000 vehicles in India, with a waiting period of four to nine months.

Most of the other luxury car companies, including BMW India, Audi India and Lexus India – the latest entrant in

Upward Mobility

The industry estimates luxury car sales to reach **42,000 to 45,000** units this year

The segment accounts for less than 1% of the broader passenger vehicle market

Last year, cos sold an estimated **37,000-38,000** units



S&P Global Mobility projects the segment to expand 25-30% YoY in 2023

Mercedes-Benz has pending orders for **6,000** vehicles in India

the space with a relatively smaller footprint, expect sales to advance in high double digits in 2023 and the year to be the best-ever in volume terms for the segment.

Policy uncertainty, high taxation and the pandemic induced factors stymied growth in a segment which was to touch the 50,000-mark as early 2015. That is set to change now with multiple model launches, a pent-up demand and electrification trend which favours EV compared to internal combustion engine models, says Puneet Gupta, director S&P Global Mobility.

S&P Global Mobility projects the segment to expand 25-30% year-on-year in 2023. "The easing shortage of semiconductors and supplies of other parts which enables European manufacturers to ramp up produc-

tion, will fuel the growth," said Gupta. The launch of EV models will also play a significant role. An exemption from road tax in several states, coupled with a low GST rate, is helping e-luxury cars gain traction despite its steep prices.

The onslaught of new model launches has already begun. Mercedes, the luxury car market leader, has as many as 10 new models lined up for launch in the ongoing calendar year. BMW India launched the third generation X1 last week.

Earlier this month, it took wraps off the 7-Series and i-7 Series. Audi will bring the Q8 e-tron and a few other models later this year.

"Demand at the higher end of the market is particularly strong and most of our launches this year would be in this segment," informed Iyer.

Cars priced above Rs 1 crore comprised 22% of Mercedes total sales in 2022 giving the German carmaker to intensify focus in the segment.

"The luxury segment could have easily surpassed the 2018 sales in 2022 but for the semiconductor shortage. With the availability improving, we expect sales to reach record levels," said Naveen Soni, president Lexus India. The latest entrant in the luxury market saw its sales advance 76% in 2022 and is looking to double it this year, said Soni. It presently has 17 outlets and a presence in 30 cities and will continue with the expansion in the current year, said Soni.

Lexus doesn't disclose sales. As per industry estimates, it delivered close to 1,000 units in India last year. It plans to launch the fifth generation RX SUV unveiled at the auto show earlier this month.

Super luxury carmakers are also looking to make the most of the bull run. Italian super luxury carmaker Lamborghini is sold out for the ongoing year and expects to cross the three-digit mark in sales for the first time in 2023.

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www.economicstimes.com**

Despite inflation, consumers ready to pay extra for their next vehicle: Deloitte Report

Our Bureau
New Delhi

As connected features grow in vehicles in India, consumers are ready to share personal identifiable information (PII) if it helps them get suggestions for safer driving routes, maintenance updates, and road safety alerts to prevent collisions, a report said on Tuesday.

At the same time, three-quarters of consumers are concerned if data related to the vehicle's location, con-

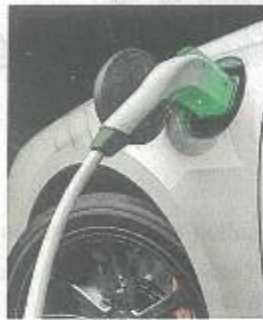
nected services usage, and driving behaviour is shared, Global Automotive Consumer Study - India Findings, 2023 by Deloitte said.

The study also indicated that in India, despite the fears of inflation, consumers are opting to pay a premium for purchasing their next vehicle. Vehicle intenders in the ₹10-25 lakh price bracket were around 47 per cent, it said adding that for ₹10 lakh and below were 28 per cent.

Around 57 per cent intenders were willing to purchase electric vehicles (EVs) from ₹10-25 lakh and 20 per cent in the range of ₹10 lakh and below.

INTEREST IN EVs

"Consumer interest in EVs is growing as consumers look to lower their operating costs. However, there are a variety of challenges in the way, including availability of charging," it said adding that



the draw for EVs continues to center on the consumer perception that fuel costs will be significantly lower, outweighing the concern for climate change.

53 per cent of those surveyed still prefer petrol/diesel vehicles over only 8 per cent for battery-powered EVs and interestingly 20 per cent of the respondents chose to prefer hybrid electric vehicle (HEV).

Deloitte said the study was

conducted from September 21-29, 2022, with a sample of 1,003 consumers in India.

"Our consumer study indicates the rising demand and expectation of the Indian consumer, who is not just cost conscious anymore, but is considering more than one pragmatic way of mobility experience. This allows them to balance operating costs, and experience through technology (37 per cent) whilst making sustainable choices," Rajeev Singh, Partner and Automotive Sector leader, Deloitte Touche Tohmatsu India LLP, said.

As India sets newer trends, the need of the hour will be for original equipment manufacturers (OEMs) and ecosystem stakeholders to work in cohesion and bring innovative business models that bridge the gap of infrastructural challenges with the power of digital technology, he said.

Porsche sold 779 vehicles in India last year; highest since 2014

Aroosa Ahmed
Mumbai

German luxury carmaker Porsche sold 779 vehicle units in 2022, making it the highest sales for the company since 2014 in India. The company recorded a 64 per cent growth in sales in 2022 over the previous year with 474 units being sold in 2021.

"It has been a strong year for Porsche India with a 69 per cent growth in the sales of our SUV models, highlighted by our top-selling model, the Porsche Cayenne, ending the year with 399 retail units," said Manolito Vujicic, Brand Director, Porsche India.

PRE-APPROVED CARS

The company also launched a programme for pre-approved cars in 2022 and introduced



TAKING LUXURY HOME. A total of 399 units of Porsche Cayenne were sold in 2022

the electric Taycan in December 2021. In the first 12 months, a total of 78 electric Taycan were delivered.

"In 2022, we welcomed the appointment of three new Porsche Centre partners in Bengaluru, Chennai and

Kolkata; introduced the Porsche Approved programme offer of 12 months cover on pre-approved cars; and hosted an exciting, month-long Porsche Experience track event," added Manolito Vujicic.

PRESS REPORTS ON ELECTRIC VEHICLE

Business Standard 28th January 2023

India Inc looks to plug into EV-charging infra at work

Firms offering such vehicles as car lease options, converting their fleet into EVs

SOHINI DAS

Mumbai, 27 January

India Inc is slowly playing a part in improving electric vehicle (EV) adoption by providing EV-charging infrastructure at work, offering such vehicles as car lease options, or converting their own fleet into EVs.

Sample this: The Godrej & Boyce campus has four EV-charging points; HSBC is looking to offer EVs as part of its car-lease benefits; and logistics player FedEx is converting its parcel pickup and delivery fleet into zero-emission vehicles by 2040.

Kartikey Hariyani, founder and chief executive officer (CEO), Charge+Zone, an EV-charging infrastructure company specialising in high-speed charging networks, said the firm was getting more queries by the day from companies, including real estate developers, to install charging networks on their premises.

"We recently executed a project for Brookfield in Gurugram, where we created the infrastructure for 36 cars to charge on its premises. We get calls from real-estate developers like malls and multiplex owners and corporate groups to install such infrastructure. We call this destination charging. The year 2023-24 is going to be a phenomenal one for us and we expect three times growth in the number of installations. We aim to set up 10,000 charging points this year," Hariyani told *Business Standard*.

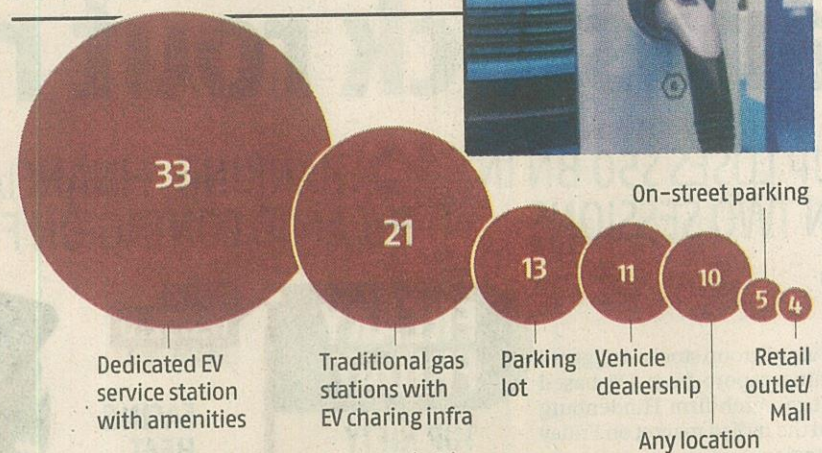
It has set up over 3,000 fast DC (direct current) charging points across 815 stations, serving around 5,000 vehicles a day.

A Godrej & Boyce spokesperson said: "Currently there are four EV-charging points on Godrej & Boyce campus. This is accessible to over 25,000 occupants. Only a fraction of the occupants are using them because demand is low. However, this number of charging points is expected to increase in the near future in line with demand."

Archana Chadha, HR head, HSBC, said: "We are looking to offer EVs as part of our car-lease benefits and are sure our environmentally conscious colleagues will find this a great opportunity to invest in EVs, not just as a second car but possibly even as their first family car."

PREFERABLE EV CHARGING LOCATIONS FOR CONSUMERS

In %



Source: Deloitte; 2023 Global Automotive Consumer Study (India)

Hariyani said as firms focused on their environmental, social, and governance (ESG) goals, the time had begun for EVs.

Suwendu Choudhury, managing director (international operations), FedEx Express, said: "Through a phased approach, we are working to transition the entire FedEx parcel pickup and delivery fleet to zero-emission vehicles by 2040. Recently, we introduced 30 EVs in our Delhi operations, and have installed the vehicle charging infrastructure and technology in our Delhi facilities. The plan is to bring more EVs into our network across India." He said part of the company's commitment to sustainability was enabling "our workforce to be part of that change and inspiring them to seek out more sustainable solutions on their own day to day, like the growing interest in EVs from our team members, for instance".

FedEx is converting 50 per cent of its global pickup and delivery vehicle purchases into electric by 2025, increasing it to 100 per cent by 2030.

Cab operators are also joining the bandwagon. Recently Kolkata-based e-cabs brand Snap-E tied up with Charge+Zone to set up charging infrastructure for 2,000 electric cabs with 200 DC and 1,000 AC

(alternate current) stations.

Mayank Bindal, co-founder and CEO, Snap-E, said in the pilot phase it would operate 2,000 e-cabs in and around Kolkata. The next phase will be an addition of 3,000 vehicles, which will be backed by a proportionate number of charging stations. The Kolkata roll-out will be followed by a phased launch across other important cities of eastern India as well. As a business strategy, Snap-E will focus on both corporate tie-ups as well as consumer commutes.

"We have handheld several Indian companies to switch to e-commute for their employees and we believe everyone deserves the comfort of an executive class commute," Bindal said.

The Deloitte Global Automotive Consumer Study, 2023, showed 33 per cent of consumers in India were looking for EV-charging stations with amenities like coffee, beverages, wi-fi, washrooms, and quick snacks. Around 13 per cent of consumers preferred to charge at parking lots, while 21 per cent were open to charging at traditional gas stations.

Around 10 per cent of consumers said they were open to charge anywhere as long as they could find a charger.

SALES DROP BY MORE THAN A FOURTH IN DECEMBER

Electric 2-wheeler Cos Hit a ₹1kr Bump

Ops suffer as subsidy disbursal to half a dozen cos including Hero Electric, Okinawa Autotech stops

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New Delhi: Sales of electric two-wheelers fell by more than a fourth in December from the previous month, as operations took a hit with the government stalling subsidy disbursal of Rs 1,100 crore to half a dozen manufacturers including Hero Electric and Okinawa Autotech.

Sales in the local market fell to 59,554 units from 76,162 units in November, according to data from the Vahan portal of the Ministry of Road, Transport & Highways. With sales during the April-December period totalling only around half a million units, senior industry executives expect the volume for the fiscal year ending March to miss the Niti Aayog's target of a million electric two-wheelers by 20-30%.

Also, the number next fiscal year could fall short of the industry estimate of 2 million units unless

the stalled incentives are cleared, as strained cash flows have begun disrupting operations at several manufacturers, they said.

"Multiple factors have contributed to the sales curve falling in the last two months of the year, the foremost being the blockage of Rs 1,100 crore subsidy to the majority of players for many months, which has squeezed the working capital of major OEMs (original equipment manufacturers)," Society of Manufacturers of Electric Vehicles director-general Sohinder Gill said. Gill is also the chief executive of Hero Electric.

Subsidy payments were to be made under FAME-II (Faster Adoption and Manufacturing of Electric Vehicles), which is the

government's flagship incentive scheme aimed at boosting manufacturing and sales of electric vehicles. The government stopped releasing payments since April 2022 due to alleged violations of the local value addition criteria

under the scheme. Apart from Hero Electric and Okinawa Autotech, Revolt, Okoye, Ampere and Jitendra EV are the other affected companies, said industry insiders.

Even as a probe is underway to ascertain these irregularities, companies said the stoppage of payments was hurting their cash flows as they had already passed on the benefits to customers. "If not resolved quickly, this slowdown may have a negative impact on volumes next fiscal, when the industry is looking at selling more than 2 million units," Gill said.

The government offers an incentive of Rs 15,000 per kWh on electric two-wheelers, capped at 40% of the total vehicle cost, provided they meet specified localisation criteria. The incentive is accounted for in the retail price of the vehicles and the government reimburses the manufacturers within 45-90 days on the submission of proof of sale.

The government on its part has said that it did not intend to penalise electric vehicle makers but wanted to promote the development of an ecosystem for EVs in the country.

Power Down

Subsidy payments were to be made under FAME-II

Payments stopped from Apr 2022 due to alleged violations of local value addition criteria

Cos say stoppage of payments is hurting cash flows

Affected cos include Okoye, Ampere and Jitendra EV



Sales fell to 59,554 units in Dec from 76,162 units in Nov

Business Line 24th January 2023

Honda to launch e-Activa in March 2024

Our Bureau
New Delhi

Honda Motorcycle & Scooter India (HMSI) on Monday said it is closer to launch its first electric scooter in March 2024, for which it is also working on charging infrastructure across the country.

"It will not be far away from the launch of the first model. So, in a very short period, we will launch new products... The concept is futuristic Activa. We will launch a mid-range electric scooter first and then a high-speed one," Atsushi Ogata, MD, President and CEO, HMSI, told reporters here on the sidelines of a new Activa launch.

CHARGING INFRA

Ogata said the first EV will have a fixed battery while the second one would come with



NEW OFFERING. The new version of Activa was launched on Monday in three variants — standard, deluxe and smart — priced at ₹74,536, ₹77,036 and ₹80,537, respectively. KAMAL NARANG

a swappable battery system.

When asked about the company's late entry into the EV segment as opposed to its competitors, he noted that HMSI was focused on "making the company's constitution strong in the last three years", especially around

charging infrastructure. Currently, the company has over 6,000 outlets of its own and depending on the market situation, will take a call on expanding it.

Talking about new launches in the coming months, he said the company

is also looking at consolidating its position in the entry-level motorcycle segment with the introduction of a 100-cc bike next month.

It has only a few motorcycles in the commuter segment right now (100-125cc), including 'CD 110', 'CB Shine' and 'SP125'. HMSI remains the leader in the scooter segment with a market share of 56 per cent.

PEAK AGAIN

Talking about rural market demand and overall two-wheeler industry in the country, Ogata said he expects the market to hit the peak of 20 million in volumes by 2028 again, from around 16 million right now.

The company meanwhile, launched a new version of Activa in three variants — standard, deluxe and smart — priced at ₹74,536, ₹77,036 and ₹80,537, respectively (all ex-showroom, Delhi).

Citroën to Launch C3 EV Next Month

Expects EVs to account for 15% of PV sales by the end of the decade

Sharmistha Mukherjee
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New Delhi: French carmaker Citroën — which will launch an electric version of its C3 hatchback in India next month — expects electric vehicles to account for 15% of sales in the Indian passenger vehicle market by the end of the decade.

“We are a newcomer moving into a relatively new segment in the market with the electric C3. This space is evolving. We want to be a key player in this emerging segment,” Roland Bouchara, chief executive of Stellantis India, told ET. Citroën is part of the Stellantis Group, which also sells the Jeep brand in India.

With almost all automakers lining up electric cars for launch in the mainstream market over the next few years and an increase in the availability of charging stations, Bouchara said the company expects sales of electric vehicles to grow to about 770,000 units annually over the next eight years, from 55,000-60,000 units in 2022.

EV sales in this period are expected to grow at a compounded annual rate of 56%, as against 5.6% estimated for the overall passenger vehicle

segment, according to the company.

Its estimate, however, suggests that the share of EVs in India's passenger vehicle market would be lower than government think tank NITI Aayog's target of 30% by 2030.

To ease the anxiety over the range of EVs, the automaker has formed a strategic partnership with Jio-BP to set up fast chargers in key showrooms and dealerships, said Saurabh Vatsa, Citroën's brand head for India. The facilities will be open to all, though preference will be given to its customers.

In addition to the electric C3, which is expected to be priced between ₹10 lakh and ₹12 lakh, Citroën plans to launch two more products in the local market by the end of next year. These products, which will run on conventional fuels, will be positioned in the fast-growing utility vehicle segment and the company expects those to help shore up its volumes. Overall, though, the aim is not to chase volumes but to grow consistently and profitably, Bouchara said.

The automaker is banking on heavily localised vehicles to keep prices competitive.



Business Line 16th January 2023

Mitsubishi Electric plans \$222-m AC, compressor factory in TN

Our Bureau
Chennai

Mitsubishi Electric Corporation (MEC) plans to invest about \$222.5 million to establish a factory in Tamil Nadu for the production of room air conditioners and compressors.

It will build an 88,000 sq mt factory in the State, and the unit is expected to commence production in October 2025, according to the company's statement.

CAPACITY ADDITION

The new unit will have an initial annual capacity of 300,000 outdoor room air conditioner units and 650,000 compressors. This new capacity addition is expected to help the company meet growing volumes in the Indian market. The

The new unit will have an initial annual capacity of 300,000 outdoor room air conditioner units and 650,000 compressors

company believes that demand to replace older air conditioning and refrigeration systems with newer models is expected to continue growing as consumers and companies shift to energy-saving and low-GWP (global warming potential) refrigerants.

Under its Advance & Innovation 2025 strategy, MEC is accelerating its launch of high-perform-

ance, energy-saving, and environmental friendly products to offer natural refrigerants that meet local needs, expand production for stable product supply and shorter lead times, and introduce lifecycle solutions encompassing sales, service, facility management, and product recycling.

GLOBAL EXPANSION

Mitsubishi Electric expects to invest \$1.5 billion in related facilities worldwide, including in Europe and the US, over a five-year period ending in March 2026.

Mitsubishi Electric's air conditioning and refrigeration systems business commenced in India in 2010 with the establishment of its arm, Mitsubishi Electric India Pvt. Ltd.

PRESS REPORTS ON COMMERCIAL VEHICLE

Business Line 24th January 2023

Digital campaigns, dedicated retail network push up Tata Motors' small truck sales

G Balachandar
Chennai

Along with product strategy, a push in digital marketing and a new model of dedicated network have helped Tata Motors increase its sales in the small commercial vehicle (SCV) segment, particularly in the pick-up segment.

The SCV segment (sub-3.5 tonne) comprises mini-trucks (0-2 tonne gross vehicle weight) and pick-ups (2-3 tonne GVW). Pick-up is the growing segment and is the largest category in the entire CV market.

DIGITAL PRESENCE

A leader in the mini-truck segment, Tata has been attempting to grab a higher share in the pick-up segment, dominated by Mahindra & Mahindra.



We have also been bringing down the spend per vehicle (to crack a sale). As a result, we are improving profitability while maintaining healthy retail volumes

GIRISH WAGH

Executive Director, Tata Motors



While the company has come out with a range of products to fill the gaps and expand the range with its pick-ups such as 'Intra' and 'Yodha', it has also undertaken digital marketing campaigns and created dedicated 'low break-even' retail outlets for sales growth.

"In CV sales, we need to do a lot of personal interactions and physical activities. But we focused on digital campaigns for lead generations and they have paid dividends as 18 per cent of SCV sales come through digital mode now," Girish Wagh, Executive Director, Tata Motors, told *busi-*

nessline. While the company is planning to ramp up its digital focus, it has also increased its network. In the last 18 months or so, the company has created more than 110 dealers focused on SCVs.

"These are low break-even set-ups — their break-even volumes will be lower than bigger outlets. This is also bringing us incremental volumes," said Wagh.

PROFITABILITY

"While doing this, we have also been bringing down the spend per vehicle (to crack a sale). As a result, we are improving profitability while maintaining healthy retail volumes," he added. To spur sales, the company had incurred a lot of variable marketing expenditure earlier. "We have learnt our lessons and we are not going to do that," he said.

PRESS REPORTS ON COMPANY NEWS

The Economic Times 31st January 2023

Toyota Remains No. 1 Carmaker in World for Third Straight Year

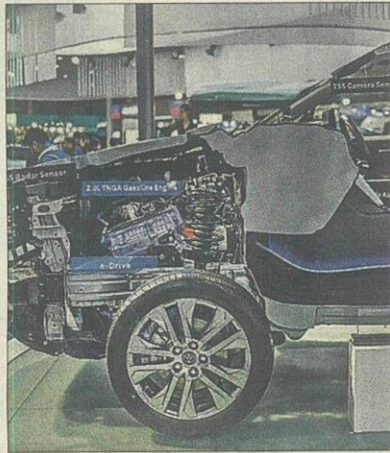
Widens gap with rival VW even as industry tackles supply chain constraints, looming slump in sales

Bloomberg

Toyota Motor Corp kept its crown as the world's top-selling carmaker in 2022, widening its lead over Volkswagen AG even as supply chain disruptions continued to weigh on global automobile production. Group sales, which include those of its subsidiaries Daihatsu Motor Co and Hino Motors Ltd, were mostly flat at 10.5 million units for the year, the Japanese company said on Monday. Volkswagen sales fell 7% last year to 8.3 million units, marking the lowest level of deliveries in 11 years.

While that marks Toyota's third straight year of gains over its German rival, the key issue facing Toyota and other carmakers is the spectre of weakening global demand.

Toyota, however, still says it isn't able to make enough cars to shorten delivery times. Customers are reporting waits of months or even years for certain models. For the fiscal year beginning in April,



Toyota has set an output target of as many as 10.6 million vehicles, with the caveat that final shipments could be 10% lower if it is unable to procure enough parts, especially semiconductors.

S&P Global Mobility predicts that Toyota will continue to widen its lead over Volkswagen in 2023, with 10.4 million light vehicle sales versus 7.99 million for the German carmaker. Volkswagen sales are projected to recover from 2024, while Toyota is on track to top 11 million in annual light vehicle sales by the end of the decade, according to the researcher.

SPREADING THE WORD

New CEO Given Role of Pitching EVs

Toyota has struggled to effectively convey its strategy of spreading its bets between hybrid, hydrogen and battery-electric vehicles to investors, consumers and environmental groups. This has opened it up to criticism that it isn't embracing an all-electric future. Its new chief executive Koji Sato oversaw robust sales growth as head of Lexus and served as its chief branding officer too. He's an engineer by training and you can see why the founder's grandson has entrusted him. Now, Sato has to decide whether the EV plan needs fine-tuning, and how effectively he can communicate it.

Business Line 25th January 2023

TVS Motors' e-scooter volumes to cross 1-lakh in Q4

G Balachandrar
Chennai

Two and three-wheeler maker TVS Motor Company says its electric scooter sales have been doubling every quarter. The total volumes of e-scooters are expected to cross one lakh this fiscal.

During Q1 of the current financial year, it sold about 8,000 units of electric scooter iQube, 16,000 units in Q2, and in Q3, the volumes improved further to 29,000 units. In absolute terms, it has sold 53,599 units of iQube during April-December 2022 period (as

against 5,207 units in the year-ago period.)

"So, every quarter in FY23 we have been doubling and we expect this momentum to continue in Q4 of this fiscal too, thanks to the supply chain and higher demand," KN Radhakrishnan, Director and CEO of the company told during the Q3FY23 earnings call.

In December 2022 quarter, electric scooter volumes accounted for 10 per cent of the overall scooter volumes. Its current order book for iQube stands close to 30,000 units. To support the sales momentum, the company intends to ramp up its EV ca-

capacity to 25,000 units per month in this quarter, up from 10,000 units in Q2.

Radhakrishnan stated that the company is likely to launch an electric three-wheeler shortly. He said FY24 will set a tone for EV transformation for the company with expanded all-India coverage of iQube and new product launches from TVS Motor.

Q3 PAT UP

The company recorded a 22 per cent increase in its profit after tax at ₹353 crore for the quarter that ended December 31, 2022, when compared with ₹288 crore in Q3 of the last fiscal. Its oper-

ating revenue grew by 15 per cent at ₹6,545 crore as against ₹5,706 crore in Q3 of the last fiscal. It registered a 16 per cent increase in EBITDA at ₹659 crore as against ₹568 crore. Operating EBITDA margin of 10.1 per cent as against 10 per cent.

For the 9-month period that ended on December 31, 2022, the company's PAT stood at ₹1,081 crore as against ₹619 crore in the year-ago period. This is the first time the company's PAT has crossed ₹1,000 crore in a 9-month period. Revenue stood at ₹19,773 crore as against ₹15,260 crore.

Tata Motors cuts Nexon EV price on heels of M&M electric SUV launch

Aroosa Ahmed
Mumbai



TRIGGERING PRICE WAR. Nexon EV will now be available at ₹14.49 lakh REUTERS

At a time when automakers are raising prices to pass on higher input costs, market leader in the electric passenger vehicle segment Tata Motors on Wednesday slashed prices of Nexon EV. The EV will now be available at ₹14.49 lakh across the country. Hitherto, the Nexon EV started at ₹14.99 lakh.

The move comes two days after Mahindra introduced its XUV 400 electric SUV, starting at ₹15.99 lakh.

Tata Motors also announced the repositioning of the Nexon EV MAX at ₹16.49 lakh with new features and an enhanced range to 453 km that will be available from February 15.

“We are committed to making sustainable transportation accessible to everyone, and this repositioning is

a big step in that direction. Our smart engineering and government incentives have allowed us to achieve this disruption, maintaining the same high level of quality and service. With this, we are confident that more and more customers will make the switch to e-mobility,” said Vivek Srivatsa, Head of Marketing, Sales, and Service Strategy, Tata Passenger Electric Mobility.

In 2022, the company had launched the most affordable electric vehicle Ti-

ago TV at an introductory price of ₹8.49 lakh. In the last quarter, Tata Motors had 87 per cent of the EV passenger vehicles market, selling over 12,000 units.

EV SHIFT

businessline had earlier reported the shift in consumer pattern to purchasing of electric vehicles as the ‘only car’ increased to 70 per cent from 25 per cent. Per Vahan, which tracks vehicle registrations, nearly 1 million EVs were registered in 2022.

Switch Mobility’s dealers to run e-buses for STUs

G Balachandrar
Chennai



Mahesh Babu, Director and CEO, Switch Mobility India and COO, Switch Mobility

Switch Mobility, the electric vehicle arm of Ashok Leyland, will involve its dealer and supplier partners in operating electric buses for the State Transport Undertakings (STUs) under the GCC (Gross Cost Contract) model.

HIGHEST BIDDER

The company has emerged as the highest (L1) bidder in 3 of the 8 electric bus contracts, floated by the Government of India-owned Convergence Energy Services Ltd (CESL).

This tender of CESL is without subsidy and Switch said it will be comfortable in this tender without any worry over cash flows. It believes that the contract will be profitable for Switch and viable for STUs opera-

tionally when compared with diesel buses.

“This tender of CESL was clean. Prices have also gone up 30-40 per cent compared with the previous one. So, prices have more or less stabilised and stakeholders have understood the need to make things stable,” Mahesh Babu, Director and CEO, Switch Mobility India and COO, Switch Mobility told *businessline*.

Under the CESL order,

Switch will be supplying its EiV 12 low-floor electric buses for Delhi, and EiV 12 standard buses for Kerala and Hyderabad.

Switch Mobility is expected to supply 2,100 electric buses for 3 states — Delhi, Telangana, and Kerala — under the GCC contract (or OPEX model of operations), in which the bidder will be responsible for operation and maintenance of electric buses, including engaging all manpower, personnel, drivers, labour, etc for 12 years.

SWELLING ORDER BOOK

Switch will be supplying its EiV 12 low-floor electric buses for Delhi, and EiV 12

standard buses for Kerala and Hyderabad. This order for 2,100 buses has to be executed in two years.

Since these are GCC contracts, the work will involve technical training and therefore Switch would work with its dealers for maintenance of electric buses and other partners for driver-operators.

“For example, for BMTC in Bengaluru we have partnered with our dealer partners to run the electric buses,” Babu said.

There are already more than 500 electric buses of Switch Mobility on the roads.

Its current order book is for the supply of 2,500 electric buses, including CESL order. Its double-decker bus deliveries will shortly commence.

“In 2023, we hope to ramp up EV bus orders both in STU as well as private segments,” added Babu.

'Two-wheeler Sales on Recovery Path, Set to Grow More in FY24'

Plans firmed up to launch co's first electric scooter in upcoming fiscal, says HMSI MD

Sharmistha Mukherjee
@timesgroup.com

New Delhi: Even as consumer demand in rural markets is yet to recover fully, sales of motorcycles and scooters are on a recovery path and will grow further in the upcoming financial year, said a top executive at the country's second largest two-wheeler maker Honda Motorcycle & Scooter India (HMSI).

"Sales of two-wheelers in rural markets had declined due to weak consumer sentiments. However, we have seen some green shoots this festive season and expect both rural and urban centres to grow next fiscal," Atsushi Ogata, MD & CEO at HMSI, told ET. Rural markets currently contribute a third of sales at HMSI.

Sales of two-wheelers in the local market have declined by nearly a third from a peak of 21 million units in FY19 due to higher costs of ownership. Acquisition costs of two-wheelers have risen by nearly a third in the past couple of years, while a sharp increase in fuel prices have dented demand for two-wheelers, especial-



Two-wheeler sales in the Indian market had peaked at over 20 m units five years back. Our internal estimate is that the industry will take another five years to get back to this level

ATSUSHI OGATA
MD & CEO, HMSI

ly entry-level ones.

The market though has started recovering gradually with sales of motorcycles, scooters and mopeds in the first nine months of the fiscal year growing by a fifth to 12.26 million units. HMSI outperformed the industry to grow volumes by 30% to 3.32 million units in the same period. Ogata said: "Two-wheeler sales in the Indian market had peaked at over 20 million units five years back. Our internal estimate is that the industry will take

another five years to get back to this level."

Ogata was speaking on the sidelines of the launch of the new Activa (OBD2 compliant), priced upwards of ₹74,536. Overall, the company is targeting its entire portfolio compliant with OBD2 norms by June 2023.

HMSI, which dominates the scooters' segment with a market share of 56%, said it will introduce an entry-level motorcycle this fiscal to boost volumes in the category.

Plans are also being firmed up to launch the company's first electric scooter in the upcoming financial year.

"We are drawing out a long-term roadmap for launching EVs in India. We do not want to convert ICE vehicles to EVs. But are looking at the space as an added business opportunity. We are looking to launch the first electric model in March 2024... it is being developed on a completely new platform and is based on the requirements of the Indian market," Ogata said.

While the first model next year would have a fixed battery, the second one with specifications like that of a futuristic Activa would come with a swappable battery system.

Ogata declined to share the amount of investments being done on the EV business but added that the highest investment is going towards development of the motor system. Some additional investment would also be required to prepare its existing manufacturing unit to roll out EVs.

When asked if the company still believes that it can grab the top spot in the domestic two-wheeler market.

Business Line 31st January 2023

Bajaj Auto to have exclusive showrooms for e-Chetak

Aroosa Ahmed
Mumbai

In a bid to popularise its electric offering, Bajaj Auto will have exclusive showroom outlets for Chetak across the country. The electric Chetak is priced at ₹1,40,000 in India and is available in more than 40 cities.

The showrooms will be digitally enabled and designed by the company to address any consumer concerns about electric vehicles.

"The adoption of an EV is forward-looking and has been good in the last six months. High-speed scooter in December was clocking 20 per cent of the scooter

market. The idea of parking a scooter in one corner of largely ICE motorcycle stores is a very suboptimal solution and a lot of our network is happy to put up standalone stores. As the market unfolds in the next 2-3 years, it will give us a good position. We will do it with triumph as well," said Rakesh Sharma, Executive Director, Bajaj Auto, during an earnings call.

Bajaj Auto introduced Chetak in 1972, but discontinued it in 2005 due to low demand and reintroduced it as an electric Chetak in 2019. The company has sold close to 25,000 units of electric Chetak so far.

MARKET SHARE

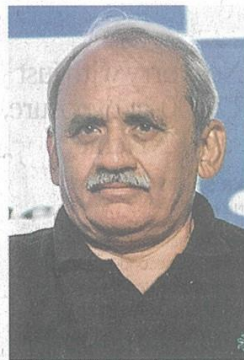
While the company is aim-



We do not have any volumetric ambition at this point... We are building capabilities to launch a range of products and reduce costs and to prepare for a scenario where subsidy is less

RAKESH SHARMA

Executive Director, Bajaj Auto



ing to further popularise the Chetak, it has stated that its focus is not on market share.

"We do not have any volumetric ambition at this point. We can drop the price and capture whichever mar-

ket share we want. We are building capabilities to launch a range of products and reduce costs and to prepare for a scenario where subsidy is less. In one way it is an artificial support to the

industry... We want to make our business full proof of subsidy. In FY24 you will see the outcome of the work that is going on in expanding the research and development, manpower, infrastructure and supply chain," added Sharma.

businessline had earlier reported Ola Electric remained the market leader in the electric two-wheeler segment and gained a 26.9 per cent share in December while Bajaj Auto had an EV market share of 5 per cent.

Further, the new electric battery norms and the halting of FAME II will benefit two-wheeler EV original equipment manufacturers (OEM), including Ola, TVS Motors, Hero Electric and Ather.

Sundram Fasteners bags \$250-m EV parts order from a global OEM

Our Bureau
Chennai

Leading auto components maker Sundram Fasteners on Tuesday said it secured a \$250 million electric vehicle (EV) parts supply contract, its highest-ever EV contract to date, from a global automaker.

Under the new order, the Chennai-headquartered company will be supplying sub-assemblies for the global OEM's electric vehicle platform.

₹200-CRORE INVESTMENT

As a result of the new order, Sundram Fasteners proposes to invest ₹200 crore in capacity to supply parts under the six-year-long purchase package involving the supply of shaft sub-assemblies and drive gear sub-assemblies.

The proposed investment will be made in the company's powertrain units situated at Mahindra World City and Sri City, both located near Chennai. These two units will make and ship the components. The parts will be serviced from the company's warehouse in



GEARING UP. Sundram Fasteners to invest ₹200 cr in capacity to supply parts under the six-year-long package

North America. The deal is one of the largest won by a supplier in India for this range of products for an EV platform. SFL has estimated an annual sales peak of \$52 million in 2026 with a supply of 1.5 million drive unit sub-assemblies per year, according to a company statement.

"The \$250-million supply contract, one of the largest in India, is a further testimony to our commitment to manufacture and supply products such

as sub-assemblies, which are widely used in various segments of the EV sector," said Arathi Krishna, Managing Director of Sundram Fasteners.

The sub-assemblies will be used in mild hybrid, plug-in, and battery electric vehicles, covering various segments, including mid-size trucks, SUVs, and sedans.

The launch of the new vehicles is planned from the North American platform in 2024.

Sunlit Power, Lucas TVS to supply 50,000 EV motors to industries

Press Trust of India
Mumbai

Storage battery maker and distributor Sunlit Power has collaborated with Lucas TVS, under which it will supply 50,000 electric vehicle motors and controllers manufactured by the TVS group company to various industries, a release said on Monday.

It will include motors with 1kw-15kw capacity for various applications including those for two-wheelers, high-speed passenger autos and pick-up vans, Sunlit Power said in a statement.

The three-year partnership will also help the company extend its sales and marketing services to facilitate the distribution of these motors and controllers pan-India, it said.

"This collaboration is a

JOINING HANDS

- The tie up between the company is for three years
- The motors will include those with 1kw-15kw capacity for various applications including those for two-wheelers, high-speed passenger autos and pick-up vans
- The partnership will help Sunlit Power extend its sales and marketing services to facilitate distribution of these motors and controllers pan-India

step towards bolstering the EV powertrain industry in India. Our sales and service expertise, combined with Lucas TVS' motor manufacturing expertise, will provide automakers with high-end support," said VG Anil, head of operations at Sunlit Power.

TRAINING ENGINEERS

"We are also looking forward to bolstering the capabilities of our team through this association," said Anil.

Lucas TVS will train engineers with the company in maintenance and troubleshooting of the products to provide consumers with immediate service. This will also enable the company's plan to set up motors and controller service centres across the country, the battery maker said. "This association would help in greatly improving our customer reach across different sectors," said Babu KSV, business head at Lucas TVS.

Okinawa Autotech to invest ₹220 cr in 3 years to support next-gen products

Our Bureau
New Delhi

Electric two-wheeler manufacturer Okinawa Autotech on Wednesday said it will invest ₹25 million (over ₹220 crore) in the next three years in the development of an all-new products and power-trains and to support the next generation of products.

The company has started its first research and development (R&D) centre in Italy, in association with its joint venture partner Tacita.

BEST TECHNOLOGY

Besides, the global R&D centre will focus on new product development and upgrading the existing product portfolio, said a statement. The centre will employ nearly 50 specialists,

NEW OFFERING

The first product designed at the global centre will be an electric cruiser motorcycle, to be unveiled in India in the coming months

both from India and across the world.

“The company has invested ₹500 crore along with our key stakeholders towards the development of new products, manufacturing facilities, network expansion and brand building over the last five years. Setting up the global R&D centre showcases our ambition to bring the best technologies from the entire world to our Indian custom-

ers,” Jeetender Sharma, MD and Founder, Okinawa Autotech, said.

The first product designed at the global centre will be an electric cruiser motorcycle that is scheduled to be unveiled in the coming months in India. The motorcycle will be equipped with the latest EV technology and best-in-class performance amongst the motorcycle segment globally, he added.

Business Line
26th January 2023

Hero MotoCorp looks to up share in scooters



XOOM DEBUTS. Arun Jaura (left), Chief Technology Officer, and Ranjivjit Singh, Chief Growth Officer, Hero Moto Corp, at the launch of Hero Xoom in Gurugram

Business Line
31st January 2023

Our Bureau

New Delhi

Hero MotoCorp on Monday said it was betting big on 110cc scooter market as the segment has the highest share of around 60 per cent in the overall scooters market right now.

“In scooters, the 100cc-110cc continues to be the biggest segment with more than 60 per cent contribution to the scooter market... Today, 60-63 per cent of the market is 110cc which is a sizeable segment for us to participate in and satisfy the needs... it’s not about participating in a segment, but about creating a segment,” Ranjivjit Singh, Chief Growth Officer, told reporters on the sidelines of a new launch here.

The company launched its new scooter Xoom in three variants — Sheet Drum (LX), Cast Drum (VX) and Cast Disc (ZX) — with an introductory price of ₹68,599, ₹71,799 and ₹76,699, respectively (all ex-showroom).

RISING DEMAND

Singh said the company is looking to cash in on the rising demand for scooters as nor-

malcy returns after the pandemic eases, adding that sporty continues to be the new growth driver for the scooter market and is the fastest growing sub-segment in the last three years.

With 50 per cent of Indians below the age of 25 and more than 65 per cent below the age of 35, it is imperative this segment’s needs should be at the front and centre of every new development, he said, adding that the company will meet customer expectation as the market changes.

For now, Hero Xoom will justify its market share in the 110cc scooters market, and help grow Hero’s market share in the overall scooter market. Hero Xoom comes with a 110cc BS-VI compliant engine with peak power output of 8.05 BHP at 7,250 RPM and torque of 8.7 Nm at 5,750 RPM. It is equipped with features such as full digital speedometer with Bluetooth connectivity, caller ID and SMS updates, and key alerts such as low fuel indicator and phone battery levels. It also has features such as the side stand engine cut off, boot light and mobile charger in front glove box.

Maha plans to hike green tax for 15-year+ vehicles

Hefty Fines For Flouting Pollution Control Norms

Somit.Sen@timesgroup.com

Mumbai: In light of the decision to scrap government vehicles older than 15 years in the state by June end, the state also plans to increase the green tax for vehicles over 15 years soon, have stringent checks of all old vehicles and impose hefty penalties for those flouting pollution control norms, said additional transport commissioner JB Patil.

"The transport department will also come up with automated fitness test centres across Maharashtra in a year. This will ensure that even private vehicles over 15 years and unfit will be imposed with hefty penalties," he said. The objective is to ensure that maximum vehicles, private or government, are sent

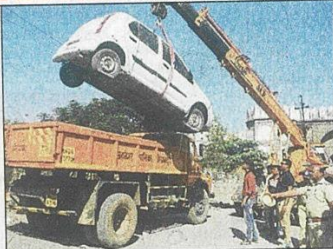
VEHICLE SCRAPPAGE POLICY

April 2022 | Vehicle scrappage policy introduced by Centre, after announcement in Union Budget 2021-22

Sept | Ministry of road transport and highways issues notification for Motor Vehicles (Registration & Functions of Vehicle Scrapping Facility Amendment) Rules

Oct | Maha cabinet approves scrappage policy, to set up scrappage yards

Jan 2023 | State transport dept announces that all govt vehicles over 15 years will be scrapped



BENEFITS

➤ Nearly 20 lakh old vehicles in Maharashtra can be scrapped, which will reduce congestion on roads

➤ Scrapping of old vehicles can promote fuel-efficient,

environment-friendly vehicles, will also ensure vehicles plying are road worthy

➤ Scrapping of abandoned vehicles (khataras) on roads can be expedited. It'll help declutter roads, will be in the interest of public health and environment

for scrap. Patil, however, said that in the case of private vehicles, there was no compulsion to scrap vehicles.

Private cars over 20 years

and commercial vehicles more than 15 years can be scrapped, which will be voluntary for vehicle owners. Roughly 20 lakh vehicles can soon be scrapped

in Maharashtra in scientific manner, with scrapping procedures now being simplified and totally IT-driven, officials said.

"We will introduce new registered vehicle-scrapping centres across the state soon so that there are an adequate number of places where one can scrap vehicles in a scientific manner," Bhimanwar said. He has directed officials at 50 RTOs across the state to conduct stringent checks to ensure people pay green tax and also get fitness certificates for older vehicles.

The new policy will also curb illegal scrapping of vehicles, especially stolen vehicles which were found to be given to some of the scrap dealers recently, sources said.

For example, in September 2022, Thane police arrested a history-sheeter for selling stolen cars to scrap dealers.

Sources added that the new policy will also reduce mishaps on roads due to technical errors/faults in old vehicles. "It will also give the car owner incentives to buy new vehicles," said Bhimanwar.

Times of India
29th January 2023

The Economic Times
18th January 2023

ALLEGED MISAPPROPRIATION OF SOPs UNDER FAME-2

More EV Cos Lose Subsidy as Centre's Probe Deepens

Majority of the affected firms are engaged in manufacturing of 3-wheelers

Nehal.Chaliawala
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New Delhi: The government has suspended the subsidies of around a dozen more electric vehicle (EV) makers as investigations progress into the alleged misappropriation by some companies of sops under New Delhi's flagship EV promotion scheme.

A majority of the companies whose subsidies have been recently paused are engaged into manufacturing three-wheelers. These include Victory Electric Vehicles, Thukral Electric and Best Way Agencies among others. These companies did not respond to ET's queries by press time Tuesday.

The subsidies are part of the ₹10,000-crore Faster Adoption and Manufacturing of Electric Vehicles in India scheme Phase-2 (FAME-2). The FAME-2 website shows the status of the subsidies for vehicles manufactured by these companies as "expired".

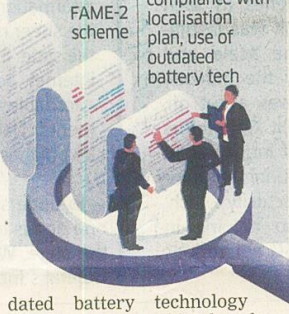
The reasons for suspending the subsidies range from companies being non-compliant with a parts localisation plan upon which the scheme is incumbent to using out-

Under Scanner

Victory Electric Vehicles, Thukral Electric and Best Way Agencies among those affected

Subsidies are part of the ₹10,000-cr FAME-2 scheme

Reasons for suspension include non-compliance with localisation plan, use of outdated battery tech



dated battery technology that is not approved for the scheme, said an official in the know.

"We found that some of them had certified their vehicles with lithium-ion batteries but were selling vehicles with lead-acid batteries instead," this official said. Lead-acid is an old battery technology and vehicles equipped such batteries are barred from availing sub-

sidies under the FAME-2 scheme.

To be sure, some of the instances where subsidies have expired include cases where there are extraneous delays in receiving compliance certification or the certified vehicle being discontinued by the manufacturer, as in the case of Atul Auto, Euler Motors and Dilli Electric, said spokespersons for these companies.

The Ministry of Heavy Industries is probing allegations of misappropriation of FAME-2 subsidies by several EV makers. Mahendra Nath Pandey, the Minister of Heavy Industries, said in the parliament last month that the ministry has received complaints against 12 companies including Hero Electric and Okinawa Autotech.

It has been alleged that these companies relied on imported parts for their vehicles and falsified data to show local sourcing. The FAME-2 scheme extends subsidies to EV makers with a caveat of sourcing key components locally to promote the development of a local manufacturing ecosystem.

The government paused releasing funds under the FAME-2 scheme to all EV makers in May this year after it first received complaints in this matter.