

**ACMA**  
(Western Region)



**Press Reports on Automotive Industry  
2022-23**

**Automotive Component Manufacturers Association of India  
(Western Region)  
Mumbai**



(Western Region)

**AUTOMOTIVE COMPONENT MANUFACTURERS ASSOCIATION OF INDIA**

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# PRESS REPORTS ON AUTOMOTIVE INDUSTRY

The Economic Times 25<sup>th</sup> February 2023

## EV Industry in India Battles High Attrition Amid Demand for Talent

Median tenure of senior execs lowest at 1.8 years; local & global cos on a hiring spree: Report

Rica Bhattacharyya & Lijee Phillip

**Mumbai:** Electric vehicle (EV) and associated companies in India are facing an alarmingly high attrition rate, as a major talent war has erupted between companies who are going all out to poach talent from one another.

The median tenure of middle- to senior-level talent in the EV industry stands at 1.8 years, compared with 4.1 years in the FMCG industry, 3.6 years in MSME manufacturing, five years in EPC and 1.9 years in startups, according to data put together for ET by staffing company Ciel HR Services, based on LinkedIn data from 271,778 employees across 268 companies in these sectors.

Demand for talent is not only in the local manufacturing companies who want to tap the potential market but also global businesses that are investing heavily in India for long-term returns. Some of the top talent seekers include Hero Electric, Mahindra Electric, Maruti Suzuki, ChargePoint,

### Fight for Talent

**MEDIAN TENURE IN OTHER INDUSTRIES:**

4.1 years in FMCG, 3.6 years in MSME, 5 years in EPC and 1.9 years in startups

#### REASONS FOR EMPLOYEES LEAVING

Cos in a rush to ramp up manpower to cater to capacity expansion, new product launches

There is a talent demand-supply mismatch with dearth of talent with the right skillsets

**Hiring in the EV sector likely to grow by 50% in the next one year**



Data Source: Ciel HR Services

Log9 Materials, Fisker, AMP EV and ZF, according to the data from Ciel based on an analysis of EV jobs posted on LinkedIn.

This comes at a time when companies in the EV industry are on a major talent acquisition spree with hiring seen growing by 50% in the next one year, as firms across the green vehicle ecosystem of EV, component and battery manufacturers, and charging, swapping infrastructure and vehicle mainte-

nance providers are looking to ramp up manpower to expand capacity and launch new products.

"Companies in the sector are on a hiring spree with multiple players across the ecosystem jostling for talent," said Aditya Narayan Mishra, chief executive at Ciel HR Services. There is a lot of action happening in the sector due to a combination of factors such as government's policy intervention to strengthen the ecosystem, general

push towards environmental sustainability and rising fuel prices, and all this is leading to high demand for talent with relevant expertise and skills. "This is not a sector where freshers can cater to the manpower needs. As a result, companies are poaching from one another leading to the talent war," he added.

"Particularly specialist roles like R&D, head of departments, after-sales service and electric and electronic engineers are the vulnerable positions," said So-hinder Gill, director general of the Society of Manufacturers of Electric Vehicles.

Gill, who is also the chief executive at Hero Electric, said his company is one of the favourite poaching grounds for talent. "However, we have been able to retain our talent, not by matching rupee by rupee, but by helping employees through thick and thin. We strive to make our workspace exciting and informal with the least amount of rigid structures and try to create enough learning opportunities for the right talent," he added.

Business Line 23<sup>rd</sup> February 2023

## Auto-parts makers on an investment spree

**S Ronendra Singh**  
New Delhi

Major auto component players have entered into joint ventures and acquisition spree over the last few days. This is a good sign for the industry which did not see such announcements in the last three years.

For instance, Minda Corporation has acquired 15.70 per cent stake in rival Pricol for ₹400 crore, and Lumax Auto Technologies has signed a strategic agreement to acquire majority stake in IAC Group's India business at equity valuation of ₹587 crore in the last one week. Industry veterans and analysts see this as a sign that the automotive market is coming back strong after the Covid restrictions. "The market has



**CATCHING UP.** To stay relevant, companies are acquiring others with pertinent technologies

come back strongly and there is a confidence that it will continue. Secondly, there is a lot of technology infusion happening, so companies are actively looking to integrate them into their portfolio. There is a lot of transformation happening and to stay relevant, companies are ac-

quiring others with the relevant technologies," Vinnie Mehta, Director General, Automotive Components Manufacturers Association of India (ACMA), told *businessline*.

He said that what brings this confidence is the fact that the industry is going to grow for sometime and therefore, they would like to continue to make such investments.

#### FOLLOWING THE TIDE

The Minda stake buy in Pricol is pure investment, which the company also reiterated, and according to analysts several other companies in the sector are also looking at such investments because of the better cash flow now.

The same is the case in the Lumax-IAC deal. The companies had said that IAC will

continue to hold 25 per cent stake, and 75 per cent of the stake will be bought through SPV (acquisition vehicle) at ₹440 crore, which will be paid in cash funded by debt and internal accruals.

"With our group's existing expertise in automotive lighting and plastics, it provides the opportunity to combine competitive strengths across automotive lighting, plastics and interiors to provide complete solutions to our customers," Deepak Jain, Chairman of Lumax had said.

Similarly, Uno Minda plans to invest ₹175 crore in expanding the capacity of airbags, which is under a joint venture with TG Minda India Ltd. The new capex is in addition to the company's ongoing multi-year capex programme involving ₹1,664 crore.



# VW to revisit India amid geopolitical concerns

MONICA RAYMUNT

23 February

Europe's largest carmaker is taking a closer look at India — again.

Volkswagen AG wants to remain a strong player in Europe and China, but in the face of growing geopolitical tensions and an increasingly complex regulatory environment, the German carmaker is looking beyond the US for markets with growth potential, Chief Financial Officer Arno Antlitz said.

"We're turning our attention to India to be more robustly positioned in this new world," Antlitz said in an interview with *Porsche Consulting Magazin*. "India has enormous growth potential in my view."

The effort will mark yet another attempt by the company to break into the Indian market in a significant way. The carmaker's earlier efforts to boost its presence in India have often been bruising experiences. An alliance with Suzuki Motor ended in a fierce legal dispute before a single car was built and talks over teaming up with Jaguar-maker Tata Motors didn't go anywhere.

Volkswagen rose 0.7 per cent at 11.11 am in Frankfurt trading, taking gains this year to 13 per cent. But as US-China tensions mount and the Asian giant's seeming support of Russia after its invasion of Ukraine raises hackles, India's large potential market is once again drawing the company's attention.

India's population surpassed China's at the end of last year, and with half of that population under the age of 30, it has potential to become the world's fastest-growing major economy in coming years.

Public adoption of electric passenger transport has been slow in India, with high upfront production costs deterring manufacturers and a dearth of charging infrastructure deterring consumers. But demand for low-cost battery-powered SUVs is growing, and homegrown carmakers are now finding themselves competing with Chinese and South Korean manufacturers for market share.

Volkswagen said in August it was moving forward with a component supply deal for five new electric sport utility vehicles from India's Mahindra & Mahindra, adding that it wanted to explore ways of working together to electrify the Indian market more quickly.

Antlitz said it remained unclear how the global economy would develop under the continued pressure of supply chain bottlenecks, which limits the number of cars that can be manufactured and sold. Given the possibilities of a worsening economy and shrinking demand, Volkswagen is keen to avoid price discounts in coming months.

RIIDMRFRG

# Tesla Recalls 363k Cars Over Self-Driving Software Glitch

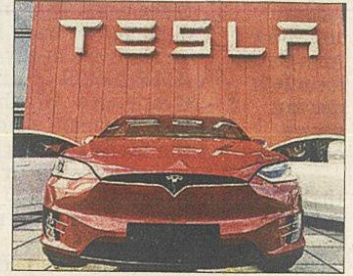
**New York:** Tesla is recalling nearly 363,000 electric vehicles because of problems with their driver-assistance technology that heighten crash risk, according to a US regulatory announcement seen by AFP Thursday.

The recall affects a range of Model S, Model X, Model 3 and Model Y Tesla autos from between 2016 and 2023, equipped with "Full Self-Driving Beta" technology, said a National Highway Traffic Safety Administration notice.

To remedy the problem, Tesla will release a software update that can be implemented remotely.

Problems with Tesla's FSD Beta system mean cars could undertake manoeuvres that "could potentially infringe upon local traffic laws or customs, which could increase the risk of a collision if the driver does not intervene," said an NHTSA notice.

The driver-assistance system "may allow the vehicle to act unsafe around intersections" by not co-



ming to a complete stop at a stop sign, travelling straight in a turn-only lane or running an orange light, NHTSA said in a letter to Tesla. The system also "may respond insufficiently to changes in posted speed limits," the NHTSA letter said.

Tesla shares fell around five per cent following the announcement.

The company's CEO Elon Musk downplayed the setback on Twitter, agreeing with a user who said the term "recall" should not be used for problems that can be addressed without significant repair. AFP

## Business Line 20<sup>th</sup> February 2023

# Maruti sees flex fuel as a way to curb emissions

**Aroosa Ahmed**  
Mumbai

To introduce eco-friendly mobility solutions, Maruti Suzuki believes it has to be 'technology agnostic' and is betting on biogas, flex fuel, hybrid and Compressed Natural Gas (CNG).

While Maruti Suzuki will introduce its first electric vehicle offering in 2024-2025. "The infrastructure and cost might prevent the large-scale adoption of electric vehicles for a long time. Maruti Suzuki believes, for emission reduction, you have to be agnostic to technology. Till the time EVs are mainstream, you need to have interim technologies to manage emissions," said Shashank Srivastava, Executive Director, Maruti Suzuki India Ltd to *BusinessLine*.

Suzuki signed a Memorandum of Understanding (MOU) with the National Dairy Development Board and Banas Dairy for biogas production and verification. The company hopes to set up multiple biogas plants in diverse locations and has invested in Fujisan Asagiri Biomass LLC.

### GROWING SHARE

Maruti showcased its flex-fuel product during the auto expo in January, while its CNG vehicle sales contributed nearly 20 per cent for the company in India.

"We are ready with E20 blend and can go up to E85 that will further be lower on emission and is also cheaper than importing expensive oils. This will also save a lot of foreign exchange," added Srivastava.

E20 vehicles are a blend of 20 per cent ethanol and petrol.



# PRESS REPORTS ON ELECTRIC VEHICLE

Business Line 22<sup>nd</sup> February 2023

## ‘Maserati to be 1<sup>st</sup> luxury brand to complete EV line-up by 2025’

bl.interview

Aroosa Ahmed  
Mumbai

As Indian luxury car consumers move towards electric vehicles, Italian luxury carmaker Maserati is betting on its SUVs and aiming to launch its first electric offering, GranTurismo, in India soon. Bojan Jankulovski, Head of Operations for India, spoke to *businessline* on the company's expansion plans, penetration into tier-2 cities and the bringing of new automotive technology to the country. Excerpts:

### **This is Maserati's second stint in India... what are the changes the company has undertaken?**

Maserati is committed to the Indian market and our India operations are an integral part of our regional and global strategy. Traditionally, we have enjoyed steady patronage in the metro cities. Even though the expansion in terms of physical network presence in these cities depends on our partners, we are pushing for the demand of our product offerings in tier-2 and -3 cities.

### **The Indian luxury automobile segment has witnessed an uptick in SUV demand. How is it for Maserati?**

For Maserati, globally and in India, substantial sales come from the Levante and 15 per cent of these sales come from women buyers. Even though India's luxury SUV penetration level continues to grow, leading luxury car manufacturers are betting on the market potential. We have



A strong regulatory ecosystem can fuel electric mobility growth. Purchase-price subsidies and tax exemptions will have a major effect on consumer demand

**BOJAN JANKULOVSKI**  
Head of Operations — India,  
Maserati

seen a boost in sales in the luxury crossover and SUV segments owing to launches of multiple, strategically priced models, coupled with smart financing schemes.

### **What are the key consumer trends the company is witnessing?**

A big focus is on digitalisation because online sales are going to become a new trend. While adapting to the new normal, digital and contactless experiences are going to play a more crucial role.

Consumers are focused on whether the brand resonates with their personality and lifestyle choices. Hence, the challenge at the carmaker's level is to understand this developing market segment and to offer a product line-up to suit the evolving palates of consumers.

Exclusivity and craftsmanship set us apart and we ensure that our customisations are tailored to suit the client and his needs.

### **Indian luxury car consumers are preferring electric vehicles. What is**



### **Maserati's outlook?**

In February 2022, we announced the development of the new GranTurismo and GranCabrio, the first models that are completely electrified. The new GranTurismo will be the first model in Maserati's history to adopt 100 per cent electric solutions, and the India launch plan of the GranTurismo will be announced soon.

With the new Ghibli Hybrid, we announced our entry into the world of electrification recently. The model represents one of the most driven projects for Maserati and the decision to introduce the hybrid technology on the Ghibli sedan is no coincidence.

### **How do you plan to compete in the luxury electric mobility space in India?**

The future of electric mobility is a combination of three key viewpoints and these need to work in harmonisation with each other for a full-fledged electrification trend to kick in. Consumers factoring sustainability into their buying

decision, increase in the standard of living and evolving consumers laying focus on whether electric mobility as an option resonates with their personality and lifestyle choices, will be the significant causes for the outperformance of electric mobility.

A strong regulatory ecosystem can fuel electric mobility growth. Purchase-price subsidies and tax exemptions will have a major effect on consumer demand. It's truly an exciting time because we're on the verge of a new era. Electric mobility is the future and every automotive manufacturer, including Maserati, is working towards that. However, automotive brands need to combine their traditional values with the electrification project. That's why we need to find the balance in meeting the market's demands that push toward green mobility.

### **What is Maserati's plan to introduce future automobile tech?**

Maserati will set the benchmark in every market segment and will be the first luxury brand to complete its electric line-up by 2025. With a smartphone or smartwatch, drivers will be able to stay in contact with their car via the Maserati Connect App; this is also possible from home via their virtual personal assistant (Amazon Alexa and Google Assist).

We are looking ahead into the future, therefore Formula E was a natural choice for the Trident brand, which was the first Italian marque to compete in the ABB FIA Formula E World Championship.



## Ola to invest ₹7,614 crore for setting up EV hub in TN

**Our Bureaus**  
Chennai/Bengaluru

Ola Electric Mobility Pvt Ltd (OEM), on Saturday, signed an MoU with the Tamil Nadu government to set up a cell manufacturing plant and an electric 4-wheeler manufacturing plant in SIPCOT Pochampalli, Bargur, Krishnagiri district at a combined investment of ₹7,614 crore.

The manufacturing facilities will be set up through OEM's subsidiaries — Ola Cell Technologies Pvt Ltd and Ola Electric Technologies Pvt Ltd.

In a press release, the Tamil Nadu government said, of the total investment, Ola Cell Technologies will invest ₹5,114 crore and Ola Electric Technologies ₹2,500 crore, respectively, over five years.

The new manufacturing facilities will provide direct employment to 3,111 people. With this investment, OEM targets installing an electric 4-wheeler plant with capacity for 1,40,000 units/annum and 20 GWh capacity GigaFactory.

The MoU was signed in the presence of Tamil Nadu Chief Minister MK Stalin and Ola CEO Bhavish Aggarwal.

### LOCALISATION DRIVE

Aggarwal said, "We are on the right track to become a global hub for EVs. At Ola, our aim is to localise all critical elements of the EV value chain. Ola's EV hub would bring the entire EV ecosystem under one roof, making us a much stronger vertically integrated mobility company across 2Ws, 4Ws and cells."

Over the next decade, Ola will focus on building local supply chains for new materials and components. This would include motors, rare-earth magnets, power electronics, semiconductors, lithium processing, and electrode production from minerals like graphite and nickel.

## Tata Motors to supply 25,000 electric vehicles to Uber in India

**Our Bureau**  
Mumbai

Tata Motors has signed a memorandum of understanding (MoU) with Uber to supply 25,000 XPRES-T EVs. This marks the largest four-wheeler EV fleet order in the industry.

Tata Motors will aid Uber in electrifying its services across Delhi NCR, Mumbai, Kolkata, Chennai, Hyderabad, Bengaluru and Ahmedabad. The company will begin the deliveries to Uber fleet partners in a phased manner, starting this month.

### ZERO EMISSIONS

"In line with our commitment to grow sustainable mobility in the country, we are delighted to partner with Uber. Offering customers our environmentally friendly EV ride experiences via Uber's premium category service will accelerate the adoption of green and clean personal ride sharing. This partnership will further cement our market position in the fleet segment," said Shailesh



**A NEW PACT.** Shailesh Chandra (left), MD, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, with Prabhjeet Singh, President, Uber India and South Asia

Chandra, MD, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility.

Prabhjeet Singh, President, Uber India and South Asia, said, "This partnership with Tata Motors is a major milestone. It represents the largest EV partnership yet between an automaker and a ridesharing platform in India. It will supercharge the transition to zero emissions on the Uber platform as we work towards building a sustainable future."

So far, Tata Motors has rolled out over 50,000 EVs in the personal and fleet

segment. In July 2021, Tata Motors launched the 'XPRES' brand exclusively for fleet customers, and the XPRES-T EV is the first vehicle under this brand.

XPRES-T electric sedan comes with two range options — 315 km and 277 km.

It packs a energy density battery of 26 kWh and 25.5 kWh and can be charged from 0-80 per cent in 59 minutes and 110 minutes, respectively. The vehicles can be charged using fast charging or can also be normally charged from any 15A plug point.

## Business Line 28<sup>th</sup> February 2023

## Yulu launches two electric 2-wheelers

**Isha Rautela**  
Bengaluru

Yulu, a player in shared electric mobility space in which Bajaj Auto has a stake, unveiled the Miracle GR and DeX GR 3.0 on Monday. The company said it would deploy 50,000 vehicles by the end of 2023.

Currently, the company is present in Bengaluru, Delhi and Mumbai, but will soon expand to some of the other top 10 cities and the international market, according to Amit Gupta, co-founder and CEO.

It plans to deploy around 8,000 vehicles in a month and the new model will be inducted starting with Bengaluru, in the next two weeks. In April, these will be rolled out in Delhi and Mumbai. Currently, Yulu's fleet size is close to 15,000 vehicles.

The new model can carry up to 30-35 kg, excluding the weight of the rider, and offers a range of 50-60 km under actual road conditions. Gupta



**LATEST OFFERINGS.** Yulu's Miracle GR (left) and DeX GR 3.0 at the launch on Monday. The new models can carry up to 30-35 kg, excluding the weight of the rider.

said there will be no change in rental pricing.

### FUNDRAISING PLANS

The last-mile logistics segment is getting bigger; in fact, there are about 10 million people involved in the segment, which is an immediate opportunity, the CEO said. "In addition, the business-to-business segment has high demand and an opportunity that is being discussed."

"To scale up our fleet, we

would be looking to raise close to \$500 million through debt financing," said Gupta. It had raised debt from DFC financing previously.

The company expects to be EBITDA positive by the end of 2023.

The company is also aiming to enter the international market. "We are in conversation, and are exploring 4-5 countries in South Asia, Africa, and Latin America," he said.



# PRESS REPORTS ON COMPANY NEWS

The Economic Times 24<sup>th</sup> February 2023

## Handpicked by Chandra, Thomas Flack to Helm Tatas' Battery Co

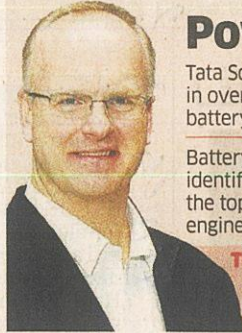
Tata Motors' CPO has a huge experience in component sourcing and supply chain

**Kala Vijayraghavan & Lijee Philip**

**Mumbai:** Thomas Flack, president & chief purchase officer (CPO), Tata Motors, is now the CEO-designate of Tata Sons' ambitious lithium-ion battery company that will soon begin commercial production. Flack, 54, has been handpicked by Tata Sons chairman N Chandrasekaran to helm this Sanand-based project due to his huge experience in component sourcing and supply chain, officials close to the development said.

Tata Sons is pumping in more than ₹4,000 crore into the battery business as Tata Motors seeks to establish firmly its credentials as the biggest EV player in the country. The battery business, currently code-named Apollo, has been identified as one of the top future growth engines by Tata Sons.

The expat joined Tata Motors in 2017 and was reporting to Guenter Butschek, the then MD.



### Powering Up

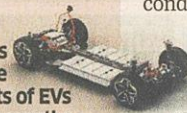
Tata Sons is pumping in over ₹4,000 cr into battery business

Battery biz has been identified as one of the top future growth engines by Tata Sons

**THOMAS FLACK** joined Tata Motors in 2017

**TaMo aims to produce 1 lakh units of EVs in 12 to 18 months**

Surge in EV sales is likely to increase consumption of lithium-ion batteries, currently imported from China & Taiwan



electronics and possibly semi-conductors.

Tata Motors aims to produce one lakh units of EVs in the next 12 to 18 months as part of the ongoing green wave and government's vision of 30% electric vehicle penetration by 2030.

Lithium-ion cell technology is expected to dominate EVs for at least the next 5-10 years. Import dependency, supply chain control, price fluctuations due to raw material price variations, and increasing battery requirement are reasons auto OEMs would prefer full control of lithium-ion cell manufacturing and supply. The battery part contributes around 45-50% of the total vehicle costs.

Sooner, we will see more Indian and foreign OEMs putting their cell-giga factories in India, said Randheer Singh, director of electric mobility and senior team member for advanced chemistry cells (ACC) programme in NITI Aayog.

During an earlier 14-year stint at Ford Motor Company, he was the global purchasing director for raw material and stamping.

Flack introduced the Advance Modular Platform, or AMP, where the vendor base was reduced across passenger and commercial vehicle divisions.

Besides leading the foray into cell manufacturing, Flack will continue to guide the procurement teams at Tata Motors and its various product streams as they embed them-

selves in the respective businesses, following the recent reorganisation and remain an invitee to the Tata Motors executive committee for the remainder of FY23, said an internal communication.

Tata Sons did not comment.

The Tata Group has lined up an investment of \$90 billion (₹7.42 lakh crore) over the next five years across its existing and new businesses, including electric vehicles (EVs), batteries, renewables, 5G, precision

## Uno Minda to invest ₹175 crore to ramp up JV's airbag capacity

**G Balachandrar**  
Chennai

Uno Minda (formerly Minda Industries Ltd) is planning to invest ₹175 crore in expanding the capacity of airbags. The new capex is in addition to the company's ongoing multi-year capex programme involving ₹1,664 crore.

TG Minda India Pvt Ltd, a

JV between Toyoda Gosei and Uno Minda Group, is a leading manufacturer of automotive safety systems, fuel caps and weather-strip sealing parts. The proposed fresh capex of ₹175 crore will be invested in ramping up the capacity of TG Minda India's unit in Rajasthan.

### SIX-AIRBAG RULE

The Centre's new mandate to have six airbags in passenger cars, set to be effective from this October, is creating an additional demand.

"In fact, a few of our customers have already placed orders for these enhanced requirements. Existing driver airbag (DAB) and passenger airbag (PAB) demand is also increasing in line with the growth in vehicle volumes. To meet this increased demand

driven by changes in regulations, TG Minda India Pvt Ltd needs to enhance its capacity at the existing plant at Neemrana in Rajasthan," Sunil Bohra, Group CFO, Uno Minda, told *businessline*.

### TO PRODUCE MORE

The existing airbag production capacity of the Neemrana unit is 18,00,000 units per annum, and the proposed addition is 12,00,000 airbag units per annum. The expanded capacity is proposed to commence by December 2024.

Uno Minda has already planned a total capex of ₹1,664 crore across its multiple entities. This will be incurred across locations in a phased manner over 3-4 years. Bohra also said the company won about ₹300 crore in orders for EV-specific products only.

Business Line

21<sup>st</sup> February 2023



# Minda Acquires 15.7% in Pricol, Fuels Hostile Takeover Buzz

Says it is a 'financial investment'; Pricol MD says move's a 'bolt from the blue'

Shally Mohile and Rajesh Mascarenhas

**Mumbai:** Speculation of a potentially hostile takeover bid in India's auto-ancillary industry swirled through Dalal Street on an otherwise uneventful Friday after New Delhi-based Minda Corp bought a 15.7% stake from the open market in rival automotive systems company Pricol, where a top executive described the news as a 'bolt from the blue.'

Minda Corp said in a customary filing that it spent Rs 400 crore, or Rs 208.9 a share, to buy the equity in Coimbatore-based Pricol, which makes driver information and connected car solutions. Minda's stake purchase, which makes it the second-biggest shareholder in Pricol after the promoters, was merely a "financial investment," the company said, adding the move wasn't aimed at securing "the company any special rights in Pricol."

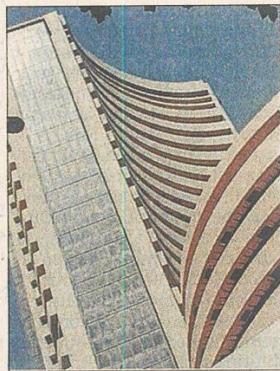
But in an interview with ET Now, Pricol's Managing Director Vikram Mohan said Minda's stake purchase move has come as a 'bolt from the blue' and that the company has no 'business associations' with Minda.

"We will not allow a hostile takeover. We will have our counter offer if necessary at the right time," Mohan said.

Separately, Mohan said in a stock exchange filing that the promoter group stands absolutely committed to the company and its future prospects.

"The promoters have absolutely no intention of undertaking any secondary sale of promoter stake," he said in the statement.

Minda makes an array of parts, aggregates and solutions, including instrument clusters, die casting parts, sensors. Pricol, on the other hand, specialises in electricals and electronics parts and ag-



gregates including instrument cluster, driver information systems. Minda is a major player in safety security systems in the auto industry, and Pricol is one of the leading competitors.

While mergers and acquisition as a growth strategy are common in India's auto component sector, this is perhaps the first time that a listed auto-parts firm is seeing a hostile takeover bid.

"We understand the company (Pricol) and the products they make. It's an excellent one with good

corporate governance standards. Hence our board approved the transaction," Anshul Saxena, group head-strategy, Minda Corporation said, explaining the rationale behind the stake purchase.

Saxena was non-committal on whether Minda will consider raising its stake further. "We cannot comment about that. Right now, it's just a financial transaction for us," Saxena told ET.

Pricol's Mohan said after the recent turnaround, it's a net debt free company and with a healthy order book. "We continue to invest significantly in both product and process technology to keep us ahead of competition," he said.

Pricol's market capitalisation was Rs 2,626 crore as of Friday, with the promoters owning 36.53% stake.

## Business Line 28<sup>th</sup> February 2023

### Pricol management 'to stay in power', charts ₹600-crore expansion plan

G Balachandrar  
Chennai

#### PROFIT-MAKING

"Every plant of the company is generating cash profits. Every subsidiary of the company is generating cash profits," said Vikram Mohan, MD

The management of Pricol Ltd has said Minda's 15.7 per cent share purchase in the company is no cause for alarm or worry now; the company's stay is committed to its business and intends to invest ₹600 crore in capacity expansion.

"We want to create value for all of our stakeholders in a quest to achieve Vision 2025. We intend to remain in control of Pricol, by legal means, by financial means, or every other means for which we have strategies in place. We have evaluated all of our options, and we keep all of our cards open to ensure that we remain in control of this company," Vikram Mohan, Managing Director, said during a 'business update' conference call with the investors.

A couple of weeks ago,

Minda's stake purchase for ₹409 crore in Pricol created a buzz in the market.

#### WHAT'S BREWING?

In its "business update" call with the investors, the management of Minda maintained that the shares of Pricol were purchased solely for the investment of the surplus funds available with the company.

But industry analysts don't think so. "We see less merit in this transaction to be just a financial investment and believe it to have a strategic intent to either acquire

Pricol in full or seek controlling stake or buyout of the instrument cluster division," said analysts at ICICI Securities.

#### GOOD SHOW

Pricol has now embarked on significant capacity expansion drives to cater to new businesses. "We will be investing close to ₹600 crore over the next few quarters to create additional capacity... The capital will be met almost entirely by internal accruals," said Mohan.

He said Pricol's return on capital employed (ROCE) turned negative during FY19 (-20.83 per cent) and FY20 (-20.86 per cent), due to the losses and impairments of its overseas subsidiaries. In FY21, despite losing three months of production, it had a ROCE of 10.65 per cent. In FY22, it increased to 12.44 per cent, and in the current fiscal, Pricol's ROCE stood at 15.64 per cent.



Business Standard  
22<sup>nd</sup> February 2023

# 2-wheeler EV sales may fall short of 1-mn target

Still FY23 sales figure, so far, is up 146%; FY24 outlook is bright, say experts

SHINE JACOB & SOHINI DAS  
Chennai/Mumbai, 21 February

With just a month left in this financial year, electric two-wheeler sales, so far, are at just 62 per cent of the ambitious target of 1 million units set for 2022-23 by the NTTI Aayog. According to VAHAN data, compiled by the Society of Manufacturers of Electric Vehicles (SMEV), 620,006 units of electric two-wheelers were sold across the country in FY23 until February 21.

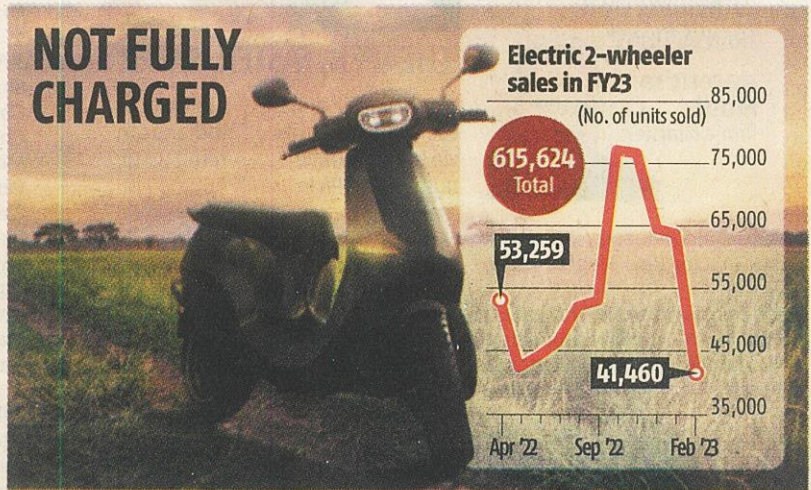
Though the industry may miss the 1-million target, sales in FY23 are already up 146 per cent from 249,621 units sold in FY22. Compared with FY21, there is a 13-fold jump.

Two-wheeler EV sales hit a few roadblocks during 2022-23: Several manufacturers are under the scanner for alleged violations of the local sourcing rules under the Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme; also consumer sentiment has taken a hit due to several incidents of EVs catching fire. Besides, there were supply chain disruptions until September.

Still, the industry sounded optimistic about FY24. Sohinder Gill, director general of SMEV and CEO of Hero Electric, said the issues related to the FAME II subsidy are expected to be sorted out. "As far as demand goes, there has been no ebbing. But at this point, everyone needs to work together -- OEMs, policymakers, etc -- to achieve the target EV penetration in the country. We are very optimistic, and April onwards there will be stable growth," he said. The sales target for 2023-24 is 2.3 million units of electric two-wheelers.

Sumit Chhazed, co-founder and chief executive officer of OTO, a digital commerce platform and two-wheeler financier, said: "We could have achieved the target for FY23, too, but supply chain issues in the first quarter led to a slowdown in demand until September. Besides, pending FAME II renewals of some of the EV brands and access to finance not getting opened up as expected were the major reasons for growth not performing as expected."

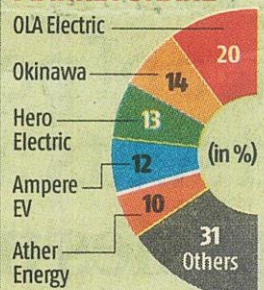
Another reason for the less-than-expected showing is the rise in e-two-wheeler prices because of a halt on the FAME subsidy. A majority of EV players



## THE LEADERBOARD

Maker	(No. of units sold)
Ola Electric	124,770
Okinawa	88,670
Hero Electric	80,971
Ampere EV	72,971
Ather Energy	63,144

## MARKET SHARE



VAHAN portal data as on February 20, 2023. It excludes Telangana & Lakshwadeep. This data does not include low-speed vehicle sales. Source: Society of Manufacturers of Electric Vehicles (SMEV)

have increased prices of their line-up in proportion to subsidies they received earlier, or by at least 20 per cent of the subsidy amount. A senior executive of an e-two-wheeler firm told *Business Standard* that fire incidents too led to a perception impact on the industry. Following the fire incidents, Ola Electric had to recall 1,441 S1 Pro scooters (in a specific batch), Okinawa Autotech took back 3,215 vehicles, Hyderabad-based PURE EV 2,000 vehicles, and Boom Motors its entire products.

"During that period, between April and August, we witnessed our EV sales go down by 20-30 per cent. The sentiment was really low," Chhazed said.

Rajesh Saitya, co-founder & COO, GT Force, an e-two-wheeler maker, said April this year, the issues are likely to be ironed out. "Makers are testing new batteries under the AIS 156 amendments as recommended by the Ministry of Road

Transport and Highways (MoRTH) last year. These new batteries are great, and there would be no safety issues, and they would also be safe if they come in contact with water," Saitya said.

Last year, the ministry said lithium-ion batteries of e-two-wheelers must meet all safety norms, including overcharging protection, an additional safety fuse, and charger and battery communication. Saitya said firms are working on the AIS 156 amendment phase 2 certifications and these would be submitted to the Automotive Research Association of India (ARAI) by April by most players. Some battery makers like Battrix have received the ARAI certifications.

Gill, too, said that safety concerns are very valid. "All players have already upgraded to AIS 156 Phase 1, and within the next one or two months, AIS 156 phase 2 certification would also be ready," he said.



## Two-wheeler exports fell 41% in Jan on weak rupee, rising inflation: SIAM

**Aroosa Ahmed**  
Mumbai

Dampening demand in countries like Sri Lanka, Bangladesh, and Nigeria has led to a 41 per cent decline in exports of two-wheelers in January year-on-year.

According to the Society of Indian Automobile Manufacturers (SIAM) data, exports of two-wheelers in January were 2,20,103 units compared with 3,74,966 units in January 2022.

In January 2023, 11,84,379 two-wheelers were sold in the domestic market against 11,40,888 vehicles in the same period last year.

According to experts, the drastic fall in two-wheeler exports is due to the devaluation

of currency and inflationary pressures. "High inflationary trends and devaluation of local currency vis-a-vis the dollar impacting affordability have affected the demand for two-wheelers in key markets of Sri Lanka, Bangladesh, Latin America and Africa resulting in lower exports from India for most of fiscal 2023," said Anuj Sethi, Senior Director, CRISIL Ratings Ltd.

### **PICK UP LIKELY IN MARCH**

Restrictions on foreign exchange affecting payments have also hit exports. Indian companies are anticipating exports to pick up in March. "There has been a decline in demand for exports by 30 per cent. Emerging markets depend on imports while demand is falling. Nigeria is an

important market for us and there is a demonstration there. We expect normalcy by the middle of March," said Rakesh Sharma, Executive Director of Bajaj Auto Ltd, during the company's December quarter results.

Export of three-wheelers also saw a dip in January. In January, 23,080 three-wheelers were exported against 39,151 units in January 2022.